

...more than 200 tenants and sub-tenants — everything from auto repair shops to marine businesses and sandwich shops — call Port Canaveral home.

### Cruising to Profits

Figures released earlier this year at the annual Cruise Shipping Miami Conference show that cruise revenues have risen 43.8 percent in the past year, with a 19.4 percent increase in passengers and a 23.4 percent rise in multi-day cruise revenue. Passengers spent an average of \$133 in Brevard County, according to statistics kept by the Brevard County Tourism Development Council. The average visitor that comes to the area for non-port related activities spends about \$61.

"The cruise industry has a history of economic stimulus for our community," Tom Goodson, chairman of the Canaveral Port Authority Board, says. "The goods and services purchased for the ships, the local spending of the ship employees and the cruise passengers attracted to Central Florida all help generate jobs."

In a port that also does a booming business as a cargo hub, foreign trade zone and business district, as well as one of the region's prime dining and entertainment destinations, it's all good news that's getting better.



### Cruise-wise, Consider

*Freedom of the Seas*, Royal Caribbean's 160,000 ton behemoth, complete with water park, ice rink and surf simulator, took up residence at the port last May.

*Carnival Dream*, the world's biggest cruise company's newest and biggest ship, brought its spa, oceanfront whirlpools and laser shows here in December.

*Norwegian Sun*, the first ship specifically built by NCL for "freestyle cruising," is due to arrive here this fall for seven- and 14-day cruises to the Caribbean.

And finally, possibly two of the most heralded new ships in the industry, *Disney Dream* and *Disney Fantasy*, will arrive in Port Canaveral in 2011 and 2012, respectively.

And then there are the ships that simply stop in for visits, another spot of brilliance.

## Diversifying the Port-folio

"Our port-of-call business – those ships from New York and Baltimore that stop for the day – is booming and will rise from 60 in 2008 to an amazing 126 projected in 2011," Payne says. "Our port is an economical stop for ship operations, coupled with perhaps one of the widest assortments of excursion opportunities in the world – soon, larger with 'The Wizarding World of Harry Potter' (at Universal in Orlando), Legoland and Walt Disney World's expansion of Fantasyland."

On the cargo side, the past year was less inspiring, numbers-wise, as the amount of building materials it handled, which Payne describes as "the staple of the port's cargo base," fell from record highs in 2006 as lumber shipments dropped to one-tenth of what they were that year. "There hasn't been a cement ship here in two years," Payne says. However, "Most recently, cargo activity has increased and we recently had a huge shipment of new vehicles and equipment to Nigeria, so there is light at the end of the tunnel," Payne pointed out.

February figures showed that cargo revenue rose 71 percent from the same period a year ago and so far in 2010, cargo revenue is up 8.3 percent and cargo tonnage has risen 6.4 percent.

And the basics still are impressive: The port engages in trade with 20 countries, handling bulk, breakbulk, refrigerated, project, container and roll-on/roll-off cargoes that include fruits and vegetables, road-building materials, autos and heavy machinery, juices, salt, paper products and petroleum as well as construction-related materials.

## Petrol and the Port

These impressive numbers should rise again – from \$4 million in 2009 to \$5-\$10 million annually – with the opening of Seaport Canaveral, a 118 million-gallon fuel terminal on the port's north side, experts say.

John Martin, who heads up Lancaster, Pa.-based Martin & Associates, an internationally recognized consulting firm that recently analyzed the local and regional economic benefits of Seaport Canaveral, commented that the project will inject an additional \$30 million into the regional economy annually. This could translate into 300 direct and indirect jobs, many in transportation as truckers take the fuel from Port Canaveral to various points throughout Central Florida.

Seaport Canaveral's giant step was made possible by their partner, Netherlands-based petroleum giant Vitol S.A. Inc., which made a nine-figure investment in a state-of-the-art offloading and storage facility – the company's first in the United States, establishing the port as an up and coming play in the cargo shipping industry.

## In the Zone

Port Canaveral's 4,000-acre Foreign Trade Zone 136 is among the largest sites of its kind, and it extends well beyond the boundaries of the port itself, also including Melbourne International Airport, Space Coast Regional Airport, Spaceport Commerce Park in Titusville and Tate Industrial Park in Cocoa.

Otherwise, more than 200 tenants and sub-tenants – everything from auto repair shops to marine businesses and



"The economic ripples of activities generated at Port Canaveral sweep across the county, region and state."



Once a small fishing village, now with cement silos and general cargo facilities.



Grills Seafood Deck & Tiki Bar is a favorite among tourists and locals.

sandwich shops – call Port Canaveral home. What is more, thousands of Brevardians and visitors avail themselves of dining and entertainment at The Cove, the port’s recreational hub, as well as its fishing boats and facilities, beaches, marinas and four parks.

