

**MINUTES OF THE
JACKSONVILLE TRANSPORTATION AUTHORITY
BOARD WORK SESSION
MAY 27, 2021**

The JTA Board of Directors held a Work Session on May 27, 2021 at the Jacksonville Regional Transportation Center, 100 LaVilla Center Drive, Jacksonville, FL. There was a virtual option for staff and the public to join the meeting.

BOARD ATTENDEES: Ari Jolly, Ray Driver, Abel Harding and Debbie Buckland. Kevin Holzendorf attended virtually via WebEx.

JTA STAFF ATTENDEES: Nathaniel P. Ford Sr, Cleveland Ferguson III, Bonnie Todd, Kelli O'Leary, Bernard Schmidt, Greg Hayes, Greer Gillis, and Katie Smith.

OTHER ATTENDEES: Richard Milian, General Counsel, and Board Members from Groundworks Jacksonville

I. WELCOME: Chairman Jolly called the work session to order at 12:20 p.m. and welcomed Board Members, JTA Staff and guests.

II. PUBLIC COMMENT: There were no public comments.

Chair Jolly acknowledged that members of the Groundworks Jacksonville Board was in attendance. She then turned the floor over to Mr. Ford.

Mr. Ford thanked the JTA Board and staff as well as all of the other stakeholders who assisted the JTA over the last few months as we conducted a very public and transparent discussion around infrastructure investments in this Community. Along the way, there has been an opportunity to meet a great number of constituents from every corner of Duval County. We worked with council members on amendments and agreed on a number of compromises.

One of the compromises in the "Jobs for Jax" legislation that was successfully passed on May 26, 2021 was the shift of \$132 million in funding. That funding was slated for the Ultimate Urban Circulator (U²C) neighborhood extensions to the Emerald Trail which will transform downtown Jacksonville and JTA is proud to work with Groundwork Jacksonville on a vision to connect urban core neighborhoods and enhance the quality of life for the city through the Emerald Trail; clearly a generational project. He recognized and welcomed the Groundwork Jacksonville's Board Members, Chair Joanne Tredenick, Kerri Stewart and David Roman.

GROUNDWORK JACKSONVILLE: Mr. Ford turned over the floor to Ms. Tredenick.

Ms. Tredenick stated Groundwork Jacksonville and JTA are beginning a new partnership and she is looking forward to getting to know everyone. She provided an overview of Groundwork Jacksonville and shared some information with the Board for their reference, as well the steps forward making the Emerald Trail a reality.

Mr. Ford thanked Ms. Tredenick for Groundwork Jacksonville's presentation on the Emerald Trail and for the opportunity to bring some beauty to the area as JTA remains committed to move people efficiently and effectively through the community.

Chair Jolly opened the podium and stated that she has been serving on the JTA Board for several years now and she is proud of the work JTA originates and that is indicative of the JTA Executive Leadership Team and their management. Projects are completed professionally -Groundwork Jacksonville has a great partner in the JTA.

III. LONG RANGE PLANNING AND SYSTEM DEVELOPMENT COMMITTEE: Director Buckland turned the floor over to Mr. Ferguson to discuss the one item under this committee – eminent domain.

a. Eminent Domain: Mr. Ferguson stated that staff will be presenting at the Board Meeting later today item K.1 Approval to Settle Eminent Domain Litigation related to Alta Drive. Mr. Ferguson turned the discussion over to Richard Milian, General Counsel for further discussion.

Mr. Milian advised the Board that mediation took place on May 11, 2021 and due to authorization thresholds, this matter was being presented to the Long Range Planning and System Development Committee. He advised the Board the Alta Road Widening project began with over 100 parcels of Right-of-Way (ROW) that JTA has successfully acquired. After completing the 100 parcels for ROW, only three parcels remain at the Faye Road and Alta Drive intersection. The matter that will come before the Board today is related to one of these three remaining parcels. It is a 26-acre parcel with a 40-foot piece across the front of Alta Drive. Appraisals of the property were completed and there remained a difference in valuation which necessitated a mediation where a successful agreement was reached on an agreed upon price of \$850,000, plus attorney fees and expert costs. JTA had previously deposited approximately \$360,000 toward this matter and will receive full credit for this amount.

The landowner previously received City approval to develop this corner with a shopping mall that would host a grocery store as their anchor tenant and three outparcels. The project calls for one of the parcels. Successful settlement on eminent domain avoids a trial where the costs could be high

considering the large fees associated with contractors, attorney's fees, appraisal fees, planner fees and other fees associated with this matter. The mediation amount is far less and with the backlog of judicial caseloads, this settlement allows the Authority to continue with the project and not be held under litigation and certainly avoid affecting construction timelines. Mr. Milian resigned the floor to Mr. Ferguson.

