



Memorandum

Memorandum No: 25-052

TO: Honorable Mayor and Members of the Fort Lauderdale City Commission

FROM: Rickelle Williams, City Manager *RW*

DATE: May 2, 2025

SUBJECT: Proposed Third Amendment to the Transportation Surtax Agreement Update

In November 2018, Broward County voters approved a referendum to levy a one cent sales tax for transportation improvements (Surtax). The participating municipalities entered into a countywide Interlocal Agreement (ILA) which has been amended twice (July 9, 2019, and January 21, 2021).

The First Amendment focused on modifications to rehabilitation and maintenance projects (roads, sidewalks, bike paths, drainage, etc.). The Second Amendment included modifying the criteria for evaluating, ranking and recommending future funding in the five (5)-year plan and incorporated language related to the municipal minimum annual guaranteed requirement.

The Surtax funding is collected by Broward County and is distributed based on various improvement categories. One of the funding distribution categories is for "Municipal Capital Projects (MCP)". The MCP program provides an application period each year where municipalities can submit two (2) applications (projects) for Surtax funding consideration. The project applications are reviewed and ranked by the Broward Metropolitan Planning Organization, based on a scoring matrix that includes primary criteria (80% scoring weight) includes the ability of the project to alleviate congestion, enhance connectivity, and reduce accidents. The secondary criteria (20% scoring weight) which includes construction readiness, applicant performance, land use policy, leveraged funds and public support.

In 2021, the Broward County City Manager's Association (BCCMA) issued a letter to Broward County outlining collective concerns of the BCCMA membership related to the Surtax Program and MCP methodology. Subsequently, there have been more than a dozen meetings and workshops related to a potential Third Amendment, with the most recent meeting held on April 17, 2025. As a result of the most recent meeting, BCCMA provided a letter including the final comments on the proposed ILA Term Sheet (Attachment 1).

The proposed ILA Term Sheet includes a distribution formula for MCP Surtax funds to replace the existing application process. The proposed formula is based on the number of roadway centerline miles under each participating municipality's jurisdiction. The proposed formula is estimated to provide the City of Fort Lauderdale with between \$3.5M - \$4.0M in FY26. The future annual allocation amount may change over time depending on the number of roadway centerline miles, and the amount of funding available in future years.

The proposed Third Amendment broadens access to Surtax funding to include micro-transit and establishes grant match programs allowing municipalities to seek surtax funding as a match to competitive funding programs. It also allows for certain decorative and functional art elements of Surtax-funded projects and allows for maintenance of assets built with Surtax funding.

On May 1, 2025, Broward County Commissioner Lamar Fisher presented the proposed Third Amendment to the Broward County League of Cities (Attachment 2). At the meeting, Commissioner Fisher highlighted the goal to secure municipal approvals by July of this year.

Currently, Broward County is reviewing the BCCMA communication and is expected to finalize the Third Amendment in May 2025. The Third Amendment requires approval by Broward County and by such municipalities that both (i) constitute a majority of the municipalities that are a party to the amendment, and (ii) cumulatively represent more than 50% of Broward County's total population.

Broward County staff are tentatively scheduled to present on the proposed Third Amendment at a June 2025 City Commission Conference Meeting.

For further information, please contact Milos Majstorovic, Acting Director of Transportation and Mobility, at 954-828-5216 or mmajstorovic@fortlauderdale.gov

Attachments:

1. April 21, 2025 Letter with ILA Term Sheet Responses
2. May 1, 2025 Broward County Presentation

c: D'Wayne M. Spence, Acting City Attorney
David R. Soloman, City Clerk
Patrick Reilly, City Auditor
City Manager's Office
Department Directors



April 21, 2025

Ms. Monica Cepero
Administrator, Broward County Board of County Commissioners
115 S. Andrews Avenue, Room 409
Fort Lauderdale, Florida 33301

Re: **BCCMA Final Comments on 3rd Amendment to County's Surtax Interlocal Agreement Term Sheet (1.17.25 rev)**

President
Adam Reichbach
Assistant City Manager
Hollywood

Vice President
Neysa Herrera
Director,
CRA & Economic
Development
Oakland Park

Secretary
Catherine Givens
City Manager
Coral Springs

Treasurer
Jackie Wehmeyer
Senior Director
Strategy &
Intergovernmental Affairs
Parkland

Past President
Greg Harrison
City Manager
Pompano Beach

Dear Monica,

Thank you and your team for your ongoing collaboration with the Broward County City Managers' Association (BCCMA) as we work toward finalizing the necessary Third Amendment to the Surtax Interlocal Agreement (the "3rd ILA").

In response to Broward County's revised 3rd ILA Term Sheet (version 1.17.25 rev) (the "Term Sheet"), I have attached BCCMA's responses for your review and consideration. The feedback can be categorized into three key areas:

1. Suggested Cleanup and Clarifying Language: We have provided revisions for various sections in the Term Sheet to be consistent with language on the presentation slides shared during the February 27, 2025 Workshop with Municipal Surtax Program Partners.
2. Requests for Clarification: Comments are included (*in italics*) in certain sections or of the Term Sheet requesting points of clarification¹.
3. Proposed New Language: New language, including responses to specific questions directed to the BCCMA, is highlighted.

