

Tampa-Hillsborough County Expressway Authority
Minutes of the March 11, 2024, Board Workshop
1104 E. Twiggs Street
Tampa, FL 33602

The Tampa-Hillsborough County Expressway Authority held a public meeting at 1:30 p.m. on March 11, 2024, at THEA Headquarters, 1104 E. Twiggs Street in Tampa Florida. The following were present:

BOARD:

Vincent Cassidy, Chairman
Bennett Barrow, Vice Chairman
John Weatherford, Secretary
Commissioner Donna Cameron Cepeda, Member
FDOT District 7 Secretary David Gwynn, Member

STAFF:

Greg Slater	Julie Aure
Amy Lettelleir	Toni Nhlapo
Bob Frey	Szabina Szenassy
Brian Pickard	Brian Ramirez
Jeff Seward	Charlene Varian
Keisha Boyd	Chaketa Mister
Shari Callahan	Lisa Pessina
Shannon Bush	Judith Villegas
Tim Garrett	

OTHERS:

Eryn McVerry, Maryn & Co.	Joe Stanton, Nelson Mullins
Sally Dee, Playbook	Darren Morse, SPP
Campbell McLean, Gray Robinson	Jason Accardi, 717
Kathy Chen, Ernst & Young	Gabriella Accardi, 717
Daniel Edwards, Ernst & Young	Jim Drapp, HNTB
Jona Scher, Earnst & Young	Robbie Carver, Ernst & Young

Chairman Cassidy called the meeting to order at 1:30 pm.

Mr. Slater provided an overview of what the board can expect from today's workshop. We have two presentations to share – one on the Marketing and Communications Strategic Plan and the other on the results of the Real Estate analysis. First, we will hear from Keisha and Eryn, followed by the Ernst & Young team, who will walk us through THEA's real estate asset analysis.

Chairman Cassidy, speaking specifically to real estate, asked that board members consider what “best” means to them as stewards of the organization as they listen to these presentations, and he encouraged the board to think ahead 60—one hundred years. He referred back to something Mr. Barrow said – that we are the gateway to Ybor.

Mr. Slater turned the meeting over to Ms. Boyd, who briefly discussed the efforts that went into the strategic communications plan and then introduced Ms. Eryn McVerry of Maryn & Co. to discuss the strategy.

Ms. McVerry began with a little background about herself and discussed the purpose of the process, which was to identify marketing communications strategies to establish THEA’s position as a leading transportation in the minds of the region and beyond, as well as elevate THEA’s marketing and communication to more effectively engage residents, businesses, and employees while informing and including them moving forward.

She touched on the process of setting ourselves up for success and what we have done to date, for example, they held an Executive Workshop, as well as created a roadmap and aligned it with the Strategic Blueprint. They also created a 5-year Marketing & Communications strategy and developed KPIs.

She reviewed the overarching goals of the Strategic Blueprint and how Marketing & Communications supports those goals – by humanizing and elevating the THEA brand; enhancing THEA’s reputation as a global leader; and reinforcing THEA’s commitment and investment in the region.

Next, she reviewed the strategic framework and the newly created strategies and objectives, followed by the creation of initiatives and outputs such as brand engagement, communications, and partnerships. She moved on to discuss brand engagement objectives and initiatives and explained how each initiative is aligned with the Strategic Blueprint.

Chairman Cassidy asked if customers are defined differently from someone who pays a toll.

Ms. McVerry explained that customers are those using the roadways, but we also have consumers.

Mr. Slater added that there are a lot of people we interact with regularly who may not be using the toll road today, for example, the kids who walk under the expressway to get to school.

Mr. Weatherford mentioned potential charging station customers.

Mr. Slater added the community as a whole could be considered customers.

Chairman Cassidy pointed to tenants as customers.

Ms. Dee noted it is about the brand and how we interact with the community.

Ms. McVerry moved on to the visibility matrix. What types of co-op engagements/partnerships look like?

She discussed partnerships and the questions we should be asking, such as: Are we engaging with the right people, do we do a partner survey, do we know what our perception is out in the marketplace?

Ms. McVerry discussed brand purpose (THEA's Why), noting that brand purpose defines and unites you; it represents the motivation behind our existence and inspires a sense of purpose; discovering our "why" lets us connect with customers on a more meaningful level; finally, our purpose should act as our north star – aligning purpose with action. She briefly talked about employees' influence on THEA's purpose and some of the opportunities identified, such as greater aspirational thinking; capitalizing on new leadership/vision; and clarity on employees' role in the purpose.

Ms. McVerry pointed out that the employee survey showed that employees believe in having a purpose and have a sense of pride. We were able to get at a brand purpose based on this input. We are looking at "Enrich lives by connecting communities" as our purpose.

Mr. Slater talked about the power of a purpose.

Chairman Cassidy questioned if every employee who works at THEA will know and be able to tell their role in enriching lives by connecting communities.

Ms. McVerry noted that employees need to be considered an audience and the way we bring them along also needs to be considered.

