

The image shows the PortMiami logo in blue, set against a background of a port at night with lights reflecting on the water. The logo consists of the word "PORTMIAMI" in a stylized, sans-serif font, with a small trademark symbol (TM) at the end.

# PORTMIAMI™

## **STRATEGIC ALLIANCES BETWEEN PORTMIAMI AND ITS CRUISE AND CARGO PARTNERS**

Richard de Villiers  
Assistant to the Deputy Port Director

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# MIAMI-DADE COUNTY GOVERNMENT

PortMiami is located in Miami-Dade County, one of the most diverse, multilingual populations in the U.S. making Greater Miami one of the world's most ideal centers for international trade and tourism.

Miami-Dade County is the epicenter of international corporations, consulates, and financial institutions.



- 35 Municipalities**
- 72 Consulates**
- 22 International Firms**
- 38 International Financial Institutions**
- 1,350 Multinational Companies**



# PORTMIAMI

Cruise Capital of the World – [3.8 million passengers in 2012](#)

Cargo Gateway of the Americas

Top Container Port in Florida – more than [907,000 TEUs in 2012](#)

Economic Impact: [\\$27 million and 207,000](#) direct/indirect jobs to South Florida



# SOURCES OF REVENUE GENERATION AT PORTMIAMI

PortMiami is an enterprise fund department – relies solely on fees and charges to fund its operating and capital needs.

## SOURCES :

- PortMiami Tariff: wharfage, dockage, container cranes, rentals and leases, truck weighing scales fees; ground transportation charges and permit fees.
- Competitive Long-Term Lease Agreements
- Public – Private Partnerships
- Other diversified revenue streams



# BENEFITS OF LONG-TERM CARGO TERMINAL AGREEMENTS

- Certainty and predictability in the utilization of port facilities and income streams.
- Continuous and stable revenue.
- Potential partnerships in capital improvement projects in its facilities easing the investment burden on the port.



# DISADVANTAGES OF LONG-TERM CARGO TERMINAL AGREEMENTS

- Committing land and other terminal facilities for an extended period of time.
- Locking in fixed revenues several years out, possibly not adjusting proportionately to nor reflecting future market conditions.
- Port unable to take advantage of potential future business opportunities.



# PORTMIAMI STRATEGIC ALLIANCES: CARGO TERMINAL LEASE AGREEMENTS



**SOUTH FLORIDA  
CONTAINER TERMINAL**  
PORT OF MIAMI, FLORIDA



**SEABOARD MARINE AGREEMENT** with PortMiami began in 1986, with less than 20 acres of terminal space, and quickly expanded to about 60 acres.

The new lease potentially runs through 2038, PortMiami, in partnership with Seaboard, is redeveloping approximately 80 acres of cargo terminal to meet the growing demands of international trade for decades to come.

Seaboard Marine currently handles more cargo at the Port than any other carrier.





## **SEABOARD MARINE - TERMINAL OPERATING AGREEMENT – 2008-2038**

<b>Minimum Annual</b>	<b><u>Total Annual Revenues</u></b>	<b><u>Guaranteed Revenues (GR)</u></b>
Previous Agreement:	\$ 9 million	\$3.2 million
New Agreement:	\$13 million	\$9.6 million
Term:	20 years with two (2) five year renewal options	
GR:	Will increase annually at a weighted average of 4.1% throughout the agreement's 20-year initial term.	

**TERMINAL LINK (MIAMI) LLC AGREEMENT** involved the cooperation and partnering of two of the world's three largest shipping lines (Maersk, CMA-CGM, APMT/Universal and Terminal Link,) as well as PortMiami. The agreement strategically positioned PortMiami to retain and expand the shipping activities of these two shipping lines.

The lease potentially runs through 2033.



## **TERMINAL LINK (MIAMI) TERMINAL OPERATING AGREEMENT – 2008-2033**

	<b><u>Total Annual Revenues</u></b>	<b><u>Minimum Annual Guaranteed Revenues</u></b>
Previous Agreement: (with Maersk)	\$6.4 million	\$3.4 million
New Agreement:	\$15.3 million	\$11.9 million
Term:	5 years with two (2) five year renewal options	
GR:	Will increase annually at a weighted average of 4.7% throughout the agreement's 15-year initial term.	



**PORT OF MIAMI TERMINAL OPERATING COMPANY (POMTOC)** Terminal Operating Agreement began in 1994. POMTOC was the consolidation of four independent stevedores operating at the Port within their individual container yards.

