



# MORGAN CITY HARBOR AND TERMINAL DISTRICT



## WHARF EXTENSION AND ENHANCEMENT

FY 2017 TIGER  
DISCRETIONARY GRANT  
APPLICATION

ATTACHMENT to SF-424

**SUBMITTED: October 15, 2017**



<b>Project Title:</b>	Wharf Extension and Enhancement
<b>Location (city, state, district):</b>	St. Mary Parish, Morgan City, Louisiana  Latitude: 29.68965 Deg. N Longitude: -91.201418 Deg. W
<b>Type of Application:</b>	Capital
<b>Applicant Name:</b>	Morgan City Harbor and Terminal District (dba Port of Morgan City)
<b>Type of Eligible Applicant:</b>	Port Authority - RURAL
<b>Amount of TIGER Funding Requested:</b>	\$12,000,000
<b>Additional Documentation on Website</b>	<a href="http://www.portofmc.com">www.portofmc.com</a>  (see TIGER 2017 on left-side column)





## MORGAN CITY HARBOR AND TERMINAL DISTRICT

### FY 2017 TIGER Discretionary Grant Application October 2017

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#### TABLE OF CONTENTS

<b>Section</b>	<b>Page Number</b>
APPLICATION SUMMARY	
I Project Description	4
II Project Location	12
III Grant Funds and Sources / Uses of Project Funds	19
IV Merit Criteria	21
V Project Readiness	27
VI Benefit Cost Analysis	31
VII Cost Share	33
VIII Federal Wage Rate Certification	34
IX Bibliography	34



## APPLICATION SUMMARY

Project Title:	<i>"Wharf Extension and Enhancement"</i>
Geospatial Information:	Latitude: 29.68965 Deg. N Longitude: -91.201418 Deg. W
Parish Demographics: (U.S. Census;	Population: 52,093 (2016 est.) Median Household Income: \$40,781 Personal Per Capita Income: \$21,847 Persons Below Poverty Level: 22.4% Unemployment Rate (April 2017): 9.1%
Congressional District:	LA-003
Economically Distressed:	St. Mary Parish and Morgan City, Louisiana do not qualify as federally designated economically distressed areas.
Special Considerations:	America's Marine Highways Served (M10, M49, and M55)
Project Classification:	Port – <b>Rural</b>
TIGER VII Funding Request:	\$12,000,000
Matching Non-Federal Support:	\$3,000,000
Benefit to Cost:	11.71:1 at 7% discount and 21.25:1 at 3% discount
Supporting Documentation:	<a href="http://www.portofmc.com">www.portofmc.com</a>



## I PROJECT DESCRIPTION

Ports are significant to the well-being of the state of Louisiana and local communities. The economic activities of port-related firms support 178,582 permanent jobs for the people of the state. This constitutes approximately one out-of-every 10 jobs in the state. In addition, the economic activities of those port-related firms created \$209.0 million in state tax revenue and \$101.1 million in local tax revenue for a total of \$310.1 million in revenue for the state and local governments (Wilbur Smith Associates, 2002). Because of this economic impact, the commissioners of the Morgan City Harbor and Terminal District, other local officials in St. Mary Parish and citizens view the Port as a catalyst to living in a sustainable community.

Created by Act 530 of the State of Louisiana Legislature in 1952, the Morgan City Harbor and Terminal District (MCHTD) is a political subdivision of the State of Louisiana. It is located approximately 18 miles inland of the Gulf of Mexico in coastal St. Mary Parish, Louisiana, in a portion of the Atchafalaya Basin that is, in fact, growing wetlands/marsh, a unique natural phenomenon along the Louisiana Coast. This semi-land buffer, affording a natural barrier to storm surge, creates a “safe-harbor” condition at the Port during hurricane events (Amdal, Swigart, Jayawardana, Ashur, & Duplechain, 2008).

The MCHTD owns and operates a public terminal in Morgan City along the Gulf Intracoastal Waterway (GIWW). The terminal contains 800 linear feet of berthing space; 50,000 ft<sup>2</sup> of concrete open storage dock; and, a 20,000 ft<sup>2</sup> transit shed storage. The public terminal is capable of handling containerized cargo, bulk, neo-bulk, and project cargo. It is accessible to on-site rail service and is approximately one mile from U.S. Hwy. 90, which will be designated as Interstate 49 by 2019, if not sooner.



Figure 1 - Port of Morgan City along GIWW

Locals recognize the Port of Morgan City as an asset to this region and the need to enhance its infrastructure. During public meetings in 2002 when the Parish was creating its comprehensive



plan, citizens and stakeholders addressed the need to make the Port a viable entity, able to compete with other ports, foreign and domestic. The “continued maintenance and enhancement of these transportation facilities will be instrumental to continued economic development in the Parish” (Wilbur Smith Associates, 2002). There exists an effort to ensure that the “region can grow to become a center of industrial and marine fabrication and other maritime industries unsurpassed in the nation and one that is highly competitive in the worldwide marketplace” (Wilbur Smith Associates, 2002). Recognizing this charge, the St. Mary Parish’s Comprehensive Plan comprise several goals and action plans that address the need to provide for the long-term development and enhancement of the port and to “improve and enhance waterborne commerce and transportation through effective and efficient operations” of the port (Wilbur Smith Associates, 2002).

The Morgan City Harbor and Terminal District is a political subdivision of the State of Louisiana created by Act 530 of the State Legislature in 1952. The Louisiana Constitution (Article 6, Section 44) defines a “political subdivision” of the state as follows:

*“Political subdivision means a parish, municipality, and any other unit of local government, including a school board and a special district, authorized by law to perform government functions.”*

The Port District is governed by a nine-member Board of Commissioners, appointed by various state and local government officials. The Port has an executive director, an office manager and a manager of economic development. The executive director is the designated staff member that will manage the proposed project. Once the project engineer firm and construction contractor are selected by the commission, the executive director will meet with company representatives to ensure the efficient implementation of the grant. Eligible activities will be initiated immediately following the official notification of the effective date of the grant award.

Since the staff of the Port is limited in number, the Port has procured the services of consultants, engineers, architects and other professionals over the course of its history to implement various projects. It is extremely experienced in the procurement process for professional services, labor, and supplies and materials.

Also, the Port is the recipient of several grant awards from different agencies. For example, DHS/FEMA awarded the port funding grants from several of its Port Security Grant Program (PSGP) funding cycles: FY 2009 (\$560,000); FY 2010 (\$1,000,101); FY 2011 (\$1,100,000); FY 2013 (\$303,000); and, FY 2014 (\$154,170). The state of Louisiana has provided the port with Capital Outlay Grants and Port Priority Grants. In 2014, it received \$7.1 million in state Capital Outlay funds to construct a 35,000 ft<sup>2</sup> Emergency Operations Center in Morgan City (that opened in January 2016); and, the U.S. Department of Economic Development has provided financial assistance in the past for other projects. Consequently, the port is extremely familiar with the federal grant process, the need to follow various grant guidelines and laws, as well as grants management procedures.





As provided in its enabling legislation (in Section 323 B3 and B4), the Port is “empowered to own and have charge of, to administer, construct, operate, and maintain wharves, warehouses, landings, docks, sheds, belt and connecting railroads, shipways, canals, slips, basins, locks, elevators, and structures and facilities necessary and proper for the use and development of the business of such district, including buildings and equipment for the accommodation of passengers and in the handling, storage, transportation, and delivery of freight, express and mail.” It may “dredge shipways, channels, slips, basins and turning basins in the Atchafalaya River and other waters within the district.”

It should, also, be noted that the Port Commission has the authority to enter into cooperative agreements, which are described as “...any form of economic development assistance between or among the district and the state, any local governmental subdivisions, political corporations, or public benefit corporations, the United States or its agencies, or any public or private association, corporation or individual. The term ‘cooperative endeavor’ shall include, but not be limited to, cooperative financing, cooperative development, or any other form of cooperative economic development activity.”

In Section (2)(b) “Cooperative financing” means any method of financing economic development between or among the district and the state, any of its local governmental subdivisions, political corporations, or public benefit corporations, the United States or its agencies, or any public or private association, corporation or individual. Such methods of financing shall include loans, loan guarantees, land write-downs, grants, lease guarantees, or any form of financial subsidy or incentive.



Figure 2 - Aerial View of Port of Morgan City Project Location

In (2)(c) “Cooperative Development” means any method of cooperative development between or among the district and the state, any of its local governmental subdivisions, political corporations, or public benefit corporations, the United States or its agencies or any public or private association, corporation, or individual. Such methods of cooperative development shall include, but not be limited to, any number of joint development agreements such as condominiums, cooperative ownership limited partnerships, and investment syndicates.

