

Amendment to and Restatement of the Transportation System Surtax Interlocal Agreement (Third Amendment)

*June 30, 2025, Presentation to
City of Fort Lauderdale Commission*



Introduction

- Twenty-nine of Broward's thirty-one municipalities currently participate in the Mobility Advancement Program funded by the Transportation Surtax, authorized by Florida Statute 212.055(1) and subject to County Code of Ordinances 31 ½ -71 through 75
- Transportation surtax revenues are distributed via the terms and conditions of a multiparty interlocal agreement (ILA); we've been operating under the Second Amendment to and Restatement of that ILA since May 2021
- The Broward County City Manager's Association (BCCMA) formed a Surtax Subcommittee to negotiate a Third Amendment to the multiparty ILA
- After several years of negotiating, the Parties agreed to a legal framework for a Third Amendment captured in a Term Sheet, finalized in April 2025
- On June 10, 2025, the Broward County Board of County Commissioners approved the Third Amendment which fulfills a series of objectives for the municipal surtax program
- To become effective, cities representing at least 50% of the County's population must adopt the Third Amendment

Overview of Objectives

Objectives:

1. Streamlining, simplifying, and broadening annual municipal access to surtax revenues
2. Creating an ***annual formula allocation to each participating municipality*** to supplement existing municipal sidewalk and road rehabilitation and maintenance funding
3. Expanding definitions of ***eligible uses of surtax funding to include micro-transit***
4. Establishing a ***Grant Match Program*** that allows municipalities to seek surtax funding as match to competitive funding programs for projects that have not received prior surtax awards
5. Allowing certain ***decorative and functional art*** elements in surtax-funded projects
6. Permitting ***revenue-generating parking structures***, provided revenues are used for surtax-eligible purposes
7. Eliminating prohibition on using surtax funds to maintain capital assets built with surtax funds (subject to ordinance change)
8. Maintaining transparency and accountability for the program

