

MINUTES

MEETING - Board of Commissioners - Session 364

Virginia Port Authority
600 World Trade Center
Norfolk, Virginia
March 24, 2015

The Board of Commissioners (“Board”) of the Virginia Port Authority (“VPA”) held its regular meeting on March 24, 2015, in the VPA’s Conference Room located at 600 World Trade Center, Norfolk, Virginia. VPA Board Chairman John G. Milliken called the meeting to order at 9:00 a.m.

The following were then in attendance:

Commissioners:

John G. Milliken, Chairman
Jennifer D. Aument
J. William Cofer
Alan A. Diamonstein
Gary T. McCollum
Faith B. Power
Kim Scheeler
Deborah C. Waters

Commissioners Absent:

John N. Pullen, Vice Chairman
Martin J. Briley
Manju S. Ganeriwala, State Treasurer
Val S. McWhorter

VPA Staff:

John F. Reinhart, CEO/Executive Director
Rodney W. Oliver, Chief Financial Officer
James Bibbs, Chief Human Resources Officer
Cathie France, Chief Public Affairs Officer
Joseph P. Ruddy, Chief Innovation Officer
Matthew Barnes-Smith, Vice President, Strategic Planning
Joe Harris, Vice President, Communications/Spokesman
Nina Malone, Vice President, Business Analysis & Strategy
Andrew Sinclair, Director, Government Affairs
Carla Welsh, Director, Creative Services and Brand Management
Bevan Calo, Web Designer and Social Media Coordinator
Debra J. McNulty, Clerk to the Board

Virginia International Terminals, LLC (VIT) Staff:

Thomas D. Capozzi, Chief Sales Officer
Shawn Tibbetts, Chief Operations Officer

Guests:

Aubrey L. Layne, Jr., Secretary of Transportation
Grindly Johnson, Deputy Secretary of Transportation
Elizabeth Dwyer, Office of the Attorney General
Larry Bachtell, International Longshoremen's Association, Local 1624
Frank Borum, Atlantic Intermodal Services, LLC
Collis Bryant, Cornerstone Systems
Katie Carney, Livingston International
JoAnne Carter, PFM Group (VPA Financial Advisor)
William W. Harrison, Jr., Williams Mullen (VPA Bond Counsel)
Bill Jackson, RJR Elite Trucking Co.
Bryant McGann, Vandeventer Black LLP
Becky McKinley, CBIFFA of Virginia
Arthur W. Moye, Jr., Virginia Maritime Association
Shirley Roebuck, Gilco Trucking
Eric Sisco, Virginia International Gateway (VIG)
Valerie Sutton, Customs Brokers & International Freight Forwards Association
(CBIFFA) of Virginia
Randy Wallace, Hampton Roads Examination Warehouse (HREW)
Robert McCabe, *The Virginian-Pilot*
Jamaal O'Neal, *Daily Press Newspaper*

Introductions

Chairman Milliken called the meeting to order and Mr. Ruddy conducted the safety briefing at this time. Mr. Harris introduced guests in attendance.

I. Approval of Minutes

Action: At the request of Chairman Milliken, the minutes of the regular meeting held January 27, 2015, were unanimously approved, as circulated.

II. Reports of Committees

A. Executive Committee – John G. Milliken, VPA Chairman

Chairman Milliken discussed ways in which the Port is addressing unprecedented increased volumes at its terminal facilities and highlighted some of the direct and indirect causes of said throughput. The Chairman further elaborated on ways in which the Port community is working together to address the aforesaid volumes and expressed a sense of urgency to create short and long-term solutions, including the need for additional infrastructure at the Port.

B. Finance and Audit Committee – Gary T. McCollum, Committee Vice Chair

Mr. McCollum reported that the Finance and Audit Committee met yesterday and received presentations on fiscal year-to-date performance and forecast for the remainder of the fiscal year, Risk Management matters, an update on the refunding bond issue savings, and a resolution for a new bond issue supported by Commonwealth Port Funds (CPF). A copy of his report is attached.

Mr. McCollum reviewed several key parameters of Resolution 15-3 which, he reported, was unanimously approved by the Finance and Audit Committee. At this time, Chairman Milliken asked for a motion to approve the resolution.

Action: Upon motion made by Mr. McCollum, on behalf of the Finance and Audit Committee, and seconded by Mr. Diamonstein, the Board unanimously adopted Resolution 15-3, Supplementing Resolution 02-4 of the Virginia Port Authority, and authorizing the issuance of up to \$66,800,000 of the Authority's Commonwealth Port Fund Revenue Bonds, Series 2015, and related matters.

Chairman Milliken spoke of the need to complete the bond issue as soon as possible in order to begin construction on the projects outlined in the resolution. The bonds are expected to be sold in June.

At this time, Mr. Oliver reviewed the VPA/VIT consolidated income statement for the month ended January 31, 2015 and for the seven months ended January 31, 2015. A copy of Mr. Oliver's presentation is attached.

Secretary Layne opined that the Port is on the right track and he cautioned that the months of February and March are also forecasted to have operating losses. The Secretary thanked the Port for their efforts and the Chairman emphasized the importance of the Port reinvesting in its terminal infrastructure for long-term sustainability.

C. Growth and Operations Committee – Alan A. Diamonstein, Committee Chair

Mr. Diamonstein briefly reviewed each of the areas that were discussed at yesterday's Growth and Operations Committee meeting. A copy of his report is attached.

1. Safety/Operations Report

Mr. Tibbetts reviewed the safety report for Lost Work Days (LWD) which was at 1.66 for fiscal-year-to-date compared to the industry average of 4.2 for the period. He reviewed some of the causes and effects of congestion at the terminals. Mr. Tibbetts stated that the short-term initiatives planned for the terminals should improve operations.

Mr. Tibbetts reviewed gate turn-times at NIT, PMT, and VIG; and rail vs. barge volumes; rail volumes; and net crane moves per hour at NIT and VIG.

Mr. Reinhart announced that the Port is now including weekly metrics on the website to reflect traditional turn-times and extended turn-times, compared with the industry standard (60-hours), for NIT and VIG in an effort to be more transparent and to reflect the impact inside the gate arms and queue. Mr. Reinhart emphasized the importance of having motor carriers make it inside the OCR. A discussion ensued.

Ms. Aument commended Mr. Tibbetts and his operations team for driving down the safety metrics. She stressed a focus on maintaining safety throughout this period of time as everyone works to resolve the congestion issues.

2. Innovation Report

Mr. Ruddy reviewed Strategic Planning analyses that were performed in support of the organization: FY16 forecast analysis including volume, revenue, and expense; VIG II build-out analysis; service movement to PMT; winter storm financial effect; and customer service survey.

Mr. Ruddy reviewed the Port Development schedule that included progress-to-date on the I-564 Intermodal Connector; NIT North Gate Complex; Port of Richmond Mobile Harbor Crane; Suffolk Rail Study; and VIG Temporary Pavement project.

At this time, Ms. Malone reviewed the Customer Service Initiative Survey that was conducted by a Dalhousie University-based research team that analyzed survey responses from shipping lines, cargo owners, and supply chain partners, collected from early November to mid-December 2014.

Ms. Malone compared the 2012 (Dalhousie) survey results to 2014, and reviewed the six areas of port performance that needed improvement and areas that currently meet customer expectations. A copy of Ms. Malone's presentation is attached.

Mr. Reinhart stated that the survey amplifies all of the information we are hearing from port users and that the study, along with our facilities use plan, will help identify what needs to be addressed.

