

Orange County Public Works Department

Discussion Item

SunRail Transition Agreements

March 26, 2024



Presentation Outline

- History of Transition
- Summary of Existing Agreements
- Summary of New Operations Phasing Agreement
- Proposed Transition Timeline
- Summary of Third Amendment to Interlocal Governance Agreement
- Summary
- Action Requested





Presentation Outline

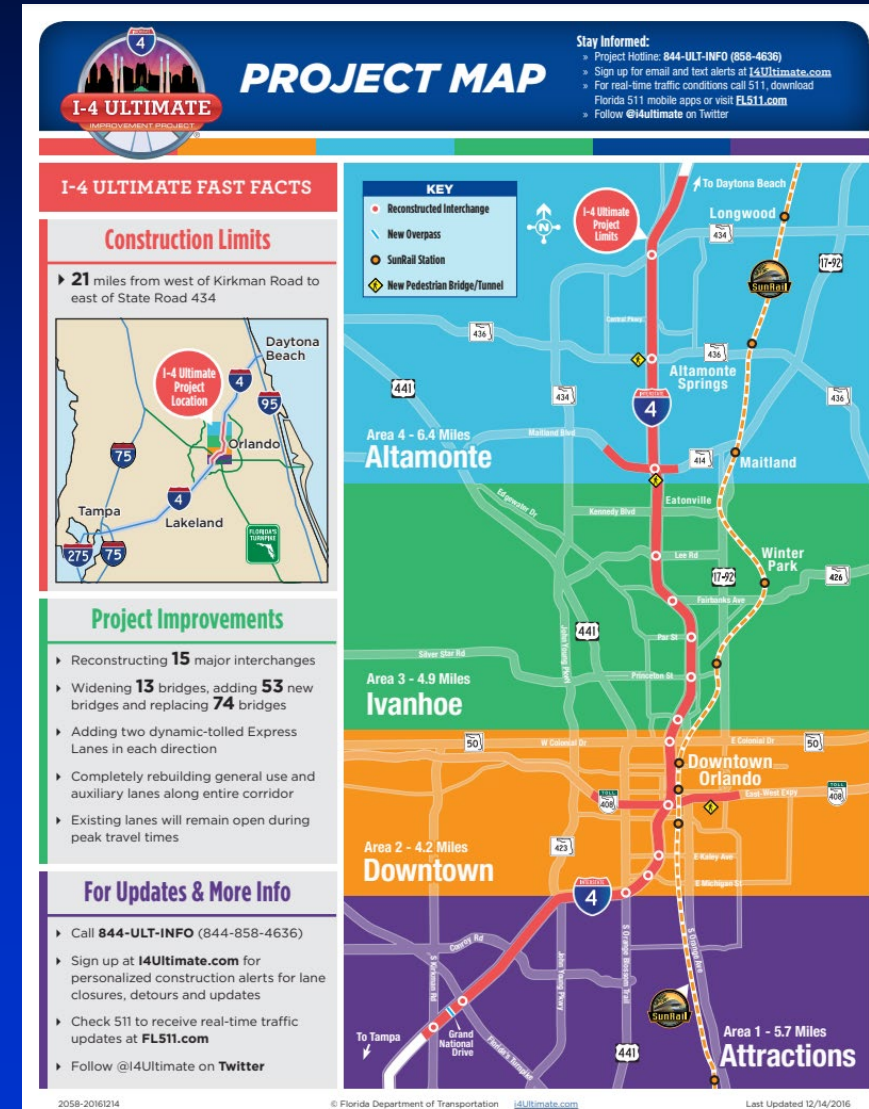
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History of SunRail and Transition

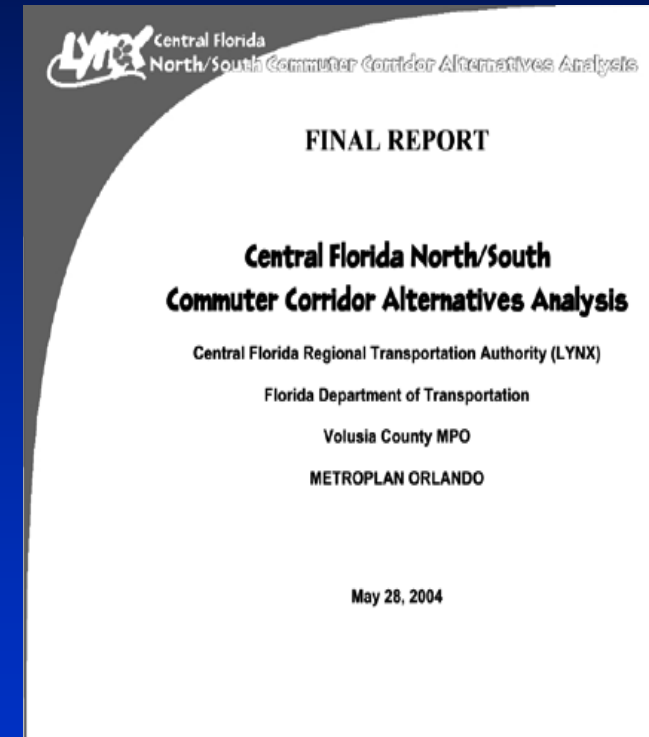
- A Regional Rail System in Central Florida linking multiple counties had been in discussions since an initial study was completed in 1992.
- The project purpose was to provide an alternate mode of transportation to the highly congested I-4 corridor and other major roadways within the Orlando Metropolitan Region.
- SunRail Phase 1 was completed ahead of the start of the I-4 Ultimate project (which was constructed between 2015 and 2022) and provided an alternative mobility option during construction.





