STATE LEADERSHIP

Terry R. McAuliffe | Governor
Aubrey L. Layne Jr. | Secretary of Transportation
Grindly Johnson | Deputy Secretary of Transportation
Nick Donohue | Deputy Secretary of Transportation

SENIOR LEADERSHIP TEAM

John F. Reinhart | CEO and Executive Director
James S. Bibbs | Chief Human Resources Officer
Thomas D. Capozzi | Chief Sales Officer
James W. Noel III | General Counsel
Rodney W. Oliver | Chief Financial Officer
Joseph P. Ruddy | Chief Innovation Officer
Shawn J. Tibbetts | Chief Operations Officer
Cathie J. Vick | Chief Public Affairs Officer

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The Port of Virginia moves the things we use in our daily lives.
Sara Baldwin is the president of New Ravenna, a growing designer and manufacturer of stone and glass mosaic tiles. The firm is based on Virginia’s Eastern Shore and uses The Port of Virginia to import materials from across the globe.
Welcome to The Port of Virginia’s® fiscal year 2016 (FY16) annual report. We are pleased to present you a summary of our successes during the 12 months that ended June 30.

Fiscal year 2016 was a year of milestones and momentum: we had a positive financial outcome for the second consecutive year; we were safe while handling a record-setting amount of cargo; rail volume grew by 10 percent; we welcomed our first vessel to transit the new, wider Panama Canal; and we continued our focus on improving service. Most notably, we embarked on a project that is the largest capacity-building project in our history.

Supported by the Governor, General Assembly, the Transportation Secretary and the Virginia Port Authority Board of Commissioners, we are entering an era of growth: we will continue to develop a primary gateway for global trade on the US East Coast and be a catalyst for commerce in Virginia.

By 2020, we will have the capacity to process one million additional container units through this port annually — a 40 percent increase overall — and we will move those units more safely, swiftly and sustainably than ever before. The result will be a modern container terminal complex capable of handling the largest ships in the Atlantic trade. That growth, combined with deep, unobstructed channels, modern terminals, a strong partnership with labor, a long-term plan for sustainable growth, a central location in the Mid-Atlantic, a reputation as a progressive and growing port and a dedicated team of professionals are the elements making our port one of the most capable in the nation.

Our customers are responding to our improvements. Commercial resurgence continued in FY16, leading to our second consecutive fiscal year of profitability. We finished the fiscal year having handled 1.46 million containers resulting in a $4.76 million consolidated operating profit.

We have a clear path forward and are using our values to guide us as we plan for the future. With a priority on safety across all phases of the operation, we are taking the momentum gained from our work over the past two years and converting it into action as our expansion begins. The work we do over the next several years is truly going to chart The Port of Virginia’s course for generations to come.

Sincerely,

John F. Reinhart, CEO and Executive Director
How does your favorite coffee roast get to your morning mug? How do Virginia-grown soybeans make it to China? What about auto parts made in Brazil bound for a manufacturer in Kentucky, or Virginia wine heading to Europe? How do these products move?

Chances are, those products and more come and go on one of thousands of container ships that call on The Port of Virginia.

The port connects Virginia and the nation to the goods, consumables and raw materials essential to daily life. Through four deep-water marine terminals, an upriver barge terminal and an inland terminal where the road and rail intersect, the port moves the things — coffee, automobiles, electronics, textiles, building materials, machines — driving the economy. Collectively, the port’s terminals cover just 1,800 acres, but they have a significant positive impact on every corner of the Commonwealth. An extensive network of rail, reaching all the way to the Midwest, and interstate highways support the port’s ability to move cargo efficiently to the people who need it.

The port’s naturally deep coastal harbor is within a day’s drive of two-thirds of the nation’s population and provides direct access to more than 43 different countries. In fiscal year 2016, the port handled 20 million tons of cargo valued well into the billions.

This connection is a catalyst for commerce throughout Virginia. Cargo insurers, truck drivers, warehouse managers, crane mechanics and commercial building developers are just some of the 374,000 jobs linked to the port’s activity throughout the state. The port — and many of its users — are strategically located within Foreign Trade Zone 20 (FTZ). Those that take advantage of the FTZ can benefit by using special procedures that can reduce, eliminate or delay duties.

