



**Hon. Moses Kirkconnell,
Deputy Premier & Minister for Tourism**

**REMARKS:
CBF Preferred Bidder Press Conference**

The Premier has provided a great deal of information about the preferred bidder – Verdant Isle Port Partners – and also about the procurement process that has been followed. Those are two very significant points and I think it bears repeating that the preferred bidder comprises a consortium made up of a trusted developer that is a household name in our Islands, in collaboration with cruise lines who have been our partners in the cruise industry for decades.

The consortium also includes **Orion Marine Construction, formerly Misener Marine**, who has previously worked on the port in the George Town harbour, and in Cayman Brac so they are very familiar with our marine environment.

Understandably the potential impact to the environment has been a cause of concern because our natural environment is integral to the viability of our tourism product. As a responsible government we made a commitment from the outset of this project that we would ensure any plan that was approved would be built in a way that minimizes the environmental impact, while delivering the greatest benefit to our people and to this country.

I believe we have delivered on those commitments.

The footprint of the new pier design is more environmentally friendly than the 2015 scheme submitted for environment impact assessment.

The new design has the piers pushed out into deeper water which means we will need to do less dredging and less coral relocation. There will be no dredging in Hog Sty Bay.

The facility still consists of two-finger piers which will be resting on pilings to allow the sea and marine life to move freely underneath. Pilings are commonly used all over the world in the construction of piers and bridges situated over water. So the method is tried and tested.

Over 20 years ago, a similar pier on a much smaller scale has been constructed in Cayman Brac on pilings and there has been no negative impact to the surrounding area. Water and marine life continue to flow freely between the pilings without being impeded.

Additionally, the proposed CBF will not increase the likelihood of flooding in the areas to the North and South of the new development. Wave walls have been incorporated within the footprint of the design which will further reduce potential flooding and wave overtopping into the road during extreme weather conditions and will add more protection to the central George Town area.

As the Premier has said, the cruise berthing project has taken six years to arrive at this point. At various stages in the process I have repeatedly said that it was necessary to arrive at this stage in order to have factual information in hand regarding the design and cost of the project available.

I am now very pleased that not only can we show the proposed berthing facility design, we can share more detailed information regarding the costs and affordability, which has also been an area of concern and speculation.

Development Cost

The successful bid establishes a cost for the project to be in the range of C\$200M and this includes the enhancement of the cargo port. This cost is in keeping with the budget estimate produced by the consultant team and is roughly half of what opponents to the project claimed.

Had we not needed to upgrade the cargo port the cost to provide the country with a first class berthing facility would be reduced. But our port is 40 years old and operates under conditions that are cramped, inefficient and less than ideal. It needs to be upgraded to be able to handle the higher volumes of cargo we need to provide for our growing country.

If the berthing project did not proceed, the Port Authority would require capital investment to upgrade the cargo area, because it would still need to be done. The difference is, the cost would be met by the public purse instead of a new revenue stream.

Design, Build, Finance, Maintain Financial Model

So speaking about costs, the berthing facility is being financed by the preferred bidder and their investment will be repaid over a period of 25 years from cruise passenger fees. Passenger fees are bundled into the cost of a cruise in much the same way that passenger taxes are bundled into the cost of airline tickets.

The portion of the fee which currently pays for tendering services will be used instead to repay the preferred bidder for financing construction of the berthing facility. The share of the existing passenger fee currently paid to the Port Authority and the Environmental Protection fund will remain unchanged.

After 25 years when the investment has been repaid, that portion of the passenger fee will be remitted to the Port Authority, increasing the revenue that PACI receives per passenger.

And as has been said many times - The Port Authority will continue to operate and manage the cargo port as well as the new cruise terminal and there will be no increased upland development.

This means cruise lines will not own or operate any retail or commercial space within the cruise terminal. From the inception of the project Government has maintained that George Town is our upland development to ensure that the money cruise passengers spend while onshore continues to provide maximum benefit to the local economy.

Job Creation and Security.

I'd now like to say a few words about job security and creation. The reason this country needs a berthing facility is to make our cruise tourism industry sustainable into the future. We have a great cruise product and we have to provide the ability for it to grow and continue providing jobs and opportunities for our people.

I have been asked what will those jobs be? In short, they will be the same types of jobs that support the cruise industry today.... Only more of them!

With more cruise passengers there will be a need for more entrepreneurs, taxis and tour operators. More staff will be need in retail establishments and restaurants. And obviously hundreds of construction jobs will be available during the build out. Students coming out of school will have opportunities to join businesses that are growing because the cruise industry is thriving and providing opportunities. This is the type of activity that helps to build our economy and keep it growing.

Cruise Berthing Facility Benefits

I would like to say that the selection of the preferred bidder represents a significant step forward to achieving our commitment to provide this country with a modern cruise berthing and enhanced cargo facility that caters to the essential needs of the country.

The evolution of the mega ship has changed the face of cruising in the Caribbean and we ae faced with the choice of either preparing to embrace this reality or accepting that we will be left behind.

After 40 years of being in the cruise tourism business Cayman is distinct within the region for not having a berthing facility. Rather than being an attribute, this presents a serious risk and will ultimately place our cruise tourism industry in jeopardy.

The cruise lines are our customers as well as our industry partners and it is in our country's long term best interest to provide a berthing facility that will positively impact employment and ultimately inject millions of dollars into our economy.

Correcting the misinformation

Now that the preferred bidder has been announced, I am pleased that we have this opportunity to address the misinformation that opponents to the project have deliberately circulated to cause fear and confusion in the minds of the public.

1. **China Harbour are not the preferred bidders** and no secret deal was ever made by this Government with CHEC.
2. **The cost of the project is not 300-400 million.** It is not even 250 Million! Our children's futures are not being mortgaged and the Country's finances are not at risk as a result of this project.
3. The fact is Government is NOT providing any loans, bonds or guarantees for this project.

4. **There will be no upland development.** We have said from the beginning that George Town is our upland development and the money that passengers spend will continue to circulate here at home and provide benefit to our local economy. Cruise lines will not own or operate any retail or commercial space in the cruise terminal.

5. **The Port Authority will continue to manage and operate the port.** The berthing facility and cargo port will not be given over to any third party for the next 25 years. It will still be managed and run by the Cayman Islands Port Authority just as it is today.

6. **The berthing facility will not cause flooding in George Town.** The wave walls that are being built as part of this project will REDUCE potential flooding and will add MORE protection to the Central George Town area. Furthermore there will be no dredging in Hog Sty Bay.