



TRANSIT REVENUES AND FUNDING OPTIONS

The first section of this chapter describes the sources of existing public transportation funding appropriated in Sarasota and Manatee Counties. The second section identifies potential alternative funding opportunities.

SOURCES OF EXISTING FUNDING

Sources of existing funding are described below by capital and operating fund categories and compared to a range of peer communities in the State of Florida. All transportation capital and operating funds are then disaggregated by federal, state and local levels in Table 7.

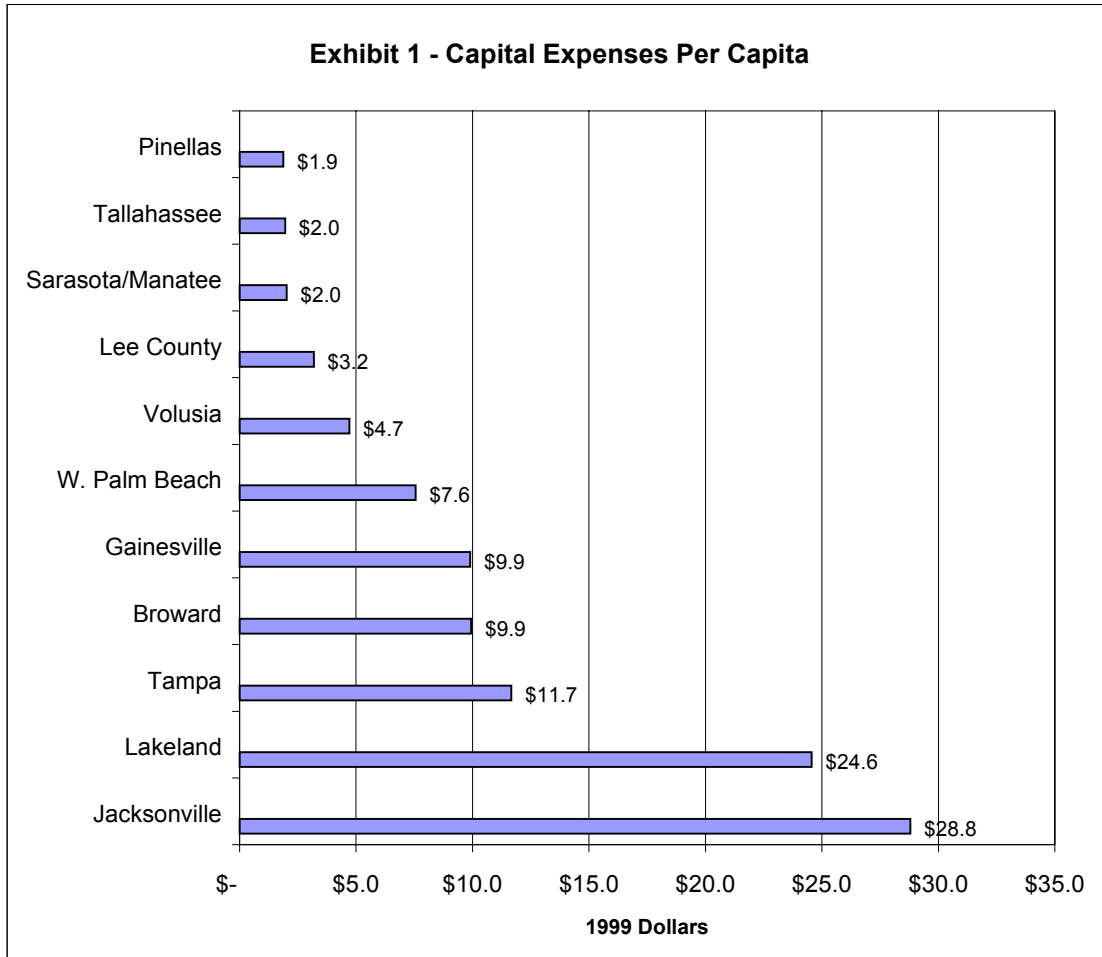
Capital Costs

Transit capital projects are funded through a combination of federal, state and local sources. Sarasota and Manatee Counties currently receive capital funding each year from Federal Transit Administration (FTA) based on a population formula known as Section 5307.

