



The Maryland Port Administration PRESS RELEASE

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CONTACT:

Richard Scher
MPA Communications
(410) 385-4480

PORT ADMINISTRATION'S SEAGIRT MARINE TERMINAL PROJECT WINS NORTH AMERICAN LOGISTICS DEAL OF THE YEAR FOR 2010

(BALTIMORE, MD) --- The Maryland Port Administration's (MPA) landmark 50-year agreement with Ports America Chesapeake has been awarded *Project Finance Magazine's* "North American Logistics Deal of the Year" for 2010. The award recognizes the unique public-private partnership that was officially signed in January 2010. Under the agreement, MPA leases its 200-acre Seagirt Marine Terminal to Ports America. In return, Ports America is building a 50-foot container berth for the Port of Baltimore. The new berth will make Baltimore one of only two ports on the U.S. east coast able to handle larger vessels that require 50-feet of water. This capability will create additional business opportunities at the Port of Baltimore. The partnership between the MPA and Ports America is expected to produce 5,700 new jobs, while the total investment and revenue to the State of Maryland could reach up to \$1.8 billion over the life of the agreement and generate nearly \$16 million per year in new taxes for Maryland. It is the second major award for this project this year, as it has also been awarded "North American Infrastructure Deal of the Year" by *Infrastructure Investor Magazine*.

"This honor could not have been accomplished without an internationally respected maritime partner like Ports America Chesapeake," said Governor O'Malley. "We have said repeatedly that this agreement is all about jobs. In the 14 months since the ink dried on this agreement, construction is well underway on a new 50-foot container berth for the Port of Baltimore. Maryland also has been able to invest an additional \$140 million to help preserve our roads, bridges and tunnels. Given the challenges presented by the recent national economic downturn, these improvements would still be on hold if it were not for our public-private partnership with Ports America Chesapeake, a partnership that is changing the face of the maritime industry."

Under the agreement, Ports America is responsible for running the daily operations of the Seagirt Marine Terminal, as well as investing in a new 50-foot berth, cranes, and other infrastructure at Seagirt. Ports America will also make an annual payment and provide ongoing revenues to the MPA during the life of the agreement. The State of Maryland owns Seagirt.

Of the 5,700 new jobs that will result from this agreement, 3,000 are one-time construction jobs over the next few years for Port and Maryland Transportation Authority (MdTA) highway improvements. Another 2,700 permanent direct, indirect and induced jobs will come from the increased and sustainable container business that the Port will see upon completion of the 50-foot berth. The berth is scheduled to be completed in 2012, and two years before the completion of the Panama Canal expansion, which will allow larger mega-ships to transit and head to East Coast ports that have 50 feet of water depth.

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Port Deal Wins North American Award

With the development of a 50-foot berth, the Port of Baltimore will become only the second port on the East Coast with a 50-foot berth and 50-foot channel. When the Panama Canal expansion project is completed in 2014, it is expected that a larger number of ships will travel to East Coast ports to reach their customers quicker and less expensively than their current route of going to West Coast ports and sending products by rail to markets throughout the country. Without a 50-foot berth, those larger ships would not have enough water depth to dock and bring additional business to the Port of Baltimore. The cost to develop the 50-foot berth and four cranes is approximately \$105.5 million.

Also under the agreement, the MdTA, as the previous owner of Seagirt, received an immediate payment in excess of \$140 million to pay for needed system preservation of its roads, tunnel, and bridge facilities.

In addition to full control over daily operations of Seagirt and the obligation to design and build the 50-foot berth within MPA's required standards, Ports America receives:

- A known future base payment for 50 years and all net revenues;
- The right to move and consolidate all current container business to Seagirt;
- Control over timing and nature of system preservation costs as long as standards are met;
- Funding capital obligations allow Ports America to invest in new technology as it sees fit.

The Port of Baltimore generates about 16,700 direct jobs. Out of about 360 U.S. ports, Baltimore is ranked number one for handling imported roll on/roll off (farm and construction equipment) and imported forest products, gypsum, sugar and iron ore. Baltimore is ranked second for exporting cars. The Port is responsible for about \$3.7 billion in personal wage and salary income. Activities at the Port of Baltimore generate nearly \$400 million in state and local taxes.

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