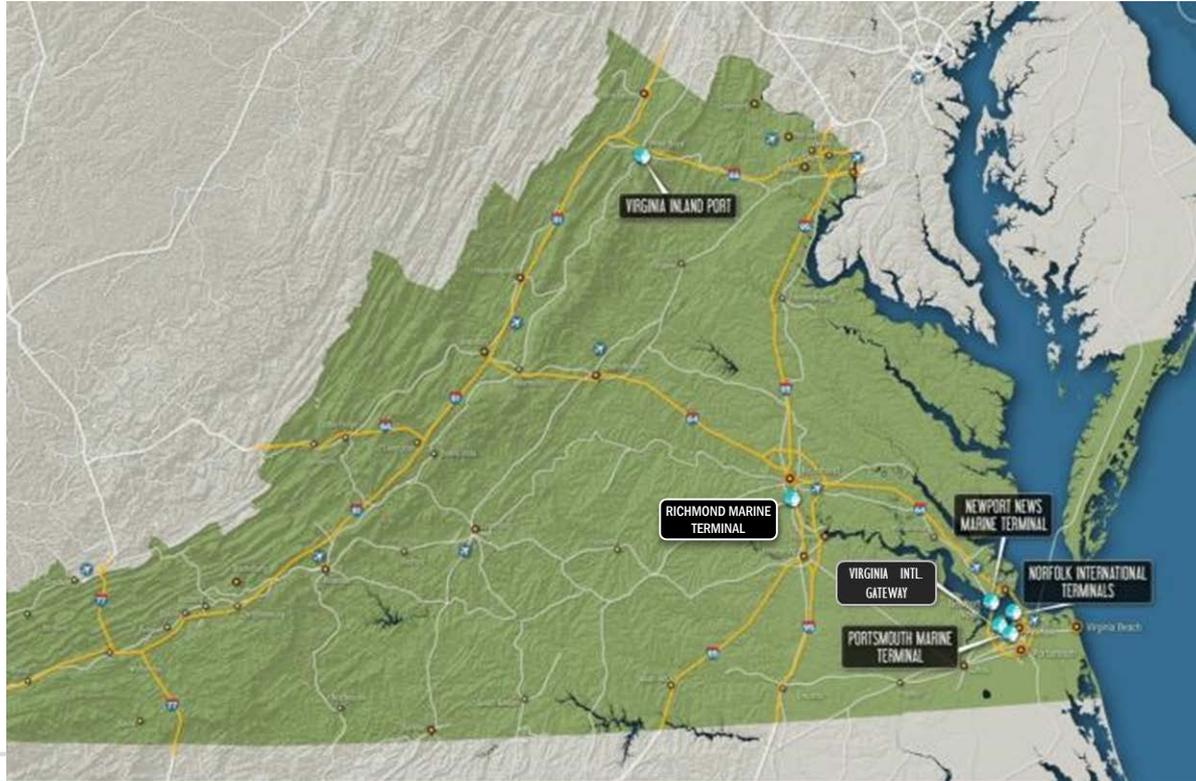


THE PORT OF VIRGINIA

A CATALYST FOR COMMERCE

JOHN F. REINHART, CEO AND EXECUTIVE DIRECTOR
VIRGINIA PORT AUTHORITY

OUR TERMINALS



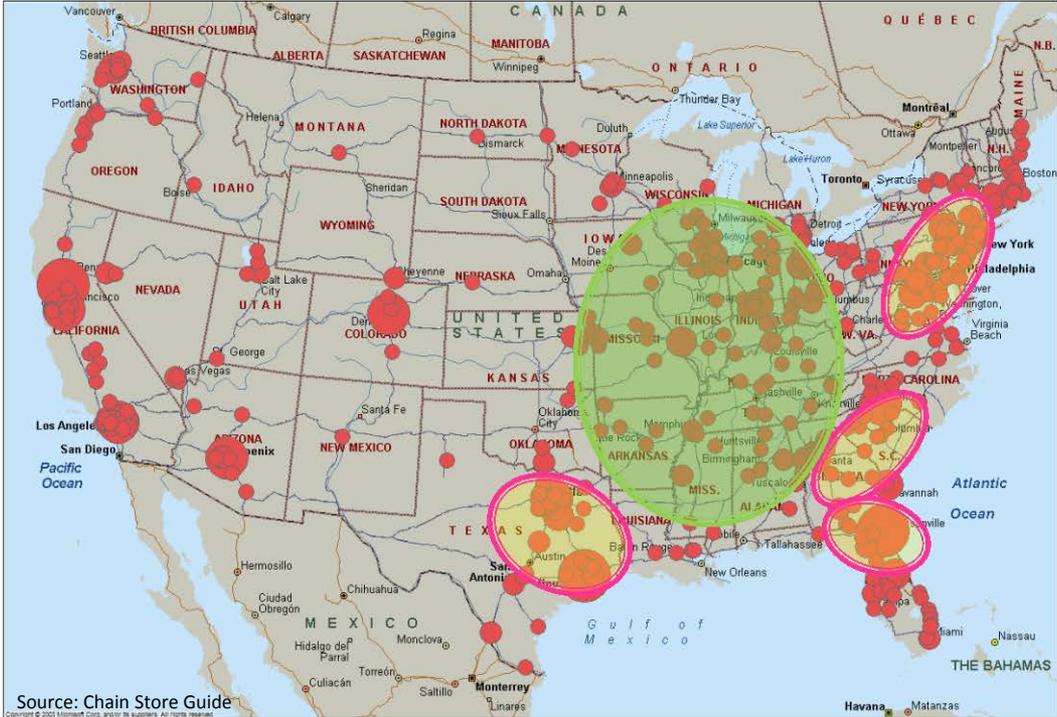
INDUSTRY TRENDS/ISSUES

- Shifts in trade patterns
- Increasing ship sizes
- Panama Canal
- Channel deepening/Height restriction projects underway

