

Growth Has to Pay For the Project, So This Time, the Forecast Really Matters

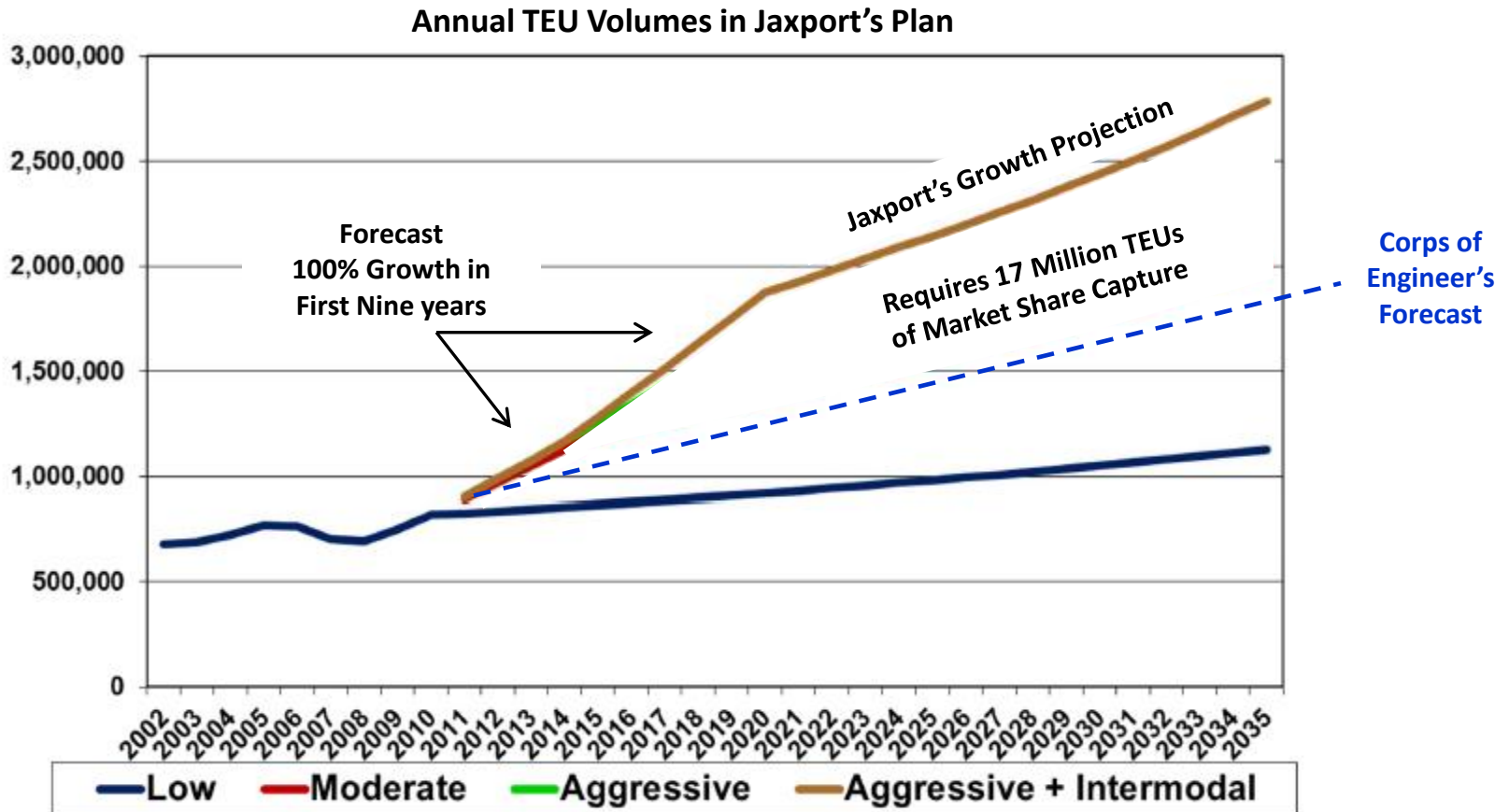
**D. B. Lewis
08 June 2017**

Why do container growth forecasts matter?

Forecasts are used to secure funding.

