

## **MINUTES**

### **MEETING - Board of Commissioners - Session 378**

Virginia Port Authority  
600 World Trade Center  
Norfolk, Virginia  
March 28, 2017

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The Board of Commissioners ("Board") of the Virginia Port Authority ("VPA") held its regular public session meeting on March 28, 2017, in the VPA's Conference Room located at 600 World Trade Center, Norfolk, Virginia. VPA Board Chairman John G. Milliken called the meeting to order at 9:00 a.m. The following were then in attendance:

#### Commissioners:

John G. Milliken, Chairman  
J. William Cofer  
Manju S. Ganeriwala, State Treasurer  
Gary T. McCollum  
Stephen Moret  
Deborah C. Waters  
F. Blair Wimbush  
Faith B. Power (non-voting member)  
Kim Scheeler (non-voting member)

#### Commissioners Absent:

Jennifer D. Aument  
Alan A. Diamonstein  
Val S. McWhorter  
John N. Pullen, Vice Chairman

#### VPA Staff:

John F. Reinhart, CEO and Executive Director  
James Bibbs, Chief Human Resources Officer  
Rodney W. Oliver, Chief Financial Officer  
Joseph P. Ruddy, Chief Innovation Officer  
Cathie Vick, Chief Public Affairs Officer  
James W. Noel, III, General Counsel  
Russell Held, Senior Vice President, Business Development  
Matthew Barnes-Smith, Vice President, Strategic Planning & Analytics  
Chris Harrell, Vice President, Contracts & Risk Management  
Jay Stecher, Vice President, Marketing & Communications  
Al Collado, Senior Director, Procurement  
Joe Harris, Senior Director, Media Relations  
Andrew Sinclair, Director, Federal Government Affairs  
Lisa Nelson, Executive Administrative Assistant  
Debra J. McNulty, Clerk to the Board

Virginia International Terminals, LLC (VIT) Staff:

Shawn Tibbetts, Chief Operations Officer

Cary Hagen, Vice President, Cargo Sales

David Harriss, Director, Breakbulk Sales & Services

Guests:

The Hon. Aubrey L. Layne, Jr., Secretary of Transportation

W. Brice Fiske, Office of the Attorney General

JoAnne Carter, PFM Group (VPA Financial Advisor)

Bryant McGann, Vandeventer Black LLP

David White, Virginia Maritime Association

William Bateman, Savant Ltd.

David Stalfort, ABS Group

Media

Robert McCabe, *The Virginian-Pilot*

Mr. Ruddy conducted the safety briefing at this time. Mr. Harris then introduced guests in attendance.

**I. Approval of Minutes**

**Action:** At the request of Chairman Milliken, the Board unanimously approved the minutes of the meeting held January 24, 2017, as circulated.

**II. Reports of Committees**

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

**I. Report of Executive Committee**

Chairman Milliken reported that the Executive Committee met in closed session yesterday to discuss several confidential personnel issues that included the review and approval of performance metrics for the CEO and Executive Director for calendar year 2017. The Chairman explained that the VPA Board is responsible for setting compensation for the Executive Director and that a significant part of the compensation is based on his achieving defined performance metrics, which are closely tied to The Port of Virginia's goals. Chairman Milliken advised that the Executive Committee suggested a few revisions to the draft metrics that would be reviewed with Mr. Reinhart.

Chairman Milliken complimented Mr. Reinhart's leadership and stated that he "does an excellent job running the Port". He explained that the results of the CY17 metrics and consideration of the Executive Director's compensation will be presented in the January/February timeframe.

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

Mr. McCollum reported the Finance and Audit Committee met yesterday and received presentations from management on proprietary and confidential risk management and procurement metrics, a litigation review, the fiscal year to date 2017 financial results through January, a financial system replacement project, and a status report on the fiscal year 2018 budget process. With regard to the FY18 budget process, Mr. McCollum further announced the following:

- The Committee received an update on progress including an overview of the process, key drivers of budget compilation, and remaining timeline to completion.
- In order to give management adequate time to address Committee feedback, the Committee has scheduled a May 5th meeting to review the final draft budget in advance of the May 23rd board meeting.

At this time, Mr. Oliver reviewed VPA and Virginia International Terminals LLC (VIT) combined financial reports for the month ended January 31, 2017, and FY17 year-to-date (July-January) financials. Mr. Oliver announced that increases in volume have driven revenues ahead of budget for the month of January by \$1.5 million and by nearly \$7 million ahead when compared to prior year. He reported that operating expenses increased by almost \$2 million for the month of January over budget, and \$4.1 million ahead of prior year due also attributed to higher volume and increased operating expenses.

Mr. Oliver reported that the snow storm in January caused a disruption of about 36 hours at the port and increased costs by \$400,000, which affected operating income and expenses. He explained the effects of the capital lease accounting for the amended VIG lease and debt defeasance that began in November. Mr. Oliver presented operating income (loss) compared with historical and change in net position compared with historical. He mentioned the timing of state and federal grant funds in relation to the budget.

Mr. Oliver next reviewed the financials for the seven months ended January 31, 2017 and announced that The Port of Virginia revenue is \$10.1 million ahead of budget and \$22.7 million ahead of prior year as a result of higher volumes. He mentioned that the financials include the effects of the Hanjin bankruptcy.

Mr. Oliver announced that operating expenses for fiscal year-to-date were less than budget and less than prior year due to operational efficiencies. He reported that operating income (loss) is \$15.3 million ahead of budget and close to \$25 million ahead of where we were last year. Mr. Oliver reviewed change in net position that reflected similar results with the port nearly \$43 million ahead of budget, some of which is attributed to state and federal grants for the 55/45-foot channels and the state funds for the NIT South expansion.

A copy of Mr. Oliver's presentation is attached.

Secretary Layne expressed appreciation to Mr. Reinhart and the entire POV team for stabilizing the port over the last three years and reversing the deficit with the implementation of port-wide efficiencies.

Chairman Milliken commended the team for examining every element of the port's business and making changes in order bring the port's budget back in line. The Chairman talked about the major construction projects at VIG and NIT South that, he said, "...will test the operational abilities of everybody in the port family". He expressed confidence that everything will go well.

Mr. Reinhart thanked both gentlemen and remarked that it was a tribute to the team that "great work has been achieved thus far on every element at the port and we are building a budget and executing a strategic plan". He also thanked the team for their efforts.

**C. Growth and Operations Committee – Alan A. Diamonstein,  
Committee Chair (Commissioner Deborah Waters presided)**

Ms. Waters reported that the Growth and Operations committee heard from the Economic Development team who provided an overview of how their team is organized around particular territories, how we engage with our partners to grow business and jobs in the Commonwealth and implementation of strategic themes relating to the Strategic Growth Plan.

Ms. Waters reported that the Growth and Operations Committee also heard from Shawn Tibbetts, Chief Operations Officer, who provided a safety report and an operational update on all of our terminal facilities and reviewed service level updates that included rail traffic and gate productivity. Ms. Waters turned the meeting over to Mr. Tibbetts.

**Safety/Operations Report – Shawn Tibbetts, Chief Operations Officer**

Mr. Tibbetts announced that the port continues to make progress on safety and he reported that the Lost Work Days (LWD) rate for FY17 year-to-date is currently at 1.77 compared with the industry average of 3.4. He emphasized that the goal continues to be zero LWDs.

Mr. Tibbetts compared rail to gate/barge traffic at NIT, VIG, and POV total rail and provided a breakdown of rail percentages at each of the terminals, with NIT having the highest proportion of rail activities. He also reviewed rail volumes and rail ready dwell compared to the industry standard.

Mr. Tibbetts mentioned that The Port of Virginia handles more rail boxes than any port on the East Coast.

