

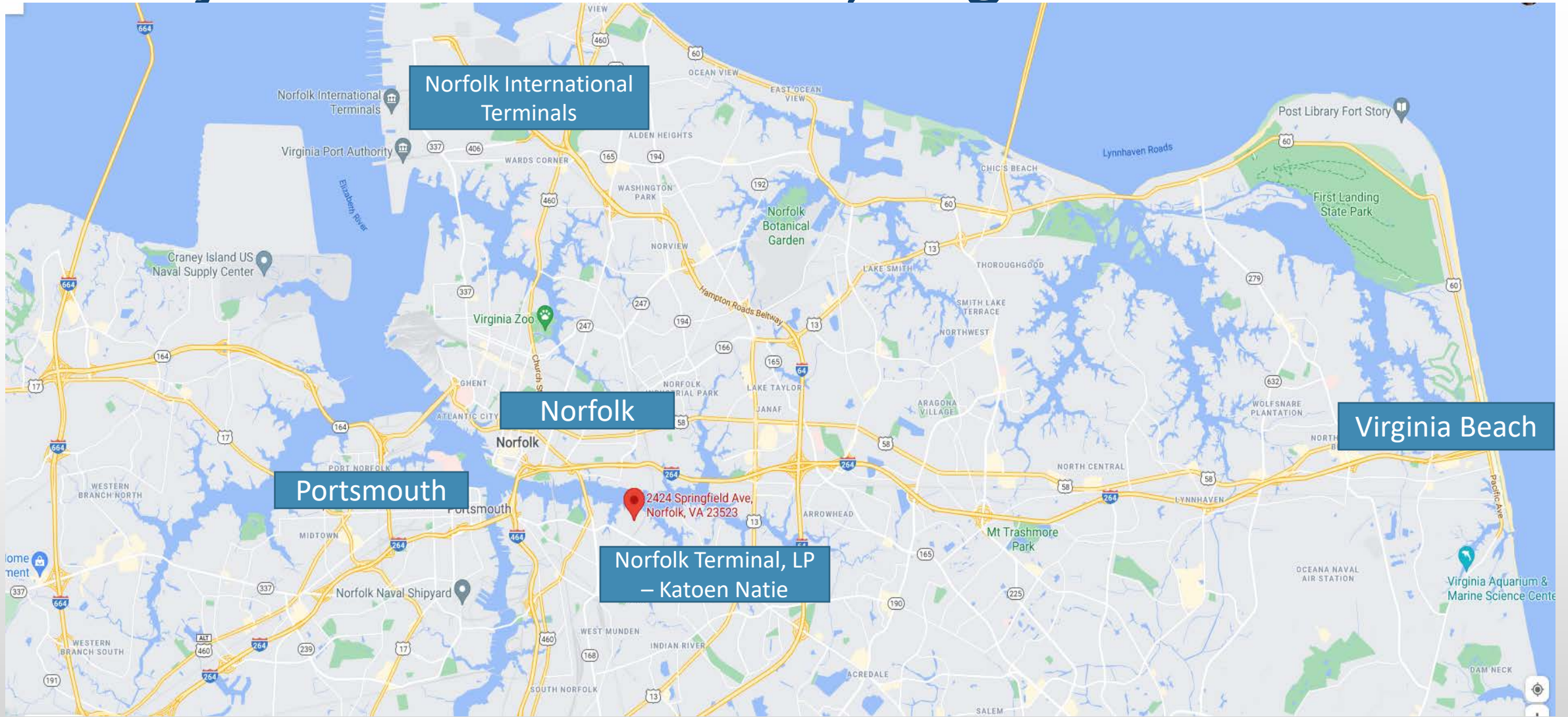


# Rail Industrial Access Program Application

Norfolk Terminal, LP – Katoen Natie  
Norfolk, VA

June 22, 2021

# Project Location: Norfolk, Virginia





# Norfolk Terminal, LP Site View



Norfolk Southern RR

New Spur & Rail Yard



# 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
<b>Total Application Score</b>		<b>78</b>

- 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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