

Capital Needs

Jaxport is a “landlord” port, not an operating port like Savannah.

Jaxport’s tenants lease the property and infrastructure, then operate their own businesses.

The following pages illustrate about \$900 Million in on-port, shoreside infrastructure costs needed to expand Jaxport to handle 2.8 Million TEUs per year (250% of its current volume).

If tenants are going to pay for the relocation and improvements, then the overall lease payments to Jaxport would have to increase enough to amortize the costs.

To pay back the costs over 20 years, the increased annual payments from tenants would be about:

\$ 72 Million at 5.0% Interest
\$ 88 Million at 7.5% Interest
\$106 Million at 10.0% Interest

Given that this is essentially a new business venture, not the maintenance of an existing operation, a private freight transportation company would use an interest rate of 7% to 15% in the evaluation process.

So, the business question is this: Once the port has relocated the tenants, will they be willing to pay for the full cost of the move, on top of the cash flow stream that we expect from them today, in their current locations?

Jaxport’s images and cost estimates follow.

**December 2013 Strategic Plan:
Jaxport will require capacity upgrades and a new container terminal to handle 2.8 Million TEUs, which is 250% of today's volume.**

Exhibit II-3 - Overview of Container Operations at Blount Island Marine Terminal



1. Jaxport's strategic plan calls for upgrading of the existing deepwater terminal to first handle 5,000, and then handle 7,000 TEUs per year. (Steps 1 and 2)
2. As the port grows to about 1.5 Million TEUs per year, the shallow water tenants would be moved off the main channel and a new container terminal built.
3. See page 2 for illustrations and page 3 for the cost estimate page from Jaxport's 2013 Strategic Plan.

NOTE: In the new 11-Mile dredging plan, the existing TraPac terminal site would be available for a different use. This would change the overall relocation costs. An 11-Mile facilities plan has not yet been published.

Exhibit V-28 - Upgrades at BIMT Container Terminal - Conceptual Layout

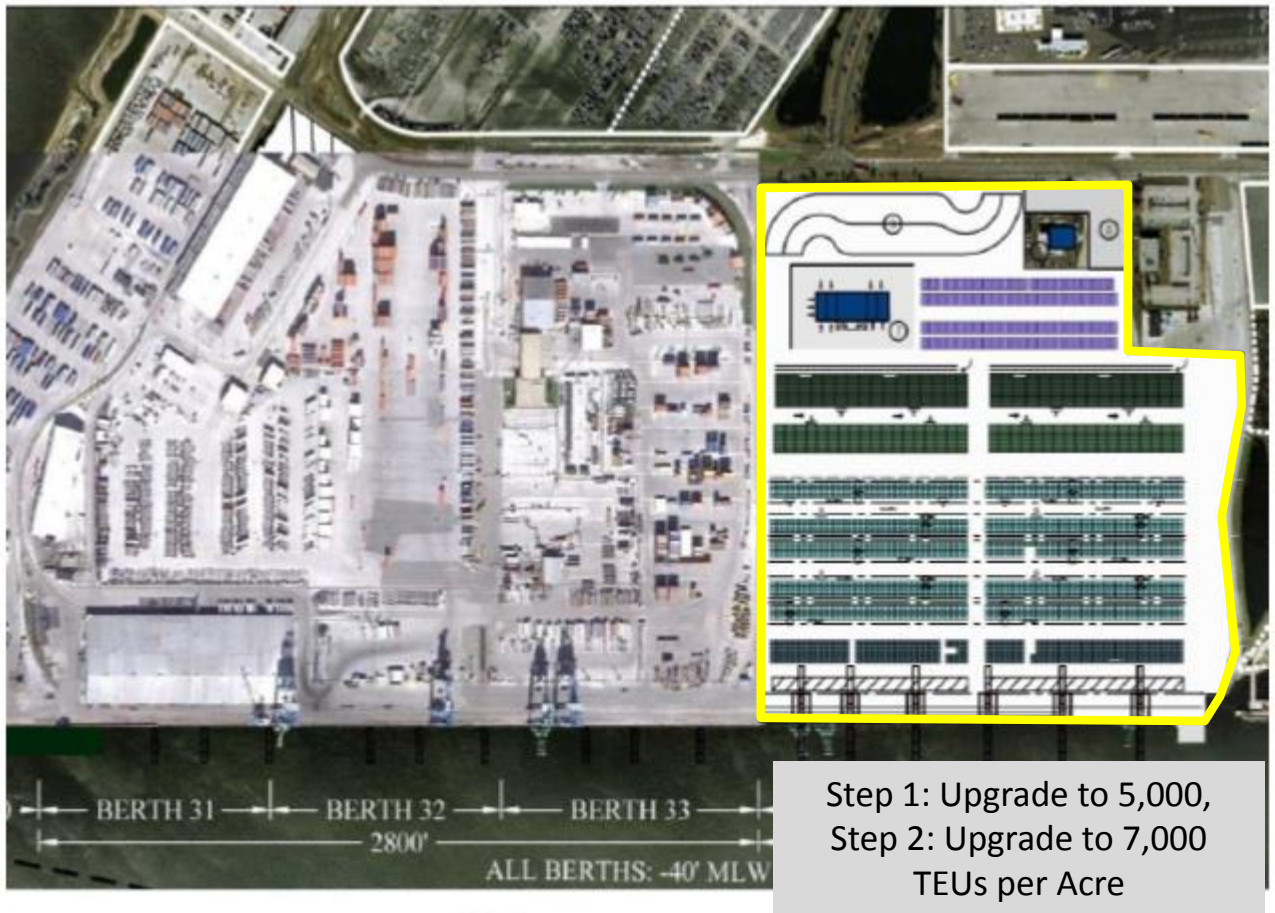
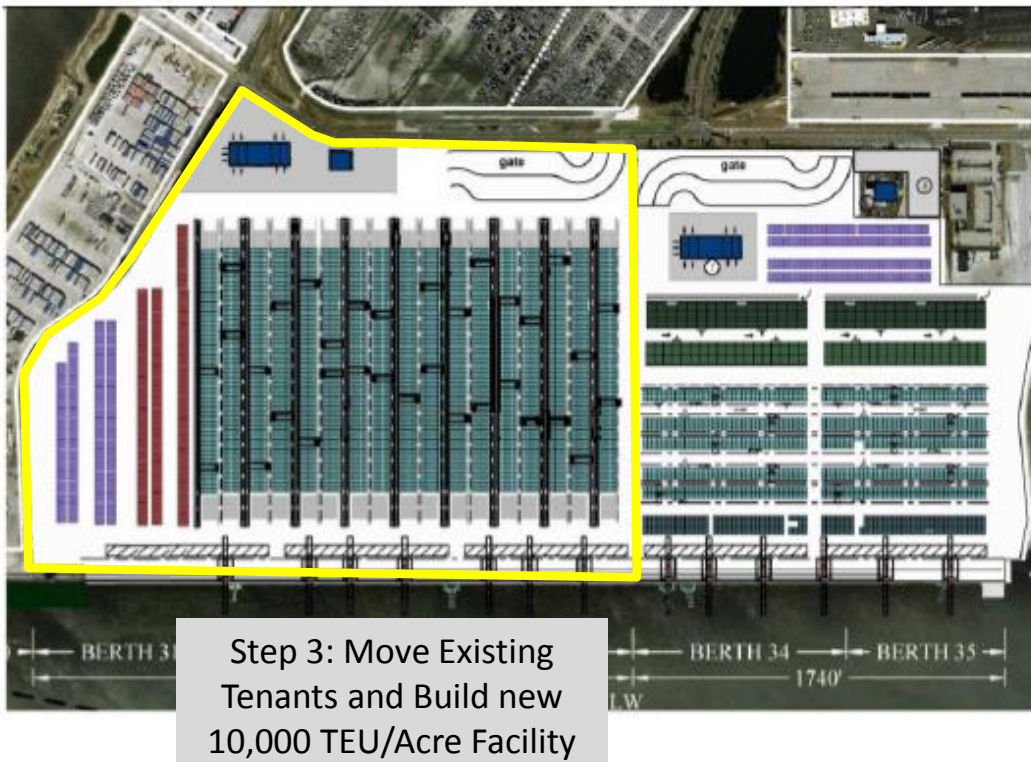


