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Transportation Management Organizations: Characteristics and Feasibility

Mobility Management Strategies
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Transportation Management Organizations: Characteristics and Feasibility

Introduction

Transportation management organizations (TMOs) are public-private partnerships that draw their membership from local employers, government agencies, transportation providers and others interested in working together to address transportation issues. Forming a TMO is similar to forming a non-profit organization, business partnership, or an association of public/government agencies. A TMO often focuses on specific goals such as traffic mitigation, improved access to a specific location, or environmental improvements, and typically works towards coordinating transportation and mobility options for a specific group of users. Transportation management association (TMA) is a term that is often used interchangeably with TMO; this report uses “TMO” except when referring to specific organizations that call themselves “TMAs.”

TMO Structure

The structure and characteristics of a TMO vary based on the size and intended purpose of the organization. Three of the most common structures of TMOs include:

- **A Business Association:** A collection of businesses within a geographic range, usually in an employment center, that are often formed through contracts, memoranda of understanding, or business agreements among company leaders. In this case, service areas are usually focused around specific travel corridors that provide access to the employment center or group of businesses. TMOs formed as business associations are usually privately funded. In some cases, a single business will establish a TMO to address a specific transportation need.
- **A Government Agency (Local/Regional):** Both local and regional government agencies can provide institutional support for establishing a TMO. These arrangements are often funded with public dollars, and can be supplemented by monetary support from private businesses that benefit from the transportation services. Regional public agencies can provide benefits beyond those provided by city agencies as they create a broader service area and can include a more diverse group of stakeholders and transportation providers.
- **An Ad hoc Organization:** Examples of ad hoc groups include neighborhood associations, developers, and non-profit/advocacy groups. These

organizations often receive a mixture of public and private funding, and vary in service size depending on the intended function of the organization.

TMOs typically require additional support and buy-in from applicable government agencies, transportation providers, and employers/employees that are involved in the process. Establishing a stable funding source for a TMO is essential. TMOs are more successful when they are formed with the assistance from a public organization or private entity that can provide initial funding, as opposed to starting from “scratch” with employer or business resources. Before forming a TMO, it is important to consider the various structures and characteristics of TMOs in light of the intended overall function and purpose of an organization.

Location

Major Activity Centers are ideal locations for TMOs. Not only do major activity centers provide the greatest employment densities within a region, but they typically also have a greater need for mitigating congestion and parking issues. According to a study published in the *Transportation Research Record* (Issue 1346, Washington D.C.: National Academy Press, 1992), the “typical” TMO market has 50,000 employees, 1,500 employers, and 15 active developers. This density is not always necessary for a TMO to be successful; however, major activity centers should be identified as target markets for the development of a TMO.

COMPASS developed criteria for major activity centers in Ada and Canyon Counties to show how they relate to the roadway system in the two county area (Appendix 2). The following three categories were used to describe major activity centers.

1) Main Activity Centers

- Central business districts linked to the Interstate
- Boise State University
- Boise Airport
- Regional Medical Centers

2) Employment Activity Centers

- Employment areas with a density of 5 employees per acre

3) Commercial Activity Centers

- 500,000 commercial square footage within an area with a ¼-mile radius

Community Based TMOs are typically driven by developers or neighborhood associations to promote alternative transportation options and transportation management solutions for a developing area. These TMOs are relatively rare, but often require local government partnerships to support the services of the TMO.

Corridor-Specific TMOs focus on the needs and issues of a specific transportation corridor and often establish partnerships with employers, developers, and government agencies.

Industry-Specific TMOs are formed to address the specific needs of a particular employer such as a hospital or university. These TMOs typically function through the human resource department of organizations in providing programs and services that are specific to the needs of employees within that particular industry.

Regional TMOs are usually developed through a regional government entity such as a metropolitan planning organization or a public transportation authority. Regional TMOs often provide coordination services for a broad region, but usually do not manage local service operations. Regional TMOs are sometimes developed as non-profit associations that are sponsored by several different government entities, including county governments and cities.

Determining Feasibility Needs

Identifying a transportation need is essential to building a successful TMO. Travel demand modeling is one method for assessing the feasibility of a TMO. Areas with major traffic congestion are suitable for establishing congestion mitigation strategies. Conducting on-site investigations of the employment area is another assessment strategy to identify the need for a TMO. Not only can site investigations provide information about bike and pedestrian infrastructure, but they also can provide information about parking and accessibility. Surveying employees and employers is another valuable method in determining specific transportation needs. TMO strategies and services can then be formulated to help address those needs.

Goals and Strategies

Once a transportation need is identified, the next step is to determine what goals and strategies should be formulated to meet those needs. Most TMO goals seek to improve mobility options and accessibility to service areas, as well as reduce traffic congestion and improve air quality. Strategies can then be developed to meet the goals set forth by stakeholders. Establishing performance measures is an important step toward ensuring the strategies are implemented and goals get accomplished. This approach must consider resources the TMO will have available.

