

# **Globalplex Multi-Modal Connections Project**

**2019 Port Development  
Infrastructure Grant Application**

September 16, 2019



## Application Snapshot

**Project Title:** Globalplex Multi-Modal Connections Project

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**Organizational DUNS:** 1432932770000

**Tax Identifier:** 72-0646046

### Location of Supplemental Materials

The Project application webpage with a copy of the application and supporting and referenced documents is located at: <http://portsl.com/pidg-globalplex-multimodalcxns/>

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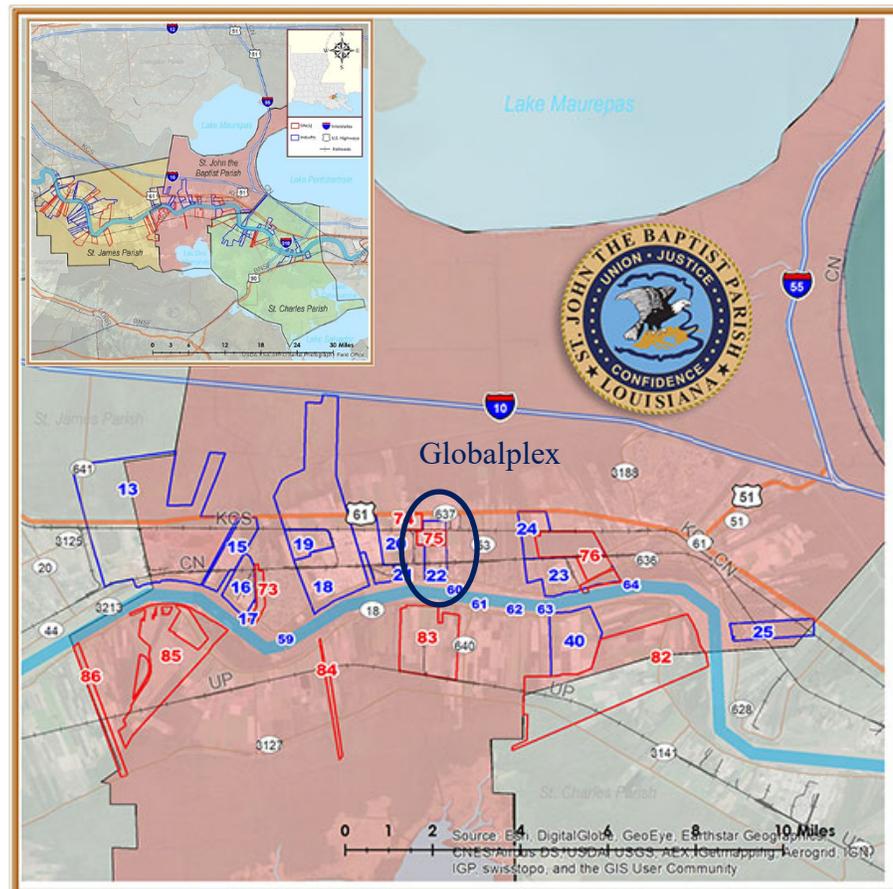
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# Project Description

The Port of South Louisiana (POSL) is a deep-water port (45-foot draft) situated in the immediate vicinity of the Gulf of Mexico, near major roadways and two rail lines. It is the largest tonnage port district in the United States, and it is the premier sea gateway for U.S. export and import traffic (Box 1).<sup>1</sup> POSL owns the Globalplex facility, a public port with a 335-acre maritime industrial park that currently includes multimodal connections to the Canadian National (CN) Railway, local roads and state and interstate highways (such as River Road, Airline Highway, Interstate 10), local and international airports, and the Mississippi River, all providing various methods of cargo transport (Figure 1). Figure 2 displays the site Master Plan.<sup>2</sup> The facility has three docks, which include a deep-draft bulk terminal dedicated to handling cement, mineral ores, woodchips, garnet sand, and other heavy materials, a grain handling terminal, and a general cargo dock with a finger pier. The facility offers 340,000 square feet of warehouse space, 800,000 square feet of open storage pad space, bulk domes and an available industrial site. The cement facility is one of the largest in the United States. Since 2005, the Globalplex facility is

operated by Associated Terminals – for both vessels and barges – handling and storage for bulk, breakbulk, and containerized cargos. The facility has several tenants including: Evonik, NATCO Food Service, Barton International, Baumer Foods, LaFarge Holcim Co., Archer Daniels Midland (ADM), CRC, and Pinnacle Polymers.