The port does more than service ships hauling cargo: it drives investment, job creation, revenue growth and connects Virginia to the world. From coffee to cars, The Port of Virginia moves what moves you.
ON THE HORIZON

286,000 NEW JOBS
$38 BILLION IN SPENDING
$1.1 BILLION IN NEW STATE & LOCAL TAXES

Patrick Jefferson is the port’s general manager of Multi-Purpose Terminal Operations.
A retailer in Roanoke stocks its shelves with dress shoes imported from Europe. Four hours east, Dinwiddie County soybean farmers prepare their harvest for export to Asia. Expanding, modern port terminals served by deep channels equate to jobs, business investment, taxable revenue and more imports and exports for the Commonwealth. That’s why The Port of Virginia is always looking to the horizon and beyond.

In fiscal year 2016, the port, supported by the Governor and General Assembly, announced two large expansion projects that will provide momentum for continued growth and progress.

NORFOLK INTERNATIONAL TERMINALS
The port's largest terminal will get even larger. This year, the port continued construction on the North Gate at Norfolk International Terminals (NIT). When completed in summer 2017, the 26-lane gate will more than double the terminal’s gate capacity and link with the I-564 Connector, a road project designed to give motor carriers faster access to market and cut emissions by reducing idle time in traffic.

In the spring of 2017, the port will begin modernizing to NIT’s south-side container yard, with the help of a $350 million investment from the Commonwealth. By 2020, that renovation and reconfiguration project will add 60 automated stacking cranes supported by the industry’s newest technology and increase the terminal’s annual capacity by 46 percent without adding an inch of real estate.

VIRGINIA INTERNATIONAL GATEWAY
An historic, new long-term lease inked in September for Virginia International Gateway (VIG) in Portsmouth gives the port oversight and operating rights at the facility until 2065.

As part of a $320 million project, the port is developing 60 unused acres inside VIG’s 231-acre footprint to add 26 automated stacking cranes and expand the container yard. To accommodate the largest container vessels working in the Atlantic, the pier will be lengthened, four massive container cranes added and the rail operation expanded. The project will maximize industry-leading technology and double VIG’s annual capacity to 1.2 million containers.

RICHMOND MARINE TERMINAL AND BEYOND
In February, the port executed a 40-year lease with the City of Richmond for the operating rights at Richmond Marine Terminal (RMT). The lease clears the way for improving service, investing in this key inland terminal and cultivating the terminal’s regional economic influence. Barge volumes at RMT are growing and we are investing to meet the demand.

The first investment was a $4.2 million, 350-ton mobile harbor crane that, along with the addition of some smaller cargo handling equipment, accelerates barge loading and unloading. The next purchase was a new barge with 50 percent more capacity; it is now being equipped to transport refrigerated containers. A maintenance dredging program is underway as are improvements to the terminal’s railroad tracks. There are also infrastructure investments in the works at the port’s other terminals to build capacity and the capability to handle more diverse cargo.

At Virginia Inland Port (VIP) in Front Royal, an expansion of the rail operation is being planned. Newport News Marine Terminal (NNMT) will receive new equipment, have its berths dredged and see improvements made to the on-terminal warehouses. For Portsmouth Marine Terminal (PMT), wharf and rail loop improvements are planned to handle growing cargo volumes.

This investment in people, technology and capacity will position the port to be a true gateway to world trade and a catalyst for commerce in Virginia. Looking to the horizon, our growth path for the next 20 years is set. We are building a bridge to our future, which includes a terminal on Craney Island that when complete, will more than double the combined capacity of all the port’s terminals.

“This sends a very clear message — worldwide — that The Port of Virginia is investing for the long-term and we will be able to service the vessels of any ocean carrier here at what will be one of the most modern and efficient container terminals in North America for decades to come.”

— Terry R. McAuliffe, Virginia Governor
The Port of Virginia is more than just a port; it is a close-knit community of shippers, carriers, truckers, warehousemen, pilots and the military. The port community works together to advance a common goal of economic growth and prosperity for the Commonwealth and beyond.”
— George Adams, Director of International Transportation, Lumber Liquidators, Inc.

