

**Florida High Speed Rail Authority**  
**Meeting Minutes**  
**November 7, 2002**  
**Florida Department of Transportation Auditorium**  
**605 Suwannee Street**  
**Tallahassee, Florida**

**Call to Order:** Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority (FSHRA) to Order at 9:10 a.m. Members in attendance were: Mr. John P. Browning, Jr., Vice Chairman; Mr. Norm Mansour, Secretary; Mr. Lee Chira, Treasurer (via telephone); Transportation Secretary Tom Barry; Ms. Heidi Eddins; William Dunn, P.E.; C.C. "Doc" Dockery; Mr. Dudley; Mr. Skip Fowler, Esq.; Ms. Leila Nodarse, P.E..

**1. Welcome and Introductions:**

Chairman Dudley offered a special welcome to Representative Dennis Ross and Senator Paula Dockery and invited Senator Dockery to speak.

Senator Dockery thanked the members of the Authority for all their efforts and hard work and reiterated that they were an Authority and not a Study Commission. Senator Dockery expressed that she and Representative Ross were looking forward to the Authority completing their work and telling them how to get started in building the Florida High Speed Rail's first route from Tampa to Orlando and leave it up to Legislation to get the funding to make it happen by 2003, as the Constitutional Amendment requires. She expressed that she is looking forward to hearing what the Authority has to say and seeing the results of the Investment Grade Ridership Study, and working in the Senate with Representative Ross to make sure this project becomes a reality. With that she turned the podium over to Representative Ross.

Representative Ross greeted the Authority and stated how excited he was to be at several of the FHSR Meetings. He expressed that this type of project is growing phenomenally not just in Florida but throughout the United States. He also reminded the Authority, as Senator Dockery did, that they are an Authority and he represented those who would provide the means and the funding to make this project a reality. He stated he looked forward to November of 2003 to get started and also looked forward to this coming February when the Authority is to give the Legislature instructions on how to accomplish this project and applauded the Authority's efforts.

Chairman Dudley offered his congratulations to both Representative Ross and Senator Dockery on their tremendous victories and also thanked them for all their efforts.

**2. Meeting Minutes from October 3, 2002:**

The minutes from the previous meeting, held on October 3, 2002 were reviewed. On a motion made by Mr. Bill Dunn and seconded by Mr. Skip Fowler, the meeting minutes were approved unanimously and without correction.

### **3. RFP Pre-Proposal Meeting – Staff and Consultants**

#### **A. Report on October 15 meeting and other meetings held with prospective proposers.**

Mr. Haddad began by saying that the required RFP Pre-Proposal meeting was held in Orlando on October 15<sup>th</sup>. He said that over 50 people attended with 20 different companies officially registering with the Authority as prospective Proposers. Tab 3A contains a list of the Proposers, he added. He explained to the Authority that although Bechtel Infrastructure Corporation was not present at the required Pre-Proposal meeting, their name was included on the list, because on the same day they sent a Fax as well as an e-mail to Mr. Haddad expressing their desire to participate in the project. In accordance with the requirements of the RFP, Bechtel would be allowed to propose on this project only if one of their team companies/members had attended the meeting.

Mr. Haddad stated that the TransFlorida Team along with Skanska has requested to be removed from the project even though their names appear on the registered list. Mr. Haddad did make note that it was his understanding that several of the companies who were originally a part of TransFlorida, have joined other teams.

Mr. Dunn asked for the number of Proposers that have purchased RFP packages. Ms. Kate Brady, HNTB, responded that a total of 15 packages were sold as of today, with some teams buying multiple packages. Others who purchased packages were affiliated with Proposer teams.

#### **B. Questions raised at meetings/vendors clarification requests.**

Mr. Haddad stated that there was no need for approval by the Authority of the responses provided to the Proposer's questions. He did express however, that since the Pre-proposal meeting there had been additional Requests for Clarification on the part of the Fluor/Bombardier Team and at least one from the Global Rail Team. These requests along with the responses are located under tab 3B in the handout as well as having been posted on the web site, Mr. Haddad explained.

