



Broward County

Legislation Text

File #: 22-1680, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Business Development

Information

Requested Action

A. MOTION TO WAIVE competitive selection requirements set forth in Section 32.4(h) of the Broward County Administrative Code in accordance with Section 32.10 of the Broward County Administrative Code to enter into a Passenger Cruise Terminal and Berth User Agreement with Balearia Caribbean Ltd., Corp., for a one-year term beginning December 1, 2022, finding that there is good cause for such waiver.

ACTION: (T-10:50 AM) Approved.

VOTE: 7-0. Commissioner Moskowitz was not present.

B. 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, 2022; and authorize the Mayor and Clerk to execute same.

ACTION: (T-10:50 AM) Approved.

VOTE: 7-0. Commissioner Moskowitz was not present.

Why Action is Necessary

A. Board approval is required to waive the competitive selection requirements set forth in Section 32.4(h) of the Broward County Administrative Code in accordance with Section 32.10 of the Broward County Administrative Code to enter into a Passenger Cruise Terminal and Berth User Agreement with Balearia Caribbean Ltd., Corp.

B. 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

A. Waives the competitive selection requirements set forth in Section 32.4(h) of the Broward County Administrative Code.

B. 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 November 4, 2021 (Item No. 5), the Board approved the most recent 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 on December 1, 2021 and expiring on November 30, 2022. Balearia has requested the renewal of the Prior Agreement.

Representatives from the Port, the Office of the County Attorney, and Balearia held sunshined negotiations on August 29, 2022, to discuss the terms of a new agreement. The primary business terms of the new agreement are as follows:

- The term of the new one-year Agreement is for the period from December 1, 2022, through November 30, 2023.
- 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, Balearia may substitute a comparable vessel for the Designated Vessel 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 \$42,000 per month ("Port User Fee"). This is an increase of 7.2% from the Prior Agreement.
- 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 \$7,000. This is an increase of 40% from the \$5,000 fee in the Prior Agreement and was increased to account for changes in port costs since this fee was last adjusted in 2015.

- 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 \$275 per hour. This is an increase of 37.5% from the Prior Agreement and was increased primarily to account for higher cost for providing sworn law enforcement in the cruise terminal during operations.
- The passenger wharfage charges (per passenger move, i.e., embark, debark, in-transit) are as follows:
 - For the first 75,000 passengers: \$1.40 per passenger move
 - 75,001 to 150,000 passengers: \$2.06 per passenger move
 - 150,001 to 225,000 passengers: \$2.71 per passenger move
 - 225,001 passengers or greater: \$3.37 per passenger move

This is an increase of \$.10 per passenger move from the Prior Agreement.

- Such fees are in lieu of published Tariff rates for the Designated Vessel and Non-Designated Vessel for dockage, harbor master fees, linehandler fees, terminal overtime, terminal electric, wharfage rates for cruise passengers, security fees, and sworn law enforcement in the terminal.
- Balearia will pay all wharfage charges for cargo, if any, according to the Tariff.

Balearia operates sailings to and from Freeport and Bimini, Bahamas up to six days per week. In contract year 2021, Balearia's throughput was 58,128 passengers, generating a total of \$641,616 in revenue for the Port. For the current contract year through September 2022, Balearia's throughput was 87,618 passengers, generating a total of \$581,431 in revenue for the Port.

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 Development Division, Port Everglades Department, (954) 468-3501

Josh Miller, Property Manager, Business Development Division, Port Everglades Department, (954) 468-3518

Fiscal Impact

Fiscal Impact/Cost Summary

The County will receive guaranteed revenue of \$504,000 during the one-year term of the Agreement. The County will also receive additional revenue based on Balearia's actual passenger and cargo throughput.