


MIAMI BEACH

OFFICE OF THE MAYOR AND COMMISSION MEMORANDUM

TO: Rafael Granado, City Clerk

FROM: John Elizabeth Alemán, Commissioner 

DATE: July 19th, 2016

RE: Streetcar Project Item R9A 07/20/2016 Commission Agenda

I withdraw my motion to reconsider with respect to the Lightrail/Modern Streetcar Project (Item R9A on our 07/20/2016 Commission Agenda).

I have received the attached letter dated 07/19/2016 from Greater Miami Tramlink Partners (GMTP) that addresses the concerns that I had subsequent to our July 13, 2016 City of Miami Beach Commission Meeting.

Let me reiterate that I am 100% supportive of the light rail initiative. Indeed, it was one of the reasons that I ran for office: to help ensure that the work of the Mayor and Commission, City Manager and Staff was able to come to fruition to address our #1 quality of life issue in Miami Beach, which is traffic and congestion, through the implementation of viable world-class mass transit.

The Light Rail Streetcar project is just the first step in our long term vision. **Meaningful regional traffic relief will only fully materialize with the connection over the MacArthur Causeway and into Miami.**

After our 7/13/16 Commission meeting, I spoke with Miami Mayor Regalado and learned that Miami could possibly reject the Memorandum of Understanding for initial funding from Miami-Dade County, FDOT, and the cities of Miami and Miami Beach for the preliminary work for a rail project across the MacArthur Causeway ("Baylink") if (1) issues of interoperability were not resolved and (2) state and federal funding were jeopardized. **Prioritization of the "Baylink" is critical. Therefore, system interoperability between the cities of Miami Beach and Miami is critical, and federal funding eligibility is a necessary element for any provider ultimately selected for the Baylink and Miami mainland rail portions of the project.**

Interoperability can take two forms: (1) technical compatibility wherein track, charging and other infrastructure operate effectively between two separate operators, or (2) a sole operator across the entire system. The implication of the former is that there would be Miami Beach looping trains on a schedule, and separate trains that would go back and forth between the two cities on the same tracks. This would drive variations in train

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cars as well as scheduling constraints. The latter (sole operator) would be a truly unified system with consistent equipment, and here it is relevant that only GMTP can provide a solution over the causeway completely free of overhead cables.

All of these considerations led me to conclude that it was necessary at this time to obtain commitments from GMTP to obtain federal funding eligibility & prove interoperability. If assurances could not be obtained on those 2 items, then a different approach would be needed. **I am satisfied that GMTP has provided such assurances in their letter to me, and would request that the spirit of these considerations carry throughout the interim agreement negotiations.**

I would add that federal funding eligibility has further implications for Miami Beach as well. Our ability to expand the Miami Beach light rail system up Collins Avenue, across the Julia Tuttle Causeway, or other such extensions will depend on our access to county, state and federal funding dollars in the future. **Because GMTP has committed to pursuing federal funding eligibility, the City of Miami Beach will be able to pursue federal dollars for future extensions, even though the City Commission determined that the proposed initial loop will not be subject to federal requirements.**

Of course, if GMTP and the City cannot satisfactorily negotiate terms for an interim agreement, or if GMTP cannot demonstrate interoperability or federal funding eligibility for project extensions during the interim agreement period, the City should consider taking the necessary steps to negotiate with the second-ranked proposer.

Finally, I am pleased to learn that as of today, both the City of Miami and the County have approved the MOU related to the broader interoperable program, demonstrating the necessary initial support from our regional partners for a rail connection across the Macarthur Causeway that will provide a meaningful traffic solution for our City and Miami-Dade County.

If you have any questions please do not hesitate to call our office at ext.6473.

Thank you!

MIAMIBEACH

Commissioner John Elizabeth Alemán

OFFICE OF MAYOR AND COMMISSION

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GREATER MIAMI TRAMLINK PARTNERS



July 19, 2016

Commissioner John Elizabeth Aleman
 City of Miami Beach Commissioner
 1700 Convention Center Drive, 4th Floor
 Miami Beach, FL 33139

Dear Commissioner Aleman:

Thank you for taking the time to meet with Greater Miami Tramlink Partners ("GMTP") last Friday (July 15) to discuss the Miami Beach Streetcar Project. During our conversation, you raised a number of important questions regarding several key aspects of this project, including the interplay between the Miami Beach Streetcar Project and the larger Beach Corridor Transit Connection Project that will connect the City of Miami Beach to the City of Miami. At your request, we submit this letter to summarize some of the key points discussed during our meeting. We look forward to continuing our dialogue with the City Commission and Administration in the months to come and discussing these points in the context of the Interim Agreement and/or the Comprehensive Agreement.

- **Guaranteed Connectivity:** We understand there is a strong desire for the streetcar system to connect with the City of Miami via the MacArthur Causeway as part of the broader Beach Corridor Transit Connection Project or Baylink (the "Project") in order to achieve maximum ridership and provide meaningful regional traffic relief. We also acknowledge that the City of Miami Beach is keen on ensuring that the City of Miami and Miami-Dade County approve a Memorandum of Understanding ("MOU") concerning the Project. It is our understanding that the City of Miami approved the MOU during last week's City Commission meeting and the Board of County Commissioners approved the MOU during today's County Commission meeting.
- **Interoperability:** We are fully committed to ensuring that riders of the Miami Beach Streetcar enjoy a seamless journey across the causeway into the City of Miami, and vice-versa. This requires that our system be fully interoperable with any trains or technology used for future expansions of the Project. As stated in our proposal and reaffirmed during our recent conversation, our proposed system is fully interoperable. It is an "open source" system that can be used by other trains using adaptive equipment that is available through third-parties. We look forward to providing additional information regarding the mechanics of Alstom's interoperable technology that the City of Miami Beach and its advisers may request during the Interim Agreement phase.

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- **Federal Eligibility:** While the City of Miami Beach has decided not to pursue federal funds because of the lengthy and speculative application process, we understand that other portions of the Project may be partially funded with federal dollars. We are also sensitive to your concern that the team selected for the Miami Beach Streetcar Project should, at a minimum, be eligible to compete for any future federally-funded expansions of the streetcar system, including the causeway connection. Please accept our assurances that, as any federally-funded expansions of the Project move forward, GMTP's rolling stock provider, Alstom, will take appropriate actions to pursue eligibility for these federally-funded expansions of the Project.
- **Price Comparison:** We understand that the Mayor and City Commission, as stewards of the public trust, are adamant that the City must receive a verifiably fair price proposal before executing a Comprehensive Agreement for the Miami Beach Streetcar project. As discussed, our team must invest at least six months – and millions of dollars – preparing preliminary design and conducting due diligence to arrive at a fixed price proposal. We fully expect that the Administration will compare our price proposal to the cost for similar wireless systems throughout the world in order to ensure a fair price. In addition, we encourage the City of Miami Beach to conduct and/or obtain a benchmark analysis based on any industry price standards that may be available.

We hope this letter provides the additional clarifications you requested on several key aspects of this important project. If you have more questions or require further clarification, please let us know. We fully appreciate the tremendous responsibility that comes with our partnership with the City of Miami Beach and look forward to working together to deliver a world-class transit solution to the residents of Miami Beach.

Sincerely,

Kevin Healy - Authorized Representative of Greater Miami Tramlink Partners
Investment Director
InfraRed Capital Partners (US) LLC