

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Transportation

BILL: SB 100
 INTRODUCER: Senator Harrell
 SUBJECT: Highway Projects
 DATE: March 3, 2021 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Vickers	TR	Favorable
2.			AP	

I. Summary:

SB 100 repeals the Multi-use Corridors of Regional Economic Significance (M-CORES) Program and related provisions, but retains the associated funding within the State Transportation Trust Fund (STTF). The bill draws on the recommendations of the M-CORES task forces and prioritizes strategic improvements to existing highway facilities. More specifically, the bill:

- Authorizes the Florida Department of Transportation (FDOT) to upgrade existing arterial roadways with targeted improvements, such as adding new tolled or non-tolled limited access alignments to manage congestion points and retrofitting roadways with tolled or non-tolled grade separations that provide alternatives to a signalized intersection for through traffic.
- Prohibits reduction of any non-tolled general use lanes of an existing facility, requires maintenance of existing access points, and limits the location of any tolling points such that a non-tolled alternative exists for local traffic.
- Subjects portions of any project to be tolled to federal and state environmental reviews and generally to the same review and development requirements and processes as are currently applicable to the FDOT’s projects.
- Directs the FDOT to develop, by December 31, 2035, and include in the work program construction of controlled access facilities to achieve free flow of traffic on U.S. 19 and requires the facility to be developed using existing or portions of existing roadway by specified improvements.
- Directs the FDOT to identify and include in the work program projects to widen certain two-lane arterial rural roads serving high volumes of truck traffic to four lanes and provides funding for such projects.
- Directs the FDOT to begin the project development and environmental phase for a project to extend the Florida Turnpike from its current terminus in Wildwood to a terminus as determined by the FDOT, and to submit a summary report by December 31, 2022.
- Retains in the STTF the revenue redirected to it as a result of the 2019 M-CORES legislation for purposes of funding the authorized controlled access facility projects and widening projects on arterial rural highways.

- Restores the distribution of certain motor vehicle registration fees from the Florida Turnpike Enterprise to the STTF to support statewide transportation priorities.

The bill is expected to have a minimal fiscal impact to the STTF, as it does not change the amount of revenue distributed to the STTF, but it does revise the authorized uses of such funding. See the “Fiscal Impact Statement” below for additional information.

Except as otherwise provided, the bill takes effect July, 2021.

II. Present Situation:

The FDOT is generally charged with providing “a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.”¹ Funds in the STTF² support the projects contained in the FDOT’s work program, developed pursuant to s. 339.135, F.S. Current law identifies specific funding from moneys in the STTF for certain transportation systems and projects, as well as specific funding programs aimed at transportation projects in rural communities.

The Florida Strategic Intermodal System

The Strategic Intermodal System (the SIS)³ is composed of transportation facilities and services of statewide and interregional significance. The FDOT describes the SIS as representing “an effort to link Florida’s transportation policies and investments to the state’s economic development strategy.”⁴ The SIS consists of:

- Highway corridors established under s. 339.65, F.S. (discussed below);
- The National Highway System;
- Airport, seaport, and spaceport facilities;
- Rail lines and rail facilities;
- Selected intermodal facilities; passenger and freight terminals; and appropriate components of the State Highway System, county road system, city street system, inland waterways, and local public transit systems that serve as connectors between the above components; and
- Other corridors that serve a statewide or interregional purpose.⁵

¹ FDOT, *About FDOT*, available at <https://www.fdot.gov/agencyresources/aboutfdot.shtm> (last visited February 26, 2021).

² Established in s. 206.46, F.S.

³ Section 339.61, F.S.

⁴ FDOT, *Work Program Instructions FY 21/22-25/26*, September 18, 2020, at p. 378, available at [WPI_Final_2226 \(state.fl.us\)](https://www.fdot.gov/agencyresources/wpi-final-2226) (last visited February 26, 2021).

⁵ Section 339.62, F.S.

Section 339.65, F.S., requires the FDOT to plan and develop SIS highway corridors, to include limited⁶ and controlled access⁷ facilities allowing for high-speed and high-volume traffic movements. The corridors include facilities from the following State Highway System components that meet the adopted SIS criteria:

- Interstate highways,
- The Florida Turnpike System,
- Interregional and intercity limited access facilities,
- Existing interregional and intercity arterial highways⁸ previously upgraded or upgraded in the future to limited or controlled access facility standards, and
- New limited access facilities necessary to complete a balanced statewide system.

For purposes of developing these SIS corridors, s. 339.65(6), F.S., requires the FDOT to allocate annually a minimum of \$450 million, adjusted annually by the Consumer Price Index.

Florida's Turnpike System

The Florida Turnpike Enterprise (FTE) within the FDOT is empowered to plan, construct, maintain, repair, and operate the Florida Turnpike System. The FTE's powers are in addition to those of the FDOT.⁹ The FTE is a single budget entity that develops its own budget, which is submitted to the Legislature along with the FDOT's.¹⁰ For the 2020-2021 fiscal year, the FTE's total budget is \$1,298,303,602.¹¹

A proposed project may not be added to the turnpike system unless the project is determined to be economically feasible, a statement of environmental feasibility is completed for the project, and such project is determined to be consistent with approved local comprehensive plans of the local governments in which the project is located, to the maximum extent feasible.^{12, 13}

⁶ "Limited access facility" is defined to mean "a street or highway especially designed for through traffic, and over, from, or to which owners or occupants of abutting land or other persons have no right or easement of access, light, air, or view by reason of the fact that their property abuts upon such limited access facility or for any other reason. Such highways or streets may be facilities from which trucks, buses, and other commercial vehicles are excluded; or they may be facilities open to use by all customary forms of street and highway traffic." Section 334.03(12), F.S.

