

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: October 30, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, DIRECTING THE CITY ADMINISTRATION TO DEVELOP A REQUEST FOR PROPOSALS ("RFP") FOR THE ESTABLISHMENT OF A WATER TAXI SERVICE BETWEEN ONE OR MORE LOCATIONS IN MIAMI BEACH AND ONE OR MORE LOCATIONS IN MIAMI AND TO PRESENT THE DRAFT RFP FOR THE APPROVAL BY THE CITY COMMISSION PRIOR TO ISSUANCE.

RECOMMENDATION

The City Administration ("Administration") recommends that the Mayor and City Commission ("City Commission") discuss this item and direct the Administration to prepare a competitive solicitation for water taxi service.

BACKGROUND/HISTORY

On March 27, 2023, at the request of Commissioner David Richardson, the City Commission referred an Item (C4 N) to the Finance and Economic Resiliency Committee ("FERC" or "Committee") to discuss implementing a water taxi/ferry service in the City of Miami Beach ("City"), and providing a potential subsidy for the program, in an effort to reduce the fares charged to passengers and promote an alternative mode of transportation between the cities of Miami Beach and Miami.

On June 28, 2023, the City Commission adopted Resolution No. 2023-32644 (Attachment A), waiving, by a 5/7th vote, the formal competitive bidding requirement and accepting the recommendation of the FERC at its May 24, 2023 meeting, directing the Administration to: 1) negotiate a one (1) year Agreement with Poseidon Ferry, LLC ("Poseidon") for a water taxi pilot program ("Pilot Program"); 2) identify funding; 3) identify locations where the operation will be conducted; and 4) define the City contribution and fare structure; and further requiring that the final Agreement be subject to approval by the City Commission.

Additionally, on June 28, 2023, the City Commission adopted Resolution No. 2023-32645 (Attachment B) directing the Administration to explore the possibility of developing a new dock for water taxi service and study the financial components, including grant funding opportunities, and add water taxi services to the City's legislative priorities. Additionally, Resolution No. 2023-32645 emphasized the importance of pursuing a competitive solicitation process for future water taxi services.

On September 13, 2023, the City Commission adopted Resolution No. 2023-32746 (Attachment C), approving the term sheet reflecting the essential business terms of the Pilot Program and authorizing the Administration to negotiate and execute a one (1) year Concession Agreement with Poseidon.

On March 14, 2024, the Concession Agreement between the City and Poseidon for a one (1) year Pilot Program was executed. The Concession Agreement provided for Poseidon to operate water taxi service using one (1) vessel operating between the floating dock in Maurice Gibb Memorial Park in Sunset Harbour and the Venetian Marina & Yacht Club in Miami, for approximately 11 hours a day, seven (7) days a week, at a cost to the City of \$600,000. The Pilot Program began on June 30, 2024. Since the launch of the Pilot Program, Poseidon's service faced significant operational challenges, including multiple mechanical failures, service suspensions, and ongoing customer service complaints. As a result, ridership remained low, with an average of 50 passengers per day.

At the July 24, 2024 City Commission meeting, Item C7 AH, sponsored by Vice-Mayor Fernandez, Commissioner Bhatt, and Commissioner Magazine, directing the Administration to terminate the Concession Agreement with Poseidon for material default, was referred to FERC for a discussion and then to return to the September 11, 2024 City Commission meeting.

During the July 26, 2024 FERC meeting, the Committee discussed this item and referred it to the September 11, 2024 City Commission meeting with a favorable recommendation to terminate the Concession Agreement with Poseidon due to Poseidon's material default.

At the September 11, 2024 City Commission meeting, the City Commission adopted Resolution No. 2024-33247 (Attachment D) terminating the Concession Agreement with Poseidon.

On September 16, 2024, the City issued a Notice of Default to Poseidon (Attachment E) terminating the Concession Agreement between the City and Poseidon.

