



Transportation
Investment
Advocacy Center

American Road & Transportation Builders Association

ORANGE COUNTY, FLORIDA TRANSPORTATION SALES TAX INITIAITVE

Report Contact Information:

Cooper Lohr
Policy Specialist
clohr@artba.org
224.330.8

OVERVIEW

Title of Measure

Transportation System Surtax, Ordinance NO. 2022-14

Result

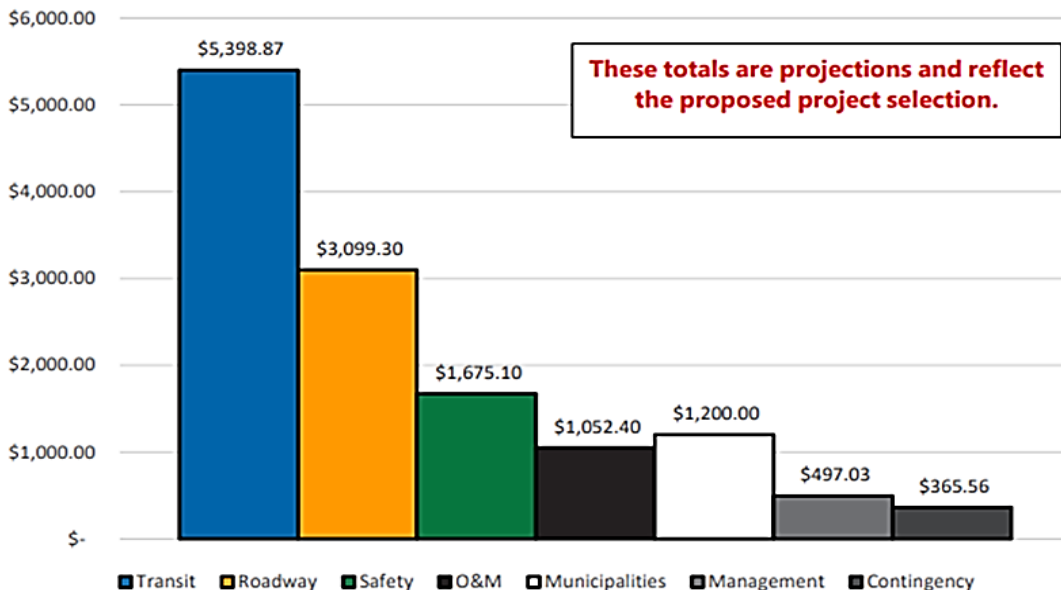
Orange County Commissioners voted 4-3 April 26, 2022 to place Ordinance No. 2022-14 on the Nov. 8 ballot where it was rejected by voters.

Orange County Transportation Systems Surtax		
Date Failed	Yes votes	No votes
11/8/2022	157,937 (41.67%)	221,043 (58.33%)

Purpose

Revenue from the one-cent sales tax addition would have funded transportation projects across several county systems for the next 20 years: 45 percent to transit agencies operating in the county (Lynx buses, operated by the Central Florida Regional Transportation Authority; and SunRail, a commuter rail system in Greater Orlando operated by the Florida Department of Transportation), another 45 percent to the county for road, safety, and operations system improvements, and 10 percent to municipalities. The tax was estimated to raise \$600 million annually or \$11.9 billion over 20 years starting Jan. 1, 2023. The below chart from the Orange County Government’s *2022 Transportation Initiative Report* provides a detailed breakdown of projected spendingⁱ.