History of SunRail and Transition

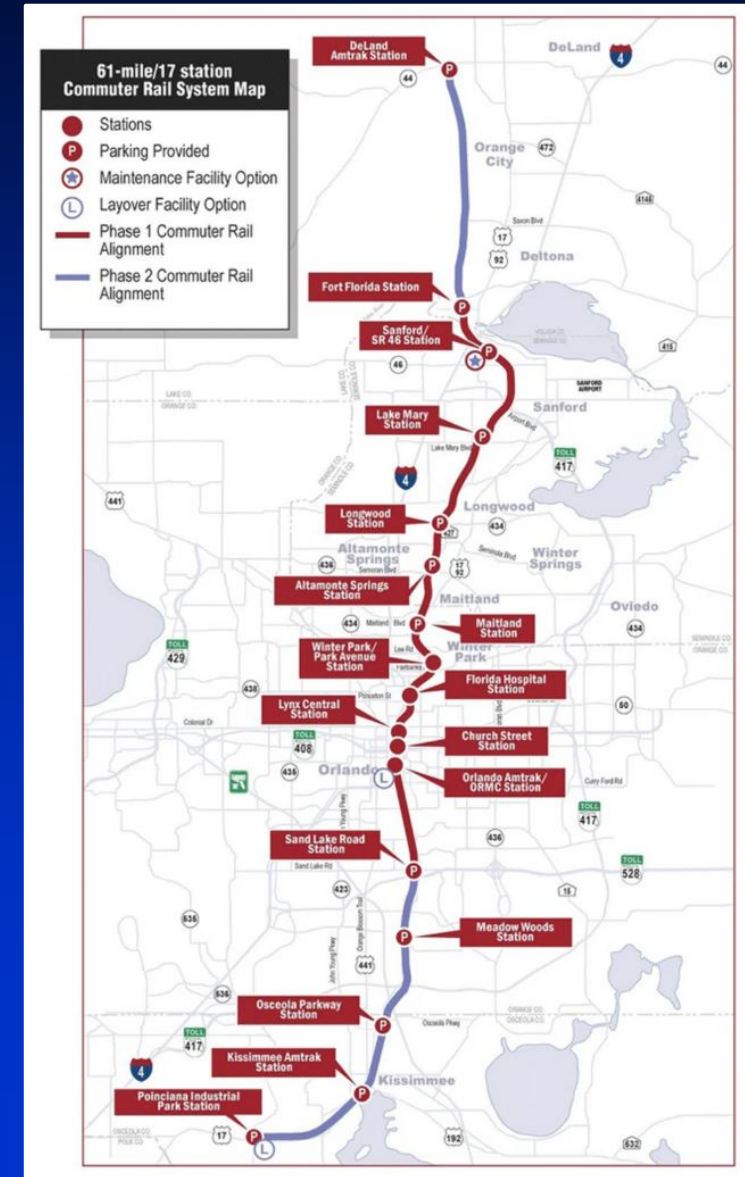
- 1992 - Central Florida Commuter Rail Authority Project Feasibility Study.
- 2002 – 2004 - Central Florida North/South Commuter Rail Alternatives Analysis.
- 2004 - 2006 – CSXT Negotiations.
- 2007 – Local government approval of interlocal funding, operations and governance agreements.
- 2008 – 2009 – Legislative Deliberation.
- 2011 – FTA phase 1 grant agreement (FFGA) signed.
- 2012 – Phase 1 Construction Groundbreaking.

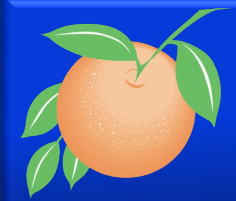




History of SunRail and Transition

- Phase 1 – 32 miles from Sand Lake Road in Orange County to DeBary in Volusia County. Includes 12 stations and opened in May 1, 2014.
- Phase 2 – expanded 17.2 miles south from the Sand Lake Rd station in Orange County to Poinciana in Osceola County. Includes 4 stations and opened July 30, 2018.
- Phase 2 Northern Expansion – extension of approximately 12 miles from DeBary to DeLand – scheduled to open in Summer 2024.





History of SunRail and Transition

- SunRail Revenue Operations began on May 1, 2014.
- The Florida Department of Transportation (FDOT) original timeline for the responsibility for the operations and funding of SunRail for the first seven years.
- Since the full 61-mile SunRail system was not complete after seven years in 2021, FDOT agreed to continue operations and funding the system through 2024.



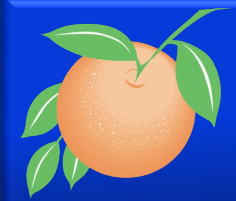


History of SunRail and Transition

FDOT's Current Role

- Provide Capital and Operational Funding.
- Development, Design, Engineering and Construction of the system.
- Operations, Maintenance and Dispatch of system.
- Permitting of the corridor.
- Oversight of various contracts related to operations and maintenance, signals, ticket vending, locomotives, etc.





History of SunRail and Transition

Central Florida Commuter Rail Commission (CFCRC)

- Established by the Interlocal Governance Agreement in 2007 (first meeting 8/29/2007).
- The CFCRC Board includes one elected official from Orange County, Osceola County, Seminole County, Volusia County and the City of Orlando.
- Currently acts in advisory capacity to FDOT.
- After the proposed transition, the Commission will assume responsibilities for the operations and maintenance of the system, procurement, implementation of capital projects and other duties.





