

# Funding the Future:

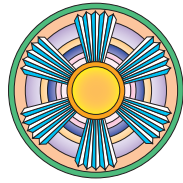
The Case for Establishing Dedicated  
Long-Term Local Funding Sources  
for the Region's Transit Needs

**March 1, 2005**



**Prepared by the South Florida Regional Planning Council**





*About this series*

In its Strategic Regional Policy Plan for South Florida (SRPP), effective July 2004, the South Florida Regional Planning Council identified Housing (Goal 6), Transportation (Goal 8), Development and Redevelopment (Goal 11), and Connectivity - the linkages between People, Places, and Opportunities (Goal 20) as key strategic goal areas that provide challenges and opportunities that must be addressed in order to create a better quality of life in Southeast Florida. Because transportation, particularly transit, and land use are critical components in each of these goal areas, the Council has developed this issue paper to further implementation of the policies articulated in each of these goal areas.

*Special thanks to ...*

The Florida Legislative Committee on Intergovernmental Relations and Senior Legislative Analyst Steven O’Cain who served as an invaluable resource during the preparation of this report.



*As the 21<sup>st</sup> century begins, the time for more public transit has arrived. A public transit renaissance makes sense for our environment, our pocketbooks, our local economies, our quality of life and our national security.*

*Jennifer L. Dorn, Administrator, Federal Transit Administration*

## EXECUTIVE SUMMARY

In this paper, the Council recommends that region's counties pursue the creation of dedicated long-term local funding sources for transit and transit-related projects. Miami-Dade County is the only South Florida county that currently has a dedicated local funding source for transit. Its one half cent sales tax for transit is anticipated to raise approximately \$ 160 million this year. Broward, Palm Beach, and Monroe counties' lack of dedicated local funding sources for transit means that these counties do not meet a key minimum requirement for federal matching funds for transit related capital improvements.

As a result these counties are unable to access hundreds of millions of dollars in federal funds that are needed to meet pressing local and regional transit needs. Meeting these needs would enhance regional economic activity; help the region's leaders manage the impacts of continued population growth; improve mobility to enable the efficient movement of people, goods, and services; and provide better access to the unique places and amenities that make South Florida one of the nation's most exciting urban areas and a popular tourist destination.

In addition to causing the region as a whole to be less competitive at the federal level, the lack of dedicated local funding sources, particularly in Broward and Palm Beach counties, is an obstacle that must be overcome to move collaboration on regional transit priorities forward. Miami-Dade County, understandably, is reluctant to participate in a discussion regarding regional transit infrastructure needs when it is the only county that currently has significant long-term resources that can be brought to the dialogue. By approving the use of dedicated local funding sources for local and regional transit needs, Broward and Palm Beach counties can join with Miami-Dade County in a more fruitful discussion about identifying and paying for regional transportation needs.

In this paper several potential funding sources are discussed. Of the funding sources considered in this paper, only a one cent sales tax begins to provide adequate funds to pay for needed transit related improvements. If a one cent sales tax were in effect in Broward County, it would be expected to raise approximately \$ 261 million if collected for a full year for the fiscal year ending September 30, 2005. In Palm Beach County a one cent sales tax would raise an estimated \$199 million during the same time period. A sales tax surcharge has the added benefit of shifting a portion of these costs to millions of South Florida tourists who use and benefit from the region's transportation system.

In 2004 -2005, Florida is expected to collect about \$19.4 billion in sales taxes but exempt more than twice as much -- \$43.6 billion. These exemptions include food, prescription drugs, health services, residential rents and utilities, and many other items. Taxable items are defined in Florida Statutes and can only be changed by the state legislative process.

The State of Florida collects 6% sales tax on taxable items. Broward County currently does not levy an additional sales tax; Palm Beach County collects ½ cent sales tax for schools; and Monroe County collects 1 ½ cents for local government infrastructure and schools. A one percent or one cent sales tax increase generates one dollar for every \$ 100 in taxable goods purchased.

While Broward County can move immediately to secure voter approval to levy a Charter County Transit System Surtax, Palm Beach County must secure legislative approval to create a special transit surtax and/or expand the permitted uses of the Local Government Infrastructure Surtax to include the development and operation of transit systems.

National trends and transit referendums indicate that the public is willing to invest in transit improvements if there is a detailed plan developed with public input, clear benefits, oversight and accountability. Locally, additional research is needed to determine if Broward and Palm Beach county voters will support and approve a one cent sales tax. As Miami-Dade County has recently learned, even the \$150.5 million generated by the one-half cent sales tax in Miami-Dade last year is insufficient to meet the county's growing transit needs.<sup>1</sup>

A note of caution, the most recent controversy in Miami-Dade County regarding management of the ½ cent sales tax for transit and transit-related budget shortfalls is a significant challenge that will need to be overcome if a sales tax for transit initiative is to be successful in other parts of the region.

## INTRODUCTION

South Florida is at a critical crossroads in planning and implementing the positive changes needed to create a better built environment and transit/transportation system that will help secure the region's future quality of life.

Regions nationwide are calling for increased connectivity and livability in their communities and aggressively passing local funding initiatives to fund their desired futures. South Florida's local and regional transit needs grow daily. Rapid and continuous population growth and urban expansion has contributed to a serious mobility problem along the region's East-West and North-South corridors that threatens the region's economic vitality and quality of life.

In its recent publication "The 2004 Urban Mobility Study," the Texas Transportation Institute<sup>2</sup> confirms what South Floridians already know first hand. Transportation congestion is getting worse. In 2002 a commuter in the Miami - Fort Lauderdale - West Palm Beach Metropolitan Statistical Area spent an average of 52 extra hours a year on the region's roadways due to congestion related traffic delays<sup>3</sup>. This study estimates that South Florida's congestion costs,

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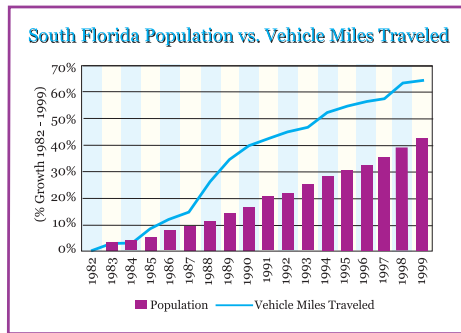
<sup>1</sup> "Rail expansion is more costly than advertised," *The Miami Herald*, 2 January 2005

<sup>2</sup> The Texas Transportation Institute is an official research agency for the Texas Department of Transportation and the Texas Railroad Commission.

<sup>3</sup> In comparison, in 1982 a commuter in Southeast Florida could expect to spend an average of 11 extra hours per year in traffic due to congestion related delays.

based on wasted time and fuel, was approximately \$2.6 billion in 2002, including 221 million gallons of excess fuel consumed.

One indicator of traffic congestion helps highlight the challenge facing the region. From 1982 to 1999, the region's population increased 42% while the average number of miles driven by each driver increased 62%. South Floridians are spending more time on the roads, traveling further distances to get to work and lead their daily lives, and spending an increasing amount of time stuck in traffic.



There is ample literature documenting the negative economic and social impacts of traffic congestion as well as the positive economic, environmental, and social benefits of public transit and transit-oriented investments. These articles include "Why Traffic Congestion is Here to Stay ... and Will Get Worse," by Anthony Downs of the Brookings Institution and "Transportation Costs and the American Dream: Why a Lack of Transportation Choices Strains the Family Budget and Hinders Homeownership" by the Surface Transportation Policy Project.

Additional reports include The Brookings Institution reports "The Mobility Needs of Older Americans: Implications for Transportation Reauthorization" and "The Long Journey to Work: A Federal Transportation Policy for Families," and the Surface Transportation Policy Project's "Report on Jobs and Investments in Transit" (Appendix A).

Roadway expansion for the purpose of mobility replaces the very land uses it tries to serve. In Miami-Dade County, roadways and expressways take up nearly 34% of the land in the urban area. Broward County has no more open land. With developable land skyrocketing in value, the most effective land use is redevelopment of underutilized areas. The least effective use is more pavement. Because of this, a heightened focus on how cities rely on transit to meet transportation needs in denser cities has emerged.



*The negative costs associated with congestion and inadequate transportation choices are significant and unsustainable over the long term. A comprehensive transit system supported by appropriate land uses will help slow the rate of growing traffic congestion and ease negative economic and social impacts.*

### **The Relationship between Transit Investments, Housing Affordability, and Economic Stability & Growth**

In a region where the cost of living is quickly becoming unaffordable to middle class families because of rapidly rising housing, health insurance, home insurance, transportation, child and elder care, and other costs, it is worth noting that increased transit investment and transit-oriented development can provide a lifeline of affordability to many in the region while spurring and supporting regional economic growth.

In November 2004, the median sales price of existing homes was \$ 303,300 in Broward County and \$343,300 in Palm Beach County according to the Florida Association of Realtors<sup>4</sup>. The median price of a home marks the midpoint price, with half of the homes costing less and half costing more. The continued escalation in home prices is a cause for concern among the region's public and private leaders because the region's diminishing supply of affordable homes, rising land costs and the increasing distances that workers have to commute to affordable housing threatens business growth and the region's economy<sup>5</sup>.

Increased densities associated with transit supportive development provide opportunities for increasing the supply of housing that is affordable to the region's workforce. In addition, in Miami-Dade and in other parts of the country, Fannie Mae is offering mortgage products that provide important financial incentives to homeowners wishing to purchase a home near public transit<sup>6</sup>.

Launched a little over a year ago, The "Miami-Dade Smart Commute™ Initiative" gives prospective home buyers the opportunity to qualify for a mortgage with the help of savings realized from public transportation. By purchasing a home near transit, many homeowners can eliminate or reduce the expense of owning a vehicle by using public transportation. Similar to the "Location Efficient Mortgage" offered by Fannie Mae, the "Miami-Dade Smart Commute Initiative" allows a mortgage lender to recognize the transportation-related cost savings of living in convenient, higher-density communities with transit access by adding a portion of the potential transportation savings onto the qualifying income of the consumer. This in turn allows families who otherwise might be unable to afford living in an area with convenient access to transit and other amenities the opportunity to afford a more expensive home. In Miami-Dade County, eligible home buyers within one-half mile of Tri-Rail, Metrorail, the South Dade Busway, Park & Ride lots or a quarter mile of a bus transit corridor can add approximately \$13,800 to their home buying power while decreasing their down payment to as little as \$500 from their own funds<sup>7</sup>. As Broward and Palm Beach counties expand their transit networks, they can seek benefits similar to those in the Miami-Dade Smart Commute Initiative for their residents.

The positive economic impacts of transit investments are well documented. Transit capital investments are a significant source of job creation. An analysis conducted by Cambridge Systematics, Inc. in 1999 found that in the year following the investment, 314 jobs are created for each \$10 million invested in transit capital funding. Transit operations spending provides a direct infusion to the local economy, creating over 570 jobs for each \$10 million invested in the short run. Businesses realize a gain of \$3 dollars for every public dollar invested in transit<sup>8</sup>.

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<sup>4</sup> "Home resales hit \$400,000 milestone," *Sun-Sentinel*, 5 January 2005, Broward edition.

<sup>5</sup> *ibid*

<sup>6</sup> Location Efficient Mortgage services are available in the cities of Chicago and Seattle; Los Angeles County; and the nine-county San Francisco Bay Area.

<sup>7</sup> "Mayor Alex Penelas joins Local Transportation Leaders and Housing Partners to Launch Smart Commute™ Initiative: New Incentives Help Miami-Dade Home Buyers Purchase Homes Near Public Transportation," 19 December 2003 News Release

<sup>8</sup> "Public Transportation and the Nation's Economy," Cambridge Systematics, Inc. (1999).



Based on this information, the capital investment associated with the South Florida Regional Transportation Authority's Double Track Corridor Improvement Program<sup>9</sup> will create approximately 17,892 direct and indirect jobs and generate \$1.7 billion in sales for businesses. Many of these jobs are in high-wage industries such as engineering, architecture, surveying, insurance, and real estate.



