

**Brunswick County Economic Development Advisory Commission Meeting  
March 8, 2016, 8:30 A.M. Brunswick Forest Sales and Welcome Center (Leland)**

In Attendance:

Commission members:

1. Chairman Richard Kopp
2. Jerry Helms
3. Shannon Viera
4. Dana Fisher
5. Sherry Hardison
6. Les Tubb
7. Ann Hardy
8. Mike Hargett
9. Jerry Pierce

Others:

1. Jenni Harris
2. Commissioner Frank Williams
3. Leland Councilor Michael Callahan
4. Leland Councilor Bob Corrison
5. Steve Stone
6. Amanda Hutcheson
7. Katie Garner (WECT)

Presenters with North Carolina State Ports Authority (Port of Wilmington):

1. Chairman Tom Adams
2. CEO Paul Cozza
3. Cliff Pyron

**I. Welcome – Call to Order**

Chairman Richard Kopp welcomed all and called the meeting to order at 8:30 a.m. County Manager Ann Hardy informed the group of the recent decision to consolidate the County's Economic Development and Planning Services departments, and introduced the new Director of Economic Development and Planning Services, Mike Hargett.

Mr. Hargett introduced himself to the group and thanked those present for their part in the strong, supportive base for economic development that is already in place. Mr. Hargett emphasized the importance of collaboration, with local and regional partners, in moving forward.

**II. Approval of Feb. 9, 2016 Minutes**

As a quorum of voting members was not present, the minutes were not presented for approval.

**III. NC State Ports Authority Presentation**

Paul Cozza, CEO of the North Carolina State Ports Authority, gave a presentation to the group (PowerPoint attached).

After the presentation, Mr. Cozza answered questions from the group. In response to questioning, he informed the group that Vertex Railcar Corporation's set up is an example of an at-port model, and seems to be going well. One of the port's biggest challenges, he said, is getting the word out about the port, which is smaller than those located in Charleston and Norfolk but has placed an emphasis on efficiency and quick turn-around times for customers. He added that the port's current depth is the same as the current depth of the port in Savannah, Georgia, the biggest on the East Coast, but as other ports make plans to increase depth or otherwise grow, the North Carolina State Ports Authority is considering its best future plans, both short-term and long-term. Mr. Cozza emphasized that while the State Ports Authority is not involved in early economic development project discussions, the Authority works with development partners when it is able.

#### **IV. Economic Development Update**

Ms. Hardy thanked Mr. Adams, Mr. Cozza, and Mr. Pyron, and invited Brunswick County Commissioner Frank Williams to address the group.

Commissioner Williams informed the group that, as part of its strategic planning process, Brunswick County had just completed a survey of its residents and stakeholders. One of the recurring themes in the survey results, he said, was the need for jobs, adding that some respondents had commented that after working to send their children off to college, their children did not come back to Brunswick County because of the job market. Commissioner Williams also emphasized the importance of technology, allowing some workers to be able to telecommute or work with clients in other areas, and the importance of viewing the area as a region when looking at economic development and jobs.

Ms. Hardy also introduced Jenni Harris, Regional Industry Manager for the Southeast with the Economic Development Partnership of North Carolina, to the group. Ms. Harris told the group she is looking forward to working with Mr. Hargett, adding that there are a lot of assets in this region, and encouraging the group to let her know if she could help.

