



Seaport Department (PortMiami) Business Plan

Fiscal Years: 2024 and 2025
(10/1/2023 through 9/30/2025)

Approved by:

A handwritten signature in blue ink, appearing to read "Hydi Webb".

Hydi Webb, Department Director

6/21/24

Date

A handwritten signature in black ink, appearing to read "Jimmy Morales".

Jimmy Morales, Chief Operating Officer
Mayor's Office

8/10/24

Date

Plan Date: Updated June 21, 2024

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DEPARTMENT OVERVIEW

PortMiami is one of the County's premiere economic generators contributing 340,000 jobs and \$61 billion in economic activity to the County. This 520-acre island port located at the heart of downtown Miami, Florida is situated on Dodge Island, in Biscayne Bay. Port facilities are linked to the mainland via twin tunnel portals that provide direct access to the interstate and national highway systems, a high-span vehicular bridge connecting PortMiami to downtown Miami, and a rail bascule bridge connecting on-dock rail facilities to the National Rail Network. PortMiami's harbor entrance is located approximately 2.8 nautical miles from the sea buoy and the main shipping channel for the eastern United States. PortMiami economic contribution comes from two principal lines of maritime business: international containerized waterborne trade, and cruise ship operations. PortMiami is recognized as the Cruise Capital of the World and the eleventh largest U.S. Port, Cargo Gateway of the Americas.

In Fiscal Year 2023-24, the Seaport Department budgeted 518 full-time employee positions, and 80 part-time positions with a full-time equivalent of 68.8. The port will maintain the same number of full and part-time positions for the Fiscal Year 2024-25 budget. Knowledgeable and experienced Port personnel is our greatest asset. Coupled with strategic infrastructure investments including the bridge, tunnel, on-dock rail, nine (9) existing cruise passenger terminals, gantry cranes, cargo berths and cargo yards, PortMiami is well positioned to maintain its leadership position as the largest international containerized cargo port in the state and the largest cruise port in the world. For Fiscal Year 2024-25 two more cruise berths will come online with the opening of Cruise Terminal AA/AAA.

The expansion and development of PortMiami is indelibly linked to the growth of Miami-Dade County as both a global tourist destination and an economic powerhouse. Over the course of its history, PortMiami has made significant investments in its infrastructure, continually worked to improve its operations, has established a high standard of service allowing the port to institutionalize much of its cruise and cargo activity and economic contribution to the County through long-term contracts for decades to come. Current business activity and population growth for South Florida, exceeding the national average, is expected to support additional growth opportunities for PortMiami.

As part of the Port's economic development strategy, PortMiami delivers infrastructure needs to the cruise and cargo industries in a fiscally responsible manner, managing the Port efficiently and effectively and maintaining, renovating, and expanding the Port's facilities. PortMiami promotes cruise and cargo growth through market-aligned infrastructure enhancements that provide capacity improvements and/or operational efficiencies.

The Port's business platform, processes and policies promote equity for Miami-Dade County residents by providing access to high paying jobs, maintaining a diverse talent pool, participation in workforce training opportunities, provision of internships, and fair hiring practices. It encourages community engagement across the travel/leisure and logistics industries, and with residents across the County.



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The Department participates in community efforts and events. PortMiami is implementing and promoting environmental sustainability and management through water preservation of Biscayne Bay and continues its pathway to a Net Zero Supply Chain Program to become carbon neutral, including its commitment to shore power demonstrated at the June 17, 2024, ribbon cutting ceremony.

The contribution of 340,000 jobs and \$61 billion in annual economic activity is a direct result of our infrastructure and work force handling 7.3 million cruise passenger movements and 1.1 million TEU of containerized cargo in Fiscal Year 2022-23.

Department Mission

PortMiami's Mission is to operate and develop the leading public seaport in the State of Florida for the benefit of the citizens of Miami-Dade County and the State of Florida. This is accomplished by generating employment and economic activity opportunities which are competitive with other regions, operating financially self-sufficient without requiring general funds from the County; promoting international tourism, trade, and commerce; and supporting sustainability by operating in an environmentally responsible manner.

Department Vision

PortMiami serves as the Cruise Capital of the World and a Global Cargo Gateway by providing state-of-the-art infrastructure, exceptional customer service, and a safe and sustainable work environment for our maritime partners and cruise passengers.

PortMiami's major duties, services, and programs include:

