

### Conclusion

The magnitude of economic benefits generated from an expanded Port of Virginia eclipse that of any other proposed regional growth sectors. In total, the Craney Island Eastward Expansion will generate over 54,000 jobs with wages of \$1.7 billion and state and local tax revenues of \$155 million.

Municipalities will capitalize on the Craney Island Eastward Expansion by encouraging private investment in the region's growing maritime sector. The Commonwealth will benefit from increasing economic activity as investments are made in the development of port-related businesses and goods transportation enterprises state-wide. The Nation benefits from expanded cargo capacity and cargo transportation and dredged material placement costs savings. Public investment directed toward the sustained growth of The Port generates significant value and benefits for the Commonwealth of Virginia and the Nation. The Craney Island Eastward Expansion will position The VPA to continue its mission of providing Virginians with a higher quality of life.

### Project Update

Scientists at the Virginia Institute of Marine Science (VIMS) recently completed a study analyzing how the Craney Island Eastward Expansion dike structure and pilings will promote development of local marine life. River stabilization structures like dikes and pilings are often reinforced by large rocks, known as rip-rap, or concrete making them attractive settlement areas for aquatic species. The settlement of marine species on the Craney Island Eastward Expansion dike structures will provide substantial benefits to the entire river's ecosystem.



Rip-Rap Bay Structure with Oyster Growth

For instance, baby oysters often settle and grow on hard surfaces and rip-rap. Oysters are an important river species that filter and clean river water. In addition to oysters, muscles and invertebrates called epifauna attach themselves to these structures and grow. The project dike will also attract fish and crustaceans, like crabs, further increasing the dikes benefits to marine life production. By examining similar structures elsewhere in the Chesapeake Bay, VIMS scientists have estimated substantial production for such species at Craney Island. The study also suggests that these benefits could continue annually for the life of the structure.



## THE CRANEY ISLAND CONNECTION

CRANEY ISLAND EASTWARD EXPANSION NEWS AND INFORMATION

VOLUME 2 ISSUE 11

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# CRANEY ISLAND EASTWARD EXPANSION: INVESTING IN THE FUTURE OF HAMPTON ROADS

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THE CRANEY ISLAND CONNECTION IS PUBLISHED MONTHLY UNDER THE AUSPICES OF THE VIRGINIA PORT AUTHORITY AND THE U.S. ARMY CORPS OF ENGINEERS, TO PROVIDE READERS WITH REPORTS RELATED TO THE DEVELOPMENT OF THE EASTWARD EXPANSION OF CRANEY ISLAND. ARTICLES PRINTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY. WE INVITE READERS TO COMMENT ON ARTICLES AND SUGGEST FUTURE TOPICS FOR CONSIDERATION.

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### Overview

In cities and towns across America, governments construct public works projects. These infrastructure investments serve the community good by financing projects like schools, airports, and roads. Similarly, the Craney Island Eastward Expansion is a public project driven by a wider community good—economic benefits. These benefits, amassed mainly outside The Port, include job creation, tax revenue, and local port-related business growth. Furthermore, the project improves and enhances National economic productivity by facilitating efficient cargo transportation and international trade. The Virginia Port Authority (VPA) and the U.S. Army Corps of Engineers (USACE) are positioned to develop this project and leverage its benefits for the greatest public good—making the Craney Island Eastward Expansion a prudent investment for the region and the Nation.

### An Infrastructure Investment for Long-Term Returns

The government funds many of the projects and services on which our modern day lifestyles depend. Almost all significant U.S. infrastructure was created through public investment, including the Transcontinental Railroad and the Interstate Highway System. Governments support projects like roads, canals, dams, and harbors because of the broad local, state-wide, and National benefits they generate.

The Craney Island Eastward Expansion is a unique dual-purpose project

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THE CRANEY ISLAND CONNECTION  
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# Port Customer Spotlight

## AREFF TERMINALS

Arreff Terminals has provided The Port of Virginia transloading services for agricultural bulk and bag materials for the

last 20 years. The 11,000 square foot facility is located across 21 acres in Portsmouth. The facility boasts dedicated on-site trucking, six rail tracks, and capacity to handle 35 rail cars, with service provided by both Norfolk Southern and CSX. The company's biggest asset, its 73 employees, load approximately 10,000 containers each year for export from The Port of Virginia.

According to Arreff Terminals management, The Craney Island Eastward Expansion will benefit the firm in several ways, including providing increased export opportunities and expanded terminal space for container and equipment storage. Anticipating additional volumes when CIMT opens, Arreff plans to expand and renovate their existing facility.

Operations Manager Mick Darby sums up the company's outlook, stating "[Arreff Terminals] has an excellent relationship with The Port of Virginia. We pride ourselves in exceeding [The Port's] increasing expectations by being flexible and efficient, and focusing on our customers' needs." For more information, visit <http://arreff.com>.



Arreff Terminals Staff

## TRADEWINDS INTERNATIONAL

Tradewinds International is a third party logistics company. Located in Portsmouth, they specialize in exporting agricultural products.

The company provides its customers a one-stop-shop by coordinating all aspects of the export with its sister companies, Arreff Terminals and Bergen Logistics, LLC. For example, Arreff Terminals receives railcars or trucks of product and transloads the bulk or bagged product into containers; then Bergen Logistics handles the documentation requirements for international transportation. Combined, they have moved thousands of shipments out of the Port of Virginia.

