

JAXPORT STRATEGIC PLAN 2020–2025



OVERVIEW

JAXPORT's 2020-2025 Strategic Master Plan was developed by JAXPORT's senior leadership team with support from international maritime consultant Martin Associates. This plan will serve as JAXPORT's roadmap to success over the next five years.

Based on detailed market, facilities, financial and economic analyses of JAXPORT's operations, the plan is designed to be a living document that is reviewed on a regular basis, incorporating new information and developments, and refining market projections and opportunities.

JAXPORT's previous Strategic Master Plan was completed in 2014 and focused on building JAXPORT's infrastructure to prepare for business growth. This new plan is designed with the success of our customers in mind. It builds on the opportunities created by the completion of the projects outlined in the previous plan and focuses on growing JAXPORT's revenue and volumes—and the private sector jobs they support.



KEY ELEMENTS OF THE 2020-2025 PLAN INCLUDE THE FOLLOWING:

- Vision and Mission Statements
- Five Aspirations to Guide JAXPORT's Work
- Quantifiable Job Creation Goals for Northeast Florida

TEN STRATEGIES WITH A FOCUS ON FOUR KEY INITIATIVES:

- Expanding JAXPORT's Container Business
- Growing Vehicle Volumes
- Growing Breakbulk Capacity and Volumes
- Acquiring Additional Land for Port Growth

JAXPORT'S VISION

JAXPORT will be a global leader in diversified trade and supply chain solutions, focused on efficiency and fiscal integrity.

JAXPORT'S MISSION

Creating jobs and opportunity by offering the most competitive environment for the movement of cargo and people.



JAXPORT'S FIVE ASPIRATIONS

- Strategically grow annual throughput, revenue and jobs
- Incorporate eco-friendly and "Green" elements in infrastructure, equipment and facilities
- Deploy technology to bring more efficiency to port operations
- Operate with reliable, well understood landlord practices
- Further develop our team's capabilities

JAXPORT AS AN ECONOMIC ENGINE

Consistent with its Mission, JAXPORT aims to grow the number of maritime-related jobs throughout Northeast Florida. According to an economic impact analysis by Martin Associates, more than 22,000 people in Northeast Florida are dependent on Jacksonville's seaport for employment. This number is projected to grow to more than 33,000 jobs by 2030 and nearly 37,000 by 2035. These jobs include direct jobs at the seaport, plus induced and indirect jobs supporting the direct employment.

	BASELINE (2018)	2025	2030	2035
JOBS				
DIRECT	9,432	11,977	13,906	15,205
INDUCED	8,894	11,373	12,265	14,539
INDIRECT	4,450	5,650	6,560	7,173
TOTAL	22,776	29,000	33,732	36,916
PERSONAL				
DIRECT	\$663,742	\$850,726	\$993,678	\$1,089,916
RE-SPENDING/LOCAL CONSUMPTION	\$1,318,457	\$1,689,882	\$1,973,843	\$2,165,010
INDIRECT	\$216,943	\$275,459	\$319,847	\$349,705
TOTAL	\$2,199,142	\$2,816,067	\$3,287,369	\$3,604,630
BUSINESS REVENUE (1,000)	\$1,831,769	\$2,408,620	\$2,854,045	\$3,161,927
LOCAL PURCHASES (1,000)	\$550,341	\$698,784	\$811,388	\$887,130
STATE/LOCAL TAXES (1,000)	\$209,619	\$269,102	\$314,605	\$345,324

Totals may not add due to rounding

Source: Martin Associates Economic Impact Models for JAXPORT, 2019

Assumes medium container growth, new auto account, baselined forest products growth



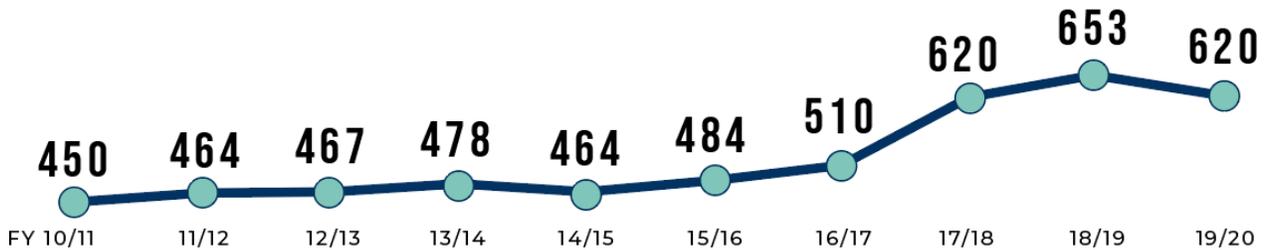
JAXPORT'S 10 KEY STRATEGIES

JAXPORT'S STRATEGIC PLAN IS ANCHORED BY 10 STRATEGIES:

STRATEGY 1: EXPAND CONTAINER BUSINESS

JAXPORT has enjoyed significant growth in containerized cargo volume and trade lanes over the last decade. Since 2013, containerized cargo at JAXPORT has increased by more than one million tons, with the total number of units—measured in Twenty-Foot Equivalent-Units (TEUs)—growing in this period by 44 percent to more than 1.3 million TEUs in 2019.

CONTAINERIZED CARGO GROWTH AT JAXPORT (IN TEU BY THOUSANDS)



JAXPORT recorded a 7.3% compound annual growth rate for container cargoes annually since 2003, which is the second-highest growth rate for international containerized cargo imports recorded over this time for all U.S. mainland container ports evaluated. (Imported international containerized tonnage at all U.S. mainland ports has grown annually at 4.0% over this time.)

JAXPORT is now the busiest container port in Florida and the tenth busiest in the continental United States measured by number of annual TEUs handled. Containerized cargo represents 50% of JAXPORT's total gross revenue annually, and it creates the most jobs relative to any other cargo types, with nine jobs created per 1,000 container tons handled.

JAXPORT's capability to continue this growth is dependent upon the Jacksonville Harbor Deepening project on track for completion in 2022. Jacksonville's harbor will be deepened to 47 feet and the SSA Jacksonville Container Terminal at Blount Island will be ready to accommodate increasingly larger container vessels, with related crane and berth infrastructure in place. Modernizing port facilities to gain new business and protect existing business in the container segment rationalizes these significant investments made by both public and private partners.

This capability is supported by many other strengths at JAXPORT, including congestion-free terminals, access to major population centers, and an industry-recognized ease of doing business.

To take full advantage of these opportunities, JAXPORT will continue attracting new ocean carrier container service across multiple trade lanes, including to and from ports in Asia. In 2019, a total of 32% of container tonnage handled by JAXPORT originated in Asia, as cargo in this trade lane has grown consistently since 2009 when the TraPac international terminal opened on Dames Point.



Project rendering



JAXPORT also will continue to build on its leadership role in the Puerto Rican trade, as more than half of JAXPORT's container trade is with the island, JAXPORT's largest trading partner. Jacksonville is unique in that it serves more than 85% of all containerized exports and imports moving between the U.S. mainland and Puerto Rico. The three large Jones Act carriers handling this cargo (Crowley Maritime, TOTE Maritime, and Trailer Bridge) are headquartered in Jacksonville.

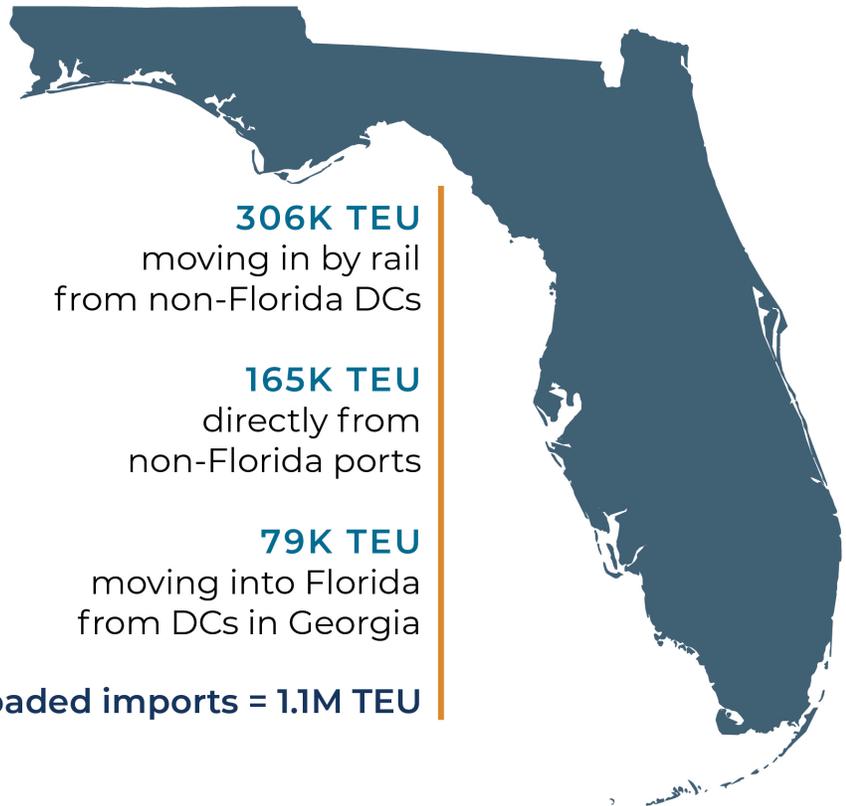
Additionally, three targeted areas where JAXPORT stands to gain volumes are to capture Florida-bound cargo currently imported through other Southern states; to acquire perishable container business from the North-South trade lanes; and to attract volumes historically shipped through U.S. West Coast ports that then must be trucked or railed to the East Coast. Data shows that for nearly two decades, Beneficial Cargo Owners (BCOs) importing through the U.S. West Coast have increasingly shifted their imports to other port

