

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 986

SPONSOR: Commerce, Economic Opportunities, and Consumer Services Committee and Senator Garcia

SUBJECT: Commerce

DATE: April 16, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Kruse	Maclure	CM	Favorable/CS
2.	_____	_____	ATD	_____
3.	_____	_____	AP	_____
4.	_____	_____	RC	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The committee substitute provides for an additional \$2 million per year to be available from the State Transportation Trust Fund to fund the Florida Seaport Transportation and Economic Development Program. The committee substitute provides for an additional \$10 million from the fund to support non-security-related projects under the program. The committee substitute establishes the Transportation Commerce Improvement Program and the Transportation Commerce Improvement Advisory Council in the Department of Transportation. The committee substitute provides for the designation of Transportation Commerce Corridors of Statewide Significance, and provides for transportation commerce improvement grants, including funding from the State Transportation Trust Fund beginning in July 2004.

This committee substitute substantially amends section 311.07, Florida Statutes, and creates the following sections of the Florida Statutes: 341.0531, 341.0532, and 341.0533.

II. Present Situation:

Seaport Transportation and Economic Development Program

The Florida Seaport Transportation and Economic Development Program is created within the Department of Transportation in s. 311.07(1), F.S. This section is designed to provide financing for port transportation and port facilities to improve the movement of cargo and passengers. A minimum of \$8 million per year is set aside from the State Transportation Trust Fund to fund the

program.¹ Deepwater ports are required to match, on a 50-50 basis, any funding received through the program for approved projects.² Examples of projects eligible for funding include:

- Transportation facilities within the jurisdiction of the port;
- The dredging or deepening of channels, turning basins, or harbors;
- The construction or rehabilitation of wharves, docks, structures, jetties, piers, storage facilities, cruise terminals, automated people mover systems, or any facilities necessary or useful in connection with any of the foregoing;
- The acquisition, improvement, enlargement, or extension of existing port facilities;
- Seaport intermodal access projects identified in the 5-year Florida Seaport Mission Plan; and
- Various seaport security measures.³

A port eligible for matching funds under the program may receive a distribution of not more than \$7 million during any one calendar year and a distribution of not more than \$30 million during any 5-calendar-year period.⁴ The Department of Transportation shall subject any project that receives funds pursuant to this section and s. 320.20, F.S., to a final audit.⁵

Intermodal Development Program

The Intermodal Development Program of the Department of Transportation, created in s. 341.053(1), F.S., is designed to provide for major capital investments in fixed-guideway transportation systems, access to seaports, airports and other transportation terminals, providing for the construction of intermodal or multimodal terminals; and to facilitate the intermodal or multimodal movement of people and goods. The department is required to develop an intermodal development plan to connect Florida's airports, deepwater seaports, rail systems serving both passenger and freight, and major intermodal connectors to the Florida Intrastate Highway System facilities as the primary system for the movement of people and freight in this state. The intermodal development plan must:

- Define and assess the state's freight intermodal network, including airports, seaports, rail lines and terminals, and connecting highways;
- Prioritize statewide infrastructure investments; and
- Be developed in a cost-effective manner that will assure maximum use of existing facilities and optimum integration and coordination of the various modes of transportation, including both government-owned and privately owned resources.⁶

No single transportation authority operating a fixed-guideway transportation system, or single fixed-guideway transportation system not administered by a transportation authority, receiving funds under the Intermodal Development Program may receive more than 33-1/3 percent of the

¹ Section 311.07(2), F.S.

² Section 311.07(3), F.S.

³ Section 311.07(3)(b), F.S.

⁴ Section 311.07(4), F.S.

⁵ Section 311.07(6), F.S.

