

**Authority Board Meeting
December 10, 2001
City of St. Petersburg, FL
175 Fifth Street
St. Petersburg, Florida**

Minutes

Call to Order: Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority to order at 9:03 a.m. All members were in attendance: John P. Browning, Jr., Vice Chairman; Norm Mansour, Secretary; Lee Chira, Treasurer; Heidi Eddins; Leila Nodarse, P.E.; William Dunn, P.E.; C.C. "Doc" Dockery; and Skip Fowler, Esq.

1. Welcome and Introductions: Chairman Dudley welcomed all attendees, and thanked the City of Petersburg for the use of their facilities for the meeting. He then introduced Mr. Rick Baker, Mayor of the City.

Mayor Baker welcomed the Authority to the St. Petersburg. He gave a brief description of the City, its economic base, its attractiveness to tourist and businesses, and its desire to host one or more high speed rail stations. He noted the importance of high speed rail to economic development and to proper growth management. The decision as to where to locate the rail and stations will have tremendous impact on the future of a community. Correct station siting will drive development to conform to comprehensive planning objectives, such as urban redevelopment and intercity in-fill. Mayor Baker stressed the need to expeditiously study having the high speed rail system cross the bay to St. Petersburg. The Mayor then introduced Dave Goodwin, the City of St. Petersburg Development Administrator. Mr. Goodwin gave a slide presentation titled "Should the High Speed Rail Come to St. Petersburg?" He, as would be expected, answered his question in the affirmative, and proceeded to relate several demographic, population, and economic statistics to support it. Pinellas County had a 2000 population of 921,482, which is more than Orange County. The County's population density is 3,291 persons per square mile, by far the highest in the state, and more than three times the density of any county in the St. Pete-Tampa-Orlando corridor. He provided the authority with a copy of the City of St. Petersburg Resolution, No. 2001-641, which in part stated that the City Council "wholly and enthusiastically supports the construction of an intrastate high speed rail system between St. Petersburg, Tampa, and Orlando," with two stations in Pinellas County/St. Petersburg. The station locations are proposed in downtown St. Petersburg and the "Gateway Area," which is an area to the north near where I-275 comes across Tampa Bay. Also provided was Resolution #2001-08 from the Tampa Bay Regional Planning Council that supports the development of the high speed rail line from Orlando through Tampa and into St. Petersburg.

Chairman Dudley gave a brief report on his breakfast meeting with the Mayor, other local officials, as well as two Senators and two Representatives from the area. They had suggested that a high speed rail segment aligned with I-275 should be included in the environmental impact analysis. He also asked the City to enter into a partnership agreement with the Authority and will send it a copy of the standard agreement that was approved at the last Authority meeting.

Chairman Dudley introduced Senator Sebesta, whose district includes St. Petersburg. The Senator stated he was there to listen, and pointed out that he represented areas on both sides of Tampa Bay.

Chairman Dudley reported that the Congress had approved an appropriation of \$3 million for the Florida high speed rail project, but the amount would be reduced by 13%, leaving ~\$2.6 million for the state.

2. Minutes: The minutes of the previous meeting, held on November 13, 2001, were reviewed. On motion made by Mr. Fowler, and seconded by Mr. Dunn, the minutes were approved unanimously. There were no corrections.

3. Old Business.

A. Pending Motion on High Speed Rail Grade Separation Issue:

Chairman Dudley reminded the Authority members that at the last meeting Mr. Dunn had made a motion that the Authority adopt as a standard what he believed to be the intent of the amendment, which is to say that the Authority will not build a system with any grade crossings. The issue had been raised at the previous meeting by the Authority's General Consultant as an issue involving the interpretation of the term "separated," in the constitutional amendment as being either controlled gates or grade separation (bridges). Mr. Dunn presented a revised written version of his motion, a copy of which is attached and incorporated herein. Mr. Dunn asked to have the written version substituted for the earlier version. Mr. Dockery, who had seconded the previous motion, agreed, and seconded the motion as substituted. Discussion ensued.

Mr. Dunn stated that his position was that his motion reflected the plain meaning of the Constitution, Article X, Section 19, the "High Speed Ground Transportation System Constitutional Amendment." The phrase in question reads: "consisting of dedicated rails or guideways separated from motor vehicular traffic." Mr. Dunn maintained that the phrase should be interpreted to mean that the rail line must permanently and physically be separated from any road or highway that carries motor vehicle traffic. This would be accomplished by a vertical separation of the grade level of the rail line or guideway and the roadway, either by having the rail be bridged over the road or by having the road being bridged over the rail.

