



North Carolina Ports Overview

*Joint Appropriations
Committee on Transportation
February 23, 2023*

North Carolina Ports Statistics

Two deep water terminals and one inland port serving the Carolinas

- 5,000+ container gate moves per week
- 300,000 TEU annually
- 4.39M tons of general cargo per year
- 1000 ship calls annually

Financial summary – FY22

- Annual revenue \$68 million
- Annual cash generation \$20+ million
- Profit \$3.7 million
- Directly employs 245 individuals

FY23 YTD Performance Highlights

Port of Wilmington

- Container volume increased 6% over FY22
- Refrigerated container volume decreased 15% from FY22
 - *Refrigerated container volume increased 411% from FY15-FY22*
- General cargo volume increased 9% over FY22

Intermodal Rail Service

- Intermodal rail volume increased 101% over FY22
 - Midwest Express service commenced

Port of Morehead City

- General cargo volume increased 7% over FY22

The Five Year Strategic Plan FY 2022-26

- Continued growth of cargo volumes
- Expand the global coverage of vessel services
- Engage and support state-wide economic development projects
- Develop the talent pipeline
- Build the NC Ports brand

How NC Ports Manages Capital Spending

1) “Expansion” Capital

- Large scale projects to expand capacity and efficiency through modernization
- Funded from State Appropriations
- \$358.4 million spent or committed over eight years
 - \$44.8 million average per year

2) “Core” Capital

- General replacement and maintenance
- Funded from Cash from Operations, Grants, and Insurance Proceeds
- \$93.5 million over last eight years
 - \$11.7 million average per year

POW = Port of Wilmington MHC = Port of Morehead City
CIP = Charlotte Inland Port

Container Master Plan Projects Completed

Berths & Neo-Panamax Cranes	\$100.0 M
Turning Basin Expansion	\$53.6 M
South Container Gate & Systems	\$42.3 M
Refrigerated Container Yard – Phase 1	\$13.7 M
Yard Improvements	\$14.4 M
Transmission Line Raising	\$11.6 M
Equipment	<u>\$6.5 M</u>
	\$242.1 M

