COMMITMENT 2040

# FINANCIAL RESOURCES

FEBRUARY 2014

move people · create jobs · strengthen communities

broward MPO
metropolitan planning organization

Trade Centre South
100 West Cypress Creek Road, Suite 850
Ft. Lauderdale, FL 33309-2112

+1 (954) 876-0033 Phone
+1 (954) 876-0062 Fax
www.browardmpo.org

For complaints, questions or concerns about civil rights or nondiscrimination; or for special requests under the American with Disabilities Act, please contact: Christopher Ryan, Public Information Officer/Title VI Coordinator at (954) 876-0036 or ryanc@browardmpo.org.

To order additional copies of this technical report, contact the Broward MPO:
+1 (954) 876-0033 PHONE
+1 (954) 876-0062 FAX

This technical report is also posted on Broward MPO's Website:
www.browardmpo.org

## Steering Committee

Photo courtesy of Downtown Development Authority

## DISCLAIMERS

This technical report is intended to provide a framework to facilitate discussion and to document research findings at the time of its authorship. It was developed based on the most current and accurate information available at the time of its formulation. This document in no way limits the conclusions, recommendations and implementation strategies that will comprise the final 2040 Long Range Transportation Plan.

TABLE OF CONTENTS

BCT ..... Broward County Transit
CMAQ ..... Congestion Mitigation and Air Quality Improvement Program
DBE ..... Disadvantaged Business Enterprise
FDOT ..... Florida Department of Transportation
FLL ..... Fort Lauderdale-Hollywood International Airport
FSTED ..... Florida Seaport Transportation and Economic Development
GARVEE ..... Grant Anticipation Revenue Vehicle
HSIP ..... Highway Safety Improvement Program
JARC ..... Job Access and Reverse Commute
LRTP ..... Long Range Transportation Plan
MPO ..... Metropolitan Planning Organization
MPOAC ..... Metropolitan Planning Organization Advisory Council
NCHRP ..... National Cooperative Highway Research Program
NHPP ..... National Highway Performance Program
PNRS ..... Projects of National and Regional Significance
RRIF ..... Railroad Rehabilitation & Improvement Financing
SEFTC ..... Southeast Florida Transportation Council
SHS ..... State Highway System
SIB ..... Florida State Infrastructure Bank
SIS ..... Strategic Intermodal System
STP ..... Surface Transportation Program
TA ..... Transportation Alternatives
TAP ..... Transportation Alternatives Program
TDP ..... Transit Development Plan
THPP ..... Tribal High Priority Projects
TIF ..... Tax-Increment Financing
TIFIA ..... Transportation Infrastructure Finance and Innovation Program
TIFIA ..... Transportation Infrastructure Financing and Innovation Act
TMA ..... Transportation Management Area
TRIP ..... Transportation Regional Incentive Program
TUF ..... Transportation Utility Fees
VMT ..... Vehicle-Miles Traveled

## PURPOSE

The Financial Resources Technical Report presents a review of projected available funding for the Broward Metropolitan Planning Organization (MPO) Long Range Transportation Plan through 2040 (Commitment 2040). The identified projected resources will serve as the basis for prioritizing future capital investment in transportation infrastructure and ongoing operating and maintenance expenses. Principal federal, state and local funding programs and revenues for transportation are reviewed and projected through 2040. Each funding program and revenue source is discussed including eligible uses of funds and required matching funds from local sources, if any. A summary of all projected available funding for Commitment 2040 is provided in Section 5 of the Report. Section 6 then presents potential funding and financing mechanisms that could provide additional resources to the Broward metropolitan area if officials elect to impose or implement the options.

## METHODOLOGY

The approach to developing the projections of available funding followed the guidelines provided by the Florida Department of Transportation's (FDOT) 2040 Revenue Forecast Handbook and Supplement for the Broward metropolitan area. FDOT provided its forecast of federal and state funding sources that flow through the FDOT Work Program and is consistent with Financial Guidelines for MPO 2040 Long Range Plans adopted by the Metropolitan Planning Organization Advisory Council (MPOAC) in January 2013. The FDOT forecast does not include estimates for local revenue sources. Revenue projections for local revenue sources such as gas taxes and concurrency fees were developed in consultation with MPO staff and based on historical trends and projections of relevant data such as vehicle miles traveled as discussed in Section 3 for relevant local revenues. Only revenues that are reasonably expected to be available are included in the forecast. Consistent with the forecast provided by FDOT, the funding projections are presented for FY2019-2020, FY2021-2025, FY2026-2030, and FY2031-2040. All estimates are expressed in year of expenditure dollars.

## LIMITATIONS

The projections of local revenue sources rely on publicly available historical data and projections of vehicle miles traveled in Broward County. It is believed that the source data is reliable, but accuracy was not verified. The accuracy of the projections depends on the occurrence of future events that are unlikely to occur as planned. Variances between assumed and actual outcomes may occur and could be material.

## FEDERAL FUNDING

Federal transportation funding flows to Broward County either directly or through FDOT. The current federal surface transportation funding legislation is the Moving Ahead for Progress in the 21st Century Act (MAP-21). MAP-21 was signed into law on July 6, 2012, and funds surface transportation programs nationally at over $105 billion for FY2013 and FY2014, with the majority of funds allocated to highway programs ($82 billion) and transit programs ($21 billion). These overall funding levels are generally consistent with annual funding levels under the preceding funding legislation. MAP-21, however, reflects term, policy, and program changes when compared to prior funding legislation. MAP-21 includes two years of funding authorization versus prior legislation's six years and transforms the policy and programmatic framework for investments. As expiration of MAP-21 approaches on September 30, 2014, the funding levels and policy and program framework of future federal surface transportation funding legislation is unclear. Complicating matters is the anticipated insolvency of the Highway Trust Fund in 2015. Due to declining vehicle miles traveled, loss in purchasing power of gas tax revenues, and increasing fuel efficiency, the Highway Trust Fund is projected to become insolvent absent reductions in spending or an increase in revenues dedicated to the fund. In this uncertain context, FDOT and Broward MPO made federal funding assumptions for Commitment 2040 funding based on MAP-21.

### *FEDERAL HIGHWAY FUNDING PROGRAMS*

As noted above, MAP-21 restructures the core highway formula programs. Activities carried out under some prior formula programs – the National Highway System Program, the Interstate Maintenance Program, the Highway Bridge Program, and the Appalachian Development Highway System Program – are incorporated into the following new core formula program structure:

- National Highway Performance Program (NHPP)
- Surface Transportation Program (STP)
- Congestion Mitigation and Air Quality Improvement Program (CMAQ)
- Highway Safety Improvement Program (HSIP)
- Railway-Highway Crossings (set-aside from HSIP)
- Metropolitan Planning

MAP-21 also creates the following two new formula programs:

- Construction of Ferry Boats and Ferry Terminal Facilities – replaces a similarly purposed discretionary program
- Transportation Alternatives (TA) – encompasses most activities funded under prior Transportation Enhancements, Recreational Trails, and Safe Routes to School programs

Finally, MAP-21 makes changes to discretionary programs—creating a new program, continuing some programs, and eliminating other programs while covering many of their eligibilities in continued programs. Discretionary programs under MAP-21 are as follows:

- Tribal High Priority Projects (THPP) (new program)
- Projects of National and Regional Significance (PNRS) (continued)
- On-the-Job Training Supportive Services (continued)
- Disadvantaged Business Enterprise (DBE) Supportive Services (continued)
- Highway Use Tax Evasion (Intergovernmental enforcement projects) (continued)
- Work Zone Safety Grants (continued)

The table below provides a summary of the national authorizations by highway program under MAP-21.

MAP-21 Highway Authorizations (dollars in millions)

| Federal Highway Program | FY 2013 | FY 2014 | Total |
|---|---|---|---|
| Federal-aid Highway Program | 37,477 | 37,798 | **75,275** |
| Estimated Split among Programs: | | | |
| National Highway Performance Program | [21,752] | [21,936] | **[43,687]** |
| Surface Transportation Program | [10,005] | [10,090] | **[20,095]** |
| Highway Safety Improvement Program | [2,390] | [2,411] | **[4,801]** |
| Congestion Mitigation & Air Quality Improvement Program | [2,209] | [2,228] | **[4,437]** |
| Metropolitan Transportation Planning | [312] | [314] | **[626]** |
| Transportation Alternatives | [809] | [820] | **[1,629]** |
| Transportation Infrastructure Finance and Innovation Program (TIFIA) | 750 | 1,000 | **1,750** |
| Tribal Transportation Program | 450 | 450 | **900** |
| FHWA Administrative Expenses | 454 | 440 | **894** |
| Research and Education | 400 | 400 | **800** |
| Federal Lands Transportation Program | 300 | 300 | **600** |
| Projects of National and Regional Significance | 500 | - | **500** |
| Federal Lands Access Program | 250 | 250 | **500** |
| Territorial and Puerto Rico Highway Program | 190 | 190 | **380** |
| Emergency Relief | 100 | 100 | **200** |
| Construction of Ferry Boats and Ferry Terminal Facilities | 67 | 67 | **134** |
| Tribal High Priority Projects Program | 30 | 30 | **60** |
| **Total** | **40,968** | **41,025** | **81,993** |

*FEDERAL TRANSIT FUNDING PROGRAMS*

MAP-21 also restructures the core transit funding programs. New funding programs are created and some programs are repealed while others are consolidated or modified as summarized below.

