

Tampa-Hillsborough County Expressway Authority
Minutes of December 4, 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 December 4, 2017, at the Authority's Transportation Management Center, 1104 E. Twiggs Street, Tampa, Florida. The following were present:

BOARD:	Bennett Barrow, Vice Chair Danny Alvarez, Secretary Shaun Oxtal FDOT District VII Secretary David Gwynn
STAFF:	Joe Waggoner, Patrick Maguire, Amy Lettelleir, Sue Chrzan, David May, Bob Frey, Rafael Hernandez, Debbie Northington, BJ Lamb, Man Le, Max Artman, Brian Ramirez, Donna Obuchowski, Sue Chase, Shari Callahan, Anna Quinones, Keith Fridenberger, S. Morgan Holmes, Felipe Velasco
BAM/MERRILL LYNCH:	Doug Draper
BROAD & CASSEL, LLP:	Joe Stanton, David Brickhouse
CITI:	Kevin Dempsey, Ron Marino
FIRST SOUTHWEST:	Ed Stull
GAS WORX:	David Mechanik
HNTB:	Jim Drapp, Al Stewart
PLAYBOOK:	Sally Dee
RIVERO, GORDIMER & CO., P.A.:	Stephen Douglas, Jon Stein
STOKES CREATIVE GROUP:	John Melendez
TEAMFL:	Bob Hartnett, Brady Nepple
WSP:	Christina Kopp

I. CALL TO ORDER, INVOCATION and PLEDGE OF ALLEGIANCE

Vice Chairman Bennett Barrow called the meeting to order at 1:30 P.M., followed by General Counsel Maguire leading in the Invocation and recitation of the Pledge of Allegiance.

Vice Chairman Barrow reported into record Chairman Cassidy, Mayor Buckhorn, and Commissioner Miller will not be in attendance today due to conflicts in their schedule.

II. PUBLIC INPUT/PRESENTATIONS

A. TEAMFL – Mr. Bob Hartnett

Vice Chair Barrow invited Mr. Bob Hartnett to the podium who had signed up to publicly address the Board.

Mr. Hartnett addressed the Members of the Board and other guests and introduced himself as President and Founder of Transportation Expressway Authority Members of Florida (TEAMFL). Mr. Hartnett noted TEAMFL was founded twenty-two years ago. TEAMFL meets quarterly with approximately 250 corporate members and 9 agencies. The Board and Executive Directors meet prior to the quarterly meeting. The quarterly meetings also include focus groups chaired by various people. A general meeting is held the following day with the opportunity for the exchange of ideas. Mr. Hartnett thanked THEA for being a member from inception and encouraged the members of the Board to attend the January 24-25, 2018 meeting at Orlando International Airport. The November meeting will be held jointly with CUTR, THEA and TEAMFL here in Tampa on November 1-2, 2018.

Vice Chair Barrow thanked Mr. Hartnett for his invitation and information on TEAMFL.

III. APPROVAL OF MINUTES OF THE OCTOBER 23, 2017 BOARD MEETING

Mr. Alvarez moved for approval of the October 23, 2017 Board Meeting Minutes, seconded by Mr. Oxtal. The motion passed unanimously.

IV. INFORMATIONAL / ACTION ITEMS

A. Finance Committee

1. Proposed Issuance of \$165,000,000 Refunding Revenue Bonds, Series 2017B and \$60,000,000 Revenue Bonds, Series 2017C – Amy Lettelleir, Esq. / Ed Stull, First Southwest

Ms. Lettelleir thanked the Board for their time and flexibility in changing the date of the Board Meeting to today, December 4, 2017. While the Authority has been monitoring the savings level on an advanced refunding of the 2012B Bonds, it is the tax reform bill that came out on November 8, 2017 that caused THEA to evaluate an expedited advanced refunding. The reason for which is that advanced refundings in total are due to be eliminated commencing January 1, 2018. THEA is fortunate to be in the position to accomplish this financing prior to yearend and Ms. Lettelleir expressed her appreciation to the entire team for making it possible. Mr. Ed Stull, THEA's Financial Advisor with First Southwest Securities will go through a brief presentation. Ms. Lettelleir indicated we are proposing to issue Bonds not to exceed an amount of \$165 million in Refunding Revenue Bonds, Series 2017B in order to accomplish an advanced refunding of the Series 2012B Bonds. THEA is also proposing to issue an amount not to exceed \$60 million in Revenue Bonds Series 2017C in new money to fund all or a portion of the South Selmon Improvement Project and the Meridian Ultimate Improvement Project.

