

VIRGINIA PORT AUTHORITY BOARD OF COMMISSIONERS SESSION 398

JANUARY 28, 2020



AGENDA

- Committee Reports and Chief Reports
 - Finance and Audit Committee
 - November Financial Performance
 - Administrative Services and Compliance Reports
 - Growth and Operations Committee
 - Operations Report
 - Sales Report
 - Human Resources
 - Innovation
 - Marketing
 - Development and Government Affairs

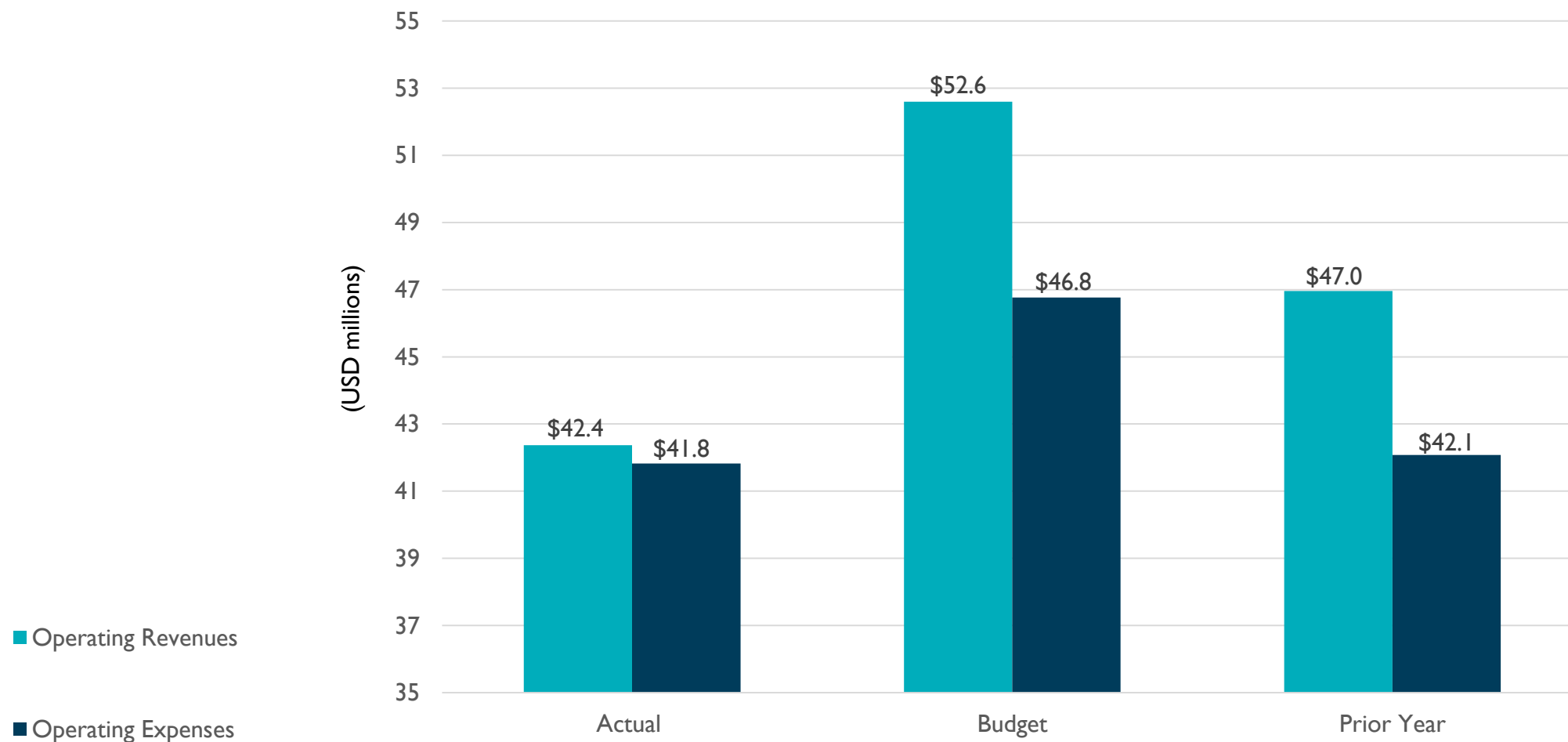
FINANCE and AUDIT COMMITTEE

Rodney W. Oliver
Chief Financial Officer

Matthew Barnes-Smith
Chief Administration Officer

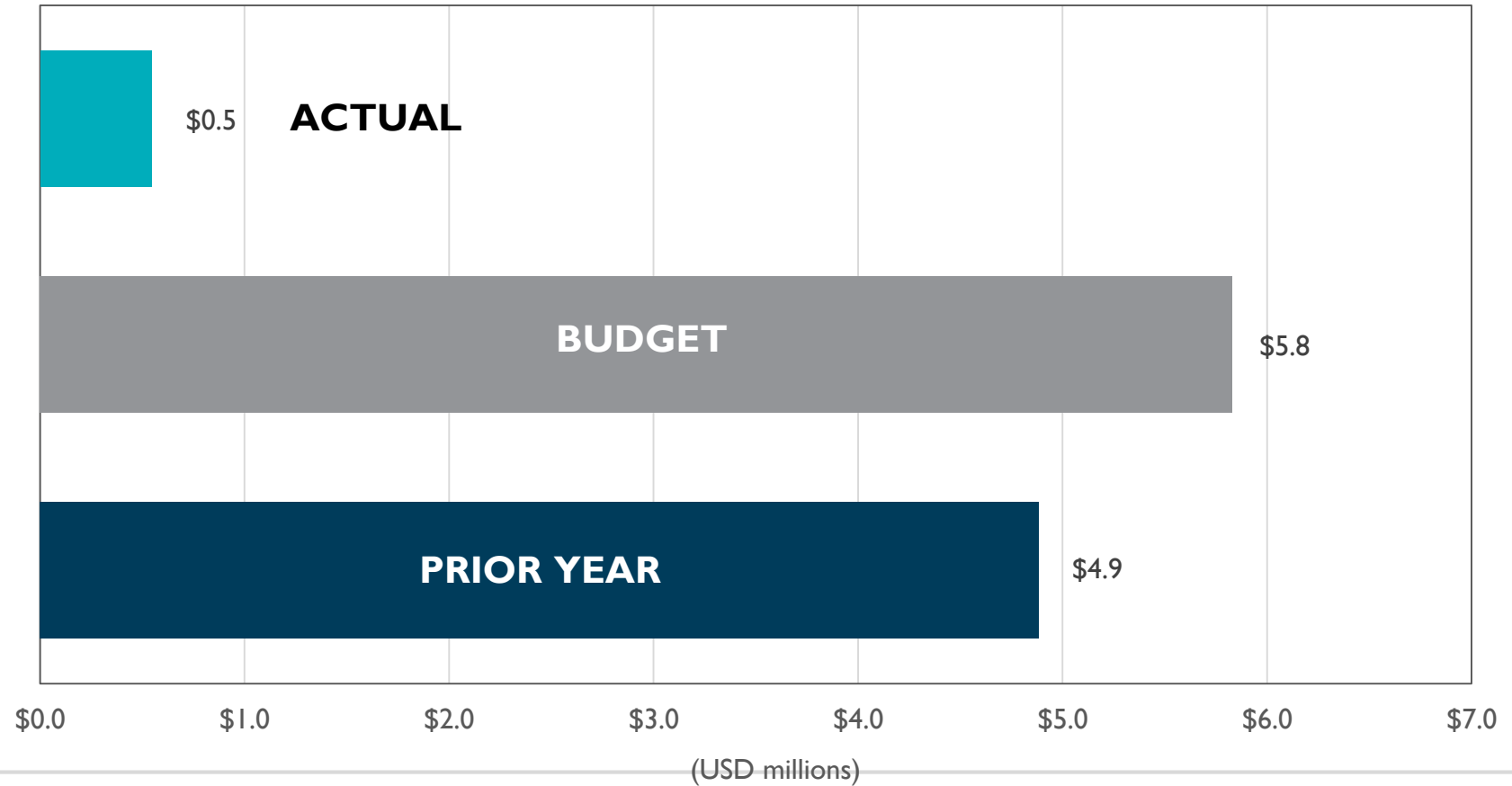
OPERATING REVENUES AND EXPENSES:

For the Month Ended November 30, 2019



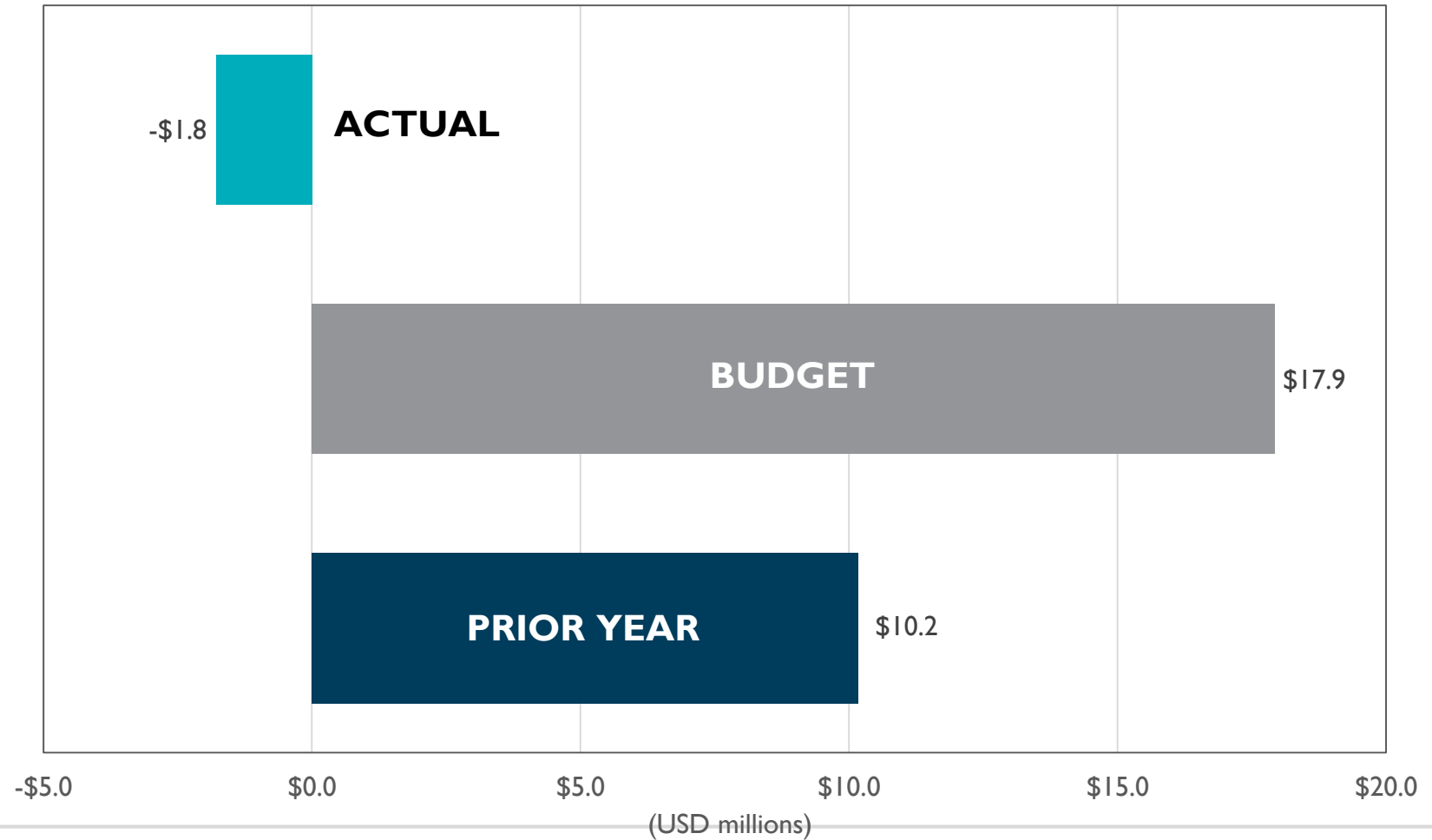
OPERATING INCOME (LOSS):