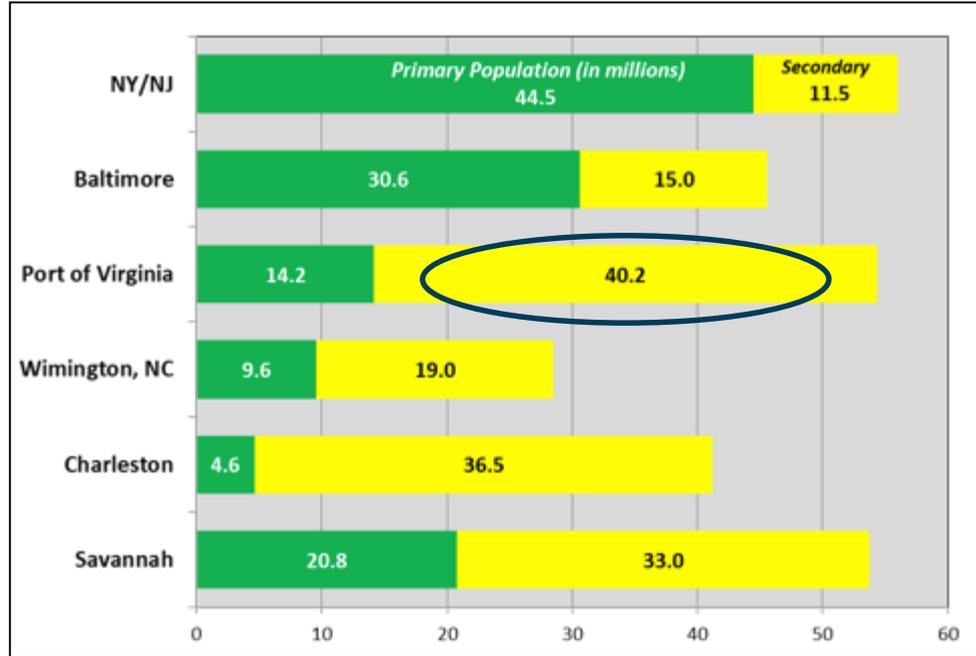
- **TO REMAIN COMPETITIVE, PORTS HAVE TO BE ABLE TO MOVE CARGO SWIFTLY, SAFELY, AND SUSTAINABLY**



THE LAND OF OPPORTUNITY



MARKET SIZE/PORT POSITIONING



Source: Colliers, population categories defined by R K Johns

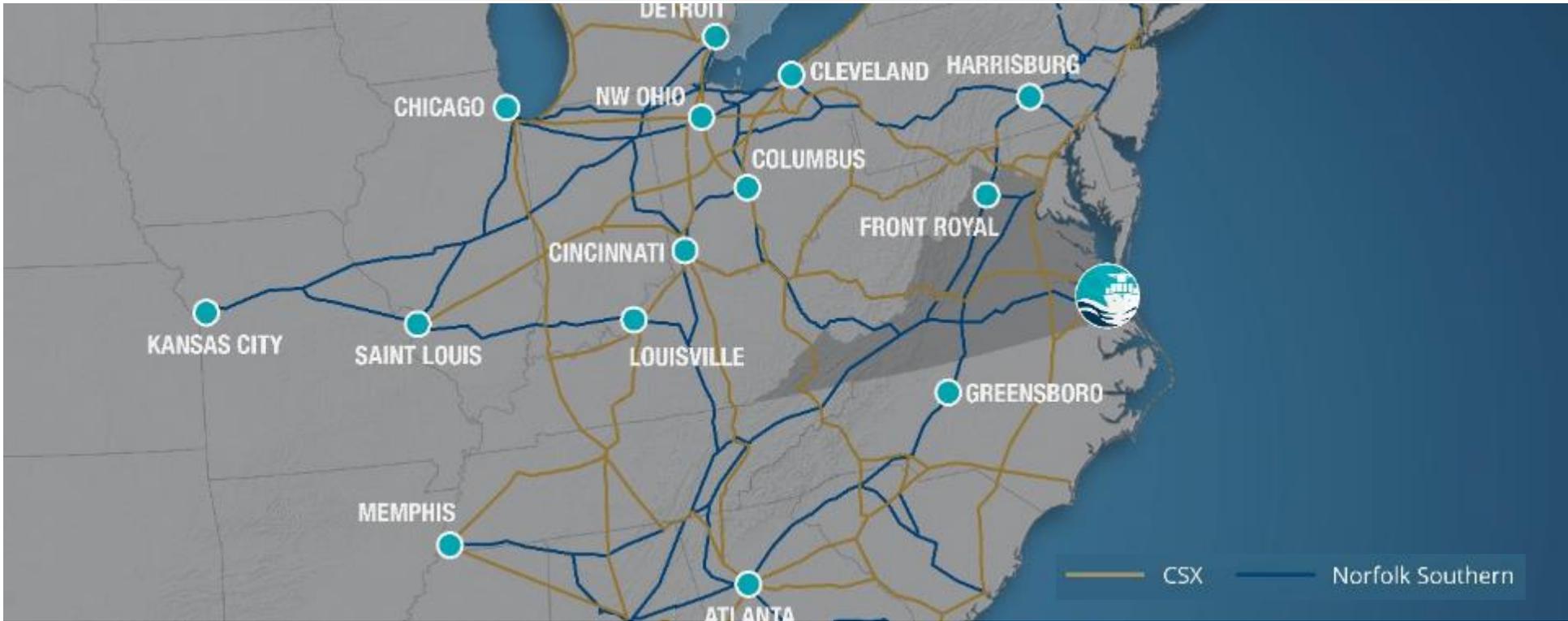
- The Port of Virginia's market reach is competitive in size to NY/NJ & Savannah: All three ports able to serve a market potential of +50 million people.

