

Tampa-Hillsborough County Expressway Authority  
Minutes of September 25, 2017 Board Meeting  
1104 E. Twiggs Street  
Tampa, FL 33602

The Tampa-Hillsborough County Expressway Authority held a public meeting at 1:30 p.m. on September 25, 2017, at the Authority's Transportation Management Center, 1104 E. Twiggs Street, Tampa, Florida. The following were present:

<b>BOARD:</b>	Vincent Cassidy, Chair Bennett Barrow, Vice Chair Danny Alvarez, Secretary Mayor Bob Buckhorn Commissioner Lesley "Les" Miller FDOT District VII Secretary David Gwynn
<b>STAFF:</b>	Joe Waggoner, Patrick Maguire, David May, Bob Frey, Amy Lettelleir, Rafael Hernandez, Debbie Northington, BJ Lamb, Man Le Max Artman, Donna Obuchowski, Sue Chase, Jeff Sweatland, Shari Callahan
<b>AECOM:</b>	Scott W. Collister
<b>BAML:</b>	Doug Draper
<b>FIRST SOUTHWEST:</b>	Ed Stull
<b>HNTB:</b>	Al Stewart
<b>KCCS:</b>	Dewey Martin, Kellie Loper, T. Thorn
<b>PLAYBOOK:</b>	Lindsey Parks, Mark Rottensteiner, Anna Cruz
<b>RK&amp;K:</b>	Chris Piazza
<b>SOUTH TAMPA CHAMBER:</b>	Kelly Flannery
<b>STOKES CREATIVE GROUP:</b>	John Melendez, Sam Capri
<b>WADE TRIM:</b>	Kevin Coughlin
<b>WSP/PB:</b>	Christina Kopp

**I. CALL TO ORDER, INVOCATION and PLEDGE OF ALLEGIANCE**

Chairman Vincent Cassidy called the meeting to order at 1:32 P.M., followed by General Counsel Maguire leading in the Invocation and recitation of the Pledge of Allegiance.

Chairman Cassidy reported Governor Scott has reappointed two existing Board Members and has filled the open slot. Shaun Oxtal will join us at the October 23, 2017 meeting, anticipating a full Board. Introduction to this new member, Mr. Shaun Oxtal, will occur at that time.

Chairman Cassidy also thanked both Commissioner Miller and Mayor Buckhorn for such a great job communicating over the past few weeks as it relates to the storm. As a citizen, Chairman Cassidy stated he "really felt like he was informed. Wonderful job!"

## II. PUBLIC INPUT / PRESENTATIONS

Chairman Cassidy introduced the Ms. Kelly Flannery and invited her to the podium to address the Board. Ms. Flannery thanked the Board for their time and introduced herself as Kelly Flannery, President & CEO of the South Tampa Chamber of Commerce representing more than 600 businesses and individuals throughout the Tampa Bay community. Ms. Flannery noted she is here today to formally extend an invitation for participation in the launch of the Shop Gandy Campaign taking place tomorrow, September 26<sup>th</sup>. Ms. Flannery explained that Shop Gandy is a campaign to help market and promote Gandy Boulevard area businesses before, during and after construction of the Selmon Extension Roadway Project. The initiative is a true community effort and a partnership with the South Tampa, Greater Tampa, St. Pete, and Greater Brandon Chambers of Commerce to help market and promote Gandy area businesses that will be impacted by construction of the Selmon extension. Ms. Flannery explained the features of the program including but not limited to the ShopGandy.com website dedicated to promoting Gandy businesses and serving as a resource for local businesses and residents. The website will include a calendar of events, a Gandy business directory, construction information, and more.

Ms. Flannery again invited Board Members as well as the local community to join THEA and the South Tampa Chamber of Commerce tomorrow, September 26, 2017, from 5:30 to 7:00 PM at 81 Bay Brewing Company, a local business on Gandy Boulevard for the official launch party for Shop Gandy.

Chairman Cassidy thanked Ms. Flannery and ensured those that can make it will be there. Mr. Waggoner thanked Ms. Flannery for her leadership and noted working with South Tampa Chamber of Commerce has been a very good cooperative experience. Mr. Waggoner again thanked Ms. Flannery and stated "Well done, Ms. Flannery. Thank you very much."