⁷ "Controlled access facility" is defined to mean "a street or highway to which the right of access is highly regulated by the governmental entity having jurisdiction over the facility in order to maximize the operational efficiency and safety of the high-volume through traffic utilizing the facility. Owners or occupants of abutting lands and other persons have a right of access to or from such facility at such points only and in such manner as may be determined by the governmental entity." Section 334.03(7), F.S.

⁸ "Arterial road" is defined to mean "a route providing service which is relatively continuous and of relatively high traffic volume, long average trip length, high operating speed, and high mobility importance. In addition, every United States numbered highway is an arterial road." Section 334.03(1), F.S.

⁹ Section 338.2216(1)(a), F.S.

¹⁰ Section 338.2216(3)(a), F.S.

¹¹ Chapter 2020-111, s. 6, Specific Appropriations 1987 – 2011, L.O.F.

¹² For a map of the system, see Florida's Turnpike System Maps available at <https://floridasturnpike.com/system-maps/> (last visited February 26, 2021). The turnpike system currently includes the mainline from Miami to Central Florida, as well as the Homestead Extension, Sawgrass Expressway, Seminole Expressway, Beachline Expressway, Southern Connector Extension, Veterans Expressway, Suncoast Parkway, Polk Parkway, Western Beltway, the I-4 Connector, and the First Coast Expressway.

¹³ Section 338.223(1)(a), F.S.

“Economically feasible” for a proposed turnpike project means that, as determined by the FDOT before issuance of revenue bonds for the project, the estimated net revenues of the project, excluding feeder roads¹⁴ and turnpike improvements, will be sufficient to pay at least 50 percent of the annual debt service on the bonds by the end of the 12th year of operation and to pay at least 100 percent of the debt service on the bonds by the end of the 30th year of operation. Up to 50 percent of the adopted work program costs of the project may be funded from turnpike revenues.¹⁵ The required statement of environmental feasibility is a statement by the Department of Environmental Protection of the project’s significant environmental impacts.¹⁶

Legislative approval of the FDOT’s tentative work program containing the turnpike project constitutes approval to issue bonds for such project as required by the Florida Constitution.¹⁷ Section 338.227, F.S., authorizes the Division of Bond Finance to issue turnpike revenue bonds as provided in the State Bond Act to pay all or any part of the cost of legislatively approved turnpike projects. However, no more than \$10 billion of bonds may be outstanding to fund approved turnpike projects.¹⁸ As of June 30, 2020, the FTE had \$2.8 billion of outstanding bonds related to financing the construction of expansion projects and system improvements.¹⁹

The principal and interest on such bonds is payable solely from revenues pledged for their payment.²⁰ All revenues or bond proceeds are restricted to paying the cost of turnpike projects and improvements and for the administration, operation, maintenance, and financing of the turnpike system. No revenues or bond proceeds from the turnpike system may be spent for the operation, maintenance, construction, or financing of any project that is not part of the turnpike system.²¹

The FDOT may use turnpike revenues,²² STTF moneys allocated for turnpike projects as a component of the SIS, federal funds, and bond proceeds in developing a financial plan for funding turnpike projects²³ and may use federal and state funds to pay the cost of the operation, maintenance, and capital costs of turnpike projects.²⁴

¹⁴ A “feeder road” is defined as any road no more than five miles in length, connecting to the turnpike system which the FDOT determines is necessary to create or facilitate access to a turnpike project. Section 338.221(3), F.S.

¹⁵ Section 338.223(1)(a) and s. 338.221(8)(a), F.S.

¹⁶ Section 338.221(10), F.S. The FDOT may authorize engineering, traffic, environmental, and other expert studies of the location, costs, economic feasibility, and practicality of proposed projects but may not request legislative approval of such project until the design phase is at least 30 percent complete.

¹⁷ Section 338.2275(1)(a), F.S.

¹⁸ *Id.*

¹⁹ Florida’s Turnpike System, *2020 Comprehensive Annual Financial Report, Fiscal Years Ended June 30, 2020 and 2019*, at p. 37, available at https://floridasturnpike.com/wp-content/uploads/2021/01/2020-CAFR-Final_low-resolution-for-web_1-29_Final.pdf (last visited February 26, 2021).

²⁰ Section 338.227, F.S. The FTE’s current debt service coverage ratio as reported in the 2020 Comprehensive Annual Financial Report was 2.99 and 3.25 for fiscal years 2020 and 2019, respectively. (The term describes a measure of ability to generate enough income in operations to cover the expense of a debt.) These debt service coverage ratios exceed the 1.2 minimum debt service coverage required by existing bond covenants, but are down from previous coverage ratios, attributed to lower annual toll facilities revenues negatively impacted by COVID-19. *Id.*

²¹ *Id.*

²² Net cash to the FTE from operating activities in a fiscal year 2020 snapshot amounted to approximately \$610 million. *Id.* at p. 30.

²³ Section 338.2275(2), F.S.

²⁴ Section 338.223(4), F.S.