With regard to Information Technology projects, Mr. Ruddy announced the following:

- 10-day rule for delivery of exports
- Implemented queue time measurement for both VIG and NIT
- NIT Transfer Zone Automation completed
- Cyber Security Project awards
- Customer Service Resource Management program software – Phase 1 implemented

Mr. Ruddy described Sustainability Program Planning (ISO 14000/9001) and the development of a Business Operating System (BOS). He also mentioned the Air Emissions Inventory Updates.

3. Marketing Report

Mr. Capozzi reported on fiscal year-to-date and calendar year-to-date volumes, as indicated on the attached. He mentioned the recent West Coast shut-downs and labor negotiations, and referred to the American Shipper report, entitled “*Won’t Be Fooled Again – How BCOs Plan to Avoid the Pitfalls of West Coast Port Congestion*”, copies of which were provided in the agenda materials.

Mr. Capozzi compared major U.S. East Coast port TEU volumes and growth for FYTD 2015 vs. 2014 and CYTD 2014 vs. 2013 that reflect rapid growth at all East Coast ports.

Mr. Capozzi reviewed the increase in Customer Service interactions since October 2014 and he announced that the new CRM (customer relations management) service will include a customer service component that will be implemented by July 1.

Mr. Capozzi announced a new Pendulum service by CMA/HSUD/UASC that replaces an existing service, and he reported that CKYHE is upgrading their transatlantic service to post-Panamax ships.

III. Report by Chief Public Affairs Officer – Cathie France

Ms. France provided an overview of projects and activities in the following areas and her notes describing each are attached hereto:

- Federal Activities
- Navigation Projects
- General Assembly
- Community Relations
- Communications
- Economic Development Announcements
- MIRT and Emergency Operations

Mr. Reinhart asked Ms. France to brief the Board on the 559 Reimbursable Services Program. A copy of the slide was included in the presentations after the meeting and is also attached.

IV. Report by Chief Human Resources Officer – James Bibbs

Mr. Bibbs reviewed several accomplishments by the Human Resource Division, as follows:

- Systemic update of ADP for new Paid Time Off (PTO) policy
- First annual Port of Virginia Colleague Engagement Survey
- Phase II of Benefit Open Enrollment for Colleagues in April (VPA employees)
- Finalizing policy harmonization – involves VPA, VIT, HRCP
- Summer Intern (8 week) Program
- March 16, 2015 – Implemented first New Hire Orientation Program

Mr. Bibbs mentioned the Military 2 Maritime event that is taking place March 31, at Nauticus and hosted by POV. He announced that POV is working in conjunction with the Governor's office in order to provide opportunities for service members to work at the Port. He expressed appreciation to military members who serve overseas.

V. Report by CEO/Executive Director – John F. Reinhart

Mr. Reinhart announced that The Port of Virginia lost \$560,000 for the month of February which had been anticipated and forecast due to weather-driven port closures that had an adverse impact on operating revenue.

The attached news release further details the operational challenges and financials.

Mr. Reinhart advised that the Port is also anticipating a loss for the month of March. He announced that the affirmation of ratings by Moody's, Standard & Poor's, and Fitch is a testament to POV's financial stability.

Mr. Reinhart expressed understanding and empathy for the motor carriers' frustrations and he described some of the container-handling equipment that was purchased from prior approvals and the transfer of equipment that will be taking place from NIT to PMT. He advised that the \$67 million in CPF bonds that the Board approved today will provide additional container handling equipment by May/June.

Mr. Reinhart mentioned the \$1.7 million Federal grant to augment the operating expenses incurred by Customs and Border Patrol. He said we need to continue to work towards Tier 1 classification in order to receive additional Federal grants. Mr. Reinhart talked about the State of the Port held on March 11th and he reported that the program provided honest and open discussion. Mr. Reinhart also mentioned the Military 2 Maritime career fair.

Mr. Reinhart thanked the Board for their guidance and support and the POV Team for their efforts and hard work.

Ms. Waters expressed her appreciation and wanted everyone to know that the Board understands the urgency to resolve the problems with congestion at the Port and that there are ongoing efforts for short-term and long-term solutions. Ms. Waters thanked the operations team and wanted to let them know that their efforts are showing progress.

VI. Unfinished Business

There was no unfinished business to report.

VII. New Business

There was no new business to report at this time.

VIII. Other Business, Opportunity for Public Comment, and Adjournment

There being no further business and no public comments, the meeting adjourned at 10:20 a.m.

Respectfully submitted,



Debra J. McNulty
Clerk to the Board

The next meeting of the VPA Board of Commissioners is scheduled for **Tuesday, May 19, 2015, at 9:00 a.m.**, in the Authority's Conference Room, 600 World Trade Center, Norfolk. Committee meetings are scheduled for Monday, May 18 (times pending). These meetings were rescheduled previously due to the Memorial Day weekend.

All open session presentations have been posted to VPA's website, along with the 2015 meeting schedule at: <http://www.portofvirginia.com/about/our-board/board-room-meetings/>

Report of Gary McCollum, Chair, Finance and Audit Committee – March 24, 2015

The Finance and Audit Committee met yesterday afternoon and received presentations on fiscal year-to-date performance and forecast for the remainder of the fiscal year, an introduction to Risk Management, an update on the refunding bond issue savings, and a resolution for a new bond issue supported by Commonwealth Port Funds.

With regards to the forecasted financial results:

- Staff presented the forecasted financial results for the remainder of the fiscal year and methodologies in preparing the forecast.
- They also presented and discussed individual terminal performance, cash flow and collections, and debt service coverage trend expectations.

With regards to the introduction to Risk Management:

- Chris Harrell, the Ports Director of Risk Management, gave an overview of the implementation of Ports risk assessment process and short term and long term plans for achieving best in class performance.

With regards to the debt refunding opportunity:

- The debt refunding was completed last week, saving the Port \$14.7 million on a net present value basis or 9.9% of the refinanced debt, including \$2 million in savings over the next 4 months.
- During the debt issuance preparation process the Port received a ratings upgrade from Fitch from an “A” rating to an “A+” rating.

With regards to the Commonwealth Port Fund Bond issue:

- Bill Harrison with Williams Mullen walked the Finance and Audit Committee through a resolution to approve the issuance of up to \$66.8 million in bonds for new projects to be supported by Commonwealth Port Fund revenues.
- Parameters in the resolution include: 1) final maturity of no later than July 1, 2040, 2) an interest rate not to exceed 5%, 3) the inclusions of the Governor’s Amendment in the final amended budget approved by the General Assembly and signed by the Governor, and 4) approval of the terms and conditions and structure by the Treasury Board of the Commonwealth.
- The Bonds are expected to be sold in June.
- The Finance and Audit Committee unanimously recommended approval of the Resolution by the full Board.

[Series Resolution]

Resolution No. 15-3

SERIES RESOLUTION SUPPLEMENTING RESOLUTION 02-4 OF THE VIRGINIA PORT AUTHORITY AND AUTHORIZING THE ISSUANCE OF UP TO \$66,800,000 OF THE AUTHORITY'S COMMONWEALTH PORT FUND REVENUE BONDS, SERIES 2015 AND RELATED MATTERS.

The Virginia Port Authority (the "Authority") acting by its Board of Commissioners (the "Board") adopted Resolution No. 02-4 on May 28, 2002 (as previously amended and supplemented, the "Bond Resolution"), which in Section 2.09 permits the issuance of Additional Bonds of the Authority for the purpose of providing funds for paying all or any portion of the cost of additional Projects.

