

FINANCIAL STRATEGIES FOR THE COMMUNITY OF INNOVATIVE TRANSIT

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The United States Congress, the Federal Transit Administration (FTA), and the Federal Highway Administration (FHWA) encourage recipients of federal funding to utilize a variety of tools to assist in the development and implementation of federally funded public infrastructure improvements and transit operations. The innovative federal tools available to grant recipients enable not just the development and operation of transit systems, but enable transit to be utilized as a catalyst for community revitalization and joint development. The objectives are bettering the pedestrian environment, which leads to a higher utilization of public transportation, and utilizing community betterments to provide opportunities for economic development and revitalization.

The 1998 Transportation Equity Act of the 21st Century (TEA-21) transportation authorization established the strong financial commitment of the Executive Branch and the United States Congress to the improvement of communities under the federal Livable Communities Initiative program. In 2012 the United States Congress maintained this commitment when it approved the current transportation authorization *Moving Ahead for Progress in the 21st Century Act* (MAP-21), now under continuing resolution. The provisions contained therein, which provide federal tools for creative transit development solutions have also been extended with the continuing resolutions. It is anticipated that a new authorizing bill will also include federal tools similar to those which exist today.

The proposed presentation will identify and describe innovative funding tools and financial strategies and provide successful applications in small and medium sized communities; drawing upon projects completed in The Woodlands, Texas and Miramar, Florida as well as small Texas communities such as Galveston and Dickinson. An interactive companion presentation will provide participants with an opportunity to apply what they have learned to a fictitious "Community of Innovative Transit". The exercise will contrast two transit development approaches for the Community of Innovative Transit and will emphasize the power of federal tools and innovative financial strategies to small and medium-sized communities.

The proposed interactive presentation to accompany the paper, entitled "The Community of Innovative Transit" demonstrates how the simultaneous use of the federal tools to support financial sustainability for public transportation can significantly reduce local cash outlays, leverage local investment and maximize the availability of public and private resources. When applying the traditional approach to the funding of transit capital and operating expenses, associated with the components presented for the City of Innovative Transit, the amount of available federal, state, and local public and private resources fell short \$1,542,500 of the resources required to support the City's capital development and transit operating objectives.

In contrast, when utilizing the innovative federal funding tools which support and encourage public/private partnerships, leverage of local resources, and the generation of joint use revenues, the City of Innovative Transit is able to generate a surplus of \$977,500. The use of all available federal tools to connect transit to the community within which it operates, encourage public/private partnerships in the development of capital facilities, and capture local value which is eligible for federal match, can creatively achieve project goals and objectives which, otherwise, might seem unattainable.