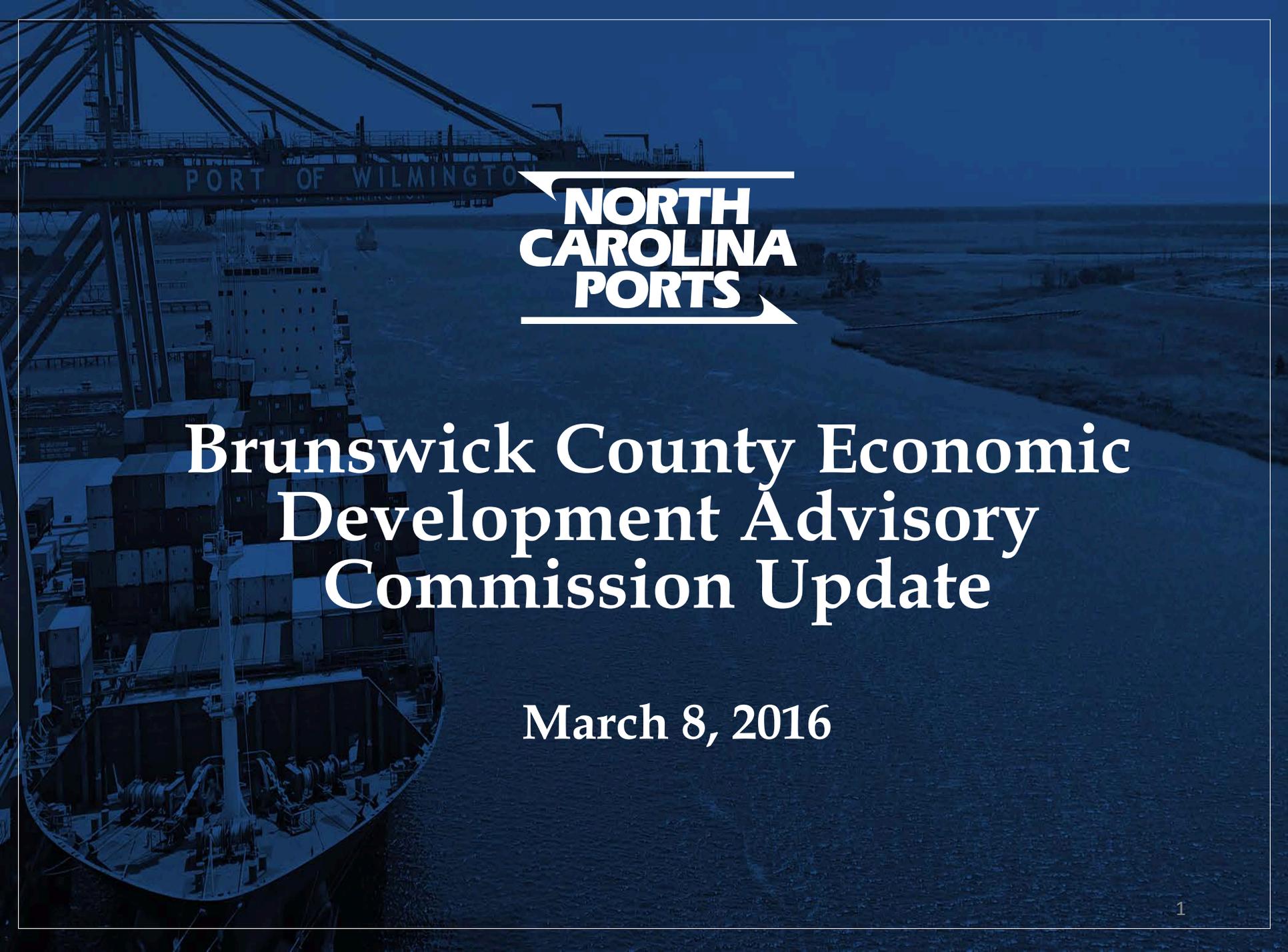
Ms. Hardy informed the group that Brunswick County has been making contact with its economic development partners, and thanks to Mr. Hargett's existing familiarity with the area and partners, has been able to come out of the gate quickly. Mr. Hargett emphasized the need for collaboration and added that he hopes to promote economic development in a balanced way, enhanced by the County's departmental merger and help of the Planning staff and other development-related staff at the County.

#### **V. New Business**

The group determined that the next regular Economic Development Advisory Commission meeting, scheduled for Tuesday, Apr. 12 at 8:30 a.m., will again be held in the Brunswick Forest Sales and Welcome Center, 1007 Evangeline Drive, Leland. Bald Head Island offered to host the Commission's May meeting, with details to be discussed in April.

#### **VI. Adjournment**

The meeting was adjourned at 9:25 a.m.

The background of the slide is a blue-tinted photograph of a port. In the foreground, the deck of a large cargo ship is visible, covered with stacks of shipping containers. In the background, several large gantry cranes are positioned along a pier. The text "PORT OF WILMINGTON" is visible on one of the cranes. The overall scene is industrial and maritime.

**NORTH  
CAROLINA  
PORTS**

# Brunswick County Economic Development Advisory Commission Update

March 8, 2016

# Agenda

- **Current Status of Performance**
- **Market/Carrier Update**
- **Projects in Motion**
- **Infrastructure Investment**
- **Intermodal Rail Capability**
- **Summary**

# Current Status of Performance

A large container ship is docked at a port. The ship's deck is filled with stacks of shipping containers. Many of the containers are dark-colored with the words "K LINE" printed in white. Some containers are white with "COSCO" printed on them. A large gantry crane is visible on the right side of the ship, with its complex structure of steel beams and cables extending over the deck. The sky is a clear, light blue. The overall scene is industrial and busy.

# Banner Year in FY 2015

- Broke Authority record in terms of number of containers handled (just under 300,000 TEU, 18% increase year-over-year)
- One of the fastest growing ports on the U.S. East Coast by container volume growth percentage
- New services, diversions, and lack of congestion have led to banner year
- Most profitable year in Authority history

The screenshot shows a news article on the JOC.com website. The article is titled "Diversions, new services put Wilmington port on track for record year" and is dated April 22, 2015. The author is Reynolds Hutchins. The article discusses the port's performance in FY 2015, highlighting a 16.8% increase in container volume in the first quarter and a 34% increase in March alone. It also mentions that the port handled 223,332 TEUs in FY 2015, just 67,000 TEUs shy of the 2011 record. A bar chart titled "Asia imports through Port of Wilmington" shows monthly TEU volumes for 2013, 2014, and 2015. The chart shows a significant increase in 2015, particularly in the first quarter. The article also mentions that the port has managed to remain congestion-free despite the surge in volumes.

