2040
Revenue Forecast Handbook

Forecast of State Transportation Revenues and Program Levels

Prepared by

Florida Department of Transportation

in cooperation with

Florida Metropolitan Planning Organization Advisory Council

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Revenue Forecast Handbook
2040 Revenue Forecast
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TABLE OF CONTENTS

ABOUT THIS HANDBOOK 1

FINANCIAL PLANNING 3
- Long Range Plans 3
- Intermediate Range Plans 4
- Short Range Plans 4

STATEWIDE REVENUE FORECAST 5
- Statewide Revenue and Program Estimates 5
- General Guidance on Using the Estimates 7

METROPOLITAN AREA ESTIMATES 11
- Metropolitan Area Revenue and Capacity Program Estimates 11
- Documentary Stamps Tax Funds 13
- Non-Capacity Programs 15
- "Other" 15

OTHER TRANSPORTATION REVENUES 17
- Current Revenue Sources 17
- New Revenue Sources 19
- Development of Revenue Estimates 20

DEVELOPING A COST FEASIBLE PLAN 21
- Project Identification 21
- Development of a Cost Feasible Multimodal Plan 23

APPENDICES
- A. State Transportation Programs and Funding Eligibility A-1
- B. Development of District and Metropolitan Estimates B-1
- C. Leveraging, Cash Flow and Other Transportation Finance Tools C-1
- D. Additional Information D-1
  - Frequently Asked Questions
  - Inflation Factors
  - Relationship of Construction and ROW Costs
  - For More Information

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ABOUT THIS HANDBOOK

Periodic forecasts of revenue and program levels are needed for updates of the Florida Transportation Plan (FTP) and metropolitan plans prepared by Metropolitan Planning Organizations (MPOs). Such forecasts assist MPOs in complying with federal requirements for developing cost feasible transportation plans. The development and use of these forecasts also assists the Department and MPOs as they reconcile their plans to provide coordinated planning for transportation facilities and services in Florida and to better document long range needs.

The Florida Department of Transportation (FDOT) has developed a new long range revenue forecast. The forecast is based upon 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. This information will be used for the updates of metropolitan long range transportation plans and the 2040 Strategic Intermodal System Cost Feasible Plan.

The estimates and the guidance in this Handbook were prepared by FDOT, based on a statewide estimate of revenues that fund the state transportation program, and are consistent with:

- "Financial Guidelines for MPO 2040 Long Range Plans" adopted by the Metropolitan Planning Organization Advisory Council (MPOAC) in January 2013.
- "Federal Strategies for Implementing Requirements for LRTP Update for the Florida MPOs", November 2012, prepared by the U. S. Department of Transportation, Federal Highway Administration in cooperation with the Federal Transit Administration.

Florida's MPOs are encouraged to use these estimates and guidance in the updates of their long range plans. This handbook, and the MPOAC and U. S. Department of Transportation documents, are posted on the FDOT website at http://www.dot.state.fl.us/planning/revenue forecast.

The 2040 Revenue Forecast includes program estimates for the expenditure of state and federal funds expected from current revenue sources. The forecast estimates revenues from federal, state, and Turnpike sources that "flow through" the FDOT Work Program for fiscal years 2014-2040. The forecast does not include estimates for local revenue sources.

This handbook documents how the 2040 Revenue Forecast was developed and provides guidance for using this forecast information in updating MPO plans. 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. A separate report entitled "Appendix for the Metropolitan Long Range Plan, 2040 Revenue Forecast" will be prepared for each MPO to include in the documentation of its long range plan.

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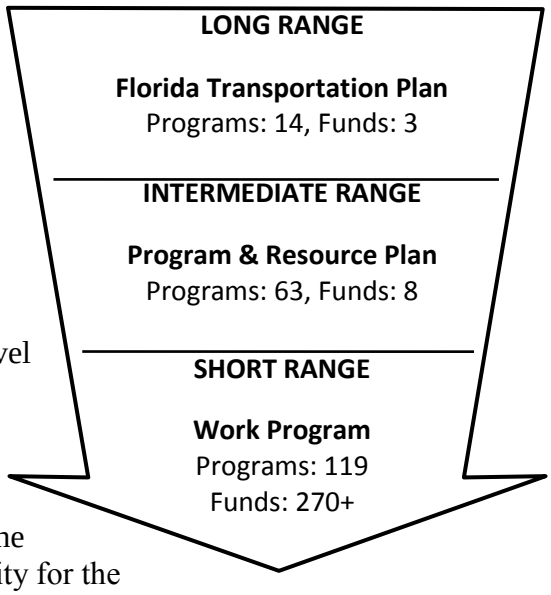
FINANCIAL PLANNING

Revenue forecasting and financial planning for statewide and metropolitan plans are typically required for three periods: long range (20 or more years), intermediate range (about 10 years), and short range (about five years). Their specificity, including financial elements, varies in detail and implied "accuracy." Assumptions, and the level of detail of underlying data, used in development of these three types of plans vary also. These assumptions move from general (long range) to specific (short range) as more detailed information is developed and as the uncertainty of forecasts of future events decreases. See the figure to the right for a summary of the level of detail developed for financial planning by FDOT.

Financial Data: from General to Specific



FDOT's long range revenue forecasts are developed within the framework (e.g., terminology, program structure) used for intermediate and short range planning. This enhances the opportunity for the Florida Transportation Plan (FTP) to guide the Program and Resource Plan (PRP) and Work Program. However, it is unnecessary, potentially restrictive, and too complex to examine the same level of detail for all three types of planning.

Long Range Plans

The purpose of long range plans is to identify needed major improvements — and then to determine those that are "cost feasible," or are of highest priority for the investment of expected funds – while preserving and maintaining prior investments. Examples are the FTP, metropolitan long range transportation plans, and statewide modal system plans. They are updated each 3-5 years and are more general than intermediate and short range plans. They are based upon the most general assumptions and estimates, and can be the most greatly affected by changing conditions (e.g., changes in policy, technology). Characteristics include:

- Horizons are typically 20+ years, in stages (e.g., first 5 years, second 5 years);
- Planned roadway improvements may be expressed as typical cross sections and general alignments that may be more than one mile wide;
- Planned public transportation improvements may not specify technologies or detailed access requirements and may also have general alignments, routes or coverage areas;
- Traffic operations improvements, including the use of Intelligent Transportation System (ITS) techniques, may be included as areawide programs or multi-corridor programs; and
- System preservation activities such as roadway resurfacing, bridge rehabilitation and maintenance may be treated as programs rather than site- or corridor-specific projects.

Revenue and program forecasts are general as well to encourage flexibility and creativity in the development of a long range plan to meet stated goals. Program forecasts differentiate only between major types of activities (e.g., capacity improvements for eligible modal programs, preservation programs, and support activities). This means that it is sufficient to develop estimates for major programs. Revenue and program forecasts cover 20 or more years but could

fluctuate from year to year, so estimates for one year or a few years can be misleading. With few exceptions, it is not necessary to distinguish between types of revenues (e.g., fuel taxes).

The long range plan is a broad guide to the makeup and management of the future transportation system. It is not intended to be a long range program of projects, similar in detail to a Work Program or Transportation Improvement Program (TIP). Planned improvements and programs may have to be modified as more detailed information becomes available or as conditions change. Project cost estimates and descriptions — including, perhaps, the primary mode in a corridor/system — will change during project development activities. Subsequent changes in revenue estimates, costs, program levels and laws and policies may affect future 10-year plans (such as the PRP), Work Programs, and TIPs. These changes should be monitored and their impact should be assessed during periodic updates of the long range plan.

Intermediate Range Plans

Intermediate range plans "bridge the gap" between long and short range plans. They should show how progress will be made in attaining goals and objectives (e.g., resurfacing objectives) over a 10-15 year period. Levels of specificity and detail are increased, but are usually far less than a Work Program or TIP. They may be updated each year. Examples are the PRP and staging elements (e.g., highest priority projects for the first 10 or 15 years) of long range plans.

The Department's PRP typically addresses the current year, the next 5-year Work Program, and the following four years. It includes estimates of funding and program accomplishments for over 60 categories of activities (programs or subprograms). Revenue forecasts for these years are developed for four categories of federal funds and four categories of state funds, but specific projects are not identified. Planned program and subprogram levels may have to be modified over time as more detailed information becomes available or as conditions change, including the results of analyses of performance from carrying out previous work programs. FDOT assesses these changes during the annual update and extension of the PRP.

Short Range Plans

The purpose of short range plans – usually called "programs" – is to identify specific types of work (e.g., planning, engineering, construction) and specific funding (e.g., FDOT fund codes) for projects and programs over the next 3-5 years. They should contain activities that will make progress in attaining goals and objectives. Short range plans are the most exact, are based on specific assumptions and detailed estimates, and may not be dramatically affected by changed conditions (e.g., "adopted" projects and programs may be treated as prior commitments to the public when major changes are instituted). Examples are Work Programs and TIPs.

The Department's 5-Year Work Program addresses project and program funding for the next five fiscal years. It includes detailed information for almost 120 programs and numerous job types, systems, and phases. There are more than 270 fund categories ("fund codes"). There are strict eligibility criteria for all programs, job types, systems, phases, and fund categories. Changes to the adopted 5-year Work Program are discouraged, but may be required because of revisions to revenue estimates, cost estimates or schedules, or changes in priority. The Work Program is updated and extended each year as part of the Work Program development process.

STATEWIDE REVENUE FORECAST

As part of preparing for the update of the FTP and updates of all 26 metropolitan long range plans, the Department has developed a new long range revenue forecast. The forecast horizon was extended through 2040, consistent with guidelines adopted by the MPOAC. The forecast reflects changes in state revenue forecasts through Fall 2012.

Statewide Revenue and Program Estimates

This section briefly describes forecast parameters and how the statewide revenue and program estimates were developed for the 2040 Revenue Forecast.

Forecast Parameters

The planning horizon for the update of the Florida Transportation Plan will be at least 2040. The guidelines adopted by the MPOAC call for a horizon year of 2040. As a result, this long range revenue forecast includes estimates through 2040 to provide all MPOs with the state and federal financial information needed for their plan updates.

Several fundamental decisions were made prior to preparing the forecast. Revenue forecasts estimate the value of money at the time it will be collected (e.g., in 2020) and reflect future growth in revenue, sometimes referred to as "current" or "year of expenditure" dollars. Since the costs of transportation projects increase over time, the Department inflates project costs to develop a cost-feasible Work Program in "year of expenditure" dollars. All amounts in the 2040 forecast are expressed in "year of expenditure" 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 2018/19 through 2039/2040[1] 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.

Revenue Estimates

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.

The forecast consolidates the numerous fund codes used by the FDOT into three major fund categories: Federal, State, and Turnpike. Federal funds include all federal aid (e.g., Surface Transportation Program) that passes through the Work Program. Turnpike funds include proceeds from Turnpike tolls, bonds sold for Turnpike activities, and concession revenues. State funds include the remaining state revenues, such as motor fuel taxes, motor vehicle fees, and right-of-way bonds. Toll credits are used to match federal aid (referred to as "soft match") so no state funds are used to match regular federal programs.

[1] Assumptions related to the forecast of state and federal revenue sources will be documented in the "Appendix for the Metropolitan Area Long Range Transportation Plan" to be provided by FDOT to each MPO.

As shown in Table 1, revenues are expected to gradually increase in each five year period. There are relatively more dollars per year in fiscal years 2014-2015 due to "carry-forwards" of funds from prior fiscal years. The forecast also indicates that State revenues are expected to account for an increasingly larger share of transportation dollars in Florida compared to federal revenues.

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

Major Revenue Sources	Time Period						
	2014-15[1]	2016-20	2021-25	2026-30	2031-35	2036-2040	27-Year Total[2] 2014-2040
Federal[3]	5,113	9,542	9,687	9,719	9,664	9,664	53,389
	31%	27%	26%	24%	23%	22%	25%
State	9,711	22,243	25,084	27,616	29,658	31,119	145,430
	59%	64%	67%	69%	70%	70%	67%
Turnpike	1,680	3,044	2,745	2,931	3,200	3,410	17,011
	10%	9%	7%	7%	8%	8%	8%
Total[2]	16,505	34,829	37,516	40,266	42,522	44,193	215,830

[1] Based on FDOT Work Program as of November 2012.
[2] Columns and rows sometimes do not equal the totals due to rounding.
[3] Federal revenues reflect "soft match" for federal aid.

