

This document is a draft Scope of Services for a future competitive contract Miami-Dade County anticipates entering into. Scope of Services is subject to change without notice. This is not an advertisement.

Miami-Dade County, Florida

Project Title: Phytosanitary Treatment and Cold Chain Processing Facility

SCOPE OF SERVICES

2.1 Background

The County, through the Seaport and Airport Departments, is seeking to contract with a Selected Proposer for the design, permitting, construction, completion and commissioning, financing, management, operation, and maintenance of the Facility to be constructed on a designated County owned property for the purpose of providing phytosanitary treatment and cold chain processing services for perishable goods passing through PortMiami and MIA. A draft of the Lease Agreement is attached. The term of the Lease is 25 years, composed of a 26-month development term and an Operating Term of 22 years and 10 months, as described in the Lease.

The Project has two main objectives: (1) attract new refrigerated cargo business through PortMiami and MIA, and (2) generate the highest financial return to the Port and MDAD. The Project aims to accomplish these objectives by providing a well-located and state of the art phytosanitary treatment and cold chain processing service facility.

2.2 Project Details

A. Facility Description

The Facility shall be fully equipped with at a minimum one (1) phytosanitary treatment system approved by the United States Department of Agriculture (USDA), one (1) cold chain processing center, and shall provide for operation of the Facility. The cold chain processing center portion of the Facility shall include value-added services such as cold storage, distribution, warehousing, packaging cross docking, pick and pack services, product mixing or packaging and storing of perishable goods. The Facility shall contain no less than 100,000 refrigerated square feet to support phytosanitary and cold chain processing services, at least 10% of which, or a size based on the phytosanitary methodology able to handle 1,200 Twenty-foot Equivalent Units (TEUs) in a week (based on 6 working days), must be equipped, configured, and commissioned to provide phytosanitary services. The Selected Proposer shall be responsible for furniture and fixtures, equipment, information technology, inventory system, secured parking, and all other items necessary to operate the Facility efficiently and competitively.

B. Current Treatments and Encouraged Alternate Options

Currently, the only form of phytosanitary treatment in Miami-Dade County is methyl bromide fumigation based on perishable type. For this Project, the Port encourages consideration of alternate options in providing phytosanitary treatment services for all perishables imported into the United States.

C. Current USDA Guidelines and Future Adaptability

The Project shall meet current USDA approved phytosanitary treatment guidelines and offer adaptability to future change of industry guidelines. The phytosanitary treatment types currently allowed for this Project, as published in the Notice of Funding Opportunity (NOFO) for the 2019 PIDP grant and listed under the Code of Federal Regulations 7 CFR 305.5 - 305.8, include Chemical treatment, and Non-Chemical treatments. Although the 2019 PIDP NOFO, 7 CFR 305.9, Irradiation treatment, was not included, the Port is currently working with U.S. Department of Transportation Maritime Administration (MARAD) to modify the grant agreement to allow this additional phytosanitary treatment type under the awarded grant. While, MARAD has indicated being in agreement with such modification to the grant agreement, the County is pending the official grant modification. The County will issue a future addendum to this RFP at the time the modification or consent is obtained.

D. Reference Documents

Project Definition Documents, Cargo Market Analysis, and Planning Studies have been developed for the Project and may be used for informational and reference purposes. They are informational and are not minimum requirements in the development of the Project. The documents are provided as **Attachment B**, **Attachment C**, and **Attachment D**, respectively.

2.3 Site

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The Project will be constructed on the County-owned property located at 7449 NW 12th St. Miami, FL. This is located at the southwest side of MIA, at the intersection of NW 12th Street (Perimeter Road) and NW 72nd Avenue (Milam Dairy Road) and the south side of the approach of Runway 9-27. The property is owned by MDAD. An aerial map and a legal sketch of the Premises is contained in **Attachment E**.