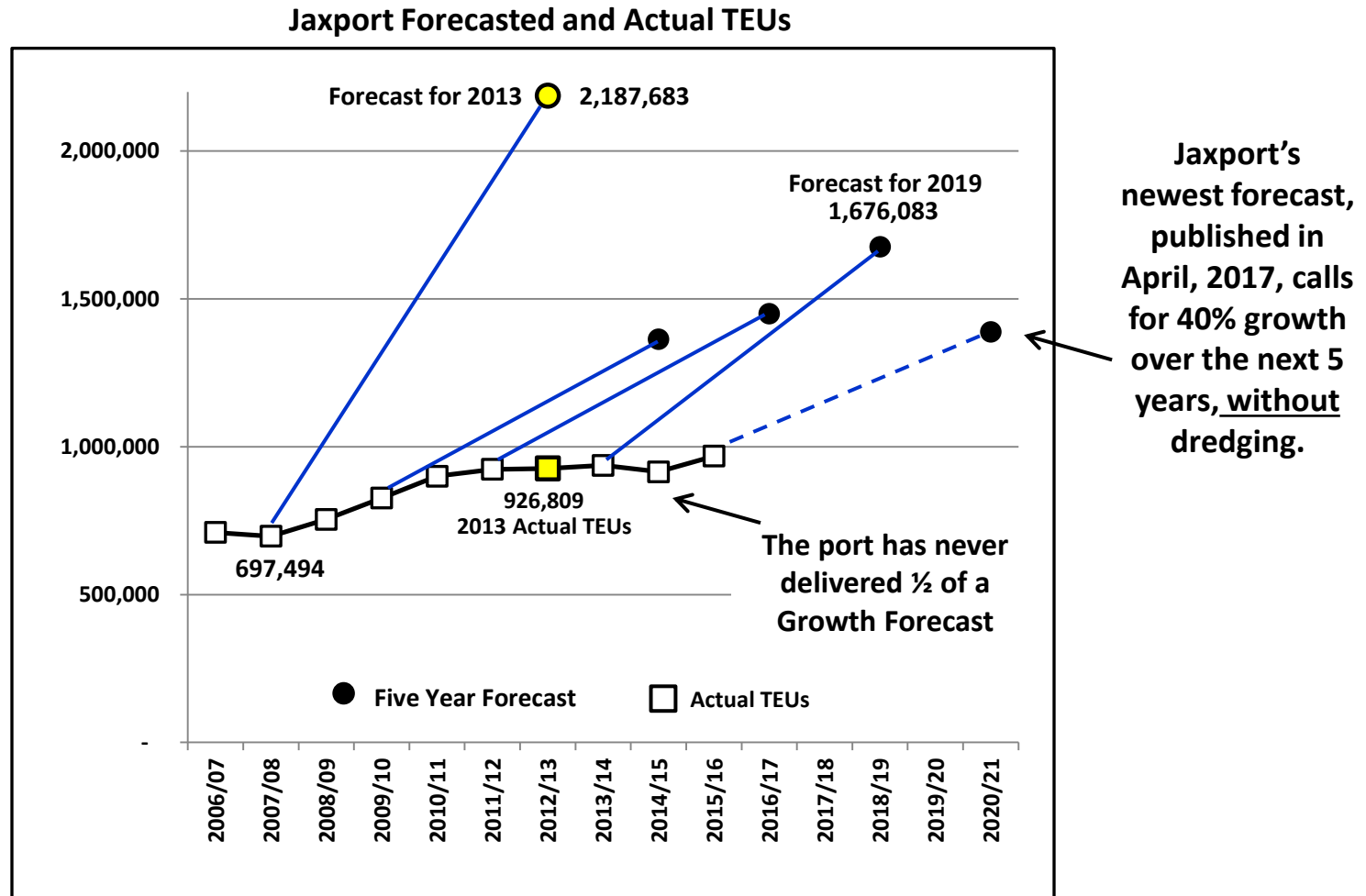
- The payback in the dredging presentations is based on rapidly achieving 100% revenue growth, starting immediately after dredging
- If you were an investor, and were asked to fund this project, you would immediately ask the project sponsor for evidence that the revenue projection is a good one
- The first thing you do is ask for history; What were your forecasts, and what did you deliver?
- We can do the same thing, using Jaxport data

Jaxport's plan is based on 100% Growth in the first nine years after dredging.



To believe that Jaxport can grow at this forecasted pace, you would have to know that they have delivered on their previous forecasts.

