



# **Miami-Dade Seaport Business Plan**

**Fiscal Years: 2010 and 2011**  
(10/1/09 through 9/30/10)

Plan Date: December 1, 2009

Approved by:

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Bill Johnson, Department Director

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## DEPARTMENT PURPOSE/MISSION

***Develop and Manage the Dante B. Fascell Port of Miami-Dade County to service cruise passengers, cargo shipping lines, and other members of the maritime community***

Additional departmental information can be found in the Departmental Profile (Attachment 1).

## STRATEGIC ALIGNMENT

I. The Department's efforts align with the following Miami-Dade County Strategic Plan Goals:

- ***Enhance the ease of movement of people and goods to, from and through the airport and seaport, and other centers through new and improved inter-modal linkages (TP6)***
- ***Meet budget targets (ES8)***
- ***Increase international commerce (ED1)***

II. Department-related Strategic Plan Outcomes, Departmental Objectives, and Programs & Initiatives:

- ***Enhanced Customer Service, convenience and security at every level of contact (TP6.2.3)***
  - Maintain "substantial compliance" with Florida Statute 311.12
  - Implement more cost-effective security measures at the Seaport
  - Implement Phase 2 of Customer Service Training for all Port employees
- ***Meet existing and future demand levels for passengers and cargo (TP6.3.2)***
  - Increase cargo tonnage by at least 4% per year after FY 2009
  - Increase passenger growth by 1% per year
  - Complete ongoing capital projects on a timely basis and within available budget
  - Identify and obtain funding for capital projects/improvements
- ***Meet budget targets (ES8.1.45)***
  - Maximize revenue from existing operations
  - Implement innovative new revenue streams
  - Maintain expenses within 5% of original budget by reducing crane and security operating expenses

## PERFORMANCE MEASURES AND TARGETS

For ease of reference, specific information regarding departmental objectives and performance measures including the targets for FY 2009-10 and FY 2010-11 can be found in Attachment 2 – Business Plan Report.

## CRITICAL SUCCESS FACTORS

- *Maintain security costs while enhancing safety and security*
- *Improvements in revenue generation*
- *Infrastructure improvements and cleanliness of the Port*
- *Increase in-house project management staffing thereby reducing outside consulting costs and increasing accountability*
- *Improve customer service*
- *Strengthen relationships with port tenants/users*

## INTERNAL SUPPORT REQUIREMENTS

### Customer Perspective

- *Initiate and continue discussions with Port Partners to: 1) keep them abreast of Port matters, and 2) address issues and concerns regarding Port operations. This program has been initiated with the Port Director and will be expanded to include the partners' review and comments on the Department's Capital and Operating Budgets*
- *Work closely with FDLE, Coast Guard and CBP to keep them apprised of Port operations between audits*
- *The Port Director will personally visit with potential customers*

### Financial Perspective

- *Increase revenues by implementing innovative programs such as advertising inside Port terminals*
- *Promote and attract new business with competitive rates for cargo transshipments*

**Internal Perspective**

- *Provide in-house capital projects management capability to reduce use of outside consultants and increase accountability*
- *Improve facilities to maintain high customer satisfaction and rental occupancy*
- *Have a checklist for “before” and “after” review during tenant occupancy*
- *Use of shared resources to provide grounds maintenance*

**Learning and Growth Perspective**

- *Maintain an open door policy; continue to hold employee meetings (every quarter) to keep all apprised of Seaport events and progress.*
- *Human Resources to provide ongoing training and communicate to all employees employment and promotional opportunities*
- *Empower employees by encouraging that they show initiative in developing ways to better deliver the highest quality of service to our users, tenants and partners*

**SUSTAINABILITY**

- *Reduce annual crane expense by electrifying the final 4 gantry cranes to reduce fuel consumption and maintenance costs and reduce greenhouse gas emissions*
- *Implement the new Port Organization plan to assure continuing management procedures that has greatly improved the Port’s finances and relationships with stakeholders*
- *Create more green spaces*

