



The Florida Senate

Interim Project Report 2005-159

November 2004

Committee on Transportation

Senator Jim Sebesta, Chair

CREATING REGIONAL APPROACHES TO TRANSPORTATION INFRASTRUCTURE DEVELOPMENT

SUMMARY

Florida's transportation infrastructure development is based on a project selection and prioritization process that is, for the most part, dependant upon the statutorily mandated and regulated transportation planning process. Prioritization of the candidate transportation projects is established by the entity having authority over the funding, namely Florida's Metropolitan Planning Organizations in urbanized areas and the Florida Department of Transportation in non-urbanized areas. Urbanized areas are designated by the U.S. Census Bureau every 10 years.

In an effort to maximize the efficient use of increasingly scarce state resources, the 2003 Florida Legislature created the Strategic Intermodal System and directed the Florida Department of Transportation to develop an implementation plan, directed the Florida Transportation Commission to assess the need for changes in transportation planning, and directed Metropolitan Planning Organizations to develop coordination mechanisms. This report summarizes efforts made to date regarding the legislative direction and makes recommendations to further improve the use of limited resources.

BACKGROUND

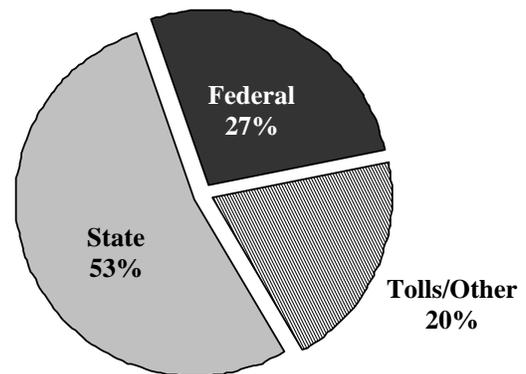
Florida's transportation system is funded from a variety of sources. Directed by a transportation planning process codified in state and federal statutes and regulations, transportation infrastructure funds are allocated to specific programs and geographic areas. Individual projects using these funds are prioritized by either the state, through the Florida Department of Transportation (FDOT), or locally, through Metropolitan Planning Organizations (MPOs).

A. Funding Categories

State and federal funds are deposited into the State

Transportation Trust Fund (STTF). For fiscal years 2005 through 2009, FDOT will average approximately \$5.9 billion per year in transportation funding.

Total STTF Funding



Approximately 27 percent of Florida's transportation funding comes from the federal government. The primary source of federal funding for both transit and highways is from motor fuel taxes which are collected in all states, including Florida.

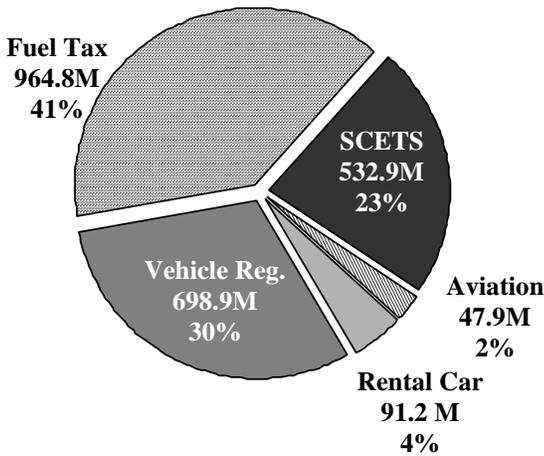
The federal taxes for highway fuels total 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel fuel. Of these taxes, 0.1 cent per gallon is used for leaking underground storage tanks, 2.86 cents per gallon is directed to mass transit, and the remainder is utilized for the federal-aid highway program. Federal-aid highway funds apportioned to Florida were approximately \$1.0 billion in fiscal year 1997-98. The Transportation Equity Act for the 21st Century (TEA-21) passed in June 1998, increased Florida's federal funding to an average of \$1.3 billion per year for fiscal years 2001 through 2004. TEA-21 has subsequently been extended by Congressional action effectively maintaining this funding level through May 31, 2005.