Other information related to the Premises is as follows:

- County Ownership Interest – Fee Simple
- Size – Approximately 14.61 acres, equivalent to 636,392 square feet.
- A portion of the northern area of the Premises, approximately 3.14 acres, or 136,928 square feet, is located within the Runway Protection Zone (RPZ) of MIA's Runway 9-27. On this area, no above-ground structure can be constructed. See **Attachment F**, FAA Memorandum, Interim Guidance on Land Uses Within a Runway Protection Zone, dated 9/27/2012, for guidance on incompatible activities.
- The Premises are subject to airspace restrictions mandated by FAA Part 77, and MDAD Height Zoning. MDAD must review any proposed development on the Premises for airspace impacts and for FAA coordination (FAA Form 7460 – Notice of Proposed Construction). See **Attachment G**, Drawing of Allowable Heights.
- Zoning – 8000 - Community Facilities.
- Utilities – Several subsurface utilities are located on the Premises that may be relocated or incorporated into the Project.

2.4 Financing Structure

The Selected Proposer shall be solely responsible for all design and engineering costs associated with the Facility and Improvements, as well as for all Facility maintenance, operating, capital replacement, and security costs, the 1% airport permitting fee (see Lease Agreement, Article 7.03), and any Project or Facility related costs the Selected Proposer incurred prior to the effective date of the Lease Agreement.

A. PIDP Grant

In 2019, the County calculated a preliminary estimate of the Project construction costs of approximately \$56,032,410. The federal government has entered into a MARAD Port Infrastructure Development Program grant agreement with the County ("PIDP Grant") to provide up to the lesser of \$33,500,000 or 59.7% of eligible Project construction costs of the proposed Facility (the "Maximum PIDP Grant Contribution"). Subject to compliance with all terms and conditions of the grant and applicable Lease terms, the PIDP Grant funds will be made available to reimburse the Selected Proposer for eligible capital expenses incurred to construct the Facility up to the Maximum PIDP Grant Contribution. In addition, subject to Selected Proposer's compliance with the terms and requirements of the Lease, the County will contribute the lesser of \$9,032,410 or 16.1% of eligible Project capital construction costs for the Facility (the "Maximum County Contribution") on a reimbursement basis.

Per the County's grant agreement with MARAD, the funds to be reimbursed under the PIDP grant may only be used for the building shell, a concrete truck bay area, landscape, civil and site improvements, and contingency. Phytosanitary equipment may not be purchased with funds to be reimbursed by the PIDP grant.

Costs incurred prior to the execution of the Lease Agreement, as well as costs for financing, operations and maintenance are not eligible for reimbursement under the federal grant.

B. Costs to Complete Project

Subject to its right to seek reimbursement for certain portions of eligible and incurred capital Project costs from (i) the PIDP Grant (up to the Maximum PIDP Grant Contribution) and (ii) the County up to the Maximum County Contribution, to seek reimbursement from as set forth above in this Section 2.4, the Selected Proposer shall pay all costs associated with the design, permitting, construction, and commissioning of the Project. All costs required to complete the Project above the sum of the Maximum PIDP Grant Contribution and the Maximum County Contribution shall be borne solely by the Selected Proposer.

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Costs incurred prior to the execution of the Lease Agreement, as well as costs for financing, operations and maintenance are not eligible for reimbursement under the federal grant.

C. Selected Proposer's Financing

The Selected Proposer shall provide all financing required to meet its obligations under the Scope of Services and Lease Agreement. The Selected Proposer financing shall be provided through private debt or equity, including reasonable reserves to address operation lifecycle replacement and contingencies. The Selected Proposer shall finance the Project from design and construction, during operations and to the end of the term of the Lease Agreement and must ensure the availability of moneys that will meet the Project funding demands.

D. Financing at Selected Proposer's Cost and Risk

The Selected Proposer will be solely responsible for providing, obtaining, and repaying its financing necessary for the Project at its own cost and risk and without recourse to the County and without using the Premises as security for repayment therefore. All debt or other obligations issued or incurred by the Selected Proposer in connection with the Lease Agreement will be issued or incurred only in the name of the Selected Proposer. The County will not contribute any funds toward the Project other than described in this subsection, nor will the County have any liability to pay debt service on any debt or other obligations incurred by or on behalf of the Selected Proposer, nor will County join in, co-sign, execute or guarantee any note of other evidence of indebtedness of the Selected Proposer.

