

APPENDIX D

***2035 Forecast of State and Federal Revenues
for Statewide and Metropolitan Plans***

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**APPENDIX FOR THE POLK METROPOLITAN AREA LONG
RANGE PLAN UPDATE**

**2035 Forecast of State and Federal Revenues
for Statewide and Metropolitan Plans**

APPENDIX FOR THE METROPOLITAN LONG RANGE PLAN

2035 Forecast of State and Federal Revenues for Statewide and Metropolitan Plans

Overview

This appendix documents the current Florida Department of Transportation (FDOT) state and federal transportation revenue forecast through 2035. Funding estimates for major state programs for this metropolitan area and Florida are included. The forecast is based upon recent federal and state legislation, changes in factors affecting state revenue sources, and current policies. This information will be used for the updates of metropolitan long range transportation plans, the Florida Transportation Plan and the Strategic Intermodal System (SIS) Highways Cost Feasible Plan.

Background

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), the Transportation Equity Act for the 21st Century (TEA-21) enacted in 1998, and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) enacted in 2005 have provided the impetus to enhance the cooperative relationship between FDOT and metropolitan planning organizations (MPOs) in planning for and providing transportation facilities and services. The 2025 Florida Transportation Plan (FTP), developed with the assistance of Florida's 26 MPOs and other transportation partners, established long range goals and program emphases for the expenditure of state and federal funds expected from current revenue sources. The Department developed a long range revenue forecast through 2035. The forecast was based upon recent federal and state legislation (e.g., SAFETEA-LU, Florida's 2005 Growth Management legislation), changes in factors affecting state revenue sources (e.g., population growth rates) and current policies. This information is being used for updates of metropolitan plans and the SIS Highways Cost Feasible Plan.

This 2035 forecast incorporates (1) amounts contained in the Department's Work Program for 2009 through 2013, (2) the impact of the Department's objectives and investment policies, and (3) the current Statutory Formula (equal parts of population and motor fuel tax collections) for distribution of certain program funds, and expresses the estimates in year of expenditure dollars.

Intent

This appendix is intended to provide the public and interested parties with clear documentation of the state and federal financial issues related to each MPO plan and to facilitate reconciliation of statewide and metropolitan plans. This appendix does not address financial issues related to funds that do not "flow through" the state work program. Information on financial issues related to local and regional revenue sources – what those resources are and how the metropolitan areas plan to spend them – is contained in other documentation of the metropolitan plan.

This appendix describes how the statewide 2035 Revenue Forecast was developed. Also, metropolitan estimates are identified for certain major FDOT programs that expand the capacity of existing transportation systems, and are referred to as "capacity programs." "Metropolitan estimates" are the share of the state capacity programs that are planned for this metropolitan area. They can be used to fund planned improvements to major elements of the transportation system.

This appendix also includes estimates of funds required for other FDOT programs designed to support, operate, and maintain the state transportation system. The FDOT has set aside sufficient funds in the 2035 Revenue Forecast for these programs, referred to as “non-capacity programs” in this document, to meet statewide objectives and program needs in all metropolitan and non-metropolitan areas. Funding for these programs is not included in the metropolitan estimates.

2035 Revenue Forecast (State and Federal Funds)

The 2035 Revenue Forecast is the result of a three-step process:

1. State and federal revenues from current sources were estimated.
2. Those revenues were then distributed among statewide capacity and non-capacity programs in concert with statewide priorities.
3. Estimates for certain capacity programs were developed for each of Florida’s 26 metropolitan areas.

Forecast of State and Federal Revenues

The 2035 Revenue Forecast includes program estimates for the expenditure of state and federal funds expected from current revenue sources (i.e., new revenue sources were not added). The forecast estimated revenues from federal, state, and Turnpike sources that are included in the Department’s 5-Year Work Program. The forecast did not estimate revenue from other sources (i.e., local government/authority taxes, fees, and bond proceeds; private sector participation; and innovative finance sources). Estimates of state revenue sources were based on estimates prepared by the State Revenue Estimating Conference in March 2008 for state fiscal years 2009 through 2018. Estimates of federal revenue sources were based on the Department’s Federal Aid Forecast for the same fiscal years. Assumptions about revenue growth were as follows:

Revenue Sources	Years	Assumptions
State Fuel Taxes	2009-2018	Florida Revenue Estimating Conference Estimates
	2019-2035	Annual 3.84% increase in 2019, gradually decreasing to 1.89% in 2035
State Tourism-Driven Sources (Rental Car Surcharge, Aviation Fuel Tax)	2009-2018	Florida Revenue Estimating Conference Estimates
	2019-2035	Annual 1.86% increase in 2019, gradually decreasing to 1.46% in 2035
State Vehicle-Related Taxes (Vehicle License, Initial Registration, and Incremental Title fees)	2009-2018	Florida Revenue Estimating Conference Estimates
	2019-2035	Annual 2.39% increase in 2019, gradually decreasing to 1.83% in 2035
Federal Distributions (Total Obligating Authority)	2009-2018	FDOT Federal Aid Forecast
	2019-2035	Annual 1.22% increase in 2019, gradually decreasing to 0.00% in 2031 and beyond
Turnpike	2009-2018	Existing and programmed projects, cap on outstanding debt, and planned toll increases on expansion projects

Revenue forecasts by FDOT typically estimate the value of money at the time it will be collected (e.g., 2020) and reflect future growth in revenue and inflation, sometimes referred to as “current” or “year of expenditure” dollars. Unlike previous long range revenue forecasts by FDOT for statewide and metropolitan plans, the 2035 Revenue Forecast is expressed in “year of expenditure” dollars. A summary of the forecast of state, federal and Turnpike revenues is shown in Table 1. The *2035 Revenue Forecast Handbook* contains inflation factors that can be used to adjust project costs expressed in “present day cost” to “year of expenditure” dollars.

Table 1
Forecast of Revenues
2035 Revenue Forecast (Millions of Dollars)

Major Revenue Sources	Time Period						27-Year Total ² 2009-2035
	2009-10 ¹	2011-15 ¹	2016-20	2021-25	2026-30	2031-35	
Federal ³	4,984 26%	9,914 27%	10,137 26%	10,836 25%	11,417 24%	11,912 23%	59,200 25%
State	11,502 61%	23,964 65%	25,431 66%	28,530 66%	31,978 67%	35,531 68%	156,936 66%
Turnpike	2,365 13%	3,237 9%	3,027 8%	4,149 10%	4,515 9%	4,921 9%	22,214 9%
Total²	18,852	37,114	38,594	43,514	47,910	52,365	238,350

¹ Based on the FDOT July 1, 2008 Adopted Work Program for 2009 through 2013.

² Columns and rows sometimes do not equal the totals due to rounding.

³ Federal revenues also include state dollars used to match federal aid.

Estimates for State Programs

Long range revenue forecasts assist in determining which needed transportation improvements are financially feasible and in identifying funding priorities. As directed by FDOT policy, the Department places primary emphasis on safety and preservation by first providing adequate funding in the Revenue Forecast to meet established goals and objectives in these important areas. Remaining funding has been planned for new or expanded statewide, metropolitan/regional, and local facilities and services (i.e., capacity programs). As Florida moves into the 21st Century, safety and preservation will continue to be emphasized.

The 2035 Revenue Forecast includes the program funding levels contained in the July 1, 2008 Adopted Work Program for 2009 through 2013. The forecast of funding levels for FDOT programs for 2014-2035 was developed based on the Program and Resource Plan (PRP) for fiscal years 2009-2017. The remainder of this Appendix provides forecast information for “Capacity,” “Non-Capacity,” and “Other” state programs. The information is consistent with “Financial Guidelines for MPO Long Range Plans” adopted by the Metropolitan Planning Organization Advisory Council in October 2007, as amended in October 2008.

Capacity Programs

Capacity programs include each major FDOT program that expands the capacity of existing transportation systems (e.g., highways, transit). Table 2 includes a brief description of each major capacity program and the linkage to the program categories used in the PRP.

Statewide Forecast for Capacity Programs

Table 3 identifies the statewide estimates for capacity programs in the 2035 Revenue Forecast in year of expenditure dollars. About \$238 billion is forecast for the entire state transportation program from 2009 through 2035; about \$108 billion (45%) is forecast for capacity programs.

Metropolitan Forecast for Capacity Programs

As the first step in preparing metropolitan estimates, the Department prepared district and metropolitan estimates for the capacity programs from the statewide forecast consistent with provisions in state and federal law. Pursuant to federal law, transportation management area (TMA) funds were distributed based on 2000 population. District estimates for the following programs were developed using the current statutory formula¹: other arterials construction/right-of-way (net of TMA funds); enhancements; and the transit program.

Estimates for SIS/FIHS Construction and ROW were based on the SIS Long Range Highway Capacity Plan dated January 2010. Because of the evolving nature of the SIS, estimates for the Rail, Aviation, Seaports and Intermodal Access programs will not be available until a SIS Cost Feasible Plan for all SIS modes is completed.