regions. The share of Asian imported containerized tonnage moving via U.S. West Coast ports has fallen from about 72% in 2003 to about 53% in 2019, while the share of the South Atlantic and North Atlantic ports has increased from 26% in 2003 to 39% in 2019.

Over the last decade, JAXPORT has also reported strong growth in imports from Northern Europe, Southwest Asia, the Middle East/Mediterranean, and Central America – all target areas for continued container growth, as JAXPORT is well positioned to service key population centers, namely Jacksonville, Central Florida and the I-4 Corridor, and Southeast Georgia. The port serves 70 million consumers within a one-day truck drive.

The location of import distribution centers is critical in attracting cargo, particularly consumer goods such as furniture, apparel, electronics, toys, and perishables. Attracting new import distribution centers is an important tactic to grow JAXPORT's container volumes.

Overall, key initiatives to grow JAXPORT's container business include growing vessel service across multiple trade lanes; capturing Florida-bound cargoes entering the state through non-Florida ports; and growing the number of import distribution centers located in Northeast Florida which can be serviced by JAXPORT.





STRATEGY 2: EXPAND VEHICLE CAPACITY AND VOLUME

JAXPORT's Strategic Plan calls for strengthening its market position in handling vehicles and other rolling (Ro/Ro) cargoes.

For many years, JAXPORT has been one of the nation's largest and busiest ports for the handling of finished vehicles, which are handled at dedicated auto/RoRo facilities at all three of JAXPORT's cargo terminals.

To grow vehicle volumes, JAXPORT recognizes that space to accommodate vehicle processing is in high demand. JAXPORT must provide more acreage for this cargo, as well as maintain congestion-free

berths. One of JAXPORT's strategies is to acquire additional land to accommodate port-related growth, including an increase in vehicle shipments. Today, auto processing tenants occupy 251.8 acres of auto storage at JAXPORT, with the majority of vehicle imports originating in Japan, Mexico and Germany. JAXPORT's strongest export trade lanes for vehicle cargoes are the Caribbean, Middle East and Africa.

