



Delivering a Brighter Tomorrow for Virginia

John Reinhart
CEO and Executive Director
Virginia Port Authority



Stewards of Tomorrow





The Port of Virginia Mission

Guided by our company values, The Port of Virginia will achieve our shared vision of operational excellence, fiscal responsibility, and sustainable growth. Above all, we will remain responsible members of the communities we serve, a valuable resource to our customers, an excellent place to work, and an economic engine for the region.

- Foster and stimulate growth for Virginia's economy
- Serve as the global gateway for import and export of freight
- Improve navigable waters within the state of Virginia
- Aid in the development of commerce for all maritime and inland ports, and related facilities

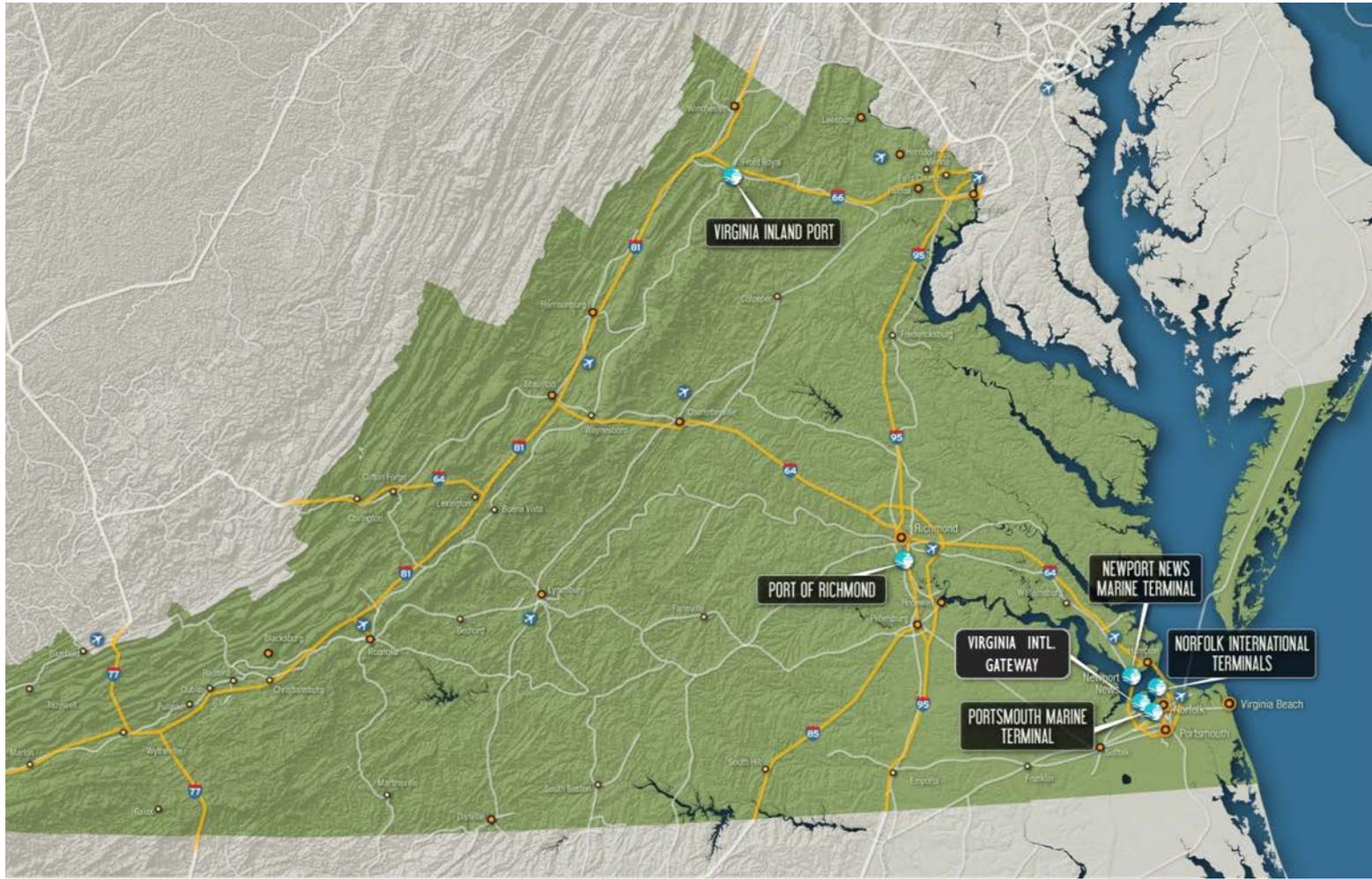


Agenda

- Reinvention and Reorganization
- Update on Port Activity and Financial Status
- Economic impact
- Future forecast
- Conclusion/Questions



Statewide Footprint



Leadership

Virginia Port Authority Board of Commissioners

John G. Milliken, Chairman

John N. Pullen, Vice Chairman

G. Robert Aston, Jr.

Val S. McWhorter

Jennifer D. Aument

Faith B. Power

Martin J. Briley

Kim Scheeler

J. William Cofer

Deborah C. Waters

Alan A. Diamonstein

Manju S. Ganeriwala, State Treasurer

Gary T. McCollum

The Port of Virginia Senior Leadership Team

John Reinhart, CEO/Executive Director

James S. Bibbs, CHRO

James W. Noel, III, General Counsel

Tom D. Capozzi, CSO

Rodney W. Oliver, CFO

Cathie J. France, CPAO

Joseph Ruddy, CINO

Shawn Tibbetts, COO



Reinvention

- Mission and Vision
- Culture and Values
- Reorganization



Mission and Vision

Guided by our company values, The Port of Virginia will achieve our shared vision of operational excellence, fiscal responsibility, and sustainable growth. Above all, we will remain responsible members of the communities we serve, a valuable resource to our customers, an excellent place to work, and an economic engine for the region.