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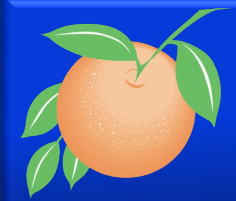
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Summary of Existing Agreements

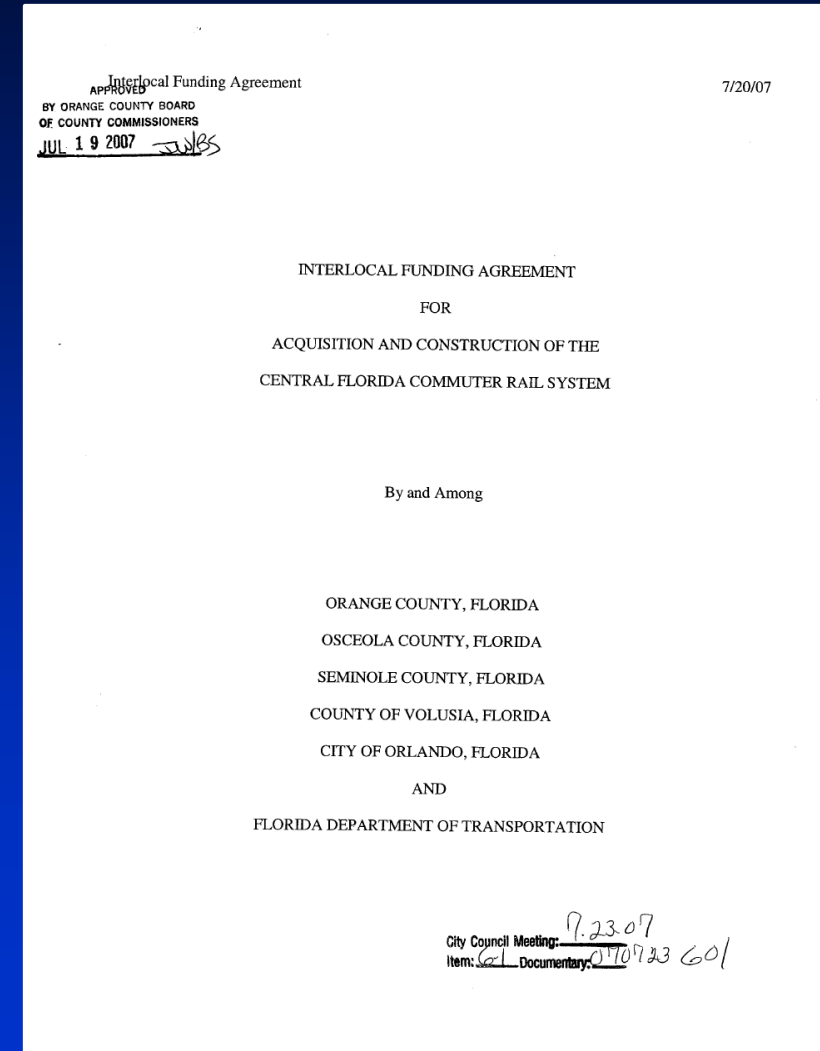
- **Interlocal Funding Agreement**
- **Interlocal Operations Agreement**
- **Interlocal Governance Agreements**



Summary of Existing Agreements

Interlocal Funding Agreement

- This agreement is between FDOT and the Local Government Funding Partners (LGFP) and details the financial responsibilities and cost thresholds for FDOT and the Local Governments.
- The original agreement was executed by Orange County and all LGFP in July 2007.
- The amendment to the agreement was executed in May 2010 and eliminated the local government responsibility to pay back the fixed-guideway bonds.

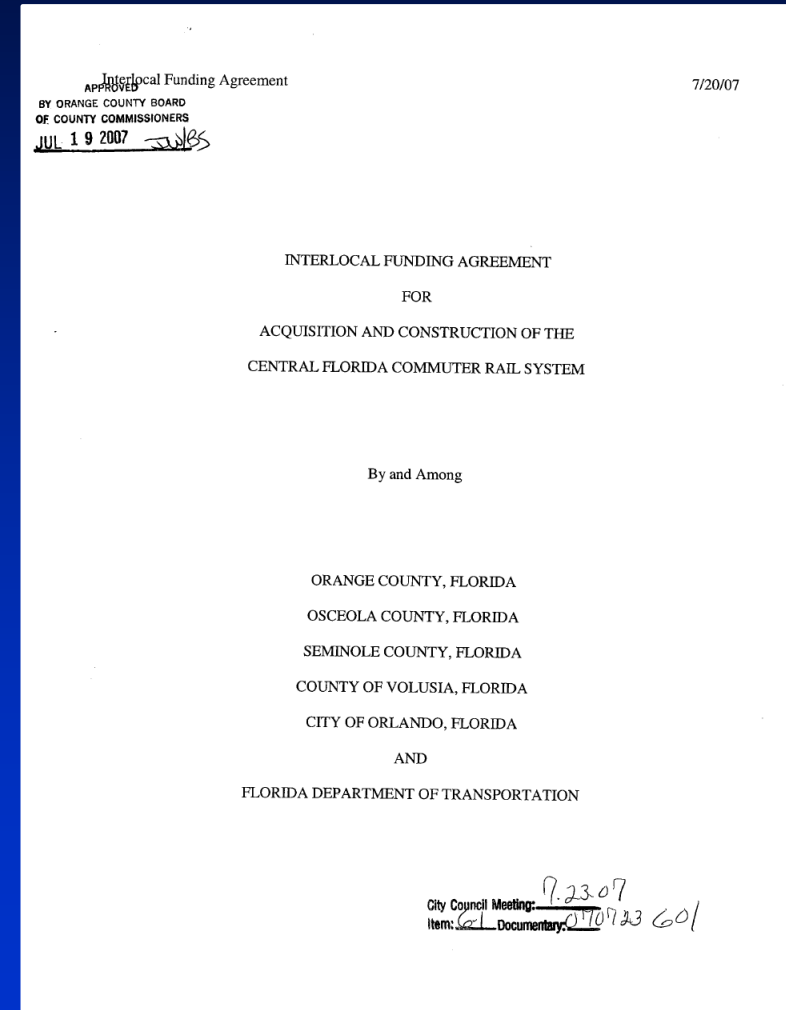




Summary of Existing Agreements

Interlocal Funding Agreement

- Detailed the capital cost allocation for all LGFP.
- Total Capital Cost (already funded) = \$615 million.
 - 50% Federal
 - 25% State
 - 25% LGFP (Orange County Share = \$40.3 million).
- Established station maintenance responsibilities.
- Granted the development rights of stations properties to local government partners.