He noted that the answers were staff and consultant's answers and then requested that he be allowed to review the six (6) requests for the Authority's input, knowledge, and final approval. Mr. Haddad reviewed the items as follows:

1. Fluor/Bombardier requested information regarding the various Utility Owners that would identify the specific locations belonging to the particular Utility Owners. The staff responded with a list of utility owners by station locations. This information identified the utility owner, station and utility type of all utilities crossing the FLHSR alignment. The Authority approved the response.
2. Fluor/Bombardier's next question concerned who would be responsible for the removal or relocation of utilities. The staff's response stated that the

burden of utility relocation was on the DBOM&F Contractor, but that if there were exemptions, it would be the responsibility of the Contractor to contact the Utility or Utility Owner to see if any exemptions do exist. The Authority approved the response to the second question.

3. The Fluor/Bombardier Team noted what they perceived to be some discrepancies in some of the electronic alignment files. The staff's response provided new data CDs along with hard copies of several plan sheets to all those who purchased those Appendices. These would also become part of the RFP. The Authority approved the response to the third question.
4. Fluor/Bombardier's fourth request for clarification had to do with the fixed price to be expressed and what discount factor is to be used for them to perform the Net Present Value (NPV) calculations. The response was that the applicants should use the average annual change in the Consumer Price Index over the past 10 years, which was calculated to be 2.7%. The Authority approved the response to the fourth question.
5. The fifth Request for Clarification, Mr. Haddad stated also comes from Fluor/Bombardier and has to do with the ROW parcel mentioned in the RFP, which is to be acquired for a Maintenance Facility and would the Authority acquire the ROW for the Rail connection to this Maintenance Facility. The response was that the ROW to connect this Maintenance Facility would be provided for the project by the Authority. The Authority approved the response to the fifth question.
6. The sixth Request for Clarification came from Global Rail Consortium Mr. Haddad stated. This request dealt with the HSR Technologies that do not currently meet the FRA Safety Standards as defined in the USC Title 49. The response was that the Authority Staff and Consultants have been working with the FRA regarding this issue. The FRA indicated that they would be able to expedite the approval of TGV technology, based on the work performed on the previous proposed rule making. The TGV system would require a Rule of Particular Applicability. Mr. Haddad explained that the FRA's position on this is clearly documented, but since Global Rail made a formal written request for clarification, it was the staff's decision to respond.

Chairman Dudley requested Mr. Haddad re-state the answer to Global's question.

Mr. Haddad answered that it was likely they would not have to meet the current FRA requirements, if they are installing a TGV system. These are lighter trains that operate on dedicated tracks exclusively for that particular system, he explained. He said that more than likely the FRA would issue a Rule of Particular Applicability that applies to that technology and corridor.

Ms. Eddins understood the issuance of the Rule of Particular Applicability with regard to the I-4 Corridor to be two year time line. She asked Mr. Haddad what the FRA told him with regard to this. He acknowledged it could be in excess of two years.

Mr. Charlie Quandel noted however, since the FRA is familiar with TGV Technology and with a dedicated rail associated with the system, the process should not take that long.

Chairman Dudley then stated that if any additional clarification was needed, it should be submitted in writing and reviewed during the FHSRA meeting, and would then be part of the record Chairman Dudley then invited Ms. Kathy Beck from Global Rail to come forward and speak to the Board regarding this subject.

Ms. Beck stated that there were some issues concerning the limitations of the FRA specifications. With newer technology she said, current FRA specifications are very outdated. However, she added it was explained that the requirements and limitations under FRA specifically are for multi use track. On a dedicated line it was her understanding that most restrictions would be waived, she said.

Ms. Eddins stated the FRA's position was made very clear in the minutes of June 24<sup>th</sup> and January 25<sup>th</sup>, and the Proposer has a copy of the minutes.

