

Play 7

UNLOCK FUNDING

You have developed a plan with and for the community, your partners are on board, and you are ready to build out your mobility hub. So, how might you fund your mobility hub project? The short answer is that it depends.

Funding mobility hub projects and demonstrations requires a strong understanding of your capital versus non-capital project elements, when you want to phase them in, and whether to leverage opportunities through partnerships or policy intervention. Mobility hub funding mechanisms can vary from traditional government grants and dedicated revenue streams to more cooperative implementation partnerships.

This play provides a scan of funding options and considerations for securing funding and building partnerships, particularly for hubs sited on public property. Play 2 provides leveraging strategies that can fund hub elements that are integrated into private property and this is particularly relevant for pulse hubs, which are often run by private entities.

THE MANY PATHWAYS TO FUNDING

Funding a mobility hub project is rarely a simple equation. Most funding sources can only be used for specific mobility hub elements, such as capital improvements, operations and maintenance, planning and design, or community engagement. Furthermore, mobility hubs are rarely built all at once since mobility needs, customer preferences, and technology change over time. Given the siloed nature of funding sources and phased development, mobility hubs rely on a combination of incremental funding sources.

Figure 16 Funding Different Hub Elements

Funding category	Pilot/Tactical Installations	Major Capital	Wayfinding/ Info Systems	Operations and Maintenance	Planning and Engagement
Local	■	○	■	■	■
Regional	■	○	■	○	○
State	○	■	○	■	○
Federal	○	■	○	■	○
Integrated project delivery	■	■	■	○	■
Public-Private Partnerships	■	■	■	■	○

- Major funding source
- Limited funding source

The funding equation can be even less straightforward for opportunity hubs—hub locations that are not connected to frequent transit service and underserved by other shared mobility options. Depending on the mobility needs being addressed at each opportunity hub, planning, design, implementation, installation, and turnkey costs could range between \$250,000 to \$2 million. The capital and operations costs can be supported by a range of funding sources, including local sales tax funds, grant awards, economic development funding sources like community development block grants, foundation support, and more. However, opportunity hub implementors should assess considerations for long-term financial sustainability.

Local Resources

Beyond allocating general funds, local communities have several funding sources at their disposal to support mobility hub capital improvements and ongoing operation and maintenance.

Local **fees and tax revenue** fund the majority of transportation infrastructure and mobility improvements. Tax revenue can be used to fund a variety of hub investments, but fee revenue must recover costs related to program the administration, management, and regulation from which the fee is extracted. Examples of these types of funding sources that may be available to support mobility hub development include curbside parking revenue, commercial parking taxes, ride-hail taxes, and shared micromobility permit fees. For example, San Francisco's shared micromobility permit fee requires each company to pay \$75 per scooter per year, which supports the installation of new racks for bike and scooter parking.

If your mobility hub is near potential development sites or at a pulse hub (e.g., university, employer campus, other major institutions), **development requirements, impact fees, and Transportation Demand Management (TDM)**

requirements can support site-specific or even public benefit investment in mobility services and/or infrastructure to reduce reliance on single occupancy vehicle (SOV) travel. Consider working with these partners to integrate mobility hub elements into their TDM plan, which typically includes investments in a range of micromobility, transit, car share/ carpooling, infrastructure, mobility information systems, and ridership incentives.

Another approach to apply local funding would be to establish or leverage an existing tax district, such as **Tax Increment Financing (TIFs), Community Benefits Districts (CBDs), and Mello-Roos Community Facilities Districts (CFDs)**. TIFs redirect property tax revenues to fund infrastructure, other public facilities, and affordable housing. CBDs, also known as Business Improvement Districts (BIDs) in California, are tax districts established through a partnership between the City and the community that allow communities to raise money for local infrastructure investments and services. In California, local governments also can establish CFDs to finance improvements to public facilities; such special districts can be applied to new developments and station areas.

County and Regional Funds

County and regional funding sources can support a range of mobility hub expenditures, from pilot and tactical improvements to operations and maintenance and community engagement. MTC is responsible for directing federal, state, and regional funds throughout the nine Bay Area counties.

BART leverages **parking fee revenue** generated by its demand-based parking program to fund minor station enhancement and access projects. This incremental funding source could be leveraged by cities, surface transit agencies, and other community organizations to better connect people across mobility services at BART stations.

Additional regional funding sources include **countywide sales tax measures**. Eight of the nine Bay Area counties have a sales tax measure that funds transportation programs and projects.⁸ For example, San Francisco's Prop K half-cent sales tax for transportation generates about \$100 million annually for projects and programs in four buckets: transit, streets and traffic safety, paratransit, and transportation

⁸ Every Bay Area county, except for Solano County, has a sales tax measure that funds transportation infrastructure and services.



