



Pinellas Transportation Plan

Financial Resources Technical Memorandum

3/9/2015

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Introduction

This technical memorandum documents the assumptions that were used to develop revenue estimates for the Pinellas County Metropolitan Planning Organization (MPO) 2040 Long Range Transportation Plan (2040 LRTP). These assumptions provide documentation for revenues available to fund the multimodal transportation system, including roadways, public transportation, bicycle facilities, sidewalks, and access to intermodal facilities. This memorandum is composed of two major sections:

- Introduction and report overview
- Assumptions used to develop revenue projections for 2020–2040

Financial Resources

The 2040 LRTP includes revenue projections from federal, state, and county sources. The following sections describe the revenue sources that are reasonably expected to be used to develop the 2040 Cost Feasible Plan. Assumptions related to the revenue projections for each source are listed below with additional detail available in subsections of this report.

Pinellas County Revenue Projections:

- Federal and State sources include Strategic Intermodal System funds, Transportation Alternatives funds, Other Arterial & Construction funds, Transportation Management Area funds, TRIP funds, and existing transit funds.
- 6-Cent 1st Local Option Fuel Tax (LOFT) – expires August 2017, assumed re-adoption through 2040
- 9th-Cent Fuel Tax – expires December 2026, assumed re-adoption through 2040
- Penny for Pinellas – expires December 2019, assumed re-adoption through 2040
- Transit (Revenue Neutral) – under this scenario, the existing funding sources for transit service remain unchanged with no future revenues contemplated.
- Transit (2014 Referendum Adoption Scenario) – includes additional transit funding sources, including the transportation surtax to fund the Greenlight Pinellas Plan; ad valorem revenues will be replaced by transit surtax revenues

Table 1 presents a detailed summary of the 2040 LRTP revenue projections extending existing revenue sources. Table 2 presents the revenues for the 2040 LRTP with the adoption of the Charter County Transportation Surtax that was presented on the November 2014 ballot.

Table 1
2040 LRTP Revenue Projections (Revenue Neutral)

Jurisdiction	Funding Source	2020-2025	2026-2030	2031-2040	Total 2020-2040
Year-of-Expenditure					
State	Strategic Intermodal System ⁽¹⁾	\$80,929,470	\$107,262,000	\$202,400,000	\$390,591,470
Federal	Transportation Management Area ⁽²⁾	\$74,016,962	\$61,683,920	\$123,405,270	\$259,106,152
Federal	Transportation Alternatives ⁽²⁾	\$14,347,299	\$11,955,575	\$23,942,490	\$50,245,364
State	Other Arterial & Construction ⁽³⁾	\$188,350,000	\$145,500,000	\$318,300,000	\$652,150,000
State	Transportation Regional Incentive Program ⁽²⁾	\$2,444,547	\$2,287,845	\$4,575,690	\$9,308,082
County	Transportation Impact Fees ⁽⁴⁾	\$25,523,281	\$26,430,765	\$72,751,456	\$124,705,502
County	Constitutional Fuel Tax (2¢) ⁽⁵⁾	\$36,005,791	\$28,714,705	\$54,993,848	\$119,714,344
County	County Fuel Tax (1¢) ⁽⁵⁾	\$15,870,673	\$12,656,900	\$24,240,250	\$52,767,823
County	6-Cent 1st Local Option Fuel Tax ⁽⁵⁾	\$69,341,152	\$55,299,737	\$105,908,987	\$230,549,876
County	9th-Cent Fuel Tax (1¢) ⁽⁵⁾	\$20,561,392	\$16,397,760	\$31,404,673	\$68,363,825
County	Penny for Pinellas ⁽⁶⁾	\$218,968,437	\$214,600,718	\$537,186,469	\$970,755,624
Federal	Transit ⁽⁷⁾	\$57,000,000	\$49,000,000	\$94,500,000	\$200,500,000
State	Transit ⁽⁷⁾	\$37,553,781	\$33,436,146	\$73,316,251	\$144,306,178
County	Transit Surtax ⁽⁷⁾	\$0	\$0	\$0	\$0
PSTA	Transit Revenues ⁽⁸⁾	\$374,684,818	\$343,591,544	\$901,036,335	\$1,619,312,697
Transit Subtotal		\$469,238,599	\$426,027,690	\$1,068,852,586	\$1,964,118,875
Total Revenues		\$1,215,597,603	\$1,108,817,615	\$2,567,961,719	\$4,892,376,937

Note: All figures are "year-of-expenditure"

(1) Source: Cost Feasible Plan Final 2013: Year-of-Expenditure Strategic Intermodal System Plan

(2) Source: *Supplement to the FDOT 2040 Revenue Forecast Handbook (population-based allocation)*

(3) Source: *Supplement to the FDOT 2040 Revenue Forecast Handbook*

(4) Source: Table 7; not included as a source of available funding in the cost feasible plan for roadway capacity improvements

(5) Source: Table 3

(6) Source: Table 6

(7) Source: Pinellas Suncoast Transit Authority; includes several revenue sources.

(8) Includes fare box revenue, ad valorem assessment, reserves, and other ancillary revenues.

Table 2
2040 L RTP Revenue Projections (2014 Referendum Adoption)

Jurisdiction	Funding Source	2020-2025	2026-2030	2031-2040	Total 2020-2040
Year-of-Expenditure					
State	Strategic Intermodal System ⁽¹⁾	\$80,929,470	\$107,262,000	\$202,400,000	\$390,591,470
Federal	Transportation Management Area ⁽²⁾	\$74,016,962	\$61,683,920	\$123,405,270	\$259,106,152
Federal	Transportation Alternatives ⁽²⁾	\$14,347,299	\$11,955,575	\$23,942,490	\$50,245,364
State	Other Arterial & Construction ⁽³⁾	\$188,350,000	\$145,500,000	\$318,300,000	\$652,150,000
State	Transportation Regional Incentive Program ⁽²⁾	\$2,444,547	\$2,287,845	\$4,575,690	\$9,308,082
County	Transportation Impact Fees ⁽⁴⁾	\$25,523,281	\$26,430,765	\$72,751,456	\$124,705,502
County	Constitutional Fuel Tax (2¢) ⁽⁵⁾	\$36,005,791	\$28,714,705	\$54,993,848	\$119,714,344
County	County Fuel Tax (1¢) ⁽⁵⁾	\$15,870,673	\$12,656,900	\$24,240,250	\$52,767,823
County	6-Cent 1st Local Option Fuel Tax ⁽⁵⁾	\$69,341,152	\$55,299,737	\$105,908,987	\$230,549,876
County	9th-Cent Fuel Tax (1¢) ⁽⁵⁾	\$20,561,392	\$16,397,760	\$31,404,673	\$68,363,825
County	Penny for Pinellas ⁽⁶⁾	\$218,968,437	\$214,600,718	\$537,186,469	\$970,755,624
Federal	Transit ⁽⁷⁾	\$1,007,609,139	\$156,111,475	\$402,845,930	\$1,566,566,544
State	Transit ⁽⁷⁾	\$327,057,220	\$44,329,583	\$100,858,579	\$472,245,382
County	Charter County Transit Surtax ⁽⁷⁾	\$1,046,042,227	\$1,025,177,032	\$2,566,213,359	\$4,637,432,618
PSTA	Transit Revenues ⁽⁸⁾	\$1,123,532,895	\$304,840,690	\$909,208,627	\$2,337,582,212
Transit Subtotal		\$3,504,241,481	\$1,530,458,780	\$3,979,126,495	\$9,013,826,756
Total Revenues		\$4,250,600,485	\$2,213,248,705	\$5,478,235,628	\$11,942,084,818

Note: All figures are “year-of-expenditure”; Assumed referendum adoption in November 2014

(1) Source: Cost Feasible Plan Final 2013: Year-of-Expenditure Strategic Intermodal System Plan

(2) Source: *Supplement to the FDOT 2040 Revenue Forecast Handbook (population-based allocation)*. More information provided in the Transportation Alternatives Program section.

(3) Source: *Supplement to the FDOT 2040 Revenue Forecast Handbook*

(4) Source: Table 7; not included as a source of available funding in the cost feasible plan for roadway capacity improvements

(5) Source: Table 3. The “Constitutional Fuel Tax” and “County Fuel Tax” refer to State fuel taxes that are collected for local use.

(6) Source: Table 5

(7) Source: Pinellas Suncoast Transit Authority; includes several revenue sources. Note: Federal and State Grant funding is substantially higher in the 2014 Referendum Adoption Scenario because of approximately \$937m (YOY) in Federal New Starts funding as well as additional 5307 and 5537 funds due to additional revenue miles and LRT service. Additional State New Starts grants and matching funds were also anticipated..

(8) Includes (additional) fare box revenue, reserves, debt financing (2020-2025), and other ancillary revenues.

The following section includes a discussion on specific revenue sources available to Pinellas County, looking at Federal and State sources first, and then detailing County revenue sources.

Federal/State Revenue Sources

Annual Federal and State revenue projections for the 2040 L RTP were established in the *Supplement to the FDOT 2040 Revenue Forecast Handbook* for the following sources.

Strategic Intermodal System/Florida Interstate Highway System

This is a capacity program providing funds for construction, improvements, and associated right-of-way (ROW) on the State Highway System roadways designated as part of the Strategic Intermodal System (SIS) or Florida Interstate Highway System (FIHS). Pursuant to the Florida Department of Transportation (FDOT) Cost Feasible Plan, approximately **\$390.6 million** in improvements are identified for 2020–2040.

Transportation Alternatives Program

The Transportation Alternatives (TA) program provides funding for programs and projects defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, environmental mitigation projects, recreational trail program projects, safe routes to school projects, and projects for planning, designing, or constructing boulevards and other roadways largely in the ROW of former FIHS routes or other divided highways. The TA merges the former Transportation Enhancement program with the Safe Routes to Schools program and was created with the Moving Ahead for Progress in the 21st Century (MAP-21) legislation; it provides for the reservation of funds equal to 2 percent of the total amount authorized from the Highway Account of the Highway Trust Fund for Federal-aid highways each fiscal year.

Transportation Alternative funds available for counties with a population greater than 200,000 are denoted as TALU. The revenue allocation between the three counties of the Tampa Bay Transportation Management Area was based on the TMA population distribution between Hillsborough, Pasco, and Pinellas. 37.43% of the district allocation was assumed to be available for Pinellas County. Transportation Alternative funds available for all counties in FDOT District 7 regardless of population are denoted as TALT. The revenue allocation was based on the population distribution among all five counties in the district and 31.34% of the district allocation was assumed to be available for Pinellas County. Pursuant to the revenue levels presented in the *Supplement to the FDOT 2040 Revenue Forecast Handbook*, approximately **\$50.2 million** will be available for Pinellas County for 2020–2040.

Other Arterial Construction/Right-of-Way

This is a capacity program providing funds for construction, improvements, and associated ROW on the State Highway System roadways not designated as part of the SIS or FIHS. Other Arterials (OA) revenue includes additional funding for the Economic Development Program and the County Incentive Grant Program. The Economic Development Program is a sub-program of the OA program which may provide funds for access roads and highway improvements for new and existing businesses and manufacturing enterprises that meet certain criteria. Pursuant to the *Supplement to the FDOT 2040 Revenue Forecast Handbook*, approximately **\$652.2 million** will be available for roadway projects for 2020–2040.

Transportation Management Area

These are funds distributed to an urban area that has a population greater than 200,000, as designated by the U.S. Department of Transportation (U.S. DOT). They are the same as Surface Transportation Program (SU) funds in the five-year work program. Pursuant to the *Supplement to the FDOT 2040 Revenue Forecast Handbook*, approximately **\$259.1 million** was assumed to be available for Pinellas County for on-system state roadway improvements for 2020–2040. Based on agreement between the three counties of the Tampa Bay Transportation Management Area (Hillsborough, Pasco, and Pinellas), the district allocation of \$692.25 million was divided based on the 2010 Census population. The Pinellas MPO is assuming 37.43% of the district allocation

Transportation Regional Incentive Program

The Transportation Regional Incentive Program (TRIP) was established as part of the State's major growth management legislation enacted with Senate Bill 360. The program is intended to encourage regional planning by providing matching funds for improvements to regionally-significant transportation facilities identified and prioritized by regional partners. The Pinellas County MPO has partnered with other MPOs in the region through an interlocal agreement to identify regional facilities that could be eligible for TRIP funding. In the past, revenues have been shared based on population, with the total FDOT District 7 revenues projected at approximately **\$29.7 million** for 2020–2040. Based on this total, Pinellas could anticipate receiving approximately **\$9.3 million** for 2020-2040 using the 2010 population by county to distribute the funds. This is similar to the approach used for allocating the Transportation Alternatives Revenue and 31.34% was used for Pinellas.

Funds from the State's General Revenue Fund are made available for TRIP through SB 360 legislation. TRIP funds can be used for up to a 50 percent match to local or regional funds. In-kind matches, such as ROW donations and private funds made available to regional partners, also are allowed. Federal funds attributable to urbanized areas also may be used for the local/regional match. Pinellas County has been very successful in leveraging the 9th-Cent Fuel Tax against TRIP funding for much of the Intelligent Transportation Systems (ITS)/Advanced Traffic Management System (ATMS) infrastructure throughout the county.

Discretionary Bridge Funding

The FDOT Bridge Program provides funds for the repair and replacement of bridges in the Bridge Work Plan in accordance with department program objectives. The Program includes bridges on and off the State Highway System and on and off the federal-aid highway system. The Bridge Repair Program addresses major and minor bridge repairs and preventive maintenance activities to bridge structures for which FDOT has maintenance responsibilities. The Bridge Replacement Program places primary emphasis on the replacement of structurally-deficient or weight-restricted bridges; in addition, it addresses bridges that require structural repair but are more cost-effective to replace.

For bridges not on federal aid highways, FDOT must set aside an amount equal to not less than 15 percent from the State's FY Highway Bridge Program apportionment of Surface Transportation Program funds. This amount may be reduced only if the Federal Highway Administration (FHWA), after consultation with State and local officials, determines that the State has inadequate needs to justify the expenditure. Federal-aid system bridges are repaired and replaced using State and Federal funds.

Federal/State Transit Revenues

The Federal and State transit revenue projections provided by PSTA include additional grant funding associated with funding the Greenlight Pinellas Plan. With the 2014 Referendum adoption, based on projections provided by PSTA, Pinellas County will receive approximately **\$2.04 billion** in Federal/State transit funds (\$1.575 billion Federal and \$472 million State) between 2020 and 2040, with approximately 82 percent available to fund capital and 18 percent available to fund operations and maintenance (O&M), and with the bulk of revenues allocated to bus rapid transit (BRT) and light rail (LRT) systems. These revenue projections include funding from Federal Transit Administration (FTA) Sections 5300, 5307, 5309, 5311, 5317, 5337, and 5339 as well as Federal grants, State grants, and State New Starts Transit Program matching funds. More information on the specifics of federal and state transit revenue sources is provided in the “Summary of Federal/State Transit Revenue Sources” section at the end of this report.

County Revenue Sources

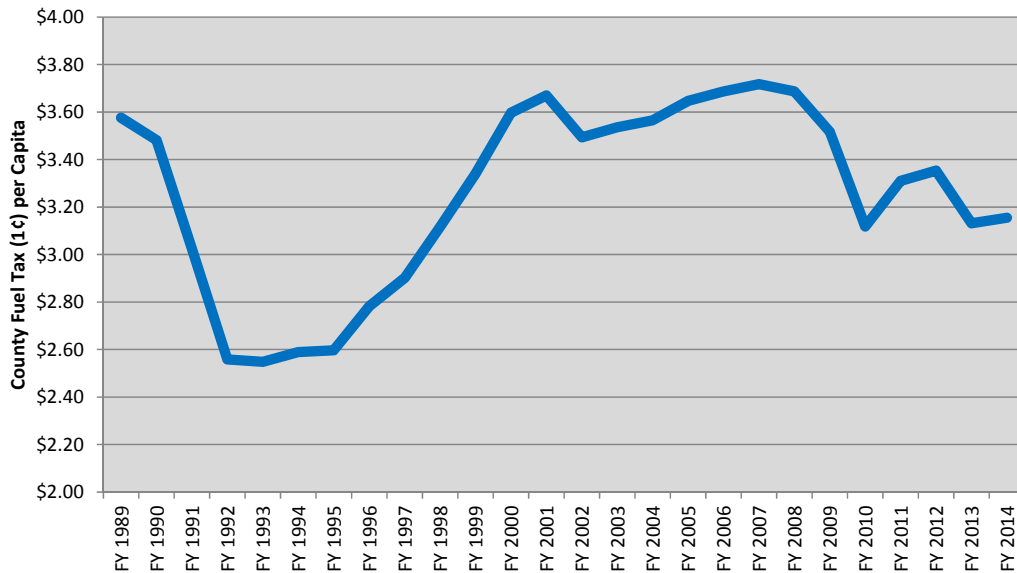
Fuel Tax

Historically, fuel taxes have represented a major portion of Pinellas County’s local transportation revenues. Currently, Pinellas charges seven cents of LOFT in addition to the three cents of State fuel tax for local use and dedicates the majority of fuel tax revenue to transportation infrastructure maintenance and ITS. This section provides a brief outline of adopted and available fuel taxes as well as historical trends and projected future revenues for all fuel tax options in Pinellas County.

Figure 1 illustrates the trend in historical fuel tax revenue per capita for the County Fuel Tax (1 cent). As shown, the fuel tax revenue per capita has decreased by an annual average of 0.50 percent since 1989. Throughout Florida, the fuel tax per capita has decreased by 0.37 percent over this same time period.

Local fuel tax revenues are based on a set pennies-per-gallon charge, not a percentage of the sale (as with a sales tax) and, therefore, fuel taxes do not increase as gas prices increase or with the effects of inflation. Additionally, fuel tax revenues are expected to suffer due to the new standards in fuel efficiency. Since 1980, fuel efficiency has increase by approximately 0.50 percent each year, but due to recent government standards for new vehicles, the fleet-wide fuel efficiency is expected to increase by more than 5.0 percent each year through 2025. Based on the trend observed in Figure 1 and the new government fuel efficiency standards, it was assumed that fuel tax per capita revenue levels will decrease by approximately 1.5 percent annually through 2040.

Figure 1
Pinellas County – County Fuel Tax (1 Cent) Per-Capita Trend



Source: *Local Government Financial Information Handbook*

Table 3 provides projected fuel tax revenues for Pinellas County through 2040.

