Long Range Transportation Plan 2040

Technical Memorandum: Funding

prepared for

Hillsborough MPO
www.planhillsborough.org

prepared by

Cambridge Systematics, Inc.
www.camsys.com

July 17, 2014

Table of Contents

List of Tables

List of Figures

1.0 2040 LRTP – Funding

1.1 Introduction

Title 23 of the United States Code (U.S.C.) Section 134 requires that a Long-Range Transportation Plan (LRTP) shall contain a financial plan that estimates funds that can be available to support implementation of the plan. The financial plan shall indicate resources from public and private sources that are reasonably expected to be made available to carry out the plan, and recommends any additional financing strategies for needed projects and programs. The purpose of the financial plan is to demonstrate fiscal constraint and ensures that the LRTP reflect realistic assumptions about future revenues.

The purpose of this technical memorandum is to provide the Hillsborough County Metropolitan Planning Organization (MPO) with a forecast of reasonably available funding from traditional revenue sources to support transportation investments through 2040. The report outlines Federal, state, and local sources of revenue for funding transportation improvements, describes the methodology and assumptions developed to forecast future revenues, and summarizes anticipated amounts from each revenue source. The report also discusses potential new and additional revenue sources from untapped local funding options that could be used for transportation.

1.2 Federal Funding Sources

1.2.1 Federal Highway User Fees

Federal funding for transportation in Hillsborough County is derived from highway excise taxes on motor fuel and truck-related taxes on truck tires, sales of trucks and trailers, and heavy vehicle use. Excise taxes on gasoline and other motor fuels account for more than 85 percent of all receipts to the Federal Highway Trust Fund (HTF). Tax revenues are deposited into either the Highway Account or the Mass Transit Account of the Federal HTF and then distributed to the states. The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) then distribute funds from the Highway and the Mass Transit Account, respectively, to each state through a system of formula grants and discretionary allocations. The most recent transportation bill, Moving Ahead for Progress in the 21st Century Act (MAP-21), extended the imposition of highway-user taxes through September 30, 2016, with no change to the tax rates as imposed under SAFETEA-LU. Table 1 provides further detail on tax rates and the account distribution of these tax revenues.

Table 1. Federal Highway-User Fees Defined in MAP-21

Fuel Type	Effective Date	Tax Rate (Cents per Gallon)	Tax Distribution (Cents per Gallon): Highway Trust Fund: Highway Account	Highway Trust Fund: Mass Transit Account	Leaking Underground Storage Tank Trust Fund
Gasoline	10/01/1997	18.4	15.44	2.86	0.1
Diesel	10/01/1997	24.4	21.44	2.86	0.1
Gasohol	01/01/2005	18.4	15.44	2.86	0.1
Special Fuels					
General Rate	10/01/1997	18.4	15.44	2.86	0.1
Liquefied Petroleum Gas	10/01/2006	18.3	16.17	2.13	–
Liquefied Natural Gas	10/01/2006	24.3	22.44	1.86	–
M85 (from Natural Gas)	10/01/2009	18.4	15.44	2.86	0.1
Compressed Natural Gas[a]	10/01/2009	18.3	15.44	2.86	–

Truck-Related Taxes – All Proceeds to Highway Account	
Tire Tax	9.45 cents for each 10 pounds so much of the maximum rated load capacity thereof as exceeds 3,500 pounds.
Truck and Trailer Sales Tax 1	12 percent of retailer's sales price for tractors and trucks over 33,000 pounds gross vehicle weight (GVW) and trailers over 26,000 pounds GVW.
Heavy Vehicle Use Tax	Annual tax: Trucks 55,000 pounds and over GVW, $100 plus $22 for each 1,000 pounds (or fraction thereof, in excess of 55,000 pounds). Maximum tax: $550.

Source: Highway Trust Fund and Taxes, FHWA. Accessed March 20, 2014, http://www.fhwa.dot.gov/map21/factsheets/htf.cfm.

[a] Effective October 1, 2006, the tax rate for compressed natural gas is required to be set on an energy equivalent basis to gasoline. This rate has been determined to be 18.3 cents per 126.67 cubic feet. The Mass Transit Account receives 9.71 cents per thousand cubic feet, and the Highway Account receives the remainder.

1.2.2 Current State of the Federal Highway Trust Fund

According to estimates from Congressional Budget Office (CBO),[1] spending of the HTF has exceeded the fund's revenues by $49 billion over the past seven years. In addition, CBO expects spending to exceed revenues by $14 billion in 2014. Consequently, from 2008

[1] The Budget and Economic Outlook: 2014 to 2024, Congressional Budget Office, February 2014.

through 2014 – including amounts transferred in accordance with the most recent authorization for highway and transit programs – lawmakers authorized more than $54 billion of transfers from general fund to the HTF to the fund from being depleted. For its baseline spending projections, CBO assumes that future limitations on obligations will be equal to amounts set for 2014, adjusted annually for inflation. Under those circumstances, and without other legislative action, the two accounts would be unable to meet obligations in a timely manner by 2015, although it is possible that the highway account will have to delay certain payments during the latter half of 2014. Table 2 presents the HTF accounts projections estimated by CBO. According to the projection, between 2015 and 2024, the total shortfall of highway account amounts to $682 billion and that of transit account amounts to $205 billion.

Table 2. Projections of Highway Trust Fund Accounts *By Fiscal Year, in Billions of Dollars*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Highway Account												
Start-of-Year Balance	10	4	1	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]
Revenues and Interest[b]	32	33	34	34	34	34	34	34	34	34	34	34
Intragovernmental Transfers[c]	6	10	0	0	0	0	0	0	0	0	0	0
Outlays[d]	44	46	46	46	46	46	47	47	48	48	49	49
End-of-Year Balance	4	1	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]
Transit Account												
Start-of-Year Balance	5	2	2	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]
Revenues and Interest[b]	5	5	5	5	5	5	5	5	5	5	5	5
Intragovernmental Transfers[c]	0	2	0	0	0	0	0	0	0	0	0	0
Outlays[d]	7	8	8	8	8	9	9	9	10	10	10	10
End-of-Year Balance	2	2	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Memorandum												
Cumulative Shortfall[a]												
Highway Account Shortfall	N/A	N/A	-12	-24	-36	-48	-60	-73	-86	-100	-114	-129
Transit Account Shortfall	N/A	N/A	-1	-5	-8	-13	-17	-22	-27	-32	-37	-43

Source: Projections of Highway Trust Fund Accounts under CBO's February 2014 Baseline, CBO, February 2014.

Notes: Details may not add to totals because of rounding.

N/A = not applicable.

[a] Under CBO's baseline projections, the highway and transit accounts of the Highway Trust Fund will have insufficient revenues to meet obligations starting in FY 2015. Under current law, the Highway Trust Fund cannot incur negative balances and has no authority to borrow additional funds. However, following the rules in the Deficit Control Act of 1985, CBO's baseline for highway spending incorporates the assumption that obligations incurred by the Highway Trust Fund will be paid in full. The cumulative shortfalls shown in this table are estimated on the basis of spending consistent with the obligation limitations contained in CBO's February 2014 baseline for highway and transit spending. The obligation limitations contained in CBO's baseline are projected by adjusting the 2014 limitations for inflation.

[b] Some of the taxes that are credited to the Highway Trust Fund are scheduled to expire on September 30, 2016. These estimates reflect the assumption that all of the expiring taxes credited to the fund continue to be collected.

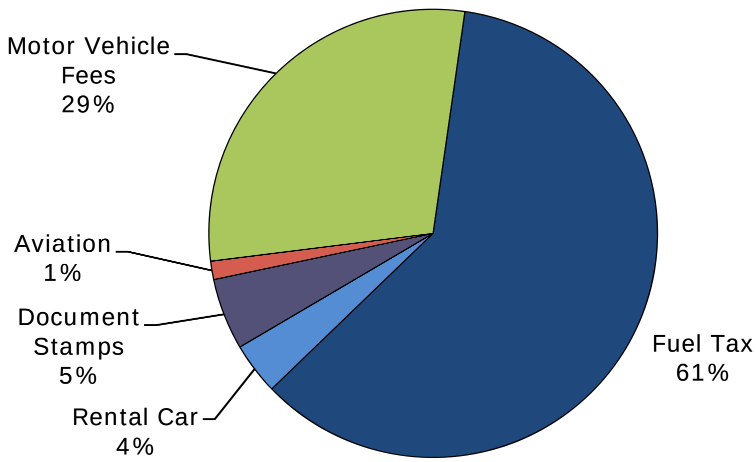
[c] Sections 40201 and 40251 of MAP-21 (Public Law 112-140) require certain intragovernmental transfers, mostly from the general fund of the Treasury, to the Highway Trust Fund.

[d] Outlays include amounts "flexed," or transferred, between the highway and transit accounts. CBO estimates that those amounts would total about $1 billion annually.

1.3 State Funding Sources

In Florida, there are five revenue sources that go into the State Transportation Trust Fund (STTF): fuel tax, motor vehicle fees, document stamps, rental car surcharges, and aviation fuel tax. According to the transportation revenue data released by FDOT, revenues from fuel tax, the largest source, contributed to 61 percent of the state transportation funding in FY 2013.[2]

Figure 1. State Transportation Revenue Sources, FY 2013



Source: Transportation Funding Sources Presentation, FDOT.

1.3.1 State Fuel Taxes

Highway fuel taxes constitute the oldest continuous source of dedicated transportation revenues in the State. Initially it was levied in 1921 at the rate of 1 cent per gallon of motor fuel. Since then, the state fuel tax has been adjusted and restructured in the form that it is levied. The fuel taxes collected at the state level include the following:[3]

- **State Fuel Sales Tax –** Currently, Florida imposes a sales tax to the sales of all motor (gasoline) and diesel fuels. The state fuel sales tax is based on floor tax of 6.9 cents per gallon indexed to the consumer price index (CPI, all items), with the base year set as FY 1989 (12-month period). Currently, the rate is **13.1 cents per gallon** after adjusted by inflation.

- **State Comprehensive Enhanced Transportation System (SCETS) Tax –** The SCETS is an excise tax on all highway fuels. The SCETS proceeds must be spent in the

[2] *Transportation Funding Sources Presentation*, http://www.dot.state.fl.us/officeofcomptroller/gao.shtm, spring 2014.

[3] *Florida's Transportation Tax Sources, A Primer*, FDOT Office of Comptroller – General Accounting Office, January 2014.

transportation district and, to the extent possible, in the county from which they are collected. Similar to the fuel sales tax, the SCETS tax is indexed to the CPI (all items), but with the base year set as FY 1990 (12-month period). The current SCETS tax rates for gasoline range from 6.0 to 7.2 cents per gallon, and the rate for diesel is 7.2 cents per gallon. The SCETS tax rate for Hillsborough County is 7.2 cents per gallon

- **State-Collected Motor Fuel Taxes Distributed to Local Governments –** The State of Florida collects a fuel excise tax of 4 cents per gallon to be distributed to local governments.

  - The **Constitutional Fuel Tax** is set at 2 cents per gallon. The first call on the proceeds of Constitutional Fuel Tax is to meet the debt service requirements, if any, on local bond issues backed by the tax proceeds. The balance, called the 20 percent surplus and the 80 percent surplus, is credited to the counties' transportation trust funds. Hillsborough County will receive an estimated $10.9 million in FY 2014.

  - The **County Fuel Tax** is set at 1 cent per gallon, and it is distributed by the same formula as the Constitutional Fuel Tax. Counties may use the revenues from this tax for transportation-related expenses. Hillsborough County will receive an estimated $4.8 million in FY 2014.

  - Lastly, the **Municipal Fuel Tax** is also set at 1 cent per gallon. Revenues from this tax are transferred into the Revenue Sharing Trust Fund for Municipalities. These revenues may be used for transportation-related expenditures within incorporated areas and are distributed to municipalities by statutory criteria. In FY 2014, Plant City and the cities of Tampa and Temple Terrace are slated to receive approximately $0.3 million, $2.9 million, and $0.2 million respectively from the Municipal Fuel Tax.

- **Alternative Fuel Fees –** Use of alternative fuels represents a very small part of the State's total fuel consumption. In order to encourage the use of alternative fuels, the 2013 Florida Legislature passed legislation to exempt these fuels from taxation beginning January 1, 2014, and ending January 1, 2019.

- **Fuel Use Tax –** This tax is designed to ensure that heavy vehicles which engage in interstate operations incur taxes based on fuel consumed, rather than purchased, in the State. This tax applies with few exceptions, to each privately owned vehicle with at least three axles or a gross weight of more than 26,000 pounds that engages in interstate operations, whether or not titled in this State. The tax is comprised of an annual decal fee of $4 plus a use tax based on the number of gallons of fuel consumed multiplied by the prevailing statewide fuel tax rate. Currently this rate is set at 31.3 cents per gallon.

1.3.2 State Motor Vehicle Fees

Funding transportation from vehicle-related revenues started very early in Florida's transportation history. Almost from their inception, motor vehicle license fees were designated as a highway user charge levied to partially defray the costs of constructing and maintaining the roads which benefited those who paid the fees.

There are four types of motor vehicle fees:[4]

- **Initial Registration Fee –** Known originally as the "New Wheels on the Road" Fee, it is designed primarily to affect only those vehicle owners whose actions result in net additions to the State's registered vehicle stock. The 2009 Legislature increased the Initial Registration Fee to $225 from $100, with $125 being distributed to the General Revenue Fund and $100 continuing to be distributed to the STTF.

- **Motor Vehicle License Fee –** Currently the State imposes a $4 surcharge on the annual registration fee of every vehicle except mobile homes. Twenty-five percent of the proceeds are deposited to the STTF, 25 percent are deposited to Highway Safety and Operating Trust Fund, and the remaining 50 percent goes to the General Revenue Fund.

- **Motor Vehicle Title Fee –** The current Motor Vehicle Title Fee is $70. Prior to 2012, 70 percent of the proceeds ($49) were deposited to the General Revenue Fund and 30 percent ($21) to the STTF. Title fee revenues from for-hire vehicles are deposited into the General Revenue Fund. The 2012 Legislature directed that the first $200 million collected from $47 of the $49 General Revenue Fund portion of the $70 title fee be deposited into the STTF, beginning FY 2012-2013.

