

# P&L EFFECT OF THE CAPITAL LEASE (BUDGET):

USD thousands	"Before"			"After"	
	ORIGINAL FY17 BUDGET	Effect of Lease	Effect of Debt	REVISED FY17 BUDGET	
<b>Total Operating Revenues</b>	\$ 485,020	\$ -	\$ -	\$ 485,020	
<b>Operating Expenses:</b>					
Terminal Operations, Maintenance and G&A	372,023			372,023	
Facility Rental	61,154	(43,387)		17,767	
Depreciation and amortization	49,633	23,258		72,891	
<i>Total operating expenses</i>	482,810			462,681	
<i>Operating income (loss)</i>	2,210	20,129	-	22,339	
<b>Non-operating revenues (expenses)</b>					
Interest income	491			491	
Interest expense	(18,594)	(67,822)	(806)	(87,222)	
Bond Issue Costs	(650)		(2,368)	(3,018)	
Other (Federal Govt revenue + lease conversion gain)	14,832	13,277		28,109	
	(3,921)	(54,545)	(3,174)	(61,640)	
<i>Income (loss) before capital contributions and transfers</i>	(1,711)	(34,416)	(3,174)	(39,301)	
<b>Capital Contributions and transfers, net</b>	41,726			41,726	
<b>Increase (decrease) in Net Position</b>	40,015	(34,416)	(3,174)	2,425	
<b>Net Position - Beginning of Year</b>	471,371			471,371	
<b>Net Position - End of Year</b>	\$ 511,386	\$ (34,416)	\$ (3,174)	\$ 473,796	

# NOVEMBER 2016 FINANCIAL REPORT

Rodney W. Oliver  
Chief Financial Officer



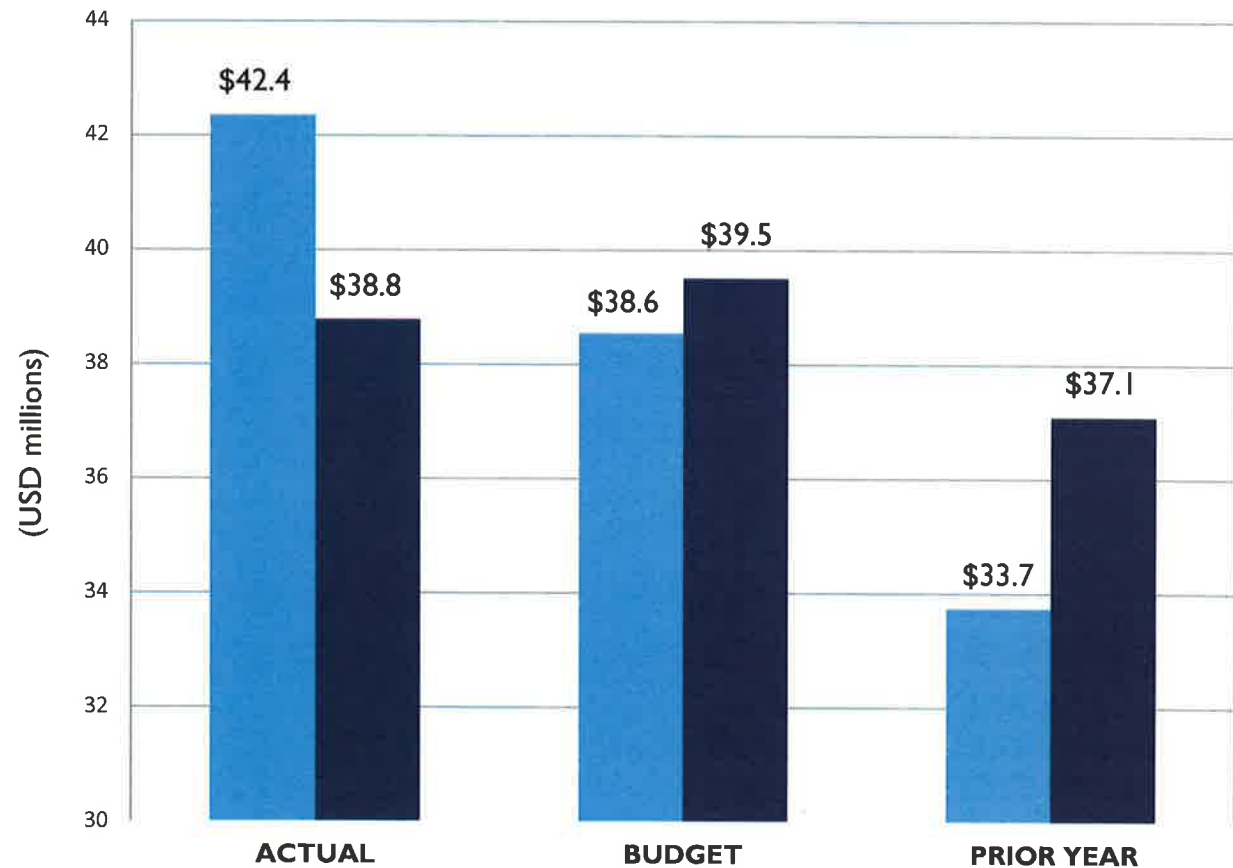
# OPERATING REVENUES AND EXPENSES:

## For the Month Ended November 30, 2016

**Revenues favorable  
to Budget and  
Prior Year;  
Expenses favorable  
to Budget and  
comparable to  
Prior Year**

**NOTE:** For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual

■ Operating Revenues  
■ Operating Expenses

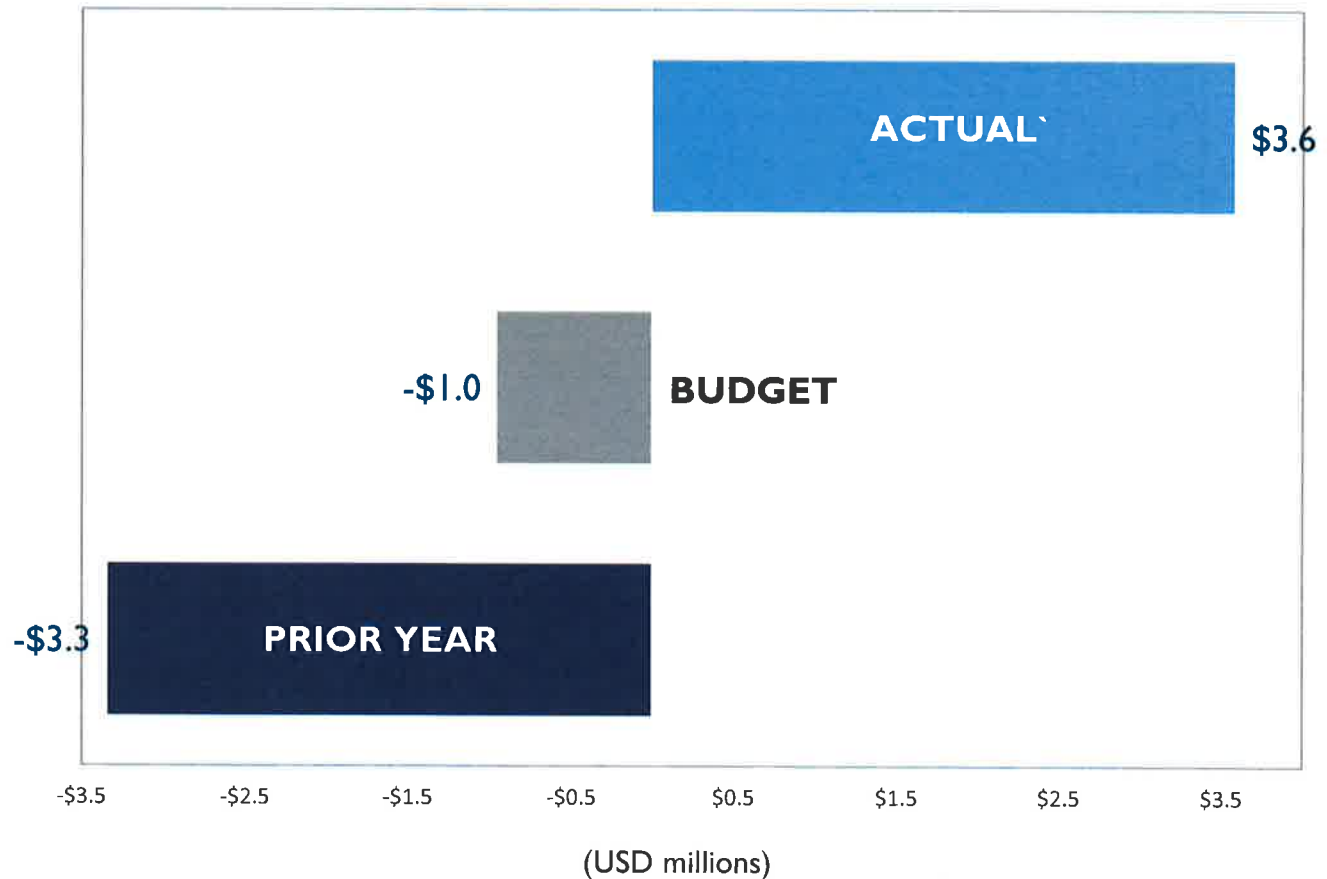


# OPERATING INCOME (LOSS):

## For the Month Ended November 30, 2016

**Favorable  
variances to  
Budget and  
Prior Year**

**NOTE:** For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from **Actual**

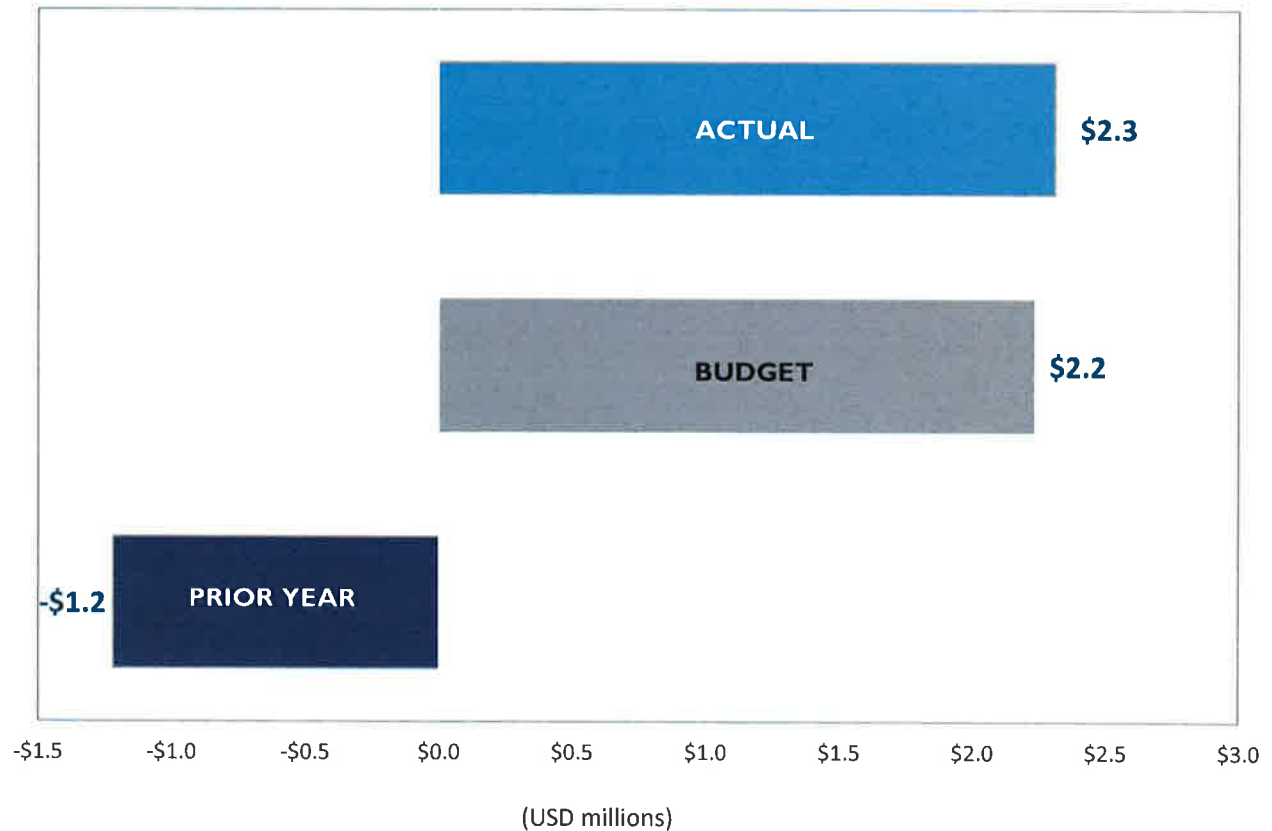


# CHANGE IN NET POSITION:

## For the Month Ended November 30, 2016

**Favorable to  
Budget and  
Prior Year**

**NOTE:** For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from **Actual**



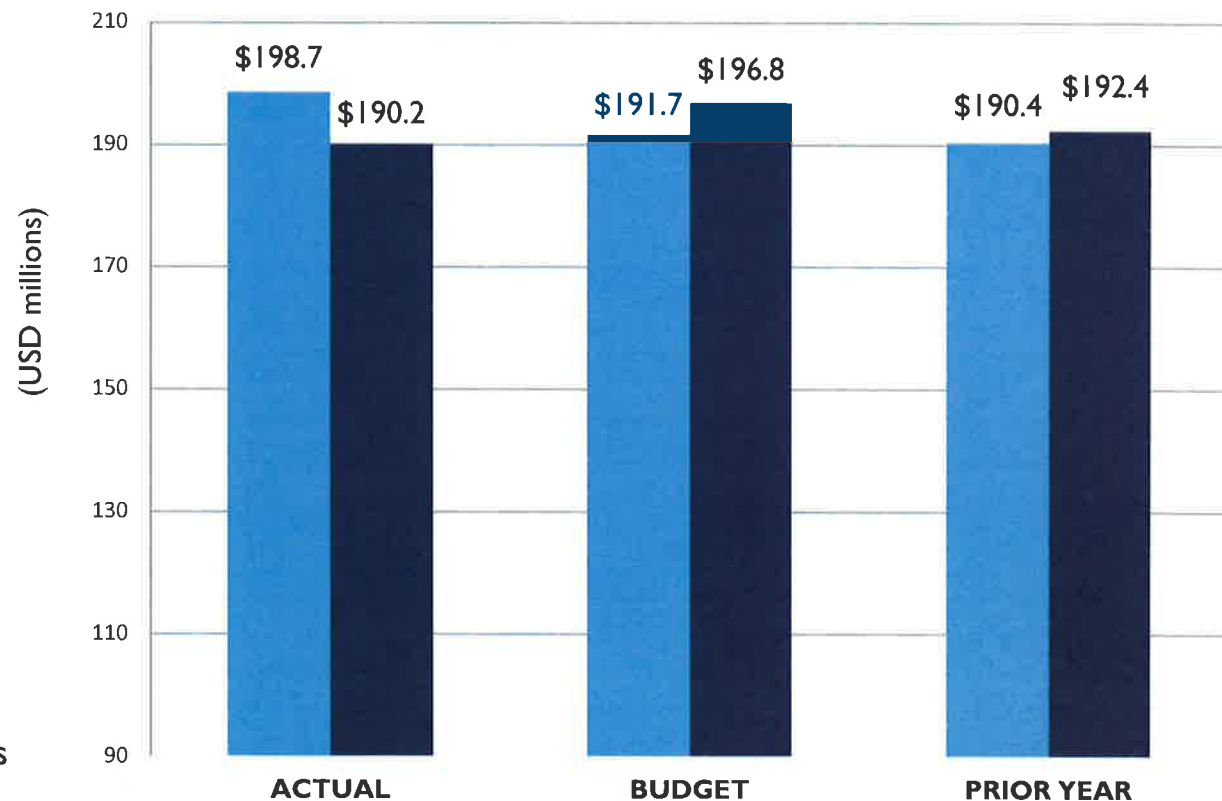
# OPERATING REVENUES AND EXPENSES:

## For the Five Months Ended November 30, 2016

Revenues and  
Expenses  
favorable to  
Budget and  
Prior Year

**NOTE:** For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual

■ Operating Revenues  
■ Operating Expenses



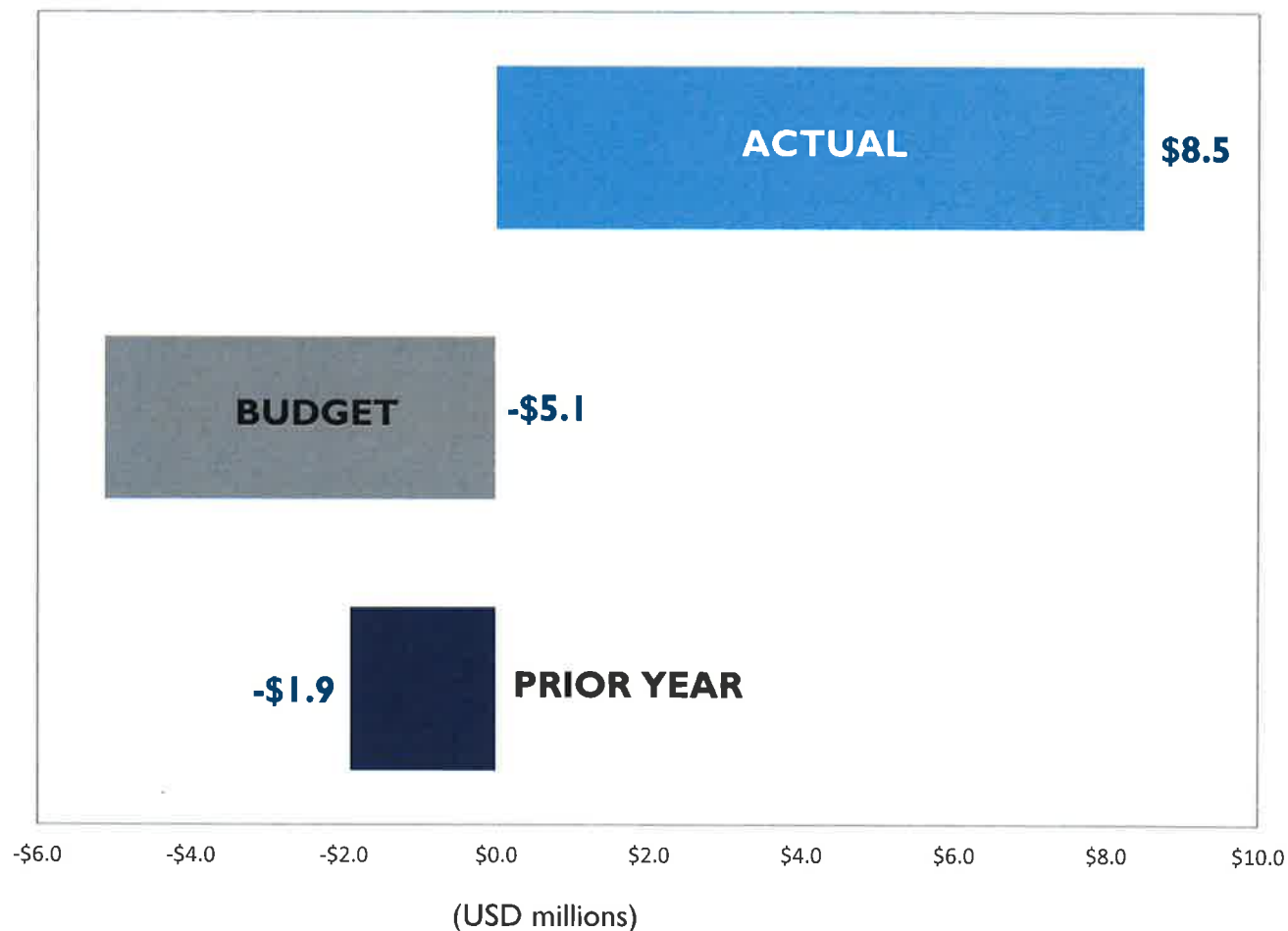


# OPERATING INCOME(LOSS):

## For the Five Months Ended November 30, 2016

Positive  
Operating  
Income with  
favorable  
variances to  
Budget and  
Prior Year

**NOTE:** For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual

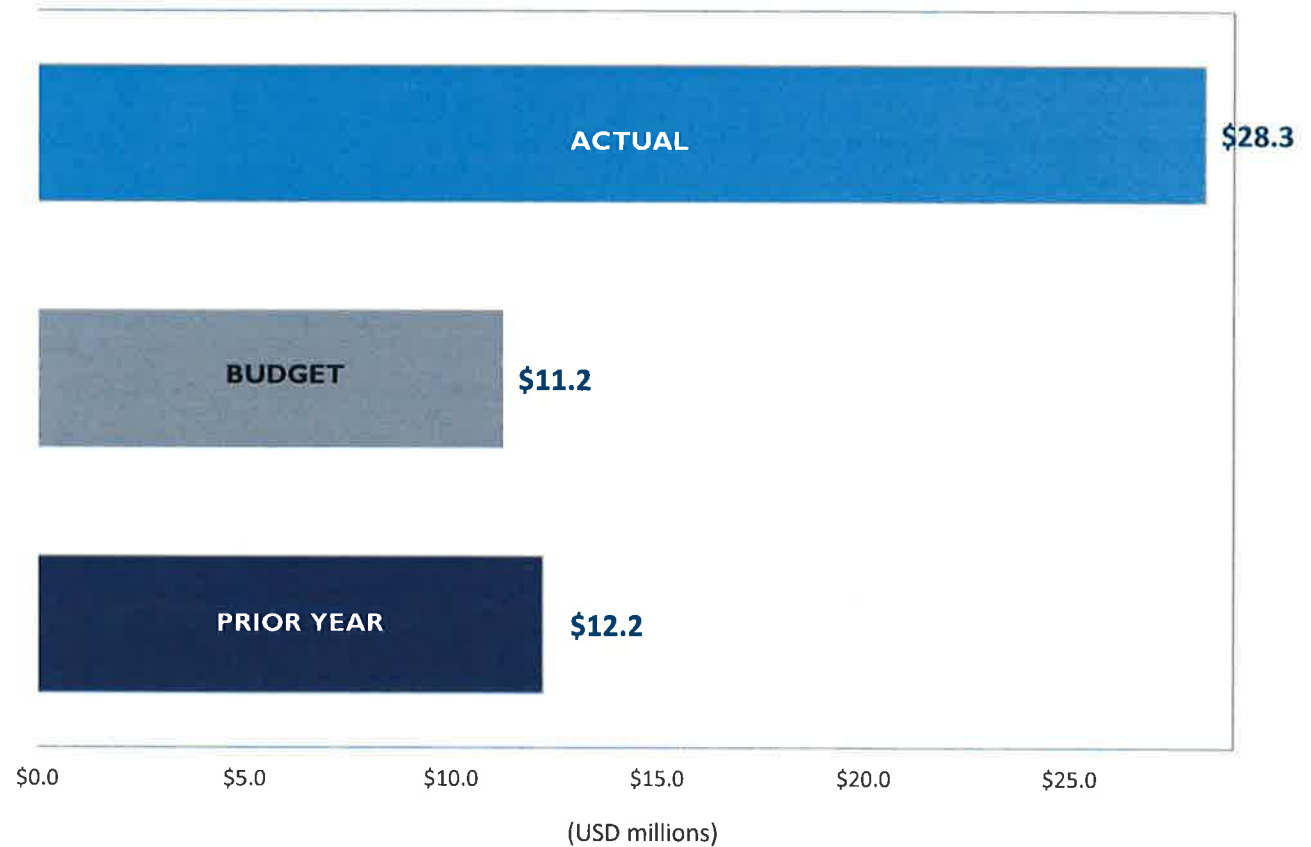


# CHANGE IN NET POSITION:

## For the Five Months Ended November, 30 2016

**Favorable  
variances to  
Budget and  
Prior Year**

**NOTE:** For purposes  
of comparability the  
effects of accounting  
for the amended  
lease and debt  
defeasance have  
been excluded from  
Actual