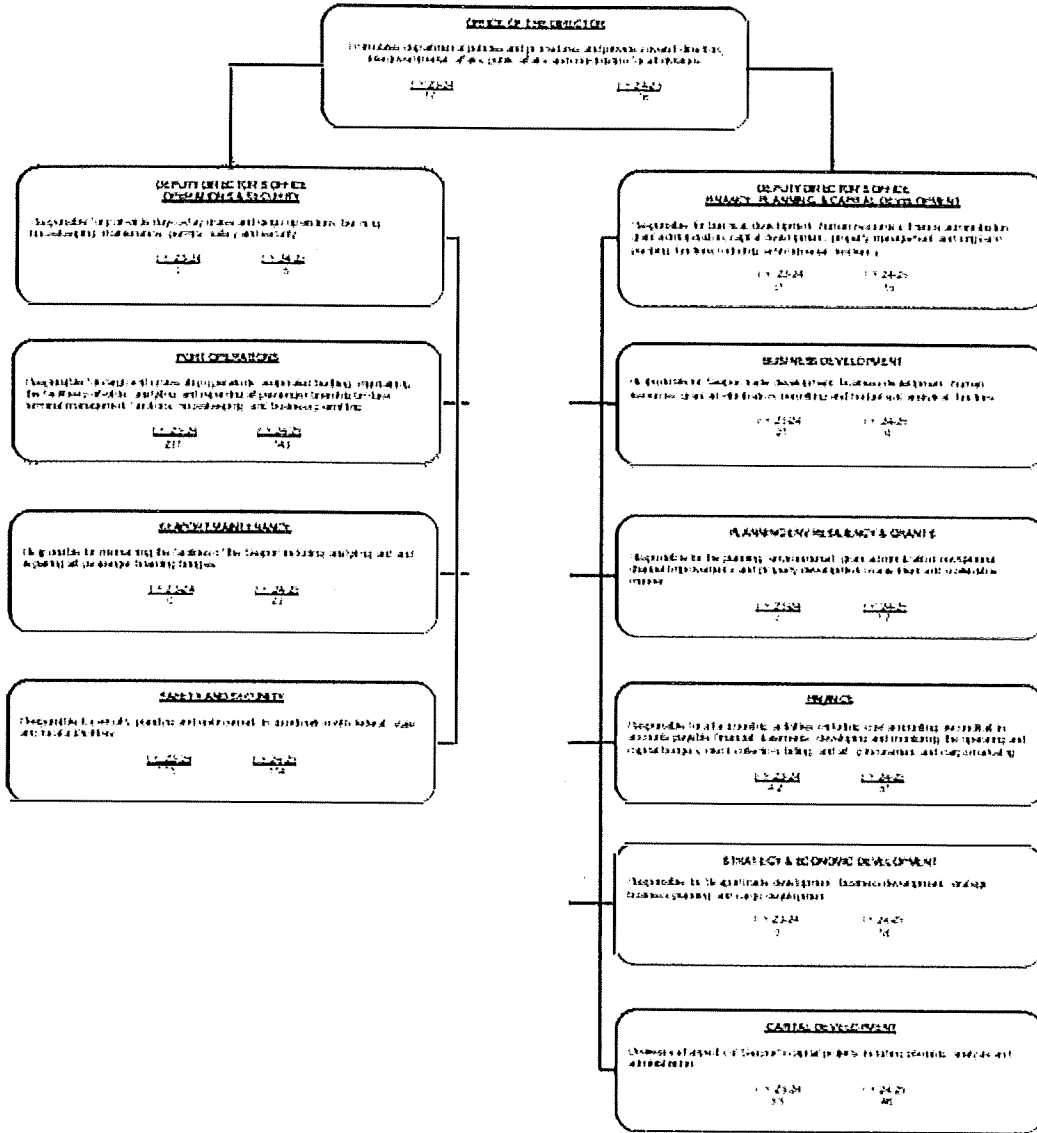
- Safely operating and maintaining the world's leading cruise port and the largest international container port in the State of Florida.
- Maintaining an innovative and resilient global port increasing sustainability and reducing carbon emission output.
- Developing, operating, and promoting world-class cruise and cargo facilities intrinsically tied to the Miami-Dade brand.
- Providing guests and port users with a first-class customer friendly experience.
- Increasing market position and continuing to serve as a vital gateway for passenger and cargo traffic.
- Growing volumes and activity to generate and increase economic benefits to the residents of Miami-Dade County and the greater region through smart growth strategies.
- Promoting international trade, commerce, and tourism.
- Providing high-paying employment opportunities for the residents of Miami-Dade County and the greater region.
- Maximizing the Port's assets and investments in a fiscally responsible manner.
- Taking actions to ensure resiliency while positioning the Port for future growth.
- Supporting sustainability and operating in an environmentally responsible manner.



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The FY 2024-25 total number of full-time equivalent positions is 536 (3) (513 FTE and P/E 533)

Our Customers

PortMiami's customers include the residents of Miami-Dade County who look to the port for employment opportunities sourced from overseas and high-value leisure opportunities achieved through cruising. Cruise lines, out of County cruise passengers, cargo yard operators, stevedores, cargo ship lines, taxi and transportation providers, warehouses, and cargo owners are key stakeholders PortMiami views as its customers. For our cruise and cargo partners, stakeholders and residents, customer service means ensuring maximum



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efficiency in moving people and goods on and off the Port. Our cruise and cargo customers' experience are enhanced by continually implementing ground transportation improvements, and modernizing cargo gates and infrastructure that increases cargo capacity with investments that facilitate the efficient flow of traffic throughout the island. The truest measure of customer satisfaction is business retention and growth. The Port's annual cruise and cargo volumes have shown resiliency generally trending upward over the last decade.

With technologically advanced security systems, the Port is recognized for providing a safe and secure operation for the millions of passengers and tons of cargo that utilize the Port each year. PortMiami competes with multiple ports in Florida, on the eastern seaboard, and on the Gulf Coast.

