

**Florida High Speed Rail Authority
March 3, 2003**

**Florida Department of Transportation Auditorium
605 Suwannee Street
Tallahassee, Florida**

Meeting Minutes

Call to Order: Chairman Frederick Dudley convened the meeting at 9:00 a.m. Members present were Ms. Heidi Eddins; Mr. William Dunn, P.E.; Mr. CC "Doc" Dockery; Mr. Skip Fowler; Mr. Lee Chira; Mr. Norm Mansour; and Ms. Leila Nodarse. Mr. John Browning was not in attendance.

1. Welcome and Introductions:

Chairman Dudley welcomed everyone to the meeting.

He then welcomed the Chairman of the Senate Transportation Committee, Senator Jim Sebesta and invited him to speak.

Senator Sebesta said that he met in Washington last week with members of Congress, the Department of Transportation, as well as individuals at the White House. He noted that there is strong support for High Speed Rail but there is concern about realizing substantial funds. The Senator added that one of the strongest supporters for HSR, Congressman Don Young, is concerned that the reauthorization of TEA-21 might not be realized until after the Presidential election. The Senator noted that since the voters voted for HSR before 9/11, there would be a strong effort this year to go back to the voters with the constitutional amendment to abort HSR. He said he is considering his own constitutional amendment, which would give the Authority three more years to begin construction of the first phase of the system. These 3 years would allow for improvement in the economy. He concluded that he would not address this for at least 30 days.

Chairman Dudley thanked Senator Sebesta for all of his efforts and his presence.

2. Review and corrections/approval of minutes of January 22, 2003 Meeting.

The Minutes of the January 22, 2003 meeting were reviewed.

On a motion made by Mr. Fowler and seconded by Mr. Dockery, the meeting minutes were approved unanimously and without further correction.

Chairman Dudley then recognized Mr. Haddad.

3. Old Business

a. Five -Year PD&E Study & Estimated Budget - Mr. Nazih Haddad

Mr. Haddad presented a chart that incorporated the costs for conducting the PD&E work for the Orlando to Miami Segment as well as the Tampa to Orlando and St. Petersburg to Tampa Segments, as per the Authority's request from the January Board Meeting. The chart is included in the Agenda hand out. Mr. Haddad reviewed the costs for each Segment.

Chairman Dudley recognized Mr. Dunn.

Mr. Dunn recommended combining of the Tampa - St. Petersburg Segment with the Miami - Orlando Segment, which he felt is a strong market, in order to create a more attractive and productive package for the proposers.

After a considerable discussion of the matter, the Authority unanimously agreed to direct Staff to modify or revise the St. Petersburg -Tampa (Phase 1, Part 2) work schedule.

b. Legislative Budget Request - Mr. Haddad

Mr. Haddad indicated that this budget request for next year will cover the completion of the Orlando-Tampa EIS study and would initiate similar work on the Orlando-Miami and the Tampa-St. Petersburg segments.

Chairman Dudley recommended the Authority members keep this request along with the chart attached, with them when speaking to Legislators.

4. Preliminary Analysis of HSR Proposals

a. Overview/Elements of Proposal Review - Nazih Haddad

Mr. Haddad reminded the members this is a consolidated review of the original proposals. The Staff has prepared a list of questions for the proposers, of which the Authority may add to, he said. These are intended to be clarification questions on various elements of the proposals. He

Chairman Dudley suggested the Authority members refrain from public comments during the review. Each one will have an opportunity to ask questions during the proposer's presentations.

Chairman Dudley recognized Mr. Adrian Share, HNTB.

4. b General Consultant's Presentation - Mr. Adrian Share

Mr. Share reminded everyone that this was a review of what was included in the proposal and included no analysis or evaluation of this material. He also noted the list of questions prepared by Staff is not an official list, the list will be revised as a result of this meeting

and comments from the Authority. He explained wherever there is a bullet that states "not provided" meant the proposer(s) did not provide that particular information in their proposal or it needed clarification and the Staff specifically references that in the list of questions.

He noted that the final identification of the preferred Proposer would not take place until October 2003. The presentation is by alphabetical order.

A. et3.Com

1. Technology - Technology is an Evacuated Tube Transport system, which operates in a vacuum utilizing a maglev track.

2. Principals and Team Organization - The Principal members would be et3.com, Inc., and their Team would consist of Ductal, GRINM Dept. of Superconductivity, USMMM Nd Magnet Mfg, A&N Corp, NJTU School of Transportation Engineering, and Dr. Vincent Bourquin. The proposal did not include information on MWBE participation.

3. Relevant Experience - Was not provided.

4. Proposed Alignment - Met RFP requirements for alignment. If the Greenway alignment is preferred to the Beeline alignment \$100 million dollars would be added to the cost. The proposal met the performance requirements and reaches a maximum speed of 350 mph, allowing for a trip time between Tampa and OIA of 20 minutes. Three station locations are proposed at Tampa, Lakeland, and OIA. The system allows for the ability to add a station anywhere.