- **Rental Vehicle Surcharge –** The existing rental car surcharge rate is $2 per day. FDOT receives 80 percent of the surcharge after deducting costs of administration and an 8 percent General Revenue Service charge. The tax distributed to the STTF is unique in that, beginning in FY 2008, its proceeds must be spent in the transportation district from which the surcharges were collected.

1.3.3 State Aviation Fuel Tax

Florida imposes an aviation fuel tax of 6.9 cents per gallon excise tax on aviation fuels. Unlike the state fuel tax, the aviation tax remains fixed at its current level, until changed by legislative action. Ninety-two percent of the proceeds are deposited into the STTF, while the remaining eight percent are deposited into the General Revenue Fund.

1.3.4 State Documentary Stamp Tax

Documentary Stamp Tax is levied on documents, including, but 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 provided $541.75 million annually

---

[4] *Transportation Funding Sources Presentation*, http://www.dot.state.fl.us/officeofcomptroller/docpub.shtm, spring 2014.

from documentary stamp revenue to fund transportation needs. The 2008 Legislature changed the distribution of documentary stamp tax collections so that the STTF receives 38.2 percent of collections after other distributions are made, not to exceed $541.75 million per year. This formula significantly decreased the funding for transportation projects. Additionally, the 2011 Legislature directed the following amounts to be transferred to the State Economic Enhancement and Development (SEED) Trust Fund from the STTF portion of documentary stamp tax revenues: $50 million in FY 2012-2013, $65 million in FY 2013-2014, and $75 million every fiscal year thereafter. The December 2013 Revenue Estimating Conference estimated $289.0 million in distributions of documentary stamp revenue to the STTF for FY 2013-2014 and $317.1 million for FY 2014-2015. Please note that these estimates are net of the SEED transfers.

1.4 Summary of Federal and State Funding

In 2013, FDOT developed a long-range revenue forecast, which was based on recent Federal and state legislation (e.g., MAP-21, changes to Florida's Documentary Stamps Tax legislation), changes in factors affecting state revenue sources (e.g., population growth rates, motor fuel consumption and tax rates), and current policies.[5] The forecast estimates revenues from Federal, state, and turnpike sources that "flow through" the FDOT Work Program for fiscal years 2014-2040. The *2040 Revenue Forecast Handbook* documenting how the 2040 revenue forecast was developed, as well as guidance for using this forecast information was published in July 2013. Florida's MPOs are encouraged to use these estimates and guidance in the updates of their long-range plans.

Some important parameters of the long-range revenue forecasts include:

- All amounts in the 2040 forecast are expressed in "year of expenditure" (YOE) dollars.

- Estimates for fiscal years 2013/2014-2017/2018 are based on the Tentative Work Program as of November 28, 2012. Estimates for fiscal years 2018/2019 through 2039/2040 were forecast based on current Federal and state law, the current FDOT Federal-aid forecast, the October 2012 state revenue estimating conference forecast, and assume continuation of current Department policies.

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

- FDOT has developed metropolitan estimates from the 2040 Revenue Forecast for certain capacity programs for each MPO. These metropolitan estimates are included in a separate document entitled *Supplement to the Revenue Forecast Handbook* prepared for each MPO. Metropolitan estimates reflect the share of each state capacity program planned for the area. The estimates can be used to fund planned capacity improvements to major

[5] *2040 Revenue Forecast Handbook*, FDOT, http://www.dot.state.fl.us/planning/revenueforecast/, July 2013.

elements of the transportation system (e.g., highways, transit). The metropolitan estimates are summarized into 5 fiscal-year periods and a final 10-year period.

FDOT's estimates for Hillsborough County MPO are included in the *2040 Revenue Forecast for District 7 Metropolitan Area*. In addition, revenue data from existing transit services in the County (HART, streetcar, and Sunshine line) were gathered to provide forecast of Federal and other state funds not provided by FDOT or included in the District 7 estimates. For the purpose of the Hillsborough MPO 2040 LRTP, these estimates were summarized into: Federal and state highway funding; metropolitan and regional programs; federal and state transit funding; and state-collected fuel taxes distributed to local governments.

1.4.1 Federal and State – Highway Funding

SIS Highways Construction and Right-of-Way (ROW). This funding program is used to fund construction, improvements, and associated ROW acquisitions on SIS highways (i.e., Interstate, the Turnpike, other toll roads, and other facilities designed to serve interstate and regional commerce, including SIS Connectors). FDOT takes the lead in identifying planned projects and programs funded by this program. The *SIS First Five-Year Plan* (FY 2014-2018), *Second Five-Year Plan* (FY 2019-2023), and the *Long-Range Cost-Feasible Plan* (FY 2024-2040) are posted on a FDOT web site.[6] SIS projects within Hillsborough County can be identified from these plans and their costs can be used as available program funds. SIS investments over the FY 2014-2020 period are estimated at $90 million. Between FY 2021-2040, the total SIS Highways Construction and ROW funds available to Hillsborough County are approximately $4.4 billion.

Other Arterials Construction and ROW. This funding program is used to fund construction, improvements, and associated ROW on State Highway System roadways not designated as part of the SIS. This program also includes funding for the Economic Development Program, the County Incentive Grant Program, the Small County Road Assistance Program, and the Small County Outreach Program. Between FY 2021-2040, the total program funding available to Hillsborough County is about $938 million according to the *2040 Revenue Forecast for District 7 Metropolitan Area*. In addition, MPOs can assume that an additional 22 percent of estimated[7] *Other Arterials Construction and ROW* funds is available from the statewide "Product Support" program to support preliminary engineering (PE) activities. Therefore, between FY 2021-2040, PE funding available to Hillsborough County is estimated to be $206 million. This amount was added to the total *Other Arterials Construction and ROW* estimates.

District-Wide State Highway System (SHS) Operations and Maintenance (O&M) Funds. This funding program is used to provide financial assistance to activities to support and maintain transportation infrastructure once it is constructed and in place. Only district-wide estimates were provided by FDOT. Funding was estimated based on the proportion of

---

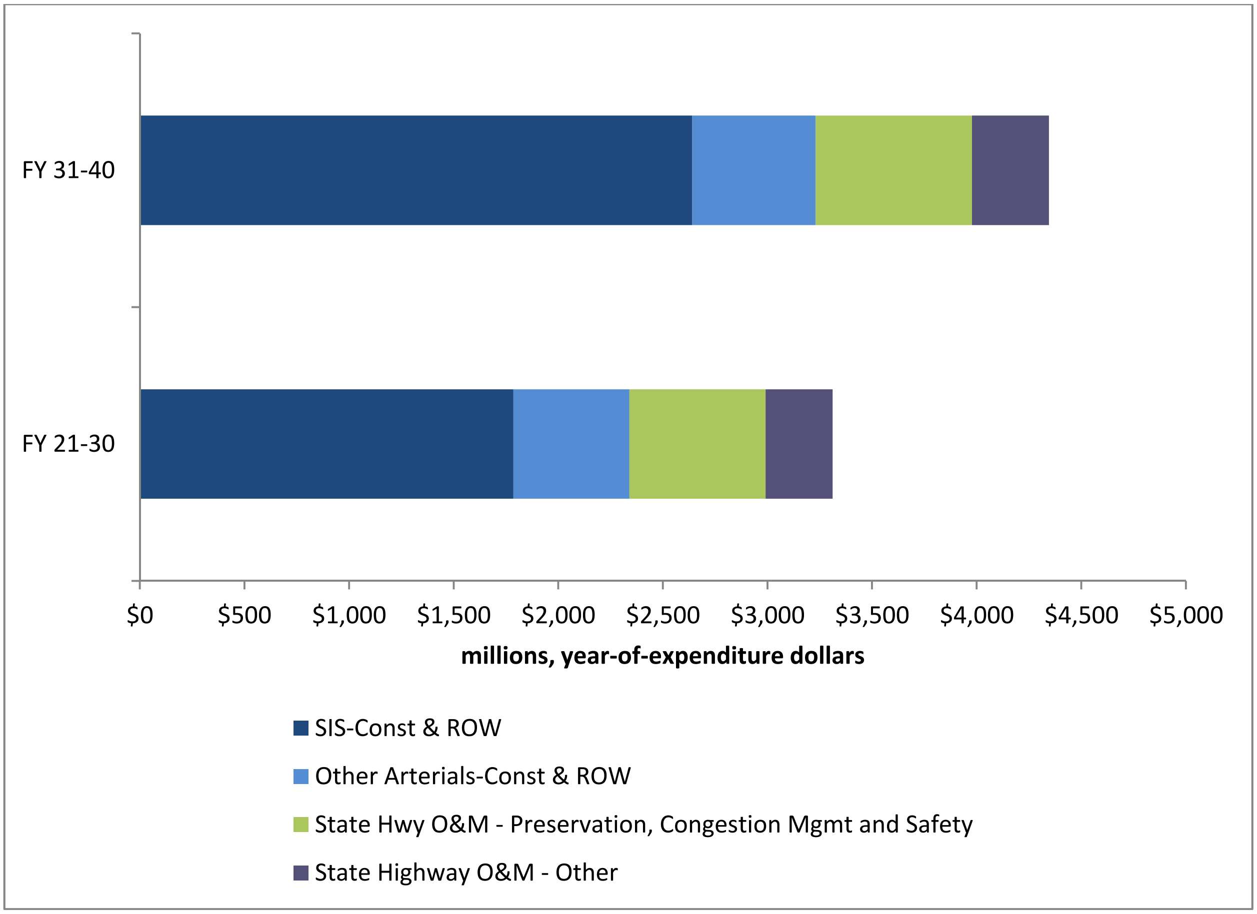
[6] http://www.dot.state.fl.us/planning/systems/programs/mspi/plans/default.shtm.

[7] *2040 Revenue Forecast Handbook*, FDOT, http://www.dot.state.fl.us/planning/revenueforecast/, July 2013.

Hillsborough population to total population within FDOT District 7. Between FY 2021-2040, the total program funding available to District 7 amounts to $2.1 billion, based on estimates from the *2040 Revenue Forecast for District 7 Metropolitan Area*. Based on current spending levels, it is assumed that 67 percent ($1.4 billion) will be applied to preservation, congestion management and safety; the reminder 33 percent ($688 million) will be used for other FDOT District 7 operational activities.

Figure 2 illustrates FDOT's funding estimates of approximately $7.7 billion from Federal/state programs for the SIS, Other Arterials (including PE funds), and SHS O&M over the 2021-2040 period.

Figure 2. Federal and State Highway Funding, FY 2021-2040

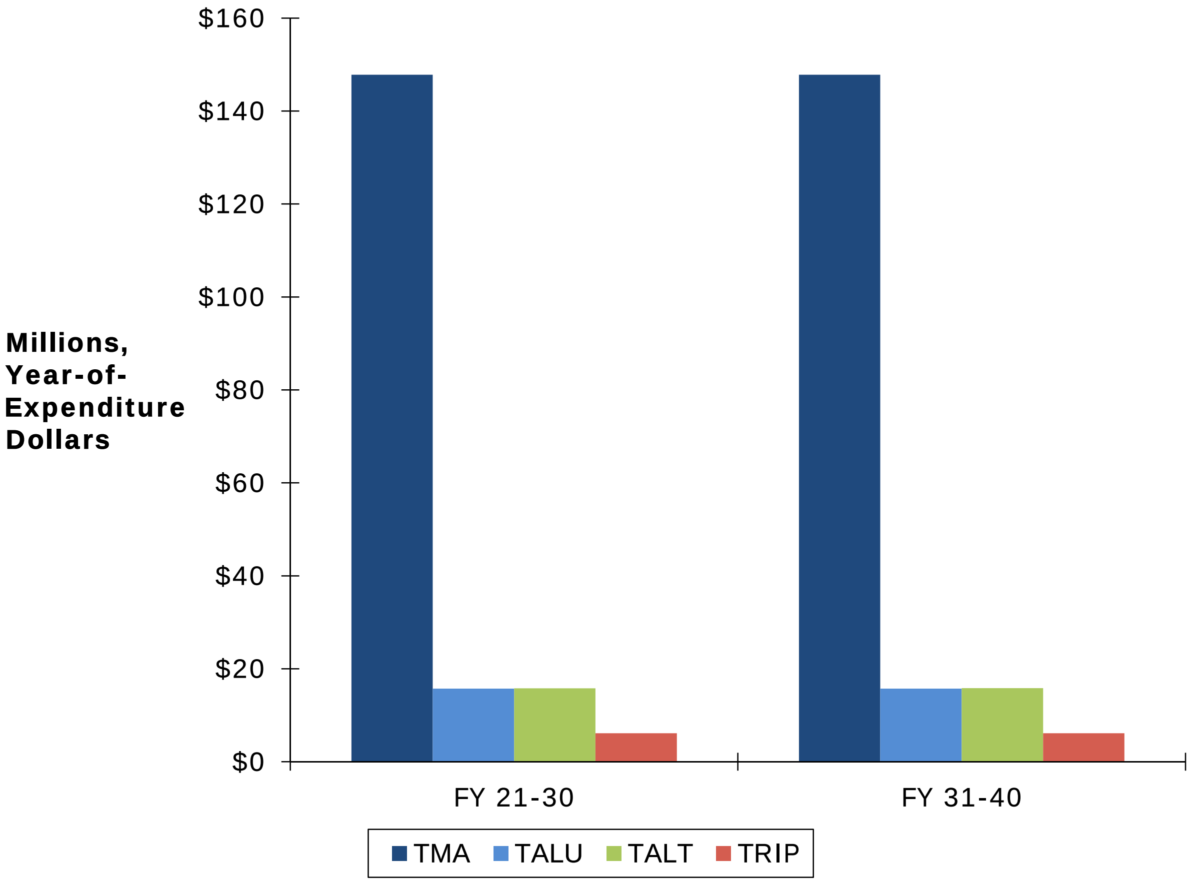


Sources: FDOT Revenue Estimates for District 7, 2019-2040 (August 2013); FDOT SIS Plans.