The Capital expenses “per capita” performance indicator measures the amount of a transit agency’s capital investment per person within the service area containing that transit agency and its related transit services. Capital expenses include investments in transit vehicles, operations/maintenance facilities and other capital projects required on an annual basis, to keep the system in a state of good repair, expand service (when applicable) and deliver scheduled public transit service. Capita represents the population for the service area as defined by the regional Metropolitan Planning Organization (MPO). FY 1999 capital expenses per capita in Sarasota/Manatee Counties are compared to other Florida counties below in Exhibit 1.



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Transit Agency	Population	Square Miles	Capital Expenses	Operating Expenses	Capital Expense per Capita
Jacksonville	834,337	242	\$ 24,025,741	\$ 33,380,387	\$ 28.8
Lakeland	110,000	77	\$ 2,701,410	\$ 3,770,523	\$ 24.6
Tampa	922,100	273	\$ 10,750,043	\$ 25,238,390	\$ 11.7
Broward	1,337,000	410	\$ 13,291,471	\$ 60,942,275	\$ 9.9
Gainesville	140,000	73	\$ 1,385,521	\$ 6,812,710	\$ 9.9
W. Palm Beach	956,629	382	\$ 7,222,975	\$ 33,134,119	\$ 7.6
Volusia	420,431	1207	\$ 1,979,909	\$ 10,519,713	\$ 4.7
Lee County	415,270	189	\$ 1,320,916	\$ 6,995,951	\$ 3.2
Sarasota/Manatee	525,207	906	\$ 1,058,958	\$ 8,853,180	\$ 2.0
Tallahassee	145,610	98	\$ 284,210	\$ 7,587,624	\$ 2.0
Pinellas	833,504	209	\$ 1,564,550	\$ 27,620,209	\$ 1.9



Operating Costs

The operating cost per capita indicator measures the amount of a transit agency's operating investment per person within the service area containing that transit agency and its non-vehicle maintenance and general administration required on an annual basis to deliver related services. Operating expenses include investments in vehicle operations/maintenance, scheduled and expanded public transit service. Capita represents the population for the service area as defined by the regional MPO. FY 1999 operating expenses per capita in Sarasota/Manatee Counties are compared to other Florida counties below in Exhibit 2.