# STEWARDS OF TOMORROW

INNOVATION

HELPFULNESS

ACCESSIBILITY

MINDFULNESS

FORTITUDE

SUSTAINABILITY

# Virginia Port Authority Board of Commissioners, Session 377, January 24, 2017

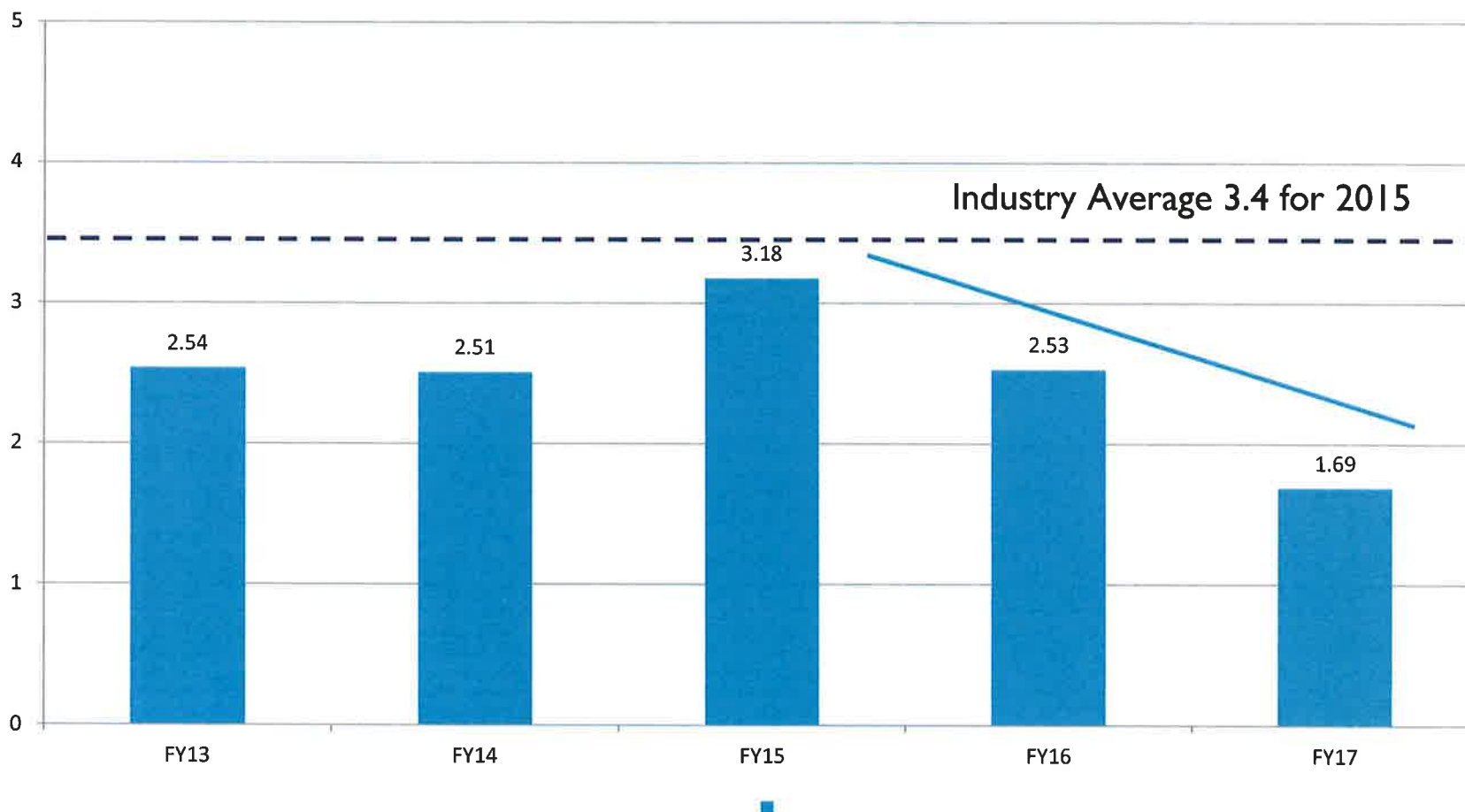
## Operations Report

Shawn Tibbetts

Chief Operations Officer

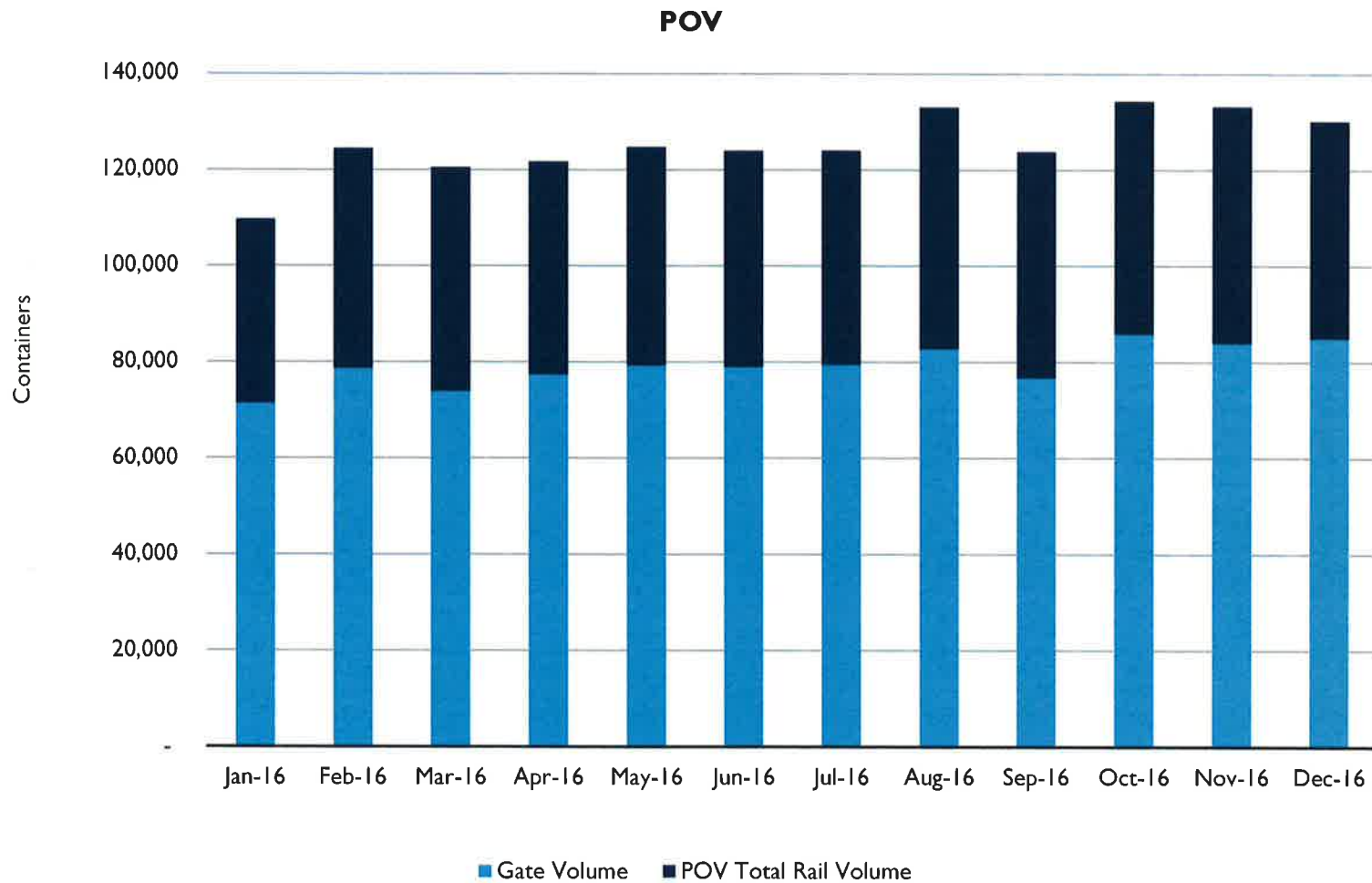


# SAFETY REPORT

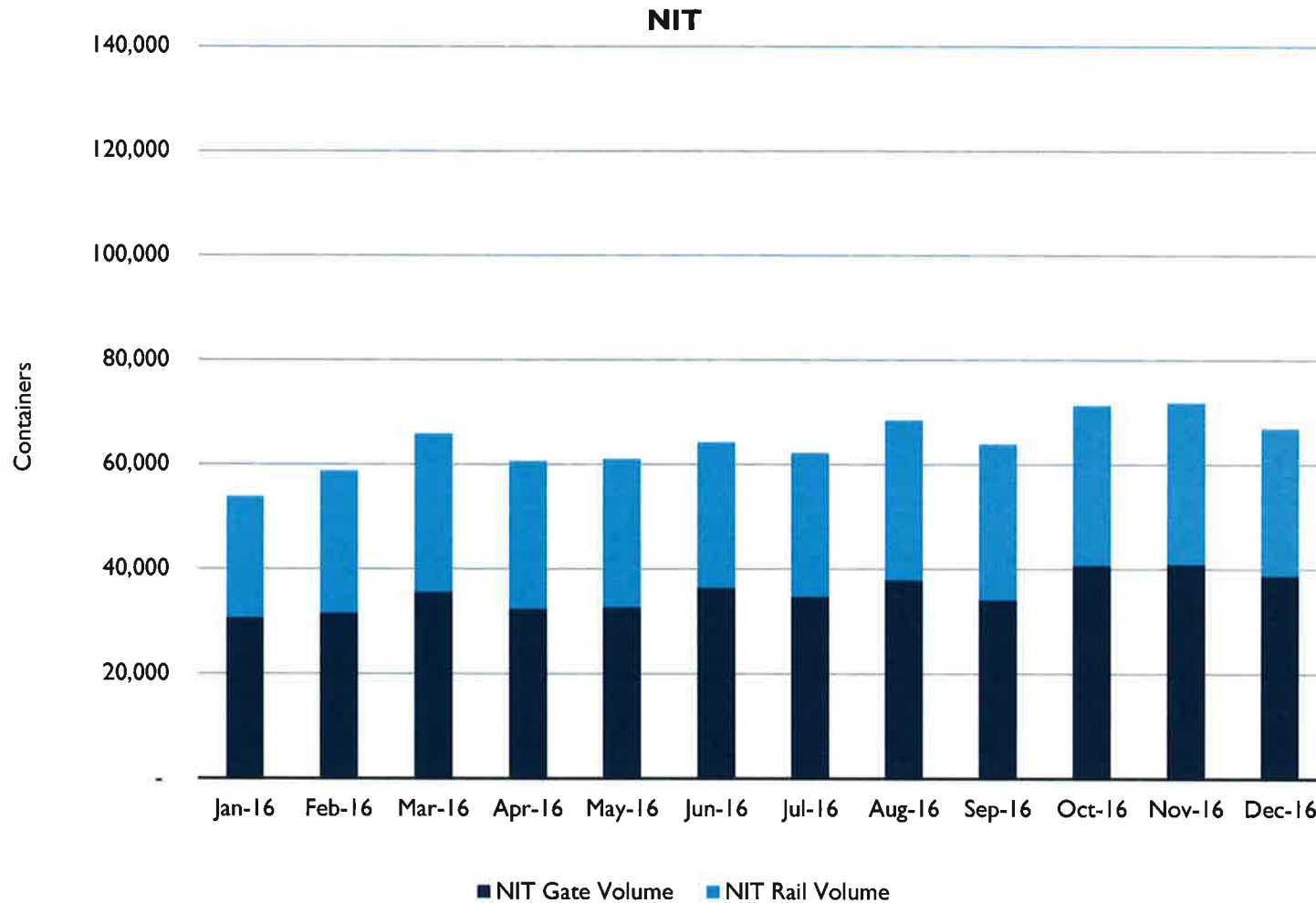