Mr. Chira asked the question, "Do we have enough information to make this interpretation at this time?" He said that he is not necessarily against the motion, but he understands that the economics of a particular situation may direct the result. But, at the present time, economically, the case has not made to say one way or another whether grade separation always is the correct solution.

Mr. Dunn replied that he did not think that there was any question as to what the Constitution means. But, since a question has been raised, he feels that the motion is needed to settle the issue. Further, an affirmative vote on the motion would give guidance and clarification to the consultants that no grade separations are to be considered in the planning and design of the high speed rail system.

Ms. Eddins stated that she had some serious concerns about the motion. She agreed that as a policy matter and as a guide to the consultants for designing high speed systems on existing rail lines that grade separations should be eliminated to the maximum extent possible, but the motion would functionally eliminate existing railroad corridors from consideration for high speed service, and potentially could be fatal to the establishment of high speed rail in urban areas of Florida. At grade crossings may be necessary in the vicinity of stations, if the stations are located where they should be. Particularly in south Florida corridor, where grade separation is

physically impossible because of the proximity of the rail line to I-95. In Europe, the high speed rail systems have at-grade crossings, both in the urban areas and in the rural areas. She had raised the issue of what “separated” means in the Constitution because she believes that “separated” does not mean “grade separated” in all circumstances. The adoption of the motion as an unbending standard will preclude the use of existing railroads.

Mr. Dudley enquired as to whether existing rail in a corridor would preclude high speed rail anyway.

Ms. Eddins replied by stating that there are rail lines in the country with active high speed trains, freight trains, and computer trains all operating on the same track and they do it quite well.

Also, rail corridors in Florida may have sufficient space for a dedicated high speed system. Amtrak on the Northeast Corridor operates a successful high speed system with a number of at-grade crossings. She emphasized that as a design policy grade separation should be the goal, but there will be situations where grade separations will be cost prohibitive. The Authority should not have an unbending policy. Further, she stated the policy would prejudice the environmental review process which requires that all reasonable alternatives be considered. A no at-grade crossing policy would eliminate from consideration many segments of existing rail corridors.

Mr. Dockery stated that, as drafter of the Constitutional Amendment, and as one of the many voters who approved the amendment, that he clearly understands that the Amendment prohibited grade level crossings. A former Chief Justice of the Florida Supreme Court helped draft the amendment and the intent was that there would be a separation between the rail line and roads carrying motor vehicle traffic. It was not the intent of the Constitutional Amendment to have grade crossings any where at any time.

Vice Chairman Browning stated that if the Constitutional Amendment was clear and did state that no grade crossings are allowed, then the motion was not needed. There is a question, hence the motion. He stated his concern that the Authority was getting ahead of itself.

Mr. Dunn reiterated that he thought that there should be no confusion about what the Amendment says, but since there appears to be some question, the Authority needs to eliminate any ambiguity and state its will so that the consultants will know what the policy is. The motion is to give guidance.

Mr. Share stated that it was not clear to the consultants as to whether at-grade crossings are allowable. He agreed with Ms. Eddins that the environmental review process requires consideration of alternates, including alternates with grade crossings. Also, there are situations in lower speed areas that there are advantages to having grade crossings.

Mr. Newman, of the PD&E consultant, agreed that the Authority needed the ability to consider all types of options. For example, he explained, if the motion were adopted, it would remove the Tampa Union Station from consideration. There are cost and safety issues for at grade crossings and for grade separated crossings, and those issues must be considered in the planning process. The Authority needs the flexibility to make a decision that is the best solution at a particular crossing. In urban areas, a high speed system would probably be going a slower speeds, and the options for location of stations are dependent on whether at-grade crossings are allowed. At higher speeds grade separations are needed, but the consultants need be given the ability to provide a comparative analysis on the costs of grade separation for lower speed areas.

Mr. Dunn asked whether the draft report, which is to be considered later today, provided for a completely grade separated system.

Charlie Quandal of HNTB replied that the report analyzes the CSX as both-- with complete grade separations and with at-grade crossings. He clarified that CSX is willing to allow the use of its right of way for high speed rail, but not its tracks. A separated dedicated track would have to be constructed for high speed rail. CSX will not allow the commingling of freight and high speed passenger service on the same tracks.

