

Virginia Port Authority Board of Commissioners
Marketing Committee Meeting
November 22, 2005
Open Session Minutes

Committee Members Present:

Deborah K. Stearns, Chairwoman
Michael J. Quillen, Vice Chairman
Robert C. Barclay, IV

Committee Members Absent:

Jonathan J. Johnson

Commissioners Present:

John G. Milliken, Chairman
E. Massie Valentine, Jr., Vice Chairman
William M. Grace

Staff:

J. Robert Bray, Executive Director
J. J. Keever, Deputy Executive Director
Thomas D. Capozzi, Senior Managing Director of Marketing Services
Linda G. Ford, Director of Port Promotion
Russell J. Held, Managing Director of Marketing, Southeast, U.S. and Europe
Russell W. Young, Director of Economic Development
Kevin D. Burwell, Director of Business Analysis & Strategy
Elaine Smith, Director, Department of Human Resources
Carla Welsh, Program Manager – Port Promotion
Nikolina Malone, Research Analyst
Debra J. McNulty, Clerk

Guests:

Richard L. Walton, Jr., Senior Assistant Attorney General
Joseph A. Dorto, General Manager, VIT

Pursuant to call by Chairwoman Stearns, the Marketing Committee convened an open session on this date at 10:10 a.m., in the Authority's Conference Room A, 600 World Trade Center, Norfolk, Virginia.

Mr. Capozzi gave an overview of the Marketing Department's structure and mission and reviewed the VPA's customer base, and locations of the domestic and foreign sales staff. Mr. Capozzi announced that the VPA sales staff has a wide array of experience in the transportation industry. He explained that VPA's primary mission is to promote The Port of Virginia while VIT's responsibility is to conduct contract negotiations with shipline officials.

Mr. Capozzi reported that VPA's marketing forecasts are crucial to setting terminal revenue budgets and projections. He advised that long-term forecasting is critical to terminal investment and development and that marketing intelligence and feedback from customers is critical to any planned change in operation and services.

Mr. Dorto briefly explained the process that VIT goes through to negotiate rates. He advised that, unlike other private terminals, VIT works with VPA to secure long-term contracts.

There was further discussion regarding the effect that Maersk's facility would have on the region. Both Mr. Keever and Mr. Dorto were confident that VPA and Maersk would work together against other competing ports in order to attract the largest vessels to Hampton Roads.

Mr. Dorto remarked that if VPA cannot get the cargo, it would be better for Maersk to get it rather than have the business leave the Commonwealth and go to another port.

Mr. Russ Held, Managing Director of Marketing, reported on economic development initiatives that are undertaken by him and Mr. Russ Young, the Authority's Director of Economic Development. He explained those initiatives involve partnerships with the economic development community, attracting developers and builders, promoting industrial park development, attracting logistics companies and warehouses, retail distribution, exporters/manufacturers, and identifying future development opportunities.

Mr. Held announced that a study conducted by Moffatt & Nichol Engineers had identified the need for 20 to 60 million square feet of port industrial warehousing for Hampton Roads that would bring \$3 billion of economic development to the region. Mr. Held also mentioned the economic benefits of the Heartland Corridor that would attract industrial parks and distribution centers at the rail ramps proposed for Roanoke and Pritchard, West Virginia.

Mr. Held credited Mr. Young and Mr. Kevin Burwell, the Authority's Director of Business Analysis & Strategy, for their efforts for bringing this business to the region.

(Mr. Fleming arrived at this time.)

At this time, Mr. Young reported on the following speculative warehousing projects:

- InterChange – Adjacent to the Virginia Inland Port in Front Royal
- Liberty Property Trust – Suffolk
- American Port Services – Suffolk
- Ashley Capital – Chesapeake
- Johnson Development – Isle of Wight
- Devon Property Exchange – Suffolk
- Devon/APS Property Enterchange – Hampton
- McDonald Development – Hampton – property available 2nd quarter 2006

(Prior to adjournment, Commissioner Virginia Murphy and Mr. Peter Dujardin, with The Daily Press, arrived.)

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Due to time constraints, the Marketing presentation concluded at this time. Ms. Stearns announced that the remainder of today's report would be presented at the January meeting. Ms. Stearns also announced that the Marketing Committee would plan to meet 2 or 3 times in 2006.

There were no comments from the public. The meeting adjourned at 11:00 a.m.

Respectfully submitted,

Debra J. McNulty
Clerk to the Board