FDOT districts developed the metropolitan estimates consistent with district shares of the statewide forecast, adjusted as needed to account for issues such as metropolitan area boundaries (e.g., differences between metropolitan area boundaries and county boundaries). The estimates for this metropolitan area are included in Table 4 in year of expenditure dollars.

Senate Bill 360 (Chapter 2005-290, Laws of Florida) established recurring appropriations to several major state transportation programs in 2005. Annually, \$541.75 million was to be appropriated from proceeds from the Documentary Stamp Tax². These funds are distributed – according to formulas defined in Senate Bill 360 – to the SIS, the Transportation Regional Incentive Program (TRIP), the New Starts Transit Program, and the Small County Outreach Program. The 2035 Revenue Forecast contains estimates of Growth Management funds not included in an Adopted Work Program. Because some MPOs may desire to include projects partially funded by the TRIP and/or New Starts programs in their long range plans as “illustrative projects,” the Department provided separate estimates of these funds. Districtwide estimates of TRIP funds are included in Table 5. Statewide estimates of New Starts Funds are included in Table 6.

For information purposes only, estimates of Enhancement Funds are shown in Table 7. These funds are included in the estimates for Other Arterials Construction & ROW in Table 4.

¹ The statutory formula is based on 50% population and 50% motor fuel tax collections.

² Subsequent to the 2035 Revenue Forecast, 2008 Legislation altered the formula for transportation revenues from Documentary Stamp Tax proceeds from \$541.75 million annually to a percentage of Documentary Stamp Tax proceeds with an annual cap of \$541.75 million. This change is not reflected in the 2035 Revenue Forecast.

TABLE 2
Major Capacity Programs Included in the 2035 Revenue Forecast
and Corresponding Program Categories in the Program and Resource Plan (PRP)

2035 Revenue Forecast Programs	PRP Program Categories
<u>SIS/Florida Intrastate Highway System (FIHS) Construction/ROW</u> – Construction, improvements, and associated right of way on the Strategic Intermodal System and the Intrastate Highway System (e.g., Interstate, the Turnpike, other toll roads, and other facilities designed to serve interstate and regional commerce including SIS Connectors).	Interstate Construction Turnpike Construction Other SIS/Intrastate Construction Toll Facilities Revolving Trust Fund SIS/Intrastate Right of Way SIS/Intrastate Advance Corridor Acquisition
<u>Other Arterial Construction/ROW</u> – Construction, improvements, and associated right of way on State Highway System roadways not designated as part of the SIS or FIHS. The program also includes funding for the Economic Development program, the County Incentive Grant Program, and the Small County Outreach Program.	Traffic Operations Construction County Transportation Programs Economic Development Other Arterial & Bridge Right of Way Other Arterial Advance Corridor Acquisition
<u>Aviation</u> – Financial and technical assistance to Florida’s airports in the areas of safety, capacity improvements, land acquisition, planning, economic development, and preservation.	Airport Improvement Land Acquisition Planning Discretionary Capacity Improvements
<u>Transit</u> – Technical and operating/capital assistance to transit, paratransit, and ridesharing systems.	Transit Systems Transportation Disadvantaged – Department Transportation Disadvantaged – Commission Other Block Grants New Starts Transit
<u>Rail</u> – 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.	Fixed Guideway Passenger Service Rail/Highway Crossings Rail Capacity Improvement/Rehabilitation
<u>Intermodal Access</u> – Improving access to intermodal facilities and acquisition of associated rights of way.	Intermodal Access
<u>Seaport Development</u> – Funding for development of eligible ports, including such projects as land acquisition, dredging, construction of storage facilities and terminals, and acquisition of container cranes and other equipment used in moving cargo and passengers.	Seaport Development
<u>Growth Management</u> – Improving access to intermodal facilities and acquisition of associated rights of way.	No Subprograms; Total Growth Management Funds not in Adopted Work Programs by July 1, 2008.

