



Investing in the Future: Update

Select Committee on Strategic Transportation Planning
and Long Term Funding Solutions

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Paul J. Cozza, Executive Director
Alherd Kazura, CFO

Financial Overview

	FY 14 Actual	FY 15 Actual	FY 16 Budget
Volume			
Containers (thousands)	139.1	163.7	174.6
General Cargo Tons (millions)	3.87	3.63	3.85
(in millions)			
Revenues	\$ 39.5	\$ 43.8	\$ 44.8
Expenses	<u>39.2</u>	<u>37.7</u>	<u>40.2</u>
Operating Income	\$ 0.4	\$ 6.1	\$ 4.6
Non-Operating Items	\$ (13.6)	\$ (3.4)	\$ (2.9)
Net Income	<u>\$ (13.2)</u>	<u>\$ 2.7</u>	<u>\$ 1.7</u>

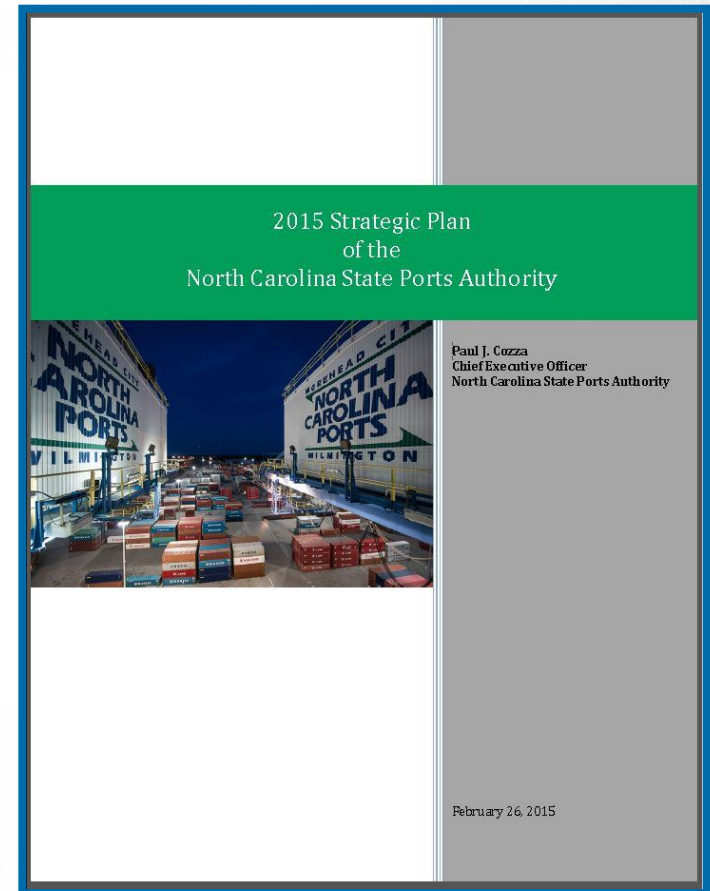
** Excludes positive effect of implementing GASB 68 for net pension liability reporting*

2016 Preliminary Forecast

- Containers at 98% of budget
- Bulk & Breakbulk above budget
- Expenses at/below budget
- On target to meet budgeted Net Income
- Excludes one-time gain on sale of marina and cost to dredge MHC inner harbor

Guiding Principles Remain Unchanged

- Double container business to >500K 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



