

AGENDA

Virginia Port Authority (VPA) Board of Commissioners Regular Meeting - Session 411

Tuesday, January 10, 2023 – 9:00 AM

Meeting Location:

VPA Boardroom, 101 W. Main Street, 600 World Trade Center, Norfolk

- 1. Call to Order**
- 2. Safety Briefing**
- 3. Approval of Minutes**
 - A. Approval of the minutes of the VPA Board of Commissioners meetings held November 15, 2022
- 4. Introductions and Opportunity for Public Comment**
- 5. Reports of Committees**
 - A. Executive Committee – Aubrey L. Layne, Chair**
 1. Report of Executive Committee
 - B. Finance and Audit Committee – James C. Burnett, Committee Chair**
 1. Report of Finance and Audit Committee
 2. VPA Consolidated Financial Reports for Fiscal Year 2023 to Date Ending November 30, 2022 – Rodney W. Oliver, Chief Financial Officer
 3. Consideration of Resolution 23-01, Reimbursement Bond Resolution Regarding the Issuance by the VPA of Commonwealth Port Fund Revenue Bonds in Calendar Year 2023
 4. Consideration of Resolution 23-02, Authorizing the Issuance of Commonwealth Port Fund Revenue Refunding Bonds in Calendar Year 2023 and Authorizing the Executive Director to Approve the Issuance of Such Bonds and Related Matters
 5. Consideration of Resolution 23-03, Authorizing the Issuance of Port Facilities Revenue Refunding Bonds in Calendar Year 2023 and Authorizing the Executive Director to Approve the Issuance of Such Bonds and Related Matters
 - C. Operations and Infrastructure Committee – Deborah C. Waters, Committee Chair**
 1. Report of Operations and Infrastructure Committee
 2. Report on Safety and Operations – Joseph P. Ruddy, Chief Operations Officer, Virginia International Terminals, LLC (VIT)
 3. Infrastructure Projects Update – Cathie J. Vick, Chief Development and Public Affairs Officer

AGENDA

Virginia Port Authority (VPA) Board of Commissioners Regular Meeting - Session 411

Tuesday, January 10, 2023 – 9:00 AM

D. Growth Committee – John C. Asbury, Committee Chair

1. Report of Growth Committee

2. Report on Sales and Volume – Thomas C. Capozzi, Chief Sales and Marketing Officer, VIT

6. Report of CEO/Executive Director – Stephen A. Edwards

7. Unfinished Business

8. New Business

9. Other Business

10. Adjourn

The next meeting of the VPA Board of Commissioners will be held on March 14, 2023.

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January 10, 2023

The Virginia Port Authority (“VPA”) Board of Commissioners (“Board”) held its regular meeting on January 10, 2023 in the VPA Boardroom, 600 World Trade Center, 101 W Main St, Norfolk, Virginia.

Commissioners Present:

Aubrey L. Layne, Chair
Faith B. Power, Vice Chair
John C. Asbury
James C. Burnett
Jason El Koubi
Maurice A. Jones
John W. Kirk III
Edward F. O’Callaghan
David L. Richardson
Deborah C. Waters

Commissioners Absent:

Shaza L. Andersen
Michael W. Coleman
Eva Teig Hardy

VPA Staff Present:

Stephen A. Edwards, CEO and Executive Director
Rodney W. Oliver, Chief Financial Officer
Cathie J. Vick, Chief Development and Public Affairs Officer
Sarah J. McCoy, General Counsel and Chief Administrative Officer
Joe Harris, Senior Director, Communications
Ryanne A. Shields, Secretary to the Board
Jodie Asbell, Sr. Executive Administrative Assistant and Assistant Secretary to the Board
Jackie Campbell, IT Support
Andrew Sinclair, Director, Federal Government Affairs

Virginia International Terminals, LLC (VIT) Staff Present:

Thomas D. Capozzi, Chief Sales Officer
Joseph P. Ruddy, Chief Operations Officer
Amanda Nelson, Vice President, Growth
Christina Harris, Director, Project Management Office

Guests:

David White, Virginia Maritime Association
Kenneth Gray, International Longshoremen’s Association
Stephen Walters, International Longshoremen’s Association
Jonathan Coley, International Longshoremen’s Association
Brandon Edwards, International Longshoremen’s Association

I. Call to Order

Chair Layne called the meeting to order at 9:00am.

II. Safety Briefing

A safety briefing was conducted by Joseph P. Ruddy, Chief Operations Officer, VIT.

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III. Approval of Minutes

Following a motion by Commissioner Kirk, seconded by Commissioner Asbury, the minutes of the Board meeting held November 15, 2022 were approved unanimously.

IV. Introductions and Opportunity for Public Comment

At this time, Chair Layne requested introductions of guests from Joe Harris and welcomed the opportunity for public comment.

V. Committee Reports

a. Executive Committee Report – Chair Aubrey L. Layne

Chair Layne reported that the Executive Committee met on Monday, January 9, 2023 where Committee received an update on legislative initiatives at the General Assembly from Cathie Vick. Chair Layne thanked Secretary Miller and Governor Youngkin's office and noted the Board's support of the grant programs and funds proposed for port-related economic development. The Committee also received a report from Stephen Edwards on the port's draft strategic plan with Chair Layne noting the importance for the Board to understand the initiatives and risks within the strategic plan. Chair Layne reported the Board is supportive of S. Edwards and identified the risks and the corresponding mitigation steps taken. Chair Layne offered his appreciation for the work completed on the plan to date and reported the Board looked forward to continued updates.

At this time, Chair Layne thanked the Chair of each committee and all Commissioners for the hard work over the past six months. Chair Layne noted the port's good standing is not solely representative of the last six months but represents many years of diligent effort. Chair Layne expressed appreciation for the work of the Growth Committee that has given a better understanding of the dynamics in place, and thanked all Commissioners for their role in supporting the port staff.

b. Finance and Audit Committee Report – Commissioner James C. Burnett

Commissioner Burnett reported that the Finance and Audit Committee met on Monday, January 9, 2023 and received presentations from management on Fiscal Year 2023 financial performance to date and the forecast for the remainder of the fiscal year. Committee discussed a reimbursement bond resolution, a Commonwealth port fund and port facilities revenue bond refunding resolutions, and finally received reports on compliance and enterprise risk management. With regards to compliance and enterprise risk management, Committee received report from management in review of second quarter compliance results, upcoming internal audits, upcoming compliance activities, and the ISO 9001 recertification process. Committee received report regarding enterprise risk management program and management's overall assessment of risk.

i. Consideration of Resolution 23-01

At this time, Commissioner Burnett reported that the Finance and Audit Committee unanimously recommended approval of:

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- Resolution 23-01, Reimbursement Bond Resolution Regarding the Issuance by the VPA of Commonwealth Port Fund Revenue Bonds in Calendar Year 2023

Chair Layne requested consideration of the Resolution 23-01 by the Board.

Action: Upon motion by Commissioner Burnett and seconded by Commissioner El Koubi, Resolution 23-01 was approved unanimously (10-0) approved by a vote of the Board.

Ayes: 10 (Asbury, Burnett, El Koubi, Jones, Kirk, Layne, O'Callaghan, Power, Richardson, Waters)

Nays: 0

Abstention: 0

Absent During Vote: 3 (Andersen, Coleman, Hardy)

Absent During Meeting: 3 (Andersen, Coleman, Hardy)

ii. Consideration of Resolution 23-02 and Resolution 23-02

At this time, Commissioner Burnett reported that the Finance and Audit Committee unanimously recommended approval of:

- Resolution 23-02 Authorizing the Issuance of Commonwealth Port Fund Revenue Refunding Bonds in Calendar Year 2023 and Authorizing the Executive Director to Approve the Issuance of Such Bonds and Related Matters, and
- Resolution 23-03 Authorizing the Issuance of Port Facilities Revenue Refunding Bonds in Calendar Year 2023 and Authorizing the Executive Director to Approve the Issuance of Such Bonds and Related Matters

Chair Layne requested consideration of the Resolution 23-02 and Resolution 23-03 by the Board.

Action: Upon motion by Commissioner Burnett and seconded by Commissioner El Koubi, Resolution 23-01 was approved unanimously (10-0) approved by a vote of the Board.

Ayes: 10 (Asbury, Burnett, El Koubi, Jones, Kirk, Layne, O'Callaghan, Power, Richardson, Waters)

Nays: 0

Abstention: 0

Absent During Vote: 3 (Andersen, Coleman, Hardy)

Absent During Meeting: 3 (Andersen, Coleman, Hardy)

iii. VPA Consolidated Financial Reports for Fiscal Year 2023 to Date Ending November 30, 2022 – Rodney Oliver

R. Oliver reported a positive report for the first five months of the fiscal year with slight increase in cargo volume. R. Oliver noted that while cargo volume has begun to normalize, the first five months of the fiscal year remained above budget. R. Oliver noted operating revenues above budget with lingering positive impact of loaded container storage earlier in the fiscal year. R. Oliver reported ancillary revenues with Schedule Of Rates (SOR) increase above budget due to higher CPI. Operating expenses, R. Oliver reported, were slightly under budget despite increased cargo volume over expectations.

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At this time, R. Oliver reviewed operating cash flow and noted that the figures will begin to change over the second half of the fiscal year due to the comparison against an incredibly positive fiscal year 2022. R. Oliver reviewed figures for non-capital financing, capital related financing activities, and investing activities. R. Oliver noted that non-capital financing included the channel dredging project activity; the capital related financing activities for fiscal years' 2021 and 2022 reflected the conclusion of major infrastructure projects; and investing activities figures were a reflection of the movement of cash to investments. R. Oliver reported the expectation to see increase in capital expenditures through the remainder of Fiscal Year 2023 and into Fiscal Year 2024 due to the North NIT infrastructure project and the Central Rail Yard project.

R. Oliver reviewed that the major components included in the transfers from primary government line item were the contribution from the Commonwealth for North NIT optimization and channel dredging projects. Additional funds noted were received from Dominion for the infrastructure improvements to Portsmouth Marine Terminal to accommodate offshore wind staging port needs.

At this time, Chair Layne noted positive financial performance reported recently and addressed the obligation in utilization of those monies. Chair Layne reported that the Board requested a capital allocation plan for the coming years and noted the challenges ahead. Chair Layne addressed that the positive performance enables the port to better position the Commonwealth of Virginia for business and the ports' expansion to reinvest in the Commonwealth.

c. Operations and Infrastructure Committee – Committee Chair Deborah C. Waters

Commissioner Waters reported that the Operations and Infrastructure Committee met on January 9, 2023 and received reports on safety, operations performance indicators, infrastructure projects, and the channel dredging project. Joe Ruddy presented safety metrics as well as key performance indicators in operations. Rich Ceci reported to the Committee on status and risks of infrastructure projects, including North NIT and Central Rail Yard. Committee received report from Pat Kinsman on status and risks of PMT Offshore Wind Staging Port project followed by a report from Cathie Vick on the Channel Dredging project status and risks.

iii. Safety Report – Joseph P. Ruddy, VIT

J. Ruddy reported a positive trend in safety metrics and noted current incident rate almost 27 percent below Fiscal Year 2022, and noted an adjusted benchmark of 1.8. J. Ruddy reviewed safety metrics specific to VIT stevedoring operations 71 percent below Fiscal Year 2022. J. Ruddy noted that the safety culture of the port is a collective effort of colleagues and ILA partners.

iv. Operations Report – Joseph P. Ruddy, VIT

J. Ruddy reported strong numbers in truck gate performance and reviewed the low percentage of motor carriers on terminal over two hours. J. Ruddy noted that the operations team continues to review the experience of those motor carriers on facility over two hours and opportunities to improve subsequent visits.