Mr. Quandel added that if the equipment that is proposed is TGV equipment, it is possible that there will be a waiver for the Tampa/Orlando track. This was considered in the FOX application. It was lighter technology and one of the reasons for grade separation. The Authority approved the response to question 6.

### **C. Discussion on Insurance and Bonding Issues**

Mr. Haddad stated that in view of the questions in the past regarding Insurance and Bonding and on the request of the Authority, representatives from the Marsh Group were invited to attend the meeting and speak to this topic.

Mr. Ferraro from the Marsh Group addressed the Authority. The Insurance and Bonding requirements as listed in the RFP, he stated, do not represent anything out of the ordinary. With that in mind, Mr. Ferraro said an effort was made to make the requirements as flexible as possible, because most of the suring up of the insurance program would take place after a Proposer was chosen. The contract negotiations would then be with that Proposer. He explained that a viable risk profile cannot be firmed up, because the Proposer's package of information would affect the risk profile for the project. He stated that he separated the Insurance Piece from the Bonding Piece and that he expected that most questions from the Board would be in regards to bonding.

A lengthy discussion then ensued regarding the Bonding Issue for the overall project. Whether the project is or can be bonded as one contract or in phases was of concern. The

concern for what might happen for example, according to Chairman Dudley, was that what if the contractor or one of the subs defaults in Phase I. Since the RFP is calling for a Firm Fixed Price, the insurance representatives from Marsh expressed a dollar amount on the cost of a bond cannot be noted, until the bids are in. The Authority agreed this creates a dilemma.

Mr. Mansour recommended the Authority should go back to the legislation and get a change in statute to reduce this in a way so that the Proposers can comply.

Mr. Dockery added that the surety's have limits on what they can do because regulators place limits on what they can do. It's a matter of capacity in the world market he said. He stated he does not think it is a solvable thing today, but he felt it would be solvable after they addressed the successful Proposer. He agreed with Mr. Mansour's feelings regarding creating an unlevel playing field when we get there, but he stated he didn't see how it could be avoided. He stated that the parameters were not known in order to solve the issue at this time. All they could do, Mr. Dockery said was to recognize the problem, and move forward and try to solve it at that time. He suggested the statute be examined.

Chairman Dudley agreed that perhaps they should start looking at drafting options. He added that Statute 25.505, as it is currently written, does provide for some waivers by local government on small contracts. The precedent is there with language that gives the governing authorities some ability to waive this requirement, either completely or to some extent. He suggested looking for some possible language that would specifically allow the FHSRA within certain parameters to waive 25.505 requirements or reduce those requirements. He recommended that Mr. Bottcher work directly with Mr. Fowler on this. Once a draft was agreed on, Chairman Dudley, would like it released immediately to all the Board Members.

Mr. Haddad suggested bringing examples of other projects to the next Board Meeting. All agreed with that suggestion.

Chairman Dudley acknowledged that the suggestion of doing an engineering study on the worse case scenario of loss was an excellent suggestion. He felt it would be the Authority's best supporting argument for Legislation that might change the application of 25.505 to this Authority. Mr. Bottcher agreed that there was a need for clarification on the design of the project being properly insured/bonded for design flaws. Chairman Dudley requested that Mr. Fowler and Mr. Botcher join together and have that presented to the Board at the next meeting.

Chairman Dudley also noted that a list will have to be compiled of statutory changes, and the areas that would need to be addressed.

Chairman Dudley thanked Mr. Ferraro and Mr. Muse for their efforts and presence. Chairman Dudley also recognized and thanked Mr. Thornton Williams, who was present in the audience, for providing the Authority lunch at the Board Meeting at Greater Orlando Aviation Authority.

## **Presentation of draft Authority's 2003 report to the Gov. and Legislature – Tom Biggs**

Chairman Dudley asked the Board members to review this draft and reserve the right after today to give Mr. Haddad any additional comments or changes that they, as a Board, decide on by next Thursday in order for Mr. Haddad and Mr. Biggs to have it redrafted and get it back to them by the 18<sup>th</sup> or 20<sup>th</sup>.

