



Broward County

Legislation Text

File #: 21-211, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Director's Office

Information

Requested Action

MOTION TO APPROVE ten-year License Agreement between Broward County and South Florida Materials Corp., for Bulk Petroleum Product Pipelines at Port Everglades, effective upon approval; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

License Agreements with a term that exceeds one year require approval by the Broward County Board of County Commissioners.

What Action Accomplishes

Approves a new ten-year Bulk Petroleum Product Pipelines License Agreement between South Florida Materials Corp. and Broward County for a new petroleum terminal to be constructed at Port Everglades.

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."

South Florida Materials Corp. is finalizing plans to construct a new stand-alone petroleum terminal in the Northport area of Port Everglades. The facility is located on a privately owned, six-acre parcel (see Exhibit 3) and is expected to enter service by the end of 2022. When completely built out, the terminal will include approximately 800,000 barrels (33.6 million gallons) of petroleum storage capacity, truck loading racks, and connectivity to the common carrier pipeline, Everglades Pipe Line Company, L.P., serving both Fort Lauderdale-Hollywood International Airport and Miami International Airport. A Bulk Petroleum Product Pipelines License Agreement is required to allow South Florida

Materials Corp. to install underground pipelines on County property within Port Everglades to connect the new terminal to the Everglades Pipe Line Company, L.P. pumping station within the Port (Segment 1) and to the tanker dock area (Segment 2).

The terminal is being constructed to the most current regulations and industry standards, including double bottomed tanks, double walled underground piping, and advanced fire suppression systems. The new terminal facility will significantly increase Port Everglades' overall storage capacity for jet fuel, and the additional receiving, storage, and distribution capacity can support projected future growth of airports within the Port's twelve County fuel distribution area.

The License Agreement has been reviewed by the Port Everglades Risk Manager and approved as to form by the Office of the County Attorney.

Source of Additional Information

Neil J. Kutchera, Assistant Port Director, Energy, Port Everglades Department, (954) 468-3520

Fiscal Impact

Fiscal Impact/Cost Summary

The License Agreement is anticipated to generate approximately \$110,000 in new revenue over the ten-year term from the fees associated with the pipeline connection to the Everglades Pipe Line Company, L.P. pumping station. An additional \$20 million in revenue is projected to be paid under the Port Tariff for wharfage, dockage, and associated fees for petroleum movements to the South Florida Materials Corp. terminal from the dock area once the terminal begins operations. The majority of this revenue will result from reallocation of jet fuel cargos currently delivered to other terminals, since most of the jet fuel to be handled initially by this new terminal is currently being received by other facilities within the Port.