



# NORTH CAROLINA PORTS

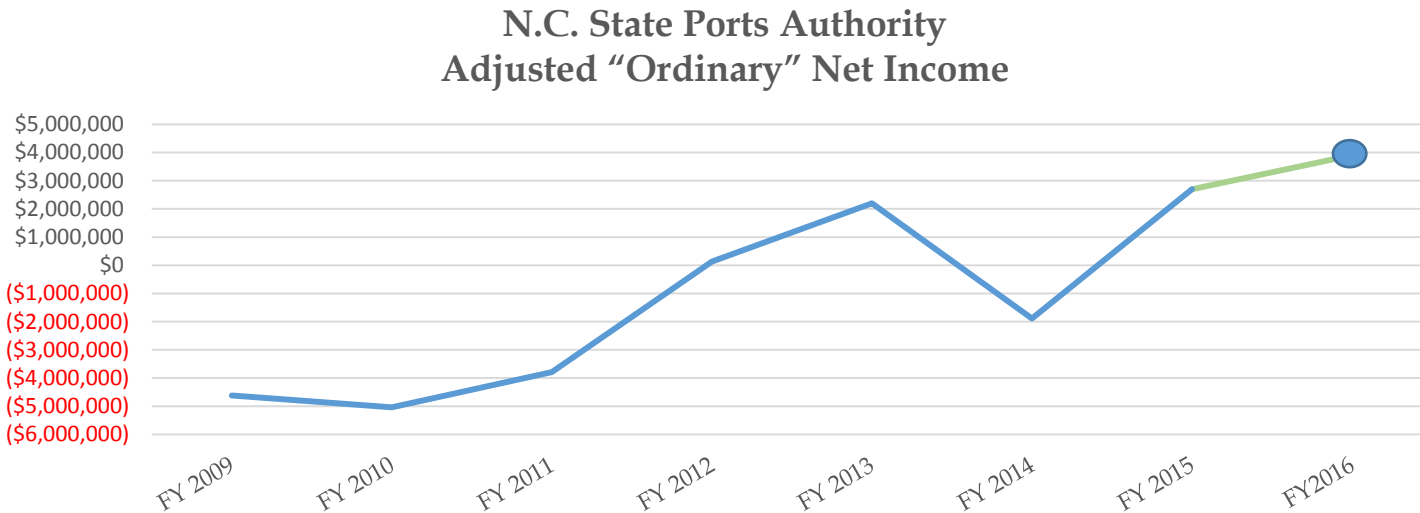


## JLTOC Update

October 7, 2016

# Financial Performance

## Results Driven

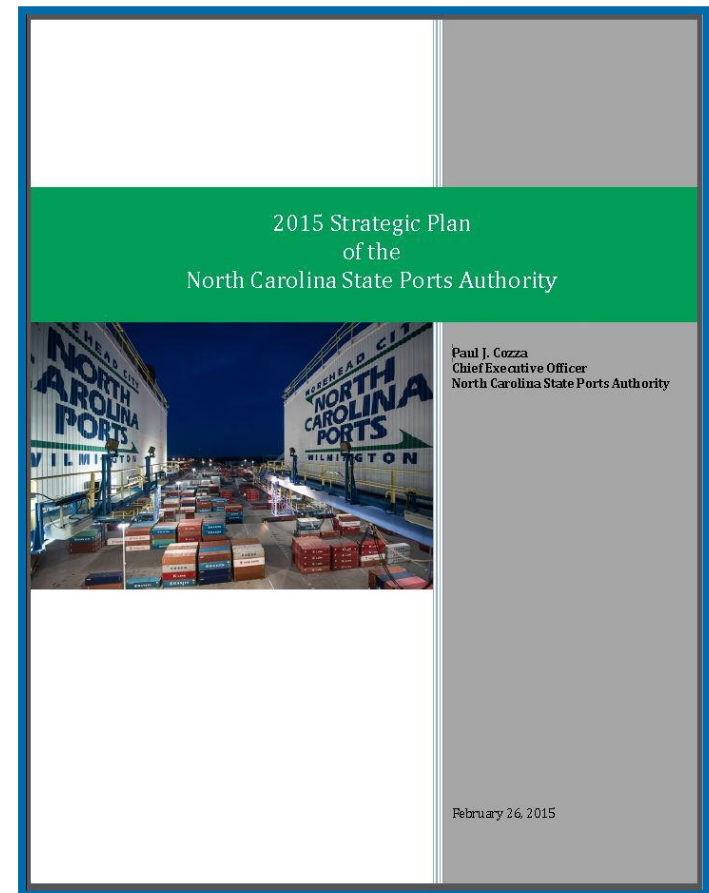


Best financial year in NCSPA history

Fiscal Year 2016 Ordinary Net income : \$3.9M (\$2.7M prior year)

# The Five Year Strategic Plan

- Double container business to >600K TEUs
- Expand business of general terminals by 4M tons
- Execute an investment plan for terminal, road and rail infrastructure to support growth
- Channel enhancement in Wilmington and Morehead City
- Achieve long term financial stability to independently fund capital growth prospects