Table 3
Statewide Capacity Program Estimates
State and Federal Funds from the 2035 Revenue Forecast (Millions of Dollars)

Major Programs	5-Year Period (Fiscal Years)						27-Year Total ²
	2009-10 ¹	2011-15 ¹	2016-20	2021-25	2026-30	2031-35	2009-2035
SIS/FIHS Construction & ROW	4,892	8,444	7,306	8,473	9,218	9,816	48,149
Other Arterials Construction & ROW	2,684	3,901	3,503	3,885	4,142	4,453	22,568
Aviation	428	711	745	868	991	1,107	4,850
Transit	970	1,736	1,504	1,692	1,889	2,067	9,859
Rail	647	815	688	788	895	995	4,829
Intermodal Access	189	186	230	266	302	335	1,508
Seaport Development	106	243	228	265	302	338	1,482
Growth Management ³	0	1,730	3,493	3,285	3,285	3,285	15,077
Total Capacity Programs	9,916	17,768	17,698	19,521	21,024	22,395	108,322
Statewide Total Forecast	18,852	37,115	38,594	43,514	47,910	52,365	238,350

¹ Based on the FDOT July 1, 2008 Adopted Work Program for 2009 through 2013.

² Columns and rows sometimes do not equal the totals due to rounding.

³ Growth Management funds not programmed in FDOT Work Programs as of July 1, 2008.

⁴ "Other" is primarily for debt service.

Table 4
Metropolitan Area Capacity Program Estimates
State and Federal Funds from the 2035 Revenue Forecast (Millions of Dollars)

Estimates for Polk Metropolitan Area

Capacity Programs*	5-Year Period (Fiscal Years)					22-Year Total
	2014-2015	2016-20	2021-25	2026-30	2031-35	2014-2035
SIS Highways/FIHS Construction & ROW	N/A	\$56.2	\$159.3	\$0.0	\$148.0	\$363.5
Other Arterials Construction & ROW	\$28.7	\$87.7	\$98.4	\$105.7	\$115.4	\$435.9
Transit	\$17.7	\$47.9	\$53.9	\$60.1	\$65.8	\$245.4
Aviation	N/A	N/A	N/A	N/A	N/A	N/A
Rail	N/A	N/A	N/A	N/A	N/A	N/A
Seaports	N/A	N/A	N/A	N/A	N/A	N/A
Intermodal Access	N/A	N/A	N/A	N/A	N/A	N/A
Total Capacity Programs	\$46.4	\$191.8	\$311.6	\$165.8	\$329.2	\$1,044.8

* Notes:

- Estimates for 2009 through 2015 are contained in the Adopted Work Program.
- Information on projects and revenue estimates for Aviation, Rail, Seaports and Intermodal Access will be provided upon completion of the Strategic Intermodal System (SIS) Cost Feasible Plan.
- Source for SIS Highways/FIHS Construction & ROW: SIS Long Range Highway Capacity Plan (FY 2015-FY 2035). Time period adjustments for Table 4: 2016-20 = FY 2015-2019, 2021-25 = FY 2020-2025.

**Table 5
Districtwide Transportation Regional Incentive Program Estimates
State Funds from the 2035 Revenue Forecast (Millions of Dollars)**

FDOT District	5-Year Period (Fiscal Years)					22-Year Total ²
	2014-15 ¹	2016-20	2021-25	2026-30	2031-35	2014-2035
District 1	38	83	81	81	81	363
District 2	30	67	65	65	65	292
District 3	21	47	45	45	45	205
District 4	50	111	108	108	108	485
District 5	55	121	117	117	117	525
District 6	35	77	74	74	74	335
District 7	40	89	86	86	86	387
Statewide Total Forecast	270	595	576	576	576	2,592

¹ TRIP Funds are included in the FDOT July 1, 2008 Adopted Work Program for 2009 through 2013 in the statewide program categories in which they have been programmed (e.g., Other Arterials Construction & ROW, Transit); amounts in this table are for 2014 and beyond.

² Columns and rows sometimes do not equal the totals due to rounding.

**Table 6
Statewide New Starts Program Estimates
State Funds from the 2035 Revenue Forecast (Millions of Dollars)**

Statewide Program	5-Year Period (Fiscal Years)					22-Year Total ²
	2014-15 ¹	2016-20	2021-25	2026-30	2031-35	2014-2035
Statewide Total Forecast	150	292	271	271	271	1,254

¹ New Starts Funds are included in the FDOT July 1, 2008 Adopted Work Program for 2009 through 2013 in the Transit Program; amounts in this table are for 2014 and beyond.

² Rows sometimes do not equal the totals due to rounding.

**Table 7
Enhancement Funds¹ Estimates
State and Federal Funds from the 2035 Revenue Forecast (Millions of Dollars)**

Polk Metropolitan Area	5-Year Period (Fiscal Years)					22-Year Total ³
	2014-15 ²	2016-20	2021-25	2026-30	2031-35	2014-2035
Enhancement Funds	\$1.2	\$3.0	\$3.0	\$3.0	\$3.0	\$13.2

¹ For information purposes only; these estimates are included in estimates for Other Arterials & ROW in Table 4.

