



## News Clip

From: *Miami Today*, Thursday, January 28, 2010  
Subject: **Pego drives transportation projects and steers the stimulus as local Florida Department of Transportation secretary**  
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### PROFILE

WEEK OF THURSDAY, JANUARY 28, 2010

## Pego drives transportation projects and steers the stimulus...

After about three decades moving through the ranks of the Florida Department of Transportation, Gus Pego was appointed secretary of the local district about a year and a half ago — just in time to help close a long-planned and volatile deal for billion-dollar tunnels to the Port of Miami. With that underway, Mr. Pego is also overseeing another of the state's biggest transportation projects, a \$560 million State Roads 826-836 interchange.

Federal stimulus dollars are helping make that project possible, along with dozens of others in municipalities across the county.

And Mr. Pego predicts another round of stimulus funding coming down the pike, "so we will need our transportation partners ready to deliver some more projects," he says.

A top priority: the second phase of a viaduct above Northwest 25th Street.

Over time, Mr. Pego also hopes to see transit expansion and other improvements to better facilitate movement through the community.

He shared his vision in an interview with *Miami Today* reporter Risa Polansky in FDOT's District 6 headquarters.

**Q: What areas does District 6 cover and what are your responsibilities as secretary?**

A: District 6 is one of eight districts. It covers Miami-Dade and Monroe County.

I oversee everything from the planning to the designing, construction, operations and maintenance of the state highway system within those two counties.

**Q: How many employees do you oversee?**

A: 511.

**Q: What size budget?**

A: Slightly over \$3 billion for our five-year capital improvement program. We get a good share of the budget from gas taxes and other fees to implement projects and improvements.

But also this is like a company, so we get a budget for the salary of employees, to buy materials to repair the roads, additional resources to hire consultants to help us deliver our work program. So when you add all these numbers up it is a tremendous amount of money.

**Q: How has the budget changed due to the economy?**

A: We've been in a decline in transportation revenues since 2007. Over \$9 billion of projects [statewide] have been deferred. We have to have a balanced work program. What we do is project those incomes in order to predict how much we can deliver.

Our overall reduction from last year in our five-year was only \$50 million. That's a large number, but it's not that big when you're talking in billions in the work program.

Bids have been coming in better, so we've been able to hold that money that was budgeted and save that money to produce projects that could have been deferred.

Luckily we haven't lost that many projects in our work program. What we haven't been able to do is advance some of the projects like capacity-type improvements that are big dollar values. One thing that has also helped us is the



Photo by Marlene Quaroni

Miami-Dade is home to two of the state's biggest transportation projects — port tunnels and a State Roads 826/836 interchange. Secretary Gus Pego oversees it all.

### The Newsmaker

#### Gus Pego

District 6 Secretary, Florida Department of Transportation  
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Age: 55  
Born: Elizabeth, NJ  
Education: Miami Dade College; University of Florida (bachelor's, civil engineering)  
Personal Philosophy: "You've got to love your job and the job you do."

### Watch the interview

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stimulus funds.

We received close to \$200 million in our district. This is not just to make work, this is really to feed peoples' families and make vital infrastructure improvements.

One of the biggest projects in the state is our Palmetto Expressway with the [State Road] 836 interchange. This is a \$560 million project, and stimulus dollars is \$70 million of it, so if we didn't have that \$70 million we may have not been able to put it onto the street.

**Q: How do you choose which projects to do when facing budget constraints?**

A: By Florida statutes we have to address safety, and we have to preserve our investment in our state highway system. High-accident locations — how we can implement projects that would help mitigate those accidents. The third priority is try to implement capacity improvements.

In a very highly congested area as Miami-Dade County a lot of locations need capacity improvements. The Palmetto Expressway is a good example — over 20 years it's taken us from planning all the way to implementation.

**Q: Any ideas?**

A: The federal agencies are looking at what is a viable way. The first gas tax was developed around 1919, so it's an archaic process. It makes sense, but so many things have changed since then in our ability to collect a user fee.