Major Program Estimates

For the forecast, the Department's major programs were collapsed into two categories: capacity programs and non-capacity programs. Capacity programs are major FDOT programs that expand the capacity of existing transportation systems. Non-capacity programs are remaining FDOT programs that are designed to support, operate, and maintain the state transportation system. Table 2 includes a brief description of each major program. Appendix A contains a more detailed discussion of the programs and the types of activities eligible for funding in each.

Table 3 identifies the statewide estimates for the major programs in the 2040 Revenue Forecast. The table shows that the Department anticipates that 48% of its total revenues will be spent on the capacity programs during the 27-year forecast period.

FDOT is taking the lead in identifying planned projects and programs funded by the SIS Highways Construction & ROW, Aviation, Rail, Intermodal Access and Seaport Development programs as part of development of the SIS Cost Feasible Plan. MPOs are taking the lead in identifying planned projects and programs funded by the Other Arterials Construction & ROW and Transit programs. Guidance to MPOs for planning for projects after Fiscal Year 2018 for funds available from Documentary Stamps Tax proceeds is provided in this Handbook.

General Guidance on Using the Estimates

Metropolitan estimates are included in a separate document, entitled "Supplement to the 2040 Revenue Forecast Handbook" prepared for each MPO. Further guidance on use of these estimates is provided in the last section of this Handbook, "Developing a Cost Feasible Plan."

The metropolitan estimates are summarized into 5 fiscal year periods and a final 10-year period. For planning purposes, some leeway should be allowed for estimates for these time periods (e.g., within 10% of the funds estimated for that period). However, it is strongly recommended that the total cost of all phases of planned projects for the entire forecast period (e.g., 2014-2040) not exceed the revenue estimates for each element or component of the plan.

When developing long range plans, MPOs do not need to use the same terminology used in the Department's 2040 Revenue Forecast (e.g., "Other Arterials Construction & ROW"). However, MPOs should identify the metropolitan estimates from this forecast, the source of the revenues, and how these revenues are used in documentation of their plan updates.

MPOs are encouraged to document project costs and revenue estimates for their long range transportation plans for fiscal years 2014-2040. This will provide a common basis for analyses of finance issues (e.g., unmet transportation needs). Appendix D includes inflation factors and guidance for converting project costs estimates to Year of Expenditure dollars.

Table 2
Description of the Major Programs Included in the 2040 Revenue Forecast

Capacity Programs	Non-Capacity Programs
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).	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.
Aviation - Financial and technical assistance to Florida's airports in the areas of safety, security, capacity enhancement, land acquisition, planning, economic development, and preservation.	Resurfacing - Resurfacing of pavements on the State Highway System and local roads as provided by state law.
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.	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).
Intermodal Access - Improving access to intermodal facilities, airports and seaports; and acquisition of associated rights of way.	Product Support - Planning and engineering required to "produce" FDOT products and services (i.e., each capacity program; Safety, Resurfacing, and Bridge Programs).
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.	Operations & Maintenance - Activities to support and maintain transportation infrastructure once it is constructed and in place.
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.	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).
Transit - Technical and operating/capital assistance to transit, paratransit, and ridesharing systems.	Other –Primarily represents FDOT financial commitments such as debt service and reimbursements to local governments.

Table 3
Major Program Estimates
2040 Revenue Forecast (Millions of Dollars)

Major Programs	Time Period (Fiscal Years)						27-Year Total
	2014-15	2016-20	2021-25	2026-30	2031-35	2036-40	2014-40
Capacity Programs	**9,292**	**16,905**	**17,961**	**18,888**	**19,656**	**20,059**	**102,761**
	56%	*49%*	*48%*	*47%*	*46%*	*45%*	*48%*
SIS Highways Construction & ROW	4,879	7,747	7,738	8,509	8,790	8,937	46,599
Other Arterials Construction & ROW	2,264	4,371	4,264	4,076	4,319	4,447	23,740
Aviation	333	853	819	911	974	1,007	4,896
Transit	855	1,883	1,942	2,041	2,119	2,160	11,001
Rail	500	865	729	807	859	886	4,647
Intermodal Access	78	153	182	199	212	218	1,043
Seaports	383	395	496	553	592	613	3,031
Documentary Stamps Tax Funds	0	639	1,791	1,791	1,791	1,791	7,803
Non-Capacity Programs	**6,844**	**16,813**	**18,224**	**19,904**	**21,273**	**22,475**	**105,532**
	41%	*48%*	*49%*	*49%*	*50%*	*51%*	*49%*
Safety	245	631	625	626	626	626	3,378
Resurfacing	1,211	3,593	3,649	3,900	3,996	4,075	20,425
Bridge	529	1,593	1,373	1,452	1,508	1,537	7,991
Product Support	2,527	4,913	5,932	6,479	6,935	7,304	34,089
Operations & Maintenance	2,033	5,228	5,607	6,295	6,937	7,534	33,633
Administration	299	855	1,037	1,153	1,272	1,400	6,016
Other	364	1,111	1,330	1,474	1,593	1,659	7,531
	2%	*3%*	*4%*	*4%*	*4%*	*4%*	*3%*
Total Budget	**16,500**	**34,829**	**37,516**	**40,266**	**42,522**	**44,193**	**215,825**

[1] Based on FDOT Work Program as of November 28, 2012.
[2] Columns and rows sometimes do not equal the totals due to rounding.
[3] Documentary Stamps Tax funds not programmed in FDOT Work Programs as of July 1, 2013.
[4] "Other" is primarily for debt service.

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METROPOLITAN AREA ESTIMATES

This section describes the information developed for MPOs from the 2040 Revenue Forecast and guidance for using this information. The metropolitan estimates are for planning purposes only and do not represent a state commitment for funding, either in total or in any 5-year time period.

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 elements of the transportation system (e.g., highways, transit). FDOT will develop an appendix for MPO plans that identifies statewide funding estimates and objectives for non-capacity programs.

Metropolitan Area Revenue and Capacity Program Estimates

The FDOT central office prepared district and county estimates from the statewide forecast based on methods developed in consultation with MPOs, FDOT program managers, and district staff. As explained in Appendix B, District staff developed MPO estimates consistent with district and county shares of the statewide forecast, adjusted as needed to account for issues such as differences between metropolitan area boundaries and county boundaries or Transportation Management Area boundaries. The metropolitan estimates are included in a separate document, entitled "Supplement to the 2040 Revenue Forecast Handbook."

<u>"Statewide" Capacity Programs</u>

FDOT is taking the lead in identifying planned projects and programs funded by these major programs: SIS Highways Construction & ROW, Aviation, Rail, Seaport Development and Intermodal Access.[1] SIS Highways[2] Construction & ROW projects and revenues will be provided to MPOs with the other elements of the revenue forecast. These estimates are for planning purposes and do not represent a commitment of FDOT funding.

<u>Other Capacity Programs</u>

The Department has requested that MPOs take the lead in identifying planned projects and programs funded by the Other Arterials Construction & ROW and Transit programs. MPOs may use the total funds estimated for these two programs to plan for the mix of public transportation and highway improvements that best meets the needs of their metropolitan areas. However, the FDOT is responsible for meeting certain statutory requirements for public transportation funding. As a result, MPOs are encouraged to provide at least the level of Transit Program funding for transit projects and programs.

TMA Funds

FDOT provided estimates of funds allocated for Transportation Management Areas, as defined by the U. S. Department of Transportation. They are the same as "SU" funds in the 5-Year Work Program. It is strongly recommended that MPOs eligible for TMA Funds perform a

[1] FDOT continues to work with modal partners to identify aviation, rail, seaport, and intermodal access projects beyond the years in work programs. However, FDOT and its partners have not been able to identify cost feasible projects beyond the work program sufficiently to include them in the SIS Cost Feasible Plan and, therefore, in MPO cost feasible plans.

[2] The 2040 update of the SIS Cost Feasible Plan includes all roads that are on the Strategic Intermodal System (SIS), including Connectors between SIS Corridors and Hubs.

thorough analysis of how these funds should be reflected in their long range plan. The following is guidance for that analysis.

Planning for the Use of TMA Funds

MPOs eligible for TMA Funds were provided estimates of total TMA Funds. MPOs are encouraged to work with FDOT district programming and planning staff to determine how to reflect TMA Funds in the long range plan. Consideration should be given to:

- Programmed use of TMA Funds (Fiscal Years 2013-2018) among the various categories in the FDOT revenue forecast. These include Other Arterials Construction & ROW, Product Support (e.g., Planning, PD&E studies, Engineering Design, Construction Inspection, etc.), SIS Highways Construction & ROW, Transit, etc.
- Planned use of TMA Funds – based on policies regarding the planned use of funds through the long range plan horizon year.
- Clear articulation in the long range plan documentation of the policies regarding the use of TMA funds, and estimates of TMA funds planned for each major program and time period.

Transportation Alternatives Funds

FDOT has provided estimates of funds for Transportation Alternatives , as defined by MAP-21, to assist MPOs in developing their plans. Estimates of Transportation Alternatives funds allocated for TMAs (i.e., "TALU" funds) will be provided to each TMA.

Estimates of funds for areas with populations under 200,00 (i.e., TALL funds) and for any area of the state (i.e., TALT funds) were also provided to MPOs. MPOs may desire to include projects funded TALL or TALT funds in the long range transportation plan. If so, the MPO should identify such projects as "illustrative projects" in its plan.

Funds for Off-System Roads

The Department has also estimated the amount of funds that may be used "Off-System" – funds that could be used for planned programs or projects on roads that are not on the State Highway System (i.e., roads owned by counties and municipalities). "Off-System" funds are included in the Other Arterials program estimates, which are comprised of federal and state funds. By law, state funds cannot be used for highway improvements not on the State Highway System, except to match federal aid or for SIS Connectors owned by local governments. Federal funds included in the Other Arterials program estimates may be used anywhere except for roads that are functionally classified as local or rural minor collectors, unless such roads were on the federal-aid system as of January 1, 1991.

All estimated TMA funds (see above) may be used on "Off-System" roads. The following is guidance for estimating other federal funds that can be used for "Off-System" roads:

- MPOs in TMAs can assume all estimated TMA funds and 10% of the FDOT estimates of Other Arterials Construction & ROW funds can be used for "Off-System" roads.
- MPOs that are not in TMAs can assume that 15% of Other Arterials Construction & ROW funds provided by FDOT can be used for "Off-System" roads.

Preliminary Engineering Estimates
MPOs are encouraged to include estimates for key pre-construction phases in the LRTP, namely for Project Development and Environmental (PD&E) studies and Engineering Design.
FDOT has included sufficient funding for these and other "Product Support" activities to produce the construction levels in the 2040 Revenue Forecast. Costs for these phases for SIS highways will be provided to MPOs in the 2040 SIS Highways Cost Feasible Plan. For projects funded with the revenue estimates for Other Arterials Construction & ROW Funds provided by FDOT, MPOs can assume that the equivalent of 22 percent of those estimated funds will be available from the statewide "Product Support" estimates for PD&E and Engineering Design; these funds are in addition to the estimates for Other Arterials Construction & ROW funds provided to MPOs). MPOs should document these assumptions. For example, if the estimate for Other Arterials Construction & ROW in a 5-year period is $10 million, the MPO can assume that an additional $2.2 million will be available for PD&E and Design in the 5-year period from FDOT "Product Support" estimates. If planned PD&E and Design phases use TMA funds, the amounts should be part of (i.e., not in addition to) estimates of TMA funds provided to MPOs.

The Department encourages MPOs to combine PD&E and Design phases into "Preliminary Engineering" in LRTP documentation. "Boxed" funds can be used to finance "Preliminary Engineering"; however, the specific projects using the boxed funds should be listed, or described in bulk in the LRTP (i.e., "Preliminary Engineering for projects in Fiscal Years 2021-25").