Table 3
Fuel Tax Revenues

Funding Source	2020-2025	2026-2030	2031-2040	Total
Year-of-Expenditure				
Constitutional Fuel Tax (2¢)	\$36,005,791	\$28,714,705	\$54,993,848	\$119,714,344
County Fuel Tax (1¢)	\$15,870,673	\$12,656,900	\$24,240,250	\$52,767,823
6-Cent 1st LOFT (Portion for County)	\$69,341,152	\$55,299,737	\$105,908,987	\$230,549,876
9th-Cent Fuel Tax (1¢)	\$20,561,392	\$16,397,760	\$31,404,673	\$68,363,825
Total Revenues	\$141,779,008	\$113,069,102	\$216,547,758	\$471,395,868

Source: *2013 Local Government Financial Information Handbook*. All projections are based on the "Transit Investment/Land Use Scenario" population projections.

Constitutional Fuel Tax (2 cents/gallon)

- Tax applies to every net gallon of motor and diesel fuel sold within a county; collected in accordance with Article XII, Section 9 (c) of the Florida Constitution.
- The State allocates 80 percent of this tax to counties after first withholding amounts pledged for debt service on bonds issued pursuant to provisions of the State Constitution for road and bridge purposes.
- These funds can be used for ROW acquisition, construction, and maintenance of roads.
- Counties have the option of sharing the proceeds of this tax with their municipalities. This is not an option that Pinellas County exercises.

Based on the distribution provided in the *Local Government Financial Information Handbook*, Pinellas County will receive approximately **\$6.59 million** from this fuel tax in FY 2013/2014.

County Fuel Tax (1 cent/gallon)

- Tax applies to every net gallon of motor and diesel fuel sold within a county.
- The primary purpose of these funds is to help reduce a County's reliance on ad valorem taxes.
- Proceeds are to be used for transportation-related expenses, including reduction of bond indebtedness incurred for transportation purposes. Authorized uses include acquisition of ROW; construction, reconstruction, operation, maintenance, and repair of transportation facilities, roads, bridges, bicycle paths, and pedestrian pathways; or reduction of bond indebtedness incurred for transportation purposes.
- Counties have the option of sharing the proceeds of this tax with their municipalities. This is not an option that Pinellas County exercises.

Based on the distribution provided in the *Local Government Financial Information Handbook*, Pinellas County will receive approximately **\$2.90 million** from the County Fuel Tax in FY 2013/2014.

6-Cent 1st LOFT

- Tax applies to every net gallon of motor and diesel fuel sold within a county.
- Proceeds may be used to fund transportation expenditures as defined in Section 336.025(7), Florida Statutes.
- To accommodate statewide equalization, all six cents are automatically levied on diesel fuel in every county, regardless of whether a County is levying the tax on motor fuel at all or at the maximum rate.
- Proceeds are distributed to a County and its municipalities according to a mutually-agreed-upon distribution ratio or by using a formula contained in the Florida Statutes.

Based on the distribution provided in the *Local Government Financial Information Handbook*, Pinellas County will receive approximately **\$21.1 million** from this fuel tax in FY 2013/2014, with approximately 60 percent allocated to the County and the remaining 40 percent distributed to the cities.

Currently, this fuel tax is set to expire in late 2017. Based on discussions with staff, for purposes of the 2040 LRTP, it was assumed that this fuel tax will be re-adopted and that collection will continue through 2040. Additionally, it was assumed that the current allocation level (60% to County, 40% to Cities) will remain constant through 2040.

9th-Cent Fuel Tax (1 cent/gallon)

- Tax applies to every net gallon of motor fuel sold within a county.
- Proceeds may be used to fund transportation expenditures as defined in Section 336.027(7), Florida Statutes.
- To accommodate statewide equalization, this tax is automatically levied on diesel fuel in every county, regardless of whether a County is levying the tax on motor fuel at all.
- Counties are not required to share the proceeds of this tax with their municipalities.

Based on the distribution provided in the *Local Government Financial Information Handbook*, Pinellas County will receive approximately **\$3.76 million** from this fuel tax in FY 2013/2014. This represents the portion allocated to the County, which is 100 percent of the revenues. Pinellas has the option to allocate revenues to municipalities, but historically has not. Revenues from the 9th cent fuel tax are currently allocated to ITS projects associated with the ATMS Master Plan.

Currently, the 9th-Cent Fuel Tax is set to expire in late 2026. Based on discussions with staff, for purposes of the 2040 LRTP, it was assumed that this fuel tax will be re-adopted and that collection will continue through 2040. Additionally, it was assumed that the current allocation level (100% to the County) will remain constant through 2040.

5-Cent 2nd LOFT

Currently, the 5-cent 2nd local option fuel tax has not been adopted by Pinellas County and is not included in Tables 1 or 2. For illustrative purposes, the additional fuel tax revenues that would be collected via the 5-Cent LOFT were projected. These projections assume that this revenue source will be adopted (at the maximum rate of 5 cents) in the near future and that revenues will be available prior to 2019. Additionally, it was assumed that, if adopted, the same distribution levels applied to the 6-Cent 1st LOFT will be applied to the 5-Cent 2nd LOFT, allocating approximately 60 percent of the revenues to the County and 40 percent to the Cities. As with the 6-Cent 1st LOFT projections, it is assumed that this distribution will remain constant through 2040. If adopted, this revenue source may not be used for the routine maintenance of roadways, but may be used for reconstruction and capacity expansion improvements.

- Tax applies to every net gallon of motor fuel sold within a county. Diesel fuel is not subject to this tax.
- Tax must be levied by an ordinance adopted by a majority plus one vote of the membership of the governing body or voter approval in a countywide referendum.
- Proceeds may be used to fund transportation expenditures needed to meet requirements of the capital improvements element of an adopted Local Government Comprehensive Plan or for expenditures needed to meet the immediate local transportation problems and for other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments. Routine maintenance of roads is NOT considered an authorized expenditure.
- Proceeds are distributed to a County and its municipalities according to a mutually-agreed-upon distribution ratio or by using a formula contained in the Florida Statutes.

Table 4 provides projected 5-cent LOFT revenues for Pinellas County through 2040.

Table 4
5-Cent 2nd Local Option Fuel Tax Revenues

Funding Source	2020-2025	2026-2030	2031-2040	Total
<i>Year-of-Expenditure</i>				
5-Cent 2nd LOFT (Portion for County)	\$52,456,100	\$41,833,865	\$80,119,408	\$174,409,373

Source: 2013 Local Government Financial Information Handbook. All projections are based on the "Transit Investment/Land Use Scenario" population projections.

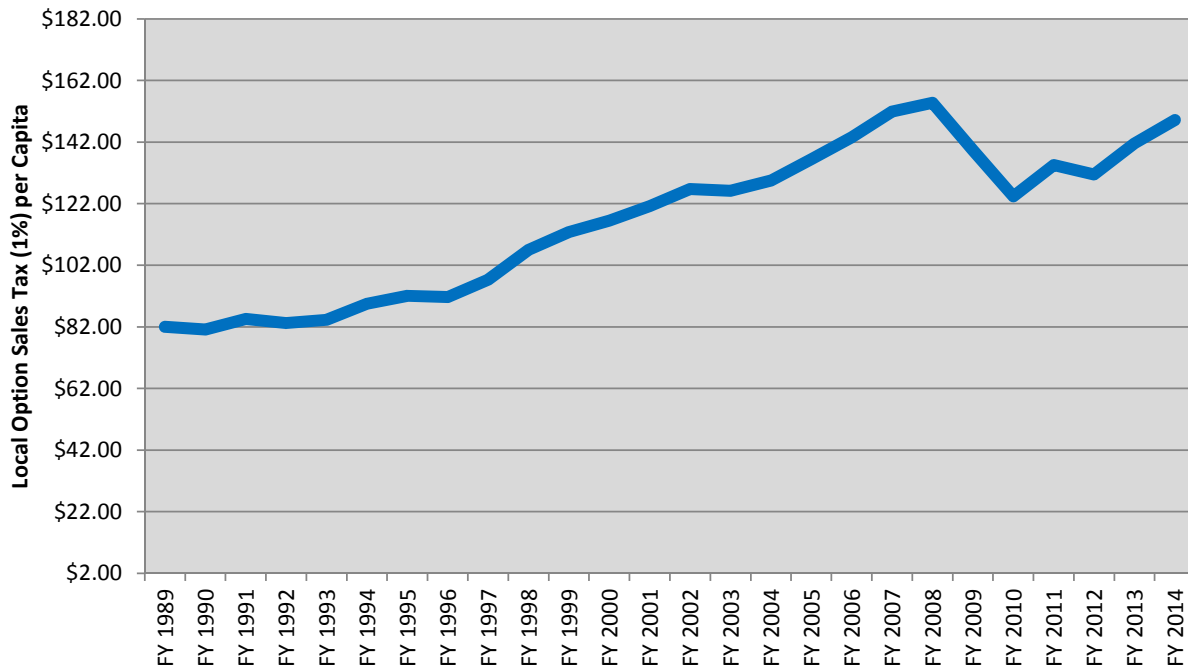
Sales Tax

Historically, local option sales tax revenues have represented a major portion of Pinellas County's local transportation revenues. Currently, Pinellas charges a 1.0 percent Local Discretionary Sales Surtax, specifically the Local Government Infrastructure Sales Surtax, which is more commonly referred to as the "Penny for Pinellas." This sales tax was first adopted in 1987 (collection began in 1990) and is set to expire at the end of 2019. Recent transportation improvements funded with the Penny for Pinellas include countywide resurfacing improvements, intersection capacity improvements, bridge rehabilitation, 62nd Ave improvements (66th St to 49th St), Park Blvd improvements (W. of 113th St to Seminole Blvd), Pinellas Trail expansion, and roadway beautification.

This section provides a brief outline of adopted and available sales tax options for transportation as well as historical trends and projected future revenues for all sales tax options in Pinellas County.

Figure 2 illustrates the trend in historical sales tax revenue per capita for a 1.0 percent sales tax. As shown, the sales tax revenue per capita has increased by an annual average of 2.4 percent since 1989. However, due to the economic boom and recession in the mid-2000s, there was significant volatility in sales tax revenues and the revenue per capita. Due to this unique time period, the recommended annual index for sales tax revenues was based on the average annual increase in sales tax per capita from 1989 to 2004, which was approximately 3.0 percent. This is consistent with assumptions and the recommendation presented in the Greenlight Pinellas Plan. During this same time period, the sales tax revenue per capita for all of Florida was 3.3 percent.

Figure 2
Pinellas County – Sales Tax (1.0%) Per-Capita Trend



Source: *Local Government Financial Information Handbook*

Sales tax revenues are based on a percentage of the sale and, therefore, increase/decrease with the effects of inflation/deflation. Compared to fuel taxes, sales tax revenues are a much more reliable and consistent source of revenue.

Table 5 provides the projected sales tax revenues for Pinellas County through 2040. Based on the trend observed in Figure 2, it was assumed that the sales tax per capita revenue levels will continue to increase through 2040. This assumption was applied to projected revenue calculations for the referendum and no new revenues scenarios. The projections in Table 5, for the Penny for Pinellas, reflect only the revenues available to the County and exclude any revenues allocated to municipalities. Additionally, Transit Surtax projections only reflect the portion of sales tax historically allocated for transportation expenditures and reflect a 2014 transit only referendum adoption.

Table 5
Sales Tax Revenues (2014 Referendum Adoption)

Funding Source	2020-2025	2026-2030	2031-2040	Total
Year-of-Expenditure				
Penny for Pinellas	\$218,968,437	\$214,600,718	\$537,186,469	\$970,755,624
Transit Surtax	\$1,046,042,227	\$1,025,177,032	\$2,566,213,359	\$4,637,432,618
Total Revenues	\$1,265,010,664	\$1,239,777,750	\$3,103,399,828	\$5,608,188,242

Source: 2040 Socioeconomic Data Technical Memorandum; all projections are based on the "Transit Investment/Land Use Scenario" population projections.

Local Government Infrastructure Sales Surtax (1.0%)

- Commonly referred to as the “Penny for Pinellas.”
- This tax must be levied at the rate of 0.5 or 1 percent pursuant to an ordinance enacted by a majority vote of the County’s governing body and approved by voters in a countywide referendum.
- Generally, the proceeds must be expended to finance, plan, and construct infrastructure; to acquire land for public recreation, conservation, or protection of natural resources; or to finance the closure of local government-owned solid waste landfills that have been closed or are required to be closed by order of the Department of Environmental Protection.
- The surtax proceeds must be distributed to the County and its respective municipalities according to an interlocal agreement. If there is no interlocal agreement, the distribution will be based on the Local Government Half-cent Sales Tax formulas provided in Section 218.62, Florida Statutes.

Based on the distribution provided in the FY 2013 Annual Budget, Pinellas County will receive approximately **\$71.8 million** from this sales tax in FY 2013/2014. This represents the portion allocated to the County, which is approximately 52.3 percent of the total revenues. Based on P4P allocation estimates and projections for 2010 to 2020, approximately 40 percent of the County’s portion of the sales tax revenues is dedicated to transportation. Of the 40 percent for transportation, the following breakdown is being utilized for funding cost feasible projects in the plan and may be revisited at a later time:

- 30 percent assigned to roadway capacity and enhancement (**\$291.2 million**, year of expenditure)
- 20 percent assigned to resurfacing (**\$194.2 million**, year of expenditure)
- 20 percent assigned to trails, sidewalks, bike facilities, signals, and intersection improvements (**\$194.2 million**, year of expenditure)
- 30 percent assigned to bridge construction (**\$291.2 million**, year of expenditure)

Currently, this sales tax is set to expire at the end of 2019. For 2040 LRTP purposes, the additional revenues that would be available, contingent upon re-adoption, were projected. For these projections, it was assumed that Penny for Pinellas will be re-adopted and will continue to be assessed through 2040. Additionally, it is assumed that the current allocation levels (52.3% percent to the County, 40% of County portion to transportation) will remain constant through 2040.

Charter County and Regional Transportation System Surtax (1.0%)

- Commonly referred to as the “Transit Surtax.”
- This tax may be levied at the rate of up to 1 percent pursuant to approval by a majority vote of the county’s electorate.
- Generally, the proceeds are for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, on-demand transportation services, and roads and bridges.
- The surtax proceeds must be deposited into the County trust fund or remitted by the county’s governing body to an expressway, transit, or transportation authority created by law.
- If adopted, all revenues will be passed on to PSTA.

Pinellas County had scheduled a referendum to adopt and implement the 1.0% Charter County Transportation Surtax in November 2014 in order to fund the Greenlight Pinellas Plan, with revenue collections beginning in 2016. Based on the distribution provided in the *Local Government Financial Information Handbook* and an additional projection analysis completed as part of the Greenlight Pinellas Plan, PSTA would have received \$150+ million annually from this sales tax by the beginning of this report's planning period in 2019. If this revenue source had been adopted, PSTA would no longer rely on ad valorem revenues to fund transit capital/operations.

As with the Local Infrastructure Surtax, a 3.0 percent annual growth rate in the sales tax per capita was used for projecting revenues through 2040, consistent with the Greenlight Pinellas Plan.

Transportation Impact Fees

Transportation impact fees (TIFs) are assessed to provide revenue for financing the addition and expansion of roadway facilities needed to accommodate new growth and development. Historically, TIFs have been limited to roadway capacity expenditures only, but many communities have transitioned to multimodal or mobility impact fees to provide greater spending flexibility with regard to impact fee revenues. In 2011, Pinellas County adopted an ordinance that allowed its TIFs to be used for transportation-related improvements including roadway, bicycle, pedestrian, transit, or transportation systems management (TSM) projects. Section 150 of the Pinellas County Land Development Code provides additional detail on eligible transportation improvements. In general, TIFs must provide a transportation system benefit and may not be used for maintenance projects.

To project TIF revenues through 2040, historical TIF collections, historical permitting, and population growth projections were taken into consideration. Future residential building permits were projected using 2040 population projections ("Transit Investment/Land Use Scenario" population projections) provided by MPO staff and average persons per household data were obtained from the U.S. Census. All potential revenues were projected using the currently-adopted rates in Pinellas County and assume that these rates will remain constant and that the County will continue to collect transportation impact fees through 2040. Table 6 presents the transportation impact fee revenue projections for Pinellas County.

Table 6
Transportation Impact Fee Revenue Projections

Funding Source	2020-2025	2026-2030	2031-2040	Total
<i>Year-of-Expenditure</i>				
Transportation Impact Fee	\$25,523,281	\$26,430,765	\$72,751,456	\$124,705,502

Source: 2040 Socioeconomic Data Technical Memorandum and the Pinellas County Building and Development Review Services; all projections based on "Transit Investment/Land Use Scenario" population projections.

To calculate transportation impact fee revenues, projected population growth was converted to residential units and allocated based on recent permitting trends. For Pinellas County, this distribution was based on residential permitting since 2000, which indicated that approximately 60 percent of permits were for single-family residential units and 40 percent were for multi-family units.

Projected units were then multiplied by the current adopted impact fee rates in Pinellas County. For purposes of 2040 LRTP projections, it was assumed that the impact fee rates are held constant through 2040. With residential revenues projected, non-residential revenues were determined through a ratio analysis based on historical impact fee collections. Based on the most recent impact fee collection figures for 2013, it was shown that approximately 60 percent of all impact fee revenues were generated from residential development. Using this factor, non-residential revenues for the current year were estimated and projections through 2040 were developed.

As a final check, the TIF revenue projections were compared to historical collections. This comparison showed that historical collection levels were consistent with projected revenue levels for the time periods of similar growth, using the “Transit Investment/Land Use Scenario” population projections.

PSTA Transit Revenues

Transit revenue projections provided by PSTA, without passage of the transit surtax totaled approximately **\$1.96 billion**. These local revenue projections include approximately \$33 million a year of ad valorem revenue as well as funding from passenger bus fares, interest income, ancillary revenue, and debt financing related revenues.

Congestion Mitigation and Air Quality

The Congestion Mitigation and Air Quality (CMAQ) Improvement Program provides a flexible funding source for state and local governments to fund transportation projects and programs to help meet the requirements of the Clean Air Act (CAA) and its amendments. CMAQ money supports transportation projects that reduce mobile source emissions in areas designated by the U.S. Environmental Protection Agency (EPA) as non-attainment or maintenance of National Ambient Air Quality Standards (NAAQS). Eligible activities include transit improvements, travel demand management strategies, traffic flow improvements and public fleet conversions to cleaner fuels, among others.

