



# Port Everglades Master/Vision Plan Update

4<sup>th</sup> Tenants/ Stakeholders Meeting

January 9, 2014

# Master/Vision Plan Update Process

- Phase I - End of September 2013 **COMPLETED**
  - Existing Conditions Assessment
  - Market Assessment
  - Business Line Forecasts (with and without 50ft of water)
  - Community and Stakeholder Meetings
- **Phase II - March/April 2014**
  - **Plan Development** (Terminal Design Trends, Cargo Operational Enhancement Opportunities, Facility Needs Assessment, Conceptual Planning Studies, 20-Year Vision Plan, Parking, and Rail and Truck Traffic)
  - **Strategy Development** (Master Plan Development & Financial Strategy)
  - **Final Plan**
  - **Plan Implementation**
  - **Executive Summary**
  - **Community and Stakeholder Meetings**
- Phase III - March/April 2014
  - 3-D Computer Animated Video



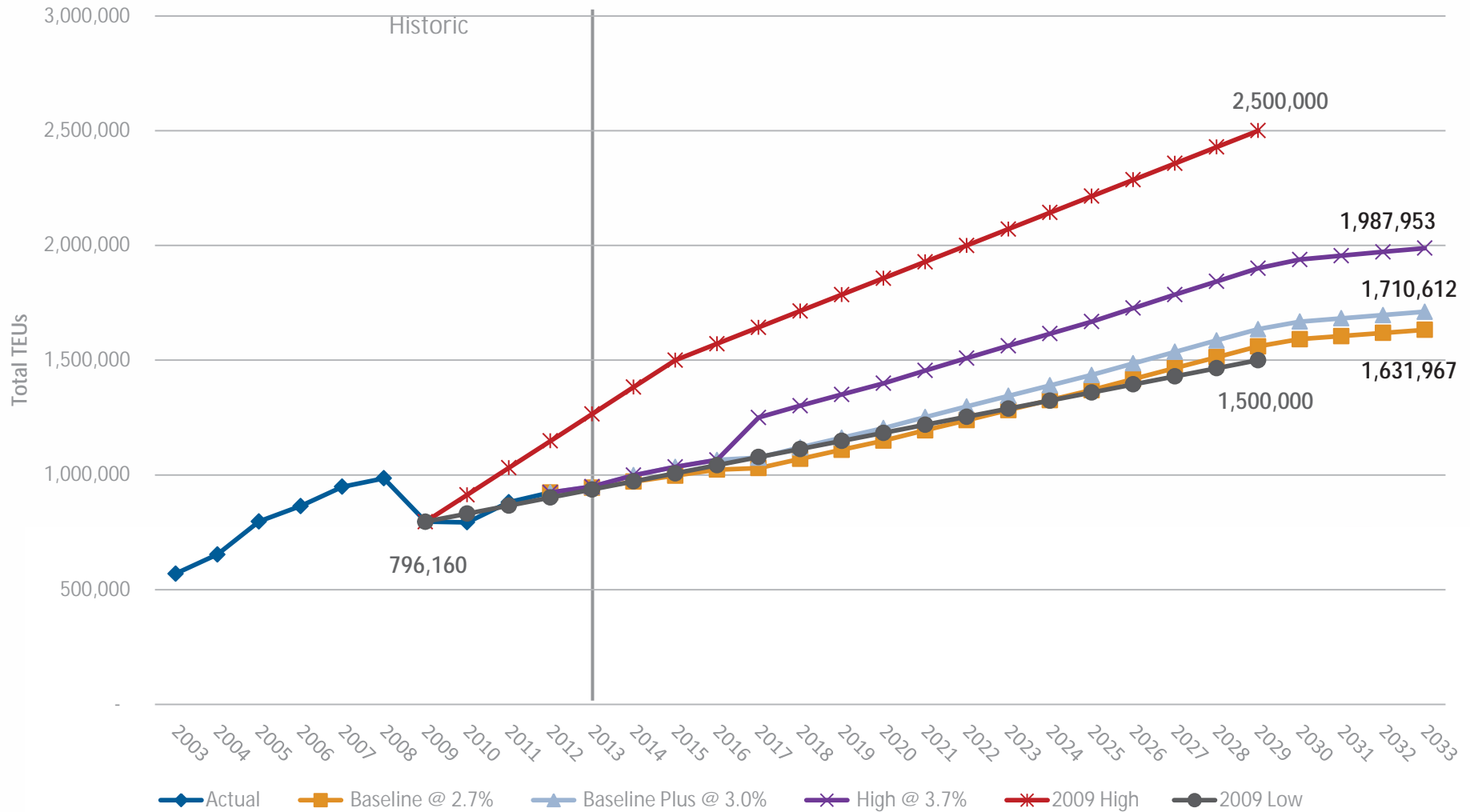
Master/Vision Plan

# MARKET ASSESSMENTS SUMMARY



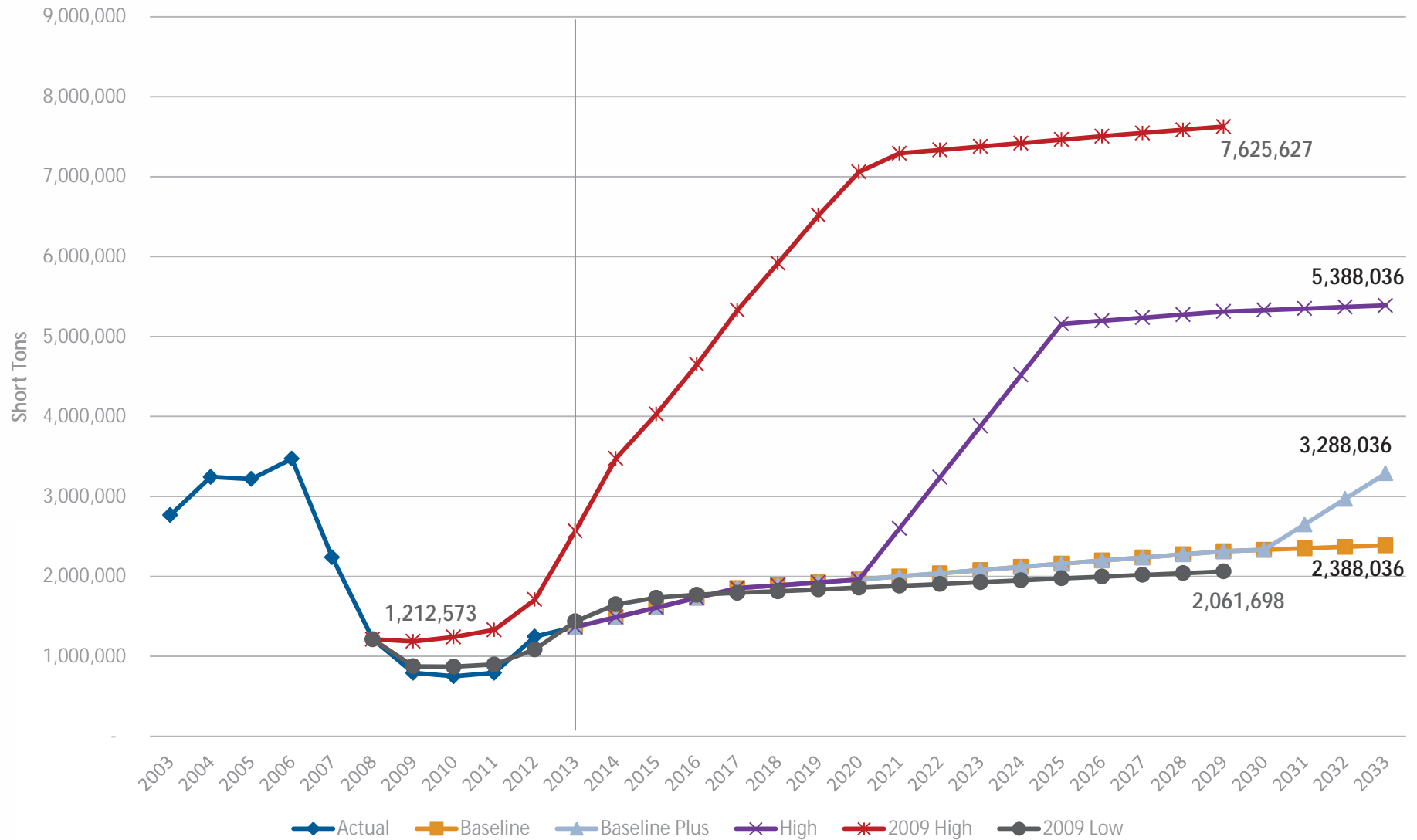
# Containers - Comparison of 2009 and 2014 Forecasts

