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# 2035 Plan Post Referendum Analysis

## Technical Memorandum Two: FUNDING ALTERNATIVE STRATEGIES

**Prepared For:**

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# Introduction

# Introduction

Funding for transportation plans and projects comes from a variety of sources including the federal government, state governments, special authorities, public or private tolls, local assessment districts, local government general fund contributions (such as local property and sales taxes) and impact fees. In today's economic climate, federal, state and local governments face a significant challenge meeting the transportation needs of their respective communities. Given the current level of tax revenue combined with the ever increasing costs for all modes of transportation, all funding options must be explored.

As prepared for the Revised Cost Affordable Plan Phase 1 Analysis, this funding resource guide provides an overview of the sources available for transportation funding in Hillsborough County. Transportation finance is extremely complex with funds coming from the local, state, and federal governments through various sources. This guide is intended to provide strategic assistance in funding lower cost alternatives to light rail by identifying available funding sources, potential barriers, and eligible expenses. Potential funding sources were identified in coordination with the Hillsborough County Management and Budget Department, Florida Department of Transportation, and HART. Furthermore, the revenue assumptions from the MPO 2035 LRTP as well as TBARTA were considered in this analysis. Funding sources are presented separately according to three distinct governmental sources of revenue (local, state, and federal), as well as additional strategies for transportation financing.

# 1.0 Federal Funding Sources

Federal funding transferred to the state and later distributed to metropolitan areas is typically the primary funding source for major plans and projects. Federal funding for transportation comes from taxes on motor fuel and truck-related taxes on truck tires, sales of trucks and trailers, and heavy vehicle use. The federal tax is currently 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel fuel.

Federal transportation funding is made available through the Federal Highway Trust Fund and is supplemented by general funds. It is important to remember that most Federal Highway Administration (FHWA) sources of funding are administered by the state Departments of Transportation (DOT). The state DOT then allocates the money to urban and rural areas based on state and local priorities and needs. Most transit funds for urban areas are sent directly from the Federal Transit Authority (FTA) to the transit operator. Transit funds for rural areas are administered by the state DOT.

Federal funds are made available through a specific process:

- **Authorizing Legislation:** Congress enacts legislation that establishes or continues the existing operation of a federal program or agency, including the amount of money it anticipates to be available to spend or grant to states, MPOs, and transit operators. Congress generally reauthorizes federal surface transportation programs over multiple years.
- **Appropriations:** Each year, Congress decides on the federal budget for the next fiscal year. As a result of the appropriation process, the amount appropriated to a federal program is often

less than the amount authorized for a given year and is the actual amount available to federal agencies to spend or grant.

- **Apportionment:** The distribution of program funds among states and metropolitan areas (for most transit funds) using a formula provided in law is called an apportionment. An apportionment is usually made on the first day of the federal fiscal year (October 1) for which the funds are authorized. At that time, the funds are available for obligation (spending) by a state, in accordance with an approved Statewide Transportation Improvement Program (STIP). In many cases, the state is the designated recipient for federal transportation funds; in some cases, transit operators are the recipient.
- **Determining Eligibility:** Only certain projects and activities are eligible to receive federal transportation funding. Criteria depend on the funding source.
- **Match:** Most federal transportation programs require a non-federal match. State or local governments must contribute some portion of the project cost. This matching level is established by legislation. For many programs, the amount the state or local governments have to contribute is 20 percent of the capital cost for most highway and transit projects.

One important provision in federal transportation legislation allows for the use of certain federal-aid highway program and federal transit program funds for either highway or transit projects. This is referred to as flexible funding. "Flexible funding" provisions were a radical departure from traditional transportation policy; federal transit, highway, and safety programs formerly had very strict eligibility requirements, and funds could not be transferred between the programs. The ability to transfer funds (with certain restrictions) between highway and transit programs was introduced so metropolitan areas could apply federal transportation funds to their highest priority transportation projects. The funds are not actually transferred from one bank account to another; rather, FHWA and FTA confirm program-eligible expenditures and reimburse accordingly. In urbanized areas (UAs) with populations greater than 200,000, MPOs are responsible for considering "flexing" funds to meet local planning priorities. In areas with populations less than 200,000, flexible funding decisions are made jointly by the MPO and the state DOT, and the state DOT makes the flexible funding decisions in rural areas. Flexible funding is most commonly used for FHWA's Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) program, and FTA's Urbanized Area Formula Funds, though flexing in other programs is possible. Specific federal programs that provide for the funding and financing of transportation projects include: FTA New Starts, Federal Aid-Highway, Surface Transportation Program, and State Infrastructure Bank. A brief summary of each program is provided in the sections below.

## 1.1 Federal Transit Administration (FTA) New Starts Program

The New Starts program is a discretionary grant program designed to allow federal participation in the capital costs of locally planned, implemented, and operated transit projects. The program requires the project planning and development follow a specific process, and the project application for funding must include a detailed justification of need for the project and local commitment to provide matching funds.


*Source: Hillsborough County Management and Budget Department (Feb 2011)

Complete applications are rated, and top performers are selected to receive incremental funding through the design and project development process, culminating in a FTA Full Funding Grant Agreement (FFGA).

Projects eligible for New Starts funding include rail lines, other fixed guideway systems which utilize a separate right-of-way for transit and other high-occupancy vehicles, or systems such as electric streetcars which use a fixed overhead catenary system in an exclusive lane or shared right-of-way. This includes, but is not limited to, rapid rail, light rail, commuter rail, automated guideway transit, people movers, and exclusive facilities for buses (such as BRT) and other high-occupancy vehicles. A separate category of funds, Small Starts, is available for projects with a total cost less than $250 million and requesting federal funds less than $75 million. In addition, a Very Small Starts category is available for projects under $50 million.

## 1.2 Federal Aid-Highway Program

Federal Aid-Highway funds are distributed to the states for planning, engineering, construction, reconstruction, and improvement to the highways and bridges on eligible Federal Aid-Highway corridors, which include the National Highway System and other major roads. These programs are allocated by formula by the Federal Highway Administration (FHWA), and administered by state Departments of Transportation (DOT). Funds allocated to the FDOT support some of the state transportation programs discussed below.

## 1.3 Surface Transportation Program (STP)

The Surface Transportation Program (STP) provides flexible funding that may be used by states and localities for projects on any Federal-Aid Highway bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities. STP funds are allocated as follows:

- 56 percent of the funds are allocated to urban and rural areas of the state based on population;
- 34 percent can be used in any area of the state at the discretion of FDOT; and
- The remaining 10 percent of the funds must be spent on Transportation Enhancements projects such as bicycle and pedestrian improvements and preservation of historic transportation facilities.

Funds allocated to urban areas, identified by FDOT as “XU” funds are allocated based on the adopted priorities of metropolitan planning organizations, based on a cooperative and comprehensive long-range transportation planning process that addresses many modes of transportation.

Funds originate with FHWA and are administered through FDOT, but may be transferred to FTA for use by transit agencies to purchase buses, construct stations or maintenance facilities, and deploy advanced technology fare collection systems, among other projects. In urban areas, the transfer of funds is based on priorities emerging from the MPO planning process.


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

Funds are identified for FDOT by FHWA at the beginning of each federal Fiscal Year (FY), and require a 20 percent local match as well as compliance with federal processes such as for right-of-way acquisition and for environmental impact analysis. FDOT is currently eligible to use earned toll credits as a soft match, increasing the federal share of project funding to 100 percent. In the Hillsborough MPO 2035 LRTP, the amount of urban area funds is estimated at approximately $21 million per year.

## 1.4 Pending Legislation

The 2005 Surface Transportation Act known as SAFETEA-LU expired September 30, 2009. Since that time, five extensions have been enacted with the most recent extension to September 30, 2011. Funding levels are maintained through Continuing Resolutions, the most recent FY2011 being the subject of hot debate in Washington over how much to cut. Of the $61 billion in cuts proposed by the GOP through the end of FY2011, $8 billion in cuts for transportation (compared to FY2010) and the rescinding of $3.8 billion in ARRA appropriations are being proposed. Further extensions are expected as a compromise is shaped by legislators.

A summary of the aforementioned federal funding sources is summarized in **Table 1**:





**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Table 1
## Federal Transportation Funding Sources

| | | | What Modes are Eligible for Funding? | | | Approx. Available funds per year |
|---|---|---|---|---|---|---|
| **Source** | **Jurisdiction** | **What is it?** | **Bus** | **Rail** | **Managed Lanes** | |
| Federal Transit Administration (FTA)<br>New Starts Program | Federal | Grant program for capital costs of locally planned, implemented, and operated transit projects | x | x | | $1.5 billion in funding allocations for FY 2011 |
| Federal Transit Administration (FTA)<br>Small Starts Program | Federal | Grant program for low-cost transit projects. In order to qualify as a Small Start, the total project cost must be less than $250 million, with no greater than $75 million in requested Section 5309 Capital Investment Grant funding. | x | x | | $200 million nation-wide |
| Federal Aid-Highway Program | Federal | Distributed to states for planning, engineering, and construction/improvements to highways and bridges on eligible Federal Aid-Highway corridors | | | x | $650 million nation-wide for FY 2010 - 12 |
| Surface Transportation Program | Federal | Provides flexible funding that may be used for projects on any Federal Aid-Highway, bridge projects on any public road, transit capital projects, and intra-city and intercity bus terminals and facilities | x | x | x | $21 million in Hillsborough County |
| TIFIA | Federal | The federal transportation bill sets funding targets and transportation policy | x | x | x | $450 million nation-wide (proposed) |
| State Infrastructure Bank | Federal | A revolving fund mechanism for financing a wide variety of highway and transit projects through loans and credit enhancement | x | x | x | $52 million for FY 2011-12 |

*Source: TBARTA 2011*


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

# 2.0 State Funding Sources

Overall, states have a greater degree of flexibility in how they collect and spend their generated revenues. Typically, states collect taxes and fees from motor vehicle users and utilize those revenues to fund transportation projects. The taxes imposed by states are collected and administered by various agencies and departments within the state government. Other significant sources of state transportation revenue include tolls, general fund appropriations, and bond proceeds.

The State of Florida implements a fuel tax levy that, combined with federal funds allocated to the state, is a primary source of revenue for the State Transportation Trust Fund. **The state fuel tax is 12.1 cents per gallon.** In recent years, the state enacted a number of important transportation-related policy initiatives that influence growth and development with targeted transportation investment decisions. The concept is to focus investment decisions to yield the greatest return on investment in community growth management and leveraging of local and federal dollars.

The Florida Department of Transportation (FDOT) collapses many state funding programs into capacity and non-capacity categories. Non-capacity categories include safety, resurfacing, bridge, product support, operations and maintenance, and administration. Examples of state transportation funding sources for capacity programs include: Strategic Intermodal System (SIS), County Incentive Grant Program, Florida New Starts Program, Transportation Regional Incentive Program, Park and Ride Program, Transit Corridor, and Rental Car Surcharge Programs. Each of these funding programs is summarized in the following section. Appendix B describes a comprehensive list of state funding program and funding types provided by the FDOT. .

## 2.1 Strategic Intermodal System Program (SIS)

The SIS established a system of statewide intermodal facilities and services of state and regional significance. In July 2004, the Legislature enacted and the Governor signed Senate Bill 1456, which provided the basic framework for funding future improvements to the SIS. SB 1456 implemented several key policy changes:

- Reinforced 2003 legislation that identified the SIS as the state's and FDOT's highest priority for transportation capacity;
- Stipulated that at least 50 percent of new flexible highway funds should be allocated to SIS improvements, a shift from the prior requirement that at least 50 percent of those funds be allocated to the Florida Intrastate Highway System (FIHS);
- Identified revenue sources for funding that are estimated to provide at least $100 million each year specifically for SIS facilities and services; and
- Made all SIS facilities eligible for state transportation funding, regardless of their ownership.

## 2.2 County Incentive Grant Program (CIGP)

The County Incentive Grant Program (CIGP) provides matching grants to counties for the construction of transportation facilities and services, including transit, to relieve congestion on the State Highway System. FDOT considers the following criteria for evaluation of projects for County Incentive Grant Program assistance:

- The extent to which the project will encourage, enhance, or create economic benefits;
- The likelihood that assistance would enable the project to proceed at an earlier date than the project could otherwise proceed;
- The extent to which assistance would foster innovative public-private partnerships and attract private debt or equity investment;
- The extent to which the project uses new technologies, including intelligent transportation systems, which enhance the efficiency of the project;
- The extent to which the project helps to maintain or protect the environment; and
- The extent to which the project includes transportation benefits for improving intermodalism and safety.

For projects on the Florida Intrastate Highway System, FDOT will provide up to 50 percent of project costs. For local projects which are demonstrated to relieve traffic congestion on the Florida Intrastate Highway System, FDOT will provide up to 35 percent of project costs.

## 2.3 Florida New Starts Transit Program

Florida's New Starts Program provides transit agencies with up to a dollar for dollar match for local dollars that are directed to transit fixed guideway projects, BRT systems, and facilities that qualify for funding under the FTA New Starts Program. Goals of the program are to increase the success of obtaining FTA funds for expensive projects, and to strategically invest state and local funds to advance significant but less expensive projects without federal support.

As of March 2011, no Florida New Starts funds have been allocated in FDOT Districts One or Seven. Through FY 2014, FDOT has allocated most of the available funds to the Miami-Dade Transit Agency for construction of a 9.5-mile Metrorail North Corridor extension, and to the Central Florida Commuter Rail Commission for the SunRail project. Beginning in 2013, funds will be available for new projects.

## 2.4 Transportation Regional Incentive Program (TRIP)

Like the Florida New Starts program, the Transportation Regional Incentive Program (TRIP) was created as part of major Growth Management legislation enacted during the 2005 Legislative Session. TRIP is a matching program designed to leverage investments in regionally-significant road and public


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

transportation projects. State funds are made available to help local and regional partners pay for transportation projects that benefit regional travel. Eligible partners are:

- Two or more contiguous MPOs;
- One or more MPOs and one or more contiguous counties that are not members of a MPO;
- A multi-county regional transportation authority created by or pursuant to law;
- Two or more contiguous counties that are not members of a MPO; and
- MPOs comprised of three or more counties.

These partners must form a regional transportation area, pursuant to an interlocal agreement, and develop a regional transportation plan that identifies and prioritizes regionally-significant facilities. The interlocal agreement must include development of the regional transportation plan, delineate the boundaries of the regional transportation area, provide the duration of the agreement and how it may be changed, describe the planning process, and define a dispute resolution process. These requirements have been met by the CCC, which recommends projects for funding based on the LRTP.

TRIP funds are to be used to match up to 50 percent of local or regional funds for highway projects or public transit projects. In-kind matches such as right-of-way donations and private funds made available to the regional partners are also allowed. Federal funds attributable to urbanized areas (XU funds) may also be used for the local/regional match for highway projects only. On transit projects, the federal funding can reduce the total cost but can't be used as a match.

In FDOT District Seven, approximately $20 million is typically available in each fiscal year, and in District One, approximately $18.5 million. TRIP funding was cut in a December 2009 special legislative session that created the Florida Rail Enterprise. Most of the remaining TRIP funds available to FDOT District Seven have been allocated to projects already.

## 2.5 Park-And-Ride Program

The statewide Park-and-Ride Program was initiated in 1982 to provide organized, safe parking for vehicles that might otherwise congregate on roadsides. The program provides for the purchase and/or leasing of private land for the construction of park-and-ride lots, the promotion of these lots, and the monitoring of their usage. This program is an integral part of the FDOT commuter assistance program to encourage the use of transit, carpools, vanpools, and other high-occupancy modes.

Park-and-ride facilities funded in whole or in part by FDOT should be consistent with the State Park-and-Ride Lot Planning Handbook and should have a reasonable expectation of at least an average 60 percent occupancy.


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

## 2.6 Transit Corridor Program

The Transit Corridor Program provides funding to transit agencies and designated Community Transportation Coordinators to support new services within specific corridors when the services are expected to help reduce or alleviate congestion or other mobility issues within the corridor. Transit Corridor Program funds are discretionary and are distributed based on documented need, and may be used for capital or operating expenses. Eligible projects must be identified in a Transit Development Plan (TDP), Congestion Management System Plan, or other formal study undertaken by a public agency designed to relieve congestion and improve capacity within an identified corridor.

Projects are typically funded at one-half the non-federal share. Projects that have regional or statewide significance may receive funding up to 100 percent. The FDOT Central Office classifies projects as having regional or statewide significance.

## 2.7 Rental Car Surcharge

The surcharge on car rentals is one of three vehicle-related charges assessed by the Florida Legislature as part of efforts to enhance transportation funding. The Legislature raised the surcharge from $0.50 to $2.00 in 1990, and included the State Transportation Trust Fund as a recipient of the proceeds for the first time in that year. The distribution of proceeds has continued to evolve over the years, and the FDOT now receives 80 percent of the $2.00 surcharge. The funds distributed to the FDOT are unique in that proceeds must be spent in the transportation district and, to the extent feasible, in the county from which the surcharges were collected.

## 2.8 Document Stamps

Documentary stamp tax is levied on documents as provided under Chapter 201, Florida Statutes. Documents subject to the tax include, but are not limited to deeds, stocks and bonds, notes and written obligations to pay money, mortgages, liens, and other evidences of indebtedness. The 2005 Legislature passed a growth management bill to address needed infrastructure in Florida. The growth management package provides $541.75 million, annually, from document stamp revenue to fund transportation needs. The 2008 Legislature changed the distribution of documentary stamp collections. Now the State Transportation Trust Fund (STTF) receives a percentage of collections, not to exceed $541.75 million per year. This formula significantly decreased the funding for transportation projects. The November 2008 revenue estimating conference estimated only $120.25 million in distributions of documentary stamps to the STTF for fiscal year 2008-09 and $94.0 million for fiscal year 2009-10. The new distribution is based on a formula of collections and caps the amount to be distributed to the STTF at $541.75 million in any fiscal year.

In addition, the 2009 Special Legislative Session B changed the percent of the transportation portion of Documentary Stamp tax revenue that is allocated to the Small County Outreach Program from 5 percent to 10 percent. Furthermore, this session re-allocated the first 60 million in Documentary Stamp tax revenue from the Transportation Regional Incentive Program to the Florida Rail Enterprise (FRE). A


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

component of this re-allocation is that FDOT may use the FRE funds to pay 50 percent of the non-federal share of the costs of any eligible passenger rail project, and 100 percent of the planning and development costs of the passenger rail system including, the assessment of the anticipated impacts of increased rail traffic due to passenger rail.