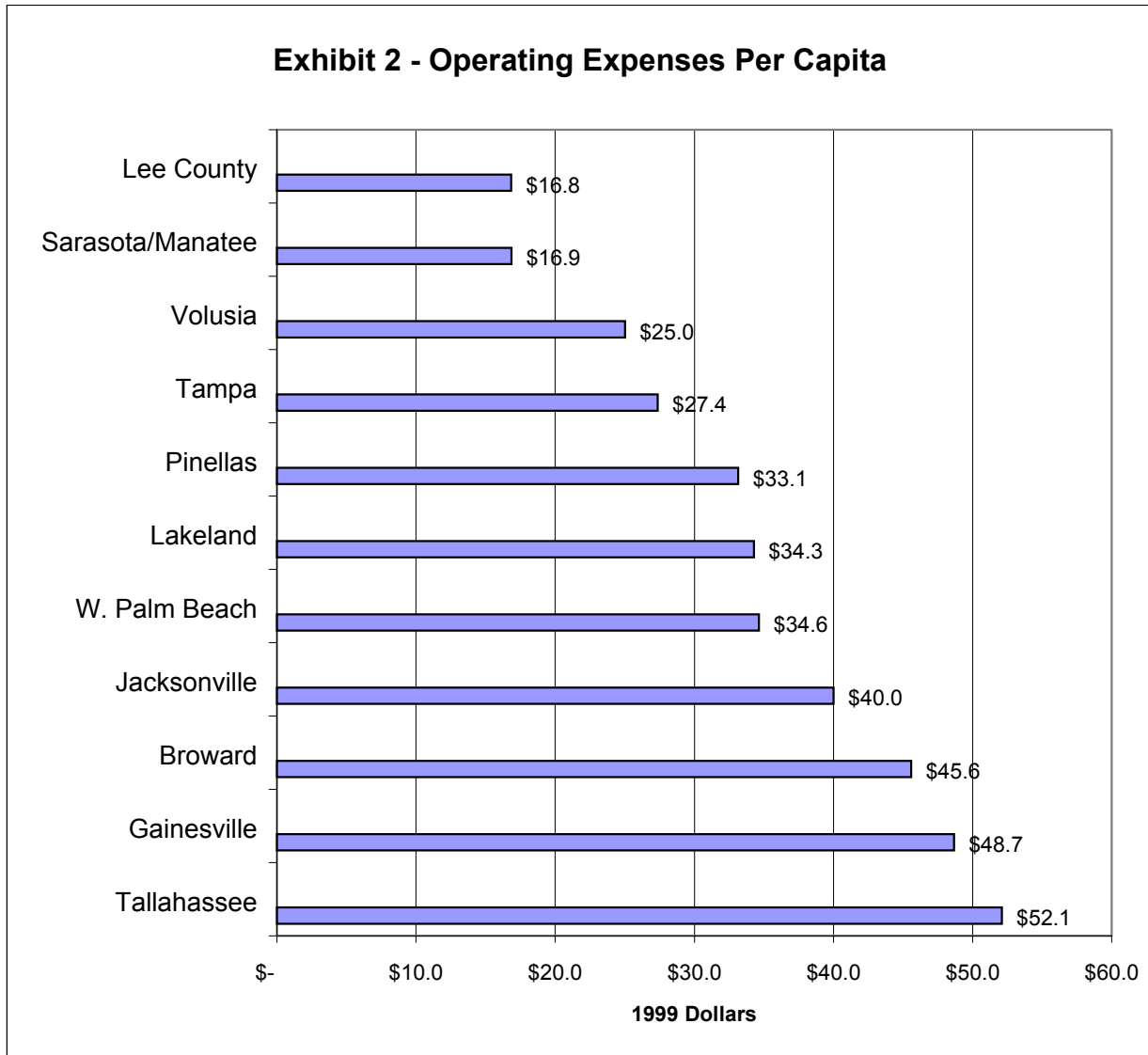
Operating expenses per capita in the Sarasota/Manatee area rank 2nd among the 11 peer systems analyzed at approximately \$16.9 per capita which is slightly above the lowest performer, Lee County, at approximately \$16.8 per capita. Systems with the highest levels of operating investment per capita include Tallahassee at \$52.1, Gainesville at \$48.7, Broward at \$45.6 and Jacksonville at \$40.0. Several systems fall in the middle range for operating investments per capita including Volusia at \$25.0, Tampa at \$27.4, Pinellas at \$33.1, Lakeland at \$34.3 and West Palm Beach at \$34.6.



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Exhibit 2 - Operating Expenses Per Capita



	Population	Square Miles	Capital Expenses	Operating Expenses	Operating Expense per Capita
Tallahassee	145,610	98	\$ 284,210	\$ 7,587,624	\$ 52.1
Gainesville	140,000	73	\$ 1,385,521	\$ 6,812,710	\$ 48.7
Broward	1,337,000	410	\$ 13,291,471	\$ 60,942,275	\$ 45.6
Jacksonville	834,337	242	\$ 24,025,741	\$ 33,380,387	\$ 40.0
W. Palm Beach	956,629	382	\$ 7,222,975	\$ 33,134,119	\$ 34.6
Lakeland	110,000	77	\$ 2,701,410	\$ 3,770,523	\$ 34.3
Pinellas	833,504	209	\$ 1,564,550	\$ 27,620,209	\$ 33.1
Tampa	922,100	273	\$ 10,750,043	\$ 25,238,390	\$ 27.4
Volusia	420,431	1207	\$ 1,979,909	\$ 10,519,713	\$ 25.0
Sarasota/Manatee	525,207	906	\$ 1,058,958	\$ 8,853,180	\$ 16.9
Lee County	415,270	189	\$ 1,320,916	\$ 6,995,951	\$ 16.8