Other Available Funding Mechanisms

In addition to issuance of turnpike revenue bonds for turnpike projects, funding mechanisms currently available to the FDOT for transportation-related projects also include, but are not limited to:

- Right-of-way acquisition or bridge construction bonds: These bonds may be issued to finance or refinance the cost of acquiring real property or rights thereto for state roads or to finance or refinance the cost of state bridge construction. The bonds are payable primarily from motor and diesel fuel taxes and are secured by the full faith and credit of the state. After debt service and other obligations, the proceeds are deposited into the STTF.²⁵
- The FDOT Financing Corporation: The Legislature created the non-profit corporation for the purpose of financing or refinancing transportation projects on behalf of the FDOT. A board of directors consisting of the director of the Office of Policy and Budget within the Executive Office of the Governor, the director of the Division of Bond Finance, and the FDOT secretary governs the corporation. The FDOT may enter into service contracts with the corporation in connection with projects approved in the FDOT's work program. Each service contract may have a term of up to 35 years. The corporation may issue and incur notes, bonds, certificates of indebtedness, and other obligations or evidences of indebtedness to finance or refinance projects in the FDOT's work program, and the FDOT makes payments on the indebtedness under the service contract. The indebtedness does not constitute a debt or obligation of the state or a pledge of the full faith and credit or taxing power of the state. Payment of obligations by the FDOT to the corporation are payable solely from amounts available in the STTF, subject to annual appropriation.²⁶
- Public-private transportation facilities: The FDOT is authorized to receive or solicit proposals and, with legislative approval as evidenced by approval of the project in the FDOT's work program, enter into agreements with private entities for the building, operation, ownership, or financing of transportation facilities. Under specified conditions, the FDOT may advance projects in the ten-year Strategic Intermodal Plan developed for the SIS that are programmed in the adopted five-year work program or that increase transportation capacity and are greater than \$500 million. Advanced projects use funds provided by public-private partnerships or private entities, which are reimbursed by FDOT for the project as programmed in the work program.²⁷

Rural Transportation Programs

Small County Road Assistance Program (SCRAP)

The FDOT administers the SCRAP to assist small county governments in resurfacing or reconstructing county roads that were part of the county road system on June 10, 1995.²⁸

Counties eligible to compete for funding based on population include those with a population of

²⁵ Section 215.605, F.S.

²⁶ Section 339.0809, F.S.

²⁷ Section 334.30, F.S.

²⁸ Section 339.2816, F.S.

75,000 or less according to the 1990 federal census.²⁹ Capacity improvements on county roads are not eligible for SCRAP funding, except where the department determines that widening existing lanes as part of a resurfacing or reconstruction project is necessary to address safety concerns.³⁰ Available funds are allocated to the FDOT districts based on the number of counties eligible for funding under the criteria in s. 339.2816, F.S.³¹

In Fiscal Year 2019-2020, the Legislature appropriated approximately \$29.3 million³² to fund the program and, in 2020-2021, included in the budget approximately \$47.6 million³³ to fund the program. These amounts *include* \$10 million in funding redirected under the M-CORES law, as discussed below.

Small County Outreach Program (SCOP)

The SCOP program within the FDOT assists small counties in repairing or rehabilitating county bridges, paving unpaved roads, addressing road-related drainage improvements, resurfacing or reconstructing county roads, or constructing capacity or safety improvements to county roads. Small counties eligible to compete for project funding include those with a population of 200,000 or less as determined by the most recent official estimate of the Office of Economic and Demographic Research.³⁴ Like the SCRAP Program, available funds are allocated to the FDOT districts based on the number of counties eligible for funding under the criteria in s. 339.2818, F.S.

The FDOT is required to fund 75 percent of the cost of projects on county roads selected for funding under the program³⁵ and the county must provide 25 percent of such costs.³⁶ Rural counties qualifying under the Rural Economic Development Initiative³⁷ may apply for a waiver or reduction of the required 25 local match.³⁸ Subject to specific appropriation in addition to those annually appropriated for the SCOP Program, municipalities within a rural area of opportunity may also compete for funding at up to 100 percent of project costs, excluding capacity improvement projects.³⁹

²⁹ Those counties include Baker, Bradford, Calhoun, Columbia, DeSoto, Dixie, Flagler, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Nassau, Okeechobee, Putnam, Sumter, Suwannee, Taylor, Union, Wakulla, Walton, and Washington. *Supra* note 4 at p. 342.

³⁰ *Supra* note 4 at p. 342.

³¹ For example, if a district has ten counties and there are 31 eligible counties statewide, then the district's allocation would be approximately 32.26% of the total available funding. If there are not enough timely applications in a district, the funds that were allocated to the district remain with the district (put into "reserve" until the applications are complete). This keeps the equitable distribution of the program funds within the districts.

³² Chapter 2019-115, L.O.F.

³³ Chapter 2020-111, L.O.F.

³⁴ Section 339.2818, F.S. Counties qualified to compete for SCOP funding based on population include the same counties now eligible to compete for SCRAP funding listed in footnote 35, plus Bay, Citrus, Charlotte, Hernando, Indian River, Martin, Monroe, and Santa Rosa Counties.

³⁵ Section 339.2818(4)(a), F.S.

³⁶ The County is responsible for any initial bid costs or project overruns of the project that exceed the department's share. This helps ensure that the funds are utilized on as many projects as possible.

