

Proposed 3rd Amendment to the Transportation System Surtax ILA

**Presentation to Independent Transportation
Surtax Oversight Board**

May 2, 2025



Overview of Objectives

Objectives:

1. Streamlining, simplifying, and broadening annual municipal access to surtax revenues
2. Creating an ***annual formula allocation to each participating municipality*** to supplement existing municipal sidewalk and road rehabilitation and maintenance funding
3. Expanding definitions of ***eligible uses of surtax funding to include micro-transit***
4. Establishing a ***Grant Match Program*** that allows municipalities to seek surtax funding as match to competitive funding programs for projects that have not received prior surtax awards
5. Allowing certain ***decorative and functional art*** elements in surtax-funded projects
6. Permitting ***revenue-generating parking structures***, provided revenues are used for surtax-eligible purposes
7. Eliminating prohibition on using surtax funds to maintain capital assets built with surtax funds (subject to ordinance change)
8. Maintaining transparency and accountability for the program

Updated Eligible Projects

- Stand-alone sidewalks, bike paths, and greenways that are used for transportation (as compared to self-contained walking/bicycle paths, etc.)
- Revenue-generating parking projects provided that parking fees over O&M costs must be used for surtax-eligible transportation improvements
- Certain decorative elements/functional public art (e.g., decorative wayfinding signage,) ***up to the amount that would have been paid for standard elements***, subject to engineering confirmation that useful life is the same as standard element and confirmation of standard element cost
- Subject to County ordinance change, R&M funds can be used for rehabilitation, maintenance, or operation of capital projects funded (in part or whole) by the surtax

Minimum Annual Guarantee Remains 10%

- The Minimum Annual Guarantee (MAG) is inclusive of Community Shuttle, Municipal Capital Projects, Municipal R&M Projects, **and Micro-transit**
- MAG will be subject to annual “true-up”

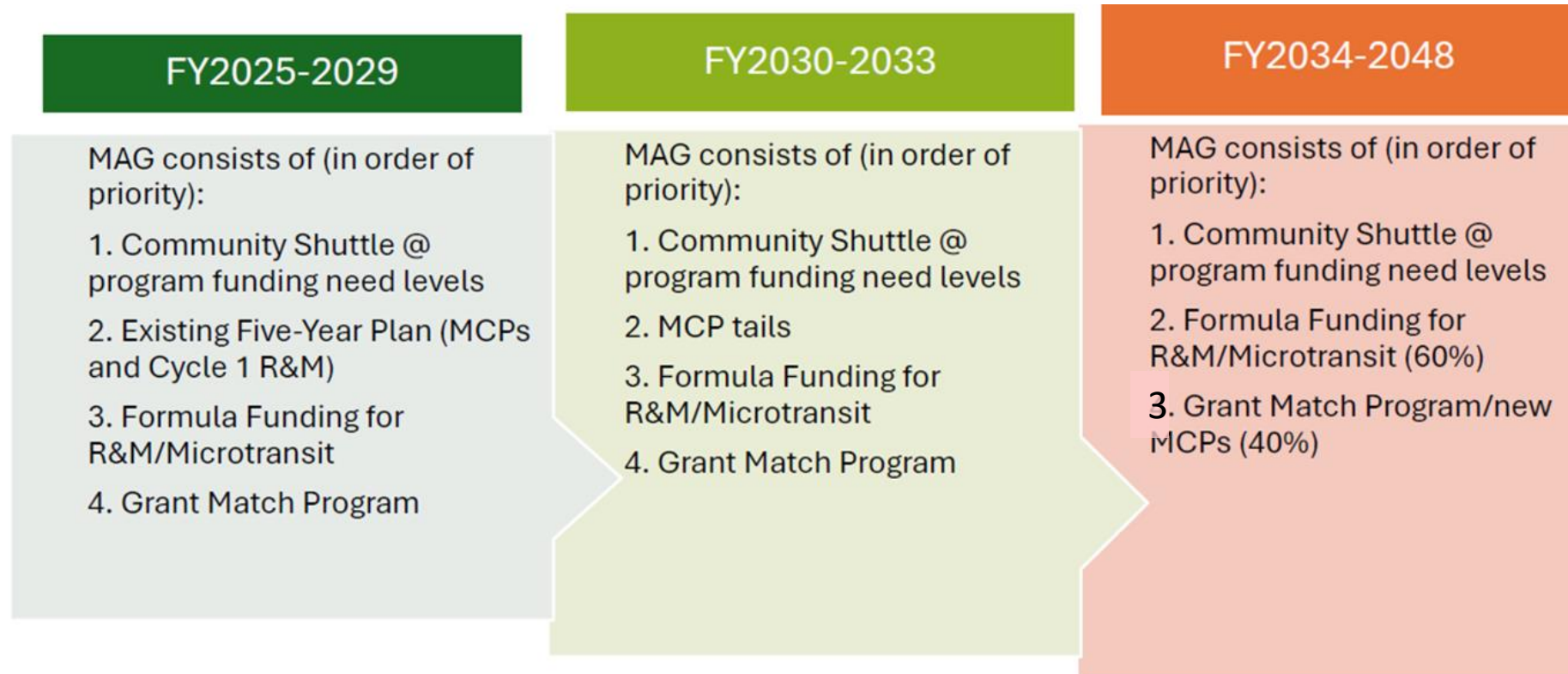
After the end of each fiscal year, if surtax revenues actually received by the County are more than projected, additional funding may be:

- (1) allocated by the County for Municipal Project Contingency on already-approved Municipal Capital Projects
- (2) rolled into the next Fiscal Year to increase formula-based or other funding to Participating Municipalities
- (3) used to increase formula-based funding in the current Fiscal Year, and/or
- (4) allocated to the Grant Match Program

If Transportation Surtax Proceeds actually received during a Fiscal Year are less than the estimate provided to the Municipalities by the County, the County Administrator may

- (1) reduce MAG/formula-based funding in the next Fiscal Year by the Differential
- (2) delay funding for Municipal Capital Projects until a future Fiscal Year, or
- (3) a combination of both

3rd Amendment Municipal Surtax Priority Timeline



Proposed Formula Distribution

- BCCMA proposed allocating a formula to each participating municipality based on centerline miles owned by the municipality (as reported annually to FDOT)
- BCCMA Surtax Subcommittee then asked County to propose a formula that took surtax funding **already received** by municipalities since 2020 (Cycle 1) into consideration (the “fairness” approach)
- County proposed modified centerline miles formula adjusts based on total value of surtax funds for MCPs, R&M, and Community Shuttle (FY2020-2024) (to be adjusted annually going forward) and median household income in each participating municipality
- BCCMA sent April letter maintaining its original support for a formula distribution based solely on the number of centerline miles under each participating municipality’s jurisdiction (adjusted annually)

Estimated Surtax Funding		\$30,000,000
Municipality	Distribution if based on Centerline Miles	Distribution if based on Centerline Miles + Modifiers*
Hillsboro Beach	\$3,578	\$9,302
Pembroke Park	\$70,837	\$170,008
Lauderdale-by-the-Sea	\$119,349	\$352,081
Parkland	\$208,933	\$334,293
Lighthouse Point	\$325,563	\$520,901
Southwest Ranches	\$485,841	\$777,345
Plantation	\$1,572,721	\$2,516,354
Lauderdale Lakes	\$314,830	\$503,729
Wilton Manors	\$336,296	\$386,741
Coconut Creek	\$343,451	\$394,969
Cooper City	\$536,929	\$429,543
Margate	\$723,323	\$1,157,317
Lauderhill	\$762,033	\$1,219,252
Tamarac	\$979,266	\$1,566,825
Pembroke Pines	\$3,361,888	\$3,866,172
West Park	\$368,852	\$479,508
Hallandale Beach	\$487,937	\$634,318
Dania Beach	\$667,333	\$867,533
Weston	\$720,840	\$360,420
Deerfield Beach	\$1,048,958	\$891,614
Sunrise	\$1,391,121	\$1,182,453
Coral Springs	\$1,617,799	\$808,900
North Lauderdale	\$386,383	\$444,340
Oakland Park	\$822,852	\$575,997
Davie	\$2,258,980	\$1,581,286
Hollywood	\$3,051,494	\$3,509,218
Fort Lauderdale	\$3,845,225	\$2,691,657
Miramar	\$1,189,587	\$654,273
Pompano Beach	\$1,997,800	\$1,098,790
TOTAL	\$30,000,000	\$29,985,139

Proposed Formula Distribution Options (cont.)