It all adds up to a huge contribution to the local and regional economies: \$1.6 billion and 25,000 jobs annually and growing. And when construction projects, including the likes of the Canaveral Harbor Sand Bypass Project, \$5 million in berth upgrades for Disney Cruise Line, expansion of the Canaveral basin, harbor improvements and work on SeaPort Canaveral, are taken into account, the numbers climb again. According to Payne, the port has been responsible for \$234 million in recent projects that provided 5,461 jobs and \$127 million in wages through construction and expansion of operations.

Again, that has more than merely local impact, and the future looks bright. Payne put it this way: “The economic ripples of activities generated at Port Canaveral sweep across the county, region and state. We are Orlando’s port, the port of the Central Florida region, and we are one of the largest cruise ports in the world. We have the opportunity for impact far beyond the port. I currently am chairman of the Florida Ports Council, sit on

the Governor’s Seaport Security Standards Advisory Council and am a member of the Executive Committee of the Board of Directors of the American Association of Port Authorities, which covers the entire western hemisphere.”

“In other words, Port Canaveral, Brevard County, and [the State of] Florida has a seat at the table in state and national policy development, and in 2013, we will host the AAPA annual convention, a distinct honor and rite of passage for the port. It is very exciting.”

At a meeting with the Central Florida legislative delegation in December at the University of Central Florida in Orlando, Payne predicted that, “Port Canaveral will continue to grow in importance as Orlando’s outlet to the sea, not simply for tourism, but increasingly for cargo. We’re planning for that now.”

### Looking to the Future

They are planning for other innovations, as well. Payne points to the “acres upon acres of underdeveloped, unleased property at The Cove that have enormous potential to draw people into the port,” and another 25 acres on the Banana River site designated in the port’s land use plan for a hotel and/or conference center site.

## > Counting the Impact

In BREVARD COUNTY, Port Canaveral generates:

< **22,000 jobs**

< **\$902 million in wages**

< **\$1.3 billion in value-added impact**

< **\$43 million in local taxes**

< **\$87 million in state taxes**

In the ORLANDO REGION, Port Canaveral generates:

< **35,000 jobs**

< **\$1.4 billion in wages**

< **\$2.2 billion in value-added impact**

< **\$80 million in region taxes**

< **\$163 million in state taxes**

STATEWIDE, Port Canaveral generates:

< **36,000 jobs**

< **\$1.6 billion in wages**

< **\$2.5 billion in value-added impact**

< **\$274 million in state taxes**

Source: Canaveral Port Authority

"The key to realize the potential of these sites: a critical mass of visitors," Payne explains, and mentions two much-discussed ways of bringing it to Brevard: the Explore Florida 500 history museum and the Port Canaveral Visitors' Center and Observation Tower, proposals for which were made to the Canaveral Port Authority earlier this year. As part of the project, part of the port's south side, near The Cove, would be developed into a maritime museum and visitor center with a 300-foot, crow's nest-like observation tower.

It would be completed in time to celebrate the 500th anniversary of the first visit of Spanish explorer Ponce de Leon to North America, his debarkation point now being debated by historians, some of whom believe it was in Brevard rather than St. Augustine. Displays of Florida's history and ecology would be included in the attraction, on which Payne has been working with the de Leon-oriented 1513 Foundation. All of which Payne believes would bring in more retailers, more restaurants and more people.

"We'll know about the economic feasibility of the concept soon. We're hopeful, but realistic, and the concept could evolve from this point in time. Nothing is cast in stone," Payne says. "My own belief and position is that whatever develops beyond the most modest of visitors' centers and general landscaping and roadway upgrades will be financed through donations, grants and support other than the port's operating revenues." Other changes are more definite, like the petroleum tank farm that will open soon.

### The Little Port that Could

"The port was once a small fishing village, then added cement silos, oil tanks and general cargo facilities, and now is a world-class cruise port with a soon-to-be-opened petroleum tank farm," noted Payne. "The growth is stunning and the character of Port Canaveral changed with that growth. Seventy-five percent of the port's revenues now are generated on the north side."

Payne, the endlessly active, wry Virginian who has been at its helm the past six years remarked, "I'd like to see a (story) in the *Wall Street Journal*, *Fortune*, *Forbes*, or *BusinessWeek*, titled, 'Port Canaveral: How the "Little Port That Could" Shed Its Political Roots to Outdistance the Competition (and Helped Save Its Local Community)'. When people ask why he chooses to remain at the "Little Port That Could," the simple answer is that Payne – a board member of a number of civic organizations, including the United Way and Brevard Community College's King Center for the Performing Arts – likes it here.

But there is more. "Port Canaveral has the potential to be a model for the entire U.S. port industry. As farfetched as it sounds, imagine a port that used to collect taxes, now actually running and flourishing as a business, much to the chagrin of its competition. That potential drives me. So too the interaction with cruise line executives like Karl Holz of Disney Cruise Line, as an example; or James Dyer of SeaPort Canaveral's parent company, Vitol. It is stimulating and personally enjoyable."

"If it ended tomorrow, I could look back with few regrets... I have done the best I could, but with the deepest gratitude for the opportunity to have served Port Canaveral and this community." ♦

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