- Excellence in operations
- Fiscal responsibility
- Deliver sustainable growth
- Living our values



Culture and Values

Stewards of Tomorrow

- The Port of Virginia focuses on what matters most to our customers, our people, and our region. Every day we deliver superior service, safe transport, and continuous improvement. It's why we get up in the morning, and why The Port of Virginia will keep moving forward.

Innovation

Helpfulness

Fortitude

Accessibility

Mindfulness

Sustainability



Reorganization

- Necessary to centralize certain administrative functions, improve internal controls, increase efficiency, and reduce costs
- Administrative functions to be centralized:
 - Finance/Accounting
 - Procurement/Contracting
 - Information Technology
 - Human Resources
 - Risk Management
- Policies/procedures ensures no change in costs between entities, no impact on cash flow or debt service coverage ratios





Virginia International Gateway

Leased and operated by
The Port of Virginia

Phase I

Total Acreage: 231

Pier Length: 3,205 ft.

Depth: 55 ft.

Cranes: 8

Capacity: 650,000

Containers

CSX and NS Served





Norfolk International Terminals

Total Acreage: 567

Wharf: 7,300 ft.

Depth: 50 ft.

Cranes: 14 that can reach
22-26 containers across

Capacity: 820,000

Containers

Rail service via NS





Portsmouth Marine Terminal

Total Acreage: 287

Rail service with CSX;
also Norfolk Southern
via Norfolk and
Portsmouth Belt Line





Newport News Marine Terminal

Total Acreage: 143
Wharf: 3,480 ft.

Breakbulk rail service via
CSX





Port of Richmond

Total Acreage: 121
Wharf: 1,600 ft.

Rail service via CSX; NS
via local switch

Barge service with NIT
and VIG





Virginia Inland Port

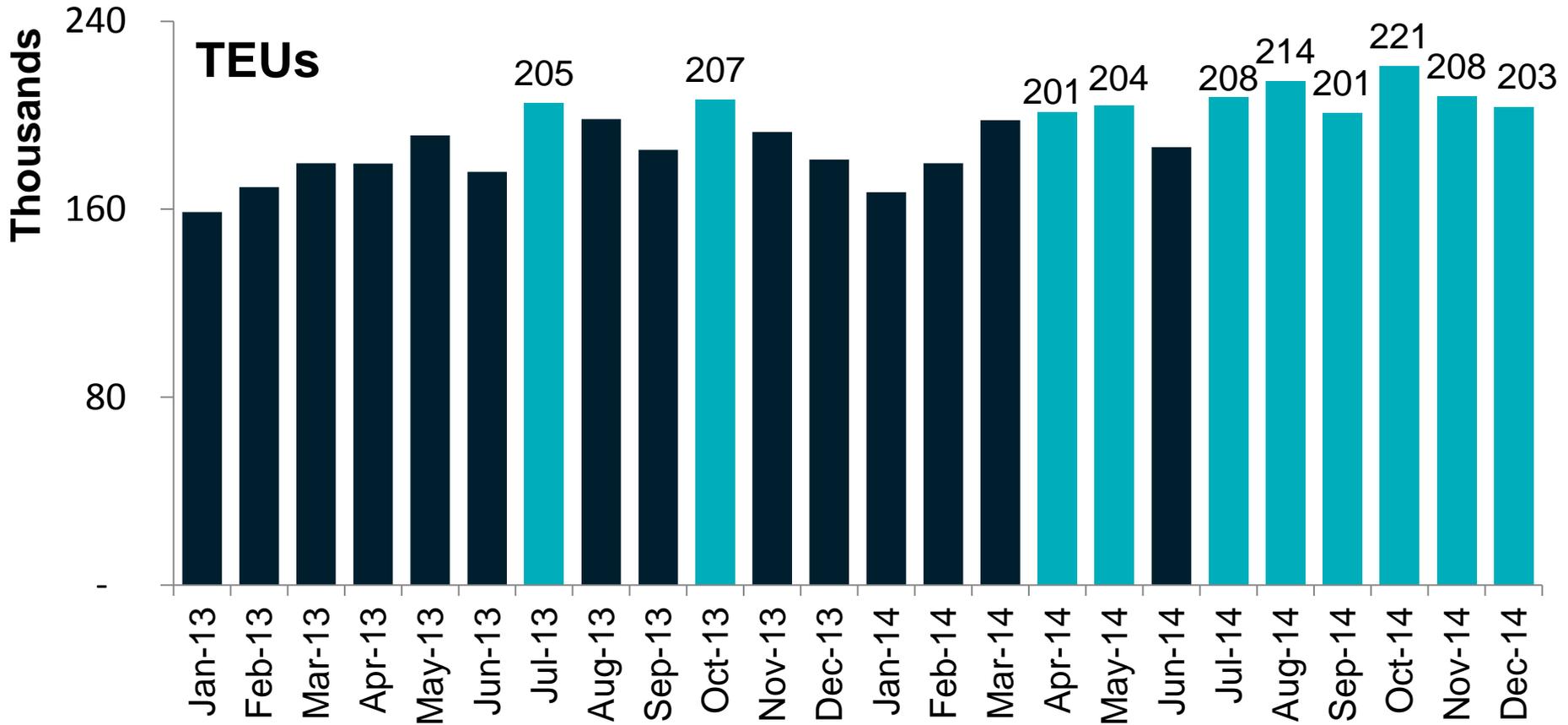
Total Acreage: 161

Five-day-a-week rail service between VIP and The Port of Virginia marine terminals