## 2.9 Congestion Mitigation and Air Quality Improvement Program

The Congestion Mitigation and Air Quality Improvement Program (CMAQ) has the objective of improving the nation's air quality and managing traffic congestion. CMAQ projects and programs are often innovative solutions to common mobility problems and are driven by Clean Air Act mandates to attain national ambient air quality standards. It is expected that Hillsborough County and parts of the Tampa Bay region will no longer be considered within the acceptable air quality standard for ozone, which will allow the MPO to seek CMAQ funds for projects that improve air quality. Eligible activities under CMAQ include intersection improvements, Intelligent Transportation System (ITS) improvements, transit system capital expansion and improvements that are projected to realize an increase in ridership; travel demand management strategies and shared ride services; pedestrian and bicycle facilities and promotional activities that encourage bicycle commuting. Programs and projects are funded in air quality nonattainment and maintenance areas for ozone, carbon monoxide (CO), and small particulate matter (PM-10) that reduce transportation-related emissions. Funds are apportioned to states based on a formula that considers the severity of their air quality problems.

A summary of the aforementioned state funding sources is summarized in **Table 2:**

## Table 2
## State Transportation Funding Sources

| | | | What Modes are Eligible for Funding? | | | Approx. Available funds per year |
|---|---|---|---|---|---|---|
| Source | Jurisdiction | What is it? | Bus | Rail | Managed Lanes | |
| Strategic Intermodal System (SIS) | State | Provides funding for facilities that are part of the SIS or considered future SIS facilities | | x (Freight Rail Only) | x | \$60 million FDOT D1 in 2011 |
| County Incentive Grant Program | State | Provides matching grants to counties for the construction of transportation facilities and services to relieve congestion on the State Highway System | x | x | x | \$4.9 million for FDOT D7 in 2011 |
| Florida New Starts Transit Program | State | Provides transit agencies with up to a dollar for dollar match for local dollars that are directed to transit fixed guide way projects, bus rapid transit systems, and facilities that qualify under the FTA New Starts Program | x | x | | \$80 million statewide |




*Source: Hillsborough County Management and Budget Department (Feb 2011)*

**Table 2 (Continued)**
**State Transportation Funding Sources**

| Source | Jurisdiction | What is it? | What Modes are Eligible for Funding? Bus | Rail | Managed Lanes | Approx. Available funds per year |
|---|---|---|---|---|---|---|
| Transit Corridor Program | State | Provides funding to transit agencies and designated Community Transportation Coordinators to support new services within specific corridors when the service is expected to help reduce or alleviate congestion or other mobility issues within the corridor. | x | x | | $20 million in FDOT District Seven |
| Rental Car Surcharge | State | A surcharge assessed by the Florida Legislature to enhance transportation funding. The funds distributed to the FDOT must be spent in the transportation district and, to the extent feasible, in the county from which the surcharges were collected. | x | x | x | $92 million state-wide for 2010 |
| Park-and-Ride Program | State | Provides for the purchase and/or leasing of private land for the construction of park-and-ride lots, the promotion of these lots, and the monitoring of their usage | x | x | x | Determined on a project by project basis |
| Document Stamps | State | State documentary stamp tax levied on items such as deeds, stocks, bonds, and mortgages to fund transportation needs | x | x | x | $76 million state-wide for 2010 |

*Source: TBARTA 2011, FDOT 2011*

## 3.0 Local Funding Sources

Revenue from local government taxes and fees plays an important role in transportation finance, some (e.g. – fuel taxes) of which are collected and distributed to local governments by the state, and others of which are imposed and collected locally. Numerous revenue sources are used by local governments to fund transportation services and facilities. Depending on specific restrictions, several of these sources could also be used to match federal or state funds. General fund appropriations represent the largest single source of local funding. Sources of local transportation funding options consist of Ad Valorem property tax, Municipal Service Taxing Unit, Local Government Infrastructure Surtax, Charter County


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

Transit Surtax, Public Service Tax, Local Option Fuel Tax, State Shared Revenue Local Government Half-Cent Sales Tax, Transportation Impact Fees, Concurrency Management, Mobility Fees, and State Shared Fuel Revenues. A summary of each potential funding source is provided below. Appendix A includes a comprehensive description of local funding sources prepared by Hillsborough County Management and Budget Department.

## 3.1 Ad Valorem Property Tax

A property tax, or millage tax, is an ad valorem tax that an owner of real estate or other property pays on the value of the property being taxed. The ad valorem taxable base is the fair market value of locally assessed real estate, tangible personal property, and state assessed railroad property. With the exception of the ad valorem tax and other constitutionally authorized and home-rule revenue sources, local governments are dependent on the state legislature for the authority to levy any other forms of taxation. Therefore, the relative importance of the ad valorem tax as a revenue source for local governments is great.

## 3.2 Ad Valorem Property Tax – HART

In Hillsborough and Pinellas Counties, the Hillsborough Area Regional Transit Authority (HART) and the Pinellas Suncoast Transit Authority (PSTA) are independent of their respective local governments. As a result, each agency has the authority to levy a separate ad valorem assessment specifically for their services. HART has available to it a up to (voter approved limit) ½ mill ad valorem property tax, which was approved in 1979 by Tampa, Temple Terrace, and Hillsborough County, but not Plant City, to support transit operations and capital projects. HART is authorized to increase its ad valorem property tax rate up to 3.0 mills with approval of Tampa, Temple Terrace, and Hillsborough County and approval of voters. The current HART rate is ------and represents over 50% percent of the HART operating budget.

Local governments levy this tax by applying the millage rate to the property's value on January 1 of each year, with one mill being equal to $1.00 of tax per $1,000 of property value. While local governments are constitutionally limited to 10 mills for operating purposes, local voters may authorize additional mills for other purposes by referendum.

## 3.3 Ad Valorem Property Tax – Municipal Service Taxing Unit

Municipal Service Taxing Units (MSTU) is established by approval of the Board of County Commissioners in order to fund public transportation projects in unincorporated areas. However, the boundary of the MSTU may include unincorporated areas of the county, as well as municipalities, subject to the consent by ordinance of the governing bodies of the affected municipalities. This funding source is essentially a mechanism for using ad valorem taxes without counting towards the general millage cap for each county (10 mills). A referendum of the voters is not required. The boundary can be established to collect property taxes from only those who are directly benefiting from the improved service or infrastructure. Hillsborough County has reduced the "county-wide" ad valorem property tax rate for 16 consecutive


*Source: Hillsborough County Management and Budget Department (Feb 2011)

years. The county-wide MSTU tax generates $372 million dollars per year and the unincorporated MSTU tax raises $174 million dollars on an annually. Most of the Hillsborough County MSTU funds county operating costs. (source: HC Management & Budget Department- Kevin Brickey) The City of Tampa charges a tax on electricity.

## 3.4 Local Government Infrastructure Surtax (Sales Tax)

A sales tax is a consumption tax charged at the point of purchase for certain goods and services. The tax is usually set as a percentage by the government charging the tax, often with a list of exemptions. The tax can be included in the price (tax-inclusive) or added at the point of sale (tax-exclusive). After merchants or service providers collect the sales tax revenue, it is sent to the state, which disburses it to the appropriate local agencies. The related administrative fees reduce proceeds by up to 3 percent.

The Local Government Infrastructure Surtax can be levied at the rate of 0.5 or 1 percent, pursuant to an ordinance enacted by a majority vote of the county's governing body and approved by voters in a countywide referendum. Generally, the proceeds must be expended to finance, plan, and construct infrastructure. The term infrastructure is defined 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 five or more years and any related land acquisition, land improvement, design, and engineering costs. This definition also includes any vehicle, and such equipment necessary to outfit the vehicle for its official use or equipment that has a life expectancy of at least five years. It is not eligible for ongoing operations. All counties are eligible to levy the surtax.

Currently, Hillsborough County levies a 0.5 percent surtax, approved by voter referendum in 1996 as the Community Investment Tax (CIT). For comparison, Pasco, Pinellas, and Sarasota Counties levy a one percent surtax. However, Hillsborough County also levies a 0.5 percent Indigent Care Surtax, bringing Hillsborough to its maximum levy under law (212.055 FS). The CIT levy has been authorized through 2026, and bonds have been issued against the revenues to implement a specific list of transportation improvements.

## 3.5 Charter County Transportation System Surtax (Sales Tax)

The Charter County Transportation System Surtax may be levied at a rate of up to 1 percent by charter counties with an adopted charter and each county government whose governments is consolidated with that of 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. In the case of a consolidated government, the levy is subject to voter approval in a countywide referendum. Florida currently has 20 charter counties currently eligible to levy this surtax including Hillsborough, Pinellas, Sarasota, and Polk in the Tampa Bay region. Hillsborough County's first attempt to gain voter approval of a 1-percent surtax was held by referendum in 2010, but was unsuccessful.

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. No more than 25 percent of


*Source: Hillsborough County Management and Budget Department (Feb 2011)

the funds may be allocated to non-transit uses if the revenues are bonded. The surtax proceeds are deposited into a county trust fund or remitted by the county's governing body to an expressway or transportation authority created by law. Interlocal agreements for distribution of proceeds to one or more municipalities in the charter county may be revised no less than five years to include newly created municipalities since prior to execution.

## 3.6 Public Service Tax

Charter County governments are authorized by the state to levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and/or water services. The tax cannot exceed 10 percent of the payments received by the seller of the taxable item, and fuel oil can be taxed at a rate not exceeding 4 cents per gallon. All proceeds are considered part of the general revenue for the levying government. Hillsborough County does not currently levy this tax. The Hillsborough County Commission could implement this tax by simple majority by ordinance after holding a public hearing. The state of Florida allows implementation of the tax four times per year: April 1, July 1, October 1, and January 1. The Public Services Tax can only be applied to the unincorporated areas of the County. Orange County in Orlando levy's a public service tax that raises $62 million dollars per year to enhance operating revenues.

## 3.7 State Shared Revenue Local Government Half-Cent Sales Tax

This program distributes a portion of 6 percent net state sales tax collections within the county to eligible county and municipal governments. The ordinary distribution to eligible county and municipal governments is possible due to the transfer of 9 percent of net sales tax proceeds to the Local Government Half-cent Sales Tax Clearing Trust Fund. The proceeds of this program received by a county government shall be used for countywide tax relief or countywide programs. For fiscal year 2011, Hillsborough County is projected to receive approximately $23.6 million from this funding source. Details from this program are summarized in **Appendix A**.

## 3.8 Local Option Gas Tax

The State collects a four-cent per gallon motor fuel tax that is distributed to local governments by a formula. There are also local-option gas taxes that may be levied by local ordinance. County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies:

- The first is a tax of 1 cent on every net gallon of motor and diesel fuel sold within a county. Known as the Ninth-Cent Fuel Tax (also called "Penny for Pot Holes"), this tax may be authorized by an ordinance adopted by an extraordinary vote of the governing body, or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures. Hillsborough County is one of 35 Florida counties that levy the 9th cent gas tax. It


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

was first levied in 1981 by referendum and extended in 1988 and 2001. This tax sunsets December 31, 2011.

- The second is a tax of 1 to 6 cents (also called the 6th cent gas tax) on every net gallon of motor and diesel fuel sold within a county. This tax may be authorized by an ordinance adopted by a majority vote of the governing body or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures.
- The third tax is a 1 to 5 cents levy on every net gallon of motor fuel sold within a county (also called the 5-cent local option gas tax). Diesel fuel is not subject to this tax. This additional tax can be levied by an ordinance adopted by a majority plus one vote of the membership of the governing body or voter approval in a countywide referendum. Proceeds of this tax may be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan. Operational expenditures are not eligible.

Hillsborough County has not implemented the 5-cent local option gas tax. The fuel tax provides flexible funding in that the first two levies may be used for either operating or capital expenses. And like sales taxes, the fuel taxes spread part of the burden to tourists and visitors. The Department of Revenue administers these taxes and has the authority to deduct up to two percent of the proceeds to cover its administrative costs.

In Hillsborough County, seven cents out of a maximum of 12 cents per gallon are levied. The 9th Cent Fuel Tax and the 6 cents Local Option Fuel Tax are a currently adopted revenue source for transportation. The 6 cents Local Option Fuel Tax is set to expire August 31, 2013. The proceeds from this tax are shared with the 3 municipalities within Hillsborough County per interlocal agreement. The Fiscal Year (FY) 2011 revenue estimates are shown in **Table 1**.

**Table 1**
**6-cents Local Option Fuel Tax Revenues**

| Location | FY 11 (DOR Estimate) |
|---|---|
| County | $ 25,592,993 |
| Plant City | $ 1,066,534 |
| Tampa | $ 10,806,780 |
| Temple Terrace | $ 760,718 |
| **Total** | **$ 38,227,025** |

*Source: HC Management & Budget, 2011*


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

The 9th Cent Fuel Tax is a 1 cent tax. The current tax expires December 31, 2011 and the proceeds are shared with the three municipalities within Hillsborough County per interlocal agreement. The FY 2011 revenue estimates are listed in **Table 2**.

**Table 2**
**9th Cent Fuel Tax**

| Location | FY 11 (Estimate) |
|---|---|
| County-Countywide | $ 546,394 |
| County-Unincorporated | $ 4,201,832 |
| Plant City | $ 175,038 |
| Tampa | $ 1,780,582 |
| Temple Terrace | $ 126,079 |
| **Total** | **$ 6,829,925** |

*Source: HC Management & Budget, 2011*

## 3.9 Transportation Impact Fees

Impact fees are charges assessed by local governments against new real estate development projects that attempt to recover the cost incurred by government in providing public facilities to serve the new development. Impact fees are only used to fund capital facilities, such as roads, transit, schools, and parks. The facilities must be located in the geographic zone of the new development. The fee may be used to pay the proportionate share of the cost of public facilities that benefit the new development; however, impact fees cannot be used to correct existing deficiencies in public facilities.

In Florida, impact fees are authorized under the Growth Management Act (Ch. 163, Florida Statutes). Generally, impact fees do not recover the full cost of a new facility, since the fees must be proportional to the development's impacts. Transportation impact fees may be calculated based on average trips, numbers of units in a residential project, square footage in a non-residential project, or other factors.

Some communities may desire to reduce the impact fees for TOD areas as an economic development incentive, in which case, the local government is not able to depend on the impact fees as revenue. Communities will have to balance the benefits of assessing impact fees versus reducing them for TOD areas.

**Pros:**

- Create a source of revenue for local governments to provide needed services (infrastructure, affordable housing, etc.)
- Encourage smart growth


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

**Cons:**

- Some communities in the Tampa Bay region currently waive or reduce impact fees as an incentive in a weak economy, and reinstituting them may be difficult when developers are accustomed to not paying them.
- May discourage economic development
- Increase costs for developers
- Often have to show that the fee is directly related to the public benefit

## 3.10 Concurrency Management

Florida's Growth Management Act of 1985 requires that adequate public facilities, including transportation, be available to meet the needs of new development concurrently with the timing of the development. Transportation impact mitigation payments, or in-kind contributions, are one way that developers can meet these transportation concurrency requirements. Under this state mandated law, no new development may be built unless the capacity is available to support it, or capacity construction is scheduled within the next two years.

Several Florida jurisdictions have experimented with integrating transit into the concurrency management system. Broward County, for example, enacted a Transit Oriented Concurrency ordinance in 2005. Under this system, the county is split into ten districts, of which eight are designated Transit Concurrency Districts. Within each district, a five-year program identifies needed transit improvements. The total cost of the improvements is charged as a fee on all new development, based on expected trip generation. Projects designed to encourage transit usage and affordable housing are eligible for fee reductions. A similar system is now in place in Temple Terrace, which has adopted a single citywide multimodal transportation district. Developers also have the option to meet their concurrency obligations by paying a proportional fair share of the cost of improvements required to serve their development. A formal agreement is entered in place between Hillsborough County and the development.

Senate Bill 360, the Community Renewal Act, signed into law June 1, 2009, states that concurrency is no longer required in areas designated as Transportation Concurrency Exception Areas (TCEAs). Areas with this designation develop their own growth management initiatives. Subsequently, the cities of Tampa and Plant City adopted citywide TCEAs, and Hillsborough County is eligible to create a TCEA for its urban services area. On August 29th, Leon County Circuit Court overturned SB360 in ruling on a law suit filed by Weston County on the grounds that it posed an "unfunded mandate." New growth management bills are being reviewed in the current 2011 Legislative Session.

## 3.11 Mobility Fees

In lieu of transportation concurrency ordinances and in accordance with Senate Bill 360, counties can implement "Mobility Fee Zones," which can pay for new impacts, promote infill development, promote compact/mixed-use and energy-efficient development, and can be "mode neutral."


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

### 3.11.1.1 Hillsborough County Mobility Fee

The Hillsborough County Development Services Department (previously named the Planning & Growth Management Department) has developed a schedule and proposed methodology for implementing mobility fees in the county. The first step in the process is developing Mobility Fee Zones using existing resources and guides: the Tampa Bay Regional Planning Model, Hillsborough County Transportation Analysis Zones (TAZs), FDOT District Seven Cost Tables, Hillsborough County Planning Areas of the Comprehensive Plan, and the Hillsborough MPO's 2035 LRTP. The 758 TAZs in the unincorporated county were aggregated into 27 mobility zones, congruent with the Hillsborough County Planning Areas. The 18 City of Tampa Impact Fee Zones were added, for a total of 45 Mobility Fee Zones.

To determine a proposed mobility fee, Hillsborough County developed the following methodology. First, a cost per trip is calculated (for both the Urban Service Area and Rural Service Area), the average number of daily trips, and the average trip length for each mobility zone. The mobility fee is one half the: cost per trip per mile (CPT), multiplied by the number of daily trips (DT) and the average trip length (ATL).

