



**SOUTH
CAROLINA
PORTS**

Keeping Freight Moving

An overview of South Carolina Ports.

15M
8
8





Columbus Street Terminal, 1944.



North Charleston Terminal, 1945.

An aerial, black and white photograph of a city waterfront in the 1950s. The foreground shows a large body of water with a long pier extending from the shore. A large, multi-masted cargo ship is docked at the pier. To the left of the ship, a long, low building with a dark roof runs along the waterfront. In the background, a dense urban area is visible, featuring a prominent classical building with a portico and columns. The sky is clear, and the overall scene depicts a busy industrial and commercial waterfront.

Waterfront Park Area, 1950s.

We've come a long way...together.

South Carolina Port Impacts

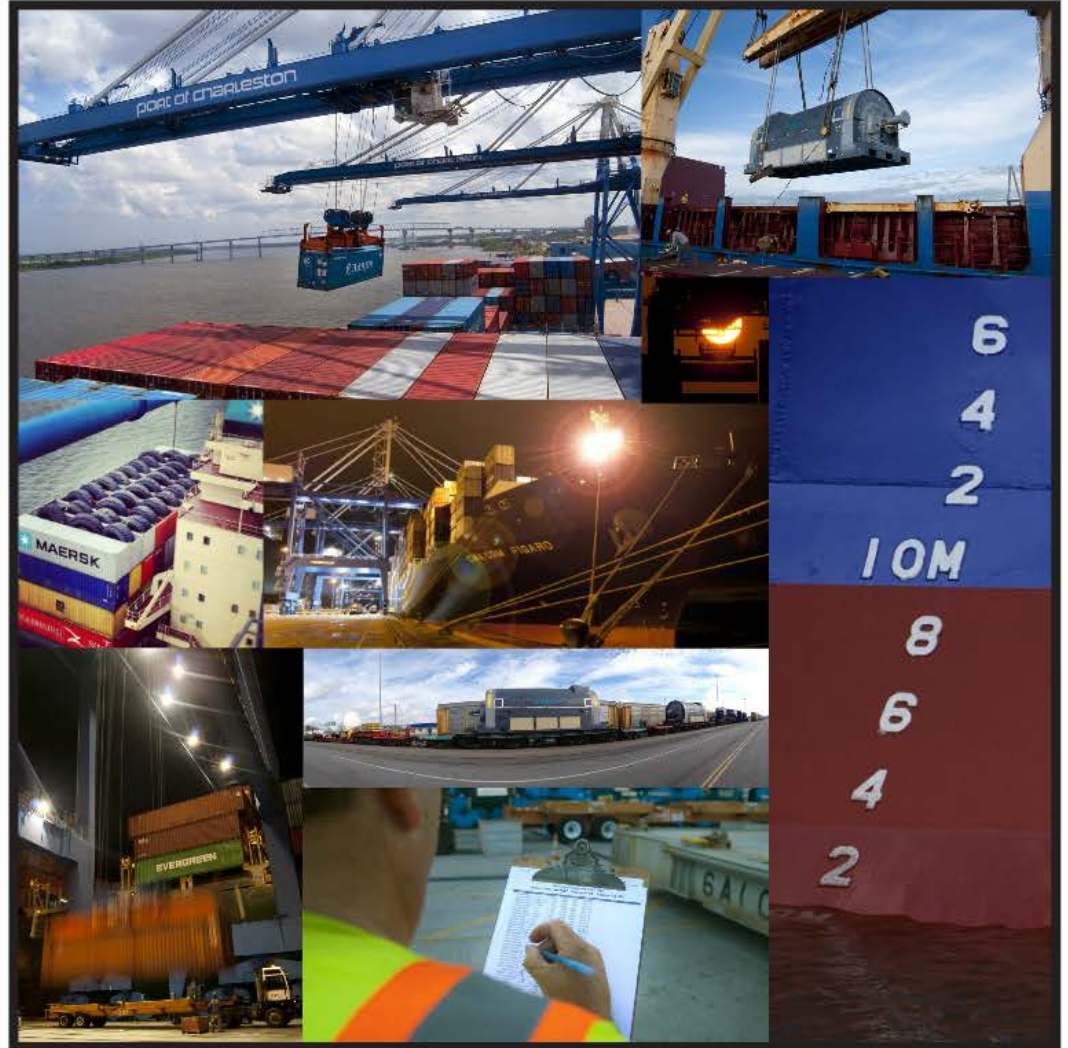
\$53 Billion in annual economic activity in S.C.