MHC Bulk Warehouse



Project Cost

\$15 M

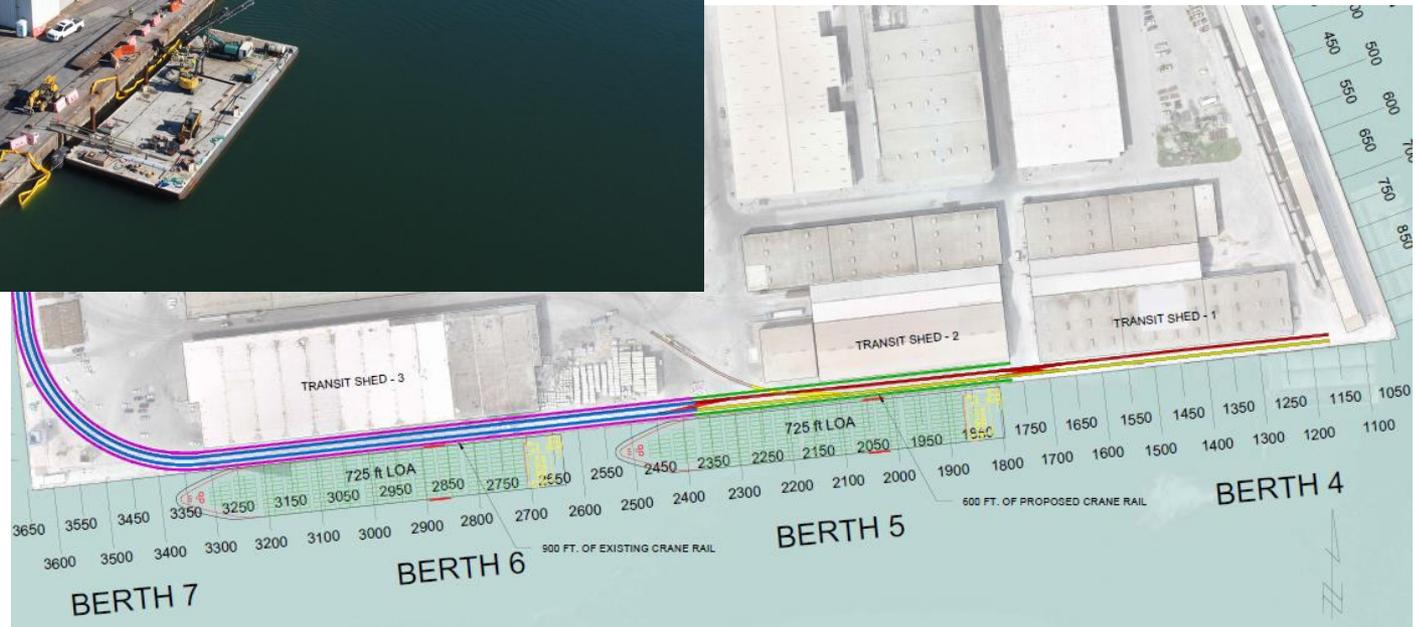


MHC Berth & Apron Improvements



Project Cost

\$28 M



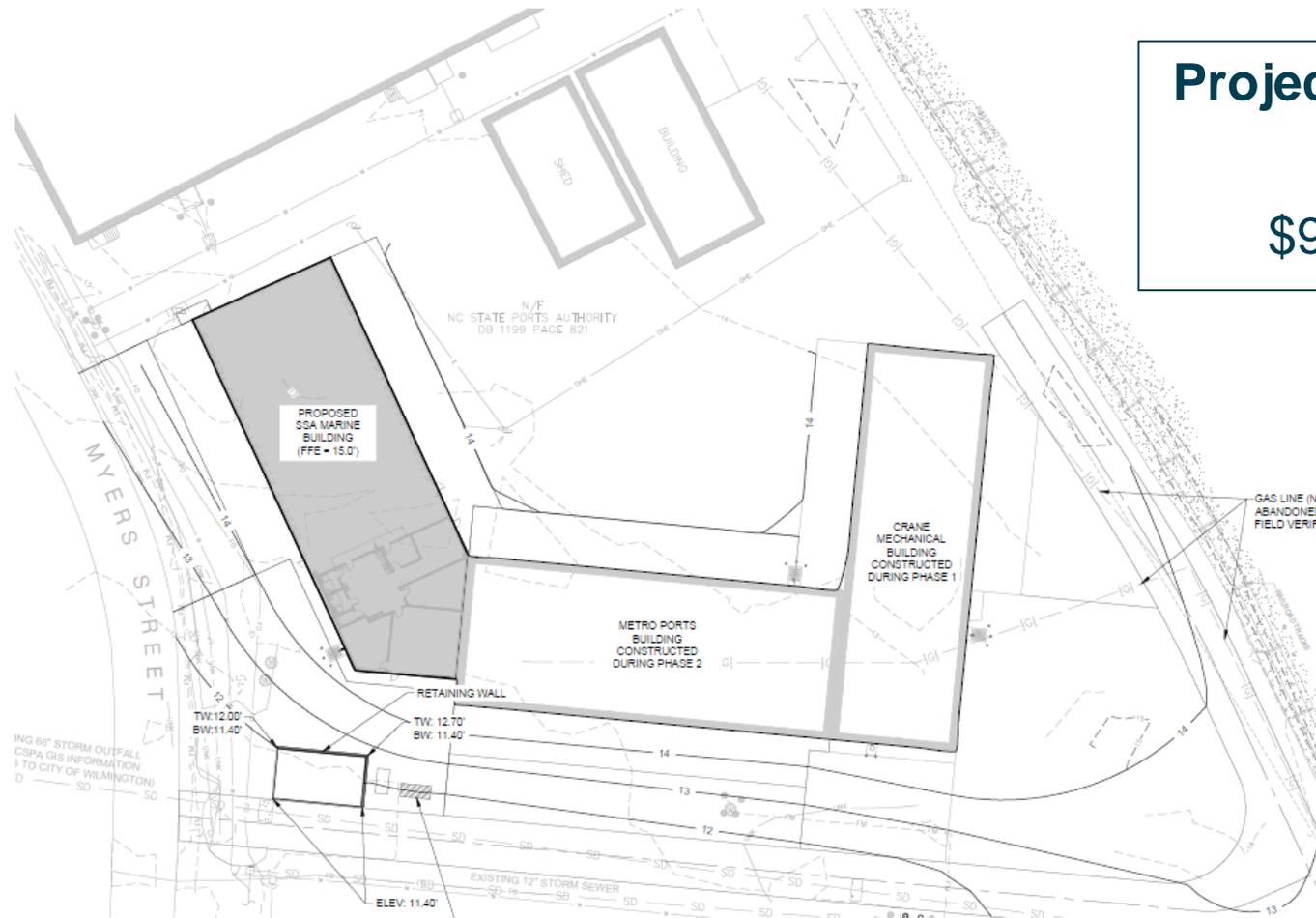
Refrigerated Expansion Phase 2



Project Cost

\$24 M

Central Maintenance Facility



Project Cost

\$9 M

Intermodal Rail Yard



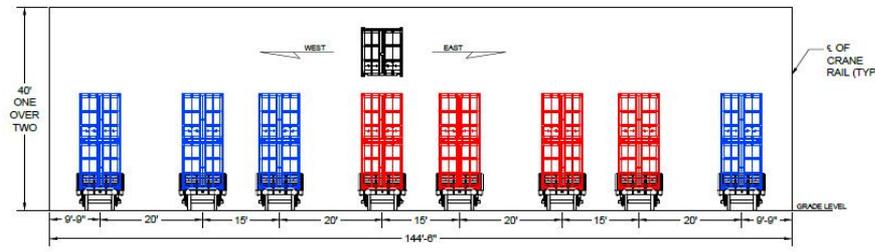
Project Cost

\$23.6 M Total Project
 (\$18.1 M RAISE Grant)

