



Gene Valentino
Chairman

Sandy Trammell
Vice Chairman

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February 1, 2010

The Honorable Charlie Crist, Governor
The Honorable Jeff Atwater, Senate President
The Honorable Larry Cretul, Speaker of the House

Dear Governor Crist, President Atwater, and Speaker Cretul,

It is an honor to transmit to you on behalf of the Northwest Florida Transportation Planning Organization (TPO) the "Feasibility Study of Advance Funding of Transportation Capacity Projects". This study was authorized in House Bill 5013 and signed into law in 2009.

This study was completed by the Regional TPO with financial assistance from the Florida – Alabama and Okaloosa – Walton TPOs. The project was broken into two phases. Phase One, transmitted here, is the determination of feasibility. The Florida – Alabama and Okaloosa – Walton TPOs have agreed that the concept is feasible thus leading to Phase Two of the study. Phase Two will develop a long-range, cost-feasible finance plan and a work program of projects to be advanced as well as a report of statutory changes necessary to implement the program.

It is the TPOs' intention that this study will provide for an informed decision in evaluating bonding as a tool, or resource, for advancing transportation infrastructure.

Thank you for the opportunity to complete this study.

Sincerely,

Gene Valentino
Chairman

- c. Tommy Barfield, Secretary FDOT District 3
Stephanie C. Kopelousos, Secretary FDOT



RESOLUTION NWFL 10-01

A RESOLUTION OF THE NORTHWEST FLORIDA REGIONAL TRANSPORTATION PLANNING ORGANIZATION SUPPORTING FEASIBILITY OF ADVANCE FUNDING OF TRANSPORTATION CAPACITY PROJECTS

WHEREAS, the Northwest Florida Regional Transportation Planning Organization (RTPO) is created by an interlocal agreement between the Florida-Alabama Transportation Planning Organization (TPO) and Okaloosa-Walton TPO, to study regional transportation issues affecting a four-county region; and

WHEREAS, the interlocal agreement creating the Northwest Florida RTPO implements a coordinated planning process, whose products are a regional transportation plan, regional priorities, and a regional public involvement plan; and

WHEREAS, the cost of existing and 20-year projected transportation needs in the four county RTPO planning area (Escambia, Santa Rosa, Okaloosa and Walton Counties) far exceeds the anticipated revenue to pay for transportation improvements; and

WHEREAS, increased transportation capacity is a critical need in the RTPO planning area to ensure the public safety and welfare through the development of regional transportation facilities to provide emergency evacuation routes and provide for the economic vitality of the area; and

WHEREAS, the 2009 State of Florida Legislative Session produced HB 5013, which authorized the RTPO to study the feasibility of advance funding the costs of capacity projects in its member counties and making recommendations to the Legislature by February 1, 2010; and

WHEREAS, the Florida-Alabama and Okaloosa-Walton TPOs on behalf of the RTPO approved the Scope of Services and associated funding for completion of a **Feasibility Study of Advance Funding of Transportation Capacity Projects** at the September 2009 meetings;

NOW, THEREFORE, BE IT RESOLVED BY THE NORTHWEST FLORIDA REGIONAL TRANSPORTATION PLANNING ORGANIZATION THAT:

- 1) The RTPO finds that advance funding of transportation capacity projects in Escambia, Santa Rosa, Okaloosa and Walton Counties using FDOT funds to pay the principal on the bonds is financially and legally feasible, based on the results of Phase I of the **Feasibility Study of Advance Funding of Transportation Capacity Projects**, and
- 2) The RTPO recommends the Florida-Alabama and Okaloosa-Walton TPOs proceed to Phase II in the **Feasibility Study**, and
- 3) The RTPO recommends legislation that would allow the State of Florida to pay the total bond indebtedness including principal, interest and administration with the understanding that no county or municipality will be obligated for re-payment for any portion of the bond including principal, interest or administrative costs.

Duly passed and adopted by the Northwest Florida Regional Transportation Planning Organization on this 12th day of January 2010.