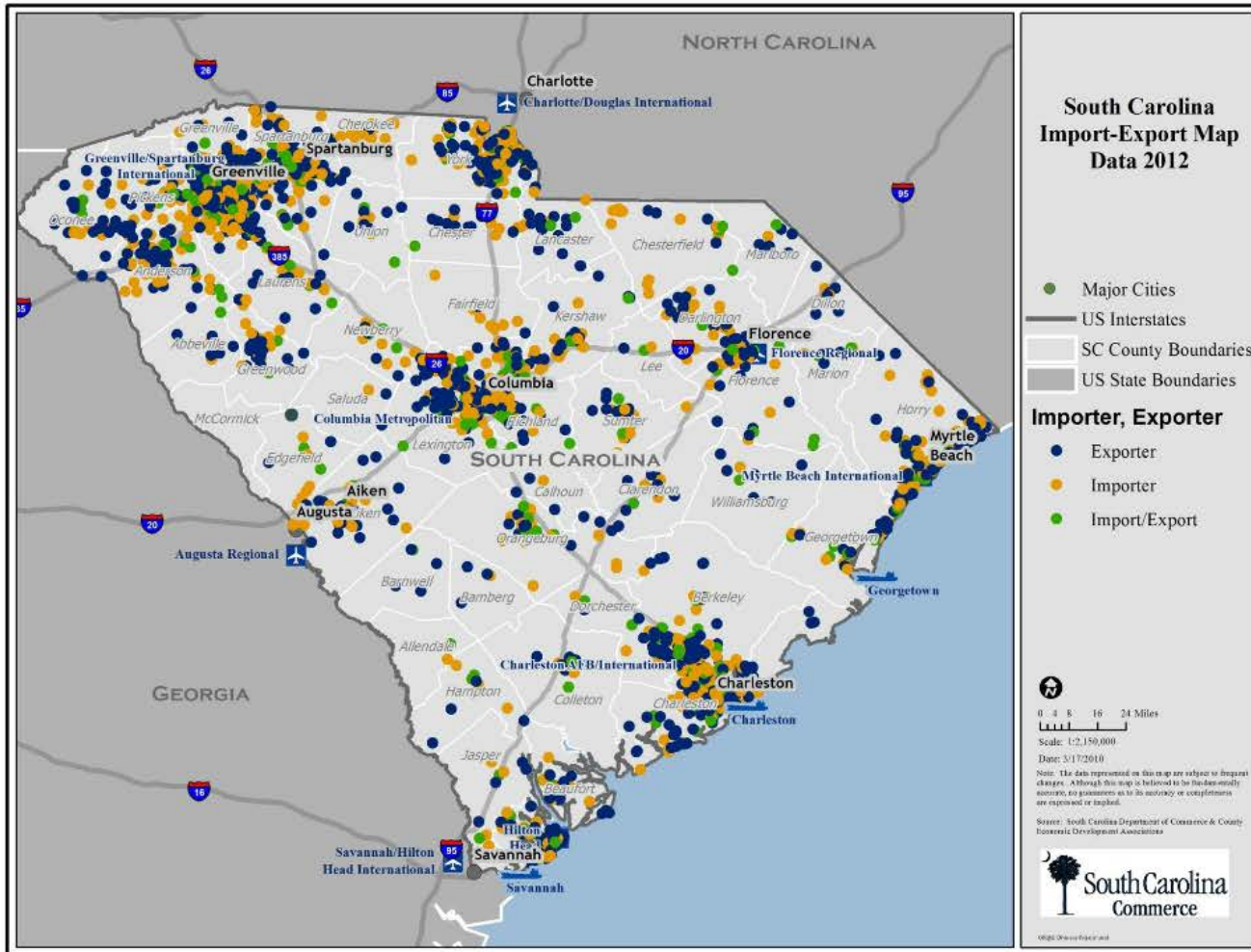
10% Of State GDP is related to port activity.

