

## City of Jacksonville

J.P. Morgan Response to Strategic Initiatives Financial Advisory Services RFP

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One or more of the services included in this Request for Qualifications may be considered municipal advisory activities under the final rules (SEC Rel. No. 34-70462 (Sept. 20, 2013)) (such final rules and to the extent referenced therein, Section 975, the "Municipal Advisor Rules"), implementing Section 975 ("Section 975") of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We may not be able to perform some of the services you may request of us from time to time in connection with the engagement on which you are requesting qualifications, unless we have confirmed that such requested services do not cause us to be considered a "municipal advisor" under the Municipal Advisor Rules or are otherwise excluded or exempt under the Municipal Advisor Rules. Any certifications, guarantees, warranties and agreements, with respect to our ability to perform the services described in the RFP or otherwise requested by you in connection with this engagement are hereby qualified and may only be performed to the extent that any such services may be performed without causing us to be considered a "municipal advisor" under the Municipal Advisor Rules.

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## A.1. Executive Summary / Cover Letter

Jeremy Niedfeldt, Director  
Public Financial Management, Inc.  
300 South Orange Ave., Suite 1170  
Orlando, FL 32801

January 15, 2018

Jeremy,

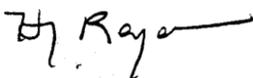
On behalf of J.P. Morgan Securities LLC (“J.P. Morgan” or the “Firm”), we thank you for this opportunity to present our qualifications to serve the City of Jacksonville (the “City” or “Jacksonville”). We respectfully propose this material highlights our credentials, capabilities, prior service and community investment to merit a role as Strategic Initiatives Financial Advisor.

**Leadership in Advisory Services.** J.P. Morgan is a premier provider of investment banking services to the public and private sectors in the U.S. The Firm is an industry leader in providing advisory, financing and capital markets support in order to facilitate the strategic and policy objectives of our government and corporate clients. As discussed further in our responses below, J.P. Morgan has long been at the forefront of the public and corporate M&A, public-private partnership (“P3”) and privatization market. The Firm’s competitive position and its success in public-private M&A and privatization assignments bring with it a significant wealth of industry knowledge, expertise and transaction experience. This extensive experience in public / government and corporate M&A assignments requires the evaluation of P3 models, assessment of market trends, asset valuation expertise, structuring and negotiation of complex deal terms and transaction agreements and the clear communication of this detail to potential partners, stakeholders, community leaders and governing authorities. J.P. Morgan’s success and the experience highlighted in our response is a testament to our unique platform which integrates the industry’s only dedicated Public M&A and P3 Advisory Group with the Firm’s Corporate M&A and Industry Investment Banking and Public Finance groups to execute advisory assignments on behalf of the Firm’s clients. We are not aware of another firm that has this capability or success in the market. We believe that the City of Jacksonville’s assignment will require this level of demonstrated transaction experience, technical expertise and multi-disciplinary support which J.P. Morgan is uniquely capable of delivering.

**Commitment to Florida and the City of Jacksonville.** We have assembled a team with in-depth Jacksonville, and advisory experience to serve the City. Full time coverage will be led by Henry Reyes, Managing Director (authorized to commit the Firm), based in Orlando and part of a statewide network of 398 locations employing 14,100 Florida residents. In Jacksonville, we employ 1,800 City residents, serving over 164,200 consumer customer & more than 6,600 small business customers. The Firm has provided over \$900 million in credit facilities to the City and its Utility, JEA, over the past 6 years comprised of an initial \$130 million liquidity facility for BJP which was renewed twice, a \$300 million revolving facility to JEA and \$201 million of Liquidity Facilities supporting JEA variable rate bonds. We are proud to have successfully underwritten and serve as lead or co-lead on teams for JEA, JTA and UNF and to have provided credit to JAXPORT during the 2007-08 national fiscal downturn.

We sincerely appreciate this opportunity to present our qualifications and hope that our proposal reflects our strong capabilities and desire to deploy our resources and experience on your behalf as strategic advisor. We understand the scope of the services to be provided and are committed to bringing to bear the full resources of J.P. Morgan to ensure flawless execution for the City. Please do not hesitate to contact us if you have any questions or would like additional information.

Sincerely,



Henry Reyes  
Managing Director  
450 S Orange Avenue  
Orlando, FL 32801  
(407) 236-5434

[henry.p.reyes@jpmorgan.com](mailto:henry.p.reyes@jpmorgan.com)



Jason Gredell  
Executive Director  
383 Madison Avenue  
New York, NY 10179  
(212) 270-3893

[jason.gredell@jpmorgan.com](mailto:jason.gredell@jpmorgan.com)



Eric Anderson  
Executive Director  
10 South Dearborn,  
Chicago, IL, 60603-2300  
(312)732-3501

[eric.j.anderson@jpmorgan.com](mailto:eric.j.anderson@jpmorgan.com)



Ben Djiounas  
Executive Director  
383 Madison Avenue  
New York, NY 10179  
(212) 270-0693

[benjamin.n.djiounas@jpmorgan.com](mailto:benjamin.n.djiounas@jpmorgan.com)

## A.2. Strategic Initiatives Financial Advisory Team

J.P. Morgan has assembled a multi-disciplinary team of senior professionals and requisite staffing from the Firm’s Public and Corporate M&A groups, P3 Advisory, Public Finance and Industry Investment Banking Groups to advise the City on the execution of this engagement. The Firm’s overall approach to this assignment, as is the case for all J.P. Morgan’s engagements, will be to leverage the team’s sector expertise and extensive transaction experience to provide the City with a comprehensive resource to address the complex requirements of the process and any transaction that the City decides to pursue. This team will be available to the City and its stakeholders on an “on-call” basis throughout the assignment regarding all aspects of each process. J.P. Morgan will work closely with the City to identify the optimal target assets and design, structure, prepare and execute a process to address Jacksonville’s goals and objectives. A successful process is designed and conducted in a disciplined and transparent manner with the objective of optimizing the outcome while achieving the key policy objectives for the City, its stakeholders and the broader Jacksonville community.. The team described below represents the personnel who have been engaged to support the City. A summary of the experience and proposed roles for team members follows. Complete resumes are included in Appendix A.

### Senior Sponsorship:

Represent the most senior level of professionals at J.P. Morgan. Senior sponsors have extensive experience in public and private M&A advisory, P3, infrastructure, global M&A and general investment banking. They will be briefed regularly with status

updates, consulted for advice and be available as appropriate during the execution of the engagement.

**Project Leaders:** Represent senior level professionals with extensive experience in public and private infrastructure advisory and P3 assignments. Project leaders will be responsible for project management, ensuring a coordinated, efficient execution of the process including reviewing, comparing and analyzing the feasibility of various privatization proposals or P3 models. These individuals will also coordinate with senior sponsors to direct and supervise key support personnel. Project leaders have a deep understanding and extensive experience addressing key financial, legal, market and regulatory aspects of public-private M&A advisory and P3 transactions including:

- Personal relationships, experience and understanding of the City of Jacksonville
- Relationships and transaction experience with the universe of target bidders and key stakeholders in the process
- In-depth knowledge of the City’s assets, current market conditions, and transaction precedents
- Performing transaction diligence
- Analyze market trends and provide precedents for key transaction terms and definitive documents
- Relationships with key industry professionals, consultants, developers, contractors and state / federal regulators
- Appreciation for and experience with the nuances related to effectively managing a process for publicly-owned assets (e.g., importance of community communication / buy-in as well as political, regulatory and community dynamics).

**J.P. Morgan Team Overview**

| J.P.Morgan            |  |   |  |  |  |  |  |
|-----------------------|--|---|--|--|--|--|--|
|                       | M&A  | Local Coverage  | PF Advisory  | Public Finance Infrastructure  |  | Energy   | Transportation   |
| Project leaders       | <b>Eric Anderson</b><br>Executive Director<br>Chicago, IL                    | <b>Henry Reyes</b><br>Managing Director<br>Orlando, FL              | <b>Jason Gredell</b><br>Executive Director<br>New York, NY                   | <b>Isaac Sine</b><br>Head of Public Power<br>Seattle, WA                             | <b>Stephanie Tomblin</b><br>Managing Director<br>(Aviation and Ports)<br>Denver, CO  | <b>David Harkin</b><br>Managing Director<br>New York, NY | <b>Diego Simonian</b><br>Managing Director<br>New York, NY |
| Key support personnel | <b>Ked Fiseha</b><br>Vice President<br>Chicago, IL                           | <b>Nathaniel Johnson</b><br>Vice President<br>Orlando, FL           | <b>Ben Djounas</b><br>Executive Director<br>New York, NY                     | <b>Kevin Plunkett</b><br>Executive Director<br>(Power)<br>New York, NY               | <b>Chris Bergstrom</b><br>Executive Director<br>(Aviation and Ports)<br>New York, NY | <b>Neil Davids</b><br>Executive Director<br>New York, NY | <b>Matt Furlong</b><br>Vice President<br>New York, NY      |
|                       |  | <b>Josh Kohn</b><br>Analyst<br>New York, NY                         | <b>Nick Chen</b><br>Associate<br>New York, NY                                | <b>Molly Hurff</b><br>Analyst<br>New York, NY  | <b>Noah Herman</b><br>Analyst<br>New York, NY  | <b>John Warin</b><br>Vice President<br>New York, NY      |  |
| Senior sponsors       | <b>Mel Martinez</b><br>JPMC Chairman for<br>Southeast, LatAm.<br>Orlando, FL | <b>Anu Aiyengar</b><br>Head of<br>North America M&A<br>New York, NY | <b>Jamison Fehleley</b><br>Head of Public<br>Finance Banking<br>New York, NY | <b>Mike Carlson</b><br>Head of Public<br>Finance Infrastructure<br>San Francisco, CA | <b>Jay Horine</b><br>Head of Energy IB<br>New York, NY                               |  |  |

 Project Leaders and Primary Advisory Point of Contact  
 Primary Point of Contact – Local Jacksonville Coverage

Project leaders will work closely with the City as well as its attorneys and consultants for calls and meetings. Project leaders will be available to provide trustee, legislative, political, or regulatory recommendations, briefings and testimony, as needed

**Key support personnel:** Represent seasoned professionals with experience in public and private utility M&A and / or public finance transactions. Key support personnel will be responsible for day-to-day project management including the creation of procurement documents (e.g. process letters, RFI/Q/Ps), financial models, data room and marketing materials and presentations / analysis. These individuals will work closely with key City personnel and its advisors through daily interactions and communications (both calls and in-person meetings). Complete Resumes are available in Appendix A.

### **A.3. Investigations**

JPMorgan Chase & Co. and/or its subsidiaries are defendants or putative defendants in numerous legal proceedings, including private civil litigations and regulatory/government investigations. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. These legal proceedings are at varying stages of adjudication, arbitration or investigation, and involve each of the Firm's lines of business and geographies and a wide variety of claims (including common law tort and contract claims and statutory antitrust, securities and consumer protection claims), some of which present novel legal theories. Based on current knowledge, the Firm believes it has asserted meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings, intends to defend itself vigorously in all such matters and does not believe that any pending legal proceeding would have a material effect on the Firm's performance of the services contemplated by the RFP. For further discussion, please refer to JPMorgan Chase & Co.'s publicly-filed disclosures, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (available at: <http://investor.shareholder.com/jpmorganchase/sec.cfm> ). Reference is also made to a press release issued on May 20, 2015 concerning settlements related to foreign exchange activities (available at: <http://investor.shareholder.com/jpmorganchase/releasedetail.cfm?ReleaseID=914105> ). Judgment consistent with the terms of the plea agreement referenced in the press release was entered on January 10, 2017.

### **A.4. Fee Approach**

The City is a long standing client of J.P. Morgan and the award of the advisory assignment is of significant importance to the Firm, the advisory franchise and the professionals that are dedicated to the transactions. As such, J.P. Morgan is committed to providing flawless execution and is interested in working to structure a compensation arrangement that addresses the needs and objectives of Jacksonville while appropriately compensating J.P. Morgan for the comprehensive resources that the Firm will commit in order to deliver a successful outcome to the City. Our fee approach encompasses a retainer fee (subject to discussion with the City) payable quarterly or portion thereof during the term of assignment, commencing upon the execution of an engagement agreement which shall be credited against any Transaction Fee (described below) and

- A success-based fee (the "Transaction Fee") equal to a percentage of any consideration or third-party investment realized by the City as a result of the successful close of an asset sale, monetization, privatization or P3 transaction.
- Fee indications, based on market fee comparables, would be 0.7% to 2.5% (reduced by any retainer payments as specified above). The percentage will be dependent on the size of the transaction and certainly subject to negotiation with the City.

The proposed fee construct is based on precedent market transactions, J.P. Morgan's previous experience on similar transactions (which, to the extent not subject to confidentiality agreements, we will provide to the City upon request) and would reflect our assessment of the resource commitment and potential term of the assignment, reviewed in detail with the City. We also seek to emphasize that we would be willing to discuss an alternative fee structure if the City desires such an alternative arrangement.

## B.1. Firm Experience

We believe J.P. Morgan is uniquely qualified to serve as a strategic advisor to the City as we are able to commit the full resources of the Firm to this assignment as we have an integrate platform comprised of industry leading public and corporate M&A advisory, energy, infrastructure, transportation, and public finance practices. The team’s knowledge and experience executing successful privatization, public-private M&A advisory and P3 assignments across a variety of industry verticals for both investor-owned and public sector clients allow us to provide the City with the breadth and depth of experience that is critical to the success of this assignment.

### J.P. Morgan has extensive experience working on similar transactions involving government sector client

J.P. Morgan has extensive experience working on similar transactions involving governmental agencies, as highlighted in the case studies below. Through this experience, we have developed a thorough knowledge of government requirements that are applicable which we will utilize for the City if ultimately chosen as advisor. We have been relied on extensively by past clients to assist with the dialogue with key regulatory and public stakeholders and we are available to provide the same services to the City.

The list below highlights some of the public and private clients for whom J.P. Morgan has provided services similar to those requested by the City’s RFP. The list includes members of J.P. Morgan’s dedicated Jacksonville team (resumes provided in Appendix A of this RFP response) involved in each transaction.