Documentary Stamps Tax Funds
Chapter 2005-290, Laws of Florida (also referred to as Senate Bill 360) established recurring appropriations to several major state transportation programs in 2005. Annually, up to $541.75 million (year of expenditure dollars) will be appropriated from proceeds from the Documentary Stamps Tax. It should be noted that the legislation does not adjust the allocations for future changes in Documentary Stamps Tax proceeds or inflation. There have been several statutory changes since 2005, adjusting the sub-allocation of proceeds from the Documentary Stamps Tax allocated to transportation programs. In addition, the major slowdown in the housing market has led to significant reductions in Documentary Stamps Tax proceeds available for transportation programs since 2005. Forecasts of these proceeds do not project a return to the statutory cap of $541.75 million by 2040. The following information regarding transportation proceeds from the Documentary Stamps Tax is guidance for the use of these funds in metropolitan long range transportation plans.

Small County Outreach Program
Annually, 10% of the transportation proceeds is allocated for transportation projects in small counties. The 2040 Revenue Forecast assumes these funds will not be available for projects in metropolitan areas.

New Starts Transit Program
Annually, 10% of the transportation proceeds is allocated for major new transit capital projects in metropolitan areas. MPOs have been provided statewide estimates of New Starts funds for 2019 through 2040. Generally, state eligibility requirements are:

- Project must be a fixed-guideway rail transit system or extension, or bus rapid transit system operating primarily on a dedicated transit right of way;
- Project must support local plans to direct growth where desired;
- State funding limited to up to 50% of non-federal share;
- Dedicated local funding to at least match state contribution; and
- Eligible phases are final design, right of way acquisition, construction, procurement of equipment, etc.

MPOs may desire to include projects partially funded with statewide New Starts funds in the long range transportation plan. Any commitment of these funds by FDOT should be documented in the LRTP. Otherwise, the MPO should identify such projects as "illustrative projects" in its plan along with, at a minimum, the following information:

- Description of the project and estimated costs;
- Assumptions related to the amount of statewide New Starts funding for the project; and
- Assumptions related to the share and amount of non-State matching funds for the project (federal and local) and the likelihood such funding will be available as planned.

MPOs should work with their district office in developing and documenting this information.

Strategic Intermodal System

After allocations to the Small County Outreach Program and the New Starts Transit Program, 75% of the remaining Documentary Stamps Tax funds are allocated annually for the SIS. FDOT will plan for these funds as part of the SIS Cost Feasible Plan and provide funding and project information to MPOs.

Transportation Regional Incentive Program (TRIP)

After allocations to the Small County Outreach Program and the New Starts Transit Program, 25% of the remaining Documentary Stamps Tax funds are allocated annually for TRIP for regional transportation projects in "regional transportation areas" (see s. 339.155(4) and s. 339.2819, Florida Statutes). The first $60 million of funds allocated to TRIP are allocated annually to the Florida Rail Enterprise. MPOs have been provided estimates of TRIP funds for 2019 through 2040. TRIP will fund up to 50% of project costs.

MPOs may desire to include projects partially funded with TRIP funds in the long range transportation plan. If so, the MPO should identify such projects as "illustrative projects" in its plan along with, at a minimum, the following information:

- Status of regional transportation planning in the affected MPO area, including eligibility for TRIP funding;
- Description of the project and estimated costs;
- Assumptions related to the share and amount of district TRIP funding for the project; and
- Assumptions related to the share and amount of non-State matching funds for the project (federal and/or local) and the likelihood such funding will be available as planned.

MPOs should work with their district office in developing and documenting this information.

TRIP Requirements in Florida Law[1]	
Projects to be funded with TRIP funds shall, at a minimum: 1. Serve national, statewide, or regional functions and function as an integrated regional transportation system; 2. Be identified in the capital improvements element of a comprehensive plan that has been determined to be in compliance with Part II of Chapter 163, F. S. after July 1, 2005, and be in compliance with local government comprehensive plan policies relative to corridor management; 3. Be consistent with the Strategic Intermodal System Plan; and 4. Have a commitment for local, regional, or private financial matching funds as a percentage of the overall project cost.	In allocating TRIP funds, priority will be given to projects that: 1. Provide connectivity to the Strategic Intermodal System; 2. Support economic development and the movement of goods in rural areas of critical economic concern; 3. Are subject to a local ordinance that establishes corridor management techniques, including access management strategies, right-of-way acquisition and protection measures, appropriate land use strategies, zoning, and setback requirements for adjacent land uses; and 4. Improve connectivity between military installations and the Strategic Highway Network or the Strategic Rail Corridor Network.

Non-Capacity Programs

"Non-Capacity" Programs refer to the FDOT programs designed to support and maintain the state transportation system: safety; resurfacing; bridge; product support; operations and maintenance; and administration. Consistent with the MPOAC Guidelines, FDOT and FHWA have agreed that the LRTP will meet FHWA expectations if it contains a summary of FDOT estimates to operate and maintain the State Highway System in the FDOT district in which the MPO is located. FDOT provided these estimates in the "Supplement to the 2040 Revenue Forecast Handbook." FDOT has also included statewide funding for these programs in the forecast to meet statewide objectives (e.g., ensure that 90% of FDOT-maintained bridges meet Department standards) for operating and maintaining the State Highway System.

FDOT will provide an "Appendix for the Long Range Metropolitan Plan" to MPOs to include in the documentation of their long range plans. The appendix is intended to provide the public with clear documentation of the state and federal financial issues related to each MPO plan and to facilitate reconciliation of statewide and metropolitan plans. The appendix will describe how the statewide 2040 Revenue Forecast was developed and identifies the metropolitan area's share of the forecast's capacity programs. In addition, the appendix will include the forecast's statewide estimates for non-capacity programs, which are sufficient for meeting statewide objectives and program needs in all metropolitan and non-metropolitan areas. This appendix should accomplish the goal of ensuring that sufficient funding will be available to operate and maintain the state transportation system in metropolitan areas.

"Other"

The Department makes certain expenditures that are not included in major programs discussed above. Primarily, these expenditures are for debt service and, where appropriate, reimbursements to local governments. These funds are not available for statewide or metropolitan system plans.

[1] s. 339.2819(4), Florida Statutes.

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OTHER TRANSPORTATION REVENUES

Local government revenues (e.g., taxes and fees, federal funds distributed directly to local governments, local or regional tolls) play a critical role in providing local and regional transportation services and facilities. The Department does not have access to detailed information on local and regional revenue sources and forecasts of revenues expected from them. Information on many of those sources can be found in *Florida's Transportation Tax Sources: A Primer* and the *Local Government Financial Information Handbook*.[1] The following is guidance to MPOs in the identification and forecasting of current revenue sources, potential new sources and the development of long range estimates.

Current Revenue Sources

Initially, MPOs should identify sources of local and regional revenues that have funded transportation improvements and services in recent years and are expected to continue. The following is a summary of sources in some or all metropolitan areas in Florida.

Local Government Taxes and Fees

Local government sources include those that are dedicated for transportation purposes. In many areas they are supplemented by general revenues allocated to specific transportation programs (e.g., transit operating assistance may be provided from the general fund). Other sources are available for transportation if enacted by one or more local governments in the metropolitan area. Local government financial staff should have information on recent revenue levels, uses of funds, trends, etc.

State Imposed Motor Fuel Taxes

Florida law imposes per-gallon taxes on motor fuels and distributes the proceeds to local governments as follows: the Constitutional Fuel Tax (2 cents); the County Fuel Tax (1 cent); and the Municipal Fuel Tax (1 cent). The County Fuel Tax receipts are distributed directly to counties. The Constitutional Fuel Tax proceeds are first used to meet the debt service requirements on local bond issues backed by the tax proceeds. The remainder is credited to the counties' transportation trust funds. Municipal Fuel Tax proceeds are transferred to the Revenue Sharing Trust Fund for Municipalities, combined with other non-transportation revenues, and distributed to municipalities by statutory criteria. The Constitutional Fuel Tax may be used for the acquisition, construction, and maintenance of roads. The County Fuel Tax and Municipal Fuel Tax may be used for any legitimate transportation purpose. Estimated distributions of these sources can be found in the *Local Government Financial Information Handbook*.

Local Option Motor Fuel Taxes

Local governments may levy up to 12 cents of local option fuel taxes pursuant to three types of levies. Recent proceeds from these optional motor fuel taxes for each county are contained in the *Local Government Financial Information Handbook*.

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[1] *Florida's Transportation Tax Sources, A Primer*, is published annually by FDOT at: http://www.dot.state.fl.us/officeofcomptroller/pdf/GAO/RevManagement/Tax%20Primer%202013%20JAN.pdf and
Local Government Financial Information Handbook, is an annual publication of the Florida Legislature's Office of Economic and Demographic Research at http://edr.state.fl.us/Content/local-government/reports/lgfih12.pdf.

First, a tax of 1 to 6 cents on every gallon of motor and diesel fuel may be imposed by an ordinance adopted by the majority vote of the county commission or by countywide referendum for up to 30 years. However, this tax is imposed on diesel fuel in every county at the rate of 6 cents per gallon. These funds may be used for any legitimate county or municipal transportation purpose (e.g., public transportation operations and maintenance, road construction or reconstruction). In addition, small counties (i.e., less than 50,000 as of April 1, 1992) may use these funds for other infrastructure needs.

Second, a tax of 1 to 5 cents on every gallon of motor fuel sold may be imposed by a majority plus one vote of the county commission or by countywide referendum. These funds may be used for transportation purposes to meet the requirements of the capital improvement element of an adopted comprehensive plan. This includes roadway construction, reconstruction, or resurfacing, but excludes routine maintenance.

Third, a tax of 1 cent (often referred to as the Ninth-Cent Fuel Tax) on every gallon of motor and diesel fuel sold may be imposed. A county can impose the tax on motor fuel by an extraordinary vote of its board of commissioners or by referendum. However, this tax is imposed on all diesel fuel sold in every county. These funds may be used for any legitimate county or municipal transportation purpose (e.g., public transportation operations and maintenance, construction or reconstruction of roads).

Other Transportation-Related Sources
Examples of these sources include public transportation fares and other charges, toll revenues from local or regional expressway and/or bridge authorities[1], transportation impact fees, and other exactions. The use of, and levels of proceeds from, these sources varies significantly among metropolitan areas.

Property Taxes and Other General Revenue Sources
Most local governments finance some transportation facilities and/or services from their general fund. These revenue sources include property taxes, franchise or business taxes, and local government fees. The sources, funding process, eligible services, etc., vary widely among local governments. Local government financial staff should have information on recent revenue levels, uses of funds, trends, and other information needed by MPOs.

Discretionary Sales Surtaxes
A Charter County and Regional Transportation System Surtax of up to 1% may be levied by charter counties, counties that are consolidated with one or more municipalities, and counties within or under an interlocal agreement with a regional transportation or transit authority created under Chapter 343 or Chapter 349, subject to a referendum. These funds may be used for fixed guideway rapid transit systems, including the cost of a countywide bus system that services the fixed guideway system. Proceeds may also be transferred to an expressway or transportation authority to operate and maintain a bus system, or construct and maintain roads or service the debt on bonds issued for that purpose.

[1]Toll revenues from Florida's Turnpike and other toll facilities owned by the State are included in the 2040 Revenue Forecast.

A Local Government Infrastructure Surtax of either 0.5% or 1% may be levied for transportation and other purposes. The governing authority in each county may levy the tax by ordinance, subject to a successful referendum. In lieu of county action, municipalities representing the majority of the county population may adopt resolutions calling for countywide referendum on the issue and it will take effect if the referendum passes. The total levy for the Local Government Infrastructure Surtax and other discretionary surtaxes authorized by state law (for school construction, hospitals and other public purposes) cannot exceed 1%. See section 212.055, Florida Statutes, for more information on these discretionary sales surtaxes.

