

Chapter 9. Pedestrian Facilities Funding Sources for the MPO

9.1 Federal Funding

In 1991, Congress enacted the *Intermodal Surface Transportation Efficiency Act (ISTEA)*, a six year bill authorizing a wide range of federal aid transportation programs. In June of 1998, the *Transportation Equity Act for the Twenty-first Century (TEA-21)* was enacted and authorized through 2003 and expands on those programs. In 2005, Congress has passed the *Safe, Accountable, Flexible, and Efficient Transportation Equity Act a Legacy for Users (SAFETEA-LU)*, which included specific funding for Safe Routes to Schools programs.



Figure 34: New Walkertown Road Sidewalk, Enhancement Project

- **Surface Transportation Program (STP)** funds may be used for construction or non-construction projects that benefit bicycles and pedestrians. “Nonconstruction” projects are items such as maps, brochures, and public service announcements. These funds may be programmed to bring sidewalks and intersections into compliance with ADA regulations.
- **Enhancements** – Ten (10%) percent of **STP** funds are earmarked for *Transportation Enhancement Activities (TEAs)*. The list of activities that are eligible under the TEA program pertaining to pedestrians, include the following:
 - Pedestrian facilities
 - Pedestrian safety and education activities
 - Landscaping and scenic beautification
 - Preservation of abandoned railway corridors
 - Control and removal of outdoor advertising

- **Congestion Mitigation and Air Quality (CMAQ) Improvement Program** funds are similar to STP funds in that they may be used for construction or non-construction projects that benefit bicyclists and pedestrians.
- **Safe Routes to School** Federal-aid funds are provided to State DOTs over five Federal fiscal years (FY 05-09). North Carolina funds: \$1.00M (FY05), \$2.33M (FY06), \$3.13M (FY07), \$3.88M (FY08), and \$4.85M (FY09). The State has provisions that allow 70 to 90 percent for infrastructure projects and 10 to 30 percent for non-infrastructure projects. No local funding match required: 100% federally funded.
- **Federal Aid Construction Funds** are included in the National Highway System (NHS), Surface Transportation Program (STP), and Congestion Mitigation and Air Quality (CMAQ). The funds provide for the construction of pedestrian and bicycle transportation facilities. The primary source of funding for bicycle and pedestrian projects is STP Enhancement Funding.

9.2 State Funding

In North Carolina, the Department of Transportation, Division of Bicycle and Pedestrian Transportation (DBPT) has been the single largest source of funding for bicycle, pedestrian and greenway projects for more than a decade. DBPT offers several programs in support of bicycle facility development. The following information is from NCDOT's interactive web site (www.ncdot.org).

- In 2004, the *Bicycle and Pedestrian Planning Grant Initiative* was initiated by NCDOT, providing communities with planning grants in support of the completion of community-wide bicycle and pedestrian plans. NCDOT will continue this program through 2005 and beyond.

- *State Construction Funds* (not including the Highway Trust Fund for Urban Loops and Interchanges) may be used for the construction of sidewalks and bicycle accommodations that are a part of roadway improvement projects.
- *Governors Highway Safety Program (GHSP)* funding is provided through an annual program, upon approval of specific project requests, to undertake a variety of pedestrian and bicycle safety initiatives amounts of GHSP funds vary from year to year, according to the specific amounts requested. Local requests for small pedestrian projects, such as sidewalk links, should be directed to the relevant NCDOT Highway Division office.
- *Statewide Discretionary Fund* consists of \$10 million and is administered by the Secretary of the Department of Transportation. This fund can be used on any project at any location within the State. Primary, urban, secondary, industrial access, and spot safety projects are eligible for this funding.

Transportation Improvement Program (TIP)

Transportation projects in North Carolina progress through a standard process of planning, design and construction. Improvements for walking may be included in the TIP as part of the construction of a highway project or, where no highway project is programmed, as an independent project. Pedestrian projects follow essentially the same TIP process as do highway projects. The Division of Bicycle and Pedestrian Transportation (DBPT) works with localities to create a four-year schedule of projects using the locality's priority listing of needs along with the adopted project selection criteria. The DBPT compiles candidate pedestrian projects to be considered for inclusion in the TIP from the following sources:

- The prioritized Metropolitan Transportation Improvement Program (MTIP) lists produced by the 17 Metropolitan Planning Organizations (MPOs), which have

been derived from separate lists produced by communities comprising the MPO.

- Project requests that are made at the biennial TIP meetings or through written requests within 30 days of the meetings from the state's small urban areas, counties, public and private entities, and citizens.
- Internal DBPT assessment of statewide bicycle and pedestrian project needs.

