



Miami Dade Seaport Business Plan

Fiscal Years: 2014 and 2015
(10/1/13 through 9/30/15)

Approved by:

A blue ink signature of Bill Johnson, written in a cursive style.

Bill Johnson, Department Director

A blue ink signature of Jack Osterholt, written in a cursive style.

Jack Osterholt, Deputy Mayor

Plan Date: February 28, 2014



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DEPARTMENT MISSION STATEMENT

PortMiami's mission is to operate and further develop the world's leading cruise port and one of the largest container port in the state of Florida; to maximize its assets and strengthen its advantage for future growth; promote international trade and commerce as a vital link between North and South America and a growing center for global trade; support sustainability and operate in an environmentally responsible manner.

DEPARTMENT VISION STATEMENT

Our vision is to be recognized as one of the most dynamic, diversified, customer oriented, and profitable seaports in the world.

As part of the Transportation and Economic Development strategic areas, PortMiami is responsible for meeting the infrastructure needs of the cruise and cargo industries, ensuring the Port is managed efficiently and effectively, while maintaining, renovating, and expanding the Port's facilities. PortMiami promotes cruise and cargo growth through infrastructure enhancements and throughput capacity improvements combined with an aggressive foreign and domestic marketing program.

The Port's core functions are divided amongst the following divisions:

Director Designee – responsible for daily operations of PortMiami, with the following direct reports:

Operating Divisions

- Facilities Maintenance
To maintain, repair, retrofit, and assist the operations of the Port, with a complement of tradespersons and other workers, by performing regular and preventive maintenance procedures; as well as responding to service calls in a timely manner. To ensure that the Port's infrastructure, including offices and passenger terminals, cargo sheds, parking garages, roadways and container lots, as well as mechanical and electrical systems are properly serviced and maintained.
- Housekeeping
Maintains the aesthetic and hygienic integrity of common areas, parking garages, office and passenger terminal buildings, roadways and sidewalks at the Port, by performing various grounds maintenance, floor, wall and window cleaning procedures.
- Cruise and Cargo Operations
The Cruise Operations Unit is responsible for overseeing all cruise, parking, ground transportation and terminal operations, as well as providing services to Port tenants and assisting with various Port-related events and activities. The Berthing, Duty, and Cargo Operations Units, work in concert, coordinating all vessel operation functions; which includes scheduling arrivals, departures, facility and labor allocation, dissemination of vessel and maritime information, as well as the enforcement of port regulations and protocol.



Human Resources

This unit is responsible for all personnel, training and customer service functions

Intergovernmental Affairs

The intergovernmental Affairs and Development Division, coordinates all federal, state and local legislative issues including items requiring action by the Board of County Commissioners and is responsible for all media, marketing, outreach and Port event coordination.

Safety and Security – responsible for the protection of human life, the security of all passengers, visitors, employees and property of Port Miami, while ensuring the free flow of commerce. Our 101 employees plus MDPD personnel safeguard the Port against all hazards to include the criminal element of terrorism through identification, elimination, and strict access control to secure areas.

The Division is currently evaluating changes in the state of Florida legislative security requirements that may allow greater savings and cost reductions.