“Our relationship with The Port of Virginia is strong, collaborative and strategic in nature — the epitome of partnership at every level. We have a working relationship with executive-level personnel as well as management and daily operations, and we share ideas and work together to deliver solutions to our collective customer base daily.”
— Eric Jehu, Business Development Manager, Expeditors

“When presenting solutions to customers, we are stronger as a logistics service provider because we work so closely with world-class port facilities.”
— Jeremy Riddle, General Manager, CrossGlobe Transport, Ltd.

“The ultimate goal for the port driver is to get in and out of the port in a timely manner. The ideal time for a driver is 30 minutes. The Port of Virginia is working toward that goal by adding more space and new automation systems.”
— George Berry, Owner-Operator and Motor Carrier

“Being a medium-sized company, we cannot afford to have company sales representatives domiciled around the world. However, it is our good fortune that The Port of Virginia has its sales and marketing staff, who continually sell for Hampton Roads and the Commonwealth of Virginia on every continent.”
— Keith Helton, Executive Vice President, Givens Inc.
We have great momentum in Virginia. Since 2010, we’ve gone from being the fifth largest exporter on the East Coast to number two.”

— Todd Haymore, Virginia Secretary of Commerce and Trade

Virginia is the second largest exporter of forestry and agricultural products on the East Coast, an area of business that moved $3.1 billion worth of products last year. The growing volume of agricultural exports helps The Port of Virginia maintain an important balance on imports and exports.

The port’s trade balance is 53 percent imports and 47 percent exports. This balance is crucial because it allows containers with varied products coming into Virginia to get unloaded, repacked with American-made goods and sent back overseas using the same route. Further, the balance is an incentive for ocean carriers to make Virginia a first- or last-stop on their East Coast calls.

Exports grown and processed in Virginia help diversify the port’s trade and maintain that balance, says Todd Haymore, Virginia Secretary of Commerce and Trade.

“We have great momentum in Virginia,” Haymore says. “Since 2010, we’ve gone from being the fifth largest exporter on the East Coast to number two. More than $800 million in new exports has been facilitated by Virginia trade representatives connecting foreign buyers with domestic suppliers that ultimately use the port.”

The Scoular Company specializes in shipping grain and Richmond Marine Terminal (RMT) is home to one of its export operations. It sees the growing momentum and benefit from the port’s vision.

“What we’ve really been impressed by with the port is its openness to and pressing for innovative ideas around logistics, like setting up a grain-loading operation at RMT,” says Doug Grennan, Scoular’s director of North American container trade. “The port clearly wants to increase the amount of exports of any product, but particularly Virginia products.”

Farms like Triple J Produce are part of the movement to make The Port of Virginia the East Coast capital for agricultural and forestry exports.

Portsmouth-based Massimo Zanetti is among the growing number of coffee importers who roast and package coffee beans as the port’s “caffeine trade” continues to expand.
2015

JUL
The US Secretary of Transportation attends the groundbreaking for a $31 million North Gate Project at Norfolk International Terminals (NIT).

2016 FISCAL YEAR ACCOMPLISHMENTS

AUG
Governor Terry R. McAuliffe announces that the port will post its first yearly operating profit since 2008.
Leaders from The Port of Virginia begin a three-stop trip in Hampton Roads, Richmond and Front Royal to deliver the State-of-the-Port address.

The SOLAS (Safety of Life at Sea) requirements are implemented on deadline and without any disruption to the delivery of service.

The port and Richmond city leaders sign a 40-year lease agreement for Richmond Marine Terminal and debut its new $4.2 million harbor crane.

The port sets a new calendar year (2015) record for container volume having handled more than 1.35 million containers.

The port handles 2,675 automobiles, an increase of 45 percent when compared with 2014.

Ocean carrier CMA CGM becomes the ninth carrier to provide a bill of lading to Richmond Marine Terminal (RMT).

The port handles 131,000 containers making it the single busiest month in the port’s history.

The governor announces a state investment of $350 million for expanding cargo capacity at NIT by 46 percent.

The MOL Benefactor is the first 10,000 TEU ship to call Virginia through the widened Panama Canal.

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The port’s efforts to keep the Elizabeth River clean are recognized with the 14th consecutive RiverStar award from the Elizabeth River Project.