All CMAQ projects must be identified in a Transportation Improvement Program and be supported by a quantified estimate of the emissions reductions that will result from the project. The federal share for most CMAQ-eligible projects is 80 percent. The CMAQ program operates on a reimbursable basis, so funds are not provided until work is completed. As Pinellas County is not in a region that is designated by EPA as non-attainment or maintenance for NAAQS, transportation projects here are not eligible for CMAQ funding at this time. However, pollution levels are recorded regularly and do not remain constant, while NAAQS can be reviewed and adjusted at any time. Should the airshed in and around Pinellas County ever be designated as non-attainment or maintenance, CMAQ funds would likely become available as a resource for certain transportation improvements.

Funding for Safety Improvements

Each year, FDOT District 7 receives funding for transportation projects that produce a measureable and documented safety benefit (crash/fatality reduction). For local agencies, the District offers the opportunity to use federal safety funds for projects on local roads, provided they are able to document the benefits they provide. The safety funding is awarded on a competitive basis and varies significantly from year to year; there is no predetermined apportionment of federal safety funds per year for any county or city within District 7. There are various programs that act as delivery methods to use the safety funding to produce projects on local roadways. Once a project has been vetted and confirmed as eligible, the District determines under which program it should be produced based on the constraints of the program. Low-cost “quick fixes” that do not need ROW or that do not have utility conflicts can be delivered through a Design Build Push Button (DBPB) contract, under which improvements could include the installation of pedestrian countdown signals and plaques, and the installation of high emphasis crosswalks and audible pavement markings. More long-term projects on the local system that require right-of-way acquisition or have utility impacts would be delivered through the Local Agency Program.

Aviation

The Federal Aviation Administration (FAA) oversees the Airport Improvement Program (AIP), which provides grants for the planning and development of public use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). The grant covers 75 percent of eligible costs for large and medium hub airports and 95 percent of eligible costs for small primary, reliever, and general aviation airports. The FAA distributes AIP funds according to present national priorities and objectives. Funds are typically first apportioned into major entitlement categories, such as primary, cargo, and general aviation and remaining funds are distributed to a discretionary fund.

Eligible projects include improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, AIP funds can be used for most airfield capital improvements or repairs except those for terminals, hangars, and non-aviation development. Professional services that are necessary for eligible projects are also eligible, as are runway, taxiway, and apron pavement maintenance. Aviation demand at the airport must justify the projects, which must also meet Federal environmental and procurement requirements. Projects related to airport operations and revenue-generating improvements typically are not eligible for funding. Operational costs (such as salaries and supplies) are also not eligible for AIP grants.

Summary of Federal/State Transit Revenue Sources

This section provides additional summary information on the different Federal and State transit revenue sources. PSTA has identified many potential Federal and State revenue sources in the Greenlight Pinellas Plan, including FTA 5030, 5307, 5309, 5310, 5317, 5337, other Federal grants, state grants, and the State New Starts Transit Program. Additional detail is provided below.

State Transit

FDOT provides technical and operating/capital assistance to transit, paratransit, and ridesharing systems. The MPO participates in identifying planned projects for this category, with the caveat that FDOT is responsible for meeting certain statutory requirements for public transportation funding.

State New Starts Transit

The Florida New Starts Transit Program (NSTP) was developed to streamline transit capital project development by providing consistency among statewide transportation planning initiatives, local and regional transportation priorities, and FTA's environmental review processes for New Starts and Small Starts capital funding programs. The NSTP is an FDOT discretionary spending program that provides a dollar-for-dollar match of the local/regional share of project costs for rail transit and BRT projects that would be candidates for FTA New Starts funding. These matching funds are intended to make Florida's transit projects more competitive for FTA funding. The NSTP also allows a dollar-for-dollar match of local funds towards transit projects funded with State and local funds only.¹

Federal New Starts (5309)

The New Starts program provides funds for construction of new fixed guideway systems or extensions to existing fixed guideway systems. Eligible purposes are light and heavy rail, commuter rail, monorail, automated fixed guideway systems (such as a "people mover"), or a bus-way/high occupancy vehicle (HOV) facilities, or an extension of any of these. Projects become candidates for funding under this program by successfully completing the appropriate steps in the major capital investment planning and project development process. Pinellas County has completed an Alternatives Analysis and is, therefore, eligible for this funding source. Major new fixed guideway projects or extensions to existing systems financed with New Starts funds typically receive these funds through a full-funding grant agreement that defines the scope of the project and specifies the total multi-year Federal commitment to the project. Funding allocation recommendations are made in an annual report to Congress and are allocated on a discretionary basis.²

Federal Small Starts (5309)

The FTA Small Starts program provides a simplified project development process for new fixed-guideway capital projects, extensions to existing fixed guideway systems, or non-fixed guideway BRT projects expected to cost less than \$250 million total. The federal share for Small Starts projects cannot exceed \$75 million. The Small Starts program facilitates the development of low-cost fixed-guideway or BRT projects that have demonstrable mobility and/or economic development benefits by simplifying the

¹ *Florida New Starts Transit Program: A Decision-Support Contextual Framework*, FDOT Public Transit Office, June 2006.

² http://www.fta.dot.gov/funding/grants_financing_263.html.

Alternatives Analysis and consolidating the preliminary engineering and final design phases of larger New Starts projects. As with New Starts projects, funding allocation recommendations are made in an annual report to Congress and are allocated on a discretionary basis.³

Bus and Bus Facilities (5309)

The Bus and Bus Facilities program provides capital assistance for new and replacement buses and related equipment and facilities. Eligible capital projects include the purchasing of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventive maintenance, passenger amenities such as passenger shelters and bus stop signs, accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers and shop and garage equipment. Funds are allocated on a discretionary basis. The U.S. DOT Secretary has the discretion to allocate funds, although Congress fully earmarks all available funding.

Large Urban Cities (5307)

Federal funds are made available for urbanized areas and to Governors for transit capital and operating assistance and for transportation-related planning. The term “urbanized area” refers to an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Bureau of the Census. Recipients must be public bodies eligible to receive Federal funds (such as MPOs, transit authorities, municipalities).

A wide variety of activities are eligible for funding assistance: planning, engineering design and evaluation of transit projects, capital investments in buses and bus-related activities (including vehicle replacement, bus overhaul and rebuilding, security equipment, and construction of maintenance and passenger facilities), and capital investments in new and existing fixed-guideway systems (including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware/software). Also, all preventive maintenance and some Americans with Disabilities Act (ADA) complementary paratransit service costs are considered capital expenses.

Funds are allocated according to legislative formulas. For areas with a population between 50,000 and 200,000, the formula is based on population and population density. For areas of more 200,000, the formula combines bus revenue vehicle miles, bus passenger miles, fixed-guideway revenue vehicle and route miles, population, and population density factors.⁴

³ http://www.fta.dot.gov/planning/newstarts/planning_environment_222.html.

⁴ http://www.fta.dot.gov/funding/grants/grants_financing_3561.html.

**Appendix A: Metropolitan Long Range Plan: 2040 Forecast of State and
Federal Revenues for Statewide and Metropolitan Plans**

Revenue Forecast Handbook

2040 Revenue Forecast

Florida Department of Transportation

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ABOUT THIS HANDBOOK

Periodic forecasts of revenue and program levels are needed for updates of the Florida Transportation Plan (FTP) and metropolitan plans prepared by Metropolitan Planning Organizations (MPOs). Such forecasts assist MPOs in complying with federal requirements for developing cost feasible transportation plans. The development and use of these forecasts also assists the Department and MPOs as they reconcile their plans to provide coordinated planning for transportation facilities and services in Florida and to better document long range needs.

The Florida Department of Transportation (FDOT) has developed a new long range revenue forecast. The forecast is based upon recent federal and state legislation (e.g., MAP-21, changes to Florida's Documentary Stamps Tax legislation), changes in factors affecting state revenue sources (e.g., population growth rates, motor fuel consumption and tax rates), and current policies. This information will be used for the updates of metropolitan long range transportation plans and the 2040 Strategic Intermodal System Cost Feasible Plan.

The estimates and the guidance in this Handbook were prepared by FDOT, based on a statewide estimate of revenues that fund the state transportation program, and are consistent with:

- “Financial Guidelines for MPO 2040 Long Range Plans” adopted by the Metropolitan Planning Organization Advisory Council (MPOAC) in January 2013.
- “Federal Strategies for Implementing Requirements for LRTP Update for the Florida MPOs”, November 2012, prepared by the U. S. Department of Transportation, Federal Highway Administration in cooperation with the Federal Transit Administration.

Florida's MPOs are encouraged to use these estimates and guidance in the updates of their long range plans. This handbook, and the MPOAC and U. S. Department of Transportation documents, are posted on the FDOT website at http://www.dot.state.fl.us/planning/revenue_forecast.

The 2040 Revenue Forecast includes program estimates for the expenditure of state and federal funds expected from current revenue sources. The forecast estimates revenues from federal, state, and Turnpike sources that “flow through” the FDOT Work Program for fiscal years 2014-2040. The forecast does not include estimates for local revenue sources.

This handbook documents how the 2040 Revenue Forecast was developed and provides guidance for using this forecast information in updating MPO plans. FDOT has developed metropolitan estimates from the 2040 Revenue Forecast for certain capacity programs for each MPO. These metropolitan estimates are included in a separate document entitled “Supplement to the Revenue Forecast Handbook” prepared for each MPO. A separate report entitled “Appendix for the Metropolitan Long Range Plan, 2040 Revenue Forecast” will be prepared for each MPO to include in the documentation of its long range plan.

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FINANCIAL PLANNING

Revenue forecasting and financial planning for statewide and metropolitan plans are typically required for three periods: long range (20 or more years), intermediate range (about 10 years), and short range (about five years). Their specificity, including financial elements, varies in detail and implied “accuracy.” Assumptions, and the level of detail of underlying data, used in development of these three types of plans vary also. These assumptions move from general (long range) to specific (short range) as more detailed information is developed and as the uncertainty of forecasts of future events decreases. See the figure to the right for a summary of the level of detail developed for financial planning by FDOT.

FDOT’s long range revenue forecasts are developed within the framework (e.g., terminology, program structure) used for intermediate and short range planning. This enhances the opportunity for the Florida Transportation Plan (FTP) to guide the Program and Resource Plan (PRP) and Work Program. However, it is unnecessary, potentially restrictive, and too complex to examine the same level of detail for all three types of planning.

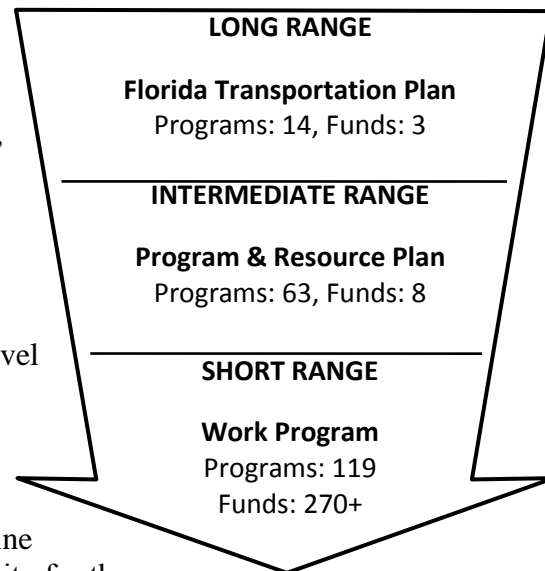
Long Range Plans

The purpose of long range plans is to identify needed major improvements — and then to determine those that are “cost feasible,” or are of highest priority for the investment of expected funds — while preserving and maintaining prior investments. Examples are the FTP, metropolitan long range transportation plans, and statewide modal system plans. They are updated each 3-5 years and are more general than intermediate and short range plans. They are based upon the most general assumptions and estimates, and can be the most greatly affected by changing conditions (e.g., changes in policy, technology). Characteristics include:

- Horizons are typically 20+ years, in stages (e.g., first 5 years, second 5 years);
- Planned roadway improvements may be expressed as typical cross sections and general alignments that may be more than one mile wide;
- Planned public transportation improvements may not specify technologies or detailed access requirements and may also have general alignments, routes or coverage areas;
- Traffic operations improvements, including the use of Intelligent Transportation System (ITS) techniques, may be included as areawide programs or multi-corridor programs; and
- System preservation activities such as roadway resurfacing, bridge rehabilitation and maintenance may be treated as programs rather than site- or corridor-specific projects.

Revenue and program forecasts are general as well to encourage flexibility and creativity in the development of a long range plan to meet stated goals. Program forecasts differentiate only between major types of activities (e.g., capacity improvements for eligible modal programs, preservation programs, and support activities). This means that it is sufficient to develop estimates for major programs. Revenue and program forecasts cover 20 or more years but could

Financial Data: from General to Specific



fluctuate from year to year, so estimates for one year or a few years can be misleading. With few exceptions, it is not necessary to distinguish between types of revenues (e.g., fuel taxes).

The long range plan is a broad guide to the makeup and management of the future transportation system. It is not intended to be a long range program of projects, similar in detail to a Work Program or Transportation Improvement Program (TIP). Planned improvements and programs may have to be modified as more detailed information becomes available or as conditions change. Project cost estimates and descriptions — including, perhaps, the primary mode in a corridor/system — will change during project development activities. Subsequent changes in revenue estimates, costs, program levels and laws and policies may affect future 10-year plans (such as the PRP), Work Programs, and TIPs. These changes should be monitored and their impact should be assessed during periodic updates of the long range plan.

Intermediate Range Plans

Intermediate range plans “bridge the gap” between long and short range plans. They should show how progress will be made in attaining goals and objectives (e.g., resurfacing objectives) over a 10-15 year period. Levels of specificity and detail are increased, but are usually far less than a Work Program or TIP. They may be updated each year. Examples are the PRP and staging elements (e.g., highest priority projects for the first 10 or 15 years) of long range plans.

The Department’s PRP typically addresses the current year, the next 5-year Work Program, and the following four years. It includes estimates of funding and program accomplishments for over 60 categories of activities (programs or subprograms). Revenue forecasts for these years are developed for four categories of federal funds and four categories of state funds, but specific projects are not identified. Planned program and subprogram levels may have to be modified over time as more detailed information becomes available or as conditions change, including the results of analyses of performance from carrying out previous work programs. FDOT assesses these changes during the annual update and extension of the PRP.

Short Range Plans

The purpose of short range plans – usually called “programs” – is to identify specific types of work (e.g., planning, engineering, construction) and specific funding (e.g., FDOT fund codes) for projects and programs over the next 3-5 years. They should contain activities that will make progress in attaining goals and objectives. Short range plans are the most exact, are based on specific assumptions and detailed estimates, and may not be dramatically affected by changed conditions (e.g., “adopted” projects and programs may be treated as prior commitments to the public when major changes are instituted). Examples are Work Programs and TIPs.

The Department’s 5-Year Work Program addresses project and program funding for the next five fiscal years. It includes detailed information for almost 120 programs and numerous job types, systems, and phases. There are more than 270 fund categories (“fund codes”). There are strict eligibility criteria for all programs, job types, systems, phases, and fund categories. Changes to the adopted 5-year Work Program are discouraged, but may be required because of revisions to revenue estimates, cost estimates or schedules, or changes in priority. The Work Program is updated and extended each year as part of the Work Program development process.

STATEWIDE REVENUE FORECAST

As part of preparing for the update of the FTP and updates of all 26 metropolitan long range plans, the Department has developed a new long range revenue forecast. The forecast horizon was extended through 2040, consistent with guidelines adopted by the MPOAC. The forecast reflects changes in state revenue forecasts through Fall 2012.

Statewide Revenue and Program Estimates

This section briefly describes forecast parameters and how the statewide revenue and program estimates were developed for the 2040 Revenue Forecast.

Forecast Parameters

The planning horizon for the update of the Florida Transportation Plan will be at least 2040. The guidelines adopted by the MPOAC call for a horizon year of 2040. As a result, this long range revenue forecast includes estimates through 2040 to provide all MPOs with the state and federal financial information needed for their plan updates.

Several fundamental decisions were made prior to preparing the forecast. Revenue forecasts estimate the value of money at the time it will be collected (e.g., in 2020) and reflect future growth in revenue, sometimes referred to as “current” or “year of expenditure” dollars. Since the costs of transportation projects increase over time, the Department inflates project costs to develop a cost-feasible Work Program in “year of expenditure” dollars. All amounts in the 2040 forecast are expressed in “year of expenditure” dollars.

Estimates for fiscal years 2013/2014-2017/2018 are based on the Tentative Work Program as of November 28, 2012. Estimates for fiscal years 2018/19 through 2039/2040¹ 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 Department policies.

Revenue Estimates

The forecast is based on state and federal funds that “pass through” the Department’s Work Program. The forecast does not include estimates for local government, local/regional authority, private sector, or other funding sources except as noted.

The forecast consolidates the numerous fund codes used by the FDOT into three major fund categories: Federal, State, and Turnpike. Federal funds include all federal aid (e.g., Surface Transportation Program) that passes through the Work Program. Turnpike funds include proceeds from Turnpike tolls, bonds sold for Turnpike activities, and concession revenues. State funds include the remaining state revenues, such as motor fuel taxes, motor vehicle fees, and right-of-way bonds. Toll credits are used to match federal aid (referred to as “soft match”) so no state funds are used to match regular federal programs.

¹ Assumptions related to the forecast of state and federal revenue sources will be documented in the “Appendix for the Metropolitan Area Long Range Transportation Plan” to be provided by FDOT to each MPO.

As shown in Table 1, revenues are expected to gradually increase in each five year period. There are relatively more dollars per year in fiscal years 2014-2015 due to “carry-forwards” of funds from prior fiscal years. The forecast also indicates that State revenues are expected to account for an increasingly larger share of transportation dollars in Florida compared to federal revenues.

Table 1
Forecast of Revenues
2040 Revenue Forecast (Millions of Dollars)

Major Revenue Sources	Time Period						27-Year Total ²
	2014-15 ¹	2016-20	2021-25	2026-30	2031-35	2036-2040	2014-2040
Federal ³	5,113 31%	9,542 27%	9,687 26%	9,719 24%	9,664 23%	9,664 22%	53,389 25%
State	9,711 59%	22,243 64%	25,084 67%	27,616 69%	29,658 70%	31,119 70%	145,430 67%
Turnpike	1,680 10%	3,044 9%	2,745 7%	2,931 7%	3,200 8%	3,410 8%	17,011 8%
Total ²	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 Columns and rows sometimes do not equal the totals due to rounding.

³ Federal revenues reflect “soft match” for federal aid.