Stakeholder Support

Engaging the appropriate stakeholders in TMO development is essential to the success of the organization. Understanding the needs of employers and matching

the TMO support services to those needs will help “sell” the TMO idea to the employers and employees. It is important to understand the economic climate in which the employers operate, and to acknowledge financial opportunities or constraints that may present. Engaging local governments and organizations can open the door for partnership opportunities and support for TMO activities and projects. Local governments can create conditions that “incentivize” the formation of TMOs; for example, local ordinances that regulate parking and require trip reduction strategies for employers. Government partnerships can also provide TMOs with funding and in-kind support in exchange for TMO services.

Funding

TMOs require sufficient funding and support to implement their strategies and services. Having a variety of funding sources is ideal for TMOs, as this provides organizations with the flexibility to perform a variety of functions, as well as the ability to carry on in the event one funding source deteriorates. Funding typically comes from membership dues, government grants, service fees, local improvement districts, and donations.

Services

The services that a TMO provides depend on the wants and needs of the stakeholders involved in the formation of the TMO, as well as the funding sources available for its operation. Some TMOs operate on minimal resources and therefore provide limited services, while others may have significant funding and full-time staff support for programs and services.

Examples of TMO Services

The following list illustrates the wide variety of services TMOs can offer:

- Transportation/mobility advocacy
- Personal commute planning (see Arlington Commuter Service <http://www.commuterpage.com/accs/index.htm>)
- Transit subsidy/passes
- Commuter benefits programs
- Guaranteed/emergency ride home programs
- Ridematching services
- Vanpool provider/subsidy
- Carpool provider/subsidy
- Bike/walk incentive
- Telecommuting options
- Information kiosks
- Business shuttle services
- Onsite transportation and commuter events
- Parking incentives for carpool/vanpool riders

- Public transportation information
- Specialized program assistance-jurisdiction specific

TMO Examples

The following TMOs were chosen as examples to illustrate the organizational structure, services and funding of TMOs in western states.

TMO/TMA	Location	Description	Services	Funding	Population Served
36 Commuting Solutions	Denver, CO	CORRIDOR SPECIFIC TMA: 36 Commuting Solutions is a non-profit public/private membership organization working to enhance mobility along the U.S. 36 corridor.	<ul style="list-style-type: none"> •Regional Transportation District (RTD) transit resources along U.S. 36 •U.S. 36 Commuter Guide •Regional bike map •Regional rideshare programs •Trip planning •Transportation fairs •Regional promotions/events •RTD employer pass program evaluation •Vanpool matching services •Carpool matching services •Telework program resources •Bicycling services and information •Employee commute survey 	Annual membership dues for each business, based on size.	Coalition of nearly 50 businesses and 7 local government organizations - several thousand individual employees.
Commute Solutions	San Diego, CA	SERVICE SPECIFIC TMA: Structured through the University of California, San Diego. Services are specifically provided to area hospitals.	<ul style="list-style-type: none"> • Incentives to commuters who cycle to campus or medical center • Carpool registration • Reduced-fare passes • Subsidized vanpools • Hourly vehicle rentals • Guaranteed ride home program • Ride-matching service. 	Public sector and private business membership dues, service contract with regional transit provider, small Congestion Mitigation Air Quality grant specific projects, and special events.	Coalition represents about 20,000 employees in the corridor
Smart Trips	Bellingham, WA	REGIONAL TMA: Smart Trips is a program formed through a partnership of Whatcom County, the City of Bellingham, Whatcom Council of Governments, and Whatcom Transportation Authority.	<ul style="list-style-type: none"> •Promotional materials such as display centers •Personalized posters • Brochures • Bus passes •Prepackaged promotions • Matching prize money for promotional contests • Presentations to employees Other training opportunities 	The city, county, and the federal government. Employers are asked to designate a worksite transportation coordinator with a minimum of 1-2 hours per month to administer the program.	Smart Trips has over 10,000 participants in the program.

Lloyd District TMA	Portland, OR	Major Activity Center TMA: The Lloyd TMA is a non-profit business association representing large and small employers in the Lloyd District.	<ul style="list-style-type: none"> •Car share and carpool programs •A forum for businesses and neighborhood associations to work together •Coordinating various committees working on Lloyd District transportation issues •Assistance with Employee Commute Option Rule compliance •Advocacy at the local, regional, and state level on behalf of Lloyd District businesses 	1) Business improvement district (\$100,000 annually). 2) Parking meter district (\$90,000 annually). 3) Two grants from Metro, the regional government, totaling \$47,000: general operations and a marketing program. 4) 3% commission from sale of transit passes and tickets (\$44,000 annually).	
North Natomas Transportation Management Association (NNTMA)	Sacramento, CA	COMMUNITY BASED TMA: Membership consists of commercial, business, and residential entities. The NNTMA was formed in advance of the development of the North Natomas community (north of downtown Sacramento). It will work to implement alternate transportation before congestion problems arise.	<ul style="list-style-type: none"> • Subsidized transit passes for employers and residents • Guaranteed ride home Program • Local shuttle program • Carpool/ vanpool matching assistance • Trip Reduction outreach programs for residents, neighborhood associations, and businesses • Air quality and alternative transportation promotions (bikes, tune-ups, electric vehicles) • Resource for air quality/ transportation information, including the TMA's web site. 	The City of Sacramento implemented a community financing district (CFD) to provide reliable long-term funding for the TMA, with area-wide participation in the CFD.	About 1,500 homes will be built in the area this year. At build out, North Natomas is projected to have 32,500 dwelling units with a population of 66,000 residents and 71,000 employees.