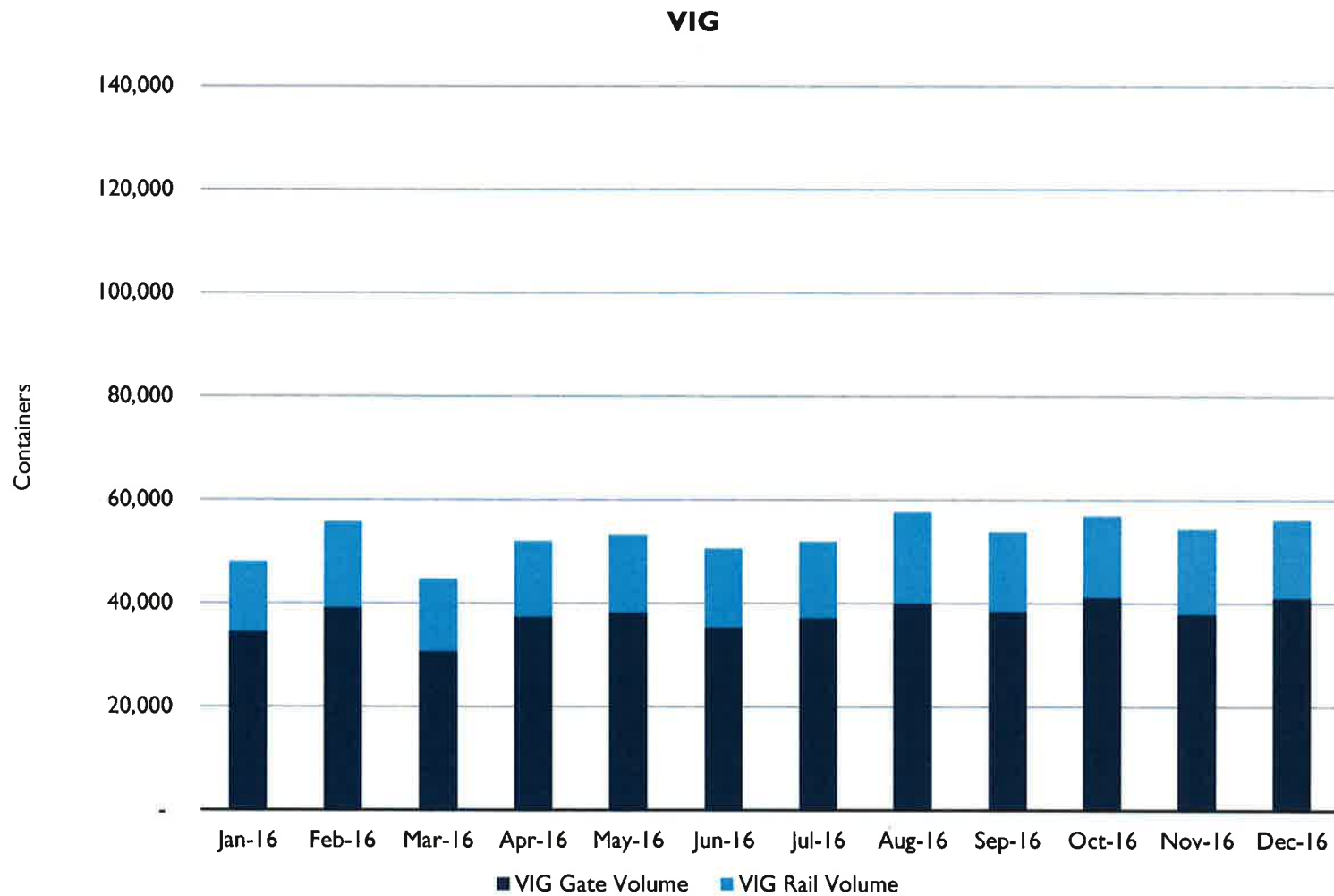
# POV Rail vs. Gate/Barge Volume



# NIT Rail vs. Gate/Barge Volume

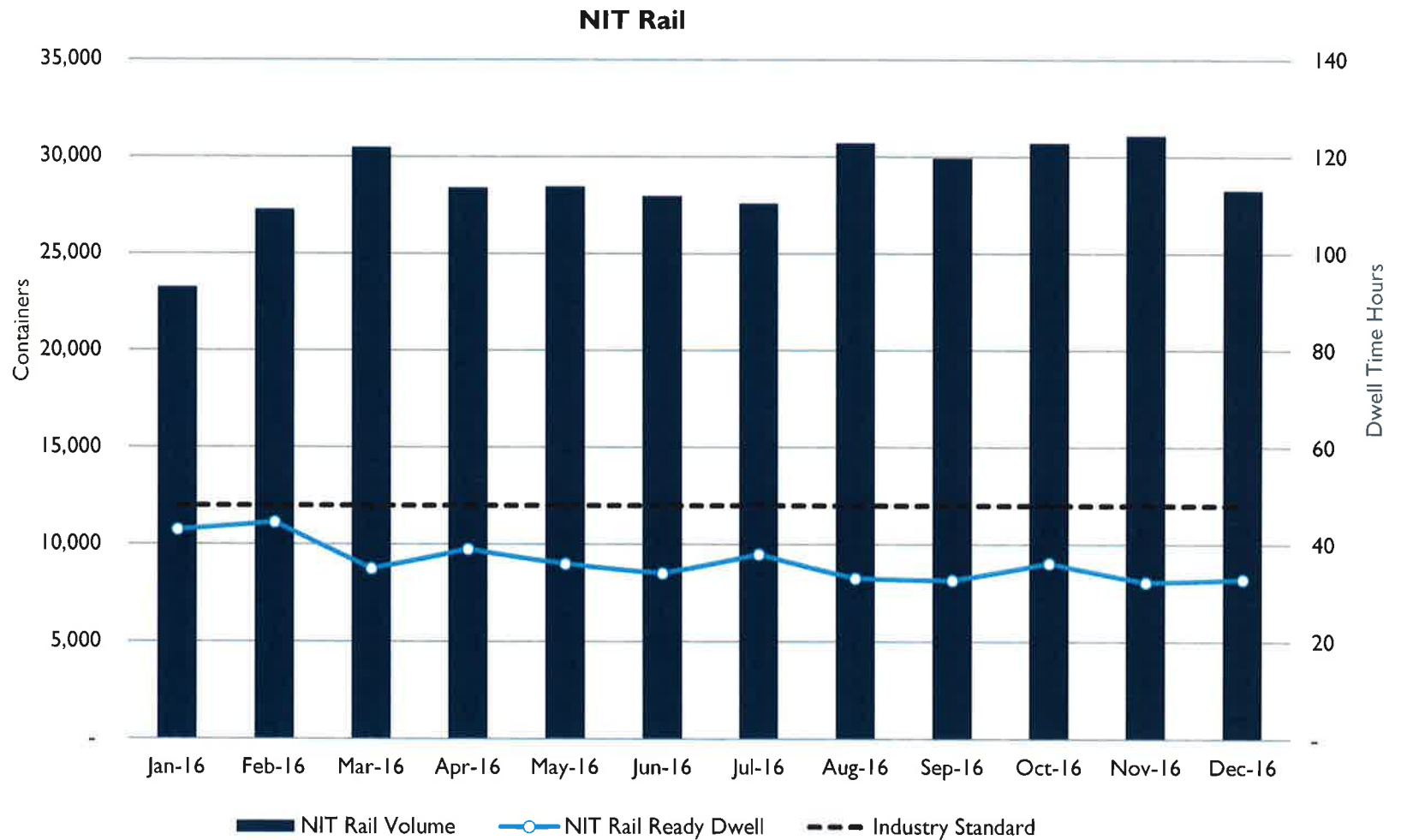


# VIG Rail vs. Gate/Barge Volume

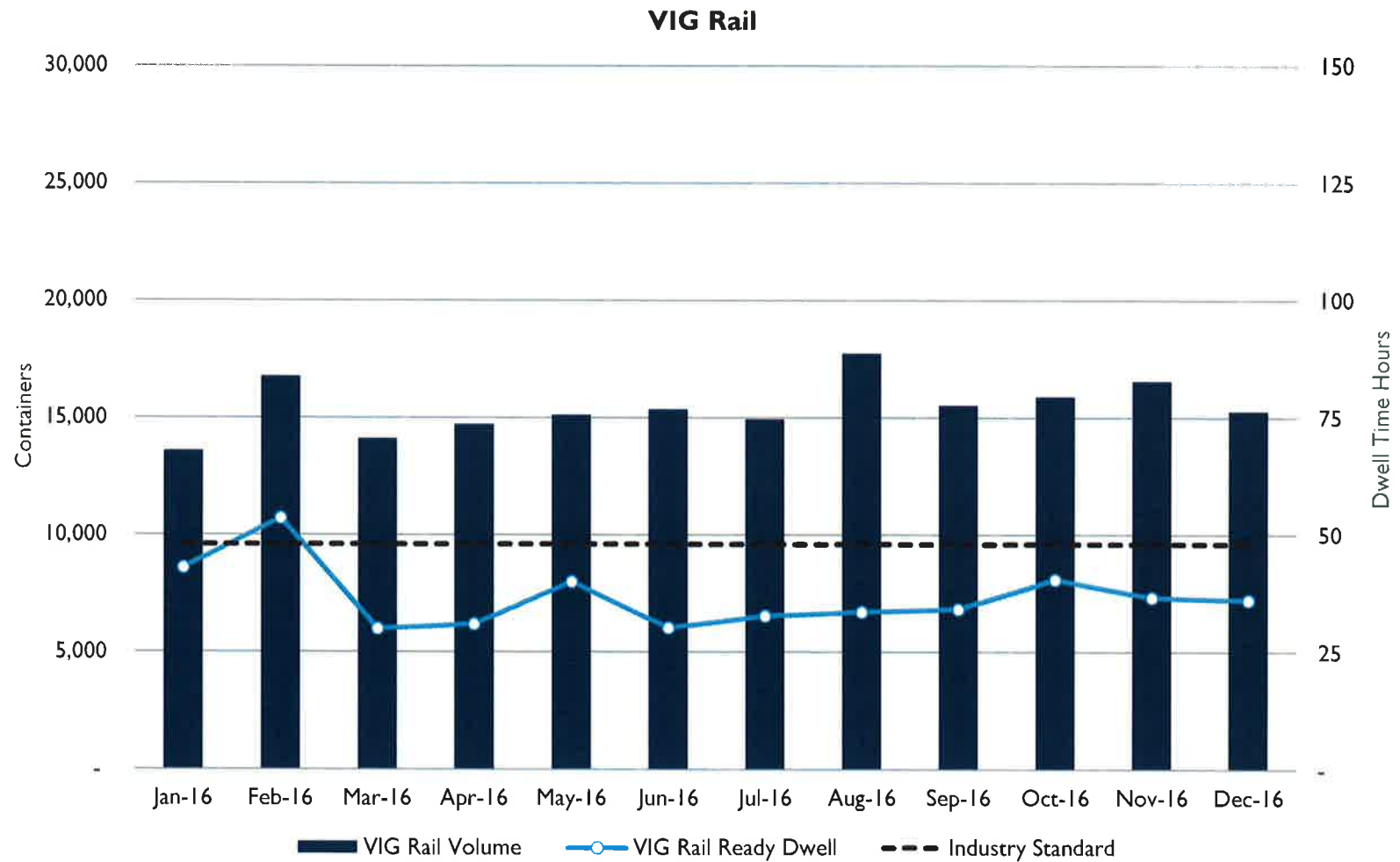




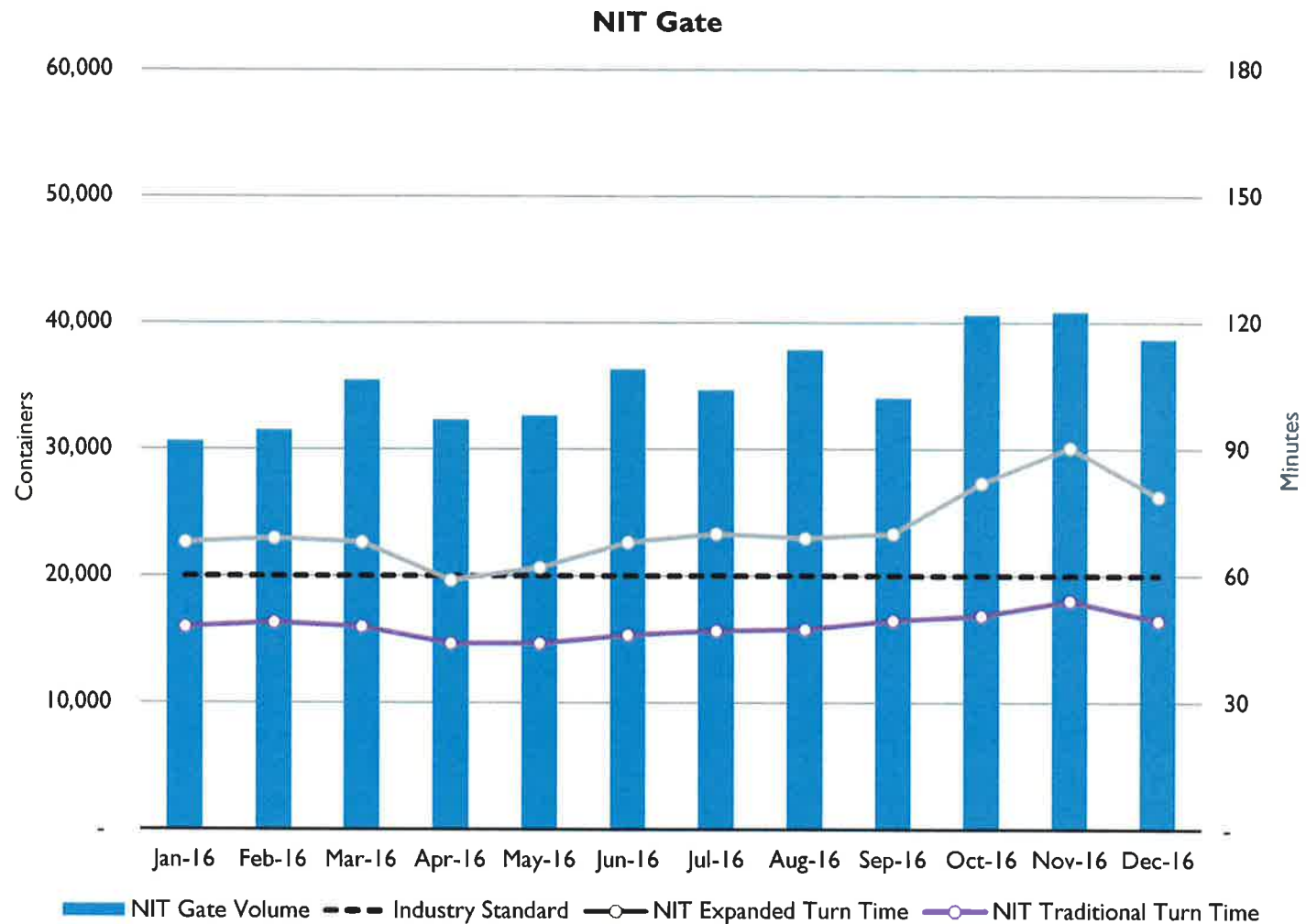
# NIT Rail Volume



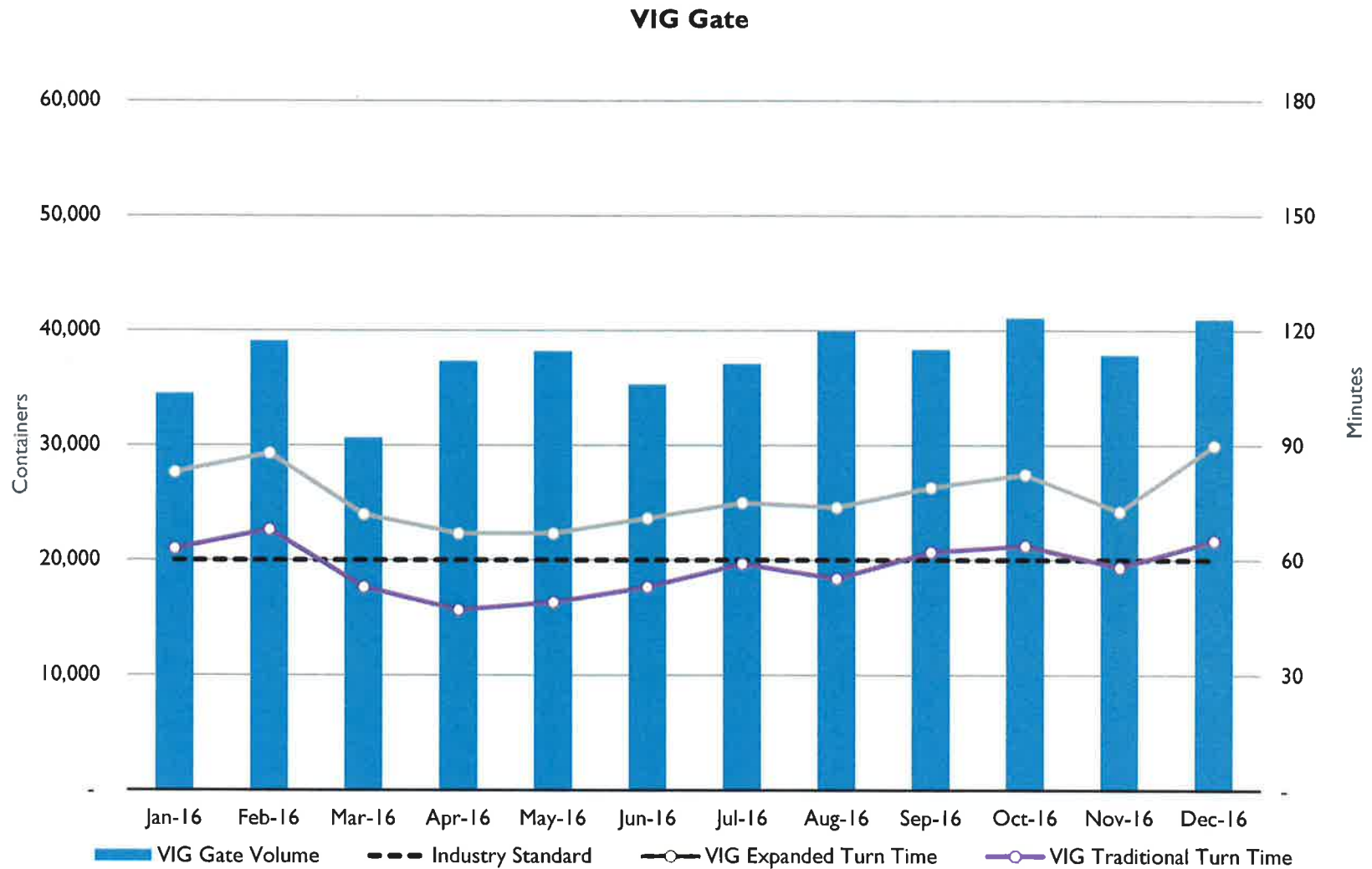
# VIG Rail Volume



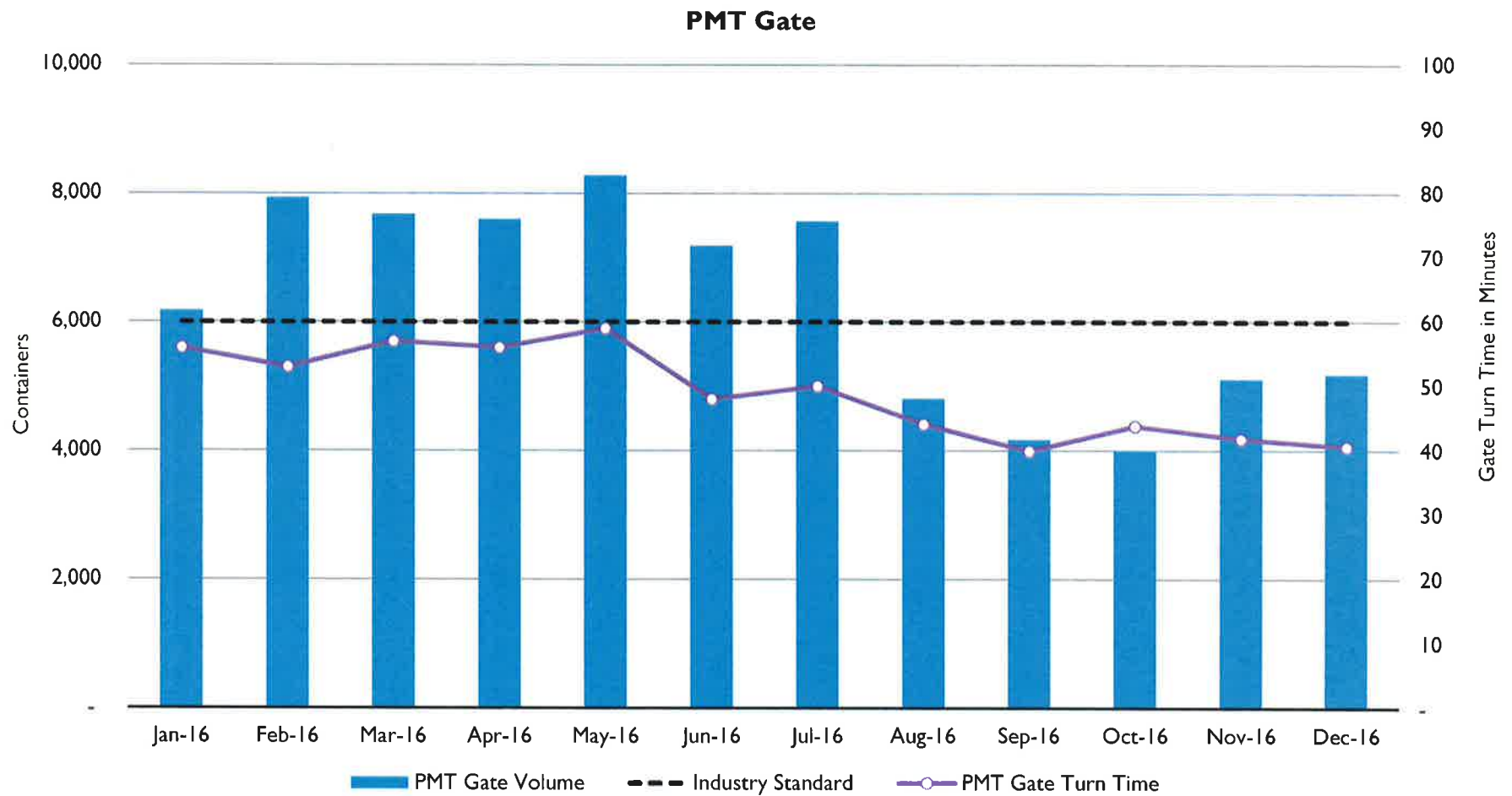
