

Meeting Summary

Volusia County Expressway Authority Coalition

March 23, 2000

MPO Offices, 1190 Pelican Bay Drive
Daytona Beach, Florida

Members Present:

Maryam Ghyabi
Richard McMahon
Lori Campbell Baker
Brad Blais
Joe Benedict
Jon Cheney

Doug Daniels
James Ely
Charles Lydecker
Karl Welzenbach
Linda White

Others Present:

Darla Zakaluzny, Recording Secretary
Hal Worrall
Steve Pustelnyk
Dave Castagnacci

Carolyn Ismart
Terry Denham
Paul Rhoads

1. Welcome and Introductions

Chair Ghyabi called the meeting of the Volusia County Expressway Authority Coalition to order at 2:10 PM.

Chair Ghyabi noted that the members of the County Council were unable to attend today's meeting due to a County Council Meeting.

2. Approval of February 23, 2000 Meeting Minutes

Ms. White moved to approve the February 23, 2000 meeting minutes. Mr. Cheney seconded the motion and it passed unanimously.

Chair Ghyabi noted that Mr. Gary Brosch of CUTR was unable to make today's meeting due to illness; therefore, Mr. Ely will be making a presentation on the Turnpike District at this time. Chair Ghyabi noted that Mr. Brosch would be making his presentation at the next meeting.

Chair Ghyabi read a brief history of Mr. Ely's work experience with the FDOT and the Turnpike District.

3. Presentation by Mr. Jim Ely on the Turnpike District

Mr. Ely gave a brief overview of the Florida Turnpike. Informational handouts of the slide presentation were distributed to the members for their information. Mr. Ely noted that the Turnpike District is a part of the Florida Department of Transportation (FDOT).

Mr. Ely stated that all turnpike projects built around the State must pass two tests. They must be able to pay at least 50% of their own debt service (operations and maintenance) based on the fifth year revenues. The remainder of that debt is paid by the turnpike system as a whole and they must be self-sufficient by the fifteenth year of being open to traffic. Mr. Ely stated that if the projects do not pass the economic tests, then they can not built as part of the turnpike system.

Mr. Ely stated that the ways to help them (new projects) to pass the two tests are through partnerships and other funding sources such as the private sector.

Mr. Ely noted that the Turnpike District offices would be moving to Orlando at the end of July 2000. Mr. Ely noted that Mr. Lowell Clary who is the FDOT's expert in innovative financing and different sources would be present at next month's meeting to give a presentation on other sources of funding.

Mr. Ely stated that for the Turnpike District to build a project, it must be environmentally sound as well as locally supported. The MPO and the County must approve the project.

Mr. Ely stated that it needs to be determined if a project is a good transportation project. Is there a need for the project? What purpose does the project serve? He stated that if the revenue projections are off, then there would need to be another source of revenue to cover the shortage. Mr. Ely stated that the traffic and revenue projections are very important if you are considering a user financed facility.

Mr. Ely noted that a representative from Standard & Poors of New York City will be making a presentation at a future meeting. Mr. Ely noted that there is also the possibility of partnering with other agencies in order to build the project. He stated that there are many ways to finance a project and local support is important.

Mr. Ely stated that another consideration is the inherent risk to the County or other agencies if the revenues fall short of the projections.

Mr. Welzenbach asked if there was a format under which Volusia County could partner with the Turnpike District so that they would share in the revenues of an expressway or turnpike in Volusia County? Mr. Ely replied that this has not been done, but that does not mean that it could not be done. He stated that it would depend on the project type, the revenue, the production capability of the project, and to what extent is it feasible, etc.

Mr. Ely went on to say that they are not prohibited to do that, but there is no example of it being done. In the past, the partnerships had an infusion of funds at the front end or a donation of right of way at the front end, which would reduce the cost of the project and the Turnpike would keep 100% of the revenues. Mr. Ely stated that there is nothing that would prevent them from looking at the sharing of revenues, but it depends on the project and the willingness to partner with the Turnpike.

4. Presentation by Harold Worrall, Executive Director, Orlando/Orange County Expressway Authority (OOCEA)

Mr. Worrall went over events that have taken place in the past and what is in the future for the OOCEA. (Note: a copy of the slide presentation has been obtained for the official records).