The Authority now wishes to issue the Series 2015 Bonds, in one or more Series, in a principal amount not to exceed \$66,800,000, the proceeds of which will be used to finance, along with other funds of the Authority, (i) certain facilities to be located at Norfolk International Terminals, including without limitation container yard expansion, North Gate expansion, rail yard expansion, additional container handling equipment and dredging; (ii) certain facilities to be located at Portsmouth Marine Terminal, including without limitation container yard and rail infrastructure improvements and additional container handling equipment; (iii) certain facilities to be located at the Virginia Inland Port including without limitation container yard and rail infrastructure improvements, (iv) certain facilities to be located at the Port of Richmond including without limitation facility infrastructure improvements and additional container handling equipment, and (v) the expenses incurred in connection with the issuance of the Series 2015 Bonds (collectively, the "2015 Projects").

The issuance and sale of the Series 2015 Bonds on the terms contemplated by this Series Resolution are in conformity with the purposes of the Authority set forth in the Act and are in the public interest and otherwise beneficial to the Commonwealth of Virginia. Chapter 3, Acts of Assembly 2014, Special Session I, as proposed to be amended by the Governor on December 17, 2014 in Item C-40.20 (the "Governor's Amendment"), specifically authorizes the project originally authorized for construction of Craney Island Marine Terminal to be renamed and modified to include the 2015 Projects. The budget conference report adopted by the 2015 General Assembly preserved the Governor's Amendment, and is currently pending final approval.

Section 2.09 of the Bond Resolution contemplates that in a Series Resolution supplementing the Bond Resolution the Board will authorize the issuance of its Additional Bonds, fix the amount and the details thereof and the purpose thereof and describing in brief and general terms the facilities to be acquired or constructed and approving the estimate of the cost thereof. The definition of "Series Resolution" in the Bond Resolution states that if

the Board shall delegate to the Finance and Audit Committee of the Board or the Executive Director the power to determine specifically the matters generally authorized by a Series Resolution of the Board, the resolution of the Finance and Audit Committee, or the certificate of the Executive Director, as the case may be, in furtherance of such Series Resolution shall be deemed to be part of the Series Resolution.

The Board has determined that it is necessary to delegate to the Executive Director the authority to approve the form and content of any preliminary official statement, final official statement, continuing disclosure agreement, bond purchase agreement, and any other documents deemed necessary by the Authority's bond counsel to consummate the issuance of the Series 2015 Bonds (collectively, the "Financing Documents"). As the actual terms of the Series 2015 Bonds cannot be determined until the time the Authority enters the market, the Board has determined that it is necessary to delegate to the Executive Director the power to approve the issuance of the Series 2015 Bonds and the details thereof, subject to the Financing Conditions herein set forth, by the execution and delivery of one or more certificates of the Executive Director which shall be deemed to be part of this Series Resolution.

NOW THEREFORE IT IS RESOLVED by the Board of Commissioners of Virginia Port Authority, as follows:

Section 1. Authorization of Bonds. (a) The Authority is authorized to issue the Series 2015 Bonds on a tax-exempt or taxable basis, in one or more series throughout calendar year 2015 pursuant to Section 2.09 of the Bond Resolution, as determined by the Executive Director, subject to the approval of the Treasury Board, for the purpose of providing funds, with other funds as may be available therefor, for paying all or a part of the 2015 Projects subject, however, to the following conditions (the "Financing Conditions"):

(i) The aggregate principal amount of the Series 2015 Bonds shall not exceed \$66,800,000, and the proceeds generated from the sale of the Series 2015 Bonds for deposit into the 2015 Construction Fund to pay costs of the 2015 Projects, excluding costs of issuance, shall not exceed \$64,999,000;

(ii) If issued in more than one series, the Series 2015 Bonds shall be appropriately designated to differentiate one series from another;

(iii) The final maturity of any series of the Series 2015 Bonds is not later than July 1, 2040;

(iv) The true interest cost on the Series 2015 Bonds shall not exceed 5.00%; and

(v) The inclusion of the Governor's Amendment in the final amended budget approved by the 2015 General Assembly and signed by the Governor.

(b) The Series 2015 Bonds will be issued in fully registered form, and may be

sold in a public offering or a private placement. Any such issue of the Series 2015 Bonds offered in a public sale shall be issued in the name of Cede & Co., a nominee of the Depository Trust Company, New York, New York (“DTC”), and immobilized in the custody of DTC or otherwise as may be permitted by DTC’s rules. One Series 2015 Bond in each series will be issued for the original principal amount of each maturity. Unless any such issue of the Series 2015 Bonds are offered in a private placement, beneficial owners will not receive physical delivery of the Series 2015 Bonds. Unless any such issue of the Series 2015 Bonds are offered in a private placement, individual purchases of the Series 2015 Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000.

Unless any such issue of the Series 2015 Bonds are offered in a private placement, payments of the principal of and premium, if any, and interest on the Series 2015 Bonds will be made to DTC or its nominee as registered owner of the Series 2015 Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Series 2015 Bonds, references in the Bond Resolution or this Series Resolution to the Holders of the Series 2015 Bonds mean Cede & Co. and do not mean the beneficial owners of the Series 2015 Bonds.

Replacement Series 2015 Bonds (the “Replacement Bonds”) will be issued directly to beneficial owners of Series 2015 Bonds rather than to DTC, or its nominee, but only in the event that:

- (1) DTC determines not to continue to act as securities depository for the Series 2015 Bonds;
- (2) the Authority has advised DTC of its determination that DTC is incapable of discharging its duties;
- (3) the Authority has determined that it is in the best interests of the beneficial owners of the Series 2015 Bonds not to continue the book-entry system of transfer; or
- (4) the Series 2015 Bonds being replaced were originally issued in a private placement.

Upon occurrence of the events described in clause (1) or (2), the Authority will attempt to locate another qualified securities depository. If DTC makes the determination described in clause (1) and the Authority fails to locate another qualified securities depository to replace DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants (as defined in DTC’s rules), the Replacement Bonds to which such Participants are entitled. In the event the Authority makes the determination described in clause (2) or (3) (the Bond Registrar has no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and if the determination under clause (2) has also been

made, and the Authority has failed to locate another qualified securities depository and has made provisions to notify the beneficial owners of the Series 2015 Bonds by mailing an appropriate notice to DTC, the Authority will execute, and the Bond Registrar will authenticate and deliver to the Participants, the appropriate Replacement Bonds to which Participants are entitled. The Bond Registrar is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

The Series 2015 Bonds will be issued substantially in the form set forth in Section 2.02 of the Bond Resolution, with appropriate variations, omissions and insertions as may be permitted or required by the Bond Resolution, this Series Resolution and any certificate of the Executive Director deemed a part of this Series Resolution. There may be endorsed on the Series 2015 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

(c) Subject to the Financing Conditions, the Series 2015 Bonds shall be issued in such principal amount; shall be dated a date that is on or before the date of their delivery; shall be Current Interest Bonds and shall be Serial Bonds and/or Term Bonds; shall mature, subject to mandatory sinking fund redemption with such Amortization Requirements and to the right of prior redemption in accordance with Section 2 hereof; and shall bear interest payable on January 1 and July 1 in each year commencing on such date, at such rates per annum, as may be determined by a certificate of the Executive Director delivered at the Closing.

(d) If any issue of the Series 2015 Bonds are offered in a public offering, the Authority delegates to the Executive Director the authority to appoint the underwriting syndicate for such series of the Series 2015 Bonds to be offered at public sale, and to designate the senior manager and co-senior manager, if any, of such underwriting syndicate.

(e) The Authority delegates to the Executive Director the authority to appoint the Trustee, Bond Registrar and Paying Agent for the Series 2015 Bonds.

Section 2. Optional Redemption. The Series 2015 Bonds shall be subject to the right of prior redemption at the option of the Authority upon such terms as the Executive Director shall determine with the advice of the Authority's financial advisor.