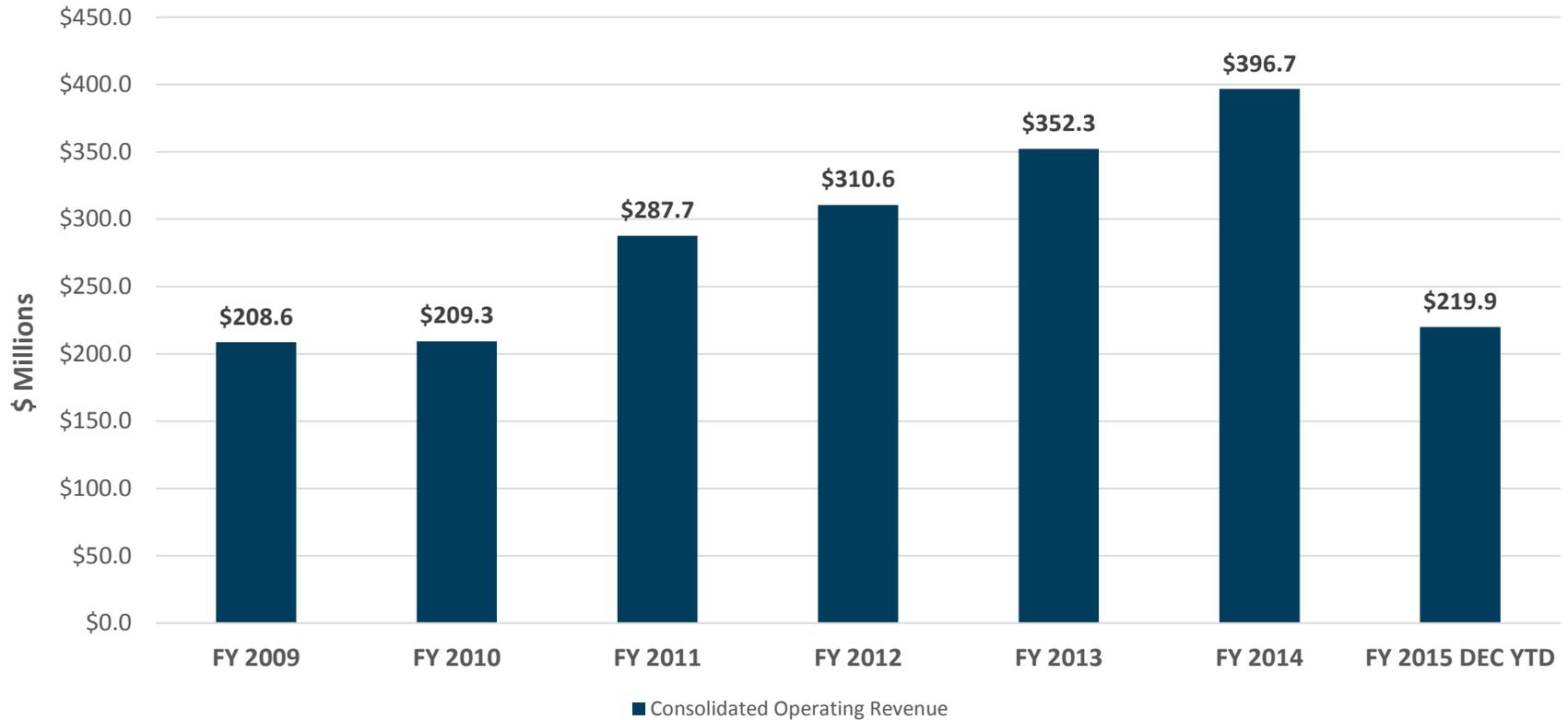
Within 1 mile of I-66 and within 5 miles of I-81