Oregon has done some experiments where you would have instrumentation in your vehicle that you would enter how many miles you drove from the last time you filled up or it would have records of how much you drove, and then you would just pay so much per mile.

That showed some promise. There's going to be some change in the future. Right now if you do it by the gallon there's no differential by type of vehicle. A heavier vehicle has more wear-and-tear on the roadway system than a hybrid.

**Q: Until then it's about following the safety priority?**

A: Right. If there's any funding left over, we try to put it toward aesthetic types of items like landscaping.

**Q: Tell us about some major projects.**

A: We've been very fortunate as a community to have two of the biggest projects in the state underway at the same time, the Port of Miami Tunnel, which will improve access to our second-largest economic engine, the Port of Miami.

The second project is the 826/836 interchange. Right now it's a bottleneck. We're partnering with the Miami-Dade Expressway Authority and our funding as well the stimulus funding to deliver the project.

Those are two big, big jobs in our community that will be underway for some time, but when they're finished we'll certainly see great benefits as far as travel time savings, dealing with congestion as well as mobility for economic purposes. A truck making deliveries — if you're losing an hour in traffic, that's less deliveries you can make, so certainly it has a positive impact on our economy.

Another project is the rental car facility [at Miami International Airport]. We're hoping to have the unveiling in May. It's 98% complete.

**Q: How about projects that are further out?**

A: Fifty-Seventh Avenue in the Hialeah area from Okeechobee Road north just south of the Gratigny is a five-lane roadway which needs to be widened. That's one of those ongoing projects that as soon as we get enough money we're putting the project out to the street.

A very important corridor is Krome Avenue that unfortunately we've had to keep deferring because of revenue.

**Q: What's the next step for the Port Tunnel?**

A: We finalized the contract in mid-October. The construction documents are being prepared. The project is a design, build, finance, operate, maintain. We've hired a concessionaire to do all the steps for us, 55 months according to the contract to build it. Then he operates the tunnel, maintains it for another 30 years.

Right now he's under design and doing the preliminary stuff. We're getting the permits. We should see some roadwork beginning in around five months. MacArthur is where it's going to start.



## ...as local Florida Department of Transportation secretary

The causeway will be widened a little bit to the south in order for the portal for the tunnel to be between the east and westbound lanes.

The bridge will also be widened toward the center to create lanes for trucks and passenger vehicles to go into and out of the port. You and I will be able to go to the port via the tunnel versus having to fight congestion on Biscayne Boulevard or Second Avenue to get there.

**Q: Will there be tolls?**

**A:** We have our funding covered so we don't envision tolls.

**Q: The 25th Street viaduct was a major priority, and with stimulus money the 826/836 jumped ahead. What are you doing to find funding?**

**A:** The eastern portion of the viaduct is under construction now. It made sense to advance the western portion.

From a transportation point of view, though, the 400,000 vehicles a day that go through that [826/836] interchange – we were able to take \$79 million of stimulus and leverage it with funding with the Miami-Dade Expressway Authority as well as our own to bring a \$558 million project to the street. Over 14,000 direct and indirect jobs – that was an easy choice.

We were able to fit the western portion of the viaduct in our fifth year of our five-year work program. Right now it's tentative and we're hoping that the funding continues to be projecting in a positive way so that we can keep it in.

**Q: I've heard it called "the bridge to nowhere" without the western part.**

**A:** It's not a bridge to nowhere, but the project we're building now will not be 100% functional because it's suppose to be over-passing the Palmetto so it avoids the traffic lights for the trucks.

It was in the fifth year before. It was only there for a couple of weeks. We were able to put it in as our projections looked and then there was a new revenue estimating conference. Those projections fell a little short so we had to pluck it.

**Q: Tell us about I-395.**

**A:** We're getting to the point of wrapping up our preliminary [work] in June.

We're looking for partnership. Right now Miami-Dade Expressway Authority has a solicited project to evaluate and possibly build our project for us as part of improvements on their 836 toll system.

So there might be a way to deliver that project sooner. It's a very big project that would benefit the center of Miami. That whole area has been revitalized over the last 10 years and the roadway is deficient and needs some drastic improvement.

