

Potential Transit Enhancements With Gas Tax Funding

Hillsborough County Transportation Task Force
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Overview

- Who spends what for transit?
- The Case for Increased Funding
- Gas Tax Revenues could fill the void
- Critical Needs
- Next Steps

Who spends what for transit?

Per capita spending for Capital & Operating (1999-2003)

■ Hillsborough	\$50.22
■ Detroit	\$56.00
■ Phoenix	\$69.00* (pre-sales tax)
■ St. Louis	\$111.00
■ Houston	\$135.00
■ Cleveland	\$159.00
■ Dallas	\$150.00
■ Atlanta	\$169.00
■ Denver	\$241.00
■ Seattle	\$337.00
■ Washington DC	\$407.00
■ San Francisco	\$485.00

Sources: National Transit Data Base & U.S. Census

Who spends what for transit? (FL)

Florida Per capita spending for transit by county

■ Miami-Dade	\$221.64
■ Duval	\$140.19
■ Broward	\$68.54
■ Palm Beach	\$57.89
■ Pinellas	\$51.30
■ Hillsborough	\$50.22
■ Polk	\$32.55
■ Lee	\$30.47
■ Orange	\$28.27

Source: Hillsborough County Budget Department

Why Enhanced Local Funding?

- Increase local funding to meet growing demand for transit services countywide; including bus and HARTPlus
- Federal and State, and existing funding insufficient to meet county transit needs
- Sufficient sustainable transit funding over the long term has not been committed, nor secured

Local Revenue Options

- **Sales tax** = Approx. \$192 million per penny
 - Charter County Transit Surtax (F.S. 212.055)
- **Gas tax** = Approx. \$5 million per penny
 - Local Option Gas Tax (up to 5 cents)
- **Property tax** = \$36 million @.468 mills
 - HART Charter 3 mills (.5 mills approved by voters in 1980)
- **Combined** (as desired)

The Local Option Gas Tax – A Closer Look

- Gas prices have fallen dramatically
- Prior assumptions about price elasticity are out the window
- Local gas tax money retained in local economy
- Federal gas taxes only partially return

Gas Tax Revenues

- Current 1- 6 cents local option fuel tax
 - “Penny for Potholes”
 - Approved by voters, extended by BOCC
 - \$4.289 million annually – 1 cent (BOCC share)
 - Committed to maintenance

Source: Florida Legislative Committee on Intergovernmental Relations
(September 2008)

Gas Tax Revenues

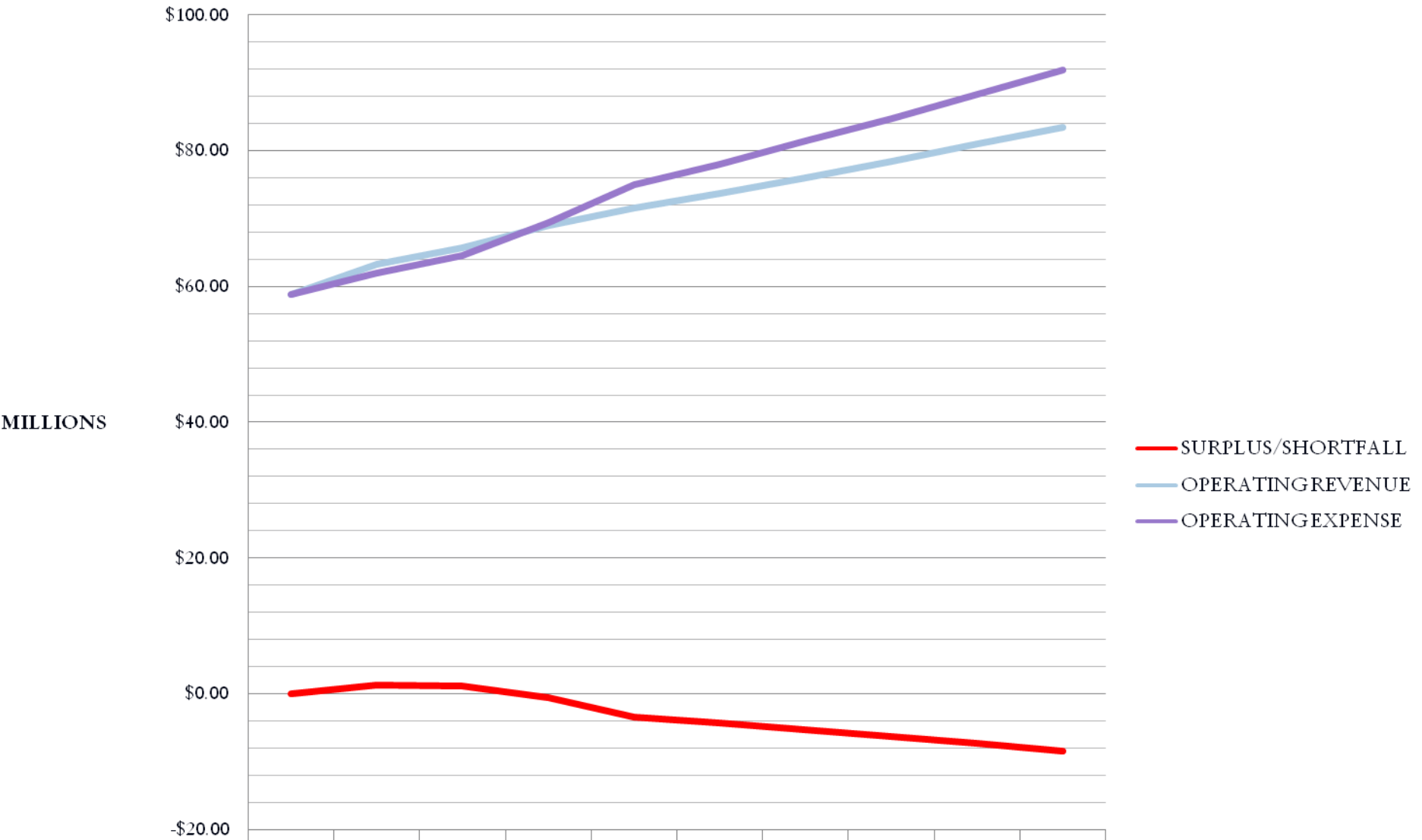
- 1-5 cents local option fuel tax
 - Each penny generates \$5.34 million
 - Five cents available (\$26.7 million)
 - \$17.8 million County share
 - \$ 8.9 million Tampa/Temple Terrace/Plant City
 - Excludes diesel fuel
 - Capital and operating projects (recent Attorney General decision)

