



# 2018 Port Everglades Master/Vision Plan Update

Tenant/Stakeholder Meeting #2

December 14, 2018



An aerial, grayscale photograph of the Port Everglades area. The image shows a large airport with multiple runways and taxiways in the upper left. To the right and below the airport is a dense urban and industrial landscape with numerous buildings, parking lots, and roads. A body of water is visible along the bottom edge of the frame. The overall tone is dark and professional.

# Port Everglades Overview



As a premier gateway and powerhouse for international trade, travel and investment, Broward County's Port Everglades leverages its world-class South Florida facilities and innovative leadership to drive the region's economic vitality and provide unparalleled levels of service, safety, environmental stewardship and community engagement.

# By the Numbers...

- #1 U.S. gateway for trade with Latin America – 15% of all U.S./Latin American trade moves through Port Everglades
- #1 seaport in Florida by revenue – \$168.0 million (FY2018)
- #1 seaport for exports in Florida – \$12.1 billion exports (\$11.1 billion imports)
- #1 Refrigerated cargo seaport in Florida — #5 in U.S.
- #2 container port in Florida (FY2018) by total volume – 1,108,465 TEUs
- #2 Petroleum port in Florida – 123.4 million barrels (FY2018) – 5.2 billion gallons
- #3 cruise port in the world for multi-day total passengers — 3.8 million total passengers, 3.7 million multi-day
- #4 Foreign-Trade Zone in the U.S. with \$5.1 billion in total activity (CY2016)



# Economic Powerhouse

FY2017

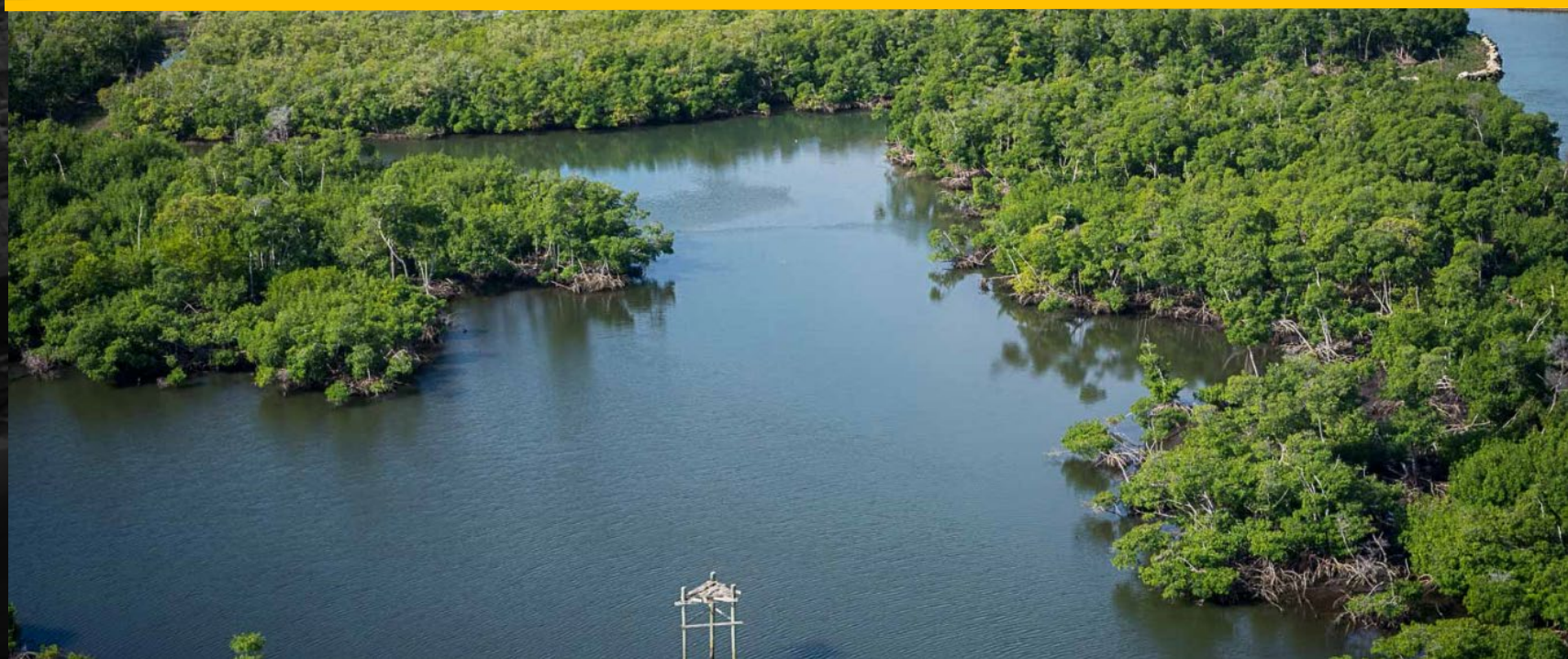
- \$30.4 billion in business activity
- \$1.1 billion in state & local taxes
- 13,185 direct jobs
- 230,747 Florida jobs supported, earning \$9 billion in wages





# Committed to Doing It Right...

- Air Quality
- Coral Reefs / Marine Life
- Environmental Partnerships
- Sustainable Facilities
- Water Quality
- Wetlands
- Wildlife





An aerial, high-angle photograph of an airport and its surrounding urban landscape. The airport's runways, taxiways, and terminal buildings are visible in the upper left. A complex network of highways and roads winds through the middle of the image. The surrounding area is densely packed with residential and commercial buildings. The entire image is in grayscale with a dark, semi-transparent overlay, creating a professional and serious tone.

