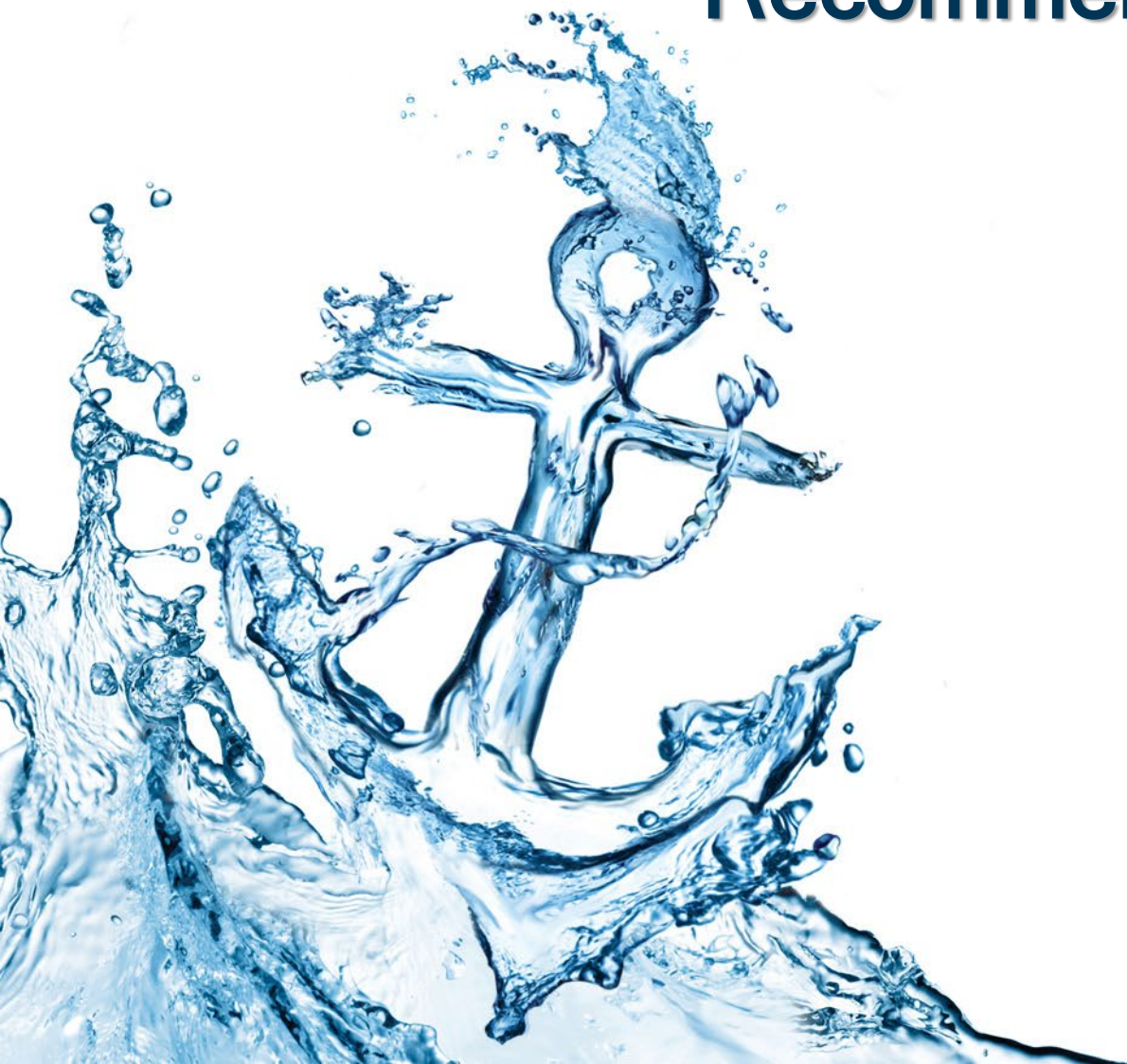


Port Everglades Revised Recommended Budget for FY2021

August 27, 2020



Introduction

- Like most entities, Port Everglades began experiencing the negative impacts of the COVID-19 pandemic in mid-March
- Prior to the pandemic, the Port was trending toward a record-breaking year with total operating revenues through February increasing by 9%
- Through July, total volumes and operating revenues have decreased in nearly all categories which will be detailed on the following slides
- In response to these volume and revenue decreases, the Port identified approximately \$12.2 million in mid-year operating expense budget reductions with adjustments expected to be included in the 3rd supplemental budget in September