ATTEST:



NORTHWEST FLORIDA REGIONAL TRANSPORTATION
PLANNING ORGANIZATION

BY:


Gene Valentino, Chairman

RESOLUTION FL-AL 10-06

A RESOLUTION OF THE FLORIDA-ALABAMA TRANSPORTATION PLANNING ORGANIZATION SUPPORTING THE FEASIBILITY OF ADVANCE FUNDING OF TRANSPORTATION CAPACITY PROJECTS

WHEREAS, the Florida-Alabama Transportation Planning Organization (TPO) is the organization designated by the Governors of Florida and Alabama as being responsible, together with the States of Florida and Alabama, for carrying out the continuing, cooperative and comprehensive transportation planning process for the Florida-Alabama TPO Planning Area; and

WHEREAS, the interlocal agreement creating the Northwest Florida Regional Transportation Planning Organization (RTPO) implements a coordinated planning process, whose products are a regional transportation plan, regional priorities, and a regional public involvement plan; and

WHEREAS, the cost of existing and 20-year projected transportation needs in the four county RTPO planning area (Escambia, Santa Rosa, Okaloosa and Walton Counties) far exceeds the anticipated revenue to pay for transportation improvements; and

WHEREAS, the 2009 State of Florida Legislative Session produced HB 5013, which authorized the RTPO to study the feasibility of advance funding the costs of capacity projects in its member counties and making recommendations to the Legislature by February 1, 2010; and

WHEREAS, the Florida-Alabama and Okaloosa-Walton TPOs on behalf of the RTPO approved the Scope of Services and associated funding for completion of a **Feasibility Study of Advance Funding of Transportation Capacity Projects** at the September 2009 meetings; and

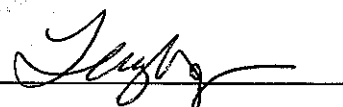
WHEREAS, based on the results of the **Feasibility Study**, the RTPO has recommended the Florida-Alabama and Okaloosa-Walton TPOs complete the steps necessary to begin the legal and administrative process to establish a bond program;

NOW, THEREFORE, BE IT RESOLVED BY THE FLORIDA-ALABAMA TRANSPORTATION PLANNING ORGANIZATION THAT:

- 1) The FL-AL TPO finds that advance funding of transportation capacity projects in Escambia, Santa Rosa, Okaloosa and Walton Counties using FDOT funds to pay the principal on the bonds is financially and legally feasible, based on the results of Phase I of the **Feasibility Study of Advance Funding of Transportation Capacity Projects**, and
- 2) The FL-AL TPO recommends the Okaloosa-Walton TPO proceed to Phase II in the **Feasibility Study**, and
- 3) The FL-AL TPO recommends legislation that would allow the State of Florida to pay the total bond indebtedness including principal, interest and administration with the understanding that no county or municipality will be obligated for re-payment for any portion of the bond including principal, interest or administrative costs.

Passed and duly adopted by the Florida-Alabama Transportation Planning Organization on this 13th day of January 2010.

ATTEST:



FLORIDA- ALABAMA TRANSPORTATION
PLANNING ORGANIZATION

BY:



Grover C. Robinson IV, Chairman

RESOLUTION O-W 10-01

A RESOLUTION OF THE OKALOOSA-WALTON TRANSPORTATION PLANNING ORGANIZATION SUPPORTING THE FEASIBILITY OF ADVANCE FUNDING OF TRANSPORTATION CAPACITY PROJECTS

WHEREAS, the Okaloosa-Walton Transportation Planning Organization (TPO) is the organization designated by the Governor of Florida as being responsible, together with the States of Florida, for carrying out the continuing, cooperative and comprehensive transportation planning process for the Okaloosa-Walton TPO Planning Area; and

WHEREAS, the interlocal agreement creating the Northwest Florida Regional Transportation Planning Organization (RTPO) implements a coordinated planning process, whose products are a regional transportation plan, regional priorities, and a regional public involvement plan; and

WHEREAS, the cost of existing and 20-year projected transportation needs in the four county RTPO planning area (Escambia, Santa Rosa, Okaloosa and Walton Counties) far exceeds the anticipated revenue to pay for transportation improvements; and

WHEREAS, the 2009 State of Florida Legislative Session produced HB 5013, which authorized the RTPO to study the feasibility of advance funding the costs of capacity projects in its member counties and making recommendations to the Legislature by February 1, 2010; and

WHEREAS, the Florida-Alabama and Okaloosa-Walton TPOs on behalf of the RTPO approved the Scope of Services and associated funding for completion of a **Feasibility Study of Advance Funding of Transportation Capacity Projects** at the September 2009 meetings; and