Mr. Ferguson responded to Director Buckland's question of ownership of the parcels advising it is owned by Beamer and Associates. Chair Jolly asked if any families were affected by this whole process and Mr. Milian responded that four single-family homes were acquired through this process, but all have been resolved. Once the Board approves this matter later today, there remains only two cases left to be settled and Paul Harvey represents both. Mr. Milian advised he has a meeting scheduled with Mr. Harvey and that settlement would most likely be reached.

IV. FINANCE AND ADMINISTRATION COMMITTEE

a. Fiscal Year 2022 Budgets: Director Driver, Chair of the Finance and Administration Committee advised that Mr. Hayes would provide an update and overview of the Authority's Fiscal Year 2022 Budgets.

Mr. Hayes stated that in the April 2021 Board Work Session the preliminary budgets were provided to the Board and there were three key areas that have changed which include the addition of strategic priorities for both operating and capital which there was notice of at the April Work Session. Federal Relief funds have been received by the JTA from three grants related to the COVID-19 financial impacts - the Authority is fully funded. He thanked the Board for taking the time to meet and discuss the finances for Fiscal Year 2022 and added that there have only been a few small changes made to the Operating and Capital Budgets after I met with Board members one-on-one.

Mr. Hayes stated that upon approval by the Board, JTA's budgets would be submitted to the Jacksonville City Council Finance Committee as required by City Ordinance. Following this submission, the Budgets will be presented to the Mayor's Budget Review Committee in mid-June and then stand before the Council Finance Committee in August.

Mr. Hayes then walked the Board through the Budget process and the factors considered when creating the budget. He also shared how funding from LOGT will be incorporated into the budget, as the funding that is part of the legislation takes effect January 1, 2022.

The presentation provided details on revenues and income, grants, CARES ACT, CRESSA, and ERP funding, headcount, reserves a breakdown of the success of discretionary grants received, which included funds for the Ferry, BRT north line, a commuter rail study along our corridors with

regard to future revenue opportunities, and contingencies that are set aside for future projects. He explained that the Operating Budget is \$130.6 million and the Capital Budget is \$58.7 million. Both revenues and expenses have been relatively consistent over the last few years.

The Capital Budget also includes Skyway state of good repair funds of \$4.4 million for purchasing vehicles, and to keep the Skyway vehicles in running condition. There are funds identified to transition the Skyway, which includes U²C, system transit stop ADA improvements as we convert stops to be ADA compliant with sidewalks and other infrastructure. The bus canopy at the JRTC represents \$2.5 million of this budget and the Turbo Roundabout at University Boulevard and Merrill Road represents \$1 million. The LOGT list of projects is substantial and has not been prioritized, and is approximately \$930 million of projects on the entire list. The first year of funding JTA will receive \$9 million from this revenue. Over the course of this extension it has been estimated at \$500 million and JTA estimates receipt of \$9 million of this \$500 million next year.

Mr. Hayes thanked the Board for all of their assistance and dedication in review of the Fiscal Year 2022 Operating and Capital budgets.

Chair Driver asked for any other questions regarding the budgets.

Chair Jolly thanked Mr. Hayes for their hard work on the budgets and LOGT discussions. Chair Jolly advised that the public has a disconnect because it is an incorrect belief that the JTA will receive \$900 million the week following the passing of the LOGT extension. Director Buckland advised that when the public reads newspaper articles or they hear presentations, they look at that \$1 billion dollar number and assume immediate delivery instead of understanding that the monies arrive over a 30-year period.

Mr. Ford stated that great discussions were held on the City level regarding bonding these dollars on the City side of the tax, JTA does not currently plan to bond the monies for projects, which allows an aggressive approach for JTA to tackle the large list of projects the City has proposed. These projects include road resurfacing and will advance five years' worth of resurfacing in the City's CIP. The dashboard that the JTA will implement for this program will show revenues as they are generated year over year and will be clearly visible to explain how the funding will work.

Mr. Hayes explained that the JTA will, during the next nine months receive \$9.3 million and there are only a handful of projects that are below that level of funding. You cannot award a contract and begin the process unless you have all of the money secured, so yes Director Buckland the dashboard will be very helpful to explain funding.

Mr. Hayes explained that his role as the Chief Financial Officer is to look into the future not only for Fiscal Year 2022, but also for the 30 years of the LOGT, which is in the long-range funding model, which covers 30 years. These projections account for the operating needs in the future and where these funds will come from, what different options we have and how we can supplement these needs to ensure JTA is in a good financial position well into the future.

