



Hillsborough Area Regional Transit Authority

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**HILLSBOROUGH TRANSIT AUTHORITY (HART)
&
PINELLAS SUNCOAST TRANSIT AUTHORITY (PSTA)**

BOARD OF DIRECTORS JOINT MEETING

MONDAY, JANUARY 9, 2012, 1:00 P.M.

**HART Administrative Office
1201 E. 7th Avenue, 3rd Floor
Tampa, FL 33605**

AGENDA

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE
2. INTRODUCTIONS
3. PRESENTATION OF CURRENT COLLABORATIVE EFFORTS AND DISCUSSION OF ADDITIONAL EFFORTS
4. REVIEW & DISCUSSION OF INFORMATION RECEIVED FROM STATE OF FLORIDA REGARDING CONSOLIDATION
 - PRESENTATION ~ HART BOARD DIRECTOR, DR. STEVEN POLZIN
 - HART BOARD LEGISLATIVE STATEMENT ~ CHARLES "CHIP" FLETCHER, HART LEGAL COUNSEL
 - LEGAL ANALYSIS ~ BY PSTA LEGAL COUNSEL ALAN ZIMMET
5. PINELLAS ALTERNATIVES ANALYSIS PROJECT UPDATE
 - PSTA STATE LEGISLATIVE "SWAP" BILL
6. OVERVIEW OF PSTA DART PROGRAM
7. FUTURE JOINT MEETINGS
 - FUTURE MEETING SUBJECTS
8. OTHER BUSINESS
9. BOARD MEMBER COMMENTS
10. ADJOURNMENT



Hillsborough Transit Authority &
Pinellas Suncoast Transit Authority
Board of Directors Joint Meeting
January 9, 2012

**REVIEW & DISCUSSION OF INFORMATION RECEIVED FROM STATE OF
FLORIDA REGARDING CONSOLIDATION**

Comments Regarding the Possibility of HART and PSTA Consolidation

The attached document has been prepared by the HART Board of Directors member, Dr. Steven Polzin, for the August 26, 2011 HART Board Workshop.

Attachment: Comments Regarding the Possibility of HART and PSTA Consolidation
by Dr. Steven Polzin

Comments Regarding the Possibility of HART and PSTA Consolidation

Steven E. Polzin

The following are some observations in response to the various questions and concepts that have been floated over the past few years regarding the possible merger of HART and PSTA. These comments are the author's and are not necessarily the opinions of other HART Board members or colleagues at the USF Center for Urban Transportation Research. The comments reflect nine years of employment with three different transit agencies, 23 years of transportation research (much of it involving public transit agencies across the country), and 10 years of service on the HART Board.

The comments are organized into two main sections: Economics and Governance & Policy.

Economics

Economy of Scale

The single most frequently-noted motivation for consolidating agencies is to capture perceived economies of scale by enabling purchasing or staffing efficiencies. To my knowledge, there has been no analysis of the possibilities of such efficiencies, nor have other experiences been cited as evidence of such economies. Yet, such perceptions are common and presumably based on the historic general concept of "economies of scale" observed in many businesses and some government operations.

With respect to transit, there is mixed-to-negative evidence of economies of scale. Agency data generally show higher costs for large properties, often attributed to higher labor costs and more expensive work rules, often negotiated in large urban markets.

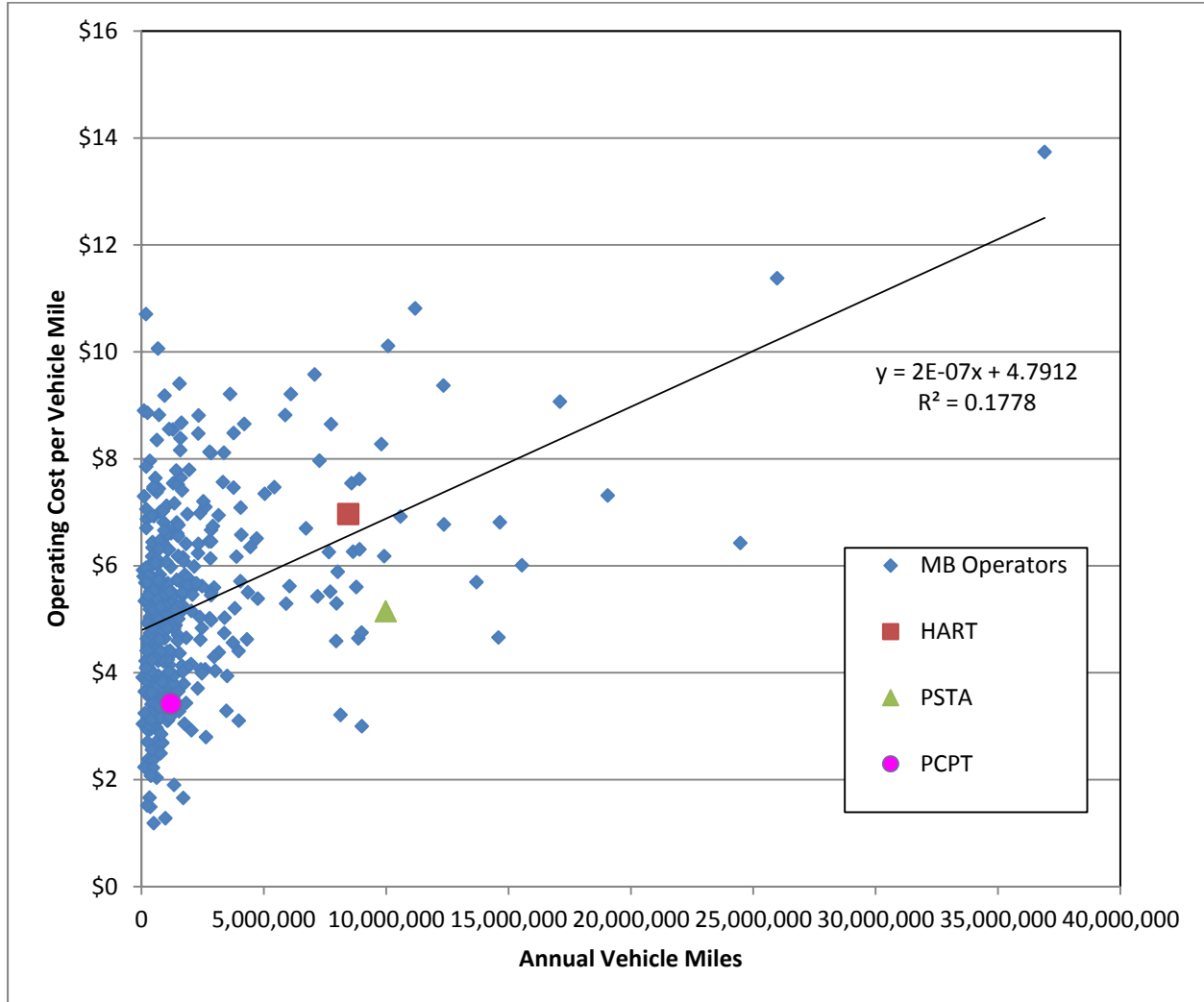
Figure 1 shows the relationship between hourly cost of operations as a function of agency size using 2009 (the most current available) National Transit Data (NTD) for U.S. transit agencies carrying more than 5 million passengers annually. These data are submitted by the individual transit agencies as a condition of federal financial support.