1.4.2 Metropolitan and Regional Programs

Funding from Metropolitan and Regional funding programs available to Hillsborough County is estimated at $371 million over 20 years (2021-2040). Figure 3 illustrates funding from these programs as estimated from FDOT's *2040 Revenue Forecast for District 7 Metropolitan Area*.

Figure 3. Metropolitan and Regional Programs, FY 2021-2040



Source: Cambridge Systematics, Inc. analysis of FDOT Revenue Estimates for District 7.

TMA Funds. These funds are distributed to Transportation Management Areas, as defined by MAP-21. They are the same as "SU" funds in the five-year Work Program. The estimates are based on Schedule A[8] of the Work Program Instructions for Fiscal Years 2014-2018 and long-range estimates of Federal funds. Between FY 2021-2040, the total program funding available to Hillsborough County amounts to $295.6 million according to the *2040 Revenue Forecast for District 7 Metropolitan Area*. These funds are not included in the estimates for Other Arterials Construction and ROW above.

Transportation Alternatives (TA) Funds. As defined by MAP-21, TA funds are used to assist MPOs in developing their plans. The TA program includes TALU (more than 200,000 population), TALL (more than 5,000 and less than 200,000 population), and TALT (any area) programs. Estimates of these TA program funds that FDOT provided for District 7 are district-wide. The TALU and TALT funds available to Hillsborough County were estimated using the following methodology:

- **TALU –** Available TALU funding was estimated based on the proportion of the Hillsborough population within urbanized areas to the total population within the Tampa-St. Pete Urbanized Area. The resulting program funding amounts to $31.5 million between FY 2021-2040. These funds are not included in the estimates for Other Arterials Construction and ROW.

- **TALT –** Available funding for projects in Hillsborough from the TALT program was estimated based on the proportion of the Hillsborough population to the total population within District 7. The resulting program funding amounts to $31.7 million between FY 2019 and FY 2040. These funds are not included in the estimates for Other Arterials Construction and ROW.

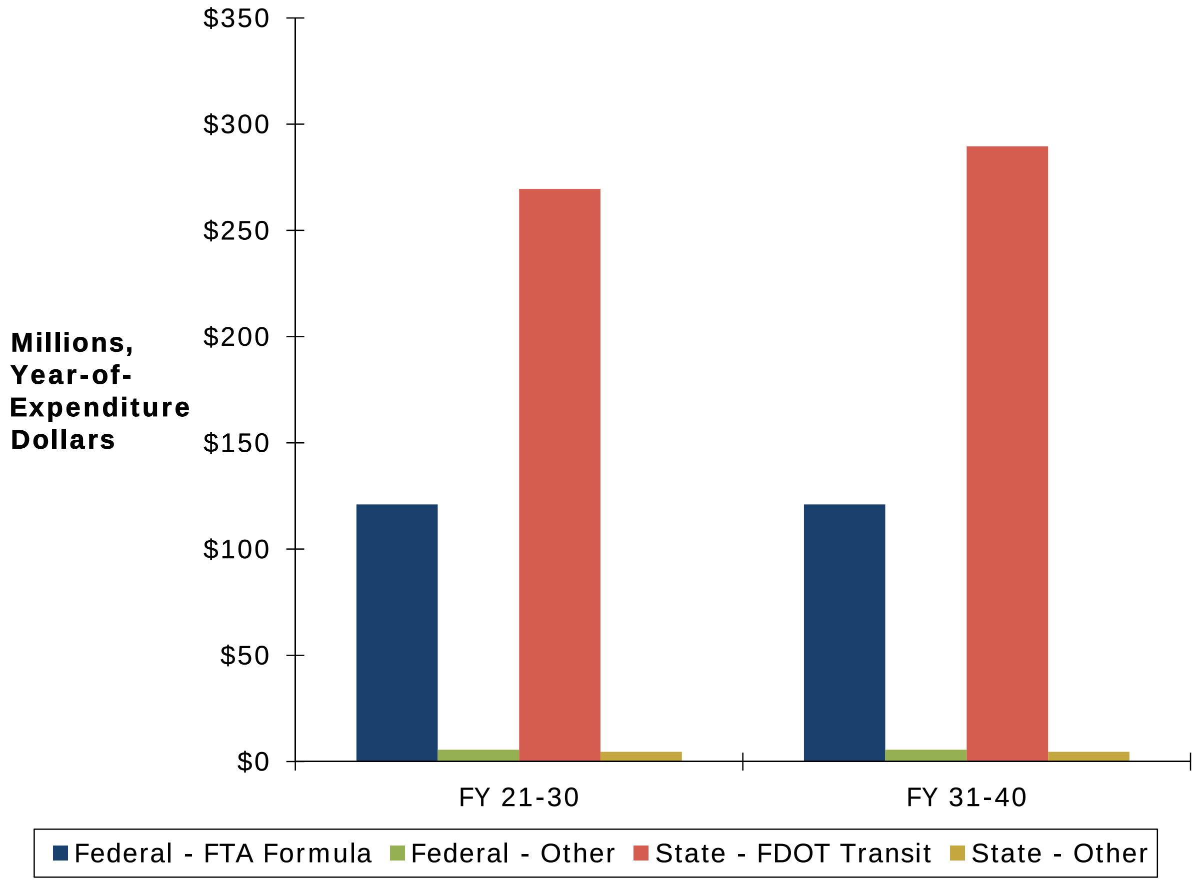
Transportation Regional Incentive Program (TRIP) Funds. After allocations to the Small County Outreach Program and the New Starts Transit Program, 25 percent of the remaining Documentary Stamps Tax funds are allocated annually for TRIP for regional transportation projects in "regional transportation areas." The first $60 million of funds allocated to TRIP are allocated annually to the Florida Rail Enterprise. Only district-wide estimates were provided to District 7 by FDOT. TRIP funds available to Hillsborough County were estimated based on the proportion of the Hillsborough population to the total population within District 7. The resulting total program funding amounts to $12.3 million between FY 2021-2040.

[8] "Schedule A" specifies and distributes estimated funds legally available in the years covered by the FDOT Five-Year Work Program. FDOT's Work Program Instructions contain Schedule A and a "Program Allocation Guide" which describes the processes, assumptions, and requirements used to develop Work Program fund allocations.

1.4.3 Transit – Federal and State Programs

Transit funding is estimated at $821 million over 20 years (as illustrated in Figure 4) from Federal Transit Administration (FTA) and other Federal funds, and state operating and capital grants (excluding FTA Major Capital Investment Funding and State New Starts programs).

Figure 4. Transit – Federal and State Programs, FY 2021-2040



Sources: Cambridge Systematics, Inc. analysis of FDOT, HART, and Hillsborough County data. Excludes potential Federal and State New Starts funding.

FDOT Transit. This funding program is used to provide technical and operating/capital assistance to transit, paratransit, and ridesharing systems. For the Hillsborough MPO, it includes funding allocations to the Hillsborough Area Regional Transit Authority (HART), streetcar, Sunshine Line, and other transit/intermodal funding. Between FY 2021-2040, the total program funding available to Hillsborough County amounts to $559.0 million according to the *2040 Revenue Forecast for District 7 Metropolitan Area*. Funding allocations to existing transit agencies and services were distributed as follows:

- Based on data provided by HART, assume $4.5 million per year for state block grant funding through 2020. After 2020, a growth factor equivalent to the funding growth assumptions from the FDOT estimates was applied.

- The Streetcar Business Plan assumes $250,000 in state operating assistance. For the purpose of the 2040 LRTP, it was assumed that the State will provide $250,000 per year through 2020. Growth factors after 2020 were applied in line with growth in transit funding estimates from FDOT.

- Hillsborough County received about $1.5 million in 2013 in state funding from the Commission for the Transportation Disadvantaged for the Sunshine Line. For the 2040 LRTP, it was assumed that future funding will increase in-line with the average 10-year inflation rate (2.4 percent).

FTA Formula Funds. This program provides grants to Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses (in certain circumstances). FTA formula funds for the 2040 LRTP were estimated based on input from HART and the review of HART and streetcar budgets and Transit Development Plans:

- **HART –** $12 million per year; no growth; and

- **Tampa Streetcar –** The Streetcar Business Plan assumes a FTA funding allocation of $100,000 annually, which was extended through 2040.

Funding for Major Transit Capital Investments. Additional funding for major transit investments can be made available through Federal and state discretionary programs, namely FTA's Capital Investment Program (Section 5309) and FDOT's State New Starts Transit Program. Projects applying for FTA funding go through a multiyear, multistep process to be eligible and are evaluated based on project justification and local financial commitment criteria. For the purpose of the 2040 LRTP, FTA Major Capital Investments and State New Start Funding allocations were determined based on proposed major transit investments to be included in the 2040 LRTP.

An analysis of FTA Section 5309 funding allocations since FY 2008 was conducted and served as the basis for developing assumptions of potential FTA Capital Investment Program grants, as well as State New Starts funding, for proposed fixed guideway investments in Hillsborough County.

Table 3 summarizes the analysis of average annual apportionments to New Starts and Small Starts projects. Annual apportionments to New Starts projects average close to $90 million over the evaluation period, while Small Starts projects (i.e., those with a total project cost under $250 million) averaged close to $16 million in annual apportionments. Total FTA funding appropriations have fluctuated between $1.5 and $2.0 billion during that period.

Table 3. Average Annual Apportionments of New Starts and Small Starts Funding by Project and Total Funding Appropriations
Millions of YOE Dollars

	New Starts	Small Starts	Total Appropriations[b]
FY 2008	$70.7	$8.8	$1,533.4
FY 2009	$76.9	$15.4	$1,539.7[a]
FY 2010	$67.5	$10.9	$1,809.1
FY 20011	$86.6	$22.2	$1,803.9
FY 2012	$135.5	$20.1	$1,784.5[a]
FY 2013	$97.7	$15.9	$1,836.4[a]
FY 2014	$94.0	$16.1	$1,992.7
Average	$89.8	$15.6	$1,757.1
Median	$86.6	$15.9	$1,803.9

Sources: Cambridge Systematics, Inc. analysis of FTA data.

[a]Notes: FY 2009 – Recommended appropriation was $2,282.2 million.

FY 2012 – Does not include $80.5 million appropriated from Section 5309 Bus and Bus Facilities for BRT projects; recommended appropriation was $3,154.7 million.

FY 2013 – Recommended appropriation was $2,179.6 million.

[b]Excludes funding for oversight activities.

The median full funding grant agreement (FFGA) for New Starts projects ranged from $491 million to $745 million in the reports to Congress from FY 2009-2013. The smallest FFGA over that period was $116.2 million for the Draper Transit Corridor Light Rail Transit (LRT) Extension in Salt Lake City, Utah, and the largest FFGA was $2.6 billion for the Long Island Railroad East Side Access in New York.

The FTA Section 5309 funding program is chronically oversubscribed and thus extremely competitive. Although eligible New Starts/Small Starts projects could request the statutory maximum Federal share of 80 percent, the historical average Federal share for projects is roughly 50 percent. For example, current projects in the New Starts pipeline are requesting between 31 percent and 50 percent in FTA Section 5309 funding. In the case of Small Starts projects in the pipeline, funding request ranges between 35 percent and 80 percent of the project cost, but note that FTA Small Starts funding cannot exceed $75 million.

No funding estimates were developed from these funding programs, but rather a set of general guidelines and expectations was developed. For the purpose of the 2040 LRTP, the following assumptions were applied to potential New Starts/Small Starts projects:

- **FTA Capital Investment Program –** Assume HART would apply for 50 percent of project cost for eligible fixed guideway projects, or up to $75 million (not to exceed 80 percent of project costs) for projects that would meet FTA's definition of Small Starts (i.e., project cost less than $250 million). Annual funding allocations by project should not exceed $90 million, based on the past trends examined above. HART and/or local funding partners should identify and provide local matching funds. There are currently four projects in Project Development (Small Starts) and one in Engineering (New Starts) from Florida. The total FTA discretionary funding request for these five projects is estimated at approximately $222 million for projects to be implemented over the short-term (revenue service starting in 2016/2017 timeframe).

- **State New Starts Transit Program –** Annually, 10 percent of the transportation proceeds from the Documentary Stamps Tax are allocated for major new transit capital projects in metropolitan areas, providing transit agencies with up to a dollar for dollar match of the local (non-federal) share of project costs for transit fixed-guideway projects and facilities that qualify under the FTA Capital Investment Program. The definition of eligibility includes rail transit and bus rapid transit (BRT) systems. FDOT's statewide funding estimate for this program is almost $700 million over 20 years, which is roughly about $35 million per year. For non-Federally funded projects, the state can provide up to 12.5 percent of the project costs. Only Statewide estimates for this program were provided by FDOT. It is assumed that the State New Starts Transit Program will fund half of the non-Federal share of the proposed New Starts/Small Starts projects. The transit service providers in Florida that are likely to request funding from this program include HART, the Jacksonville Transportation Authority (JTA), LYNX and Sunrail (Orlando area), Pinellas Suncoast Transit Authority (PSTA), Miami-Dade Transit (MDT), Broward County Transit, and the South Florida Regional Transportation Authority (SFRTA). Current funding requests from transit agencies (PSTA, SFRTA, and Sunrail) for Florida projects in the New Starts/ Small Starts pipeline is estimated at about $85 million over the next few years.

Other Federal and State (Sunshine Line). The Sunshine Line is the paratransit service managed by Hillsborough County. In addition to FDOT transit funding allocations, this service if funded with other Federal and state funds. Data from recent Hillsborough County Transportation Disadvantaged Service Plans was used to develop a baseline and forecast of anticipated revenues:

- **Other Federal Funding –** No growth, remaining at 2013 funding level ($561,000); and

- **Other State Funding –** No growth, remaining at 2013 funding level ($460,000).

