



THE CRANEY ISLAND CONNECTION

CRANEY ISLAND EASTWARD EXPANSION NEWS AND INFORMATION

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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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The Craney Island Eastward Expansion project reached another major milestone this month when construction contracts were advertised for the first phase of the project. Invitations for Bids were issued on August 22nd for the South & Division Cross Dikes Stage 1, as well as for Wetland Mitigation at Paradise Creek. Construction on both projects is set to begin this winter.

Beginning construction on the Craney Island Eastward Expansion will be the culmination of more than 10 years of work by The Virginia Port Authority (VPA) and the Army Corps of Engineers (USACE). From the original feasibility study to this year's start of construction, project partners have been working to authorize and design the expansion on the east side of the existing Craney Island Dredged Material Management Area (CIDMMA), which is a federally owned and operated facility located in Portsmouth, VA.

PROJECT OVERVIEW

Building the Eastward Expansion, which will add 522 acres of land to the existing CIDMMA site, will serve two important purposes. First, private companies, local municipalities, and federal and state government agencies will be able to continue using CIDMMA to place dredged material from Norfolk Harbor and its adjacent waterways until at least 2047. This means that deepening the Harbor's channels, which allows Navy, cargo, and cruise ships to pass, will cost significantly less than shipping it elsewhere, which will be necessary if CIDMMA reaches capacity by 2025, as expected.

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Secondly, the Eastward Expansion will create land for a fourth state-owned marine terminal in Hampton Roads. The future Craney Island Marine Terminal will give the Commonwealth of Virginia enough capacity to handle increasing amounts of cargo and assist in maintaining its presence as a major gateway for trade. This state-of-the-art, fully-automated terminal, which will be able to berth the largest ships in the world, has frequently been referred to as “the future of the Port” by the region’s political leadership, with Senator Jim Webb (D-VA) calling it “critical to both the region’s economic growth and national defense.”

INITIAL CONSTRUCTION CONTRACT

The first construction job of the project is for Stage 1 of construction of the Expansion’s South & Division Cross Dikes. This job consists of dredging approximately 1.2 million cubic yards of sand from the Atlantic Ocean Channel and building the initial sand lifts required to construct both the south and division cross dikes. After placing the sand via hopper dredge, the contractor will install wick drains, which allow the soft subsurface clays to consolidate and strengthen, thus allowing for future contracts to raise the dikes.

The contract also includes demolishing a section of the existing rock jetty that forms the northern boundary of Craney Island’s rehandling basin. This demolition is necessary to allow for future access channels to Craney Island Marine Terminal. The contract requires that work be complete by September 2011.

FIRST MITIGATION CONTRACT

As required by the Virginia Water Protection Permit (VWPP) issued by the Virginia Department of Environmental Quality (DEQ) for the Craney Island project, the mitigation plan must be implemented concurrent with the construction of the Expansion area. Therefore, the second advertised project is to create approximately 11 acres of tidal wetlands in an upland area along Paradise Creek in Portsmouth, VA. Historically, much of this area had been low area that had been filled. The contract requires that work be complete by September 2012.

VPA CONTRACTING METHOD

In accordance with the VPA’s Capital Outlay Manual, which defines the necessary procedure for issuing capital project contracts, the following steps were taken to find contractors to complete the two contracts.

On August 22nd, Invitations for Bids were publicly advertised and contractors were able to obtain the project’s bid documents. On September 2nd, the VPA held mandatory

pre-bid meetings for interested contractors. At the meeting, project engineers answered contractor’s questions and also attended site visits to Craney Island and Paradise Creek. Approximately 54 contractors attended the Cross Dike contract meeting and site visit, while 45 attended the Paradise Creek contract meeting and site visit.

Contractors had 30 days to review the bid documents and submit their bids to the Port Authority. As of press time, the VPA was in the process of receiving bids. When all bids are submitted, the VPA will accept the lowest bid by a qualified contractor.

After the contractor with the lowest qualified bid is determined, the VPA Board of Commissioners will need to approve the contract and funding allocation, as they are required to do for all projects exceeding \$5 million. At its September 28th meeting, the Board will vote on written resolutions outlining the reason for the project, how the contractor was chosen, and the amount of money requested. After contracts are signed, construction is anticipated to begin December 1st.