He continued with a comparison of gates volumes, and traditional (inside the gate) and expanded (outside the gate) turn-times at each of the terminals. Mr. Tibbetts explained that the increased turn times in January at NIT and VIG were due to a stop-work day and the snow event. He announced that the port expanded gate hours at VIG about six weeks ago from 3:00 a.m. to better process our stakeholders' volume.

Mr. Tibbetts explained how PMT volumes increased and how the terminal will be utilized as an outlet valve during the construction phase by moving traffic from NIT. He then reviewed net crane moves per hour and reported that the biggest gain was seen at PMT due to the increased volumes moving over to the facility.

**Sales Report** - Thomas D. Capozzi, Chief Sales Officer (Cary Hagen and David Harriss presented for Mr. Capozzi)

Ms. Waters reported that Tom Capozzi provided an update for the Growth and Operations Committee on the Port's confidential Strategic Growth Plan initiatives, service updates, and new ship line alliances and contracts. She introduced Mr. Hagen at this time who was reporting in Mr. Capozzi's absence.

At this time, Mr. Hagen introduced David Harriss and asked him to provide a break-bulk update on activities at Newport News Marine Terminal (NNMT).

Mr. Harriss announced that the diversified portfolio within the Strategic Growth Plan includes initiatives to expand business at NNMT. Mr. Harriss presented a photo of 19 brewery tanks that were shipped through NNMT for Ballast Point Brewery in Roanoke, which was the third shipment of tanks (total of 60).

Mr. Harriss described additional business that was captured for NNMT that involved supplies for Nucor Steel for art furnaces in NC and SC. He also mentioned that he is negotiating with a building products manufacturer that has asked POV to be a key hub in their supply chain to take in almost 16,000 tons of galvanized steel per year.

Mr. Harriss also talked about the increase in Nissan's business that is anticipated by POV through NNMT that will significantly increase over 2016 volumes.

Mr. Hagen presented the fiscal year-to-date (July-Feb FY2017) statistics, as outlined on the attached slide. He explained that break-bulk is down at NNMT due to the decline in paper/newsprint and that POV is seeking higher revenue cargo resulting in less tonnage. Mr. Hagen reported that barge traffic at Richmond Marine Terminal (RMT) has increased significantly with the addition of many new BCOs (beneficial cargo owners).

Mr. Harris explained that revenues increased from project cargoes like windmills, machinery, steel, etc.

Mr. Hagen announced that POV is seeing success with the International Coffee Exchange and he reported that the port has made application to the London Metal Exchange.

Mr. Hagen reported on the sales team visit to Europe for calls on CMA-CGM and MSC and the Trans-Pacific Maritime (TPM) conference, also attended by Mr. Reinhart.

In conclusion, Mr. Hagen announced the arrival of the COSCO Development (13,092 TEU cap.), the largest vessel to come to the U.S. East Coast. He reported the ship is expected to arrive at VIG on May 8<sup>th</sup> and is part of the Oceans Alliance group. A reception at VIG is in the planning stages.

Mr. Tibbetts advised that the vessel is expected to discharge about 4,000 containers at VIG compared with a normal range of 1,000-1,500. He affirmed that the POV operations team is actively planning and preparing for the ship's arrival.

Mr. Reinhart reported that POV is working very closely with our rail partners and he announced that the COSCO vessel will be a weekly service. The Secretary announced that we were fortunate to have two first-class railroads providing double-stack service at our port.

### **III. Report by Chief Innovation Officer – Joseph P. Ruddy**

Ms. Waters advised that the Growth and Operations Committee also received updates

from Joe Ruddy, Chief Innovation Officer, on the major port projects and timelines, including NIT and VIG construction, as well as dredging projects planned for NIT and PMT.

Mr. Ruddy announced that POV published the 2016 Sustainability Report that was produced by POV's Marketing and Communications (MARCOM) and Sustainability divisions in conjunction with Meridian Group. Mr. Ruddy stated that the publication will be a major focus at the State of the Port (SOTP) events that will be presented by Mr. Reinhart.

Mr. Ruddy announced the following SOTP events:

April 24 – The Main (Hilton), Norfolk - Noon

April 25 – The Boathouse at Rocketts Landing, Richmond – Noon

April 26 – Warren County Government Center, Front Royal – 8:30 a.m.

Mr. Ruddy presented a slide indicating the target turnover dates for POV to reclaim the areas at PMT occupied by SKW now that the midtown tunnel project is completed. He announced a target completion is anticipated by end of November 2017.

Mr. Ruddy provided an update to the Projects Schedule/Projects Overview and copies are attached hereto. He reported that all projects are tracking well. He described the progress on the NIT North Gate optimization in detail from the aerials provided, as well as a detailed description of the VIG Phase II civil works. He reported that shovels should be ready by August.

At this time, Mr. Ruddy presented the following resolutions for consideration by the Board and described each project:

**Action:** Upon motion by Ms. Waters, seconded by Ms. Ganeriwala, the VPA Board adopted Resolution 17-4 (7-0) authorizing the Virginia Port Authority to enter into a contract to construct dredging improvements at Portsmouth Marine Terminal (PMT).

**Action:** Upon motion by Ms. Waters, seconded by Ms. Ganeriwala, the VPA Board adopted Resolution 17-5 (7-0) authorizing the Virginia Port Authority to enter into a contract to construct dredging improvements at South Norfolk International Terminals (SNIT).

#### **IV. Report by Chief Human Resources Officer – James Bibbs**

Mr. Bibbs described the Talent Management Model that has been implemented at the port and he announced the recent hire of Ron Toran, POV's Manager, Organizational Development.

Mr. Bibbs announced that POV colleagues will be receiving the third annual Employee Engagement Survey on April 3, 2017, and that we are hoping for 100% participation. He reported that TNS Employee Insights is the new vendor selected as Avatar was acquired by another company.

Mr. Bibbs announced that POV will receive a charter to start our own Toastmasters club on April 10<sup>th</sup>.

Mr. Bibbs reviewed the recruitment metrics and training metrics for fiscal year-to-date 2017 and he also reviewed college reimbursement data.

Chairman Milliken acknowledged the important role that Human Resources performs as a critical component of an organization and he talked about the need to continue to grow the team for the long-term success of the Port.

#### **V. Report by Chief Public Affairs Officer – Cathie Vick**

Ms. Vick reported that meetings that were held with each office of the Virginia Congressional delegation, House and Senate Appropriations staff, House Transportation and Infrastructure staff, and Senate Environment and Public Works staff to promote POV's priorities for infrastructure investment. She reported that Congressman McEachin visited Richmond Marine Terminal and Congressman Goodlatte visited Virginia Inland Port.

Ms. Vick announced that POV hosted U.S. Army Corps of Engineers Director of Civil Works, James Dalton, at VIG on February 14<sup>th</sup> to discuss Craney Island, channel deepening, and resiliency efforts. Another visit by Mr. Dalton is expected this spring.

Ms. Vick reported that General Graham of the Corps' North Atlantic Division visited on February 23<sup>rd</sup> and POV updated him on progress with the channel deepening studies and status of funding of Craney Island Eastward Expansion (CIEE). She announced that the kick off meeting for the latest Marine Highway Grant was held with MARAD at RMT on February 13<sup>th</sup>.

Ms. Vick reported that it was a quiet year for the port with the General Assembly and she called it the "tour of gratitude" referring to the funding appropriation for NIT South. She described some of the meetings that were held with legislators and "Port Day", hosted by VMA. She thanked Commissioners Scheeler and McWhorter for their presentations on behalf of the port.

Ms. Vick advised on port-related legislation:



- 1) VPA Board of Commissioners – Governor will not be able to remove board members without cause. In the coming weeks, we anticipate a revision to the bill at the April 3<sup>rd</sup> veto session relating to the voting powers of the ex officio or non-voting members of the Board who represent Richmond and Warren County.
- 2) Virginia Economic Development Partnership (VEDP) Board of Directors – VPA Executive Director is now a member of VEDP Board and a VPA Commissioner, appointed by the Governor, shall serve on the VEDP's Committee on International Trade.