Mr. Ed Stull introduced himself noting he is Managing Director, First Southwest a Division of Hilltop Securities. Mr. Stull provided a brief presentation to provide an overview of the transaction. In summary, this is request for an advanced refunding on the Series 2012B Bonds which are not set to be called until July 1, 2022. The Tax Reform Legislation proposes to eliminate the advanced refundings effective January 1, 2018. The

thought process is to proceed with an advanced refunding with potential savings to be had. THEA's Resolution stipulates a minimum savings of at least 3% of the PAR amount or approximately \$4.2 million in present value saving which will be a hard threshold on the savings level. Mr. Stull explained the underwriting team selection as well as identification of the finance team members involved with this issuance. Finance plan assumptions and estimated sources and uses of funds were explained by Mr. Stull. The rating agency process was reviewed along with the financing timetable, emphasizing a very short turnaround.

Mr. Alvarez commended the Authority's team for their extraordinary efforts. He questioned if the 2018 law does not pass, is it still the right decision to proceed? Mr. Stull reported it does not seem to be a realistic possibility that the advanced refundings will be there in the future in the long-term. The advanced refundings do have some value, but with the legislation being proposed, across the board that advanced refundings seem to be on the chopping block all the time.

Mr. Alvarez questioned if THEA's ratings would be affected. Mr. Stull confirmed there is no expectations the ratings will be changed and feels confident THEA will be at, or higher, than before. The reason for a possible higher rating was explained in that the 2017 fiscal yearend numbers are available, which look very strong.

Ms. Lettelleir noted this is an informational item and the action item will be presented by General Counsel for the adoption of the Third Supplemental Revenue Bond Resolution in Item IV. C. 1. below.

B. Audit Committee

1. FY2017 Financial Statements – Amy Lettelleir, Esq. / Steve Douglas & Jon Stein, Rivero Gordimer & Company

Ms. Lettelleir reported she was able to meet with the Chair of the Finance/Audit Committee, Commissioner Les Miller, and although he cannot be in attendance today, he was informed and accepts and approves both the Financial Statements as well as the proposed financings presented today.

Ms. Lettelleir introduced Mr. Steve Douglas and Mr. Jon Stein who are independent CPAs with Rivero Gordimer & Company and are pleased to deliver the results of the audit. Mr. Douglas thanked Ms. Lettelleir and her team for their cooperation and support who are very instrumental in the annual auditing process.

Mr. Jon Stein provided a brief high-level review of the audit reporting the agency crossed over a billion dollars in assets as of June 30, 2017, proving a summary of components of the balance sheet, liabilities and net asset position, and statement of revenue and expenses. Once acceptance has been authorized of the 2017 audited financial statements, Rivero Gordimer is prepared to submit for the inclusion in the proposed Bond Issuance.

Mr. Alvarez made the following motion, seconded by FDOT District VII Secretary Gwynn for acceptance of the Financial Statements, as audited by Rivero Gordimer & Company, for Fiscal Year 2016-2017. The motion passed unanimously.

C. General Counsel

1. Adoption of the Third Supplemental Revenue Bond Resolution – Patrick Maguire

General Counsel Maguire stated the purpose of the adoption of the Third Supplemental Revenue Bond Resolution has been superbly covered by Ms. Lettelleir and Mr. Stull. In summary, the Third Supplemental Revenue Resolution supplements the Authority's Master Bond Resolution and authorizes the issuance in multiple Series of the Authority's Series 2017B and Series 2017C Bonds. The Series 2017B Bonds are being issued for the purpose of advance refunding all or a portion of the Authority's outstanding Refunding Revenue Bonds, Series 2012B. The Series 2017C Bonds are being issued for the purpose of financing or refinancing the acquisition, construction and equipping of certain capital improvements to its Expressway System, including without limitation, the South Selmon Expressway Median Project and the Meridian Ultimate Improvements Project. The Third Supplemental Resolution sets forth the specific terms and conditions of the Series 2017 Bonds and authorizes the execution and/or delivery by authorized officers of the Authority of:

- a Preliminary and final Official Statement;
- a Bond Purchase Agreement;
- a Disclosure Dissemination Agent Agreement;
- a Paying Agent and Registrar Agreement; and
- an Escrow Deposit Agreement.

