

AAPA Marine Terminal Management Training Program

Port Industry Institutional and Structural Trends

October 25, 2010



Florida's 14 Deepwater Ports



1	Port of Fernandina
2	Port of Jacksonville
3	Port Canaveral
4	Port of Fort Pierce
5	Port of Palm Beach
6	Port Everglades
7	Port of Miami
8	Port of Key West
9	Port Manatee
10	Port of St. Petersburg
11	Port of Tampa
12	Port of Port St. Joe
13	Port of Panama City
14	Port of Pensacola



Port Structures

- ***Miami, Port Everglades*** – County departments
- ***Tampa*** – Hybrid (local officials, Gubernatorial appointments by Governor), collects \$15 million per year in property taxes
- ***Panama City, Pensacola*** – City departments
- ***Port Canaveral, Port of Palm Beach*** – Special Districts with elected Boards
- ***Jacksonville*** – Hybrid (4 members appointed by Mayor, 3 by the Governor), collects \$3.5 million per year from communications tax.



Common Themes

1. Florida is the only state in the Union that regulates port security (in addition to the federal government).
2. Funding woes – 1996, 1999 Bond issue money long ago spent. \$12-15 million of state money allocated annually, spread among 14 ports.



Common Themes

3. Ports share common market areas

Miami/Port Everglades/Palm Beach – South Florida
Port Manatee/Tampa – Tampa Bay Region

Nearly every port in the state can claim
parts of Central Florida.

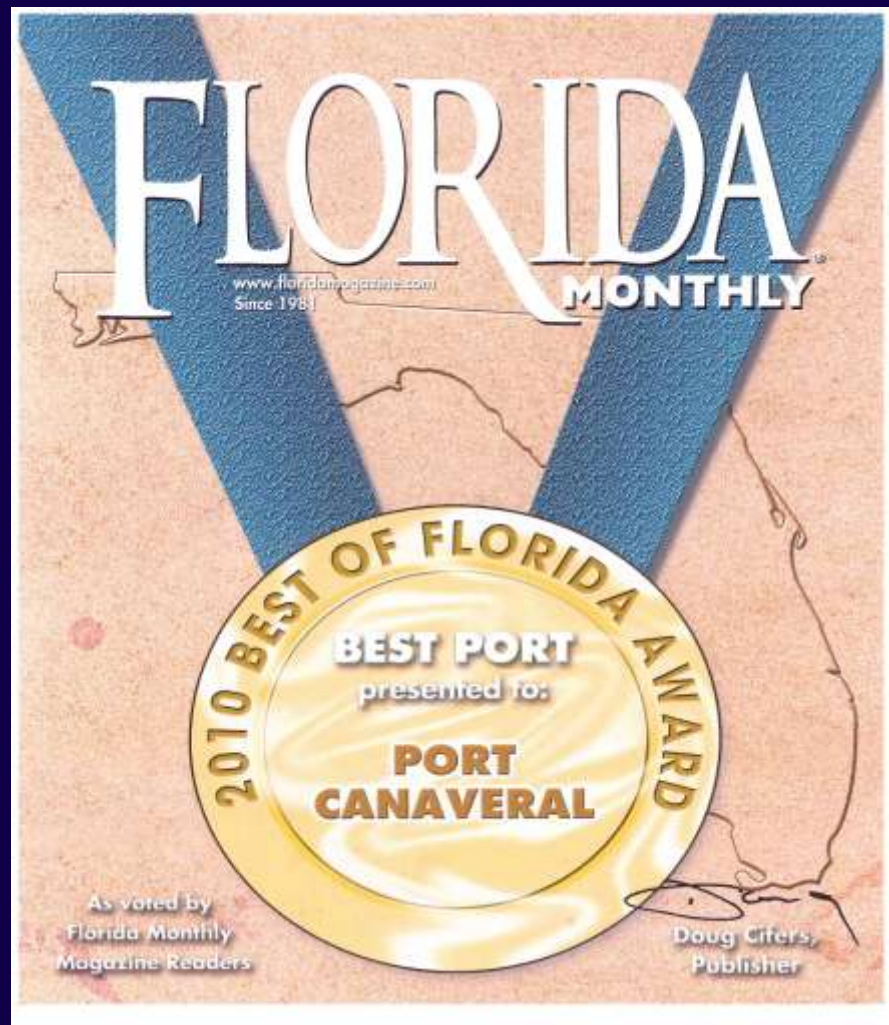
So there is significant overlap.