The data indicate that there is a high variation in costs across agencies and that size does not have strong explanatory power in explaining cost differences. The influence size does have, based on the data, is that larger agencies tend to have higher costs for delivering service.

A review of transit agency budgets provides insight into the nature of costs and the prospect that there might be economies of scale. The vast majority of transit operating costs is labor and fringe costs, and most of these are driven by the competitive market and the labor contracts that are negotiated. Retirement costs are independent of the agencies' size, as both local agencies are part of the Florida Retirement System. Similarly, agency costs for Social Security, Workers' Compensation, and Medicare would not be impacted by consolidation. Costs for diesel fuel currently are secured through consortium buying (including HART and PSTA) and futures contracting, where economies of scale are captured in market mechanisms. Parts and

components are purchased through various mechanisms, and pooling or joint purchasing can be used when advantageous.

Figure 1, Operating Cost versus Agency Size (Vehicle Miles of Service)



Source: NTD 2009 data.

Bus vehicle purchases can be secured through the Florida Public Transit Association Pooled Procurement bid (statewide) or by piggybacking on purchases of other transit agencies from across the country. Other costs could increase. For example, in a consolidated agency, paratransit travelers would be eligible for single-fare rates for very expensive cross-bay paratransit trips.

Should there be an interest in exploring consolidation in greater detail, a budget line item review could be helpful in adding insight into the prospects of economies in joint purchasing or agency consolidation. As an independent authority, HART has the opportunity to partner with various entities in procurements when it is deemed advantageous.

Cost of Consolidation

I worked for the Dallas Area Rapid Transit Authority (DART) in the 1980s when it consolidated with the Dallas Transit System (DTS). The consolidation resulted in an integration of the workforces and programs. While there were differences in work rules, salaries, or benefits, the merger resulted in the highest-level, most expensive policies being adopted for the merged agency to minimize impacts on morale and resistance to the merger. For example, one agency's better vacation and healthcare benefits were provided to employees of the other, and the better vision and personal leave day policies of the other agency were applied to both agencies as well. Thus, overall costs increased as compensation and fringe costs increased. This behavior, while not necessary for every merger, is a very likely occurrence as policy makers try to minimize the resistance to change or mitigate other impacts that could impact morale or undermine a merger. Thus, the execution of a consolidation is critical to the cost impacts, and hypothetical savings can quickly disappear when faced with actual tradeoffs.

The costs to execute consolidation could be significant, as each agency has various interagency and other contractual relationships in place that would need to be renegotiated or rethought. There is also the cost of the consolidation process, which might include elections as well as the subsequent costs of integrating the agencies. The cost of rebranding the agencies alone, with a common color scheme, etc., could take years and cost tens to hundreds of thousands of dollars. Similarly, the cost of standardizing accounting systems, communications systems, procedures and policies, and numerous other elements would be very significant.

If the prospect of consolidation festers for years, it could undermine morale and productivity with associated indirect costs.

Elimination of Redundancy

There is a perception that redundancy in staffing can be eliminated with a merger, resulting in savings for the agency. The common example is to argue that the cost of a second CEO is saved with a consolidation. Generally, transit agencies are leanly staffed after several years of declining revenues. There is little evidence that there is sufficient economy in effort or more productive deployment of personnel as agencies grow. It is important to remember that the vast majority of agency employees are involved directly in the delivery of service as vehicle operators, maintenance personnel, or direct supervisors. In our particular geography, efforts to communicate with customers, stakeholders, the public, and passengers are likely to remain virtually unchanged. There may be some economy in procurement functions, but this would require study to validate. There is no basis for assuming a larger agency would be more or less successful or efficient in labor negotiations, risk/claims management, or community relations. Larger agencies typically have higher pay scales for the various administrative positions, reflecting the larger budgetary and supervisory responsibilities. Validating any expectations of capturing efficiencies due to redundancies would require a more in-depth look at how a consolidation would occur.

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Table 1 lists the number of transit agencies per metropolitan area for the top 30 metropolitan areas in the U.S. It is common to have several agencies operating bus service as well as other transit modes in a given metropolitan area.