Conclusion and Recommendations for the Treasure Valley

When establishing a TMO, it is important to consider needs of a particular service area, the market environment, and available resources. Increased transportation choices are an essential measure of TMO success. However, a formal TMO structure is not always the appropriate solution to alleviate the transportation problems or needs. Considering the economic climate, a lack of dedicated local funding source, and relatively low employment density of the Treasure Valley, establishing a self-sustaining, employer-based TMO may not be feasible in the Treasure Valley at this time.

One of the service needs in the Treasure Valley is a Canyon County vanpool program. According to the 2009 *Performance Monitoring Report* (http://www.communitiesinmotion.org/Documents/datareports/CIM_PMR_Final.pdf) there is a westward shift in both housing and employment centers in the Treasure Valley, which illustrates a need for improved commuting services in that region. Currently, ACHD Commuteride operates a vanpool program that provides services to and from Canyon County, but only if the van pool route touches a portion of Ada County. For some of the smaller communities, including Greenleaf, Notus, Parma, Melba, Middleton, and Wilder, transportation options to the employment centers in Caldwell and Nampa are limited.

A feasible TMO model for delivering an employer services program in the Treasure Valley could be an informal network of stakeholders operating with the support of a regional agency. The regional agency could lay the foundation for the TMO activities, services, and programs and then leave the continual implementation to the employers. The regional entity could provide support services, depending on available funding. This model would be a scaled back version of a conventional TMO; it appears to fit in with the current market, needs, and available resources in the Treasure Valley and would complement existing services and commuter programs in the area.

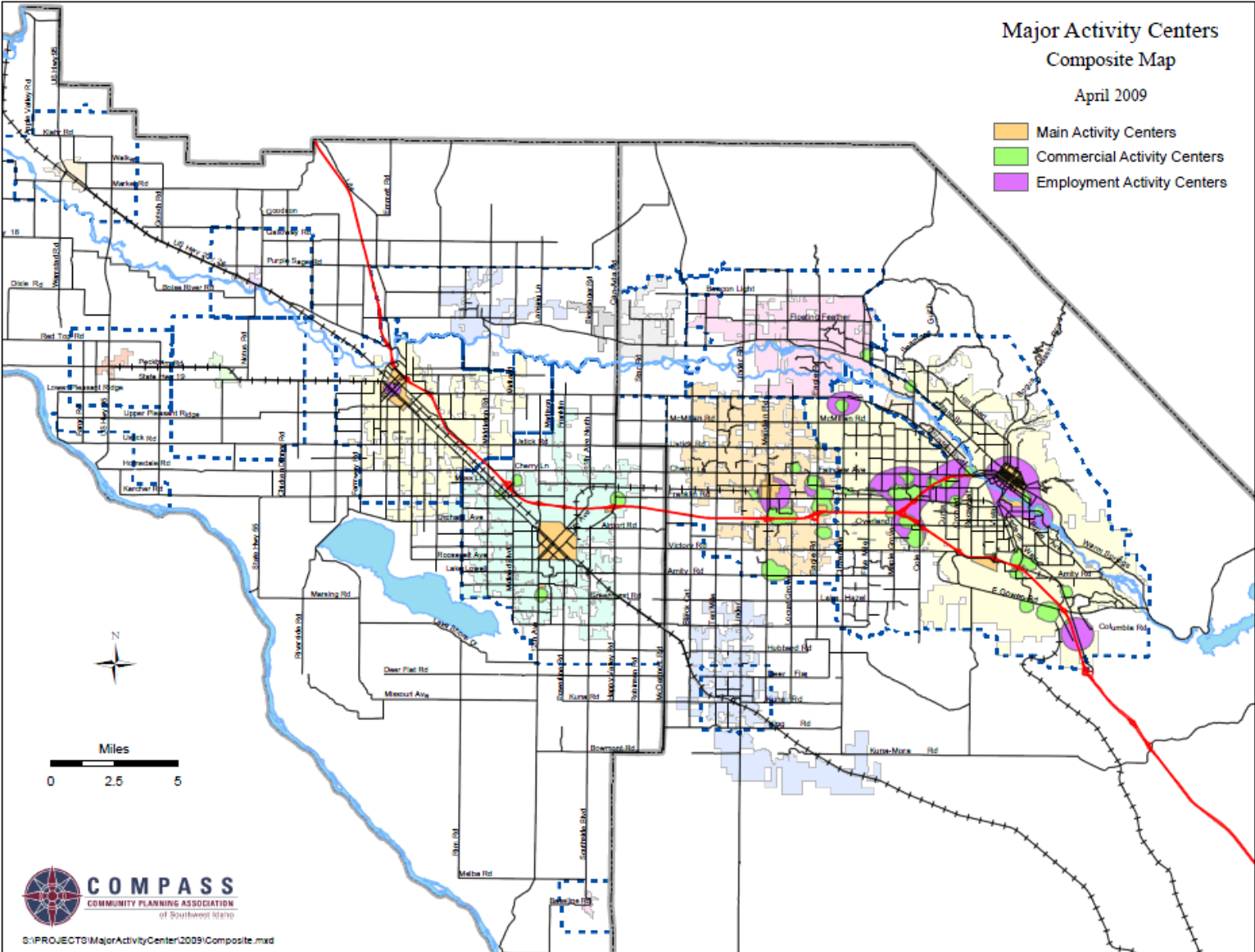
Appendices:

