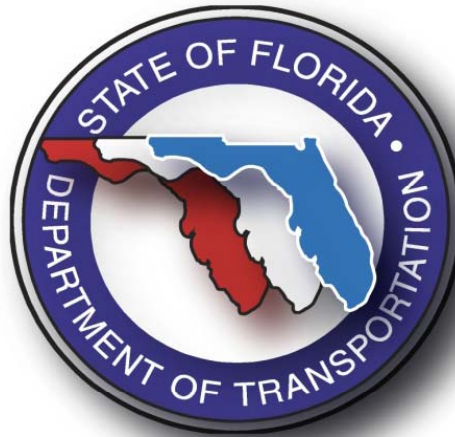


FLORIDA DEPARTMENT OF TRANSPORTATION



**Transition Briefing
December 2010**

FDOT Agency Review Team

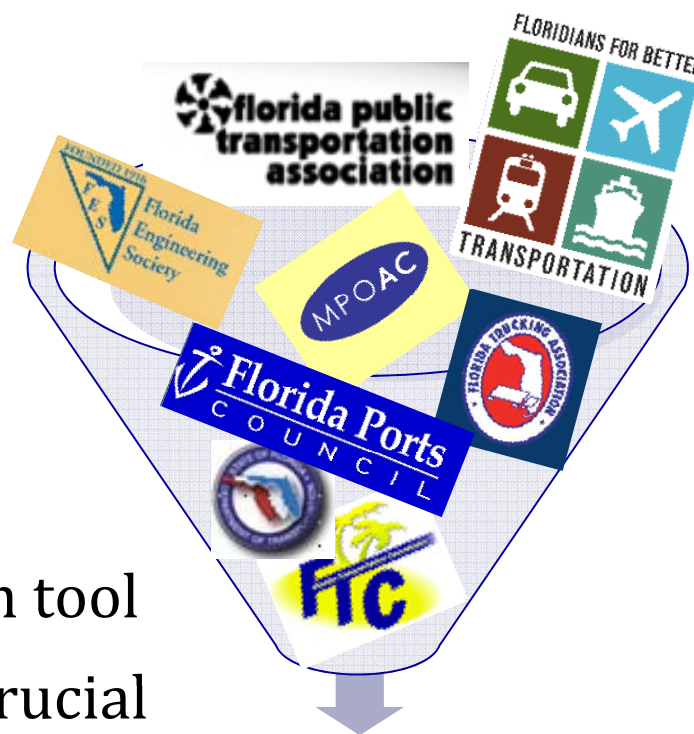
Team Members

- Doug Callaway, *President, Floridians for Better Transportation (FBT)*
- Tom Conrecode, *Vice President, Collier Enterprises*
- Gow Fields, *Mayor, City of Lakeland*
- Mike Horan, *President, Ajax Paving*
- Robert Poole, *Transportation Director, The Reason Foundation*
- Bob Porteus, *Ring Power, Retired Executive*
- Joe Waggoner, *Director, Tampa/Hillsborough Expressway Authority*
- Janet Watermeier, *Director, Bay County Economic Dev. Alliance*



FDOT Agency Review

- Outreach to Transportation Stakeholders
- Agency Briefings
- Transition Team Expertise
- Core Findings
 1. FDOT is well run
 - minor tweaks & efficiencies
 2. Positioned to be a job creation tool
 3. Strong Agency leadership is crucial
 4. Decision making should be de-politicize
 5. Make better use of the FTC



FDOT Structure

1. Run like a business

- ✓ Has a business plan
- ✓ Uses financial models & cash forecasting to support production
- ✓ Uses private sector expertise
- ✓ Produces tangible products
... a production, not an oversight agency
- ✓ Requires talented and experienced leadership

2. Unique state agency

- ✓ Operates on a “cash flow” commitment based budget

3. Double jeopardy problem

- ✓ Gets hit twice ... Billions moved or deleted from work program since 2006



Transportation Funding

1. Trust Fund “sweeps”
 - ✓ Over \$3 billion since 1998
2. Federal funding “Donor State” status
 - ✓ 86 cents
3. Declining gas tax revenues
 - ✓ Good news & bad news story
4. Funding shortfalls
 - ✓ SIS needs \$2 billion more annually
5. Missed opportunity
 - ✓ Tag & title fees, turnpike options



Tip of the Spear



Job Creation, Mobility & Economic Recovery

- ✓ Each \$1 Billion Investment in Transportation
= 27,000 to 30,000 Jobs
- ✓ Each \$1 Invested in Transportation
= \$5 Benefit to the Economy

Dual Economic Benefit

Job creation and retention now plus ...