5. Bonding & Insurance information was not provided.

6. Conditions/Enhancements - et3.com wants the Authority to obtain permits, Mr. Share said. They want exclusive right to advertise within the Right of Way. They want the Authority to waive the surety bond requirements and to assume liability exposure of construction and operation. et3.com, Inc. requires the first right of refusal for the statewide system.

Listed enhancements include 24 hour operations, speeds in excess of 120 mph, and greater safety.

7. Proposed Schedule - The proposal indicates commencement of revenue service one year in advance of what the RFP requires.

8. Ridership/Revenues/Costs - This proposer does not provide ridership or operating costs. Mr. Share indicated that it was difficult to interpret et3.com's firm fixed price and clarification of this is requested in the list of questions. It appears that the cost of construction is \$1.2 billion.

9. Funding/Finance - Mr. David Miller, PFM, stated this proposer did not provide a funding plan; however they indicate that their advertising revenue would pay for infrastructure, rolling stock, and maintenance and operations. They specified the farebox revenue to pay for ongoing capital infrastructure costs, with any net farebox revenue to flow to the vendor as profit. The Cost Tabulation Sheet as required in the RFP was not completed.

B. Fluor/Bombardier

1. Technology - Technology is a Jet Train with diesel-fueled turbine. The technology was developed jointly with the FRA. The proposal includes a single track system from Tampa to Disney.

2. Principals and Team Organization - Mr. Share stated that Florida High Speed Rail Holdings, LLC would be the Limited Liability Corporation with the principal members being Fluor Daniel Florida Rail, Inc. and Bombardier Transit Corporation. Members of their team would be HDR Engineering for Engineering and Geo-technical support. Construction Team members would be Skanska-Granite-Lane, Joint Venture; Hubbard Const. Co., Martin K. Eby Const. Co., Inc. and Marta Track Constructors, Inc. Financial entity would be Lehman Brothers with oversight provided by Fluor. O&M would be Fluor/Bombardier/Marta. Fluor/Bombardier complies with the RFP for MWBE/DBE Certified firms and will pursue MWBE subcontracting goals of 8% of contract. They note they have eleven (11) MWBE Certified firms with confirmed interest. Mr. Share added that they also included an organization chart.

3. Relevant Experience - Mr. Share stated that Fluor/Bombardier provided the requested information for Financial Capabilities & Experience, DBOM&F Experience, and Maintenance Experience. They did not provide Operations Experience.

4. Proposed Alignment - The proposed routes follow those identified in the RFP except on the Greenway where the proposal utilizes the median instead of the north side of the ROW. Mr Share also noted that the proposal indicated a single track west of the Disney station to Tampa and double track on both the Beeline and the Greenway from the station to OIA Their proposal met or exceed the required operating characteristics. The maximum vehicle speed is 125 mph producing trip times of 65 minutes on the Greenway and 70 minutes on the Beeline. The proposal also includes shuttle service from OIA to the Orlando area attractions and utilizes five station locations.

5. Bonding and Insurance - Performance and Payment Bonds were not provided. They assume an Owner Controlled Insurance Program (OCIP). The cost of insurance was not provided in the cost of the system as was required in the RFP.

6. Conditions/Enhancements - The firm fixed price is guaranteed for only 120 days after submission of the proposal. The O&M costs are subject to negotiations at seven (7) year intervals with an indexed fuel price adjustment requested. Costs related to utility relocations, compensating flood storage, or pile lengths longer than assumed were not included in their proposal. Clarification is requested of what the assumed pile lengths were. Fluor/Bombardier is asking the Authority to provide horizontal and vertical envelope clearance. The adjustment of the CSX bridge and others would be at the cost of the Authority. They are requesting highway encroachments to be up to eight (8) feet and assumed these are approvable.

Fluor/Bombardier's listed enhancements include retained earth walls in lieu of bridges, an alignment located in the GreeneWay median (assumes OOCEA approval) and increased service frequency and reduced dwell times.

7. Proposed Schedule - Mr. Share noted that the proposal states that the commencement of revenue service date required in the RFP is unachievable. The proposal schedule indicates that December 15, 2009 will be the commencement of revenue service.

8. Ridership/Revenues/Costs - Mr. Tom Biggs, HNTB, continued the review stating that Fluor/Bombardier claims the Disney ridership is needed to support operations and project revenue bonds for rolling stock. The numbers provided by FHSRA, based on the Investment Grade Ridership Studies, were adjusted to reflect the proposed operating plan and to optimize fare structures. Mr. Biggs noted the Staff had some questions in this area because the required information on ridership and revenue weren't provided. They adjusted their fares 2.7% per year to allow for inflation. 2011 operating revenues on the Greenway were \$75 million with 2011 O&M costs of \$49 million. The infrastructure estimates (firm fixed price) for the Beeline and Greenway were \$2.1 billion each. For rolling stock the reflected public costs to be \$120 million by way of Federal Grant and private financing \$101 million.