State taxes for fuels purchased in Florida total 20 cents per gallon. Of that amount, 4 cents is distributed to

local governments. State fuel taxes and fees provide about 55 percent of the state’s transportation funds. Sources of this funding include the state fuel tax, the State Comprehensive Enhanced Transportation System Tax (SCETS), aviation fuel tax, the rental car surcharge, and fees and taxes related to vehicle registration and titling.

Approximately 7 percent of the state transportation-related revenue sources are not deposited in the STTF,

State Funding Sources

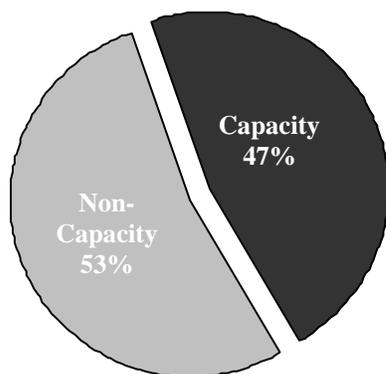


but are diverted for non-transportation uses such as education, General Revenue fund transfers and service charges, and tourism and trade promotion.

B. Uses of STTF

How FDOT distributes the funds deposited into the STTF can be broken down into two areas: capacity and non-capacity. Capacity programs improve the traffic carrying capacity of the state’s transportation system and include improvements to the state’s aviation, transit and rail and highway systems which allow for an increase in the amount of traffic on the system. Capacity programs account for approximately 47

STTF by Use

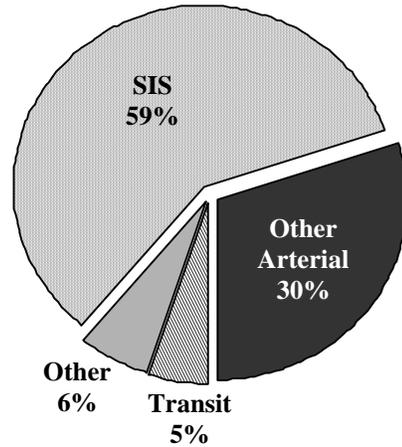


percent of the STTF expenditures. Non-capacity expenditures include FDOT’s safety and preservation programs, product support and administrative expenditures. Non-capacity programs account for about 53 percent of STTF expenditures.

C. Capacity Programs

Based on the most recent Adopted Work Program (Fiscal Years 2005-2009), 59 percent of the capacity

Capacity Programs

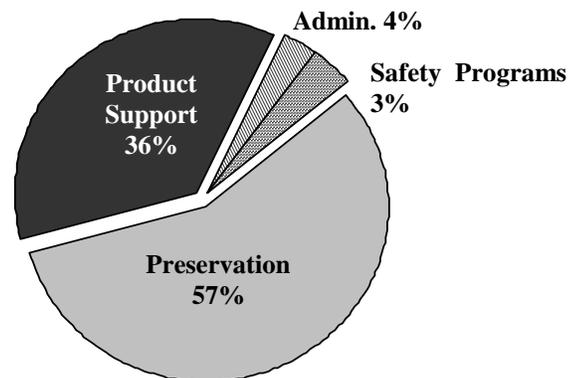


funds will go to the Strategic Intermodal System (SIS); 30 percent to other highways, 5 percent to transit, and 6 percent to other modes (2 percent to aviation; 2 percent to rail; 1 percent to intermodal access; 1 percent to seaports).

D. Non-Capacity Programs

Non-capacity programs protect Florida’s significant investment in transportation infrastructure and protect the safety of the public. Resurfacing, bridge repair, and operations and maintenance consume approximately 57 percent of all non-capacity funds. Approximately 36 percent goes to product support; 3

Non-Capacity



percent goes to safety programs; and 4 percent goes toward administrative expenses.

E. Allocation of Funds

Fund allocation depends upon whether funds are to be used in capacity or non-capacity programs. Section 339.135, F.S., provides a minimum of 50 percent of any new discretionary highway capacity funds must be allocated to the SIS for capacity improvements. New discretionary highway funds are defined in the section to be any funds available to FDOT above the prior year funding level for capacity improvements, which FDOT has the discretion to allocate to highway projects. The remaining capacity funds must be allocated to the districts by formula using equal parts population and motor fuel tax collections.

