



THE PORT OF
PENSACOLA

Update Report
to Pensacola City Council
February 5, 2018



Refresh...

Port Operating Agreement Types



- Long-Term Leases
 - Council approval process
- Short-Term Operating Agreements
 - Mayor approval process
- Transient Cargo Operations
 - Published tariff based

Revenue Sources

- Port of Pensacola, like most public seaports, collects fees in 3 primary categories:
 - Rent or Facility Use Charges
 - Charged as lump sum or per square foot of utilization per terms of lease or short-term operating agreement –based on Commercial Lease Practices
 - Cargo Fees (per tariff or contract)
 - Wharfage – fee charged to cargo type moved through the port facility
 - Cargo Security – a percentage of wharfage charged against all cargo
 - Storage – short- and long-term rates for inside or outside cargo storage
 - Vessel Fees (per tariff or contract)
 - Dockage – per foot of vessel length, per port day
 - Harbor fee – per voyage based on vessel length
 - Vessel security – percentage of dockage



Review...

What Transpired, 2014-2017

- 2014 - 2015
 - GE regularly exporting
 - IP export business building
 - DeepFlex plant coming
 - Vessel dockage days up 500%
- 2016 - 2017
 - Crude value plummets
 - Gulf exploration halts
 - Production slows
 - Support vessel fleets go into layup & OI vessel calls slow dramatically
 - Deepflex goes bankrupt
 - GE has no new export contracts
 - Paper shipments stop
 - IP Cantonment Plant explosion
 - Turkish anti-dumping duties



Result...

- Port activity
 - Tonnage...down
 - Vessel calls...down
 - 3 of 6 primary business lines...down
- Revenue
 - Storage...down
 - Dockage...down
 - Rent...down
- Reaction
 - Expenses cut to bare bones
 - Redoubled marketing efforts
 - Pursued all possible revenue sources (no matter how unusual)





Recovery?...

What's Happening Now

- Business Recoveries:
 - International Paper to Haifa, Israel
 - Steel exports to South America
- New Business:
 - World Direct Shipping Mexico container service
- Key Prospects:
 - 1 manufacturing / processing with import/export activity
 - 2 forest products import/export activity
 - 1 tourism-related
- Leasing/Real Estate Marketing Strategy
 - NAI Halford





Reassess...

Plan of Action

*Project Lead
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- Opportunities Research:
 - Cargo sector
 - Non-cargo marine business
 - Business line diversification opportunities for
 - Activation of “outside the gate” holdings
 - Maximization of “inside the gate” holdings
- Vetting:
 - Outcomes will inform Action Plan
 - Result = consensus Action Plan
- Outcome:
 - New port strategic plan per F.S. 311.14

