

MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)

BOARD OF DIRECTORS MEETING

**FEBRUARY 27, 2018
4:00 PM**

**WILLIAM M. LEHMAN MDX BUILDING
3790 NW 21ST STREET
MIAMI, FLORIDA 33142**

**AGENDA
SUMMARY MINUTES**

Members Present

Shelly Smith Fano, Chair
Audrey M. Edmonson, Vice Chair
Leonard Boord, Treasurer
James Wolfe, P. E., District VI Secretary
Carlos A. Gimenez – present for Discussion Items
Maritza Gutiérrez
Louis V. Martinez, Esq.
Cliff Walters

Members Absent

Arthur J. Meyer

Staff

Javier Rodriguez, P.E., Executive Director
Juan Toledo, P.E., Director of Engineering
Steve Andriuk, Director of Toll Operations
Francine Steelman, Esq., Associate General Counsel
Helen Cordero, Manager of Procurement and Contracts Administration
Maria Luisa Navia Lobo, Board Secretary

Consultants

Albert Sosa, HNTB (GEC-A)
Rick Crooks, EAC Consultants (GEC-B)
Tere Garcia, Ajamil & Partners, Inc. (GEC-A)
Randy Topel, First Southwest Co.
David Aron, CDM Smith

CALL TO ORDER

Chair Smith Fano called the meeting to order at 4:05 p.m.

PLEDGE OF ALLEGIANCE

Chair Smith Fano asked Mr. Martinez to lead in the Pledge of Allegiance.

ROLL CALL

Ms. Navia Lobo called the roll and announced that a quorum of the MDX Board was present.

APPROVAL OF AGENDA

Mr. Martinez moved to approve the agenda. Commissioner Edmonson seconded the motion. The agenda was unanimously approved.

DECLARATIONS OF VOTING CONFLICTS

Mr. Walters declared a conflict with the following items;

- VII. A MDX Procurement/Contract Number RFQ-18-01; Miscellaneous Design Services
- VII. B MDX Procurement/Contract Number RFQ-18-02; MDX Work Program No. 30056.051; Construction Engineering and Inspection (CEI) Services for the Civil Infrastructure Modifications for Toll Zones on SR 874, SR 878 and SR924

[Copies of Mr. Walters's Conflict Forms are attached to these Summary Minutes]

CITIZEN COMMENT

Mr. Daniel Halley, Halley Engineering Contractors – 8620 SW 48 Street, Miami addressed the Board regarding Item IV. C

APPROVAL OF SUMMARY MINUTES

- **Board Meeting of January 30, 2018**

Ms. Gutierrez moved to approve the Summary Minutes. Commissioner Edmonson seconded the motion. The Summary Minutes were unanimously approved.

**EXECUTIVE DIRECTOR'S REPORT AND
TPO REPRESENTATIVE REPORT**

Mr. Rodriguez briefed Members on the following issues, which occurred after the Board meeting of January 30, 2018:

- Project 83628 and Project 83629 – Major progress has gone on since the last meeting. There will be closures for the flyover installation on LeJeune Rd. interchange ramp/north bound. Traffic shifts will occur implementing the diverging diamond interchange (DDI).
- On Feb 6th at the request of Board Member Meyer, participated in round table hosted by Greater Miami Chamber of Commerce – the topic was Transit Oriented Development.

- Participated with Secretary Wolfe and Mayor Gimenez at a round table discussion sponsored by the Center for the Study of the Presidency & Congress on Autonomous Vehicles: Policy, Innovation and Local Impacts
- Participated in radio interviews on Actualidad 1040am and Caracol 1260am regarding the existing construction on SR 836 and the MDX 83618 Project-Kendall Parkway.
- Miami-Dade County passed a resolution requesting MDX to design and construct SW 137 Ave from Coral Way to 8th Street. More information on this project will be brought to the Board in the near future.
- As it relates to the Transportation Planning Organization (TPO), MDX continues to work on the SMART Plan by moving forward the East/West Corridor and the Dolphin Park and Ride.
- Distributed and article – Ford selected Miami Florida to test Autonomous vehicles
- Continue monitoring Florida HB 141 and SB 1012 amendments to the 2017 laws affecting MDX.

Mr. Martinez stated that after he reviewed the legislation he asked Staff to draft a resolution opposing SB 1012 and HB 141. He asked that the resolution be distributed to the Members. Ms. Smith Fano asked the proposed resolution and discussion be addressed later in the agenda.