# NIT Gate Turn Times



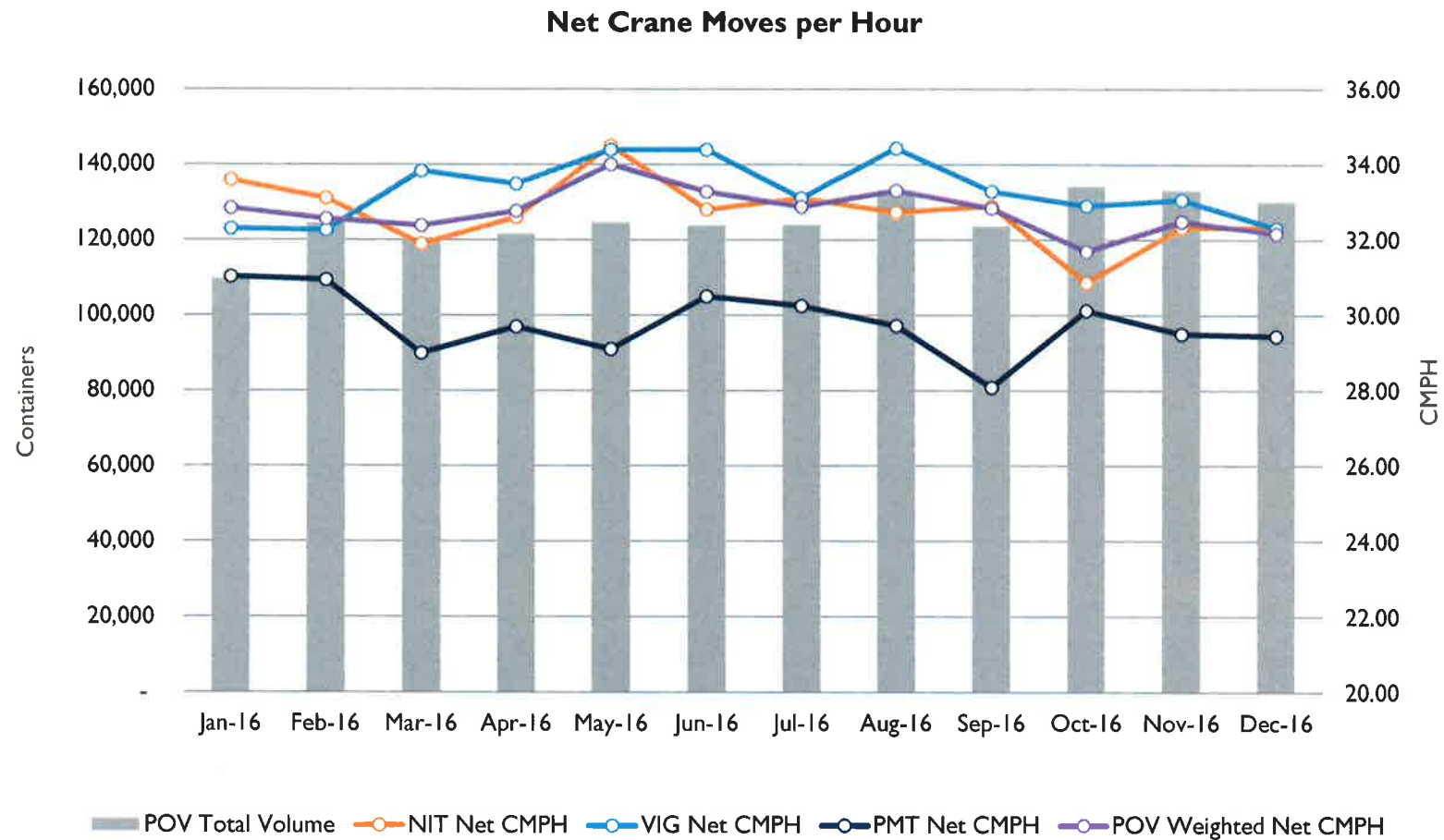
# VIG Gate Turn Times



# PMT Gate Turn Times



# Net Crane Moves per Hour





# STEWARDS OF TOMORROW

INNOVATION

HELPFULNESS

ACCESSIBILITY

MINDFULNESS

FORTITUDE

SUSTAINABILITY



Virginia Port Authority Board of Commissioners, Session 377, January 24, 2017  
Growth & Operations Committee

