



**SOUTH
CAROLINA
PORTS**

BARBARA MELVIN • CHIEF OPERATING OFFICER

SOUTH CAROLINA PORTS AUTHORITY UPDATE

2021

JANUARY 12



SOUTH CAROLINA PORTS

VISION & VALUES

**TO BE THE
PREFERRED PORT
OF THE TOP 10
U.S. CONTAINER PORTS**



OVERVIEW OF 2020

- ✓ **On record volume pace until pandemic**
- ✓ **Worked seamlessly through the pandemic**
- ✓ **Record capital expenditure in one fiscal year**
- ✓ **Walmart IDC 7**
- ✓ **CMA CGM Brazil**
- ✓ **Final harbor deepening contracts let by the U.S. Army Corps of Engineers**

2020

QUICK LOOK AT THE NUMBERS

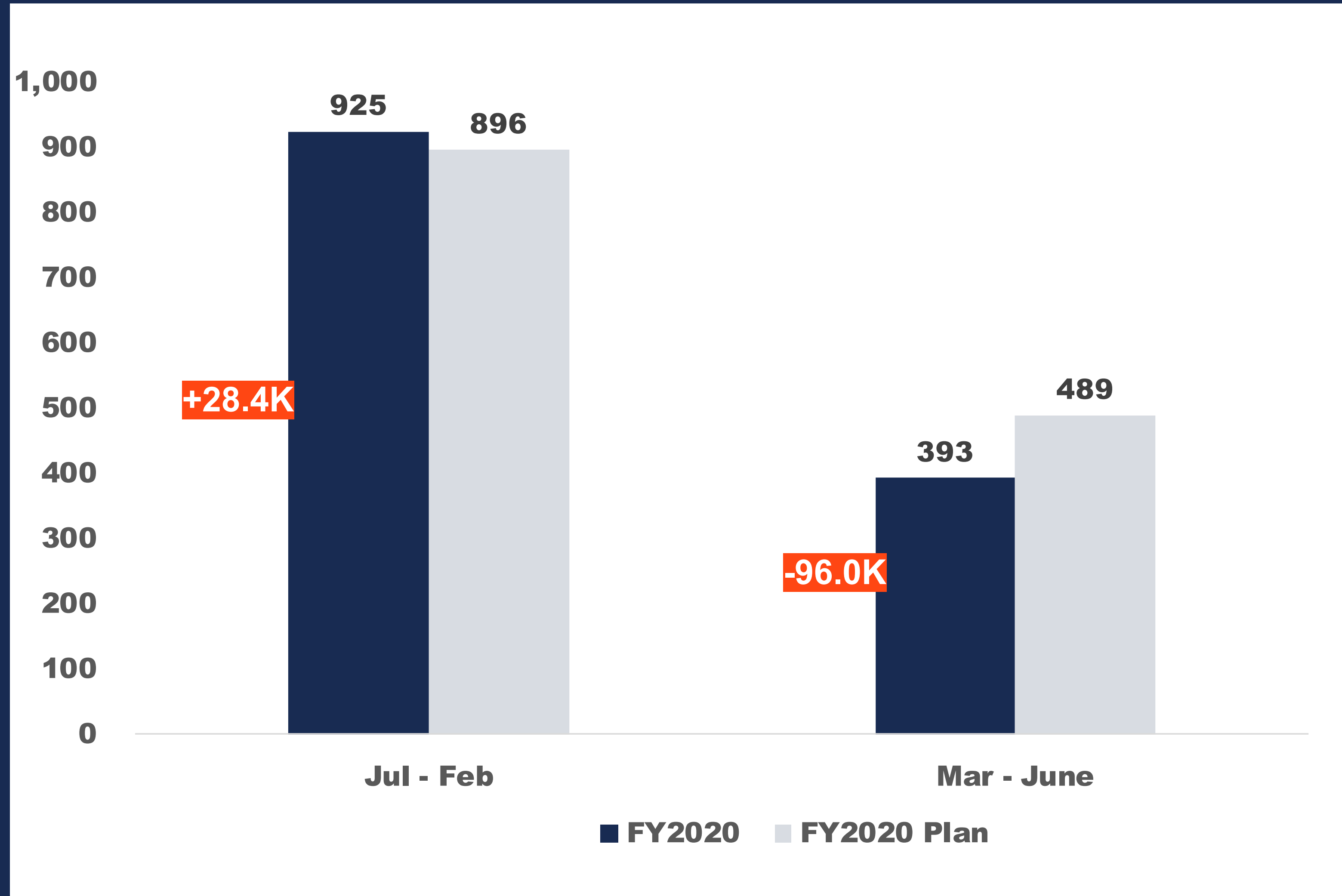
HISTORICAL FINANCIAL COMPARISON

	FY2019	FY2020	FY2021 (Projected)	FY2022 (Projected)
Pier Container Volume (in 000s)	1,364	1,317	1,261	1,350
Operating Revenues	\$288.3	\$292.3	\$269.8 ⁽¹⁾	\$292.8
Operating Cash Flow	\$91.6	\$94.8	\$85.4	\$89.5
Long-Term Debt	\$948.8	\$1,374.1	\$1,356.1	\$1,337.4

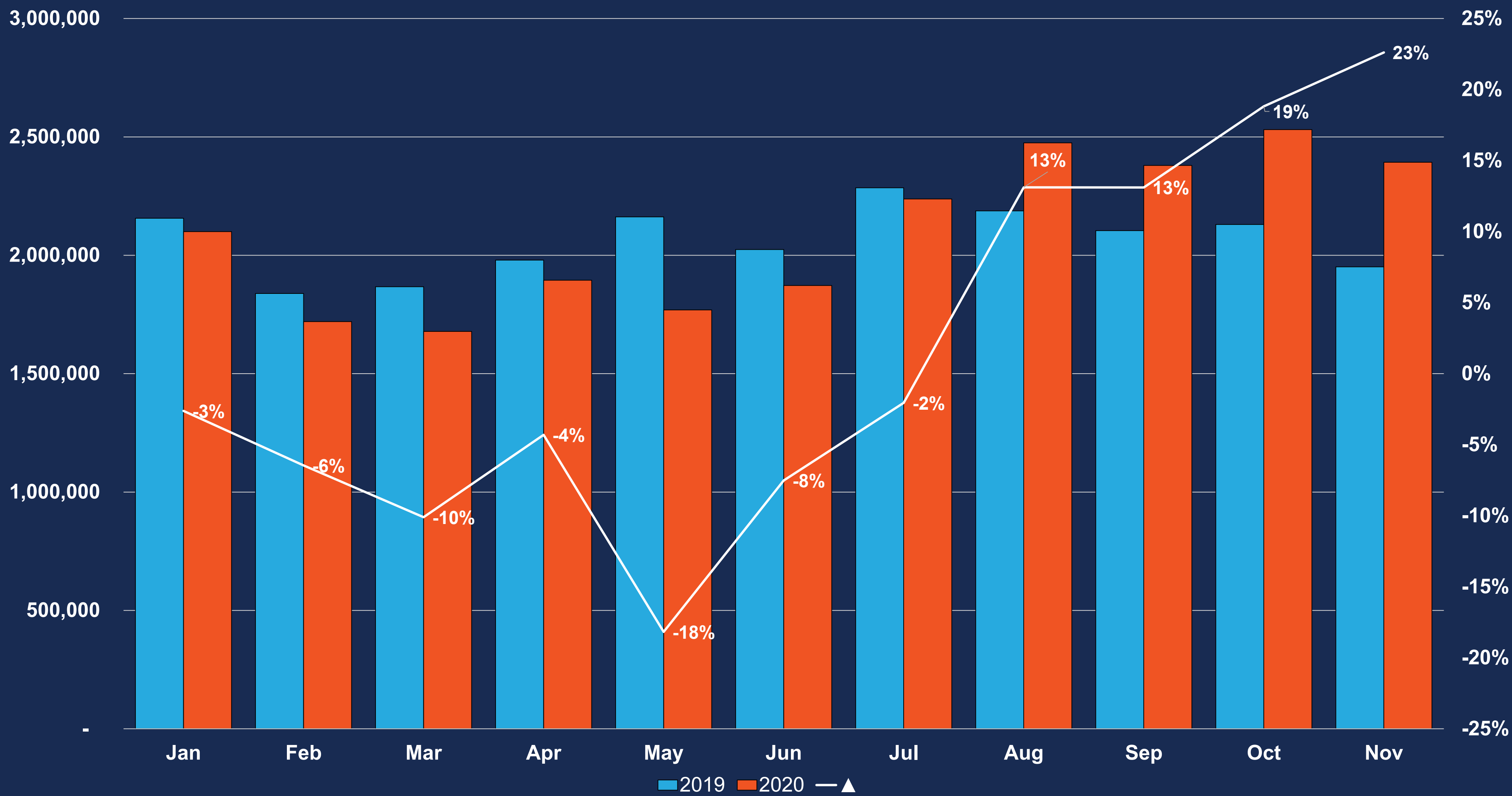
⁽¹⁾ FY2021 projections have been revised slightly upward from the original plan adopted at SCPA's June 2020 Board Meeting.