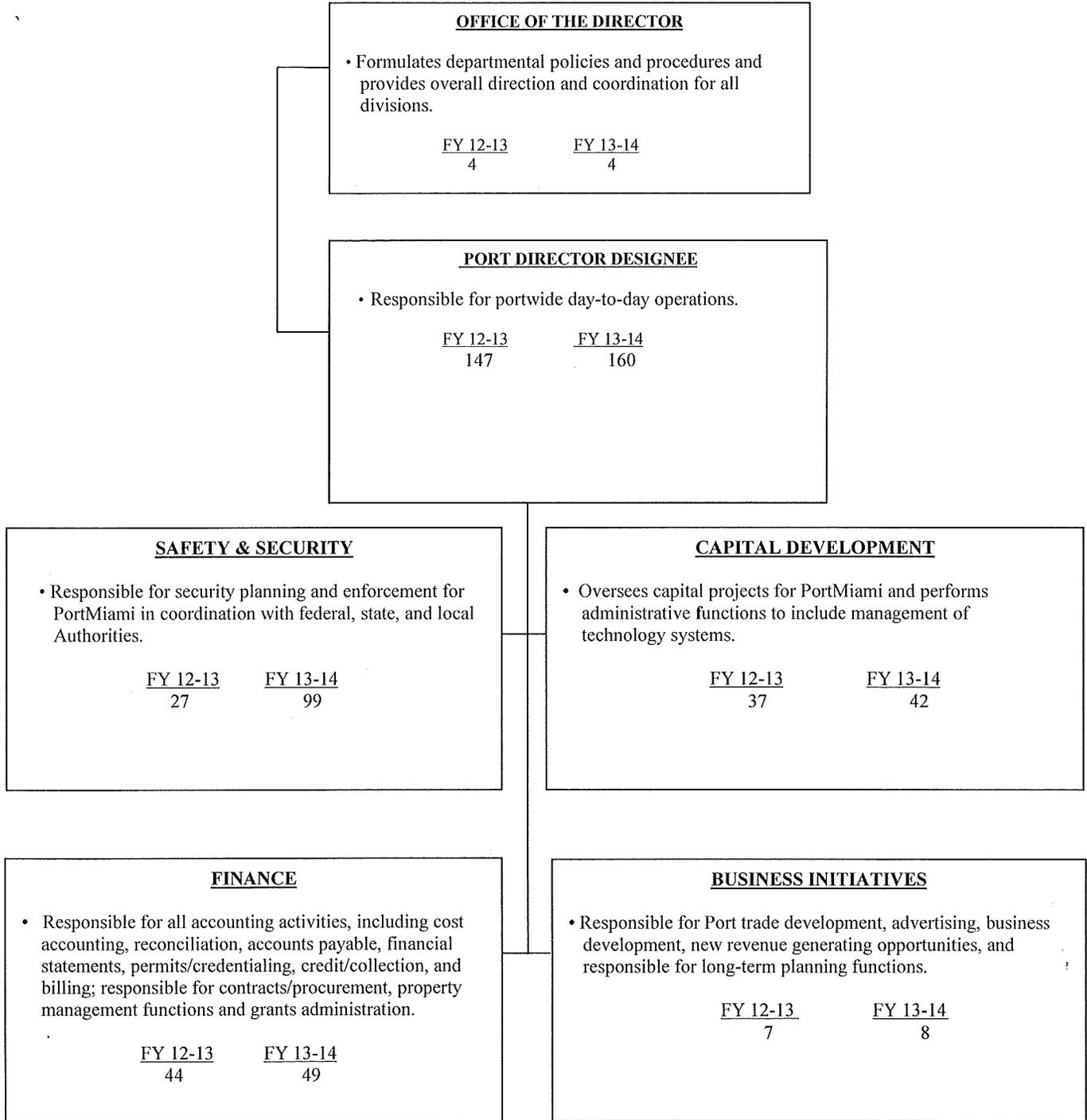
Finance Division – responsible for issuing and managing debt required to finance major projects to support our future facilities thus allowing the Seaport growth opportunities; maintaining accounting systems providing timely and accurate financial information to assist management in making business decisions; containing operating costs within budgeted parameters; issuing permits/credentialing for conducting business at the Port; billing and collection of all revenues generated by Seaport operations; the selection and contract administration of Architects/Engineers and construction contractors; purchasing all goods and services for the Seaport; securing and managing the Seaport's grant activities as well as the management of leased properties and facilities.

Business Initiatives – responsible for the development of PortMiami's cruise business, cargo business and commercial development activities, as well as manage Foreign Trade Zone activities. The division seeks to improve cargo and cruise passenger throughput and revenues through marketing efforts and contract development. To this end, the division also works to develop external partnerships, working closely with organizations like the Greater Miami Chamber of commerce, and various private entities which include railroads, warehouse operators, freight forwarders and truckers. Business Initiatives is also tasked with planning, developing and implementing strategies to create commercial development opportunities on Port as well as ensuring that the Capital Improvement Plan reflects the funded and unfunded needs of the Port.

Capital Development – responsible for timely and efficiently providing facilities and infrastructure that optimize the sustainable viability of the Port while balancing environmental, social and economic factors into the business planning and capital development program; the Design Services, Engineering, Construction, and IT sections set the groundwork for future projects while assessing the feasibility, environmental responsibility of capital development projects; oversee the professional consultants and provide direct in-house professional A/E services to design and assist with constructing/renovating marine related facilities and construction activities including adherence to contract documents, port security requirements, progress reporting, time performance in completing high quality facilities and infrastructure improvements; and providing Port-wide IT/communication services to all Port users.



Table of Organization



Strategic Alignment Summary

- I. *The Department's efforts align with the following Miami-Dade County Strategic Plan Goals:*
 - **Facilitate connections between transportation modes (TP1-6)**
 - **Attract and increase foreign direct investments and international trade from targeted countries (ED3-1)**

- II. *Department-related Strategic Plan Outcomes, Departmental objectives, and Programs & Initiatives"*
 - **Ensure security at airports, seaport and on public transit (TP2-4)**
 - *Maintain "substantial compliance" with Florida Statute 311.12 and the Maritime Transportation Security Act (MTSA) requirements.*
 - *Implement more cost-effective security measures at the Seaport*
 - *Implement Customer Service Training for all Port related employees*
 - *Ensure excellent customer service for passengers (TP2-6)*

 - **Well-maintained transportation system and infrastructure (TP3)**
 - *Provide attractive, well-maintained facilities and vehicles (TP3-2)*
 - *Continually modernize PortMiami and airports (TP3-3)*
 - *Enhance aesthetics of transportation infrastructure (TP3-4)*

Our Customer

As the second largest economic engine in Miami-Dade County, PortMiami works with the maritime, cruise, and cargo industries, truckers, freight forwarders, various federal and state agencies, the Miami-Dade Police Department (MDPD), and the Miami-Dade Fire and Rescue Department (MDFR) as well as all the ancillary services that support these customers.