*Traffic congestion in the region will continue to worsen in the future, threatening the region with transportation gridlock unless decisive measures are taken to provide meaningful transit alternatives. A growing regional population, including a large elderly population<sup>10</sup>, will require innovative transportation solutions.*



*Investments in transit and transit supportive development will provide the region with many opportunities including greater access to jobs, affordable housing and other community assets, improved mobility, and enhanced economic growth, while slowing the rate of increasing traffic congestion.*

## Reinventing Southeast Florida

Over 5 million residents live in the region today. More than 1.7 million new residents are expected to move into Southeast Florida over the next 25 years; a million more in Broward County alone. A popular tourist destination, millions more visit the region every year positively contributing to our economy, and our traffic woes. The region's tourist development councils and visitor and convention bureaus estimate that more than 26.8 million<sup>11</sup> tourists visited the region in 2003 alone. The region's leaders are faced with the challenge of managing congestion even as the region's population continues to grow.

South Florida is in a unique place and time in its development history. After decades of low-density, car dependent, suburban development, the tide has begun shifting to a more urban development form.

## By 2030, Broward County Anticipates One Million New Residents



**If lined up bumper to bumper, the automobiles of 1 million new residents would stretch from Florida to Alaska.**

Source: Chicago Metropolis 2020, January 5, 2005 Presentation to the Broward Workshop by CEO George Ranney

<sup>9</sup> \$569.8 million - Updated cost estimate for the construction of the Double Track Corridor Improvement Program, 9 February 2005 email from Ella Gilbert, SFRTA Government Affairs Manager.

<sup>10</sup> The elderly population (> 65 years of age) in the region is expected to grow by over 71% by 2020. The largest increase will be in Broward County with an additional 227,000 elderly. The smallest increase will be in Miami-Dade with an additional 174,000 elderly. Palm Beach County will have to accommodate an additional 183,000 elderly. (Florida Population Studies, Bureau of Economic and Business Research, University of Florida, October 2001)

<sup>11</sup> Greater Fort Lauderdale Convention and Visitors Bureau estimates that 8.6 million visited Broward in 2003; the Palm Beach County Tourist Development Council estimates that approximately 4.4 million tourists visited Palm Beach County (Sept 2002 - Oct. 2003); Greater Miami Convention and Visitors Bureau estimates more than 10.4 million visitors in 2003; Monroe County Tourist Development Council estimates more than 3,490,000 visitors in 2003.

This means a trend toward urban infill and a growing emphasis on transit-oriented development and projects that feature a mix of uses - residential, commercial, and retail. In other words, development and transportation alternatives that offer South Floridians new opportunities and choices while reducing our reliance on the automobile as our primary means of transportation.

Viable transit services are the key to creating successful transit-oriented developments and maintaining an acceptable level of mobility and access in the region. The region's roadways are reaching capacity, with gridlock conditions occurring on a regular basis throughout the region. The level of existing development in the region precludes the creation of new or expanded roadways. Studies indicate that simply expanding the region's roadway system is not sufficient to ease our transportation problems<sup>12</sup>.



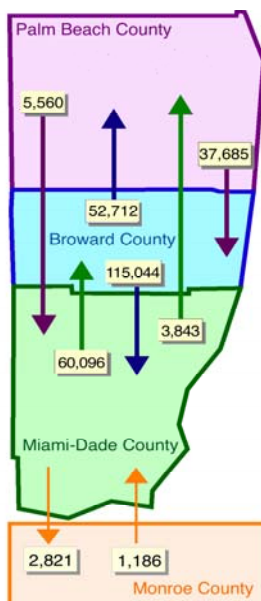
*Creating and maintaining a transit system that offers a full range of quality services requires significant resources, both capital for building infrastructure and fleet capacity as well as operating funds to operate and maintain the system. Ongoing, dependable funding is also essential to plan for the future and achieve both long-term and short-term mobility objectives.*



*The success of regional transit in South Florida will depend greatly on where and how people live and work. Tomorrow's land use will dictate the success of transit. Studying specific nodes of land-use at station locations is not sufficient. To support a successful regional transit system, the land use of key transportation corridors throughout the region will need to be updated to support transit-oriented and supportive development that will make it easier for people to use the transit system. The development of this plan is one of the Federal Transit Administration's key requirements for New Starts federal funding.*

## The Transit Needs / Funding Mismatch

2000 Journey to Work Flows  
Monroe, Miami-Dade, Broward, and Palm Beach



The regional nature of transportation demand in South Florida requires that efforts include both local and regional solutions.

The cost of addressing the region's needs is beyond the reach of the individual counties and municipalities that comprise the region. For example, in Broward County it is estimated that the total cost of building, operating and maintaining a major transit network serving Broward County and connecting to the region is between \$ 12 - 15 billion over the next 25 years. Two thirds of this amount is attributable to operating and maintaining quality service. The variance depends on when and what kind of system is built, and how the network comes together.

<sup>12</sup> "An analysis of the relationships between highway expansion and congestion in metropolitan areas." Surface Transportation Policy Project, (1998); "Washington, D.C.; Cervero, R., "Road Expansion, Urban Growth and Induced Travel: A Path Analysis," Journal of the American Planning Association, vol. 69, no.2, pp 145-163, 2003.

Broward County envisions growing its existing transit system of 275 fixed route buses into a robust transit system of 600 - 700 buses, and 40 miles of rail, including Tri-Rail, the Central Broward (I-595) project, the Florida East Coast (FEC) Dixie Highway Corridor and Premium Transit along State Road 7 / U.S. 441. This level of system would provide quick connections east and west to the major corridors in the region. The cost to operate and maintain this caliber of service, on par with DART in Dallas or King County Metro in Seattle is in the range of \$350 - 400 million in current dollars.

In contrast to projected needs, the current FY 2005 Operating Budget for Broward County Transit is approximately \$99 million annually. Of these revenues, approximately \$87.4 million is comprised of revenue from operations, county general fund dollars, and funds from the County Transportation Trust; approximately \$ 10 million is contributed by the state; with the balance contributed by the federal government through Medicaid reimbursement. Current capital investment is less than 10 percent, not enough to keep up with vehicle replacement.



*Continued state and federal financial support is needed to bring about positive improvement in the region's transportation system. Local governments will need to provide additional local funds to match state and federal funds that are available for public transit investments.*

### Significant Resources are Needed

#### Peer Cities % Operating and Capital Revenue by Source for Fiscal Year 2002

Transit System	OPERATING FUNDS by Source			TOTAL OPERATING (Millions)	CAPITAL FUNDS by Source			TOTAL CAPITAL (Millions)
	Local*	State	Federal		Local	State	Federal	
Seattle King Co.	82%	0%	8%	\$382	67%	0%	33%	\$112
Portland Tri-Met	81%	1%	14%	\$264	30%	0%	70%	\$139
Pittsburgh Port Authority**	34%	55%	10%	\$267	42%	17%	42%	\$210
Minneapolis Metro Transit	58%	34%	5%	\$193	12%	18%	71%	\$201
Charlotte NC	86%	14%	0%	\$54	0%	22%	52%	\$27
Dallas DART	15%	79%**	0%	\$365	49%	20%**	31%	\$205
Houston METRO	81%	0%	14%	\$278	65%	0%	35%	\$230
Miami-Dade MDT	75%	6%	18%	\$271	48%	9%	43%	\$66
Broward BCT	75%	16%	7%	\$88	0%	18%	82%	\$10
SFRTA Tri-Rail	45%	19%	34%	\$24	2%	13%	86%	\$64

Source: 2002 National Transit Database

\*Local includes fare revenue. Other Sources not included in totals.

\*\*DART categorizes sales tax revenue as State revenue due to multiple jurisdictional boundaries.

## Transportation Players and Funding Process

Local, state, and federal governments all play key roles in transportation planning and funding.

Unlike other parts of the country where the **Metropolitan Planning Organization** (MPO) is a regional organization, South Florida's MPOs are county-based, transportation planning and funding organizations. Comprised of city and county elected officials, MPOs are responsible for prioritizing funding for transportation projects and ensuring conformance with federal and state laws and regulations. The MPO must develop a 20 year Long Range Transportation Plan (LRTP) and a short range Transportation Improvement Program (TIP). Major transit projects must go through the MPO's required planning process to be considered for federal funding under the Federal Transit Administration's (FTA) New Starts Program. Each of these plan documents must be adopted by the MPO Board, and must be consistent with the State's plan as well.

The projects must be identified in the Long Range Transportation Plan, and designated in the Transportation Improvement Program as it is updated each year. The LRTP is updated based on reaching air quality goals. The next update is not expected for 4-5 years, although amendments may be made. The TIP is updated annually to reflect fiscal year budgeting and funding allocations.

In order to receive *consideration* for federal funding, a plan for the project must be developed and approved through the MPO process, even if an earmark is sought. After local agencies perform Systems Planning and Alternatives Analysis, Transit Plans are submitted to the Federal Transit Administration for funding consideration and approval to begin Preliminary Engineering, and then toward a Full Funding Grant Agreement. Full Funding Grant Agreements do not mean that the FTA will fund the full project, but that there is a commitment for out year funding for the approved project.

The **Federal Transit Administration** is the primary source of federal financial assistance for public transportation systems in the United States. It is part of the Department of Transportation, headquartered in Washington, with 10 regional offices throughout the country. The Federal Transit Administration provides funding for all forms of public transportation projects. Planning and project development for new programs as well as improvement, maintenance and operation of existing systems are the major areas that benefit from federal participation<sup>13</sup>.

Within the federal transportation bill, Transportation Equity Act for the 21st Century (TEA-21), and its predecessor, the Intermodal Surface Transportation Efficiency Act (ISTEA), there are two kinds of programs, formula-based and discretionary. Many of the federal funding assistance programs are formula-based, meaning each state gets a percentage of available funds based on certain measures such as population.

The New Starts program, however, is a discretionary program, meaning Congress authorizes the overall dollar amount for the program, and the Federal Transit Administration decides which projects gets funded based on a set of criteria. The New Starts program primarily funds

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<sup>13</sup> "People's Transportation Plan," Miami Dade County

only new investments in infrastructure. While a very small amount of money is available to help communities operate their transit system, the majority of money goes towards the acquisition of land corridors, new facilities, the purchase of vehicles and equipment, and the extension and maintenance of existing lines<sup>14</sup>.

The Federal Transit Administration's *Methodology for Project Evaluation and Rating*<sup>15</sup> states that projects proposed for New Starts funding must be justified based on a comprehensive review of the following criteria: cost effectiveness; transit supportive land use and future patterns; mobility improvements; operating efficiencies; and environmental benefits. Additionally, Congress requires that proposed projects be supported by an acceptable degree of local financial commitment, including evidence of stable and dependable funding sources to construct, maintain, and operate the transit system. The criteria by which the FTA evaluates local financial commitment to a proposed project includes:

- The proposed share of total project costs from Section 5309 New Starts Funds, excluding Federal formula and flexible funds, the local match required by Federal law and any additional capital funding ("overmatch");
- The strength of the proposed capital financing plan; and
- The ability of the sponsoring agency to fund the operation and maintenance of the entire system as planned once the guideway project is built.

Based on the Fiscal Year 2005 Annual Report on New Starts, there are \$24.3 billion in projects already in the pipeline, and only \$9.5 billion proposed in the House transit reauthorization bill for FY 2005-2009.<sup>16</sup> For FY 2006, the Federal Transit Administration is requesting \$1.5 billion for New Starts projects. At this level of funding the FTA will be able to fund 16 existing and 10 new projects nationally.