In order to better allocate the expenditure of the revenue stream, the 45 Mobility Fee Zones were grouped into nine Mobility Fee Districts, created with the following factors in mind: the Urban Service boundary, zones of comparable ATL, major interstates and roadways as dividing points, jurisdictional boundaries, and similar development and improvement characteristics. The proposed mobility fees will be spent on mobility projects within Mobility Fee Districts based on prioritization using the goals, objectives, and policies of each mobility district. (Source: HC Department of Growth Management, 2011)

### 3.11.1.2 Jacksonville Mobility Fee

A mobility fee is not a public-private partnership, but it does involve developer contributions towards public projects. When SB360 was enacted in June 2009, the City of Jacksonville developed a land use and transportation strategy to support and fund mobility. The mobility fee approach replaces concurrency in a manner that is geared toward land use policies that limit urban sprawl, encourage urban development and infill, and connect land use and multi-modal transportation. The city defined five development area types (based on density) from downtown to rural. These areas combined with mobility zones are used to calculate average weighted VMT to assess a project's mobility fee. Transportation deficiencies for all modes are identified which coincide with the 2030 horizon year of the Comprehensive Plan. Multi-modal projects are prioritized based on evaluation criteria which include magnitude of deficiency mitigated, existing capacity deficiency, multi-modal or intermodal connectivity, and transit accessibility, among others. A grading system was developed to determine a qualitative level of service mobility score which incentivizes quality growth that reduces trips and encourages projects that generate lower VMT. This new system will result in greater equity for developers who pay the fee based on the zone their project is located within and then get credits for doing things which would reduce VMT. The 2030 Mobility Plan developed through the Mobility Plan Task Force was released in November 2010. The plan will be evaluated every 5 years with the North Florida TPO's LRTP at which time the mobility fees may be


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

reassessed. Jacksonville plans to implement the 2030 Mobility Plan by July 2011 under proposed City Ordinance 2010-879. Under these new rules, developers will pay less overall than they would under the concurrency fair share requirements and will enjoy greater certainty in what to expect in terms of mobility fee requirements for their projects early in the planning stages. And developments within the same development area will pay comparable fees, unlike the current system.

## 3.12 State Shared Fuel Revenues

The State Shared Fuel Revenues which are shared with all counties are the 2 cent Constitutional Fuel Tax and the 1 cent County Fuel Tax. Neither of these have an expiration date. Hillsborough County's estimated FY 2011 revenue shares are $4,937,136 for the County Fuel Tax and $11,163,300 for the Constitutional Fuel Tax. A summary of local transportation funding sources is summarized in **Table 3**.




*Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Table 3
## Local Transportation Funding Sources

| | | | What Modes are Eligible for Funding? | | | Revenue generation per year (county-wide) |
|---|---|---|---|---|---|---|
| Source | Jurisdiction | What is it? | Bus | Rail | Managed Lanes | |
| Ad Valorem Property Tax | Local | A property tax or millage tax based on the fair market value of locally assessed real estate, tangible personal property, and state assessed railroad property | x | x | x | $65 million on 1 mill |
| Municipal Service Taxing Unit | Local | A funding source that uses ad valorem taxes without counting towards the general millage cap for each county (10 mills). | x | x | x | Depends on the area |
| Local Government Infrastructure Surtax (Sales Tax) | Local | Use of proceeds for capital costs of infrastructure or related costs of right-of-way acquisition and engineering | x | x | x | Capped by state law |
| Local Option Fuel Tax | Local | County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies | x | x | x | Approx. $30 million on $0.05 |
| Transportation Impact Fees | Local | Charges assessed by local governments against new real estate development projects, charges that attempt to recover most of the cost incurred by government in providing public facilities to serve the new development | x | x | x | $93.7 million from 2016 - 2020 |
| State Shared Revenue | Local | This program distributes a portion of 6 percent net state sales tax collections within the county to eligible county and municipal governments. | x | x | x | $23.6 million in Hillsborough County |

*Source: TBARTA 2011*


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

**Table 3 (Continued)**
**Local Transportation Funding Sources**

| | | | What Modes are Eligible for Funding? | | | Revenue generation per year (county-wide) |
|---|---|---|---|---|---|---|
| **Source** | **Jurisdiction** | **What is it?** | **Bus** | **Rail** | **Managed Lanes** | |
| Charter County Transit Surtax (Sales Tax) | Local | Use of the proceeds is for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, and roads and bridges may be levied at a rate of up to 1 percent by those counties that adopted a charter prior to January 1, 1984, as well as by those county governments that have consolidated with one or more municipalities | x | x | x | $178 million on 1 cent |
| Public Service Tax | Local | A tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and/or water service. | x | x | x | Not levied in Hillsborough County |

*Source: TBARTA 2011*

# 4.0 FARES AND TOLLS

Tolls and fares are a direct user fee charged for use of facility capacity and services. Today, many state transportation agencies see toll facilities as a way to close funding gaps for transportation projects in a time of constrained public resources.

## 4.1 Farebox Recovery and Other Transit System Revenues

Local transit agencies within the region collect fares that recover eight to 25 percent of their operating costs. In Hillsborough County, the HART farebox recovery rate is about 20 percent. Light rail lines sometimes have a higher farebox recovery.


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

To fund the operations of the TECO Line Streetcar System, a Business Plan was developed that called for creation of an assessment district with an assessment to cover about 1/3 the budget. Fares and advertising revenue were expected to cover another 1/3 the budget and an endowment fund was created with a goal of raising a base of $8 million so that investment income from the principle could fund the balance of the operating budget. The endowment fund was capitalized 50 percent through a development agreement, and partly through advertising revenues, in the following way.

The City of Tampa and HART, owners of the streetcar system formed a third entity, Tampa Historic Streetcar, Inc., to oversee the operations of the system, to invest the endowment funds, and to sell naming rights to build up the endowment fund. Naming rights of the system, the ten stations, and the eight vehicles have been marketed to raise revenue for the endowment with mixed success. TECO Energy paid $1 million to purchase the naming rights for the system. Two of the streetcars have been sold. SunTrust bank and Time Warner, Inc. (now Bright House Networks) each paid $250,000 for naming rights to the cars. Eight of the station stops have been purchased for $100,000. Station naming rights owners have ten-year renewal period. Additional examples of utilizing naming rights for revenue generation include transit authorities in Chicago, Los Angeles and New York. These agencies offer naming rights to bus stops, transit stations and even entire transit lines. Other cities, including Cleveland, Las Vegas, Minneapolis and Philadelphia, have recently followed suit with their own station naming rights agreements. And many others cities are considering doing the same, including Austin, D.C., Miami, Norfolk and Pittsburgh.

## 4.2 Tolls

Two examples of tolled facilities in Hillsborough County are the Veteran's Expressway/Suncoast Parkway linking western Hillsborough, Pasco, and Hernando Counties and the Selmon (Crosstown) Expressway, traversing east-west through Central Hillsborough County. The facilities are operated by Florida Turnpike Enterprise (FTE) and the Tampa-Hillsborough Expressway Authority (THEA), respectively. Toll rates for automobiles are between $1.25 to $1.75 (Sunpass versus cash) for the 15 miles of Veterans Expressway (within Hillsborough County) and $3.00 for the 42-mile Suncoast Parkway (within Hernando County). Auto tolls for the 14-mile Selmon Expressway are $1.75 (Sunpass). In addition, the new Crosstown–I-4 Connector project under construction and the planned expansion of the Veterans Expressway will be supported by toll revenues.

The toll revenue source may be further enhanced in the future with the addition of proposed new toll facilities. Proposed new toll facilities in Hillsborough County include; elevated lanes on Gandy Boulevard. This project is included in the 2035 Cost Feasible Plan. Moreover, tolled express lanes for I-75 south of Brandon and I-275 between Downtown Tampa and the Veterans Expressway are expected to cover the cost of construction using toll revenues. Florida statute allows two types of tolling: Turnpike (toll to build), and Congestion Pricing (to cover operations and maintenance).

Revenues generated from tolls can only cover activities within the corridor that the revenues are generated. This is a pricing strategy that can be used either type of toll project allowed under law.


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

Another form of tolling is value-pricing of managed lanes. This concept involves a price-managed lane with up to 10% of capacity reserved for transit. Automobile users pay a toll that varies in price depending on the time of the day and/or congestion level – higher in peak periods, lower during non-peak hours. The responsible agency (or partnered agencies) collects excess toll revenues and can disperse them based on investment or contribution levels.

#### 4.2.1.1 High Occupancy Toll Lanes/Managed Lanes

A High Occupancy Toll (HOT) Lane is a congestion pricing approach to increasing throughput which also incorporates some High Occupancy Vehicle (HOV) use by express buses, carpools and vanpools who use these lanes for free while single-occupant vehicles pay a toll based on real-time level of congestion. Toll revenues typically help pay for operations and maintenance of the facility and sometimes pays for transit service.

In recent years, South Florida has also converted I-95 HOV lanes to managed lanes in an effort to increase throughput on this space-constrained and congested north-south corridor. The I-95 Managed Lanes Design-Build Project, known as 95 Express, consists of HOT lanes between Miami-Dade and Broward counties. The existing HOV lane and an additional traffic lane were converted to limited access HOT lanes separated from general traffic lanes by flexible posts. Toll revenues help pay for expansion of the I-95 Express Bus service. Since the 2008 start-up of Phase I southbound (2009 for northbound) south of Glades Road, revenues are now running over $1 million per month for both directions. These revenues relate to an increase of 4,278 peak period vehicles, or a 21% increase in vehicle throughput (3,937 SB and 341 NB). Person throughput is also up by 40% in spite of a reduction in average vehicle occupancy (AVO) from 2.2 to 1.3 AVO southbound and 1.5 to 1.4 AVO northbound. Toll charges range from $0.25 to $6.00 with 95% running $2.50 or less. Tolls are adjusted based on the congestion within the express lanes to price out overuse of the express lanes, which would result in a service breakdown. In exchange for the HOV conversion, $62.9 million in Federal grant funding was allocated for the HOV conversion to HOT Lanes as well as additional bus services. Funds are dedicated at 36.8% to transit operations. If revenues do not cover the costs, then a STTF Receivable is established which is $38.5 million by 2021-22.

#### 4.2.1.2 Bus Toll Lanes

A Bus Toll Lane (BTL) is a price-managed lane with up to 10% of capacity reserved for transit. For use of a BTL, auto users pay a toll that varies with time of day and congestion levels. In other words, higher tolls are levied in peak congestion periods to ensure that the lane capacity is not over consumed. A key feature of BTLs is the partnership between the toll authority and the transit agency. Each agency contributes to funding and construction of BTLs. As a result, excess toll revenues are shared based on each agency's contribution. This provides a potential ongoing revenue stream for operating costs. In practice, the BTL creates dedicated lanes for transit on local highways that automobile drivers can also use for a toll. The Tampa Hillsborough County Expressway Authority (THEA) is currently exploring this concept in partnership with HART.


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

# 5.0 Station Area Funding Sources

In general, the more accessible a location, the higher its property values, all else being equal. For many years, economists have assumed that transit accessibility was being displaced in importance by automobile accessibility, but in recent years there has been increasing recognition of the potential importance of public transit, and therefore the potential that proximity to quality transit service can increase nearby property values.

Because transit users generally walk a few blocks from their origin to a stop or station, ride a bus or train, and then walk a few more blocks to their destination, locations within a quarter mile radius of a transit line or station are considered to have better access than in other areas. These locations provide benefits to residents and businesses due to reduced transportation costs and access to a larger pool of potential services, jobs, customers, and employees. Proximity to transit often increases property values enough to offset some transit system capital costs.[1]

The most successful value-capture strategies incorporate multiple tools and leverage existing resources, when the private sector, transit agency, local government, and other public agencies coordinated efforts. There are several examples of these tools, including the assessment district, tax increment financing, and joint development.

## 5.1 Assessment District

This tool typically works best for a locally-oriented transportation facility or service, such as a short-distance streetcar, where benefits will be concentrated in a defined area, and a significant amount of property is owned by a finite group of motivated property owners within an assessment district. In Tampa the operational costs of TECO Line Streetcar System are partially funded using an assessment district.

A special tax is applied to properties that will benefit from a public investment. A majority of existing property owners in the district must vote to enact the assessment for a designated time period subject to approval by a local government. Assessment districts may be used to finance both the capital costs of transit construction and ongoing operational costs.

The Tampa City Council adopted a special assessment district (located in Ybor City and Downtown Tampa) to raise funds to help operate the streetcar system. Properties are assessed $.33 per $1,000 assessed value. Owner occupied residential properties are not assessed. Each year the assessment revenue may increase due to economic growth in the district. Hearings and meetings are held annually in subareas of the district. In addition, the Tampa City Council adopted a non-ad valorem assessment for the Westshore Business District to fund transportation improvements, marketing and security services in 2003. The special assessment district was created based on testimony and evidence provided by the Westshore Alliance that supported the need to fund improvements and services within the Westshore district. The Westshore District assessment is $0.127 per one thousand dollars ($1,000.00) of the


*Source: Hillsborough County Management and Budget Department (Feb 2011)

assessed value of each property. For 2009, the total available assessment dollars for the Westshore District was $309,136.33.

There are a number of areas where assessment districts have been used to help fund new transit facilities and services. One of the earliest was in 1993, supporting the Metro Red Line subway in Los Angeles. An assessment district was also created to help fund the Portland streetcar, and paid for about 17 percent of the first phase of construction, and about 20 percent of each subsequent phase. An assessment district in Seattle, Washington funded half of the capital costs for the South Lake Union Streetcar, which opened in December 2007.

## Atlanta BeltLine Tax Allocation District

Most successful TIFs or versions of these mechanisms are adjacent to major mass transit improvements, such as the Atlanta BeltLine Tax Allocation District (TAD). This 22-mile urban light rail or streetcar corridor was expected to cost $2.8 billion over a 25-year period. The program includes parks, trails, affordable housing and encourages transit-oriented development opportunities. Funds generated from the BeltLine TAD were expected to fund $500 million of the $1 billion in construction costs and serve as

50% of the local match. The use of the Atlanta Public School tax was challenged in 2008, potentially cutting the available funding from the TAD in half; this was resolved through a constitutional amendment passed by the voters that same year allowing school district taxes to be included. The primary challenge for the BeltLine project and any other project is the lower land prices. In recent years, the focus has been on the smaller parks and trails projects. MARTA conducted a Tier I EIS which paved the way for property acquisitions; however, little activity has occurred to advance the transit project beyond this 2009 environmental review. Today, Atlanta is moving forward with the Transportation Investment Act of 2010 passed in July of last year. Atlanta Regional Commission is reviewing regional funding proposals including $1 billion for the BeltLine as part of the planned referendum.

## New Jersey Urban Transit Hub Tax Credit

In New Jersey, where significant mass transit investments are already in place, the state is garnering laudable returns through tax credits that target specific transit station areas. The Urban Transit Hub Tax Credit has provided $352 million in incentives for nine projects in Newark, Elizabeth, New Brunswick, and Jersey City and is credited with attracting $910 million in private capital and creating more than 1,400 new jobs in addition to almost four thousand construction jobs. The tax credits are also an important factor in retaining over 2,000 employees including major employers such as Panasonic's U.S. headquarters.

Under the program, a developer, owner, or tenant making qualified investments are eligible for tax credits of up to 100% of the qualified capital investments made within an eight year period. Taxpayers may apply 10% of the total credit amount per year over a ten year period against their corporate business tax, insurance premiums tax or gross income tax liability. Tax credits may be sold under the tax credit certificate transfer program of not less than 75% of the transferred credit amount. Total credits


*Source: Hillsborough County Management and Budget Department (Feb 2011)

approved under this program are capped at $1.5 billion, with $150 million allocated towards residential projects which may receive a 20% credit. Additional incentives under the Urban Enterprise Zone Program offer further incentives. The tax credit program is in its third year, but has already attracted substantial critical mass at station areas. This is a long-term program designed to increase jobs, spur economic development, and add property value for future revenue streams.

[1] Financing Transit Systems Through Value Capture, An Annotated Bibliography, Jeffrey J. Smith and Thomas A. Gihring, 2006.

## 5.2 Tax Increment Funding (TIF)/Community Redevelopment Areas (CRA)

Tax increment financing (TIF) is a powerful redevelopment tool. TIF can be used to fund transportation capital improvements, such as transit station infrastructure, parking garages, roads, and pedestrian facilities, in established Community Redevelopment Areas (CRAs) in Florida. TIF is designed to capture the increase of property tax revenues generated by the increase in property values that occurs within a designated area. Unlike assessment districts, the purpose of a TIF district is usually to encourage new development to assist in revitalization of distressed neighborhoods. As a result, the goals of most TIF projects are broader than a single transportation investment.

Because TIF districts are usually administered by cities (including Tampa), transportation agencies are most likely to benefit from TIF when transportation investments are part of a broader strategy to revitalize a neighborhood by stimulating private sector investment. TIF districts can also encourage transit ridership through pedestrian and other access improvements, and through investments that improve the viability of TOD. In theory, the amount of tax increment that could be generated over time within a station area or transit corridor could be enough to pay for a new transit line, as long as a significant amount of vacant or underutilized land were available for (re)development.

Denver FasTracks is using TIF as part of their financing for the Gold Line rail project around Denver Union Station. In addition to being the first beneficiary of the Penta-P (Public-Private Partnership Pilot Program), Colorado Department of Transportation, other federal sources, TIF, metro district revenues, development rights revenues, and other sources are expected to contribute roughly half of the $500 million project cost.

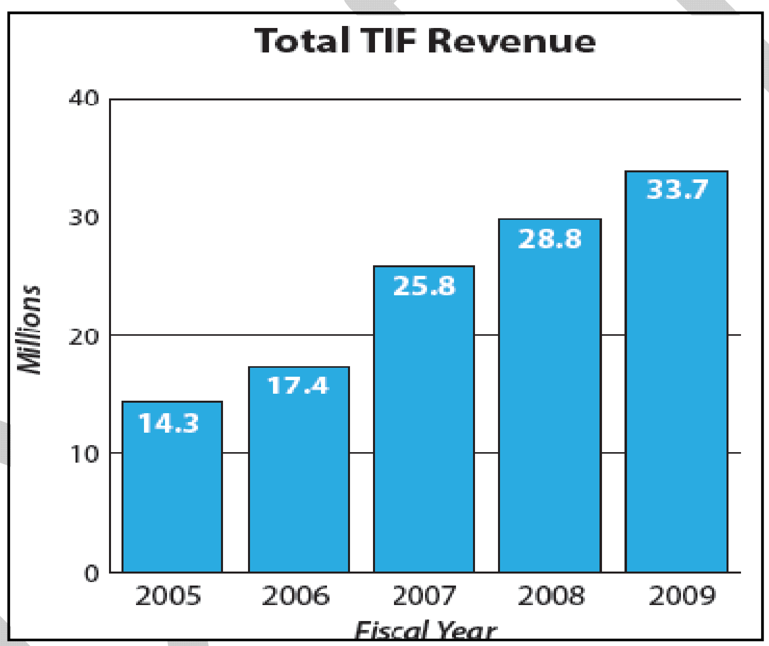
A Community Redevelopment Area (CRA) is a geographic area in which the physical and economic conditions meet the definition of slum or blight as provided in the State's Community Redevelopment Act of 1969 that the local government formally designates for redevelopment. A CRA is a long-term, 30-year commitment. The process for creating a CRA is defined by the State. First, a filed study is conducted to document the slum/blight conditions in the area. If legally sufficient documentation is produced, the local government approves a resolution declaring that the area is appropriate for redevelopment under the Act. From there, the local government works with the community's residents and stakeholders to create a CRA Plan for adoption by local government. The Act allows for the creation of TIF within a CRA. When a TFF/CRA is created, the Property Appraiser "freezes" the value of the property of the CRA at its current base level. Annually, thereafter, increases in property taxes collected above the base year


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

amount (increment) are deposited in a trust fund and invested in CRA Plan initiatives. Increment revenue's must be spent within a CRA in which they are generated. CRA's and TIF expenditures are governed by Community Redevelopment Agencies. In Tampa, the City Council serves as the CRA agency.

