



Legislative Statement

MINIMUM SEAPORT FUNDING INCREASE (FSTED PROGRAM)

Background:

The Florida Legislature created an on-port investment program in 1990 -- the Florida Seaport Transportation and Economic Development (FSTED) Program, which is administered by the FSTED Council, consisting of the port directors of the 15 public seaports, the Secretary of the Department of Transportation, and the Director of the Department of Economic Opportunity. This state and local investment entity is statutorily charged with accomplishing the state's seaport development mission of implementing capital improvement projects at the local level, currently funded at a minimum of \$15 million, as provided in Chapter 311, F.S. Florida's public seaports match these state funds on a 50/50 basis, leveraging the state's investment and amplifying the resulting benefits.

Current Issue:

Florida's robust system of seaports and transportation infrastructure provides a ready pathway to secure new jobs, tax revenue and vibrant economic growth. Florida's global trade community already is fulfilling its commitment with significant investments in expansion and with diligent management and optimization of infrastructure.

Cargo and cruise activity in Florida is responsible for more than 680,000 direct and indirect jobs and \$96.6 billion in total economic value. These activities contribute more than \$2.4 billion in state and local tax revenues.

During the past four years Governor Scott and the Florida Legislature have invested over \$700 million in projects identified by the FSTED Council and FDOT. These investments have attracted the attention of maritime businesses and shipping companies around the world. Florida is now seen as a global leader in trade and freight mobility development in the U.S.

The Governor's Proposed Budget for 2015 recommends \$9.1 billion for the FDOT Work Program, which includes \$109 million for various seaport projects and programs. In addition, the FDOT Work Program through 2020 allocates over \$100 million every year for critical seaport infrastructure investments.

An increase to the statutory minimum contained in Chapter 311, F. S. would have no fiscal impact on the current FDOT Work Program and is programmed into future Work Programs. This legislative action would continue to send the message to maritime businesses and global carriers that Florida is taking a long-term approach to solidifying our position as a global trade leader.

The policies and investments identified by Governor Scott, the Florida Legislature and the FSTED Council have uniquely positioned Florida to capture significant economic benefit from expanded international trade. This statutory increase is another strategy to help Florida's seaports capture additional trade and expand Florida's position in global trade.

Recommendation:

In order to ensure adequate and stable seaport infrastructure investment in the future, we recommend increasing the statutory minimum from \$15 million to \$25 million.

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