

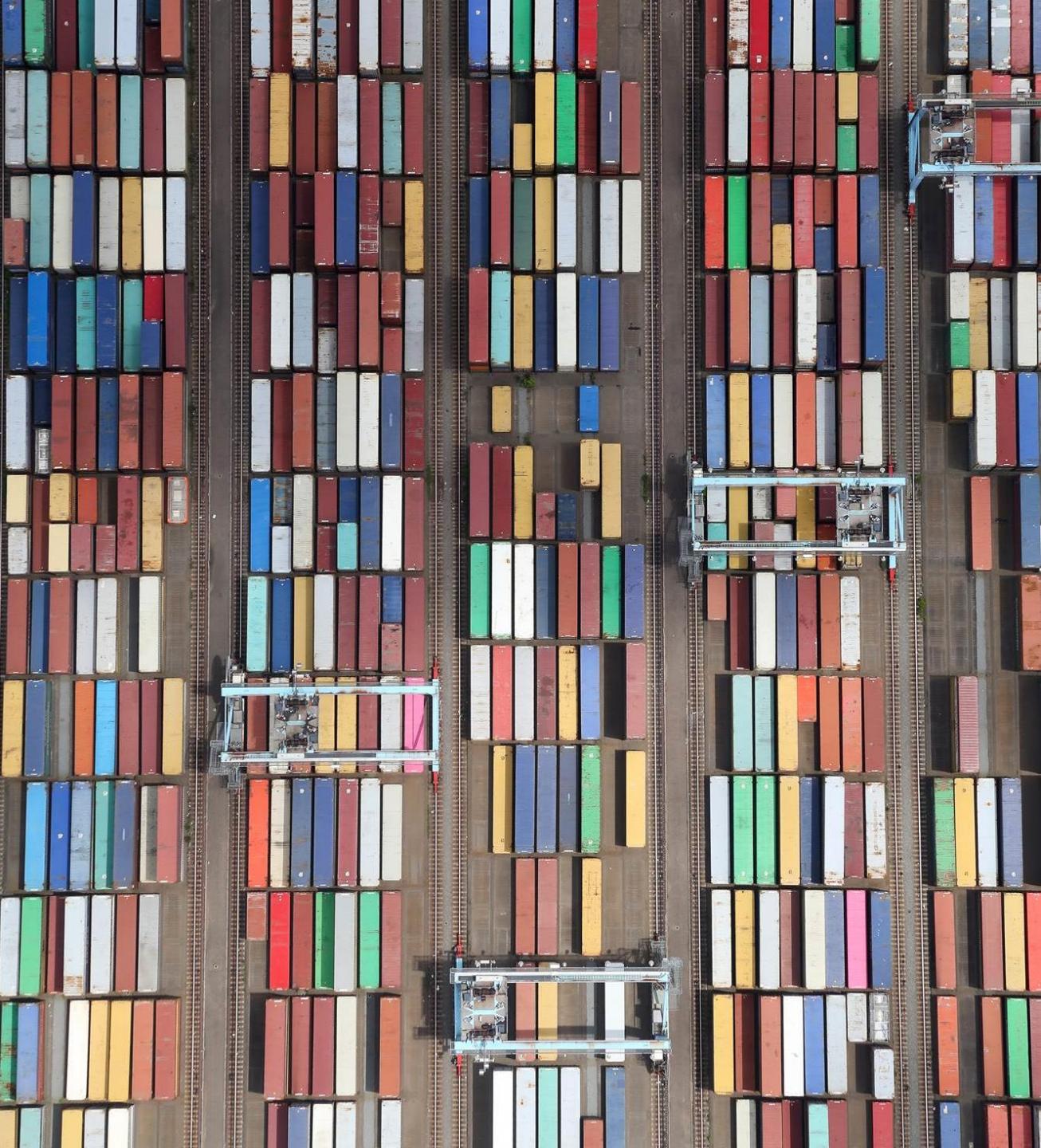


Hampton Roads Planning District Commission

Stephen Edwards, CEO/Executive Director
January 20, 2022

Agenda

- Port Economic Impact
- Supply Chain
- Port of Virginia Performance
- NIT North Optimization
- Continued Investment
- Opportunities & Risks



PORT ECONOMIC IMPACT – FY21 RESULTS

23.5 MILLION
TONS OF CARGO MOVED

6%
INCREASE



436,667
JOBS IN VIRGINIA

10%
INCREASE



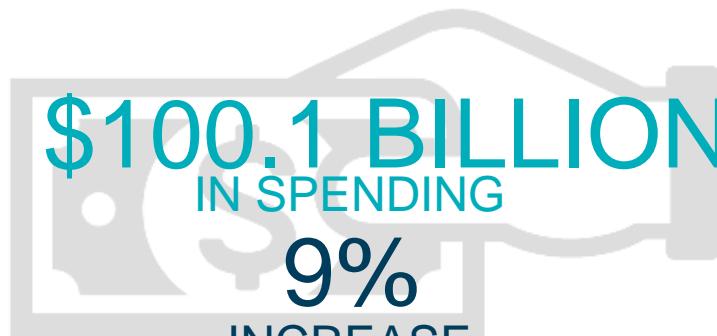
\$27.2 BILLION
IN LABOR INCOME

18%
INCREASE



\$100.1 BILLION
IN SPENDING

9%
INCREASE



\$2.7 BILLION
IN STATE & LOCAL TAXES & FEES

29%
INCREASE



Increases compared with FY18 Port Economic Impacts

Source: *The Fiscal Year 2021 Virginia Economic Impacts of The Port of Virginia*, 2022, Raymond A. Mason School of Business, William & Mary

