



23

ANNUAL REPORT



**SOUTH
CAROLINA
PORTS**

KEEPING FRIEGHT MOVING

SC PORTS

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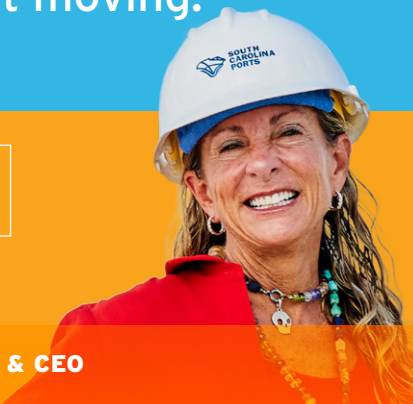
Letter From The CEO



South Carolina Ports is a powerhouse port with the best people, infrastructure and operations to keep freight moving.

BARBARA
MELVIN

PRESIDENT & CEO



As a well-run port with capacity in the booming Southeast market, SC Ports plays a big role in supporting business growth and attracting new investment to South Carolina.

The advanced manufacturing, electric vehicle, automotive, retail and e-commerce sectors are thriving, and we are boldly investing in critical port infrastructure to meet this demand.

Charleston now has the deepest harbor on the US East Coast at 52 feet, enabling us to handle bigger ships at any tide. We modernized Wando Welch Terminal, which has 15, 155-foot-tall ship-to-shore cranes working vessels.

We launched our innovative SMART Pool™, adding more than 10,000 chassis to the Southeast supply chain. Expansion

continues at Inland Port Greer to add more cargo and rail capacity in the Upstate.

And thanks to \$400 million from the state of South Carolina, the Navy Base Intermodal Facility is beginning to take shape. This near-port rail-served intermodal yard will be a significant competitive advantage for SC Ports.

We are focused on advancing operational excellence and growing our cargo base, while also keeping an eye to the future. We look forward to fully utilizing Leatherman Terminal under our successful operating model and enhancing North Charleston Terminal to handle more cargo. Our bold investments will pay dividends for South Carolina.

Beyond infrastructure, fiscal year 2023 saw a much more normalized global supply chain. Inland Ports Greer and Dillon had stellar cargo activity, with Inland Port Dillon achieving a record year. Container volumes were steady, but much more tempered compared to the previous year's unprecedented import boom.

While we are certainly eager for people to start buying more goods again, we know that volumes ebb and flow. We remain focused on

long-term growth and have great confidence in our core fundamentals.

With decades of experience, our best-in-class team provides reliable, efficient service to our customers. We offer expansive capacity and a strong infrastructure network to speed goods to market.

Our port works well, and our ability to quickly adapt for our customers is our differentiator.

We are a top 10 U.S. container port because of our amazing port team and maritime community. We are fortunate to have unbelievable support from our Board of Directors and many elected, business and community partners.

SC Ports keeps freight moving for companies and communities. We run a world-class port that propels our economy forward, with port operations supporting 1 in 9 jobs in South Carolina.

It is an honor to lead this team, and with you all steering the ship, I know we have so much growth ahead of us. We are ready for it.

Letter From The Chairman

SC Ports is South Carolina's gateway to the world, providing businesses with efficient port service and direct access to global markets.

The SC Ports team and maritime community excel at keeping freight moving and attracting more cargo to the Port of Charleston, which creates high-paying jobs in South Carolina. World-class businesses need a world-class port to be successful.

We are so fortunate to have such a talented, dedicated port team. We owe them a debt of gratitude for all they do every day to keep our supply chain fluid and our businesses running.

The SC Ports' leadership team and Board of Directors are tasked with building the right capacity at the right time to continue growing above market and remaining competitive as a top 10 U.S. container port.

We strategically invest in critical port infrastructure to support port-dependent businesses throughout South Carolina and beyond.

We modernize existing terminals and add cargo capacity to handle more goods. We invest in new cranes and cargo-handling equipment to work bigger ships. We deepen our harbor to handle mega container ships at any tide.

We invest in our workforce with mentorship and apprenticeship programs. We update IT systems to enhance cybersecurity readiness and terminal operations.