TRANSPORTATION INITIATIVE SPENDING TOTALS (2023-2042) (IN MILLIONS USD)ⁱⁱ



Ballot Language

“Shall a Charter County and Regional Transportation System Surtax at the rate of one percent (1%) be levied in Orange County, Florida for a period of 20 years with revenue deposited into a trust fund dedicated exclusively to transportation and transit improvement uses authorized by law, with oversight and accountability for the revenue provided by a citizen oversight board and the elected comptroller, as approved by the Board of County Commissioners?”ⁱⁱⁱ”

BACKGROUND

Democrat Mayor of Orange County, Fla. Jerry L. Demings began the referendum campaign to increase transportation funding in the county by implementing a 2019 transportation survey and holding community meetings to gather citizen input on transportation systems. The campaign was put on hold by Mayor Demings at the outset of the COVID-19 pandemic in March 2020, and then re-launched in the beginning of 2022 with the intention of placing the tax on the Nov. 8 ballot. On April 26, 2022, the Orange County Board of Commissioners voted 4-3 to place the sales tax measure on the ballot.

Community Feedback

More than 19,000 residents participated in transportation surveys conducted in 2019^{iv} and 2022^v, when the campaign was re-launched. The surveys asked respondents for their 1) top transportation challenges and 2) top transportation priorities for the sales tax initiative. In both 2019 and 2022, 78 percent of respondents listed *‘traffic congestion’* as their top challenge. Fifty-nine percent of respondents in 2019 and 57 percent in 2022 listed *‘building a mass transit system’* as their top priority. *‘Improving traffic signal timing’* – 42 percent in 2019; 48 percent in 2022 – and *‘maintaining and repairing existing roads’* – 49 percent in 2019; 41 percent in 2022 – were the other top priorities. In addition to the surveys, Mayor Demings also held several engagement events that included town halls, stakeholder discussions, and open houses. In total over 270 meetings were held between 2019 and 2022^{vi}.

Survey Results - Challenges (Top 3)

2019 (10,253 total respondents)		2022 (8,127 total respondents)	
<i>Traffic Congestion</i>	78.27% (8,025)	<i>Traffic Congestion</i>	78.73% (6,398)
<i>Commute Time</i>	40.45% (4,147)	<i>Cost of Commute</i>	40.56% (3,296)
<i>SunRail does not run-on weekend</i>	29.40% (3,014)	<i>Commute Time</i>	34.65% (2,816)

Survey Results - Challenges (Top 3)

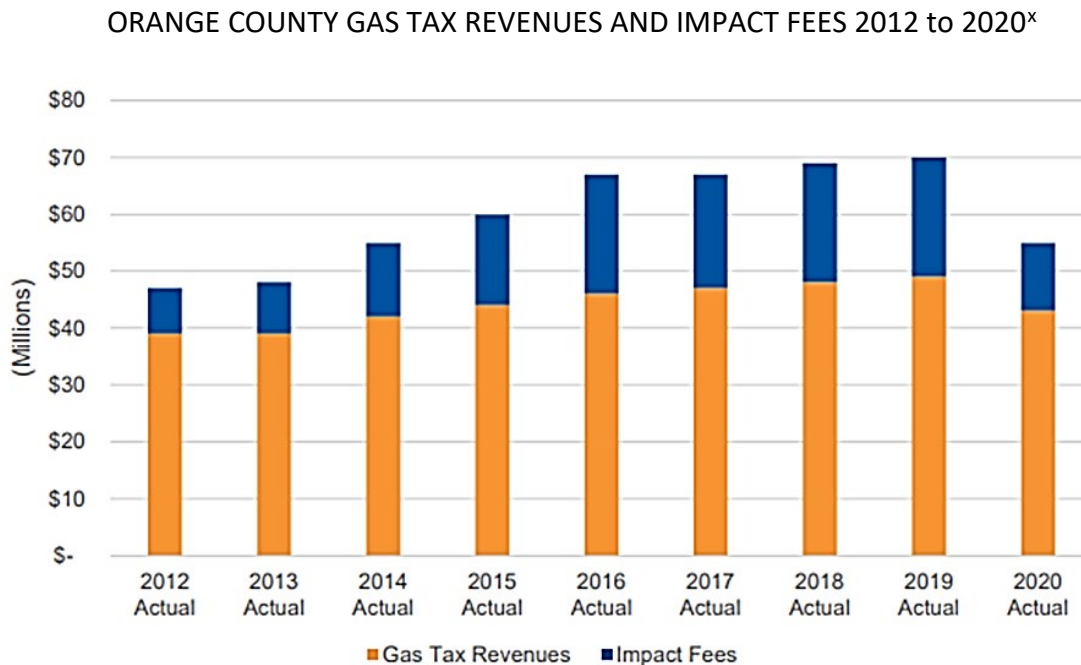
2019 (10,253 total respondents)		2022 (8,127 total respondents)	
<i>Building Mass Transit System</i>	59.26% (6,070)	<i>Building Mass Transit System</i>	57.12% (4,719)
<i>Maintaining existing roads</i>	49.70% (5,091)	<i>Improving traffic signals</i>	48.39% (3,998)
<i>Improving traffic signals</i>	42.37% (4,340)	<i>Maintaining existing roads</i>	41.75% (3,449)