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The MOL Benefactor is the first 10,000 TEU ship to call Virginia through the widened Panama Canal.
A state investment of $350 million is being used to redevelop the South Berth at Norfolk International Terminals. The addition of state-of-the-art technology and equipment will enable the port to move cargo more safely, swiftly and sustainably.
A CATALYST FOR COMMERCE
The port handles a growing and diverse mix of cargo, including these massive blades for power-generating windmills.
The Port of Virginia set a record in fiscal year 2016 (FY16) moving more cargo than ever before. Utilizing trucks, barges and the East’s two class-1 railroads and barges, the port handled 1.46 million containers of import and export cargo.

The exports were bound for far-away destinations and the imports landed at warehouses, assembly plants and retailers throughout Virginia and the Midwest’s manufacturing and population centers. Barge volume to Richmond was up 16 percent; rail cargo up 10 percent; and truck traffic was down slightly, 1.4 percent when compared with the last fiscal year.

“In handling more cargo, the port ultimately served more of the public,” says John F. Reinhart, CEO and Executive Director of the Virginia Port Authority. “The work we did in the fiscal year and the resulting growth prepares the port for what’s to come in 2017 and beyond.”

The cargo growth came aboard increasingly larger ships. In July, a ship named the MOL Benefactor was the first, and largest, container ship to transit the expanded Panama Canal and call Virginia. The arrival of that ship signaled the start of a new era at the port. Since then, more than a dozen ships larger than the MOL Benefactor have come to Virginia and even larger ones are on the horizon.

In FY16, the port handled an increasingly diverse array of cargo including more than 36,000 vehicles, massive blades for use on power-generating windmills, coffee beans destined for regional roasting operations and boulder-sized rolls of paper in addition to the goods packed into millions of containers.

The growth in cargo equates to job creation, business investment, growth in taxable revenue and economic development across the Commonwealth.

“Virginia is committed to supporting the port’s growth,” said Governor Terry R. McAuliffe in announcing $350 million in state funding earmarked for expansion at Norfolk International Terminals (NIT). “Steady and sustainable growth of the port results in economic prosperity to the state. Investing in this unique maritime asset and preparing it for the future will benefit all Virginians for decades to come.”

Businesses like Martinsville-based Hooker Furniture, Virginia Beach-based STIHL Inc., Mercury Paper in Strasburg and Advance Auto Parts in Roanoke call Virginia home because of this growth and the port’s ability to efficiently and economically handle their cargo.

A strategic plan for growth is underway to perpetuate the port’s success. The plan focuses on capturing more cargo and accommodating that cargo, both inside and outside the gate, cultivating private investment and leveraging growth to benefit all Virginians. The big ships are here and The Port of Virginia is making strategic moves to accommodate them and strengthen its role as an economic engine for the Commonwealth.

### FISCAL YEAR 2016 CARGO

<table>
<thead>
<tr>
<th>Category</th>
<th>FY16: Jul-Jun</th>
<th>% Change</th>
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<tbody>
<tr>
<td>Total TEUs</td>
<td>2,573,635</td>
<td>2.5%</td>
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<tr>
<td>Export TEUs</td>
<td>1,410,090</td>
<td>4.0%</td>
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<tr>
<td>Import TEUs</td>
<td>1,163,545</td>
<td>0.9%</td>
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<tr>
<td>Total Containers</td>
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<tr>
<td>General Cargo Tonnage</td>
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<tr>
<td>Total Rail Containers</td>
<td>511,096</td>
<td>9.7%</td>
</tr>
<tr>
<td>RMT Barge Containers</td>
<td>16,347</td>
<td>15.8%</td>
</tr>
<tr>
<td>Total Truck Containers</td>
<td>908,285</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

Eleven coffee roasters are within one day’s drive (550 miles) of the port.
Trucks moved 908,000 containers to and from the port’s terminals in fiscal year 2016.
When a vessel comes to The Port of Virginia, an extensive transportation system goes to work. At its core are trucks traveling interstates, trains headed to Virginia Inland Port (VIP) and the Midwest markets, and container barges moving up the Chesapeake Bay and James River.

