

St. Petersburg City Council Agenda Item
Meeting of August 2, 2018
Ferry Report

To: The Honorable Lisa Wheeler-Bowman, Chair and Members of City Council

Subject:

- A. A resolution authorizing the Mayor or his designee to accept a grant and execute a Joint Participation Agreement between the City of St. Petersburg, Florida, and the State of Florida Department of Transportation ("FDOT") for participation and financial assistance from FDOT in the Cross Bay Ferry seasonal service in an amount not to exceed \$438,131; approving a supplemental appropriation from the increase in the unappropriated balance of the General Fund (0001), resulting from this funding from FDOT, to the Transportation And Parking Management Department, Transportation Administration Division (2811797), Cross Bay Ferry Project (TBD).
- B. A resolution approving the interlocal agreement between the City of St. Petersburg, Florida, Pinellas County, Florida, City of Tampa, Florida, and Hillsborough County, Florida for funding for Season One of the seasonal (i.e., November 1 through April 30) ferry service; authorizing the City Attorney's Office to make non-substantive changes to the interlocal agreement; authorizing the Mayor or his designee to execute the interlocal agreement; approving a transfer in the amount of \$150,000 from the balance of the General Fund contingency for Fiscal Year 2018 to the Transportation and Parking Management Department, Transportation Administration Division (2811797) to provide the City's funding for Season One of the seasonal ferry service.
- C. A resolution approving the License and Operating Agreement between the City of St. Petersburg, Florida ("City"), and HMS Ferries, Inc. ("HMS") for HMS to manage and operate a seasonal passenger ferry service between St. Petersburg and Tampa for up to the next three years; authorizing the City Attorney's Office to make non-substantive changes to the license and operating agreement; authorizing the Mayor or his designee to execute the License and Operating Agreement.

Explanation:

On June 7, 2018, Council adopted resolution 2018-292 which affirmed the City's commitment of \$150,000 for a water ferry service and supported City Administration's development, negotiation and review of the three agreements necessary to bring forth a seasonal passenger ferry service between St. Petersburg and Tampa that would operate annually from November 1 through April 30 for up to three years. The agreements include a Joint Participation Agreement (JPA) with FDOT to provide grant funding in support of the passenger ferry service operations, an interlocal agreement with the City of Tampa, Pinellas County, and Hillsborough County to also provide funding for Season One of passenger ferry service, and a License and Operating Agreement between the City and HMS for the management and operations of the passenger ferry service.

The JPA with FDOT provides for FDOT's participation and financial assistance in the amount of \$438,131 to support the seasonal passenger ferry service operations over the next three years. The funds may be used to support not more than 50% of the cost of the operations. To preserve the

opportunity for FDOT funds to be used in each of three years of seasonal service, it is anticipated that \$148,000 would be allocated for service in Season One, while \$145,000 would be reserved for use in each of the remaining seasons. The JPA will commence after execution by the parties and will expire on June 30, 2021 (which is after the conclusion of the third season of service). As is typical of the City's grant projects with FDOT, the grant funding is available to the City on a cost-reimbursement basis.

An interlocal agreement between the City of St. Petersburg, City of Tampa, Hillsborough County, and Pinellas County allows for funding contributions from each participating jurisdiction to be provided in support of the passenger ferry service. The interlocal agreement addresses the purpose of the project and describes the ferry services to be provided. It indicates the City of St. Petersburg will retain responsibility for negotiating the License and Operating Agreement with HMS, and requires each governmental entity to pay the City of St. Petersburg a total of \$150,000 prior to November 1, 2018 for the first season of service. Also addressed in the interlocal agreement is the apportionment to the local governments of revenue sharing as the License and Operating Agreement indicates the operating revenues in excess of \$400,000 will be shared on a 50/50 basis with HMS and the City. Finally, the term of the interlocal agreement spans only the first season of service and indicates a new interlocal agreement will be required to provide additional seasons of service and would address funding at that time.

Council resolution 2018-292 also noted the City's funding commitment for the passenger ferry service would be subject to future appropriations. To begin the first season of service on November 1, 2018, an appropriation in the amount of \$150,000 is now necessary to complement the funding provided by FDOT and the governmental partners and satisfy the total governmental responsibility of \$747,332. It was noted as part of the FY18 Budget Final Public Hearing presentation in September 2017 that, pending partner investment, \$150,000 of the FY18 contingency amount was intended to be reserved for ferry investment.

The approved Business and Operations Plan, included in the June 7, 2018 Council item has formed the basis for the License and Operating Agreement with HMS. Per the agreement, the passenger ferry service would commence on November 1 and end no sooner than April 30 each year for up to the next three years (2018-2019, 2019-2020, 2020-2021). It generally includes a minimum of thirty-two (32) one-way trips each week. Trips will start at mid-day and run through the evening, and vary by day of the week. The schedule may be adjusted from time to time by mutual written agreement of the City and HMS to allow the ferry to provide service that is responsive to special events such as Rays and/or Lightning games, Gasparilla, and the St. Pete Grand Prix. Notification that the City intends to move forward with the second and third seasons of service would be required by August 1, 2019 and August 1, 2020, respectively.

The License and Operating Agreement also provides HMS with a license to occupy and use a certain portion of the submerged land area lying within the North Yacht Basin and the adjacent upland area to provide the passenger ferry service. Certain maintenance responsibilities for those areas are assigned to HMS as a condition of the use. The Agreement also provides for scenarios for relocation of the ferry service to the St. Pete Pier™ following Season One.