Within the Globalplex facility, cargo has quadrupled since 2007, largely in part due to the continuous strides of the POSL to bring the facility to a state of good repair. The POSL's plan is to bring the current infrastructure at Globalplex to working



**Figure 1 – Project Location**

<sup>1</sup> Port of South Louisiana, [http://portsl.com/wp-content/uploads/2019/01/2018\\_FourthQ\\_PSL\\_Ton\\_Stats.pdf](http://portsl.com/wp-content/uploads/2019/01/2018_FourthQ_PSL_Ton_Stats.pdf)

<sup>2</sup> Port of South Louisiana, Globalplex Facility. <http://portsl.com/globalplex/>

standards and increase warehousing options along improving the linked transportation network, minimizing maintenance funding needs. Collectively, this will decrease shipping times for existing tenants, create capacity for new shippers.

### **Box 1: Port of South Louisiana at Large**

As the largest tonnage port district in the United States and the primary export gateway for U.S. agriculture in the rural Midwest, the POSL terminals receive cargo via deep draft vessels, barges, rail, and truck. The Mississippi River channel depth at the POSL is 45 feet. Approximately 4,402 oceangoing vessels and 63,638 barges called at the POSL in 2018 making it the top-ranked port in the country for export tonnage and total tonnage.

Cargo throughput accounts for a significant portion of U.S. exports, with 73 million short tons of exports in 2018. An additional 66 million short tons of throughput was imports. The Port handled 303 million short tons of cargo, led by an expansion of petroleum exports, as well as the handling of chemicals, fertilizers, ores/phosphate rock, and petrochemicals. In 2018, the POSL accounted for 57 percent of Louisiana exports.

The POSL's distinction as America's largest tonnage port was underscored in 2018, with 303 million short tons of total throughput (an 8 million short ton increase over 2016). This growth is expected to continue given the high demand from industries drawn to the Port's unique position at the convergence of deep draft navigation and the nation's inland waterway system.

The economic impact of the POSL on South Louisiana and the rural Midwest region cannot be overstated. The combination of POSL companies' capital spending and operational spending in 2013 supported 41 percent of all personal income and a notable 63 percent of all jobs in the region (Source: Economic Powerhouse on the River: The Economic Impact of Industries within the Port of South Louisiana Jurisdiction on the Louisiana and PSL Regional Economies). With its tremendous growth, the POSL has an ever-increasing need for infrastructure improvements.

Figure 2 – Globalplex Facility Master Plan



Source: Globalplex website

Note: There are components of the Master Plan that are not yet implemented.