All project requests are documented and distinguished as independent or incidental (part of a highway project). Independent project requests are evaluated by DBPT using project selection criteria. Inclusion of a pedestrian project in the TIP does not guarantee that it will be implemented; rather, it means that it will receive further study and will be implemented if feasible. Incidental projects are considered in conjunction with the planning study for the given highway or bridge project and implemented, if feasible.

For independent construction projects, DBPT conducts a detailed feasibility study, including cost estimates. If the project is determined to be feasible, DBPT prepares a more detailed planning study, which is reviewed and approved by the Bicycle and Pedestrian Task Force before being submitted to the Board of Transportation for funding authorization. Once the funding is authorized, project design and development begins.

State Street-Aid Allocation Law (Powell Bill)

There is annually appropriated out of the State Highway Fund a sum equal to the net amount after refunds that was produced during the fiscal year by a one and three-fourths cents (1-3/4) tax on each gallon of motor fuel taxed under Article 36C of Chapter 105 of the General Statutes and on the equivalent amount of alternative fuel taxed under Article 36D of that Chapter. The amount appropriated is allocated in cash on or before October 1 of each year to the cities and towns of the State in accordance with Article 36C of Chapter 105 of the General Statutes. In addition, as provided in G.S.

136-176(b)(3), revenue is allocated and appropriated from the Highway Trust Fund to the cities and towns of this State to be used for the same purposes and distributed in the same manner as the revenue appropriated to them under this section from the Highway Fund. Like the appropriation from the Highway Fund, the appropriation from the Highway Trust Fund is based on revenue collected during the fiscal year preceding the date the distribution is made.

The funds allocated to cities and towns under the provisions of G.S. 136-41.2 can be expended by cities and towns only for the purpose of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality or for meeting the municipality's proportionate share of assessments levied for such purposes, or for the planning, construction and maintenance of bikeways located within the rights-of-ways of public streets and highways, or for the planning, construction, and maintenance of sidewalks along public streets and highways.

North Carolina Park and Recreation Trust Fund (PARTF)

The Parks and Recreation Trust Fund (PARTF) provides dollar-for-dollar matching grants to local governments for parks and recreational projects to serve the general public. Grants for a maximum of \$500,000 are awarded yearly to county governments or incorporated municipalities.

Public authorities, as defined by G.S. 159-7, are eligible applicants if they are authorized to acquire land or develop recreational facilities for the public. A local government can request a maximum of \$500,000 with each application.

9.3 Local Funding

Winston-Salem Capital Improvement Program (CIP)

Capital Improvement Program (CIP) funds are applied for through the City's Capital Plan Budget on an annual basis. Projects are prioritized with all other City department projects and programmed if funding is available.

GO Bond

General Obligation bonds (GO bonds) are the most commonly used method for financing the purchase of large capital equipment and for construction of capital projects. Issuance of GO bonds requires approval by citizens through a bond referendum and requires approval by the N. C. Local Government Commission (LGC). When GO bonds are issued, a local government pledges to repay the debt from any and all revenues available to the unit.

2/3 Bond

The 2005-2006 Capital Plan provide for \$1,055,000 in two-thirds bonds to finance sidewalk construction projects. Bonds can be issued for the financing of land acquisition or trail development. Two-thirds bonds do not require voter approval. State law allows the issuance of bonds every other year worth two-thirds of the amount of bond debt paid off in a previous year.

Vehicle Tax

The General Assembly of North Carolina has approved House Bill 464, "Vehicle Privilege Tax," which could generate \$500,000 per year for non-motorized transportation projects such as sidewalks, pedestrian safety, greenways, and bicycle



Figure 35: Ardsley Street, Bond Project

routes. In FY 05-06, the North Carolina General Assembly authorized an increase in this tax from \$10 to as much as \$20 per vehicle. City Council authorized an increase from \$10 to \$15. The City Council authorized that 1/3 of this additional \$5 in tax (approximately \$250,000) be used for non-motorized transportation functions, including, but not limited to, sidewalks, pedestrian safety improvements, bicycle routes, and greenways.

Optional Funding at the Local Level: Sales Tax

In North Carolina, like many other states, the state has authorized a sales tax at the state and county levels. Local governments that choose to exercise the local option sales tax, use the tax revenues to provide funding for a wide variety of projects and activities. Any increase in the sales tax, even if applying to a single county, must gain approval of the state legislature.

Impact Fees

Some communities provide for impact fees that require residential, industrial and commercial development project leaders to provide sites, improvements and/or funding for developing public improvements like open space, parks, sidewalks, and trails. Impact fees may be allocated to a particular project from land development projects in all other areas of a county or city if the fund is a dedicated account established to help develop a county- or city-wide system of projects.

Exactions

Exactions are similar to impact fees in that they both provide facilities to growing communities. The difference is that through exactions it can be established that it is the responsibility of the developer to build the park, open space, sidewalk, greenway

or bicycle facility that crosses through the property, or adjacent to the property being developed.