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For IMMEDIATE RELEASE:

***Cabinet Approves Cruise Berthing Business Case for Public Engagement
Paving the Way for Start of Procurement Process and EIA***

Cayman Islands (30 October, 2013) Cabinet has approved the Outline Business Case (OBC) for the Cruise Berthing Facility and the document has been released for public engagement. This marks the successful completion of the second step in the cruise berthing project, and paves the way for the procurement process and EIA to begin.

The Ministry will now hold a public meeting on **5 November, in the Mary Miller Hall at Red Bay School**, to openly review the Outline Business Case, inform the public of the overall status of the project, and confirm the proposed procurement process which will ensue.

The first step in the process began in April 2013, with the development by Government of the Strategic Outline Case (SOC). In this high level document, Government set out eight options for consideration which varied from a ‘do nothing’ option through to a two pier solution (accommodating four ships) with a relocated cargo dock. Government also defined the financial, technical and environmental factors that would have to be reviewed and assessed in the preparation of the more detailed Outline Business Case (OBC).

The Cabinet policy in the SOC confirmed two important criteria – namely that there would be no new commercial development on the dock, and that existing government revenue could not be used to fund the development.

After careful assessment of all the listed options, PwC - Government’s financial consultants for the cruise berthing project - reduced the eight options to a ‘preferred solution,’ which comprised the construction of two piers, with consideration for relocating the cargo dock in the future but not as part of the current project. Once this had been determined, PwC proceeded to craft the outline business case document to study the preferred option from the financial technical and environmental aspects, and confirmed that it is in fact feasible for the cruise berthing facility to be designed, constructed and financed through a Public Private Partnership (PPP).

Explaining the steps in more detail, Deputy Premier and Minister of Tourism, Hon. Moses Kirkconnell stated that ‘The process being followed did not start out with the presumption that cruise berthing is

required. Rather, each option was carefully examined and consideration was given to factors such as whether the facility could be provided without increasing Government's debt, whether it would be technically feasible and could any detrimental environmental effects be mitigated?"

He further explained that "The process is designed to ensure that before projects proceed they are fully appraised not only from the financial perspective, but also from a technical and environmental standpoint. The business case is referred to as "outline" at this stage because at each major step of the procurement process, the case will be re-examined to ensure it still meets the criteria. Cabinet has approved the outline business case for public engagement, and after that process has concluded, the next step will entail development of a Request for Qualification (RFQ). That is the stage which outlines the scope of works, and invites proponents to confirm that they have the capacity to design, build, and finance and deliver cruise passenger volumes. The business case is not finalized until the project proceeds to the implementation phase."

Under a Public Private Partnership arrangement, the private partner would enter into a long term agreement with Government for a specified number of years, and would essentially design and build the two piers. The private partner would pay for all works and would recoup their investment from the berthing fees. Under such an arrangement, the Port Authority would retain day-to-day operational responsibility for the piers but the private partner, particularly if it were a cruise line or consortium, would control who used the berths and when. Government would assume ownership of the piers at the end of the specified term.

"I am extremely pleased with the integrity of the process and with the progress being made to finally provide the Cayman Islands with a cruise berthing facility," stated Minister Kirkconnell. "The project milestones are being achieved on time and it is anticipated that the tender process will begin early in the New Year. I would like to assure the people of the Cayman Islands that Government is committed to successfully steering this process through each of the requisite stages; from the invitation to tender to the development of a mutually beneficial agreement and on to construction. The OBC is available at www.mtd.gov.ky and I encourage key stakeholders as well as the general public, to take the opportunity to review the document and attend the meeting on 5 November, when it will be discussed in an open forum."

Speaking specifically to the concerns regarding the detrimental effect a berthing facility might have on the local environment, Minister Kirkconnell confirmed that Government is embarking on the preparation of an Environmental Impact Assessment (EIA).

"The EIA will be conducted by an independent consultant who will study many factors including waves, currents, tides, dredging, reefs and wrecks. The EIA will provide a conclusion on the impacts and will outline the measures that will be necessary to combat those impacts. This study will take some time to compile and it is recognised that the design of the facility cannot be concluded until the EIA is completed. A key factor also to be assessed is the effect of cruise tourism on George Town and its environs. Government has commenced an initiative to re-vitalise the town centre and water front areas and understands that independent to the installation of cruise berthing, these areas require upgrading to maintain a positive visitor experience."

The management and implementation of the cruise berthing facility is being led by the Ministry of DAT&T's project management team and is following an open, transparent and competitive process, conducted through the Central Tenders Committee, for all procurement; including the services of financial, legal, and technical consultants.

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