The Port bills the shipping lines directly for charges including but not limited to dockage, wharfage, water and harbor fees as well as for usage of the reefer plugs located within POMTOC's yard.

The Port also bills stevedores all crane rental, set up and tie down charges; while the stevedores then incorporate these costs into their rates charged to the shipping lines.

## **PORT OF MIAMI TERMINAL OPERATING AGREEMENT – 1994-2014**

Term: 5 years with three (3) five (5) year renewal options

GR: 2,000 TEUs per usable acre and \$3 per gate move for the Port In the event of a TEU shortfall.

POMTOC agreed to pay the County \$19.50 per TEU on an annual basis for the number of TEUs under the guaranteed minimum of 196,000; or in the alternative (at POMTOC's option), give back to the Port an equivalent amount of land.

Neither the 2,000 TEUs per acre minimum guarantee nor the \$19.50 per TEU shortfall penalty had escalation provisions.

# WORLD'S LEADING CARGO LINES



# PORTMIAMI STRATEGIC ALLIANCES: CRUISE TERMINAL LEASE AGREEMENTS



## CRUISE TERMINAL LEASE AGREEMENT

**NORWEGIAN CRUISE LINE** began operations at PortMiami more than 43 years ago. It presently has eleven cruise ships with construction underway of two new Breakaway-class ships in 2013 and 2014, along with a Breakaway Class for delivery in 2015.

Until execution of its 2012 cruise terminal agreement, Norwegian had operated at PortMiami without a volume incentive contractual relationship; paying Tariff rates and able to reposition all its Miami vessels to other ports.





## NORWEGIAN CRUISE LINE CRUISE TERMINAL AGREEMENT 2009-2021

Term: 13 years with one (1) five (5) year renewal option

Revenue Impact: \$156 million over initial term





## CRUISE TERMINAL LEASE AGREEMENT

**ROYAL CARIBBEAN CRUISES (RCCL)** has been a very valuable Port partner for more than 40 years, providing direct and indirect employment opportunities for thousands of Miami-Dade County residents.

PortMiami has been privileged to both berth RCCL's ships as well as provide the location for its world headquarters, where it employs approximately 3,300 employees. RCCL's volume through PortMiami has significantly decreased the past few years.



## ROYAL CARIBBEAN INTERNATIONAL AGREEMENT – 2011-2021

Provides for modest guarantees compared to original agreement, but entices RCCL by providing incentive opportunities for growth.

**TERM:** 10 years with options for two additional terms of 5 years each.

**REVENUE IMPACT:** \$72.5 million over the new initial 10 year term





## CRUISE TERMINAL LEASE AGREEMENT

**CARNIVAL CORPORATION** began operations at PortMiami in the 1970s. Carnival is the industry's top cruise line and has played a critical role in making Miami the leading cruise homeport in the world. Last year 2 million Carnival passengers traveled through PortMiami.



## CARNIVAL CRUISE LINES TERMINAL AGREEMENT 1998 - 2018

**TERM:** 20 years (Amended June 2010 to 2018)

**REVENUE IMPACT:** \$183 million



**PRESTIGE CRUISE HOLDINGS INC (PCH)** began operations at PortMiami in 2003 with Oceania Cruises, and added Regent Seven Seas Cruises in 2012. Miami is PCH's exclusive home port in South Florida and has preferential berthing rights at Terminal J, Miami's boutique terminal.

PCH vessels qualifies for Miami's Small Passenger Vessel incentive which gives them discounted rates for dockage and wharfage at Terminal J. Small passenger vessels are multi-day vessels having an overall length of less than 800 feet.



## PRESTIGE 1998 - 2018

**TERM:** 3 years (2012 to 2015)

**REVENUE IMPACT:** \$1.7 million



# CRUISE CAPITAL OF THE WORLD





# COMPETITIVE PORT TARIFF

## Tariff No.219

The PortMiami Director has the authority to implement emergency temporary changes to Tariff 219 in order for PortMiami to remain competitive. Temporary changes are documented and submitted to the Office of the Mayor. If the changes remain in place for a period of twelve months and are expected to remain permanent, they shall be submitted to the Board of County Commissioners for approval.



Section 4.02 of the Home Rule Charter Miami-Dade County.

# \$2 CAPITAL INFRASTRUCTURE INVESTMENTS



# PUBLIC-PRIVATE PARTNERSHIPS



Port tunnel largest project of-its-kind in Southeastern U.S.



PortMiami and Florida East Coast Rail connections- competitive advantage in moving goods

# PORTMIAMI

## Master Plan Video

