Research Regarding Toll Bridges – Emerald Mountain Expressway

The Emerald Mountain Expressway (EME) is a toll bridge that crosses the Tallapoosa River, and is located between Montgomery and Elmore counties, with the toll booths being located in Elmore County. The EME connects the City of Montgomery and Montgomery County to Elmore County by way of Wares Ferry Road, County Road 74, and County Road 4 (Rifle Range Road). It is a 2 (two) lane bridge with a length of three hundred eighty feet. It took 4.5 months to plan the bridge and 10 months to construct it. The EMC opened on December 30, 1994.

The developer that built the EMC is Mr. Jim Allen of Elmore County. Mr. Allen is the President and CEO of United Toll Systems. Mr. Allen got involved in the toll bridge building business because of the growing need for transportation infrastructure and because government money was not able to keep up with the transportation needs in his own community.

Congress passed the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). ISTEA encouraged local and state governments to get involved with private companies and individuals to try to solve infrastructure problems by working together to make infrastructure projects possible financially.

Mr. Allen put together a public/private-partnership between Elmore County, Montgomery County, the State of Alabama and United Toll Systems. The public-private partnership was put together to help finance and deliver the EME toll bridge project. United Toll Systems (UTS) owns approximately ¼ (one quarter) mile plus the major bridge structure, which crosses the Tallapoosa River. The ¼ (one quarter) mile section plus the major bridge structure was funded with 100% private funds, no public funds were used. The ¼ (one quarter) mile section plus the major bridge structure is the private section that the toll is charged on. The road connecting to the ¼ (one quarter) mile section plus the major bridge structure is a public access road, which was built solely with public money and not private money.

ISTEA was the federal legislation that drove the State of Alabama legislation to be created in what is known in the Section 23-1-81 of The Code of Alabama 1975. Enabling legislation was passed that basically said that counties and the Alabama Department of Transportation (ALDOT) could license a private legal company to build toll roads and toll bridges.

Section 23-1-81 in the Code of Alabama 1975, which applies to County Commissions, says:
“(a) The county commission of each county is invested with authority to purchase or establish toll bridges, free bridges, causeways, and ferries or free ferries within their respective jurisdictions as provided in this article and may levy a special tax to purchase or build the bridges and causeways when, in the opinion of the county commission, the public good requires it.
(b) The county commission of each county may also license any individual, group of individuals, partnership, corporation, association, or any other legal entity to establish or to operate toll roads, toll bridges, ferries, or causeways and authorize the license to establish and fix the rates of toll. Toll roads and toll bridges that are licensed by a county and which are on or over the line between any two counties shall be licensed by both counties.

(c) The State Department of Transportation may license any individual, groups of individuals, partnership, corporation, association, or any other entity to establish or to operate toll roads, toll bridges, ferries, or causeways and authorize the license to establish and fix the rates of toll.

(d) After a license is issued pursuant to subsection (b) or (c) by a county commission or the State Department of Transportation, no further license of any type from any governmental body or agency, including, but not limited to, a business license, shall be required to construct, own, or operate the toll road or toll bridge, ferry or causeway and no further license, tax, or fee may be imposed by any governmental body or agency.

(e) No toll bridge shall be established over the same watercourse within two miles of any other toll bridge.

(f) Nothing contained in this section shall be deemed to limit the authority of the Department of Conservation and Natural Resources to grant easements and licenses with respect to the placement of bridges on the state land.”

Preliminarily based on the information provided in Section 23-1-81 of the Code of Alabama 1975, County Commissions in Alabama may purchase or establish toll bridges or toll roads and may levy a special tax to purchase or build bridges when in the opinion of the county commission, the public good requires it. County Commissions may also license an individual(s), partnerships, corporations, associations or any other legal entity to establish or operate toll roads or toll bridges. The ALDOT may also license an individual(s), partnerships, corporations, associations or any other legal entity to establish or operate toll roads or toll bridges and also authorize the license to establish and fix the rates of toll. Also, with regard to the issue of competition with toll bridges, no toll bridge shall be established over the same watercourse within two miles of any other toll bridge.

It is understood that currently United Toll Systems is in the process of trying to refinance the EME toll bridge with Australian Bank Macquarie Infrastructure Group. Macquarie has requested the Montgomery Study Area regional travel demand model used in the 2030 long range transportation plan from the MPO Staff. Macquarie is having their own private consultant to study traffic patterns and potential revenue to see if the EME is worthy financially of being refinanced.
A similar refinancing situation took place in the year 2004 in the City of Orange Beach, where the Baldwin County Bridge Company, a corporation that was designed to own and manage the Foley Beach Expressway toll bridge over the Intracoastal Waterway. The Baldwin County Bridge Company had the Foley Beach Expressway toll bridge refinanced by Macquarie. The Baldwin County Bridge Company, City of Orange Beach and Macquarie are all public-private partners in the refinancing project. The Baldwin County Commission has to process paperwork needed to transfer the license to operate the Foley Beach Expressway to Macquarie. County Commissions and the ALDOT are the only public entities that can license a private company to operate a toll road or bridge. Macquarie refinanced $36.3 million in debt for the Baldwin County Bridge Company in 2004. Once the refinancing was complete the total of the transaction came to $67 million when other associated fees were added to the debt amount.

Macquarie currently is in the process of acquiring the Baldwin County Bridge Company as of January 19, 2006. It is not known as to whether or not a deal has been reached between the Baldwin County Bridge Company and Macquarie as of January 25, 2006.