New formula programs include the following:
- State Safety Oversight Program
- State of Good Repair Program – replaces the Fixed Guideway Modernization program
- Bus and Bus Facilities Program – replaces the discretionary Bus and Bus Facilities program

The following describes formula programs that were consolidated:
- Urbanized Area Formula Grant Program – remains largely unchanged but incorporates the following:
  - Job Access and Reverse Commute (JARC) program – with expanded eligibility for transit systems in urbanized areas over 200,000 population if system operates 100 or fewer buses; rail systems excluded
  - Passenger ferry discretionary funding awarded on a competitive basis.
- Rural Area Formula Grant Program – remains largely unchanged but incorporates the following:
  - JARC program
  - Tribal program – with a formula and discretionary component
  - Appalachian Development Public Transportation Assistance program
- Enhanced Mobility of Seniors and Individuals with Disabilities Program – with funding to both states (for all areas under 200,000) and large urbanized areas (over 200,000) and incorporates the New Freedom program

New discretionary programs include the following:
- Emergency Relief Program – appropriations by Congress as needed
- Transit-Oriented Development Planning Pilot

The following programs were modified:
- Fixed Guideway Capital Investment Grants (New Starts/Small Starts) – awarded on a competitive basis; incorporates new eligibility for projects that expand capacity by at least 10 percent
- Metropolitan, Statewide, and Nonmetropolitan Planning Programs – continues funding for multimodal transportation planning in metropolitan areas and states; modifies procedural requirements including establishment of performance-based planning
- Research, Development, Demonstration, and Deployment – consolidates with National Research programs
- Technical Assistance and Standards – discretionary funding; previously some of these activities were funding under Research, Development, Demonstration, and Deployment
- Human Resources and Training – incorporates a competitive grant program to support innovative transportation workforce development and funding for a national transit institute

The following programs were repealed:

Alternatives Analysis
- Clean Fuels
- Job Access and Reverse Commute (consolidated into Urbanized Area and Rural Area Formula Grant programs)
- New Freedom (consolidated into Enhanced Mobility of Seniors and Individuals with Disabilities Program)
- Transit in the Parks (public transportation investments serving National Parks and other federal lands remain eligible under FHWA's Federal Lands Transportation Program)
- Over the Road Bus

The table below provides a summary of the national authorizations by transit program under MAP-21.

MAP-21 Transit Authorizations (dollars in millions)

| Federal Transit Program | FY 2013 | FY 2014 | **Total** |
|---|---|---|---|
| Urbanized Area Formula Grants | 4,398 | 4,459 | **8,857** |
| State of Good Repair Grants | 2,136 | 2,166 | **4,302** |
| Capital Investment Grants (New Starts) | 1,907 | 1,907 | **3,814** |
| Rural Area Formula Grants | 600 | 608 | **1,207** |
| Growing States and High Density States Formula | 519 | 526 | **1,045** |
| Bus and Bus Facilities Formula Grants | 422 | 428 | **850** |
| Mobility of Seniors and Individuals with Disabilities | 255 | 258 | **513** |
| Planning Programs | 127 | 129 | **256** |
| Administrative Expenses | 104 | 104 | **208** |
| Research, Development, Demonstration, Deployment | 70 | 70 | **140** |
| Transit Oriented Development (Pilot) | 10 | 10 | **20** |
| Transit Cooperative Research Program | 7 | 7 | **14** |
| Technical Assistance and Standards Development | 7 | 7 | **14** |
| National Transit Institute | 5 | 5 | **10** |
| Human Resources and Training | 5 | 5 | **10** |
| National Transit Database | 4 | 4 | **8** |
| Bus Testing Facility | 3 | 3 | **6** |
| Emergency Relief Program | as necessary | | |
| **Total** | **10,578** | **10,695** | **21,273** |

## STATE FUNDING

The Florida Department of Transportation developed a new long range revenue forecast based upon recent federal and state transportation funding legislation. The FDOT forecast incorporates MAP-21 funding as described in section 2.1, above, as applicable to the State and Broward MPO. The FDOT forecast also incorporates changes in factors that affect state revenues including population growth rates, motor fuel consumption, tax rates, and current policies. FDOT's 2040 Revenue Forecast includes program estimates for the expenditure of state and federal funds expected from current revenue sources that flow through FDOT. The estimates for 2014 through 2018 are based on FDOT's Tentative Work Program as of November 28, 2012. Estimates for 2019 through 2040 (i.e., the 22-year term of Commitment 2040) were forecast based on current federal and state law, the current FDOT federal aid forecast, the October 2012 state revenue estimating conference forecast, and assume continuation of current FDOT policies. The forecast does not include local sources. A 2040 forecast of local revenue sources developed in consultation with the MPO is discussed below under Sections 3 and 4.

The total forecasted state and federal revenues for the State of Florida are provided in the table below.

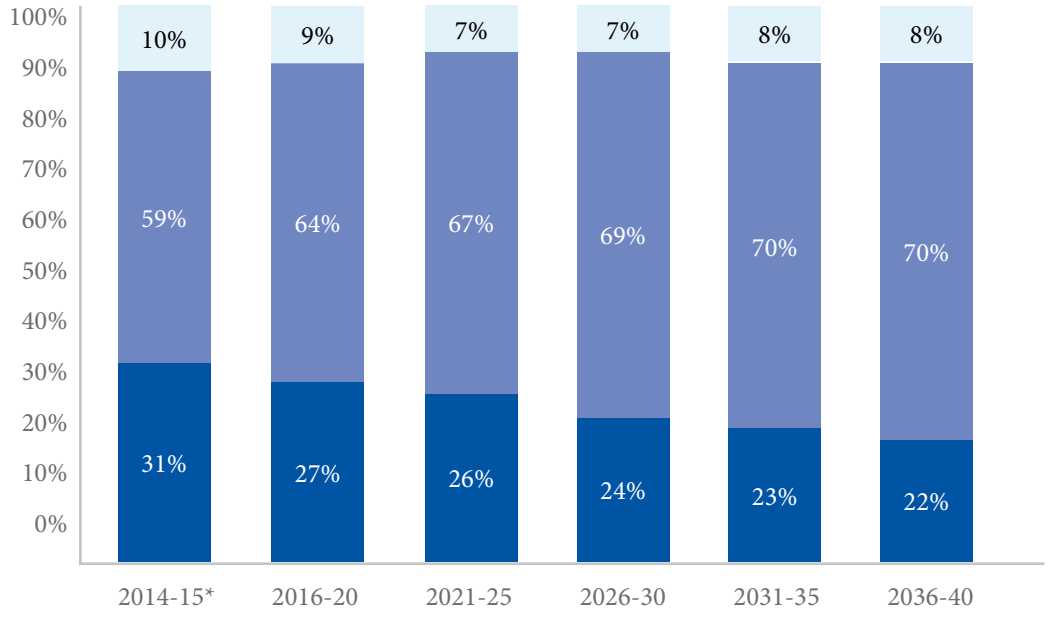
Statewide Federal and State 2040 Revenue Forecast (dollars in millions)

| | 2014-15[1] | 2016-20 | 2021-25 | 2026-30 | 2031-35 | 2036-40 | **27-year Total[2] (2014-2040)** |
|---|---|---|---|---|---|---|---|
| Federal[3] | 5,113 | 9,542 | 9,687 | 9,719 | 9,664 | 9,664 | **53,389** |
| State | 9,711 | 22,243 | 25,084 | 27,616 | 29,658 | 31,119 | **145,430** |
| Turnpike | 1,680 | 3,044 | 2,745 | 2,931 | 3,200 | 3,410 | **17,011** |
| **Total** | **16,505** | **34,829** | **37,516** | **40,266** | **42,522** | **44,193** | **215,830** |

1 Based on FDOT Work Program as of November 2012
2 May not total due to rounding
3 Federal revenues reflect 'soft match' for federal aid

As shown in the chart below, the FDOT forecast projects a decline in federal funding share over the term with state revenues accounting for an increasingly larger share.

Statewide Federal and State 2040 Revenue Forecast - Share of Federal and State Funds




Provided below is a description of the estimates of state and federal transportation funds developed by FDOT for the Broward MPO. For each funding category, the discussion outlines eligible uses of the funds and required local matching funds, if any.

*OTHER ARTERIAL CONSTRUCTION & RIGHT OF WAY FUNDS*

The purpose of this program is to fund improvements to the part of the State Highway System (SHS) that is not designated as Strategic Intermodal System (SIS). Over the 22-year term of Commitment 2040, FDOT estimates that Broward will be provided $1,401.3 million in Other Arterials Construction & ROW funding. Further, FDOT's 2040 Revenue Forecast states that the MPO can assume an additional 22 percent (approximately $308 million) will be available from the statewide 'Product Support' program for Project Development and Environmental studies and Engineering Design.

Up to 10 percent of the funding from the Other Arterials Construction & ROW category may be used for 'off-system' roads in Broward County, such as local government roads owned by counties and municipalities that meet certain federal eligibility criteria. Projects and programs eligible for Other Arterials Construction & ROW funding include the following:

- Construction and improvement projects on state roadways which are not on the SIS, including projects that:
  - Add capacity;
  - Improve highway geometry;
  - Provide grade separations; and
  - Improve turning movements through signalization improvements and storage capacity within turn lanes.

- Acquisition of land which is acquired to support the SHS highway and bridge construction programs, and land acquired in advance of construction to avoid escalating land costs and prepare for long-range development;
- Construction and traffic operations improvements on certain local government roads (subject to 10 percent limit) that add capacity, reconstruct existing facilities, improve highway geometrics (e.g., curvature), provide grade separations, and improve turning movements through signalization improvements and adding storage capacity within turn lanes; and
- Acquisition of land necessary to support the construction program for certain local government roads (subject to 10 percent limit), as discussed immediately above.

*TRANSIT FUNDS*

The Transit program provides technical and operating/capital assistance to transit, paratransit, and ridesharing systems. Over the 22-year term of the Commitment 2040, FDOT estimates that Broward will be provided $819.6 million in Transit program funding. Broward MPO may combine these funds with the Other Arterial Construction & ROW funds to provide for the best mix of transportation investments for the metropolitan area but the MPO is encourage to provide a minimum of the Transit program level of funding ($819.6 million) to transit projects and programs.