WHEREAS, based on the results of the **Feasibility Study**, the RTPO has recommended the Florida-Alabama and Okaloosa-Walton TPOs complete the steps necessary to begin the legal and administrative process to establish a bond program;

NOW, THEREFORE, BE IT RESOLVED BY THE OKALOOSA-WALTON TRANSPORTATION PLANNING ORGANIZATION THAT:

- 1) The Okaloosa-Walton TPO finds that advance funding of transportation capacity projects in Escambia, Santa Rosa, Okaloosa and Walton Counties using FDOT funds to pay the bond payment is financially feasible, based on the results of Phase I of the Feasibility Study of Advance Funding of Transportation Capacity Projects, and
- 2) The Okaloosa-Walton TPO recommends the Northwest Florida Regional TPO proceed to Phase II in the Feasibility Study and proceed to write legislation for the 2010 Florida Legislative Session, and
- 3) The Okaloosa-Walton TPO recommends legislation that would allow the State of Florida to pay the total bond indebtedness including principal, interest and administration with the understanding that no county or municipality will be obligated for re-payment for any portion of the bond including principal, interest or administrative costs.

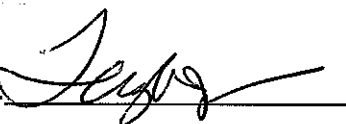
Passed and duly adopted by the Okaloosa-Walton Transportation Planning Organization on this 21st day of January 2010.

OKALOOSA-WALTON TRANSPORTATION
PLANNING ORGANIZATION

BY:


William H. Garvie, Chairman

ATTEST:



Feasibility Study of Advance Funding of Transportation Capacity Projects

Based on the Requirements of Section 44, CS/CS/HB1451 (2009)

for the

**Florida-Alabama Transportation Planning Organization
Okaloosa-Walton Transportation Planning Organization**

on behalf of

**The Northwest Florida Regional Transportation Planning
Organization**

Prepared by:



February 1, 2010

Feasibility Study of Advance Funding of Transportation Capacity Projects

Background

Looking at the past thirty years one thing stands out even through the booming years: needs for infrastructure--and more specifically roads and bridges--have outpaced revenue and cannot continue to keep abreast of growth and development in Florida communities. During past economic booms, backlog of infrastructure continued to grow. As future revenue increases, likewise the cost for right of way acquisition and road and bridge construction will increase disproportionately. Hence, this opportunity to investigate the timeliness of utilizing other sources of revenue, more specifically bonds, to advance capacity type projects in Florida's four northwestern counties before the economy rebounds and prices for construction and right-of-way escalate.

Needed Capacity Improvements in North Florida

In Florida, and the four most western counties, the backbone of the transportation system is the State Highway System. However, many heavily traveled local roadways remaining within the State Highway System have unfunded capacity needs which are critical to local transportation and economic development. Capacity improvements for these roadways have been repeatedly delayed due to a lack of available revenue dedicated for that purpose. Therefore, the Florida-Alabama TPO and Okaloosa-Walton TPO joined together as a regional transportation group to seek measures to improve the transportation network within the area. Each TPO, in coordination with FDOT, prepared a Long Range Transportation Plan (LRTP) to identify the needs and anticipated revenue over the next twenty years in order to quantify the shortfall in available revenues. Since the need for improvements will not decrease, an increase in revenue is necessary to reduce the transportation network capacity backlog.

Feasibility Study

The 2009 session of the Florida Legislature produced CS/CS/HB1451 (attached as **Appendix N**) which authorized the Northwest Florida Regional Transportation Planning Organization "to study the feasibility of advance-funding the costs of capacity projects in its member counties and making recommendations to the Florida Legislature by February 1, 2010".

Study Assumptions

In accordance with CS/CS/HB1451, this study is based on the following guidance and assumptions:

1. Any advanced projects must be consistent with the Northwest Florida Regional Transportation Planning Organization's 5-year plan and the Florida Department of Transportation's work program.
2. Any bonds shall have a maturity not to exceed 30 years.
3. A maximum of 25 percent of the Florida Department of Transportation's capacity funds allocated annually to the counties served by the Northwest Florida Regional Transportation Planning Organization may be used to pay debt service on the bonds.
4. Bond proceeds may only be used for the following components of a construction project on a state road: planning, engineering, design, right-of-way acquisition, and construction.