Thomas Capozzi  
Chief Sales Officer



# 2016 POV Statistics

Calendar Year-to-Date: Jan - Dec 2016

	CY 2015	CY 2016	Change	% Change
<b>Total TEUs</b>	<b>2,549,270</b>	<b>2,655,705</b>	<b>106,435</b>	<b>4.2%</b>
Export TEUs	1,392,212	1,428,962	36,750	2.6%
Import TEUs	1,157,058	1,226,744	69,686	6.0%
<b>Total Containers</b>	<b>1,454,748</b>	<b>1,503,886</b>	<b>49,138</b>	<b>3.4%</b>
<b>General Cargo Tonnage</b>	<b>19,977,708</b>	<b>20,869,313</b>	<b>891,605</b>	<b>4.5%</b>
Container Tonnage	19,681,989	20,664,887	982,898	5.0%
Breakbulk Tonnage	295,719	204,426	(91,293)	-30.9%
<b>Total Rail Containers</b>	<b>484,082</b>	<b>551,496</b>	<b>67,414</b>	<b>13.9%</b>
VIP Containers	37,254	37,726	472	1.3%
<b>Total Barge Containers</b>	<b>47,606</b>	<b>40,344</b>	<b>(7,262)</b>	<b>-15.3%</b>
RMT Containers	14,760	19,602	4,842	32.8%
<b>Total Truck Containers</b>	<b>923,060</b>	<b>912,046</b>	<b>(11,014)</b>	<b>-1.2%</b>
<b>Ship Calls</b>	<b>1,997</b>	<b>1,919</b>	<b>(78)</b>	<b>-3.9%</b>
<b>Vehicle Units</b>	<b>49,473</b>	<b>30,206</b>	<b>(19,267)</b>	<b>-38.9%</b>



THE PORT OF  
VIRGINIA

Stewards of Tomorrow

## CSX CAPABILITIES UPDATE

- Virginia Avenue tunnel went live on Dec 24<sup>th</sup>, 2016
- PMT on-dock rail service started Nov 28<sup>th</sup>, 2016

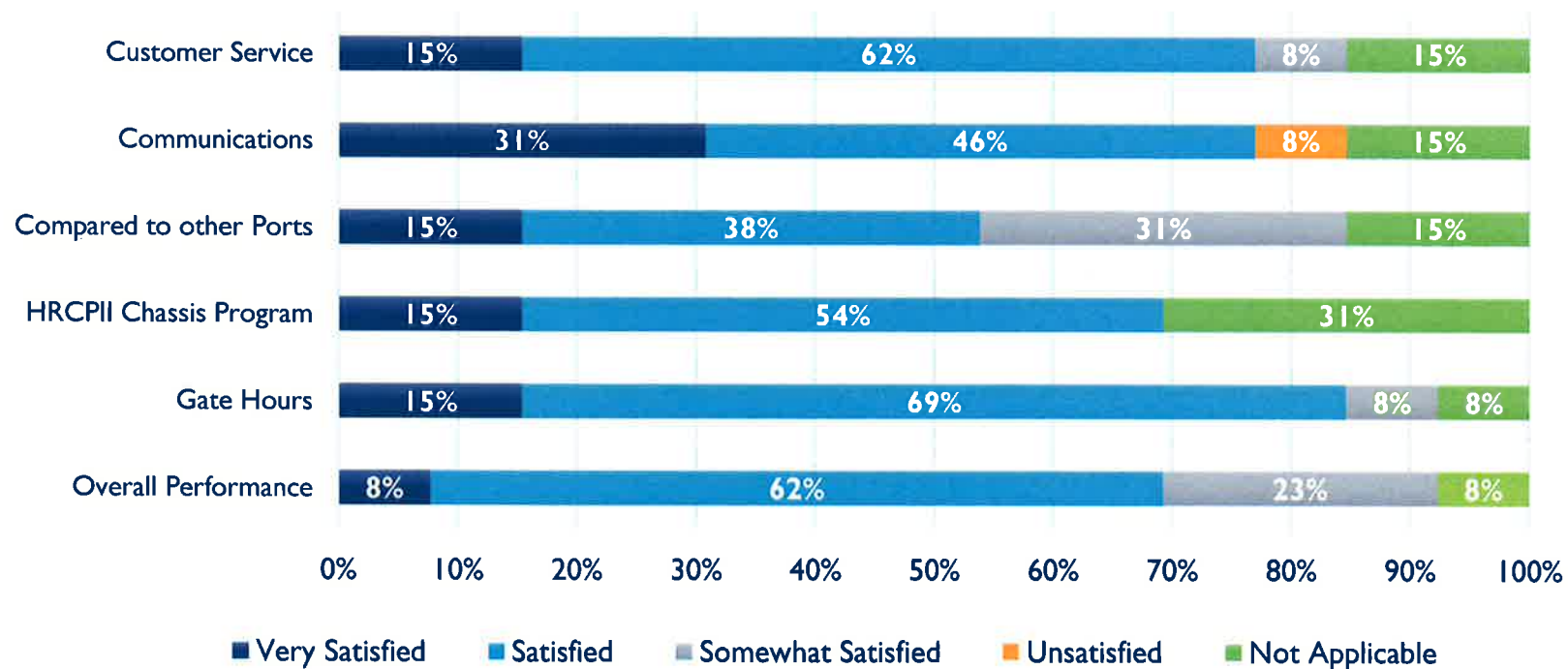




## 2016 IN REVIEW

- New services started
  - MOL/Hyundai NYX at NIT
  - 2M TP-10/Americas at VIG
- New contracts signed
  - ACL (Extension)
  - Evergreen
  - Nile Dutch
  - Hyundai (Extension)
  - MOL

## PEAK SEASON CUSTOMER FEEDBACK





## FIRST IN-LAST OUT SERVICES – THE ALLIANCE

Service	Rotation
AL1	Bremerhaven-Antwerp-UK- <b>Norfolk</b> -Philadelphia-New York-Halifax-Bremerhaven - <b>FIRST IN</b>
AL3	Antwerp-Bremerhaven-UK-South Atlantic (US)-Port Everglades-Houston-South Atlantic (US)- <b>Norfolk</b> -Antwerp - <b>LAST OUT</b>
AL6	Salerno-Livorno-La Spezia-Genoa-Fos-Halifax-New York- <b>Norfolk</b> -Savannah-Salerno
AL7	Ashdod-Haifa-Izmir-Piraeus-Barcelona-Tarragona-Valencia-Algeciras-Halifax-New York- <b>Norfolk</b> -Savannah-Valencia-Tarragona-Mersin-Ashdod
EC1	Ningbo-Shanghai-Pusan-Tokyo-(Panama Canal)-Manzanillo-Savannah-Jacksonville-Charleston- <b>Norfolk</b> -Miami(Seasonal)-Manzanillo-(Panama Canal)-Balboa-Los Angeles-Oakland-Tokyo-Kobe-Ningbo
EC3	Kaohsiung-Xiamen-Hong Kong-Yantian-Shanghai-(Panama Canal)-Savannah- <b>Norfolk</b> -(Panama Canal)-Balboa-Pusan-Kaohsiung- <b>LAST OUT</b>
EC4	Kaohsiung-Hong Kong-Yantian-Cai Mep-(Suez Canal)-New York- <b>Norfolk</b> -Savannah-Jacksonville-Charleston-(Suez Canal)-Singapore-Kaohsiung
EC5	Laem Chabang-Cai Mep-Singapore-Colombo-(Suez Canal)-Halifax-New York-Savannah- <b>Norfolk</b> -Halifax-(Suez Canal)-Jebel Ali-Singapore-Laem Chabang - <b>LAST OUT USEC</b>

## FIRST IN-LAST OUT SERVICES – OCEAN ALLIANCE

Service	Rotation
Loop 1/AWE1	Qingdao-Ningbo-Shanghai-Pusan-New York-Boston-Norfolk-Singapore - <b>LAST OUT</b>
Loop 2/AWE2	Xiamen-Kaohsiung-Hong Kong-Yantian-Colon-New York-Baltimore-Norfolk-Xiamen - <b>LAST OUT</b>
Loop 3/AWE3	Hong Kong-Cai Mep-Singapore-Port Kelang-Colombo-Halifax-New York-Norfolk-Savannah- Port Kelang
Loop 5/AWE5	Hong Kong-Yantian-Ningbo-Shanghai-Colon-Norfolk-Savannah-Charleston-Hong Kong - <b>FIRST IN</b>
TAT1	Malta-Livorno-Genoa-Fos-Barcelona-Valencia-Lisbon-New York-Norfolk-Savannah-Miami-Algeciras-Valencia-Malta
TAT2	Southampton-Antwerp-Rotterdam-Bremerhaven-Le Havre-New York-Norfolk-Savannah-Charleston-Southampton

# Virginia Port Authority Board of Commissioners, Session 377, January 24, 2017

## Human Resources Report

---

Jim Bibbs

Chief Human Resources Officer



# HR HIGHLIGHTS

---



- Mid-year Reviews
- Dependent Audit
- 2017 Employee Engagement Survey
- Outreach Ambassador Program (OAP)
- Summer 2017 Internship Program
- Recruitment/Training Metrics

# MID YEAR REVIEW

---

- Reviews will be held from January 30<sup>th</sup> – February 10<sup>th</sup>.
- Focus is on ensuring accuracy and relevance of current goals, and aligning employee performance
- Continuing ADP Performance Management System Pilot Program



# DEPENDENT AUDIT

---



- FBA (a SWAM vendor) has been contracted to conduct audit of dependent enrollment.
- Initial letters to colleagues went out on January 13<sup>th</sup>.
- Colleagues will have six weeks to provide FBA with required documentation.



# EMPLOYEE ENGAGEMENT SURVEY

---

- Changed vendors from Avatar to TNS Employee Insights, and began work on survey design.
- Internal project committee formed to create 2017 survey questions
- Survey expected to be distributed on April 3<sup>rd</sup>.



# OUTREACH AMBASSADOR PROGRAM

---



- Focus on developing current colleagues as “ambassadors” to assist with various outreach events.
- Ensure centralized and targeted approach to workforce development efforts and brand presentation.
- Program will be directed by the Talent Acquisition Manager, and includes participation from all departments.

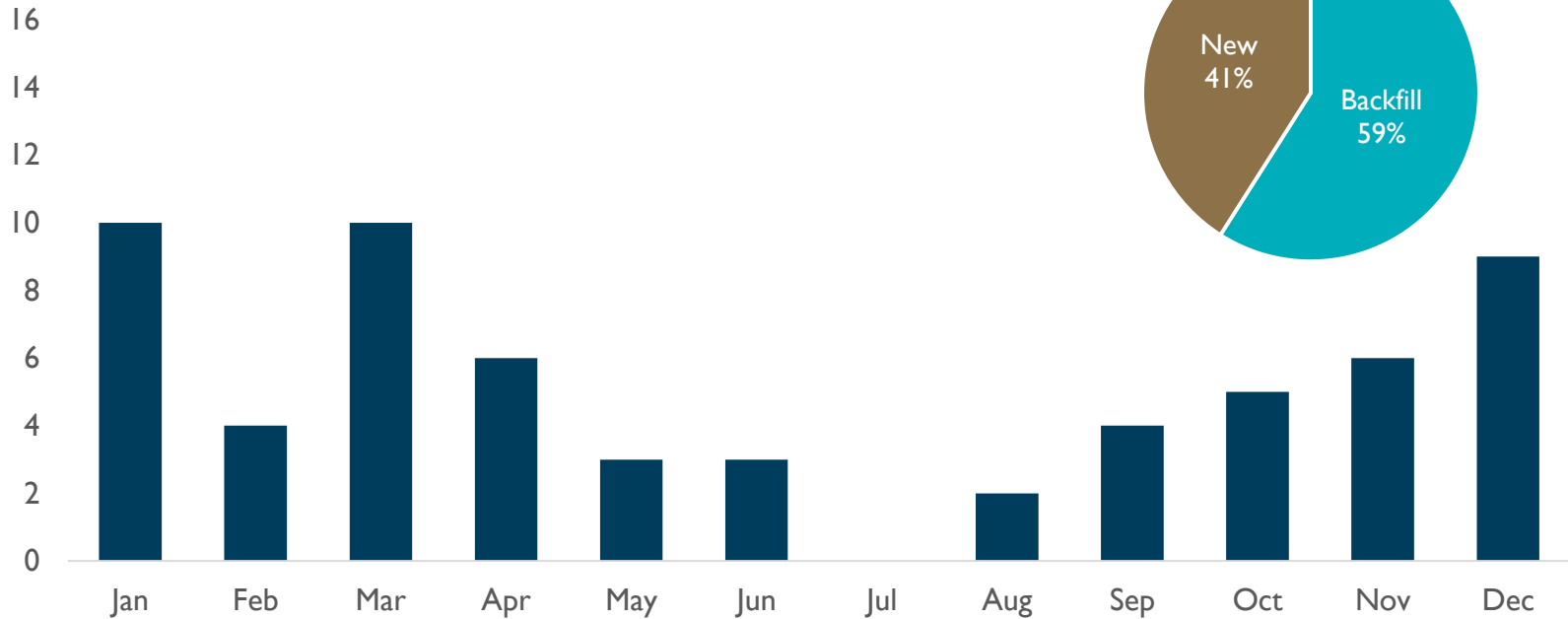
# SUMMER INTERNSHIP PROGRAM

- Summer Internship Program will run from June 5<sup>th</sup> – July 28<sup>th</sup>.
- Opportunities will be posted for application by February 3<sup>rd</sup>.
- 12 internships will be offered.
- Since 2015, POV has provided 25 internships, and hired 5 interns in a permanent or temporary capacity



