



Broward County

Legislation Details (With Text)

File #:	20-2377	Version:	1	Status:	Agenda Ready
				In control:	PORT EVERGLADES DEPARTMENT
On agenda:	1/26/2021	Final action:	1/26/2021		
Title:	MOTION TO APPROVE First Amendment to the Marine Terminal Lease and Operating Agreement between Broward County and H.T. Shipping, Inc. and Hybur Ltd. as guarantor, to provide for an extension of the lease term for an additional five years, and a modified rental rate; and authorize the Mayor and Clerk to execute same.				
Sponsors:					
Indexes:	Established Commission Goals				
Code sections:					
Attachments:	1. Exhibit 1 - Agreement Summary, 2. Exhibit 2 - First Amendment to Agreement, 3. Exhibit 3 - Map				
Date	Ver.	Action By	Action	Result	

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Business Administration

Information

Requested Action

MOTION TO APPROVE First Amendment to the Marine Terminal Lease and Operating Agreement between Broward County and H.T. Shipping, Inc. and Hybur Ltd. as guarantor, to provide for an extension of the lease term for an additional five years, and a modified rental rate; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

Lease Agreements require Board approval by the Broward County Board of County Commissioners.

What Action Accomplishes

Approves the First Amendment to the Marine Terminal Lease and Operating Agreement between Broward County and H.T. Shipping, Inc. and Hybur Ltd. as guarantor.

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."

H.T. Shipping, Inc. is a marine terminal operator and tenant located in the Midport area of Port Everglades (see Exhibit 3) since 1995. On May 10, 2011 (Item No. 1-PH), the Board approved the most recent Marine Terminal Lease and Operating Agreement between Broward County and H.T. Shipping, Inc. and Hybur Ltd. as guarantor ("H.T. Shipping") for seven acres of land for a ten-year term commencing on July 1, 2011 and expiring on June 30, 2021. The Agreement provided H.T. Shipping the right to seek an extension for one five-year option period subject to negotiation of mutually agreeable business terms.

On June 11, 2020, H.T. Shipping notified Port staff in writing of their intent to exercise the five-year option. Representatives from H.T. Shipping, the Port Everglades Department, and the Office of the County Attorney held sunshined negotiations for the First Amendment to the Marine Terminal Lease and Operating Agreement on September 9, 2020.

The primary business points of the proposed Amendment resulting from those negotiations are as follows:

- The term is extended for an additional five years and shall continue through June 30, 2026.
- The land rental rate increases from \$1.16 per square foot to \$1.20 per square foot as of July 1, 2021. As a result, the annual land rent increases from \$351,677 to \$364,341.
- For each additional year of the extension, the land rental rate will increase by the greater of 3% or the Consumer Price Index.
- Should the County have improved container yard acreage located immediately adjacent to H.T. Shipping's existing terminal available for lease, the Port Everglades Chief Executive & Port Director will provide an Additional Acreage Notice to H.T. Shipping. Based on that notice, the County and H.T. Shipping will negotiate within specified timeframes the terms and conditions to add up to seven acres to the leasehold.
- All other terms and conditions of the Agreement remain in effect without change.

H.T. Shipping remains one of the most efficient and productive marine terminals at Port Everglades. H.T. Shipping's throughput for contract year 2020 (July 1, 2019, through June 30, 2020) was 295,179 tons of cargo, over double the minimum guarantee of 140,000 tons per contract year. H.T. Shipping's business activity during that contract year resulted in \$3,921,923 in Port Everglades revenue.

The Amendment 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

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

Fiscal Impact

Fiscal Impact/Cost Summary

As a result of this First Amendment, the County will receive additional guaranteed revenue of \$4,627,478 during the term of the Marine Terminal Lease and Operating Agreement. Additional revenue will be generated for each year H.T. Shipping exceeds its annual minimum guaranteed wharfage of 20,000 tons of cargo per acre.