Mr. Dockery stated that the issue of grade crossings is not just a safety issue, but also an on-time and reliability issue. To maintain ridership, trains must run on time. Accidents at grade crossings are a major source of delays. Both Amtrak and Tri-Rail experience disrupted schedules because of problems at crossings. Trains that are not on time and that are not seen as dependable lose ridership. Elimination of at-grade crossings will ensure more reliable service.

Mr. Mansour, asked the consultant to clarify whether in the study of the corridor from Orlando to Tampa, grade separated options were considered, particularly coming into Tampa Union Station. Charlie Quandal replied that the consultants considered the option of coming into Tampa completely elevated. The station would have to be elevated, and additional right-of-way purchased. The option of completely grade separating the line in the CSX corridor from Tampa to Orlando was considered. In the EIS process, the consultants (who are neutral on the issue) will still need to look at all options, including the option of at-grade crossings in some situations. NEPA, which is a federal law, may require considering the option anyway.

Mr. Mansour, stated there are two very good arguments before the authority. However, the option of no at-grade crossing as presented by the motion is not precluded by deferring the motion until a complete cost benefit analysis is completed.

Mr. Fowler stated that the motion would preclude the authority from obtaining information as to the effect of allowing certain at-grade crossings. He inquired as to the cost of determining the consequences of having both options studied. The consultants replied that they are studying both options as part of Task Order 2, but if the motion passed, the options would be narrowed. Mr. Fowler stated that if the Authority does not study the options with at-grade crossings, and ultimately the Supreme Court decides that they are allowed, a lot of time will have passed and the Authority would have to go back and study those options. But, if the Authority continues with studying the options, it will have information to make the decision later.

Mr. Chira stated that in his opinion the Authority does have enough information to make an interpretation at this time. The consultants need to continue to study both options. The Authority should not interpret the Constitution without having the analysis completed as to the effect of the decision on the selection of a corridor.

Vice Chairman Browning stated that it was premature to consider the issues and asked that the motion be withdrawn so that he would not have to vote against it. Ms. Nodarse added that deferring action would allow the Authority to obtain the information needed to make an informed decision, and she also asked that the motion be withdrawn. The Chairman stated that a vote on the motion is in order, but that a negative vote on the motion would amount to a deferral of the issue. He asked Mr. Dunn to close on the motion.

Mr. Dunn closed by saying that if at-grade crossings are allowed in the design of the system, then at some point an opponent can challenge the Authority, which will result in unnecessary delays, and may result in the Courts overturning the Authority's interpretation. He asked whether it would be appropriate to ask the Attorney General for an opinion on the interpretation of the Constitution. Mr. Bottcher pointed out that the Attorney General generally defers issues within the substantive jurisdiction of an executive branch agency, such as the Authority, to the agency with that jurisdiction.

The Chairman asked for a roll call vote on the motion. The motion failed six to three. Yeas: Dockery, Dunn, and Dudley. Nays: Browning, Chira, Eddins, Fowler, Mansour, and Nodarse.

The Chairman stated that grade separation should be the design goal. Mr. Fowler, agreed and added that there needs to be allowance for exceptions. Ms. Eddins stated complete grade separation is the right design goal, but that in situations where separation is cost-prohibited, or engineering or safety issues dictate a different consideration, the authority needs the flexibility to make a decision on a case by case basis. The Chairman stated that the consensus appears to be that grade separation is the guidance to give to the engineers as a design criteria, but that where fully justified, at-grade crossings will be considered. There was no objection to the Chairman's observation.

B. Financial Advisors:

At the November 13 meeting, Chairman Dudley suggested considering the hiring of an independent financial advisor. The General Consultant had replied that David Miller from Public Financial Management, a member of the General Consultant's team could function as the Authority's financial advisor. Mr. Miller presented a letter detailing his firm's experience and expertise in transportation financial analysis, and that it is an independent financial advisor serving state and local governments across the nation. The firm does not engage in bond underwriting and would have no conflicts of interest with respect to the Authority or any financing it may undertake. The Chairman wanted to make it clear that the financial advisor must not be involved in any way with the financing of a project and must be completely independent of any entity that is involved with a project. Mr. Miller agreed to the Chairman's clarification. The Chairman queried Mr. Miller about his independence and whether he would have any involvement with the financing of projects, and as to whether Mr. Miller agrees to his role as advisor with these understandings. Mr. Miller agreed.

