



COMMONWEALTH of VIRGINIA  
*Office of the*  
SECRETARY of TRANSPORTATION

## Senate Finance Committee

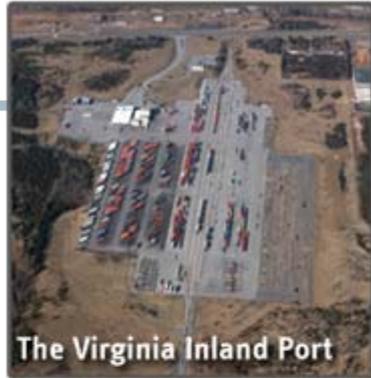
Pierce R. Homer  
Secretary of Transportation

Jerry Bridges  
Executive Director  
Virginia Port Authority

May 21, 2009



# Terminal Facilities



The VPA is An Agency of the Commonwealth reporting to the Secretary of Transportation Charged with Fostering and Stimulating the Commerce of the Commonwealth

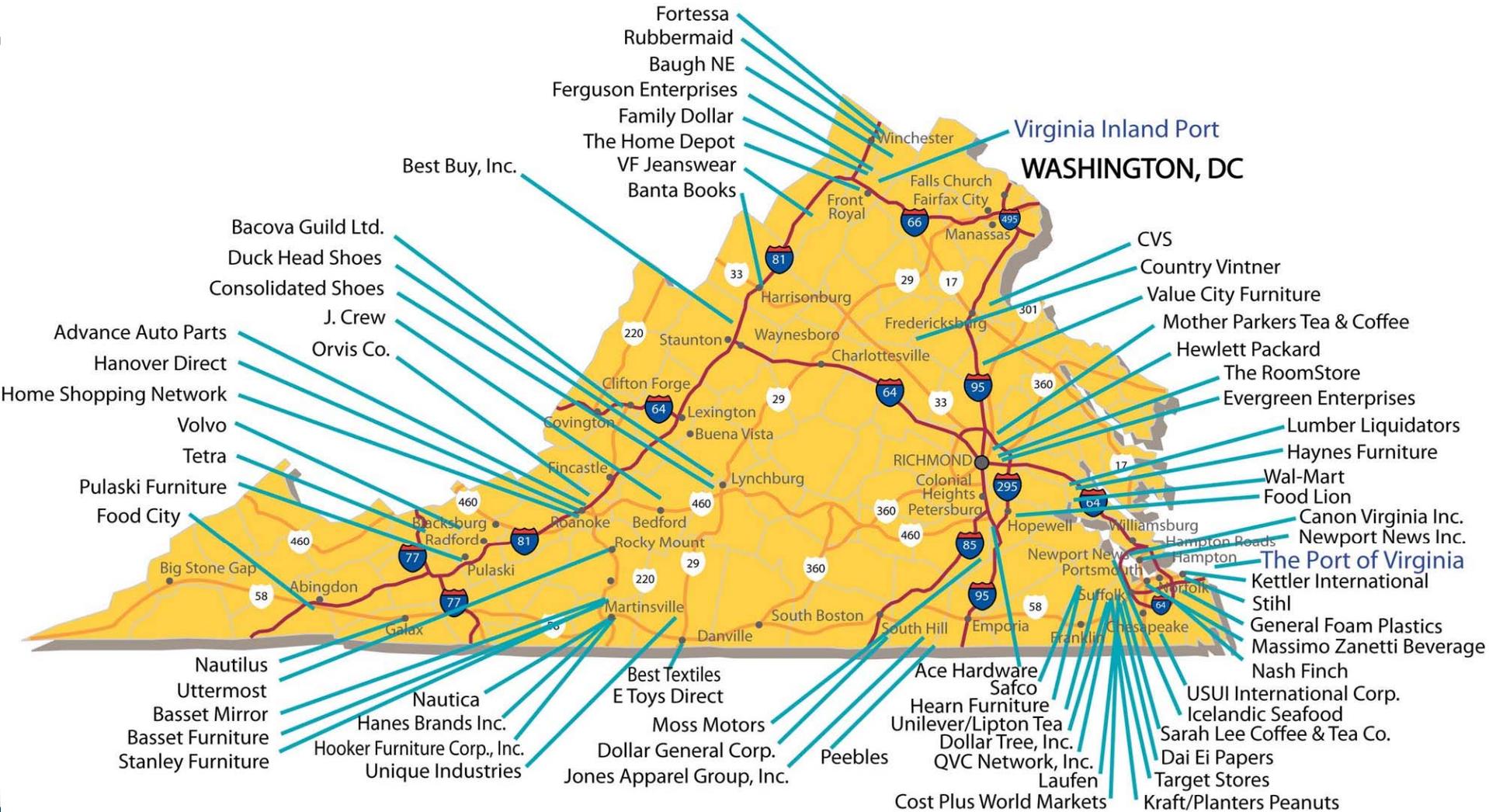


# The Port of Virginia 2008 Calendar Year Statistics

- The Port of Virginia handled nearly 2.1 Million TEUs
- The Port of Virginia moved 475,526 rail TEUs to and from the Midwest
- Serviced by nearly 50 steamship lines