On February 9, 2005, Congress reintroduced "The Transportation Equity Act: A Legacy for Users (TEA-LU)," its six-year highway and transit legislation. Congress has also extended the existing TEA-21 at current levels until an agreement on TEA-LU can be reached. Because of the overwhelming amount of requested funding, the Federal Transit Administration limits the number of projects approved. A set of criteria is used to rank projects in order to limit the federal share of funding for each. As mentioned above, the Federal Transit Administration looks for local communities to fund a significant portion of the capital development of the project and the majority of the funds to operate the system. The Federal Transit Administration has stated that it will not provide more than 50% of the capital development money, and often provides less for New Starts projects. In addition, the funding cannot come at the expense of transit services that are expected to support the new investment.

The Federal Transit Administration has a rigorous and lengthy evaluation and rating process. It evaluates and rates proposed projects annually and at critical stages of project development. It is not uncommon for projects to be eliminated from further consideration if there are negative changes in the project evaluation criteria. For example, this year the Federal Transit Administration notified Tampa's HARTline that their light rail proposal is "not recommended"

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<sup>14</sup> The Center for Transportation Excellence, [www.cfte.org](http://www.cfte.org)

<sup>15</sup> "Annual Report on New Starts, Proposed Allocation of Funds for Fiscal Year 2006, Report of the Secretary of Transportation to The United States Congress Pursuant to 49 U.S.C. 5309(O)(1)," Federal Transit Administration

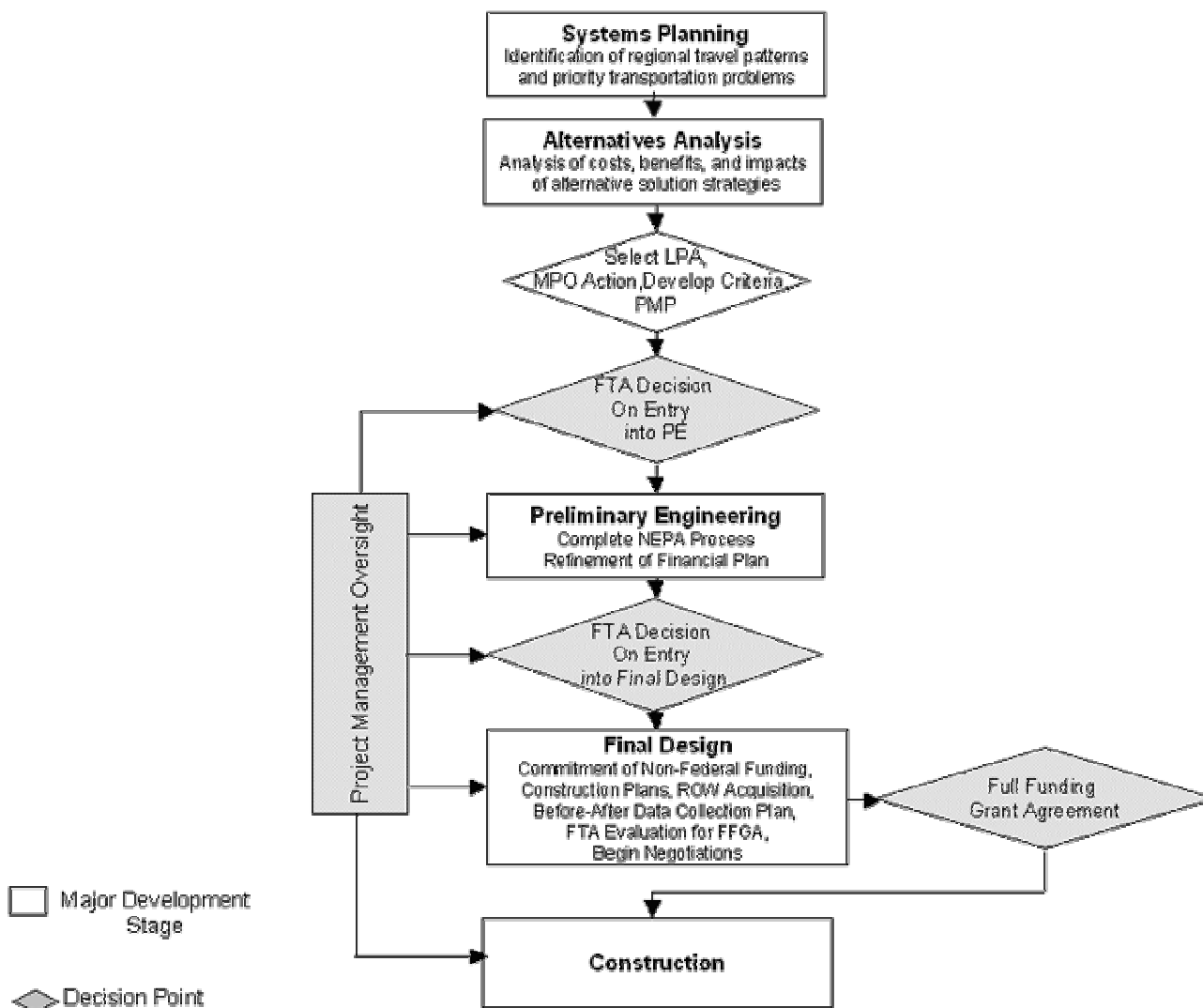
<sup>16</sup> FY 2005 New Starts Annual Report

in FY2006 “due to the absence of a current capital and operating financial plan to evaluate .... Previously submitted plans demonstrated a lack of financial commitment to the project and a heavy reliance on the passage of a local sales tax referendum that has been continuously postponed.”<sup>17</sup> Rated “not recommended” for the third year, HARTline officials say that the Federal Transit Administration’s decision essentially kills light rail in Hillsborough County for the foreseeable future.

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<sup>17</sup> “It’s the end of the line for light rail,” *St. Pete Times*, 9 February 2005

Figure 1-1 Planning and Project Development Process for New Starts Projects



Source: Federal Transit Administration

Note: The FTA does not track “average time” spent in the New Starts process because the characteristics of individual projects vary so widely. A fast moving project may take five years or more while a project that fails to meet the evaluation criteria may spend as many years in the process before its disqualification.

### FTA New Starts Evaluation Process 2006

After first meeting the basic programmatic, planning and environmental requirements which signify project readiness to advance to the next stage of development, project sponsors such as the South Florida Regional Transportation Authority and the county transit organizations submit to FTA the project justification and local financial commitment criteria for evaluation. FTA assigns a rating of high, medium-high, medium, low-medium, or low to each of the individual project justification criteria and to the measures for local financial commitment. These criteria/measure-specific ratings are then combined into summary project justification and finance ratings. These summary ratings are then combined to determine an overall project rating.

The **Florida Department of Transportation (FDOT)** may be available to assist with planning and for a portion of matching funds when federal funds are sought. The FDOT Public Transit Office in each of FDOT's eight districts provides planning and technical assistance, monitors compliance with transit regulations, and administers federal and state transit grants. FDOT's Transit Corridor Program provides some funding for projects that have been documented as meeting the goals of managing congestion and increasing capacity in a corridor. Existing projects are prioritized over new projects, and funds are allocated based on formula. Local partnership with FDOT is essential, with or without federal funding. The State expects the local government to create a sound structure and financial plan in building its public transit system.



*The transportation prioritization and funding process is a time consuming and complex process. Because major projects, programs, and funding efforts can take 10, 15 or more years to develop, it is important that the region's public and private sector leaders take immediate action to make the necessary financial investments to address current and future needs.*



*In calculating long-term transportation funding needs it is important to periodically reexamine funding and timing assumptions that are made when preparing transportation proposals and to be conservative when estimating the level and availability of federal funding<sup>18</sup>.*



*Major transit investments require a long-term commitment at the local level to fund the development, maintenance and operation of the transit system. While the federal government is often an important partner with local governments on public transportation projects, federal funds are limited, in high-demand, and over committed for the foreseeable future.*

## Successes to Date

In South Florida, regional leaders are advocating for the integration of land use and transportation planning and decisionmaking. A growing number of the region's public and private sector leaders agree: a network of premium transit service should serve Southeast Florida. Premium transit service refers to high-quality transit, whether rail or bus, that enhances regional connectivity, mobility and access. Land uses within existing or potential premium transit service routes should support this concept of connectivity, providing areas of increased residential, commercial, and retail activities that would benefit from improved regional transit.

In the funding arena some progress has been made. In November 2002 Miami-Dade County voters approved passage of a ½ cent sales tax for county and municipal transit and transportation related needs. This surtax will generate an estimated \$150 million during the local fiscal year ending September 30, 2005. These dollars are being used to provide local match to state and federal resources and issue bonds for needed county and municipal<sup>19</sup> transit and transportation related improvements. Miami-Dade County voters approved the measure

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<sup>18</sup> "County will keep Transit Plan promises," *The Miami Herald*, 16 January 2005, Letter to the Editor from Miami-Dade County Administrator George Burgess.

<sup>19</sup> Miami-Dade County's "People's Transportation Plan" provides the County's municipalities with a pro-rata share based on population of 20% of the total surtax revenues on an annual basis. In exchange, the municipalities will preserve their "maintenance of effort" dollars (FY 2001-2002 budgets) and agree to dedicate 20% of their surtax funds to transit purposes. (People's Transportation Plan Resource Guide)



by vote of 66% to 34%. As part of the effort, an independent 15 member "Citizens' Independent Transportation Trust" was established to oversee expenditure of the ½ cent sales tax that funds the 25-year, \$17 billion People's Transportation Plan.

Several years ago the Broward County Board of County Commissioners and the Broward County Metropolitan Planning Organization identified the need for an efficient, reliable, and affordable regional public transit system as "one of the most critical issues facing the residents of Broward, Miami-Dade and Palm Beach Counties." To begin meeting that need the Metropolitan Planning Organization began shifting a greater percentage of dollars from highway projects to mass transit projects. Today, public transportation projects rank higher on the Metropolitan Planning Organization's priority list than highway projects.

This year the Broward County Commission and Broward County Planning Council approved two new transit-oriented land use categories designed to promote redevelopment along the County's premium transportation corridors. The Transit-Oriented Development land use designation will help spur higher density mixed-use urban centers around mass transit venues. A parallel land-use category called Transit-Oriented Corridors provides similar mixed-use requirements for major bus and transportation routes such as State Road 7.

In Broward County, the VisionBROWARD<sup>20</sup> Transportation Task Force underscored in its April 2004 Final Report the importance of public transportation, especially mass transit and other mobility alternatives to the automobile, as an important component for a healthy economic future. The Transportation Task Force concluded "that transportation should be about choices that allow people to move efficiently and safely ...[and] that there needs to be more funding and specifically a dedicated local funding source to help attract matching dollars."<sup>21</sup>

Palm Beach County has also begun shifting additional resources to public transportation projects. The Palm Beach County Metropolitan Planning Organization continues to develop funding and support for the South Florida Regional Transportation Authority (SFRTA) and Palm Tran. The Metropolitan Planning Organization has programmed funds for planning and development of rail service extensions and bus service improvements and is prioritizing improvements along transit corridors and critical transit connection points. Palm Beach County supports the SFRTA's efforts to develop regional transit solutions for South Florida<sup>22</sup>. The 2030 Long Range Transportation Plan shows significant transit investment including Tri-Rail, east-west bus service, community bus and rapid bus services along Glades Road and Okeechobee Boulevard. These plans rely on being able to secure federal funding.

Palm Tran was recently recognized by METRO magazine, a leading trade publication focused on national public transportation issues, as one of the 10 most improved transit systems in the country. Palm Tran, with development grants from the Florida Department of Transportation, federal rural transit funding and Community Development Block Grant funds, has made improvements in the frequency of their bus service and has engaged the community to better

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<sup>20</sup> VisionBROWARD is a strategic alliance of the Broward County Board of County Commissioners, the Broward Workshop, and The Broward Alliance who, with the assistance of Nova Southeastern University, have created a strategic vision and strategy for the "economic development of Broward County and the South Florida region with the purpose of increasing economic vitality, promoting job and wage growth, advancing economic development, and improving the quality of life for all."

<sup>21</sup> "Final Report of the Transportation Task Force," VisionBROWARD (April 2004).