1.4.4 State-Collected Fuel Taxes Distributed to Local Governments

Revenues from the Constitutional, County and Municipal fuel taxes (see Figure 5) were estimated at $499.4 million over the FY 2021-2040 period, of which 15 percent ($74.9 million) is set aside for the administration of local transportation programs. The forecast of reasonably available revenues was developed applying the following assumptions:

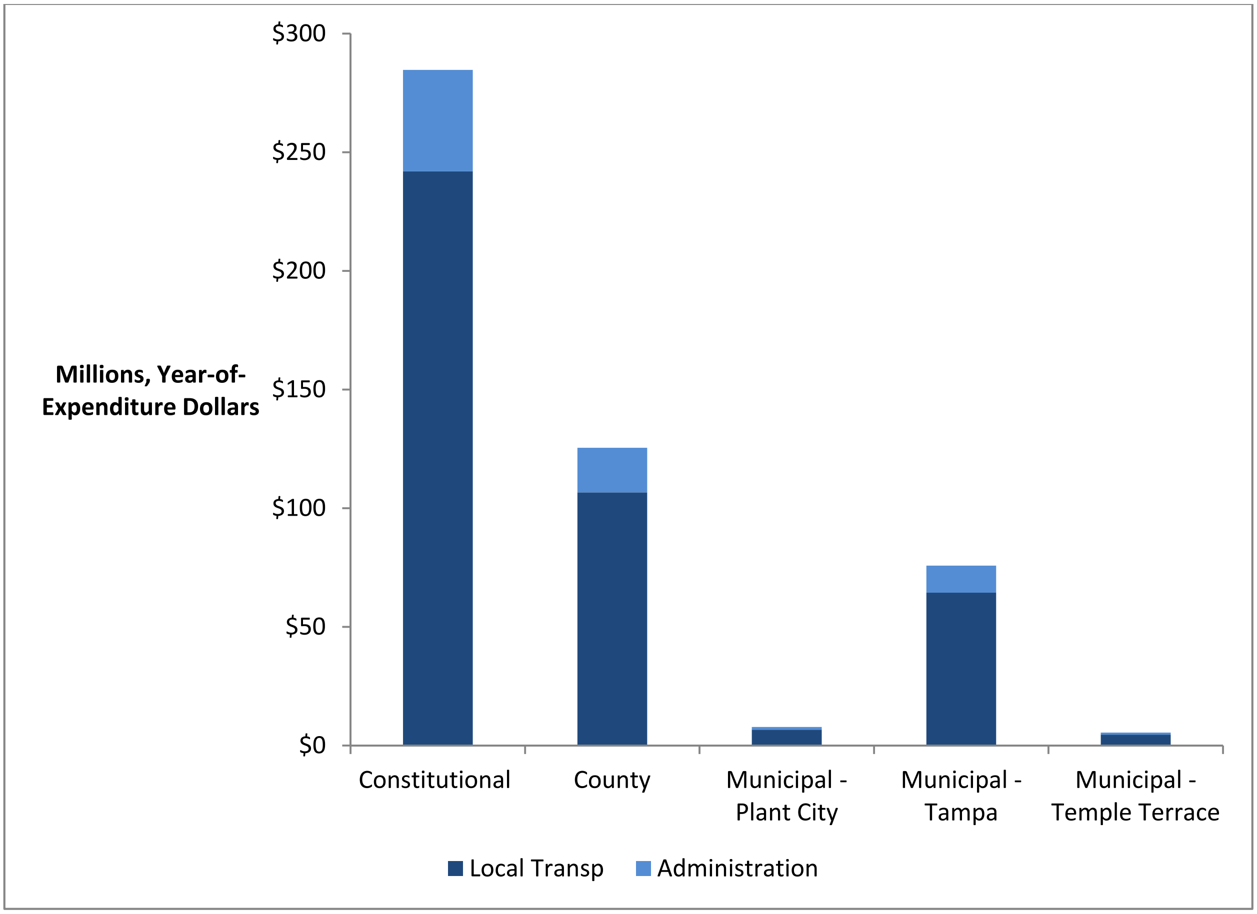
- Base year (FY 2014) estimates for the Constitutional and County fuel taxes were obtained from the *Local Government Financial Information Handbook FY 2014* (December 2013).
- The *Local Government Financial Information Handbook FY 2014* (December 2013) also provides estimates of the Municipal Sharing Program revenues for the base year by municipality (Plant City, Tampa, and Temple Terrace). The Municipal Revenue Sharing program is comprised of state sales tax (74.23 percent), municipal fuel tax (25.74 percent), and state alternative fuel user decal fee collections. The percentage associated with the municipal fuel tax was applied to calculate the FY 2014 revenues for each municipality.
- Annual growth will be in line with fuel consumption growth (through FY 2023) estimated from the FDOT Revenue Estimating Conference (Nov 2013). Table 4 summarizes the growth rates. The average growth rate was applied beyond FY 2023.
- Fifteen (15) percent is set aside for the administration of local transportation programs.

Table 4. Motor Fuel Consumption Annual Growth Rates through FY 2023

	Gasoline	Gas plus Diesel
2015	1.7%	1.8%
2016	1.9%	2.0%
2017	1.8%	2.0%
2018	1.6%	1.7%
2019	1.3%	1.4%
2020	1.4%	1.5%
2021	1.2%	1.3%
2022	1.2%	1.3%
2023	1.1%	1.2%
Average	1.5%	1.6%

Source: FDOT Revenue Estimating Conference.

Figure 5. Constitutional, County, and Municipal Fuel Tax, FY 2021-2040



Sources: Cambridge Systematics analysis of FDOT and Local Government Financial Information Handbook data.

1.4.5 Summary of Federal and State Funding Programs

Table 5 summarizes the detailed projection of the above funding sources. Between FY 2021 and FY 2040, the total state and Federal funding available to Hillsborough County is estimated to be $9.3 billion[9].

[9] Excluding potential FTA and State New Starts funding for transit fixed guideway projects.

Table 5. Estimates of Federal and State Programs
Millions of YOE Dollars

Program / Source	FY 2021-2025	FY 2026-2030	FY 2031-2040	FY 2021-2040
Capacity Programs – Highway				
SIS Highways – Construction and ROW	$782.6	$1,002.9	$2,640.6	$4,426.0
Other Arterials – Construction and ROW[a]	$285.2	$269.6	$589.9	$1,144.7
Transit (State)				
Transit – HART Allocation	$23.2	$24.4	$51.9	$98.6
Transit – Streetcar	$1.0	$1.1	$2.3	$4.4
Transit – Sunshine Line	$9.5	$10.7	$25.6	$45.9
Transit – Other State Transit and Intermodal	$97.7	$101.9	$210.5	$410.1
Metropolitan and Regional Programs				
TMA	$73.9	$73.9	$147.8	$295.600
TALU	$7.9	$7.9	$15.7	$31.5
TALT	$7.9	$7.9	$15.8	$31.6
TRIP	$3.1	$3.1	$6.1	$12.3
Non-Capacity Programs				
State Highway System O&M Preservation, Congestion Management & Safety	$310.3	$340.2	$747.1	$1,397.7
State Highway System O&M – Other Operational Activities	$152.8	$167.6	$368.0	$688.4
Transit (Federal)				
FTA Formula (HART)	$60.0	$60.0	$120.0	$240.0
FTA Formula (Streetcar)	$0.5	$0.5	$1.0	$2.0
Other Federal (Sunshine)	$2.8	$2.8	$5.6	$11.2
FTA Major Capital Programs[b]	TBD	TBD	TBD	TBD
New Starts Transit (State Program)[b]	TBD	TBD	TBD	TBD
Fuel Taxes to Local Governments[c]				
Constitutional	$63.1	$68.1	$153.5	$284.7
County	$27.8	$30.0	$67.6	$125.5
Municipal – Plant City	$1.7	$1.9	$4.2	$7.9
Municipal – Tampa	$16.8	$18.1	$40.9	$75.8
Municipal – Temple Terrace	$1.2	$1.3	$2.9	$5.5
Other State Transit (Sunshine)	$2.3	$2.3	$4.6	$9.2
Total Federal and State	**$1,931.4**	**$2,196.2**	**$5,221.0**	**$9,348.6**

Source: Cambridge Systematics, Inc. analysis of FDOT 2040 Revenue Forecast for District 7, HART, and Hillsborough County data.

Notes: [a] Includes PE funding.
[b] TBD: To be determined, based on eligible projects. Assume that FTA funding will not exceed $90 million in any given year, and FDOT will provide half of the non-FTA New Starts/Small Starts share.

[c] For the Constitutional, County and Municipal fuel taxes, 15 percent is set aside for the administration of local transportation programs.

1.5 Local and Local-Option Funding Sources

Beyond the traditional Federal and state fuel taxes, several local and local-option revenue sources are available for funding transportation improvement projects in Hillsborough County. These alternative revenue sources include local option fuel taxes and development-related fees, such as impact fees and proportionate share. In addition, transit services in the region, such as HART and the Tampa Streetcar, are funded through property taxes, fare revenues, and other dedicated revenue sources. These local and local-option revenue sources are presented here.

1.5.1 Local Option Gas Taxes

County governments in Florida are authorized to levy up to 12 cents per gallon of fuel through three local option gas taxes (LOGT) for transportation needs: the Ninth-Cent Gas Tax (1 cent per gallon of gasoline and diesel), the First LOGT (up to 6 cents per gallon of gasoline and diesel), and the Second LOGT (up to 5 cents per gallon of gasoline). Hillsborough County has adopted the Ninth-Cent and the First LOGT.

Revenues from both local option fuel taxes are forecast at $1.1 billion over 20 years (2021-2040), based on the following assumptions:

- Base year (FY 2014) estimates for both the Ninth-Cent and First LOGT were obtained from the *Local Government Financial Information Handbook FY 2014* (December 2013).
- Revenue forecasts were developed assuming that annual growth will be in line with fuel consumption growth estimated from the FDOT Revenue Estimating Conference (November 2013).
  - The growth rates of gasoline consumption are assumed between 1.1 percent and 1.9 percent from 2015 to 2023, at an average of 1.5 percent annually.
  - The growth rates of motor fuel consumption (i.e., gasoline and diesel combined) are forecast between 1.2 percent and 2.0 percent from 2015 to 2023, for an average of 1.6 percent annually.
  - The average growth rates were applied after 2023.
- It is assumed that these local fuel taxes will be renewed and collections will continue beyond the current sunset dates.
  - The Ninth-Cent Gas Tax is set to expire in 2021.
  - The First LOGT is set to expire in 2042 (beyond the LRTP planning horizon).

- Fifteen (15) percent is set aside for the administration of local transportation programs.

The Ninth-Cent

The Ninth-Cent Gas Tax was initially authorized in 1972 by the Florida Legislature. The tax is limited to 1 cent per gallon on highway fuels. Originally, the tax could be proposed by a county's governing body, but it had to be approved by the electorate in a countywide referendum. The 1993 Florida Legislature allowed a county's government body to impose the tax by a majority plus one vote of its membership, without holding a referendum.

Counties are not required to share revenue from the Ninth-Cent Gas Tax with municipalities; however, the proceeds of the tax may be shared with cities in whatever proportion is mutually agreed upon, and used for county or municipal transportation purposes. The tax has no time limit imposed on it by state statutes. As of January 1, 1994, the Ninth-Cent Tax on diesel fuel is no longer optional. The 1990 Legislature decided to realize all optional taxes on diesel fuel so that interstate truckers, who pay fuel taxes based on miles driven in the State, would be subject to standard tax rates.

According to the *Local Government Financial Information Handbook*, the Ninth-Cent Gas Tax will generate $6.4 million in FY 2014. Over 20 years, the Ninth-Cent Gas Tax is forecast to generate $166.2 million, of which $29.4 million (15 percent) is set aside for the administration of local transportation programs.

The First LOGT

The 1983 Florida Legislature provided local governments with two major new sources of revenue called the Local Option Gas Taxes (LOGT). Up to 11 cents per gallon may be levied to help fund a variety of transportation projects. These include the First LOGT (6 cents) and the Second LOGT (5 cents). Hillsborough County currently levies the full First LOGT only.

The First LOGT is authorized for a maximum duration of 30 years, at which time it must be voted on for extension. Implementation of 1 to 6 cents per gallon tax requires only a simple majority vote of the county commissioners. The proceeds of the tax must be shared with municipalities, either by a mutually agreed-upon distribution scheme or, if agreement cannot be reached, by using a formula contained in the Florida Statute.

Local governments may pledge revenues from any portion of the Local Option Gas Tax to repay state bonds issued on their behalf. In addition, a local government must use Local Option Gas Tax revenues for transportation expenditures on the state or local highway systems or transit-oriented capital purchases, or operations. Transportation expenditures include ROW activities, roadway maintenance, and the construction of roads.

The proceeds of the First LOGT are shared with Plant City, Tampa, and Temple Terrace. Overall, the First LOGT will generate approximately $35.9 million in FY 2014, of which about $11.5 million will be distributed to the municipalities and the remainder goes to the unincorporated Hillsborough County, based on estimates provided in the *Local Government Financial Information Handbook.* Over 20 years, the First LOGT is forecast to generate

$934.5 million, of which $140.2 million (15 percent) is set aside for the administration of local transportation programs

1.5.2 Impact Fees

Impact Fees are charges assessed for the impact that new development makes on Hillsborough County roads, parks, schools, and fire systems. Impact fee ordinances require new developments to pay a fair share for costs of improving existing infrastructure; in the case of transportation, impact fees are used for improving existing roads or constructing new roads made necessary by developments. A transportation impact fee schedule is typically based on trip generation, the cost of additional lane construction, trip length, percent of new trips added to the system, and existing lane capacity. The fee is assessed on the type of development and square footage.

Impact fees in Florida must meet the following requirements:

- It must be levied only on new development or new expansion of an existing development.
- It must be a one-time charge, although collections may be spread out over time.
- Its revenues must be earmarked for capital outlay only. Operating costs are excluded.
- The fee must represent a proportional share of the cost of the new facility needed to serve the new development.

Unincorporated Hillsborough County Impact Fees

The Infrastructure and Development Services team provided historical data of county impact fee levies over the last decade. The FY 2014 Adopted Budget estimates for 2014 and 2015 were used as the base from which future revenues were forecasted. Three scenarios were developed by Cambridge Systematics for county impact fees, given the significant variability experience in revenues over the last decade:

- **Base Scenario –** Assumes that impact fees will remain at approximately the 5-year average of collections (approximately $2.7 million), as a new “normal.” It remains constant (i.e., no growth) throughout the planning horizon. Under this scenario, 20-year revenues are estimated at $54 million.
- **Growth Scenario 1 –** Assumes that impact fee revenues will reach the 10-year median ($4.8 million) by 2026, and then it will reach the 10-year average ($6.5 million) by 2036, remaining at that level through 2040. Based on this growth assumptions, 20-year revenues are estimated at $109.5 million.
- **Growth Scenario 2 –** Assumes that impact fee revenues will reach the 10-year average ($6.5 million) by 2026, and will remain constant thereafter. Based on this growth assumptions, 20-year revenues are estimated at $124.6 million.

