



Innovative funding and financing tools to advance sustainable urban mobility

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Funding and Financing tools to advance sustainable urban mobility

LAND VALUE CAPTURE

ROAD USER CHARGING

PRIVATE INVESTMENT

LOCAL / BUSINESS TAXATION

SMART APPRAISAL TECHNIQUES

PARKING REVENUES

BLENDING OF FUNDING AND FINANCING

PROPERTY DEVELOPER CONTRIBUTIONS

INTERNATIONAL BANK LOANS

RING-FENCED FARES FOR PT INVESTMENT



CREATE PROJECT



Western European Cities have followed a similar evolution in Transport Policy over last 50 years

Stage 1 – Priority to move cars: Road building

Stage 2 – Priority to move people: Public Transport

Stage 3 – Plan for liveable spaces: Reallocation of road space to public spaces.

Important findings on how measures have been funded

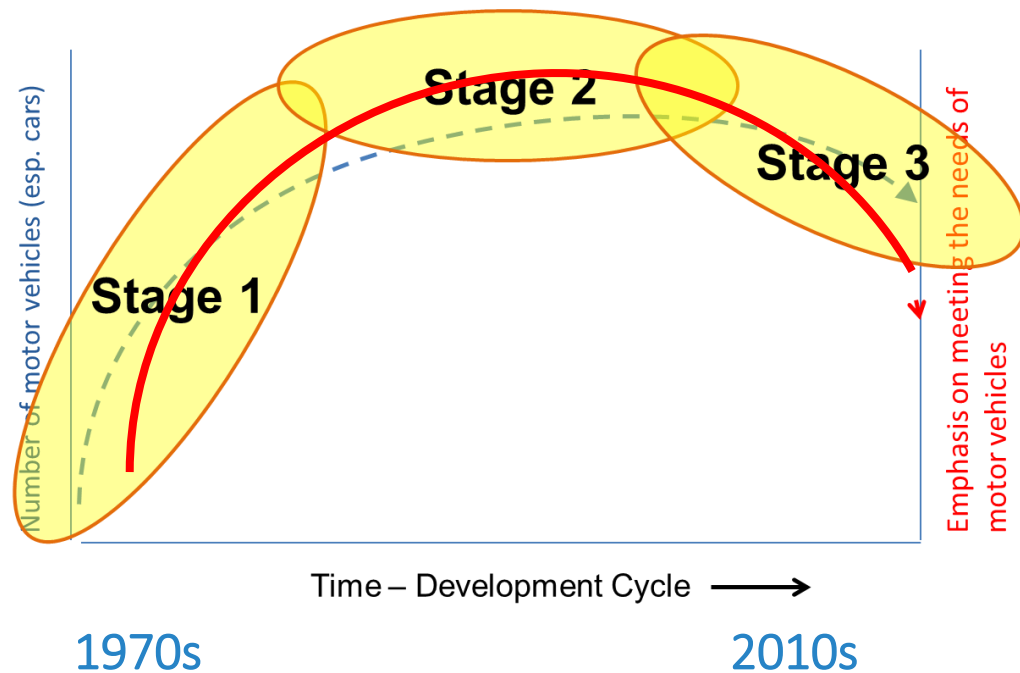
Study cities:

