

# Multi-Use of Cruise Terminals and Financing

## AAPA Cruise Seminar—April 25, 2013



LET'S GET THE TOUGH STUFF OVER WITH FIRST:  
**MONEY!**

How do I finance a cruise terminal?

How do I pay it off?

Let's look at some alternatives.

# HOW DO I FINANCE A CRUISE TERMINAL?

- Internally:
  - ❖ Bonds with pledged return to bond holders
  - ❖ Current operating funds
- Externally:
  - ❖ Funding from hotel/restaurant taxes, sales tax, local tax, business zone
  - ❖ Public-Private partnerships, REITs, tied to anticipated growth and/or passenger guarantees from cruise lines

## HOW AM I GOING TO PAY IT OFF?

- Wharfage, dockage, and other charges from cruise lines
- Increased business:
  - ❖ Field of Dreams (If you build it, they will come)
  - ❖ Partnerships with cruise lines
  - ❖ Secondary revenue (alternate uses on non-cruise days)
  - ❖ Ongoing uses irrespective of cruise line activity (offices, restaurants, caterers, vendors)

**NOW FOR THE FUN STUFF—  
ALTERNATIVE USES!**



# SWOT Analysis of Alternative Uses

**Strengths:** Additional revenue streams; unique venue; secondary advertising.

**Weaknesses:** Some terminals not specifically designed for multiple uses; ease of access, parking, traffic control; security issues during cruise operations ; labor staffing and costs.

**Opportunities:** Off-peak or off-season use of facilities; spread the cost of year-round HVAC, labor, and maintenance costs over additional activities; event caterer or operator lease potential.

**Threats:** Resistance or competition from private and public meeting venues; community issues: traffic, noise, taxes, concessions.

# Rental and Pricing Considerations

- **Public, private, non-profit pricing**
- **Fixed costs:**
  - **Security and crowd control, special attention to a waterside event**
  - **Fire protection (roving fire safety officers), electricians, custodial services pre-, during, and post-event, including refuse disposal, including segregation of recyclables per local ordinances**
- **Deposit amount, as well as progress and final payments**
- **Standing of event sponsor consistent with corporate image**
- **Ability of event sponsor to control attendance in accordance with municipal regulations**
- **Insurance, permits and licenses, i.e., alcohol, entertainment, raffles, casino nights, tabletop butane gas cooktops (where permitted), etc.**
- **Flammability certification of materials such as drapes**

# Marketing the Terminal:

**Who are the targets? Who needs to know?**

- **Local Convention and Visitors' Bureau: host an event for them**
- **Concierge associations**
- **ASTA and other travel agent groups, SKAL, college alumni groups, cruise lines for their travel agent events**
- **Chambers of Commerce**
- **State and local / regional travel and tourism boards**
- **Wedding and event planners**
- **Event and other media if budgets allow**



# **Marketing the Terminal:**

## **Types of events held in Boston**

- **Charities—many, usually with wine and food tastings**
- **Business and professional organizations**
- **Bar and Bat Mitzvahs**
- **Weddings**
- **Alcoholic beverage tastings, i.e., Macallan's Scotch;**
- **Local magazine food and service contests i.e., The Best of Boston, Boston Burger Bash, etc.**

