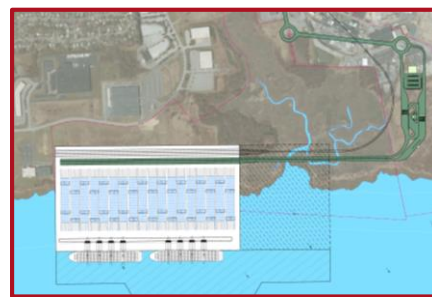




# PFRA

Paul F. Richardson Associates Inc.



## A BRIEFING TO THE PORT OF WILMINGTON EXPANSION TASK FORCE

State Representative Charles Potter, Jr./Co-Chair

State Senator Margaret Rose Henry/Co-Chair

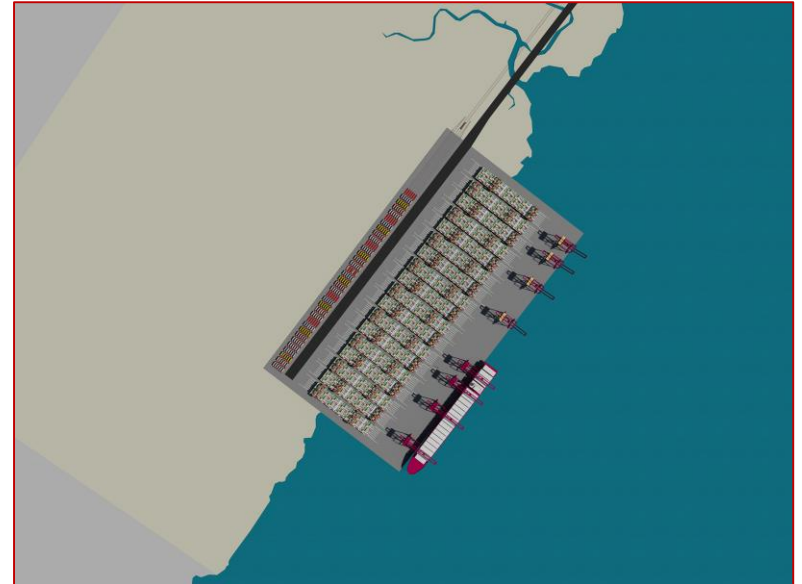
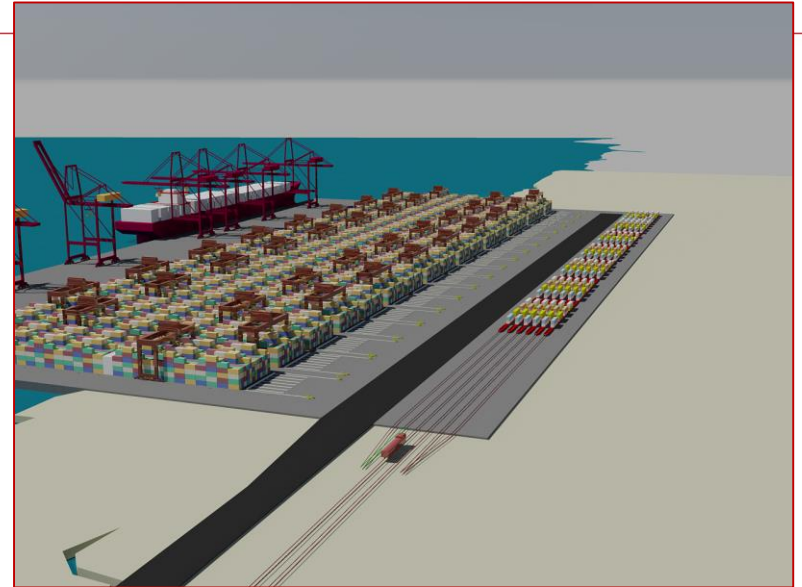
### The RiverEdge Container Terminal Project