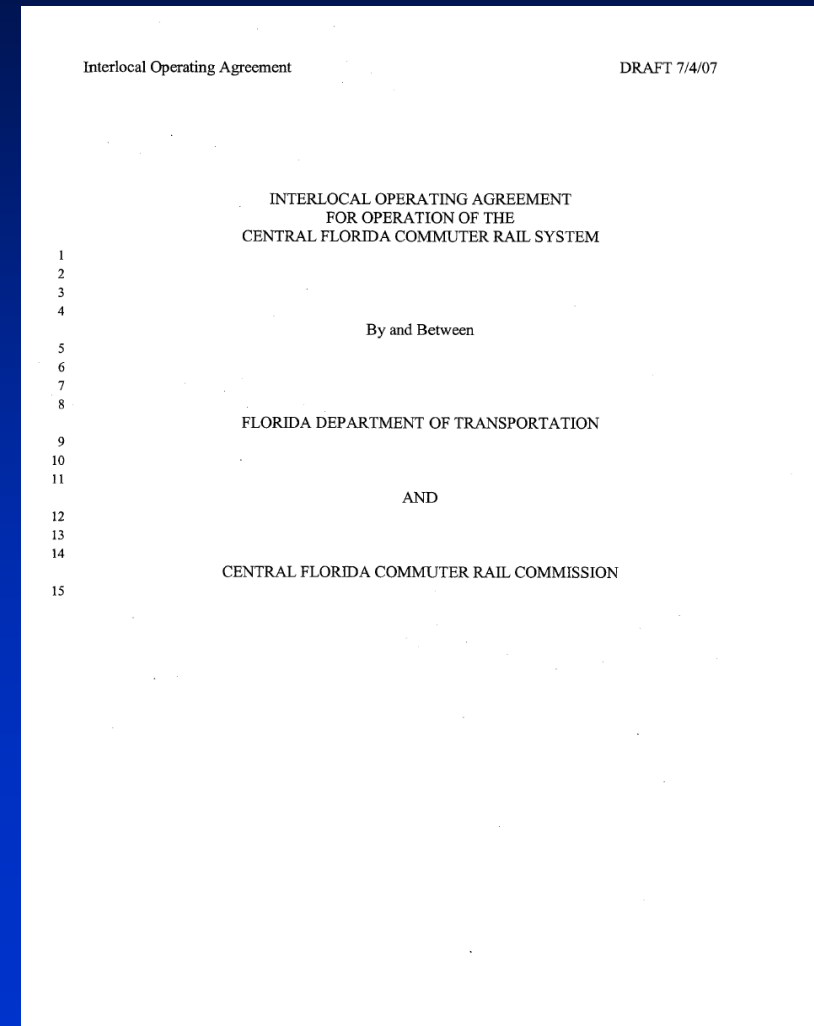


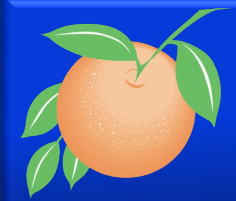


Summary of Existing Agreements

Interlocal Operating Agreement

- This agreement is between FDOT and the Central Florida Commuter Rail Commission (CFCRC) and includes many details including base service requirements, fare structure, maintenance, security, etc.
- The original agreement was executed in August 2007 by Orange County and all LGFP and was amended three times in 2008, 2009 and 2010.
- The third amendment specified that, if needed, funds from FDOT's work program can be used from the geographic area of a local funding partner.