Director Driver stated that the JTA should be proud of the work accomplished with the extension of the LOGT as this is a big deal for the City and required a lot of hard work, and this will pay dividends to the community for years to come. JTA did a terrific job and thank you for these efforts.

Chair Jolly thanked Mr. Hayes and Chair Driver for the presentation being clear and easily understood and she advised that the conversion of bus stops to adhere to ADA compliance is one of the many reasons the public sees JTA's commitment and ensures our successful building of trust in Mr. Ford and the Authority.

V. ROUNDTABLE

a. LOGT Update: Mr. Ford stated that yesterday, May 26 was historic for Jacksonville and JTA. He thanked the Board and Staff for placing the JTA in the proper position to build trust with the City Council. Meetings that the Board and Staff attended ran into the evening hours over the last few weeks. As the JTA CEO, I stand in front of a great team of individuals that made the extension of the LOGT possible. This effort began in March in partnership with the Mayor, Tommy Hazouri and other members of the City Council. As we announced this initiative, clearly it was about fulfilling promises from decades ago, and to invest a billion dollars in transportation infrastructure as monumental. City Council made history with that effort, they took a very bold step in terms of voting to overwhelmingly support this Jobs for Jax legislation.

Mr. Ford commended staff for providing transparent communication with regard to video, website production including the Jobs for Jax initiative and U²C website to distribute information to the public. Staff also hosted the U²C vehicle at all of the public meetings so citizens could step aboard, touch and feel this new technology.

Over the last few weeks, the Human Resources department has been in negotiations with the Operators union. As of today, these negotiations are ongoing. JTA currently starts an operator at \$14.00 per hour. We are working to ensure that we are competitive in salary for front line employees and we continue to recruit, train and retain staff. Mr. Hayes worked with the University of North Florida to support the extension of the LOGT as it relates to jobs created from these projects.

The Jobs for Jax initiative will require the Council Auditors Office and the City's Chief Financial Officer and JTA to work closely to ensure this generational initiative is successful. The JTA is planning, construction and engineering staff have a list of projects and dedicated funding. These projects will have a great impact on transportation and JTA will continue to execute this program successfully.

While we may have lost \$132 million related to the Skyway, we are stepping toward the Emerald Trail project that will be part of our portfolio of work. Our business intelligence group provided the specific data related to particular areas of our community as it related to the impacts these projects will have today and moving into the future.

Our government affairs team did a fantastic job 24 hours a day, seven days a week on the phone, strategizing and reaching out touching different stakeholders in the business community, the academic community, the medical community around our town, the City Council, and the Chamber of Commerce.

Mr. Ford thanked his Executive Leadership Team, that without them we would not be sitting here today. Their leadership, support and attendance at the public town hall meetings; they spent time away from their families, because it is important to them that their community receives funding for these much needed projects covering sidewalks, drainage, and road resurfacing. On June 7, 2021 staff is scheduled for an all-day session, where our brightest minds will work through all of the "what if" scenarios, to ensure no stone is left unturned and we will present to you by this fall the plans to move forward with this program of projects as the funding starts to come in.

Mr. Milian stated that the example of hard work and dedication comes from the top of JTA. He added that he had the benefit of meeting with the Board members, City Council, constituents at Town Hall meetings and he observed JTA staff respond to the questions and it is JTA's preparation and transparency that carried a lot of weight in the community showing the commitment the Authority has to its citizens. The solidarity displayed showed sacrifice and resulted in an event that is transformative to this city and we have accomplished a leap forward in terms of improving infrastructure in Jacksonville to benefit not just the current community members, but will attract more residents and businesses because the quality of life will be greatly improved at the completion of these projects. Mr. Milian confirmed that the U²C vehicles, which were present at the town hall meetings was a demanding job for Bernard's team and they performed exceptionally well. Congratulations and appreciation on the phenomenal job are in order for staff and all of the teams who worked to make the vote successful yesterday.

Director Holzendorf stated that JTA has created a blueprint for transparency, communication, engagement in conjunction with the Mayor's office on how these initiatives will impact the community. When the vote took place it was clear that JTA created an informed landscape that allows for a positive outcome. He added that JTA owed our elected officials a huge shout out as they put as much effort into their town hall meetings as did JTA. Our elected officials did their work and engaged JTA in a transparent manner and they took a bold and courageous step in accomplishing the 14 to 5 vote. Kudos to everyone and thank you.