- Capital and operating assistance to public transit systems and Community Transportation Coordinators, through the Public Transit Block Grant Program
  - State participation is limited to 50 percent of the non-federal share of capital costs and up to 50 percent of eligible operating costs
  - Block grant can also be used for transit service development and corridor projects
- Service Development projects, which are special projects that can receive initial funding from the state
  - Up to 50 percent of the net project cost can be provided by the State
  - Up to 100 percent can be provided for projects of statewide significance (requires FDOT concurrence)
  - Eligible costs include operating and maintenance costs (limited to no more than three years) and marketing and technology projects (limited to no more than two years)
- Transit corridor projects that are shown to be the most cost effective method of relieving congesting and improving congestion in the corridor
- Commuter assistance programs that encourage transportation demand management strategies, ridesharing and public-private partnerships to provide services and systems designed to increase vehicle occupancy
- Assistance with acquisition, construction, promotion and monitoring of park-and-ride lots
- Assistance to fixed-guideway rail transit systems or extensions, or bus rapid transit systems operating primarily on dedicated transit right-of-way under the New Starts Transit Program

### *TRANSPORTATION MANAGEMENT AREA FUNDS*

All urbanized areas with a population greater than 200,000 are designated Transportation Management Areas (TMAs). Over the 22-year term of the Commitment 2040, FDOT estimates that Broward will be provided $520.6 million in TMA funding. All estimated TMA funding may be used for 'off-system' local government roads. If TMA funds are used for preliminary engineering, the amounts should be part of the estimated TMA funds provided by FDOT, not in addition to the estimate amount. TMA funds may be used to supplement Other Arterials Construction & ROW program and Transit program funding.

### *TRANSPORTATION ALTERNATIVES PROGRAM FUNDS*

MAP-21 established the Transportation Alternatives Program (TAP) to provide for a variety of alternative transportation projects including many that were previously eligible under separate programs. TAP replaces the funding from prior programs including Transportation Enhancements, Recreational Trails, Safe Routes to School, and several other discretionary programs wrapping them into a single funding source. Over the 22-year term of the Commitment 2040, FDOT estimates that Broward will be provided $51.2 million in TALU funds (TAP funds provided to areas with populations greater than 200,000). In addition, FDOT estimates that the District 4 will receive $102.5 million in TALT funds (TAP funds are allocated to any area). Given that Broward County's population is roughly 50 percent of the population of District 4, the MPO has assumed that roughly 50 percent of these funds could potentially be allocated to Broward MPO. FDOT's 2040 Revenue Forecast states that if the MPO includes projects funded with TALT funds in the LRTP, those projects should be identified as 'illustrative projects.' The programming of TALT funds is at the discretion of FDOT's District 4 management.

Funds may be used for surface transportation projects or activities described in the MAP-21 definition of "Transportation Alternatives" as summarized below:

- Construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other nonmotorized forms of transportation.
- Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers, including children, older adults, and individuals with disabilities to access daily needs.
- Conversion and use of abandoned railroad corridors for trails for pedestrians, bicyclists, or other nonmotorized transportation users.
- Construction of turnouts, overlooks, and viewing areas.
- Community improvement activities, including
    - inventory, control, or removal of outdoor advertising;
    - historic preservation and rehabilitation of historic transportation facilities;
    - vegetation management practices in transportation rights-of-way to improve roadway safety, prevent against invasive species, and provide erosion control; and
    - archaeological activities relating to impacts from implementation of a transportation project eligible under 23 USC.

- Any environmental mitigation activity, including pollution prevention and pollution abatement activities and mitigation to
  - address stormwater management, control, and water pollution prevention or abatement related to highway construction or due to highway runoff; or
  - reduce vehicle-caused wildlife mortality or to restore and maintain connectivity among terrestrial or aquatic habitats.

In addition to defined Transportation Alternatives, other eligible activities include:
- Recreational trails program
- Safe routes to school program
- Planning, designing, or constructing boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways
- Workforce development, training, and education activities

*TRANSPORTATION REGIONAL INCENTIVE PROGRAM*

Transportation Regional Incentive Program (TRIP) funds are allocated for regional transportation projects in 'regional transportation areas' as defined by Florida Statute. Over the 22-year term of the Commitment 2040, FDOT estimates that District 4 will be provided $37.5 million in TRIP funds. The Southeast Florida Transportation Council (SEFTC) selects and prioritizes candidate projects for TRIP funds from a regional perspective. The Southeast Florida region includes Broward, Miami-Dade, and Palm Beach counties. SEFTC began developing the Southeast Florida Regional Transportation Plan 2040 in January 2013, and is expected to adopt the Plan in January 2015. Any projects funded with TRIP funds must be included in the 2040 Regional Transportation Plan. As the Broward MPO Commitment 2040 is developed it will be aligned with projects designated in the 2040 Regional Transportation Plan. In addition, if Commitment 2040 includes projects funded with TRIP funds, those projects will be identified as 'illustrative projects.' In addition, projects funded with TRIP funds should include the following documentation:

- Status of regional transportation planning in the MPO area, including eligibility for TRIP funding;
- Description of the project and estimated costs;
- Assumptions related to the share and amount of district TRIP funding for the project; and
- Assumptions related to the share and amount of non-State matching funds for the project (federal and/or local) and the likelihood such funding will be available.

Florida law requires that projects to be funded with TRIP funds shall, at a minimum:
- Serve national, statewide, or regional functions and function as an integrated regional transportation system;
- Be identified in the capital improvements element of a comprehensive plan that has been determined to be in compliance with Part II of Chapter 163, F. S. after July 1, 2005, and be in compliance with local government comprehensive plan policies relative to corridor management;
- Be consistent with the Strategic Intermodal System Plan; and
- Have a commitment for local, regional, or private financial matching funds as a percentage of the overall project cost.

In allocating TRIP funds, priority is given to projects that:

- Provide connectivity to the Strategic Intermodal System;
- Support economic development and the movement of goods in rural areas of critical economic concern;
- Are subject to a local ordinance that establishes corridor management techniques, including access management strategies, right-of-way acquisition and protection measures, appropriate land use strategies, zoning, and setback requirements for adjacent land uses; and
- Improve connectivity between military installations and the Strategic Highway Network or the Strategic Rail Corridor Network.

Absent details on the developing 2040 Regional Transportation Plan and for the purposes of this Technical Memorandum, potential TRIP funding is estimated based on population. Given that Broward County's population is roughly 50 percent of the population of District 4, the MPO has assumed that roughly 50 percent of these funds could potentially be allocated to Broward MPO. As noted, however, population is not a determinant factor in allocating this funding and the extent to which regional projects will be identified in Broward County is not yet determined by SEFTC. Another factor in the allocation of TRIP funds is the requirement that TRIP funds cover up to 50 percent of project costs thereby requiring a 50 percent local match. If a regional project is identified in Broward eligible for TRIP funds, such funds will not be allocated without identification of the local matching funds.

### *NEW STARTS AND SMALL STARTS TRANSIT*

Federal New Starts and Small Starts transit funds (also known as Fixed Guideway Capital Investment Grants) are awarded to new and expanded rail, bus rapid transit, and ferry systems. MAP-21 also defines a new category of eligible projects, known as core capacity projects, which expand capacity by at least 10 percent in existing fixed guideway transit corridors that are at or above capacity today, or are expected to be at or above capacity within five years. The funding program is discretionary and requires project sponsors to undergo a multi-step, multi-year process to be eligible for funding. Statutorily, the maximum federal share of a New Starts project is 80 percent, however, projects generally receive much less than 80 percent.

The State of Florida also funds a New Starts Transit Program. Generally, state eligibility requirements for State New Starts Transit funds are as follows:

- Project must be a fixed guideway rail transit system or extension or bus rapid transit system operating primarily on a dedicated transit right of way;
- Project must support local plans to direct growth where desired;
- State funding is limited to 50 percent of non-federal share;
- Dedicated local funding must at least match state contribution; and
- Eligible phases are final design, right of way acquisition, construction, procurement of equipment, etc.

Over the 22-year term of the Commitment 2040, FDOT estimates that Florida will provide $760 million statewide in State New Starts Transit funding. The MPO has assumed that 10 percent ($76 million) of these funds could potentially be allocated to Broward MPO. These state funds could serve as matching funds to potential Federal New Starts or Small Starts funding. FDOT's 2040 Revenue Forecast states that if the MPO includes projects funded with New Starts funds in the LRTP, those projects should be identified as 'illustrative projects.' It is possible that more than 10 percent could be allocated to Broward MPO, however, it also is possible that less than 10 percent or none of these funds could be allocated to Broward MPO.

While statutorily, the maximum federal share of a New Starts project is 80 percent, projects generally receive much less than 80 percent and therefore the MPO has assumed that if such funds are allocated to Broward, the federal share would be 50 percent. According to FDOT's 2040 Revenue Forecast Handbook, state funding is limited to 50 percent of the non-federal share. Based on this requirement, Broward MPO has assumed that any potential New Starts funded projects would be funded with 50 percent federal funds, 25 percent state funds, and 25 percent local funds. If the projected $76 million in state funds were fully utilized, the County could seek $152 million in federal New Starts grants. This level of federal New Starts funding, however, also would require a $76 million local fund match. The local funds would need to be identified from eligible fund categories outlined in this report or new sources of revenue or funding would need to be identified. In total, this could result in potential project costs funded over the term of Commitment 2040 totaling $304 million.

### *STATE HIGHWAY SYSTEM OPERATIONS AND MAINTENANCE ESTIMATES*

FDOT's 2040 Revenue Forecast Handbook and Supplement provided a summary of FDOT estimates to operate and maintain the State Highway System in FDOT District 4. FDOT and FHWA have agreed that Commitment 2040 will meet FHWA expectations if it includes this summary as shown in the table below:

Districtwide State Highway System Operations and Maintenance Estimates 2040 Revenue Forecast (dollars in millions)

| | 2014-15 | 2016-20 | 2021-25 | 2026-30 | 2031-40 | **27-year Total** |
|---|---|---|---|---|---|---|
| Districtwide SHS O&M | $556 | $1,534 | $1,566 | $1,716 | $3,770 | **$9,141** |

## SUMMARY OF STATE AND FEDERAL FUNDING FOR COMMITMENT 2040

The following table presents the estimates of state and federal transportation funds for the Broward MPO through 2040 as prepared by FDOT for use by Florida's MPOs in update of their LRTPs.