Over the last 20 years, the POSL has been making continuous improvements to the Globalplex facility. The pieces have been developed strategically and are part of a larger strategy to facilitate industrial development. A 2018 report from the Economic Development Authority (EDA) determined that over the long-term horizon, the Globalplex facility will function best as a public bulk and breakbulk facility, but that it could implement a container transfer capability to build the market for a new container terminal nearby as container traffic grows.<sup>3</sup> Recently, several projects have been undertaken to increase bulk and breakbulk capacity. In 2016, the POSL completed construction on a new highly-efficient warehouse with heavy load floor and wall load capabilities. Heavy-load warehouses are in high demand along the Mississippi according to a recent New Orleans Annual Economic Outlook and Real Estate Forecast study presented by The University of New Orleans (UNO). The Building 19 warehouse is used to store, stage, process, and distribute bulk cargo from Globalplex facility. Additionally, in 2017, the POSL received funding from the State of Louisiana’s Port Construction and Development Priority Program (PPP). Two of these projects solve some of the existing infrastructure issues at the facility. First, the Globalplex Dock Reinforcement project strengthened the dock such that it can handle heavier loads, and larger, more efficient cranes. The second project, the Globalplex Equipment Construction project constructed and installed two new mobile harbor cranes at the facility – increasing efficiency for existing cargo, and preparing the port to expand. The POSL is currently working on repairing Building 71 including removal and replacement of metal walls and roof panels to waterproof the facility and associated framing members; addition of new electrical wiring and lighting; code-mandated upgrades; and tenant/port-requested upgrades and modifications since they are in immediate need of repairs. The current weather proofing improvements at Building 71 will prepare the building for the upgrades outlined in the Globalplex Multi-Modal Connection Project. The POSL has funded Building 71 wall and roof rehabilitation project (\$2,840,000) using the Capital Outlays funding [item Globalplex Terminal Building #71 and Other Globalplex Terminal Building Upgrades (St. John)].

### Globalplex Challenges

- Limited warehousing space
- State of current transport infrastructure
- Connectivity with Canadian National rail network
- General cargo dock access constraints

*“There is no space right now at Globalplex, everything is full”*

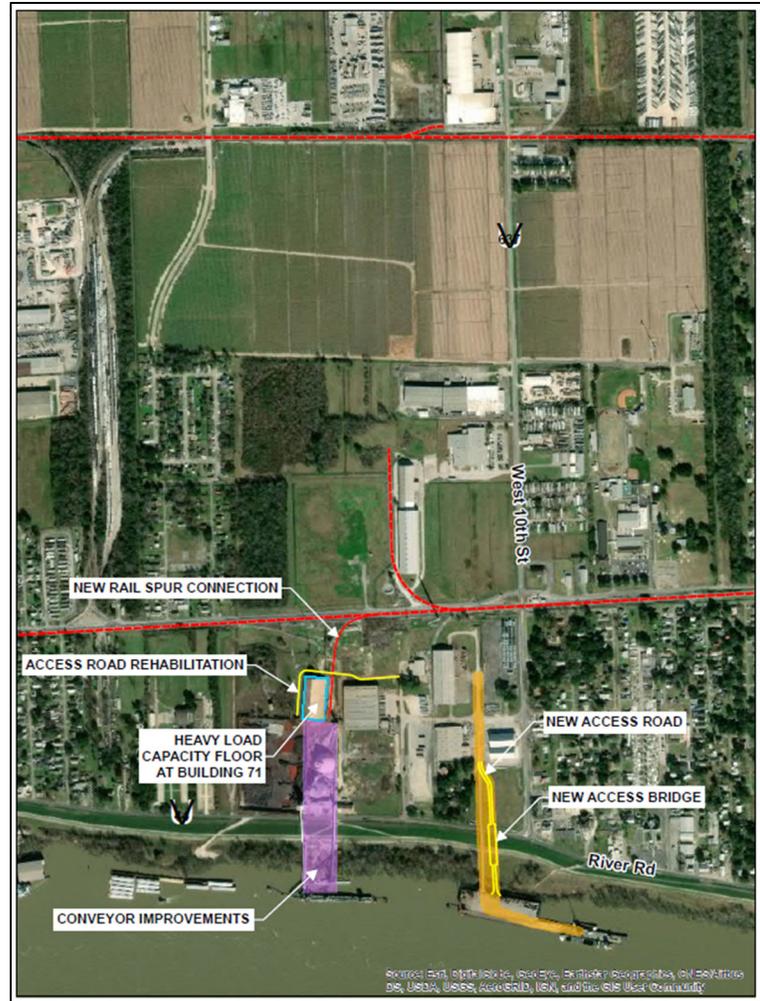
*Barry Hoth from POSL stevedore company, Associated Terminals*

*September 2019*

<sup>3</sup> Port of South Louisiana. “Container Terminal Planning Study: Phase 2”. January 31, 2018.