³⁷ See s. 288.0656, F.S., for a full description of the Rural Economic Development Initiative. Subsection (7) of that section authorizes waiver of criteria, requirements, or similar provisions of any economic development incentive, including but not limited to waivers of matching funds for transportation projects in the SCOP.

³⁸ *Supra* note 4 at p. 334.

³⁹ Section 339.2818(7), F.S.

In Fiscal Year 2019-2020, the Legislature appropriated approximately \$71.3 million⁴⁰ to fund the program, \$9 million of which was specifically appropriated to fund projects in municipalities within rural areas of opportunity (RAOs) and, in 2020-2021, included in the budget approximately \$96 million⁴¹ to fund the program, \$9 million of which was specifically appropriated for competing municipalities in RAOs. These amounts *include* \$10 million in funding redirected under the M-CORES law, discussed below.

The Multi-use Corridors of Regional Economic Significance Program (M-CORES)

The 2019 Legislature established the M-CORES Program within the FDOT.⁴² Designed to advance construction of regional corridors accommodating multiple modes of transportation and multiple types of infrastructure, the specific purpose of the program is to revitalize rural communities, encourage job creation in those communities, and provide regional connectivity while leveraging technology, enhancing quality of life and public safety, and protecting the environment and natural resources. The goals of the program include “non-traditional” approaches to transportation, such as providing within the three corridors infrastructure to facilitate expansion of broadband, water, and sewer connectivity in rural areas. The schedule for completion of the three corridors is aggressive; to the maximum extent feasible, construction of the projects must begin no later than December 31, 2022, and be open to traffic no later than December 31, 2030.

The Legislature identified three corridors comprising the program⁴³ and directed the FDOT to convene a task force for each corridor comprised of representatives from state agencies and other stakeholders to evaluate and coordinate corridor analysis, environmental and land use impacts, and other pertinent impacts of the corridors.

M-CORES Task Force Reports

After numerous meetings of the required task forces beginning in August of 2019 (some virtual due to COVID-19), community open houses, webinars, as well as opportunities for public comment, the task forces issued their final reports in November of 2020.⁴⁴

Key findings and recommendations of the task forces include:

- Among the responsibilities assigned to the task forces was a charge to evaluate the need for and the impacts of each corridor. Each task force identified an inability to complete this charge, “due to the early stage of planning for [each] corridor and the limited data and analysis on potential needs and impacts available at this time,” and directed the FDOT to establish at least a preliminary determination of transportation need and initial financial feasibility before proceeding with the Project Development and Environment (PD&E) phase.

⁴⁰ Chapter 2019-115, L.O.F.

⁴¹ Chapter 2020-111, L.O.F.

⁴² Chapter 2019-43, L.O.F.

⁴³ The Southwest-Central Florida Connector, extending from Collier County to Polk County; the Suncoast Connector, extending from Citrus County to Jefferson County; and the Northern Turnpike Connector, extending from the northern terminus of the Florida Turnpike northwest to the Suncoast Parkway.

⁴⁴ See FDOT, *Final Task Force Reports*, for all three task force reports, available at <https://floridamcores.com/> (last visited February 26, 2021.)

- The task forces did develop high-level needs that require further evaluation by FDOT, and project-level needs will be evaluated consistent with the task force recommendations. Each task force *expressed a preference, if specific needs are identified, for improvement or expansion of existing major highway corridors* and acknowledged the process for FDOT to consider a “no build” alternative in future project development activities until a final recommendation about each specific project is made.
- Each task force also recommended guiding principles, instructions and an action plan, based on the data and analysis provided, as a “set of directions to FDOT and other partners for future planning, project development, and implementation activities.” Each report was submitted “with a qualifier that FDOT must still develop project-specific needs, environmental feasibility and economic feasibility for future projects.”

While the program has support from certain public officials and interested stakeholders, the public comments received by the FDOT in the course of task force deliberations revealed significant opposition to the M-CORES Program. Following a public records request, a coalition of Florida-based organizations and businesses reportedly performed an analysis of 9,886 comments released by the FDOT, finding that 93 percent of the commenters oppose the toll roads.⁴⁵

Current FDOT M-CORES Status

According to the FDOT, the corridors are being evaluated in a five-step process:

- Task Force
- Alternative Corridor Evaluation
- Project Development & Environment and Design
- Right-of-Way
- Construction

All three corridors are currently undergoing alternative corridor evaluation. The FDOT notes “The Task Force Guiding Principles, in collaboration with federal, state, and local partners, will be used to conduct the preliminary needs and financial analysis and evaluation of potential corridors, including opportunities for linear infrastructure (broadband, sewer, water) and co-location with existing corridors.” Further, “A final report will identify which sections and which corridor(s), if any, are carried forward for further evaluation.”⁴⁶

The Impact of COVID-19 on Transportation Revenues

As the FDOT and the task forces engaged in their work, reports of increasing cases of COVID-19 infection began to proliferate. Reports of the impacts of COVID-19 on various sources of revenue began, as well, including impacts on transportation revenue sources. In a presentation to the Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development on February 9, 2021, the FDOT noted projected transportation revenue reductions (from traditional sources such as fuel taxes, documentary stamp tax proceeds, and toll facility

⁴⁵ See MSN News, *Thousands of Public Comments Show Overwhelming Opposition to M-CORES Toll-Road Projects*, available at [Thousands Of Public Comments Show Overwhelming Opposition To M-CORES Toll-Road Projects \(msn.com\)](https://www.msn.com/story/news/politics/2021/02/26/thousands-of-public-comments-show-overwhelming-opposition-to-m-cores-toll-road-projects) (last visited February 26, 2021).