Improved mobility and economic prosperity



*Use transportation funding as a tool for
... job creation & global competitiveness*

Key Facts

■ Average Annual Funding

- ✓ \$7.2 Billion (FY 2011-15)

■ Decentralized Agency

- ✓ Seven Districts
- ✓ Turnpike & Rail Enterprises

■ Highly Privatized

- 100% Construction
- 99% Toll Collection
- 80% Design
- 80% Maintenance
- 70 % Planning

■ Positions

- ✓ 7,443 ... Currently
- ✓ 10,354 ... In 2001
- ✓ 32% Position Reductions

■ Adopted Work Program

- ✓ 9,244 Projects
- ✓ Since 2001
- 67% Production Increase



\$7.2 Billion Funding = 215,000 private & public jobs

Suggested Improvements

New FDOT Secretary

- Competitive Compensation
- Visionary Leadership
- Experience

Internal Management Recommendations for New FDOT Secretary



- Review Operating Procedures
For effectiveness and efficiencies
 - Cost savings potential
 - Project priority funding analysis (and payoff)
 - Turnpike Enterprise and FDOT toll roads
- Review Financial Tools
For most effective use of funds and leveraging
 - Highest and best use of funds policies
 - Project priority funding procedures
 - Cash leveraging and bonding rules for highest production capacity
- Review Legislative Policies
Prepare a list of legislation that limits
 - Funding flexibility
 - Rapid capacity project deployment
 - Innovative practices



The Governor's Accountability Tool . . . Florida Transportation Commission (FTC)

- **Transportation Public Oversight Body**
 - ✓ 9 Members – 5 Staff
 - ✓ Private sector appointments by the Governor
 - ✓ Advisory to the Governor & Legislature
 - ✓ Currently 2 appointments to be filled
- **FDOT Reviews**
 - ✓ Annual work plan and operations
 - ✓ Sets performance criteria
- **FDOT Secretary Selection**
 - ✓ Provides 3 qualified candidates to the Governor for selection
- **16 Independent Transportation Authorities Reviews**
 - ✓ Operating procedures and financial structure
 - ✓ No regulatory authority – just reporting
 - ✓ Santa Rosa Bridge Authority



Recommendations

- Transportation Funding
- Legislative Issues
- Focus on the Future
- Top 10 “To Do” Items



Transportation Funding

Action Items

1. Stop future raids on the Trust Fund
2. Restore funds slated for transportation to the Transportation Trust Fund
 - ✓ Tag & Title Fees
 - ✓ Stop Turnpike “giveaways” and index tolls
3. Plug the \$2 billion annual shortfall for the SIS
 - ✓ 60,000 new jobs
4. Advocate for a new predictable federal funding formula with use of funds flexibility
 - ✓ Enhance “Donor State” status (86 cents)
 - ✓ Explore alternatives to the Gas Tax
 - ✓ Engage in Federal Reauthorization process



Legislative Issues

Action Items

1. Federal Reauthorization

- ✓ Leverage Florida's political position
- ✓ Fully utilize the Florida Washington Office
- ✓ MPO Structure & regionalization

2. Ports & Security

- ✓ Reduce Federal-State duplication and cost competitiveness issues – FS 311.12

3. Santa Rosa Bridge Authority

- ✓ Determine if action should be taken

4. Re-examine legislation and regulations to ...

- ✓ Set bonding capacity and improve operating flexibility
- ✓ Allow permitting and concurrency requirements that accelerate the project approval process.



Focus on the Future . . .

Global Competitiveness

- 1. Strategic Intermodal System (SIS)**
 - ✓ Maintain a SIS priority funding focus – Florida’s highest priority system for movement of people and freight
- 2. Florida’s Future Corridors (a 50 Year Vision)**
 - ✓ Re-energize Florida’s visionary multimodal regional connector initiative
- 3. Innovative Funding Opportunities**
 - ✓ Tolling – Hot Lanes, Open Road Tolling & Toll Indexing
 - ✓ Private-Public Partnerships (P3s) – I-595, I-75, Miami Tunnel
 - ✓ Federal re-authorization shifts
 - ✓ Leveraging high speed rail stops for funding opportunities
- 4. Freight & Logistics Opportunity**
 - ✓ Florida Trade & Logistics Study (FL Chamber – 143,000 jobs)
 - ✓ Panama Canal widening - global competitive opportunity
 - ✓ New Florida Target Industry



Summary – Top 10 “To Do’s”

1. Take advantage of the unique opportunity FDOT offers
... to get the economy going
2. Hire the right person to lead FDOT ... and let them do it
3. STOP Raiding the Transportation Trust Fund!
4. Declare “State of Economic Emergency” and do work faster
5. Focus on Congestion Relief
6. Maximize Existing Funding Options
 - ✓ Recapture tag & title fee dollars for transportation--“user fees!”
 - ✓ Stop Turnpike “giveaways” and index tolls
7. Get More of OUR MONEY Back from D.C
 - ✓ Capitalize on Florida’s position in Washington
8. Seize the opportunity of a “buyers market” in construction
9. Stop the Double Jeopardy “hit” on FDOT
10. Use innovative finance – when it makes good business sense
... Adds money and capacity



Thank you!

Questions?