Tampa, Plant City, and Temple Terrace

For city-specific impact fees, data collected as part of the Transportation Funding Survey (February 21, 2014) and prepared for the Transportation for Economic Development – Financial Oversight Group was reviewed, in addition to revenue forecast developed in 2009 for the previous long-range transportation plan.

- **Tampa**
  - Transportation impact fees for FY 2014 are estimated at $1.7 million. For the revenue forecast, it is assumed that impact fees will remain constant (i.e., no growth) throughout the planning horizon, which would generate an estimated $34 million over 20 years.
- **Temple Terrace**
  - The City of Temple Terrace established a transportation mobility fee in 2009. No estimates of anticipated revenues for 2014 were provided in the Transportation Funding Survey. The City does not forecast revenues, since it is highly dependent on development.
  - Revenue forecast of impact fees from the 2035 LRTP for Temple Terrace were significantly higher compared to actual revenues. For the purpose of revenue forecasting, it was assumed that Temple Terrace mobility fee revenues will be about 50 percent of 2035 LRTP projections, at $304,000 annually.
- **Plant City**
  - There is a current moratorium in effect through September 2014 on transportation impact fees; therefore, there are no estimates for FY 2014 in the Transportation Funding Survey.
  - Revenue forecast of impact fees from the 2035 LRTP were significantly higher compared to actual revenues. For the revenue forecast, it was assumed that Plant City revenues will be about 50 percent of 2035 LRTP projections, at $250,000 annually, starting in FY 2015 (post-moratorium).

1.5.3 Proportionate Fair Share

Before 2005, proposed new developments that failed to satisfy transportation concurrency requirements had limited options for construction. In response, a Florida Senate bill was passed requiring that no new development may be built unless the capacity is available to support it, or construction is scheduled within the next two fiscal years. The bill provides developers with the option to meet their concurrency by paying their fair share of the cost of the improvement. The Proportionate Fair Share is based on the proportion of the new capacity created by the improvement that is consumed, or used up, by the new traffic that will be generated by the development. In 2011, new legislation was created that allows a developer that would otherwise be delayed or denied a permit due to failing concurrency to make a proportionate share payment to hypothetical project if the County has no plans or funding for an actual project.

The minimum payment for proportionate fair share in Hillsborough County is $34,000. In FY 2013, Hillsborough County received the largest contribution to date of almost $1.8 million. In average, proportionate fair share revenues are estimated at about $120,000 per agreement, based on a review of data from the last 1.5 years, with revenues totaling about $2.8 million (inclusive of the largest contribution to date). Based on these data, the financial plan assumes that Hillsborough County will collect about $1.5 million annually in proportionate fair share funding, for an estimated $30 million over 20 years.

1.5.4 Transit Funding

The estimates of future revenues to support transit capital and operating needs in the region includes dedicated funding for HART, the streetcar, and the Sunshine Line (paratransit).

HART

HART has generally relied on revenues generated through passenger fares, ad valorem taxes, advertising, and other miscellaneous revenues to pay for operations. Over the 20-year period, total revenues from these sources were estimated at $1.8 billion.

The base forecast for these revenue sources was obtained from the most recent *Transit Development Plan* (TDP, September 2013), HART's *FY 2014 Adopted Budget* and through consultation (via email) with HART's Chief Financial Officer (CFO). The assumptions by revenue sources are described below.

Passenger Fares. HART's cash fare for regular and limited express buses is $2; users on express buses pay $3 per ride. HART also offers a variety of fare passes, from one-day unlimited rides to monthly passes. Passenger fare revenues are forecast at $16.2 million in FY 2014. The 20-year revenue forecast is estimated at $465.7 million.

- Passenger fare revenue forecast through FY 2018 was obtained from the TDP.
- A 2 percent annual growth was applied to forecast revenues post-2018.

Ad Valorem Taxes. HART receives the levies from a 0.5 mill (i.e., $0.50 per $1,000 of value) that are dedicated to transit.

- Ad valorem forecast through FY 2018 were obtained from HART's TDP and the FY 2014 Adopted Budget.
- For FY 2019, applied Hillsborough County Business and Support Services Department growth rate forecast based on the taxable value change in FY 2018 (there is a one-year lag between tax year and taxable value).
- After FY 2019, a 4.76 percent annual growth was applied, based on the compounded average annual growth rate on property values from 1993-2013.

Advertising. Revenues collected through advertising were estimated at $14.4 million over 20 years.

- Applied forecast from HART's TDP and FY 2014 Adopted Budget through 2018.
- After FY 2018, it was assumed that revenue will grow annually by 2 percent.

HART also receives funding from other miscellaneous sources (e.g., interest income). For the purpose of the 2040 LRTP, revenues were assumed to remain at the 2014/2015 estimate levels.

Streetcar

Funding for the streetcar includes passenger fares, special assessment district revenues, and Tampa Port Authority contributions, estimated at $34 million over 20 years.

The 20-year Business Plan for the Streetcar (through 2033) anticipates the need for additional funding to meet revenue shortfalls starting in 2020. The City of Tampa must cover any funding shortfall, unless other funding is identified.

Passenger fares. The cash fare for the streetcar is $2.50 one-way. A variety of passes are offered, from one-day unlimited to annual passes.

- For the purpose of the 2040 LRTP, an annual growth rate of 1.5 percent was applied through 2040.

Special Assessment District. The streetcar operating expenses are funded with revenue from a special assessment district that includes downtown Tampa, the central business district (CBD), the Channel District, Ybor City, and Channelside. Properties within the district are taxed a one-third mill ($0.33 per $1,000 of value).

- The revenue forecast applied the streetcar business plan growth assumptions on property tax revenues through 2018.
- Post-2018, we applied an annual growth rate of 4.76 percent, based on the average annual growth rate from 1993-2013.

Tampa Port Authority. The Streetcar Business Plan assumes that the Tampa Port Authority will continue providing financial support to the streetcar service. A contribution of $100,000 annually is included through 2040.

Sunshine Line

The Sunshine Line provides door-to-door transportation and bus passes for elderly, low-income, and disabled persons who do not have or cannot afford their own transportation. Funding includes passenger fares,[10] and other state (non-FDOT) and local funding. Total revenues over 20 years are estimated at $94 million.

- **Local Funding –** Hillsborough County provided about $3.0 million in 2013. For the 2040 LRTP, it was assumed that future funding will increase in-line with the historical average 10-year inflation[11] rate (2.4 percent).

- **Farebox Revenues –** HART's assumption of 2 percent annual growth was applied.

1.5.5 Summary of Local Revenue Sources

Table 6 shows the rates at which some of these taxes and fees are currently set. The Local Government Infrastructure Surtax, which is set to expire in 2026, is described in the Potential New Funding Sources section. Table 7 summarizes the funding sources currently dedicated to Hillsborough County for carrying out transportation improvements, including the unbonded surtax revenues through 2026 only. Overall, all local sources are forecast to generate about $3.3 billion for transportation needs over 20 years.

Table 6. Rates for Existing Local Funding

Local Option Gas Taxes	
Ninth-Cent Gas Tax	1 cent per gallon
First LOGT	6 cents per gallon
Other Optional Local Funding	
Impact Fees	Varies
Proportionate Fare Share	Varies
HART Fares	Varies; $2 per trip (cash)
HART Ad Valorem	0.5 mills
Streetcar Fares	Varies; $2.50 per trip (cash)
Streetcar Assessment District	0.33 mills
Local Government Infrastructure Surtax a,k,a, Community Investment Tax (C.I.T.)	0.5%

[10] Sunshine door-to-door service fares are determined on a sliding scale, from $0 to $5 per trip, based on income.

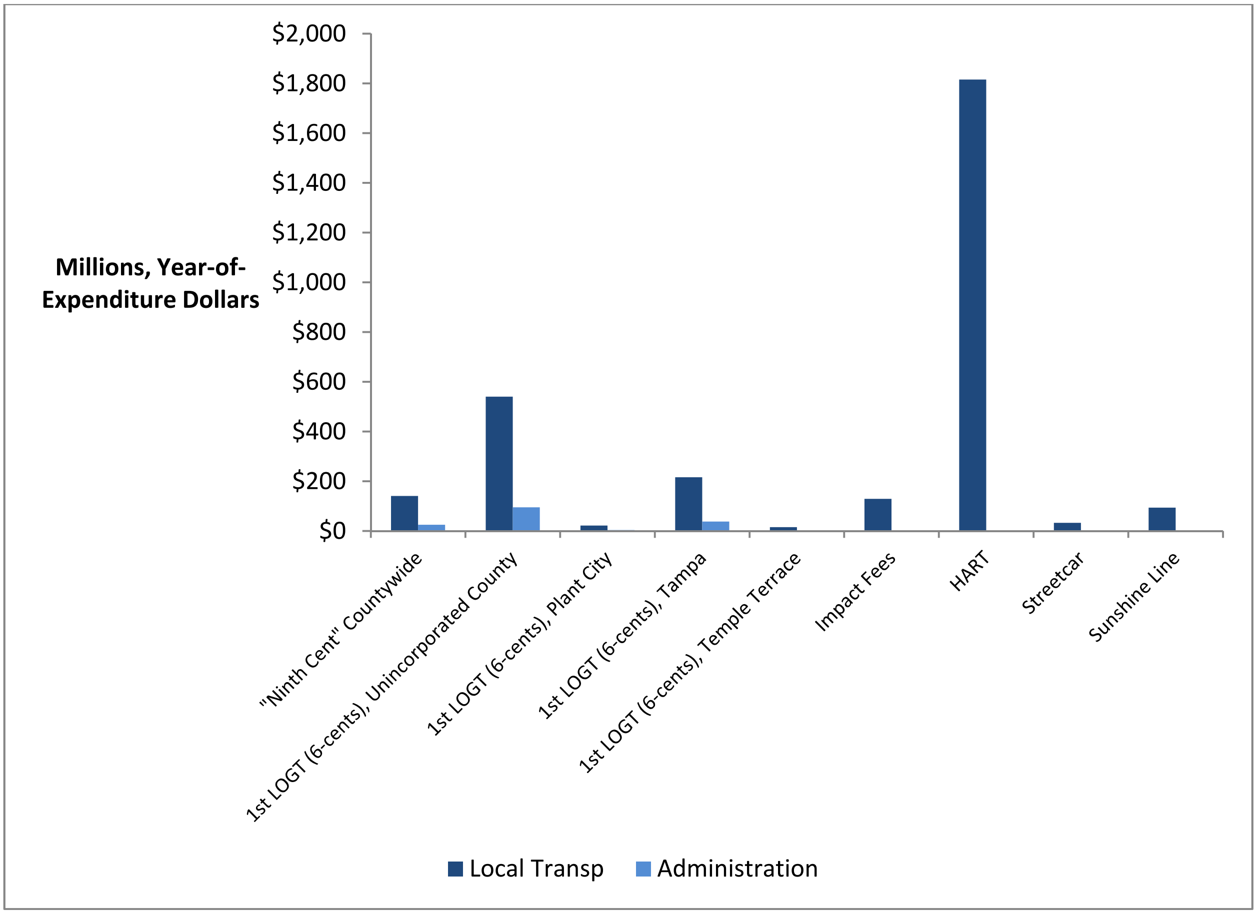
[11] Bureau of Labor Statistics, Consumer Price Index 10-year CAGR for the 2003-2013 period.

Table 7. Existing Local Funding by Source, FY 2021-2040
Millions of YOE Dollars

Program / Source	FY 2021-2025	FY 2026-2030	FY 2031-2040	FY 2021-2040
Fuel Taxes Levied Locally[a]				
"Ninth-Cent" Countywide	$36.8	$39.8	$89.6	$166.2
First LOGT (6 cents), Unincorporated County	$140.8	$152.0	$342.5	$635.3
First LOGT (6 cents), Plant City	$5.8	$6.3	$14.2	$26.3
First LOGT (6 cents), Tampa	$56.4	$60.9	$137.2	$254.5
First LOGT (6 cents), Temple Terrace	$4.1	$4.4	$9.9	$18.4
Impact Fees				
Countywide – Base	$13.5	$13.5	$27.0	$54.0
Tampa	$8.5	$8.5	$17.0	$34.0
Plant City	$1.2	$1.2	$2.5	$5.0
Temple Terrace	$1.5	$1.5	$3.0	$6.1
Proportionate Fair Share	$7.5	$7.5	$15.0	$30.0
Transit Funding				
HART				
HART Passenger Fares	$99.7	$110.1	$255.8	$465.7
HART Ad Valorem	$226.0	$285.1	$813.6	$1,324.7
HART Advertising	$3.1	$3.4	$7.9	$14.4
HART Other	$2.7	$2.7	$5.3	$10.7
Streetcar				
Streetcar Passenger Fares	$2.8	$3.0	$6.8	$12.7
Streetcar Special Assessment	$3.1	$3.9	$11.2	$18.2
Streetcar Tampa Port Authority	$0.5	$0.5	$1.0	$2.0
Sunshine Line				
Sunshine Passenger Fares	$0.2	$0.2	$0.5	$1.0
Sunshine Local	$19.3	$21.7	$51.9	$92.8
C.I.T. in the three cities (see Table 9)	141.88	37.19	-	-
Total Local	**$775.4**	**$763.5**	**$1,812.0**	**$3,171.9**

Notes: [a] Includes 15 percent "set-aside" for the administration of local transportation programs.