⁴⁶ See the FDOT’s M-CORES Program Overview (on file in the Senate Transportation Committee).

revenues) for the five-year work program for the 2020-21 – 2025-2026 fiscal years in the amount of \$2.91 billion.⁴⁷ For the 2020-2021 fiscal year, the revenue reductions resulted in 23 projects being deferred, while 54 projects were deleted entirely.⁴⁸

Further Present Situation

For ease of organization and readability, additional information on related present situation is discussed below in conjunction with the effect of the proposed changes.

III. Effect of Proposed Changes

M-CORES Program Funding (Section 3)

Present Situation

Section 338.2278, F.S., establishes the M-CORES Program within the FDOT and also provides funding for the M-CORES Program. Subject to the economic and environmental feasibility statement requirements, that section authorizes funding for M-CORES projects through turnpike revenue bonds, right-of-way and bridge construction bonds, the FDOT Financing Corporation, the use of public-private partnerships, or by any combination thereof. The FDOT is also authorized to accept donations of land for use as transportation rights-of-way or to secure or use transportation rights-of-way for such projects.

If projects in the corridors are determined to be economically and environmentally feasible and are consistent to the maximum extent feasible with the appropriate approved local government comprehensive plans, the projects will be included in the FDOT's tentative work program. Upon legislative approval of the projects in the tentative work program, issuance of turnpike revenue bonds will be authorized to pay all or any part of the legislatively approved turnpike projects, subject to the restriction limiting the amount of bonds that may be outstanding for approved turnpike projects to \$10 billion.⁴⁹ The principal and interest on any turnpike revenue bonds issued for these projects will be payable solely from revenues pledged for their repayment.

Part of the M-CORES law includes redirected revenues to the STTF, on a phased-in schedule, from portions of motor vehicle license taxes that were deposited into the General Revenue Fund. Current law dictates how and when the increased revenues are to be distributed and allocated. In addition, from the redirected motor vehicle license tax proceeds, the Legislature authorized additional funding for the SCRAP, the SCOP, and the Transportation Disadvantaged Trust Fund (TDTF),⁵⁰ and also revised and provided funding for the FDOT's workforce development program.

⁴⁷ See the FDOT's Powerpoint presentation at p. 13, available at https://www.flsenate.gov/Committees/Show/ATD/MeetingPacket/5021/8989_MeetingPacket_5021.pdf (last visited February 26, 2020).

⁴⁸ *Id.* at p. 10.

⁴⁹ Section 338.2275(1)(a), F.S.

⁵⁰ The Transportation Disadvantaged Program established in Part I of Chapter 427, F.S., coordinates a network of local and state programs providing transportation services for elderly, disabled, and low-income citizens. The Commission for the Transportation Disadvantaged (CTD) is authorized to use moneys in the TDTF to subsidize a portion of a transportation disadvantaged person's non-sponsored (for example, not paid for by Medicaid) transportation costs. For the 2021-2022 fiscal

The 2019 M-CORES legislation set up a phased-in schedule of distribution from the redirected motor vehicle license tax revenues (approximately \$132 million annually) and provided allocations of the amounts retained in the STTF. These funds are in addition to any other statutory funding allocations provided by law.

For Fiscal Years 2019-2020 and 2020-2021, the General Revenue Fund received transfers of approximately \$65.7 million and \$38.6 million, respectively, from the increased revenues to the STTF. Beginning Fiscal Year 2021-2022 and thereafter, the General Revenue Fund receives no further transfers, and the estimated \$132 million is retained in the STTF.

For the 2019-2020 fiscal year and annually thereafter, from the amounts retained in the STTF, the SCRAP, the SCOP, and the TDTF receive \$10 million annually each, and the workforce development program receives \$2.5 million annually ending in the 2021-2022 fiscal year.

The funds allocated to the TDTF must be used to award competitive grants to community transportation coordinators and transportation network companies to provide cost-effective, door-to-door, on-demand, and scheduled transportation services (services that increase access to job training, employment, health care, and other life-sustaining services; that enhance regional connectivity and cross-county mobility; or that reduce difficulty in connecting to transportation hubs and from hubs to final destinations).

The funds allocated for workforce development must be used by the FDOT to administer workforce development contracts with consultants and non-profit entities, such as local community partners, state colleges, and technical institutions. These entities, as specified in a contract with the FDOT, are deemed to have the primary purposes of providing workforce recruitment, training curriculum for the FDOT's road and bridge construction and corridor projects, and providing support services to remove barriers to work. The program is not repealed when the dedicated \$2.5 million of funding ceases at the end of the 2021-2022 fiscal year but remains authorized in statute. The FDOT may continue administration of the workforce development program to the extent that future funding resources are available.

Section 339.0801(2), F.S., currently provides \$35 million (from increased revenues to the STTF enacted in 2012) in annual funding to the FTE for three fiscal years, 2019-2020, 2020-2021, and 2021-2022, to be used in accordance with turnpike requirements and to the maximum extent feasible for feeder roads, structures, interchanges, and appurtenances to create or facilitate access to the existing turnpike system.⁵¹ Beginning in Fiscal Year 2022-2023, the same annual transfer to the FTE occurs, but the funds must be used in accordance with M-CORES Program requirements and with preference for feeder roads, structures, interchanges, and appurtenances to create or facilitate access to the existing turnpike system.

year, the CTD projects deposits into the TDTF from state sources in the amount of \$68,359,521. *See* the CTD email to committee staff dated February 26, 2021 (on file in the Senate Transportation Committee).