# Ongoing/Recent Capital Investments

# Ongoing/Recent Capital Improvement Projects

Project	Purpose	Estimated Cost	Jobs: Construction/ Permanent	Status	Completion Date
<b>Southport Turning Notch Extension (STNE)</b>	Lengthen existing deep-water turn-around area from 900 ft. to 2,400 ft., which allow for up to five new berths	\$471 million (includes crane rail infrastructure)	3,045 Construction 5,529 Permanent at full capacity	Project permitting is underway. Design for STNE is at 100% completion. Crane rail construction began February 2018.	2022
<b>Super Post-Panamax Gantry Cranes</b>	Install 3 new Super Post-Panamax Cranes. Part of the SPTN project.	\$41.4 million		Cranes being constructed by Shanghai Zhenhua Heavy Industries Co. Ltd. (ZPMC). Contract includes option to purchase 3 more cranes within 5 years.	2020
<b>USACE Navigation Improvements (Deepening and Widening) Project</b>	Deepen navigational channels to 48 ft. (plus 1-ft required and 1-ft allowable overdepth – 50 ft. total)	\$389.3 million (Oct. 1, 2016 price level)	2,222 Direct Construction 2,567 Indirect, Induced construction 1,491 Permanent	Chief's Report signed July 2015. Project authorized by Congress Dec. 2016. Preconstruction Engineering & Design is underway. Estimated construction contract award Dec. 2020.	2025
<b>U.S. Coast Guard Station Reconfiguration (Part of the overall Deepening &amp; Widening project)</b>	Reconfiguring the facility to the east to allow for the widening of the Southport Access Channel by 250 ft.	\$38.4 million (Included in the overall cost of the Deepening & Widening project)		Construction contract TBD	2022



# Ongoing/Recent Capital Improvement Projects

## Ongoing/Recent Capital Improvement Projects (cont.)

Project	Purpose	Estimated Cost	Jobs: Construction/ Permanent	Status	Completion Date
<b>Slip 1 Expansion</b>	Widen slip 1 by 150 ft. to the South to increase vessel capacity	\$83.9 million	1,436 Construction	Design began February 2017. Construction to begin Spring 2022.	2026
<b>Slip 2 Extension</b>	Lengthen berth (Slip 2) by 225 ft. for a total 1,125 ft.	\$18 million	328 Construction	Construction completed. First use occurred September 2017.	2017
<b>Southport Phase IX-B</b>	Construct new container yard on 18 acres of land west of McIntosh Road	\$12.2 million	146 Construction	Construction contract awarded August 2016; Full construction began December 2016 and completed in July 2018.	2018
<b>Terminal 2 and 4 Parking Expansion &amp; Roadway Improvements</b>	Convention Center expansion requires construction of new cruise parking in Northport area	\$60 million	582 Construction	Construction RFP approved by County Commission Dec. 2017.  Design contract awarded Jan. 2017 to Cartaya & Assoc. Design development phase is underway.  CM Contract with Stiles/Pirtle approved by Board on 10/09/18	2020
<b>Cruise Terminal 25</b>	Cruise Terminal 25 expansion and upgrade improvements required	\$114 million	1927 construction	Construction completed in October, 2018	2018



An aerial photograph of an airport and surrounding urban area, rendered in a dark, monochromatic style. The airport's runways, taxiways, and terminal building are visible in the upper left. A complex highway interchange with multiple overpasses and ramps is situated in the center. The surrounding urban landscape is filled with a dense grid of streets and buildings. The foreground shows a dark, possibly water-filled area or a shadowed ground surface.

# 2018 Master/Vision Plan Update

## Phase 1: Existing Conditions + Market Assessments





# CARGO & LIQUID BULK

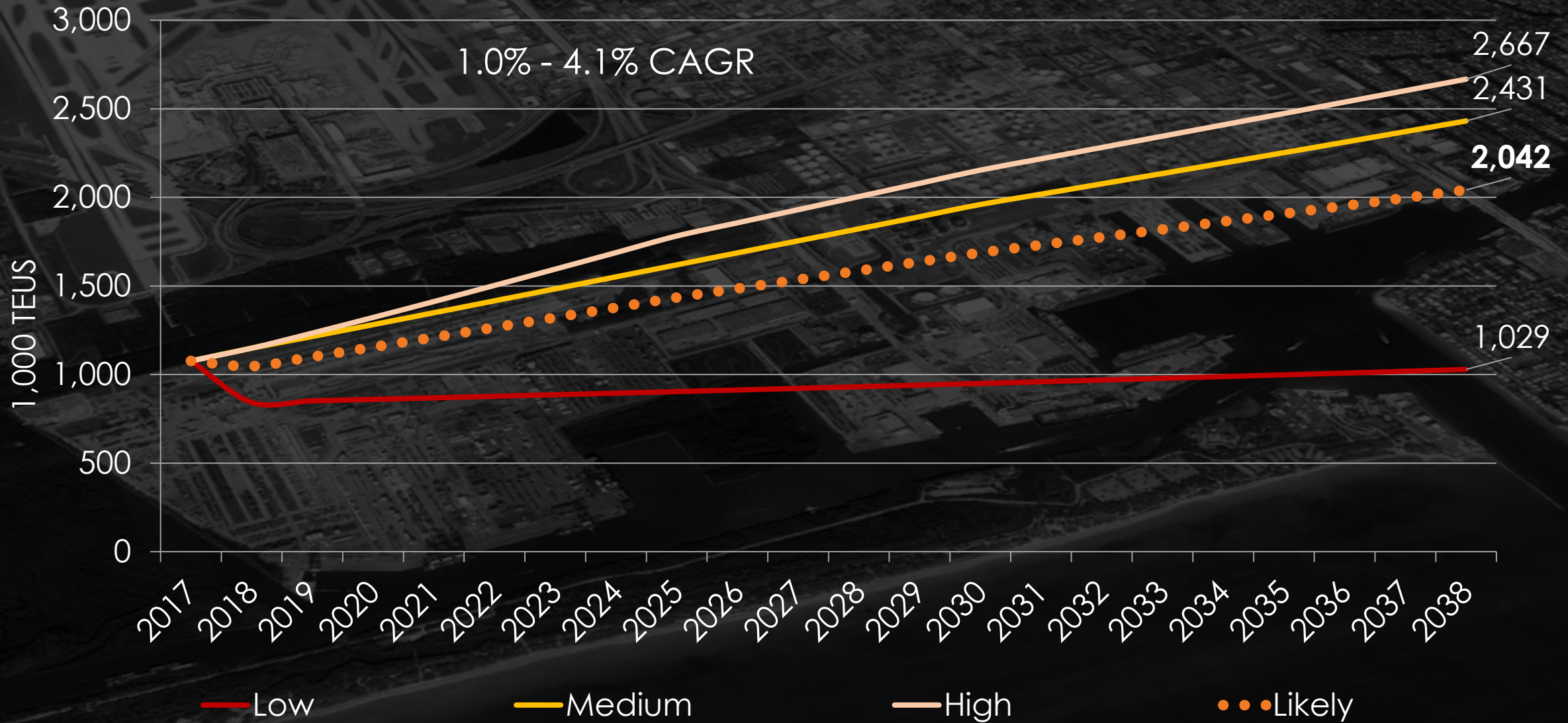


# Cargo Analysis Key Steps

- Existing situation analysis
  - Key markets
  - Terminal operations (existing and planned)
  - Opportunities and constraints
  - Planned investments
  - Lease structures
    - Revenue per ton/unit
    - Throughput per berth/acre
  - Competitive situation
- Market assessment and projections
  - Growth with current operations/infrastructure
  - Growth with enhanced operations/infrastructure
  - Potential new markets

