



SECURING **LONG TERM** FINANCIAL **INVESTMENTS:**
FROM **CLASSIC** TO MORE **CREATIVE** VENTURES



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CHAPTER 2. SECURING LONG TERM FINANCIAL INVESTMENTS:

While modest when compared to many investments in urban mobility, cycling programmes need a steady and reliable financial flow to ensure comprehensive deployment. Patchy and erratic investments are the ultimate deterrent, particularly when it comes to mobility options that must already overcome cultural and behavioural prejudices. A well-planned and consistently financed package of interventions including infrastructure, promotion and regulation is key to enabling cycling. This chapter explores the strategies that move cycling up in the funding priorities. Lessons learned throughout cities in the US, including Chicago and New York, as well as European cities are highlighted in this chapter.



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“From a point of view of political economics, cycling has a brilliant cost-benefit calculation.”

Lisa Rücker, Deputy Mayor of the city of Graz

FROM CLASSIC TO MORE CREATIVE VENTURES

2.1 Where’s the money going to come from?

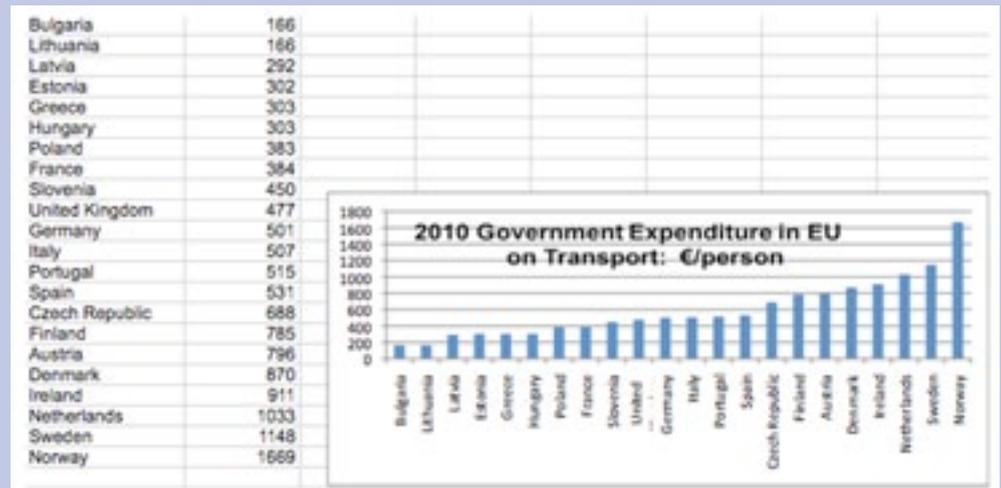
In the mid ‘90s Chicago was trying to fix safety issues at the intersection of the popular Lakefront bicycle trail and a large roadway. In a meeting at the Department of Transportation, there was a long discussion about different options before it was decided that a building stairway needed to be removed to provide better sightlines and make more room for the trail. While effective, this solution was harder and more expensive than other options. Before the meeting adjourned, one of the engineers asked, “Where’s the money going to come from?” There was an uneasy silence in the room. The head city engineer replied, “We’ll find the money.”

In previous years, “Where’s the money going to come from?” would have stopped progress completely. City transport leaders who had limited funds were accustomed to using these limits to say no to projects that were not political priorities. “We’ll find the money” meant cycling had risen to a new level with city leadership.

2.2 Competition for available transport funding

While cycling infrastructure can be relatively low cost compared to other modes of transport, it still competes with other funding needs. If cycling measures can be planned holistically, or at the same time as other improvements (e.g. housing, parks roads), then the cycling element can be very cost-effective. Building a cycling network requires decisions to use a city’s transport budget in new ways.

The good news is that government entities spend vast amounts of public funding on transport. Per capita levels of government expenditure are often surprising. Even in distressed economies, transport funding is always flowing at some level. Figure 2.1 depicts spending in European cities¹.



The challenge is that project demands always exceed available funds. Transport plans often identify projects that will use up all funds for many years to come. If cycling projects get funded, other projects will need to wait for future funding cycles. Influence on the decision makers must be greater than at least some of the competition so that cycling is not the lowest priority.