The Port's internal County customers include: the Board of County Commissioners; the Mayor's Office; Office of Management and Budget; Finance, Audit & Management Services. The Port also funds approximately forty-four million dollars annually for services from other County Departments.

As one of the largest economic engines in Miami-Dade County, PortMiami works with the maritime, cruise, and cargo industries, truckers, freight forwarders, various federal and state agencies, and all the ancillary services that support these customers. The PortMiami team receives specialized, comprehensive training to keep customer satisfaction a top priority. Continuing to champion the work of its public and private partners and investing in its infrastructure ensures that the Port will have the resources and facilities necessary to effectively serve the needs of its customers for years to come. In addition, we work closely with the Aviation Department, to seamlessly support passenger and cargo movement from the Airport to the Seaport.

Strategic Alignment, 4E, and Thrive305 Summary

The Port's business plan aligns with and supports key County interests and initiatives that impact public policy in Miami-Dade: The County's Strategic Plan, the Mayor's 4E's (environment, equity, economy, and engagement), the County's Purpose-Driven Procurement guidelines, Climate Action Plan and the THRIVE 305 initiative, which reflects the community's vision for the County.

Strategic Plan Alignment

The Seaport strives to achieve the goals and objectives of the following County Strategic Plan Goals and Objectives

- Public Safety- PS1: Safe community for all
 - o PortMiami contracts with the Miami-Dade Police Department to secure Port and waterway assets ensuring access to safety and security services. The Port also implements security rules throughout the Port with the help of Homeland Security, United States Coast Guard and the operators of cargo yards and cruise lines to ensure safety measures for employees and port users. The Port's fire rescue station manned by Miami-Dade Fire & Rescue, centrally located on the island, and with its firefighting vessels, provides for fast response for those in need. PortMiami's Safety and Security Division is tasked



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- with emergency management and works closely with users of the Port on prevention and safety and security. All these agencies work towards the protection of infrastructure and lives. The unique land and water side attributes of the Port are utilized for law enforcement training exercises. The Port maintains a Facility Security Plan with local and federal agencies and a hurricane response plan that is reviewed annually.
- o The Miami-Dade County Police Department staff on Port have access to the Department's vast resources and operations County-wide and they utilize those services to ensure that response times on Port are minimized. The Port's MDPD unit is aligned with the County's emergency services operation which helps increase county-wide preparedness and community awareness.
 - Recreation and Culture – RC1: Inviting and accessible recreational and cultural venues that provide world class enrichment and engagement opportunities.
 - o The Port provides recreational services to our Seafarer crew members, visitors, and port workers via the Seaman Center which contains a park with a soccer field, basketball court, volleyball court and tennis courts, as well as dining facilities, religious services, transportation, and several other services for seamen and crew. The Port's world-class cruise terminals are made available to host maritime or County events.
 - Transportation and Mobility – TM1: Transportation system that facilitates mobility. TM1-1: Promote efficient traffic flow on Miami-Dade County roadways. TM1-5: Facilitate connectivity at major points of interest and throughout the transportation system. TM3: Well-maintained, modern transportation infrastructure and assets. TM 3-3: Promote clean, attractive roads and rights-of-way. TM 3-2: Provide resilient, well maintained, modern, and comfortable transportation vehicles, facilities, and structures.
 - o Transportation and mobility of people and cargo are the backbone of PortMiami's contribution to the residents and employers in the County. Through our channel, berths, roadways, bridge, tunnel, rail, infrastructure, and services we provide for the safe and efficient movement of people and cargo. The Port constructs and maintains world-class cruise terminal facilities to enhance the customer's experience. The Port is increasing the capacity of its rail yard to take more truck traffic off the County's roadway system.
 - o The Strategic Plan transportation objectives are addressed in a variety of ways including alignment with the Port's Master Plan and Transportation Master Plan, the availability of holding areas for ride-share vehicles, and the daily use of a free trolley to improve transit access to the Port.
 - Neighborhood and Infrastructure NI1-2: Ensure buildings are sustainable, safe, and resilient NI1-3: Promote the efficient and best use of land NI3: Protected and restored environmental resources NI3-1: Maintain air quality NI3-3: Protect, maintain, and restore beaches, the coastline, Biscayne Bay, and other bodies of water.
 - o PortMiami has undertaken significant infrastructure projects to ensure the resilience of our facilities and all Port properties. Our 2050 Master Plan will be finalized in Fiscal Year 2024 and lays out the efficient and best use of our island. The Port has been a large provider of environmental mitigation and water quality efforts in Biscayne Bay.



