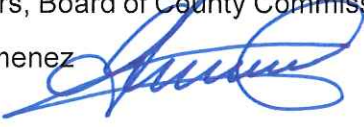


Memorandum



Date: July 14, 2017

To: Honorable Chairman Esteban Bovo, Jr.
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Rapid Transit Corridor Conceptual Financial Plan Proposal

It has been nearly 15 years since the People's Transportation Plan (PTP) and the PTP Surtax was approved by the voters of Miami-Dade County. A number of rapid transit corridors were promised as part of the original PTP, along with expansion of the bus service existing at the time. Initially, bus revenue miles were nearly doubled and eventually the \$500 million Metrorail extension to the Miami Intermodal Center (MIC) was completed. The South Dade Busway was extended to Florida City. PTP Surtax revenues allowed \$487 million of public works projects to be accomplished by the County. Municipalities received \$584 million allowing for municipal roadway projects and for many municipalities to initiate circulator service utilizing their PTP revenues to enhance public transportation for their residents. However, the initial cost and revenue projections for the rapid transit corridors – including Federal funding support – did not materialize and the promised corridors have not been completed.

Last year, a plan was proposed for the development of six rapid transit corridors – as part of the Strategic Miami Area Rapid Transit (SMART) plan - and my staff, along with the Transportation Planning Organization (TPO), Florida Department of Transportation (FDOT), Miami-Dade Expressway Authority (MDX), the Citizens' Independent Transportation Trust (CITT) and other partners have been working together to develop a strategy to accomplish the goals of the SMART Plan. Already, Phase 3 of the Automated Traffic Management System (ATMS) has been initiated. Project Development and Environment (PD&E) studies have been funded for all six corridors of the SMART Plan. We are now working on the next objective, which is to begin corridor development.

The SMART Plan calls for six rapid transit corridors: Beach, East/West, Kendall, North, Northeast, and South. If we follow a non-traditional process for developing revenue options and utilize support from our partners, we may be able to initiate service on all six corridors. This service would be an initial phase, with expansion as ridership develops on each corridor and PD&E studies determine the appropriate technology to provide appropriate transportation options.

The revenues and expenditures that are tracked through the multi-year PTP Pro-forma have proven to be quite volatile. The past three years have seen an unprecedented reduction in farebox revenues due to reduced system ridership and a weakening in PTP surtax collections that has led to difficult decisions to reduce current service in order to keep the system funded.

At its June meeting, the TPO approved a Transportation Improvement Plan (TIP) which included "flexing" approximately 70 percent of future FDOT Federal Highway grants to fund eligible transit capital projects under the Federal Transit Administration's 5307 Preventative Maintenance Program which are currently slated to be paid by County PTP surtax revenues. The released PTP surtax revenues can serve as a match for FDOT capital grants, and are eligible for up to a 50 percent match from FDOT towards specific projects. MDX has also come forward with a proposal to develop and operate an initial phase for the East/West rapid transit corridor along SR 836. And coming out of the ground between the Government Center and Overtown Metrorail stations is the Miami Central Station which will connect the coastal – or Northeast – corridor of existing at grade rail tracks to Downtown Miami.

Based on current projections of available revenues (which assumes "flexing" of Federal Highway grants and a 50 percent match of FDOT grants, both for transit capital projects) and required expenditures in the PTP Proforma, the County may initiate rapid transit service on both the North and South corridors within the next three years, assuming expedited reviews and approvals by appropriate regulatory

agencies. As early as FY 2022-23, we can also provide a subsidy for rail service on the Northeast Corridor to be operated by the South Florida Regional Transportation Authority (SFRTA) or Brightline (this funding may be advanced, if necessary). MDX will provide the East/West corridor service as their on-going construction permits.

Although these projects are eligible for a 50 percent match from FDOT, FDOT traditionally anticipates that their participation in a project would be 50 percent of the non-federal share meaning that FTA would fund half of the capital cost of the project while both the locals and FDOT would each fund 25 percent of the capital cost. Given the uncertainty regarding federal funding and the importance of improving mobility in Miami-Dade County, it is important we work closely with the State to pursue the 50 percent eligibility so that projects would be funded 50 percent locally and 50 percent by the State. Obviously any federal funding capital grants that could be attained in the future would help leverage local and state dollars so that more options can be implemented.