5. The cost of the projects must be balanced with the proceeds available from the bonds.
6. The Florida Department of Transportation shall have final approval of the projects financed through the sale of bonds.

Defining Roadway Capacity

Roadway capacity is generally defined by the 2000 Highway Capacity Manual (Transportation Research Board, Highway Capacity Manual, Washington, D.C., 2000), and in Florida is further defined by the Florida Department of Transportation 2009 Quality/Level of Service Handbook (FDOT 2009). Roadway and highway capacity improvements may include providing additional through lanes; addition of right and left turn lanes at intersections; adding alternate or bypass routes; signal timing; intelligent transportation systems (ITS); and, extensive access management.

In addition, the Q/LOS Handbook defines capacity this way: “Capacity conceptually relates to the maximum number of vehicles or persons that can pass a point on a roadway in a given amount of time under prevailing conditions.” Measures of capacity are often defined as perceptions of congestion, measures of travel time, and speed of travel, however a more precise definition of highway and roadway lane capacity is the volume/capacity ratio where the ratio of volume of traffic to the theoretical maximum capacity of the facility is calculated. Further definitions of intersection capacity are based on queue delay time due to congestion. However, ultimately the traveling public bases their perception of highway and roadway capacity on travel time and intersection congestion.

Within the TPO transportation improvement plans (TIP) congested facilities are defined as those operating below the level of service (LOS) adopted in the local government comprehensive plans. These facilities require capacity improvements and are prioritized in the TIP facility needs plan, although many are not funded or identified many years into the future

Safe, Accountable, Flexible, Efficient, Transportation Equity Act and the FHWA/FDOT Surface Transportation Program

In August 2005, President Bush signed into law the Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA-LU). This multi-year federal transportation legislation established a program which included funding parameters for federal funding on transportation projects. This program continued several core programs from previous transportation acts including the Surface Transportation Program (STP).

The Surface Transportation Program (STP) provides flexible funding that may be used by State and local governments for projects on any federally designated road, with a few minor exceptions stipulated in the Act. Within this program is a sub-allocation of funds specifically for Transportation Management Areas (TMA), or urbanized areas with a population over 200,000 defined and referred to in Florida as “SU Funds”. These “SU” funds must be used in the federally designated TMA’s.

When the SAFETEA-LU legislation was enacted in 2005 it was proposed to expire in 2009. In the fall of 2009, Congress chose to extend the current legislation in lieu of re-writing the current act. An assumption of this study is that any future revisions or re-writes to the Federal Transportation Act will not eliminate funds available to Florida and to the four northwestern counties in Florida for re-payment of a bond.

Limitations on STP-SU Funds

Since two of the Counties (Okaloosa and Walton) are not eligible to use TMA (SU) funds, specific attention will be required in selection of projects and structuring the bond repayments in the four-county area. Projects located in Okaloosa and Walton County must rely on other District capacity funds, either federal or state, to provide revenue for the bond payments.

One other important factor in project selection is the road system to which the proposed project is assigned. Basically, roadways are categorized into one of three groups federal, state, and local. Federal funds are, for the most part, only available for use on the Federal Highway system providing a further limitation on project selection.

Determination of Feasibility

Advancing revenue can be addressed by several methods. Bonding existing streams of revenue has traditionally been an acceptable solution in resolving similar situations. Following is a review of the possible approaches to producing revenue streams sufficient to make significant capacity improvements to critical regional roadways.

A first step is to forecast a minimum amount of revenue to reasonably expect on an annual basis to service debt of a bond. A second step is to determine the life expectancy of the bond and specific bonding requirements, and a third is to identify the specific projects and structure of a bonded program.

Methodology

First, the minimum amount available in the Florida Department of Transportation (FDOT) Transportation Plan for the four counties for capacity improvements was analyzed. FDOT provided information from the 2009/2010 adopted Five-year Work Program as the bases for the analysis, See **Appendices A, B, and C** for details and conclusions. FDOT District staff assisted in the analysis and concurred with the methodology and findings.