The Port conducts customer service surveys. The key indicators are questions ranging from the customers interaction with our Porters, the cleanliness of the Port, U.S. Customs, and the overall opinion of the Port's customer service. The percentage of responses is rated from poor to excellent.

The Port's internal County partners include: Office of Management and Budget, Finance, Audit & Management Services, Information Technology and Internal Services, MDPD, MDFR, Transit (MDT), County Attorney's Office (CAO), Parks, and Community Information and Outreach (CIAO).



KEY ISSUES

- *Limited financial resources that necessitate constant prioritization of projects to ensure financial viability and compliance with bond indentures. This is especially important in our Capital planning which is constantly being evaluated and prioritized.*
- *Funding for capital projects that is expected to exceed \$1 billion by FY 2018.*
- *Maintaining reasonable security costs while enhancing safety and security.*
- *Improvements in revenue generation.*
- *Increase in-house project management staffing for better accountability.*
- *Strengthen relationships with Port tenants/users Dredging of the Port - a distinct advantage through the ability to handle large vessels.*
- *Empower employees by encouraging them to show initiative in developing ways to better deliver the highest quality of service to our users, tenants and partners.*

PRIORITY INITIATIVES

- *Cargo revenue including crane operations for FY 2013-14 is projected to be \$32.7 million versus \$30.6 million for FY 2012-13. Cargo growth is 3% traffic and 3% yield increase for FY 2013-14. TEUs are estimated at 940,000 for FY 2013-14. A new agreement with a cargo terminal operator effective October 1, 2014, will result in an increase of 14% in rental revenue.*
- *Passenger revenue is based on confirmed cruise line berthing requests. FY 2013-14 will be a record breaking year for the Port with cruise passengers budgeted to be nearly 4.7 million. FY 2012-13 Cruise traffic totaled 4.1 million. Cruise yields will increase by 3% in FY 2013-14. Revenues were \$50.5 million in 2012-13 with an increase in FY 2013-14 of nearly 14% to \$57.6 million.*
- *The Port is continuing to pursue new revenue streams by promoting the new Foreign Trade Zone and pursuing private investment options for a portion of Port property.*
- *The Port has achieved full compliance with the Florida Department of Law Enforcement security requirements. The Port continues to actively pursue cost savings measures including changes in the Port Facility Security Plan to reduce overtime and MDPD costs.*
- *The current 2013-14 capital budget reflects an investment need from grants, loans and tenant payments of \$370 million which includes \$180 million related to the tunnel, \$127.5 million for dredging and approximately \$63 million for terminal upgrades and infrastructure improvements.*
- *Debt service payments include an assumed interest rate of 1.5% for the variable portion of the Seaport's Sunshine State Loans. Approximately \$150 million of the Sunshine State obligations was converted to fixed interest rate in FY 2013-14.*
- *With the issuance of \$386 million of Seaport Revenue Bonds, the Port's current debt level is nearly \$1 billion. The Port's carryover reserve is budgeted to be \$31.0 million at the end of FY 2013-14.*



FUTURE OUTLOOK

The Port needs to borrow approximately \$440 million in the next 5 years to modernize and improve its infrastructure which is essential for business growth and to remain competitive with other seaports. The Port will spend approximately \$1 billion for all Port upgrades for FY 2013 thru 2018 with a combination of grants, Seaport revenues, and bond proceeds.

Major capital projects for the next 5 years include: significant improvements to cruise terminals and cargo yards including pavement, electrical and communication infrastructure, drainage and bulkhead repairs; the acquisition of additional Super PostPanamax gantry cranes and the completion of the Phase III dredging.

The Deep Dredge Project is underway. The Deep Dredge Project was awarded to Great Lakes Dredge and Dock Corporation for a contract amount of \$206 million and will be managed by the United States Army Corp of Engineers. This project will increase the minimum depth of the cargo channel of the Port from its current 42 feet to 50 feet and will give the Port a distinct advantage through the ability to handle large vessels. The Port also must strengthen the wharves and make upgrades to the gantry crane rails. The estimated completion date is July 2015.

The Port has also received a Federal stimulus grant to upgrade and expand rail service capability. The Rail Intermodal Yard Project interim operational rail service started in October 2013. The full build-out is expected to be completed in the fall of 2014 and will be capable of handling 270,000 cargo containers per year.



