

# **Bond Case Briefs**

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## **Port of Wilmington Uses P3 Concession to Develop Port Facilities.**

The State of Delaware and a subsidiary of Gulftainer Company Limited (“Gulftainer”) have finalized a concession agreement for the operation and further development of the 100-year-old Port of Wilmington (“Port”).

While the concession agreement signed on September 18, 2018 is not publicly available, it is expected, based on deal terms described in Port documents submitted in support of approval of the P3 transaction,[1] that the agreement grants Gulftainer exclusive rights to manage the Port for a 50-year term. In return, Gulftainer agrees to invest up to \$584M in the Port in the first 10 years to improve the Port’s cargo terminal facilities, \$411M of which will be used to develop a new 1.2 million TEU (twenty-foot equivalent units) container terminal. Gulftainer will pay concession fees to the State based on cargo volume along with periodic adjustments for inflation. These fees could reach \$13M by the tenth year of the concession.[2] At the end of the concession, Gulftainer must hand the Port facilities back with the capacity to handle specified minimum service and tonnage volume requirements.

In May 2017, Diamond State Port Corporation (“DSPC”), the state entity that owns and operates the Port, issued an RFQ seeking private partners to develop, finance and/or operate port-related infrastructure.[3] After evaluating submissions, DSPC signed a non-binding letter of intent with Gulftainer in December 2017.

[Continue reading.](#)

By Andrée Blais and Racquel Muindi on September 27, 2018

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**Nossaman LLP**