4. Staff Report:

A. General Consultant Task Order Number 3

Mr. Haddad started the staff report by reporting that Task Order # 3 to the General Consultant had been issued for the amount of \$265,750, as approved by the Authority.

Mr Chira inquired as to whether the consultant was limiting the number people in attendance at the meetings and that after January 1, 2002, he expected that even fewer persons from the consultant would be necessary to attend. Mr. Haddad responded that only essential persons will attend.

B. PD&E Consultant Task Order Number 2:

Mr. Haddad reported that Task Order 2 to the PD&E Consultant had been issued, as approved by the Authority, for \$2,177,858.

C. Status report on Authority's budget and expenditures:

Chairman Dudley asked if there was any funds left in the budget. Mr. Haddad responded that under Tab 7, there was a spreadsheet that showed the budget, the amounts encumbered, the funds expended to date, and the balances. Mr. Chira stated that he, as Treasurer, would like to see more information on expenditures. The Chairman instructed Mr. Haddad to share all invoices with Mr. Chira. Mr. Haddad agreed. The Chairman also suggested that expenditure reports need to be reviewed by Mr. Chira before the Authority meetings. Chairman mentioned that he has some proposed assignments for each of the Authority members which will be discussed later.

The Chairman asked the General Consultant about a meeting with the Federal Railroad Administration (FAA) on the use of the median of I-4 for high speed rail, and with the Federal Aviation Administration (FAA) about taking rail through an airport. At the last meeting it was stated that the FAA could participate in the funding of high speed rail into an airport, but not through an airport. Mr. Share stated that no meeting has been arranged, but these issues would come up in the discussion of the report. Senator Sebesta stated that he would be in Washington D.C. on Wednesday and that he would be glad to approach the agencies on the issues.

D. Advertisement for contract staff:

Mr. Haddad reported that the advertisement for an executive director and staff had been published with a due date of December 18th. The Chairman reported that he has had one inquiry about the ad. The Chairman stated that when received, he would take all proposals, and provide a copy to Vice Chairman Browning. The two of them would list the top three to five and provide the list to Mr. Haddad to schedule the listed candidates for the January meeting.

Mr. Chira asked if the advertisement would bind the Authority to enter into a contract with the top candidate. The Chairman advised that the method would be rank all candidates and then start negotiations with the top one. Mr. Chira asked if this would bind the Authority to hire someone or did the authority still have the option to continue with the present arrangement with DOT, i.e., not hire an executive director. The Chairman asked Mr. Bottcher for a legal opinion on the Authority's options. Mr. Bottcher responded that the Authority has the option to reject all proposals, and then the Authority would then need to decide on its next course of action. The Chairman stated at that point the Authority could decide to re-advertise, or to continue with the present arrangement whereby DOT supplies Mr. Haddad as staff director. Mr. Dudley stated his preference that the staff be independent of DOT.

Vice Chairman Browning stated that even if the Authority hired an Executive Director, the Authority would still need to have a DOT representative with which to coordinate matters. The Chairman replied that the Secretary, Tom Barry, who is an ex officio member of the Authority, could ensure coordination. The Vice Chairman stated that he could still like to have another person from DOT in attendance, e.g. Marion Hart, who has attended all meetings. The Chairman pointed out that he has requested representatives from the Department of Community Affairs and the Department of Environmental Protection to designate a person for coordination, and that the Transportation Commission has been represented at the meetings.

E. Federal funding and letter to Congressional delegation:

Mr. Haddad reported that letters from the Chairman had been sent to the Florida Congressional delegation supporting federal legislation on the economic stimulus package to provide assistance to the development of high speed passenger rail service. The package includes the High Speed Investment Act that contains a \$7 billion program to allow Amtrak to sell bonds for capital assistance for high speed rail projects. The Chairman pointed out the uncertainty of the stimulus package being passed before Congress recesses for the holidays.

The Chairman informed the Authority that a letter has been sent to Ms. Teresa Tinker, the Governor's Budget Director, asking for a modification in the Authority's budget request as result of the federal appropriation being \$3 million instead of the \$4.5 million that was proposed in the original budget request. In August the Authority had approved a budget request of \$6.5 million, \$4.5 million of which was the federal match. But with the \$4.5 million being reduced to \$3 million, and further reduced by an administrative fee, the federal amount available is \$2.6. Thus, the funds available from the federal government will be \$1.9 million less than the \$4.5 million that had been projected. The Chairman has asked that this amount be made up by state funds. Also, the Authority has proposed that the investment grade ridership study include St. Petersburg. This will increase the cost about \$700,000. Therefore, the Authority needs to request that the budget allocation for state funds be increased approximately \$2.6 million (1.9 + .7 million) or from \$1.9 to \$4.5 million. With the \$2.6 million federal match, the total budget request will be \$7.1 million. Without objection the request was approved.