Figure 6. Local Funding
2021 to 2040



1.6 Potential New Funding Sources

This section will examine the potential revenues of the taxes that are not in place in Hillsborough County, but that could be implemented to support transportation investments. Opportunities to levy additional revenues for transportation improvements exist with the implementation of the Second LOGT, Ad Valorem taxes dedicated to transportation, local option sales taxes, and mobility fees. The following resources were used to develop the forecasts of potential local funding sources:

- Hillsborough County, Business and Support Services Department.
  - Sales Tax and Taxable Property Values (February 12, 2014).
  - Community Investment Tax (February 19, 2014).
- Local Government Financial Information Handbook (December 2013).
- MPO Post-Referendum Analysis Phase 2: Hypothetical Funding Scenarios (2011).

1.6.1 Second LOGT

The 1993 Florida Legislature extended the scope of the Local Option Gas Tax to include an additional fuel tax of up to 5 cents per gallon of gasoline. Diesel fuel is not subject to this tax. Implementation of the second tax of 1 to 5 cents per gallon requires a majority plus one vote of the county commissioners. The proceeds of the tax must still be shared with municipalities, either by mutually agreed-upon distribution scheme, or by using the state formula. Pursuant to Section 336 of the Florida Statutes, local governments may only use revenues from the tax for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan.

Revenues from implementing the full 5 cents per gallon of the Second LOGT are forecast at $640.6 million over 20 years (2021-2040). The forecast methodology was similar to the one used for the Ninth-Cent and the First LOGT.

- Base year (FY 2014) estimates for the Second LOGT were obtained from the *Local Government Financial Information Handbook FY 2014* (December 2013).

- Revenue forecasts were developed assuming that annual growth will be in line with fuel consumption growth estimated from the FDOT Revenue Estimating Conference (November 2013).

  - The growth rates of gasoline consumption are assumed between 1.1 percent and 1.9 percent from 2015 to 2023, at an average of 1.5 percent annually.

  - The average growth rate was applied after 2023.

1.6.2 Local Option Sales Tax

Local governments are also authorized by the State to levy some sales taxes to address their transportation needs, including the Charter County and Regional Transportation Surtax and the Local Government Infrastructure Surtax. The maximum potential local sales tax rate in Hillsborough County is 3 percent; the current local sales tax rate is set at 1 percent, leaving the County with a local sales tax potential of 2 percent that remains untapped. The existing local option sales taxes are the Local Government Infrastructure Surtax (called the Community Investment Tax, at 0.5 percent) and the Indigent Care/Trauma Center surtax (at 0.5 percent).

Charter County and Regional Transportation Surtax

Hillsborough County is eligible to impose the Charter County and Regional Transportation Surtax up to 1 percent. The levy is subject to approval by a majority vote of the County's electorate or by a charter amendment approved by a majority vote of the County's electorate. Generally, the tax proceeds are for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, on-demand transportation services, and roads and bridges.

For the purpose of the 2040 LRTP, revenue forecasts were developed for four scenarios:

- One-half percent countywide sales tax, starting in 2017 (if approved by voters in 2016);
- One percent countywide sales tax, starting in 2017 (if approved by voters in 2016);
- One-half percent countywide sales tax, starting in 2021 (if approved by voters in 2020); and
- One percent countywide sales tax, starting in 2021 (if approved by voters in 2020).

Base year (FY 2014) estimates for the Charter County and Regional Transportation surtax were obtained from the *Local Government Financial Information Handbook FY 2014* (December 2013). Annual growth assumptions of sales tax revenue were provided by the Business and Support Services Department through 2018. After 2018, the 23-year compounded average growth rate (3.58 percent, for the 1990-2013 period) was applied.

At 0.5 percent, the countywide sales tax is forecast to generate close to $4.0 billion over 20 years, doubling to $8.0 billion at 1 percent. Table 8 summarize the revenue forecast for the four scenarios.

Table 8. Forecast of Local Option Sales Tax, 0.5 Percent, and 1 Percent *Starting in 2017 or 2021, Millions of YOE Dollars*

	0.5 Percent Year 2017	**1 Percent Year 2017**	**0.5 Percent Year 2021**	**1 Percent Year 2021**
2014-2018	$244.6	$489.3	–	–
2019-2020	$265.0	$530.0	–	–
2021-2025	$750.1	$1,500.2	$750.1	$1,500.2
2026-2030	$894.3	$1,788.6	$894.3	$1,788.6
2031-2040	$2,337.6	$4,675.1	$2,337.6	$4,675.1
Total	**$4,491.6**	**$8,983.1**	**$3,981.9**	**$7,963.9**

Local Government Infrastructure Surtax (Community Investment Tax)

The Local Government Infrastructure Tax (known as the Community Investment Tax, CIT, in Hillsborough County) can be levied at a rate of 0.5 percent or 1 percent. Counties cannot levy a combined rate exceeding 1 percent of the Local Government Infrastructure Surtax, Small County, Indigent Care and Trauma Center, and County Public Hospital surtaxes. Therefore, Hillsborough County is at the statutory maximum with the combined CIT and Indigent Care/ Trauma Center taxes, each levied at 0.5 percent. Revenues from the CIT are used to acquire, construct, and improve general government, public education, and public safety infrastructure to promote the health, safety, and welfare of Hillsborough County residents. The CIT was adopted by referendum, and an extension must be approved by voters. The current CIT will sunset in 2026.

By agreement, several other governmental entities in Hillsborough County share the proceeds of this tax. The Hillsborough County School Board receives 25 percent of gross revenue, and a portion of the revenues go to pay annual debt service on a $318 million bond issue that financed the Raymond James Stadium. The remaining Community Investment Tax proceeds are shared by the County and its three municipalities.

The CIT revenue forecasts are summarized in Table 9. For the purpose of the forecast, gross sales tax revenues were adjusted for the School Board allocation (25 percent) and for debt service payments on the stadium, before levies are distributed to unincorporated Hillsborough County and the cities of Tampa, Plant City, and Temple Terrace. Two scenarios were considered:

- **Scenario 1 –** Base CIT, expiring in 2026. This is shown for all four local governments, and for the three cities alone. The County has bonded its share of revenues through 2026.
- **Scenario 2 –** Extended CIT, assuming that voters approve extension beyond 2026. It is assumed that 25 percent of the proceeds will continue to be dedicated to the School Board, but there will be no debt service payment after bonds are retired in 2026.

The Hillsborough County Business and Support Services Department provided CIT forecast through 2026. The revenue forecast was extended through 2040, applying the 23-year compounded average growth rate (3.58 percent, for the 1990-2013 period).

Extending the CIT beyond 2026 could generate an additional $2.4 billion through 2040 for infrastructure projects. Table 10 summarize the additional CIT revenues for unincorporated Hillsborough County and the cities of Tampa, Plant City, and Temple Terrace.

Table 9. Potential Net Revenues from CIT, Countywide
Millions of YOE Dollars

Fiscal Years	Base CIT Net Proceeds (1)	Base CIT Net Proceeds Three Cities (1)	Extended CIT Net Proceeds (2)
2014-2018	$393.3	Programmed	–
2019-2020	$187.4	$49.37	–
2021-2025	$538.7	$141.88	–
2026-2030	$141.2	$37.19	$545.5
2031-2040	–	-	$1,824.1
Total	**$1,260.5**	**$228.44**	**$2,369.7**

Note: Potential Net Revenues are after School Board allocation and debt service payments. Totals may not add up due to rounding.

Table 10. Distribution of Additional Net Revenues from CIT
Millions of YOE Dollars, Extended beyond 2026

Fiscal Years	Unincorporated Hillsborough	Plant City	Temple Terrace	Tampa
2026-2030	$401.8	$12.5	$9.0	$122.2
2031-2040	$1,343.7	$41.9	$29.9	$408.7
Total	**$1,745.5**	**$54.4**	**$38.8**	**$531.0**

Note: Additional Net Revenues are after School Board allocation and debt service payments. Totals may not add up due to rounding.

1.6.3 Ad Valorem Taxes

According to Florida Statutes, local governments may levy Ad Valorem taxes based on the assessed value of property. Ad Valorem taxes are subject to the following rate limitations:

- Ten mills for county purposes;
- Ten mills for municipal purposes;
- Ten mills for school purposes;
- A millage fixed by law for a county furnishing municipal services; and
- A millage authorized by law and approved by voters for special districts.

Levies from ad valorem taxes provide funding for programs that have countywide benefit, such as services to the elderly and children, emergency management and emergency dispatch functions, jail operations and law enforcement, fire services, among others. To fund operations of the city-county library system, Hillsborough County levies a Special Library District Ad Valorem Tax, which applies only to property in the City of Tampa and in unincorporated areas of the County. Ad valorem taxes are also collected to meet annual debt service requirements for the payment of voter approved general obligation bonds. In addition, entities such as the cities of Tampa, Temple Terrace, and Plant City, the Hillsborough County School Board, HART, the Southwest Florida Water Management District, the Tampa Port Authority and the Children's Board are all authorized by the State to levy their own ad valorem taxes.

As noted in the section of existing local taxes dedicated to transportation, HART receives dedicated revenues from a 0.5-mill ad valorem tax and the streetcar is funding with a 0.33-mill special assessment.

For the purpose of estimating the revenue potential from a countywide ad valorem tax, a tax rate of 1 mill was applied to the countywide taxable value estimates. The Hillsborough County Business and Support Services Department provided estimates of property taxable values through 2018, which results in tax revenue estimates through 2019, due to the one-year lag between taxable values and tax revenues. After 2019, a 4.76 percent annual growth was applied based on 20-year taxable value growth trends. An additional 1 mill in ad valorem is forecast to generate approximately $2.9 billion between 2021 and 2040.

1.6.4 Mobility Fees

Hillsborough County is considering the idea of implementing mobility fees for new development. A mobility fee is a charge on all new development to provide mitigation for its impact on the transportation system. As a charge on new development, the mobility fee has characteristics of an impact fee; however it is very different compared to the impact fees as proposed, for example:

- A mobility fee would be sensitive to vehicle or person miles traveled encouraging shorter trips and reduction of total travel thereby promoting compact and mixed-use development.
- A mobility fee would fund multimodal transportation improvements for roadways, transit, bikeway, and pedestrian walkways. This includes capital projects, system efficiency and congestion management improvements/strategies and transit capital and operating costs.
- A mobility fee could provide a charge for recouping a new development’s share of transit operating costs for a short-term period.
- A mobility fee would be distributed among all the governmental entities responsible for maintaining impacted transportation facilities.

A mobility fee in Hillsborough County could replace the current concurrency system (i.e., impact fees and proportionate fair share), which is how the County currently defrays infrastructure costs associated with additional road capacity that is necessary to serve new development. For the purpose of the 2040 LRTP, gross annual revenues from a countywide mobility fee are estimated at $30 million, based on revenue estimates developed for the *Technical Review of Hillsborough County’s Multimodal Transportation Mobility Fee Study* (September 2010 Draft). If collection of such a mobility fee were implemented in all four jurisdictions in place of impact fees starting in FY 2020, net mobility fee revenues would comprise $501 million over 20 years.

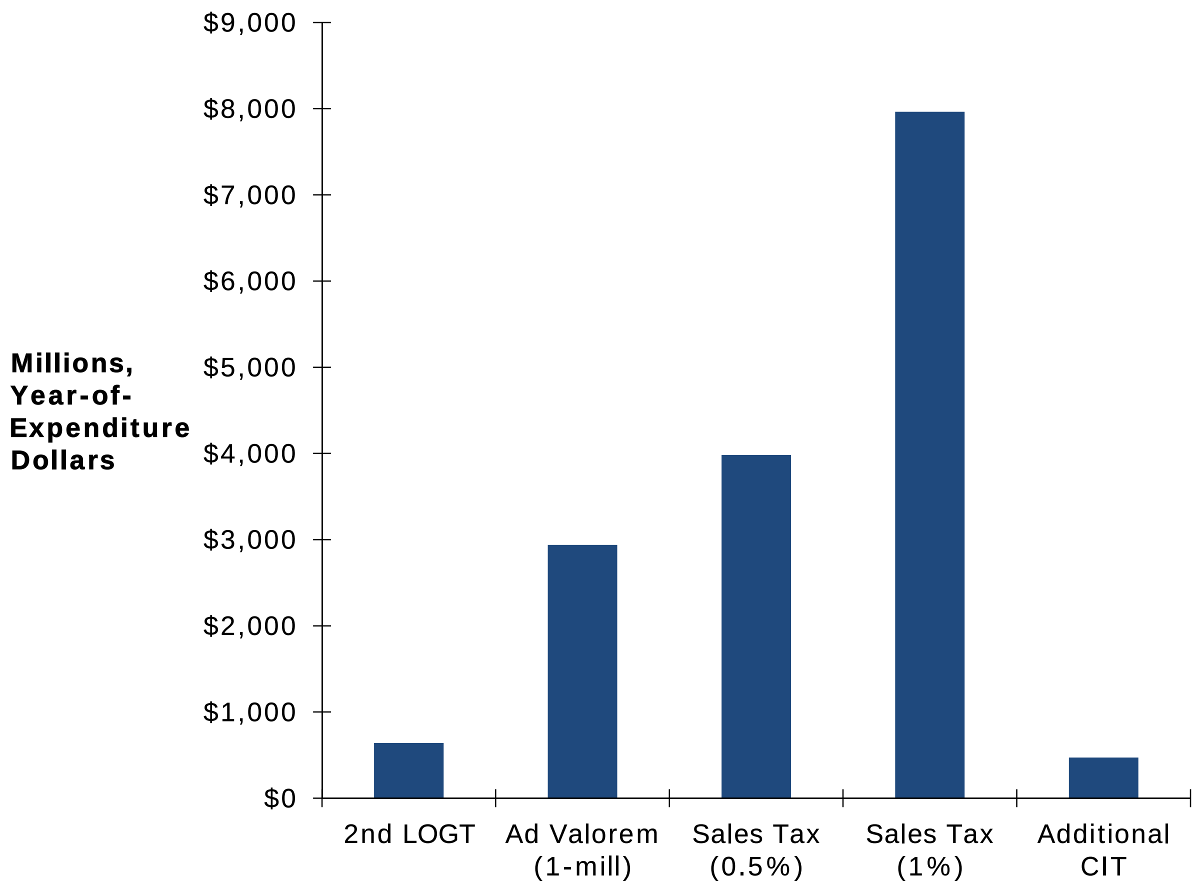
1.6.5 Summary of Potential New Funding Sources

Table 11 and Figure 7 show the revenue potential of new funding sources that could be implemented in Hillsborough County for infrastructure investments, including transportation. The revenue potential ranges from $471 million for Mobility Fees up to $8.0 billion from a 1 percent countywide sales tax.