FDOT State and Federal Funding Estimates - 2040 Revenue Forecast (dollars in millions)

| | 2019-2020 | 2021-2025 | 2026-2030 | 2031-2040 | 22 Year Total |
|---|---|---|---|---|---|
| Dedicated to Broward | | | | | |
| Other Arterials Construction & ROW - Capacity | 140.6 | 314.1 | 296.9 | 649.6 | **$1,401.2** |
| Other Arterials Construction & ROW - Preliminary Engineering | 30.9 | 69.1 | 65.3 | 142.9 | **$308.3** |
| TMA Funds | 47.3 | 118.3 | 118.3 | 236.6 | **$520.5** |
| TALU (> 200,000 population) | 4.7 | 11.6 | 11.6 | 23.2 | **$51.1** |
| Transit | 68.5 | 176.5 | 185.6 | 389.1 | **$819.7** |
| **Subtotal** | **$292.0** | **$689.6** | **$677.7** | **$1,441.4** | **$3,100.8** |
| Potential Regional/Competitive Funding | | | | | |
| TALT (Any Area) | 4.7 | 11.7 | 11.7 | 23.3 | **$51.3** |
| TRIP Funds | 0.6 | 4.55 | 4.55 | 9.1 | **$18.8** |
| State New Starts Transit Funds | 6.3 | 17.4 | 17.4 | 34.9 | **$76.0** |
| **Subtotal** | **$11.6** | **$33.6** | **$33.6** | **$67.3** | **$146.1** |
| **TOTAL** | **$303.6** | **$723.2** | **$711.3** | **$1,508.7** | **$3,246.8** |

## Summary of Eligible Uses of Funds - Federal and State Funding

| Federal and State Funding Programs | Eligible Uses |
|---|---|
| Other Arterials Construction & ROW | • Construction and improvements to SHS (not designated as SIS), including:<br>  • Add capacity<br>  • Improve highway geometry<br>  • Provide grade separations<br>  • Improve turning movements via signalization & storage capacity of turn lanes<br>• Acquisition of land for SHS highway & bridge construction; acquired to avoid escalation costs<br>• Up to 10% of funds can be used for uses above on off-system (local) roads<br>• Additional 22% for preliminary engineering |
| Transit | • May combine with Other Arterial Construction & ROW funds; encouraged to provide minimum of Transit program level of funding<br>• Capital and operating assistance to public transit systems and Community Transportation Coordinators, through Public Transit Block Grant Program<br>  • State participation limited to 50% of non-federal share of capital costs & up to 50% of eligible operating costs<br>  • Transit service development and corridor projects<br>• Service Development projects<br>  • Up to 50% of net project cost can be provided by State<br>  • Up to 100% for projects of statewide significance (w/ FDOT concurrence)<br>  • O&M (no more than 3 yrs); marketing & technology (no more than 2 yrs)<br>• Transit corridor projects that are most cost effective method of relieving congestion<br>• Commuter assistance programs to encourage transportation demand management strategies, ridesharing and public-private partnerships to increase vehicle occupancy<br>• Acquisition, construction, promotion and monitoring of park-and-ride lots<br>• Fixed-guideway rail transit systems or extensions, or bus rapid transit systems operating primarily on dedicated transit right-of-way under New Starts program |
| TMA Funds | • May be used for 'off-system' local government roads<br>• Preliminary engineering<br>• May supplement Other Arterials Construction & ROW and Transit program funding |
| TALU (> 200,000 population)<br><br>TALT (Any Area) | Surface transportation projects per MAP-21 definition of "Transportation Alternatives":<br>• Construction, planning, design of trails for nonmotorized transportation<br>• Construction, planning, design of projects that provide safe routes for non-drivers<br>• Conversion of abandoned railroad corridors for trails<br>• Construction of turnouts, overlooks, and viewing areas<br>• Community improvement activities:<br>  • inventory, control, or removal of outdoor advertising<br>  • historic preservation and rehabilitation of historic transportation facilities<br>  • vegetation management in transportation rights-of-way<br>  • archaeological activities related to transportation project impacts<br>• Environmental mitigation (pollution prevention, abatement, mitigation)<br>  • stormwater management, water pollution prevention/abatement<br>  • reduce vehicle-caused wildlife mortality or restore/maintain habitat connectivity<br>• In addition, other eligible activities include:<br>• Recreational trails program<br>• Safe routes to school program<br>• Planning/designing/constructing roads in ROW of former Interstates/divided highways<br>• Workforce development, training, and education activities<br>*if include TALT-funded projects, identify as 'illustrative projects |

Summary of Eligible Uses of Funds - Federal and State Funding (continued)

| Federal and State Funding Programs | Eligible Uses |
|---|---|
| TRIP Funds | Regional projects in 'regional transportation areas' defined by Florida Statute. At a minimum, projects shall:<br>• Serve national, statewide, or regional functions and function as an integrated regional transportation system<br>• Be identified in capital improvements of a comprehensive plan in compliance with Florida Statute & local government comprehensive plan corridor management policies<br>• Be consistent with the SIS Plan<br>• Have a commitment for local, regional, or private financial matching funds<br>Priority is given to projects that:<br>• Provide connectivity to SIS<br>• Support economic development; movement of goods in rural areas of critical economic concern<br>• Are subject to a local ordinance that establishes corridor management techniques, including access management strategies, ROW acquisition and protection measures, appropriate land use strategies, zoning, & setback requirements for adjacent land uses<br>• Improve connectivity between military installations and Strategic Highway Network or Strategic Rail Corridor Network<br>* identify as 'illustrative projects |
| State New Starts Transit Funds | • Fixed guideway rail transit system or extension or bus rapid transit system operating primarily on a dedicated transit right of way<br>• Project must support local plans to direct growth where desired<br>• State funding limited to 50 percent of non-federal share<br>* identify as 'illustrative projects |

Local government revenues for transportation in Broward MPO include primarily various motor fuel taxes and a transportation concurrency fee. As outlined in this section Broward receives revenue from motor fuel taxes that are imposed by the State and then distributed to the County and municipalities as well as from local option motor fuel taxes that are imposed directly by the County. Broward County also collects transportation concurrency fees from ten designated concurrency districts in the County that levy assessments that represent the cost per trip of selected development. This section outlines each of these revenue sources and the estimated funds for Commitment 2040.

## STATE MOTOR FUEL TAXES DISTRIBUTED TO BROWARD COUNTY AND LOCAL OPTION MOTOR FUEL TAXES IMPOSED IN BROWARD COUNTY

The State of Florida levies three motor fuel taxes from which Broward County and its municipalities receive funding—the Constitutional Motor Fuel Tax, the County Motor Fuel Tax, and the Municipal Motor Fuel Tax. County governments in Florida also are authorized to levy local option motor fuels taxes up to 12 cents per gallon in the form of three separate levies—the Ninth Cent Motor Fuel Tax, the 5-Cent Motor Fuel Tax, and the 6-Cent Motor Fuel Tax. Broward County levies all 12 cents. Please note that the estimated revenues per 1 cent of each tax differ due to administrative and collection fees as well as refunds to entities such as local governments and farmers, as applicable. The projected revenue from each tax begins with the FY2013 distribution of revenues provided in the 2012 Local Government Financial Information Handbook released by the Florida Legislatures Office of Economic and Demographic Research. The MPO has assumed that the revenues from these motor fuel taxes decline by a compound annual growth rate of -1.3 percent from 2019 through 2040. Total estimated revenues are $2,234.9 million over the 22-year term of Commitment 2040 or $101.6 million on average annually. Each of the taxes is discussed below.

### *CONSTITUTIONAL MOTOR FUEL TAX*

A state tax of 2 cents per gallon on motor fuel is levied. All counties are eligible to receive proceeds and the allocation formula is comprised of a geographic area, population, and collection component. The tax revenues credited to each county are first distributed to meet debt service requirement, if any, of debt assumed by the State Board of Administration payable from the tax revenues. Of the remaining tax revenues, 20 percent is distributed to the Board of County Commissions for use in the County while 80 percent is held in escrow by FDOT for any construction underway on behalf of the County. Funds distributed to the County may be used for cost related to the acquisition, construction, or maintenance of roads. The funds also may be used as matching funds for any federal, state, or private grant for these purposes. The Broward County FY2014 Budget-In-Brief states that revenue from the constitutional motor fuel tax is allocated to road construction and maintenance projects.

According to the 2012 Local Government Financial Information Handbook released by the Florida Legislatures Office of Economic and Demographic Research, Broward County's distribution of constitutional motor fuel tax revenues is estimated to be $14.3 million in FY2013. Applying the growth factor assumptions discussed above, it is estimated that over the 22-year team of Commitment 2040, Broward County will receive $263.8 million in constitutional motor fuel tax revenues.

### *COUNTY MOTOR FUEL TAX*

A state tax of 1 cent per gallon on motor fuels is levied. All counties are eligible to receive proceeds and the allocation formula is the same as the constitutional motor fuel tax. The tax revenues are distributed to the County and can be used for any transportation purpose. The Broward County FY2014 Budget-In-Brief states that revenue from the county motor fuel tax is allocated to transportation operations such as highway construction and engineering, traffic engineering, and highway and bridge maintenance programs. According to the 2012 Local Government Financial Information Handbook, Broward County's distribution of county motor fuel tax revenues is estimated to be $6.2 million in FY2013. Applying the growth factor assumptions discussed above, it is estimated that over the 22-year team of Commitment 2040, Broward County will receive $115.4 million in county motor fuel tax revenues.