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- o Throughout its history the Port has continuously invested in its terminals and infrastructure which has resulted in the Port having several of the most modern and efficient terminals in the world. All recent and future Port facilities are constructed LEED Silver or higher.
- Health and Society – HS1-5: Provide services to survivors of domestic violence, intimate partner violence, and human trafficking, as well as to other victims of crime and their families.
 - o Transportation hubs, such as a port, are exposed to human trafficking. PortMiami trains staff and its partners to be aware of human trafficking indicators and how to report it. The Port's Safety and Security Division works with the Miami-Dade Police Department to police the port for human trafficking.
- Economic Development - ED1: An environment that promotes a growing, resilient, and diversified economy. ED1-1: Promote and support a diverse mix of current and emerging industries vital to a growing economy. ED1-2: Create and maintain an environment attractive and welcoming to large and small businesses and their workforce. ED1-3: Expand business and job training opportunities aligned with the needs of the local economy. ED1-4: Continue to leverage Miami-Dade County's strengths in international commerce, natural resources, and recreational and cultural attractions. ED1-5: Provide world-class airport and seaport facilities. ED2: Entrepreneurial development opportunities within Miami-Dade County. ED2-2: Bolster opportunities for small and local businesses to participate in County contracting.
 - o PortMiami is an important economic force in the community, contributing \$61 billion of total economic activity and supporting 340,000 jobs in the State of Florida. The value of economic activity of the Port represents 3.9 percent of the \$1.6 trillion state of Florida GDP in 2023 (4th Quarter). The investment in channel deepening to 50 ft., the completion of the tunnel that provides direct access between the marine terminals and I-395 and I-95, modernization of on dock rail, and cranes that can handle the larger Post-Panamax ships is reflected in the significant increases in the Port's cruise and cargo business over the past decade. In turn, this growth in cargo and cruise business at the Port has increased the economic importance of PortMiami to the South Florida region and to the State. To continue to grow the economic significance of the Port, continued investment in cargo and cruise terminal infrastructure, including an inland port, will be required, ensuring that PortMiami continues as a world class cargo and cruise port, capable of handling the next generation of container and cruise vessels, while providing opportunities for good paying jobs in the County.
- General Government - GG1: Accessible, equitable, transparent, and responsible government GG1-1: Support a customer-focused organization by providing convenient access to information and services, and by ensuring processes are easy to navigate. GG1-2: Facilitate community outreach and engagement to promote better decision-making in County government. GG1-3: Ensure involvement of local organizations to help address priority needs of our residents. GG1-4: Promote equity in the planning and delivery of County services. GG2: Excellent, engaged, and resilient workforce. GG2-1: Attract and hire new talent to support jobs. GG2-2: Promote employee development and leadership. GG2-3: Ensure an inclusive and diverse workforce GG3: Optimal internal



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Miami-Dade County operations and service delivery. GG3-1: Deploy effective and reliable technology solutions that support Miami-Dade County services. GG3-2: Ensure security of systems and data. GG3-3: Ensure procurement of goods and services is timely, meets operational needs, and is conducted in a fair and transparent manner. GG3-4: Effectively utilize and maintain facilities and assets. GG4: Effective leadership and management practices. GG1-4: Promote equity in the planning and delivery of County services. GG4-2: Effectively prioritize, allocate and use resources to meet the current and future operating and capital needs for all our residents. GG4-3: Reduce County government's greenhouse gas emissions and resource consumption. GG4-4: Lead community sustainability efforts and climate change mitigation and adaptation strategies.

- o PortMiami delivers excellent service to the private and public sectors via the goals of general government, effective and experienced senior leadership, and a diverse workforce.
- o Specifically, PortMiami ensures that the County's General Government goals and objectives GG1 through GG 4 are addressed by providing convenient consumer access to important Port information via the Port's website or through a published customer service phone number. Moreover, the Port regularly posts information about upcoming Port activities through its website and social media channels. Finally, Port staff works across divisions to ensure that services are offered in an equitable manner.
- o In 2023, the Port launched a Workforce Development Initiative that seeks to ensure the Seaport Department and its partners can hire and retain an excellent, engaged, and resilient workforce. Employees are encouraged to seek educational and training opportunities that support their career growth on-Port. The Port has well-defined procedures in place that ensure all eligible candidates can apply for open positions.
- o Since its founding several decades ago, Port leadership has continuously sought to ensure the organization's operations are managed efficiently. This includes on-going investments in technology and infrastructure that help expedite operations and protect data. The Port's world-wide reputation as the Cruise Capital of the World and Cargo Gateway to Latin America reflects its effective use and maintenance of its terminals and other assets.
- o General Government Goals GG4-1 through GG4-4 are also clearly met through the Port's reliance on its Climate Action Plan. The Port's Capital Improvement Plan details the sustainability and climate change mitigation and adaptation strategies for all construction projects on Port including the use of Shore Power.

Mayor's 4Es (Environment, Economy, Equity, and Engagement)

1. **ENVIRONMENT** (A well-managed built and natural environment that is resilient to climate stressors)

On April 22, 2021, Mayor Daniella Levine Cava announced Miami-Dade County's Climate Action Strategy (CAS) as part of its commitment to the International Race to Net Zero



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Emissions. The pledge mobilizes the County to swiftly enact measures to reduce greenhouse gas emissions 50% by 2030 compared to 2019 levels. The CAS also sets a goal of net zero carbon emissions by 2050 compared to 2019 levels. The CAS requires that the Port reduce its greenhouse gas emissions by 25% by 2030. In 2023, the Mayor released a Climate Action Strategy Progress Report that documented the County's efforts to reduce carbon pollution, promote equity, and encourage growth in clean technologies jobs.