Section 3. Terms of Purchase; Approval of Bond Purchase Agreement. The Executive Director is hereby authorized, subject to the prior approval of the Treasury Board as set forth in Section 9 herein, if the Authority's Financial Advisor shall so recommend, to accept an offer of the underwriters in a public offering or an offer of an institutional buyer in a private placement, in the form of the Bond Purchase Agreement, to purchase the Series 2015 Bonds at the price stated therein. The Executive Director's execution and delivery of the Bond Purchase Agreement shall constitute conclusive evidence of his acceptance of the purchase price of the Series 2015 Bonds and his approval of the form and content of the Bond Purchase Agreement.

Section 4. Approval of Official Statement. In any public offering of the Series 2015 Bonds, the form and content of the Preliminary Official Statement shall be approved by the Executive Director. Subject to the approval of its form and content by the Executive Director, the use and distribution by the underwriters selected by the Executive Director of the Preliminary Official Statement in connection with the offering of the Series 2015 Bonds, prior to the availability of the Official Statement, are hereby authorized. The Executive Director is hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, and the distribution of such Preliminary Official Statement shall be conclusive evidence that the Authority has deemed such Preliminary Official Statement final. The Chairman or Vice Chairman of the Board and the Executive Director of the Authority are hereby authorized and directed to execute and deliver to the underwriters for their use and distribution in making a public offering of the Series 2015 Bonds (but only upon the terms and conditions set forth herein and in the Bond Purchase Agreement applicable thereto) a final Official Statement, together with any amendment or supplement to such final Official Statement as may be necessary to comply with the Bond Purchase Agreement, which in the case of such final Official Statement shall be substantially in the form of the Preliminary Official Statement approved by the Executive Director, with such changes, insertions and omissions as the Chairman or Vice Chairman of the Board and the Executive Director of the Authority may approve, and which in the case of any such amendment or supplement shall be in such form as the Chairman or Vice Chairman of the Board and the Executive Director of the Authority may approve. The execution and delivery by the Chairman or Vice Chairman and the Executive Director of the final Official Statement or any such amendment or supplement thereto shall be conclusive evidence that the Authority has approved any such changes, insertions and omissions, amendment or supplement, as the case may be.

Section 5. Approval of Other Financing Documents. The Executive Director shall approve the form and content of the other Financing Documents and is hereby authorized to execute and deliver the other Financing Documents, his execution of such Financing Documents to be conclusive evidence of such approval.

Section 6. Execution of the Bonds. The Series 2015 Bonds shall be executed with the original or facsimile signature of the Executive Director and the original signature of the Secretary of the Authority, and the seal of the Authority shall be impressed, or a facsimile of the seal of the Authority shall be imprinted, on the Series 2015 Bonds. The Series 2015 Bonds shall be authenticated by the Bond Registrar and shall be delivered by the Trustee to or for the account of the underwriters in the case of a public offering or to or for the account of the institutional buyer in the case of a private placement upon receipt of the purchase price set forth in the Bond Purchase Agreement accepted by the Executive Director.

Section 7. Application of Proceeds. The proceeds of the Series 2015 Bonds shall be deposited by the Trustee in the Construction Fund and applied to the cost of the 2015 Projects, including the costs of issuance of the Series 2015 Bonds.

Section 8. Tax Covenant. If a tax-exempt issuance of the Series 2015 Bonds is pursued, the Authority covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, so that interest on the Series 2015 Bonds will remain exempt from existing federal income taxes to which they are subject on the date of the issuance of such Series 2015 Bonds.

Section 9. Treasury Board Approval. The Authority requests the Treasury Board of the Commonwealth to approve the terms and conditions and structure of the Series 2015 Bonds in accordance with the provisions of Section 2.2-2416.5 and 2.2-2416.7 of the Code of Virginia of 1950, as amended. The Authority is authorized and directed to make application for such approval to the Treasury Board and to furnish such materials and do such things as may be required to obtain such approval.

Section 10. Reimbursement. VPA officers have represented to the Board that it is necessary to proceed with the acquisition, construction, rehabilitation and equipping of the 2015 Projects. The Board hereby agrees that the officers and staff of the Authority may proceed with the plans therefor and enter into contracts, advance monies and take such other steps as it may deem necessary and appropriate therefor. The Authority hereby declares its intention to be reimbursed from the proceeds of the Series 2015 Bonds for all costs expended by it prior to the issuance of the Series 2015 Bonds within sixty (60) days prior to the date of this Resolution with respect to the planning and the construction, rehabilitation and equipping of the Series 2015 Projects (the "Expenditures"). The Authority reasonably expects to reimburse itself up to \$6,000,000 for Expenditures with the proceeds of the Series 2015 Bonds. The declaration and expectations stated in this Section 10 are intended to be evidence of official intent within the meaning of Treasury Regulation Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended. Each Expenditure will be, unless otherwise approved by Bond Counsel, (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Series 2015 Bonds or (c) a nonrecurring item that is not customarily payable from current revenues. The Authority intends to make a reimbursement allocation, which is a written allocation by the Authority that evidences the Authority's use of proceeds of the Series 2015 Bonds to reimburse the Expenditure no later than eighteen (18) months after the later of the date on which the Expenditure is paid or the Series 2015 Projects are placed in service or abandoned, but in no event more than three (3) years after the date on which the Expenditure is paid. The Authority recognizes that exceptions are available for certain "preliminary expenditures," cost of issuance, certain de minimus amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure), and expenditures for construction projects of at least five (5) years.

Section 11. Ratification; Further Action. The actions previously taken by the officers and staff of the Authority are hereby ratified and confirmed. The officers and staff of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in connection with the issuance of the Series 2015 Bonds.

Section 12. Other Definitions. All terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 13. Series Resolution. This Resolution supplements the Bond Resolution and constitutes a Series Resolution as defined therein.

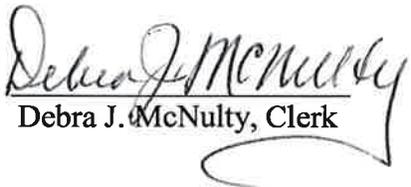
Section 14. Effective Date; Termination of Effectiveness. This Series Resolution shall take effect immediately upon its adoption. If no Series 2015 Bonds are issued by the Authority in accordance with the terms hereof prior to midnight on December 31, 2015, this Resolution shall expire and the authorization to issue the Series 2015 Bonds shall terminate.

PASSED AND ADOPTED this 24th day of March, 2015.



John G. Milliken, Chairman

Attest:



Debra J. McNulty, Clerk

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Virginia Port Authority Board of Commissioners, Session 363, March 24, 2015

January 2015 Financial Update

Rodney Oliver
Chief Financial Officer



Stewards of Tomorrow

Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED
January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating Revenues	\$37,660,970	\$35,679,690	\$ 1,981,280	5.6%

- Actual container volume was 111,322 vs. 101,954 budgeted, a 9.2% increase over budget
- Operating Revenue was 5.6% ahead of budget, primarily due to volume



Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED
January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating Revenues	\$37,660,970	\$35,679,690	\$ 1,981,280	5.6%
Operating Expenses:				
Terminal operations	17,544,031	15,726,067	(1,817,964)	-11.6%
Terminal maintenance	8,114,369	6,898,360	(1,216,009)	-17.6%
General and administrative	4,224,901	4,567,854	342,953	7.5%
Facility Rental	4,878,791	4,603,768	(275,023)	-6.0%
Depreciation and amortization	3,895,140	4,286,681	391,541	9.1%
Total operating expenses	38,657,232	36,082,730	(2,574,502)	-7.1%

