

Legislature's 'meddling' in MDX will needlessly cost drivers millions

BY CARLOS A. GIMENEZ @MayorGimenez



If common sense prevails, the latest Fitch Ratings report putting the Miami-Dade Expressway Authority's "A" bond rating on "negative watch" because of misguided legislative meddling should put the brakes on two bills that would have the state take over and dismantle our county's independent MDX.

As I wrote to Gov. Ron DeSantis on April 19: "Lower credit ratings mean new debt issues that fund capital improvements will be more expensive. Given MDX's \$1.9 billion work program to provide for authorized capital improvements, as well as the promised Kendall Parkway, credit downgrades would cost the public tens — if not hundreds — of millions of dollars in additional borrowing costs."

And who pays for that unnecessary excess based on the whim of two legislators who seem to have thrown verified facts and vetted figures — not to mention bond covenants — to the wind to garner puny political points at the expense of our community's very real needs? Drivers who use MDX's five toll roads — that's who.

If that's not a troublesome scenario for toll payers, the legislation making its way through Tallahassee should worry communities throughout Florida, as well.

In fact, Fitch signals the statewide ramifications in warnings from 2018 and this year. Both Fitch reports cite the Central Florida Expressway (CFX) as a peer to MDX. CFX is rated "A"/Outlook Stable. This shows that the rating agency compares the various financial attributes and political environments of Florida expressway authorities.

Fitch's first warning in its July 27, 2018, report took into account legislation enacted in 2017 and 2018. While affirming MDX's "A" rating, Fitch lowered its rating outlook for MDX from Stable to Negative. The downgrade came, according to Fitch, because of the "unprecedented intervention taken by the Florida State Legislature usurping local autonomy to lower rates and divert surplus revenues."

Its second warning — on April 18 of this year — is even more ominous. Addressing HB 385, by Rep. Bryan Avila, and SB 898, by Sen. Manny Diaz Jr., the Fitch report looks at the impact of a new agency, like the "GMX" (Greater Miami Expressway Authority) the legislators are proposing. "If created," Fitch says, "the new agency's financial flexibility and rate-setting autonomy may be substantially altered from MDX's current form, which, if lessened, could result in a 1-2 notch downgrade."

Bottom line: Under the state law that helped create independent expressway authorities like Miami's MDX and Orlando's CFX, the state pledged not to limit or alter the rights vested in an expressway authority until all bonds have been paid off. Obviously, the Legislature ignored the law in 2017 and 2018 by limiting and altering MDX's ability to set tolls to meet the requirements of the bonds that paid for the work.

By contrast, my plan would merge MDX with the section of Florida's Turnpike that runs through our county to create a new authority that would have an ability to leverage current ridership and growth into a savings of almost \$9 billion in tolls, removing the state's CPI (cost of living) requirement on the Turnpike and lowering tolls on MDX and the Turnpike by 20 percent for 33 years.

Unlike the legislation in Tallahassee, which has an “aspirational goal” of cutting tolls by 25 percent for only 10 years – if they can make the numbers work, which is a big *if* — my proposal would have \$1.85 billion left over for transit and other transportation projects. The House and Senate bills have nothing, zilch, nada! And they cannot guarantee the Kendall Parkway, which would bring relief to more than 600,000 residents.

I joined the MDX board less than two years ago — to find ways to reduce tolls, which we have done, but to do so responsibly — which the legislative bills do not do.

I thank the legislators for opening my eyes to the problems we have way beyond MDX roadways, because 60 percent of the tolls our county residents pay are for state roads, like the Turnpike, and the express lanes on I-95, with express tolls coming soon on the Palmetto Expressway and the Turnpike.

Let’s all take a breath and work over the summer on real transportation solutions. I welcome working with legislators, but even if they don’t join me, I will not stop pushing for what’s right.

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