**3 to 5 YEAR OUTLOOK**

*The Port needs to invest approximately \$482 million in the next 5 to 7 years to modernize and improve its infrastructure essential for business growth and to remain competitive with other seaports. These capital projects will be financed with a combination of Seaport revenues, Sunshine State Loans and revenue bonds. Matching grants from Federal and State agencies are expected to account for \$112 million.*

*Major capital projects for the next 5 years include: significant improvements to the cargo yards including pavement, electrical and communication infrastructure, drainage and bulkhead repairs; the electrification of existing gantry cranes; and the acquisition of one to two additional Super PostPanamax gantry cranes.*

**Departmental Business Plan and Outlook**

**Department Name:**

**Fiscal Years: 2009-10 & 2010-11**

**The Port has been awarded authorization by the United States Corps of Engineers for Phase III dredging (to 50 feet). This project is expected to cost \$185 million and will give the Port a distinct advantage through the ability to handle large vessels. The estimated completion date is 2015.**

**At the present time there are approximately 23,000 vehicles entering and exiting the Port daily, and by the year 2020, the daily number of vehicles traveling on Port Boulevard is projected to be 35,000 to 40,000. To address future traffic demands, the Florida Department of Transportation, Miami-Dade County and the City of Miami, have reached agreement for financial participation in a Port of Miami Tunnel project. The agreement calls for the state to fund 50 percent of the capital costs associated with the tunnel's construction (which equates to \$457 million of \$914 million), and 100 percent of the tunnel's operating and maintenance costs over the term of the concessionaire operating agreement. The local governments are required to pay a 50 percent match for capital expenses. The County has agreed to fund up to \$402 million through cash and right of way contributions. Of the County's contribution, the Seaport will provide \$45 million in necessary right of way and a cash contribution of between \$43.5 million and \$143 million. The final amount will be determined based on the use of the project's contingency reserve funds. The tunnel is expected to be operational by FY 2014.**

*Attachment 1*

**DEPARTMENTAL PROFILE**

**Department Description**

**The Port of Miami is the second largest economic engine of Miami Dade County, injecting approximately \$17 billion in economic activity in the South Florida region annually.**

**The Port is the largest cruise home port in the world and is among the top 12 container ports in the United States. For fiscal year 2009, the Seaport handled over 4.1 million passengers. During this same period, approximately 6.8 million tons of cargo and 0.8 million TEUs (twenty-foot equivalent units) were processed through the Seaport.**