Table 11. Potential New Local Funding, 2021-2040
Millions of YOE Dollars

Source	FY 2021-2040
Second LOGT (5 cents)	$640.6
Ad valorem – 1 mill	$2,937.7
Sales Tax	
Countywide Transportation Surtax at 0.5%	$3,981.9
Countywide Transportation Surtax at 1.0%	$7,963.9
CIT additional funding	$2,369.7
Net Mobility Fees (in lieu of Impact/Prop Share)	$470.9

Figure 7. Potential New Local Funding, 2021-2040
Millions of YOE Dollars



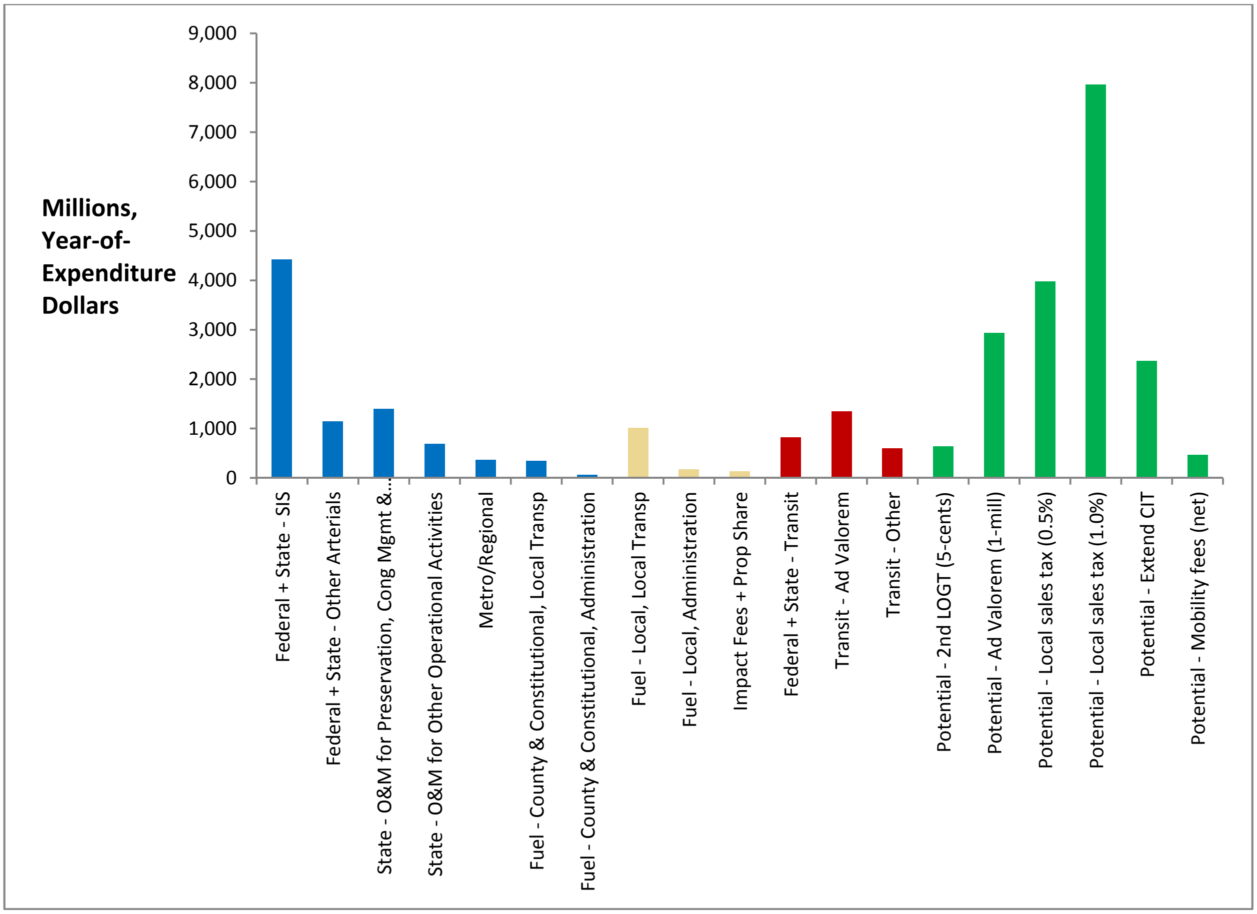
1.7 Summary of Reasonable Available Funding (by Program)

Table 12 summarizes total transportation-related revenues anticipated to be available through the period 2010-2030. According to these estimates, approximately $12.5 billion is expected to be available for transportation needs between FY 2021 and FY 2040. Figure 8 shows all available funding for transportation from Federal, state and local funding sources, and potential revenues from local sources.

Table 12. Summary of Total Revenues, FY 2021-2040
Millions of YOE Dollars

Funding Categories	FY 2021-2025	FY 2026-2030	FY 2031-2040	FY 2021-2040
Federal and State – Capacity	$1,067.8	$1,272.5	$3,230.5	**$5,570.8**
State – O&M Preservation, Congestion Management, and Safety	$310.3	$340.2	$747.1	**$1,397.7**
State – O&M Other Operational Activities	$152.8	$167.6	$368.0	**$688.4**
Metro/Regional	$92.7	$92.7	$185.5	**$371.0**
State – Fuel Tax to Local Local Transportation Programs	$94.1	$101.6	$228.8	**$424.5**
State – Fuel Tax to Local Administration of Local Transportation Programs	$16.6	$17.9	$40.4	**$74.9**
Transit (Federal and State)	$197.0	$203.7	$420.7	**$821.4**
Transit (Local and Other)	$357.4	$430.7	$1,154.1	**$1,942.1**
Local Local Transportation Programs	$239.6	$256.1	$568.9	**$1,064.6**
Local Administration of Local Transportation Programs	$36.6	$39.5	$89.0	**$165.1**
Total	**$2,564.9**	**$2,922.5**	**$7,033.0**	**$12,520.5**

Figure 8. Summary of Total Available and Potential Revenues, FY 2021-2040 *Millions of YOE Dollars*



Legend: Blue: Federal and State Highway
Yellow: Local
Red: Transit
Green: Potential Funding.

APPENDIX FOR THE METROPOLITAN LONG RANGE PLAN

2040 Forecast of State and Federal Revenues for Statewide and Metropolitan Plans

Overview

This appendix documents the Florida Department of Transportation (FDOT) revenue forecast through 2040. Estimates for major state programs for this metropolitan area and Florida are included. The forecast encompasses state and federal funds that "flow through" the FDOT work program. This information is used for updates of metropolitan long range transportation plans, the Florida Transportation Plan and the Strategic Intermodal System (SIS) Cost Feasible Plan.

<u>Background</u>

Evolving state and federal legislation, FDOT policies, and leadership by the Metropolitan Planning Organization Advisory Council have provided the impetus to enhance the cooperative relationship between FDOT and metropolitan planning organizations (MPOs) in planning for and providing transportation facilities and services. The Florida Transportation Plan (FTP), developed with the assistance of Florida's 26 MPOs and other transportation partners, established long range goals and program emphases for the expenditure of state and federal funds expected from current revenue sources.

The Department developed a long range revenue forecast through 2040. The forecast was based upon recent legislation (e.g., MAP-21[1]), changes in factors affecting state revenue sources (e.g., population growth rates) and current policies. This 2040 forecast incorporates (1) amounts contained in the Department's Work Program for 2014 through 2018, (2) the impact of the Department's objectives and investment policies, and (3) the current Statutory Formula (equal parts of population and motor fuel tax collections) for distribution of certain program funds. All estimates are expressed in year of expenditure dollars.

<u>Purpose</u>

This appendix provides the public and interested parties with clear documentation of the state and federal financial issues related to each MPO plan and facilitates reconciliation of statewide and metropolitan plans. This appendix does not address financial issues related to funds that do not "flow through" the state work program. Information on financial issues related to local and regional revenue sources – what those resources are and how the metropolitan areas plan to spend them – is contained in other documentation of the metropolitan plan.

This appendix describes how the statewide 2040 Revenue Forecast was developed. Also, metropolitan estimates are identified for certain major FDOT programs that expand the capacity of existing transportation systems, and are referred to as "capacity programs." "Metropolitan estimates" are the estimated share of certain state capacity programs for this metropolitan area. They can be used to fund planned improvements to major elements of the transportation system. This appendix also includes estimates of funds required for other FDOT programs designed to support, operate, and maintain the state transportation system. The FDOT has set aside sufficient funds in the 2040 Revenue Forecast for these programs, referred to as "non-capacity programs" in this document, to meet statewide objectives and program needs in all metropolitan and non-metropolitan areas. Funding for these programs is not included in the metropolitan estimates.

---

[1] Moving Ahead for Progress in the 21st Century Act, Public Law 112-141, July 6, 2012.

2040 Revenue Forecast (State and Federal Funds)
The 2040 Revenue Forecast is the result of a three-step process:

1. State and federal revenues from current sources were estimated.
2. Those revenues were distributed among statewide capacity and non-capacity programs consistent with statewide priorities.
3. Estimates for certain capacity programs were developed for each of Florida's 26 metropolitan areas.

Forecast of State and Federal Revenues
The 2040 Revenue Forecast includes program estimates for the expenditure of state and federal funds expected from current revenue sources (i.e., new revenue sources were not added). The forecast estimated revenues from federal, state, and Turnpike sources included in the Department's 5-Year Work Program. The forecast did not estimate revenue from other sources (i.e., local government/authority taxes, fees, and bond proceeds; private sector participation; and innovative finance sources). Estimates of state revenue sources were based on estimates prepared by the State Revenue Estimating Conference in August 2012 for state fiscal years 2014 through 2021. Estimates of federal revenue sources were based on the Department's Federal Aid Forecast for the same fiscal years. Assumptions about revenue growth were as follows:

Revenue Sources	Years	Assumptions
State Fuel Taxes	2014-2021	Florida Revenue Estimating Conference Estimates
	2022-2040	Annual 2.54% increase in 2022, gradually decreasing to 0.55% in 2040
State Tourism-Driven Sources (Rental Car Surcharge, Aviation Fuel Tax)	2014-2021	Florida Revenue Estimating Conference Estimates
	2022-2040	Annual 3.04% increase in 2022, gradually decreasing to 2.86% in 2040
State Vehicle-Related Taxes (Vehicle License, Initial Registration, and Incremental Title fees)	2014-2021	Florida Revenue Estimating Conference Estimates
	2022-2040	Annual 2.28% increase in 2022, gradually decreasing to 1.71% in 2040
Documentary Stamps Taxes	2014-2021	Florida Revenue Estimating Conference Estimates
	2022-2040	$348.5 million annually
Federal Distributions (Total Obligating Authority)	2014-2021	FDOT Federal Aid Forecast
	2022-2040	Annual 0.0% increase through 2040
Turnpike	2014-2022	Existing and programmed projects, cap on outstanding debt, and planned toll increases on expansion projects

A summary of the forecast of state, federal and Turnpike revenues is shown in Table 1. The *2040 Revenue Forecast Handbook* contains inflation factors that can be used to adjust project costs expressed in "present day cost" to "year of expenditure" dollars.

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

Major Revenue Sources	2014-15[1]	2016-20[1]	2021-25	2026-30	2031-40	27-Year Total[2] 2014-2040
	Time Period					
Federal	5,113	9,542	9,687	9,719	19,328	53,389
	31%	27%	26%	24%	22%	25%
State	9,711	22,243	25,084	27,616	60,776	145,430
	59%	64%	67%	69%	70%	67%
Turnpike	1,680	3,044	2,745	2,931	6,610	17,011
	10%	9%	7%	7%	8%	8%
Total[2]	**16,505**	**34,829**	**37,516**	**40,266**	**86,715**	**215,830**

[1] Based on the FDOT Tentative Work Program for 2014 through 2018.
[2] Columns and rows sometimes do not equal the totals due to rounding.

Estimates for State Programs

Long range revenue forecasts assist in determining which needed transportation improvements are financially feasible and in identifying funding priorities. As directed by FDOT policy, the Department places primary emphasis on safety and preservation by first providing adequate funding in the Revenue Forecast to meet established goals and objectives in these important areas. Remaining funding has been planned for new or expanded statewide, metropolitan/regional, and local facilities and services (i.e., capacity programs). As Florida moves toward the middle of the 21st Century, safety and preservation continue to be emphasized.

The 2040 Revenue Forecast includes the program funding levels contained in the July 1, 2013 Adopted Work Program for 2014 through 2018. The forecast of funding levels for FDOT programs for 2019-2040 was developed based on the Program and Resource Plan (PRP) for fiscal years 2013-2022. The remainder of this Appendix provides forecast information for "Capacity," "Non-Capacity," and "Other" state programs. The information is consistent with "Financial Guidelines for MPO Long Range Plans" adopted by the Metropolitan Planning Organization Advisory Council in January 2013.

Capacity Programs

Capacity programs include each major FDOT program that expands the capacity of existing transportation systems (e.g., highways, transit). Table 2 includes a brief description of each major capacity program and the linkage to the program categories used in the PRP.