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J. Ruddy reviewed a positive increase to rail performance with a decrease in cargo dwell time. J. Ruddy noted this performance can largely be contributed to railroad partner performance, intermodal freight volume normalization, and decreased metering of routes to the Midwest.

J. Ruddy reported a steady positive climb of productivity metrics and noted a significant improvement from January and February. The improvement, J. Ruddy addressed, is a concerted effort process vessels as safely and efficiently as possible.

At this time, Commissioner O'Callaghan inquired as to a defined program of outreach to the limited number of motor carrier companies experiencing increased gate turn times. J. Ruddy reviewed the process for operations and customer service staff members to identify and connect with specific motor carriers experiencing turn times over two hours, determine any systematic issues, and attempt to correct identified issues. Additionally, J. Ruddy reported that a pier committee and a motor carrier stakeholders group allow discussion of issues in open forum.

Commissioner O'Callaghan inquired as to any prediction for positive rail performance continuing through the remainder of the fiscal year. J. Ruddy reported a predicted sustained improvement to rail performance. At this time, Commissioner O'Callaghan requested clarification as to net productivity as representative of both stevedoring companies. J. Ruddy expressed the belief the figure included a blend of both stevedoring companies but advised the Board the intent to confirm.

Commissioner Kirk requested clarification on the calculation of traditional and expanded performance turn times. J. Ruddy clarified the measurement scope of each calculation and where the operations teams utilizes the measurement internally to identify specific areas within the terminal that may be underperforming.

Commissioner Waters commended the downward trend in safety metrics and acknowledged the critical importance of safety. Commissioner Waters thanked the efforts of the VIT operations team.

v. Infrastructure Projects Update – Cathie J. Vick

C. Vick reported that the four major infrastructure projects were going well and the team has worked hard to overcome challenges to keep the projects on track. NIT Central Rail Yard expansion, C. Vick reported, reached 100 percent design completion and construction begun with positive collaboration between port management and contractor to manage schedule challenges due to weather. C. Vick reported that the installation of the first crane rail had begun and the team expected equipment arrival in July with an expectation of the project to be fully operational by Spring of 2024.

C. Vick reported that the North NIT Optimization design was nearly complete with final design submitted for review. C. Vick anticipated that the invitation for bids for yard-side construction may be issued prior to the March Board meeting. C. Vick reported ongoing collaboration with the Federal Aviation Administration and the U.S. Navy to ensure that the low profile ship to shore cranes will not impede the naval airways.

C. Vick reported 14 percent progress on construction of the Portsmouth Marine Terminal Offshore Wind Staging Hub and reviewed challenges impacting the schedule and the collaboration with the contractor to ensure preparedness to receive the first monopiles in October 2023.

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C. Vick reported challenges to the last section of the Channel Dredging section similar to challenges on a previous section and expected completion of the final section by the end of March 2023. C. Vick reviewed the cover of the Chesapeake Bay Bridge Tunnel was completed and congratulated the team for submitting the first section for final review by the Army Corp. Finally, C. Vick reviewed the status of remaining dredging sections managed by the Army Corps that proceed commencement of the final dredging phase of the approach channel.

Commissioner Waters inquired about the expected final completion date of the channel dredging project. C. Vick reported that all elements are expected to be completed by December 31, 2024 with the channel widening on track for completion by October 2023 that will allow two way vessel traffic.

At this time, a brief discussion ensued on the channel deepening and widening sections, depths, and vessel traffic allowances.

Chair Layne acknowledged Commissioner Waters previous comment during Committee on the safety performance and execution of infrastructure projects and echoed the appreciation to staff and labor partners for the efforts towards project progress and safety.

d. Growth Committee – Committee Chair John C. Asbury

Commissioner Asbury reported that the Growth Committee met on January 9, 2023 and received presentations from staff on cargo volumes, port-centric development, a strategic overview on sales and marketing. Tom Capozzi presented a report to the Committee on the port's year- over-year comparison of cargo volumes as well as a comparison of primary cargo volumes across the U.S. East Coast Ports market. T. Capozzi also reported to Committee on the ports sales and marketing strategies. Amanda Nelson presented a report of announcements and opportunities within the areas of port-centric development.

iii. Sales and Volume Report – Thomas C. Capozzi, VIT

T. Capozzi reported the port's cargo volume for the months of October and November 2022 and noted the normalization in cargo volumes is not unique to this port but ports across North America experienced declines in cargo volumes. T. Capozzi reported while import volumes showed a decline, the difference was balanced by loaded export volumes that were strong and growing. T. Capozzi also reviewed demonstrated positive volumes on empty cargo exports.

T. Capozzi reviewed the growth in rail cargo volumes and attributed the growth to the excellent service provided that has attracted discretionary retail cargo. T. Capozzi then reported an increase to barge cargo volume, a slight decline in cargo volume at Virginia Inland Port and Richmond Marine Terminal. T. Capozzi reviewed that the decline can be attributed to ocean carriers choosing to conserve short-haul moves inland. T. Capozzi reported that the port is growing its strategy to create a new way for customers to book inland moves directly with the port or through the ocean carrier.

At this time, a discussion ensued on the discouragement of pricing action on short-haul container moves.

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T. Capozzi reported a decline in truck cargo volumes that was largely due to a decrease in import loaded cargo volume by retailers who experienced excess inventory volumes. T. Capozzi then reviewed the market performance across the U.S. East Coast ports, through the fiscal year period of July through October, that demonstrated the ports growth ahead of New York/New Jersey and Charleston. T. Capozzi reviewed a comparison of growth of the port and Savannah over the previous 15 months.

VI. CEO/Executive Director Report – Stephen A. Edwards

S. Edwards reviewed the legislative agenda of the Commonwealth's budget and its support of business and the port. S. Edwards expressed intent to collaborate with the Virginia Maritime Association regarding the Transportation Partnership Opportunity Fund and its ability to help develop port-related business throughout the Commonwealth. S. Edwards acknowledged the ports support and assistance to deliver that development. S. Edwards reviewed the discussion of Virginia Sites Development Program and Virginia Economic Development Partnerships' opportunity.

S. Edwards reported the marketplace is positively acknowledging Virginia's efforts to enhance freight corridors, such as the Hampton Roads Bridge Tunnel, as part of an integrated freight strategy. S. Edwards reported on the port's market growth and the opportunity to win cargo volume from the U.S. West Coast. As the port measures its performance against other U.S. East Coast ports, S. Edwards noted the amount of businesses moving to Virginia. S. Edwards reported two positive business developments since the November 2022 meeting of the Board.

S. Edwards acknowledged positive operational performance and positive financial performance through the end of calendar year 2022. S. Edwards reported the port slightly outperforming New York in rail performance and acknowledged the attribution of operational performance as well as the port's management through cargo volume trends.

S. Edwards reported the addition of a first-in vessel service through the Suez Canal and acknowledged the successful win of the Sales team of a service from the fastest growing market in Vietnam. S. Edwards advised that as cargo volumes temper through Chinese New Year, the port will continue to remain conscious of late cargo arrivals and remaining within budget with a focus on costs.

S. Edwards reviewed the four expansion projects focus to remain on schedule, manage cost given inflation, and manage contractor availability for procurement once the Infrastructure Act commences. S. Edwards thanked the Board for its support and restated leaderships' intent to watch the recession. S. Edwards reflected on the opportunity to win cargo volume from the U.S. West Coast, the port's continued focus on competition across the U.S. East Coast, and the port's ability to ensure its share of the market. S. Edwards acknowledged the port's appreciation for the Commonwealth's budget and the support to help win market share.

At this time, a discussion ensued around trade routes and the Suez Canal.

VII. Unfinished Business

There was no unfinished business to report.

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VIII. New Business

There was no new business to report.

IX. Other Business

There was no other business to report.

X. Adjourn

There being no further business or comments from the public, the meeting adjourned at 9:48am.

The next meeting of the VPA Board will be March 14, 2023.

Respectfully submitted,

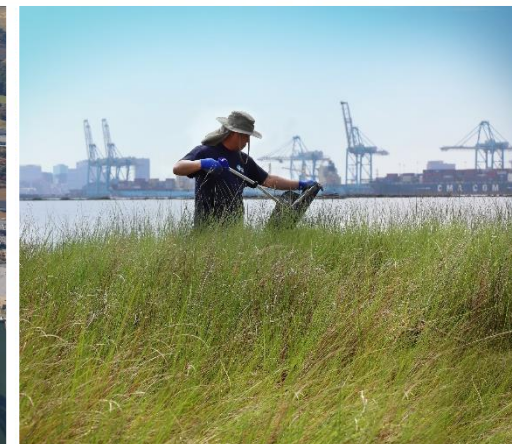
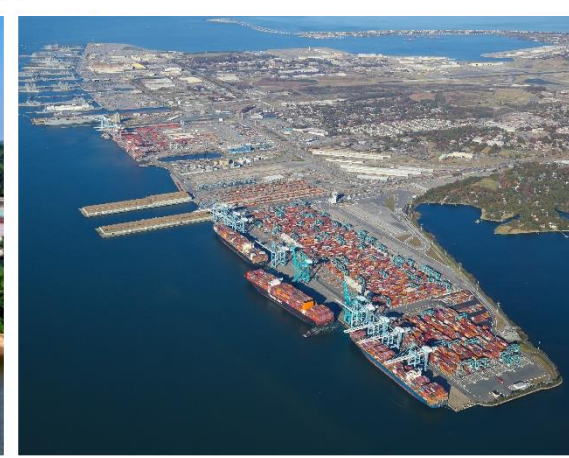
A handwritten signature in cursive script, reading "Ryanne A. Shields".

