

Independent Transportation Surtax Oversight Board

May 8, 2023

Ms. Monica Cepero, County Administrator
115 South Andrews Avenue, Ste. 409
Fort Lauderdale, FL 33301
[delivered via email: mcepero@broward.org]

Dear County Administrator Cepero:

Please accept this formal transmittal in my new role as Chair of the Transportation Surtax Oversight Board's ("Oversight Board") as required by Section 31½ -75(i)(1), of the Broward County Code of Ordinances. I look forward to working with you in this capacity and commend the many committed and capable staff you have working on this program.

Proposed projects and proposed expenditures were approved as to eligibility under Section 212.055(1), Florida Statutes by the Oversight Board during the Regular Agenda of April 27, 2023. Specifically, we approved as statutorily eligible:

1. The proposed project and proposed expenditures in the amount of \$17,500,000 for design and construction of roadway drainage improvements in the Boulevard Gardens Municipal Service District; \$8,750,000 of which is eligible for reimbursement under a Resilient Florida Grant award received from the State. (Item #4 for Public Works Department).
2. Proposed additional expenditures in the amount of \$5,000,000 for design and construction of improvements to Sheridan Street Bridge over the Turnpike, which is a project that was previously determined to be statutorily eligible. (Item #5 for Public Works Department).
3. Additional expenditures in the amount of \$139,440,000 for Copans Road Operations and Maintenance Facility Renovation Project (Copans), which is a project that was previously determined to be statutorily eligible. On April 18, 2023 (Item No. 24), the Board of County Commissioners approved funding subject to the Oversight Board's action. (Item #6 for Transportation Department).

Pursuant to Broward County Code of Ordinances, Article V, Section 31½ -75(j) "All projects and expenditures funded with Transportation Surtax proceeds shall be subject to the Oversight Board's review, critique, and assessment for the duration of the projects or expenditures. The Oversight Board shall issue reports on the performance of ongoing projects and shall provide recommendations to the Broward County Administrator and the County Commission for any proposed performance improvements." Copans has been an active surtax-funded project since FY 2020 when the Oversight Board first determined that the proposed project and proposed expenditures to be statutorily eligible. Transportation surtax proceeds are being used to fund the local required match to a federal grant in the amount of \$17.25M. We proudly reported on this project as the first example of accessing federal funding based on surtax participation, in furtherance of leveraging a projection of \$2.5B of non-surtax revenues over 30 years.

C. Douglas Coolman, [Chair](#)
Anthea Pennant-Wallace, [Vice Chair](#)
Phil Allen
Ronald E. Frazier
Alan Hooper
Alejandro Munoz
Erdal Donmez
Shea Smith
Debbie Madden
Gretchen Cassini, [Oversight Board Coordinator](#)
Angela J. Wallace, [Transportation Surtax General Counsel](#)



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We believe it is conducive to effective *Project Oversight* contemplated by the ordinance, to provide the following review, critique, and assessment of Copans. When the project was first presented to the Oversight Board (FY 2020), the federal grant award of \$17,250,000 accounted for almost a third of the project's expected \$51,376,208 cost estimate. The next year (FY 2021), the cost estimate rose to \$61,000,000. During the FY 2022 budget process, the cost estimate rose by another \$14,858,792; for a new total of \$76,240,000 owing to additional design elements and general escalation in construction costs.

When the project was presented to the Oversight Board April 27, 2023, the surtax funding accounted for approximately 93% (federal funds are now approximately 7%) of the total cost estimate of \$225,680,000, equating to more than a 400% increase in the project's total cost estimate over four years. However, the scope was also dramatically changed to create what is being described as a more resilient, better product: accommodating more buses, improving circulation, including necessary electric charging infrastructure, and addressing the functional obsolescence of facilities previously slated for rehabilitation.

The Oversight Board has historically expressed its strong support for public transit projects and embraced the PREMO plan presented at the April 27, 2023 Oversight Board meeting with enthusiasm. And while we approved the statutory eligibility of the additional \$139,440,000 for Copans, as stewards of the public tax dollars generated for this program, we were concerned about doing so. The Transportation Department indicated that the Copans facility would meet fleet capacity needs until at least 2030 and that increased capacity at the Copans facility will allow additional time for the Transportation Department to secure property, design, and construct the 3rd Maintenance Facility by 2030 to meet fleet capacity needs from 2030 and beyond. Nonetheless, the Oversight Board recommends deferral of the 3rd Maintenance Facility (\$97M) included in the original surtax financial plan and reallocation of those funds to partially offset the significant increase in costs for Copans.

We also offer a general recommendation that any time an active project has a material change in scope or significant increase in cost (beyond average inflation in that project type) that the requesting entity provide a detailed fiscal analysis (i.e., value of deferred projects, reallocations, increasing revenues, cost savings in other areas, etc.). Doing so provides the Oversight Board and public with a level of transparency and reassurance that other future projects promised to the voters will not be sacrificed as a result of substantial cost increases in current projects.

Sincerely,



C. Douglas Coolman, Chair

- C: Independent Transportation Surtax Oversight Board
- Kimm Campbell, Deputy County Administrator
- Kevin Kelleher, Assistant County Administrator
- Coree Cuff Lonergan, Director, Transportation Department
- Tony Hui, Deputy Director, Public Works Department