**Cruiseport Boston is located in  
the Boston Marine Industrial Park—not  
an easily accessed venue**



City-owned  
parking garage

**Black Falcon Cruise Terminal**

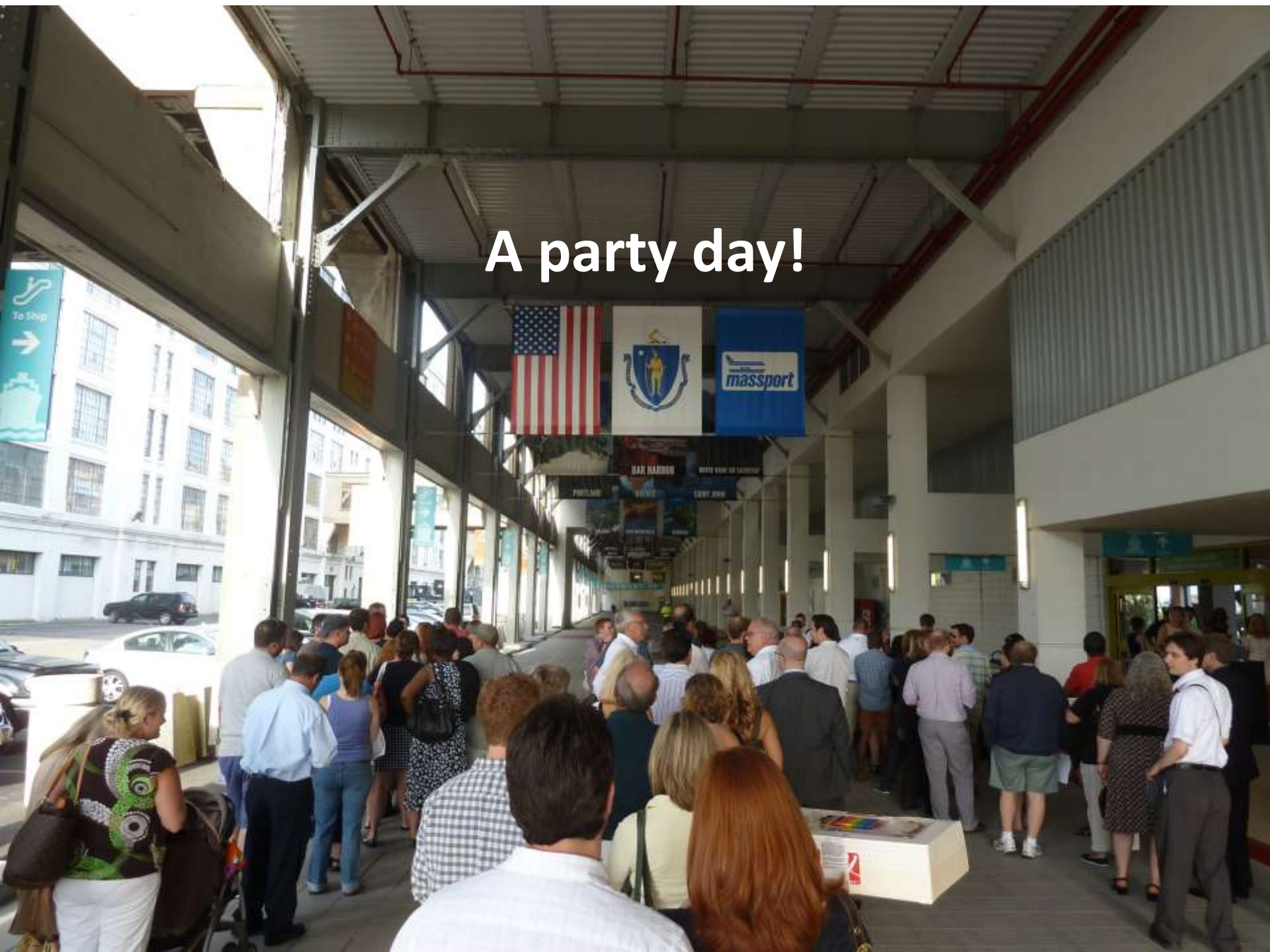


**But the venue  
is unique,  
and  
welcoming.**

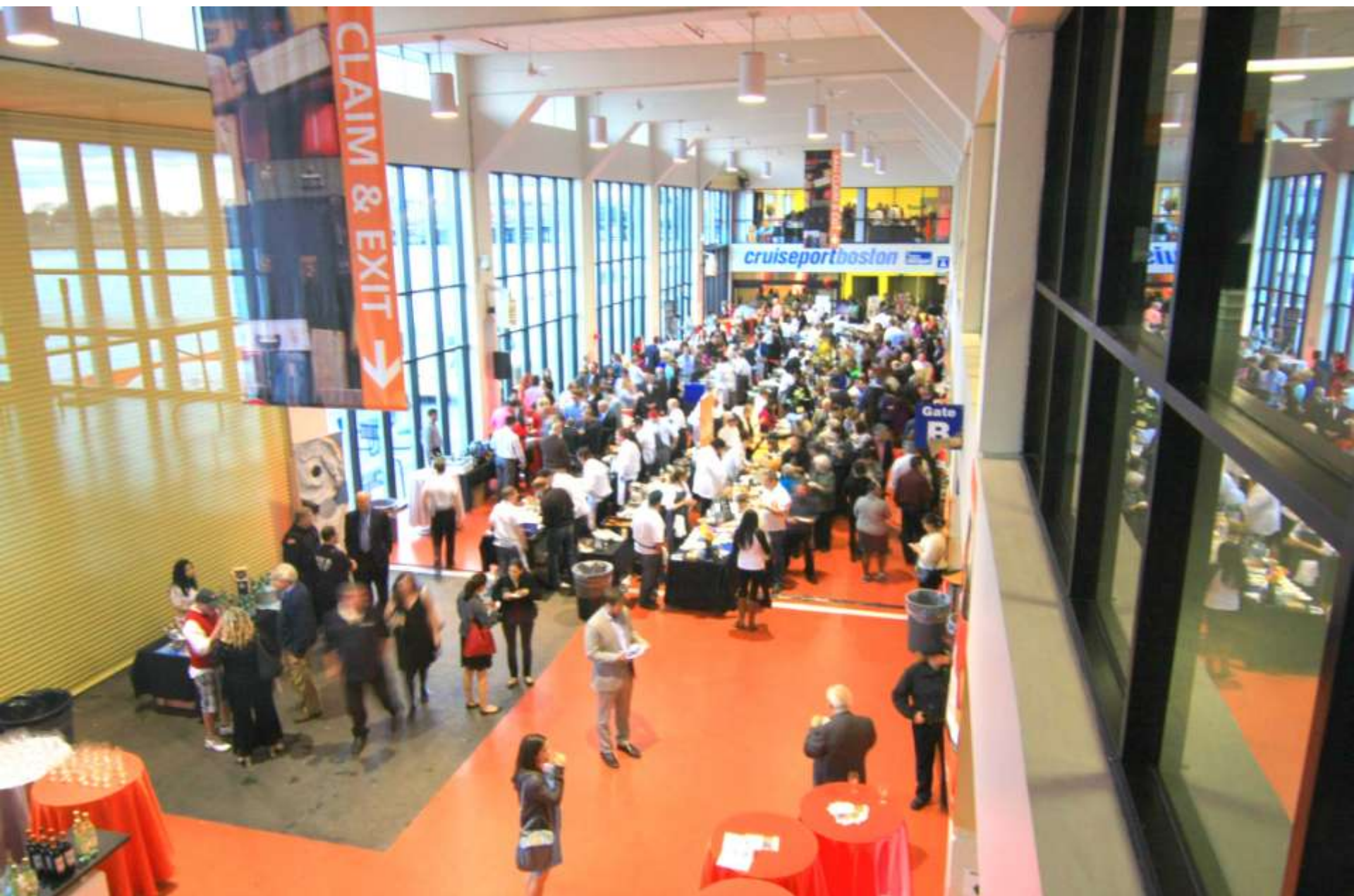


**A cruise  
day...**

A party day!