⁵¹ These transfers originally began in the 2013-2014 fiscal year, to be made annually for up to 30 years.

Effect of Proposed Changes

Section 3 of the bill repeals s. 338.2278, F.S. The M-CORES Program is repealed in its entirety. Beginning in Fiscal Year 2021-2022, the annual allocations to the M-CORES Program, the additional annual allocations over current statutory funding for the SCRAP, the SCOP, and the TDTF, as well as the last year of funding for workforce development, are repealed.

As discussed below, however, the increased revenues derived from redirecting to the STTF portions of motor vehicle license taxes remain in the STTF under the bill.

Arterial Highway Projects (Sections 6, 7, and 9-12)

Present Situation

As part of its duties and responsibilities to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities, the FDOT routinely manages and improves arterial roads to increase capacity and facilitate traffic throughput, while at the same time achieving the paramount goal of improving safety. The FDOT and the FTE are experienced in retrofitting transportation facilities with grade separations and adding new alignments for the same purposes.

The M-CORES task force reports, along with the public comments received during the course of their deliberations, may serve as a beneficial guide on how best to repurpose the funding authorized for the M-CORES Program, by leveraging existing facilities through upgrades to arterial highways and including a continued focus on improvement projects in appropriate rural areas.

An example of upgrades to existing arterial highways⁵² to maximize operational efficiency and safety is implementation of controlled access facilities (CAFs).⁵³ The FDOT's Access Control Classification System and Access Management Standards used in planning, designing, and permitting connections to a facility and in the planning and design of medians, median openings, and signal spacing for roads on the State Highway System employs seven classes of CAFs, beginning with Class 1 (limited access facilities providing for high speed and high volume traffic movements serving interstate, interregional, and intercity highways but which do not provide direct property connections).

According to the FDOT rule,⁵⁴ "Access Classes 2 through 7 consist of controlled access facilities and are arranged from the most restrictive (Access Class 2) to the least restrictive (Access Class 7) class based on development. Generally the roadways serving areas without existing extensive

⁵² "A route providing service which is relatively continuous and of relatively high traffic volume, long average trip length, high operating speed, and high mobility importance. In addition, every United States numbered highway is an arterial road."

⁵³ "A street or highway to which the right of access is highly regulated by the governmental entity having jurisdiction over the facility in order to maximize the operational efficiency and safety of the high-volume through traffic utilizing the facility. Owners or occupants of abutting lands and other persons have a right of access to or from such facility at such points only and in such manner as may be determined by the governmental entity."

⁵⁴ Rule 14-97.003, F.A.C. The rule implements the FDOT's statutory duties with respect to regulation of access to the State Highway System, access permitting, and access management standards in ss. 335.182, 335.184, and 335.188, F.S.

development are classified in the upper portion of the range (Access Class 2, 3 and 4). Those roadways serving areas with existing moderate to extensive development are generally classified in the lower portion of the range (Access Class 5, 6 and 7). The access management standards for each access class are further determined by the posted speed limit.” The rule appears to provide the FDOT the flexibility, based on engineering decisions, to employ the most appropriate type of upgrade to an existing arterial highway given its characteristics and the particular goal of a given project, such as congestion management.

One recent example of the successful implementation of an upgrade to an existing arterial highway is a new limited access facility, approximately seven miles in length, on the west side of Starke, bypassing the developed section of U.S. 301.⁵⁵ This route was apparently chosen over an “urban” alternative involving the widening of a portion of the then existing roadway, in part because the “rural” route minimized right-of-way takings.⁵⁶

An economic impact analysis projected significant negative economic impacts for both alternatives, of different types but comparable in magnitude.⁵⁷ Yet, residents and businesses are reportedly “delighted” since the project opened in 2019. According to a recent article:

- By January [of 2020], the bypass around Starke had diverted 65% of overall traffic from the city of about 5,500 residents, but residents are pleased that the portion of U.S. 301 through Starke is no longer “bombarded with trucks,” as described by an FDOT representative. Travel for local residents in town improved.
- This created an influx of Starke residents willing to drive along U.S. 301, which proved beneficial for businesses. The President of the North Florida Regional Chamber of Commerce is quoted for noting that no businesses closed as a result of the bypass, and local sales tax revenue reportedly increased the first few months after the bypass opened [until the negative impacts of COVID-19 began to appear].⁵⁸

Effect of Proposed Changes

Section 9 creates s. 339.66, F.S., relating to upgrading arterial highways with controlled access facilities, and includes Legislative findings that provision and maintenance of safe, reliable, and predictably free-flowing facilities to support the movement of people and freight and to enhance hurricane evacuation efficiency is important; and that planning now for population growth and technology changes while prudently making timely improvements to address demand is in the best interest of the state.

Building on a primary focus of the M-CORES task forces to *maximize the use of existing facilities*, the bill directs the FDOT, in coordination with the Florida Turnpike Enterprise (FTE), to evaluate existing or portions of existing roadways for development of specific CAFs and include such projects as identified in the work program. The FDOT is authorized to upgrade

⁵⁵ An arterial road by definition. *Supra* note 13.