FY2020 PIER CONTAINER COMPARISON

PRE-PANDEMIC V. POST PANDEMIC



U.S. IMPORT TEU



Source: JOC PIERS / IHS MARKIT

THE PRIORITIES OF THE SC PORTS AUTHORITY

- 1** Excellence in Operations
- 2** Timely and World-Class Infrastructure and Capacity
- 3** Growing Our Cargo Base and Altering Our Focus
- 4** Intermodal Rail Development
- 5** Thought Leadership
- 6** Talented Human Capital



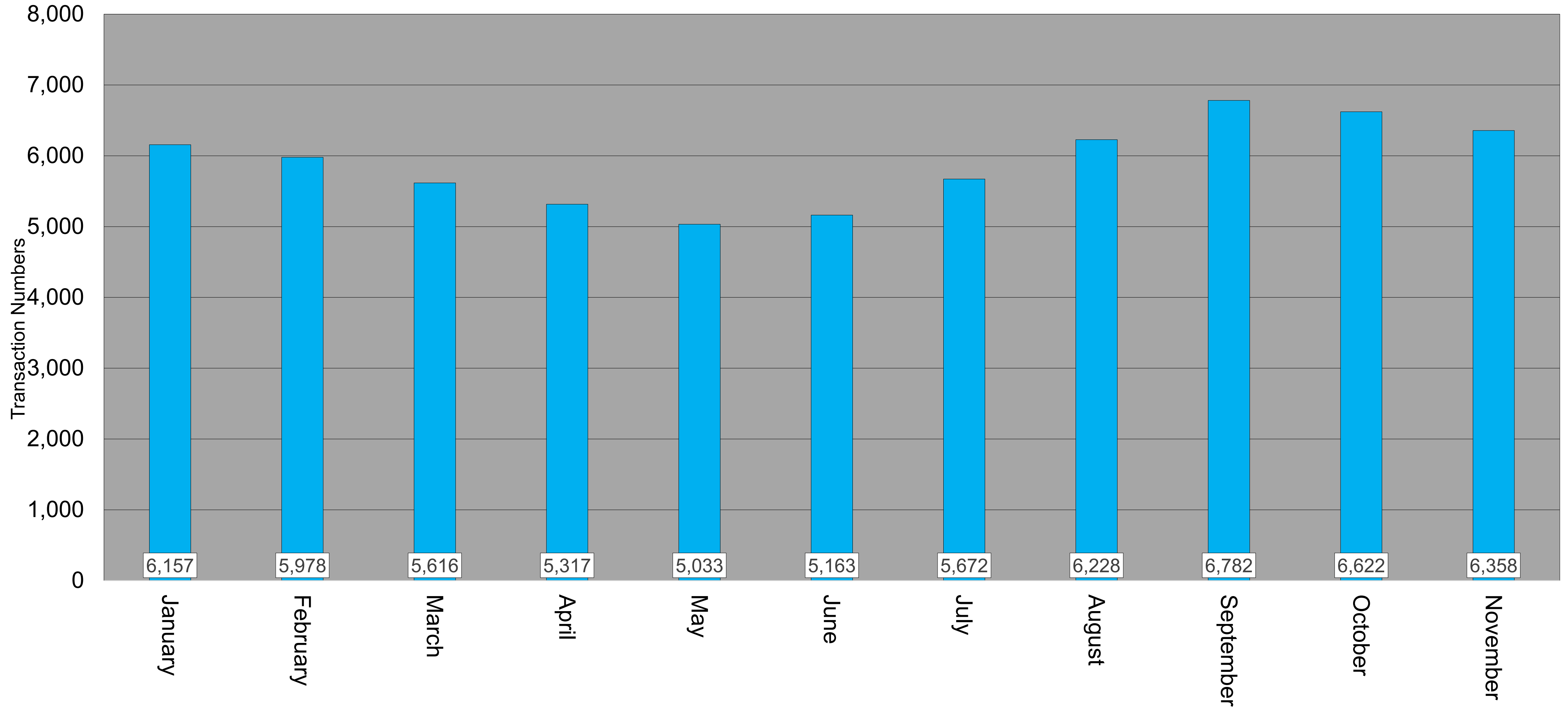
PRIORITY

EXCELLENCE IN OPERATIONS

SCPA OPERATIONS

UNDERPINNED BY STRONG METRICS

WWT & NCT AVERAGE DAILY TRUCK TRANSACTIONS (CY2020)



CHARLESTON STEVEDORING JOINT VENTURE

- Formed to optimize cooperation between terminal and stevedore in handling containers
- Partners:



- Goal is to increase berth productivity and improve total stevedoring cost per unit
- Dovetails with various carrier terminal productivity initiatives
- Ultimately presenting one unified face to our container line customers
- Will take time but a worthy and achievable goal



PRIORITY 2

**TIMELY AND WORLD-CLASS
INFRASTRUCTURE AND CAPACITY**

CONTAINER TERMINAL TEU CAPACITY