F. Future meeting schedule:

The next meeting will be a teleconference scheduled for December 20, 2001, with a back-up teleconference on December 27, 2001.

Mr. Chira asked whether telephonic voting or voting by e-mail was allowed. Mr. Bottcher replied that e-mail voting is not allowed. The Authority has to convene in a duly noticed public meeting. However, the meeting can be by telephone conference. Chapter 120, Florida Statutes, has a specific provision authorizing meetings by communications media technology, such as telephones. Mr. Haddad said that notice for both has been published in the Florida Administrative Weekly, with the public access point being in Tallahassee. Authority members will call the conference number. The Chairman asked that other locations be accessible. Mr. Haddad said he would make arrangements for persons to go the DOT district offices to access the telephone conference.

Mr. Haddad announced that the January 11, 2002, meeting, has been scheduled for Ft. Lauderdale to coincide with a regional Transportation Summit. Ms. Eddins explained that the Summit is to address all transportation issues. The Chairman announced that Senator Graham will not be able to be in attendance and that Senator Nelson has been invited.

Other scheduled meetings are: February 4, in Orlando; March 5-6, in Tallahassee.

Chairman Dudley handed out a list of assignments for each of the Authority members.

5. General Consultant Presentation on Draft Report to the Governor and Legislature:

Adrian Share with the Authority's General Consultant presented the draft report which will be due to the Governor and Legislative the first of next year.

On Chapter 1, page 1-3, a typo was noted that 1998 needed to read 1988. Mr. Fowler suggested that further explanation as to why the Fox project was terminated should be added. The consultant was asked to explore adding a sentence or two of further explanation. The Chairman suggested that the 4% escalation reflect that it was for forty years. Ms. Nodarse, suggested that the Authority's vision as adopted at the last meeting be included. The Authority agreed by consensus. The five regions identified on the map supplied by Mr. Dockery will have potential routes superimposed on the map. Mr. Chira, asked that in the history section, it be shown how much money has been spent by government over the years for high speed rail. Mr. Dunn suggested that the amount spent by the private sector should also be included. Mr. Haddad stated that such amounts are available and will be supplied. Mr. Mansour asked that the reference to the Coast to Coast study be clarified.

Ms. Eddins noted that the draft report is silent out side of the St. Petersburg, Tampa, and Orlando corridor, and suggest that it include reference to the state wide implications of high speed rail. Mr. Share suggested that the focus is on Tampa to Orlando because that segment is the only segment implementable by the Constitutional deadline of November 2001. That segment is a representative segment of a statewide system. Mr. Mansour stated that the statute is clear that St. Petersburg and Miami were to be included in the study, and that there is information available, such as suggested stations. The consensus was that the report should include, to the extent information is available, discussion of connections to St. Petersburg and Miami. Suggested station locations in St. Petersburg could be identified. Further, the report is to reflect St. Petersburg as an integral part of the system. The description of Phase 1 will be Phase 1, part 1, Tampa-Orlando, Phase 1, part 2, Tampa-St. Petersburg, without referring to the Tampa-St. Petersburg link as an extension.

The Authority broke for lunch at 12:25 and returned at 1:30 p.m.

Mr. Share presented a new slide prepared during lunch that shows the report objectives will include a vision plan and corridor definition (phases and parts) as agreed upon before lunch.

Mr. Mansour moved that on page 2-7, second paragraph, Table 2-1: Option A, the general case which presently goes from Tampa to Orlando, beginning from Tampa Union Station be changed so that the general case be made with a route from St. Petersburg to I-275 to I-4 to Bee Line, with stations being located at the terminus in St. Petersburg and other appropriate places so that there is a complete logical route. Mr. Browning seconded the motion. Mr. Dudley suggested not including a stop at Tampa Union Station, because that may preclude going west to St. Petersburg, but instead using a generalized reference to downtown Tampa. Mr. Mansour and Mr. Browning agreed to this change to the motion. Mr. Share suggested that this proposal be added as another General Case Option, as a number nine. Mr. Mansour and Mr. Browning agreed to change the motion accordingly. Mr. Dunn stated that there is a different level of information for the St. Petersburg and Miami segments. Mr. Share replied that the different levels of information and the studies will be referred in the report. The Chairman called for a vote on the motion, which passed unanimously.