## Total TEUs



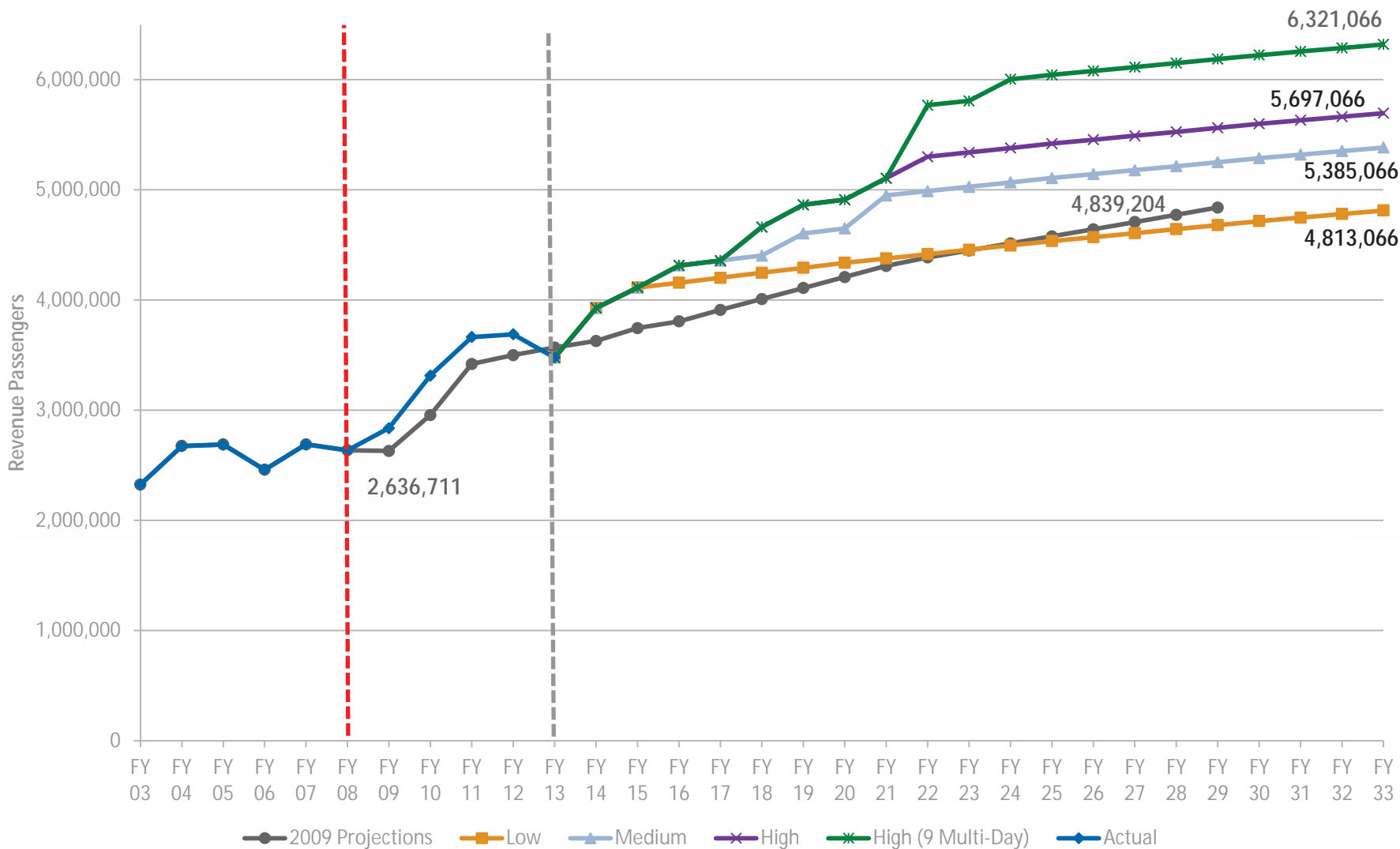
# Dry Bulk, Break Bulk, Yachts and Vehicles

