

March 26, 2018

The Honorable Michael J. Dew  
Florida Department of Transportation  
605 Suwannee Street  
Tallahassee, Florida 32399-0450

Re: Unsolicited Proposal for Rights of Way for Construction and Operation of Inter-City Passenger Rail System

Dear Secretary Dew,

Brightline Operations ("Brightline") is pleased to present herewith this unsolicited proposal regarding certain rights of way owned by the Florida Department of Transportation ("FDOT") and the Central Florida Expressway Authority ("CFX") for purposes of constructing and operating an inter-city passenger rail service between Orlando and Tampa. The rail service connection between Orlando and Tampa will be part of a statewide rail system.

Brightline is a first-of-its-kind, privately operated rail system and enhances and transforms Florida's mobility profile, creates thousands of jobs, furthers economic development, improves the adequacy of traffic flow and promotes the full use of existing and future transportation facilities in the State.

Brightline greatly appreciates FDOT's consideration of this proposal and looks forward to the opportunity to work with FDOT on this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick Goddard".

Patrick Goddard  
Brightline President

Cc Laura Kelley, Executive Director, Central Florida Expressway Authority



Proposal for: Rights of Way for Construction and Operation of Inter-City Passenger Rail System  
Submitted by: All Aboard Florida – Operations LLC, dba Brightline Operations ("Brightline")  
Submitted to: Florida Department of Transportation  
Date: March 26, 2018

## PROPOSAL

### 1. Introduction and Executive Summary

Brightline is pleased to present this unsolicited proposal regarding certain rights of way owned by the Florida Department of Transportation ("FDOT") and the Central Florida Expressway Authority ("CFX") for purposes of constructing and operating an intercity passenger rail service between Orlando and Tampa, (referred to as the "Project"). We greatly appreciate FDOT's consideration of this proposal, which (1) introduces Brightline, (2) describes the Project, and (3) proposes a framework under which Brightline may lease and/or obtain easement, license or similar rights to use certain rights of way. The Project will use portions of the state highway system rights of way and includes Interstate 4 (I-4), SR528 and/or SR417.

Brightline substantially enhances FDOT's transportation resources and will transform Florida's mobility profile. Moreover, the Project will provide these transportation benefits with no operational subsidy from the State of Florida (the "State").

Brightline's proposal is unique in that it will complete the connection from Miami, Fort Lauderdale, West Palm Beach, and Orlando to the Tampa downtown area. Brightline therefore proposes herein the terms relative to the use of portions of the state highway system rights of way and the incorporation of same as an integral part of the Project.

Brightline proposes to lease and/or obtain an easement, license or other rights from FDOT and CFX for a portion of the state highway system rights of way for incorporation into the Project, pursuant to the framework herein set forth and in accordance with Section 337.251, Florida Statutes or other applicable laws.

### 2. The Project.

#### a. Background.

Brightline proposes to develop the Project, which will consist of a privately owned, operated and maintained inter-city passenger rail service that will give business and leisure passengers a safe, convenient, environmentally friendly, and cost-effective alternative way to travel between central Florida and Tampa. Brightline would own, operate and manage the passenger rail line. Brightline has not yet determined exact station locations, but the railway route will start at the Orlando International Airport Intermodal Terminal and continue into downtown Tampa. The inter-city passenger rail line will provide access to international airports, seaports and existing commuter

rail systems. The Project will use portions of the state highway system rights of way and includes Interstate 4 (I-4), SR528 and or SR417.

The purpose of the Project is to further economic development in the State by addressing the State's current and future needs to enhance the transportation system, improve air quality, create jobs, provide a transportation alternative for millions of Floridians and tourists, and support economic development and fast, dependable and efficient passenger rail service within the State. Brightline's history is steeped in the Henry Flagler's vision who pioneered the development of Florida's eastern coast and brought the first passenger and freight rail services to South Florida. By 1896, the rail system operated from Jacksonville to Miami, which inspired the development of the State's east coast as a vital chain of coastal downtowns. By the time that Mr. Flagler died in 1913, the rail service provided the critical transportation network that connected the entire east coast of Florida, from Jacksonville to Key West, through passenger rail service. Although passenger rail service was discontinued in the 1960s, communities that developed along the rail Corridor remains a key organizing element of land use for Florida's current development pattern.