Table 1: Transit Operating Agencies for Top 30 Metropolitan Areas

Population Rank	Metropolitan Area	Number of Transit Agencies Filing NTD Reports	Agencies in Count with No MB Service
1	New York Metro Area	38	1 DR, 1 HR + FB, 1 CR
2	Los Angeles Metro Area	20	2 DR, 1 CR
3	Chicago Metro Area	14	6 DR, 1 CR
4	Philadelphia Metro Area	4	1 HR, 1 CR
5	Miami Metro Area	6	1 VP
6	Dallas–Fort Worth Metro Area	6	1 VP, 3 DR
7	Boston Metro Area	7	1 CR
8	Washington DC Metro Area	12	
9	Detroit Metro Area	4	1 AG, 1 VP
10	Houston Metro Area	3	
11	Atlanta Metro Area	10	1 DR, 2 VP
12	San Francisco Metro Area	9	1 HR, 1 FB
13	Phoenix Metro Area	11	4 DR, 1 LR, 1 VP
14	Seattle Metro Area	9	3 FB, 1 MO
15	San Diego Metro Area	4	1 VP
16	Minneapolis–St. Paul Metro Area	3	1 DR
17	St. Louis Metro Area	2	
18	Baltimore Metro Area	2	
19	Tampa Metro Area	3	
20	Denver Metro Area	2	
21	Cleveland Metro Area	3	
22	Pittsburgh Metro Area	5	1 VP
23	Portland OR Metro Area	4	1 VP
24	San Jose Metro Area	1	
25	San Bernardino–Riverside Metro Area	5	1 DR, 1 CR
26	Cincinnati Metro Area	4	
27	Williamsburg Metro Area	2	
28	Sacramento Metro Area	5	
29	Kansas City MO Metro Area	5	3 DR
30	San Antonio Metro Area	1	

HR = Heavy Rail, FB = Ferryboat, CR = Commuter Rail, VP = Van Pool, AG = Automated Guideway, DR = Demand Response, MO = Monorail
 Source: National Transit Database, 2010 data.

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Market Characteristics

Tables 2 and 3 below summarize some comparative data on Pinellas and Hillsborough counties and the current transit services in those counties. The data reveal similarities and differences between the counties that influence subsequent decisions on the provision of transit services. There are significant differences in size, population density, average age, use of paratransit services, and other factors. It should be noted that while both counties are defined in a single metropolitan area, the absence of a single dominant central city and the presence of more than 400 square miles of Tampa Bay between the counties results in the area functioning, in terms of transportation, far different than most metropolitan areas.

Table 2: Demographic Comparisons

	Hillsborough County	Pinellas County
Commute to work transit mode share	1.6%	1.8%
Travel time to work (mins)	24.7	23.2
Share of zero-vehicle households	6.6%	7.5%
American Community Survey 2006–08 Flow Data		
Hillsborough workers working in	498,245	29,805
Pinellas workers working in	40,210	364,290
Hillsborough workers commuting by transit to	8,855	35
Pinellas workers commuting by transit to	65	7,025
Census		
2010 population	1,229,226	916,542
2000 population	998,948	921,482
2000-2010 population growth	+23% (+230,278)	-0.5% (-4,940)
2010 population density (persons per sq mi)	1,170	3,275
2030 population estimate (BEBR, 2011)	1,652,700	912,100
2010-2030 forecast growth (BEBR, 2011)	+34% (+423,474)	-0.5% (-4,442)
Land area (2000 Census, sq mi)	1,050.9	279.9
Labor force	642,802	449,080
Median age	35.6	45.3

Sources: 2010 Census, 2009 ACS, Bureau of Economic and Business Research (BEBR).

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Table 3 – National Transit Database FY 2010

		Hillsborough County HART	Pinellas County PSTA
Fixed Route	Vehicle miles	71,411 LR +8,734,315 MB = 8,805,726	10,218,963
	Route miles	4.8 LR + 1016.5 MB = 1021.3	914.1
	Routes	30 local + 15 express + 2 trolley + streetcar	35 local + 2 express + 1 trolley
	Vehicles	10 LR + 219 MB = 229	232
	Operating expenditures	\$2,542,168 LR + \$58,650,778 MB = \$61,192,946	\$50,341,339
	Ridership	501,959 LR + 12,665,359 MB = 13,167,318	12,811,820
Paratransit	Vehicles	44	177 (Does not include 47 demand response taxi (DT) vehicles)
	Vehicle miles	1,299,916	1,491,697 + 1,387,494 VRM from DT vehicles
	Passenger trips	104,387	281,658
	Operating expenditures	\$3,839,501	\$5,757,641
	Operating expense per passenger trip	\$36.78	\$20.44
All	Employees	756 (670 are MB)	546 (MB Only)
	Representation	Teamsters (43) ATU (588)	SEIU (24) Tampa Bay-TWU (390)
	Starting rate (driver, excluding fringe) Top rate (driver, excluding fringe)	\$11.91-\$20.00	\$11.53-\$20.19
	Local revenues per capita	\$26.28	\$33.48
Board composition		2 Governor	
		7 BOCC	5 BOCC
		3 City of Tampa	3 St. Petersburg
		1 Temple Terrace	7 other member cities

Source: NTD, HART

Governance and Policy

The Cost of Equity

One of the critical considerations regarding geographic expansion of a government's service area is the implicit requirement that resources will be deployed equitably across the geographies. To the extent the service area includes different jurisdictions, the sensitivity to equity is heightened. In disparate areas, the political desire to ensure equity can lead to higher costs and inefficiencies. The type and amount of service that is most effective may be different across jurisdictions and can lead to continual challenges to the governance of the agency. For example, a significant capital investment may be necessary in a strong market area, but equity concerns can lead to deploying a similar investment in markets not sufficiently strong to justify that investment. In Hillsborough County, equity issues have arisen between the incorporated and unincorporated areas and between Temple Terrace and Hillsborough County. While these concerns have been addressed, such issues are more likely to be persistent across counties. Ensuring equity in multijurisdictional markets and across diverse service areas often leads to overinvestment in inferior markets as a condition of providing appropriate investments in strong markets due to equity considerations.

A related consequence is the tendency for one jurisdiction to be held back in implementing improvements because there is not a broader regional consensus on the need. Hillsborough and Pinellas counties have significant differences in average age, density, growth rates and travel patterns that may require very different solutions that are not necessarily easy to implement on a regional scale. In my opinion, the cost of pressures to be equitable across jurisdictions is far greater than any potential economies of consolidation and could hold back either or both communities from moving ahead on solutions that make sense locally. Reaching consensus with disparate groups can be time consuming and expensive.

The Larger Political Coalition

One of the benefits of having a larger market area and population for a transit agency is the prospect that it increases the political clout of the agency by virtue of the fact that the respective delegations at the state and federal level are larger. This offers an opportunity to have more support for initiatives that originate at the local or regional level and increases the prospects that one or more of the respective politicians will be both sympathetic to the particular agency's mission (public transportation) and/or will be in a position on various committees to deliver support for the agency's agenda. This is particularly true in instances where transportation spending decisions at the state and federal levels are a result of discretionary programs or earmark-style appropriations.