Record-setting volumes in 10 of the last 18 months

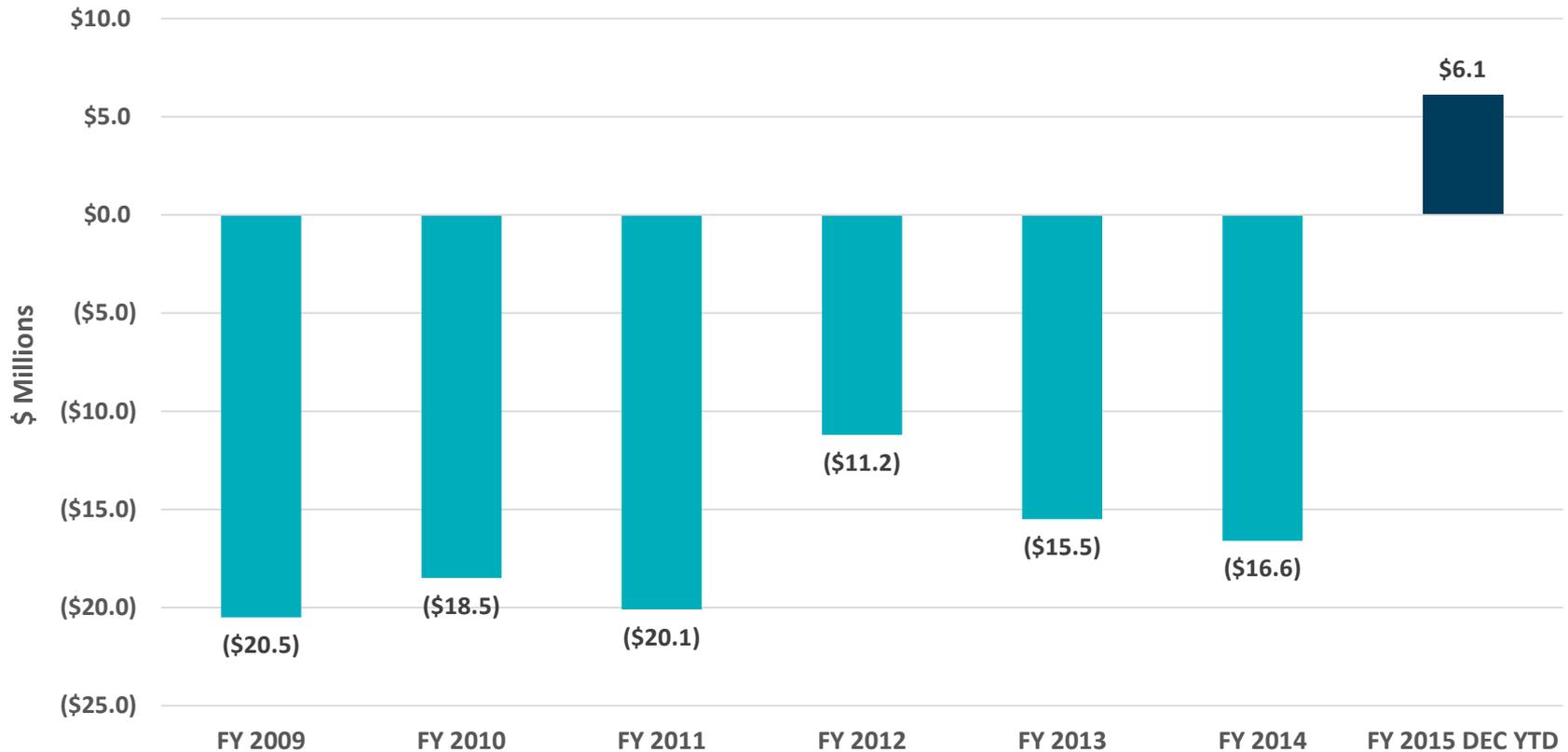


Consolidated Operating Revenue



- *FY2009 and FY2010 do not include APM Statistics*
- *Operating Revenue Compound Annual Growth Rate 2011-2014 is 11.3%*

Consolidated Operating Results



- Six years of operating losses \$(102.4) million
- Should be returning \$44 million annually on invested capital (at 5%)



Another Record-Setting Performance

- In 2014, The Port of Virginia achieved another record year.
- In a calendar year comparison, our volume increased by 7.6% over 2013.
- At our two main container terminals, Virginia International Gateway and Norfolk International Terminals, we are at or near capacity.



Volume Growth Highlights

	CY13: Jan-Dec	CY14: Jan-Dec	% Change
Total TEUs	2,223,532	2,393,038	7.6%
Total Containers	1,274,911	1,373,138	7.7%
General Cargo Tonnage	18,840,304	19,061,402	1.2%
Total Rail Containers	430,894	448,096	4.0%
Total Barge Containers	48,104	56,934	18.4%
Total Truck Containers	795,913	868,108	9.1%
Ship Calls	1,865	1,957	4.9%

For 2014, The Port of Virginia is the third largest East Coast port in terms of volume growth.

2014 Cargo Moved Via:



4% Barges



33% Rail



63% Trucks



Economic Engine





The Port Contributes to Virginia's Economy in Three Ways:

- The transportation of export and import cargo within Virginia and across it from other states and countries
- The export of goods made in Virginia
- The added processing and distribution of imports retained in the Commonwealth



Economic Impacts

- The last economic impact study, also conducted by William & Mary, assessed the port's economic impact during fiscal 2006 (July 1, 2005 – June 20, 2006).
- Comparison of fiscal 2006 and fiscal 2013 shows:

	2006	2013	Change
Spending	\$41.1B	\$60.3B	47%
Employee Compensation	\$13.5B	\$17.5B	30%
Selected Virginia Taxes	\$1.2B	\$1.4B	17%
Employment	343,001	374,646	9%

Source: *The Fiscal Year 2013 Economic Impacts of The Port of Virginia*, Raymond A. Mason School of Business, William & Mary