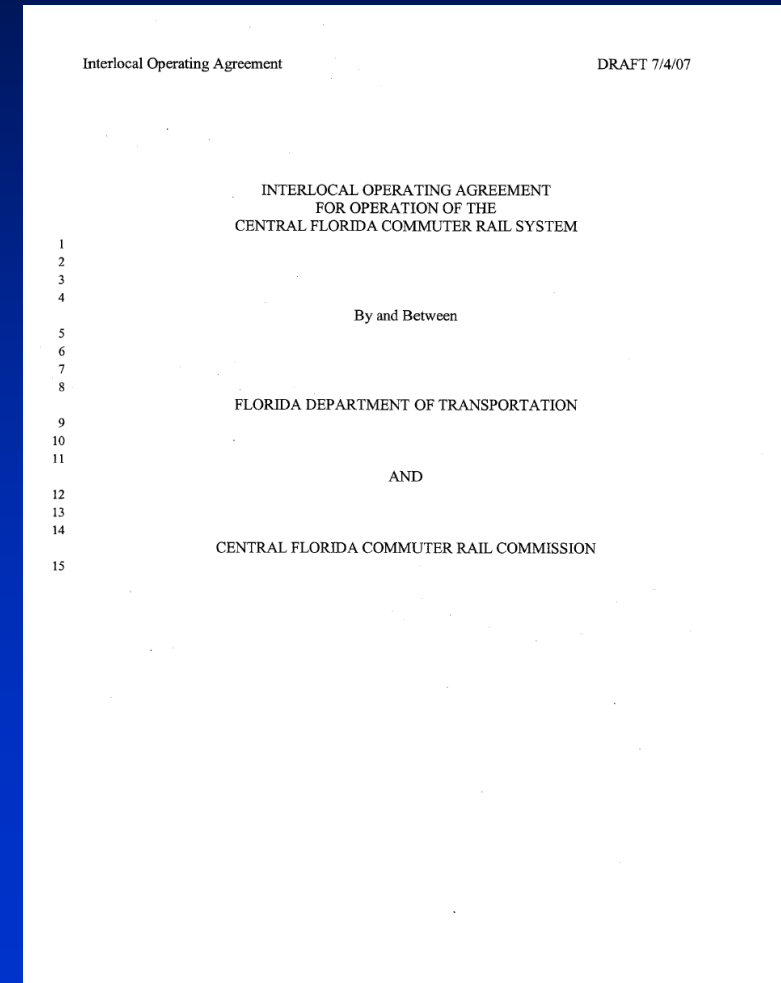




Summary of Existing Agreements

Interlocal Operating Agreement

- Established FDOT Responsibility for acquiring CSXT Corridor.
- Details FDOT transfer of system, station property and responsibility to the CFCRC Commission after initial FDOT Funding Period.
- The agreement specified base service requirements, fare structure, maintenance, security, staffing, reporting requirements and other administrative roles.
- Specifies Financial Obligations and Budget Requirements.

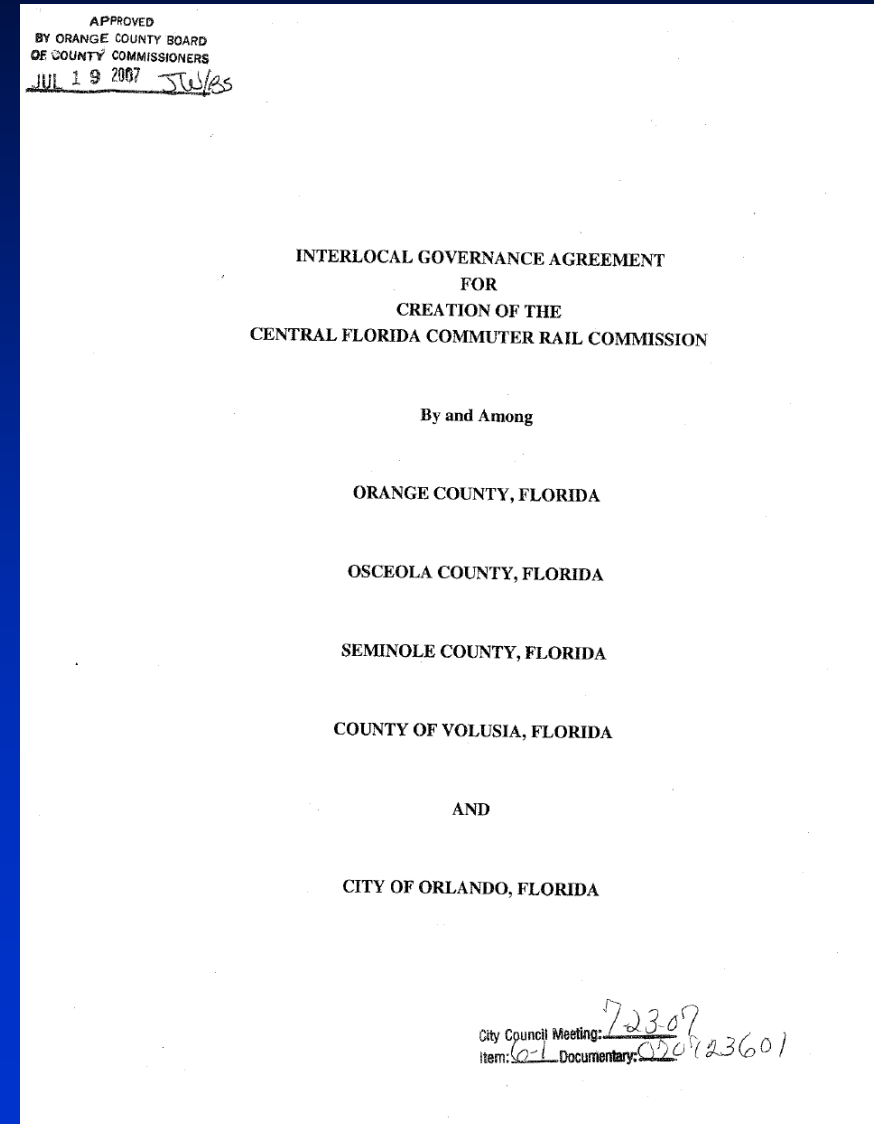




Summary of Existing Agreements

Interlocal Governance Agreement

- This agreement is only between the Local Government Partners.
- The original agreement was executed by Orange County and all LGFP in July 2007.
- The first amendment was executed in 2008 and the second amendment in 2010.
- The agreement established the five member CFCRC governing board with elected official representatives from all five LGFP.