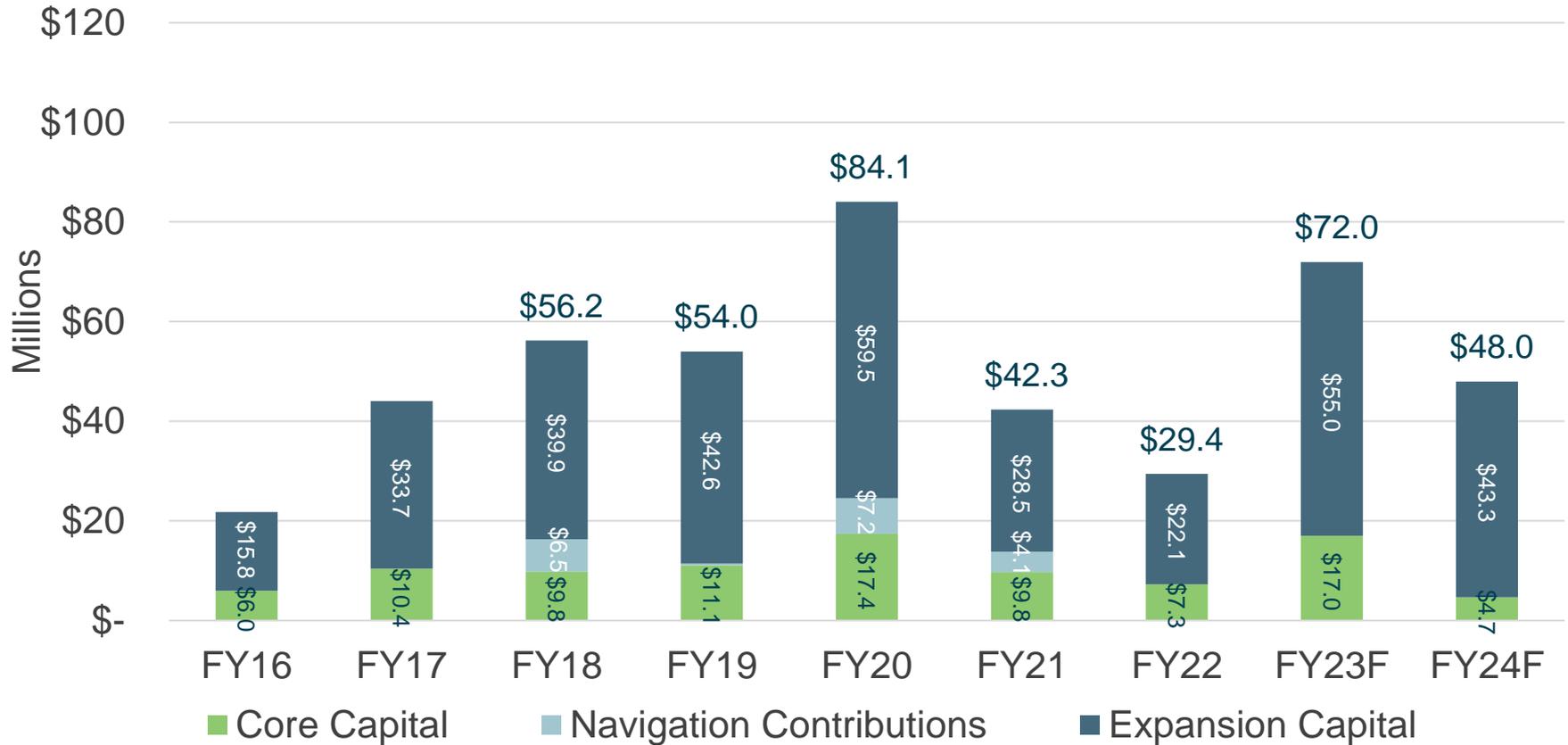
\$5.5 M Net Cost

LEGEND

- PHASE (1) - SCOPE : CREATE CONTAINER STORAGE EAST OF CONTAINER LEAD (TRACK 1), AND PAVE OLD TYCO YARD.
- PHASE (2) - SCOPE : CONSTRUCT 4-NEW TRACKS (IN RED) AND PAVE
- PHASE (3) - SCOPE : RE-PAVE WEST PORTION OF AREA D.
- FUTURE PHASE : ADD 4-NEW TRACKS AND GATRY CRANE



Capital Spent and Committed



FY 16 – FY 23F Committed Capital

(\$s in millions)

Expansion Capital	<u>POW / CIP</u>	<u>MHC</u>	<u>Admin</u>	<u>Total</u>	<u>Annual Average</u>
POW Container Investments					
Turning Basin, Berth, & Navigation	\$ 131.6	\$ -	\$ -	\$ 131.6	
New Cranes & Yard Equipment	43.9	-	-	43.9	
Terminal Improvements	96.8	-	-	96.8	
Systems Upgrades	-	-	21.4	21.4	
Subtotal POW Container Investments	\$ 272.3	\$ -	\$ 21.4	\$ 293.7	
General Terminal Investments	4.6	60.1	-	64.8	
	\$ 276.9	\$ 60.1	\$ 21.4	\$ 358.4	\$ 44.8
Core Capital					
Berth Improvements	\$ 4.7	\$ 2.2	\$ -	\$ 7.0	
Rail	6.5	2.6	-	9.1	
Terminal Improvements	14.0	2.5	0.2	16.7	
Cranes & Equipment Replacement	14.7	6.2	0.0	21.0	
Buildings & Warehouses	15.7	7.3	0.7	23.8	
Other Systems & Security	2.9	1.2	4.7	8.8	
Navigation (203 Study)	7.2	-	-	7.2	
	\$ 65.8	\$ 22.1	\$ 5.7	\$ 93.5	\$ 11.7
Total	\$ 342.7	\$ 82.2	\$ 27.0	\$ 452.0	\$ 56.5

