

Florida High Speed Rail



# Floridians for Better Transportation

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Presentation by  
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Florida High Speed Rail Authority

FLORIDA HIGH SPEED RAIL AUTHORITY



## Background

- The Florida High Speed Rail Authority was created by the Florida Legislature in 2001
- The Authority is NOT an Advocate for High Speed Rail
- The Authority is NOT an Opponent of High Speed Rail
- The Authority's Only Mission is to Comply with the HSR Constitutional amendment and Florida law.
- Part of that Mission is making sure the Legislature, the Governor, and the Public has the best information available with regard to the project.

## – Key Facts –

### Orlando – Tampa Project

(millions)

- Proposed Cost of Base System  
(Some enhancements are under consideration) \$2,383
- State Annual Appropriation Requirement  
(Assuming federal funding is available) \$75
- State Annual O&M Subsidy \$0



## Selected Economic Benefits (Orlando-Tampa)

- Free and clear Asset at end of Contract (minimum value \$2.4 billion)
- Future revenues beyond end of contract
- Number of new jobs created      6500 to 7000
- Increase in Property Values      950 Million
  - May offset mileage for schools and local governments
- The final benefit / cost ratio over the life of the evaluated HSR project averaged      2.1
- Therefore the Tampa to Orlando Project Yields about \$5.00 Billion of Economic Benefits



## – Things You May Have Heard –

Time is very short and the bullet train boondoggle is bearing down the tracks on Florida taxpayers, threatening to bankrupt our state before it is finished

- The Authority's request for State funding for the first phase of the project, represents approximately 1 ½ % of the State's annual transportation budget (\$75 Million)
- Phase one will return the full investment and more and future phases will need to be separately justified on a financial basis.

## – Things You May Have Heard –

The first two phases combined is projected to cost \$17 billion, which could cost Florida taxpayers over **half a billion dollars a year for 35 years!** All five phases could cost over \$50 billion!

- A realistic estimate of the total cost of the second phase to Miami is about \$4.6 to \$6.5 billion dollars. (depending on which of four possible routes is selected). *Gov Bush vetoed funds authorized by the Legislature last year that would have allowed the Authority to further assess this segment.*
- Future phases require separate financial justification. If they can't be justified, they can't be built.



## – Things You May Have Heard –

The bullet train special interests led voters to believe in 2000 that the federal government would help pay for this boondoggle, but now we know that Floridians will very likely have to foot the entire bill.

- Federal funding for the project is not yet secured, but the larger question is WHY?
  - Federal participation in the construction of critical transportation infrastructure such as highways airports and seaports has been the norm (The interstate highway system was built with 80 to 90 percent federal funds)
  - Without federal funding, it is doubtful that a project of this magnitude can be implemented.
- If Florida speaks with one voice on this subject, Federal funding is highly likely.



## – Things You May Have Heard –

I am convinced that the exorbitant cost of the bullet train will force state government to raise your taxes and cut vital programs, such as health care and education, just to balance the state budget.

- There is no need to raise taxes to undertake the project. By re-directing the original high speed rail funds, the project can be built without any impact to the highway program or any other State programs whatsoever.
- The annual appropriation for the first phase of the project is less than the revenue loss from the gas tax holiday approved by the legislature this year.



## – Things You May Have Heard –

With no federal help and questionable revenues from ridership, the state could be forced to raise your taxes, cut vital programs or eliminate nearly half of the critical highway improvement projects scheduled over the next three and a half decades just to pay for high-speed rail.

- Ridership and revenue risks are assumed by the private sector not the State.
- Future segments will require separate justification.
- The Authority is not asking for any financial commitment beyond phase one of the project.



## – Things You May Have Heard –

Or – and this is the reality  
frightening possibility – they  
could attempt to impose a  
personal income tax in  
Florida.

- Only the citizens of the State of Florida can authorize a state income tax by amending the Florida Constitution.
- There are no such recommended amendments or proposed legislation to do so.
- Only the Florida Legislature can impose a new tax.



## High Speed Rail is strategic transportation investment for Florida's future

- No other initiative represents a viable alternative to paving more highway lanes which in the long term will not keep pace with demand.
- The project will return more money than it consumes over its operating life.
- The addition of more highway lanes does not return revenue to the State beyond what it invests like the high speed rail project can.