Exhibit V-29 - Conceptual Layout of a Densified and Automated Container Terminal at Blount Island



The Strategic Plan shows that \$900 Million for tenant relocations, a new container terminal and pier upgrades would be needed to reach 2.8M TEUs

Exhibit V-36 - Summary of Facility Needs and Timing

Land Site List	Current or New Operation												
	Deep Draft LoLo TMT	Shallow Draft LoLo BIMT	RoRo BIMT/West End	DeepDraft Container BIMT	Forest Products BIMT	Cruise Terminal	New Container Oper.	New ICTF BIMT	Auto/RoRo BIMT	Dry Bulk DP	Dry Bulk DP	MOL/TraPac DP	New RoRo/Shallow Draft LoLo
New Site													
BIMT: Container Terminal	Move			Improve									
BIMT: West End BIMT RoRo			Stay										
BIMT: Shallow Draft LoLo/ Forest Products							New	New					
DP: West Channel								Move					
DP: Cruise Dock Berth 10		Move				Stay		Move					
DP: Dry Bulk Terminal/West Channel									Stay	Stay			
TMT Container													New
DP: MOL/TraPac	Move											Improve	
BIMT: Seaward Side of APM					Move								
BIMT: Marine Corps/Traler Bridge						New							
Conceptual Cost (Millions)		\$204.2		\$133.6	\$107.2	\$99.2	\$206.9	\$24.0	\$217.9				\$27.0
Annual Dredging Savings (Millions)	\$0.90												

In the longer term, additional container capacity can be developed by densifying the Blount Island Container Terminal, which is deemed a medium term development, as well as densification of the MOL/TraPac Terminal at Dames Point. Current infrastructure investments are already being undertaken

at the Blount Island Container Terminal, and these investments are consistent with the 47 ft. channel. The order of magnitude cost for this development is \$133.6 million. As JAXPORT tracks with the aggressive and aggressive plus intermodal growth projections for containers, additional container capacity could be required even with the densification of the Blount Island Container Terminal and the MOL/TraPac Terminal at Dames Point. To develop additional container capacity at BIMT, should the market conditions so dictate, the current shallow draft LoLo operation and liquid bulk export operation will need to be relocated, potentially to the Dames Point Cruise Terminal Site. This will require the further development of a new auto/RoRo operation, most likely at the West Channel Property, or the private Crowley Maritime Marine Terminal. The cost of the automated container terminal development at BIMT is estimated at \$206.9. The development of a shallow draft LoLo terminal at the Cruise Terminal Site is estimated at \$204.2 million, and the development of an auto/RoRo site at the West Channel Property is estimated at \$217.9 million. In addition, an on-dock ICTF is recommended in the long term at BIMT to serve the two container terminals that could be developed at BIMT, should the container throughput track the aggressive and aggressive plus intermodal projection track. The cost of the on-dock ICTF at BIMT is estimated at \$24 million. Finally, the forest products warehouse at BIMT will also have to be relocated for the development of the state of the art container terminal. A proposed site for redevelopment of this operation is on the seaward side of BIMT, adjacent to the APM facility, at an estimated cost of \$107 million.