Federal Revenues

These are revenues from federal sources that are not included in the 2040 Revenue Forecast. Examples include federal assistance for aviation improvements and capital and operation assistance for transit systems. Potential sources distributed directly to local governments or authorities include revenue from the Federal Airport and Airway Trust Fund, the Federal Highway Trust Fund (Mass Transit Account), and the Federal General Fund.

Bond Proceeds

Local governments may choose to finance transportation and other infrastructure improvements with revenue or general obligation bonds. These types of local government bonds are often areawide and/or designed to fund programs (e.g., transportation, stormwater) and/or specific projects. Primarily for this reason, analyses of the potential use of this source should be undertaken separately from analyses of the use of bonds for toll facilities, where toll revenues from specific projects are used for project costs and debt repayment.

Other Current Sources

Other possible sources include private sector contributions or payments, such as proportionate share contributions. Often, these will be sources for specific projects or programs.

New Revenue Sources

Revenues from current sources have not been sufficient to meet transportation capacity, preservation, and operational needs in Florida's metropolitan areas. MPOs should examine the potential for new revenue sources that could be obtained to supplement current sources to meet those needs. This examination of each potential source should include analyses of:

- Authority (whether, and how, sources are authorized in current state and/or local laws and ordinances);
- Estimates of proceeds through 2040;
- Reliability of the estimates (e.g., amount, consistency); and
- likelihood that the source will become available (e.g., the probability that the proceeds will actually be available to fund improvements, taking into account issues such as previous state and/or local government legislative decisions, results of previous referenda, and commitments from decision makers).

Optional Sources Authorized by Current State Law

Communities in most metropolitan areas have not taken full advantage of some of the optional and discretionary transportation revenue sources authorized by current state law. These include the 9th-Cent Fuel Tax, the full 11 cents available from the Local Option Fuel Tax, the Charter

County and Regional Transportation System Surtax, and the Local Government Infrastructure Surtax. Where authorized, these sources are subject to either the approval of local governing bodies or referenda.

"Innovative Financing" Sources

Typically, these are other sources that are used in some local areas in Florida or other states, but are not used in a specific metropolitan area (e.g., toll facilities). Most require state and/or local government legislative authorization before they can be established.

In addition, state and/or federal law has authorized several transportation finance tools that can make additional funds available or accelerate the completion of needed projects. These tools are described in Appendix C, "Leveraging, Cash Flow and Other Transportation Finance Tools."

Development of Revenue Estimates

MPOs should develop estimates through 2040 for each current or new revenue source. Typically, these will be annual estimates that should be summarized for longer time periods (e.g., 5 years) for plan development purposes. MPOs should consult with financial planning staff from local governments and service providers and consider the following issues.

Historical Data

Information should be obtained related to factors that may affect the revenue estimates, such as recent annual proceeds and growth rates. MPOs should consider forecasting methodologies that include the relationships of revenue growth rates to other factors (e.g., population growth, retail sales), to assist with revenue projections, particularly if little historical data exist or annual proceeds fluctuate significantly (e.g., proceeds from impact fees).

Adjustments for Inflation

Estimates of future revenue sources usually identify the value of money at the time it will be collected (e.g., 2020), sometimes referred to as "year of expenditure" or "current" dollars, and reflect future growth in revenue and inflation. If this is not the case, see Appendix D for factors used for adjusting revenue forecasts to "year of expenditure" dollars.

Use of Revenues for Maintenance and Operations

About 50% of state and federal revenues in the 2040 Revenue Forecast is planned for "non-capacity" state programs. The emphasis on "non-capacity" activities funded with local and regional revenue sources may vary widely among metropolitan areas, but it is important to ensure that sufficient local funds are planned for maintenance and operations activities. Those revenues needed for non-capacity programs should not be considered to be available to fund capacity improvements.

Constraints on the Use of Revenues

MPOs should identify any constraints or restrictions that may apply to a revenue source for its use to fund multimodal transportation improvements. For example, federal and local transit operating assistance may be limited to transit services and cannot be used to fund highway improvements. Other constraints include any time limitations on the funding source, such as the limitations on levies of discretionary sales surtaxes.

DEVELOPING A COST FEASIBLE PLAN

Each MPO has established a process for updating its cost feasible plan for its metropolitan transportation system. These processes include public involvement programs tailored to the metropolitan area; schedules for identifying needs, resources, testing of alternative system networks; and adoption. The Department, particularly through its district planning staff, is an active partner in assisting each MPO in plan development. This section provides general guidance and recommendations to MPOs in updating their cost feasible plans. The guidance should be tailored to the plan development process established in each metropolitan area.

Project Identification

The long range plan will define the transportation system that best meets the needs of the metropolitan area and furthers metropolitan and state goals. The system plan will be comprised of transportation projects and/or programs that are expected to be implemented by 2040, consistent with the MPOAC "Financial Guidelines for MPO 2040 Long Range Plans." Projects and programs for at least the years 2014-2018 will be identified in TIPs and FDOT Adopted Work Programs[1].

The following discusses projects or programs that should be identified for the years 2019-2040. They should be considered as candidates for inclusion in the adopted long range system plan, subject to each MPO's plan development process, including the reconciliation of all project and program costs with revenue estimates. MPOs are encouraged to clearly identify "regionally significant" projects, regardless of mode, ownership, or funding source(s).[2]

<u>"Statewide" Capacity Programs</u>

The Department is taking the lead in identifying planned projects and programs funded by these major programs: SIS Highways Construction & ROW, Aviation, Rail, and Intermodal Access. SIS Highways Construction & ROW projects planned within metropolitan areas were provided at the same time as the 2040 Revenue Forecast. These estimates are for planning purposes and do not represent a commitment of FDOT funding.

MPOs are encouraged to review those projects with district staff, identify any projects or areas that require further discussion, and reach agreement with district staff on how those projects will be incorporated in the update of the metropolitan cost feasible plan.

Issues that may require further discussion include candidate projects not included in the SIS Highways Cost Feasible Plan. These may include projects or major project phases that could not be funded by the estimates for the SIS Highways Construction & Right-of-Way program. Information to be discussed should include: project descriptions and cost estimates, funding sources (e.g., Other Arterials Construction & Right-of-Way funds; local, authority or private sector sources), and relationship to other planned improvements.

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[1] Several Florida MPOs are not scheduled to update LRTPs until 2015 and beyond. MPOs are encouraged to use the latest information available in the TIP or FDOT Adopted Work Program for any years after FY 2018 that may be available.

[2] See "Federal Strategies for Implementing Requirements for LRTP Update for the Florida MPOs, November 2012", page 2, for a description of regionally significant projects.

Other Capacity Programs

The Department has requested that MPOs "take the lead" in identifying projects or programs that could be funded, or partially funded, by the state (1) Other Arterials Construction & Right-of-Way and (2) Transit programs. Estimates of those funds have been provided to MPOs. Each MPO should consider the mix of highway and transit projects and programs that best serves its metropolitan area, and that the funding estimates for these two programs are "flexible" for the years 2019-2040. MPOs are encouraged to work with district staff as candidate projects are identified and reach agreement on how they will be incorporated in the update of the metropolitan cost feasible plan. The following should be considered:

- Project Descriptions and Cost Estimates - MPOs should work with district staff, local governments, authorities and service providers, and private sector interests to develop project descriptions and cost estimates in sufficient detail for their planning process. Projects may include improvements to the State Highway System, transit system improvements, and components of Transportation System Management (TSM) and Transportation Demand Management (TDM) programs such as intersection improvements, traffic signal systems, ridesharing programs, and ITS projects.

- Costs of Major Phases - At a minimum, MPOs should identify construction, right-of-way, and Preliminary Engineering (PD&E and Design phases) costs separately. These estimates will be needed because (1) the Other Arterials program estimates include state funding for construction plus right-of-way, and (2) sufficient funds have been estimated to provide planning and engineering (i.e., "Product Support" as defined in Appendix A) for all state capacity programs. Specific estimates for right-of-way costs should be used for any project where such estimates exist. For other projects, the Department will provide information on the relationship of construction and right-of-way costs to assist with these calculations (see Appendix D for more information).

- Potential Supplemental Funding - MPOs should identify potential revenue sources that could be used to supplement the estimates from the Other Arterials and Transit programs to fund, or partially fund, these projects. This includes federal funds that are not part of the Department's revenue forecast, or revenues from local and private sector sources.

Other Projects and Programs

Revenue and project information provided by the Department is intended for those activities that are funded through the state transportation program. Other transportation improvement activities in metropolitan areas may include improvements to local government roads, transit programs that are financed by local revenues and funds, and projects and programs for modes that are not funded by the state program. It is recommended that the following types of information should be developed for these candidate projects and programs: (1) project descriptions and cost estimates, (2) costs of major phases, and (3) funding sources.

Development of a Cost Feasible Multimodal Plan

Development of a "cost feasible multimodal system plan" requires a balancing of high-priority improvements with estimates for expected revenue sources, subject to constraints regarding how

certain funding estimates can be used.[1] The Department has provided some flexibility for one-third of the state and federal funds estimated for capacity improvements between 2019 and 2040. Due to program constraints included in the 2040 Revenue Forecast and other sources (e.g., federal transit operating assistance), the following discussion of major system plan elements is organized by transportation mode.

Highways

The highway element of the multimodal system plan will be comprised of current or proposed facilities that are SIS highways, the remainder of the State Highway System, and appropriate local roads. These three components must be examined separately because of the constraints related to the use of revenue estimates for various programs.[2]

SIS Highways

The MPO should identify planned improvements and funding for corridors on the SIS, consistent with the 2040 SIS Highways Cost Feasible Plan and any adjustments agreed upon by the Department. Such adjustments could result from agreements to supplement SIS funds to either accelerate or add improvements to SIS Highways.

Remaining State Highway System (SHS)

The MPO should identify planned improvements and funding for corridors that are on the SHS, but not on the SIS. Potential funding sources include the "flexible" funds from the State Other Arterials and Transit programs, and funds from local or private sector sources that have been identified as reasonably available.

Local Highways and Streets

The MPO should identify planned improvements and funding for local road facilities that should be included in the long range plan. The Department has provided estimates of "off system" funds in the statewide forecast that can be used for these improvements, provided they meet federal eligibility requirements.[3] Other funds should include local or private sector sources that have been identified as reasonably available.

Operational Improvements Programs

MPOs should identify program descriptions and funding levels for transportation system management programs such as intersection improvements, traffic signal systems, and ITS projects. Transportation demand management program descriptions and funding levels can be identified in the highway element, in the transit element, or separately. Generally, such programs should be funded with revenues estimated for the State Other Arterials and Transit programs or local revenue sources.

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[1] See Appendix A for funding eligibility guidance for the major state programs.

[2] MPOs may desire to include "illustrative projects" in their plan, partially funded with Transportation Regional Incentive Program (TRIP) funds. See the guidance under "Documentary Stamps Tax Funds" in the "Metropolitan Area Estimates" section of this handbook for more information.

[3] "Off system" funds estimated by the Department may be used anywhere except for roads that are functionally classified as local or rural minor collectors, unless such roads were on a federal-aid system as of January 1, 1991.

Transit

MPOs should identify transit projects and programs and funding for local or regional bus systems and related public transportation programs in the transit element in cooperation with transit providers. Demand management programs, including ridesharing, bicycle and pedestrian projects can be included, or can be identified separately. Potential funding sources include the "flexible" funds from the state Other Arterials and Transit programs, federal and local transit operating assistance, and other funds from local or private sector sources that have been identified as reasonably available.[1,2]

Balancing Planning Improvements and Revenue Estimates

It is expected that each MPO will test several alternative plans leading toward adoption of a cost feasible multimodal plan for the metropolitan transportation system. The system alternatives should examine different ways to meet state and metropolitan goals and objectives, and should be analyzed within the context of the metropolitan area's public involvement program. They may contain alternative mixes of the candidate projects discussed above, alternative schedules for implementation, and alternative improvements for specific projects (e.g., adding 2 lanes, adding bus service). Throughout this process, MPOs should reconcile project costs with revenue estimates, taking into consideration the revenues estimated for transportation improvements and any flexibility or constraints associated with the estimates. (See Figure 1.)

