

## **Baltimore Sun**

### **State considers Ceres, Ports America to operate Seagirt**

By Michael Dresser

July 1, 2009

The port of Baltimore has concentrated its search for a private partner to operate the state-owned Seagirt Marine Terminal on two competitors - a vital step in preparation for the expected widening of the Panama Canal in 2014.

The Maryland Port Association said Tuesday that Ceres Terminals Inc./Alinda Capital Partners LLC and Ports America Group/Highstar Capital have passed the qualification process and will be permitted to submit bids to run the Southeast Baltimore terminal.

The lead partners are both familiar names in the Baltimore port. Ports America has operated Seagirt Marine Terminal since it opened in 1990. Ceres has been a leading stevedore here for more than 30 years.

James J. White, executive director of the Maryland Port Administration, said the state expects to make a final contract award late in the fourth quarter. The winning bidder would lease the terminal for a minimum of 30 years and would be required to put up the estimated \$80 million it will take to build a new 50-foot berth to accommodate the larger ships expected to call on the port after the Panama Canal is widened. That project is expected to be completed in 2014.

White said there were only the two responses to the state's bid invitation but that both qualified. He expressed delight with the quality of the bidders, calling them both experienced stevedores backed by strong infrastructure investment funds.

"I think we're in great shape," he said. "We're very encouraged and excited to move this thing forward."

The next step in the process is for the state to outline the specific terms and conditions it is proposing for the public-private partnership agreement. The bidders will have until Sept. 4 to submit initial offers, and negotiations toward a best and final offer would take place in the fall.

White said construction of the new berth is expected to begin in 2012 and take about 18 months.

Copyright © 2009, [The Baltimore Sun](#)

## **Maryland Daily Record**

## **Ports America, Ceres bidding on Seagirt**

ANDY ROSEN

Daily Record Business Writer

June 30, 2009 6:31 PM

The Maryland Port Administration said Tuesday it has two legitimate bidders competing take over operations at Seagirt Marine Terminal, including the current stevedoring company at the facility and an international terminal company with several operations in the Port of Baltimore.

The MPA announced that Ports America Group and Ceres Terminals Inc. are vying for control of the terminal through at least 2040, as the state looks for a company to make large investments to the facility. Ports America Baltimore Inc. has operated the 200-acre Seagirt Marine Terminal since it opened in 1990. Ceres runs a private marine terminal on Childs Street in Baltimore and provides some stevedoring services at Maryland's public terminals.

The state put the terminal operation out to bid in April, and hopes to close a deal during the fourth quarter of this year. The MPA has proposed a deal to come before the Board of Public Works Wednesday that could extend Ports America's existing contract through November.

James J. White, executive director of the MPA, said both companies are well suited to a deal with the state, but he maintained that it is not a foregone conclusion that the state would enter a long-term agreement.

"If we don't think it's a good deal for the state, there's no gun to our head to do this," White said. He said having the option to extend the Ports America deal would provide added flexibility.

The MPA wants to restructure the way it runs Seagirt as it seeks a company to operate the terminal for at least 30 years. It now pays Ports America to run the terminal, but under a new deal, a stevedoring company would likely take over all operations except security, after paying a fee that would allow it to collect the revenue from the facility.

As a part of the deal, the private company would have to build a 50-foot-deep berth at Seagirt, which, along with Dundalk Marine Terminal, accounts for most of the public terminal shipping at the Port of Baltimore.

The MPA estimates the project will cost about \$80 million. It spent \$40 million last year to dredge the channel leading to Seagirt to 50 feet. As part of the deal, the company that takes over operations at Seagirt would likely pay an annual fee, and would also build new cranes and infrastructure at the terminal.

The state believes a deepened berth is crucial for the port after a major expansion of the Panama Canal that is scheduled to be finished in 2014. Seagirt already has three 45-foot berths, but the state does not have the money to pay for a fourth at 50 feet.

Ports America is the largest terminal operator in the country, and recently signed a similar contract giving it 50-year control over parts of California's Port of Oakland. That contract will see Ports America spend about \$150 million on improvements, the company said. The company is controlled by Highstar Capital, an infrastructure investment fund worth \$3.5 billion.

Ceres, owned by NYK Shipping Line, operates 32 terminals worldwide. That company has partnered with Alinda Capital Partners, which the state estimates has about \$15 billion in purchasing power.

White, with the MPA, worked for Ceres as senior vice president and chief operating officer for two years, between stints at the head of the administration. He said the relationship does not create a conflict, but the MPA ran the issue by the Maryland State Ethics Commission, which signed off on it.