Ryanne A. Shields
Secretary to the Board



Virginia Port Authority Board of Commissioners Regular Meeting Session 411

January 10, 2023



Agenda



Approval of Minutes



Opportunity for Public Comment



Committee Reports



CEO / Executive Director Report



Other Business and Adjournment



Executive Committee Report

Chair Layne



Finance and Audit Committee Report

Committee Chair Burnett

Approval Requests

Rodney W. Oliver, Chief Financial Officer



Resolution 23-01, Reimbursement Bond Resolution Regarding the Issuance by the VPA of Commonwealth Port Fund Revenue Bonds in Calendar Year 2023



Resolution 23-02, Authorizing the Issuance of Commonwealth Port Fund Revenue Refunding Bonds in Calendar Year 2023 and Authorizing the Executive Director to Approve the Issuance of Such Bonds and Related Matters



Resolution 23-03, Authorizing the Issuance of Port Facilities Revenue Refunding Bonds in Calendar Year 2023 and Authorizing the Executive Director to Approve the Issuance of Such Bonds and Related Matters

Financial Results for FY23 YTD Ending November 30, 2022

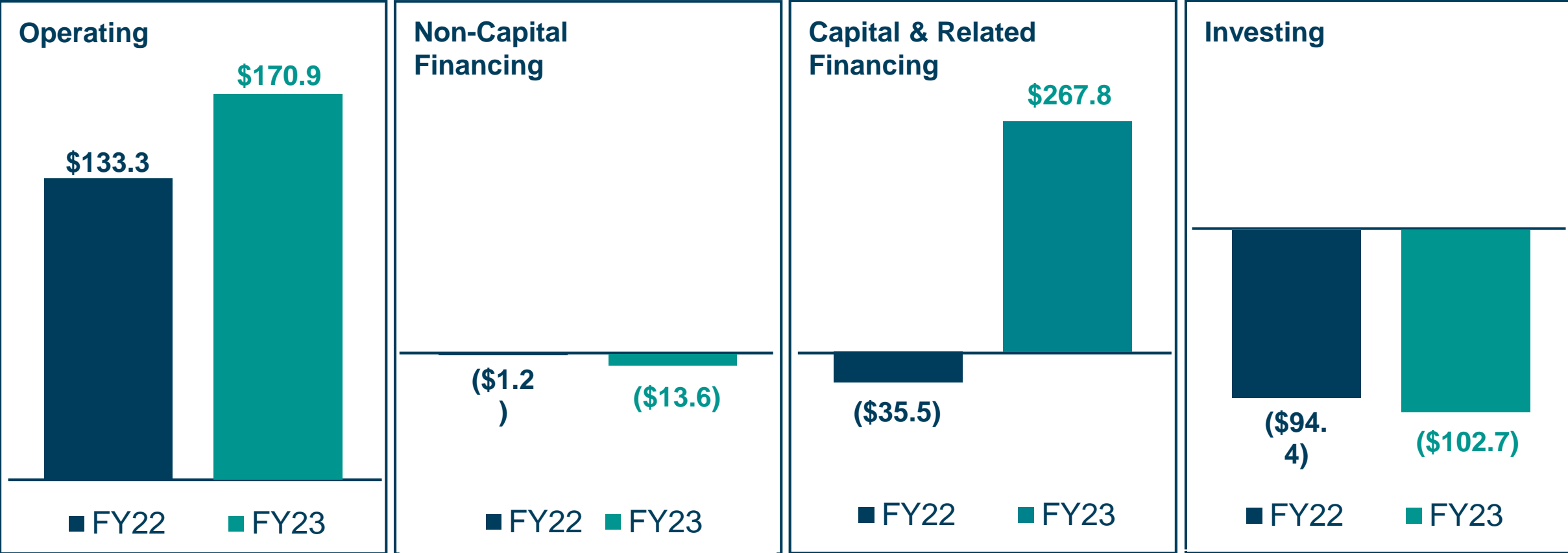
Rodney W. Oliver, Chief Financial Officer

Fiscal Year 2023 YTD Highlights



| July - November | Budget | Actual | Fav. (Unfav.) Change | Fav. (Unfav.) % Change |
|--------------------|-----------|-----------|-------------------------|---------------------------|
| Volume | 871,747 | 876,080 | (4,333) | (0.5%) |
| Operating Revenues | \$340.5 m | \$377.2 m | \$36.7 m | 10.8% |
| Operating Expenses | \$274.6 m | \$274.7 m | \$(0.1 m) | 0.0% |
| Operating Income | \$65.9 m | \$102.5 m | \$36.6 m | 55.5% |
| EBITDA | \$147.5 m | \$183.5 m | \$36.0 m | 24.4% |

Cash Flow FY22 YTD vs. FY23 YTD – USD millions



Capital & Related Financing – USD millions



| | FY22 YTD | FY23 YTD |
|----------------------------------|-----------------|----------------|
| CPF contribution | \$24.2 | \$22.5 |
| Acquisition of capital assets | \$(10.1) | \$(56.1) |
| Transfer from primary government | \$25.9 | \$331.9 |
| VIG lease payments | \$(39.5) | \$(43.3) |
| Other lease payments | \$(7.4) | \$(11.1) |
| Principal paid on long-term debt | \$(21.7) | \$(21.2) |
| Interest paid on long-term debt | \$(10.9) | \$(10.2) |
| Other | \$4.0 | \$55.3 |
| Total | \$(35.5) | \$267.8 |



Operations and Infrastructure Committee Report

Committee Chair Waters

Safety Dashboard

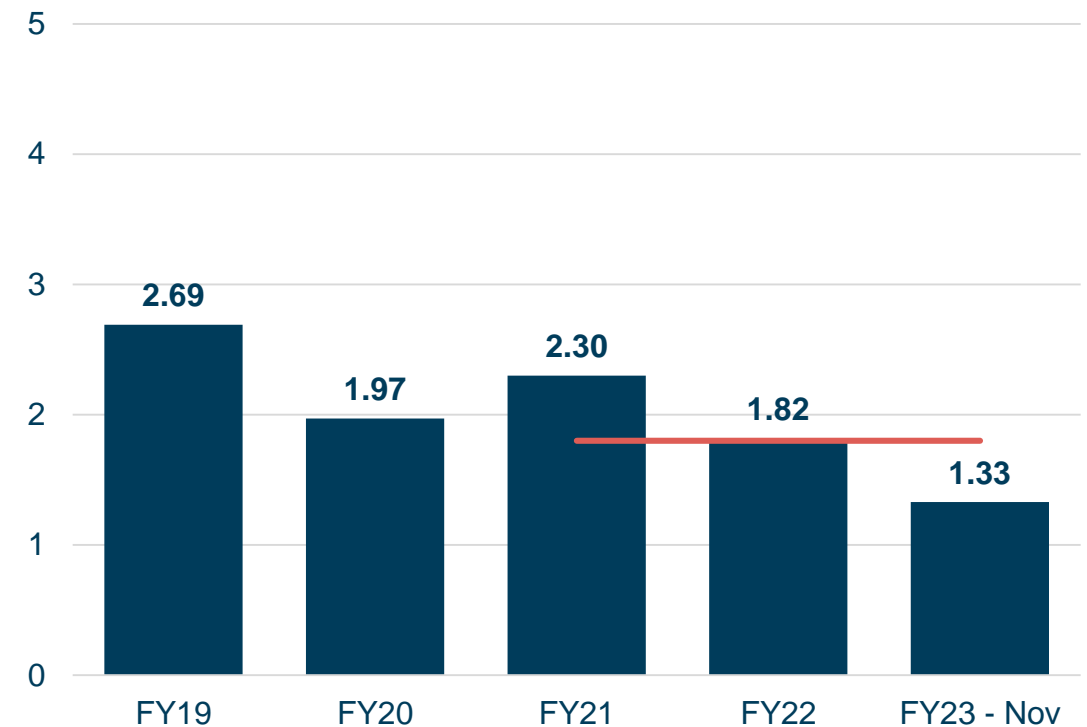
Joe Ruddy, Chief Operations Officer, VIT

POV LWD Rate

OSHA 2021 Industry Average 1.8

As of November 30 the POV FY23 Lost Work Day (LWD) rate of **1.33** is:

- 26.9% decrease from FY22
- 112% decrease from FY21
- FY23 year end goal is 1.8



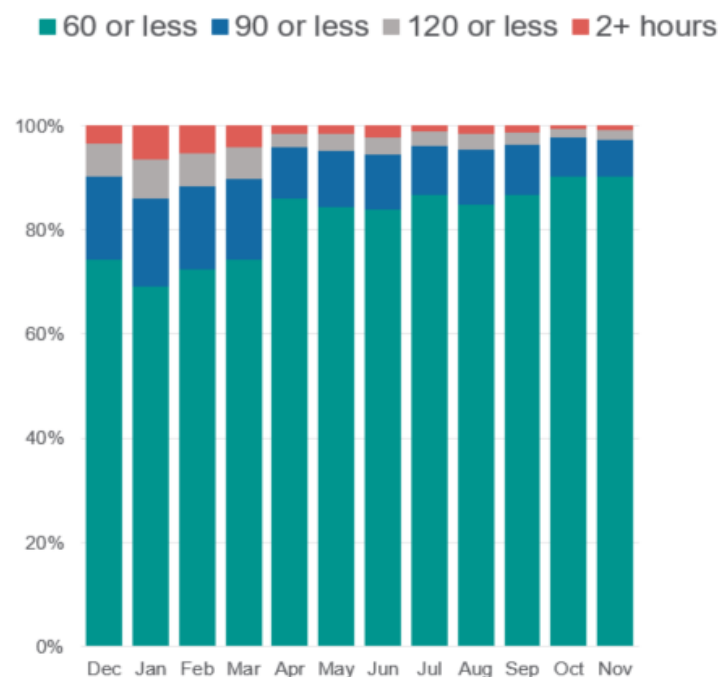
Operations Dashboard

Joe Ruddy, Chief Operations Officer, VIT

Operations

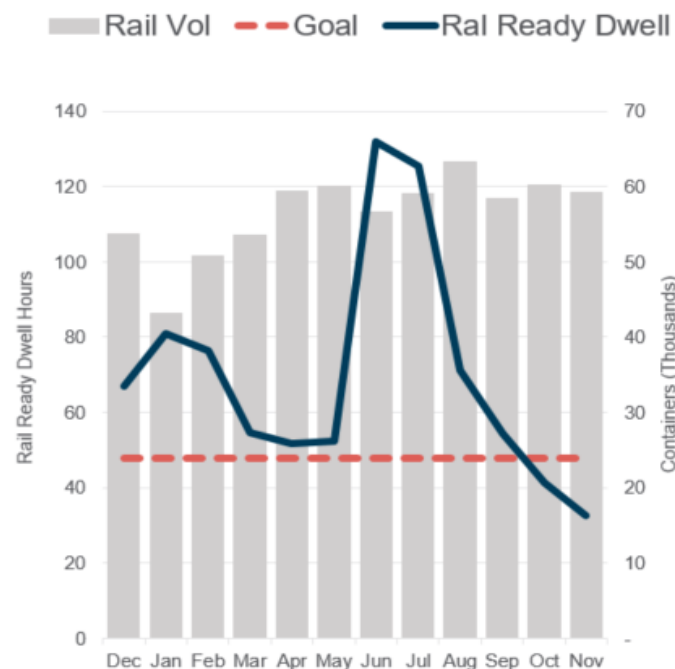


Gate Performance



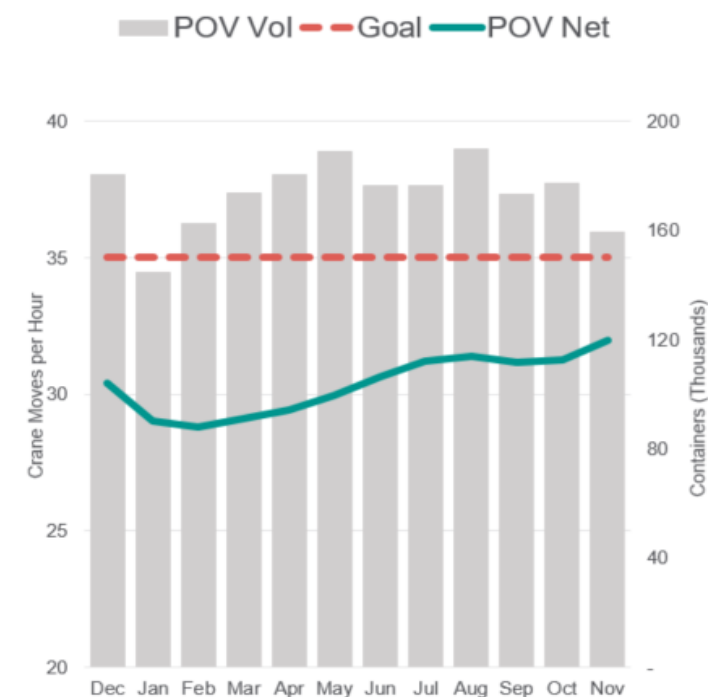
79,970 truck visits, 90.3% under 1 hour
0.9% or 683 truck visits over 2 hours
Turn Time: 34.3 min traditional
and 40.8 min expanded