We build rail-served inland ports, and now an innovative rail-served intermodal yard, to speed goods to market.

We also look to the future to efficiently handle cargo growth for decades to come.

When we invest in the port, we invest in our state's competitiveness. Governor Henry McMaster, the SC Legislature and our Congressional partners provide unwavering and critical support that enables SC Ports – and South Carolina – to thrive.

SC Ports is a tremendous asset for South Carolina, with thousands of port-dependent businesses benefiting from having a well-run port in their backyard.

SC Ports attract new businesses to the state and supports existing companies' expansions. This translates to more jobs for South Carolinians, benefiting communities around our state.

SC Ports is a true economic engine for South Carolina. The entire SC Ports team and Board of Directors takes great pride in helping to create more opportunities for South Carolinians as we build a more prosperous future for our state.



We are so fortunate to have such a talented, dedicated port team.

**BILL
STERN**

**CHAIRMAN
OF THE BOARD**

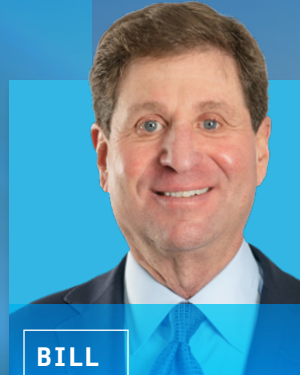


Board of Directors

OUR MISSION

SC Ports promotes, develops and facilitates waterborne commerce to meet the current and future needs of its customers, and for the economic benefit of the citizens and businesses of South Carolina.

Photograph by English Purcell



BILL
STERN

CHAIRMAN



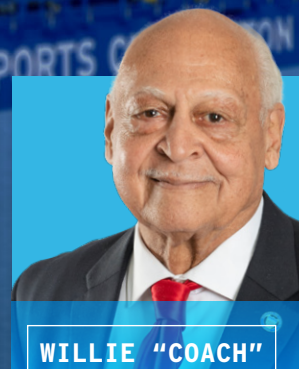
DAVE
POSEK

VICE CHAIRMAN



KURT
GRINDSTAFF

TREASURER



WILLIE "COACH"
JEFFRIES

SECRETARY



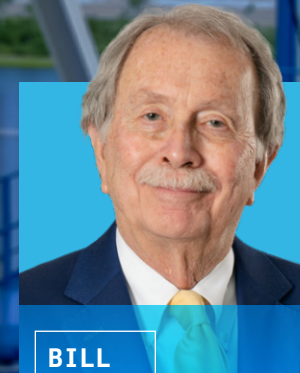
WHIT
SMITH



PAM
LACKEY



MARK
BUYCK



BILL
COATES



FELICIA
HOWARD



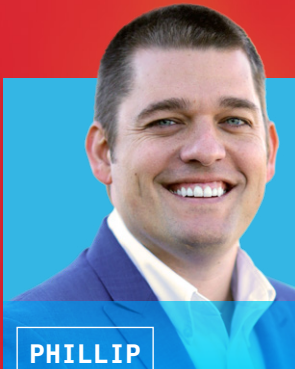
The entire SC Ports team and Board of Directors takes great pride in being an economic engine for our state.

BILL STERN

CHAIRMAN OF THE BOARD

Leadership Team

SC Ports has a diverse and experienced leadership team, working to ensure that SC Ports fulfills its mission, delivers excellent service and continues to thrive as a top 10 U.S. container port.



**PHILLIP
PADGETT**

**CHIEF FINANCIAL
OFFICER & VP,
ADMINISTRATION**



**STEVE
KEMP**

**VP, INTERMODAL,
CHASSIS &
OPERATIONS
PROJECTS**



**BRENT
SIMON**

**VP, CHIEF
OF PORT POLICE**



**MIKE
STRESEMANN**

**VP, EQUIPMENT
MAINTENANCE**



**BARBARA
MELVIN**

PRESIDENT & CEO



**BYRON
MILLER**

**CHIEF COMMERCIAL
OFFICER & VP,
MARKETING**



**JOEL
BRITT**

**VP, TERMINAL
OPERATIONS**



**WALTER
LAGARENNE**

**VP, ENGINEERING &
FACILITIES**



**STEVE
RAUCH**

**VP, INFORMATION
TECHNOLOGY**



**JORDI
YARBROUGH**

**VP, STATEWIDE
STAKEHOLDERS &
LOCAL GOVERNMENT
ENGAGEMENT**



South Carolina's Port System has played a pivotal role in propelling our state into a new era of economic prosperity.