### List of Relevant Projects

| Client / Transaction   | Jacksonville Team Members Involved  |  |
|--|---|--|
| <b>Client:</b> BCD Energy Collaborative<br><b>Transaction:</b> BCD purchase and simultaneous sale of Medical Area Total Energy Plant (“MATEP”)   | <ul style="list-style-type: none"> <li>■ Jamison Feheley</li> <li>■ Michael Carlson</li> <li>■ Jason Gredell</li> </ul>   | <ul style="list-style-type: none"> <li>■ Isaac Sine</li> <li>■ Kevin Plunkett</li> <li>■ Nick Chen</li> </ul>  |
| <b>Client:</b> State of Hawaii<br><b>Transaction:</b> State of Hawaii / University of Hawaii Broadband Cable Project   | <ul style="list-style-type: none"> <li>■ Jason Gredell</li> <li>■ Nick Chen</li> </ul>  | <ul style="list-style-type: none"> <li>■ Jamison Feheley</li> <li>■ Michael Carlson</li> </ul>   |
| <b>Client:</b> New Hampshire Public Utilities Commission<br><b>Transaction:</b> New Hampshire Public Utilities Commission sale of Eversource’s New Hampshire solid-fuel and hydro generation portfolio | <ul style="list-style-type: none"> <li>■ Jamison Feheley</li> <li>■ Michael Carlson</li> <li>■ Anu Aiyengar</li> <li>■ Jay Horine</li> <li>■ Jason Gredell</li> <li>■ Kevin Plunkett</li> </ul> | <ul style="list-style-type: none"> <li>■ Neil Davids</li> <li>■ Isaac Sine</li> <li>■ Eric Anderson</li> <li>■ Ked Fisseha</li> <li>■ Nick Chen</li> </ul>     |
| <b>Client:</b> JEA<br><b>Transactions:</b> JEA purchase of FPL’s 20% undivided interest in Saint Johns River Power Park  | <ul style="list-style-type: none"> <li>■ Jamison Feheley</li> <li>■ Michael Carlson</li> <li>■ Jay Horine</li> <li>■ Jason Gredell</li> <li>■ Isaac Sine</li> </ul>                             | <ul style="list-style-type: none"> <li>■ Kevin Plunkett</li> <li>■ Neil Davids</li> <li>■ Nick Chen</li> <li>■ Eric Anderson</li> <li>■ Ked Fisseha</li> </ul> |
| <b>Client:</b> North Carolina Eastern Municipal Power Agency<br><b>Transaction:</b> North Carolina Eastern Municipal’s sale of 700MW of generation capacity to Duke Energy Progress                    | <ul style="list-style-type: none"> <li>■ Anu Aiyengar</li> <li>■ Eric Anderson</li> <li>■ Ked Fisseha</li> </ul>  | <ul style="list-style-type: none"> <li>■ Neil Davids</li> <li>■ Isaac Sine</li> <li>■ Jay Horine</li> </ul>  |
| <b>Client:</b> City of Philadelphia<br><b>Transaction:</b> City of Philadelphia’s sale of Philadelphia Gas Works   | <ul style="list-style-type: none"> <li>■ Jamison Feheley</li> <li>■ Michael Carlson</li> <li>■ Anu Aiyengar</li> <li>■ Eric Anderson</li> </ul>   | <ul style="list-style-type: none"> <li>■ Neil Davids</li> <li>■ Ked Fisseha</li> <li>■ Jay Horine</li> </ul>   |
| <b>Client:</b> State of Wisconsin / University of Wisconsin<br><b>Transaction:</b> State of Wisconsin privatization of the University of Wisconsin System district energy portfolio                    | <ul style="list-style-type: none"> <li>■ Jamison Feheley</li> <li>■ Michael Carlson</li> <li>■ Jay Horine</li> <li>■ Neil Davids</li> </ul>   | <ul style="list-style-type: none"> <li>■ Isaac Sine</li> <li>■ Kevin Plunkett</li> <li>■ Jason Gredell</li> </ul>  |
| <b>Client:</b> Regional Transportation District<br><b>Transaction:</b> Denver Regional Transportation District Eagle P3 transit line enhancement.  | <ul style="list-style-type: none"> <li>■ Jamison Feheley</li> <li>■ Michael Carlson</li> </ul>  | <ul style="list-style-type: none"> <li>■ Ben Djounas</li> </ul>  |

Client: Carrix / SSA Marine Transaction: Equity Private Placement

■ Diego Simonian

■ Matt Furlong

\*Detailed case studies are included in Appendix B.

**J.P. Morgan is a leading advisor in privatizations and P3 transactions**

J.P. Morgan has been involved in more than 150 privatizations on behalf of the governments of more than 40 different countries over the last 30 years.

J.P. Morgan has extensive P3 advisory experience. In addition to the Firm’s dedicated Public M&A Group, J.P. Morgan has a dedicated infrastructure team within the Public Finance Group with a leading advisory track record advising clients on the structuring and execution of infrastructure P3 transactions. This group synthesizes the resources of traditional mergers and acquisitions and corporate finance advisory with the unique public policy oriented perspective necessary in this market. The team’s relevant experience includes advisory roles on/for Denver RTD, City of Los Angeles, Mississippi DOT, Midway Airport, , Indiana Toll Road, Pennsylvania Turnpike, Alligator Alley and the Port of Corpus Christi. These transactional experiences give us timely insight into key value drivers such as: specific asset class understanding, transaction structuring alternatives and preferences, target equity investor profile and maximization of value in the current credit market environment.

J.P. Morgan’s key competencies in P3 advisory and M&A create significant value and maximum leverage for our clients throughout the process which we believe are also directly relevant to the City in our potential role as strategic advisor.

- **Differentiated, full-service integrated platform:** J.P. Morgan will deliver a coordinated, multi-disciplinary execution strategy with complete advice across the spectrum of valuation, financing, and transaction structuring issues
- **Market knowledge:** Significant U.S. applicable public and corporate sector knowledge gained through vast transaction experiences across all major sectors in North America
- **Valuation expertise:** Extensive valuation and advisory experience with industry-leading best practices and standards; Proprietary market intelligence provides insight into current market valuations
- **Technical capabilities:** Dedicated team capable of adapting to changing work priorities and deliverables; Significant experience modelling public and corporate sector contracts under various scenarios

**J.P. Morgan is an industry leader in U.S. M&A**

A select overview of J.P. Morgan’s most recent U.S. advisory assignments are below

|  |  |   |   |   |   |
|--|--|---|---|---|---|
| <p>Pending<br/>\$6.3bn</p>  <p>Advisor to Avantor Performance Materials on its acquisition of VWR</p> | <p>Pending<br/>\$4.9bn</p>  <p>Advisor to Apollo on its acquisition of West Corporation</p>   | <p>2017<br/>\$64.1bn</p>  <p>Advisor to Reynolds American on sale of its remaining 57.9% stake to British American Tobacco</p> | <p>Pending<br/>\$107.9bn</p>  <p>Advisor to AT&amp;T on its acquisition of Time Warner</p>                          | <p>Pending<br/>\$23.1bn</p>  <p>Advisor to Twenty-First Century Fox on its acquisition of remaining 61.6% stake in Sky</p> | <p>Pending<br/>\$30.1bn</p>  <p>Advisor to Rockwell Collins on its sale to United Technologies</p>         |
| <p>2017<br/>\$43.4bn</p>  <p>Advisor to Enbridge on its merger with Spectra Energy</p>                | <p>2017<br/>\$19.3bn</p>  <p>Advisor to Colony Capital on its merger of equals with Northstar Asset Management and North Realty Finance</p> | <p>2017<br/>\$16.6bn</p>  <p>Advisor to ONEOK on its acquisition of ONEOK Partners</p>   | <p>Pending<br/>\$14.8bn</p>  <p>Advisor to Scripps Networks Interactive on its sale to Discovery Communications</p> | <p>Pending<br/>\$6.6bn</p>  <p>Advisor to AltaGas on its acquisition of WGL Holdings</p>                                   | <p>Pending<br/>\$6.6bn</p>  <p>Advisor to Sinclair Broadcast Group on its acquisition of Tribune Media</p> |



**J.P. Morgan is an industry leader in Corporate and Public Power and Utilities M&A**

A select overview of J.P. Morgan’s most recent public and private power and utilities advisory assignments are below

|   |  |   |  |  |  |
|---|--|---|--|--|--|
| <p>pending<br/>\$258.3mm</p> <p>Advisor to the New Hampshire Public Utilities Commission on the divestiture of Eversource generation facilities</p> | <p>Pending<br/>\$6.6bn</p> <p>Advisor to AltaGas on its acquisition of WGL Holdings</p>  | <p>Pending<br/>\$4.3bn</p> <p>Advisor to TerraForm Power in its sale of its controlling stake to Brookfield Asset Management</p>                                    | <p>Pending<br/>\$2.3bn</p> <p>Advisor to Shanghai Electric Power on its acquisition of 66.4% stake in K-Electric</p> | <p>Pending<br/>\$1.8bn</p> <p>Advisor to Gas Natural on sale of its Fenosa’s gas distribution business in Spain to Allianz and CPPIB</p> | <p>Pending<br/>\$1.3bn</p> <p>Advisor to Vertiv on the sale of ASCO Power Technologies to Schneider Electric</p>         |
| <p>Pending<br/>\$1.1bn</p> <p>Advisor to TerraForm Global on its sale to Brookfield Asset Management.</p>   | <p>2017<br/>\$43.4bn</p> <p>Advisor to Enbridge on its merger with Spectra Energy</p>  | <p>2017<br/>\$5.1bn</p> <p>Advisor to Petrobras on its sale of South American natural gas transmission utility to Brookfield Infrastructure Consortium</p>          | <p>2017<br/>\$3.0bn</p> <p>Advisor to EPH on sale of its remaining 35.0% stake to Daniel Kretinsky</p>               | <p>2017<br/>\$2.8bn</p> <p>Advisor to EDP Energias de Portugal on its sale of Naturgas Energia Group to JPMorgan and consortium</p>      | <p>2017<br/>\$2.4bn</p> <p>Advisor to Algonquin Power &amp; Utilities on its acquisition of Empire District Electric</p> |
| <p>2017<br/>\$441mm</p> <p>Advisor to LS Power on the sale of its Decatur Energy Center</p>   | <p>2017<br/>\$137mm</p> <p>Advisor to JEA on the acquisition of NextEra subsidiary FPL’s ownership stake in St. Johns River Power Park</p> | <p>2017<br/>\$7.9bn</p> <p>Financial advisor to SunEdison’s second lien creditor constituents on the sale of TerraForm Global and TerraForm Power to Brookfield</p> | <p>2016<br/>\$10.4bn</p> <p>Advisor to Emera on its acquisition of TECO Energy</p>                                   | <p>2016<br/>\$3.3bn</p> <p>Advisor to TransCanada on its sale of its U.S. Northeast generation portfolio</p>                             | <p>2015<br/>\$6.7bn</p> <p>Advisor to Riverstone on its merger with PPL Energy Supply</p>                                |



**J.P. Morgan has extensive experience working on port transactions**

A select overview of J.P. Morgan’s most recent port advisory assignments is provided below

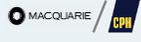
|   |  |  |   |   |  |
|---|--|--|---|---|--|
| <p>2016<br/>c.\$600mm</p> <p>Mandated Lead Arranger for the infrastructure financing of two DP World ports in Canada</p>          | <p>2016<br/>A\$12.8bn</p> <p>Advisor to Qube Holdings led consortium on its acquisition of Asciano Ltd</p>                             | <p>2016<br/>\$5.0bn</p> <p>Advised CMA CGM on its acquisition of Neptune Orient Lines and led the \$1.65 billion related acquisition financing</p> | <p>2016<br/>\$350mm</p> <p>Acted as Global Bookrunner on Global Ports’ \$350mm eurobond</p> | <p>2015<br/>S\$640mm</p> <p>Exclusive Financial Advisor to Macquarie Infrastructure and Real Assets to acquire a 34% interest in Universal Terminal</p> | <p>2014<br/>Undisclosed</p> <p>Sole equity arranger to FRS Capital Corp., parent of Carrix Inc., in connection with Mr. Fernando Chico Pardo’s investment in the Company</p> |
| <p>2014<br/>\$250mm</p> <p>Joint Lead-Manager and Bookrunner on Global Ports Holding’s inaugural US\$250mm 7NC4 bond offering</p> | <p>2013<br/>c.\$1bn</p> <p>Sole financial advisor to CDPQ on its acquisition of a 26.67% interest in the Port of Brisbane from GIP</p> | <p>2013<br/>\$561mm (pre-shoe)</p> <p>Joint Bookrunner for Qinhuangdao Port’s H-share Initial Public Offering</p>                                  | <p>2012<br/>\$2.5bn</p> <p>Fairness opinion to NCSF on its 100% acquisition of PTP</p>      | <p>2011<br/>\$1.6bn</p> <p>Sole financial adviser and debt arranger to Arcus on the acquisition of Forth Ports</p>                                      | <p>2010<br/>US\$520mm</p> <p>Sole Financial Advisor to COSCO Pacific on its acquisition of 13.7% stake in Yanbian from APMM</p>  |

