

# Minneapolis Bicycle Master Plan

## Chapter 8 - Funding and Implementation Strategies



### Chapter Overview

**Discussion**—Although the Minneapolis Bicycle Program has had tremendous success in attracting new bicyclists, there needs to be discussion on how to fund and implement the various projects and initiatives that have been presented in this plan. To date, the bicycle program funding strategy has been to focus on arterial trails first with on-street connections to the arterials second. This strategy has produced significant results in terms of attracting new bicyclists and providing safer routes that are separated from motor vehicles. This however has been an expensive strategy that can no longer be sustained. Current economic conditions have resulted in revenue reductions, which have presented difficult choices for local communities including Minneapolis. State cuts in Local Government Aid have resulted in significant maintenance reductions, which has a direct impact on how much new infrastructure, including bicycle infrastructure can be built and properly maintained.

Significant federal investment through the Non-Motorized Transportation Pilot (NTP) Program has supplemented the existing capital budget, resulting in several miles of new trails, bike lanes, and bicycle boulevards. In terms of capital funding, over \$50 million was spent between 2000 and 2009 contributing to bicycle commute work trips more than doubling from 1.9% in 2000 to 4.3% in 2008 based on Census statistics. An additional \$18 million is programmed on bicycle facilities and programs within Minneapolis in 2010. This includes projects from the NTP program, the U of M, the Minneapolis Park and Recreation Board, and Hennepin County. From 2000 to 2009 total bikeway mileage in the city increased from 95.5 miles to 127.8 miles. An average of \$2 million per bikeway mile was spent during this period. It is estimated that it now costs over \$100,000 per year to maintain Minneapolis bikeways. The infrastructure capital projects identified in this plan will require an additional \$500 million to complete and an additional \$300,000 per year will be needed for maintenance. Non-infrastructure programs will cost \$2 million per year to sustain.

This chapter examines funding and implementation strategies that pertain to both capital and maintenance programs. The goals/objectives/benchmarks in Chapter 4 will only be met if the resources to pursue them are identified. Much of this chapter focuses on the identification of existing funding sources for both infrastructure and non-infrastructure capital projects (there tends to be more funding available for infrastructure projects). Finding a dedicated funding source for both capital and operations and maintenance activities will continue to be a challenge since existing funding programs are becoming more competitive. The city will use the qualifying and prioritizing criteria in Chapter 7 and from the public to determine the value of a project, weighing the benefits of a project against the costs. The city will also need to consider new funding sources, including bicycle user fees, advertising, and endowments.

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### Capital Program Funding

**Infrastructure Funding Sources**—Many infrastructure funding sources require a local match or have other conditions that go with the funding. It usually takes multiple funding sources to fully fund a bicycle infrastructure project. Some of the most common capital funding sources are:



- **Federal Funding**—Federal SAFETEA-LU Surface Transportation Program (STP) funds and Federal Transportation Enhancement (TE) funds have been used to fund most major trail projects in Minneapolis. The program is administered by the Metropolitan Council and MnDOT. The Transportation Advisory Board of the Metropolitan Council awards projects on a bi-annual schedule and MnDOT supervises project construction. Most federal STP and TE projects in the Twin Cities region require a 20% match plus design/engineering fees to be paid with local sources. Based on past projects it takes 65 cents of local money to match a dollar in federal funding when factoring in all project costs. Once a project is awarded funding it is programmed 5 years into the future for construction.
- **Federal Earmarks**—Members of Congress are currently allowed to set aside funding for special projects in their district. The amount of funding a member of congress receives depends on a number of factors including seniority and committee placement. The Midtown Greenway, Cedar Lake Trail, and Martin Sabo Bridge have all received earmarks.
- **Federal One-Time Programs**—The Non-Motorized Transportation Pilot Program and TIGER grants are two examples of recent federal programs that have appropriated significant funding toward bicycle projects in a number of cities. Rules on how to spend the funds vary widely and the funding opportunities typically do not reoccur.
- **State Bonds**—On a bi-annual basis the State of Minnesota creates a bonding bill with specific projects and programs included. There is typically no match required, however there may be other conditions applied to this funding by the legislature.
- **DNR Funding**—The Department of Natural Resources (DNR) administers a number of grant programs including the Local Trail Connections Program and Regional Trail Grant Program. The DNR administers yearly solicitations for projects to be built within a year of the award date.
- **Legacy Funding**—This new funding source was created when voters passed a sales tax referendum to improve the outdoors and the arts. There is a yearly solicitation for trails and the program is administered by the DNR.
- **Net Debt Bonds**—Net Debt Bonds are local property tax funds managed by the City of Minneapolis. Perhaps the most flexible of the capital funding sources listed, these funds can be used for a local construction match, for design and engineering fees, and internal overhead. Net Debt Bond projects are determined as part of the annual city budget process.
- **Private and Corporate Donations**—Private donation and corporate gifts can be accepted by the city for capital projects. These funds must be accepted by the City Council and Mayor.

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### Capital Program Funding

#### Non-Infrastructure Funding Sources—

There are several funding sources that are commonly used for education, enforcement, and encouragement initiatives in addition to infrastructure:

- Health Industry Funding—BCBS funding, HCMC.
- Bicycle Industry Funding—Bicycle industry funding is often used to promote bicycling.
- Safe Routes to School Funding—Federal funding that is passed through the states for education and infrastructure improvements. Many schools also dedicate staff time toward this effort.
- Private and Corporate Donations—Funding from individuals and businesses.
- Non-Profit Groups—Groups such as Bikes Belong and the McKnight Foundation often fund programming projects.
- Fundraisers—Bike rides and bike races make excellent fundraisers for non-infrastructure projects.
- NRP Funding—Neighborhood funds can be used for educational and enforcement initiatives.



