



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

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Subject: **Seeing the cash at the end of port tunnel**

STREETWISE

Seeing the cash at the end of port tunnel

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It's fish-or-cut-bait time for the much-coveted (as long as someone else is footing the bill) Port of Miami-Dade tunnel.

"Everyone wants the tunnel," said County Commissioner Dorrin Rolle. "How are we gonna pay for it? That's something else."

Three deep-pocketed multinational teams of financiers and construction conglomerates are ready to slug it out for the rights to design, build, operate and maintain the \$1.2 billion tunnel over the next 35 years.

The Florida Department of Transportation is committed to its \$600 million share -- \$500 million for the tunnel and another \$100 million to cover unforeseen geotechnical risks.

But for several months, the county has been struggling to cobble together its share of \$500 million to \$600 million.

County Manager George Burgess and some of his more accomplished number crunchers are running several scenarios -- but all of them require a certain amount of political pain and compromises among the county, the city of Miami and powerful private interests at the port.

Late last week, Assistant County Manager Carlos Bonzon said the county had put together one scenario that nets close to \$489 million.

But that figure, Bonzon admits, includes \$100 million that would come from cargo and cruise-line interests at the port based on as yet undefined surcharges.

Judging from the comments of cargo yard operators who attended a summit meeting at County Hall last week, they aren't totally on board yet. And nobody from the cruise lines even showed up for the meeting.

Several cargo-yard operators are already grumbling that they're going to be asked to cover some of the county's exploding annual costs for post-9/11 security, and the county still doesn't know how it's going to finance some \$375 million in separate, much-needed capital improvements so the port can remain competitive.

And then there's the kinder, gentler, post-Joe Arriola city of Miami, tentatively pencilled in for a \$50 million contribution toward the county's mungy \$489 million total.

The city has been exploring, um, *very creative* ways to contort the boundaries of the blight-fighting Omni Community Redevelopment Agency onto Watson Island and then use those extra CRA revenues toward the tunnel.

(Imagine the blight the community could reverse on the city-owned waterfront where Chinese investors plan to build two luxury hotel towers and a megayacht marina. Blight, indeed.)

Giving the 18-wheelers a straight shot into the port from Interstate 395 and keeping them off the downtown street grid will solve a major aesthetic and safety headache for the walkable, cosmopolitan Miami of the future.

So what's at stake if county commissioners hem and haw?

Or the city doesn't kick in?

Or the cargo and cruise lines refuse to pay a share?

Will anyone counter-offer to build the tunnel as a traditional toll-collecting facility ?

The DOT has said it won't bid the packages if the county doesn't come up with its full \$600 million share.

If a deal isn't done by the end of the year, DOT Assistant Secretary Lowell Clary has said the state will start moving that money to other underfunded, big-ticket strategic projects.

Based on a new economic impact study that the DOT commissioned to help sell the deal, operations had a \$5.4 billion impact on the personal income of Miami-Dade residents, with the income widely spread across all 13 commission districts.

The study, by Antonio Villamil of Washington Economics Group and Barry University Professor Robert Cruz, said the port is responsible for 81,800 direct and indirect jobs from downtown to Doral.

Imagine what happens if traffic congestion near the I-395 ramps continues to spiral, as more people return to the inner city at the same time that the cruise and cargo industries continue to grow.

Commissioner Carlos Gimenez is impatient waiting for a firm financing plan. Gimenez wants to know what happens if they do nothing:

“What I want to hear from the manager is, if we *don't* build it, then what?”

Expect the answer to that loaded question, and plenty of additional *sturm und drang*, when the workshop starts at 1 p.m. Tuesday in the commission chambers at County Hall.