## III. APPROVAL OF MINUTES OF THE AUGUST 14, 2017 BOARD MEETING

*Mayor Buckhorn moved for approval of the August 14, 2017 Board Meeting Minutes, seconded by Mr. Alvarez. The motion passed unanimously.*

## IV. INFORMATIONAL / ACTION ITEMS

### A. Executive Director

#### 1. Upcoming Anticipated Board Member Travel – Joe Waggoner

Mr. Waggoner explained a request for funding for travel for the Chairman to attend two upcoming events. The first is the Intelligent Transport Systems (ITS) World Congress meeting in Montreal next month and the next to attend the TEAMFL quarterly meeting scheduled for Jacksonville. Mr. Waggoner noted the estimated value of this travel is approximately \$5,200. In accordance with Board Policy request for approval of this upcoming travel is requested prior to actual attendance.

*Mr. Alvarez made the following motion, seconded by Mr. Barrow for authorization for the Chairman of the Board, Mr. Vincent Cassidy, to attend the ITS World Congress in Montreal, Canada, October 28, 2017 to November 2, 2017 as well as TEAMFL, October 16-17, 2017, for an estimated expenditure of \$5,200, to achieve a Board perspective as well as representation.*

Commissioner Miller questioned the status of the Hyatt in Jacksonville following the storm. Mr. Waggoner noted the actual venue move from one hotel to another has already happened and noted the event moved from Hyatt to Omni in Jacksonville. Chairman Cassidy noted possibly saving \$700 as his plans are currently to attend the TEAMFL meeting via conference call.

*There being no further questions or need for clarification the motion passed unanimously.*

## **B. Operations & Maintenance Committee**

### **1. HNTB Task Work Order – Systemwide Signage Support – David May, P.E., Staff**

Mr. May explained the HNTB task work order for systemwide signage support to assist Tampa Hillsborough Expressway Authority (THEA) staff on tasks associated with sign structures, additional signs, wayfaring signs, wrong way driver signs and annual toll indexing. Tasks include coordination, attending meetings and responding to requests for information from FDOT and other agencies. It was noted funding comes from the Capital Budget for the project in the amount of \$50,000.

*Mr. Alvarez made the following motion, seconded by Commissioner Miller for authorization of task work order for a period effective September 25, 2017 through June 30, 2019 in the amount not to exceed \$50,000 for HNTB to provide support for THEA staff on tasks associated with signage. There being no questions or need for clarification the motion passed unanimously.*

### **2. All-Electronic Tolling Solar Power System RFP – Rafael Hernandez, Staff**

Mr. Hernandez explained this is an opportunity to develop a pilot project to utilize solar producing energy to power two of THEA's all-electronic tolling gantries located within the Selmon Expressway. Mr. Hernandez explained only one bidder submitted a proposal. After further investigation it was revealed the majority of the companies in this line specialize in residential applications. Others that perform commercial projects did not feel they had the capacity to serve the Tampa Bay Region. It was explained one of the primary justifications of this project is to reduce CO2 emissions. The estimated reduction of CO2 over 25-years (which is the expected life cycle for this equipment to operate) is 841 tons of CO2 which is equivalent to planting approximately 19,595 trees according to the vendor. Proposing the use of 69 solar panels in this pilot. Another justification is to

reduce THEA's operating cost by offsetting TECO power consumption charges with the solar produced energy. The project has a return of investment estimated at 14.5 years or 50% of the life cycle of the equipment. In addition, THEA will begin integrating this alternative energy to THEA's all-electronic tolling systems. It is suspected that over time the technology will be improved and not only the return on investment but the life cycle of the equipment may be increased. Illustrations were presented on the placement of these panels. Mr. Hernandez reported the proposed budget for this project is a total of \$108,065 to include \$83,010 for the solar power system, \$11,000 to extend the guardrail, and \$14,000 to procure project management and engineering support services from HNTB. The time frame for implementation is approximately six months following the notice to proceed.