The Third Supplemental Resolution authorizes the sale of the Series 2017B and Series 2017C Bonds by negotiated sale with Citigroup as Senior Manager and Bookrunner and JPMorgan and Bank of America/Merrill Lynch as Co-Senior Managers.

Mr. Oxtal made the following motion, seconded by Mr. Alvarez for the adoption of the Third Supplemental Bond Resolution authorizing (1) the issuance of the Authority's Series 2017B and Series 2017C Bonds in one or more series for the purpose of advance refunding all or a portion of the Authority's outstanding Series 2012B Bonds and to finance all or a portion of the acquisition, construction and equipping of certain capital improvement to its Expressway System, including without limitation, the South Selmon Expressway Median Project and the Meridian Ultimate Improvements Project, as further described in the Third Supplemental Bond Resolution; and (2) authorizes the Authority's Chairman, Vice Chairman or Executive Director to execute and/or deliver the forms of the Preliminary and Final Official Statements, the Bond Purchase Agreement, the Disclosure Dissemination Agent Agreement, the Paying Agent and Registrar Agreement and the Escrow Deposit Agreement (all, with such changes to the attached

forms of documents as shall be approved and authorized by the Chairman, Vice Chairman or Executive Director).

Vice Chair Barrow noted Chairman Cassidy provided a letter to be included with the record of minutes detailing his support of the adoption of this Resolution.

Mr. Waggoner wanted to acknowledge the hard work done by the teams led by Ms. Lettelleir and emphasized that THEA will be disciplined if THEA does not achieve the 3% savings, which is within the policy; and therefore, will not move ahead if this savings level cannot be achieved. Mr. Waggoner also provided a bit of clarity for the two projects noted above stating that they are partial components of those two new projects and that there is still a lot left to be done as THEA continues the planning and development of those projects.

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

2. Gas Worx, LLC Ground Lease Option Agreement Request for Extension – Patrick Maguire

General Counsel Maguire announced Gas Worx, LLC requests a second extension of the term of the Ground Lease Option Agreement between it and THEA for one (1) year in exchange for the payment of an additional Option Fee of \$5,000 to provide additional time to applicant to prepare development plans. Gas Worx, LLC was purchased by new owners who have not determined a proposed plan. Mr. Maguire explained this was originally entered into a couple of years ago and in order to give Gas Worx, LLC an opportunity to pursue a zoning change for the property at Adamo and Channelside once a use is determined.

Mr. Oxtal made the following motion, seconded by Mr. Alvarez, to authorize THEA Chairman or Executive Director to execute the of Gas Worx, LLC Ground Lease Option #2 Agreement for one-year extension. The motion passed unanimously.

V. STAFF REPORTS

A. Operations & Maintenance - (Dave May, P.E.)

Mr. May provided an update on the Selmon West Extension Design Build Project with a three week look ahead schedule provided by THEA's contractor to show what activities are scheduled for the next three weeks. Currently test drills are underway. Next week they will start on their first of four test shafts, which are full size test shafts to determine all the different criteria for their foundation design. Starting first lane closures as a result of the test shaft just east of Westshore. Additionally, TECO is currently in the process of relocating their distribution lines to be placed underground. Any current lane reductions have been due to TECO which is paramount to getting the project done on time.

The main component of what is being done currently, other than the test shaft and the test drills, is the design activity. Provided is a summary of the design submittal schedule. This is the schedule that the Design Build Team is submitting to FDOT D-7 and to Central Office for their comments and approval. This enables the project to proceed at the pace to be completed in 1000 days. By January 1, 2018 approvals should be obtained to allow forward movement on the project in the field in a more aggressive manner. The first steps of field construction will be on the west end near the bridge to widen out the existing facility to move traffic over to start construction in the median. This will be the first thing you will see in the field.

Mr. Alvarez questioned the drill shaft procedure. Mr. May explained the drill shafts are 42” in diameter and there are four per pier. It is a redundant drill shaft combination. Mr. May qualified he is not a geotechnical engineer and from what he understands explained the process of the drill shaft.