Rail Performance



59,171 rail containers, up 13.6% YOY
Rail Ready Dwell: 32.6 hours

Net Productivity



Net Productivity: 32 crane moves per hour, 2.4% higher than in Nov 2021

Infrastructure Projects Update

Cathie J. Vick, Chief Development and Public Affairs Officer

Infrastructure Projects Dashboard



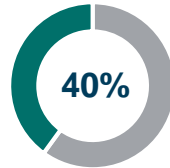
NIT Central Rail Yard (CRY) Expansion

Design



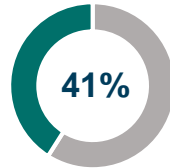
Complete

Construction



In Progress

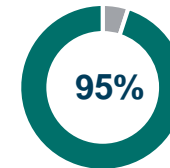
Overall



In Progress

North NIT Optimization

Design



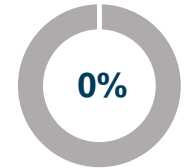
In Progress

Construction



Waiting

Overall



In Progress

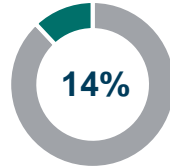
PMT Offshore Wind Hub

Design



Land design complete 03/2022
Dredging on-going

Construction



In Progress

Overall



In Progress

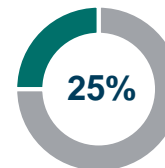
Channel Deepening and Widening

Design



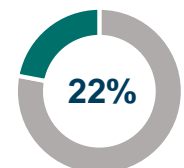
In Progress

Construction



In Progress

Overall



In Progress



Growth Committee Report

Committee Chair Asbury

Sales and Volume Report

Tom Capozzi, Chief Sales and Marketing Officer, VIT

Volumes: Two Previous Months Comparison



| | Oct - Nov 2022 | Oct - Nov 2021 | Change | % Change |
|----------------------------------|----------------|----------------|-----------------|---------------|
| Total TEUs | 604,396 | 609,241 | (4,845) | (0.8%) |
| Export Loaded TEUs | 182,563 | 172,712 | 9,851 | 5.7% |
| Export Empty TEUs | 147,125 | 139,830 | 7,295 | 5.2% |
| Import Loaded TEUs | 267,221 | 289,828 | (22,607) | (7.8%) |
| Total Rail Containers | 119,345 | 107,579 | 11,766 | 10.9% |
| VIP Containers | 4,468 | 4,534 | (66) | (1.5%) |
| Total Barge Containers | 15,826 | 14,752 | 1,074 | 7.3% |
| RMT Containers | 6,039 | 6,847 | (808) | (11.8%) |
| Total Truck Containers | 201,516 | 216,626 | (15,110) | (7.0%) |
| Non-Containerized Tonnage | 29,062 | 27,806 | 1,256 | 4.5% |
| Vessel Calls | 272 | 256 | 16 | 6.3% |

USEC Ports Market Comparison



| | FY 2023 | FY 2022 | Change | % Change |
|-----------------------------|----------------|----------------|---------------|-------------|
| New York / New Jersey | 2,058,036 | 2,006,574 | 51,462 | 2.6% |
| Savannah | 1,475,524 | 1,417,127 | 58,397 | 4.1% |
| The Port of Virginia | 952,916 | 923,327 | 29,588 | 3.2% |
| Charleston | 667,920 | 700,259 | (32,339) | (4.6%) |

*Source: Reported Actuals - Loads

*Fiscal period included July through October



CEO/Executive Director Report

Stephen Edwards, CEO/Executive Director



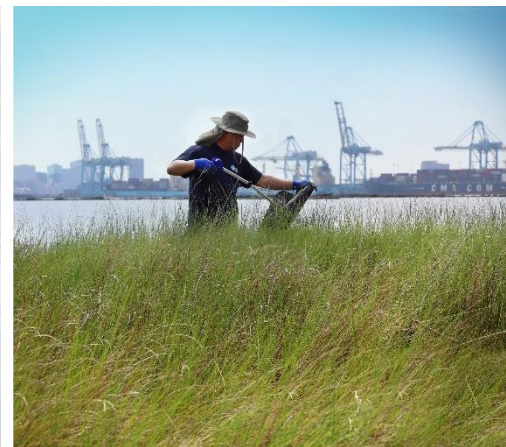
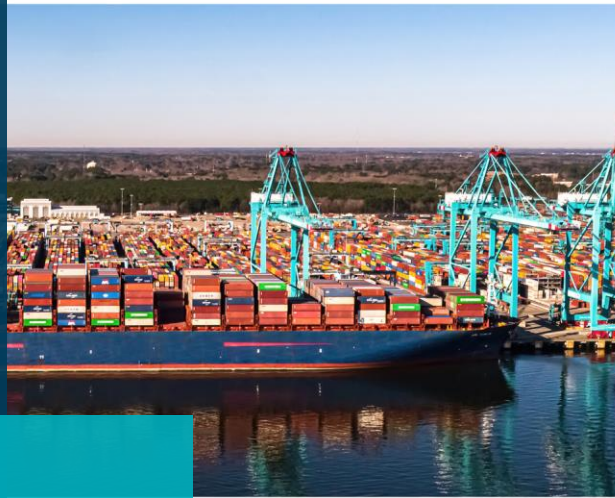
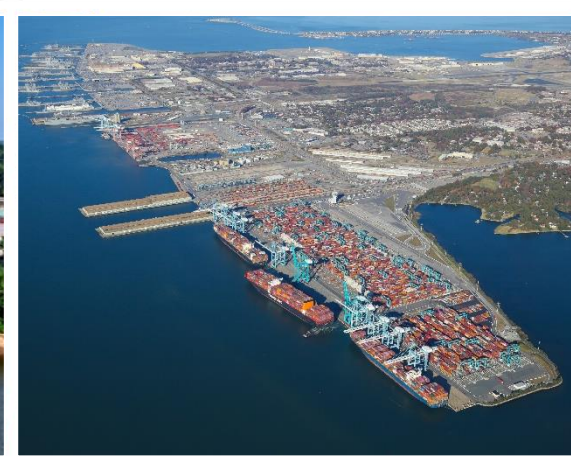
Other Business

Chair Layne



Virginia Port Authority Board of Commissioners

Thank You





**CONSOLIDATED VPA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Month Ending 11/30/2022**

| | Actual | Budget | Prior Year | Favorable (Unfavorable) Variance Actual/Budget |
|--|---------------|---------------|---------------|---|
| Operating Revenues: | | | | |
| Terminal operating revenues | 68,301,367 | 65,883,106 | 63,374,241 | 2,418,261 |
| Other revenues | 1,537,916 | 1,729,080 | 1,699,507 | (191,164) |
| Operating revenues - Grants | 64,247 | 79,375 | 33,628 | (15,128) |
| Operating revenues from component unit | - | - | - | - |
| Total operating revenues | 69,903,530 | 67,691,561 | 65,107,376 | 2,211,969 |
| Operating Expenses: | | | | |
| Terminal operations | 21,559,225 | 22,373,210 | 20,775,574 | 813,985 |
| Terminal maintenance | 11,325,175 | 10,378,206 | 8,444,683 | (946,969) |
| General and administrative | 4,664,413 | 4,783,355 | 4,099,495 | 118,942 |
| Facility Rental | 381,312 | 187,050 | - | (194,262) |
| Depreciation and Amortization | 16,379,434 | 16,351,486 | 15,534,336 | (27,948) |
| Payments due to Authority | - | - | - | - |
| Total operating expenses | 54,309,559 | 54,073,307 | 48,854,088 | (236,252) |
| Operating income (loss) | 15,593,971 | 13,618,254 | 16,253,288 | 1,975,717 |
| EBITDA | 31,973,405 | 29,969,740 | 31,787,624 | 2,003,665 |
| EBITDA Margin | 45.7% | 44.3% | 48.8% | 1.5% |
| Non-operating revenues (expenses) | | | | |
| Investment income | 3,511,181 | 737,787 | 247,444 | 2,773,394 |
| Interest expense | (14,700,023) | (14,978,687) | (14,425,403) | 278,664 |
| Revenues from federal sources | 3,288,079 | 4,039,083 | 112,944 | (751,004) |
| Revenues from state sources | 2,007,431 | 6,688,375 | 1,069,784 | (4,680,944) |
| Revenues from private sources | 2,656,124 | - | - | 2,656,124 |
| Other income (expense) | (366,006) | (151,392) | (168,600) | (214,614) |
| Gain/(loss) on disposals | - | - | - | - |
| Income (loss) before capital contributions and transfers | (3,603,214) | (3,664,834) | (13,163,831) | 61,620 |
| | 11,990,757 | 9,953,420 | 3,089,457 | 2,037,337 |
| Capital contributions and transfers | | | | |
| Commonwealth Port Fund allocation | 4,317,619 | 4,924,194 | 4,726,895 | (606,575) |
| Operating transfers to Authority | - | - | - | - |
| Payments to federal government - channel dredging | (1,829,684) | (4,653,333) | (940,590) | 2,823,649 |
| Capital contributions (to) from component unit | - | - | - | - |
| Capital contributions (to) from other state agencies | - | - | - | - |
| Proceeds (to) from primary government | (4,647,391) | 4,653,333 | - | (9,300,724) |
| Increase (decrease) in Net Position | 9,831,301 | 14,877,614 | 6,875,762 | (5,046,313) |
| Net Position - Beginning of Period | 1,320,021,722 | 1,286,370,209 | 1,096,410,553 | 33,651,513 |
| Net Position - End of Period | 1,329,853,023 | 1,301,247,823 | 1,103,286,315 | 28,605,200 |