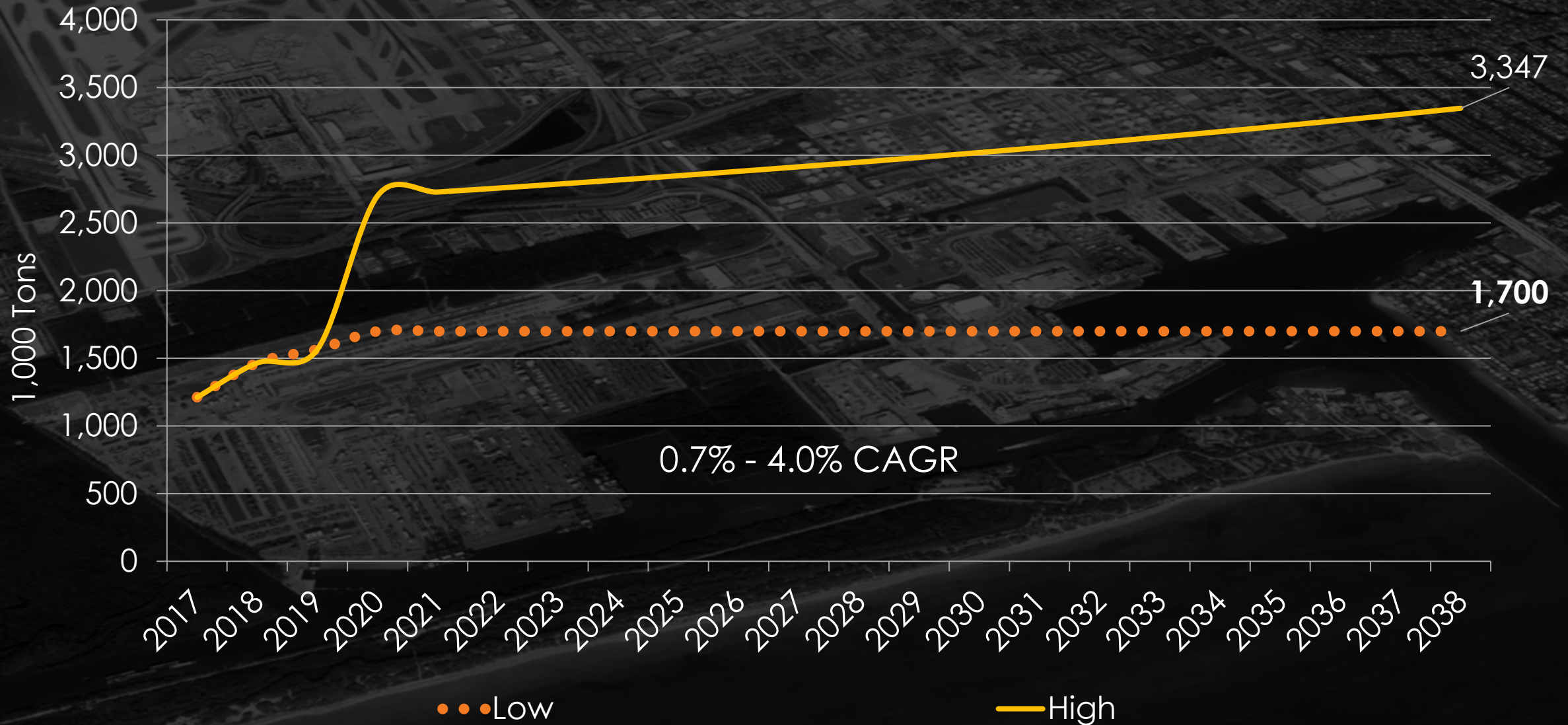


# Containerized Cargo Volume Projections (000 TEUs)



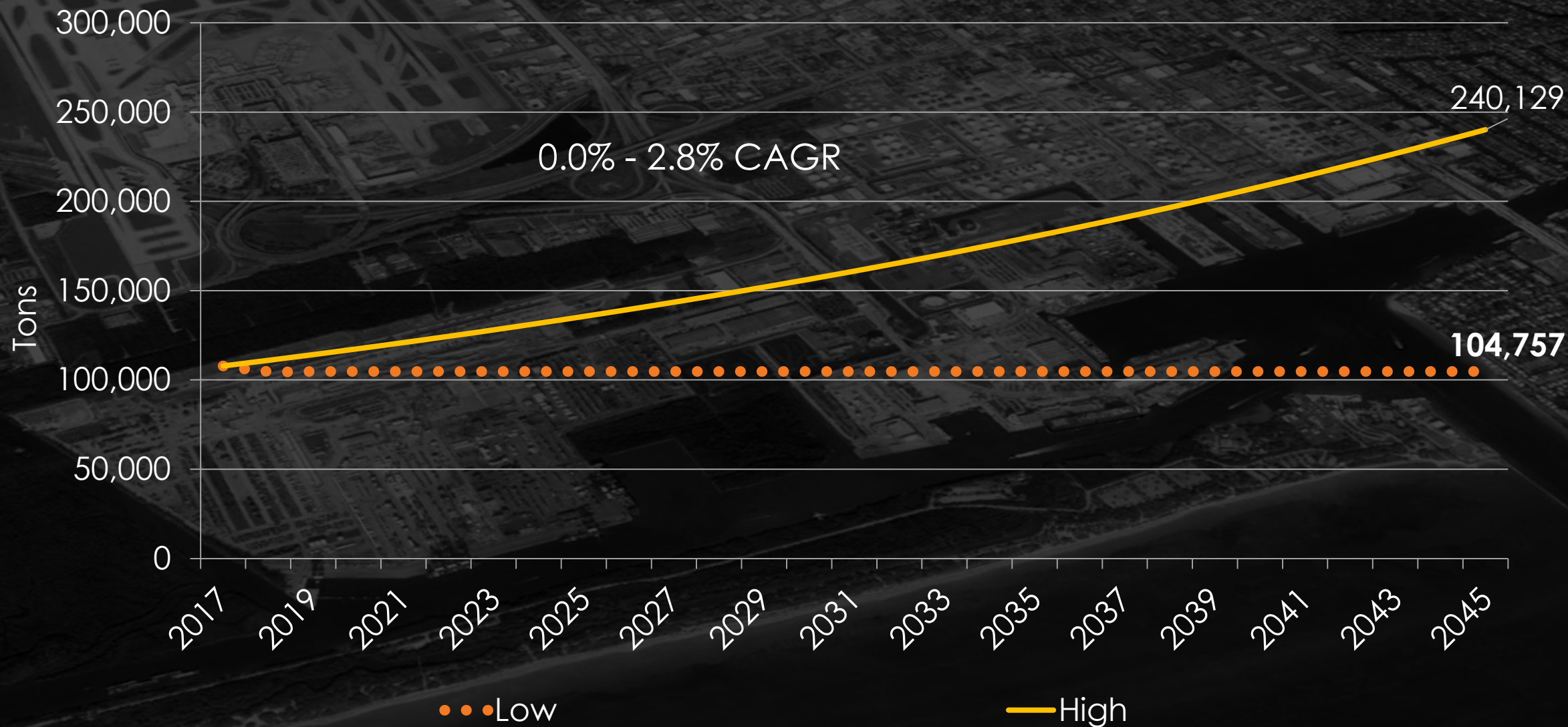


# Dry Bulk Volume Projections (000 Tons)



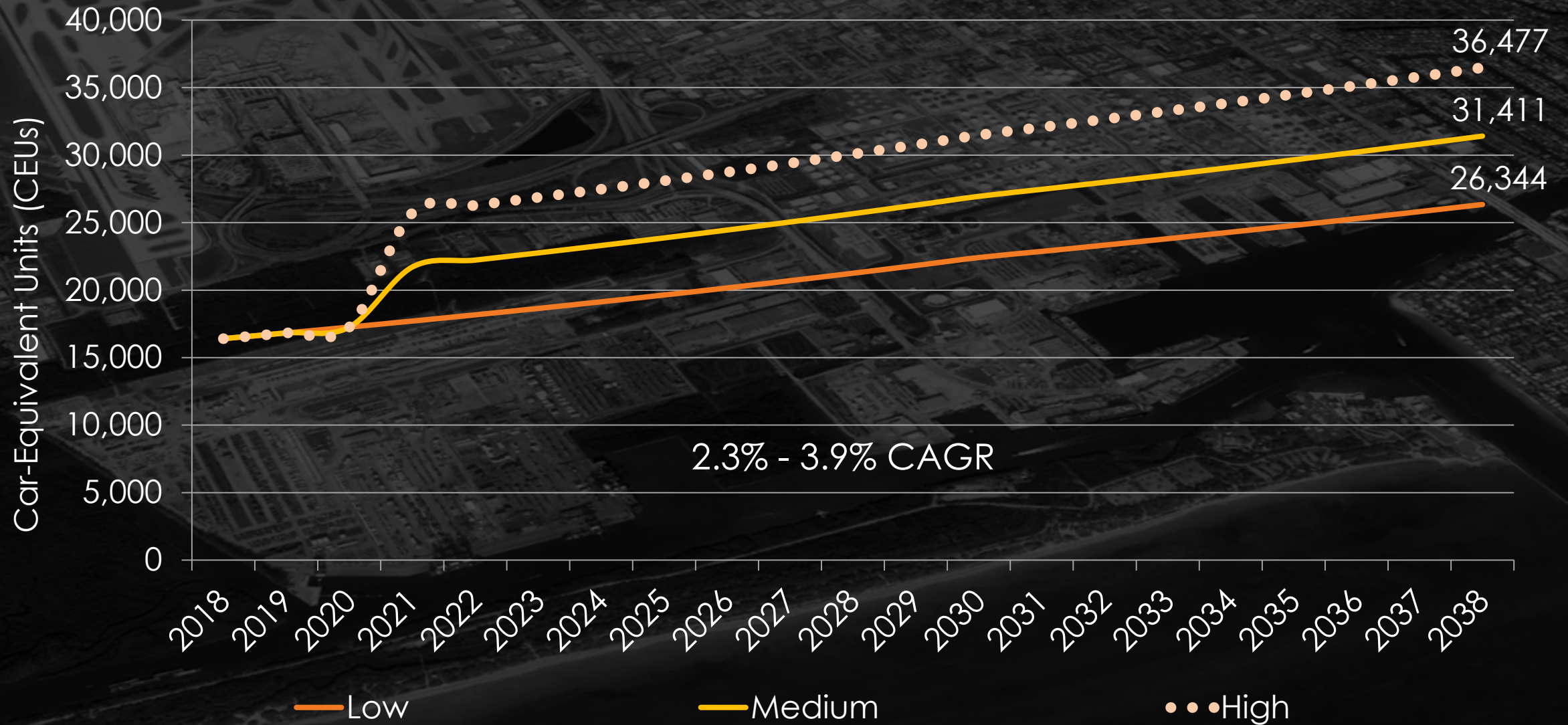