ANALYSIS

On September 18, 2024, a Sunshine Meeting was held by Commissioner David Suarez to discuss and explore possible smaller-scale alternatives for a water taxi service. Vice-Mayor Alex Fernandez, Commissioner David Suarez, and Commissioner Laura Dominguez, along with other individuals and stakeholders, including Water Taxi Miami and Aqua Party Boat & Cruises, discussed potential alternatives to replace Poseidon. The recommendation from the Sunshine Meeting was to bring this item before the City Commission for further discussion and direct the Administration to prepare a competitive solicitation for future water taxi services. The goal of the competitive solicitation is to ensure that a future water taxi service is reliable, meets the needs of the community, and is procured through a transparent and competitive process.

The Administration recognizes the need for a reliable water taxi service to complement the City's multi-modal transportation network. In line with Resolution No. 2023-32645 (Attachment B), the Administration has actively pursued potential grants to offset expenses related to water taxi service. Currently, the Administration has applied for Fiscal Year 2025/2026 grant funding through the Florida Department of Transportation ("FDOT"), specifically under the Public Transit Service Development Program ("PTSD"). The PTSD provides financial assistance for projects that involve new services, technologies, or improvements to public transportation. The PTSD program requires a 50% local match and can fund projects for up to three (3) years. The City has a strong track record of securing PTSD funding, having successfully used this program to support the citywide trolley service for several years. However, FDOT has not yet announced the results or the recipients of this year's grant funding.

The Administration continues to research additional funding opportunities from both federal and state grant programs, and work with its local transportation partners to advance waterborne transportation initiatives. These grant programs, however, require detailed information regarding

the water taxi/ferry service, including, but not limited to, an implementation strategy with docking locations, routes, vessel criteria, ridership, detailed budget, timeline, proof of coordination with the regional transportation agencies, incorporation in the region's comprehensive transportation plans, and proof of local matching funds availability. At this time, the City does not have much of this information required to be eligible to submit an application for grant funding at the federal level.

It is worth noting that the Miami-Dade Transportation Planning Organization ("TPO") is currently conducting a regional study entitled "Feasibility of Implementing a Waterborne Transportation Network in Miami-Dade County." The study includes the cities of Miami and Miami Beach as well as other coastal communities and local transportation agencies. The City's Transportation and Mobility Department staff participates in the Project Working Group helping to guide the study process and shape the study recommendations. The TPO feasibility study is evaluating various potential water taxi/ferry routes, vessel options, and docking locations, including several potential docking locations in Miami Beach. The TPO feasibility study is anticipated to be completed by the end of 2024. The study findings and recommendations, including cost estimates and an implementation plan, will be instrumental in helping the Administration craft a scope of services, budget, and other information pertinent to developing a RFP or similar competitive solicitation document for future water taxi/ferry service in Miami Beach.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

N/A

CONCLUSION

Based on the operational challenges experienced during the Pilot Program and the need for a reliable and sustainable water taxi service, the Administration recommends proceeding with a competitive solicitation process to identify potential vendors with the ability, capacity, experience, and skill to operate an effective and efficient water taxi/ferry service.

In preparing the competitive solicitation for a future water taxi service, the Administration will draft a RFP with a scope of work that outlines the service expectations, including criteria related to service reliability, vessel specifications, ADA compliance, optimal docking locations, and integration with other modes of transportation for City Commission approval prior to issuance. This approach will ensure a transparent selection of a water taxi/ferry service operator that can meet the mobility needs of the City's residents, visitors, and workforce.

Additionally, the Administration's collaboration with the Miami-Dade TPO on the waterborne transportation feasibility study currently underway and ongoing efforts to secure grant funding,

including the current application for FDOT PTSD funds, demonstrates a proactive approach to offsetting operating costs and supporting the long-term viability of a water taxi/ferry service.

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s): N/A

Department

Transportation and Mobility

Sponsor(s)

Mayor Steven Meiner
Commissioner Tanya K. Bhatt
Commissioner Laura Dominguez
Commissioner Alex Fernandez
Commissioner David Suarez

Co-sponsor(s)

Commissioner Joseph Magazine

Condensed Title

Direct Administration to Develop RFP for a Water Taxi service.
(Meiner/Bhatt/Dominguez/Fernandez/Suarez/Magazine) TR