Through strategic investment, our ports have successfully developed the infrastructure needed to support port-dependent businesses, help existing businesses thrive, and attract new investment and jobs. I look forward to the continued success of SC Ports, because when the port succeeds, so does South Carolina.

HENRY MCMASTER
**SOUTH CAROLINA
GOVERNOR**

Financials

CONDENSED STATEMENTS

JUNE 30, 2023 & 2022 | IN THOUSANDS

	FY 2023	FY 2022
ASSETS		
Current assets	\$ 618,199	\$ 608,366
Non-current assets and investments	2,045,929	1,924,731
Total assets	2,664,128	2,533,097
Deferred outflows of resources	100,016	76,216
Total assets and deferred outflows of resources	\$ 2,764,144	\$ 2,609,313
LIABILITIES		
Current liabilities	\$ 122,440	\$ 94,498
Non-current liabilities and long-term debt	1,712,035	1,728,078
Total liabilities	1,834,475	1,822,576
Deferred inflows of resources	48,855	31,648
Total liabilities and deferred inflows of resources	\$ 1,883,330	\$ 1,854,224
NET POSITION		
Invested in capital assets, net of debt	\$ 575,583	\$ 488,591
Restricted for debt service, net of debt	41,109	37,795
Unrestricted	264,122	228,703
Total net position	\$ 880,814	\$ 755,089
Total liabilities, deferred inflows of resources & net position	\$ 2,764,144	\$ 2,609,313

REVENUES / EXPENSES / CHANGES IN NET POSITION

JUNE 30, 2023 & 2022 | IN THOUSANDS

	FY 2023	FY 2022
Operating revenues	\$ 448,508	\$ 443,102
Operating expenses	397,975	344,550
Operating income	50,533	98,552
Non-operating expenses, net	12,956	(63,295)
Excess revenues over expenses before capital contributions	63,489	35,257
Capital contributions and special items	3,754	3,855
Contribution of Property from the State of SC for NBIF	41,103	-
Contribution from SC Department of Commerce for BMW expansion	17,379	-
Change in net position	\$ 125,725	\$ 39,112
Beginning of year	755,089	715,642
Adoption of GASB 96	-	335
End of year	\$ 880,814	\$ 755,089

CASH FLOWS

JUNE 30, 2023 & 2022 | IN THOUSANDS

	FY 2023	FY 2022
Cash flows from operating activities	\$ 167,124	\$ 169,100
Cash flows from investing activities	11,261	(15,980)
Cash flows from non-capital financing activities	45,262	10,145
Cash flows from capital and related financing activities	(202,760)	(91,454)
Change in net position	\$ 20,887	\$ 71,811
Beginning of year	519,409	447,598
End of year	\$ 540,296	\$ 519,409

Economic Impact

PROPELLING OUR STATE'S ECONOMY



IMPACT BY REGION

Upstate	\$44.0B	↗ 34%
Midlands	\$22.3B	↗ 43%
Lowcountry	\$10.7B	↗ 37%
Pee Dee	\$9.7B	↗ 36%

\$17.6B ↗ 38%
LABOR INCOME

Upstate	\$9.0B
Midlands	\$4.5B
Lowcountry	\$2.2B
Pee Dee	\$2.0B

\$1.5B ↗ 36%
SC TAX REVENUE

\$67.8K ↗ 19%
AVERAGE INCOME

FY23 INVESTMENTS

Having a world-class port in South Carolina attracts companies to invest in new facilities and expand existing operations, creating generational opportunities for South Carolinians.

Study conducted by Joseph C. Von Nessen, Ph.D.