The POSL has designed the Globalplex Multi-Modal Connections Project (here after the “Project”) to address the remaining bottlenecks within the facility to optimize the public bulk and breakbulk functionality. The Project consists of the construction of main five components: (1) heavy load capacity floor at Building 71, (2) conveyor improvements, (3) access road rehabilitation, (4) a rail spur connection, and (5) a new dock access bridge/road for heavy cargo. Collectively, the Project elements add missing multimodal connections and improve the performance of the existing facility increasing the Globalplex’s value as an economic development asset. Without the Project, bulk and breakbulk shipments may require longer and more expensive transportation options.

The five components of the proposed Project, highlighted in Figure 3, include:



**Figure 3 – Project Components**

- Heavy load capacity floor at Building 71:** The Globalplex facility has multiple warehouses within the public facility, but they are all filled to capacity with no availability to accommodate growth. Current tenants need more warehouse space for commodities, for instance, mineral ores, woodchips, garnet sand, and other heavy materials at the Globalplex facility. As a result, the new load capacity floor in Building 71 will be designed strategically to store different types of commodities. The Building 71 at Globalplex will be able to store approximately 54,000 square feet of bulk (Figure 4). The POSL is currently working on bringing Building 71 to a state of good repair by repairing the warehouse roof, walls and the ceiling. Despite being functional in the past, Building 71 is not functional now without a higher load capacity floor.
- Conveyor improvements:** The conveyor improvements will connect Building 71 and adjacent storage domes (currently leased by LaFarge Holcim) to the Globalplex bulk dock facility and provide for efficient transport of bulk material between the dock and the dry storage within Building 71. Conveyors within Building 71 will allow for efficient transfer of bulk commodities between water, rail and truck, providing for unloading, loading and storage of materials in a closed loop. The POSL is working to refurbish the Globalplex facility and bring it to a state of good repair rather than building a new facility elsewhere to preserve

future opportunities and facilitate major industrial construction occurring nearby between New Orleans and Baton Rouge. The conveyor is currently partially functional. However, it needs to be extended and improved so cargo can move in both directions.

- **Access road rehabilitation:** The proposed paved roadway will connect the existing paved entrance road at Globalplex to Building 71. The roadway will connect to Building 71 at both the North and South sides of the building, creating a loop for vehicles to pass through the building for unloading and loading of materials. At the North side of the building, the road will continue to the West side of the building before terminating. The West side roadway will provide direct access to the open storage laydown yard located adjacent to Building 71. Addition of the West side roadway will allow trucks to service both the Building 71 loop and the open storage yard simultaneously. The paved access road to Building 71 will reduce dust from trucks transiting to the building and the adjacent laydown yard. Paving the access roadway will reduce maintenance cost and improve the state of good repair.
- **Rail spur connection:** Although Globalplex facility currently has direct access to the CN rail line, Building 71 is not benefiting from it. Multiple existing tenants have expressed a need for a rail spur connection to expand their market reach to additional destinations, and lower the transportation cost. The proposed rail spur would be a track close to Building 71 and the storage domes without causing congestion or safety hazards. This design allows for an efficient and direct connection to the CN line.
- **Dock access bridge and access road:** The existing dock access bridge between the Globalplex's main facility north of LA 44 (River Road) and its dock along the Mississippi River was constructed in 1995 and was damaged during Hurricane Katrina in August 2005. Improvements/ repairs were made to the bridge using a \$3 million appropriation from the State of Louisiana through Capital Outlay grant funds. The repaired bridge is designed to support standard American Association of State Highway and Transportation Officials (AASHTO) bridge loads only. The proposed new dock access bridge will be constructed adjacent to the existing bridge and will have a live load capacity to enable fully-loaded, “off-road” trucks (i.e., trucks with weight that exceeds standard AASHTO bridge loads) to travel back-and-forth between the dock and landslide facilities. It will be designed and constructed to support 1,000 pounds per square foot of live loading and heavy truck axle weights, typical of heavy industrial demands, allowing businesses that transport heavy cargo to access the Globalplex terminal more efficiently, promoting regional economic development. Currently, the existing bridge is designed only to support single-lane traffic for standard AASHTO class vehicles and is not capable of supporting heavy-haul permit loads or large “off-road” trucks. Once the new access bridge is constructed, the existing bridge will be used by empty or partially-loaded “off-road”



