

Transportation Excellence

Innovative Funding

May 2015



Jacksonville Transportation Authority

Where you're going



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***The Jacksonville
Transportation Authority***



The JTA

- A multimodal transportation company that plans, designs and builds roads, bridges and roadway improvements
- Operates Mass Transit System
- Completed projects are turned over to the City of Jacksonville or the State of Florida
- JTA does not operate or maintain road or bridge facilities
- JTA has worked on over \$1 billion road and \$200 million bridge projects

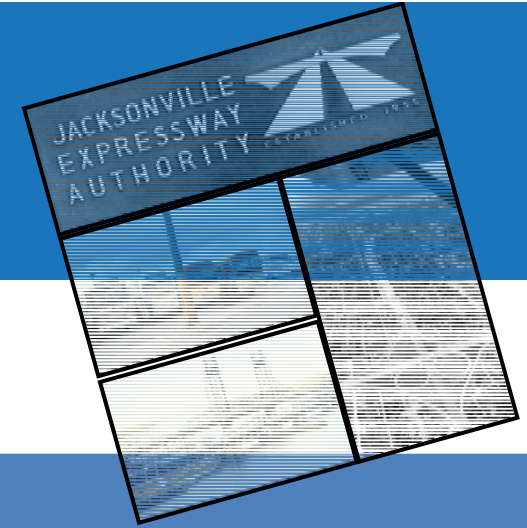




History of Funding Sources



History of Funding Sources



Year	Event
1955	Jacksonville Expressway Authority founded to plan, design and build the area's expressway system
1957	First bond issue of \$70M on behalf of Jacksonville Expressway Authority by the State of Florida
1958	Tolls added to several roads and bridges to fund transportation improvements
1968	Constitutional Gas Tax (CGT) is mandated by the Florida Constitution
1971	Jacksonville Expressway Authority designated as the Jacksonville Transportation Authority ("JTA") and took over assets and operations of the private bus companies
1985	First bond issue of \$119M on behalf of JTA issued by the State of Florida



History of Funding Sources



Year	Event
1986	Local Option Gas Tax approved by the Jacksonville City Council for 10 years
1989	Voters approve a half-cent sales tax to replace tolls on JTA's bridges and roads
2000	Voters approve the Better Jacksonville Plan ("BJP")
	City and JTA execute the 2000 Interlocal Agreement which made the BJP Transportation Sales Tax, the Constitutional Gas Tax and the Local Option Gas Tax available to JTA
2001	First BJP Transportation Revenue Bonds issued on behalf of JTA by the City of Jacksonville
2014	2014 Interlocal Agreement modifies and extends allocation of taxes to JTA through 2036
2015	JTA issues its first bonds directly



Local Option Gas Tax



What is Local Option Gas Tax

- Per gallon of gas pumped within Jacksonville – Six cents collected
- Full Six cents levy extended from September 1, 2016 to August 31, 2036
- As per the 2014 Interlocal Agreement between the City of Jacksonville and the JTA
 - Five cents appropriated to JTA - One cent retained by the City of Jacksonville
 - JTA has issued approximately \$100 million in fixed rate bond proceeds secured by JTA's share of the Local Option Gas Tax to fund the roadway projects
 - Local Option Gas tax will remain to be a long term sustainable funding source for the Authority





2014 Interlocal Agreement

- Addresses LOGT, Sales Tax, and Constitutional Gas Tax between City of Jacksonville and JTA
- Executed July 29, 2014; expires August 31, 2036
- LOGT
 - Six cents LOGT was set to expire August 31, 2016
 - Full Six cents levy extended to August 31, 2036
 - Five cents appropriated to JTA - One cent retained by the City of Jacksonville
 - Commencing September 1, 2016, JTA may pledge any portion of its five cents LOGT for repayment of debt service on bonds issued to fund projects on the JTA Project List