Expansion Capital Pay-As-You-Go

Expenditures (\$s in millions)

	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23F	FY 24F
Annual Cash Outflows	15.8	33.7	46.4	42.9	66.7	32.6	22.1	55.0	43.3
Annual Appropriation Inflows	35.0	35.0	45.0	45.0	50.5	50.5	50.0	45.0	0.0
Annual Surplus / (Deficit)	19.2	1.3	(1.4)	2.1	(16.2)	17.9	27.9	(10.0)	(43.3)
Cumulative Cash Outflow	15.8	49.4	95.8	138.8	205.5	238.0	260.1	315.1	358.4
Cumulative Appropriations Inflow	35.0	70.0	115.0	160.0	210.5	261.0	311.0	356.0	356.0
Cumulative Cash Surplus / (Deficit)	19.2	20.6	19.2	21.2	5.0	23.0	50.9	40.9	(2.4)

Fiscal Year 2024 reflects spending for projects committed in 2023

Future Expansion Capital Projections

(\$s in millions)

	<u>Next 2 Years</u>	<u>Next 5 Years</u>
FY23 Committed Projects	\$ 80 - \$ 85	\$ 80 - \$ 85
<u>Projects in Planning Stages</u>		
POW Berth Infrastructure and Terminal Improvements	\$ 20 - \$ 25	\$ 75 - \$100
POW Intermodal Yard ⁽¹⁾ and North Gate Improvements	5 - 6	30 - 45
MHC Berth Infrastructure and Terminal Improvements	5 - 10	30 - 50
POW & MHC Equipment Expansion and Replacement	<u>2 - 3</u>	<u>12 - 20</u>
Subtotal	\$ 32 - \$ 44	\$147 - \$215
Total	\$112 - \$129	\$227 - \$300

(1) Intermodal Yard spending reduced by FY22 RAISE grant award for construction



RLCOLD

Performance Team

- 285,000 sq ft cold storage warehouse with expansion capabilities with 40,000 pallet positions
- \$100m investment
- Designed as an import-export hub for refrigerated cargo moving through the Port of Wilmington
- Leased and to be operated by Performance Team, A Maersk Company
- Operational in 2023



Cold Summit Development

- Announced August 2021
- 30-year lease on NC Ports property less than 1 mile from the Port of Wilmington
- \$145m investment
- Groundbreaking April 2023
- Two Phase Project:
 - Phase 1: 280,000 sq. ft. multi-chamber cold storage facility
 - Phase II: 160,000 sq. ft. pharmaceutical cold storage facility



Port City Logistics

- Announced August 2022
- \$16m investment
- Purchase of NC Ports property less than 1 mile from the Port of Wilmington
- 150,000 sq. ft. speed transload/cross-dock warehouse

Wilmington Harbor Enhancements

Key objectives of the project

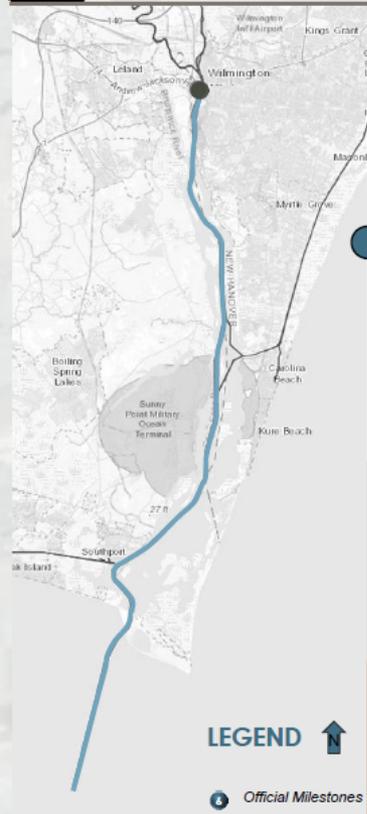
- Maintain Wilmington's presence as a competitive U.S. East Coast port and as a growing economic catalyst for North Carolina and the nation
- Accommodate recent and anticipated growth in cargo vessel traffic
- Improve the efficiency of operations for cargo vessels at the Port of Wilmington
- Allow larger and more efficient cargo vessels to use the Wilmington Navigational Harbor
- Allow for the Port of Wilmington to remain a port-of-call for major East Coast containership services