The proposed inter-city passenger rail system would provide frequent, regularly-scheduled trains traveling daily and offer amenities like gourmet meal service and free Wi-Fi that will make the travel time productive for passengers. Currently Brightline's West Palm Beach to Fort Lauderdale inter-city passenger rail has been in service since January of 2018. The connection to the Brightline Miami Central Station is anticipated to be in service in the second quarter of 2018.

In addition to connecting Florida's two large metropolitan markets, the Project will generate substantial and beneficial economic opportunities for Floridians. Brightline has revolutionized transportation and has a strong positive impact on the State. These benefits already include:

- Nearly 10,000 new jobs - During construction, new jobs will be created with zero funding from taxpayers.
- A greener future - Brightline is reducing the state's carbon footprint and pollution in urban areas.
- Small business growth and new jobs - Stations are placed in key parts of growth and revitalization in areas.
- Streamlined transportation - By reducing congestion, Brightline makes traveling in Florida safer, easier and more efficient.

By creating jobs, stimulating local economies and reducing tax burdens, the benefits of expanding the regional passenger rail system will extend well beyond the Project's destination. It is expected that:

- Significant savings will be achieved on highway maintenance costs because the relief in congestion will allow highway improvements to last longer than they otherwise would if the passenger rail service were not operating;
- Increased revenues will be realized by the State, including growth in real estate taxes, corporate income taxes and sales taxes, as well as benefits to be realized because of

reemployment insurance, all of which may be utilized by the State to address community specific needs (e.g. schools, parks, public works, police and fire protection);

- Economic benefits will be produced for businesses and workers near train operations; and
- Increased tourism revenue, real estate appreciation and new transit-oriented development opportunities will be realized.

b. Technical Approach

The Project proposes construction of a new passenger rail station in Tampa. Brightline is working with the requisite entities to ensure compliance with all Federal and State regulations and permitting requirements that may apply to the Project. Brightline will also consider all permitting requirements imposed by local regulatory agencies. All work for the Project shall be completed in accordance with applicable laws and required permits.

c. Administration and Management. Brightline is owned by Florida East Coast Industries LLC (FECI). FECI together with its subsidiaries and affiliates, is an owner and developer of real estate and transportation-related businesses within the State. Headquartered in Coral Gables, FECI has a rich history dating back over a century, when Henry Flagler first established a predecessor railroad and real estate company and became a pioneer in the development of the State's eastern coast.

3. Key Personnel.

FECI and Brightline, together with its affiliates, has assembled a qualified team of professionals to undertake the Project. Key team members include the following individuals:

**PATRICK GODDARD**, President & Chief Operating Officer. Patrick is responsible for all aspects of Brightline, including safety, development, operations and the guest experience. Prior to joining Brightline, Patrick was the president and chief operating officer for Trust Hospitality, an international owner, developer and operator of boutique and luxury hotels, many of which have been entrepreneurial and start-up ventures successfully launched in South Florida. Patrick grew this portfolio from 10 to 40 hotels over six years. Prior to that, he was the president and managing director of Ocean Blue Hospitality, a consultancy firm that specialized in hotel openings and sales, marketing and revenue management for independent hotels. While there, he successfully repositioned and managed many iconic South Florida hospitality venues including the Cleveland Hotel & Bar, the Raleigh Hotel, the Savoy Hotel and the Grand Beach Hotel. Patrick also held management positions with Rosewood Hotels, Loews Hotels in the United States and the Caribbean as well as Hilton Hotels, Jurys Hotels and other independent hotels and restaurants in Europe. Born and educated in Ireland, Patrick has a degree in hospitality management granted by Trinity College Dublin.

**RAVNEET BHANDARI**, Chief Commercial Officer. Ravneet is responsible for all Brightline's revenue generation and consumer-facing endeavors, including the marketing, revenue management, sales, business development and strategic partnership departments. He is a leading expert and pioneer in strategic revenue growth and optimization with more than two decades of experience in hospitality, gaming and travel technology, including delivering more than \$1 billion in holistic revenue gains over the course of his career. Ravneet has a bachelor's Degree in

Economics from the University of Delhi, India, and earned his dual MBA in Marketing and Finance from ESSEC Business School in France.