Mr. Alvarez questioned timing of the park closures. Mr. May reported the northside park has already been closed and transformed into a construction zone and very shortly will be stopping the fishing on the south side to place the construction office there. Mr. Alvarez appreciates the information. Mr. May indicated the CEI has an office open and operational on Gandy Boulevard just west of Westshore on the northside.

Ms. Chrzan reported the Public Information Officer (PIO) is already out and working on the extension and is answering questions that come in through the Selmon Extension website.

B. Communications - (Sue Chrzan)

Ms. Chrzan noted media mentions were provided in the Board packets. Ms. Chrzan reported on the two special events held in Tampa over the last couple of weeks. The first was the Tampa CV Pilot Demonstration where U.S.DOT came and demonstrated the pilot as it is expected when fully rolled out. There were three different stations to include a ride in the car for a live demonstration, a station in the Traffic Management Center (TMC) which is where the data is collected and explained how it will be used by the City of Tampa, and a station in the Board Room where there were experts available for questions.

The Florida Automated Vehicle (FAV) Summit was held on November 14-15, 2017. THEA worked in collaboration with the Center for Urban Transportation Research and the Florida Department of Transportation. The Summit was held at the Grand Hyatt with 521 registered attendees, 14 exhibitors and 12 demonstrators. The first ever FAV Leadership Award was presented to Senator Brandes. The HART shuttle was also unveiled during the event. The 2018 FAV Summit is scheduled for November 27-28, 2018.

Vice Chair Barrow thanked Ms. Chrzan and noted an amazing job at both events. He noted during the first general session at the FAV Summit he was seated next to a gentleman that travelled all the way from Auckland, New Zealand because he had heard that Tampa was on the map for autonomous vehicles which is a credit to Ms. Chrzan and her team.

Mr. Waggoner agreed and noted the Summit was very well received in his opinion. A survey is being sent out to learn more about how to make it even better next time around. Mr. Waggoner recognized individuals personally in the FAV Planning Committee and Sue Chrzan gave a shout out to all the volunteers that helped at the FAV Summit.

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

Ms. Lettelleir announced she is reporting for September 2017. The numbers look significantly different from June 30, 2017 showing \$362 million in restricted assets which includes the proceeds from the bond issue. The expenses for the first quarter are lower than budgeted. There is approximately \$11 million in unrestricted cash and investments and \$6 million in OM&A aligning THEA in a good cash position.

The tolls were suspended in September due to Hurricane Irma; however, through the first quarter there is \$18.4 million in revenue; September \$3.56 million. Transactions reveal 12.1 million through September and 2.36 million in the month of September.

D. Toll Operations (*Rafael Hernandez*)

Mr. Hernandez reported as of September 2017 during which time the Tampa Bay region was impacted by Hurricane Irma and hence the reason the numbers look lower than usual. The toll suspension was in effect from September 5 through September 21, 2017 indicating 50% less in SunPass transactions and 48% less toll-by-plate.

Average daily traffic was reported noting the report includes non-revenue traffic during Hurricane Irma. The Selmon Expressway well served the community during the difficult times of the storm and recovery noting the east group realized a growth 4.4% compared to 2016. The west side showed a deficit of 2.7% which, in Mr. Hernandez's opinion, shows travelers utilizing the I-4 connector from the Selmon Expressway to I-75 and/or vice versa during the timeframe of Hurricane Irma.

Mr. Waggoner noted preliminary indications for October and November appear favorable and will be presented once confirmed.

VI. EXECUTIVE REPORTS

A. Executive Director (*Joe Waggoner*)

1. Contracts Reporting

Mr. Waggoner announced two items to report; the first being the intent to renew or extend the contract for First Southwest. The first three-year portion of their contract will be complete in June and this is notice of intention to bring back to the Board to extend the contract for one of the two option years available to us, unless the Board has comments otherwise.

Mr. Waggoner reported on the Close Out Report for the dog park contract. As depicted in the presentation, the contract came in under by \$13,400 secondary to unavailable furnishings that were inevitably cancelled, and the contract was closed.

B. General Counsel (*Patrick Maguire*)

Mr. Maguire had no new report.