# Over 90 Distribution Facilities Located in Virginia

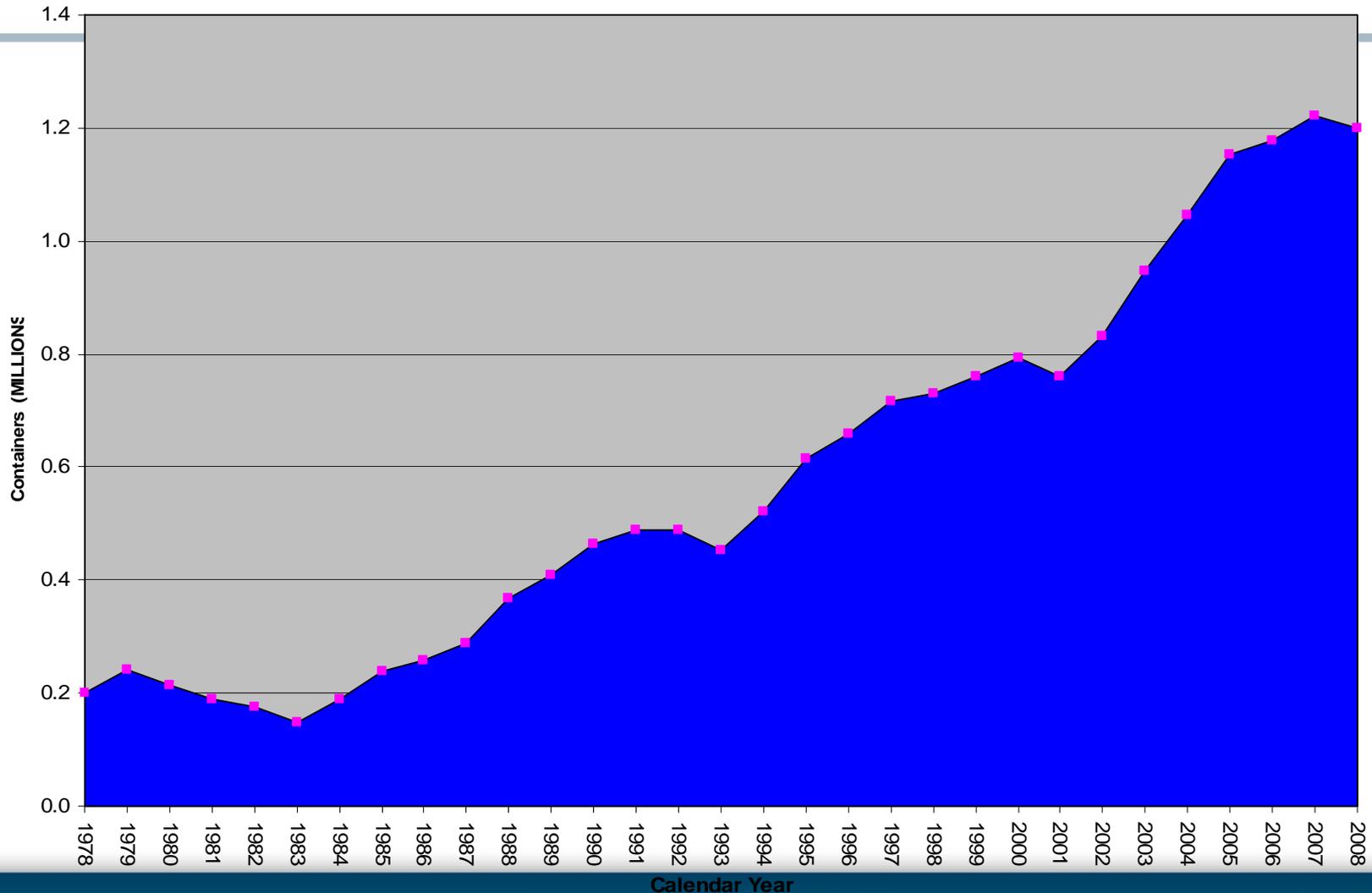


# Economic Impact of The Port

- **The Port of Virginia is an Economic Engine for the Commonwealth**
  - **345,000 Port and Port-Related Jobs Statewide**
    - Represents 9 percent of Virginia's Workforce
  - **\$41 Billion in Business Revenues**
  - **\$1.2 Billion in State and Local Taxes**

Source: 2006 Economic Impact Study by  
William & Mary Mason School of Business

# Port Growth- Currently Fifth Largest Port in the Nation



# APM/Maersk Terminal, Portsmouth, VA



**Phase 1 – Sept. 2007**  
**Total Acreage: 230**  
**Pier Length: 3200 ft.**  
**Depth: 55 ft.**  
**Cranes: 6**  
**Capacity: 1 Million TEUs**  
**Cost: \$500 Million**



## Future Craney Island Marine Terminal

### Phase 1

**Total Acreage: 220 (89.03 hectare)**  
**Pier Length: 3000 ft. (914.4 meters)**  
**Depth: 52 ft. (15.85 meters)**  
**Cranes: 6**  
**Capacity: 1.5M TEUs**  
**Cost: \$1.2B**

### Completion Size

**Total Acreage: 600 (242.81 hectare)**  
**Pier Length: 8000 ft. (2438.4 meters)**  
**Depth: 52 ft. (15.85 meters)**  
**Cranes: 15**  
**Capacity: 5M TEUs**  
**Cost: \$1.06B**

# Craney Island Marine Terminal Regional Economic Benefits

- **54,000 Jobs Annually**
- **\$1.7 Billion in Wages**
- **\$155 Million in Tax Revenues**
- **\$6 Billion in National Economic Benefits**

Source: January 2006, Army Corps of Engineers,  
Final Craney Island Environmental Impact Statement