Ms. Vick announced FYTD 2017 and CYTD 2017 economic development totals and recent project development as described in the attached.

Ms. Vick described POV's media exposure (earned, owned, and paid) that included information about the VPA/Georgia Ports Authority announcement; VIG expansion; ACE Hardware expansion; POV's Sustainability Report; Q1 2017 Legislative Update; and POV advertisements. Ms. Vick announced that Commissioner Bill Cofer will be featured in the next legislative update to talk about vessel size and dredging needs.

Ms. Vick concluded with a briefing of the activities within the MIRT & Emergency Operations division and commended Bill Burket and Rob LeMonde for their efforts on the table-top exercise on storm preparedness. She also described the following activities:

- 1) Assisted US Navy by conducting commercial vessel familiarization to 150 special warfare operators
- 2) 11<sup>th</sup> Annual Steven Todd Dooley Search and Rescue (SAR) Forum—February 27-March 3

Secretary Layne announced that an amendment was offered by the Governor for the reconvened session for Commissioners Faith Power and Kim Scheeler to be voting members of the VPA Board effective July 1.

The Secretary then reported on several legislative issues and described major highway and rail projects that have been completed or are in progress throughout the “Urban Crescent” and he emphasized the importance of those projects in relation to The Port of Virginia and Dulles airport. Secretary Layne thanked the Board for approving the expansion of VIG and NIT South. A discussion then ensued with regard to the Secretary's participation in the infrastructure call with the White House.

## **VI. Report by CEO/Executive Director - John F. Reinhart**

Mr. Reinhart thanked POV colleagues for their presentations and reviewed highlights from the

team's presentations with regard to increased tonnage, improvements in service levels, financial performance, expansion projects and equipment orders, and safety improvements.

Mr. Reinhart reported that the five-year Strategic Growth Plan is in place and on track and that the team will continue to update the Board on its progress.

Mr. Reinhart spoke of the new alliances coming to POV with good ports of calls (first-ins and last-outs) and good rotations and that economic development is growing quickly.

Mr. Reinhart announced that the East Coast Port Gateway Terminal Agreement was submitted to the Federal Maritime Commissioner (FMC) for approval and reported that he will speak with FMC officials in Washington next week, along with Griff Lynch, Executive Director of Georgia Ports Authority. He advised that it was anticipated the FMC will approve the agreement to become effective April 10, 2017.

Mr. Reinhart announced that the Global Terminal and Port Technology Group conference will be held at The Main on April 11-12. The State of the Port presentations will take place on April 24 (Norfolk), April 25 (Richmond), and April 26 (Front Royal).

He advised that POV is working very closely with Virginia Maritime Association on their symposium scheduled for May 11<sup>th</sup>. He reminded everyone about the COSCO ship that will be here May 8<sup>th</sup>.

Mr. Reinhart announced that National Maritime Day is on Monday, May 22<sup>nd</sup>, which is the Board's committee day. He advised that the committee meetings would be scheduled earlier that day in order for everyone to attend the National Maritime Day service honoring the Nation's maritime industry with a reception at the Decker Half Moore Center, from 4:00-7:00 p.m.

Mr. Reinhart concluded by thanking the Board for their support.

Chairman Milliken congratulated the team for "putting us on the right course and executing it well" and he commented that things look bright for The Port of Virginia and the Commonwealth.

## **VII. Unfinished Business**

There was no unfinished business to report.

## **VIII. New Business**

There was no new business to report at this time.

**IX. Other Business, Opportunity for Public Comment, and Adjournment**

Following are the remaining 2017 meeting dates for the VPA Board of Commissioners Public Sessions (9:00 a.m. start time and subject to change):

May 23  
July 25  
September 26  
November 28

Committee meetings are scheduled on the Monday afternoon prior to Tuesday's Public Session.

There being no further business and no public comments, the meeting adjourned at 10:27 a.m.

