

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 6011 Alligator Alley Toll Road

**SPONSOR(S):** Rommel

**TIED BILLS:** IDEN./SIM. **BILLS:** SB 72

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	11 Y, 0 N	Johnson	Vickers
2) Transportation & Tourism Appropriations Subcommittee	12 Y, 0 N	Hicks	Davis
3) State Affairs Committee		Johnson	Williamson

### SUMMARY ANALYSIS

Alligator Alley is a 78-mile tolled portion of Interstate 75 connecting Naples and Fort Lauderdale. A portion of the toll revenues are used to reimburse Collier County for the costs of operating a fire station located at mile marker 63 (MM 63). Currently, reimbursement occurs through an interlocal agreement effective July 1, 2014, through June 30, 2019.

The bill removes the June 30, 2019, expiration date and requires the Department of Transportation (DOT) to permanently fund a local governmental entity's direct actual costs of operating the fire station at MM 63 from the toll revenues collected on Alligator Alley.

By removing the sunset date, the bill maintains DOT's current annual spending requirements of approximately \$1.6 million. See Fiscal Analysis section for details.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

###### Use of Alligator Alley Toll Funds to Fund Fire Station

Section 338.26, F.S., establishes Alligator Alley as a toll road because the construction of the road “contributed to the alteration of water flows in the Everglades and affected ecological patterns of the historical southern Everglades.” It is a 78-mile toll road connecting Naples and Fort Lauderdale. Collier County provides fire, rescue, and emergency management services along Alligator Alley through a fire station located at mile marker 63 (MM 63) on Alligator Alley.

Current law sets forth required uses of the revenues generated from tolls for the use of Alligator Alley, which are deposited into the State Transportation Trust Fund. Revenues must be used to reimburse outstanding contractual obligations and to operate and maintain the highway and toll facilities, including reconstruction and restoration. With regard to the fire station on Alligator Alley, the revenues must be used:

- To design and construct the fire station at MM 63, which may be used by a county or other local governmental entity to provide services to the public on Alligator Alley; and
- To reimburse a county or other local governmental entity for the direct actual costs of operating the fire station. Reimbursement occurs through an interlocal agreement effective July 1, 2014, through no later than June 30, 2019.<sup>1</sup>

Revenues generated annually in excess of those required to pay the above-described expenses may be transferred to the Everglades Trust Fund and used for certain environmental projects.<sup>2</sup> Upon termination of the interlocal agreement for the fire station, DOT would be authorized to use the excess revenues for such environmental projects.

According to DOT’s 2018 Annual Report for its Enterprise Toll Operations,<sup>3</sup> for Fiscal Year (FY) 2017-2018, Alligator Alley had \$32.8 million in gross toll revenue, with operating and maintenance expenses of \$10.0 million and annual debt service payments of \$2.8 million. The maintenance expenses include funding for rest area improvements, fire station operations, and interchange lighting projects.

###### Interlocal Agreement

On May 9, 2014, DOT and the Collier County Board of County Commissioners entered into an interlocal agreement providing the terms and conditions under which DOT would “provide funding to the County for the County’s expenses in purchasing equipment, compensating County employees, and otherwise providing fire, rescue, and emergency services utilizing the fire station.”<sup>4</sup>

DOT included the fire station in its construction project when it rebuilt the rest area at MM 63 and the fire station opened in early 2015.<sup>5</sup> The fire station was built for the exclusive use of Collier County for

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<sup>1</sup> S. 338.26(3)(a), F.S.

<sup>2</sup> S. 338.26(3)(b), F.S.

<sup>3</sup> The 2018 report is the latest posted to DOT’s Turnpike Enterprise webpage and is available at:[http://www.floridasturnpike.com/documents/reports/Toll%20Operations%20Annual%20Report/3\\_Department%20Owned.pdf](http://www.floridasturnpike.com/documents/reports/Toll%20Operations%20Annual%20Report/3_Department%20Owned.pdf) (Last visited March 4, 2019).

<sup>4</sup> Department-Collier County Interlocal Agreement, CSFA No. 55.036, May 9, 2014, at pp. 2-3.

<sup>5</sup> Department-Collier County Interlocal Agreement at p. 2 and 3. Marco Eagle, *New fire/EMS station opens on Alligator Alley*, April 5, 2015, available at <http://www.marconews.com/story/news/2015/04/03/new-fully-staffed-fireems-station-opens-alligator-alley/25238329/> (last visited January 25, 2019).

the duration of the interlocal agreement.<sup>6</sup> DOT owns the fire station and leases it to Collier County;<sup>7</sup> however, under the agreement, all equipment, personal property, vehicles, apparatus, and supplies acquired by the County with funding provided by DOT remain the property of the County.<sup>8</sup>

