

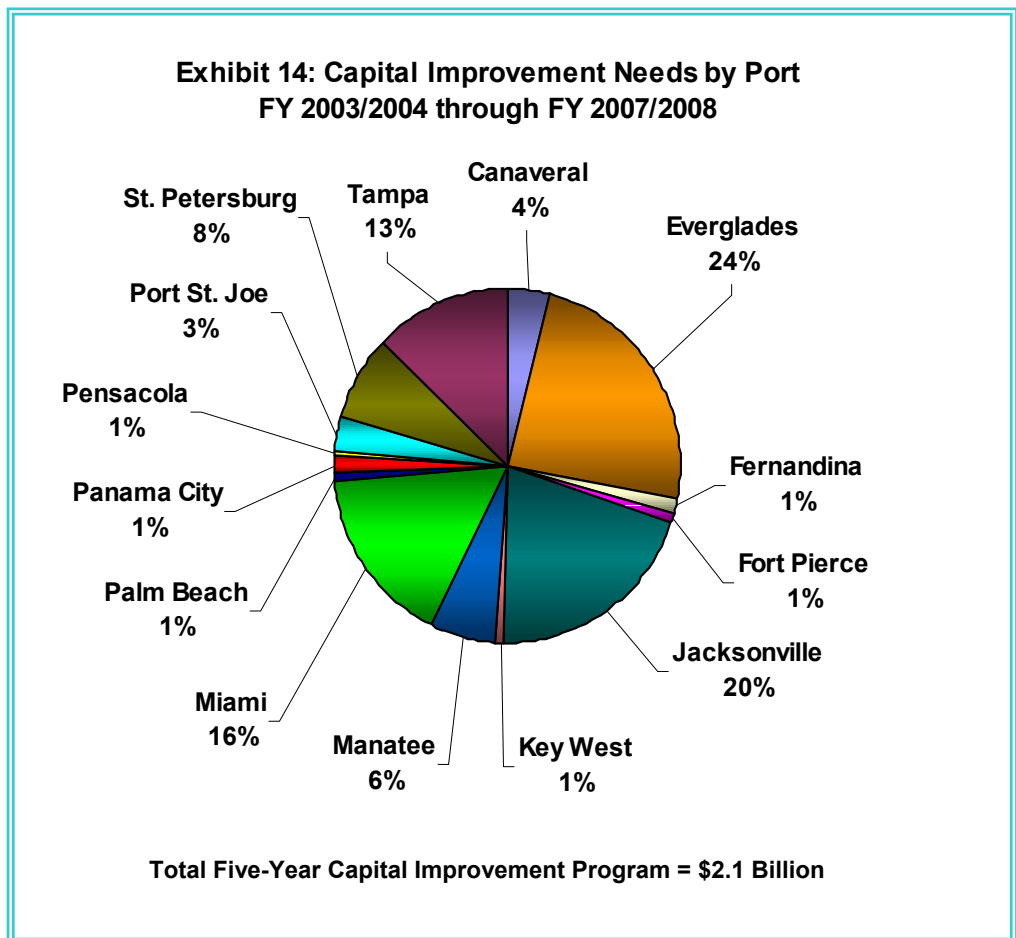
## V. Collective Five-Year Capital Improvement Program: FY 2003/2004 – 2007/2008

**Florida's seaports have programmed a record \$2.1 billion in capital improvements over the next five years.**

To carry out their mission of “enhancing the economic vitality and quality of life in Florida by fostering the growth of domestic and international waterborne commerce,” Florida’s seaports implement master plans that have been adopted by the seaports’ respective

local governments. Industry parameters continue to dictate longer berths, larger terminals, deeper channels and more sophisticated equipment. Intermodal access requirements also dictate seaport investments in road and rail improvements while state-mandated and federal security requirements introduce a new and costly dimension to the ports’ capital improvement programs. The seaports’ collective goals and objectives to meet these requirements are presented in Appendix B.

Master plan implementation has been facilitated by the more than a decade-long state-seaport funding partnership. Created by Chapter 311, F.S., that partnership was expanded in Chapter 320, F.S., which allowed the seaports to bond funds allocated for capital development and expansion projects on port as well as priority, multi-jurisdictional projects off port.<sup>3</sup> In the past few years, however, as the ramifications of 9/11 continue to make themselves felt in the mandated state and federal security requirements, a substantial portion of the funding that had been allocated for commerce-generating capital projects has been diverted to security projects (see Section II). This has led to a significant increase in pent-up demand for capital improvements.