For the Month Ended November 30, 2019



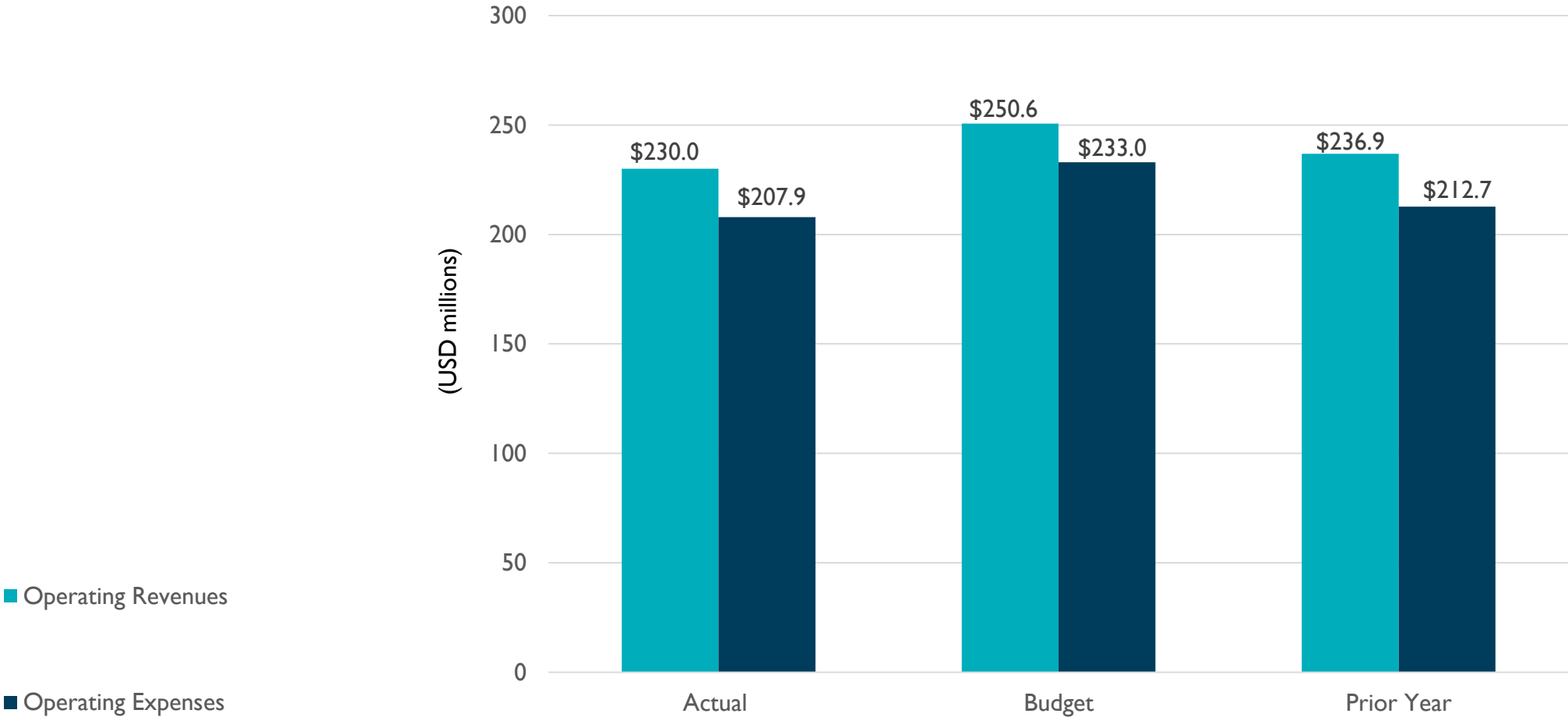
CHANGE IN NET POSITION:

For the Month Ended November 30, 2019



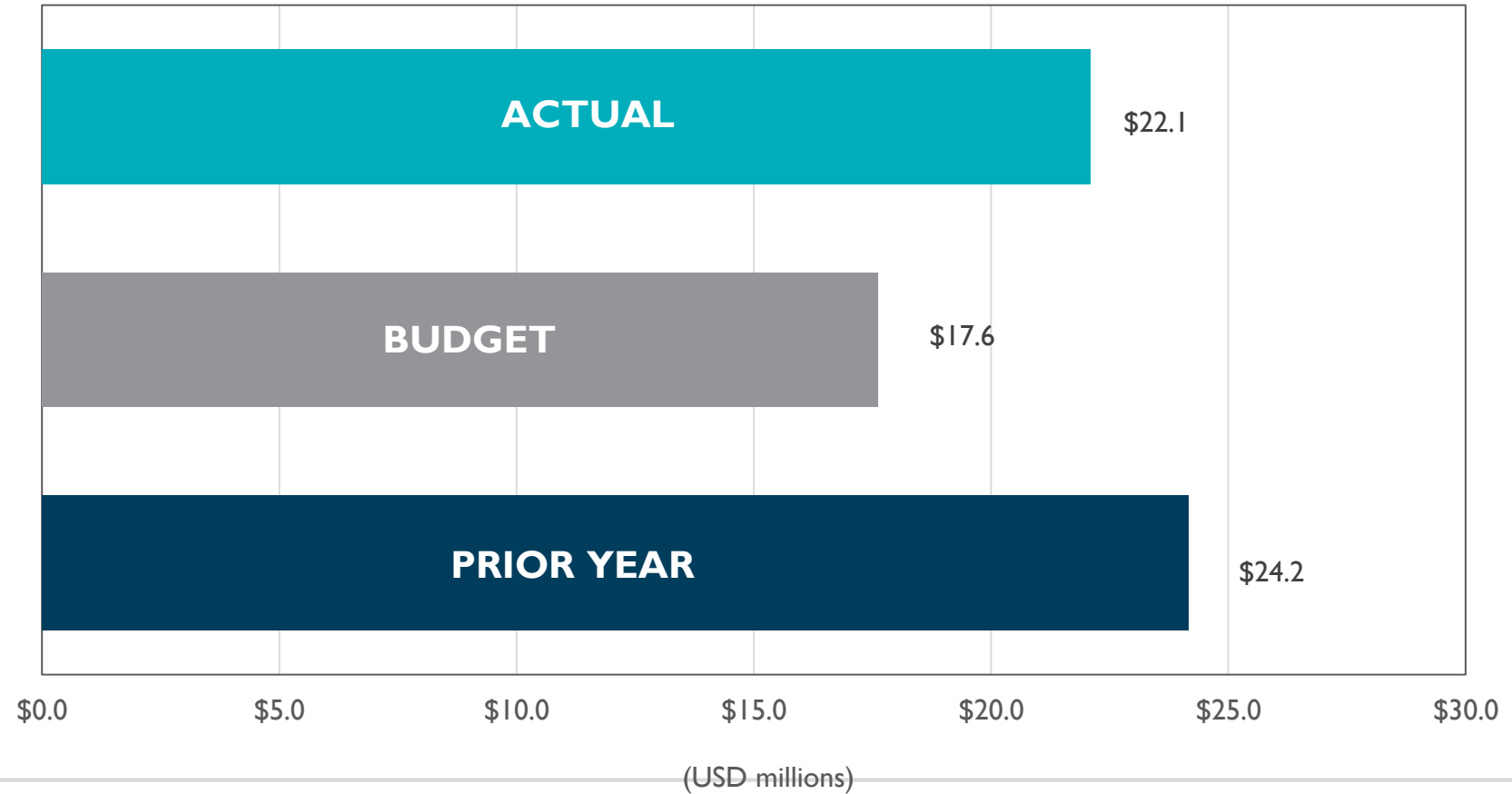
OPERATING REVENUES AND EXPENSES:

For the Five Months Ended November 30, 2019



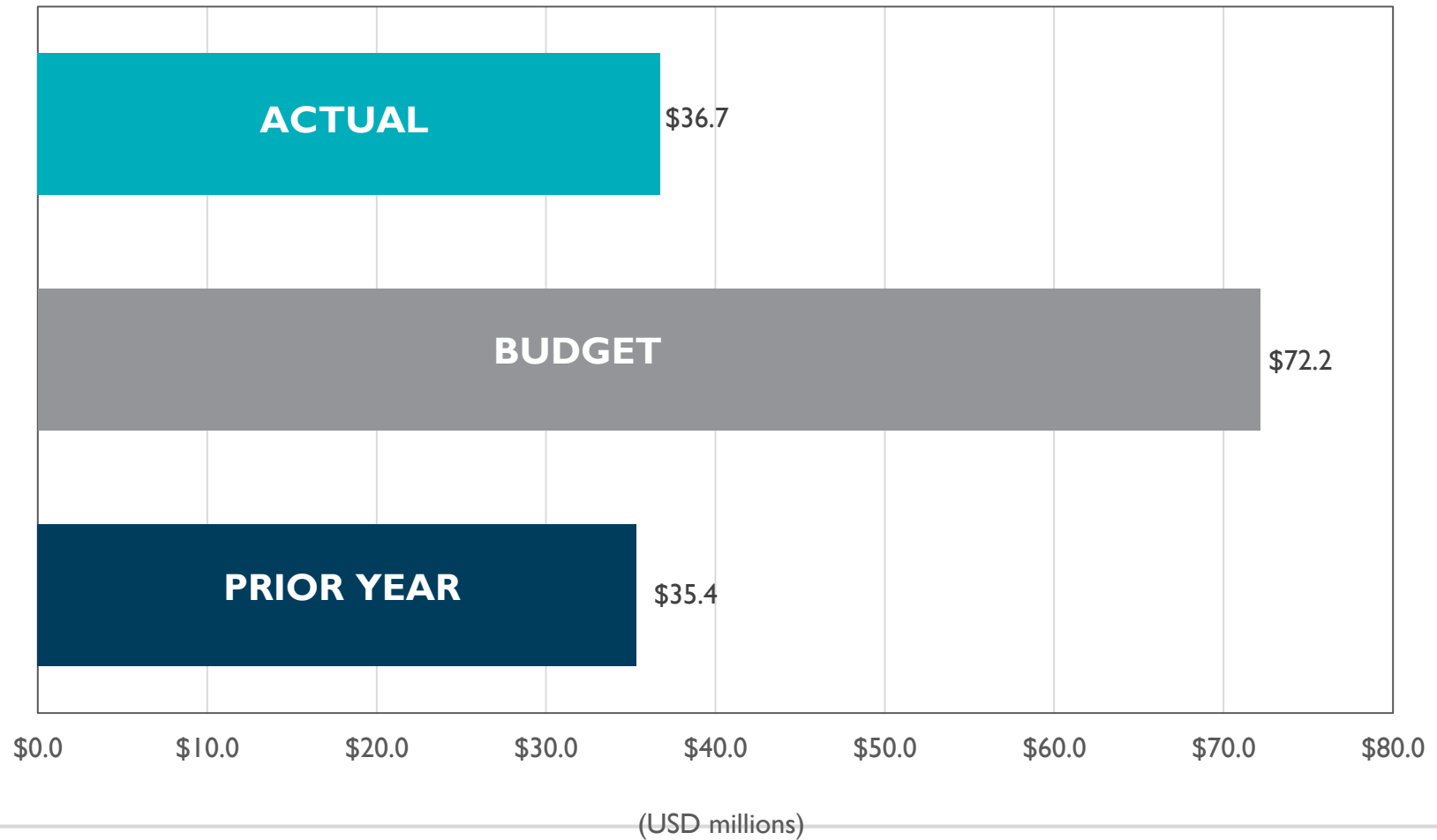
OPERATING INCOME (LOSS):

For the Five Months Ended November 30, 2019



CHANGE IN NET POSITION:

For the Five Months Ended November 30, 2019




Questions?

A large-scale photograph of an offshore wind farm. In the foreground, a single wind turbine stands prominently on the left, its three blades reaching towards the sky. Behind it, a long, straight line of similar turbines extends across the horizon, creating a sense of depth and scale. The ocean is a deep blue with visible ripples and small waves. The sky is a lighter blue with wispy white clouds. The overall tone is clean and modern, emphasizing renewable energy.

The Port of Virginia is ready to move
Virginia's Green Economy forward.



The evolution of offshore wind farms

 Approx number of UK homes powered



1991

Vindeby
0.4MW

 200



2000

Middelgrunden
2MW

 1,500



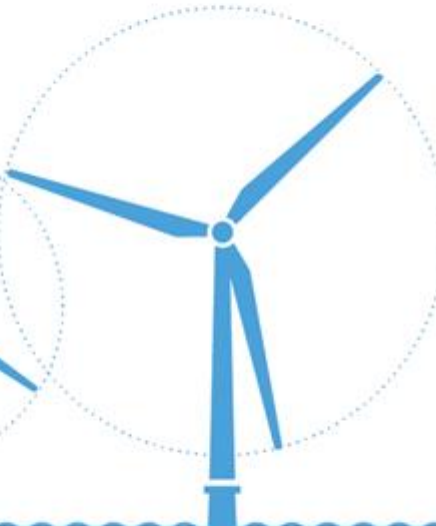
Statue of Liberty
93m



2013

London Array
3.6MW

 3,100



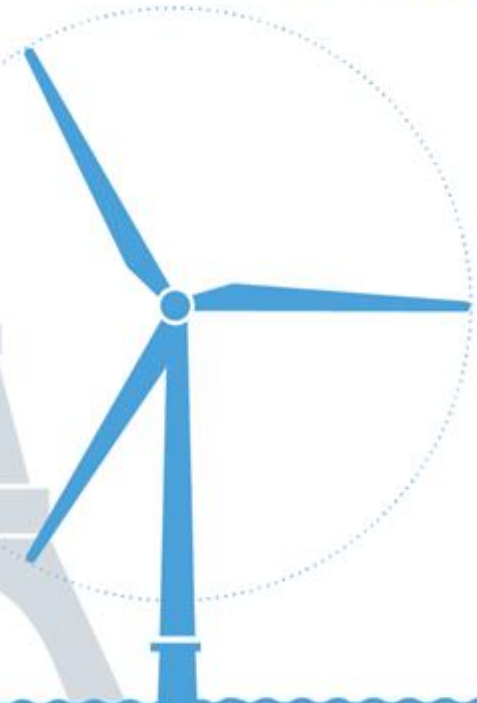
2017

Burbo Bank Extension
8MW

 7,100



Eiffel Tower
324m



2019 tested

GE Haliade-X
12MW

 15,000

ORSTED LEASE – Areas A, B, C



YEAR IN REVIEW

- 1st Annual SWaM event held January 2019 was attended by 120 Vendors and Primes
- Team completed 9 SWaM set-asides for a total of \$1.3M
- Channel Dredging contracted to Weeks Marine. Committed to \$7.5M
- Newport News Marine Terminal Dredging contract awarded to W3 Marine (SWaM) - \$3M
- Kickoff Meeting with SBSD as per our MOU was held in Norfolk on October 29th
- SWaM outreach. Worked with 20 vendors since kickoff. Currently 6 in process of certifying/recertifying
- 2nd Annual SWaM event scheduled for March 20th