Primary: population proximate enough where the port is the preferred or exclusive gateway (based on inland distances)

Secondary: the discretionary population in areas that overlap in regards to the opportunity to be served by competing ports

Population figures include 16 states (AL, CT, DC, FL, GA, KY, MD, NC, NJ, NY, OH, PA, SC, TN, VA, WV)

QUICK ACCESS BY RAIL



A CATALYST FOR THE COMMONWEALTH



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



4.5 million tons
\$10.9 billion



18 million tons
\$53.2 billion



GSP \$30.5 billion
6.9% of GSP

2014 & 2015 ECONOMIC DEVELOPMENT TOTALS

- Announcements: 75
- Square Footage: Over 8 million
- Investment: Over \$3.9 billion
- Jobs Created: 7,980

THE APPROACH IS WORKING

- Return the port to financial stability
- Reduce turn times/Increase velocity
- Reinvest in infrastructure to meet long-term needs

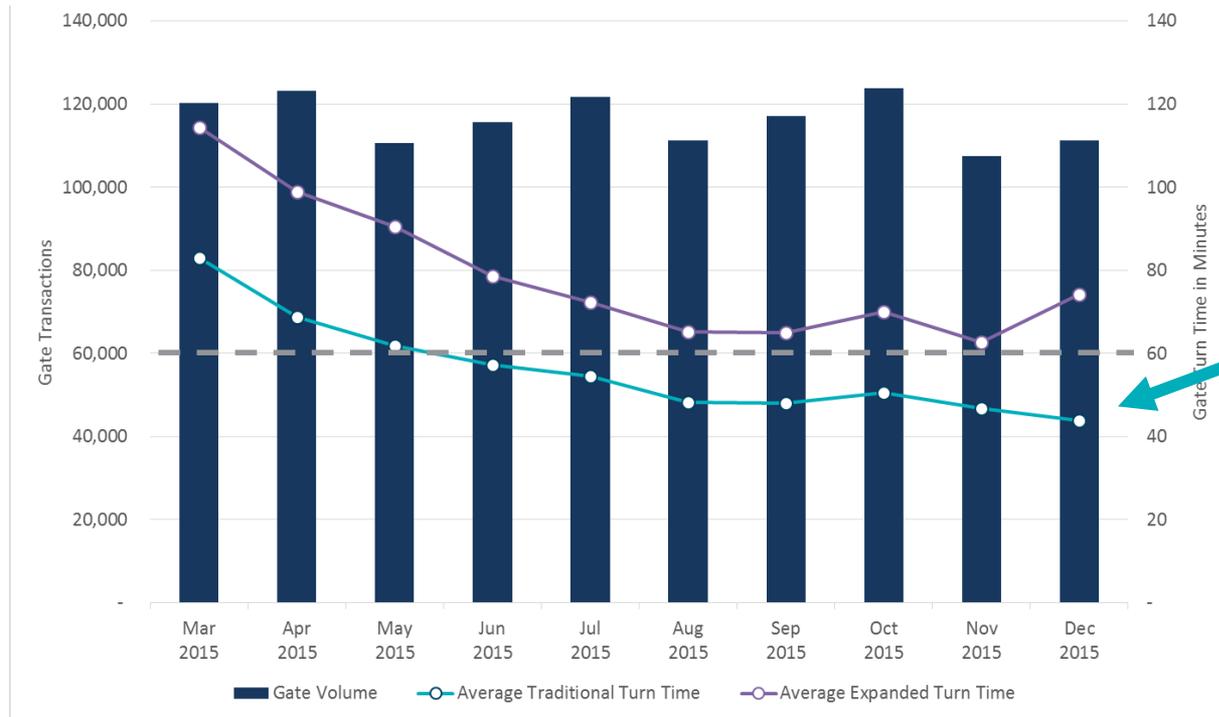


374,000 jobs

which is 9.4% of the state's resident workforce, work

**PORT-RELATED
JOBS**

PORT OF VIRGINIA GATE TURN TIMES



A 42% reduction in turn time from March – December 2015.