CONSTRUCTION OVERVIEW

The Craney Island Eastward Expansion consists of a main dike and three cross dikes which will form two cells along the east side of the Craney Island Dredged Material Management Area. After the dikes are constructed, the cells will be filled in stages with dredged material mined from the existing Craney Island facility, as well as from dredging operations within the Harbor. This newly-placed dredged material, which will compose the land underneath the future Craney Island Marine Terminal, needs time to settle and strengthen. This process is anticipated to take anywhere from 10 to 14 years.

While dike and land construction takes place, the Port Authority’s three state-owned marine terminals are expected to reach capacity due to increasing consumer demand. To allow the Commonwealth to continue moving cargo to the nation during this time, VPA has leased APM Terminals in Portsmouth for the next 20 years. This facility will give The Port the capacity it needs until Craney Island Marine Terminal is complete. When the new terminal is fully constructed, it will accommodate 28 container cranes and will be able to berth the largest ships in the world.

For more on the APM lease, see page 3

New Sign Dedication Completes Lease Agreement

Though largely ceremonial, on August 26th the Virginia Port Authority put the final touch on its 20-year lease of APM Terminals in Portsmouth when port leaders unveiled a new sign baring the logos of the VPA and its operating company Virginia International Terminals Inc. (VIT).

State Secretary of Transportation Sean T. Connaughton, U.S. Senator Mark R. Warner and interim Portsmouth Mayor Bernard D. Griffin were among a crowd of 50 members of the region's port community on hand for the event.

"I was part of the group that went to Copenhagen to discuss the benefits of locating this facility in Virginia and I was here when we cut the ribbon," said Warner, who was governor at the time of the site selection announcement. "This lease is a significant event for the VPA and for Hampton Roads as the Commonwealth is now in control of the bridge that will get us to the ultimate goal of developing Craney Island."

Connaughton said a strong and growing port is an important part of the plan to keep the economic recovery on-track in Virginia.

"Those states that are going to succeed and prosper in this new economy are those states with good port facilities that are the gateways to international trade," he said. "We have one right here and this is an incredible opportunity for this port and for our Commonwealth."

The VPA finalized the lease agreement for the APM terminal on July 6, 2010.



Senator Warner praised states with ports, such as Virginia, as gateways for international trade.



VPA Executive Director Jerry Bridges and VIT CEO Joe Dorto watch as the new APM Terminals sign is unveiled.



From left: Secretary of Transportation Sean Connaughton, VPA Executive Director Jerry Bridges, and Senator Mark Warner (D-VA) catch up with each other before the sign unveiling ceremony begins.



APM Terminals is fully-automated and the most technologically advanced marine terminal on the east coast. The terminal has six cranes, six on-dock rail tracks, and a capacity of 1 million TEUs.

VPA Sends First Double-Stack Heartland Corridor Train On its Way

A simple, two-sentence email written on the afternoon of September 8th marked an historic milestone in the growth and ever-expanding reach of the Port of Virginia.

"The 233 train is loaded and will depart NIT at 1700 hrs. Railcars (outbound) are positioned on back gate, track 1," wrote Jeff Norris, the assistant rail operations supervisor at Norfolk International Terminals, one of the Virginia Port Authority's deep-water marine terminals.

That innocuous electronic correspondence summarized the fact that the first double-stack train – more than 3,400 feet long – to travel the Norfolk Southern's new Heartland Corridor rail route was ready to depart. The Heartland Corridor gives the port fast, direct, double-stacked access to Chicago.

In one of the largest railroad engineering project in the past century, Norfolk Southern raised the height of 28 tunnels in the Appalachian Mountains to open the Heartland Corridor. The benefits to the port begin immediately: Nearly 250 miles will be sliced from current routes saving up to two days in transit time for shippers, providing the port with a competitive advantage. The three-year, public-private partnership project was finished on schedule.

"Our rail business has always been one of our strongest areas of growth and this project will enhance that aspect of our business," said Jerry A. Bridges, the VPA's executive director. "It provides us with a solid, competitive advantage that has been drawing a significant amount of interest from our customers. Couple this capability with our 50-foot-deep channels and an expanded Panama Canal, and Virginia is well-positioned for the future." With the addition of Craney Island Marine Terminal, these combined factors will allow The Port to move more cargo more quickly to all 48 contiguous states.

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