

## Ocean Highway & Port Authority

Robert Sturgess – Chairman, Commissioner, District 1  
Danny Fullwood – Vice Chairman, Commissioner, District 2  
Scott Hanna – Commissioner, District 3  
Carroll Franklin – Secretary/Treasurer, District 4  
Mike Cole – District 5

### Monthly Meeting Minutes

February 13, 2019

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, February 13, 2019 in the County Commissioners Chambers at the James Page Government Complex, 96135 Nassau Place, Yulee, Florida 32097

The meeting was called to order at 6:03 PM by Chairman Sturgess.

The invocation was given and Pledge of Allegiance was led by Commissioner Cole. Roll call was conducted by Ms. Barbara Amergian. Commissioner Fullwood was absent. Also in attendance was Jeb Branham, Port Attorney, Laura DiBella, Port Director; Pierre LaPorte, Port Accountant, and Chris Ragucci, Port Operator.

**Commissioner Hanna made motion to approve the January 9, 2019 meeting minutes with change. Motion passed unanimously.**

**Commissioner Cole made motion to approve the February 1, 2019 Emergency meeting minutes with change. Motion passed unanimously.**

Consent item:

**Commissioner Franklin made motion to approve Moody invoice dated August 31, 2018 for \$2,083.00 Invoice#C2012778-001 for payment from the operating budget. Motion passed unanimously.**

Chairman Sturgess recognized Pierre LaPorte, Port Accountant. Mr. LaPorte presented the monthly financial report for January, 2019. He addressed the question from the January regular meeting about increasing the commissioner salaries to \$2,000 monthly; this would require an additional \$30,000 from the budget. He pointed out that the attorney fees line item is running close to budget for the full year already and there is one unexpected item to add to the budget – a Yellow Book Audit, which is required by Florida Statutes, that Mauldin and Jenkins will need to complete due to grant monies totaling more than \$750,000 (Fender Project and funds drawn for the initial crane deposit before the fiscal year end.) The fee for this audit would be \$7,000.

There was discussion regarding the Yellow Book audit and the \$7,000 fee. **Commissioner Franklin made the motion to approve the engagement letter and the \$7,000 fee. Commissioners Hanna and Cole opposed. Motion failed.** The Board asked to explore the possibility of a reduction in fee with Mauldin & Jenkins and vote again at the March meeting.

Mr. LaPorte went over the Financial Statements for the quarter ending December 31, 2018.

Chairman Sturgess recognized Jeb Branham, Port Attorney. Mr. Branham reviewed his invoice for professional services and his attorney report. He gave an overview of OPHA's position with the City's Comprehensive Plan and the upcoming Workshop scheduled for March 4<sup>th</sup>. Mr. Branham also will prepare a memorandum for the Board to outline the framework for RFPs.

Chairman Sturgess recognized Laura DiBella, Port Director. Ms. DiBella reported on the following:

- A meeting with Congressman Rutherford took place on Friday, February 8th, the meeting was to discuss the ability to move ahead with maintenance dredging. Commissioner Sturgess was in attendance along with Chris Ragucci.
- Working with FDOT for the security lighting grant. OHPA is still waiting for the commitment letter from Worldwide Terminals in order to move forward.
- There is a request outstanding with FDOT with FSTED to gain out-of-cycle funding for the master plan funding.
- The first reimbursement from the crane was received, the second request for reimbursement will be submitted soon.
- Marine Highway Application is still in progress but is looking favorable.
- The Jacksonville Business Journal did a five-page article on activity on Amelia Island, with one page dedicated to the Port.
- American Journal of Transportation ran the press release on the new shipping line using the Port of Fernandina.
- Economic Impact Study with the proposal from RCLCO – Ms. DiBella discussed the information that was presented and suggested that funds be earmarked for this study.
- Ms. DiBella reported on the Men's Newcomers Club presentation on the history of the Port. She has hired a consultant to do thorough and extensive research on the Port and for OHPA to use for marketing the Port.
- The Propeller Club Port of Jacksonville is holding its Annual State of the Port. OHPA has purchased a table for eight. She would like a list of the Commissioners who will be attending.
- There will be no Economic Development meeting this month.

