



Broward County

Legislation Text

File #: 21-1800, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Business Administration

Information

Requested Action

MOTION TO APPROVE Port Everglades Passenger Cruise Terminal and Berth User Agreement between Broward County and Balearia Caribbean Ltd., Corp., for passenger cruise/ferry operations from Port Everglades to the Bahamas with related roll on/roll off cargo transportation services, for a one-year term beginning on December 1, 2021; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

Broward County Board of County Commissioners' approval is required to approve the Port Everglades Passenger Cruise Terminal and Berth User Agreement between Broward County and Balearia Caribbean Ltd., Corp.

What Action Accomplishes

Approves the Port Everglades Passenger Cruise Terminal and Berth User Agreement between Broward County and Balearia Caribbean Ltd., Corp.

Is this Action Goal Related

Yes

Previous Action Taken

None

Summary Explanation/Background

THE PORT EVERGLADES DEPARTMENT RECOMMENDS APPROVAL.

This action supports the Broward County Board of County Commissioners' ("Board") Value of "Ensuring economic opportunities for Broward's diverse population and businesses" and the Goal to "Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs."

Balearia Caribbean Ltd., Corp. ("Balearia"), has been operating a fast ferry for passengers and cargo services between Port Everglades and the Bahamas since 2011. On April 6, 2021 (Item No. 12), the Board approved the Port Everglades' Passenger Cruise Terminal and Berth User Agreement ("Prior Agreement") between Broward County and Balearia to conduct and operate cruise passenger services at Port Everglades for a one-year term commencing retroactively to December 1, 2020, and expiring on November 30, 2021. Balearia has requested the renewal of the Prior Agreement (see Exhibit 1).

Representatives from the Port Everglades Department, the Office of the County Attorney, and Balearia held sunshined negotiations on October 5, 2021, to discuss the terms of a new agreement. The primary business terms of the new agreement are as follows:

- Due to continuing uncertainty over the long-term impacts of COVID-19 on both Balearia and the Port's multi-day cruise lines, the agreement's term is for one year, beginning on December 1, 2021, and expiring on November 30, 2022.
- Passenger cruise terminal(s) and passenger-cargo berth(s), or other Port facilities, will be assigned to Balearia on a non-exclusive basis, based on availability; however, it is anticipated that Balearia will operate primarily out of Cruise Terminal 21 during the period of this agreement.
- Balearia's fast ferry "Jaume II" will be the Designated Vessel for this agreement. However, Balearia may substitute for the Designated Vessel with a comparable vessel with prior approval of the Port. Balearia may use the Designated Vessel to conduct, operate, and market passenger cruise/ferry operations between Port Everglades and the Bahamas, with related roll on/roll off cargo transportation services.
- The Port User Fee for the Designated Vessel will be \$39,194 per month ("Port User Fee").
- The monthly Port User Fee includes six operating hours of Port Terminal use per day; any use of a Terminal for more than six operating hours from first use on any given day shall be billed to Balearia at the rate of \$200 per hour.
- The passenger wharfage charges (per passenger move, i.e., embark, debark, in-transit) for the Designated Vessel are as follows:
 - For the first 75,000 passengers: \$1.30 per passenger move
 - 75,001 to 150,000 passengers: \$1.96 per passenger move
 - 150,001 to 225,000 passengers: \$2.61 per passenger move
 - 225,001 passengers or greater: \$3.27 per passenger move
- Balearia may deploy a second Non-Designated Vessel to Port Everglades, for lay-in purposes only, with prior approval of the Port.
- For each month or portion thereof that a Non-Designated Vessel is berthed at Port Everglades, the Port User Fee for that month will increase by \$5,000.
- The monthly Port User Fee is charged in lieu of published Tariff rates for the Designated Vessel and Non-Designated Vessel for dockage, harbormaster fees, linehandler fees, terminal overtime, terminal electricity, wharfage rates for cruise passengers, security fees, and sworn law enforcement.
- Balearia will pay all wharfage charges for cargo carried per the rates in the published Tariff.

Balearia has continued to operate the Jaume II at Port Everglades for either cargo or passenger ferry service to and from Freeport and Bimini throughout the COVID-19 pandemic in compliance with CDC guidelines, with sailings up to six days per week resulting in passenger throughput of 44,738

passengers from the resumption of passenger service in February 2021 through August 2021, generating \$307,568 in revenue for the Port during that seven month period.

The Agreement has been reviewed and approved as to form by the Office of the County Attorney.

Source of Additional Information

Jorge A. Hernández, Director, Business Administration Division, Port Everglades Department, (954) 468-3501

Fiscal Impact

Fiscal Impact/Cost Summary

The County will receive guaranteed revenue of \$470,328 during the one-year term of the Agreement. The County will also receive additional revenue based on Balearia's actual passenger and cargo throughput.