## Comparison of 2009 and 2014 Forecast Estimates

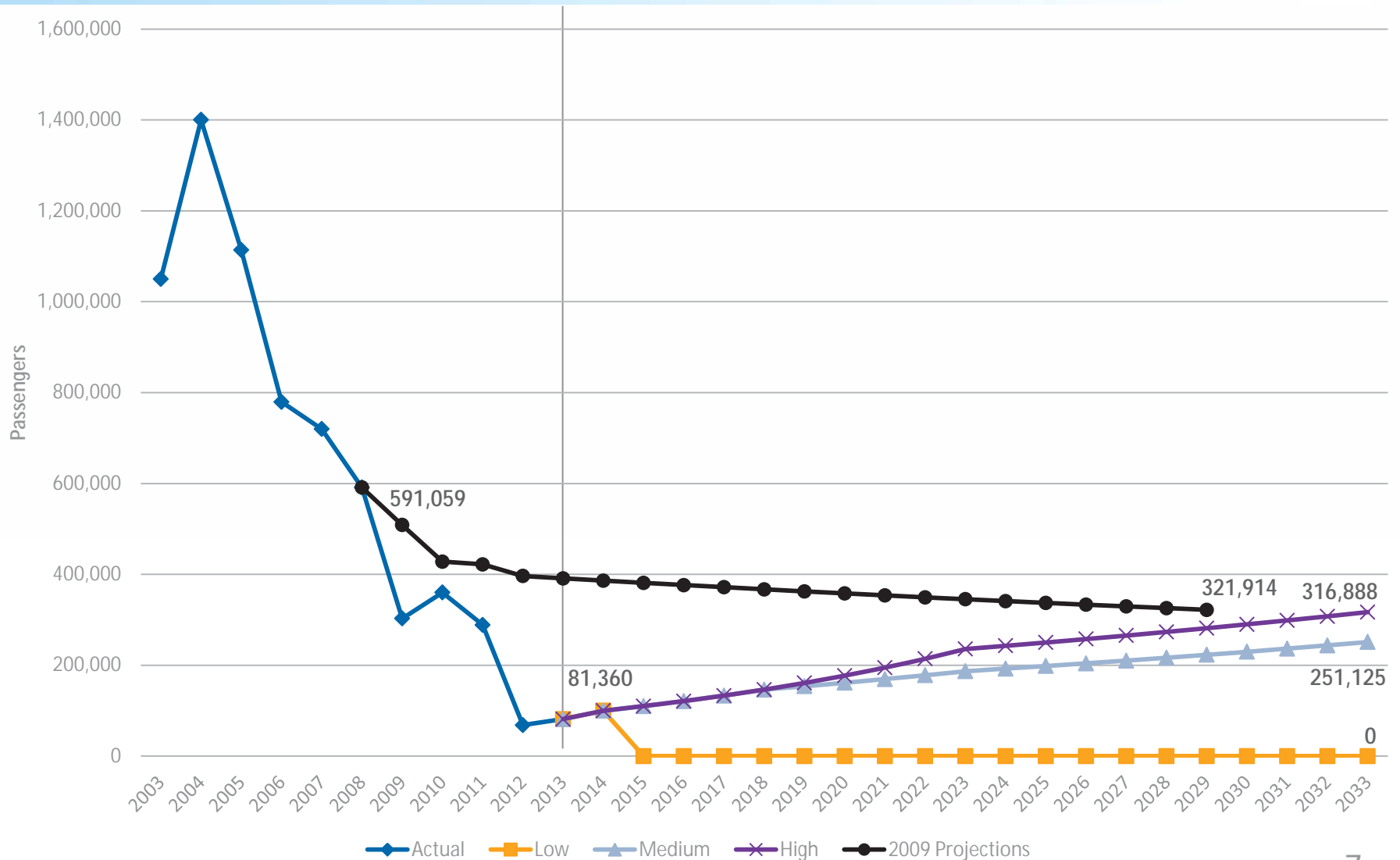


# Multi-Day Cruise Passengers

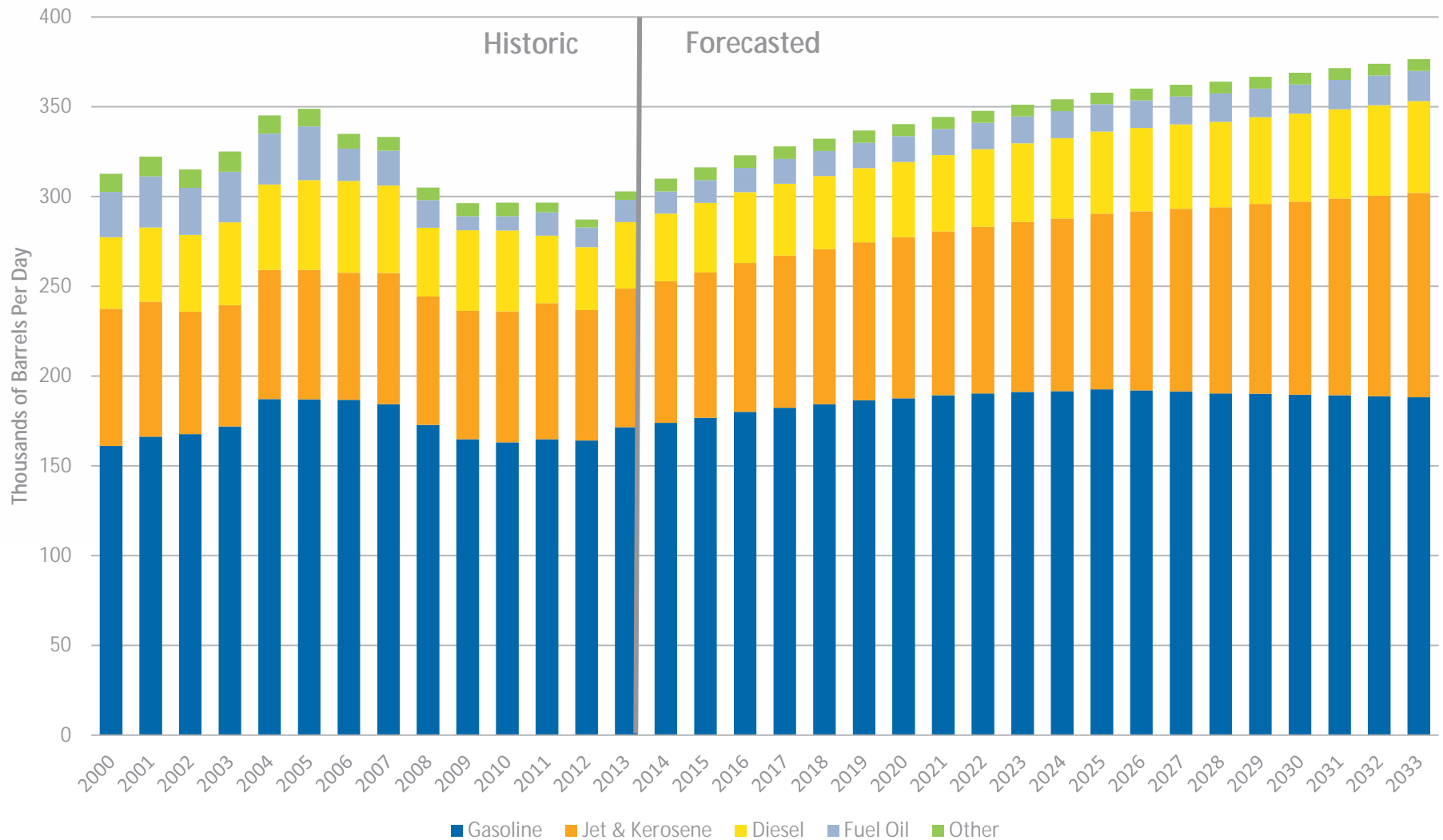
## Comparison of 2009 and 2014 Forecast Estimates



# 20 Year Forecast for Port Everglades *Single-Day Cruise Passengers*



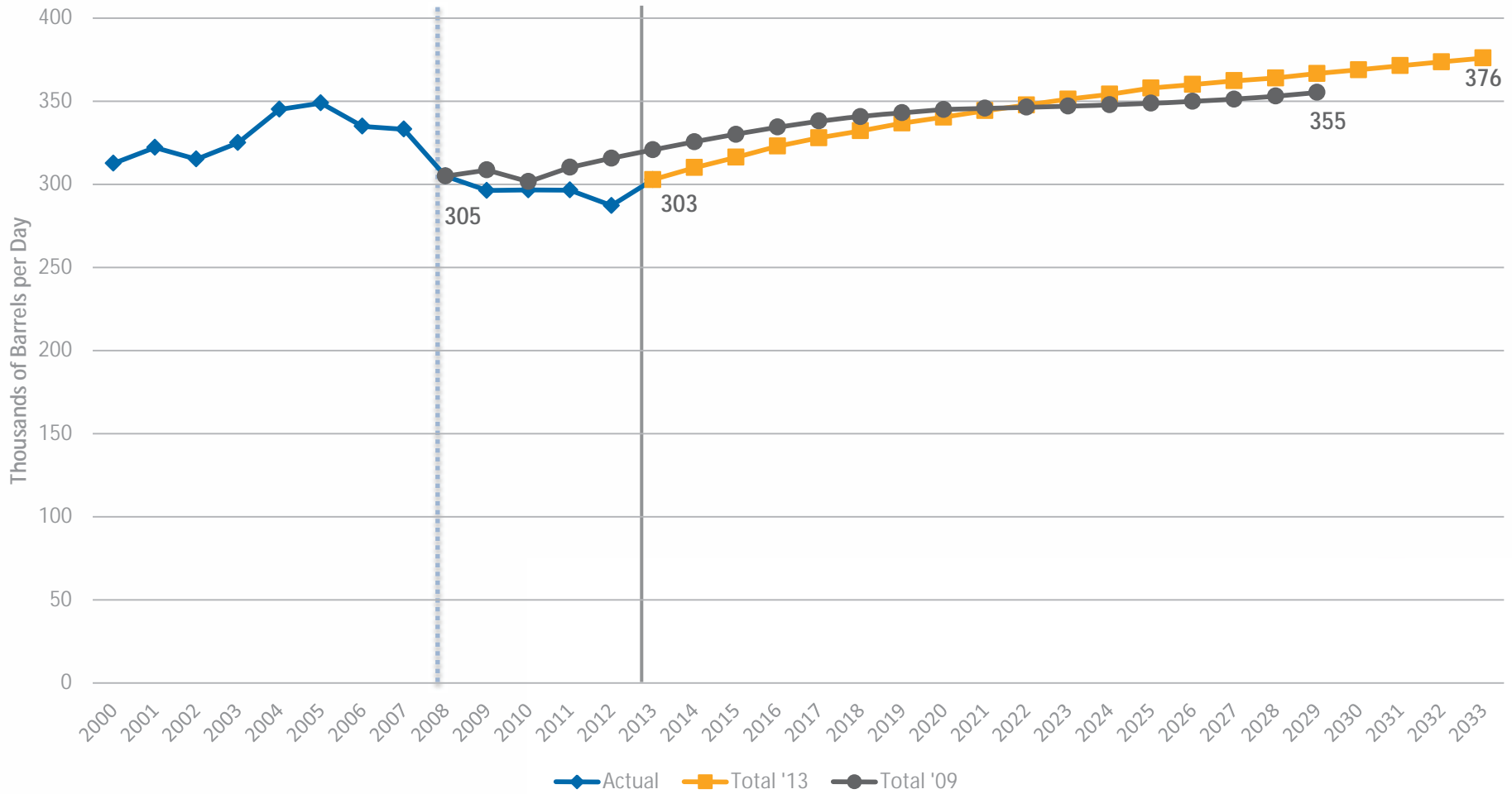
# Petroleum



Source: Port Everglades (2000-2012), USACE, DOE, IHS Estimates Note 2013 utilizes fiscal year 2013 data to April provided by Port Everglades