Newport News Marine Terminal (NNMT) is best suited to handle rolling cargo (primarily cars), breakbulk, or non-containerized cargo, and massive, heavy-lift pieces. When giant windmill blades need to get from Mexico to North Carolina, the cumbersome cargo arrives by train at Portsmouth Marine Terminal (PMT). With a lot of open area, PMT is uniquely equipped to handle such cargo.

At VIP, in Front Royal, the port extends its operations 230 miles inland. Cargo owners can save 400-plus miles by stopping their trucks at VIP and loading to double-stack rail destined for the port's container terminals.

This versatility drives a growing and diverse cargo mix at the port resulting in jobs and investment to handle and move that cargo. It's this adaptability and versatility that sets the port apart.

At Richmond Marine Terminal (RMT), the port operates the East Coast's longest-running barge operation of its type. The barge grew out of a federal program to use waterways to reduce congestion and pollution while creating efficiency in the surface transportation system.

Though it accounts for just three percent of the total cargo movement, barge traffic represents the greatest area of growth in the port's fiscal year 2016 (FY16) cargo. In fact, the port moved 16 percent more cargo by barge than the year before, equating to 32,000 fewer trucks on the roads.

“We move a significant volume of our imports from Hampton Roads to Richmond via the barge,” says George Adams, international transportation coordinator for Lumber Liquidators, Inc. “The short distance to RMT and the speed in which our inland carriers are able to retrieve our cargo allows for a highly efficient final-mile delivery.”

The barge is growing, but trains and trucks still do the majority of the work.

In FY16, the port moved 10 percent more cargo by train than it did over the prior fiscal year. In August, the port's on-dock rail operations handled a record-setting 50,000 units. In total, 34 percent of the cargo that passes through the port moves by rail.

Trucks, however, move the majority of the cargo — 63 percent of it. In FY16, the port moved 908,000 containers by truck and those trucks carried imports and exports to all corners of Virginia and destinations beyond.

As ships get bigger, this versatility will grow in parallel. The port can add extra sailings of the barge as needed and a recent $165 million federal grant to develop Virginia's Atlantic Gateway Project will improve regional road and rail infrastructure. Moreover, CSX, one of the port's rail partners, is expanding its double-stack capability, opening new markets in the Northeast. This growing list of assets gives the port the versatility to handle almost any cargo and move it efficiently to market.
With a one-of-a-kind approach to maritime emergency response, education and cleanup, The Port of Virginia takes care of both cargo and the community.

“Most of our work is done outside the terminals,” says Bill Burket, director of the port’s Maritime Incident Response Team (MIRT) and emergency operations. “For example, we helped the City of Norfolk pump out one of its flooded underpasses after Hurricane Matthew.”

The first and only team of its kind in the US, MIRT plans for and responds to any emergency that affects the port and its surrounding community, ranging from shipboard fires to search and rescue operations. MIRT also provides an important education function for the port community and other governmental agencies in facilitating the nation’s longest-running, marine firefighting school.

When called upon in an emergency, MIRT can act directly to assist, identify and assemble resources and coordinate with regional agencies like the US Coast Guard or other local, state and federal partners.

“The Coast Guard is lacking in firefighting, sonar, shallow-water craft, ready dive teams and mobile command center capabilities, and if we need any of these in a response, MIRT rapidly coordinates assistance,” says Capt. Richard J. Wester, of Coast Guard Sector Hampton Roads.

“We all know what an economic engine this port is to the Commonwealth,” says Burket. “If this port is impacted by an emergency, the negative effects can reach well beyond the port community. Our job is to plan, teach, support and be ready.”

ENVIRONMENTAL STEWARDSHIP

Of equal importance to the port’s social responsibility effort is its work as a steward of the environment through larger corporate policy and smaller volunteer-driven efforts like participating in the annual Clean the Bay Day.
In an ongoing effort to reduce carbon emissions coming from the terminals, the port employs fuel-efficient hybrid cargo-handling equipment like low-emissions locomotives and electric cranes. On a smaller scale, a terminal-wide recycling program focuses on reducing the number of recyclables headed to the landfill.

Off-terminal, the port seeks to expand its Green Operator (GO) program that helps motor carriers pay for a new truck or upgrade with emissions-reducing technology. GO is the country’s most successful clean-truck program, having retrofitted or replaced more than 400 trucks and reduced emissions from trucks serving the port by as much as 25 percent.