Major Program Estimates

For the forecast, the Department’s major programs were collapsed into two categories: capacity programs and non-capacity programs. Capacity programs are major FDOT programs that expand the capacity of existing transportation systems. Non-capacity programs are remaining FDOT programs that are designed to support, operate, and maintain the state transportation system. Table 2 includes a brief description of each major program. Appendix A contains a more detailed discussion of the programs and the types of activities eligible for funding in each.

Table 3 identifies the statewide estimates for the major programs in the 2040 Revenue Forecast. The table shows that the Department anticipates that 48% of its total revenues will be spent on the capacity programs during the 27-year forecast period.

FDOT is taking the lead in identifying planned projects and programs funded by the SIS Highways Construction & ROW, Aviation, Rail, Intermodal Access and Seaport Development programs as part of development of the SIS Cost Feasible Plan. MPOs are taking the lead in identifying planned projects and programs funded by the Other Arterials Construction & ROW and Transit programs. Guidance to MPOs for planning for projects after Fiscal Year 2018 for funds available from Documentary Stamps Tax proceeds is provided in this Handbook.

General Guidance on Using the Estimates

Metropolitan estimates are included in a separate document, entitled “Supplement to the 2040 Revenue Forecast Handbook” prepared for each MPO. Further guidance on use of these estimates is provided in the last section of this Handbook, “Developing a Cost Feasible Plan.”

The metropolitan estimates are summarized into 5 fiscal year periods and a final 10-year period. For planning purposes, some leeway should be allowed for estimates for these time periods (e.g., within 10% of the funds estimated for that period). However, it is strongly recommended that the total cost of all phases of planned projects for the entire forecast period (e.g., 2014-2040) not exceed the revenue estimates for each element or component of the plan.

When developing long range plans, MPOs do not need to use the same terminology used in the Department’s 2040 Revenue Forecast (e.g., “Other Arterials Construction & ROW”). However, MPOs should identify the metropolitan estimates from this forecast, the source of the revenues, and how these revenues are used in documentation of their plan updates.

MPOs are encouraged to document project costs and revenue estimates for their long range transportation plans for fiscal years 2014-2040. This will provide a common basis for analyses of finance issues (e.g., unmet transportation needs). Appendix D includes inflation factors and guidance for converting project costs estimates to Year of Expenditure dollars.

Table 2
Description of the Major Programs Included in the 2040 Revenue Forecast

Capacity Programs	Non-Capacity Programs
<u>SIS Highways Construction & ROW</u> - Construction, improvements, and associated right of way on SIS highways (i.e., Interstate, the Turnpike, other toll roads, and other facilities designed to serve interstate and regional commerce including SIS Connectors).	<u>Safety</u> - Includes the Highway Safety Improvement Program, the Highway Safety Grant Program, Bicycle/Pedestrian Safety activities, the Industrial Safety Program, and general safety issues on a Department-wide basis.
<u>Aviation</u> - Financial and technical assistance to Florida's airports in the areas of safety, security, capacity enhancement, land acquisition, planning, economic development, and preservation.	<u>Resurfacing</u> - Resurfacing of pavements on the State Highway System and local roads as provided by state law.
<u>Rail</u> - Rail safety inspections, rail-highway grade crossing safety, acquisition of rail corridors, assistance in developing intercity and commuter rail service, and rehabilitation of rail facilities.	<u>Bridge</u> - Repair and replace deficient bridges on the state highway system. In addition, not less than 15% of the amount of 2009 federal bridge funds must be expended off the federal highway system (e.g., on local bridges not on the State Highway System).
<u>Intermodal Access</u> - Improving access to intermodal facilities, airports and seaports; and acquisition of associated rights of way.	<u>Product Support</u> - Planning and engineering required to "produce" FDOT products and services (i.e., each capacity program; Safety, Resurfacing, and Bridge Programs).
<u>Seaport Development</u> - Funding for development of public deep-water ports projects, such as security infrastructure and law enforcement measures, land acquisition, dredging, construction of storage facilities and terminals, and acquisition of container cranes and other equipment used in moving cargo and passengers.	<u>Operations & Maintenance</u> - Activities to support and maintain transportation infrastructure once it is constructed and in place.
<u>Other Arterial Construction/ROW</u> - Construction, improvements, and associated right of way on State Highway System roadways not designated as part of the SIS. Also includes funding for the Economic Development Program, the County Incentive Grant Program, the Small County Road Assistance Program, and the Small County Outreach Program.	<u>Administration</u> - Resources required to perform the fiscal, budget, personnel, executive direction, document reproduction, and contract functions. Also includes the Fixed Capital Outlay Program, which provides for the purchase, construction, and improvement of non-highway fixed assets (e.g., offices, maintenance yards).
<u>Transit</u> - Technical and operating/capital assistance to transit, paratransit, and ridesharing systems.	<u>Other</u> -Primarily represents FDOT financial commitments such as debt service and reimbursements to local governments.

Table 3
Major Program Estimates
2040 Revenue Forecast (Millions of Dollars)

Major Programs	Time Period (Fiscal Years)						27-Year Total
	2014-15	2016-20	2021-25	2026-30	2031-35	2036-40	2014-40
<u>Capacity Programs</u>	9,292	16,905	17,961	18,888	19,656	20,059	102,761
	56%	49%	48%	47%	46%	45%	48%
SIS Highways Construction & ROW	4,879	7,747	7,738	8,509	8,790	8,937	46,599
Other Arterials Construction & ROW	2,264	4,371	4,264	4,076	4,319	4,447	23,740
Aviation	333	853	819	911	974	1,007	4,896
Transit	855	1,883	1,942	2,041	2,119	2,160	11,001
Rail	500	865	729	807	859	886	4,647
Intermodal Access	78	153	182	199	212	218	1,043
Seaports	383	395	496	553	592	613	3,031
Documentary Stamps Tax Funds	0	639	1,791	1,791	1,791	1,791	7,803
<u>Non-Capacity Programs</u>	6,844	16,813	18,224	19,904	21,273	22,475	105,532
	41%	48%	49%	49%	50%	51%	49%
Safety	245	631	625	626	626	626	3,378
Resurfacing	1,211	3,593	3,649	3,900	3,996	4,075	20,425
Bridge	529	1,593	1,373	1,452	1,508	1,537	7,991
Product Support	2,527	4,913	5,932	6,479	6,935	7,304	34,089
Operations & Maintenance	2,033	5,228	5,607	6,295	6,937	7,534	33,633
Administration	299	855	1,037	1,153	1,272	1,400	6,016
Other	364	1,111	1,330	1,474	1,593	1,659	7,531
	2%	3%	4%	4%	4%	4%	3%
Total Budget	16,500	34,829	37,516	40,266	42,522	44,193	215,825

¹ Based on FDOT Work Program as of November 28, 2012.

² Columns and rows sometimes do not equal the totals due to rounding.

³ Documentary Stamps Tax funds not programmed in FDOT Work Programs as of July 1, 2013.

⁴ "Other" is primarily for debt service.

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METROPOLITAN AREA ESTIMATES

This section describes the information developed for MPOs from the 2040 Revenue Forecast and guidance for using this information. The metropolitan estimates are for planning purposes only and do not represent a state commitment for funding, either in total or in any 5-year time period.

Metropolitan estimates reflect the share of each state capacity program planned for the area. The estimates can be used to fund planned capacity improvements to major elements of the transportation system (e.g., highways, transit). FDOT will develop an appendix for MPO plans that identifies statewide funding estimates and objectives for non-capacity programs.

Metropolitan Area Revenue and Capacity Program Estimates

The FDOT central office prepared district and county estimates from the statewide forecast based on methods developed in consultation with MPOs, FDOT program managers, and district staff. As explained in Appendix B, District staff developed MPO estimates consistent with district and county shares of the statewide forecast, adjusted as needed to account for issues such as differences between metropolitan area boundaries and county boundaries or Transportation Management Area boundaries. The metropolitan estimates are included in a separate document, entitled “Supplement to the 2040 Revenue Forecast Handbook.”

“Statewide” Capacity Programs

FDOT is taking the lead in identifying planned projects and programs funded by these major programs: SIS Highways Construction & ROW, Aviation, Rail, Seaport Development and Intermodal Access.¹ SIS Highways² Construction & ROW projects and revenues will be provided to MPOs with the other elements of the revenue forecast. These estimates are for planning purposes and do not represent a commitment of FDOT funding.

Other Capacity Programs

The Department has requested that MPOs take the lead in identifying planned projects and programs funded by the Other Arterials Construction & ROW and Transit programs. MPOs may use the total funds estimated for these two programs to plan for the mix of public transportation and highway improvements that best meets the needs of their metropolitan areas. However, the FDOT is responsible for meeting certain statutory requirements for public transportation funding. As a result, MPOs are encouraged to provide at least the level of Transit Program funding for transit projects and programs.

TMA Funds

FDOT provided estimates of funds allocated for Transportation Management Areas, as defined by the U. S. Department of Transportation. They are the same as “SU” funds in the 5-Year Work Program. It is strongly recommended that MPOs eligible for TMA Funds perform a

¹ FDOT continues to work with modal partners to identify aviation, rail, seaport, and intermodal access projects beyond the years in work programs. However, FDOT and its partners have not been able to identify cost feasible projects beyond the work program sufficiently to include them in the SIS Cost Feasible Plan and, therefore, in MPO cost feasible plans.

² The 2040 update of the SIS Cost Feasible Plan includes all roads that are on the Strategic Intermodal System (SIS), including Connectors between SIS Corridors and Hubs.

thorough analysis of how these funds should be reflected in their long range plan. The following is guidance for that analysis.

Planning for the Use of TMA Funds

MPOs eligible for TMA Funds were provided estimates of total TMA Funds. MPOs are encouraged to work with FDOT district programming and planning staff to determine how to reflect TMA Funds in the long range plan. Consideration should be given to:

- Programmed use of TMA Funds (Fiscal Years 2013-2018) among the various categories in the FDOT revenue forecast. These include Other Arterials Construction & ROW, Product Support (e.g., Planning, PD&E studies, Engineering Design, Construction Inspection, etc.), SIS Highways Construction & ROW, Transit, etc.
- Planned use of TMA Funds – based on policies regarding the planned use of funds through the long range plan horizon year.
- Clear articulation in the long range plan documentation of the policies regarding the use of TMA funds, and estimates of TMA funds planned for each major program and time period.

Transportation Alternatives Funds

FDOT has provided estimates of funds for Transportation Alternatives , as defined by MAP-21, to assist MPOs in developing their plans. Estimates of Transportation Alternatives funds allocated for TMAs (i.e., “TALU” funds) will be provided to each TMA.

Estimates of funds for areas with populations under 200,00 (i.e., TALL funds) and for any area of the state (i.e., TALT funds) were also provided to MPOs. MPOs may desire to include projects funded TALL or TALT funds in the long range transportation plan. If so, the MPO should identify such projects as “illustrative projects” in its plan.

Funds for Off-System Roads

The Department has also estimated the amount of funds that may be used “Off-System” – funds that could be used for planned programs or projects on roads that are not on the State Highway System (i.e., roads owned by counties and municipalities). “Off-System” funds are included in the Other Arterials program estimates, which are comprised of federal and state funds. By law, state funds cannot be used for highway improvements not on the State Highway System, except to match federal aid or for SIS Connectors owned by local governments. Federal funds included in the Other Arterials program estimates may be used anywhere except for roads that are functionally classified as local or rural minor collectors, unless such roads were on the federal-aid system as of January 1, 1991.

All estimated TMA funds (see above) may be used on “Off-System” roads. The following is guidance for estimating other federal funds that can be used for “Off-System” roads:

- MPOs in TMAs can assume all estimated TMA funds and 10% of the FDOT estimates of Other Arterials Construction & ROW funds can be used for “Off-System” roads.
- MPOs that are not in TMAs can assume that 15% of Other Arterials Construction & ROW funds provided by FDOT can be used for “Off-System” roads.

Preliminary Engineering Estimates

MPOs are encouraged to include estimates for key pre-construction phases in the LRTP, namely for Project Development and Environmental (PD&E) studies and Engineering Design. FDOT has included sufficient funding for these and other “Product Support” activities to produce the construction levels in the 2040 Revenue Forecast. Costs for these phases for SIS highways will be provided to MPOs in the 2040 SIS Highways Cost Feasible Plan. For projects funded with the revenue estimates for Other Arterials Construction & ROW Funds provided by FDOT, MPOs can assume that the equivalent of 22 percent of those estimated funds will be available from the statewide “Product Support” estimates for PD&E and Engineering Design; these funds are in addition to the estimates for Other Arterials Construction & ROW funds provided to MPOs). MPOs should document these assumptions. For example, if the estimate for Other Arterials Construction & ROW in a 5-year period is \$10 million, the MPO can assume that an additional \$2.2 million will be available for PD&E and Design in the 5-year period from FDOT “Product Support” estimates. If planned PD&E and Design phases use TMA funds, the amounts should be part of (i.e., not in addition to) estimates of TMA funds provided to MPOs.

The Department encourages MPOs to combine PD&E and Design phases into “Preliminary Engineering” in LRTP documentation. “Boxed” funds can be used to finance “Preliminary Engineering”; however, the specific projects using the boxed funds should be listed, or described in bulk in the LRTP (i.e., “Preliminary Engineering for projects in Fiscal Years 2021-25”).

Documentary Stamps Tax Funds

Chapter 2005-290, Laws of Florida (also referred to as Senate Bill 360) established recurring appropriations to several major state transportation programs in 2005. Annually, up to \$541.75 million (year of expenditure dollars) will be appropriated from proceeds from the Documentary Stamps Tax. It should be noted that the legislation does not adjust the allocations for future changes in Documentary Stamps Tax proceeds or inflation. There have been several statutory changes since 2005, adjusting the sub-allocation of proceeds from the Documentary Stamps Tax allocated to transportation programs. In addition, the major slowdown in the housing market has led to significant reductions in Documentary Stamps Tax proceeds available for transportation programs since 2005. Forecasts of these proceeds do not project a return to the statutory cap of \$541.75 million by 2040. The following information regarding transportation proceeds from the Documentary Stamps Tax is guidance for the use of these funds in metropolitan long range transportation plans.

Small County Outreach Program

Annually, 10% of the transportation proceeds is allocated for transportation projects in small counties. The 2040 Revenue Forecast assumes these funds will not be available for projects in metropolitan areas.

New Starts Transit Program

Annually, 10% of the transportation proceeds is allocated for major new transit capital projects in metropolitan areas. MPOs have been provided statewide estimates of New Starts funds for 2019 through 2040. Generally, state eligibility requirements are:

- 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 limited to up to 50% of non-federal share;
- Dedicated local funding to at least match state contribution; and
- Eligible phases are final design, right of way acquisition, construction, procurement of equipment, etc.

MPOs may desire to include projects partially funded with statewide New Starts funds in the long range transportation plan. Any commitment of these funds by FDOT should be documented in the LRTP. Otherwise, the MPO should identify such projects as “illustrative projects” in its plan along with, at a minimum, the following information:

- Description of the project and estimated costs;
- Assumptions related to the amount of statewide New Starts funding for the project; and
- Assumptions related to the share and amount of non-State matching funds for the project (federal and local) and the likelihood such funding will be available as planned.

MPOs should work with their district office in developing and documenting this information.

Strategic Intermodal System

After allocations to the Small County Outreach Program and the New Starts Transit Program, 75% of the remaining Documentary Stamps Tax funds are allocated annually for the SIS. FDOT will plan for these funds as part of the SIS Cost Feasible Plan and provide funding and project information to MPOs.

Transportation Regional Incentive Program (TRIP)

After allocations to the Small County Outreach Program and the New Starts Transit Program, 25% of the remaining Documentary Stamps Tax funds are allocated annually for TRIP for regional transportation projects in “regional transportation areas” (see s. 339.155(4) and s. 339.2819, Florida Statutes). The first \$60 million of funds allocated to TRIP are allocated annually to the Florida Rail Enterprise. MPOs have been provided estimates of TRIP funds for 2019 through 2040. TRIP will fund up to 50% of project costs.

MPOs may desire to include projects partially funded with TRIP funds in the long range transportation plan. If so, the MPO should identify such projects as “illustrative projects” in its plan along with, at a minimum, the following information:

- Status of regional transportation planning in the affected 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 as planned.

MPOs should work with their district office in developing and documenting this information.

TRIP Requirements in Florida Law¹	
<p>Projects to be funded with TRIP funds shall, at a minimum:</p> <ol style="list-style-type: none"> 1. Serve national, statewide, or regional functions and function as an integrated regional transportation system; 2. 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; 3. Be consistent with the Strategic Intermodal System Plan; and 4. Have a commitment for local, regional, or private financial matching funds as a percentage of the overall project cost. 	<p>In allocating TRIP funds, priority will be given to projects that:</p> <ol style="list-style-type: none"> 1. Provide connectivity to the Strategic Intermodal System; 2. Support economic development and the movement of goods in rural areas of critical economic concern; 3. 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 4. Improve connectivity between military installations and the Strategic Highway Network or the Strategic Rail Corridor Network.

Non-Capacity Programs

“Non-Capacity” Programs refer to the FDOT programs designed to support and maintain the state transportation system: safety; resurfacing; bridge; product support; operations and maintenance; and administration. Consistent with the MPOAC Guidelines, FDOT and FHWA have agreed that the LRTP will meet FHWA expectations if it contains a summary of FDOT estimates to operate and maintain the State Highway System in the FDOT district in which the MPO is located. FDOT provided these estimates in the “Supplement to the 2040 Revenue Forecast Handbook.” FDOT has also included statewide funding for these programs in the forecast to meet statewide objectives (e.g., ensure that 90% of FDOT-maintained bridges meet Department standards) for operating and maintaining the State Highway System.

FDOT will provide an “Appendix for the Long Range Metropolitan Plan” to MPOs to include in the documentation of their long range plans. The appendix is intended to provide the public with clear documentation of the state and federal financial issues related to each MPO plan and to facilitate reconciliation of statewide and metropolitan plans. The appendix will describe how the statewide 2040 Revenue Forecast was developed and identifies the metropolitan area’s share of the forecast’s capacity programs. In addition, the appendix will include the forecast’s statewide estimates for non-capacity programs, which are sufficient for meeting statewide objectives and program needs in all metropolitan and non-metropolitan areas. This appendix should accomplish the goal of ensuring that sufficient funding will be available to operate and maintain the state transportation system in metropolitan areas.

“Other”

The Department makes certain expenditures that are not included in major programs discussed above. Primarily, these expenditures are for debt service and, where appropriate, reimbursements to local governments. These funds are not available for statewide or metropolitan system plans.

