


**Date:** May 4, 2020

**To:** Honorable Chairwoman Audrey M. Edmonson  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** PortMiami COVID-19 Update

Agenda Item No. 2(B)(1)  
May 19, 2020

---

Miami-Dade County continues to experience the health and economic effects of the Coronavirus (COVID-19) Pandemic. This report provides an update on how the crisis has impacted PortMiami and its cruise and cargo operations.

### Cruise

On March 13, 2020, the cruise lines voluntarily ceased its worldwide operations. On that day, I announced, effective immediately, that PortMiami would be waiving all lay berth fees for homeported vessels during the next 30 days, and could be amended, as needed. This was a measure to support Miami-Dade County's cruise partners during the crisis.

On April 9, 2020, the United States Centers for Disease Control and Prevention announced a No Sail Order for cruise ships for up to 100 days. Consequently, on April 13, 2020, I extended the waiver of all lay berth fees through May 12, 2020 and extended the definition of this waiver to apply to any vessel owned by a cruise company that has a berthing agreement with Miami-Dade County.

As a result of these cruise cancellations, PortMiami experienced a drop of approximately 60 percent of anticipated passenger movements during the month of March. Through March 31, 2020, the Port is operating with approximately 11 percent lower passenger volumes over the same time period last fiscal year. The industry is hopeful that cruises will resume in mid-July at some capacity.

### Cargo

In continuous efforts to get through these difficult times, the Port has remained open on the cargo side. For Fiscal Year 2019-20 through March 31, 2020, container volumes are up 2.4 percent over the same period last fiscal year. For March, however, the Port reported a decrease of 15.5 percent in TEU volumes, mainly due to a reduction of container traffic from Asia related to the closure of factories and manufactures in the region. It is anticipated this trend will continue through the month of April and May, then gradually increase as markets throughout the U.S. start to reopen.

To mitigate the cruise and cargo revenue impacts, (estimated at \$54 million should the cruise lines begin operating at 50 percent capacity by August 1, 2020), as of the first week of March, the Port implemented several measures to offset its loss of revenue. These efforts included, but are not limited to, the implementation of a hiring freeze, stoppage of all overtime, deferral of marketing efforts (sponsorships, advertising, memberships, terminal activities), termination of business travel, deferral of nonessential capital improvement projects, and suspension of nonessential general expenditures, and the elimination or adjustment of the cargo rebate and cruise incentive program. These efforts, as well as the decrease of budgeted interest on its variable debt, are anticipated to yield a savings of approximately \$38 million through the end of Fiscal Year 2019-20.

Honorable Chairwoman Audrey M. Edmonson  
and Members, Board of County Commissioners

Page 2

The anticipated \$16 million shortfall will be covered by the budgeted surplus of \$11 million for Fiscal Year 2019-20 and by the Port's unrestricted reserve. To preserve County rights and defenses, the Port has issued a combination of Force Majeure Notices, Force Majeure Notice Extensions, and/or Standstill Agreements to its cruise and cargo partners with whom the County has contracts with minimum annual guarantees and/or revenue guarantees. Similarly, the Port has received Force Majeure Notices from these partners. The Port is currently negotiating with its business partners and anticipates bringing to the Board for its consideration amended terms highlighting cooperative arrangements as a result of the pandemic.

If additional information is required, please contact Juan Kuryla, Seaport Director, Port of Miami, at 305-347-4910.

c: Abigail Price-Williams, County Attorney  
Geri Bonzon-Keenan, First Assistant County Attorney  
Office of the Mayor Senior Staff  
Jack Osterholt, Deputy Mayor, Office of the Mayor  
Juan Kuryla, Seaport Director, Port of Miami  
Eugene Love, Agenda Coordinator  
Yinka Majekodunmi, Commission Auditor  
Melissa Adames, Acting Director, Clerk of the Board