The PortMiami Climate Action Strategy (PM-CAS) aligns with the County's CAS and lays out goals that PortMiami will attempt to attain through the projects identified in the 2050 Master Plan. Along with the CAS goal, the PM-CAS also identifies additional targets in combatting sea level rise and storm surge, electrical capacity, construction of sustainable facilities, and protecting Biscayne Bay. The PM-CAS is a first step to identifying the port's goals. Further studies will be conducted to set baselines and refine a plan for achieving these goals; the Port will then produce a Climate Action Plan to work towards implementing the goals.

There are seven main areas of focus that align with the CAS, each with its corresponding goals outlined below. The PM-CAS lays out for each of the areas the projects that will be used to meet the goals. These projects may be completed, currently underway, or identified in the 2050 Master Plan and the Capital Improvement Program and potential new investments.

Focus Areas

Energy and Buildings (Sustainable Facilities and Infrastructure)

1. Benchmark, Retune and Retrofit Existing Buildings
 - a. Where feasible implement potential innovations for upgrading existing facilities and infrastructure to make them more sustainable.
 - b. Elevate facilities and/or infrastructure as it is built or redeveloped, where feasible to withstand the effects of sea level rise and storm surge.
 - c. If elevating facilities is not possible, then look to alternative infrastructure improvements to protect and or assist these facilities in withstanding the effects of sea level rise and storm surge.
2. Expand Renewable Energy Generation (Electrical capacity needs)
 - a. Implement Shore Power
 - b. Where feasible implement photovoltaic (solar) systems to optimize sustainable energy sourcing.
 - c. Implement projects to increase electrical capacity to allow for conversion from fossil fuel to electrical technology to reach carbon emissions reduction goals.
 - d. Implement alternative power supply projects to increase electrical capacity on-port.
3. Build Ultra-Low Energy Buildings (ULEBs)
 - a. Continue implementing the Miami-Dade County Sustainable Building Ordinance, which requires minimum sustainability standards for facilities and infrastructure.
 - b. Where feasible implement potential innovations for upgrading existing facilities and infrastructure to make them more sustainable.

Land Use & Transportation (Emissions reduction and Climate resilience)

4. Reduce Transportation-Related Fuel Consumption



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- a. Research and where feasible implement programs and projects to aim to achieve the County CAS goal of reducing GHG emissions at the Port by 25% by 2030.
 - i. Increase cargo movements via rail. Convert diesel equipment to electrical.
 - ii. Work with logistics industry to reduce truck miles.
- b. Establish partnerships and opportunities for collaboration to advance the resilience and greenhouse gas reduction goals.
- c. Continue to convert the Port's fleet to electric vehicles when vehicle replacements are scheduled.

5. Expand and Protect Green and Blue Spaces (Environmental resource protection and mitigation)

- a. Research and where feasible invest in protection and mitigation projects to protect Biscayne Bay while maintaining cruise and cargo operations, which are vital to the economy of Miami-Dade County.

Water and Waste

6. Convert Waste to Energy

- a. Research how the port can contribute to converting its waste to energy.

7. Reduce Waste and Water Use

- a. Research how the port can reduce waste and water use.

In furtherance of the County's environmental goals, in November 2021, PortMiami announced a new Net Zero Supply Chain Program (NZP) as part of its cargo functions. The NZP proposes a path to converting the Port's entire cargo logistics chain to net zero carbon emissions and will require several phases implemented over the next five to ten years. Elements of the NZP include electrifying cargo handling equipment and transport vehicles and vessels, increasing freight transport by rail, with the use of electric locomotives, and reducing dependence on truck transport, leveraging data and efficient smart technologies, and the development of one inland port connected to the Port by rail. PortMiami has implemented projects and advanced programs aligning with the Net Zero Program for many years, including projects funded with federal grant assistance, and is planning and implementing many more.

Shore Power

In February 2021, Miami-Dade County committed to providing the infrastructure necessary to allow cruise ships to plug into the electrical grid at the Port to help cut carbon dioxide emissions. In 2022, the PortMiami announced that it was expanding its plans for offering shore power at five terminals. On June 17, 2024, PortMiami celebrated a ribbon cutting and will be the first port on the East Coast that will provide Shore Power at five cruise terminals with power supplied at FPL's capacity to plug in three cruise vessels simultaneously.

2. **ECONOMY** (A growing and inclusive economy that creates jobs and invests in local talent, while spurring innovation and investment for the jobs and assets of the future)



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In 2017 (the last economic impact study), cargo and cruise activity were forecasted for 2023 to generate port volumes at 5.3 million cruise passenger movements (with actual of 7.3 million in FY 2023) and 1.0 million TEU of cargo (with actual of 1.1 million in FY 2023).

The updated Fiscal Year 2023-24 Port's economic impact study shows PortMiami supported 340,000 jobs in the state of Florida.