¹ s. 339.2819(4), Florida Statutes.

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OTHER TRANSPORTATION REVENUES

Local government revenues (e.g., taxes and fees, federal funds distributed directly to local governments, local or regional tolls) play a critical role in providing local and regional transportation services and facilities. The Department does not have access to detailed information on local and regional revenue sources and forecasts of revenues expected from them. Information on many of those sources can be found in *Florida's Transportation Tax Sources: A Primer* and the *Local Government Financial Information Handbook*.¹ The following is guidance to MPOs in the identification and forecasting of current revenue sources, potential new sources and the development of long range estimates.

Current Revenue Sources

Initially, MPOs should identify sources of local and regional revenues that have funded transportation improvements and services in recent years and are expected to continue. The following is a summary of sources in some or all metropolitan areas in Florida.

Local Government Taxes and Fees

Local government sources include those that are dedicated for transportation purposes. In many areas they are supplemented by general revenues allocated to specific transportation programs (e.g., transit operating assistance may be provided from the general fund). Other sources are available for transportation if enacted by one or more local governments in the metropolitan area. Local government financial staff should have information on recent revenue levels, uses of funds, trends, etc.

State Imposed Motor Fuel Taxes

Florida law imposes per-gallon taxes on motor fuels and distributes the proceeds to local governments as follows: the Constitutional Fuel Tax (2 cents); the County Fuel Tax (1 cent); and the Municipal Fuel Tax (1 cent). The County Fuel Tax receipts are distributed directly to counties. The Constitutional Fuel Tax proceeds are first used to meet the debt service requirements on local bond issues backed by the tax proceeds. The remainder is credited to the counties' transportation trust funds. Municipal Fuel Tax proceeds are transferred to the Revenue Sharing Trust Fund for Municipalities, combined with other non-transportation revenues, and distributed to municipalities by statutory criteria. The Constitutional Fuel Tax may be used for the acquisition, construction, and maintenance of roads. The County Fuel Tax and Municipal Fuel Tax may be used for any legitimate transportation purpose. Estimated distributions of these sources can be found in the *Local Government Financial Information Handbook*.

Local Option Motor Fuel Taxes

Local governments may levy up to 12 cents of local option fuel taxes pursuant to three types of levies. Recent proceeds from these optional motor fuel taxes for each county are contained in the *Local Government Financial Information Handbook*.

¹ *Florida's Transportation Tax Sources, A Primer*, is published annually by FDOT at:

<http://www.dot.state.fl.us/officeofcomptroller/pdf/GAO/RevManagement/Tax%20Primer%202013%20JAN.pdf> and

Local Government Financial Information Handbook, is an annual publication of the Florida Legislature's Office of Economic and Demographic Research at <http://edr.state.fl.us/Content/local-government/reports/lgfih12.pdf>.

First, a tax of 1 to 6 cents on every gallon of motor and diesel fuel may be imposed by an ordinance adopted by the majority vote of the county commission or by countywide referendum for up to 30 years. However, this tax is imposed on diesel fuel in every county at the rate of 6 cents per gallon. These funds may be used for any legitimate county or municipal transportation purpose (e.g., public transportation operations and maintenance, road construction or reconstruction). In addition, small counties (i.e., less than 50,000 as of April 1, 1992) may use these funds for other infrastructure needs.

Second, a tax of 1 to 5 cents on every gallon of motor fuel sold may be imposed by a majority plus one vote of the county commission or by countywide referendum. These funds may be used for transportation purposes to meet the requirements of the capital improvement element of an adopted comprehensive plan. This includes roadway construction, reconstruction, or resurfacing, but excludes routine maintenance.

Third, a tax of 1 cent (often referred to as the Ninth-Cent Fuel Tax) on every gallon of motor and diesel fuel sold may be imposed. A county can impose the tax on motor fuel by an extraordinary vote of its board of commissioners or by referendum. However, this tax is imposed on all diesel fuel sold in every county. These funds may be used for any legitimate county or municipal transportation purpose (e.g., public transportation operations and maintenance, construction or reconstruction of roads).

Other Transportation-Related Sources

Examples of these sources include public transportation fares and other charges, toll revenues from local or regional expressway and/or bridge authorities¹, transportation impact fees, and other exactions. The use of, and levels of proceeds from, these sources varies significantly among metropolitan areas.

Property Taxes and Other General Revenue Sources

Most local governments finance some transportation facilities and/or services from their general fund. These revenue sources include property taxes, franchise or business taxes, and local government fees. The sources, funding process, eligible services, etc., vary widely among local governments. Local government financial staff should have information on recent revenue levels, uses of funds, trends, and other information needed by MPOs.

Discretionary Sales Surtaxes

A Charter County and Regional Transportation System Surtax of up to 1% may be levied by charter counties, counties that are consolidated with one or more municipalities, and counties within or under an interlocal agreement with a regional transportation or transit authority created under Chapter 343 or Chapter 349, subject to a referendum. These funds may be used for fixed guideway rapid transit systems, including the cost of a countywide bus system that services the fixed guideway system. Proceeds may also be transferred to an expressway or transportation authority to operate and maintain a bus system, or construct and maintain roads or service the debt on bonds issued for that purpose.

¹Toll revenues from Florida's Turnpike and other toll facilities owned by the State are included in the 2040 Revenue Forecast.

A Local Government Infrastructure Surtax of either 0.5% or 1% may be levied for transportation and other purposes. The governing authority in each county may levy the tax by ordinance, subject to a successful referendum. In lieu of county action, municipalities representing the majority of the county population may adopt resolutions calling for countywide referendum on the issue and it will take effect if the referendum passes. The total levy for the Local Government Infrastructure Surtax and other discretionary surtaxes authorized by state law (for school construction, hospitals and other public purposes) cannot exceed 1%. See section 212.055, Florida Statutes, for more information on these discretionary sales surtaxes.

Federal Revenues

These are revenues from federal sources that are not included in the 2040 Revenue Forecast. Examples include federal assistance for aviation improvements and capital and operation assistance for transit systems. Potential sources distributed directly to local governments or authorities include revenue from the Federal Airport and Airway Trust Fund, the Federal Highway Trust Fund (Mass Transit Account), and the Federal General Fund.

Bond Proceeds

Local governments may choose to finance transportation and other infrastructure improvements with revenue or general obligation bonds. These types of local government bonds are often areawide and/or designed to fund programs (e.g., transportation, stormwater) and/or specific projects. Primarily for this reason, analyses of the potential use of this source should be undertaken separately from analyses of the use of bonds for toll facilities, where toll revenues from specific projects are used for project costs and debt repayment.

Other Current Sources

Other possible sources include private sector contributions or payments, such as proportionate share contributions. Often, these will be sources for specific projects or programs.

New Revenue Sources

Revenues from current sources have not been sufficient to meet transportation capacity, preservation, and operational needs in Florida's metropolitan areas. MPOs should examine the potential for new revenue sources that could be obtained to supplement current sources to meet those needs. This examination of each potential source should include analyses of:

- Authority (whether, and how, sources are authorized in current state and/or local laws and ordinances);
- Estimates of proceeds through 2040;
- Reliability of the estimates (e.g., amount, consistency); and
- likelihood that the source will become available (e.g., the probability that the proceeds will actually be available to fund improvements, taking into account issues such as previous state and/or local government legislative decisions, results of previous referenda, and commitments from decision makers).

Optional Sources Authorized by Current State Law

Communities in most metropolitan areas have not taken full advantage of some of the optional and discretionary transportation revenue sources authorized by current state law. These include the 9th-Cent Fuel Tax, the full 11 cents available from the Local Option Fuel Tax, the Charter

County and Regional Transportation System Surtax, and the Local Government Infrastructure Surtax. Where authorized, these sources are subject to either the approval of local governing bodies or referenda.

“Innovative Financing” Sources

Typically, these are other sources that are used in some local areas in Florida or other states, but are not used in a specific metropolitan area (e.g., toll facilities). Most require state and/or local government legislative authorization before they can be established.

In addition, state and/or federal law has authorized several transportation finance tools that can make additional funds available or accelerate the completion of needed projects. These tools are described in Appendix C, “Leveraging, Cash Flow and Other Transportation Finance Tools.”

Development of Revenue Estimates

MPOs should develop estimates through 2040 for each current or new revenue source.

Typically, these will be annual estimates that should be summarized for longer time periods (e.g., 5 years) for plan development purposes. MPOs should consult with financial planning staff from local governments and service providers and consider the following issues.

Historical Data

Information should be obtained related to factors that may affect the revenue estimates, such as recent annual proceeds and growth rates. MPOs should consider forecasting methodologies that include the relationships of revenue growth rates to other factors (e.g., population growth, retail sales), to assist with revenue projections, particularly if little historical data exist or annual proceeds fluctuate significantly (e.g., proceeds from impact fees).

Adjustments for Inflation

Estimates of future revenue sources usually identify the value of money at the time it will be collected (e.g., 2020), sometimes referred to as “year of expenditure” or “current” dollars, and reflect future growth in revenue and inflation. If this is not the case, see Appendix D for factors used for adjusting revenue forecasts to “year of expenditure” dollars.

Use of Revenues for Maintenance and Operations

About 50% of state and federal revenues in the 2040 Revenue Forecast is planned for “non-capacity” state programs. The emphasis on “non-capacity” activities funded with local and regional revenue sources may vary widely among metropolitan areas, but it is important to ensure that sufficient local funds are planned for maintenance and operations activities. Those revenues needed for non-capacity programs should not be considered to be available to fund capacity improvements.

Constraints on the Use of Revenues

MPOs should identify any constraints or restrictions that may apply to a revenue source for its use to fund multimodal transportation improvements. For example, federal and local transit operating assistance may be limited to transit services and cannot be used to fund highway improvements. Other constraints include any time limitations on the funding source, such as the limitations on levies of discretionary sales surtaxes.

DEVELOPING A COST FEASIBLE PLAN

Each MPO has established a process for updating its cost feasible plan for its metropolitan transportation system. These processes include public involvement programs tailored to the metropolitan area; schedules for identifying needs, resources, testing of alternative system networks; and adoption. The Department, particularly through its district planning staff, is an active partner in assisting each MPO in plan development. This section provides general guidance and recommendations to MPOs in updating their cost feasible plans. The guidance should be tailored to the plan development process established in each metropolitan area.

Project Identification

The long range plan will define the transportation system that best meets the needs of the metropolitan area and furthers metropolitan and state goals. The system plan will be comprised of transportation projects and/or programs that are expected to be implemented by 2040, consistent with the MPOAC “Financial Guidelines for MPO 2040 Long Range Plans.” Projects and programs for at least the years 2014-2018 will be identified in TIPs and FDOT Adopted Work Programs¹.

The following discusses projects or programs that should be identified for the years 2019-2040. They should be considered as candidates for inclusion in the adopted long range system plan, subject to each MPO’s plan development process, including the reconciliation of all project and program costs with revenue estimates. MPOs are encouraged to clearly identify “regionally significant” projects, regardless of mode, ownership, or funding source(s).²

“Statewide” Capacity Programs

The Department is taking the lead in identifying planned projects and programs funded by these major programs: SIS Highways Construction & ROW, Aviation, Rail, and Intermodal Access. SIS Highways Construction & ROW projects planned within metropolitan areas were provided at the same time as the 2040 Revenue Forecast. These estimates are for planning purposes and do not represent a commitment of FDOT funding.

MPOs are encouraged to review those projects with district staff, identify any projects or areas that require further discussion, and reach agreement with district staff on how those projects will be incorporated in the update of the metropolitan cost feasible plan.

Issues that may require further discussion include candidate projects not included in the SIS Highways Cost Feasible Plan. These may include projects or major project phases that could not be funded by the estimates for the SIS Highways Construction & Right-of-Way program. Information to be discussed should include: project descriptions and cost estimates, funding sources (e.g., Other Arterials Construction & Right-of-Way funds; local, authority or private sector sources), and relationship to other planned improvements.

¹ Several Florida MPOs are not scheduled to update L RTPs until 2015 and beyond. MPOs are encouraged to use the latest information available in the TIP or FDOT Adopted Work Program for any years after FY 2018 that may be available.

² See “Federal Strategies for Implementing Requirements for L RTP Update for the Florida MPOs, November 2012”, page 2, for a description of regionally significant projects.

Other Capacity Programs

The Department has requested that MPOs “take the lead” in identifying projects or programs that could be funded, or partially funded, by the state (1) Other Arterials Construction & Right-of-Way and (2) Transit programs. Estimates of those funds have been provided to MPOs. Each MPO should consider the mix of highway and transit projects and programs that best serves its metropolitan area, and that the funding estimates for these two programs are “flexible” for the years 2019-2040. MPOs are encouraged to work with district staff as candidate projects are identified and reach agreement on how they will be incorporated in the update of the metropolitan cost feasible plan. The following should be considered:

- Project Descriptions and Cost Estimates - MPOs should work with district staff, local governments, authorities and service providers, and private sector interests to develop project descriptions and cost estimates in sufficient detail for their planning process. Projects may include improvements to the State Highway System, transit system improvements, and components of Transportation System Management (TSM) and Transportation Demand Management (TDM) programs such as intersection improvements, traffic signal systems, ridesharing programs, and ITS projects.
- Costs of Major Phases - At a minimum, MPOs should identify construction, right-of-way, and Preliminary Engineering (PD&E and Design phases) costs separately. These estimates will be needed because (1) the Other Arterials program estimates include state funding for construction plus right-of-way, and (2) sufficient funds have been estimated to provide planning and engineering (i.e., “Product Support” as defined in Appendix A) for all state capacity programs. Specific estimates for right-of-way costs should be used for any project where such estimates exist. For other projects, the Department will provide information on the relationship of construction and right-of-way costs to assist with these calculations (see Appendix D for more information).
- Potential Supplemental Funding - MPOs should identify potential revenue sources that could be used to supplement the estimates from the Other Arterials and Transit programs to fund, or partially fund, these projects. This includes federal funds that are not part of the Department’s revenue forecast, or revenues from local and private sector sources.

Other Projects and Programs

Revenue and project information provided by the Department is intended for those activities that are funded through the state transportation program. Other transportation improvement activities in metropolitan areas may include improvements to local government roads, transit programs that are financed by local revenues and funds, and projects and programs for modes that are not funded by the state program. It is recommended that the following types of information should be developed for these candidate projects and programs: (1) project descriptions and cost estimates, (2) costs of major phases, and (3) funding sources.

Development of a Cost Feasible Multimodal Plan

Development of a “cost feasible multimodal system plan” requires a balancing of high-priority improvements with estimates for expected revenue sources, subject to constraints regarding how

certain funding estimates can be used.¹ The Department has provided some flexibility for one-third of the state and federal funds estimated for capacity improvements between 2019 and 2040. Due to program constraints included in the 2040 Revenue Forecast and other sources (e.g., federal transit operating assistance), the following discussion of major system plan elements is organized by transportation mode.

Highways

The highway element of the multimodal system plan will be comprised of current or proposed facilities that are SIS highways, the remainder of the State Highway System, and appropriate local roads. These three components must be examined separately because of the constraints related to the use of revenue estimates for various programs.²

SIS Highways

The MPO should identify planned improvements and funding for corridors on the SIS, consistent with the 2040 SIS Highways Cost Feasible Plan and any adjustments agreed upon by the Department. Such adjustments could result from agreements to supplement SIS funds to either accelerate or add improvements to SIS Highways.

Remaining State Highway System (SHS)

The MPO should identify planned improvements and funding for corridors that are on the SHS, but not on the SIS. Potential funding sources include the “flexible” funds from the State Other Arterials and Transit programs, and funds from local or private sector sources that have been identified as reasonably available.

Local Highways and Streets

The MPO should identify planned improvements and funding for local road facilities that should be included in the long range plan. The Department has provided estimates of “off system” funds in the statewide forecast that can be used for these improvements, provided they meet federal eligibility requirements.³ Other funds should include local or private sector sources that have been identified as reasonably available.

Operational Improvements Programs

MPOs should identify program descriptions and funding levels for transportation system management programs such as intersection improvements, traffic signal systems, and ITS projects. Transportation demand management program descriptions and funding levels can be identified in the highway element, in the transit element, or separately. Generally, such programs should be funded with revenues estimated for the State Other Arterials and Transit programs or local revenue sources.

¹ See Appendix A for funding eligibility guidance for the major state programs.

² MPOs may desire to include “illustrative projects” in their plan, partially funded with Transportation Regional Incentive Program (TRIP) funds. See the guidance under “Documentary Stamps Tax Funds” in the “Metropolitan Area Estimates” section of this handbook for more information.

³ “Off system” funds estimated by the Department may be used anywhere except for roads that are functionally classified as local or rural minor collectors, unless such roads were on a federal-aid system as of January 1, 1991.

Transit

MPOs should identify transit projects and programs and funding for local or regional bus systems and related public transportation programs in the transit element in cooperation with transit providers. Demand management programs, including ridesharing, bicycle and pedestrian projects can be included, or can be identified separately. Potential funding sources include the “flexible” funds from the state Other Arterials and Transit programs, federal and local transit operating assistance, and other funds from local or private sector sources that have been identified as reasonably available.^{1,2}

Balancing Planning Improvements and Revenue Estimates

It is expected that each MPO will test several alternative plans leading toward adoption of a cost feasible multimodal plan for the metropolitan transportation system. The system alternatives should examine different ways to meet state and metropolitan goals and objectives, and should be analyzed within the context of the metropolitan area’s public involvement program. They may contain alternative mixes of the candidate projects discussed above, alternative schedules for implementation, and alternative improvements for specific projects (e.g., adding 2 lanes, adding bus service). Throughout this process, MPOs should reconcile project costs with revenue estimates, taking into consideration the revenues estimated for transportation improvements and any flexibility or constraints associated with the estimates. (See Figure 1.)