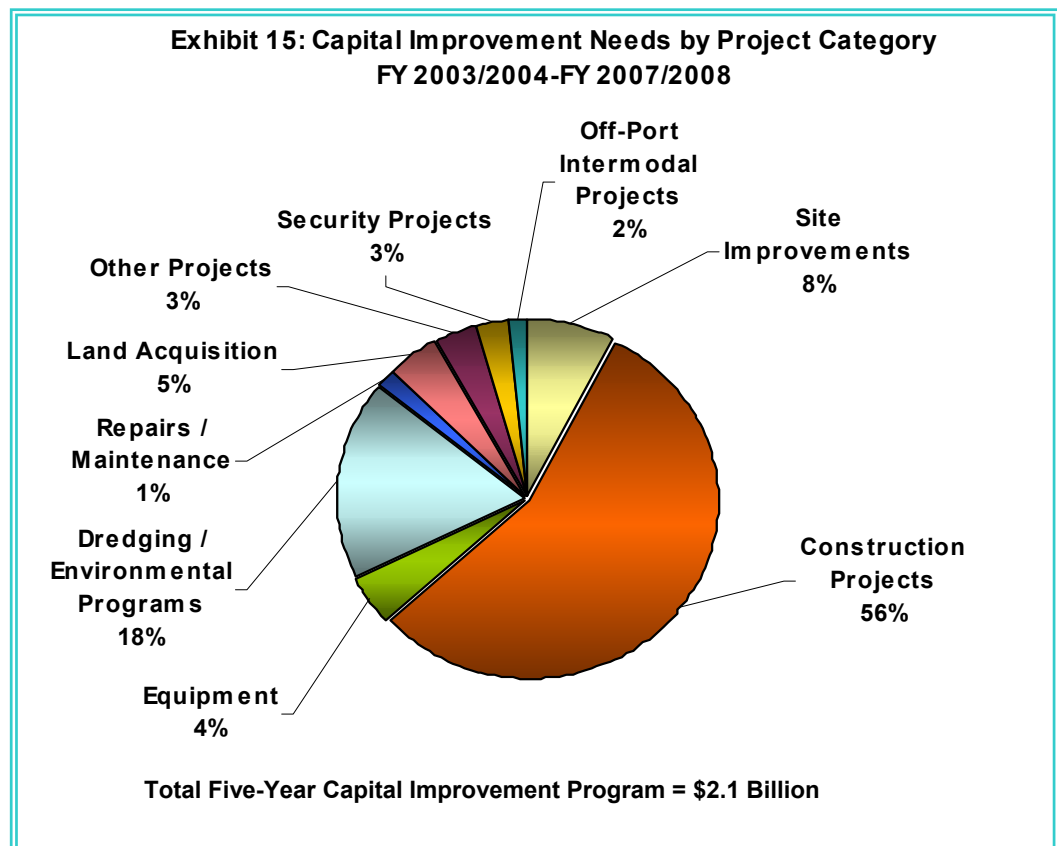


<sup>3</sup>Section 311.09(3), F.S., specifies that the *Seaport Mission Plan* "include specific recommendations for the construction of transportation facilities connecting any port to another transportation mode." Such priority projects as identified in *the Strategic Investment Plan to Implement the Intermodal Access Needs of Florida's Seaports (Landside Access Study)*, prepared for the Florida Department of Transportation and the FSTED Council by PBS&J and J.D. Sanchez Consulting, Inc., March 1998, as amended, are incorporated by reference into this document.

For this five-year planning period, through FY 07/08, the fourteen seaports have identified capital improvement programs, including off-port intermodal access projects, totaling more than \$2.1 billion (see Table A-1 in Appendix A). The programs of the four largest ports – Everglades, Jacksonville, Miami, and Tampa – total almost three fourths (73.0 percent) of this amount (see Exhibit 14).

Seaport capital improvement needs encompass many different types of projects. These comprise general site improvements (including on-port road and rail), construction of major structures, equipment, dredging and environmental programs, repairs and maintenance, land acquisition, security, the off-port intermodal connections needed to maintain efficient port access for cargo and cruise customers, and special items that may not fall under any of the previous categories.

