

PhilaPort Strategic Plan Destination 2040



October 2024

Business Priorities



Growth & Expansion

The PSP supports this priority by outlining specific projects to facilitate seamless operations and accommodate future growth.



Efficiency

The PSP supports efficiency of operations by improving logistics and supply chain management through strategic partnerships with key stakeholders.



Safety

The PSP emphasizes safety by planning for capital projects that will mitigate the risks of operating marine terminals.



Sustainability

The PSP supports sustainability by incorporating green initiatives such as the use of alternative and renewable energy sources, implementation of energy-efficient technologies, and promotion of eco-friendly practices among employees and stakeholders.



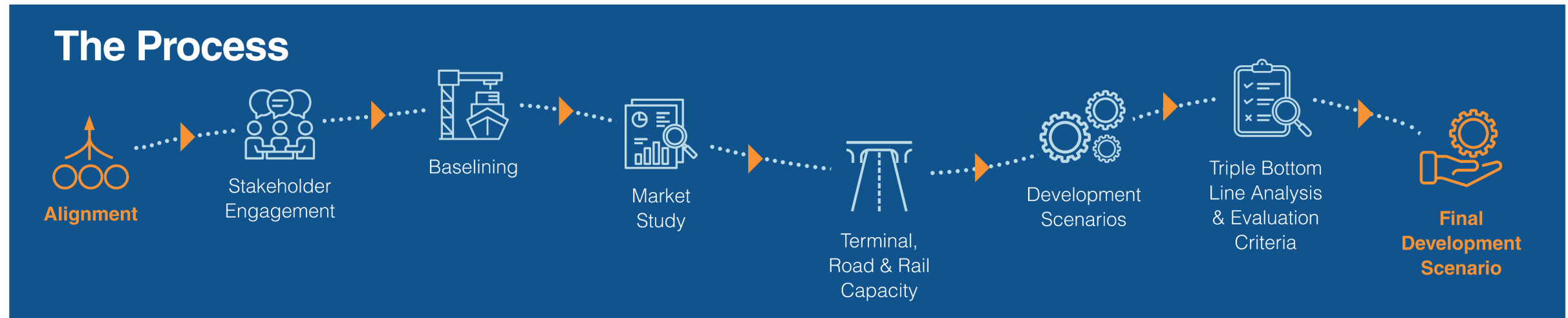
Community

The PSP supports the economic and social development of the region by actively engaging with the local community throughout the planning process.

Planning Process

The PhilaPort Strategic Plan: Destination 2040 (the "PSP") is the culmination of a multi-phased process conducted over a two-year time frame with the ultimate goal to develop an actionable, holistic framework to guide the future of the Port's infrastructure development with a bold vision and sound decision making.

PhilaPort engaged Hatch, an internationally known consulting and engineering firm with specific expertise in the port industry, to develop the PSP.



Our Port (Today)



Total Area
1,000
acres

12,000

Total
Jobs



66,000

Jobs generated from
combined Maritime
Industry Impact (PA
wide)

\$1.5B

In total
economic
impact

6.9M
metric tons

Annual cargo throughput in
2023



45-foot
Channel Depth

Delaware River
Channel

Major Import Commodities



Containers



Cocoa



Forest
products



Steel/project
cargo



Automobiles



Perishables

Over
1,100

Vessel call annually

15

Deep water
berths



16,000+
TEUs

Maximum ship size



\$320,831,760

total tax impact

Market Info

PhilaPort is a major player in the North American freight market, handling almost 6.9 million metric tons of cargo and over 1,100 vessels calls in 2023, which generated an estimated \$1.5 billion in economic impact. Key to this success is the continuous growth in the Port's annual throughput in containers, automobiles, and breakbulk cargoes. The following market trends indicate PhilaPort's expectations for cargo growth over the 15-year PSP planning horizon.

By the Numbers: PhilaPort 2023 Throughput



743,322

TEUs



259,048

Automobiles



845,834

Metric tons of
Forest Products



835,428

Metric tons of
Liquid Bulk



136,147

Metric tons of
Steel



68,685

Metric tons of
Cocoa Beans

Container Market

Since 2015, PhilaPort has seen considerable growth in container volume with significant increases during the COVID-19 Pandemic (between 2020 and 2022) and only a slight dip in total TEUs handled in 2023.

- Driving the Port's continuous annual growth has been the increase in trade between the Port and its partners on the North-South trade lanes.
- Annual volume, currently at approximately 750,000 TEUs, is projected to more than double to 1,570,000 TEUs by 2040.
- This growth is estimated to exceed PhilaPort's existing container capacity in the late 2020s.