**Diversions, new services put Wilmington port on track for record year**

Reynolds Hutchins, Associate Editor | Apr 22, 2015 3:16PM EDT

Wilmington port is on track for a record year in container volume, due in part to a slew of new services connecting North Carolina to Asian markets and some diversions from the U.S. West Coast.

Port congestion on the East Coast — the kind seen in Virginia, for example, over the past two months — could also be playing a hand, driving traffic to the port in southeast North Carolina.

In the third quarter, from January to March this year, Wilmington's container volume rose 16.8 percent increase year-over-year to 72,142 TEUs. In March alone, the port handled 27,606 TEUs, a 34 percent increase year-over-year.

Asia imports are driving that growth, according to data from PIER.S, a sister company of JOC.com within IHS Maritime & Trade. Imports from the Far East were up 89 percent in March year-over-year, and 49 percent higher than in February.

This fiscal year the port has already handled 223,332 TEUs, just 67,000 TEUs shy of the port's 2011 record.

Despite surging volumes, the port said it has also managed to remain congestion free. That could make it an attractive alternative to some shippers frustrated with delays at Virginia, where harbor truckers have reported hour-long waits at gates.

**Asia imports through Port of Wilmington**

Month	2013 (TEU)	2014 (TEU)	2015 (TEU)
Jan	~6,000	~6,500	~7,000
Feb	~5,500	~6,000	~6,500
Mar	~6,500	~7,000	~7,500
Apr	~6,000	~6,500	~7,000
May	~5,500	~6,000	~6,500
Jun	~5,000	~5,500	~6,000
Jul	~5,500	~6,000	~6,500
Aug	~5,000	~5,500	~6,000
Sep	~5,500	~6,000	~6,500
Oct	~5,000	~5,500	~6,000
Nov	~5,500	~6,000	~6,500
Dec	~5,000	~5,500	~6,000

Source: PIER.S, a product of IHS Maritime and Trade

[Click to enlarge](#)

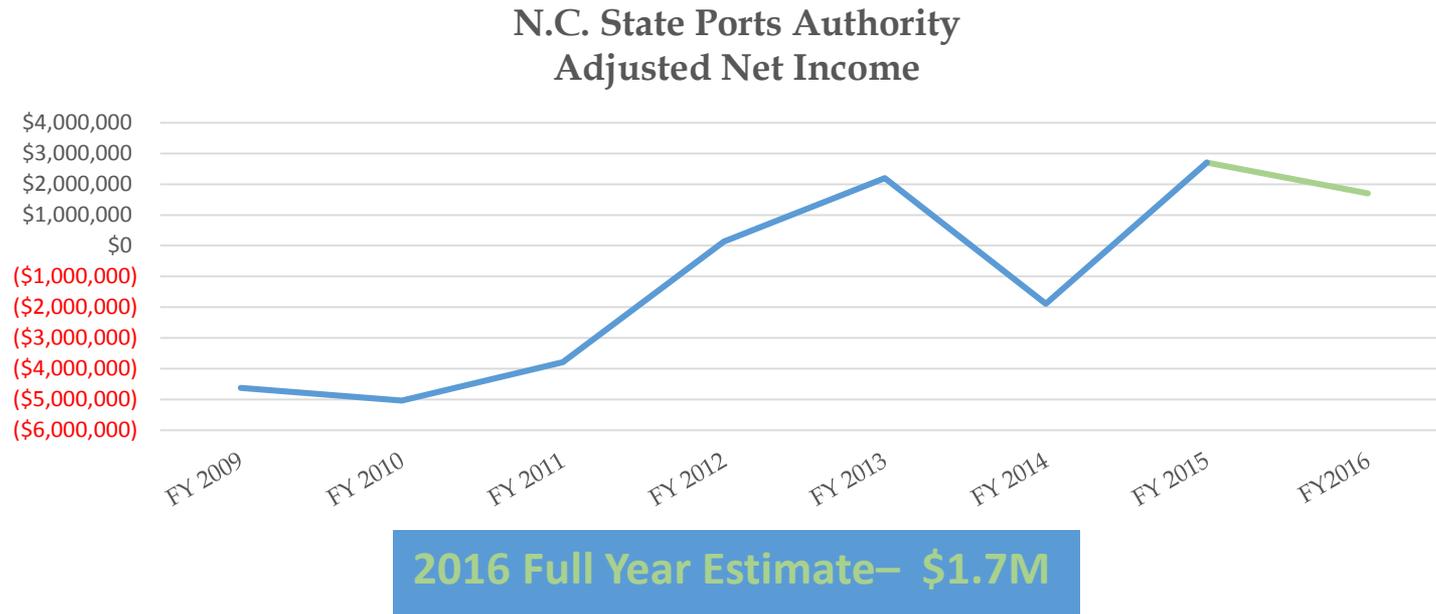
**More on JOC**

- China's JLL head bursts talk of warehouse supply bubble [International Logistics](#)
- New US trucking technology mandate to contribute to higher rates [Trucking Equipment](#)
- CaroTrans launches new U.S.-Japan export service [CaroTrans International](#)
- Zim revises Gulf-East Coast of South America routes [Zim Integrated Shipping Services](#)
- Cambodian port raising funds for new terminal as export demand builds [Asian Ports](#)
- After 2014 boom, US heavy truck orders falling [Trucking Equipment](#)
- Marine terminal operators risk losing automation race to outsiders [Terminal Operators](#)
- ILA-USMX 'exploratory' talks may become more tangible next month [International Longshoremen's Association](#)

