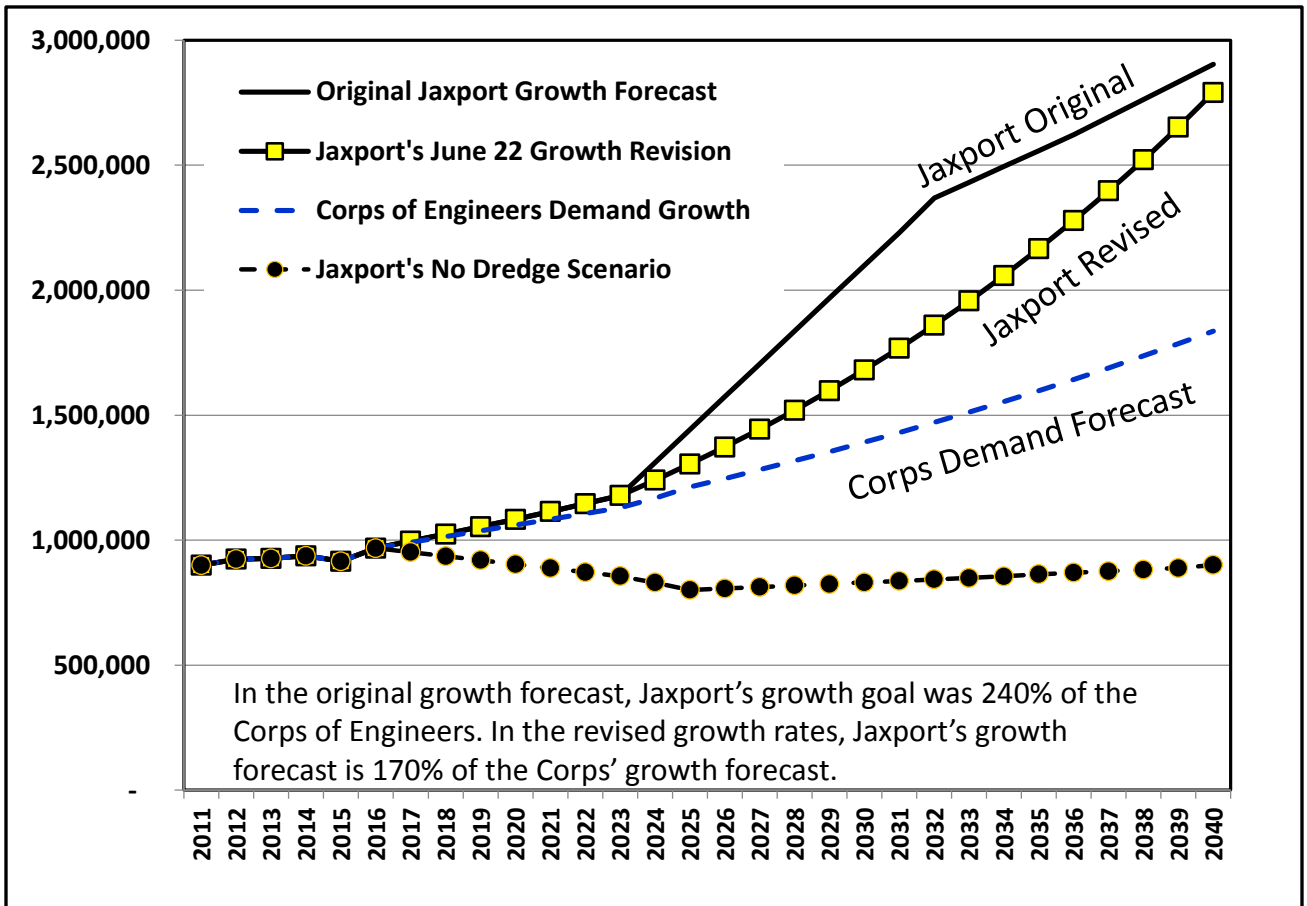


Jaxport's Letter of June 22, 2017 Lowers the Expected Growth Rate and Lowers the Expected Benefits of New Tax Revenues



A key element of Jaxport's dredging proposal has been the forecast for immediate, rapid growth once dredging is completed. See the top line.

The revision shown in the port's June 22 letter to the City Council lowers the growth rate by about 40% in the first 10 years after dredging, reducing the new taxes collected in the first 10 years, which lowers the present value of the new tax benefits for the entire project by 20 to 25%.

Said another way, even though the annual volume eventually gets to 2.8 Million TEUs, 23 years from now, the project's ability to pay for itself with new tax revenues is now estimated to be only about 80% of the original plan.

See Jaxport's old and new growth descriptions on the following page.

Dale Lewis
31 July 2017

THE DECISION TO PURSUE A 47 FT. CHANNEL DEPTH

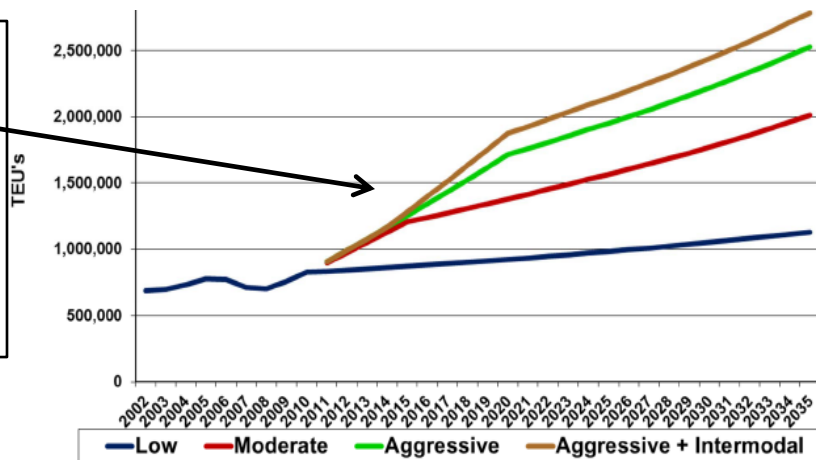
September 10, 2013

Prepared by:
Martin Associates
www.martinassoc.net

Prepared for:



Jaxport's original forecast showed 100% growth in the first nine years after dredging.



Jaxport's letter to City Council of June 22, 2017 reduces the growth rate for the first 10 years after dredging by about half, to 5.2%. DBL

For example, it has been suggested that it would take a Herculean effort for JAXPORT to reach the 2.8 million annual container mark by 2040 (measured in TEU, or twenty foot equivalent units) projected in our consultant's analysis of harbor deepening. However, please note that to reach this volume, JAXPORT must only achieve the following:

- Between 2017 and 2023 (inclusive), JAXPORT need only grow our TEU volumes by 2.85 percent annually – when we've been averaging 4 percent over the last decade, even while competitively handicapped with a harbor depth of 40 feet and heavily reliant on a stagnant Puerto Rico market.
- Between 2024 and 2040 (inclusive), JAXPORT need only grow our container business at 5.2 percent annually – and we'll do so with the benefit of true deepwater and a focus on our largest and fastest growing market: the Asian trade lane. In fact, Asian container volumes at JAXPORT have been growing at nearly 20 percent annually over the last five years.

In other words, achieving our stated cargo volumes is not the "pie in the sky" projection some would have you believe, but rather, eminently achievable with harbor deepening.