\$914 Million in annual state tax revenue.

1 In 11 jobs in SC are related to port activity.

Port-related jobs pay 40% more than the average S.C. wage.





**Port activity
impacts every
county in the
state.**





Owning and operating ports in Charleston, Georgetown, and Greer.

Who is the South Carolina Ports Authority?



- An enterprise agency operating on behalf of the citizens of S.C.
- Founded by S.C. General Assembly in 1942 with a mission...
 - *Provide cost-competitive facilities.*
 - *Work with customers, stakeholders.*
 - *Remain financially self-sufficient.*
- Governor appoints board of directors.
- Jasper permitting started.



Port of Charleston
spans several municipalities.

5 Terminals in the area...

- 2 Container terminals.
- 2 Breakbulk / Ro-Ro facilities.
- 1 Cruise facility.
- 1 Container terminal under construction.

Statement of Operating Results

For Period Ending November 30, 2015

	<u>FY2016</u> <u>Actual</u>	<u>FY2016</u> <u>Plan</u>	<u>Plan</u> <u>Variance</u>	<u>%</u> <u>Variance</u>	<u>FY2015</u> <u>Actual</u>	<u>Actual</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Operating Revenues	\$89.21	\$86.78	\$2.43	2.8%	\$76.45	\$12.76	16.7%
Operating Expenses							
Direct	\$45.68	\$44.41	\$1.27	2.9%	\$40.02	\$5.66	14.1%
Crane Move	0.93	1.24	-0.31	-24.8%	0.00	0.93	100.0%
Administrative	10.61	11.68	-1.07	-9.2%	9.53	1.08	11.3%
Depreciation	13.58	14.00	-0.43	-3.0%	14.13	-0.55	-3.9%
Total Expenses	\$70.79	\$71.33	-\$0.54	-0.8%	\$63.68	\$7.11	11.2%
Operating Earnings	\$18.42	\$15.45	\$2.97	19.2%	\$12.77	\$5.65	44.2%
Operating Cash Flow	\$31.99	\$29.45	\$2.54	8.6%	\$26.90	\$5.10	19.0%
Statistics							
Pier Containers	468,776	469,665	-889	-0.2%	443,677	25,099	5.7%
Charleston Breakbulk Tons	404,089	282,470	121,619	43.1%	347,657	56,431	16.2%
Passengers	92,775	91,772	1,003	1.1%	81,099	11,676	14.4%
Charleston Ships Docked	814	748	66	8.8%	786	28	3.6%

*Financials in millions.



Cruise Terminal Update:



Retrofit existing
warehouse into new
cruise facility

One berth with limit
of 104 vessel calls
per year.

A proper entry point
for visitors, in scale
with Charleston.

Remaining 2/3 of
UPT redeveloped into
parks & public access.

The markets we serve...



CONTAINER 78%



BREKBUK 16%



CRUISE 6%

All are important to the future of the port.