# Panama Canal Expansion

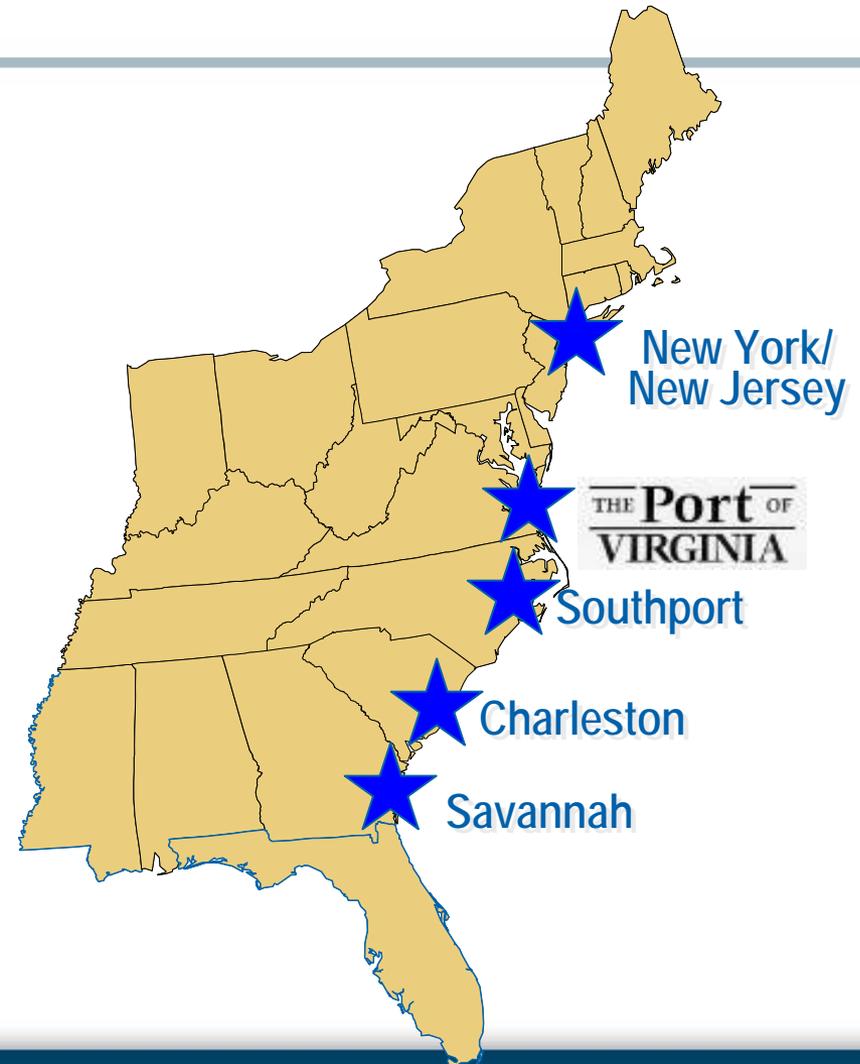


- **Currently, Panamax vessels (up to 4,500 TEUs) are the largest vessels that can transit the Panama Canal.**
- **The Panama Canal Expansion Project is scheduled to be completed in 2014, allowing larger vessels (up to 12,000 TEUs) to transit.**
- **The Port of Virginia is the only Port on the U.S. East Coast that can handle the new Post-Panamax vessels.**

	Panamax	Post-Panamax
<b>Capacity</b>	<b>4,500 TEUs</b>	<b>12,000 TEUs</b>
<b>Length</b>	<b>965'</b>	<b>1,200'</b>
<b>Draft</b>	<b>39.5'</b>	<b>50'</b>
<b>Beam</b>	<b>106'</b>	<b>160'</b>