**HEATHER ENDERBY**, Chief Financial Officer. Heather oversees the financial aspects of the development and operations of Brightline. She brings almost 30 years of accounting and financial leadership experience. Prior to joining the team, Heather spent the past seven years serving as the Vice President and Chief Financial Officer of Ryder System's \$4.5 billion Global Fleet Management Solutions Division. She spent 17 years at Ryder System, Inc., a Fortune 500 and NYSE-listed company. She also served as Senior Vice President of Corporate Finance for MasTec, Inc., a \$4 billion NYSE-listed company and has 10 years of experience in audit and consulting with Deloitte & Touche LLP. Heather holds a Bachelor of Accounting Science Degree and Honors Degree in Accounting Science from the University of South Africa.

**MYLES TOBIN**, General Counsel. He has more than 38 years of legal expertise in mergers and acquisitions, railroad regulatory compliance and commercial transactions. Prior to joining Brightline, Myles served as a partner in the Chicago law firm of Fletcher and Sippel LLC where he represented Fortune 1000 companies, including several Class I, II, and III railroads, railcar manufacturers and lessors, and financial institutions engaged in railroad financing transactions. He also previously served as vice president of U.S. legal affairs for Canadian National Railway, where he counseled senior executives and directed the legal affairs for 40 U.S. subsidiaries ranging from land acquisition companies, bulk terminals and equipment leasing companies to several large and medium-sized railroads, including Illinois Central, Grand Trunk Western, and Chicago Central & Pacific. Myles also served as general solicitor for the Chicago and North Western Transportation Company where he handled corporate and regulatory activities. Myles holds a Juris Doctor degree from Northwestern University School of Law and a bachelor's Degree in Political Science from Northwestern University. He is admitted to practice law in the U.S. Supreme Court, the courts of the State of Illinois, the Seventh Circuit Court of Appeals and numerous other state and federal courts.

**MICHAEL CEGELIS**, Executive Vice President of Infrastructure Development. Michael is responsible for overseeing the infrastructure development for Brightline's future expansions, including Phase 2 to Orlando. He will manage the team responsible for schedule, budget, quality, implementation of safety measures including Positive Train Control and environmental oversight for Phase 2. He is a 40-year construction industry veteran, who previously served as senior vice president at American Bridge Company, one of the nation's leading civil engineering firms that specializes in building and renovating bridges and other large civil engineering projects. Michael's major project construction experience includes the \$3.5 billion Tappan Zee Bridge replacement in New York, the \$1.9 billion San Francisco Oakland Bay Bridge self-anchored suspension span, the Angus Macdonald Bridge in Halifax, Nova Scotia, the Las Vegas High Roller Observation Wheel, and the \$1.3 billion Queensferry Crossing in Scotland. He also has extensive experience in the Florida construction industry. Michael holds a Bachelor of Science from Indiana University of Pennsylvania and MBA from Rollins College.

**ADRIAN SHARE**, Executive Vice President, Rail Infrastructure. Adrian is responsible for overseeing the design, engineering, and construction of Brightline's first phase of the rail system and station platforms and managing the team of engineers and contractors in charge of completing system improvements. Adrian is also responsible for managing the schedule, implementation of safety measures including positive train control and environmental oversight for Phase 1. With more than 30 years in the transportation industry, Adrian brings extensive passenger rail experience and leadership to Brightline. He previously served as HNTB Corporation Florida district leader and program manager for the All Aboard Florida project. While at HNTB Corporation, Adrian served as the Florida High-Speed Rail Project Manager where he assisted the Florida Department of Transportation (FDOT) in its application and strategic planning process for the Orlando-Miami and Tampa-Orlando-Miami segments. Adrian holds a Bachelor's in Civil Engineering from Tulane University and a Master of Business Administration from Northeastern University. He is a Professional Engineer in Florida (1999) and previously served as the Chair of the Transportation Committee of the Florida Institute of Consulting Engineers (FICE) while leading several subcommittees over the past decade. In 2012, Adrian was awarded the prestigious Ben Watts Partnership Award by FDOT.

