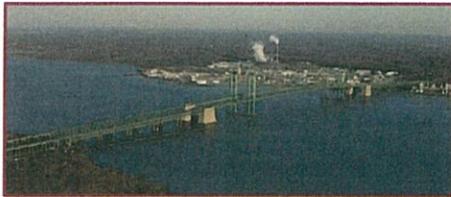


PFRA

Paul F. Richardson Associates Inc.



A BRIEFING TO THE PORT OF WILMINGTON EXPANSION TASK FORCE

The RiverEdge Container Terminal Project

September 30th 2015

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Stakeholder Interest in the Riveredge Container Terminal Project (RCTP)

A Brief History.

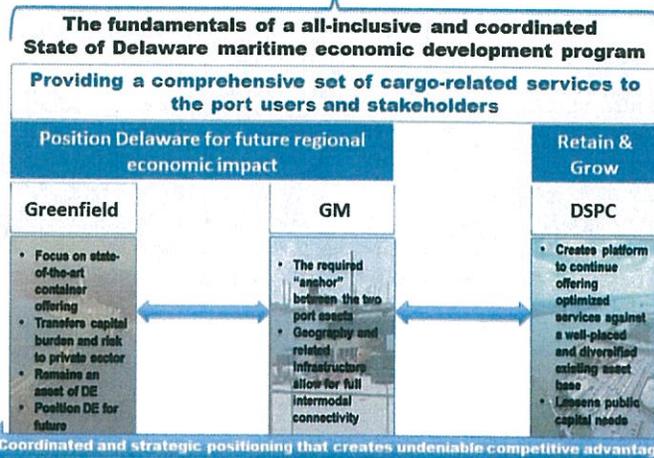
- **The transportation advisory firm of Paul F. Richardson Associates, Inc. (PFRA) was retained by the International Longshoremen's Association (ILA) in June, 2014 to review the potential that exists for developing a container facility at what is known as the "RiverEdge" Property.**

- The Scope of Work (SoW) that was utilized for that analysis included the following major task items:
 - Summary Environmental Assessment as to Land Use for Project,
 - Create conceptual overview of project application (a containerized marine terminal),
 - Quantify in a preliminary fashion, navigational and waterside requirements,
 - Determine high-level order of magnitude capital requirements for project,
 - Identify areas where further intermodal connectivity is required for project success (namely road and rail),
 - Summary market and supply/demand analysis,
 - Comparative economic impact analysis,
 - Align project with the Federal P3 programs, and
 - Initiative a dialogue with the private investment community/stakeholders as to the potential that exists for the project.

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- From the onset of the project, PFRA has recommended that any effort associated with the RiverEdge Container Terminal Project be viewed as a collective offering of maritime assets in the State of Delaware.
 - The slide below depicts a graphical presentation which was used in the original Summary Feasibility Study for the RiverEdge Container Terminal Project (RCTP). In our opinion it remains valid today.