## **Baltimore Business Journal**

### **Ports America, Ceres Terminals vying for Seagirt Marine Terminal lease**

Baltimore Business Journal - by [Scott Dance](#) Staff

Two marine terminal operators that already have a presence in Baltimore are vying for a long-term lease at Seagirt Marine Terminal in Dundalk.

**Ceres Terminals Inc.** and **Ports America Group** have been approved as bidders for the largest state-owned container terminal.

**The Maryland Port Administration** is expected to choose one of the two for a 30-year public-private partnership at Seagirt. That includes building a 50-foot berth and new cranes — work MPA Executive Director James White said the state couldn't afford without a long-term lease.

The \$80 million in improvements are considered vital to keeping the port competitive when the Panama Canal is widened in 2014, opening up the Atlantic to larger ships from Asia.

Ports America has operated Seagirt since the terminal opened in 1990, albeit under several different names and owners. It submitted its bid qualifications along with Highstar Capital.

Ceres does stevedoring in Baltimore and has had a presence at the port for 30 years. It partnered with **Alinda Capital Partners** LLC in its application. Ceres operates 32 terminals around the world.

It's also where White was chief operating officer between two stints as MPA executive director. White said the state Ethics Commission has reviewed the situation and found no issues. He left Ceres to join the MPA in August 2007.

The MPA plans to make a decision on the bid by December, White said. It could end up choosing one of the two bidders, or rejecting both, he said.

Ports America's contract at Seagirt through October is up for renewal at Wednesday's Board of Public Works meeting. The contract is slated to be extended for six months with an additional six one-month extension options.

**The MPA put out a public notice seeking qualified bidders April 15.** The deadline was June 4.

## WBAL Radio

### **Private Partnership Wanted To Run Seagirt** Tuesday, June 30, 2009 - John Patti

The Maryland Port Administration has announced that Ceres Terminals, Inc./Alinda Capital Partners LLC and Ports America Group/Highstar Capital have qualified to submit offers to enter a possible public-private partnership agreement with the MPA to operate the Port of Baltimore's Seagirt Marine Terminal.

The MPA is seeking a private partner that is willing and able to commit to a long-term investment that will meet the agency's objectives of building a new 50-foot berth as well as increasing waterborne container volumes at Seagirt.

"We are pleased to reach the next step in this process and proceed forward with these two outstanding candidates," said Acting Transportation Secretary Beverley K. Swaim-Staley. "They will now compete to develop an agreement that is in the best interest of the State of Maryland. The ultimate goal is to identify a private partner that will contribute significant capital investment and enable the Port to build a 50-foot berth by 2014, when the completed expansion of the Panama Canal is expected to bring more cargo and larger vessels from Asia to U.S. East Coast ports."

Ceres Terminals, along with parent shipping company NYK Shipping Line, operates 32 terminals around the world. Ceres handles more than three million TEU containers annually at 23 ports in the U.S. and Canada. Ceres currently performs some stevedoring services at Seagirt and has had a presence in Baltimore for more than 30 years.

Alinda Capital Partners is the largest infrastructure fund in the U.S., with \$5.8 billion in capital commitments and possessing about \$15 billion in purchasing power.

Ports America is the largest terminal operator in North America, handling nearly 13 million TEU containers annually at 15 container terminals. It has operated the Seagirt Marine Terminal since its opening in 1990. Ports America is owned by Highstar Capital Fund L.P., which is a \$3.5 billion private equity fund.

The MPA issued a Request for Qualifications on April 15. Statements of qualifications from interested private entities were due to the MPA on June 4.

The MPA will now issue a confidential Request for Offers document to each group, specifying terms, conditions, and other financial responsibilities of a P3 lease at Seagirt Marine Terminal. Offers will be due to the MPA on September 4. Negotiations leading to best and final offers from each candidate will be conducted later in the fall.

*WBAL Radio Baltimore*  
<http://wbal.com/>

## **Journal of Commerce**

### **Two Bidders to Seek Partnership at Port of Baltimore**

*Terminal operator would build 50-foot berth, boost container volume*

The Maryland Port Administration will consider bids from two qualified candidates to invest in the building of a 50-foot berth and increasing container volume at Baltimore's Seagirt Marine Terminal.

Ceres Terminals, Inc./Alinda Capital Partners LLC and Ports America Group/Highstar Capital qualified to submit offers to enter a possible public-private partnership agreement with the MPA.

