

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Transportation Committee

BILL: SB 1350

INTRODUCER: Senator Sebesta

SUBJECT: Department of Transportation

DATE: March 2, 2006

REVISED: 3/8/06

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Eichin	Meyer	TR	Fav/3 Amendments
2.			GE	
3.			TA	
4.				
5.				
6.				

Please see last section for Summary of Amendments

Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

Senate Bill 1350 increases the maximum outstanding bond debt allowed for turnpike projects from \$4.5 billion to \$6 billion. The nature of the cap is changed from “bonds issued” to “bonds outstanding”. Additionally, obsolete provisions are deleted.

This bill substantially amends section 338.2275 of the Florida Statutes.

II. Present Situation:

The Florida's Turnpike Enterprise is a 450-mile system of limited-access toll highways. The Turnpike's mainline passes through 11 counties from north Miami to a junction with Interstate 75 in north central Florida. In addition to the 265-mile mainline, the Turnpike system includes the 47-mile Homestead Extension, which takes motorists to the top of the Florida Keys; the 23-mile Sawgrass Expressway/Toll 869 in Broward County; the 19-mile Seminole Expressway/Toll 417 in Seminole County; the 15-mile Veterans Expressway/Toll 589 in Tampa; an eight-mile portion of the Bee Line Expressway/Toll 528 in Orlando; the six-mile Southern Connector Extension of the Central Florida GreeneWay/Toll 417 in Orlando; the 25-mile Polk Parkway; and the 42-mile Suncoast Parkway.

The 1990 Florida Legislature passed legislation implementing a financing plan for Florida's Turnpike system to use the bonding capacity of the Turnpike to finance new transportation projects on a statewide basis. The bonds are repaid through tolls collected over time. Section 338.2275, F.S., establishes a ceiling on the amount of Turnpike bonds that can be issued to fund Turnpike projects. In 1997, the Florida Legislature authorized the continued expansion of the Florida's Turnpike System by approving additional initiatives such as increasing the Turnpike's bonding capability from \$1.5 billion to \$3 billion and identifying additional statewide projects. In 2003, the bond cap was again increased to reach its current \$4.5 billion level. The current Work Program includes planned bond issues which will exhaust the Turnpike's current legislative bond cap by Fiscal Year 2010. This program consists of the completion of the Western Beltway, Part C; adding 150 lane miles through widening of the Turnpike System at a cost of nearly \$1 billion; adding 4 new interchanges and improving 3 other interchanges at a cost of \$200 million to improve access to the Turnpike System; converting the Sawgrass Expressway to a fully electronic, open road tolling project and adding SunPass Express lanes at other locations; Toll and Intelligent Transportation System (ITS) improvements to better manage the System to improve capacity and throughput at the toll plazas; and continuing to improve safety and preserve the existing System.

In order to fund the significant capital program during the upcoming five-year period, the Turnpike is planning five bond issues totaling approximately \$2.2 billion. The long-range financial planning model for the Turnpike includes numerous system improvements providing access and capacity to the existing system, as well as significant funding for preservation, safety, modernization, and replacement of toll equipment technology.

III. Effect of Proposed Changes:

The bill raises the current maximum allowable dollar amount of bonds issued for Turnpike projects from \$4.5 billion to \$6 billion in outstanding bonds.

The increased bond cap would allow the Turnpike to continue to expand beyond the current five-year capital plan, as well as bring additional projects inside the existing five-year plan based on the revenues available to support additional bonds.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Turnpike bonds do not affect the state debt affordability plan or the state debt cap because the Turnpike bonds are supported by toll revenues.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

Barcode 425342 by Transportation. Current law allows the State to issue revenue bonds for financing local fixed-guideway projects on a 50/50 state/local match basis. The amendment allows for variable matching rates for fixed-guideway transit funding, establishing only an upward limit on the State's share at 50 percent of the eligible project cost.

Barcode 903914 by Transportation. This amendment:

- Requires the Florida Department of Transportation (FDOT) to expand the general advertising of bids to enhance competition for contracts.
- Allows FDOT to waive the requirement for contractors to be pre-qualified to bid on jobs when the project is under \$500,000 and noncompliance will not endanger the public health, safety, or welfare.
- Allows maintenance contractors to post surety bonds for the amount of work on long-term contracts incrementally, that is, only post a bond large enough to cover the next year's worth of work.
- Raises the contract price threshold under which FDOT may waive contractor surety bond requirements from \$150,000 to \$250,000.
- Allows FDOT to waive surety bond requirements for contracts greater than \$250 million provided the contractor can provide alternate means of security for the balance of the contract amount.

Barcode 045272 by Transportation. This amendment allows the FDOT or any statutorily-created toll authority to contract with public or private entities to promote and provide additional uses for an electronic toll collection system.