Respectfully submitted,

  
Debra J. McNulty  
Secretary to the Board

# Virginia Port Authority Board of Commissioners, Session 378, March 28, 2017

## Finance Report

Rodney W. Oliver  
Chief Financial Officer

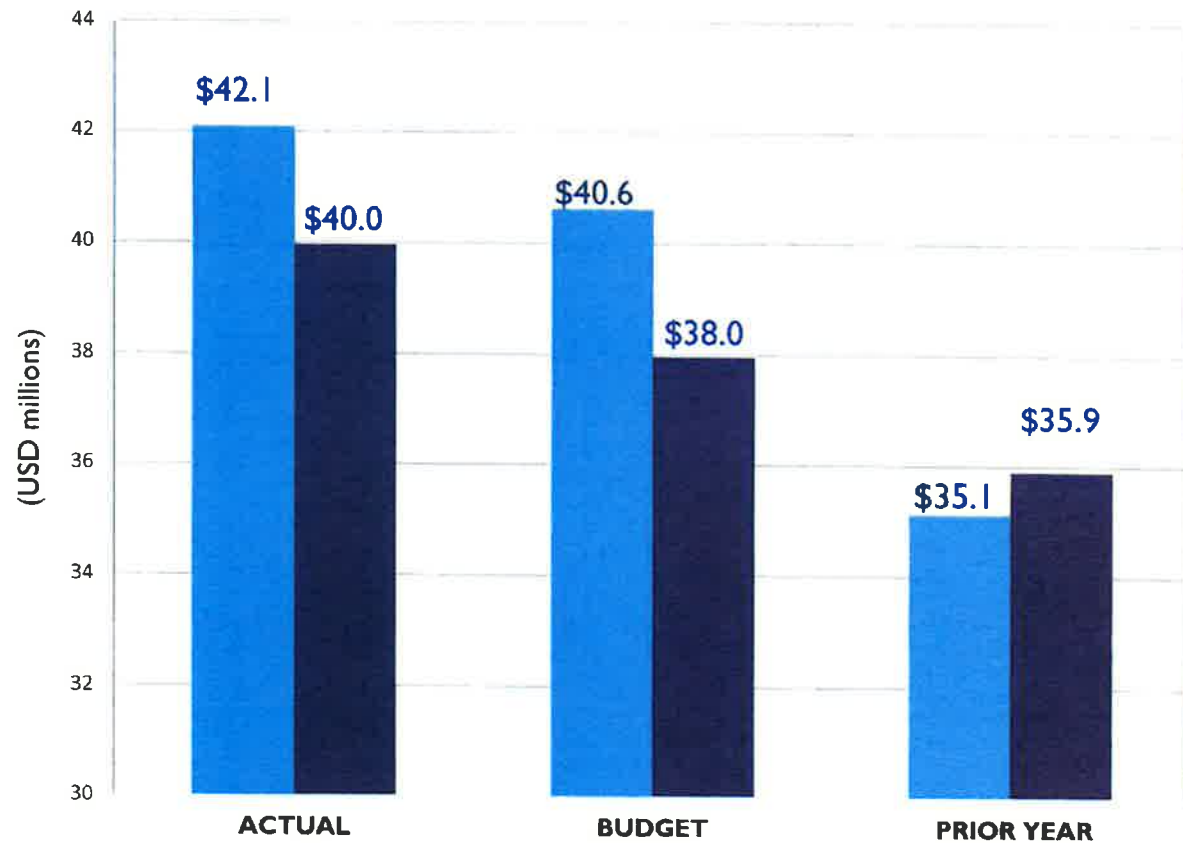


# OPERATING REVENUES AND EXPENSES:

## For the Month Ended January 31, 2017

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

■ Operating Revenues  
■ Operating Expenses

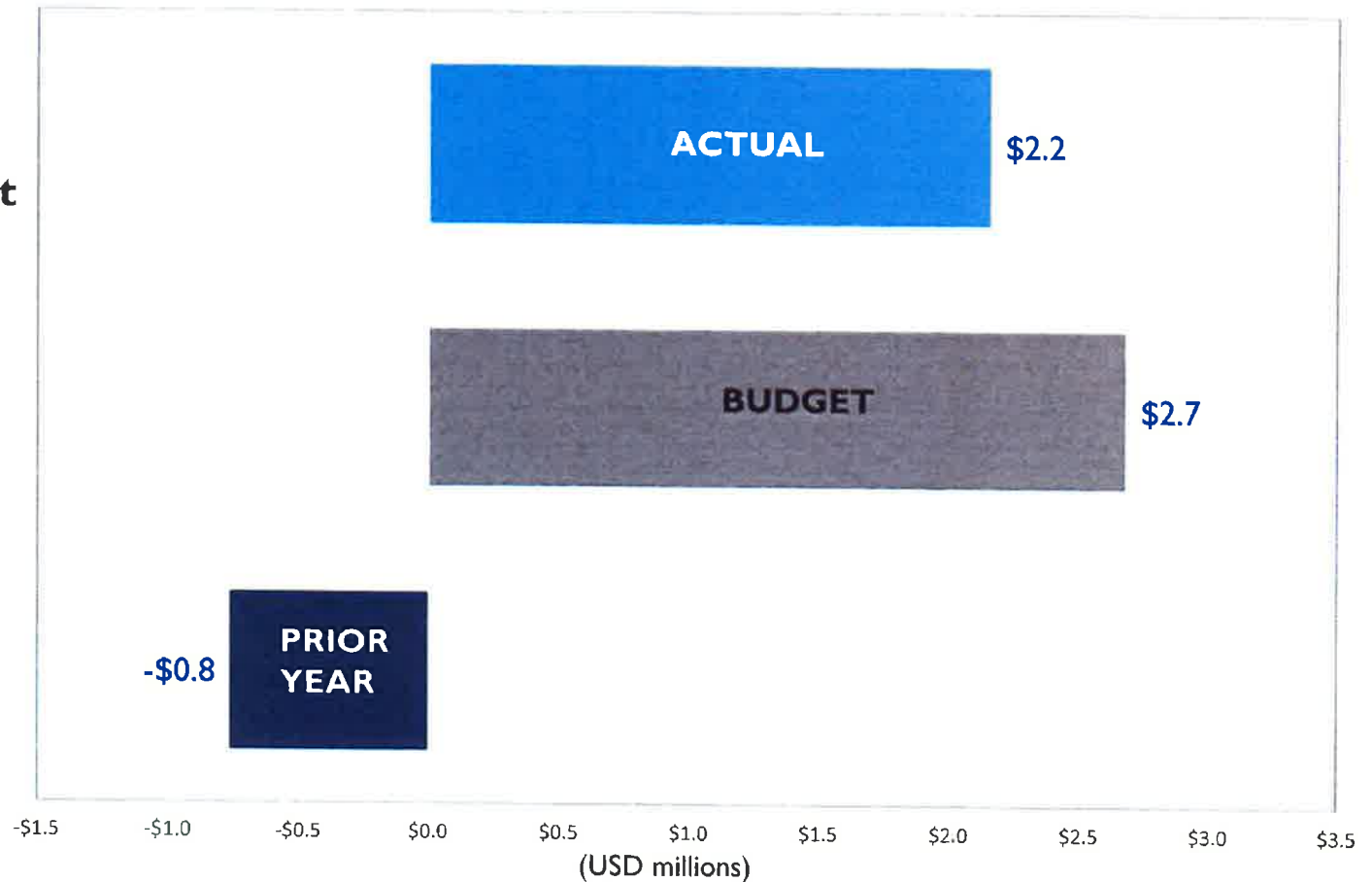




