

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 Infrastructure and Security

BILL: SB 72

INTRODUCER: Senators Passidomo and Hooper

SUBJECT: Alligator Alley Toll Road

DATE: February 19, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Miller	IS	Favorable
2.			ATD	
3.			AP	

I. Summary:

SB 72 makes permanent the existing statutory obligation of the Florida Department of Transportation (FDOT) to reimburse a county or another local governmental entity for the direct actual costs of operating the fire station at mile marker 63 on I-75/Alligator Alley, currently set to expire no later than June 30, 2019.

The fiscal impact of this bill is indeterminate. See Section V, “Fiscal Impact Statement,” for details.

The bill takes effect July 1, 2019.

II. Present Situation:

Fire Station 63 on I-75/Alligator Alley

The Greater Naples Fire Rescue District currently provides fire, rescue, and emergency management services along I-75/Alligator Alley (the Alley).¹ These services are provided at a facility located at the FDOT’s rest area on the Alley at mile marker 63 (MM63).²

Use of Alley Tolls to Fund Fire Station 63

Section 338.26, F.S., recites the Legislative finding that construction of the Alley, while facilitating connection between the east and west coasts of Florida, “has contributed to the

¹ These services were originally provided by Collier County through its dependent fire district, the Ochopee Fire Control and Rescue District, and the county’s emergency medical services. The county subsequently assigned, and the Greater Naples Fire Rescue District assumed, responsibility for management of the Ochopee Fire Control Rescue District. *Infra* note 9.

² National Park Service, *Big Cypress: I-75, Mile Marker 63*, available at <https://home.nps.gov/bicy/planyourvisit/i-75-mm-63.htm>. (Last visited November 30, 2018.) Greater Naples Fire Rescue District, *Station 63*, available at <https://www.greaternaplesfire.org/gnfrd-location/station-63/>. (Last visited November 30, 2018.)

alteration of water flows in the Everglades and affected ecological patterns of the historical southern Everglades.” The Legislature therefore established a system of tolls on the Alley “to produce needed financial resources to help restore the natural resource values lost by construction of this highway.” The statute sets forth the required uses of the fees generated from tolls for use of the Alley, which are deposited into the State Transportation Trust Fund. Fees must be used to reimburse outstanding contractual obligations and to operate and maintain the highway and toll facilities, including reconstruction and restoration.

Currently, related to the MM63 fire station on the Alley, the statute requires the fees to be used to reimburse a county or another local governmental entity for the direct actual costs of operating the MM63 fire station, which may be used to provide fire, rescue, and emergency management services to the public on the Alley. Reimbursement must be accomplished through an interlocal agreement, effective July 1, 2014, through no later than June 30, 2019.³

Fees may also be transferred to the Everglades Fund for certain environmental projects or may be pledged for revenue bonds or notes issued to pay for environmental projects in the area. Upon termination of the interlocal agreement for the fire station, the FDOT would be authorized to use the fees for the other required or authorized uses described above.

Toll Revenues and Expenses

According to the FDOT’s 2017 Annual Report for its Enterprise Toll Operations,⁴ for Fiscal Year 2017-2018 through 2021-2022 the Alley will average \$36 million in gross toll revenue each year,⁵ with annual operating and maintenance expenses averaging \$10.2 million.⁶ The FDOT advises, as of December 31, 2018, outstanding bonds totaled \$17 million, with Fiscal Year 2019 debt service of \$8.4 million.⁷ The maintenance expenses include funding for rest area, safety, and lighting projects.⁸

The Interlocal Agreement for Fire Station 63

On May 9, 2014, the FDOT and the Board of Commissioners of Collier County entered into an interlocal agreement to provide the terms and conditions under which the FDOT would “provide funding to the County for the County’s expenses in purchasing equipment, compensating County

³ The FDOT’s obligation to “develop and operate” the MM63 fire station was first enacted in 2011. Chapter 2011-64, L.O.F. In 2014, the Legislature revised the FDOT’s obligation, to “design and construct” the MM63 fire station, and to reimburse a county or another local governmental entity for the direct actual costs of operating the station, with the obligation terminating no later than June 30, 2018. Chapter 2014-223, L.O.F. In 2018, the Legislature extended the FDOT’s obligation to reimburse the direct actual costs to no later than June 30, 2019. Chapter 2018-145, L.O.F.

⁴ The 2017 report is the latest located on the FDOT’s Turnpike Enterprise webpage and is available at: http://www.floridasturnpike.com/documents/reports/Toll%20Operations%20Annual%20Report/3_Department%20Owned.pdf. (Last visited December 7, 2018.)

⁵ *Id.* at p. 24, Table 2.8. The FDOT advises that actual revenues for Fiscal Year 2017-2018 totaled \$33,002,684, including tolls, fines, forfeitures, judgements, and fees). See the FDOT email to committee staff dated February 6, 2019. (On file in the Senate Infrastructure and Security Committee.)

⁶ *Id.* at p. 25, Table 2.9.

⁷ See the FDOT email to committee staff dated February 6, 2019. (On file in the Senate Infrastructure and Security Committee.)