# Expansion Capital Investment Overview

## Projects Committed/Underway

	<u>Amount</u>	<u>Status</u>
• Turning Basin Project	\$27 million	Completed
• Berth 7 Crane Rail Extension	\$1.1 million	Completed
• Berth 8 Reconstruction	\$33 million	Commenced

## Projects in Planning Stages

• Two “New” Panamax Cranes	\$24-30 million	Engineering
• Raze Warehouse and Expand Container Yard	\$8-10 million	Planning
• Berth 7 Strengthening and Crane Rail Extension	\$27-30 million	Pre-planning

**SUBTOTAL**

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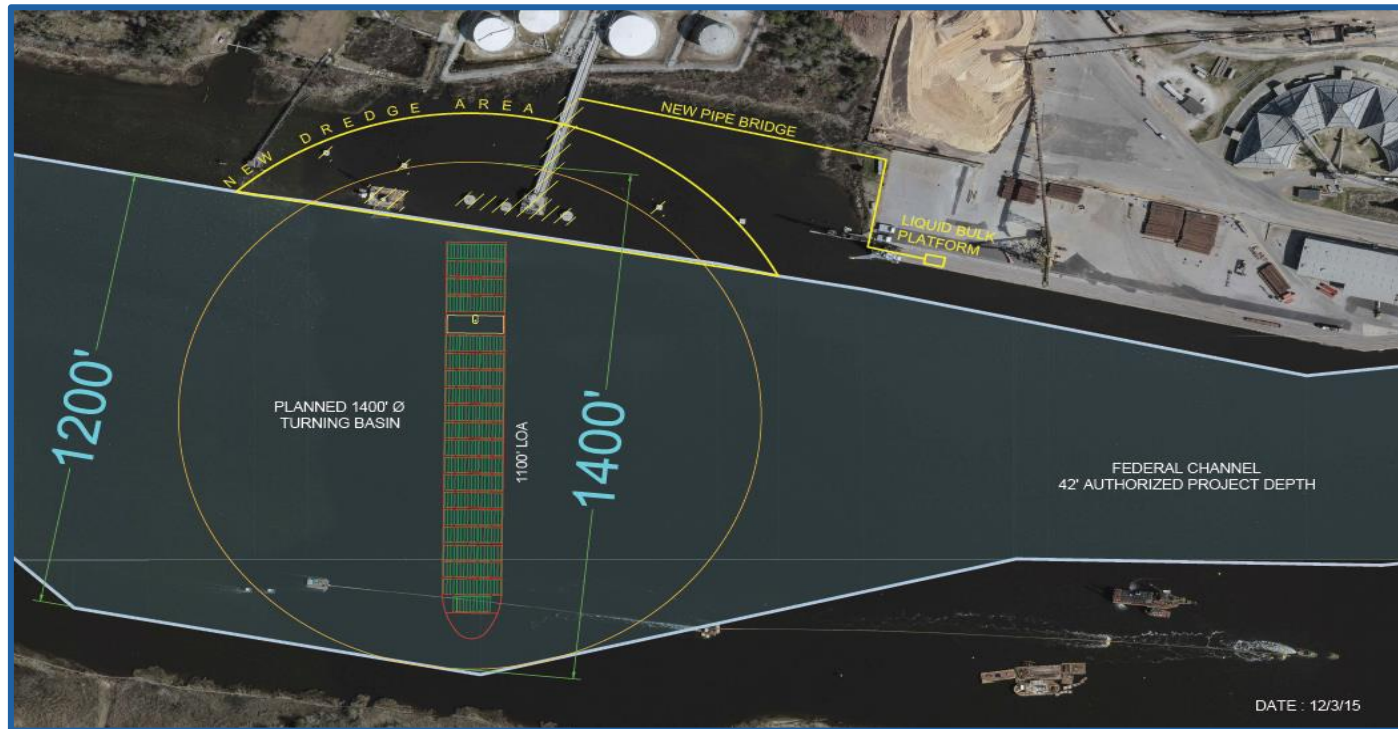
**\$120+ million**