Preliminary Cost Share Projection

Cost Item	Total Cost	75% (Federal)	25% (Non-Federal)
Dredging Cost	\$547.9M	\$410.9M	\$137.0M
Mitigation & Monitor	\$84.0M	\$63.0M	\$21.0M
Construction S&A	\$10.8M	\$8.1M	\$2.7M
PED	\$21.1M	\$15.8M	\$5.3M
Contingency (23.4%)	\$142.0M	\$106.5M	\$35.5M
Total Construction of GNF	\$805.8M	\$604.4M	\$201.5M
Lands & Damages	\$28.3M	--	\$28.3M
Total Project First Costs	\$834.1M	\$604.4M	\$229.7M
Berthing Area Dredging Costs	\$1.8M	--	\$1.8M
Aids to Navigation	\$10.5M	\$10.5M	--
10% GNF Non-Federal	--	\$(52.3M)	\$52.3M
Total Cost	\$846.4M	\$562.6M	\$283.8M



SCHEDULE OVERVIEW



MISSION STATEMENT

Wilmington District conducts an evaluation of technical, policy and legal concerns noted in the OASA's Feb 2020 evaluation of the North Carolina State Ports Authority's (NCSPA) 2020 WRDA 203 Feasibility Study to comply with Federal laws and Regulations through a 50% / 50% Cost Share Agreement. The projected Harbor Study Cost is ~\$8.5M with an anticipated timeline of ~4 years.

FY 23 - CSA, CONTRACTS, EARLY SCOPING, & ECONOMICS

- OCT - DEC 2022
- Project Development Team
- Cost Share Agreement (OCT)
 - Funding
 - Scheduling
 - Economics
 - Contract Coordination

JAN - SEP 2023

- Econ - FWOP
- EN Quantities & Material
- Initial CSRA
- Communication Plan
- Withdraw NOI
- Coastal EN & ENV Contract
- Climate Change Analysis
- Review Plan
- Geotechnical Service Contract
- Cost Engineering for Array of Alternatives
- Sea Level Rise
- Plan Formulation-Screening
- Econ -Future With Project
- NED & Final Array

FY 24 - ALTERNATIVE ANALYSIS

- HarborSym Modeling
- Risk & Uncertainty Analysis
- Vibracore Contract
- Update AAEQ Benefits
- Final Quantities/ Materials
- Geotech Appendix
- Water Quality
- Economic Report
- Biological Assessments
- Environmental Justice Analysis
- HSI Modeling

FY 25 - ENVIRONMENTAL IMPACT STATEMENT (EIS)

- Notice of Intent
 - Mitigation Plans
 - Delft 3D Model Bathymetry
 - Water Quality
 - Suspended Sediments
 - Hydrodynamic, WQ & Sediment model runs
 - Wave Transformation
 - Shoreline Impacts
 - Tide Range
 - Vessel Wake Modeling
 - Channel Morphology
 - Real Estate Assessments

FY 26 - FINAL REPORT

- Public Review
 - Revise draft EIS based on Public feedback
 - ATR/ IEPR Review Initiated
 - Cost Certification Post Review
- Final EIS & Report
- MSC Report Endorsement
- After Action Review

FY 27 - RECORD OF DECISION

- Record of Decision

TIMELINE



Ports Support North Carolina



2022 Economic Contribution of the North Carolina Ports
Institute for Transportation Research and Education,
N.C. State University