- Municipalities have option to use formula funding for surtax-eligible rehabilitation and maintenance projects and/or Micro-transit
- Municipalities *with no Community Shuttle and less than 1% of the total municipal centerline miles* may formally request to forego participation in all other surtax-funded programs and instead opt to receive enhanced annual R&M/Micro-transit funding
- Municipalities with existing Community Shuttle Programs may not terminate or reduce their services to add microtransit except with the prior written consent of the BCT Department Director and County Administrator, and such termination or reduction shall not be effective until any vehicles purchased by County or reimbursed to the Municipality have exceeded the minimum useful life expectancy under FTA regulations and guidelines
- Municipalities electing to use funds for Micro-transit understand their program is **not** part of the County's transit/transportation system and is an independent operation overseen by the Municipality

Micro-transit and R&M Projects

Using Transportation Surtax funding for **Micro-transit** will require a participating municipality to:

- annually provide County with contract with each micro-transit operator and a copy of their insurance certificate to represent and warrant that their micro-transit provider vehicles and drivers fully comply with all applicable law regarding transit services (e.g., ADA, FTA-required drug and alcohol testing, Florida laws, etc.)
- ensure Micro-transit operators maintain automobile business liability insurance (owned, hired, non-owned, scheduled) for at least \$1 million per occurrence for bodily injury and property damage

Municipal **Rehabilitation & Maintenance** projects:

- Intent is that annual R&M funding be used to supplement, not supplant, municipality's existing CIP budget for roadwork
- Municipality notifies MAP Administration of each proposed R&M project, anticipated start and completion dates, and other to track and report on project; scope must be detailed to perform eligibility and CBE goal review
- County reviews each proposed project and gives options (e.g., replacement project or delayed start date, etc.) if conflicts with another project (County/Municipal/FDOT) or other issues are identified
- Municipality may defer all/some of annual formula funding for up to 3 years with notice to MAP Administration. Longer deferrals up to 5 years are subject to County Administrator approval (for larger long-term R&M Projects)

MCP “tails”

- The Broward MPO Surtax Services Team reviews, ranks, and recommends MCPs every year (a “Cycle”); each Cycle builds a new year of a rolling municipal Five-Year Plan
- Three Cycle 3 projects recommended in a design phase, were not subsequently recommended for construction funding in Cycles 4 or 5 (FYs 2028 or 2029)
- Five Cycle 4 projects recommended in planning or design phases were not subsequently recommended for their next phase of funding in Cycles 4 or 5 (FYs 2028 or 2029)
- The eight MCPs that had not been recommended for construction funding by 2029 will be prioritized for funding in Cycles 6 through 10 (FYs 2030-2033); leaving what is expected to be adequate funding to accommodate formula-based R&M/M-T allocations each year
- Cycle 6 recommendations from the MPO were received April 15, 2025; five (5) projects were recommended for construction in the new fifth year (FY 2030) for a total value of \$33.3M

Grant Match Program

- County advises annually of available total GMP funding and per project maximum amount
- Municipality may submit an application providing details of the proposed project, including the federal/state appropriation or competitive grant program, budget details, etc.
- Every effort will be made to avoid competition (e.g., other municipal, County, State, or MPO applications) that could negatively impact the application
- Funding generally available on a first-come/first-served basis, subject to review and consideration given for those projects that are likely to result in a maximum leveraging of GMP funds towards state and/or federal funding as well as alignment of the project with the goals of the surtax program and the County Commission's strategic plan, as well as the amount of Transportation Surtax GMP funding previously received by the requesting Municipality
- Each Municipality only eligible to receive GMP funding for one project each Fiscal Year

Grant Match Program (FY 2025-2033)