The total economic output in the State of Florida resulting from the cargo and cruise activity at PortMiami is estimated at \$61 billion. This dollar value represents the sphere of influence of PortMiami in 2023 and accounts for 3.9 percent of the \$1.6 trillion Gross Domestic Product (GDP) for the state of Florida. (Fourth Quarter 2023).

As a result of the cargo and cruise activity at PortMiami, a total of \$2.2 billion of state and local tax revenue was generated in Florida.

3. **EQUITY** (Our residents and workforce are fully included in all aspects of life in the County regardless of who they are)

PortMiami advances equity, drives job creation, and allows the Port to continue to implement and leverage the hiring practices that have led to a diverse workforce, which reflects the demographic makeup of Miami-Dade County. The Port is dedicated to sustaining equitable hiring and employment practices and aims to incorporate private sector entities, particularly Disadvantaged Business Enterprises (DBEs), in transportation infrastructure planning, designing, and building.

Through its infrastructure programs, the Port will continue to grow the number of opportunities it provides for small or disadvantaged businesses in the community. Reduced truck traffic through low-income communities near the highways reduces the impact of noise and air pollution on these communities, improving quality of life.

Throughout the years, PortMiami has been committed to enforcing racial equality in all its policies, processes, decisions, and resource allocations. Additionally, the demographic of the Port is highly reflective of the community it serves. PortMiami mirrors - throughout its breadth of operations and services and within its leadership structure - the diversity of our community. It instills principles of equity in its culture and ensures a fair and intentional distribution of opportunities with the goal of expanding economic development.

The Port's cargo initiatives also create positive equity impacts for the truck drivers who will see improved safety from no longer needing to leave their truck cabs in an active cargo handling area when loading and unloading cargo and will reduce wasted time idling while at Port retrieving containers. These impacts have and will continue to be reduced at PortMiami.

PortMiami's Workforce Development team is bringing together key stakeholders to make recommendations on the application of best practices in this new and emerging field. The Task Force will play a vital role in the development of public engagement campaigns as PortMiami implements the various components of this Project. In FY 2023-24 several apprenticeships were filled.



4. ENGAGEMENT (A community that trusts government and has timely access to data and information to obtain services and influence decision making in the County)

PortMiami's focus on Engagement is through transparency and open-source data, following in the steps of Miami-Dade County. Additionally, focusing on PortMiami's Workforce Development Program to ensure the Port and its maritime partners have the talented resources necessary to allow the Port to remain a transportation and supply chain leader in our rapidly changing global economy. To do this, the Port brings together key stakeholders, including the local unions, CareerSource South Florida, local schools and colleges, and terminal operators to identify current and future employment needs and help frame the components of the plan. This allows for recommendations on the implementation of best practices in new and emerging fields. Furthermore, engaging the community as PortMiami advances the Workforce Development initiatives will be instrumental. To meet this goal, we must not only prepare our current employees for the opportunities in these new industries, but also offer a pathway to the surrounding communities, often considered historically disadvantaged areas, to become part of our workforce. PortMiami has always been a supporter of creating a work environment that encourages workers to succeed. We want our employees to thrive and have a strong sense of ownership of the important work we are doing at the Port. Investment in labor and workforce training will help to expand opportunities for county employees and area residents to upskill or reskill their training so they can further develop their career path.

Currently, we are collaborating with Miami-Dade College to put together a menu of non-degree, degree, and certificate programs that candidates for employment can utilize in traditional and non-traditional environments across the Port.

In keeping with PortMiami's commitment to employ a diverse community, steps are being taken to increase visibility of employment opportunities. As with Miami-Dade transportation and technical jobs, PortMiami will take part in the community job fairs in various locations around the county. PortMiami will be working with CareerSource South Florida to coordinate future recruitment events.

PortMiami is currently developing an apprenticeship program in partnership with CareerSource Florida and in specific areas in construction, such as welders, marine system, and refrigeration/HVAC technicians, which are some of the highest paying jobs in the maritime industry. PortMiami annually participates in Miami-Dade County's Summer Youth Internship Program (SYIP) since its inception in 2016. The County collaborates with the School Board of Miami-Dade County (MDCPS), Children's Trust, and Foundation for New Education Initiatives, Inc., a direct support organization to MDCPS.



Strategic Alignment, 4E, and Thrive305 Summary

Selected Measure Name	4E (Environment, Equity, Economy, or Engagement)	Thrive 305 Priority or Action
Number of Cargo Container TEUs (Twenty Foot Equivalent Units) - Quarterly	Economy	Action 10.1
Number of Cruise Passengers - Quarterly	Economy	Action 10.1
Goods & Services Requisition Award over Days	Economy	
Seaport Gantry Crane availability (%) Quarterly	Economy	Action 12.2
Number of Personnel Needed to Meet Security Goals	Engagement	Action 12.2
Number of Ships Utilizing Shore Power	Environment	Action 2.0
Fleet Conversion to EV 10% of Fleet per annum	Environment	Action 2.0
Small Business Participation	Equity	Action 3.0
Educate public on employment opportunities and workforce development programs	Engagement	Action 4.0