# OPERATING INCOME (LOSS):

## For the Month Ended January 31, 2017

**Favorable  
variance to  
Prior Year but  
Unfavorable  
variance to  
Budget**

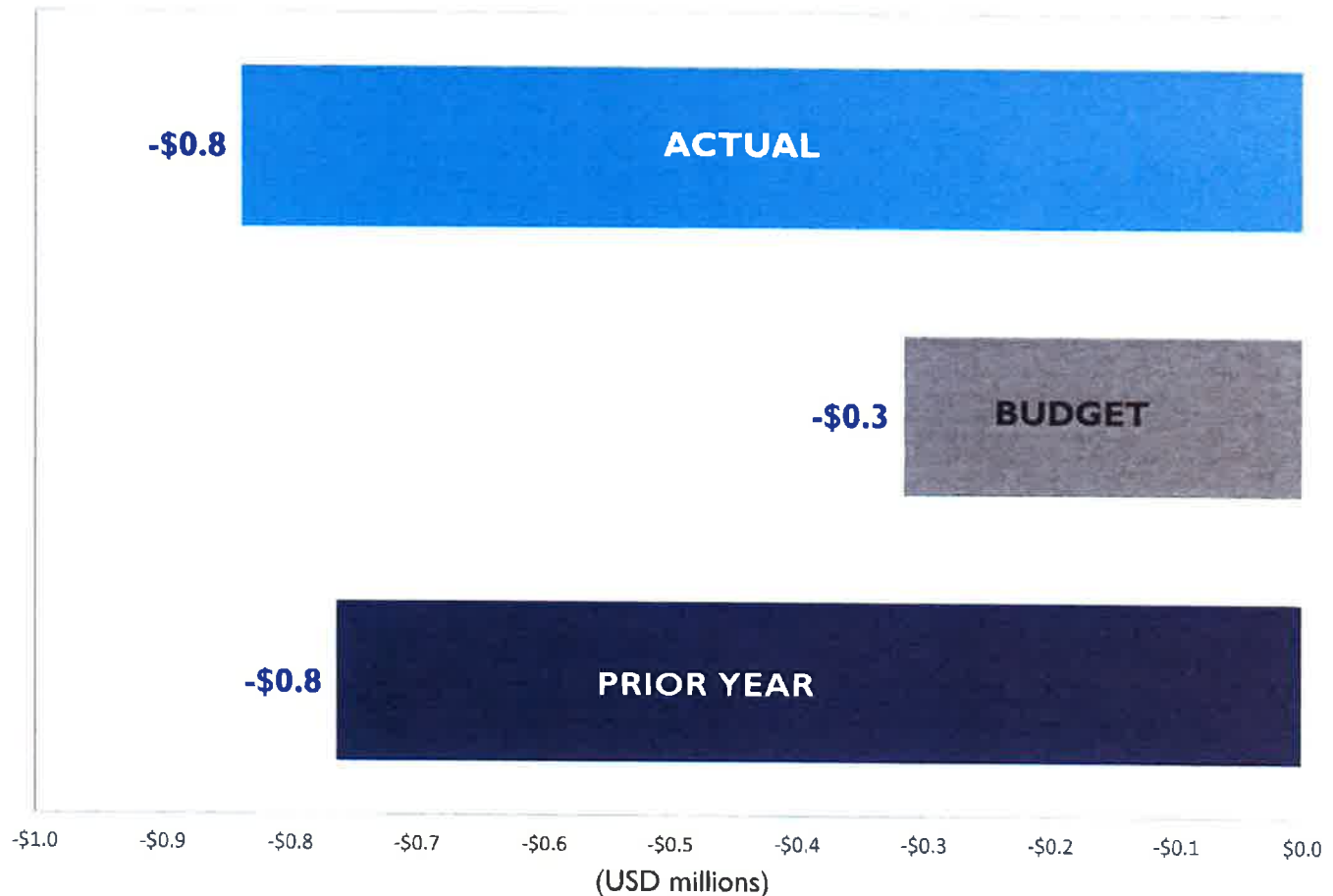


# HISTORICAL OPERATING INCOME (LOSS):

## For the Month Ended January 31, 2017

**Unfavorable  
variances to  
Budget and  
Prior Year**

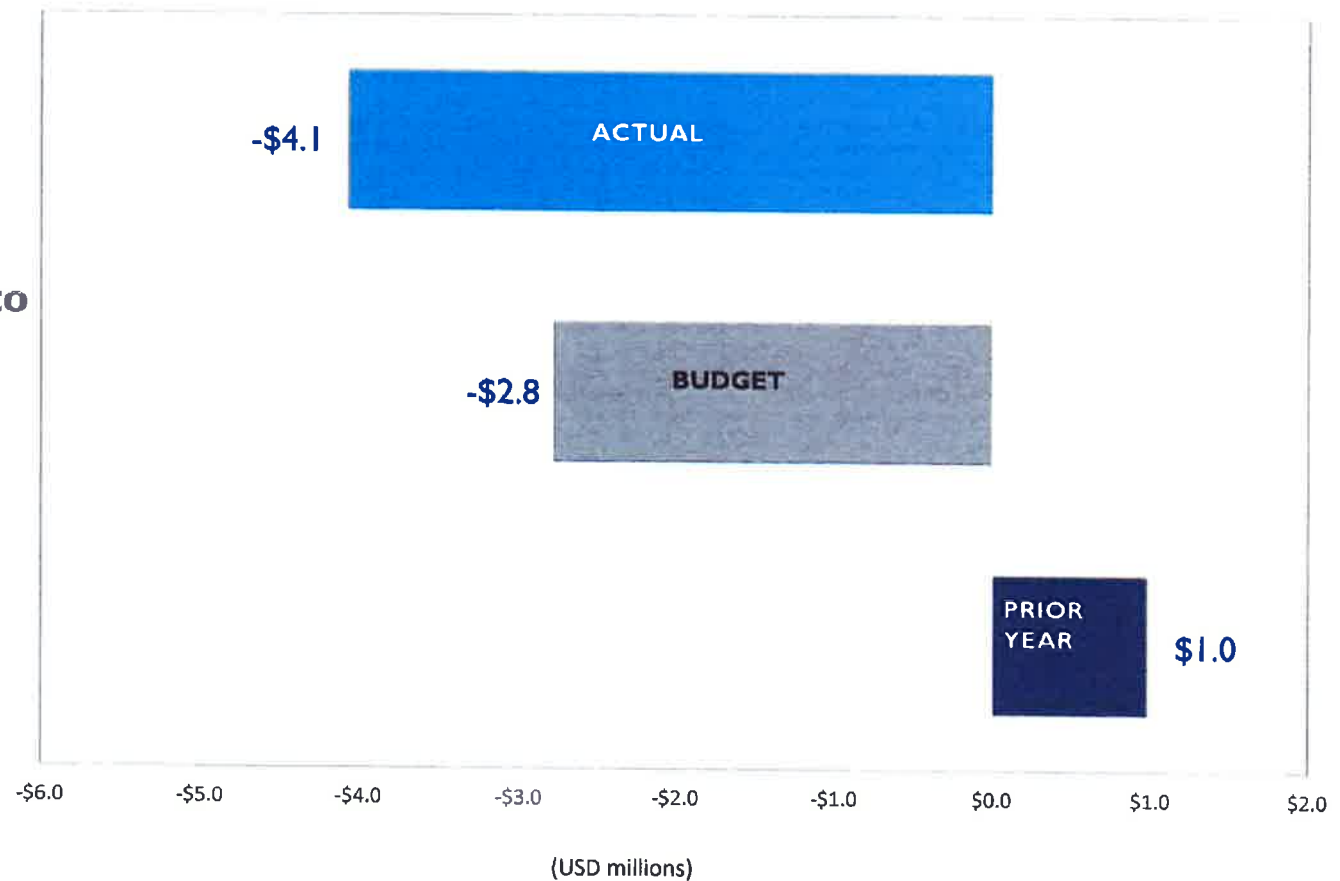
**NOTE:** For purposes of comparability the effects of accounting for the amended lease and debt defeasance have been excluded from Actual