Smaller agencies can overcome this disadvantage, to some extent, if appropriate regional coordination, planning, and programming strategies are in place. The value of this benefit is partially dependent on the political culture that exists at the state and federal levels. If scarce resources result in less or no earmarking and more formula resource allocation, then this benefit could disappear. On the other hand, if discretionary programs and political earmarks reemerge as significant public transportation funding sources, then having a broader political coalition to

support local initiatives could offer benefits. This, of course, is premised on there being sufficient unanimity within the political delegations to reach and support a unified position.

Local versus Regional Needs

One motivation for moving to a regional entity for delivering public transportation services would be if the evidence suggested regional needs were being overlooked by local agencies. While individuals may have different priorities in terms of target markets for public transportation, I am a strong advocate of letting market demand drive service priorities. Public transportation captures a small share of overall travel, approximately 1%, and there are many more market opportunities to expand public transportation use by providing higher-quality service in core, proven, high-demand corridors. The vast majority of public transit trips are 4 to 5 miles in length. As shown in Table 2 and Figure 2, the vast majority of employees in both Pinellas and Hillsborough counties are residents in the respective counties.

Modest service levels in both counties result in opportunities for transit ridership growth through improvements in service frequency, coverage, and expanded hours of service (evenings, weekends, etc.) as high-priority opportunities. Regional services are inherently challenging for public transportation for several reasons. The density of point-to-point travel demand in longer distance corridors is diminished, making it challenging to capture sufficient demand for productive public transit services. Longer-distance travel tends to be associated with more specialized activities, including specialized higher-income employment and special events travel. These are typically activities for mid- to upper-income individuals with auto availability and lower propensity to select transit service.

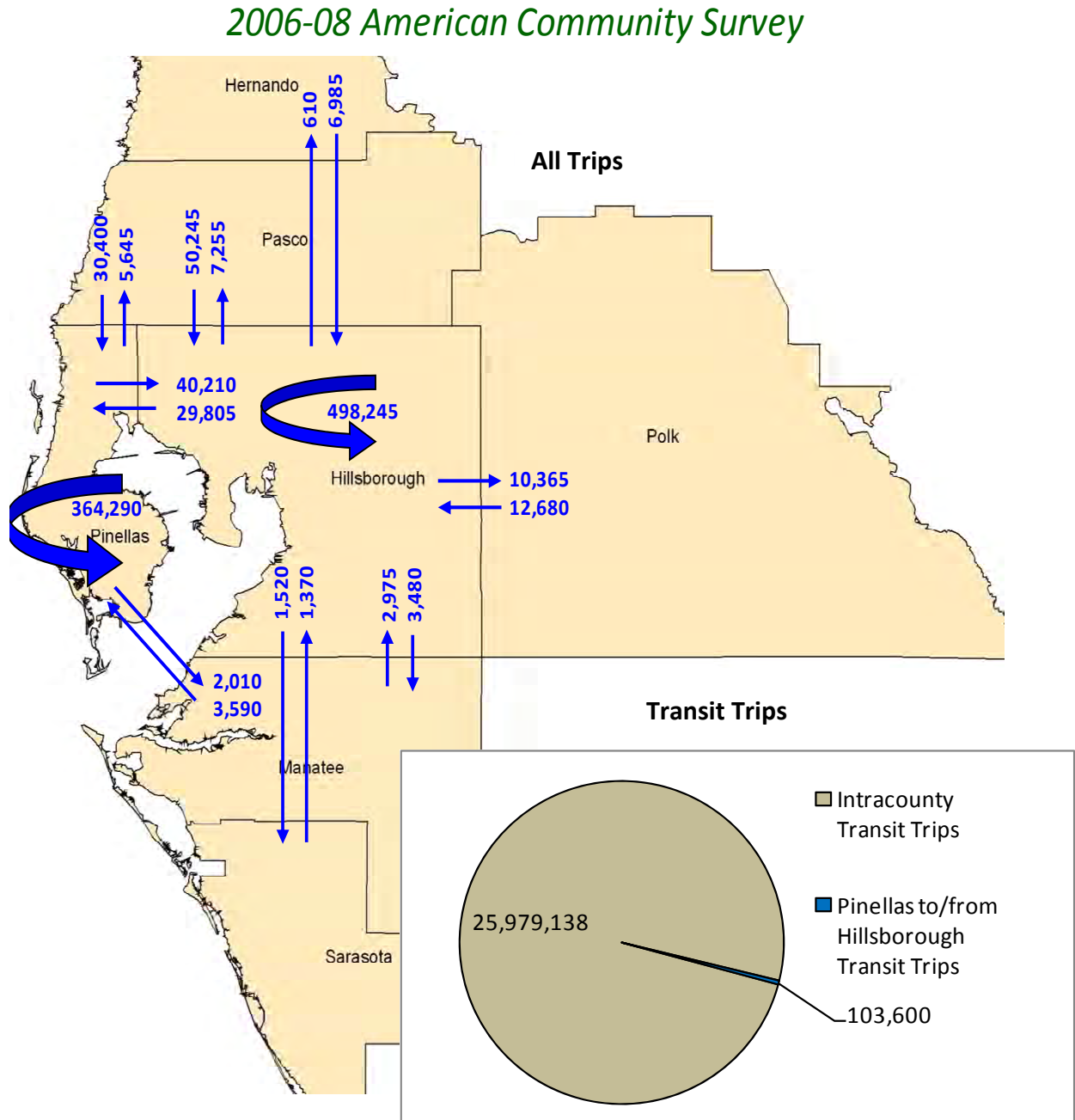
Empirical data on cross-bay transit service confirm this. The three cross-bay routes connecting Hillsborough and Pinellas counties collectively carry approximately 100,000 annual trips (approximately 200 per direction for each day service is provided) out of a combined total of more than 25 million bus transit trip the agencies provide—less than half of 1% of the trips of the two transit authorities. These routes have been redesigned numerous times and outfitted with premium vehicles and Wi-Fi and are attractively priced on a cost-per-mile basis, and yet they struggle to be as productive as desired. For example, Route 300X on the Howard Frankland Bridge has an average daily ridership of approximately 140 persons or 70 persons riding round trips.¹