TRANSPORTATION NEEDS

Currently, Orange County has four primary funding sources for transportation projects^{vii}:

- Gas tax revenues (federal and state)
- Impact fees (one-time fees on new developments to pay for transportation projects)
- Property taxes
- Other one-time sources (e.g. federal and state grants)

The primary funding sources, gas taxes and impact fees, have remained mostly stagnant in the county despite a population increase of over 200,000 from 2012^{viii} to 2022^{ix}.



Orange County, in their *2022 Transportation Initiative Report*, cited its funding needs relative to the funding power of its current Capital Improvement Program (CIP). The current capital plan, over the next 20 years, funds \$1.3 billion in projects whereas the county’s transportation-related needs are approximately \$21.4 billion over that same timeframe. This results in a \$20.1 billion funding gap^{xi}.

Orange County Transportation Director Tanya Wilder highlighted that many of these unfunded needs are “projects that have been in the pipeline for a longtime^{xii}.” Country-level projects were divided into three categories^{xiii}:

- Safety improvements – pedestrian bicycle safety, Americans with Disabilities Act (ADA) compliance, lighting, intersections.
- Major roadway improvements – reconstruction and new roadway construction.
- Operations and maintenance – resurfacing, bridge repair/maintenance, railroad repair, drainage.

The initiative also highlighted a number of municipal projects that would be funded by the sales tax^{xiv1}:

- \$130 million in projects in the City of Ocoee for intersection and roadway improvements.
- \$42.9 million in projects in the City of Winter Garden for roadway widening and intersection improvements.
- \$30.3 million in projects in the City of Windermere drainage improvements, resurfacing, and adding bridges².

Transit needs focused on a total reimagination of transit systems in the county wherein LYNX and SunRail systems would work in unison to address gaps in service. This included expansion of paratransit services, identification of high-capacity corridors for transit upgrades and construction, and reconfiguration of existing transit routes to plan a comprehensive network. SunRail, which is currently operated by the state government, will transition operations and maintenance to local governments in 2024. SunRail began operations in 2014; the combined population of the counties where SunRail operates (Orange, Seminole, and Osceola) has grown from 1.8 million in 2010 to 2.2 million in 2020. The growth in population combined with the transition of funding responsibilities to local government creates a funding need for the county. Similarly, population growth in Central Florida has created challenges for LYNX operations. The initiative proposed using funds from the sales tax to create a new multi-layered service system that would add more stops and create shorter routes to increase connectivity throughout the region^{xv}.

