

BOARD OF DIRECTORS WORKSHOP
Jacksonville Port Authority
2831 Talleyrand Avenue
October 23, 2023

A workshop of the Jacksonville Port Authority Board of Directors was held on Monday, October 23, 2023 at the Port Central Office Building, 2831 Talleyrand Avenue, Executive Conference Room, 3rd floor, Jacksonville, Florida. Chairman Daniel Bean called the workshop to order at 10:00AM.

Board Members Attending:

Mr. Daniel Bean, Chair
Ms. Wendy Hamilton, Vice Chair
Mr. Palmer Clarkson, Treasurer
Ms. Soo Gilvarry, Secretary
Mr. Ed Fleming, Member

Absent: Mr. Jamie Shelton, Member

Other Attendees:

Mr. Eric Green, Chief Executive Officer
Ms. Beth McCague, Chief of Staff
Mr. Joey Greive, Chief Financial Officer
Ms. Linda Williams, Chief Administrative Officer
Mr. Nick Primrose, Chief, Regulatory Compliance
Mr. James Bennett, Chief Operating Officer
Ms. Chelsea Kavanaugh, Chief Communications Officer
Mr. Reece Wilson, Office of General Counsel

Nick Primrose shared the protocol for a board workshop, specifically, that no action from the board was required or would be requested. This is a meeting to provide background information and allow board members to ask questions and share their views about a matter that may come before the board for a vote at a future time. Assistant General Counsel Reece Wilson confirmed that Mr. Primrose had given the appropriate guidance.

CEO Eric Green opened the meeting by giving background on the situation at the Dames Point Terminal, which Ceres purchased from MOL in February 2022. He concluded by noting that Ceres Terminals, owned by Macquarie Asset Management, has decided to exit all of its terminal operations which includes North America and Mexico. As a result, JAXPORT has the opportunity to buy back the current lease at a very favorable rate. He noted the buyback would include the leases for both the terminal operations and the ICTF as well as all equipment at both facilities. There was extensive discussion on the

possibilities for the long-term operation and management of the facilities. Mr. Green shared that the condition of the equipment was not certain, but four of the six ship-to-shore cranes were operational, as were the rubber tire gantries. Board Treasurer Palmer Clarkson asked how such an acquisition would be accounted for. Chief of Staff Beth McCague responded that JAXPORT already owns the land and buildings, which were built with an investment of \$200 million by MOL in 2009. She said JAXPORT's initial thoughts would be to arrange the majority of any agreed-upon payment for the purchase of the equipment (which is reported to have a net book value in excess of \$12 million) with a smaller amount paid for the cancellation of the lease contracts.

Board Member Ed Fleming suggested gaining control of the Dames Point Terminal could offer a chance for JAXPORT to shift auto-processing activities off of Blount Island, which could be put to a higher use by being available for more international containers. Mr. Green noted 22 acres adjacent to the Dames Point Terminal were already under lease to an auto processor, and we were in discussions with an auto manufacturer to lease a portion of the Dames Point Terminal should we gain control of the property.

The group discussed the risks associated with moving forward, focusing on the speed at which JAXPORT could attract another operator to step in and run the terminals. Mr. Clarkson noted our income statement and balance sheets were strong, putting us in a good position to proceed. There were generally favorable comments from members to proceed with negotiations. A question was asked as to our ability to reconfigure the retention area (ponds and freshwater marsh) at Dames Point, which consumes over 30 acres on the terminal. Mr. Bennett responded that could be undertaken; however due to the extremely high cost of construction and the extensive freshwater mitigation required, we have chosen not to pursue this course of action.

It was suggested we understand the condition of the significant equipment at Dames Point along with recent inspection reports. Further, that we examine the highest and best use of this terminal. Mr. Green said, based on our knowledge and confirmed by several potential operators, the future of this terminal would be mixed-use, including warehouses for breakbulk or other commodities, a smaller footprint for container operations, and perhaps auto processing.

Mr. Green said he would report to the board once further discussions were held with Macquarie.

The workshop adjourned at 10:35 a.m.