**TOM RUTKOWSKI**, Chief Mechanical Officer. As Chief Mechanical Officer, Tom is responsible for the design and delivery of the rolling stock fleet for the Project, as well as the design and delivery of the West Palm Beach and Orlando vehicle maintenance facilities. Tom will be responsible for running the two maintenance facilities and managing the Siemens maintenance contract once revenue service commences. Prior to joining the Project in 2014, Mr. Rutkowski served for 17 years at New Jersey Transit, most recently in the position of General Superintendent – Equipment, where he managed an 87-acre maintenance complex and the maintenance for 205 diesel and electric locomotives and 1,115 passenger coaches. Mr. Rutkowski also worked on the Acela program as Supervisor – Service & Inspection. Mr. Rutkowski attended Rutgers University School of Engineering in New Jersey.

**OLIVIER PICQ**, Chief Transportation Officer. Olivier is responsible for planning and implementing the train operating strategy to meet Brightline's performance goals. Olivier ensures compliance with all applicable federal regulations to support the safe and efficient movement of trains. He identifies and corrects rail service issues to ensure service reliability and provides continuous improvement to deliver Brightline's strong guest experience onboard. He works to resolve major train incidents and coordinates closely with the operating staff at Florida East Coast Railway to safely integrate the freight and passenger systems. Olivier has worked as a project director for the French railroads in various capacities over the past 20 years, at both SNCF, the French National Railroad company, and at its subsidiary SYSTRA and KEOLIS America. Olivier has a proven track record of success in high-speed rail in the areas of high-speed rail operations, program management, financial agreements, commercial and marketing activities, traffic forecasts, and business modeling. He commissioned multiple high-speed rail projects in France (TGV Mediterranean and TGV East), South Korea, Taiwan, Spain, Germany, Switzerland, Belgium and Great Britain and worked on planning multiple high-speed rail projects in the US (Texas, California, Midwest, Florida). Olivier attended the Paris School of Economics (France) and holds a master's degree of Engineering.

**ROBERT GATCHELL**, Director Safety and Security. As Director of Safety and Security, Robert Gatchell leads Brightline's systemwide initiatives to ensure employee, guest, and facility Safety and Security, oversees the development and implementation of crisis management plans, and works closely with all government and law enforcement entities in furtherance of the organization's Safety and Security objectives. Mr. Gatchell brings over 17 years of experience in law enforcement with several years of specialized experience in homeland security and emergency management. Prior to joining Brightline in August of 2016, Mr. Gatchell was a sworn law enforcement officer for the New Jersey Transit Police Department and for 8 years served as the Emergency Management Coordinator for NJ TRANSIT, the 3rd largest—and only statewide—public transportation agency in the United States. In that role, he was responsible for the overall preparedness for the agency in the areas of counter terrorism, safety initiatives, response, recovery, mitigation, and emergency planning and operations. Mr. Gatchell attended Massachusetts College of Pharmacy and Allied Health Sciences as well as several leadership and homeland security programs.

Key Executives at FECI: In addition to the Brightline senior management team, the following executives at FECI will also serve as Key Personnel, dedicating time to the goals of the Project:

- **HUSEIN CUMBER.** Mr. Cumber is Executive Vice President for Corporate Development at FECI. With respect to Brightline, he is responsible for guiding this major capital Project from initial concept through development. Prior to joining FECI, he worked at Florida East Coast Railway L.L.C. and led the public affairs efforts for FECI, where he secured funding for several major public-private partnership projects that increased capacity within the company's rail corridor. Mr. Cumber also served as the Assistant to the Secretary for Policy at the U.S. Department of Transportation (USDOT) and as the Deputy Chief of Staff at the USDOT. He was also nominated by President George W. Bush on May 20, 2008 to be a member of the Surface Transportation Board. Mr. Cumber received his B.A. in U.S. National Security from Duke University.
- **KOLLEEN O. P. COBB.** Ms. Cobb is Executive Vice President and General Counsel of FECI. With respect to Brightline, Ms. Cobb focuses on corporate governance, land and asset sales and acquisitions, financing, commercial leases and joint venture transactions and the preparation of service agreements for the development, management and brokerage divisions. Ms. Cobb earned her bachelor's degree, master's degree, and her juris doctorate from the University of Florida. She was also a member of the University of Florida Law Review and is a member of the Florida Bar.
- **BRUCE SNYDER.** Mr. Snyder is Executive Vice President and Chief Financial Officer for FECI. As Chief Financial Officer for FECI, Mr. Snyder is responsible for the financial leadership of FECI's current portfolio of companies and oversees the capitalization of FECI's significant infrastructure and commercial real estate investments. A seasoned executive with extensive experience overseeing finance organizations for high-growth companies, Mr. Snyder most recently served as Senior Vice President of