⁵⁶ See the *Starke U.S. 301 Corridor Study, Bradford County Florida, Economic Impact Analysis*, July 1996, at p. 1-1 (on file in the Senate Transportation Committee).

⁵⁷ *Id.* at p. 1-3.

⁵⁸ See WUFT, *Starke Businesses Survived The Route 301 Bypass. Will They Survive The Pandemic, Too?*, October 8, 2020, available at <https://www.wuft.org/news/2020/10/08/starke-businesses-survived-the-route-301-bypass-will-they-survive-the-pandemic-too/> (last visited February 26, 2021).

roadways with targeted improvements, such as adding new tolled or non-tolled limited access alignments to manage congestion points and retrofitting existing roadway with tolled or non-tolled grade separations that provide alternatives to a signalized intersection for through traffic.

The FDOT may *not* reduce any non-tolled general use lanes of an existing facility and *must*:

- Maintain existing access points to the roadway provided by designated streets, graded roads, or driveways, again avoiding community impact.
- After construction is completed, provide property owners of land with no existing access the right to one access point and provide owners with more than one mile of roadway frontage along a CAF with one access point for each mile owned.
- Locate any tolling points so that a non-tolled alternative exists for local traffic.
- Establish any new alignments with the goal of enhancing the economic prosperity of affected communities.

These requirements appear to be consistent with the task force guiding principles relating to avoiding or minimizing negative impacts to residents and communities, as well as negative economic impacts to existing local businesses.

Under the bill, any portions of a CAF to be tolled are approved turnpike projects that are part of the turnpike system, and a controlled-access portion of a roadway constructed under the new section of law is considered a SIS facility. The existing economic feasibility test applies, as under current law, only to projects that involve tolled upgrades to a facility, but the existing requirement for a statement of environmental feasibility applies to all projects. Also as is the case under current law, all projects using federal funds or requiring federal action are subject to environmental review, consultation, or other action required under the Nation Environmental Policy Act of 1969.⁵⁹ Projects that do not use federal funds or require federal action are likewise subjected to environmental review by the FDOT. Decisions on matters such as configuration, project alignment, and interchange locations must be determined in accordance with applicable FDOT rules, policies, and procedures.

CAF projects under the bill are generally subjected to the same review and development requirements and related processes as are currently applicable to the FDOT's projects, regardless of whether federal funds are used. These provisions appear to be consistent with the task force guiding principles related to consistency of a given project with statutorily required statewide, regional, and local plans, as plan consistency is a primary driver of existing transportation planning and implementation.⁶⁰

The bill also requires the FDOT to consider innovative concepts to combine right-of-way acquisition with the acquisition of lands or easements to facilitate environmental mitigation or ecosystem, wildlife habitat, or water quality protection or restoration. Further, to the greatest extent practical, the FDOT must design roadway alignments, project alignment, and any

⁵⁹ The FDOT assumed responsibility for such review under authorization in s. 344.044(34), F.S.

⁶⁰ As examples of requirements and considerations relating to consistency with plans, *see* ss. 335.188 (access management standards), 338.223 (proposed turnpike projects), 339.135 (work program), 339.155 (transportation planning), and 339.65 (SIS highway corridors), F.S.

interchange locations so that project rights-of-way are not located within conservation lands acquired under the Florida Preservation 2000 Act⁶¹ and the Florida Forever Act.⁶²

These provisions appear to be consistent with task force guiding principles relating to protection of the environment, including preservation of natural resources and of existing investments in conservation lands.

Lastly, this section of the bill, subject to applicability of the economic feasibility test for portions of a CAF to be tolled and to the environmental statement requirement for all projects, authorizes project funding through turnpike revenue bonds, right-of-way and bridge construction bonds, the FDOT Financing Corporation, the use of public-private partnerships, or by any combination thereof; however, project construction is not eligible for funding until completion of 30 percent of the design phase, except for projects that are under construction or for which project alignment has been determined. The FDOT is also authorized to accept donations of land for use as transportation rights-of-way or to secure or use transportation rights-of-way for such projects.

To the extent legally available, any toll revenues from the turnpike system not required for payment of principal, interest, reserves, and other required deposits for bonds; costs of operations and maintenance; other contractual obligations; or system improvement project costs must be used to repay to the STTF advances made from that fund. In accordance with existing authority, the Division of Bond Finance is authorized to issue right-of-way and bridge construction bonds, turnpike revenue bonds, and FDOT Financing Corporation bonds to finance CAF, as provided in the State Bond Act.

Section 10 creates s. 339.67, F.S., relating to U.S. 19 controlled access facilities, directing the FDOT to develop and include in the work program construction of controlled access facilities necessary to achieve free flow of traffic on U.S. 19, beginning at the terminus of Suncoast Parkway 2 Phase 3 north along U.S. 19 to a logical terminus on Interstate 10 in Madison County. Consistent with the new s. 339.66, F.S., above, the bill deems the project as a SIS facility, which must be developed using existing or portions of existing roadway to ensure the free flow of traffic by improvements such a limited access alignments to manage congestion points and retrofitting the roadway with a series of grade separations that provide an alternative to a signalized intersection for through traffic. The FDOT must develop the project no later than December 31, 2035.