2021-2033

2021

2033

**WANDO WELCH
TERMINAL**

2.4 million

2.4 million

**HUGH K. LEATHERMAN
TERMINAL**

0.7 million

2.4 million

**NORTH CHARLESTON
TERMINAL***

0.5 million

0.5 million

TOTAL

3.5 million

5.3 million

*NCT dependent on bridge height and ship size.

WANDO TERMINAL INFRASTRUCTURE IMPROVEMENTS



- Revitalized wharf, toe wall, and buildings
- 15 cranes at 155 feet / 47.2 meters of lift height
- Able to reach a 10th tier working over 9 high stacks on the CMA CGM Brazil
- 65 RTGs and 28 empty container handlers = reducing toplifters
- 40 truck gates
- Densifying stacks to reach 2.4 million TEU capacity
- Able to handle 3 x 14,000 TEU simultaneously

HUGH LEATHERMAN TERMINAL



December 22, 2020

- First greenfield terminal in US since 2009
- Total investment in three phases of \$2 billion
- 5 cranes at 169 feet / 51.5 meters of lift height
- 25 hybrid RTGs from ZPMC
- Dedicated access road to/from I-26
- The gateway to a near dock Intermodal Container Transfer Facility (ICTF)
- 2.4 million TEU of capacity at full build out

