



Broward County

Legislation Details (With Text)

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Status: Agenda Ready

In control: PORT EVERGLADES DEPARTMENT

On agenda: 4/6/2021 **Final action:** 4/6/2021

Title: 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 retroactively on December 1, 2020; and authorize the Mayor and Clerk to execute same.

Sponsors:

Indexes: Established Commission Goals

Code sections:

Attachments: 1. Exhibit 1 - Balearia Agreement, 2. Exhibit 2 - Balearia Caribbean Letter dated July 16, 2020

Date	Ver.	Action By	Action	Result
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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 retroactively on December 1, 2020; 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 from Port Everglades to the Bahamas since 2011. On October 27, 2015 (Item No. 9), the Board approved the Port Everglades' Passenger Cruise Terminal and Berth User Agreement ("Prior Agreement") between Broward County, Balearia, and GESNA Caribbean Ltd. (Balearia's guarantor) to conduct and operate cruise passenger services at Port Everglades for a five-year term commencing December 1, 2015 and expiring on November 30, 2020.

On July 16, 2020, Balearia sent a letter to the Port Everglades Department ("Port") Chief Executive & Port Director (see Exhibit 2), requesting renewal of the Prior Agreement with modifications to account for the demolition of Balearia's former operating location at Cruise Terminal 1 in 2019 as part of the Broward County Convention Center expansion project, as well as Balearia's future business growth plans for the region.

Port staff held several fact-finding meetings with representatives from Balearia to discuss the requests in the letter as well as the impact of COVID-19 on Balearia's future operations. Those discussions led to sunshined negotiations being held on November 12, 2020, with representatives from Balearia, the Port, and the Office of the County Attorney 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, retroactive to December 1, 2020.
- 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.
- Balearia's fast ferry "Jaume II" will be the Designated Vessel for this agreement, however a comparable vessel may be substituted with prior approval of the Port. Balearia may use the Designated Vessel to conduct, operate, and market passenger cruise/ferry operations from Port Everglades to the Bahamas with related roll on/roll off cargo transportation services.
- Balearia may deploy a second Non-Designated Vessel to Port Everglades, for lay-in purposes only, with prior approval of the Port.
- The Port User Fee for the Designated Vessel will be \$37,868 per month ("Port User Fee").
- 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 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 \$150 per hour.

- The passenger wharfage charges (per passenger move, i.e., embark, debark, in-transit) remain unchanged from the Prior Agreement and are as follows:
 - For the first 75,000 passengers: \$1.26 per passenger move.
 - 75,001 to 150,000 passengers: \$1.89 per passenger move.
 - 150,001 to 225,000 passengers: \$2.52 per passenger move.
 - 225,001 passengers or greater: \$3.16 per passenger move.
- Such fees are in lieu of published Tariff rates for the Designated Vessel and Non-Designated Vessel for dockage, harbormaster fees, linehandler fees, terminal overtime, terminal electric, wharfage rates for cruise passengers, security fees, and sworn law enforcement.
- Balearia will pay all wharfage charges for cargo, if any, pursuant to the Tariff.
- Given Balearia's good payment history with the County, GESNA Caribbean Ltd, the guarantor in the Prior Agreement, is not a party to the new agreement.

Balearia's throughput from Fiscal Year 2016 through the end of Fiscal Year 2020 was 576,458 passenger moves, generating \$3,730,160 in revenue for the Port. For Fiscal Year 2021, due to Bahamian Government COVID-19 travel restrictions, Balearia did not resume operations with passengers until February 11, 2021, with a limited three sailings per week to Freeport and Bimini. However, Balearia paid the Port \$137,408 through the end of January 2021, to cover the use of Port facilities for their continuing cargo operations.

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 \$454,419 during the one-year term of the Agreement. The County will also receive additional revenue based on Balearia's actual passenger and cargo throughput.