1 in 9 ↗ 23%
JOBS SUPPORTED

Upstate	132,082
Midlands	66,785
Lowcountry	32,214
Pee Dee	28,939

LOWCOUNTRY \$10.8 BILLION



UPSTATE \$2.37 BILLION



MIDLANDS \$108.7 MILLION



PEEDEE \$68.7 MILLION



Annual Volumes

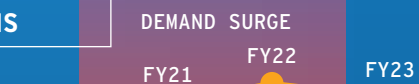
OUR RETURN TO STEADY GROWTH

TOTAL TEUS



2,581,373

BREAKBULK TONS



826,591

FINISHED VEHICLES



188,517

MONTHLY TEU VOLUME

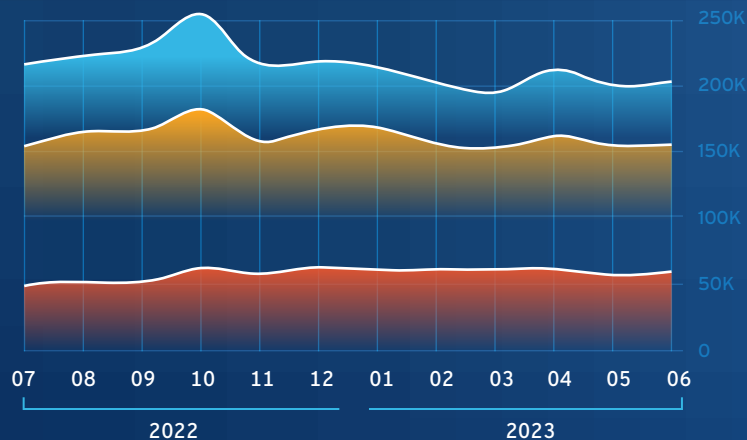
IMPORT

EXPORT

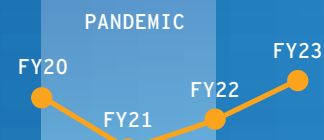
EMPTIES

215,114

AVERAGE/MO

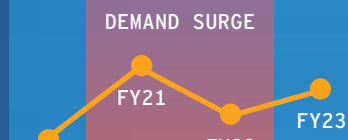


CRUISE PASSENGERS



294,136

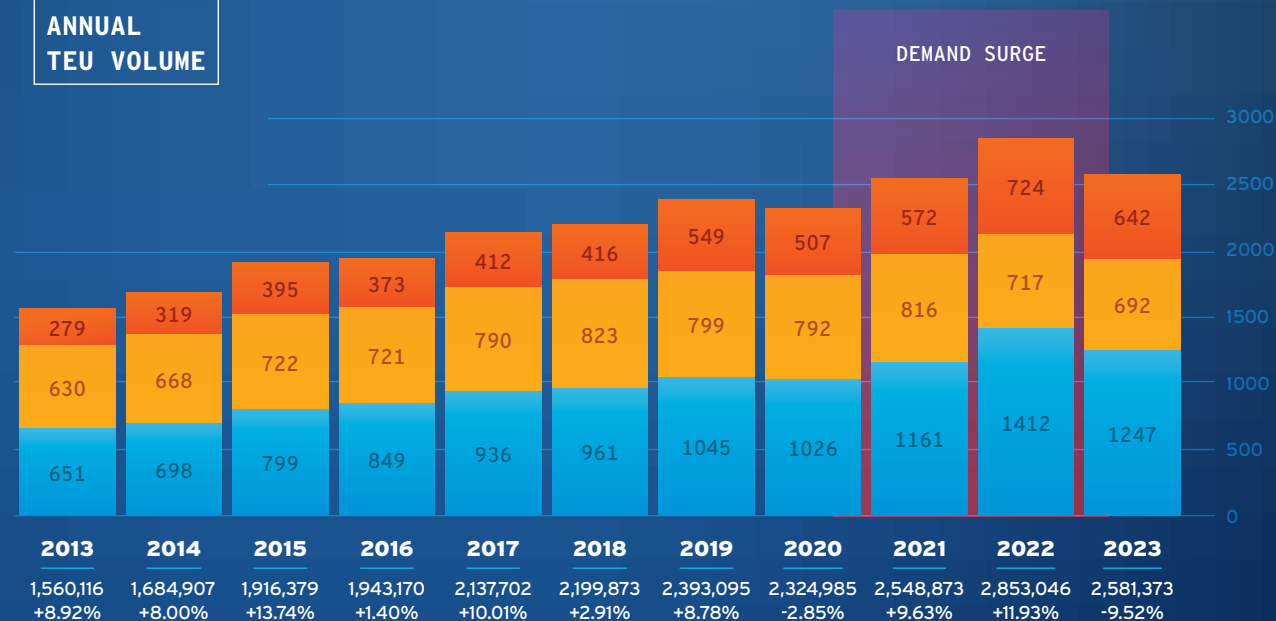
INLAND PORT RAIL LIFTS



185,956

Container volumes normalized during fiscal year 2023 as the pandemic-induced surge in demand for imported goods tapered. Port growth remains steady, buoyed by efficient port operations and the strength of the booming Southeast market.

ANNUAL TEU VOLUME



Capital Expenditures

DELIVERING CRITICAL INFRASTRUCTURE TO THE SUPPLY CHAIN

SC Ports and the state of South Carolina invested \$127 million into critical port infrastructure in fiscal year 2023 to build on port capacity and ensure efficient operations for years to come.

Photograph by English Purcell

01

NAVY BASE INTERMODAL FACILITY (NBIF)

With \$400 million committed in state funding, SC Ports is developing a near-port, rail-served intermodal yard to increase cargo capacity and speed-to-market for customers. During fiscal year 2023, site work commenced on NBIF, and rail-mounted gantry cranes were ordered to move containers. Upon opening in 2025, both CSX and Norfolk Southern will serve this modern cargo facility, significantly enhancing SC Ports' rail competitiveness.

02

WANDO WELCH TERMINAL

SC Ports continued investing in its biggest container terminal to enhance big-ship capabilities, cargo capacity and efficient operations. Fifteen 155-foot-tall ship-to-shore cranes now stand on the wharf deck, working some of the biggest ships to call on the U.S. East Coast. Design work is ongoing to lengthen the existing wharf to accommodate an inner-harbor barge operation.

03

