

# Appendix D

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## *Transportation Funding Source*

# Transportation Funding Sources

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The passage of ISTEA (Intermodal Surface Transportation Efficiency Act) in 1991 established a number of funding opportunities for bicycle and pedestrian facilities. Local communities may apply for these funds through their designated Metropolitan Planning Organization (MPO). The following list identifies these sources:

## Federal

### **National Highway System (NHS) Funds (Section 1006 of ISTEA)**

These funds may be used for construction of bicycle transportation facilities and pedestrian walkways on land adjacent to any highway on the National Highway System (other than the interstate system). The funding split is 80% federal/20% local; the project must be included in the MPO's Long Range Transportation Plan, and the annual Transportation Improvement Program (TIP).

### **Surface Transportation Program (STP) Funds (Section 1007 of ISTEA)**

The STP program funds may be used for either construction of bicycle and pedestrian facilities or for non-construction projects such as brochures, public service announcements, and route maps. As with all the ISTEA funds, these projects are to be principally for transportation, not recreation. The funding split is 80% federal/20% local; the project must be included in the MPO's Long Range Transportation Plan, and the annual Transportation Improvement Program (TIP).

Ten percent of each state's annual STP funds are set aside for Transportation Enhancement Activity (TEA) funds. This funding program targets 10 types of projects:

- Provision of facilities for pedestrians and bicycles
- Acquisition of scenic easements and scenic or historic sties
- Scenic or historic highway programs
- Landscaping and other scenic beautification
- Historic preservation
- Rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals)
- Preservation of abandoned railway corridors (including the conversion and use thereof for pedestrian or bike trails)
- Control and removal of outdoor advertising
- Archaeological planning and research
- Mitigation of water pollution due to highway runoff

### **Congestion Mitigation and Air Quality (CMAQ) Funds (Section 1008 of ISTEA)**

CMAQ funds may be used for the construction of bicycle and pedestrian projects, as well as the types of non-construction projects mentioned above. Currently, this funding type is restricted to areas that have been deemed to have poor air quality according to the U.S. Environmental Protection Agency. To qualify for funding, projects must show the emissions reductions as a result of the project. The funding split is 80% federal/20% local; and the project must be included in the MPO's Long Range Transportation Plan, and the annual Transportation Improvement Program (TIP).

### **Federal Lands Highway Funds (Section 1032 of ISTEA)**

These funds can be used for the construction of bicycle and/or pedestrian facilities in conjunction with roads, highways, and parkways. The funding for this type of project is 100% federal money (no local match); also, the state must be the applicant and the amount is discretionary.

### **Scenic Byways Program Funds (Section 1047 of ISTEA)**

This program may be used for the construction of bicycle and/or pedestrian facilities along the highway. The funding split is 80% federal/20% local; and the project must be included in the MPO's Long Range Transportation Plan, and the annual Transportation Improvement Program (TIP).

### **National Recreational Trails Fund (Section 1032 of ISTEA)**

This fund can be used for an assortment of recreational trail programs that benefit bicyclists, pedestrians, and other non-motorized and motorized users. These projects must be consistent with a Statewide Comprehensive Outdoor Recreation Plan required by the Land and Water Conservation Fund Act.

### **Section 402 Funding (Title II, Section 2002 of ISTEA)**

This type of funding provides money for pedestrian and bicycle safety projects.

### **Federal Transit Funding (Title III, Section 25 of ISTEA)**

This Federal Transit Administration fund allows transit funds to be used to provide bicycle and pedestrian access to transit facilities. Projects can include shelters, parking facilities for bikes, installation of bike racks on buses or other equipment to transport bicycles on transit vehicles. These funds are split 90% Federal, 10% Local.

## Transportation Funding Sources

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### **Impact Fees**

This fund is an important source of revenue for the city. The funds are collected at time of development and are dedicated for engineering, construction or reconstruction of roads, streets, or bridges, as well as for the payment of bonds and interest to finance a project of this type.

**Fort Collins/  
North Front  
Range**

### **General Obligation Bonds**

General Obligation Bonds are used for debt financing of non-proprietary functional expenditures such as roads and schools.

### **Dedicated Local Sales Tax**

The City in the past has had local sales tax approved by the voters for specific transportation projects, such as Choices 95.

### **Tax Incremental Financing (TIF)**

The TIF finances specific projects and can be used by local public agencies for construction projects. The TIF system is set up by the local government in a specific area, and the taxes collected from that area are used to finance projects only in that area. Cities have developed TIF areas for developing funds to support highway projects.

### **General Fund**

Pedestrian improvements can be provided through non-designated local sales and property tax. The existing 1996 sidewalk program is part of the existing Transportation Services operating budget. Future sidewalk improvements could be part of the City's overall Capital Improvement Program (CIP).