KEY ISSUES

- ❖ FY 2023 at PortMiami established the new world record at 7.299 million cruise passenger movements., For FY 2024-25 we anticipate exceeding this record. Managing the flow of increased volumes requires attention to transportation capacity for both our cruise and cargo customers.
- ❖ There is current softness in the cargo market resulting from carryover of inflation, high-interest rates, high inventory levels that occurred during the Pandemic and need to be absorbed and global disruptions. PortMiami's diversity of trading partners from Latin America, Europe and Asia has mitigated the degree of downturn in the cargo markets compared to our peers. We expect growth to resume by the end of, if not before, Fiscal Year 2024-25. Allocating sufficient resources to focus on the details of the opportunities for international trade growth by country and commodity with our trading partners is a critical activity.
- ❖ PortMiami faces keen competition from other ports in the Southeast. PortMiami must continue to adapt to market changes to maintain its leadership position.
- ❖ As an island, PortMiami is land constrained. Handling planned volume increases in cargo will require an inland port.
- ❖ PortMiami has limited financial resources which necessitate constant prioritization of projects to ensure smart investments, retain financial viability and compliance with bond indentures. This is especially important in our capital planning, which is continually being evaluated and prioritized. Funding for capital projects is estimated at \$2.466 billion between FY 2024-25 and FY 2029-30.
- ❖ Several of the Capital Improvement Plan projects are large and complex undertakings. Of note is the North Bulkhead Replacement project which retains but does not increase cruise revenues and is expected to be approximately \$450 million or more. The County's ability to complete the CIP projects may be adversely affected by some factors that need to be monitored and may need to be mitigated. These include, without limitation, (1) changes to project scope, (2) delays in contract awards, (3) material and/or labor shortages, (4) unforeseen site conditions or environmental issues, (5) adverse weather conditions, including hurricanes and tropical storms, (6) unanticipated levels of inflation, (7) the ability of the Seaport to receive additional federal and state appropriations and grants, and to collect such funds and (8) the ability of the Port/County to sell the additional bonds needed to finance costs of the CIP projects at reasonable interest rates.
- ❖ Maintaining reasonable security costs while enhancing safety and security and compliance with state and federal mandates requires good oversight. Securing the Seaport and providing efficient commerce may present challenges in the future as some requirements are subject to changing federal regulations. The Port has been successful by modifying its security plan and investing in its security infrastructure. The corresponding funding needs for security may increase. Cutting edge technology and progressive procedures are in place that provide heightened levels of protection and simultaneously support compliance with port business policies. Partners in this comprehensive initiative include: (i) U.S. Customs and Border Protection, (ii) U.S. Coast Guard, (iii) U.S. Department of Agriculture, (iv) Florida Department of Law Enforcement, (v) Florida Fish and Wildlife Commission, (vi) Miami-Dade County Police and Fire Rescue Departments and (vii) others working to achieve a shared, united



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mission. These efforts are helping to move legitimate commerce in a faster, more seamless, and cost-effective manner than ever before.

- ❖ The County's Strategic Plan resiliency objectives are guided and met through the use of the Port's Climate Action Plan, the installation and use of Shore Power across the Port, and the Port's reliance and enforcement of all local, state, and national environmental standards and requirements. Additionally, all new Port buildings must be LEED Silver certified or higher and follow all other County building requirements including the installation of solar power infrastructure on select new buildings and garages.
- ❖ The Port launched a workforce development plan in FY 2022-23 that includes job training activities, helping place apprentices in key positions throughout the island, and the development of a heightened Department focus on technology and innovation.
- ❖ The County's general government objectives, outlined in previous sections of this report, are met through the Port's inclusive hiring practices.



The following SWOT Analysis highlights several Key Issues the Port must consider:

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • Global reputation as the Cruise Capital of World • Leading International Container port in Florida and 11th largest in U.S. • Experienced and talented workforce • Ongoing investments in Port infrastructure • Solid financial foundation and ability to fund needed capital and personnel costs • Excellent working relationships with Port partners, labor unions, and governmental agencies • Geographic position to Latin America and the Caribbean • Revenue commitments that exceed debt ceiling requirements • Previous investments in port infrastructure 	<ul style="list-style-type: none"> • Some systems are nearing End-of-Life, increasing current and future maintenance costs • Limited ability to expand operations due to space constraints • Restricted ability to fund unplanned projects • As a landlord Port, limited ability to initiate some operational efficiencies •
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Limited but available on-port land for commercial development contributing jobs and revenues • Attract new talent for Port and its partners through local trade and logistics work force development programs • Develop an inland port providing the needed expansion of cargo operations 	<ul style="list-style-type: none"> • Traffic increases on Port and the surrounding neighborhoods and roads • Competition from other Ports in Florida • Potential environmental or public health emergencies • Policy requirements that sometimes delay the Port's ability to procure products in a timely manner. • New governmental security requirements that may be extremely costly.