Mr. Biggs proceeded to review the Draft of the FHSRA's Report to the Legislature due January 2003. It was agreed to go through the Summary of Actions.

### **A. Summary of Authority Actions**

1. Chairman Dudley noted that item number 3 under this section should footnote and somewhere reflect the year before. He stated that he realized this report is from the data of the last report. There was, however a reversion of funds and the figure of \$5,763,905 could be deceiving and someone might misunderstand the figures to be \$4 M plus \$5.7 M Chairman Dudley noted. Mr. Biggs acknowledged that notation.
2. Ms. Eddins noted that item number 5 should express the Authority's definition of "start of construction". Mr. Biggs acknowledged that it would be noted in the text.
3. After a brief discussion it was agreed that item number 7 be re-worded to say '...the Authority sought to gauge private sector interest and eleven responses were received'. Chairman Dudley objected to the phrase '*Invitation to Pre-qualify*' as it will confuse the Legislature about what they did.
4. Chairman Dudley also expressed that the phrase *Request for Proposal*, which is in item number 10 be removed.
5. Ms. Eddins noted that in item number 11 should read December 2002 not December 2003. Also Chairman Dudley added that item number 11 should say 'In November 2002, as an Addendum to the RFP, the Authority issued an *Investment-Grade Ridership Study* for Phase I, Part 1 (Tampa to Orlando) and a second Addendum to the RFP was issued in December 2002 for the *Investment-Grade Ridership Study* for Phase I Part 2 (St. Petersburg to Tampa)'. Or something to that effect, he added.

### **B. Summary of Authority Findings**

1. Chairman Dudley again objected to the phrase *Invitation to Pre-qualify*, but noted that it didn't bother him as much in this context, as it did under Summary of Authority Actions.

2. Chairman Dudley and Ms. Eddins noted with regard to item number 3 that a sentence should be added noting ‘there will be estimated additional costs for ROW and Environmental Contingencies upon receipt of the proposals’ or something to that effect.
3. Ms. Eddins expressed that she felt item number 4 should contain the definition of the ‘beginning of construction’, as noted in the RFP, and should be carried in this report. There was no objection to this.
4. It was noted that items number 7, 8 and 10 would be filled in when the information is received.

### **C. Summary of Authority Recommendations**

1. Chairman Dudley suggested breaking this down to (a.) ‘Our Act’ as in 341 and (b.) ‘Other Statutes’ or ‘Other Changes’ that the Authority may recommend in other sections. Mr. Fowler recommended putting in a provision in 341 that says for the ‘HSR 255’. Then, Chairman Dudley added, the report would be completed with whatever conclusions are from their audit.
2. Item number 1 Chairman Dudley stated should be limited to ‘our operating budget’ or ‘the Authority’s operating budget’ in order to draw a distinction of what is going to be recommended to the Legislature in December (that which we know) vs. (that which we don’t know) which would be what the state might be expected to invest in the project, if any. Mr. Biggs so noted this.

The floor was given to Mr. Dockery who explained the necessity of having to take action now on the part of Florida Legislature. He also explained the necessity to be ready to address the members of congress when they meet in February or March in order to receive Federal Funding. Mr. Dockery stated that he feels they will be here for the purpose of sitting down with members of transportation interest here in Florida to determine what the Congress will do towards helping the FHSRA with our legislative needs, whether it be roads, bridges, or HSR. “If we have not settled on some requests that we’re making to the Legislature by that time, you can be guaranteed that Congress will not be looking at funds to help build a HSR system in Florida until we do that”, Mr. Dockery stated. The house appropriations committee, added Mr. Dockery, is expecting to get that request from somebody, and they expect the state of Florida to match that (which would be the 70 million that is appropriated here for 30 to 35 years). “This is not a magic number”, Doc said. He continued by explaining that that money has already been set-aside for HSR and is from, what he understands, going directly into the Transportation Trust Fund. Money will not come from Legislature on Federal level until the Legislature of Florida makes a commitment Mr. Dockery emphasized. He continued that the time to do this is when these Congressional Legislators will be here (probably in February or

March). Mr. Dockery added, if we don't get at the head of the line with HSR, Texas and California will get that money.

