

Virtual Municipal Workshop

September 8, 2020

Proposed Elements of 2nd Amendment to the Surtax Interlocal Agreement



Housekeeping



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How Did We Get Here?

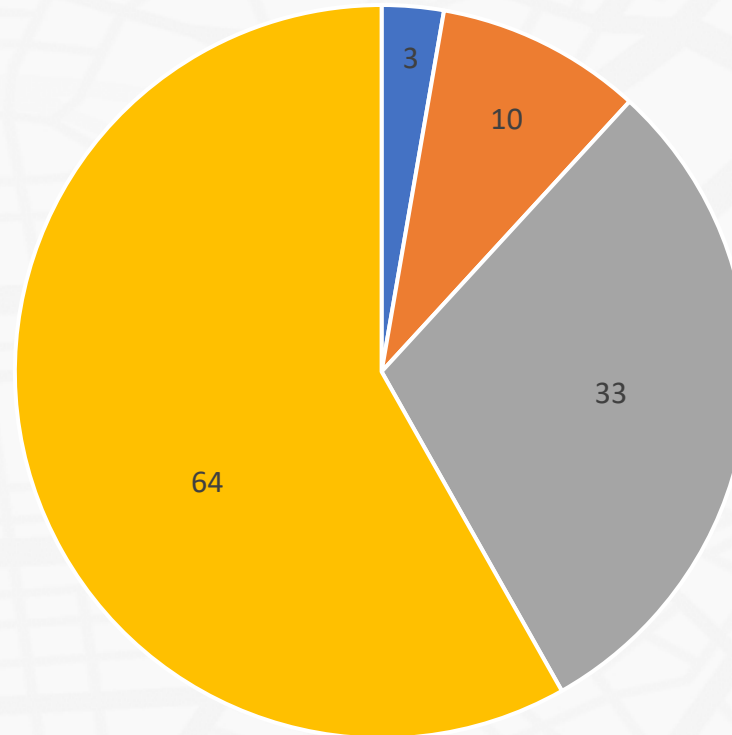
110 municipal capital projects were prioritized and recommended for funding by the MPO in Cycle 1, FY2020

On June 18, 2020, the Commission voted to fully-fund **97** municipal capital projects for their recommended phases

64 were for a Planning or Design phase of a larger construction project; **1** was **Planning-only** and has no future phases

63 Planning or Design phase **projects become the universe of projects included in the current FY2021-2025 and rolling Five-Year Plan (5YP)**

FY2020 Cycle 1 Muni Capital



■ Ineligible ■ Not considered by OB ■ Construction ■ Planning or Design

33 of 63 Planning and Design phase projects **receive funding for future phases in the current 5YP**

Of those 33, **31 are fully-funded within the 5YP**, with **2 projects extending beyond FY2025**

30 of 63 Planning and Design projects **are not contained within the current 5YP** largely due to COVID surtax revenue impacts

However, **several municipal capital projects in the current 5YP are expected to cost less than estimated**; any cost savings may result in recommendations to fund some of the 30 projects, that retain their ranked order, currently unfunded in the 5YP

Municipal Project Funding for Cycle 1, FY 2020

- MPO's prioritized list for Cycle 1 included 110 municipal capital projects totaling **\$72M**
- 97 municipal capital projects (totaling a maximum not-to-exceed amount of **\$66M**) and 62 rehabilitation and maintenance (R&M) (totaling **\$83M**) were deemed statutorily eligible by Oversight Board on June 4, 2020
- Total eligible projects (capital and R&M) exceeded **\$149M; \$122.7M** was available for municipal capital + R&M in Cycle 1
- **County's 10% of net surtax revenues (minimum annual guarantee) funding commitment for FYs 2019-2020 equals about \$55M, inclusive of Community Shuttle expenses**



Municipal Project Funding for Cycle 1, FY 2020

- To date, the County Commission has voted to allocate **nearly \$150M to municipal projects**, including Community Shuttle capital + operating, capital projects, R&M + contingency
 - On April 7, 2020, the County Commission acted to place \$126.9M in Surtax revenues into reserves for Municipal Projects in FY 2020, Cycle 1 (\$122.7M for projects + \$4.17M for contingency, consistent with original 2018 financial plan)
 - On June 18, 2020, the Commission voted to allocate a **maximum not-to-exceed amount of \$66M to 97 municipal capital projects** (for Planning, Design and Construction phases), leaving **\$56.7M available to fund 40** of 62 municipal **R&M projects**



Municipal Five-Year Plan Recommended Funding Level vs. 10% Minimum Annual Guarantee (MAG) of Surtax Revenues

| RECOMMENDED FUNDING | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 | 5YP total |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Municipal Capital Projects | \$ 26,310,130 | \$ 32,082,900 | \$ 32,938,000 | \$ 33,815,860 | \$ 34,717,070 | \$ 159,863,960 |
| Municipal Shuttles | \$ 17,510,140 | \$ 15,097,890 | \$ 15,550,830 | \$ 18,034,130 | \$ 18,497,780 | \$ 84,690,770 |
| Municipal Total | \$43,820,270 | \$47,180,790 | \$48,488,830 | \$51,849,990 | \$53,214,850 | \$244,554,730 |
| Projected 10% from Updated Surtax Forecasted Revenues | \$29,913,970 | \$35,794,860 | \$36,761,320 | \$37,753,880 | \$38,773,230 | \$178,997,260 |
| \$ Amount above 10% MAG | \$13,906,300 | \$11,385,930 | \$11,727,510 | \$14,096,110 | \$14,441,620 | \$65,557,470 |

Implementation Issues Affecting Municipalities

- Municipal Capital Projects (MCP) were prioritized by MPO and recommended for funding in three phases: Planning, Design, and Construction
- Some Construction-phase projects are so costly that they would consume the County's entire 10% MAG funding commitment (i.e., for a single municipal project)
- To maximize the number of projects that could be funded, MCP in 5YP were recommended for funding at no more than approx. \$11M/annually
- Municipalities have requested more flexibility in how muni capital projects are contracted for funding

What's in Global ILA and 1st Amendment?