The first discovery was that the FDOT does not allocate funds for capacity projects. Their funds are allocated by categories, by type, and by year with none set-aside at the district level for capacity projects. Therefore, the study began by reviewing the past five years and future four years of the FDOT Transportation Plan for the four counties which comprises the Regional TPO (Escambia, Santa Rosa, Okaloosa and Walton). This analysis determined the average for "capacity-type projects" in this region for the past five years was approximately \$16 million per year.

Projects that did not represent recurring revenue were eliminated from consideration. Excluded were maintenance projects such as resurfacing projects, non-recurring projects such as American Recovery and Reinvestment Act (ARRA) projects, TRIP funded projects, and the like. The future four years averaged, for similar projects, approximately \$10 million per year. Reviewing the data, the reduction in revenue between the past five and future four years appears consistent with the reduction in revenue experienced statewide in late 2008 and 2009. **Therefore, approximately \$10 million per year should be considered as a minimum for the analysis.** See **Appendix B** and **Appendix C**, sorted by fund type.

Since expanding or improving capacity on roadways is not the only critical need for transportation in the region, it was suggested by the legislature and concurred with by local and regional transportation authorities, that 25 % of this annual amount could be obligated to service the bonds, and the remainder continue to be utilized to fund other priorities in each area. **Therefore, the amount to "reasonably expect" for servicing the bond is \$2.5 to \$3 million annually.**

Determining a ratio of annual payment to bond revenue. The following preliminary calculations established ratios as a “rule of thumb” to predict the current dollar value available from various sized annual payments which are adequate to maintain annual principal and interest payments for a 30 year payoff. However, these calculations do not include any administrative or incidental costs necessary to secure and maintain the bond. For example, at a 2% annual rate the ratio of annual payment to initial debt is approximately 22:1 (i.e., A \$10M bond debt at 2% for 30 years requires \$446,500 annual payments and $446,500/10,000,000 = 22$).

Other possible payment to debt ratios follow:

Example Ratios, Annual Payment to Initial Debt	
Annual Rate	Ratio
3%	20:1
4%	17:1
5%	15:1
6%	14:1

In today’s bond market, depending on annual interest rates, an annual payment of \$2.5 to \$3 million over a 30 year bond life should yield approximately **\$30 to \$40 Million** of revenue to advance capacity improvements within the regional transportation system.

However, this brought several additional factors into consideration:

Was it reasonable to:

- Obligate current and future elected and transportation officials to a thirty year repayment
- Make a significant impact to the long term transportation *capacity* needs of the region with a \$30 to \$40 million infusion of revenue
- Expect the current amount (\$2.5 to \$3 Million) will actually be available year after year to service debt.

Potential Advance Funding Options

Two different approaches were reviewed to address the funding needs and bond structure available to the Northwest Florida Regional Transportation Planning Organization for advance funding.

First, was a review of a single, one time expenditure, on one or more projects, to improve the regional transportation system and commence a 30 year repayment of the bond. This is the simplest, most risky, less effective approach of the two. While discussed as an option it does not allow future transportation leaders to adjust the bond program to future financial conditions or transportation needs, nor did it appear consistent with the suggested guidelines of CS/CS/HB1451. However, the TPOs maintained an interest and did not completely discount this option.

The second option reviewed was to use bond funds to advance projects within the FDOT Five-year Transportation Plan for the four-county region, seek repayment, then continuously retire or recycle the revenue to advance other high priority projects. See **Appendix G** for an example of this advanced funding scenario. This approach will provide a decision point within a five year period to reconsider options to retire or re-bond additional projects, suspend, or stop the program.

The second option would require the local TPO, or County, and FDOT to develop a Joint Project Agreement (JPA) on a project-by-project basis with a pre-determined amount of bond, a reasonable expectation on length of time and payment details. This is an established process in which FDOT can receive local funds (in this case - bond funds) and proceed with specified project phases with agreed payments on a future date. It appears Federal or State funds could be used for reimbursement in this process if the project is eligible for federal funds and approved by FHWA and FDOT for an Advanced Construction (AC) Program. This process complies with the suggested guidance in CS/CS/HB1451.

In the reverse, if a local government desired to assume responsibility for completing the project, FDOT's Local Agency Program (LAP) is established to provide reimbursement from either Federal or State funds on agreed-upon projects. However, this option was not suggested guidance in CS/CS/HB1451.