Table 7 illustrates the existing sources of funding for transportation services in the Sarasota/Manatee regional planning area. The source of this information is the Sarasota/Manatee Transportation Improvement Program (TIP) (2001/02 –2005/06) adopted on June 25, 2001. Sources of funds are organized by mode similar to the format found within the TIP. Modes include transit, paratransit, intermodal, other (i.e. airports and rail) and highway. Mode categories are organized further into capital and operating funds by federal, state and local generators. Funding totals by fiscal year and mode are provided at the bottom of the table. This section of the table matches figures in the TIP presented under “Projects of the MPO” where Public Transportation is subdivided by mode with a representative pie chart. Although these figures are essentially the same as those in the TIP, the following list clarifies the assumptions and discrepancies related to the analysis:

- The base fiscal year of the TIP was assumed to be 2002 with all figures in 2002 dollars.
- Commuter transportation assistance funds are included under Transit Operating Sources.
- Planning funds assigned under “MPO” in the TIP are included under Transit Planning Sources.
- Transportation Disadvantaged and Section 5311 funds are included under Paratransit sources in both the capital and operating categories.
- Figures for public transportation funding in the TIP under “Projects of the MPO” for both Sarasota and Manatee Counties do not match the line item database in Parts A and B of the same document. As a result, the sources of funds (illustrated below in Table 7) are approximately \$3.5 million more than the TIP in the category of Public Transportation (referenced above in Exhibits A & B). Discussions with MPO staff revealed that much of the difference is caused by FDOT’s methodology with regard to STP reimbursements.



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Table 7
Sarasota/Manatee Sources of Existing Funds

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u> <u>2002-06</u>
Transit Sources:						
Capital						
Federal	\$4,795,000	\$6,435,000	\$3,840,000	\$3,440,000	\$1,883,750	\$20,393,750
State	597,500	2,073,790	532,790	1,135,181	140,625	4,479,886
Local	1,627,500	2,745,040	1,492,790	3,326,949	400,875	9,593,154
Subtotal	\$7,020,000	\$11,253,830	\$5,865,580	\$7,902,130	\$ 2,425,250	\$34,466,790
Operating						
Federal	-	-	-	\$6,821,000	\$1,580,000	\$8,401,000
State	2,292,436	1,436,798	1,440,312	837,921	1,490,353	7,497,820
Local	6,388,385	5,893,725	5,819,127	6,537,250	7,082,159	31,720,646
Subtotal	\$8,680,821	\$7,330,523	\$7,259,439	\$14,196,171	\$10,152,512	\$47,619,466
Planning						
Federal	\$ 74,624	\$74,824	\$74,824	\$74,824	\$ 74,824	\$373,920
State	9,328	9,353	9,353	9,353	9,353	46,740
Local	41,265	9,353	9,353	9,353	9,353	78,677
Subtotal	\$125,217	\$93,530	\$93,530	\$93,530	\$93,530	\$499,337
Paratransit Sources:						
Capital						
Federal	\$ 230,400	-	-	-	-	\$230,400
State	28,800	-	-	-	-	28,800
Local	744,150	665,187	665,187	665,187	665,187	3,404,898
Subtotal	\$1,003,350	\$665,187	\$ 665,187	\$ 665,187	\$665,187	\$3,664,098
Operating						
Federal	\$ 81,733	\$83,939	\$83,939	\$ 83,939	\$ 83,939	\$417,489
State	-	-	-	-	-	-
Local	81,733	83,939	83,939	83,939	83,939	417,489
Subtotal	\$163,466	\$167,878	\$167,878	\$167,878	\$167,878	\$834,978
Intermodal						
Capital						
Federal	-	-	-	-	-	-
State	-	1,400,000	1,212,500	700,000	-	3,312,500
Local	-	450,000	1,212,500	1,000,000	-	2,662,500
Subtotal	-	\$1,850,000	\$2,425,000	\$1,700,000	-	-
Other (Airports/Rail)						
Capital						
Federal	\$932,300	-	-	-	-	\$932,300
State	1,521,850	2,111,745	2,619,345	2,138,910	1,809,200	10,201,050
Local	785,550	2,111,745	2,619,345	1,898,910	1,725,800	9,141,350
Subtotal	\$3,239,700	\$4,223,490	\$5,238,690	\$4,037,820	\$3,535,000	\$20,274,700