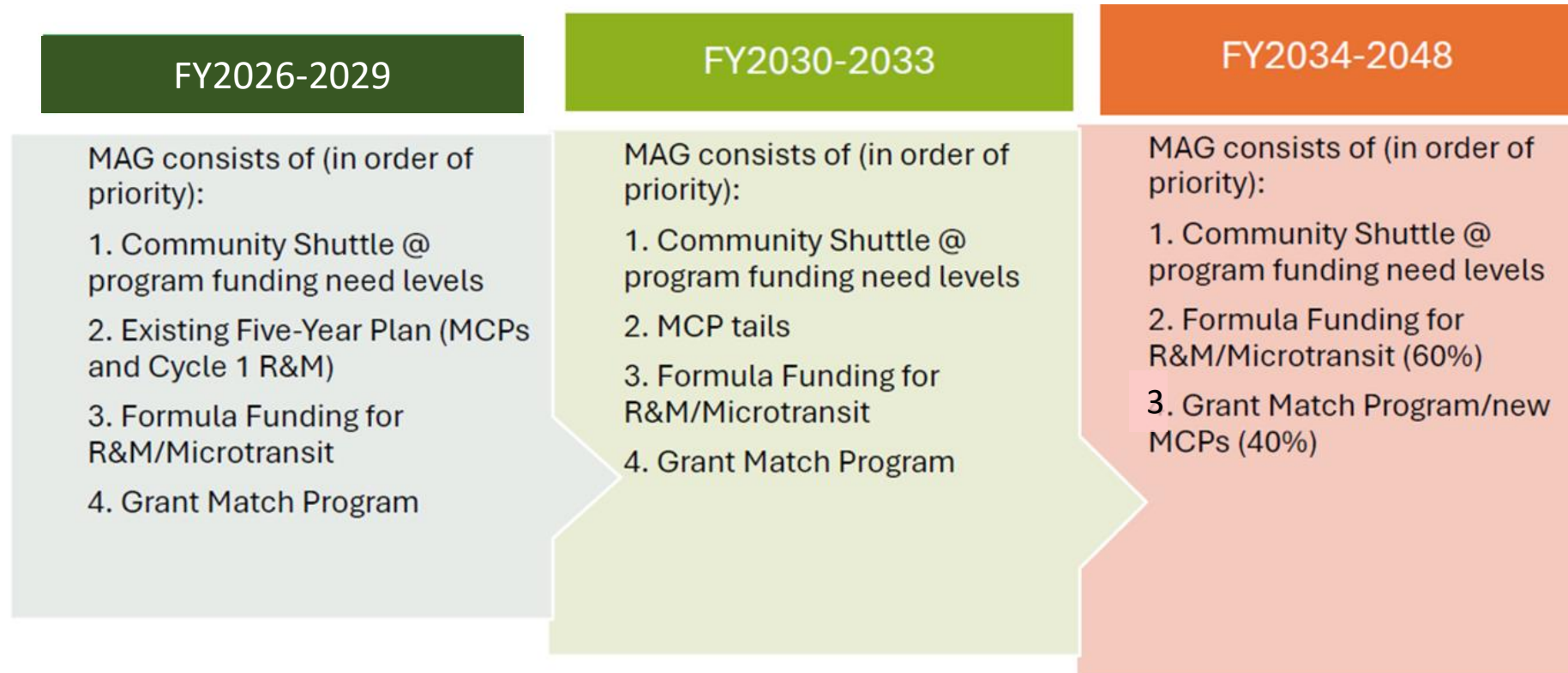
Updated Eligible Municipal Projects

- Stand-alone sidewalks, bike paths, and greenways that are used for transportation (as compared to self-contained walking/bicycle paths, etc.)
- Revenue-generating parking projects provided that parking fees over O&M costs are used for surtax-eligible transportation improvements
- Certain decorative elements/functional public art (e.g., decorative wayfinding signage,) ***up to the amount that would have been paid for standard elements***, subject to engineering confirmation that useful life is the same as standard element and confirmation of standard element cost
- Subject to County ordinance change, R&M funds can be used for rehabilitation, maintenance, or operation of capital projects funded (in part or whole) by the surtax

Minimum Annual Guarantee Remains 10%

- Under the Third Amendment, the Minimum Annual Guarantee (MAG) of surtax revenues received available for the municipal surtax program includes three main components:
 - Municipal Community Shuttle Program (operations and capital/vehicles)
 - Municipal Capital Projects (MCPs)/Grant Match Program
 - Municipal Rehabilitation & Maintenance Projects **(R&M)/Micro-transit (new)**
- Annually, the County will communicate the best-known MAG value to participating municipalities, along with values for formula distribution and Grant Match Program
- MAG will be subject to annual "true-up" and BCCMA will be consulted regarding changes in future funding levels based on true-up findings

3rd Amendment Municipal Surtax Priority Timeline



Formula Distribution Approach

- Parties sought to allocate surtax funds via a formula, annually, to support a certain portion of the municipal surtax program of projects
- BCCMA proposed basing the formula on centerline miles owned by each municipality (as reported annually to FOOT), which County accepted
- \$30M is the total value to be allocated by centerline-mile-formula to participating municipalities in FY 2026

Municipality	Formula Allocation by Municipality FY2026	
	Amount: \$30,000,000	
	Percentage of Centerline Miles ⁽¹⁾	Surtax Allocation ⁽²⁾
Coconut Creek	1.14%	\$343,110
Cooper City	1.79%	\$536,396
Coral Springs	5.39%	\$1,616,193
Dania Beach	2.22%	\$666,671
Davie	7.52%	\$2,256,738
Deerfield Beach	3.49%	\$1,047,917
Ft. Lauderdale	12.80%	\$3,841,408
Hallandale Beach	1.62%	\$487,453
Hillsboro Beach ⁽³⁾	0.01%	\$3,574
Hollywood	10.16%	\$3,048,465
Lauderdale-By-The-Sea	0.40%	\$119,231
Lauderdale Lakes	1.05%	\$314,518
Lauderhill	2.54%	\$761,276
Lazy Lake Village	0.05%	\$14,296
Lighthouse Point	1.08%	\$325,240
Margate	2.41%	\$722,605
Miramar	3.96%	\$1,189,307
North Lauderdale	1.29%	\$385,999
Oakland Park	2.74%	\$822,036
Parkland	0.70%	\$208,726
Pembroke Park	0.24%	\$70,767
Pembroke Pines	11.20%	\$3,358,551
Plantation	5.24%	\$1,571,160
Pompano Beach	6.65%	\$1,995,816
Sea Ranch Lakes	0.05%	\$14,582
Southwest Ranches	1.62%	\$485,358
Sunrise	4.63%	\$1,389,740
Tamarac	3.26%	\$978,294
West Park	1.23%	\$368,486
Weston	2.40%	\$720,125
Wilton Manors	1.12%	\$335,962
TOTALS	100%	\$30,000,000

Formula Distribution Eligible Uses

- Municipalities have option to use formula funding for surtax-eligible rehabilitation and maintenance projects and/or Micro-transit, given the Municipality's distribution amount based on centerline miles
- Municipalities **with no Community Shuttle and less than 1% of the total municipal centerline miles** may formally request to forego participation in all other surtax-funded programs and instead opt to receive enhanced annual R&M/Micro-transit funding
- Micro-transit can be funded from a Municipality's formula distribution, however, is not a substitute for Community Shuttle
- Municipalities electing to use funds for micro-transit understand their program is **not** part of the County's transit/transportation system and is an independent operation overseen by the Municipality

Micro-transit and R&M Projects

Using Transportation Surtax funding for **Micro-transit** will require a participating municipality to:

- annually provide County with contract with each micro-transit operator and a copy of their certificate of insurance to represent and warrant that the micro-transit provider vehicles and drivers fully comply with all applicable law regarding transit services (e.g., ADA, FTA-required drug and alcohol testing, Florida laws, etc.), and is subject to audit review
- ensure Micro-transit operators maintain automobile business liability insurance (owned, hired, non-owned, scheduled) for at least \$1 million per occurrence for bodily injury and property damage

Municipal **Rehabilitation & Maintenance** projects:

- Intent is that annual R&M funding be used to supplement, not supplant, municipality's existing CIP budget for roadwork
- Municipality notifies MAP Administration of each proposed R&M project, anticipated start and completion dates, and other to track and report on project; scope must be detailed to perform eligibility and CBE goal review
- County reviews each proposed project and gives options (e.g., replacement project or delayed start date, etc.) if conflicts with another project (County/Municipal/FOOT) or other issues are identified
- Municipality may defer all/some of annual formula funding for up to 3 years with notice to MAP Administration. Longer deferrals up to 5 years are subject to County Administrator approval (for larger long-term R&M Projects)

Existing Five-Year Plan & MCP Tails

- Negotiations between the Parties revealed a desire amongst the participating municipalities to hold existing municipal projects ranked and recommended since FY 2020 harmless
- Exhibit A to the Third Amendment offers a comprehensive overview of all municipal surtax funded projects recommended for funding between FYs 2020-2029
- The Broward MPO Surtax Services Team reviewed, ranked, and recommended MCPs every year (a "Cycle") between 2020-2025; each Cycle built a new year of a rolling municipal Five-Year Plan
- Some MCPs from Cycles 3 and 4 were recommended in initial phases, but not in their subsequent phases- those subsequent phases are known as "MCP Tails"
- Exhibit C to the Third Amendment demonstrates those MCP Tails that will be prioritized for funding between FY 2030-2033

Grant Match Program (GMP)

- County advises of annual available total GMP funding and per project maximum amount
- Municipality may submit an application providing details of the proposed project, including the federal/state appropriation or competitive grant program, budget details, etc.
- Every effort will be made to avoid competition (e.g., other municipal, County, State, or MPO applications) that could negatively impact the application
- Each Municipality only eligible to apply/receive GMP funding for one project each Fiscal Year

Treatment of Cycle 1 Projects under Restated ILA

- Remaining Cycle 1 Projects not under Surtax Project Funding Agreements (PFA) *may* be terminated 90 days after the Effective Date
- Subject to ordinance change, Municipality may seek review of termination by the Oversight Board (whose decision is final) for a one-time additional 90-day extension
- Cycle 1 Projects without an executed PFA, that a Municipality has already completed with non-Transportation Surtax funds, are subject to immediate termination after Effective Date
- Funding encumbered/allocated for Cycle 1 Projects that are terminated will be reallocated by the County Administrator to other municipal projects by:
 1. An increase in annual formula-based funding in the current fiscal year,
 2. Rolling forward the funds for Eligible Municipal Projects in the next fiscal year, and/or
 3. Allocation to the Grant Match Program

Miscellaneous 3rd Amendment Elements of Note

- Formula-based funding in each Fiscal Year may be fully advanced upon request to a Municipality after their R&M project(s) are approved
- Budgeted/appropriated funds for a MCP may be reallocated to another phase of the project (e.g., design to construction, etc.), provided the overall surtax project funding will not change and subject to approval after review and evaluation of the request
- MCP funding under a Surtax Funding Agreement less than \$500,000 can either be advanced or paid per a funding schedule to Municipality after the project has been approved by County (higher MCP funding paid per funding schedule)
- Advanced funding is subject to repayment/offset from future funding allocations if funds are not utilized in accordance with the Surtax Funding Agreement
- Only design and construction phases are eligible for MCP funding
- County continues to have the right to: cancel MCPs under a Surtax Funding Agreement, deviate from project rankings, or accelerate or subordinate projects
- County may cancel MCPs if not construction-ready for planned Fiscal Year or the Municipality has not entered into a Surtax Funding Agreement for the project within 180 days after funding is appropriated by the County Commission and all prior phases and County reviews/approvals are completed and communicated to the Municipality
- County termination of MCPs subject to 90-day extension by Oversight Board (similar process to extension for cancellation of Cycle 1 Projects)

In Summary-3rd Amendment

Intended to:

- Increase simplicity and fairness to access surtax funds
- Retain transparency & accountability for overall surtax program
- Use a formula distribution for certain aspects of municipal surtax program
- Offer avenue for municipalities to use surtax funds for Micro-transit
- Increase opportunities to leverage surtax funds via the Grant Match Program
- Improve efficiencies of existing program
- Establish greater municipal control and flexibility in their use of surtax funds
- Assure every participating municipality receives surtax funding every fiscal year
- Assure every municipality receives surtax funding every fiscal year, in accordance with legal use of funds

Q&A

