MEMORANDUM

Agenda Item No. 8(J)(1)

TO:	Honorable Chairman Jean Monestime and Members, Board of County Commissioners	**DATE:**	May 17, 2016
FROM:	Abigail Price-Williams County Attorney	**SUBJECT:**	Resolution authorizing the County Mayor to award and manage the Cruise Terminal F Project pursuant to the terms of the PortMiami expedite ordinance in the maximum amount of $38,000,000.00

The accompanying resolution was prepared by the Port of Miami and placed on the agenda at the request of Prime Sponsor Commissioner Jose "Pepe" Diaz.

Abigail Price-Williams
County Attorney

APW/cp

Memorandum MIAMI-DADE COUNTY

Date: May 17, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Resolution Authorizing the County Mayor or The County Mayor's Designee to Award and Manage the Cruise Terminal F Project Pursuant to the Terms of the PortMiami Expedite Ordinance in the Maximum Amount of $38,000,000.00

Recommendation

The primary purpose of the resolution is to authorize the County Mayor or the County Mayor's designee to award a design-build contract for capital improvements to Cruise Terminal F as allowed for under the PortMiami Expedite Ordinance, which was adopted by the Board of County Commissioners (Board) at its meeting of April 5, 2016. The approval of this proposed resolution is recommended, as it will be used to accelerate the improvements of Cruise Terminal F, which were previously authorized under Resolution No. R-1079-15 on December 1, 2015 by the Board. Resolution No. R-1079-15 approved Amendment No. 1 to the Preferential Berthing Agreement between the County and MSC Cruises S.A., committing PortMiami (Port) to make certain improvements to Cruise Terminal F prior to the arrival of the MSC Seaside in the winter of 2017.

Scope

The Port is located within District 5, which is represented by Commissioner Bruno A. Barreiro. The impact of this agenda item is countywide, as the Port is a regional asset and generates employment for residents throughout Miami-Dade County.

Fiscal Impact/Funding Source

With so many large vessels under construction by the cruise line industry, the Port has elected to make a greater investment in Cruise Terminal F. The expected capital cost of the improvements to Cruise Terminal F is $38 million, which will be paid with bond proceeds.

Under the previously Board approved agreement with MSC Cruises S.A., the Port is obligated to make improvements to Cruise Terminal F to accommodate the MSC Seaside. Though the Port capped its contractual obligation at $25 million in the commitment to MSC Cruises S.A, it retained the option for 'up-sizing' the terminal to accommodate an even larger vessel class. The increase in passenger throughput that will be generated by the MSC Seaside will generate an additional $3.5 million in revenue that will offset the $38 million investment in the Cruise Terminal F improvements.

For this investment to offset the $38 million investment and produce positive income to the Port, the Port will have to attract another vessel of equal or greater size other than the MSC Seaside.
At present, a large order book of cruise ships exists with multiple vessels requiring terminal capacities greater than those of the Port. These new vessels will, at full occupancy, carry 6,000 or

more passengers, while the Port's largest existing terminals were designed and built for passenger loads up to 4,500. The expansion of Cruise Terminal F is designed to not only accommodate the MSC Seaside at 5,200 passengers, but to accommodate embarkation loads beyond the 6,000 passenger level. The Port is also attempting to design and procure passenger boarding bridges for Cruise Terminal F that will accommodate vessels with even larger capacities than the MSC Seaside. Together, these improvements will enable the Port to attract these larger 6,000 passenger vessels with sufficient additional passenger throughput to both fully offset the $38 million investment in the improvements and to produce annual net positive income to the Port above the $38 million investment.

In this regard, PortMiami is currently in discussions for vessels that operate in the 6,000 passenger range. We are investing in Cruise Terminal F in such a way as to accommodate such vessels while positioning the terminal's infrastructure and utilities for the inevitable growth of this industry.

The design-build contract solicitation for the Cruise Terminal F improvements has been advertised in accordance with the standard County procurement process and has been assigned a SBE Construction Contract Goal of 9.87 percent, a SBE Goods and Services Goal of six (6) percent, a SBE Architectural and Engineering Goal of 14 percent, and a Community Workforce Program Goal of 10 percent new hires. The contract will also require that the Contractor make its best reasonable efforts to have 51 percent of all construction labor hours performed by Miami-Dade County residents in accordance with the Residence First Training and Employment program.