<sup>22</sup> Source: Palm Beach County MPO 2005-2009 Transportation Improvement Program

understand what customers want and need. By focusing on the routes with the highest usage, Palm Tran has been able to increase ridership over 12% during its Fiscal Year 2003. Palm Tran is also committed to encouraging and training customers with disabilities to use the improved transit system to increase their mobility and travel options.

On a regional scale, the South Florida Regional Transportation Authority, with the support of Miami-Dade, Broward, and Palm Beach counties, is investing significant resources in improving and expanding the Tri-Rail system through double tracking of the CSX line and pursuing transit-oriented development at its rail stations. SFRTA staff has recommended the development of a Regional Strategic Long Range Transportation Plan in coordination with the region's Metropolitan Planning Organizations, South Florida and Treasure Coast Regional Planning Councils, the Florida Department of Transportation, the region's transit agencies, and other stakeholders.

The SFRTA currently has a small, dedicated local funding source pursuant to legislation passed by the Florida Legislature during the 2003 Legislative Session (CS/CS/SB 686 - F.S. Chapter 2003-159). This funding source provides a little over \$ 8 million to the SFRTA per year and is currently paid in equal shares from Miami-Dade, Broward, and Palm Beach counties with funds from each county's "share of the ninth-cent fuel tax, the local option fuel tax, or any other source of local gas taxes or other non-federal funds available to the counties." In addition, this year each county is expected to contribute \$2.2 million to help support SFRTA operations.

## Funding the Future - Challenges and Opportunities

As discussed above, with the exception of Miami-Dade County<sup>23</sup> and the SFRTA, Broward, Palm Beach, and Monroe counties' lack of dedicated local funding sources for transit means that these counties do not meet a key minimum requirement for federal matching funds for transit related capital improvements.

Around the country, communities are positioning themselves to compete for federal dollars by approving at an unprecedented level transit funding initiatives. In 2002, voters in over a dozen jurisdictions voted to impose sales tax increases, issue bonds, and increase property taxes to create dedicated revenue sources to meet their transportation needs. In November 2004, 23 transit initiatives were approved, often by a 2/3 majority of voters (Appendix B).

According to the Center for Transportation Excellence, a pro-transit organization that tracks transit-related ballot issues across the nation, an additional 18 transit initiatives passed earlier in the year, resulting in an 80 percent success rate at the polls<sup>24</sup>. These results are supported by a recent study by Wirthlin Worldwide, Inc.<sup>25</sup> Conducted February 20-23, 2004, the study's researchers interviewed 1,000 adults 18 years of age and older living in the Continental United States. Interviews were stratified and weighted by gender, region, ethnicity, and education to

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<sup>23</sup> In November 2002, 66% of Miami-Dade County voters approved passage of a ½ cent sales tax for transportation. The funds raised pursuant to the sales tax are being used to leverage federal transportation dollars and issue bonds to pay for needed transportation improvements.

<sup>24</sup> "FasTracks among 23 transit measures passed," *Rocky Mountain News*, 6 November 2004.

<sup>25</sup> Wirthlin Worldwide, Inc. is a national research and consulting firm established in 1964. It performs surveys and demographic research and helps its clients communicate effectively with their prime constituent groups. <http://www.wirthlin.com/>

reflect population characteristics. These findings can be projected to the nationwide population within  $\pm 3.1$  percentage points at a 95% confidence level.

Key findings include:

- Most Americans (80%) see quality of life benefits from increased investment in public transportation.
- Almost every American (92%) wants transportation legislation passed immediately.
- Americans support public funding for the expansion and improvement of public transportation at a rate of 76% versus 22% that oppose.
- Two-thirds of the country supports pro-public transportation Congressional candidates.
- A majority of Americans believe that transportation investments are preferable over tax cuts to stimulate the economy.

According to survey researchers, these findings hold true across all geographies - urban, suburban, small town and rural residents and indicate that “Americans see quality of life benefits from increased investment in public transportation.”<sup>26</sup>



*These findings suggest that there is a reasonable opportunity for Southeast Florida's elected and private leaders to successfully advocate for and attain voter approval for a dedicated local funding source to help fund the region's local and regional transit and transportation related needs.*

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<sup>26</sup>American Public Transportation Association, [http://www.apta.com/media/releases/2004\\_poll\\_text.cfm](http://www.apta.com/media/releases/2004_poll_text.cfm)

# Critical Connections for Regional Mobility

DRAFT



South Florida Regional Planning Council  
07/30/04  
www.sfrpc.com

TREASURE COAST  
**TCRPC**  
REGIONAL PLANNING COUNCIL

- Definitions**
- Urban Corridors
  - Premium Service
  - Metromover
  - Metrorail
  - Tri-Rail/Amtrak
  - Major Traffic Corridors
  - Regional Intermodal Center
  - Intermodal Center
  - Regional Centers
  - Airports
  - Seaports
  - Colleges
  - Stadiums/Arenas and Convention Centers
  - Conservation Lands, Water Preserves, etc.
  - Agricultural Areas
  - Everglades Agricultural Area
  - Water

Sources: FDEP, SFWMD, TCRPC, Monroe, Miami-Dade, Broward & Palm Beach Counties, SFRPC  
Note: For planning purposes only. All distances are approximate.

## Some Funding Alternatives for Consideration

Local infrastructure in Florida is financed primarily through a variety of local government revenue sources. These sources include user fees, ad valorem monies, local option taxes, special assessments, and impact fees, as well as bond issues and other debt. The federal and state governments also provide limited funding to local governments for infrastructure needs through various grants and loan programs<sup>27</sup>.

### Ad Valorem Property Tax

#### *Option for Monroe, Miami-Dade, Broward, and Palm Beach counties*

The Florida Constitution (Article VII, Section 1(a)) preempts to the state the authority to levy taxes. The only tax which local governments are authorized to levy under the state constitution is the ad valorem tax.

The local ad valorem tax is an annual tax by local governments and special districts based on the value of real and tangible personal property. Ad valorem taxes are levied by counties, municipalities, school districts and independent special districts (such as the state's water management districts and hospital districts). Ad valorem taxes are the responsibility of the property owner, and are not applied to visitors or renters. Since 2000, average millage rates have been declining although revenue has generally been increasing due to the rapid increase in the value of real estate throughout South Florida.

All counties are limited to 10 mills (\$1 per \$1,000 of value) for operating purposes. Dependent special districts must fall within the cap of the entity they are dependent upon, such as the county. School districts and municipalities are also limited by the state constitution to 10 mills each. Article VII, Section 4 of The Florida Constitution limits the amount of increase in assessed value from year to year to no more than 3%, once the property qualifies as a homestead. Significant increases in value are limited to the homes that are sold each year.

### 2003 Florida County Ad Valorem Tax Profile County Government Levies Only<sup>28</sup>

	<i>Operating</i>	<i>Other</i>	<i>Debt Service</i>	<i>Dependent Special Districts</i>
<b>Monroe</b>	3.5238	0	0	0
<b>Miami-Dade</b>	5.9690	0	0.2850	0
<b>Broward</b>	6.6065	0	0.5815	0
<b>Palm Beach</b>	4.5000	0	0.2910	7.2730 <sup>29</sup>

<sup>27</sup> "Local Infrastructure Funding Options," Florida Legislative Committee on Intergovernmental Relations, June 2002

<sup>28</sup> Florida Legislative Committee on Intergovernmental Relations, April 30, 2004; "Florida Property Valuations & Tax Data," Florida Department of Revenue, (2003 edition)

Local voters may approve additional taxes above the counties' 10 mill cap for a period of not longer than two years, with the exception of debt service which has no time restriction. As a source of dedicated revenue, ad valorem taxes are unpopular with municipalities and special districts that are under pressure to keep rates low.

## Local Option Fuel Tax

### *Option for Monroe and Miami-Dade counties*

Each county in Florida is eligible to levy up to 12 cents on every net gallon of motor fuel. The tax on diesel fuel is levied statewide at a uniform rate of 7 cents per gallon. Gas tax revenue may be used for transportation projects, primarily focused on right-of-way acquisition, roadway construction and maintenance. Gas tax revenues may also be used for transit infrastructure. Broward and Palm Beach counties currently collect the maximum rate of 12 cents per gallon on motor fuel. Miami-Dade collects 10 cents and Monroe collects only the first 6 cents.

### 2004 Tax Rates - Local Option Fuel Tax Levied on Motor Fuel - Fiscal Year Ending September 30, 2005

	<i>1 - 6 cents</i>	<i>1 - 5 cents</i>	<i>9<sup>th</sup> cent</i>	<i>Estimate of Unrealized Revenue<sup>30</sup></i>
<b>Monroe</b>	6 cents	0 cents	0 cent	\$ 3,282,354
<b>Miami-Dade</b>	6 cents	3 cents	1 cent	\$18,502,686
<b>Broward</b>	6 cents	5 cents	1 cent	\$ 0
<b>Palm Beach</b>	6 cents	5 cents	1 cent	\$ 0

## Vehicle Registration Surcharge

*\$ 2 fee an option for Miami-Dade, Broward, and Palm Beach counties subject to approval by voter referendum; Option for Monroe County subject to approval by the Florida Legislature*

In 2003, the Florida Legislature approved legislation authorizing a \$2.00 vehicle registration and renewal fee that could be levied on annual vehicle tag registrations and renewals in Miami-Dade, Broward, and Palm Beach counties. This fee would be subject to voter approval and provide the South Florida Regional Transportation Authority with an additional dedicated funding source.

The South Florida Regional Transportation Authority, at the urging of Miami-Dade, Broward, and Palm Beach counties, has included in their 2005 State Legislative Program a proposal to increase the authorized fee to \$5.00 per vehicle registration and renewal. This is a source of

<sup>29</sup> Multiple dependent special districts; less than county wide levy

<sup>30</sup> "Estimation of Realized and Unrealized Revenues, 1 to 5 Cents Local Option Fuel Tax;" "1 to 6 Cents Local Option Fuel Tax;" "Ninth Cent Fuel Tax, Local Fiscal Year Ending September 30, 2005," Legislative Committee on Intergovernmental Relations

revenue that can be collected regionally; however, if it were to be the only local dedicated funding source, the amount of revenue generated would not be significant enough to enable the development of a robust transit system.

### Vehicle Registrations and Registration Renewals (Transactions)<sup>31</sup>

	FY 02/03	FY 03/04	Percentage Increase
<b>Monroe</b>	101,003	103,832	3%
<b>Miami-Dade</b>	1,953,903	1,978,733	1%
<b>Broward</b>	1,352,989	1,467,289	8%
<b>Palm Beach</b>	1,022,838	1,051,106	3%
<b>TOTAL</b>	4,430,733	4,600,960	4%

It is not likely that this controversial funding source will be approved by the Legislature absent a provision requiring a voter referendum. It should also be noted that the organization Floridians for Better Transportation, a statewide transportation advocacy group, is also requesting legislative approval of a \$6.00 per motor vehicle registration surcharge to fund transportation needs.

### Local Option Sales Taxes Authorized by the Legislature

The Florida Legislature has authorized county governments to levy a variety of local discretionary sales surtaxes. Seven of Florida’s charter counties also have the authority to levy a separate Charter County Transit System Surtax.

In 2004-2005, Florida is expected to collect about \$19.4 billion in sales taxes but exempt more than twice as much -- \$43.6 billion<sup>32</sup>. These exemptions include food, prescription drugs, health services, residential rents and utilities and many other items. Taxable items are defined under Florida Statute and can only be changed by the state legislative process.

The State of Florida collects 6% sales tax on taxable items. Broward County does not levy an additional sales surtax; Palm Beach County collects ½ cent surtax for schools; and Monroe County collects 1 ½ cents for local government infrastructure and schools. A one percent or one cent sales tax increase generates one dollar for every \$100 in taxable goods purchased.

### Local Discretionary Sales Surtax

#### *Not currently an option for transit related projects*

Local Discretionary Sale Surtaxes generally are an attractive potential dedicated funding source for county governments because of the opportunity it provides to generate significant revenue from the purchases made by tourists.

