

Florida High Speed Rail Authority

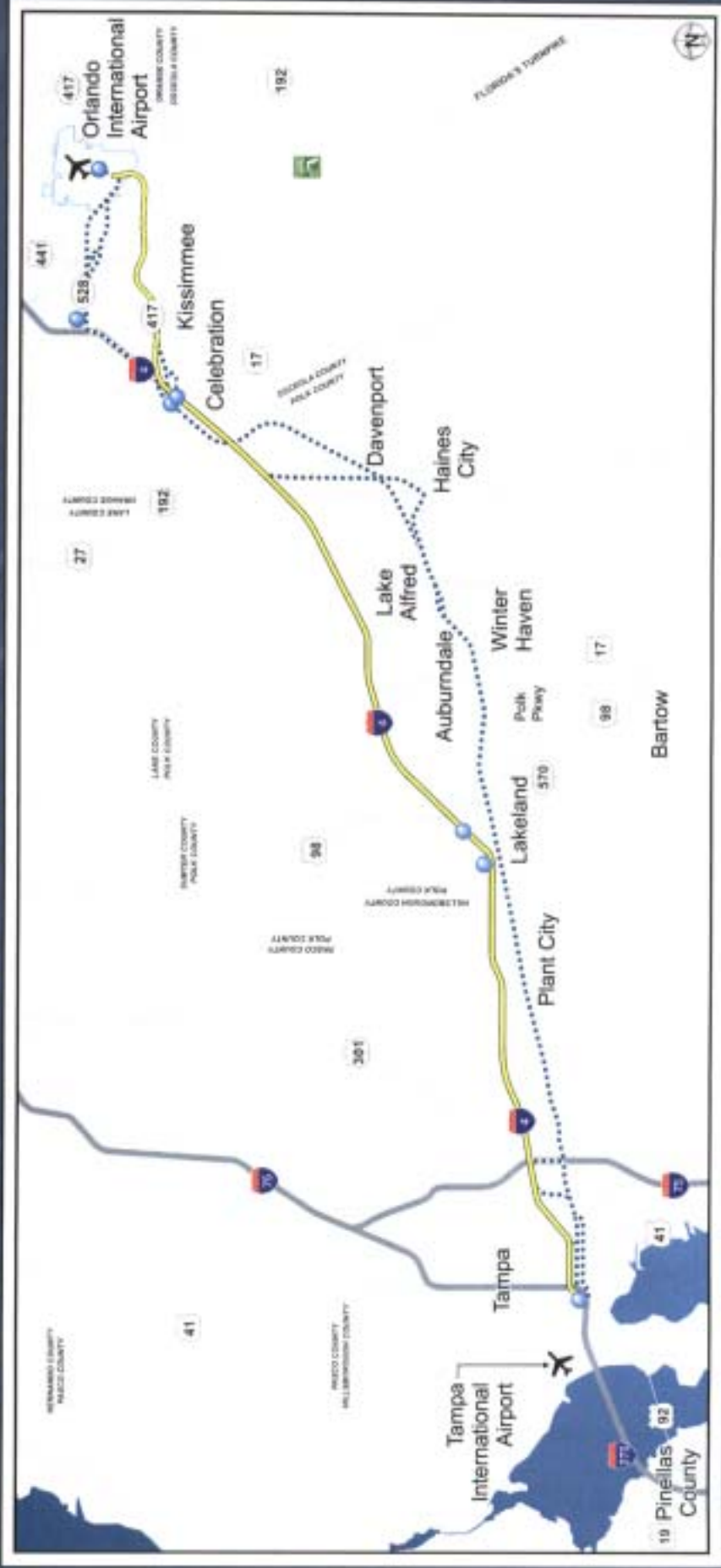


2004 Report to the Governor and Legislature

JANUARY 2004

Florida High Speed Rail

Preferred Alternative



Florida High Speed Rail



(1) Costs include ROW & Environmental Mitigation

www.floridahighspeedrail.com

Florida High Speed Rail



Environmental Consequences

www.floridahighspeedrail.com



4 Funding

With the funding authorizations currently in place the Authority anticipates that it will be able to continue the planning phase of the Tampa to Orlando project through completion of the FEIS and a Federal Record of Decision in April of 2004. In order to continue work finalizing the Phase 1 Part 1 project and to advance the future Phases, the Authority will require additional funds to be authorized by the Florida Legislature and ultimately Federal funding support through either tax credit bonds, or an equivalent Federal contribution to the project.

