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Cayman Islands Legislative Assembly

Parliamentary Question

10th September 2014

Date for Answer _____
(For Official Use Only)

Name Mr. Ezzard Miller, MLA
(Member of the Legislative Assembly)

Constituency North Side

To Ask Honourable Kurt Tibbetts, JP, MLA
(Elected Member)

Planning, Lands, Agriculture, Housing and Infrastructure
(Responsible for)

Questions

(Questions to be typewritten and submitted to the Clerk in Quadruplicate)

1. Can the Hon. Minister state if Navesoto is employed as a consultant by the Cayman Islands Government and if so how much are they being paid?

Chief Officer/ PLAH&I
Head of Department

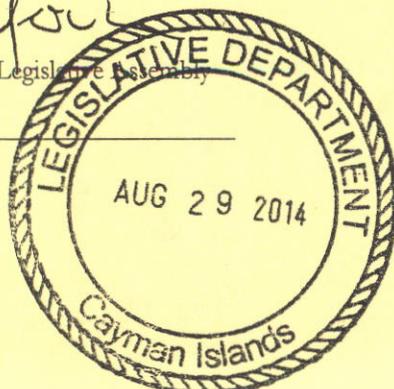
Please assist by supplying information for answer to above.

Signed: Mr. Ezzard Miller, MLA
(M.L.A.)

Ezzard
Clerk of the Legislative Assembly

Admissible

Date: _____



**PARLIAMENTARY QUESTION ASKED BY
ELECTED MEMBER FOR THE ELECTORIAL DISTRICT OF NORTH SIDE
TO
THE HONOURABLE MINISTER FOR PLANNING, LANDS AGRICULTURE,
HOUSING AND INFRASTRUCTURE**

QUESTION: Can the Honourable Minister state if Navasota is employed as a consultant by the Cayman Islands Government and if so how much are they being paid?

ANSWER: Madame Speaker, thank you for the opportunity to address this question. In order to answer this question, allow me to provide this honourable house background information as to how the Government arrived at a relationship with Navasota.

Madame Speaker, the Cayman Islands **fuel oil infrastructure** consisting of fuel storage and fuel delivery system and pipelines to CUC and Owen Roberts Intn'l Airport were originally built over 30 years ago and are now reaching the end of their useful life. Madame Speaker since the initial siting and construction of the fuel infrastructure these Islands have seen enormous development. As such, the fuel storage facility on S. Church Street is now located in a congested area of residential and commercial properties and in the flight path to Owen Roberts International Airport.

The Government is aware of the growth restriction at the fuel terminal site which has a direct effect on the premium price we pay for fuel. It is inevitable that we expand our fuel capacity to meet the Islands demand and to do so we must make plans to move the terminal from Jackson Point to a less developed location on these Islands. Navasota Energy consultants are from Houston and have expertise in the oil industry, they provide a service to oil and gas companies and other investors who are seeking to develop oil storage infrastructure, by facilitating partnerships involving jurisdictions which are strategically located to accommodate such facilities. In essence Madame Speaker, the oil companies need a storage hub to hold fuel in a location that is close to their buyers, along with the ability to allow timely transshipment of product to buyers.

Madame Speaker the Navasota Group has done the necessary research and has approached the Government with this opportunity which is still being discussed. The Government has not paid Navasota and will not pay Navasota for their services as their intention is to find a suitable partner that the Government can possibly enter into an agreement with to finance and build a bulk fuel storage terminal in Grand Cayman. Navasota and the Government signed a **Joint Development Agreement** which explicitly states in the agreement under Other Items "*Each party is responsible for its own direct and indirect costs.*" "*Each party...*" refers to the Government and Navasota. Madame Speaker, I have a copy of the said Agreement to lay on the table of this honourable House...

Madame Speaker, My understanding is that Navasota gets compensated through commission earned from the oil companies for introducing clients/partners for projects. I am told that in the Energy industry this practice often occurs.

Madame Speaker the answer to the Honourable Member from Northside is No, Navasota is not employed as a consultant by the Cayman Islands Government and No, Navasota is not being paid by the Government.