



## Local Option Surtax - Analysis Summary

Both the *Charter County and Regional Transportation System Surtax* (aka, **Transportation Surtax**) and the *Local Government Infrastructure Surtax* (aka **Infrastructure Surtax**) are available, upon voter approval, to address the transportation and infrastructure funding shortfalls within Broward County. To aid decision-makers in their evaluation of these options, the Broward MPO conducted an analysis of both surtaxes.

The following are key findings associated with the two alternative surtax options.

- Unfunded capital needs can be met by either surtax; the difference lies in the time frame in which project can be implemented.
  - The **Transportation Surtax** allows for a faster delivery of transit and roadway projects.
  - Under the **Infrastructure Surtax**, operational and maintenance (O&M) costs are not funded and other resources must be identified to cover those costs for transit projects.
- The **Transportation Surtax** generates sufficient revenues to meet 100 percent of identified transportation capital and O&M needs by Fiscal Year (FY) 2029, including Broward County Transit's (BCT) Transit Development Plan (TDP) 10-Year Vision Plan as well as those transit and roadway needs identified in regional plans from the Broward MPO Commitment 2040 and the South Florida Regional Transportation Authority Transit Development Plan (TDP).
- In contrast, the **Infrastructure Surtax**, using the statutory allocation formula for Broward County, generates sufficient revenues by FY2033 to meet most of the identified transit and roadway capital needs identified in regional plans, except the full implementation of BCT's Vision Plan. Fifty percent of BCT's Vision Plan remains unfunded due to the schedule of Vision Plan in FY2017 through FY2025. A source of O&M funding would need to be identified.
- **Bonding** could fill funding gaps or advance the delivery of large capital costs such as the *Central Broward East/West Streetcar Extension and Bus Rapid Transit Project*. Advancing such project costs will avoid inflation-related costs and reduce pinch points in the cash flow.
- Costs related to transit projects consume significant revenues in FY2017 through FY2025. If those expenditures can be protracted, room for other transportation funding needs could be made available in the short- to medium-term.
- The O&M costs for roadway projects are relatively small compared with transit projects and are already included in County and municipal budgets.

To view the working document, visit <http://www.browardmpo.org/planning/sales-surtax>

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