SWaM CY19

\$138,320,194

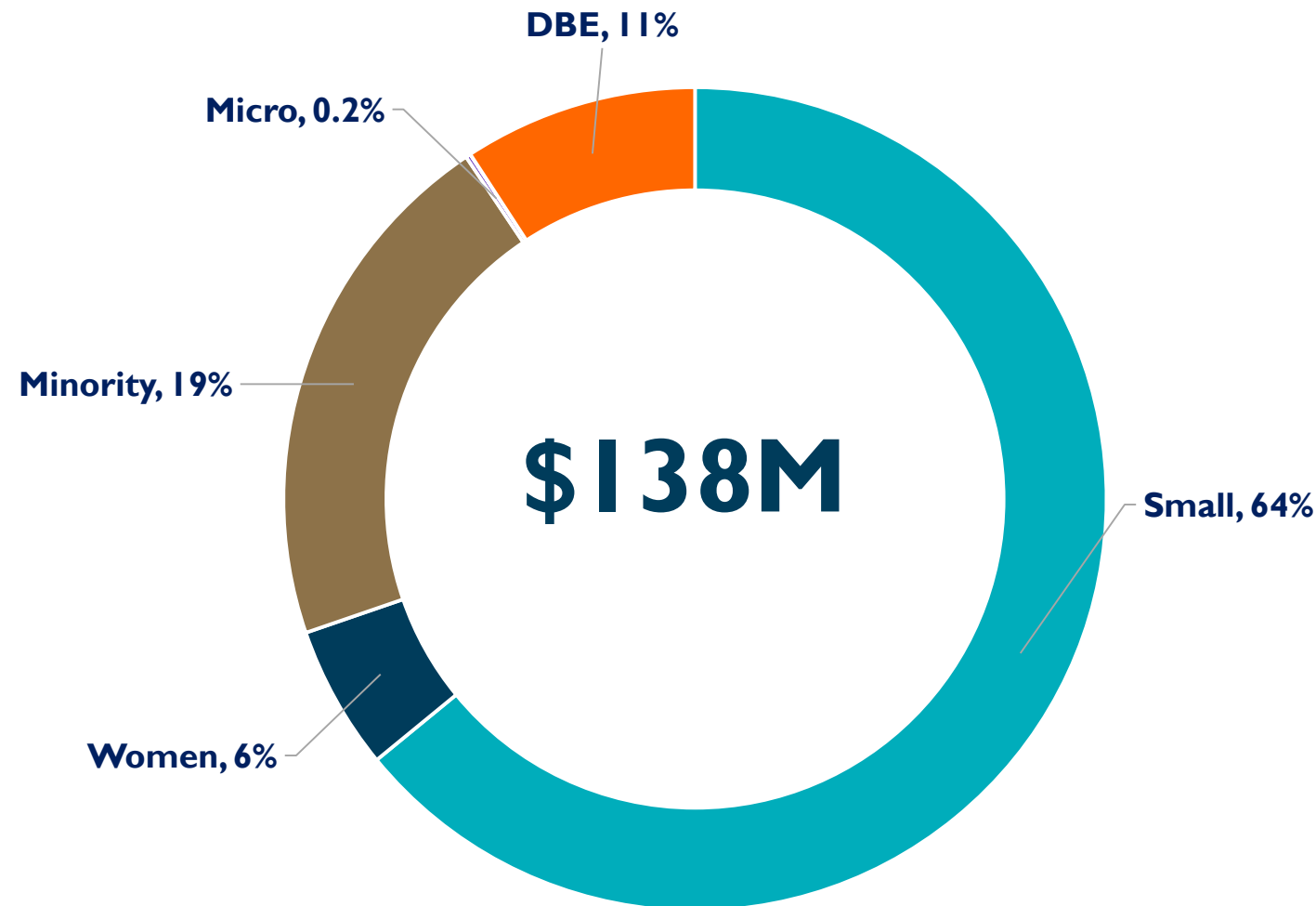
Total Discretionary Spend

\$50,827,280

Total SWaM Spend

36.75%

CY2019 PORT of VIRGINIA SWaM by TYPE



FY 2020 YTD

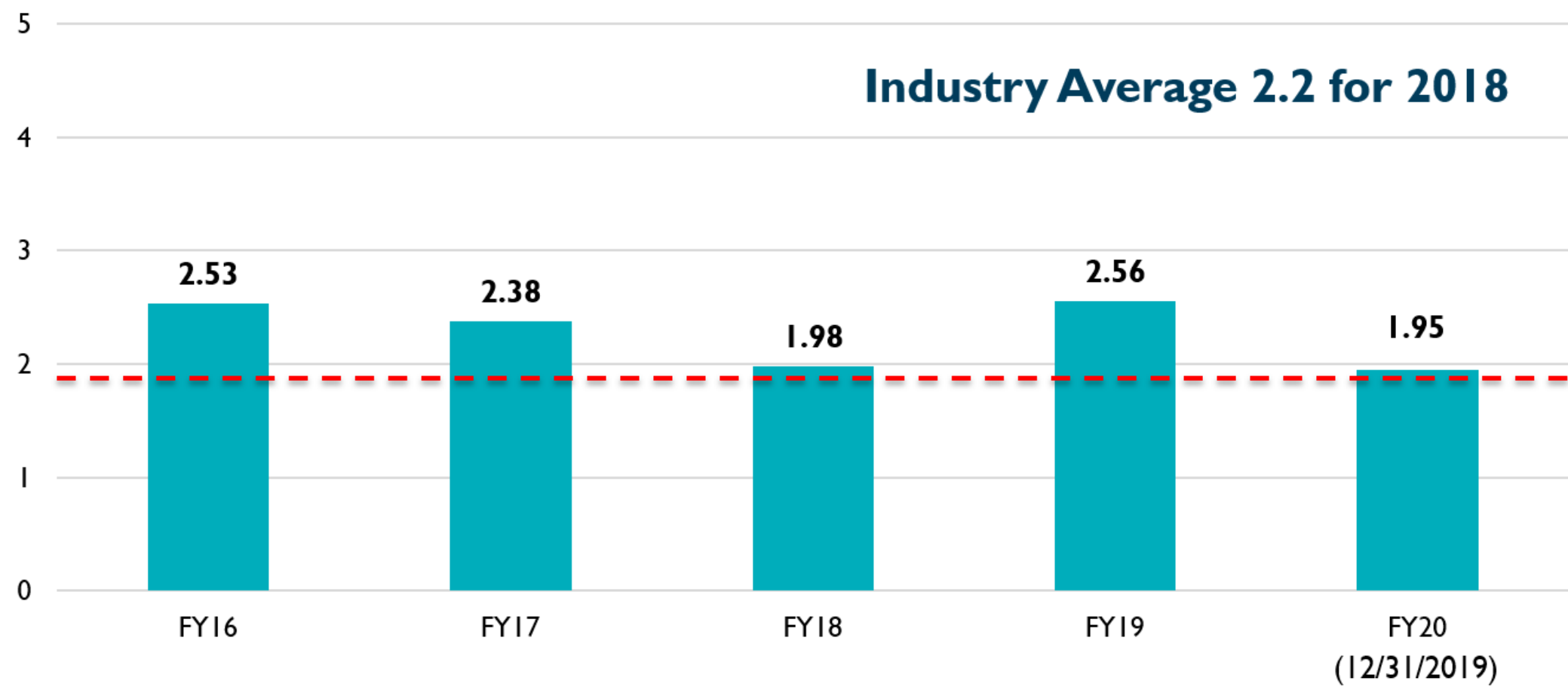
FY 2020	VPA Discretionary Expenditures	Total SWaM Dollars	% SWaM Dollar Growth
FY20 Q1	\$36,212,755	\$15,675,811	43.29%
FY20 Q2	\$29,708,285	\$11,815,177	39.77%
FY20 YTD	\$65,921,040	\$27,490,988	41.70%

Questions?