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	2002	2003	2004	2005	2006	Total 2002-06
Highway Sources:						
Capital						
Federal	\$45,343,740	\$20,295,941	\$33,029,168	\$19,049,519	\$51,449,658	\$169,168,026
State	30,386,223	36,813,740	30,298,484	13,979,968	1,000,000	112,478,415
Local	10,738,218	1,987,030	1,066,175	72,500	1,710,709	15,574,632
Subtotal	\$86,468,181	\$59,096,711	\$64,393,827	\$33,101,987	\$54,160,367	\$297,221,073
Total Transit	\$15,826,038	\$18,677,883	\$13,218,549	\$22,191,831	\$12,671,292	\$82,585,593
Total Paratransit	\$1,166,816	\$833,065	\$833,065	\$833,065	\$833,065	\$4,499,076
Total Intermodal	-	\$1,850,000	\$2,425,000	\$1,700,000	-	\$5,975,000
Total Other	\$3,239,700	\$4,223,490	\$5,238,690	\$4,037,820	\$3,535,000	\$20,274,700
Total Public Transportation	\$20,232,554	\$25,584,438	\$21,715,304	\$28,762,716	\$17,039,357	\$113,334,369
Total Highway	\$86,468,181	\$59,096,711	\$64,393,827	\$33,101,987	\$54,160,367	\$297,221,073
Total Sources	\$106,700,735	\$84,681,149	\$86,109,131	\$61,864,703	\$71,199,724	\$410,555,442

Between 2001 and 2006 the TIP allocates \$113,334,369 for capital, operating and planning expenses (roughly 28 percent of total transportation funding) to public transportation in Sarasota and Manatee Counties. During the same period \$297,221,073 (approximately 72 percent of total transportation funding) is allocated to highway capital projects. Sarasota/Manatee ranks in 10th place for both capital and operating expenses per capita, when compared to the other peer communities listed above in Exhibit 1 and 2. Only Pinellas and Lee Counties allocate slightly less per capita for transit operating and capital expenses than Sarasota/Manatee Counties.

Existing funding sources are grouped below by level of government from which these funds are allocated.

Federal Sources

As noted above, the federal government provides the largest share of funding for capital projects in Sarasota/Manatee Counties. The following federal sources of funding are administered through the state or directly to Sarasota/Manatee Counties by the Federal Transit Administration.



Section 5307 - Grants for Cities Over 50,000 in Population

Section 5307 funding is made available to public bodies with the legal authority to receive and dispense federal funds. These funds are used for planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments the replacement, overall and rebuilding of buses, security equipment, construction of maintenance and passenger facilities, These funds may also be used for capital investments in new and existing fixed guideway systems including vehicle purchases, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. Preventive maintenance and some Americans With Disabilities Act complementary paratransit service are considered capital costs.

For areas with populations between 50,000 to 199,999, the funding allocation formula is based on total population and population density. For areas with populations of 200,000 and over (e.g., Sarasota/Manatee region) the formula is based on a combination of bus revenue miles, bus passenger miles, fixed guideway revenue miles, and fixed guideway route miles in addition to total population and population density.

In most cases, the Federal share cannot exceed 80 percent of the net project cost. However, the Federal share may be 90 percent for the cost of equipment related to compliance with the Americans With Disabilities Act or the Clean Air Act, or projects related to bicycles. The Federal share may not exceed 50 percent of the net project cost of operating assistance. Funding may be appropriated for a total of four years. In FY 2001, the FTA allocated a total of \$2,935,106,609 to eligible recipients under the Section 5307 program.

Section 5311 – Rural and Small Urban Areas

The purpose of the Section 5311 program is to enhance access for people in non-urbanized areas to health care, shopping, education, employment, public services, and recreation; to assist in the maintenance, development, improvement, and use of public transportation systems in rural and small urban areas; coordination of programs and services; development and support of intercity bus transportation; and to provide for the participation of private transportation providers.