Traditionally, and this five-year program is no exception, the greatest expenditures are for construction projects, including bulkheads, cargo and cruise terminals, warehouses, and other structures that are essential for the efficient movement of goods and people through each seaport (see Exhibit 15). Over the next five years, the seaports expect to spend \$1.2 billion, or 55.9 percent of the total, on such projects. This represents an increase of \$452 million since the seaports' previous collective five-



year capital improvement program, vividly illustrating the ports' pent-up capital improvement demand.

The second largest category of expenditures is for dredging and environmental programs. Nine of the fourteen ports are pursuing major dredging projects, whose implementation is essential to their continuing competitiveness, and three of the remaining ports have smaller projects in mind.

The third largest project category of expenditures is for basic site improvements such as on-port roads and rail, lighting and other utilities, storage yards, and similar projects. These percentages shift from year to year, as new demand-dictated capital investments become necessary. Again, the ports have diverted many capital expenditures to meet state-mandated security requirements, only a part of which are represented in the collective totals shown in Exhibit 15. As stated in Section II, Florida's seaports have expended approximately \$104 million on capital and operational security costs since 9/11. Of this amount, \$46.2 million has come from the federal government and

\$57.2 million has come from state seaport commerce dollars – Chapter 311 and Sections 320.20(3) and 320.20(4) – previously designated for commerce-generating capital improvements.

Many ports include only funded projects in their capital improvement budgets. Others include projects based on estimated revenues or other sources of funding. Consequently, the ports have identified a shortfall of more than \$1.6 billion in their collective five-year capital improvement programs.

Also, the off-port intermodal projects identified by the ports in their respective capital improvement programs include only selected projects with which the port has had some involvement; other intermodal connectors important to seaport access, but currently beyond seaport control, are being identified separately as part of the ongoing SIS process. It is anticipated that, as the SIS process evolves, a document listing these connectors and specifically tailored to SIS criteria will be provided as a companion to this *Seaport Mission Plan*. This document will most probably include the appropriate remaining intermodal projects from the *Landside Access Study*. Among the port-related access projects likely to be included in this document are four major intermodal connectors important to the state's commerce:

- The \$600 million, long-planned Port of Miami access tunnel is part of a comprehensive plan to improve both the Port's immediate access and the state and interstate links to the tunnel and the Greater Miami downtown. This project, which has received federal location approval and is in Miami-Dade County's *Long-Range Transportation Plan*, is being reviewed by Florida's Turnpike Enterprise, which now has responsibility for its implementation; the review is expected to take at least a year and construction is still several years away.
- Similarly, Port Everglades has a long-term plan for an approximately \$300 million airport-seaport connector to support cruise passenger transfers between the two facilities. This project, is a joint endeavor with Fort Lauderdale-Hollywood International Airport; the above approximate dollar amount reflects only the seaport portion of the project, as indicated in the *Port Everglades 2020 Master Plan Vision*.
- For the Port of Tampa, the I-4 Crosstown Connector is a priority intermodal access project. This project, whose Phase I costs are estimated at \$152.7 million, has the support not only of the Tampa Port Authority but also of FDOT, the Tampa-Hillsborough County Expressway Authority, the City of Tampa, and Hillsborough County. To date, only right-of-way costs (\$57.2 million) have received initial funding.
- A priority intermodal access project for the Port of Jacksonville is the Martin Luther King Jr./ 21st Street Interchange. This project has received \$9.5 million in funding so far, which covers only environmental investigations, design, and programming for much of the right-of-way acquisition, which is estimated to take 18 months. FDOT estimates the funding required to complete the project at \$25 million, with construction timing contingent on funding.

In addition to these highway connectors, rail improvements within the state's strategic Corridors of Commerce are also required to enhance seaport competitiveness and statewide economic development (see Section VI).

To accelerate implementation of urgent expansion needs, the seaports have also identified a particularly strategic array of high-priority on-port projects from their five-year capital improvement programs. These projects are needed principally for the seaports to expand capacity, increase efficiency, and expand into new markets, objectives consistent with the forecasts of U.S. trade growth. Funding these projects would help Florida position itself to capture a meaningful share of this growth and achieve the state's economic development goals.