CONSOLIDATED VPA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Month Ending 11/30/2022

| | Virginia Port Authority | Consolidated VIT | VPA Eliminations | Consolidated VPA |
|--|----------------------------|------------------|------------------|------------------|
| Operating Revenues: | | | | |
| Terminal operating revenues | - | 68,301,367 | - | 68,301,367 |
| Other revenues | 1,541,522 | (3,606) | - | 1,537,916 |
| Operating revenues - Grants | 64,247 | - | - | 64,247 |
| Operating revenues from component unit | 39,886,982 | - | (39,886,982) | - |
| Total operating revenues | 41,492,751 | 68,297,761 | (39,886,982) | 69,903,530 |
| Operating Expenses: | | | | |
| Terminal operations | 280 | 21,558,945 | - | 21,559,225 |
| Terminal maintenance | 175,147 | 11,150,028 | - | 11,325,175 |
| General and administrative | 1,377,695 | 3,286,718 | - | 4,664,413 |
| Facility Rental | 381,312 | - | - | 381,312 |
| Depreciation and Amortization | 13,770,549 | 2,608,885 | - | 16,379,434 |
| Payments due to Authority | - | 39,886,982 | (39,886,982) | - |
| Total operating expenses | 15,704,983 | 78,491,558 | (39,886,982) | 54,309,559 |
| Operating income (loss) | 25,787,768 | (10,193,797) | - | 15,593,971 |
| EBITDA | 39,558,317 | (7,584,912) | - | 31,973,405 |
| EBITDA Margin | 95.3% | -11.1% | 0.0% | 45.7% |
| Non-operating revenues (expenses) | | | | |
| Investment income | 3,409,943 | 101,238 | - | 3,511,181 |
| Interest expense | (14,265,481) | (434,542) | - | (14,700,023) |
| Revenues from federal sources | 3,288,079 | - | - | 3,288,079 |
| Revenues from state sources | 2,007,431 | - | - | 2,007,431 |
| Revenues from private sources | 2,656,124 | - | - | 2,656,124 |
| Other income (expense) | (366,006) | - | - | (366,006) |
| Gain/(loss) on disposals | - | - | - | - |
| Total non-operating expenses, net | (3,269,910) | (333,304) | - | (3,603,214) |
| Income (loss) before capital contributions and transfers | 22,517,858 | (10,527,101) | - | 11,990,757 |
| Capital contributions and transfers | | | | |
| Commonwealth Port Fund allocation | 4,317,619 | - | - | 4,317,619 |
| Operating transfers to Authority | - | - | - | - |
| Payments to federal government - channel dredging | (1,829,684) | - | - | (1,829,684) |
| Capital contributions (to) from component unit | - | - | - | - |
| Capital contributions (to) from other state agencies | - | - | - | - |
| Proceeds (to) from primary government | (4,647,391) | - | - | (4,647,391) |
| Increase (decrease) in Net Position | 20,358,402 | (10,527,101) | - | 9,831,301 |
| Net Position - Beginning of Period | 1,190,425,874 | 129,595,848 | - | 1,320,021,722 |
| Net Position - End of Period | 1,210,784,276 | 119,068,747 | - | 1,329,853,023 |



**CONSOLIDATED VPA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Five Months Ending 11/30/2022**

| | Actual | Budget | Prior Year | Favorable (Unfavorable) Variance Actual/Budget |
|--|---------------|---------------|---------------|---|
| Operating Revenues: | | | | - |
| Terminal operating revenues | 369,734,045 | 331,434,477 | 312,016,419 | 38,299,568 |
| Other revenues | 6,799,701 | 8,678,610 | 7,398,894 | (1,878,909) |
| Operating revenues - Grants | 666,523 | 381,875 | 925,018 | 284,648 |
| Operating revenues from component unit | - | - | - | - |
| Total operating revenues | 377,200,269 | 340,494,962 | 320,340,331 | 36,705,307 |
| Operating Expenses: | | | | |
| Terminal operations | 114,824,755 | 114,783,053 | 103,304,136 | (41,702) |
| Terminal maintenance | 54,484,257 | 52,029,427 | 44,126,161 | (2,454,830) |
| General and administrative | 22,423,218 | 25,207,132 | 20,729,645 | 2,783,914 |
| Facility Rental | 1,892,410 | 935,252 | 11,500 | (957,158) |
| Depreciation and Amortization | 81,098,123 | 81,630,783 | 76,981,839 | 532,660 |
| Payments due to Authority | - | - | - | - |
| Total operating expenses | 274,722,763 | 274,585,647 | 245,153,281 | (137,116) |
| Operating income (loss) | 102,477,506 | 65,909,315 | 75,187,050 | 36,568,191 |
| EBITDA | 183,575,629 | 147,540,098 | 152,168,890 | 36,035,531 |
| EBITDA Margin | 48.7% | 43.3% | 47.5% | 5.3% |
| Non-operating revenues (expenses) | | | | |
| Investment income | 4,264,473 | 3,694,476 | 1,032,735 | 569,997 |
| Interest expense | (73,127,837) | (73,692,355) | (72,012,156) | 564,518 |
| Revenues from federal sources | 7,104,470 | 28,933,917 | 851,941 | (21,829,447) |
| Revenues from state sources | 17,436,788 | 14,536,875 | 2,865,574 | 2,899,913 |
| Revenues from private sources | 3,894,527 | 5,000,000 | 5,498,941 | (1,105,473) |
| Other income (expense) | (1,046,576) | (1,178,294) | (1,858,123) | 131,718 |
| Gain/(loss) on disposals | 42,582 | - | 460,279 | 42,582 |
| Income (loss) before capital contributions and transfers | (41,431,573) | (22,705,381) | (63,160,809) | (18,726,192) |
| | 61,045,933 | 43,203,934 | 12,026,241 | 17,841,999 |
| Capital contributions and transfers | | | | |
| Commonwealth Port Fund allocation | 25,065,234 | 24,620,969 | 21,549,032 | 444,265 |
| Operating transfers to Authority | - | - | - | - |
| Payments to federal government - channel dredging | (35,741,469) | (45,016,667) | (1,175,384) | 9,275,198 |
| Capital contributions (to) from component unit | - | - | - | - |
| Capital contributions (to) from other state agencies | - | - | - | - |
| Proceeds (to) from primary government | 45,760,405 | 44,716,667 | 307,173 | 1,043,738 |
| Increase (decrease) in Net Position | 96,130,103 | 67,524,903 | 32,707,062 | 28,605,200 |
| Net Position - Beginning of Year | 1,233,722,920 | 1,233,722,920 | 1,070,579,253 | - |
| Net Position - End of Period | 1,329,853,023 | 1,301,247,823 | 1,103,286,315 | 28,605,200 |



CONSOLIDATED VPA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For the Five Months Ending 11/30/2022

| | Virginia Port Authority | Consolidated VIT | VPA Eliminations | Consolidated VPA |
|--|----------------------------|------------------|------------------|------------------|
| Operating Revenues: | | | | |
| Terminal operating revenues | - | 369,734,045 | - | 369,734,045 |
| Other revenues | 6,811,131 | (11,430) | - | 6,799,701 |
| Operating revenues - Grants | 666,523 | - | - | 666,523 |
| Operating revenues from component unit | 150,842,441 | - | (150,842,441) | - |
| Total operating revenues | 158,320,095 | 369,722,615 | (150,842,441) | 377,200,269 |
| Operating Expenses: | | | | |
| Terminal operations | 754,906 | 114,069,849 | - | 114,824,755 |
| Terminal maintenance | 1,435,374 | 53,048,883 | - | 54,484,257 |
| General and administrative | 6,304,869 | 16,118,349 | - | 22,423,218 |
| Facility Rental | 1,892,410 | - | - | 1,892,410 |
| Depreciation and Amortization | 68,760,340 | 12,337,783 | - | 81,098,123 |
| Payments due to Authority | - | 150,842,441 | (150,842,441) | - |
| Total operating expenses | 79,147,899 | 346,417,305 | (150,842,441) | 274,722,763 |
| Operating income (loss) | 79,172,196 | 23,305,310 | - | 102,477,506 |
| EBITDA | 147,932,536 | 35,643,093 | - | 183,575,629 |
| EBITDA Margin | 93.4% | 9.6% | 0.0% | 48.7% |
| Non-operating revenues (expenses) | | | | |
| Investment income | 3,811,340 | 453,133 | - | 4,264,473 |
| Interest expense | (71,204,673) | (1,923,164) | - | (73,127,837) |
| Revenues from federal sources | 7,104,470 | - | - | 7,104,470 |
| Revenues from state sources | 17,436,788 | - | - | 17,436,788 |
| Revenues from private sources | 3,894,527 | - | - | 3,894,527 |
| Other income (expense) | (1,046,576) | - | - | (1,046,576) |
| Gain/(loss) on disposals | 36,814 | 5,768 | - | 42,582 |
| Total non-operating expenses, net | (39,967,310) | (1,464,263) | - | (41,431,573) |
| Income (loss) before capital contributions and transfers | 39,204,886 | 21,841,047 | - | 61,045,933 |
| Capital contributions and transfers | | | | |
| Commonwealth Port Fund allocation | 25,065,234 | - | - | 25,065,234 |
| Operating transfers to Authority | - | - | - | - |
| Payments to federal government - channel dredging | (35,741,469) | - | - | (35,741,469) |
| Capital contributions (to) from component unit | 637,850 | (637,850) | - | - |
| Capital contributions (to) from other state agencies | - | - | - | - |
| Proceeds (to) from primary government | 45,760,405 | - | - | 45,760,405 |
| Increase (decrease) in Net Position | 74,926,906 | 21,203,197 | - | 96,130,103 |
| Net Position - Beginning of Period | 1,135,857,370 | 97,865,550 | - | 1,233,722,920 |
| Net Position - End of Period | 1,210,784,276 | 119,068,747 | - | 1,329,853,023 |



**CONSOLIDATED VPA
STATEMENT OF CASH FLOWS**
For the Five Months Ending 11/30/2022

| | Virginia Port Authority | Consolidated VIT | VPA Eliminations | Consolidated VPA |
|---|----------------------------|----------------------|----------------------|----------------------|
| Cash flows from operating activities: | | | | |
| Receipts from customers and users | 176,330,421 | 378,003,799 | (182,448,092) | 371,886,128 |
| Reimbursement from (to) component unit | 10,714,705 | (10,714,705) | - | - |
| Other receipts | 6,811,131 | - | - | 6,811,131 |
| Receipts from operating grants | 666,523 | - | - | 666,523 |
| Payments for operating expenses | (19,330,069) | (62,776,558) | - | (82,106,627) |
| Payments to employees | (15,762,627) | (110,620,779) | - | (126,383,406) |
| Net cash provided by operating activities | 159,430,084 | 193,891,757 | (182,448,092) | 170,873,749 |
| Cash flows from noncapital financing activities: | | | | |
| Transfer from (to) primary government | 22,138,584 | (182,448,092) | 182,448,092 | 22,138,584 |
| Channel dredging | (35,741,470) | - | - | (35,741,470) |
| Net cash used by noncapital financing activities | (13,602,886) | (182,448,092) | 182,448,092 | (13,602,886) |
| Cash flows from capital and related financing activities: | | | | |
| CPF contribution | 22,528,206 | - | - | 22,528,206 |
| Acquisition of capital assets | (53,823,450) | (2,306,965) | - | (56,130,415) |
| Transfer from primary government | 331,887,869 | - | - | 331,887,869 |
| Capital lease payments - VIG | (43,317,340) | - | - | (43,317,340) |
| Capital lease payments - other | (853,511) | (10,262,177) | - | (11,115,688) |
| Principal paid on long-term debt | (21,224,032) | - | - | (21,224,032) |
| Interest paid on long-term debt | (10,171,281) | - | - | (10,171,281) |
| Issuance costs | (18,270) | - | - | (18,270) |
| Net transfers (to) from other state, federal or other private agencies | 55,196,475 | - | - | 55,196,475 |
| Proceeds from sale of capital assets | 161,170 | 9,418 | - | 170,588 |
| Net cash used in capital and related financing activities | 280,365,836 | (12,559,724) | - | 267,806,112 |
| Cash flows from investing activities: | | | | |
| Net change in investments | (105,240,041) | - | - | (105,240,041) |
| Interest received and other | 2,489,371 | 53,930 | - | 2,543,301 |
| Net cash provided by (used in) investing activities | (102,750,670) | 53,930 | - | (102,696,740) |
| Net increase (decrease) in cash and cash equivalents | 323,442,364 | (1,062,129) | - | 322,380,235 |
| Cash and cash equivalents, beginning of year | 277,338,656 | 46,336,654 | - | 323,675,310 |
| Cash and cash equivalents, end of period | 600,781,020 | 45,274,525 | - | 646,055,545 |