Year-to-Date Performance thru July - Volume Statistics

Statistic	July Actual - FY2019	July Actual - FY2020	(+/-)
Cruise passengers	3,571,153	2,539,542	(29)%
Cargo TEUs	884,599	795,336	(10)%
Cargo tons	5,733,010	4,760,796	(17)%
Petroleum barrels	105,935,318	92,326,474	(13)%
Bulk and breakbulk tons	1,485,136	1,233,161	(17)%
Multi-day cruise ship calls	625	467	(25)%
Total ship calls	3,442	3,257	(5)%

Year-to-Date Operating Revenues thru July

Revenue Category	July Actual - FY2019	July Actual - FY2020	(+/-)
Cruise	\$55,112,867	\$41,239,745	(25)%
Containerized cargo	29,123,137	27,857,324	(4)%
Petroleum	31,516,133	28,499,731	(10)%
Real estate	15,315,153	16,336,967	7%
Parking	8,154,270	5,488,010	(33)%
Breakbulk	3,472,213	3,384,363	(3)%
Bulk	4,090,977	3,550,831	(13)%
Lay-in	1,499,852	4,993,958	233%
Other	1,247,463	1,189,263	(5)%
Total	\$149,532,065	\$132,540,192	(11)%

FY2021 Revised Revenue Assumptions - Cruise

Since the preliminary recommended budget was submitted, there have been several developments related to the global COVID-19 pandemic that have negatively impacted cruise revenue estimates for FY2021 as follows:

- On June 19, 2020, the Cruise Line International Association (CLIA) announced a voluntary extension of the cruise suspension existing at the time from August 1, 2020 to September 15, 2020
- On July 7, 2020, Carnival Cruise Line announced the redeployment of Carnival ships from Port Everglades to PortMiami and Port Canaveral for the upcoming season
- On July 17, 2020 Holland America announced the sale of the ships Amsterdam and Rotterdam which had been scheduled to call at Port Everglades during the upcoming season
- On July 16, 2020, the CDC announced an extension of the cruise no-sale order until September 30, 2020
- On July 22, 2020, Princess Cruises announced a voluntary suspension of cruise operations to the Caribbean and elsewhere until December 15, 2020
- On August 5, 2020, CLIA announced a voluntary extension of the cruise suspension until October 31, 2020

FY2021 Revised Revenue Assumptions - Cruise

As a result of the continued uncertainty over when cruise operations will resume, the Port is recommending to reduce the FY2021 cruise revenue budget by \$20,736,050 to \$12,475,000* which reflects the following:

- Sailing of remaining multi-day cruises beginning on December 1, 2020 at 30% capacity through June 30, 2021, and increasing to 50% capacity July through September
- Forecast assumes additional revenue from new customer Viking Cruises for cruises between January and March expected to be billed at tariff rates
- The Port is also recommending a corresponding decrease in the budget for cruise parking revenues from \$3,758,000 to \$1,526,000

*This amount is merely a projection based upon current circumstances but in no way is intended to modify or amend the contractual obligations of any or all of the cruise lines

FY2021 Revenue Assumptions - Other

The Petroleum and Containerized Cargo revenue estimates for FY2021 are derived from the baseline “likely” forecasts included in the adopted Master/Vision Plan:

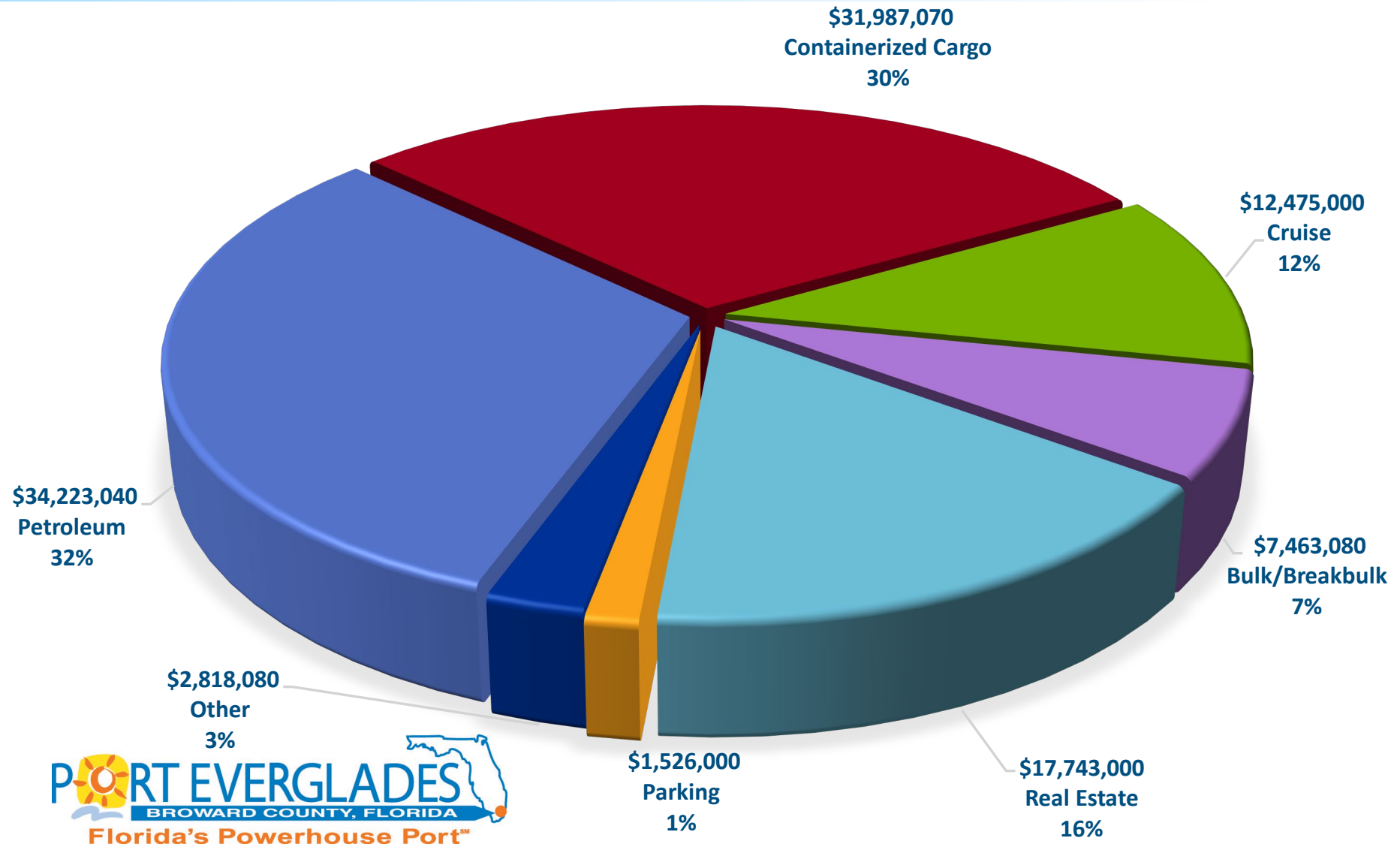
- Petroleum assumes a baseline of 125,084,752 barrels with decreases of 10%, 25%, and 10% for gas, jet, and other fuel types, respectively resulting in an estimate of 107,179,792 barrels at an average of \$0.32 per barrel or \$34,223,040
- Containerized cargo assumes a 10% decrease to the baseline of 1,105,000 TEUs (613,889 shipmove equivalent) which equals 994,500 TEUs (552,500 shipmove equivalent) at an average of \$57.90 per shipmove or \$31,987,070

