THE COST

How much has it cost to provide traffic control and/or traffic safety modification measures? Almost $7 million has been spent for traffic control—1 percent of the more than $700 million let to contract to date.

Figure 8. I-85 south of Monroe Drive: traffic on existing alignment, which will become an extension of US-23 (Buford Highway). (Hallman photo)

This work is ongoing amid booming traffic growth in Atlanta, especially in parallel corridors. For example, traffic increased by 35 percent on Peachtree Street from 1980 to 1983 and by 20 percent on Spring Street during the same period. How much of this increase is due to growth and to diversion is not possible to know, but it can be safely assumed by observing traffic flow that some traffic has chosen alternate routes. Mainline freeway flow still exceeds 140,000 ADT; so most of the increase is speculated growth.

How do you convert a molehill to a mountain while few people notice? You start by staging the work with nonconflicting activities, switch traffic from old sections of roadway to newly built improved sections (see Figures 7 and 8), maintain high standards of safety to employees and the public, maintain the same number of lanes, and sequentially open additional lanes as construction is completed. You break the entire project into hundreds of bite-sized sectors, coordinate and control quick completion, and provide a better travel environment for the public on almost a daily basis. That's when people notice!

Private Initiatives Spark Reforms in Public Transportation

C. KENNETH ORSKI

Although, historically, the private sector was the principal sponsor, financier, and operator of public transportation, it largely abandoned this role during the last 20 years. By the early 1970s, virtually every urban transit system and every aspect of urban public transportation, including its construction, financing, and operation, were in public hands.

Now, under the influence of changing economic and political conditions, the pendulum is swinging back. Federal dollars have become scarcer, and local budgets have become increasingly constrained because of rising demands for services, local tax limitations, and public resistance to new spending initiatives. Efficiency has become an acknowledged goal of public management. Public opinion is recognizing that there are practical limits to how much money government can devote to local transportation, and that the private sector must assume a share of the burden. While this conclusion was reached with varying degrees of reluctance or enthusiasm, the remarkable thing is that few people dispute the need for closer public/private cooperation any longer.

The private sector has come to understand that it must, in its own self-interest, assume a more active role in dealing with local transportation problems. The business community realizes that it cannot ignore the health of the communities in which it operates, and that a well-functioning transportation system is essential to that vitality. Land developers, anxious to protect and enhance their real estate investment, are increasingly prepared to share in the cost of necessary transportation improvements. Private transportation operators sense new opportunities in the new, deregulated environment, and are moving aggressively to exploit the fast-growing market for private transportation services.

Local government, for its part, has an equally strong motivation to seek expanded private-sector involvement. By allowing the business community a greater voice in local transportation decisionmaking, public officials increase the likelihood of private-sector support and gain an influential ally in their efforts to mobilize public opinion behind new

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public works programs. By contracting for service with private providers, local government can often improve the efficiency and lower the cost of service delivery.

In short, there is a growing recognition on the part of both the private and the public sectors that a strong interdependence and mutuality of interests exist in public/private cooperation. What form this new partnership will take will vary from place to place. In most communities the public sector is likely to retain the principal role as a transportation provider. In some places, the private sector may become an important actor. However, no matter how the responsibility should ultimately be allocated, one thing seems already certain: because of a stronger private-sector role communities in the future will be enjoying a wider diversity of services, more service providers, greater variety of financing arrangements and funding sources, and a more

competitive, market-oriented environment that promises to provide consumers with greater responsiveness and choice of services.

Many communities have already formed effective transportation partnerships. Other cities are still searching to define an appropriate private-sector role and effective mechanisms for public/private collaboration. To assess the extent of ongoing private involvement, and to help chart a future course for public/private cooperation, the Urban Mass Transportation Administration has asked the Transportation Research Board to convene a National Conference on Transportation Partnerships (see accompanying box for details).

In organizing the Conference the TRB Steering Committee had to come to grips with the fact that the concept of "private-sector involvement" or "public/private cooperation" has no single agreed-on meaning. Instead, it evokes different things for different people. To a private bus operator "public/private partnership" signifies an opportunity to assume a more prominent role in the provision of public transportation. To a land developer it connotes sharing with the public sector the costs and benefits of combined land use/transportation development. To an employer, merchant, or downtown businessperson, public/private cooperation means assuming a greater responsibility for transportation provision and, in return, obtaining a greater voice in local transportation decisions. To an investment banker, private-sector involvement means greater participation of the private capital markets in the financing of transportation infrastructure. To a public official the phrase "public/private cooperation" increasingly means all of the above.