After FDOT identifies and funds a project, or phase, in the District Five-year Work Program, the local government entity has an opportunity to secure a bond of sufficient amount to advance the project near-term and begin repayment with an amount not to exceed 25% of the annual revenue. FDOT, in turn, advances the specified project phases to a near-term date and converts the previously funded phase into a repayment phase for payment of the bond.

As the year arrives for repayment, the Local Government entity should have reduced the final payment on the bond to less than the amount received therefore would have the option to retire the existing bond and re-negotiate with FDOT on another upcoming project and repeat the process.

This second option allows future decision makers to:

- Become involved and have an option to adjust selection of future projects
- Concur with the terms of each new JPA
- Adjust the anticipated revenue to current estimates and future growth
- Have near-term decision points to readdress and re-evaluate the program within the 30 years minimizing long term obligations
- Address additional options to secure or back repayment of bonds
- Include FDOT in the planning, project selection and re-funding process.

In either of these approaches bonds are obtained by the local government entity, in compliance with CS/CS/HB1451, and shall not constitute a pledge of the full faith or taxing power of the State and the holder on any bond shall not have the right to compel payment of the bond from any fund of the State, other than amounts agreed for payment to the local government entity under the contract (JPA).

Potential Modifications to CS/CS/HB1451

During discussions with the TPOs and their advisory committees the following modifications were suggested to CS/CS/HB1451 (attached as **Appendix N**). These modifications should improve the flexibility of the proposed program and clarify the intent of the legislation:

- Instead of allowing a maximum of 25% of the available funds for advanced funding purposes, request a range of 25% to 33% in the revised legislation. In time, revenues should increase and the TPO could reduce other competing priorities, thereby allowing more revenue for repayment of bonds
- Request the ability to expand this program to other roadway systems
- Add mitigation and permitting as allowable components funded from bond revenue

- Further define backstops (who will make annual payment should FDOT revenues fall short.)
- Establish a RTPO Finance Authority with responsibilities similar to other State Transportation Authorities
- Amend CS/CS/HB1451, Section 44(2)a, revising language from “Any advanced projects must be consistent with the Northwest Florida Regional Transportation Planning Organization's 5-year plan and the department's work program” to “Any advanced projects must be consistent with the Florida Alabama Transportation Planning Organization and Okaloosa-Walton Transportation Planning Organization Long Range Transportation Plans and the FDOT District Five-year Work Program”
- Fund projects only in the State of Florida
- Individual Counties are held harmless for annual payments or responsibility for unpaid balances on projects selected within their County
- Add FDOT’s LAP process as an option to facilitate the development of the projects.
- Clarify whether the principal, interest, and administrative expenses for bonds is included in FDOT’s fund repayments

Next Steps

Additional tasks to complete for submittal under separate cover are:

Prepare a Long Range Finance Plan. While it is feasible to advance fund real capacity projects currently in the FDOT work program for the four counties based on needs and backlog, a verification of the current value a bond could yield in the current bond market is critical to completing the analysis. To complete this analysis the following real data is required:

- Identify, prioritize and present a tentative list of regional transportation projects and phases, in concurrence with the TPOs and four counties, and FDOT, and consistent with F.S. 339.135(2) (b).
- Explore today’s bond market with the simplest bond grade study to determine:
 - Current bond value based on proposed payment,
 - Grade size and type of bond,
 - Attractiveness of this type bond in today’s market
 - Amount of bond requirements, or conversely, the amount that can be sustained by reasonable debt service from available resources.
 - Administrative cost to market and maintain bond
 - Adverse issues in pursuing a bond
- Determine time frames based on the FDOT work program and project development schedules
- Projected project/phase cost, and sources of revenue based on the FDOT work program, considering inflation, deflation factors, and restrictions on fund types.
- Prepare cash flow requirements to complete projects, per phase

Determine Local Support. A final step will verify with the various participants willingness to participate in this program. Participants would include the Florida-Alabama TPO and Okaloosa-Walton TPO; Escambia; Santa Rosa, Okaloosa, and Walton Counties; the Florida Department of Transportation; the Governor’s Office; and the Florida Legislature.

Prepare a recommended Legislative package. A final report will include recommendations for language suitable for crafting or writing legislation to offer to the State Legislature for consideration. **Potential Modifications to CS/CS/HB1451**, above, reflects several modifications requested for inclusion in the proposed legislation.