² Enhancement Funds are included in the FDOT July 1, 2008 Adopted Work Program for 2009 through 2013; amounts in this table are for 2014 and beyond.

³ Rows sometimes do not equal the totals due to rounding.

Non-Capacity Programs

Non-capacity programs refer to FDOT programs designed to support, operate and maintain the state highway system: safety, resurfacing, bridge, product support, operations and maintenance, and administration. Table 8 includes a description of each non-capacity program and the linkage to the program categories used in the Program and Resource Plan.

Metropolitan estimates have not been developed for these programs. Instead, the FDOT has included sufficient funding in the 2035 Revenue Forecast to meet the following statewide objectives:

- **Resurfacing program:** Ensure that 80% of state highway system pavement meets Department standards;
- **Bridge program:** Ensure that 90% of FDOT-maintained bridges meet Department standards while keeping all FDOT-maintained bridges open to the public safe;
- **Operations and maintenance program:** Achieve 100% of acceptable maintenance condition standard on the state highway system;
- **Product Support:** Reserve funds for Product Support required to construct improvements (funded with the forecast's capacity funds) in each district and metropolitan area; and
- **Administration:** Administer the state transportation program.

The Department has reserved funds in the 2035 Revenue Forecast to carry out its responsibilities and achieve its objectives for the non-capacity programs on the state highway system in each district and metropolitan area. Table 9 identifies the statewide estimates for non-capacity programs. About \$120 billion (50% of total revenues) is forecast for the non-capacity programs.

Other

The Department is responsible for 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. About \$10 billion (4% of total revenues) is forecast for these expenditures. These funds are not available for statewide or metropolitan system plans.

TABLE 8
Major Non-Capacity Programs Included in the 2035 Revenue Forecast
and Corresponding Program Categories in the Program and Resource Plan (PRP)

2035 Revenue Forecast Programs	PRP Program Categories
<u>Safety</u> - Includes the Highway Safety Improvement Program, the Traffic Safety Grant Program, Bicycle/Pedestrian Safety activities, the Industrial Safety Program, and general safety issues on a Department-wide basis.	Highway Safety Grants
<u>Resurfacing</u> - Resurfacing of pavements on the State Highway System and local roads as provided by state law.	Interstate Arterial and Freeway Off-System Turnpike
<u>Bridge</u> - Repair and replace deficient bridges on the state highway system. In addition, 15% of federal bridge funds must be expended off the federal highway system (i.e., on local government bridges not on the state highway system).	Repair - On System Replace - On System Local Bridge Replacement Turnpike
<u>Product Support</u> - Planning and engineering activities required to “produce” the Department’s products and services (i.e., Capacity, Safety, Resurfacing, and Bridge programs).	Preliminary Engineering Construction Engineering Inspection Right of Way Support Environmental Mitigation Materials & Research Planning Public Transportation Operations
<u>Operations & Maintenance</u> - Activities to support and maintain transportation infrastructure once it is constructed and in place.	Routine Maintenance Traffic Engineering Toll Operations Motor Carrier Compliance
<u>Administration</u> - 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).	Administration Fixed Capital Outlay

Table 9
Statewide Non-Capacity Program Estimates
State and Federal Funds from the 2035 Revenue Forecast (Millions of Dollars)

Major Programs	5-Year Period (Fiscal Years)						27-Year Total ²
	2009-10 ¹	2011-15 ¹	2016-20	2021-25	2026-30	2031-35	2009-2035
Safety	252	531	580	613	631	635	3,242
Resurfacing	2,136	4,473	4,368	5,015	5,481	5,912	27,383
Bridge	735	1,188	1,013	1,132	1,241	1,334	6,644
Product Support	2,961	5,707	5,863	6,784	7,787	8,821	37,923
Operations and Maintenance	2,025	4,937	5,868	6,962	7,955	9,076	36,823
Administration	330	942	1,201	1,446	1,737	2,084	7,740
Total Non-Capacity Programs	8,440	17,776	18,892	21,952	24,833	27,863	119,756
Other³	495	1,571	2,004	2,042	2,053	2,106	10,272
Statewide Total Forecast	18,852	37,115	38,594	43,514	47,910	52,365	238,350

¹ Based on the FDOT July 1, 2008 Adopted Work Program for 2009 through 2013.

² Columns and rows sometimes do not equal the totals due to rounding.

³ "Other" is primarily for debt service.