CHARLESTON HARBOR DEEPENING



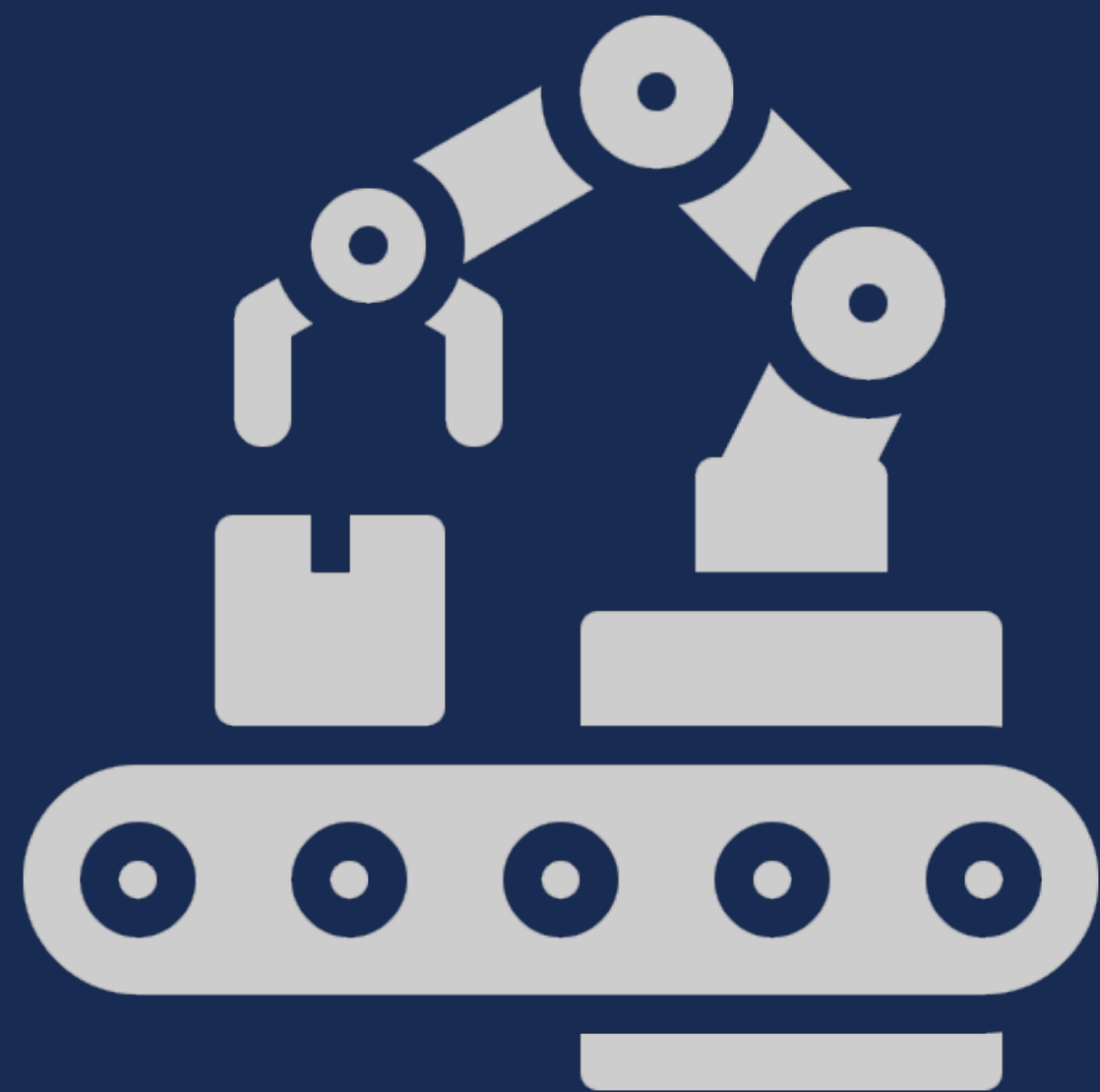
- First deep draft navigation project under “smart planning”
- A major harbor deepened start-to-finish in 12 years
- Completed mid-2022
- When completed:
 - ✓ Deepest harbor on the U.S. East Coast at 52 feet / 15.8 meters
 - ✓ 1650 foot / 503 meter turning basin
 - ✓ 24-hour unrestricted access for ships drafting 48 feet / 14.6 meters
 - ✓ Tide restricted draft up to 54 feet / 16.5 meters
- A \$600 million project which is fully funded by federal/state partnership
- A transformational investment by the SC legislature of \$300 million in 2012