**CONSOLIDATED VPA
STATEMENT OF CASH FLOWS**
For the Five Months Ending 11/30/2022

| | Virginia Port Authority | Consolidated VIT | VPA Eliminations | Consolidated VPA |
|--|----------------------------|--------------------|----------------------|---------------------|
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | 79,172,196 | 23,305,310 | - | 102,477,506 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Payments to Authority | - | 150,842,441 | (150,842,441) | - |
| Depreciation and amortization | 68,760,340 | 12,337,783 | - | 81,098,123 |
| Other income (expense) | 241,167 | 399,203 | - | 640,370 |
| Change in assets and liabilities: | | | | |
| Decrease (increase) in accounts receivable | (6,525,272) | 8,262,582 | - | 1,737,310 |
| Decrease (increase) in inventories | - | (794,729) | - | (794,729) |
| Decrease (increase) in due from component unit | 31,628,940 | 473,107 | (31,628,940) | 473,107 |
| Decrease (increase) in due from VIT | - | - | - | - |
| Decrease (increase) in prepaid expenses | 740,502 | 63,240 | - | 803,742 |
| Increase (decrease) in accounts payable and accrued expenses | (6,472,859) | 448,496 | - | (6,024,363) |
| Increase (decrease) in due to VPA | - | (23,289) | 23,289 | - |
| Increase (decrease) in other accrued expenses | (8,823,863) | (471,785) | - | (9,295,648) |
| Change in leases | 384,312 | (380,602) | - | 3,710 |
| Change in pension and deferred outflows | 324,621 | (570,000) | - | (245,379) |
| Net cash provided by operating activities | 159,430,084 | 193,891,757 | (182,448,092) | 170,873,749 |



**CONSOLIDATED VPA
STATEMENT OF NET POSITION**
For the period ended 11/30/2022

| | Virginia Port Authority | Consolidated VIT | VPA Eliminations | Consolidated VPA |
|--|----------------------------|------------------|------------------|------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | 204,191,950 | 45,274,525 | - | 249,466,475 |
| Investments | 450,497,211 | - | - | 450,497,211 |
| Restricted assets: | | | | |
| Cash and cash equivalents | 330,676,823 | - | - | 330,676,823 |
| Investments | - | - | - | - |
| Investments held by Treasurer of VA | - | - | - | - |
| Accounts receivable, net | 6,662,764 | 65,376,303 | (91,688) | 71,947,379 |
| Due from other governments | 43,097,010 | - | - | 43,097,010 |
| Due from component unit | 41,845,827 | - | (41,845,827) | - |
| Inventories, net | - | 20,538,123 | - | 20,538,123 |
| Prepaid expenses and other | 170,000 | 3,190,962 | - | 3,360,962 |
| Leases receivable, current portion | 58,897 | 487,601 | - | 546,498 |
| Total current assets | 1,077,200,482 | 134,867,514 | (41,937,515) | 1,170,130,481 |
| Noncurrent assets: | | | | |
| Restricted assets: | | | | |
| Cash and cash equivalents | 65,912,247 | - | - | 65,912,247 |
| Investments | 47,832,554 | - | - | 47,832,554 |
| Leases receivable, noncurrent portion | 41,907,847 | 14,203,679 | - | 56,111,526 |
| Non-depreciable capital assets | 285,478,133 | 6,776,860 | - | 292,254,993 |
| Depreciable capital assets, net | 939,747,103 | 31,155,105 | - | 970,902,208 |
| Lease assets, net | 3,937,213,925 | 147,036,879 | - | 4,084,250,804 |
| Other | - | 5,726,555 | - | 5,726,555 |
| Investment in Subsidiary | - | - | - | - |
| Total noncurrent assets | 5,318,091,809 | 204,899,078 | - | 5,522,990,887 |
| Total assets | 6,395,292,291 | 339,766,592 | (41,937,515) | 6,693,121,368 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Bond refunding, net | 22,248,983 | - | - | 22,248,983 |
| Pensions and OPEB, net | 4,597,289 | 9,229,945 | - | 13,827,234 |
| Total deferred outflows of resources | 26,846,272 | 9,229,945 | - | 36,076,217 |
| Total assets and deferred outflows of resources | 6,422,138,563 | 348,996,537 | (41,937,515) | 6,729,197,585 |



**CONSOLIDATED VPA
STATEMENT OF NET POSITION**
For the period ended 11/30/2022

| | Virginia Port Authority | Consolidated VIT | VPA Eliminations | Consolidated VPA |
|--|----------------------------|--------------------|---------------------|----------------------|
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued expenses | 8,101,800 | 28,682,199 | (91,688) | 36,692,311 |
| Interest payable | 7,838,579 | - | - | 7,838,579 |
| Retainage payable | 1,282,500 | - | - | 1,282,500 |
| Long-term debt, current portion | 26,440,662 | - | - | 26,440,662 |
| Lease liabilities, current portion | 900,233 | 12,600,566 | - | 13,500,799 |
| Obligations under securities lending | 6,173,463 | - | - | 6,173,463 |
| Due to Parent Member | - | 41,845,827 | (41,845,827) | - |
| Total current liabilities | 50,737,237 | 83,128,592 | (41,937,515) | 91,928,314 |
| Noncurrent liabilities: | | | | |
| Long-term debt, noncurrent portion | 646,315,464 | - | - | 646,315,464 |
| Lease liabilities, noncurrent portion | 4,134,781,738 | 136,521,595 | - | 4,271,303,333 |
| Pension and OPEB liabilities, net | 6,163,773 | (19,480,454) | - | (13,316,681) |
| Other noncurrent liabilities | 335,675,034 | 1,849,068 | - | 337,524,102 |
| Total noncurrent liabilities | 5,122,936,009 | 118,890,209 | - | 5,241,826,218 |
| Total liabilities | 5,173,673,246 | 202,018,801 | (41,937,515) | 5,333,754,532 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Bond refundings, net | 89,986 | - | - | 89,986 |
| Leases | 34,681,804 | 13,596,782 | - | 48,278,586 |
| Pensions and OPEB, net | 2,909,251 | 14,312,207 | - | 17,221,458 |
| Total deferred inflows of resources | 37,681,041 | 27,908,989 | - | 65,590,030 |
| Total liabilities and deferred inflows of resources | 5,211,354,287 | 229,927,790 | (41,937,515) | 5,399,344,562 |
| NET POSITION | | | | |
| Net investment in capital assets | 374,877,561 | 35,705,633 | - | 410,583,194 |
| Restricted for: | | | | |
| Debt service | 436,240,159 | - | - | 436,240,159 |
| Unrestricted | 399,666,556 | 83,363,114 | - | 483,029,670 |
| Total net position | 1,210,784,276 | 119,068,747 | - | 1,329,853,023 |
| Total liabilities, deferred inflows of resources and net position | 6,422,138,563 | 348,996,537 | (41,937,515) | 6,729,197,585 |

[Reimbursement Bond Resolution]

RESOLUTION 23-01

**REIMBURSEMENT BOND RESOLUTION REGARDING THE ISSUANCE BY THE
VIRGINIA PORT AUTHORITY OF COMMONWEALTH PORT FUND REVENUE BONDS
IN CALENDAR YEAR 2023**

WHEREAS, the Virginia Port Authority (the “Authority”) acting by its Board of Commissioners (the “Board”) adopted Resolution No. 02-4 on May 28, 2002 (as thereafter amended and supplemented, the “Bond Resolution”), which in Section 2.09 permits the issuance of bonds of the Authority for the purpose of, among other things, providing funds for various improvements to Norfolk International Terminals owned and operated by the Authority (“NIT”), including (i) certain costs associated with the acquisition and installation of equipment expected to consist of low height ship to shore cranes, additional stacking cranes and replacement parts, together with improvements that will result in an improved container stack area, extension to the wharf area and associated upgrades to the stack yard facilities, docks, and other structures, and (ii) the payment of certain expenses incurred in connection with such financing and costs of issuance in connection with respect to the bonds (the “Series 2023 Project”).

WHEREAS, the Authority intends to consider the issuance of Bonds for the Series 2023 Project under the Bond Resolution (the “Series 2023 Bonds”) at a Board meeting to be held later this year.

WHEREAS, in Item 464 of the 2022 Appropriations Act, Chapter 2, Special Session I, Virginia Acts of Assembly (H.B. 30), the General Assembly of the Commonwealth of Virginia has previously authorized the Authority to issue the Series 2023 Bonds.

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

Section 1. Reimbursement. Officers of the Authority have represented to the Board that it may be necessary to proceed with the establishment of certain contracts and other actions related to the acquisition, construction, rehabilitation and equipping of the Project. The Board hereby agrees that the officers and staff of the Authority may proceed with the plans 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 2023 Bonds for all costs expended by it prior to the issuance of the Series 2023 Bonds within sixty (60) days prior to the date of this Resolution with respect to the planning and the acquisition, construction, rehabilitation and equipping of the Series 2023 Bonds Project. The Authority reasonably expects to reimburse itself with up to \$24,395,998 in estimated proceeds of the Series 2023 Bonds for Series 2023 Project costs (the “Expenditures”). The declaration and expectations stated in this Section 1 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 2023 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 2023 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 2023 Project is 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 2. Ratification; Further Action. All actions previously taken by the officers and staff of the Authority in connection with the planning of the proposed issuance of Series 2023 Bonds for the Series 2023 Project are hereby ratified and confirmed.

Section 3. Other Definitions. All terms not otherwise defined herein shall have the meanings given to them in the Bond Resolution.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 10th day of January, 2023.