# Petroleum Forecast: 2009 and 2014 Comparison



Master/Vision Plan

# PROJECT DEVELOPMENT AND IMPLEMENTATION



# Overview of Economic Impact Analysis

## *Use of FDOT's Seaport Project Evaluation Tool*

- FDOT developed a project evaluation tool designed to generate a project specific ROI; this should not be confused with port specific ROI
  - Economic benefits represent the **regional** economic impacts of a project to the state, typically over a 30 year period, as compared to total capital and maintenance costs of the project
- Tool is used by FDOT as part of a larger evaluation process for projects seeking state investment across multiple funding programs, including:
  - Strategic Intermodal System
  - FSTED/311
  - \$150M Bond Program
- Other considerations include but are not limited to: port-identified priorities, project eligibility, available state funding, match availability, etc.

# Overview of Economic Impact Analysis

## *FDOT's Seaport Project Evaluation Tool Methodology*

- Identify changes to throughput, by commodity type
- Identify capital and maintenance costs for life of project
- Identify other key projects necessary to achieve the increases in throughput
- Use Maritime Administration's PortKit Model to calculate the Gross Regional Product (GRP) based on increased throughput
- Calculate the Operational and Safety Benefits
- Use Customized Spreadsheet tool to calculate transportation benefits (monetized using USDOT TIGER factors)
- Calculate ROI based on total benefit (GRP and transportation benefits) and cost (capital, maintenance, other) for life of project

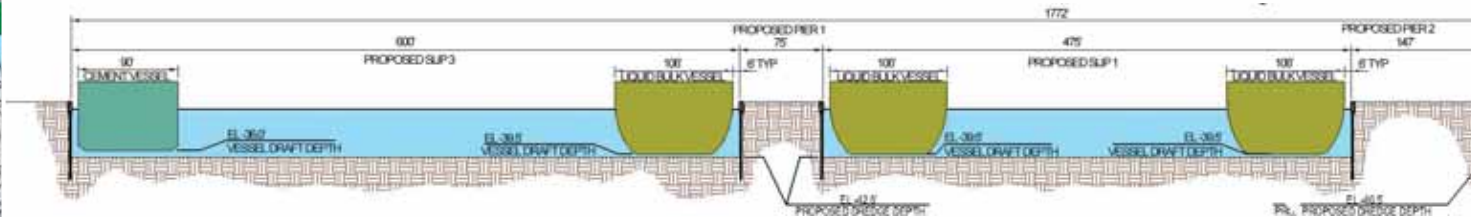
# The Project-Decision Matrix Considers these sensitivities:

- Project Cost
- Return on Incremental Investment (ROI)
- Net Present Value (NPV)
- Economic Impact
- Environmental Impact
- Customer/Regulatory Need
- Decision Matrix used to make “Go/No-Go” Decisions, and for placing projects into the 5-yr. CIP

# Petroleum Receiving Berths Redevelopment – Slip 1 and Slip 3



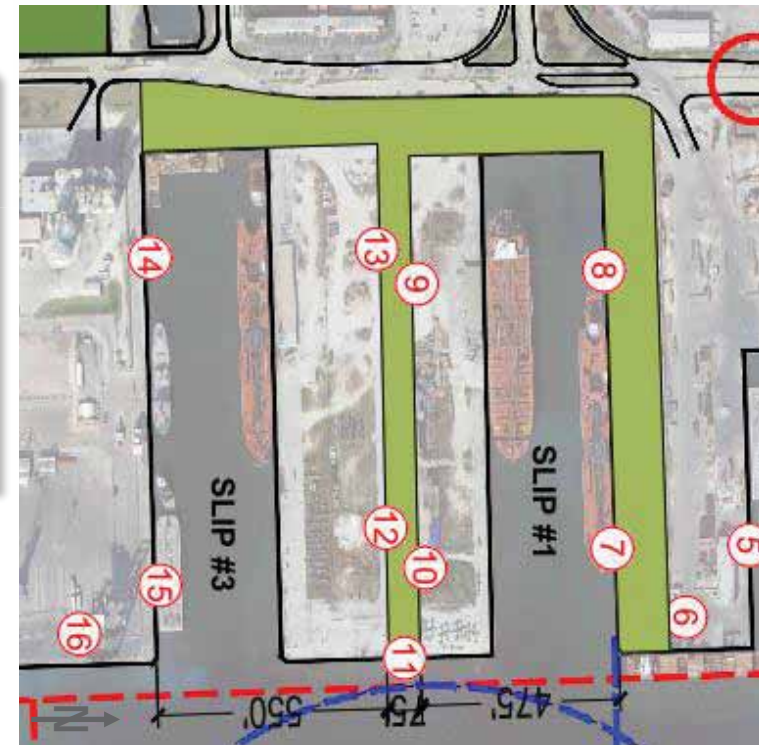
EXISTING 2009 PLAN



PROPOSED 2014 PLAN

## Development Program

- 3 Redundant Berths
- Berth capacity for Post-Panamax vessels (beam of 130')
- Depth consistent with ACOE deepening project
- Ready for reinstallation of piping and loading arms
- Changes from 2009 Plan include:
  - Slip 1 expansion to the South by 175' (not 125')
  - Slip 1 North bulkhead replaced in current location
  - Slip 3 expansion to the North by 250' (not 300')



Berth Number	Slip	Gross Cost (\$M)	Net Cost (\$M)
7-13A	1 & 3	157.5	138.7

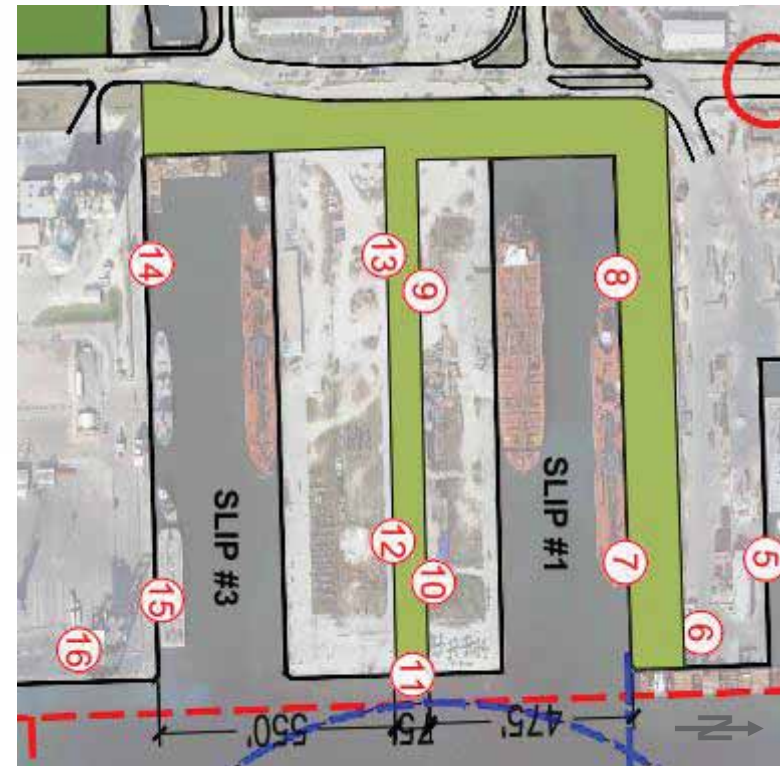
# Petroleum Receiving Berths Redevelopment – Slip 1 and Slip 3