Funds for non-capacity programs are prioritized based upon statutory guidance and FDOT policies. Often referred to as being a 'needs-based' program, the largest part of the state's non-capacity program is the preservation of the existing State Highway System (SHS). Section 334.046, F.S., requires FDOT to ensure: 80 percent of the pavement on the SHS meets FDOT standards; 90 percent of FDOT maintained bridges meet FDOT standards; and to ensure 100 percent of the acceptable maintenance standards (mowing of vegetation, litter control and fixing potholes) are achieved on the SHS.

F. Prioritization of Projects

Florida's project selection and prioritization process is, for the most part, dependant upon the statutorily mandated transportation planning process. The priorities for transportation projects are set by the entity having authority over the funding namely the FDOT and Florida's MPOs. Generally speaking, the FDOT selects projects for all state funded programs and for those federal-aid projects outside of the largest urbanized areas. MPOs participate in the prioritization process in varying degrees.

Metropolitan Planning Organizations

Metropolitan Planning Organizations are transportation policy-making organizations made up of representatives from local government and transportation authorities. MPOs are given the responsibility of administering a continuing, cooperative, and comprehensive process leading to the development of transportation plans and programs for urbanized areas of the state. Federal law envisions a

cooperative urbanized area planning process that clearly recognizes the need to blend urbanized area priorities with those of national, statewide, and regional significance. To ensure the MPO process is integrated with the statewide planning process, federal and state laws give MPOs the responsibility to develop long-range plans identifying transportation facilities that should function as an integrated metropolitan transportation system, giving emphasis to those facilities serving important national and regional transportation functions. (23 USC 134(g)(2) and s. 339.175 (6)(a) F.S.).

Florida's MPOs are designated by an agreement between the Governor and the units of local government representing at least 75 percent of the population of that urbanized area including the central city or cities. The metropolitan planning area boundaries of an MPO must include the designated urbanized area and the contiguous area expected to become urbanized within 20 years, and may encompass the entire Metropolitan Statistical Area. The metropolitan planning area is determined by agreement between the Governor and the MPO.

Federal law (23 USC Sec. 134) and state law (s. 339.175, F.S.) requires an MPO be designated for each urbanized area. An urbanized area consists of densely settled territory that contains 50,000 or more people as delineated by the U.S. Census Bureau. The federal law also makes a distinction between metropolitan areas with a population of 200,000 or more. These areas are called transportation management areas (TMA). TMAs, which are represented by one or more MPOs, receive additional federal funding with more autonomy in spending those funds. FDOT typically sub-allocates this additional federal funding to each MPO representing a TMA.

By federal and state law, each MPO prepares a long range transportation plan (LRTP) with at least a 20-year planning horizon. The LRTP includes proposed long-range and short-range strategies and actions leading to the development of an integrated intermodal transportation system. The LRTP is updated no less frequently than every five years in most areas. (MPOs designated as air quality nonattainment or maintenance areas update no less frequently than every three years.) Each year, the MPO develops a list of project priorities which is used by FDOT to develop its tentative Work Program which is in turn used by the MPO to develop the transportation improvement program (TIP). The TIP includes all state and federally funded transportation projects and all regionally significant

projects for which FHWA or FTA approval is required regardless of the funding source. The TIP is a financially constrained five-year program covering the most immediate implementation priorities for transportation projects and strategies. The TIP provides detailed funding and scheduling information to implement the LRTP.

All of the MPO work products are developed with opportunity for public involvement. Each MPO, in conjunction with the appropriate FDOT district, conducts an annual self-certification to certify compliance with state and federal law and evaluate opportunities for improving the transportation planning process. MPOs representing TMAs also undergo federal scrutiny of their transportation planning process through a tri-ennial certification review process.

Non-Metropolitan and Statewide Transportation Planning

The FDOT is a decentralized agency. Planning, programming, and project management functions are dispersed throughout each of the seven geographic FDOT districts as well as the Turnpike Enterprise. In urban and rural areas not administered by an MPO, the FDOT district identifies projects and develops schedules in consultation with County Commissions and within the limitations of the funds allocated to them. Some programs are centrally managed by the FDOT. For example, the SIS, comprising selected highway, rail, sea, and air transport facilities serving statewide or interregional purposes, is planned and programmed by the FDOT Central Office. The Florida Intrastate Highway System is also centrally managed.