Automobiles

PhilaPort serves as a major import, processing, and distribution center for Hyundai/Kia's northeast auto market.

- PhilaPort's automobile import operations have experienced continuous growth since imports began in 2010.
- In 2023, the Port handled around 260,000 automobiles, this is expected to grow to between 400,000 and 540,000 automobiles per year by 2040.



Breakbulk & Bulk

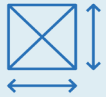
In addition to containers and automobiles, PhilaPort's breakbulk throughput has seen annual growth expansion driven by key commodities, such as forest products (paper, pulp, and lumber).

- Forest products, the Port's top breakbulk commodity, are forecast to grow by approximately 95% by 2040.
- Steel, the next highest share of breakbulk handled, has seen a decline in volume and growth is not anticipated going forward.
- No significant change in cocoa volumes is anticipated for PhilaPort through 2040.
- Liquid bulk volumes have generally been declining since 2019 and are expected to trend similarly through 2040.



Plan Benefits

By 2040, the PSP will generate



An additional 550,000 sq ft of warehouse storage & capacity to handle an additional 2 million TEUs & 430,000 metric tons of cargo



Almost 9,000 additional direct jobs & over 10,000 additional induced/indirect jobs*



Over \$2.84 billion in new business revenue, a 134% increase over present-day revenue*



*Nearly \$170 million in new state & local taxes**



Northern Philadelphia Port District

Maximizing Opportunity. PhilaPort will continue to leverage the Northern Philadelphia Port District (NPPD) as a premier breakbulk handling facility for commodities like steel and forest products, providing key infrastructure storage capacity, and equipment upgrades to maximize the cargo handling capabilities of the district.

