



Florida Department of Transportation-D-6 News Clip Port of Miami Tunnel Project

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PORT OF MIAMI -DADE

County hoping to bridge its gap in tunnel funding

Miami-Dade commissioners may have to dig deep to find the political will to fund a \$1 billion tunnel that would help ease traffic congestion in downtown Miami.

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Miami-Dade commissioners will be facing a very sticky political problem when they return from their summer break: how to finance their half of a \$1 billion tunnel for the Port of Miami-Dade amid a fall election season.

The state has its half of the money ready to be paid out over the next 35 years for the tunnel, which would ease downtown traffic congestion by removing thousands of trucks from the downtown streets and give them better direct access to the interstates and expressways.

The county has \$100 million already set aside from a November 2004 bond issue vote and is still trying to figure out how it might cobble together the remaining \$400 million upfront -- or \$45 million to \$50 million annually through 2041.

"This is a very big pill to swallow -- with a big glass of water," said Commissioner Jose "Pepe" Diaz. "But this is something we have to deal with . . ."

If a firm deal isn't in place by year's end, Florida transportation officials say they will start reallocating hundreds of millions of tunnel dollars to other big-ticket, high-profile highway projects such as Interstate 595 in Broward County.

"We haven't given them an ultimatum," said Lowell Clary, Florida's assistant transportation secretary for finance, "but we need to know from them if this is a priority for the local community. There is a window of time."

County Manager George Burgess said he's "guardedly optimistic" that Miami-Dade can come up with a workable array of financing options for commissioners to consider in September committee hearings and possibly approve by Oct. 10.

But cutting a deal for the county's half of the tunnel will prove to be politically dicey given the powerful interest groups -- cargo haulers, passenger cruise line operators, downtown redevelopment boosters and others -- that would need to quickly come to the table during an election year.

Nothing is set in stone. But high-ranking state, county, city and port officials who have been involved in recent closed-door talks said a combination of potential revenue sources are still being considered for the county's portion. They include:

- A per-container surcharge for all cargo leaving the port.
- A per-passenger cruise-line surcharge to cover all of the vehicles that service the big ships.
- Expanding the boundaries of a special downtown Miami redevelopment tax district to reflect the benefit that businesses, cultural centers and high-rise condos would enjoy from reduced truck traffic on city streets.

Local civic and elected leaders have been pushing for a tunnel to improve access to the region's second-largest economic engine for years with little success.

"We've been talking about building this thing for more than 20 years," County Commissioner Carlos Gimenez said. "It's time for us to fish or cut bait. Just tell us if we're serious about doing it or not."

The proposed four-lane tunnel 80 feet beneath Government Cut would provide trucks, charter buses, taxis and service vehicles with a direct shot into the port from Interstate 395 and the MacArthur Causeway, which would be widened by two lanes.

Bill Johnson, the interim port director, said no decisions will be made without extensive input from the cargo and cruise industries.

The cargo operators, in particular, warn county officials to keep costs low or risk losing business to competitors like Port Everglades, Tampa and Jacksonville.

"We believe the tunnel is needed," said Jorge Roviroa, an executive with Florida Stevedoring, one of the port's oldest firms. "But we also believe that it shouldn't be built on our backs and our backs alone."

Miami officials are looking at a number of options to help out what is still largely a county issue, said new City Manager Pete Hernandez.

Hernandez's willingness to even discuss the potential of city participation is a 180-degree turnaround from his predecessor. Former City Manager Joe Arriola and suspended City Commissioner Johnny Winton had said they would fight any attempt to use city taxes to pay for a tunnel. Nearly 4 million cruise passengers and 1.1 million cargo containers pass through the port each year, supporting an estimated 98,000 jobs and billions of dollars in economic impact.

FDOT is trying to create a public-private partnership to build the tunnel. While a deal of this magnitude -- essentially \$1 billion a mile -- has never been consummated in Florida, similar public-private compacts are becoming increasingly common across the U.S. as municipalities scrape for money to build or expand toll roads, tunnels and bridges.

Three firms, all of them foreign-owned and deeply experienced in public-private infrastructure deals in Europe, Latin America and Australia, have been short-listed by FDOT to bid on the Miami tunnel.

The winning firm will design, build, finance, operate and maintain the tunnel over a 35-year period -- five years to construct and 30 years to exclusively operate it.

If Miami-Dade fails to cut a deal, it could be Broward's gain.

FDOT would have to reprogram hundreds of millions of dollars it has already set aside in growth-management funds for other big-ticket projects on major corridors. The state has essentially set aside \$200 million over the next five years and \$40 million to \$50 million over the next 30 years to pay for its half of the tunnel.

A leading alternate candidate for the extra money is the ultimate build-out of Interstate 595 in Broward.

FDOT currently has approximately \$520 million programmed to widen I-595 and to expand and improve interchanges between Florida's Turnpike and Interstate 75 in eight separate projects between now and 2015.

But the agency is still looking for \$735 million to create elevated reversible flow lanes and improve the interchanges between the Turnpike and Interstate 95 in four separate projects.

Clary said other likely candidates for the extra money if Miami-Dade fails to cut a deal for the tunnel are Interstate 75 in Southwest Florida and Interstate 4 in Central Florida.