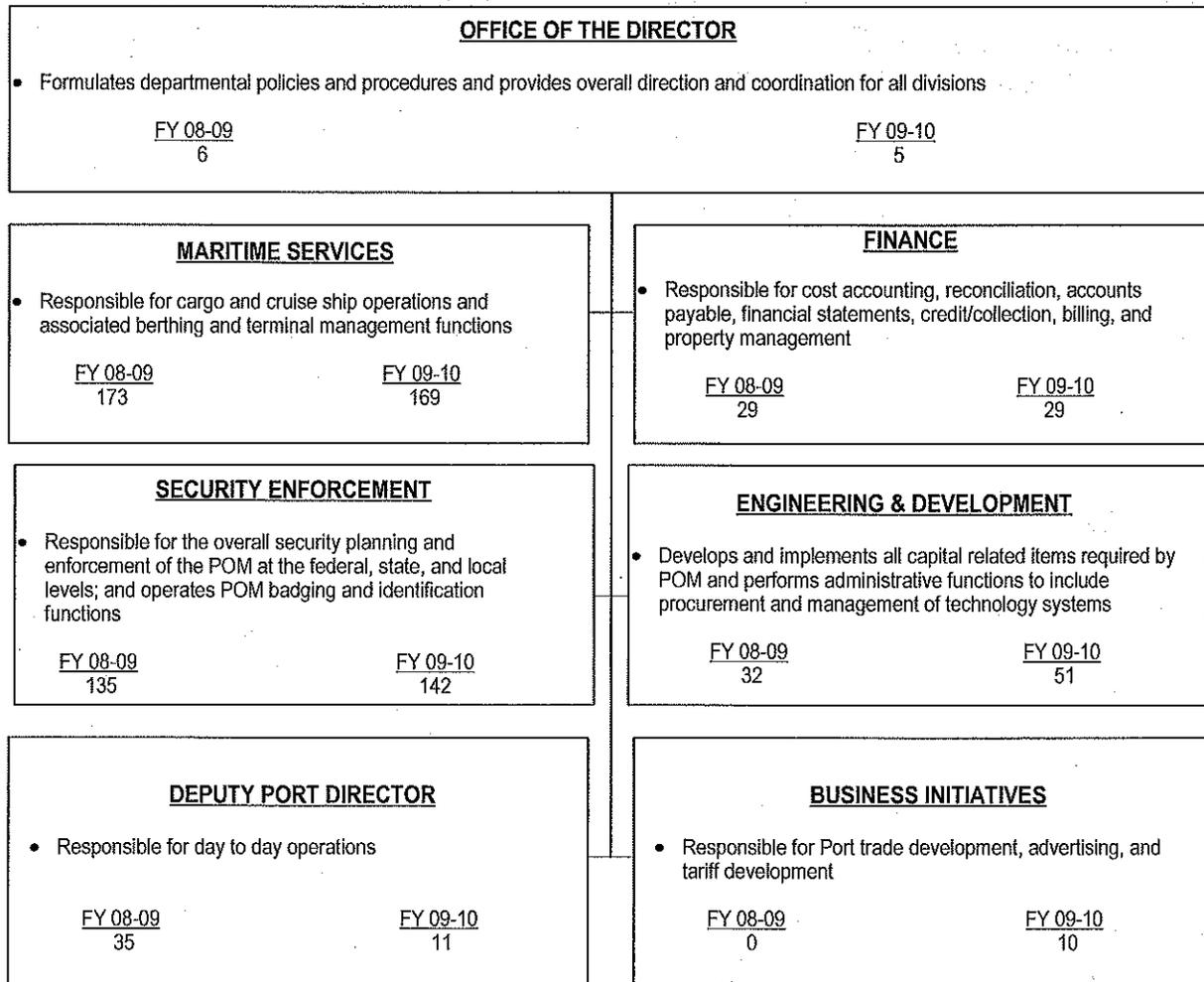
**Departmental Business Plan and Outlook**

**Department Name:**

**Fiscal Years: 2009-10 & 2010-11**

**Table of Organization**

**Seaport**



# Departmental Business Plan and Outlook

Department Name:

Fiscal Years: 2009-10 & 2010-11

## Financial Summary

(dollars in thousands)	Actual FY 07-08	Budget FY 08-09	Adopted FY 09-10
<b>Revenue Summary</b>			
Carryover	11,300	10,701	13,329
Interest Income	175	300	500
Proprietary Fees	101,228	112,959	114,260
<b>Total Revenues</b>	<b>112,703</b>	<b>123,960</b>	<b>128,089</b>
<b>Operating Expenditures Summary</b>			
Salary	22,295	22,209	21,028
Fringe Benefits	6,700	7,713	7,255
Other Operating	36,586	41,985	45,878
Capital	2,550	1,265	2,883
<b>Total Operating Expenditures</b>	<b>68,131</b>	<b>73,172</b>	<b>77,044</b>
<b>Non-Operating Expenditures Summary</b>			
Debt Service	33,110	36,548	36,085
Reserve	0	10,900	11,600
Transfers	761	3,340	3,360
Other Non-Operating Adjustments	0	0	0
<b>Total Non-Operating Expenditures</b>	<b>33,871</b>	<b>50,788</b>	<b>51,045</b>

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 08-09	Adopted FY 09-10	Budget FY 08-09	Adopted FY 09-10
<b>Strategic Area: Transportation</b>				
Business Initiatives	0	1,219	0	10
Engineering & Development	506	5,031	32	51
Finance	12,114	21,474	29	29
Maritime Services	17,768	26,596	173	169
Office of Deputy Port Director	22,539	951	35	11
Office of the Port Director	1,113	828	6	5
Safety and Security	19,132	20,945	135	142
<b>Total Operating Expenditures</b>	<b>73,172</b>	<b>77,044</b>	<b>410</b>	<b>417</b>