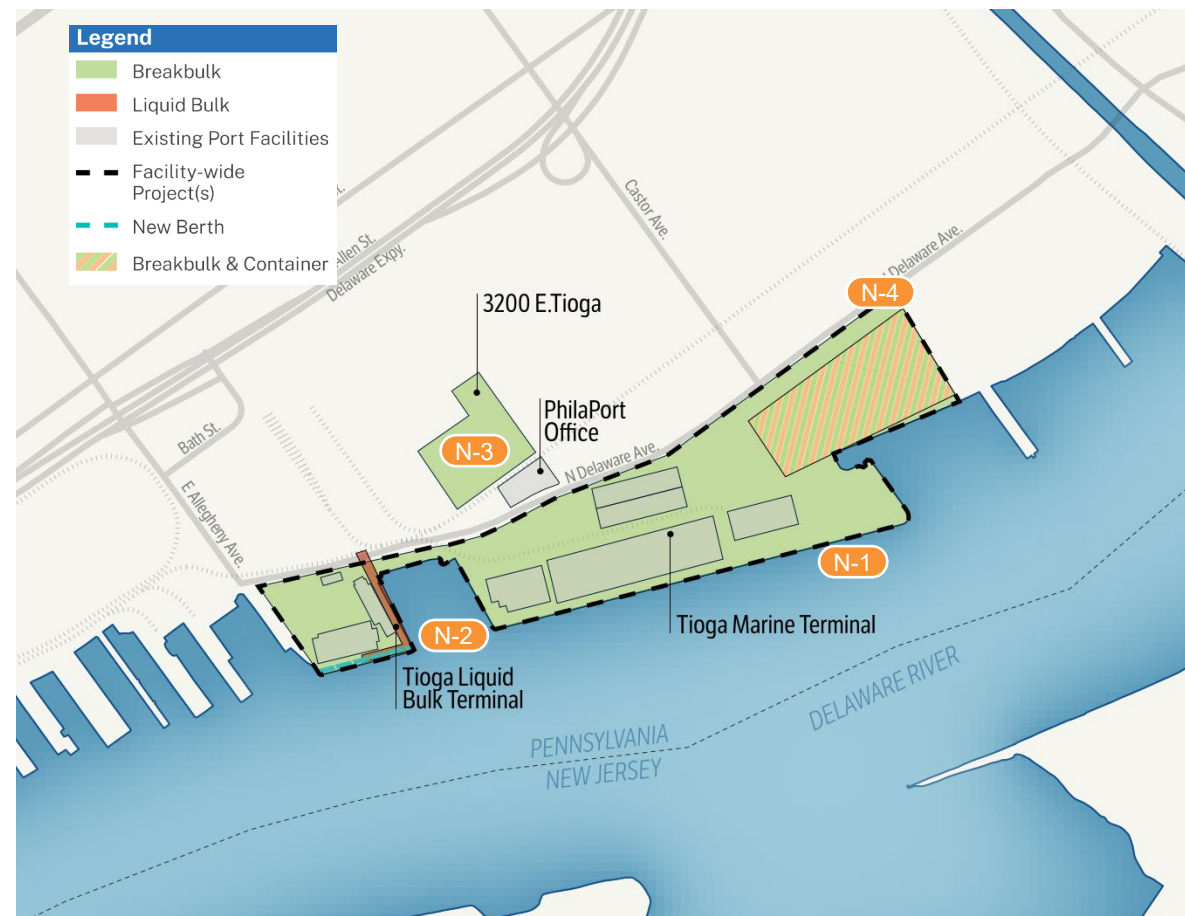
Project List

Phase 1

- N-1** Procure and install two electric STS container cranes at TMT Berth 1.
- N-2** Improve TLBT Berth 1 to accommodate heavy equipment and more versatile berthing configurations.
- N-3** Develop near-terminal 3200 E Tioga St property and construct 150,000 square foot warehouse.

Phase 2

- N-4** Carry out general rehabilitation works at TMT.



Central Philadelphia Port District

Maintaining and Enhancing. In the Central Philadelphia Port District (CPPD), PhilaPort will carry out targeted investments in repair and rehabilitation projects, implement a series of warehouse projects to increase storage capacity, and acquire additional property to expand the district.