1) Steps for Implementing a Regional Employer Services Program

1. Use a traffic congestion/travel demand model to determine which corridors and routes are in most need of improvement.
2. Reach out to existing transportation providers for feedback on how to improve their existing services and programs.
3. Select a potential pilot project region with appropriate employee density and an identified transportation need. Evaluate major activity centers, housing affordability and commuting distance, and employment and population density (See Appendix 2).
4. Invite human resource personnel, business directors, or existing employee transportation coordinators from the pilot project region to identify specific needs and strategies, and to provide feedback on and direction for the TMO. Find out which businesses would be interested in participating in an employee services pilot project.
5. Once businesses agree to participate in the employer services program, assess the general geography of the pilot region and identify existing transportation resources including transit routes, vanpool routes, bike/pedestrian pathways, etc.
6. Research potential partnerships with businesses in close proximity to facilitate alternative transportation options. Include businesses that are interested in partnering.
7. Conduct a site assessment of the participating businesses to evaluate alternative transportation amenities such as bike racks, showers/locker rooms, storage facilities, etc. as well as existing commuter benefit programs or policies.
8. Survey employees about specific transportation needs and issues. Ask questions about work days/hours, commute modes, distance traveled to work, home address information, need for vehicle access during the day.
9. Use information from the site assessment and the employee survey to work with the employers to establish a commuter benefits program.
10. Disseminate information about the benefits of using public transportation, vanpools, carpools, biking, and other alternative transportation options. Create information kiosks or displays about regional information including bus routes, park and ride lots, vanpool routes, pedestrian/bike pathways and provide up-to-date brochures and information on local transportation systems and providers.
11. Conduct commuter benefits program outreach, such as seminars or forums, to employment centers to promote alternative transportation to employees.