"We are pleased to reach the next step in this process and proceed forward with these two outstanding candidates," said Acting Transportation Secretary Beverley K. Swaim-Staley. "They will now compete to develop an agreement that is in the best interest of the State of Maryland. The ultimate goal is to identify a private partner that will contribute significant capital investment and enable the Port to build a 50-foot berth by 2014, when the completed expansion of the Panama Canal is expected to bring more cargo and larger vessels from Asia to U.S. East Coast ports."

Ceres Terminals, along with parent shipping company NYK Shipping Line, operates 32 terminals around the world. Ceres currently performs some stevedoring services at Seagirt and has had a presence in Baltimore for more than 30 years. Alinda Capital Partners is the largest infrastructure fund in the United States, with \$5.8 billion in capital commitments and possessing about \$15 billion in purchasing power.

Ports America is the largest terminal operator in North America, handling nearly 13 million TEU containers annually at 15 container terminals. It has operated the Seagirt

Marine Terminal since its opening in 1990. Ports America is owned by Highstar Capital Fund L.P., which is a \$3.5 billion private equity fund.

The MPA issued a request for qualifications on April 15. Statements of qualifications from interested private entities were due to the MPA on June 4.

The MPA will now issue a confidential request for offers document to each group, specifying terms, conditions, and other financial responsibilities of a public-private partnership lease at Seagirt Marine Terminal. Offers will be due to the MPA on September 4. Negotiations leading to best and final offers from each candidate will be conducted later in the fall. If a favorable agreement is reached between one of the respondents and the MPA, the MPA anticipates making a final recommendation to the Maryland Port Commission and Board of Public Works by the end of this year, MPA said.

Under the proposed P3 agreement, the MPA would lease the 200-acre Seagirt Marine Terminal, which opened in 1990, exclusively to a private entity for a minimum of 30 years. The lessee would invest in a new berth, cranes, and other infrastructure at Seagirt, and pay an annual rent, providing an ongoing revenue stream to the MPA. The State would continue to own Seagirt.

The private partner would have incentives to increase cargo throughput at Seagirt, with the MPA sharing in increased revenues above a threshold amount to be negotiated. The offers will also include a payment to the MPA and Maryland Transportation Authority for existing terminal and waterside investments to Seagirt. The private partner would be awarded the portfolio of business currently under contract to the MPA/Maryland International Terminals, Inc.

The MPA has retained Public Financial Management, a financial advisory firm, to assist it with the P3 process.

## **Cargo Business News**

### **Ceres and Ports America named as bidders for Baltimore terminal**

The Maryland Port Administration (MPA) today announced that Ceres Terminals, Inc./Alinda Capital Partners LLC and Ports America Group/Highstar Capital have qualified to submit offers to enter a possible public-private partnership agreement with the MPA to operate the Port of Baltimore's Seagirt Marine Terminal.

The MPA issued a Request for Qualifications on April 15 with that information from interested private bidders having been due on June 4.

Under the proposed P3 agreement, the MPA said it would lease the 200-acre Seagirt Marine Terminal, which opened in 1990, exclusively to a private entity for a minimum of 30 years. The lessee would invest in a new berth, cranes, and other infrastructure at Seagirt, and pay an annual rent.

"We are pleased to reach the next step in this process and proceed forward with these two outstanding candidates," said Maryland's Acting Transportation Secretary Beverley K. Swaim-Staley. "They will now compete to develop an agreement that is in the best interest of the State of Maryland. The ultimate goal is to identify a private partner that will contribute significant capital investment and enable the Port to build a 50-foot berth by 2014, when the completed expansion of the Panama Canal is expected to bring more cargo and larger vessels from Asia to U.S. East Coast ports."

Ceres Terminals, owned by the Japanese shipping group NYK Shipping Line, operates 32 terminals around the world. Ceres handles more than three million TEUs annually at 23 ports in the U.S. and Canada. Ceres currently performs some stevedoring services at Seagirt and has had a presence in Baltimore for more than 30 years, the port authority said. According to the MPA, Alinda Capital Partners the largest infrastructure fund in the U.S., with \$5.8 billion in capital commitments and possessing about \$15 billion in purchasing power.

Ports America is the largest terminal operator in North America, handling nearly 13 million TEUs containers annually at 15 container terminals. Ports America has operated the Seagirt Marine Terminal since its opening in 1990. Ports America is owned by Highstar Capital Fund L.P., which is a \$3.5 billion private equity fund.

The MPA said final negotiations with the two bidders would be conducted later in the fall with a possible agreement reached by the end of this year.