# CHANGE IN NET POSITION:

## For the Month Ended January 31, 2017

Unfavorable to  
Budget and  
Prior Year



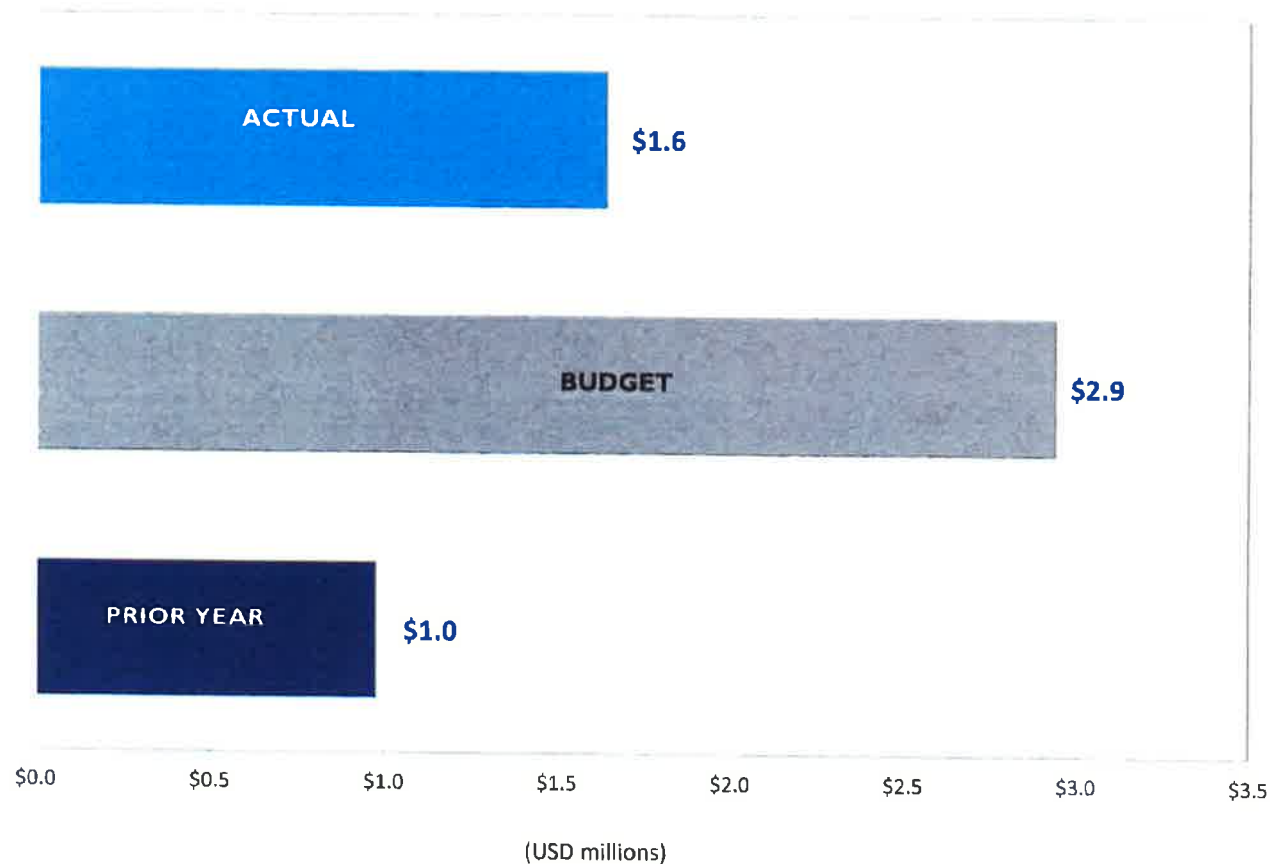


# HISTORICAL CHANGE IN NET POSITION:

## For the Month Ended January 31, 2017

Unfavorable to  
Budget but  
Favorable to  
Prior Year

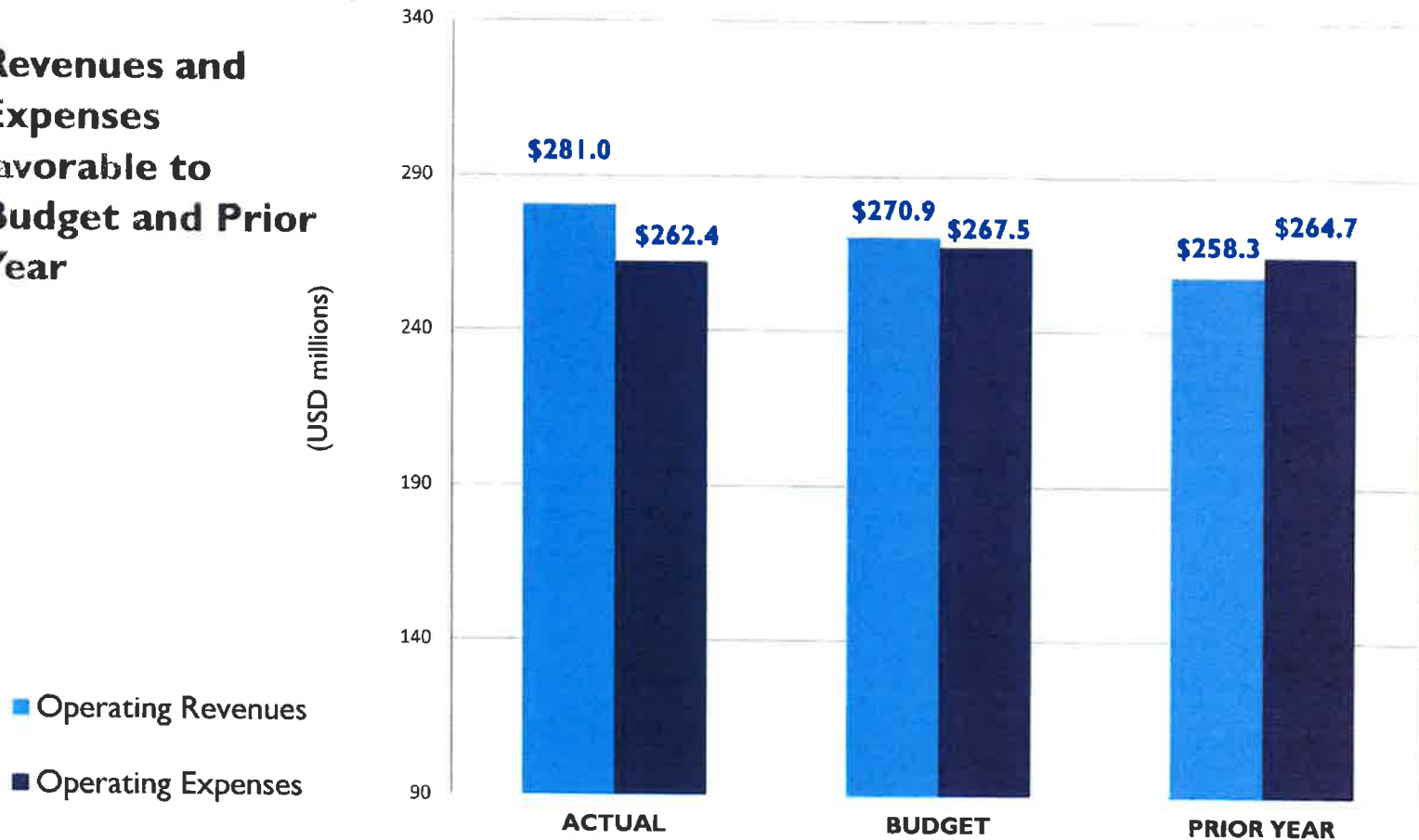
**NOTE:** For  
purposes of  
comparability  
the effects of  
accounting for  
the amended  
lease and debt  
defeasance have  
been excluded  
from Actual



# OPERATING REVENUES AND EXPENSES:

## For the Seven Months Ended January 31, 2017

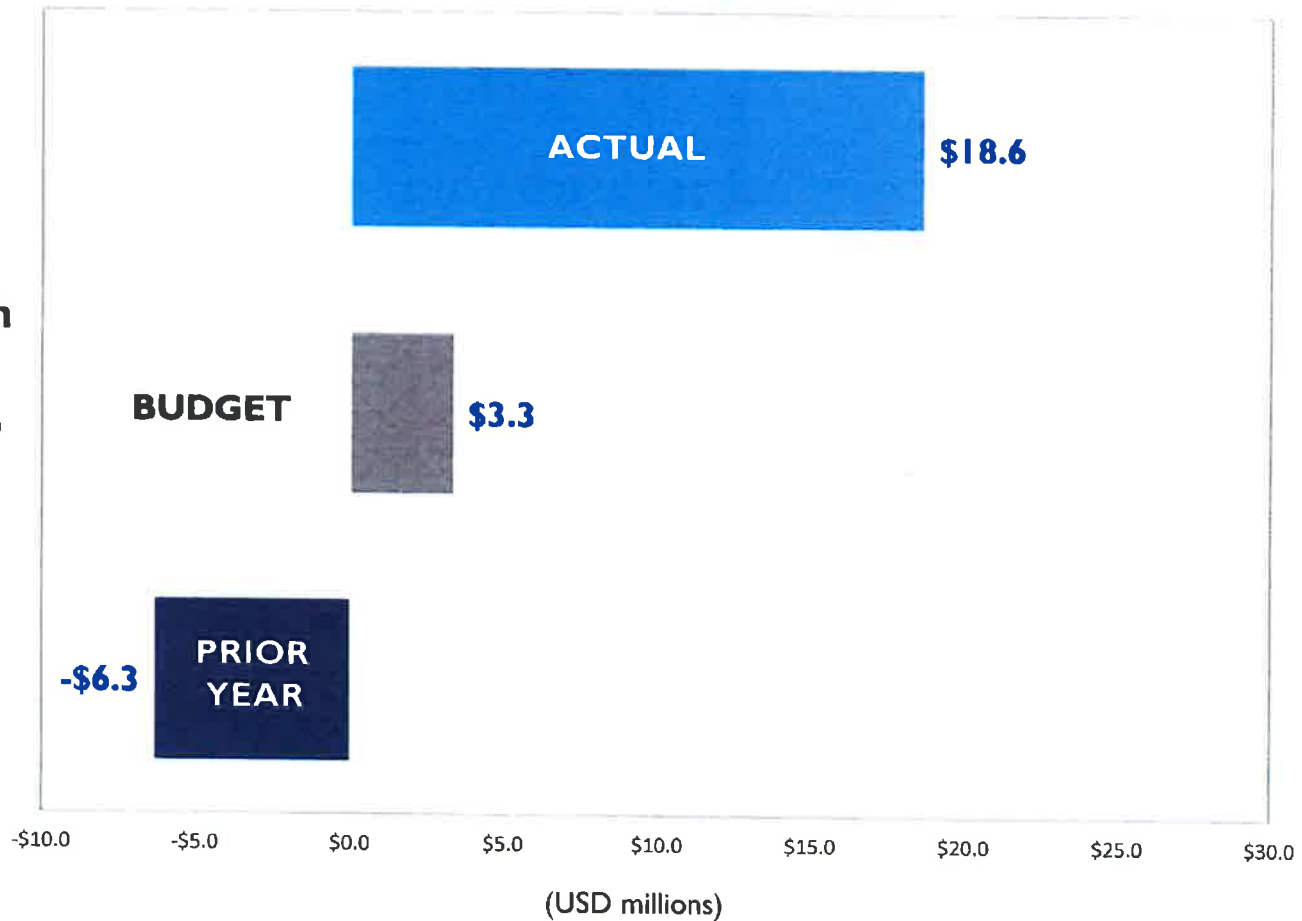
**Revenues and  
Expenses  
favorable to  
Budget and Prior  
Year**



