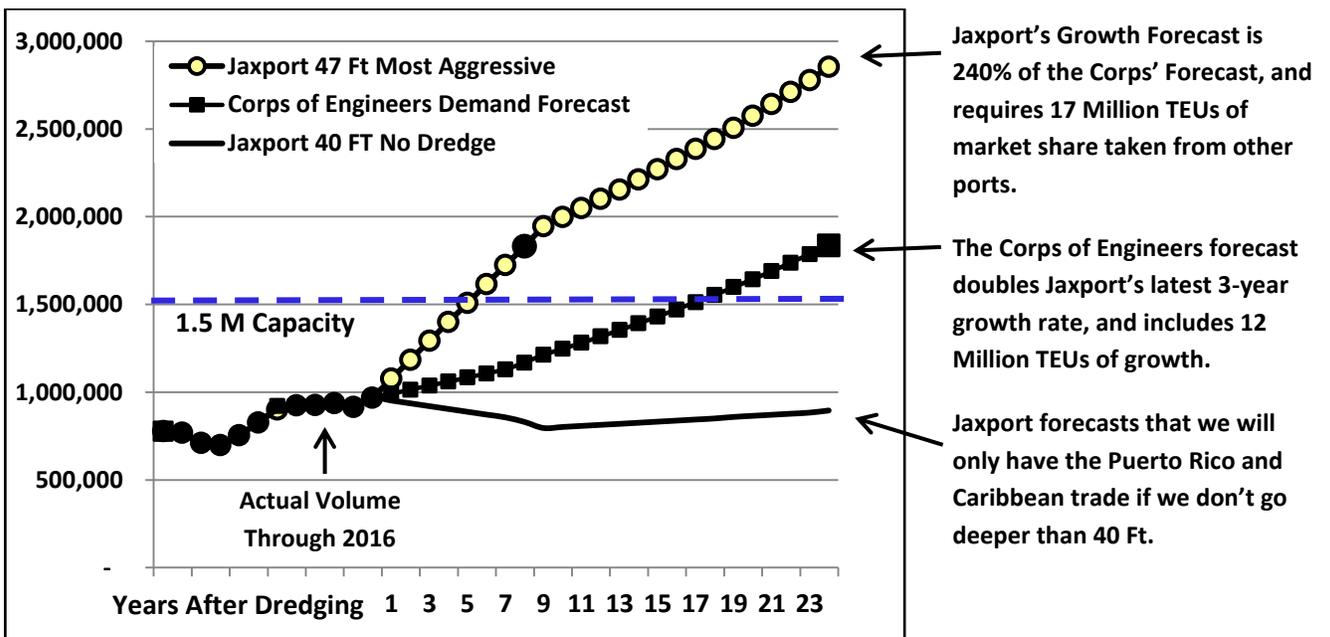


The growth forecasts for the Corps of Engineers and Jaxport differ by more than 100%.

1. The Corps of Engineers forecast for Jaxport calls for the growth rate to double after dredging, capturing 12 Million TEUs of demand growth during the forecast period. This seems feasible.
2. Jaxport's forecast calls for container growth to quintuple after dredging, and is **240%** of the Corps' forecast. This requires capturing the 12 Million TEUs of demand growth, plus taking 17 Million TEUs of market share away from Savannah, Los Angeles and other major ports. This is very aggressive.

Container Volume Forecasts in TEUs per Year



The port doesn't have the shoreside capacity to handle either the Corps or Jaxport growth scenario.

Without TraPac's 0.9 Million TEUs per year, the port will have around 1.5 Million TEUs of annual capacity (but only after Blount Island is upgraded from 2,000 to 7,000 TEUs per acre per year). Reaching 2.8 Million TEUs requires relocating tenants away from Blount Island and building a new terminal.

A strong ROI (Return on Investment) is essential, given that we're really investing in a new business.

The State of Florida requires that ROI calculations compare new state tax revenues to state spending. If the new taxes equal the expenses, the ROI is 1.0. If new taxes are double the spending, the ROI is 2.0

1. We have a "best-case" tax revenue estimate, done by Jaxport.
2. We don't have a total cost estimate for either the Jaxport or Corps of Engineers cases.
3. The total costs are much more than dredging, and will go well over \$1 Billion.

Given that about 1.8 Million TEUs of needed shoreside capacity doesn't exist today, and that both growth scenarios require major capacity upgrades, it would be good to know what all the expansion costs will be, and who will pay for them. (See the Before and After images on the next page.)

We need to know all the revenues, all the costs and all the risks to estimate the taxpayer ROI.

For the Plan to Work, Jaxport's Blount Island has to be Transformed into a Capital Intensive 2 Million TEU per Year Facility

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



If Jaxport is right about growth, this has to happen about 5 years after dredging is complete.

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