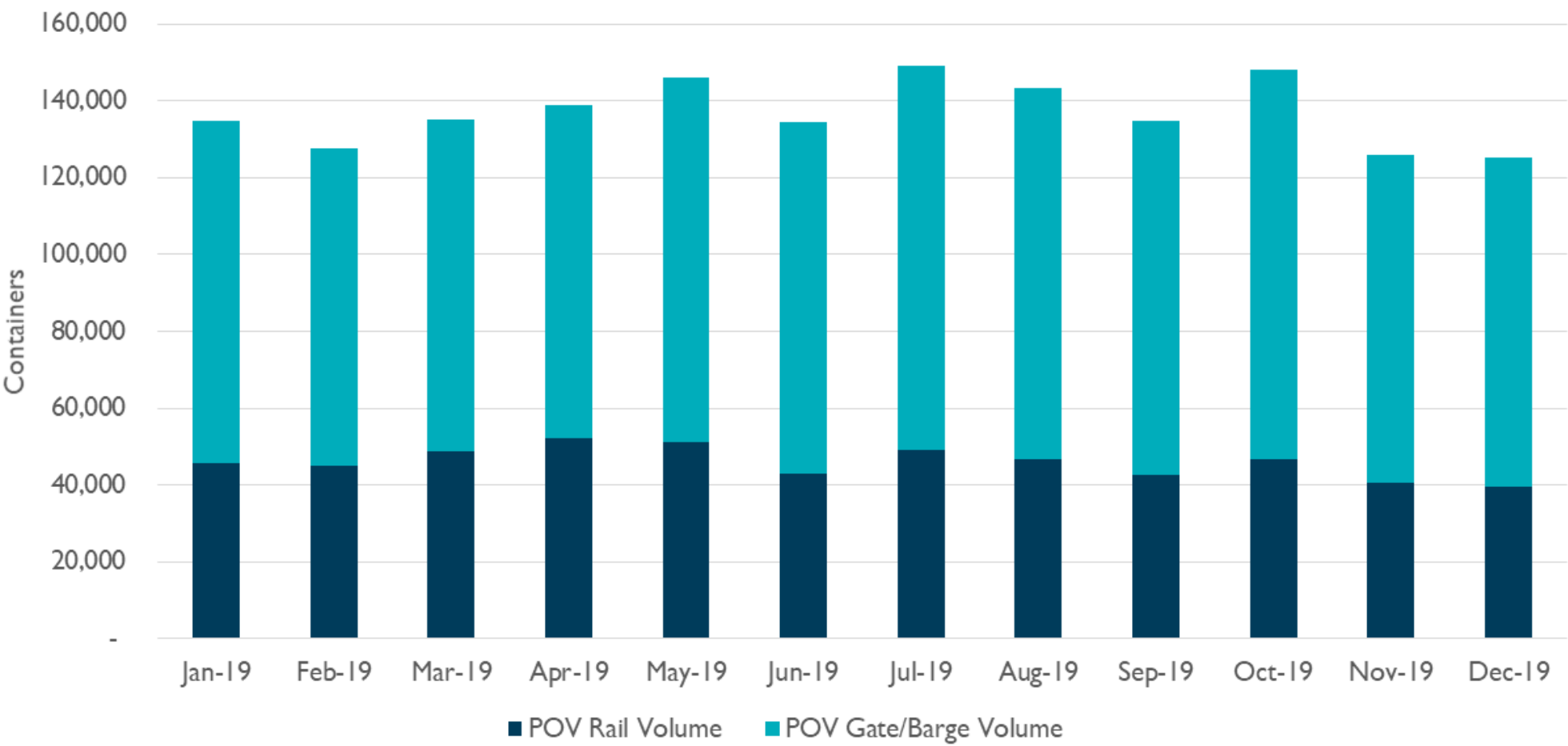
OPERATIONS REPORT

Kevin Price
Chief Operations Officer

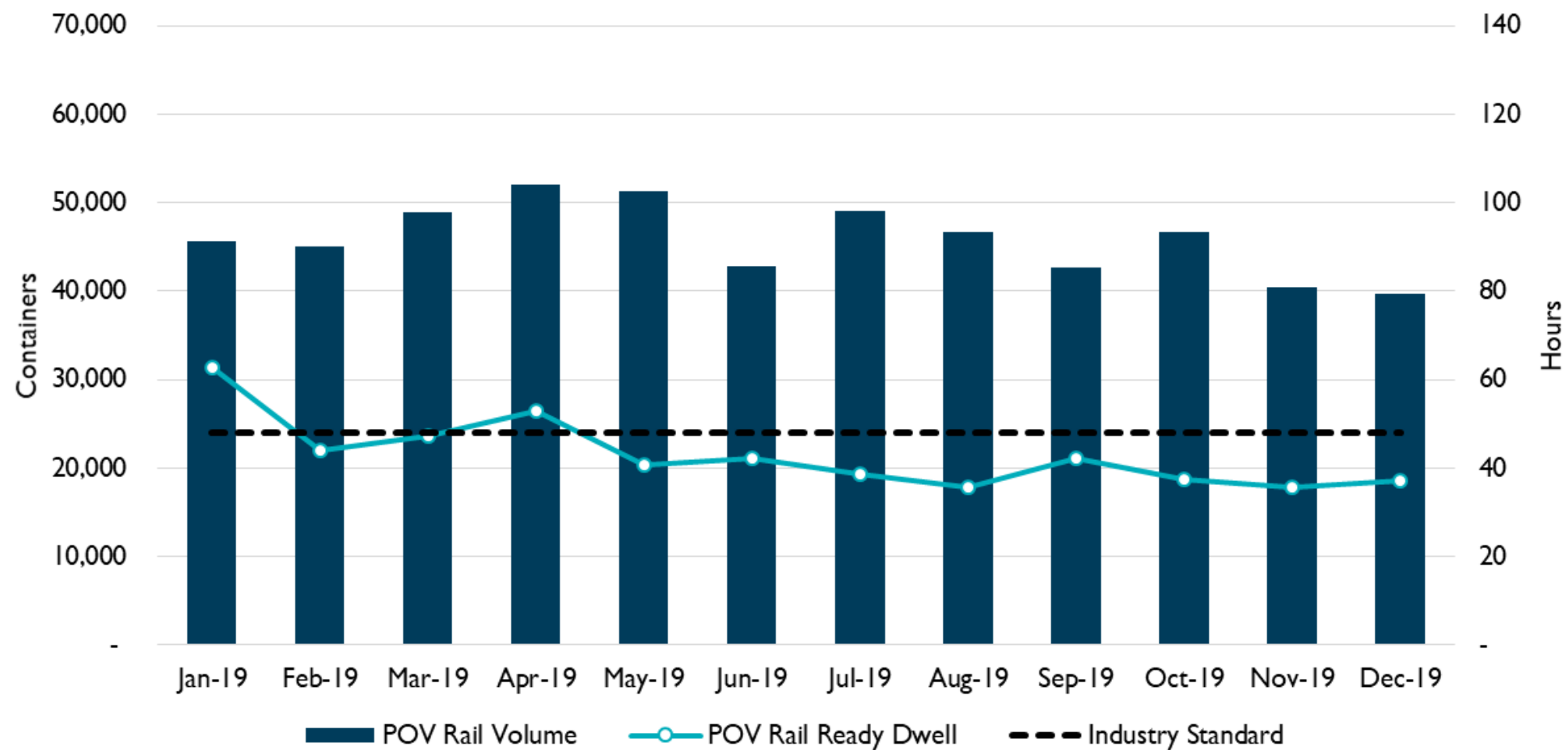
POV OSHA LOST WORK DAY RATE



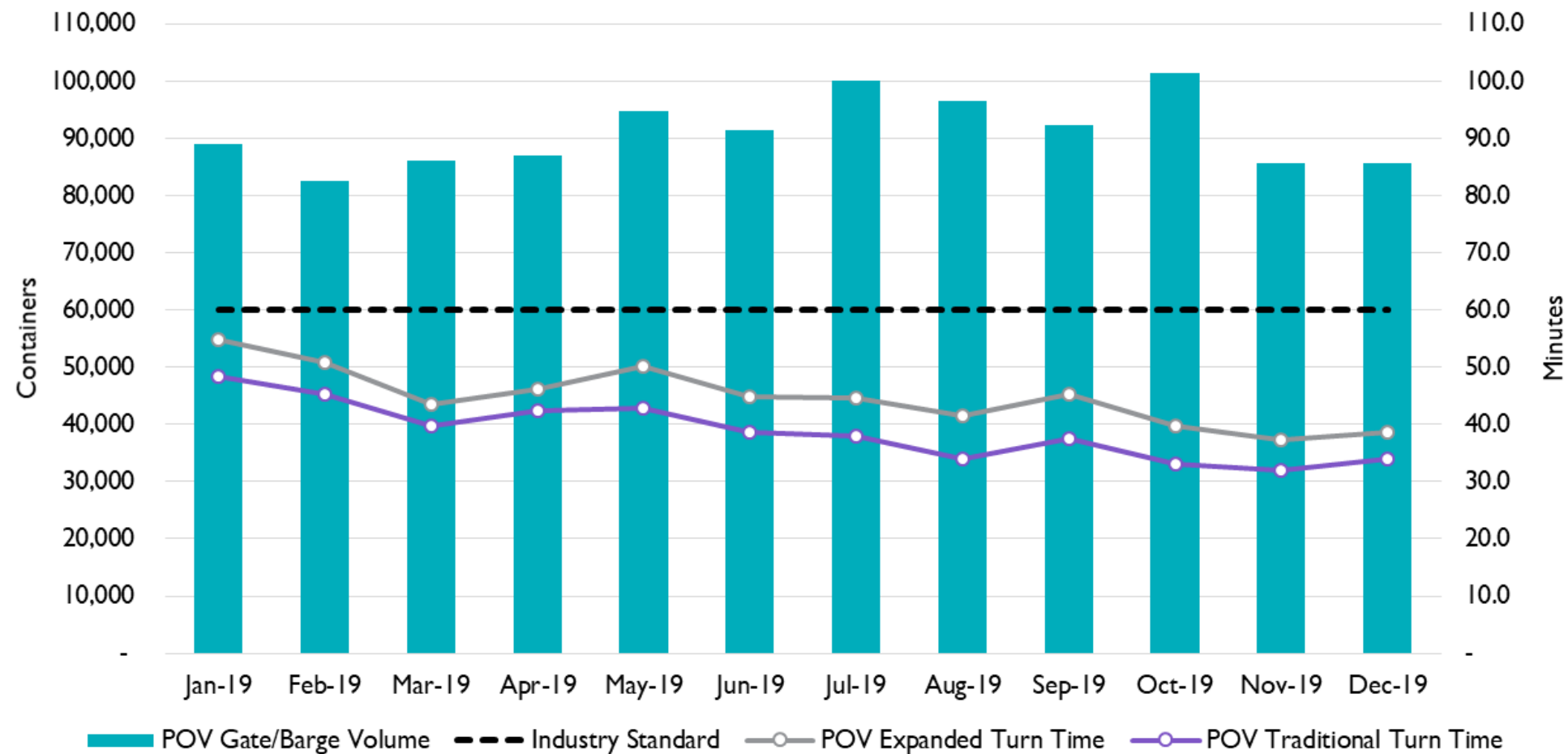
POV RAIL VS GATE/BARGE VOLUME



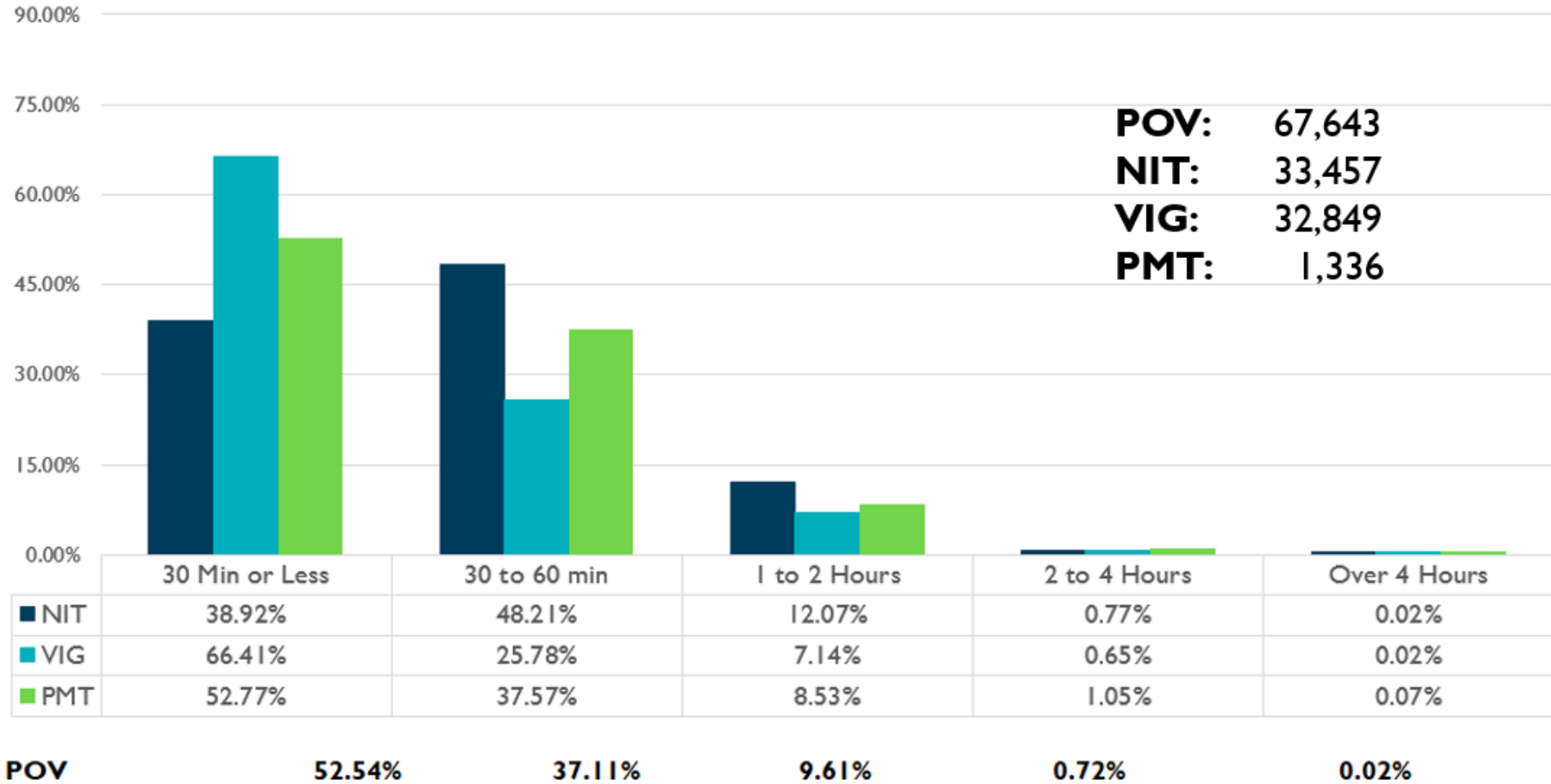
POV RAIL VOLUME



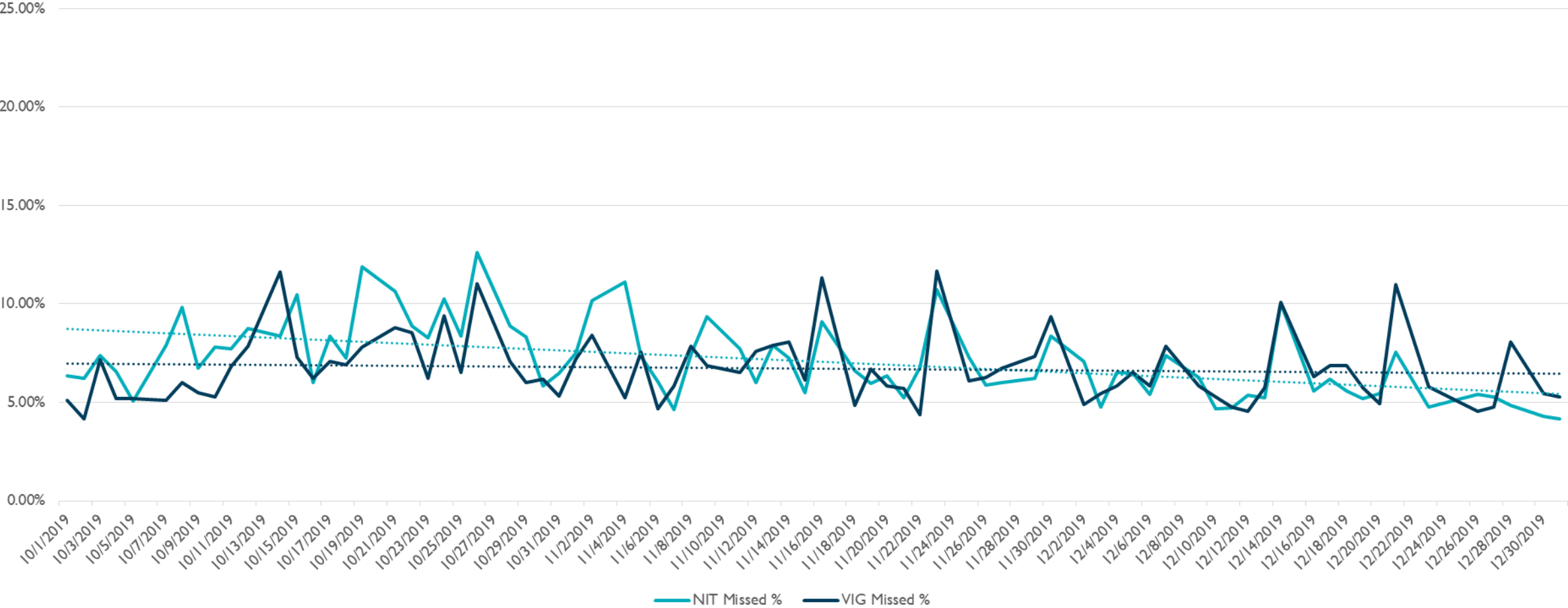
POV GATE TURN TIMES



TRADITIONAL TURN TIME – DEC 2019



MISSED RESERVATIONS



Questions?