In what will become the most transformative surface transportation investment in south central Louisiana in years, the Commissioners of the Morgan City Harbor and Terminal District are requesting funding from the 2017 TIGER Discretionary Grant Program for its “Wharf Extension



and Enhancement” project. This is a massive capital works project at the Port of Morgan City’s terminal facility located at 800 Youngs Road, Morgan City, Louisiana, and which will support the extension and enhancement of the port’s dock by extending it 450 feet to the west and enhancing the eastern dock area from the extension to the landside area, providing a large laydown area (roughly 33,000 ft<sup>2</sup>). This results in an increase in the wharf’s cargo handling capacity.

TIGER 2017 Discretionary Grant funds will be used to assist the port in paying for the design and construction of the wharf’s western extension and the enhancement of the current eastern extension. No funds have been spent on the project, yet, even though the port has applied previously for funding from earlier TIGER funding cycles.



**Figure 3** Photo of area of Eastern Enhancement project site where current dock (on right) will expand to the left onto the land and build a concrete cargo-handling area.



**Figure 4** Photo of Eastern Section project area. Concrete dock will extend from the left (over the water) to the right, onto the land and pass the access road.

The dock and its adjacent waterside area are used by the port, port tenants (i.e., the United States Coast Guard,





U.S. Customs and Border Protection, and the St. Mary Levee District), the Louisiana Department of Wildlife and Fisheries, the St. Mary Parish Sheriff's Office, and private industry (i.e., Purina Mills International; Gulf Craft; Seacor; Morgan City Stevedores, etc.).

It is expected that once the “*Wharf Extension and Enhancement*” project is fully-implemented,



the Port of Morgan City will no longer be the sleepy little site along the GIWW it has been for the last two decades; but, rather, it will be transformed into a major economic engine, attracting new business to the area and helping to grow businesses that currently exist in this area.

**Figure 5 Photo shows Western expansion of current dock. Current dock will extend 450' west, removing this cat-walk and building a concrete apron to the right.**

Port officials know that if their FY 2017 TIGER request is fully-funded, it will lead to an increase of business at the port because the project results in an increase in the wharf's cargo handling capacity, allowing multiple vessels to transload simultaneously, dock additional barges onsite and store more cargo/ containers (TEUs) safely.

In addition, the proposed “*Wharf Extension and Enhancement*” project will allow the port to capitalize on a niche it recently began to fill regarding servicing small-scale ships that require a draft of less than 20'. These ships are not well-received at larger ports (i.e., Port of New Orleans, Port of South Louisiana, and Port of Lake Charles) because these smaller ships do not bring in the business that these larger ports prefer (Moffatt & Nichol, pages 9, 12 and 15. 2015). Larger ports require more operating capital because they have the heavy equipment, the labor, and other major expenditures that smaller ports, like the Port of Morgan City, do not have.

In fact, this answers the question, “Why the Port of Morgan City?” Ships requiring a draft in excess of 20' cannot go further north on the Mississippi River than Baton Rouge because of the normal 12' draft of the Mississippi River. The Port of Morgan City is the answer to these ships' need to unload because they are not wanted by the larger ports. In addition, using the Port of Morgan City requires no Pilot Fees to transit the Atchafalaya River; whereas, shippers using the Mississippi River should pay expensive Pilot Fees from the mouth of the Mississippi River to Baton Rouge.



**Figure 6** The FY 2017 TIGER Grant will fund a replication of the current dock and concrete apron (background) on the Eastern (foreground) and Western (not shown) sections of the port's dock.

For example, in 2013 the river pilots of vessels that transit the Mississippi River between Baton Rouge, Louisiana and New Orleans were paid in excess of \$60 million (See <https://www.dropbox.com/s/g9yjwf2lessys15/NOBRA's%20Pilot%201099%20Income%20Distribution%20Disclosure.pdf?dl=0>). This does not include the millions of dollars in pilot fees paid to river pilots for the portion of the Mississippi River between the City of New Orleans and the mouth of the Mississippi River. There are no Pilot Fees for ships using the Atchafalaya River, a major cost-savings for shippers, making the Port of Morgan City an ideal location. This is another reason why the Port of Morgan City is an enviable location to import/export and transload cargo.

Additionally, the Port's enviable location to the Gulf of Mexico, the Gulf Intracoastal Waterway and the Atchafalaya River (accessing the Mississippi River System and 37 US States and 3 Canadian Provinces) makes it less expensive for shippers because they can save fuel costs, crew time and materials.

The port's "*Wharf Extension and Enhancement*" project addresses several challenges that restrict the growth of business here in Morgan City. For example, the current dock is not long enough to handle more than two vessels simultaneously. This means that cargo barges must be stored offsite, incurring additional berthing fees, until they are ready to transload cargo; or, the barges are "hipped" together, 3-abreast, at the port's dock, causing them to encroach upon the main shipping channel of the GIWW, posing as a marine hazard. This "hipping" process, also, delays the cargo transfer process since barges must be constantly moved by a tug and placed alongside the vessel when transloading cargo. In addition, if there is no space available at the dock for another ship, then that ship must idle in the river. This adds to the amount of fossil fuels being consumed, increasing the amount of emissions in the atmosphere and increasing the chances of a possible maritime collision or allision since the channel is narrow.



Another maritime challenge that is addressed by this project is the lack of space on the dock to handle and store cargo and containers. This lack of space confines and restricts movement at the dock, and equipment operators must constantly be on the alert for other dock traffic, pedestrian or vehicular. Third, another challenge that the port faces is that the dock's Eastern Extension is not directly connected to the land with a concrete apron, like the main dock that is currently in place. This means that equipment operators (such as fork lift operators) must transit the full extension then double-back if they want to access the East Access Gate to neighboring industries. This adds time and fuel consumption to cargo handling. Plus, this gap can be dangerous if an operator fails to remain alert and topples over into the water.

The proposed "*Wharf Extension and Enhancement*" project will address these challenges by extending the current dock 450 feet (450') to the west, enabling another vessel to dock at the same time as other vessels; and, the dock's Eastern Extension will be enhanced by connecting it directly to the land toward the toe of the levee/seawall. This will provide enough concrete laydown area for an additional 2200+ cargo containers (20' TEUs) stacked 4-high.

In addition, this project promotes "*Ladders of Opportunity*," as developed by the Partnership for Sustainable Communities, an interagency partnership between HUD, DOT and the EPA. For example, the project accomplishes this in the following ways:

- Provide More Transportation Choices. By extending the dock, the port will be increasing the amount of space to berth additional vessels for transloading purposes. By increasing the number of ships that can carry cargo, the port will be providing shippers more alternatives to ship their product
- Enhance Economic Competitiveness. The project results in a dock that can be more efficient in handling vessels and cargo. Extending the dock will provide a better staging area for containerized and non-containerized cargo, thereby reducing tug standby time and idling time by the ship or barge. In addition, shippers will enjoy a better return on their dollar by reducing travel costs related to trucking (i.e., reduced fuel costs; better safety records).
- Support Existing Communities. By bringing in additional ships to the port, this project will support job growth in the local community. Whether it will be by hiring additional workers at the port, bringing in new shippers to the port, or by infusing the local economy with new and additional spending in the local economy, this project will help to transform this region into a vibrant, growing community.
- Value Communities and Neighborhoods. Infusing the economy with additional financial resources through payroll increases, consumer spending and tax revenue for governments will enhance the spending by people in the region and nation. This will lead to a rebirth of community spirit, where people will work together to improve their community in neighborhood organizations, non-profits, schools and collaborative affairs.

### *Current Uses of the Dock*

Over the last decade, business has been very slow at the Port of Morgan City. Attempts to attract aggressive port operators who would, in turn, develop business growth have failed; however,



with a newly-hired executive director, the Port of Morgan City has become very active in rebranding itself, renewing commitments with former tenants and establishing new business relationships with other companies.

For example, the port has become a main shipping location for Purina Mills International (PMI), a Fortune 500 company, who is using the port's dock to run an import/export breakbulk operation. Their operations can broadly be segmented into two parts:

- Upland/outbound movement of freight along the inland waterways using barges;
- Ocean-going operation that includes ports in Mexico and Haiti

The upland/outbound operation brings freight such as DDGS, rice, and other commodities by barge to the Port, where they are transloaded to ocean-going vessels with destinations in the Caribbean. The inbound operation includes transporting commodities imported from Mexico, such as salt, for use at PMI's domestic facilities in Minnesota (a 1200-mile trip from Morgan City). The ocean segment of the operation includes a deep-sea vessel calling on Mexican and Haitian ports before returning to the Port of Morgan City. PMI used an OSLO Bulker vessel for its operations (Moffatt & Nichol, p. 24). The port's revenues revolve around primarily dockage and harbor fees, but there are some supporting services such as providing fresh water to the vessel. The vessel stays at the dock for an average of 3 days each trip (Moffatt & Nichol, page 31). Sometimes the ship may stay in port longer, depending on the availability of rice exports.