MORE News & Analysis »

# Current Status of Performance

- Profit Driven



## Year to date

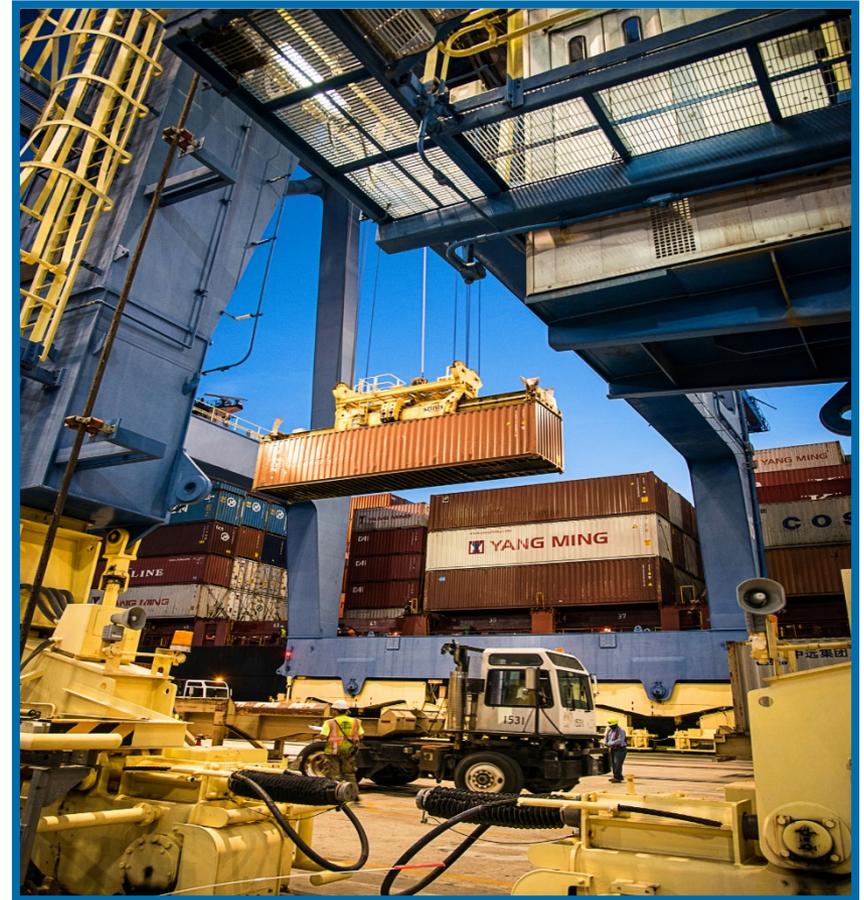
- **Revenue** : \$22M through December (same as prior year)
- **Net income** : \$2.2M FY16 (\$2.4M prior year)
- **Volume**: Exports are decreasing due to affects of global economy - strong dollar
  - Containers: -3% vs. prior year
  - General Cargo: 10% over prior year
- **Asset Sale**: Southport Marina



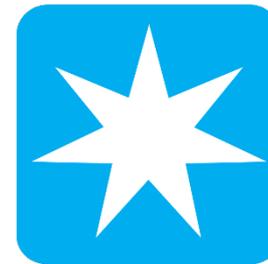
# Market/Carrier Update

# Business Development Efforts

- Increasing focus on marketing/sales
  - New Chief Commercial Officer
  - Coverage of cargo owners/shipping companies
  - Get the word out
- Container segment a priority
  - Industry consolidation
  - Panama Canal Expansion
  - Increase vessel service options for N.C. community