Austin's Project Connect will fund nine new mobility hubs.

Source: Project Connect

systems management / strategic initiatives.⁹

Transit agencies have recently built mobility hub capital and operating funds into major tax measures, including Bend, Oregon's \$190 million Go Bend and Austin, Texas' \$7.1 billion Project Connect measures.

State Opportunities

State funding sources are increasingly being used for mobility hub planning and

constructions. The **California Air Resources Board (CARB)** offers opportunities to fund mobility hubs; two sources include the Clean Mobility Options Voucher Pilot and the Sustainable Transportation Equity Project (STEP). The voucher pilot will distribute up to \$20 million for shared mobility projects: car share, bike share, and on-demand programs to disadvantaged, low-income communities. Public agencies, tribal governments, and non-profit organizations are eligible. The intent of STEP is to

increase low-income residents' access to key destinations through the implementation of clean transportation projects. Eligible activities include establishing bike share programs, voucher programs, and access to transit.

Caltrans grant opportunities include the Sustainable Transportation Grant Program which funds Sustainable Communities Grants (\$29.5 million) and Strategic Partnership Grants (\$4.5 million) to further the State's greenhouse gas reduction goals. Fiscal Year 2020-21 awarded projects included a handful that were relevant to mobility hubs, such as the Southern California Association of Governments (SCAG) Interstate-710 North Mobility Hubs Plan.

Senate Bill 1 (SB1), or the Road Repair and Accountability Act of 2017, dedicates \$54 billion to state highway maintenance, local streets and roads, transit agencies, and bicycle and pedestrian projects.¹⁰ The funding pots available through SB1 that are applicable to mobility hubs include improvements to transit access, local planning grants, and matching funds for local agencies through Caltrans Sustainable Transportation Planning Grants

⁹ <https://www.sfcta.org/funding/prop-k-half-cent-sales-tax>

¹⁰ <http://rebuildingca.ca.gov>

Federal Grants

While federal sources expand the resources available to mobility hubs, you may find it more challenging to seek out this funding as federal grants are competitive, have local match requirements, and require dedicated staff to manage grant administration and reporting requirements. Likewise, funding shortfalls across the country related to the COVID-19 pandemic have increased competition in federal grant processes.

The **Federal Transportation Authority (FTA)** offers a number of relevant grant programs that support station area enhancement and access projects as well as support for innovative mobility. Some of the most relevant FTA grant programs include the Pilot Program for Transit-Oriented Development Planning, Mobility on Demand Sandbox Demonstration Program, Bus and Bus Facilities Projects, Accelerating Innovative Mobility (AIM), and Integrated Mobility Innovation (IMI), among others. In Fiscal Year 2019-20, the FTA awarded two agencies grants to construct mobility hubs through the Bus and Bus Facilities Projects Grants Program. Formula funds are distributed by MTC's Transit Capital Program.

The **Federal Highway Administration (FHWA)** also offers competitive grants for transportation improvements that reduce traffic congestion and improve air quality. For example, the FHWA's Fixing America's Surface

Transportation Act (FAST) established the Advanced Transportation and Congestion Management Technologies Deployment Program that funds the deployment of transportation and congestion management technologies.¹¹ Example eligible activities related to mobility hubs include advanced traveler information systems, advanced public transportation systems, and advanced mobility and access technologies.

Congestion Mitigation and Air Quality Improvement (CMAQ) and Surface Transportation Program (STP). CMAQ program funds are distributed to states to reduce traffic congestion and improve air quality. STP is a flexible fund source for variety of surface transportation investments/projects. These programs



IndyGo in Indianapolis is using the FTA Mobility On-Demand On-Ramp Program to develop strategic plans for integrated mobility hubs.

have been a key mechanism for implementing non-motorized projects, and in turn, reducing greenhouse gas emissions. The FAST Act directs FHWA to apportion CMAQ and STP funds to states. They can be flexibly used for permanent and pilot installations.¹² In the Bay Area these funds are distributed through MTC's One Bay Area Grant (OBAG) program.

The **Department of Energy (DOE)** also offers several programs that can fund mobility hub elements and connecting services, including features that can electrify mobility hubs. For example, the DOE awarded \$139 million to 55 projects in 2020 to advance innovative vehicle technologies.¹³ Selected projects included funding for transit smart mobility, transportation energy efficiency

¹¹ <https://www.fhwa.dot.gov/fastact/factsheets/advtranscongmgtmifs.cfm>

¹² <https://www.fhwa.dot.gov/fastact/factsheets/cmaqfs.cfm>

¹³ <https://www.energy.gov/articles/doe-announces-139-million-funding-55-projects-advance-innovative-vehicle-technologies>

improvements, and electric vehicle charging infrastructure.