March 29, 2016

- **Over the last several months, Paul F. Richardson Associates, Inc. (PFRA) and a team of other professionals have been engaged in progressing the RiverEdge Container Terminal Project forward.**
  - **Some of this work has been conducted in concert with the Diamond State Port Corporation (DSPC) Strategic Master Plan.**
    - **The RiverEdge Container Terminal Project is one of the sites under review as part of the Strategic Master Plan Scope of Work (SoW).**

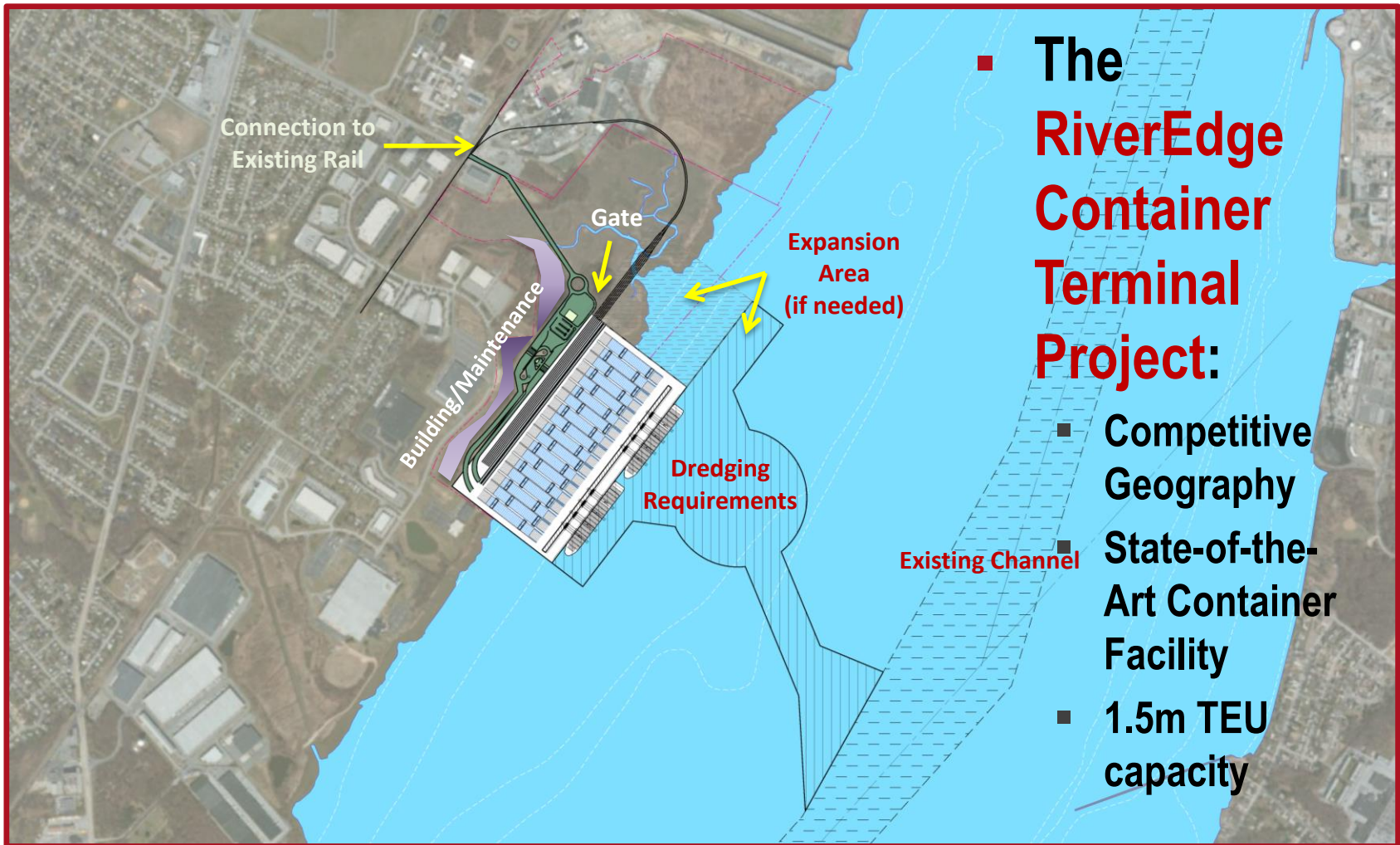


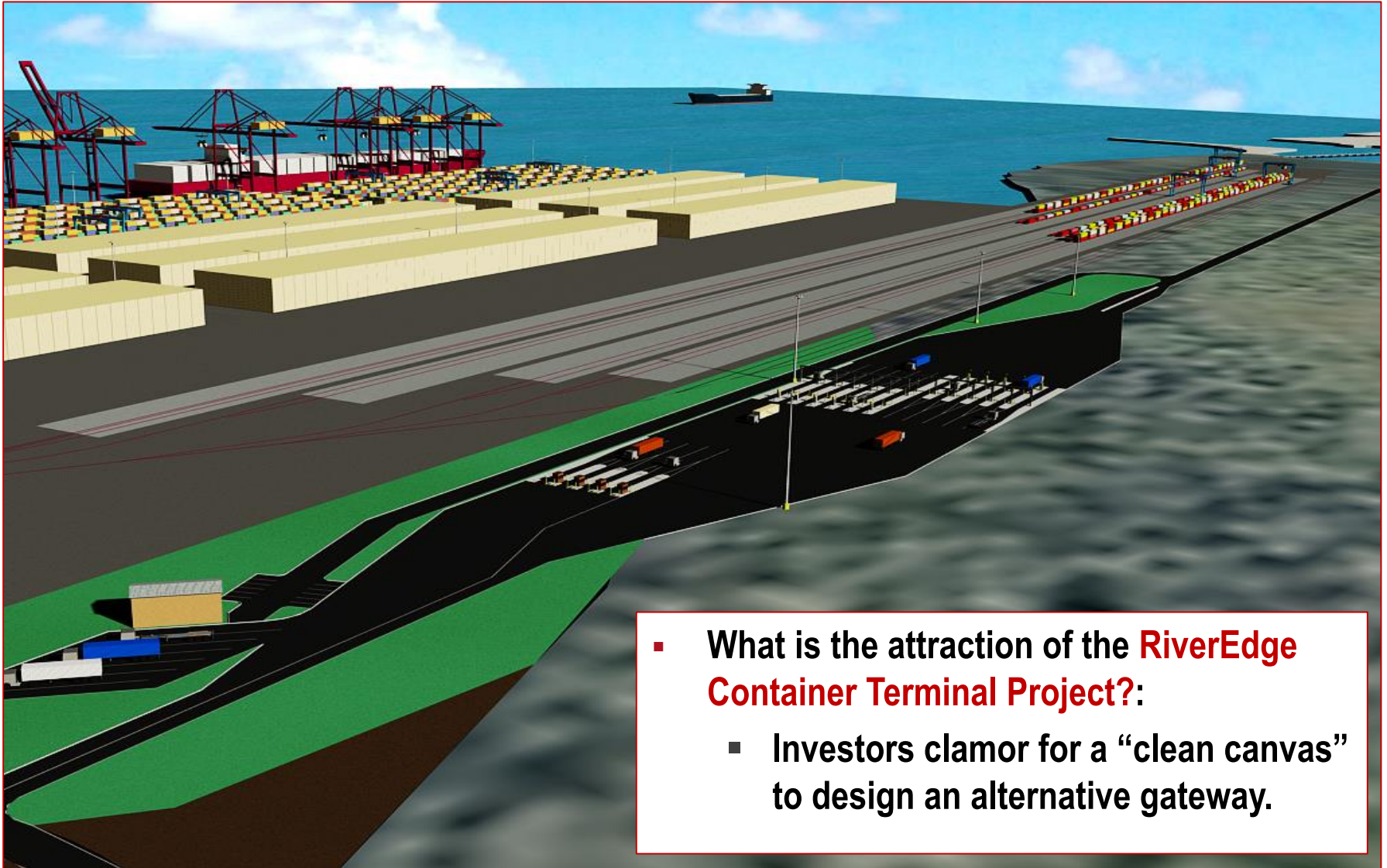
- **Concurrent to the DSPC Strategic Master Plan effort, PFRA and a designated team of professionals have been engaged by the City of Wilmington (CoW), and New Castle County (NCC) to progress an “environmental assessment” and “project prospectus” to be used primarily with private investors interested in the project.**