Source: Infranews, J.P. Morgan estimates



**J.P. Morgan has unrivalled expertise in the global airport sector**

A select overview of J.P. Morgan’s most recent airport advisory assignments is provided below

|  |  |   |   |  |  |
|--|--|---|---|--|--|
| <p><b>Pending</b><br/><b>Undisclosed</b></p>  <p>Sole financial advisor to MIRA on its ongoing strategic review of its investment in Copenhagen Airport</p> | <p><b>2017</b><br/><b>€1.4bn</b></p>  <p>Financial advisor on Fraport's successful bid for the airports of Fortaleza and Porto Alegre in Brazil</p> | <p><b>2016</b><br/>-</p>  <p>Financial advisor to Ferroviail and Meridiam for the acquisition of Nice and Lyon Airport</p>   | <p><b>2016</b><br/><b>c.\$1.0bn</b></p>  <p>Merger/Consolidation with TPS Avia</p>        | <p><b>2016</b><br/><b>\$2.0bn</b></p>  <p>Global Coordinator and Joint Bookrunner for dual-tranche senior secured bond offering</p>                     | <p><b>2015–2016</b><br/>-</p>  <p>Financial advisor to Macquarie for the acquisition of London City Airport</p>                           |
| <p><b>2015</b><br/><b>Undisclosed</b></p>  <p>Sell-side advisor to Advent International on the sale of Aerodrom</p>   | <p><b>2014</b><br/>-</p>  <p>Lead financial advisor to Capitele Alliance for the acquisition of a 49.9% stake in ATB</p>                            | <p><b>2014: \$300mm</b><br/><b>2012: \$203mm</b><br/><b>2010: \$121mm</b></p>  <p>Joint Placement Agent MAHB's private placement to finance acquisition of 40% \$300mm stake in ISG &amp; LGM (2014)</p> | <p><b>2013</b><br/>-</p>  <p>Advising the 1st runner up on Ana airports privatization</p> | <p><b>2013</b><br/><b>\$303mm</b></p>  <p>Financial Advisor to GIC on its divestiture of 8.8% stake in Beijing Capital International Airport to NWS</p> | <p><b>2013</b><br/><b>£1,500mm</b></p>  <p>Sole financial advisor to Manchester Airports Group on the acquisition of Stansted Airport</p> |

**B.2. Discussion of Strategic Financial Advisory Approach and Current Market Environment**

In order to best assist the City with reviewing and executing its strategic options, the selected advisor must have a deep understanding of the City’s asset portfolio, prevailing political environment and sector expertise on areas where the City’s assets reside in order to maximize each potential opportunity and not waste time and resources pursuing opportunities that do not address the needs of the City and the community of Jacksonville

At the outset, J.P. Morgan will work with the City and the core project team to evaluate and explore all available options for the delivery of a transaction that will serve as the core of the City’s identity, giving shape to it long-held traditions of resource prudence, connection to the environment, and responsible leadership. In short, these initial conversations will help shape a strategic plan and inventory of target opportunities, which will then be reflected in the procurement process. J.P. Morgan will leverage insights from our own experience, feedback from the various resources of J.P. Morgan’s global network and discussions with key industry participants and experts.

**Overall Approach and Key Work Streams**

**Phase 1: Construct an Asset Inventory and Develop an Ongoing Communications Plan** In order to maximize value for the City when review strategic initiatives, identifying and narrowing the universe of possible assets is critical to ensure time and resources are only dedicated to high potential projects. To achieve this goal, J.P. Morgan will leverage its deep understanding of the Florida political environment, past privatization experience, and institutional sector expertise to categorize City assets based on political plausibility, potential value and regulatory circumstances.

The key deliverables and activities of Phase 1 would include:

- Clarify the operational, financial and social objectives of the City and the Jacksonville community
- Evaluation of potential for strategic opportunities for the City’s asset and programs
- Develop a contact list of key City personnel overseeing the strategic review and current managers of various City assets
- Develop an ongoing communication strategy and schedule regular meetings / calls with key City personnel to provide updates on the strategic review process as well as any trends developing within the publicly owned asset market
- Clarify the City’s jurisdiction and ownership of each asset as well as identify any legal / regulatory limitations on the City’s control of its assets
- Develop financial, operational and legal profiles for each assets by using internal expertise and conducting due diligence with existing asset managers

**Phase 2: Assembly of Core outside Professional Team and Selection of Preferred Projects** After establishing a comprehensive asset inventory, J.P. Morgan will assist the City in selecting preferred projects to further investigate. To assist with this effort, J.P. Morgan will work with the City in qualifying and selecting key professionals (e.g. outside counsel, market consultants) that will be part of a core project team. This core project team will leverage its professional experience to recommend projects from the inventory that fits the City's defined objectives and regulatory authority.

The key deliverables and activities of Phase 2 would include:

- Assist with the selection of outside project professional / contractors (i.e. market consultants, legal, etc.) through a structured RFP process
- Update the working group list to include key contractors / consultants
- Perform detailed legal, technical and financial diligence on the asset inventory to provide the City with project recommendations
- Assist the City in selecting the preferred projects from the core team's recommendations
- Finalize the procurement process for the preferred projects

**Phase 3 – Market Sounding** Following the City's selection of the preferred projects, J.P. Morgan will work with the City and the core project team to begin the process of qualifying potential buyers (outright sale) / operating partners (P3 or other partnerships) through a formal market sounding RFI in order to obtain more specific feedback regarding the various options available in the market and to confirm market "appetite" for various transaction structures and terms.

The feedback from these discussions with potential bidders is an effective way to gather valuable market intelligence regarding the feasibility of various options and structures for each identified asset and the value that each provides to the City's long goals and objectives. Additionally, the introduction of the opportunity to potential partners will provide the added benefit of providing market intelligence that will be used in developing the parameters of the overall project agreement and the final RFP. J.P. Morgan will leverage our deep industry relationships across transportation, energy and infrastructure sectors as well as past experience in advising public entities on strategic options to provide the City with a comprehensive market sounding from the universe of potential bidders and operating partners. We believe that this approach will allow for a comprehensive and neutral assessment of the various alternatives.

The key deliverables and activities of this phase would include:

- Launch a formal RFI to test market interest for identified assets and confirm market "appetite" for various transaction structures and terms
- Develop Teaser, initial marketing materials, financial model, Information Memorandum and bidder data packs
- Develop Phase 3 Process Letter covering the process until responses to the RFI (Expression of Interests) are due
- Populate virtual data room ("VDR") and distribute confidential agreements to targeted bidders
- Handle potential bidder communications and logistics, including Q&A
- Assist City with any community engagement requirements arising from the transaction(s)
- Schedule periodic update calls / meetings with the City to provide status on the process
- Assist the City in assessing bidder Expressions of Interest and selecting a shortlist

**Phase 4 - Selection of Preferred Bidder(s)** In Phase 4, a Request for Proposal ("RFP") will be developed and distributed to participants screened in the Phase 3 RFI/Q process. These bidders will be provided access to the virtual data room ("VDR"). J.P. Morgan will coordinate all bidder interactions with the City by conducting structured Q&A sessions as well as provide the City with guidance on responding to bidder inquiries in order to maximize interest in the transaction. J.P. Morgan will work with the City and the core project team to refine the transaction structures and business cases based on feedback from the RFI.

The key deliverables and activities of this phase would include:

- Development of a RFP that 1) clearly states the City's objectives and requirements for the process 2) incorporates evaluation criteria and benchmarks that objectively measure feasibility and value of any proposal submitted to the City and 3) includes J.P. Morgan recommendation on how best to innovatively include the City into the overall transaction financing in order to maximize the financial marketability of the identified assets.

- Development of the Phase 4 Process Letter for the process until Best and Final Offers (“BAFOs”) are due
- Develop detailed operational and financial model for the asset
- Coordinate VDR access for bidders and disseminate the RFP
- Conduct interviews and address bidder questions
- Schedule periodic update calls / meetings with the City to provide status on the process
- Coordinate management presentations and on-site due diligence trips
- In collaboration with counsel, assist the City with negotiating the commercial terms within key legal documents
- Assist the City in assessing BAFOs and share J.P. Morgan institutional experience on 1) bidder reputation and deal execution capacity 2) feasibility of proposed financing structure 3) reasonableness of proposed costs and 4) value for money analysis that compare proposals with their public sector comparator

Arguably, the selection of a partner for any transaction is the most important decision that the City will make during the process. The partner will not only be responsible for transforming a feasible concept into a functioning project or transformational transaction but also the management and delivery of critical services to the City. J.P. Morgan will work with the City and its core project team to develop financial, technical and economic criteria in order to evaluate the potential partners. J.P. Morgan will leverage this criteria as well as its own transaction experience to qualify, diligence and eventually select the best partner for the City based on:

- Delivery of a proposal that provides Jacksonville with the most comprehensive and cost effective solution
- Expertise and experience with similar assets, transactions and projects
- Sufficient in-house resources covering a full range of expertise and track record of success / partner references

**Phase 5 – Commitment Phase** In the final phase, we will assist the City in final negotiations with the preferred bidder(s), the preparation of required regulatory processes and work towards a transaction closing.

The key deliverables and activities of Phase 5 would include:

- Assist in the finalization of all transaction contracts and documents
- Assist with any remaining regulatory requirements
- Coordination of the commercial and financial close

The phases described above will serve as milestones and critical decision points in the development of a successful transaction. The phases are deliberately established to create logical waypoints for reporting the status of the each potential project and reflecting on the information that has been gathered to date and allowing the information to guide the direction of each decision to advance the process. This will provide for continuous monitoring of the transaction, thereby increasing the opportunities to make real-time adjustments or changes that ensure a successful outcome for the City and also ensure the effective and efficient use of all resources committed to any transaction. We believe that the best way to ensure the delivery of a successful outcome is to run a disciplined process that provides real-time feedback to shape key transaction decisions and create a hedge against advancing any selected project without a clear path to close.

### **Market Overview and Potential Jacksonville Strategic Opportunities**

After decades of underinvestment and an increasing population in the US, today’s infrastructure needs are large and continue to grow. Federal, state and local governments are finding it difficult to operate and maintain capital intensive operations and to finance new projects on their own due to decreased tax revenue and shrinking budgets. These factors have increased the political will and desire to seek alternatives to fund critical infrastructure and mitigate the mounting deferred investment and the risk associated with the operation of critical assets. While the traditional methods of debt financing still make up the bulk of capital raised by government and not-for-profit organizations, there has been an increasing trend to consider and pursue alternative funding methods such as privatization and P3 vehicles, ranging from design-build (and operate-finance or both) through concessions to operations and maintenance type contracts. This need to find non-traditional funding alternatives has been met with growing interest from the institutional investment community and private corporations to invest capital and to acquire public assets. The private sector is enjoying the benefits of a historically low interest rate environment, significant debt capacity, and strong equity market valuations. At

the same time, private corporations are struggling to maintain top-line growth and sustain investment that will allow them to take advantage of the current environment. The dilemma and the urgency of exploiting the current market have driven the private sector to look for new opportunities in the public sector. Adding to this dynamic environment is the anticipation of a record M&A market in 2018 as the private sector loos to take advantage of the current window before these positive trends slow. Given the confluence of circumstances and the supply and demand imbalance between the corporate and public markets, the United States is poised to become one of the largest markets in the world for privatization and P3 opportunities and transactions.

The City has a number of assets that would receive interest from the corporate and institutional investment community and would generate significant value, cash proceeds and potential cost savings to the Jacksonville community in a strategic transaction. This can range from retendering assets under a P3 concession to an outright asset sale. We have identified the assets below to highlight some of the more probable options.

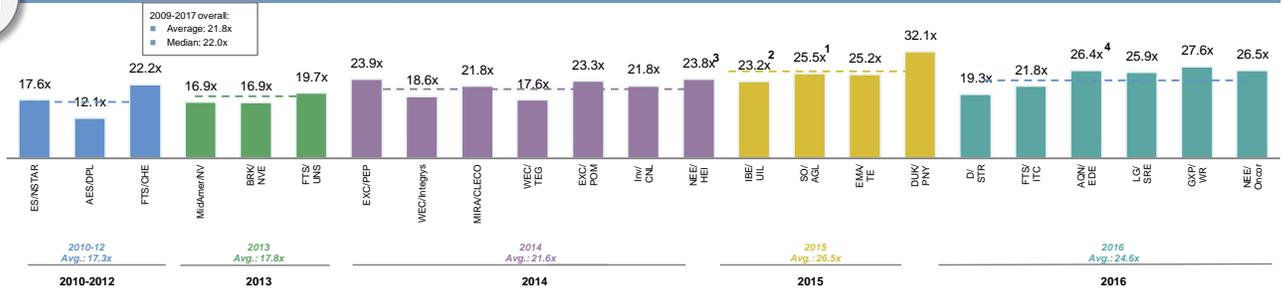
| Assets  |  | Financials   |  |  |
|---|--|--|--|--|
|    | <p>JAA is a public agency formed in 2001 by the State of Florida to own and operate aviation facilities in Duval County, Florida. The authority oversees four main airport assets: 1) Jacksonville International Airport 2) Jacksonville Executive at Craig Airport 3) Herlong Recreational Airport and 4) Cecil Airport.</p>  | <p><b>Operations</b></p> <p>Passengers 5,585,523 5,425,988 5,191,718</p> <p>Enplanements 2,799,587 2,722,032 2,602,821</p>   | <p><b>2016</b></p> <p><b>2015</b></p> <p><b>2014</b></p> |  |
|   | <p><b>Financial (\$millions)</b></p> <p>Total Revenues (excludes PFC) 80 75 68</p> <p>Asset Value 544 542 540</p> <p>Total Debt 94 127 140</p> <p>EBITDA 29 27 24</p>  |  |  |  |
|    | <p>JAXPort is a public agency created to own and operate marine facilities in Duval County, Florida. Its main assets are three cargo facilities and one passenger cruise terminal. Bulk of JAXPort's operating revenues is container revenues with the balance being cruise revenues.</p>  | <p><b>Operations</b></p> <p>Container TEUs 968,279 915,292 936,972</p> <p>Cruise Ship Passengers 197,925 183,192 181,580</p>   | <p><b>2016</b></p> <p><b>2015</b></p> <p><b>2014</b></p> |  |
|   | <p><b>Financial (\$millions)</b></p> <p>Total Revenues 58 55 53</p> <p>Asset Value 676 646 604</p> <p>Total Debt 182 194 207</p> <p>EBITDA 27 25 23</p>  |  |  |  |
|   | <p>JEA is a City owned agency created to own and operate the City's electric, water, waste water and other energy related systems.</p> <p><b>Electric System:</b> It is the 8th largest municipally owned electric utility in the U.S. The system has a total installed capacity of approximately 3,722 MW. Its fuel mix is around 37% natural gas and 52% solid fuel with the balance being other fuel types.</p> <p><b>Water System:</b> Serves around 341,016 customers in 4 counties as of 2017. The system has 4,700 miles of pipe, 80 MG of storage capacity and 137 permitted wells. The Waste Water system has about 4,000 miles of pipe and 1,300 pump stations</p> <p><b>District Energy System:</b>The system has 4 chilled water plants and a 21,500 ton chilling capacity</p> | <p><b>Operations</b></p> <p>Electric Customer Accounts 458,953 451,788 443,705</p> <p>Total Electricity Sales (MWh) 13,893,852 14,586,486 14,379,697</p> <p>Water Customer Accounts 341,016 333,139 325,352</p> <p>Total Water Sales (kgals) 37,245,188 36,357,919 34,558,284</p> <p>Sewer Customer Accounts 264,336 257,719 250,974</p> <p>Total Sewer Sales (kgals) 26,712,770 25,817,658 24,922,141</p> | <p><b>2017</b></p> <p><b>2016</b></p> <p><b>2015</b></p> |  |
|   | <p><b>Financial (\$millions)</b></p> <p>Total Electric Revenues 1,382 1,322 1,325</p> <p>Electric Asset Value 3,055 3,089 3,213</p> <p>Electric Total Debt 1,625 1,702 1,734</p> <p>Electric EBITDA 582 569 517</p> <p>Total Water &amp; Sewer Revenues 448 417 390</p> <p>Water &amp; Sewer Asset Value 2,411 2,432 2,437</p> <p>Water &amp; Sewer Total Debt 2,748 3,050 3,194</p> <p>Water &amp; Sewer EBITDA 295 273 252</p>   |  |  |  |
|  | <p>The City's public parking system is consisted of on-street, off-street and parking garage facilities. The City currently has agreements with a private developer to construct and operate three parking garages. The current agreement provides a subsidy totaling about \$4m p.a. to the private operator. The City has options to buyout the current business arrangement, refinance the related non-city debt and assume operational control thereof.</p>  | <p><b>Operations</b></p> <p>Downtown Parking Garage Capacity 3,160 3,115 2,812</p> <p>On Street Meters 1,554 1,690 1,690</p>   | <p><b>2016</b></p> <p><b>2015</b></p> <p><b>2014</b></p> |  |
|   | <p><b>Financial (\$thousands)</b></p> <p>Total Revenues 3,837 3,826 3,701</p> <p>Operating Income 341 330 188</p> <p>Total Assets 9,064 8,950 8,541</p> <p>Total Liabilities 694 647 612</p>   |  |  |  |