SUMMARY OF PROJECTED ORANGE COUNTY TRANSPORTATION NEEDS (20-YEAR HORIZON)

NEEDS TYPE	FUNDED	UNFUNDED	TOTAL PROJECTED
County Transportation Improvements	\$1,340,800,000	\$5,828,200,000	\$7,169,000,000
<i>Safety</i>	<i>\$99,500,000</i>	<i>\$1,674,800,000</i>	<i>\$1,774,300,000</i>
<i>Roadways</i>	<i>\$701,300,000</i>	<i>\$3,100,500,000</i>	<i>\$3,801,800,000</i>
<i>O&M</i>	<i>\$540,000,000</i>	<i>\$1,052,900,000</i>	<i>\$1,592,900,000</i>
Transit*	\$0	\$11,363,000,000	\$11,363,000,000
Municipal Partnerships Plans and Projects	\$0	\$1,799,700,000	\$1,799,700,000
Management & Contingency Reserves	\$0	\$863,700,000	\$863,700,000
State**	\$0	\$202,200,000	\$202,200,000
Total Projected Funding Needs	\$1,340,800,000	\$20,056,700,000	\$21,397,500,000

*State and federal funding sources are expected to cover \$5,964,000,000.

**Potential future payback for projects on the State Highway System within Orange County.

¹ See [2022 Transportation Initiative Report](#) (pg. 53-54) for a full list of municipal projects.

² Total project costs do not indicate level of funding by the sales tax measure. Some municipal projects are already partially funded by private developers, grants, etc.

SUPPORT

Support from Local Leaders

Mayor Demings had key support from Orlando Mayor Buddy Dyer (D). The Orlando Metropolitan area is the county seat so having support from the local Orlando government was paramount to moving forward with the initiative. Dyer was especially supportive of investments made to transit stating, “I think the biggest piece of it is the transit piece...If we did nothing more than the 45 percent that’s going to go toward the robust transit system, that’d be a game-changing situation.”^{xvi}

Other local leaders, including Windermere Mayor Jim O’Brien and Oakland Mayor Kathy Stark also voiced support for the proposed tax. Mayor O’Brien said [of the measure] “comprehensive investment in public transportation and the infrastructure that is required to move people efficiently and effectively from one place to another is one of government’s most important roles...the Orange County transportation initiative has been well vetted, and all local leaders and communities have had input into both the oversight and distribution of funding.”^{xvii} Mayor Stark also lauded the inclusion of the sales tax measure on the November ballot “provided that the municipalities are included in the planning of this expenditure of that tax, which I have been assured will happen.”^{xviii}

Within the Orange County Government, Commissioners Christine Moore (District 2), Mayra Uribe (District 3), and Maribel Gomez Cordero (District 4) joined Mayor Demings in voting to put the sales tax measure on the Nov. 8 ballot. Uribe and Gomez Cordero both continuously highlighted the importance of transit investments throughout the campaign. During an open house event in her district, Uribe talked about how many folks in her district work in the tourism industry and that having transit and Lynx access is very important^{xix}. Gomez Cordero, during her district’s open house, highlighted that a lot of people in her district do not drive and rely on public transportation. She added that the SunRail system is over capacity and needs improving. Moore was a reluctant supporter^{xx}. She recognized that “the need is there” but questioned the timing of the measure. Moore ultimately voted for placing the measure on the ballot and appreciated that the majority of the tax is funded by tourists^{xxi}.

Support from Local Organizations

Several local groups supported the sales tax measure. *Move Orange County Forward*, was the primary campaign established to support and facilitate advocacy efforts to pass the transportation referendum. The campaign provided a number of resources ahead of the Nov. 8 election including GOTV information^{xxii}, an interactive map of all projects funded under the tax initiative^{xxiii}, and general information on the economic benefits of the tax^{xxiv}.

Several other local groups also worked with the campaign to advocate for the measure, including^{xxv}:

- League of Women Voters of Orange County, FL
- Central Florida Hotel & Lodging Association
- National Association of Black
- International Drive Resort Area Chamber of Commerce
- Orlando ‘Yes in My Backyard’ (YIMBY)
- Women in Construction

- Bike/Walk Central Florida
- Winter Park Chamber of Commerce
- Central Florida AFL-CIO
- West Orange Chamber of Commerce
- Central Floridians for Public Transit
- Orlando Economic Partnerships
- Citizens' Climate Lobby
- East Orlando Chamber of Commerce
- Caribbean American Chamber of Commerce of Florida

The East Orlando Chamber of Commerce highlighted that “transportation is the backbone of business, and public transportation improvements benefit the county, surrounding municipalities, its residents, and the business community.” They further emphasized that Orlando is missing out on economic opportunities because of poor transit options, and that improvements to local transportation systems would help attract new business and support job growth^{xxvi}.