## Projects Under Review (Not Yet Quantified)

- Intermodal Service Improvements
- Other Terminal Infrastructure and System Upgrades
- Additional Infrastructure Improvements at the Port of Morehead City
- Working with Corp of Engineers on dredging project scope



# Turning Basin Expansion Project



- Accommodates “New” Panamax vessels with LOA of 1,167 ft. and breadth of 158 ft.
  - Typically 8,001 to 10,000 TEU range (depending on profile)

# Turning Basin Completion Timeline

September 2015	Engaged consulting engineer & issued work orders.	✓
October 2015	Completed hydrographic survey & geotechnical assessment .	✓
October 2015	Permit application process initiated.	✓
October 2015	Submitted permit application to NC Division of Coastal Management.	✓
November 2015	Advertised for construction services. Owner direct purchase of critical material.	✓
January 2016	Construction bids received. All permits approved and received.	✓
February 2016	Construction contract awarded. Construction commenced.	✓
June 2016	Demo completed. Dredging commenced.	✓
July 2016	Expanded turning basin ready for <b>Big Ships</b> .	✓

# Port of Wilmington - Big Ship Ready

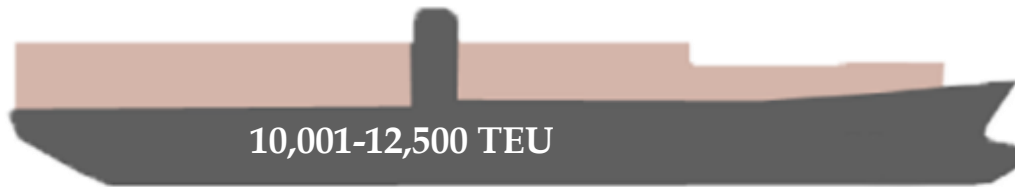
Yang Ming Unity August 7, 2016

- 8,208 TEUs
- LOA = 335 m. (1,101 ft.)
- Beam = 42.8 m (140 ft.)
- Draft = 10.7 m (34.94 ft.)



This accomplishment could not happen without the turning basin expansion project

# Container Shipping Specifications



10,001-12,500 TEU

Length: 1,200+ ft (366+ m)  
Beam: 161-170 ft (49-52 m)  
Designed Draft: 45-50 ft (13-15 m)



8,001-10,000 TEU

Length: 984-1,100 ft (300-335 m)  
Beam: 158-161 ft (48-49 m)  
Designed Draft: 41-48 ft (12-14m)



4,501-8,000 TEU

Length: 965-984 ft (294-300 m)  
Beam: 141 ft (43 m)  
Designed Draft: 41-45 ft (12 -14 m)



3,400-4,500 TEU

Length: 951-965 ft (290-294 m)  
Beam: 105 ft (32 m)  
Designed Draft: 41 ft (12.5 m)