## JEA

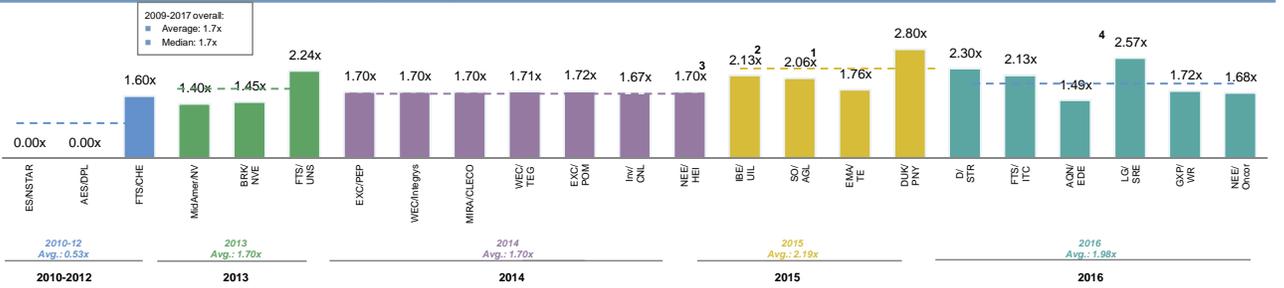
The robustness of the City's economy, combined with JEA's scale and financial stability makes it a substantial source of value should the City considers a strategic sale or P3. The combined Electric System, Water and Wastewater have considerable strategic value to adjacent utilities looking to expand their service coverage footprint in Florida. Since the system includes electricity and water generation, transmission, interconnection as well as distribution, the City has considerable flexibility in deciding which parts of the system could be privatized or leveraged in a P3. Historically low interest rates, significant debt capacity, stagnant customer demand, and a shrinking pool of acquisition targets have resulted in a "seller's market" in the utilities industry. This is evident in the steadily increasing acquisition multiples and buyer-friendly contract terms over the last couple of years. J.P. Morgan believes that the current market trends and the quality of the JEA system would have a market value in excess of \$10.0 billion and would create a transformational opportunity for a strategic partner and the City. The graphic below highlights utility M&A activity and valuation trends.



Recent transactions (LTM P/E): Utility



Recent transactions (FV/Rate Base): Utility



<sup>1</sup> SO/GAS adjusted metrics for just the LDC business. -\$200mm of EBITDA is removed and \$1.1bn of firm value at 5-6x FV/EBITDA; <sup>2</sup> UIL multiples reflect pro forma market capitalization as disclosed in the merger investor presentation; based on average of 17.5x 2017 P/E and 16.5x 2017 P/E at merger announcement; <sup>3</sup> Assumes Hawaiian Electric bank subsidiary trades at \$8/share and includes \$1.60/share of tax benefits; <sup>4</sup> Numbers shown assuming 100% liability recovery, assuming 0% liability recovery LTM P/E = 30.2x; LTM FV/EBITDA = 13.1x; FV/RAB = 2.92x; P/BE = 3.59x

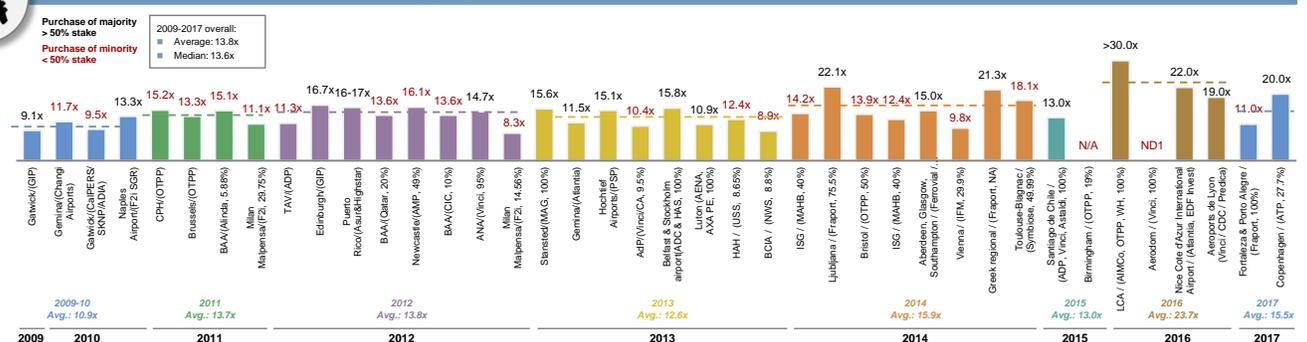
Jacksonville Airport Authority (JAA)

Although market appetite for JAA assets will not be known until a robust market sounding process is conducted, the authority's regionally focused asset portfolio will likely encounter less political and regulatory resistance should the City pursue strategic sale processes.

Even though airport privatizations are less common in the U.S. relative to other countries, the demand for U.S. airport asset exposure amongst institutional investors remains robust. Several factors contribute to the strong demand: 1) strong liquidity and low cost of capital amongst financial buyers 2) scarcity of U.S. aviation opportunities and 3) size and stability of airport assets attracts a large / global investor base. Airports located in areas with positive economic outlook and sale processes giving relative freedom to buyers to operate non-regulated business (retail, food, car rentals etc.) post transaction will attract higher valuations from investors.



Recent transactions (FV/LTM EBITDA): Airports



Source: Company data, Broker reports, Company estimates, FactSet; Note: Name without brackets = Target, Name in brackets = Acquirer; <sup>1</sup> Not disclosed

There are many transaction structures available to the City when deciding how best to extract strategic value from JAA. While privatization allows the City to extract the most nominal value from its JAA assets, it carries the greatest regulatory and political risks compared to other procurement options. In lieu of privatization, Design-Build or DBFOM structures under a P3 framework can allow airports to make use of private investment to further projects while maintaining ownership, with some airports looking directly to airline partners.

## Jacksonville Port Authority (JAXPORT)

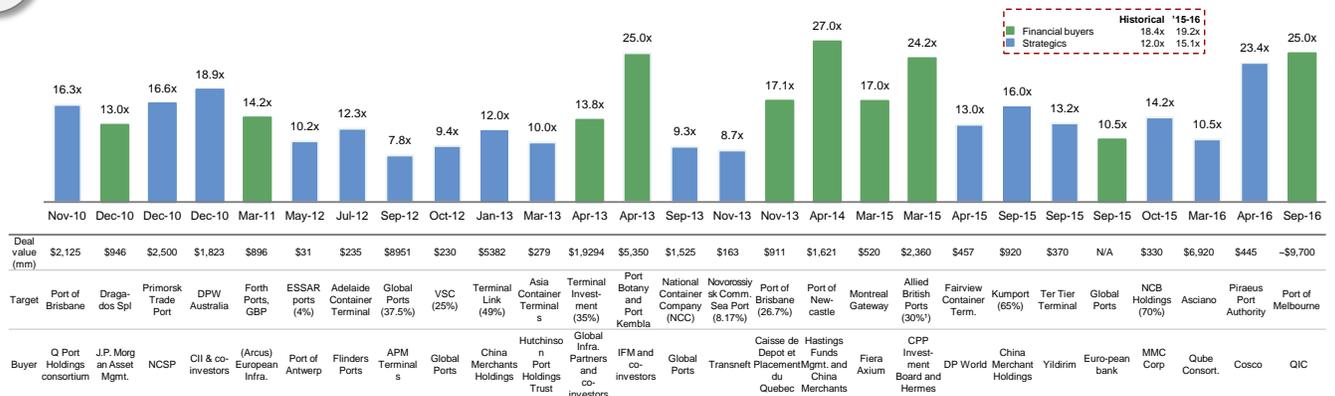
As with other assets, there are a number transaction structures that can unlock strategic value from JAXPORT's assets. Concessions in particular have been an effective way for municipal port operators to leverage private expertise and capital. Some recent trends within the seaport space include:

- Shifts in the Chinese growth model and overinvestment in shipping capacity has led to challenges for global shipping companies; this has led to the use of larger vessels that can move more volume and ports having to deploy additional capital to accommodate these larger (Post-Panamax) ships
- Concessions have proven critical in aiding U.S. ports in their efforts to modernize in advance of the opening of the Panama Canal's third locks
- On the East Coast, the Port of Baltimore and the Port of Virginia are the only two ports that can currently accommodate Post-Panamax ships, and both have utilized P3-type structures to achieve this
- However, following concessions at the Ports of Portland, Oakland, and Baltimore, P3 development in the municipal seaport space has stalled
- Away from the P3 space, recent activity includes sale processes for and equity investments in Carrix, MOL Terminals, Maher Terminals and Ports America

Macroeconomic forces of low interest rates and appetite for steady income, long duration assets continues to support relatively robust port valuations.



### Recent transactions (FV/LTM EBITDA): Ports



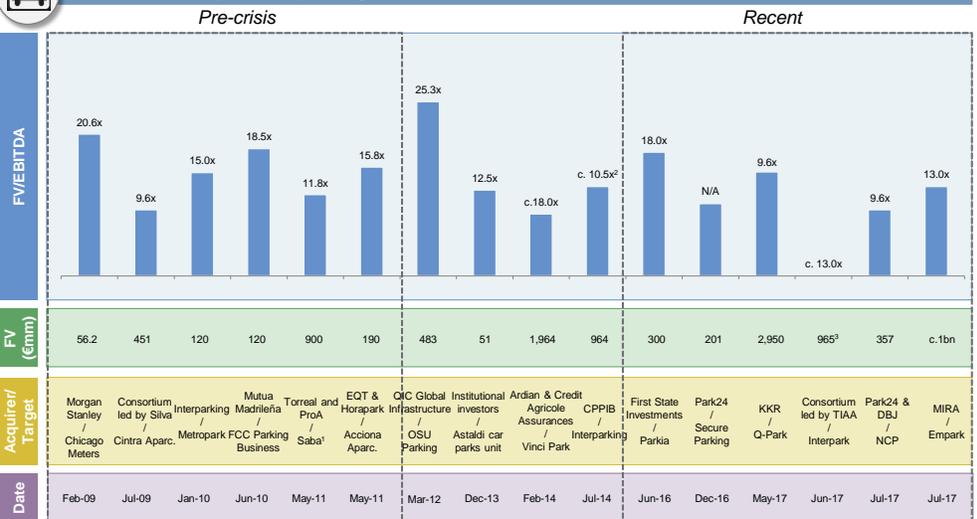
Source: Company information, Press; <sup>1</sup>Including Global Ports' debt pro rata 37.5%; <sup>2</sup> China Merchants acquired 49% for €400mm, converted at a €/\$ exchange rate of 1.3462; <sup>3</sup> Estimated TIL EBITDA of \$400mm; <sup>4</sup> Including certain payments contingent on TIL's future performance

## Parking

Another common asset public sector clients consider for strategic review is parking. Strategically located parking assets' relative income stability and high barrier to entry make them attractive to investors looking for "infrastructure like" assets. Although multiples paid for parking assets depend heavily on jurisdiction, business model and asset characteristics, recent transactions help illustrate the valuation trends on parking assets over the past few years. Past parking transactions in the US



### Recent transactions (FV/EBITDA): Parking



Source: Company data, MergerMarket, Dealogic  
 Notes: In July 2011, FCC sold EYSA (on-street) to N+1 Private Equity for €115m. That transaction has been excluded from the selected ones due to being exclusively on-street  
<sup>1</sup> Subsequent to the acquisition of a 12.5% stake in Saba for an undisclosed amount in 2011, KKR announced the acquisition of an additional 5.66% stake in December 2011 for €22.6mm (representing an 11.4x FV/EBITDA multiple based on €76mm EBITDA in 2011)  
<sup>2</sup> FV/EBITDA estimated multiple based on latest reported financials available and not on LTM EBITDA. EBITDA of Secure Parking Australia as of June 2016, of Secure Parking Singapore as of March 2016 and of Secure Parking Malaysia as of December 2015  
<sup>3</sup> Based on rumoured deal value of \$1.1bn; USD / EUR FX of 0.8768 as of announcement date (30-06-2017) applied

consists mostly of public entities giving private operators long term operating concessions (e.g. Chicago Meters, OSU Campus Parking) rather than an outright sale.