INLAND PORT GREER

SC Ports is expanding Inland Port Greer to add more cargo and rail capacity to support its impressive growth. The terminal has 8,000 feet of new rail to handle more trains, readying it to meet cargo demands through 2040. The container yards are being expanded to the east and west to handle 50% more cargo. Work also entails enlarging the existing chassis yard and building new facilities for port operations.

04

SMART POOL™

SC Ports launched its port-owned and port-operated SMART Pool™ chassis fleet, which added more than 10,000 chassis to the Southeast supply chain during fiscal 2023. Having a port-managed pool ensures we can meet customer demand and maintain fluidity with the same level of customer service SC Ports is known for. The SMART Pool™ also enhances the safety and quality of chassis for customers, motor carriers and ocean carriers.

Building the Navy Base Intermodal Facility

A near-port rail yard adding more capacity and fluidity to supply chains



The Navy Base Intermodal Facility is beginning to take shape near the Port of Charleston, providing cargo owners a state-of-the-art intermodal hub to quickly move goods to market via rail.

Construction of the rail-served cargo yard is underway, with site development kicking off in fiscal year 2023. When the facility opens in 2025, rail-mounted gantry cranes will swiftly move containers on and off CSX and Norfolk Southern trains. A one-mile drayage road will transport containers to and from Leatherman Terminal.

“Developing a near-port rail yard allows imports and exports to swiftly move between inland markets and the Port of Charleston,” SC Ports CEO Barbara Melvin said. “We are so grateful to our state leaders for supporting South Carolina’s supply chain.”



This critical infrastructure project will attract more cargo to our port, creating more SC jobs.

BARBARA
MELVIN

PRESIDENT & CEO



The SC Legislature and Governor Henry McMaster allocated \$400 million in state funding for the Navy Base Intermodal Facility, and \$150 million for an inner-harbor barge operation that will transport containers between terminals.