9. Funding/Finance – Mr. Miller noted their plan of financing recommended Federal Tax Credit Bonds in order to finance the infrastructure cost. They recommend an annual State Grant of \$75 million per year for 35 years to pay the principal amount on tax credit bonds, capital renewals, and system expansion. Mr. Miller said the Staff has requested a cash flow analysis as required in the RFP. Their plan includes tax-exempt Project Revenue Bonds, issued by the Authority, to finance \$101 million in rolling stock costs and a Federal Grant of \$120 million to fund the balance of the rolling stock. Any revenue surpluses, they claim, would be returned to the Authority. The total payment to the Authority would be \$2 billion Additional use of private equity would have \$50 Million set aside in a Standby Liquidity Facility supported by the parent company used to pay debt service in the event project revenues are insufficient. Fluor Bombardier guarantees the capital cost of the structure of the project and they will guarantee

the operating cost for the first seven (7) years. The public sector would take some risk in the case of low revenues. Mr. Shellenberger added that the Cost Tabulation Sheet was included in their proposal.

B. Georgia Monorail Consortium - Mr. Share noted that Georgia Monorail presented two proposals. One was for Intercity Service from Tampa to OIA and the second added two (2) 25-mile feeder systems in the urban areas of Orlando and Tampa.

1. Technology - Technology consists of a light weight electrically powered aircraft monorail, attached by steel structures and supported by steel wheels running on steel rails on both sides of an elevated guideway.

2. Principals and Team Organization – Mr. Share stated the principal member is Owen Transit Group, Inc. MACTEC and WBQ are engineering team members, there are unnamed construction companies that will be on the team and various others for controls and train operations. They did not address MWBE/DBE Certified principals. An organization chart was included in their proposal.

3. Relevant Experience - Georgia Monorail did not provide Financial Capabilities or Experience, DBOM&F Experience, or O&M Experience.

4. Proposed Alignment - They followed the alignment that was in the RFP. Their second proposal added the Feeder Systems. The system will run 15 trips per hour and meets the required operating characteristics. The average speed of the system is 155 mph. Trip time between Tampa and OIA is 34 minutes.

5. Bonding & Insurance - Performance and Payment Bonds, as well as Insurance Coverage was not provided.

6. Listed Enhancements – They provided a Disney station. The second proposal added two 25-mile transit systems in Orlando and Tampa/St. Petersburg areas.

7. Proposed Schedule - Their completion date appears to be 2007. The Staff has included a clarification of this point in the list of questions.

8. Ridership/Revenue & Costs - Mr. Biggs stated that Georgia Monorail based their revenue estimate on the Authority's Ridership Study and additional market that was estimated by GMC. They based the revenues on an estimate of \$.25 per mile, without changes due to inflation. They did not include ancillary revenues.

Proposal 1 revenue was estimated to be \$74.6 million (2010 \$'s) for the Beeline and \$61.8 million for the Greenway. Operating costs were \$36.0 and \$31.0, respectively. Proposal 2 would add \$170 million in revenues and \$99.1 million in operating costs.

Mr. Biggs said there were questions about Georgia Monorail's distance calculations and stations for each of the routes.

The cost of infrastructure and rolling stock in Proposal 1 is \$1.5 billion for the Beeline route and \$1.4 for the Greenway route. Proposal 2 includes cost of \$2.5 billion for the Beeline route and \$2.4 billion for the Greenway.

9. Financial – Mr. Miller noted that there is a need for clarification on their operation subsidies. Their projected revenues were all derived from a positive operating forecast. Under Risk Sharing/Revenue they note the Bond Debt Service would need to be secured by additional state revenue. They note profit sharing of 50/50 between FSHRA and the Vendor. The proposal assumes state issued tax exempt bonds to finance infrastructure and rolling stock costs. Proposal 1 assumes state subsidy of \$15 million per year for 10 years and a Federal grant of \$18 million per year (duration unknown). Proposal 2 assumes state subsidy of \$10 million per year for 8 years for the Greenway route and none for the Beeline route. A Federal grant of \$30.8 million (duration unknown) is assumed in proposal 2.

D. Global Rail Consortium

1. Technology - Mr. Share stated that Technology was advanced generation TGV with overhead electric power.

2. Principals and Team Organization - They are a Limited Liability Corporation with principal members. On their team were Engineering and Geotechnical firms as well as Construction and O&M firms. They did not list a financial firm for oversight. They identified six (6) firms for various services that were MWBE/DBE Certified and ensure DBE's will be afforded full opportunity to submit bids. They did include an organizational chart.

3. Relevant Experience - Financial capabilities and experience as well as DBOM&F experience was provided. They noted SNCF would operate HSR and Rail Net, Inc. (Mears) would operate the feeder systems under O&M Experience.

4. Proposed Alignment - The RFP alignment was followed for both the BeeLine and GreeneWay. The requirements for the number of trips and hours of operation were met. The top achievable speed is 186 mph producing a 43 minute

trip from Tampa to OIA (non-stop) and 54 minute trip time between Tampa, Lakeland, Disney and OIA. Proposed stations were in accordance with the RFP.