Source: Florida Legislative Committee on Intergovernmental Relations
(September 2008)

Gas Tax – Implementation

- Requires either 5-2 BOCC vote or approval by voters
- June BOCC approval – implementation following January

OPERATING REVENUE & EXPENSES FY 2009 - FY 2018 IN MILLIONS



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
SURPLUS/SHORTFALL	\$0	\$1.3	\$1.1	(\$0.5)	(\$3.4)	(\$4.3)	(\$5.3)	(\$6.3)	(\$7.3)	(\$8.4)
OPERATING REVENUE	\$58.8	\$63.3	\$65.6	\$68.9	\$71.5	\$73.7	\$76.0	\$78.4	\$80.9	\$83.4
OPERATING EXPENSE	\$58.8	\$62.0	\$64.5	\$69.4	\$74.9	\$78.0	\$81.3	\$84.7	\$88.2	\$91.8

Critical Needs

■ Sustainability

- Current reliance on ad valorem – approx 60% of operating revenue
- Uncertainty with future ad valorem revenues
 - Property tax digest - values and uncollected revenues
- Existing service plus 2 BRT projects not sustained
 - 2012 - \$ 0.5 million shortfall
 - 10 year plan deficit - \$ 35 million (FY 2012 - FY2018)

Critical Needs

■ Bus Replacement

- Ongoing replacement and expansion
 - Local, express, BRT, paratransit
 - 400 buses and vans – 10 year total
- Anticipated funding shortfall *
 - \$ 5 million – FY 2011 (12 buses)
 - \$14 million – FY 2014 (30 buses)

* dependent upon significant funding from Economic Stimulus bill: \$ 8.0 million

Critical Needs

- New Starts Project
 - Alternative analysis underway –potential light rail investment
 - Preferred alternative, costs, funding program
 - Next Step - Preliminary Engineering/NEPA
 - Target – early 2010
 - Preliminary order of magnitude cost estimate
 - \$36 million (13 mile starter line)

Critical Needs

- Additional Maintenance Facility
 - 21st Avenue facility at capacity
 - Current fleet plan - 360 buses/vans by 2020
 - Modest growth rate: 3% bus, 6% paratransit + BRT
 - 51% vehicle expansion
 - More aggressive expansion required to serve rail
 - 250% bus service expansion – 2002 Tampa Rail Plan
 - Additional facilities required to accommodate expanded fleet
 - 2nd Bus facility and paratransit facility
 - Order of magnitude cost: \$ 35 million (bus facility)

Benefits

- Fills gap caused by predicted decline in ad valorem taxes.
- Provides interim funding to sustain service growth momentum while expanded long term funding is secured
- Keeps work on New Starts effort proceeding

Benefits

- Second maintenance facility provides foundation for system expansion
- Ensures that fleet is kept up to date
- Supports ‘Smart Streets’ program that enhances transit performance

Next Steps

- Approach should be multimodal
- Should address those needs that are not currently receiving adequate funding:
 - Sidewalks (ADA and transit access improvements)
 - Trails
 - Transit