Regarding Community Shuttle (CS) funding, we acknowledge that the BCCMA previously recommended removing CS funding from the 3rd ILA during discussions with the Surtax Subcommittee. While we understand that the County has chosen not to adopt this recommendation, we will set this issue aside to move the process forward. However, we respectfully request that the 3rd ILA include language to maintain flexibility should the County decide to revisit this matter in future years.

Additionally, concerning the formula for funding distribution, the BCCMA recommends that the calculation be based solely on the percentage of centerline miles (as it relates to total local centerline miles in the County) of municipally owned public roadways, without any additional modifiers.

Subsequent to the responses provided herewith, the municipal administrators look forward to the first draft of the full 3rd ILA, which will allow them to begin their substantive review of an agreement document

¹ The MAP Administrator may simply contact the Surtax Committee Chair to resolve these clarifications.

and collaborate with their respective municipal counsel on legal sufficiency before being submitted to the Broward County Board of County Commissioners for approval, as was committed to at the February 27, 2025 Workshop.

We greatly appreciate your continued leadership and commitment to addressing municipal concerns as this Surtax Program matures. We look forward to the next phase of collaboration as we work together to execute this amendment.

Sincerely,



Adam Reichbach
BCCMA President

Encl.

C: Surtax Subcommittee, BCCMA Members, MAP Administrator

ATTACHMENT 1

TERM SHEET (WITH BCCMA April 14, 2025 RESPONSES)

The following outlines the proposed terms and conditions upon which Broward County ("County") and municipalities participating in the Transportation Surtax Program (each a "Municipality" and collectively, the "Municipalities") will enter into a 2025 Amended and Restated Transportation System Surtax Interlocal Agreement ("Restated ILA"), replacing the 2021 Second Amendment to Transportations Surtax Interlocal Agreement ("Second Amendment"). County and Municipalities are sometimes referred to as a "Party" or collectively as the "Parties."

START DATE	Commences upon execution of the Restated ILA by County and such Municipalities that both constitute a majority of the Municipalities that are party to the Second Amendment, and cumulatively represent 50% of the County's total population.
AGREEMENT TEMPLATE	Restated ILA was based on standard language in the Second Amendment, with modification for the specific terms outlined in this Term Sheet.
DURATION	Restated ILA remains in effect until all Transportation Surtax Proceeds (as defined in the agreement) allocated by County to Eligible Municipal Projects (as defined in the agreement) have been expended by the Municipalities and thereafter until 90 days after the Oversight Board has completed its review of each Party's final audit.
DEFINITIONS	New and amended definitions have been added to the Restated ILA to revise terms such as "Minimum Annual Guarantee," "Municipal Capital Projects," "Municipal R&M Projects," "On-demand Transportation Services" (i.e., "Microtransit"), and "Road." <u>Project Contingency – a percentage amount of the project cost, the percentage shall be in accordance current standard FDOT and/or County contingency, that is applied to be added to achieve the grand total project cost.</u>
ELIGIBILITY	Modifications have been made to this section of the Restated ILA to address the requirement that Eligible Municipal Projects must have as a primary benefit the improvement of a public road or public right-of-way and stating that projects that are within gated

	<p>communities and/or involve non-public roads/rights-of-way are not eligible.</p> <p>Stand-alone sidewalks, bike paths, and greenways that are used for transportation (as compared to self-contained walking/bicycle paths, etc.) <u>are</u> eligible for surtax funding (subject to the other terms of the Restated ILA).</p> <p>Simplified language has been added to address eligibility of projects involving street lighting, sound walls, fiber-optic improvements, real-time transportation signage, landscaping, and safety assets.</p> <p>Parking projects are eligible and Municipalities will now be permitted to charge parking fees that are over the existing operating and maintenance (O&M) costs for the parking facility (this is currently prohibited under the Second Amendment) provided that the amounts generated over the existing O&M are used by Municipalities for transportation improvements that would have otherwise constituted an Eligible Municipal Project (e.g., road or sidewalk improvements/repairs, etc.).</p> <p>Prohibition against utilizing Transportation Surtax funding for decorative elements/functional public art is removed. Municipalities may receive funding for elements of an otherwise eligible project for decorative elements/functional public art up to the amount that would have been paid for standard elements, provided the engineer of record confirms that the decorative element/functional public art will have an equal or greater useful life as the standard element.</p> <p>If the Board of County Commissioners modifies Section 31 ½-75 to remove the current prohibition, Municipalities will no longer be prohibited from utilizing Transportation Surtax funds for rehabilitation, maintenance, or operation of projects that were paid for, in whole or in part, with Transportation Surtax funds.</p>
<p>MINIMUM ANNUAL GUARANTEE</p>	<p>Minimum Annual Guarantee from County to participating Municipalities remains at 10% of Transportation Surtax Proceeds received each fiscal year (calculated annually). The Minimum Annual Guarantee is inclusive of Community Shuttle, Municipal Capital Projects, Municipal R&M Projects, and Microtransit. <u>The County Administrator shall have the authority if it is determined or resolved in the future to remove Community Shuttle funding and not include it in the MAG. If CS Shuttle funding is removed from the MAG, the flow of funding priorities shall follow established below in</u></p>