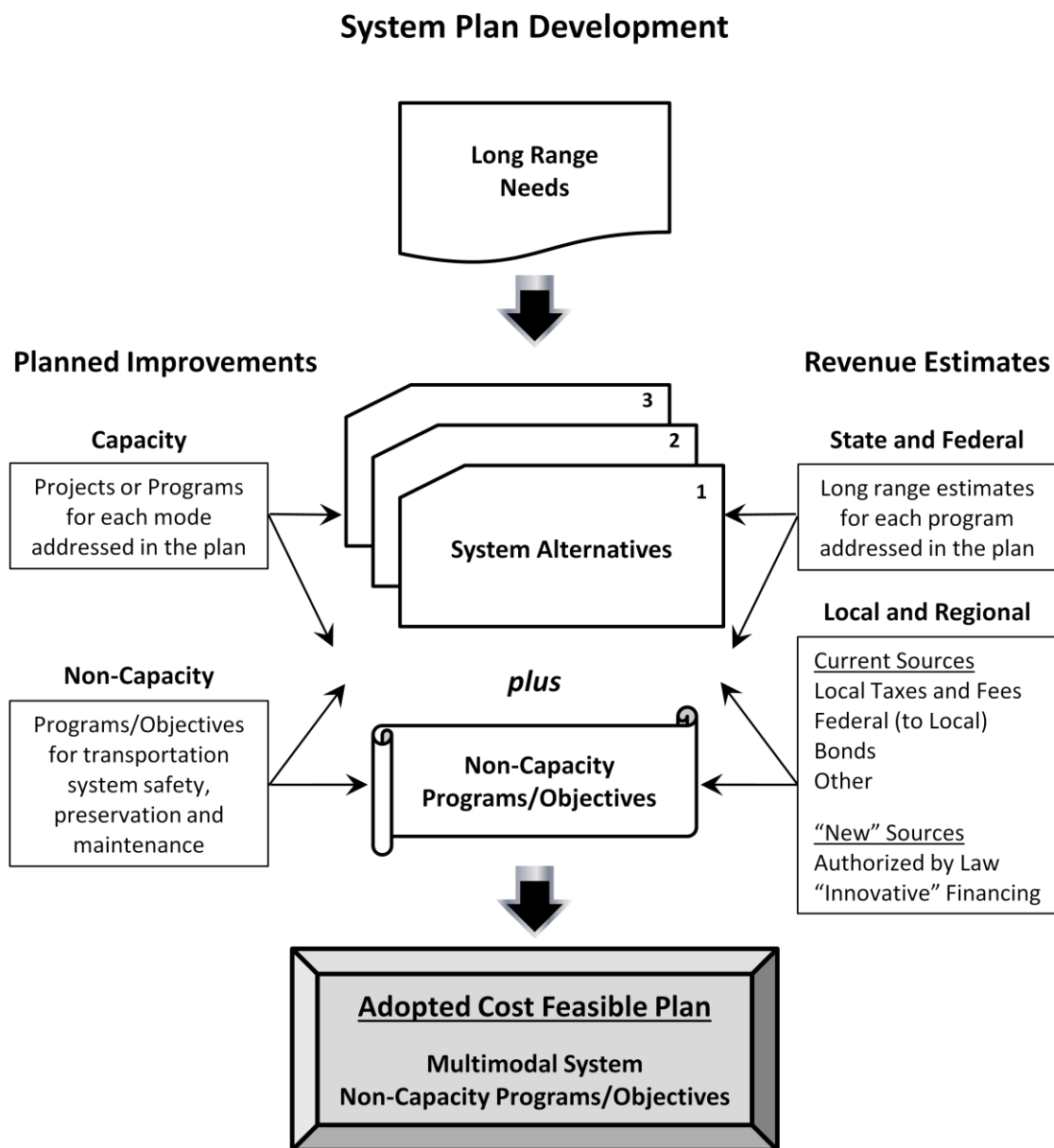
State and federal estimates for 2019-2040 have generally been prepared in five-year time periods to assist MPOs with the testing and staging of alternatives. For planning purposes, some leeway should be allowed for estimates for these time periods. For example, the total cost of planned projects for the period 2021-2025 for funding with the “flexible” Other Arterials and Transit estimates should be within 10% of the funds estimated for that period. It is strongly recommended, however, that the total cost of planned projects for the entire 2019-2040 period not exceed revenue estimates for the entire period for each element or component of the plan.

As part of LRTP documentation, MPOs should identify all projects planned to be implemented with federal funds within the first 10 years of the plan.

¹ MPOs may desire to include “illustrative projects” in their plan, partially funded with New Starts Program funds. See the guidance under “Documentary Stamps Tax” in the “Metropolitan Area Estimates” section of this handbook for more information.

² See “Federal Strategies for Implementing Requirements for LRTP Update for the Florida MPOs, November 2012”, page 2, for additional guidance for transit projects.

Figure 1
Cost Feasible Plan Project and Financial Planning
 Metropolitan Long Range Transportation Plan Development



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APPENDIX A
STATE TRANSPORTATION PROGRAMS
AND FUNDING ELIGIBILITY
2040 Revenue Forecast Update

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APPENDIX A **STATE TRANSPORTATION PROGRAMS AND FUNDING ELIGIBILITY** **2040 Revenue Forecast**

This appendix defines the major program categories used in the 2040 Revenue Forecast and provides guidelines for what types of planned projects and programs are eligible for funding with revenues estimated in the forecast. Metropolitan plan updates that incorporate the information from this revenue forecast should be consistent with these guidelines.

STATE TRANSPORTATION PROGRAMS

The 2040 Revenue Forecast includes all state transportation activities funded by state and federal revenues. The basis for the forecast is the framework of the Program and Resource Plan (PRP), the Department’s financial planning document for the 10-year period that includes the Work Program. The PRP addresses over 60 programs or subprograms. See pages A10-A11 for a list of programs and major subprograms and how they have been combined for the revenue forecast.

Major Program Categories

Revenue estimates for all state programs were combined into the categories shown in the table below. The funding eligibility information in this document is organized according to these emphasis areas and the responsibilities for project identification for each program. Each of the major programs falls under one of the following PRP groups of programs:

- Product – Activities which build the transportation infrastructure.
- Product Support – Planning and engineering required to produce the products.
- Operations & Maintenance – Activities which support and maintain transportation infrastructure after it is constructed and in place.
- Administration – Activities required to administer the entire state transportation program.

Major Programs	
P R O D U C T	SIS Highways Construction & Right-of-Way Other Arterial Construction & Right-of-Way Aviation Transit Rail Intermodal Access Seaport Development Safety Resurfacing Bridge
O T H E R	Product Support Operations & Maintenance Administration

Planning for Major Programs

MPO long range plans will contain project and financial information for a wide range of transportation improvements expected through 2040. The Department and MPOs share the responsibility for identifying these improvements and the expected funding¹ for each. Responsibilities, and the general level of detail required, include:

- Capacity Programs – to the extent possible, project descriptions and costs will be developed for each transportation mode, consistent with estimated revenues, as follows:
 - SIS Highways, Aviation, Rail, Seaport Development and Intermodal Access² – the Department will take the lead in project identification in each metropolitan area.
 - Other Arterials and Transit – each MPO will take the lead in project identification within its metropolitan area.
- Non-Capacity Programs – the Department has estimated sufficient revenues to meet statewide safety, preservation and support objectives through 2040, including in each metropolitan area. It is not necessary to identify projects for these programs, so estimates for these activities have not been developed for metropolitan areas. The Department will prepare separate documentation to address these programs and estimated funding and provide it to MPOs for inclusion in the documentation of their long range plans.

FUNDING ELIGIBILITY FOR MAJOR PROGRAMS

The FTP and metropolitan long range plans consider many types of transportation improvements to meet long range needs, constrained by the funding expected to be available during the planning period. The following are explanations of the types of projects, programs and activities that are eligible for state and/or federal funding in each of the major categories contained in the 2040 Revenue Forecast.

“Statewide” Capacity Programs

The Department has “taken the lead” in the identification of planned projects and programs that are associated with the Strategic Intermodal System (SIS) and will provide detailed information to MPOs. As a result, metropolitan plans and programs that include state and federal funds for these major programs should be coordinated and consistent with state long range plans and programs. Each is discussed below.

SIS Highways Construction & Right-of-Way

The Strategic Intermodal System (SIS), including the Emerging SIS, includes over 4,300 miles of Interstate, Turnpike, other expressways and major arterial highways and connectors between those highways and SIS hubs (airports, seaports, etc.). The primary purpose of the SIS is to serve interstate and regional commerce and long distance trips.

¹The information in this document is limited to projects and programs funded with state and federal revenues that typically are contained in the state 5-year Work Program. MPOs must also consider projects and programs in their long range plans that may be funded with other sources available within the metropolitan area. These include local government taxes and fees, private sector sources, local/regional tolls, and other sources each MPO may identify.

²FDOT continues to work with modal partners to identify aviation, rail, seaport, and intermodal access projects beyond the years in work programs. However, FDOT and its partners have not been able to identify cost feasible projects beyond the work program sufficiently to include them in the SIS Cost Feasible Plan and, therefore, in MPO cost feasible plans.

Metropolitan plans and programs for SIS Highways should be consistent with the 2040 SIS Highways Cost Feasible Plan, as provided to each MPO. Projects associated with aviation, rail, seaport development and intermodal access may be funded under this program, provided that they are included in the SIS Highways Cost Feasible Plan. Capacity improvement projects eligible for funding in the current plan include:

- Construction of additional lanes;
- The capacity improvement component of interchange modifications;
- New interchanges;
- Exclusive lanes for through traffic, public transportation vehicles, and other high occupancy vehicles;
- Bridge replacement with increased capacity;
- Other construction to improve traffic flow, such as intelligent transportation systems (ITS), incident management systems, and vehicle control and surveillance systems;
- The preferred alternative defined by an approved multi-modal interstate master plan;
- Weigh-in-motion stations;
- Acquisition of land which is acquired to support the SIS highway and bridge construction programs, and land acquired in advance of construction to avoid escalating land costs and prepare for long-range development; and
- New weigh stations and rest areas.

The following activities are not eligible for funding from the SIS Highways Construction & Right-of-Way program estimates: planning and engineering in SIS corridors (see Product Support below), highway/road construction and right-of-way acquisition not listed above, and support activities to acquire right-of-way (see Product Support below).

Aviation

The state provides financial and technical assistance to Florida's airports. Projects and programs eligible for funding¹ include:

- Assistance with planning, designing, constructing, and maintaining public use aviation facilities;
- Assistance with land acquisition;
- "Discretionary" assistance for capacity improvement projects at certain airports. In 2012, those meeting the eligibility criteria are Miami, Orlando, Ft. Lauderdale/Hollywood, Tampa, Southwest Florida, and Orlando Sanford international airports.

The following activities are not eligible for funding from the Aviation program estimates: planning and engineering to support state programs (see Product Support below), financial and technical assistance for private airports, and "discretionary" capacity improvements at airports other than those listed above.

¹ See FDOT Work Program Instructions for additional funding eligibility and state matching funds requirements.

Rail

The state provides funding for acquisition of rail corridors and assistance in developing intercity passenger and commuter rail service, fixed guideway system development, rehabilitation of rail facilities and high speed transportation. Projects and programs eligible for funding¹ include:

- Financial and technical assistance for intermodal projects;
- Rail safety inspections;
- Regulation of railroad operations and rail/highway crossings;
- Identification of abandoned rail corridors;
- Recommendations regarding acquisition and rehabilitation of rail facilities; and
- Assistance for developing intercity rail passenger service or commuter rail service.

The following activities are not eligible for funding from the Rail program estimates: planning and engineering to support state programs (see Product Support below), financial and technical assistance for rail projects and programs not specified above.

Intermodal Access

The state provides assistance in improving access to intermodal facilities and the acquiring of associated rights of way. Projects and programs eligible for funding include:

- Improved access to intermodal or multimodal transportation facilities;
- Construction of multimodal terminals;
- Rail access to airports and seaports;
- Inerchanges and highways which provide access to airports, seaports and other multimodal facilities; and
- Projects support certain intermodal logistics centers².

The following activities are not eligible for funding from the Intermodal Access program estimates: planning and engineering to support state programs (see Product Support below), and programs not specified above.

Seaport Development

The state provides assistance with funding for the development of public deep water ports. This includes support of bonds issued by the Florida Ports Financing Commission that finances eligible capital improvements. Projects and programs eligible for funding and state matching funds requirements vary among several programs. See FDOT Work Program Instructions for more information.

The following activities are not eligible for funding from the Seaport Development program estimates: planning and engineering to support state programs (see Product Support below), programs not specified above, and financial and technical assistance at other ports.

¹ See FDOT Work Program Instructions for additional funding eligibility and state matching funds requirements.

² See FDOT Work Program Instructions for funding eligibility and state matching funds requirements.

Other Capacity Programs

MPOs have been requested to “take the lead” in the identification of planned projects and programs for the (1) Other Arterials Construction & ROW and (2) Transit programs. For 2014-2018, MPOs should identify projects as contained in the Work Program. For all years after 2018, MPOs should plan for the mix of highway and transit programs that best meets the needs of their metropolitan area. As a result, MPOs may identify either highway or transit improvement programs and projects, consistent with the total amount of the two major programs, and consistent with the following eligibility criteria.

Other Arterial Construction & Right of Way

The primary purpose of this program is to fund improvements on the part of the State Highway System, or SHS, that is not designated as SIS. The approximately 8,000 miles of such highways represent about 64% of the SHS. Projects and programs eligible for funding include:

- Construction and improvement projects on state roadways which are not on the Strategic Intermodal System (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 roads¹ 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, as discussed immediately above.

Use of these funds for road projects not on the SHS will effectively reduce the amount of funds planned for the SHS and public transportation in the metropolitan area, the District and the state.

The following activities are not eligible for funding from the Other Arterial Construction & Right-of-Way program estimates: planning and engineering in SHS corridors (see Product Support below), highway/road construction and right-of-way acquisition not listed above, support activities to acquire right-of-way (see Product Support below), land acquisition for airports (see Aviation above), and land acquisition for railroad corridors (see Rail above).

¹ The Department has provided separate estimates of funds from this program that may be used on local government roads that meet federal eligibility criteria (i.e., “off system”). By law, state funds cannot be used on local government roads except to match federal aid, for locally owned SIS Connectors, and under certain subprograms subject to annual legislative appropriations. Long range plans should not assume that state funds will be appropriated for local government road improvements.

Transit

The state provides technical and operating/capital assistance to transit, paratransit, and ridesharing systems. Projects and programs eligible for funding include:

- Capital and operating assistance to public transit systems and Community Transportation Coordinators, through the Public Transit Block Grant Program¹;
- Service Development projects, which are special projects that can receive initial funding from the state²;
- 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; and
- 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.

The following activities are not eligible for funding from the Transit program estimates: planning and engineering to support state programs (see Product Support below), and federally funded financial and technical assistance for transit plans and programs for those funds that are not typically included in the state 5-year Work Program (e.g., federal funds for operating assistance).

Non-Capacity Programs

Statewide estimates for all state non-capacity programs are an integral part of the 2040 Revenue Forecast to ensure that statewide system preservation, maintenance, and support objectives will be met through 2040. These objectives will be met in each metropolitan area, so it was not necessary to develop metropolitan estimates for these programs. Neither the Department nor the MPOs needs to identify projects for these programs. However, pursuant to an agreement between FDOT and the Federal Highway Administration Division Office, FDOT has provided district-level estimates of “Operations and Maintenance” costs on the State Highway System to MPOs for inclusion in the documentation of their long range transportation plans. Those “Operations and Maintenance” estimates are the total estimates for the State Resurfacing, Bridge, and Operations & Maintenance programs.

¹ State participation is limited to 50% of the non-federal share of capital costs and up to 50% of eligible operating costs. The block grant can also be used for transit service development and corridor projects. An individual block grant recipient’s allocation may be supplemented by the State if (1) requested by the MPO, (2) concurred in by the Department, and (3) funds are available. The Transportation Disadvantaged Commission is allocated 15% of Block Grant Program funds for distribution to Community Transportation Coordinators.

² Up to 50% of the net project cost can be provided by the state. Up to 100% can be provided for projects of statewide significance (requires FDOT concurrence). Costs eligible for funding include operating and maintenance costs (limited to no more than three years) and marketing and technology projects (limited to no more than two years).

The forecast for these programs and related information will be provided to each MPO in an Appendix for inclusion in the documentation of their long range plan. The following information on project eligibility for these programs is provided for informational purposes only.

Safety

Safety issues touch every area of the state transportation program to some degree. Specific safety improvement projects and programs in this major program address mitigation of safety hazards that are not included in projects funded in other major programs. Projects and programs eligible for funding include:

- Highway safety improvements at locations that have exhibited a history of abnormally high crash frequencies or have been identified as having significant roadside hazards;
- Grants to state and local agencies for traffic safety programs with the intent of achieving lower levels and severity of traffic crashes; and
- Promotion of bicycle and pedestrian safety, including programs for public awareness, education and training.

The following activities are not eligible for funding from the Safety program estimates: planning and engineering to support state programs (see Product Support below), safety improvements funded as a part of other major state programs (e.g., SIS construction), financial and technical assistance for safety programs not specified above.

Resurfacing

The state periodically resurfaces all pavements on the State Highway System (SHS) to preserve the public's investment in highways and to maintain smooth and safe pavement surfaces.

Projects and programs eligible for funding include:

- Periodic resurfacing of the Interstate, Turnpike and other components of the SHS;
- Resurfacing or reconstructing of county roads in counties eligible to participate in the Small County Road Assistance Program; and
- Periodic resurfacing of other public roads, consistent with federal funding criteria and Department and MPO programming priorities.

The following activities are not eligible for funding from the Resurfacing program estimates: planning and engineering to support state programs (see Product Support below), resurfacing that is funded by other major state programs as a part of major projects that add capacity (e.g., SIS and Other Arterials construction), thin pavement overlays which eliminate slippery pavements (funded by the Safety Program), and resurfacing of other roads not specified above.¹

Bridge

The state repairs and replaces deficient bridges on the SHS, or on other public roads as defined by state and federal criteria. Projects and programs eligible for funding include:

¹Other than the Small County Road Assistance Program, funds for resurfacing on "off system" projects are not included in the forecast. Any planned "off system" resurfacing projects must be funded from the "off system" share of the Other Arterials Construction & Right-of-Way estimates.

- Repairs of bridges and preventative maintenance activities on bridges on the SHS;
- Replacement of structurally deficient bridges on the SHS¹;
- Replacement of bridges which require structural repair but are more cost effective to replace;
- Construction of new bridges on the SHS;
- Replacement of structurally deficient bridges off the SHS but on the federal-aid highway system, subject to state and federal policies and eligibility criteria; and
- Replacement of structurally deficient bridges off the federal-aid highway system, subject to state and federal policies and eligibility criteria.

The following activities are not eligible for funding from the Bridge program estimates: planning and engineering to support state programs (see Product Support below), and repairs to or replacements of bridges on roads not specified above.

