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# Progress Report



August 2001

Report No. 01-37

## Some Public Transportation Improvements Made; Stronger Planning for High-Speed Rail Needed

### *at a glance*

The Legislature and the Department of Transportation have improved coordination of public transportation projects consistent with our 2000 report.

- The Legislature gave state agencies a stronger role in selecting seaport projects, added restrictions on future seaport bond issues, and established a funding program for high priority public transportation projects.
- The department is preparing plans for developing trade corridors and intermodal transportation systems.
- Several metropolitan planning organizations (MPOs) in Central and South Florida have entered into formal cooperative efforts with neighboring MPOs for better coordination of regional transportation policy and planning.

However, other OPPAGA recommendations have not been implemented. The department still needs to improve planning data, and the state has not implemented a “smart growth” alternative planning process as recommended by the Transportation and Land Use Study Committee; this alternative emphasizes unifying transportation, environmental, housing, land use, and other planning functions.

It will be important for the High-Speed Rail Authority to establish performance measures that reflect this initiative’s expected benefits. The authority should also seek to maximize private financial support and coordinate planning to maximize user access to other public transportation modes.

### Purpose

In accordance with state law, this progress report informs the Legislature of actions taken by the Department of Transportation in response to a 2000 OPPAGA justification review.<sup>1,2</sup> This report presents our assessment of the extent to which the department has addressed the findings and recommendations in our prior report.

### Background

The Public Transportation Program’s primary purpose is to promote safe, interconnected public transportation systems in Florida by providing grants, technical assistance, and planning support to local governments and private entities

<sup>1</sup> Section 11.45(7)(f), *F.S.*

<sup>2</sup> *Justification Review of the Public Transportation Program within the Florida Department of Transportation*, OPPAGA [Report No. 99-24](#), January 2000.

that own and operate these systems. Public transportation systems include aviation, rail, seaport, and transit facilities and services. These systems provide alternatives to highways and road systems. Their availability enhances the state's flexibility for reaching its transportation goals of ensuring the mobility of people and goods and enhancing economic prosperity while sustaining environmental quality.

The department is statutorily directed to commit a minimum of 15% of State Transportation Trust Fund revenues to public transportation projects. Most projects are listed in the transportation improvement plans developed by Florida's 25 metropolitan planning organizations (MPOs).<sup>3</sup> Seaport projects are requested by local seaport authorities, and are selected and approved by the Florida Seaport Transportation and Economic Development (FSTED) Council.<sup>4</sup>

In addition to its grant activities, the department provides technical assistance to public transportation owners and operators, and develops strategic plans that describe the state's goals and objectives and general approach for improving aviation, rail, seaport and transit systems. It also conducts safety inspections of airports, railroads, on-grade rail crossings, and transit equipment.

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<sup>3</sup> Federal law requires that federally funded transportation projects in urban areas with populations of 50,000 or above must be recommended by a metropolitan planning organization (MPO) that includes representation from area local governments. MPOs develop transportation plans for metropolitan areas in cooperation with the state.

<sup>4</sup> The 17-member FSTED Council consists of representatives from 14 deepwater seaports and three state agencies, the Department of Transportation, the Department of Community Affairs, and the Governor's Office of Tourism, Trade, and Economic Development.

## Prior Findings ---

Our previous review found that the department's process for managing public transportation grants was generally effective in ensuring the proper use of grant funds. However, we concluded that the role of public transportation systems should be strengthened. Although these systems provide alternatives to motorists and businesses facing increased roadway congestion, they were not adequately developed or effectively utilized, due to lack of public support, fragmented transportation planning, and insufficient land use planning that allows urban sprawl. These problems resulted in longer commuting times, delayed delivery of goods and services, and higher highway right-of-way costs.

### *Seaport Program*

We concluded that the seaport program's separation from other transportation modes restricted the state's ability to develop an integrated, balanced statewide transportation system.

We recommended that the Legislature consider strengthening the state agencies' authority on the FSTED Council. Specifically, we recommended that state agencies be granted voting status on the council, and be authorized to withhold funding from a project that the agency believes is not in the state's best interest.