Mr. Worrall stated that there are two basic ways to fund transportation from a source perspective and there are two basic ways of allocating funds for transportation. The two funding sources are gas tax or some sort of toll user finance process. The two ways to allocate funds are (1) beef concept (priority programming) and (2) pork concept (political process).

Mr. Worrall noted that Lake County, on a 5-0 vote, asked the OOCEA to look at some projects. The agencies are currently working on the development of an Interlocal Agreement.

Some information noted in the presentation included the following:

Innovative Approaches

- HOV/HOT Lanes
- Value Pricing (peak and off-peak)
- Intelligent Transportation Systems (ITS)
- Express Bus Operation
- Sharing Alignment
- Advance Funding Work Plan

Project Development:

- Concept/Feasibility Study
- PD&E Study
- Traffic/Revenue Study
- Roadway Design
- Financing
- ROW Acquisition
- Mitigating Permitting
- Construction

Funding Alternatives:

- Federal, State, Local Grants
- Federal, State, Local Loans
- Federal, State, Local Pledges
- ROW Donations
- ROW Cost Agreement
- Special Taxing Districts

Funding:

- Capital Donations from Private Developers
- Loans from Private Developers
- Partnership with Outside Toll Agency
- Innovative Financing
- Privatization

Mr. Worrall noted that for a partnership to work, both parties must bring their checkbooks to the table.

Mr. Worrall stated that he wanted to have the members understand his organization and know that developing a major toll road is not a small undertaking. He stated that significant resources would be need (up-front), and/or a revenue stream would need to be in place. He also suggested partnering with another agency.

Mr. Worrall stated that if Volusia County plans to do a local significant project, then the County would need to have ownership in it. If the Orlando/Orange County Expressway Authority had control, then Volusia County would not have any say on what is being done. He stated that the OOCEA would need to partner with Volusia County if the County invited them to construct a tollway because the OOCEA does not know Volusia County or its residents.

Mr. Worrall noted that local support of the project is also needed. Mr. Worrall stated that he feels that if the County is to develop SR 415 as a toll facility, it should be done in segments.

Ms. Campbell Baker asked if the Expressway Authority went out looking for their funding. Mr. Worrall replied yes, but Federal Funds were ruled out because of strings attached. He noted that they looked at State funding and noted that a certain amount of luck was involved. Mr. Worrall stated that their luck has not run out thus far.

Mr. Ely noted that it has to be a good transportation project.

Chair Ghyabi asked if Volusia County, in general, has a good candidate project for an expressway? Mr. Worrall replied that there is 70,000 acres of developable land along the SR 415 corridor. He said if there was some way to get a feel for the growth given certain development of SR 415 so that impact fees could be attached to the pledge of some revenue bond and if it was approached in stages, then the chances could be better. Mr. Worrall stated that a partner would be needed for the revenue stream, and also the experience of a partner, whether it was the Turnpike District or another agency would be helpful.

Mr. Worrall stated that he promote developing the Volusia County Expressway Authority because local input on the projects would be needed.

Mr. McMahon asked where the funding would come from if a partnership were formed with Mr. Worrall's agency. Mr. Worrall noted that a video of their history is available for those who wish to view it and it would explain how they got started. Mr. Worrall stated that impact fees could be used as a source of funding or a tax increment financing concept could be used.

Chair Ghyabi stated that she would invite a gentleman who worked for the Federal Highway Administration (FHWA) to attend the next meeting in order to discuss funding sources.

Mr. Worrall stated that if he was laying it all out for the group he would follow these steps: (1) put together an Expressway Authority so that there is local participation and input into the process; (2) Obtain funding for design, environmental studies, right of way acquisition, and then do the study; and (3) Find out about resistance and support.

Mr. Blais asked if there were any plans to make the Part B project happen? Mr. Worrall replied yes, and he noted that a lot of the beltways around metropolitan areas were built to take trips off of the through artery.

Mr. Worrall stated that Part B has a projected trip pattern of approximately 12,000 vehicles per year in the year 2025, and 95% percent of the trips on I-4 begin and end on I-4. Mr. Worrall stated that this road has turned into an urban arterial rather a through interstate system.