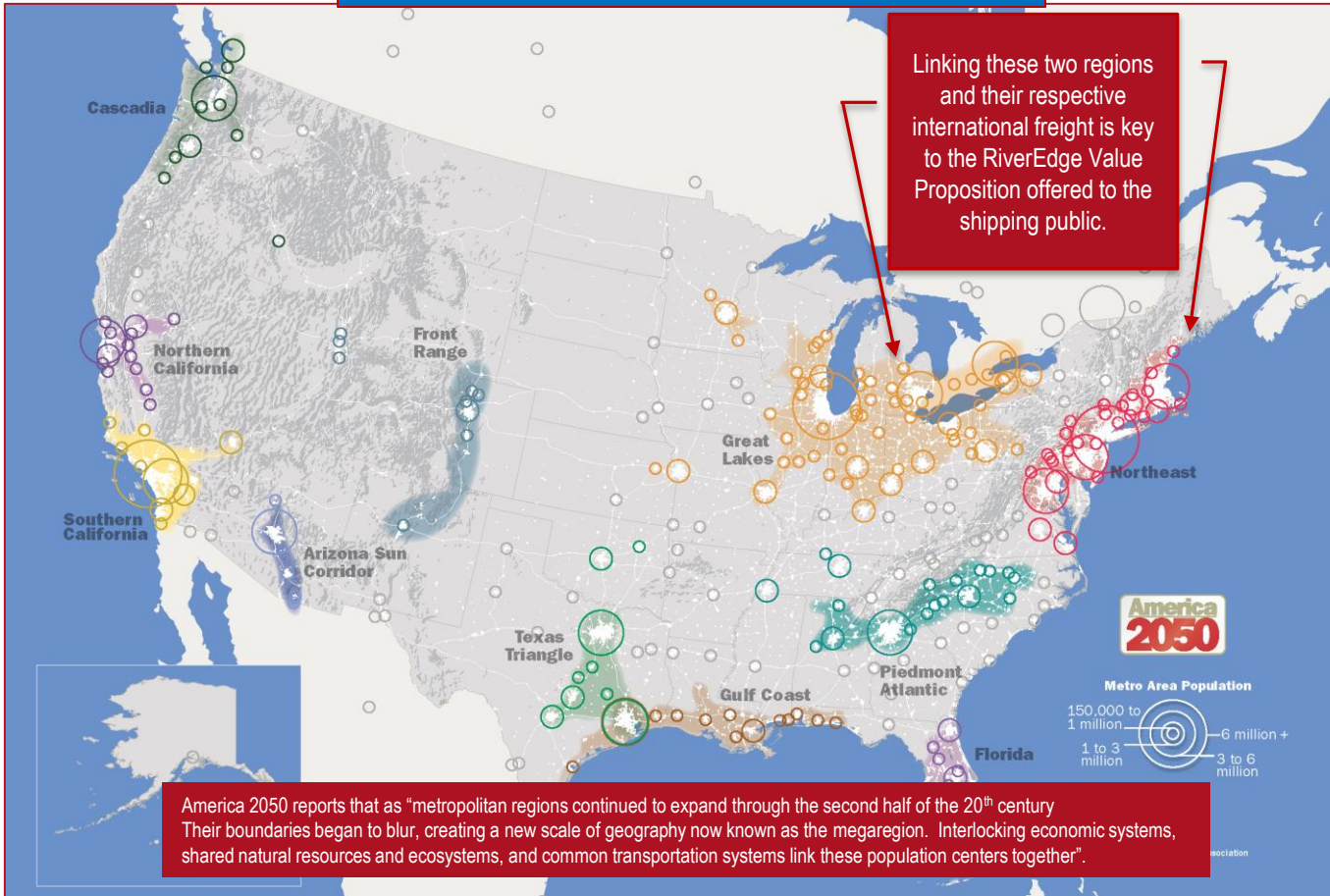
- As a refresher, the RiverEdge Container Terminal Project is proposed for a privately owned vacant parcel of land immediately south of the Delaware Memorial Bridge.
- An important component to the project is the ability to readily interface with the GM Boxwood Facility which is envisioned as a future “Logistics Park”.





