

Virginia Port Authority



**FY 2010-2012 Biennium Budget Presentation
Senate Finance Committee, Subcommittee on
Transportation
January 27, 2010**

International Trade Issues

- **Heartland Corridor - Opens Summer 2010, double-stack rail from The Port of Virginia to Chicago**
- **New Golden Gate Service of Mediterranean Shipping Co. will increase VPA volume by 20,000 containers annually**
- **ILA labor contract 2 year extension approved Nov. 2009**
- **Craney Island Eastward Expansion**
- **APM Transaction**
- **PPTA – State Considering 3 Proposals**
- **Crescent Corridor - NS Corp. expand rail capacity along 2,500-mile route that carries domestic intermodal freight from the SE to NE markets, including along the I-81 corridor**
- **National Gateway – CSX project that will expedite rail cargo from Mid-Atlantic to Chicago and beyond**
- **Panama Canal - \$5B Expansion will open in 2014 allowing for larger ships with 50' drafts thus increasing container cargo traffic**

Virginia Port Authority

Budget Summary

- **Authority is expecting a modest recovery in container volumes in FY2011 and FY2012, resulting in a projected 4% and 5.3% increase in projected net revenues, respectively**
- **Commonwealth Port Fund revenues are expected to continue to remain flat for the biennium**
- **Operating expenses are generally expected to remain flat over the biennium**
- **“National and International Trade” and “General Management and Direction” reflect a management reorganization in FY2009 that reduced staffing by 11 net positions**

Virginia Port Authority Budget Summary

- **Debt Service for Port Facilities in FY2010 includes \$11,265,000 in appropriation for a Commonwealth Port Fund bond issue for Craney Island that was deferred as part of the FY2010 budget reductions. Budget amendment pending to provide authority for issuance in FY2011**
- **The Authority plans to issue \$65 million in bonds backed by terminal revenues to refinance a short-term bond anticipation note. Authority to issue the long-term financing and debt service for the bond issue has been provided since FY2009**
- **Capital projects have been reduced substantially with no new project starts not budgeted for prior to FY2010**

Virginia Port Authority
Projected and Budgeted Revenues
(cash basis)

Operating Revenues	Actual 2009	Projected FY 2010	Budgeted FY 2011	Budgeted 2012
Special Fund	53,155,369	55,422,337⁽¹⁾	53,303,654⁽²⁾	56,162,164⁽²⁾
Commonwealth Port Fund	32,663,448	33,370,033	33,055,345	33,511,408

1) Includes revenues from the sale of 10 straddle carriers for \$4.3 million.

2) Does not include any projected impact from APM transaction.

Virginia Port Authority
Budgeted Operating Expenditures
(cash basis)

	Chapter 781		Governor's Budget	
Operating Expenditures	FY 2009	FY 2010	FY 2011	FY 2012
Commerce Advertising	914,253	914,253	914,253	914,253
National & International Trade	5,899,220	5,652,231	4,164,131	4,164,131
General Management & Direction	5,932,550	5,929,855	5,434,730	5,434,730
Port Traffic Rate Management	221,697	232,782	234,182	234,182
Operational Maintenance	4,000,000	4,000,000	4,000,000	4,000,000

Virginia Port Authority
Budgeted Operating Expenditures
(cash basis)

	Chapter 781		Governor's Budget	
Operating Expenditures	FY 2009	FY 2010	FY 2011	FY 2012
Debt Service for Port Facilities	59,840,873	71,030,405	59,902,485	59,902,485
Security Services	9,930,000	9,624,798	8,965,798	8,965,798
Payment in Lieu of Taxes	2,052,500	2,107,625	2,107,625	2,107,625
Aid to Localities	1,000,000	1,000,000	1,000,000	1,000,000
Port Facilities Planning	800,300	809,868	810,918	810,918

Note: Allocation of lump sum \$13,827,920 FY 2010 budget reduction not shown in operating expenditure numbers above.

**Virginia Port Authority
Budgeted Capital Expenditures
(cash basis)**

Capital Expenditures	Chapter 781		Governor's Budget	
	FY 2009	FY 2010	FY 2011	FY 2012
Maintenance Reserve	1,500,000	1,500,000	1,500,000	1,500,000
Craney PED		6,000,000		
Craney Construction/Bond Proceeds		155,000,000		
Straddle Carriers	39,000,000			
Cargo Handling Facilities	20,250,000			
Expand Empty Yard	20,250,000			