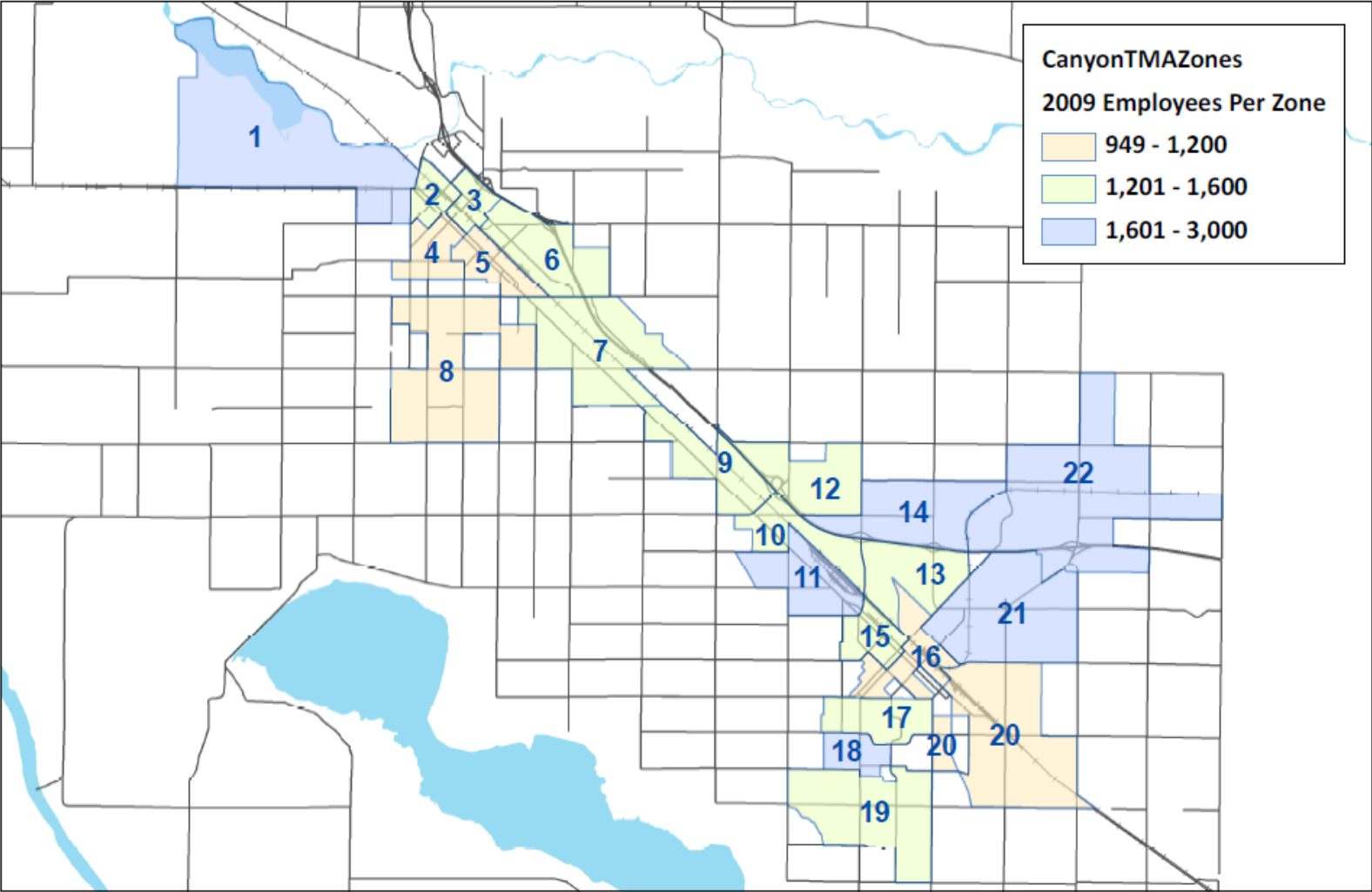
12. Provide employers with travel training materials and marketing toolkit information (where appropriate).
13. Establish carpool connections through geocoding (similar to Ridematch but integrating other resources, such as park-and-ride lots).
14. Provide information on travel demand patterns to evaluate the best routes for employees and vanpool participants.
15. Provide employees information on trip patterns to work, including cost and mileage, and provide assistance and support in setting up a vanpool, including finding connections for new or existing vanpools.
16. Provide newsletters and reports about employee transportation use, latest trends, CTAI/IWAY updates, and changes in the transportation system; feature different employees who are using alternative transportation.
17. Provide information and assistance for company relocation or new branch support siting future office buildings.

2) Major Activity Centers (2009 Performance Monitoring Report)



3) Canyon County Tentative TMO/TMA Zones (2009)

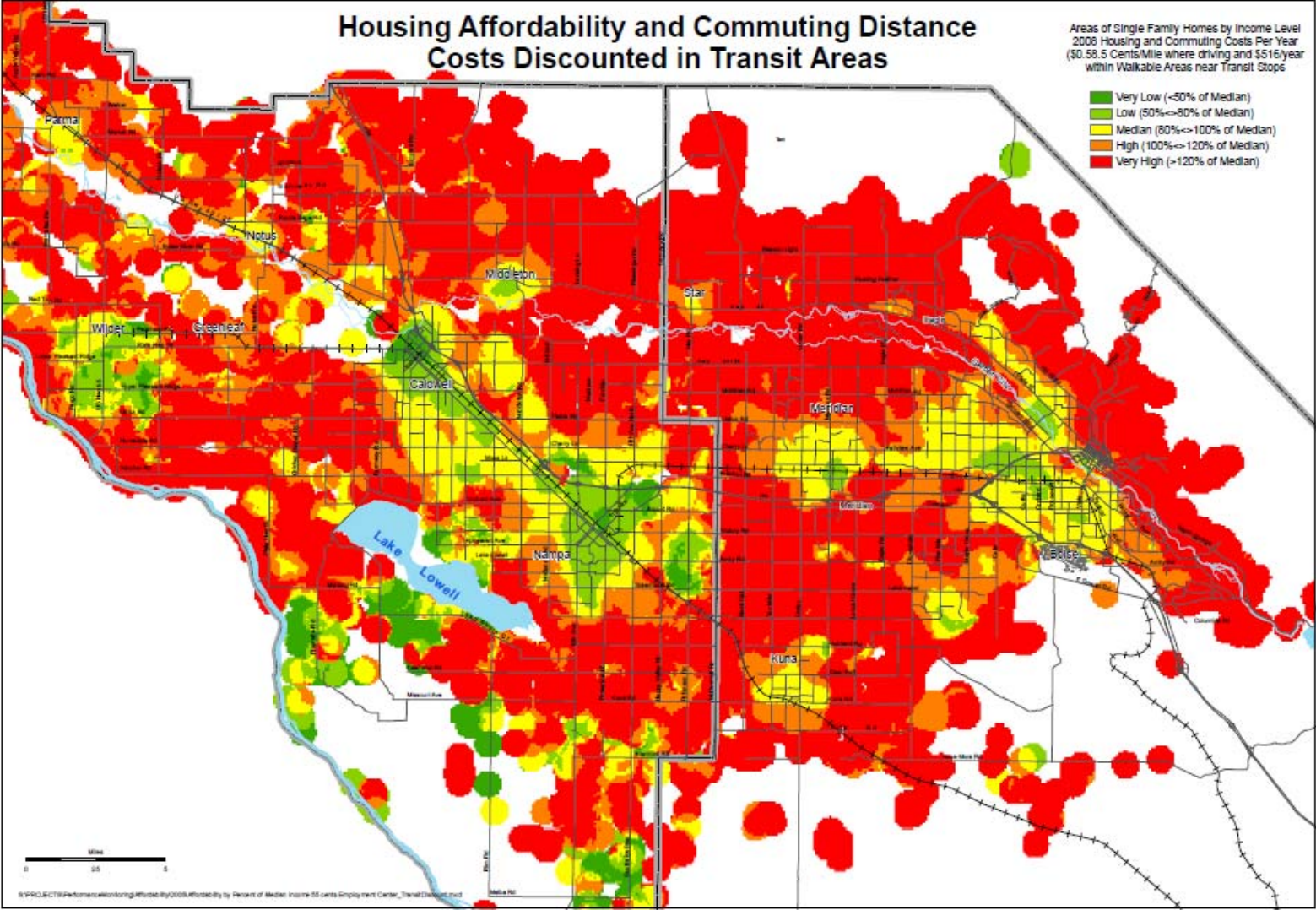
Canyon County COMPASS Tentative TMA Zones