# Port of Wilmington Ocean Carriers



New Service

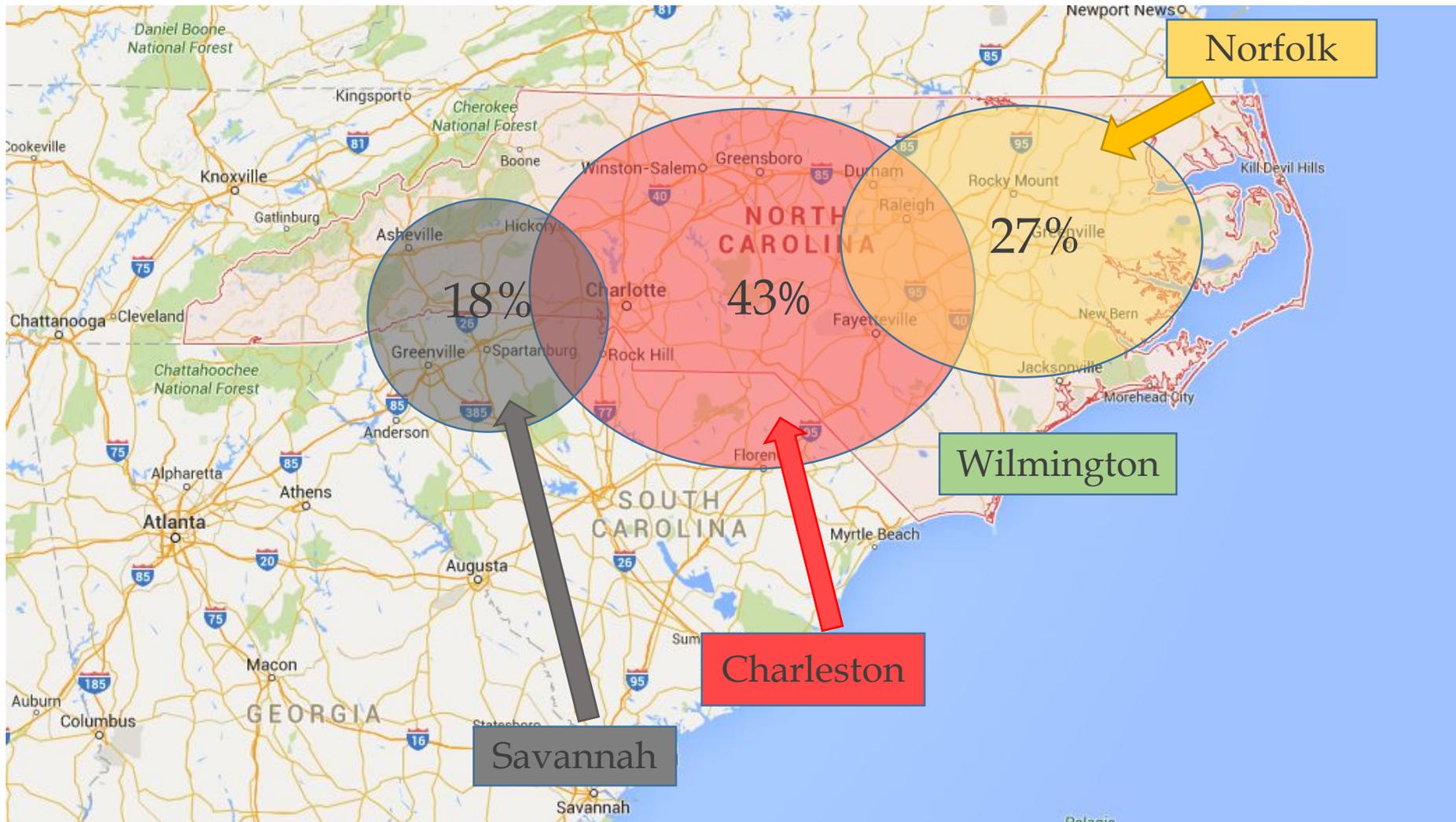
In discussions

# Industry Leader in Customer Satisfaction

- Expansion Solutions Magazine recognizes N.C. Ports in its 9th annual “Top Five” Awards of Excellence
- These awards identify economic development organizations which have shown exceptional progress and potential in the area of recruiting, retaining and growing businesses



# Opportunity to Improve Supply Chain



# Projects in Motion

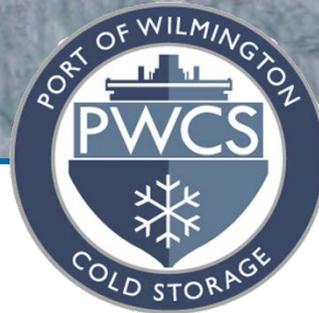
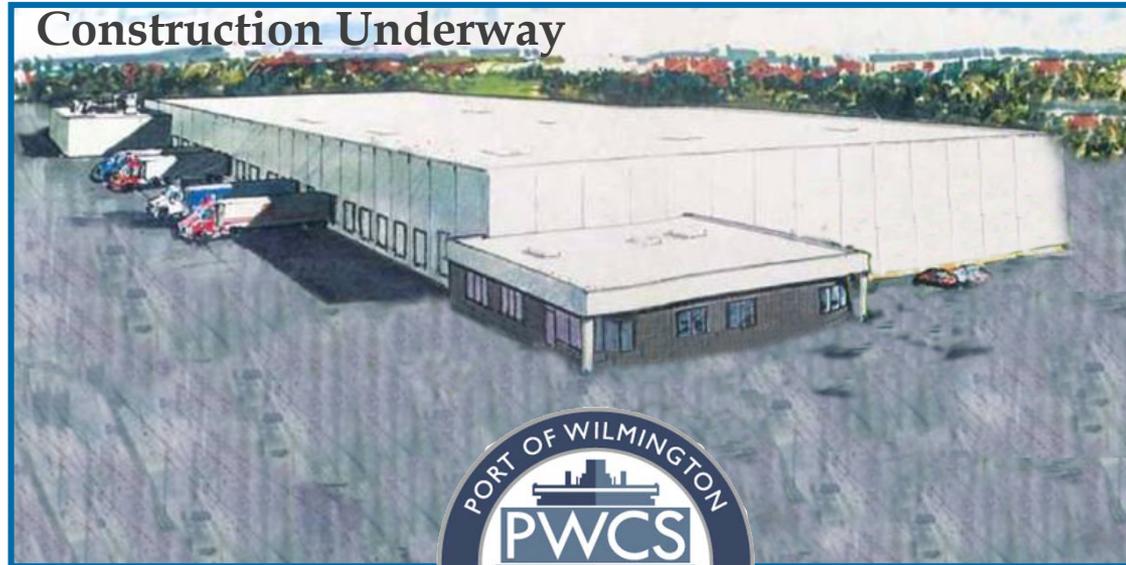
A large container ship is docked at a port. The ship's deck is filled with stacks of shipping containers. Many of the containers are dark-colored with the words "K LINE" printed in white. Some containers are white with "COSCO" printed on them. To the right of the ship, a large gantry crane is visible, with its complex metal structure and cables extending over the ship. The sky is a clear, light blue. The overall scene is industrial and busy.