E. Site Remediation Costs

County will complete a new Phase 2 Environmental Site Assessment ("ESA"), prior to the execution of the Lease Agreement. Any environmental remediation required or recommended in the ESA or otherwise required by any environmental agency ("Remediation") shall be completed by the Selected Proposer at its expense, on behalf of the County, provided Selected Proposer shall be reimbursed by the County for such incurred and verified Remediation costs, in accordance with the Lease Agreement. Remediation must be completed within 6 months of the Lease Agreement effective date.

F. Grant Reimbursement Process

For the detailed grant reimbursement process, see **Article 3.09** (MARAD Grant) of the Lease Agreement.

If grant funds become unavailable or are reduced due to Selected Proposer's noncompliance with any terms or conditions of the grant, Selected Proposer shall make up and be responsible for any funding shortfall.

2.5 Design and Construction

A. Permits

The Selected Proposer shall obtain all permits necessary for the construction and operation of the Facility under applicable law, including necessary building and development permits.

B. Traffic Study

The Selected Proposer shall conduct a traffic study as part of the Project development.

C. Grant Fund/Construction Completion Schedule

The County entered into a Grant Agreement with the MARAD in September 2022. The grant funds must be obligated and expended by September 30, 2027, and therefore the Facility must be completed by that date. The Selected Proposer shall complete construction of the Facility, as outlined in the Lease Agreement, within 26 months of Effective Date. The Lease Agreement also includes a reversion clause for the Premises if the Facility is not completed, as stated in the Lease, **Article 3.07** (Development Schedule and Failure to Develop).

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Project Title: Phytosanitary Treatment and Cold Chain Processing Facility

D. Future Selection of Builder

The Selected Proposer, after award of the Lease Agreement, shall procure its Builder that will be responsible for all construction activities related to the Project and shall be duly authorized to perform this work in the state of Florida. Such procurement shall follow all applicable governmental procurement regulations that include, but are not limited to:

1. Florida Statutes Section 255.05 (Bond of contractor constructing public buildings); and
2. Florida Statutes Section 255.20 (Local bids and contracts for public construction works).

E. Applicable Laws/Codes/Regulations/Other Requirements

The Selected Proposer and its Designer and Builder have the responsibility to ensure that the Project design and construction shall be in accordance with all applicable laws, codes, regulations, and other requirements of County, State and/or Federal authorities having jurisdiction over the construction of the Improvements by law or by contract with the County, including all then current requirements of the County as they relate to Tenant Airport Construction, reimbursable/non-reimbursable projects (TAC-R/TAC-N projects). The MDAD Procedures for TAC can be found at <http://www.miami-airport.com/resources.asp>.

The Selected Proposer shall comply with all applicable federal, state, and local environmental laws and regulations including, but not limited to, environmental laws and regulations by the US Environmental Protection Agency (EPA), Florida Department of Environmental Protection (FDEP), South Florida Water Management District (SFWMD), and Miami-Dade County Department of Regulatory and Economic Resources – Division of Environmental Resources Management (DERM). Additionally, Selected Proposer shall comply with Section P-160 of MDAD Standard Technical Specifications which provides guidelines for the proper handling of contaminated soil/groundwater during construction.

F. Sustainability Requirements

The Selected Proposer shall design, construct, commission, and operate the Facility in compliance with County sustainability requirements set forth in County Implementing order No. 8-8 and in sections 9-71 through and including 9-75 of the County Code, as further described in the Lease Agreement.

2.6 Operations and Maintenance

The Selected Proposer shall at its sole cost operate and maintain the Facility in conformance with industry standards, all applicable laws and permits, and the requirements of the Lease. The Selected Proposer shall be responsible for all costs associated with the operations and maintenance of the Facility including, but not limited to, the costs and management of utilities, insurance, security, applicable taxes, preventative maintenance, and life-cycle replacements for all building components. As outlined in the Lease, the County shall have the right to inspect the facility annually and identify any additional maintenance or repairs needed which the operator (Tenant) shall timely complete at Tenant's sole cost, provided if Tenant unless the operator notifies the County in writing within 10 days they dispute any aspect of the required maintenance or repairs, and details the bases of such dispute, the County will review and respond within 30 days and the County's response thereto shall be binding on the Tenant.