Recognizing that the conference will be dealing with the concept of public/private cooperation in many different guises, and that it will be playing host to many diverse audiences and professional disciplines, the TRB Steering Committee decided to "decentralize" the conference into several workshops rather than attempt to address the many various issues in general sessions. However, plenary sessions will be held at the beginning and close of the conference to treat certain common themes and provide all participants with an overall sense of the discussions. Four main themes will be considered, and are briefly summarized here.

BUSINESS INVOLVEMENT IN URBAN TRANSPORTATION

The first theme deals with the growing phenomenon of business involvement in local transportation. In a score of cities the business community, working through their own organizations, is assuming a growing voice in downtown transportation management and in the planning for regional mobility. Examples include civic organizations such as the Los Angeles Transportation Task Force, the Denver Partnership, the Greater Hartford Chamber of Commerce, Houston's Committee for Regional Mobility, Chamber of Commerce and the newly created Central Houston, Inc., the Greater Dallas Chamber of Commerce and the Dallas Transportation Task Force, Charlotte's Uptown Development Corporation, and Pittsburgh's Grant Street Cooperative Maintenance Association. All of these organizations play a strong role in local transportation decisionmaking. Sometimes, as in the case of Denver, Dallas, and Pittsburgh, the efforts of the private business community culminate in the creation of a special assessment district that provides a source of revenue enabling the private sector to undertake independent, entrepreneurial activities. Terms such as "downtown development district," "downtown maintenance district," and "business improvement district" all point to a desire to adapt the concept of the special benefit assessment to a variety of city objectives such as maintenance, operation, and improvement of local transportation services and facilities.

The private-sector role in downtown transportation management is a new phenomenon. Because of the manner in which the transportation system management (TSM) concept had been originally introduced (as a federal planning requirement), the responsibility for TSM has been typically delegated in the past to metropolitan planning organizations; city, county, and state transportation departments; and transit agencies. The private sector had initially little voice in the design of transportation management plans or in their implementation.

What accounts for the growing private involvement is a realization that many aspects of modern transportation management lie outside the jurisdiction of public authorities. Private-sector cooperation is required in such matters as staggered work hours, workplace-based ridesharing programs, off-street parking management, employer/merchant subsidies of parking and transit passes, and contract transportation, such as private subscription buses. The cooperation of the private sector is increasingly viewed as an essential ingredient of any successful transportation management program.

CREATIVE FINANCING OF MAJOR TRANSIT PROJECTS

The practice of cost-sharing, or "cooperative financing," well established in the highway field, is increasingly being applied to the field of transit. Examples include an assessment district in downtown Miami, formed to underwrite a $27 million business contribution toward the cost of Miami's downtown people mover; a $12 million private-sector contribution toward the rehabilitation of San Francisco's cable cars; and a negotiated agreement by the developers of a large residential complex in Manhattan to underwrite a $30 million rehabilitation of a New York subway station. Another innovative example of cost-sharing is New York City's new zoning code for midtown Manhattan, which provides FAR (density) bonuses to developers who undertake major transit improvements, such as subway connections to buildings and relocation of sidewalk subway entrances. The development bonuses are expected to generate $15 to $20 million in private funding for station improvements, according to MTA officials.

The principle of "benefit-sharing" is also being tested. One example of this technique is the ongoing negotiations in Washington, D.C., between the Metropolitan Transit Authority and local developers wherein the latter would pay "connection fees" for the privilege of linking their buildings with direct underground passages to subway stations. The fees could earn the transit system $30 to $40 million in extra income over the next 20 years, according to one estimate. Los Angeles plans to raise $170 million, or 5 percent, of the cost of its $3.4 billion Wilshire rapid transit line through benefit assessments on property owners adjacent to the stations.