Fastest Growing Major Port In The U.S. Over 5 Years

Measure	FY2010	FY2015	% Change
Revenue	\$112,000,000	\$196,000,000	↑ 75%
Pier Containers	741,000	1,095,000	↑ 48%
Operating Earnings	\$8,400,000	\$30,000,000	↑ 357%
Return On Capital	1%	3%	↑ 2%
Container Rail	12%	22%	↑ 10%

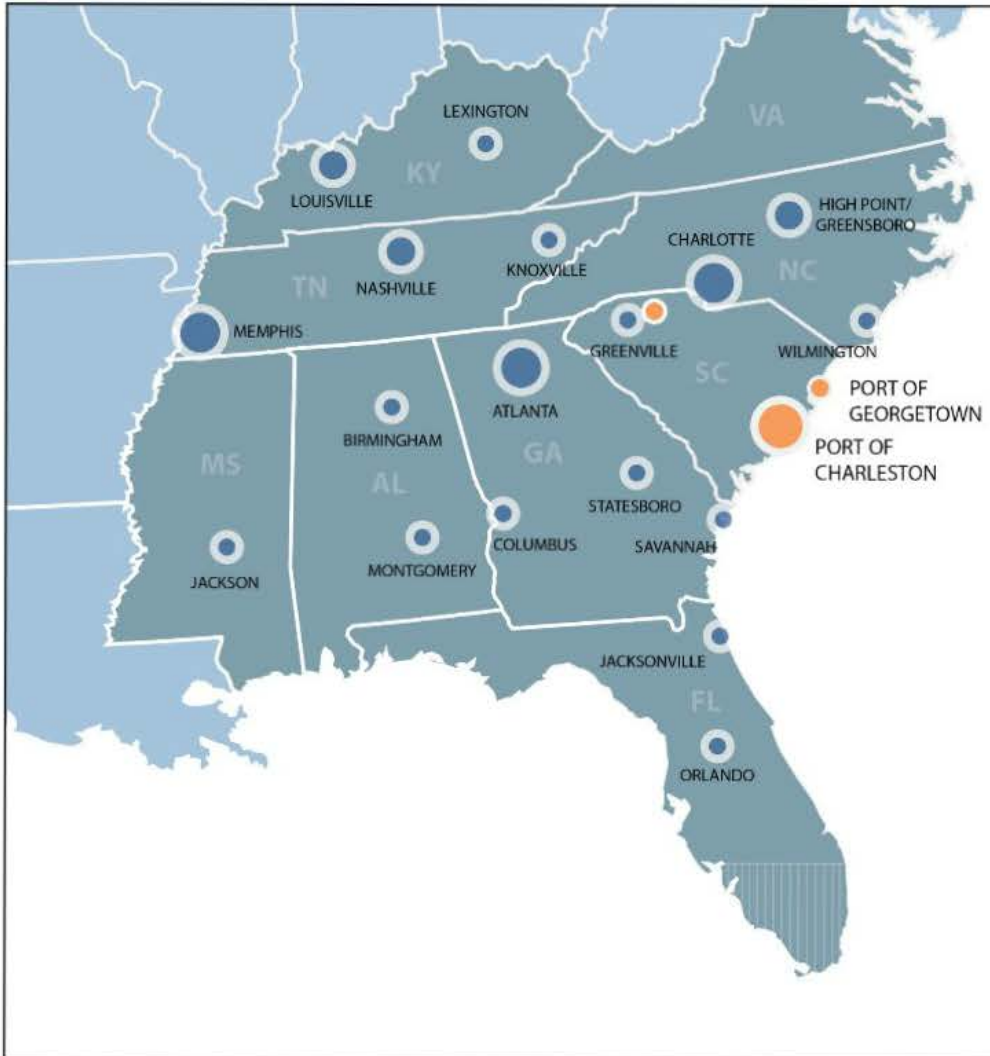
Trends Driving Our Business

- 1)** The Southeast is where the growth is and ports thrive on growth.
- 2)** Ships are getting larger with consequences for port terminals and infrastructure.
- 3)** Innovative thinking needed for efficient inland movement. Case in point...the SC Inland Port.

**Let's take a
closer look...**

Trend 1:

The Southeast



The Southeast is the best U.S. port market.

- Population.
- Manufacturing.
- Exports.
- Terminals.
- Land.
- Canal & bridge.

Aiming to grow 2x U.S. port average.

\$10 Billion

Invested by port-dependent firms since 2011.