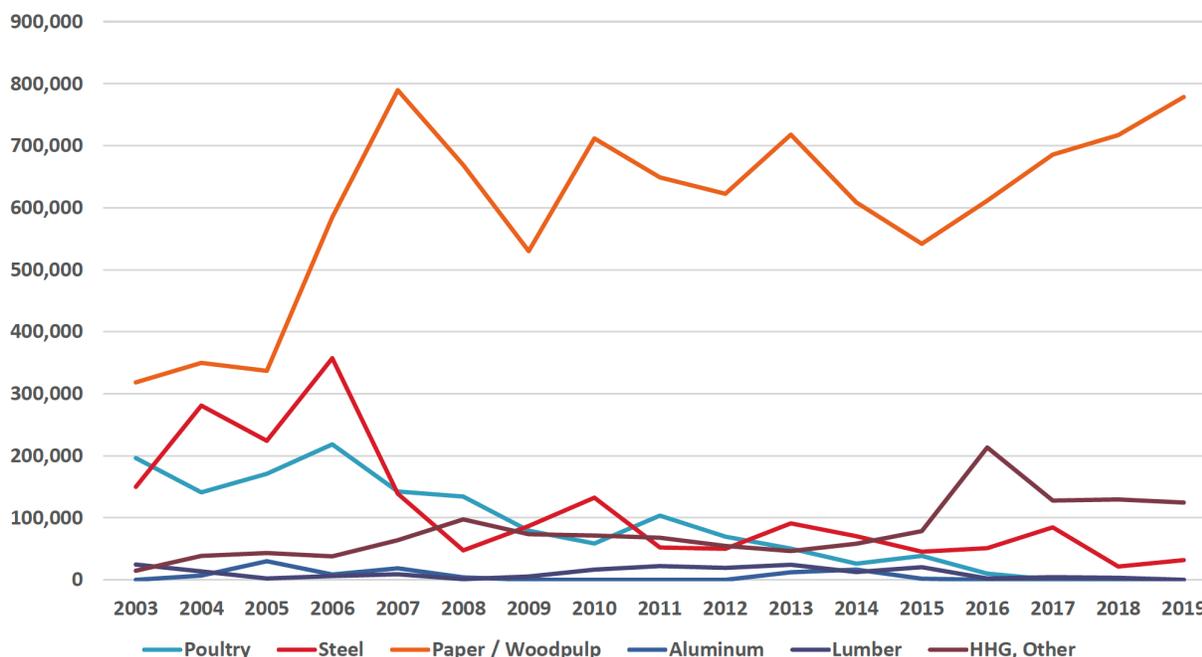
JAXPORT also will continue to grow its project cargo and high and heavy segments, building on the advantages created by the port's skilled labor force and outstanding reputation in these lines of business.

STRATEGY 3: EXPAND BREAKBULK BUSINESS

JAXPORT facilities handle more than 800,000 tons annually of breakbulk cargoes. Growing this tonnage is a strategic goal and consistent with the port's desire to remain diversified within its cargo types. Demand for covered space is beginning to exceed JAXPORT's existing warehouse capabilities, so JAXPORT intends to build additional covered space for breakbulk products.

The vast majority of breakbulk cargoes currently handled at JAXPORT are paper and pulp, which now account for nearly 85% of all breakbulk cargo handled at JAXPORT. While the authority will lean into this strength by providing facilities to accommodate additional forest products, JAXPORT also will explore growth in other breakbulk commodities such as aluminum and steel.

Break Bulk Tons



STRATEGY 4: ACQUIRE ADDITIONAL LAND IN PROXIMITY TO THE PORT

JAXPORT recognizes a need to acquire additional land to grow the physical footprint of the port to fulfill its full potential as an economic engine for Northeast Florida. This strategy is best achieved by JAXPORT acquiring several hundred acres of property suitable for industrial use alongside or near the St. Johns River. Acquiring industrial land near the port has the potential to accommodate JAXPORT's growth in a number of ways. These include accommodating the expansion of existing tenant business and/or providing space for new tenants. Additionally, new acreage also could benefit regional efforts to attract new distribution and fulfillment centers for commodities with a port component. These facilities, which need large tracts of land near a major international seaport such as JAXPORT, would create cargo opportunities for the port and jobs for the surrounding region.

The expansion of port facilities also could help to attract new advanced manufacturing to Northeast Florida. The COVID-19 pandemic and trade tensions have generated significant interest in bringing manufacturing back to the United States. JAXPORT is primed to attract these reshoring opportunities—everything from consumer goods and solar panels, to medical supplies, pharmaceuticals and other critical health care items—which could be manufactured near JAXPORT and trucked or shipped to destinations throughout the country and world.

JAXPORT is in the process of identifying available industrial property near the port for eventual acquisition. Once property is identified and secured, the port will work with its public economic development partners to identify the best use(s) of the property or properties, while ensuring the interest of the community remains top of mind.