Port Canaveral

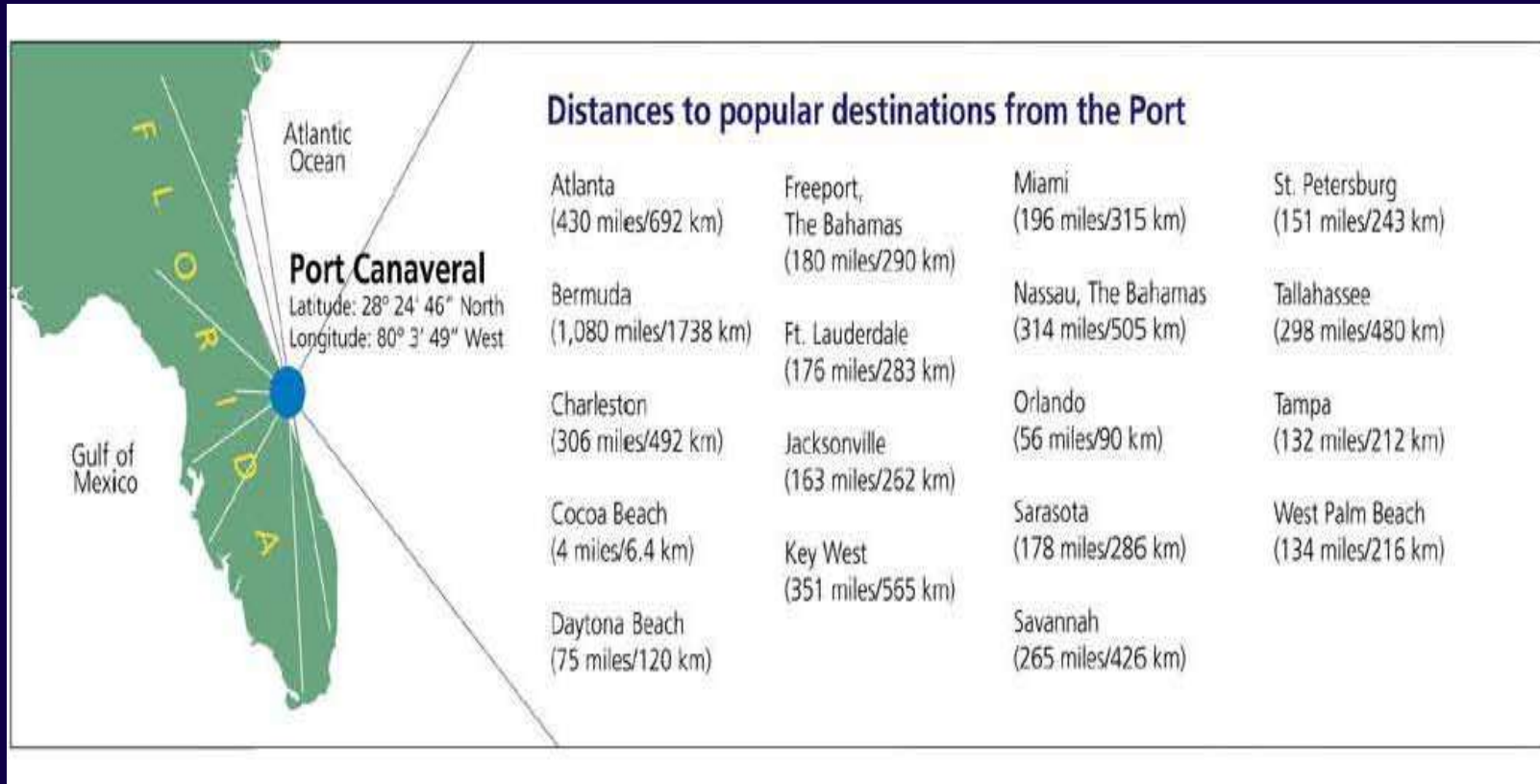


Port Canaveral



Port Canaveral

We are within 200 miles of many competitors, just within Florida!



Port Canaveral Model

The Port Canaveral Model

- Actually 3rd largest port in state in terms of Operating Revenues. Vies with Port Everglades as “most profitable”.
- Can collect taxes. Has not done so since 1986.
- Cruise is generally 70-80% of revenues and subsidizes other business segments, most notably 220 tenants and subtenants ranging from mini-warehouses to a glass blower.



Port Canaveral Model

Port Canaveral

- Began as small fishing village – still has remnants of commercial fishing, restaurants and bars.
- Operating without taxes it depends on its own revenues, like a private business, but with elected officials.
- When is a business not a business? – When it is controlled by voters.



Port Canaveral Model

Port Canaveral

- Has led to a year-long investigation by the Florida Department of Law Enforcement of scandal involving tenants, Commission.
- Advantages of business model – lack of bureaucracy, quick reaction to business opportunities
- Disadvantages of our business model – small subsidized tenants vote and cruise lines don't.



Port Canaveral Model

Port Canaveral

The real issue was succinctly stated by our CEO, Stan Payne, in his 2010 State of the Port speech,

“How do you reconcile a politically-elected board of commissioners for an organization that must function as a business not simply to prosper, but to survive, on which tens of thousands of jobs depend?”



Port Canaveral Model

Port Canaveral

We think we have the best business model in the state, but know it can be better.

- How to take the final steps to a public commercial enterprise free of bureaucracy, free of political influence, but with parks and boat ramps and a beach and small tenants, so that it will never be totally privatized.



Port Canaveral Model

Port Canaveral

- Subsidiary operating company?
- Carve out cruise and cargo from rest of port?
- Collect taxes to subsidize small business?