In addition, Planters Rice Mill, L.L.C. uses the dock to export rice. Rice arrives at the port from Louisiana rice farmers in trucks as bulk. The farmers/exporters provide their own conveyer system equipment to transfer the rice from the trucks to stand-by barges, which act as "floating silos;" and, then the rice is transferred to the ocean vessel. The port generates revenue from these operations by providing crane services and dock labor. Two shipments, each of 2,000 tons, of rice coming into the Port are needed for one export trip. On average, each barge needs 2 hours of crane service, in addition to 2 hours of crane operator labor. It is estimated that the Port of Morgan City will become the port of choice for Louisiana rice exporters and handle up to 8 export trips annually, with each trip handling 4,000 tons. It is important to note that export of rice is generally not affected by demand of importing economies because US rice is not price-competitive with foreign producers. Rather, rice exports are primarily driven by US foreign aid policies that may change periodically (Moffatt & Nichol, p. 34).

The congestion at the dock occurs often when barges are at the dock at the same time as the PMI ship and when other vessels wish to dock at the site. This is detrimental to business growth, as is noted in a "Letter of Support" from Seacor Marine, who uses the dock for sea trials and docking of new vessels that are being commissioned: "*There have been occasions when our request for use of the facility was denied due to the port being at full capacity.*"

Also, the dock is used by other companies. For example, Gulf Craft, LLC uses the dock to test their vessels. Morgan City Stevedores, LLC uses the dock to handle the rice and is looking to expand into different commodity groups at the port. Additionally, some local companies are





bidding on export loading of heavy industrial cargo for the petro-chemical industry and a bagging operation, all to be done at the port's dock. They would like to expand, but they can't because of the lack of improved dock space and lay-down area. They are confident that if the port can expand the useable area of the port, they will be able to secure the additional business that will add jobs.

Next, Shapley Marine Company has been working with Port officials for several months, importing Mexican salt and exporting grain. This company would like to expand their operations out of the port of Morgan City, but they require more waterfront dock space along the Gulf Intracoastal Waterway to support their business endeavors. Their expansion would benefit over 6580 river miles touching 20 different states located in the Mississippi River Basin Watershed (See "Letter of Support" from Shapley Marine Company; June 1, 2015)

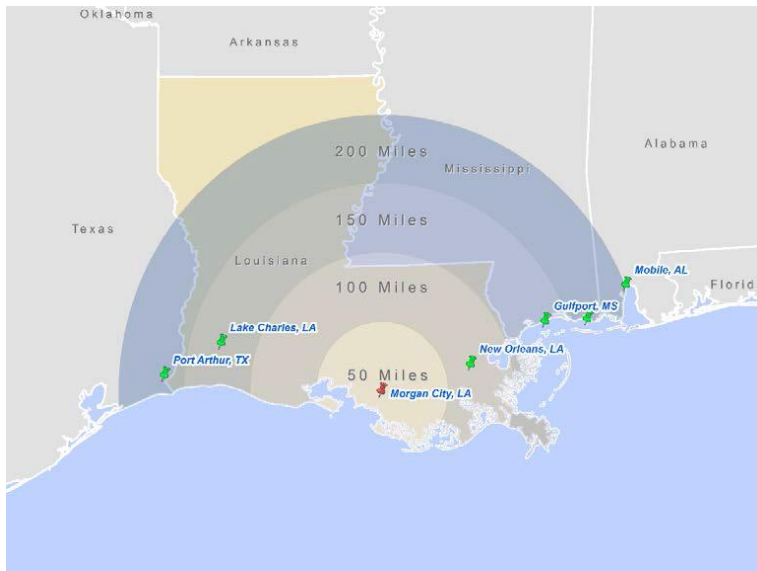
Since January 2015, the port has been experiencing unusual "high-water" events, lasting to this very day. Large amounts of sediment have been brought down from the north and silting the river. This has reduced the draft in the river from 20' to 14'-15'; and, this has been an impediment to shippers requiring a draft between 15'-20'; however, the USACE will conduct emergency dredging in June 2017 which will once, again, allow ships to transit the Atchafalaya River.

## II PROJECT LOCATION

As a Louisiana coastal port that is approximately 18 miles from the Gulf of Mexico, the Morgan City Harbor and Terminal District is positioned in an enviable geographical location along the northern Gulf coast and at the confluence of the Gulf Intracoastal Waterway (GIWW) and the Atchafalaya River. The port connects the continental United States to the international community. According to the U.S. Coast Guard and reported by the *Ports Association of Louisiana*, over 60,000 passages per year have gone through the Port of Morgan City. The Port District primarily serves inland and offshore oil and gas drilling and production industry. Major activities include fabrication, shipbuilding, and vessel repair and conversion. Primary cargos include fabricated items, limestone and aggregates, barite, petroleum oils and fuel oils, and oil and gas drilling and production equipment and supplies. The port's tonnage averages 2 million tons annually (Richardson. Page 1; 2015).



Figure 7 - Location of Port of Morgan City (source: Moffat & Nichol)



Because of the expanding economies in South America and Asia, now is an opportune time to prepare the region for the eventual opening of access to ports and markets, with many Asian areas becoming more accessible once the expansion of the new locks at the Panama Canal is completed. The first step toward this is to support the Port of Morgan City's wish to extend and enhance its dock.

Although the port has water access, it, also, has rail and truck access enabling it to ship to areas

throughout the region, as well as throughout the entire nation; however, its FY 2017 TIGER grant project proposal is strictly related to its dock, which is located directly on the Gulf Intracoastal Waterway (GIWW). This is what makes the port such an enviable and strategic location to use to export/import; however, that enthusiasm is somewhat muted because the port's 800' dock is not large enough to meet current demands and to allow it to expand export and import opportunities.

The Morgan City Harbor and Terminal District's "*Wharf Extension and Enhancement*" project is located entirely on public property, all owned by the port district; and, it is estimated to cost \$15,000,000 to fully implement. The port is requesting, respectfully, \$12,000,000 (or 80% of the total project costs) from the 2017 TIGER funding program; and, while the Port District is applying as a RURAL entity, it is providing a \$3,000,000 (or 20% of the total project costs) local, non-federal match. Without 2017 TIGER funding, the Port will be unable to complete the worthwhile and very-beneficial project. Should the port receive funding and move forward with the construction of the project, all pre-construction activities can be completed prior to June 30, 2019 and the entire project could be completed by Fall 2020 (See Project Work Schedule, as provided by Moffatt and Nichol, an international engineering firm experienced in construction activities).



Figure 8 Project Locations at Port Dock



The Morgan City Harbor and Terminal District lies in St. Mary Parish and comprises the municipalities of Morgan City and Berwick. Its terminal facilities (including the dock) are located in the City of Morgan City, which has a population of just over 11,646 as of 2013. Morgan City's population peaked in 1970 at 16,586 and then has declined each decade since 1970. The population in St. Mary Parish, also, peaked in 1970 at over 60,000 and then has declined to less than 54,000 in 2013 (Richardson, page 2). The *per capita income* for St. Mary Parish is \$21,088 (source: <http://www.city-data.com/city/Morgan-City-Louisiana.html>) and the current (April 2017) Unemployment Rate is 9.1% (source: Federal Reserve of St. Louis).

The port's terminal facility (and project site) is located along the Gulf Intracoastal Waterway (GIWW), just east of the GIWW's intersection with the Atchafalaya River, which heads south to enter the Gulf of Mexico. It is, also, proximate to US Hwy 90, soon to be designated as I-49