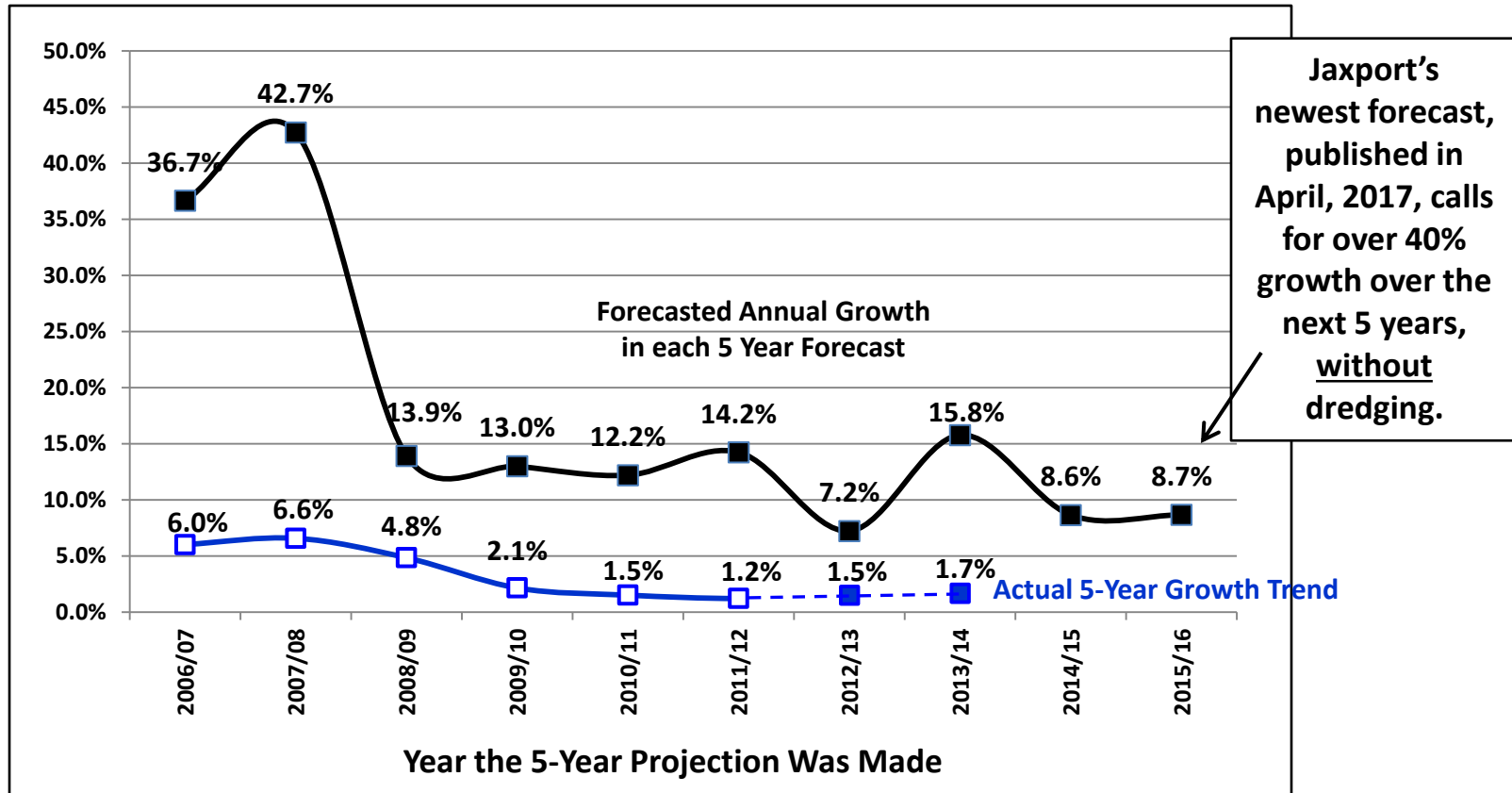
In general, Jaxport has forecasted, but not achieved, 40% to over 150% growth in each five year plan.



Data Sources: Florida Ports Council: Five -Year Plan Books
And Jaxport Online Reporting System

Jaxport's growth has been about 1/5th of the 5-Year forecasts.

Jacksonville's Forecasted Growth per Year in Each 5 Year Forecast versus Actual Growth