Ms. Eddins suggested that the report include all underlying assumptions that have been made, and that the report needs be to be reviewed by FRA, FHWA, and FDOT before being adopted.

The Chairman agreed that a list of assumptions needs to be included.

Mr. Share suggested reviewing the section on the Implementation Plan, which represents

certain scenarios, which are not being recommended, but are being presented as scenarios for further study. Ultimately, bidders will decide on a scenario to implement, which will occur after completion of more detailed ridership and environmental studies.

Mr. Dunn pointed out that on page 1-5 in the list of items that are included in the report, the second bullet from the bottom, is stated: "An estimate of the value of assets the state or its political subdivisions may provide as in-kind contributions for the system." However, no such estimates are included in the report. Mr. Share advised that there will be such estimates in the next draft.

Mr. Browning questioned slide 20, 'Section 7: Planning Level Ridership.' Why show 814,000 passengers between WDW and OIA, and then state that this ridership is not included in the forecast? Mr. Share responded that there is a typo, the number should be 841,000. He further explained that because there is no contract with WDW that these persons would use the system, it would be premature to include the number in the forecast. However, the number is presented in the report to show that there is this potential ridership. Ms. Eddins questioned the source of the numbers for the ridership forecast and asked what was included. Mr. Metcalf, replied that only reliable numbers should be included in a forecast. The WDW numbers were not included because, it would be speculation as to whether WDW would contract with the high speed system for these riders. Mr. Tom Lewis, vice president for WDW, stated that not all the information is being presented. WDW would support high speed rail and would contract with the system if it connected directly from the Airport to WDW. Mr. Chira asked Mr. Lewis the cost of transportation from the airport to WDW. The answer was approximately \$8 each way for a total of \$16-18 for a round trip including baggage handling.

The Authority discussed the ridership numbers in Table 6.2, and asked that the assumptions used be identified and that the report clearly state what the numbers represent-- that there are from a planning level forecast, and that an investment grade ridership study still needs to be conducted in order to draw any firm conclusions.

Mr. Share presented Section 10: Preliminary Implementation Plan, and explained potential procurement strategies. A request for qualifications is one option. This is a process whereby the Authority sets forth minimum criteria for entities to respond to and be pre-qualified for contracts. Mr. Dunn suggested that a letter of interest may be more appropriate. The Chairman suggested at the January meeting the Authority will start the process to define the procurement process, which for now should be labeled as a request for qualifications/request of letters of interest. Mr. Bottcher pointed out that currently the Authority has statutory authority to issue a request for letter of interest, but does not have the power to issue a request for qualification. The Chairman stated that the Authority can start drafting a request for qualification in January, and have it complete and ready for issuance after the Legislature grants the authority to do so.

Mr. Share explained that the report recommends the procurement process be for a design, build, operate, maintain, and finance (DBOM & F) method. Mr. Mansour suggested that the Authority agree, by consensus, to that method, subject to legislative authority. The Chairman asked if there were any objections. There were no objections.

Ms. Eddins asked about the environmental review process required by NEPA and the conclusions in the report in reference to the phases, specifically the review process for the system being in the I-4 medium. Mr. Share explained that the consultants have started meeting with FRA and FHWA to define the process for approving the use. The PD&E process will review

all issues, including the “startle effect.”

Mr. Share explained Section 11, which outlines the proposed legislation. The list suggests adding provisions to the existing enabling act of the Authority to give it the authority to procure using the DBOM method, to seek funds, to finance a high speed rail system, for rulemaking, to raise revenues, to use state owned right of way, for eminent domain, to protect trade secrets, to resolve comprehensive planning conflicts, to enter into a DBOM contract, to use existing planning and permitting processes, to provide for limitation of liability for a high speed rail operator, and for the Authority to operate as an enterprise.

Mr. Dudley asked if the use of the state owned right of way could be amortized by the operator by making a payment to the state with the funds being returned to the system. This could result in a non-cash incentive with federal income tax benefits that may be attractive to private investors. Mr. Miller agreed to explore the concept and report at a later date.