<sup>31</sup> Revenue Reports for FY July1, 2003- June 30, 2004 and FY July 1, 2002-June 30, 2003, Florida Department of Highway Safety and Motor Vehicles, Note: These numbers do not include vessels of any kind.

<sup>32</sup> Floridians Against Inequities in Rates (FAIR), [www.fairamendment.com](http://www.fairamendment.com), Senator John McKay, Chairman

In Florida, counties may levy a number of local discretionary sales surtaxes up to 1 percent. The local discretionary surtax categories are the Local Government Infrastructure Tax, Small County Surtax<sup>33</sup>, Indigent Care/Trauma Centers Surtax, County Public Hospital Surtax, and the Voter-Approved Indigent Care Surtax<sup>34</sup>. These surtaxes are in addition to the Charter County Transit System Surtax available to seven of the state's charter counties and School Capital Outlay Surtax available to the state's public school districts.

Individually, these surtaxes are subject to a statutory rate cap of either 0.5 or 1 percent and applied to the first \$5,000 of any single taxable item, when sold to the same purchaser at the same time. The \$5,000 limitation does not apply to the rental of commercial real property, transient rentals, or services. Four of the seven discretionary surtaxes (i.e., the Charter County Transit System Surtax, Local Government Infrastructure Surtax, Voter-Approved Indigent Care Surtax, and School Capital Outlay Surtax) require voter approval in a countywide referendum as the sole method of authorization<sup>35</sup>.

Many of these surtaxes have expenditure restrictions. For example, larger urban counties are not permitted to use the proceeds of the Local Government Infrastructure Surtax to fund the operational expenses of infrastructure. This is problematic given the fact that the majority of local infrastructure costs relate to operating and personnel expenses rather than capital outlay.<sup>36</sup>

Currently, the use of funds raised pursuant to an increase in the Local Government Infrastructure Surtax is limited to "infrastructure" as defined in 212.055(2)(d), Florida Statutes. Defined, in part, as "Any fixed capital expenditure or fixed capital outlay associated with the construction, reconstruction, or improvement of public facilities which have a life expectancy of 5 or more years and any land acquisition, land improvement, design, and engineering costs related therein....," **it appears that absent an Attorney General's opinion to the contrary, funds raised pursuant to the Local Government Infrastructure surtax may not be used for transit related improvements absent a statutory change.**

This again underscores the need to pursue statutory changes that will increase local flexibility by increasing existing tax rate limits and removing restrictions that limit the purposes for which funds may be used. Additionally, local governments should pursue the development of multiple funding sources that can be used to meet both capital and operational costs.

## **Charter County Transit System Surtax**

### ***Option for Miami-Dade and Broward counties subject to approval by voters in a countywide referendum***

The Charter County Transit System Surtax may be levied at a rate of up to 1 percent by those charter counties that adopted a charter prior to January 1, 1984 as well as county governments

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<sup>33</sup> Available to counties with a population of 50,000 or less.

<sup>34</sup>Subject to referendum approval, the Voter-Approved Indigent Care Surtax may be levied by counties with less than 800,000 residents at a rate not to exceed 0.5%.

<sup>35</sup>"Local Funding Infrastructure Options", Florida Legislative Committee on Intergovernmental Relations, June 2002, pg.7.

<sup>36</sup> *ibid*, pg. 8.



that have consolidated with one or more municipalities. In the case of charter counties, the levy is subject to a charter amendment approved by a majority vote of the county's electorate or approval of the surtax in a countywide referendum. Generally, the use of the proceeds is for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, and roads and bridges.

This surtax is in addition to the local discretionary sales surtaxes discussed above. **In South Florida, because Palm Beach County's charter became effective in 1985, only Miami-Dade and Broward may levy the Charter County Transit System Surtax.** At this time, only Miami-Dade County collects sales tax for transit under this category at a rate of ½ percent. This tax may be used for planning, development, construction and operation of transit and transportation projects, as defined in 125.011(1) Florida Statutes. A minimum of 75% of the revenue must be used for transit projects including rapid transit, fixed guideway, bus and financing bonds. The ability to use this tax to fund operational costs as well as capital costs makes it a superior choice to the Local Government Infrastructure Tax.

Broward County can levy up to a one cent sales tax under the Charter County Transit System Surtax provision subject to voter approval in a countywide referendum. A one cent sales tax would generate an estimated \$260.7 million in revenue annually, based on Fiscal Year 2005 data<sup>37</sup>. Because Palm Beach County's charter became effective in 1985, state legislative approval would be required to permit the County to create and levy a separate transit system surtax.

### **Other potential funding sources**

Pursuant to an invitation by VisionBROWARD, economists in the West Virginia University College of Business and Economics, Mehmet S. Tosun, and graduate research assistant Pavel A. Yakovlev were among four teams invited from across the country to present a development financing proposal in Broward County.

In their August 2004 paper "Funding Challenges and Opportunities in a Growing Tourism Destination: The Case of Broward County," Dr. Tosun and Dr. Yakovlev discuss the expanding tourist opportunities Broward County will be experiencing within the next few years. Their plan capitalizes on this tourism boost and proposes greater use of tourism related revenue sources such as hotel/motel tax, restaurant tax, regional assets tax and tourism user fees like beach entrance and community pool fees. They also propose a local value added tax (VAT) as a long-run solution to future development financing needs.

A value-added tax (VAT) is a tax on the value added by businesses in doing business. In short, it is the total revenue less the non-labor (supply) inputs used to make goods and provide services. The general assumption is that the tax is passed forward to the consumer, and has the same effect as a tax on the finished product, much like a sales tax.



*A sales tax is the only source evaluated that can generate sufficient funds over a 25 year period to make the development of a rail transit system with the necessary supporting bus connections feasible. If a*

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<sup>37</sup> "Charter County Transit System Surtax, Estimation of Realized and Unrealized Revenues, Local Fiscal Year Ending September 30, 2005," Florida Legislative Committee on Intergovernmental Relations

*one cent sales tax were in effect in Broward County, it would be expected to raise a minimum of approximately \$261 million per year if collected for a full year for the fiscal year ending September 30, 2005 or \$6.525 billion over a 25 year period. These funds, along with continued funding from existing sources, would be sufficient to fund the local share of building, operating and maintaining a high quality transit system, and can be used to guarantee bonds that will enable Broward County to build a better future.*

### Summary of Available Potential Funding Sources for Transit

	Gas Tax	Local Gov.'t Infrastructure Surtax*	Charter County Transit Surtax	Ad Valorem
<b>Monroe</b>	Yes	No	No	Yes
<b>Miami-Dade</b>	Yes	Yes	Yes	Yes
<b>Broward</b>	No	Yes	Yes	Yes
<b>Palm Beach</b>	No	Yes	No	Yes

\* The Florida Legislature would have to expand the approved uses of the Local Government Infrastructure Surtax to include transit-related investments.

### Miami-Dade County's People's Transportation Plan

Miami-Dade County's successful passage of the "2002 People's Transportation Plan" and ½ percent sales tax increase for transit in 2002 was a hard won victory. It followed on the heels of the overwhelming defeat of the "Transit Not Tolls Campaign" in 1999 that sought to increase the sales tax by one percent.

A comparison of the differing approaches undertaken in the campaign provides useful information regarding key aspects of a successful campaign. Approved by 2/3 of the voters voting in the referendum, key components of the campaign included development of a clear and precise plan detailing specific transit and transportation priorities and projects; community outreach and input into the plan; municipal buy-in and revenue sharing; creation of an independent authority to oversee implementation of the plan and ensure that tax revenues are properly spent; use of the funds for only transit and transportation-related projects while ensuring that existing transportation investments would not be diverted to other uses; and elimination of what was perceived by the public in 1999 as "special interest" money from the campaign.

## **Municipal Support**

Miami-Dade County's cities and city-elected leaders played a critical role in the passage of the November 2002 referendum. As partners in this effort, 31 municipalities in existence at the time of the referendum receive 20% of the surtax revenues generated. These funds may be spent on transportation enhancements only. In order to prevent a "bait and switch" of funds, municipalities are required to maintain<sup>38</sup> the level of their transit and transportation investments.

New funds provide additional resources, not replace existing resources. The surtax revenue is distributed on a per capita basis. Of the funds received, municipalities are required to spend at least 20% of their share on transit programs and/or services. Should the municipality not utilize this portion for transit services, it reverts to Miami-Dade Transit for implementation of transit services. Municipalities are required to submit a list of their transportation projects to the Citizens' Independent Transportation Trust for review to ensure that they are eligible under Florida Statutes to be funded by the surtax funds<sup>39</sup>.

In November 2002, Miami-Dade County had 31 municipalities. Today, even as the number of municipalities has increased, these original 31 municipalities continue to share the full 20% of the revenue generated by the surtax. As new cities have been created in Miami-Dade County, these local governments are referred to the County Manager's office where they can negotiate for a portion of the County's 80% surtax revenue. Clearly the issue of addressing the needs of new cities is a topic of concern for both Miami-Dade County and its municipalities. One argument put forth by the original 31 communities opposed to sharing the 20% of the funds originally set aside for them is that many of them have issued bonds based on their proportional share of the revenue stream and that reducing the amount of resources they currently receive would cause significant financial difficulty. On the other hand, as the County reallocates a portion of its 80% of the surtax revenue to new cities, similar concerns arise for the County. Certainly, the matter of how one addresses the needs of new municipalities is a topic that bears further study and discussion<sup>40</sup>.

## **Independent Citizen Oversight**

With the passage of Ordinance 02-117, the Miami-Dade County Board of County Commissioners approved the creation of the Citizens' Independent Transportation Trust. The 15 members of the Citizens' Trust serve as an independent watchdog group. They are empowered to monitor, oversee, review, audit and investigate implementation of the transportation and transit projects funded in whole or in part with the surtax proceeds. A nominating committee comprised of 20 members who are representative of the geographical, ethnic, racial and gender make-up of the County submit a slate of candidates for membership to the Citizens' Trust to the Commission for their review and consideration.

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<sup>38</sup> Recent information from Miami-Dade indicates that even with the benefit of a dedicated funding source, counties and cities should strive to increase their local maintenance effort at a reasonable rate, not simply maintain it in order to minimize the likelihood of future budget deficits.

<sup>39</sup> People's Transportation Plan Resource Guide

<sup>40</sup> 11 February 2005, Telephone conversation with Mr. Nestor Toledo, Citizens' Independent Transportation Trust

Municipalities are required to submit their list of transportation projects for compliance review. The Trust has the authority to request reports and audits on transportation projects funded with surtax revenue. The Board of County Commissioner may overturn a decision of the Citizens' Trust by a 2/3 (9 of 13) vote of the full Board of County Commissioners.

### Some Components of Successful Transit Initiatives

The Mineta Transportation Institute<sup>41</sup> was established by Congress as part of the Intermodal Surface Transportation Efficiency Act of 1991. MTI focuses on international surface transportation policy issues as related to three primary responsibilities: research, education, and technology transfer.

The following excerpts from two recent studies by the Mineta Transportation Institute, MTI Report 01-17<sup>42</sup> and MTI Report 00-1<sup>43</sup> provide the following recommendations and observations:

- The combination of energetic and credible opposition and a questionable reputation of the transit agency and/or the transit system make it extremely difficult for a ballot measure to be successful.
- When a community has no prior rail transit system, a comprehensive rail-only package is extremely unlikely to be successful.
- Without approximately \$1 million or more to spend on a combination of direct mail and television advertising it is difficult for proponents to be successful.
- It is extremely difficult to be successful in fundraising without having the business community and key elected officials enthusiastically support the ballot measure<sup>44</sup>.
- The degree of enthusiasm that the business community and key elected officials hold is apparently influenced by the degree to which they are involved in developing the transportation package. They are more likely to be enthusiastic supporters if they are involved in the development of the package.
- A budget cap should be identified to determine the magnitude of the transportation package. This budget cap will help create a transportation package that reflects community priorities for the package.
- Involving the business community, key elected officials, and possibly representatives from environmental organizations can make it difficult to develop a consensus about a specific transportation package that can be enthusiastically supported by all groups and key individuals.