5. Bonding & Insurance - They noted in the proposal that bonding would be phased - \$900 Million team total. The proposal included a cost for a Contractor Controlled Insurance Program (CCIP).

6. Conditions/Enhancements - There were no identifiable conditions. Their listed enhancements included increased hours of operation and service frequency, in addition to an extensive marketing program. The proposal also identified off-track and ground transportation services to be provided by RailNet, Inc. (a Mears group affiliate).

7. Proposed Schedule - Meets the RFP schedule.

8. Ridership/Costs - Mr. Biggs stated they indicate the Disney Captive ridership would be needed for positive operating cash flow. They adjusted the FHSR Ridership to 75% of the Choice estimates and 80% of the Captive estimates, with adjustments for inflation at 2.7% per year. They also included ancillary station revenues to include concessions, advertising, transportation fees, and catering on the trains. Forecasted operating revenues for 2010 for the Beeline were estimated at \$45 million without the captive market and \$57 million for the Greenway with the captive market. Operating costs for these two routes are \$58.9 and \$65.6 million, respectively.

The proposal indicates a firm fixed price for the Beeline route of \$2.3 billion and the Greenway route of \$2.4 billion. Estimated rolling stock costs for the Beeline route was \$99 million and \$91 million for the Greenway.

9. Finance – Mr. Miller said they were largely consistent with the other proposers contemplating the use of tax exempt bonds for infrastructure costs. They included a 20-year lease structure, supported with project revenues, used to finance rolling stock with amortization. There's a need for clarification on the cash flow. There is a section they refer to as Private Contribution. Clarification is needed on where the profits go. They do indicate an operating reserve to back revenue shortfall. They offer guaranteed capital cost and an O&M cost-sharing formula based on ridership. Global Rail assumes 100% risk for up to 1.5 Million riders and will share the risk with FHSRA from 1.5 Million to 4 Million annual riders with a maximum FHSRA exposure in any year of \$2.7 million. In addition, they offer revenue sharing with the state receiving the first million of net profit and remaining profit to be divided evenly.

4. c Recommended Process - Mr. Share

Mr. Share then reviewed the Recommended Process from receipt of the proposals forward. This schedule which was included in the Meeting Agenda Package.

- Feb. 10, 2003 Received Proposals
- Mar. 3, 2003 Initial Presentation of Proposals
- Mar. 4, 2003 Requests for Clarification for Proposers
- Mar. 24, 2003 Responses to Clarifications due
- Mar. 26/28, 2003 Meet with FRA/FHWA
- April 16, 2003 Authority Board Meeting - Present Further Findings/Responses
- July 15, 2003 Draft EIS
- October, 2003 Identification of Preferred Proposer

Mr. Share noted, in response to Ms. Nodarse's request that the questions would be submitted to the Proposers for formal written reply and would be considered at the next Board meeting.

In answer to Chairman Dudley's question, Mr. Biggs stated the ridership numbers on page 23, slide 46, for Georgia Monorail regarding BeeLine and GreeneWay ridership/revenue were correct per their proposal.

Chairman Dudley stated that in order to follow the process, all four proposers would be given due consideration to answer questions of the Staff/or Authority. This list of questions would be for clarification and not for points of submission of information not originally submitted in the proposal.

5. Applicant's Presentations

a. ET3. com - Mr. Daryl Oster - Mr. Oster was not present.

b. Fluor/Bombardier - Mr. David Gedney of Fluor and Ms. L. Stewart of Bombardier - Mr. Gedney thanked the Authority for the opportunity to make the presentation as well as thanking Mr. Share for the thorough review. Mr. Gedney explained to the Authority that they utilized the Ridership Study provided by the Authority to compile their numbers. He does not recommend use of the BeeLine based on the Ridership Study.

Mr. Gedney reviewed his slide presentation, which was also included in the Agenda. He also reviewed with the Authority their qualifications, current and past projects. He reviewed their Subcontractor makeup of experienced team players. He did note that they were pleased to have Lehman Brothers as their financial underwriters. Mr. Gedney then introduced Ms. Stewart, the Vice President of Bombardier.

Ms. Stewart reviewed Bombardier's leadership in advanced transportation technology, experience, qualifications, and financial capabilities. Ms. Stewart explained the Technology proposed was specifically selected for the needs of Florida. The technology is FRA compliant and environmentally safe.

Mr. Gedney then continued by reviewing the schedule and the plan of finance, and explained their fixed price capabilities. He said the team recommends tax credit bonds to finance the entire infrastructure cost, of which legislation should take note. The Team is assuming the risk for O&M, which is to be revisited every seven years, as required by the IRS to insure no one is receiving too much profit. He then continued to explain the Operations and Rolling Stock cost with the aid of a visual slide. He concluded they are ready to stand behind their fixed price with a \$50 million standby credit facility.

Questions & Answers

Mr. Gedney in answer to Chairman Dudley's question, confirmed that upon revisiting the O&M every seven years, there may be no adjustments; if there are adjustments to be made, it would be in the Authority's favor.