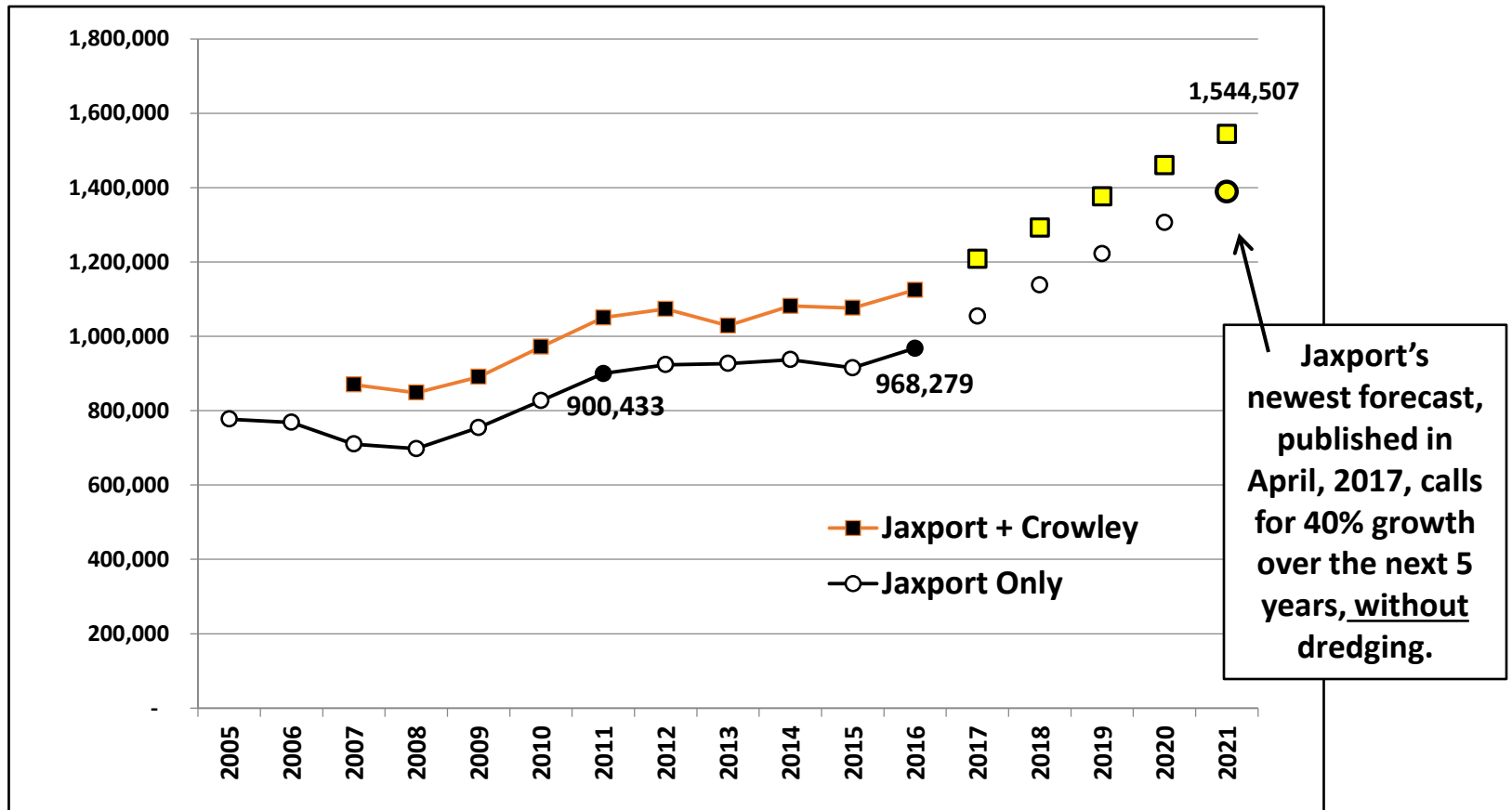


Data Source: Florida Ports Council 5-Year Plans And Jaxport's Online Cargo Reporting System

Forecasts and Actuals are Jaxport Only

Jaxport's current 5-Year Forecast continues the pattern, calling for over 40% growth by 2021, Without Dredging

Jaxport's Container Volumes in TEUs



Data Source: Florida Ports Council 5-Year Plans, Crowley's 2014 Task Force Presentation and Jaxport's Online Cargo Reporting System

Summary

- Jaxport's growth forecasts have been very aggressive, at 40% to over 150% for each five year period
- Actual growth has been a fraction of forecasted growth
- The current forecast is equally aggressive
 - The latest 5-year forecast was published in April of 2017 by the Florida Ports Council
 - Jaxport's forecast shows 43% growth, to be achieved before dredging is completed
 - This would be 5 times the growth rate the port has achieved over the last 5 years
- Looking beyond the current 5-year forecast:
 - Jaxport's dredging plan forecasts delivering 100% growth in the first nine years after dredging
 - Jaxport's "Post Dredging" forecast is the basis for estimating 15,000 future new jobs and for predicting over \$ 1 Billion in new state and local tax revenues
 - If actual growth is at the volume levels forecasted by the Corps of Engineers, the future jobs and tax revenues are likely to be around half of Jaxport's plan
- Jaxport's history does not support the idea that their growth forecasts are reliable. Monitoring progress toward the 2021 forecast will help us learn more.

Data Used in Jaxport Reporting and Forecasts

Year	Jaxport	+ Crowley
2005	777,318	
2006	768,239	
2007	710,073	870,025
2008	697,494	848,143
2009	754,352	890,835
2010	826,580	971,480
2011	900,433	1,050,405
2012	923,660	1,073,319
2013	926,809	1,028,541
2014	936,975	1,081,528
2015	915,292	1,076,252
2016	968,279	1,124,742
2017	1,053,742	1,208,742
2018	1,137,742	1,292,742
2019	1,221,742	1,376,742
2020	1,305,742	1,460,742
2021	1,389,507	1,544,507

Jaxport published its 2021
 forecast including
 ← approximately 155,000
 Crowley TEUs each year.

Note: Jaxport reports TEU volumes two different ways. For reports to the FDOT or the Florida Ports Council, Crowley Private Terminal TEUs are added to the volume handled by Jaxport Terminals.