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<sup>41</sup> The Mineta Transportation Institute receives policy oversight from "an internationally respected board of trustees who represent all of the major transportation modes." (<http://transweb.sjsu.edu/>)

<sup>42</sup> "Factors Influencing Voting Results of Local Transportation Funding Initiatives with a Substantial Transit Component: Case Studies of Ballot Measures in Eleven Communities," Mineta Transportation Institute, October 2001

<sup>43</sup> "Why Campaigns for Local Transportation Funding Initiatives Succeed or Fail: An Analysis of Four Communities and National Data," Mineta Transportation Institute, June 2000

<sup>44</sup> As noted above, Miami-Dade County chose not to fundraise for the successful 2002 referendum because of negative public perception.

**1999 Transit Not Tolls Campaign**  
**Failed** 67.5% to 32.5% (July 1999)  
 Special Election: Voter Turnout 27%

**2002 People’s Transportation Plan**  
**Approved** 66% to 34% (November 2002)  
 General Election: Voter Turnout 52%

**Top-to-Bottom Approach**

- County Creates “Transit Not Tolls” Campaign
- Plan includes both transportation and non-transportation programs
- Transit improvements listed in general terms
- One Percent Sales Tax Increase
- Did not include a maintenance of existing effort/general fund subsidy to Miami-Dade Transit.
- Municipal Share is limited to a reimbursement equivalent to local option gas tax.
- Oversight is not independent.
- Campaign managed by outsiders
- Over \$ 1 million raised from the private sector

**Bottoms-Up Approach**

- County seeks community input on solving the transportation problems. 80 public meetings, 2 transportation summits, radio call in shows, municipal and community council meetings
- The plan contains only transit and transportation related projects.
- Detailed list of transit projects
- One-half Percent Sales Tax Increase
- Included maintenance of effort<sup>45</sup> / \$112 million annual subsidy from the general fund.
- Cities are full partners. Municipal share equals 20% of the revenues generated. Distributed on a per capita basis.
- Independent “Citizens’ Independent Transportation Trust” Watchdog group is created with powers over the Plan.
- Campaign managed in-house by county staff with grassroot support
- No fundraising

Source: People’s Transportation Plan Resource Guide prepared by Miami-Dade County

<sup>45</sup> The “maintenance of effort” requirement means that the county and cities agreed to maintain the level of their investment that existed at the time of voter approval of the ½ sales tax. However, it is important to note that Miami-Dade County has recently acknowledged that maintaining the level of effort is not sufficient; that they must in fact increase their level of effort to keep up with growing costs if they are to keep the promises that were made to the public.

- Developing a consensus transportation package depends on the specific details of the package and it is very difficult to generalize about the needed details. They will vary from community to community. As a general example, the inclusion of a highway component was important with some successful measures but this same component might have hindered success in other communities that were successful when a highway component was absent.
- Priorities should be based upon information from a variety of sources. Information should be collected directly from the public through research techniques such as focus groups and surveys. Surveys can be useful in identifying voters' priorities. Involvement of a citizen advisory group in the decision-making process also can be useful in establishing priorities. Representatives from key interest groups, such as the business community and environmental representatives should be included in these citizen advisory groups.
- Although opposition may not exist when effective coalition building strategies are used, such opposition usually will arise and it may come from surprising sources. Since the campaigns usually are of short duration, rapid responses to opposition are needed. Contingency planning is needed to provide effective rapid responses.
- Under certain circumstances, voters do not appear to place significant importance on the existence or length of the expiration date of the tax used to fund the transportation package.

## FINDINGS

*South Florida is at a critical crossroads in planning and implementing the positive changes needed to create a better built environment and a transit/transportation system that will help secure the region's future quality of life.*



The negative costs associated with growing congestion and inadequate transportation choices are significant and unsustainable over the long term. A comprehensive transit system supported by appropriate land uses will help slow the rate of growing traffic congestion and ease negative economic and social impacts.



The success of a regional transit in South Florida will depend greatly on where and how people live and work. Tomorrow's land use will dictate the success of transit. Studying specific nodes of land-use at station locations is not sufficient. To support a successful regional transit system, the land use of key transportation corridors throughout the region will need to be updated to support transit-oriented and supportive development that will make it easier for people to use the transit system.



Investments in transit and transit supportive development will provide the region with many opportunities including greater access to jobs, affordable housing and other community assets, improved mobility, and enhanced economic growth, while slowing the rate of increasing congestion.




Creating and maintaining a transit system that offers a full range of quality services requires significant resources, both capital for building infrastructure and fleet capacity as well as operating funds to operate and maintain the system. Ongoing, dependable funding is also essential to plan for the future and achieve both long-term and short-term mobility objectives.





The transportation prioritization and funding process is a time consuming and complex process. Because major projects, programs, and funding efforts can take 10, 15 or more years to develop, it is important that the region's public and private sector leaders take immediate action to secure the necessary financial resources that are needed to address current and future needs.





Various local funding sources can be used to help fund a portion of the region's transit needs. These funding sources include, but are not limited to, ad valorem property taxes, local option fuel taxes, and charter county transit system surtaxes. These funding sources are not uniformly available across the region and offer varying degrees of benefits and challenges.


 Of the funding sources considered in this paper, only a one cent sales tax begins to provide adequate funds to pay for needed transit and transportation-related improvements while shifting a portion of the costs to tourists who use the region's transportation system.


 National trends and transit referenda indicate that the public is willing to invest in transit and transportation-related improvements if there is detailed plan developed with public input, clear benefits, oversight and accountability.


 Although the recent controversy regarding management of the ½ sales tax for transit and transit-related budget shortfalls in Miami-Dade County is an additional and significant challenge that will need to be overcome, there is a reasonable opportunity for Southeast Florida's elected and private leaders to successfully advocate for and attain voter approval for a dedicated local funding source to help fund the region's local and regional transit and transportation related needs.

 Local governments must be willing to increase their yearly "maintenance of effort" even with additional funds from a transit surtax if they wish to keep up with growing capital and operational expenses.

 A one cent sales tax will add an additional dollar in tax for every \$100 of taxable items purchased while providing the enacting county with a required local dedicated funding source needed to qualify for millions of dollars in federal funding assistance.

 In calculating long-term transportation funding needs it is important to periodically reexamine funding and timing assumptions that are made when preparing transportation proposals and to be conservative when estimating the level and availability of federal funding.

 Major transit investments require a long-term commitment at the local level to fund the development, maintenance and operation of the transit system. While the federal government is often an important partner with local governments on public transportation projects, federal funds are limited, in high demand, and over committed for the foreseeable future.

 Successful campaigns to create dedicated local funding sources to support transit and transportation investments share common characteristics. In Miami-Dade County these characteristics included the development of a clear and precise plan detailing specific transportation priorities and projects; community outreach and input into the plan; municipal buy-in and revenue sharing; creation of an independent authority to oversee implementation of the plan and ensure that tax revenues are properly spent on transit and transportation-related projects; and the elimination of perceived "special interest" money from the campaign.



## RECOMMENDATIONS

*The region's counties, in partnership with their cities, should pursue the creation of dedicated long-term local funding sources for transit and transit-related projects that will generate sufficient revenue to meet local and regional transit needs.*



Broward, Palm Beach, and Monroe counties should establish dedicated local funding sources for transit in order to meet a key minimum requirement for federal matching funds for transit related capital improvements. In Broward and Palm Beach counties, a one cent sales tax begins to provide adequate funds to pay for needed transit and transportation related improvements while shifting a portion of the costs to tourists who use the region's transportation system.



The South Florida and Treasure Coast Regional Planning Councils should be funded to undertake the creation of a regional land use and transportation strategy that will support local, state, and federal transit investments. The development of this plan is one of the Federal Transit Administration's key requirements for New Starts federal funding.



New funds should be used to supplement, not substitute, existing transit investments by county and municipal local governments. Local governments must be willing to increase their yearly "maintenance of effort," even with voter approval for a transit surtax, if they wish to keep up with growing capital and operational expenses.



Broward County should move to secure voter approval to levy a Charter County Transit System Surtax. Palm Beach County should secure legislative approval to create a special transit surtax or expand the permitted uses of the Local Government Infrastructure Surtax to include the development and operation of transit systems. Likewise, Monroe County may wish to petition the Legislature for the creation of a special transit surtax.



In order to address both the capital and operational needs of a local and regional transit system, multiple funding sources will be needed. The region's local governments should work together to pursue legislative approval for additional funding sources and expansion of the amount and uses of existing funding sources.



Because long-term operational expenses typically far exceed the capital costs associated with creating a comprehensive local and regional transit system, the region's local governments must anticipate and plan for these costs as they develop their specific transportation priorities and projects and develop funding sources that can be used to meet these expenses.



Additional research is needed to determine if Broward and Palm Beach county voters will support the maximum one percent surtax. As Miami-Dade County has recently learned, even the millions of dollars generated by the one-half percent surtax are insufficient to meet the county's growing transportation needs.

## APPENDIX A

## Appendix A

### **Runzheimer Report on Cost of Car Ownership**

<http://www.transact.org/report.asp?id=224>

A new report, released from Runzheimer International, a firm specializing in transportation reimbursement, examines the costliest places to own a car. The report finds that, based on insurance premiums, Detroit is the most expensive place in the nation to own a car.

### **Texas Transportation Institute 2004 Urban Mobility Study**

<http://mobility.tamu.edu/ums/>

Released annually, the TTI Urban Mobility Study shows quantitative analysis of how transportation systems in 85 US cities measure up in terms of relieving congestion, time delay savings, and the costs associated with them. For the second year in a row, the report also measures the benefits of public transportation.

### **Fixing It First: Targeting Infrastructure Investments to Improve State Economies and Invigorate Existing Communities**

[http://www.nga.org/center/divisions/1,1188,C\\_ISSUE\\_BRIEF%5ED\\_7181,00.html](http://www.nga.org/center/divisions/1,1188,C_ISSUE_BRIEF%5ED_7181,00.html)

The National Governors Association has released a new report that examines how states are shifting from building new roads, schools, and utilities and are instead turning to fixing and enhancing existing infrastructure as a way to control government spending, create and retain jobs, and revitalize communities.

### **Surface Transportation: Many Factors Affect Investment Decisions**

<http://www.gao.gov/new.items/d04744.pdf>

The General Accounting Office has released a new report that examines surface transportation decision-making structures across the country and the factors that influence them. This is a great resource for exploring the 'beyond-the-textbook' processes involved with infrastructure investments.

### **Washington's Metro: Deficits by Design**

[http://www.brookings.edu/urban/publications/20040603\\_puentes.htm](http://www.brookings.edu/urban/publications/20040603_puentes.htm)

A new report by Robert Puentes of the Brookings Institution examines the unusual financial structure of the Washington Metropolitan Area Transit Authority (WMATA), specifically, the underutilization of a dedicated funding source and overreliance on municipal general fund revenues. Puentes recommends that a dedicated funding source is needed.

### **Measuring Up: The Trend Toward Voter Approved Transportation Funding**

<http://www.transact.org/report.asp?id=201>

Voters across the country are increasingly being asked to approve new funding measures for transportation at the polls. In 2002, as many as 41 transportation measures appearing on the ballot could – if approved – be worth as much as \$117 billion in new funding over the next 20 years. This emerging trend marks a significant shift in the traditional method of financing transportation projects and programs – away from legislatively approved user fees (e.g. gasoline taxes) and towards voter-approved general revenue taxes (e.g. sales taxes, general fund budget revenues, bonds, etc.). The move towards voter-approved transportation financing is found to be a product of two trends: (1) the reluctance to increase traditional "user fee" revenues, especially state gasoline taxes that have failed to keep pace with

inflation; and (2) the demand for more public transit projects which are difficult to finance from traditional user fees.