### *MUNICIPAL MOTOR FUEL TAX*

Under the municipal revenue sharing program, a state tax of 1 cent per gallon of motor fuel is levied and allocation to municipalities is based on a formula using factors of adjusted municipal population, derived municipal sales tax collections, and municipality's relative ability to raise revenue. The tax revenues can be used for any transportation purpose of the municipality. According to the 2012 Local Government Financial Information Handbook, municipalities in Broward County are estimated to receive $12.4 million in FY2013. Applying the growth factor assumptions discussed above, it is estimated that over the 22-year team of Commitment 2040, $228.7 million will be distributed to municipalities in Broward County from the municipal fuel tax.

### *NINTH-CENT MOTOR FUEL TAX*

The ninth-cent motor fuel tax is a 1 cent per gallon tax on motor fuel sold in the County. The proceeds are to be used for any transportation purpose of the County or municipalities. The County is not required to share the proceeds of this tax with municipalities. The Broward County FY2014 Budget-In-Brief states that revenue from the ninth-cent motor fuel tax is allocated to transit operations. According to the 2012 Local Government Financial Information Handbook, Broward County's estimated ninth-cent motor fuel tax revenues in FY2013 are estimated to be $8.4 million. Applying the growth factor assumptions discussed above, it is estimated that over the 22-year team of Commitment 2040, Broward County will receive $155.1 million in ninth-cent motor fuel tax revenues.

### *6-CENT MOTOR FUEL TAX*

Broward County imposes a 6-cent per gallon tax on motor fuel sold in the County. The County and municipalities in Broward County receive a portion of the proceeds from the 6-cent motor fuel tax. The Broward County FY2014 Budget-In-Brief states that revenue from the ninth-cent motor fuel tax is allocated to transit operations. According to the 2012 Local Government Financial Information Handbook, estimated ninth-cent motor fuel tax revenues in FY2013 are estimated to be $47.2 million countywide with an estimated $29.5 million (62.5 percent) distributed to the County and the remaining $17.7 million (37.5 percent) distributed among the municipalities in Broward County. Applying the growth factor assumptions discussed above, and assuming the distribution remains the same, it is estimated that over the 22-year team of Commitment 2040, Broward County will receive $544.9 million in 6-cent motor fuel tax revenues and $327.0 million will be distributed among the municipalities for a total of $871.9 million Countywide.

*5-CENT MOTOR FUEL TAX*

Broward County imposes a 5-cent per gallon tax on motor fuel sold in the County. Diesel fuel is not subject to this tax. The County and municipalities in Broward County receive a portion of the proceeds from the 5-cent motor fuel tax. According to the Broward County FY2014 Budget-In-Brief, revenue from the ninth-cent motor fuel tax is allocated to transit operations. In 1998, when this tax was increased from 3-cents to 4-cents per gallon, appropriating the additional revenues to transit operations enabled the reallocation of general fund resources to support homeless programs. The tax was raised to 5-cents in 2000. All 5-cents are now allocated to transit operations. According to the 2012 Local Government Financial Information Handbook, estimated ninth-cent motor fuel tax revenues in FY2013 are estimated to be $35.5 million countywide with an estimated $22.7 million (64.0 percent) distributed to the County and the remaining $12.8 million (36 percent) distributed among the municipalities in Broward County. Applying the growth factor assumptions discussed above, it is estimated that over the 22-year team of Commitment 2040, Broward County will receive $384.1 million in 5-cent motor fuel tax revenues and $216.0 million will be distributed among the municipalities for a total of $600.1 million Countywide.

## TRANSPORTATION CONCURRENCY FEES IN BROWARD COUNTY

Under Florida State law, each local government must adopt a Comprehensive Plan and implement regulations which require that adequate services and facilities be provided at the same time as, or concurrent with, any new development. These services and facilities include transportation. Broward County has opted to assess transportation concurrency fees to assist in the provision of transportation services and facilities associated with new development. Broward County is divided into 10 Transportation Concurrency Management Districts. Depending on the area, district concurrency fees are assessed for roads and/or for transit and the revenues fund transportation investments in the district from which it was collected. The Broward County Recommended FY2014-FY2018 Capital Budget estimates annual transportation concurrency fee revenue of $4.029 million in each year of the capital budget's five year term. Based on the County's budget, it is assumed that revenues from transportation concurrency fees are anticipated to remain flat through the term of Commitment 2040 resulting in $88.60 million in total revenues.

## FORT LAUDERDALE SPECIAL ASSESSMENT DISTRICT

A special assessment district was established in downtown Fort Lauderdale on July 9, 2013. The purpose of the assessment district is to benefit construction of The Wave, a 2.7 mile streetcar system that will serve as a local circulator in Downtown Fort Lauderdale. The assessment was unanimously approved by the City Commission on July 9, 2013. Tax parcels located in the assessment district, the area determined to benefit from the project, will have a maximum annual assessment of $0.09 per building square feet for non-residential property, $0.03 per land area square feet for land, and $99.00 per dwelling unit for residential property for a period of twenty-five (25) years commencing with the November 2013 tax bill. The revenues generated from the special assessment will be leveraged to issue special assessment bonds to finance a portion of the construction costs of The Wave. No surplus revenues will be available for other transportation purposes of the County.

## SUMMARY OF COUNTY AND MUNICIPAL FUNDING FOR COMMITMENT 2040

Estimated County and Municipal Funding for Commitment 2040
(FY2019-2040, 22-Year Term of Commitment 2040) - (dollars in millions)

| | 2019-2020 | 2021-2025 | 2026-2030 | 2031-2040 | 22 Year Total |
|---|---|---|---|---|---|
| State Motor Fuel Taxes Distributed to County | | | | | |
| State Constitutional Fuel Tax | 27.5 | 65.7 | 60.2 | 110.4 | **$263.8** |
| County Fuel Tax | 12.0 | 28.7 | 26.3 | 48.3 | **$115.4** |
| Municipal Fuel Tax | 23.9 | 57.0 | 52.2 | 95.7 | **$228.7** |
| Locally Imposed Fuel Taxes | | | | | |
| Ninth-Cent Fuel Tax | 16.2 | 38.6 | 35.4 | 64.9 | **$155.1** |
| 6-Cent Local Option Gas Tax | 91.0 | 217.1 | 198.8 | 364.9 | **$871.9** |
| 5-Cent Capital Improvement Local Option Gas Tax | 65.2 | 153.9 | 138.0 | 243.0 | **$600.1** |
| **Motor Fuel Taxes Total** | **235.8** | **$561.1** | **$510.9** | **$927.2** | **$2,234.9** |
| **Transportation Concurrency Fees** | **8.1** | **20.1** | **20.1** | **40.3** | **$88.6** |
| **TOTAL** | **$243.9** | **$581.2** | **$531.0** | **$967.4** | **$2,323.6** |

This section outlines other local agency funding including Broward County Transit (BCT), Tri-Rail operated by the South Florida Regional Transportation Authority (SFRTA), Broward County Port Everglades Department, and Broward County Aviation Department.

## BROWARD COUNTY TRANSIT

Broward County Transit (BCT) provides bus and paratransit services over an area of approximately 410 square miles with a total operating fleet of 299 buses on fixed-routes. BCT also provides links to Miami-Dade and Palm Beach counties transit systems, and to Tri-Rail commuter rail service offered by the SFRTA. In addition, NCT's Community Bus Service operates in partnership with 18 Broward municipalities. These community buses service residential areas freeing larger fixed-route buses to travel along major thoroughfares as part of a regional bus network. Through interlocal agreements,

BCT provides capital and/or operating assistance to the communities for these bus services. Municipalities have the option to supplement revenue for operating the service. Some municipalities utilize revenue received from the local option gas tax or revenue can be derived from the sale of advertising at bus shelters, on bus benches, and on the buses. Some municipalities also charge a fare.

Broward County Transit recently completed a Transit Development Plan (TDP) that serves as the strategic guide for public transportation in Broward County over the next 10 years (2014 through 2023). The TDP includes an analysis of immediate and longer term transit service and capital project needs and a funding analysis and plan that initiate strategic approaches to maintaining and expanding transit services in Broward County.

A range of funding sources support BCT's operations and capital investments. Operations are primarily funded by passenger fares, state operating assistance, County general funds, a portion of local option motor fuel tax revenues, and transportation concurrency funds. BCT's capital program is funded largely from state and federal grants and transportation concurrency funds. Due to the subsidized nature of BCT's operations no additional funds are available for Commitment 2040.

### TRI-RAIL OPERATED BY SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY

Tri-Rail is a commuter rail service linking Miami, Fort Lauderdale in Broward County, and West Palm Beach. The 72.5-mile rail corridor has two mainline tracks that are operated by the SFRTA including 18 stations with 7 stations in Broward County. In July 2012, SFRTA completed its most recent TDP update for the 2013-2022 timeframe. The TDP addressed the SFRTA's operational and capital improvement needs and a ten year implementation program.

Tri-Rail's operations and capital investments are supported by a range of funding sources. Operations are primarily funded by passenger fares, federal grants, and statutory operating assistance from FDOT and the three counties served (Broward, Dade, and Palm Beach counties). The three counties served provide funding from each county's local motor fuel tax revenues. Tri-Rail's capital program is funded largely from state grants and toll revenue credits and federal grants. Due to the subsidized nature of Tri-Rail's operations, no additional funds are available for Commitment 2040.

### BROWARD COUNTY PORT EVERGLADES DEPARTMENT

Port Everglades, located in Greater Fort Lauderdale and the City of Hollywood, is one of the busiest cruise ports in the world and is a leading container port in Florida,among the most active cargo ports in the United States. Port Everglades also is South Florida's main seaport for receiving petroleum products including, gasoline and jet fuel. The Port Everglades Department is a self-supporting Enterprise Fund of Broward County. The Port does not rely on local tax dollars for operations or capital improvements.