INVESTING FOR THE FUTURE

- Over \$31 million invested in FY2015
- Planned investment of \$135 million in FY2016
- Ensuring our channels and berths can accommodate the larger ships
- Optimizing our landside facilities – equipment and infrastructure

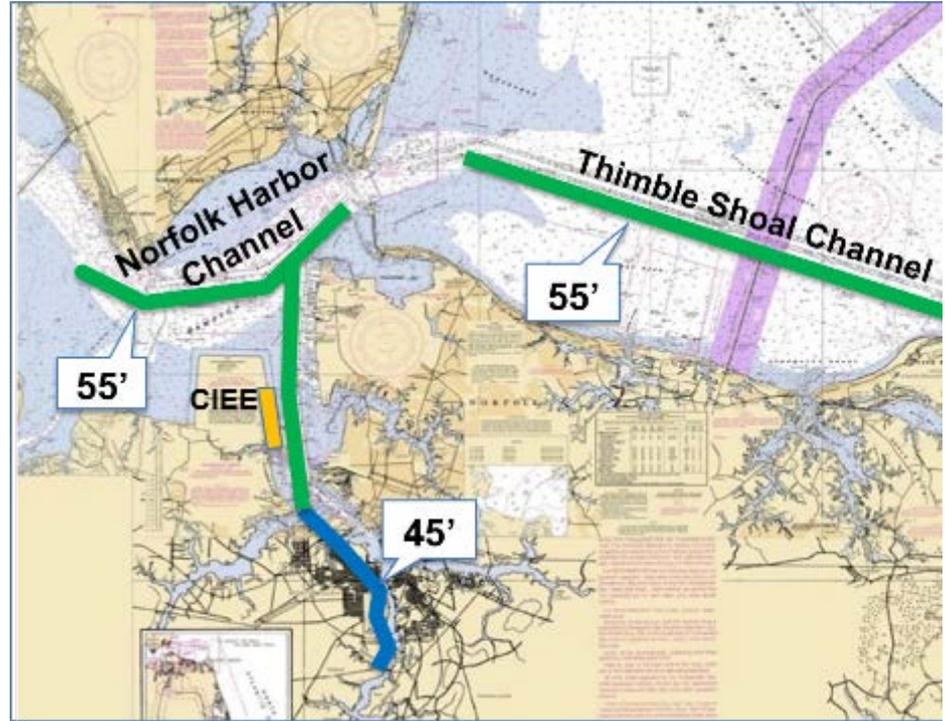


WATERSIDE



DEEPER, WIDER, SAFER.

- Jun 2015: Cost-Sharing Agreement Signed
- Dec 2015: Alternatives Milestone met
- Jan 2017: Selected Plan and Econ Dev Plans identified
- Aug 2017: Agency Decision
- Mar 2018: Civil Works Review Board Approval