2014 Interlocal Agreement

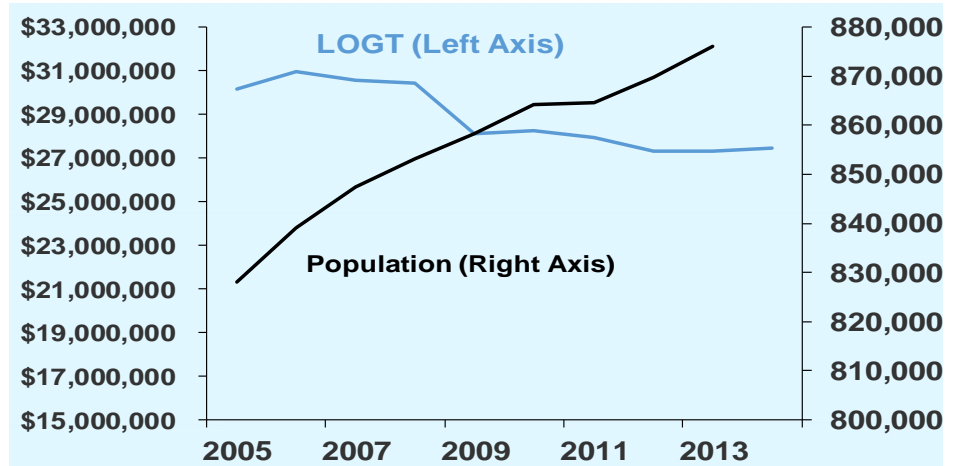
- Sales Tax
 - First utilized to pay outstanding City Bonds from BJP Transportation program with 2014 Debt Service of \$42.1M
 - Remaining funds used by JTA for mass transit subsidy
 - Once City Bonds are no longer outstanding, remaining Transportation Sales Tax collections over the term of the Agreement will be allocated to JTA for mass transit subsidy
- Constitutional Gas Tax (two cents per gallon)
 - First Allocated to pay City Bonds from BJP Transportation program (after application of BJP Transportation Sales Tax)
 - Surplus allocated 50% to JTA and to the City of Jacksonville



LOGT Historical

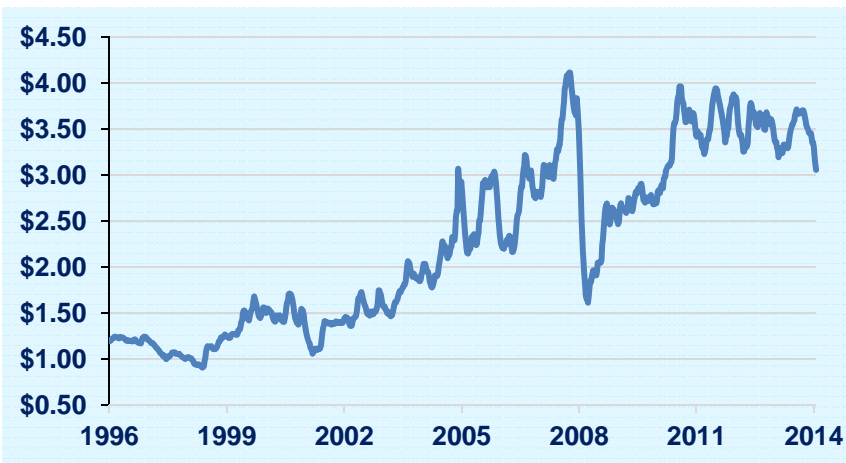
- Generally Correlated with:
 - Economic Activity
 - Population
 - Fuel prices and efficiency

Historical LOGT, Sales Tax and Population



Sources: U.S. Census; JTA

Weekly U.S. Regular All Formations Retail Gas Prices



Source: U.S. Energy Information Administration

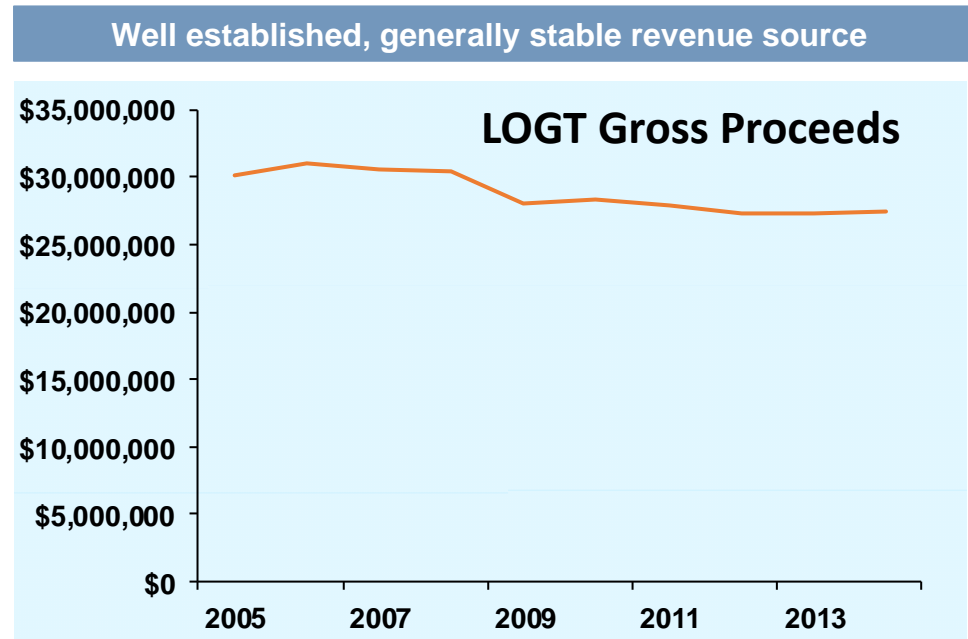
Fuel Consumption Forecast in Jacksonville