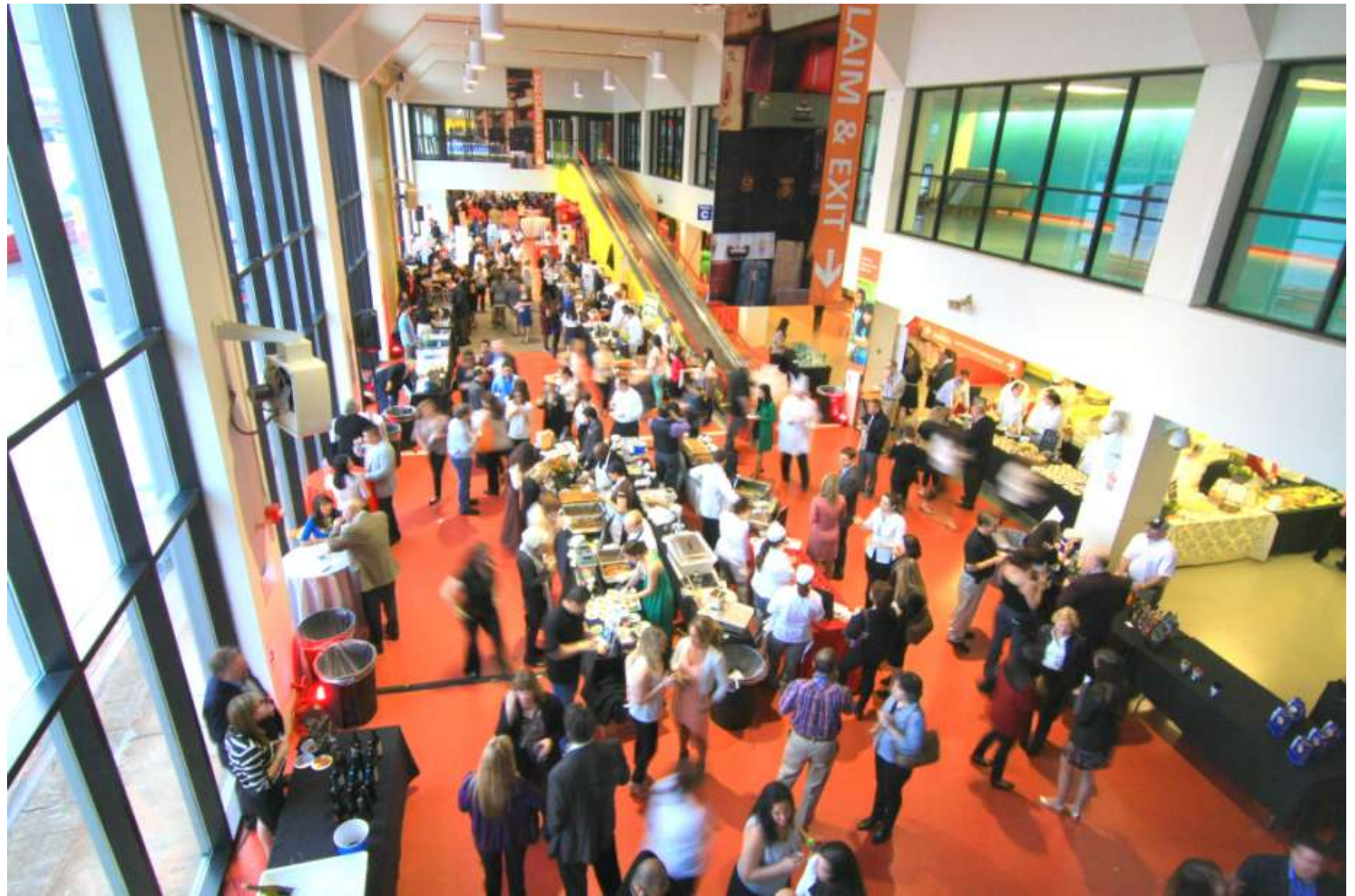
















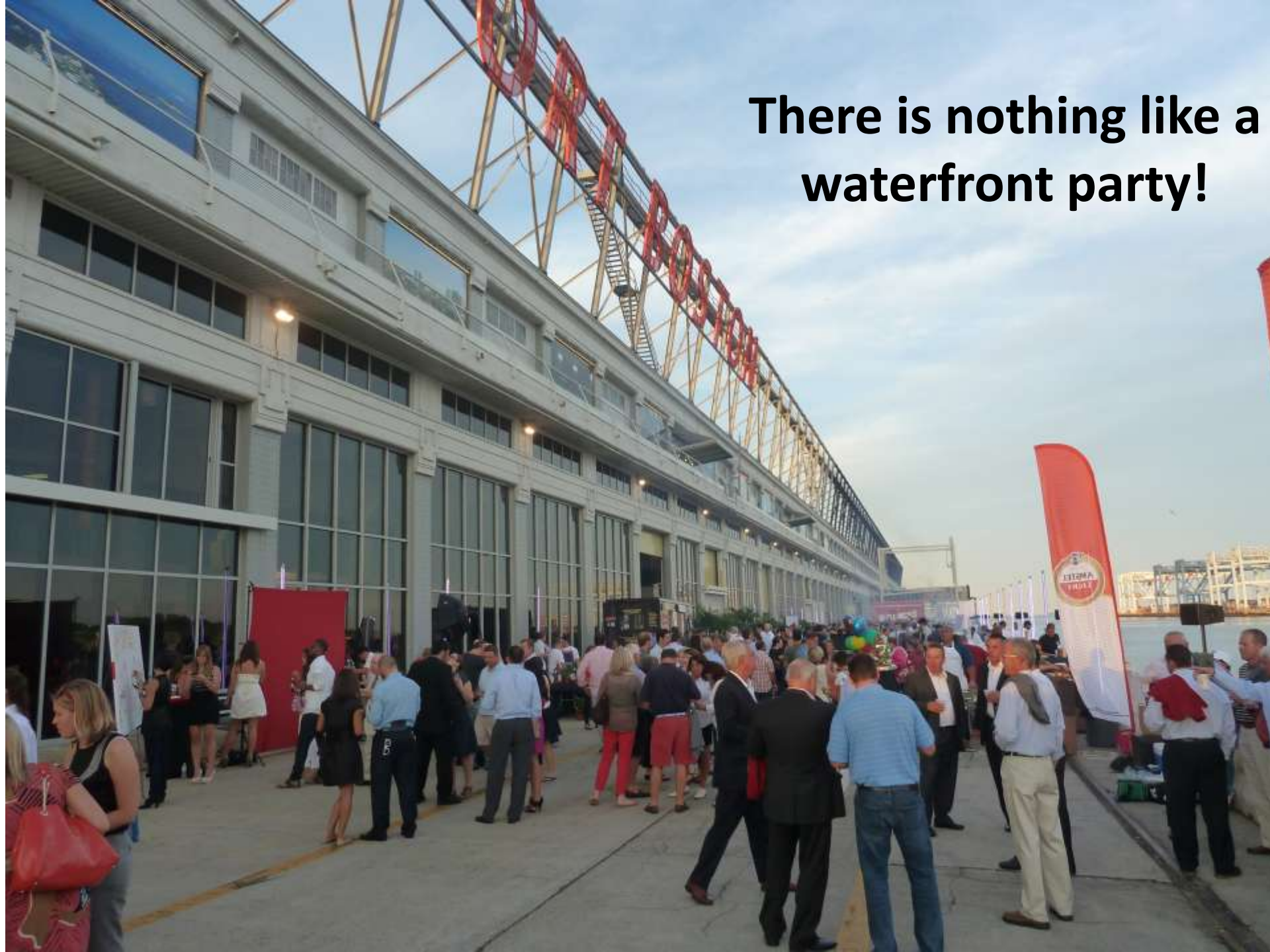
“Check-in for your Cruise” time



# “Celebration Time”



**There is nothing like a waterfront party!**



Questions?

Thank you for your attention!

CRUISEPORT BOSTON

A large, three-dimensional red sign with the words "CRUISEPORT BOSTON" is mounted on a metal framework on the roof of a white building. The building has a row of windows with colorful posters or advertisements. The sky is blue with scattered white clouds.