- Municipality receiving funding through the program must contribute at least 25% of the local match from non-Transportation Surtax funding (e.g., municipal general fund, etc.)
- Joint municipal applications must identify a single Municipality as the lead fiscal agent for the grant initiative (all Municipalities jointly submitting for GMP funding must be parties to the ILA and collectively contribute at least the same amount as the surtax funding requested)
- Municipal contributions towards a GMP funding request may be waived or reduced upon written request to and approval by the County Administrator, based on factors including:
 - (i) the grant program requirements,
 - (ii) the municipality's proportion of total County population,
 - (iii) property tax revenues generated,
 - (iv) sales tax revenues generated,
 - (v) median household income in the last year in which validated demographic data is available, and
 - (vi) most recent independent comprehensive financial audit available for the requesting municipality
- GMP funds encumbered upon approval of GMP application and grant application submission

Grant Match Program (FY 2034-2048)

- Grant Match Program operates in similar fashion as it did for FY 2025-2033
- Starting in March of each year, County will review award statuses for all previously approved GMP requests and cancel ones when grant/appropriation was awarded to another applicant, the Municipality's project was selected but the award level is insufficient to allow it to move forward without additional (and unavailable) local funds from the Municipality, or the state/federal program ends without providing award
- Any funds that become unencumbered from cancellations will be made available to Municipalities for new Municipal Capital Projects or put back into GMP.
- Municipalities will have 45 days to submit applications for funding for their new Municipal Capital Projects. After review by MAP Administration, Eligible Municipal Projects will be submitted to the BCCMA for evaluation, ranking, and recommendation
- Recommended projects will then be brought to the Oversight Board for review and then placed under Surtax Funding Agreement (similar to current process for MCPs) using a new Surtax Funding Agreement

Treatment of Cycle 1 Projects under Restated ILA

- Remaining Cycle 1 Projects not under Surtax Funding Agreements may be terminated by MAP Administration 90 days after the 3rd Amendment's Effective Date
- Subject to ordinance change, Municipality may seek review of termination by the Oversight Board (whose decision is final) for a one-time additional 90-day extension
- Cycle 1 Projects that a Municipality has already completed with non-Transportation Surtax funds are subject to immediate termination after Effective Date
- Funding encumbered/allocated for Cycle 1 Projects that are terminated will be reallocated by the County Administrator to other other municipal projects by:
 1. An increase in annual formula-based funding in the current fiscal year,
 2. Rolling forward the funds for Eligible Municipal Projects in the next fiscal year, and/or
 3. Allocation to the Grant Match Program

Miscellaneous 3rd Amendment Elements of Note

- Formula-based funding in each Fiscal Year may be fully advanced upon request to a Municipality after their R&M project(s) are approved
- Budgeted/appropriated funds for a MCP may be reallocated to another phase of the project (e.g., design to construction, etc.), provided the overall surtax project funding will not change and subject to approval after review and evaluation of the request
- MCP funding under a Surtax Funding Agreement less than \$500,000 can either be advanced or paid per a funding schedule to Municipality after the project has been approved by County (higher MCP funding paid per funding schedule)
- Advanced funding is subject to repayment/set off from future funding allocations if funds are not utilized in accordance with the Surtax Funding Agreement
- Only design and construction phases are eligible for MCP funding
- County continues to have the right to: cancel MCPs under a Surtax Funding Agreement, deviate from project rankings, or accelerate or subordinate projects
- County may cancel MCPs if not construction-ready for planned Fiscal Year or the Municipality has not entered into a Surtax Funding Agreement for the project within 180 days after funding is appropriated by the County Commission and all prior phases and County reviews/approvals are completed and communicated to the Municipality
- County termination of MCPs subject to 90-day extension by Oversight Board (similar process to extension for cancellation of Cycle 1 Projects)

In Summary-3rd Amendment

Intended to:

- Increase simplicity and fairness to access surtax funds
- Retain transparency & accountability for overall surtax program
- Use a formula distribution for certain aspects of municipal surtax program
- Offer avenue for municipalities to use surtax funds for Micro-transit
- Increase opportunities to leverage surtax funds via the Grant Match Program
- Improve efficiencies of existing program
- Establish greater municipal control and flexibility in their use of surtax funds
- Assure every participating municipality receives surtax funding every fiscal year
- Revise Oversight Board role to focus on program oversight activities (requires ordinance amendment)

Q&A

