

## **SB 2152**

**Includes the elimination of the Tampa Hillsborough County Expressway Authority**

### **Background**

**SB 2152 (formerly PCB 7198) would consolidate three of the state's independent local toll agencies into the Florida Turnpike Enterprise and has been touted as potentially creating efficiencies and new debt capacity.**

**The bill passed the Senate on Thursday, April 7, 2011 with a vote of 28-11 and will now be moving into conference. The entire Hillsborough Senate legislative delegation voted against the bill.**

### **Loss of Local Control**

**Senate Bill 2152 is bad for Tampa Bay. It would eliminate local control of our expressways and the revenue they generate for our region. The Turnpike does not answer to local businesses or citizens who pay the tolls, or to locally elected officials like those who sit on THEA's board. The Florida Legislature approves the Turnpike budget and bureaucrats decide where Turnpike funds are spent. THEA was created to address local transportation concerns quickly, if the Turnpike controls Tampa Bay's transportation priorities, it could take years to address Tampa Bay's issues, placing us behind other regions of the state.**

### **Tampa Bay becomes a donor region**

**At a time when Tampa Bay has great transportation needs and no other sources of funding, we need to keep our toll revenues here so we can invest in alleviating Tampa Bay's transportation problems. SB 2152 does not guarantee that revenue will stay in Tampa Bay. Toll revenues will be able to leave the region through existing Turnpike facilities; turning Tampa Bay a donor region. The Turnpike, potentially, could use the THEA revenue as part of their calculation of bond potential for all Turnpike facilities. That bonding potential could be used anywhere in Florida. These "side doors" are the means by which the money will leave Hillsborough and we will become donors - paying for the needs of others.**

**It was the community of Tampa Bay's initiative to create and pay for a regional toll authority to address its transportation needs. The provision inserted into the bill to assure that toll revenue from THEA will stay here can easily be circumvented because it does not apply to facilities the Turnpike already owns in Hillsborough County. The Turnpike could move the like amounts of cash from those facilities to projects elsewhere in Florida.**

### **Jobs Put at Risk**

The Tampa-Hillsborough Expressway Authority has a current project that will generate up to 1,500 jobs this year in Tampa Bay. The proposed Turnpike takeover could put these local jobs at risk. SB 2152 provides no commitment to keep current THEA programmed capital projects active. Tampa Bay and Florida cannot afford to put any jobs at risk.

### **Rising Toll Rates**

SB 2152 could result in a 33% increase on toll rates on the Selmon Expressway by 2012 and a 40% increase by 2016. This would come from elimination of the SunPass discount and retroactive toll rate indexing. For motorist using SunPass charges could increase by 20%, retroactive toll rate indexing, of at least 13%, would allow for even higher tolls.

In this bill, the Turnpike relies on major toll rate increases to provide higher bond potential – the Turnpike Authority has an incentive to raise tolls. Additionally the Turnpike currently charges a \$2 per use fee for vehicles that do not use SunPass. This \$2 is in addition to the toll fee, THEA charges only the toll for motorists who opt for photo enforcement over SunPass.

### **Regional Expressway Authorities Have a Long History of Doing More with Less.**

The Expressway Authority is more efficient than the Turnpike so there will no cost savings. Under Turnpike control, the bond capacity gained from the takeover of 3 regional agencies is worth less than if those agencies remain independent.

The Turnpike's refinance of debt would reduce the value of facilities. The present value of the Selmon Expressway would drop by \$41.6 M due to refinancing and interest costs.

The Turnpike's current plan would not repay FDOT loans made to local authorities – a loss of \$364 million to FDOT. THEA has reimbursed FDOT for Operations and Maintenance every year since 2001. Using the latest Turnpike performance measures, the cost of Operations and Maintenance could go up by \$2.1 million per year for the Selmon Expressway.

### **Sensible Alternative**

The state and Turnpike would find greater sources of funding if they allowed the expressway authorities to buy the toll roads controlled by the Turnpike in each region. This could result in a cash injection of \$3 billion in funds for the state.

This option aligns policy, role, and function – regional authorities for urban commuter facilities and Turnpike for inter-regional/non-urban facilities. Toll rates on commuter facilities would be set at the local level and Commuter toll projects would be selected at the local level (still Florida State Highway improvements). “User-fees” retained where it is collected and does not create “donor regions”

*In a state the size and diversity of Florida one size does not fit all!*