3. When Mr. Dockery was finished, it was agreed that Mr. Haddad would get the exact dates of when Congress will be meeting and make sure the Authority meets and is prepared to participate in the various programs they will be conducting that day.

Chairman Dudley also added in response to a comment by Ms. Nodarse with regards to going to Legislature for funding, that this should be discussed at the next meeting to make this report as meaningful as it can be. He also suggested various dates to meet in order to be prepared to make any supplemental recommendations the Board may have to this Annual Report. He expressed his desire to make the Annual Report as flexible as possible. Although it is not a request for funding, Chairman Dudley noted it should, however reflect a request for the operating budget.

Chairman Dudley did express his concern over what the 70 million dollars per year for 35 years represents. He stated he'd like to know if it is to represent the whole system or does it just represent 90 miles of the system. If the latter is the case, Chairman Dudley felt that a supplemental recommendation might be necessary in February. He expressed that he feels that the issue for the next 30 days or so is, to what extent we are going to recommend appropriation of funds for HSR, other than the operational budget, for the state's budget year of 2003/2004.

5. Chairman Dudley felt that after the Organizational meeting on the 19<sup>th</sup> of this month that Mr. Haddad and himself should meet with staff of the House and Senate and go forward and get the Operational Budget to them.
6. Ms. Eddins noted under the PD&E Study subheading on page 4 of 4 paragraph 3 that again start of construction needs include the Authority's own definition.
7. Again Chairman Dudley acknowledged that although it is technically correct on page 5 of 5 and also on page 6 of 6 the statement *Invitation to Pre-Qualify* needs to be changed or removed.

Chairman Dudley noted that there were no further questions and if anyone did, they should please submit it in writing to Mr. Haddad by the 15<sup>th</sup>.

**D. Updates of the following:**

1. The Marketing Plan Outline – Mr. Biggs briefly reviewed this with the Board.
2. The Ridership Study - Mr. Biggs reviewed with the Board the various meetings that have taken place with the Vendors as well as the 2<sup>nd</sup> Peer

Panel Meeting. Mr. Biggs did note that preliminary results of the Highway Survey and the Airport Survey were lacking to share with the Peer Panel at that meeting and that they are one week behind at this time. He also noted that there have been meetings with Walt Disney World, Mears, and Representatives of I-Drive and an important find was that their submitted numbers are all largely in agreement with the surveyed market size. Mr. Biggs also noted that an addendum with ridership forecasts for the St. Petersburg segment would be issued in December, and that all Vendor questions or issues will be addressed as needed through February.

Mr. Biggs confirmed that the Vendors would be provided with models per Mr. Dunn's question.

Mr. Haddad requested that Mr. Bob DeBorah with ZHA, Inc. a representative of the Efficient Transportation for the Community (ETC) Group from the I-Drive area from Orlando be granted permission to speak. Chairman Dudley acknowledged Mr. DeBorah.

Mr. DeBorah introduced himself and explained that his firm ZHA, Inc. along with Kittleson Associates (a Transportation Consultant Group) are serving as consultants to the ETC Group. Mr. DeBorah gave a presentation of the overall potential of the I-Drive Resort Area to provide riders to a HSR Station located at the Orange County Convention Center. A copy of a memo sent to Orange Count Chairman Rich Crotty as well as a copy of a letter from Chairman Crotty to Mr. Dunn was included in the package.

#### **5. Status Report on Authority's Financial Audit-Mike Pattillo, Ernst & Young**

Mr. Haddad stated that Ernst & Young are still working on the Report. He confirmed that the audit would be completed by the next Board meeting.