G. FDOT Work program process

Section 339.135, F.S., authorizes and sets the guidelines for the FDOT to develop a State Transportation Five-Year Work Program. This document is a statewide project specific list of transportation activities and improvements that must meet the objectives and priorities of the Florida Transportation Plan. The Work Program is based on a complete, balanced financial plan for the STTF and other funds managed by FDOT.

Essentially, the FDOT Work Program reflects the priorities of MPOs and counties in non-MPO areas, and FDOT's centrally-managed programs in one program of scheduled activities and improvements. The Work Program also serves as the federally-

required Statewide Transportation Improvement Program (STIP).

Although updated annually, the Work Program contains a five-year schedule of programmed transportation improvements. This results in a new fifth year of projects being programmed each year. Section 339.135 (4), F.S., provides the first 3 years of the Adopted Work Program and the first 5 years of FIHS projects stand as the commitment of the state to undertake transportation projects that local governments may rely on for planning purposes. At the local level, the program has to be consistent to the maximum extent feasible with the capital improvement elements of the local government comprehensive plans.

METHODOLOGY

Staff reviewed Florida laws and federal laws relating to transportation planning and funding. In addition, staff met with FDOT on numerous occasions and worked with FDOT in defining its project selection and prioritization process along with its process for programming funds. Staff has also conducted interviews with other affected parties and stakeholders.

FINDINGS

In 2003, the Legislature passed SB 676 which recognized the need to maximize the efficient use of increasingly scarce state resources and clarified the FDOT's responsibilities in serving all transportation modes. Specifically, the bill:

- Created the Strategic Intermodal System (SIS) comprising transportation facilities of statewide and interregional significance, and directed the FDOT to develop an implementation plan;
- Directed the Florida Transportation Commission to conduct an assessment of the need for an improved philosophical approach to regional and intermodal input in the planning for and governing of the Strategic Intermodal System and other transportation systems; and
- Directed MPOs to develop coordination mechanisms with one another to expand and improve transportation within the state.

A. The Strategic Intermodal System

According to s. 339.61, F.S., the SIS shall consist of appropriate components of: (1) The Florida Intrastate Highway System, (2) The National Highway System,

(3) Airport, seaport, and spaceport facilities, (4) Rail lines and rail facilities, (5) Selected intermodal facilities; passenger and freight terminals; and appropriate components of the State Highway System; county road system, city street system, inland waterways, and local public transit systems that serve as existing or planned connectors between the components, and (6) Existing or planned corridors that serve a statewide or interregional purpose.

To reflect the diverse needs of the state, FDOT formed the SIS Steering Committee, comprising 41 committee members representing both public and private stakeholder groups, to develop criteria for designating which facilities and services should be part of a Strategic Intermodal System. The resulting designated system serves 54 percent of all traffic and 68 percent of truck traffic on the State Highway System, at least 99 percent of all commercial air passengers, all interregional bus and rail passengers, and virtually all rail and waterborne freight tonnage.

To focus on facilities and services that serve both well established and growing economic regions – and to strengthen the alignment of the SIS Plan with Florida’s Strategic Plan for Economic Development – the SIS Steering Committee adopted the eight Enterprise Florida strategic planning regions as a framework for

order to ensure the SIS gives proper attention to rural accessibility needs, the Steering Committee developed designation criteria for highway corridors specific to the Rural Areas of Critical Economic Concern.