Strong regional services are most effective in environments where there is a very large and high-density concentration of employment activity that draws meaningful demand from long distances. Examples include high-density white-collar central business districts that have concentrations of specialized professionals commuting from distant suburban residential locations. Corporate headquarters and state and regional government offices are typical of such markets. In addition, regional long-distance markets are very expensive to serve as long

¹ Route 200X over the Courtney Campbell Causeway and operated by HART averages 55 boardings per weekday or 28 persons riding round trips. Route 100X, operated by PSTA over the Gandy Bridge, averages 203 boardings or 101 round trips per weekday. Route 300X, operated by PSTA over the Howard Frankland Bridge, averages 140 boardings or 70 round trips per weekday (HART data from June 2011, PSTA data from FY2010).

distance trips are both labor and capital intensive because these resources often cannot be effectively used in both directions and throughout the day. For example, a commute trip from downtown Clearwater to downtown Tampa would require the bus (or train) to be in service and leave Clearwater at approximately 6:30 AM in order to comfortably deliver travelers to downtown employment in Tampa before 8:00 AM. That vehicle and driver could return to Clearwater, but by the time it arrived, rush-hour demand would have passed, leaving little opportunity for that resource to be deployed productively until the evening rush.

Figure 2 Tampa Bay Commuting Patterns



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In addition to the costs, there are both equity and environmental issues associated with focusing on regional travel. These long-distance commutes typically are high-income, specialized employees who are in a position to amortize long-distance travel costs because of the highly-specialized and more generously-compensated jobs. Lower-skill service workers tend not to be able to afford to, nor need to, travel that far to find employment. In addition, long-distance regional travel via subsidized public transportation can perpetuate sprawl as much as or more than roadway travel. The high subsidies for these long-distance transit trips help enable people to choose residence locations more distant from work, in effect subsidizing long-distance commuting. With scarce resources, caution needs to be used to ensure that regional markets are not pursued at the expense of core markets for which transit service is critical and more cost effective.

While regional services can be important components of a public transportation network in select markets, they are very expensive, not necessarily as consistent with transit agency objectives as expanding local services, and, to date, have not been shown to be productive in many Florida markets. Thus, if a regional agency increases the bias toward providing regional services, it risks undermining the cost-effectiveness of public transportation and shifting resources from markets in critical need of good transit service.

Responsiveness to Local Needs

Having sat through dozens of HART board meetings over the past several years, I am very familiar with local citizens and community members coming before the Board to express their service needs or react to proposed service or fare changes. Often, these individuals are very dependent on transit service, and making the effort to come before the Board requires considerable effort on their part. These individuals appreciate the ability to express their concerns and speak with local decision-makers. A regional agency attempting to capture efficiencies could significantly impact the ability of local residents to participate in the process of designing or influencing decisions on public transportation. It is not realistic to assume that centralized governing body meetings would be as accessible to customers and stakeholders.

Fundamentally, the economics of delivering public transportation service are only one of the considerations when it comes to evaluating the prospect for changing the governance of public transportation. The issue of the accountability of the agency to the public comes into play. A large geography mathematically would mean less local representation unless the Board size grew to a level that might not be functional. While each individual has to make his/her own decisions about what scale and size of government entity is most responsive, one should not dismiss the relevance of accountability of leadership when discussing potential regionalization of the delivery of public transportation.

In the realm of all the competing governmental entities for various services (ports, airports, schools, general-purpose government, toll authorities, police, libraries, paratransit services, taxi regulation, sports venues, etc.), it is not clear why public transportation would stand out as a service most in need of or likely to benefit from regional consolidation.

Summary

As is clear from the above discussion, my current opinion is that there is not a compelling reason or a data-based argument for consolidating public transportation operations in the Tampa Bay area. However, if consideration continues, it should be based on careful exploration of the data and not based on perceptions that may not be relevant to public transportation in general or the Tampa Bay area in particular.

It is not clear what problems would be solved with consolidation. To date the discussion has centered around perceptions with no articulation of the objectives or the pros and cons of a possible consolidation. There are two critical issues facing the region as it relates to public transportation. The first, being aggressively addressed by the agencies as they deal with declining revenues, is how best and most efficiently can services be delivered in the Tampa Bay area. The second is whether or not the communities want to invest more resources in order to have better public transportation, and if so, what combination of capital and operating investments are most prudent. It is not clear that the discussion of regionalization helps address these issues and it may distract from the real issue or create the perception that consolidation could free up enough resources to meet service needs.

Regional coordination of services and capturing opportunities for collaboration and purchasing economies are prudent initiatives that are and should continue to receive attention. Regional systems planning should be coordinated. Systems planning coordination is an inherently regional activity, whereas operations, planning, and delivery of services is often best handled in an environment where it is kept closer to the customers of the services and the local taxpayers.

If discussions continue there should be a sufficiently comprehensive analysis undertaken to enable the community to make an informed decision on this issue.



Hillsborough Transit Authority &
Pinellas Suncoast Transit Authority
Board of Directors Joint Meeting
January 9, 2012

**REVIEW & DISCUSSION OF INFORMATION RECEIVED FROM STATE OF
FLORIDA REGARDING CONSOLIDATION**

HART Board Legislative Policy Statement for the 2012 Florida Legislative Session

The attached Legislative Policy Statement has been adopted as **Resolution #R2011-11-35** by the HART Board of Directors at the November 7, 2011, regular Board meeting.