Condition of the Supply Chain

Hapag-Lloyd and CMA CGM 'temporarily' steering 2 services away from Savannah

For the time being, two ocean services will not call Georgia's busy Port of Savannah.

Port of Seattle becomes the latest casualty of container congestion

California congestion nears new high, East Coast gridlock worsens

New chassis pool in SC delayed by equipment shortage

No relief signs for US ports: Congestion fears remain until late 22

US ports are currently facing one of the worst congestion scenarios ever since these ports were modernized for containerization.

Legislators propose federal office to manage supply chain crises

America's 4th Largest Container Port Sees Surge in Congestion

'It's not sustainable': What America's port crisis looks like up close

Some 700 containers have been left at the port, on the banks of the Savannah River, by their owners for a month or more.

East Coast port volumes rise as some importers avoid West Coast congestion

Ocean delays turn desperate retailers to the skies, increasing emissions

\$22B worth of cargo is now stuck on container ships off California

Cargo velocity now slowing through US East Coast ports as congestion spreads

Record shattered: 65 container ships stuck waiting off California

Port of Virginia Performance

The Port of Virginia, America's Most Automated Port Had Its 'Most Productive Year' in 2021

With the record backup off the shore of southern California taking up all the port-related news for the past few months, let's look at a bright spot. The Port of Virginia had its 'most productive year' ever last year, successfully handling a 25.2 percent increase in cargo volume over the year before.

Port of Virginia Remains Agile, Fluid as Peak Season Approaches

Unlike other ports in the region and around the country, the port of Virginia continues to operate with no congestion. TEU volume was up 24% compared with the same month in the past year and up 18.6% compared with August 2018, according to port figures. Export figures rose 13%, while imports were up 20.1% and 19.2% compared with August 2020 and 2019, respectively.

Port of Virginia weathers record volumes with automation, agility

From the control tower overlooking the semi-automated container stacking cranes gliding around Norfolk International Terminals (NIT) on a bright August morning, Stephen Edwards, the new head of The Port of Virginia, pointed to trucks easily weaving through a marine terminal free of backlogs.

Virginia chassis modernization on track for 2022 completion

The Port of Virginia has now upgraded 80 percent of its chassis fleet after taking possession last week of the final batch of chassis in a 5,000-lot order delivered this year. The massive capital project is designed to reduce the age of equipment, thus creating more reliability to deliver containers to cargo owners.

POV Calendar Year Volumes (Jan - Dec 2021)

	CY 2020	CY 2021	Change	% Change
Total TEUs	2,813,415	3,522,834	709,419	25.2%
Export Loaded TEUs	940,684	1,049,588	108,904	11.6%
Export Empty TEUs	534,217	762,354	228,137	42.7%
Import Loaded TEUs	1,316,976	1,679,528	362,553	27.5%
Import Empty TEUs	21,539	31,365	9,826	45.6%
Total Containers	1,556,063	1,959,750	403,687	25.9%
Total Rail Containers	502,691	642,775	140,084	27.9%
VIP Containers	28,493	31,282	2,789	9.8%
Total Barge Containers	60,796	77,651	16,855	27.7%
RMT Containers	42,254	40,058	2,196	-5.2%
Total Truck Containers	992,576	1,239,324	246,748	24.9%
Ship Calls	1,428	1,548	120	8.4%

Market Share Comparison

USEC Ports Loaded TEUs

Timeframe: January - October

Source: PIERS - Loaded TEUs

Total Loaded TEUs	CY19	CY20	CY21	CY20/CY19 YOY%	CY21/CY19 YOY%	CY21/CY20 YOY%
TOTAL EAST COAST PORTS	7,983,924	7,620,270	8,826,459	(4.6%)	10.6%	15.8%
NEW YORK/ NEW JERSEY	2,460,792	2,388,587	2,757,814	(2.9%)	12.1%	15.5%
SAVANNAH	1,719,332	1,676,220	1,946,743	(2.5%)	13.2%	16.1%
PORT OF VIRGINIA	1,044,669	962,681	1,203,036	(7.8%)	15.2%	25.0%
CHARLESTON	883,256	818,174	960,110	(7.4%)	8.7%	17.3%
BALTIMORE	348,906	333,259	333,086	(4.5%)	(4.5%)	(0.1%)
WILMINGTON NC	109,935	109,408	117,869	(0.5%)	7.2%	7.7%