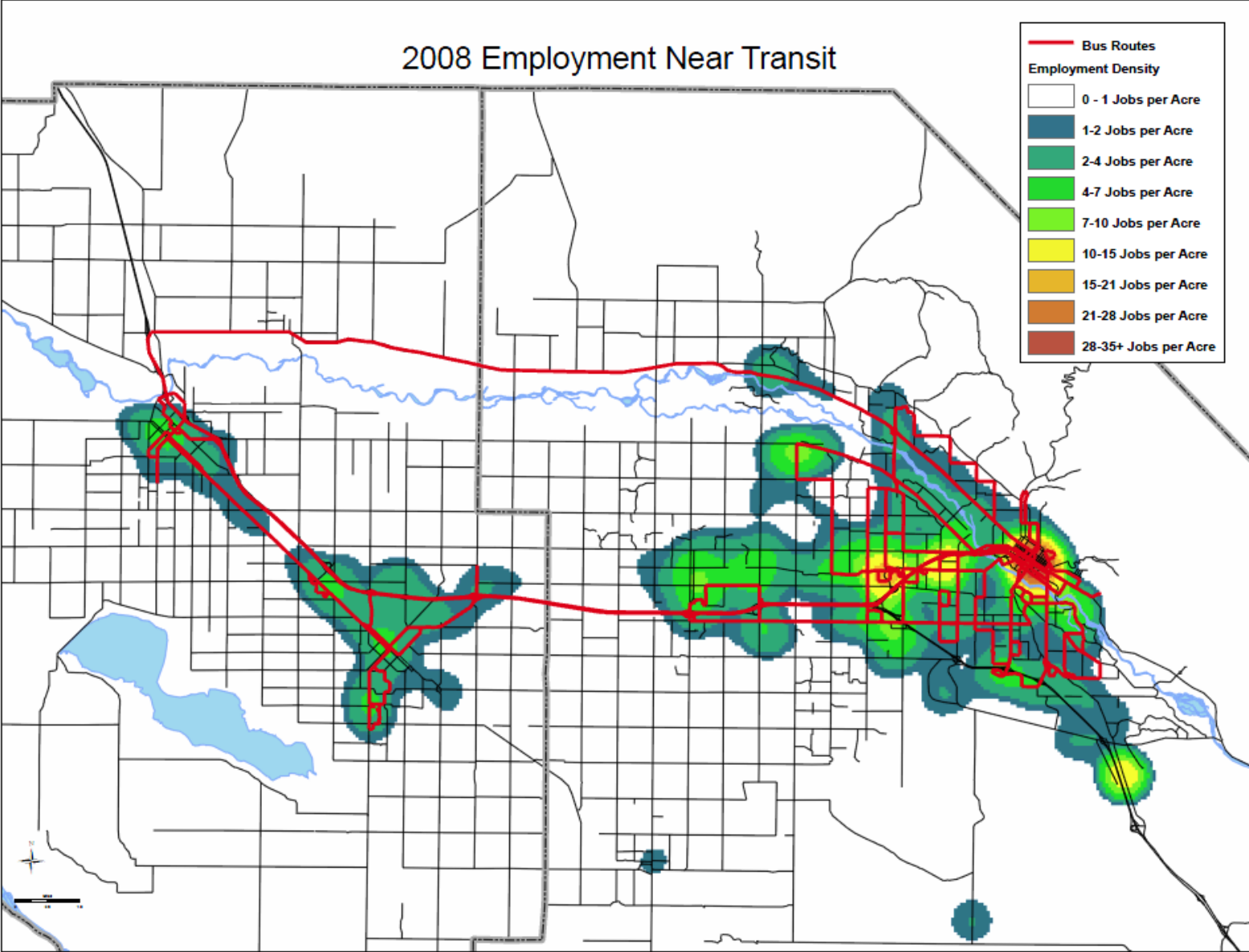
Based on employers with more than 15 employees
 TMA Zones are based on TAZ's