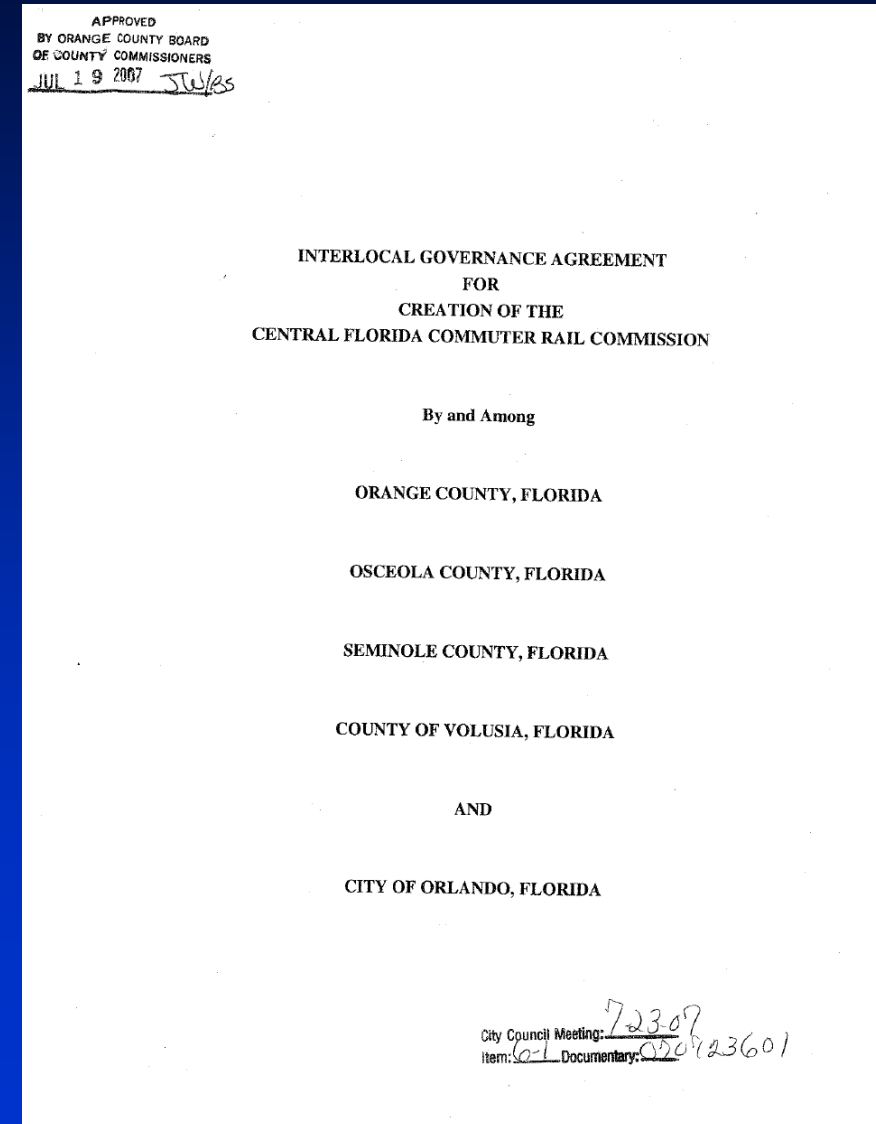


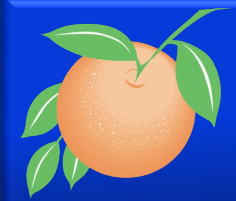


Summary of Existing Agreements

Interlocal Governance Agreement

- It also established the Technical Advisory Committee (TAC) and Customer Advisory Committee (CAC).
- Specifies that the annual Local Operating Support and 5-year capital costs will be shared among the LGFP after the initial FDOT funding period.
- The Operating Support is based on daily and peak hour boardings for stations within each LGFP and capital cost share is based on the percentage of track mileage in each LGFP.

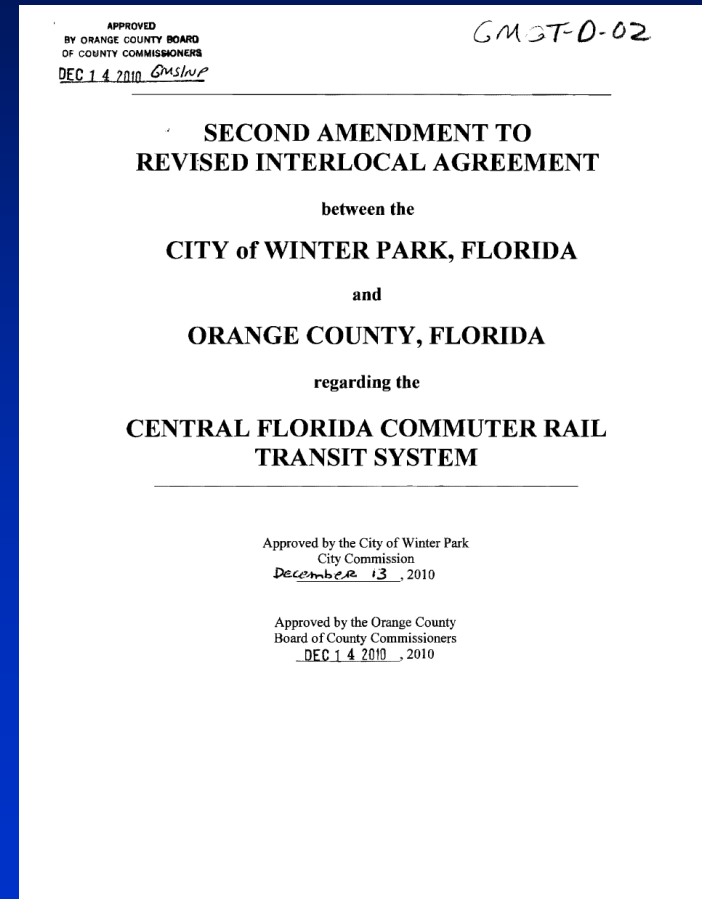




Summary of Existing Agreements

Winter Park and Maitland Interlocal Agreements

- The agreements, between the County and each City, were executed in 2007 and amended in 2010.
- The Cities agreed to fund 70% of the Local Operating Cost for their station with not to exceed amounts of \$350,000 (Winter Park) and \$284,100 (Maitland), with an annual 3% increase.
- The agreement would be terminated if a dedicated funding source is in place in the future.
- Orange County staff has initiated discussions with each City to update the agreements.





