

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 1101 Central Florida Expressway Authority

**SPONSOR(S):** Miller

**TIED BILLS:** **IDEN./SIM. BILLS:** CS/SB 1024

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Ports Subcommittee	12 Y, 0 N, As CS	Johnson	Vickers
2) Transportation & Economic Development Appropriations Subcommittee			
3) Economic Affairs Committee			

### SUMMARY ANALYSIS

The bill relates to the Central Florida Expressway Authority (CFX). In summary, the bill:

- Retitles Part III of Ch. 348, F.S., to reflect that the part relates to CFX instead of the former Orlando-Orange County Expressway Authority (OOCEA).
- Clarifies that authority members from Seminole, Lake, and Osceola Counties must be a county commission member, chair, or county mayor from their respective counties.
- Provides that the terms of authority members appointed by the Governor end on December 31 of the last year of service.
- Repeals an obsolete provision regarding the term ending dates of the board members of the former OOCEA.
- Removes the requirement that one of the authority members serve as the authority's secretary.
- Clarifies that CFX is a party to a 1985 lease purchase agreement between OOCEA and the Department of Transportation (DOT).
- Removes a requirement that the former OOCEA system be transferred to the state upon the completion and performance of a lease-purchase agreement.

The bill does not appear to have a fiscal impact on state and local governments.

The bill has an effective date of July 1, 2015.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Current Situation

The Orlando Orange County Expressway Authority (OOCEA), was created in part III of Ch. 348, F.S.,<sup>1</sup> and served Orange County. It was authorized to construct, operate, and maintain roads, bridges, avenues of access, thoroughfares, and boulevards in the county, as well as outside the jurisdictional boundaries of Orange County with the consent of the county within whose jurisdiction the activities occur.<sup>2</sup>

In 2014, CS/CS/SB 230 changed OOCEA to the Central Florida Expressway Authority (CFX).<sup>3</sup> In summary, the bill:

- Created CFX and provides for the transfer of governance and control, legal rights and powers, responsibilities, terms and obligations of OOCEA to CFX.
- Provided for the composition of the governing body of CFX and the appointment of its officers.
- Provided ethics and accountability requirements of CFX board members and employees.
- Provided that the area served by CFX is within the geographical boundaries of Orange, Seminole, Lake, and Osceola Counties.
- Removed the existing OOCEA requirement that the route of a project be approved by a municipality before the right-of-way can be acquired.
- Required that CFX encourage the inclusion of local-, small-, minority-, and women-owned businesses in its procurement and contracting opportunities.
- Removed the existing OOCEA authority to waive payment and performance bonds for certain public works projects awarded pursuant to an economic development program.
- Provided that upon termination of the lease-purchase agreement of the Central Florida Expressway System, title will be retained by the state, and extends the terms of lease-purchase agreements from 40 to 99 years.
- Provided for the transfer of the Osceola County Expressway System to CFX and provides for the repeal of the Osceola County Expressway Authority Act<sup>4</sup> when the Osceola County Expressway System is transferred to CFX.

Section 348.757, F.S., authorizes CFX to enter into a lease-purchase agreement with DOT relating to and covering the former OOCEA system.<sup>5</sup> Current law requires the lease purchase agreement to provide for the leasing of the former OOCEA system, by CFX, as lessor, to DOT, as lessee must prescribe the term of such lease and rentals to be paid, and must provide that upon the completion of the faithful performance and termination of the lease purchase agreement, title in fee simple absolute to the former OOCEA system as then constituted shall be transferred in accordance with law by CFX, to the state and CFX shall deliver to DOT such deeds and conveyances as shall be necessary or convenient to vest title in fee simple absolute in the state.

In 2012, DOT and the former OOCEA entered into a Memorandum of Understanding regarding the Wekiva Parkway. As part of the negotiations, OOCEA and DOT agreed that the provisions of the lease-purchase agreement to transfer the expressway system to DOT upon satisfaction of the bonds would be deleted, and that OOCEA would retain title to the system. However, s. 348.757(2), F.S., which requires OOCEA to transfer its system to the state, has been superseded by s. 348.757(9), F.S., which reflects the 2012 Memorandum of Understanding.

CFX currently owns and operates 105 centerline miles of roadway in Orange County, which includes:

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<sup>1</sup> Part III of Ch. 348, F.S., consists of ss. 348.751 through 348.765, F.S.

<sup>2</sup> S. 348.754(2)(n), F.S.

<sup>3</sup> Ch. 2014-171, L.O.F.

<sup>4</sup> Part V of Ch. 348, F.S.

<sup>5</sup> S. 348.757(1), F.S.

- 22 miles of the Spessard L. Holland East-West Expressway (SR 408);
- 23 miles of the Martin Andersen Beachline Expressway (SR 528);
- 33 miles of the Central Florida GreeneWay (SR 417);
- 22 miles of the Daniel Webster Western Beltway (SR 429); and
- 5 miles of the John Land Apopka Expressway (SR 414).

### **Proposed Changes**

The bill changes the title of Part III of Ch. 348, F.S., from Orlando-Orange County Expressway Authority to Central Florida Expressway Authority to reflect the new name of the authority.

The bill amends s. 348.753(3), F.S., providing that the chairs of the boards of county commission from Seminole, Lake, and Osceola Counties appoint one member of the board from their respective counties, who *must* be a county commission member, chair, or county mayor.<sup>6</sup> The bill also provides that members appointed by the Governor have their terms end on December 31 of his or her last year of service. This change is intended to accommodate the January 2015 election of CFX officers. The bill also removes an obsolete provision regarding the terms of standing board members from when the make-up of the board changed in the 2014 law.

The bill amends s. 348.753(4)(a), F.S., removing the requirement that one of the members of the board serve as the authority's secretary.

The bill amends s. 348.754(2)(e), F.S., clarifying that CFX is a party to a December 23, 1985, lease purchase agreement between OOCEA and DOT.

The bill amends s. 348.757(2), F.S., removing the provision that upon completion and termination of the lease-purchase agreement that title in fee simple absolute of the former OOCEA system is transferred by the authority to the state.

The bill has an effective date of July 1, 2015.

### **B. SECTION DIRECTORY:**

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| Section 1 | Retitles Part III of Ch. 348, F.S.   |
| Section 2 | Amends s. 348.753, F.S., relating to the governing body of the Central Florida Expressway Authority. |
| Section 3 | Amends s. 348.754, F.S., relating to the purpose and power of CFX.                                   |
| Section 4 | Amends s. 348.757, F.S., relating to a lease-purchase agreement.                                     |
| Section 5 | Provides an effective date.  |

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

<sup>6</sup> Currently, s. 348.753(3), F.S., provides that appointees *may* be a county commission member or chair.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 17, 2015, the Transportation & Ports Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. In summary the amendment:

- Corrected the title in part III of Ch. 348, F.S., to reflect 2014 change in the name from Orlando-Orange County Expressway Authority to Central Florida Expressway Authority.
- Removed a provision repealing a requirement that CFX obtain consent from the Secretary of DOT prior to expanding into Lake County. The provision will remain in statutes.
- Clarified that the Central Florida Expressway Authority is a party to an agreement between the Department of Transportation and the former Orlando-Orange County Expressway Authority.

This analysis is written to the committee substitute.