

## **PORT OF GALVESTON ANNOUNCES GROWTH IN CRUISE OPERATIONS**

### **And The Creation of Public/Private Partnerships**

The Board of Trustees of the Galveston Wharves signed a set of landmark agreements in September signaling a new growth phase in the ongoing development of the Port of Galveston's cruise business.

Port officials signed the new Operating Agreement and Financing Documents with Royal Caribbean Cruises Ltd. (RCCL), parent company of Royal Caribbean International (RCI), one of the world's largest cruise lines. RCI operates the cruise ship *Rhapsody of the Seas* from The Texas Cruise Ship Terminal on Galveston Island®.

Officers of the Galveston Port Facilities Corporation (GPFC) also signed a Design-Build Agreement with CH2M Hill for the design and construction of a second cruise ship complex to be located at the Port of Galveston's Pier 27. The GPFC was formed as a Local Government Corporation through the Texas Transportation Code and through this group the Port is able to achieve public/private partnerships to develop port facilities.

"The Board of Trustees and the Corporation wish to congratulate Port Director Steven M. Cernak, Port Attorney Wm. Hulse Wagner, Bond Counsel Robert Randolph and Port staff on the accomplishment of the agreements reached with Royal Caribbean Cruises Ltd. and CH2M Hill," stated Donald L. "Don" Schattel, Chairman of the Board of Trustees of the Galveston Wharves and Chairman of the Galveston Port Facilities Corporation. "In particular, the Board wishes to recognize the many, many long hours invested in these negotiations by the Port Director over the last several months and to commend Mr. Cernak for successfully concluding what has been a long and complex negotiation."

Construction commenced on the first phase of the Pier 27 Cruise Terminal, which will accommodate the 1,800-passenger Royal Caribbean vessel, *Splendour of the Seas*, due to arrive at the Port of Galveston in November 2002. The first phase is scheduled to be completed in 45 days and will include the installation of the dock-work fender system and mooring bollards and the creation of a frontage roadway system as well as the installation of the framework inside the existing warehouse at Pier 27 for Royal Caribbean's debark and embark operations.

"This is the first step in the series of negotiations that have been ongoing with the cruise lines to make the Port of Galveston, in partnership with the cruise lines, the Premier Cruise Port in the State of Texas," stated Steven M. Cernak, Port Director.

"Our cruise business has been nothing short of fantastic," concluded Cernak. "Calculations reveal that by the end of this year, over 270,000 new visitors will visit Galveston Island. We feel confident that by the end of 2004, cruising from Galveston Island could entice over a half million new vacationers to our island."