Capital projects at the Port are generally funded via a combination of operating revenues, state grants, and revenue bonds. An alternative source of funding for the Port is the Florida Seaport Transportation and Economic Development (FSTED) Council Program. In 1990, the State Legislature created the FSTED Program to finance port transportation projects. The Council

operates from within FDOT and consists of the port directors of the 15 publicly owned seaports and a representative from FDOT and the Department of Economic Opportunity. The Legislature funded the Program to provide $15 million annually in grants and $35 million annually to support bonded state revenues, for a total of $50 million in annual state support from the State Transportation Trust Fund. State funding is matched by the local port, usually on a 50/50 basis. FSTED funds are not included in the Commitment 2040 baseline revenue forecast as actual funding allocations can be difficult to estimate.

### BROWARD COUNTY AVIATION DEPARTMENT & FORT LAUDERDALE EXECUTIVE AIRPORT

Broward County owns two airports—Fort Lauderdale-Hollywood International Airport (FLL) and North Perry Airport (HWO), a small general aviation airport. The Airports are operated by the Broward County Aviation Department and serve the needs of over 23 million annual passengers and the general aviation community throughout South Florida. Fort Lauderdale-Hollywood International Airport is ranked 21st in the U.S. in total passenger traffic and 13th in domestic origin and destination passengers.

Broward County tax revenues are not used to support the operations, maintenance, or capital improvements of the Airports. The Broward County Aviation Department generates funds through user fees, rentals, and other charges. Bonds, fees, and state and federal grants fund capital improvement projects.

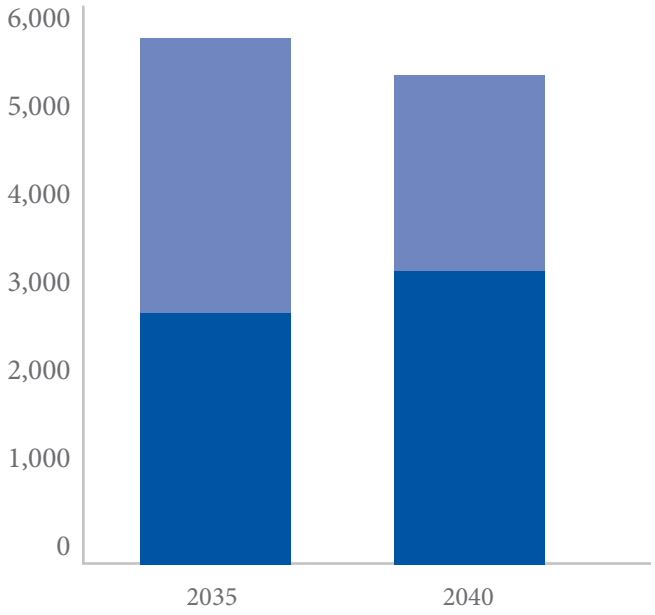
The City of Fort Lauderdale owns and operates the Fort Lauderdale Executive Airport (FXE). The Airport is self-sustaining and no general fund dollars are used for the maintenance, operation, or development of its facilities. Operating revenues and capital improvement funds are derived from long-term leases and fees to airport users.

The table below provides a summary of the 2040 revenue forecast including projected federal, state, and local funding sources.

Estimated Federal, State, and Local Funding for Commitment 2040
(FY2019-2040, 22-Year Term of Commitment 2040) - (dollars in millions)

| | 2019-2020 | 2021-2025 | 2026-2030 | 2031-2040 | 22 Year Total |
|---|---|---|---|---|---|
| Dedicated to Broward | | | | | |
| Federal & State Funding | | | | | |
| Other Arterials Construction & ROW - Capacity | 140.6 | 314.1 | 296.9 | 649.6 | **$1,401.2** |
| Other Arterials Construction & ROW - Preliminary Engineering | 30.9 | 69.1 | 65.3 | 142.9 | **$308.3** |
| TMA Funds | 47.3 | 118.3 | 118.3 | 236.6 | **$520.5** |
| TALU (> 200,000 population) | 4.7 | 11.6 | 11.6 | 23.2 | **$51.1** |
| Transit | 68.5 | 176.5 | 185.6 | 389.1 | **$819.7** |
| Local Revnues | | | | | |
| Constitutional Fuel Tax | 27.5 | 65.7 | 60.2 | 110.4 | **$263.8** |
| County Fuel Tax | 12.0 | 28.7 | 26.3 | 48.3 | **$115.4** |
| Municipal Fuel Tax (Municipal Revenue Sharing Program) | 23.9 | 57.0 | 52.2 | 95.7 | **$228.7** |
| Ninth-Cent Fuel Tax | 16.2 | 38.6 | 35.4 | 64.9 | **$155.1** |
| 6-Cent Local Option Gas Tax | 91.0 | 217.1 | 198.8 | 364.9 | **$871.9** |
| 5-Cent Capital Improvement Local Option Gas Tax | 65.2 | 153.9 | 138.0 | 243.0 | **$600.1** |
| Transportation Concurrency Fees | 8.1 | 20.1 | 20.1 | 40.3 | **$88.6** |
| **Subtotal - Dedicated to Broward** | **$535.9** | **$1,270.8** | **$1,208.7** | **$2,408.9** | **$5,424.3** |
| Potential Regional/Competitive Funding | | | | | |
| TALT (Any Area) | 4.7 | 11.7 | 11.7 | 23.3 | **$51.3** |
| TRIP Funds | 0.6 | 4.55 | 4.55 | 9.1 | **$18.8** |
| State New Starts Transit Funds | 6.3 | 17.4 | 17.4 | 34.9 | **$76.0** |
| **Subtotal Potential Regional/ Competitive** | **$11.6** | **$33.6** | **$33.6** | **$67.3** | **$146.1** |
| **TOTAL** | **$547.5** | **$1,304.4** | **$1,242.3** | **$2,476.2** | **$5,570.4** |

As shown in the chart below, when compared with Transformation 2035, the revenue forecast for Commitment 2040 is projected to be approximately 5 percent less. This decline is primarily due to a decline in the forecast of local gas tax revenues.



As the Broward MPO proceeds through the process of developing Commitment 2040, it is practical to review potential revenue sources and financing options beyond the resources and approaches traditionally accessed to pay for transportation infrastructure. Combining new or incremental revenue sources with traditional resources and approaches may enable additional transportation projects to be feasible. Potential options to consider beyond the historically traditional approaches are summarized below along with an evaluation framework to aid discussions on the feasibility of such options for the Broward metropolitan area.

To consistently and objectively consider revenue and financing options for transportation, an evaluation framework is required. Several examples of such evaluation frameworks or approaches are available in industry trade association materials including the Report of the National Surface Transportation Infrastructure Financing Commission and the National Cooperative Highway Research Program (NCHRP) publication 'Future Financing Options to Meet Highway and Transit Needs. These example evaluation frameworks informed the framework presented below. To further the discussion of potential revenue sources and financing options for Broward, the Broward MPO, through its Speak Up Broward initiative, is conducting a study to evaluate the merits of specific options in the context of Broward based on public input.

In addition to the identification of new revenues or funding sources, financing and project delivery approaches can assist to leverage revenues in order to advance projects or to attract private investment. These potential options also are outlined below.

## POTENTIAL NEW OR INCREMENTAL REVENUE SOURCES

Traditional revenues for transportation generally include motor fuel taxes, motor vehicle registration and related taxes/fees, motor vehicle sales taxes, motor vehicle inspection fees, driver license fees and traffic citation surcharges, and state and local general revenues. Summarized below are options beyond these historically traditional approaches, some of which Broward County may have accessed or considered in the past but remain outliers to the primary transportation funding sources. Various barriers may present themselves in the implementation of these options as well. For example, the County may need the State to provide the authority to level a particular tax or fee or there may be administrative, institutional, or political or public acceptability challenges. Following the definitions of each potential option, an evaluation framework is presented that provides a baseline sense of such considerations.

**User Fees**

- **Tolling.** A fee imposed to utilize a highway. Traditionally, the fee is fixed based on distance and varies by vehicle type.
- **Congestion/value pricing.** A fee imposed to utilize a highway. This fee can be used to manage demand by varying the level of fee by time of day, location, vehicle type, number of occupants, and other factors.

- **Cordon pricing.** A toll-like fee or sale of a pass for access at certain boundaries to drive in a cordoned area. The principal function of cordon pricing is to manage demand and reduce congestion during peak hours, it also generates revenues.
- **Motor Fuel Tax Index**. Indexing motor fuel tax rates to inflation and/or some other barometer of funding needs. At a minimum, ensures purchasing power is maintained. The State of Florida's motor fuel tax is indexed but the state motor fuel taxes distributed to the County and the local option motor fuel taxes are not.
- **Motor Fuel Sales Tax**. A sales tax on motor fuels imposed on a percentage basis. The State of Florida imposes a fuel sales tax.
- **Mileage-based Usage Fee (Vehicle-miles traveled, VMT)**. A charge on drivers for the total number of miles traveled, regardless of the road used or the time of day. The fee can be calculated, for example, using on-board global positioning satellite system equipment and wireless communication devices or the fee could collected monthly based on odometer readings transmitted by a wireless device.
- **Transportation Utility Fees**. TUFs treat transportation networks like a utility, similar to other local services such as water and wastewater treatment. TUF rates can be set using a number of different bases that are more closely related to transportation demand, including fees that apply per unit of housing or per parking space, fees based on square footage or gross floor area, and fees that vary with the trip generation rate for a given property type.
- **Container Fees.** A fee could be established on some or all containers moving through ports.
- **Usage Fees**. Fees charged to other users (such as freight or passenger rail lines) of a corridor/track owned by the County.