Attachment: HART Board Legislative Policy Statement for the 2012 Florida Legislative Session

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HART LEGISLATIVE POLICY STATEMENT FOR THE 2012 FLORIDA LEGISLATIVE SESSION

The HART Board of Directors recognizes that the public is best served by local officials making deliberative decisions based on the best available information. Consistent with this perspective, the HART Board of Directors adopts the following position statements on issues pending in the 2012 Legislative Session:

1. HART would want to see a written, detailed, objective, independent study of consolidation, funded by the state, before further consideration of moving forward with consolidation of HART with any other local, regional, or state agency. Any study of consolidation should examine all factors necessary to determine the full costs, benefits, and impacts of consolidation including, but not limited to:

- Operating cost impacts and assumptions
- Capital cost impacts and assumptions
- Transition costs and time frame
- Governance and representation
- Transit funding and spending distributions/requirements for a consolidated agency
- Impacts on customers, labor and stakeholder groups

2. Any transportation consolidation, other state imposed transportation mandates, or transportation special district consolidation should be considered only after a deliberative process that includes vetting of the plan by the public and endorsement by the HART Board of Directors and/or its member governments. In the absence of this deliberative process, HART opposes these actions.

3. HART supports retaining local control over funding options and levels, and opposes statutory changes that could negatively impact HART's ability to meet existing and projected future transit service needs.

HART stands ready to explore ideas that can improve the effectiveness or efficiency of transit services in Hillsborough County and the region.

ZIMMET, UNICE & SALZMAN, P.A.

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OPINION MEMORANDUM 11-01

TO: PSTA Legislative Committee
CC: Denise Skinner, Interim Executive Director
FROM: Alan S. Zimmet, General Counsel *AJZ*
DATE: March 23, 2011
RE: State and Local Analysis of PSTA Dissolution or Merger

You have requested that I provide you with our analysis of the requirements for: (I) PSTA merger or dissolution generally, (II) a merger between PSTA and HART, (III) a merger between PSTA and TBARTA, and (IV) methods of cooperation with HART and/or TBARTA other than merger. Each section below includes an analysis of the necessary actions at the state and local level.

I. PSTA Merger or Dissolution Generally

Any merger or dissolution of PSTA must be by legislative act. §189.4042, Fla. Stat. The required legislative act can be initiated by traditional legislative means or by an "Oversight Review Process" under Section 189.428, Florida Statutes. The Oversight Review Process is a statutory procedure that would have to be initiated by Pinellas County and must conform to certain specifications. *See* 189.428, Fla. Stat.

Because a legislative act to dissolve would be limited in geographic area to PSTA's jurisdiction, it would be considered a "special" act. Since PSTA has ad valorem taxing power, a referendum in PSTA's service area would be required. Fl. AGO 2007-17; §189.4042(2), Fla. Stat.

Therefore, the state and local requirements in order for PSTA to be dissolved or merged would be:

- *State level:*
Special Act passed by the Legislature conditioned upon approval by vote of the electors of the area affected.
- *Local level:*
Approval by majority of the voters at a referendum of the area affected by the new, merged entity. To dissolve PSTA without a merger, referendum approval of the voters in PSTA's service area.

Recently, identical bills have been introduced in both the house and the senate which would amend the procedures for dissolution or merger of an independent special district, such as PSTA. The proposed amendment would amend Section 189.4042, Florida Statutes, to require a referendum for merger or dissolution when the governing body of the independent special district does not have supermajority approval of the dissolution or merger regardless of whether the district has ad valorem taxing power. The proposed amendment would also require several transition issues to be addressed as part of the special act and would require the merged entity to assume all indebtedness of the special district. 2011 SB 1120; 2011 HB 713.

II. PSTA Merger with HART

PSTA could only be merged with HART by special act of the Legislature, followed by approval of a majority of the governing bodies of HART's members, voter approval of a referendum of HART's members' jurisdictions, and referendum approval in PSTA's service area, and, if the new, merged entity had ad valorem taxing authority, referendum approval of the areas affected by the new, merged entity. §§189.4042(2), 163.570, Fla. Stat.; AGO 79-20.

HART is a local unit of special purpose government within a limited boundary, created by the general law procedures of Ch. 163, Florida Statutes, and is not "dependent" under Ch. 189, Florida Statutes. Additionally, HART's special purpose is implemented by specialized functions. §189.403(1); Fla. Stat. Therefore, HART is an independent special district. *See* §189.403(1), Fla. Stat.

As an independent special district, any merger or dissolution of HART would have to be by the same procedure utilized originally to grant HART its ad valorem taxing power. Therefore, the procedure to merge or dissolve HART must be initiated by legislative act. §163.570, Fla. Stat. Similar to the analysis for merger or dissolution of PSTA, this would be a special act conditioned upon referendum approval and approval of HART's members, as discussed below.

Next, the governing bodies of HART's members would have to approve the merger. §163.570, Fla. Stat. HART's current members are City of Tampa, Hillsborough County, and City of Temple Terrace. Therefore, a majority of their governing bodies would have to approve the dissolution and merger.

If there was approval by a majority of the governing bodies of the City of Tampa, Hillsborough County, and City of Temple Terrace, the voters in each jurisdiction would then be required to approve the merger or dissolution in a referendum. §163.570, Fla. Stat.; Fla. Const., Art. VIII, § 10. If the legislative act was merely to dissolve HART, the procedure would be complete. However, if the legislative act was to merge HART with PSTA, there would have to be a referendum of the cities and unincorporated areas in PSTA's jurisdiction. If the legislative act provided for the merger of HART or PSTA and provided for ad valorem taxing authority, then referendum approval would be required of all areas affected.

Therefore, the state and local requirements in order for PSTA to be merged with HART would be:

- State level:
The Legislature would have to pass a special act merging the districts.
- Local level:
Approval of the majority of the governing bodies of HART's members, referenda approval of City of Tampa, Hillsborough County, and City of Temple Terrace; and referendum approval of PSTA's jurisdiction and, if the legislative act provides for ad valorem taxing authority for the new entity, referendum approval of the new taxing authority in all affected areas.

III. PSTA Merger with TBARTA

Any merger between PSTA and TBARTA also would have to occur by special act of the Legislature, followed by referendum of PSTA's jurisdiction and, if TBARTA was to be given the authority to levy ad valorem taxes, the entire area affected.

As discussed in Section I above, any merger or dissolution of PSTA must be by legislative act and referendum approval in PSTA's jurisdiction.