# OPERATING INCOME(LOSS):

## For the Seven Months Ended January 31, 2017

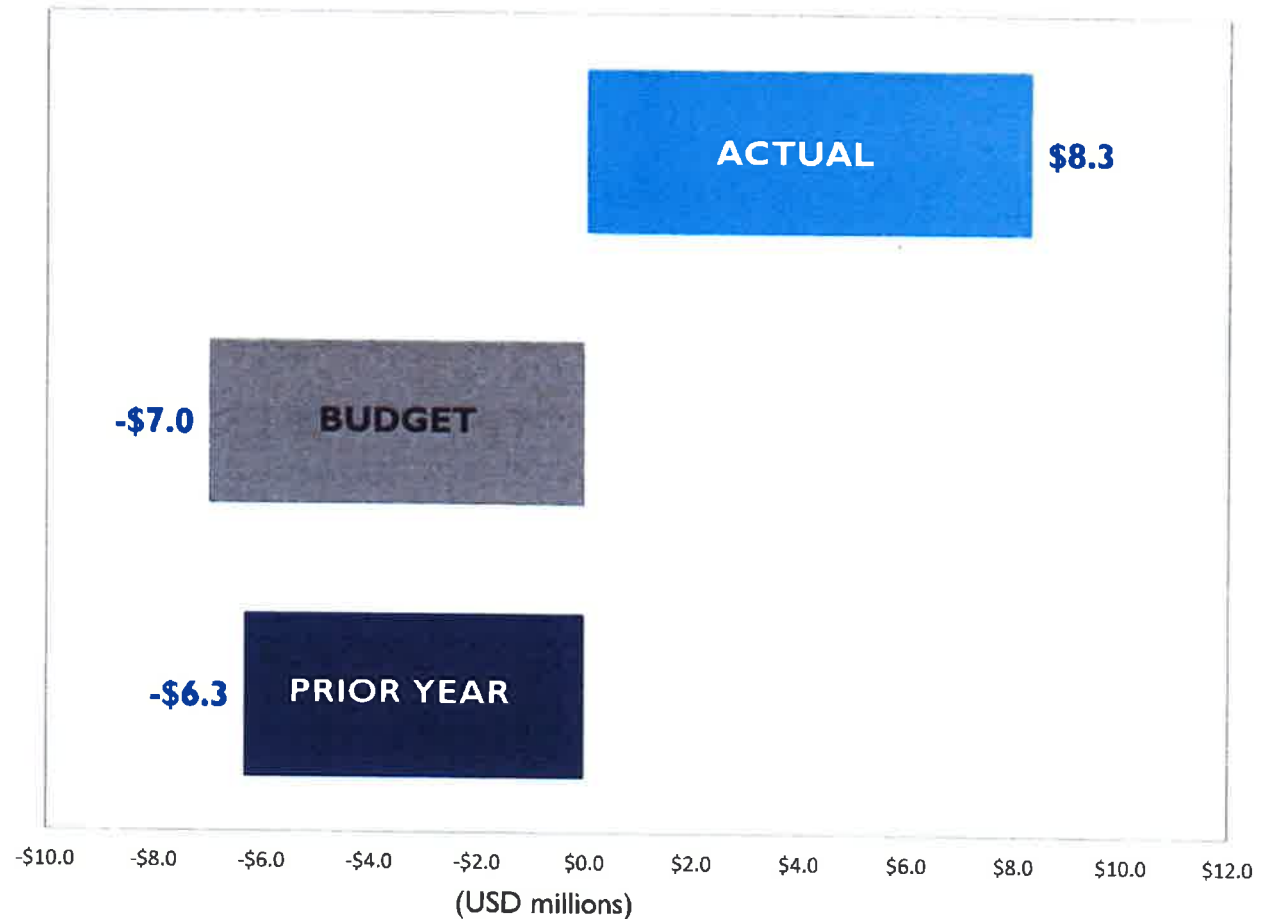
**Positive  
Operating  
Income with  
favorable  
variances to  
Budget and  
Prior Year**



# HISTORICAL OPERATING INCOME(LOSS): For the Seven Months Ended January 31, 2017

**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 Seven Months Ended January, 31 2017

**Favorable  
variances to  
Budget and  
Prior Year**



# HISTORICAL CHANGE IN NET POSITION:

## For the Seven Months Ended January, 31 2017

**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



# POV STATISTICS

Fiscal Year-to-Date: Jul - Feb FY 2017				
	FY 2016	FY 2017	Change	% Change
<b>Total TEUs</b>	<b>1,709,125</b>	<b>1,826,516</b>	<b>117,392</b>	<b>6.9%</b>
Export Loaded TEUs	634,457	688,972	54,515	8.6%
Export Empty TEUs	301,216	282,838	(18,379)	-6.1%
Import Loaded TEUs	735,379	819,492	84,113	11.4%
Import Empty TEUs	38,073	35,216	(2,857)	-7.5%
<b>Total Containers</b>	<b>969,712</b>	<b>1,031,696</b>	<b>61,984</b>	<b>6.4%</b>
<b>General Cargo Tonnage</b>	<b>12,931,398</b>	<b>14,412,981</b>	<b>1,481,583</b>	<b>11.5%</b>
Container Tonnage	12,757,867	14,288,354	1,530,487	12.0%
Breakbulk Tonnage	173,531	124,627	(48,904)	-28.2%
<b>Total Rail Containers</b>	<b>329,270</b>	<b>379,317</b>	<b>50,047</b>	<b>15.2%</b>
VIP Containers	26,888	23,199	(3,689)	-13.7%
<b>Total Barge Containers</b>	<b>29,490</b>	<b>30,830</b>	<b>1,340</b>	<b>4.5%</b>
RMT Containers	10,381	15,098	4,717	45.4%
<b>Total Truck Containers</b>	<b>610,952</b>	<b>621,549</b>	<b>10,597</b>	<b>1.7%</b>
<b>Ship Calls</b>	<b>1,350</b>	<b>1,208</b>	<b>(142)</b>	<b>-10.5%</b>
<b>Vehicle Units</b>	<b>26,677</b>	<b>21,874</b>	<b>(4,803)</b>	<b>-18.0%</b>

## **RESOLUTION 17-4**

### **AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO A CONTRACT TO CONSTRUCT DREDGING IMPROVEMENTS AT PORTSMOUTH MARINE TERMINAL**

**WHEREAS**, the Virginia Port Authority (the “Authority”), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the “Act”); and

**WHEREAS**, pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.; and

**WHEREAS**, in furtherance of its powers and duty, the Authority intends to complete dredging of the berths and access channels at the marine terminal known as Portsmouth Marine Terminal (“PMT”), to provide a posted water depth of 43 feet below mean lower low water; and

**WHEREAS**, the PMT access channel and berths shoaled to below minimum depth for safe navigation for proposed future vessels; and

**WHEREAS**, PMT will provide capacity flexibility during the construction phases of South Norfolk International Terminals and Virginia International Gateway; and

**WHEREAS**, the PMT dredging project funds are to be funded from Commonwealth Port Fund (CPF) Reserve Maintenance (project #13804) appropriation; and

**WHEREAS**, the Authority will work with the United States Army Corps of Engineers (USACE) to issue an Invitation for Bids for the construction of the Dredging Improvements at PMT (“IFB”); and

**WHEREAS**, the lowest responsive bid submitted by a responsible bidder with respect to the IFB is within the Authority’s budget, up to three million, one hundred thousand dollars (\$3,100,000), as funds become available for the work covered by the IFB; and

**WHEREAS**, the Board has determined that it is appropriate to delegate to the Executive Director the authority to approve the final terms of, and execute and deliver, the contract for the work covered by the IFB (“Contract”) with the responsible bidder submitting the lowest responsive bid.