"Synthesizing the information from the 4 models, we conclude that the fuel demand will most likely remain flat or increase slightly. Therefore, the associated LOGT will remain flat or increase slightly over the next 15 years" – University of North Florida



LOGT Historical

Fiscal Year Ending September 30th	LOGT Gross Proceeds	Annual Change
2005	\$ 30,161,175	3.7%
2006	\$ 30,970,564	2.7%
2007	\$ 30,550,932	-1.4%
2008	\$ 30,428,752	-0.4%
2009	\$ 28,108,375	-7.6%
2010	\$ 28,269,053	0.6%
2011	\$ 27,949,058	-1.1%
2012	\$ 27,332,958	-2.2%
2013	\$ 27,296,734	-0.1%
2014	\$ 27,453,519	0.6%



- Amounts shown reflect full 6 cent levy; JTA receives 5 cents



LOGT Strategy

- Working with stakeholders included:
 - Council Members
 - Mayor's Office
 - Board Members
 - Construction Industry
 - Chamber of Commerce
 - Lobby Teams/Firms
- Professional studies, personal one-on-one talks with key stakeholders, media discussions, and collaborations with advocacy groups were all important parts to the strategy JTA used to secure the LOGT



Bond Issuance Transaction Summary

Issuer	Jacksonville Transportation Authority
Project Account	\$100,550,000
True Interest Cost	3.04%
Ratings	Standard & Poor's: AA (Stable) Fitch: AA- (Stable)
Sale Date	January 14, 2015
Settlement Date	January 29, 2015
Security	Limited obligations of the Authority secured by a pledge of Local Option Gas Tax revenues
Use of Proceeds	To fund a portion of the Mobility Works Projects
Structure	Serial Bonds from 2017-2036
Tax Status	Federal and Florida tax-exempt
Senior Manager	J.P. Morgan Securities LLC