Currently, membership in TBARTA is "non-exclusive." TBARTA's act specifically allows any local government that is a member of TBARTA to participate in another transit authority or create its own regional transportation authority. §343.976, Fla. Stat. The legislative act would likely have to amend the TBARTA act to provide for exclusive membership. Additionally, TBARTA currently has no taxing power. It is limited to partnering with private companies, accepting federal and state grants, and issuing revenue bonds. §343.922, Fla. Stat. If the Legislature were to provide TBARTA, or any newly created entity, with ad valorem taxing power, the special act would have to be conditioned upon approval by a vote of the electors of the area affected. Fla. Const. Art. VII § 9(b); *see also* Section I above.

Therefore, the state and local requirements in order for PSTA to be merged with TBARTA would be:

- State level:
The Legislature would have to pass a special act amending Section 343.976 and 343.922, Florida Statutes, and a special act merging PSTA and TBARTA.
- Local level:
Referendum approval in PSTA's jurisdiction, and, if ad valorem taxing power is granted, approval by referendum in all affected areas.

Additionally, if TBARTA has issued bonds or accepted any Federal or state money, the Legislature has guaranteed that it will not limit TBARTA's power or affect its ability to complete the planned infrastructure as set forth in Ch. 343 and TBARTA's Adopted Master Plan. §343.943, Fla. Stat. The Legislature would not likely consider a merger or dissolution of any of the above entities if the effect would be to limiting TBARTA's power or ability to complete the planned infrastructure.

IV. Methods of Cooperation

In addition to the legislative actions above, there are numerous other methods of cooperation which can be pursued among PSTA, HART, and TBARTA including:

- Administrative/Operational Cooperation: consolidate administratively but remain individual, legal entities.
- Functional Cooperation: consolidate one or more duties/functions but remain individual, legal entities.
- Partial Cooperation: share certain resources, such as tools, equipment, and infrastructure but remain individual legal entities.

Each of the above types of cooperative efforts could be effectuated by interlocal agreement between the entities involved pursuant to Section 163.01, Florida Statutes.

- Transfer of Powers: a permanent transfer of some powers or functions from one entity to the other.

Transfer of powers can be achieved as set forth in Sections I, II, and III above, or cooperatively by a resolution of the governing bodies of each entity followed by dual referenda of the areas affected. Fla. Const. Art. VIII § 4. Dual referenda means there would first be a vote of the electors of the entity transferring its powers and functions, followed by a vote of the electors of the entity receiving the powers and functions of the other entity. Id.

All of these methods of cooperation could occur at the local level, without the need for action by the Legislature.

I hope that this provides you the assistance and guidance you requested. Upon your review of this memorandum, if you have any additional questions, please forward them to me and I will provide you with responses to those questions.

To: PSTA Board
From: Don Crane
Re: PSTA – Hart meeting and some transportation history
Date: November 29, 2011

Please allow me to set the stage. In 1988, I was given the Bay Area Partner Award by the *Florida Business Magazine* for chairing the Tampa Bay Transportation Summits. The purpose of the summits was to encourage regional transportation. I chaired six of seven summits. As a result, the regional MPOs created the Chairman's Coordinating Council. A few years later, the Tampa Bay Partnership took up the challenge of creating a regional transportation system.

It was about the same time several other major transportation initiatives were in the mill. The Florida Transportation Commission was created and David Kerr, an attorney from Tampa, was the Chairman. I had led a State Coalition in 1988 to pass a \$500 million bond issue to buy right-of-way for US and Florida highways. The referendum passed. The following two years (1989-90) it was my job to build another coalition in support of persuading Governor Martinez and the Legislature to increase the state gasoline tax by 5-cents. The gas tax was increased 4.7-cents in 1990. There has been no increase since. No wonder Florida's transportation system is under funded by over \$60 billion. The 3rd challenge was persuading Pinellas, Hillsborough, Hernando, & Pasco Counties to be the leaders in creating a regional transportation plan. The idea for the Suncoast Parkway was hatched in 1983.

More interesting and relevant is that the Tampa Bay Rapid Transportation Authority (TBART), created in 1972, called for a bus system between Hillsborough and Pinellas Counties. About this same time TBART developed a plan for a light rail system from the University of South Florida to Sarasota. Politics and personalities caused the Legislature to kill TBART. At least 37 years later the same issue is on the table.

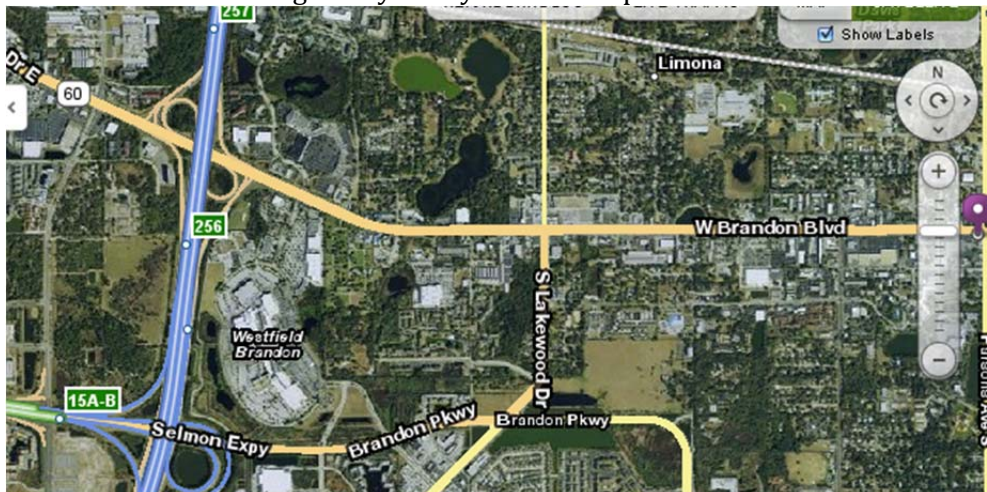
Almost 23 years later, a regional transportation plan is taking shape but what is the worth of a plan when there is no funding to build the plan?