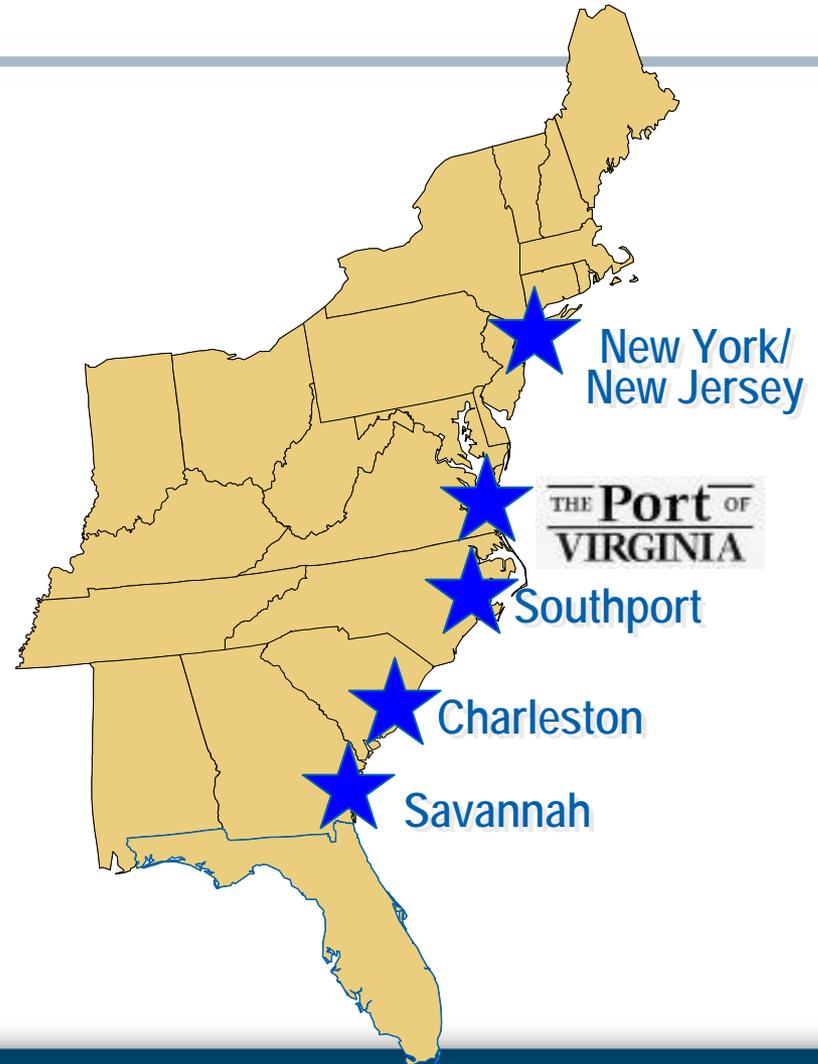
# Virginia Is Positioned To Become The East Coast's Dominant Port

- **The East Coast Gateway Leader Will Need:**
  - **Deep Water Channels**
  - **Terminal Capacity**
  - **Good Road and Rail**
  - **Market Awareness**



# Positioning Virginia

- **Virginia has Deep Water**
- **VPA has a Plan for Great Terminals**
- **Road and Rail Relies on Others**