# North Carolina is Home to Protein



Smithfield®



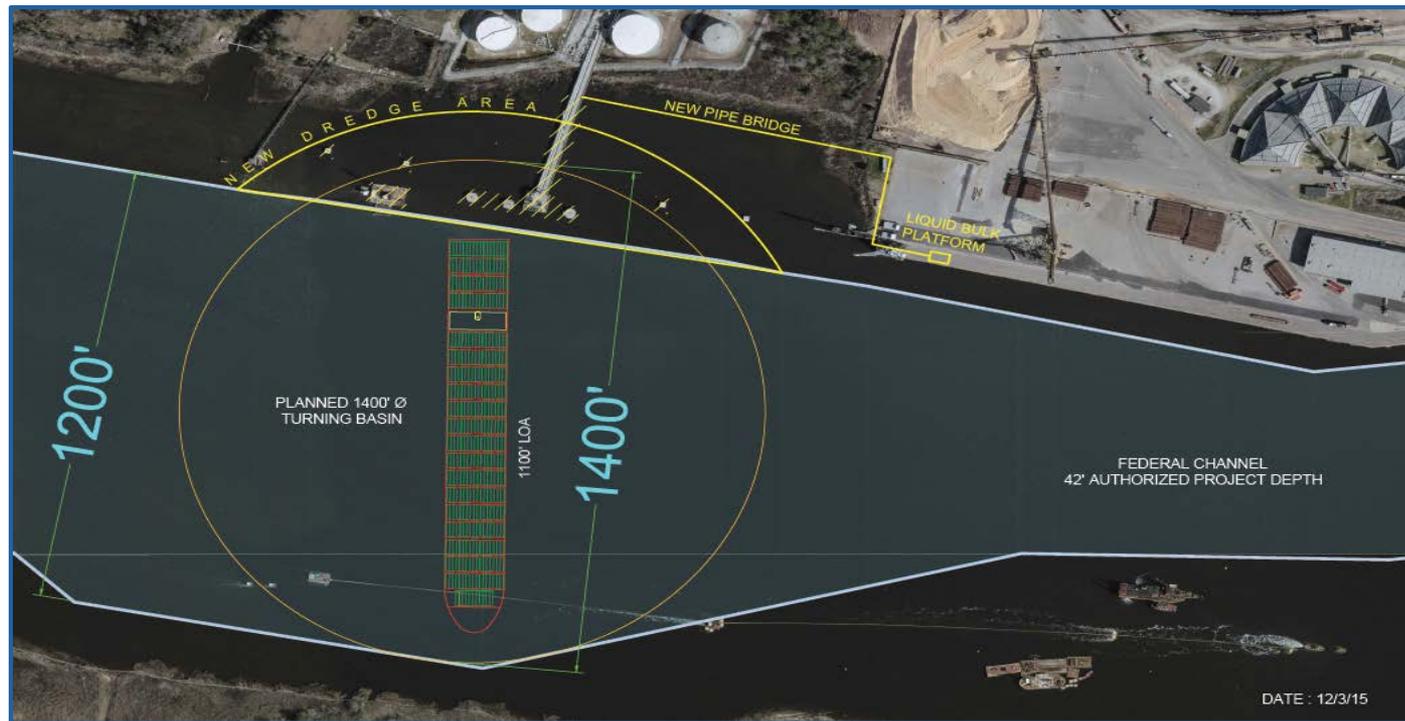
- 101,537 square feet of initial construction
- 200,000 square feet of expansion space planned

NC Agriculture ranks nationally:  
#1 sweet potatoes  
#2 pork and turkey production  
#5 poultry production

An aerial photograph of a large cargo ship docked at a port. The ship's deck is covered with numerous stacked shipping containers. A large gantry crane is positioned over the ship, with the words "PORT OF WILMINGTON" clearly visible on its structure. The ship is situated in a wide waterway, likely a river or bay, with a flat, marshy landscape visible on the right side. The entire image has a dark blue color overlay.