### B.3. Marketing Approach

J.P. Morgan will work closely with the City to identify the optimal target assets and design, structure, prepare and execute a process to address Jacksonville’s goals and objectives. A successful process is designed and conducted in a disciplined and transparent manner with the objective of optimizing the outcome while achieving the key policy objectives for the City, its stakeholders and the broader community. In our experience, no single P3 / M&A process is “one size fits all” and the process must reflect the unique circumstances of the assets, market and potential bidders. Typically, however, building an auction structure and approach involves three main components: (1) determining the number of parties to include in the process, (2) identifying which particular parties to include in the process, and (3) selecting the highest / best bidder(s) out of these parties.

**(1) Number of parties to include:** a key choice the seller faces is the number of parties to include in the process. Typical considerations include value, speed, certainty, confidentiality, control over the process and potential business disruption.

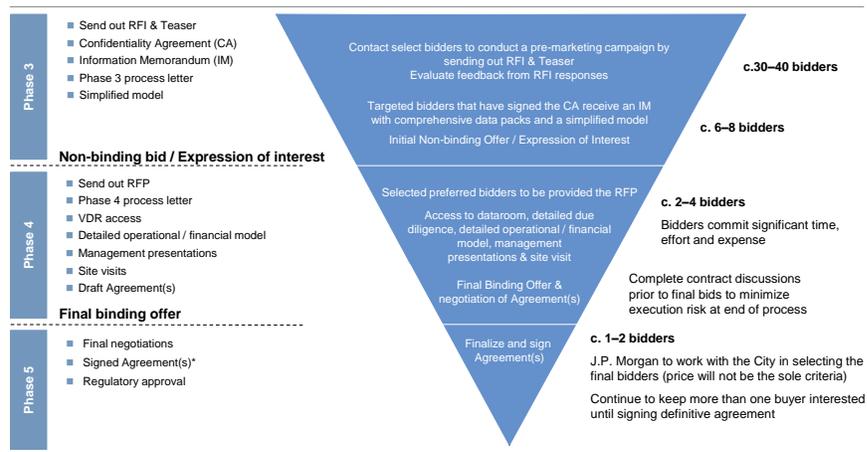
**(2) Which parties to include:** In addition to determining the number of parties, the seller must select which particular parties to include. The main criteria for determining whether to include a party are:

- Whether they have a history of operating the particular asset class
- Whether they have a track record of ownership in the particular asset class
- Whether they are likely able to finance the transaction
- Whether they would be able to close on a transaction (e.g., are there regulatory or other government approvals that would prevent them from acquiring the business / assets)

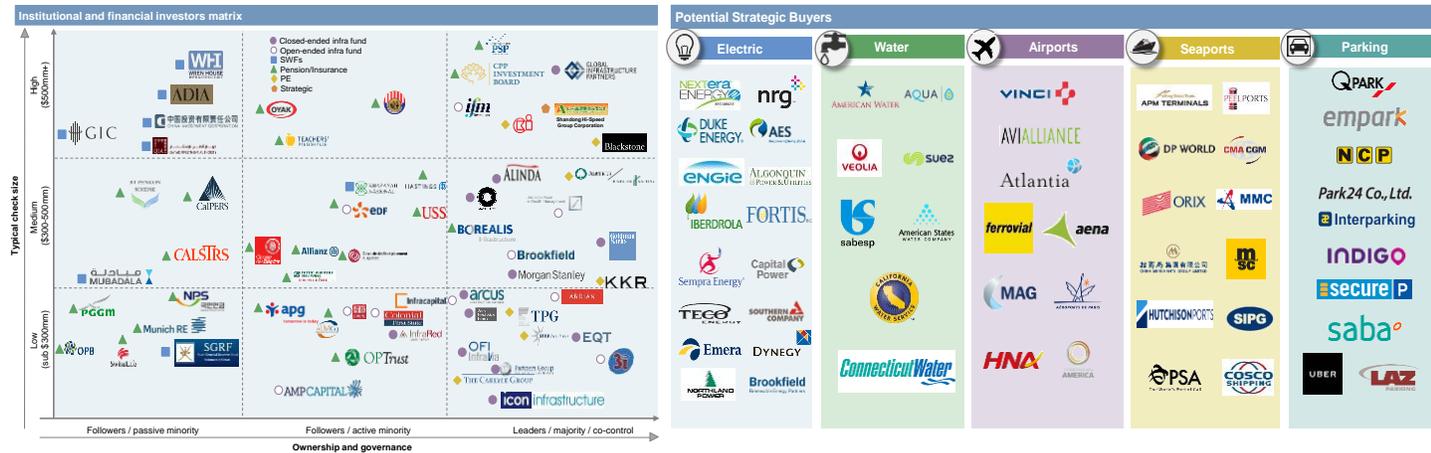
Including parties in the process that do not meet these threshold criteria risks wasting time and effort with parties that ultimately are not likely to be successful.

**(3) Identifying the best / highest bidder:** once the parties to include in the process have been selected, the seller must then identify the highest / best bidder, but must do so in a timely and efficient manner. Where a large number of parties are included in the process, the best way to handle this is by staging bidders’ access to information and using multiple “rounds” of bidding. The seller can use these rounds to narrow the field to ultimately focus on those parties that are willing to transact at the highest price. The drawback of such an approach is that it takes time and significant effort, but a process in which a large number of parties are provided with full information about the business and asked to provide binding proposals based on such information risks having the seller spend time with parties that are either not particularly interested (i.e., “tire kickers”) or are less likely to be the highest / best bidder

J.P. Morgan’s marketing approach begins with a RFI for broad market appetite for different assets and structures followed by a focused, tailored process. This ensures proposal innovation and competitive tension is maximized in the beginning of the process and the later process can be tailored to accommodate the types of bids / structures the City decides to pursue. The following graphic overlays our marketing approach on top of our phased strategic advisory approach discussed in the previous section. Even before the pre-marketing campaign, J.P. Morgan will work



proactively with the City to prepare the necessary materials to ensure the identified assets and strategic opportunities are marketed and messaged appropriately to investors. In addition to maximizing value to the City, the speed and risk of each transaction are also of paramount importance. J.P. Morgan's relationships with major investors go beyond basic coverage; we have direct access to senior decision makers at these organizations that can facilitate tremendously when transactions hit roadblocks. For additional detail on key marketing materials and documents please see Appendix C.



Potential investors in the City's assets can broadly be classified into strategic buyers and financial sponsors. Financial sponsors are institutional asset managers attracted to high quality infrastructure assets on account of sustained low interest rates globally and desire for long duration, fixed income like investments. The increased involvements from these institutions have increased pricing competition during competitive bidding processes. Financial sponsors often face lower costs of capital and can be more creative with transaction structures than strategic buyers that operate in the same business as the asset being marketed. When marketing the City's assets and strategic opportunities, J.P. Morgan's deep understanding of the appetite and institutional constraints of both financial sponsors and strategic buyers will allow us to design a market sounding program that is tailored to the City's identified portfolio of assets and specific political / contracting circumstances.

J.P. Morgan is the only full service investment bank that has dedicated Public M&A and P3 Advisory Groups within Public Finance to support the non-traditional funding alternatives and strategic advisory services for public sector clients. As such, we will ensure the City receives the best flawless execution during the entirety of the strategic advisory engagement by providing the City with a single point of contact that will coordinate all internal resources. This ensures the City is able to leverage a comprehensive resource to address every facet of the process.

### B.4. References

| References                                       |  |  |   |                 |
|--|--|--|---|-----------------|
| Client Name                                      | Client   | Contact  | Transaction   | Date of Service |
| <b>CPS Energy</b>                                | <b>David Jungman</b><br>Senior Director<br>Business &<br>Economic<br>Development | 7000 San Pedro Ave<br>San Antonio, TX 78216<br>(210) 854-2834<br>djungman@cpsenergy.com        | Advisor to CPS Energy related to the sale of the Company's wireless communications towers and execution of a long term operating partnership with Crown Castle, the largest tower operator in the US. | Jan. 2014       |
| <b>BCD Energy Collaborative</b>                  | <b>Andrew Cohn</b><br>CEO & President  | 375 Longwood Ave<br>Boston, MA02215<br>(617) 823-3913<br>andrew_cohn@hms.harvard.edu           | BCD's purchase and simultaneous sale of Medical Area Total Energy Plant ("MATEP")   | Ongoing         |
| <b>New Hampshire Public Utilities Commission</b> | <b>Anne Ross</b><br>General<br>Counsel   | 21 S. Fruit St, Suite 10<br>Concord, NH 03301-2429<br>(603) 271-2431<br>f.anne.ross@puc.nh.gov | Eversource's sale of its New Hampshire power generation portfolio   | Oct. 2017       |

Note: J.P. Morgan has not included Melissa Dykes, the Chief Financial Officer of JEA, as a reference related to J.P. Morgan's role in the JEA / FPL transaction. In the event that the Staff is in need of additional feedback regarding J.P. Morgan's qualifications as an advisor and performance during the assignment, we would encourage the Staff to contact Ms. Dykes.

## B.5. City Experience

We immensely value the privilege to collaborate with the City on important financial and community initiatives the past 10+ years. J.P. Morgan has consistently been the top underwriter of the City's debt financings. Since 2005, J.P. Morgan, as the #1 underwriter for the City and its associated agencies, has led 40

issuances, for more than 25% of the market share. Recently, J.P. Morgan acted as financial advisor to JEA on the acquisition of Florida Power and Light's ("FPL") 20% stake in Saint John's River Power Park. J.P. Morgan delivered a valuation opinion to the Board of Directors of JEA.

The Firm and our management view community support as primary responsibility and locally have contributed over \$900,000 the past 3 years for economic and community development to

entities such as Habijax, Family Foundations, United Way Northeast, JAXUSA, Duval Public Schools, Ability Housing. Within days of the Hurricane Irma's landfall, **JPMorgan Chase donated \$1 million to aid the response to Hurricane Irma** across affected communities in the U.S. and the Caribbean including: \$250,000 to American Red Cross, \$250,000 to International Medical Corps, \$500,000 to other local nonprofit organizations in communities that need it most: including Northeast Florida and \$100,000 to **Florida's First Coast Relief Fund**, a strategic collaboration created by United Way of Northeast Florida, United Way of St. Johns County, The Community Foundation for Northeast Florida, the Jessie Ball duPont Fund and the Jewish Federation of Jacksonville.

|   |   |  |   |   |  |
|---|---|--|---|---|--|
| September 2017<br>Brooks Rehabilitation<br>Hospital<br>Series 2017<br>\$71,405,000<br><br>Sole Manager | February 2017<br>JEA Series 3 & 2017 A<br>\$90,405,000<br><br>Senior Manager                 | September 2016<br>City of Jacksonville<br>Series A<br>\$150,000,000<br><br>Sole Manager |   |   |  |
| August 2016<br>City of Jacksonville<br>Series 2016 A & B<br>\$150,860,000<br><br>Senior Manager          | July 2015<br>JEA, Electric Series<br>Three 2015 B<br>\$42,335,000<br><br>Senior Manager        | January 2015<br>JTA Series 2015<br>\$97,485,000<br><br>Senior Manager                    | June 2014<br>JEA, W&S 2014 Series A<br>\$300,200,000<br><br>Senior Manager                                       | September 2013<br>City of Jacksonville<br>Series 2013 A, B, C<br>\$120,745,000<br><br>Senior Manager                 | June 2013<br>JEA, W&S 2013 Series<br>A&B<br>\$203,635,000<br><br>Senior Manager                     |
| November 2012<br>City of Jacksonville<br>Series 2012<br>\$118,005,000<br><br>Senior Manager              | September 2011<br>JEA, SJRPP Issue 2,<br>Series 23 & 24<br>\$365,410,000<br><br>Senior Manager | June 2011<br>City of Jacksonville<br>Series 2011<br>\$79,220,000<br><br>Senior Manager   | July 2010<br>JEA, Electric Series<br>Three 2010B&C, Sub<br>2010 Series A&B<br>\$81,445,000<br><br>Senior Manager | November 2009<br>JEA, Electric Series<br>Three 2009 D&F, Sub<br>2009 Series G<br>\$142,230,000<br><br>Senior Manager | September 2009<br>City of Jacksonville<br>Series 2009 A, B, C<br>\$92,325,000<br><br>Senior Manager |
| April 2009<br>JEA, SJRPP Issue 3,<br>Series 3<br>\$64,305,000<br><br>Senior Manager                      | November 2008<br>JEA, Scherer 4 Series<br>2008A<br>\$77,945,000<br><br>Senior Manager          | April 2008<br>JEA, SJRPP Issue 3,<br>Series 2<br>\$125,000,000<br><br>Senior Manager     | February 2007<br>JEA, W&S 2007 Series A<br>\$107,180,000<br><br>Senior Manager                                   | January 2007<br>JEA, SJRPP Issue 2,<br>Series 22<br>\$108,350,000<br><br>Senior Manager                              | November 2005<br>JEA, Issue Two Series<br>21<br>\$225,180,000<br><br>Senior Manager                 |



Our balance sheet support in the region is further evidence of the priority we place on Jacksonville and includes \$500mm in credit facilities to JEA comprised of a \$300mm revolving facility to JEA & \$201mm of Liquidity Facilities supporting JEA variable rate demand instruments. We are proud to be serving as lead or co-lead on investment banking teams for JEA, JTA and UNF and to have provided credit to JAXPORT during the national fiscal downturn. In addition to our record of financial service, JPMorgan Chase strives to be a strong civic partner with the Jacksonville community. **JPMorgan Chase employs over 1,800 City residents in 12 locations serving over 164,200 consumer customers and 6,600 small businesses.**

## Appendix A: Resumes

### Senior Sponsors

#### **Mel Martinez**

*Chairman, Southeast / Caribbean / Latin American markets*

450 S Orange Avenue  
Orlando, FL 32801

Telephone: (321) 558-3910  
mel.martinez@jpmorgan.com

Mel Martinez is Chairman of the Southeast U.S. and Latin America for JPMorgan Chase & Co. After more than a decade of public service, Senator Martinez joined JPMorgan Chase in July 2010. Based in Florida, he represents the Firm to clients throughout the Americas – from individuals and businesses to large corporations, governments and nonprofit organizations. Mr. Martinez was elected to the United States Senate in 2004. Representing Florida as a U.S. Senator, he served on several committees including Banking, Housing and Urban Affairs and Armed Services. While serving in the Senate, he led efforts to reform Fannie Mae and Freddie Mac and was a trusted voice on foreign policy issues throughout the Western Hemisphere.