# Recent North American Transactions

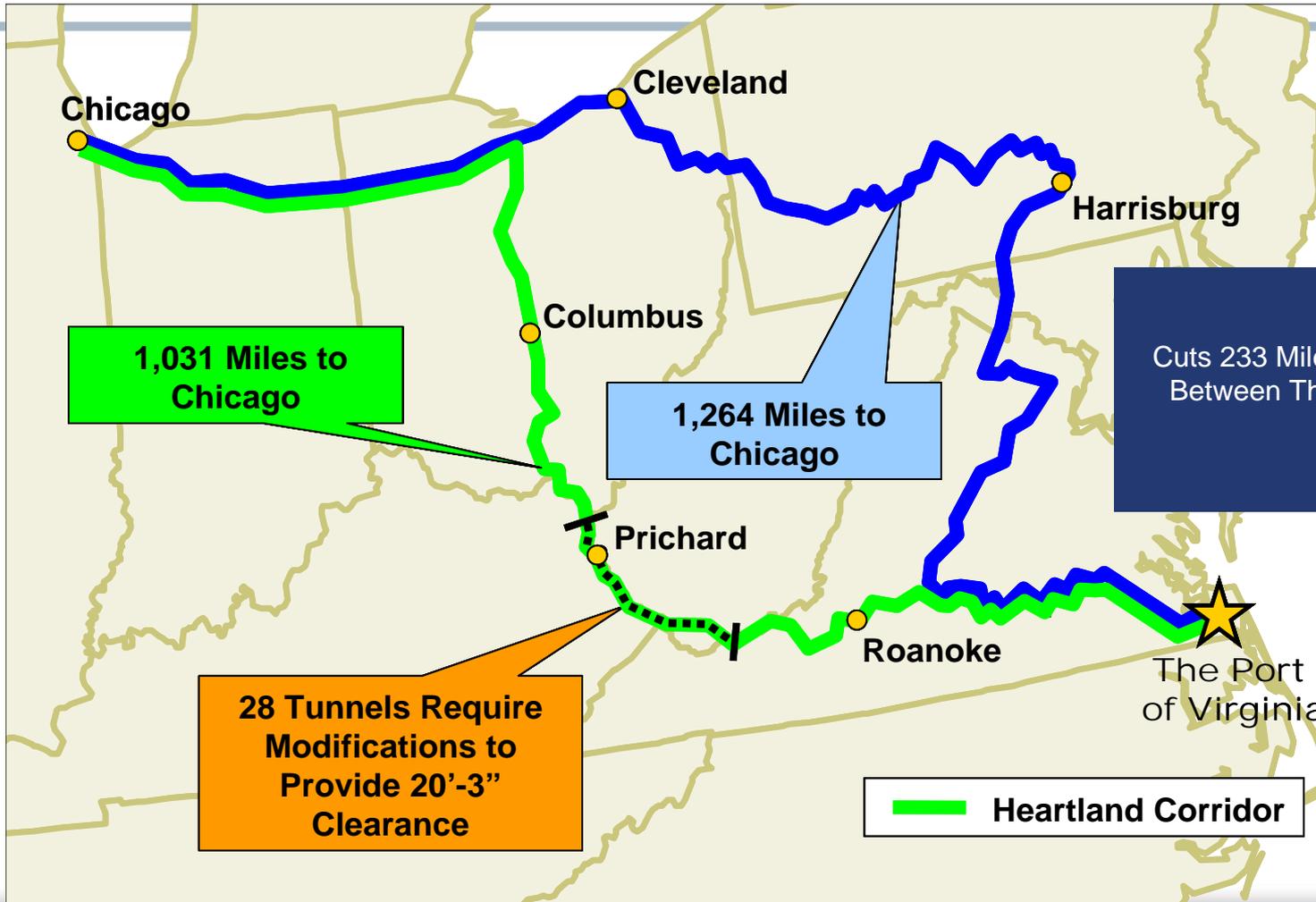
- **Maryland Port Authority issues RFQ to lease Seagirt Marine Terminal**
- **Port of Oakland awards concession to operate, maintain, and further develop 175 acres of maritime operations**
- **SSA Marine managed container terminals at Port of Seattle and 120 marine and rail operation worldwide. Sold nearly one-half of company to Goldman Sachs Infrastructure Partners**
- **Port of Miami Tunnel Project - concessionaire will design, build, finance, operate and maintain tunnel**
- **Maher Terminals privately held operator of port terminals in NY and British Columbia acquired by RREEF Infrastructure**