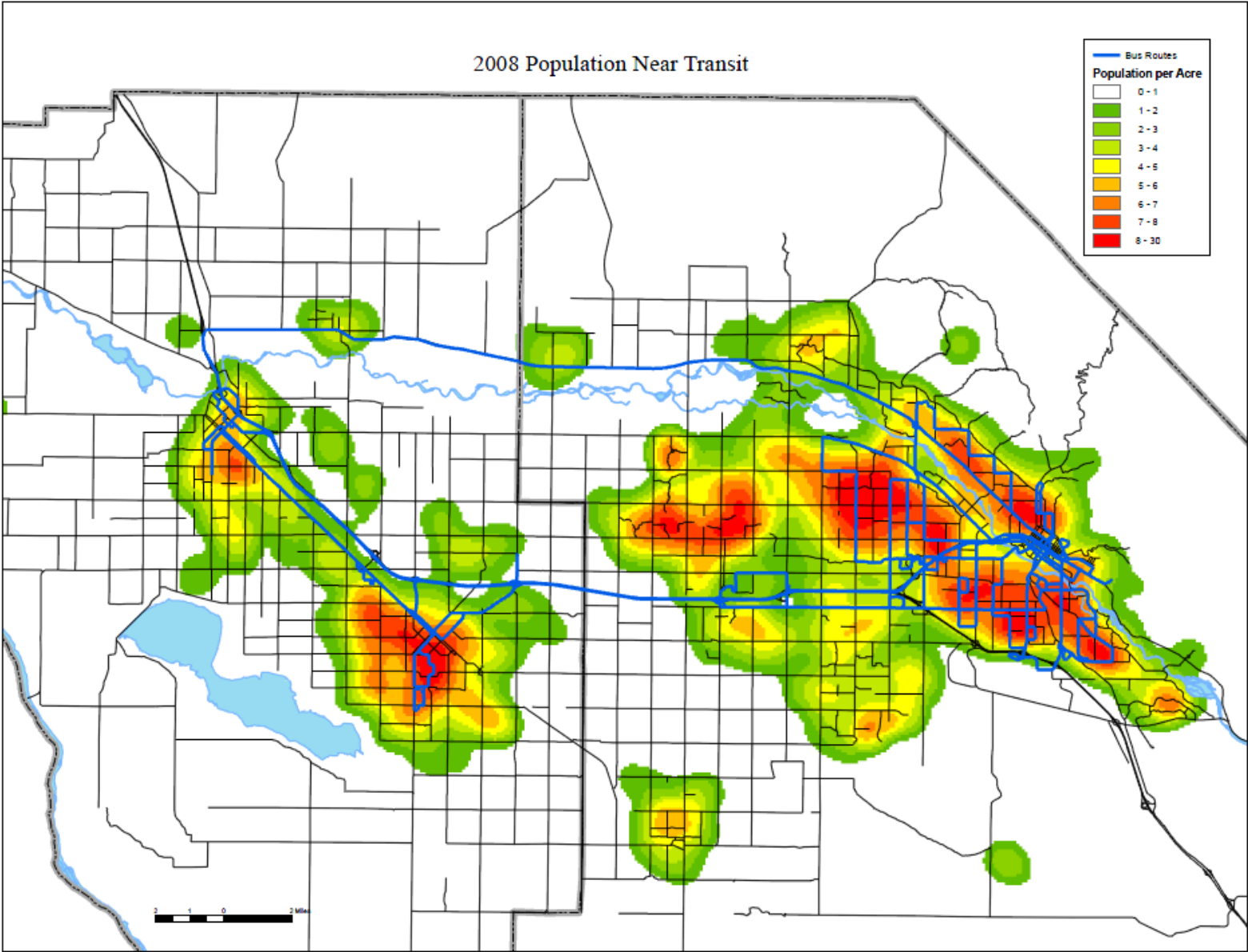
4) Housing Affordability and Commuting Distance (2009 Performance Monitoring Report)