Tampa's Community Redevelopment Areas include Central Park, Channel District, Downtown, Drew Park, East Tampa, Tampa Heights Riverfront, and Ybor I and Ybor II. Each CRA operates under five guiding principles: community collaboration, financial stewardship, inspiration, market perspective, and outcome/accountability. In Tampa, total TIF revenue ranged from $14.3 million in 2005 and grew to $33.7 million in 2009 (City of Tampa 2009 Annual Activity Report). A summary of the total TIF revenue is shown in **Figure 1**. TIF funds have been used for many capital projects within the CRA districts ranging from parking, resurfacing and sidewalk improvements, land acquisition, and storm water improvements. Tampa's CRA districts are depicted in **Figure 2**.

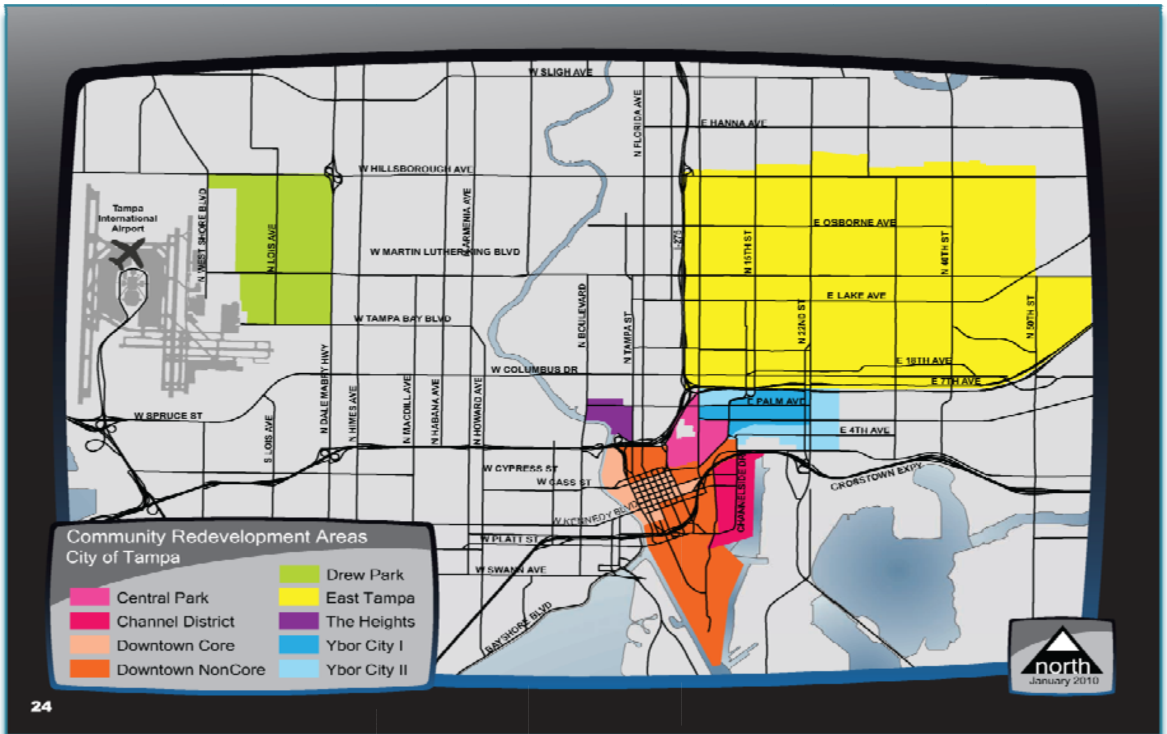
**Figure 1 Total TIF Revenue**





*Source: Hillsborough County Management and Budget Department (Feb 2011)

**Figure 2**
**City of Tampa Community Redevelopment Areas**






## 5.3 Joint Development

Joint Development is generally defined as a real estate development project that involves coordination between multiple parties to develop sites near transit, usually on publicly-owned land. Projects that obtain public funding through the FTA are subject to specific criteria.

This type of value-capture tool works best when a transit agency owns land that can be used to leverage private investment, and where the real estate market is strong. The most successful joint development projects are ones that involve cooperation between the developer, transit agency, and other local agencies and jurisdictions to find creative ways to leverage resources and maximize the value of public transportation investments.

Joint development agreements may include a cost sharing agreement, a revenue-sharing agreement, or a combination of the two. Cost-sharing agreements usually involve cooperation to pay for infrastructure that helps to integrate transit with surrounding development. Revenue-sharing agreements distribute the revenues that result from development among joint development partners. Examples of revenue-sharing agreements include ground lease revenues, air rights payments, or in some cases direct participation in rents or other revenues from development.

In a Master Development Agreement approach to joint development, one development team enters into an agreement that gives them access to multiple development sites along a transit corridor or system. The transit agency or city does not need to issue multiple requests for proposals (RFPs) to select individual developers for sites. It also provides for a system wide approach wherein the developer can phase Transit Oriented Development (TOD) projects to respond to the market. The larger scale of the development opportunity can also be a way to attract more experienced private sector partners.

Several case studies of joint development(s) are summarized as follows:

## Dallas, Texas

In January 2006, Carrollton, Texas established a Tax Increment Reinvestment Zone, or TIF. By city ordinance, the TIF was adopted by City Council in September 2007. The TIF helps to fund infrastructure improvements needed for future redevelopment around two of its three Dallas Area Rapid Transit (DART) light rail stations. The city asked for Request for Qualifications for Master (Catalyst) Developer Services in November 2007 to form a public-private partnership that would incentivize development around the three DART stations. In January 2008, the city enacted an economic incentive package for the transit centers. The package included participation in public infrastructure improvements and rebate of development fees. In January 2009, the city and the selected consultant presented a Disposition and Development Agreement (DDA), an economic incentive agreement that provides a framework for the city and the consultant to develop the catalyst project in Downtown Carrollton. The DDA financial terms are:

- City contributions will not exceed $13,233,726 for public infrastructure and related design and engineering costs
- The consultant will receive no cash incentive
- The consultant will pay a ground lease for the land under the buildings with payments of $100,000 annually beginning in year 5 with the first increase beginning in year 10 of 2.5 percent; a subsequent adjustment will be made every 3 years thereafter
- The consultant will pay $80,000 annually beginning in year 5 with the first increase beginning in year 10 of 2.5 percent, with an adjustment ever three years thereafter, to lease spaces in the parking garage for their tenants
- The city will receive a profit participating payment of 7 percent of the gross margin upon the sale of the buildings
- The city will waive all municipal fees associated with the project

The city amended the DDA in October 2009 and February 2010. Key components of those amendments include a new construction start date of June 2011; a redistribution of the city's economic incentive so that the designs could be completed sooner; and a city commitment to lease the 10,500 square feet of


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

retail space for three years and fund tenant leasing commissions and a portion of the retail tenant improvement. The city will retain revenues derived from tenant leases.

### Portland, Oregon

The city, in partnership with TriMet, the regional transit operator, owns and operates a very successful streetcar system. The system was built in four phases with a fifth segment underway. Financing consisted of a separate, unique package for each segment. Capital costs for the first segment were $56.9 million in 2009/2010, gathered through a combination of federal and local sources. A municipal parking revenue bond provided the largest share of the costs. Value capture strategies, such as tax increment financing and a local improvement district also provided some of the costs. Although Portland State University is a tax-exempt property, it agreed to pay the local improvement fee because of the benefits they receive from the system. Other sources of funds for the first phase included $5 million from federal transportation funds and $500,000 from a HUD grant. Each phase of the system used its own unique combination of value capture strategies and other regional and local funds. It is interesting to note that phases 2 through four used very few federal funds - $800,000 for phase 2 and $650,000 for phase 4 and none for phase 3.

Phase 5 is a 3.3-mile extension of the streetcar system, which is scheduled to begin operations in 2011. In contrast to previous phases, the current phase 5 will primarily use federal funds. For this phase, FTA has provided $75 million or about 51 percent of the total project costs. Local funding, in the form a local improvement district and tax increment financing will provide about 29 percent of the funding. Other funds will come from system development charges, regional funds, and vehicles from the state.

This case study shows the wide variety of funding sources available for transit projects and the innovation Portland used to create unique funding packages to implement several phases of a transit system. They also showed commitment in several phases to raise mostly local funds for several of the phases.

## 6.0 Financing Strategies

There are three basic ways in which transportation projects are typically financed other than pay-as-you-go. An overview of these is described in the following sections. In a pay-as-you-go strategy, projects are funded from existing or accumulated review, with no debt. To be used most effectively, an income stream would need to be equal to or greater than the costs of building projects. In many cases, the amounts of annual revenue are not sufficient to pay total costs for a large project, or multiple projects, at once. Overall costs can rise due to inflation.

## 6.1 Gap Financing

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides direct loans, loan guarantees and standby lines of credit to finance many surface transportation projects of regional and national significance, including highway, transit, railroad, intermodal freight and port access. This credit


*Source: Hillsborough County Management and Budget Department (Feb 2011)

program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital. Current rates for 35-year loans are 4.64% (as of March 10, 2011). The President's budget includes $450 million for TIFIA, almost four times greater than was authorized under SAFETEA-LU. Some are calling for this proposal to be expanded further. Currently TIFIA loans can cover up to a third of a project. By increasing the project amount TIFIA funding can cover, projects that attract less private investment could benefit.

## 6.2 State Infrastructure Bank (SIB)

A revolving fund mechanism for financing a wide variety of highway and transit projects through loans and credit enhancement. SIBs are designed to complement traditional federal-aid highway and transit grants by providing states increased flexibility for financing infrastructure investments. The SIB is a consists of two separate accounts. The federally-funded account is capitalized by federal money matched with state money as required by law and the state-funded account is capitalized by state money and bond proceeds.

The SIB can provide loans and other assistance to public and private entities carrying out projects eligible for assistance under state and federal law. SIB participation from the federally-funded account is limited to projects which meet all federal requirements pursuant to the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU). Meanwhile, SIB participation from the state-funded account is limited to a transportation facility project that is on the State Highway System or that provides for increased mobility on the state's transportation system in accordance with Section 339.55, Florida Statutes or provides for intermodal connectivity with airports, seaports, rail facilities, transportation terminals, and other intermodal options. Projects in the Transportation Regional Incentive Program (TRIP) are eligible for the state-funded SIB provided the project is matched by a minimum of 25% from funds other than SIB. The SIB can leverage funds through loans, and credit enhancement assistance to improve project feasibility. For the fiscal year 2011-12, the state SIB has approximately $52 million available. A listing of projects previously funded via the state SIB is provided in **Table 4**.




**Source: Hillsborough County Management and Budget Department (Feb 2011)*

**Table 4**
**State SIB Funded Projects in Hillsborough County**

| Applicant | Project Description | Loan Purpose | SIB Loan Amount | Interest Rate |
|---|---|---|---|---|
| Tampa-Hillsborough County Expressway Authority | THCEA - Reversible Lanes & Brandon Feeder Roads | New Road | $35,000,000.00 | 3.50% |
| Tampa-Hillsborough County Expressway Authority | THCEA - I-4/Crosstown Connector Phase I | New Road | $13,500,000.00 | 3.50% |
| Hillsborough Area Rapid Transit Authority | HARTline - Ybor Station | Public Transportation Shelter | $4,257,057.00 | 0.00% |

## 6.3 Bonding

In this strategy, funds from a revenue stream are used to repay a large amount of money raised from issuing a bond. The total cost of a project under this strategy can be higher than if paid for under pay-as-you-go, but these higher costs can be offset by being able to be built and operated sooner. Many major transportation projects are funded in this manner. Hillsborough County has bonded CIT revenues to allow advancing the construction of transportation projects.

## 6.4 Public-Private Partnerships (P3)

Another approach, the Public-Private Partnerships (P3) for transit consists of an agreement with a private entity to design, build, finance, operate, and maintain (or a combination of those) a new transit system or line. A Public-Private Partnership (PPP or P3) is an agreement between one or more government entities and a private entity to finance and share the risk and returns on property development. A PPP is similar to a joint development, with one of the primary dissimilarities is that joint development usually takes place on publicly-owned land. The intent of the agreement is to benefit both the private developer and the transit or planning agency and reduce the risk on both sides. In return, the transit agency agrees to annual payments to the private partner. A private entity is formed to be responsible and financially liable for delivering the project, and may also share in revenues from transit operations.

Recent research conducted by HART identified a successful P3 in Vancouver, Canada. TransLink, the local transit provider in Vancouver, Canada, utilized a P3 strategy to finance the construction of an 11-mile light rail line connecting downtown to the international airport. Total project cost was $2.05 billion - $1.3 billion from public funding, and $720 million from private funds. By using a P3, the estimated savings to TransLink and to the taxpayers of Vancouver was approximately $92 million.

Prospects of P3 are increasingly favored as a source of funding and economic incentive-based initiatives. Localized and project-level programs have generated limited revenues, but more importantly, have provided a vehicle to advance projects earlier than available public funds would allow and spread the


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

risk and profit among the public and private sectors. When combined with public funding streams from federal, state and local sources, public-private partnerships show promise as a supplementary source of funding and a way to bring private sector innovation and expertise into public projects while increasing ownership in the overall project implementation and results. The Federal Transit Administration initiated a Public-Private Partnership Pilot Program when it authorized SAFETEA-LU, which has resulted in a major project in Denver.

The Design-Build-Operate-Maintain (DBOM) and variations that include financing have provided a means for the private sector to provide financing to accelerate projects ahead of public funds availability. The private consortium agrees to finance project construction cost in exchange for future profits and reimbursement for implementation costs. There is a trade-off between future potential revenues and project risk. These types of concessionaire arrangements have become more popular as available capital funds become more difficult to obtain.

#### 6.4.1.1 P3 Concessionaire Projects

A concessionaire is a contractor, usually a partnership or consortium of firms, who will design, build, finance, operate and maintain a public project. The concessionaire contractor provides financing in exchange for availability payments from future funding streams (allowing acceleration of a project), from future revenues (in the case of tolls or fares), or from both. Funding streams occur over a defined term, usually 35 years.

In Florida, a number of managed-lane projects have utilized concessionaire financing arrangements, including I-595 Express, I-95 Express Lanes, Alligator Alley, US 1 Improvements, US 19, I-4 Connector, Palmetto Expressway, Port of Miami Tunnel, and First Coast Outer Beltway, all of which include concessionaire or builder financing terms. None involve mass transit projects and only I-595 and I-95 involve express bus use and partial funding. Managed lanes are successful in reducing congestion in many parts of the country, including Houston, Orange County and San Diego.

**I-595 Express**

The I-595 Express, LLC represents the largest DBOM finance method of project delivery in the State of Florida. It is also credited as the first availability payments road concession contract in the U.S. Formed by ACS Infrastructure Development in return for a 35-year contract term, this Concessionaire not only allows FDOT to manage risk and reduce the administration burden to the Department, they realize cost and time savings while providing better quality control and opportunities for innovation. The I-595 Corridor Roadway Improvements consists of three east-west median ground-level reversible express toll lanes with limited access extending 10.5 miles from I-75 to Florida's Turnpike. Continuous connection of SR 84 from Davie Road, auxiliary lanes on I-595 and braided ramps will minimize merge and weaving movements. The managed-lanes will be operated in a congestion pricing manner with higher tolls charged during peak traffic periods.


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

A total of $4.74 billion ($YOE) is programmed over the 35-year life of the I-595 contract and covers design, construction, engineering and inspection, right-of-way, bus rapid transit, reserve for concessionaire issues, operations and maintenance, and resurfacing. Of the total program costs, $1.029 billion is federal funding, and of that amount $0.9 billion is committed to Concessionaire payments. Payments are made only after final acceptance of the project and only as funds are available to the Department. Any cost overruns and 30 years of operations and maintenance must be absorbed by the Concessionaire's equity contributors, thereby protecting the Department from any associated financial risks. In addition to availability payments, the Concessionaire is incentivized to meet interim milestones through bonuses, the first of which amounts to $50 million to be included in the first availability payment. Failure to achieve milestone dates will result in reductions to availability payments.

### Denver Eagle P3 Penta-P

The largest transit concession partnership is in Denver for commuter rail. In June 2010, the Regional Transportation District (RTD) awarded a $2.1 billion contract to Denver Transit Partners (DTP). The Eagle P3 Project includes two east-west electrified commuter rail lines (the Gold and East lines) over 36 miles th a total of 13 stations, including the FasTracks hub at Denver Union Station (DUS) and the commuter rail maintenance facility. A third North METRO line connecting to the DUS will be designed and built by others. FTA has agreed to a single Full Funding Grant Agreement (FFGA) for the East and Gold lines as a single project and is funding 50.4% of the Gold and East lines and the maintenance facility under the Federal New Starts Program for 50% of total project cost for two of the lines. The FFGA is anticipated to be completed by May 2011. RTD issued $398 million in tax-exempt private-activity bonds. Additional private financing of $450 million was arranged by DTP giving the concessionaire an equity stake.