Chairman Sturgess recognized Chris Ragucci, Port Operator. Mr. Ragucci asked to move directly to the agenda item to formally authorize to retrain Joe Stanton as OPHA's Bond Counsel. Mr. Stanton was invited to speak to the proposal to retain his firm. He reported that all fees would be paid by Worldwide Terminals. Chairman Sturgess asked about fees due if the bond process does not go through. Mr. Stanton said that there would be fees incurred but would be billed to Worldwide Terminals. Mr. Stanton explained RBC - Julie Santamaria's role in the process as a financial advisor to the transaction.

**Chairman Sturgess made the motion to retain Joe Stanton, Nelson Mullins, Riley & Scarborough LLP, as the Bond Counsel for OPHA. Motion passed unanimously.**

Mr. Ragucci presented the tonnage report for January, 2019. There was 40,159 tons handled in January, 2019. He pointed out the new category added to the report in the form of wood pulp which brought 18,739 tons in January.



Mr. Ragucci presented the Board with a Project Financing Presentation which outlined the need to secure bond funding in order to move forward with additional 77,000 sf on-dock warehouse space, channel and dock dredging, and rubber-tired gantry crane, totaling \$7.5 million in capital improvements.

Chairman Sturgess called for a recess at 7:12 PM. Meeting resumed at 7:17 PM.

Chairman Sturgess recognized Hardee Cavanaugh, President of Jacksonville/Fernandina Pilots Association. Mr. Cavanaugh spoke to the Board about the need to have the Port of Fernandina remain competitive and have the berth depth maintained at 36' in order to host larger ships.

Chairman Sturgess recognized Nick Ratti, CFO of Worldwide Terminals Fernandina. Mr. Ratti spoke to the Board about the need to secure the bond as it relates to the interest rates and the financial structure at Worldwide Terminals.

Chairman Sturgess recognized Rick Ferrin, Vice President at TranSystems. Mr. Ferrin spoke to the Board about the findings from the marketing and feasible report his company prepared and will be presented with the Bond Offering at the first of March, 2019. Mr. Ferrin handed out a diagram of the proposed warehouse layout. Mr. Ferrin also informed the Board that Hardee Cavanaugh was able to locate a 1990 DRP permit that established the berth depth at 40'.

Joe Stanton, OHPA Bond Counsel, addressed the Board and discussed the legal aspects of the bond and the proposed inducement resolution of a conduit bond issuance, which is OHPA. WTF is the borrower and responsible for the debt. Once bonds are issued and transaction is closed, OHPA's involvement is minimal. Worldwide Terminals Fernandina, as the borrower, is responsible for all costs associated with the bonds. A bond trustee is established and bond trustee is responsible for collecting the debt service from WTF and sending the payments to the investors.

Commissioner Hanna asked about OHPA's responsibility if, in a worse-case scenario, Worldwide Terminals Fernandina fails to repay the bond. Mr. Stanton informed the Board that a Trustee would step in and assign a new Port Operator to run the port. Chairman Sturgess asked for clarification on Sec. 11.7 in the operating agreement. Mr. Stanton informed the Board that the rights of the Operating Agreement would transfer in its entirety to the new port operator.

Mr. Stanton reiterated that costs incurred by all the professionals involved, are all payable by Worldwide at the closing as well as any ongoing fees. OHPA filing of disclosures with the IRS are handled by a dissemination agent to submit to the public website (EMMA.) The agent is responsible for gathering the information and posting the information. Their annual fee is the responsibility of Worldwide Terminals Fernandina.

Mr. Stanton reviewed the process: OHPA and Worldwide Terminals are the beginning of the process, preparation going forward includes the Feasibility Report, preparation of bond documents. These documents will be circulated to OHPA Board, staff, consultants, and Port Attorney, WTF and underwriters for review.

