

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1178

SPONSOR: Transportation Committee and Senator Sebesta

SUBJECT: High Speed Rail

DATE: March 22, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McAuliffe	Meyer	TR	Favorable/CS
2.	_____	_____	CA	_____
3.	_____	_____	GO	_____
4.	_____	_____	FT	_____
5.	_____	_____	AGG	_____
6.	_____	_____	AP	_____

**I. Summary:**

This committee substitute creates the High-Speed Rail Authority. The authority will be comprised of nine voting members. The Florida Department of Transportation (FDOT) will serve as the primary staff for the authority. FDOT will provide technical and administrative assistance and ensure the authority’s meetings are electronically recorded.

The committee substitute provides criteria the authority must use in developing the preliminary engineering, preliminary environmental assessment, and recommendations required by this committee substitute; what the authority must make recommendations on; and what must be included in the authority’s operating plan.

The committee substitute provides the authority must prepare and submit a report of its actions, findings, and necessary statutory changes and recommendations to the President of the Senate and the Speaker of the House by January 1, 2002.

The committee substitute authorizes the authority to prepare and issue a Request for Information and a Request for Proposal in order for the authority to contract for consultants to aid in fulfilling the requirements of this committee substitute, and authorizes the authority to seek assistance from the private sector and other system vendors. The committee substitute further requires the Florida Transportation Commission, the Department of Community Affairs, the Department of Environmental Protection and the Office of Legislative Services to provide assistance to the authority.

The committee substitute appropriates \$8 million from the Transportation Outreach Program to fund the work of the authority.

This committee substitute creates sections 341.821 and 341.822 of the Florida Statutes.

## **II. Present Situation:**

In 1984 the Legislature created the Florida High-Speed Rail Transportation Commission to plan a high-speed rail line in Florida. The FDOT was responsible only for administrative costs and the hiring of some consultants. The rail line was originally to be funded largely through the private sector through the granting of development rights along the corridor and in communities connected to the corridor. Funding was later proposed through a 2.5-cent gas tax. Governor Chiles disbanded the Commission in 1991.

Florida revisited high-speed rail in 1992 with the High-Speed Rail Act of 1992. The act placed the responsibility for high-speed rail with FDOT. The act authorized a public/private partnership and established a franchise process for certifying the project, and provided the Legislature must annually approve the FDOT budget for each phase of the project.

In 1992-1994, a statewide feasibility and need study was conducted, and in February of 1995 a request for proposals for the high-speed rail system was issued. Five entities submitted applications and a review of the applications was conducted by a Citizens Advisory Committee, local governments and state agencies. Public hearings were also held. The franchise was awarded to Florida Overland Express in April 1996. Governor Bush terminated the project in January 1999.

On November 7, 2000, voters in Florida approved Amendment 1 to Article X, Section 19 of the Florida Constitution directing the state to construct a high-speed rail system in Florida. The constitutional amendment stated:

To reduce traffic congestion and provide alternatives to the traveling public, it is hereby declared to be in the public interest that a high-speed ground transportation system consisting of a monorail, fixed guide-way or magnetic levitation system, capable of speeds in excess of 120 miles per hour, be developed and operated in the State of Florida to provide high-speed ground transportation by innovative, efficient and effective technologies consisting of dedicated rails or guide-ways separated from motor vehicular traffic that will link the five largest urban areas of the state as determined by the Legislature and provide for access to existing air and ground transportation facilities and services. The Legislature, the Cabinet and the Governor are hereby directed to proceed with the development of such a system by the state and/or by a private entity pursuant to state approval and authorization, including the acquisition of right-of-way, the financing of design and construction of the system, and the operation of the system, as provided by specific appropriation and by law, with construction to begin on or before November 1, 2003.

## **III. Effect of Proposed Changes:**

This committee substitute creates the High-Speed Rail Authority. The authority will be comprised of nine voting members. Three members must be appointed by the Senate President, one appointee must have a background in civil engineering, one must have a background in transportation construction, and one must have a general business background; three members

must be appointed by the Speaker, one appointee must have a legal background, one must have a background in financial matters and one must have a general business background; and three members must be appointed by the Governor, one appointee must have a background in the area of environmental concerns, one must have a legislative background, and one must have a general business background. The Secretary of Transportation will be a nonvoting ex officio member of the authority.