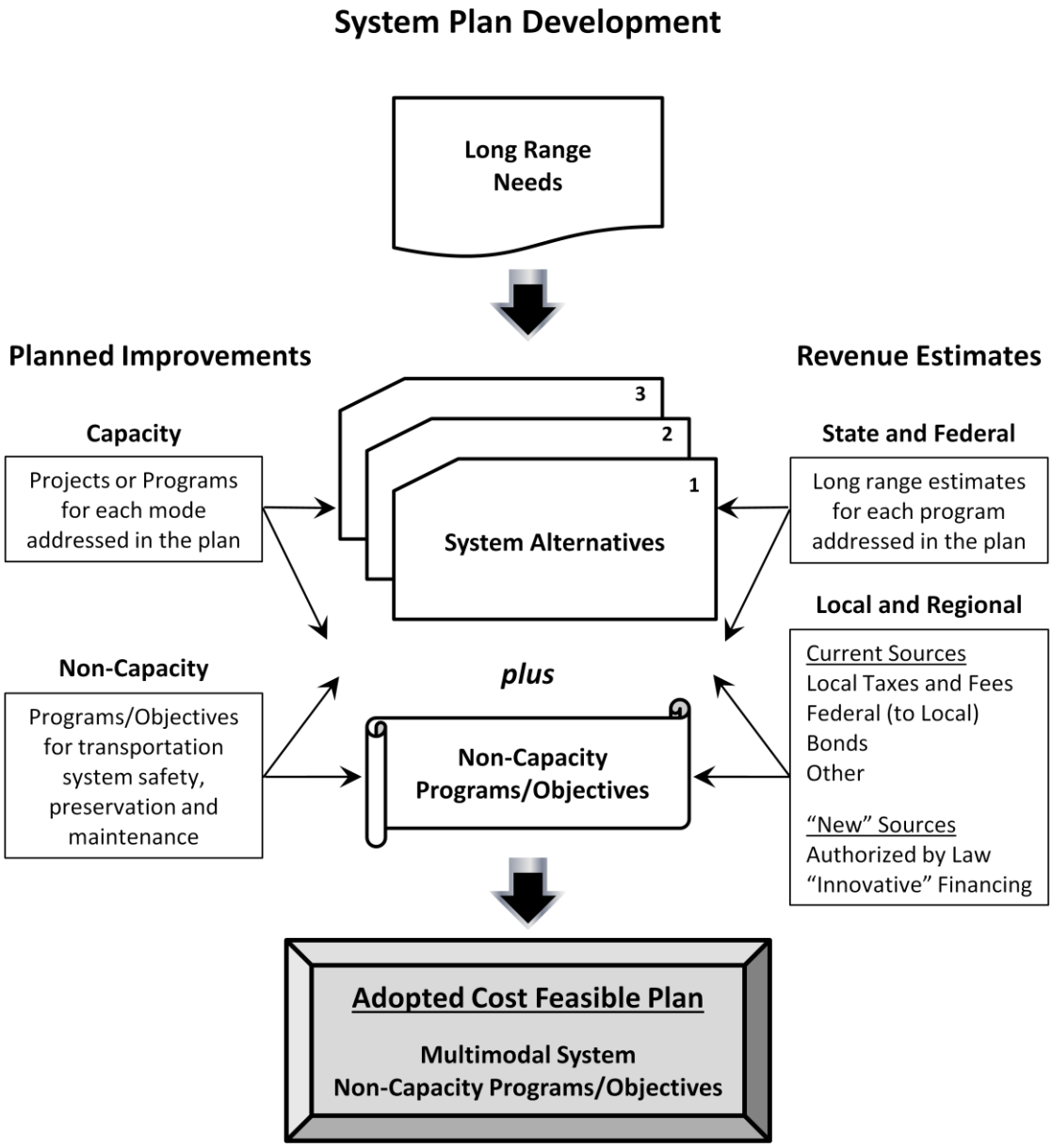
State and federal estimates for 2019-2040 have generally been prepared in five-year time periods to assist MPOs with the testing and staging of alternatives. For planning purposes, some leeway should be allowed for estimates for these time periods. For example, the total cost of planned projects for the period 2021-2025 for funding with the "flexible" Other Arterials and Transit estimates should be within 10% of the funds estimated for that period. It is strongly recommended, however, that the total cost of planned projects for the entire 2019-2040 period not exceed revenue estimates for the entire period for each element or component of the plan.

As part of LRTP documentation, MPOs should identify all projects planned to be implemented with federal funds within the first 10 years of the plan.

[1] MPOs may desire to include "illustrative projects" in their plan, partially funded with New Starts Program funds. See the guidance under "Documentary Stamps Tax" in the "Metropolitan Area Estimates" section of this handbook for more information.

[2] See "Federal Strategies for Implementing Requirements for LRTP Update for the Florida MPOs, November 2012", page 2, for additional guidance for transit projects.

Figure 1
Cost Feasible Plan Project and Financial Planning
Metropolitan Long Range Transportation Plan Development



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APPENDIX A
STATE TRANSPORTATION PROGRAMS AND FUNDING ELIGIBILITY
2040 Revenue Forecast Update

TABLE OF CONTENTS

STATE TRANSPORTATION PROGRAMS A-1
Major Program Categories A-1
Planning for Major Programs A-2

FUNDING ELIGIBILITY FOR MAJOR PROGRAMS A-2
"Statewide" Capacity Programs A-2
SIS Highways Construction & Right-of-Way A-2
Aviation A-3
Rail A-4
Intermodal Access A-4
Seaport Development A-4
Other Capacity Programs A-5
Other Arterial Construction & Right-of-Way A-5
Transit A-6
Non-Capacity Programs A-6
Safety A-7
Resurfacing A-7
Bridge A-7
Product Support A-8
Operations & Maintenance A-9
Administration A-9

TABLE
Table of Program Categories, 2040 Revenue Forecast and Program & Resource Plan A10-A11

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APPENDIX A
STATE TRANSPORTATION PROGRAMS AND FUNDING ELIGIBILITY
2040 Revenue Forecast

This appendix defines the major program categories used in the 2040 Revenue Forecast and provides guidelines for what types of planned projects and programs are eligible for funding with revenues estimated in the forecast. Metropolitan plan updates that incorporate the information from this revenue forecast should be consistent with these guidelines.

STATE TRANSPORTATION PROGRAMS

The 2040 Revenue Forecast includes all state transportation activities funded by state and federal revenues. The basis for the forecast is the framework of the Program and Resource Plan (PRP), the Department's financial planning document for the 10-year period that includes the Work Program. The PRP addresses over 60 programs or subprograms. See pages A10-A11 for a list of programs and major subprograms and how they have been combined for the revenue forecast.

Major Program Categories

Revenue estimates for all state programs were combined into the categories shown in the table below. The funding eligibility information in this document is organized according to these emphasis areas and the responsibilities for project identification for each program. Each of the major programs falls under one of the following PRP groups of programs:

- Product – Activities which build the transportation infrastructure.
- Product Support – Planning and engineering required to produce the products.
- Operations & Maintenance – Activities which support and maintain transportation infrastructure after it is constructed and in place.
- Administration – Activities required to administer the entire state transportation program.

	Major Programs
PRODUCT	SIS Highways Construction & Right-of-Way Other Arterial Construction & Right-of-Way Aviation Transit Rail Intermodal Access Seaport Development Safety Resurfacing Bridge
OTHER	Product Support Operations & Maintenance Administration

Planning for Major Programs
MPO long range plans will contain project and financial information for a wide range of transportation improvements expected through 2040. The Department and MPOs share the responsibility for identifying these improvements and the expected funding[1] for each. Responsibilities, and the general level of detail required, include:

- Capacity Programs – to the extent possible, project descriptions and costs will be developed for each transportation mode, consistent with estimated revenues, as follows:
  - SIS Highways, Aviation, Rail, Seaport Development and Intermodal Access[2] – the Department will take the lead in project identification in each metropolitan area.
  - Other Arterials and Transit – each MPO will take the lead in project identification within its metropolitan area.
- Non-Capacity Programs – the Department has estimated sufficient revenues to meet statewide safety, preservation and support objectives through 2040, including in each metropolitan area. It is not necessary to identify projects for these programs, so estimates for these activities have not been developed for metropolitan areas. The Department will prepare separate documentation to address these programs and estimated funding and provide it to MPOs for inclusion in the documentation of their long range plans.

FUNDING ELIGIBILITY FOR MAJOR PROGRAMS
The FTP and metropolitan long range plans consider many types of transportation improvements to meet long range needs, constrained by the funding expected to be available during the planning period. The following are explanations of the types of projects, programs and activities that are eligible for state and/or federal funding in each of the major categories contained in the 2040 Revenue Forecast.

"Statewide" Capacity Programs
The Department has "taken the lead" in the identification of planned projects and programs that are associated with the Strategic Intermodal System (SIS) and will provide detailed information to MPOs. As a result, metropolitan plans and programs that include state and federal funds for these major programs should be coordinated and consistent with state long range plans and programs. Each is discussed below.

SIS Highways Construction & Right-of-Way
The Strategic Intermodal System (SIS), including the Emerging SIS, includes over 4,300 miles of Interstate, Turnpike, other expressways and major arterial highways and connectors between those highways and SIS hubs (airports, seaports, etc.). The primary purpose of the SIS is to serve interstate and regional commerce and long distance trips.

[1]The information in this document is limited to projects and programs funded with state and federal revenues that typically are contained in the state 5-year Work Program. MPOs must also consider projects and programs in their long range plans that may be funded with other sources available within the metropolitan area. These include local government taxes and fees, private sector sources, local/regional tolls, and other sources each MPO may identify.
[2] FDOT continues to work with modal partners to identify aviation, rail, seaport, and intermodal access projects beyond the years in work programs. However, FDOT and its partners have not been able to identify cost feasible projects beyond the work program sufficiently to include them in the SIS Cost Feasible Plan and, therefore, in MPO cost feasible plans.

Metropolitan plans and programs for SIS Highways should be consistent with the 2040 SIS Highways Cost Feasible Plan, as provided to each MPO. Projects associated with aviation, rail, seaport development and intermodal access may be funded under this program, provided that they are included in the SIS Highways Cost Feasible Plan. Capacity improvement projects eligible for funding in the current plan include:

- Construction of additional lanes;
- The capacity improvement component of interchange modifications;
- New interchanges;
- Exclusive lanes for through traffic, public transportation vehicles, and other high occupancy vehicles;
- Bridge replacement with increased capacity;
- Other construction to improve traffic flow, such as intelligent transportation systems (ITS), incident management systems, and vehicle control and surveillance systems;
- The preferred alternative defined by an approved multi-modal interstate master plan;
- Weigh-in-motion stations;
- Acquisition of land which is acquired to support the SIS highway and bridge construction programs, and land acquired in advance of construction to avoid escalating land costs and prepare for long-range development; and
- New weigh stations and rest areas.

The following activities are not eligible for funding from the SIS Highways Construction & Right-of-Way program estimates: planning and engineering in SIS corridors (see Product Support below), highway/road construction and right-of-way acquisition not listed above, and support activities to acquire right-of-way (see Product Support below).

Aviation

The state provides financial and technical assistance to Florida's airports. Projects and programs eligible for funding[1] include:

- Assistance with planning, designing, constructing, and maintaining public use aviation facilities;
- Assistance with land acquisition;
- "Discretionary" assistance for capacity improvement projects at certain airports. In 2012, those meeting the eligibility criteria are Miami, Orlando, Ft. Lauderdale/Hollywood, Tampa, Southwest Florida, and Orlando Sanford international airports.

The following activities are not eligible for funding from the Aviation program estimates: planning and engineering to support state programs (see Product Support below), financial and technical assistance for private airports, and "discretionary" capacity improvements at airports other than those listed above.

[1] See FDOT Work Program Instructions for additional funding eligibility and state matching funds requirements.