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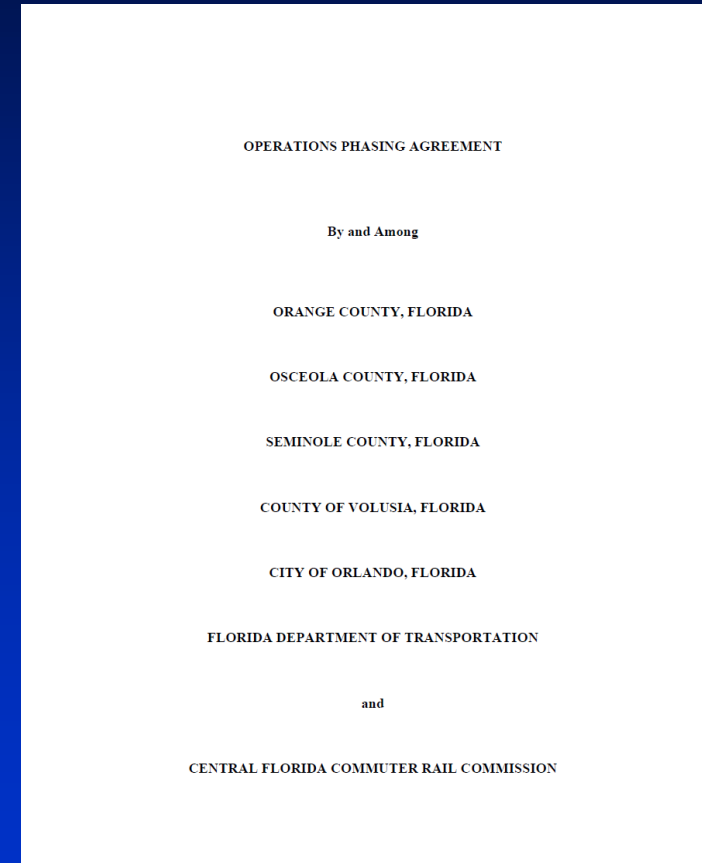
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Summary of New Operations Phasing Agreement

- The Agreement between FDOT, LGFP and CFCRC.
- Phase 1 – Financial Transition – December 31, 2024
 - All contracts will be assigned/novated to CFCRC.
 - LGFPs pay for all financial aspects of the system.
 - FDOT will continue to operate the system.
 - Tasks/dates for Transfer of Financial Obligations established.
- Phase 2 – Operations Transition
 - Within three years of Financial Transition.
 - Tasks and dates for Transfer of Operations established.
 - Term Sheet for LYNX within first year and contract within second year.





Summary of New Operations Phasing Agreement

■ Other Notable Items

- All contracts will be assigned/novated to CFCRC.
- FDOT will provide dollars for Positive Train Control (PTC) funding based on a formula (About \$5 million to start).
- FDOT will not charge for staffing during Phase 2 Transition.
- FDOT will pay for operations cost of Phase 2 North for one year after revenue service (Estimated May 2025).
- FDOT will continue to lead discussions with CSXT.
- FDOT to provide \$10 million for vehicle overhauls.
- FDOT will continue to provide third party corridor permitting.
- FDOT will place the bridges along CFRC in their Bridge Management Program.

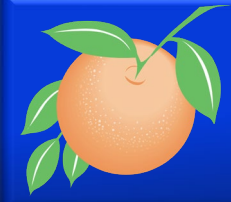




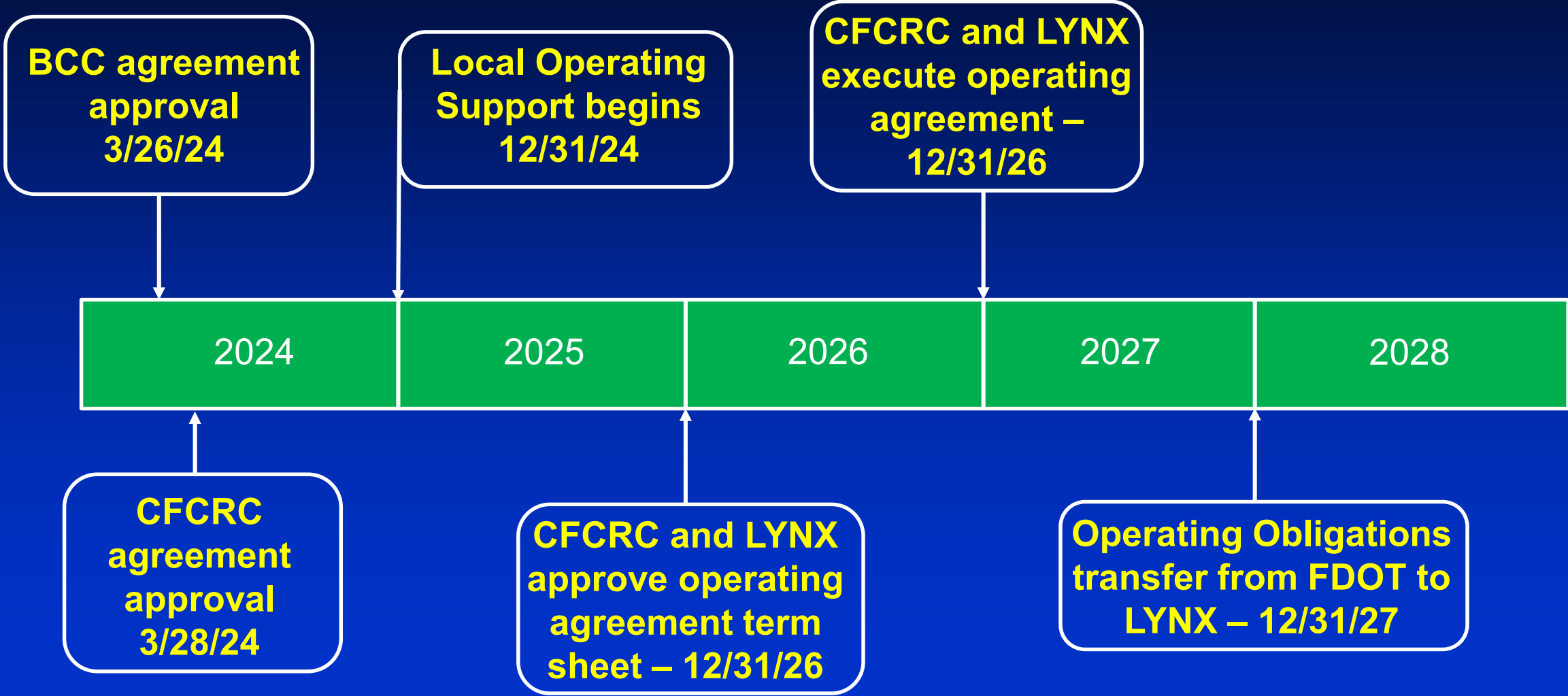
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Proposed Transition Timeline





