

Grow America Act could fuel highways

Written by [Susan Dansevar](#) on May 5, 2015



By all accounts, the economic success of South Florida depends in large part on the efficiency of its transportation infrastructure and needs adequate funding for maintenance as well as new projects, which the proposed Grow America Act promises to ensure through steady funding.

The White House's highway funding plan for a six-year, \$478 billion transportation reauthorization package ups the length and price from last year's more moderate Grow America Act, which lawmakers largely disregarded and instead opted for a temporary extension of highway spending that will expire at the end of this month.

The Grow America Act, in front of Congress now, would mostly be paid for with revenue from taxing corporate overseas profit. Known as repatriation, the proposal would require companies to bring back earnings to the US at a 14% tax rate.

According to the US Department of Transportation, should Congress pass the Grow America Act, Florida would have substantially more resources for its highway and transit systems than continued short-term patches at flat funding levels.

A state-by-state fact sheet states the fiscal 2016 Federal-Aid Highway distribution to Florida under extensions with flat funding would be \$1,846,456,138 compared with an estimated \$2,263,126,511 with the proposed Grow America Act; and Federal Transit Administration allocation to Florida under extensions with flat funding would be \$348,874,799 compared with an estimated \$537,932,499 with the Grow America Act.

The Transportation Improvement Program (TIP) is a document that includes all transportation projects programmed for Miami-Dade County for the next five years. The adopted TIP shows, for fiscal year 2014-2015, \$244.7 million allocated for highways and \$108.5 million for transit, according to Paul Chance, public involvement officer for the Metropolitan Planning Organization (MPO).

He said the state and Miami-Dade County have programmed their infrastructure projects within the fiscal years 2015-2019 TIP, no matter the action taken by Congress. If the proposal submitted by President Obama passes Congress, the TIP will be updated based on the new allocations. If the proposal doesn't pass, Mr. Chance said, the TIP continues, as adopted by the MPO Governing Board and the state.

Congress has until May 31 to pass the bill or come up with another plan to support the Highway Trust Fund.

The Grow America Act may very well pass, said Mitchell Bierman, partner-in-charge of the Miami office of Weiss Serota Helfman Cole & Bierman and vice chair of the Greater Miami Chamber of Commerce's transportation and infrastructure committee.

"There is definite pressure on Congress to do something positive now that both houses are under Republican control," he said. "Our House delegation from Florida does not see this as a partisan issue and are uniformly committed to federal funding of transportation infrastructure in the state."

While that does not guarantee all will vote in favor of the Grow America Act, Mr. Bierman said the delegates are all looking for a path to ensure that our state's transportation infrastructure catches up with our growth and that the economic prosperity of our cities, including Miami and Fort Lauderdale, will not be held back by an inability to move people efficiently from place to place.

But the Grow America Act is a fantasy that won't be passed, predicted Maurice Ferré, a member of the Florida Transportation Commission, Miami-Dade MPO and vice chairman of the Miami Expressway Authority.

"It's tragic because we desperately need federal funds," he said. "The president's proposal is spot on but he does not have the clout to get it passed."

Mr. Ferré said there's disagreement between Republicans and Democrats as to the tax reform necessary to fund the proposal but this is hardly the first time there's been an impasse in Congress pertaining to infrastructure funding. He predicts the lawmakers will extend a funding bill for transportation on a temporary basis for six months or a year, which he said happens year after year.

Should Congress not pass the Grow America Act, Mr. Bierman said other federal transportation monies are available, but there is huge demand for them from around the country.

He said Rep. Carlos Curbelo, a Republican who represents the 26th district, has been speaking with local elected officials regarding identifying federal dollars to kick-start infrastructure enhancements in his district; and Rep. Mario Diaz Balart, a Republican representing the 25th district, has managed to find money for Miami-Dade County over the years.

Will it be sufficient to actually meet all of our needs? Probably not, Mr. Bierman said.

"At this point, with or without the Grow America Act, the transportation needs of Miami-Dade and the other densely populated areas of Florida are simply immense, and our local elected leaders are committed to finding solutions that do not depend on the US government funding all or even most of the cost of the needed infrastructure," Mr. Bierman said, adding that he has heard Mayor Carlos Gimenez and County Commissioner Esteban Bovo Jr., who chairs the commission's transportation committee, state as much.

Mr. Ferré said transportation is a complex issue and the average major project takes, from start to finish, about 10 years to get built. He said the Florida Department of Transportation has \$10 billion in its annual budget, which is appropriated into the districts.

Some 75% of all funding in Florida comes from the state, he said. "That's good, because the state is able to continue projects when they're not federally funded, but bad because when you're finished, there's not a lot of money left."

Right now, Mr. Ferré said, the entire country is underfunded in the hundreds of billions of dollars for road infrastructure. "In the next five years, District 6 is getting \$1.5 billion from the state and federal government but needs \$20 billion for all our necessary projects."

Without adequate federal funding, Mr. Ferré said, all projects in Miami-Dade stand to suffer. Therefore, he said, the county must look at alternative solutions, including innovative financing. That might mean bringing in the private sector for projects, Mr. Ferré said, as long as the risk to the taxpayer is well negotiated and fairly distributed.

He also said we need to use technology and points as an example to bus rapid transit, in which buses usually run within a designated lane to avoid traffic. The shift from rail to rubber tires reflects a push to ease traffic quickly and more affordably, Mr. Ferré said.

It bodes badly for us, Mr. Bierman said, should Congress not pass a bill and federal highway funding dries up at the end of the month. "Even if our local leaders figure out a path forward that relies less on federal money, we cannot get where we need to be with zero help," he said.

On the other hand, Mr. Bierman said, we will see significant improvement with All Aboard Florida's new passenger rail service. "That will happen completely independent of government funding," he said. "Perhaps other private investors will be able to see commercial opportunities in the challenges that our community faces."

As for contingency plans, Mr. Bierman said our elected county officials have stated publicly that Miami-Dade County is committed to undertaking a major transportation enhancement irrespective of how much federal funding is available.

He said they have talked about public-private partnership scenarios in which the private sector is invited to propose designing, building, financing and operating transportation amenities on a concession basis with the county to make availability payments to the vendor to help offset the cost of the service and make it commercially viable.

"Regardless of what happens at the federal level, the consequences of doing nothing about our transportation needs are dire," Mr. Bierman said. "Miami can be one of the great cities of the world. But for us to continue to attract and retain talented young people, investors and entrepreneurs, and visitors, we must be able to get them from place to place without having to sit in traffic for hours."

Increasingly, Mr. Bierman said, younger professionals don't want to drive at all. "We will not enjoy the robust economic and cultural development that appears to be at our fingertips right now if we lose these people to cities with better transportation, and almost every big city has better transportation or is developing it now."

He said the federal government should definitely help us as it has so many other cities, but Miami-Dade cannot allow the lack of federal help to deter the community from accomplishing something now.