	<p><u>this 3rd Amendment adjusted from removal of CS funding.</u></p>
TERMINATION OF CYCLE 1 PROJECTS	<ul style="list-style-type: none">• Remaining Cycle 1 Projects not under Surtax Funding Agreements may be terminated by MAP Administration within 90 days after the Restated ILA Effective Date.• If Municipality disagrees with termination, it may seek review by the Oversight Board for a one-time additional 90-day extension, whose decision is final. <u>(Question/Clarification: Is the OB the final arbitrator or is this technically the Board of Broward County Commissioners?)</u>• Additionally, Cycle 1 Projects that a Municipality has already completed with non-Transportation Surtax funds are subject to immediate termination after the Restated ILA Effective Date.• Funding encumbered/allocated for Cycle 1 Projects that are terminated will be reallocated to other Municipalities' Eligible Municipal Projects (either through an increase in formula-based funding in the current fiscal year, rolled forward for use in the next fiscal year, or allocated to the Grant Match Program, in such amount as determined by the County Administrator).

ANNUAL FUNDING OF
ELIGIBLE MUNICIPAL
PROJECTS (ALL
FUNDING IS SUBJECT
TO AVAILABILITY OF
TRANSPORTATION
SURTAX FUNDING)

- Priority 1 - Community Shuttle (FY 2025-2048): funded by the County for existing and expansion using the maximum contract amounts in the separate Community Shuttle ILAs between the Municipalities and the County. If Community Shuttle funding is removed from the MAG, the priorities shall shift accordingly in the same order minus Community Shuttle. i.e. Priority 2a will move to Priority 1 and so on.
- Priority 2(a) - Municipal Capital Projects (FY 2025-29): Municipal Capital Projects in the existing 5-year plan will continue per the Second Amendment. This item will no longer exist after 2033.
- Priority 2(b) - Municipal Capital Projects (FY 2030-2033): "tails" of existing approved Municipal Capital Projects (i.e., new phases through construction) will be funded through construction. Through the end of the Surtax levy, other than these "tails," capital projects will only be funded as part of the Grant Match Program as described below. Municipal Capital Project "tails" will have 2(a) priority until all "tails" have been programmed and funded, offering flexibility for budgeting and a higher level of consistency in the levels of funds available for R&M/Microtransit. This item will no longer exist after FY 2033.
- ~~Priority 3 through Fiscal Year 2033, thereafter Priority 2 – Annual Municipal R&M Projects and Microtransit (FY 2025-2048): 60% of the annual amount allocated by County to Municipalities that remains after allocation of funding for Community Shuttle will be divided between the Municipalities on a formula-based system for use on R&M Projects or for Microtransit.~~
FY 2025-2033, thereafter Priority 2: Annual Municipal R&M Projects and Micro-transit: amount that remains after allocation of funding for Community Shuttle and MCPs will be divided between the Municipalities on a formula-based system for use on R&M Projects and/or for Micro-transit.
FY 2034-2048, 60% of the annual amount that remains after allocation of funding for Community Shuttle will be divided between the Municipalities on a formula-based system for use on R&M Projects and/or for Micro-transit.
No CBE requirements shall apply for Mirco-Transit.
- ~~Priority 4 – FY 2025-2033, thereafter Priority 3: Each fiscal year, the County will assess surtax revenues available to be placed into Grant Match Program. FY 2034-2048, 40% of the annual amount allocated by County to Municipalities that remains after funding of Community Shuttle and R&M Projects/Micro-transit will be placed into Grant Match Program~~

	<p><u>AND FOR MCPs. Municipalities may seek Transportation Surtax Funding to act as local match for competitive grants and/or state/federal appropriations for new Municipal Capital Projects (not currently funded by surtax)</u></p> <ul style="list-style-type: none"> • Priority 3 from 2033 through the end of the Surtax levy (Fiscal Year 2048): Each fiscal year, 40% of the annual amount allocated by County to Municipalities that remains after funding of Community Shuttle and Municipal R&M Projects/Microtransit will be placed into the Grant Match Program. Six months into the Fiscal Year, MAP Administration will determine which encumbered funds may be released based on results of grant awards and/or review of potential appropriations. The released funds will then be made available for a competitive review by the BCCMA and award to Municipalities towards new Municipal Capital Projects. <u>If unencumbered funds are available there shall be an option to roll over funding for the following year, if recommended by the BCCMA.</u> • Priority 4 through Fiscal Year 2033, thereafter Priority 3 Grant Match Program: In FY 2025 and in subsequent Fiscal Years as County deems appropriate, provided funding to a Grant Match Program where Municipalities may seek Transportation Surtax Funding to leverage as local funds for competitive grants and/or state/federal appropriations for Municipal Capital Projects.
<p><u>Community Shuttle Funding</u></p>	<ul style="list-style-type: none"> • <u>Annually, the balance of unused funds, that is the difference between the Community Shuttle budgeted amount and the actual expenses, shall be rolled over or become available towards Municipalities' Eligible Municipal Projects in the same fiscal year or following fiscal years.</u>