Economic Impacts FY 2013



\$17.5 billion in wages
374,000 employees
9.4% Va workforce



18 million tons
\$53.2 billion



4.5 million tons
\$10.9 billion



GSP \$30.5 billion
6.9% of GSP

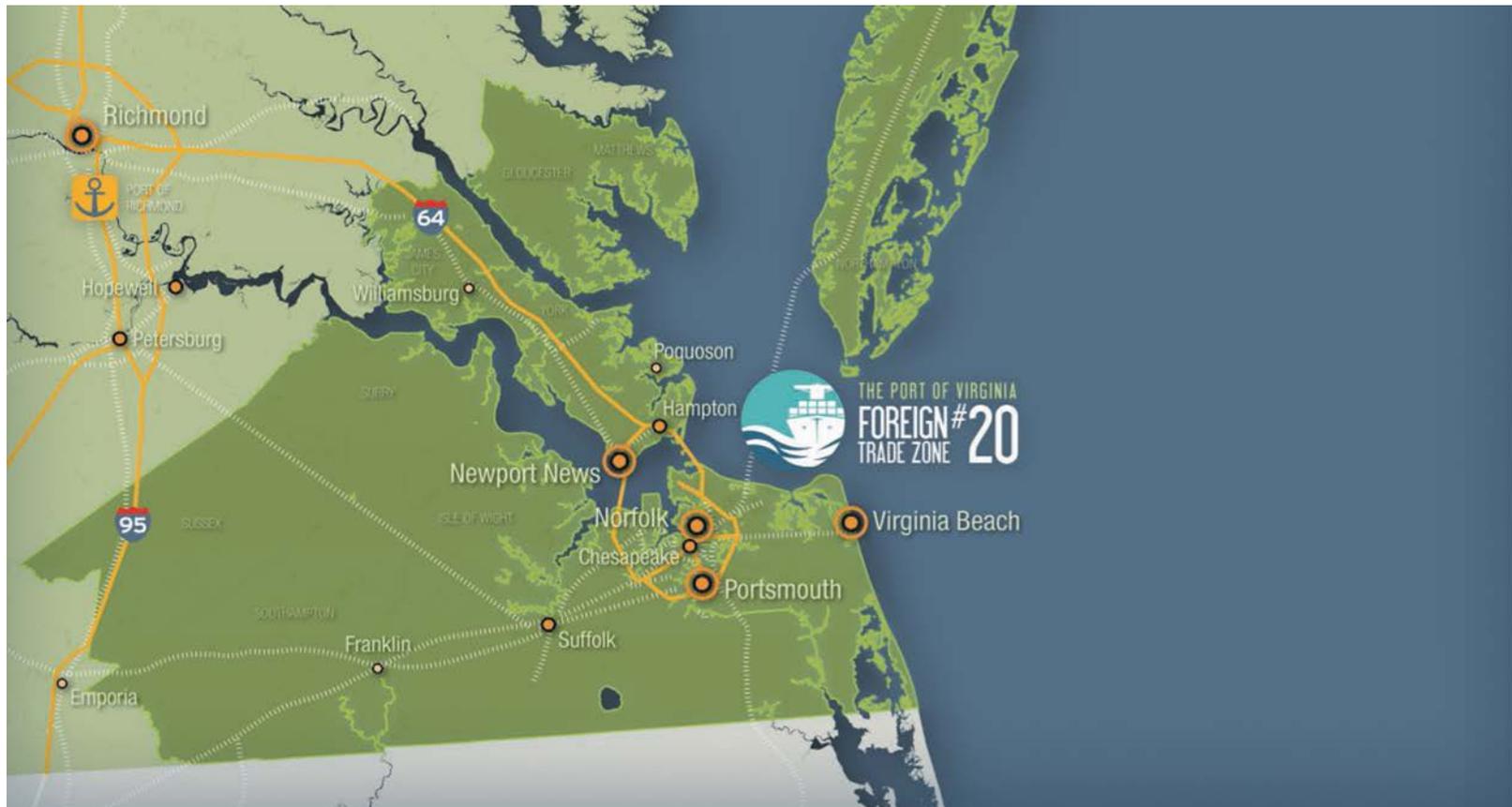
Source: *The Fiscal Year 2013 Economic Impacts of The Port of Virginia*, Raymond A. Mason School of Business, William & Mary

Virginia 2014 Economic Development Totals

- Total Announcements: 34
- Total Square Footage: Over 4.3 million
- Total Investment: Over \$2.6 billion
- Total Jobs Created: Over 5,000

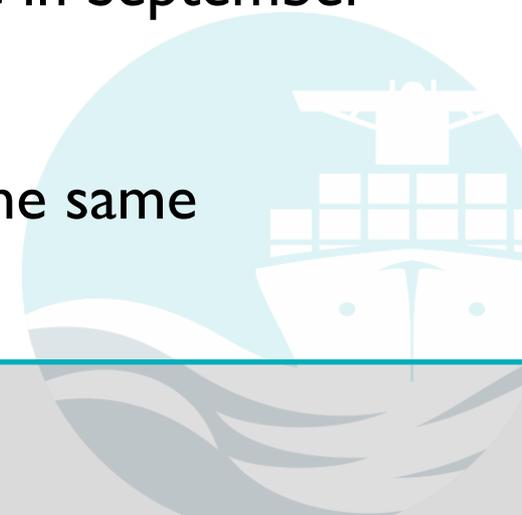


FTZ 20 Service Area



Intercontinental Exchange Port Designation

- Intercontinental Exchange (ICE) – On July 14, 2014, The Port of Virginia was selected by ICE to be a delivery point or exchange port for coffee futures contracts
- The designation allows owners of exchange-graded coffee imports landing in the Port of Virginia and stored in local, exchange-licensed warehouses to be delivered against the coffee “C” futures contract
- The exchange port designation will be effective in September of 2016
- Key Competitive Factor - ICE has granted us the same competitive pricing model as New York