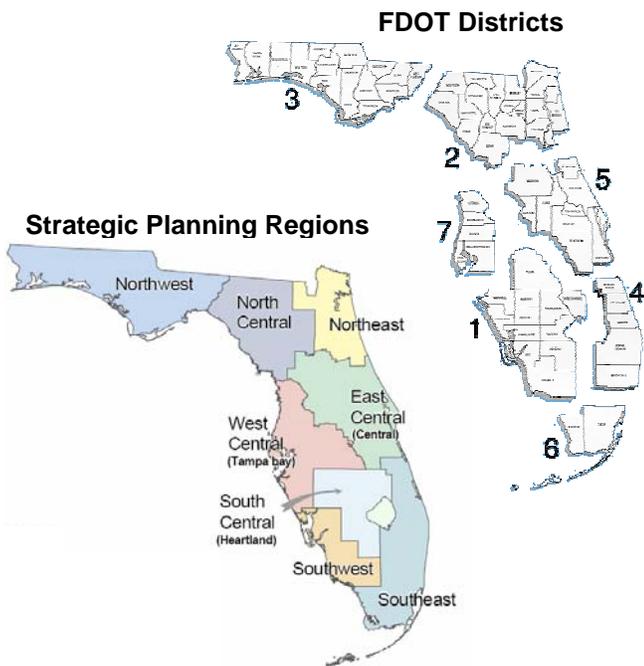
In 2004, the Legislature passed SB 1456 which provided for the funding of the SIS. Section 339.135(4)a, F.S., establishes a minimum funding level of at least 50 percent of any new discretionary highway capacity funds to be used for SIS projects. Section 338.001(6), F.S., sets a minimum of \$450 million per year for FIHS projects.

FDOT’s Proposed SIS Implementation Plan

In keeping with the legislative intent, FDOT is increasing its emphasis on regional travel and improving regionally significant facilities. Toward those ends, FDOT has implemented a new investment policy, essentially expanding the legislative minimum allocation requirement through FDOT policy. The preservation and maintenance of the State Highway System remains the FDOT’s first priority after safety. The new investment policy only affects FDOT’s capacity funds.

FDOT’s new investment policy comprises the following tenets:

- FDOT will allocate 75 percent of discretionary capacity funds (with the exception of funds attributable to urbanized areas over 200,000 population and funds allocated for the Transit Program) to projects on SIS and Emerging SIS facilities; and
- FDOT will increase its emphasis on regional travel by placing a high priority on projects on regionally significant facilities in the Other Arterial Program. The Other Arterial Program involves construction and improvement projects on roadways, which are not on the Florida Intrastate Highway System (FIHS).



designating the SIS. The FDOT districts are, in some cases, similar to the Enterprise Florida strategic planning regions. However, there are several major incongruities between FDOT district boundaries and the Enterprise Florida strategic planning regions. In

To mitigate the impact on metropolitan planning efforts and the Other Arterial Program, allocations supporting this policy will transition from about 62 percent in fiscal year 2009/2010 to 75 percent by fiscal year 2014/2015 based on current estimates of revenues.

Although the investment policy focuses on the SIS, which contains 4,200 miles of the state’s most important highways, all of the State Highway System remains eligible for funding. However, FDOT will place funding emphasis on those that are regionally

significant. Regionally significant transportation facilities include:

- Regional transportation corridors such as highway, waterway, rail, and regional transit corridors serving major regional commercial, industrial, or medical facilities;
- Regional transportation hubs such as passenger terminals (e.g., commuter rail, light rail, intercity transit, intermodal transfer centers, etc.), commercial service and major reliever airports, deepwater and special generator seaports, and major regional freight terminals and distribution centers.

All facilities on the SIS and Emerging SIS are regionally significant. Other regionally significant facilities serve as an integral part of an interconnected regional network and exhibit one or more of the following characteristics:

- 1) The facility connects to the SIS, including Emerging SIS facilities;
- 2) The facility crosses county boundaries and planned capacity improvements require the coordination of jurisdictions in multiple counties;
- 3) The facility serves as a hurricane evacuation route that traverses more than one county;
- 4) The facility or service is used by a significant number of people who live or work outside the county in which the facility or service is located;
- 5) The facility or service is a fixed guideway transit facility that offers a significant alternative to regional highway travel;
- 6) The facility has logical termini that connect to the SIS or Emerging SIS, or to a regionally significant facility within the region or in an adjacent region.

MPO Advisory Council Policy Statement

The Florida Metropolitan Planning Organization Advisory Council (MPOAC) issued a policy statement expressing deep concern over the implementation of FDOT's Investment Policy stating:

...it creates a substantial imbalance in the allocation of scarce transportation funding resources by focusing almost exclusively on statewide needs and disrupting the current balance of funding among statewide, regional, and metropolitan transportation needs throughout the state of Florida.