The project is the first under FTA's Public-Private Partnership Pilot Program, known as Penta-P, which allows for private participation in the financing of public transit infrastructure. The selected concessionaire, DTP, is contracted under this design-build-finance-operate-maintain (DBFOM) arrangement to repay the bonds through annual service payments from RTD which are based on performance of the operation and maintenance by DTP of the East Corridor, the Gold Line and the North Metro corridor, as well as the transit specific elements, such as stations and parking lots, on the Northwest Rail line, assuring safe and reliable commuter rail service for up to 45 years. RTD retains ownership of all assets while DTP shoulders much of the risk associated with implementing the project. By spreading out significant up-front costs over a longer 30-year period, the project becomes more affordable. The contract was awarded to DTP in June 2010 and is scheduled to open in 2016.

The Eagle P3 is not Denver's first experience with public-private partnerships. RTD partnered with the Colorado Department of Transportation to construct a combined light rail and highway expansion project along the southeast I-25 corridor, also known as the Transportation Expansion (T-REX) Project. The T-REX was delivered as a design-build project which finished on time and within budget. Denver has proven that large-scale transit projects can be leveraged through private participation and financing. They also have the luxury of a well-defined systems plan with the starter line in place and a dedicated sales tax to support capital and operating needs. They have garnered significant New Starts funding over


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

the years and have considerable experience in light rail and commuter rail project planning and implementation.

### Charlotte, North Carolina

The Charlotte-Mecklenberg Housing Partnership (CMHP) and Scaleybark Partners (led by Pappas Properties) have employed a PPP in an $18 million plan to develop a 16-acre mixed-use project including 500 housing units, affordable homes, and commercial space on South Boulevard, near the Scaleybark light rail station The City of Charlotte discounted the site price by $2 million, to be repaid by CMHP over 20 years, in exchange for the commitment to provision of 80 affordable housing units.

### Fairfax County, Virginia

Through the Fairfax County Revitalization Program, the county created Commercial Revitalization Districts in 1998 to encourage economic development activities in older commercial areas, so far 23 projects totaling $4.9 billion. Several approaches provide incentives to encourage private-sector investment including:

- Regulations – Flexible Zoning Provisions – Increased FAR, Increased building height, reduced parking requirements
- Direct financial incentives – Tax abatement, Façade improvement grants, tax-increment financing, CDA financing, Low no-interest loans, tax-exempt bond financing, and below-market and subordinate financing
- Indirect financial incentives – Expedited development review, team inspections, parking requirement reduction
- Technical assistance – Individual consulting, referral networking, resource library/revitalization website

## 6.4.1.2 Value Capture Projects

In addition to concessionaire funding strategies, value-capture mechanisms involving transit projects can work to incentivize joint or secondary development near fixed guideway stations. These arrangements take many forms ranging from air-rights development, parking structures, right-of-way donations, and integration of transit stations into private structures. Recent experience in Dallas, Houston, Denver and Charlotte all confirm positive influence of fixed guideway light rail transit station improvements on surrounding property values. Less empirical evidence exists for economic development surrounding bus rapid transit (BRT) stations due to the less permanent nature of BRT improvements. However, BRT projects that involve a fixed guideway component with substantial station improvements that mimic light rail can be a catalyst for transit-oriented development, as seen on the Boston Silver Line.

Generally, joint development programs take the form of tax-increment financing (TIF) or assessment districts. Revenues generated through TIFs are dependent upon the real estate market. Tampa has


*Source: Hillsborough County Management and Budget Department (Feb 2011)*

experience with TIF Districts along the TECO streetcar line and in East Tampa. Assessments are made for properties adjacent to the streetcar stations on an annual basis. Funds generated to date have been limited by the market; however, in the best of markets should not be expected to be much more than a contribution to operations and maintenance.

## 6.5 Certificates of Participation

Certificates of Participation (COPs) are tax-exempt bonds that enable governmental entities to finance capital projects without issuing long-term debt. A state entity issues tax-exempt bonds that have maturities that are timed to a lease term of assets that are purchased by the state with the proceeds of a bond issue. The state entity then leases the equipment or assets to one or more agency. The lease payments provide the revenue stream to secure the bond. These lease payments can be made through a combination of formula grant funds (section 5307 and 5309) and local matching funds. These types of collective purchasing provide a means to accelerate purchases of newer vehicles at lower prices for larger orders, reducing operating cost and improving performance through more favorable financing. Though most applications of COPs involve the purchase of vehicles, other types of public investments are eligible. The City of Sacramento issued $29.4 million of COPs to fund a portion of light rail system (Source: HART, 2011)

DRAFT 04/08/2011

## 2035 Plan Post Referendum Analysis

# 7.0 APPENDIX A

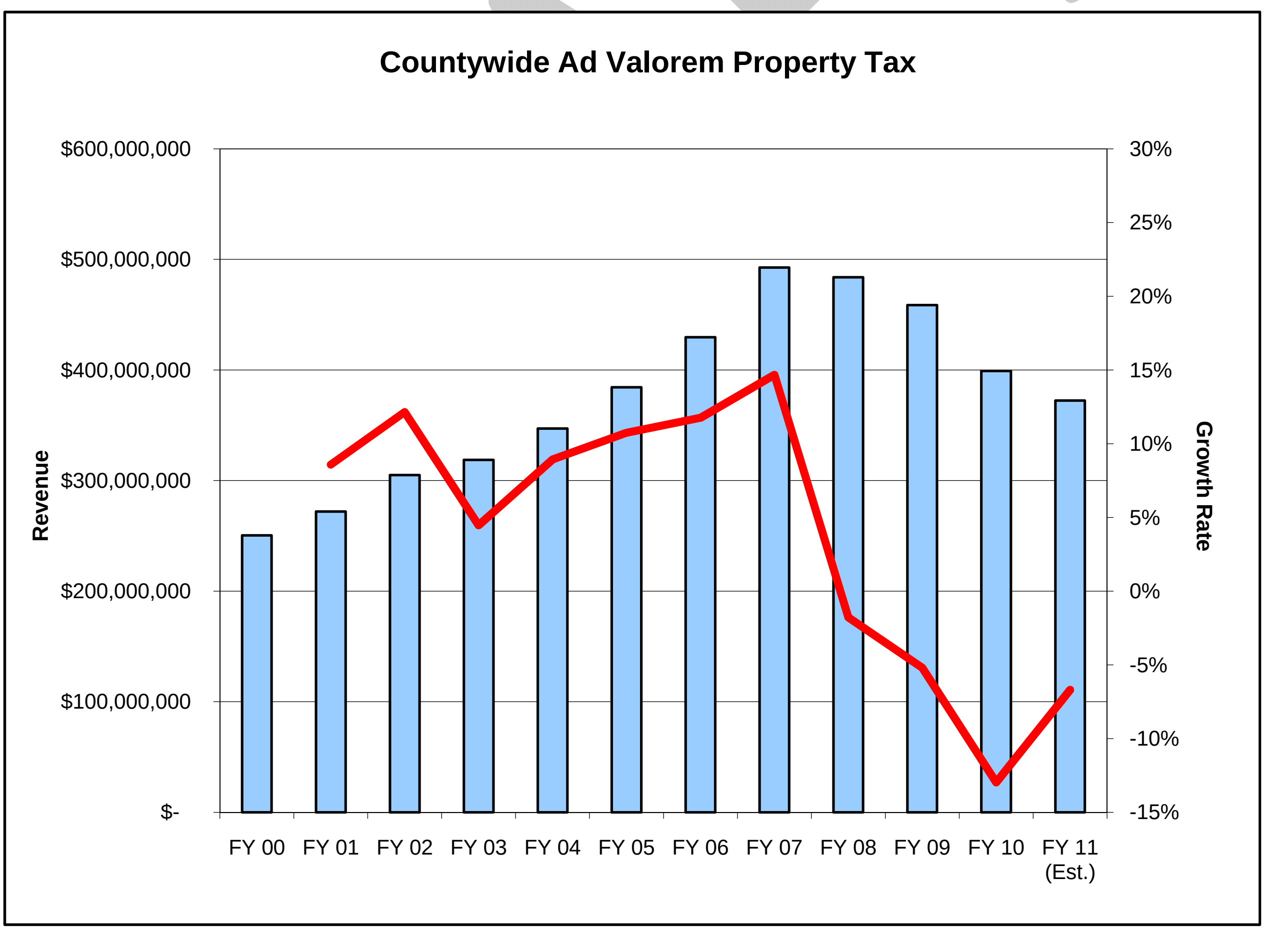
| Ad Valorem Tax<br>Countywide General Fund | |
|---|---|
| **Description** | Ad valorem tax on the assessed value, less any exemptions, of all real and tangible personal property in Hillsborough County. |
| **Levied by** | A majority vote of the members of the county's governing body when millage is at or below the adjusted rolled back rate. |
| **Adoption Timetable** | Two public hearings are required before final September adoption of the millage rate and tax levy for the following Fiscal Year beginning October 1. The property appraiser is charged with determining the fair market value, the assessed value, and the values of applicable exemptions to arrive at the taxable value of all property within the county, pursuant to constitutional and statutory requirements. The tax collector is charged with the collection of ad valorem taxes levied by the county, school district, all municipalities within the county, and any special taxing districts within the county. |
| **Effective Date** | Annually |
| **Expiration** | Annually |
| **Current Tax Rate** | 5.7407 |
| **Tax Rate Restrictions** | The millage rate may not exceed ten mills ($10 per $1000 of taxable assessed value). Millage rates are also restricted by maximum millage calculation. |
| **Geographic Levy** | Countywide |
| **Distribution of Proceeds** | The tax collector distributes taxes to the taxing authority. |
| **Statutory Uses** | Any countywide purpose |
| **Additional Restrictions on Use** | None |




**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Ad Valorem Tax
## Countywide General Fund

| Revenue Data | | |
|---|---|---|
| **Fiscal Year** | **Revenue** | **Growth** |
| FY 00 | $ 250,534,154 | |
| FY 01 | $ 272,009,393 | 8.6% |
| FY 02 | $ 305,048,025 | 12.1% |
| FY 03 | $ 318,680,850 | 4.5% |
| FY 04 | $ 347,115,007 | 8.9% |
| FY 05 | $ 384,392,136 | 10.7% |
| FY 06 | $ 429,587,395 | 11.8% |
| FY 07 | $ 492,625,203 | 14.7% |
| FY 08 | $ 483,851,672 | -1.8% |
| FY 09 | $ 458,683,543 | -5.2% |
| FY 10 | $ 399,151,792 | -13.0% |
| FY 11 (Est.) | $ 372,401,800 | -6.7% |





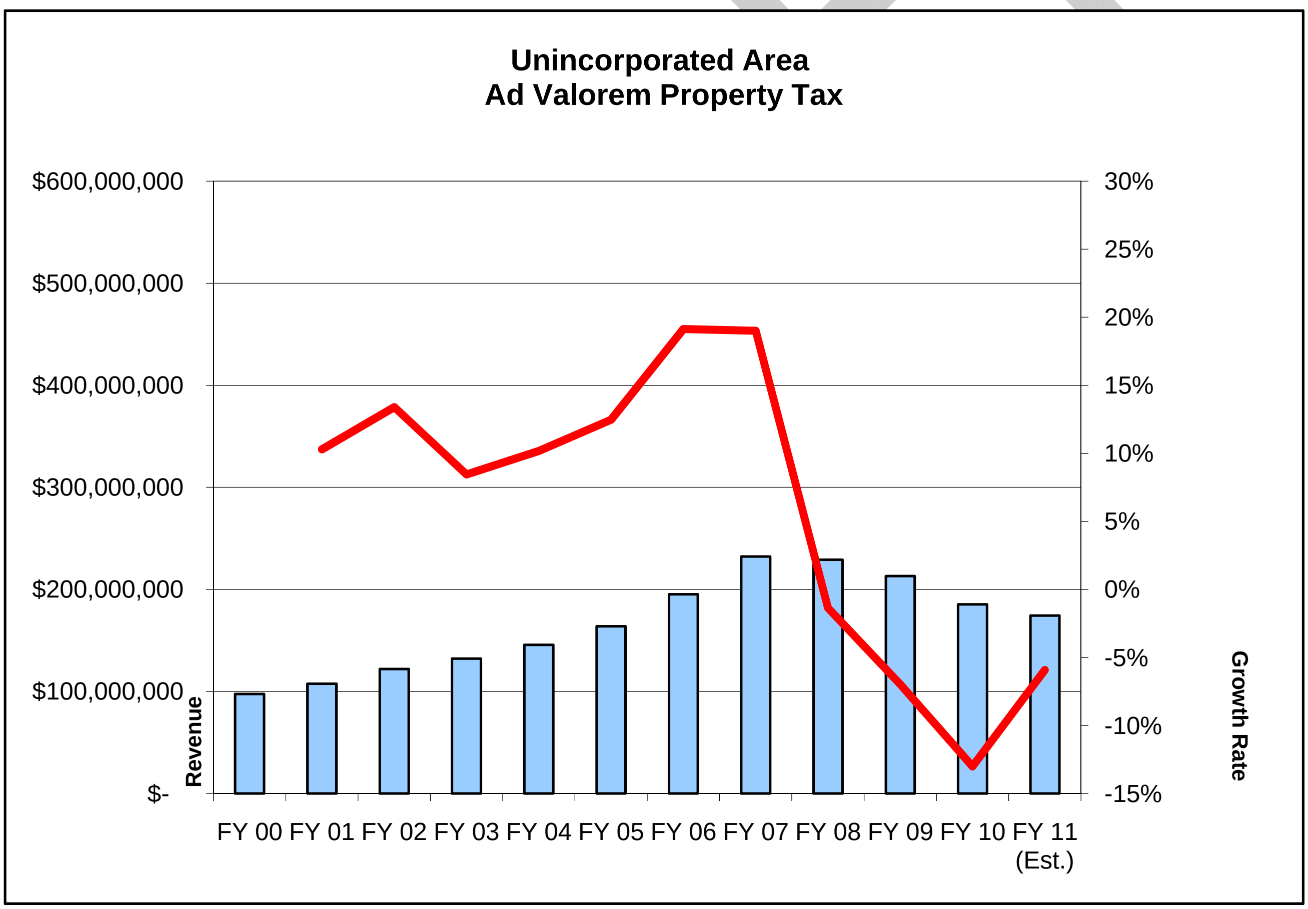

**Source: Hillsborough County Management and Budget Department (Feb 2011)*

| Municipal Service Taxing Unit | |
|---|---|
| **Description** | Ad valorem tax on the assessed value, less any exemptions, of all real and tangible personal property in the Unincorporated Area of Hillsborough County. |
| **Levied by** | A majority vote of the members of the county's governing body when millage is at or below the adjusted rolled back rate. |
| **Adoption Timetable** | Two public hearings are required before final September adoption of the millage rate and tax levy for the following Fiscal Year beginning October 1. The property appraiser is charged with determining the fair market value, the assessed value, and the values of applicable exemptions to arrive at the taxable value of all property within the county, pursuant to constitutional and statutory requirements. The tax collector is charged with the collection of ad valorem taxes levied by the county, school district, all municipalities within the county, and any special taxing districts within the county. |
| **Effective Date** | Annually |
| **Expiration** | Annually |
| **Current Tax Rate** | 4.3745 |
| **Tax Rate Restrictions** | The millage rate may not exceed ten mills ($10 per $1000 of taxable assessed value). Millage rates are also restricted by maximum millage calculation. |
| **Geographic Levy** | Unincorporated Area only |
| **Distribution of Proceeds** | The tax collector distributes taxes to the taxing authority. |
| **Statutory Uses** | Provide municipal type services (law enforcement, fire protection, parks, etc.) in the Unincorporated Area. |
| **Additional Restrictions on Use** | None |




**Source: Hillsborough County Management and Budget Department (Feb 2011)*

| Revenue Data | | |
|---|---|---|
| **Fiscal Year** | **Revenue** | **Growth** |
| FY 00 | $ 97,477,103 | |
| FY 01 | $ 107,509,439 | 10.3% |
| FY 02 | $ 121,911,501 | 13.4% |
| FY 03 | $ 132,208,859 | 8.4% |
| FY 04 | $ 145,657,041 | 10.2% |
| FY 05 | $ 163,808,944 | 12.5% |
| FY 06 | $ 195,152,776 | 19.1% |
| FY 07 | $ 232,230,458 | 19.0% |
| FY 08 | $ 229,066,377 | -1.4% |
| FY 09 | $ 213,087,707 | -7.0% |
| FY 10 | $ 185,360,903 | -13.0% |
| FY 11 (Est.) | $ 174,377,411 | -5.9% |





