

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 825 Central Florida Expressway Authority

SPONSOR(S): Miller

TIED BILLS: **IDEN./SIM. BILLS:** SB 1110

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Ports Subcommittee	11 Y, 0 N, As CS	Willson	Vickers
2) Economic Affairs Committee	15 Y, 0 N	Willson	Pitts

SUMMARY ANALYSIS

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

- 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 the authority members appointed by the Governor must end on December 31 of the last year of service.
- Removes an obsolete provision regarding the term ending dates of the board members of the former Orlando-Orange County Expressway Authority (OOCEA).
- Removes a requirement that one of the authority members serve as the authority's secretary.
- Removes a provision that requires title to the former OOCEA system be transferred to the state upon the performance and termination of a lease-purchase agreement.

The bill does not appear to have a significant fiscal impact on state or local government.

The bill has an effective date of July 1, 2016.

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.,¹ 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.²

In 2014, CS/CS/SB 230 changed OOCEA to the Central Florida Expressway Authority (CFX).³ 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.
- Extends the terms of lease-purchase agreements between the Central Florida Expressway System and the state 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 Act⁴ 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 for the former OOCEA system.⁵ The agreement must provide for the leasing of the former OOCEA system, by CFX, as lessor, to DOT, as lessee, as well as prescribe the term of such lease and rentals to be paid. Upon the completion of the faithful performance and termination of the lease-purchase agreement, CFX must transfer title to the system to the state.

In 2012, the OOCEA and DOT agreed, pursuant to a Memorandum of Understanding (MOU), to jointly undertake construction of a beltway around the Orlando metropolitan area called the Wekiva Parkway (Parkway).⁶ An Interlocal Agreement was approved in 2014 that included specific terms and conditions governing the project that are consistent with the MOU. The agreement called for the OOCEA to independently finance, build, own, and manage sections of the Parkway located primarily in Orange County, and for DOT to be responsible for the remaining portions of the Parkway in Lake and Seminole Counties.⁷ As part of the agreement, the OOCEA agreed to repay long-term debt owed to DOT.

¹ Part III of Ch. 348, F.S., consists of ss. 348.751 through 348.765, F.S.

² s. 348.754(2)(n), F.S.

³ Ch. 2014-171, Laws of Fla.

⁴ Part V of Ch. 348, F.S.

⁵ s. 348.757(1), F.S.

⁶ See Metroplan Orlando website, *The Wekiva Parkway Project is Preparing to Move Forward* (June 30, 2012), available at <http://www.metroplanorlando.com/news/press-releases/wekiva-parkway-project-moves-forward/>. (last visited December 10, 2015).

⁷ See the Florida Transportation Commission's *Transportation Authority Monitoring and Oversight Fiscal Year 2013 Report*, p. 4, available at <http://www.ftc.state.fl.us/reports/TAMO.shtm> (last visited December 10, 2015).

To ensure that funds would be available for the DOT portion of the Wekiva Parkway, the 2012 Legislature required the OOCEA to repay DOT for the operation and maintenance of the expressway system in accordance with the lease-purchase agreement. A repayment schedule was established for the OOCEA to reimburse DOT for all costs of the expressway system which were paid, advanced, or reimbursed to the OOCEA by DOT.⁸

Additionally, the 2012 Legislature provided for the expressway system to remain the property of the former OOCEA upon termination of the lease-purchase agreement.⁹ This provision superseded an earlier statutory provision, which required title to the expressway system to be transferred to the state upon termination of the lease-purchase agreement.¹⁰

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

- 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 amends s. 348.753(3), F.S., providing that the individual appointed by the respective Seminole, Lake, and Osceola boards of county commissioners *must* be a county commissioner or county mayor.¹¹ 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. The bill also removes an obsolete provision related to term expiration for past board members.

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. 348.757(2), F.S., removing the provision that, upon completion and termination of the lease-purchase agreement, title in fee simple absolute of the former OOCEA system is transferred by the authority to the state. This language has been superseded by the repayment and transfer provisions enacted by the 2012 Legislature in Ch. 2012-128, Laws of Florida, and the Interlocal Agreement between DOT and CFX regarding the Wekiva Parkway.

The bill has an effective date of July 1, 2016.

B. SECTION DIRECTORY:

Section 1 Amends s. 348.753, F.S., relating to the governing body of the Central Florida Expressway Authority.

Section 2 Amends s. 348.757, F.S., relating to a lease-purchase agreement.

Section 3 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

⁸ s. 101, Ch. 2012-174, Laws of Fla. See also s. 348.7546, F.S.

⁹ s. 348.757(9), F.S.; Ch. 2012-174, Laws of Fla.

¹⁰ s. 348.757(2), F.S.

¹¹ Currently, s. 348.753(3), F.S., provides that appointees *may* be a county commission member or chair.

None.

2. Expenditures:

To the extent that any extensions, additions, or improvements to the expressway system in Lake County impact those portions of the Wekiva Parkway for which the DOT is responsible, the financial feasibility of those portions may be negatively impacted.

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:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 12, 2016, the Transportation & Ports Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. In summary, the amendment:

- Removed a provision repealing a requirement that CFX obtain the Secretary of DOT's consent prior to the construction of any extensions, additions, or improvements to the expressway system in Lake County. The provision will remain in statute.