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### Capital Program Implementation Strategies

**Strategies**—As the bicycle program advances there are several changes that could be made to the capital program to ensure success and stability:

- The capital program for bicycle projects needs a dedicated funding source. It is recommended that 2% of the City of Minneapolis annual capital budget be set aside for bicycling projects. Larger projects will require banking funds over several years. A program with a constant funding stream helps balance staff workloads and creates a reasonable public expectation of what can realistically be done each year.
- A cost effectiveness analysis needs to be prepared in advance of submitting a bicycle project for funding. A project must demonstrate increased mode share or improved safety in a cost effective manner. In some cases, improved capacity or reduction in delay will increase mode share by reducing a common barrier for bicycling; time.
- Property easements for trail projects should be acquired before pursuing state or federal funding in some corridors to prevent missed opportunities (ie. Upper River corridor, RR corridors, etc.). An opportunity fund could be set up to acquire needed parcels.
- A maintenance plan needs to be established before submitting a capital project. Additional maintenance funding must be secured before a new project can be pursued. The capital program needs to reflect maintenance limitations, especially winter maintenance.
- More emphasis needs to be placed on new technology and innovation to help reduce costs without compromising the quality of facilities (ie. longer lasting signs/pavement markings).
- The Minneapolis capital program needs to shift from large arterial trail projects to smaller on-street signage and striping improvements. This transition will take several years to allow for the arterial trail system in North Minneapolis, Northeast Minneapolis, and south of Minnehaha Creek to be completed. Other agencies such as the Minneapolis Park and Recreation Board and Three Rivers Park District should be encouraged to take the lead on completing the regional trail system in Minneapolis.
- The Bikeways Master Plan Map should be consulted when roadway and bridge improvements are made.
- Non-infrastructure capital project responsibilities need to be better shared between local agencies, city departments, and private groups. Sharing responsibilities will allow for more collaboration and will result in less redundancy, therefore saving money. Sharing responsibilities will also result in a common message with regard to education and encouragement initiatives.
- More leadership needs to come from other state/regional agencies with regard to capital and maintenance participation. A regional bike plan needs to be developed that focuses on transportation needs not just on recreational corridors. Regional agencies need to focus limited resources on projects that will serve the highest number of people.



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### Maintenance Funding

**Funding Sources**—There are not as many maintenance funding sources as there capital funding sources for bicycle projects. The Minneapolis Park and Recreation Board and City of Minneapolis currently maintain trails, streets, and parkways with operating dollars that come from state and local sources. The Public Works operating budget has been stretched to the point where new outside funding sources must be identified in order to provide adequate maintenance for new bicycle related projects. To address this concern, it is recommended that the following ideas be further considered to help generate additional revenue for infrastructure maintenance.



- Create a maintenance endowment where the interest from donations would be used.
- Implement a sales tax for bicycles and equipment.
- Allow advertising for events, brochures, and maps. Corporate sponsorships or other public/private partnerships could be pursued.
- Naming rights for bicycle infrastructure. A contest or raffle could be pursued.
- Instituting a user fee. Bicycle registration has been used in the past.
- Sales of bicycle program merchandise could be explored.
- Forming a special district or maintenance zone where local property owners have agreed to pay for additional services. There are already several special services districts in the city.
- Fundraising.
- Pursue regional trail funding for eligible projects.

It will take several of the ideas above to generate a significant amount of funding. There is no silver bullet when it comes to generating enough maintenance funding to meet the need. Reducing maintenance expenses relating to infrastructure may also be required. Below are some ideas for how to reduce maintenance without significantly reducing the level-of-service:

- Streamline routes to maximize efficiency by reducing travel times and using fewer pieces of equipment.
- Design projects to be more maintenance friendly. Snow plows, street sweepers, garbage trucks, and boom trucks require space to operate. Good design makes maintenance easier.
- Focus on a handful of routes in the network that will get a high level of service.
- Push better technology and better techniques/procedures to minimize expenses. Encourage innovative treatments and practices to reduce maintenance funding needs.
- Implement low-cost preventative maintenance projects that prolong the life of infrastructure.
- Reduce enhancements or other unnecessary project elements.
- Share equipment and resources with other agencies and departments.
- Allow volunteers and residents to help with basic infrastructure chores such as trash removal and sweeping glass. The Adopt-a-Greenway program has been a tremendous success along the Midtown Greenway.

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### Maintenance Implementation Strategies

**Strategies**—The following maintenance strategies could be implemented:

- Reductions in capital and operational funding during the 2011-2015 period will significantly reduce bicycle program spending capacity. Institute a 5-year moratorium on trails from 2011-2015. This will allow for resources to be placed in other programs including the street reconstruction and street renovation programs. Most of the streets identified in the Bikeways Master Plan map will require reconstruction or a renovation in order to facilitate a bike lane. There are currently no trails in the city 5-year program, however both the Park Board and Three Rivers park District have several off-street trails proposed within the city during this period. Trail projects constructed by other agencies is accounted for as part of the goal to add 50 miles of new facilities by 2015. A City of Minneapolis trail moratorium may also help other agencies building trails within the city, and connecting to the city, to better compete for federal and state funding.
- Consider a user fee structure where “those who benefit are those who pay”. Bicyclists in Minneapolis at the turn of the century paid to have a license. License fees in turn were spent on infrastructure projects.
- Use capital dollars to perform preventative maintenance.
- Attempt to identify new revenue sources. Work with IGR team to lobby for new funding sources for maintenance.
- Continue to work with Minneapolis Schools on the Safe Routes to School program using shared resources.