*Total East Coast Ports includes: NY/NJ, Philadelphia, Wilmington, DE, Baltimore, Port of Virginia, Wilmington, NC, Charleston, Savannah, Jacksonville, Port Everglades and Miami

NIT North Optimization

\$266M General Fund

\$166M CPF Bond Issuance

\$180M Master Equipment Lease
Program (funded by
Terminal Operating Revenues)

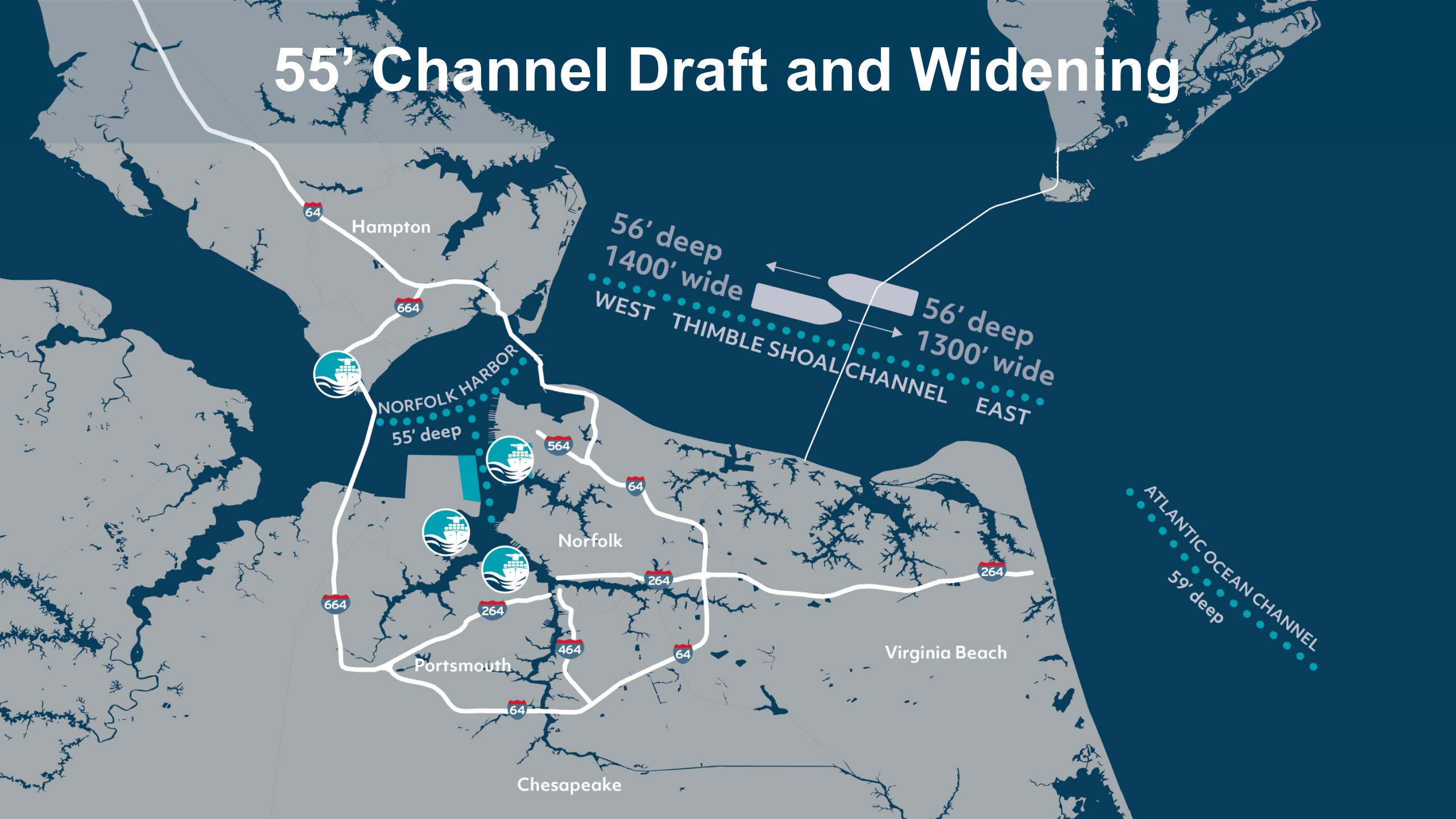
\$ 38M Harbor Maintenance Tax Trust

\$650M Total Project Cost

- **105,000 additional jobs statewide**
- **\$17 billion in additional Virginia spending**
- **\$556 million in Virginia state and local government revenue**



55' Channel Draft and Widening



Strategic Opportunities & Risks

Increased Opportunity

 East Coast Market Share – West Coast Meltdown	West coast congestion continues
 Development Interest in our market	Developer interest at all time high
 Volumes ahead of plan for FY22	Met 2022 projected volume in 2021
 First-in services	4 new first-in services

Increased Risk

 Inflation	Construction cost increase & VIG Lease
 East Coast Competition	Baltimore, Charleston, Savannah
 Lack of port-centric development sites available	Losing opportunities to the south
 Need for improved railroad partnerships	Strengthen Mid-West capacity



Thank You