Rail

The state provides funding for acquisition of rail corridors and assistance in developing intercity passenger and commuter rail service, fixed guideway system development, rehabilitation of rail facilities and high speed transportation. Projects and programs eligible for funding[1] include:

- Financial and technical assistance for intermodal projects;
- Rail safety inspections;
- Regulation of railroad operations and rail/highway crossings;
- Identification of abandoned rail corridors;
- Recommendations regarding acquisition and rehabilitation of rail facilities; and
- Assistance for developing intercity rail passenger service or commuter rail service.

The following activities are not eligible for funding from the Rail program estimates: planning and engineering to support state programs (see Product Support below), financial and technical assistance for rail projects and programs not specified above.

Intermodal Access

The state provides assistance in improving access to intermodal facilities and the acquiring of associated rights of way. Projects and programs eligible for funding include:

- Improved access to intermodal or multimodal transportation facilities;
- Construction of multimodal terminals;
- Rail access to airports and seaports;
- Inerchanges and highways which provide access to airports, seaports and other multimodal facilities; and
- Projects support certain intermodal logistics centers[2.]

The following activities are not eligible for funding from the Intermodal Access program estimates: planning and engineering to support state programs (see Product Support below), and programs not specified above.

Seaport Development

The state provides assistance with funding for the development of public deep water ports. This includes support of bonds issued by the Florida Ports Financing Commission that finances eligible capital improvements. Projects and programs eligible for funding and state matching funds requirements vary among several programs. See FDOT Work Program Instructions for more information.

The following activities are not eligible for funding from the Seaport Development program estimates: planning and engineering to support state programs (see Product Support below), programs not specified above, and financial and technical assistance at other ports.

[1] See FDOT Work Program Instructions for additional funding eligibility and state matching funds requirements.
[2] See FDOT Work Program Instructions for funding eligibility and state matching funds requirements.

Other Capacity Programs

MPOs have been requested to "take the lead" in the identification of planned projects and programs for the (1) Other Arterials Construction & ROW and (2) Transit programs. For 2014-2018, MPOs should identify projects as contained in the Work Program. For all years after 2018, MPOs should plan for the mix of highway and transit programs that best meets the needs of their metropolitan area. As a result, MPOs may identify either highway or transit improvement programs and projects, consistent with the total amount of the two major programs, and consistent with the following eligibility criteria.

Other Arterial Construction & Right of Way

The primary purpose of this program is to fund improvements on the part of the State Highway System, or SHS, that is not designated as SIS. The approximately 8,000 miles of such highways represent about 64% of the SHS. Projects and programs eligible for funding include:

- Construction and improvement projects on state roadways which are not on the Strategic Intermodal System (SIS), including projects that:
  - Add capacity;
  - Improve highway geometry;
  - Provide grade separations; and
  - Improve turning movements through signalization improvements and storage capacity within turn lanes.
- Acquisition of land which is acquired to support the SHS highway and bridge construction programs, and land acquired in advance of construction to avoid escalating land costs and prepare for long-range development;
- Construction and traffic operations improvements on certain local government roads[1] that add capacity, reconstruct existing facilities, improve highway geometrics (e.g., curvature), provide grade separations, and improve turning movements through signalization improvements and adding storage capacity within turn lanes; and
- Acquisition of land necessary to support the construction program for certain local government roads, as discussed immediately above.

Use of these funds for road projects not on the SHS will effectively reduce the amount of funds planned for the SHS and public transportation in the metropolitan area, the District and the state.

The following activities are not eligible for funding from the Other Arterial Construction & Right-of-Way program estimates: planning and engineering in SHS corridors (see Product Support below), highway/road construction and right-of-way acquisition not listed above, support activities to acquire right-of-way (see Product Support below), land acquisition for airports (see Aviation above), and land acquisition for railroad corridors (see Rail above).

[1] The Department has provided separate estimates of funds from this program that may be used on local government roads that meet federal eligibility criteria (i.e., "off system"). By law, state funds cannot be used on local government roads except to match federal aid, for locally owned SIS Connectors, and under certain subprograms subject to annual legislative appropriations. Long range plans should not assume that state funds will be appropriated for local government road improvements.

Transit

The state provides technical and operating/capital assistance to transit, paratransit, and ridesharing systems. Projects and programs eligible for funding include:

- Capital and operating assistance to public transit systems and Community Transportation Coordinators, through the Public Transit Block Grant Program[1];
- Service Development projects, which are special projects that can receive initial funding from the state[2];
- Transit corridor projects that are shown to be the most cost effective method of relieving congesting and improving congestion in the corridor;
- Commuter assistance programs that encourage transportation demand management strategies, ridesharing and public/private partnerships to provide services and systems designed to increase vehicle occupancy;
- Assistance with acquisition, construction, promotion and monitoring of park-and-ride lots; and
- Assistance to fixed-guideway rail transit systems or extensions, or bus rapid transit systems operating primarily on dedicated transit right-of-way under the New Starts Transit Program.

The following activities are not eligible for funding from the Transit program estimates: planning and engineering to support state programs (see Product Support below), and federally funded financial and technical assistance for transit plans and programs for those funds that are not typically included in the state 5-year Work Program (e.g., federal funds for operating assistance).

Non-Capacity Programs

Statewide estimates for all state non-capacity programs are an integral part of the 2040 Revenue Forecast to ensure that statewide system preservation, maintenance, and support objectives will be met through 2040. These objectives will be met in each metropolitan area, so it was not necessary to develop metropolitan estimates for these programs. Neither the Department nor the MPOs needs to identify projects for these programs. However, pursuant to an agreement between FDOT and the Federal Highway Administration Division Office, FDOT has provided district-level estimates of "Operations and Maintenance" costs on the State Highway System to MPOs for inclusion in the documentation of their long range transportation plans. Those "Operations and Maintenance" estimates are the total estimates for the State Resurfacing, Bridge, and Operations & Maintenance programs.

[1] State participation is limited to 50% of the non-federal share of capital costs and up to 50% of eligible operating costs. The block grant can also be used for transit service development and corridor projects. An individual block grant recipient's allocation may be supplemented by the State if (1) requested by the MPO, (2) concurred in by the Department, and (3) funds are available. The Transportation Disadvantaged Commission is allocated 15% of Block Grant Program funds for distribution to Community Transportation Coordinators.

[2] Up to 50% of the net project cost can be provided by the state. Up to 100% can be provided for projects of statewide significance (requires FDOT concurrence). Costs eligible for funding include operating and maintenance costs (limited to no more than three years) and marketing and technology projects (limited to no more than two years).

The forecast for these programs and related information will be provided to each MPO in an Appendix for inclusion in the documentation of their long range plan. The following information on project eligibility for these programs is provided for informational purposes only.

Safety

Safety issues touch every area of the state transportation program to some degree. Specific safety improvement projects and programs in this major program address mitigation of safety hazards that are not included in projects funded in other major programs. Projects and programs eligible for funding include:

- Highway safety improvements at locations that have exhibited a history of abnormally high crash frequencies or have been identified as having significant roadside hazards;
- Grants to state and local agencies for traffic safety programs with the intent of achieving lower levels and severity of traffic crashes; and
- Promotion of bicycle and pedestrian safety, including programs for public awareness, education and training.

The following activities are not eligible for funding from the Safety program estimates: planning and engineering to support state programs (see Product Support below), safety improvements funded as a part of other major state programs (e.g., SIS construction), financial and technical assistance for safety programs not specified above.

Resurfacing

The state periodically resurfaces all pavements on the State Highway System (SHS) to preserve the public's investment in highways and to maintain smooth and safe pavement surfaces. Projects and programs eligible for funding include:

- Periodic resurfacing of the Interstate, Turnpike and other components of the SHS;
- Resurfacing or reconstructing of county roads in counties eligible to participate in the Small County Road Assistance Program; and
- Periodic resurfacing of other public roads, consistent with federal funding criteria and Department and MPO programming priorities.

The following activities are not eligible for funding from the Resurfacing program estimates: planning and engineering to support state programs (see Product Support below), resurfacing that is funded by other major state programs as a part of major projects that add capacity (e.g., SIS and Other Arterials construction), thin pavement overlays which eliminate slippery pavements (funded by the Safety Program), and resurfacing of other roads not specified above.[1]

Bridge

The state repairs and replaces deficient bridges on the SHS, or on other public roads as defined by state and federal criteria. Projects and programs eligible for funding include:

[1]Other than the Small County Road Assistance Program, funds for resurfacing on "off system" projects are not included in the forecast. Any planned "off system" resurfacing projects must be funded from the "off system" share of the Other Arterials Construction & Right-of-Way estimates.

- Repairs of bridges and preventative maintenance activities on bridges on the SHS;
- Replacement of structurally deficient bridges on the SHS[1];
- Replacement of bridges which require structural repair but are more cost effective to replace;
- Construction of new bridges on the SHS;
- Replacement of structurally deficient bridges off the SHS but on the federal-aid highway system, subject to state and federal policies and eligibility criteria; and
- Replacement of structurally deficient bridges off the federal-aid highway system, subject to state and federal policies and eligibility criteria.

The following activities are not eligible for funding from the Bridge program estimates: planning and engineering to support state programs (see Product Support below), and repairs to or replacements of bridges on roads not specified above.

Product Support

Planning and engineering activities are required to "produce" the products and services described in the major programs discussed above. These are functions performed by Department staff and professional consultants. Costs include salaries and benefits; professional fees; and administrative costs such as utilities, telephone, travel, supplies, other capital outlay, and data processing. Functions eligible for funding include:

- Preliminary engineering (related to environmental, location, engineering and design);
- Construction inspection engineering for highway and bridge construction;
- Right of way support necessary to acquire and manage right-of-way land for the construction of transportation projects;
- Environmental mitigation of impacts of transportation projects on wetlands;
- Materials testing and research; and
- Planning and Public Transportation Operations support activities.

Estimates for the Product Support program are directly related to the estimates of the product categories of the 2040 Revenue Forecast. That is, these levels of Product Support are adequate to "produce" the estimated levels of the following major programs: SIS Highways Construction and Right-of-Way, Other Arterials Construction & Right-of-Way, Aviation, Transit, Rail, Intermodal Access, Seaport Development, Safety, Resurfacing, and Bridge. As a result, the components of metropolitan plans and programs that are based on state and federal funds should be consistent with the total of the above "product" categories to ensure that sufficient Product Support funding is available from state and federal sources through 2040[2].

[1] The state Bridge Replacement Program places primary emphasis on the replacement of structurally deficient or weight restricted bridges. Planned capacity improvements for bridges that are to be widened or replaced to address highway capacity issues must be funded from the Other Arterials or SIS Highways Construction & Right-of-Way major programs.

[2] MPOs are encouraged to include estimates for PD&E and Design phases in the LRTP, particularly for projects that cannot be fully funded by 2040. See Page 13 of the *2040 Revenue Forecast Handbook* for more information.

The following activities are not eligible for funding from the Product Support program estimates: planning and engineering to support plans or programs that are not eligible for funding from the "Product" programs, and local and regional planning and engineering activities not typically included in the state 5-year Work Program.

Operations & Maintenance

Operations and maintenance activities support and maintain the transportation infrastructure once it is constructed and in place[1]. Functions eligible for funding include:

- Routine maintenance of the SHS travel lanes; roadside maintenance; inspections of state and local bridges; and operation of state moveable bridges and tunnels;
- Traffic engineering analyses, training and monitoring that focus on solutions to traffic problems that do not require major structural alterations of existing or planned roadways;
- Administration of and toll collections on bonded road projects such as toll expressways, bridges, ferries, and the Turnpike; and
- Enforcement of laws and Department rules which regulate the weight, size, safety, and registration requirements of commercial vehicles operating on the highway system.

The following activities are not eligible for funding from the Operations and Maintenance program estimates: operations and maintenance activities on elements of the transportation system not specified above.

Administration

Administration includes the staff, equipment, and materials required to perform the fiscal, budget, personnel, executive direction, document reproduction, and contract functions of carrying out the state transportation program. It also includes the purchase of and improvements to non-highway fixed assets. Eligible functions and programs are:

- Resources necessary to manage the Department in the attainment of goals and objectives;
- Acquisition of resources for production, operation and planning units including personnel resources; external production resources (consultants); financial resources; and materials, equipment, and supplies;
- Services related to eminent domain, construction letting and contracts, reprographics, and mail service;
- Costs for the Secretary, Assistant Secretaries, and immediate staffs; for the Florida Transportation Commission and staff; and for the Transportation Disadvantaged Commission; and
- Acquisition, construction and improvements of non-highway fixed assets such as offices, maintenance yards, and construction field offices.