GENERAL COUNSEL’S REPORT

• Response from Attorney General

The Attorney General’s response to MDX’s request for an opinion regarding the 2017 changes to Florida Statute 348 was distributed at the meeting.

TREASURER’S REPORT

Mr. Boord reported on actuals vs. budget; and that the variance on net revenues has been resolved. Overall actuals are within the budget.

Mr. Rodriguez informed Members that the credit rating agency Moody’s has upgraded MDX to an A1 rating and changed the outlook to “stable.”

REGULAR AGENDA

A) MDX Procurement/Contract Number RFQ-18-01; Miscellaneous Design Services (\$1,000,000/Contract) (endorsed by the Joint FPP & OECI Committee 2/23/18)

- Approval of Contract Award

Ms. Cordero introduced the item and informed Members that ten (10) proposals were received in response to the RFQ. Staff performed compliance/responsiveness review of all proposals. All the proposals were deemed responsive to the requirements of the RFQ.

The Technical Evaluation Committee (TEC) met on February 14, 2018, and forwarded a recommendation to select and enter into contract negotiations with the following top three ranked proposers:

- Pevida Highway Designers, PLLC
- Trace Consultants, Inc.
- C.H. Perez & Associates Consulting Engineers, Inc.

Each contract will have a 3-year term with the option to renew for an additional consecutive 2-year term. The contracts include a 60% Small Business Participation Requirement and a 20% Local Business Participation Requirement. The contract will be managed by issuing task authorization.

Ms. Gutierrez moved to approve the top three ranked proposers and directed Staff to enter into contacts with each firm. Mr. Martinez seconded the motion. Mr. Walters abstained. The motion was unanimously approved.

B) MDX Procurement/Contract Number RFQ-18-02; MDX Work Program No. 30056.051; Construction Engineering and Inspection (CEI) Services for the Civil Infrastructure Modifications for Toll Zones on SR 874, SR 878 and SR924 (\$545,300 Not to Exceed) (endorsed by the Joint FPP & OEI Committee 2/23/18)

- Approval of Contract Award

Ms. Smith Fano thanked Ms. Gutierrez for being the oversight Member on the TEC and asked Ms. Cordero to explain the process used for breaking tied score. Ms. Cordero explained the solicitation documents include the procedures of breaking a tie, in this case the firm that has the highest score for personnel and staffing plan. A2 Group Inc. had the highest score.

Ms. Gutierrez moved to approve the contract award to A2 Group, Inc. Commissioner Edmonson seconded the motion. Mr. Walters abstained. The motion was unanimously approved.

C) MDX Procurement/Contract Number ITB-18-02; MDX Work Program No. 30056.060; Construction Services for the Civil Infrastructure Modifications for Toll Zones on SR 874, SR 878 and SR924 (Engineer's Estimate \$2,316,792.00)

- ~~Approval of Contract Award~~ - all bids rejected and approved to re-procure by the Joint FPP & OEI Committee 2/23/18

Mr. Rodriguez informed Members that agenda item VII. C was placed on the agenda and provided to the Board to ensure there was proper notice. This was done in anticipation that the Committee would take action at its Friday, February 23rd. The Committee rejected all bids and agreed to re-advertising the project. The Committee's action was final. Therefore, no action is required by this Board. The Cone of Silence was lifted on Friday, February 23rd.

Ms. Gutierrez stated the intent was to have more competition in the procurement process. Accordingly, Staff was directed to not reissue an identical procurement.

Secretary Wolfe stated he would like to see a more forgiving process in place.

Mr. Rodriguez recommended addressing Discussion item C – Frequent Driver Program first.

DISCUSSION ITEMS

C) Frequent Driver Rewards Program

Mr. Rodriguez shared the Frequent Driver rewards Program Surveys with Members.

[Copies of the Survey results are filed with the Board Secretary]

A) Annual/Monthly Pass and Non-Peak Hour – (Item was deferred to the Board Meeting at the Joint FPP& OEI Committee on 2/23/18)

Mr. Aron presented the Proposed Monthly Pass and Various Off-Peak Pricing Scenarios. He summarized the following:

Existing Customer Profile

- 70.0 million actual FY 2017 2-axle SunPass® transactions reviewed
- Actual transaction data summarized by transponder to identify:
 - Trip Frequency
 - Average Transactions per Month per Customer
 - Average Tolls Paid per Month per Customer
 - Average Toll per Transaction
- Summary results consistent with Frequent Driver Rewards Program customer data and 2014 Origin-Destination (OD) Survey results
- Data used to analyze various discount scenarios
- Assessment of Monthly Pass "Flat Fee" Amounts
- Assessment of Various Toll Reduction Scenarios
- Assessment of the impact of reducing toll rates at mainline locations during certain off-peak periods
- Assessment of Various Toll Reduction Scenarios, Estimated Impacts at 5%, 10% and 20% Rate Reductions

Mr. Aron entertained questions from Members.