# Used Ro-Ro + Yachts Volume Projections (Tons)



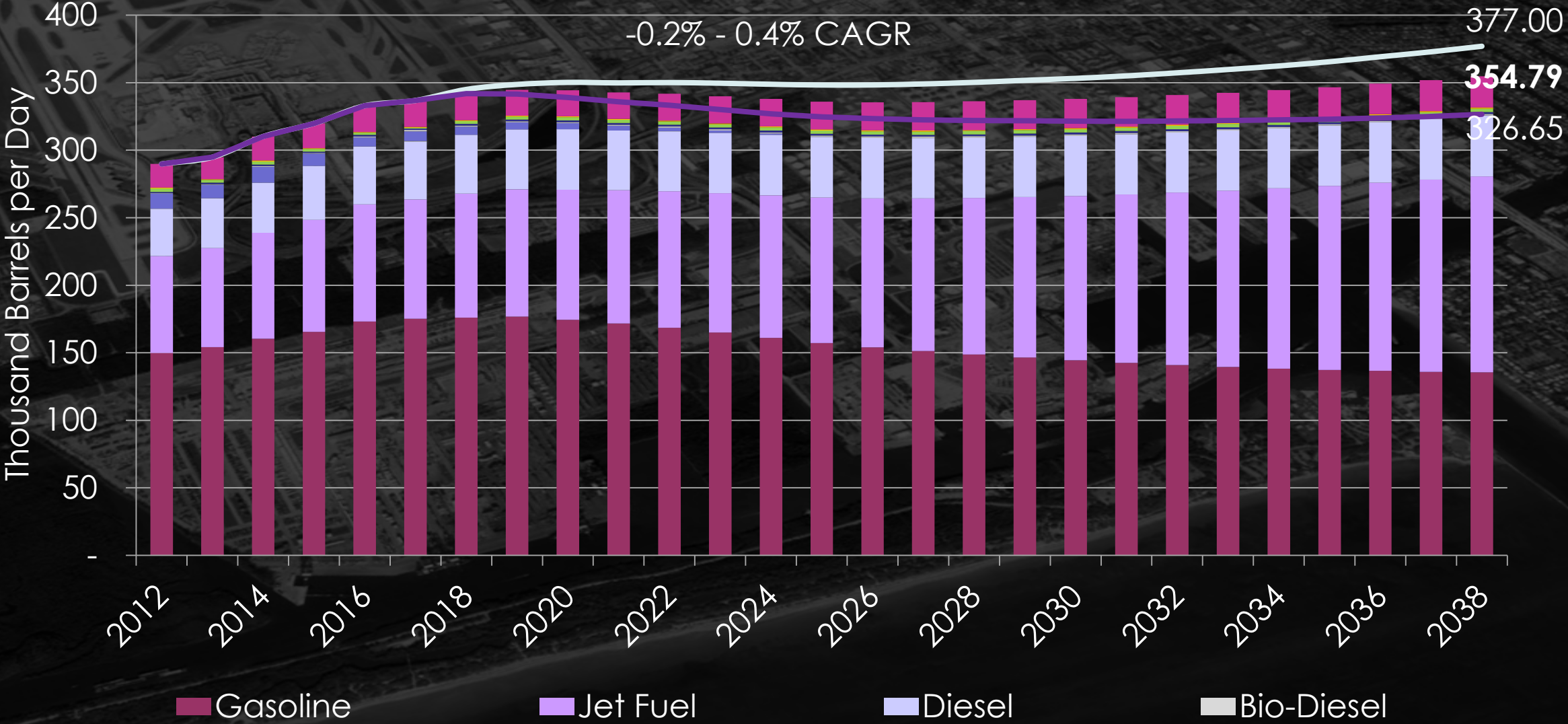


# Automobile Volume Projections (CEUs)





# Liquid Bulk Volume Projections (000 BPD)





CRUISE