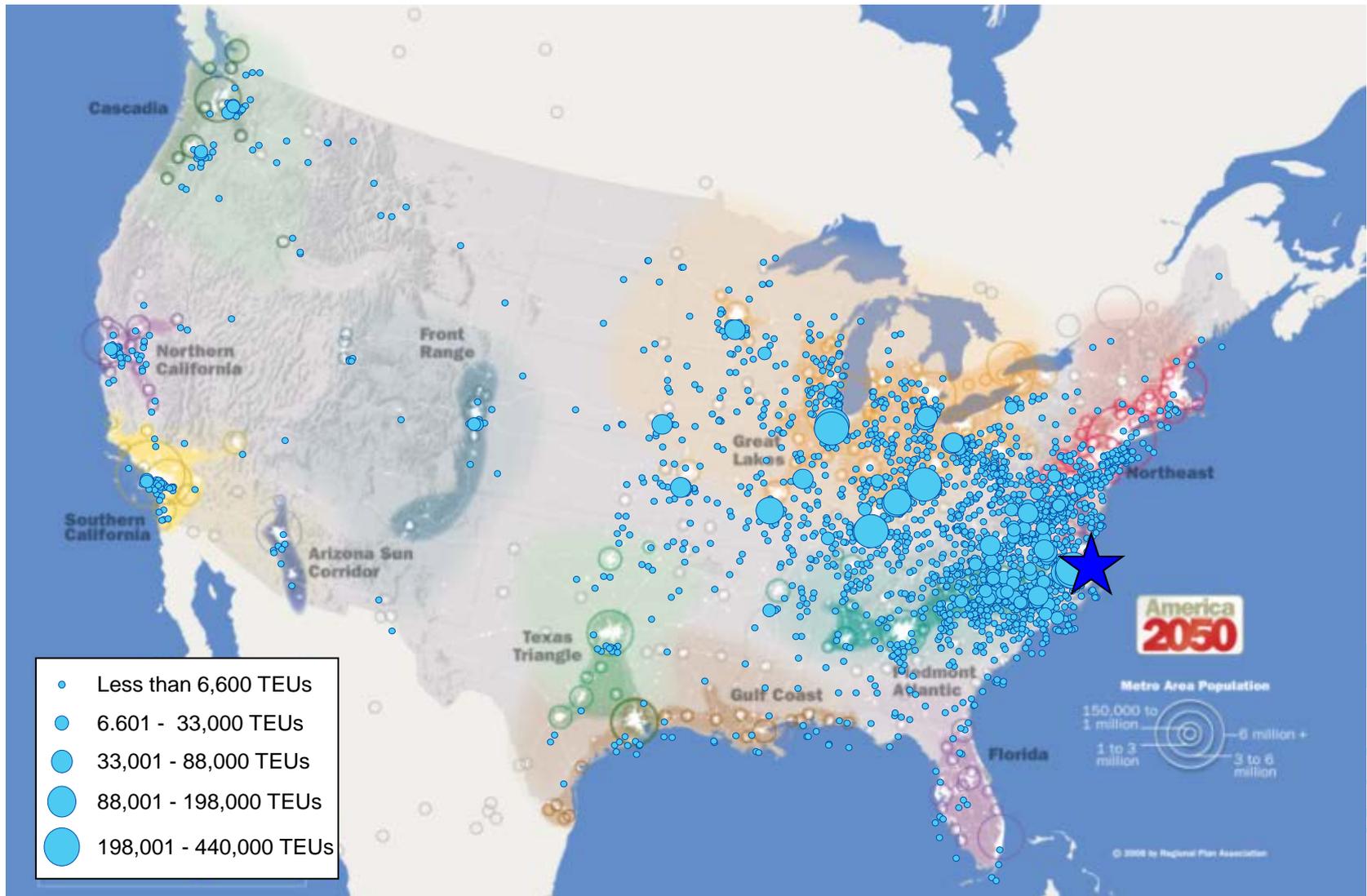




Future Forecast



Ideally Situated – Population Centers and 2040 Cargo Forecasts



Norfolk Southern



CSX



Natural Advantages





actual depth/ permitted depth

● New York / New Jersey
45f/ 50f

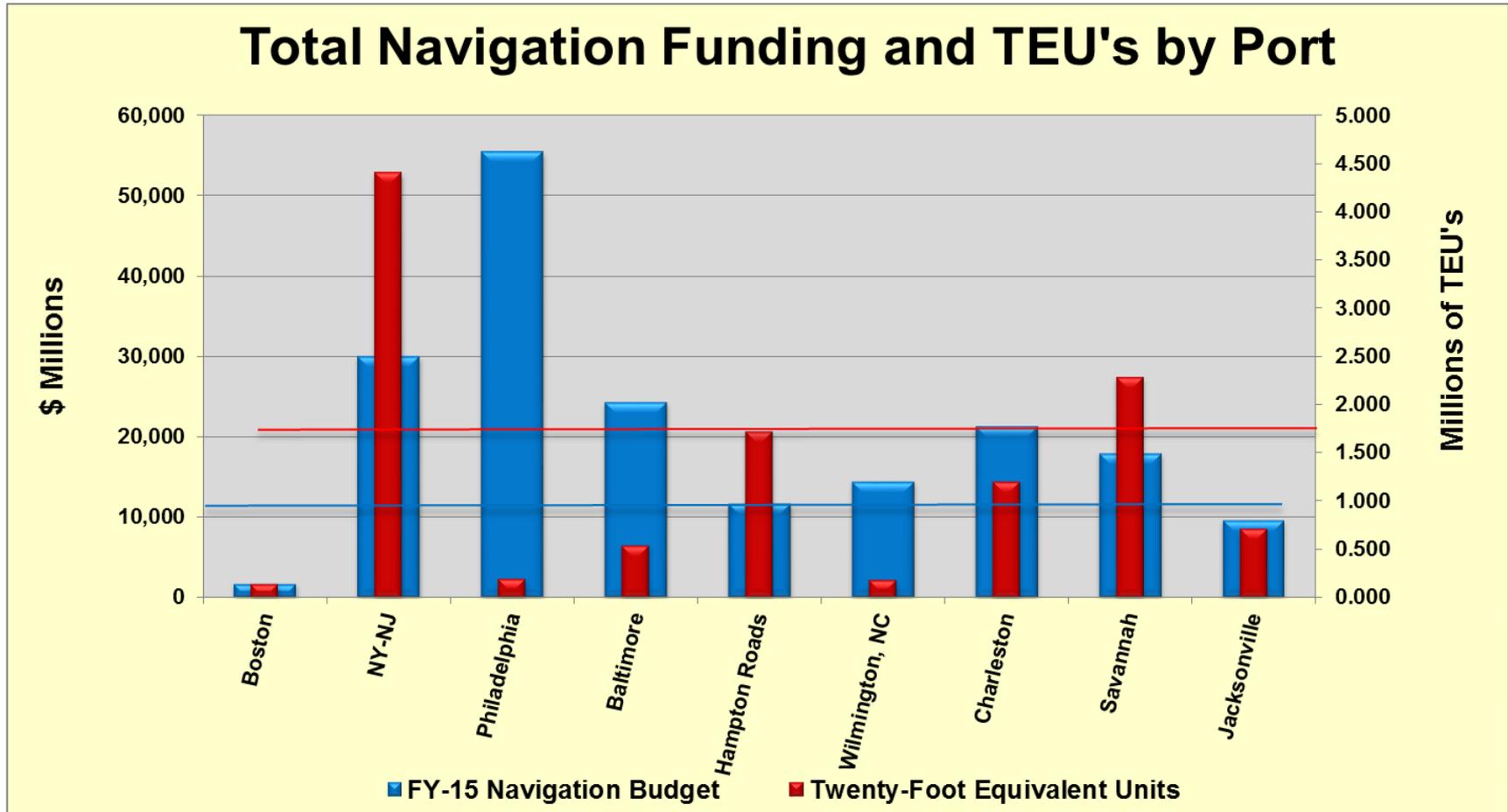
● Baltimore 50f/ 50f

● The Port of Virginia
50f/ 55f

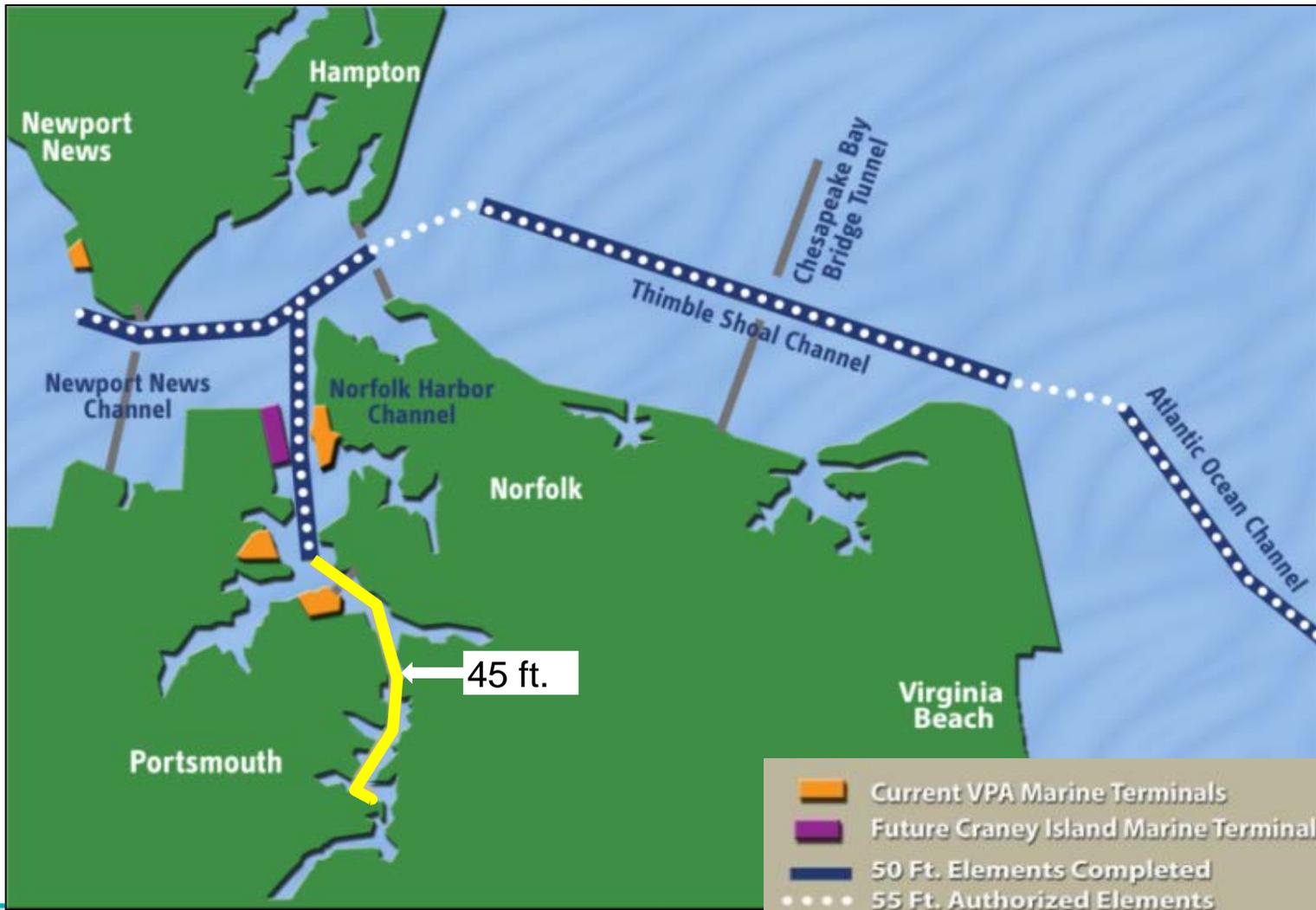
Charleston 45f/ 50f

● Miami 45f/ 50f