Project	Slip	Gross Cost (\$M)	Net Cost (\$M)	Plan Year
9/10	1	55.3	36.9	5
7/8/8A	1	28.5	8.6	5/10
11/12/13/13A	3	73.7	49.1	20
Pier 1 Remediation	1 & 3		44.1	5 & 20
<b>TOTAL</b>		<b>157.5</b>	<b>138.7</b>	

## Revenue Considerations:

- 2012 operating revenues: \$25.7M
- Phased Construction
- Potential State Funding Assistance for Environmental Remediation

PROPOSED 2014 PLAN

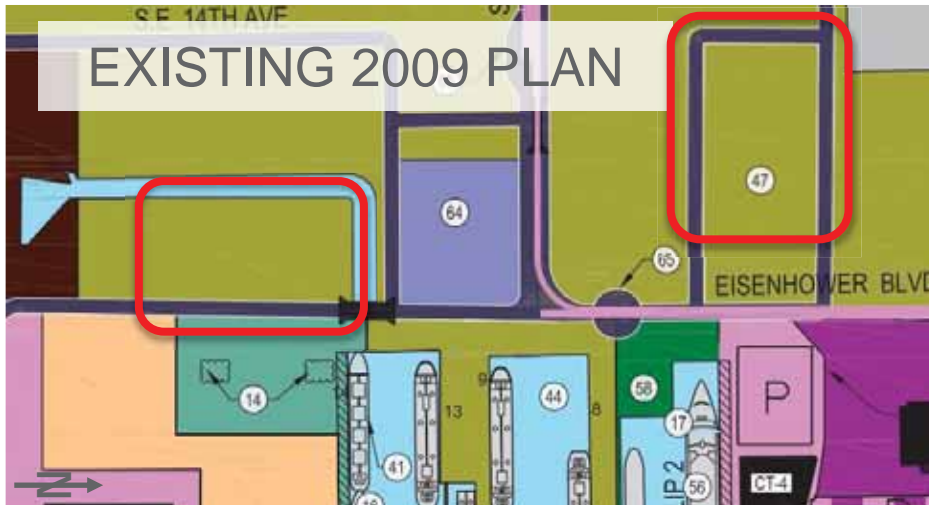


# Neo Bulk Storage Yard Development



## Development Program

- Berth 5 / RO-RO Ramp / Molasses Tank Farm Parcel (13ac)
- Berth 14-15 / FPL Parcel (10ac)



Land Parcel	Berth Number	Gross Cost (\$M)	Plan Year
Molasses Tank Farm	5	22.1	5
FPL Parcel*	14-15	20.2	5

\* Subject to availability



# Neo-Bulk (Steel) Storage Yard Development

## *Preliminary Regional Economic Impact Analysis – Key Inputs*

- Capital Costs:
  - \$20.2M for FPL or
  - \$22.1M for Molasses
- Maintenance Costs:
  - 0 for years 1-10; 0.5% of capital for years 11-30
- Construction Period
  - 3 months; in 5-year plan; no lost activity
- Ramp Up
  - Ramp up over 20 years according to baseline forecast beginning in 2019
- Project Life
  - 30 years
- Mode split for cargo traffic
  - 21% long distance truck; 64% short distance truck; 15% rail
- Discount Rate
  - 3.95%
- New Throughput:
  - 53K tons of existing neo-bulk relocated to new facility
  - 48.5K tons of new neo-bulk cargo over next 20 years

# Neo-Bulk Storage Yard Development

## *Preliminary Regional Economic Impact Analysis – Results*

- GRP Impacts = \$32.2M
- Net Transportation Impacts = \$12.9M
- Total Project Benefits = \$45.1M
- Project Capital Cost = \$22.1M
- Project Maintenance Cost = \$843.6K
- Total Project Costs = \$22.9M
- Preliminary estimate of jobs (direct, indirect & induced) generated annually year one (53k tons) = 51
- Preliminary estimate of jobs (direct, indirect & induced) generated annually at full ramp up at year 21 (102k tons) = 97
- **Regional Economic ROI = 1.0**

# Cruise Pier and Terminals 19/20 Construction



Singapore



Nassau



# Cruise Pier and Terminals 19/20 Construction

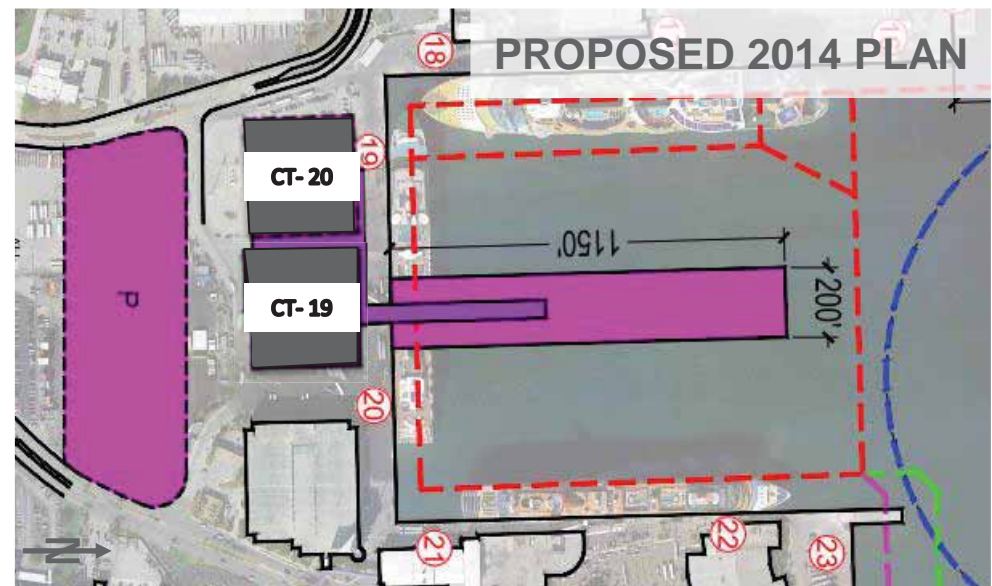
## EXISTING 2009 PLAN



Project Element	Berth Number	Gross Cost (\$M)	Plan Year
Pier 19/20	19/20	84.5	20
CT 19 & 20	19/20	83.9	20
<b>TOTAL</b>		<b>168.4</b>	

### Development Program

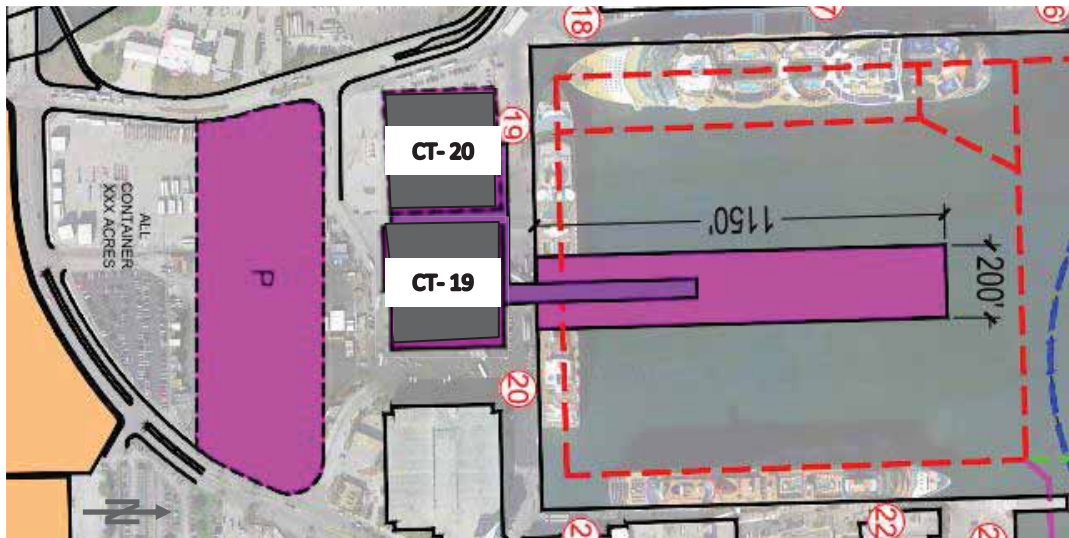
- Pier (1,150ft x 200ft)
  - Two 1,150ft berths
- Existing CT 19
- New CT 20
- Combined GTA and Parking