Berlin, Copenhagen, London, Paris, Vienna

Amman, Adana, Bucharest, Skopje, Tallinn



Transport Policy Cycle



CREATE GUIDELINES



CREATE Guidelines

Pathways for tackling congestion and reducing car use

Practical lessons learned by Berlin, Copenhagen, Paris, London, Vienna

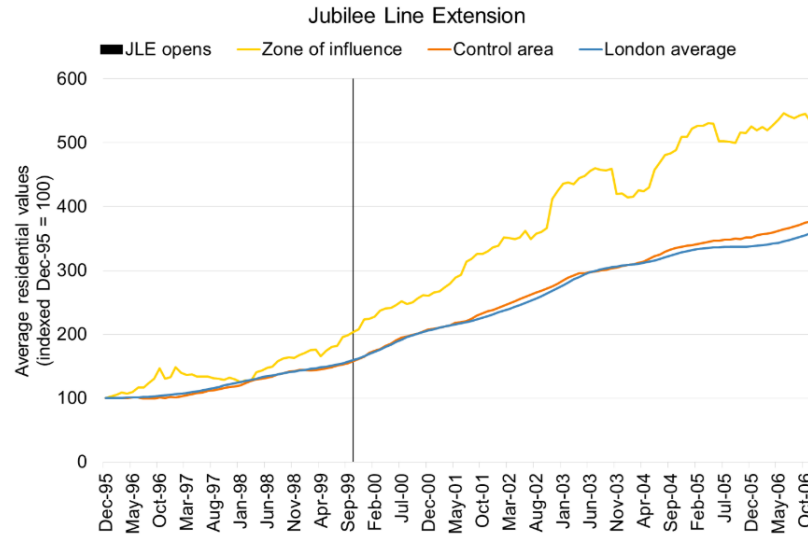
Guidelines for planners, policy makers and transport authorities



www.create-mobility.eu/create/Publications/Project-deliverables

'WP5 D5.3 - The CREATE guidelines'

LAND VALUE CAPTURE



LVC mechanisms seek to capture a proportion of land value gains to fund the transport infrastructure which causes them

London, Crossrail: TfL expects approx £500 million from selling land at new station sites (including over-station) to developers for new residential. LVC study reviews historic land value increase from new transport infra showing larger potential.

Copenhagen

Land closest to metro line and stations is majority-owned by the municipality. Raises funding by borrowing against increases in land and property value.

SMART APPRAISAL TECHNIQUES



Valuing the health benefits of transport schemes

Guidance for London

MAYOR OF LONDON



Transport for London advocates walking and cycling schemes to apply HEAT and SART in transport appraisals

Health Economic Assessment Tool – HEAT: Measures monetised value of reduced mortality of users of new cycling and walking infrastructure

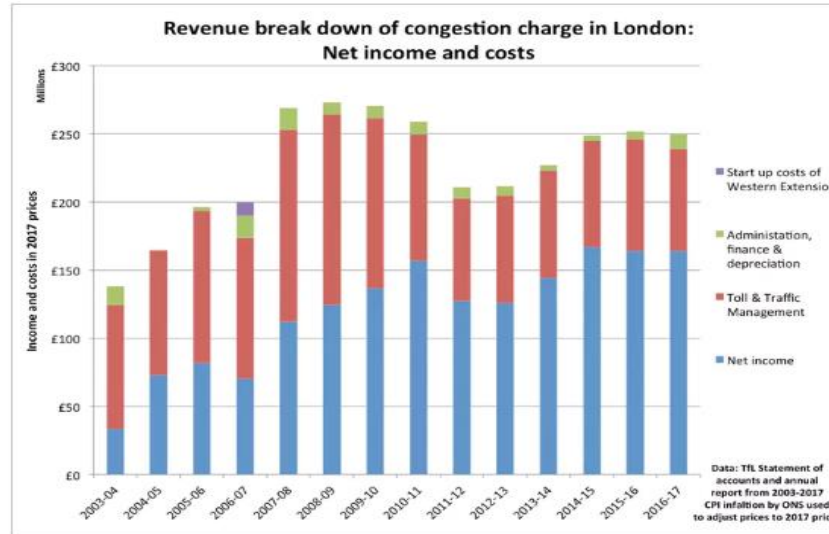
Sickness Absence Reduction Tool – SART: Applies research proving that physically active employees take 25% fewer absence days, hence increased business output

Royal College Street scheme, Camden. Reallocation of road space to cycle lanes.