- Terminal operating expense was \$1.8 million (11.6%) over budget primarily due to increased volume and higher rail mix
- Terminal maintenance expense was \$1.2 million (17.6%) over budget primarily due to volume and the costs to repair aging equipment
- Overall, operating expenses were \$2.6 million (7.1%) over budget

Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED
January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating Revenues	\$37,660,970	\$35,679,690	\$ 1,981,280	5.6%
Operating Expenses:				
Terminal operations	17,544,031	15,726,067	(1,817,964)	-11.6%
Terminal maintenance	8,114,369	6,898,360	(1,216,009)	-17.6%
General and administrative	4,224,901	4,567,854	342,953	7.5%
Facility Rental	4,878,791	4,603,768	(275,023)	-6.0%
Depreciation and amortization	3,895,140	4,286,681	391,541	9.1%
Total operating expenses	38,657,232	36,082,730	(2,574,502)	-7.1%
Operating income (loss)	(996,262)	(403,040)	(593,222)	-147.2%

- Higher than budgeted revenues netted against higher than budgeted operating expenses resulted in an operating loss of \$996.3 thousand for January

Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED
January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating Revenues	\$37,660,970	\$35,679,690	\$ 1,981,280	5.6%
Operating Expenses:				
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Terminal maintenance	8,114,369	6,898,360	(1,216,009)	-17.6%
General and administrative	4,224,901	4,567,854	342,953	7.5%
Facility Rental	4,878,791	4,603,768	(275,023)	-6.0%
Depreciation and amortization	3,895,140	4,286,681	391,541	9.1%
Total operating expenses	38,657,232	36,082,730	(2,574,502)	-7.1%
Operating income (loss)	(996,262)	(403,040)	(593,222)	-147.2%
Non-operating revenues (expenses)	(1,069,571)	(1,140,478)	70,907	0.8%
Capital contributions and transfers	3,589,742	3,391,097	198,645	5.9%

- Non-operating revenues (expenses) were \$70.9 thousand below budget
- Capital Contributions and transfers were \$198.6 thousand ahead of budget



Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE MONTH ENDED
January 31, 2015

	Actual	Budget	\$ Variance	% Variance
Operating Revenues	\$37,660,970	\$35,679,690	\$ 1,981,280	5.6%
Operating Expenses:				
Terminal operations	17,544,031	15,726,067	(1,817,964)	-11.6%
Terminal maintenance	8,114,369	6,898,360	(1,216,009)	-17.6%
General and administrative	4,224,901	4,567,854	342,953	7.5%
Facility Rental	4,878,791	4,603,768	(275,023)	-6.0%
Depreciation and amortization	3,895,140	4,286,681	391,541	9.1%
Total operating expenses	38,657,232	36,082,730	(2,574,502)	-7.1%
Operating income (loss)	(996,262)	(403,040)	(593,222)	-147.2%
Non-operating revenues (expenses)	(1,069,571)	(1,140,478)	70,907	0.8%
Capital contributions and transfers	3,589,742	3,391,097	198,645	5.9%
Increase (decrease) in Position	\$ 1,523,909	\$ 1,847,579	\$ (323,670)	-17.5%

- Increase in Net Position was \$1.5 million, \$323.7 thousand (17.5%) below Budget

Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE SEVEN MONTHS ENDED
January 31, 2015

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating Revenues	\$257,598,682	\$ 249,718,291	\$ 7,880,391	3.2%

- Operating Revenue was \$7.9 million (3.2%) ahead of budget primarily due to increased volumes

Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE SEVEN MONTHS ENDED
January 31, 2015

	Actual	Budget	\$ Variance	% Variance
Operating Revenues	\$257,598,682	\$ 249,718,291	\$ 7,880,391	3.2%
Terminal operations	110,919,804	109,850,638	(1,069,166)	-1.0%
Terminal maintenance	52,734,337	48,551,599	(4,182,738)	-8.6%
General and administrative	28,765,040	30,854,434	2,089,394	6.8%
Facility Rental	32,604,905	32,226,378	(378,527)	-1.2%
Depreciation and amortization	27,417,419	28,699,871	1,282,452	4.5%
Total operating expenses	252,441,505	250,182,920	(2,258,585)	-0.9%

- Terminal operating expenses were \$1.1 million over budget partially due to the increase in container volume, but controlled by efficiencies
- Terminal maintenance expense was \$4.1 million over budget primarily due to the increased volume, increased utilities costs, and the costs to repair aging equipment
- We continue to take a conservative approach with general and administrative expenses
- Total Operating expense was \$2.3 million (0.9%) over budget



Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE SEVEN MONTHS ENDED
January 31, 2015

	Actual	Budget	\$ Variance	% Variance
Operating Revenues	\$257,598,682	\$ 249,718,291	\$ 7,880,391	3.2%
Terminal operations	110,919,804	109,850,638	(1,069,166)	-1.0%
Terminal maintenance	52,734,337	48,551,599	(4,182,738)	-8.6%
General and administrative	28,765,040	30,854,434	2,089,394	6.8%
Facility Rental	32,604,905	32,226,378	(378,527)	-1.2%
Depreciation and amortization	27,417,419	28,699,871	1,282,452	4.5%
Total operating expenses	252,441,505	250,182,920	(2,258,585)	-0.9%
Operating income (loss)	5,157,177	(464,629)	5,621,806	1210.0%

- Higher than budgeted revenue combined with operating expenses in line with budget resulted in and operating income of \$5.2 million, \$5.6 million (1210%) ahead of budget for the first seven months of the fiscal year

Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE SEVEN MONTHS ENDED
January 31, 2015

	Actual	Budget	\$ Variance	% Variance
Operating Revenues	\$257,598,682	\$ 249,718,291	\$ 7,880,391	3.2%
Terminal operations	110,919,804	109,850,638	(1,069,166)	-1.0%
Terminal maintenance	52,734,337	48,551,599	(4,182,738)	-8.6%
General and administrative	28,765,040	30,854,434	2,089,394	6.8%
Facility Rental	32,604,905	32,226,378	(378,527)	-1.2%
Depreciation and amortization	27,417,419	28,699,871	1,282,452	4.5%
Total operating expenses	252,441,505	250,182,920	(2,258,585)	-0.9%
Operating income (loss)	5,157,177	(464,629)	5,621,806	1210.0%
Non-operating revenues (expenses)	(10,239,479)	(10,535,882)	296,403	2.8%
Capital contributions and transfers	21,803,189	21,926,738	(123,549)	-0.6%

- Non-operating expense were \$296 thousand (2.8%) below budget
- Capital contributions and transfers were \$124 thousand (0.6%) below budget

Virginia Port Authority/Virginia International Terminals, LLC
CONSOLIDATED INCOME STATEMENT FOR THE SEVEN MONTHS ENDED
January 31, 2015

	Actual	Budget	\$ Variance	% Variance
Operating Revenues	\$257,598,682	\$ 249,718,291	\$ 7,880,391	3.2%
Terminal operations	110,919,804	109,850,638	(1,069,166)	-1.0%
Terminal maintenance	52,734,337	48,551,599	(4,182,738)	-8.6%
General and administrative	28,765,040	30,854,434	2,089,394	6.8%
Facility Rental	32,604,905	32,226,378	(378,527)	-1.2%
Depreciation and amortization	27,417,419	28,699,871	1,282,452	4.5%
Total operating expenses	252,441,505	250,182,920	(2,258,585)	-0.9%
Operating income (loss)	5,157,177	(464,629)	5,621,806	1210.0%
Non-operating revenues (expenses)	(10,239,479)	(10,535,882)	296,403	2.8%
Capital contributions and transfers	21,803,189	21,926,738	(123,549)	-0.6%
Increase (decrease) in Net Position	\$ 16,720,887	\$ 10,926,226	\$ 5,794,661	53.0%

- The overall results show an increase in Net Position of \$16.7 million through the first seven months of the fiscal year



March 24, 2015 - Report of Alan Diamonstein from Growth and Operations Committee:

The Committee had updates from Mr. Ruddy on major projects, Ms. France on interagency coordination to help reduce the recent congestion issues and from Ms. Malone in Strategic Planning regarding the recent customer survey results. We also had updates from Mr. Capozzi and Mr. Tibbetts in their respective areas of sales and safety/operations:

On the sales side, Mr. Capozzi provided volume updates, talked about the progress of the Customer Service group, and gave a re-cap of the ocean carrier and shipper highlights for the calendar year. He then provided cargo sales and carrier updates since our last board meeting.