*Mayor Buckhorn made the following motion, seconded by Mr. Alvarez for approval of the selection of Solar Source as the sole respondent to provide All-Electronic Tolling Solar Power System services and an \$83,010 contract. Contract execution is subject to final review and approval of THEA General Counsel. The Board authorizes the following task orders to support the implementation of this project: Guardrail for Solar Array Panel Protection from Broadpectrum Infrastructure in the amount not to exceed \$11,055 and Project Management and Engineering Support from HNTB in the amount not to exceed \$14,000.*

Mr. Barrow noted essentially solar panels are similar to smart phones whereas there is rapid progression as far as what the capabilities are of these panels and the upgrades. Close watch on the return on investment and the CO2 emission which could change in two years for the better. It makes sense to do a pilot now, but wait until sometime in the future to do even more.

Mr. Alvarez questioned the current lifecycle of the current equipment that these will be powering. Mr. Hernandez responded noting THEA is in the process of working with the vendors to refresh that equipment. That equipment has currently been there since 2010 making it 7 years old and the standard for this type of IT equipment is around a 7 year life cycle and therefore we are working to get those replaced with new equipment that will provide another 7-10 years. Mr. Alvarez then questioned if this equipment was versatile enough to work with whatever new equipment is obtained. Mr. Hernandez further explained the only one connection is from the solar panels to the TECO meters. These panels do not connect directly to the all-electronic tolling systems. As we change, improve, or modify the tolling equipment, these solar power systems will continue feeding the TECO meters.

Chairman Cassidy questioned the maintenance costs for this equipment. Mr. Hernandez responded that this question has been posed to the vendor whose reply was that other than cleaning the panels once a year this system does not need any operational maintenance.

Chairman Cassidy questioned FDOT Secretary Gwynn if there are currently any similar solar panels on Florida state roads. Mr. Waggoner noted there are indeed smaller units on the side of the roadway that are traffic counting instruments or individual variable message signs, but is not aware of anything in Tampa where tolling systems are powered by solar panels. FDOT Secretary Gwynn confirmed most are ITS related.

Mr. Waggoner noted 407 in Colorado has a very extensive solar program who won an award from IBTTA two years ago for their program.

Mr. Alvarez stated this is cutting edge and essentially no one is doing it in the state and therefore communications should be emphasizing another “feather in their cap” by cutting carbon and everyone should know about it.

*There being no further questions or comments the motion passed unanimously.*

**3. Centralized Customer Service System (CCSS) Testing Support – Rafael Hernandez, Staff**

Mr. Hernandez explained this task work order is for the centralized customer service system. THEA continues working on this project with Miami-Dade Expressway Authority and the Florida Turnpike Enterprise since 2012. The target implementation date is late November 2017. This task is for Atkins to provide support for THEA staff on CCSS interface testing. The proposed budget for this task is \$34,899 from the Capital funds.

*Commissioner Miller made the following motion, seconded by Mr. Alvarez for authorization for task work order in the amount not to exceed \$34,899 for Atkins to provide support for THEA staff on CCSS Testing.*

Chairman Cassidy noted this integration has been discussed for quite a while and questioned if this expense was an unknown or are expenses being brought forward as they become apparent? Mr. Waggoner responded noting THEA has a budgeted amount of money for this project which is consistent with the total amount in the Work Program for the last three years which has an uncommitted portion we are still chipping away at. THEA is not spending more than budgeted. Mr. Waggoner explained we knew we needed this service; however, the dollar amount was unknown and therefore waited until it was well defined to come before the Board with an estimate from the engineers. Mr. Waggoner further explained due to this size of this project, there is more work and more contracts for approval yet to come.

*There being no further questions or comments the motion passed unanimously.*

**C. Planning Committee**

**1. Task Work Order Jacobs Engineering Group – Annual T&R Revenue Services –  
*Bob Frey, Staff***

The annual traffic and revenue (T&R) services contract is to provide annual T&R for THEA including annual T&R forecasts, annual report production, annual revenue sufficiency certificate and THEA's annual toll indexing reports and certification. The capital project budget for this task work order is \$49,395.

*Commissioner Miller made the following motion, seconded by Mr. Alvarez for authorization for task work order in the amount not to exceed \$49,395 for Jacobs Engineering Group to provide annual traffic and toll revenue services. There being no questions or need for clarification the motion passed unanimously.*

Chairman Cassidy did request for future meetings to include in the explanation the previously discussed "bucketed monies to tie together in the presentation" of Task Work Order requests. Mr. Waggoner explained our Work Program allocated funds by program are consistent with his request and will be presented as requested.