Eligible Recipients include state and local governments, non-profit organizations, and public transit operators. Section 5311 funds can be used for capital, operating, and administrative purposes. Funding is available to areas with populations of less than 50,000. The amount that the state may use for state administration, planning, and technical assistance activities is limited to 15 percent of the annual apportionment. Fifteen percent of the apportionment must go to support rural intercity bus service unless it can be shown that adequate intercity bus services already exists.

In most cases the federal share cannot exceed 80 percent of the net project cost. However, the Federal share may be 90 percent for the cost of equipment related to compliance with the Americans With Disabilities Act or the Clean Air Act, or projects related to bicycles. The federal share may not exceed 50 percent of the net project cost of operating assistance. Funding may be appropriated for a total of three years. In FY 2001, the FTA allocated a total of \$205,009,154 to eligible recipients under the Section 5311 program.

Section 5310 – Elderly and Persons with Disabilities

Section 5310 funds can be used to provide transportation services for the elderly and persons with disabilities. States must apply for funds on behalf of non-profit agencies and public organizations. Most 5310 funds are used to purchase vehicles however, contractual transportation services or and state program administration are also eligible uses.

The federal share may not exceed 80 percent with a 20 percent local match. Funds are allocated for a period of one year. In FY 2001 the FTA appropriated \$77,240,497 to eligible recipients under the Section 5310 program.

Section 5309 - Buses and Bus Facilities

These funds are used to finance bus and bus-related capital projects. Grants are available to public agencies and public corporations, boards and commissions. Funds may be used for the acquisition of buses, bus maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventive maintenance, passenger amenities such as passenger shelters and bus stop signs, accessory and miscellaneous equipment such as mobile radio units,



supervisory vehicles, fare boxes, computers, shop and garage equipment, and costs incurred in arranging innovative financing for eligible projects.

The federal share may not exceed 80 percent with a 20 percent local match. Funds are allocated for a period of three years. In FY 2001 the FTA appropriated \$574,090,217 to eligible recipients under the Section 5309 program.

Section 5303 - Transit Planning and Research

The Section 5303 program is intended to support a cooperative and continuous planning process for transportation investment decisions in metropolitan areas. Funds are available to state DOTs and MPOs.

Funding authorization for this program varies annually depending on Congressional appropriation from the General Fund. The federal share may not exceed 80 percent with a 20 percent local match. Funds are allocated for a period of four years. In FY 2001 the FTA appropriated \$51,998,950 to eligible recipients under the Section 5303 program.

State Sources

Public Transit Block Grant Program

The State of Florida appropriates approximately \$75 million per year for public transit from the State Transportation Trust Fund. These funds are placed in a Transit Block Grant Program authorized under F.S. 341.052. State funding for public transit is roughly the equivalent to a one-cent statewide gasoline tax. Currently Sarasota and Manatee Counties combined receive approximately \$2.9 million of State Transit Block Grant funds each year.

Local Sources

General Revenue

Local governments may allocate a share of their general revenue funds to transit service (capital and operating expenses). Given the enhanced level of transit service that is proposed as



part of the Recommended System Plan, the allocation of a greater share of both municipal and county general revenue to transit could be justified.

One to Six Cents Local Option Fuel Tax

County governments are authorized to levy a tax of up to six cents on every gallon of motor fuel for local transportation projects, including transit operating costs. Sarasota County generated approximately \$7 million and Manatee County currently generates roughly \$7 million in FY 2001 through this local option fuel tax. Because this revenue source is fully allocated to other transportation needs, any funding for transit would need to occur through a re-direction of funds.

Ninth Cent Fuel Tax

County governments are authorized to levy a tax of one cent on every gallon of motor fuel to fund transportation projects, including transit operating costs. Sarasota County currently generates approximately \$1.7 million while Manatee County generates roughly \$1.2 million annually through this fuel tax.