SALES REPORT

Tom Capozzi
Chief Sales Officer

POV VOLUMES CALENDAR YEAR 2019

	CY 2018	CY 2019	Change	% Change
Total TEUs	2,855,904	2,937,962	82,058	2.9%
Export Loaded TEUs	977,786	966,102	(11,684)	-1.2%
Export Empty TEUs	528,049	582,802	54,753	10.4%
Import Loaded TEUs	1,327,409	1,366,381	38,972	2.9%
Import Empty TEUs	22,660	22,677	17	0.1%
Total Containers	1,612,886	1,643,789	30,903	1.9%
General Cargo Tonnage	21,974,863	21,940,748	(34,115)	-0.2%
Container Tonnage	21,785,434	21,779,258	(6,175)	0.0%
Breakbulk Tonnage	189,429	161,489	(27,940)	-14.7%
Total Rail Containers	552,318	550,862	(1,456)	-0.3%
VIP Containers	38,540	34,121	(4,419)	-11.5%
Total Barge Containers	50,332	59,671	9,339	18.6%
RMT Containers	31,544	37,705	6,161	19.5%
Total Truck Containers	1,010,236	1,033,256	23,020	2.3%
Ship Calls	1,655	1,514	(141)	-8.5%
Vehicle Units	24,448	20,300	(4,148)	-17.0%

TURKON LINE: NEW CONTRACT SIGNED



HAPAG LLOYD ADDS VESSEL TO LOOP 3



IMAGE SOURCE: FREIGHWAVES.COM

PORT OF VIRGINIA AT CONFERENCES AND EVENTS



AgTC Winter Workshop
Minneapolis, MN

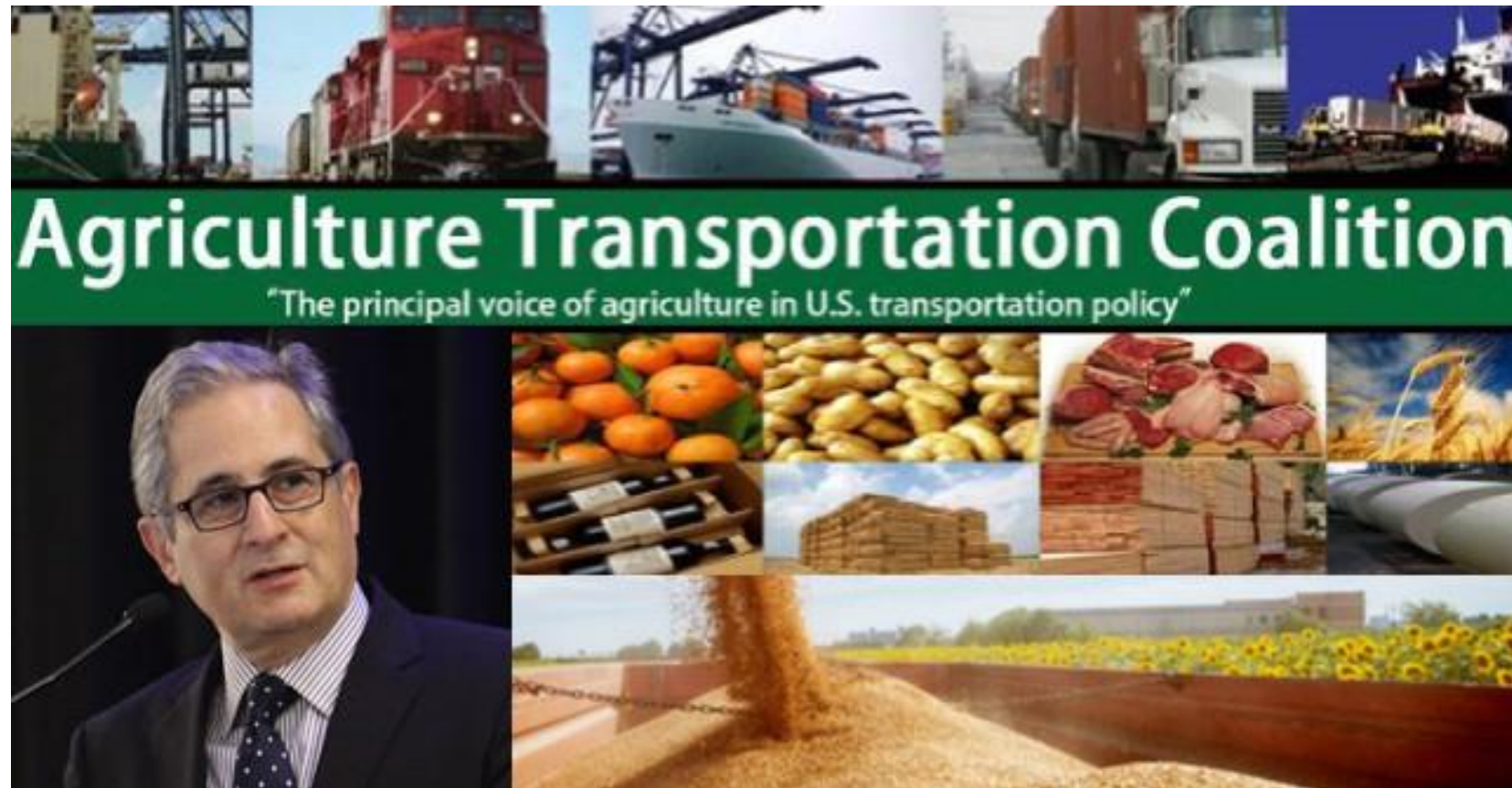


Intermodal of Chicago
Chicago, IL



JOC Shipper Roundtable
Newark, NJ

AgTC WORKSHOP IN NORFOLK – APRIL 8, 2020



U.S./ CHINA PHASE I AGREEMENT

- Increased agricultural purchases, particularly soybeans, cotton and wheat
- Increased poultry purchases
- Increased pork purchases
- Increased export opportunities through The Port of Virginia

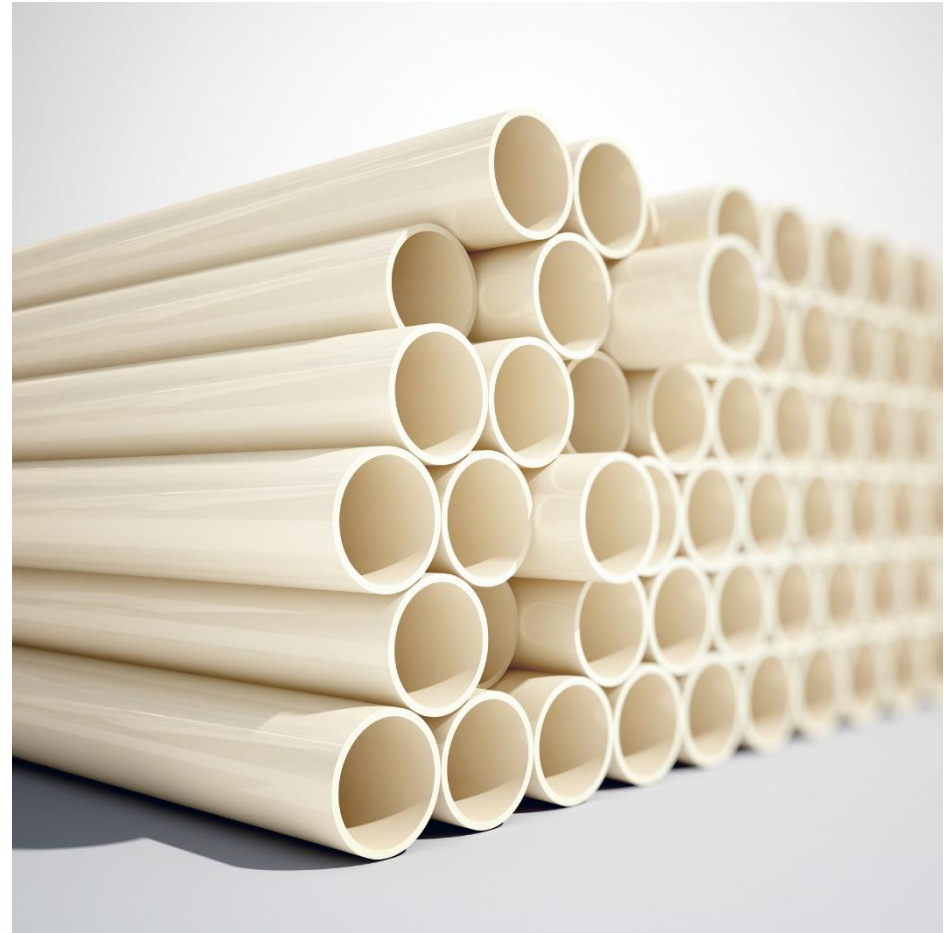
INCREASED REEFER CAPACITY ON TERMINAL DRIVING VOLUMES

POV VOLUMES UP 11.6% FROM CY18 TO CY19

SMITHFIELD VOLUMES UP 300%



RESINS ON THE RISE THROUGH POV



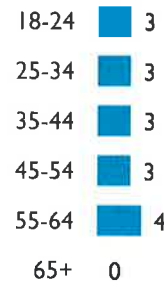
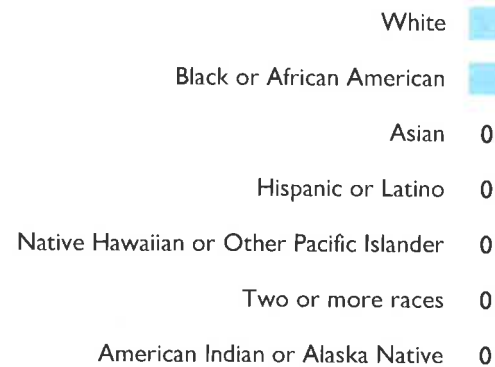
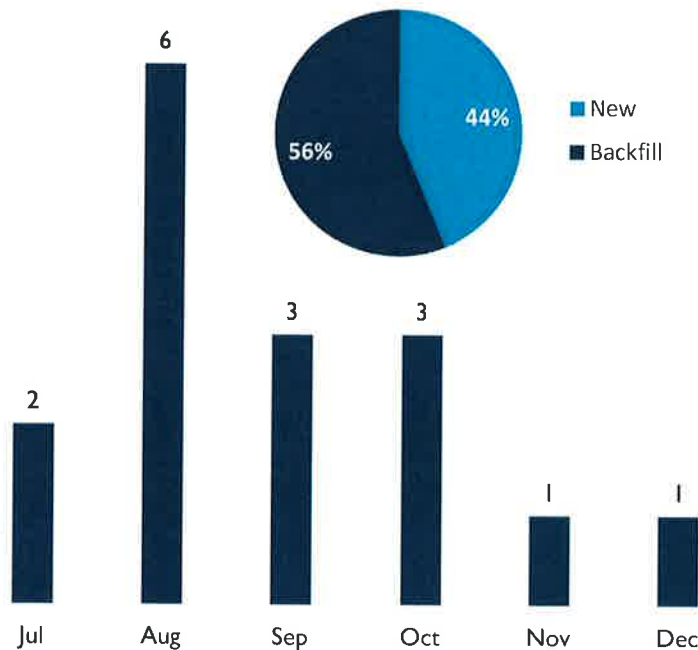
Questions?