# Outstanding Port Debt

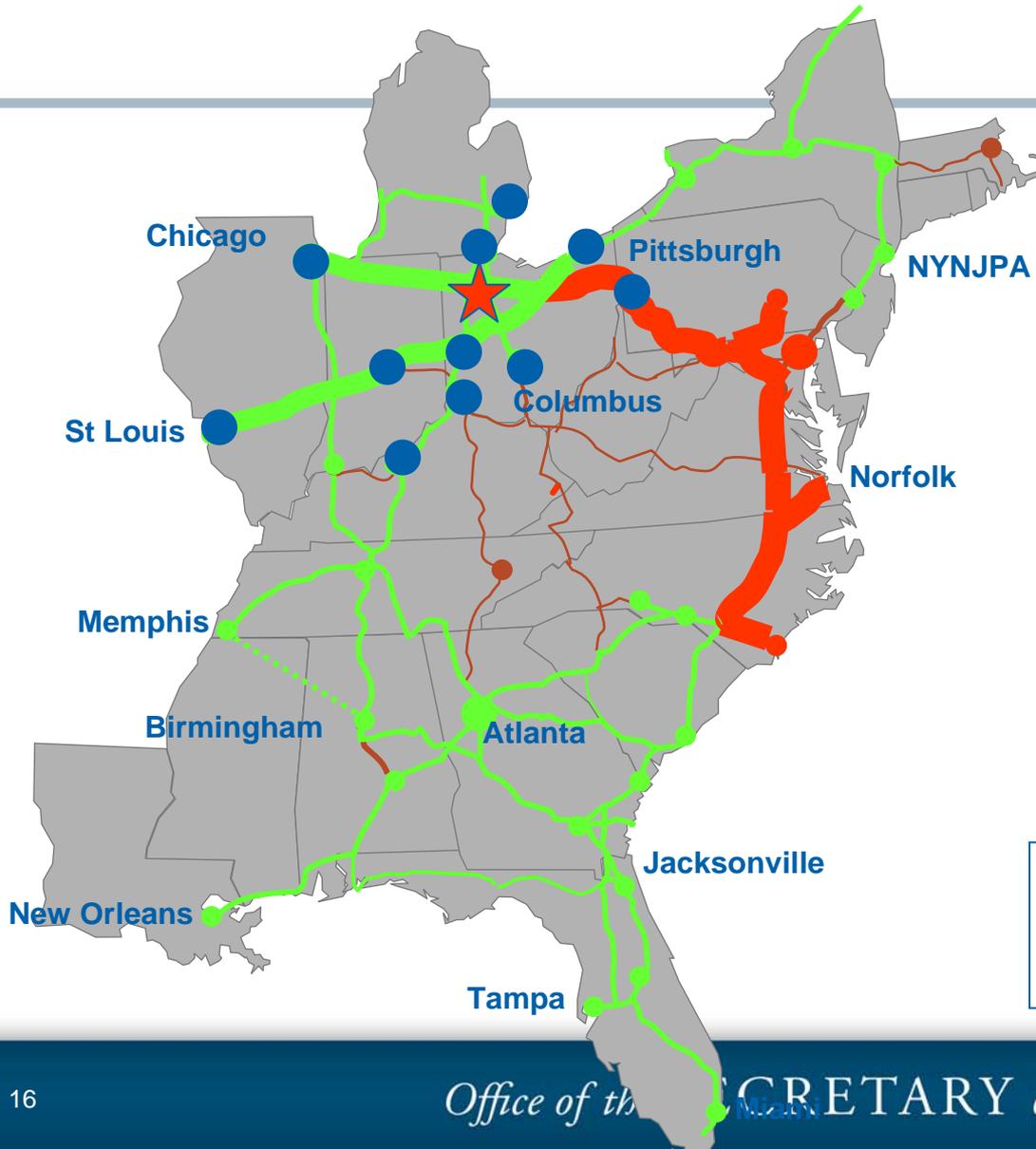
- **Master Equipment Leases - \$80M**
- **Terminal Revenue Bonds - \$282M**
- **Commonwealth Port Fund Bonds - \$197M**
  - All renovations at NIT and PMT
  - New and replacement equipment all terminals
- **Planned Issuance**
  - \$65M Terminal Revenue Bonds to refund bond anticipation notes in 2010
  - \$155M Commonwealth Port Fund Bond for Craney Island Marine Terminal in 2011

# The Heartland Corridor

## Gateway for Port of Virginia Cargo



# The National Gateway



– Connects Norfolk to the Midwest and beyond



– NW Ohio Transfer Yard enables CSX service to new major markets

– Expedites traffic through Chicago and St Louis gateways

- CSX National Gateway
- CSXT double stack routes
- Other CSXT routes

# Other Surface Transportation Improvements

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- **Route 164 Rail relocation**
- **Hampton Boulevard grade separation**
- **APM Terminal/Route 164 interchange**
- **NIT Central Rail Yard**
- **Route 460 PPTA**
- **Intermodal Connector**

