



MEMORANDUM

AGENDA ITEM III.G

DATE: MARCH 5, 2012

TO: COUNCIL MEMBERS

FROM: STAFF

SUBJECT: REGIONAL INFRASTRUCTURE IMPROVEMENT ZONES

At the February 6, 2012 Council Meeting, Councilmember Asseff requested staff prepare a background memorandum and a draft letter of support on Regional Infrastructure Improvement Zones (RIIZs).

Background

According to the National Association of Regional Councils (NARC), the funding sources traditionally available for transportation improvements are declining, most notably the Federal Highway Trust Fund, which receives money from federal fuel taxes. Congress has had to use general revenue sources to meet the Trust Fund's obligations. At the local level, tools, such as development exactions and tolls, are being used to supplement the public sector's infrastructure investments.

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) in conjunction with NARC developed a concept for funding infrastructure that involves private sector investment called Regional Infrastructure Improvement Zones (RIIZs). RIIZs allow private corporations or individuals to contribute funds toward construction of roadways and other infrastructure. These donations will be tax-deductible contributions and can be spent only on upgrades that the whole community is eligible to use.

Congressman Geoff Davis [KY-4] introduced H.R. 3780 (Regional Infrastructure Improvement Zones Act) on January 18, 2012. The Bill does not have a cosponsor. The following is a summary of the RIIZs from Congressman Davis' office:

Businesses and/or individuals who want to form a RIIZ would apply through their local multi-jurisdiction regional planning organization. The regional planning organization would then determine if the investment fits within the region's plans and has the support of local governments and stakeholders. The planning organization would issue a certificate of approval to be filed with the State's Attorney General and the Internal Revenue Service (IRS). After these steps, individuals and businesses could begin contributing tax deductible funds to approved projects within the RIIZ.

Infrastructure projects would be eligible under a RIIZ as long as they are on the approved comprehensive regional plan, go through the public approval process, and enhance the infrastructure system of the area. RIIZs would not cover operating expenses related to infrastructure. Eligible projects could include, but are not limited to: highways, roadway bridges, and public transit, as well as drinking water, wastewater, and stormwater treatment facilities.

The Bill has been referred to the House Committee on Ways and Means. Congressman Vern Buchanan (FL-13, which includes Charlotte, DeSoto, Hardee, Manatee, and Sarasota Counties) is Florida's sole member of the Committee.

The Library of Congress notes that the Bill is still in Committee. Additionally, the Library notes that the Congressional Budget Office has not released an estimate regarding the Bill.

Recommendation

Send Letter of Support for H.R. 3780 to Congressman Davis, with copies to Congressman Buchanan and the Southeast Florida Congressional Delegation.

DRAFT

March 5, 2012

The Honorable Geoff Davis
U.S. House of Representatives
Kentucky Fourth District
1119 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Davis:

The South Florida Regional Planning Council serves Broward, Miami-Dade, and Monroe Counties and their 71 municipalities in southeast Florida. On March 5, 2012, while meeting in regular session, the Council voted to support H.R. 3780, the Regional Infrastructure Improvement Zone Act.

The Region is home to over 4.3 million residents, a vacation destination, and international commerce center. While a compilation of estimated cost of meeting the Region's infrastructure needs is not available, the Broward and Miami-Dade Metropolitan Planning Organizations projected in their 2035 Long-Range Transportation Plans that funding demand of \$60 billion, with only \$28.1 billion of available revenue.

The Regional Infrastructure Improvement Zone Act is an innovative way to involve the private sector in meeting the infrastructure and, concomitantly, economic development needs of the South Florida Region.

Sincerely,

Heather Carruthers
Chair

HC/kal

cc: The Honorable Vern Buchanan
Southeast Florida Congressional Delegation