### **Aging Americans Left With Little Choice**

<http://www.transact.org/report.asp?id=232>

A new report from the Surface Transportation Policy Project, titled "*Aging Americans: Stranded Without Options*," looks at the limited available transportation options for Americans aged 65 and older, a group that is expected to nearly double by 2025.

### **The Need For Regional Anti-Congestion Policies**

[http://www.brook.edu/urban/publications/20040220\\_Downs.htm](http://www.brook.edu/urban/publications/20040220_Downs.htm)

The Brookings Institution has recently released a new report, "The Need for Regional Anti-Congestion Policies." The report's author, Anthony Downs, describes the implementation inadequacies of anti-congestion policies, and offers new policy paradigms on the regional level.

### **Americans Support Public Transportation Growth and Investment**

[http://www.apta.com/media/releases/2004\\_poll\\_text.cfm](http://www.apta.com/media/releases/2004_poll_text.cfm)

A new survey from the American Public Transportation Association shows that Americans view increased quality of life benefits from investments in public transportation, that Americans want transportation legislation passed immediately, and that Americans believe that investments in transportation will stimulate the economy more than tax cuts will.

### **Characteristics and Performance of Regional Transportation Systems**

[http://www.epa.gov/smartgrowth/CharPerm\\_RTS.htm](http://www.epa.gov/smartgrowth/CharPerm_RTS.htm)

The Environmental Protection Agency released a report that examined 13 regional transportation systems and found that regions that have more route choices, better pedestrian environments, and more transit availability, also display lower vehicle miles of travel per capita, shorter vehicle trip length, less congestion, more transit trips and fewer emissions compared to their peers.<sup>1</sup>

### **STPP Report on Jobs and Investments in Transit**

<http://www.transact.org/library/decoding.asp>

The Surface Transportation Policy Project has released their 11th decoder, this one focusing on job creation as a result in investments in transit and road and bridge maintenance. The report shows evidence that more jobs are created when investments are made in transit and maintenance, as opposed to building new roads.

### **2005 New Starts Report**

<http://www.fta.dot.gov/library/policy/ns/ns2005/nscover.html>

The Federal Transit Administration released its "Annual Report on New Starts," which includes a proposal on the allocation of amounts to be made available to finance grants and loans for capital projects for new fixed guideway systems and extensions to existing fixed guideway systems ("New Starts").

### **Hidden in Plain Sight: Capturing the Demand for Housing Near Transit.**

<http://www.reconnectingamerica.org/html/TOD/>

A study by Reconnecting America's Center for Transit Oriented Development shows that demand for compact housing near transit is likely to more than double by 2025. "Hidden in Plain Sight: Capturing the Demand for Housing Near Transit" finds that across the U.S. more than 14.6 million households are likely to want to rent and buy housing near transit by 2025, double the number that live in these neighborhoods

today. Meeting this demand would require building 2,100 residential units near each of the 3,971 stations included in the study. CTOD Director Shelley Poticha calls this, "a staggering figure considering that only a small portion of housing is being constructed in these locations today. It means that transit could become the armature for a significant amount of regional growth and help increase transit ridership."

#### **Good Jobs First Report on Transportation Projects**

[http://www.goodjobsfirst.org/backintown\\_release.htm](http://www.goodjobsfirst.org/backintown_release.htm)

A new report by Good Jobs First finds that particular types of highway construction projects create more jobs than others. More specifically, the report found that Smart Growth and "Fix-It-First" highway maintenance projects create more jobs than sprawling new capacity projects. The report, *The Jobs Are Back in Town: Urban Smart Growth & Construction Employment*, specifically reviews the number of jobs created by different types of highway investment and found that "fix-it-first" or maintenance projects generated more construction jobs per dollar than new capacity projects.

#### **Community Transportation Association of America Report on Senior Mobility**

<http://www.ctaa.org/ct/sepoct99/burkhardt.asp>

Authored by Jon Burkhardt, *Mobility and Independence: Changes and Challenges for Older Drivers* documents the need for safe mobility options for seniors. Says Burkhardt, "Because of our focus on automotive transportation, most Americans (including the elderly) now live in communities that are not served well by public or private transit services...." The report calls for increased mobility planning and mobility choices.

#### **EPA Study on Travel and the Environmental Implications of School Siting**

[http://www.epa.gov/livability/school\\_travel.htm](http://www.epa.gov/livability/school_travel.htm)

This report "is the first study to empirically examine the relationship between school locations, the built environment around schools, how kids get to school, and the impact on air emissions of those travel choices. Over the next few decades, communities making decisions about the construction and renovation of thousands of schools will be challenged to meet multiple goals -- educational, fiscal, and environmental."

#### **Financing Intermodal Transportation**

<http://www.reconnectingamerica.org/html/RA/news.htm>

A report from "Reconnecting America" finds a funding gap of almost \$5-8 billion annually over the next five years to make needed connections between air, rail and highway systems to improve the flow of both passengers and goods, and recommends a number of actions to address the shortfall. The independent non-profit project Reconnecting America's Transportation Networks released the report by transportation finance expert William D. Ankner, PhD, former top executive at the Rhode Island Department of Transportation, in order to promote a dialogue on ways to generate the revenue needed to meet the growing demand for projects to eliminate bottlenecks in the national transportation system.

#### **Brookings Report on Aging America's Impact on the Transportation Landscape (PDF File)**

[http://www.brook.edu/dybdocroot/es/urban/publications/20030807\\_Rosenbloom.pdf](http://www.brook.edu/dybdocroot/es/urban/publications/20030807_Rosenbloom.pdf)

The Brookings Institution recently released a report titled "The Mobility Needs of Older Americans: Implications for Transportation Reauthorization". The report highlights the projected demographic change in America's aging population and its relation to our nation's transportation system. According to the report, by the year 2030, there will be more than 70 million Americans over the age of 65, more than

double what it was in 2000. The author, Sandra Rosenbloom, emphasizes the grave danger of over-reliance on the automobile, in terms of elderly mobility and accessibility and offers a host of policy options for reauthorization of TEA-21, the federal transportation bill.

**Light Rail Ridership Numbers On the Rise**

<http://www.apta.com/research/stats/ridershp/A1>

The American Public Transportation Association (APTA) released their Ridership Report for the first quarter of 2003 on July 21. The quarterly report estimates total transit passenger trips based on particular transit modes, including light rail, commuter rail, trolley and bus. The report showed that ridership numbers have increased for light rail, trolleybus, and bus systems that served populations greater than 2 million and below 100,000. The report also examines passenger characteristics including age, income, ethnicity, and percentage of riders using transit for work. APTA's Public Transportation Ridership Report is the most extensive national ridership data available.

**Transportation Costs and the American Dream: Why a Lack of Transportation Choices Strains the Family Budget and Hinders Homeownership**

<http://www.transact.org/report.asp?id=224>

A new report by the Surface Transportation Policy Project shows that transportation costs are taking an even bigger bite out of the family pocketbook, with America's families now spending more than 19 cents out of every dollar earned on transportation, an expense second only to housing and greater than food and health care combined. The report says that the nation's poorest families are especially hard hit, spending more than 40 percent of their take home pay just to get around, an expenditure that has risen 33 percent since 1992 and is making it all the more difficult for lower income families to afford housing, health care, and other critical services. Transportation costs are highest in sprawling areas such as Tampa, Phoenix and Dallas, due to spread out development patterns, the lack of transportation choices and the absence of convenient neighborhoods within walking distance of shops and schools. For many low and middle income families, the costs of owning and maintaining several vehicles may even be prohibiting their ability to own a home, one of the most reliable forms of wealth creation.

**Brookings Report on Access to Jobs in an Auto-Oriented World**

[http://www.brookings.edu/es/urban/publications/20030801\\_Waller.htm](http://www.brookings.edu/es/urban/publications/20030801_Waller.htm)

An August 2003 report, "The Long Journey to Work: A Federal Transportation Policy for Working Families" by Margy Waller and Evelyn Bumenberg of the Center on Urban and Metropolitan Policy at the Brookings Institution in Washington, D.C. focuses on the transportation needs of low-income workers. The report finds that low-income individuals face numerous challenges when trying to travel to work in areas without fast, reliable transportation systems. The authors argue that in most cities automobiles still represent the fastest and most reliable mode of transportation, a frustrating situation for low-income families who lack reliable automobile transportation. Although the report focuses on access to automobiles to improve economic outcomes, it makes a compelling case for improving the transportation options of the poor by improving fixed-route transit services and expanding paratransit and other door-to-door transit services.

This list of sources is taken from the Center for Transportation Excellence's website: [www.cfte.org](http://www.cfte.org)





## APPENDIX B

## 2004 Transit Ballot Measures

Center for Transportation Excellence (<http://www.cfte.org/success/2004BallotMeasures.asp>)

STATE	CITY	SUBJECT	DATE/COMMENT
AK	Anchorage	Proposition 11 asks voters whether Anchorage should issue up to \$1.57 million in general obligation bonds to pay for public transportation improvements.	ON BALLOT 04/06/04 <b>DEFEATED 52% TO 48%</b>
AZ	Phoenix	Maricopa County officials have a scheduled a 1/2 cent sales tax extension and a \$16 billion regional transportation plan on the May ballot. Phoenix's light rail system would also be funded with these two initiatives. The state legislature has pushed this vote back to November. Maricopa 2020 website: <a href="http://www.maricopa2020.com">www.maricopa2020.com</a>	ON BALLOT 11/02/04 <b>APPROVED 57% TO 43%</b>
AR	Jonesboro	The North East Arkansas Transit Authority board unanimously approved a motion to request that the Craighead County Quorum Court place a referendum on November's general election ballot to create and support through funding a Jonesboro-Craighead County transit system for a 3-year trial period.	DELAYED UNTIL 2005
CA	Bay Area	Under SB 916 of 2003, residents of seven Bay Area counties would vote in March 2004 to raise bridge tolls by \$1 to spend an estimated \$125 million a year for transit, planning and roads. The Bay Area's priorities include a \$50 million fourth hole in the Caldecott Tunnel, \$36 million to expand ferry service and \$50 million for a new five-lane span for the Benicia-Martinez bridge. Funds would also strengthen Bay Area Rapid Transit underground tunnels, renovate the TransBay Terminal in San Francisco and study Bay Area access to a proposed high-speed rail system in California. The measure needs majority approval of voters in seven counties with state-owned toll bridges to pass. That includes Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara and Solano counties. Yes on Measure 2 website: <a href="http://www.measure2.org">www.measure2.org</a>	ON BALLOT 3/2/2004 <b>APPROVED 56% TO 44%</b>  How Bay Area voted on Measure 2 County: YES NO Alameda 54% to 46% Contra Costa 51% to 49% Marin 64% to 36% San Francisco 69% to 31% San Mateo 55% to 45% Santa Clara 59% to 41% Solano 41% to 59%
CA	Bay Area	Voters in San Francisco, Alameda and Contra Costa counties will vote in November on a \$980 million bond issue to pay for earthquake safety modifications to BART. The same measure lost by 2.2 percentage points in 2002.	ON BALLOT 11/02/04 <b>APPROVED 70% TO 30%</b>
CA	Statewide	Initiative No. SB 1856 would authorize \$10 billion in bonds	DELAYED UNTIL