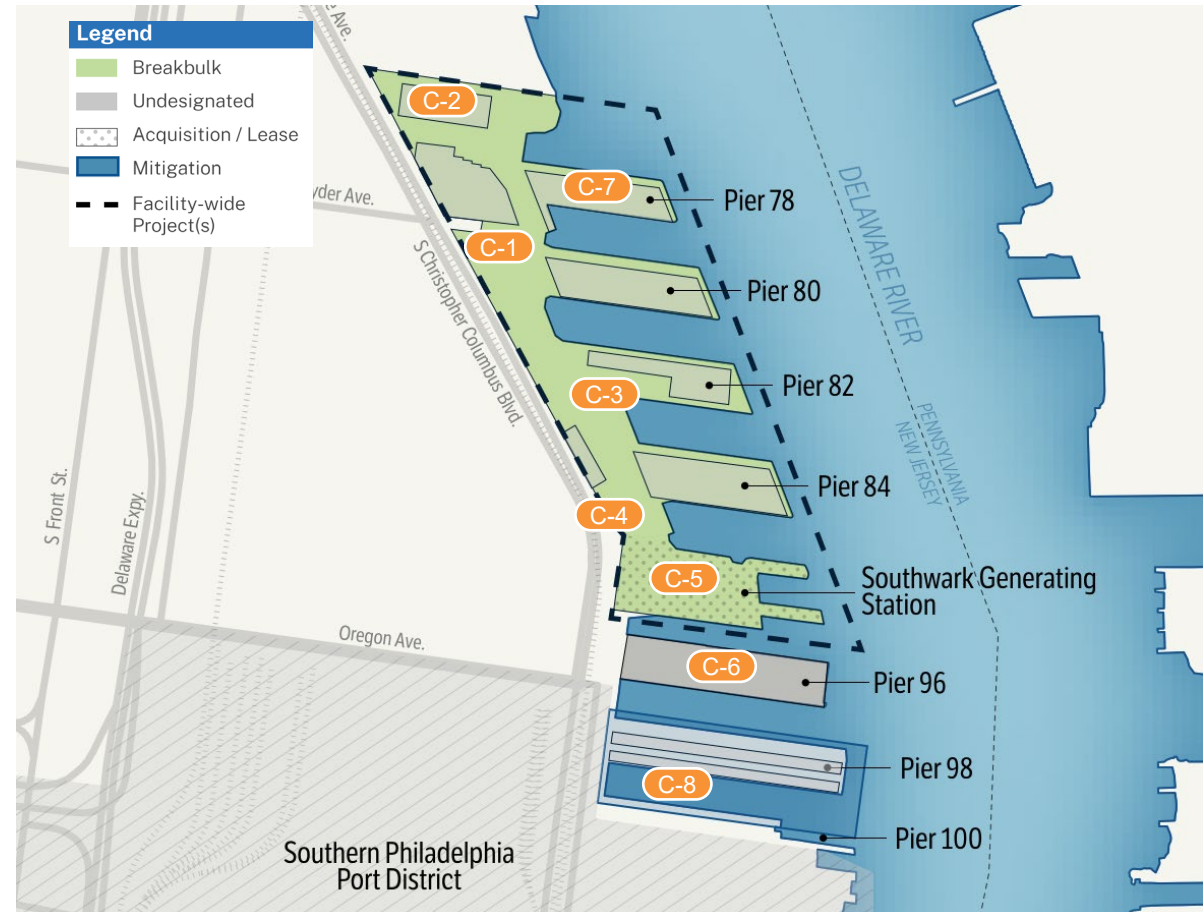
Project List

Phase 1

- | | |
|------------|--|
| C-1 | Construct a 150,000-square-foot warehouse on the Pier 80 Annex site of the dry storage warehouse that was demolished in 2022 |
| C-2 | Expand the existing 115,000-square-foot Pier 74 Annex warehouse by 40,000 square feet. |
| C-3 | Expand the existing 40,000-square-foot Pier 84 Annex warehouse by 30,000 square feet. |
| C-4 | Carry out general rehabilitation works at piers and annexes. |
| C-5 | Acquire and redevelop Southwark Generating Station property. |

Phase 2

- | | |
|------------|--|
| C-6 | Conduct a sustainable redevelopment project at Pier 96. |
| C-7 | Carry out general rehabilitation works at Pier 78. |
| C-8 | Use Piers 98 and 100 for compensatory mitigation to offset SPPD reclamation works. |



Southern Philadelphia Port District

Building Capacity and Connectivity. PhilaPort is forecast to see a two-fold growth in container demand by 2040. Meeting this demand, however, will require an increase in PhilaPort's container handling capacity as soon as 2027.