C. Chair (*Vincent Cassidy, Chairman*)

1. Upcoming Meetings

Vice Chairman Barrow indicated 2018 meetings as follows:

- **Committees as a Whole Meeting – January 8, 2018**
- **Board Meeting – January 22, 2018**

VII. OLD BUSINESS:

Mr. Alvarez reported on one of the first days of his new position where he responded to a wrong-way driver causing three fatalities. Mr. Alvarez would like to explore further what THEA can actively do to help prevent wrong-way drivers. Mr. Alvarez noted this has been brought up in the past and he would like to once again visit the opportunities available today.

Mr. Waggoner replied noting that THEA has been continuing to work on this and has compiled a lot of research both locally and from around the country and that it was THEA's intent to come the January 2018 Board Meeting with a report and recommendations. Mr. Waggoner added that a large part of the Connected Vehicle Project is with the hope of putting the technology in the vehicles and the infrastructure to help identify wrong-way drivers the moment it happens, noting the big challenge no matter what technology is *time*. If you have a 15 second time delay before the incident is announced, it may be too late. This is what the Connected Vehicle technology is all about.

FDOT D-7 Secretary Gwynn added that District 7 has conducting a lot of research this past year and would be glad to share that information and work with THEA. Mr. Waggoner appreciated the offer and thanked FDOT for the great cooperation received all along.

Vice Chair Barrow described his experience during the Connected Vehicle Live Demonstrations when he was in the wrong way vehicle during the demonstration and the notifications received through the technology was impressive. He also noted how impressed he is with how quickly the technology is moving forward. Mr. Waggoner further explained this technology is retrofitted to older vehicles (i.e. 2000-2015) to give you the same kind of warning so that you do not have to wait for automated vehicles. It is how you get the information between the affected parties instantaneously.

VIII. ADJOURNMENT

There being no further business to come before the Board, Vice Chairman Barrow adjourned the meeting at 2:23 p.m.

MINUTES OF THE DECEMBER 4, 2017 AUTHORITY BOARD MEETING

APPROVED: 
Chairman: Vincent J. Cassidy

ATTEST: 
Secretary: Daniel Alvarez

DATED THIS 22nd **DAY OF** January, **2018**



BOARD MEMBERS:

VINCENT J. CASSIDY
CHAIRMAN

November 22, 2017

BENNETT H. BARROW
VICE-CHAIR

Dear Board Members:

DANIEL A. ALVAREZ, SR.
SECRETARY

In my absence at the December 4, 2017 Tampa Hillsborough County Expressway Authority (THEA) Board Meeting, I wanted to make a supportive statement for the Bond Issue being proposed to the Board.

SHAUN R. OXTAL
MEMBER

SECRETARY DAVID GWYNN, PE
FDOT DISTRICT SEVEN

THEA has the opportunity to capture the Net Present Value Savings associated with an advance refunding of the Series 2012B Bonds by executing the financing before us. As the Tax Reform legislation currently stands, advance refundings may no longer be a possibility. While the legislative proposals accelerated the schedule for the advance refunding, THEA has been monitoring the refunding savings since June and was prepared to recommend to the Board a refunding if interest rates started to rise and the savings started to diminish. Unlike many other issuers that had advance refundings on the table but not ready for market, THEA is able to sell the proposed Series 2017B and Series 2017C Bonds because we were just in the market with up to date financial and operational information and were well received by investors.

MAYOR BOB BUCKHORN
CITY OF TAMPA

The additional new money portion of \$40 million dollars will fund two important projects for THEA encompassed in the 6-Year Work Program. Because of the economies of scale by combining a new money issue with the advance refunding we can level out debt service and still maintain our coverage levels over 2 times.

COMMISSIONER LES MILLER
HILLSBOROUGH COUNTY

The two projects to be financed include safety improvements in the median of the South Selmon portion of the Expressway and operational improvements to provide additional access for traffic from the REL to downtown. Having the opportunity to accelerate these two projects, while maintaining our strong cash flow and realizing a net Present Value savings between \$4MM-\$6MM, or maybe higher, solidifies my support for the proposed Bonds as we continue to provide transportation solutions for our area.

PATRICK T. MAGUIRE, ESQ.
GENERAL COUNSEL

Respectfully,

A handwritten signature in blue ink that reads "Vincent J. Cassidy". The signature is fluid and cursive, with the first name being the most prominent.

Vincent J. Cassidy
Chairman