# Cruise Pier and Terminals 19/20 Construction

## Development Program

- Alternatively use the 5.0+ acres created by Pier 19/20 to accommodate future ferry opportunities
- Ferry operations staging would occur on the Pier with yard storage staging on surface lots rear of the CT 19 and CT 20
- This development would be aligned with PEV successful model of multi-purposing operations when feasible and possible
- Ferry Revenues would add to the bottom line



## Revenue Considerations:

- Two berths for LOA up to 1,000ft
- Year-round and seasonal sailings
- Parking Revenues
- Construction Sequence

# Cruise Pier and Terminals 19/20 Construction

## *Preliminary Regional Economic Impact Analysis – Key Inputs*

- Capital Costs:
  - \$168.4M for pier structure, terminal, and supporting infrastructure
- Maintenance Costs:
  - Pier: 0 for years 1-20; 2% of capital for years 21-30
  - Terminal: 0.5% of capital for years 1-20; 2% of capital for years 21-30
- Construction Period
  - 20 months (April 2017 – November 2018); loss of 6 months of cruise activity
- Ramp Up
  - 5 years at 20% per year
- Project Life
  - 30 years (beginning December 2018)
- Mode split for cargo traffic
  - 21% long distance truck; 64% short distance truck; 15% rail
- Mode split for cruise passengers
  - 25% auto; 7% transit; 68% air
- Average pre/post hotel stay: 1.26 nights
- Discount Rate
  - 3.95%

# Cruise Pier and Terminals 19/20 Construction

## *Preliminary Regional Economic Impact Analysis – Key Inputs*

- Conservative Alternative:
  - Lost Throughput:
    - 46.4K TEUs permanently (will show as new traffic benefit for Tracor Basin Project)
    - 228K multi-day cruise passengers during construction period (100% of current traffic assumed lost during construction at 38K per month)
  - New Throughput:
    - 452.4K multi-day cruise passengers based on new berth
    - Based on 2,900 double-occupancy vessel with maximum length of 965-feet
      - New Berth = One 7-day year round; One 7-day seasonal
      - Original Berth held at throughput equal to 2012 volumes

# Cruise Pier and Terminals 19/20 Construction

## *Preliminary Regional Economic Impact Analysis – Results*

- Conservative Alternative:
  - GRP Impacts = \$595.4M
  - Project Capital Cost = \$168.4M
  - Project Maintenance Cost = \$15.1M
  - Total Project Costs = \$183.5M
  - Preliminary estimate of jobs (direct, indirect & induced) generated annually by increased throughput = 1,846
  - Preliminary estimate of lost jobs from relocating cargo to other facilities: 474
  - **Regional Economic ROI = 2.2**



# Terminal 19

## *Lost Revenue*

- FY 2012 – 216K Revenue Passengers
- Predominately Carnival Operated Berth
  - Passenger Fee: \$13.7554
  - FY12 Operating Revenue: \$3M
- Port-wide Expense Ratio: 51%
  - Revenue – Expense = \$1.5M/year
- Majority of berth activity occurs from November – March
  - Average throughput is 38k revenue passengers/month or 190k passengers/year
- Construction Period: 18 – 21 Months
  - For 20 month construction period beginning in April, 6 months of operation will be impacted, with lost operating revenue of \$3.1M or a net income loss of \$1.5M

FY	2009	2010	2011	2012
October	3,935	7,618	0	6,292
November	33,962	36,381	26,946	32,298
December	39,879	32,903	20,868	36,416
January	50,699	48,006	31,940	40,770
February	32,921	37,400	16,176	31,351
March	36,213	44,153	17,337	49,337
April	27,486	14,495	34,104	19,217
May	31,663	6,164	10,267	0
June	14,063	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
Total	270,821	227,120	157,638	215,681

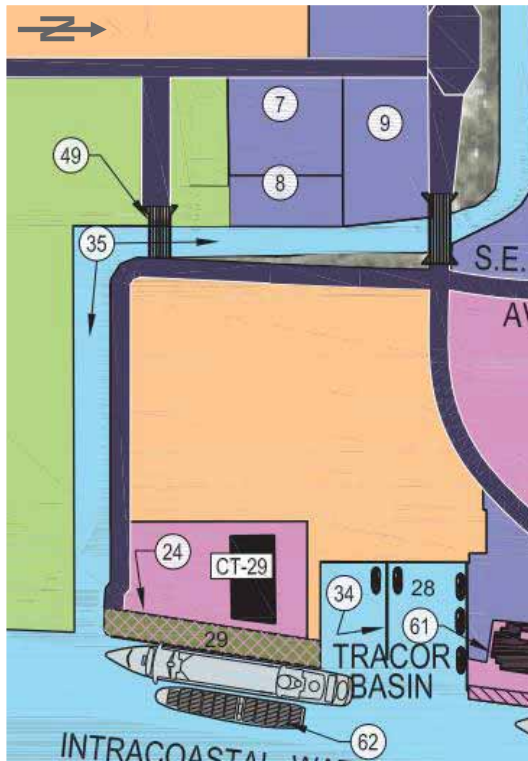
# Terminal 19

## *Future Throughput – Conservative Alternative*

- Anticipated Increase in Volume: 452,400
  - Berth 20: 452,400 revenue passengers
    - 1 Year Round Vessel @ 2,900 passengers: 301,600 revenue passengers
    - 1 In-Season Vessel @ 2,900 passengers: 150,800 revenue passengers
  - Berth 19 held constant at FY12 throughput
- Anticipated Revenue:
  - 452,400 revenue passengers \* \$13.7554 per-passenger fee = \$6.2 M/year
  - Less expenses: \$3.0 M/year

# Tracor Basin Fill

EXISTING 2009 PLAN



PROPOSED 2014 PLAN



## Development Program

- Create +/- 6ac of container yard
- Increased berth length
- Connectivity to Midport Cruise East

## Revenue Considerations:

- Larger Vessel At CT 29
- More efficient ops at 29
- Connectivity to Southport Cargo operations

Project	Berth	Gross Cost (\$M)	Net Cost (\$M)	Plan Year
Total Fill	29 EXT	49.0	29.7	10