On the operations side, Mr. Tibbetts reported on recent impacts and recovery from the weather and West Coast issues. He reviewed productivity trends in relation to previous performance and volumes. He noted that rail velocity overall is trending in the right direction. NIT was well below the goal of 60 hours or less as VIG experienced an increase in January due to higher volumes and returned to less than 60 hours in February.

He also noted that gate turn times remain higher than the desired 60 minute goal, as volume and high gate demand continue. Initiatives to improve velocity and throughput capacity are underway and are yielding results.

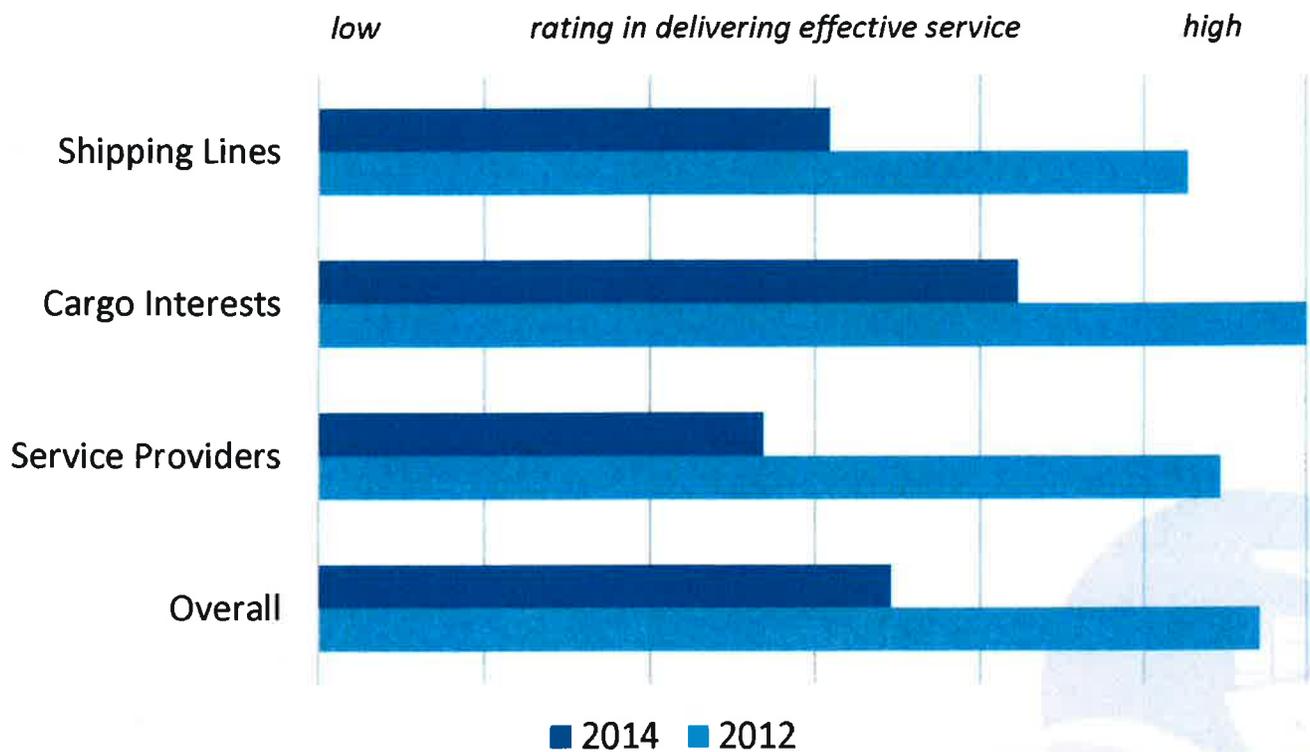
Current events and future initiatives were discussed as follows:

- a. Gate volume is increased and velocity initiatives remain as the primary focus.
- b. Rail velocity continues to increase and is moving to within desired output ranges while rail and overall volume is increasing.
- c. Shipper Velocity Solutions were discussed.
- d. PMT grounded operations were reviewed along with projections and way forward to increase velocity.

Customer Service Initiative Survey

- Survey conducted by Dalhousie University-based research team, an independent third party
- Survey focused to identify performance gaps on service criteria that are most important to customers
- Port customers surveyed include shipping lines, cargo owners, and supply chain partners
- Survey responses collected from early November to mid-December 2014

Overall Ratings



Areas most important to our customers

meets customer expectations ← *port performance* → *needs improvement*



Fiscal Year-to-Date: July - February

	FY14: Jul-Feb	FY15: Jul-Feb	Change	% Change
Total TEUs	1,516,052	1,626,484	110,433	7.3%
Export TEUs	804,921	879,586	74,665	9.3%
Import TEUs	711,131	746,898	35,767	5.0%
Total Containers	868,260	935,890	67,630	7.8%
General Cargo Tonnage	12,944,925	12,543,605	(401,320)	-3.1%
Container Tonnage	12,718,775	12,355,976	(362,799)	-2.9%
Breakbulk Tonnage	226,150	187,629	(38,521)	-17.0%
Total Rail Containers	291,803	296,637	4,834	1.7%
VIP Containers	22,586	24,095	1,509	6.7%
Total Barge Containers	32,449	39,111	6,662	20.5%
Total Truck Containers	544,008	600,142	56,134	10.3%
Ship Calls	1,234	1,323	89	7.2%
Vehicle Units	21,681	16,093	(5,588)	-25.8%

Compiled by The Port of Virginia Strategic Planning Department.



Stewards of Tomorrow

CONTAINS CONFIDENTIAL
PROPRIETARY INFORMATION
AND DATA

Calendar Year-to-Date: January - February

	CY14: Jan-Feb	CY15: Jan-Feb	Change	% Change
Total TEUs	346,795	370,101	23,306	6.7%
Export TEUs	185,958	199,871	13,913	7.5%
Import TEUs	160,837	170,230	9,393	5.8%
Total Containers	198,514	212,506	13,992	7.0%
General Cargo Tonnage	3,043,385	3,101,664	58,279	1.9%
Container Tonnage	2,989,522	3,053,880	64,358	2.2%
Breakbulk Tonnage	53,863	47,784	(6,079)	-11.3%
Total Rail Containers	65,800	69,823	4,023	6.1%
VIP Containers	5,078	5,051	(27)	-0.5%
Total Barge Containers	7,874	7,635	(239)	-3.0%
Total Truck Containers	124,840	135,048	10,208	8.2%
Ship Calls	296	307	11	3.7%
Vehicle Units	6,483	7,199	716	11.0%

Compiled by The Port of Virginia Strategic Planning Department.