<p>MUNICIPAL R&M PROJECTS/ON-DEMAND TRANSPORTATION SERVICES (FY 2025-2048)</p>	<ul style="list-style-type: none">• Annual funding for Municipalities to use for Eligible Municipal Projects related to road rehabilitation and maintenance and/or On-demand Transportation Services.• Formula distribution amongst Municipalities is based on centerline miles with no modifiers, with adjustments made based on Transportation Surtax funding received to date plus each Municipality's median household income (based on annual reporting from the American Community Survey or other similar organization as identified by MAP Administration). Possible formula funding model for FY 2025 is attached as Exhibit A.• Municipality must notify MAP Administration of the description of any Municipal R&M Project it wants to perform, anticipated start and completion date, then request a review of the project scope to obtain a CBE goal from OESBD, as well as provide any other information requested by MAP Administration.• MAP Administration or a third-party contractor retained by the County will review the proposed project to ensure that it does not conflict with a County or other Municipality's project and determine whether the project could benefit from collaboration with another Municipality's proposed or existing project. If the proposed project conflicts with another project or will increase congestion or create other negative impacts, MAP Administration will notify the Municipality, and the Municipality may submit a replacement project or delay commencement of the project until the issue no longer exists.• After receiving MAP Administration approval, the Municipality and County will enter into a Surtax Funding Agreement.• If a Municipality wishes to delay commencement of a Municipal R&M Project to collect multiple annual allocations, it may defer the County's payment for a Municipal R&M Project for up to 3 fiscal years with advance written notice to MAP Administration. Upon request of a Municipalities for a longer deferral, the County Administrator is authorized to allow a Municipality to defer a Municipal R&M Project for more than 3 years but no more than 5 years. Deferred funding will be considered as having been "spent" for purposes of calculating the Minimum Annual Guarantee. <i><u>(Comment: Is the MAG not always 10% of Surtax Proceeds?)</u></i>• A Municipality may use all or a portion of its annual allocation towards Microtransit. It is the intent of the County and each Municipality that receives funding and elects to use it for Microtransit that such service is not part of the County's transit or transportation system and is instead an independent operation overseen by the Municipality. If a municipality has no community shuttle program and less than 1% of the total
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	<p>municipal centerline miles, it can formally request to forego participation in any other surtax-funded programs and instead opt to receive only R&M/Microtransit allocations. If a Municipality elects to opt out of participation in funding for Municipal Capital Projects, it will receive an enhanced annual R&M/Microtransit annual allocation. <u>The enhanced annual allocation for such Municipalities shall be 100% of formula in lieu of 60% to R&M Projects and/or for Micro-transit.</u></p> <ul style="list-style-type: none">• Municipalities with existing Community Shuttle Programs may not terminate or reduce their services to add microtransit except with the prior written consent of the BCT Department Director and County Administrator, and such termination or reduction shall not be effective until any vehicles purchased by County or reimbursed to the Municipality have exceeded the minimum useful life expectancy under FTA regulations and guidelines.• Each Municipality using Transportation Surtax funding for microtransit represents and warrants that their providers' vehicles and drivers fully comply with Applicable Law (including ADA requirements, FTA drug and alcohol testing requirement for transit operators, Florida law regarding low-speed vehicles, etc.) and that the Municipalities will fully comply with all Applicable Law relating to the operation of a transit service.• Each Municipality must ensure that its Microtransit operators maintain comprehensive automobile business liability insurance coverage (owned, hired, non-owned, scheduled) in an amount of at least \$1 million per occurrence for bodily injury and property damage, naming both Municipality and County as additional insureds.• Municipalities must provide County with the name of each microtransit operator it contracts with, a copy of the certificate of insurance, and other information on the contract it has entered for audit purposes, annually.• Municipalities using Transportation Surtax for Microtransit are solely responsible for administering contracts with the companies performing such service and must fully indemnify County for claims relating to Microtransit.
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<p>MUNICIPAL CAPITAL PROJECT "TAILS" (FY 2030-33)</p>	<ul style="list-style-type: none">• Municipal Capital Projects that were approved for Planning or Design Phases prior to execution of the Restated ILA but have not been allocated funding for the next phase of the project in an existing Five-Year Plan, will be prioritized for funding in FY 2030-<u>2033</u>.• For Cycle 6 (projects to be funded for FY 2030), the Broward MPO will provide Surtax Services to review, evaluate, and recommend the timing of programming for current Municipal Capital Project "tails" and will not accept new applications.• Projects that are already under a Surtax Funding Agreement remain subject to the terms of their existing Surtax Funding Agreement.• Projects that are not under a Surtax Funding Agreement will be subject to the terms of the new Surtax Funding Agreement developed under the Restated ILA.
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<p>GRANT MATCH PROGRAM (FY 2025-2034)</p>	<ul style="list-style-type: none">• County may allocate a portion of the annual amount of Transportation Surtax Funding allocated for the Municipalities towards a Grant Match Program ("GMP").• The County will, on an annual basis, advise the Municipalities of the maximum amount available from the Grant Match Program per application.• Each Municipality seeking funding from the GMP must submit an application to MAP Administration providing details of the proposed project, including details on the federal/state appropriation or competitive grant program from which it is seeking funding or has already received funding.• MAP Administration will review each application to ensure that it does not conflict with County, FOOT, MPO, and other municipal projects that may be seeking a similar appropriation or grant.• GMP funding will generally be available on a first-come/first-served basis, subject to review and consideration given for those projects that are likely to result in a maximum leveraging <u><i>(Comment: This would infer that the leverage amounts of applications would be compared to each other which alters the concept of first-come/first served basis would mentioned above)</i></u> of GMP funds towards state and/or federal funding as well as alignment of the project with the goals of the surtax program and the County Commission's strategic plan, as well as the amount of Transportation Surtax funding previously received by the requesting Municipality.• Each Municipality may only be eligible to receive funding from the GMP 1 time each Fiscal Year.• Approved municipal GMP requests must comply with the following:<ul style="list-style-type: none">o Municipality receiving funding through the program must contribute at least 25% of the local match from non-Transportation Surtax funding (e.g., municipal general fund, etc.).o Multiple Municipalities may submit a joint application for a collaborative project but must identify a single Municipality to serve as the lead fiscal agent for the grant initiative (all Municipalities submitting a collaborative application must be parties to the Restated ILA and collectively must contribute an amount of non-
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	<p>Transportation Surtax funding that is at least 25% of equal to the requested GMP dollars requested).</p> <ul style="list-style-type: none"> • The municipal contributions towards a GMP funding request may be waived or reduced upon written request to and approval by the County Administrator, to be based on a combination of factors, including but not limited to: (i) the grant program requirements, (ii) the municipality's proportion of total County population, (iii) property tax revenues generated, (iv) sales tax revenues generated, (v) median household income in the last year in which validated demographic data, and (vi) MAP Administration's review of the most recent independent comprehensive financial audit available for the requesting municipality. • GMP funds will be encumbered by the County upon approval of the GMP application and confirmation that the municipality(ies) has submitted the grant application to the funder. • If an appropriation/grant is received, the Municipality will enter into a Surtax Funding Agreement with County, which will be subject to any additional terms in the grant/appropriation.
<p>GRANT MATCH PROGRAM/NEW MUNICIPAL CAPITAL PROJECTS (FY 2034-2048)</p>	<ul style="list-style-type: none"> • Grant Match Program operates in similar fashion as it did for FY 2025-20343, but in March of each year, MAP Administration will review and assess the award statuses for all approved applications and may cancel the application if grant/appropriation has been awarded to another applicant, the Municipality's project was selected but the award level is insufficient to allow it to move forward without additional (and unavailable) local funds from the Municipality, or the grant program ends without providing any notice of awards. • Any funds that become unencumbered as a result of the cancellation will be made available to Municipalities for new Municipal Capital Projects or GMP. • Municipalities will have no less than 45 days {BCCMA to suggest the timeframe} to submit applications for funding for their new Municipal Capital Projects. After review by MAP Administration, Eligible Municipal Projects will be submitted to the BCCMA for evaluation, ranking, and recommendation. • Recommended projects will then be brought to the Oversight Board for review. • Any recommended projects will then be placed under Surtax Funding Agreement in a similar manner to what is done under the Second Amendment (with the new Surtax Funding Agreement).
<p>GENERAL PROVISIONS REGARDING FUNDING</p>	<ul style="list-style-type: none"> • After all Municipalities enter into applicable agreements with County in a Fiscal Year, any unallocated funding for that Fiscal

