APPALACHIAN REGIONAL PORT

A Better Option FOR

Northwest Georgia, Alabama, Tennessee and Kentucky

February 22, 2016
Background of Murray County, Ga

- Rural Community with a population of 40,000
- Stagnated Local Economy
- Lack of Industry Diversification
  - Concentrated in Agriculture & Flooring
  - High Unemployment rate at 15% at one time
- Underutilized Economic Development Assets
  - Rail, US Highways, Strong Manufacturing Workforce
OVERVIEW OF INLAND PORTS

- Purpose of an inland port
  - To take the containers off of semi-trailer trucks and place them on trains

- Benefits of inter-modal yards (inland ports)
  - Uses hundreds of miles of existing rail lines to relieve traffic on major highways
  - Allows inland goods to be shipped internationally at lower costs
  - Improves distribution of regional businesses and makes them competitive internationally

Image Sources: Hamptonroads.com, Pilotonline.com
# SAVANNAH: DELIVERING SUCCESS TO CUSTOMERS

- Fourth Busiest Port in the U.S.
- Fastest Growing

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. LA</td>
<td>4,879,429</td>
<td>8,340,066</td>
</tr>
<tr>
<td>2. LB</td>
<td>4,600,787</td>
<td>6,820,806</td>
</tr>
<tr>
<td>3. NY/NJ</td>
<td>3,050,006</td>
<td>5,772,303</td>
</tr>
<tr>
<td>4. Savannah</td>
<td>948,669</td>
<td>3,346,048</td>
</tr>
<tr>
<td>5. Oakland</td>
<td>1,776,922</td>
<td>2,394,069</td>
</tr>
<tr>
<td>6. Virginia</td>
<td>1,347,364</td>
<td>2,393,038</td>
</tr>
<tr>
<td>7. Tacoma</td>
<td>1,376,379</td>
<td>2,040,022</td>
</tr>
<tr>
<td>8. Houston</td>
<td>1,061,525</td>
<td>1,951,088</td>
</tr>
<tr>
<td>9. Charleston</td>
<td>1,632,747</td>
<td>1,791,977</td>
</tr>
<tr>
<td>10. Seattle</td>
<td>1,488,020</td>
<td>1,387,539</td>
</tr>
<tr>
<td><strong>Top 10 Total</strong></td>
<td><strong>22,161,878</strong></td>
<td><strong>36,236,956</strong></td>
</tr>
</tbody>
</table>

Top 10 13-year CAGR:
- Savannah: 9.4%
- LA: 3.9%
- LB: 2.9%
- NY/NJ: 4.7%
- Oakland: 2.2%
- Virginia: 4.2%
- Tacoma: 2.9%
- Houston: 4.4%
- Charleston: 0.7%
- Seattle: 3.6%

Source: AAPA, includes loads and empties in TEUs
SAVANNAH: GATEWAY TO AMERICAN COMMERCE:
POPULATION = CARGO

20% of the U.S. Population and Industry is best served by Port of Savannah

44% Within easy reach of inland connectivity infrastructure
POPULATION DENSITY & GROWTH

Northeast population = 120 million
10 year growth = + 3% (4 million)

Southeast population = 70 million
10 year growth = + 12% (7.8 million)

SE is fastest growing U.S. region in population
STAYING AHEAD OF THE GROWTH CURVE

Georgia Ports Authority Strives to Keep Capacity 20% Ahead of Demand through Long-term Planning

Past Demand
Current Demand
Future Demand
Capacity

CY 2014 Throughput
3.3 million TEUs

CY 2024 Throughput Capacity
6.5 million TEUs

Source: GPA Marketing (loads & empties) 02.15
SAVANNAH HARBOR EXPANSION PROJECT

- Feasibility Studies
- Project Design
- Construction
- Completion

[Progress bar showing completion status]
Network Georgia - 10 Year Strategy

1. SW Georgia – Cordele
   Rail CY site. Established with CLS. Empty ocean containers supplied to move exports via GPA from Georgia, Alabama & Florida panhandle

2. NW Georgia (Started October 2012)
   MOA signed. Site work to start during 12/2015 in Murray County. To be served by CSX exclusively.

3. Port Atlanta
   Presently utilizing existing CSX & NS rail intermodal terminals in & around Atlanta

4. I-95 Corridor – North
   Next steps under review

5. I-95 Corridor – South
   Next steps under review

6. Middle Georgia
   Next steps under review
### Potential Local Customers

<table>
<thead>
<tr>
<th>Company</th>
<th>City</th>
<th>Distance</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyo Tires</td>
<td>White, GA</td>
<td>42.2 Miles</td>
<td>50 Min</td>
</tr>
<tr>
<td>Lowes</td>
<td>Rome, GA</td>
<td>47.3 Miles</td>
<td>55 Min</td>
</tr>
<tr>
<td>Mohawk / Shaw</td>
<td>Calhoun, GA</td>
<td>33.1 Miles</td>
<td>44 Min</td>
</tr>
<tr>
<td>Engineered Floors</td>
<td>Dalton, GA</td>
<td>22.0 Miles</td>
<td>30 Min</td>
</tr>
<tr>
<td>Komatsu</td>
<td>Chattanooga</td>
<td>41.5 Miles</td>
<td>53 Min</td>
</tr>
<tr>
<td>Volkswagen</td>
<td>TN I-75 Exit 7A</td>
<td>48.1 Miles</td>
<td>59 Min</td>
</tr>
<tr>
<td>Eastman</td>
<td>Kingsport, TN</td>
<td>199 Miles</td>
<td>3Hr-06Min</td>
</tr>
</tbody>
</table>

**One Way Truck Move**
Appalachian Regional Port: Facility

- 42 Acre Site
- 9,500 LF of track
- 10 acres of pavement for yard, gate & Admin. Bld.
- Three (3) Rubber Tired Gantry Cranes
Appalachian Regional Port: Facility

Total Project Budget

CSX off-site improvements: $ 5,500,000
Murray County Land Acquisition: $ 700,000
GPA Internal Capital Funding for on-site construction: $ 7,400,000
State of Georgia Capital Funding for on-site construction: $10,000,000
Total: $23,600,000

Project Milestones

- Announced July 2015
- Groundbreaking Scheduled Mid 2016
- Construction Substantial Completion in December, 2017
- Facility Operational in first quarter, 2018
Murray County

- Economic Development Impact Compares to Front Royal, Virginia
- Creates Economic Development Opportunities within the recently named IMCP
- Initial Capacity at 50,000 to double within 10 years
- Achieves "Highway to Rail" initiative. Initially takes approximately 40,000 – 50,000 trucks out of the Atlanta Metro area. (14,200,000 miles per year)
- Connect directly to international market to be more globally competitive
- Captures fastest growing market in the South.
- Expands Georgia’s overall mission of job creation
- Is a Tier 1 county (highly distressed), presenting high tax incentives for incoming and expanding industries
THANK YOU