⁶ Section 341.053(2)(a)-(c), F.S.

total intermodal development funds appropriated between July 1, 1990, and June 30, 2015. In determining the distribution of funds under the Intermodal Development Program in any fiscal year, the department must assume that future appropriation levels will be equal to the current appropriation level.⁷ The department is authorized to fund projects within the Intermodal Development Program which are consistent with approved local government comprehensive plans of the units of local government in which the project is located. Projects that are eligible for funding under this program include major capital investments in public rail and fixed-guideway transportation facilities and systems which provide intermodal access; road, rail, or fixed-guideway access to, from, or between seaports, airports, and other transportation terminals; construction of intermodal or multimodal terminals; development and construction of dedicated bus lanes; and projects which otherwise facilitate the intermodal or multimodal movement of people and goods.⁸

Florida Seaport Transportation and Economic Development Council

The Florida Seaport Transportation and Economic Development Council was created in s. 311.09(1), F.S., within the Department of Transportation, and consists of 17 members. The 17 members include port directors, a representative from the Department of Transportation, and the director of the Office of Tourism, Trade, and Economic Development (OTTED) or his or her designee, and the secretary of the Department of Community Affairs or his or her designee. The council is required to prepare a 5-year Florida Seaport Mission Plan defining the goals and objectives of the council concerning the development of port facilities and an intermodal transportation system consistent with the goals of the Florida Transportation Plan.⁹

The Florida Seaport Transportation and Economic Development Council, in cooperation with the Office of the State Public Transportation Administrator, must develop freight-mobility and trade-corridor plans to assist in making freight-mobility investments that contribute to the economic growth of the state. These plans should enhance the integration and connectivity of the transportation system across and between transportation modes throughout Florida for people and freight.¹⁰

III. Effect of Proposed Changes:

Section 1 of the committee substitute amends s. 311.07(2), F.S., and provides for a minimum of \$10 million per year to be available from the State Transportation Trust Fund to fund the Florida Seaport Transportation and Economic Development Program. The previous amount available per year was \$8 million. Beginning July 1, 2003, the committee substitute requires an additional amount of a minimum of \$10 million per year be made available for the next five years from the State Transportation Trust Fund to fund approved projects under the Florida Seaport Transportation and Economic Development Program – except security measures. This additional funding provision expires June 30, 2008. Separate funding is available until 2005 (extended from 2004) for security-measure projects. This section also removes a reference to the former Florida

⁷ Section 341.053(5), F.S.

⁸ Section 341.053(6), F.S.

⁹ Section 311.09(3), F.S.

¹⁰ Section 311.14(1), F.S.

Trade Data Center, which in the past worked with the Seaport Transportation and Economic Development Council to develop trade data information for seaports and international trade.

Section 2 creates s. 341.0531, F.S., and establishes the Transportation Commerce Improvement Program. The purposes of the Transportation Commerce Improvement Program include:

- Enhancing the state's economic competitiveness through strategic transportation investments in significant statewide or regional transportation projects;
- Identifying projects throughout the state that will provide more efficient movement of travelers, goods, and services;
- Assisting local governments in developing intermodal linkages;
- Promoting logical linkages between different modes of transportation; and
- Attracting federal, state, local, and private sector funds to make those improvements.

This section also creates an independent Transportation Commerce Improvement Advisory Council housed within the Department of Transportation. The council is limited to implementing the acts required in s. 341.0531, F.S., through s. 341.0533, F.S. The department must provide administrative staff support and must record all meetings of the council. The members of the council consist of:

- The secretary of the Department of Transportation or the secretary's designee;
- Two members of the Senate appointed by the President of the Senate, who will serve ex-officio;
- Two members of the House of Representatives appointed by the Speaker of the House of Representatives, who will serve ex-officio; and
- The following representatives selected by the Governor:
 - Two representatives from major railroads;
 - One representative from a short-line or regional railroad;
 - Two representatives from airports involved in the movement of freight and people from their airport facility to another transportation mode;
 - Two representatives from seaports listed in s. 311.09(1), F.S., (with one from the Atlantic Coast, and one from the Gulf Coast);
 - Two representatives from intermodal trucking; and
 - Two representatives from the private sector.

