



Rail Industrial Access Program Application

Norfolk Terminal, LP – Katoen Natie
Norfolk, VA

June 22, 2021

A map of Norfolk, Virginia, and surrounding areas. The map shows the city of Norfolk, Portsmouth, and Virginia Beach. Key locations marked include Norfolk International Terminals, Virginia Port Authority, Norfolk Botanical Garden, Virginia Zoo, and Virginia Beach. A red pin marks the location of Norfolk Terminal, LP – Katoen Natie at 2424 Springfield Ave, Norfolk, VA 23523. Major highways like I-64, I-264, and I-60 are visible. The map also shows the Elizabeth River, Lynnhaven Roads, and various parks and landmarks.

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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