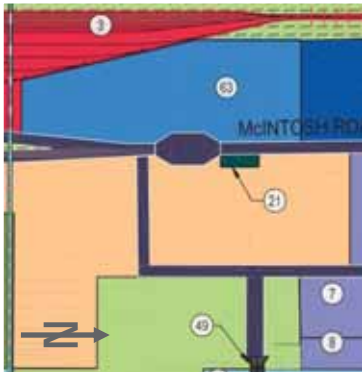
# McIntosh Road Gate Lane Addition

## Development Program

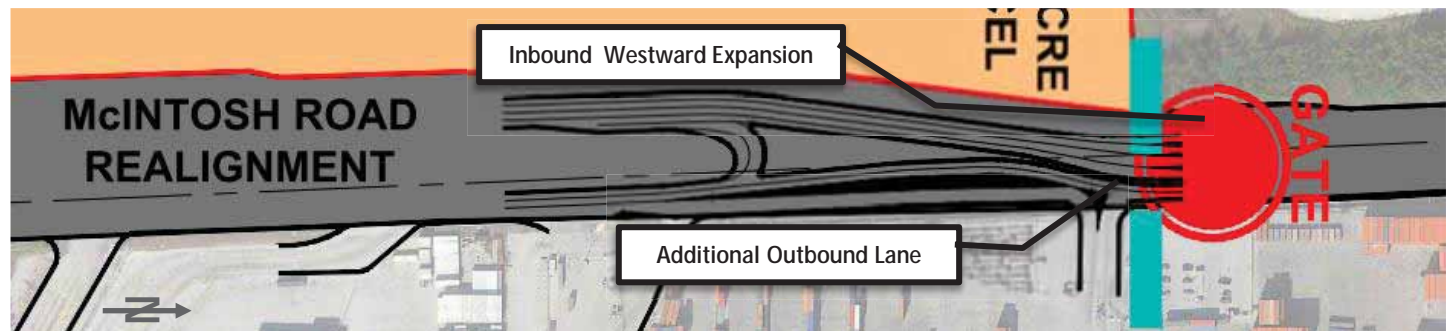
- Addition to the current McIntosh Road Improvements Project to increase capacity
- Align McIntosh Gate with McIntosh Road Realignment
- Address FTZ relocation and Southport Yard Expansion due to turning notch expansion
- Continued CBP use of existing FTZ buildings B and E

Project	Gross Cost (\$M)	Plan Year
Westward Expansion (in alignment with current gates)	1.6	5
Split Entrance South of Existing Gate	1.6	5

EXISTING 2009 PLAN



PROPOSED 2014 PLAN



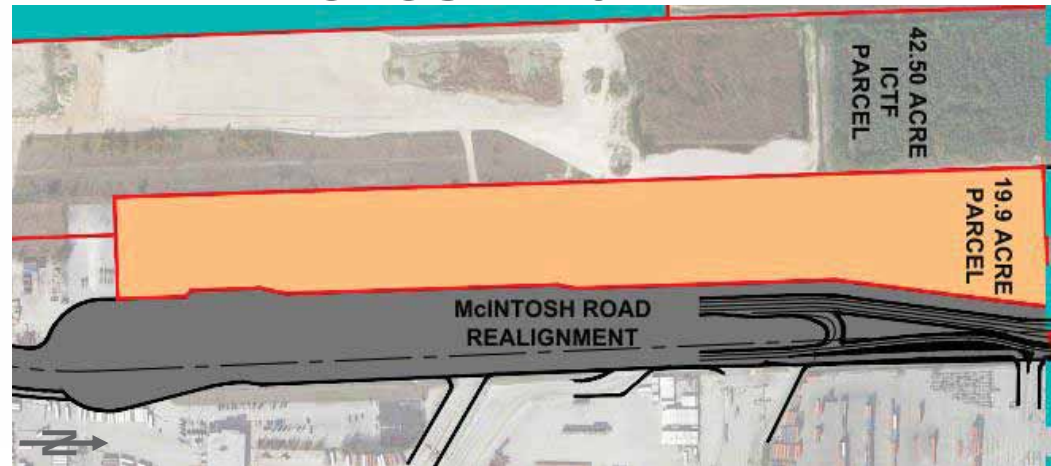
# Container Upland Development (19.9ac)

## Development Program

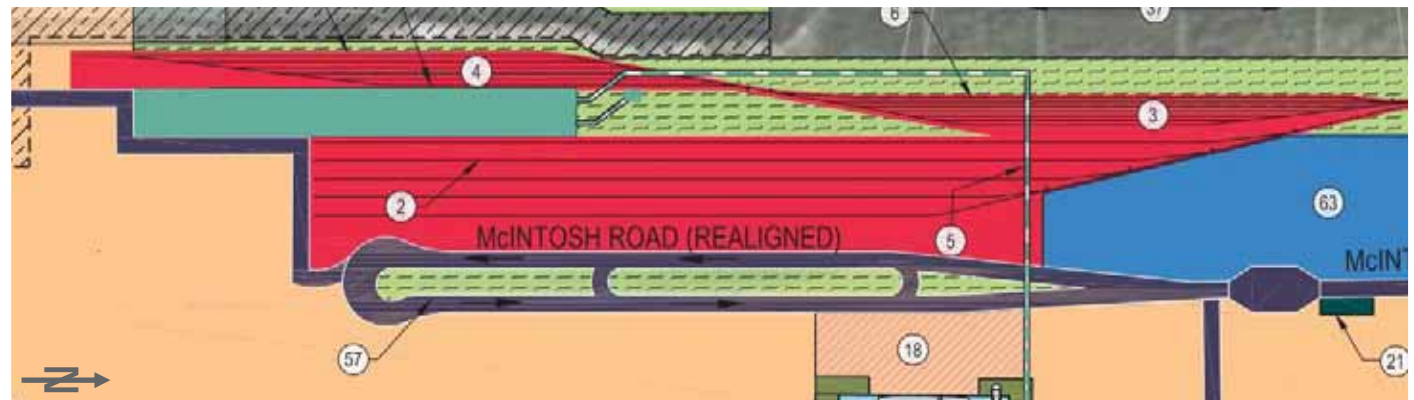
- Development of a 19.9ac area to support Southport container operations