# Public-Private Transportation Act

- **CenterPoint Properties submitted unsolicited proposal on March 27**
  - Proposal reviewed for compliance and posted on Port website
- **Competing proposals solicited until July 27<sup>th</sup>**
- **Independent review panel (IRP) will be formed this summer to review all proposals submitted**
- **IRP will hold public meetings, receive formal public comments, discuss proposal and make a recommendation to the Virginia Port Authority and the Governor on whether to advance PPTA process to the next phase**
- **Next phase would be a request for detail proposals**

# CenterPoint Proposal Overview

- **60 year lease of all Port facilities**
- **Operate Port facilities with VIT as a subsidiary**
  - VPA to maintain public oversight and security
- **Provide funding for on-Port capital improvements**
- **Other provisions of conceptual proposal**
  - Up front payment
  - Return Commonwealth Port Fund
  - Payments to port localities
  - Vertical development of Craney Island
  - Potential revenue sharing with Commonwealth

# Commonwealth's Priorities

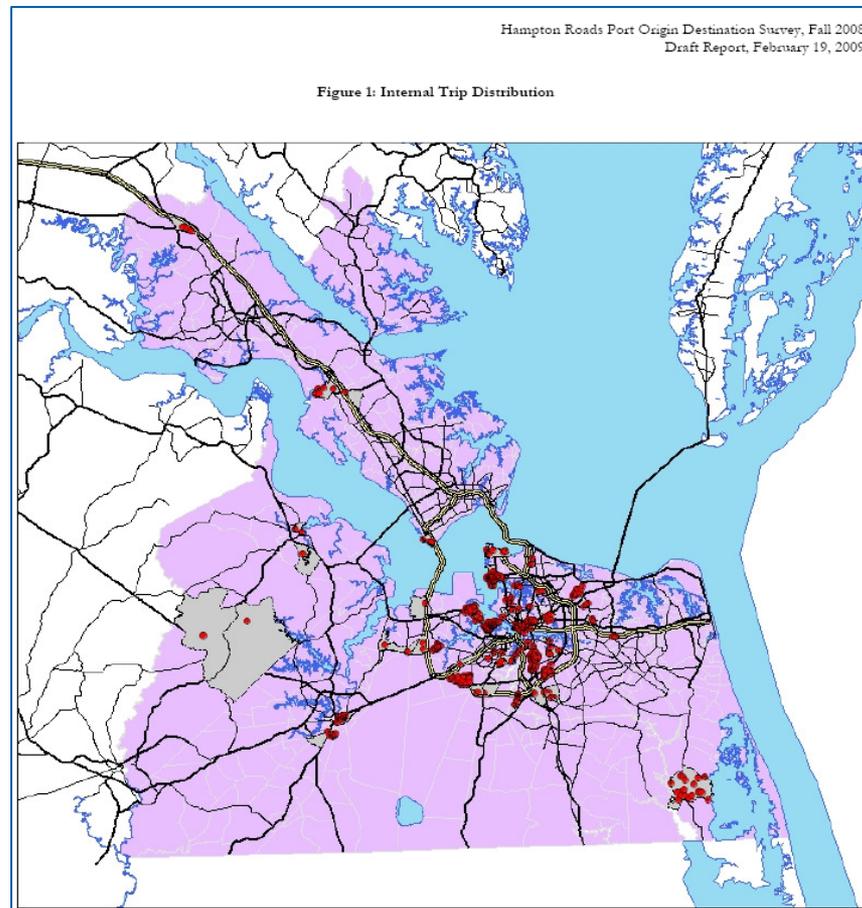
- **Promote and realize benefits of continued economic growth and development of the Port**
  - Hampton Roads region
  - Statewide
- **Provide surface transportation network to serve community and Port**
  - Highway
  - Rail
- **Address community impacts of Port**
  - Employment and training
  - Noise, traffic, etc

# Commonwealth's Priorities

**Around 63 percent of VPA truck trips have an origin or destination in the region**

– Stop in region for warehouse/distribution or transload/transfer

- **An economic opportunity**
- **A transportation challenge**





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