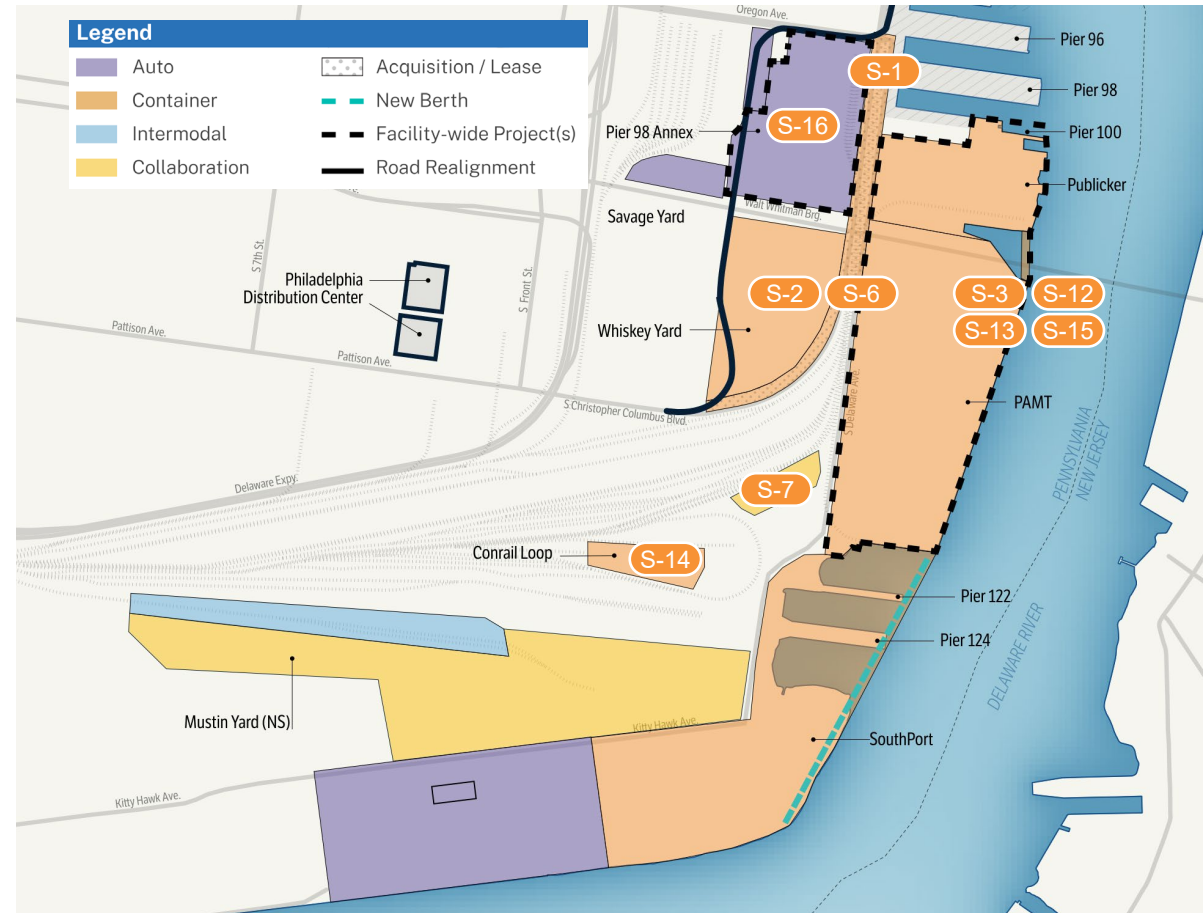
Project List

Phase 1

- S-1** Acquire Christopher Columbus Blvd. Properties.
- S-2** Undertake ground improvements at Whiskey Yard to support container handling.
- S-3** Execute Project 1 of container densification at PAMT.
- S-6** Undertake ground improvements to support container handling.
- S-7** Explore options for a collaborative project with CSX adjacent to Greenwich Rail Yard.

Phase 2

- S-12** Execute Project 2 of Container Densification at PAMT.
- S-13** Execute Project 3 of Container Densification at PAMT.
- S-14** Develop fumigation and transload facility at Conrail Loop.
- S-15** Carry out rehabilitation works at PAMT.
- S-16** Carry out rehabilitation works at Pier 98 Annex.