Project	Net Cost (\$M)	Plan Year
19.9ac Development	33.9	5

## PROPOSED 2014 PLAN



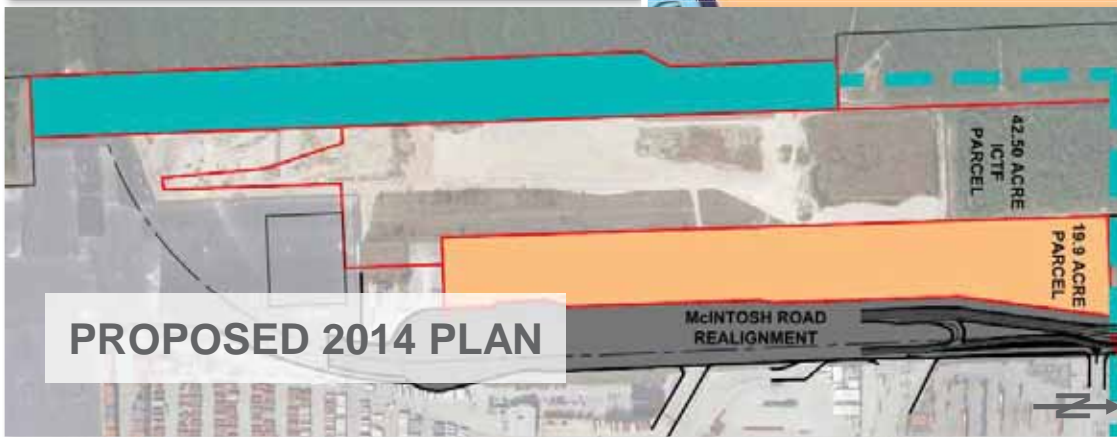
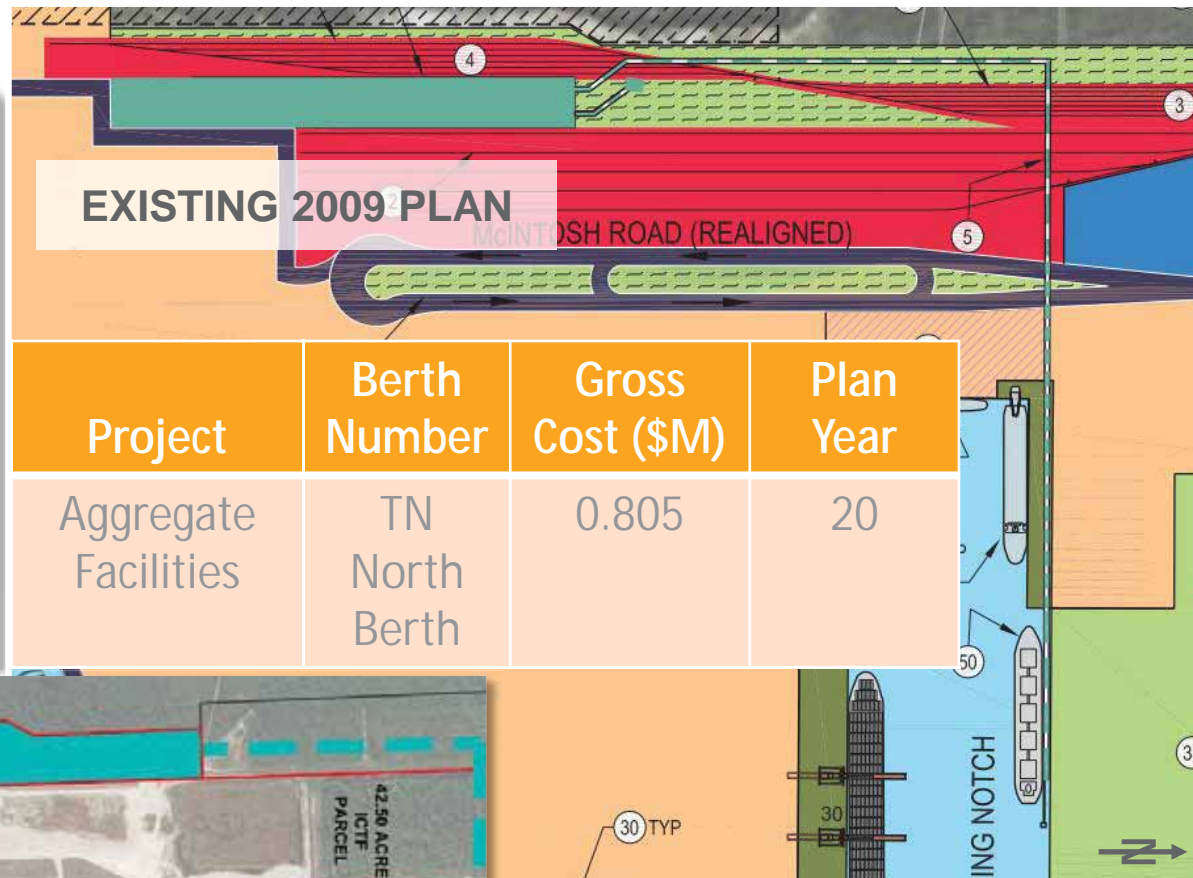
## EXISTING 2009 PLAN



# Aggregate Berth and Storage

## Development Program

- No Change to berth configuration or conveyer
- Shift laydown facilities from 19.9ac site to acreage west of the ICTF
- 2009 ROM cost is \$55M of which the presented cost is the re-evaluated cost for storage facilities only on ~20.6ac



# Berth 33 Reconfiguration

Project	Berth	Gross Cost (\$M)	Net Cost (\$M)	Plan Year
Realignment	33	50.9	35.0	10

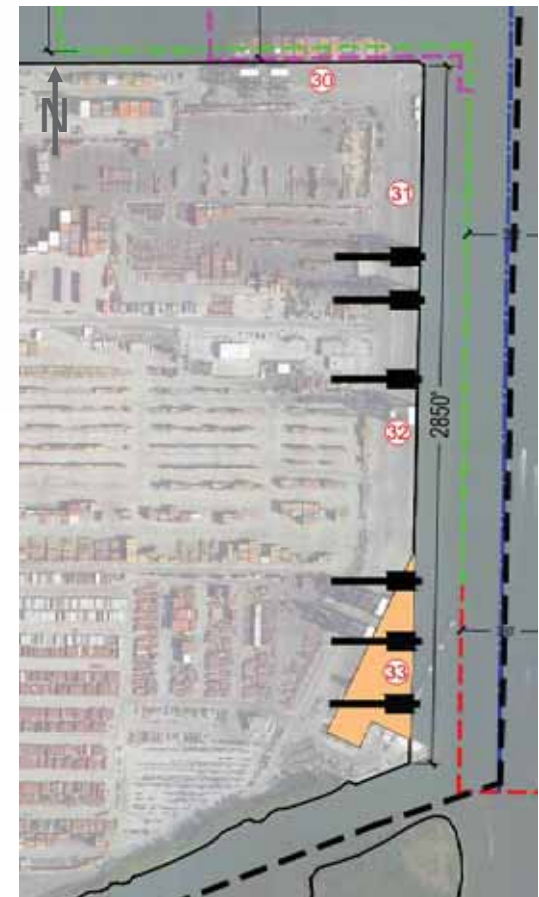
## Development Program

- 2.8ac upland development
- Greater operating flexibility
- Cost savings on crane articulation
- Contiguous berth length 31-33: 2,850ft

EXISTING 2009 PLAN



PROPOSED 2014 PLAN



# Berth 33 Reconfiguration

## *Preliminary Regional Economic Impact Analysis – Key Inputs*

- Capital Costs:
  - \$50.9M in marine infrastructure
  - \$25M in terminal investments including crane rail improvements
- Maintenance Costs:
  - 0.5% for years 1-20; 1% for years 21-30 of capital costs
- Construction Period
  - 21 months beginning in 2021
  - No lost activity; operational cost penalty applied of 1% of marine related capital during construction period (\$509K)
- Ramp Up
  - Ramp up over 10 years beginning in 2023
- Project Life
  - 30 years
- Mode split for cargo traffic
  - 21% long distance truck; 64% short distance truck; 15% rail
- Discount Rate
  - 3.95%
- New Throughput:
  - 135K TEUs



# Berth 33 Reconfiguration

## *Preliminary Regional Economic Impact Analysis – Results*

- GRP Impacts = \$410.2M
- Net Transportation Impacts = \$100.3M
- Total Project Benefits = \$510.5M
- Project Capital Cost = \$105.9M
- Project Maintenance Cost = \$3.8M
- Project Operational Cost = \$0.4M
- Total Project Costs = \$110.1M
- Preliminary estimate of jobs (direct, indirect & induced) generated annually in 2023 = 138
- Preliminary estimate of jobs (direct, indirect & induced) generated annually in 2033 = 1,379
- **Regional Economic ROI = 3.6**

# 2014 Master Plan Update Projects: Project Cost Summary (\$M)

Project	Berth(s)	Gross Cost	Net Cost
Petroleum Slips 1 & 3	7-15	157.5	138.7*
Neo Bulk Yard Development	5 or 14/15	20.2-22.1	20.2-22.1
Cruise Pier 19/20	19 & 20	168.4	168.4
Tracor Basin Fill	28 & 29	49.0	29.7*
McIntosh Gate Lane Addition		1.6	1.6
Aggregate Berth & Storage	30	0.805	0.805
Container Upland Development (19.9ac)	30, 31, 32 & 33	33.9	33.9
Berth 33 Reconfiguration	33A, B, C	50.9	35.0*
<b>TOTAL</b>		<b>484.2</b>	<b>430.2</b>
*Required CAPEX expenditure to maintain or reconstruct deducted to derive net.			

Three of the proposed 2014 projects have a CAPEX deduct to derive at net based on requirement to maintain or rebuild existing structures (in 2013 \$). They are shown as asterisk below. If no projects (new proposed as defined under the 2014 plan) are built, a cost of \$114.3M would be invested to maintain existing conditions at the port (relative to the three projects).

Master/Vision Plan

# NEXT STEPS



# Upcoming Meetings

- Commission Workshop: February 18<sup>th</sup>
- Public Meeting: TBD



# Port Everglades Master/Vision Plan Update Contact Person and Email

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To Submit Comments by E-mail:

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