Mr. Gedney stated, in answer to Mr. Dunn's question, that Fluor/Bombardier would have to respond in writing to the impact of their proposal, should the option for tax credit bonds fall through.

Chairman Dudley recognized Mr. Dunn.

Mr. Dunn asked Mr. Gedney if they ever anticipated a double track.

Mr. Gedney responded by indicating that the ridership studies show no need for a Tampa - Disney double track. A double track would be anticipated from Disney to OIA because of its growth estimates. Sixty-minute headways are anticipated with full growth for this ridership thus it's not worth the expenditure, he added, because if needed headways can be reduced to meet needs of future ridership.

Mr. Gedney responded to Mr. Dunn that full electrification would establish shorter trip times, if speeds in excess of 150 mph were desired.

Mr. Dunn asked if the difference in the required level of subsidy between the GreeneWay and BeeLine might be reduced if Disney were persuaded to put their Captive ridership into play on the BeeLine route.

Mr. Gedney admitted he did not know the answer, since the data provided by the Authority in the Ridership Study made a very clear differentiation. It should be more, he stated, but Fluor/Bombardier took a more conservative view.

Mr. Gedney, in response to Ms. Eddins' question, said the jet train was not in revenue service.

Ms. Stewart, in response to Ms. Eddins next question regarding field-testing responded that the jet train has been fully tested in Pueblo and is currently being taken across America on a technology preview along with the FRA. She also noted in response to Ms. Eddins question that it was not originally planned to be in revenue service in New York.

Ms. Eddins asked if they believed it to be an Investment Grade Ridership Study to date.

Mr. Gedney responded that they did not believe it to be an Investment Grade, however according to the Peer Panel Review it will meet all the requirements.

Ms. Eddins reviewed with Mr. Gedney their willingness to guarantee cost to operate the system for seven (7) years. Mr. Gedney concurred.

Mr. Gedney responded to Ms. Eddins that Fluor/Bombardier would cover the ridership risk, with a \$50 Million Standby Credit Facility. He does not see any further risk according to the revenue forecast provided by the Authority,

Ms. Eddins asked who would issue the tax-exempt bonds.

Mr. Gedney answered that the Authority would issue the bonds with no recourse to the state, only to the bondholders.

Chairman Dudley recognized Mr. Chira.

Mr. Chira asked if the tax credit bonds would be available to individuals as well as corporations.

Mr. Gedney answered yes.

Mr. Chira noted that tax credits to individuals on bonds are limited to \$7,000.00, which could make it less attractive. He would like to make sure Lehman Brothers is aware of all the tax credit laws.

Chairman Dudley recognized Mr. Fowler.

Mr. Fowler referred to the Flow Chart for Operations and Rolling Stock. He asked what the Standby Credit was for.

Mr. Gedney answered that it is to make sure that the bondholders do not suffer any loss.

Mr. Gedney noted that if the GreeneWay route is realized then 45% of the intended riders would be going to Disney. Mr. Gedney likened it to an annuity coming from Disney's ability to use this system. It is very predictable he added.

Mr. Fowler expressed that if the revenue goes up so will the cost to operate.

Mr. Gedney said the Coverage Surplus goes to the FHSR in 2005.

Fluor/ Bombardier noted for clarification that during the construction period 100% of the \$75 Million goes to the EPC cost, and that only after operations does the \$75 Million get directed the way the chart indicates.

Mr. Fowler asked when the tax credit bonds would be issued.

A schedule in the proposal addressing this indicates the first \$75 Million would come from State appropriations. It would be taken down one year at a time over the construction period, which would reflect approximately \$2.3 Billion. They reviewed the schedule in the proposal.

Mr. Gedney responded to Mr. Fowler that there were no plans to issue Revenue Anticipation Bonds.

With no further questions Chairman Dudley thanked everyone and the Authority broke for lunch at 12:15 p.m.

Chairman Dudley called the afternoon session to order at 1:15 p.m.

Chairman Dudley recognized Mr. Bill Owen from Georgia Monorail Consortium and encouraged everyone to turn to the visuals in the Agenda booklet.

c. Georgia Monorail Consortium - Mr. Bill Owen - Mr. Owen thanked the Authority for allowing him the opportunity to make a presentation. He shared his experience with the Authority and described his technology for HSR entitled the Florida Silver Bullet.

He discussed the capacity of the system. He also explained that steel rail has a neoprene rubber **subtrait** allowing it to be called the 'quiet rail' as well as it having the capability to absorb the vibrations of the rail. One guideway can handle two directions. Their design ensures no possible way of derailment he said.

He states his system is 40% lower in cost to build than other systems, because the stations required are only fifty (50) feet long and the stations are used sixteen (16) times per hour. The trip time between Tampa and OIA is 34-minutes.

Mr. Owen reviewed the expected fare structure, breaking it down between the two proposals.