3

PRIORITY

**GROWING OUR CARGO BASE
AND ALTERING OUR FOCUS**

FROM ADVANCED MANUFACTURING TO ADVANCED DISTRIBUTION



- SCPA doubled its volume based on advanced manufacturing in SC from 2009-2019
- This trend will not repeat itself over the next ten years
- A new cargo base focus is required to sustain above market growth
- Important trends define a new direction
 - Manufacturing is 11% of us GDP
 - Consumption of goods is 35% of us GDP
 - Omnichannel and e-commerce are the dominant themes
- A significant pivot is required into retail distribution
- Takes both port-dependent land and the right buildings
 - Efficient import transloads with ample trailer parking
 - Big box DCs for the major retailers
- Must be paired with export transloading to mitigate imbalance
- Significant potential exists in both Charleston and Greer

BUSTLING ACTIVITY AT THE WANDO TRANS LOAD

- A world class operator in Trade Port handling a major e-commerce client
- Creative approach by SCPA to maximize the parking footprint
- Upshot is during peak season handling 600 import containers per week
- Potential for further growth at a time such capacity is scarce
- A building that can easily do 20,000 containers per annum
- Right customer/right provider



\$220 million investment

1,000 jobs

3 million square feet

52 football fields

70,000 containers

Walmart
Save money. Live better.



IDC 7
Ridgeville, SC

ONE WORD PLASTICS



- 650 rail car spots per month
- Bagging and seabulk operation
- 25,000 export container capacity



- 650 rail car spots per month
- Bagging and seabulk operation
- 25,000 export container capacity



- 250 rail car spots per month
- Bagging operation
- 12,000 export container capacity



- 200 rail car spots per month
- Bagging operation
- 10,000 export container capacity

REFRIGERATED CARGO

- Significant activity in refrigerated cold storage
- Capacity provided by two major providers:



Lineage®



338,000

SQUARE FEET

-Palmetto Commerce and NOCS Buildings-
potential to expand PC from 180,000 to
300,000 sq. ft.



130,000

SQUARE FEET

potential to expand to 210,000 sq. ft.

- Expansion of existing facilities is possible
- Interest in the market in diversifying the perishable supply chain
- Ample investment in on terminal infrastructure to efficiently handle
 - Reefer racks
 - Electrical plug-ins
 - On-terminal and on-vessel monitoring
- A significant growth area for SCPA

CARGO BASE

Ships go where there is cargo

SCPA has appropriately transitioned its focus

Generally there are fewer but bigger opportunities

An overall shortage of space/capability in US creates opportunity

Land and reliable private sector partners are a requirement

There are no unhappy customers using SCPA facilities

4
PRIORITY
INTERMODAL RAIL
DEVELOPMENT

LEADER IN DEVELOPMENT OF SHORT-HAUL RAIL INLAND PORTS

INLAND PORT GREER



INLAND PORT DILLON



NEAR TERMINAL RAIL INTERMODAL CONTAINER TRANSFER FACILITY



- SC Ports will operate a dual served Intermodal Container Transfer Facility (ICTF) near the Hugh K. Leatherman Terminal
- Barge operation will be offered from Wando Terminal
- Capable of building 15,000 foot trains
- Expanding rail reach beyond traditional Southeast
- Potential short haul container rail shuttle to Ridgeville