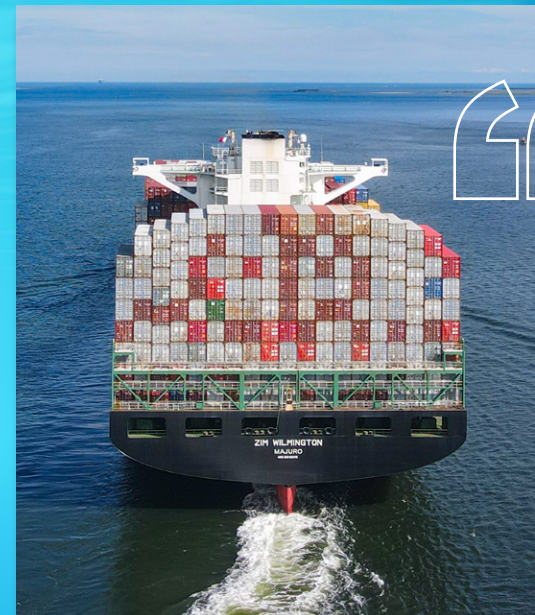
1760 12'

2023 52'

Charleston Harbor is now the deepest harbor on the US East Coast.

With a 52-foot harbor depth, the biggest ships calling the US East Coast can access South Carolina Ports' terminals any time, any tide.

Photograph by Matthew Peacock



This is a monumental achievement and an incredible competitive advantage. With the deepest harbor on the East Coast, we can efficiently work mega container ships at any tide. This investment will bring economic success to South Carolina for generations to come.

BARBARA MELVIN

PRESIDENT & CEO

Widened turning basins allow ships to easily pass one another and turn around, helping to speed the flow of goods. These new capabilities enable SC Ports to seamlessly handle cargo growth for decades to come.

The \$580 million deepening project was completed faster than any other project of its kind, thanks to a great partnership with the U.S. Army Corps of Engineers, Charleston District, as well as the unwavering support and funding from state and federal leaders.

Environmental Initiatives



PRESERVING NATURAL RESOURCES FOR FUTURE GENERATIONS

Photography by English Purcell

GREEN INVESTMENTS

SC Ports successfully upgraded 12 rubber-tired gantry cranes from diesel to hybrid at Wando Welch Terminal, thanks to a \$2 million grant from the EPA. The hybrid system significantly reduces fuel consumption and lowers carbon emissions.

SC RESILIENCE PLAN

SC Ports staff participated in the development of the State Resilience Plan, released in June 2023, to ensure that infrastructure planning is considered in the overall resiliency and adaptability of the state.

SHORELINE PRESERVATION

Through SC Ports' initiatives, approximately 2.5 miles of shoreline along Daniel Island have been protected from future development, creating one of the largest continuous expanses of undeveloped shoreline in Charleston Harbor. SC Ports accomplished this by developing the 135-acre Daniel Island Saltwater Mitigation Bank – of which 110 acres will be future saltmarsh, as well as leasing 50 acres to SC Department of Parks, Recreation and Tourism and selling 100 acres to Berkeley County for a public park.

KINGS GRANT MARSH RESTORATION

As part of the environmental commitments for the Navy Base Intermodal Facility, SC Ports restored a former golf course in the Kings Grant Subdivision to its original state as a thriving tidal marsh ecosystem. This provides significant water quality benefits, flood storage capacity, and fish and wildlife habitat to the Ashley River watershed. Construction included clearing and grubbing, establishing tidal creek connections, and planting close to 200,000 native plants.

FAIRLAWN PLANTATION

In January 2023, a portion of Fairlawn Plantation was transferred to the US Forest Service where it will be protected and managed as part of the Francis Marion National Forest.

HABITAT MONITORING

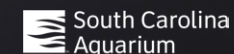
SC Ports partners with Audubon to perform bird surveys to document the bird usage and habitat availability of dredge disposal areas on Daniel Island.

OYSTER REEF PLANTING

SC Ports collaborated with SCDNR on another oyster reef planting along Drum Island in Charleston Harbor, creating a habitat for hundreds of native species.

MARSH CLEANUP

SC Ports participated in a marsh cleanup with the South Carolina Aquarium and Charleston Waterkeeper.



A behind-the-scenes look into the port's operations and its significant impact on South Carolina's economy

Port Ambassadors spend the year touring port operations and hearing from elected leaders, port customers and port teammates. The program is designed to increase public awareness and educate community leaders about the port.