*Source: Hillsborough County Management and Budget Department (Feb 2011)*

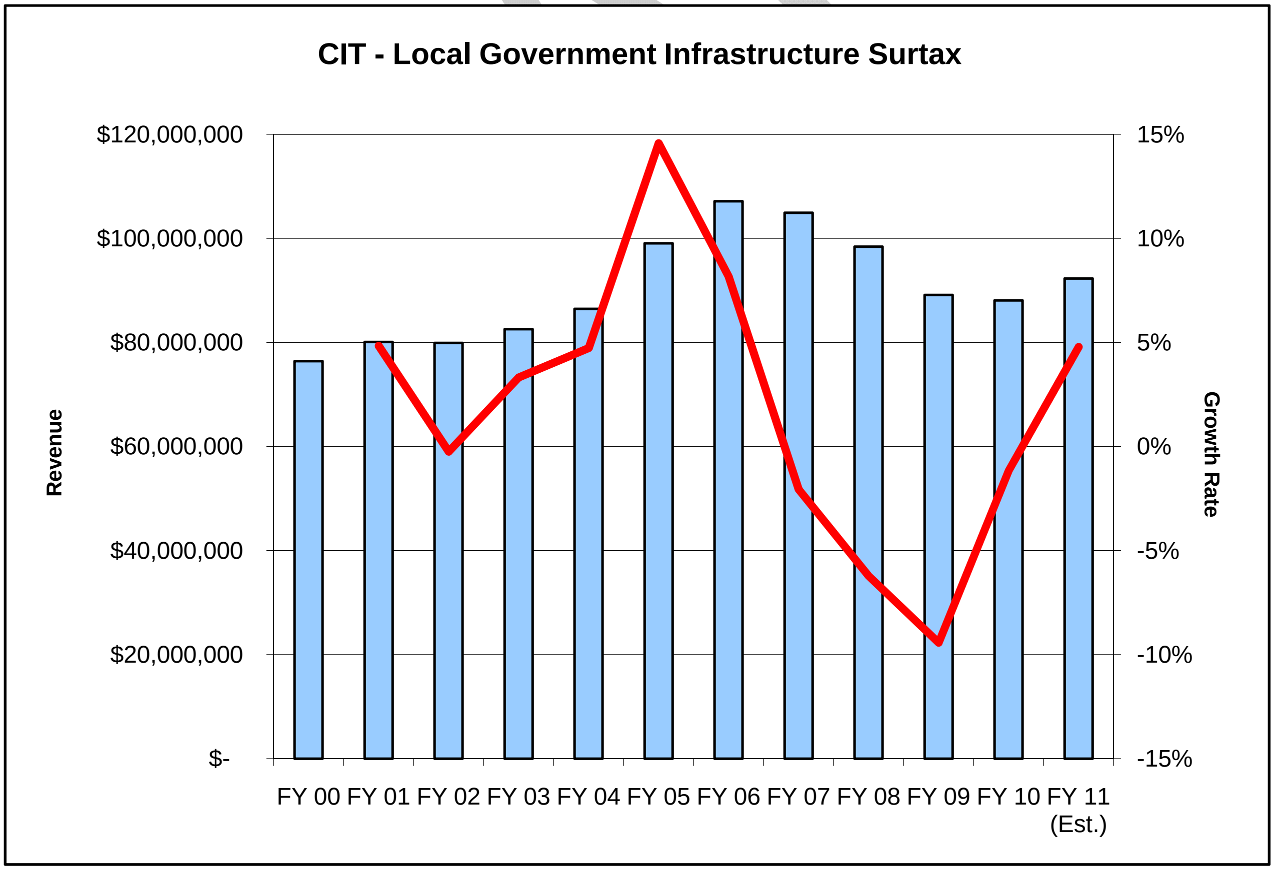
| Local Discretionary Sales Surtax<br>Local Government Infrastructure Surtax (Statutory Name)<br>Community Investment Tax (CIT) (Local Name) | |
|---|---|
| **Description** | A half percent surtax on the sale of the first $5,000 of transactions subject to the state sales and use tax on goods and services |
| **Levied by** | A majority vote of the members of the county's governing body and approval by the voters in a countywide referendum |
| **Adoption Timetable** | Notify DOR by October 1 if referendum or consideration of ordinance that would result in imposition, termination, or rate change of a surtax is scheduled to occur on or after October 1 of that year. DOR must receive notice of adoption within 10 days after final adoption prior to the January 1 effective date. |
| **Effective Date** | December 1, 1996 |
| **Expiration** | November 30, 2026 |
| **Current Tax Rate** | 0.5% |
| **Tax Rate Restrictions** | This surtax may be levied at 0.5% or 1.0% and is one of several surtaxes subject to a combined rate limitation. A county shall not levy this surtax and the Small County Surtax, Indigent Care and Trauma Center Surtax, and County Public Hospital Surtax in excess of a combined rate of 1.0%. Hillsborough County currently levies this surtax and the Indigent Care and Trauma Center Surtax at 0.5% each and is, therefore, at the combined maximum rate of 1.0%. |
| **Geographic Levy** | Countywide |
| **Distribution of Proceeds** | In the absence of an interlocal agreement statute requires the proceeds be shared by the County and Municipalities by use of the Local Government Half-cent Sales Tax formula provided in s. 218.62 F.S. In accordance with an interlocal agreement, CIT proceeds are, however, shared with the Hillsborough County School Board and the three municipalities. In addition, debt service payments on Raymond James Stadium are sent to the Tampa Sports Authority. The School Board receives 25% of all proceeds and the Sports Authority's distribution is determined by debt service need. The remainder is divided among the County, Plant City, Tampa, and Temple Terrace based on the Local Government Half-cent Sales Tax distribution formula. The County receives a share derived on behalf of the countywide population and a share derived on behalf of the unincorporated area population. |
| **Statutory Uses** | The proceeds may be used for capital construction, renovation or improvement of public facilities with a life expectancy of at least five years and for law enforcement, fire department, emergency transport or other vehicles with a life expectancy of at least five years. Land acquisition for public facilities is allowed. Payment of new bonded indebtedness for capital projects is also allowable. Operational expenses of infrastructure may not be funded by this revenue. |
| **Additional Restrictions on Use** | None |


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Local Discretionary Sales Surtax
## Local Government Infrastructure Surtax (Statutory Name)
## Community Investment Tax (CIT) (Local Name)

| Revenue Data | Revenue | Growth |
|---|---|---|
| FY 00 | $ 76,389,501 | |
| FY 01 | $ 80,084,079 | 4.8% |
| FY 02 | $ 79,883,362 | -0.3% |
| FY 03 | $ 82,531,607 | 3.3% |
| FY 04 | $ 86,433,908 | 4.7% |
| FY 05 | $ 99,031,493 | 14.6% |
| FY 06 | $ 107,126,448 | 8.2% |
| FY 07 | $ 104,914,646 | -2.1% |
| FY 08 | $ 98,386,405 | -6.2% |
| FY 09 | $ 89,105,847 | -9.4% |
| FY 10 | $ 88,073,756 | -1.2% |
| FY 11 (Est.) | $ 92,285,866 | 4.8% |

| Distribution | Actual | |
|---|---|---|
| | FY 10 | FY 11 (Est.) |
| School Board | $ 22,018,439 | $ 23,071,467 |
| TSA | $ 9,570,000 | $ 9,687,000 |
| County-Countywide | $ 10,189,858 | $ 10,768,362 |
| County-Unincorporated | $ 31,003,901 | $ 32,603,301 |
| Plant City | $ 1,293,514 | $ 1,357,224 |
| Tampa | $ 13,076,351 | $ 13,822,262 |
| Temple Terrace | $ 920,711 | $ 976,250 |
| | | |
| **Total** | **$ 88,072,774** | **$ 92,285,866** |






*Source: Hillsborough County Management and Budget Department (Feb 2011)*

| Local Discretionary Sales Surtax<br>Charter County and Regional Transportation System Surtax | |
|---|---|
| **Description** | Up to one percent surtax on the sale of the first $5,000 of transactions subject to the state sales and use tax on goods and services |
| **Levied by** | Approval by the voters in a countywide referendum or approval by the voters of a charter amendment |
| **Adoption Timetable** | Notify DOR by October 1 if referendum or consideration of ordinance that would result in imposition, termination, or rate change of a surtax is scheduled to occur on or after October 1 of that year. DOR must receive notice of adoption within 10 days after final adoption prior to the January 1 effective date. |
| **Effective Date** | Not levied in Hillsborough County |
| **Expiration** | Not levied in Hillsborough County |
| **Current Tax Rate** | Not levied in Hillsborough County |
| **Tax Rate Restrictions** | Any county that has adopted a home rule charter, any county government that has consolidated with one or more municipalities, and any county that is within or under an interlocal agreement with a regional transportation or transit authority created under ch. 343 or 349, F.S., may levy this surtax up to 1.0%. This surtax is <u>not</u> one of several surtaxes subject to a combined rate limitation. |
| **Geographic Levy** | Countywide |
| **Distribution of Proceeds** | The surtax proceeds shall be deposited into the county trust fund or remitted by the county's governing body to an expressway, transit, or transportation authority created by law. |
| **Statutory Uses** | Generally, the use of the proceeds is for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, on-demand transportation services, and roads and bridges. |
| **Additional Restrictions on Use** | Not levied in Hillsborough County |



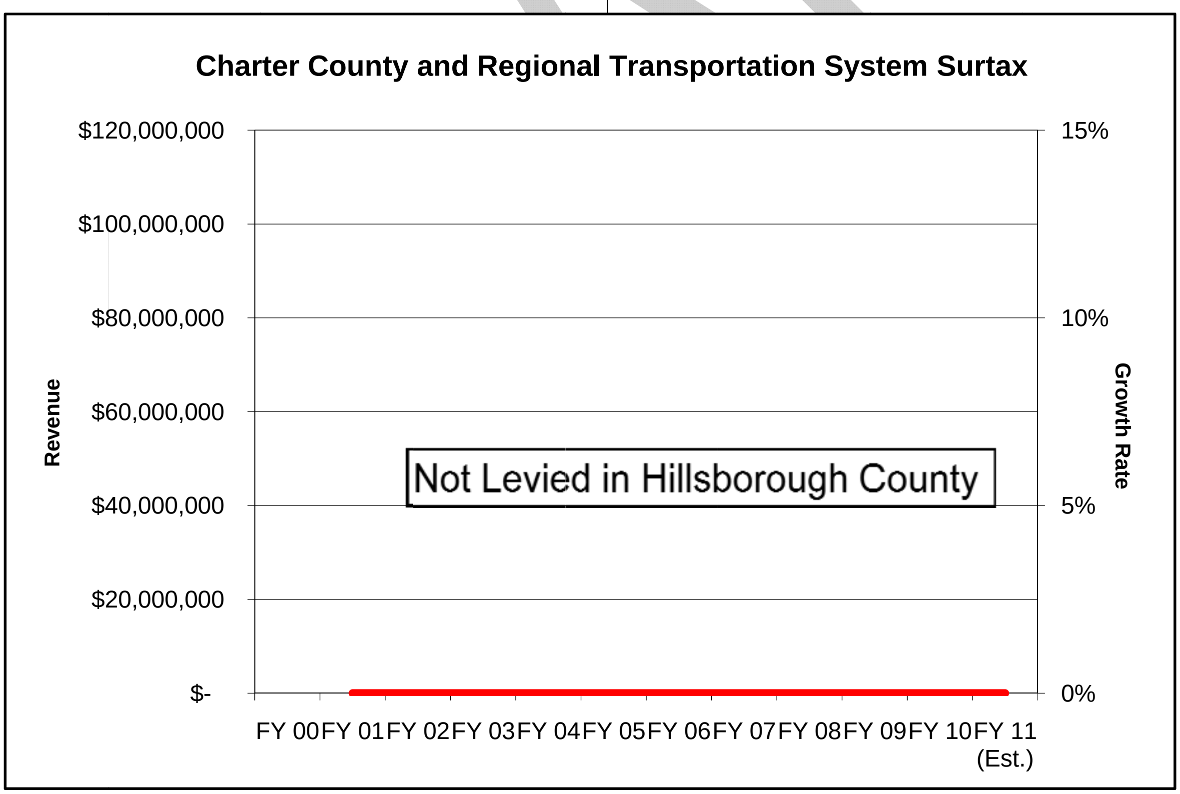

**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Local Discretionary Sales Surtax
## Charter County and Regional Transportation System Surtax

| Revenue Data | | |
|---|---|---|
| | Revenue | Growth |
| FY 00 | $ - | |
| FY 01 | $ - | 0.0% |
| FY 02 | $ - | 0.0% |
| FY 03 | $ - | 0.0% |
| FY 04 | $ - | 0.0% |
| FY 05 | $ - | 0.0% |
| FY 06 | $ - | 0.0% |
| FY 07 | $ - | 0.0% |
| FY 08 | $ - | 0.0% |
| FY 09 | $ - | 0.0% |
| FY 10 | $ - | 0.0% |
| FY 11 (Est.) | $ - | 0.0% |

| Distribution | Hypothetical 1% Tax Based on CIT Collections | |
|---|---|---|
| | FY 10 | FY 11 |
| **Total** | $176,147,512 | $ 184,571,732 |

Note: This tax is not levied in Hillsborough County. Any local sharing would be determined by a potential future interlocal agreement or the Local Government Half-cent Sales Tax distribution formula.





*Source: Hillsborough County Management and Budget Department (Feb 2011)*

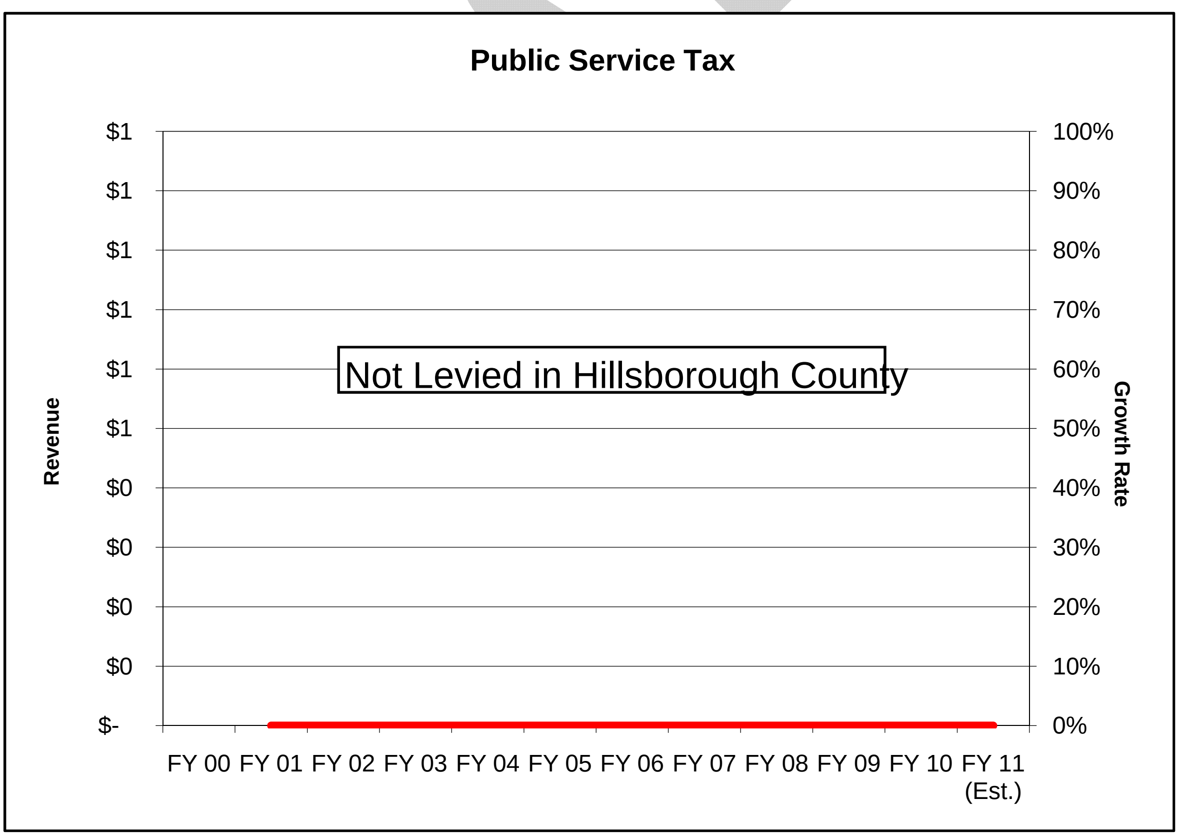
| Public Service Tax | |
|---|---|
| **Description** | A tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and/or water service. |
| **Levied by** | Ordinance |
| **Adoption Timetable** | A tax levy must be adopted by ordinance, and the effective date of every tax levy or repeal must be the beginning of a subsequent calendar quarter: January 1, April 1, July 1, or October 1. The taxing authority shall notify the Department of Revenue (DOR) of a tax levy adoption or repeal at least 120 days before its effective date. |
| **Effective Date** | Not levied in Hillsborough County Unincorporated Area |
| **Expiration** | Not levied in Hillsborough County Unincorporated Area |
| **Current Tax Rate** | Not levied in Hillsborough County Unincorporated Area |
| **Tax Rate Restrictions** | The tax rate shall not exceed 10 percent of the payments received by the seller of the taxable item. Fuel oil shall be taxed at a rate not to exceed 4 cents per gallon. |
| **Geographic Levy** | Unincorporated Area only |
| **Distribution of Proceeds** | The proceeds are considered general revenue. |
| **Statutory Uses** | The proceeds are considered general revenue. |
| **Additional Restrictions on Use** | Not levied in Hillsborough County Unincorporated Area |


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Public Service Tax

| Revenue Data | | |
|---|---|---|
| | Revenue | Growth |
| FY 00 | $ - | |
| FY 01 | $ - | 0.0% |
| FY 02 | $ - | 0.0% |
| FY 03 | $ - | 0.0% |
| FY 04 | $ - | 0.0% |
| FY 05 | $ - | 0.0% |
| FY 06 | $ - | 0.0% |
| FY 07 | $ - | 0.0% |
| FY 08 | $ - | 0.0% |
| FY 09 | $ - | 0.0% |
| FY 10 | $ - | 0.0% |
| FY 11 (Est.) | $ - | 0.0% |

Since October 1991, Orange County has levied the Public Service Tax on purchases of electricity, fuel oil, metered or bottled gas (natural liquefied petroleum gas or manufactured), water service, and telecommunication services. For FY 11, Orange County's Budget shows this revenue is budgeted at $61,956,787.