⁸ *Supra* note 4 at p. 24.

employees, and otherwise providing fire, rescue, and emergency services utilizing the Fire Station.”⁹

The FDOT included the fire station in its construction project when it rebuilt the rest area at MM63, and the fire station opened in early 2015.¹⁰ The fire station was built “for the exclusive use of the County for the duration of this Agreement.”¹¹ The FDOT owns the fire station and leases it to the County.¹² However, under the agreement, “all equipment, personal property, vehicles, apparatus and supplies acquired by County with funding provided by DEPARTMENT...shall remain the property of County, notwithstanding any termination of this Agreement.”¹³

Funding in the Interlocal Agreement

For the term of the agreement, the FDOT agreed to provide a maximum of \$1,761,235 for direct actual capital costs and a maximum of \$1,498,100 for the county’s direct actual costs of operating the fire station.¹⁴ The County agreed to bear all expenses in excess of the FDOT’s specified participation.¹⁵ The agreed-upon funding includes various annual operating items such as hired paramedics and fire fighters; 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.¹⁶

Information regarding the FDOT’s Adopted Five-Year Work Program reflects the following funding by specified fiscal year for the MM63 fire station.¹⁷

⁹ FDOT-Collier County Interlocal Agreement (Interlocal Agreement), CSFA No. 55.036, May 9, 2014, at pp. 2-3. (On file in the Senate Infrastructure and Security Committee.) Effective June 20, 2017, Collier County assigned, and the Greater Naples Fire Rescue District assumed, all the rights and responsibilities of the Interlocal Agreement, with certain exceptions specified in Sections 8.D. and 8.F of the Interlocal Agreement. *See the Partial Assignment and Amendment of the Interlocal Agreement between the Florida Department of Transportation and Collier County*, under which the County retained its duties to repay the FDOT for advance payment and interest. Under the assignment, the Great Naples Fire District assumed the County’s responsibility for management of the Ochopee Fire Control District. (On file in the Senate Infrastructure and Security Committee.) Effective June 26, 2018, the term of the Interlocal Agreement was extended to June 30, 2019, in accordance with the 2018 legislation. *Supra* note 3. *See the Second Amendment of Interlocal Agreement between the Florida Department of Transportation and Greater Naples Fire Rescue District*. (On file in the Senate Infrastructure and Security Committee.)

¹⁰ *Id.* at p. 3. *See also* Marco Eagle, *New fire/EMS station opens on Alligator Alley*, April 5, 2015, available at <https://www.marconews.com/story/news/2015/04/03/new-fully-staffed-fireems-station-opens-alligator-alley/25238329/>.

(Last visited December 7, 2018.)

¹¹ *Supra* note 9. Interlocal Agreement at p. 3.

¹² *Supra* note 9. Interlocal Agreement at p. 12.

¹³ *Supra* note 9. Interlocal Agreement at p. 13.

¹⁴ *Supra* note 9. Interlocal Agreement at p. 10. The Interlocal Agreement also authorizes the Greater Naples Fire Rescue District 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 Interlocal Agreement.

¹⁵ *Supra* note 9. Interlocal Agreement at p. 11.

¹⁶ *Supra* note 9. Interlocal Agreement, Exhibit B.

¹⁷ 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 @ MM^#*, updated January 6, 2019, available at <https://fdotewp1.dot.state.fl.us/FMSupportApps/WorkProgram/Support/WPItemRept.ASPX?RF=HIS&IT=435389&IS=1&FY=> and 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 6, 2019, available at

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

III. Effect of Proposed Changes:

The bill amends s. 338.26(3)(a), F.S., removing reference to the term of the interlocal agreement, thereby rendering permanent the FDOT's obligation to use Alligator Alley toll revenues to reimburse a local governmental entity for the direct actual costs of operating the fire station at MM63 on the Alley.

The bill also removes reference to use of the MM63 fire station by a "county or another" local governmental entity, leaving a local governmental entity, currently the Greater Naples Fire Rescue District, as the sole entity with permissive authority to use the fire station for provision of fire, rescue, and emergency management services to the public on the Alley.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The FDOT will be permanently obligated to continue funding the Greater Naples Fire Rescue District's direct actual costs of operating the MM63 fire station from the fees generated from tolls collected on the Alley. Under current law, the FDOT is authorized to use the fees for the other required or authorized uses described in the statute.

The Greater Naples Fire District will continue to receive funding, indefinitely, for direct actual operating and capital costs of operating the fire station, and thus will only have to expend 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, which expires on June 30, 2019.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The FDOT provided the following bond-related comments:

- An "open flow of funds," or the diversion of toll revenues to uses not associated with the debt, could negatively impact bond ratings.
- An open flow of funds "raises the risk evaluation and ratings due to the unpredictability of external influences changing the flow of funds over the term of a bond."
- "Legislative redirection of revenues could be interpreted as a negative change in structural protection because it is a flow of funds external to the debt on the tolled facility."¹⁸

National rating agencies have given the most recent Alligator Alley bonds A+ or Aa3 ratings, with the outlook for the bonds being stable.¹⁹

¹⁸ See the FDOT's SB 72 Bill Analysis available at <http://abar.laspbs.state.fl.us/ABAR/Attachment.aspx?ID=27626> (last visited February 8, 2019.)

¹⁹ See *Fitch Affirms Alligator Alley Toll Road, FL's Rev Refunding Bonds at 'A+'; Outlook Stable*, July 27, 2018, and Moody's Investors Service, *Florida Department of Transportation – Alligator Alley, New Issue: Moody's assigns Aa3 to Florida Department of Transportation Alligator Alley, Series 2017A; outlook stable*. (On file in the Senate Transportation Committee.)

VIII. Statutes Affected:

This bill amends the following sections of the Florida Statutes: 338.26.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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