Infrastructure Investment Plan - March 2015

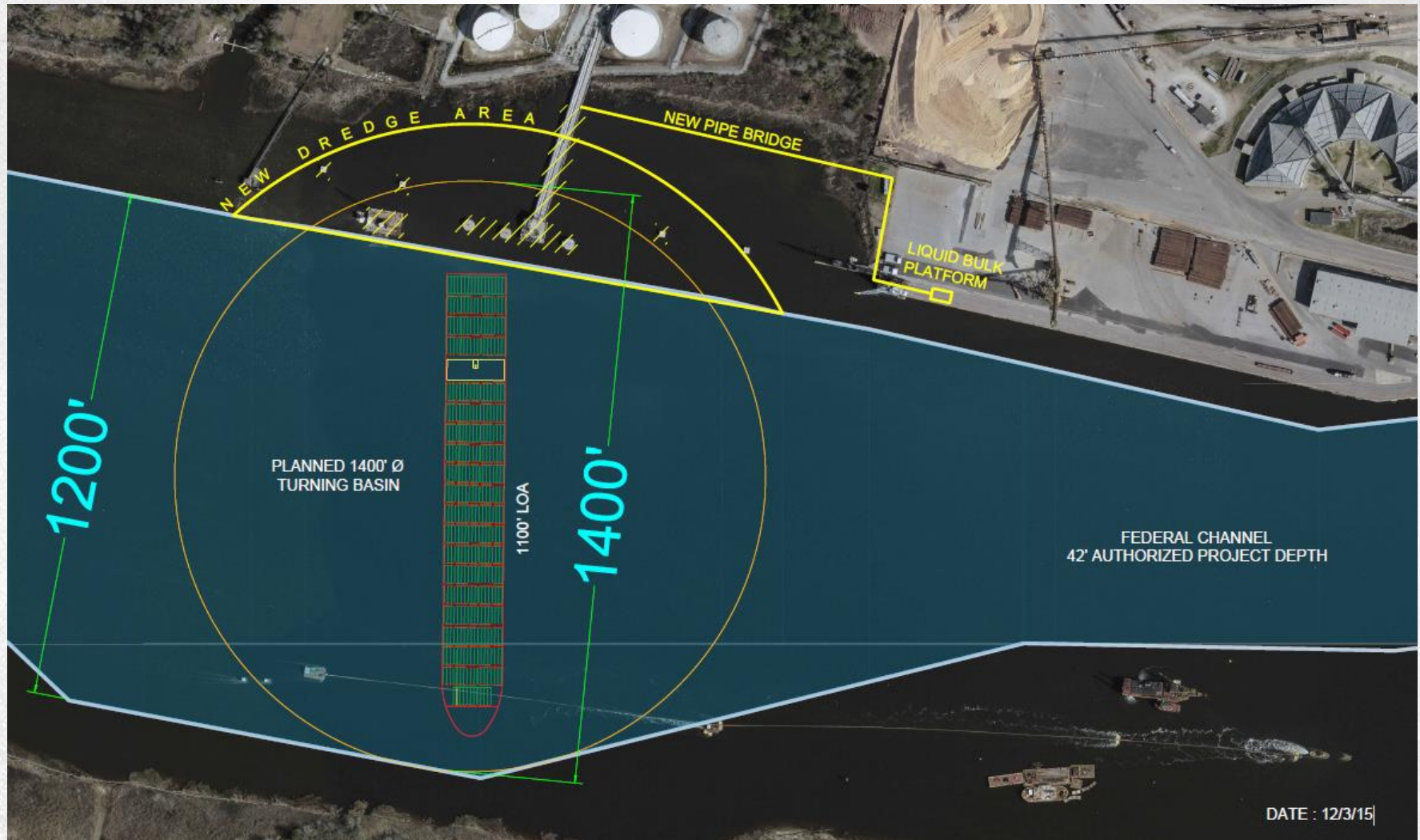
	FY 2015 - FY 2020	FY 2021 - FY 2025
Administration	5,000,000	2,000,000
Morehead City	16,000,000	42,000,000
Wilmington	93,000,000	90,000,000
\$ Total	114,000,000	134,000,000

Commercial needs and accelerated timing is driving modifications:

- Turning Basin Expansion
- Morehead City Dredging
- Scope of Berth 8 Replacement & Upgrades
- Section 203 Study for Harbor Deepening
- Scope for Crane Investments

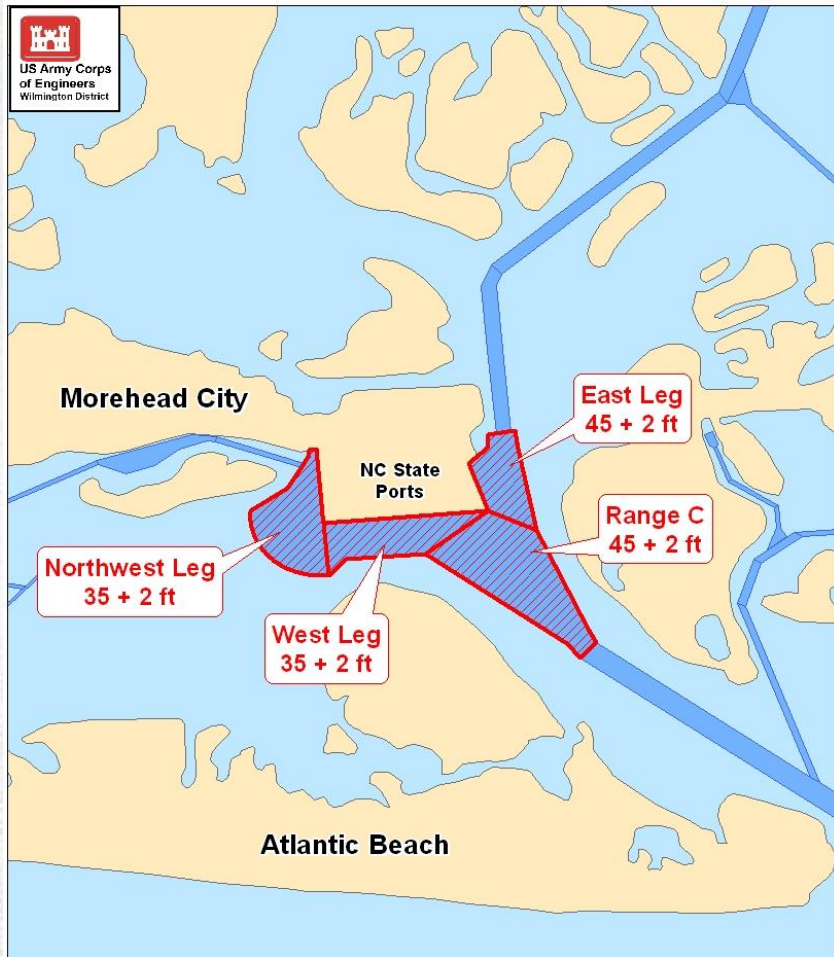
Total project scope and cost is fluid and being revised.