# RECRUITMENT METRICS

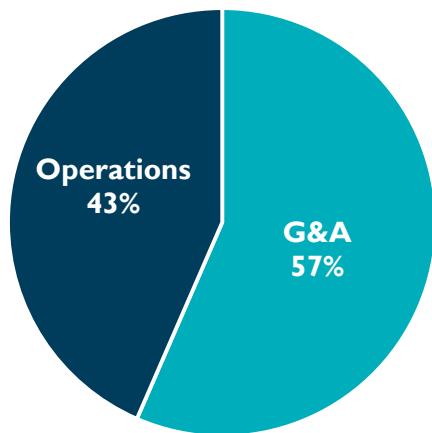
CY16 Total Port of Virginia Hires



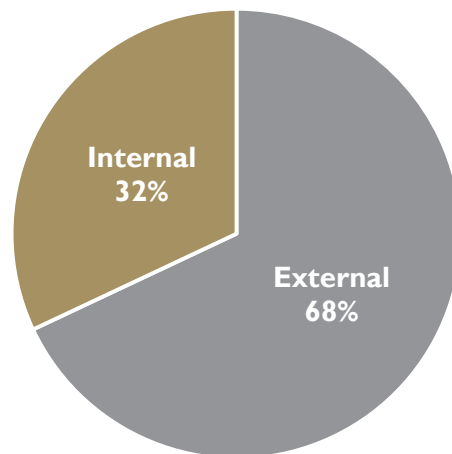
# TRAINING METRICS

---

FYTD17 Port of Virginia Training Type



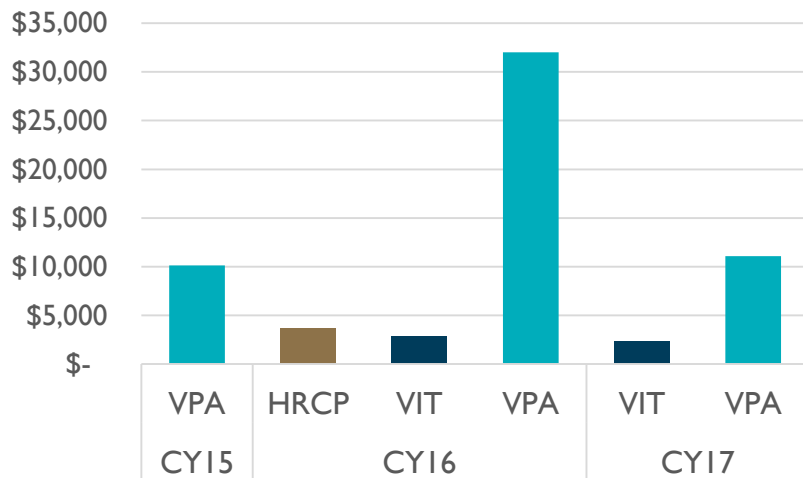
FYTD17 Port of Virginia Training Location



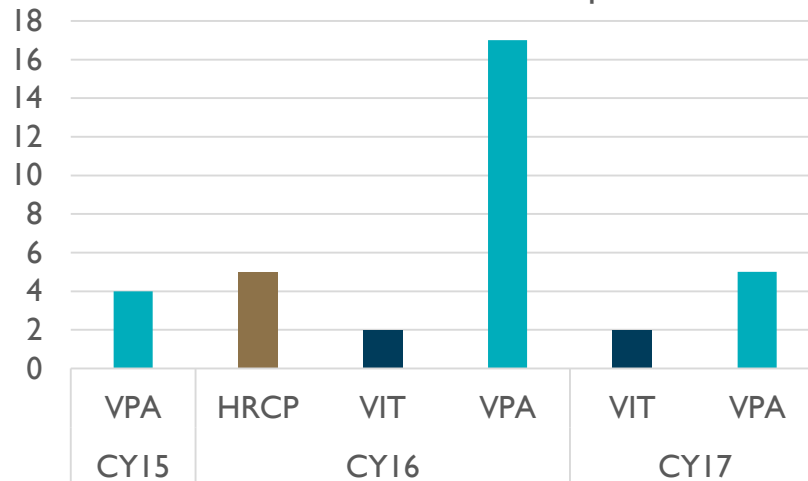
# TRAINING METRICS

## COLLEGE REIMBURSEMENT DATA

CY15 - CY17YTD Reimbursement Costs



CY15 - CY17YTD Participation





# STEWARDS OF TOMORROW

INNOVATION

HELPFULNESS

ACCESSIBILITY

MINDFULNESS

FORTITUDE

SUSTAINABILITY



# Virginia Port Authority Board of Commissioners, Session 377, January 24, 2017

Joseph P. Ruddy  
Chief Innovation Officer





# AGENDA

- 2017 Sustainability Report
- ISO 14001 and ISO 9001 Recertifications
- Projects Update
  - North Gate
  - South NIT
  - VIG
  - Business Intelligence





# 2017 SUSTAINABILITY REPORT

- Published February 28, 2017
- E Book Format
- Being prepared with the Meridian Group (POV Annual Report)
- Themes for this years' report revolve around the Port of Virginia's environmental, financial, and social stewardship
- The report will be provided at this years' State of the Port address in late April 2017



# I 400 I AND 900 I RECERTIFICATIONS

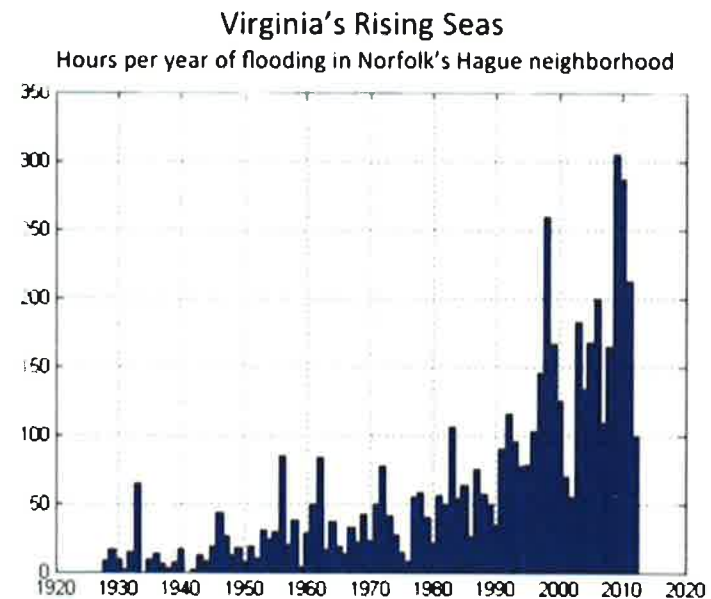
Annual full recertification of both programs will be accomplished this spring (triennial requirement)

- **ISO 9001 (Quality Management System)**
  - QMS fully in place within VPA and maturing in scope
  - First US port to achieve certification to 2015 standard
- **ISO 14001 (Environmental Management System)**
  - Scope includes entire port with addition of RMT this spring
  - Adopting new standard in 2018

# ADDRESSING SEA LEVEL RISE

## Hampton Roads

- Affected by multiple factors
  - Global sea rise
  - Coastal subsidence
  - Gulf Stream induced
- Extreme weather events have more pronounced impact
  - Hurricanes
  - Nor'easters
  - Tides/rain



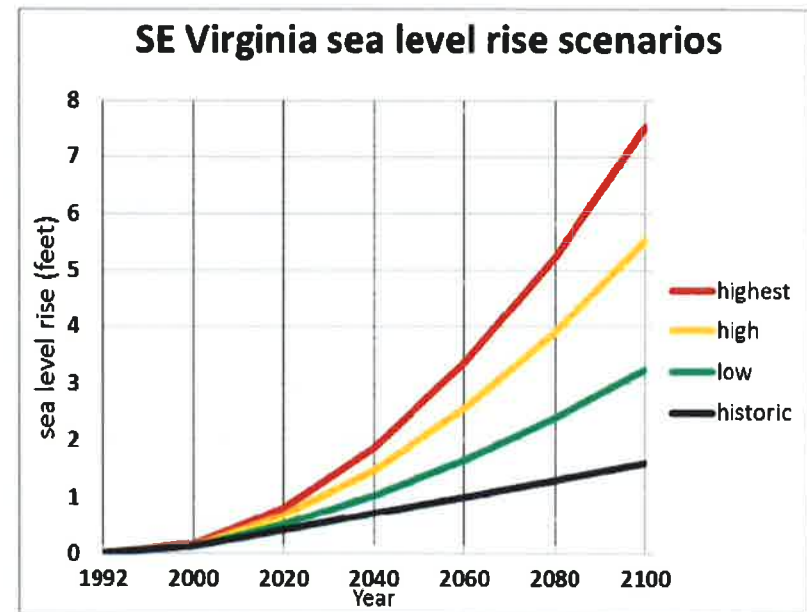
Source: Virginia Institute of Marine Science

Among nation's most vulnerable regions to sea level rise

















# OUR EFFORTS

- Three pillared approach
  - On facility
    - Existing infrastructure
    - Projects
  - Off facility networks
  - Relationships



VIMS Sea Level Rise Projections for SE Virginia

# PROJECTS OVERVIEW

PROJECT	BUDGET	SCHEDULE
VIG Phase II		
VIG N4 Conversion		
NIT North Gate		
NIT PDS		
NIT Optimization		
Business Intelligence		
IT Business Continuity		