24,000

New jobs created.

Growing

A diverse local cargo base.



Manufacturing Is Critical To Port Growth



Trend 2:

Big Ships

Future Ship Deployments Are Clear...

Asia/Europe
18,000+ TEU



Asia/USA
8,000 - 13,000 TEU

Europe/USA
5,000 - 8,000 TEU



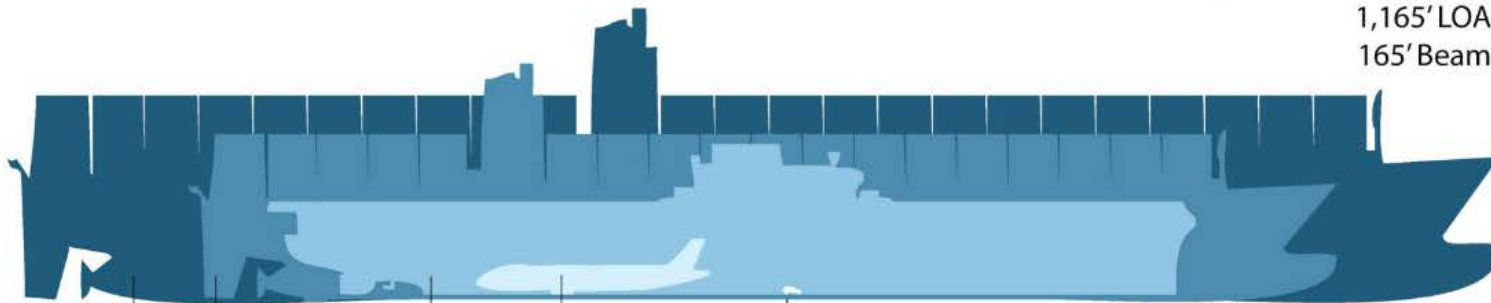
Other Trades
3,000 - 8,000 TEU

Soon To Be Calling USEC Ports

Vessels up to 14,000 TEU

1,165' LOA

165' Beam



BMW X5

Boeing 787

Yorktown Aircraft Carrier

9,000 TEU Vessel

14,000 TEU Vessel

70 Million

Pairs of adidas running shoes on a 14,000 TEU ship.





Charleston Harbor Deepening

- Feasibility study in 4 years (fast!).
- Chief's Report delivered September 2015.
- Entrance channel 54-feet. Inner channel 52.
- Landmark agreement with conservationists.
- Deepened by the end of 2020.

Two major restrictions on vessel size are soon to be removed.

- An expanded Panama Canal will open.
- The Bayonne Bridge in NJ will be raised.

Huge implications for us.



Bayonne Bridge



Panama Canal



Big Ships

A Compelling Opportunity

Big ships get in and out
of Charleston faster.

Maintain & build on
that advantage.



**Charleston will be the
deepest port on the
USEC in 2020.**

A competitive advantage for
South Carolina & South
Carolina Ports.

Trend 3:

Innovative Inland Solutions



Improving Inland Infrastructure Is Key

Ports require multi-modal access.

Critical for commercial and commuter interests.

One example...

South Carolina Inland Port

- Located in Greer, SC.
- Opened in 2013.
- Highly successful.
- Taking truck traffic off of I-26.
- Valuable service for our clients.
- Others coming soon.





94 Million

Consumers live within a one-day truck trip from Greer.

100 Mile Range

Population: 6,535,000

Key Cities: Asheville, Atlanta, Charlotte, Columbia, Knoxville, Spartanburg.

250 Mile Range

Population: 22,742,000

Key Additional Cities: Birmingham, Charleston (SC), Charleston (WV), Chattanooga, Greensboro, High Point, Lexington, Macon, Nashville, Raleigh.

500 Mile Range

Population: 94,282,000

Key Additional Cities: Baltimore, Cincinnati, Cleveland, Columbus, Indianapolis, Louisville, Memphis, Pittsburgh, St. Louis, Tampa.