The committee substitute provides authority appointees are not subject to confirmation by the Senate. The initial term of each member appointed by the Governor will be for 4 years, the initial term of each member appointed by the Senate President will be for 3 years, and the initial term of each member appointed by the Speaker of the House will be for 2 years.

The committee substitute provides authority members are not entitled to compensation but may be reimbursed for expenses. The committee substitute further provides it will not constitute a conflict of interest for a person having a background as specified in this committee substitute for appointees to serve as a member of the authority; however, in each official decision to which this committee substitute is applicable such member or member's firm or related entity may not have a financial or economic interest, nor may the authority contract with or conduct business with a member or such member's firm or directly related business entity.

The committee substitute provides the Florida Department of Transportation (FDOT) will serve as the primary staff for the authority. FDOT will provide technical and administrative assistance and ensure the authority's meetings are electronically recorded.

The committee substitute authorizes the authority to:

- Administer and manage the preliminary engineering and preliminary environmental assessment of the intrastate high-speed rail system;
- Exercise all powers granted to corporations under the Florida Business Corporation Act as provided in chapter 607, F.S.;
- Have perpetual succession as a body politic and corporate; and
- Seek federal matching funds or any other funds to fulfill the requirements of this act.

The committee substitute provides the following criteria will apply in developing the preliminary engineering, preliminary environmental assessment, and recommendations required by this committee substitute:

- The system must be capable of speeds in excess of 120 mph consisting of dedicated rails or guideways separated from motor vehicle traffic;
- The initial segments of the system will be developed and operated between St. Petersburg, Tampa and Orlando, with future service to Miami, Jacksonville and Pensacola;
- Non-governmental funding, to the maximum extent feasible, is to be used for designing, constructing and operating the system;

The authority must make recommendations on:

- The format and types of information that must be included in a financial or business plan for the high-speed rail system;
- The preferred routes and station locations between St. Petersburg, Tampa, Orlando, Miami, Jacksonville and Pensacola;
- The preferred locomotion technology;
- Any required state statutory changes, or changes in federal law that would make the system eligible for federal funding;
- Any other issues the study group deems relevant to the development of the system.

The committee substitute provides when the authority is preparing the operating plan they must include:

- The proposed passenger and freight fare structure;
- The proposed trip times, system capacity, passenger accommodations and amenities;
- Methods to ensure compliance with applicable environmental standards and regulations;
- A marketing plan, including strategies that may be employed to enhance the utilization of the system;
- An investment-grade rider-ship study that meets the criteria specified by applicable bond issuers;
- Consideration of non-fare revenues that may be derived from: the sale of development rights at the stations; license, franchise and lease fees; sale of advertising space on the trains or in the stations; and any other potential sources deemed appropriate;
- An estimate of the total cost of the entire system, including, but not limited to, the cost to: design and build the stations and fixed guide-way; acquire any necessary right-of-way; purchase or lease rolling stock and other equipment necessary to build, operate and maintain the system;
- An estimate of the annual operating and maintenance costs for the system and all other associated expenses;
- An estimate of the value of assets the state or its political subdivisions may provide as in-kind contributions for the system including rights-of-way, engineering studies performed for previous high-speed rail initiatives, land for rail stations and necessary maintenance facilities, and any expenses that may be incurred by the state or its political subdivisions to accommodate the installation of the system.

The committee substitute provides that, whenever applicable and appropriate, the authority will base estimates of projected costs, expenses and revenues on documented expenditures or experience derived from similar projects.

Section 4 of the committee substitute requires the authority to prepare and submit a report of its findings, necessary statutory changes and recommendations to the President of the Senate and the Speaker of the House by January 1, 2002.

Section 5 authorizes the FDOT to prepare and issue a Request for Information and a Request for Proposal in order for the authority to hire consultants to aid in fulfilling the requirements of this committee substitute. The section authorizes the authority to seek assistance from other system

vendors, and authorizes FDOT to begin, as soon as possible, collecting and organizing existing research, studies, and reports on high-speed rail systems in preparation for the authority's first meeting.

Section 6 requires the Florida Transportation Commission, the Department of Community Affairs, the Department of Environmental Protection and the Office of Legislative Services to provide assistance to the authority.

Section 7 of the committee substitute appropriates \$8 million from the Transportation Outreach Program to fund the work of the authority.

Section 8 provides this act will take effect upon becoming a law.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Economic Impact and Fiscal Note:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

##### **C. Government Sector Impact:**

#### **VI. Technical Deficiencies:**

None.

#### **VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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