[The presentation is filed with the Board Secretary]

At this time Secretary Wolfe excused himself from the meeting.

B) Toll Revenue Reduction & Estimated Impact on Project Capacity - Requested by Chair Smith Fano

Mr. Rodriguez introduced the item and explained the presentation was presented at the December 5, 2017 Board Meeting.

Mr. Topel informed Members that his firm performed an analysis on the impact on the system project capacity or financing ability if tolls were reduced by 5%; as well as the net effect that annual CPI rate adjustments would have on the financing options. In estimating the impact, they have analyzed four alternative funding options that would typically be utilized to fund system projects.

The analysis included the following financing scenarios, and they did not speculate on the impact that the lower coverages may have on MDX's credit rating, interest rates and borrowing costs. We utilized a flat borrowing rate of 5.5% for this purpose.

- 1) Current Capital Plan **No Reduction** in revenue (Base Case) - the preliminary financing plan assumes approximately \$253 million in additional debt to support the proposed capital program. Senior coverage averages range from 1.6x to 1.8x over the ten years and assumes 100% utilization of excess revenue for pay as go until FY 2025.
- 2) Current Capital Plan **with 5%** reduction in revenue - requires 5 years of capitalized interest to be utilized and requires \$346 million of debt compared to the base case of \$253 million, as well as additional interest cost of \$111 million.
- 3) Current Capital Plan **including Project #83618 No Reduction** in revenue - requires 5 years of capitalized interest to be utilized. It should be noted that Project #83618 funding requirements were accelerated by 4 years than original programed into the financial model.
- 4) Current Capital Plan **including Project #83618 with 5% Reduction in revenue** – requires 5 years of capitalized interest to be utilized.
- 5) Current Capital Plan with 5% Reduction in revenue but **with CPI and Project #83618** – requires the first 2019 and 2022 bond issues to utilize capitalized interest at 50% of the interest cost to maintain a 1.5x coverage.

Mr. Topel entertained questions from Members. Members thoroughly discussed the analysis and scenarios.

Ms. Smith Fano welcomed Mayor Gimenez to the meeting.

Mr. Martinez presented Resolution No. 18-01 –

A resolution opposing SB 112 and HB 141 or similar Legislation that violates Florida Statutes 348.0010 and MDX's existing Board Covenants securing \$1.5 Billion in existing bond indebtedness and further impairs MDX's transfer agreement with the State of Florida Department of Transportation and that further eliminate MDX's ability to finance the Kendall Parkway to the detriment of 600,000 residents and businesses in Miami-Dade County

Mr. Rodriguez informed Members that 80% of revenue is generated by 30% of the customers, 70% of customers spend less than \$10 a month.

Mr. Rodriguez informed Members the financing plan for the Kendall Parkway Project will be presented at Committee in May 2018.

Regarding compliance with HB 1049 (2017), Mr. Rodriguez stated bond legal counsel has advised the Authority that anything that addresses governance is inconsistent with the bond documents, which is a statutory exception; and this statutory change is inconsistent with the Transfer Agreement between FDOT and the Authority; and the Authority's Trust Indenture. The Authority has complied with all other provisions of HB1049. He further stated that in accordance with Florida law [Chapter 348], the MDX Board sets toll rates not the State

Legislature.

Mr. Boord referred to HB141 (2018) stating that the 5% toll reduction plus the annual CPI, increases the ability to finance and fund all the projects in place and more.

The item was thoroughly discussed.

INFORMATIONAL ITEMS

- A) Procurement Report
- B) Communications Report

The Informational items were not addressed

CHAIR'S COMMENTS

ANNOUNCEMENTS

- Board of Directors Meeting, March 27, 2018, 4:00 p.m., William M. Lehman MDX Building Board Room

ADJOURNMENT

Chair Smith Fano adjourned the Board Meeting at 6:25 p.m.

Summary Minutes prepared by Maria Luisa Navia Lobo, Board Secretary.