# Infrastructure Investment

# Turning Basin Expansion Project



- All major regulatory permits obtained
- Initial construction bids received - New bids requested on Jan. 25<sup>th</sup> with Feb. 3<sup>rd</sup> submission date
- Panama Canal opening allows completion date to June 30, 2016

# Port of Wilmington Infrastructure Investments

- Berth 8 replacement project
- Purchase new post-Panamax container cranes
- Capability to operate two post-Panamax vessels simultaneously
- Estimated completion December 2017



# Cape Fear River Channel



- Study underway with U.S. Army Corps of Engineers to complete navigational improvements to the channel, including deepening the Cape Fear River basin
  - Long-term viability requires channel improvements
    - Neighboring ports well underway

# Infrastructure Investment

## **Berth 8 Replacement & Related Upgrades (\$53 - \$58 million)**

- Replace 645 ft x 200ft of dock structure
- Includes 645 ft of new landside crane rail
- 272 ft extension of 50 ft gauge rail
- Rail extension to Berth 6 with partial removal of T-7
- Structural improvements to waterside crane rail on Berths 7 and 9

## **Post-Panamax Container Cranes (\$32 - \$36 million)**

## **Turning Basin Expansion (\$10 - \$12 million)**

- Relocate liquid bulk pier and dredging at east side of turning basin

## **Morehead City Dredging (\$3.1 - \$3.5 million)**

- NCSIPA funding current year's inner harbor dredging

## **Wilmington Harbor Study (\$1.4 million)**

# Intermodal Rail Capability

A large cargo ship is docked at a port, with a gantry crane positioned over its deck. The ship's deck is filled with stacks of shipping containers. Many of the containers are dark-colored and feature the 'K LINE' logo in white. Some containers are white and feature the 'COSCO' logo. The ship's superstructure, including the bridge and various masts, is visible against a clear sky. The overall scene is captured in a blue-tinted, high-contrast style.

# CSX's Central Carolina Connector (CCX)

CCX will be a transformational, state-of-the-art intermodal rail terminal in Eastern North Carolina which will serve as a major transportation hub in the Southeast



# Central Carolina Connector benefits to N.C.

## Economic Development Opportunity



### A transportation “hub” in the mid-atlantic region

- Catalyst for distribution centers, warehouses and logistics consolidators
- Manufacturers near CCX – competitive advantage
- Reduce traffic on interstates and highways (I-95/I-85/I-40)
- Improves safety and reduces emissions for freight traffic

### N.C. Ports Advantages – Intermodal

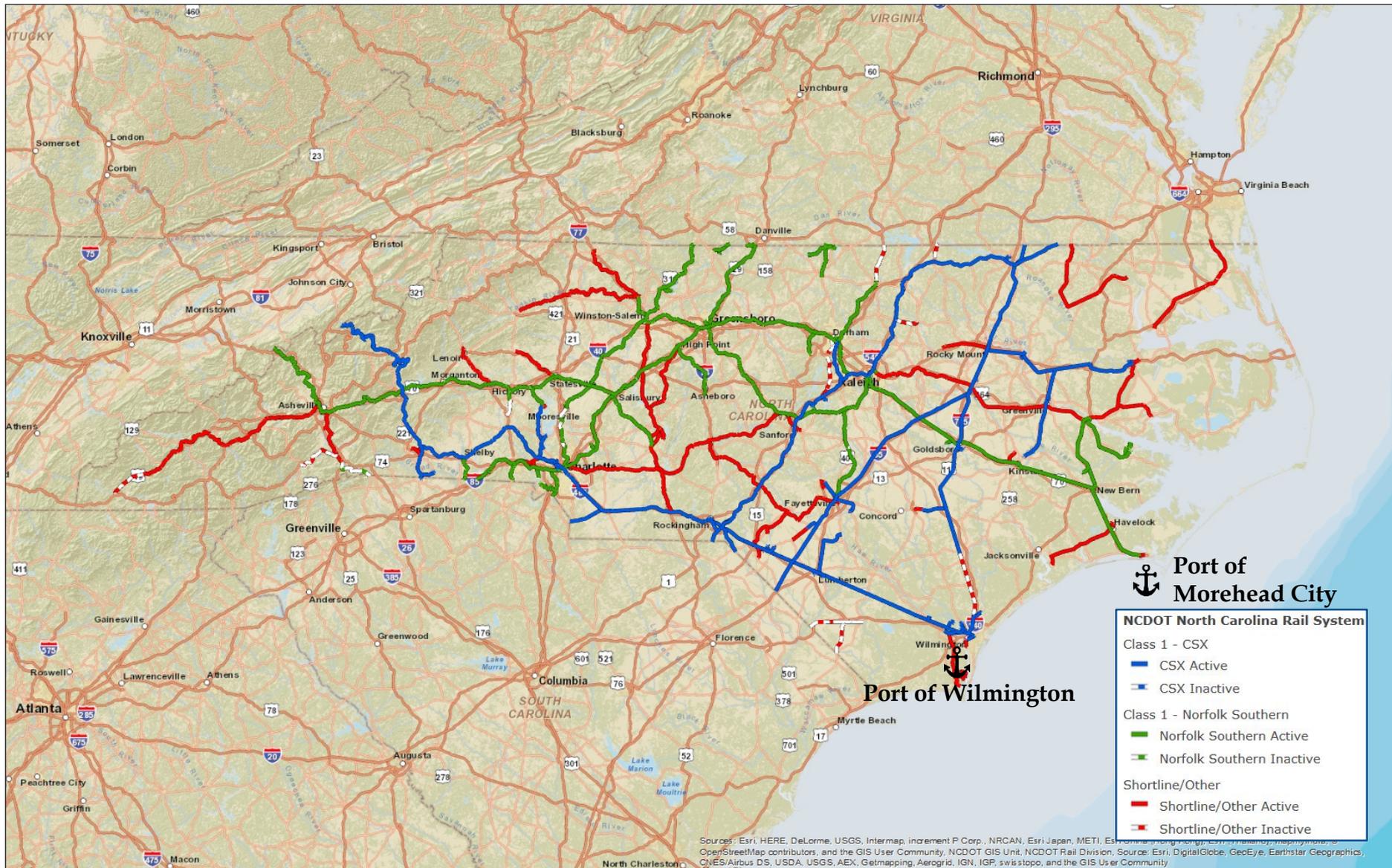
- Direct rail to Charlotte
- Direct access to CCX hub – premiere service over southeast ports