According to the MPOAC, FDOT's Investment Policy:

- Impedes the ability of MPOs and local governments to reduce urban congestion and provide travel choices on high priority transportation facilities as determined by MPOs and local elected officials.
- Hampers the ability of local governments to achieve the goals of Florida's growth management laws and concurrency requirements, particularly on state highways not designated as part of the SIS.
- Shifts the burden and responsibility for making capacity improvements on many non-SIS state owned arterial roads from FDOT to local governments without compensation, and in effect transfers to local governments the responsibility for widening or otherwise improving many state owned roads without their agreement as prescribed by s. 335.0415 F.S.
- Hinders FDOT's ability both to provide for a "balanced state transportation system" and "to assure the compatibility of all components" of the state transportation system, as required by s. 334.044(1) F.S., by excluding from funding consideration improvements to segments of the state highway system that are neither components of the SIS nor designated "regionally significant."
- Was developed without clearly quantifying its impact upon the existing urban and metropolitan transportation systems, and is being implemented without a reasonable effort to mitigate this impact or negotiate changes with MPOs and local elected officials in advance of its implementation.
- Undermines the "continuing, cooperative, and comprehensive" State and MPO transportation planning process for developing plans and programs as required under Title 23 U.S.C. and chapter 339, F.S.
- Substantially impacts many public and private parties including MPOs and local governments, may exceed the legislative authority granted to a state agency, and should be suspended until such time as a mutually acceptable investment policy is negotiated with and agreed to by MPOs and local government officials.

B. Florida Transportation Commission Assessment

As a result of actions taken by the Florida Legislature during the 2003 Session, the Florida Transportation Commission was directed to “conduct an assessment of the need for an improved philosophical approach to regional and intermodal input in the planning for and governing of the Strategic Intermodal System and other transportation systems”. The assessment was conducted in coordination with the FDOT, the Statewide Intermodal Transportation Advisory Council, and other appropriate entities.

Approach to SIS Planning

The commission found Florida’s SIS represents the most innovative approach to transportation planning in over a decade. The mobility benefits resulting from the SIS serve to stabilize and enhance the overall economy, and will be experienced statewide. The commission reviewed the SIS development guidelines and the criteria used as a basis for designating the original components and supports the recommendations related to policy guidance, designation criteria and maps of the original SIS network. The commission further recognized and supports the need to identify those transportation facilities and services that do not currently meet the SIS designation criteria, but are important to Florida’s long-term economic stability. These “emerging” components should be acknowledged as significant in the project prioritization and selection process. At the core of the process is the issue of funding.

Enhancing Regional Planning through the MPOs

The commission also concluded revisions to state law are needed to accomplish a regional planning structure that can accomplish the original intent of federal metropolitan planning organization designation guidelines and criteria. According to the report, three key elements of Florida MPOs require attention:

- MPO boundaries,
- MPO staffing arrangements, and
- MPO voting membership.

Boundaries

Changes to state law are needed to be sure MPO boundaries include at least the metropolitan planning area, which is the existing urbanized area and the contiguous area expected to become urbanized within a 20-year forecast period. When previously separate urbanized areas in one or more counties have become

one urbanized area as a result of the decennial census; or metropolitan planning urbanized area boundaries encroach into other metropolitan planning urbanized area boundaries as a result of the decennial census, a process needs to be in place that ensures the associated MPOs are merged to continue optimum compliance with federal law.

MPO Staffing

The majority of Florida MPOs are staffed by the county government whose commission members also serve as voting members on the MPO board. A staff independent of general purpose local government is recommended to provide autonomous administrative support to carry out the powers, duties and responsibilities of the entire metropolitan planning organization.

MPO Voting Membership

State law revisions are also needed to require expansion of MPO voting memberships to include not only elected officials of general-purpose governments, but representatives from associated Regional Planning Councils, representatives of major modes of transportation, and private economic development or business interests to bring a broad range of transportation expertise and technical knowledge to MPO boards.