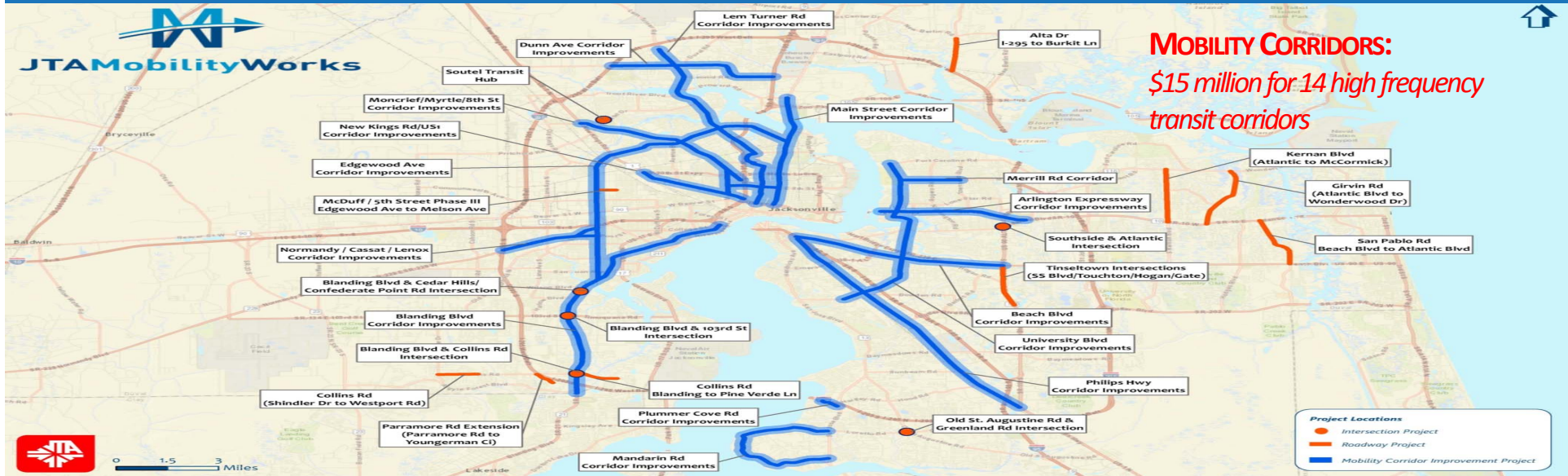


Bond Issuance Timeline

- **May - 2014**
 - Interlocal Agreement Approved by Council
 - Working Group assembled to begin issuance discussions
- **June - 2014**
 - Organizational meeting to discuss LOGT Bond Issuance process
 - Drafted Reimbursement Resolution
- **July - 2014**
 - Drafted the Master Resolution and Supplemental Resolution outline
 - Distributed RFP for Disclosure Counsel
- **August - 2014**
 - Board approved Reimbursement Resolution and Disclosure Counsel
 - Board approved Investment Policy
 - Underwriter RFP distributed
- **September - 2014**
 - Drafted Master Trust Agreement
 - Began Preparing POS & Ratings Package
- **October - 2014**
 - Bond Validation Process
 - Package to Rating Agencies
- **November - 2014**
 - Formal Presentation to Rating Agencies (New York)
 - Responded to Rating Agencies' Questions
- **December - 2014**
 - Received Credit Ratings
 - All Documents approved by Board
- **January - 2015**
 - Released POS to the Market
 - Bonds Marketed, Priced, and Sold



The Utilization of LOGT Revenues



LOGT JTA MobilityWork Projects

County Wide Mobility Corridors

Arlington Expressway (Regency to Matthews Bridge)
 Beach Blvd. (I-95 to Southside Blvd.)
 Blanding Blvd. (Clay/Duval Co. Line to US-17) and Park St. (US-17 to I-95)
 Dunn Avenue (I-295 to I-95)
 Edgewood Ave. (Cassat Ave. to N. Main St.)
 Lem Turner Blvd. (Downtown to I-295)
 Main Street (State to Clark Road)
 Moncrief/Myrtle/8th Street (Main to Myrtle)
 New Kings Road / US 1 (I-95 to MLK)

6J Normandy/Cassat/Lenox (Normandy - I295 to Cassat); Cassat (Edgewood to Blanding) and Lenox - (Normandy to Cassat)
 Philips Highway (I-95 to Southside Blvd.)
 University Blvd. (University - St. Augustine to Ft. Caroline)
 Mandarin Rd. & Plummer Cove Rd.
 Merrill Road - (University to Townsend)

Blanding Blvd Intersection Improvements

Soutel Transit Hub

Alta Drive (*Local funding sources are COJ receipts*)

Tinseltown Intersections

Collins Road (Shindler to Westport)

Collins Road (Blanding to Pine Verde)

San Pablo Road (Beach to Atlantic)

McDuff & 5th Street Phase III

Old St. Augustine/Greenland Intersection

Kernan Blvd (Atlantic to McCormick)

Southside/Atlantic Intersection

Parramore Road Extension

Girvin Road



Mobility Corridors

- Holistically address the multimodal characteristics of high frequency transit corridors enhancing **mobility choice, accessibility** and **safety**
- Specific allocation dependent upon **ridership, demographics** (Title VI issues), **safety** and **planning/mobility assessment, public involvement**
- **Leverage** resources (City of Jax/FDOT/JTA)
- Integrate with “**Safe Routes to School**” projects, where applicable