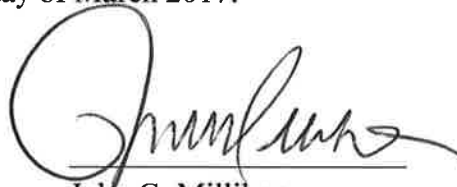


**NOW THEREFORE, IT IS RESOLVED** by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of Contracts. The Authority hereby approves the execution and delivery of the Contract for the dredging covered by the IFB to the responsible bidder submitting the lowest responsive bid. The Board hereby authorizes the Executive Director to approve the final form and content of, and to execute and deliver, the Contract on behalf of the Authority. The execution of the Contract by the Executive Director shall be conclusive evidence of the Authority's approval of the Contract. The Board hereby authorizes the Executive Director to execute and deliver any ancillary documents which he deems necessary to further the intent of this Resolution.

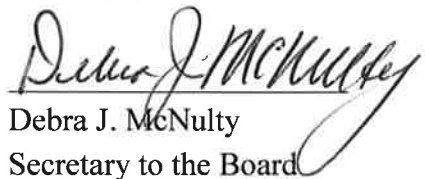
Section 2. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

**PASSED AND ADOPTED** this 28th day of March 2017.



John G. Milliken  
Chairman

ATTEST:



Debra J. McNulty  
Secretary to the Board

## **RESOLUTION 17-5**

### **AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO A CONTRACT TO CONSTRUCT DREDGING IMPROVEMENTS AT SOUTH NORFOLK INTERNATIONAL TERMINALS**

**WHEREAS**, the Virginia Port Authority (the “Authority”), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the “Act”); and

**WHEREAS**, pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.; and

**WHEREAS**, in furtherance of its powers and duty, the Authority intends to complete dredging of the berths and access channels at the marine terminal known as Norfolk International Terminals (“NIT”), to provide a wider entrance channel and an area for turning ships into the entrance channel; and

**WHEREAS**, ultra large container ships will begin calling on the Port of Virginia this year and the South NIT access channel and berths are inadequate to allow for safe navigation of these proposed future vessels; and

**WHEREAS**, the South NIT Dredging Improvements will provide a posted depth of 50 feet below mean lower low water in a widened entrance channel and a partial turning basin outside of the federal channel; and

**WHEREAS**, the South NIT dredging project funds are to be funded from 2015 Commonwealth Port Fund (CPF) bond proceeds; and

**WHEREAS**, the Authority will issue an Invitation for Bids for the construction of the Dredging Improvements at South NIT (“IFB”); and

**WHEREAS**, the lowest responsive bid submitted by a responsible bidder with respect to the IFB is within the Authority’s budget, up to nine million dollars (\$9,000,000), as funds become available for the work covered by the IFB; and

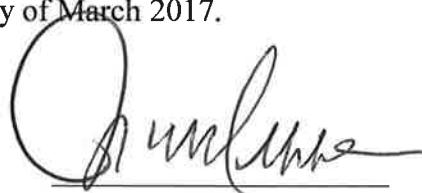
**WHEREAS**, the Board has determined that it is appropriate to delegate to the Executive Director the authority to approve the final terms of, and execute and deliver, the contract for the work covered by the IFB (“Contract”) with the responsible bidder submitting the lowest responsive bid.

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

Section 1. Approval of Contracts. The Authority hereby approves the execution and delivery of the Contract for the dredging covered by the IFB to the responsible bidder submitting the lowest responsive bid. The Board hereby authorizes the Executive Director to approve the final form and content of, and to execute and deliver, the Contract on behalf of the Authority. The execution of the Contract by the Executive Director shall be conclusive evidence of the Authority's approval of the Contract. The Board hereby authorizes the Executive Director to execute and deliver any ancillary documents which he deems necessary to further the intent of this Resolution.

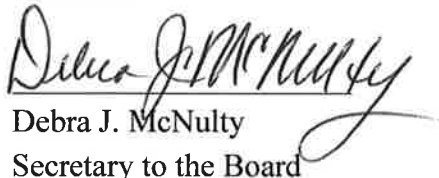
Section 2. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

**PASSED AND ADOPTED** this 28th day of March 2017.



John G. Milliken  
Chairman

ATTEST:



Debra J. McNulty  
Secretary to the Board

## CYTD 2017 ECONOMIC DEVELOPMENT TOTALS

9 ANNOUNCEMENTS



MORE THAN 163,000 SQ. FT.  
OF SPACE

INVESTED MORE  
THAN \$79 MILLION  
CREATED  
608 JOBS



THE PORT OF  
VIRGINIA

Division of Economic Development

5

**Ace Hardware Corporation:** Ace Hardware Corp. plans to expand an existing 336,000-square-foot distribution center in Suffolk by 138,000 square feet. Construction on the project is expected to begin in April. The target completion date is November. According to CenterPoint Properties, the expansion will bring more than 70 construction jobs to the community.

**Atarfil:** Atarfil, a manufacturer of thermoplastic geomembranes and liners, invested \$5.1 million to establish its first U.S operation in Suffolk. This project will create 15 new jobs.

**Atlantic Core Building Products:** Atlantic Core Building Products, a manufacturer of steel commercial construction materials, will invest \$3 million to establish an operation in the City of Chesapeake. They will be bringing in steel coils through Newport News Marine Terminal.

Virginia successfully competed against Florida for the project, which will create 50 new jobs.

**idX Corporation:** idX Corporation, the preeminent supplier of global solutions for retail environments, will invest \$7.2 million to establish its Virginia manufacturing operation in Spotsylvania County. The company provides quality millwork, fixtures, décor and graphics to its customers, and offers manufacturing in all materials, including acrylic, glass, laminates, metal, upholstery, veneers, and wood. Virginia

successfully competed against Maryland and North Carolina for the project, which will create 150 new jobs.

**iMPREG Group:** iMPREG Group, a German manufacturing company which makes liner systems for trenchless pipe, has invested \$5.4 million to establish its first US operation in Henrico County. This project will create 60 new jobs.

**Owens & Minor:** Owens & Minor, a medical supply giant, will invest \$15 million to establish a new center in Richmond, to improve service to their clients. This expansion will create 300 new jobs.

**Steel Dynamics Inc:** Steel Dynamics, Inc, one of the largest domestic steel producers and metals recyclers in the United States, will invest \$28 million in its Roanoke operation to purchase new equipment which allows for multi-strand slitting and rebar finishing.

**STIHL, Inc.:** STIHL Inc., a manufacturer of the nation's number one selling brand of gasoline powered handheld outdoor power equipment, announced plans to invest more than \$2.7 million dollars in capital improvements to The International Industrial Center at 2600 International Parkway in Virginia Beach, over the next 48 months to expand its own operations as well as attract new tenants.

**TemperPack:** TemperPack, a manufacturer of sustainable packaging, is investing \$2 million to expand their operation by purchasing new production equipment that boosts capacity and creates products for new markets. This project will create 23 new jobs.

## RECENT PROJECT DEVELOPMENTS



Panattoni



Esmer Tile



Ballast Point Brewing



Stewards of Commerce

6

Panattoni recently raised up their walls in the 284,580 SF Class A warehouse located in the Virginia Regional Commerce Park in Suffolk, Va.

The Class A industrial site will be completed by Spring 2017

Esmer Tile is just finishing up construction on their 400,000 Sqft site in Suffolk. This was a early 2016 economic development announcement that is stated to create 98 new jobs with a \$16.5 million investment.

Emser Tile is expected to be operational by the April 1<sup>st</sup>, 2017

Ballast Point Brewing plans on having a soft opening in May in Botetourt County, Virginia. This was a 2016 economic development announcement that is set to create 178 new jobs with a \$47.8 million investment.