C. MPO Coordination

The designation of urbanized areas by the U.S. Census Bureau is made without deference to jurisdictional boundaries. Instead, the designation relies upon the observed pattern of land use and intensity of development to identify concentrated generators and attractors of economic activity. Most of the economic activity associated with an urbanized area is unaffected by political boundaries. The Florida Chamber of Commerce Foundation’s *Transportation Cornerstone* report found, businesses operate on regional, national, or international scales; while transportation planning often occurs at a decentralized level driven by individual counties and MPOs.

At their inception in the 1970’s, Florida’s MPOs were representative of Florida’s then-distinct urbanized areas and when initially establishing their metropolitan planning area (MPA) boundaries, most MPOs simply chose to use the county boundaries as the MPA. The majority of these boundary designations remain today. This greatly simplified the early administration of MPOs by maximizing the effectiveness of existing governmental resources. However, the 2000 Census

shows that urbanized areas are growing, merging, and crossing county boundaries. In some cases urbanized area boundaries are encroaching into adjacent metropolitan planning area boundaries. For example, as recently as the 1990 Census, the Miami-Hialeah Urbanized Area was located within the confines of Dade County. The transportation planning and project prioritization process for the area was administered by the Miami-Dade County MPO. Similar conditions existed in Broward and Palm Beach Counties. Based on Census 2000 data, the Miami Urbanized was enlarged to combine three urbanized areas into one resulting in three MPOs administering the transportation planning for one urbanized area.

Section 339.175(5)(i)2, F.S., as amended by the Legislature in 2003 found:

...that the state's rapid growth in recent decades has caused many urbanized areas subject to M.P.O. jurisdiction to become contiguous to each other. As a result, various transportation projects may cross from the jurisdiction of one M.P.O. into the jurisdiction of another M.P.O. To more fully accomplish the purposes for which M.P.O.'s have been mandated, M.P.O.'s shall develop coordination mechanisms with one another to expand and improve transportation within the state. The appropriate method of coordination between M.P.O.'s shall vary depending upon the project involved and given local and regional needs. Consequently, it is appropriate to set forth a flexible methodology that can be used by M.P.O.'s to coordinate with other M.P.O.'s and appropriate political subdivisions as circumstances demand.

The statute provides for an interlocal agreement to establish the coordination of efforts and responsibilities.

As part of a required decennial review of MPO apportionment, the Governor (through FDOT) reviewed the composition of each MPO using the results of the most recent decennial census conducted by the U.S. Census Bureau. Census 2000 renamed at least eight urbanized areas (to reflect shifting population densities) and merged five southeast Florida urbanized areas into two. Most significantly, Census 2000 resulted in the designation of four new urbanized areas in Florida. In an extensive consultative process, FDOT worked closely with the existing MPOs and county commissions of the affected areas. Where appropriate, the MPOs were urged to consider consolidating or otherwise coordinating planning

efforts to better reflect the trend toward regional economies and travel patterns. Although no MPOs consolidated, several have indicated a willingness to formalize a coordinated planning process through the interlocal agreement concept described in s. 339.175(5)(i)2. Of the four new urbanized areas, two were consolidated with existing MPOs and two were joined to form one new MPO.

Florida currently has 26 MPOs, more than any other state. The table below shows the ten most populous states and the number of MPOs, Counties (Co.), Urbanized Areas (UA), and Transportation Management Areas (TMA).

State	Population	MPO	Co.	UA	TMA
California	33,871,648	17	58	55	21
Texas	20,851,820	25	254	34	9
New York	18,976,457	13	62	16	6
Florida	15,982,378	26	67	28	12
Illinois	12,419,293	11	102	16	4
Pennsylvania	12,281,054	16	67	22	7
Ohio	11,353,140	13	88	19	8
Michigan	9,938,444	13	83	20	5
New Jersey	8,414,350	2	21	8	2
Georgia	8,186,453	13	159	15	4

RECOMMENDATIONS

Legislative review of FDOT's proposed Strategic Intermodal System Plan and Investment Policy is recommended in order to determine the need for modifying existing law for the purposes of clarifying the plan and policy.

The Legislature should determine whether to task the Florida Transportation Commission with examining the feasibility of aligning FDOT's districts and Florida's MPO planning areas with the framework provided by the economic regions endorsed in the proposed SIS Strategic Plan.