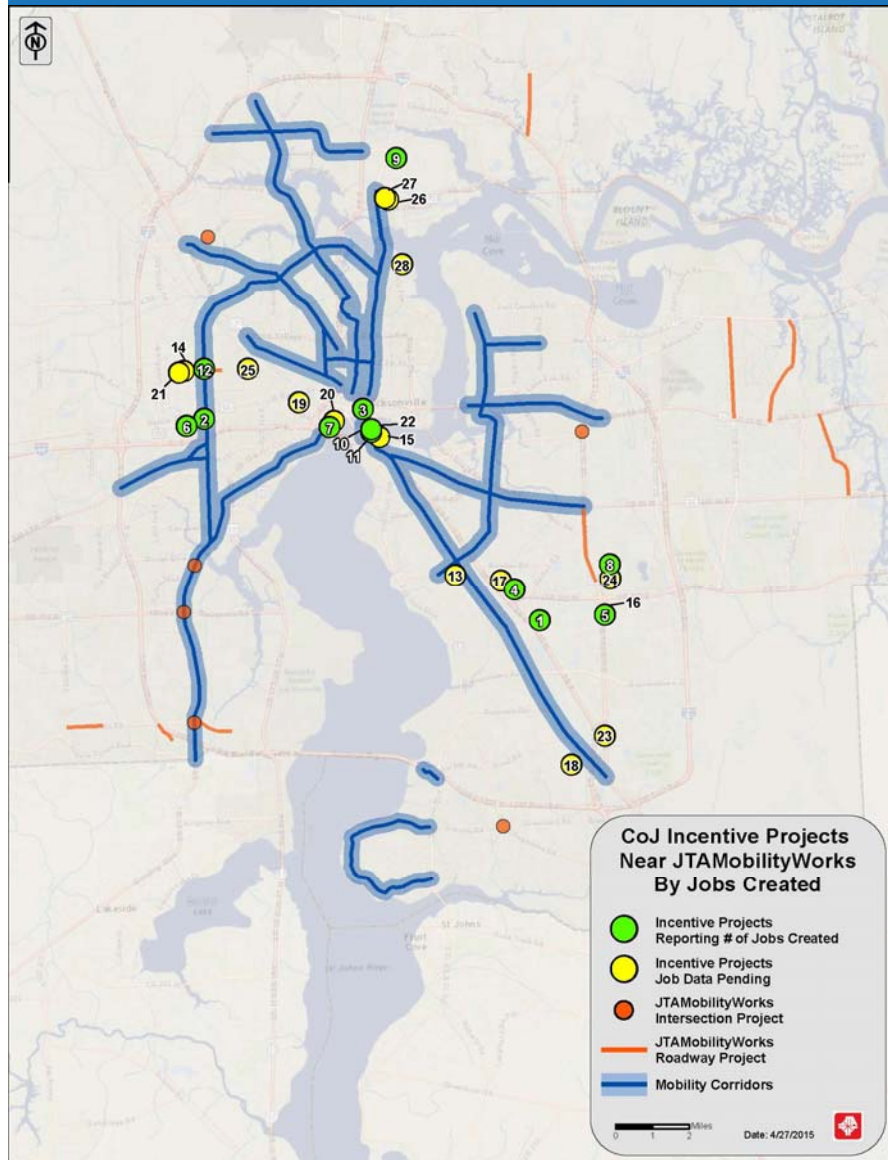


Mobility Corridors

- Status
 - The \$15 million Mobility Corridor effort has been divided into two work programs:
 - Transit Enhancements; and
 - Complete Streets
 - RFPs have been developed for both of these programs concurrently and we look to have Consultant approval and notice to proceed by early April for the Transit Enhancements and early May for Complete Streets
- Remaining FY15 Activities
 - Begin construction on at least four corridors by end of FY15
 - Arlington Expressway
 - Dunn Ave.
 - Normandy/Cassat/Lenox
 - Lem Turner Rd.
 - Conduct planning/design charrettes for Complete Streets initiative



Mobility Corridor and Job Growth

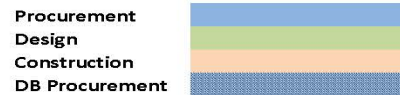


- There have been 28 companies that have had recent large scale projects regarding economic development within a mile of a JTAMobilityWorks project
- Based on recent City of Jacksonville (COJ) data, for the incentive projects where job growth has been reported thus far, over 1,800 jobs have been created
- All of these jobs have been created within one mile of a JTAMobilityWorks project



Road Improvement Projects

JTA MobilityWorks Program Master Scheduler																																
Task Name	FY 2014				FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Old St. Augustine / Greenland Intersection																																
Kernan Blvd. (Atlantic to McCormick)																																
Southside/Atlantic Intersection																																
Parramore Rd. Extension (Parramore to Youngerman Circle)																																
Girvin Road (Atlantic to Wonderwood)																																
Transit Enhancements																																
Complete Streets																																
Blanding Blvd. Intersection Improvements																																
Soutel Transit Hub																																
Alta Drive (South of Faye Rd. North to Burkit Lane)																																
Tinseltown Intersections																																
Collins Road (Shindler to Westport)																																
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*San Pablo Road (Beach to Atlantic)																																
*McDuff & 5th Street Phase III																																



Note: Schedule is based on JTA Fiscal Year (starts October 1st ends Septemebr 30th)
*To Be Determined

- 85 million dollars will be used to improve local roads and intersections



CNG – Strategic Partnerships



The Case for CNG

- Demonstrates leadership in industry and community
- Makes case for developing natural gas in the region
- Enhances JTA's financial stability
- Promotes environmental sustainability
- Proven and widely used technology
- Provides various financing and procurement options
- Rethinking JTA's Master Campus Plan
- Future BRT



Why a Public-Private Partnership?