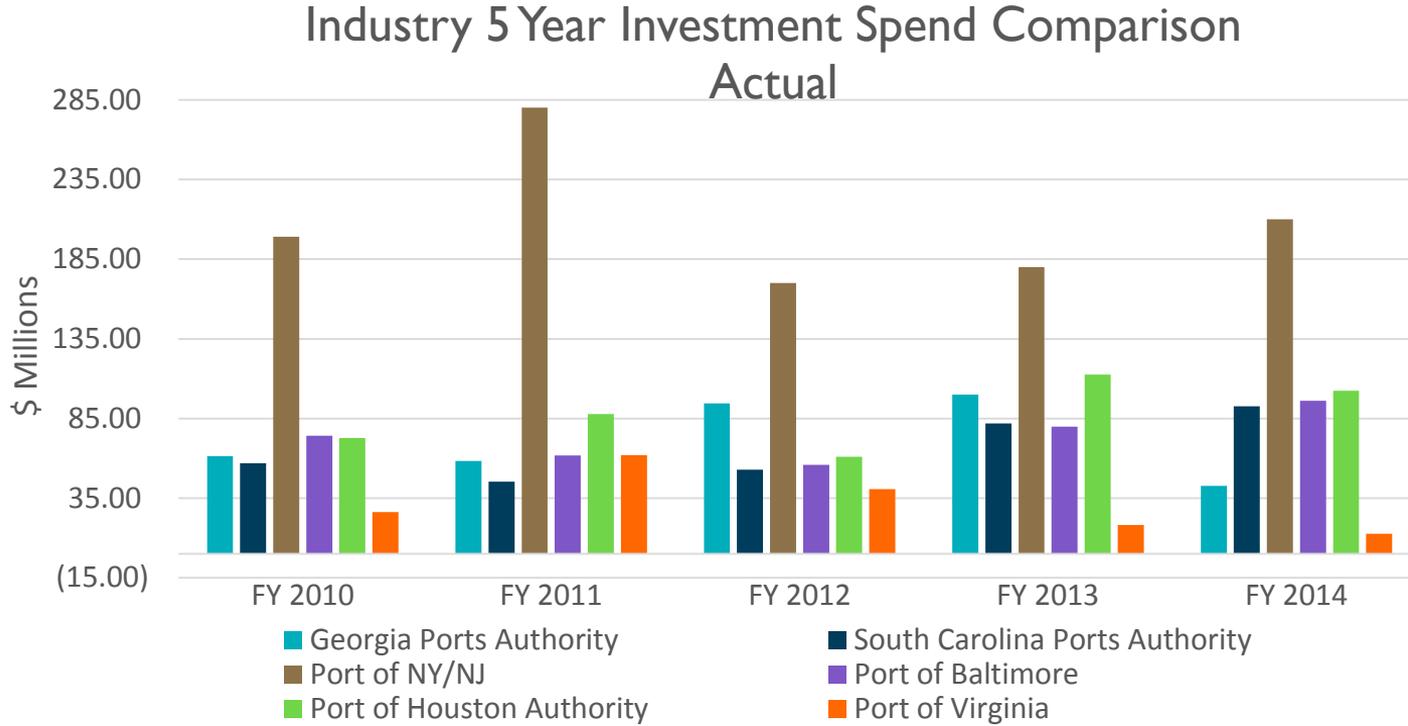


SWL UNDER SPREADER 85LT
SWL UNDER CARGO BEAM 80LT

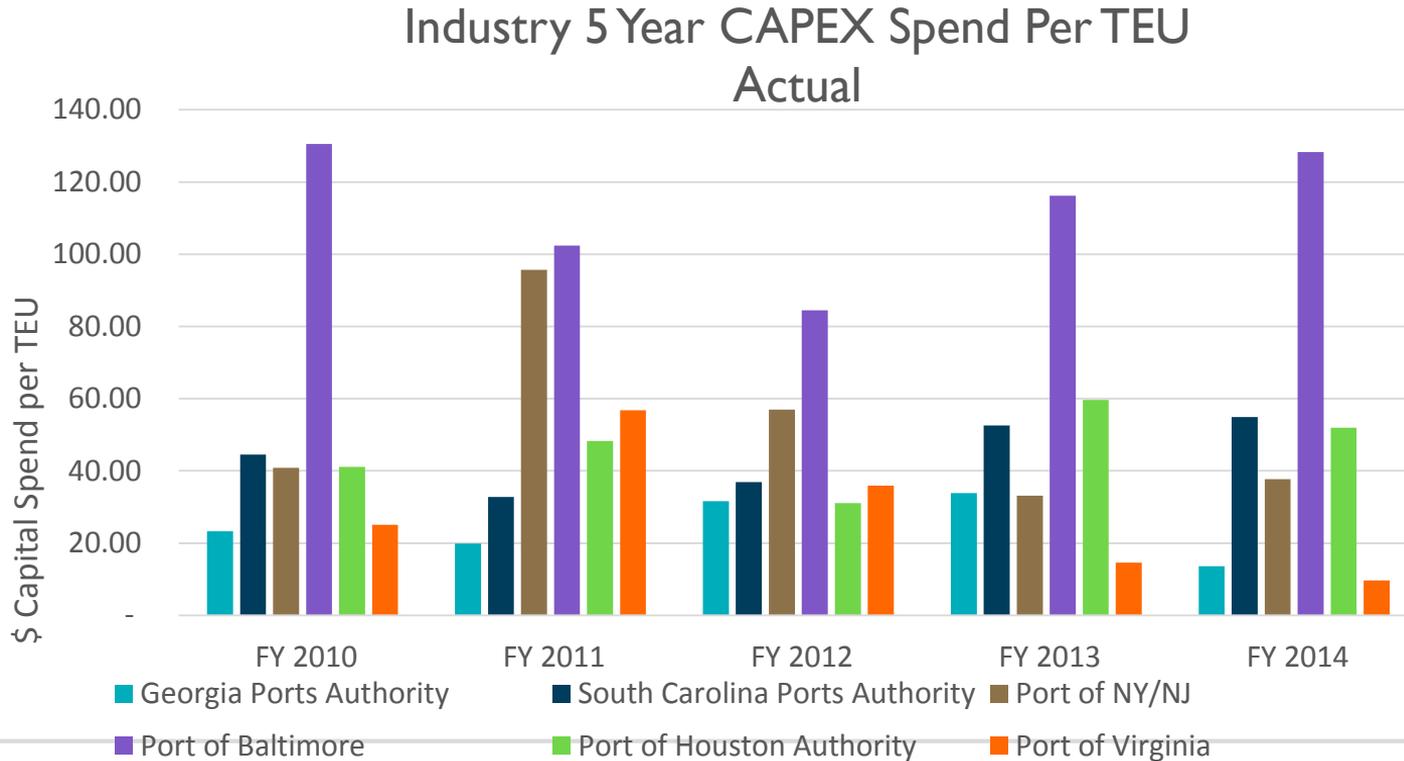
LANDSIDE



CAPITAL OUTLAY SPENDING VS OTHER PORTS

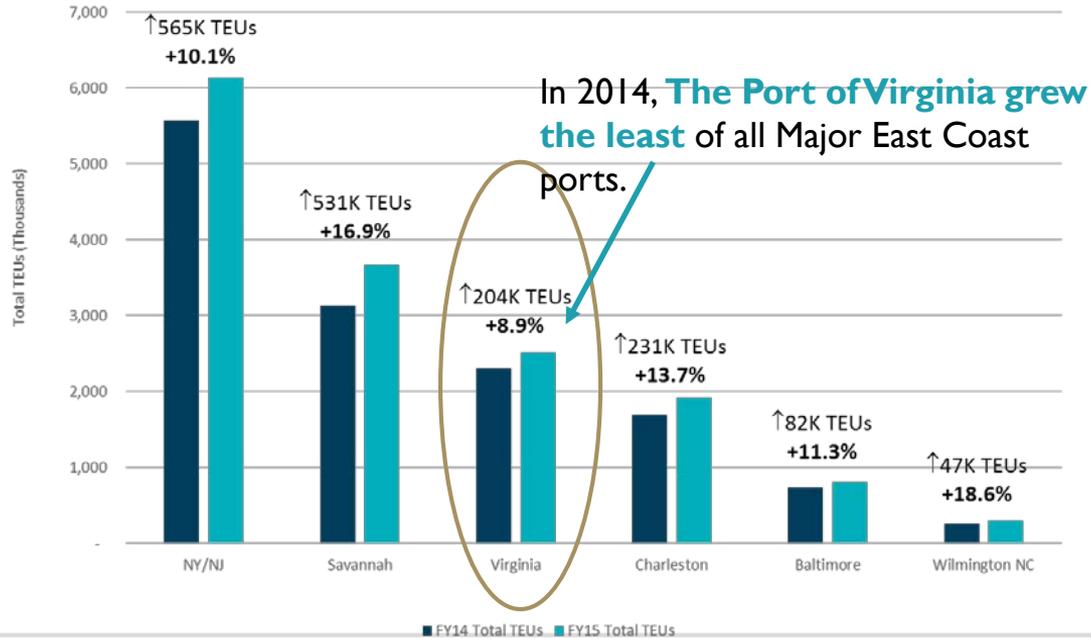


PER UNIT CAPITAL SPEND COMPARISON

