TRANSIT FINANCE 202
TOOLS FOR THE TOOLBOX

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Value Capture
Transit-oriented Development (TOD)
Public-Private Partnership (P3)
Joint development
FEDERAL PROGRAMS AND ISSUES
USDOT and Modal Agencies

- **USDOT** – TIFIA loans, TIGER grants
- **FTA** – New Starts/Small Starts, TOD Pilot Program, Assistance for joint development planning, Chapter 53 funding for transit projects
  - Bus and Bus-Related Equipment and Facilities Program
- **FHWA** – Planning funds, Transportation enhancement funds, funds flexed over to FTA
- **FRA** – RRIF loans for railroad infrastructure
Other Federal Sources

- HUD – CDBGs, technical assistance for joint development
- EPA
- Other agencies – Commerce, HHS, Agriculture, DOE
Congestion Mitigation and Air Quality (CMAQ)

- Administered by FHWA and FTA
- CDOT and COGs in Colorado
- Only in Nonattainment/Maintenance
- Covers:
  - Start-up transit operations
  - Equipment
  - Part of increment of alt. fuels
CMAQ Examples

- Golden/RTD Community Call-n-Ride
- RAQC/DOLA/CEO Alt. Fuel
  - CNG focused
- Ft. Collins BRT
Taxpayer Bill of Rights

- 2001 Constitutional Amendment
- Voter approval required for:
  - New and increased taxes
  - Debt
  - Multi-year fiscal obligations
  - Spending exceeding limits
Frequent TABOR Exceptions

- Fees rather than taxes
  - Farebox
  - Tolls
  - Parking
- Enterprises
- Annual appropriation
  - Certificates of participation
  - IGAs
Some funds available
Challenges with TABOR
Increasing creativity on fees versus taxes
  - E.g., Bridge Authority
- 2009 registration fee law
- $15 M for transit annually
  - $10M for regional/statewide (CDOT Transit and Rail)
  - $5M local (CDOT regional offices)
- HPTE
Summit Stage mid-life rehab for buses ($144K)
Denver Union Station ($5M)
RFTA – ITS ($1M)
Pikes Peak – Local Matches for vehicles
Avon – Ops Facility ($257K)
Cheyenne Wells – Transit Garage ($97K)
Fort Collins – Buses ($384K)

BUT CDOT IS FOCUSING FUTURE PRIORITIES
Regional Transportation Authorities

- Originally rural, now regional
- Range of transportation modes
- Funding options:
  - Fees, tolls, fares
  - Sales Tax
  - Visitor Tax
- Bonding powers
- Ability to partner
RTAs -- Formation

- IGA between governments
- Voter authorization of formation
- Voter authorization of taxes and debt
- Private partners possible – concessions, operating agreements, etc.
RTA Examples

Examples:
- Pikes Peak
- RFTA
- ECO
- Gunnison Valley RTA

Similar:
- Public Highway Authorities (E-470, NWP, JPPHA)
CAPTURING VALUE FROM AND SUPPORTING LOCAL DEVELOPMENT
Possible if strong nexus between development and transit need

Often fact specific

Tied to TDM

Examples:
- Bus stop and other transit infrastructure
- Passes
- First mile
- More?
Title 32 Special and Metro Districts

- Usually formed by developer at time of development
- Transit/transportation one of 7 allowable activities
- Mill levy and tax-exempt bonding authority
- Requires service plan
  - Approved by governing jurisdiction
  - Service plan is like city charter
- Governed by Board of property owners
- Similar special districts with just one activity
LIDs, BIDs, etc.

- State tools to finance infrastructure
- Some assessment-based
- Some property or sales-tax based
- See comparison chart
Development of Transit Agency Property

- Direct or joint (P3 project)
- Could be separate entity for TABOR purposes
- Flexibility
- Business risk
Colorado law allows URA if “blight”
Blight can include inadequate infrastructure
URAs can use TIFs
  - Property or sales
Power of eminent domain
Union Station as recent example

Also, Downtown Development Authority TIF capability
How Does TIF Work?

- Tax base frozen at blighted level
- Old base stays with existing authority
- New “increment” goes to URA
- Pay-as-you-go or bond
- Term of years (e.g., 25 years)
Airport Revenue/Partners

- Airports have good transit synergy
- Subject to special revenue use rules
  - Aeronautical purposes
  - Exclusive use
  - Limits options
- Projects
  - Transit stations
  - Employee programs
  - A few direct operational programs
STRATEGIC CONSIDERATIONS
Strategic Considerations

- Political and economic context
- Timing
- TABOR compliance
- Project structure
- Public sector requirements
Denver Union Station

- $480 MM station redev
- Multi-modal transportation hub
- High-density residential and commercial development
- Public space
Funding Sources:

- RRIF and TIFIA loans – 1st project to combine both
- FTA and FHWA grants
- Stimulus funds
- State appropriations
- Private financing for real estate development components
- All tax increment revenue for 30 year period pledged to repay federal loans
- $2.8 B projected total cost
- Integrated transportation and open space corridor
  - Light rail – 22 mi. rail corridor
  - Multi-use trail – 33 mi.
  - Trail links to neighborhoods
  - Will increase parkland within City of Atlanta by 40%
  - Tax Allocation District
  - Incentives to stimulate private economic development
  - Zoning and master plan changes
  - Home purchase program
  - Beltline Affordable Housing Trust Fund
  - Economic development zones
Atlanta Beltline

Funding Sources:
- Tax Allocation District
- City of Atlanta
- Capital Campaign
- Federal Grants

Project Participants:
- City of Atlanta
- Atlanta Development Authority
- Atlanta BeltLine, Inc.
- MARTA
- Trust for Public Land
Boulder Central Area General Improvement District (CAGID)/Boulder Junction

- Special district to address parking and transportation
- Controls street and garage parking
- Revenue pays for:
  - Ecopass for all downtown workers
  - Street, ped, bike improvements
  - Integrated parking and transit center
- Developers pay fee for new development
- But, do not have to lose developable space for parking
- Parking pricing and last mile measures make transit more attractive
Golden Community Call-and-Ride

- Spurred by new RTD Gold Line
- Bridges last 1+ mile
- Ties together community
- Hybrid of schedule and on-call service
- Three-year start-up
Funding Golden Project

- Total -- $1.847M
  - CMAQ ($1.2M)
  - RTD ($340K)
  - City of Golden ($135K)
  - Colorado School of Mines ($135K)
- Future years subject to appropriation
Connecting communities and jobs

- First rural BRT project in US
- 38.8 miles, 9 stations
- Funding:
  - FTA Small Start (competitive discretionary grant) – 63.6%
  - Local sales tax – 36.4%
Innovative P3 -- DFBOM
Concession payments
Airport- and privately-financed stations
LAX Fly Away - Airport Financed Transit

- LAX-funded transit
- Required as mitigation
- 6 lines
- Limited stops
- Relationship with LA Metro/private
Bikeshare

- Address first/last mile issues
- Can help with tourism/economic development
- Can pull from multiple sources
  - Private
  - CMAQ
  - Local districts