



**CPR CAYMAN**  
Cruise Port Referendum Cayman  
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## **PRESS RELEASE**

26 September 2019

### **CPR Cayman Responds to Royal Caribbean President's Public Comments on Cruise Port**

**CPR Cayman** welcomes Royal Caribbean President Mr Michael Bayley's public comments. We appreciate the respect he has communicated for our constitutional rights as a people to make the decision on this issue of significant national importance via referendum, and his efforts to reach out to the community, however we must outline our serious concerns which persist.

#### **1. Cayman's carrying capacity and passenger projections**

With only 76 square miles, we must take in to considerations Grand Cayman's infrastructural carrying capacity. We must ensure that future development does not negatively affect the quality of life of Caymanians and residents, nor harm our stay over tourism sector, which generates 76% of tourism revenue.

According to Mr Bayley, with piers, cruise passenger numbers are projected to grow to 2.5 million, as a conservative estimate, up from the current 1.9 million per year. However, according to The Department of Tourism (PWC Outline Business Case, Appendix D Pg 7) Grand Cayman's carrying capacity is approximately 2.1 million cruise passengers "*to maintain the delicate equilibrium between cruise and overnight tourism*".

Rather than pushing Cayman beyond its natural limits, we would welcome discussions with Royal Caribbean and other cruise lines, on how the cruise lines can work collaboratively with local stakeholders to ensure mutually beneficial sustainable development of the sector. Currently, cruise industry jobs provide an average monthly income of US\$1,662 (BREA report), which puts many people working in Cayman's cruise tourism industry below the poverty line.

#### **2. Financing model – Cayman will pay**

It is not factually correct that Cayman will not be paying for the port under the disclosed arrangements with Verdant Isle group. The USD \$2.32 per head tax concession that will be given to the cruise lines, using projected numbers of 2.5 million passengers per year, is a direct loss to government revenue of USD\$ 5.8 million per year and \$145 million over 25 years.



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Overall, the Verdant Isle group will be re-paid in the region of \$450 million dollars over 25 years for a facility that costs \$197m<sup>1</sup>.

Where is the value-for-money in this?

Furthermore, required feasibility studies and public infrastructure costs remain either unassessed or publicly undisclosed, such as the George Town Revitalisation, road upgrades and other infrastructure costs including waste management, and Spotts Dock upgrades.

### 3. Environmental concerns

We appreciate Mr Bayley's stated commitment to environmentally responsible practices, however we must redirect him to the 2015 EIA results which show quite plainly that the proposed facility, even with a 30% reduction in dredging, will have a devastating impact on our George Town harbour reefs, including our world-famous dive sites Eden Rock, Devil's Grotto and Soto's South.

Over 12 acres of coral reefs will be destroyed and sedimentation from dredging will smother surrounding coral reefs and permanently transform our now crystal-clear aquamarine waters to murky white. The very reefs that draw visitors to our shores and provide invaluable protection in storms, have been valued at US\$650 million over the next 25 years<sup>2</sup>. Will the promised benefits truly outweigh this enormous economic, cultural and ecological loss of our natural capital?

### 4. Disclosure of information in the public interest, before the referendum date

We remain deeply concerned that the Government has yet to make full disclosure of all pertinent information on the proposed cruise berthing facility despite announcing the preferred bidder and winning design over 8 weeks ago. For example, we learned only yesterday that the projected cruise passenger numbers for the cruise berthing facility are 2.5 million, from Mr Bayley's interview with the Compass.

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<sup>1</sup> Information disclosed by the Government in 26 July 2019 Press Conference shows 8.05 (year round vessels) and 6.10 (seasonal vessels), if this is averaged, and multiplied by 2.5 million passengers per year by 25 years, this equates to \$442 million.

<sup>2</sup> The Baird Report (EIA), Appendix J.2, Page 19-21 'the estimated annual economic benefit derived from GTH reefs ranges from US\$23M-US\$26M' <http://doe.ky/wp-content/uploads/2016/12/App-J.2-Marine-Resource-Economic-Valuation-Final.pdf>



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It is imperative that the Caymanian people have the opportunity to make a fully informed decision at the polls in our first people-initiated referendum which will set a precedent not only for Cayman but for all of the Overseas Territories.

It is imperative that the following information and reports, be made public, sufficiently in advance of the referendum to allow voters the opportunity to cast an informed vote:

- a. the updated Environmental Impact Assessment
- b. the revised cruise berthing and cargo port design showing numerical data to quantify the footprint including dredge area, concrete area and location relative to the surrounding marine ecosystems
- c. the quantity of pilings, width of pilings and anticipated piling depth inshore and further out to shore
- d. the final or updated business case report and related information that is available
- e. full details of the proposed design build finance operate maintain contract with Verdant Isle Port Partners, including all conditions of the 25-year financing arrangements
- f. confirmation that the appropriate protections and standard clauses which serve to protect the interests of our government and the public purse from penalties and potential lawsuits for breach of contract including the following, are included in the proposed contract:
  - i. Force majeure clauses that benefit Verdant Isle Port Partners and financiers of the project
  - ii. A decline in cruise passenger arrivals over the 25-year term of the PPP and loan facility
  - iii. Global recession
  - iv. Hurricanes and Natural disasters
- g. the results of the geo-technical studies

**CPR Cayman** welcomes the opportunity to meet with Royal Caribbean's President and we look forward to discussing our concerns with him in the near future.

**CPR Cayman** is a concerned citizens group and non-profit organisation that is advocating for a democratic approach to the proposed Cruise Berthing and Cargo Facility ("CBF") in George Town harbour.

More information can be found on [www.cprcayman.com](http://www.cprcayman.com). People can also contact [cprcayman@gmail.com](mailto:cprcayman@gmail.com).

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