We also recommended that the Legislature consider creating an intermodal project selection group that would select all off-port intermodal access and other intermodal projects, while restricting the FSTED Council's project selection authority to projects located only on seaport property.<sup>5</sup>

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<sup>5</sup> Moving people and goods from place to place usually requires more than one mode of transportation. Connections between modes are known as intermodal.

We further recommended that the Legislature consider funding future seaport projects through direct appropriations instead of with bonds. If not, the State Board of Administration's Division of Bond Finance could issue the bonds on behalf of the Department of Transportation and administer the debt service payments, which might reduce costs. We also recommended that the Legislature consider using the Department of Transportation to administer the seaport bond program.

### *System coordination*

To improve development and use of public transportation systems, we recommended that

- the department encourage MPOs in major metropolitan areas to consolidate or broaden their service areas to better represent regional perspectives;
- the Department of Transportation coordinate data collection and assessment to identify public transportation projects that would provide the maximum feasible mobility and economic benefit to the state;
- the Legislature consider establishing an intermodal project selection group within the department to reallocate the \$70 million it planned to appropriate for the high-speed rail project to other public transportation projects of regional or statewide importance. The group would select all intermodal projects connecting airports, seaports, highways, railways, and transit systems; and
- the Legislature consider implementing the smart growth alternative planning process recommended by the 1999 Transportation and Land Use Study Committee to help improve the compatibility of land use and transportation planning.

## Current Status ---

The department and the Legislature have acted on several of these recommendations. However, we continue to recommend other actions be taken to further strengthen the state's public transportation system.

### *Seaport Program*

The 2000 Legislature made the Department of Transportation, the Department of Community Affairs, and the Governor's Office of Tourism, Trade, and Economic Development voting members of the FSTED Council with veto power over seaport project selection.<sup>6</sup> The Legislature required that future bonds for seaport projects be issued by the Division of Bond Finance at the request of the Department of Transportation pursuant to the State Bond Act.

Also consistent with our recommendation, the 2000 Legislature created the Transportation Outreach Program.<sup>7</sup> This program is intended to fund transportation projects of high priority based on the prevailing principles of preserving the existing transportation infra-structure, enhancing Florida's economic growth and competitiveness, and improving travel choices to ensure mobility. The 2000 Legislature also reallocated the \$70 million originally appropriated for the high-speed rail project to the Transportation Outreach Program.

Eligible projects include those for planning, design, acquiring right-of-way, or constructing major highway improvements, as well as seaport, aviation, rail and transit projects, projects for the Spaceport Florida Authority, and bicycle and pedestrian facilities. The program's advisory council

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<sup>6</sup> Chapter [2000-266](#), *Laws of Florida*.

<sup>7</sup> Chapter [2000-257](#), *Laws of Florida*.

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has the authority to fund intermodal projects, some of which provide access to seaports and other transportation systems. However, this process is separate from that used by FSTED and does not affect its statutory authority to choose projects.

### *System coordination*

Although no MPOs have consolidated or broadened their service areas, several MPOs have formalized cooperative efforts with neighboring MPOs.

- Metroplan (representing Orange, Seminole, and Osceola counties), the MPOs in Brevard and Volusia counties, and the Lake County Board of Commissioners have formed the Central Florida MPO Alliance, which serves as a forum to coordinate regional planning and policy development, and to identify opportunities and resolve regional transportation issues.
- Broward, Dade and Palm Beach counties entered into an interlocal agreement with their respective MPOs and the Tri-County Commuter Rail Authority, to create the South Florida Regional Transportation Organization, in which the department is represented.
- The department has worked with the six MPOs surrounding the Tampa Bay area to create the West Central Florida Chair's Coordinating Committee.

The department has also taken some actions to implement our recommendation that it coordinate data collection and assessment to identify projects that would provide the maximum feasible mobility and economic benefit to the state. For example, the Aviation Office has been gathering data over the last two years for use in updating the aviation system plan. The office plans to develop an information system next year that will give airports, local government planners, and district personnel access to

this information. The Transit Office is developing tools for planners to analyze commonly used data with greater ease. The department should undertake similar efforts to facilitate planning of highway, rail, and seaport projects.