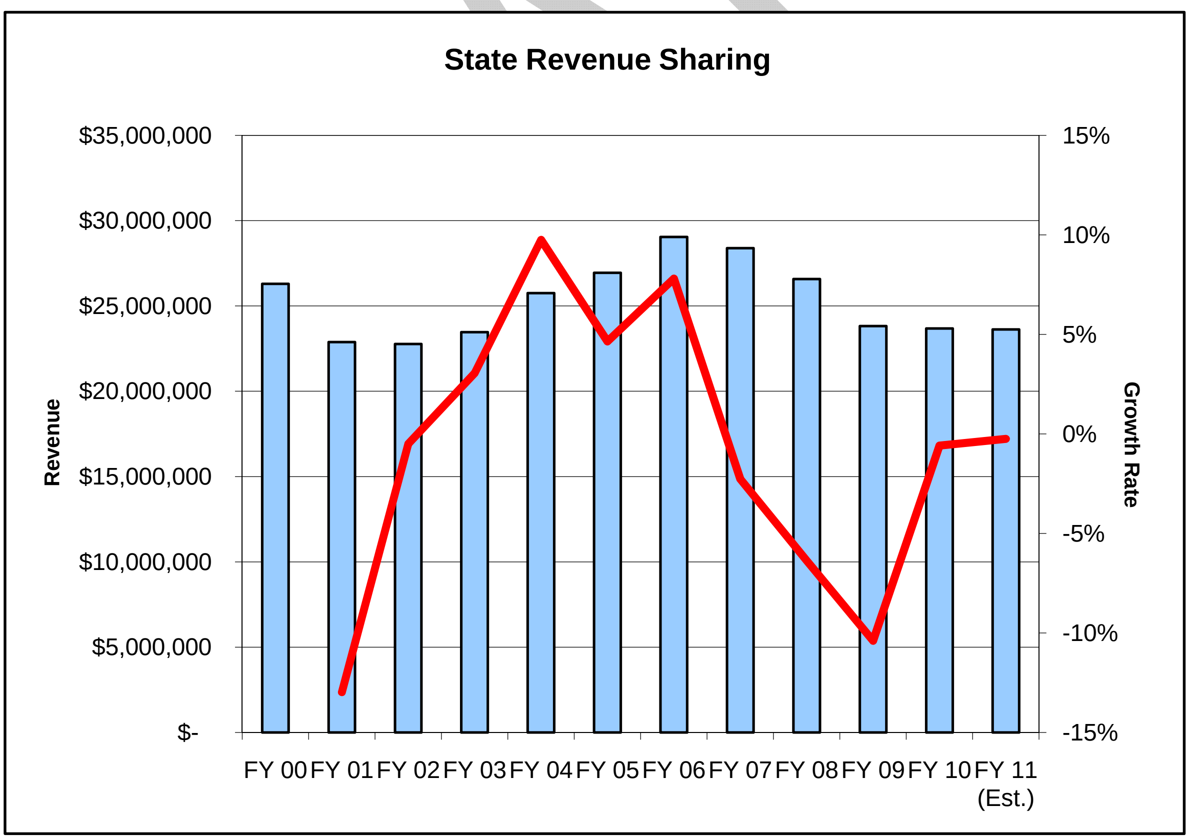
**Source: Hillsborough County Management and Budget Department (Feb 2011)*

| State Shared Revenue<br>County Revenue Sharing Program | |
|---|---|
| **Description** | Portions of net cigarette tax collections and of 6% net state sales and use tax collections shared with counties. |
| **Authorized by** | Sections 210.20(2), 212.20(6), and 218.20-.26, Florida Statutes |
| **Adoption Timetable** | NA |
| **Effective Date** | NA |
| **Expiration** | NA |
| **Current Tax Rate** | Portions of net cigarette tax collections and of 6% net state sales and use tax collections shared with counties. |
| **Tax Rate Restrictions** | NA |
| **Geography** | Statewide |
| **Distributions From Program** | 2.9% of net cigarette tax collections and 2.044% of state sales and use tax collections are shared with counties by formula. |
| **1st Guaranteed Entitlement** | Equal to the aggregate amount received from the state in fiscal year 1971-72 under then-existing statutory provisions. $1,835,682 for Hillsborough County. |
| **2nd Guaranteed Entitlement** | Equal to the aggregate amount received from the state in fiscal year 1981-82 under then-existing statutory provisions. $4,916,846 for Hillsborough County. |
| **Distribution Formula** | An apportionment factor is calculated for each eligible county using a formula consisting of the following equally weighted factors: county population, unincorporated county population, and county sales tax collections. The distribution will not be less than the Guaranteed Entitlements. |
| | A county population factor is an eligible county's population divided by total population of all eligible counties in the state. Inmates and some institutional population are excluded.<br>An unincorporated county population factor is an eligible county's unincorporated population divided by total unincorporated population of all eligible counties in the state.<br>A county sales tax collections factor is an eligible county's sales tax collections during the preceding year divided by total sales tax collections during the preceding year of all eligible counties in the state.<br>County Apportionment Factor = <u>Population Factor + Unincorporated Pop. Factor + Sales Tax Factor</u> |
| **Statutory Uses** | There are no use restrictions on these revenues; however, statutory provisions exist that restrict the amount of funds that can be pledged for bonded indebtedness to 50 percent of the funds received in the prior year. Counties are allowed to pledge the guaranteed entitlement proceeds. |
| **Additional Restrictions on Use** | None |


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## State Shared Revenue
## County Revenue Sharing Program
## State Revenue Sharing

| Revenue Data | | |
|---|---|---|
| | Revenue | Growth |
| FY 00 | $ 26,295,605 | |
| FY 01 | $ 22,884,004 | -13.0% |
| FY 02 | $ 22,768,867 | -0.5% |
| FY 03 | $ 23,463,241 | 3.0% |
| FY 04 | $ 25,750,066 | 9.7% |
| FY 05 | $ 26,946,327 | 4.6% |
| FY 06 | $ 29,047,590 | 7.8% |
| FY 07 | $ 28,388,485 | -2.3% |
| FY 08 | $ 26,581,880 | -6.4% |
| FY 09 | $ 23,818,046 | -10.4% |
| FY 10 | $ 23,678,577 | -0.6% |
| FY 11 (Est.) | $ 23,619,435 | -0.2% |





*Source: Hillsborough County Management and Budget Department (Feb 2011)*

| Local Option Fuel Tax<br>One to Six Cents Local Option Fuel Tax | |
|---|---|
| **Description** | One to six cents per gallon tax on motor and diesel fuel. |
| **Levied by** | A majority vote of the members of the county's governing body or approval by the voters in a countywide referendum |
| **Adoption Timetable** | Prior to June 1, the county may establish by interlocal agreement with one or more of the municipalities located within the county, representing a majority of the population of the incorporated area, a distribution formula for dividing the proceeds among the county government and all eligible municipalities within the county. If an interlocal agreement has not been executed, the county may, prior to June 10, adopt a resolution of intent to levy this tax. All impositions of the tax shall be levied before July 1 to be effective January 1 of the following year. However, levies of the tax that were in effect on July 1, 2002, and which expire on August 31 of any year may be reimposed at the current authorized rate to be effective September 1 of the year of expiration. Upon expiration, the tax may be re-levied provided a redetermination of the method of distribution is made. |
| **Effective Date** | September 1, 1985 |
| **Expiration** | August 31, 2013 |
| **Current Tax Rate** | Six cents per gallon |
| **Tax Rate Restrictions** | This fuel tax may be levied at one to six cents tax on every gallon of motor fuel (non-diesel) sold in a county for a period not to exceed 30 years. As the result of statewide equalization, all counties levy the tax on diesel fuel at the full six cents rate. |
| **Geographic Levy** | Countywide |
| **Distribution of Proceeds** | The tax proceeds shall be distributed by DOR according to distribution factors determined at the local level by interlocal agreement. If no interlocal agreement is established, then the distribution shall be based on the transportation expenditures of each local government for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county. In accordance with the current interlocal agreement, the proceeds are shared with the county's three municipalities: Plant City, Tampa and Temple Terrace. The distribution formula is based on the population of each jurisdiction, as estimated by the University of Florida. The county receives the share for Unincorporated Area purposes. |
| **Statutory Uses** | Roadway and right-of-way maintenance and equipment and structures used primarily for the storage and maintenance of such equipment. Roadway and right-of-way drainage. Street lighting. Traffic signs, traffic engineering, signalization, and pavement markings. Bridge maintenance and operation. Public transportation operations and maintenance. Debt service and current expenditures for transportation capital projects in the foregoing program areas, including construction or reconstruction of roads and sidewalks. |
| **Additional Restrictions on Use** | None |

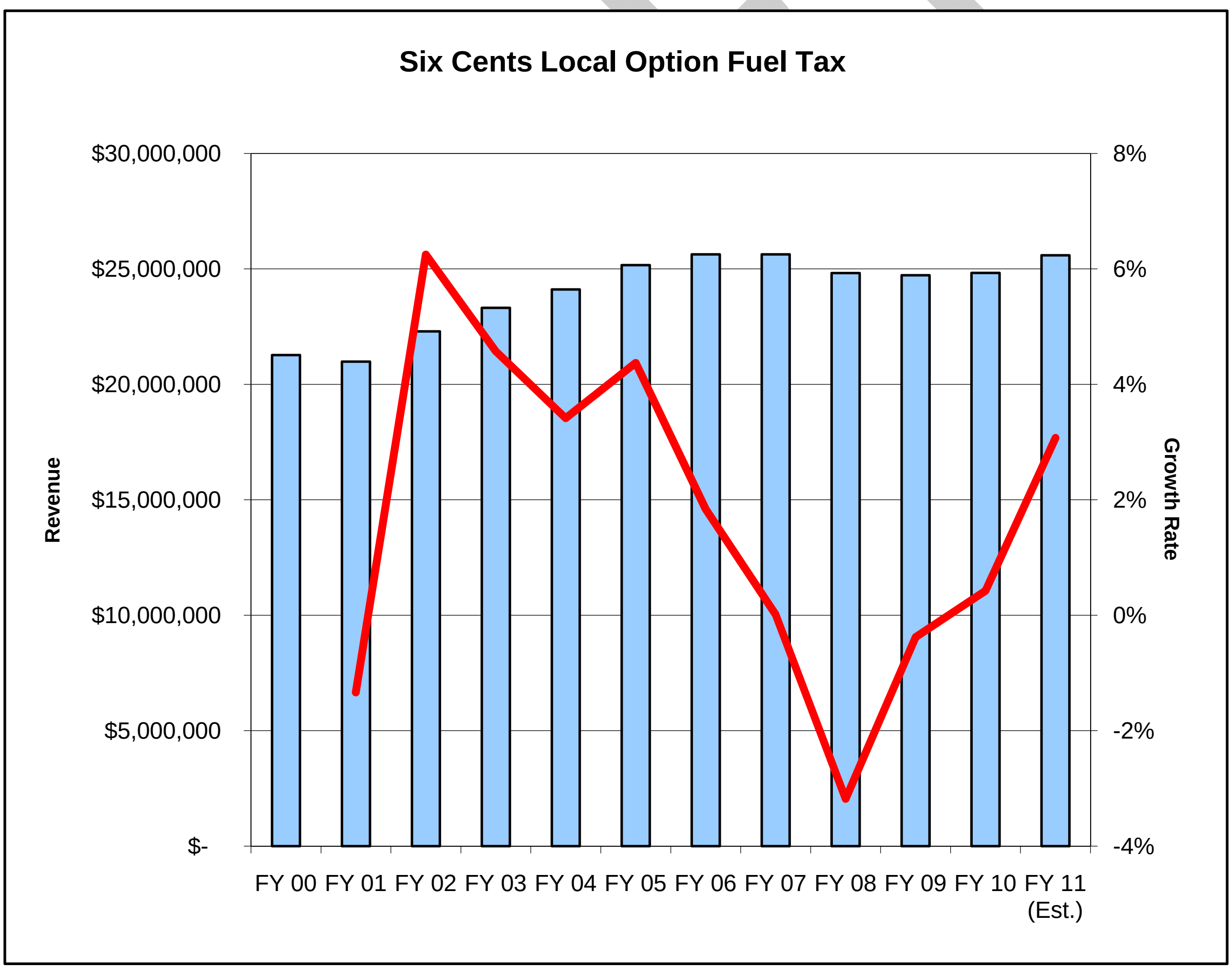

**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Local Option Fuel Tax
## One to Six Cents Local Option Fuel Tax

| Revenue Data | | |
|---|---|---|
| | Revenue | Growth |
| FY 00 | $ 21,268,871 | |
| FY 01 | $ 20,984,979 | -1.3% |
| FY 02 | $ 22,296,395 | 6.2% |
| FY 03 | $ 23,316,254 | 4.6% |
| FY 04 | $ 24,112,403 | 3.4% |
| FY 05 | $ 25,166,472 | 4.4% |
| FY 06 | $ 25,630,346 | 1.8% |
| FY 07 | $ 25,633,942 | 0.0% |
| FY 08 | $ 24,818,725 | -3.2% |
| FY 09 | $ 24,725,050 | -0.4% |
| FY 10 | $ 24,830,105 | 0.4% |
| FY 11 (Est.) | $ 25,592,993 | 3.1% |

| Distribution | DOR Estimates | |
|---|---|---|
| | FY 10 | FY 11 |
| County | $ 24,028,347 | $ 25,592,993 |
| Plant City | $ 1,000,434 | $ 1,066,534 |
| Tampa | $ 10,108,329 | $ 10,806,780 |
| Temple Terrace | $ 720,743 | $ 760,718 |
| | | |
| **Total** | **$ 35,857,853** | **$ 38,227,025** |

Note: This tax is collected by the Florida Department of Revenue (DOR) which directly distributes each jurisdiction's share according to the current interlocal agreement. This is in contrast to the 9th-cent Fuel Tax where the DOR sends the entire proceeds to BOCC and, then, distributions are made to the municipalities.



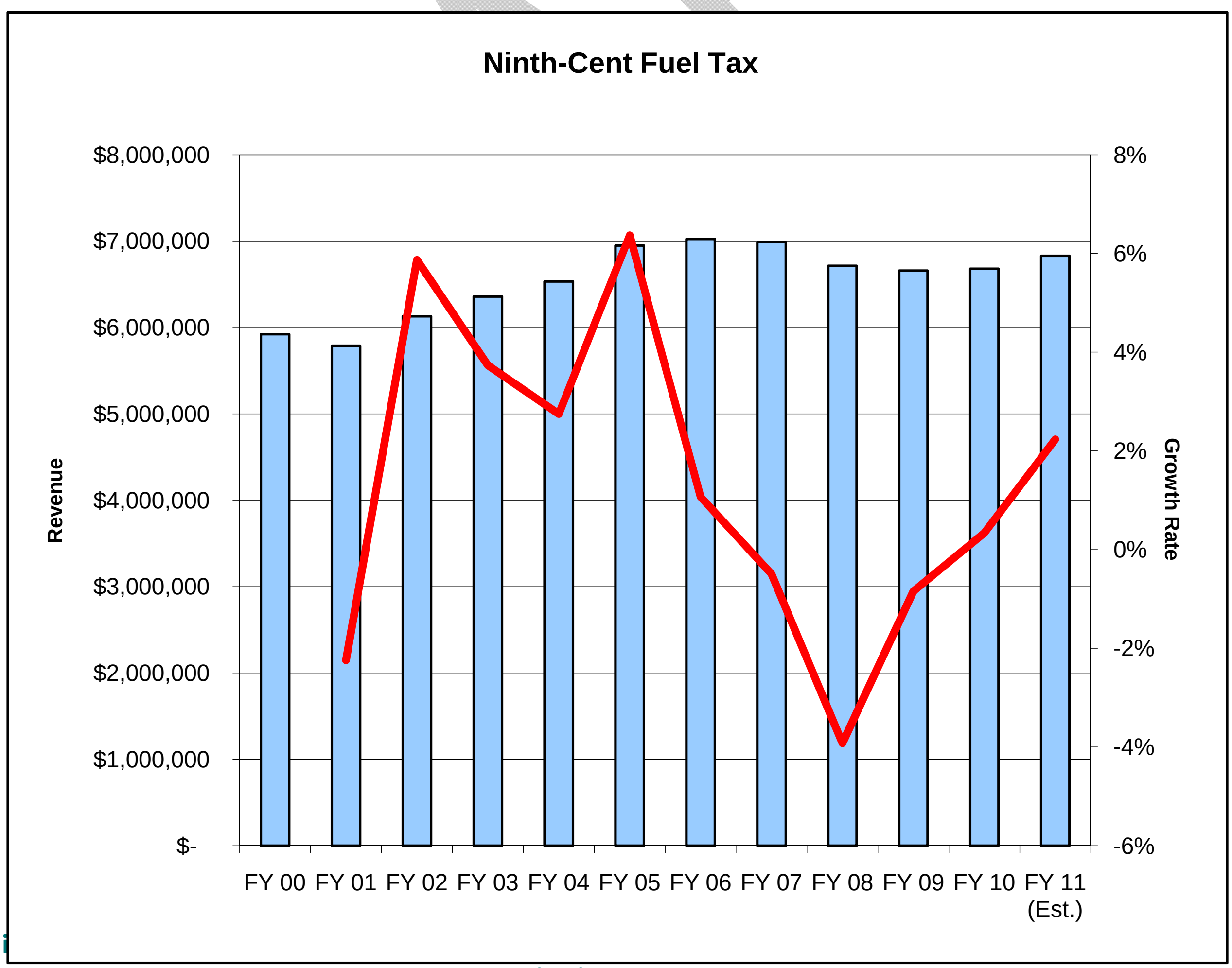


*Source: Hillsborough County Management and Budget Department (Feb 2011)

## Local Option Fuel Tax
## Ninth-Cent Fuel Tax
## Formerly Known as Voted Gas Tax

| Revenue Data | | |
|---|---|---|
| | Revenue | Growth |
| FY 00 | $ 5,921,993 | |
| FY 01 | $ 5,789,088 | -2.2% |
| FY 02 | $ 6,129,128 | 5.9% |
| FY 03 | $ 6,358,151 | 3.7% |
| FY 04 | $ 6,533,021 | 2.8% |
| FY 05 | $ 6,949,187 | 6.4% |
| FY 06 | $ 7,023,537 | 1.1% |
| FY 07 | $ 6,988,861 | -0.5% |
| FY 08 | $ 6,714,711 | -3.9% |
| FY 09 | $ 6,658,032 | -0.8% |
| FY 10 | $ 6,680,497 | 0.3% |
| FY 11 (Est.) | $ 6,829,925 | 2.2% |

| Distribution | Actual FY 10 | FY 11 (Est.) |
|---|---|---|
| County-Countywide | $ 534,440 | $ 546,394 |
| County-Unincorporated | $ 4,116,594 | $ 4,201,832 |
| Plant City | $ 171,694 | $ 175,038 |
| Tampa | $ 1,735,369 | $ 1,780,582 |
| Temple Terrace | $ 122,400 | $ 126,079 |
| | | |
| Total | $ 6,680,497 | $ 6,829,925 |






**Source: Hillsborough County Management and Budget Department (Feb 2011)*

| Local Option Fuel Tax<br>One to Five Cents Local Option Fuel Tax | |
|---|---|
| **Description** | One to five cents per gallon tax on motor fuel only. Diesel fuel is not subject to this tax. |
| **Levied by** | An extraordinary vote of the members of the county's governing body <u>or</u> approval by the voters in a countywide referendum |
| **Adoption Timetable** | Prior to June 1, the county may establish by interlocal agreement with one or more of the municipalities located within the county, representing a majority of the population of the incorporated area, a distribution formula for dividing the proceeds among the county government and all eligible municipalities within the county. An interlocal agreement is not required (see Distribution of Proceeds below). All impositions of the tax shall be levied before July 1 to be effective January 1 of the following year. |
| **Effective Date** | Not levied in Hillsborough County |
| **Expiration** | Not levied in Hillsborough County |
| **Current Tax Rate** | Not levied in Hillsborough County |
| **Tax Rate Restrictions** | This fuel tax may be levied at one to five cents tax on every gallon of motor fuel (non-diesel) sold in a county. Diesel fuel is not subject to this tax. |
| **Geographic Levy** | Countywide |
| **Distribution of Proceeds** | The tax proceeds shall be distributed by DOR according to distribution factors determined at the local level by interlocal agreement. If no interlocal agreement is established, then the distribution shall be based on the transportation expenditures of each local government for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county. |
| **Statutory Uses** | The tax proceeds may be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments. Routine maintenance of roads is not considered an authorized expenditure. |
| **Additional Restrictions on Use** | Not levied in Hillsborough County |