Source: Palmetto Railways

PRIORITY **5**
THOUGHT LEADERSHIP

A NEW CHASSIS PARADIGM

- The SACP chassis pool has provided a good solution over time
- Some things are changing:

Aging chassis with inconsistent path to upgrades

Short haul rail leads to less chassis dislocation

Complex model (choice/non-choice) and involvement of entities

- SCPA is evaluating a new chassis concept from beginning 2022 (net lease model)
- Objective is to drive down per diem cost of use for all users
- Maximizing our successful near terminal chassis depots

REDEVELOPMENT OF THE NON-MARITIME PIECE OF UNION PIER

- Never a better time to redevelop Union Pier
- Important component of SCPA capital plan **+\$100 million**
- SCPA has engaged a great partner in Lowe Enterprises
 - Development/entitlement
 - Disposition services
- The most valuable property on the U.S. East Coast
- A win-win project for all



BUSINESS SIMPLIFICATION

An internal project to streamline processes as we grow

Bigger businesses need simple procedures

Focus on cloud-based non-operating systems

Requires a mindset shift for us all

Should lead to significant efficiency gains

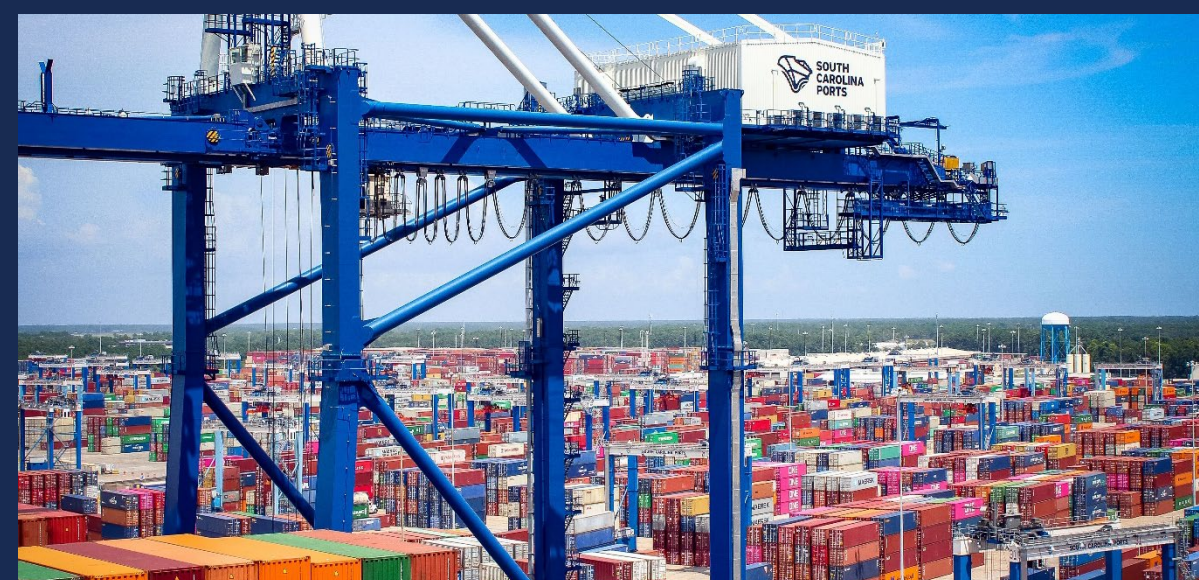
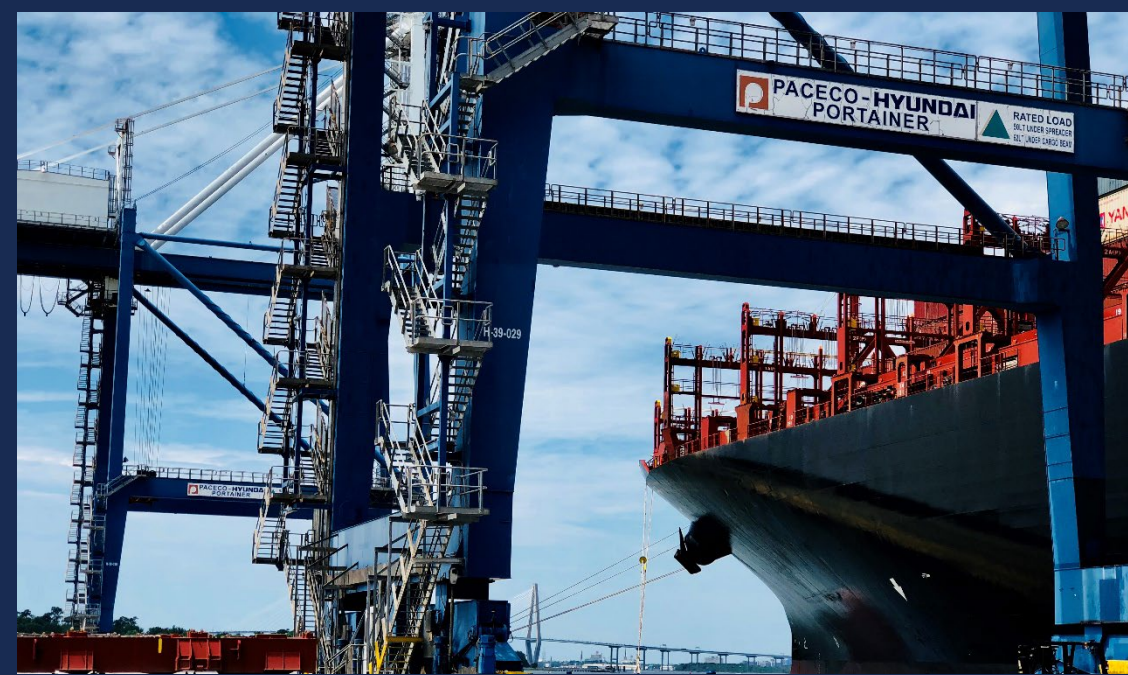
PRIORITY **6**
TALENTED HUMAN CAPITAL