Proposed Conceptual Financial Plan

Current service would be funded primarily by extraordinary increases in General Fund support, beyond the Maintenance of Effort (MOE) in the first six years. By utilizing the "flexed" highway funding to support our bus replacement program, we release enough PTP surtax revenue that, when matched at 50 percent by FDOT, will fund the \$534 million in capital needed to acquire the right-of-way and prepare the North and South corridors to start rapid transit service initially utilizing rubber-tired vehicles, at grade, on dedicated lanes from Florida City to the Metrorail station at Dadeland South and from the Dr. Martin Luther King Jr. Plaza Metrorail Station north to the county line. Express service would be implemented utilizing adaptive signal technology. This service can be fully funded – both capital requirements and ongoing operating and maintenance (O&M), including mid-life rehabilitation and replacement – within currently available revenues. Funding is also available to contribute towards operating commuter rail service along the Northeast corridor.

The next phases of SMART Plan development, however, would require additional funding not currently dedicated to transportation. The following details the next phase possibilities, the incremental capital and ongoing O&M cost in current dollars, and potential sources of funding. These estimates are based on the best information we have concerning construction costs and the future costs to operate the system and replace the equipment. In order to draw down federal or state funding, we must be able to show the ability to fund O&M for the expanded service. Please note that the use of FTA capital grant funding on any project will likely add at least two years to the timeline of that project given the time needed to go through the New or Small Starts process and the additional federal approvals and oversight that are required.

- Rail at grade on North and South corridors to the minimal operating segment (MOS) (Miami-Dade College along the North Corridor and SW 200 Street along the South corridor) connecting to rapid transit service on dedicated lanes to the end of the corridors
 - Incremental Capital cost: approximately \$409 million (total project cost \$943 million)
 - Incremental O&M cost: approximately \$17.2 million per year
 - Incremental Future Renewal and Replacement cost: approximately \$56.8 million for rail component and for rapid transit service vehicle component
 - Potential partner(s): Federal support
- Rail at grade to the end of the North corridor (beyond MOS described above) and rail to the MOS with connecting to rapid transit service on dedicated lanes to the end of the South corridors
 - Incremental Capital cost: approximately \$770 million (total project cost \$1.304 billion)
 - Incremental O&M cost: approximately \$12.7 million
 - Incremental Future Renewal and Replacement cost: approximately \$112.3 million
 - Potential partner(s): Federal support and FDOT

- Rail at grade to the end of the North and South corridors
 - Incremental Capital cost: approximately \$1.035 billion (total project cost \$1.569 billion)
 - Incremental O&M cost: approximately \$22.6 million per year
 - Incremental Future Renewal and Replacement cost: approximately \$179.5 million
 - Potential partner(s): Federal support and FDOT
- Kendall Corridor rapid transit service on dedicated lanes
 - Incremental Capital cost: approximately \$216 million in total
 - Incremental O&M cost: approximately \$1.8 million per year
 - Incremental Future Renewal and Replacement cost: approximately \$45.1 million
 - Potential partner(s): FDOT
- Beach Corridor rapid transit service on dedicated lanes
 - Incremental Capital cost: approximately \$156 million in total
 - Incremental O&M cost: approximately \$2.4 million per year
 - Incremental Future Renewal and Replacement cost: approximately \$25.3 million
 - Potential partner(s): FDOT, local developers and municipalities
- Beach Corridor with Metromover extension to 5th Street and Alton Road
 - Incremental Capital cost: approximately \$463 million in total
 - Incremental O&M cost: approximately \$5.1 million per year
 - Incremental Future Renewal and Replacement cost: approximately \$210.2 million
 - Potential partner(s): Federal support, FDOT, local developers and municipalities

This is an important milestone for Miami-Dade County. Never before has a plan for implementation of corridors been made possible through existing local funding. While the service to be provided may only be the first phase of rapid transit service, as ridership develops, newer technologies are created, and funding partners identified, the promise of the People's Transportation Plan and the SMART Plan may be achieved. This responsible and sustainable plan is critical to the future of Miami-Dade County. It promotes expansion while preserving the ability not only to operate the proposed expansion, but also to maintain other services critical to the community.

c: Abigail Price-Williams, County Attorney
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