**Figure 4 – Globalplex Conveyors and Building 71**

truck travel. Loaded “off-road” trucks will cross the new dock access bridge, and then exit unloaded across the existing dock access bridge. This will provide increased access to the general cargo dock and finger pier, facilitating a more fluid and efficient loading and unloading process (Figure 5). Having two access bridges will also allow the POSL to experience reduced risk. Currently, if the existing access bridge is closed for maintenance, Globalplex does not have another bridge to operate from. Having a second access bridge will allow the POSL to continue operations in the event that one of the two bridges requires maintenance. The POSL estimates that 50 percent of the cargo to Building 71 will arrive to the general cargo dock, therefore improving the access to the dock will serve not only Globalplex but also the tenants at Building 71. The POSL has match funding of \$8,680,000 from the State of Louisiana Capital Outlay, including \$975,000 in Priority 2 funding, and \$7,705,000 in Priority 5 funding.



**Figure 5 – Globalplex New Access Bridge Location**

The Project has strong support from local communities, local and state agencies, elected local and state officials, and private business. The key aspects of the Project are two-fold: first bringing facilities to a state of good repair including the conveyor and existing storage facility (Building 71); and second efficiently improve intermodal transportation designs to facilitate port and storage access by (a) rehabilitating the access road to Building 71, (b) building a CN rail line spur, and (c) constructing a new bridge and an new access road between the general cargo dock and the storage facilities at Globalplex.

# Project Location

## Project Area Description

The POSL is a deep-water port encompassing a 54-mile jurisdiction. It is situated in the immediate vicinity of the Gulf of Mexico, extending along the Mississippi River through three parishes (counties): St. Charles, St. John the Baptist, and St. James from river mile 114.9 AHP (above head of passes), near the New Orleans International Airport (MSY), and continuing north to river mile 168.5 AHP, just north of Sunshine Bridge. In addition to its proximity to MSY (approximately 20 miles), the POSL has convenient access to major highways and rail lines, as well as its own airport – the Port of South Louisiana Executive Regional Airport. Figure 6 graphically illustrates the POSL jurisdiction/location. Specifically, the intermodal facility Globalplex is located at the POSL, at mile posts 138.5 and 138.6 AHP.

**Figure 6 – POSL Jurisdiction and Globalplex Facility**



Source: Port of South Louisiana

## Existing Transportation Connections

Situated along the Mississippi River at River Mile 138, the Globalplex facility has the advantage of being located in close proximity to the Gulf of Mexico, but it also has the resiliency advantages of inland protection from tropical storms and hurricanes. The facility is in the immediate vicinity of two major Class I rail lines, CN and Kansas City Southern (KCS). Globalplex is a short, uncongested drive away from Interstate 10, the southern-most cross-country interstate highway in the American Highway System, and Interstate 55, a major

interstate highway in the central United States connecting the Gulf Coast to Chicago. Globalplex is conveniently located near the POSL Executive Regional Airport and it is only a short distance from MSY. With these key transportation connections, the POSL has an opportunity to not only be the nation's largest tonnage port district, but also one of the nation's best public port facilities with the right strategic investments.