Local Government Infrastructure Surtax

County governments are authorized to levy a tax of 0.5 or 1 percent to fund public infrastructure that can include public transportation capital projects. Sarasota County currently levies this tax and generated approximately \$47 million in FY 2001.

ALTERNATIVE FUNDING STRATEGIES

The federal government's share of the capital cost to implement the recommended Public Transit System Plan (80 percent) will likely exceed the anticipated 25-year revenue generated by Section 5307 funding. One option to make up the difference is to take advantage of the flexible funding provisions of current federal legislation (TEA-21), in which certain funds otherwise earmarked for roads may be transferred to transit as Section 5307 funds. In addition, the MPO



can receive discretionary funding for transit capital projects from the federal government through the FTA Section 5309 New Starts program. This program allocates funds on a discretionary basis towards the implementation of major capital projects, such as Bus Rapid Transit Systems. These Federal discretionary funds require state and local matching funds. The State's share of the 25-year capital cost (10 percent) would be funded through the Florida Department of Transportation (FDOT) Public Transportation Block Grant Program. The remaining share of the transit capital cost (10 percent) must come from local government sources. Potential federal, state and local revenue sources for public transportation are discussed in greater detail below.

One to Five Cents Local Option Fuel Tax

County governments are authorized to levy a tax of up to five cents on every gallon of motor fuel to meet the requirements identified in the capital improvement elements of adopted local government comprehensive plans, including transit capital projects. Sarasota and Manatee County currently do not levy this optional fuel tax.

Charter County Transit System Surtax

Charter county governments are authorized to levy the Transit System Surtax at a rate of up to 1 percent. Sarasota County is currently one of five counties eligible to levy this tax. Funds from this tax can only be used for costs associated with the construction, operation and maintenance of transportation projects. It is estimated that approximately \$16 million annually could be generated if this tax were levied at a rate of 0.5 percent in Sarasota County.

Dedicated Millage Rates

Counties may dedicate a portion of ad valorem taxes to transit operations and maintenance expenses. Currently, four counties in Florida dedicate ad valorem taxes to transit (Hillsborough, Pinellas, Polk and Volusia).

Section 5309 New Starts

The Federal Transit Administration's (FTA) discretionary New Starts program is the Federal government's primary financial resource for supporting locally-planned, implemented,



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and operated transit "guideway" capital investments. Eligible technologies include heavy rail, light rail, commuter rail and bus rapid transit systems. Since its inception, the New Starts program has funded nearly 100 new or extended transit fixed guideway systems. The Transportation Equity Act for the 21st Century (TEA-21) authorized \$8.44 billion in Section 5309 New Starts funding through fiscal year 2003. Over 190 projects nationwide are currently competing for New Starts funding. FTA evaluates and rates projects to determine which projects should receive Federal funding. FTA's evaluation process is based on a range of New Starts criteria outlined in the TEA-21 and legislation.

Flexible Funding

A local area can choose to use certain Federal surface transportation funds for local planning priorities that can include transit related projects. Flexible funds categories include Federal Highway Administration (FHWA) Surface Transportation Program (STP) funds and Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Federal Transit Administration (FTA) Urban Formula Funds. Transferred funds can be used for a variety of transit improvements such as new fixed guideway projects, bus purchases, construction and rehabilitation of rail stations, maintenance facility construction and renovations, alternatively-fueled bus purchases, bus transfer facilities, multimodal transportation centers, and advanced technology fare collection systems. Flexible funds must be transferred to Section 5307, Section 5311, or Section 5310 programs. Transferred funds are administered as FTA funds and take on all the requirements of the FTA recipient program. However, transferred funds may use the same local/State matching share that the funds would have if they were used for highway purposes and administered by FHWA. In urbanized areas over 200,000 population, the decision on the transfer of flexible funds is made by the Metropolitan Planning Organization (MPO). In areas under 200,000 population the decision is made by the MPO in cooperation with the State DOT. In rural areas, the transfer decision is made by the State DOT. The decision to transfer funds should be made in conjunction with the local transportation planning process. Between 1992-2001, approximately \$7.7 billion nationwide was transferred to FTA for more than 2,000 projects or activities.