- In addition to the above, the Port is recommending a reduction of \$710,060 to the budget for real estate primarily due to a reduction from the tenant move to the new FTZ
- All other revenue sources including bulk, breakbulk, lay-in, finance charges, Foreign Trade Zone, rail revenues, and public safety assume 3% tariff increases over the FY2020 budget

Recommended Revenue Budget Adjustments for FY2021

Category	FY20 Adopted Budget	FY21 Original Recommended Budget	FY21 Revised Recommended Budget	(+/-)
Cruise	\$61,290,280	\$33,211,050	\$12,475,000	(\$20,736,050)
Petroleum	\$38,385,160	\$34,223,040	\$34,223,040	\$0
Containerized Cargo	\$36,542,410	\$31,987,070	\$31,987,070	\$0
Real Estate	\$17,914,670	\$18,453,060	\$17,743,000	(\$710,060)
Bulk/Breakbulk	\$7,245,740	\$7,463,080	\$7,463,080	\$0
Parking	\$7,493,260	\$3,758,000	\$1,526,000	(\$2,232,000)
Other	\$2,736,280	\$2,818,080	\$2,818,080	\$0
Total	\$171,608,800	\$131,913,380	\$108,235,270	(\$23,678,110)

Summary of Revised Forecasted Operating Revenues for FY 2021 - \$108,235,270



FY2021 Revised Operating Expense Budget Assumptions

If the recommended revenue budget for FY2021 is revised downward to \$108,235,270, the Port is proposing the following in order to adopt a budget that meets at least the minimum debt service coverage requirements of 1.25x/1.10x:

- 1) Reduce the recommended operating expense budget by \$12,670,460 (detail by category on the next slide)
- 2) Use \$15,000,000 of the Port's unrestricted cash and investments (approximately \$150 million as of June 30, 2020) to legally defease debt to decrease pressure on next year's coverage