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Summary of Third Amendment to Interlocal Governance Agreement

- Agreement is only between the LGFPs.
- Future decisions to increase service/expand SunRail would require separate and future votes by the BCC, as well as other LGFP, in which the fiscal implications would be clearly identified
- Section 3.05 revised to allow expanded or extended service for a portion of the LGFPs, without requiring unanimous approval from the full CFCRC.

THIRD AMENDMENT TO INTERLOCAL GOVERNANCE AGREEMENT

THIS THIRD AMENDMENT TO INTERLOCAL GOVERNANCE AGREEMENT (the "Third Amendment"), is made and entered into by and among Orange County, a charter county and political subdivision of the State of Florida ("Orange County"), Osceola County, a charter county and political subdivision of the State of Florida ("Osceola County"), Seminole County, a charter county and political subdivision of the State of Florida ("Seminole County"), the County of Volusia, a charter county and political subdivision of the State of Florida ("County of Volusia") and the City of Orlando, a municipal corporation of the State of Florida (the "City of Orlando").

WITNESSETH:

WHEREAS, in August 2007, Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando (collectively, the "Local Government Partners") entered into an Interlocal Governance Agreement for Creation of the Central Florida Commuter Rail Commission (the "Original Governance Agreement"); and

WHEREAS, in December 2008, the Local Government Partners entered into a First Amendment to Interlocal Governance Agreement (the "First Amendment") to permit, among other things, the appointment of alternate Members to the "Governing Board" and "Technical Advisory Committee", as such terms are defined in the Original Governance Agreement; and

WHEREAS, in July 2010, the Local Government Partners entered into a Second Amendment to Interlocal Governance Agreement (the "Second Amendment") to revise, among other things, the obligation of the Local Government Partners to fund "System Operating Deficits" of the "Commuter Rail System", as such terms are defined in the Original Governance Agreement (the Original Governance Agreement, as amended by the First Amendment and the Second Amendment, being referred to herein as the "Current Governance Agreement"); and

WHEREAS, the Local Government Partners desire to enter into this Third Amendment to the Current Governance Agreement to further revise the obligation of the Local Government Partners to fund the Annual System Deficit (as defined herein) of the Commuter Rail System;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. The following new definitions are hereby added to Master Glossary appended to the Current Governance Agreement:

"Annual Funding Amount" means, for each Local Government Partner, the sum of its Share of Local Operating Support and Share of Local Capital Cost plus any amounts allocated to such Local Government Partner pursuant to Section 3.05(F) of the Interlocal Governance Agreement.

"Annual System Deficit" means, for any Fiscal Year, the sum of the System Operating Deficit and Local Capital Cost, less any Expanded Service Cost and/or Extended Service Cost.



Summary of Third Amendment to Interlocal Governance Agreement

26

- Section 4.01 revised to reflect increases in costs since the original agreements. The financial caps for operating and capital costs were revised to \$63 million with an index (which could be increased by a unanimous CFCRC vote).
- Orange County's estimated share for operations, capital plan, and self insurance (including Winter Park and Maitland station amounts) is approximately \$15.3 million for FY 24/25.

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"Annual System Deficit" means, for any Fiscal Year, the sum of the System Operating Deficit and Local Capital Cost, less any Expanded Service Cost and/or Extended Service Cost.



Summary of Third Amendment to Interlocal Governance Agreement

Estimated FY 24/25 operating, capital and insurance costs

- Orange County = \$15.3 million
- City of Orlando = \$20.2 million
- Osceola County = \$12.2 million
- Seminole County = \$12.1 million
- Volusia County = \$5.4 million





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Summary

- Phase 1 financial transition will occur on 12/31/2024.
- Phase 2 operating transition (FDOT to LYNX) will be complete by 12/31/2027.
- The new Interlocal Operations Phasing Agreements specifies transition timelines and responsibilities of parties during and after the transition.
- The Third Amendment to the Interlocal Governance Agreement adjust the operating and capital costs and procedures for expanded and/or extended service.
- Future decisions to increase service/expand SunRail would require separate and future votes by our BCC, as well as other LGFP.





Summary

- **Action required by all LGFPs.**
 - **Approval of the Operations Phasing Agreement and the Third Amendment to the Interlocal Agreement.**
 - **City of Orlando, March 11, 2024, Approved.**
 - **Osceola County, March 18, 2024, Approved.**
 - **Volusia County, March 19, 2024, Approved.**
 - **Seminole County, March 26, 2024.**
 - **Orange County, March 26, 2024.**
 - **CFCRC, March 28, 2024.**





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Action Requested

- **Approval and execution of 1) Operations Phasing Agreement by and among Orange County, Florida, Osceola County, Florida, Seminole County, Florida, County of Volusia, Florida, City of Orlando, Florida, Florida Department of Transportation and Central Florida Commuter Rail Commission and 2) Third Amendment to Interlocal Governance Agreement between Orange County and the other Local Government Funding Partners. All Districts.**