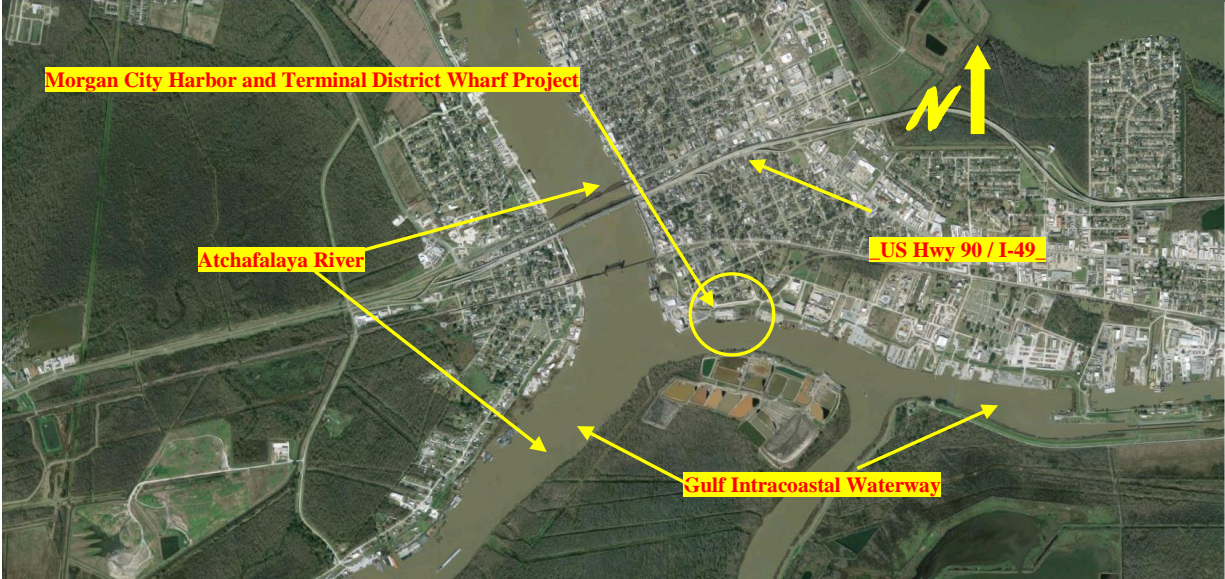


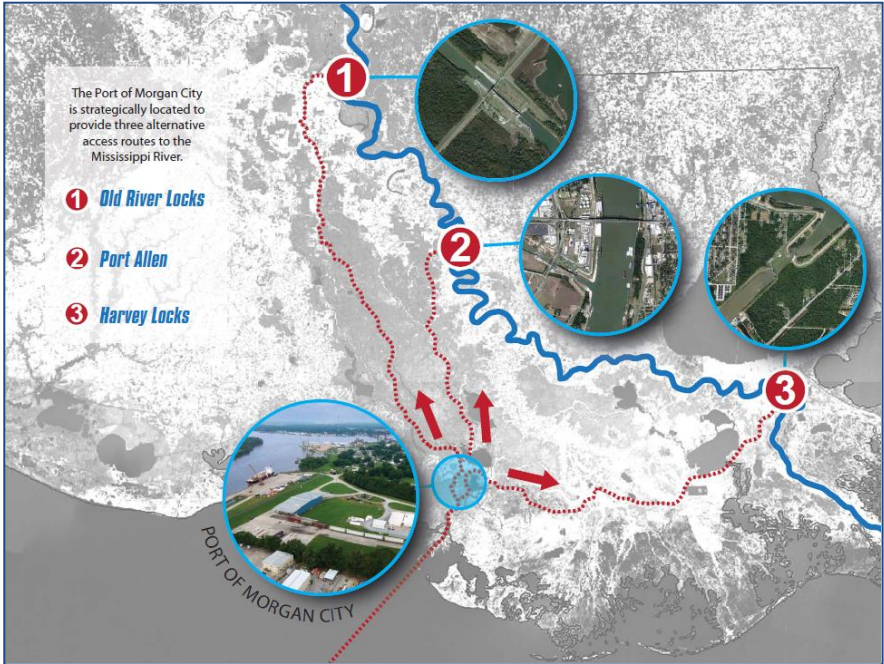
Figure 9 - Aerial View of Port of Morgan City Location





The Port, as shown in Figure 10, provides three different access points to the Mississippi River: the Harvey Locks in New Orleans; the Port Allen Locks in Port Allen, Louisiana (across from Baton Rouge); and the Old River Structure (at the juncture of the Atchafalaya River, the Red River and the Mississippi River).

Figure 10 - The Port of Morgan City provides three access points to the Mississippi River (source: Moffatt & Nichol)



The proposed project is of national significance and is distinguished from other proposals in that it capitalizes on existing strategic advantages only present in Morgan City and this area. Because of its location at the confluence of the Atchafalaya River and the Gulf Intracoastal Waterway (GIWW), the Port of Morgan City provides access to ports around the nation because it has access to the nation's inland waterway system via the Mississippi

River system (The issue of national significance is explored later in this project description and further analyzed in the Benefit-Cost Analysis attachment). In addition, the MCHTD can link to the rail system near New Orleans, which is the only deep-water port in the US with six Class I Railroads. This involves 132,000 miles of connecting rail tracks situated within a 14,500-mile inland waterway that serves 37 states (including Louisiana) and 6 Canadian provinces. The inland waterway and railroad systems serve to make the Port of New Orleans the gateway for international trade to the interior of the United States. The 2010 Census population served by this expansive port service area is 279,099,369.<sup>1</sup>

Its proximity to the Gulf of Mexico and to the juncture of the Atchafalaya River and the Gulf Intracoastal Waterway offers a central location for maritime vessels working the Gulf. There are over 60,000 annual transits per year through the Morgan City Vessel Traffic Service area, which

<sup>1</sup> [http://en.wikipedia.org/wik/List\\_of\\_U.S.\\_states\\_and\\_territories\\_by\\_population](http://en.wikipedia.org/wik/List_of_U.S._states_and_territories_by_population) and [http://en.wikipedia.org/wik/List\\_of\\_Canadian\\_provinces\\_and\\_territories\\_by\\_population](http://en.wikipedia.org/wik/List_of_Canadian_provinces_and_territories_by_population).





is equivalent to 155.4 average daily transits (Marquardt, 2008). Also, about 60 million tons of cargo transit through the area each year (Butler, 2008). In fact, the number of documented arrivals within the Port of Morgan City can rival, if not exceed, the number of arrivals in Houston, Texas.<sup>2</sup> Next, traffic originating in southeast Texas and west Louisiana traveling to the Upper Mississippi River Valley saves approximately 342 miles round trip by using the Atchafalaya River rather than the alternate link of the Gulf Intracoastal Waterway via the Harvey Locks at New Orleans, resulting in both a cost and time savings for the vessel operator (U.S. Army Corps of Engineers Navigation Data Center, 2008).

The Port of Morgan City is hindered in reaching its maximum potential because of inadequate infrastructure. For example, it can handle only a limited amount of cargo due to weight restrictions on its docks (which affects the time to transload cargo from ships); and, it does not have the infrastructure to provide a berth for vessels and/or to store additional cargo/freight on site. Addressing these deficiencies will improve the resiliency of the portwide area and enhance its economic competitiveness.

The Morgan City Harbor and Terminal District completed a strategic plan in 2008 listing infrastructure enhancements needed to improve business development. Plan developers realized that there exists a potential for the MCHTD to attract and sustain short sea-service to the Caribbean Islands, Mexico and Central America based on reviews from other foreign trade services in the Gulf; however, possessing facilities that can efficiently handle this freight in terms of terminal facilities and other factors leave some to question the port's capacity to handle new business. For example, the Port does not have enough berthing area for ships; it lacks enough concrete lay-down areas for cargo; (Amdal, Swigart, Jayawardana, Ashar, & Duplechain, 2008). If it can enhance its dock, the port will be able to accommodate additional vessels and increase cargo lay-down areas. Consequently, the port would be in a better position to grow and sustain local communities, as well as communities/markets located throughout the nation

According to its 2008 Strategic Plan, the MCHTD has several weaknesses that affect its potential to grow: it exists within a unique environment where most potential port users have built and use their own private terminals or docks. This substantially reduces the potential market for cargoes using the PMC; the port is relatively small and somewhat constrained with limited expansion options; and, it competes with other Gulf Coast ports with substantial lands available for development, such as Port Fourchon, Port of West St. Mary, Port of Iberia, and the Port of Terrebonne. Given this situation, it is imperative that the MCHTD identify and establish a niche market that complements existing public and private terminals within the region and not position itself as competitors (Amdal, Swigart, Jayawardana, Ashar, & Duplechain, 2008). Officials believe that they have accomplished this with the arrival of the Purina Mills International importing business currently underway at the port.

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<sup>2</sup> The number of documented arrivals from October 1, 2007 to September 30, 2008 at the Port of Morgan City totaled 6,080, which was 89 more documented arrivals than at Houston (U.S. Army Corps of Engineers Navigation Data Center, 2008).



Acquiring FY 2017 TIGER Discretionary Grant funds enables the Port to implement its “*Wharf Extension and Enhancement*” project which is incorporated in its master plan that recommends enhancing its infrastructure, as well as its capacity to handle cargo. If funded, the project allows the Port to hire professional firms to design, engineer and construct an extended dock to the west and enhance its eastern extended dock (currently in place), the need for which was identified in the Port’s 2008 Strategic Plan.

The Port’s FY 2017 TIGER Discretionary Grant proposed project is part of the overall Port enhancement plan, as identified in its 2008 Strategic Plan. In addition to these local plans, the entire enhancement project aligns with the Five-Year Capital Improvement Plan 2007-2011 For Ports Association of Louisiana Member Ports (Shaw Environmental and Infrastructure, Inc., 2007), 2009 Port Association of Louisiana Strategic Economic Development Plan (Shaw Environmental and Infrastructure, Inc., 2009) and with President Obama’s call to double U.S. exports within five years.<sup>3</sup>

In addition to what was mentioned earlier, enhancing the port’s infrastructure is significant to the region and to the nation for several other reasons. First, the infrastructure improvements enhance the Port’s capacity to handle cargo (bulk or container); second, the enhancements will increase the number of jobs at the port because of the increase in business; third, the enhancements increase the region’s resiliency. For example, the Port is a coastal port that is protected from the Gulf of Mexico by 18 miles of marshland. When other regional ports are forced to close because of a hurricane, the Port of Morgan City can provide them with a location to conduct business until they return to operation. Plus, the enhancements will provide additional safe-harbor for vessels. Finally, the infrastructure improvements are regionally and nationally significant because then the Port can become competitive in attracting South American and Asian/Pacific business once the expansion of the Panama Canal is completed.<sup>4</sup>

The importance of these aforementioned projects to the Port’s sustainability is unquestioned. In fact, the next couple of years could present several opportunities to increase Port business. For example, Cenac Towing, L.L.C. selected the Port of Morgan City for its United States base of operations as the company began to import and export general cargo between various ports in Mexico, Central America and the Caribbean (Ports Association of Louisiana, 2009; Schmidt, 2009). In January 2013, Lamol Inmobiliaria leased the port facilities to conduct export/import business, but they ended their project in late 2013. The potential of this area is ripe for development.