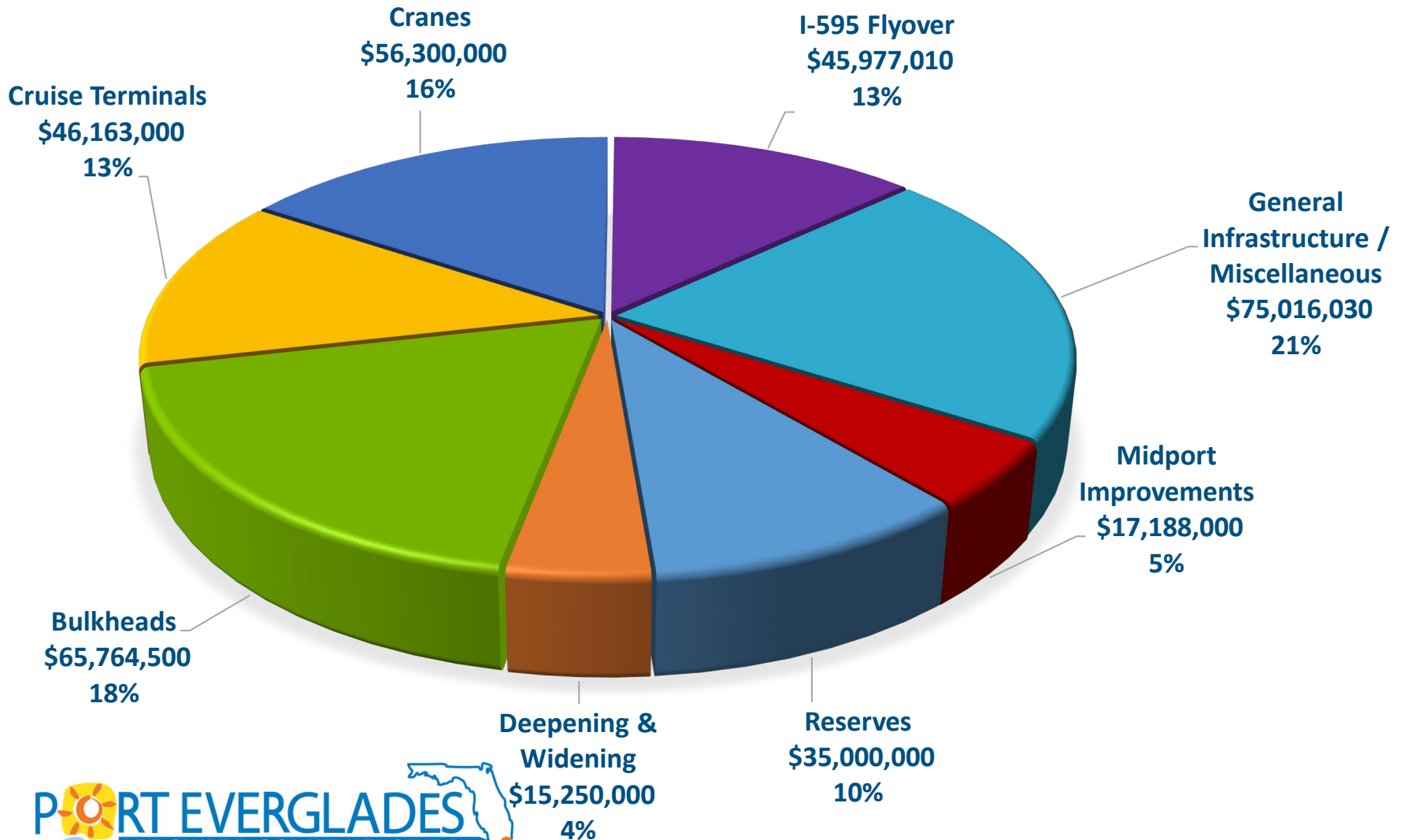
Expense Budget Comparison

Expense Category	FY21 Original Recommended Budget	Proposed Reduction	FY21 Revised Recommended Budget
Security	\$ 22,374,090	(\$5,500,000)	\$16,874,090
Fire/EMS	\$10,360,670	\$0	\$10,360,670
Personnel	\$23,805,560	(\$3,187,270)	\$20,618,290
Crane Operations	\$9,840,170	\$0	\$9,840,170
Repairs, Maintenance, Materials & Supplies	\$9,837,800	(\$1,989,590)	\$7,848,210
Insurance	\$7,607,740	\$0	\$7,607,740
Professional Services	\$3,515,150	(\$1,205,200)	\$2,309,950
Utilities	\$4,771,060	\$0	\$4,771,060
County Services & Cost Chargeback	\$3,760,030	\$0	\$3,760,030
Other	\$4,798,190	(\$788,400)	\$4,009,790
Total	\$ 100,670,460	(\$12,670,460)	\$88,000,000

FY2021 - FY2025 Recommended CIP



Summary of FY2021- FY2025 CIP - \$356,658,540



Major Capital Project Updates

- The Southport Turning Notch/Crane Rail Infrastructure project is progressing with nearly 73% of the project complete as reported in the June construction report
- Three low-profile super post-Panamax cranes are expected to be delivered to Port Everglades in the first quarter of FY2021, with commissioning expected in mid-January
- CenterPoint Port Everglades, LLC has obtained the Certificates of Occupancy for both buildings of the new Port Everglades International Logistics Center (PE-ILC)
- Construction of new fly-over ramps to access the Terminal 2 & 4 parking garage from the Convention Center and Terminal 2 is underway, with project completion expected in mid-December