**Non-User Fees**

- **Broad-based Incremental taxes and fees**. As a contrast to targeted transportation-related taxes/fees, broad-based funding strategies such as:
  - **Sales Tax**. A general broad-based incremental sales tax with the tax based on a percentage of net purchase prices for retail items.
    - **Broward County** is eligible to levy the 'Charter County and Regional Transportation System Surtax' at a rate of up to 1 percent. The levy would be subject to approval by a majority vote of the County's electorate or by a charter amendment approved by a majority vote of the County's electorate.
  - **Income/Payroll/Employer Tax**. A general broad-based incremental income, payroll, or employer tax.
- **Personal Property Tax**. Taxes charged for ownership of motor vehicles and boats.
- **Tourism Taxes/Fees**. Sales taxes, surcharges, and fees for rental cars, hotels, restaurant meals and other tourism-related activities.
- **Tobacco, Alcohol, Gambling Taxes**. Sales taxes, surcharges, and fees for purchase of alcohol, tobacco, and for gambling.
- **Advertising Revenue/Naming Rights**. Advertising revenue can be derived by selling space on transportation facility assets; for example, inside transit vehicles, at transit stations or bus stops, or on billboards along highways. Revenue from naming rights is derived from selling the right to name a transportation resource such as a toll road or transit station.

- **Value Capture**. An approach that can help pay for a project's capital, operational, or maintenance costs by monetizing the development benefits the project creates. The most common value capture approaches fall into the following three general categories.
  - **Tax-Increment Financing (TIF)**. A mechanism for capturing all or part of any future increased tax revenue (above an established base level) within a designated area that will benefit from a specific improvement, in this case a transportation project. A TIF district can capture increases in a variety of existing taxes, including property taxes, sales taxes, hotel and restaurant taxes, amusement taxes, and even income taxes. Only a portion of the increased revenue is typically captured for the improvement.
  - **Special Tax Assessments**. Additional taxes levied within defined geographic areas with a direct and unique benefit from a public improvement. Generally, the improvement cost is allocated to property owners within a defined benefit zone and collected with property or sales taxes over a predetermined number of years. Once the annual collections cover the improvement cost (or debt issued to pay for the improvement), the assessment is removed.
  - **Development Impact Fees/Excise Taxes**. One-time charges collected from developers and/or property owners to fund public infrastructure and services made necessary by new development. Often applied to highly localized improvements with a clear link between fees collected and benefits received. Rates are typically based on a formula taking into consideration the number of new dwelling units or square footage of non-residential space and the relative benefit the funded infrastructure improvements provides the property. For transportation projects, relative benefit is usually determined by the distance a development is located from the improvement.

**Evaluation Framework**

Provided in the summary table below is an analysis of some key considerations when assessing new revenue sources. The evaluation framework for each key consideration uses the following symbol-based scoring method to provide an 'at-a-glance' overview.


= Low


= Moderate


= High

The evaluation criteria applied are broadly defined as follows:

- **Funding Stream**: sustainability, flexibility, justification for dedication
- **Administration**: political and legal viability, public acceptance, ease and relative cost of implementation, ongoing administrative ease and cost, enforceability
- **Economic Efficiency**: ability to promote efficient use of the system and internalize any adverse side effects
- **Equity**: application of user/beneficiary pays principle, income and geographical equity

In addition to the evaluation criteria, select examples of use of the revenue source as well as pros and cons are provided.

**Evaluation Summary**

| | Funding Stream | Admin. | Economic Efficiency | Equity | Examples of Implementation | Pros and Cons |
|---|---|---|---|---|---|---|
| User Fees | | | | | | |
| Tolling | ⊗ | ○ | ● | ● | • Majority of states, including Florida, have toll roads and/or toll facilities such as bridges/tunnels | + Improves quality of service without broad-based tax increases<br>+ Sends market signal to system users<br>- Higher than average admin & compliance costs<br>- Public opposition, thought may be changing<br>- Difficulty setting optimal price |
| Congestion/ Value Pricing | ⊗ | ○ | ● | ● | • HOT Lanes on I-15 in San Diego, California<br>• SR 91 Express Lanes in Orange County, California<br>• 95 Express, Florida | + Reduces delays, increases predictability of trip times<br>+ Improves quality of service without without broad-based tax increases<br>+ Sends market signal to system users<br>- Higher than average admin & compliance costs<br>- Public opposition, though changing<br>- Difficulty setting optimal price(s) |
| Cordon Pricing | ⊗ | ○ | ● | ● | • Abroad in Singapore, London, Stockholm<br>• Debated in NYC but never implemented | + Reduces delays, increases predictability of trip times<br>+ Improves quality of service without broad-based tax increases<br>+ Sends market signal to system users<br>- Higher than average admin & compliance costs<br>- Public opposition<br>-Difficulty setting optimal price(s) |

**Evaluation Summary**

| | Funding Stream | Admin. | Economic Efficiency | Equity | Examples of Implementation | Pros and Cons |
|---|---|---|---|---|---|---|
| User Fees | | | | | | |
| Indexing Motor Fuel Tax | ● | ● | ○ | ⊗ | • Florida: motor fuel sales tax & Comprehensive Enhanced Transportation System Tax are indexed to CPI<br>• Maine: indexes gasoline tax to CPI<br>• Nebraska: adjusts gas tax to account for inflation<br>• Kentucky, North Carolina, and West Virginia link gas tax to wholesale price, which tends to grow with inflation | + Historical basis for tax<br>+ Option to index only a portion of the fuel tax or to use a combination of sales and excise tax structures<br>+ Option to couple indexing with a cap on annual changes upward or downward to avoid extreme fluctuations in revenue and in prices faced by consumers, or to set floors and/or ceilings<br>+ More sustainable revenue than cents per gallon tax<br>- Depending on structure, indexing can cause decreases in revenue as well as increases<br>-Weak promotion of efficient system use |
| Motor Fuel Sales Tax | ● | ● | ○ | ⊗ | • California<br>• Connecticut<br>• Georgia<br>• Hawaii<br>• Illinois<br>• Indiana<br>• Michigan<br>• New Jersey<br>• New York<br>• Vermont | + Historical basis for tax<br>+ Sales tax structure can have an indexing effect<br>+ More sustainable revenue than cents per gallon tax<br>- Public opposition<br>- Weak promotion of efficient system use |

**Evaluation Summary**

| | Funding Stream | Admin. | Economic Efficiency | Equity | Examples of Implementation | Pros and Cons |
|---|---|---|---|---|---|---|
| User Fees | | | | | | |
| VMT fee | ● | ○ | ⊗ | ⊗ | • Oregon - heavy vehicle per-mile fee; varies with weight/ axles<br>• Other states have weight-distance taxes for heavy vehicles<br>• Oregon implementing a limited program<br>• Other studies being conducted | + Conceptually, could fully or partially replace motor fule taxes as primary revenue source<br>+ Charge price better aligned with full cost of travel<br>- Public reticence<br>- Technical, administrative, and institutional challenges |
| Transportation Utility Fees | ● | ○ | ⊗ | ⊗ | Apprx 10 Oregon municipalities allocate a portion of road maintenance costs to land owners based on estimated travel (either flat fee to all property owners or escalating rates based on land size or use) | + Assessed on property characteristics more closely associated with transportation use<br>+ Spread costs more appropriately among users<br>- May be viewed as another burden on top of registration and licensing fees |
| Container Fees | ○ | ⊗ | ○ | ● | Los Angeles and Long Beach Ports are considering a cargo fee. | + Provides an alternative for limited existing funding for freight related transportation projects<br>+ Fees can fluctuate based on current project funding needs<br>- With slowed economy, port competition may prevent implementation |
| Usage Fees | ○ | ● | ⊗ | ● | Florida owns a rail corridor in Orlando area for a commuter rail line and CSX and Amtrak pay usage fees to the State. | + Direct user pay relationship<br>- Ownership of corridor must reside with County |

**Evaluation Summary**

| | Funding Stream | Admin. | Economic Efficiency | Equity | Examples of Implementation | Pros and Cons |
|---|---|---|---|---|---|---|
| Non-User Fees | | | | | | |
| Incremental Sales Tax | ● | ● | ○ | ○ | State transportation dedicated sales taxes:<br>• Kansas<br>• Missouri<br>• Nevada<br>• Utah<br>• California, countywide transportation sales taxes | + Can dedicate sales tax on transportation related goods and services (automobiles, automotive parts, rental cars) to provide link to transportation<br>+ Potential to generate significant revenues<br>+ Relatively stable<br>- Varies with economic cycles<br>- General sales tax does not have a link to transportation |
| Incremental Income/ Payroll Tax | ● | ○ | ○ | ● | • Oregon payroll tax for Tri-Met Transit District in Portland and Lane Transit District in Eugene<br>• New York State 'metropolitan commuter transportation mobility tax' imposed on certain employers within NYC *Note: A Nassau County Supreme Court found the tax to be unconstitutional 8/22/12, however, this litigation is not concluded. | + Could be applied to personal or corporate income<br>+ Potential to generate significant revenues<br>- Public opposition<br>- No direct link to transportation |
| Personal Property Tax | ⊗ | ⊗ | ○ | ⊗ | Virginia | + Potential to general fairly significant revenues<br>+ Linkage to transportation<br>- Fairly high administrative costs<br>- Could discourage purchase of higher priced vehicles |