Further, the department has been developing plans that would help coordinate intermodal transportation projects. In Fiscal Year 2000-01, it funded a Trade Corridor Study intended to identify corridors will represent the most important routes for freight and cruise passenger movement.<sup>8,9</sup> This study was completed in June 2001, and recommended eight trade corridors.<sup>10</sup>

The department has the goal of developing a strategic trade corridor implementation plan for long-term intermodal movement of people and freight by 2005. This plan would include appropriate projects from the modal plans, providing one avenue for coordination of projects. The Statewide Intermodal Plan, to be updated and completed by the Seaport Office, will also specify access projects connecting airports, seaports, highways, railways, and transit systems.

Although the Legislature has considered a variety of growth management issues, it has not adopted the "smart growth" alternative planning process recommended by the

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<sup>8</sup> *Florida Trade Corridor Assessment Study, Phase I: Final Recommendations*, Wilbur Smith Associates, Gee & Jenson, Earth Tech, Nick Serianni, and BST Associates, June 2001.

<sup>9</sup> By definition in the study, a trade corridor contains identified transportation facilities that collectively provide for the movement of significant volumes of intrastate and interstate domestic and international trade, connecting Florida to global marketplaces.

<sup>10</sup> These corridors include North Florida East-West (Pensacola to Jacksonville), Central Florida North-South (Jacksonville to Tampa/Fort Myers/Naples/Miami), Gulf Coast (Pensacola to Tampa/St. Petersburg), Jacksonville to Tampa, Central East-West (Tampa to Titusville), Atlantic Coast (Jacksonville to Miami), Southeastern Everglades (Wildwood/Orlando/Winter Haven to West Palm Beach), and Jacksonville to Orlando.

Transportation and Land Use Study Committee. The Growth Management Study Commission created by the Governor in July 2000 did not include the “smart growth” alternative planning process in its recommendations to the 2001 Legislature. Given the transportation issues raised by the state’s continued rapid growth, it will be important for the state to continue to develop ways to improve the compatibility of land use and transportation planning.

## Recent Legislative Action

Florida voters ratified an amendment to the State Constitution in 2000 that requires the state to create a high-speed rail system capable of traveling at least 120 miles per hour to connect Florida’s five largest urban areas. The amendment specifies that construction of the system must begin by November 1, 2003.

In response to this amendment, the 2001 Legislature enacted the Florida High Speed Rail Authority Act, creating a 10-member high-speed rail authority with the power to plan, administer, and manage the preliminary engineering and environmental assessment of the Florida intrastate high-speed rail system, and to seek funding to fulfill the requirements of the act.<sup>11</sup> The authority is assigned to the Department of Transportation for administrative purposes, and the department is required to provide administrative support and service to the authority to the extent requested by the authority’s chair. The authority held its first two meetings on July 16 and August 6, 2001.

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<sup>11</sup> Chapter [2001-153](#), *Laws of Florida*, creates an authority consisting of nine voting members with the Governor, the Speaker of the House, and the President of the Senate each appointing three people. The Secretary of the Department of Transportation serves as an ex-officio, non-voting member.

Past efforts to establish a high-speed rail system in Florida have generated considerable controversy. Proponents of the system cited studies that concluded high-speed rail has the potential to create jobs, improve travel time, reduce traffic congestion, save energy, reduce air pollution, and prevent traffic fatalities.<sup>12</sup> According to the department’s 2000 Rail System Plan, intercity travel among major urban areas in the state is expected to increase to approximately 100 million trips per year by 2010 for all transportation modes. If a high-speed rail system operating in this corridor is successful, it could potentially remove millions of auto trips from Florida highways and help reduce highway maintenance costs. It could also significantly increase the capacity of transportation to and from major Florida tourist destinations. Ridership studies estimate that high-speed rail could account for up to 8.26 million of the 100 million estimated trips in 2010.<sup>13</sup>

However, opponents of the system reviewed the same studies and concluded that their projected capital construction costs and ridership projections were overly optimistic.<sup>14</sup> As a result, the system would be expected to experience large operating deficits. Two previous attempts to develop a high-speed rail system were halted by Governor Lawton Chiles in 1991 and

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<sup>12</sup> [An Analysis of Economic Impacts of Florida High Speed Rail](#), Center for Economic Forecasting and Analysis (CEFA) and Center for Urban Transportation Research (CUTR), June 1997; [Travel Time, Safety, Energy, and Air Quality Impacts of Florida High Speed Rail](#), Center for Economic Forecasting and Analysis (CEFA) and Center for Urban Transportation Research (CUTR), June 1997.