**D. General Counsel – *Patrick Maguire, Esq.***

**1. Approval of Tampa Hillsborough County Expressway Authority (THEA) / City of Tampa (CITY) Interlocal Agreement for Cumberland / Meridian Connection –  
*Patrick Maguire, Esq.***

General Counsel Maguire explained the interlocal agreement between the City of Tampa and THEA. The purpose of this agreement is to define the duties and obligations of THEA and CITY with respect to opening a connection between THEA's Meridian Avenue and the CITY's realignment and widening of Cumberland. An illustration was presented to better define the area involved. General Counsel explained the specifications in detail and provided history of the preferred alignment and the future feeder road as an integral part of the planned development in the Water Street District.

*Commissioner Miller made the following motion, seconded by Mr. Alvarez, to authorize THEA's Chairman to approve and execute the Interlocal Agreement between the City of Tampa and Tampa Hillsborough County Expressway Authority for Cumberland / Meridian Connection "COT-THEA Brorein Interlocal Agreement 06202017".*

Chairman Cassidy generalized and reviewed a synopsis of the scope stating the Authority entered into a contract to sell THEA's Brorein property over a year ago subject to this agreement being finalized at the time it was envisioned that Brorein Street went away when Cumberland Street was functional but there is a slight change now in understanding and we are willing to entertain a modified traffic flow. Mr. May further

explained the modified MOT plan that has been developed in conjunction with the CITY, THEA and SPP. That MOT will run the traffic down to Channelside and then come up through Jefferson, and up to Brorein. They have adjusted turning radius there to accommodate the larger vehicles. The traffic analysis indicates this will work about as well as today's streets. It does not accommodate us well in the future demand, but neither would our existing. Future growth will make that traffic very difficult to handle. The MOT plan serves both THEA and the CITY well in that it handles today's demand. There is no reason to deny anything based upon the MOT plan received and reviewed to date.

*There being no questions or need for clarification, the motion passed unanimously.*

## **V. STAFF REPORTS**

### **A. Communications** *(Sue Chrzan)*

Mr. Waggoner reported Ms. Chrzan is not in attendance at today's meeting.

### **B. Operations & Maintenance** *(Dave May, P.E.)*

Mr. May provided an update on the Selmon West Extension schedule noting this will be the last time to present this particular schedule. A more detailed comprehensive construction schedule will be presented. Kiewit has been asked to incorporate the alternative technical concepts received from the other firms into their project. Kiewit is looking at the possibilities and will submit back to THEA for review. Meanwhile there will be some concrete work beginning in December/January on the west end to accommodate moving traffic around in order to start the first pier and the end wall. Actual drilled shaft construction will start after April 2018. Construction should be completed early Fall 2020. The Notice to Proceed has officially been executed.

The animated marketing video from Sue Chrzan was then presented to the Board on the Selmon West Extension Project.

In conjunction with this project we are requesting the public to decide upon the design of the piers themselves. There are two designs being presented to the public. There will be a virtual town hall meetings in the next three weeks to enable the community to determine their selection of which design is chosen. There were originally three designs; internal staff have reduced it to two. The two pier designs were presented to the Board. The first pier design is "Estuary" and the second is "Vivid".

Mr. May reported THEA scored 96 on RMP rating this last report. The item substantially cutting THEA back in the past has been striping and pavement markings. This term THEA scored 98 on striping and 100 on pavement markings. That was as result of THEA initiating

a contract with a thermoplastic company to redo our facility from start to end which should give a nice 3-4 life span. It was noted this was the highest rating THEA has ever received.

**C. Financial / Traffic & Revenue** (*Amy Lettelleir*)

**1. Series 2017 Bond Pricing Results**

Ms. Lettelleir provided a summary of the sale of the Series 2017 Bonds. At the August Board Meeting the bond documentation was approved and a finance timeline of events was presented. On August 23, the Authority sold \$157,780,000 in par amount of the Series 2017 Bonds which were sold at a premium that produced proceeds of \$173,412,995 which was for the 2017 construction account. Together with Authority funds, the monies will be used to finance the entirety of the Selmon West Extension Project. Bank of America Merrill Lynch was the Senior Manager for the financing and the co-managers included Citi, JP Morgan, Loop Capital, Raymond James and Morgan Stanley all participated in a very successful pricing. By the end of the underwriting period, on the morning of the 23<sup>rd</sup>, the underwriters submitted orders in excess of \$1 billion, resulting in 2017 Bonds being more than 6 times oversubscribed. This allowed us to reduce the yield to call from 3.20% to 3.15% resulting in an estimated present value savings in excess of \$700,000.