These will be summarized in a document that is used to sell the documents in the marketplace. There is the TEFRA approval from IRS. A public hearing is required to seek approval of the bonds and TEFRA. Once bonds are approved, the bonds will be marketed and sold by UBS. Then the closing is held, and documents are executed. OHPA, as the conduit issuer, will receive a fee at the closing, typically an upfront fee and sometimes an annual fee. Julie



Santamaria can provide a range of appropriate fees that could be charged. A closing date target date is March 29, 2019.

**Commissioner Cole made the motion adopt Resolution 2019-2. The motion was approved unanimously.**

**Resolution 2019-2**

**A RESOLUTION OF THE OCEAN HIGHWAY AND PORT AUTHORITY (THE "AUTHORITY") EXPRESSING THE INTENT OF THE AUTHORITY TO ISSUE, AS A CONDUIT ISSUER, PORT REVENUE BONDS IN ONE OR MORE TAX-EXEMPT OR TAXABLE SERIES AND IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$30,000,000 AND TO LEND THE PROCEEDS OF THE SALE OF SUCH BONDS TO WORLDWIDE TERMINALS FERNANDINA, LLC FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, RENOVATION, IMPROVEMENT AND EQUIPPING OF CERTAIN PORT FACILITIES, FUNDING DEPOSITS TO DEBT SERVICE RESERVE, CAPITALIZED INTEREST AND ROLLING COVERAGE FUNDS AND PAYING CERTAIN WORKING CAPITAL EXPENDITURES AND COSTS OF ISSUANCE RELATED THERETO; DECLARING THE OFFICIAL INTENT OF THE AUTHORITY FOR THE PURPOSES OF TREASURY REGULATIONS SECTION 1.150-2; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; PROVIDING FOR AN EFFECTIVE DATE.**

Mr. Branham pointed out that this version differs from the one included in the meeting packet, with the addition of Section 5 D. and E. The additional conditions of this enabling resolution are that the Board has to have found that the conditions have been met before the final issuance of the bonds.

**New Business:**

Resolution 2019-1 Department of Transportation Security Lighting Grant Agreement is tabled to March meeting, OHPA is awaiting financial commitment letter from Worldwide Terminals.

**By unanimous consent, Barb Amergian is authorized to make changes and update the information on the website.**

**Chairman Sturgess made a motion to ratify the need for and actions taken at the Emergency Meeting on February 1, 2019. Motion passed unanimously.**

Authorization for Crane Spare Parts Purchase from Liebherr is tabled to March meeting. Awaiting the spare parts list from Liebherr.

Conservation Wetland Rezoning Request has been tabled to March meeting in anticipation of a written request from City Commissioner Chip Ross.

TranSystems Proposal for Structural Analysis and Development of Crane Positioning Options. Cost is \$10,800.

**Chairman Sturgess made the motion to approve the additional scope of work from TranSystems. Motion passed unanimously.**

Committee Reports:

Port Security – Commissioner Fullwood – no report due to his absence.

Customs House – Commissioner Franklin – Commissioner Franklin reviewed the three quotes from cleaning companies. He suggested continuing with the company currently cleaning, Commercial Building Maintenance at \$380. The Board decided to extend the contract with CBM through March until Commissioner Fullwood can weigh in on the hiring of the new cleaning company.

Economic Development - Commissioner Fullwood – no report due to his absence.

Emergency Management – Commissioner Franklin – a meeting is scheduled for March.

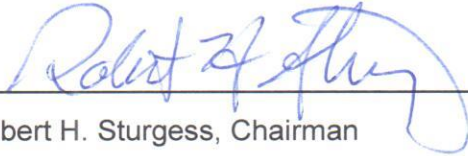
Technical Coordinating Committee – Commissioner Hanna – He attended the last meeting and reported on the availability of grants for electric car charging stations.

TPO – Commissioner Cole – next meeting is February 14<sup>th</sup>.

Nassau County East Side – Commissioner Sturgess

Nassau County West Side – Commissioner Cole – He attended the meeting and informed the Board of the Awards Ceremony on February 26<sup>th</sup>.

With no further business brought by the Commissioners, the meeting was adjourned at 8:30 PM.



---

Robert H. Sturgess, Chairman