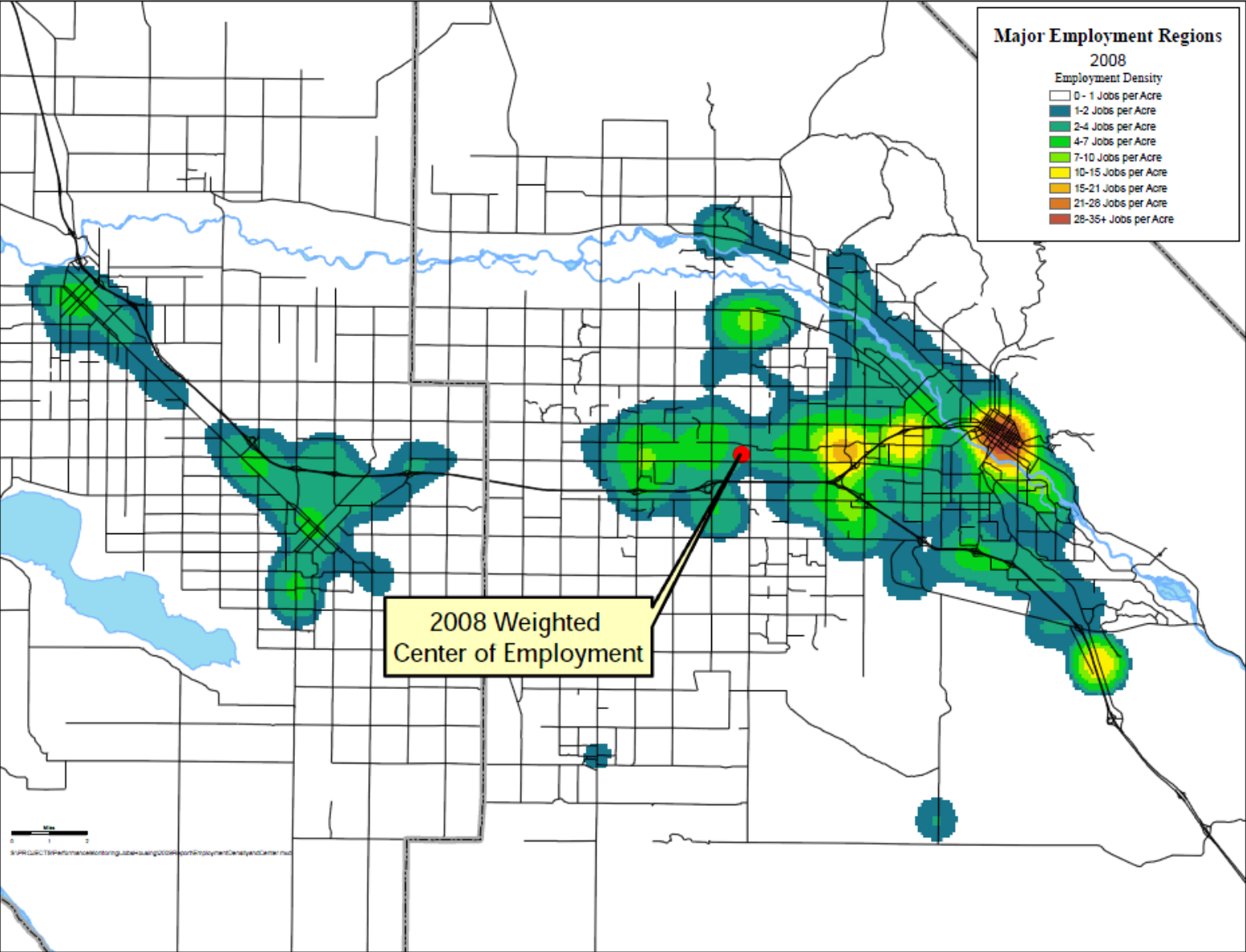
5) Employment Near Transit (2009 Performance Monitoring Report)



6) Population Near Transit (2009 Performance Monitoring Report)



7) Major Employment Regions (2009 Performance Monitoring Report)



8) Balance Between Jobs and Housing (2009 Performance Monitoring Report)

Agency Page Definitions

Agency Page Data Definitions

Balance Between Jobs and Housing: Measures of employment, population, and housing which indicate levels of concentrated urban growth patterns. A low jobs/housing ratio indicates a housing-rich “bedroom community”, while a high jobs/housing ratio indicates an employment center. In a “balanced” community most residents could work relatively close to home, at least in theory. Even though many residents would still commute out of the area by choice or necessity, research indicates that in areas where jobs and housing are in balance, people on average do in fact commute shorter distances and spend less time in their cars, reducing in transportation-related environmental impacts and an improved quality of life.¹

Jobs to Housing Ratios: The ratio of employment to housing units within a city or county.

Area	2006 (Base Year)	2008	Indicator
Region	1.3	1.2	NA
Boise	1.7	1.8	↓
Caldwell	1.2	0.9	↓
Eagle	0.8	0.8	↔
Garden City	1.9	1.7	↑
Greenleaf	0.2	0.2	↔
Kuna	0.4	0.4	↔
Melba	1.2	1.3	↓
Meridian	1.1	1.1	↔
Middleton	0.5	0.8	↑
Nampa	1.2	1.1	↓
Notus	0.1	0.3	↑
Parma	1.1	0.8	↓
Star	0.3	0.3	↔
Wilder	0.5	0.5	↔