**What is our plan going
forward?**

New Container Terminal (Phase 1)	\$700 Million	South Carolina Ports Authority (\$1.35 Billion)
S.C. Inland Port	\$50 Million	
Other Infrastructure & IT Projects (Interstate Highway Expansion, Existing Facility Improvements, Container Cranes, New IT Systems, etc.)	\$600 Million	
Harbor Deepening to 52 Feet	\$300 Million	State of South Carolina (\$750 Million)
Port Access Road	\$225 Million	
New Dual Access Intermodal Railhead	\$250 Million	
Total 10-Year CAPEX Commitment		\$2 Billion

Hugh Leatherman Terminal

- Only permitted port facility under construction on the U.S. East & Gulf coasts.
- 50% Increase in container capacity.
- Phase 1 open in 2020.



Hugh K. Leatherman Sr. Terminal



2006 Construction Progress:



2010 Construction Progress:



2015 Construction Progress:



Completed Construction:

- Demolition.
- Stormwater detention pond.
- Soil consolidation.
- 2-Lane roadway to Cooper River Marina.
- Water & sewer lines to CRM.
- Drainage blanket - 190,000 CY
- Wick drains - 7,400,000 LF
- Surcharge instrumentation.
- Stage 1 surcharge of fill material - 2,185,000 CY
- Containment walls - 5,000 LF

Construction contract costs to-date: \$112,500,000

Current Contracts:

Containment Wall Remediation

- Wall bracing and soil improvements.
- Preparation for surcharge.
- Completion in 18 months.

Site Preparation

- Approximately 5 million CY of sand fill and surcharge.
- Bid date November 10th.
- Approximately 24 months to completion.

Master Plan Update

- Parsons Brinkerhoff finalizing gate design alternatives.

Concept Design

- Currently in procurement process.
- Start in January 2016.