		for a high-speed rail system between L.A. and San Francisco. It would also tackle other public transportation needs. The bipartisan measure passed in the legislature and was referred to the voters for approval.	11/06
CA	East Bay Area	On August 4, the AC Transit Board of Directors voted to place Measure BB on the November 2, 2004 ballot. Should voters approve Measure BB by a two-thirds margin, AC Transit will use funds for the operation and maintenance of its service. Measure BB increases an existing parcel tax by \$2 per month and extends the tax for 10 years, until 2015. The existing independent citizens oversight committee will ensure that all Measure BB funds are spent only in cities and counties identified below and for the purposes approved by voters.	ON BALLOT 11/02/04 <b>APPROVED 72% TO 28%</b>
CA	Contra Costa County	Contra Costa County Transportation Authority is pushing for a renewal of Measure J, the countywide half-cent sales tax, set to expire in 2009. The measure has funded highway and transit projects since 1989. The new Measure C would raise \$1.6 billion in transportation funding through 2029 and update the "Growth Management Program" initiated by the first Measure C. <u>CCTA Measure C website</u>	ON BALLOT 11/02/04 <b>APPROVED 70% TO 29%</b>
CA	Sacramento County	Sacramento County Transportation Authority officials have proposed extending Measure A, the existing half-cent transportation sales tax, which is set to expire in 2009. If approved, the extension would raise \$4.7 billion for road and transit improvements	ON BALLOT 11/02/04 <b>APPROVED 75% TO 25%</b>
CA	San Mateo County	The San Mateo County Transportation Authority has adopted an expenditure plan for the reauthorization of Measure A, a half-cent transportation sales tax, which will net approximately \$1.5 billion over 25 years. Transit projects will receive 30%. A local group, Citizens for Better Transit, has opposed the expenditure plan considered adding a competing ballot initiative.	ON BALLOT 11/02/04 <b>APPROVED 75% TO 25%</b>
CA	Solano County	The Solano County Transportation Improvement Authority is advancing its plans for a separate, countywide tax that would raise an estimated \$1.43 billion during the next 30 years. A daunting, two-thirds approval, however, would be required to pass the tax measure. <u>www.solanotraffic.org</u>	ON BALLOT 11/02/04 <b>DEFEATED 64% TO 36%</b>
CA	Sonoma County	This November, Sonoma County voters will be asked to approve a sales tax hike that could raise \$470 million over 20 years to relieve the traffic congestion on Highway 101 and local streets. The spending plan for Measure M, the Traffic Relief Act for Sonoma County, also funds bike and pedestrian projects and continues work on a North Bay passenger rail line.	ON BALLOT 11/02/04 <b>APPROVED 67.2% TO 32.8%</b>
CA	Sonoma and	The Sonoma-Marin Area Rail Transit board is considering	DELAYED UNTIL

	Marin Counties	adding a quarter-cent sales tax on the November ballot to fund commuter rail	2006
CA	Santa Cruz County	The widening of Highway 1 and the construction of a 31-mile rail trail along the old Union-Pacific Rail line are now linked together on a November transportation ballot initiative. Residents of Santa Cruz County will be asked to pay a half-cent sales tax to raise \$530 million for the new projects as well as a passenger train station in Pajaro and a tourist trolley to run between Aptos and Capitola.	ON BALLOT 11/02/04 <b>DEFEATED 43% TO 57%</b>
CA	San Bernadino County	A plan to spend \$6 billion in local transportation money over the next 30 years was approved by the county's transportation agency, SANBAG, paving the way for a November ballot. According to the plan, nearly \$362 million would be allocated for a MetroLink extension to Redlands and a Gold Line extension to Montclair. Other improvements include \$180 million for bus and rapid transit. <u>Measure I Central</u>	ON BALLOT 11/02/04 <b>APPROVED 79% TO 21%</b>
CA	Marin County	The Marin Transportation Authority has called for a Marin-specific half-cent sales tax increase that would generate an estimated \$331 million over 20 years. Funds would be dedicated to maintaining and improving bus service, including special services for seniors and disabled persons; fully funding and completing Highway 101 carpool lanes through the heart of the county; maintaining and improving roads, bikeways, sidewalks, and pathways; and reducing school-related congestion and providing safe access to school. <u>Marin County Sales Tax Expenditure Plan website</u>	ON BALLOT 11/02/04 <b>APPROVED 71% TO 29%</b>
CA	Ventura County	Ventura County supervisors voted 4 to 1 to place a 1/2 cent sales tax increase measure on the November ballot to pay for road and transit improvements. Ventura County is the largest county in the state without its own transportation tax. <u>1/2 Cent Sales Tax Information</u>	ON BALLOT 11/02/04 <b>DEFEATED 40% TO 60%</b>
CA	San Diego	San Diego's regional planning agency, SANDAG, has produced a \$14 billion draft Expenditure plan for the TransNet program, a half-cent sales tax extension that funds transit and highway projects throughout the region, set to expire in 2008. The extension would provide funding through 2028. <u>TransNet website</u>	ON BALLOT 11/2/04 <b>APPROVED 67% TO 33%</b>
CO	Denver	The Regional Transportation District is moving forward with their \$4.7 billion FasTracks transit expansion plan which calls for construction of new light-rail or commuter-rail lines from central Denver to Lakewood/Golden, Arvada, Boulder/ Longmont, north Adams County and Denver International Airport, as well as along I-225 in Aurora. Fastracks Yes website: <u>www.fastracks.org</u>	ON BALLOT 11/02/04 <b>APPROVED 57% TO 43%</b>
CO	Garfield	Garfield County commissioners agreed to put a question	ON BALLOT

	County	on the November ballot asking voters outside [Aspen] city limits to decide if Garfield County should join the Roaring Fork Transit Authority.	11/02/04 <b>DEFEATED</b>
CO	El Paso County	County commissioners have proposed and approved a plan to form The Rural Transportation Authority which would serve Colorado Springs, Manitou Springs, Green Mountain Falls and unincorporated El Paso County if approved by voters. It would be funded with a 1-cent sales tax increase, with 55 cents of the tax expiring after 10 years. Fifty-five percent of the funding is set to go for road construction, 35 percent toward maintenance and 10 percent to transit. Roadway and maintenance money will be apportioned to the cities and county based on population.	ON BALLOT 11/02/04 <b>APPROVED 55% TO 45%</b>
CO	Aspen	Facing a 50% service cut, and for the second time in four years, the Roaring Fork Transit Authority plans to approach voters to bail it out of a financial jam. RFTA's board of directors voted 6-1 to seek a sales tax increase from the towns and counties throughout the Roaring Fork Valley, the size of the increase yet to be determined, although the total amount collected cannot exceed one cent in any jurisdiction.	ON BALLOT 11/02/04 <b>APPROVED 77% TO 22%</b>
FL	Statewide	A repeal provision to develop and operate a high-speed ground transportation system in the state.	ON BALLOT 11/02/04 <b>APPROVED 64% TO 36%</b> NO HSR IN FLORIDA!!!!
FL	Miami Beach	Miami Beach voters will be able to weigh in on a nonbinding question to determine whether BayLink, the light-rail trolley system that would move people around South Beach and connect to downtown Miami, should be built.	ON BALLOT 11/02/04 <b>APPROVED</b>
FL	Broward County	To improve Broward's mass transit options, the county hopes to develop a program with the Metropolitan Planning Organization that would pay for transit partly through an expanded impact fee.	MONITOR PROGRESS
KY	Lexington	LexTran's new general manager, Terry Garcia Cruz, wants to put a 6 mill property tax on the November ballot, which would be the agency's first dedicated funding source, and would allow for necessary service expansions.	ON BALLOT 11/02/04 <b>APPROVED 54% TO 46%</b>
IN	Indianapolis	A 1% food and beverage tax to fund transit projects has been proposed by IndyGo. Monitor development.	DELAYED UNTIL 2005
MI	Van Buren County	The Van Buren Public Transit system, at risk of complete service elimination, has operated without a dedicated funding source. The county board has recommended a county levy of up to a quarter-mill for the November 2 election. If passed, the levy would raise an estimated	DELAYED UNTIL 2005

		\$513,853 per year	
MI	Port Huron	Residents in Fort Gratiot, Port Huron and Port Huron Township will vote on renewing a four-year property tax that funds bus services run by Blue Water Area Transit.	ON BALLOT 5/4/04 <b>APPROVED 69% TO 31%</b>
MI	Saginaw	The City of Saginaw has approved the proposed ballot language for the renewal of 3 mills for the Saginaw Transit Authority Regional Services (STARS)	ON BALLOT 3/2/04 <b>DEFEATED BY 200 VOTES</b>
MI	Flint	The MTA (Flint) is proposing a new tax, 0.3 mills would pay to support existing services, and 0.1 mills would finance additional service, including additional vehicles on the road and expansion of night hours on fixed routes. The tax would raise \$3.8 million in new money.	ON BALLOT 8/3/04 <b>APPROVED 54% TO 46%</b>
MI	Lansing	The Capital Area Transportation Authority is calling for a .0322 millage increase, a total of 2.22 mills on property for five years. If approved, the millage would bring approximately \$12.1 million annually.	ON BALLOT 8/3/04 <b>APPROVED 60% TO 40%</b>
MI	Ludington and Scotville	The Ludington Mass Transit Millage renewal request is for 0.75 mills for Ludington residents and 1.3 mills for Scotville residents. The renewal is for 5 years.  The November ballot will include a two-county transportation proposal for all residents of Mason and Oceana counties. All residents would pay 0.6 mills for the service. If that proposal passes in November, it will override this Primary ballot request.	ON BALLOT 8/3/04 <b>APPROVED 71% TO 29%</b>
MI	Marquette County	The Marquette County Transit Authority is calling for an additional .2 mill on an existing .4 mill (total .6 mill) ad valorem property tax. If approved, the tax would yield approximately \$836,000 annually.	ON BALLOT 8/3/04 <b>APPROVED 65% TO 35%</b>
MI	Lake County	To provide funding for the Yates Dial-A-Ride program that serves all of Lake County, the proposal calls for a .4 mill over 5 years, and would raise \$165,000 annually	ON BALLOT 8/3/04 <b>APPROVED 56% TO 44%</b>
MI	Midland County	This millage renewal calls for .15 mill over a period of 5 years for the provision of county-wide public transportation services, and is expected to raise approximately \$512,443 annually.	ON BALLOT 8/3/04 <b>APPROVED 70% TO 30%</b>
MI	Shiawassee County	The Shiawassee Area Transportation Agency is calling for a first-time millage in the amount of .225 mills over a 2 year period. If approved, the millage would generate approximately \$56,000 a year.	ON BALLOT 8/3/04 <b>APPROVED 62% TO 38%</b>
MI	Charlevoix County	This proposal will permit the County of Charlevoix to restore the .25 mill, previously approved by the electors for the purpose of providing funds for the operation of the County Transit System. The millage is for a period of 4 years and would raise \$396,755 annually.	ON BALLOT 8/3/04 <b>APPROVED 65% TO 35%</b>
MI	Gogebic	This millage renewal proposal would fund Gogebic	ON BALLOT 8/3/04

	County	County Transit for 4 years at a rate of .33 mills. If approved, it would raise approximately \$122,010 annually.	<b>APPROVED 77% TO 23%</b>
MI	Tuscola County	This millage renewal proposal would fund public bus transportation services in Almer Township and Indianfields Township for 4 years. At a rate of 1 mill, the approved proposal would raise approximately \$190,000 for both townships.	ON BALLOT 8/3/04 <b>APPROVED 61% TO 39%</b>
MI	Manistee County	This proposal would fund Dial-A-Ride services in Manistee County for 6 years with a .33 millage. Estimated annual revenue, if approved, would be \$276,794.	ON BALLOT 8/3/04 <b>DEFEATED 45% TO 55%</b>
MI	Kalamazoo	City commissioners have approved placing a 1-mill property tax renewal for Metro Transit on the Nov. 2 general election ballot. If approved, the levy will raise a projected \$1.56 million. The owner of a home with a market value of \$100,000 and taxable value of \$50,000 would pay \$50 in property taxes.	ON BALLOT 11/02/04 <b>APPROVED 67% TO 32%</b>
MO	Branson	Voters in Branson will be able to decide in August whether to extend a 1/2% retail sales tax that is set to expire in November 2005. The tax will fund roads and public transportation.	ON BALLOT 8/04 <b>APPROVED 81% TO 19%</b>
MT	Flathead County	County commissioners in October voted unanimously to put a \$1 million tax levy request on the June 2004 primary election ballot. The tax would bring approximately \$106,000 annually for Eagle Transit, which when matched with federal dollars, would total about \$212,000 annually.	



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