Mr. Holzendorf thanked Chair Jolly for recognizing the elected officials as well as the mayor for their boldness, vision and courage to move forward. Chair Jolly advised following this initiative, JTA should capture the lessons learned and perform a debrief, as in the past it has been our practice to perform case studies in terms of our successes.

Chair Jolly advised the Board that Mr. Milian and Mr. Ferguson were prepared to brief the Board on the next steps regarding the Interlocal Agreement. Mr. Ford advised that yesterday, May 26, 2021, City Council approved the extension of the LOGT for 30 years. This extension requires the adoption of a resolution to be approved by the Board today. Previously staff presented an Interlocal agreement for Board approval; however, this is not the same agreement approved yesterday by City Council.

Mr. Milian state that following intense negotiations, the Interlocal agreement the Board will be voting on today states that funds can only be used for the projects on the approved projects list and that JTA must complete the project list. Past agreements and past Interlocal agreements stated JTA could use these funds for any particular legal purpose. The third major change to the Interlocal agreement is that instead of the U²C being funded for extensions into residential neighborhoods, this agreement no longer funds this initiative. JTA would need to go back before the City Council and get approval to take the U²C to residential neighborhoods. These funds will now go to fund the Emerald Trail. Although this was accomplished through negotiations, we must acknowledge the JTA will be receiving \$400 million dollars over a 30 year period. Staff believes this is in the JTA's best interest.

Chair Jolly advised she had one question regarding the agreement, stating the JTA was required to complete the project list. Mr. Ford advised that this was the case, and if the JTA for any reason could not complete one of the projects, the JTA would go before the City Council and seek approval on any changes. Chair Jolly asked if the Interlocal agreement spoke to the guaranteed maximum price of contracts or not. Mr. Ford advised that it did not specifically say that it has a budget; however, JTA

staff carefully reviewed the list and believes JTA could bid the projects based on the budget set for the project list.

Chair Jolly inquired as to what would happen if costs increase. Mr. Ford advised under this scenario, that first there is no particular time frame in the Interlocal agreement for any project to be undertaken or completed. Staff intends to start a project where they see that they can budget and procure the project within budget and these projects will not be initiated until there are sufficient funds. Mr. Ford stated that the projects are also set over a 30 year time frame. Also, 25 years from now if there are cost overruns, there is protective language to ensure that projects are not began until funds are sufficient and the agreement states JTA will complete the projects. This Interlocal agreement is different than the previous, or current agreement, which states JTA would bond up to \$100 million and spend \$100 million on projects. The scope and schedule of the Emerald Trail has yet to be established and we have questions related to this project. The Interlocal agreement could be clearer, but when I read the agreement, I read it to say JTA is obligated to spend this amount of the \$400 million and that is what we are obligated to do. The project list shows the amount of money each project is allocated.

Mr. Ford advised Chair Jolly that he would follow up with both she and Director Buckland with any questions. He stated that this Interlocal agreement was quite a bit different in comparison to the previous Interlocal agreement and previous LOGT extension where JTA assumed a program of projects where estimates were 15 years old. The current list of projects were compiled by JTA staff engineers familiar with actual current project costs. Previously when JTA assumed those projects we were not able to research and get under the hood to see if the estimates were current. The one area that remains fuzzy in this new Interlocal agreement is the Emerald Trail. One of our first actions will be to work closely to get a better estimation of the project. At the beginning of this Work Session, the chair of Groundworks stated that with the commitment of \$132 million toward the Emerald Trail, they feel confident this allows a better opportunity to obtain additional private funding for the project. We are all aware of the complexity of the challenges with contractors and materials, supplies, labor costs, but we can go back to the City Council as such time that we run into that type of difficulty as we did in this recent situation with the JTAMobilityWorks. To clarify, Mr. Ford advised that the largest difference is the Interlocal agreements is the new agreement specifies JTA cannot use any LOGT dollars to complete the extension of the U²C. It does not state that if we are successful in obtaining federal grants or any other grants to take U²C vehicles or the Skyway into neighborhoods that we would have to go before the City Council for their approval.

Mr. Ford stated that JTA would be drafting a Memorandum of Agreement between JTA and Groundwork Jacksonville to make clear what the roles and responsibilities are before we proceed.

Chair Jolly asked for any other questions.

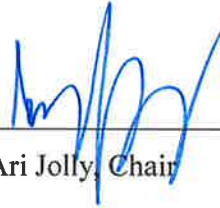
Mr. Ford advised the Board that there were no further matters to discuss.

There being no more discussion, the Work Session adjourned at 1:42 p.m.

SECRET



G. Ray Driver, Secretary



Ari Jolly, Chair