



Broward County

Legislation Text

File #: 22-1442, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Business Development

Information

Requested Action

A. MOTION TO WAIVE competitive selection requirements set forth in Section 32.4(h) of the Broward County Administrative Code in accordance with Section 32.10 of the Broward County Administrative Code to enter into a Marine Terminal Lease and Operating Agreement with A.G. Royce Metal Marketing, LLC d/b/a Concrete Reinforcing Products for approximately 3.94 acres (171,467.8 square feet) of land in the Southport area at Port Everglades, for a one-year term commencing on October 1, 2022, and ending on September 30, 2023, finding that there is good cause for such waiver.

(Per the Tuesday Agenda Memorandum, signature pages have been received.)

ACTION: (T-10:42 AM) Approved.

VOTE: 8-0.

B. MOTION TO APPROVE Marine Terminal Lease and Operating Agreement between Broward County and A.G. Royce Metal Marketing, LLC d/b/a Concrete Reinforcing Products for approximately 3.94 acres (171,467.8 square feet) of land in the Southport area at Port Everglades, for a one-year term commencing on October 1, 2022, and ending on September 30, 2023; and authorize the Mayor and Clerk to execute same.

(Per the Tuesday Agenda Memorandum, signature pages have been received.)

ACTION: (T-10:42 AM) Approved.

VOTE: 8-0.

Why Action is Necessary

A. Board approval is required to waive the competitive selection requirements set forth in Section 32.4(h) of the Broward County Administrative Code in accordance with Section 32.10 of the Broward County Administrative Code to enter into a Marine Terminal Lease and Operating Agreement with A.G. Royce Metal Marketing, LLC d/b/a Concrete Reinforcing Products.

B. Marine Terminal Lease and Operating Agreements require approval by the Broward County Board of County Commissioners pursuant to Section 32.4(h) of the Broward County Administrative Code.

What Action Accomplishes

A. Waives the competitive selection requirements set forth in Section 32.4(h) of the Broward County Administrative Code.

B. Approves a Marine Terminal Lease and Operating Agreement between Broward County and A.G. Royce Metal Marketing, LLC d/b/a Concrete Reinforcing Products for approximately 3.94 acres (171,467.8 square feet) of land in the Southport area at Port Everglades.

Is this Action Goal Related

Yes

Previous Action Taken

None

Summary Explanation/Background

THE PORT EVERGLADES DEPARTMENT RECOMMENDS APPROVAL.

This action supports the Broward County Board of County Commissioners' ("Board") Value of "Ensuring economic opportunities for Broward's diverse population and businesses," and the Goal to "Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs."

On December 5, 2017 (Item No. 10), the Board approved a waiver of the competitive selection requirements for Marine Terminal Lease and Operating Agreements pursuant to section 32.10 of the Broward County Administrative Code and authorized the Port Everglades Chief Executive/Port Director to enter into negotiations with A.G. Royce Metal Marketing, LLC d/b/a Concrete Reinforcing Products ("CRP") for a Marine Terminal Lease and Operating Agreement. CRP is headquartered in Sunrise, Florida, and is a national distributor of steel reinforcing bars and other steel products used for construction projects. Port Everglades has been its primary port of importation for over 20 years.

On February 15, 2018, the Port Everglades Chief Executive/Port Director executed a Marine Terminal Lease and Operating Agreement with CRP for a seven-month term, with a retroactive start date of February 1, 2018, and ending on August 31, 2018. Four additional one-year agreements have been approved since then, with the most recent agreement being approved by the Board on September 21, 2021 (Item No. 12), for a term commencing on October 1, 2021, and ending on September 30, 2022 ("2021 Agreement").

Section 32.4.h. of the Broward County Administrative Code requires a competitive selection process for Marine Terminal Lease and Operating Agreements. However, Section 32.10 of the Code authorizes the Board to waive the requirements for good cause. CRP is a long-term port user, tenant, and beneficial cargo owner at Port Everglades. In addition, CRP has met its minimum guarantees every year since becoming a Port leaseholder in 2018. Therefore, Port staff recommends approval of a waiver of the competitive selection process.

CRP has requested to enter into a new Marine Terminal Lease and Operating Agreement with Broward County for a new one-year term ("New Agreement"). Representatives from CRP, the Port Everglades Department, and the Office of the County Attorney held sunshined negotiations for the

New Agreement on August 29, 2022. The primary business terms of the New Agreement are as follows:

- The one-year term will be from October 1, 2022, through September 30, 2023.
- The premises will remain the same; approximately 3.94 acres (171,467.8 square feet).
- The land rental rate will increase from \$1.23 per square foot to \$1.30 per square foot, an increase of 5.7% from the 2021 Agreement, resulting in a land rent increase from \$210,905 to \$222,908 (\$18,575.68 per month).
- The minimum guaranteed payment (“MGP”) for cargo wharfage charges will be \$246,000, an increase of \$11,200 from the 2021 Agreement. The MGP is based on a cargo throughput of 80,000 short tons (same as 2021 Agreement) at a wharfage rate of \$3.08 per short ton, an increase of 4.8% from the 2021 Agreement.
- A new provision has been added to authorize the Port Director to relocate CRP to a different, additional, or reduced area land parcel within the Port with 90 days’ notice, and to modify the leasehold description and rent accordingly. This provides more flexibility to potentially relocate CRP as new land resulting from the Southport Turning Notch Extension project becomes available for use.

From October 2020 through September 2021, CRP imported and distributed over 117,000 short tons of steel products through Port Everglades. For the period between October 2021 and July 2022, CRP has imported over 126,000 short tons of steel products through the Port.

The New Agreement has been reviewed and approved as to form by the Office of the County Attorney. CRP is still completing a final review of the Agreement, and the receipt of signature pages will be noted on the Monday Night Memo before Commission action.

Source of Additional Information

Jorge A. Hernández, Director, Business Development Division, Port Everglades Department, (954) 468-3501

Josh Miller, Property Manager, Business Development Division, Port Everglades Department, (954) 468-3518

Fiscal Impact

Fiscal Impact/Cost Summary

The Port Everglades Department will realize guaranteed revenue of \$469,308 during the one-year term of the Marine Terminal Lease. Additional revenue will be generated from the marine charges associated with the vessels delivering the steel products to the Port, as well as if CRP exceeds minimum cargo throughput.