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## Effective Partnerships

If, Quality partnerships to generate demand for alternative transport

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### The Evolving Role of Transportation Management Associations in North America

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Transportation Management Associations (TMAs) have played a critical role over the past 20 years in building partnerships between public and private interests in many metropolitan areas throughout North America. The purpose of these partnerships is to improve mobility in specific activity centers or corridors through the development and promotion of alternative transportation options.

The role of TMAs has changed in recent years, in response to shifting public priorities and a renewed focus nationally on voluntary initiatives to engage employers, property owners and commercial developers in a variety of mobility-enhancement programs. Additionally, TMAs have played an instrumental role in influencing public investment in alternative transportation and, in many cases, focusing attention on creating a balanced, multi-modal transportation system.

This paper and presentation will provide information about TMAs, including:

- ✍ Update on the TMA role and function in North America
- ✍ Definition of services
- ✍ Select examples of program effectiveness
- ✍ Strengths and weaknesses of different programs
- ✍ Describe why certain TMA programs failed while others succeeded
- ✍ Discuss the future for TMAs in promoting mobility management in North America

### ***What is a TMA?***

Transportation Management Associations (TMAs) began to emerge around the United States in the early 1980s as public-private partnerships designed to address traffic congestion and air quality problems. Today, over 150 TMAs are in operation, primarily in the United States, Canada, Japan and the Netherlands. The appeal of the TMA lies in the synergism of multiple organizations and individuals banding together to address and accomplish more than any one government agency, employer, developer or resident could do alone. The need for the TMA stems from the realization that each group has a great influence on transportation and air quality, and must equally share in the solution.

The Association for Commuter Transportation (ACT) conducted a comprehensive survey of TMAs in North America in 1998, and has updated this information periodically through the efforts of its TMA Council. The statistics in the following sections are derived from this survey effort.

The geographic scope of a TMA varies with each organization. For example, across the United States and Canada, one-third of the TMAs offer services region-wide and one-fifth serve central business districts. The remaining TMAs serve suburban business parks, single office buildings or transportation corridors.

The typical TMA has 25 members, representing 25,000 commuters. TMA membership is primarily derived from businesses and employers (75%). The next largest membership type is government (14%) and non-profit organizations (9%). On average, TMAs represent 11% of all employers in a TMA district.

### ***How do TMAs solicit membership?***

TMAs use a variety of techniques to recruit members. Peer-to-peer and direct-contact methods are utilized by the majority of national TMAs. Only 16% of TMAs have mandatory membership. Interestingly, mandatory membership is used in all types of TMAs, including regional and city-wide. This finding belays the traditional perspective that mandatory TMAs are formed only through the result of specialized improvement district or developer requirements. Only three percent of TMAs recruit members through a discounted rate; however, approximately half of TMAs offer different categories and costs of membership.

### ***How are TMAs funded?***

For income, almost half of an average TMA's income is derived from grants and other district revenue. An additional one-third of revenues are the result of membership dues. The remaining funding is derived from developer contributions and fee-for-service arrangements.

The average annual budget for TMAs is around \$130,000. One-third of the TMAs have an annual budget of less than \$100,000; one-third have a budget of between \$100,000 and \$200,000; and the remaining third is over \$200,000. Budgets allocate funding as follows: 44% on office operations and payroll, 22% on marketing, 14% on direct services (such as guaranteed ride home) and 20% on contracted service and other related expenses.

In terms of annual financial reporting, 57% of TMAs provide an annual financial statement to TMA members. Three-fourths of TMAs also conduct an annual audit of its financial records. Finally, 68% of TMAs conduct an annual meeting to review TMA actions.

### ***How is a TMA established?***

The average TMA in North America has been in existence for seven years. Nearly one-third are incorporated as not-for-profit charitable organizations, one-third borrow corporation status for another organization, such as a chamber of commerce, and the remaining TMAs are either not-for-profit civic associations or membership associations.

### ***What types of services do TMAs offer?***

TMA services also vary by organization. The most common service is member advocacy. Advocacy can range from working with the local transit provider to improve routing and services, to lobbying federal decision-makers on laws that impact transportation.

TMAs offer a variety of services to their members, and in some cases, to non-members. The majority of TMAs provide rideshare promotion, regional advocacy, promotional materials, and promotional events. Conversely, only a small number of TMAs offer subsidized transit passes, a local shuttle or other transit, parking services and parking pricing. Although many services and products of TMAs are available to both members and non-members, transportation coordinator training, guaranteed ride home, subsidized transit passes, site design assistance, vanpool subsidies, parking services and parking pricing are primarily offered only to TMA members.

On average, TMAs employ one full-time employee, one part-time employee and no contract employees. However, the difference in staffing between TMAs can be dramatic. Some TMAs have no employees and are managed by volunteer board members, while one TMA has as many as 20 full-time employees. Approximately half of TMAs contract out the direct provision of services. The two most common services given to contractors were shuttle services and ridematching. However, 30% report that they contract out for marketing and administrative assistance.

### ***Why form a TMA?***

The reasons for forming a TMA are largely based on the need to address potential traffic congestion and accessibility issues for a specific area. The potential for area-wide traffic congestion exists if stakeholders in the area are not proactive in developing programs that will help to avoid worsening congestion. Employers, developers, building managers, residents and retailers have a tremendous influence over the commuting and traveling habits of employees, visitors and shoppers. The public sector organizations responsible for transportation in the area can provide transportation services to make travel options available, but the demand for these facilities and services is largely determined by the hiring, work hours, travel, and operational policies set by the private sector.