STRATEGY 5: COMPLETE HARBOR DEEPENING



Critical to attracting new container vessel service and new container volumes is the completion of the deepening of the Jacksonville harbor to 47 feet from its current depth of 40 feet. This will enable JAXPORT to accommodate cargo transported by the larger post-Panamax vessels currently calling the U.S. East Coast following the 2016 expansion of the Panama Canal, as well as even larger vessels transiting the Suez Canal. The expansion of the Panama Canal is impacting the size of vessels moving through the canal. Exhibit I-17 (*next page*) shows the average size of the container ships moving to and from Asia through the Panama Canal to the ports of Jacksonville, Charleston, Miami and Savannah, in 2012 and in 2017, the year after the canal expansion was completed. These South Atlantic ports have experienced strong growth in Asian cargo over the past several years.

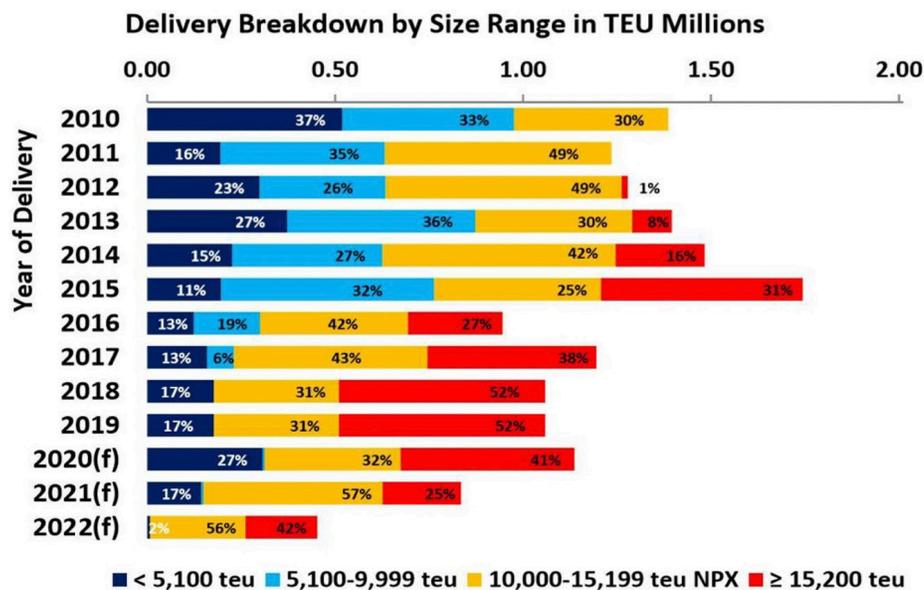
EXHIBIT I-17: AVERAGE SIZE (TEU) OF VESSELS DEPLOYED THROUGH THE PANAMA CANAL ON ASIAN TRADE FOR SELECTED SOUTH ATLANTIC PORTS

PORT	AVG. SIZE OF CONTAINERSHIP (BY TEU) 2012	AVG. SIZE OF CONTAINERSHIP (BY TEU) 2017
JACKSONVILLE	5,002	6,566
CHARLESTON	4,885	8,401
MIAMI	4,650	6,974
SAVANNAH	5,106	8,366

Source: PIERs

The shift toward larger ships is also clearly visible when looking at the library of vessels being ordered by the world's major shipping lines. Shipping industry data provider Alphaliner estimates that by 2022, only two percent of new container ships ordered will be smaller than 10,000 TEUs.

THE VESSEL ORDER BOOK IN JANUARY 2020



A 47-foot channel depth will position JAXPORT to serve as a first port of call for larger vessels currently calling, and planned for, the U.S. East Coast.

The full length of Jacksonville's federally authorized deepening project is 13 miles from the sea buoy through the Dames Point Marine Terminal. JAXPORT has prioritized funding for the first 11 miles to Blount Island to ensure that Northeast Florida can begin seeing the project's return on investment, including new business and private-sector job creation, as soon as possible.

Construction on the 11-mile portion of the project commenced in 2018, and the U.S. Army Corps of Engineers issued contracts in three separate awards (A, B and C). These three phases have been successfully funded using federal, state, and local funds, as well as JAXPORT bond proceeds and tenant contributions. The last of these three sections (C) of the deepening is expected to be completed in 2022, three years ahead of schedule and with the entire project approximately \$70 million under budget. The final two miles, through Dames Point, is authorized and remains under review.

The deepening project includes construction of a new vessel turning basin that will allow larger ships to turn at Blount Island. The turning basin will be completed in 2021.



