

**PORT OF PALM BEACH DISTRICT
REQUEST FOR DISCUSSION AND
COMMISSION ACTION**

**DISTRICT REPORTS
ITEM F-3**

PREPARED BY: Venice Howard District Clerk/Records Administrator July 19, 2018

SUBJECT: **GOVERNMENTAL AFFAIRS REPORT**

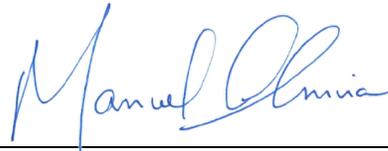
BACKGROUND: For your review and discussion, attached is a copy of the Governmental Affairs Report provided by Mr. Richard Pinsky.

ADDITIONAL INFORMATION ATTACHED: No _____ Yes X

FINANCIAL IMPACT: N/A

RECOMMENDATION: None. Informational Item Only.

Respectfully Submitted By:



Manuel Almira, Executive Director

DATE ACTION TAKEN: _____

Approved: _____

Disapproved: _____

Deferred To: _____

Incorporated into Minutes: _____

Motion By: _____

Seconded By: _____

Unanimous: Yes _____ No _____

By: _____

Port of Palm Beach Governmental Affairs Report

July 19, 2018

Governor's Job Growth Grant Fund

Gov. Rick Scott doled out the last \$16.6 million dollars of the “job growth” fund, just prior to the start of the July 1st start of the state's 2018-19 fiscal year.

The \$16.6 million went to six applicants, with the largest amount, \$5.5 million, going for water, sewer and roadway improvements to assist the Florida Crossroads Commerce Park in Marion County.

The other new awards were:

- \$4 million for the construction of a highway for an industrial warehouse and logistics facility in Hialeah;
- \$3.02 million for a manufacturing training center at Immokalee Technical College in Collier County;
- \$2.07 million for improvements to Atlantis Drive to support commercial development in Clay County;
- \$1.9 million to develop a manufacturing training institute at Gulf Coast State College; and,
- \$135,000 to create a construction industry training program for high school and postsecondary students at Withlacoochee Technical College.

Based on the total \$85 million which went to the 33 applications that received funding, the money could be tied to nearly 100,000 jobs over the next decade.

Port of Ft. Pierce

The Board of Commissioners of St. Lucie County, Florida recently issued a Request for Qualifications (“RFQ”), seeking interested parties to enter into a long-term agreement for the operation and development of the Port of Fort Pierce.

Two finalists have been identified;

- **Derektor Shipyard**
- **Ft. Pierce Yacht & Ship**

Port Miami Dredge

Despite recent dredge, PortMiami still can't fit some large ships. New project in the works

BY CHABELI HERRERA
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July 08, 2018

Despite a massive dredge project that was completed in 2015, PortMiami is still not wide enough in some areas to accommodate large vessels, making it difficult for cargo and cruise ships to navigate its channels.

The problem with the dredge completed in 2015: timing, said Port Director Juan Kuryla. The \$205 million project, which began dredging in 2013, was based on a study completed in 2004 and authorized by Congress in 2007. Since then, cargo ships have outgrown original size projections nearly 50 percent.

To devise a solution, the U.S. Army Corps of Engineers has been allocated \$556,250 for a feasibility study regarding port improvements. Susan Jackson, a spokeswoman for the agency, said the study was requested by the port in March because of issues raised by harbor pilots about navigating PortMiami. The study will go before the Miami-Dade County Commission on July 24.

When the port's depth was studied in 2004, the largest ship expected to pass through PortMiami was 6,600 TEUs, said Kuryla. The 50-foot dredge completed in 2015 was built to accommodate larger, post Panamax ships with drafts up to 50 feet that became more widely used in anticipation of the 2016 Panama Canal expansion.

"Now we are talking about 13,000 and 14,000 TEU ships that are looking to penetrate the East Coast market," Kuryla said. "We need to undertake some modifications to the channel, and that's what this study is going to look at."

Since mid-2016, South Korea's Hanjin Shipping Co. collapsed and the cargo industry has consolidated to a half-dozen major players, according to data provider Alphaliner, that now account for nearly 70 percent of the industry. Larger vessels are more cost effective.

That has presented new challenges for PortMiami, which completed the \$205 million "Deep Dredge" project that deepened the channel by more than 50 feet in 2015 and allowed the port to accept larger vessels sailing through the expanded Panama Canal. Since the dredge, PortMiami has served nearly 250 post Panamax ships with a deep draft of 39 feet or greater.

"We're the only port south of Virginia with the infrastructure in place to serve big ships," PortMiami said in a statement. "Continued improvements are necessary to keep the port competitive."

According to the Biscayne Bay Pilots who navigate Port Miami's channels, huge cargo vessels with capacity for 11,000 TEUs are struggling to maneuver when entering the port from the ocean through the outer entrance channel.

The Miami entrance challenges lead to delays in port operations. According to PortMiami, those vessels now have to schedule their arrivals weeks in advance.

The study will also analyze other needs too, Jackson said, including widening the Lummus Turning Basin and Fisherman's Channel for better maneuvering for Post-Panamax vessels and cruise ships. A deepening of the port could also help accommodate a new breed of mega container ships —those with capacities of up

The Corps would also like to add improvements to the Dodge Island Channel to the federal project, which would allow the port to more efficiently process cruise ships and prepare the port for future cruise industry growth.

To analyze the improvements needed, the Corps will conduct a feasibility study over the next three years, at a cost of no more than \$3 million. PortMiami estimates that the enhancements from the project could bring in an additional \$30 million to \$50 million annually. The ability to welcome 14,000 TEU cargo vessels would generate new jobs and growth for Miami-Dade County, the port said.

According to a study conducted by Martin Associates in 2016, the most recent, the port contributed to nearly 45,000 direct, induced and indirect jobs and \$7.4 billion in economic impact from business service revenue and re-spending and consumption. In 2017, it also broke a world record by welcoming 5.3 million cruise passengers. PortMiami is projected to host 5.4 million visitors in 2018.

Becky Hope, Port Miami's chief of planning and property development, said the feasibility study for the new project will include an environmental study to minimize potential impacts.

Total costs for the proposed project are not yet known, Jackson said. PortMiami estimates that because the improvements will only enhance the existing project, they will not cost as much as the previous 2015 expansion. Costs for the project will be shared between federal, state and local funds.

The Corps plans to hold its first public meeting to discuss alternatives and a potential plan in spring 2020.

"The port has an opportunity now that it really never has had before in terms of growing, knowing that the projects will realize immediate benefit for both industries — cruise and cargo — as well as the entire community," Kuryla said.