This provision provides the FDOT with a significant amount of time to develop the project through the agency's normal planning and review processes, imposing no deadline on construction or on the facility being open to traffic and providing a model for other regions throughout the state.

Section 11 creates s. 339.68, F.S., relating to arterial rural highway projects. The bill continues a focus on improving rural roadways by directing the FDOT to identify and include in the work program projects to increase capacity by widening existing two-lane arterial rural roads to four lanes. To be included in a program project, the road must be classified as an arterial rural road,

⁶¹ Section 259.101, F.S.

⁶² Section 259.105, F.S.

and truck traffic using the road must amount to at least 15 percent of all such traffic, as determined by the department. The bill directs the FDOT to fund at least \$20 million annually for such projects.

Section 12 provides a Legislative finding that the extension of the Florida Turnpike from its northerly terminus in Wildwood to a logical and appropriate terminus as determined by the FDOT is in the strategic interest of the state. The bill directs the FDOT to begin the PD&E phase of the extension, considering project configuration, alignment, cost, and schedule. The FDOT is required to submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives summarizing the result of the PD&E phase by December 31, 2022. The bill does not authorize construction of the extension.

Section 6, effective July 1, 2023, amends s. 339.0801, F.S., to repeal the annual transfer from the STTF to the Turnpike Enterprise of the \$35 million for feeder roads, etc. In effect, the annual \$35 million will remain in the STTF to be used annually for existing or planned strategic transportation projects, as required under current law.

Section 7 creates s. 339.0803, F.S., relating to allocation of the increased motor vehicle license tax fees the Legislature re-directed to the STTF in 2019. As the M-CORES law is repealed, the redirected revenues to the STTF are reallocated by the bill to be used to fund arterial highway projects identified by the FDOT under s. 339.65, F.S., relating to the SIS, and authorizing use of the funds for CAF projects specified in new ss. 339.66 and 339.67, F.S., created by the bill. The FDOT must prioritize use of existing facilities when upgrading arterial highways to limited or controlled access facilities, but the FDOT is not precluded from use of such funding for projects that enhance the capacity of an arterial highway. These funds are in addition to any other statutory funding allocations.

Conforming Revisions (Sections 1, 2, 4, 5, and 8)

Section 1 amends s. 334.044(35), F.S., to remove the M-CORES-related revisions enacted in 2019 with respect to workforce development, including authorization for the FDOT to enter into contracts with consultants and non-profit entities for the provisions of workforce recruitment, training curriculum, and support services, and a requirement for a report the FDOT has already completed. Current funding for the program would expire on July 1, 2021, instead of continuing through the end of the 2021-2022 fiscal year. The FDOT's authorization for the workforce development program is not repealed. The FDOT may continue administration of the program to the extent that future funding resources are available.

Section 2 repeals s. 163.3168(4), F.S., relating to local applications for technical assistance from the Department of Economic Opportunity (DEO), which currently requires the DEO to give a preference to a county that has a population of 200,000 or less, and to a municipality located within such a county, for assistance in determining whether the area in and around a proposed M-CORES interchange contains appropriate land uses and natural resource protections and for aid in developing or amending a local government's comprehensive plan to provide for such uses, protections, and intended benefits under the M-CORES Program.

Section 4 repeals a provision contained in s. 338.236, F.S., relating to staging areas to be activated during a declared state of emergency on the turnpike system. That section currently requires the FDOT to give priority consideration to placement of such staging areas in counties with a population of 200,000 or fewer and in which an M-CORES corridor is located.

Section 5 amends s. 339.0801(2), F.S., to conform to the repeal of the M-CORES Program and restore that subsection as it existed prior to enactment of the M-CORES Program. This statute is also amended under Section 6 of the bill at a future date.

Section 8 repeals s. 339.1373, F.S., to conform to the repeal of the M-CORES Program and related funding in s. 338.2278, F.S. Section 339.1373, F.S., currently directs the FDOT to allocate sufficient funds, develop a plan to expend the M-CORES revenues and allocations, and submit a specified budget amendment.

Except as otherwise provided, the bill takes effect July, 2021.

Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

IV. Fiscal Impact Statement:

A. Tax/Fee Issues:

None. The bill does not change the application of motor vehicle license tax revenues, but instead changes the use of the revenues.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill does not change the amount of revenue distributed to the STTF. The bill repeals the funding for the M-CORES Program, the workforce development program, and the additional funds dedicated to the SCRAP, the SCOP, and the TDTF. Instead, these revenues will be used for arterial roads in the SIS.

The bill repeals the future change in use of \$35 million of funds transferred to the FTE to conform to the repeal of the M-CORES law, and on July 1, 2023, the bill repeals the transfer of those funds to the FTE. Instead, the funds will be retained in the STTF. Any impact to FTE programming is reduced by the delayed effective date of the elimination of the transfer.

The impact to the 5-year Work Program is expected to be minimal. The funds remain in the STTF for use by the DOT on arterial roads in the SIS. The bill does require the DOT to incorporate into the work program projects related to upgrade of existing facilities with controlled access roads and expansion of certain 2-lane arterial rural roadways.

V. Technical Deficiencies:

None.

VI. Related Issues:

None.

VII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 334.044, 338.236, and 339.0801.

This bill creates the following sections of the Florida Statutes: 339.0803, 339.66, 339.67, and 339.68.

This bill repeals the following sections of the Florida Statutes: 163.3168, 338.2278, and 339.1373.

VIII. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.