#### **6. Orlando/St Petersburg Ridership Study Preliminary Results-Bruce Williams**

Mr. Biggs noted that this presentation would be postponed due to time constraints.

#### **7. Status Report on Miami to Orlando Corridor Study – Charlie Quandal**

Mr. Quandal noted that in two weeks a full draft report will be presented and by December 7<sup>th</sup> there will be a final report to the Authority with regard to the HSR Route Analysis. He then turned the podium over to Bob Moore to discuss the capital cost estimates.

Mr. Moore noted that a study had been undertaken of several routes between Miami and Orlando. He reviewed with the board the defined routes as being the CSX Route, I-95 Route, Turnpike Route, and the Florida East Coast (FEC) Route and revealed the cost for Non-Electrified and Electrified. Mr. Moore explained how the costs were determined and how they developed the capital costs. Mr. Quandal added that a reality check was done

on the Electrified and Non-Electrified costs. Mr. Moore continued that there were sections of the I-95, CSX, and the FEC corridors in the Eastern Regions that would have 60 foot elevated sections due to the perceived inability to construct highway overpasses. Mr. Moore noted that these numbers did not include rolling stock, but did include land procurement.

Ms. Eddins wanted it noted for the record that she was of the opinion that the cost assumptions for the railroad lines are grossly inadequate, even with an easement .

Mr. Moore responded that he would re-assess.

Mr. Biggs gave a review of the Ridership/Revenue Breakdowns for the year 2010 and the year 2036 which included the various speeds of the various technologies. He noted that this presentation was given for information only today, and the report was being drawn up for draft.

## **8. Staff Directors Report**

### **A. Authorization for New Task Orders**

1. On a motion offered by Mr. Dunn and seconded by Ms. Eddins the FHSRA unanimously voted to approve a request for Task order # 8 in the amount of \$1,435,000.00 for Parsons to continue with environmental activities for the end of fiscal year June 30, 2003.
2. On a motion offered by Mr. Dunn and seconded by Ms. Eddins the FHSRA unanimously voted to approve a request for Task order # 11 in the amount of \$1,517,000.00 for HNTB which would include but not be limited to the assessment of the cost associated with the ROW that has been offered in the RFP to be provided.

### **B. Status Report on Authority's Expenditures**

Mr. Haddad reviewed the Authority's expenditures, which so far has totaled \$8,479,807.00 up to end of October of this year.

### **C. Memorandum of Understanding (MOU) with FRA and FHWA**

On a motion offered by Mr. Fowler and seconded by Mr. Dunn the FHSRA unanimously voted to approve the Memorandum of Understanding (MOU).

### **D. Future Board Meeting Schedule**

Mr. Haddad reviewed the Future Meetings Schedule.

On a motion made by Mr. Dunn and seconded by Mr. Fowler, the FHSRA voted unanimously to schedule the next meeting on December 11<sup>th</sup> in Orlando, and not on the 5<sup>th</sup> via Teleconference, subject to everyone going home and checking their schedules.

Chairman Dudley expressed that he would like the January meeting to be held the third week in January in Tallahassee depending on when the Transportation Committees will be meeting.

In reviewing the February meeting dates Chairman Dudley suggested Monday, Tuesday, or Wednesday in the third week of February in Tallahassee.

For the Month of March 2003 Chairman Dudley suggested the meeting be held in Tallahassee but later than March 6<sup>th</sup>, actual date to be announced.

It was agreed by all to put April meeting dates on hold.

#### **E. Membership in the High Speed Ground Transportation Association**

On a motion made by Mr. Dockery and seconded by Mr. Mansour, the FHSRA voted unanimously to pay the dues to the HSRG at a rate of \$600.00 as soon as possible, as the rates are going to increase.

#### **8. Public Comments**

No additional public comments were offered.

#### **9. Other Business**

None.

#### **10. Adjourn**

The FHSRA solicited additional comments and hearing no further business, adjourned the meeting at 2:15 pm.