Everything has been coordinated with the city and the performing arts center and the county. We're looking to develop that project further and then implement it somehow, whether it be with the expressway authority or through some other mechanism. But it is a big dollar value, \$750 million to \$800 million.

**Q: What is the vision?**

**A:** Right now the bridge is only 14 feet above the adjacent ground. You try to get from street to street, you can't. We want to raise the bridge to create a more friendly atmosphere under the bridge and potentially have venues for a park or recreational areas or green areas desperately needed.

**Q: If you were king and had all the money in the world, what would you build?**

**A:** From the highway side, the 395 project. From a transit point of view I'd like to see how we can extend Metrorail so more citizens would have the opportunity to get out of their cars.

How we can work together with our partners to make sure we're not competing against each other for funding but we're complementing each other to deliver transportation infrastructure so we can leverage our dollars to get a bigger bang – that's what I would do if I'm king.

**Q: The MPO board is commissioners, mayors. You don't have engineers and transportation experts making decisions. Is that a challenge?**

**A:** Everyone brings something to the table, certainly their experiences. One thing the MPO process does have is technical committees made up of engineers and planners. The board has more

of an oversight role of endorsement of projects and asking the questions. We have very talented board members that are very interested in transportation and certainly ask very good questions. There's training also for MPO members so that they can understand their role.

**Q: Your 2035 plan – are there large projects in the long-range we may not know about?**

**A:** Some of the projects like Krome Avenue, the 395, would be within that range of years that we would have planned and unfunded because you can't predict that far.

A lot of projects we have underway like the Port of Miami Tunnel or the Miami Intermodal Center we deliver through innovative financing processes. It's like buying a house, these are such big projects you're making payments to pay back the capital expense.

**Q: Do you foresee more public-private partnerships or innovative financing in the future?**

**A:** It has to be for the right projects, but certainly. They are talking about a jobs bill moving very fast through Congress and again having another wave of stimulus dollars in our community, so we will need our transportation partners ready to deliver some more projects.

The 25th Street [viaduct] – if we got more stimulus I would like to get that implemented today.

**Q: What do you consider a great accomplishment so far?**

**A:** Being able to deliver projects that have been in planning stages for a long time. The port tunnel was on and off, and finally helping bring that project to fruition is a great success.

It's not my accomplishment; it's the community's accomplishment.

**Q: Goals for the future?**

**A:** The revenue situation is always a problem. You have deal with priority issues and try to get these projects underway, and that's going to be a challenge.

One of the goals through the MPO process we need to work toward is, because of all these competing projects,

try to put a benefit cost to every project so you can help rationalize the priority.

You can make sure those investments create the biggest benefit. We use that process when we identify safety projects. We do engineering assessments. What's it going to take to solve that problem? How can we reduce property damage? How can we save lives?

All these are quantified to help us say "this is the project we need to do first." I could see that process being expanded to all our projects. That would be one of my goals.

**Q: What's been the impact of the I-95 managed lanes?**

**A:** The whole freeway has improved. The express lanes have allowed those vehicles that wanted to go for the longer trip to avoid local traffic. Weaving maneuvers not only create safety problems but also create congestion, so by moving that traffic stream into dedicated lanes we've been able to make the general purpose lanes move more efficiently.

**Q: Revenue-wise, has it met expectations?**

**A:** We are tracking a little bit below our forecast probably because with the economy people are driving a little less, but the project was not to create revenue. The toll is the meter that meters the traffic of what's in the express lane.

**Q: The question of dedicated funding for Tri Rail was recently solved, and the money is coming from the state transportation trust. Does that take way from other projects?**

**A:** Not at the current time.

**Q: Will it? Or could it?**

**A:** You're asking a hypothetical question. No matter how you slice it, the pizza is only so big. So what you're doing is deciding how you're going to make those investments in transportation and it was decided by the legislature to help fund Tri-Rail through this process.

**Q: Tell us about your family and community involvement.**

**A:** I have two boys. My wife was born in Miami. I represent the state employees on the United Way cabinet.