Product Support

Planning and engineering activities are required to “produce” the products and services described in the major programs discussed above. These are functions performed by Department staff and professional consultants. Costs include salaries and benefits; professional fees; and administrative costs such as utilities, telephone, travel, supplies, other capital outlay, and data processing. Functions eligible for funding include:

- Preliminary engineering (related to environmental, location, engineering and design);
- Construction inspection engineering for highway and bridge construction;
- Right of way support necessary to acquire and manage right-of-way land for the construction of transportation projects;
- Environmental mitigation of impacts of transportation projects on wetlands;
- Materials testing and research; and
- Planning and Public Transportation Operations support activities.

Estimates for the Product Support program are directly related to the estimates of the product categories of the 2040 Revenue Forecast. That is, these levels of Product Support are adequate to “produce” the estimated levels of the following major programs: SIS Highways Construction and Right-of-Way, Other Arterials Construction & Right-of-Way, Aviation, Transit, Rail, Intermodal Access, Seaport Development, Safety, Resurfacing, and Bridge. As a result, the components of metropolitan plans and programs that are based on state and federal funds should be consistent with the total of the above “product” categories to ensure that sufficient Product Support funding is available from state and federal sources through 2040².

¹ The state Bridge Replacement Program places primary emphasis on the replacement of structurally deficient or weight restricted bridges. Planned capacity improvements for bridges that are to be widened or replaced to address highway capacity issues must be funded from the Other Arterials or SIS Highways Construction & Right-of-Way major programs.

² MPOs are encouraged to include estimates for PD&E and Design phases in the LRTP, particularly for projects that cannot be fully funded by 2040. See Page 13 of the *2040 Revenue Forecast Handbook* for more information.

The following activities are not eligible for funding from the Product Support program estimates: planning and engineering to support plans or programs that are not eligible for funding from the “Product” programs, and local and regional planning and engineering activities not typically included in the state 5-year Work Program.

Operations & Maintenance

Operations and maintenance activities support and maintain the transportation infrastructure once it is constructed and in place¹. Functions eligible for funding include:

- Routine maintenance of the SHS travel lanes; roadside maintenance; inspections of state and local bridges; and operation of state moveable bridges and tunnels;
- Traffic engineering analyses, training and monitoring that focus on solutions to traffic problems that do not require major structural alterations of existing or planned roadways;
- Administration of and toll collections on bonded road projects such as toll expressways, bridges, ferries, and the Turnpike; and
- Enforcement of laws and Department rules which regulate the weight, size, safety, and registration requirements of commercial vehicles operating on the highway system.

The following activities are not eligible for funding from the Operations and Maintenance program estimates: operations and maintenance activities on elements of the transportation system not specified above.

Administration

Administration includes the staff, equipment, and materials required to perform the fiscal, budget, personnel, executive direction, document reproduction, and contract functions of carrying out the state transportation program. It also includes the purchase of and improvements to non-highway fixed assets. Eligible functions and programs are:

- Resources necessary to manage the Department in the attainment of goals and objectives;
- Acquisition of resources for production, operation and planning units including personnel resources; external production resources (consultants); financial resources; and materials, equipment, and supplies;
- Services related to eminent domain, construction letting and contracts, reprographics, and mail service;
- Costs for the Secretary, Assistant Secretaries, and immediate staffs; for the Florida Transportation Commission and staff; and for the Transportation Disadvantaged Commission; and
- Acquisition, construction and improvements of non-highway fixed assets such as offices, maintenance yards, and construction field offices.

The following activities are not eligible for funding from the Administration program estimates: administrative activities not specified above.

¹Scheduled major repairs or replacements such as resurfacing, bridge replacement or traffic operations improvements are parts of the Resurfacing, Bridge, and Other Arterial Highway programs, respectively.

TABLE OF PROGRAM CATEGORIES 2040 REVENUE FORECAST AND PROGRAM & RESOURCE PLAN		
2040 REVENUE FORECAST "PROGRAMS"	PROGRAM & RESOURCE PLAN	
	PROGRAMS	SUBPROGRAMS
<u>CAPACITY</u> SIS Highways Construction & Right- of-Way	<u>I. PRODUCT</u> A. SIS/Intrastate Highways	1. Interstate Construction 2. Turnpike Construction 3. Other SIS/Intrastate Construction 4. SIS/Intrastate Traffic Operations
	C. Right-of-Way (part)	1. SIS/Intrastate 3. SIS/Intrastate Advance Corridor Acquisition
Other Arterial Construction & Right- of-Way	B. Other Arterial Highways	1. Arterial Traffic Operations 2. Construction 3. County Transportation Programs 4. Economic Development
	C. Right-of-Way (part)	2. Other Arterial & Bridge 4. Other Arterial Advance Corridor Acquisition
Public Transportation • Aviation • Transit • Rail • Intermodal Access • Seaport Development	D. Aviation	1. Airport Improvement 2. Land Acquisition 3. Planning 4. Discretionary Capacity Improvements
	E. Transit	1. Transit Systems 2. Transportation Disadvantaged - Department 3. Transportation Disadvantaged - Commission 4. Other 5. Block Grants 6. New Starts Transit
	F. Rail	1. High Speed Rail 2. Passenger Service 3. Rail/Highway Crossings 4. Rail Capital Improvements/Rehabilitation
	G. Intermodal Access	None
	H. Seaport Development	None
Documentary Stamps Tax Funds	L. N/A	(No Subprograms; these are Documentary Stamps Tax funds not included in an Adopted Work Program as of July 1, 2013.)

TABLE OF PROGRAM CATEGORIES 2040 REVENUE FORECAST AND PROGRAM & RESOURCE PLAN		
2040 REVENUE FORECAST "PROGRAMS"	PROGRAM & RESOURCE PLAN	
	PROGRAMS	SUBPROGRAMS
<u>NON-CAPACITY</u>	<u>I. PRODUCT</u> (Continued)	
Safety	I. Safety	1. Highway Safety 2. Rail/Highway Crossings (discontinued) 3. Grants
Resurfacing	J. Resurfacing	1. Interstate 2. Arterial & Freeway 3. Off-System 4. Turnpike
Bridge	K. Bridge	1. Repair - On System 2. Replace - On System 3. Local Bridge Replacement 4. Turnpike
Product Support	<u>II. PRODUCT SUPPORT</u>	A. Preliminary Engineering (<i>all</i>) B. Construction Engineering Inspection (<i>all</i>) C. Right-of-Way Support (<i>all</i>) D. Environmental Mitigation E. Materials & Research (<i>all</i>) F. Planning & Environment (<i>all</i>) G. Public Transportation Operations
Operations & Maintenance	<u>III. OPERATIONS & MAINTENANCE</u>	A. Operations & Maintenance (<i>all</i>) B. Traffic Engineering & Operations (<i>all</i>) C. Toll Operations (<i>all</i>) D. Motor Carrier Compliance
Administration	<u>IV. ADMINISTRATION</u>	A. Administration (<i>all</i>) B. Fixed Capital Outlay (<i>all</i>) C. Office Information Systems

Notes:

- (*all*) refers to all levels of subprogram detail below the one shown in this table.
- Program and Resource Plan category "V. OTHER" is related to the "TOTAL BUDGET" and was included in the 2040 Revenue Forecast as "Other" (i.e., not as a "Program").

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APPENDIX B

DEVELOPMENT OF DISTRICT AND METROPOLITAN ESTIMATES

2040 Revenue Forecast

This Appendix describes how statewide and sub-state funding estimates for the major programs were developed for the 2040 Revenue Forecast.

Statewide Estimates

Statewide estimates for major state programs were based on continuing current laws and policies as of Fall 2012. The following are the major program categories used in the forecast.

<u>“Statewide” Capacity Programs</u>	<u>Non-Capacity Programs</u>
SIS Highways Construction & ROW	Safety
Aviation	Resurfacing
Rail	Bridge
Intermodal Access	Product Support
Seaports	Operations & Maintenance
<u>Other Capacity Programs</u>	Administration
Other Arterials Construction & ROW	
Transit	

The forecast of funding levels for the Department’s programs was developed based on the Program and Resource Plan for Fiscal Years 2014-22 (reflecting the Tentative Work Program as of November 28, 2012). Annual estimates of funding levels through 2040 were based on federal and state laws and regulations and Department policies at the time the forecast was prepared. For example, statewide funding levels were established to accomplish the program objectives for resurfacing, routine maintenance, and bridge repair and replacement. These estimates were summarized to reflect the major program categories used in the 2040 Revenue Forecast.

Sub-state Estimates

The Department prepared district and metropolitan estimates for highway and transit programs, and certain other funds, included in the forecast. Central office staff developed district and county estimates for these programs using the methods identified in Table B-1. Using the information provided by the central office, district staff developed metropolitan estimates for MPOs consistent with the district and county estimates, adjusted as needed to account for issues such as metropolitan area boundaries (e.g., differences between metropolitan area boundaries and county boundaries or TMA boundaries).

As with previous long range revenue forecasts, the Department is requesting that the MPOs take the lead in identifying specific planned projects and programs funded by the Other Arterials & ROW and Transit programs. The Department is taking the lead in identifying specific planned projects and programs for the Strategic Intermodal System (SIS), including the 2040 SIS Highways Cost Feasible Plan (i.e., cost estimates for projects planned within the MPO area).

Table B-1
Methodology for District and Metropolitan Estimates from the 2040 Revenue Forecast

Major Capacity Program Category	Methodology
SIS Highways Construction & ROW	Based on the 2040 SIS Highways Cost Feasible Plan, Turnpike excluded. Turnpike estimates provided by Turnpike Enterprise. Funding estimates and projects to be provided to MPOs.
Other Arterials Construction & ROW	Generally, distribute funding estimates by statutory formula. Also develop estimates for TMA (SU) and Transportation Alternatives funds in TMAs; those funds taken “off the top” before distributing remaining funds. Apprise MPOs that at least some portion of these funds can be planned for Transit. Develop “off system” estimates.
Transit	Use statutory formula to distribute funds to Districts and counties to distribute funds.
Aviation	Because the primary use of Aviation funds is for airside improvements not a part of MPO planning, develop only statewide estimates.
Rail	Because of uncertainties with long range passenger rail and absence of commitments to specific rail corridors, develop only statewide estimates.
Intermodal Access	The future of this program is not clear, given the creation of the SIS. As a result, develop only statewide estimates
Seaport Development	Statewide estimates only, because the Florida Seaport Transportation Economic Development Council identifies projects eligible for funding.
Documentary Stamps Tax Funds	<ul style="list-style-type: none"> • Allocate Transportation Regional Incentive Program (TRIP) funds to Districts using statutory formula. Provide guidance for planning to MPOs. • Statewide estimates for New Starts Transit Program. Provide statewide amounts and guidance for planning to MPOs.
Operations and Maintenance Estimates	<ul style="list-style-type: none"> • Develop district-wide estimates of funding for Resurfacing, Bridge and Operations & Maintenance programs and provide to MPOs, per agreement between FDOT and FHWA Division Office related to reporting Operations and Maintenance estimates for the State Highway System in MPO LRTPs.

APPENDIX C

LEVERAGING, CASH FLOW AND OTHER TRANSPORTATION FINANCE TOOLS 2040 Revenue Forecast

Metropolitan areas are encouraged to consider “innovative” or non-traditional sources of funding and financing techniques in their long range plans. These may include optional revenue sources such as local option motor fuel taxes or local option sales taxes that are not currently in place, toll facilities, public/private partnerships, and debt financing¹. Several such sources or techniques are available as a result of state and federal laws. **Concurrence of the Department, and in some cases the federal government, is required before projects or programs can be funded through these sources. As a result, each MPO should coordinate with the Department before including these sources and techniques in its long range plan.**

The following is general guidance for specific sources. More detailed guidance can be obtained from FDOT staff. Guidance on planning for future toll facility projects concludes this appendix.

Federal/State Transportation Finance Tools

Federal law allows several methods of transportation finance that provide opportunities to “leverage” (make more useable) federal transportation funds. Most of the tools can be applied in more than one state program. The tools are not identified separately in the Program and Resource Plan, but the Department has established processes and criteria for their use. MPOs should work closely with FDOT before including these and other federal financing tools as part of their long range financial planning.

State Infrastructure Bank (SIB)

The SIB was originally established by the National Highway System Act of 1995 to encourage state and local governments to identify and develop innovative financing mechanisms that will more effectively use federal financial resources.

Florida has two separate SIB accounts: the **federal-funded SIB** account (capitalized by federal money and matched with appropriate state funds as required by law); and the **state-funded SIB** (capitalized with state funds and bond proceeds). The SIB can provide loans and other assistance to public and private entities carrying out or proposing to carry out projects eligible for assistance under state and federal law. Highway and transit projects are eligible for SIB participation. See FDOT Work Program instructions for more details.

SIB applications are accepted during the published advertisement period via the FDOT online application process (See <http://www.dot.state.fl.us/officeofcomptroller/PFO/sib.shtm>).

¹Debt financing (borrowing implementation funds to be paid back from future revenues) should be analyzed carefully before deciding to use it to fund projects. There are tradeoffs between building a project earlier than would otherwise be the case and increased costs from interest and other expenses required to finance projects this way.

Advance Construction (AC)

States can initially use state funds to construct projects that may eventually be reimbursed with federal funds. These are state funds used to finance projects in anticipation of future federal apportionments. Subsequently, the state can obligate federal-aid funds to reimburse the federal share of those projects (i.e., the share that was initially funded with state dollars). This is a way to construct federal-aid projects sooner than if Florida had to wait for future federal funding obligations before construction could begin. Florida has used this financing tool for many years to “advance” the construction of needed projects. AC has a greater impact on the timing of project construction than on the amount of federal funds.

Flexible Match

Federal law allows private funds, materials or assets (e.g., right of way) donated to a specific federal-aid project to be applied to the state’s matching share. The donated or acquired item must qualify as a participating cost meeting eligibility standards and be within the project’s scope. Such private donations will effectively replace state funds that would have been used to match the federal aid, “freeing up” the state funds for use on other projects.

Toll Credits (Soft Match)

Federal law permits the use of certain toll revenue expenditures as a credit toward the non-federal share of transportation projects. For example, the Turnpike is paid for with tolls, but it is eligible for federal aid. A toll credit is a credit from the federal government for the unused federal matching funds that could have been requested for Turnpike construction. This credit can be used instead of state or local funds to meet federal match requirements for other transportation projects, including transit.

Such credits free up state or local funds — that otherwise would have been used to match federal aid — for other uses. Toll credits can only be used for transportation capital investments (e.g., highway construction, buses).

Transportation Infrastructure Finance and Innovation Act (TIFIA)

Federal law authorizes the United States Department of Transportation (USDOT) to provide three forms of credit assistance for surface transportation projects of national or regional significance: secured (direct) loans, loan guarantees, and standby lines of credit. USDOT awards assistance on a competitive basis to project sponsors (e.g., state department of transportation, transit operators, special authorities, local governments, private consortia). Various highway, transit, rail, and intermodal projects may receive credit assistance under TIFIA.

State Transportation Finance Tools

Florida law establishes several programs that allow the state, local governments and transportation authorities to cooperatively fund transportation projects sooner than would be the case under traditional state programs. In addition, state funds can be used to assist local governments and transportation authorities with pre-construction activities on potential toll facilities, and to assist with state economic development. Each of these tools is established as a separate category in the Department’s Program and Resource Plan.

Local Government Advance/Reimbursement Program

The Local Government Advance/ Reimbursement Program (LGARP) enables local governments and transportation authorities to speed up delivery of state transportation projects. Local governments can contribute cash, goods and/or services to the Department to initiate projects sooner than scheduled in the Work Program.

Section 339.12, F.S., allows projects beyond the 5-year Work Program to be advanced, subject to a statewide \$250 million cap on commitments¹. Most projects are eligible, except those that are revenue producing.

Economic Development Program

The Other Arterials Construction Program contains an Economic Development sub-program. It is administered by FDOT, in cooperation with the Department of Economic Opportunity. The Program may provide funds for access roads and highway improvements for new and existing businesses and manufacturing enterprises that meet certain criteria.

For the purposes of MPO plan updates, it has been assumed that the metropolitan area's statutory share of these funds will be available for transportation improvements and is a part of the funds in the estimate of Other Arterial Construction & Right of Way provided to the MPO. MPOs should not consider the Economic Development sub-program as a revenue source separate from, or in addition to, the estimates provided by the Department for the 2040 Revenue Forecast.

Future Toll Facility Projects in Metropolitan Long Range Transportation Plans

FDOT, primarily through the Turnpike Enterprise, and local expressway authorities are currently engaged in studies of the feasibility of new toll facilities or extensions of existing facilities. If a MPO desires to include future toll facility projects in its long range plan, FDOT strongly recommends that the MPO coordinate closely with FDOT and/or local authority staff to determine if these facilities should be included in the plan (possibly as "illustrative projects"). Issues to be considered include:

- Local/regional support of elected officials and the public for the project;
- Environmental, socio-economic and related impacts of the project;
- Consistency with affected local comprehensive plans; and
- Economic feasibility of the project (costs, revenues, debt service coverage, "value for money" analysis², etc.)

FDOT's experience with analyses of economic feasibility for such projects suggests that it is extremely difficult to meet debt service requirements for a new toll facility or extension solely with toll revenues generated by the project, particularly in early years of operation. Often, the difficulty varies depending upon the location of the facility (urban, rural, etc.). However, each

¹ There are statutory exceptions to the \$250 million cap. See s. 339.12, F.S., for more information.

² "Value for money" analysis compares public and privately financed alternatives side-by-side before a financing option is selected. This analysis is a strong tool for informing the public and ensuring that the public good has been protected.

project is different based upon the location, competing roadways, and other factors. When little project information is available, FDOT offers the following additional guidance to MPOs that may desire to consider including future toll facility projects in their cost feasible long range plans:

- For projects in suburban or emerging suburban areas, estimated toll revenues likely will cover only a portion of the total project cost;
- For projects in urban areas, estimated toll revenues may cover a somewhat higher portion of the cost of the project. However, project costs, particularly for right of way, are much higher than in other areas;
- For projects in rural areas, possibly associated with proposed new land development which will take time to materialize, estimated toll revenues in the early years likely will be substantially lower than total project cost.

For the purposes of the metropolitan long range plan, MPOs should document the amount and availability of revenues from other sources (e.g., local revenue sources, Other Arterials Construction & ROW funds from the 2040 Revenue Forecast, private sector contributions, etc.) expected to be available to finance the project cost. FDOT encourages MPOs to consult with the Turnpike Enterprise and/or local authority for technical assistance on preparing early analyses for possible toll facilities in the cost feasible long range plan.