PRIORITY INITIATIVES

- ❖ The Seaport Department maintains a multi-year CIP designed to modernize PortMiami and meet market conditions. The budget is submitted to the Board of County Commissioners for approval each year. Projects in the five-year CIP include implementing Shore Power in 2024, new Cruise Terminals AA/AAA (Berths 8 and 9), Cargo Yard Phytosanitary Cold Storage, North Bulkhead Rehabilitation and Replacement, new Berth 10, new Cruise Terminal G with a provisioning building and parking garage, Royal Caribbean Group's Campus, cargo yard modernization, electrification and decarbonization, rail yard expansion, new ship to shore gantry cranes and the development of new Port Offices. Various other upgrades to existing terminals and facilities in the five-year CIP include Cruise Terminal J Seawall Repairs,



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roadway improvements, Southside Dredge and Phase II of the SFCT cargo yard densification. The County expects to issue Commercial Paper Obligations for the benefit of the Seaport Department under its ongoing Commercial Paper Program to finance, on an interim basis, a portion of the CIP. Funding the CIP requires external resources such as grants and governmental appropriations. Port staff must constantly identify opportunities to support the costs of the Port's planned infrastructure improvements. Similarly, Port staff work closely with our law enforcement partners to identify the most efficient practices for securing the Port.

- ❖ PortMiami's strives to provide sustainable port services by carefully balancing environmental, capital and economic factors into its business planning to ensure a resilient workplace today and in the future. PortMiami is committed to proactive policies that enhance its sustainable balance with customers, operations and development while protecting its surrounding natural resources. Shore Power Phase I is a major initiative that will commence operations in Fiscal Year 2023-24 allowing cruise vessels to plug into the local electric grid. New buildings are certified to at least the Silver Level under the Leadership in Energy and Environmental Design Green Building Rating System developed by the U.S. Green Building Council (LEED). All building interior and exterior rehabilitation work includes LEED elements per PortMiami's established Design Guidelines. All capital improvement projects evaluate how to preserve resources and minimize impacts, as well as energy savings measures. PortMiami has proactively completed a series of emission reduction initiatives such as being one of the first U.S. Port to electrify all its Cargo Gantry Cranes, upgrading cargo security gates to reduce truck idling times, partnering with the Florida Department of Transportation on the direct highway access tunnel which reduces emissions, reactivating the intermodal rail yard and infrastructure redevelopment for the use of electric rubber tire gantries in the cargo yards.
- ❖ Talent development for the Seaport Department and its partners is an essential priority for the Port. Training, recruiting, and retaining a strong workforce is essential to the Department's success. Port staff participate in job fairs, attend industry meetings, and constantly highlight job opportunities on several major employment websites.
- ❖ The County's Purpose-Driven Procurement guidelines are constantly reviewed by Port personnel to ensure the Seaport Department makes every effort to ensure business opportunities are made available in an equitable manner. The Port's procurement efforts target Small Business Enterprises, when appropriate, and focus on Pay Equal to a Living Wage, Worker Benefits, Sustainability, Accessibility, Labor Peace, and Community Benefits. The Port also follows County, State and Federal policies on Buy American requirements and Cybersecurity and Information Technology Procurement standards. Pursuant to Florida Statutes.



FUTURE OUTLOOK

- ❖ Revenue generation is substantially secured by contractual obligations under long-term agreements with both our cargo and cruise passengers. Additional growth is directly dependent on the volume of cruise passengers and cargo at the Seaport. These are impacted by market conditions and the global economy. Such volumes reflect a wide range of factors including the economic condition and outlook of (1) the County, the region, nation, and world, (2) the Seaport's primary trading partners, (3) the cruise lines and regulation of the cruise industry, (4) cargo terminal operators and shipping lines, (5) security, (6) fuel costs and possibly (7) world-wide public health challenges such as the COVID-19 pandemic.
- ❖ Preferential Berthing Agreements between the Seaport Department and its cruise and cargo partners guarantee PortMiami multi-million annual passenger volumes and revenues while affording the cruise lines with secured, preferential berthing rights at certain terminals and incentives for meeting such guarantees. By operation of Cruise Terminal Preferential Berthing Agreements and Ground Leases, PortMiami is guaranteed approximately 6.8 million passenger movements in FY 2024, further rising to 7.5 million passengers in FY 2025. This number will continue to increase under existing contractual obligations and as these Preferential Berthing Agreements are periodically reviewed and amended to renegotiate mutually beneficial terms and keep pace with industry changes, growth, and development. Cargo partners have leases and minimum volume guarantees with similar attributes.
- ❖ PortMiami will need additional funds to complete certain portions of its Capital Improvement Plan (CIP) projects. The Port's current expectations are that it will self-fund these needs through seaport revenue bond borrowings totaling approximately \$2.187 billion during FY 2024-25 through FY 2029-30 to pay the costs of completing the CIP Projects and to pay the costs of other capital improvements for PortMiami plus minimum estimated receipt of grants and customer contributions. PortMiami views completion of the CIP Projects as a necessary undertaking and has options for providing the necessary additional funding. The funding options include issuances of senior or subordinate bonds, subject to the additional bonds test under the Master Ordinance. The ability to incur future debt at reasonable interest rates is subject to risks, including interest rate changes and other market risks, changes in federal tax law affecting tax-exempt bonds and factors affecting the financial performance of the Seaport Department.
- ❖ To fund the Port's on-going capital and operational expenses, the Port has secured long-term contracts with key cruise and cargo customers.