Conclusion

It is determined that it is financially feasible to advance fund capacity-type projects in the northwest Florida member counties. Several variations of this concept exist today in the State Infrastructure Bank (SIB), GARVEE bonds, FDOT Advance Construction (AC) program, and FDOT partnerships with local entities. This bond revenue is similar in nature to local revenue and FDOT deals with incoming local revenue with JPAs today. Based on the funding restrictions for the use of certain FDOT funds, a limited number of projects are currently identified in the FDOT District five-year work program which meet the criteria for advance funding under the requirements of CS/CS/HB1451.

A bond grade feasibility study to determine the practicality of this method to advance fund capacity-type projects should proceed through the next steps. The bond study would determine the type, rating, terms, attractiveness to the bond market, additional costs, and any adverse issues which should be considered in designing and implementing this program. The study should also accurately determine the amount of bonded funds available to base the program on. In the meantime, the Northwest Regional Transportation Planning Organization staff can complete their work with the TPOs to combine the critical projects in each TPO area into one tentative priority list. With the results of the **Bond Study** and the **Tentative Priority List**, a **Long Range Finance Plan** can be finalized and submitted in support of the **Legislative Package**.

The last check and balance in the process is FDOT final approval of bond sales. While these bonds are not pledged against the State Transportation Trust Funds, FDOT will be involved through preparation of the JPAs which will be required prior to going to the bond market, thereby providing FDOT a mechanism for oversight and final approval on the size and magnitude of this bond program.

List of Appendices

- A. FDOT District 3 2009-2010 Five Year Work Program
Escambia, Okaloosa, Santa Rosa, and Walton Counties
All Projects Shown**
- B. FDOT District 3 2009-2010 Five Year Work Program
Escambia, Okaloosa, Santa Rosa, and Walton Counties
Only Capacity Improvement Projects Shown**
- C. FDOT District 3 2009-2010 Five Year Work Program
Escambia, Okaloosa, Santa Rosa, and Walton Counties
Only Capacity Improvement Projects Shown, Sorted by Fund Type, and Community Type**
- D. FDOT District 3 Tentative Work Program—FY 10/11 – 14/15
Florida Department of Transportation
Active Fund Codes in FM
December 30, 2009**
- E. FDOT District 3 2009-2010 [Adopted] Five Year Work Program
Escambia, Okaloosa, Santa Rosa, and Walton Counties
Capacity Improvement Projects, Sorted by Fund Type, and Community Type
Only Capacity Projects Eligible for Bonding Shown**
- F. FDOT District 3 2009-2010 [Tentative] Five Year Work Program
Escambia, Okaloosa, Santa Rosa, and Walton Counties
Capacity Improvement Projects, Sorted by Fund Type, and Community Type
Only Capacity Projects Eligible for Bonding Shown**
- G. FDOT District 3 2009-2010 [Tentative] Five Year Work Program
Escambia, Okaloosa, Santa Rosa, and Walton Counties
Capacity Improvement Projects, Sorted by Fund Type, and Community Type
Only Capacity Projects Eligible for Bonding Shown
Advanced Funding Scenario**
- H. FL-AL TPO Comparison of Boxed Project Priorities with TIP Projects**
- I. OK-WA TPO Comparison of Boxed Project Priorities with TIP Projects**

- J. Florida-Alabama Transportation Planning Organization
Project Priorities
Fiscal Years 2011-2015
Adopted September 9, 2009**
- K. Okaloosa-Walton Transportation Planning Organization
Project Priorities
Fiscal Years 2011-2015
Adopted September 17, 2009**
- L. 2008 Federal, State, and Local Fuel Tax Rates in Florida Counties
Florida Legislative Committee on Intergovernmental Relations
January 20, 2008**
- M. Local Option Fuel Taxes
Revenue Estimates for the Local Fiscal Year Ending September 30, 2009
Florida Department of Revenue's Office of Tax Research
June 24, 2009**
- N. CS/CS/HB1451 §44 (2009)
Authorizing the Northwest Florida Regional Transportation Planning Organization to study
the feasibility of advance-funding the costs of capacity projects in its member counties and
making recommendations to the Legislature by February 1, 2010.**
- O. Proposed Draft Interlocal Agreement for Creation of the Northwest Florida Regional
Transportation Authority**