## Latitude and Longitude

Globalplex facility is located in Reserve, Louisiana at 30.056871, -90.566993. The facility is in St. John the Baptist Parish, and serves the tri-parish River Region of St. John the Baptist, St. James, and St. Charles Parishes. Economically, the facility supports the entire state of Louisiana, and serves the rural Midwest to which it is connected through trade and commerce.

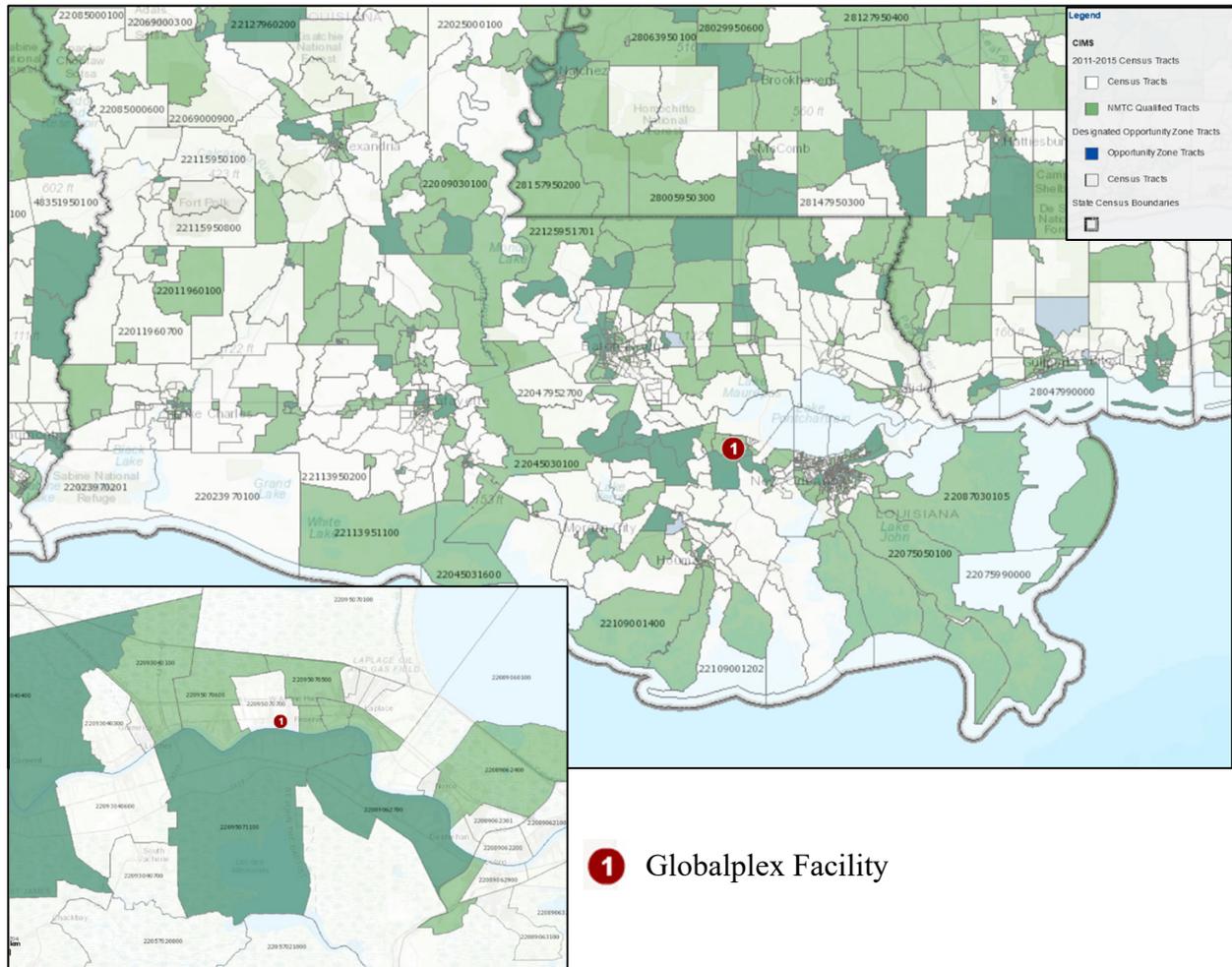
## Opportunity Zones

Although the Project is not located within an opportunity zone, the surrounding community is entirely in new market tax credit (NMTC) qualified tracts on the West bank of the Mississippi River and by an opportunity zone track (i.e., track number 22095071100) on the other side of the river (see Figure 7). Additionally, there are several opportunity zones and NMTC qualified tracts along the river in St. Charles, St. James, and St. John the Baptist Parishes. As previously stated, the POSL produces much of the economic activity in these parishes and strives to not only continue to do so – but expand its economic reach even further.

The proposed Project will promote opportunities in the nearby opportunity zones primarily by creating jobs that are easily accessible and whose requirements match the skills of the workforce that resides in the nearby opportunity zones. In addition to temporary construction jobs provided by the proposed Project, there will also be permanent jobs associated with the Project. The maritime jobs range from \$55,000 per year for dock laborers to \$65,000 per year for equipment operators, plus benefits. These jobs are considered high-paying for the region and, thus, will help to strengthen the community by providing greater economic stability to individuals and families. To make sure individuals are able to acquire the skills needed for these high-paying jobs, the POSL will work in tandem with South Central Louisiana Technical College (SCLTC) and River Parish Community College (RPCC) to provide on-the-job accelerated workforce training to enable unskilled workers to attain the specific skills they need. In the past, the POSL donated a \$15,000 grant to expand the maritime program curriculum at SCLTC. Through the SCLTC program, residents of rural communities will be prepared to accept jobs at the Globalplex facility, and beyond.