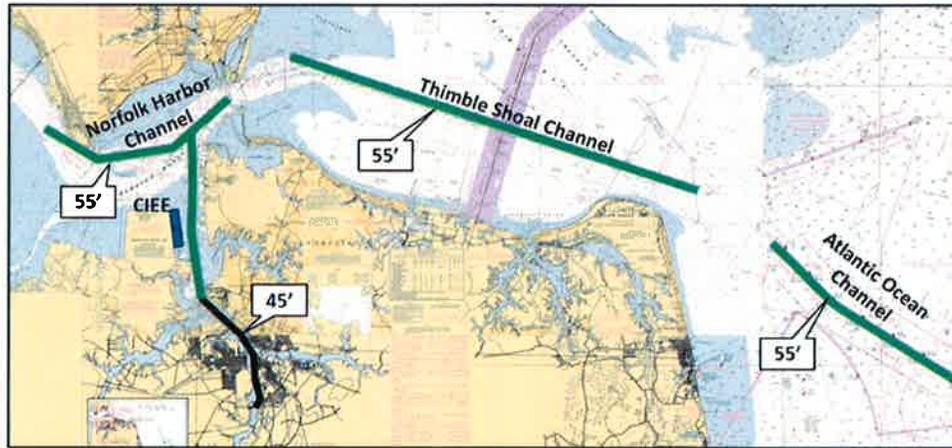
Stewards of Tomorrow

Federal Activities



- The Army Corps' FY15 Work Plan was released on February 3, and it reflected no changes from the items in the omnibus budget passed by Congress in December: the 45' study received \$700,000 which completes its funding; O&M received \$10,990,000; Craney Island received no funding.
- The President's FY16 Budget, which was released on February 2 also included no funding for Craney Island and only a minimal increase in O&M funding: the 55' study received \$800,000 (leaving a balance of \$250,000); O&M received \$12,543,000 (an increase of about \$1.5M from FY15). Senator Warner submitted a question for the record following the budget hearing asking why Craney Island continues to not receive funding.
- We have also received informal word that Assistant Secretary of the Army for Civil Work's office is disapproving the Craney Island Limited Reevaluation Report, but we are still waiting for the official memo. Regardless, we are now working with Federal Advocates to revise federal strategy given the lack of success in the FY15 work plan and FY16 President's budget and the LRR disapproval.
- Other activities at the federal level include participation in the US Chamber's and AAPA's ExIm Bank Reauthorization Fly In event and the AASHTO legislative conference. The port has also been invited to present to staff of the Congressional Ports Caucus on March 16. Andrew Sinclair is working with Joe Ruddy on the presentation.

Navigation Projects

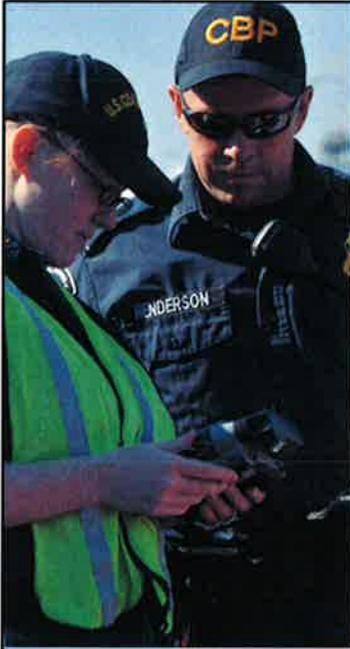


Stewards of Tomorrow

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We have received the draft Project Management Plan for both the Southern Branch of the Elizabeth River (45') and the Norfolk Harbor Deepening (55') and our finalizing the cost share agreements over the next few weeks.

Progress has also been made with the Army Corps to combine the reporting for the ports of Norfolk and Newport News into a single report for the Port of Virginia as part of the Waterborne Commerce Statistics Center; the Corps has submitted a formal request for consolidation supported by a letter from the port and expects approval by early April.



559 Reimbursable Services Program

- 2014 Appropriations Act created a program wherein ports can request and reimburse Custom and Border Protection for extended services
- Submitted application to participate in the program beginning as early as April 1, 2015
- Requested authorization through the end of FY16 (through June 30, 2015)
- Will allow us to request services during extended hours of operation and weekends
- Potential investment of up to \$1.7 mm



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General Assembly

- Fully Implement VPA/VIT Reorganization
- Fiscal Responsibility – Efficient Operations and Smart Investment
- Economic Development



THE PORT OF VIRGINIA

Stewards of Tomorrow

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The General Assembly adjourned on February 27, one day early. They will reconvene on April 15 to take action on the Governor's amendments and vetoes.

The House and Senate adopted the conference budget on Thursday, February 26. The conference budget included the port's requested amendments including the MEL increase to 215; authorization to renegotiate the VIG lease as a capital lease; and authorization to use \$68M in unissued Craney Island bonds on other port facilities, allowing investment to be made where it is most needed today. The budget also included an amendment for the Commonwealth Center for Advanced Logistics Systems at VCU to match industry funds for a port modeling project.

Overall, the port had a very successful year at the General Assembly. The port's bills to amend the Economic Development Grant, streamline property transactions, and include police authority on leased property all passed with minimal opposition.



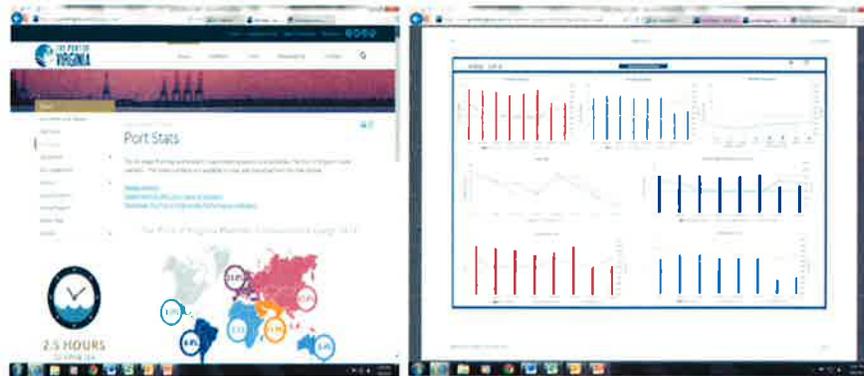
Community Relations

- Virginia Inland Port
- Military to Maritime Career Fair

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- Meeting with Richmond City officials to discuss the future of the Port of Richmond and needed investment in and around the terminal. Working with VCU to create a business plan and determine the best long term relationship between The Port of Virginia and the Port of Richmond.
- The VIP Advisory Committee held its initial meeting on February 12, 2015 with Government Affairs, Economic Development, Sales, and Operations participating. Following the Advisory Committee, a Warren County Forum was held with emphasis on VIP operations and economic development will be delivered. Approximately 20 Warren County local officials attended for the event, and the briefing generated significant media coverage in the Winchester market.
- Military to Maritime Career Fair was rescheduled for March 31st at Half Moone Cruise Terminal. It was originally scheduled for February 17 but postponed due to weather. Governor McAuliffe and John Reinhart will speak.

Communications



Stewards of Tomorrow

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Seven news releases:

3/3: Port of Virginia Coadsponsors SAR Forum

3/3: Fitch Rates Port Bonds A "Stable"

3/3: Additional Turn Time Data Reported for NIT and VIG

2/25: Moody's, S&P Affirm Strength of Port Facilities Revenue Bonds; Ratings are Aa3 and A+, Respectively

2/23: Budget Forecast Holds as Seasonal Impacts Hit in January; Port Ahead \$5.2M for Fiscal Year

2/11: January Volumes Up 15%; Double-Digit Growth on Rail, Barge and Truck Volumes

1/30: Port Productivity Summit Generates Results

17 operational alerts most of which have been driven by the weather.

Weekend gate hours

Vessel coming to PMT

Weather warnings

Closures

Modifications to operating hours

Ops restart notifications

42 messages via the text alert system.