Additionally, the port is certified under the ISO 14001 environmental certification, which represents a core set of standards used by organizations for designing and implementing an effective environmental management system. The port was the nation’s first to implement an ISO 14001-approved environmental standards program.

“It is our responsibility to the community to work to improve the local environment and do so using the technology, techniques and all of the tools at our disposal,” says John F. Reinhart, CEO and executive director of the Virginia Port Authority.

The Port of Virginia cares about its host communities and community involvement by the port’s Volunteer Council was at an all-time high in fiscal year 2016. The port team raised $29,000 for the The United Way and participated in the charity’s Day of Caring program.

The port collected school supplies for area students and delivered 2,100 pounds of canned goods to the FoodBank of Southeastern Virginia. Further, the port is involved in workforce development mentoring programs in area high schools.
The Port of Virginia is vital to the state’s growing economy, helping to keep businesses ranging from large manufacturing operations to small mom-and-pop shops thriving. These port users rely on the efficient movement of cargo so they can serve customers quickly and economically. It’s a continuous and expanding cycle that helps support state and local economies.

“The Port of Virginia doesn’t make the products we use every day, but it makes them more convenient and readily available,” says Rick Weddle, president and CEO of the Hampton Roads Economic Development Alliance. “In fact, there is nothing more important to the future of Hampton Roads than the economic engine of The Port of Virginia.”

That economic engine helped attract more than $733 million in investment to Virginia in fiscal year 2016 (FY16). Among those projects was an $11 million investment in the City of Portsmouth by InterChange Group Inc., a warehousing and logistics provider; InterChange now has five locations in Virginia. Further, ELDOR Corporation, a research and development company focused on the automobile industry, is investing $75 million to establish its first US production plant in Botetourt County and Trex Company, a wood-alternative decking maker, is investing $12.3 million in the City of Winchester and $3.1 million in Frederick County to expand its manufacturing operations.

The cargo passing through the port translates to job growth, business investment and taxable revenue throughout Virginia.

STIHL Inc., a producer of gasoline- and battery-powered handheld outdoor power equipment, has its largest manufacturing operation within its international group headquartered in Virginia Beach, just minutes from the port. Its location also places it within Foreign Trade Zone 20 (FTZ). Companies in the FTZ can benefit by using special procedures that can reduce, eliminate or delay duties.

“Our proximity to The Port of Virginia is a strategic and competitive advantage,” says Bjorn Fischer, president of STIHL Inc. “Not only is the majority of the equipment sold in the US market manufactured here, but our exports make up a large portion of our revenues.”

Other port users are “clustering” to create synergies and capitalize on the growth and momentum of being in an FTZ. One example is the region’s burgeoning coffee roasting, packaging and handling industry. That industry is growing as a result of the port’s selection to be a delivery point, or exchange port, under the International Coffee Exchange (ICE) US Coffee “C” futures contract that went into effect in September. The ICE designation allows owners of exchange graded coffee imports coming to Virginia and stored in local, exchange-licensed warehouses to be delivered against the Coffee “C” futures contract.

Further inland, the port’s overland connections to markets in Virginia and beyond make it a logical and economical option for businesses and an important economic resource for local governments. In Warren County, growing port user Family Dollar brings its products into inland distribution centers via Virginia Inland Port (VIP). From there, goods get loaded into trucks and travel their “last mile,” ending up on store shelves across the country.

“We have attracted several new businesses to Warren County because of the Virginia Inland Port,” said Jennifer McDonald, executive director of the Front Royal/Warren County Economic Development Authority. “I think the value of the port is something we will never be able to put a number on.”
39 BUSINESSES ANNOUNCED PLANS TO OPEN NEW FACILITIES — OR EXPAND EXISTING ONES — WITHIN THE STATE, BRINGING NEW ECONOMIC OPPORTUNITIES TO THE CITIES OF ARLINGTON, DANVILLE, NORFOLK, ROANOKE, WINCHESTER AND MORE.

The YARD BOSS® is built by STIHL Inc. at its facility in Virginia Beach and exported to more than 90 countries around the world.
At The Port of Virginia, growth isn’t a single step. It’s a trend driven by strategic and long-term planning.