Aubrey L. Layne, Board Chair

Attest:

Ryanne A. Shields, Secretary

RESOLUTION 23-02

RESOLUTION SUPPLEMENTING RESOLUTION 02-4, AS PREVIOUSLY AMENDED AND SUPPLEMENTED, AUTHORIZING THE ISSUANCE OF COMMONWEALTH PORT FUND REVENUE REFUNDING BONDS IN CALENDAR YEAR 2023, GRANTING AUTHORITY TO THE EXECUTIVE DIRECTOR OF VIRGINIA PORT AUTHORITY TO APPROVE THE ISSUANCE OF SUCH BONDS AND RELATED MATTERS

WHEREAS, 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 2.10 permits the issuance of bonds of the Authority for the purpose of, among other things, providing funds for refunding all or, if then permitted by law, any Bonds of any one or more Series of Bonds then outstanding, including the payment of any redemption premium and accrued interest thereon and any expenses in connection with such refunding.

WHEREAS, the Authority has previously issued the following Bonds under the Bond Resolution pursuant to Series Resolutions adopted on (i) November 22, 2011, the Commonwealth Port Fund Revenue Refunding Bonds, Series 2012 (Taxable) with an outstanding principal balance of \$40,795,000 (the “Series 2012 Taxable Bonds”), (ii) May 22, 2018, the Commonwealth Port Fund Revenue Refunding Bonds, Series 2018 with an outstanding principal balance of \$59,270,000 (the “Series 2018 Bonds”), and (iii) November 19, 2019, the Commonwealth Port Fund Revenue Refunding Bonds, Series 2020A (Taxable) with an outstanding principal amount of \$75,210,000 (the “Series 2020A Taxable Bonds”) and Commonwealth Port Fund Revenue Refunding Bonds, Series 2020B (AMT) with an outstanding principal amount of \$19,770,000 (the “Series 2020B Bonds”). The Series 2012 Taxable Bonds, the Series 2018 Bonds, the Series 2020A Taxable Bonds and the Series 2020B Bonds are collectively referred to as the “Port Fund Revenue Bonds.” To take advantage of potential low interest rates as they may exist from time to time during calendar year 2023, the Board has now determined to refund all or a portion of the Port Fund Revenue Bonds by the issuance and sale of refunding bonds pursuant to Section 2.10 of the Bond Resolution to be designated the “Virginia Port Authority Commonwealth Port Fund Revenue Refunding Bonds, Series 2023” (the “Series 2023 Bonds”), which Series 2023 Bonds may be issued in one or more series throughout calendar year 2023 and shall be appropriately designated to differentiate one series from another. The Series 2023 Bonds shall be issued as tax-exempt or taxable refunding issue(s) subject to certain Refunding Conditions, herein defined.

WHEREAS, the Board also wishes to authorize the Authority to obtain Treasury Board of the Commonwealth of Virginia (the “Treasury Board”) approval of the Series 2023 Bonds and the associated plan of finance.

WHEREAS, the Board has found and determined that the issuance and sale of the Series 2023 Bonds on the terms contemplated hereby 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 (the “Commonwealth”).

WHEREAS, in Item 464A of Chapter 2 of the Acts of Assembly of 2022, Reconvened Special Session I, the General Assembly of the Commonwealth has authorized the Authority to refund the Port Fund Revenue Bonds (the “General Assembly Authorization”).

WHEREAS, Section 2.10 of the Bond Resolution contemplates that in a Series Resolution supplementing the Bond Resolution the Board will authorize the issuance of its refunding bonds, fix the amount and the details thereof and describe the Port Fund Revenue Bonds to be refunded. 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.

WHEREAS, 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 (“Preliminary Official Statement”), final official statement (“Official Statement”), continuing disclosure agreement, bond purchase agreement, direct bond purchase agreement, escrow agreement (“Escrow Agreement”) and any other documents deemed necessary by the Authority’s bond counsel to consummate the refunding of the Port Fund Revenue Bonds and the issuance of the Series 2023 Bonds (collectively, the “Refunding Documents”). As the actual terms of the Series 2023 Bonds and the identity of the Port Fund Revenue Bonds to be refunded 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 2023 Bonds, the details thereof and the Port Fund Revenue Bonds to be refunded, subject to the Refunding 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 BE IT RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Authorization of Bonds.

(a) The Authority is authorized to issue the Series 2023 Bonds on a tax-exempt or taxable basis, in one or more series throughout calendar year 2023 pursuant to Section 2.10 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 refunding all or a part of one or more series of Port Fund Revenue Bonds, including the payment of any redemption premium and accrued interest thereon; paying cost of issuance of the Series 2023 Bonds (the “Cost of Issuance”); and as necessary, funding reserves for the payment of principal of and interest on the Series 2023 Bonds, subject, however, to the following conditions (the “Refunding Conditions”):

(i) The aggregate principal amount of the Series 2023 Bonds shall not exceed \$120,000,000, together with any “net original issue premium” allowable in accordance with Section 2.2-5002.1 of the Virginia Code, in accordance with the General Assembly Authorization;

(ii) If issued in more than one series, the Series 2023 Bonds shall be appropriately designated to differentiate one series from another;

(iii) The final maturity of any series of the Series 2023 Bonds is not later than one year after the final maturity of the Port Fund Revenue Bonds to be refunded;

(iv) The net present value savings to be achieved by the Authority upon issuance of each series of the Series 2023 Bonds shall not be less than 4.0% of the aggregate principal amount of the related refunded Port Fund Revenue Bonds; and

(v) The principal amortization of each series of the Series 2023 Bonds shall be substantially similar to the principal amortization of the Port Fund Revenue Bonds to be refunded so as to achieve approximately level debt service savings, unless the Chairman of the Board and the Chairman of the Authority's Finance and Audit Committee shall have each approved an alternative financing structure.

(b) The Series 2023 Bonds will be issued in fully registered form and may be sold in a public offering or a private placement. Any such series of the Series 2023 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 2023 Bond in each series will be issued for the original principal amount of each maturity. Unless any such series of the Series 2023 Bonds are offered in a private placement, beneficial owners will not receive physical delivery of the Series 2023 Bonds. Unless any such series of the Series 2023 Bonds are offered in a private placement, individual purchases of the Series 2023 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 series of the Series 2023 Bonds are offered in a private placement, payments of the principal of and premium, if any, and interest on the Series 2023 Bonds will be made to DTC or its nominee as registered owner of the Series 2023 Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Series 2023 Bonds, references in the Bond Resolution or this Series Resolution to the Holders of the Series 2023 Bonds mean Cede & Co. and do not mean the beneficial owners of the Series 2023 Bonds.

Replacement Series 2023 Bonds (the "Replacement Bonds") will be issued directly to beneficial owners of Series 2023 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 2023 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 2023 Bonds not to continue the book-entry system of transfer; or

(4) the Series 2023 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 2023 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 2023 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 2023 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 Refunding Conditions, the Series 2023 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 the Refunding Conditions and 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 2023 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 2023 Bonds to be offered at public sale, and to designate the senior manager and co-senior manager, if any, of such underwriting syndicate.

(e) If any issue of the Series 2023 Bonds are offered in a private placement to a direct purchaser, the Authority delegates to the Executive Director the authority to approve the direct purchaser of such Series 2023 Bonds.

(f) The Executive Director is authorized to obtain the services of a firm qualified under the Bond Resolution to verify the mathematical computations associated with the refunding of the Port Fund Revenue Bonds to be refunded, including its provision of an independent confirmation of the sufficiency and yield of the Defeasance Obligations deposited in the escrow fund created under any escrow agreement ("Escrow Agreement") approved by the Executive Director.

Section 2. Optional Redemption. The Series 2023 Bonds may 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 ("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, 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 a bond purchase agreement ("Bond Purchase Agreement"), to purchase all of any issue of the Series 2023 Bonds at the price stated therein. Multiple Bond Purchase Agreements may be executed by the Executive Director to consummate the sale of more than one issue of Series 2023 Bonds. The Executive Director's execution and delivery of the Bond Purchase Agreement(s) shall constitute conclusive evidence of his acceptance of the purchase price of an issue of Series 2023 Bonds and his approval of the form and content of any Bond Purchase Agreement.

Section 4. Approval of Official Statement. In any public offering of an issue of Series 2023 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 2023 Bonds, prior to the availability of a final 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 an issue of the Series 2023 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 of the Board 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 Refunding Documents. The Executive Director shall approve the form and content of the other Refunding Documents and is hereby authorized to execute and deliver the other Refunding Documents, his execution of such Refunding Documents to be conclusive evidence of such approval.

Section 6. Execution of the Series 2023 Bonds. The Series 2023 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 2023 Bonds. The Series 2023 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 2023 Bonds shall be applied by the Trustee as follows:

(i) an amount may be deposited to the applicable issue's Cost of Issuance account in the Construction Fund; and

(ii) to an escrow agent ("Escrow Agent") for deposit, together with other available funds, in the escrow fund and applied by the Escrow Agent as required by the Escrow Agreement or used by the Authority to pay costs of issuance of the Series 2023 Bonds.

Section 8. Defeasance. The Executive Director is authorized to purchase Defeasance Obligations to be held under the Escrow Agreement on any date (which needs not be the same date in each case) between the dated date of the applicable Bond Purchase Agreement and the delivery date of the Series 2023 Bonds.

Section 9. Tax Covenant. If a tax-exempt issuance of any series of the Series 2023 Bonds is pursued, the Authority covenants that it will comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), as amended, so that interest on the Series 2023 Bonds will not be included in the gross income of the owners of the Series 2023 Bonds for federal income tax purposes. If applicable, pursuant to Section 147(f) of the Code, and applicable regulations thereunder, the Authority designates its Executive Director and its Chief Financial Officer, either of whom may act, as the public hearing officer to hold any public hearings required in order to ensure the federal tax-exempt status of interest on the Series 2023 Bonds.

Section 10. Treasury Board Approval. The Authority requests the Treasury Board to approve the terms and conditions and structure of each issue of the Series 2023 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(s) for such approval(s) to the Treasury Board and to furnish such materials and do such things as may be required to obtain such approval(s).

Section 11. Ratification: Further Action. The actions related to this Resolution 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 2023 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 2023 Bonds are issued by the Authority in accordance with the terms hereof prior to midnight on December 31, 2023, this Resolution shall expire and terminate.

PASSED AND ADOPTED this 10th day of January, 2023.

Aubrey L. Layne, Board Chair

Attest:

Ryanne A. Shields, Secretary

RESOLUTION 23-03

**RESOLUTION SUPPLEMENTING RESOLUTION 16-9, AS AND SUPPLEMENTED,
AUTHORIZING THE ISSUANCE OF PORT FACILITIES REVENUE REFUNDING BONDS IN
CALENDAR YEAR 2023, GRANTING AUTHORITY TO THE EXECUTIVE DIRECTOR OF
VIRGINIA PORT AUTHORITY TO APPROVE THE ISSUANCE OF SUCH BONDS AND
RELATED MATTERS**

WHEREAS, the Virginia Port Authority (the "Authority") acting by its Board of Commissioners (the "Board") adopted Resolution No. 16-9 on September 21, 2016 (as previously supplemented, the "Bond Resolution"), which in Section 210 permits the issuance of bonds of the Authority for the purpose of, among other things, providing funds for refunding all or, if then permitted by law, any Bonds of any one or more Series of Bonds then outstanding, including the payment of any redemption premium and accrued interest thereon and any expenses in connection with such refunding.