Delegation of Authority

The authority delegated in this resolution is for use of the PortMiami Expedite Ordinance, to award and execute the design build contract, exercise any time extensions needed to complete the project, resolve claims made under the contract, and all other authority conferred in both the contract and ordinance, all of which are subject to ratification by the Board.

Track Record/Monitor

The staff members responsible for monitoring the Capital Development Projects are Juan Kuryla, Port Director; Kevin Lynskey, Deputy Port Director; and Elizabeth Ogden, Assistant Director, Capital Development.

Background

The Port is a proprietary department, which generates income from producing and leasing infrastructure and facilities. These capital projects frequently require the Port to respond to private sector cruise and cargo business timelines. Under Resolution No. R-1079-15, the Port is required to make certain improvements to Cruise Terminal F prior to the arrival of the MSC Seaside in the winter of 2017.

This resolution delegates award and management authority to the County Mayor for a design-build contract for Cruise Terminal F, as allowed for under the PortMiami Expedite Ordinance, to meet its contractual obligation with MSC Cruises S.A.

The project consists of a design-build agreement necessary to provide additional capacity to Cruise Terminal F to accommodate a range of new vessels. In order to meet the additional passenger volumes, the baggage screening, passenger drop off and pick up areas, parking and roadway traffic areas, and provisioning areas will be expanded and improved to provide for a state-of-the-art Cruise Terminal, which will support port operations that are evolving as the industry advances.

Jack Osterholt, Deputy Mayor

MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: May 17, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 8(J)(1)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Statement of social equity required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

✓ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(J)(1)
5-17-16

RESOLUTION _____

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO AWARD AND MANAGE THE CRUISE TERMINAL F PROJECT PURSUANT TO THE TERMS OF THE PORTMIAMI EXPEDITE ORDINANCE IN THE MAXIMUM AMOUNT OF $38,000,000.00

WHEREAS, Miami-Dade County ("County") operates the Port through the Seaport Department ("Seaport Department") which is a department of the County; and

WHEREAS, the Dante B. Fascell Port of Miami-Dade ("PortMiami" or "Port") is the cruise capital of the world and the eleventh busiest international cargo container port in the United States; and

WHEREAS, the PortMiami is the second largest economic engine contributing to the local economy of the County, with an impact of over $27 billion; and

WHEREAS, the County through its Seaport Department often enters into contracts for the repair, maintenance, improvement and construction of Port terminals, buildings, roads, utilities, bulkheads, garages, and other Port infrastructure to be able to function efficiently for the public and Port Stakeholders ("Capital Improvements"); and

WHEREAS, Capital Improvements often have to be made on an expedited basis in order to meet the private sector timelines of Port Cargo and Cruise stakeholders; and

WHEREAS, the Board of County Commissioners on April 5, 2016 adopted the Port of Miami Expedite Ordinance (file number 160328), and such ordinance allows for the Board of County Commissioners to add individual projects accessing this ordinance; and

WHEREAS, on December 1, 2015, the Board of County Commissioners passed Resolution No. R-1079-15, approving an agreement between PortMiami and MSC Cruises S.A. which among other things requires the County to construct improvements at Cruise Terminal F to accommodate the MSC Seaside in the fall of 2017 ("Cruise Terminal F Project"); and

WHEREAS, this Board finds it in the best interest of the County to have the Cruise Terminal F Project awarded and managed by the County Mayor or the County Mayor's designee pursuant to the PortMiami Expedite Ordinance; and

WHEREAS, the County Mayor has submitted to the Board with this Resolution a Memorandum describing the Cruise Terminal F Project with more specificity and recommending approval of this Resolution ("Mayor's Memorandum"),

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Approves the foregoing recitals and the Mayor's Memorandum and incorporates them herein.

Section 2, Authorizes the County Mayor or the County Mayor's designee to award and manage the Cruise Terminal F Project pursuant to the terms of the Port of Miami Expedite Ordinance in the maximum amount of $38,000,000.00.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman
Esteban L. Bovo, Jr., Vice Chairman

Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 17th day of May, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Richard Seavey