Additionally, JAXPORT is rehabilitating terminal berths 33, 34, and 35 to provide 2,700 feet of deep-water berths, enabling Blount Island to simultaneously accommodate two post-Panamax vessels. Phased yard improvements also are being completed through a public-private partnership with SSA Atlantic that will maximize the facility's acreage. These upgrades will enable the facility to accommodate up to 700,000 TEUs annually, a significant increase from its existing capacity of 256,000 TEUs.

These increased container capabilities position JAXPORT to maximize the deepening project's return on investment, and enables the authority to stay competitive as the global container industry continues to evolve.

A deeper harbor maintains JAXPORT's competitiveness, strengthens its ability to expand its international trade lanes, and ensures JAXPORT can continue to create well-paying jobs for generations to come.

Similarly, as vessels increase in TEU capacity, air draft limitations can also become a factor. JAXPORT continues to work with its partners to identify solutions for reducing or eliminating air draft restrictions where possible.

STRATEGY 6: CREATE REVENUE FROM ALL PROPERTY OWNED

Of the 1,512 acres owned by JAXPORT, the vast majority is under long-term lease with tenants. Building out the remaining few undeveloped areas will make full use of JAXPORT's land resources and provide tenants the opportunity to expand their businesses.

JAXPORT's two largest parcels available for lease are located near its Talleyrand Marine Terminal. The "Talleyrand West" parcel is 26.45 acres with rail access. JAXPORT will pave, light and fence this property as it identifies one or more tenants, with likely uses including new dry and/or refrigerated warehouse facilities. This is in support of JAXPORT's strategy to pursue reefer cargoes as part of its larger container growth effort. Market research has identified significant reefer volumes imported through Northern ports and then moved hundreds of miles inland to Florida destinations, including more than 114,000 TEUs annually trucked to Florida from Delaware River Ports. Target commodities which JAXPORT might pursue include grapes, asparagus and avocados originating from Latin America.

Talleyrand West also is suitable for a dry warehouse to handle breakbulk cargoes, with space available on this property for a 500,000 square-foot facility.

The second unused property at Talleyrand, "Talleyrand South," comprises 14.68 acres located approximately two miles south of the existing Talleyrand Marine Terminal. This partially-improved property is used for overflow acreage for Talleyrand tenants. The property has rail access and presents a variety of options for one or more future tenants across multiple possible cargo types.

To complete this strategy, JAXPORT will conduct additional market research to determine the highest and best use for available property; discuss expansion opportunities with existing tenants; and gauge user interest among new potential users.

STRATEGY 7: REBUILD CRUISE BUSINESS LINE

JAXPORT has enjoyed year-round, overnight passenger cruise business by Carnival Cruise Line since 2004. The 2,056 passenger Carnival Ecstasy is homeported in Jacksonville, providing four- and five-night cruises to the Bahamas. (Effective March 2020, nearly all large cruise ships temporarily ceased sailing from U.S. ports, including from JAXPORT, on orders from the Centers for Disease Control in response to the COVID-19 pandemic.)

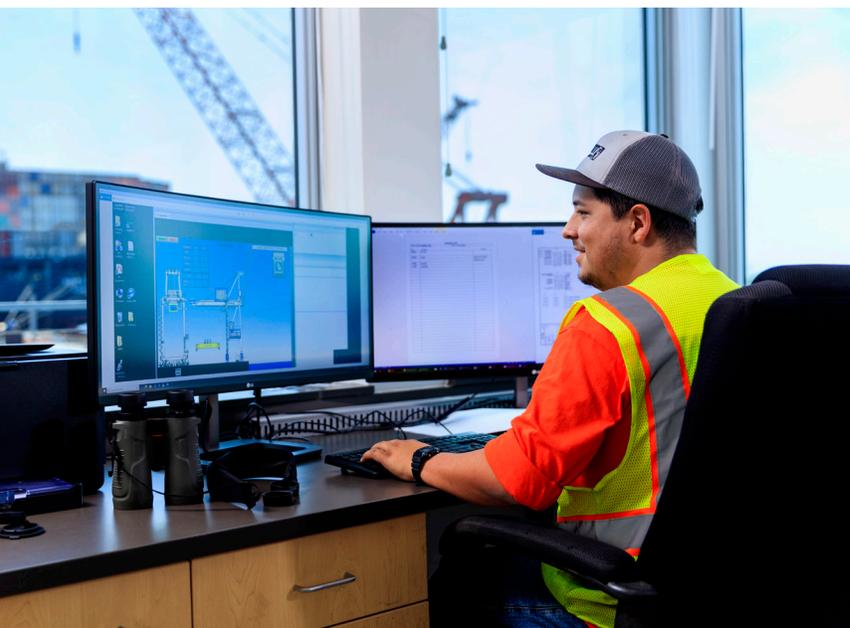
In addition to preparing for the eventual return of Carnival Ecstasy, JAXPORT seeks to attract at least one more homeported cruise vessel to provide overnight passenger service.