Other members of THEA's financing team included the Financial Advisor, First Southwest, with THEA's superb quarterback, Ed Stull, leading the team. Bond Counsel, Broad and Cassel; Disclosure Counsel, Nabors, Giblin; Underwriter's Counsel, Bryant Miller & Olive; and Special Counsel to the Authority, Gray Robinson who provided top notch legal services to the Authority throughout the transaction. The Authority had great support from the General Engineering Consultant, HNTB, as well as the Traffic & Revenue Consultant, Jacobs Engineering. The entire team did an amazing job and Ms. Lettelleir would like to personal thank them for their hard work.

Ms. Lettelleir provided a slide presentation illustrating the Authority's debt prior to and after the sale of the Series 2017 Bonds. She noted while the senior lien debt increased to \$591,915,000, THEA is still able to maintain a debt service coverage ratio of 2x for the next ten years based on projected revenue. Included in the presentation was a snapshot of the financial terms of the 2017 Bonds. It was again noted THEA received an upgrade from the Standard & Poor's rating agency and an affirmation of the rating from Moody's; both of which were very supportive of THEA's successful pricing. The sources and uses of the Bond Proceeds was reviewed. In addition to the deposited 2017 project fund, a portion of the bond proceeds and Authority funds were deposited into the debt service reserve fund for the Series 2017 Bonds. Ms. Lettelleir included a slide that highlighted both the results of marketing of the bonds and the bids from the bonds. Of the 1 billion in priority orders placed by thirty-five different investors, 26 of the bids came from purchasers that were not current holders of the Authority's outstanding 2012 Bonds. The Investor Roadshows was viewed by 54 unique institutional investors; far above the industry average of 15-20. Bottom line, the market is invested in the Authority's financial and managerial strength.

Chairman Cassidy questioned who held the single largest portion of that Bond. Ms. Lettelleir and Mr. Stull noted the largest holder being Black Rock Institutional and Black Rock Group at \$35 million. Black Rock was a previous investor.

## **2. Financial Report**

Ms. Lettelleir provided a snapshot slide of FY 2017 unaudited. Toll revenues of \$3.2 million over budgeted for 2017. O&A expenses came in under budget. Approximately \$11 million in unrestricted cash for year end and approximately \$186 million in restricted. Also note that the 2017 Bond proceeds will be categorized as restricted funds so this snapshot will look a bit different in the next report.

Toll revenue unaudited FY 2017 up 5.4% over FY 2016 for a total of \$85.8 million and transactions were 1.8 million more than in FY 2016 for a total of 57.8 million transactions.

Mr. Waggoner reported on the effects from Hurricane Irma noting a chart was prepared that shows what THEA anticipated approximately \$7.2 million in revenue for the month of September 2017 and with the event when tolls were suspended on September 5, 2017; still anticipate \$3.6 million in indicated revenue. Lost was \$3,256,000 dollars. Mr. Waggoner noted cars were actually counted and THEA could differentiate between SunPass and video and calculated the value to THEA which equaled \$3,256,000. The \$300,000 shown above that on the slide is the reduction in traffic during the event. THEA has seen significant increases in traffic starting as early last week. It was noted THEA exceeded over 200,000 transactions on one of the days last week, which is a record number of transactions for THEA. It is safe to say effect from Hurricane Irma totaled approximately \$3.5 million less than anticipated originally, which is money that cannot be recuperated, but going forward we should be on track.

Chairman Cassidy questioned if this warranted any type of disclosure to investors? Ms. Lettelleir explained THEA will be doing a disclosure event, although wanted to wait until tolls were open again. Ms. Lettelleir noted possibly Chairman's question was more the impact long-term over projections? Ms. Lettelleir explained projections that were included in the Traffic & Revenue Reports that were a part of the bond presentation and pricing were very conservative in terms of projected revenues and while we will not make up the \$3.5 million, it is felt THEA will remain fairly close to projected debt service coverage previously calculated.