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<sup>3</sup> Obama, President Barak H. “2010 State of the Union Address.” U.S. House of Representatives. Washington, D.C. 27 Jan 2010.

<sup>4</sup> Trottenberg, Polly. “Doubling U.S. Exports: Are U.S. Sea Ports Ready for the Challenge?” U.S. Senate Subcommittee on International Trade, Customs, and Global Competiveness: Committee on Finance. Washington, D.C., 29 Apr. 2010.



Another possibility for growth and a justification to ensure that the Port's infrastructure is maintained and enhanced lies south of the state of Louisiana in the Republic of Panama. In what is being called a "game-changer" for the shipping industry (Ashar, 2010), a new set of locks is being constructed on the Panama Canal and will double its capacity and allow new Panamex (NPX) ships of 12,500 TEU to transit its waters. Most US East and Gulf Coast (USEC/GC) ports believe the expansion of the Panama Canal will deliver more cargo, especially from Asia (Ashar, 2010). It is critical that the Port of Morgan City prepares itself as a possible new participant in the Asian/Western Pacific – Gulf Coast trade. While the new Post-Panamex ships are too large to access the Port's waterways, ancillary and service vessels can and will use this area to transport cargo. Prior to the opening of the new locks, the Port must position itself to capitalize on the change in routing of cargo to and from the United States (McCue, 2009). While the port will never be able to directly handle the new Post-Panamex ships due to their size and draft requirements, the port will be able to service smaller ships that will be related to these massive vessels.



**Figure 11 - U.S. exports can easily be shipped to ports of call in Mexico, Latin America or the Caribbean from the Port of Morgan City**

Once the infrastructure has been improved, the business community will reap the benefits of the project. For example, major industries in the area include agriculture, sugar mill, carbon black plants, shipbuilding, OG (Oil & Gas) Supply and services, metal fabrication facilities and seafood processing (Amdal, Swigart, Jayawardana, Ashar, & Duplechain, 2008). These companies include, but are not limited to, Oceaneering, New Industries, J. Ray McDermott, Danos, Baker-Hughes, Halliburton, and Hudson Dry Docks. These businesses employ thousands of workers that live within and adjacent to the portwide area, thereby affecting the economic stability of this region. Since the economic base of this area is related to the coastal zone of south Louisiana and the Gulf of Mexico, business development is related directly to the Outer Continental Shelf (OCS) and the significant oil and gas (OG) activities in the Gulf of Mexico.



The port's 2008 strategic plan examined the employment data of major industries and their characteristics indicate that these port-area businesses have a much stronger manufacturing, transportation and storage base than the surrounding parishes, which obviously is beneficial to port development at the Port of Morgan City. The MCHTD (and other nearby ports) have all identified the Offshore Oil and Gas (OCS-OG) activities as the main demand driver for port services. With rapid expansion of the industry driven by annual leases of more OCS areas, and the shift of exploration to reserves in deeper waters, these trends will continue to expand the future demand for port services from this industry (Amdal, Swigart, Jayawardana, Ashar, & Duplechain, 2008).

By upgrading the proposed infrastructure improvements adjacent to the PMC mainline, all the container stacking and storage areas can be consolidated on the river dock side of the terminal, instead of being split on either side of the seawall as in the current arrangement. Consolidating the container stacks into one area allows for them to be sorted and managed efficiently.

It also eliminates multiple trips to the container stacks by trucks, hostlers and straddle carriers that cross the intermodal facility and create conflicts. This will create an orderly flow within the terminal as containers move from ships to the stacks and back.

Similar to extreme weights in steel cargo, project cargo commonly has lifts in excess of 750 metric tons (M/T). These increasing cargo weights require specialized equipment and facilities.

The super sensitivity of many project cargoes to dirt and dust make any level of contamination unacceptable and under existing conditions cannot be handled at all. Such poor existing yard conditions curtail cargo levels.

The rise in steel imports to nearby ports, along with project cargo, increases the demand for suitably constructed docks and easy-to-access rail spurs; hence, the port's TIGER 2017 project sites. The steel cargo received at various facilities is getting heavier and requires more substantial staging areas. Heavier and heavier steel products are being imported to compliment the newly finished processing mills recently built in the United States, which will require more stable staging areas and specialized handling equipment. The MCHTD wants to prepare itself for when the port begins attracting companies related to steel imports.

### **III GRANT FUNDS AND SOURCES/USES OF PROJECT FUNDS**

Engineers estimate that the cost to fully implement the Morgan City Harbor and Terminal District's "*Wharf Extension and Enhancement*" project totals \$15,000,000. The Port District is requesting \$12 million in FY 2017 TIGER Discretionary Grant funds; and, during their October 9, 2017 regularly scheduled board meeting, Port Commissioners unanimously adopted a resolution authorizing the submission of the port district's FY 2017 TIGER Discretionary Grant application and to provide the 20% local, non-federal match (\$3 million). Even though applying as a RURAL entity does not require a non-federal match, the port commission is fully-committed to this project and to improving the Port's infrastructure with the belief that doing so will





improve the community's sustainability and lead to an increase in new jobs, business development and community pride.

The source of the port's 20% non-federal match is its bank account. A copy of the port's balance sheets (ending September 30, 2017) is in the attachments. This information indicates that the port barely possesses the financial capacity to provide the non-federal match, and it does not have the entire \$15 million in its account to fund the project during the construction period using the USDOT's reimbursement process. It will, therefore, secure a bank loan to fund the entire \$15 million cost outlay. There has been a huge downturn in the local economy for the last several years, as the economy is inextricably linked to the oil industry.

The dock improvements proposed under the FY 2017 TIGER Discretionary Grant Program will provide a smooth and rigid paved surface with high-loading capacity to efficiently accommodate increasingly heavier cargos at the Port with no dust or contaminants. The new paving improvements will be designed for a uniform live-load of 1,000 pounds per square foot to accommodate the handling and storage of ultra-heavy loads inherent to steel and project cargo, enabling the PMC to process more such cargo.

All funds related to this proposed project will be used to design, engineer and construct the western wharf extension and enhance its eastern extension that is currently in place.

- *Wharf Extension and Enhancement*
  - Element #1 - Western Extension of Wharf:
    - 12,000 ft<sup>2</sup> of new wharf construction/demolition
    - The port needs to construct additional wharf space that is rated for HS-20 loading; and, this new wharf will provide additional space for the handling and storage of shipping containers.
  - Element #2 - Eastern Wharf Extension Enhancement:
    - 40,000 ft<sup>2</sup> of existing wharf upgrades
    - The port's current wharf is not rated for HS-20 loading; therefore, funds will be used to rehabilitate and upgrade the current wharf.

Project Budget

Wharf Extension and Enhancement Budget			TOTAL COST	
Item Description	Unit	Quantity	Unit Price	Amount
<b>WHARF</b>				
Bulkhead	LF	900	\$4,000	\$3,600,000
Backfill	CY	16,500	\$30.00	\$495,000
Demo Bullrail	LS	1	\$20,000	\$20,000
Demo Boat Ramp	LS	1	\$50,000	\$50,000
Steel Pipe Piles (24")	EA	700	\$2,000	\$1,400,000



Pile Cap (2'X2')	CY	400	\$1,000.00	\$400,000
Wharf Deck (12 inch)	CY	2230	\$1,000.00	\$2,230,000
Fendering	LS	1	\$250,000.00	\$250,000
Mooring Hardware	LS	1	\$150,000.00	\$150,000
<b>Subtotal</b>				<b>\$8,595,000</b>
<b>BACKLANDS</b>				
Base Course	CY	3,500	\$55.00	\$192,500
PCC Paving	SY	10,700	\$55.00	\$588,500
Storm Sewer Drainage	LS	1	\$500,000	\$500,000
Lighting	LS	1	\$300,000	\$300,000
<b>Subtotal</b>				<b>\$1,581,000</b>
			<b>Subtotal</b>	\$10,176,000
			Contingency – 15%	\$1,526,400
			<b>Subtotal</b>	\$11,702,400
			Prime Contractor Profit and Central Office Overhead (15%)	\$1,755,360
			<b>Subtotal</b>	\$13,457,760
			Engineering – 10%	\$1,345,776
			<b>TOTAL</b>	<b>\$14,803,536</b>
			<b>FINAL ESTIMATED TOTAL</b>	<b>\$15,000,000</b>

Also, the MCHTD has requested funding for this project in prior TIGER funding cycles, as well as in the 2017 FASTLANE funding program; and, it will apply for funding from the 2017/2018 INFRA Grant Program in November 2017.