- What is the attraction of the **RiverEdge Container Terminal Project**?:
  - Investors clamor for a “clean canvas” to design an alternative gateway.

## Metro Area Population Chart for the United States



- GM Boxwood and the RiverEdge Container Terminal Project are ideally situated to capitalize on current and future freight movements, and the investor community has taken note of same.**



- *Conceptual renderings as to how the GM Boxwood facility could potentially be used as a Logistics Park to support freight movement.*



- **Over the last several weeks, PFRA has engaged in dialogue with the investor community regarding the opportunity at RiverEdge and GM Boxwood.**
- **We are commencing with certain interested parties in a “formal due diligence” exercise regarding RiverEdge and GM Boxwood.**
  - **While there are no guarantees, this can be viewed as a positive step and endorsement of the overall concept.**

## The RiverEdge Container Terminal Project Concept



- **Public/Private Partnership (P3)**
- **Private developers fund the development, construction and subsequent operation of the facility.**
- **The “land portion” is eventually ceded to a “public agency” so that the project gains federal recognition.**
  - **Important to the dredging aspect of the project/ongoing operation**
- **A long-term concession agreement is granted.**

- **Investment capital for the project is not the issue.**
  - In order to facilitate stakeholder and eventual owner/operator alignment, the International Longshoremen's Association (ILA) has committed to reviewing the mechanism by which they can invest upwards of \$100MM of “their own infrastructure investment vehicle” towards project funding.
  - These discussions have been underway for several weeks now, and will be incorporated into the due diligence process.



**The RiverEdge Container Terminal Project has a capital cost which is estimated to exceed \$650MM of private funding**

- An assessment as to “Full Stakeholder” alignment becomes the primary issue for the private investor, with the required regulatory and permitting process “front and center”. A “Speed-to-Market” determination is essential.



- This is closely followed by a determination of how the private enterprise will interface with public organization and assets which may be in the “same space” (e.g. Maritime in Delaware) now and in the future. Thus, the competitive landscape has to be established.



- An evaluation is made by the investor as to how public organization and assets which may be in a “related space” (e.g. Public Highway Infrastructure) will interface with the project on a long-term basis. **Establishing the actual public obligation to such private enterprise.**



- An appraisal is made by the private investor as to how other private organization and assets which may be in a “related space” (e.g. Railroad Infrastructure) will interface with the project on a long-term basis. **Ascertaining who the actual “private partners” are.**



- **And now, the “clock has started ticking” ....**
  - **Many of these key stakeholders are awaiting the findings of the DSPC Strategic Master Plan.**
    - Rightfully so, the document becomes a “baseline assessment” as to potential port and maritime interface for the State of Delaware for present and future operations.
    - Certain aspects of the findings will undoubtedly impact the course of the RiverEdge Container Terminal Project.
  - **The next steps to the RiverEdge Container Terminal Project will be to advance the framework and concurrence of Stakeholder’s in concert with the private investor(s) to determine:**
    - Speed-to-Market (relative to regulatory and permitting),
    - Competitive Landscape,
    - Other public obligations associated with such a P3,
    - Other private stakeholder relationships which are integral to enterprise success.
  - **The process has commenced and timing becomes a concern.**
    - The private market was awaiting “next steps” given past efforts,
    - Competitive projects are underway on the Delaware Bay,
    - This process may take years.