

THE BOND BUYER

Miami-Dade County delayed its \$500M seaport deal due to rising rates

By

[Chip Barnett](#)

Published

November 15, 2023, 11:00 a.m. EST

Miami-Dade County, Florida's almost \$500 million taxable seaport revenue bond deal, which was expected in late summer was postponed due to rising interest rates but is still expected to be sold.

The postponement affected the [planned sale of the \\$499.2 million](#) of Series 2023 senior lien seaport revenue bonds to be issued by Miami-Dade County on behalf of the county's Seaport Department, PortMiami.

"This allowed the Miami-Dade County Seaport Department and Royal Caribbean Group to rebalance the agreements related to this transaction," PortMiami told The Bond Buyer.



A cargo ship lies moored at PortMiami last month. The port's bond deal has been postponed. *Bloomberg News*

[Proceeds](#) from the deal, along with additional monies, were to be used to fund the costs of the Royal Caribbean Cruises Ltd. campus project as well as a debt service reserve fund.

The project consists of the development and construction of an office campus at the port to serve as the global headquarters for Royal Caribbean, including a building and various improvements to parking and other portions of the campus.

On Monday, Fitch Ratings withdrew its A rating on the Series 2023 bonds.

"Fitch has withdrawn the ratings as the forthcoming debt issue carrying a rating is no longer expected to proceed as previously envisaged," the rating agency said.

While the Series 2023 seaport deal has been postponed for now, it is expected that it will be coming to the market in the months ahead.

"The transaction is moving forward and new ratings are expected in the near future," PortMiami said.

In July, Fitch assigned an A rating with a stable outlook to the deal.

"The rating reflects PortMiami's fundamental operating strengths, including its global leading cruise port market position and its role as one of the largest ports in the state of Florida in terms of cargo volume," Fitch said at the time.

Fitch noted its rating was "further supported by the port's substantial, long-term contractual minimum annual guarantees with both cruise and cargo operators, which have historically helped to insulate port revenues from volume and passenger volatility."

PortMiami is a leading cruise and cargo port of call in the United States and benefits from historically stable revenue streams from diversified business lines. Port cargo volumes and cruise passengers have grown substantially over the past 10 years, except for fiscal 2020 during the COVID-19 pandemic.

In fiscal 2022, more than 4 million cruise passengers passed through the port and its cargo operations processed 1.2 million TEUs, or twenty-foot equivalent units, which is a unit of measurement used to determine cargo capacity for container ships and terminals.

Since 2012, the county has sold about \$2.4 billion of bonds for the port, with the most issuance occurring in 2021 when it offered \$1.24 billion.

[That sale](#), which was priced by Wells Fargo Securities, won The Bond Buyer's [Deal of the Year](#) award. The financing was the largest port transaction to come to market in the country since the start of the COVID-19 pandemic and the high demand for the bonds highlighted investor confidence in the seaport sector.

In November, voters approved a [charter amendment](#) by an almost four-to-one margin which requires voter approval if the County Commissioners want to transfer the ownership or the governing authority of PortMiami, the Miami International Airport or the Miami-Dade Expressway Authority to the state for any reason.