#### IV MERIT CRITERIA

The proposed project aligns well with the TIGER 2017 Merit Criteria primary and secondary selection criteria. The Morgan City Harbor and Terminal District's "Wharf Extension and Enhancement" project capitalizes on intermodalism by enhancing infrastructure to facilitate cargo movement via maritime modes resulting in a diversion of cargo from highways.

Officials believe that this project will provide the following numerous long-term benefits over the 50-year life-cycle of the project:

- Enhanced marine – rail connectivity;
- Reduced reliance on truck transport, taking trucks off streets and highways;
- Reduced transit time for cargo movements;
- Reduced transportation costs;



- Increased productivity;
- Reduced congestion and fuel consumption; and,
- Reduced carbon footprint in Louisiana and the expansive MCHTD service area.

If the project is not implemented (i.e., under a no-build scenario), there will be a greater reliance on truck transport, increasing congestion and fuel consumption and the carbon footprint of transportation services from Morgan City through the entire North American market served by the port. In addition, with more cargo being transported on the US highway system, additional roads and related infrastructure (i.e. bridges) will need to be fixed from all the wear-and-tear, costing taxpayer billions of dollars over the course of the years.

The Port's FY 2017 TIGER Discretionary Grant Request addresses many the criteria required of the grant guidance. Specifically, the results of the project affect the following:

#### A. Primary Selection Criteria

- Safety
- State of Good Repair;
- Economic Competiveness;
- Environmental Sustainability; and,
- Quality of Life.

##### 1. Safety

There are safety benefits that will be derived from this project. For example, by being able to bring in more ships to the port's dock to transload cargo, fewer trucks will be on the highway. This will reduce the number of truck-related traffic accidents and deaths. Also, by building the extension to the land from the eastern side, machine operators won't have to worry about backing over into the water. They will remain on a concrete laydown area.

##### 2. State of Good Repair

The proposed project is consistent with efforts to maintain transportation facilities in a state of good repair. The new dock improvement will eliminate existing inefficiencies and eliminate a physical barrier to the layout of cargo storage by providing a flat, rigid and consistent concrete surface to increase safety and reduce transit time, generally increasing functionality and the efficient movement of goods and services through the PMC. The "Wharf Extension and Enhancement" will upgrade surface transportation assets. The port has out-grown its existing dock. If left unimproved, the port will fail in reaching an effective mode.

The project is part of a phased capital improvement plan developed by the port to upgrade port facilities and expand capacity at its riverfront facilities to meet existing demands and attract new business. The proposed project is capitalized up



front, using asset management approaches to optimize long-term cost structure. The construction cost estimate of \$15,000,000 was provided by the local office of the international engineering firm Moffatt and Nichol, who is very experienced in construction projects; and, it was derived from a breakdown of construction items from a preliminary design analysis and based on recent bid prices for similar projects, including factors for contingencies and inflation.

### 3. Economic Competitiveness

The results of this grant proposal enhance the port's economic competitiveness, as well as for the companies that will use the port's facilities. Implementing the infrastructure extension and enhancement project improves its capacity to handle exports and/or imports. For example, there will be additional berthing space for ships to transload cargo; and, there will be additional concrete lay-down areas for cargo and/or containers.

This project investment will augment the physical infrastructure of the Port which will improve the local business climate. Infrastructure improvements can get goods and services to their markets. Inadequate infrastructure decreases access to economic opportunities and the ability to integrate into wider state, national and international markets. Programs to build and enhance ports bestow substantial economic benefits, such as job creation and business creation and retention to a community. Modernizing physical infrastructure can help improve the image of a distressed region, too.

If additional companies can use the port, more people can be hired to work at the port. An increase in jobs will off-set any losses that are occurring elsewhere in the local economy. With more people working, there will be an increase in local spending, business revenue and tax dollars for government programs.

Also, export/import trade development and promotion enables firms to expand their market area and possibly extend the life-cycle of products or services that have exhausted their existing markets. Typically, firms do not have the resources to explore or develop an export marketing plan. Exporting can contribute to a firm's sales volume and create new jobs for the local economy.

St. Mary Parish's transportation network gives it access to the entire NAFTA region, in which U.S. companies can export products and services with low tariffs.

Also, funding the Port's request will improve the area's resiliency during emergencies, such as hurricanes. By having updated, modernized facilities, the Port will be able to remain in operation when a hurricane approaches. All other area ports will be out of operation for a while since they are not protected from a storm's tidal surge or high winds. Most of these area ports could be out of





business for weeks, as what happened when hurricanes Katrina, Rita, Gustav and Ike impacted this area. The Port of Morgan City could serve as an alternate site for them until they are able to return to full operations. When a storm hits this region, a lot of physical damage is done to neighboring ports and their employees evacuate this area, leaving the other ports without a workforce. Because the Port of Morgan City is considered a “safe harbor,” it could provide these area ports with a location to bring in relief equipment and organize their recovery efforts.

The BCA contained in this application concludes that the “*Wharf Extension and Enhancement*” project will promote economic competitiveness with shipper cost savings in association with truck diversion to rail and marine transportation modes. In the no-build scenario, diversion to trucks is anticipated, creating a bottleneck that increases the generalized costs of fuel, time, reliability, and other items for shippers. The implementation of the project allows shippers that would have diverted to continue operations at the lower costs of maritime freight (especially for low inventory-cost commodities) realizing direct monetary cost savings.

4. Environmental Sustainability

Environmental costs are increasingly considered as an important component in the evaluation of transportation projects. The environmental impacts of vehicle use and exhaust emissions can impose wide-ranging social costs on people, material, and vegetation. The negative effects of pollution depend not only on the quantity of pollution produced, but also on the types of pollutants emitted such as carbon monoxide, volatile organic compounds, nitrogen oxides, particulate matter, sulfur dioxide and carbon dioxide, as well as the conditions under which the pollution is released. The environmental cost reduction is calculated as the difference between the cost of vessel pollution and truck pollution.

5. Quality of Life

By enlarging the wharf along the GIWW, businesses will be able to ship their goods along Louisiana waterways and access the nation’s inland waterway system. This will remove a great deal of truck traffic from the local, state and national highways and by-ways. In addition, this will reduce the amount of emissions that develop as a result of vehicles on the roadways, as well as reduce the number of traffic accidents since fewer vehicles will be on the highways.

Also, the grant proposal addresses the need to support existing communities. Since the jurisdiction of the Port of Morgan City includes the city of Morgan City and the town of Berwick, the Port helps to sustain these municipalities and the surrounding unincorporated areas of St. Mary Parish, as well as the surrounding parishes of Terrebonne, St. Martin, Iberia and Assumption, by being an economic engine, creating jobs for the local region, creating vibrant communities and helping to support the local tax base. The Port alleviates traffic on the local roadways by providing the water system as a marine highway for the shipping of



materials, which reduces the wear-and-tear on local roadways and bridges and the amount of pollution from automobiles and trucks.

Also, the Port's request improves the "Quality of Life" of communities and neighborhoods. The Port is located near a residential area. Seaports are usually located in great cities and are a key reason why certain communities flourish. "When discussing livability, one cannot overlook how quality of life in America is improved by providing our citizens the world's most robust access to market goods. Because of seaports, consumers enjoy less expensive options for purchasing food, clothing, medicine, fuel, technology, finished goods and building materials. Having less-expensive choices has allowed American families to better weather the economic downturn" (Nagle, 2010).

Additionally, this project will improve the quality of living and working environments and the experience of people in communities across the United States by shifting cargo operations to the marine modes of transportation and reducing the number of trucks that transport cargo on interstate highways. The project is positive for several measures of livability, including the following: congestion cost savings at the PMC, congestion cost savings on roads, and noise avoidance on roads.

Truck miles avoided in the build scenario mean less congested roads. The cost that truck-driven congestion imposed on other vehicles can be substantial. Improvements at the port, by making shipping freight more efficient, reduce diversion to trucks and congestion for all the vehicles that remain on the highways, shorten travel times, and decrease vehicle operating expenses.

Under existing conditions, cargo operations at the MCHTD are not optimal because of the imperfect state of the dock. This creates congestion at the PMC that impacts the amount of time spent handling cargo/containers. Implementation of the project would reduce current and future levels of congestion at the port.