APPENDIX D
ADDITIONAL INFORMATION
2040 Revenue Forecast

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Frequently Asked Questions

Does the revenue forecast reflect current laws and policies? The 2040 Revenue Forecast reflects state and federal laws and policies as of Fall 2012, including MAP-21, 2012 Florida Statutes, FDOT policies, and the October 2012 Revenue Estimating Conference results.

What Federal funds are included in the forecast? Only federal funds systematically budgeted in the Florida Department of Transportation 5-year Work Program. (Certain federal funds are included in the Work Program, either budgeted or non-budgeted, for the purposes of funding unique projects or programs, or to provide more complete information on the project or program. The revenue forecast does not include these types of funds for the years after 2018.) Federal funds in the forecast include:

- Federal Aid Highway Program Categories: National Highway Performance Program (NHPP), Surface Transportation Program (STP), Highway Safety Improvement Program (HSIP), Congestion Mitigation and Air Quality (CMAQ), Metropolitan Planning (PL), and other federal fund categories.
- Federal Transit Administration Programs: Section 5310 (Elderly & Handicapped), Section 5311 (Small Urban and Rural), RTAP (Rural Transit Administration Program), Section 5339 (Small Urban and Rural Buses/Facilities, Section 5305(d) and Section 5305(e) Planning Grants.

Are TMA and Transportation Alternatives funds included? Estimates of Transportation Management Area (TMA) and Transportation Alternatives (TA) funding levels have been developed.

Are there any estimates for FDOT “Fund Codes?” No separate estimates have been developed for specific fund codes, other than the TMA and TA information discussed above.

What major program categories should be used for traffic operations-type projects or programs? Funding for intersection improvements, Transportation System Management (TSM)-type programs, ITS-type improvements, etc. should be financed using estimated funds for the Other Arterials Construction & Right-of-Way Program. These types of projects may also be included in the 2040 SIS Highways Cost Feasible Plan developed by the Department.

What funds are available for “off system” (i.e., not on the State Highway System) improvements? State funds cannot be used for projects that are not on the State Highway System, except to match federal aid, on locally-owned SIS Connectors, and select local assistance programs authorized in Florida Law. A portion of the federal funds estimated for the Other Arterials Construction & Right of Way program may be used for “off system” improvements. Separate specific estimates have been provided to MPOs. TMA funds may be used “off system.” These “off system” funds may be used anywhere except for roads that are functionally classified as local or rural minor collectors, unless such roads were on a federal-aid system as of January 1, 1991.

What funds are available for “enhancements” to resurfacing projects? Consistent with current state policy, “enhancements” to resurfacing projects (sidewalks, landscaping, etc.) generally are not funded by the Resurfacing Program. They should be funded from the estimates for the Other Arterials Construction & Right of Way Program.

What funds are available for the Transportation Regional Incentive Program (TRIP)? FDOT has developed estimates of TRIP funds for each FDOT District; the estimates are based on statutory direction for allocating TRIP funds. MPOs have been provided guidance for including TRIP-funded projects in long range transportation plans.

What funds are available for the New Starts Transit Program? FDOT has developed statewide estimates of New Starts. MPOs have been provided guidance for including TRIP-funded projects in long range transportation plans.

Inflation Factors

Consistent with federal planning regulations and “Financial Guidelines for MPO 2040 Long Range Plans” adopted by the Metropolitan Planning Organization Advisory Council (MPOAC) in October 2007, the 2040 Revenue Forecast is expressed in Year of Expenditure (YOE) dollars. MPOs will need to use inflation factors to adjust project costs from “Present Day Cost” dollars (e.g., 2014 dollars) to YOE dollars. MPOs also may have to adjust estimates of local revenues not included in the Department’s forecast to YOE dollars, depending on how those revenue estimates were developed.

Adjusting Project Costs

In order to balance project costs against the revenue estimates from the 2040 Revenue Forecast, costs and revenues need to be expressed using the same base year. Project cost estimates are typically expressed in “present day costs” (i.e., year that the project costs were developed, such as 2013/2014), which are based on the value of money today and not adjusted for inflation.

Table D-1 will assist MPOs in converting project costs to YOE dollars. For example, if the cost estimate for a specific project is expressed in 2012/2013 dollars and the project is planned to be implemented in the 2020/21 to 2024/25 time period, the MPO should multiply the cost estimate by 1.35 to convert the cost estimate to YOE dollars. The inflation multipliers included in Table D-1 are based on the Department’s inflation factors associated with developing recent Work Programs. Factors for project cost estimates developed in fiscal years 2013, 2014, 2015 and 2016 are shown in Table D-1 because required dates for the updates of long range metropolitan area transportation plans by Florida’s 26 MPOs may extend over those years.

Adjusting Local Revenue Estimates

Revenue forecasts are typically prepared in “current” or YOE dollars, which reflect the value of money at the time it will be collected (e.g., 2020) and reflect future growth in revenue. MPO plans include revenue forecasts for local sources of transportation revenues (e.g., local option gas taxes) that are not included in the Department’s 2040 Revenue Forecast. As a result, if any estimates of local revenues are not expressed in YOE dollars, MPOs will need to convert estimates of those revenues to YOE dollars to ensure a common basis for all revenues included in the MPO plans. The annual inflation rates in the lower part of Table D-1 can be used to convert local revenue forecasts prepared in “today’s” dollars to YOE dollars. For example, if the forecast of local revenues is expressed in 2013 dollars, the MPO can estimate the amount in 2019 dollars as follows:

$$\text{2019 dollars} = (\text{2013 dollars}) * (\text{1.31}) * (\text{1.029}) * (\text{1.029}) * (\text{1.029}) * (\text{1.029}) * (\text{1.03})$$

(for 2014) (for 2015) (for 2016) (for 2017) (for 2018) (for 2019)

For consistency with other estimates, summarize estimated local funds for each year by the 5-year periods.

Table D-1
Inflation Factors to Convert Project Cost Estimates to Year of Expenditure Dollars

Time Period for Planned Project or Project Phase Implementation	Multipliers to Convert Project Cost Estimates to Year of Expenditure Dollars			
	Project Cost in 2013 PDC \$*	Project Cost in 2014 PDC \$*	Project Cost in 2015 PDC \$*	Project Cost in 2016 PDC \$*
2019-2020	1.21	1.17	1.14	1.11
2021-2025	1.35	1.31	1.27	1.24
2026-2030	1.59	1.54	1.50	1.46
2031-2040	2.03	1.97	1.91	1.86
Multipliers are based on the following annual inflation estimates:				
	<u>From</u>	<u>To</u>	<u>Annual Rate</u>	
	2013 Dollars	2014 Dollars	3.1%	
	2014 Dollars	2015 Dollars	2.9%	
	2015 Dollars	2016 Dollars	2.9%	
	2016 Dollars	2017 Dollars	2.9%	
	2017 Dollars	2018 Dollars	2.9%	
	2018 Dollars	2019 Dollars	3.0%	
	2019 Dollars	2020 Dollars	3.1%	
	2020 Dollars	2021 Dollars and Beyond	3.3% each year	
Source: FDOT Work Program Instructions, 2012				

* "PDC \$" means "Present Day Cost"

Relationship of Construction and ROW Costs

The Department experiences extreme variation in the costs of right-of-way for improvement projects. Since fiscal year 1991-92, district right-of-way programs have ranged from as low as 4% of construction costs to more than 30% and, in some instances, have exceeded construction costs. MPOs are encouraged to contact their district office for more information on right of way costs (see the FDOT website at <http://www.dot.state.fl.us/planning/policy/costs/>).

The 2040 Revenue Forecast contains estimates for combined construction and right of way funding. For planned construction projects, MPOs are requested to work with district staff to develop right-of-way estimates and right-of-way inflation estimates. If no project-specific estimate is available, MPOs should use the right-of-way/construction ratio recommended by the district to estimate right-of-way costs. For example, if the estimated construction cost of a project is \$40 million and the district has established a right-of-way/construction ratio of 25%, then the total cost for construction and right-of-way is \$50 million (\$40 + \$10).¹

¹The Department's estimates for capacity programs (e.g., Other Arterials Construction & ROW) do not include planning and engineering costs. The Department has reserved sufficient funds for Product Support (planning and engineering) to support the Construction and Right of Way funding levels provided to MPOs.

For More Information

Further information about the 2040 Revenue Forecast can be obtained from:

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**Appendix B: Supplement to 2040 Revenue Forecast Handbook:
2040 Revenue Forecast for District 7 Metropolitan Area**

Supplement to the 2040 Revenue Forecast Handbook

2040 Revenue Forecast for District Seven Metropolitan Area

Prepared by District Seven and Office of Policy Planning, Florida Department of Transportation

This supplement contains estimates of state and federal transportation funds for the metropolitan area through 2040. The estimates were prepared by the Florida Department of Transportation (FDOT), based on a statewide estimate of revenues that fund the state transportation program, and are consistent with “Financial Guidelines for MPO 2040 Long Range Plans” adopted by the Metropolitan Planning Organization Advisory Council (MPOAC) in January 2013. Florida’s MPOs are encouraged to use these estimates in updates of long range plans.

These estimates are based on the 2040 Revenue Forecast prepared in Spring 2013. See the *2040 Revenue Forecast Handbook*, dated July 2013, for more information on the statewide revenue forecast, revenue sources, definitions of major program categories, and methodology. All estimates are expressed in Year of Expenditure dollars.

ESTIMATES FOR CAPACITY PROGRAMS

Table 1 contains metropolitan area estimates for various time periods for certain state programs that affect the capacity of the transportation system to move people and goods.

Programs that FDOT Takes in Lead in Planning

Estimates for SIS Highways Construction & Right of Way will be available by August 21, 2013. No metropolitan estimates for Aviation, Rail, Seaport Development and Intermodal Access programs for years beyond those in the FDOT Work Program have been developed.

Other Capacity Programs

Estimates for Other Arterials Construction & Right of Way and Transit programs are shown in Table 1. MPOs are encouraged to plan for the mix of highway and transit improvements that best meets metropolitan needs with these funds. The MPO may combine the estimates for these two programs for the years 2019-2040 and consider them as “flexible” funds.

Computation of Funds for Other Arterials Construction & Right of Way – the estimates were developed as follows:

- The average share of total statewide TMA (also known as SU) Funds programmed on Other Arterials Construction & Right of Way in Fiscal Years 2013 (current year) and 2014-2018 (the Tentative Work Program) were taken “off the top” from total statewide estimates for Other Arterials & Right of Way for all forecast years.
- Transportation Alternatives (TA) estimates were taken “off the top” from total statewide estimates for Other Arterials Construction & Right of Way for all forecast years.
- Remaining funding estimates for this program (i.e., after the shares of TMA and TA estimates were taken “off the top”) were distributed to district and county levels using current statutory formula factors.

TMA Funds – Funds distributed to Transportation Management Areas, as defined by MAP-21, are shown in Table 2. They are the same as “SU” funds in the 5-year Work Program. The

estimates are based on Schedule A¹ of the Work Program Instructions for Fiscal Years 2014-2018 and long range estimates of federal funds. These funds are not included in the estimates for Other Arterials Construction & Right of Way shown in Table 1. Guidance regarding planning for these funds in the long range plan is included in the *2040 Revenue Forecast Handbook*.

Transportation Alternatives Funds – Table 3 provides estimates of Transportation Alternatives funds, as defined by MAP-21, to assist MPOs in developing their plans. The estimates are based on Schedule A of the Work Program Instructions for Fiscal Years 2014-2018 and long range estimates of federal funds. These funds are not included in the estimates for Other Arterials Construction & Right of Way shown in Table 1. Guidance regarding planning for these funds in the long range plan is included in the *2040 Revenue Forecast Handbook*. Use of these funds in the long range transportation plan must be consistent with federal and state policy.

INFORMATION RELATED TO CERTAIN STATE FUNDS AND PROGRAMS

Additional estimates are provided for certain state funds and programs. See guidance in the *2040 Revenue Forecast Handbook* for planning for use of these funds. Tables 4 and 5 provide estimates of funds for state programs that have matching funds, and other, requirements.

Transportation Regional Incentive Program (TRIP) Funds – these are estimates of districtwide funds for the TRIP program that are not included in an FDOT Work Program as of July 1, 2013.

New Starts Transit Funds – these are estimates of statewide funds for the New Starts program that are not included in an FDOT Work Program as of July 1, 2013.

NON-CAPACITY PROGRAMS

Table 6 contains districtwide estimates for State Highway System Operations and Maintenance expenditures for information purposes. These estimates are provided pursuant to an agreement between FDOT and the Federal Highway Administration Division Office regarding the reporting of estimates of Operations and Maintenance costs for the State Highway System at the district level in MPO long range plans. Guidance on documenting these funds is included in the *2040 Revenue Forecast Handbook*.

No metropolitan estimates for these or other non-capacity programs have been developed. Consistent with MPOAC “Financial Guidelines for MPO 2040 Long Range Plans”, the Department will prepare a summary of these program estimates and state objectives (to be entitled “Appendix for the Metropolitan Long Range Plan, 2040 Revenue Forecast”) and provide the Appendix to each MPO for inclusion in the documentation of the metropolitan long range transportation plan.

FORECAST YEARS

Tables 1-5 contain revenue estimates for Fiscal Years 2019-2040. The MPO should use the TIP/STIP to summarize estimates for Fiscal Years 2014-2018. Table 6 contains revenue estimates for Fiscal Years 2014-2040 because this summary information is not readily available in the 5-Year Work Program.

¹ “Schedule A” specifies and distributes estimated funds legally available in the years covered by the FDOT 5-year Work Program. FDOT’s Work Program Instructions contain Schedule A and a “Program Allocation Guide” which describes the processes, assumptions, and requirements used to develop Work Program fund allocations.

Revenue Estimates for District Seven

Table 1
Capacity Program Estimates
 State and Federal Funds from 2040 Revenue Forecast (Millions of Dollars)
 Florida Department of Transportation

Capacity Programs	2040 Revenue Forecast				
	FYs 2019-20	FYs 2021-25	FYs 2026-30	FYs 2031-40	22 Year Total
SIS Highways Construction & ROW ^{1,2}	N/A	N/A	N/A	N/A	N/A
Other Arterials Construction & ROW²	233.5	521.6	493.1	1,078.9	2,327.1
Citrus	10.4	23.1	21.9	47.8	103.2
Hernando	13.8	30.8	29.1	63.6	137.2
Hillsborough	104.7	233.8	221.0	483.5	1,043.0
Pasco	35.8	80.1	75.7	165.6	357.2
Pinellas	68.9	153.9	145.5	318.3	686.5
Transit²	113.8	293.1	308.2	646.1	1,361.2
Citrus	5.0	13.0	13.7	28.6	60.4
Hernando	6.7	17.3	18.2	38.1	80.3
Hillsborough	51.0	131.4	138.1	289.5	610.1
Pasco	17.5	45.0	47.3	99.2	208.9
Pinellas	33.6	86.5	90.9	190.6	401.6

¹ To be provided separately.

² May be supplemented with TMA Funds. See Table 2 and guidance in the *2040 Revenue Forecast Handbook* for use of these funds.

Table 2
TMA Estimates¹

State and Federal Funds from 2040 Revenue Forecast (Millions of Dollars)
Florida Department of Transportation

Transportation Management Area	2040 Revenue Forecast				
	FYs 2019-20	FYs 2021-25	FYs 2026-30	FYs 2031-40	22 Year Total
TMA	65.9	164.8	164.8	329.7	725.3
Hillsborough	29.6	73.9	73.9	147.8	325.1
Pinellas	19.5	48.6	48.6	97.3	214.0
Pasco	10.1	25.3	25.3	50.6	111.3

¹ Estimates are based on Schedule A of the Work Program Instructions for the Tampa TMA (comprised of portions of Hillsborough, Pasco, and Pinellas Counties). See guidance in the *2040 Revenue Forecast Handbook* for use of these funds. Emphasis should be given to those facilities that serve important national and regional transportation functions over the period of the transportation plan.

Table 3
Transportation Alternatives Estimates¹

State and Federal Funds from 2040 Revenue Forecast (Millions of Dollars)
Florida Department of Transportation

Transportation Alternatives	2040 Revenue Forecast				
	FYs 2019-20	FYs 2021-25	FYs 2026-30	FYs 2031-40	22 Year Total
TALU (>200,000 Population)	6.5	16.2	16.2	32.4	71.3
TALL (5,000> and <200,000 Population)	0.8	1.9	1.9	3.8	8.3
TALT (Any Area)	7.5	18.8	18.8	37.7	82.9

¹ Use of these funds must be consistent with federal and state policy. See guidance in the *2040 Revenue Forecast Handbook*. Funds will be programmed based on the regional priority list and based on population for Transportation Alternatives programs. For project listing, please refer to page 2 of the *Federal Strategies for Implementing Requirements for LRTP Update for the Florida MPOs November 2012*.

Revenue Estimates for District Seven
For Information Purposes

Table 4
TRIP Estimates¹

State and Federal Funds from 2040 Revenue Forecast (Millions of Dollars)
Florida Department of Transportation

Transportation Regional Incentive Program	2040 Revenue Forecast				
	FYs 2019-20	FYs 2021-25	FYs 2026-30	FYs 2031-40	22 Year Total
Districtwide TRIP Funds	1.0	7.3	7.3	14.6	30.3

¹ For informational purposes. Estimates are for TRIP Funds not included in an FDOT Work Program as of July 1, 2013. See guidance in the *2040 Revenue Forecast Handbook* for planning for use of these funds.

Table 5
New Starts Transit Estimates¹

State and Federal Funds from 2040 Revenue Forecast (Millions of Dollars)
Florida Department of Transportation

New Starts Transit	2040 Revenue Forecast				
	FYs 2019-20	FYs 2021-25	FYs 2026-30	FYs 2031-40	22 Year Total
Statewide New Starts Transit Funds	63	174	174	349	760

¹ For informational purposes. Estimates are for New Starts Funds not included in an FDOT Work Program as of July 1, 2013. See guidance in the *2040 Revenue Forecast Handbook* for planning for use of these funds.

Table 6
State Highway System Operations and Maintenance Estimates¹
State and Federal Funds from 2040 Revenue Forecast (Millions of Dollars)
Florida Department of Transportation

State Highway System Operations & Maintenance	2040 Revenue Forecast					
	FYs 2014-15	FYs 2016-20	FYs 2021-25	FYs 2026-30	FYs 2031-40	27 Year Total
Districtwide SHS O&M Funds	391	1,080	1,102	1,208	2,653	6,434

¹ For informational purposes. See guidance for documenting these funds in the *2040 Revenue Forecast Handbook*.

Rows may not sum to columns because of rounding.