Mr. Worrall stated that the probability of Part B is low at this point. He stated that Part A, B, and C were not the Expressway's projects, they belonged to the FDOT. Mr. Worrall stated that the Expressway Authority took over Part A in 1993 or 1994, and Part C was added to their statutes back in 1995 or 1996. Mr. Worrall noted that this is not a good toll road.

Ms. Ismart, FDOT District V Director of Planning and Public Transportation, replied that this project was in METROPLAN Orlando's Long-Range Transportation Plan, but it was removed in 1994 or 1995.

Mr. Benedict stated that if this committee was to recommend to the County Council that an expressway authority be set up, then the Council will have to pony up with some gas tax money, etc. He noted that this issue would need to be noted in the Committee's recommendation to the Council.

Mr. McMahon suggested having a workshop with the County Council Members and have someone like Mr. Worrall available to answer questions. Chair Ghyabi replied that the Council is aware of this as they set up the committee. She noted that the Legislative Delegation Members are also aware of the issues. Chair Ghyabi agreed that a workshop would be a good idea and it could be included as part of the conclusion.

Mr. Ely noted that the risk factors would also have to be answered. He noted that if funds from the Toll Revolving Trust Fund were used on a particular project, then it would approval by the MPO and the County Council.

Chair Ghyabi noted the importance of the Committee members keeping their representatives and others educated on what is going on.

Mr. Welzenbach stated that it was mentioned that private financing of toll roads was quite common. He stated that there are two examples of privatization of toll roads in Virginia and California. Mr. Welzenbach noted that the Virginia facility is not doing well, but the California one is doing better, and they have incorporated some Intelligent Transportation System (ITS) and suggested **words unclear**.

Mr. Welzenbach stated that the Illinois State Toll Highway Authority leases out land on what is called Limited Access Highways. He stated that it may be possible to use or leverage some of the funding to help build the road. Mr. Ely replied that approximately \$7 million dollars per year is received from the **words unclear**. Mr. Welzenbach stated that that would be another form of financing that could be looked at.

Mr. Blais asked if the tollway funds were only available to an expressway authority or some other type of group or would they be available to some county at large? Mr. Welzenbach stated that in order for a county to use the funds, they would have to form an expressway authority.

Mr. Worrall noted that it is a 12-year, zero interest loan. He stated there used to be a interest rate, but they asked that it be changed to a zero interest rate loan. Mr. Worrall stated that it is a 12-year temporary grant. He stated that you could also get up to \$500,000, with FDOT approval and no legislative action, but anything above that would require specific legislative appropriation. Mr. Worrall stated that if a study is to be done, then it would be best to contact FDOT. However, once getting into the right of way acquisition, the legislature would have to be contacted.

Mr. Welzenbach stated that federal dollars were also mentioned today. He stated that prior to ISTEA, federal dollars could not be used on a toll authority, and only specific projects could be used for the funding. Mr. Welzenbach asked what federal funds were looked at, but not used? Mr. Worrall replied that they were looking at the loan programs (State of Structure Bank). He went on to say all of the Turnpike projects are developed so that federal funds could be used.

5. **Discussion** - - The discussion took place under Agenda Item 4.
6. **Public Comments** - - No comments were noted.
7. **Meeting Schedule**

Chair Ghyabi recommended canceling the July meeting and extending the June meeting.

A motion was made to extend the meeting time for the June meeting and to cancel the July meeting. The motion was seconded and carried.

Mr. Ely noted that Mr. Brosch, CUTR, and Mr. Lowell Clary, FDOT, would be giving presentations on specific sources of funding at the next meeting.

Chair Ghyabi stated that Mr. Ely has made arrangements for Ms. Jodi Hek to attend the May meeting. Chair Ghyabi stated that at the June meeting, Mr. Welzenbach would have a presentation from the MPO Staff on numbers. She went on to say that there would also be discussion about the evaluation and drafting of the report.

Mr. Cheney suggested having someone from Seminole County at the May meeting to discuss how their organization was started. He noted that they also may be able to tell about lessons that they learned through their set up. Chair Ghyabi replied that that would be a good idea. She noted that she would contact Mr. Worrall regarding this matter.

8. Revised Roster

Chair Ghyabi asked that members contact her office with any corrections to the membership roster.

9. Other Business - - No comments were noted.

10. Adjournment - - The meeting adjourned at 4:20 PM.