Mr. Stull reported the rating agencies have already communicated with both Mr. Waggoner and Ms. Lettelleir on all four of the major toll-road agencies in Florida that two of the three rating agencies have already had reports which are still positive and no change as a result of the storm.

**D. Toll Operations** (*Rafael Hernandez*)

Mr. Hernandez reviewed toll transaction data for the month of June 2017 reporting a growth on unique SunPass accounts of 5.5% as compared to June 2016. Reducing the amount of Toll-By-Plate accounts by continuing the marketing activities.

Average daily traffic was reviewed for June 2017 reporting growth in the west group of 2.8% and the east group including the REL of -0.2% when compared with June 2016.

Mr. Hernandez reported on September 5<sup>th</sup>, 2017, when the Governor directed Florida to suspend tolls, THEA also coordinated with Florida Turnpike Enterprise and THEA's debt collector service provider to put a hold on account aging so that customers will not have to worry about escalation of fees or opening mail following the storm about unpaid tolls. Resumed mailings the following Friday after the toll suspension was lifted.

**VI. EXECUTIVE REPORTS**

**A. Executive Director** (*Joe Waggoner*)

**1. a. Contract Renewals & Expiration Report**

Mr. Waggoner reported the contract expiration report included in the packet reveals the Investment Advisory Services contract will be re-bid.

**b. Contract Close-out Report**

Mr. Waggoner explained the contract close out report now being presented to the Board to show when a contract comes to an end what the total value of that contract was and what was spent. This report was reviewed and it was noted these two contracts were routine maintenance contracts for the Brandon/Meridian and the Selmon Expressway itself. These contracts both consist of two parts: routine maintenance services and then on-call services.

Chairman Cassidy noted when Hurricane Irma switched track a discussion took place between the local governmental agencies as to whether or not to implement the "Contraflow" plan for the road to assist with any evacuation efforts. It was ultimately decided not to implement at that time. The THEA team will look at, analyze and make sure there is not some reason that THEA cannot fix or figure out why when an evacuation is ordered a contraflow plan is not implemented. Mr. Waggoner will take this back and discuss with the appropriate municipalities.

**B. General Counsel** (*Patrick Maguire*)

Mr. Maguire had no new report.

**C. Chair** (*Vincent Cassidy, Vice-Chair*)

**1. Upcoming Meetings**

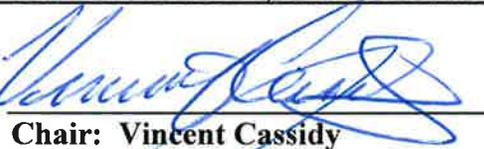
- **Committees as a Whole Meeting – October 16, 2017 – cancelled.**
- **Board Meeting – October 23, 2017, 1:30 p.m.**
- **Moving the November Board Meeting to either November 6<sup>th</sup> or November 17<sup>th</sup>.**
- **CV Pilot Demonstration – November 13, 2017**
- ***FAV Summit* – November 14 – 15, 2017**

**VII. ADJOURNMENT**

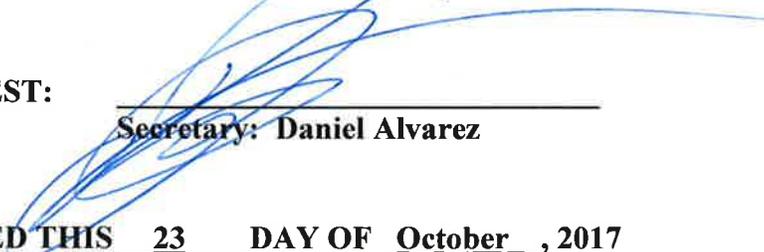
There being no further business to come before the Board, Chairman Cassidy adjourned the meeting at 2:30 p.m.

**MINUTES OF THE AUGUST 14, 2017 AUTHORITY BOARD MEETING**

**APPROVED:**

  
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**Chair: Vincent Cassidy**

**ATTEST:**

  
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**Secretary: Daniel Alvarez**

**DATED THIS 23 DAY OF October, 2017**