Prior to his time in the Senate, Mr. Martinez served as the 12th Secretary of the United States Department of Housing and Urban Development (HUD). As the first Cuban-American to serve in a President's cabinet, he became known for his efforts to increase homeownership for all Americans and his aggressive efforts to end chronic homelessness. Mr. Martinez also served as Mayor of Orange County (Orlando, FL) and he practiced law for 25 years.

He received both his B.S. and J.D. degrees from Florida State University.

In addition to his role with JPMorgan Chase, he is actively involved on housing policy reform discussions as co-chair of the Bipartisan Policy Center's Housing Commission. Mr. Martinez also serves on the boards of Marriott Vacations Worldwide as Lead Director and NVR, Inc. He and his wife, Kitty, reside in Orlando; they have three children and five grandchildren.

#### **Anu Aiyengar**

*Managing Director  
Head of North America Mergers & Acquisitions*

383 Madison Avenue, 42nd Floor  
New York, NY 10179

Telephone: (212) 622-2260  
anu.aiyengar@jpmorgan.com

Anu Aiyengar is the Head of J.P. Morgan's North American Mergers & Acquisitions Group responsible for the marketing and execution of advisory assignments in North America. Since 1999, she has advised both domestic and international clients on over \$500 billion worth of transactions including mergers, acquisitions, divestitures / separations, leveraged buyouts, proxy contests, unsolicited transactions and special committee assignments. Ms. Aiyengar also serves on J.P. Morgan's fairness and valuation committee.

Ms. Aiyengar obtained a Master in Business Administration from Vanderbilt University and a BA from Smith College.

**Jamison Feheley***Managing Director, Head of Public Finance Banking*

383 Madison Avenue, Floor 8

New York, NY 10179

Telephone: (212) 270-1156

jamison.feheley@jpmorgan.com

Mr. Feheley is currently Head of Public Finance Banking at J.P. Morgan and has been providing investment banking services to state and local governments for the past 26 years. His structuring expertise includes long-term fixed and variable rate bonds, sales tax and asset-backed bonds, special purpose revenue bonds, certificates of participation, and toll revenue bonds. Mr. Feheley provides investment banking expertise for the issuance of toll road/bridge revenue bonds, transportation sales tax revenue bonds, highway revenue bonds, and the leveraging of federal funds for highways and transit using GARVEE bonds and bonds secured by TIFIA and Full Funding Grant Agreements. In addition to his work with MWAA as part of the J.P. Morgan team described herein, Jamison worked with the Airports Authority and its financial advisors while at another firm to develop the multi-lien bond indenture and offering document, and reviewed and refined the investment grade traffic and revenue study for the inaugural Dulles Toll Road Revenue Bond issuance in 2009. Mr. Feheley graduated with honors from the University of Arizona with a B.S. in Finance.

**Mike Carlson***Managing Director & Head of U.S. Public Finance Infrastructure Group*

560 Mission Street, 3rd Floor

San Francisco, CA 94105

Telephone: (415) 315-3948

michael.a.carlson@jpmorgan.com

Mr. Carlson has twelve years of public finance experience and has been providing investment banking services to municipal issuers since 2003. Mr. Carlson serves as the head of the U.S. Public Finance Infrastructure Group, which includes engagements in the transportation, public power, corporate-backed, and water utility sectors. The Infrastructure team within Public Finance coordinates most of J.P. Morgan's U.S. infrastructure finance programs and works closely with professionals in other sectors, as well as in regions around the country and globally, to provide expertise related to specific projects.

Mr. Carlson has worked with infrastructure issuers for the last decade, including senior managing over \$20 billion in debt transactions for clients around the country. Mr. Carlson's experience includes public and private debt transactions, private activity bonds, leveraging TIFIA and other Federal and State funding programs, and bank secured products.

Mr. Carlson received his bachelor's degree from the University of California at Berkeley and his MBA from Santa Clara University.

**Jay Horine***Managing Director**Global Head of Energy Investment Banking*

383 Madison Avenue, 41st Floor

New York, NY 10179

Telephone: (212) 622-6990

jay.d.horine@jpmorgan.com

Mr. Horine is Global Head of J.P. Morgan's Energy Investment Banking Group, which includes the Oil & Gas, Power & Utilities, Renewables, Midstream and CleanTech sectors. He joined J.P. Morgan in 2006 after 12 years at Goldman Sachs.

Mr. Horine's experience includes financial advisory, merger and acquisition, and equity and debt financing assignments for clients such as Xcel, Dominion, DTE, PSE&G, EdF, NextEra Energy, Warburg Pincus, Alliant, Ameren, PPL, Portland General, ITC, and Vectren.

Mr. Horine is a graduate of the University of Virginia and has an MBA from the University of Florida. Mr. Horine currently serves as Co-Chairman of EEL's Wall Street Advisory Group.

## Mergers &amp; Acquisitions

**Eric Anderson**

*Executive Director  
Mergers & Acquisitions*

10 South Dearborn, Floor 44  
Chicago, IL, 60603-2300

Telephone: (312)732-3501  
eric.j.anderson@jpmorgan.com

Eric Anderson is an Executive Director in the Mergers & Acquisitions group of J.P. Morgan. Eric is focused on M&A advisory services to clients in the Energy space, including power and utilities and midstream. Eric also covers Diversified Industrials businesses. His experience includes buy-side, sell-side and separation transactions involving both public and private companies and subsidiaries. He has also advised clients related to Activism and Corporate Westar Energy, NiSource, Xcel Energy, Northeast Utilities, Millennium Pipeline, and Pepco.

Eric earned an MBA with High Honors from the University of Chicago Booth School of Business and a B.S in Finance and Management Information Systems from Boston College

**Ked Fisseha**

*Vice President*  
383 Madison Avenue, 8th Floor  
New York, NY 10179

Telephone: (212) 622-5132  
ked.fisseha@jpmorgan.com

Ked Fisseha is a Vice President in J.P. Morgan's Mergers and Acquisitions Group responsible for the marketing and execution of advisory assignments in North America. Prior to joining J.P. Morgan, Mr. Fisseha was an Associate in the North American Mergers and Acquisitions Group at BNP Paribas and also an Analyst in the Consumer, Retail and Leisure Investment Banking Coverage Group at the Royal Bank of Scotland.

Mr. Fisseha obtained a Master in Management Studies from Duke University and an AB from Harvard College.

## Public Finance – Infrastructure Advisory

**Jason Gredell**

*Executive Director, Head of Public  
Infrastructure Mergers & Acquisitions*

383 Madison Avenue, 8th Floor  
New York, NY 10179

Telephone: (212) 270-3893  
jason.gredell@jpmorgan.com

**Primary Point of Contact**

Jason Gredell is an Executive Director in J.P. Morgan's Public Finance Group and lead's the Firm's public infrastructure M&A advisory efforts. In this capacity, Mr. Gredell is focused on executing M&A and privatization and P3 advisory mandates for J.P. Morgan's public finance clients.

Mr. Gredell has executed M&A transactions and strategic projects for various municipal and state authorities throughout the U.S.

Prior to J.P. Morgan, Mr. Gredell was a Managing Director at Jefferies serving in various roles throughout his career including Co-Head of the Firm's Public Advisory Group and Head of the Firm's U.S. Telecom Infrastructure Group. Mr. Gredell has 18 years of investment banking experience and has executed M&A and financing transactions for a broad range of clients in the public and private infrastructure sectors.

Mr. Gredell received a Bachelor of Science degree from the University of Richmond.

**Ben Djionas**

*Executive Director and Head of P3 &  
Project Finance*

383 Madison Avenue, 8th Floor

Ben Djionas has been a member of J.P. Morgan's Public Finance Infrastructure Group since 2004, working with transportation and infrastructure clients on innovative financing and advisory assignments.

Mr. Djionas is active in transportation financing and advisory for P3 projects, including leading the J.P. Morgan team on senior managed

New York, NY 10179  
 Telephone: (212) 270-0693  
 benjamin.n.djiounas@jpmorgan.com

engagements of the bond financing portions of many of the largest transportation P3 projects. Ongoing advisory and P3 financing assignments range across infrastructure asset classes, including social infrastructure, parking, transit, aviation and toll road projects.

Prior to joining J.P. Morgan, Mr. Djiounas was an M&A specialist in the transportation sector. Mr. Djiounas graduated from Babson College with honors and is a CFA charter holder.

**Nick Chen**  
*Associate*  
 383 Madison Avenue, 8th Floor  
 New York, NY 10179  
 Telephone: (212) 270-2016  
 nick.chen@jpmorgan.com

Mr. Chen provides quantitative and investment banking support for the Infrastructure, Transportation and P3 clients nationwide. He joined J.P. Morgan in 2016.

Mr. Chen holds a B.Math in Actuarial Science from the University of Waterloo and a M.Fin from the MIT Sloan School of Management.

#### Public Finance – Local Jacksonville Coverage

**Henry Reyes**  
*Managing Director*  
 450 S Orange Avenue, Floor 10  
 Orlando, FL, 32801

Telephone: (407) 236-5434  
 henry.p.reyes@jpmorgan.com

**Mr. Reyes will be the primary contact for the City and will provide day-to-day investment banking services from the Firm's Orlando office.**

Henry Reyes, Managing Director, joined J.P. Morgan in early 2007 after working as the national head of Public Finance at Raymond James from 2002-2007. His 30 years of industry experience include 15 years in public finance at Citigroup, where he was a Managing Director and served as Deputy Head of Public Finance and Chair of the Transaction Structuring Committee, and four years as a Certified Public Accountant in the Tampa Bay office of Ernst and Whinney where he specialized in municipal clients. Mr. Reyes has participated on over \$30 bn of senior managed transactions for a variety of issuers including: Jacksonville, Orlando, Tampa, Tallahassee, Miami, Clearwater, Fort Lauderdale, Gainesville, Hollywood, Ocala, Pembroke Pines, Sarasota, St.Petersburg; Counties: Hillsborough, Orange, Osceola, Miami Dade, Broward, Alachua, Brevard, Charlotte, Escambia, Lake, Lee, Manatee, Pasco, Palm Beach, St. John's; Airports: Orlando, Tampa, Miami, Fort Lauderdale, Pensacola; Ports: Jaxport ( co-Mgr/Credit Provider), Tampa Bay, Manatee, Canaveral, Everglades, Florida Ports Financing Commission; Muni Utilities: Hillsborough Water/Sewer & Solid Waste; Tampa Bay Water's Acquisition of West Coast Regional Water Supply Authority Assets; Charlotte County's Acquisition of GDU Water Assets, Tallahassee Energy, FMPA, OUC, Orange Solid Waste, Sarasota County Water, Sarasota City Water/Sewer, St. Petersburg Water; Public-Private: Osceola Neo City Commercial Building/Advanced Mfg. Campus, Lee Resource Recovery, Dade Waste to Energy, Reedy Creek Improvement District (\$800mm+), Florida Hurricane Catastrophe Fund ( State created Reinsurer, \$6Bn+), Citizens Property Insurance Corp (\$7Bn+), Health Care: Moffitt Cancer Center Research Institute ( \$700mm Cigarette Tax Allocation Bonds, \$600mm Hospital Revenue), Tampa General, South Broward, Non-Florida Large City: NY Water,

Chicago Hotel Financing Auth., Philadelphia, Seattle Stadium, Nashville Stadium, St Louis Airport Hotel. Jacksonville Area: \$150mm 2016 Jacksonville Special Revenue Bonds, \$71mm 2017 Brooks Rehabilitation Hospital, \$400mm Various Jacksonville 2009-2013, \$97mm JTA 2015.

Henry received a BS in Accounting (High Honors) from the University of Florida and an MBA in Finance & Strategic Planning from the Wharton School at the University of Pennsylvania. He served on Governor Jeb Bush's CON Work Group and was a member of Leadership Florida Class XX.

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**Nathaniel Johnson**

*Vice President*

450 S Orange Avenue, Floor 10  
Orlando, FL, 32801

(407) 843-0624

nathaniel.johnson@jpmorgan.com

Mr. Johnson joined J.P. Morgan through the Bear Stearns merger in 2008, and primarily focuses on east coast governmental issuers. Mr. Johnson has covered clients in Florida, Puerto Rico, North Carolina, New York, and Wisconsin, including the Puerto Rico Housing Finance Authority Capital Grant and Housing Revenue Bond financings in 2008, which received Bond Buyer Deal of the Year for 2008. He has completed senior managed financings totaling over \$17 bn, including financings for: Tallahassee Energy, FMPA and OUC, the City of Raleigh, the School Board of Hillsborough County, Osceola County, City of Miami Beach, City of Jacksonville, Jacksonville Transportation Authority, School Board of Orange County, Orlando-Orange County Expressway Authority, Citizens Property Insurance Corporation, Florida Hurricane Catastrophe Fund, the City of New York, the City of Jacksonville, the City of Orlando, and others. Mr. Johnson has a Bachelor and Master of Science degree in Finance from the University of Florida and holds Series 7, Series 53 and Series 63 licenses.