Therefore, the build scenario implies reduced operational times per vehicle at the port, lower vehicle emissions and noise, and reduced maintenance and repair of the vehicles and the yards. Although all these benefits are tangible and sensible, due to the lack of data to substantiate assumptions and the intension to produce conservative estimates of benefits, port officials can only evaluate congestion time savings for truck drivers at the port.

## B. Secondary Selection Criteria

### 1. Innovation

The Port of Morgan City has been working to extend its western dock and enhance its eastern side since it created its strategic plan in 2008. The project will allow the Port to meet the long-term import/export container demands of the region.



Due to the limited size of the existing dock, the Port will be unable to effectively stage barges and ships to handle future container and breakbulk product. The dock extension will allow the port to improve the condition of the existing dock, reduce tug standby time and fuel consumption and improve the safety of dock operations. The demand from U.S. companies to use the Port for the import/export of breakbulk cargo and oversized equipment offers a national benefit by providing new options to meet the country's future energy and agricultural needs.

In addition, the project will use innovative strategies in upgrading its dock by using the latest design to handle higher loads in order to accept containers and the extreme weights of other breakbulk cargo. The project is, also, innovative in that it shifts operations away from trucks/highways to the more efficient maritime mode resulting in less fuel consumption and congestion and greater energy efficiency.

## 2. Partnership

The MCHTD has partnered with various federal, state, regional and local governmental agencies on past projects and will do so, again, for this submitted 2017 TIGER project: the U.S. Economic Development Administration (EDA), the Department of Homeland Security (DHS), the Federal Emergency Management Agency (FEMA), the U.S. Army Corps of Engineers (USACE), the U.S. Coast Guard (USCG), the Regional Development Authority (RDA), the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), the Louisiana Department of Transportation and Development (LADOTD), the Louisiana Department of Economic Development (LDED), as well as local governments (parish, municipalities).

Additional project partners include, but are not limited to, the following, some of which have provided "Letters of Support," which are all included in the attachments and/or listed on the Port's TIGER 2017 webpage (which can be found at [www.portofmc.com](http://www.portofmc.com)):

- Private Sector Partners
  - Morgan City Stevedores, LLC
  - Shapley Marine Company
  - Babin Marine
  - Baker Hughes
  - Planters Rice Mill
  - Gulf Craft
  - Seaco
- Non-Profit Partners
  - St. Mary Parish Chamber of Commerce Director Donna Meyer
  - South Central Planning and Development Commission Executive Director Kevin Belanger
- Public Sector Partners



- Federal Level
  - United States Senator John Neely Kennedy
  - United States Senator Bill Cassidy, MD
  - United States Representative Clay Higgins
- State Level
  - Lt. Governor Billy Nungesser
  - Louisiana Department of Agriculture and Forestry Commissioner Mike Strain, DVM
  - Louisiana State Senator Bret Allain, II (District 21)
  - Louisiana State Representative Beryl Amedee (District 51)
- Local Level (Parish/Municipality)
  - St. Mary Parish President David Hana Griff
  - St. Mary Parish Director of Economic Development Frank Fink
  - Morgan City Mayor Frank “Boo” Grizzaffi, III
  - Berwick Mayor Louis Ratcliff

## V PROJECT READINESS

The Morgan City Harbor and Terminal District has not initiated NEPA review as of yet because there were no reasonable expectations of receiving federal funding for this project, previously. The MCHTD assures US DOT officials that the necessary environmental reviews can be completed with enough time for any post-NEPA, pre-obligation activities to be completed by June 30, 2019, in order to give DOT comfort that all of the FY 2017 TIGER Discretionary Grant funds are likely to be obligated in advance of the September 30, 2020 statutory deadline and that any unexpected delays will not put 2017 TIGER Discretionary Grant funds at risk of expiring before they can be obligated. There are no right-of-way acquisitions necessary for the completion of these projects.

Following is the project’s schedule. It takes into account the various planning approvals, NEPA and other Environmental Reviews needing approval. Based on this table, all preconstruction activities can be completed before the September 30, 2020 obligation deadline. Then, the project itself can be completed by spring 2020. These figures were provided by Moffatt & Nichol, an international engineering firm experienced in construction projects of this magnitude.

ID	Task Name	Duration	Start	Finish
	<b>Project Timeline</b>	<b>833 Days</b>	<b>1/4/19</b>	<b>4/16/21</b>
1	Initiate Project	1 day	1/4/19	1/4/19
2	Data Collection	2 mons	1/5/19	2/28/19
3	Develop Project Alternatives	1 mon	3/1/19	3/28/19
4	Project Alternatives Drawings	2 wks	3/29/19	4/11/19
5	Schedule Pre-Application Meeting	1 day	4/12/19	4/12/19
6	Preliminary Design	1 mon	4/13/19	5/10/19
7	<b>Submit Permit Application</b>	335 days	5/11/19	4/11/20
	<b>State Permit (LaDNR)</b>	270 days	5/11/19	1/17/20
8	-Permit Reviewed and Deemed	1 mon	5/11/19	6/7/19





	Complete			
9	-Advertise Permit	1 mon	6/8/19	7/5/19
10	-Receive Comments from public and agencies	3 mons	7/6/19	9/27/19
11	-Engineer to Respond to Comments	1 mon	9/28/19	10/25/19
12	-Second review	2 mons	10/26/19	12/20/19
13	-Issue Permit	1 mon	12/21/19	1/17/20
	<b>Federal Permit (USACE)</b>	335 days	5/11/19	4/11/20
14	-Permit Reviewed and Deemed Complete	1 mon	5/11/19	6/7/19
15	-Advertise Permit	1 mon	6/8/19	7/5/19
16	-Receive Comments from public and agencies	4 mons	7/6/19	10/25/19
17	-Engineer to Respond to Comments	1 mon	10/26/19	11/22/19
18	-Second review	3 mons	11/23/19	2/14/20
19	-Issue Permit	2 mons	2/15/20	4/11/20
20	Final Design	3 mons	5/11/19	8/2/19
21	Bid Project for Construction	1 mon	3/12/19	4/12/20
22	Construction Phase	12 mons	4/15/20	4/16/21

A permitting strategy will be developed early in the process and continually worked to ensure the project stays on schedule. The permitting process can take up to 12 months to complete. A project timeline including permitting is presented below.

The State of Louisiana has a joint permit with the United States Army Corps of Engineers (USACE) application process. One permit is submitted and reviewed by the appropriate entities. Copies of the permit and support material is sent to the following entities: United State Army Corps of Engineers (USACE), Louisiana Department of Natural Resources (LDNR) and the St Mary Levee District. The USACE and LDNR serve as a clearing house. They will solicit comments from their sister agencies and incorporate the comments into one document. In the end a federal permit and a separate state permit will be issued.

A pre-application meeting will be scheduled with the permitting agencies. The purpose of the meeting is to present the project and receive feedback on concerns the regulatory agencies would have on the project. This provides the designer with important information to assist in the design. It also helps to eliminate unnecessary delays in the permitting process. The pre-application meeting is scheduled once the project alternatives have been established.

✓ **USACE Permits**

When applying for a USACE permit you are applying for three permits. The three permits you will receive are:



### **Section 10 Permit**

This permit reviews all activities that are planned in the Mississippi River, batture, over the levee and within 1500 feet of the protected side toe of the Mississippi River Levee.

### **Section 404 Permit**

The Section 404 permit is an environmental permit and looks at activities which would impact wetlands, jurisdictional waters and cultural resources. A separate effort will need to be tasked for a wetland assessment and cultural survey of the property.

### **Section 408 Review.**

The section 408 review is a review of the proposed project features related to any federally authorized structure. In this case the USACE will be reviewing the proposed project to ensure it would not negatively impact the flood wall adjacent to the project.

#### ✓ **Louisiana Department of Natural Resources - Coastal Zone Evaluation:**

For facilities within the defined Coastal Zone of Louisiana, a Coastal Zone permit must be obtained. The boundaries of the coastal zone have been developed and modified by the Louisiana Department of Natural Resources (LDNR). The purpose of the Coastal Use Permit process is to make certain that any activity affecting the Coastal Zone, such as a project that involves either dredging or filling, is performed in accordance with guidelines established in the LCRP. The guidelines are designed so that development in the Coastal Zone can be accomplished with the greatest benefit and the least amount of damage.

#### ✓ **St. Mary Parish Levee District:**

Typically, the Levee District will rely on the USACE and the CPRA in review of the permit. The Levee District is short staffed and typically do not have engineers on staff to review the permit. Once the USACE and State review and approve the project the Levee District will issue a Letter of No Objection (LNO).