Recent N.C. Ports  
Customer Survey –  
90% want intermodal  
service

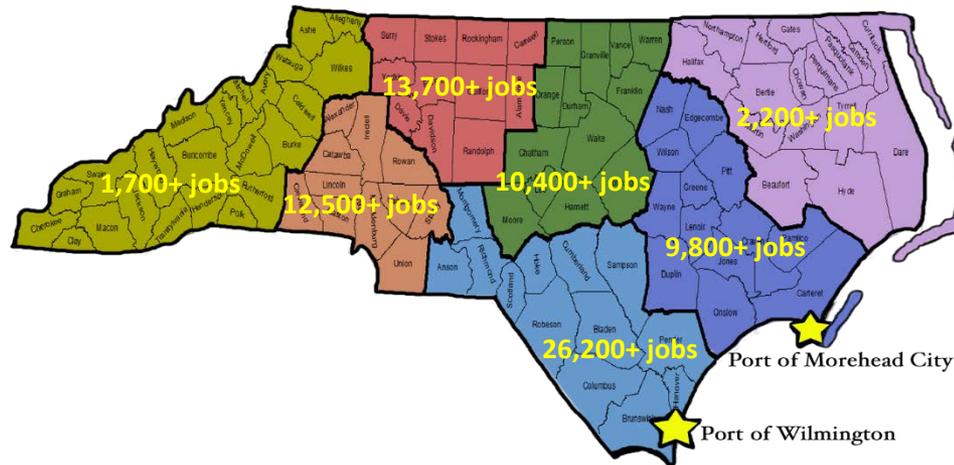


# Summary

# Part of an Integrated Transportation Network



# 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

# Industrial Site Development Near the Port of Wilmington



## ● International Logistics Park of North Carolina

18.6 miles from Port of Wilmington, 1,029 acres, shovel ready, direct access to U.S. Hwy 74/76 with fast access to I-40, I-140, I-74 leading to I-95

## ● Mid-Atlantic Industrial Rail Center

18.6 miles from Port of Wilmington, 1,025 acres, shovel ready, direct access to U.S. Hwy 74/76 with fast access to I-40, I-140, I-74 leading to I-95

## ★ Pender Commerce Park

13 miles from Port of Wilmington, 431 acres, shovel ready, direct access to U.S. Hwy 421 with fast access to I-40, I-140, I-74 leading to I-95

# North Carolina Ports Advantages



## Unmatched Performance

- One of the highest crane productivity rates in the South Atlantic
- Second to none truck turn times



## Velocity Leader

- Fast, seamless service from the berth, to the yard, to the gate
- Lack of congestion



## Cost Efficient

- We offer cost competitive solutions to our customer base



## Impeccable Service

- Accolades from customer base

# Imagine Your Future Here



A blue-tinted photograph of a port. In the foreground, there are several stacks of shipping containers. Many of the containers are labeled 'K LINE', and some are labeled 'COSCO'. In the background, a large gantry crane is visible, with its complex structure of steel beams and cables. The sky is a clear, light blue. The overall scene is industrial and busy.

# NORTH CAROLINA PORTS