Ms. McVerry discussed the four pillars that support bringing THEA's purpose to life:

- Community – continuous enhancements, increased economic development, credible partnerships
- Investment – notable infrastructure improvements, positive economic impact, growth of region
- Innovation – leading the way, continuous enhancements, growth of region
- Reliability – continuous enhancements, value of time and trust, fueling opportunities to connect

and how those pillars feed into our messaging framework

- Purpose – Enrich lives by connecting communities
- Mission – Deliver safe, reliable and financially sustainable transportation service while reinvesting customer-based revenues back into the community.

- Audience – community, media, strategic partners, community partners, employees – each requiring different messaging

Mr. Slater gave some examples of how we are aligning everything with the strategic blueprint.

Ms. McVerry wrapped up with bringing the plan to life by conducting a brand purpose reveal; conducting a partnership evaluation; KPI monitoring; campaign development; a digital/social strategy; and an underpass revitalization project.

Mr. Barrow asked about the four pillars and which ones have fallen short. Ms. Dee noted it varies as the focus and needs change.

Secretary Gwynn asked where increasing ridership/revenues comes in.

Ms. McVerry stated it is specifically noted in the plan, and is where the campaigns come in.

Mr. Slater added that we are focusing on building a customer base but also managing it during times of construction so we do not lose customers.

With no further questions, Mr. Slater introduced representatives from Ernst and Young to go over the real estate analysis. Daniel Edwards, Cathy Chen, Jonah Scher, and Robbie Carver were on hand to review the analysis.

Mr. Edwards explained their goal is to present the options to help the Board make the best decisions. He gave a site overview beginning with the Meridian parcel, the former railroad sites, and THEA Headquarters, noting that these parcels represent an important piece of the future real estate market in downtown Tampa.

He discussed notable surrounding developments, such as Water Street, GasWorx, Armature Works, and One Tampa condominium development that is currently under construction, adding that THEA sites are and will continue to appreciate.

He presented a market overview, pointing out that Tampa's population and economy have grown at a rapid pace during the prior 5-year period. The fundamental drivers of growth have been Florida's tax environment, quality of life, proximity to the beach, Tampa's economy, and business concentration in education and healthcare. The growth in the Tampa job market has also contributed to the population growth.

Mr. Edwards noted that the fundamentals for multifamily and retail continue to remain strong and favorable to investors. Multifamily remains the best-performing sector and appears to be the highest and best use for downtown based on researched market data. Retail also shows strong fundamentals and continues to be a strong supportive attribute for most urban/mixed-use developments.

Next, Ms. Chen reviewed indicative land prices for the different parcels. She began with the Meridian parcel, using five comparable parcels to estimate potential land sale proceeds.

They used a similar approach for THEA Headquarters, using seven different comps to produce their estimate.

Finally, she reviewed the clustering of the rail sites and what can be built there. These were compared with ten comps. The estimated sale proceeds vary depending on potential uses, surrounding developments, and timing.

Mr. Edwards reported that they spoke with a lot of stakeholders and received input on potential uses for the Meridian property. Ernst and Young analyzed a wide range of potential uses and conducted extensive market analysis. Using market-supported assumptions, they modeled various uses and projected returns to determine the highest and best use. Multifamily with ground-floor retail makes the most sense.

He then explored the potential transaction structures – fee simple land sale, ground lease, and joint venture. There was some discussion about the three options. The chairman asked if a joint venture would have to have a transit component. Ms. Lettelleir noted that we are a statutorily created expressway authority and a transportation element is important.

Mr. Edwards concluded with the analysis of the highest and best use for Meridian is multi-family with ground floor retail, and the highest and best use of THEA Headquarters is not what it is currently being used for.

He wrapped up by noting that THEA owns a lot more than what was talked about today, but it is not developable. There is a lot of value to be unlocked to provide safety to pedestrians, or other community benefits.

Mr. Slater discussed examples of different structures, based on what our goals are. Something else to consider is that if there's a long-term horizon, there may also be a short-term piece.

Chairman Cassidy returned to the definition of 'best' and suggested the Board consider setting up another business to manage THEA's real estate to maintain our ability to be a gateway.

Mr. Slater discussed statutory obligations. Secretary Gwynn would like to hear legal advice on what we can and cannot do and more about the risk as it relates to bondholders and covenants.

Mr. Slater noted that different components have a little bit more urgency, and we do not want to hold up others. It is his hope to get an understanding today of what is important to the board and what they are looking for.

Chairman Cassidy requested general counsel come back to the board with information on what we are prohibited from doing.

Mr. Slater acknowledged we are charting new territory and we have to figure out how to work through those legal questions.

Mr. Barrow asked about the process and whether we can go through the checklist, narrow it down, do an RFP, and commission a master plan. Mr. Slater noted there is no reason we could not craft a master plan/vision.

Chairman Cassidy thanked Ernst and Young and concluded that the Board needs to define what it wants and what is best. This report gives the Board a way to have these conversations in an educated manner.

Mr. Slater advised that the March Board Meeting and the April Committees of the Whole meeting were not needed.

With no further business, the meeting was adjourned at 3:06 p.m.

APPROVED:  **ATTEST:** 
Chairman: Vince Cassidy **Secretary: Bennet Barrow**

DATED THIS 22nd DAY OF APRIL 2024.