Mr. Chira asked why there is a provision for “trade secrets.” Mr. Bottcher explained that the provision is in the existing act and was being proposed to be carried forward in the legislation. Mr. Chira and the Chairman asked if this was necessary in that there are general provisions in law to protect trade secrets. Mr. Bottcher agreed to review the need for a separate provision in the Authority’s legislation and if there was no need to delete the provision from the proposed legislation.

A question was raised about the need to limit competition in item 14. Mr. Bottcher explained that in the existing statute the franchisee for a high speed rail system had the exclusive right to build high speed rail. This provision is a carry over from that act. It is a general practice in transportation financing arrangements to have provisions to limit competition to protect bondholder’s investment. The current law only precludes competing high speed rail systems, and would not affect non-high speed passenger rail service.

Chairman Dudley asked if the legislation would include the granting of development rights. Mr. Bottcher explained that there are limited development rights at stations in the existing law, and these are being proposed to be carried over to give the authority the opportunity to secure a revenue stream for development at stations. The revenues would have to be used to pay for the high speed rail system.

Mr. Share suggested that Sections 10 & 11 are the essence of the report and could become the executive summary.

The Chairman announced that written comments on the draft report can be submitted to the Authority-- copies to each member, to Mr. Share, and to Mr. Haddad by close of business on Friday, December 14, 2001.

The Chair suggested that the report needed to include a list of assumptions. Also, he noted the statute refers to findings. Therefore, there needs to a section on findings. An executive summary of not more than 3 pages needs to be created.

Ms. Eddins raised an issue about the assumptions. Specifically she questioned whether the total cost of using the I-4 medium included the possible costs for relocating highway lanes. The consultants replied that there is included a total design and construction contingency of 25%. Ms. Eddins explained that there are other costs which do not appear to be included in the report, such as the cost of the right to operate on CSX, and insurance costs, and costs of

claims. She emphasized that all costs must be included and if there are assumptions regarding these costs, they need to be identified. Without knowing the assumptions, the statements about viability are questionable.

The Chairman stated that all members can comment on the report, and that if a member desires to do so, there can be included in the report a statement by the member raising any issue or concern. Mr. Fowler suggested that all tables and charts in the report accurately reflect the nature of the information provided-- if only planning level information was used-- that needs to be noted.

Mr. Share stated, with the comments being received by Friday, the time frame for completing the next draft would be December 18, 2001.

6. Public comment: Mr. Gary Borsh, of the Central Florida Technology Transit Consortium, known as the Authority's partner "Coast to Coast Rail," thanked the Authority for its decision to include an investment grade ridership study and for including St. Petersburg in the analysis. Eventually, he added, the other coast needs to be included.

Mr. Tom Lewis, Vice President of WDW, stated that WDW has concerns in five different areas and that it would be submitting written comments by Friday.

Mr. David Goodstein, West Boca Community Council in Palm Beach County, stated that there are areas in the report that could be better covered. On ridership, the report should explain where the riders are being diverted from; the traffic improvements in traffic on I-4 should be more fully explained; and how the proposed funding is different than that proposed in the past. Also, the report needs to clearly identify the level of accuracy of the numbers presented, because Legislators and other readers will assume that the numbers are exaggerated.

Adjournment.

The meeting was adjourned at 4:00 p.m.

Attachment to 12/10/01 FHSRA minutes

Florida High-Speed Rail Authority

Unfinished Business:

Motion by Mr. Dunn:

That The Florida High-Speed Rail Authority [AUTHORITY] adopt as its policy that any and all rail lines planned, designed or constructed by the AUTHORITY or its agents shall be separated from all other motor vehicular traffic using one of the following methods:

1. A bridge or other structure shall be constructed which carries the rail line above and allows the passage of other motor vehicles below the AUTHORITY's rail line.

2 A bridge or other structure shall be constructed which carries the other motor vehicles over the AUTHORITY's rail line and allows the passage of other motor vehicles above the AUTHORITY's rail line.

3. The roadway or rail line carrying other motor vehicles shall be permanently closed to other motor vehicle traffic with fixed barriers or barricades on both sides of the AUTHORITY's rail line.

The intent of this policy is to prevent any conflict between the AUTHORITY's rail lines and any other motor vehicle, which could result in delays or unsafe conditions.

NOTE:

At its meeting of November 13, 2001, the Authority postponed action on this motion until the scheduled meeting of December 10, 2001.