

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Transportation

BILL: CS/SB 1024

INTRODUCER: Transportation Committee and Senator Simmons

SUBJECT: Central Florida Expressway Authority

DATE: March 12, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Eichin	TR	Fav/CS
2.			ATD	
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1024 addresses issues relating to the Central Florida Expressway Authority and the Wekiva Parkway. The bill revises membership provisions relating to the Central Florida Expressway Authority governing body and repeals superseded language requiring that title to the former Orlando-Orange County Expressway System be transferred to the state under certain conditions.

II. Present Situation:

Historical Background of the Orlando-Orange County Expressway Authority

The former Orlando-Orange County Expressway Authority (OOCEA) was created by the Legislature with the power to construct, operate, and maintain roads, bridges, avenues of access, thoroughfares, and boulevards in Orange County, as well as in any consenting county within whose jurisdiction the activities occurred. The OOCEA was authorized to issue bonds. The OOCEA System was operated almost from its inception pursuant to a lease-purchase agreement, generally under which the FDOT agreed to assume certain operation and maintenance costs for certain OOCEA facilities.¹

¹ See Budget Committee Staff Analysis for SB 1998, February 15, 2012, for more detail on the lease-purchase agreement history.

The most recent supplemented and extended lease-purchase agreement was to remain in effect until all bonds and any refunding bonds were fully paid and the FDOT was reimbursed for all amounts owed to it under the agreement. OOCEA's obligation to the FDOT in early 2012 was approximately \$235 million, with full repayment to the FDOT expected in 2042.² The lease-purchase agreement was statutorily required to provide that upon termination of the agreement, title to the OOCEA System must be transferred to the state.³

The OOCEA and the Wekiva Parkway

In 2012, the OOCEA and the FDOT agreed, pursuant to a Memorandum of Understanding (MOU) and the existing lease-purchase agreement, to jointly undertake construction of the Wekiva Parkway, a beltway around the Metropolitan Orlando area.⁴ The agreement called for the OOCEA to independently finance, build, own, and manage sections of the Parkway primarily in Orange County, and the FDOT to be responsible for the remaining portions of the Parkway in Lake and Seminole Counties.⁵

To ensure available funds to the FDOT for its portion of the Wekiva Parkway, the 2012 Legislature codified references to the existing MOU and lease-purchase agreement and established a repayment schedule for the OOCEA to reimburse the FDOT for the costs of operation and maintenance of the OOCEA System in accordance with the terms of the MOU. The OOCEA was required to pay the FDOT \$10 million on July 1, 2012, and \$20 million every July 1 thereafter to pay off the long-term debt obligation to the FDOT.^{6, 7}

The Legislature also required that upon the earlier of the defeasance, redemption, or payment in full of bonds issued before July 1, 2012, or the earlier date to which the purchasers of the bonds have consented:

- The obligations of the FDOT under the lease-purchase agreement terminate, including payment of any cost of operation, maintenance, repair, or rehabilitation of the system;
- The lease-purchase agreement terminates;
- The expressway system remains the property of the CFX and may not be transferred to the FDOT; and
- The OOCEA remains obligated to reimburse the FDOT according to the terms of the MOU.⁸

These provisions superseded the previously enacted statutory requirement in s. 348.757(2), F.S., that the lease-purchase agreement provide for transfer of title to the former OOCEA System to the state upon termination of the agreement.

² *Id.*

³ Section 348.757(2).

⁴ See Metroplan Orlando website, *The Wekiva Parkway Project is Preparing to Move Forward:*

<http://www.metroplanorlando.com/news/press-releases/wekiva-parkway-project-moves-forward/>. Last visited March 7, 2015.

⁵ See the Florida Transportation Commission's *Transportation Authority Monitoring and Oversight Fiscal Year 2013 Report*, p. 4.

⁶ Chapter 2012-128, L.O.F.

⁷ The FDOT advises that \$50 million has been received through July 1, 2014. The balance due at June 30, 2014, was \$212,995,312.00. See the FDOT email and spreadsheet, August 27, 2014. On file in the Senate Transportation Committee.

⁸ *Supra*, note 6.

The OOCEA System Transfer to the Central Florida Expressway Authority

In 2014, the Legislature enacted CS/CS/SB 230, under which the former OOCEA was re-named as the Central Florida Expressway Authority (CFX). Governance and control, legal rights and powers, responsibilities, terms, and obligations of the OOCEA System were transferred to the CFX. The area served by the CFX was expanded to include, in addition to Orange County, Seminole, Lake, and Osceola Counties. The CFX governing body current consists of nine members:

- Three members are appointed, one each, by the chairs of the Seminole, Lake, and Osceola County Commissions. Each appointee may be a commission member or the commission chair;
- One member from the Orange County Commission is appointed by the Orange County Mayor;
- Three members are appointed by the Governor. Each appointee must be a citizen of either Orange, Seminole, Lake, or Osceola County; and
- Two members must be the Orange County Mayor and the City of Orlando Mayor.⁹

The executive director the Florida Turnpike Enterprise serves as a non-voting advisor. Each member appointed by the Governor serves for four years, and each county-appointed member serves for two years. Members hold office until his or her successor has been appointed and qualified.¹⁰ The CFX currently holds officer elections in the month of January.¹¹

III. Effect of Proposed Changes:

Section 1 amends s. 348.753(3)(a), F.S., to revise requirements relative to the appointments to the CFX governing body by the chairs of the County Commissions of Seminole, Lake, and Osceola Counties. Currently, as noted, each of these appointees *may* be a commission member or chair. The bill provides that each of the three appointees *must* be a commission member or chair *or a county mayor*.¹² The bill also provides that the term of each member appointed by the Governor, who currently serve four years, ends on December 31 of his or her last year of service. The CFX advises this revision is to accommodate the CFX's January officer elections.¹³ This section also makes editorial changes and repeals an obsolete date reference related to expiration of the terms of standing board members.

Section 2 amends s. 348.757(2), F.S., to remove the requirement that the lease-purchase agreement between the former OOCEA and the FDOT provide for transfer of title to the OOCEA system to the FDOT upon termination of the agreement, as the language has been superseded by the re-payment and transfer provisions enacted by the 2012 Legislature in ch. 2012-128, Laws of Florida.

⁹ Section 348.753(3), F.S.

¹⁰ *Id.*

¹¹ See CFX email to Committee Staff, March 5, 2015. On file in the Senate Transportation Committee.

¹² The CFX advises this change is to accommodate different forms of county government structure. *Supra*, note 11.

¹³ *Supra*, note 11.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 348.753 and 348.757.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation on March 12, 2015:

The CS modifies the bill by removing the repeal of s. 348.757(2), F.S., which currently prohibits the CFX from constructing any extensions, additions, or improvements to the expressway system in Lake County without the prior consent of the Secretary of Transportation, thereby preserving the Legislature's expressed intent to ensure the continued financial feasibility of the portions of the Wekiva Parkway for which the FDOT is responsible.

- B. **Amendments:**

None.