Mr. Owen noted that Georgia Monorail does not have a General Contractor because of the bond size requirement. Mr. Owen explained they have a bonding company, but until everything is in place the bonding company will not commit. It will have to be bonded in

phases. He noted that Georgia Monorail has a group of team members that consists of: WBQ Design & Engineering for construction management; MACTEC Engineering based in Florida for civil.; Control Corp. of America, based in Atlanta for power and controls; Tindall Corp. for concrete guideway; AAR Composites for vehicle bodies; Bradfield, Richards, Rhodes Architects with offices in Orlando for architecture; Owen Transit Group, Inc. for technology, General Jere Akin for logistics consulting, and Lyle Schaefer for testing consulting.

Mr. Owen said that Georgia Monorail uses pre-existing components, made in America, quantifiable with catalogued prices.

Mr. Owen reviewed Georgia Monorail's plan for funding.

Questions & Answers

Chairman Dudley asked Mr. Owen to explain the phrase 'Construction Funds' and where they are coming from.

Mr. Owen said the money would come from Revenue Bonds from the State of Florida, backed by the earnings of the system's operation, which would be validated by the Investment Grade Ridership Study. The Ridership fare box would repay the bonds Mr. Owen added.

Chairman Dudley asked of Mr. Owen how they plan to move 200 cars per hour through any one station.

Mr. Owen replied that Georgia Monorail has a 15 second headway, which allows you to move four (4) vehicles per minute or 240 vehicles per hour.

Mr. Owen stated the entire 90 mile track is elevated. He also noted in response to Chairman Dudley, that all the parts are 'off the shelf' with the exception of a few items: the housing, the T-Bar which is a pre-cast 6" thick concrete beam, and the breaks,.

Mr. Owen noted the G forces were calculated for the beam and that he would provide that information to the Authority as soon as possible per Chairman Dudley's request.

Mr. Owen responded to Chairman Dudley's question about emergency exits by explaining the way the windows open; that a person could climb out, (and into another vehicle) if necessary.

Chairman Dudley recognized Mr. Dunn.

Mr. Dunn asked Mr. Owen if the pre-cast beam was pre-stressed or post-tensioned.

Mr. Owen replied both.

Mr. Owen explained how the beams are installed on a curve, using segmented construction. He explained they are tightened with steal and held in place with epoxy. He noted this is what is used in the DOT Panama City Bridge over St. Andrews Bay.

Mr. Dunn expressed concerns for thermal expansion, warping, replacement, and replacement time.

Mr. Owen noted that the neoprene rubber subtrait has a life expectancy of 20 to 30 years. There was an allowance of 4 hours dead time per day for maintenance.

With no further questions Chairman Dudley thanked Mr. Owen for his presentation.

Chairman Dudley recognized Mr. Ralph Mervine for Global Rail Consortium.

d. Global Rail Consortium, Inc. - Mr. Ralph Mervine - Mr. Mervine referred everyone to their copies of the presentation and reviewed their Mission Statement. Mr. Mervine then introduced all the members of their team starting with the Engineering Team consisting of ARCADIS and KRTC. ARCADIS, Mr. Mervine continued, has on their Team: Hanson Wilson - Civil Engineering; Obermeyer - Civil Engineering; KCI - Civil Engineering; LPA Group - Structural Engineering/Permitting; O.R. Colan - Right of Way Consulting; Tierra - Geo-technical Engineering and Investigations; TBE Group - Ultimate design & I.F. Rooks - Survey. On the KRTC Team is Power Supply - a Maintenance Facility. On the Construction Team there is: KRTC/Samsung - Maintenance Facility; Centex - Stations; PCL - Heavy Civil; Jones Brothers - Heavy Civil; Mass Electric - Power Supply, Signaling, Control Systems and Communications; QueenCity - Trackworks; ARCADIS - Construction, Engineering & Inspection with team players on their team being: Jacobs Civil, KRTC, Heitkamp, KCI, Solah, and The TBE Group. For Operation & Maintenance there is RailNet/Mears - Off track service, Maintenance and Inspection; SNCF/Systra for on track service, Maintenance and Inspection; SNCF and KRTC - Equipment Supplier.

Mr. Mervin introduced Mr. Peter Graph from SNCF/Systra to tell the Authority about their company and explain the on track service that would be provided, with a complimentary arrangement with RailNet/Mears.

Mr. Mervine then introduced Mr. Charles Carns, Jr. the CEO of RailNet.

Mr. Carns explained how their affiliation with Mears would enhance HSR of Florida by providing the passengers to the system. They will do this by creating a transportation service and will sell connection transportation tickets to include ground service connection to the terminal, by means of marketing.

Mr. Mervine then addressed the Authority by stating that Lloyds Registry, as in Lloyds of London, will be doing the Safety Certification for the HSR system. Global Rail Consortium believes that it is very important for the long-term insurer's standpoint to have some one certify the system, Mr. Mervine added. He then continued to describe all

the additional team players who would be involved with the on going project, including public involvement.

Mr. Mervine then described the system. The track would be double track for the entire corridor with overhead electric power. This is important for the future expansion and growth of HSR. It is believed that eventually a double track will be needed, so he believes it should be built upfront. The technology would be TGV, FRA compliant, with a maximum speed of 185 mph. This technology is currently in operation. For Phase II the proposed technology is KTXR, which runs in speeds in excess of 200 mph.