Other evidence of interest in cooperative financing comes from Orange County, Florida, which has invited expressions of interest from the private sector to "design, finance, construct, and operate" a rail system that would connect the Orlando International Airport; a complex of hotels, tourist attractions, and employment centers; and the Orlando central business district. The county's invitation has focused on the lack of federal funds for new rail systems, emphasizing that only the private sector has "the necessary resources to marshall the financing support needed for implementation." Private financing and operation are also being considered by Portland, Oregon, for its second (Westside) light rail line and by Fort Lauderdale for a downtown people mover. All three ventures envision some form of a franchise to a private consortium that would own and operate the system until the indebtedness has been paid off. The public agency would guarantee sufficient annual payments to the consortium to amortize capital costs and to cover operating and maintenance costs. The public revenues for this purpose would come from a special assessment on the benefited property, or from a combination of tax increments, leases, and connection or service fees. At the end of the franchise the public agency would buy the system from its private owners. While this approach, in theory, is not contingent on the availability of federal aid, all three projects are grounded in the belief that local jurisdictions that can combine public and private funds will have a distinct advantage in competing for federal funds.

TRANSPORTATION-REAL ESTATE CONNECTION: ROLE OF PRIVATE DEVELOPERS

As noted earlier, private participation in the funding of local highway improvements has been going on for some time. Private developers have been contributing to the cost of off-site highway improvements and paying "development impact fees" as a way of sharing in the cost of the infrastructure necessitated by their developments. But even in the highway field, the scale and magnitude of the private contributions have been growing. In Meadowlands, New Jersey, for example, private developers have con-

CONFERENCE ON TRANSPORTATION PARTNERSHIPS

Improving Urban Mobility Through Public-Private Cooperation

During the last several years public opinion has come to recognize that there are practical limits to how much money state and local government can devote to local transportation. This realization, in turn, has led to a growing acceptance of the principle that improving urban mobility should be a joint responsibility of the public and private sectors.

Few people in the private sector dispute the desirability of greater private involvement in transportation. The business community recognizes the need to get involved because it realizes that a well-functioning transportation system is essential to the economic growth and vitality of the communities in which it operates. Private developers are increasingly prepared to share in the cost of necessary transportation improvements in order to assure the viability of their real estate ventures. Private transportation operators sense a new, more favorable climate for their services.

Local government, for its part, has an equally strong motivation to seek expanded private-sector involvement. Contracting with private providers often results in lower costs to the public. Land developers can relieve financially strapped communities of some of the costs associated with new development. And a more involved local business community provides local officials with an influential ally in their efforts to mobilize public opinion behind new transportation improvements.

The National Conference on Transportation Partnerships, sponsored by UMTA and conducted by TRB, will take place March 15-16, 1984, in Dallas, Texas. It will provide American cities, large and small, with an opportunity to exchange ideas and share experiences about private-sector initiatives, to report on and learn about the status of cooperative efforts around the country, and to discuss a broad array of transportation actions in which the private sector can potentially play a useful role. The conference will also identify policy actions the U.S. Department of Transportation can take to encourage greater private-sector participation.

The conference will begin with a general session highlighting the theme, "Business Leadership for Better Urban Mobility," and featuring several cities where the business community has taken an exceptionally strong and imaginative initiative in downtown transportation management and regional mobility planning. The conference will then adjourn into three concurrent workshops built around the following themes:

1. Public/Private Cooperation in Transportation/Land Development,

2. Making More Effective Use of Private Providers, and

3. Creative Financing of Major Transportation Projects.

Conferees will include representatives from the federal and local government, public transit agencies, private transportation providers, and the business, financial and real estate communities. Conducted by TRB, the conference is being cosponsored with the Urban Land Institute and the International Downtown Executives Association. For further information contact James A. Scott, Transportation Research Board, 2101 Constitution Avenue, N.W., Washington, D.C. 20418.

tributed $11 million worth of highway improvements (such as access roads, interchanges, and overpasses) to accommodate increased traffic generated by the new development at Harmon Cove. In the Denver area, a group of private developers and land owners have joined together to fund a $20 million program of highway improvements in order to relieve congestion in Denver's Southeast corridor. In the Washington, D.C., area, the developers of a large mixed-use complex in Fairfax County, Virginia, have agreed to fund approximately $18 million worth of highway improvements, including grade-separated access to the development, as a condition of development approval. In Orange County, California, the Irvine Company has committed itself to provide more than $25 million in local transportation improvements, including freeway ramps, two parkways, and traffic control systems. In the South Bay area of Los Angeles, the Summa Corporation reportedly will be spending $40 million on traffic and highway improvements incident to their Playa Vista development at Marina del Rey. And, in what must be a record, a group of developers led by Prudential has pledged to invest $80 million in local transportation improvements around the new Hacienda Business Park in Pleasanton, near San Francisco.