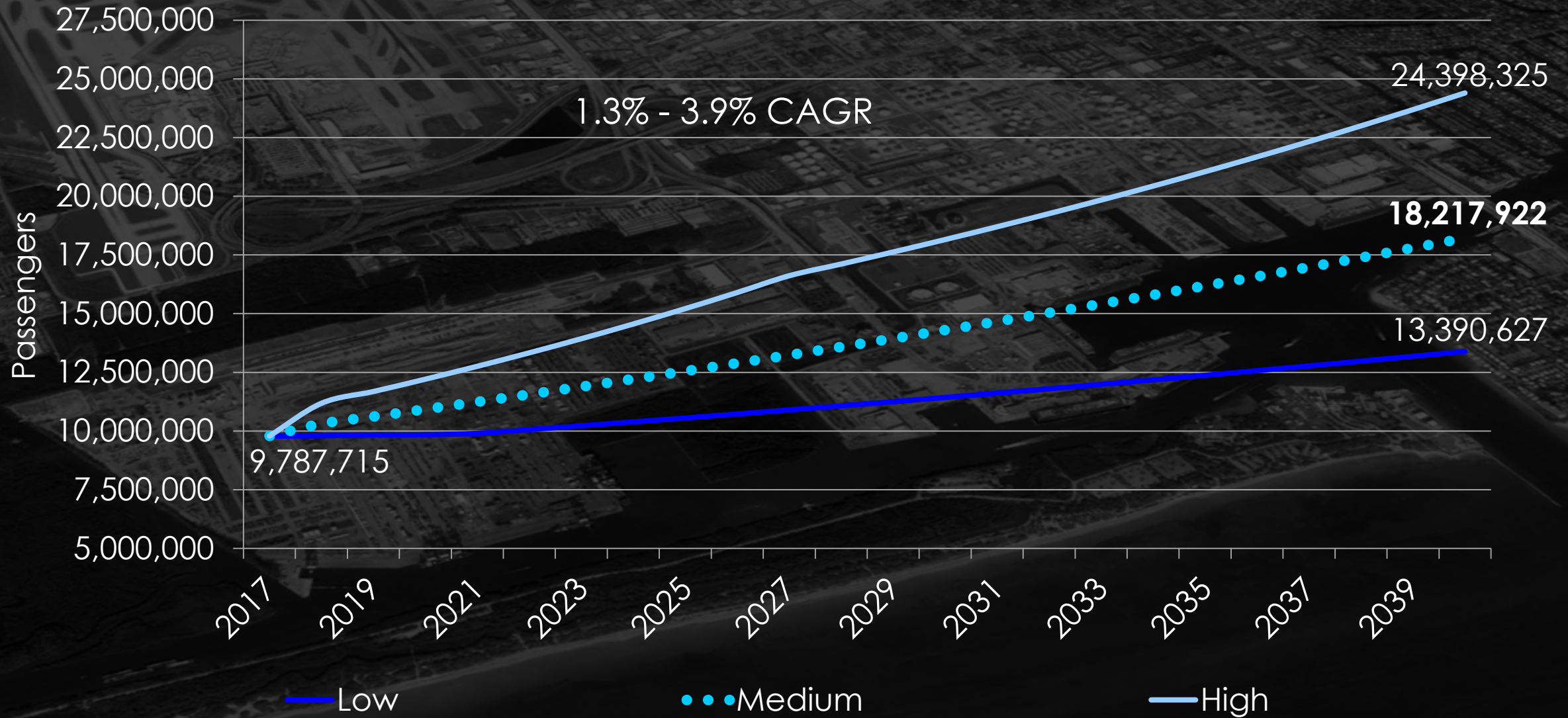


# Cruise Analysis Key Steps

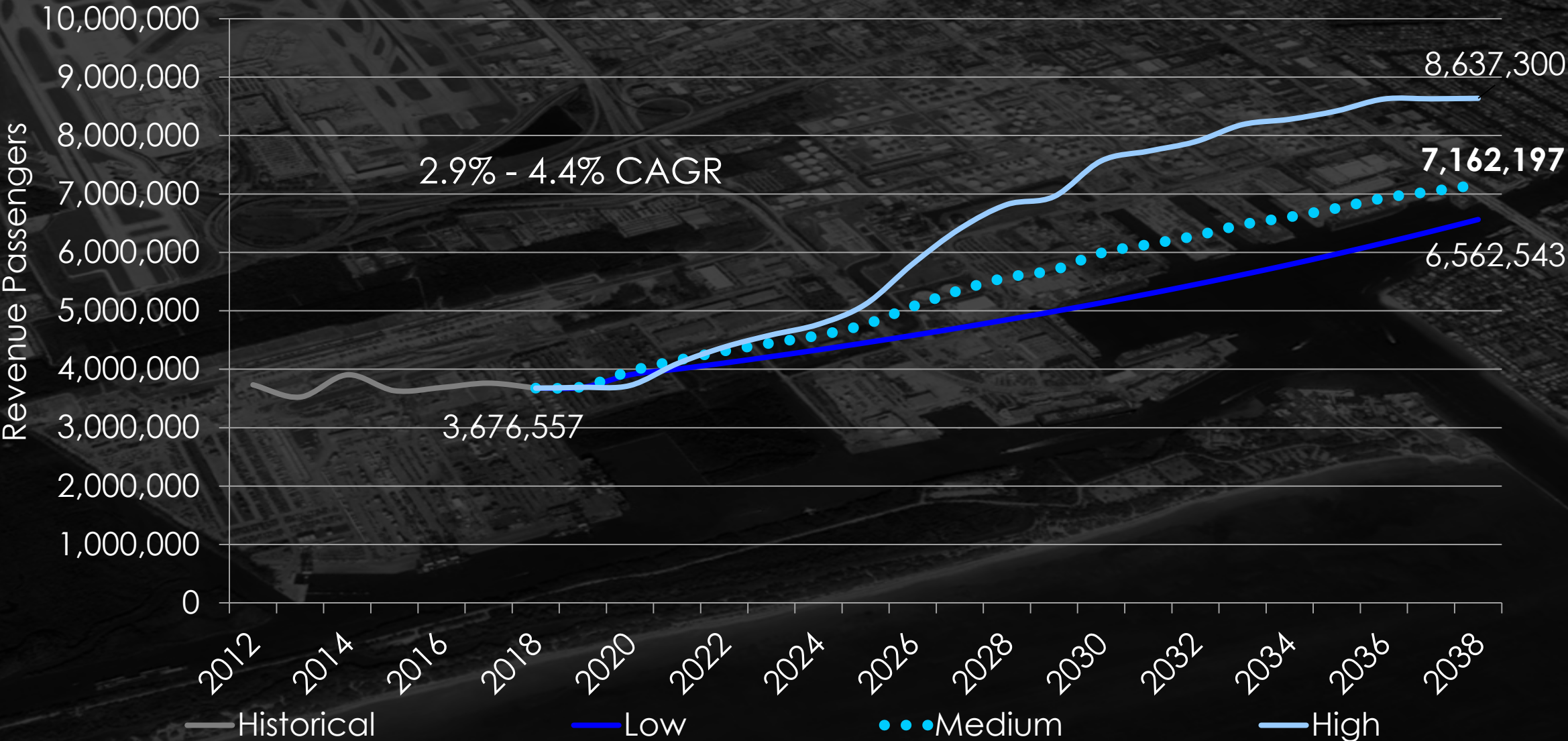
- Existing situation analysis
  - Key markets
  - Opportunities and constraints
  - Planned investments
  - Agreement structures
    - Revenue per call/passenger
    - Throughput per berth/terminal
  - Competitive situation
- Market assessment and projections
  - Macro-level growth
  - Market capture
  - Berth demand
  - Potential new opportunities