During the ongoing COVID-19 global pandemic, the federal government and national organizations have **established emergency relief funding programs** to support mobility services and improvements. In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$25 billion to support transit capital, operating, and other expenses needed to continue service during the pandemic.¹⁴ In August 2020, the National Association of City Transportation Officials awarded \$25,000 grants to ten community-based projects through its Streets for Pandemic Response and Recovery Program.¹⁵ Through this program, the City of Minneapolis Public Works Department was awarded funding for a mobility hub pilot. Throughout the

pandemic, it will be prudent for you to continue to monitor relief funding programs that support mobility needs. Over the coming years, additional federal stimulus will likely become available, likely funding transportation resiliency projects like mobility hubs.

INTEGRATED PROJECT DELIVERY AND PARTNERSHIPS

You may also consider integrating the planning and/or implementation of a mobility hub into other ongoing or future transportation projects, such as **transit-oriented development, station access, and/or transit capital projects**. For example, Milpitas and Berryessa/North San Jose BART extensions and AC Transit's Tempo BRT line built enhanced station features and mobility hub elements as part of the federally funded corridor and station projects. The mobility goals of such projects typically align with those of a mobility hub. For instance, a transit-oriented development aims to reduce reliance on automobile travel by increasing density at or near transit; reducing parking requirements; and encouraging or offering seamless, concentrated mobility options and connections on-site; A mobility hub seeks to do just that.

¹⁴ <https://www.transit.dot.gov/cares-act>

¹⁵ https://nacto.org/2020/08/25/nacto-announces-awardees-of-streets-for-pandemic-response-and-recovery-grant-program/?utm_source=NACTO+Newsletter&utm_campaign=f70b51cd66-EMAIL_CAMPAIGN_2019_04_22_04_58_COPY_01&utm_medium=email&utm_term=0_8f3492144e-f70b51cd66-1204386181&mc_cid=f70b51cd66&mc_eid=b3be92ff47

Many successful mobility hubs often rely on partnerships for integrated planning, financing, development, and installation. Partnerships require collaboration between various stakeholders, including public transit agencies, developers, property managers, employers, foundations, and/or transportation and technology service providers. Private partners typically offer funding and/or the latest transportation technologies and services. Working together, partners can launch pilot mobility hub projects, which they can learn from and build upon to establish permanent mobility hubs.

Small-scale partnerships can be particularly helpful to outfit your hub with specific infrastructure features like street furniture, digital wayfinding, EV charging infrastructure, and more. In July 2020 Caltrain, Spin, and Tranzito entered into a public-private partnership. Through this partnership, Spin, a mobility service provider, and Tranzito, a technology and micromobility dock company, established a mobility hub at Caltrain’s 4th and King station. The hub offers sixteen charging and parking spaces for e-scooters accompanied by in-person customer support service.¹⁶

Larger scale, more permanent mobility hub projects seeking to integrate mixed used

development with intermodal mobility infrastructure can tap into deeper **public-private partnership (P3) models**. Many different P3 models are available to you

and your implementation partners with varying degrees of complexity, risk allocation, and orientation towards capital development versus operations and



Spin and Tranzito partnered to develop micromobility charging hubs at the 4th and King Caltrain Station.

Source: Tranzito

¹⁶ <https://blog.spin.pm/spin-and-tranzito-take-the-emerging-mobility-hub-concept-to-the-next-level-ce27420aa866>

maintenance. P3 structured deals might include:

- Operations and Maintenance P3s, a more common arrangement at transit station and mobility hubs where the hub owner either outsources the operations and maintenance as a contracted municipal service or selects a hub asset partner for design, build, and financing via advertising agreements. This is very typical of public street furniture, bus shelter, and digital panel programs run by companies like JCDecaux, OUTFRONT, and Clear Channel.
- Design-Build (DB), where a private contractor designs and builds a new or retrofitted mobility hub facility.
- Design-Build-Operate-Maintain (DBOM), where the private contractor staffs the facility after design and build activities, and leads ongoing maintenance and upgrades. This is often designed as a public concession model, which requires public financing.
- Design-Build-Finance-Operate and/or Maintain (DBFOM), where the private sector finances the project directly in addition to agreeing to design, build, and concession services.