Finance and Accounting for New York-based real estate and development firm Related Companies. He also held leadership positions with global mining leader Rio Tinto including Chief Financial Officer of publicly-traded Rio Tinto Palabora Mining Company and Chief Financial Officer of Rio Tinto Minerals, overseeing the \$4 billion global minerals mining and production company. Bruce holds a MBA and bachelor's Degree from George Washington University.

- **RUSSELL (RUSTY) ROBERTS.** Vice President, Government Affairs. With respect to Brightline, Mr. Roberts is responsible for engaging government stakeholders involved with Brightline including elected officials, and local, state and federal agencies. Prior to joining FECI he served for 18 years as Chief of Staff to former House Transportation and Infrastructure Committee Chairman, Congressman John L. Mica of Orlando and was also Chief of Staff for Congresswoman Ileana Ros-Lehtinen of Miami. He began his congressional service as the Director of U.S. Senator Paula Hawkins' Miami office. In the private sector, Mr. Roberts was Managing Director of the Transportation and Infrastructure Practice at the Washington, DC consulting firm of BGR Government Affairs. Mr. Roberts attended the University of South Florida and University of Maryland University College.
- **CHRISTOPHER WANG.** Christopher Wang is a Vice President of Development at Florida East Coast Industries (FECI). In this role, Mr. Wang is responsible for all facets of the investment process including deal origination, structuring, underwriting, financing, closing, project development and management. Prior to joining FECI, Mr. Wang was co-owner and general manager of the Vagabond Restaurant & Bar. Mr. Wang has also worked at Brookfield Asset Management, one of the largest global alternative asset management companies in the world with over \$200 billion of assets under management. Mr. Wang is a graduate of the Wharton School at the University of Pennsylvania with a B.S. in Economics.
- **ADAM FURSTEIN.** Adam Furstein is currently Vice President of Land Management for Flagler Development Group. He has managed the disposition of over 2,000 acres totaling more than \$160 million in sales and led a team of third-party brokers from the nation's leading firms throughout the State of Florida. Adam plays an integral role in the repositioning of land assets including the re-entitlement/re-zoning process. Prior to joining Flagler, Adam was a Principal of both the Dunkin Donuts and Baskin Robbins brands. Adam began his career with Global Sports Management & Brokerage (GSM&B). The firm negotiated the sale of minor league sports franchises ranging in size from \$300,000 to \$10,000,000. Adam graduated with a Bachelor of Science from the State University of New York at Oneonta.

#### 4. The Proposal and Associated Framework

- a. Proposed Terms. For constructing and operating the Project, (i) Brightline proposes to lease and/or obtain an easement, license or other rights from FDOT for mutually acceptable considerations, including rights of way for a specified term authorized under State law, and (ii)



Brightline herein sets forth its intention to lease and/or obtain an easement, license or other rights from FDOT for mutually acceptable considerations.