Obviously, these are not philanthropic gestures—nor would philanthropy necessarily produce the best results. What we are witnessing here is the workings of "enlightened self-interest"—a realization on the part of developers and property owners that local government is no longer able to finance all the public facilities needed to support new growth, and that private developers must assume a share of this responsibility if new development is to occur.

The most recent manifestation of developer involvement is the privately sponsored and operated transportation management programs in large suburban developments not readily accessible by public transit. Some of them offer a wide variety of transportation actions, including ridesharing programs, shuttle buses to rail stations, commuter club buses, parking management, flexible work-hour programs, transit promotion, local traffic flow improvements, and pedestrian circulation improvements. The best known examples of such programs are those run at El Segundo, City Post Oak, and The Woodlands near Houston, University Circle in Cleveland, and the Longwood area of Boston.

Facilitating introduction of these programs are the so-called Transportation Management Associations (TMAs)—i.e., nonprofit membership organizations formed by corporate employers, developers, and private institutions to provide transportation services in suburban growth centers and newly urbanized areas where public transit is unavailable or is not conveniently accessible. TMAs generate their own revenue through voluntary assessments or membership dues and, with these funds, support various transportation activities that respond in a tailor-made fashion to the needs of their members. Depending on the local requirements, a TMA may assume responsibility for running shuttle buses to a nearby commuter rail station, managing a ridesharing program, administering a shared parking program, coordinating a staggered work-hour program, or instituting a program of traffic flow improvements. More than 12 TMAs are in existence and new ones are being planned. All of them share a common philosophy: They pool private resources in the interest of improving public mobility.

Developer involvement in transportation management is likely to grow especially in places where it is being actively encouraged by local government, either through public incentives, such as reduced parking requirements and density bonuses, or as a condition of discretionary permits. Such initiatives are multipying. Thus, Los Angeles, under an ordinance enacted in April 1983, will grant office developers reductions in the code-required amount of parking space if they elect to institute ride-sharing or park-and-ride programs.

ROLE OF PRIVATE PROVIDERS

Private enterprise has also become more involved in pursuing opportunities to operate local public transportation services. In some communities private carriers have been brought in by local government under service contracts or franchise agreements. In other localities private carriers engage in independent, entrepreneurial activities, providing totally unsubsidized services.

Already in the 1970s we began to realize that taxi companies represent an important transportation resource that could be harnessed in the service of public transportation. Today, a score of cities—e.g., San Diego, Norfolk (Virginia), Phoenix (Arizona), Columbus (Ohio), Birmingham (Alabama), and Ann Arbor (Michigan)—are routinely contracting with taxi companies for services in low-density areas and during times of low demand as a way of reducing operating costs and providing more convenient service. In several communities, e.g., in Lexington (Massachusetts), Santa Fe (New Mexico), Hammond (Indiana), and Freeport (Illinois), the operation of the entire local transit system has been contracted to private firms. Elsewhere, private carriers bring thousands of daily commuters to their jobs without any public subsidies. In Chicago, for example, private "club" buses carry more than 5,000 daily commuters from the southern suburbs to the Loop.

What these examples underscore is a growing conviction that government need not operate all of the transportation services that the public requires, especially when such services can be delivered more effectively and at a lower cost by the private sector. More and more regional transit authorities view themselves no longer as suppliers of service but as policy-making bodies that decide what services are needed and then ensure that these services are delivered in the most cost-effective manner.

CONCLUSION

In sum, changing economic, demographic, and fiscal conditions have helped to precipitate a major reappraisal of urban transportation. In a growing number of communities concerned citizens and public officials are (a) questioning the premises underlying traditional transportation arrangements and customary allocation of responsibilities and (b) searching for new, more-effective relationships. Emerging from this process is a wealth of innovative approaches, based on the principle of public/private cooperation, that promise to bring about profound changes in the way we think about the organization, financing, and delivery of local transportation. The end result of this process may be a fundamental and, in the view of many, a long overdue restructuring and reform of America's urban public transportation.