For the term of the agreement, DOT agreed to provide up to \$1,761,235 for direct actual capital costs and up to \$1,498,100 for the County's direct actual costs of operating the fire station.<sup>9</sup> The County agreed to bear all expenses in excess of DOT's specified participation.<sup>10</sup> The agreed-upon funding includes various annual operating items such as hired paramedics and firefighters, expenses for administrative and building maintenance, and expenses for bulk fuel and various types of search and rescue equipment. Capital costs include items such as vehicles, radios, and breathing air compressors.<sup>11</sup>

Information regarding DOT's Adopted Five-Year Work Program for 2014-2019 reflects the following funding for the MM 63 fire station:<sup>12</sup>

Fiscal Year	Amount
2013 - 2014	\$1,761,235
2014 - 2015	\$1,498,100
2015 - 2016	\$1,522,070
2016 - 2017	\$1,522,070
2017 - 2018	\$1,498,100
2018 - 2019	\$1,574,225

The fire station is currently staffed and equipped by the Greater Naples Fire District with three firefighters, one heavy rescue fire apparatus, one water tender, and one brush truck.<sup>13</sup>

### Effect of Proposed Changes

The bill amends s. 338.26(3)(a), F.S., removing the June 30, 2019, expiration date for the use of Alligator Alley toll revenue to reimburse a local governmental entity for the fire station located at MM 63. The bill requires DOT to permanently use toll revenue to reimburse a local governmental entity for the direct actual costs of operating the fire station at MM 63 to provide fire, rescue, and emergency management services to the public on Alligator Alley.

### B. SECTION DIRECTORY:

Section 1 amends s. 338.26, F.S., relating to the Alligator Alley toll road.

Section 2 provide an effective date of July 1, 2019.

<sup>6</sup> Department-Collier County Interlocal Agreement at p. 3. The agreement provides that state or local law enforcement may station officers, agents, or response teams at the fire station, based on space and availability.

<sup>7</sup> Department-Collier County Interlocal Agreement at p. 12.

<sup>8</sup> Department-Collier County Interlocal Agreement at p. 13.

<sup>9</sup> The Agreement also authorizes the County to request a Consumer Price Index adjustment of the total operating amount 30 days prior to July 1 for each year after the first covered by the Agreement. Department-Collier County Interlocal Agreement at p. 10.

<sup>10</sup> Department-Collier County Interlocal Agreement at p. 11.

<sup>11</sup> Department-Collier County Interlocal Agreement at Exhibit B.

<sup>12</sup> FDOT, Web Application, Office of Work Program and Budget, *Five Year Work Program – Project Summary for Transportation System: Intrastate Interstate, Description: Alligator Alley Fire Station @ MM63*, updated January 11, 2019, available at <https://fdotewp1.dot.state.fl.us/fmsupportapps/workprogram/Support/WPItemRept.ASPX?RF=HIS&D=01&CD=03&SD=FIRE%20STATION&FY=FALSE|FALSE|FALSE|FALSE|FALSE|FALSE&ITM=435389~1&RP=ITEM> and <https://fdotewp1.dot.state.fl.us/fmsupportapps/workprogram/Support/WPItemRept.ASPX?RF=WP&D=01&CD=03&SD=FIRE%20STATION&FY=FALSE|FALSE|FALSE|FALSE|FALSE|FALSE&ITM=435389~1&RP=ITEM> (Last visited March 4, 2019).

<sup>13</sup> E-mail from Lisa Hurley, HB 6011-Alligator Alley EMS Station: Follow up, (February 8, 2019).

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

The bill requires DOT to fund indefinitely a local governmental entity's direct actual costs for operating the MM 63 fire station from toll revenues collected on Alligator Alley. Current year expenditures for operating the fire station are \$1,574,225. These expenditures have averaged \$1.6 million annually over the last six years.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

A local governmental entity will indefinitely receive funding for actual operating and capital costs related to the fire station and thus, will only have to expend county funds for expenses above the costs agreed to in the interlocal agreement. The exact amount of such funding is unknown, but will likely be based on an agreed-upon estimated schedule of expenses incorporated into a new interlocal agreement or extension of the current interlocal agreement.

#### 2. Expenditures:

None.

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

None.

### D. FISCAL COMMENTS:

DOT has noted that the bill makes permanent the use of Alligator Alley toll revenues for a non-transportation purpose and the bill does not restrict the operating costs that could be incurred. Making the funding of the fire station permanent reduces the toll revenues that could be used for other statutorily established purposes, such as Everglades restoration. If DOT needs to issue future bonds supported from Alligator Alley toll proceeds, the bill would restrict the amount of toll proceeds available to pay the bonds. Finally, the continued flow of toll revenues for this purpose can be expected to continue to be a negative from the perspective of bond rating agencies.<sup>14</sup>

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to require counties or municipalities to spend funds or take any action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

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<sup>14</sup> Florida Department of Transportation, Agency Analysis of 2019 House Bill 6011, p. 5 (January 2, 2019).

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

None.