Although Vice President Carl Varner admits to being biased, he says that the company "honestly believes the old adage: location, location, location. The Port of Virginia offers our company and its affiliates an unsurpassed opportunity for success. We have access to The Port's natural resources and all the major carriers who want to take advantage if it."

In anticipation of CIMT, Tradewinds International has already begun efforts to expand its services to include handling imports into the region. For more information, visit <http://www.tradewindsintl.us>.



Tradewinds International

## FLEET IMPORTS

Fleet Imports is a natural stone distributor with their corporate headquarters and a 20,000 sq. ft. showroom in Portsmouth. The company has been a customer of The Port of Virginia since receiving their first container in 2003, and now distributes to seven states with the help of two more warehouses in Virginia and North Carolina. Fleet Imports supplies granite, marble and tile for both small and large scale residential, commercial and construction projects.

The company imports an average of 45 containers per month into The Port of Virginia, from Brazil, India, Spain, Italy, and China. "We are looking forward to even more growth with The Port's expansion. Craney Island Marine Terminal will allow us to bring in more containers on a faster schedule," says Duke Ingraham, who owns and operates Fleet Imports along with George Armbruster. For more information, visit <http://www.fleet-imports.com>.



Fleet Imports Staff

which will effectively extend the life of Craney Island as a dredged material placement area and also provide land for the construction of a new marine terminal. With regional cargo growth forecast to exceed the VPA's long-term handling capacity, the VPA examined several alternatives for constructing a new state port. An eastward expansion of existing Craney Island emerged as the most economic and environmentally sound alternative.

The Virginia Port Authority (VPA) considers the Craney Island Eastward Expansion a long-term investment in the economic welfare of the Commonwealth. An initial public investment of \$2.4 billion will generate \$5 billion annually in economic benefits. These significant benefits will be felt by the entire Commonwealth for generations to come, and can only be captured through public investment.

A primary mission of the Virginia Port Authority is to stimulate the economic benefits which accrue to the Commonwealth resulting from global trade and maritime commerce. Therefore, the VPA also plays a major role in supporting the economic vitality that occurs outside of its terminals, by maximizing Port benefits like job creation, transportation cost savings, and port-related business growth. Generating these and other benefits drives the Port's interest in developing this complex and challenging project.

### Local, Regional, and National Economic Benefits

The Craney Island Marine Terminal (CIMT) represents the future of The Port of Virginia. By expanding its existing real estate, The Port will not only capture future cargo growth but also the regional and National economic benefits that come with it. First, the project has substantial National Economic Development benefits resulting from cargo transportation and dredged material placement cost

savings. Second, the project will create thousands of jobs throughout the region and encourage local investment, thereby increasing state and local revenue.

The design, development and construction of CIMT will generate economic activity in excess of its direct investment in labor and materials as suppliers, contractors and workers spend their earnings on supplies, services, and taxes. Workers will be needed to build new port and transportation infrastructure, transport increased cargo, and support expanded distribution and retail operations. The wages and revenue produced by this increased economic activity will benefit the interdependent economy of Hampton Roads, and the greater Commonwealth.

Construction of the Craney Island Eastward Expansion will generate enduring economic growth for long term welfare of the Commonwealth. Four phases of work between the years 2013 and 2032 will generate:

- \$1.4 Billion in Economic Impact
- 1,176 Jobs
- \$36.7 Million in Wages

Marine Terminal operations will generate:

- \$2.5 Billion in Total State and Regional Economic Activity
- 28,000 Port-Related Jobs
- \$870 Million in Wages

### Stimulating Investment

Committing public resources to the Craney Island Eastward Expansion will also serve as a catalyst for investment in commercial and industrial sectors, like distribution and logistics firms. Over the last few years, Hampton Roads' vibrant shipping industry has encouraged Wal-Mart, Target and other retailers to build regional warehouse-distribution centers near The Port. More than \$50 billion worth of cargo moves through

The Port every year, creating jobs, supporting retail distribution centers and manufacturing, and generating tax revenue. Therefore, as The Port of Virginia grows, local residents and businesses increasingly benefit from its presence.

With the Craney Island Eastward Expansion, The Port of Virginia offers an even more attractive location for distribution and logistics enterprises. The public investment in CIMT will further benefit the state and local economies. In fact, major distribution center complexes are already under development, in anticipation of future terminal construction. There are 15 major distribution centers currently in development, including those listed below:

- **ProLogis**, the world's largest owner and developer of distribution facilities, is planning a new location across 180 acres of land in Suffolk.
- **CenterPoint Properties**, the country's leading inland port developer, is forging ahead with plans for an intermodal center in Suffolk. The project is expected to create 2,152 jobs once it is fully built out over 10 years.
- **Shirley T. Holland Commerce Park** is a 350 acre site in Suffolk which is currently under development for expanded distribution space. Cost Plus, Inc., one of the world's leading retailers, already operates its 1.1 million square foot east coast distribution center on the site.

The additional cargo generated by CIMT will create the need for even more distribution capacity in the area. With the Craney Island Eastward Expansion, total economic activity from distribution centers is projected to be \$2.7 billion in an average year, including almost 26,000 new job positions and wages of \$788 million.