TABLE 2
Major Capacity Programs Included in the 2040 Revenue Forecast and Corresponding Program Categories in the Program and Resource Plan (PRP)

2040 Revenue Forecast Programs	PRP Program Categories
SIS Highways Construction & ROW - Construction, improvements, and associated right of way on SIS highways (i.e., Interstate, the Turnpike, other toll roads, and other facilities designed to serve interstate and regional commerce including SIS Connectors).	Interstate Construction Turnpike Construction Other SIS Construction SIS Traffic Operations SIS Right of Way SIS Advance Corridor Acquisition
Other Arterial Construction/ROW - Construction, improvements, and associated right of way on State Highway System roadways not designated as part of the SIS. Also includes funding for the Economic Development Program, the County Incentive Grant Program, the Small County Road Assistance Program, and the Small County Outreach Program.	Arterial Traffic Operations Construction County Transportation Programs Economic Development Other Arterial & Bridge Right of Way Other Arterial Advance Corridor Acquisition
Aviation - Financial and technical assistance to Florida's airports in the areas of safety, security, capacity enhancement, land acquisition, planning, economic development, and preservation.	Airport Improvement Land Acquisition Planning Discretionary Capacity Improvements
Transit - Technical and operating/capital assistance to transit, paratransit, and ridesharing systems.	Transit Systems Transportation Disadvantaged – Department Transportation Disadvantaged – Commission Other; Block Grants; New Starts Transit
Rail - Rail safety inspections, rail-highway grade crossing safety, acquisition of rail corridors, assistance in developing intercity and commuter rail service, and rehabilitation of rail facilities.	High Speed Rail Passenger Service Rail/Highway Crossings Rail Capacity Improvement/Rehabilitation
Intermodal Access - Improving access to intermodal facilities, airports and seaports; associated rights of way acquisition.	Intermodal Access
Seaport Development - Funding for development of public deep-water ports projects, such as security infrastructure and law enforcement measures, land acquisition, dredging, construction of storage facilities and terminals, and acquisition of container cranes and other equipment used in moving cargo and passengers.	Seaport Development
Documentary Stamps Funds – Improving intermodal facilities and acquisition of associated rights of way.	Documentary Stamps Funds not in Adopted Work Programs by July 1, 2013.

Statewide Forecast for Capacity Programs

Table 3 identifies the statewide estimates for capacity programs in the 2040 Revenue Forecast. About $216 billion is forecast for the entire state transportation program from 2014 through 2040; about $103 billion (48%) is forecast for capacity programs.

Table 3
Statewide Capacity Program Estimates
State and Federal Funds from the 2040 Revenue Forecast (Millions of Dollars)

Major Programs	5-Year Period (Fiscal Years)					27-Year Total[2]
	2014-15[1]	2016-20[1]	2021-25	2026-30	2031-40	2014-2040
SIS Highways Construction & ROW	4,879	7,747	7,738	8,509	17,726	46,599
Other Arterials Construction & ROW	2,264	4,371	4,264	4,076	8,766	23,740
Aviation	333	853	819	911	1,981	4,896
Transit	855	1,883	1,942	2,041	4,280	11,001
Rail	500	865	729	807	1,745	4,647
Intermodal Access	83	153	182	199	430	1,043
Seaports	383	395	496	553	1,205	3,031
Documentary Stamps Funds[3]	0	639	1,791	1,791	3,582	7,803
Total Capacity Programs	**9,297**	**16,905**	**17,961**	**18,888**	**39,715**	**102,761**
Statewide Total Forecast	**16,505**	**34,829**	**37,516**	**40,266**	**86,715**	**215,830**

[1] Based on the FDOT Tentative Work Program for 2014 through 2018.
[2] Columns and rows sometimes do not equal the totals due to rounding.
[3] Documentary Stamps funds not programmed in FDOT Work Programs as of July 1, 2013.

Metropolitan Forecast for Capacity Programs

As the first step in preparing metropolitan estimates, the Department prepared district and metropolitan estimates for the capacity programs from the statewide forecast consistent with provisions in state and federal law. Pursuant to federal law, transportation management area (TMA) funds and certain Transportation Alterntives (TALU) funds were distributed based on 2010 population. District estimates for certain Transportation Alternatives (TA) funds and the following programs were developed using the current statutory formula[2]: other arterials construction/right-of-way (net of TMA and TA funds); ; and the transit program.

Estimates for SIS Construction and ROW were based on the SIS Long Range Cost Feasible Plan, 2013 Edition. Because of the evolving nature of the SIS, estimates for the Rail, Aviation, Seaports and Intermodal Access programs will not be available until a SIS Cost Feasible Plan for all SIS modes is completed. FDOT districts developed metropolitan estimates consistent with district shares of the statewide forecast, adjusted as needed to account for issues such as metropolitan area boundaries (e.g., differences between metropolitan area boundaries and county boundaries). The estimates for this metropolitan area are included in Table 4. Table 4a contains estimates of TMA funds.

[2] The statutory formula is based on 50% population and 50% motor fuel tax collections.

Table 4
Metropolitan Area Capacity Program Estimates
State and Federal Funds from the 2040 Revenue Forecast (Millions of Dollars)

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

* Notes:

- Estimates for 2014 through 2018 are contained in the FDOT Adopted Work Program.
- No metropolitan estimates for Aviation, Rail, Seaport Development and Intermodal Access programs for years beyond 2018 have been developed.
- Sources for SIS Highways Construction & ROW: SIS Approved 2nd 5-Year Plan, 2040 SIS Cost Feasible Plan.

Table 4a
Transportation Management Area (TMA) Funds Estimates
State and Federal Funds from the 2040 Revenue Forecast (Millions of Dollars)

Transportation Management Area	2040 Revenue Forecast				
	FYs 2019-20	FYs 2021-25	FYs 2026-30	FYs 2031-40	22 Year Total
TMA	65.9	164.8	164.8	329.7	725.3

[1] Estimates for 2014 through 2018 are based on Schedule A of the Adopted Work Program Instructions for the Tampa TMA (comprised of portions of Hillsborough, Pasco, and Pinellas Counties). See guidance in the *2040 Revenue Forecast Handbook* for use of these funds. Emphasis should be given to those facilities that serve important national and regional transportation functions

[2] Rows sometimes do not equal the totals due to rounding

Annually, up to $541.75 million may be appropriated from proceeds from the Documentary Stamp Tax[3] for several major state transportation programs. These funds are distributed – according to formulas defined in state law – to the SIS, the Transportation Regional Incentive Program (TRIP), the New Starts Transit Program, and the Small County Outreach Program. The 2040 Revenue Forecast contains estimates of Documentary Stamp Tax funds not included in the 2014-2018 Adopted Work Program. Because some MPOs may desire to include projects partially funded by the TRIP and/or New Starts programs in their long range plans as "illustrative projects," the Department provided separate estimates of these funds. Estimates of TRIP funds are in Table 5. Statewide estimates of New Starts Funds are in Table 6.

Table 5
Districtwide Transportation Regional Incentive Program Estimates
State Funds from the 2040 Revenue Forecast (Millions of Dollars)

FDOT District	5-Year Period (Fiscal Years)				22-Year Total[2]
	2019-20[1]	2021-25	2026-30	2031-40	2019-2040
District 1	0.9	6.7	6.7	13.4	27.8
District 2	0.7	5.4	5.4	10.8	22.4
District 3	0.5	3.7	3.7	7.4	15.3
District 4	1.2	9.1	9.1	18.1	37.5
District 5	1.4	10.0	10.0	20.1	41.5
District 6	0.8	6.2	6.2	12.5	25.8
District 7	1.0	7.3	7.3	14.6	30.3
Statewide Total Forecast	**6.6**	**48.5**	**48.5**	**97.0**	**200.6**

[1] Estimates for 2014 through 2018 are contained in the FDOT Adopted Work Program.
[2] Columns and rows sometimes do not equal the totals due to rounding.

Table 6
Statewide New Starts Program Estimates
State Funds from the 2040 Revenue Forecast (Millions of Dollars)

Statewide Program	5-Year Period (Fiscal Years)				22-Year Total[2]
	2019-20[1]	2021-25	2026-30	2031-40	2019-2040
Statewide Total Forecast	**63.3**	**174.3**	**174.3**	**348.5**	**760.3**

[1] Estimates for 2014 through 2018 are contained in the FDOT Adopted Work Program.
[2] Rows sometimes do not equal the totals due to rounding.

[3] Documentary Stamp Tax proceeds for transportation declined substantially with the collapse of the housing market and have since gradually increased. The 2040 Revenue Forecast assumes that proceeds for transportation programs will gradually increase and level off at approximately $350 million each year.

MAP-21 created funding for Transportation Alternatives projects and established allocations for certain 2010 Census population categories. Categories impacting MPOs include (1) funds for Transportation Management Areas (TALU funds); (2) funds for areas with populations greater than 5,000 up to 200,000 (TALL funds), and (3) funds for any area of the state (TALT funds). Estimates of Transportation Alternatives Funds are shown in Table 7.

Table 7
Transportation Alternatives Funds[1] Estimates
State and Federal Funds from the 2040 Revenue Forecast (Millions of Dollars)

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

[1] Estimates for 2014 through 2018 are contained in the FDOT Adopted Work Program.
[2] "TALU" funds are for projects in Transportation Management Areas; "TALL" funds are for projects that are not in Transportation Management Areas.
[3] Rows sometimes do not equal the totals due to rounding.

Non-Capacity Programs

Non-capacity programs refer to FDOT programs designed to support, operate and maintain the state highway system: safety, resurfacing, bridge, product support, operations and maintenance, and administration. Table 8 includes a description of each non-capacity program and the linkage to the program categories used in the Program and Resource Plan.

Metropolitan estimates have not been developed for these programs. Instead, the FDOT has included sufficient funding in the 2040 Revenue Forecast to meet the following statewide objectives and policies:

- **Resurfacing program:** Ensure that 80% of state highway system pavement meets Department standards;
- **Bridge program:** Ensure that 90% of FDOT-maintained bridges meet Department standards while keeping all FDOT-maintained bridges open to the public safe;
- **Operations and maintenance program:** Achieve 100% of acceptable maintenance condition standard on the state highway system;
- **Product Support:** Reserve funds for Product Support required to construct improvements (funded with the forecast's capacity funds) in each district and metropolitan area; and
- **Administration:** Administer the state transportation program.

The Department has reserved funds in the 2040 Revenue Forecast to carry out its responsibilities and achieve its objectives for the non-capacity programs on the state highway system in each district and metropolitan area. Table 9 identifies the statewide estimates for non-capacity programs. About $106 billion (49% of total revenues) is forecast for the non-capacity programs.

Table 10 contains districtwide estimates for State Highway System Operations and Maintenance expenditures for information purposes. These estimates are provided pursuant to an agreement between FDOT and the Federal Highway Administration Division Office regarding the reporting of estimates of Operations and Maintenance costs for the State Highway System at the district level in MPO long range plans.

TABLE 8
Major Non-Capacity Programs Included in the 2040 Revenue Forecast and Corresponding Program Categories in the Program and Resource Plan (PRP)

2040 Revenue Forecast Programs	PRP Program Categories
Safety - Includes the Highway Safety Improvement Program, the Highway Safety Grant Program, Bicycle/Pedestrian Safety activities, the Industrial Safety Program, and general safety issues on a Department-wide basis.	Highway Safety Grants
Resurfacing - Resurfacing of pavements on the State Highway System and local roads as provided by state law.	Interstate Arterial and Freeway Off-System Turnpike
Bridge - Repair and replace deficient bridges on the state highway system. In addition, not less than 15% of the amount of 2009 federal bridge funds must be expended off the federal highway system (e.g., on local bridges not on the State Highway System).	Repair - On System Replace - On System Local Bridge Replacement Turnpike
Product Support - Planning and engineering required to "produce" FDOT products and services (i.e., each capacity program; Safety, Resurfacing, and Bridge Programs).	Preliminary Engineering Construction Engineering Inspection Right of Way Support Environmental Mitigation Materials & Research Planning & Environment Public Transportation Operations
Operations & Maintenance - Activities to support and maintain transportation infrastructure once it is constructed and in place.	Operations & Maintenance Traffic Engineering & Operations Toll Operations Motor Carrier Compliance
Administration - Resources required to perform the fiscal, budget, personnel, executive direction, document reproduction, and contract functions. Also includes the Fixed Capital Outlay Program, which provides for the purchase, construction, and improvement of non-highway fixed assets (e.g., offices, maintenance yards).	Administration Fixed Capital Outlay Office Information Systems

Table 9
Statewide Non-Capacity Program Estimates
State and Federal Funds from the 2040 Revenue Forecast (Millions of Dollars)

Major Programs	5-Year Period (Fiscal Years)					27-Year Total[2]
	20014-15[1]	2016-20[1]	2021-25	2026-30	2031-40	2014-2040
Safety	245	631	625	626	1,252	3,378
Resurfacing	1,211	3,593	3,649	3,900	8,071	20,425
Bridge	529	1,593	1,373	1,452	3,044	7,991
Product Support	2,527	4,913	5,932	6,479	14,239	34,089
Operations and Maintenance	2,033	5,228	5,607	6,295	14,470	33,633
Administration	299	855	1,037	1,153	2,672	6,016
Total Non-Capacity Programs	**6,844**	**16,813**	**18,224**	**19,904**	**43,748**	**105,532**
Other[3]	364	1,111	1,330	1,474	3,252	7,531
Statewide Total Forecast	**16,505**	**34,829**	**37,516**	**40,266**	**86,715**	**215,830**

[1] Based on the FDOT Adopted Work Program for 2014 through 2018.
[2] Columns and rows sometimes do not equal the totals due to rounding.
[3] "Other" is primarily for debt service.

Table 10
State Highway System Operations and Maintenance Estimates
State and Federal Funds from the 2040 Revenue Forecast (Millions of Dollars)

Major Programs	5-Year Period (Fiscal Years)					27-Year Total[2]
	20014-15[1]	2016-20[1]	2021-25	2026-30	2031-40	2014-2040
District 1	543	1,499	1,530	1,676	3,683	8,931
District 2	718	1,982	2,023	2,216	4,869	11,807
District 3	582	1,607	1,640	1,798	3,949	9,576
District 4	556	1,534	1,566	1,716	3,769	9,141
District 5	720	1,987	2,029	2,223	4,883	11,841
District 6	263	725	740	811	1,781	4,318
District 7	391	1,080	1,102	1,208	2,653	6,434
Statewide Total Forecast	**3,773**	**10,414**	**10,630**	**11,647**	**25,586**	**62,049**

Note: Includes Resurfacing, Bridge, and Operations & Maintenance Programs.

[1] Based on the FDOT Adopted Work Program for 2014 through 2018.
[2] Columns and rows sometimes do not equal the totals due to rounding.

Other

The Department is responsible for certain expenditures not included in major programs discussed above. Primarily, these expenditures are for debt service and, where appropriate, reimbursements to local governments. Approximately $7.5 billion (3.5% of total revenues) is forecast for these expenditures. These funds are not available for statewide or metropolitan system plans.