HUMAN RESOURCES REPORT

Jim Bibbs
Chief Human Resources Officer

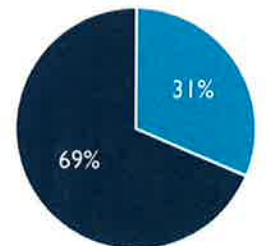
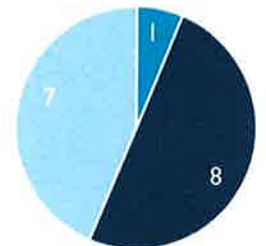
RECRUITMENT METRICS

FY20 New Hires



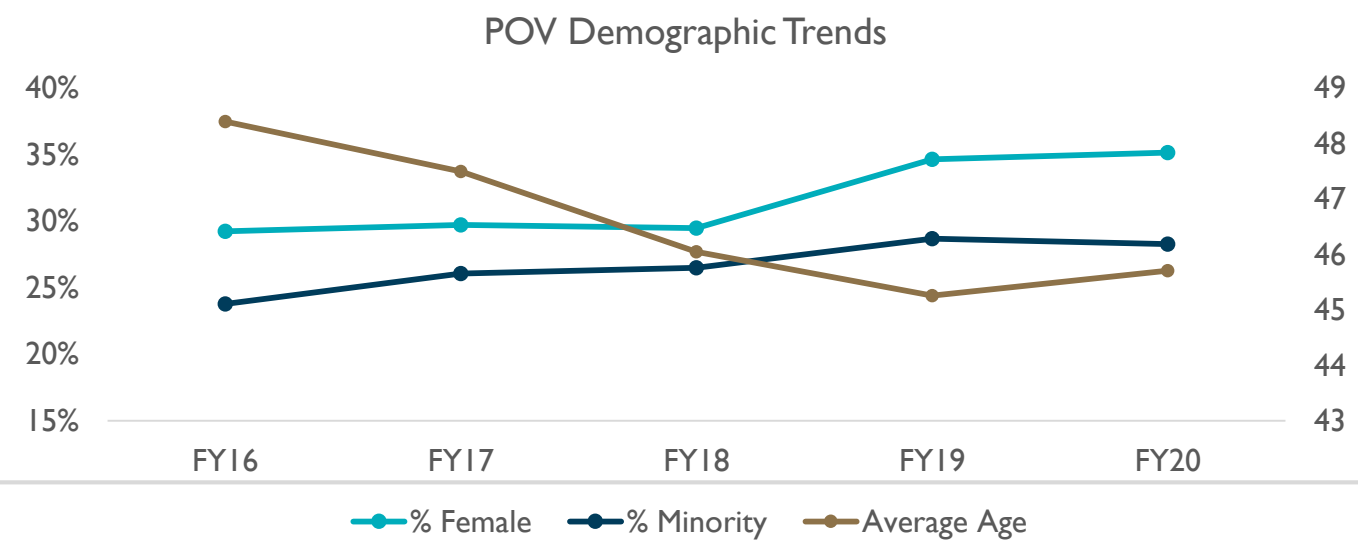
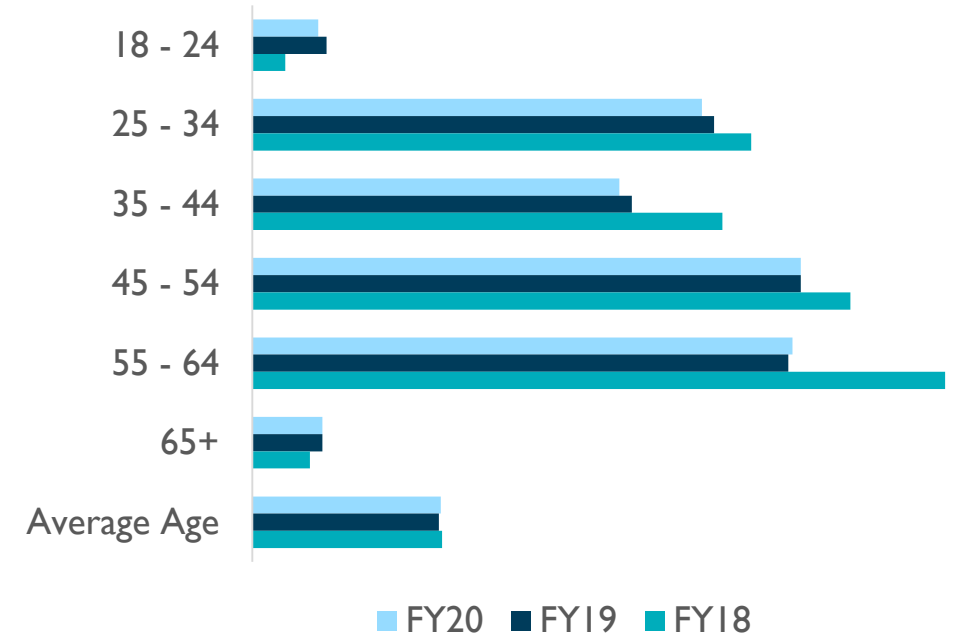
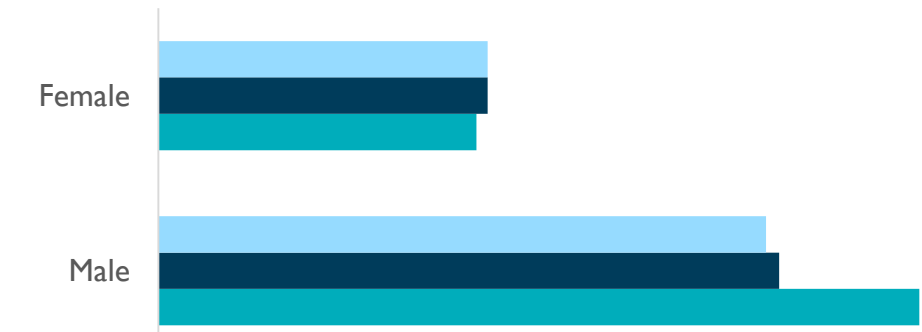
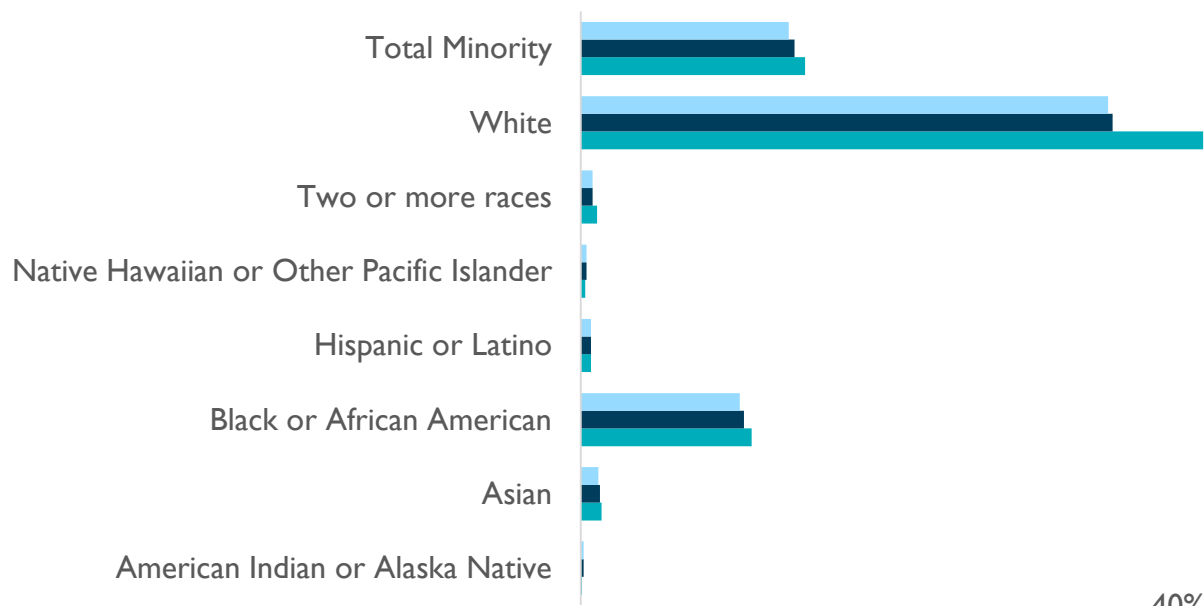
Average Age 41.69