¹Eurostat, data update 20-07-2012

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"A sustained funding programme for cycling is very important, in combination with funding for other policies. Funding for cycling can also be a tool to help achieve policy aims in other areas, for example children's health."

*Mr. Steen Møller,
Mayor for Culture and Urban Planning, Odense*

2.3 Overcoming common challenges in four stages

Funding flows from a vision, or decision by politicians, city officials and people on how they want their city to be. Funding is how that vision can be made real - efficiently and in a cost-effective way. The opportunities, funding systems and political structures in different cities, regions and countries vary widely. However, in every circumstance there are transport budgets and funding programs, and leaders in the government and transport agency who make decisions about what happens to those funds. There are significant demands on those funds and the decision makers must first find part of their budget for cycling.

Cycling programs do not need just one time project funding but ongoing sustainable funding to retrofit, build, maintain, improve, promote and grow the cycling network. But most do not begin with long term funding. Four stages to developing a strong sustainable cycling funding base include demonstration projects, policy-driven funding, routine funding, and accelerated success. Different cities and situations will require different levels of attention to these stages. Ideally, each stage should be executed with the next stage in mind.

2.3.1 Stage one: *Demonstration projects*



Cities that lack good cycling infrastructure may need to start somewhere to create momentum. Trial projects, such as a temporary bicycle parking project or cycle tracks can get over the inertia and fear of change by establishing initial success and laying the groundwork for permanent installation.

Some of the best examples of using pilot projects to transform streets were led by Commissioner Janette Sadik-Kahn in New York City. The city has used pilot projects to turn streets into public plazas for pedestrians and to introduce protected cycle tracks to the city.

The most effective pilot projects increase decision-makers' appetite for more. Some tips to keep in mind if your city is embarking on a pilot project include:

- ▶ Keep decision makers actively involved.
- ▶ Remind stakeholders that the risk is low because the project is reversible and can be removed if it doesn't work.
- ▶ Give decision makers credit for the success and the vision.
- ▶ Use the temporary status to tweak the project and correct problems.
- ▶ Demonstrate that there is mainstream demand and popularity.
- ▶ Demonstrate that common objections are not grounded.



Temporary projects are usually lower cost and build confidence and support for the higher priced project where concrete is poured.

Often non-traditional funds or funds that are less competitive can be found to do demonstration projects. For instance in Chicago, the first on-street bike parking racks were funded with a small amount of money that was available in a guard-rail contract. Rack designs and different installation configurations were tested around municipal buildings. Once the rack type and installation procedure were established, an air quality grant for more than 30 times the rack costs was secured that began the installation of thousands of bike parking racks citywide.



Funding for demonstration projects can come from outside of the transport sector, from agencies interested in a health, energy or environmental benefits. Spain's energy agency's interest in starting public bike systems is a good example. While the number of public bike systems has grown exponentially worldwide, Spain witnessed one of the fastest growths. The reason for this is the 2008-2012 Action Plan for Energy Efficiency by the government's Energy Saving Institute (IDEA). Their start-up subsidy has led to 135 active systems in 184 cities with a total of 26.000 public bicycles. Every city is required to work on a sustainable energy plan and a public bike system is an easy choice with up to €165 000 available to get it going. The municipalities are responsible for ongoing funding with the potential for user fees and advertising revenues².

2.3.2 Stage two: Policy-driven funding

Once a city has experienced even a very small success, it is time to reach for a sustainable program. This involves both creating a cycling master plan and adopting other policies to modify the existing transportation planning and design process so that cycling is routinely considered in all transportation projects.

Cycling infrastructure is commonly built as a component of larger infrastructure projects. An example is a cycle track included as part of the reconstruction of an arterial roadway. Usually, in such cases, the cycle track is not funded as a separate line item, but the cost of the cycle track is included in the overall project budget. This type of integration is an effective and the inclusion of cycling infrastructure within larger transport projects can often be made a matter of policy.