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**Josh Kohn**

*Analyst*

383 Madison Ave, Floor 8  
New York, NY 10179  
212-270-4210

Joshua.m.kohn@jpmorgan.com

Mr. Kohn provides analytical coverage to a variety of clients in the southeast region. Recently, he has helped provide transactional and analytical support to municipal issuers including deals for the City of Jacksonville, City of Tallahassee Energy System, Georgia State Road and Tollway Authority, the Central Florida Expressway and the Michigan Finance Authority's State Aid Note Program. Josh received a B.A. from Davidson College in 2009 and served 6 years as an Army Officer, before joining J.P. Morgan last year through the Firm's Military Veteran Hiring Initiative.

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**Public Finance – Power Coverage**

**Isaac Sine**

*Executive Director*

*Head of Public Power*

1301 2nd Ave, Floor 24  
Seattle, WA, 98101

Telephone: (206) 500-6097

isaac.sine@jpmorgan.com

Mr. Sine has been providing investment banking services to issuers for over thirteen years and is the Head of Public Power within J.P. Morgan's Public Finance Group. Based in J.P. Morgan's Seattle office, Isaac has worked with public power and utility issuers across the State of Washington. Isaac has worked on over \$16 billion in transactions across the country. Mr. Sine's experience includes both public and private debt transactions, variable rate debt, and leveraging federal and state funding programs.

Mr. Sine supports numerous clients including Energy Northwest, Bonneville Power Administration, Los Angeles Department of Water and Power, Western Generation Authority, American Municipal

Power, Sound Transit, and Energy Northwest to name a few.

Isaac holds a B.A. in Economics from the University of Washington.

**Kevin Plunkett**

*Executive Director*

*Public Power*

383 Madison Avenue, 8th Floor  
New York, NY 10179

Telephone: (212) 270-7036  
kevin.plunkett@jpmorgan.com

Mr. Plunkett is an Executive Director in J.P. Morgan's Public Finance Group with responsibility for coverage of publicly owned utilities. Mr. Plunkett has expertise in project finance and underwriting, and supports the Firm's infrastructure advisory efforts. With over ten years of municipal banking experience, he has assisted with debt financings for various projects and purposes, including complex restructuring and securitization transactions.

Mr. Plunkett has worked on numerous transactions in the Power & Utility Industry for such clients as Bonneville Power Administration, Energy Northwest, Long Island Power Authority, New York Power Authority, WPPI Energy, Santee Cooper, Indiana Municipal Power Agency, Omaha Public Power District, Turlock Irrigation District and Grant County PUD.

Mr. Plunkett received a B.A. in political science and philosophy from Boston College.

**Molly Hurff**

*Analyst*

383 Madison Avenue, 8th Floor  
New York, NY 10179

Telephone: (212) 270-6117  
molly.m.hurff@jpmorgan.com

Ms. Hurff joined J.P. Morgan's Infrastructure banking team in March 2016 and provides analytical support to various transportation and energy clients with a focus on P3 transactions. Ms. Hurff's most recent experience includes transactional support for J.P. Morgan's most recent advisory role on JEA's acquisition of NextEra subsidiary FPL's ownership stake in St. Johns River Power Park. Ms. Hurff also provided analytical support on JEA's Electric System Series 2017A transaction for which J.P. Morgan served as Senior Manager and the Electric System Series 2017B and Water and Sewer System Series 2017A transactions for which J.P. Morgan served as Co-Manager. Ms. Hurff received a B.A. in Economics from New York University.

**Public Finance – Aviation and Ports Coverage**

**Stephanie Tomblin**

Managing Director and Head of Aviation  
Group

1125 17th Street, Floor 2  
Denver, CO 80202

Telephone: (303) 244-3388  
stephani.g.tomblin@jpmorgan.com

Ms. Tomblin joined J.P. Morgan in 2001 and was named Head of the Aviation Group within J.P. Morgan's Public Finance Group in 2012. Ms. Tomblin's senior managed experience includes serving as lead banker on the largest U.S. airport GARB financing in history, \$1.95 billion for Chicago ORD, in addition to financings for Massport, Chicago Midway, San Francisco International Airport, and Dallas/Fort Worth International Airport, Metropolitan Washington Airports Authority, among others. Ms. Tomblin holds two Bachelor's Degrees from the University of Montana and a Master's Degree from the University of Chicago Graduate School of Business. Ms. Tomblin served as an officer on the ACI-NA Finance Committee from 2012-2016.

**Chris Bergstrom***Executive Director*383 Madison Avenue, 8th Floor  
New York, NY 10179Telephone: (212) 270-3527  
Chris.e.bergstrom@jpmorgan.com

Mr. Bergstrom has worked in J.P. Morgan's Public Finance Infrastructure Group for over 10 years, where he covers airports, ports and other transportation issuers. Since joining the Firm, he has worked on over \$10 billion of issuance senior managed by J.P. Morgan, including offerings for the Massachusetts Port Authority, Port of Seattle, Greater Orlando Aviation Authority, Metropolitan Washington Airports Authority, Detroit Metropolitan Wayne County Airport, Fort Lauderdale-Hollywood International Airport, Miami International Airport, Tampa International Airport, Denver International Airport, Hartsfield-Jackson Atlanta International Airport, Portland International Jetport, and Nashville International Airport, among others. Mr. Bergstrom graduated from the London School of Economics and Political Science, where he received his Bachelor's Degree in Government and Economics.

**Noah Herman***Analyst*383 Madison Avenue, 8th Floor  
New York, NY 10179Telephone: (212) 270-6117  
noah.herman@jpmorgan.com

Noah Herman is an Investment Banking Analyst in J.P. Morgan's Public Finance department. He joined the J.P. Morgan Public Finance Team in January of 2016 and now provides analytical and transaction support for J.P. Morgan's national infrastructure clients. Representative clients include Long Island Power Authority, Bonneville Power Administration, Energy Northwest, Dallas-Fort Worth International Airport, New York State Thruway Authority and Florida Municipal Power Agency. Noah holds a B.S. in finance from The College of New Jersey.

**Power & Utilities Investment Banking****David Harkin***Executive Director, Power Generation & Renewable Energy NA*383 Madison Avenue, 42nd Floor  
New York, NY 10179Telephone: (212) 622-7072  
david.p.harkin@jpmorgan.com

David Harkin is a Managing Director in the Energy Investment Banking Group, based in New York. David recently rejoined the Power & Utilities group from the Oil & Gas group, where he spent the last four years covering midstream, LNG and E&P companies. During that time, he led (as a Left or Active Bookrunner) over \$18bn of capital markets transactions, including IPOs, debut HY offerings, levered loans, convertible, mandatory and common offerings. He has also worked on over \$10bn in M&A transactions.

Prior to joining J.P. Morgan in 2010, David spent four years in Lazard's Power and Renewables group. Previously, David was a lawyer in the corporate department of Cravath, Swaine and Moore, where he worked on a range of M&A, securities and financing transactions.

David graduated from Emory University and the Harvard Law School. David is originally from Grapevine, Texas.

**Neil Davids***Executive Director, Power Generation & Renewable Energy NA*383 Madison Avenue, 42nd Floor  
New York, NY 10179

Neil Davids is an Executive Director in the Energy Investment Banking Group of J.P. Morgan with responsibility for coverage of Power Generation and Renewable Energy clients. Mr. Davids has executed numerous corporate, portfolio, and single asset power generation and renewable energy M&A transactions. Mr. Davids has also executed

Telephone: (212) 622-6835  
neil.e.davids@jpmorgan.com

numerous equity, debt and convertible transactions for YieldCo, IPP, and private equity clients including NRG Yield, TerraForm, SunEdison, Dynegy, Talen, and Riverstone.

Prior to covering Power Generation and Renewable Energy, Mr. Davids also executed numerous equity, debt and convertible transactions for electric, gas and pipeline companies including Westar Energy, NiSource, Xcel Energy, Northeast Utilities, Millennium Pipeline, and Pepco.

Mr. Davids has an M.B.A. from Columbia Business School and a B.A. in Economics from the University of Rochester.

**John Warin**  
*Vice President*

383 Madison Avenue, 41nd Floor  
New York, NY 10179

Telephone: (212) 622-5917  
John.j.warin@jpmorgan.com

John Warin is a Vice President in J.P. Morgan's Power and Energy Investment Banking Group. John joined J.P. Morgan in 2012 and is based in New York. John has experience in Energy Investment Banking, Capital Markets, and Merger and Acquisitions including advising the City of Philadelphia on the sale of its natural gas utility, Philadelphia Gas Works, and advising JEA on its acquisition of FPL's 20% ownership stake in St. Johns River Power Park. Prior to joining J.P. Morgan, John was an Associate at the management consulting firm Alliance Consulting. Before that, he was a project manager at the construction firm HITT Contracting. John received a Bachelor of Science in Civil Engineering from the University of Virginia in 2000 and an MBA from the University of Chicago Booth School of Business in 2012.

### Transportation Investment Banking

**Diego Simonian**

*Managing Director*  
*Head of Infrastructure Investment Banking*

383 Madison Avenue, 30st Floor  
New York, NY 10179

Telephone: (212) 622-2099  
diego.simonian@jpmorgan.com

Diego Simonian is currently based in New York, where he is a Senior Client Executive in the Transportation Group, responsible for clients in the infrastructure, shipping, logistics, and aviation sectors. Between 2008 to 2012, Mr. Simonian spent four years in London as head of J.P. Morgan's Transportation and Infrastructure Group for Europe, the Middle East and Africa. Prior to moving to London in 2008, Mr. Simonian spent four years in the Global Transportation Group and five years in the Latin America Corporate Finance Group in New York. Prior to joining J.P. Morgan in 1999, Mr. Simonian worked at Citibank's Global M&A Group in London and its Corporate Banking Division in Argentina.

Mr. Simonian obtained a Masters in Business Administration with specialization in Finance from Columbia University in 1999 (Beta Gamma Sigma National Honor Society and Dean's Honor List) and holds a BS Honors Degree in Economics from Universidad Catolica Argentina. Mr. Simonian is fluent in English and Spanish, and has working knowledge of Portuguese.

**Matt Furlong**  
*Vice President*

383 Madison Avenue, 30th Floor  
New York, NY 10179

Telephone: (212) 622-2197

Matthew Furlong has been a member of J.P. Morgan's Transportation Group since 2010, where he currently serves as Vice President, responsible for clients in the infrastructure, shipping, cruise line, logistics, and aviation sectors.

Mr. Furlong obtained a Bachelor of Business Administration in Finance

matthew.j.furlong@jpmorgan.com

and Bachelor of Arts in Economics from Miami University of Ohio.

## Appendix B: Case Studies

### BCD Energy Collaborative Case Study



#### Overview

##### **J.P. Morgan Role**

J.P. Morgan acted as exclusive financial advisor to BCD Energy Collaborative related to the purchase of Medical Area Total Energy Plant (“MATEP”) and the simultaneous sale to an investor owned power provider.

##### **Transaction Overview**

MATEP is centrally located in the 200 acre Longwood Medical Area (“LMA”) of Boston. MATEP is a tri-generation energy facility that supplies steam, chilled water, and electricity to LMA institutions including Boston Children’s Hospital, Brigham and Women’s Hospital, Beth Israel Deaconess Medical Center, Dana-Farber Cancer Institute, Harvard Medical School, Joslin Diabetes Center and other healthcare and research facilities (the “Members”). MATEP has been owned by a consortium consisting of Morgan Stanley Infrastructure Partners and Veolia North America since 2009.

The provision of utilities to the Members from MATEP is governed by long-term utilities contracts. In an attempt to reduce overall utilities cost, the Members renegotiated the contracts with MATEP in 2015 and received as part of the renegotiation an option to purchase the MATEP plant from its owner at a fixed price before a predetermined date. The Members engaged J.P. Morgan to explore the potential value of its option, advise on strategic options to capture any potential value and conduct any subsequent processes should the Members decide to proceed.

Three of the Member institutions ultimately decided to proceed with the transaction. Specifically, the participating Members (“PM”) wanted a downstream buyer to enter into a parallel transaction that will purchase MATEP from the PMs after they exercise the option to ensure the plant remains in the hands of a reliable operator experienced in energy generation and management. In its capacity as advisor to the PMs, J.P. Morgan ran a competitive process amongst a collection of vetted sponsors and operators that led to a crystallization of option value for the PMs that exceeded initial expectations.

#### Relevance to the City of Jacksonville

- Transaction with large public sector client with complex needs and social objectives
- Extensive regulatory process and milestones
- District energy system similar to JEA’s
- Transfer of economic interests from not-for-profit entities to private operators
- Need to balance value maximization and selection of suitable operator that satisfy social objectives
- Largely identical buyer universes

## State of Hawaii Broadband Case Study



## Overview

**J.P. Morgan Role**

J.P. Morgan acted as exclusive financial advisor to the State of Hawaii Department of Business, Economic Development, and Tourism (“DBEDT”), the University of Hawaii (“UH”) and the Special Assistant to the Governor related to the State of Hawaii Broadband Initiative (“HBI”).

**Transaction Overview**

In 2015, Act 143, Session Laws of Hawaii 2015, made appropriations for a Hawaii Resilience and Sustainability strategy for various essential infrastructures. The Act authorized the commitment of State capital and resources to develop critical infrastructure for Hawaii with an emphasis on broadband.

DBEDT, UH and the Special Assistant to the Governor was charged with assist developing a carrier-neutral platform for the exchange of communications and information traffic and cost effective connectivity in the State and the throughout Pacific Rim to ensure the long term availability of submarine fiber capacity which is critical to Hawaii, the Department of Defense and the United States Military (the “Project”).