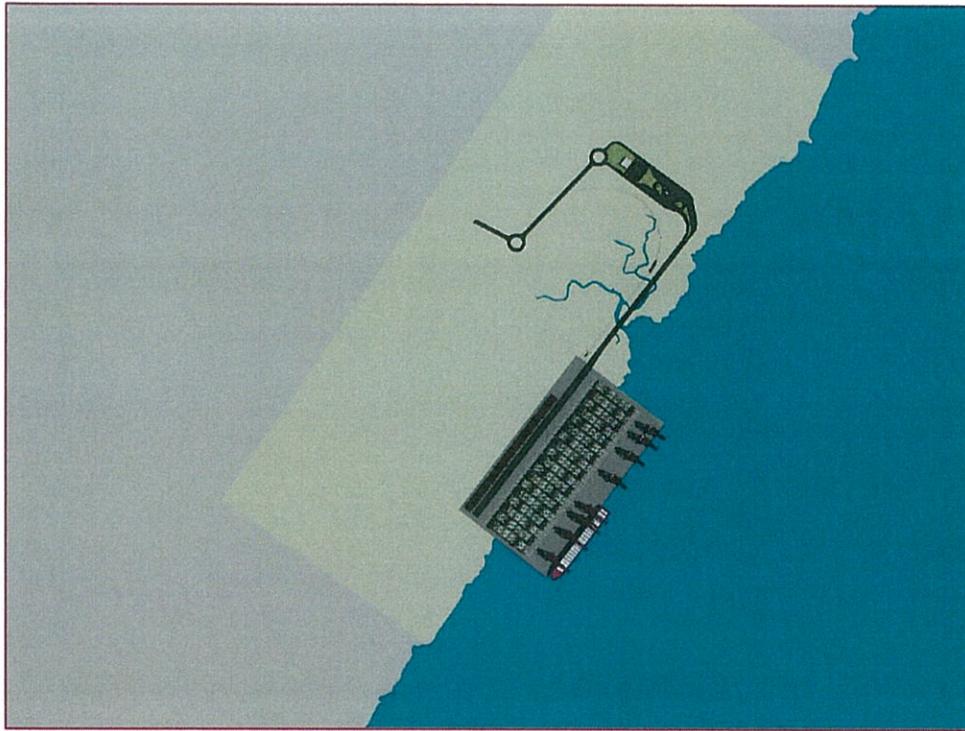


- **PFRA, in conjunction with the engineering firm Cardno, prepared that analysis in the early fall of 2014. That document was a Summary Assessment, prepared as a "high-level" briefing to the project's conceptual capabilities.**
 - Those findings were distributed and disseminated at a number of public forums, meetings and briefings, within all stakeholders aspects since then.
 - In essence, we had "proof of concept" demonstrated by a number of stakeholder parties on a preliminary basis to include:
 - Terminal Operators,
 - Ocean Carriers,
 - Logistical and Supply Chain firms,
 - Various elected officials at the local, regional, state and federal levels,
 - Port users from the existing Diamond State Port Corporation (DSPC),
 - Federal regulatory agencies and related programs,
 - The private investment community,
 - Associated intermodal providers, and
 - The general citizenry of the State of Delaware.



One of the Summary Concepts Developed

Building Outward towards the shipping channel.



CREATING A WORLD CLASS OFFERING

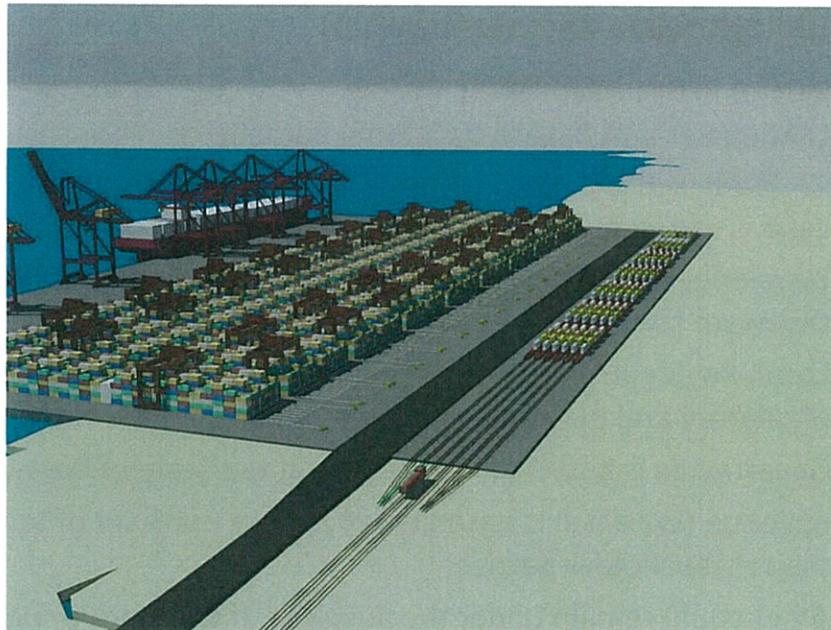
A "clean canvas" becomes extremely attractive.