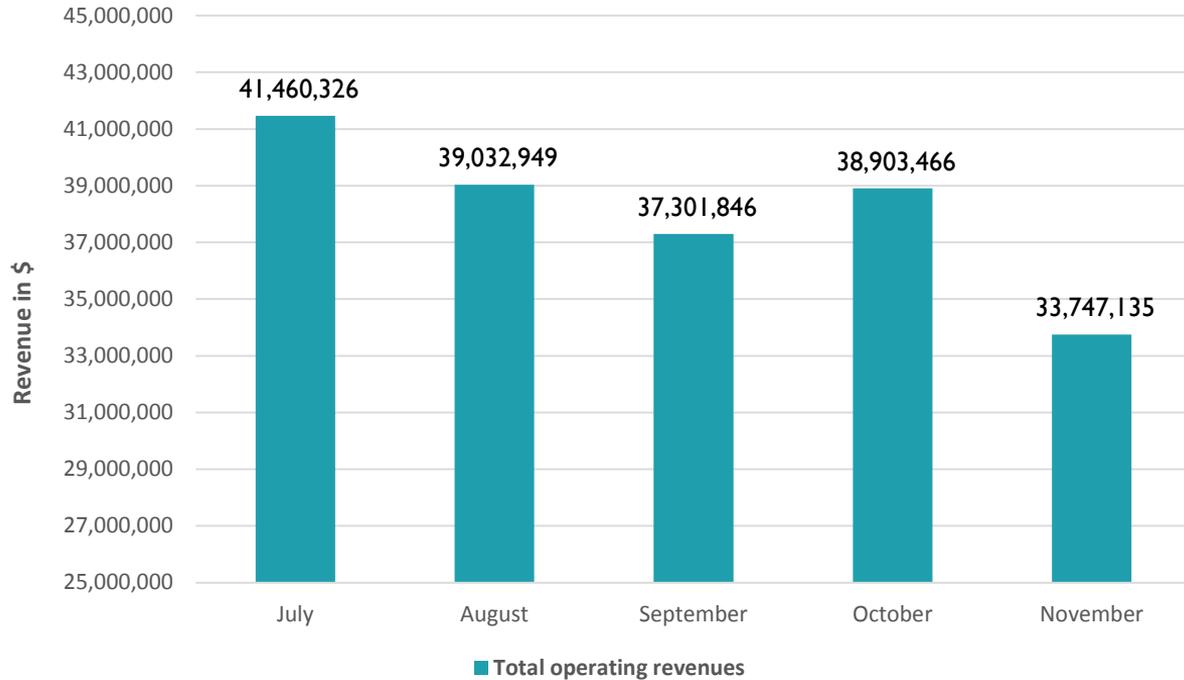


MAJOR US EAST COAST PORTS COMPARISONS

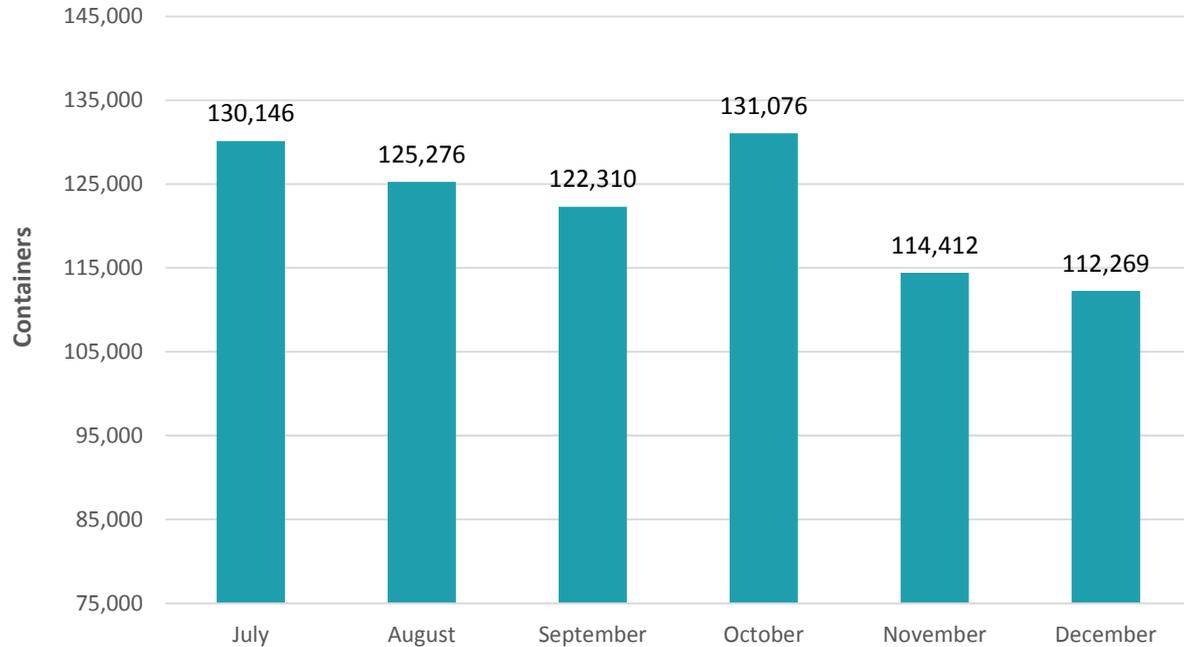
Major US East Coast Port TEU Volumes and Growth
FY 2015 vs. 2014, July - June



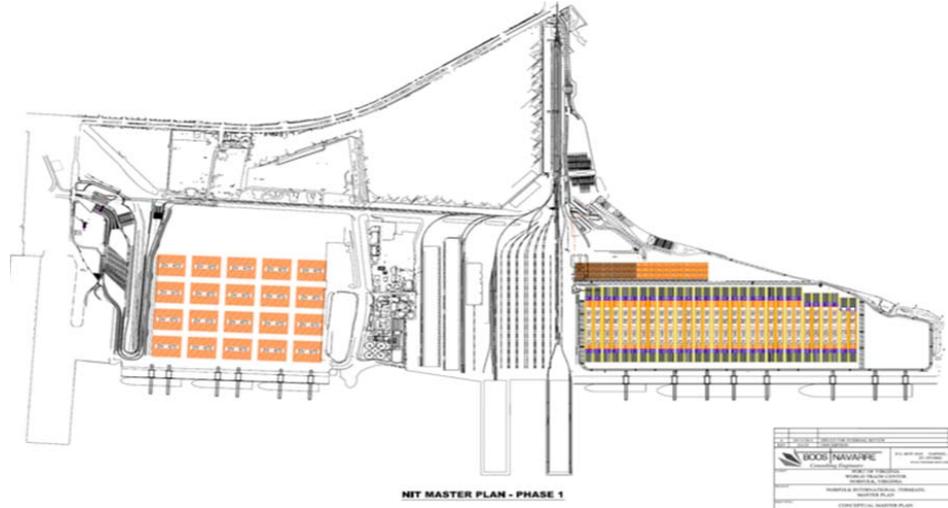