SCPA FOR 2ND YEAR

ONE OF SC'S BEST EMPLOYERS



THE SC MARITIME INDUSTRY IS A SIGNIFICANT EMPLOYER



- Close to 10,000 direct jobs
- Not all under one brand or label
- Bigger in size than Boeing
- +30% average wages
- Significant consumers in the local economy
- An important legacy to protect for future generations

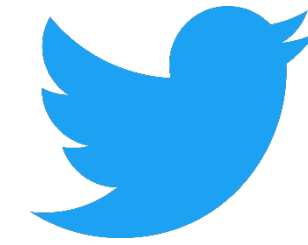
MAJOR ACTIVITIES

FY2021



- Deliver Phase One HLT = March, 2021
- Substantially complete revitalization of Wando Terminal
- Complete widening of Wando turning basin to 1,650 feet
- Introduce Tideworks Operating System
- Develop Ridgeville Industrial Campus
- Increase retail transload presence = Charleston and Greer
- Further develop export transload business
- Finalize expansion of SC Inland Port Greer
- Secure funding for ICTF and barge concept
- Import perishable distribution
- New financial system
- Plan for and implement a new chassis pool model
- Begin entitlement process for Union Pier
- Secure long-term cruise presence

FOLLOW OUR EXCITING ACCOMPLISHMENTS ON SOCIAL MEDIA



@SCPports



@scports



@scports



@South Carolina Ports Authority



@SCPportsTV



**SOUTH
CAROLINA
PORTS**

THE WORLD CONNECTS HERE

THANK YOU