### ***How are TMAs changing?***

Many TMAs were originally formed to consolidate services for employers and others in an area. This was particularly valuable when regulations required employers to develop and implement commute programs. Generous public funding in certain states led to the rapid growth in the number of TMAs nationally. However, once public funding and/or the regulations disappeared, so too did the TMA. Nearly one in three TMAs failed after three years in operation.

TMAs have greater value when they appeal to broader issues than mobility and air quality. TMAs need to show employers that services can help to recruit and retain employees and show property owners that TMA services make their site more attractive to potential tenants. To communities, TMAs must show that businesses are more likely to locate in their area because of the TMA. In the absence of “bottom-line” impacts to the various stakeholders, most programs will not be sustainable.

A trend in funding for TMAs has been working with management and improvement districts. In Atlanta, Georgia, some TMAs have created self-taxing districts, known as Community Improvement Districts (CIDs), to at least partially fund TMA services. One TMA used improvement funding to develop a master plan for land use and transportation linkages. The idea was that coordinating commercial development and amenities would help to make the area more friendly to a mix of transportation options. In Montreal, Quebec, a TMA was incorporated into an urban enterprise area that helped to revitalize an aging district within the community. Transportation services were critical in promoting the area as both assessable and appealing for merchants and residents exploring relocation to the area.

### ***What defines “success” for a TMA?***

Success is achieved by meeting the expectations of funding agencies and private sector board members. For public agencies, TMAs were originally thought to be successful if they could be self-sustaining, without any government financial participation, after three

years of operations. TMAs were expected to maintain employer networks and broker regional transportation services at no cost to the public sector. This idea seemed to conflict with the whole idea of a public-private partnership. If the public started it and provided funding for three years, but then walked away, where was the value in continuing to work together?

In Houston, Texas, TMAs were initially funded based on the merit of grant requests designed to reduce vehicle travel during the grant period. Little consideration was given to the needs of the area and the long-term commitments from the private sector. No long-term feasibility assessments were conducted as part of the grant award process. It was of little surprise to anyone that after three years, when the public funding ended, half of the TMAs discontinued operations.

Research has shown that success is often based on five factors:

1. Having a well-defined transportation problem.
2. Securing sufficient interest and resources to address the problem.
3. Balancing public and private participation.
4. Targeting a sufficient market of employers, employees and others.
5. Building on supportive government requirements.

For example, a TMA in Denver found an effective niche in the community by helping to manage traffic generation at new commercial facilities. Developers can build higher densities if the TMA promotes alternative transportation options to tenants. The TMA has formalized its financing through inclusion in lease agreements at a rate of \$0.10 per square foot annually. The funding is then used to entice one-quarter of the building's commuters into using alternative transportation options through free bus passes, incentives and promotion events. Without the TMA program, developers would be forced to build at lower densities and thus, continue the reliance on the private automobile for commuting purposes.

### ***What is the future of TMAs in North America?***

TMAs play an integral role in developing and implementing mobility management programs through partnerships between public and private organizations. The continued success of the TMA concept will depend on the ability of TMAs to adapt to the evolving needs of both the public sector and the private sector. Only by continuing to provide value-added services to all members will TMAs secure the sustainable funding that is critical to their long-term success. For both public-sector and private-sector partners, however, the range of services that TMAs are being asked to provide is growing.

For public-sector partners in North America, from departments of transportation to regional governments, the scope of mobility management services is evolving beyond its traditional focus on promotion of alternative modes of transportation for the commute to work. The role for mobility management is expanding to address non-commute trips –

such as traveling to school, to recreation destinations, to sporting events, etc. Mobility management is also evolving as a tool to improve the operational efficiency of existing transportation systems through promotion not just of modal options (car, shared-ride, transit, bike, etc.), but also of travel-time options and travel route options (even for single-occupant vehicles). As government agencies continue to face rapidly growing demands for transportation infrastructure in a time of serious budget constraints, the broader understanding of mobility management applications offers the benefit of getting better performance out of existing resources. The future vitality of TMAs will depend on their ability to adjust to the growing needs of their public partners to develop and implement a full range of mobility management strategies for all trip types. In order to enhance long-term funding from the public sector, TMAs will play an increasing role in the on-going management of the transportation system – implementing strategies designed to improve transportation efficiency and reduce or delay the need for expensive capital investments.

For private-sector partners, from employers to property developers and managers, the role of mobility management is also expanding. As previously discussed, more and more TMAs are getting involved in strategies beyond the promotion of alternative modes of transportation for the commute to work. Programs to improve linkages between transportation and land use, strategies to enhance access to recreation destinations, and innovative development review and approval agreements are all part of a growing array of valuable TMA services. Securing long-term, private-sector funding for TMAs will require a broader understanding of the opportunities to provide value to employers, developers and others through expanded transportation management solutions.

Transportation problems will continue to get worse, not better, in the foreseeable future, and the negative consequences of these problems – from congestion to air quality – will continue to affect the economic vitality of our businesses and the quality of life of our communities. TMAs will continue to play a critical, though constantly evolving, role in the future by forging effective public-private partnerships between the organizations that have the largest stake how well the transportation system works for everyone.