■ HRCP ■ VIT ■ VPA



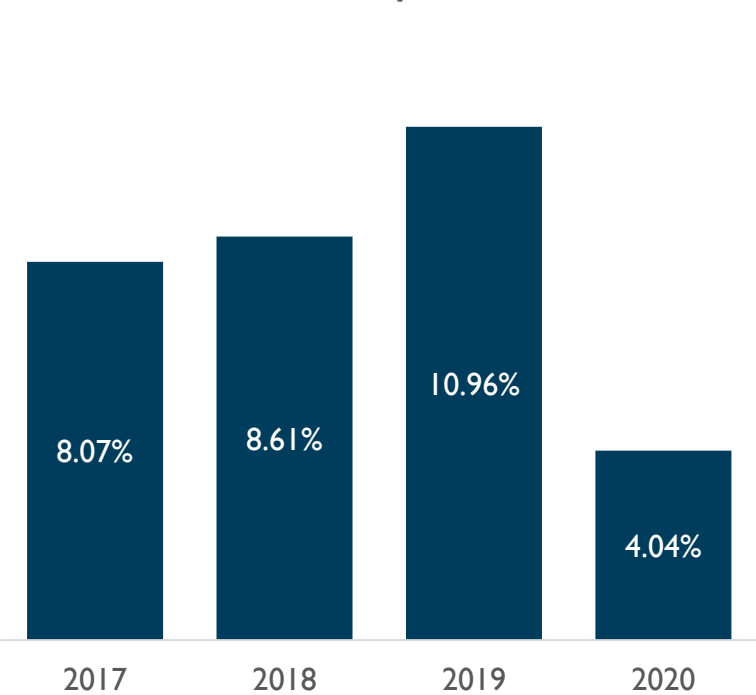
■ Female ■ Male

POV DEMOGRAPHICS

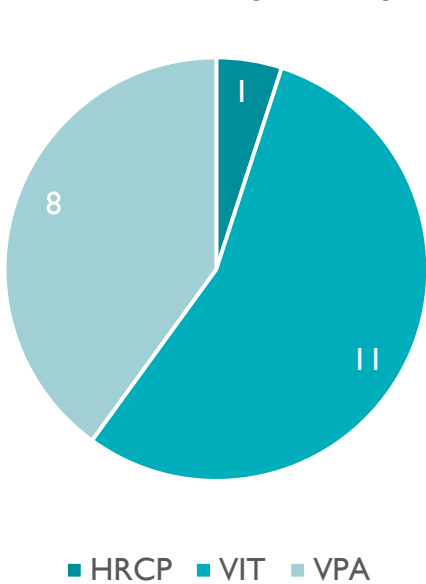


POV ATTRITION

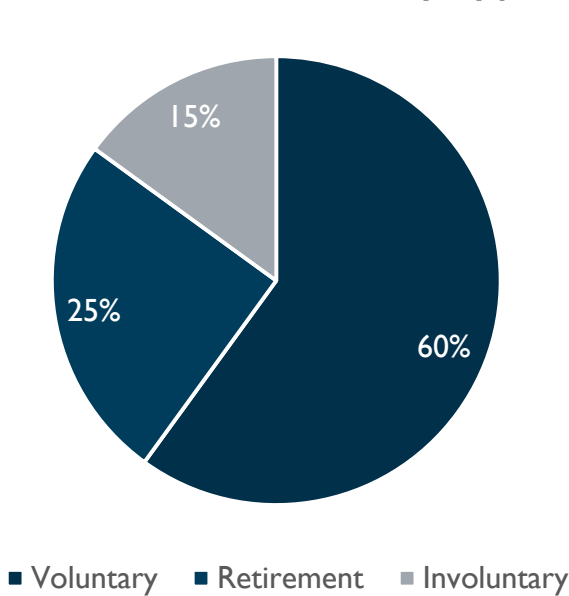
Attrition by FYTD



Attrition by Entity

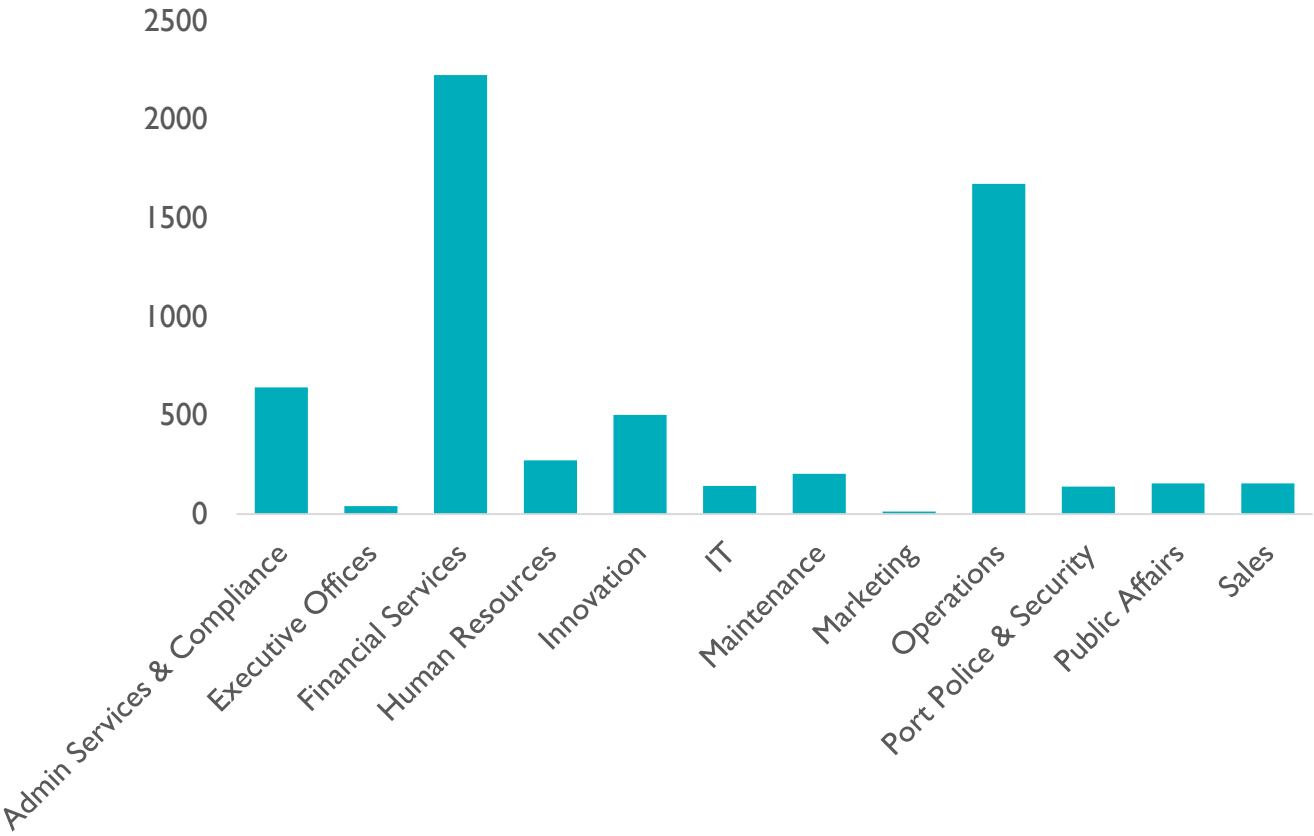


FY20 Terminations by Type

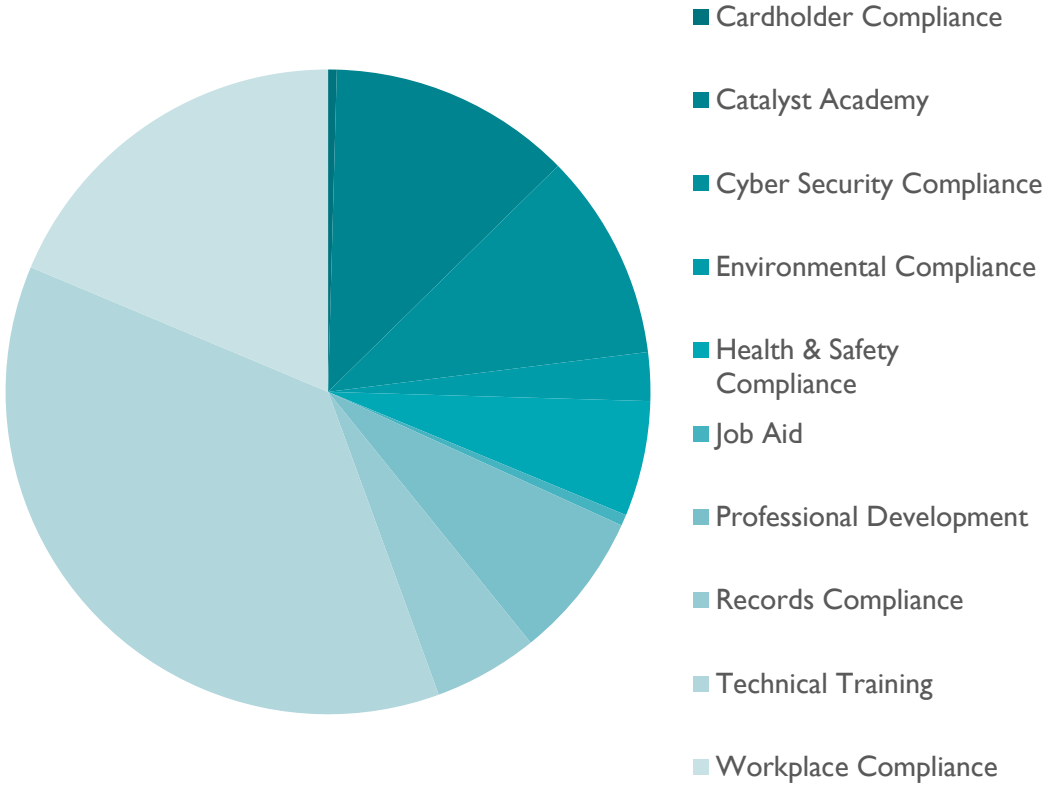


TRAINING METRICS

Training Hours by BU for CY19



Training Hours by Category



Questions?

INNOVATION REPORT

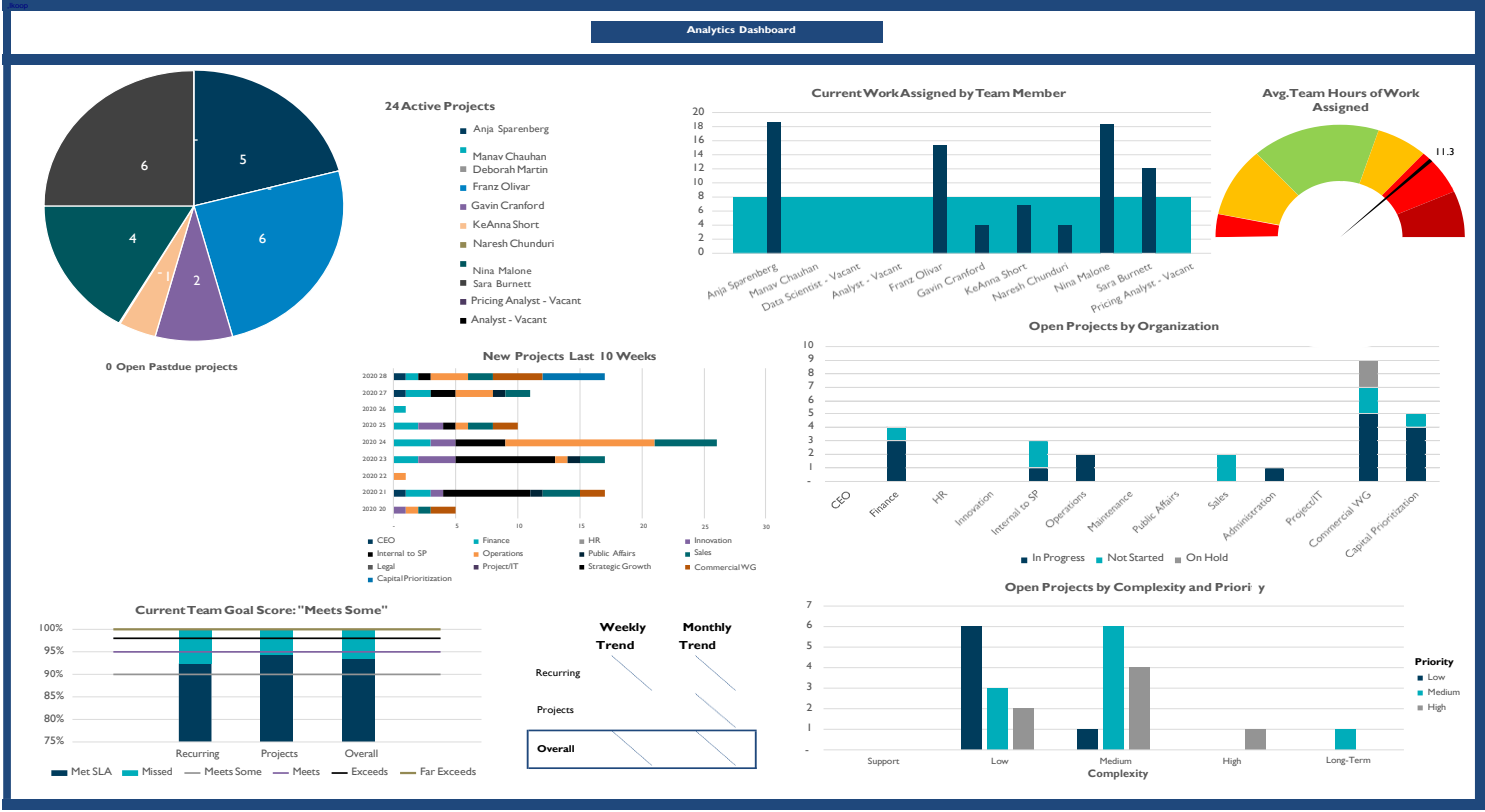
Joseph P. Ruddy
Chief Innovation Officer

CUSTOMER SERVICE



STRATEGIC PLANNING & ANALYTICS ECONOMIST

STRICTLY CONFIDENTIAL



Automatic - Team Status Dashboard (Printed on 3/10/2020 at 9:42 AM)

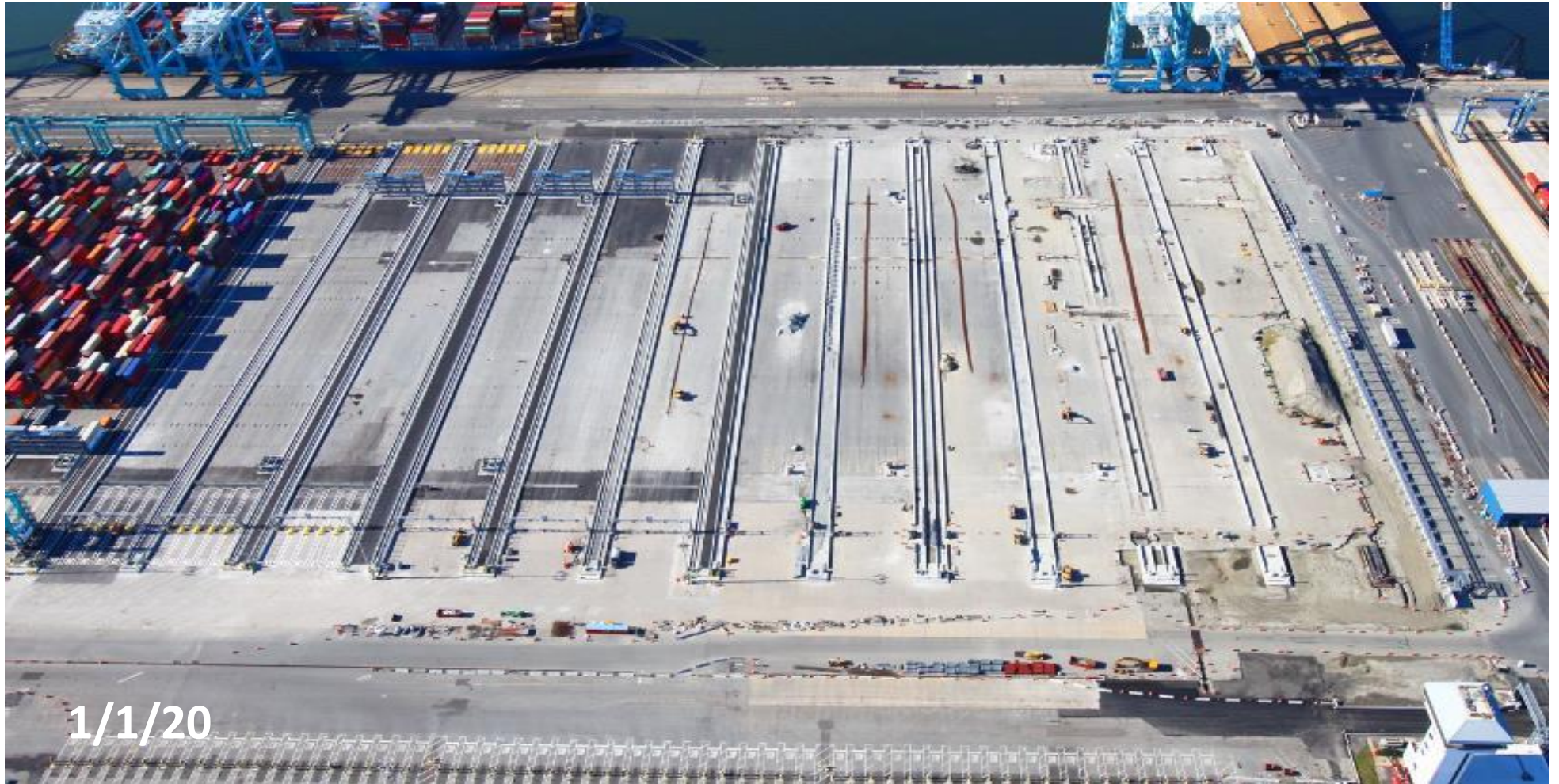
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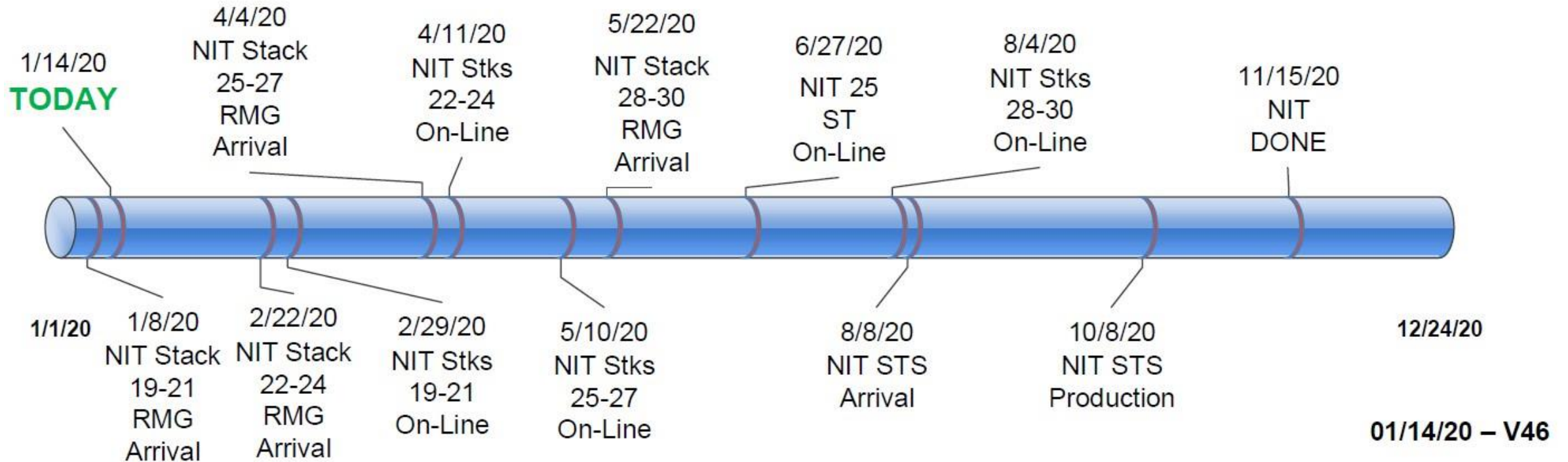
1/1/20

SNIT OPTIMIZATION UPDATE

Phase 3 & 4



TIMELINE



Questions?