# NIT NORTH GATE/OPTIMIZATION





# NIT NORTH GATE AERIAL – 12/15/2016





## NIT NORTH GATE – INBOUND GATE LANES





# NIT NORTH GATE – OUTBOUND PORTAL & LANES





# STEWARDS OF TOMORROW

INNOVATION

HELPFULNESS

ACCESSIBILITY

MINDFULNESS

FORTITUDE

SUSTAINABILITY

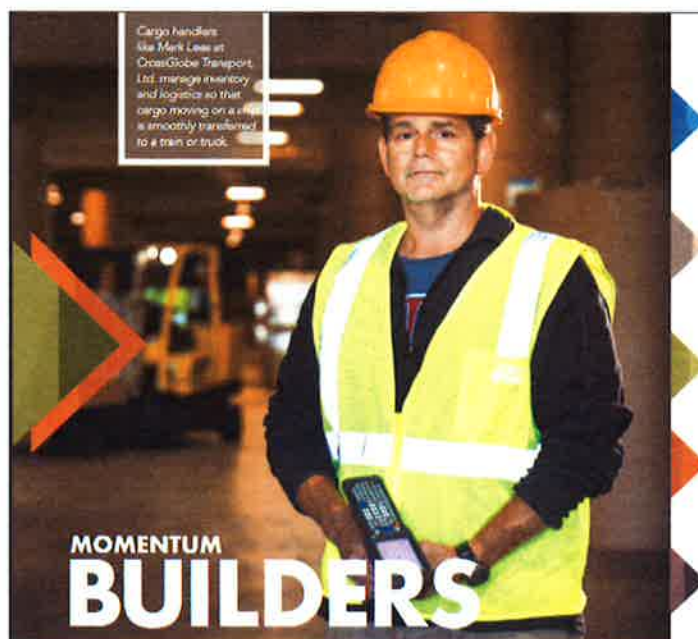


# Virginia Port Authority Board of Commissioners, Session 377, January 24, 2017

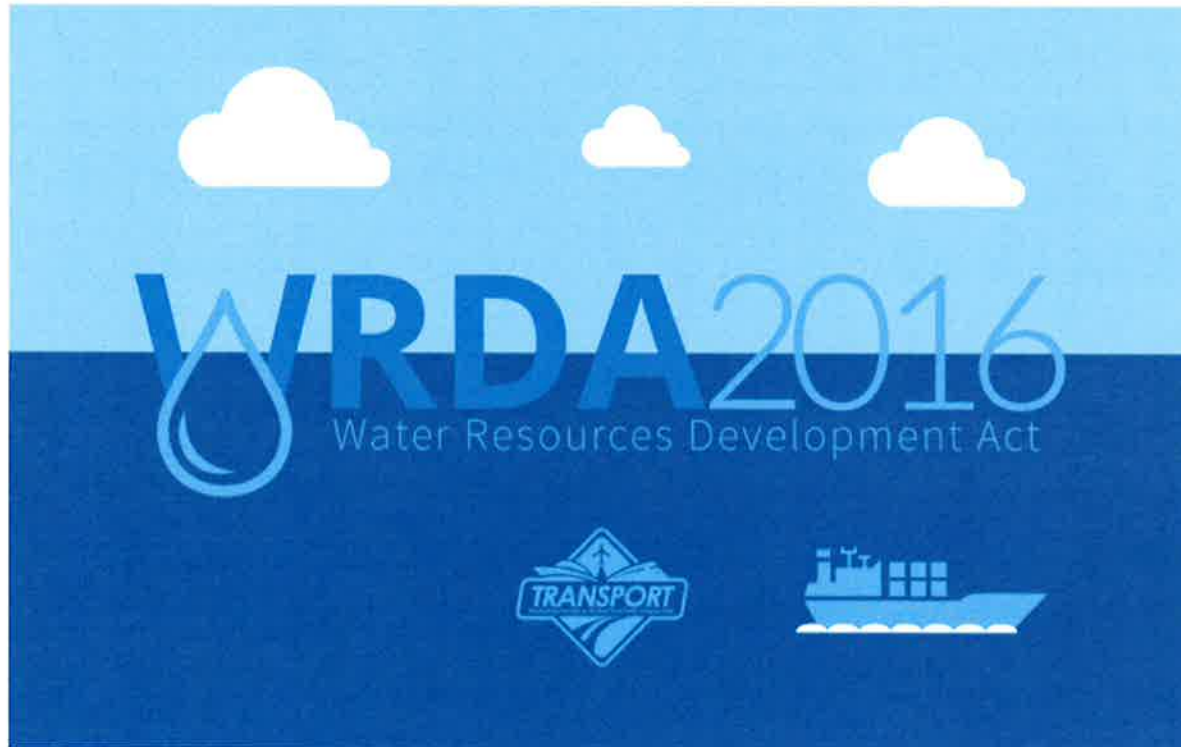
## Public Affairs Update

Cathie Vick

Chief Public Affairs Officer



## FEDERAL ACTIVITIES – WRDA/WIIN



## 2017 GENERAL ASSEMBLY SESSION





# FOREIGN TRADE ZONE 20 EXPANSION



## FOOD AND BEVERAGE MEDIA TOUR



THE PORT OF  
VIRGINIA

*Stewards of Tomorrow*



## CY 2016 ECONOMIC DEVELOPMENT ANNOUNCEMENTS



# CY 2016 ECONOMIC DEVELOPMENT TOTALS

**41 ANNOUNCEMENTS**



**MORE THAN 3.5 MILLION  
SQ. FT. OF SPACE**



**INVESTED MORE  
THAN \$924 MILLION**

**CREATED  
3,808 JOBS**



*Stewards of Tomorrow*

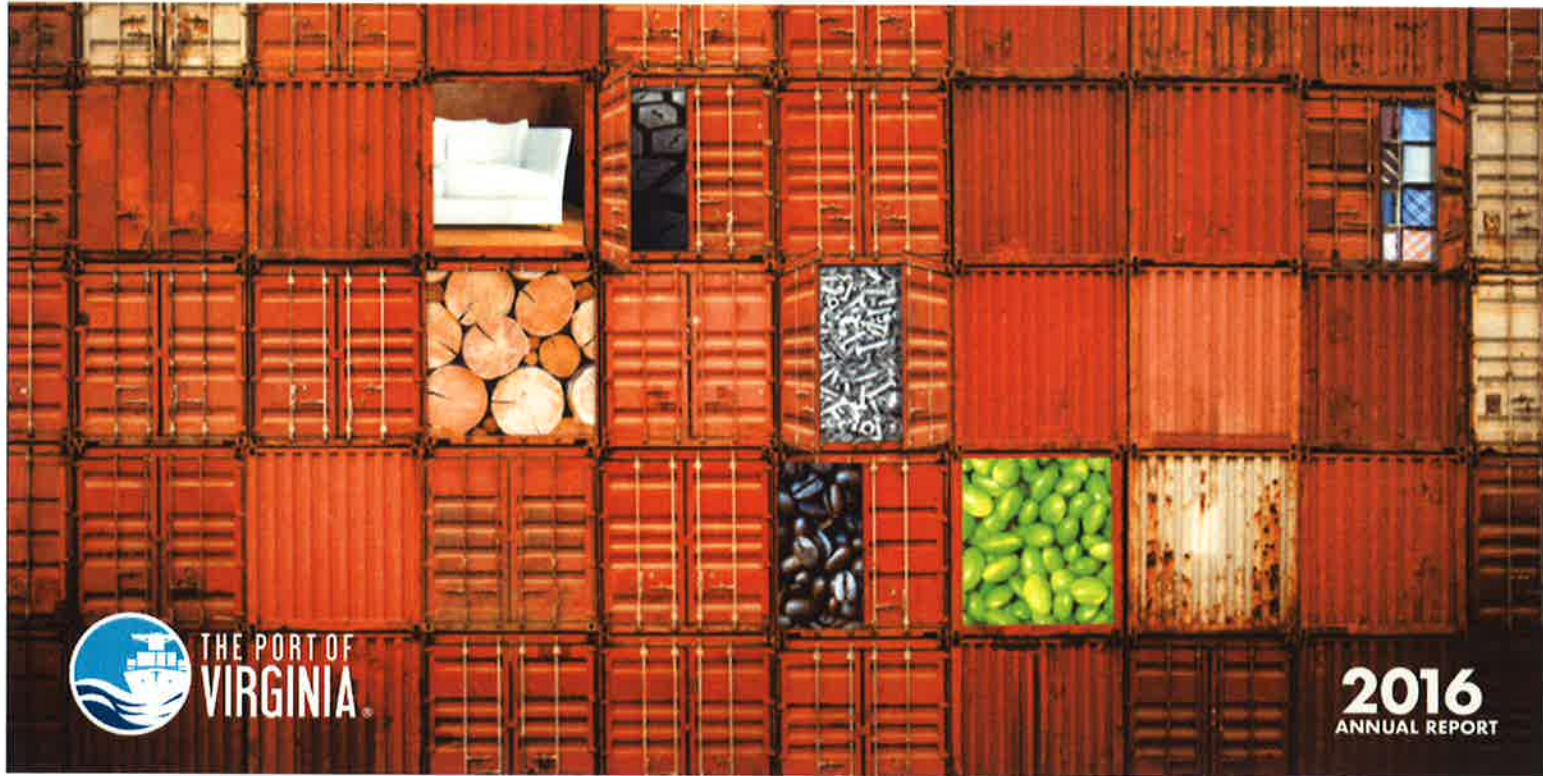
# CY 2016 ECONOMIC DEVELOPMENT TOTALS



**MORE THAN 1.3 MILLION  
SQ. FT. OF SPECULATIVE  
WAREHOUSE SPACE  
ANNOUNCED IN 2016**

MARKETING AND COMMUNICATIONS

## OWNED MEDIA





MARKETING AND COMMUNICATIONS

## EARNED MEDIA

**American Shipper**

Home > News > Port of Virginia places massive order for yard cranes

### Port of Virginia places massive order for yard cranes

The port authority's board of commissioners approved two contracts worth \$217 million for 86 rail-mounted gantry cranes, with 60 of the cranes going to Norfolk International Terminals and the additional 26 cranes going to Virginia International Gateway.

BY ERIC KULISCH | WEDNESDAY, NOVEMBER 16, 2016

The Virginia Port Authority's board of commissioners on Tuesday approved two contracts worth \$217 million with Finnish manufacturer Konecranes for 86 rail-mounted gantry cranes (RMGs) used to stack and transfer ocean containers.

Konecranes said the purchase marks the largest one-time order for automated stacking cranes (ASCs) in the company's history.

The first 60 pieces of remote-controlled equipment are for Norfolk International Terminals (NIT), where planning and preliminary site work has begun for a semi-automated container yard with RMGs, which will mirror the yard currently in operation at the Virginia International Gateway facility in nearby Portsmouth. The RMGs will replace straddle carriers that currently transfer containers between the stacks and drayage trucks.

The second tranche of 26 RMGs is for the Virginia International Gateway.

RELATED ARTICLES

- Japanese carrier joint venture will help when market is poor
- NYK, K Line and MOL each reviewed the past year and plans for the future, including the new joint venture between the three companies, which they plan to form in July.
- UP purchases Ralex reefer distribution assets
- Omaha, Neb.-based Class I railway Union Pacific has acquired the refrigerated and cold storage distribution assets of Ralex LLC in Delano, Calif., Wallula, Wash., and Rotterdam, N.Y.
- Maersk-Alibaba tie-up a sign of changing times
- Danish shipping company Maersk Line and Chinese e-commerce marketplace Alibaba teamed up to provide sellers direct bookings with the containerline, marking another development in the rapidly changing ocean freight

USERS THAT VIEWED THIS ALSO VIEWED

- Special Coverage: Examining Maersk's plan to acquire Hamburg Süd
- The Danish ocean carrier's acquisition of Hamburg Süd from the Oetker Group would expand its market share in Latin America and Oceania trades
- Trump picks Elaine Chao as U.S. Secretary of Transportation
- Elaine Chao has served as Secretary of Labor under President George W. Bush and Deputy Secretary of Transportation under President George H.W. Bush.
- CMA CGM eliminates U.S. Lines brand
- Marseilles, France-based ocean carrier CMA CGM said that since Oct. 17, U.S. Lines' services have been rebranded as ANL on the Oceania trades and APL on the transpacific trades

Click to Chat Live

**Global Trade**

September 2nd, 2016 | Written by GT Staff

### PORT OF VIRGINIA SIGNS NEW, LONG-TERM LEASE FOR VIRGINIA INTERNATIONAL GATEWAY

CLEAR THE WAY FOR PORT TO DOUBLE THE TERMINAL'S ANNUAL LIFT CAPACITY

VIG EXPANSION IS ONE OF SEVERAL ONGOING AT PORT OF VIRGINIA. Capacity at Norfolk International Terminals is also being expanded, including a North Gate complex, currently under construction.

SHARELINES

The Port of Virginia signed a new, long-term lease for [Virginia International Gateway](#) (VIG) earlier this week than does [audion.com](#) (its annual).

TOP STORIES

- TRUMP'S CARRIER DEAL: POSITIVE OR DANGEROUS PRECEDENT?
- ROBOTS THREATEN TWO-THIRDS OF DEVELOPING COUNTRY JOBS
- FICOSA OPENS NEW PLANT IN TENNESSEE
- HUCKBERRY TO LOCATE NEW LOGISTICS OPERATION IN COLUMBUS

FEATURES & LISTS

- 5TH ANNUAL GLOBAL LOGISTICS PLANNING GUIDE

Over \$1 million worth of coverage earned in three months.

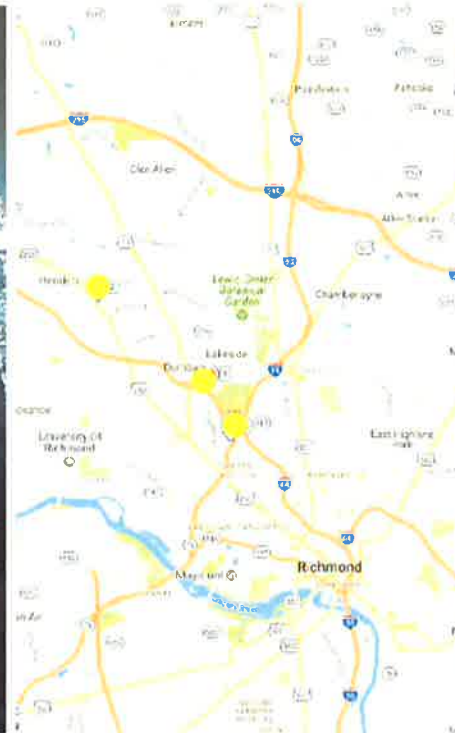


THE PORT OF  
VIRGINIA

Stewards of Tomorrow

MARKETING AND COMMUNICATIONS

## PAID MEDIA



Stewards of Tomorrow



## MIRT & EMERGENCY OPERATIONS



Response  
12/09/2016

- Supported Henrico County FD by providing regional assets to assist with the Marina Fire at the Richmond Yacht Basin Marina
- Demonstrated the Regional Partnerships

# MIRT & EMERGENCY OPERATIONS



1<sup>st</sup> Annual Hampton Roads Cyber  
Security Symposium

A photograph of a smiling police officer in a dark uniform and cap. The officer's name tag reads "MANGAL" and "VPA". The background is a bright blue sky with a blurred red industrial structure, possibly a crane or bridge, in the distance.

# STEWARDS OF TOMORROW

INNOVATION

HELPLEFULNESS

ACCESSIBILITY

MINDFULNESS

FORTITUDE

SUSTAINABILITY 