# Caribbean Forecast (Passengers)

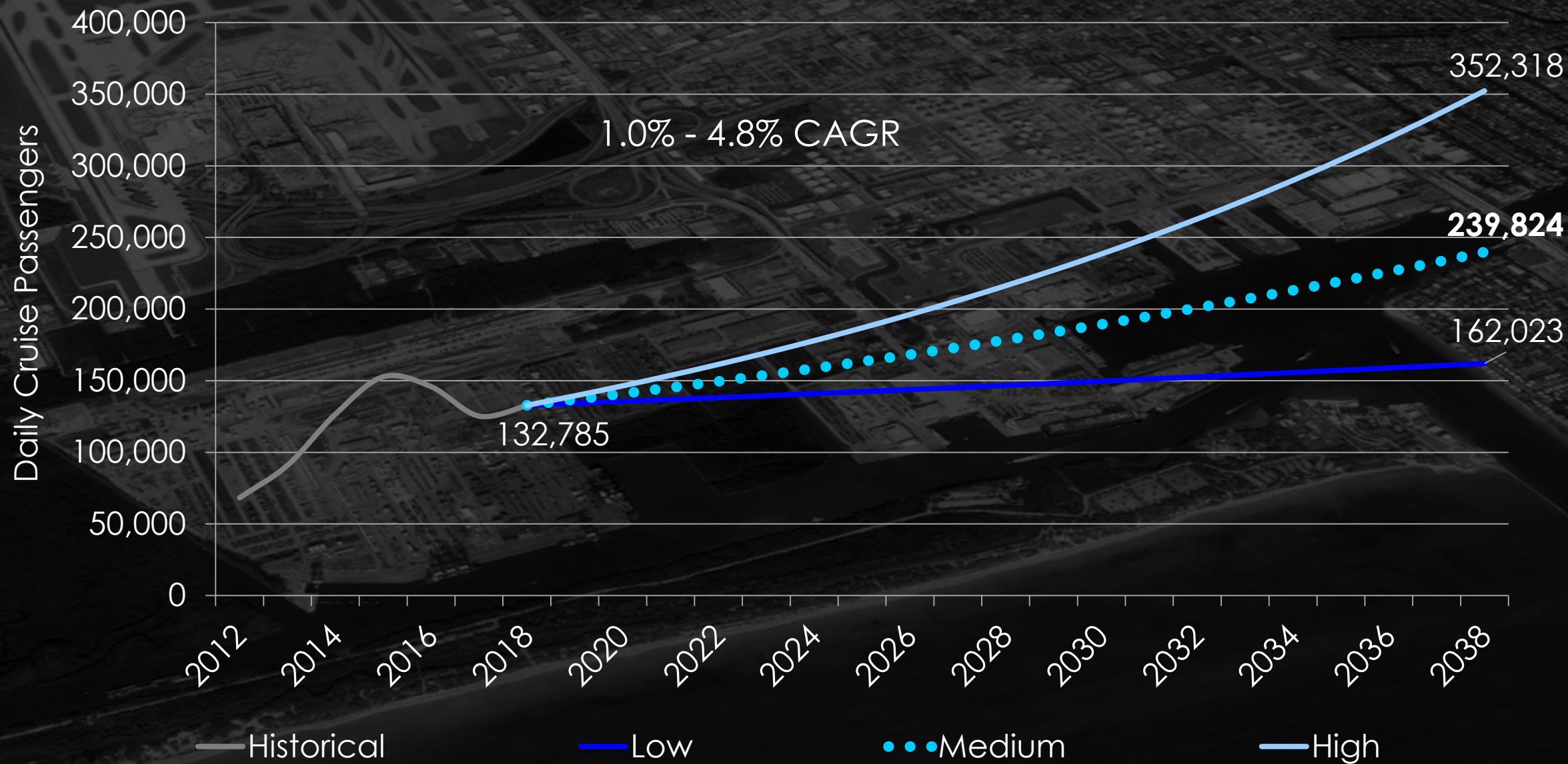


# Cruise Revenue Passenger Projections (Multi-Day)





# Cruise Revenue Passenger Projections (Daily)



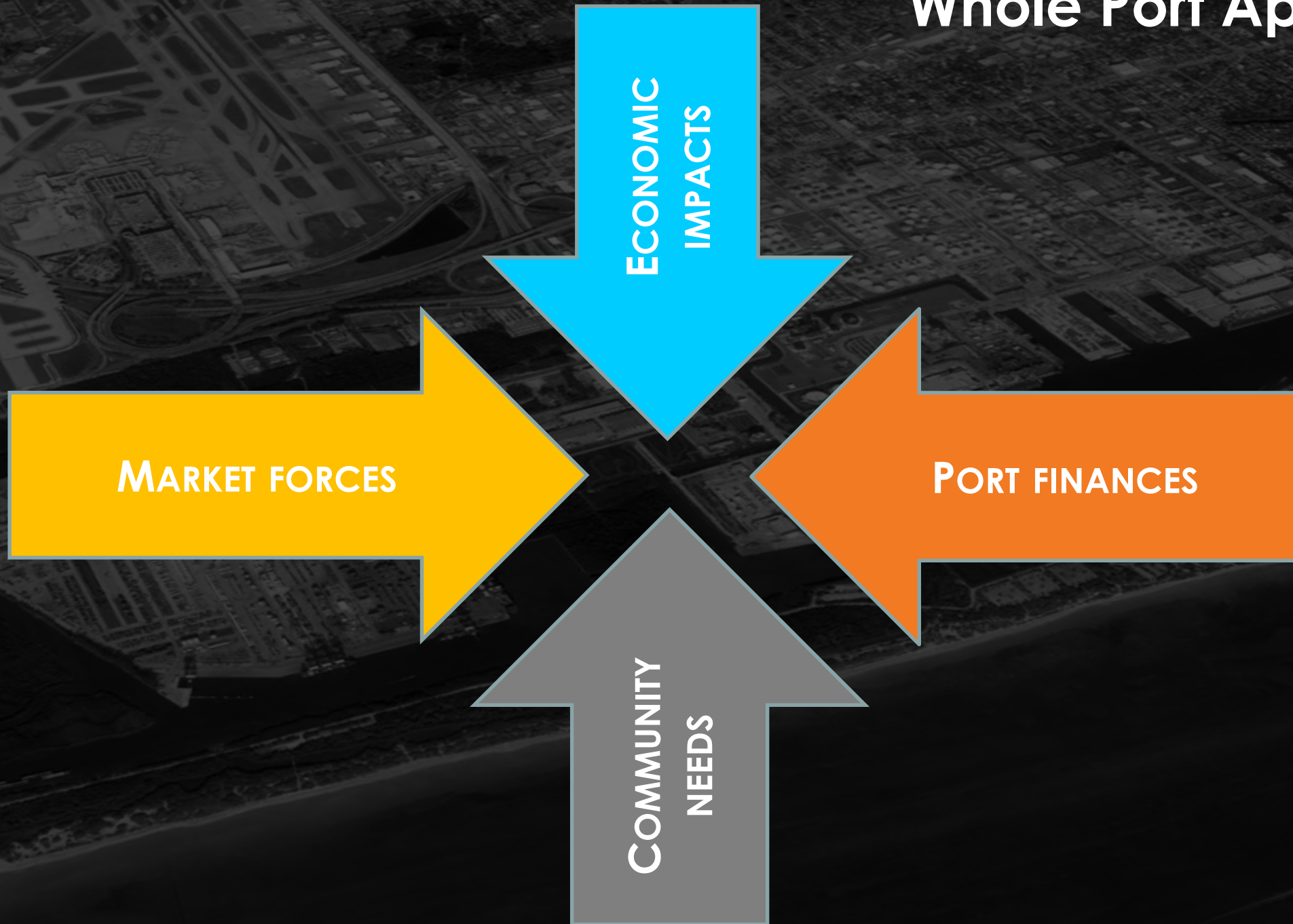
An aerial photograph of an airport and surrounding urban area, rendered in a dark, monochromatic style. The airport's runways, taxiways, and terminal building are visible in the upper left. A complex highway interchange with multiple overpasses and ramps is situated in the center. The surrounding urban landscape is filled with a dense grid of streets and buildings. The overall image has a high-contrast, almost black-and-white appearance with some color highlights.