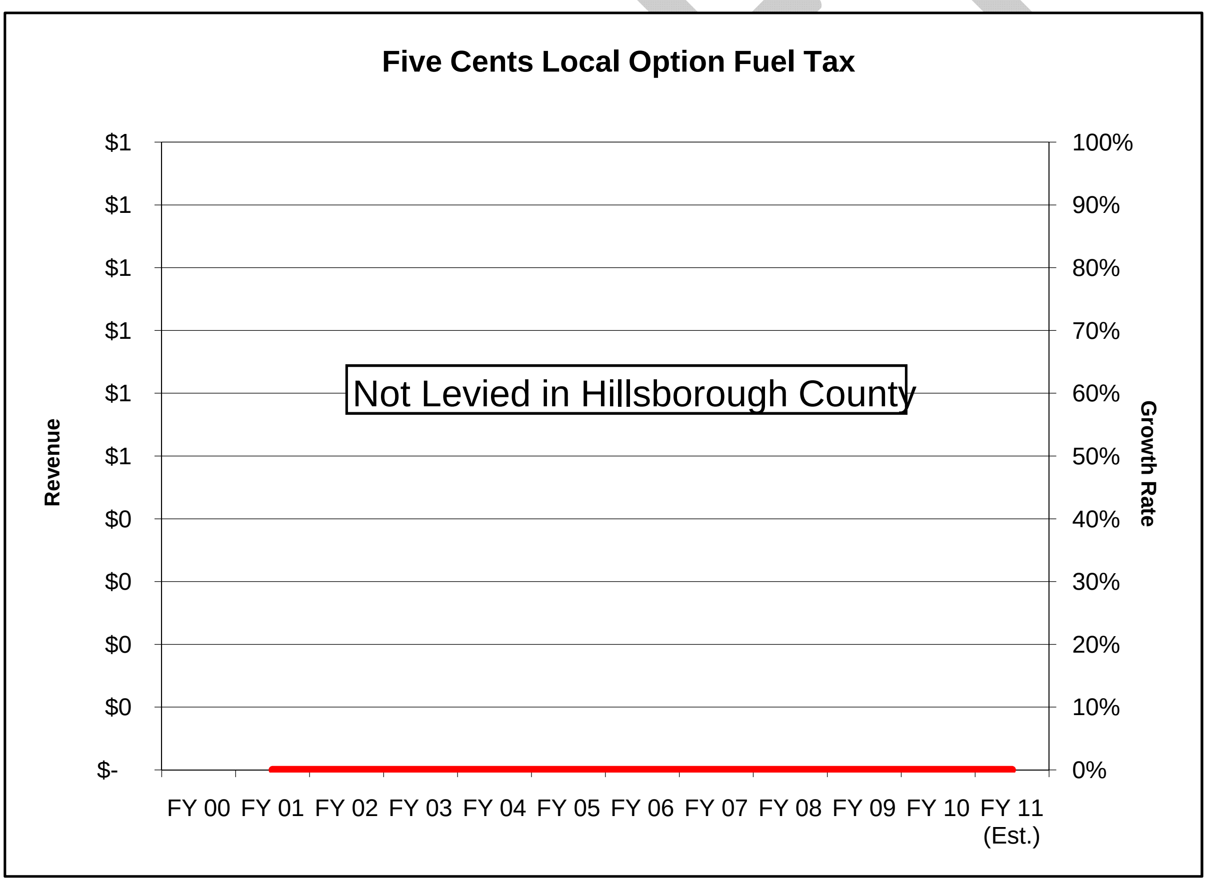

*Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Local Option Fuel Tax
## One to Five Cents Local Option Fuel Tax

| Revenue Data | | |
|---|---|---|
| | Revenue | Growth |
| FY 00 | $ - | |
| FY 01 | $ - | 0.0% |
| FY 02 | $ - | 0.0% |
| FY 03 | $ - | 0.0% |
| FY 04 | $ - | 0.0% |
| FY 05 | $ - | 0.0% |
| FY 06 | $ - | 0.0% |
| FY 07 | $ - | 0.0% |
| FY 08 | $ - | 0.0% |
| FY 09 | $ - | 0.0% |
| FY 10 | $ - | 0.0% |
| FY 11 (Est.) | $ - | 0.0% |

| **Distribution** | DOR Estimate per 1¢ of Tax | |
|---|---|---|
| | FY 10 | FY 11 |
| County | Undetermined | Undetermined |
| Plant City | Undetermined | Undetermined |
| Tampa | Undetermined | Undetermined |
| Temple Terrace | Undetermined | Undetermined |
| Total | $ 4,979,456 | $ 5,385,807 |

Note: This tax is not levied in Hillsborough County. Any local sharing would be determined by a potential future interlocal agreement or by default formula in statute.





**Source: Hillsborough County Management and Budget Department (Feb 2011)*

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## 2035 Plan Post Referendum Analysis

## 8.0 APPENDIX B

## State of Florida Work Program Categories:

- Arterials
- Bridge Repair & Replacement
- Construction Engineering and Inspection
- County Incentive Grant Program
- Earmarks/Proviso Funds (State Funds)
- Economic Development Transportation Program
- Emergencies/Disasters
- Environmental
- Federal Aid Funds used off the State Highway System
- Florida Highway Patrol Service Contracts
- Highway Beautification
- Intelligent Transportation System (ITS)
- Job Costing
- Local Agency Program (LAP)
- Local Funds
- Location Info for Roadways and Bridges
- Maintenance
- Materials/Testing and Applied Research
- Motor Carrier Compliance
- Planning
- Preliminary Engineering
- Project Development and Environmental (PD&E)
- Public Transportation
- Rest Areas
- Resurfacing
- Right of Way
- Rural Economic Development Initiative (REDI)
- Safety
- Small County Outreach Program
- Small County Road Assistance Program
- Special Contracting Methods
- State Infrastructure Bank
- Strategic Intermodal System (SIS)
- Surveying
- Traffic Operations
- Transportation Disadvantaged
- Transportation Regional Incentive Program (TRIP)
- Turnpike Enterprise and Other Toll Facilities
- Utility Relocation Work
- Weigh Stations




*Source: Hillsborough County Management and Budget Department (Feb 2011)*

## State of Florida Active Funding Sources:

Florida Department of Transportation
Active Fund Codes in FM

| Fund | Description | Fund | Description | Fund | Description |
|---|---|---|---|---|---|
| AC2E | Advance Construction (SR2E) | DSB3 | Pinellas Bayway | HRRR | High Risk Rural Road |
| AC2N | Advance Construction (SR2N) | DSB4 | Miami-Dade Expressway Authority | HSP | Highway Safety Program |
| AC2S | Advance Construction (SR2S) | DSB5 | Beeline East | HSR | High Speed Rail Corr Sec.1010 |
| ACBR | Advance Construction (BRT) | DSB6 | Tampa-Hillsborough Expr Auth | HSRS | High Speed Rail Stimulus (FRA) |
| ACCM | Advance Construction (CM) | DSB7 | Mid-Bay Bridge Authority | I | Fed Interstate/State Primary |
| ACEM | Earmarks AC | DSB9 | Santa Rosa County | IBRC | Innovative Bridge Res & Const |
| ACEN | Advance Construction (EBNH) | DSBB | Orlando-Orange Co. Expr. Sys. | IFLA | I Florida |
| ACEP | Advance Construction (EBBP) | DSBC | Garcon Point Bridge | IM | Interstate Maintenance |
| ACER | Advance Construction (ER) | DSBD | I-95 Express Lanes | IMD | Interstate Maintenance Discret |
| ACIM | Advance Construction (IM) | DSBE | Emerald Coast Bridge Authority | INS | Insurance |
| ACNH | Advance Construction (NH) | DSBF | I-595 | IRR | Indian Reservation Roads |
| ACRH | Advance Construction (RHH) | DSBT | Turnpike | IVH | Intelligent Vehicle Highway Sys |
| ACRP | Advance Construction (RHP) | DSF | State Primary Matching Fund | LF | Local Funds |
| ACSA | Advance Construction (SA) | DU | State Primary/Federal Reim | LFD | "LF" for STTF Utility Work |
| ACSE | Advance Construction (SE) | DWS | Weigh Stations-State 100% | LFF | Local Fund - for Matching F/A |
| ACSH | Advance Construction (SH) | EB | Equity Bonus | LFI | Local Funds Interest Earned |
| ACSL | Advance Construction (SL) | EBBP | Equity Bonus – Bridge | LFNE | Local Funds not in Escrow |
| ACSN | Advance Construction (SN) | EBNH | Equity Bonus - NH | LFP | Local Funds for Participating |
| ACSP | Advance Construction (SP) | EBOH | Equity Bonus- Overhead | LFR | Local Funds/Reimbursable |
| ACSS | Advance Construction (SS) | EM09 | GAA Earmarks FY 2009 | LFRF | Local Fund Reim.-Future |
| ACSU | Advance Construction (SU) | EM10 | GAA Earmarks FY 2010 | LFU | Local Funds Unforeseen Work |
| BA | Donor Bonus, Any Area | ER05 | Hurricanes 2005 | LHIP | Highway Infrastructure - 2010 |
| BL | Db, Areas <= 200k | ER06 | Hurricanes 2006 | LRSC | Local Reimbursable-Small Cnty |
| BNBR | Amendment 4 Bonds (Bridges) | ER07 | Natural Disasters 2007 | MA | Min. Allocation (any area) |
| BNCA | Bond - Controlled Access | ER08 | Hurricanes 2008 | MABP | Min. Alloc. Bridges (non-BRT) |
| BNDS | Bond – State | ER09 | 2009 Emergency Relief Events | MABR | Min. Alloc. Bridges (BRT) |
| BNIR | Intrastate R/W and Bridge Bonds | ER10 | 2010 Emergency Relief Events | MANH | Min. Alloc. (NH) |
| BNPK | Amendment 4 Bonds | F001 | Federal Discretionary – US 19 | MCSA | Motor Carrier Safety Assist. |
| BRP | State Bridge Replacement | F002 | Corridors/Borders – US 19 | MCSG | Motor Carrier Safety Grant |
| BRRP | State Bridge Repair And Rehab | F003 | I-75 Discretionary | MG | Minimum Guarantee |
| BRT | Fed Bridge Repl – On System | F004 | Corridors/Borders – Boca Raton | MGBP | Min. Guarantee Bridge Program |
| BRTD | Fed Bridge Repl - Discretionary | F330 | Sec 330 STP Earmarks 2003 | MGNH | Minimum Guarantee for NH |
| BRTZ | BRT (AC/Regular) | FAA | Federal Aviation Admin | ML | MA Areas <= 200k |
| BU | Db, Urban Areas > 200K | FBD | Ferryboat Discretionary | MU | MA Urban Areas > 200k |
| BZAC | BRTZ (AC/Regular) | FCO | Primary/Fixed Capital Outlay | NCPD | National Corridor Plan and Dev |
| CFA | Contractor Funds Advance | FD20 | FDM-City of N Miami | NH | Principal Arterials |
| CIGP | County Incentive Grant Program | FD21 | FDM-Dodge Island Tunnel | NHBR | National Highways Bridges |
| CIGR | CIGP for Growth Management | FD22 | FDM-Biscayne Blvd. – Miami | NHTS | National Hwy Traffic Safety |
| CM | Congestion Mitigation – AQ | FD29 | FDM-Dade-Adven/Sunny Isles | NSTP | New Starts Transit Program |
| COE | Corp of Engineers (Non-Budget) | FD34 | Fed-Airport Access Road – Jax | PKBD | Turnpike Master Bond Fund |
| D | Unrestricted State Primary | FEDR | Federal Research Activities | PKCF | Turnpike STTF Carryforward |
| DC | State Primary PE Consultants | FEMA | Fed Emergency Mgt Assistance | PKER | TPK Maintenance Reserve-ER |
| DCA | Department of Community Affairs | FGWB | Fixed Guideway Bond Projects | PKLF | Local Support for Tpk |
| DDR | District Dedicated Revenue | FHPP | Federal High Priority Projects | PKM1 | Tpk Toll Maintenance |
| DDRF | Dist Dedicated Rev Matching Fund | FRA | Federal Railroad Administration | PKMT | Central Florida Beltway Trust Fund |
| DEM | Environmental Mitigation | FRAD | FRA Grant Payback | PKOH | Tpk Indirect Costs |
| DEMW | Environmental Mitigation-Wetlands | FRM4 | STP, Earmarks - 2004 | PKYI | Tpk Improvement |
| DEP | Depart of Environmental Protection | FRM6 | Highway Priority Projects | PKYO | Tpk Toll Collection/Operation |
| DER | Emergency Relief – State Funds | FSDU | Fed Stimulus, FTA Reimb | PKYR | Tpk Maintenance Reserve |
| DFTA | Fed Pass - Through $ From FTA | FSF1 | Fed Stimulus, S/W Managed | PL | Metro Plan (85% FA; 15% other) |
| DI | St. - S/W Inter/Intrastate Hwy | FSFB | Fed Stimulus, Ferry Boat Disc | PLAC | Metro Plan – AC/Regular |
| DIH | State In-house Product Support | FSSE | Fed Stimulus, Enhancement | PLH | Forest Highways |
| DIOH | State 100% - Overhead | FSSL | Fed Stimulus, Areas <= 200K | PLHD | Public Lands Highway Discr. |
| DIRS | Advanced Acquisition - Intra. Corr. | FSSN | Fed Stimulus, Non-Urban | PORT | Seaports |
| DIRT | State Funds Used on Tpk | FSSU | Fed Stimulus, Urbn Areas > 200K | RBRP | Reimbursable BRP Funds |
| DIS | Strategic Intermodal System | FTA | Federal Transit Administration | RECT | Recreational Trails |
| DITS | Statewide ITS – State 100% | FTAD | FTA Funds Comm. By TD Comm. | RED | Redistr. Of FA (SEC 1102F) |
| DL | Local Funds - PTO – Budgeted | FTAT | FHWA Transfer to FTA (non-bud) | RHH | Rail-Highway Xings – Hazard |
| DPTO | State PTO | GMR | General Revenue for SIS | RHP | Rail-Highway Xings – Prot. Dev. |
| DRA | Rest Areas – State 100% | GR08 | Gen Rev. Projects for 2008 GAA | S112 | STP, Earmarks – 2006 |
| DS | State Primary Highways And PTO | GRSC | General Revenue for SCOP | S115 | STP, Earmarks – 2004 |
| DSB | Pri Consult/Reimbursed by bonds | HP | Federal Highway Planning | S117 | STP Earmarks – 2005 |
| DSB0 | Unallocated to Facility | HPAC | HP (AC/Regular) | S125 | STP Earmarks - 2009 |
| DSB1 | Skyway | HPP | High Priority Projects | S126 | Belleair Cswy Bridge Replace |
| DSB2 | Everglades Pkwy/Alligator Alley | HR | Federal Highway Research | SA | STP, Any Area |


**Source: Hillsborough County Management and Budget Department (Feb 2011)*

## Florida Department of Transportation
## Active Fund Codes in FM

| Fund | Description | Fund | Description | Fund | Description |
|---|---|---|---|---|---|
| SAFE | Secure Airports for FL Economy | SU | STP, Urban Areas > 200k | TMBD | I-95 Express Lanes |
| SB | Scenic Byways | TCP | Fuel Tax Compliance Project | TO01 | Sunshine Skyway |
| SBPF | Safety Belt Performance-FHWA | TCSP | Trans., Community & System Pres. | TO02 | Everglades Parkway |
| SBPG | Safety Belt Performance Grants | TDDR | Trans Disadv –DDR Use | TO03 | Pinellas Bayway |
| SCOP | Small County Outreach Program | TDHC | Trans Disadv - Healthcare | TO04 | Dade Expressway |
| SCRA | Small County Resurfacing | TDTF | Trans Disadv - Trust Fund | TO05 | Beeline East |
| SE | STP, Enhancement | TFRT | Toll Facility Revolving Trust Fund | TO06 | Tampa-Hills. Expr. Auth. |
| SED | State Economic Development | TIF2 | TIFIA Loan – Rental Car Facility | TO07 | Mid-Bay Bridge Authority |
| SH | STP, Hazard Elimination | TIFI | Trans. Infrast. Fin. & Innov. Act | TO08 | Mayport Ferry Operation |
| SIB1 | State Infrastructure Bank | TIMP | Transportation Improvement | TO09 | Santa Rosa County |
| SIBG | SIB funds – Growth Management | TM01 | Sunshine Skyway | TO10 | Sawgrass Expressway |
| SL | STP, Areas < 200k | TM02 | Everglades Parkway | TO11 | Orl.-Orange Co. Expr. Sys. |
| SN | STP, Mandatory, Non-Urban | TM03 | Pinellas Bayway | TOBC | Garcon Point Bridge |
| SP | STP, RR Protective Devices | TM04 | Miami - Dade Xway Authority | TOBD | I-95 Express Lanes |
| SPAC | STP, RR Prot. Devices (AC,Reg) | TM05 | Beachline East | TOBF | I-595 |
| SR | STP, RR Hazard Elimination | TM06 | Tampa-Hills. Expr. Auth. | TRIP | Trans Regional Incentive Prog |
| SR2E | Safe Routes - Either | TM07 | Mid-Bay Bridge Authority | TSIN | Safety for Non - Construction |
| SR2N | Safe Rts to School – Non-Infrastruc | TM08 | Mayport Ferry Operation | TSIR | Safety for Research Activities |
| SR2S | Safe Rts to School – Infrastructure | TM09 | Santa Rosa County | TSM | Transport Systems Mgmt. |
| SRAC | STP, RR Hazard Elim AC/Regular | TM10 | Sawgrass Expressway | USFW | US Fish and Wildlife Service |
| SSM | Fed Support Services/Minority | TM11 | Orl-Orange Co. Expr. Sys | USHS | US Dept. of Homeland Security |
| ST10 | STP Earmarks - 2010 | TMBC | Garcon Point Bridge | VPPP | Value Pricing Pilot Program |




**Source: Hillsborough County Management and Budget Department (Feb 2011)*