## Capital Budget Summary

(dollars in thousands)	PRIOR	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FUTURE	TOTAL
<b>Revenue</b>									
Army Corps of Engineers	2,800	0	2,142	16,372	16,372	17,598	17,597	0	72,881
Building Better Communities GOB Program	100,000	0	0	0	0	0	0	0	100,000
FDOT Funds	15,575	3,850	1,900	1,840	1,840	1,840	1,840	0	28,685
FDOT-County Incentive Grant Program	1,670	0	0	0	0	0	0	0	1,670
FEMA Hazard Mitigation Grant	350	130	0	0	0	0	0	0	480
FEMA Reimbursements	5,401	0	0	0	0	0	0	0	5,401
Seaport Bonds/Loans	65,000	38,619	36,072	61,603	46,443	79,519	28,199	0	355,455
US Department of Homeland Security	10,001	0	0	0	0	0	0	0	10,001
<b>Total:</b>	<b>200,797</b>	<b>42,599</b>	<b>40,114</b>	<b>79,815</b>	<b>64,655</b>	<b>98,957</b>	<b>47,636</b>	<b>0</b>	<b>574,573</b>
<b>Expenditures</b>									
<b>Strategic Area: Transportation</b>									
Cargo Facilities Improvements	21,605	14,440	14,144	9,144	9,144	7,820	3,000	0	79,297
Equipment Acquisition	1,033	2,000	11,000	11,000	0	0	0	0	25,033
Passenger Facilities Improvements	17,902	6,238	0	0	0	0	0	0	24,140
Port Facility Improvements	38,509	12,046	111,400	11,900	7,900	52,400	5,900	0	240,055
Seaport Dredging	6,966	1,810	3,570	47,771	47,611	38,737	38,736	0	185,201
Security Improvements	14,782	6,065	0	0	0	0	0	0	20,847
<b>Total:</b>	<b>100,797</b>	<b>42,599</b>	<b>140,114</b>	<b>79,815</b>	<b>64,655</b>	<b>98,957</b>	<b>47,636</b>	<b>0</b>	<b>574,573</b>

**Current Business Environment**

*The Port of Miami is a major player in international, national and local economies and does business with over 250 ports in 100 countries. Latin America and the Caribbean continue to account for more than half the cargo tonnage moving through the Port of Miami – 49 percent in 2009, ensuring its continued distinction as the cargo Gateway of the Americas. The shift in Asian trade to East Coast ports via all-water routes through the Panama Canal has resulted in the Far East being the fastest-growing region for the port. Trade with Asian countries represented 33 percent of the total tonnage handled at the Port of Miami during 2009, while Europe accounted for the remaining 18 percent.*

*The Port has negotiated new agreements with two of our three terminal operators and has instituted discussions for a new agreement with the third. These new incentive based agreements are expected to significantly help to turnaround the loss in cargo tonnage endured since mid-2005.*

*Port management is aggressively working with existing and potentially new cruise lines to increase both the number of calls and passengers, including additional Port-of-call services to the Port. Further, management is working to strengthen and enforce various existing agreements with its partners, thereby reducing the amount of outstanding debt owed to the Port while ensuring fair compensation for the services provided.*

MEMORANDUM FOR THE RECORD

The following information was received from the [redacted] regarding the [redacted] on [redacted] at [redacted]. The [redacted] was [redacted] and [redacted]. The [redacted] was [redacted] and [redacted]. The [redacted] was [redacted] and [redacted].

It is noted that the [redacted] was [redacted] and [redacted]. The [redacted] was [redacted] and [redacted]. The [redacted] was [redacted] and [redacted].

Based on the information received, it is recommended that the [redacted] be [redacted] and [redacted]. The [redacted] be [redacted] and [redacted]. The [redacted] be [redacted] and [redacted].

Very truly yours,  
[redacted]