The following activities are not eligible for funding from the Administration program estimates: administrative activities not specified above.

[1]Scheduled major repairs or replacements such as resurfacing, bridge replacement or traffic operations improvements are parts of the Resurfacing, Bridge, and Other Arterial Highway programs, respectively.

TABLE OF PROGRAM CATEGORIES 2040 REVENUE FORECAST AND PROGRAM & RESOURCE PLAN		
2040 REVENUE FORECAST "PROGRAMS"	**PROGRAM & RESOURCE PLAN**	
	PROGRAMS	**SUBPROGRAMS**
CAPACITY **SIS Highways Construction & Right-of-Way**	**I. PRODUCT** A. SIS/Intrastate Highways C. Right-of-Way (part)	 1. Interstate Construction 2. Turnpike Construction 3. Other SIS/Intrastate Construction 4. SIS/Intrastate Traffic Operations 1. SIS/Intrastate 3. SIS/Intrastate Advance Corridor Acquisition
Other Arterial Construction & Right-of-Way	B. Other Arterial Highways C. Right-of-Way (part)	1. Arterial Traffic Operations 2. Construction 3. County Transportation Programs 4. Economic Development 2. Other Arterial & Bridge 4. Other Arterial Advance Corridor Acquisition
Public Transportation • **Aviation** • **Transit** • **Rail** • **Intermodal Access** • **Seaport Development**	D. Aviation	1. Airport Improvement 2. Land Acquisition 3. Planning 4. Discretionary Capacity Improvements
	E. Transit	1. Transit Systems 2. Transportation Disadvantaged - Department 3. Transportation Disadvantaged - Commission 4. Other 5. Block Grants 6. New Starts Transit
	F. Rail	1. High Speed Rail 2. Passenger Service 3. Rail/Highway Crossings 4. Rail Capital Improvements/Rehabilitation
	G. Intermodal Access	None
	H. Seaport Development	None
Documentary Stamps Tax Funds	L. N/A	(No Subprograms; these are Documentary Stamps Tax funds not included in an Adopted Work Program as of July 1, 2013.)

TABLE OF PROGRAM CATEGORIES 2040 REVENUE FORECAST AND PROGRAM & RESOURCE PLAN		
2040 REVENUE FORECAST "PROGRAMS"	**PROGRAM & RESOURCE PLAN**	
	PROGRAMS	**SUBPROGRAMS**
NON-CAPACITY **Safety**	**I. PROGRAM** (Continued) I. Safety	1. Highway Safety 2. Rail/Highway Crossings (discontinued) 3. Grants
Resurfacing	J. Resurfacing	1. Interstate 2. Arterial & Freeway 3. Off-System 4. Turnpike
Bridge	K. Bridge	1. Repair - On System 2. Replace - On System 3. Local Bridge Replacement 4. Turnpike
Product Support	**II. PRODUCT SUPPORT**	A. Preliminary Engineering *(all)* B. Construction Engineering Inspection *(all)* C. Right-of-Way Support *(all)* D. Environmental Mitigation E. Materials & Research *(all)* F. Planning & Environment *(all)* G. Public Transportation Operations
Operations & Maintenance	**III. OPERATIONS & MAINTENANCE**	A. Operations & Maintenance *(all)* B. Traffic Engineering & Operations *(all)* C. Toll Operations *(all)* D. Motor Carrier Compliance
Administration	**IV. ADMINISTRATION**	A. Administration *(all)* B. Fixed Capital Outlay *(all)* C. Office Information Systems

Notes:

- *(all)* refers to all levels of subprogram detail below the one shown in this table.
- Program and Resource Plan category "V. OTHER" is related to the "TOTAL BUDGET" and was included in the 2040 Revenue Forecast as "Other" (i.e., not as a "Program").

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APPENDIX B
DEVELOPMENT OF DISTRICT AND METROPOLITAN ESTIMATES
2040 Revenue Forecast

This Appendix describes how statewide and sub-state funding estimates for the major programs were developed for the 2040 Revenue Forecast.

Statewide Estimates

Statewide estimates for major state programs were based on continuing current laws and policies as of Fall 2012. The following are the major program categories used in the forecast.

"Statewide" Capacity Programs
- **SIS Highways Construction & ROW**
- **Aviation**
- **Rail**
- **Intermodal Access**
- **Seaports**

Other Capacity Programs
- **Other Arterials Construction & ROW**
- **Transit**

Non-Capacity Programs
- **Safety**
- **Resurfacing**
- **Bridge**
- **Product Support**
- **Operations & Maintenance**
- **Administration**

The forecast of funding levels for the Department's programs was developed based on the Program and Resource Plan for Fiscal Years 2014-22 (reflecting the Tentative Work Program as of November 28, 2012). Annual estimates of funding levels through 2040 were based on federal and state laws and regulations and Department policies at the time the forecast was prepared. For example, statewide funding levels were established to accomplish the program objectives for resurfacing, routine maintenance, and bridge repair and replacement. These estimates were summarized to reflect the major program categories used in the 2040 Revenue Forecast.

Sub-state Estimates

The Department prepared district and metropolitan estimates for highway and transit programs, and certain other funds, included in the forecast. Central office staff developed district and county estimates for these programs using the methods identified in Table B-1. Using the information provided by the central office, district staff developed metropolitan estimates for MPOs consistent with the district and county estimates, adjusted as needed to account for issues such as metropolitan area boundaries (e.g., differences between metropolitan area boundaries and county boundaries or TMA boundaries).

As with previous long range revenue forecasts, the Department is requesting that the MPOs take the lead in identifying specific planned projects and programs funded by the Other Arterials & ROW and Transit programs. The Department is taking the lead in identifying specific planned projects and programs for the Strategic Intermodal System (SIS), including the 2040 SIS Highways Cost Feasible Plan (i.e., cost estimates for projects planned within the MPO area).

Table B-1
Methodology for District and Metropolitan Estimates from the 2040 Revenue Forecast

Major Capacity Program Category	Methodology
SIS Highways Construction & ROW	Based on the 2040 SIS Highways Cost Feasible Plan, Turnpike excluded. Turnpike estimates provided by Turnpike Enterprise. Funding estimates and projects to be provided to MPOs.
Other Arterials Construction & ROW	Generally, distribute funding estimates by statutory formula. Also develop estimates for TMA (SU) and Transportation Alternatives funds in TMAs; those funds taken "off the top" before distributing remaining funds. Apprise MPOs that at least some portion of these funds can be planned for Transit. Develop "off system" estimates.
Transit	Use statutory formula to distribute funds to Districts and counties to distribute funds.
Aviation	Because the primary use of Aviation funds is for airside improvements not a part of MPO planning, develop only statewide estimates.
Rail	Because of uncertainties with long range passenger rail and absence of commitments to specific rail corridors, develop only statewide estimates.
Intermodal Access	The future of this program is not clear, given the creation of the SIS. As a result, develop only statewide estimates
Seaport Development	Statewide estimates only, because the Florida Seaport Transportation Economic Development Council identifies projects eligible for funding.
Documentary Stamps Tax Funds	• Allocate Transportation Regional Incentive Program (TRIP) funds to Districts using statutory formula. Provide guidance for planning to MPOs. • Statewide estimates for New Starts Transit Program. Provide statewide amounts and guidance for planning to MPOs.
Operations and Maintenance Estimates	• Develop district-wide estimates of funding for Resurfacing, Bridge and Operations & Maintenance programs and provide to MPOs, per agreement between FDOT and FHWA Division Office related to reporting Operations and Maintenance estimates for the State Highway System in MPO LRTPs.

APPENDIX C
LEVERAGING, CASH FLOW AND OTHER TRANSPORTATION FINANCE TOOLS
2040 Revenue Forecast

Metropolitan areas are encouraged to consider "innovative" or non-traditional sources of funding and financing techniques in their long range plans. These may include optional revenue sources such as local option motor fuel taxes or local option sales taxes that are not currently in place, toll facilities, public/private partnerships, and debt financing[1]. Several such sources or techniques are available as a result of state and federal laws. **Concurrence of the Department, and in some cases the federal government, is required before projects or programs can be funded through these sources. As a result, each MPO should coordinate with the Department before including these sources and techniques in its long range plan.**

The following is general guidance for specific sources. More detailed guidance can be obtained from FDOT staff. Guidance on planning for future toll facility projects concludes this appendix.

Federal/State Transportation Finance Tools

Federal law allows several methods of transportation finance that provide opportunities to "leverage" (make more useable) federal transportation funds. Most of the tools can be applied in more than one state program. The tools are not identified separately in the Program and Resource Plan, but the Department has established processes and criteria for their use. MPOs should work closely with FDOT before including these and other federal financing tools as part of their long range financial planning.

State Infrastructure Bank (SIB)

The SIB was originally established by the National Highway System Act of 1995 to encourage state and local governments to identify and develop innovative financing mechanisms that will more effectively use federal financial resources.

Florida has two separate SIB accounts: the **federal-funded SIB** account (capitalized by federal money and matched with appropriate state funds as required by law); and the **state-funded SIB** (capitalized with state funds and bond proceeds). The SIB can provide loans and other assistance to public and private entities carrying out or proposing to carry out projects eligible for assistance under state and federal law. Highway and transit projects are eligible for SIB participation. See FDOT Work Program instructions for more details.

SIB applications are accepted during the published advertisement period via the FDOT online application process (See http://www.dot.state.fl.us/officeofcomptroller/PFO/sib.shtm).

[1]Debt financing (borrowing implementation funds to be paid back from future revenues) should be analyzed carefully before deciding to use it to fund projects. There are tradeoffs between building a project earlier than would otherwise be the case and increased costs from interest and other expenses required to finance projects this way.

Advance Construction (AC)

States can initially use state funds to construct projects that may eventually be reimbursed with federal funds. These are state funds used to finance projects in anticipation of future federal apportionments. Subsequently, the state can obligate federal-aid funds to reimburse the federal share of those projects (i.e., the share that was initially funded with state dollars). This is a way to construct federal-aid projects sooner than if Florida had to wait for future federal funding obligations before construction could begin. Florida has used this financing tool for many years to "advance" the construction of needed projects. AC has a greater impact on the timing of project construction than on the amount of federal funds.

Flexible Match

Federal law allows private funds, materials or assets (e.g., right of way) donated to a specific federal-aid project to be applied to the state's matching share. The donated or acquired item must qualify as a participating cost meeting eligibility standards and be within the project's scope. Such private donations will effectively replace state funds that would have been used to match the federal aid, "freeing up" the state funds for use on other projects.

Toll Credits (Soft Match)

Federal law permits the use of certain toll revenue expenditures as a credit toward the non-federal share of transportation projects. For example, the Turnpike is paid for with tolls, but it is eligible for federal aid. A toll credit is a credit from the federal government for the unused federal matching funds that could have been requested for Turnpike construction. This credit can be used instead of state or local funds to meet federal match requirements for other transportation projects, including transit.

Such credits free up state or local funds — that otherwise would have been used to match federal aid — for other uses. Toll credits can only be used for transportation capital investments (e.g., highway construction, buses).

Transportation Infrastructure Finance and Innovation Act (TIFIA)

Federal law authorizes the United States Department of Transportation (USDOT) to provide three forms of credit assistance for surface transportation projects of national or regional significance: secured (direct) loans, loan guarantees, and standby lines of credit. USDOT awards assistance on a competitive basis to project sponsors (e.g., state department of transportation, transit operators, special authorities, local governments, private consortia). Various highway, transit, rail, and intermodal projects may receive credit assistance under TIFIA.

State Transportation Finance Tools

Florida law establishes several programs that allow the state, local governments and transportation authorities to cooperatively fund transportation projects sooner than would be the case under traditional state programs. In addition, state funds can be used to assist local governments and transportation authorities with pre-construction activities on potential toll facilities, and to assist with state economic development. Each of these tools is established as a separate category in the Department's Program and Resource Plan.