WHEREAS, the Authority has previously issued the following Bonds under the Bond Resolution pursuant to Series Resolutions adopted on November 17, 2016 (i) the Port Facilities Revenue Refunding Bonds Series 2016A (Taxable) with an outstanding principal balance of \$135,950,000 (the "Series 2016A Taxable Bonds"), (ii) the Port Facilities Revenue Refunding Bonds Series 2016B (AMT) with an outstanding principal balance of \$89,200,000 (the "Series 2016B AMT Bonds") and, (iii) the Port Facilities Revenue Refunding Bond, Series 2016C (the "Series 2016C Bond") with an outstanding principal balance of \$23,480,000. The Series 2016A Taxable Bonds, the Series 2016B AMT Bonds and the Series 2016C Bond are collectively referred to as the "Port Facilities Revenue Bonds". To take advantage of potential low interest rates as they may exist from time to time in calendar year 2023, the Board has now determined to refund all or a portion of the Port Facilities Revenue Bonds by the issuance and sale of refunding bonds pursuant to Section 210 of the Bond Resolution to be designated the "Virginia Port Authority Port Facilities Revenue Refunding Bonds, Series 2023" (the "Series 2023 Bonds"), which Series 2023 Bonds may be issued in one or more series throughout calendar year 2023 and shall be appropriately designated to differentiate one series from another. The Series 2023 Bonds shall be issued as tax-exempt or taxable refunding issue(s) subject to certain Refunding Conditions, herein defined.

WHEREAS, the Board has found and determined that the issuance and sale of the Series 2023 Bonds on the terms contemplated hereby 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 (the "Commonwealth").

WHEREAS, in Item 464 B.1 of Chapter 2 of the Acts of Assembly of 2022, Reconvened Special Session I, the General Assembly of the Commonwealth has authorized the Authority to refund the Port Facilities Revenue Bonds (the "General Assembly Authorization").

WHEREAS, Section 210 of the Bond Resolution contemplates that in a Series Resolution supplementing the Bond Resolution the Board will authorize the issuance of its refunding bonds, fix the amount and the details thereof and describe the Port Facilities Revenue Bonds to be refunded. 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.

WHEREAS, 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 ("Preliminary Official Statement"), final official statement ("Official Statement"), continuing disclosure agreement, bond purchase agreement, direct bond purchase agreement, escrow agreement ("Escrow Agreement") and any other documents deemed necessary by the Authority's bond counsel to consummate the refunding of the Port Facilities Revenue Bonds and the issuance of the Series 2023 Bonds (collectively, the "Refunding Documents"). As the actual terms of the Series 2023 Bonds and the identity of the Port Facilities Revenue Bonds to be refunded 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 2023 Bonds, the details thereof and the Port Facilities Revenue Bonds to be refunded, subject to the Refunding 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, BE IT RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Authorization of Bonds.

(a) The Authority is authorized to issue the Series 2023 Bonds on a tax-exempt or taxable basis, in one or more series throughout calendar year 2023 pursuant to Section 210 of the Bond Resolution, as determined by the Executive Director, for the purpose of providing funds, with other funds as may be available therefor, for refunding all or a part of one or more series of the Port Facilities Revenue Bonds, including the payment of any redemption premium and accrued interest thereon; paying cost of issuance of the Series 2023 Bonds ("Cost of Issuance"); and as necessary, funding reserves for the payment of principal of and interest on the Series 2023 Bonds, subject, however, to the following conditions (the "Refunding Conditions"):

- (i) The aggregate principal amount of the Series 2023 Bonds shall not exceed \$245,000,000, together with any "net original issue premium" allowable in accordance with Section 2.2-5002.1 of the Virginia Code, in accordance with the General Assembly Authorization;
- (ii) If issued in more than one series, the Series 2023 Bonds shall be appropriately designated to differentiate one series from another;
- (iii) The final maturity of any series of the Series 2023 Bonds is not later than one year after the final maturity of the Port Facilities Revenue Bonds to be refunded;
- (iv) The net present value savings to be achieved by the Authority upon issuance of each series of the Series 2023 Bonds shall not be less than 4.0% of the aggregate principal amount of the related refunded Port Facilities Revenue Bonds; and

- (v) The principal amortization of each series of the Series 2023 Bonds shall be substantially similar to the principal amortization of the Port Facilities Revenue Bonds to be refunded so as to achieve approximately level debt service savings, unless the Chairman of the Board and the Chairman of the Authority's Finance and Audit Committee shall have each approved an alternative financing structure.

(b) The Series 2023 Bonds will be issued in fully registered form, and may be sold in a public offering or a private placement. Any such series of the Series 2023 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 2023 Bond in each series will be issued for the original principal amount of each maturity. Unless any such series of the Series 2023 Bonds are offered in a private placement, beneficial owners will not receive physical delivery of the Series 2023 Bonds. Unless any such series of the Series 2023 Bonds are offered in a private placement, individual purchases of the Series 2023 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 series of the Series 2023 Bonds are offered in a private placement, payments of the principal of and premium, if any, and interest on the Series 2023 Bonds will be made to DTC or its nominee as registered owner of the Series 2023 Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Series 2023 Bonds, references in the Bond Resolution or this Series Resolution to the Holders of the Series 2023 Bonds mean Cede & Co. and do not mean the beneficial owners of the Series 2023 Bonds.

Replacement Series 2023 Bonds (the "Replacement Bonds") will be issued directly to beneficial owners of Series 2023 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 2023 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 2023 Bonds not to continue the book-entry system of transfer; or
- (4) the Series 2023 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 2023 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 2023 Bonds will be issued substantially in the form set forth in Section 202 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 2023 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 Refunding Conditions, the Series 2023 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 the Refunding Conditions and 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 2023 Bonds are offered in a public offering, the Authority delegates to the Executive Director the authority to appoint the underwriting syndicate for such issue of the Series 2023 Bonds to be offered at public sale, and to designate the senior manager and co-senior manager, if any, of such underwriting syndicate.

(e) If any issue of the Series 2023 Bonds are offered in a private placement to a direct purchaser, the Authority delegates to the Executive Director the authority to approve the direct purchaser of such Series 2023 Bonds.

(f) The Executive Director is authorized to obtain the services of a firm qualified under the Bond Resolution to verify the mathematical computations associated with the refunding of the Port Facilities Revenue Bonds to be refunded, including its provision of an independent confirmation of the sufficiency and yield of the Defeasance Obligations deposited in the escrow fund created under any escrow agreement ("Escrow Agreement") approved by the Executive Director.

Section 2. Optional Redemption. The Series 2023 Bonds may 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 ("Financial Advisor").

Section 3. Terms of Purchase; Approval of Bond Purchase Agreement. The Executive Director is hereby authorized, 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 a bond purchase agreement ("Bond Purchase Agreement"),

to purchase all of any issue of the Series 2023 Bonds at the price stated therein. Multiple Bond Purchase Agreements may be executed by the Executive Director to consummate the sale of more than one issue of Series 2023 Bonds. The Executive Director's execution and delivery of the Bond Purchase Agreement(s) shall constitute conclusive evidence of his acceptance of the purchase price of an issue of Series 2023 Bonds and his approval of the form and content of any Bond Purchase Agreement.

Section 4. Approval of Official Statement. In any public offering of an issue of Series 2023 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 2023 Bonds, prior to the availability of a final 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 an issue of the Series 2023 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 of the Board 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 Refunding Documents. The Executive Director shall approve the form and content of the other Refunding Documents and is hereby authorized to execute and deliver the other Refunding Documents, his execution of such Refunding Documents to be conclusive evidence of such approval.

Section 6. Execution of the Series 2023 Bonds. The Series 2023 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 2023 Bonds. The Series 2023 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.

a) The proceeds of any issue of the Series 2023 Bonds shall be applied by the Trustee as follows:

- (i) an amount equal to accrued interest, if any, received upon the delivery of the applicable issue of Series 2023 Bonds and an amount sufficient to provide for capitalized interest, if any, shall be deposited to the applicable Series 2023 Subaccount in the Debt Service Account of the Debt Service Fund held by the Trustee under the Bond Resolution;
- (ii) an amount equal to the Reserve Account Requirement, if any, for the applicable issue of Series 2023 Bonds shall be deposited to the applicable Series 2023 Subaccount of the Debt Service Reserve Account of the Debt Service Fund; provided that in lieu thereof, such amount, or any lesser amount, may be used to acquire any instrument permitted by the Bond Resolution to satisfy such Reserve Account Requirement;
- (iii) an amount may be deposited to the applicable issue's Series 2023 Project Account of the Construction Fund to be used to pay Cost of Issuance; and
- (iv) the balance of the proceeds shall be transferred by the Trustee to the escrow agent (the "Escrow Agent") under the Escrow Agreement for deposit, together with other available funds as set forth in paragraph (b) below, in the escrow fund established in the Escrow Agreement (the "Escrow Fund") and applied by the Escrow Agent as required by the Escrow Agreement.

b) Simultaneously with the application of the proceeds of any issue of the Series 2023 Bonds as provided above, the Trustee shall take the following actions:

- (i) the amount held in the applicable series Debt Service Account of the Debt Service Fund for the payment of principal and interest due on the Port Facilities Revenue Bonds to be refunded shall be transferred to the Escrow Fund;
- (ii) the amount held in the applicable series Debt Service Reserve Account of the Debt Service Fund that constitutes the Reserve Account Requirement for the Port Facilities Revenue Bonds to be refunded shall be transferred to the Escrow Fund; and
- (iii) an amount, if any, determined by the Executive Director held in the Residual Fund shall be transferred to the Escrow Fund.

Section 8. Defeasance. The Executive Director is authorized to purchase Defeasance Obligations to be held under the Escrow Agreement on any date (which needs not be the same date in each case) between the dated date of the applicable Bond Purchase Agreement and the delivery date of the Series 2023 Bonds.

Section 9. Tax Covenant. If a tax-exempt issuance of any series of the Series 2023 Bonds is pursued, the Authority covenants that it will comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), as amended, so that interest on the Series 2023 Bonds will not be included in the gross income of the owners of the Series 2023 Bonds for federal income tax purposes. If applicable, pursuant to Section 147(f) of the Code, and applicable regulations thereunder, the Authority designates its Executive Director and its Chief Financial Officer, either of whom may act, as the public hearing officer to hold any public hearings required in order to ensure the federal tax-exempt status of interest on the Series 2023 Bonds.

Section 10. Pledge of Net Revenues Subordinate to Certain Payments. Pursuant to the provisions of an Amended and Restated Deed of Facilities Lease Agreement, a Construction Authority Agreement and an Installment Sales Contract, each dated September 21, 2016 with Virginia International Gateway, Inc. the Authority hereby reaffirms the provisions of Section 202, Section 504 and Section 506 of the Bond Resolution, including acknowledging that debt service payments on the Series 2023 Bonds will be subordinate as to payment from the Authority's Net Revenue to the Senior Obligations.

Section 11. Ratification: Further Action. The actions related to this Resolution 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 2023 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 2023 Bonds are issued by the Authority in accordance with the terms hereof prior to midnight on December 31, 2023, this Resolution shall expire and terminate.

PASSED AND ADOPTED this 10th day of January, 2023.

Aubrey L. Layne, Board Chair

Attest:

Ryanne A. Shields, Secretary