

SPECIAL BOARD OF DIRECTORS MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
March 4, 2019

A Special Board of Directors meeting of the Jacksonville Port Authority Board of Directors was held on Monday, March 4, 2019 at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chairman Falconetti called the special meeting to order at 9:45 a.m.

Board Members Attending:

Mr. John Falconetti, Chairman
Mr. John Baker, Vice Chairman
Mr. Jamie Shelton Treasurer
Ms. Wendy Hamilton, Secretary
Dr. John A. Newman, Member
Mr. Ed Fleming, Member
Mr. Palmer Clarkson, Member

Other Attendees:

Mr. Eric Green, CEO
Ms. Beth McCague, CFO
Ms. Linda Williams, Chief, Adm. & Corporate Performance
Mr. Gil Feltel, Chief Legal Counsel
Mr. Mark Knudsen, President, SSA Marine
Mr. John Martin, Martin & Associates
Mr. Jim Citrano, former JAXPORT Board Member
Mr. Vince Cameron, President, ILA Local 1408
Mr. Mark Ortega, President, ILA Local 1593
Ms. Rebecca Dicks, Board Liaison

Chairman Falconetti stated that the purpose of this special meeting was to discuss BD2019-03-03 - SSA Marine Facilities Lease Agreement and Equipment Sublease Agreement.

CEO Eric Green informed the Board that the port has reached an historic agreement with SSA Marine Terminals that includes private investment in both terminal expansion and harbor deepening. He then turned the discussion over to Ms. McCague and Ms. Williams to speak about the scope of the project, revenue projections, length and duration of the contract with SSA, which includes a minimum annual guarantee.

Ms. Beth McCague, CFO of JAXPORT and Ms. Linda Williams, Chief of Administration & Corporate Performance of JAXPORT, explained the specifics of the contract stating that this is a public/private partnership. The contract represents a very long-term

commitment and investment in JAXPORT and it is an opportunity to partner with SSA for a shared vision for growth.

Ms. Williams stated that the contract itself consists of two instruments. A facilities lease and an equipment sublease. Both agreements are for 25 years in length and have two five-year renewable options. The premises are located at the Blount Island Marine Terminal and will initially consist of approximately 80 acres of land. The agreement is priced on short ton throughput. Minimum Annual Guarantee amounts begin in year one of the contract and escalate in years six and eleven.

SSA Marine will expand from its current 50.3 acres to approximately 80 acres of terminal operating space, with the option to expand up to 120 acres as space becomes available. The facility will offer a deepwater access of 47 feet upon completion of the harbor deepening project. Ms. McCague stated that the harbor deepening project is actually ahead of schedule and expected to be complete in 2023. The second lease instrument calls for SSA Marine to contribute \$28 million for exclusive use of JAXPORT's three 100-gauge cranes, with those funds going toward the cost of the deepening project. In addition, JAXPORT will pass back all costs associated with maintenance of the leased cranes for five years.

Before turning the discussion back over to Mr. Green, Chairman Falconetti recognized elected officials and special guests.

City Council President Aaron Bowman stated that this is what Jacksonville has been waiting for. This is a justification of why we are doing the dredging and why this port is on an amazing growth path.

Chairman Falconetti also recognized and welcomed all of the speakers on the agenda.

Mr. Mark Knudsen, President of SSA Marine, stated that SSA has a lot of confidence that Jacksonville is on its way to becoming a big up and coming terminal. He appreciates the long-term relationship and the professionalism from JAXPORT and looks forward to a long-term successful relationship with the port.

Dr. John Martin of Martin & Associates stated he has known SSA for years and that they are an extremely competent, well respected, internationally recognized leader as a terminal operator. He stated that this deal is extremely important for JAXPORT, and it justifies the importance of the channel deepening. This deal sets a precedent. Dr. Martin hopes that we see more private sector investments particularly in navigational projects.

Mr. Jim Citrano, former Chairman of JAXPORT Board, stated this is good deal and a tremendous economic opportunity for JAXPORT and the community.

Mr. Vince Cameron, President, ILA Local 1408, stated that today we are seeing the mission coming to fruition. This deal equates to economic progress and more jobs.

Mr. Mark Ortega, President, ILA Local 1593 stated that the Local 1593 has a long history with port of Jacksonville and that they are excited about the growth at the port.

Chairman Falconetti then introduced Congressman John Rutherford. Congressman Rutherford stated that it is an honor to celebrate this new future for JAXPORT. This contract moves the port and Jacksonville forward to become the logistics hub for the eastern seaboard.

Mr. Green then asked the Board for a vote on BD2019-03-03 – SSA Marine, LLC – Facilities Lease Agreement and Equipment Sublease Agreement.

After a motion was made by Dr. Newman and a second by Mr. Shelton, the Board voted unanimously to approve this submission.

There being no further business of the Board, the meeting adjourned at 10:30 a.m. followed by a signing ceremony between JAXPORT and SSA.