Phase 1 & 2



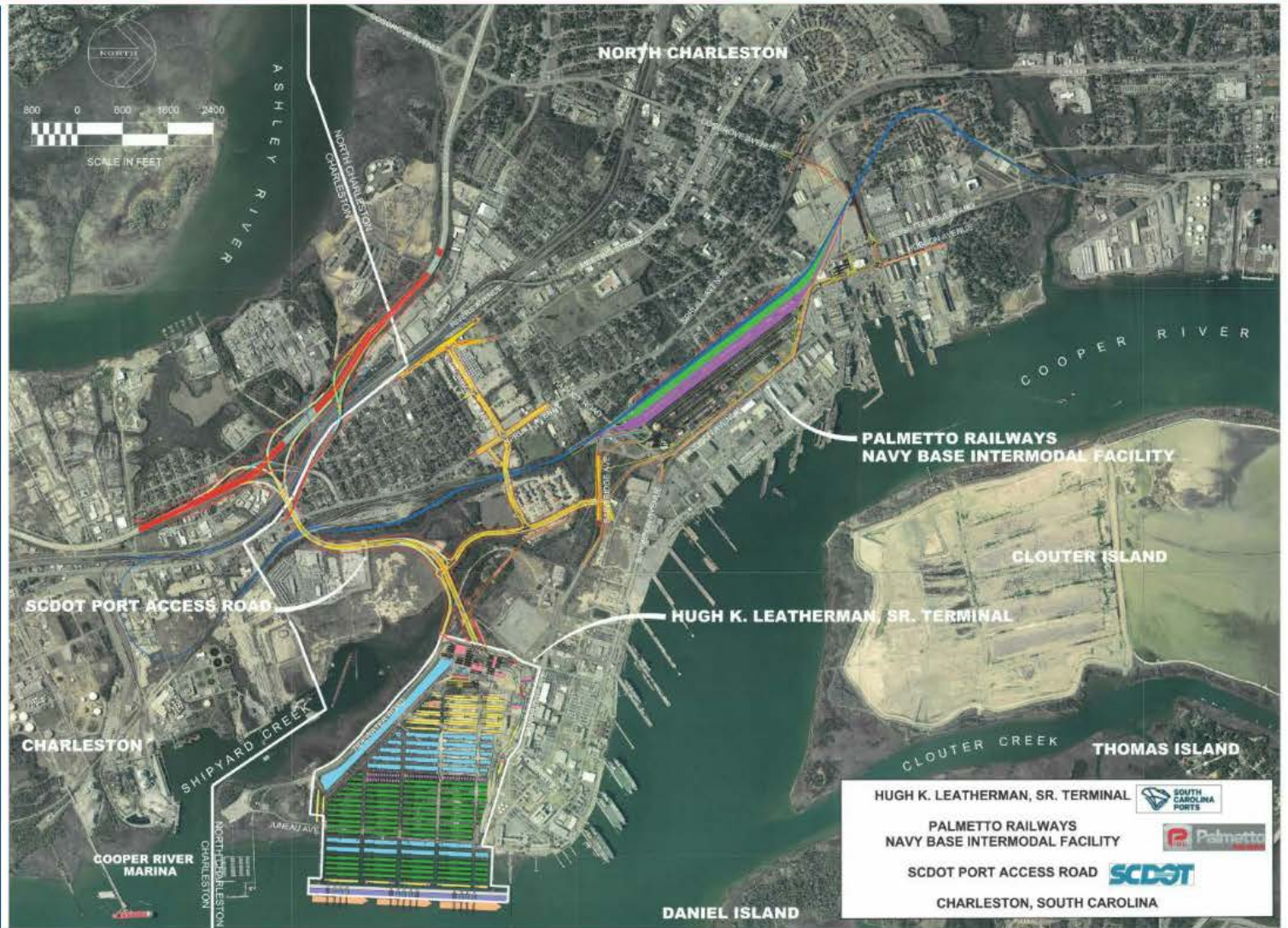
Phase 3



**Hugh K. Leatherman, Sr.
Terminal**

**Palmetto Railways
Navy Base Intermodal
Facility**

SCDOT Port Access Road





Wando Welch Terminal Berth Improvements



WANDO WELCH TERMINAL WHARF REPAIRS AND IMPROVEMENTS

Existing Condition

Wharf = 3800' Long x 143' Wide
OPERATIONAL CRANES: 8



WANDO WELCH TERMINAL WHARF
REPAIRS AND IMPROVEMENTS

Completed Construction Condition

Wharf = 3800' Long x 143' Wide
OPERATIONAL CRANES: 10

Estimated Construction Completion Date:
December 31, 2017



WANDO WELCH TERMINAL WHARF
REPAIRS AND IMPROVEMENTS

Completed Project Condition

Wharf = 3800' Long x 143' Wide
OPERATIONAL CRANES: 12

Estimated Crane Commissioning Completion Window:
May 15, 2018 to June 15, 2018





Why Charleston?

Reliable
velocity.

Innovative
customized service.

Big ship
access.

Capacity
short & long-term.

Vision 2020

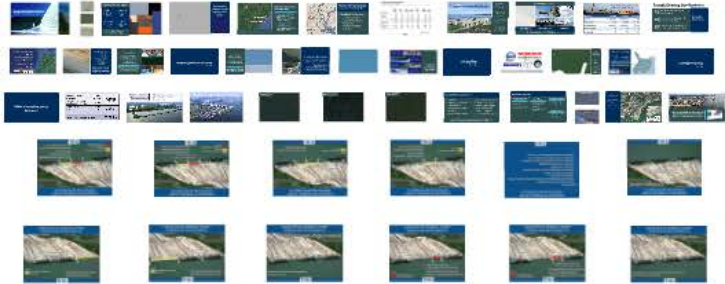


Phase 1 of Leatherman Terminal Open

Charleston is the deepest port on USEC @ 52-feet.



New dual-served intermodal rail terminal open.



Thank You.

I'll be glad to answer any questions.