# 2018 Master/Vision Plan Update

## **Phase 2: Plan Development**



# Whole Port Approach



## OUR APPROACH

- Build on existing strengths and current port investments
- Preserve flexibility to adapt to new opportunities
- Explore opportunities to increase efficiency, introduce technology and utilize innovative practices
- Use dynamic financial modeling for project evaluation
- Emphasize sustainability and optimization
- Balance the needs of cruise, liquid bulk and cargo operations
- Engage a broad range of tenants & stakeholders



# Major Future Development Considerations

- Market projections for each PEV line of business
- Vessel sizes (cruise, cargo, liquid bulk)
- On-port traffic
- Core trade lanes/source markets, trade policy and macro-economic conditions
- Ongoing PEV improvements (STNE, USACE deepening/widening, etc.)
- Cruise industry expansion and transition to LNG
- Competitive dynamics and developments at other Florida ports
- Technology, industry best practices and supply chain evolution
- Environmental and community impacts
- Return on investment and economic impacts
- Resiliency
- **Demand vs. Capacity**



# Example Current vs. Future Demand/Capacity

	Berth Requirements (berths)		KPIs	Land Requirements (acres)		KPIs
	2018	2038		2018	2038	
Cruise (including parking)	9.0	11.0		86.0	122.0	
	459,570	785,209	PAX/berth	44,836	70,798	PAX/acre
Liquid Bulk	3.0	3.0		22.0	15.0	
	113,693	118,280	BPD/berth	15,504	23,656	BPD/acre
Containers	5.5	8.0		320.0	300.0	
	190,357	330,529	TEUs/berth	3,481	6,611	TEUs/acre
	75,156	78,697	Moves/crane	n/a	n/a	
Break-bulk/Dry Bulk	4.5	1.5		32	23	
	404,459	1,269,838	Tons/berth	56,877	82,816	Tons/acre
Automobiles	1.0	0.5		9.0	31.0	
	16,408	72,954	CEUs/berth	1,823	1,177	CEUs/acre
Commercial	n/a	n/a		25.0	30.0	
	n/a	n/a		n/a	n/a	
Warehousing/Logistics/Miscellaneous	n/a	n/a		48.0	55.0	
	n/a	n/a		n/a	n/a	
Vacant/Other	n/a	n/a		90	36	
	n/a	n/a		n/a	n/a	
Total	23.0	24.0		632.0	612.0	

# Plan Development – Guiding Principles

- Increase Efficiency

- Increase effective capacity and minimize intra-port drayage and associated truck trips/costs through operational improvements
- Consolidate similar operations/operators
  - Southport = containers
  - Midport = cruise + ro-ro + logistics
  - Northport = liquid bulk + dry bulk/break-bulk + cruise + CVB/commercial
- Separate modes of transportation to minimize truck and non-truck traffic

- Preserve Flexibility

- Meet projected future demand without precluding changes in market conditions over time
  - Berths are the primary asset of all ports
  - Land should be configured to support berth utilization
  - Technology will drive future operations in unexpected ways



# Plan Development – Guiding Principles (Cont.)

- Facilitate Integration
  - Integration within the port
    - Cruise/Bulk/Liquid Bulk/Containers/ICTF/Parking/Logistics/Commercial
    - Traffic and transportation
  - Integration between the port and surrounding area
    - FLL-PEV-CVB synergies
    - Logistics (cargo and people)
    - Traffic and transportation
  - Integration across the broader supply chain
    - Cruise: PEV/PortMiami/Port Canaveral/Caribbean destinations
    - Containers: shippers/vessel operators/MTOs/3PLs/trucking community
    - Liquid bulk: critical regional and national energy infrastructure
    - Bulk/break-bulk: regional alternatives and business cycle dynamics

# Issues and Opportunities

- Ability to add berths/acres very limited
  - Prioritization of berth/land use against different criteria required
  - More volume on same footprint required
    - Liquid bulk: steady as she goes
    - Cruise: percent utilization of all berths will need to increase
    - Containers: moves per crane/berth and TEUs per acre need to increase; dwell times need to decrease
    - Bulk/breakbulk: tons/acre need to increase
- Regional demand vs. PEV demand
  - Three ports (PEV, PortMiami, Port of Palm Beach) serve the core South Florida market
  - Market conditions will drive future berth and land demand in the region
  - Value proposition, capacity, efficiency and relationships will drive port selection
  - Infrastructure and efficient operations are key to PEV's future success



# Master/Vision Plan Timeline

- Phase 1 – Fall of 2018 (Completed)
  - Existing conditions assessment
  - Market assessment: cruise, liquid bulk, cargo
  - Community and stakeholder meetings
- Phase 2 – Winter of 2019
  - Plan and strategy development
    - Financial considerations, market demands, operational enhancements, facility consolidation, business strategies, traffic study
  - Final Plan and executive summary
  - Plan implementation
  - Community and stakeholder meetings
- Phase 3 – Spring of 2019
  - 3-D computer animated video
  - BOCC Adoption/MPO meetings
- Phase 4 – Spring/Summer of 2019
  - Broward County Comprehensive Plan update

# Immediate Next steps

- Phase 1
  - Phase 1 (Elements 1 and 2) final report delivered in October, 2018
  - Tenant/stakeholder meeting #2 – today is final meeting of Phase 1
- Phase 2
  - Future development concepts
    - Volume projections for each line of business (cruise, liquid bulk, cargo)
    - Berth and land demand for each line of business
    - Operational and infrastructure enhancements
    - Commercial and logistics opportunities
    - Traffic and parking
    - Financial evaluation
  - Final recommended plan
  - Strategies for implementation



## **WE APPRECIATE YOUR INPUT AS PART OF THE PLANNING PROCESS**

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Q and A

December 14, 2018