<sup>13</sup> [An Analysis of Economic Impacts of Florida High Speed Rail](#), Center for Economic Forecasting and Analysis (CEFA) and Center for Urban Transportation Research (CUTR), June 1997; [Preliminary Summary Report: Florida High Speed Rail Project Ridership Study](#), SYSTRA and KPMG Peat Marwick, January 1998.

<sup>14</sup> [Constitutional Train Wreck: An Analysis of the Proposed Constitutionally Mandated Florida High Speed Rail](#), Wendell Cox, The James Madison Institute.

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Governor Jeb Bush in 1999; both believed the system would require too much state funding.

Given that work on planning and developing the system is beginning, it will be crucial for the High-Speed Rail Authority to continually evaluate the system's cost effectiveness in providing expected benefits to the state. The authority will also need to closely coordinate with the Department of Transportation, MPOs, and local governments to identify opportunities for users of other modes of public transportation to access the new service at intermodal stations. New light rail, commuter rail, and expanded bus transit services that connect to the high-speed rail system's intermodal stations may be needed to increase passenger ridership and improve the mobility of the traveling public.

The High-Speed Rail Authority should establish performance measures for assessing the system's achievement of expected benefits. The authority should also coordinate with other entities to maximize system access by users of other public transportation modes.

The High Speed Rail Authority must also decide how to fund the system. The department estimated in 2001 a cost of at least \$5.6 billion for a previously planned high-speed rail line connecting Tampa, Orlando, and Miami using diesel technology, the cheapest technology currently available. A 2000 study prepared for the department estimated that it would cost \$1.026 billion to build a high-speed rail line connecting Tampa Union Station and Orlando International Airport.<sup>15</sup> Because the authority has not yet identified routes, destinations, and technologies, it is premature to estimate the cost of the entire

system. Nevertheless, the authority will need to quickly obtain funding if construction on the system is to begin by November 2003.

Potential funding includes sources discussed below.

- **Federal programs.** Some financial support may be available through federal programs. One such program is administered through the Transportation Infrastructure Finance and Innovation Act (TIFIA). Under TIFIA, secured (direct) loans, loan guarantees, and standby lines of credit are provided for national or regional surface transportation projects by the U.S. Department of Transportation. Projects are selected based on a number of criteria, including creditworthiness, private participation, and maintenance or protection of the environment. Other sources of federal financial support include demonstration (cash) grants, Swift Act grants for corridor development, and loan guarantees for passenger/freight projects through the Railroad Rehabilitation and Improvement Financing Act. Further, if the U.S. Congress approves the proposed High-Speed Rail Investment Act, \$12 billion in National Railroad Passenger Corporation (Amtrak) bonds will be allocated over 10 years to various high-speed rail projects throughout the country, some of which may be available to support Florida's high-speed rail system.
- **State revenue bonds.** In the High Speed Rail Authority's first meeting in July 2001, authority members discussed revenue bonds as one possible way to fund the high-speed rail system. However, the Legislature would have to approve this measure because the

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<sup>15</sup> *Coast to Coast Rail System Feasibility Study*, prepared for the Department of Transportation by STV Incorporated, December 2000.

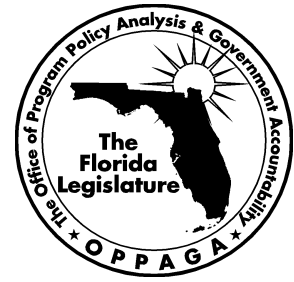
authority is currently not authorized to issue bonds.

- **Local government assistance.** This could be in the form of matching funds or property for station sites and development.
- **Private funding.** However, department staff expect that private sector funds will pay no more than 20% of the high-speed rail system's cost. They also note that all large transportation construction projects such as highways and major airports require large amounts of public funding.

The High Speed Rail Authority should seek and obtain private financial support for the system to the maximum extent feasible. However, based on prior experience with large highway and airport construction projects, it is likely that public funding or public funding guarantees will be required to complete the project, including significant contributions from the state.

# The Florida Legislature

## *Office of Program Policy Analysis and Government Accountability*



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