PORTMIAMI FAST Facts

PortMiami Contact Information
1007 N. America Way, Second Floor
Miami, FL 33132
(305) 371-7678

CRUISE CAPITAL OF THE WORLD

2013 Cruise Ships Docked – 831
2013 Total Passengers–4.03 Million
2013 Ranking - #1 in the World

CARGO GATEWAY OF THE AMERICAS

2013 Cargo Ships Docked – 1,348
2013 Total TEUs – 901,454

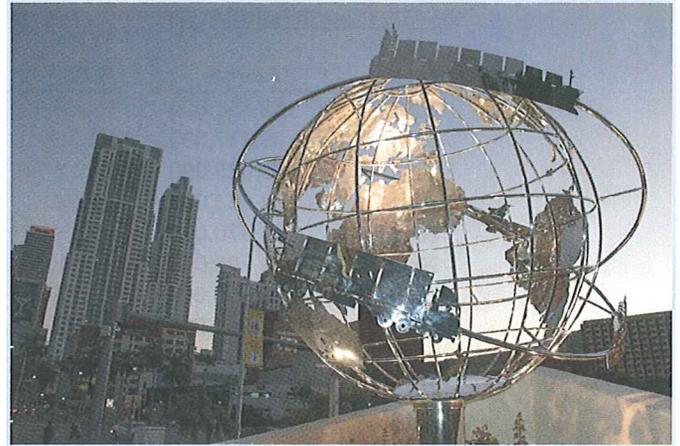
PORT CRUISE LINE TENANTS

Aida Cruises
Azamara Cruises
Carnival Cruise Lines
Celebrity Cruises
Costa Cruises
Crystal Cruises
Disney Cruise Line
MSC Cruises
Norwegian Cruise Line
Oceana Cruises
Regent Seven Seas Cruises
Resorts World Bimini
Royal Caribbean International

CARGO TERMINAL OPERATORS

TERMINAL LINK
SEABOARD MARINE
Port of Miami Terminal Operating
Company (POMTOC)

Located in the heart of Miami-Dade County, PortMiami is recognized as both "Cruise Capital of the World" and "Cargo Gateway of the Americas."



With a total land area of 520 acres the Port is the second largest economic engine in the County contributing \$30 Billion to the local economy and generating 225,000 jobs. A department of Miami-Dade County government, PortMiami is a landlord port that is home to three Cargo Terminals and seven Cruise Terminals. A pioneer in introducing new technologies and processes to the cargo and cruise industries the Port is undergoing a major transformation. A new access tunnel connecting PortMiami to the Interstate is currently underway as are improvements to cruise terminal and cargo yards. A rail upgrade from the Port to Hialeah is underway and has received a \$23 million grant from the Federal Government. The Port is deepening the existing channel from its current 42-foot depth to 50/52 feet in preparation for the Panama Canal Expansion scheduled for completion in 2015.

DISTANCE FROM:

Miami International Airport (MIA)
8.5 Miles - Travel Time 20 Minutes

Ft. Lauderdale/Hollywood
International Airport (FLL) 26 Miles
– Travel Time 40 Minutes



Departmental Business Plan and Outlook
Department Name: Miami-Dade Seaport
FY2012-14 & FY2013-15

STATISTICAL INFORMATION

<u>Year</u>	<u>Revenue</u>	<u>%Chg</u>	
2003	83,153,000	2.4%	
2004	79,217,000	(4.7)%	
2005	85,025,000	7.3%	
2006	88,063,000	3.6%	
2007	91,970,000	3.9%	
2008	94,700,000	10.4%	
2009	100,059,000	2.5%	
2010	109,863,000	6.1%	
2011	114,284,000	4.0%	
2012	110,544,000	(3.3)%	
2013	113,681,000	3.0%	3.0

<u>Year</u>	<u>Passengers</u>	<u>%Chg</u>
2003	3,960,614	8.7%
2004	3,499,584	(11.6)%
2005	3,605,201	3.0%
2006	3,731,459	3.5%
2007	3,787,410	1.5%
2008	4,137,531	9.2%
2009	4,110,100	(0.7)%
2010	4,145,053	0.9%
2011	4,018,161	(3.1)%
2012	3,774,452	(6.1)%
2013	4,030,356	6.8%

<u>Year</u>	<u>TEUs</u>	<u>%Chg</u>
2003	1,041,483	6.2%
2004	1,009,500	(3.1)%
2005	1,054,462	4.5%
2006	976,514	(7.4)%
2007	885,945	(9.9)%
2008	828,349	(5.8)%
2009	807,069	(2.6)%
2010	847,249	5.0%
2011	906,607	7.0%
2012	909,197	3.0%
2013	901,454	(1.0)%