Turning Basin Expansion



Provides capability to turn vessels from 1,000 to 1,167 feet long

Morehead City Dredging



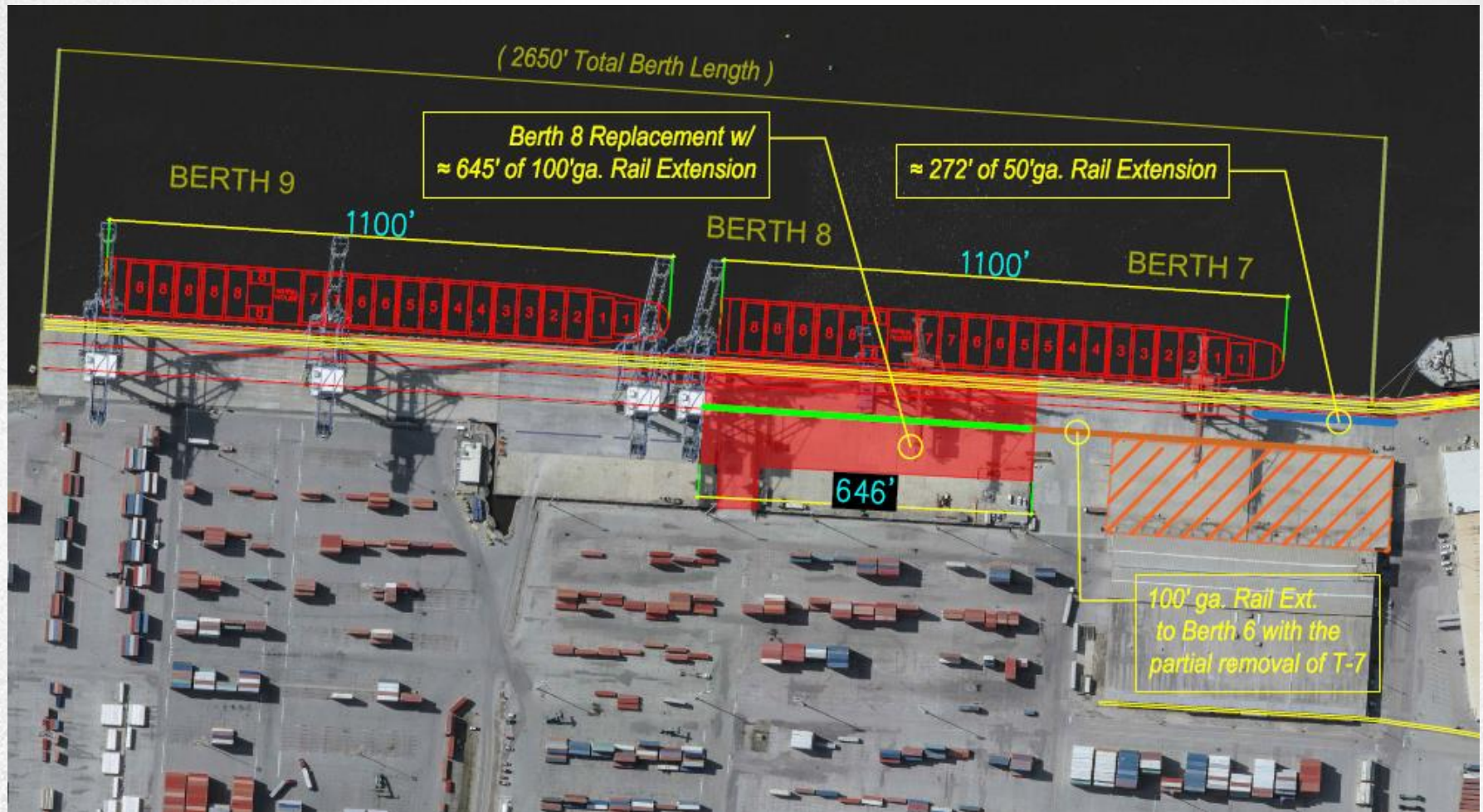
Current

- Federal funding shortfall for required dredging
- NC Ports will fund inner harbor dredging (\$3.1-\$3.5 million)
- Enables COE to utilize federal funds for outer harbor dredging

Future

- COE forecasts shortfall based on current federal funding levels
- Longer term state involvement is necessary to cover shortfall

Berth 8 Replacement & Related Upgrades



Meets market demand to work two 1,100 foot post-panamax vessels

Summary

- Customer needs and demands change the scope and timing of infrastructure investments
- We must remain responsive and reactive to our customer demands
- Long-term planning is vital
- We continue to focus on business, industry and customer trends and appropriately react.

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