FY16 OPERATING REVENUE



FY16 VOLUME



PHASE I NIT SOUTH CONVERSION



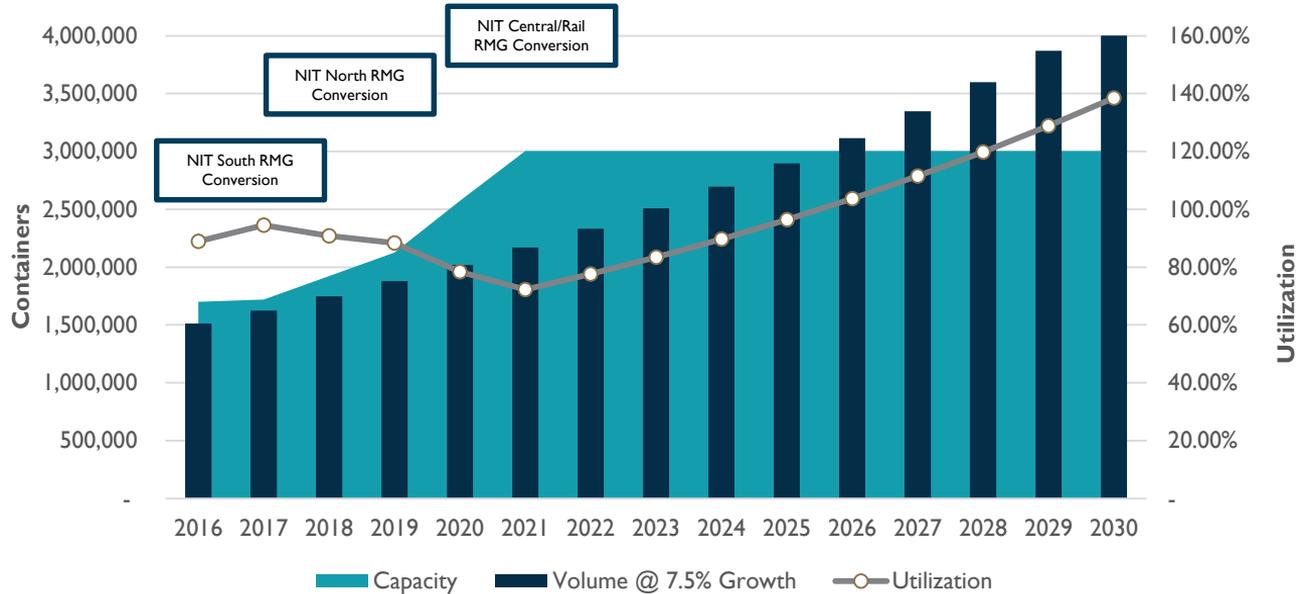
- \$350 million capital needs
- Increase capacity by 400,000 containers
- 2017: first stacks complete
- 2019: all 30 stacks complete