In January 2017, J.P. Morgan launched a process seeking a partner for the State to establish a public-private partnership to design, build, finance, operate, manage and maintain the Project in order to address the following critical elements for Hawaii:

- Develop a secure open access, carrier neutral, multi-tenant cable landing station that will serve as an entry point for broadband communications in the Pacific Basin to interconnect current and future submarine cables, wireless and terrestrial carriers, ISPs, IXPs, and content providers in the State
- Encourage investment in submarine cable capacity in Hawaii to increase the availability of future supply and resiliency of transport services and infrastructure in the State at the lowest cost and highest quality
- Improve the overall performance of broadband communications in the region while lowering bandwidth costs and facilitating the introduction of new services and industries in the State
- Leverage the State’s capital and resources in the delivering the Project including the State’s Capital Commitment
- Expand Hawaii’s role as a strategic communications and information exchange hub in the Pacific Basin
- Demonstrate Hawaii’s commitment to broadband infrastructure development

Following an extensive process which included several iterations of the Project structure and work with the Governor, State Legislature and local community leaders, the State received a number of comprehensive proposals. Following the receipt of the best and final submissions, J.P. Morgan concluded that while the proposals effectively addressed Hawaii’s strategic needs and evaluation criteria, the existing legislation was not sufficiently comprehensive to ensure the delivery of the Project. In June, 2017, J.P. Morgan and the State’s Procurement Office recommended that the current solicitation be canceled and that the State move expeditiously to reissue the RFP at the earliest possible date. Following the cancellation, DBEDT and J.P. Morgan have worked to clarify the Project structure and address the issues raised during the procurement process in particular the siting and permitting procedures necessary for the successful delivery of the Project. The revised RFP will be issued in 2018.

## Relevance to the City of Jacksonville

- 
- Management of complex public-private procurement
  - Process involved the delivery of a new asset to a government authority through a structured P3 process
  - Advisor to public entity with multiple decision makers and key stakeholders
  - Development and execution of a broad, competitive multinational process
  - Extensive diligence and development of key deal related marketing materials, RFI, RFP, financial models, etc.
  - Long-standing relationships and deal experience with potential partners
- Management and consensus building among multiple stakeholders and community leaders
  - Effective communication of the State's complex permitting and environmental laws
  - Coordination with State and federal regulatory authorities
  - Negotiation of key transaction documents with multiple buyers
-

## New Hampshire Public Services Commission Case Study



### Overview

#### **J.P. Morgan Role**

J.P. Morgan acted as exclusive financial advisor to the New Hampshire Public Utilities Commission on Eversource's sale of its New Hampshire power generation portfolio.

#### **Transaction Overview**

On October 12, 2017, Eversource through a process conducted by the New Hampshire Public Utilities Commission announced that it had entered into definitive agreements to sell its New Hampshire generation portfolio in two separate transactions. The Company's 1,130 MW fossil generation assets were sold to Granite Shore Power LLC, a 50-50 partnership formed by Atlas Holdings and Castleton Commodities International, for \$175.0 million or \$155/kW. The Company's 68 MW hydroelectric generation assets were sold to Hull Street Energy for \$83.3 million or \$1,221/kW. The diversified 1,198 MW portfolio supports regional reliability and represents a significant generation resource in ISO-New England. The successful completion of the sale is the culmination of 2-stage RFQ and RFP executed for both the fossil fuel and hydro asset portfolios in a parallel process initiated by the New Hampshire Public Utilities Commission as part of a comprehensive restructuring of the energy market and rate stabilization settlement with Eversource. Following NHPUC and FERC approvals, the divestiture will mark the completion of electric deregulation in New Hampshire.

#### **Relevance to City of Jacksonville**

- Management of public-private process
- Representation of a government authority
- Extensive energy asset diligence and development of key deal related marketing materials, RFQ, RFP, financial models, etc.
- Execution of multiple processes simultaneously
- Extensive valuation analysis and defense
- Negotiation of key transaction documents with multiple buyers
- Management of multiple stakeholders and community leaders
- Involves multiple assets sold as a portfolio



## Overview

### **J.P. Morgan Role**

J.P. Morgan acted as financial advisor to JEA on the acquisition of Florida Power and Light's ("FPL") 20% stake in Saint John's River Power Park. J.P. Morgan delivered a valuation opinion to the Board of Directors of JEA.

### **Transaction Overview**

Located in Jacksonville, Florida, JEA is the 8<sup>th</sup> largest municipally owned electric utility in the U.S. with 455,000 customers in addition to 337,000 water and 261,000 sewer customers. Saint Johns River Power Park is a 1,252 MW coal fired electric generating plant owned jointly by JEA (80%) and FPL (20%). FPL and JEA began negotiations surrounding the future of SJRPP back in 2016, with both parties ultimately agreeing to seek closure of the facility given the plant's environmental and operating characteristics. With FPL motivated to exit the asset quickly, J.P. Morgan worked with JEA to identify the liabilities associated with acquiring the remaining 20% stake and assuming the decommissioning process, as well as the financial and operating impacts the closure would have on the budget and operations of the utility. Ultimately, J.P. Morgan and JEA negotiated a consideration paid to JEA consisting of \$135.6 million in cash and FPL sharing remediation and decommissioning costs.

The transaction is expected to bring several benefits to JEA, including reduction of operating costs, increased rate stability, reduction of environmental footprint and control of the remediation and decommissioning process.

### **Relevance to the City of Jacksonville**

- Transaction involves one of the City's largest assets
- Required deep understanding of JEA's operations, assets, financial situation, market position and strategic value
- Leveraged extensive relationship with JEA management and stakeholders
- Negotiation assistance with large corporate counterparties
- Extensive valuation analysis and defense
- Work product tailored for publicly owned entity
- Assisted JEA with communicating transaction to the community
- Assessment and recommendations related to key deal terms

## University of Kansas – Central District Development Project Case Study



### Overview

#### **J.P. Morgan Role**

J.P. Morgan served as lead bookrunner for a \$326.9 million offering of Lease Development Revenue Bonds used to finance the Central District Development Project

#### **Transaction Overview**

Back in 2015, University of Kansas (“KU”) identified the need for major capital improvements in order for the university to remain competitive and expand the KU brand. The Central District Development Project (the “Project”) was developed to achieve this goal. KU originally intended to develop the Project over a longer time horizon but opted to accelerate the full project in order to maintain its competitive edge in the higher education sector and achieve efficiencies and cost savings

The project was to be developed over roughly 40 acres of land at the Lawrence Campus and construction cost was approximately \$350 million. Major components of the project include:

- Integrated Sciences Building (“ISB”)
- 1,200 beds of Student Housing
- Student Dining Center
- Student Union
- 595-space parking structure and roughly 1,500 spaces of surface parking
- Central Utility Plant (“CUP”) and North District Power Plant Improvements
- Infrastructure improvements, including road network and utilities

Through a competitive bid process, KU received 15 responses to an RFQ for the Project and shortlisted three firms to serve as Project developer in February 2015. After the final RFP, Edgemoor was selected as the preferred bidder to develop the Project in July 2015

The bonds that financed the project were issued by the Public Finance Authority (“PFA”), a conduit issuer domiciled in Wisconsin with the ability to issue tax-exempt debt on behalf of entities across the nation. Despite investor questions regarding the use of PFA as the conduit issuer instead of a Kansas-based conduit typically utilized by KU, 24 investors ultimately placed orders for the bonds (5.2x subscriptions).

#### **Relevance to the City of Jacksonville**

- Structured and competitive P3 process to deliver critical social infrastructure (student housing)
- Extensive consideration given to social and community objectives
- Demonstrates J.P. Morgan expertise with financing large scale social infrastructure
- Scope of development contains both multiple asset classes (student housing and energy)
- Presents a template funding model to the City for potential P3 projects

## Vanderbilt University Medical Center Case Study



## Overview

### J.P. Morgan Role

J.P. Morgan acted as financial advisor during the more than two year process to spin out all clinical and research operations from Vanderbilt University, creating a separate 501(c)(3) organization now known as the Vanderbilt University Medical Center (“VUMC”)

### Transaction Overview

Vanderbilt University is a private research university founded in 1873 and located in Nashville, Tennessee. The University educates more than 12,000 students across undergraduate, graduate and professional programs. Furthermore, the University’s hospitals and clinics were responsible for more than \$2.8 billion of revenue in FY 2015, representing approximately 2/3<sup>rd</sup>s of the organization’s revenue.

After more than two years of ongoing discussion and collaboration between the leadership of the University and Medical Center, an upfront purchase price of \$1.13 billion was agreed upon with unique ongoing financial arrangements between the University and the newly created VUMC, including preservation of certain reserve rights and land ownership for the University. VUMC earned a standalone A3 credit rating and financed the purchase price with a mix of publicly offered tax-exempt and taxable debt in conjunction with bank loans. The spin-off transaction and initial capitalization closed concurrently on April 29, 2016.

## Relevance to the City of Jacksonville

- Managed complex internal dynamics between multiple public sector entities (the University and the Medical Center)
- Leveraged long-term relationship and understanding of the University
- Guided key negotiation items to develop mutually agreeable solution
- Assisted in drafting of transaction documents that captured the goals of University and Medical Center leadership
- Performed extensive valuation analysis to determine fair and appropriate price for hospital and clinic assets

## North Carolina Eastern Municipal Power Agency Case Study



## Overview

### J.P. Morgan Role

J.P. Morgan acted as financial advisor to the Board of Directors of the North Carolina Eastern Municipal Power Agency ("NCEMPA") on the sale of its ownership stake in five generation units to Duke Energy Progress Inc. ("DEP") for \$1.25 billion.

### Transaction Overview

NCEMPA is to receive: \$1.25 billion in cash consideration, full Requirements Contract with formula rates to cover DEP' costs of production and an 11% return on equity, benefit of transferring the liability related to the nuclear decommissioning costs of the Brunswick and Harris plants. DEP is to receive: 18.33% undivided ownership interest in Brunswick Units 1 & 2 (Nuclear), 16.17% undivided ownership interest in Mayo Unit 1 (Coal), 12.94% undivided ownership interest in Roxboro Unit 4 (Coal), & 16.17% undivided ownership interest in Shearon Harris Unit 1 (Nuclear).

Formed in 1982, NCEMPA provides wholesale power to its 32 participants, consisting of cities and towns in eastern North Carolina. NCEMPA is governed by a Board of Directors consisting of 32 members, each representing one of NCEMPA's participating cities and towns; Electricities Board of Directors provide oversight of operations.

## Relevance to the City of Jacksonville

- Management of public-private process
- Publicly owned utility assets
- Extensive diligence of solid-fuel generation assets similar to JEA's
- Extensive valuation analysis and defense
- Long-standing relationships and deal experience with Duke, a significant buyer in the energy asset space
- Access to key buyer decision makers
- Communication with multiple stakeholders
- Extensive regulatory process
- Assessment and recommendations related to key deal terms
- Negotiation of key transaction documents including long term power purchase agreement



## Overview

### **J.P. Morgan Role**

J.P. Morgan acted as financial advisor to the City of Philadelphia on the sale of Philadelphia Gas Works ("PGW").

### **Transaction Overview**

On March 3, 2014, the Philadelphia Mayor announced that his administration signed an agreement to sell the assets of the PGW to UIL Holdings for \$1.86 billion. The transaction would allow the City to fully defease all of PGW's debt and deposit excess proceeds of between \$424 million and \$631 million into the City's pension plan while providing the citizens of Philadelphia with a qualified operator for its gas business. The purchase price implied 11.2x FV/2013 EBITDA, the highest multiple paid for an LDC asset since 2008.

PGW is the nation's largest municipally-owned gas utility, serving more than 500,000 customers. In addition, PGW owns and operates facilities for the liquefaction, storage, and vaporization of natural gas. Transaction Overview.

## Relevance to the City of Jacksonville

- Management of public-private process
- Publicly owned utility assets
- Extensive utility diligence and development of key deal related marketing materials, RFQ, RFI, financial models, etc.
- Complex, rigid public procurement
- Long-standing relationships and deal experience with buyer universe
- Access to key buyer decision makers
- Communication with multiple stakeholders, community advocacy groups and local thought leaders
- Development and execution of a broad, competitive process
- Negotiation of key transaction documents
- Delivery of an above market value for the City

## Appendix C: Key Preparation and Marketing Documents

| Key Preparation and Marketing Documents and Materials   |  |   |  |  |
|---|--|---|--|--|
| Pre-marketing/ Teaser   | CA/Process letters   | Financial model   | Data pack  | Mini Management presentation   |
| <ul style="list-style-type: none"> <li>■ Very brief descriptive materials (incl. selected historic financials) to be distributed to all investors selected for pre-marketing</li> <li>■ Will only be provided upon strong enough indication of interest in initial meeting/call</li> <li>■ Does not include sensitive or confidential information, no CA required</li> <li>■ Should allow potential investors to form firm view on interest</li> <li>■ Consider having most recent financial report ready to deliver to potential investors in pre-marketing phase</li> </ul> | <ul style="list-style-type: none"> <li>■ Confidentiality agreement                             <ul style="list-style-type: none"> <li>■ Agreement to be signed between the City and the potential investor before accessing any confidential information to ensure potential investor keeps process confidential and agrees to certain process rules</li> </ul> </li> <li>■ Process letters                             <ul style="list-style-type: none"> <li>■ Letters sent to potential investors to inform them about the process in detail</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>■ Consolidated HoldCo model</li> <li>■ Standard output consisting of income statement, cash flow and balance sheet</li> <li>■ Requires detailed input from management</li> <li>■ Should be backed-up by concession agreements and other legal documents</li> <li>■ Input from technical consultants should be considered</li> <li>■ Input from tax and fiscal consultants should be considered</li> <li>■ Sign-off from senior management and relevant City officials</li> </ul> | <ul style="list-style-type: none"> <li>■ Key marketing document</li> <li>■ Sent out to investors invited into process that signed a CA</li> <li>■ In-depth business and market description including financial information</li> <li>■ Targeted information                             <ul style="list-style-type: none"> <li>■ City of Jacksonville overview</li> <li>■ Operational and business overview</li> <li>■ Financial overview</li> <li>■ Regulatory framework</li> <li>■ Concessions overview</li> <li>■ Strategy</li> <li>■ Transaction structure</li> </ul> </li> <li>■ Investors will base their first round offers mainly on this key document</li> </ul> | <ul style="list-style-type: none"> <li>■ Further educate potential investors and increase appetite</li> <li>■ Presented "live" by CEO / CFO</li> <li>■ Presentation format, usually 1–2 hrs</li> <li>■ Allows for two-way interaction between management and potential investor</li> </ul> |