Total infrastructure cost £475,000

Total SART + HEAT benefit value £441,000

ROAD CHARGING



London Congestion Charge

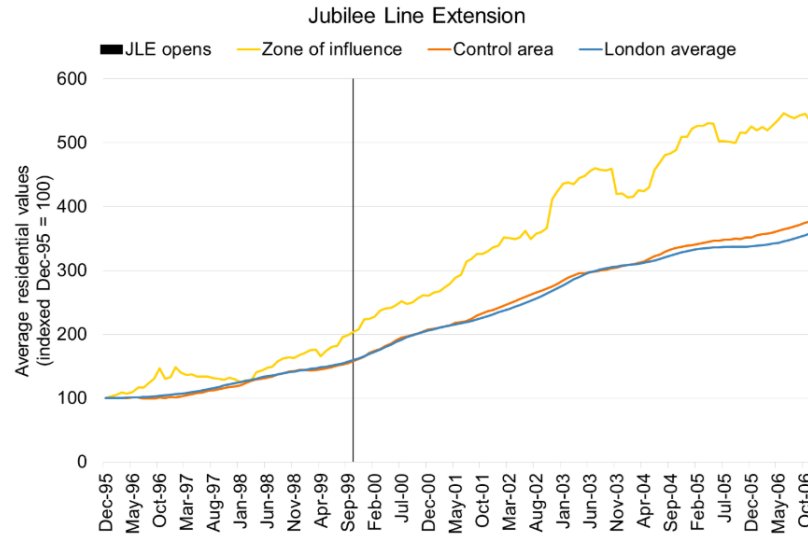
- Weekdays
- £11.50 per day
- Net income £160m per year boosting general budget of the Transport Authority TFL

London Ultra Low Emission Zone

- Comes into force April 2019. In addition to C Charge
- Exemption levels: Petrol-Euro 4; Diesel-Euro 6
- £12.50 cars/ vans per day £100 lorries / coaches

Funding sustainable urban mobility

LAND VALUE CAPTURE



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LOCAL TAXATION



London: Crossrail Business Rate Supplement (BRS). Businesses (above certain size) pay 2% levy. Generates approx £225m p.a. and allows for borrowing against future revenues providing £4.1 bn total (nearly 60% of total Mayor of London contribution). Borrowing paid back by 2030s

Paris: Versement Transport is a hypothecated transport tax private companies (10 staff or more) pay a tax revenue ring fenced for transport investment makes up 65% of the regional transport authority (STIF) budget

Vienna: local payroll tax has contributed to the cost of extending the metro

SMART APPRAISAL TECHNIQUES



MAYOR OF LONDON



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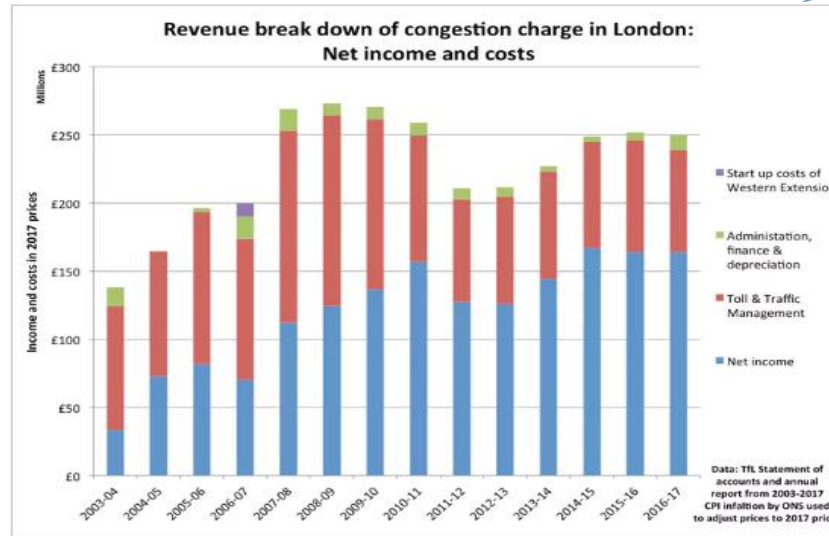
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Total infrastructure cost £475,000

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ROAD CHARGING



London Congestion Charge

- Weekdays 0700 - 1800
- £11.50 per day
- Net income £160m per year boosting general budget of the Transport Authority TFL

London Ultra Low Emission Zone

- From April 2019. 24 hrs a day. In addition to C Charge. Same area.
- Exemption levels: Petrol-Euro 4; Diesel-Euro 6
- £12.50 cars/ vans per day £100 lorries / coaches

PRIVATE INVESTMENT



Copenhagen has seen a growth in private investment for large schemes

25% funding for cycle infrastructure, in the last few years, has come from private sector sources forming important PPPs.