2.7 Business Plan

The Selected Proposer shall prepare and execute a Business Plan outlining the operations and services to be provided that will yield the highest return in cargo throughput and revenue to the Seaport and Airport, while attaining the best service for the community. The Business Plan shall provide a description of the operations for the Project and should include an analysis of the competitive setting, a marketing plan, commitments/letters of interest for new cargo business, and key financial information. At a minimum the Business Plan will provide information for:

A. Phytosanitary Treatment

- The phytosanitary treatment service provided
- The product(s) that will be treated

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- The type of services the treatment provides (e.g., pest elimination, bacteria other elimination, pharmaceutical sterilization, pre-packaged food treatment, etc.)
- B. Cold Chain Processing Center/Value Added Services**
- The type of cold chain processing that will be provided, (e.g., cold storage, warehousing, distribution, cross docking, pick and pack services, product mixing or packaging)
 - The commodity that will be serviced in the cold chain processing warehouse
 - The type of value-added service that will be provided, if any
 - The Facility operation plan to include whether the operator will be the tenant and if the Facility will be leased out to other tenants and how many
- C. Marketing Plan and Competitive Environment**
- Whether the Facility will be moving imports and/or exports
 - The product provider (e.g., importers, brokers, forwarders, end user, etc.)
 - The national/international markets that will be accessed to provide commodities
 - The amount of cargo intended to pass through the Facility annually, broken out by phytosanitary treated and cold chain processed
 - The plan for those commodities to come through PortMiami and MIA (including whether the commodities/business are already coming through PortMiami and MIA or if it is new business)
 - The expected growth / amount of cargo that will come through PortMiami and/or MIA due to the Project
 - Explanation as to operational protocol
- D. Financial Viability and Key Economic Information**
- The fee that will be charged to Facility users (e.g., tenants)
 - The fee that will be charged to end users (e.g., products being treated / products being processed)
 - Facility design and construction cost
 - Facility maintenance cost
 - Project operating cost
 - Capital Investment
 - Return on Investment
 - Fees to be paid to the County, see Section 2.8 below (i.e., Rents and Fees)
- E. Facility Design**
- Premises development and innovation
 - Cargo transportation plan
 - Perspectives and conceptual plans
 - Vehicle traffic flow
 - Facility, including treatment and air quality, permitting plan
 - Construction health and safety plan
 - Facility flexibility between phytosanitary treatment services and cold chain processing services. Are sizes fixed or flexible based on seasonality of product being treated or processed.

2.8 Rents and Fees

The Selected Proposer shall pay the County Ground Rent, Additional Rent (upon the commencement of the Operating Term), and an Operating Fee as set forth below, and which is further delineated in the Lease Agreement.

A. Ground Rent and Additional Rent

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The Selected Proposer shall pay Ground Rent to the County from the Effective Date of the Lease Agreement for the Premises per the **Lease Agreement, Article 5.01, Ground Rent**. The Ground Rent shall be determined by multiplying the total gross land square footage of the Premises (636,392 square feet) by the Ground Rent square footage rate of \$2.65/ SF (which is the rate effective as of October 1, 2022), which rate will be subject to annual adjustments by County, as appraised yearly by an MIA appraiser and approved by the Board of County Commissioners in the Annual Published Rates and Charges approved through the annual budget process.

In addition to the Ground Rent, the Selected Proposer shall pay an Additional Rent starting at the commencement of the Operating Term per the **Lease Agreement, Article 5.02, Additional Rent**. The Additional Rent shall be determined by multiplying the total gross land square footage of the Premises (636,392 square feet) by a square footage rate equal to the then-applicable Ground Rent square footage rate. Throughout the Operating Term, the Additional Rent square footage rate shall be adjusted annually by the County in the same manner as the Ground Rent rate.

B. Operating Fee

In addition to the required Ground Rent and Additional Rent, the Selected Proposer shall pay an Operating Fee to the County (payable monthly) from the first day of the Operating Term and throughout the remainder of the Lease Agreement term per the **Lease Agreement, Article 5.03, Operating Fee**. The Operating Fee will be either the Minimum Annual Guarantee (MAG) or a Percentage of Gross Revenues, whichever is greater. As part of a “ramp-up” period for the first twenty-four (24) months of the Operating Term, the Selected Proposer shall pay only 50% of the Operating Fee.