Regarding the alignment, Mr. Mervine demonstrated that not only did they follow the alignment per the RFP, but created future alignments for the entire state. Their goal was to design the stations to encourage use and enhance the community.

Mr. Mervine then addressed the financial package, noting that the State's risk would be capped. Florida would get the first million profits, and all profits after that would be split 50/50. Mr. Mervine stated they did not name a financial partner and did not dictate a financing plan for the system, because they wanted to afford Florida flexibility. He said Global Rail's Team was ready to work with the Authority, when legislation comes forward requiring a certain amount of formation. In terms of Ridership, Mr. Mervine emphasized that they chose not to assume 100% of the values presented in the Ridership studies. They adjusted their numbers to reflect 75% of the Choice and 80% of the Captive markets. This, they feel, is taking a conservative measure. He reviewed with the Authority a chart for the GreeneWay and the BeeLine. He also made note that although their operating costs are higher, they were very detailed in the proposal, and the Authority should consider that. They reflect 34 trips per day. There will be an extensive marketing plan put into place, with tickets representing 50% of that strategy. Their Firm Fixed Price, he noted includes all facilities, which would be mainline rail, stations, an advanced maintenance facility, insurance, bonding, and sales tax credit. Their price is valid through the selection process and will have the system in service by the RFP date.

Mr. Mervine concluded that the Global Rail Team is ready to work with the Authority and Legislature to provide the system, and summarized their package. He then introduced Ms. Kathy Beck, who is one of the Managing Members of Global Rail.

Questions and Answers

Chairman Dudley referred to page 31 slide 62 in the Agenda. He asked Ms. Beck why they adjusted the ridership and did not try to capture any part of the Disney traffic.

Ms. Beck responded by explaining that the 80% number is on the GreeneWay and they went on the assumption they would not capture 100%, feeling this was a realistic and practical number. She noted the 68% number on the BeeLine was on the assumption they would be able to capture some of that of the market.

Chairman Dudley asked where the construction funds were coming from.

Mr. Mervine answered that one of the viable ways to fund this is to issue a Revenue Bond. He noted that if the Authority wanted them to, they could organize another way to finance, but Revenue Bonds is a viable way to go. They were also concerned about offering programs that had not as yet gone through the Florida Legislature.

Chairman Dudley referred to Global repaying the State of Florida. He asked what the difference was between the State receiving \$50 Million on the GreeneWay and \$200 Million on the BeeLine, with a \$110 Million per year output on the BeeLine as opposed to Mr. Gedney's proposal of the State getting back as much as \$2 Billion with an out put of only \$75 million per year from the state.

Ms. Beck explained that Mr. Gedney's proposal was based on Legislation ideas that are pending and unknown, and Global Rail's proposal is based on what is in the RFP and what is known.

Chairman Dudley requested that Staff provide the Authority with strict detail and evaluation on sources and resources of the two proposals.

Chairman Dudley recognized Mr. Dunn.

Mr. Dunn asked what happens after the 20-year lease on the rolling stock is up.

Mr. Mervine said updating would then be considered, as there may be trains added, etc. Ms. Beck clarified that it is a 30-year contract with a 20-year lease purchase on the equipment. After the 20th year that equipment belongs to the system.

Chairman Dudley recognized Ms. Eddins.

Ms. Eddins asked Mr. Mervine to explain the 100% cost difference on rolling stock between their proposal and Fluor/Bombardier.

Mr. Mervine could not explain, but interjected there's also a big difference between the Beeline and the Greeneway costs in each proposal.

At Ms. Eddins request Ms. Beck reviewed the ridership risk mentioned in the Staff's review, emphasizing that GRC would assume 100% of the risk for the first 1.5 million riders. Over 1.5 million and up to 4 million annual riders GRC would share the risk with FHSRA. Operational costs would be totally the risk of GRC. Ms. Beck noted that GRC has asked for a sharing of the risk after the ridership reaches 1.5 million.

Ms. Beck explained the operational deficit to be the first 14 years on the Greeneway with payback to the State over the next 16 years. The operational deficit for the Beeline, she added, would be for the first 8 years with payback to the state over the next 22 years.

In answer to Ms. Eddins next question Ms. Beck confirmed that there's an operating subsidy for the first 14 years on the Greenway. The amount of the operating subsidy is projected in their response to the RFP. Mr. Mervine addressed Ms. Eddins noting it would be found in tables 5 - 1 and 5 - 2.

Chairman Dudley recognized Ms. Nodarse.

Ms. Nodarse asked what the cost savings would be if the proposal were based on a single-track system.

Mr. Mervine replied that it would be about \$50 Million.

Chairman Dudley questioned that amount and Mr. Dunn added that electrification estimates for a single track are about \$100 Million.

Mr. Monsour requested that they provide the cost estimate for a single-track system.

Mr. Haddad asked Chairman Dudley if this request is beyond clarification.

