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10:30AM

MEMORANDUM

To: The Honorable Jack Webb, City Council President
From: The Honorable Ray Holt, Seaport and Airport Special Committee Chair
RE: Answer to request for Seaport and Airport Special Committee Report

As required by the memorandum which extended the life of the committee for an additional year, attached please find the final report of the Seaport and Airport Special Committee. The committee does not recommend any specific legislation regarding seaport or airport issues at this time.

We appreciate the opportunity to have been of service.

RH/ch

cc: Jessica Stephens, Legislative Services
Jeffrey Clements, Chief of Research
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SEAPORT/AIRPORT SPECIAL COMMITTEE 2010-11 ANNUAL REPORT

The following is a summary of the highlights of the committee's findings from its meetings in 2010-11:

Jacksonville Aviation Authority

- JAA will be implementing a branding campaign shortly to education the general public about what the JAA is and does and its economic impact on the community.
- The authority is working in Washington to help get all of the FAA programs reauthorized. Both houses of Congress have legislation pending that would expand the program for funding civilian use of former military airports from 1 to 3 facilities per jurisdiction, which would open up a funding mechanism for Cecil Commerce Center.
- On May 19, 2011, JetBlue inaugurated non-stop flights to San Juan, Puerto Rico. This service will open up the Jacksonville market to further Caribbean and Central American destinations, and since the plane will be arriving here from and returning to Boston, will provide additional service to the important Boston market.
- On June 5, 2011, Southwest Airline began its new non-stop service to Denver, opening up new options to the western U.S.
- Passenger traffic at JIA has been up in 6 of the last 8 months.
- The Florida Department of Transportation has agreed to transfer its \$3 million grant originally intended for the Alenia project at Cecil Commerce to the construction of a second spec hangar at the airport. The first spec hangar was quickly leased by the U.S. Navy and the JAA has a potential client interested in the second hangar.
- The authority is also working with the State of Florida on funding for infrastructure improvements on the east side of Cecil Commerce (taxiway and construction, a new "spine" road, etc.) to make the airport more ready for immediate project development.
- The Cecil Spaceport Master Plan is well underway, and is a combination of both a development master plan and a business plan. The authority is working with Space Florida and hoping that the state will make available economic development funding to assist with the spaceport.
- FDOT is installing more and better directional signage to Jacksonville Executive at Craig Airport.

Jacksonville Port Authority

- Florida ports had their most successful legislative session in memory in terms of funding appropriations for port projects (\$117 million this session, up from \$8 million last year). The Governor wants to make another \$55 million available, from which Jaxport has requested \$15 million for dredge spoil site expansion to match \$11 million from the Army Corps of Engineers. The port's existing spoil disposal sites are rapidly filling up.
- The authority is also seeking \$40 million in funding for the Mile Point corrective project. They have lobbied in Washington and Tallahassee for funding, but more importantly need Congressional authorization to the Army Corps of Engineers to do the project. They are seeking an avenue to get the authorization inserted in a pending transportation bill. This is Jaxport's most pressing short-term problem because it limits fully loaded ships to only 8 hours per day when they can enter the port on favorable tides.
- Dredging of the river to 48-50 feet to enable the port to service post-Panamax ships is vitally important to the port's future. The Panama Canal widening should be completed in 2014 and larger ships from Asia will be calling on East Coast ports. Jacksonville needs to be ready to meet the needs of those shippers when the time comes to remain competitive with other East Coast ports such as Norfolk, Charleston and Savannah.
- The legislature repealed the state's duplicative port employee security badge requirement which will save money for the port and its customers.
- The Hanjin terminal project is on hold until the dredging picture becomes clearer. The federal funding hold-up is affecting all ports, so Jacksonville is not falling behind other ports in that respect.
- The cruise terminal decision is on hold for the time being. Jacksonville won't get an appropriate return on its investment on a cruise ship terminal without having 2 ships serving this market. The cruise lines are tough negotiators and won't sign long-term agreements like other port users do. Carnival Cruises has pulled out of the Mobile market, leaving the port without a tenant to pay the debt service on the terminal the port built.
- The authority is working on a TIGER grant to fund on-dock rail at the Dames Point terminal, which Jacksonville needs to be competitive with other ports. Currently we carry containers by truck from the port terminals to the Westside rail yards to be put on trains for shipment.
- The authority is working on a port master plan with an in-depth analysis of future performance and return on investment projections. The port has a list of \$1.2 billion in capital needs, including dredging, new dredge spoil sites, on-dock intermodal rail, the Hanjin terminal, a cruise ship terminal and dock repairs.