Funding to Date

Through January 1, 2004, the Florida Legislature has authorized \$14 million in State funds to support the Authority's activities. The \$5 million authorized by the Legislature last year was vetoed and therefore, the Authority received only \$9 million of

the total State funds authorized thus far. The Authority has also received specific earmarks from Congress totaling \$5.15 million during the past two years and the Authority anticipates an additional \$4.0 million grant this year. Of the total \$14.15 million in State and federal funds obtained by the Authority thus far, approximately \$13 million has been expended as of January 1, 2004.

Federal Funding

Consistent with the prior findings of the Authority, it is recommended that the State of Florida actively seek Federal funding assistance for the project and support Federal legislation that provides such funding either in the form of direct grants, loans, tax credit bonds, or other funding mechanisms. Current Federal legislative initiatives the Authority is monitoring include:

Table 3: Federal and State Funding for Phase 1 of the Project

Fiscal Year	State Funding	Federal Funding
2001-02	\$ 4.5	\$ 3.0
2002-03	\$ 4.5	\$ 2.15
2003-04	\$ 0.0	\$ 4.0 (expected)

Funding

- **American Rail Equity Act of 2003** (AREA), S. 1505 introduced on July 30, 2003 by Senators Kay Bailey Hutchison (R-Tex.), Conrad Burns (R-Mont.), Trent Lott (R-Miss.), and Olympia Snowe (R-Maine)
- **Build America Bonds Act**, S. 1109 introduced on November 25, 2003 by Senators Jim Talent (R-Mo.) and Ron Wyden (D-Oreg.)
- **American Railroad Revitalization, Investment, and Enhancement Act of the 21st Century** (Arrive 21) S. 1961 introduced on November 25, 2003 by Senators Fritz Hollings (D-S.C.), Susan Collins (R-Maine), Tom Carper (D-Del.), Arlen Specter (R-Pa.), Jim Jeffords (I-Vt.) and Joe Biden (D-Del.)
- **Railroad Infrastructure Development and Expansion Act for the 21st Century** (RIDE-21) HR 2571 introduced June 24, 2003 by Reps. Don Young (R-Ala.), James Oberstar (D-Minn.), Jack Quinn (R-N.Y.), and Corrine Brown (D-Fla.)

These high speed rail legislative initiatives will be considered by Congress in 2004, however, the creation of a new high speed rail funding program may be part of the new six-year federal transportation authorization which is expected to be completed no earlier than the end of 2004.

To date the Federal Government has matched state appropriations in the amount of \$5.15 million. Together with the additional \$4.0 million Congress is considering, the total Federal contribution of \$9.15 will exceed the State of Florida's contribution of \$9.0 million. In addition the technology proposed by the first ranked proposer identified by the Authority (JetTrain) has been developed in a public/private partnership with the Federal Railroad Administration.

State Funding

State funding in FY 2004/05 is critical to maintaining the schedule mandated in the Constitutional amendment. A State commitment to fund the project will also aid the Authority as it pursues Federal funding for the project. To date the Federal government has demonstrated a history of providing funds to match the State investment in high speed rail.

A State funding commitment of \$75 million per year is needed in support of the proposed plan of finance in order to proceed with the DBOM&F contract. As in previous reports to the Governor and the Legislature, the Authority continues to recommend that the source of the State's annual appropriation be from the Transportation Outreach Program (TOP's) and from the public transportation allocation of the State Transportation Trust Fund, as deemed appropriate by the Florida Legislature,

to avoid any impacts to the State highway programs.

As part of the initial \$75 million commitment, the Authority will utilize \$4.8 million for operations as well as advancing the work for Phase 1 Part 2 Tampa to St. Petersburg and Phase 2 Orlando to Miami. In addition \$33.0 million will be utilized to advance preliminary engineering and right-of-way acquisition activities for the Phase 1 Part 1 Tampa - Orlando Segment.

Economic Benefits

The return on the State's investment in high speed rail includes significant economic benefits in terms of jobs created, enhanced property values, and tax revenues to the State and local municipalities. For the first planned segment of the system (Tampa to Orlando), the economic benefits have been estimated at 7,000 new jobs, \$8.5 billion in total sales among Florida firms and \$950 million in increased property values⁹.

Other studies, such as the one prepared by Dr. Tim Lynch, Director of the Economic Forecasting Center at Florida State University have estimated that the economic benefits of the Phase 1 Part 1 project could be greater and that, when the project is extended from Orlando to Miami, total economic benefit could range

9 - Source: FHSRA.

10 - Source: Florida High Speed Rail Economic Impact Analysis, Tim Lynch, PhD.

between \$39 and \$50 billion¹⁰. Clearly, high speed rail has the potential to return economic benefits to the citizens of the State of Florida that exceed the State investment in the project.

The high speed rail project has the potential to return economic benefits to the citizens of the State of Florida that exceed the State investment in the project