**Evaluation Summary**

| | Funding Stream | Admin. | Economic Efficiency | Equity | Examples of Implementation | Pros and Cons |
|---|---|---|---|---|---|---|
| Non-User Fees | | | | | | |
| Tourism Taxes/Fees | ○ | ⊗ | ○ | ○ | Several states have some form of tax or fee on car rentals. Restaurant and hotel taxes are often implemented at the local level. | + Captures benefits non-residents receive from transportation system<br>- May meet opposition from tourism industry<br>- Travel and restaurant meals are subject to economic cycles |
| Tobacco, Alcohol, Gambling Taxes | ○ | ⊗ | ○ | ○ | | + Administrative cost of an increment for transportation low<br>- No direct link with transportation<br>- Could encourage consumers to make purchases elsewhere<br>- Tax increases would likely face opposition from industry |
| Advertising Revenue / Naming Rights | ○ | ● | ○ | ○ | Transit agencies most commonly sell naming rights and advertising space. | + Can be structured to capture the value of the transportation facility to the business<br>+ Stable and predictable revenues given contractual nature<br>- Requires administrative cost of seeking business that desire advertising<br>- Revenues not likely to be significant |
| Tax Increment Financing | ⊗ | ○ | ⊗ | ● | Almost every state has TIF legislation and districts are implemented to varying degrees. | + Can structure to capture only a portion of incremental value is, preserving revenues for other public services<br>- Certainty and stability of revenue stream is uncertain/ dependent upon anticipated development<br>- Normal inflationary increases in property values can be captured, representing money that would have gone to the public coffers even without the financed improvements<br>- In tight credit markets, difficult to market pure TIF debt in capital markets without backstop or governmental guarantee |
| Special Tax Assessments, Development Impact Fees/ Excise Taxes | ⊗ | ○ | ⊗ | ● | Implemented in almost every state. | + Enables cost of transportation project to be apportioned among benefiting property owners<br>+ Once established, stable revenue source<br>- Difficult to establish in manner that captures all beneficiaries of larger roads |

## POTENTIAL FINANCING OPTIONS TO LEVERAGE REVENUES

Traditional forms of transportation infrastructure financing include bonds such as revenue bonds and general obligation bonds, capital equipment leases, and grant anticipation notes (GANs). While variations of traditional revenue bonds and general obligation bonds can be quite innovative, summarized below are financing options beyond these historically traditional approaches, some of which Broward County and its municipalities may have accessed or considered but remain outliers to the primary financing options.

- **Transportation Infrastructure Financing and Innovation Act (TIFIA)**. TIFIA is a U.S. DOT program that provides direct loans (often on a subordinate basis with flexible repayment terms) and other credit assistance to large-scale transportation projects with identified revenue streams.
- **Railroad Rehabilitation & Improvement Financing (RRIF)**. A U.S. DOT (FRA) program that can provide direct loans (often on a subordinate basis with flexible repayment terms) and other credit assistance to finance development of railroad infrastructure.
- **Grant Anticipation Revenue Vehicles (GARVEEs)**. Securitizes anticipated federal grant proceeds for a Federal-aid project subject to Title 23 U.S.C., section 122. The state or local government requests that debt service costs be considered costs of construction with Federal reimbursements occurring when the debt service costs are incurred.
- **Florida State Infrastructure Bank (SIBs) Loans/Assistance**. A Florida program capitalized with federal grants and state funds that provides loans to highway, rail, transit, intermodal, and other transportation facilities and projects which produce revenue to amortize debt. SIB loans have low interest rates and favorable terms, with repayments being recycled into subsequent rounds of loans.
- **Section 129 Loans**. Section 129 of Title 23 allows federal participation in a state loan to support projects with a dedicated revenue stream including tolls, excise taxes, sales taxes, real property taxes, motor vehicle taxes, incremental property taxes, or other beneficiary fees. Similar to SIBs, Section 129 loans enable states to assist additional transportation projects by recycling funds through a loan as opposed to providing funds via traditional grants. States may make Section 129 loans to a public or private entity and the amount loaned is considered an eligible federal-aid project cost. Any federal transportation program category can be used for a Section 129 loan as long as the project receiving the loan is eligible for funding from that category.

**Evaluation Framework**

Provided in the summary table below is an analysis of some key considerations when assessing potential financing options. The evaluation framework for each key consideration uses the following symbol-based scoring method to provide an 'at-a-glance' overview.


= Low


= Moderate


= High The evaluation criteria applied are broadly defined as follows:

The evaluation criteria applied are broadly defined as follows:

- **Revenue Flexibility**: the range of revenue options suitable for repaying
- **Credit Constraints and Credit Impact:** impact relevant credit ratings will have on the financing tool, impact using the tool will have on the owner's overall credit position
- **Minimization of Cost of Capital**: capability of the financing mechanism to minimize interest costs as well as associated costs of issuance
- **Legal/Political Feasibility**: legal and political ability to implement, authority to issue debt, political sensitivities
- **Institutional/Administrative Feasibility**: relative ease or difficulty and administrative costs of implementation, contractual arrangements, new institutional arrangements

**Evaluation Summary**

| | Revenue Flexibility | Credit Constraints/ Impact | Cost of Capital | Legal/ Political Feasibility | Inst./ Admin Feasibility | Examples of Implementation | Pros and Cons |
|---|---|---|---|---|---|---|---|
| TIFIA | ⊗ | ⊗ | ○ | ● | ⊗ | $11.8B in assistance to approximately 35 projects across US (as of 9/2013) | + Long-term, low-cost financing<br>+ Flexible terms<br>+ Suitable for larger projects<br>- Competitive, but recent MAP-21 increase in funding<br>- Dedicated revenue source is required<br>- Can only finance a portion of eligible project costs |
| RRIF | ⊗ | ⊗ | ○ | ● | ⊗ | $1.7B in assistance to approximately 33 railroads (as of Sept 2013) | + Long-term, low cost financing<br>+ Flexible terms<br>+ Direct loans can fund up to 100% of project<br>- Competitive, but funding available<br>- Dedicated revenue source is required |
| GARVEEs | ⊗ | ⊗ | ○ | ● | ⊗ | About 50% of States have issued GARVEE bonds | + Maximizes federal funds to a project w/o waiting to accumulate sufficient obligation authority<br>+ Separate from tax-supported debt programs<br>- Political uncertainty surrounding reauthorization and shorter term of MAP-21 could effect credit quality |

### Evaluation Summary

| | Revenue Flexibility | Credit Constraints/ Impact | Cost of Capital | Legal/ Political Feasibility | Inst./ Admin Feasibility | Examples of Implementation | Pros and Cons |
|---|---|---|---|---|---|---|---|
| SIBs | ⊗ | ○ | ○ | ● | ● | 32 states (incl. Florida) have SIBs, other states have SIB-like loan funds. SIBs vary greatly in level of capitalization and activity with Florida being more active than many. | + Flexible source of project financing with low interest rates, flexible terms<br>+ Stretch federal and state funds to increase investment beyond traditional grants<br>+ Assists localities without access to other forms of debt with increasing investment<br>- Repayment stream required<br>- Effort to inform potential borrowers of program |
| Section 129 Loans | ⊗ | ○ | ○ | ● | ● | Limited use; 2 states (Michigan and Texas) have issued Section 129 loans | + Flexible source of project financing with low interest rates, flexible terms<br>+ Stretch federal funds to increase investment beyond traditional grants<br>+ Assists localities without access to other forms of debt with increasing investment<br>- Repayment stream required<br>- Effort to inform potential borrowers of program |

## PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships (P3s) can take many forms with the commonality of involving the private sector in a traditionally public only role in order to achieve reduced costs or to unlock revenue potential of state-owned assets. The private sector's participation in delivering surface transportation infrastructure can be viewed as a continuum, ranging from project delivery techniques to project maintenance and long-term responsibility for financing and managing the operation of facilities.

Given the financial challenges facing transportation, partnerships are a viable option to creatively infuse additional dollars into transportation investments. P3s, increasingly used across the United States, refer to contractual agreements formed between a public agency and private sector entity that allow for greater private sector participation in the delivery of transportation projects. Traditionally, with a few exceptions, private sector participation has been limited to separate planning, design, or construction contracts on a fee-for-service basis—based on the public agency's specifications. Expanding the private sector role could allow public agencies to tap private sector technical, management, and financial resources in new ways to achieve public objectives such as greater cost and schedule certainty, supplementing in-house staff, innovative technology applications, specialized expertise, and access to private capital. To make these P3 projects work, the P3 process needs to be fast, efficient, and predictable.

Public-private partnerships can provide benefits by allocating responsibilities to the party—either public or private—that is best positioned to control the activity in a manner that produces the desired result and does so most efficiently and cost-effectively. Under the right conditions, P3s have the potential to provide a wide array of benefits beyond risk sharing, including application of advanced construction techniques, operational efficiencies, and access to an expanded set of financing sources. P3s would not, however, provide a reliable and consistent revenue source. Therefore, P3s would not eliminate the need for an underlying revenue source, either conventional sources or alternative mechanisms such as tolls or other user fee mechanisms.

Some transportation agencies, for example, are examining what maintenance programs would be more efficient if privatized while others are looking at how to leverage select toll roads or conducting broader value for money analysis of various projects, and considering privatization of service plazas.

Potential advantages of private sector financial participation include the following:

- Risk transfer
- Project acceleration
- Operational benefits
- Focus on life cycle costs
- Maximizing capital formation and potential payments to the public entity

Potential disadvantages and cited public policy concerns of private sector financial participation include the following:

- Control of public assets and operational flexibility
- Public stewardship
- Financial equity

## Executive Staff

**Greg Stuart**
Executive Director

**Michael Ronskavitz**
Deputy Director

## Project Staff

**Paul Flavien**
Project Manager

**Priscila Clawges**
Visualization & Graphics

**James Cromar**
Livability Planning & Land Use Improvements

**Roxana Ene**
Mobility Options & Enhancements

**Ricardo Gutierrez**
Geographic Information Systems (GIS) Applications & Airport Planning

**Buffy C. Sanders II**
Highway, Traffic & Safety Data

**Fred Taylor**
Coordination & Branding

**Christopher Ryan**
Public Information Officer/Title VI Coordinator

**Roger Del Rio**
Project Coordinator

## Consultant Team

High Street Consulting Group HSC

in association with
Whitehouse Group

broward MPO
metropolitan planning organization

Trade Centre South · 100 West Cypress Creek Road, Suite 850
Ft. Lauderdale, FL 33309-2112

+1 (954) 876-0033 Phone · +1 (954) 876-0062 Fax
www.browardmpo.org