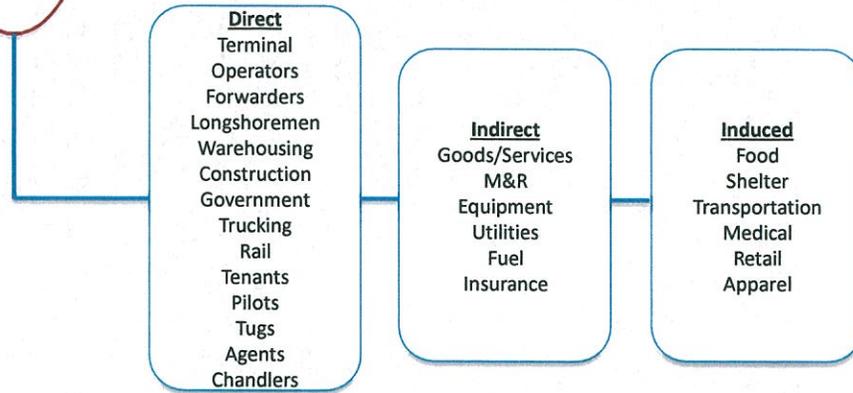
Environmentally sustainable, safe and highly productive.



An issue which deserves future attention.



Port	TEU	Total Jobs	Direct	Indirect	Induced	Total Sales	State GDP	State Income	State Taxes	Local Taxes	Federal Taxes
Savannah	2,944,678	352,146				\$66.9b	\$32.4b	\$18.5b	\$1.4b	\$1.1b	\$4.5b
Charleston	1,381,349	260,800				\$45.0b					
NC Ports	260,363	65,000					\$500m				
Baltimore	631,082	108,000	14,630	10,940	14,480			\$3.0b	\$304m		
Wilmington, DE	329,200	16,877	2,203	444	1,673				\$31.0m		
Norfolk	2,230,008	100,244					\$12.b	\$4.1b			
NY/NJ	5,445,108	279,200	170,770			\$37.1b		\$11.6b	\$1.6b		\$3.6b
Jacksonville	900,443	132,599	9,667	4,573	10,100			\$1.3b	\$168m		



- **A Public/Private Partnership (P3)**
 - Land is currently privately-owned
 - Landowner and Private Developer come to commercial agreement
 - Private Developer has other commercial agreements established with operator(s) and user(s)
 - Land is ceded to public agency
 - Developer is granted concession (via whatever process as mandated by Delaware law) for long-term period (upwards and beyond 30+ years)
 - Local, Regional, State and Federal agencies work together to ensure regulatory and permitting process
 - Governance is based on the desires of the State of Delaware
 - Revenue (Expense) is based on an agreed upon set of terms between major stakeholder parties
 - Asset could remain under the auspices of the State of Delaware if so desired.

Making the project “bankable” in the eyes of the financial markets.

- Based on the findings and results of the Summary Feasibility Assessment (initial report), various stakeholder participants readily came to the conclusion that a next series of due diligence was required on the project conceptual, namely, an environmental assessment, which forms the basis for the project becoming “bankable” in the eyes of the private investors.
 - This required next step in the due diligence process centers on establishing the environmental conditions, permitting and milestones associated with the project so that the investment community could be assured that development could occur in a designated time frame.
 - A Summary Environmental Assessment needs to be created for the investment market which clearly delineates the requirements to have the project permitted. Besides identifying specific items which would be required from a regulatory and permitting perspective (local, regional, state and federal); a cost estimation and schedule would have to be developed which give a greater detail (to a potential investor) for their own risk assessment/timing requirements.
 - Both landside and water details will have to be derived. This SoW Proposal deals with defining this required level of detail for both.
 - A continued commercial and financial effort must be carried on in a sustained basis with the industry stakeholders to include ocean carriers, terminal operators, investment and infrastructure companies, logistical supply and distribution entities.
 - This must include dealing with a greater degree of potential terminal operating scenarios, intermodal linkage (both rail and road), distribution centers and the like.
 - However, the most important element is a consistent effort with the investment and private parties associated with the development/financing and subsequent operation of the envisioned facility.
- A Scope of Work to accomplish same has recently been prepared for the above tasks.

