



**Meeting Date:** 5/18/2021

**Agenda Item Number:** 40.

**Broward County Commission Regular Meeting**

**Director's Name:** Jonathan Daniels

**Department:** Port Everglades

**Division:** Director's Office

**Information**

**Requested Action**

MOTION TO WAIVE competitive selection requirements for a marine terminal and berth user agreement in accordance with Section 32.10 of the Broward County Administrative Code and authorize the Port Everglades Chief Executive and Port Director to negotiate a marine terminal and berth user agreement between Broward County and Magical Cruise Company, Limited d/b/a Disney Cruise Line, to be brought back to the Board for approval.

**Why Action is Necessary**

Broward County Board of County Commissioners' approval is required to waive the Broward County Administrative Code's competitive selection requirements in Section 32.4.h.

**What Action Accomplishes**

Waives the competitive selection requirements for a marine terminal and berth user agreement as authorized in Section 32.10 of the Broward County Administrative Code and authorizes the Port Everglades Chief Executive and Port Director to negotiate a marine terminal and berth user agreement between Broward County and Magical Cruise Company, Limited, d/b/a Disney Cruise Line, to be brought back to the Board for approval.

**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."

On February 9, 2021 (Item No. 3), the Board approved a Second Amendment to Port Everglades Passenger Cruise Terminal and Berth User Agreement between Broward County and Carnival Corporation. That amendment removed passenger cruise ship Berth 4 and its associated passenger

cruise terminal facility from the list of Carnival Corporation's designated preferential berths. The release of Berth No. 4 and its associated passenger cruise terminal facility allowed the Port to market these assets to pursue further customer diversification within the Port's cruise business sector.

Magical Cruise Company Limited, d/b/a Disney Cruise Line ("Disney") is homeported year-round at Port Canaveral and has been operating seasonally at PortMiami since 2012 with one cruise ship and an annual minimum guarantee of 150,000 passenger movements. Disney ships have only called at Port Everglades in the past due to storm diversions from their primary homeports.

Disney has been operating a seasonal service at PortMiami under a long-term Preferential Berth Agreement expiring in April 2024, that includes the intent for Disney to add a year-round service beginning in the 2022/2023 cruise season. Separately, Disney entered into a Memorandum of Understanding in 2018 with PortMiami to negotiate for the construction of a new cruise terminal, with a modification in 2020 that would incorporate Disney into a separate shared cruise terminal and berth facility being developed at PortMiami for MSC Cruises.

On April 26, 2021, Port Everglades staff received a request from Disney to negotiate for the use of Cruise Terminal 4 and its adjacent Berth 4 to move its South Florida operation to Port Everglades, starting with one year-round ship capable of carrying approximately 3,500 passengers (see Exhibit 1). Adding a major cruise line, such as Disney, to the Port's cruise business sector will replace and potentially exceed the reduction in Carnival Corporation's annual guaranteed billable passenger movements included in their amendment, and further diversify the lines within the Port's cruise portfolio.

The waiver of the competitive selection requirements and authorization to conduct negotiations with Disney Cruise Line will allow Port Everglades staff to negotiate terms and conditions to relocate and expand Disney's operations in Broward County. Any new agreement negotiated with Disney will be brought back to the Board for approval.

The economic impact to Broward County will be in job creation, job retention, the generation of personal income and state and local taxes from both the cruise line's operations as well as the spending of cruise passengers traveling to the area for their cruise.

### **Source of Additional Information**

Jonathan T. Daniels, Chief Executive & Port Director, jdaniels@broward.org, 954-468-3516

### **Fiscal Impact**

#### **Fiscal Impact/Cost Summary**

There is no fiscal impact associated with this action. However, successful completion of the negotiations will result in additional revenue to the Port.