Example: the pedestrian and cycling harbour bridge by MAERSK via a charitable fund. CSR.



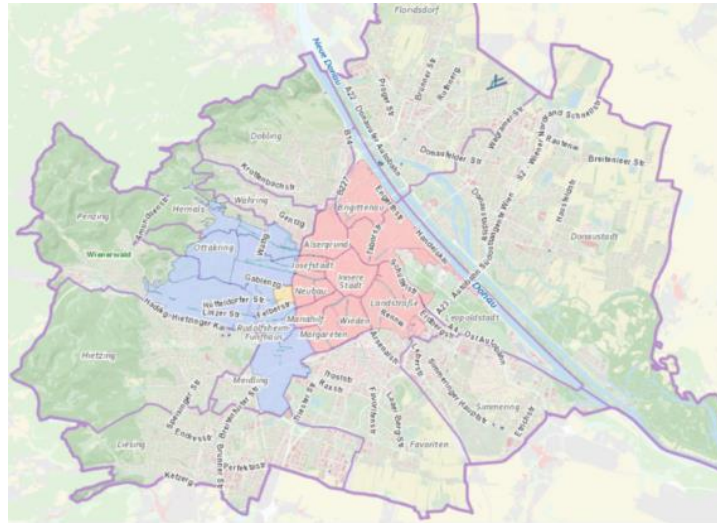
Private sponsorship of bike share scheme **Tallinn (SIXT)**

Launched November 2016 (100 bikes and 10 locations initially)

The city has made available free locations and advertising.

Similar business model as dozens of EU cycle hire schemes

PARKING REVENUE



Overview of first expansion (red) and second expansion (blue and yellow (Zone 15 SH))

Vienna parking management system

First district introduced 1993 and has expanded five times since to include more districts

Provides revenue which is invested directly into public transport and traffic safety

Sends positive message to citizens that public transport is priority

CO₂ QUOTAS



Estonia sold unused CO₂ quotas to Spain to fund electromobility programme:

National EV charging network in Estonia has 300 EV charging points and 500 EVs for social workers.

Romanian Ministry of Environment gained €10m from the selling GHG certificates.

Funded bicycle lanes in Bucharest city centre,

Financing sustainable urban mobility

FINANCING INSTITUTIONS



European Bank
for Reconstruction and Development



Crossrail – London £1bn EIB

PT upgrade, street refurbishment Tallinn – EIB €100m

Blending of funding and financing instruments encouraged.

Romanian government offers ROP funding for cities with EBRD-developed SUMP to accelerate implementation of measures

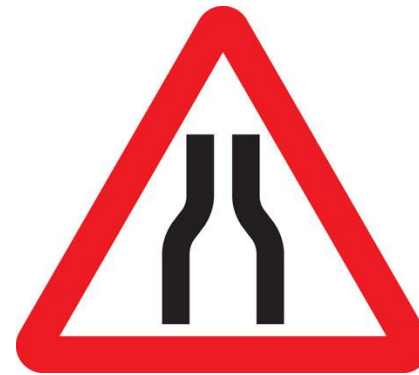
Financing can unlock funding sources by acting as match funding

Summary

COMMON FUNDING & FINANCING SOURCES

By drawing on a variety of investment sources municipalities can

- accelerate their transition from car-dominated to place-based cities
- be more resilient to public budget cuts
- position themselves as lower risk investments



Convergence Ahead

Central Grants

- Government share of national tax revenue

Local Taxes

- Business contributions

Property Taxes

- Rates, levies

Direct Income

- Fares, commercial activities

Borrowing

- From commercial sources or IFIs

Many thanks

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