“VIG II” CONCEPT

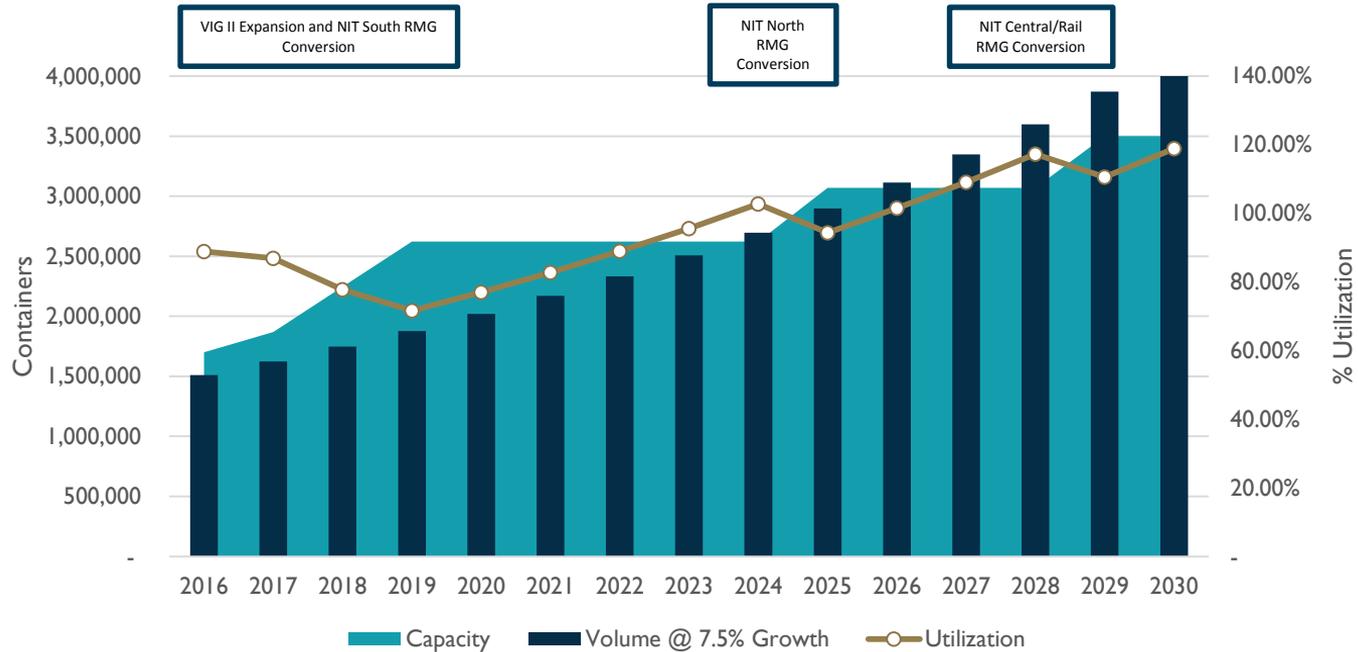


- \$320 million
- Increase capacity to 1.3 million containers
- Expanded rail operation
- New equipment
- Extended berth

NIT: CAPACITY vs GROWTH



FULL POV BUILD OUT



POTENTIAL ECONOMIC IMPACTS OF NIT OPTIMIZATION



120,000
port-related jobs



\$100 million
annual revenue



\$462 million
state and local taxes



\$16 billion
Virginia spending

5 YEARS

- NIT Phase I, VIG II projects complete
- Total POV capacity: 2.95 million containers
- Capacity to handle 36% of volume moved by rail



10 YEARS

- NIT II, VIG II complete
- Craney Island cells being built
- Total POV capacity:
3.5 million containers
- Capacity to handle 42% of
volume moved by rail



20 YEARS AND BEYOND

- Craney Island Phase I & II
- Total POV capacity:
5.5 million containers
- Capacity to handle 45%
of volume moved by rail



PORT INFRASTRUCTURE PROJECTS: 2016-2026

	COST
NIT – Phase I	\$350,000,000
VIG – VIG II Expansion	\$320,000,000
NIT – Phase II	\$230,000,000
NIT – Phase III	\$270,000,000
Dredging Cost	\$300,000,000
Craney Island	\$1,000,000,000
Total Cost	\$2,600,000,000

OUTSIDE THE GATES

- VDOT
- DRPT
- TPO
- HRTAC
- FHWA
- MARAD
- USDOT



THE PIECES ARE IN PLACE

- Strategic location
- Water depth
- Lack of height restrictions
- Rail & road infrastructure
- Plan for capacity and throughput

ACCESSIBILITY
FORTITUDE
HELPFULNESS
INNOVATION
MINDFULNESS
SUSTAINABILITY