<p>AND PROJECT CANCELLATION</p>	<p>Year may then be (i) allocated by the County for Municipal Project Contingency on already-approved Municipal Capital Projects, (ii) rolled into the next Fiscal Year and increase funding to the Municipalities, (iii) used to increase formula-based funding in the current Fiscal Year, and/or (iv) allocated to the Grant Match Program.</p> <ul style="list-style-type: none">• If Transportation Surtax Proceeds actually received during a Fiscal Year are less than the estimate provided to the Municipalities by the County, the County Administrator may, in her discretion, reduce formula-based funding in the next Fiscal Year up to the differential, delay funding for Municipal Capital Project "tails" until a future Fiscal Year, or a combination of both.• Budgeted and appropriated funds for a Municipal Capital Project placed under a Surtax Funding Agreement during the effective period of the Second Amendment may be reallocated to another phase of the project (e.g., design to construction, etc.), provided that the overall surtax funding for the project will not change and subject to approval for the adjustment by MAP Administration after review and evaluation of the request.• <u>Formula-based funding in each Fiscal Year may be fully advanced to each Municipality after their R&M project(s) are approved (e.g., reviewed for eligibility, conflicts, been assigned a CBE goal, etc.) unless requested by the Municipality to be reimbursement based. Formula-based funding intended to be used for Microtransit will require submission of the municipality's contract with a Microtransit provider prior to approval to enter into a Surtax Funding Agreement and may be advanced in full or reimbursement based, at the discretion of the requesting municipality.</u>• Municipal Capital Project funding under a Surtax Funding Agreement that is less than \$500,000.00 can either be advanced, in full, to Municipality after the project has been approved by County or paid out per a funding schedule in the Surtax Funding Agreement, as may be requested by the Municipality. Municipal Capital Project funding over this amount will continue to be funded on an agreed-upon funding schedule in the Surtax Funding Agreement. Any advanced funding is subject to repayment/set off from future funding allocations if funds are not utilized in accordance with the Surtax Funding Agreement. In addition, only design and construction phases will be eligible for MCP funding.• County may cancel projects under a Surtax Funding Agreement, deviate from rankings of projects previously recommended for funding, or accelerate or subordinate projects based on specific
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	limited circumstances (e.g., Municipality's failure to timely
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	<p>provide 100% complete design plans/construction documents; failure to acquire right-of-way; any material changes to a project that impacts its eligibility, breaches in a Surtax Funding Agreement by the Municipality, etc.).</p> <ul style="list-style-type: none"> • County may cancel a Municipal Capital Project if (a) it is not construction-ready for the Fiscal Year it was planned to commence; or (b) the Municipality has not entered into a Surtax Funding Agreement for the project within 180 days after <u>approval of funding is communicated formally in writing to the Municipality</u> This notification shall subsequent to —funding—funding is appropriated by the County Commission and all prior phases and County reviews and approvals for the project have been completed and communicated formally to the Municipality in writing. <u>Extensions of project timelines and project delievery shall be considered due to Broward County State of Emergencies.</u> • A municipality will receive notice of the County's intent to cancel a project, formally, in writing. <u>at least 60 days prior to effective date of cancellation. Municipalities shall have 30 days to respond to the formal intent to cancel.</u> If a project is canceled, the funding assigned to that project will become available to fund other Eligible Municipal Projects in that Fiscal Year or the next Fiscal year (whether in the formula-based funding model or additional funding to the Grant Match Program), or used to address any shortfall in Transportation Surtax Proceeds received and avoid reducing the Minimum Annual Guarantee in the next Fiscal Year. • If Municipality disagrees with the County's decision to cancel a project, it may seek review of that determination from the Oversight Board and request up to an additional 1-time 90-day extension to satisfy the conditions that were the basis for cancellation. Oversight Board decisions are final. <u>(Comment: Aren't OB only recommendations to BBCC?)</u> • Municipalities are free to resubmit canceled projects in future Fiscal Years for consideration.
<p>MISCELLANEOUS</p>	<p>Minor modifications have been made to boilerplate terms to update for current language in use by County.</p>