Twenty-five years later we are putting the pieces together from the hit the region took when the voters turned down light rail in Hillsborough County. We may be years in recovering. The defeat can be laid at the feet of the leadership in Hillsborough County and pinpointed at the former director of HART who never considered the value of working with Pinellas County officials on a regional transportation system. Business activity is greater in Hillsborough County. Pinellas County has its fair share of above average income work centers, and is the destination for tourists going to our beaches and St. Petersburg's downtown waterfront. Two dynamic Counties and we are not wise enough to build a team to capture the economic opportunities. How incredibly parochial!

The following is my take on transportation issues regarding Hillsborough County officials and their Metropolitan Planning Council who have failed to think regionally at any time in the past two or more decades. When the *Times* announced the change of its name, I became concerned that the *Times* may overlook several decades of very non-productive and contentious years of missed major transportation improvement opportunities. Consider the following:

Map A
Selmon

Crosstown



Expressway and Bradenton (*an economic opportunity lost*) (map A)

In the 1980s, I was involved in the attempt to extend the Crosstown Expressway east through Brandon in order to increase vehicle speed through Brandon and to the east on the SR 60 corridor. The final alignment, chosen from over fifty alignment studies, was an elevated structure over SR 60. It was defeated by the County Commission with support from the Brandon business owners located on SR 60. Result: SR 60 through Brandon is no more than a city street with no hope of becoming a good regional highway to the East Coast.

Gandy Bridge to Selmon Expressway (*another economic opportunity lost*) (Map B)

How many decades have Pinellas County leaders tried to convince Tampa/Hillsborough officials that there should be a limited access connection between the Crosstown Expressway and Gandy Bridge? The Tampa/Hillsborough Expressway Authority says it would be a successful project. If it were built, motorists from south and central Pinellas County could drive non-stop to Orlando without going through the I-4/I-275 interchange. As a limited access toll road, it is a natural for Bus Rapid Transit. Tampa has blocked Pinellas County efforts from even discussing this. Gandy is a necessary evacuation route and an alternative mode of travel to the next, and most serious economic problem for Pinellas County: I-275 to and from Hillsborough.

Map B



Gandy Blvd. West to I-275, US 19 and Roosevelt Blvd. (*an economic opportunity*) (map C)

Look at the potential limited access and controlled access highway/bus rapid transportation economic improvements by continuing Gandy Blvd. west on an elevated structure over 4th and 9th Streets to I-275, US 19 and NW to McMullan Booth Road. These improvements would make bus rapid transportation much more effective. Roosevelt 9th St. 4th St.



Map D

To I-275 - To and from Pinellas County at the Tampa Airport Interchange.



(MAP D) As of today, there is no funding to widen I-275 from the barrier that splits the eastbound traffic continuing east to the improved 4/laned I-275 and the other traffic going to the off ramp toward the airport or Kennedy Boulevard. That means that once the funding is in place, it will be a minimum of five years of monstrous backups during morning and evening travel times. I-275 is the lifeblood for Pinellas County.

All major motor vehicle traffic going north and east from Pinellas County has five options: (1) Gandy, (2) I-275, and the (3) Courtney Campbell Bridge. (4) US 19 (See page 5) & (5) McMullan Booth Roads will never be good regional highways. Pinellas officials failed to resort to toll roads settling for congested highways instead. *Wasted travel time is costly.* FDOT District Secretary Don Skelton tells me that toll roads are going to be the future new highways. Imagine McMullen Booth as a toll road continuing through Pasco County and connecting to the Suncoast Parkway and I-275 near SR 52. That was a plan in the 1990s.

The 118th Corridor connection from I-275 to US 19 may have to be built as a toll road because of the lack of funds. Is it better to live with current conditions or charge a fee for quicker travel time? Time is money.

Hillsborough County's officials have been a roadblock because they have not been **regional thinkers**.

Map E

1. Hillsborough County officials did not increase their local option gas tax sufficiently to improve the capacity on their roads. That forced motorists to use the interstate or toll roads clogging what are intended to be regional highways.
2. Hillsborough County, sometime in the late 1990s, spent about \$3 million on a Major Investment Study (MIS). So Pinellas County countered with their \$3 million MIS. Three million dollars plus \$3 million effectively equaled \$0. Back to the drafting table. There should have been one *combined* study.
3. To compound the fracture, about three years ago Hillsborough County initiated an Alternative Analysis study (AA). My recall was that it cost \$1.5 million. Well before the study was completed, Hillsborough officials called for a vote on their proposed light rails system. The result is a disappointing defeat for Hillsborough County, TBARTA, and the potential of High Speed Rail (HSR) coming to our area.
4. I can't think of a worse place for a major transportation hub that included HSR ending at the foot of the I-275 & I-4 interchange. The interchange structure is what it is going to be for many years and it is too congested now. Moving other modes of commercial passenger traffic to and from that very congested area would be expensive, very difficult, and inefficient. That did not matter to State, County & City officials. (Map E)



5. Hillsborough's AA forced Pinellas County to initiate their own AA study and there are two additional separate studies. One for a north corridor from the Tampa Airport area to Pasco County and the other, the I-275 corridor to ascertain the best uses for that corridor from downtown Tampa to Pinellas County.

Pinellas County is isolated from the mainstream of business. That does not have to be. The County is ripe for redevelopment and more high-income residents. There is plenty of room for vertical growth and huge opportunities for high quality growth from 4th Street east to the Tropicana Field parking lot as well as in the Gateway area.

Bus rapid transportation to and from Hillsborough County could include several viable projects but not until there are exclusive corridors for the buses.

Most of what is mentioned above has been in the “transportation mill” so long it has grown moss.

Donald R. Crane, Jr.

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US 19 is not a regional highway!

U.S. 19: A tale of two roadways

11/08/11 © The SunCoast News

For those of us who travel U.S. 19 between Pinellas and Pasco counties, it appears the Florida Department of Transportation has two different mindsets in concocting this tale of two roadways. In Pinellas, one finds the best of well-planned trips. The guiding concept is moving traffic quickly from St. Petersburg, through Pinellas Park, Largo and Clearwater to Tarpon Springs. The West Pasco portion of U.S. 19, by contrast, offers the worst of rides. Its traffic planners apparently do everything possible to hamper motorists and make travel as frustrating as possible.