Chairman Dudley responded by leaving it up to Staff's discretion. Regarding this particular point, it would only seem reasonable to find out what the cost would be for a single track for comparison purposes, he said.

Chairman Dudley recognized Mr. Fowler.

Mr. Fowler wanted to know why the Beeline figures are less since it is longer.

Mr. Mervine explained that they added an additional five miles of elevated structure on the GreeneWay, as opposed to retained earth structures, and at \$30 Million per mile, that would account for the difference.

Mr. Fowler then wanted to know what happens if Disney is not cooperative with regards to the BeeLine route.

Ms. Beck responded that Disney is not 100% responsible in the captive market. Mr. Kearns added that the state's exposure is still captive based on the number of passenger trips. If the Beeline route is selected and the captive market does not appear, then the subsidy could be higher.

Mr. Mervine also added a solution might be to select a team, work out negotiations, and if that doesn't work, then evaluate the options.

Chairman Dudley recognized Mr. Fowler.

Mr. Fowler noted that Disney would then have to be convinced that the Beeline route based on Global Rail's numbers is the better route.

Chairman Dudley recognized Mr. Chira.

Mr. Chira noted GRC is assuming the system is going to go on the outside of the existing travel lanes on the Greenway. If the Expressway allowed you to go inside the system, what would there be an additional savings?

Mr. Mervin stated that his engineers, in a quick study, found that the North side vs. Median would be about the same cost, assuming the extra five miles of structure.

Chairman Dudley recognized Mr. Quandal.

Mr. Quandal noted that studies showed there would be a significant savings if the structure were built on the North side as opposed to an elevated structure.

Chairman Dudley recognized Mr. Chira.

Mr. Chira requested to see the savings to the state by addressing both inside and out of the median, if the expressway would allow the system to go in the median.

Chairman Dudley recognized Mr. Fowler.

Mr. Fowler wanted to know if the BeeLine is selected and there's also light rail running along that route, how a person would get to the airport. Does one preclude the other, he asked.

Ms. Beck noted that Orange County has made no commitment for light rail alignments south of the BeeLine, and it is really local level politics. Ms. Beck noted they merely responded to the RFP requirements.

Mr. Mervine noted he envisioned a train change coming in from BeeLine.

With no further questions Chairman Dudley thanked Ms. Beck and Mr. Mervine.

Chairman Dudley reiterated that no decisions would be made today.

ANNOUNCEMENTS

Chairman Dudley announced that Mr. John Browning had undergone surgery and has come through quite well.

On a motion made by Chairman Dudley and seconded by Mr. Fowler the Authority unanimously agreed to send a letter to Mr. Tom Barry thanking him for his service as a member of the Authority and bringing his knowledge and experience to all of them.

Chairman Dudley announced that Congressman Don Young, from Alaska, who has been very supportive of HSR, would be in Tampa on March 14th at the Marriott for a fundraiser.

6. Schedule of Future Activities - Mr. Nazih Haddad

Mr. Haddad reviewed the recommended process, emphasizing the dates of Mar 26/28 as when they would be meeting with FRA/FHWA.

7. Staff Director's Report - Mr. Nazih Haddad

a. Report from Washington

Mr. Haddad reviewed the Washington update that was included in the agenda handout.

b. Pending Legislative Proposals

Chairman Dudley noted that this tab contained copies of joint resolutions requiring the development and operation of a High Speed Ground Transportation System, as well as a copy of Dennis Ross's bill clarifying the tax-exempt bill.

c. NAACP of Hillsborough County protest letter and Authority's order of dismissal

Chairman Dudley noted that under this tab is a copy of an order that he entered, based on legal council, regarding a protest that had been filed. This is included for everyone's information.

d. Status Report on Authority's Expenditures

This is a status of the year to date expenditures. Currently there is \$11,250,000 under Task Order.

Chairman Dudley recognized Mr. Share who noted that a questionnaire for the Federal Reauthorization Program every 6 years The form is due March 24th. The staff is preparing it, however a congressman is required to sponsor it.

e. Future Board meetings schedule

The next Board Meeting will be April 16, 2003 at 9:00 a.m. in Tallahassee.

9. Public Comments

No additional public comments were offered.

10. Other Business

Chairman Dudley recognized Mr. Dockery who wished to share a letter for the record.

Mr. Dockery stated Mr. Eric Draper, Director of Conservation of the Audubon Society, which has been very supportive of HSR of Florida has written Governor Bush reminding him that they continue to support the building of the HSR system and they gave the reasons for this in this letter. Mr. Dockery said they have offered their assistance in any way possible to help move this through the legislative process and to help block this from being sent back to the voters.

He noted the Sierra Club also has been most supportive.

Chairman Dudley added that they are against the continued severe environmental penalties associated with lead control expansion of automobile traffic.

Mr. Dockery added that there is significant support for HSR in Florida.

11. Adjourn

On a motion to adjourn by Mr. Dockery and seconded by Mr. Chira the Authority unanimously agreed to adjourn at 3:15 p.m.