This port is a catalyst for commerce throughout the Commonwealth. A modern and growing port attracts users that, in turn, invest or reinvest in their facilities, creating new jobs and taxable revenue. In fiscal year 2016 (FY16), there were 39 port-related economic development announcements that generated $733 million in business investments and 3,600 new jobs across the state.

With the port’s growth comes increased sustainability and continued statewide economic investment. When fiscal year 2017 (FY17) began July 1, the port embarked on a plan to significantly expand the cargo capacity at our two primary container terminals, Virginia International Gateway (VIG) and Norfolk International Terminals (NIT). The FY17 approved capital budget is $739 million.

In comparison, the port’s capital investment in FY16 was $135 million. At the time, it was the largest capital spending plan, in terms of actual dollar investment, in nearly seven years. In fiscal year 2015, the capital investment was $31 million.

“As we expand, the accompanying economic benefits — jobs, investment and taxable revenue — to the region and the state expand in parallel,” said John F. Reinhart, CEO and Executive Director of the Virginia Port Authority. “The things that are making us sustainable include reinvestment with a long-term view and understanding the benefits that will be created throughout the Commonwealth as a result.”

The port’s FY17 budget reflects the steady growth it has reported in cargo and containers year-over-year. It also reflects the port’s — and Virginia’s — commitment to solidifying the port as an essential resource for businesses throughout the region, across the country and around the globe as evidenced by increasing investments in the port.

In FY17 the work began in earnest. Heavy construction on the $320 million expansion at VIG to double the facility’s capacity gets underway, as does the $350 million effort to increase the capacity at NIT by 46 percent.

The efficient movement of cargo will remain the port’s core function. Only through this movement can the port successfully bring economic development and prosperity to the state.

As the port continues to reinvest and expand its infrastructure, the opportunity for economic development and continued modernization also grows. The result is a continuing cycle of job growth, business expansion and progress for Virginia.
LETTER FROM THE CHAIRMAN

The Port of Virginia concluded a successful fiscal year 2016 (FY16) with a $4.76 million operating profit, continuing the positive financial performance of the last fiscal year.

The credit belongs to the men and women who report to our terminals and support our facilities every day, to the stakeholders who believe in our plan for growth and to the state’s leaders that understand and support our long-term vision and what it will mean to the Virginia economy for years to come.

The Port of Virginia is built on the foundation of six anchor values: mindfulness, innovation, fortitude, helpfulness, sustainability and accessibility. It drives everything we do.

The goal here is not to generate a profit and then save it. Instead, the goal is to act as a catalyst for commerce — fostering economic development and creating jobs across the Commonwealth by serving as the Mid-Atlantic’s gateway for global trade. Every dollar earned is reinvested in the terminals to ensure they are modern and well-maintained and to give those who work here the necessary tools and infrastructure to safely operate.

We are leveraging our deep water, modern terminals, operational flexibility and strong labor relations to build market share. The next step — which we are now taking — is expansion at Virginia International Gateway and Norfolk International Terminals (NIT) in order continue our steady march toward opening a new facility on Craney Island.

Each new import container brings jobs to the port and business for our shipper, freight forwarder and distribution center partners. And each new export container brings jobs to the farms and factories that produce a Made in Virginia product. The governor is focused on creating jobs in Virginia and we are working hard to do our part.

We made good progress in FY16: 39 companies have invested or reinvested in Virginia because they wanted to make use of the port. These investments across the Commonwealth resulted in 3,600 jobs, 2.5 million new square feet of space and an investment of more than $733 million. We will build on the momentum we have achieved over the past two years and remain committed to our values as we move record volumes more safely, swiftly and sustainably than ever before.

I have great confidence in the port’s future and its increasingly important role as an economic engine for Virginia because I have great confidence in the men and women who meet the challenges to make The Port of Virginia a true global gateway for trade.

Sincerely,

John G. Milliken
THE MID- ATLANTIC GLOBAL GATEWAY

Newport News Marine Terminal (NNMT)
Norfolk International Terminals (NIT)
Portsmouth Marine Terminal (PMT)
Virginia International Gateway (VIG)
Richmond Marine Terminal (RMT)
Virginia Inland Port (VIP)

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