The COVID pandemic has created uncertainty regarding timing of resumption of cruise service from JAXPORT or the possibility of adding additional vessels. Additionally, the height of the Dames Point Bridge (175 feet), beneath which cruise vessels must navigate to reach the JAXPORT Cruise Terminal, limits the type and number of cruise vessels which can service JAXPORT. While JAXPORT has explored moving the cruise terminal to the east of the bridge to eliminate its air draft restriction, the authority has not identified any property suitable for a new terminal, so JAXPORT has focused on growing its cruise business at its existing facility.

JAXPORT seeks to rebuild and grow its cruise business at its existing cruise terminal as soon as safely possible.



STRATEGY 8: INVEST IN TECHNOLOGY SOLUTIONS THAT IMPROVE EFFICIENCY OF PORT OPERATIONS



In addition to JAXPORT's focus on increasing business across all cargo types, the Strategic Plan is forward-looking, calling for investments in technologies that will improve the efficiency of operations while responding to customer needs for increased visibility into their cargo moving through our port.

Improving our use of existing technology and introducing new technologies to improve operational efficiency and cargo visibility will be a high priority.

JAXPORT HAS TAKEN AND WILL CONTINUE TO TAKE STEPS TO ADVANCE ITS USE OF TECHNOLOGY:

To date, JAXPORT has implemented advanced technology in key operational areas. In 2018, the authority installed the technology system Kleinport, which allows shipping agents and carriers to enter their vessel schedule arrival/departure dates and hours, preferred berth, stevedore preference, equipment needed for cargo transfer, and any provisions needed. The system also records cargo data, tariff billing and provision of comprehensive management reporting and analysis. JAXPORT optimizes this technology with direct feeds to our accounting systems and invoicing. We will continue to upgrade the cornerstone of our technology platform to further improve operational communications with customers.

JAXPORT also uses the system Maximo to manage and maintain its inventory system and assets. These implementations have improved operational efficiency and equipment performance. JAXPORT's technology plan calls for upgrades to improve inventory levels and reduce time required to order and deliver inventory, as well as reporting. This upgrade will include Work Centers which create visual representation of the work assigned, making it easier for the technician to accurately understand the assignment and complete it efficiently.

JAXPORT will continue to refine its operational processes at all terminals, using technology to guide maintenance of equipment and facilities in a systematic and disciplined manner. Future process improvements include adding existing systems to all departments that manage assets, so that company-wide JAXPORT will use a common platform to manage assets and inventory.

JAXPORT also is focused on improving queues at gate entries. Security will continue to seek grants to introduce video and bar code-based technology to reduce risk at entry gates through electronic confirmation of valid TWICs while allowing the free flow of traffic.

JAXPORT continues to introduce technology in the areas of Finance and Procurement and throughout the organization which support improved workflow and ease of use while maintaining exceptional records. JAXPORT's marketing and sales office has fully implemented a Customer Relationship Management (CRM) system to focus on customer contact and relationship building.

JAXPORT will develop a five-year plan to invest in technology solutions which support shippers, federal agencies, truck and ocean carriers, and other stakeholders. The aim is to continue to provide and enhance visibility and data of all aspects from vessel scheduling to cargo visibility, gate traffic and que times, arrival/departure time of containers, and average turn times.

JAXPORT will consistently improve the organization's cybersecurity posture by continuing to move towards the goal of a Zero-Trust Security Model.

STRATEGY 9: PRIORITIZE INVESTMENT IN INFRASTRUCTURE, EQUIPMENT AND FACILITIES

JAXPORT has a long history of successfully completing significant capital projects to keep facilities modern and keep pace with market needs. This effort will continue under the authority's new Strategic Plan.