Cost:

Collectively, the JPA with FDOT and its planned allocation for Season One of service, when combined with the funding provided from the participating governments that are a party to the Interlocal Agreement and the City's appropriation when allocated from the FY18 General Fund contingency are sufficient to cover the maximum government contribution of \$747,332. A breakdown is as follows:

Planned FDOT grant funding -	\$148,000	Season One
	\$145,000	Season Two
	<u>\$145,000</u>	Season Three
	\$438,000	
Season One Cost Share breakdown -	\$147,332	FDOT
	\$150,000	City of St. Petersburg
	\$150,000	Pinellas County
	\$150,000	City of Tampa
	<u>\$150,000</u>	Hillsborough County
	\$748,000	

It should be noted that the maximum amount owed to HMS is \$747,332 for Season One of service since the total cost is \$947,332 and HMS is guaranteeing the first \$200,000 in revenue to bring down the government contributions. Any revenues over \$200,000 and less than \$400,000 shall be retained by HMS for their compensation. If revenues exceed \$400,000, funds will be shared 50/50 with HMS and the City. Per the interlocal agreement, the City would then share the revenue equally amongst the participating governments.

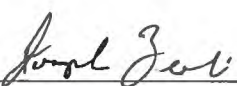
Recommendations: Administration recommends that Council adopt the attached resolutions, authorizing the Mayor or his designee to accept a grant and execute a Joint Participation Agreement between the City of St. Petersburg, Florida, and the State of Florida Department of Transportation ("FDOT") for participation and financial assistance from FDOT in the Cross Bay Ferry seasonal service in an amount not to exceed \$438,131; approving a supplemental appropriation from the increase in the unappropriated balance of the General Fund (0001), resulting from this funding from FDOT, to the Transportation And Parking Management Department, Transportation Administration Division (2811797), Cross Bay Ferry Project (TBD); approving the interlocal agreement between the City of St. Petersburg, Florida, Pinellas County, Florida, City of Tampa, Florida, and Hillsborough County, Florida for funding for Season One of the seasonal (i.e., November 1 through April 30) ferry service; authorizing the City Attorney's Office to make non-substantive changes to the interlocal agreement; authorizing the Mayor or his designee to execute the interlocal agreement; approving a transfer in the amount of \$150,000 from the balance of the General Fund contingency for Fiscal Year 2018 to the Transportation and Parking Management Department, Transportation Administration Division (2811797) to provide the City's funding for Season One of the seasonal ferry service; approving the License and Operating Agreement between the City of St. Petersburg, Florida ("City"), and HMS Ferries, Inc. ("HMS") for HMS to manage and operate a seasonal passenger ferry service between St. Petersburg and Tampa for up to the next three years; authorizing the City Attorney's Office to make non-substantive changes to the license and operating agreement; authorizing the

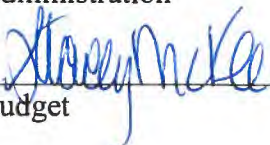
Mayor or his designee to execute the License And Operating Agreement; and providing an effective date for all such resolutions.

Attachments:


- (1) Resolution related to the Joint Participation Agreement with FDOT
- (2) Resolution related to the Interlocal Agreement
- (3) Resolution related to the License and Operating Agreement
- (4) Current draft of the Joint Participation Agreement with FDOT
- (5) Current draft of the Interlocal Agreement
- (6) Current draft of the License and Operating Agreement

Approvals:


Administration


Budget


Date


Date

RESOLUTION NO. 2018 _____

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ACCEPT A GRANT AND EXECUTE A JOINT PARTICIPATION AGREEMENT BETWEEN THE CITY OF ST. PETERSBURG, FLORIDA, AND THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION ("FDOT") FOR PARTICIPATION AND FINANCIAL ASSISTANCE FROM FDOT IN THE CROSS BAY FERRY SEASONAL SERVICE IN AN AMOUNT NOT TO EXCEED \$438,131; APPROVING A SUPPLEMENTAL APPROPRIATION FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE GENERAL FUND (0001), RESULTING FROM THIS FUNDING FROM FDOT, TO THE TRANSPORTATION AND PARKING MANAGEMENT DEPARTMENT, TRANSPORTATION ADMINISTRATION DIVISION (2811797), CROSS BAY FERRY PROJECT (TBD); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Petersburg, Florida ("City") applied for a service development grant through the State of Florida Department of Transportation ("FDOT") for funding for the return of the Cross Bay Ferry Seasonal service; and

WHEREAS, the FDOT has agreed to participate and provide financial assistance for the return of the Cross Bay Ferry Seasonal Service, which shall commence operations in November 2018; and

WHEREAS, as a requirement for FDOT's participation and financial assistance in the Cross Bay Ferry Seasonal Service, the City must enter into a Joint Participation Agreement setting forth the obligations of FDOT and the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that the Mayor or his designee is authorized accept a grant and execute a Joint Participation Agreement between the City of St. Petersburg, Florida and the State of Florida Department of Transportation ("FDOT") for participation and financial assistance from FDOT in the Cross Bay Ferry Seasonal Service in an amount not to exceed \$438,131.

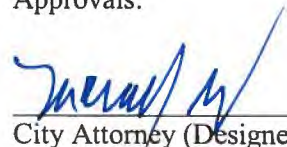
BE IT FURTHER RESOLVED that there is hereby approved from the increase in the unappropriated balance of the General Fund (0001), resulting from the funding from FDOT, the following supplemental appropriation for FY 2018:

General Fund (0001)

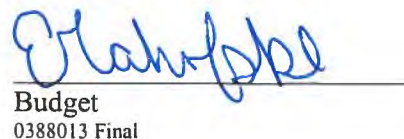
Transportation and Parking Management Department, Transportation Administration Division (2811797), Cross Bay Ferry Project (TBD)	\$438,131
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This resolution shall become effective immediately upon its adoption.

Approvals:


City Attorney (Designee)


Administration


Budget
0388013 Final