Southern Philadelphia Port District cont'd

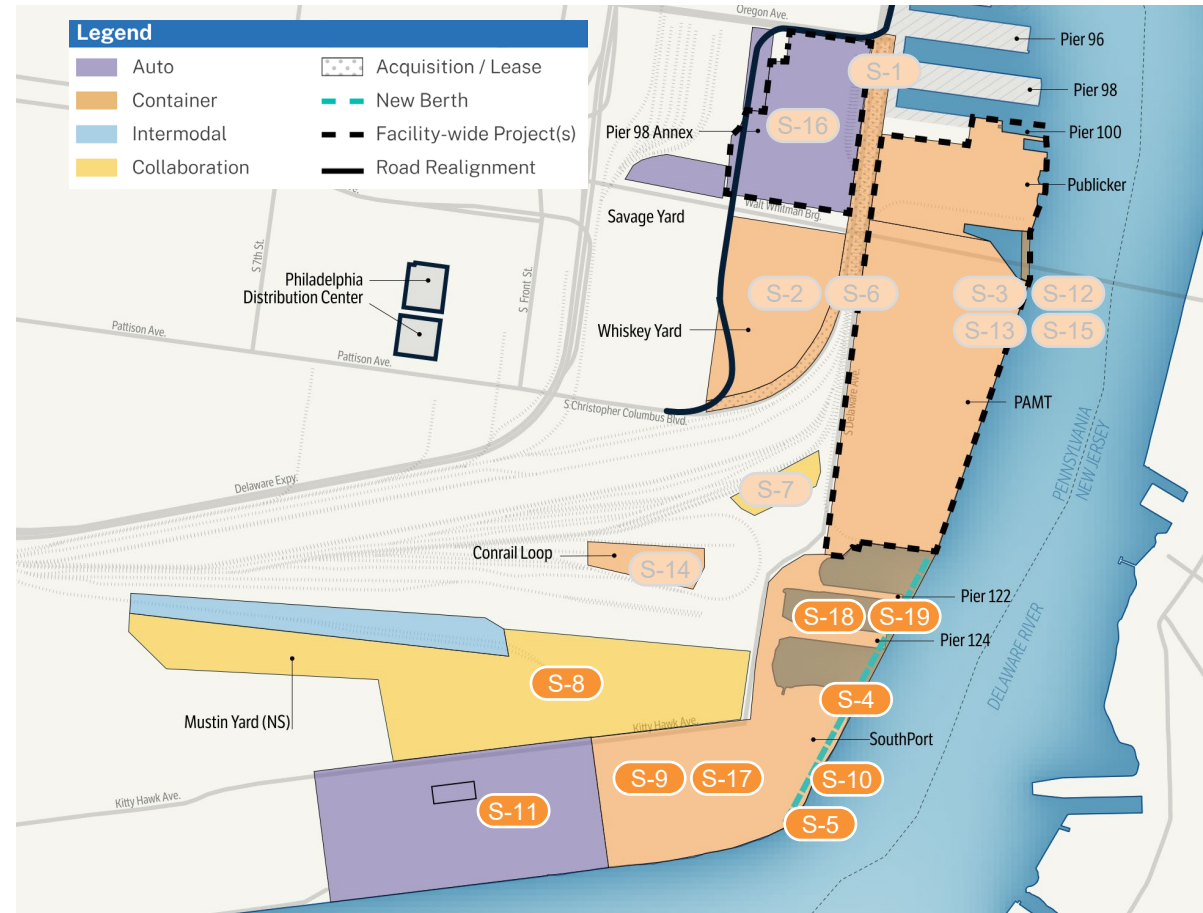
Project List

Phase 1

- S-4** Construct SouthPort North Wharf with associated 10-acre infill.
- S-5** Construct second berth at SouthPort.
- S-8** Explore options for a collaborative project with Norfolk Southern to create additional capacity.

Phase 2

- S-9** Dedicated Container Terminal at SouthPort.
- S-10** Procure and install four electric STS container cranes at SouthPort.
- S-11** Expand VPC with upgraded equipment at SouthPort.
- S-17** Execute container densification at SouthPort.
- S-18** Infill 40 acres between SouthPort North Wharf and PAMT.
- S-19** Construct marginal berth between SouthPort North Wharf and PAMT on newly reclaimed land from S-18.



Access Initiatives

Accommodating additional cargo growth on-terminal can only be accomplished with strong road, rail, and marine connections that enhance PhilaPort's ability to efficiently move cargo from origin to destination.

Project List

Phase 1

- AC-1** Realign Christopher Columbus Blvd. to the western edge of Pier 98 Annex and Whiskey Yard.
- AC-2** Assess feasibility of Navy Yard/SouthPort connection project.
- AC-3** Install an at-grade crossing at Christopher Columbus Blvd.
- AC-4** Construct flyover with grade-separated crossing at Christopher Columbus Blvd.
- AC-5** Complete deepening of the turning basin at PAMT.

Phase 2

- AC-6** Sponsor 50-foot deepening project of federal channel.



Collaborative Initiatives

PhilaPort will also explore the following ideas and concepts that warrant further exploration and study. Initiatives include investigations into potential new markets for PhilaPort such as cruise operations, liquefied natural gas (LNG), and hydrogen, as well as the joint development of a potential container support facility.

Project List

Phase 1

- CI-1** Explore the feasibility of cruise operations at a temporary facility south of the Walt Whitman Bridge.

Phase 2

- CI-2** Develop a permanent cruise terminal south of the Walt Whitman Bridge.
- CI-3** Undertake a feasibility study for a purpose-built LNG storage facility adjacent to TMT.
- CI-4** Construct a berth to accompany the LNG facility at TMT.
- CI-5** Explore a potential joint development within the Bellwether District.



High Priority Projects

PhilaPort has designated the following PSP projects as High Priority. These projects will expand storage and berthing capacity, densify existing yards, and improve road infrastructure.

Project List

Southern Philadelphia Port District

S-3 Container Densification at PAMT – Project 1

S-4 SouthPort North Wharf

S-5 Second Berth at SouthPort

Central Philadelphia Port District

C-1 Warehouse at Pier 80 Annex

Northern Philadelphia Port District

N-1 STS Container Cranes at TMT

N-2 Berth 1 Development at TLBT

Access Initiatives

AC-1 Christopher Columbus Blvd. Realignment

AC-4 Christopher Columbus Blvd. Flyover



Critical First Steps

Collaborate with NS

Open conversations with Norfolk Southern regarding a potential joint development collaboration.

Engage Stakeholders on the Benefits of the PSP

PhilaPort, in conjunction with its private terminal operators, will socialize the PSP at the local, state, and federal levels both at launch and as the plan progresses.

Study LNG Facility Feasibility

Investigate the feasibility of a potential LNG Facility at TMT.

Open Dialogue with Permitting and Regulatory Agencies

PhilaPort will initiate an early dialogue with permitting and regulatory agencies around PSP projects that require a long runway of foundational regulatory and permitting work.

Investigate Cruise Use

In partnership with the cruise industry, examine the feasibility of developing a temporary or permanent cruise terminal in Philadelphia.

Align on Approach to Container Densification

PhilaPort will maintain an open and regular dialogue with its terminal operator at PAMT to ensure alignment on the approach to container densification.

Build the Case for a 50-Foot Channel

Initiate talks with Delaware River peers and stakeholders to begin building the case to dredge the channel to 50 feet and, ultimately, engage the USACE.



Learn More

philaport.com/destination2040