Modernization of the international SSA Jacksonville Container Terminal at JAXPORT's Blount Island Marine Terminal is underway with deepwater berths on track to be completed by spring of 2022. Terminal improvements by SSA will begin in the summer of 2021 and be completed by 2024, including upgrading of 93 acres of pavement, lighting, gates and three additional post-Panamax container cranes. These improvements are designed to keep JAXPORT competitive and attractive to ocean carriers as vessel orders show a continued increase in vessel sizes.

JAXPORT also will expand capacity of its Dredge Material Management Areas (DMMA) to accommodate ongoing river maintenance. Similarly, JAXPORT will maintain facilities at all of its cargo, cruise and rail operations to meet customer needs. In doing so, JAXPORT is committed to approaching infrastructure improvements and repairs with environmental impacts and worker safety in mind.

In short, JAXPORT will continue to modernize and maintain its facilities, operate with clear and consistent business, operational and safety practices, and maintain facilities in order to provide a safe environment for all tenants and port users.

STRATEGY 10: BUILD ON OUR CORE COMPETENCIES

Through the years, JAXPORT has developed core competencies in many areas, including the following:

- Growing JAXPORT's brand/reputation internationally and locally
- Maintaining strong relationships with capital markets
- Seeking to attract, provide on-going training and retain a talented workforce
- Maintaining a strong safety culture
- Developing a long-term resiliency stewardship program
- Engaging our stakeholders to gain support for our strategies

JAXPORT'S PLAN BUILDS ON THESE COMPETENCIES AND FOCUSES EFFORTS ON SEVERAL KEY AREAS:

BRAND: JAXPORT has established its brand as one with a reputation of excellent customer service and ease of operations. JAXPORT will continue to build on this reputation, broadening its reach in the international marketplace.

REPUTATION: JAXPORT has excellent relationships with key financial constituents – bankers, investors and rating agencies. JAXPORT will maintain its reputation through financial integrity and transparency in all financial communications and business dealings.

WORKFORCE DEVELOPMENT: JAXPORT will continue to provide training to its talented workforce with an emphasis on developing collaboration, versatility, communication and technical competency skill sets. JAXPORT also will work with academic institutions to grow technical skill sets needed for the workforce of tomorrow.

SAFETY: JAXPORT will build on its strong safety culture in operations and construction activities. The safety of its employees, tenants and all workers who operate at the port is paramount.

ENVIRONMENTAL STEWARDSHIP: JAXPORT will develop a long-term resiliency stewardship program. Reducing emissions will be a new priority in the plan, including establishing a baseline for current Co2 emission levels generated by JAXPORT activities (including tenants and harbor operations) and establishing long-term, realistic goals to reduce emissions; incorporate eco-friendly designs/materials in port improvements; and monitor, measure, and publicize environmental progress annually. JAXPORT will balance terminal improvements and repairs between capital limitations and environmental impacts. Moreover, in partnership with the Florida Department of Environmental Protection, JAXPORT has committed to monitoring biological impacts and water quality in the river for up to 10 years after the Harbor Deepening project's completion to ensure the continued health of the St. Johns River.

STAKEHOLDER ENGAGEMENT: JAXPORT will engage its stakeholders to gain support for its strategies. The authority will invest in key community programs to raise awareness of the St. Johns River and its economic impact on our region. JAXPORT also will continue its commitment to providing accurate and timely information to the news media, and engage the community through tactics such as a speaker's bureau and virtual port tour program.

ACCOUNTABILITY-MEASURING SUCCESS

STRATEGY	MEASURE	FREQUENCY
Harbor Deepening funding	Complete	
Buildout of unused property	% of property not leased (goal <2%)	Annually
Expand container segment	# of new ship calls Increased total TEUs yr. over yr.	Annually Quarterly
Expand auto capacity	Increase # vehicles units yr. over yr. Increase revenue per acre	Quarterly Annually
Grow breakbulk capacity	% increase in breakbulk tonnage	Annually
Expand cruise business	# cruise sailing	Annually
Prioritize investment in infrastructure	Increase DMMA capacity by "X" cubic yds. % of leased buildings in good state of repair	Annually Annually
Acquire additional acres of land	# of acres acquired	Annually
Invest in technology (internal and external)	Ability to track freight	Annually
Build the JAXPORT Brand	Service satisfaction Net promoter score	Annually Annually
Deliver on the mission – job creation	# of direct and indirect jobs	≤ 5 years