The Central Florida Hotel & Lodging Association views the tax as way to address critical infrastructure needs that would help service the many hospitality employees in the region and the tourists they serve. Particularly, they lauded the establishment of a new and dedicated revenue source that would be largely funded by out-of-town guests^{xxvii}.

Bike/Walk Central Florida welcomed the multi-dimensional approach to the initiative through proposed investments in SunRail and Lynx and praised its vision for making Central Florida a region that supports multiple modes of transportation^{xxviii}.

CEO of the Orlando Economic Partnership, Tim Guiliani, called the tax essential in order to “keep up with [population] growth and to keep up with the quality of life many of us moved here for.” He further recognized that while a tax increase is unwelcoming, it is the best tool the county has to address the impact tourists have on local infrastructure^{xxix}.

Clear Lines Drawn

The Orange County transportation initiative was able to garner considerable support from labor and business groups. The campaign clearly identified a need, laid out its plan in detail, and took the time to talk to citizens and gather input. The vote was framed by supporters as a choice between improving vital transportation systems or allowing them to continue to fall victim to underfunding thereby hindering accessibility, job growth, and business development. Furthermore, supporters quelled concerns over costs to taxpayers through consistent messaging that tourists would contribute more than half of the annual revenue raised from the tax, and that the tax would only apply to the first \$5,000 of a purchase^{xxx}.

OPPOSITION

Axe the Tax

Axe the Tax', an anti-tax, grassroots organization based in Florida, was the leading voice in opposition to the initiative. The group, founded in 1982 when Orange County attempted to pass a sales tax increase to construct a sports arena, helped defeat a similar transportation tax in 2003^{xxxii}. The group unofficially went on hiatus in 2018 following the death of its original founder, state political consultant Doug Guetzloe, but re-organized following the announcement of Demings' transportation initiative^{xxxiii}. Axe the Tax's message was simple, that a new tax was ill-timed. Local political operative and president of Axe the Tax Brian Henley opined that "inflation is out of control; gas prices are too high^{xxxiii}" and it does not make sense to "raise taxes during a recession."^{xxxiv} Henley also criticized the initiative's transit-centric focus, specifically on the SunRail system. While the Axe the Tax group agreed with needing to overhaul transit networks, they maintained a tax was not the right way to go about it. Henley explained that the initiative "relies on putting too much money into SunRail...It lost \$50 million last year^{xxxv}." During the election cycle, Axe the Tax put together a small group of supporters through grassroots organizing. They handed out lawn signs, held rallies during public events, and engaged with local leaders.

Opposition from Local Leaders

A number of local Orange County politicians opposed the measure, echoing similar sentiments about the untimely nature of the tax and the amount of resources being spent on failing transit systems. Ocoee Mayor Rusty Johnson criticized investments in transit improvements noting that "only a small percentage of our citizens [in Ocoee] utilize the local transit options, the road projects are far more important to our quality of life."^{xxxvi}

Victoria Siplin, Orange County Commissioner for District 6, also criticized resources going towards SunRail claiming the main purpose of the tax was to save SunRail and "the plan was not truly honest."

Nicole Wilson, Orange County commissioner for District 1, said she "couldn't get behind the timing of it [the sales tax increase] ...people are hurting right now economically^{xxxvii}." Wilson also expressed concern that the new tax would drive out developers. Developers already pay local impact fees and Wilson feared they might push for a reduction in those vital fees if they see the influx of money coming in from the tax. "My concern is that we are supplanting the obligation developers had^{xxxviii}," Wilson argued.