MARKETING REPORT

Jay Stecher
Chief Marketing Officer

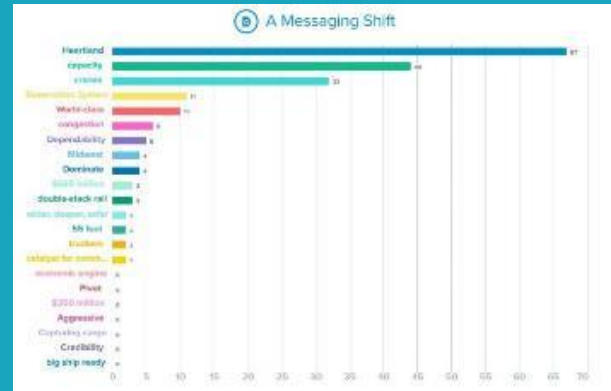
EARNED MEDIA UPDATE: CY 2019



3,600
MENTIONS
VALUED AT
MORE THAN
\$5 MILLION
IN AD EQUIVALENCY



97% OF MENTIONS
were “good” or “neutral” in sentiment.



TOP 5 PHRASES IN 2019

1. Capacity
2. Cranes
3. World-Class
4. \$350 million
5. 55 feet



INTERNATIONAL COVERAGE

10 countries ran stories mentioning
The Port of Virginia through

OWNED MEDIA: Economic Impact Summary Update

THE JOURNEY OF CARGO

Each container leaving and coming to Virginia is "touched" multiple times in its journey to its final destination. This is how something as simple as a light bulb ends up in a home.

The Ocean Voyage

Starting in China, over the next 28 days, the ship carrying that container of light bulbs will cross the Pacific Ocean, pass through the Panama Canal, go around the tip of Florida and make its way into the Chesapeake Bay to The Port of Virginia.

Harbor

In Virginia the ship is greeted by a harbor pilot who boards the vessel and with the help of tugboats, guides it safely into port.

Terminal

Once at the terminal, the International Longshoremen's Association begins the careful offloading process using massive cranes and special container carriers. The containers are sorted into their means of transport: by truck, train or barge.

Warehouse

The container with the light bulb is destined for a large distribution warehouse in Williamsburg, so it moves by truck. The warehouse, and many like it, are positioned on major transportation routes for quick, direct access to retail centers.

The Store

In Williamsburg, the container is unpacked and the light bulbs are reloaded onto another truck destined for a Charlottesville store's loading dock.

Store Shelf

Three hours later, the truck arrives safely in Charlottesville and is unloaded. The bulb is placed onto the store's shelf.

All of the touches in the journey of any container arriving or departing The Port of Virginia are important for many reasons. The contents of that container are valuable and the touches ensure the safe, efficient and reliable movement of that container. The touches come from working Virginians, people who are earning paychecks that are used to pay mortgages, buy groceries, purchase goods and services (like light bulbs) and drive the Virginia economy.



THE PORT OF VIRGINIA DELIVERS:
PAYCHECKS • INVESTMENT • PROSPERITY

Every day, thousands of containers flow across the port's terminals and get touched by many people along the way. Each touch equates to paychecks, benefits, stocked shelves, taxes, fees, revenue and a healthy Virginia economy.

The positive effects of The Port of Virginia reach every corner of the Commonwealth

and our ongoing collaboration with our economic development partners is helping to power the Virginia economy.

Virginia's port provides quick, reliable access to goods

which, in turn, leads to a stronger state economy – and a better life – for our citizens. It is the larger, economic development community located throughout Virginia that is encouraging growth through efforts like identifying new, pad-ready sites across Virginia to attract potential port users. The results of this work are new jobs and economic expansion across the state.

VIRGINIA'S PORT IS AN ECONOMIC ENGINE:

Nearly 10% of jobs in Virginia are tied to port activity

397,000
Jobs in 2018

374,000 in 2013
That's a 6% increase

The gross state product of businesses that are tied to port activity

\$39.3
Billion in 2018

\$30.5 billion in 2013
That's a 29% increase

11% of Virginia's estimated output purchases are tied to port activity

\$92.1
Billion in 2018

\$60.3 billion in 2013
That's a 53% increase

Source: The Fiscal Year 2018 Virginia Economic Impacts of The Port of Virginia, 2019, Raymond A. Mason School of Business, The College of William & Mary

A HEALTHY PORT DRIVES ECONOMIC GROWTH

During the five years from FY13-FY18

251
Businesses either located to, or expanded in Virginia because of port activity

The growth of cargo volume at the port helped to fuel an investment of

\$8.5
Billion in facilities for warehousing, distribution, and manufacturing across Virginia

Putting Virginians to work

25,761
New jobs – salaries, paychecks and benefits – at companies in Virginia that are tied to port activity

COMPANIES LOCATING OR EXPANDING IN VIRGINIA

Hampton Roads Region

Smithfield Foods
Target
High Liner Foods
Welspun USA
ACE Hardware
Canon
Liebherr
Massimo Zanetti Beverage USA
Emser Tile
Dollar Tree
Cost Plus World Market

Elsewhere in Virginia

Volvo
Eldor Corporation
WestRock
Merck
Starsprings
Core Health & Fitness

Front Royal Region

Trex
Mercury Paper
Newell Rubbermaid
Nature's Touch Frozen Foods
Andros Foods
The Home Depot

Richmond Region

Amazon
Sabra Dipping Company
Lidl
ALDI
Lumber Liquidators
Bissell
Plow & Hearth Distribution

A partial list of the companies that expanded or located to Virginia between FY13-FY18



Stewards of Tomorrow

PUTTING IT ALL TOGETHER:



OUR 2020 VISION IS SEEING CLEARLY FOR OUR CUSTOMERS.

We understand the challenges our customers face. That's why over the past five years – and the next five – we will have invested over \$1.5 billion on projects that create capacity, make us more efficient, make us more sustainable, increase our reliability, decrease our dwell and gate times, and ensure safe, two-way passage for the largest vessels calling the East Coast. Our vision is clearly something we need to provide our customers with the best possible service.



JOC Events
TPM20

1 - 4 March 2020
Long Beach, CA

Questions?

DEVELOPMENT AND GOVERNMENT AFFAIRS REPORT

Cathie Vick

Chief Development and Government Affairs Officer

FEDERAL GOVERNMENT AFFAIRS



VIRGINIA GENERAL ASSEMBLY

Governor Northam's Budget Announcement & Legislative Session



Governor's Budget
December 16



Legislative Session
January 8, 2020

AID TO LOCAL PORTS & WATERWAY MAINTENANCE FUND



NORFOLK HARBOR & CHANNELS DEEPENING



NOTICE TO PROCEED

Dated: 10/30/2019

Owner:

Virginia Port Authority

Engineer:

Moffatt & Nichol

Contract:

Norfolk Harbor Navigation Improvements – Thimble Shoal Channel West of Chesapeake Bay Bridge Tunnel

Contractor:

Weeks Marine, Inc.

Contractor's Address:

304 Gaille Drive
Innswoods Business park
Covington, Louisiana 70433

Owner's Contract No.:

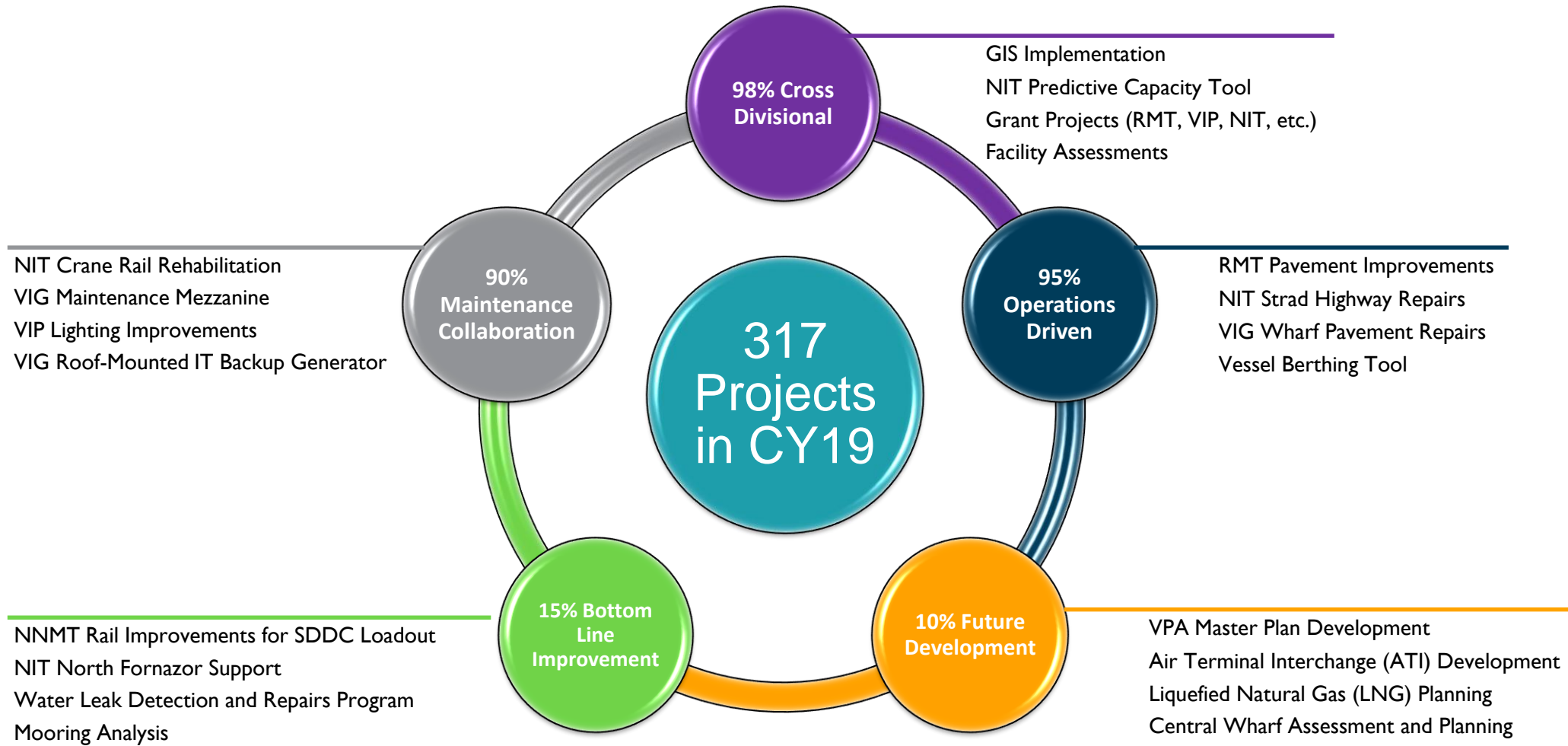
2020-01 (P/C 1839000)

Engineer's Project No.:

10253



ENGINEERING PROJECTS

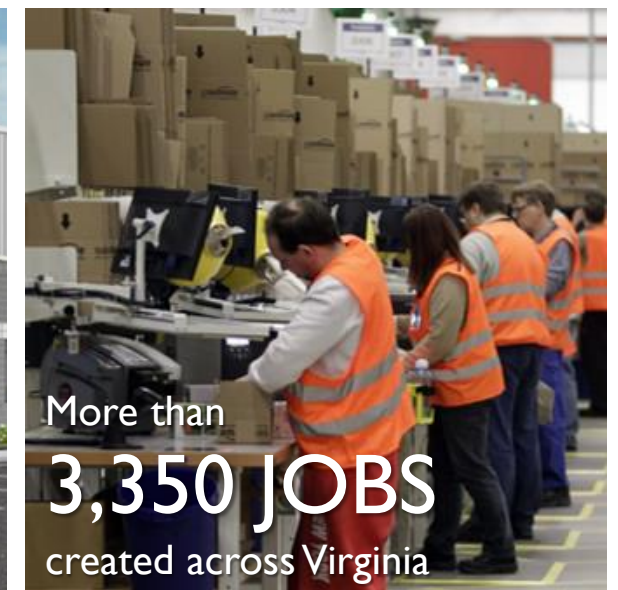


MIRT & EMERGENCY OPERATIONS



- Conducted the Mid-Atlantic Public Safety Dive Conference
- Conducted RAD/NUC Maritime TTX
- DHS Grant Awards
 - 2019 PSG \$650,000
 - 2019 UASI \$112,800
- Planning POV Cyber TTX
- PAC-I still at factory for IT Systems Upgrades

CATALYSTS FOR COMMERCE: CY 2019



Questions?