In the United States the complete streets movement has achieved nearly 500 state and local policies that require balanced accommodation of all modes in all phases of all transport projects.

For Europe there are many models of policies and standards for cycling accommodation in road projects. A good starter resource is the Presto Cycling Policy Guide on infrastructure. The goal is a policy that ensures that all new construction and reconstruction contribute to the cycling network.

²Esther Anaya and Alberto Castro, Balance General de la Bicicleta Pública en España (Girona: IDEA, 2012)



2.3.3 Stage three: Routine funding

Unfortunately it would take many decades to build out a cycling network if a city had to wait until every road was rebuilt. Timely implementation of a cycling network requires a series of independent retrofit projects. These are usually prioritized in a cycling master plan. Most cycling programs have an annual budget amount that is supplemented by special project funds, often from regional or national programs. In the United States it is common for the regional or national programs to have a match requirement; often 20% to 50%. Then the local funds, including locally funded staffing, is used for this match.

Successful projects can be the basis for the budget support of champions for the bicycle program across the board. In Chicago, since his election in 2011, Mayor Rahm Emmanuel's campaign promise of 100 miles of new protected cycletracks in four years has driven strong support for a variety of bicycle program activities beyond that initial promise. Historically, Chicago's bicycle program has not received an allocated amount of unrestricted funding but a variety of project grants are assembled to cover staffing, public relations, education, planning and network expansion. Political support for cycle tracks snowballs into support for public bike systems, promotion and safety education.

Measurable progress can also help ensure continued and increased funding. In Rostock, Germany funding for the cycling program grew by more than four times to over €400.000 in response to data that showed that cycling had risen from 12% to 20% in the last five years.³ More money for cycling infrastructure can lead to more people cycling which builds the support for more funding. Hopefully this pattern continues to repeat.

Funding sources outside of transport are also a resource not always considered. Sevilla, Spain used €12 million from Plan 8 000, a local development and jobs program to build the second phase of their initial €32 million cycling network.⁴ Requiring or persuading private developers to build or pay for portions of the network that serve their developments is becoming more common. Road safety, energy and environmental programs that may also fund soft measures such as promotion, education and enforcement.

³Thomas Möller, ADfC, 2012

⁴Ricardo Marqués Sillero, Sevilla: una experiencia exitosa de promoción de la movilidad en bicicleta en el Sur de Europa (Sevilla: Hábitat y Sociedad, 2011)



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"Compared to the many millions of dollars and years needed for capital projects on bridges and roads, cities can put down a life-saving network of bike lanes in something close to real time."

*Janette Sadik-Khan,
Transportation Commissioner, New York*

2.3.4 Stage four: Accelerated success

Once the bike program has been funded, it can be easier to push for the next level than it is to maintain a plateau level of funding. It is vision and drive that keep champions interested. And, it is often the external competition with other cities in the region, nation or internationally that fuels big funding increases. Pointing out the virtues of other cities' cycling networks and challenging emulation or competition can have a positive impact on influencing decision makers.

In 2009, a Danish coalition led by the Cycling Federation, the Cancer Society and the Consumer Council won €135 million for cycling infrastructure; the first national funding for cycling infrastructure in Denmark. There were several reasons they succeeded:

- Showed mainstream strength through a partnership with public health and consumer NGOs with membership representing 10% of the Danish population;
- Used evidence based arguments that show cycling infrastructure is an effective health measure;
- Asked for funding that would incentivize municipalities to double match the funds;
- Asked at the right time when the transport budget was being debated;
- Appealed to all parties by using diverse arguments covering health, congestion and climate;
- The winning argument: Denmark can surpass the Netherlands.



2.4 Conclusion

There are many good models to win funding for cycling networks for whatever stage of development a city is at. Four stages are presented in this chapter that take a city to the next level. At each stage there are strategies to help champions in government influence stakeholders and implement transport funding decisions that favor cycling. Funding and planning models chosen must be well suited to that city, sustainable and adaptable. Tools and stories have been shared here to inspire advocates and champions and give practical advice on how to make progress. Get ready to go from "Where's the money going to come from?" to "We'll find the money."





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