- Presently, 29 municipalities, the County, and the MPO are parties to an interlocal agreement (Global ILA) that was originally entered into in September 2018 (i.e., prior to the surtax referendum passing)
- The Global ILA established a general framework for processes affecting municipalities, specifically:
 - What types of municipal projects would be eligible to receive surtax funds
 - The involvement of the MPO in “Review and Ranking” of municipal projects
 - MAG of 10% of available surtax proceeds to municipal projects (inclusive of Community Shuttle)
 - The process by which that 10% MAG should be awarded by the County Commission (1st Amendment was approved by County in June 2019 to split municipal capital project and R&M evaluation processes, as requested by municipalities)



Current Global ILA language

“...an amount equal to a minimum of ten percent (10%) of the Transportation Surtax proceeds received by the County [each] year, less the amount directly paid... for Community Bus Service, as outlined below, ***shall be used to fund Submitted Municipal Projects in order of ranking by the MPO (with the highest-ranked project receiving the first funding).***”
[emphasis added]



Issues to be addressed in 2nd Amendment

- Whether County must enter into contracts **and fund all** municipal capital projects in **exact ranked order**
- When rehabilitation and maintenance project funding agreements can be executed
- Treatment of municipal projects within proximity of delivery corridors
- How **new** municipal capital projects can be recommended for funding before all 97 Cycle 1 municipal capital projects' future phases are completely funded (since the 97 projects retain their ranked order and will require substantial funding beyond the current 5YP)
- Whether the entire municipal capital project must be fully-funded (i.e., all phases) before any project ranked below it can be funded



The 2nd Amendment Would:

- Confirm that municipal capital projects were recommended for funding in three phases (Planning, Design and Construction); and address future phases of funding
- Clarify that other MCPs can be funded before all phases of a higher-ranked project are funded;
- Establish the process to be used when the County voluntarily funds additional capital projects outside the 10% MAG
- Establish methodology and evaluation criteria for future review, ranking, prioritization, and funding recommendations by MPO related to municipal capital projects (**both new and existing 400+ capital**)



“Methodologies and Criteria” proposed

Weighting factors that affect project scoring:

- a) The project’s ability to alleviate traffic congestion and enhance connectivity;
- b) Regional impact (i.e., whether the project is a collaborative effort among municipalities and crosses municipal boundaries);
- c) Whether the project leverages local, state and/or federal funds (more points for more leverage);
- d) Weighted consideration for the single project the municipality deems to be its highest priority;
- e) Demonstrated outreach and public support for the project;
- f) The level of investment the project makes in historically underserved areas as defined by socioeconomic factors (to be more specifically defined by the MPO and the County during further refinement of the new MPO review process, which will be effectuated through a joint memorandum and will not require a formal amendment to any agreement);
- g) Whether a municipality with capital projects in the original 2018 Transportation Plan opted not to have the project reviewed during the MPO’s 2019-2020 ranking and prioritization process;
- h) Project resiliency (considerations of sea level rise and climate change using the 2019 SE Florida Unified Sea Level Rise Map); and
- i) Previous surtax-funded municipal project performance and compliance, where applicable.



The 2nd Amendment Would Offer More Flexibility

The top 10% of surtax funding (i.e., **within the 10% MAG**):

1. Is inclusive of all annual Community Shuttle (CS) costs (funded first, annually);
2. After CS is funded, municipal capital projects will be funded in MPO-prioritized order **except in certain specified circumstances, e.g., corridor delivery necessity, competitive grant timelines, construction project readiness**

County can fund municipal projects **above the 10% MAG** in any order, if:

1. determined statutorily eligible for surtax funding by Oversight Board; and
2. allocated funding by County Commission

As requested by municipalities, project funding agreements (both capital + R&M) for projects above the 10% MAG can be negotiated, and funding agreements executed, ***in any order***, based solely on project readiness and submission of all necessary project-specific materials



What else will the 2nd Amendment Do?

- Define terms
- Confirm and acknowledge the process just completed for 110 municipal capital projects and 62 rehabilitation and maintenance projects (FY2020, Cycle 1)
- Explain how municipal projects not currently cost-feasible in the 5-Year Plan, but recommended during Cycle 1 for planning or design funds, will be treated
- Establish the timeline and process for accepting, evaluating and prioritizing **new** municipal capital projects and how existing capital projects #s 111 and below on the MPO's 2/28/20 transmittal (prioritized list) will be treated



What else will the 2nd Amendment Do? (cont.)

- Establish that under certain circumstances the County may “assume” a municipal project (capital or R&M) prior to construction starting:
 - During corridor delivery planning
 - When a County project is being designed or constructed in the vicinity, outside of any planned corridor
 - Under very limited circumstances, at the request of a municipality
 - To enhance potential of accessing competitive grant funding or for a collaborative project

In instances ***not related to corridor delivery***, the assumption of a municipal project will not count against the 10% MAG.



Open Discussion/Q&A