This Term Sheet is not intended as, and does not constitute, a binding agreement or an agreement to enter into a binding agreement but is merely intended to specify some of the proposed terms and conditions of the transaction contemplated herein. Neither a Municipality nor the County may claim any legal rights by reason of this Term Sheet or by taking any action in reliance thereon. Each party fully understands that no party shall have any legal obligations to the other, or with respect to the proposed transaction,

unless and until all of the terms and conditions of the proposed transaction have been negotiated, agreed to by all required parties, and set forth in a written agreement that is approved, duly authorized, signed, and delivered by the required number of parties as provided for in the Second

Amendment. The only legal obligations that any party will be those contained in the signed and delivered agreement referred to above.

CERTAIN PROPOSALS CONTAINED IN THIS TERM SHEET ARE CURRENTLY NOT PERMITTED UNDER APPLICABLE COUNTY ORDINANCE. SUCH PROVISIONS WILL NOT BE INCLUDED IN A FINAL AGREEMENT UNLESS THE BOARD OF COUNTY COMMISSIONERS AMENDS THE APPLICABLE ORDINANCE.

Proposed 3rd Amendment to the Transportation System Surtax ILA

**Workshop with Broward League of Cities
Commissioner Lamar Fisher, District 4
*May 1, 2025***



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 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 must be 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%

- The Minimum Annual Guarantee (MAG) is inclusive of Community Shuttle, Municipal Capital Projects, Municipal R&M Projects, **and Micro-transit**
- MAG will be subject to annual “true-up”