Comparison of Major East Coast Ports



55-foot Channel



The Future





Capital Investments

- Create a more efficient and capable solution to container handling the port's terminals.
- Equipment replacement will be aimed at refreshing and improving the equipment fleet while increasing efficiency and throughput capability.
- Phased investment strategy
- End result will be a state of the art portfolio of facilities poised for efficient and sustainable growth.



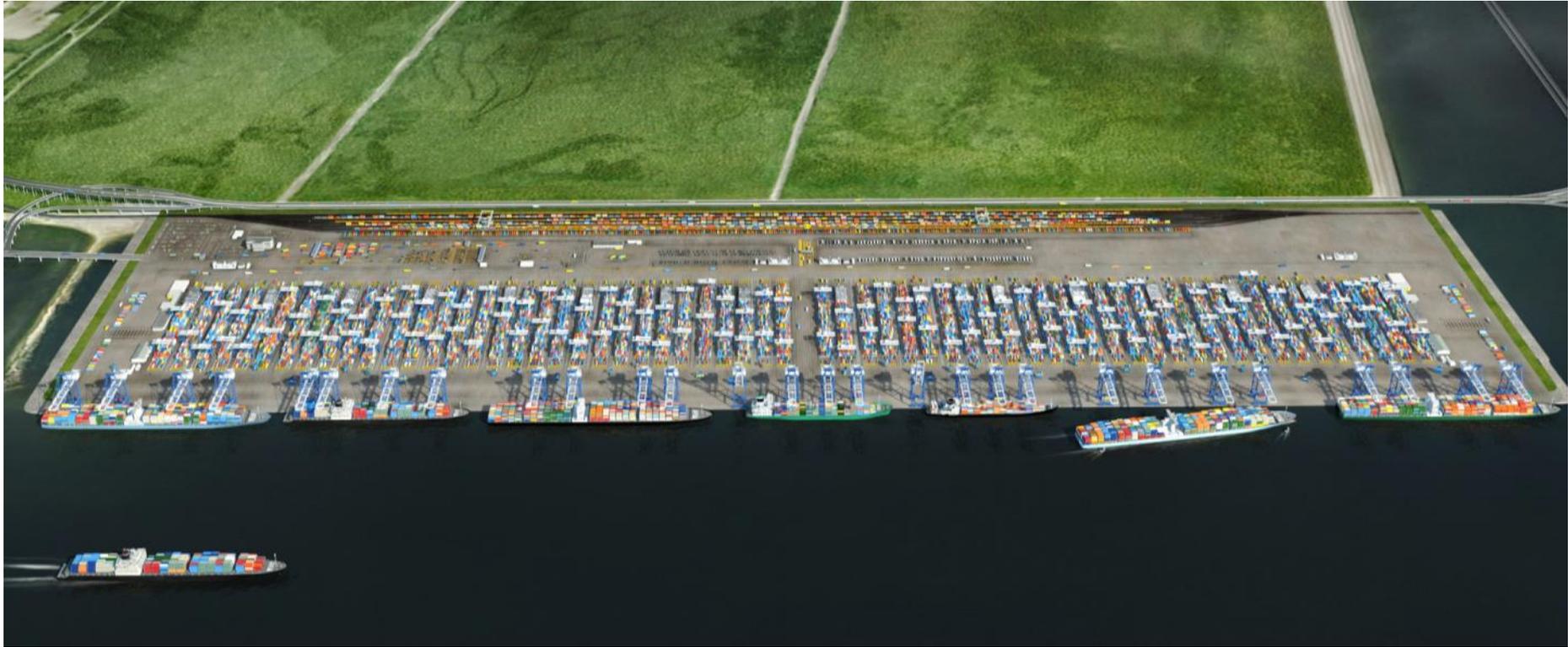
Port Development

PROJECT: NIT North Gate Complex

COST: \$30 Million (\$15M TIGER)



Craney Island Marine Terminal



Phase I – June 2025
Cranes: 6
Capacity: 1.5M TEUs

Full Build-out
Cranes: 28
Capacity: 5M TEUs

Total Acreage: 220
Pier Length: 3,000 ft.



ACCESSIBILITY • HELPFULNESS • INNOVATION
STEWARDS OF TOMORROW
SUSTAINABILITY • FORTITUDE • MINDFULNESS