\* Most vessels that arrive at the Port of Wilmington do not arrive at designed draft



The image displays a map of the United States, where the landmasses are filled with a dense collection of corporate logos. The logos are arranged in a way that they appear to be scattered across the country, with some logos being larger and more prominent than others. The logos represent a wide variety of industries, including automotive (Volvo, TRW, Bridgestone), technology (Webtek, Intel, IBM), consumer goods (P&G, Gillette, Heinz), food and beverage (McCormick, Coca-Cola, Nestle), and manufacturing (General Electric, Boeing, Lockheed Martin). The logos are presented in their original colors and designs, creating a vibrant and busy visual effect. The map itself is a simple outline of the United States, with the logos filling the interior space.

# Asia Container Service Update

## Near-term

- Hanjin bankruptcy disruption
- Clear backlog of Hanjin vessels to assist cargo owners
- North Carolina Ports to serve customers with other carriers via Asia trade routes

## Medium-term

- Replace Hanjin with other Asia services
- Continue to serve all trade lanes

## Long-term

- Post alliance configuration commitment to the Port of Wilmington
- “Stay the course”





# Port of Morehead City Dredging Update



## Morehead City Harbor Ocean Bar Contract –Dutra Contracting

- Dutra began dredging on July 25, 2016.
- Due to several weather delays they do not anticipate completing work until October 25.
- Dutra's work includes Range A and Range B.

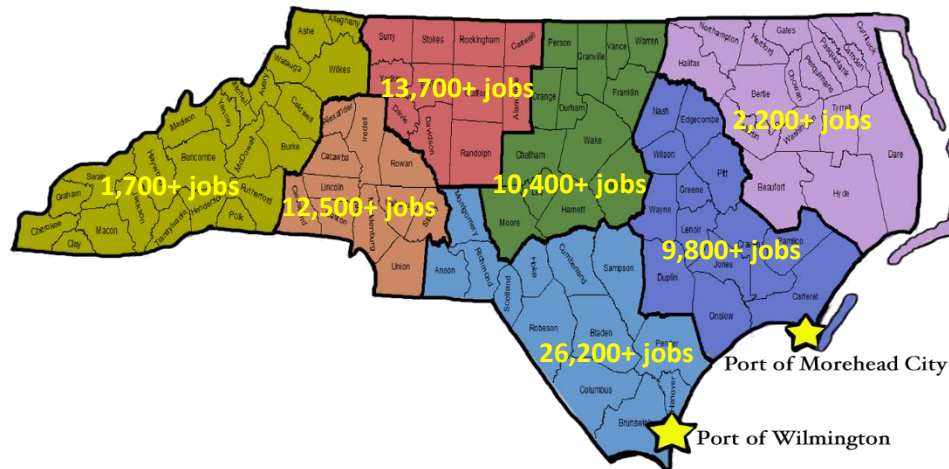
## Morehead City Inner Harbor – Cottrell Dredging Company

- Cottrell Dredging will arrive in Morehead City in early January to begin work.
- This date may vary due to Cottrell having to complete the Wilmington Anchorage Basin project before moving to Morehead City.
- The work includes the Morehead City Inner Harbor and NCSPA Berthing areas.

## Morehead City Harbor – Ocean Bar Contract

- The plans and specs are still being developed by the USACE.
- The Corps anticipates to issue a solicitation on November 16.
- Bid opening on December 15.
- Work beginning February 2017.
- This work will include Range A and the Cut-off in Morehead City.

# Ports Support N.C.



North Carolina jobs provided directly or indirectly by the ports statewide  
76,700 +

Annual tax revenues gained through the ports for the statewide economy  
\$707 million +

Annual economic contribution to the state's economy associated with goods moving through N.C. Ports  
\$14 billion +

*Economic Contribution of the North Carolina Ports*  
Institute for Transportation Research and Education, N.C. State University





# NORTH CAROLINA PORTS