- No capital outlay for JTA
- Immediate operating savings
- Minimizes risk
- P3 Partner shares incentive for timely and quality project delivery
- JTA can share in revenue from Public Access Station



CNG Value for Money Analysis

- Estimated net cost of the P3 procurement with Clean Energy is approximately \$21.2 million over a 15-year period not including 100 CNG buses (\$57 million)
- If the JTA implemented the CNG program directly, it would cost an estimated \$26.9 million over a 15-year period
- By partnering with Clean Energy, the JTA will save approximately \$5.7 million



CNG Project Elements

JTA CNG Fueling Station

- CNG fueling infrastructure for fueling JTA fleet beginning 12/1/15
- modifications to existing maintenance facilities
- O&M of the fueling infrastructure and the facilities modifications for 15 years

JTA Campus Improvements Implementation

- Demolition of the Administration Building
- New parking spaces for revenue vehicle and employees

Public Access Station

- Public access fueling station
- Operation and Maintenance of the public access station for 15 years



CNG – P3 Agreement with Clean Energy

- JTA will purchase a guaranteed minimum quantity of CNG fuel for 15 years
- A volume discount will be provided for JTA fuel purchases in excess of its guaranteed minimum fuel purchases
- JTA will convert 100 buses in its fleet to CNG over a five-year period
 - First Coast Flyer BRT buses funded through the FTA New Starts program (40 plus buses)
 - Regular replacement schedule for JTA's bus fleet
- Lease and concession agreement for a 15-year period
 - Land rent and royalty revenue to the JTA for any CNG Diesel Gallon Equivalents (DGE) sold or provided to any entity other than the JTA
- \$2.5 million in TRIP funding provided by FDOT/NFTPO
- 29% DBE on infrastructure construction



CNG Pricing

	JTA-DGE	Clean Energy	JTA-CNG	JTA-Diesel
Lease				
Land Rent	\$1,000.00	(\$180,000)	\$ -	\$ -
CNG Infrastructure Cost				
Fuel Cost	\$0.63	\$8,801,953	\$10,519,163	\$36,092,578
Infrastructure Cost	\$0.70	\$8,498,438	\$11,939,509	
Operations & Maintenance	\$0.69	\$8,377,031	\$8,060,919	\$2,956,146
Total Cost per DGE to JTA	\$2.02	\$25,677,422	\$30,519,591	\$39,048,724
Volume Discount				
Discount for JTA fuel consumption in excess of minimum fuel purchase		(\$2,876,563)	(\$4,027,188)	\$ -
Public Access Station Costs				
Royalty to JTA		(\$3,945,703)	(\$2,124,610)	\$ -
Bid Price Proposal				
JTA Initial Investments		\$18,675,156	\$24,367,794	\$39,048,724
Savings for Diesel buses vs. CNG		\$2,500,000	\$2,500,000	\$ -
				(\$8,700,000)
Total Price		\$21,175,156	\$26,867,794	\$30,348,724

Pricing Over a 15-year period for a minimum of 75 buses



CNG Next Steps and Timeline

Activity	Timeline
Board Approval of P3 Contract with CE	November 25
Notice to Proceed	December 1
Board Approval of Demolition Plan Changes	January 6
Board Update and Action on the CEI RFP Requested	February 11
Groundbreaking Event	March 31
Administration Building Demolition & Parking	May 1 – Aug 4
Construction of Connexion & Bus Parking	June 9 – Aug 4
Construction of CNG & Facility Modifications	June 1 – Oct 7
Construction of CNG Public Station	July 24 – Oct 7
Project Completion	November 19
FCF BRT North Corridor Service with CNG Buses	December 2015



Compressed Natural Gas (CNG)





***APTA Europe Study Mission -
TBD***



Contrast Between US and Europe

US

- Political ambivalence
- Short-term electoral expediency
- Confrontation
- Skepticism
- Abdication of responsibility
- Deficit spending
- Unfunded mandates to locals
- No linkage: Transport investment and national competitiveness
- Kicking the can down the road

EUROPE

- Political commitment
- Long-term societal benefit
- Compromise
- Trust
- Leadership
- Strategic investment
- Support to locals
- Understanding of economic benefit of transport investment
- Multi-year funding strategies



Thank you