Initial appointments to the council must be made no later than August 1, 2003. Council members serve for two years (provided that a legislative member's term may not exceed the term of the presiding officer who made the appointment) and are allowed one vote. The council must meet at least semiannually. The council must develop and annually update a transportation commerce improvement plan to connect Florida's airports, deepwater seaports, rail systems serving both passenger and freight, and major intermodal connectors to the Florida Intrastate Highway System facilities. The plan, among other things, must:

- Define the goals and objectives concerning the development and enhancement of transportation commerce corridors of statewide significance designated pursuant to s. 341.0532, F.S.; and

- Identify and maximize the use of private, local, state, and federal resources to finance the costs of identified projects. The council and the secretary must use this plan to leverage federal funding and promote federal legislation to enhance Florida's transportation investments.

Section 3 creates s. 341.0532, F.S., which provides for Transportation Commerce Corridors of Statewide Significance. A transportation commerce corridor of statewide significance is a system of transportation infrastructure that collectively provides for the efficient movement of significant numbers of persons and significant volumes of intrastate, interstate, and international commerce by seamlessly linking multiple modes of travel. This section designates the initial transportation commerce corridors of statewide significance. The Transportation Commerce Improvement Advisory Council is authorized to recommend additions, deletions, and modifications to this initial list with input from the Department of Transportation. Entities eligible for transportation commerce improvement grants may make recommendations regarding the initial list of corridors. Any resolution adopted by the council regarding recommended changes to the initial list must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

Section 4 creates s. 341.0533, F.S., which provides for transportation commerce improvement grants. Beginning July 1, 2004, a minimum of \$30 million must be made available from the State Transportation Trust Fund to fund transportation commerce improvement grants. The committee substitute lists seven different projects eligible for funding, including seaport projects that improve cargo and passenger movements or connect the seaports to other modes of transportation and aviation projects that increase passenger enplanements and cargo activity or connect airports to other modes of transportation. Application for grants must be received by the Department of Transportation no later than October 1 of each year. Projects may be proposed by any local government, regional organization, economic development board, public or private partnership, metropolitan planning organization, state agency, or other entity engaged in economic development activities. The criteria for receiving a grant include:

- The project must be able to be made production ready within a 5-year period following the end of the current fiscal year;
- The project must be consistent with a current transportation system plan such as the Florida Intrastate Highway System;
- The project must not be inconsistent with an approved local comprehensive plan of any local government within whose boundaries the project is located. If it is inconsistent, it must explain why the project should be undertaken;
- The project must be of statewide or regional significance;
- The project must facilitate the movement of people, goods, and services within a transportation commerce corridor of statewide significance; and
- The project must encourage, enhance, or create economic benefits in urban or rural areas.

The Department of Transportation must submit to the Transportation Commerce Improvement Advisory Council eligible projects by December 1 of each year. When making a funding recommendation, the council must determine:

- Whether other funds are available to help complete the project;
- The amount of local, federal, or private matching funds available for the project; and
- The extent to which the project incorporates corridor management techniques, including access management strategies, right-of-way acquisition or protection measures, and appropriate zoning and setback controls.

The council must submit the list of recommended projects to the secretary of the Department of Transportation, who in turn must submit it to the Legislature. The Legislature shall consider the recommended projects list and, if applicable, include approved projects in the General Appropriations Act. Any projects approved for funding by the Legislature must be included in the department's adopted work program. The department is provided authority to adopt rules for the administration of this section.

Section 5 provides that this act shall take effect July 1, 2003.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The transportation needs of communities with approved projects may benefit from improved transportation of goods and people into and through their community. Local governments, regional organizations, economic development boards, public or private partnerships, metropolitan planning organizations, state agencies, or other economic development organizations with eligible projects may receive additional grant funding.

C. Government Sector Impact:

The committee substitute provides funding from the State Transportation Trust Fund for the following items:

- Increase from \$8 million per year to \$10 million per year to fund the Florida Seaport Transportation and Economic Development Program; begins July 1, 2003;
- Additional \$10 million per year for the next five years available to fund grants to eligible port facilities or port transportation projects described in current law, excluding port-security measures; begins July 1, 2003, and expires June 30, 2008; and
- At a minimum, an additional \$30 million to fund transportation commerce improvement grants; begins July 1, 2004.

The Department of Transportation may incur additional costs assisting the newly created Transportation Commerce Improvement Advisory Council and reviewing applications for transportation commerce improvement grants.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