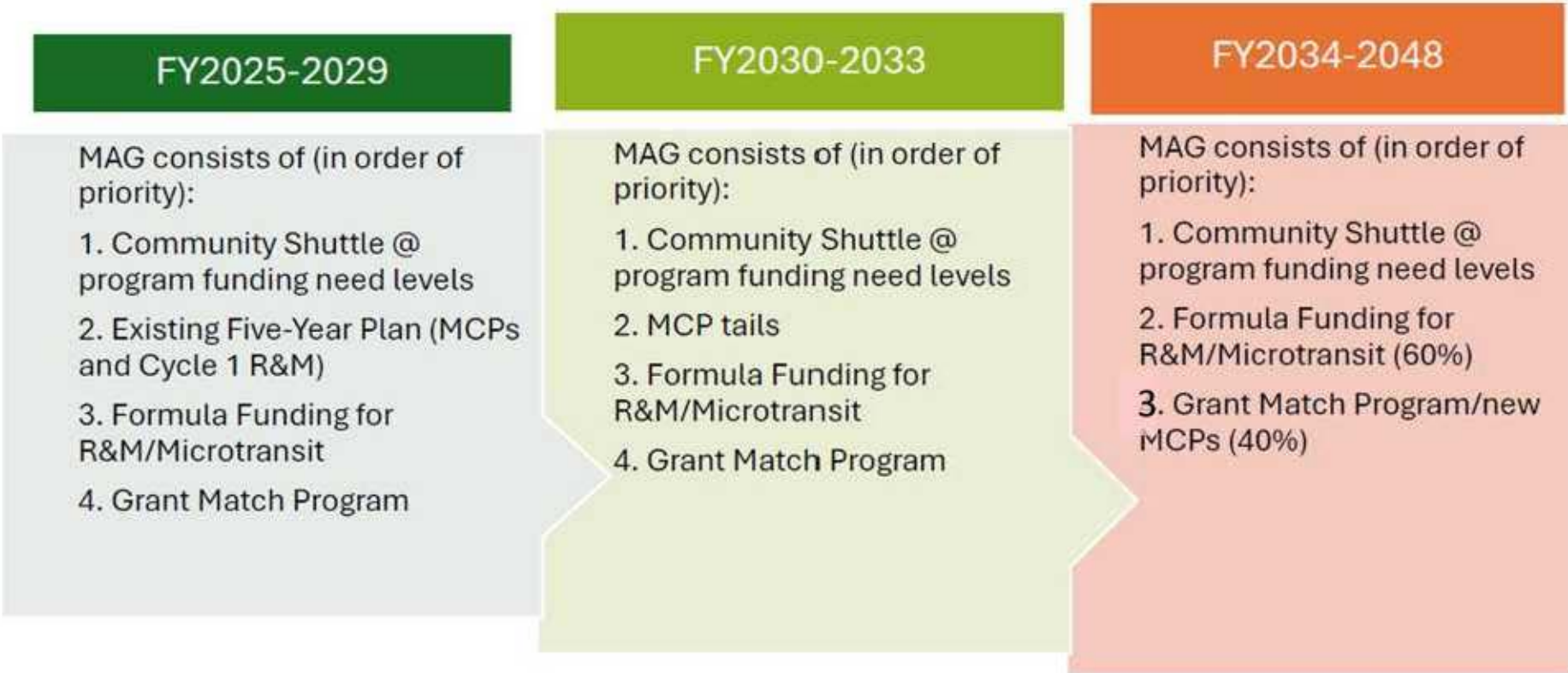
After the end of each fiscal year, if surtax revenues actually received by the County are more than projected, additional funding may be:

- (1) allocated by the County for Municipal Project Contingency on already-approved Municipal Capital Projects
- (2) rolled into the next Fiscal Year to increase formula-based or other funding to Participating Municipalities
- (3) used to increase formula-based funding in the current Fiscal Year, and/or
- (4) allocated to the Grant Match Program

If Transportation Surtax Proceeds actually received during a Fiscal Year are less than the estimate provided to the Municipalities by the County, the County Administrator may

- (1) reduce MAG/formula-based funding in the next Fiscal Year by the Differential
- (2) delay funding for Municipal Capital Projects until a future Fiscal Year, or
- (3) a combination of both

3rd Amendment Municipal Surtax Priority Timeline



Proposed Formula Distribution

- BCCMA proposed allocating a formula to each participating municipality based on centerline miles owned by the municipality (as reported annually to FDOT)
- BCCMA Surtax Subcommittee then asked County to propose a formula that took surtax funding **already received** by municipalities since 2020 (Cycle 1) into consideration (the “fairness” approach)
- County proposed modified centerline miles formula adjusts based on total value of surtax funds for MCPs, R&M, and Community Shuttle (FY2020-2024) (to be adjusted annually going forward) and median household income in each participating municipality
- BCCMA sent April letter maintaining its original support for a formula distribution based solely on the number of centerline miles under each participating municipality’s jurisdiction (adjusted annually)

Estimated Surtax Funding		\$30,000,000
Municipality	Distribution if based on Centerline Miles	Distribution if based on Centerline Miles + Modifiers*
Hillsboro Beach	\$3,578	\$9,302
Pembroke Park	\$70,837	\$170,008
Lauderdale-by-the-Sea	\$119,349	\$352,081
Parkland	\$208,933	\$334,293
Lighthouse Point	\$325,563	\$520,901
Southwest Ranches	\$485,841	\$777,345
Plantation	\$1,572,721	\$2,516,354
Lauderdale Lakes	\$314,830	\$503,729
Wilton Manors	\$336,296	\$386,741
Coconut Creek	\$343,451	\$394,969
Cooper City	\$536,929	\$429,543
Margate	\$723,323	\$1,157,317
Lauderhill	\$762,033	\$1,219,252
Tamarac	\$979,266	\$1,566,825
Pembroke Pines	\$3,361,888	\$3,866,172
West Park	\$368,852	\$479,508
Hallandale Beach	\$487,937	\$634,318
Dania Beach	\$667,333	\$867,533
Weston	\$720,840	\$360,420
Deerfield Beach	\$1,048,958	\$891,614
Sunrise	\$1,391,121	\$1,182,453
Coral Springs	\$1,617,799	\$808,900
North Lauderdale	\$386,383	\$444,340
Oakland Park	\$822,852	\$575,997
Davie	\$2,258,980	\$1,581,286
Hollywood	\$3,051,494	\$3,509,218
Fort Lauderdale	\$3,845,225	\$2,691,657
Miramar	\$1,189,587	\$654,273
Pompano Beach	\$1,997,800	\$1,098,790
TOTAL	\$30,000,000	\$29,985,139

Proposed Formula Distribution Options (cont.)