Economic Development Announcements



OAK HALL CAP & GOWN
Oak Hall • C.E. Ward • Bentley & Simon
E.R. Moore • Cottrill & Leonard



Stewards of Tomorrow

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San-J International: San-J International, Inc., a leading producer of tamari sauce, will invest \$38 million to expand its operation in Henrico County. The facility will increase production volumes with state-of-the-art equipment and create 18 new jobs. Virginia successfully competed against Oregon for the project. <https://governor.virginia.gov/newsroom/newsarticle?articleId=7703>

P&G: Procter & Gamble Company announced they will open a multi-category manufacturing facility in Berkeley County, West Virginia. P & G will build a one million square-foot facility representing a capital investment of \$500 million. Expected opening in 2017.

<http://www.dispatch.com/content/stories/business/2015/02/11/procter-gamble-to-spend-500-million-on-wva-plant.html>

Hardide Coatings: Hardide Coatings, provider of advanced surface coating technology, has announced investment in a new Virginia manufacturing plant worth \$7 million investment that will create 29 jobs. The facility is expected to be operational in the fourth quarter of 2015. <http://www.hardide.com/major-investment-new-production-facility-north-america/>

Oak Hall Cap & Gown: Oak Hall Cap & Gown, a manufacturer of quality academic, judicial and religious apparel, will invest \$1.2 million to establish a textile manufacturing operation in the Town of Independence in Grayson County. They will

renovate an existing 85,000-square-foot facility and create 100 new jobs.
<https://governor.virginia.gov/newsroom/newsarticle?articleId=7871>

Haulotte: Haulotte is moving its U.S. headquarters to a 83,000 sqft facility in VA Beach. Haulotte Group is the third largest manufacturer of aerial work platforms, making industrial lifting equipment, including lightweight self-propelled booms, scissor lifts, telescopic lifts, telehandlers, vertical masts and more. The company plans to invest approximately \$600,000 in the existing facility and create 67 jobs.

Mega-Site Development



- The City of Chesapeake is working to designate the Frank T. Williams Farms properties as a mega-site
- The potential commercial and industrial development would be 4,000 acres in south Chesapeake near the state line



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Article from the *Virginian Pilot*; January 28, 2015

The city hopes to develop 4,000 acres of farmland in south Chesapeake near the state line for commercial and industrial purposes.

The City Council unanimously approved a resolution Tuesday night asking the Virginia Economic Development Partnership to designate the Frank T. Williams Farms properties as a “mega-site,” making it shovel-ready for a developer. Williams Farms lies just east of the Great Dismal Swamp and north of the North Carolina state line, and the owners would have to agree to sell.

There is no formal state list of mega-sites, but the property would be mentioned by the Development Partnership if a developer was interested in a large site for nonresidential, manufacturing purposes.

Kevin Cosgrove with the Chesapeake Chamber of Commerce spoke in support of the change, praising the possibility of diversifying the city’s economy and the site’s proximity to U.S. 17 and port facilities.

“There’s nothing like it east of the Mississippi,” he said.

The change in land use wouldn’t be immediate. A mega-site usually needs proper zoning and utilities. Williams Farms is zoned for agricultural purposes and lacks sewer and water lines.

There are no applications filed with the Planning Department to change the zoning. The resolution, which was introduced by Ella Ward and Suzy Kelly, also directed the city manager to apply for a designation as a Major Employment and Investment site,

opening the door for state funding for development.

When asked about possible development of Williams Farms last week, City Manager Jim Baker said it wouldn't be a drastic change for the area because of how close it is to an industrial park 2 miles away in Camden County, N.C. The 77-acre green business park, which has been on the market for more than three years, is vacant.

There has been an attempt to develop Williams Farms before. In 2007, John Bishard of Southern Chesapeake Land Co. hoped to build luxury homes, an 11-acre yacht club and a theme park centered on the Dismal Swamp Canal. The project never came to fruition.

Councilwoman Debbie Ritter asked the city to look at other areas that could be considered a mega-site, such as 700 acres near Chesapeake Regional Airport.

"I don't think we should necessarily limit ourselves," she said.

MIRT and Emergency Operations



2015 Search and Rescue Forum
March 2-6, 2015



131 Participants
31 Federal, State and Local Agencies
26 Emergency Response Vessels



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- POV and USCG Sponsored
- 5 days of training which included: classroom, practical underway operations (day and nighttime)
- Admiral Metruck (USCG Commander 5th District) and Jeff Stern and Curtis Brown (VDEM) visited the event
- Several POV IMT members attended several days of the event to review ICS procedures



MIRT and Emergency Operations

- POV IMT
- Ebola Planning
- Update of POV Continuity Plan
- Port Risk Assessments
- 2015 DHS Grants
- 24th Annual Marine Firefighting School
- Responses
 - Fire aboard USS Gunston Hall
 - Aircraft crash

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- POV IMT to be ready for implementation 6/1/2015
- Continued Ebola planning by participating on state EOC conference calls
- Updated COOP plan submitted by April 1st to VDEM
- Assisting USCG in updating port risk assessment
- Planning for 2015 DHS grants
- Planning for Marine Firefighting School scheduled for May 11-16th
- Supported Portsmouth FD with fire aboard the USS Gunston Hall (technical and resource support from SAR Forum)
- Responded to Norfolk FD Command Post to assist with command and control and provide PAC 1 to manage the aircraft crash and Norfolk International Airport



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News Release
March 24, 2015

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February Weather Compounds Congestion and Adversely Impacts Service Performance

Norfolk – Weather-driven port closures in February had an adverse impact on operating revenue as the port lost \$560,000 in a month where it was closed for four days.

The port had budgeted for a \$288,000 operating loss, but the cost of the closures, ensuing snow-removal and resumption of operations costs and lost productivity increased the loss. The loss in February 2013 was \$1.3 million, comparatively.

“It was a difficult month, the residuals of which we are still addressing,” said John F. Reinhart, CEO and executive director of the Virginia Port Authority. “The storms and ensuing closures had a negative effect on every phase of our operation, especially service to motor carriers.

“The volume was lower than forecast and prior year because of vessel delays where 7,000 moves from February did not occur until the first days of March. Further, we had to halt eastbound export rail for work to clear up rail cargo on terminal. Those delays resulted in volume and revenue reductions in February, much of which we will be captured in March.”

February's snow storms resulted in:

- Four lost workdays
- Slowed productivity following resumption of operations due to difficult working conditions
- A temporary halt to eastbound export rail traffic
- Poor service at the gates
- Significant snow removal and clean-up costs

The fiscal-year-to-date result is an operating profit of \$4.6 million, versus a prior year operating loss of \$16.6 million, or an improvement of \$21.2 million year-over-year.

"February is behind us and March continues to be extremely challenging, but we will continue to invest and target a positive operating result for the fiscal year," Reinhart said. "We have not been able to deliver consistency at the gates at Virginia International Gateway, but we are taking multiple steps and putting forth our best effort to restore service there. We continue to be committed to delivering reliable service to our customers, stakeholders and partners."

In February, The Port of Virginia reported that it handled 178,105 TEUs, a decrease of .8 percent, or 1,419 TEUs, when compared with February 2014.

###

The Virginia Port Authority (VPA) is a political subdivision of the Commonwealth of Virginia. The VPA owns and through its private operating subsidiary, Virginia International Terminals, LLC (VIT), operates four general cargo facilities Norfolk International Terminals, Portsmouth Marine Terminal, Newport News Marine Terminal and the Virginia Inland Port in Warren County. The VPA leases Virginia International Gateway and the Port of Richmond. In fiscal 2013, The Port of Virginia provided more than 374,000 jobs and generated \$60.3 billion in total economic impact throughout the Commonwealth.