Port Ambassadors

CLASS OF 2022-2023

PAT BLACK
Calhoun County
Economic Development
Commission

LESLIE CLARK
Carolinas AGC

JOHN CLARK
The Clark Law Firm

DELORES
DACOSTA
SC Commission for
Minority Affairs

RICK DANNER
City of Greer

KIMBERLYN DAVIS
KD Marketing Group

CASHION DROLET
Historic Charleston
Foundation

BARRON ERVIN
Ervin Engineering

DEWEY EVANS
Site Selection Group

BRUCE
GREENBERG
Trinity Partners

BROOKS HEARN
Chernoff Newman

EMILY HEFLIN
MAU

JEROME
HEYWARD
North Charleston
City Council

JACK JAMISON
RealtyLink

KAALA MAPLE
Deloitte

JAMES T. "JIM"
MCCAIN, JR.
Sumter County Council

RICHIE MURRAY
Charter One Realty

JOANNIE NICKEL
Municipal Association
of SC

ROB PERRY
SCDOT

MATT PICKARD
InLight Real Estate
Partners

ASHLEY POWELL
Southeast Crescent
Regional Commission

DANIEL PROHASKA
Lions Vision Services

MARK SWEATMAN
MUSC

BRIAN SYMMES
McGuireWoods Consulting

JOHN TRULUCK
Dorchester County
Economic Development

JOHN WALL
Burr & Forman

MARSHALL WEST
Berkeley County Council,
Compass South Appraisals

CHARLTON "CHUCK"
WHIPPLE
ECS Southeast, LLP

MICHAEL WOOD
Asset Integration
Consultants

JONATHAN
YARBOROUGH
Dominion Energy
South Carolina



SC Ports is critical to the success of our port-dependent businesses, helping South Carolina's economy thrive.

LARRY GROOMS

**SOUTH CAROLINA SENATOR,
CHAIRMAN OF THE SC
SENATE TRANSPORTATION
COMMITTEE AND THE REVIEW
AND OVERSIGHT COMMISSION
ON SC PORTS**





Community Giving Program

GOING ABOVE AND BEYOND OUR GATES

SC Ports has dedicated more than \$1 million to hundreds of nonprofits since the program's inception.

SC Ports awarded a record amount of funding to 90 nonprofits around the state through its Fiscal Year 2023 Community Giving Program.

\$252,500 ↗ 23%
GRANTS AWARDED

Career Development

Education

Workforce Training

STEAM Student Programs

Food Security

Environmental Awareness

HIGHLIGHTING SOME OF OUR PARTNERS IN ACTION

01 AUDUBON SC

SC Ports funds were used to support and expand the Coastal Stewardship Program that encourages communities to protect at-risk coastal birds.

02 FRESH FUTURE FARM

SC Ports funds helped reduce food waste and promote healthy living by providing healthy foods within a community lacking a grocery store.

03 THE GREEN HEART PROJECT

SC Ports funds supported a paid internship program, which teaches career preparedness, healthy living and citizenship, all through urban farming.

04 DILLON COUNTY FIRST STEPS

SC Ports funds supported an educational training course designed to teach parenting and nurturing skills.

Strategic Priorities

OUR STRATEGIC PRIORITIES AND PORT VALUES DRIVE THE WORK WE DO EVERY DAY.

Whether we are operating equipment, providing reliable access to cargo, building new port capacity or helping customers find a near-port site, the SC Ports team is focused on delivering excellent service and remaining the preferred port for our customers.

01 Advance operational excellence

02 Grow and anchor our cargo base

03 Deliver critical infrastructure

04 Care for our port team members and maritime community teammates

Port Values



ADAPTABILITY



BUSINESS MINDED



CUSTOMER FOCUS



DECISIVENESS



ENTHUSIASM



FAITH IN EACH OTHER

SAFE & SECURE



As a top 10 U.S. container port, we are continually investing in our infrastructure, operations and people to ensure fluidity and capacity for the supply chain. We are proud to keep freight moving for thousands of businesses throughout SC and beyond.

BARBARA MELVIN

PRESIDENT & CEO



#KEEPINGFREIGHTMOVING



BOLD INVESTMENTS.
BIG IMPACTS.

SCSPA.COM



Photograph by
Matthew Peacock

