



Broward County

Legislation Text

File #: 21-1470, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Business Administration

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, 2021, and ending on September 30, 2022, finding that there is good cause for such waiver.

ACTION: (T-10:28 AM) Approved.

VOTE: 8-0. Commissioner Furr voted in the affirmative telephonically. Commissioner Ryan was not present.

ACTION: (T-10:49 AM) Through Mayor Geller, Commissioner Ryan requested being shown voting in the affirmative.

VOTE: 9-0.

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, 2021, and ending on September 30, 2022; and authorize the Mayor and Clerk to execute same.

ACTION: (T-10:28 AM) Approved.

VOTE: 8-0. Commissioner Furr voted in the affirmative telephonically. Commissioner Ryan was not present.

ACTION: (T-10:49 AM) Through Mayor Geller, Commissioner Ryan requested being shown voting in the affirmative.

VOTE: 9-0.

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 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 approximately 3.94 acres (171,467.8 square feet) of land in the Southport area at Port Everglades (see Exhibit 2). It provided for a seven-month term, with a retroactive start date of February 1, 2018, and ending on August 31, 2018. The Port Everglades Chief Executive/Port Director approved three additional one-year agreements since then, with the most recent agreement executed on September 28, 2020, for a term commencing on October 1, 2020, and ending on September 30, 2021 ("2020 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 of County Commissioners 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 tenant 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, Port Everglades, and the Office of the County Attorney held sunshined negotiations for the New Agreement on August 16, 2021. The primary business terms of the New Agreement are as follows:

- The one-year term will be from October 1, 2021, through September 30, 2022.
- The premises will remain the same; approximately 3.94 acres (171,467.8 square feet)
- The rental rate will increase from \$1.17 per square foot to \$1.23 per square foot, an increase of 5.4% from the 2020 Agreement. The annual rent will increase from \$200,628 to \$210,905.40 (\$17,575.45 per month)
- The negotiated minimum tonnage throughput of ocean-going break-bulk steel will increase from 75,000 to 80,000 short tons, and the negotiated cargo wharfage rate will increase from \$2.85 per short ton to \$2.94 per short ton, for a new Minimum Guaranteed Payment ("MGP") of \$235,200 for the lease term, an increase of \$21,450 from the 2020 Agreement.

From September 2019 through August 2020, CRP imported and distributed over 98,000 short tons of steel reinforcing bars through Port Everglades. During the 2020 Agreement's term, as of the end of July 2021, CRP has already imported and distributed over 97,000 short tons of steel reinforcing bars through the Port. Based on CRP's positive history with the Port, Port staff recommends approval of the New Agreement.

The New Agreement has been reviewed and approved as to form by the Office of the County Attorney.

Source of Additional Information

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

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

Fiscal Impact

Fiscal Impact/Cost Summary

The Port Everglades Department will realize guaranteed revenue of \$446,105 during the term of the Marine Terminal Lease. Additional revenue will be generated if CRP exceeds its MGP cargo throughput projections.