WHY IT FAILED

Several factors led to the defeat of Orange County's transportation initiative. The overarching message from those opposing the measure, that it was the wrong time to pass a tax increase during a period of record inflation and high gas prices, was influential in getting residents to vote against the measure. During some of the meetings hosted by Demings and the 'Move Forward Orange County' group, residents were vocal that "people don't make enough money^{xxxix}" [in reference to a sales tax increase], and that "they [the Orange County Government] haven't shown themselves to be responsible so far, so why should we give them any more money^{xl}?" The seeming lack of trust in the county to responsibly spend tax revenues was particularly apparent with transit investments. One resident called the Orange County

government “grossly negligent when it comes to operating transit systems” and added that “any tax to increase transit services just compounds the need for these entities to rely on local, state and federal subsidies to stay afloat.^{xlii}” The unpalatability of a tax increase during a period of high inflation, combined with voter wariness over investments in historically unreliable transit systems, ultimately led to the demise of the measure.

REFERENCES

- i [“Transportation Initiative Report”, Orange County Florida.](#)
- ii [“Ibid.”](#)
- iii [“Ordinance NO. 2022-14”, Orange County Board of County Commissioners.](#)
- iv [“Orange County Transportation Initiative 2019”, Survey Monkey.](#)
- v [“Orange County Transportation Initiative 2022”, Survey Monkey.](#)
- vi [“Community Feedback”, Orange County Florida.](#)
- vii [“Transportation Initiative Report”, Orange County Florida.](#)
- viii [“Quick Facts: Orange County Florida”, United States Census Bureau.](#)
- ix [“Resident Population Estimates for the 100 Fastest Growing U.S. Counties with 10,000 or More Population in 2012”, United States Census Bureau.](#)
- x [“Transportation Initiative Report”, Orange County Florida.](#)
- xi [“Ibid.”](#)
- xii [“\\$21.4 billion for Central Florida Transportation?”, The Community Paper.](#)
- xiii [“Transportation Initiative Report”, Orange County Florida.](#)
- xiv [“Ibid.”](#)
- xv [“Ibid.”](#)
- xvi [“Opinions differ on transportation tax”, Observer.](#)
- xvii [“Ibid.”](#)
- xviii [“Ibid.”](#)
- xix [“OCFL Update | Transportation Initiative Open House in District 3”, Vimeo.](#)
- xx [“OCFL Update | Transportation Initiative Open House in District 4”, Vimeo.](#)
- xxi [“OCFL Update | Transportation Initiative Open House in District 2”, Vimeo.](#)
- xxii [“Election Info”, Move Forward Orange County.](#)
- xxiii [“Orange County Transportation Initiative”, ESRI.](#)
- xxiv [“Cost Saving”, Move Forward Orange County.](#)
- xxv [“Supporters”, Move Forward Orange County.](#)
- xxvi [“EAST ORLANDO CHAMBER OF COMMERCE SUPPORTS ORANGE COUNTY \\$.01 TRANSPORTATION TAX”, East Orlando Chamber of Commerce.](#)
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- xxix [“Orange County voters to decide on transportation tax”, ClickOrlando.com.](#)
- xxx [“A Path Forward: The Transportation Penny Sales Tax”, Orange County, Florida.](#)
- xxxi [“Orlando voters put brakes on proposed transportation tax”, USA Today.](#)
- xxxii [“Ax the Tax takes swing at Orange County transportation initiative”, Florida Politics.](#)
- xxxiii [“Ibid.”](#)
- xxxiv [“Battle lines forming over Orange County transportation tax vote”, WFTV9.](#)
- xxxv [“Orange County voters to decide on transportation tax”, ClickOrlando.com](#)
- xxxvi [“Opinions differ on transportation tax”, Observer.](#)
- xxxvii [“Ibid.”](#)
- xxxviii [“Ax the Tax’ group opposes Orange County transportation sales tax”, WESH2.](#)
- xxxix [“Ibid.”](#)
- xl [“Ibid.”](#)
- xli [“Opinions differ on transportation tax”, Observer.](#)