- Municipalities have option to use formula funding for surtax-eligible rehabilitation and maintenance projects and/or Micro-transit
- 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
- Municipalities with existing Community Shuttle Programs may not terminate or reduce their services to add microtransit except with the prior written consent of the BCT Department Director and County Administrator, and such termination or reduction shall not be effective until any vehicles purchased by County or reimbursed to the Municipality have exceeded the minimum useful life expectancy under FTA regulations and guidelines
- 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 insurance certificate to represent and warrant that their 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.)
- 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/FDOT) 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)

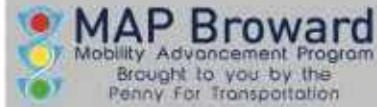
MCP “tails”

- The Broward MPO Surtax Services Team reviews, ranks, and recommends MCPs every year (a “Cycle”); each Cycle builds a new year of a rolling municipal Five-Year Plan
- Three Cycle 3 projects recommended in a design phase, were not subsequently recommended for construction funding in Cycles 4 or 5 (FYs 2028 or 2029)
- Five Cycle 4 projects recommended in planning or design phases were not subsequently recommended for their next phase of funding in Cycles 4 or 5 (FYs 2028 or 2029)
- The eight MCPs that had not been recommended for construction funding by 2029 will be prioritized for funding in Cycles 6 through 10 (FYs 2030-2033); leaving what is expected to be adequate funding to accommodate formula-based R&M/M-T allocations each year
- Cycle 6 recommendations from the MPO were received April 15, 2025; five (5) projects were recommended for construction in the new fifth year (FY 2030) for a total value of \$33.3M

Grant Match Program

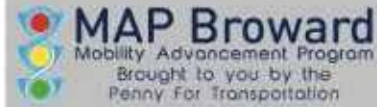
- County advises of annual available total GMP funding and per project maximum amount
- Municipality may submit an application providing details of the proposed project, including the federal/state appropriation or competitive grant program, budget details, etc.
- Every effort will be made to avoid competition (e.g., other municipal, County, State, or MPO applications) that could negatively impact the application
- Funding generally available on a first-come/first-served basis, subject to review and consideration given for those projects that are likely to result in a maximum leveraging of GMP funds towards state and/or federal funding as well as alignment of the project with the goals of the surtax program and the County Commission's strategic plan, as well as the amount of Transportation Surtax GMP funding previously received by the requesting Municipality
- Each Municipality only eligible to receive GMP funding for one project each Fiscal Year

Grant Match Program (FY 2025-2033)



- Municipality receiving funding through the program must contribute at least 25% of the local match from non-Transportation Surtax funding (e.g., municipal general fund, etc.)
- Joint municipal applications must identify a single Municipality as the lead fiscal agent for the grant initiative (all Municipalities jointly submitting for GMP funding must be parties to the ILA and collectively contribute at least the same amount as the surtax funding requested)
- Municipal contributions towards a GMP funding request may be waived or reduced upon written request to and approval by the County Administrator, based on factors including:
 - (i) the grant program requirements,
 - (ii) the municipality's proportion of total County population,
 - (iii) property tax revenues generated,
 - (iv) sales tax revenues generated,
 - (v) median household income in the last year in which validated demographic data is available, and
 - (vi) most recent independent comprehensive financial audit available for the requesting municipality
- GMP funds encumbered upon approval of GMP application and grant application submission

Grant Match Program (FY 2034-2048)



- Grant Match Program operates in similar fashion as it did for FY 2025-2033
- Starting in March of each year, County will review award statuses for all previously approved GMP requests and cancel ones when grant/appropriation was awarded to another applicant, the Municipality's project was selected but the award level is insufficient to allow it to move forward without additional (and unavailable) local funds from the Municipality, or the state/federal program ends without providing award
- Any funds that become unencumbered from cancellations will be made available to Municipalities for new Municipal Capital Projects or put back into GMP.
- Municipalities will have 45 days to submit applications for funding for their new Municipal Capital Projects. After review by MAP Administration, Eligible Municipal Projects will be submitted to the BCCMA for evaluation, ranking, and recommendation
- Recommended projects will then be brought to the Oversight Board for review and then placed under Surtax Funding Agreement (similar to current process for MCPs) using a new Surtax Funding Agreement

Treatment of Cycle 1 Projects under Restated ILA

- Remaining Cycle 1 Projects not under Surtax Funding Agreements may be terminated by MAP Administration 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 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 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/set off 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
- Revise Oversight Board role to focus on program oversight activities (requires ordinance amendment)

Q&A