### ***Legislative Approvals***

While the port has not commenced NEPA or sought approval from state and local planning and permitting organizations, the Port's project is broadly supported by numerous officials, organizations and businesses. A listing of those that have provided (or will provide "Letters of Support," as posted on the port's TIGER 2017 webpage), is as follows:

- **Private Sector Partners**
  - Morgan City Stevedores, LLC
  - Shapley Marine Company
  - Babin Marine
  - Baker Hughes



- Planters Rice Mill
- Gulf Craft
- Seacor
- Non-Profit Partners
  - St. Mary Parish Chamber of Commerce Director Donna Meyer
  - St. Mary Industrial Group (SMIG) President Greg Roussel
  - South Central Planning and Development Commission Director Kevin Belanger
- Public Sector Partners
  - Federal Level
    - United States Senator David Vitter
    - United States Senator Bill Cassidy, MD
    - United States Representative Charles Boustany, MD
    - United States Coast Guard Marine Safety Unit (MSU) Morgan City (Captain David McClellan)
  - State Level
    - Louisiana Department of Agriculture and Forestry Commissioner Mike Strain, DVM
    - Louisiana Department of Transportation and Development Secretary Shawn Wilson, Ph.D.
    - Louisiana Department of Wildlife and Fisheries Secretary Charlie Melancon
    - Louisiana State Senator Bret Allain, II (District 21)
    - Louisiana State Representative Sam Jones (District 50)
    - Louisiana State Representative Beryl Amedee (District 51)
  - Local Level (Parish/Municipality)
    - St. Mary Parish President David Hanagriff
    - St. Mary Parish Director of Economic Development Frank Fink
    - Morgan City Mayor Frank “Boo” Grizzaffi, III
    - Berwick Mayor Louis Ratcliff

### **Assessment of Project Risks and Mitigation Strategies**

Other than “*Acts of God*” (such as natural disasters like hurricanes and high-water events), the port cannot identify any material risks to the project. If the area is affected by a tropical system, then the plan will be to simply wait it out, allowing the storm to make landfall and then initiate post-disaster steps to bring the port back on line. Because this is a dock construction project that will use materials that can be easily procured, the port sees no delays in procuring materials. Any environmental questions should not exist since the port is simply extending its dock footprint and all the permits will be obtained prior to construction. Also, the port owns the property, so there will be no surprises with increases in real estate acquisition costs.



## VI BENEFIT COST ANALYSIS

The Benefit Cost Analysis (BCA) results look at the project from the standpoint of society as a whole, and it accounts for the net benefits and net costs based on the criteria described in the 2017 TIGER Discretionary Grant Notice of Funding. Analysis of the project sought to answer the question, “Is the region, the state and the nation enhanced by the completion of the project?” The Benefit Cost Analysis addresses the issues of reduction of freight travel time, fuel costs, operating and maintenance costs, emissions and crash reductions.

The BCA analyzed the national and international significance of the Morgan City Harbor and Terminal District’s “*Wharf Extension and Enhancement*” project, with documentation of the population of the port service area, which comprises 37 states (including Louisiana) and 6 Canadian provinces. The 2010 population of the 37 states served by the rail and the inland waterway system of the PMC service area equals 247,551,503 or 80% of the total U.S. population. The six provinces served by the PMC service area account for 31,547,866 or 92% of the 2010 Canadian population. The combined population served by the PMC service area for the U.S. and Canada constitutes 279,099,369 or 82% of the 2010 population for both countries.

The Morgan City Harbor and Terminal District is requesting \$12,000,000 in FY 2017 TIGER Discretionary Grant funding to match a local, non-federal investment of \$3,000,000 to extend and enhance the port’s dock in Morgan City, Louisiana. The current dock is outdated and keeps the port in a position that is unsafe and non-competitive.

Currently, the port has a dock that is 800’ in length, but it can only handle one cargo ship at a time. It cannot use heavy equipment to unload/load ships because the wharf is unable to accept heavy weight (It is not HS-20 load-rated). Although a small area of the dock has been reinforced from below with additional piers, the dock as a whole cannot take heavy equipment that can transload vessel cargo. This causes delays in shipping because it takes a longer amount of time to unload/load a ship, which causes it to stay in port for a longer period of time. When a ship is docked, it’s not making money.

Also, the port has a limited amount of space to use as lay-down area for cargo that is shipped into the area for export or import. By extending the current wharf along the waterfront and into the port property, the port will increase the area that can be used to store cargo. Currently, cargo containers must be brought from dockside, through the flood gates to a building that is approximately ½ mile away from the dock. This takes too much time and causes cargo to back-up and makes the ship remain in port for an extended amount of time. Again, this delays the ship from returning to service to make money for its owner and shipper.

The economic activities of port-related firms support 178,582 permanent jobs for the people of the state. This constitutes approximately one out-of-every 10 jobs in the state. In addition, the economic activities of those port-related firms created \$209.0 million in state tax revenue and \$101.1 million in local tax revenue for a total of \$310.1 million in revenue for the state and local governments (Wilbur Smith Associates, 2002).





The Benefit Cost Analysis performed for this project indicates that **the benefits** derived from the awarding of the Port's FY 2017 TIGER Discretionary Grant request would **out-number the costs** from the federal government and local source. Based on the results of this BCA, there is a benefit ratio of 21.25-to-1 (NPV 3%) and a 11.71-to-1 (NPV 7%).

A. Baseline

The baseline established for the BCA assumes that the port operations continue without the project improvements. Therefore, there are two main expected consequences:

1. Marine freight capacity, although not yet reached, will face a choke-point in the near future, causing some of the freight to divert to other modes, especially trucks. It is assumed that separate improvements at the port will increase the maritime-handling capacity in the future, but the lack of implementation of these important components would create limits on the expected growth of marine operations.
2. Cargo operations will continue to be constrained by the lack of efficiency created by the imperfect design of the current dock at the existing facility along the Gulf Intracoastal Waterway. Maritime congestion at the PMC is expected to increase, generating time waste that will impact all vessels and barges operating at the port. Longer distances and obstructed paths will also maintain and even increase the cost of handling cargo, especially marine freight.

B. Alternatives

There were three alternatives briefly analyzed for this BCA:

1. "No build"
2. Build Another Dock
3. Rental of Another Dock

Based on the results of the BCA, there is no other way to increase the port's capacity to handle cargo and provide vessels with more space to dock than to provide them with actual additional docking space and laydown area. In this case, the most efficient and cost-effective way would be to extend and enhance the port's dock.

C. Long-Term Outcomes and Types of Societal Benefits

The Port of Morgan City's analysis estimated the project's expected benefits with respect to each of the five long-term outcomes that the USDOT specified under "Selection Criteria" in the FY 2017 TIGER Discretionary Grant Notice of Funding. For purposes of this project, the analysis focused on the following long-term outcomes and their respective expected societal benefits:

1. Quality of Life
2. Economic Competitiveness
3. Safety
4. State of Good Repair
5. Environmental Sustainability

Each of the five expected outcomes were analyzed separately, resulting in the following table.



Status and Problem to be addressed	Change to Baseline/ Alternatives	Types of Impacts	Population Affected by Impact	Economic Benefit	Summary of Results	Page Reference in BCA
25-year old Dock is not large enough to meet future demands and to expand export/import opportunities	450' foot extension, and additional laydown area of @ 64,000 sf	Increased export/import capacity; time and fuel cost savings; State of Good Repair through the reduction of long-term maintenance and repair costs	Shipping carriers; Exporters and Importers	Monetized value of reduced travel times, fuel consumption, emissions and safety benefits	The benefits to cost analysis indicates a benefit of 21.25 to 1 (at a 3.0% NPV) and 11.71 to 1 (at a 7.0% NPV)	Pages 6-20

**D. Affected Population**

The Morgan City Harbor and Terminal District’s “*Wharf Extension and Enhancement*” will have different impacts over the course of the dock’s lifetime. Evidently, by transferring the shipping of cargo from trucks, the project will reduce the number of trucks on the highway and reduce the amount of emissions in the atmosphere. This action will, also, reduce the number of accidents on the highways involving trucks.

**E. Conclusion**

Based on the information analyzed, the Port’s project will have a benefit of 21.25 to 1 (NPV 3%) and 11.71 to 1 (NPV 7.0%) benefit to cost ratio. The project is determined to be financially beneficial.

**VII COST SHARE**

The local economy (and the national economy to a lesser extent) is linked to the oil industry; and, there has been a downturn in the oil industry for several years. Local tax collections have dropped as businesses directly and indirectly related to the oil industry have either reduced hiring, cut employees, or have gone out of business. This has negatively impacted the port regarding revenue. Add this to the inability to bring in ships because of the channel being clogged with sediment, and one will see why this area’s economy is slipping from a recession to a depression. This illustrates the need for financial assistance from the TIGER program to help fund this project. In addition, using funds from the State of Louisiana will be difficult because the state has been in an economic downturn, as well. The state has been suffering budget cuts for several years, too; and, they cannot provide resources to assist in implementing this grant project. Therefore, if the port is awarded 2017 TIGER funding, it will need to approach a bank for a loan to provide the “space” to fund the project over the life-cycle of this reimbursement period, even though the Port can provide the local cost share of \$3 million (Section III of this document provides additional information).



## VIII FEDERAL WAGE RATE CERTIFICATION

See attachment

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