Local Government Advance/Reimbursement Program

The Local Government Advance/ Reimbursement Program (LGARP) enables local governments and transportation authorities to speed up delivery of state transportation projects. Local governments can contribute cash, goods and/or services to the Department to initiate projects sooner than scheduled in the Work Program.

Section 339.12, F.S., allows projects beyond the 5-year Work Program to be advanced, subject to a statewide $250 million cap on commitments[1]. Most projects are eligible, except those that are revenue producing.

Economic Development Program

The Other Arterials Construction Program contains an Economic Development sub-program. It is administered by FDOT, in cooperation with the Department of Economic Opportunity. The Program may provide funds for access roads and highway improvements for new and existing businesses and manufacturing enterprises that meet certain criteria.

For the purposes of MPO plan updates, it has been assumed that the metropolitan area's statutory share of these funds will be available for transportation improvements and is a part of the funds in the estimate of Other Arterial Construction & Right of Way provided to the MPO. MPOs should not consider the Economic Development sub-program as a revenue source separate from, or in addition to, the estimates provided by the Department for the 2040 Revenue Forecast.

Future Toll Facility Projects in Metropolitan Long Range Transportation Plans

FDOT, primarily through the Turnpike Enterprise, and local expressway authorities are currently engaged in studies of the feasibility of new toll facilities or extensions of existing facilities. If a MPO desires to include future toll facility projects in its long range plan, FDOT strongly recommends that the MPO coordinate closely with FDOT and/or local authority staff to determine if these facilities should be included in the plan (possibly as "illustrative projects"). Issues to be considered include:

- Local/regional support of elected officials and the public for the project;
- Environmental, socio-economic and related impacts of the project;
- Consistency with affected local comprehensive plans; and
- Economic feasibility of the project (costs, revenues, debt service coverage, "value for money" analysis[2], etc.)

FDOT's experience with analyses of economic feasibility for such projects suggests that it is extremely difficult to meet debt service requirements for a new toll facility or extension solely with toll revenues generated by the project, particularly in early years of operation. Often, the difficulty varies depending upon the location of the facility (urban, rural, etc.). However, each

[1] There are statutory exceptions to the $250 million cap. See s. 339.12, F.S., for more information.

[2] "Value for money" analysis compares public and privately financed alternatives side-by-side before a financing option is selected. This analysis is a strong tool for informing the public and ensuring that the public good has been protected.

project is different based upon the location, competing roadways, and other factors. When little project information is available, FDOT offers the following additional guidance to MPOs that may desire to consider including future toll facility projects in their cost feasible long range plans:

- For projects in suburban or emerging suburban areas, estimated toll revenues likely will cover only a portion of the total project cost;
- For projects in urban areas, estimated toll revenues may cover a somewhat higher portion of the cost of the project. However, project costs, particularly for right of way, are much higher than in other areas;
- For projects in rural areas, possibly associated with proposed new land development which will take time to materialize, estimated toll revenues in the early years likely will be substantially lower than total project cost.

For the purposes of the metropolitan long range plan, MPOs should document the amount and availability of revenues from other sources (e.g., local revenue sources, Other Arterials Construction & ROW funds from the 2040 Revenue Forecast, private sector contributions, etc.) expected to be available to finance the project cost. FDOT encourages MPOs to consult with the Turnpike Enterprise and/or local authority for technical assistance on preparing early analyses for possible toll facilities in the cost feasible long range plan.

APPENDIX D
ADDITIONAL INFORMATION
2040 Revenue Forecast

TABLE OF CONTENTS

FREQUENTLY ASKED QUESTIONS D-1

INFLATION FACTORS D-2
Adjusting Project Costs D-2
Adjusting Local Revenue Estimates D-2

RELATIONSHIP OF CONSTRUCTION AND ROW COSTS D-3

FOR MORE INFORMATION D-4

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Frequently Asked Questions

Does the revenue forecast reflect current laws and policies? The 2040 Revenue Forecast reflects state and federal laws and policies as of Fall 2012, including MAP-21, 2012 Florida Statutes, FDOT policies, and the October 2012 Revenue Estimating Conference results.

What Federal funds are included in the forecast? Only federal funds systematically budgeted in the Florida Department of Transportation 5-year Work Program. (Certain federal funds are included in the Work Program, either budgeted or non-budgeted, for the purposes of funding unique projects or programs, or to provide more complete information on the project or program. The revenue forecast does not include these types of funds for the years after 2018.) Federal funds in the forecast include:

- Federal Aid Highway Program Categories: National Highway Performance Program (NHPP), Surface Transportation Program (STP), Highway Safety Improvement Program (HSIP), Congestion Mitigation and Air Quality (CMAQ), Metropolitan Planning (PL), and other federal fund categories.
- Federal Transit Administration Programs: Section 5310 (Elderly & Handicapped), Section 5311 (Small Urban and Rural), RTAP (Rural Transit Administration Program), Section 5339 (Small Urban and Rural Buses/Facilities, Section 5305(d) and Section 5305(e) Planning Grants.

Are TMA and Transportation Alternatives funds included? Estimates of Transportation Management Area (TMA) and Transportation Alterntives (TA) funding levels have been developed.

Are there any estimates for FDOT "Fund Codes?" No separate estimates have been developed for specific fund codes, other than the TMA and TA information discussed above.

What major program categories should be used for traffic operations-type projects or programs? Funding for intersection improvements, Transportation System Management (TSM)-type programs, ITS-type improvements, etc. should be financed using estimated funds for the Other Arterials Construction & Right-of-Way Program. These types of projects may also be included in the 2040 SIS Highways Cost Feasible Plan developed by the Department.

What funds are available for "off system" (i.e., not on the State Highway System) improvements? State funds cannot be used for projects that are not on the State Highway System, except to match federal aid, on locally-owned SIS Connectors, and select local assistance programs authorized in Florida Law. A portion of the federal funds estimated for the Other Arterials Construction & Right of Way program may be used for "off system" improvements. Separate specific estimates have been provided to MPOs. TMA funds may be used "off system." These "off system" funds may be used anywhere except for roads that are functionally classified as local or rural minor collectors, unless such roads were on a federal-aid system as of January 1, 1991.

What funds are available for "enhancements" to resurfacing projects? Consistent with current state policy, "enhancements" to resurfacing projects (sidewalks, landscaping, etc.) generally are not funded by the Resurfacing Program. They should be funded from the estimates for the Other Arterials Construction & Right of Way Program.

What funds are available for the Transportation Regional Incentive Program (TRIP)? FDOT has developed estimates of TRIP funds for each FDOT District; the estimates are based on statutory direction for allocating TRIP funds. MPOs have been provided guidance for including TRIP-funded projects in long range transportation plans.

What funds are available for the New Starts Transit Program? FDOT has developed statewide estimates of New Starts. MPOs have been provided guidance for including TRIP-funded projects in long range transportation plans.

Inflation Factors

Consistent with federal planning regulations and "Financial Guidelines for MPO 2040 Long Range Plans" adopted by the Metropolitan Planning Organization Advisory Council (MPOAC) in October 2007, the 2040 Revenue Forecast is expressed in Year of Expenditure (YOE) dollars. MPOs will need to use inflation factors to adjust project costs from "Present Day Cost" dollars (e.g., 2014 dollars) to YOE dollars. MPOs also may have to adjust estimates of local revenues not included in the Department's forecast to YOE dollars, depending on how those revenue estimates were developed.

Adjusting Project Costs

In order to balance project costs against the revenue estimates from the 2040 Revenue Forecast, costs and revenues need to be expressed using the same base year. Project cost estimates are typically expressed in "present day costs" (i.e., year that the project costs were developed, such as 2013/2014), which are based on the value of money today and not adjusted for inflation.

Table D-1 will assist MPOs in converting project costs to YOE dollars. For example, if the cost estimate for a specific project is expressed in 2012/2013 dollars and the project is planned to be implemented in the 2020/21 to 2024/25 time period, the MPO should multiply the cost estimate by 1.35 to convert the cost estimate to YOE dollars. The inflation multipliers included in Table D-1 are based on the Department's inflation factors associated with developing recent Work Programs. Factors for project cost estimates developed in fiscal years 2013, 2014, 2015 and 2016 are shown in Table D-1 because required dates for the updates of long range metropolitan area transportation plans by Florida's 26 MPOs may extend over those years.

Adjusting Local Revenue Estimates

Revenue forecasts are typically prepared in "current" or YOE dollars, which reflect the value of money at the time it will be collected (e.g., 2020) and reflect future growth in revenue. MPO plans include revenue forecasts for local sources of transportation revenues (e.g., local option gas taxes) that are not included in the Department's 2040 Revenue Forecast. As a result, if any estimates of local revenues are not expressed in YOE dollars, MPOs will need to convert estimates of those revenues to YOE dollars to ensure a common basis for all revenues included in the MPO plans. The annual inflation rates in the lower part of Table D-1 can be used to convert local revenue forecasts prepared in "today's" dollars to YOE dollars. For example, if the forecast of local revenues is expressed in 2013 dollars, the MPO can estimate the amount in 2019 dollars as follows:

$$\textbf{2019 dollars} = (\textbf{2013 dollars})*\underset{\textit{(for 2014)}}{(1.31)}*\underset{\textit{(for 2015)}}{(1.029)}*\underset{\textit{(for 2016)}}{(1.029)}*\underset{\textit{(for 2017)}}{(1.029)}*\underset{\textit{(for 2018)}}{(1.029)}*\underset{\textit{(for 2019)}}{(1.03)}$$

For consistency with other estimates, summarize estimated local funds for each year by the 5-year periods.

Table D-1
Inflation Factors to Convert Project Cost Estimates to Year of Expenditure Dollars

Time Period for Planned Project or Project Phase Implementation	Multipliers to Convert Project Cost Estimates to Year of Expenditure Dollars			
	Project Cost in 2013 PDC $*	Project Cost in 2014 PDC $*	Project Cost in 2015 PDC $*	Project Cost in 2016 PDC $*
2019-2020	1.21	1.17	1.14	1.11
2021-2025	1.35	1.31	1.27	1.24
2026-2030	1.59	1.54	1.50	1.46
2031-2040	2.03	1.97	1.91	1.86

Multipliers are based on the following annual inflation estimates:

From	To	Annual Rate
2013 Dollars	2014 Dollars	3.1%
2014 Dollars	2015 Dollars	2.9%
2015 Dollars	2016 Dollars	2.9%
2016 Dollars	2017 Dollars	2.9%
2017 Dollars	2018 Dollars	2.9%
2018 Dollars	2019 Dollars	3.0%
2019 Dollars	2020 Dollars	3.1%
2020 Dollars	2021 Dollars and Beyond	3.3% each year

Source: FDOT Work Program Instructions, 2012

* "PDC $" means "Present Day Cost"

Relationship of Construction and ROW Costs

The Department experiences extreme variation in the costs of right-of-way for improvement projects. Since fiscal year 1991-92, district right-of-way programs have ranged from as low as 4% of construction costs to more than 30% and, in some instances, have exceeded construction costs. MPOs are encouraged to contact their district office for more information on right of way costs (see the FDOT website at http://www.dot.state.fl.us/planning/policy/costs/).

The 2040 Revenue Forecast contains estimates for combined construction and right of way funding. For planned construction projects, MPOs are requested to work with district staff to develop right-of-way estimates and right-of-way inflation estimates. If no project-specific estimate is available, MPOs should use the right-of-way/construction ratio recommended by the district to estimate right-of-way costs. For example, if the estimated construction cost of a project is $40 million and the district has established a right-of-way/construction ratio of 25%, then the total cost for construction and right-of-way is $50 million ($40 + $10).[1]

[1]The Department's estimates for capacity programs (e.g., Other Arterials Construction & ROW) do not include planning and engineering costs. The Department has reserved sufficient funds for Product Support (planning and engineering) to support the Construction and Right of Way funding levels provided to MPOs.

For More Information

Further information about the 2040 Revenue Forecast can be obtained from:

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