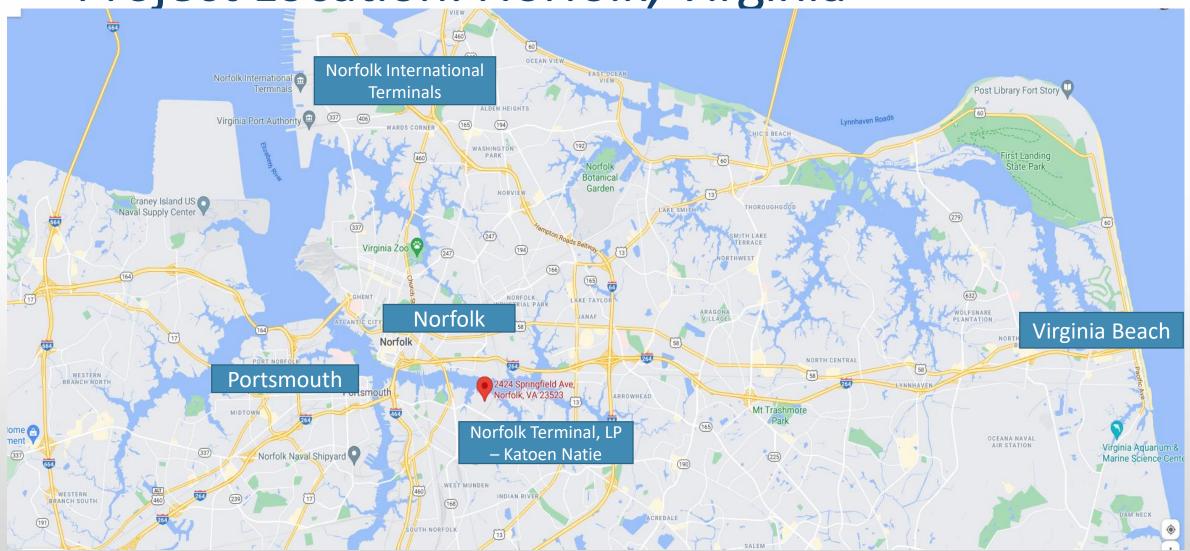


Rail Industrial Access Program Application

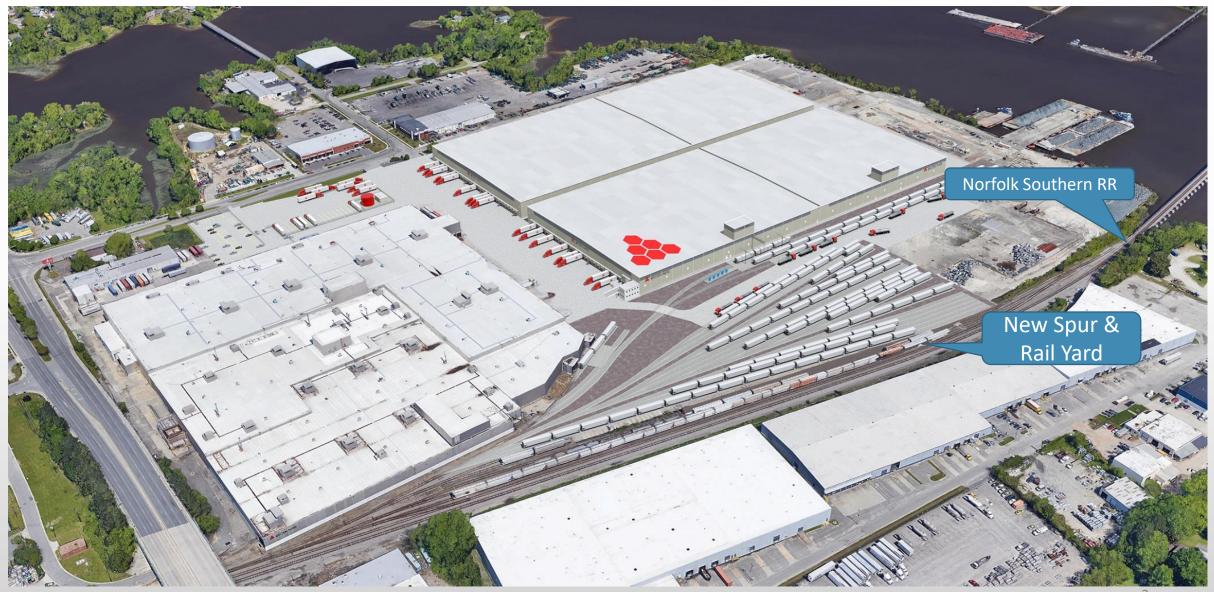
Norfolk Terminal, LP – Katoen Natie Norfolk, VA

June 22, 2021

Project Location: Norfolk, Virginia



Norfolk Terminal, LP Site View



Applicant Background

- Norfolk Terminal site purchased in 2012 and grew from imports of petrochemical products from abroad
 - 60% outbound customer traffic by rail
- Shale gas has changed the US market, and the Gulf Coast has seen export development at their ports of competitive plastic products
 - This application supports the first expansion of this kind in Mid-Atlantic
- Site location was competitive against other locations:
 - Port of Norfolk future expansions and container availability
 - Dual rail connection NS served, with CSX access too
 - Location within domestic market 5 hour reach to end customers

Norfolk Terminal, LP's Project

- \$61M investment in expansion
 - \$7M for expanded rail
 - Growing from 450 to 3,000 carloads per year
- Currently 28 employees, expansion will add 31 additional employees in first Phase
- Location on 63 acres allows for rail expansion and a new 243,000 square foot warehouse
- Direct access to Norfolk International Terminals for import and export
- Rail expansion includes additional operational tracks to include:
 - 93 additional rail hopper car spots
 - Transloading equipment

Application Evaluation

Evaluation Criteria	Data	Score
Annual Carloads	3,000	20
Added Employment	31	11
Company Capital Investment vs State Contribution	\$61,000,000	10
Jurisdictional Unemployment Rate	7.3	17
VEDP Support	Yes	10
Location on a Shortline Railroad	No	0
Local (Applicant) Match	Greater than 41%	10
Total Application Score		78

- Applications must exceed 50 points for a recommendation to CTB
- Norfolk Terminal, LP Score: 78 points
- Minimum threshold carloads 10 per year

Additional Project Information

- Economic Benefits
 - 31 new jobs
 - City of Norfolk job partnership:
 - Veteran Talent Acquisition: hire people transitioning from Active Duty Military
 - Graduates of local colleges which offer degrees in maritime and / or logistics
- Multimodal access around the Port important to location decision
 - Dual rail access
- State and Local Incentives
 - Business has been working with VEDP on workforce benefits
 - Other incentives include tax credits, port shipments, and utility incentives
 - Rail Access Grant is 30% of incentives offered for this location

Application Summary

- Application for \$450,000
 - \$7M total estimated rail cost (\$61M capital investment)
 - Applicant required to provide minimum 30% match
 - Total Applicant match: \$6,550,000
- Rail shipments will increase from 60% to approximately 75% of traffic
 - New business to come in by rail and packaged products trucked to NIT for export
- Standard Program Requirements
 - All capital expenditures above grant amount will be paid by applicant
 - Cost overruns are the responsibility of the applicant

Thank you.

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