Diamond State Port Corporation
Board of Directors
Resolution 23-02

Authorizations Related to Amendments to the Concession Agreement and the Expenditure of Funds related thereto.

WHEREAS, the Diamond State Port Corporation ("DSPC") purchased the Edgemoor Property on the Delaware River in furtherance of its strategic master plan to expand operations at the Port of Wilmington (the "Edgemoor Property") to ensure deep water access to the Delaware River.

WHEREAS, DSPC partnered with GT USA Wilmington, LLC ("GT Wilmington") in 2018 to maintain, operate and expand the Port of Wilmington (POW) at the Edgemoor Property as part of a 50-year Concession Agreement.

WHEREAS, this partnership resulted in $12 Million in concession fees for the DSPC, the elimination of $9 Million of debt, and $80 Million in private investment at the POW.

WHEREAS, while DSPC benefited from this partnership, GT Wilmington did not provide a viable long-term financing plan for the expansion at the Edgemoor Property and did not properly advance the Edgemoor project.

WHEREAS, to advance the Edgemoor project, DSPC applied for and advanced various permits and approvals required from local, state, regional, and federal agencies and has retained engineers, consultants, attorneys, and other professionals to perform the necessary services to enable the expansion of the Port of Wilmington on the Edgemoor Property.

WHEREAS, permits and approvals from the U.S. Army Corps of Engineers (USACE) contemplate the usage of a certain capacity of land at Edgemoor for the dredge spoils and doing so requires advance work related to the construction of a sea wall, including retention of a construction firm with appropriate capacity and expertise, advance ordering of critical materials such as steel, and securing additional professional services to design landside improvements and to advance the design of the facility.

WHEREAS, on April 22, 2022, the DSPC approved Resolution 22-06 and authorized the expenditure of funds for these purposes and identified the American Rescue Plan Act (ARPA) as a possible source of funds.

WHEREAS, DSPC made an application for State and Local Fiscal Recovery Funds (SLFR Funds) and the Governor has approved utilizing ARPA funds for these purposes.

WHEREAS, in October 2022, certain actions were taken by creditors that provided secured financing (the "Noteholders") to GT Wilmington, and new leadership at the Board level was put in place at GT Wilmington, along with consultants from the Ankura consulting firm to help manage GT Wilmington.

WHEREAS, the reconstituted Board of GT Wilmington, at the urging of the Noteholders, initiated a process to secure alternative long-term financing for Edgemoor and the existing facility and retained the investment banking firm, Jefferies for this purpose.

WHEREAS, since this process will result in amendments to the Concession Agreement and possibly a new operator/successor concessionaire, prior review and approval by DSPC and the subsequent concurrence of the co-chairs of the Bond and Capital Improvement Committee, the Controller General, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives in accordance with Section 73 of the FY 2023 Bond and Capital Improvement Act is required.

WHEREAS, Jefferies contacted 68 potential investors and operators, with DSPC and the Noteholders actively engaging in this process. This effort resulted in interest in the market, including from national and international port operators, shippers, and infrastructure investors.

WHEREAS, the Jefferies process resulted in six proposals, and DSPC tasked the Port Finance & Audit Committee (Finance Committee) to perform an initial review of the qualifications of the proposers and their proposals.

WHEREAS, DSPC separately engage PFM Financial (PFM) as an independent reviewer/evaluation and the Finance Committee developed criteria to ensure a consistent comparison among the various proposals utilizing the following criteria: 1) ability to operate the Port to retain and grow jobs; 2) commitment to invest in existing POW; 3) viability of the plan to move Edgemoor forward; and 4) coverage of DSPC's core operating costs.

WHEREAS, with these criteria, the six proposals were reviewed and evaluated by PFM and the Finance Committee and three proposals were selected for possible consideration by the DSPC.

WHEREAS, once a final proposal is selected, negotiations on final language for amendments to the Concession Agreement are required.

WHEREAS, effectuating this transaction, transitioning operations at the POW, and continuing to advance the Edgemoor project, may require certain expenditures on behalf of DSPC.

RESOLVED: The Board of DSPC hereby authorizes the Chair of the Board and the Finance Committee to select one of the three remaining bidders, on or before to May 22, 2023, to negotiate amendments to the Concession Agreement for review and approval by the Board and the subsequent concurrence of the co-chairs of the Bond and Capital Improvement Committee, the Controller General, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives in accordance with Section 73 of the FY 2023 Bond and Capital Improvement Act and to take all action necessary, including the expenditure of funds from ARPA funds or other funding sources, for capital expenditures, professional services, and other expenses to effectuate this transaction, related transition, and the advancement of the Edgemoor project.

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☒	Approved by DSPC Board of Directors
☐	Denied by DSPC Board of Directors
☐	Decision Deferred by DSPC Board of Directors
Date:	April 21, 2023 DSPC Board Meeting