- b. Application Deposit. Attached hereto is an application deposit of \$50,000.00, submitted in accordance with Section 337.251(3) of the FDOT.
- c. Findings Necessary. Pursuant to the FDOT Statute, FDOT must make the following findings:
  - i. The Project will not Interfere with Primary State Transportation Needs. The Project will provide citizens of and visitors to the State with an additional transportation option and will not interfere with primary State transportation needs.
  - ii. The Project will not Interfere with Present or Future Utility Needs. The Project will be constructed at or above grade and will not interfere with present or future utility needs.
  - iii. The Project is Not Contrary to the Best Interests of the Public. As discussed in more detail in Section 4(d) below, the Project is in the best interests of the public. The Project provides residents of and visitors to the State of Florida with a passenger rail system that will provide a safe, convenient, and cost effective alternative transportation option between central and south Florida. The Project promotes interregional connectivity, improves travel efficiency, provides the public with an additional transportation choice, increases intermodal connectivity to major cities in the State, enhances economic competitiveness, and improves the environment.
  - iv. The Project is innovative in that it is a one of kind privately owned inter-city passenger rail service. Brightline provides high quality service with free high-speed Wi-fi, on board service carts providing food and beverage. The Brightline locomotives are diesel-electric, ADA compliant and ergonomic.
  - v. The Project aligns with the FDOT Intercity Passenger Rail Vision Plan and the 2010 Florida Rail System Plan and promotes extending the inter-city passenger rail system.

The Project does not conflict with Zoning or Land Development Codes. The portion of the Project to be located on rights of way consists of a transportation system to be located on land used for an existing transportation and does not conflict with zoning or land development codes of any affected local government. The Project will constitute a permanent transportation use related to the responsibilities of FDOT. As discussed herein, the Project supports the FDOT's responsibilities to provide safe, convenient, cost effective modes of transportation to the citizens of and visitors to the State of Florida.

d. Consideration of Relevant Factors. Pursuant to Section 337.251 (3) of the FDOT Statute, a project must be selected by FDOT based on competitive bidding, and FDOT may give due consideration to other relevant factors including:

- i. Value of Property Exchanges.

In connection with the Project, Brightline will be expending significant resources for the construction and development of the Project, which will provide both recurring and nonrecurring, economic and fiscal benefits to the State and its citizens.

Further, the Project fulfills the objectives of Florida Transportation Plan (FTP adopted in 2015) and the Strategic Intermodal System Strategic Plan. The FTP/SIS Plan provides Objectives which are as follows:

1. **Interregional Connectivity.** The Project will enhance connectivity from the west coast of Florida to southeast Florida.
2. **Efficiency.** The Project will reduce delay on and improve the reliability of travel and transport using other FDOT facilities. The Project will take travelers off the State's highway system and allow the option to use rail to get from west Florida, connecting to central and south Florida.
3. **Transportation Choices.** The Project will provide a rail system as an alternative mode of transport in the State, providing travel and transport between regions.
4. **Intermodal Connectivity.** The Project will promote safe and efficient transfers, including potential transfers from air travelers between Tampa and Orlando on the rail system and vice versa.
5. **Quality Places.** Planning for transit-oriented development providing an accessible, convenient, efficient transportation system for Florida's residents and visitors. Increasing the economic competitiveness where there are Brightline stations.
6. **Mobility.** Increase customer satisfaction with Florida's transportation system and increase the reliability Florida's transportation system.
7. **Resilient infrastructure.** Meet or exceed industry, state, national, or international standards for infrastructure quality, condition, and performance. Optimizing the functionality and efficiency of existing infrastructure and rights-of-way. Brightline adapts to transportation infrastructure and technologies to meet changing customer needs.
8. **Environment and Energy.** The Project will reduce vehicle-miles traveled and associated energy consumption and emissions. The Project will provide frequent business travelers, tourists and families the option to choose an energy-efficient rail service over congested roadways and airports.

ii. Cost of Construction.

Brightline has made and plans to make significant investment in the Project for development, construction, purchase of rolling stock and initial operation. This transformational investment will constitute one of the largest private capital infusions into Florida's transportation network in the State's history.

5. Conclusion.

The Project fulfills the FDOT objective for a state rail system connecting major regions. The Project is well-suited for the uses proposed herein and pursuant to the FDOT statutes because the Project will further economic development, ensure the safe and efficient operation and maintenance of the State's transportation and utility facilities, provide a choice to travelers, and promote the full use of existing and future transportation facilities in the State. Brightline does not request in this proposal that the State provide any operating subsidy. Brightline greatly appreciates FDOT's consideration of this proposal and looks forward to the opportunity to work with the State on the Project.