In addition, by providing a heavier floor to the storage facility, a rehabilitated conveyor, a new paved road, a rail spur connection and dock access bridge to facilitate the intermodal movement of bulk goods, the Project will, quite literally, pave the way for business growth and vitality, increasing the productivity and reliability of cargo transport, and eventually leading to more affordable goods for U.S. consumers.

**Figure 7 – Opportunity and New Markets Tax Credits Zones around Globalplex**



*Note: Light green displays new market tax credit zones, and dark green displays the opportunity zones.*

*Source: Community Development Financial Institutions Fund, Opportunity Zones Resources. <https://www.cdfifund.gov/pages/opportunity-zones.aspx>*

# Grant Funds, Sources, and Uses of All Project Funding

## Project Capital Costs

The total project capital cost is \$25.5 million. Table 1 identifies the capital cost by each Project component. Out of the five components, the two larger components are the dock access bridge accounting for 41 percent, and the heavy load capacity floor accounting for 29 percent.

**Table 1 – Capital Cost Estimates by Component (2019\$)**

Project Component	Percentage	Total
Heavy load capacity floor at Building 71	29%	\$7,350,000
Conveyor improvements	18%	\$4,500,000
Access road rehabilitation	6%	\$1,650,000
Rail spur connection	6%	\$1,500,000
Dock access bridge and access road	41%	\$10,454,162
<b>TOTAL PROJECT COST</b>		<b>\$25,454,162</b>
Design and engineering	15%	\$3,818,124
Construction (incl. 15% contingency)	85%	\$21,636,037

## Operation and Maintenance Costs

Annual operation and maintenance (O&M) costs are described Table 2. As part of a strategic and long-term lease at the Globalplex facility, the tenants are contractually responsible for the operations and maintenance of the leased facilities at Globalplex. The volume of cargo passing through the facility provides a steady stream of revenue to the tenants to ensure operations and maintenance are sustainable.

**Table 2 – Annual Operation and Maintenance Cost Estimates by Component (2019\$)**

Project Component	Quantity	Unit	Unit Cost	Total
Heavy load capacity floor at Building 71	54,000	sq. ft	\$5.00	\$270,000
Conveyor improvements	\$3,825,000	Const Cost	5%	\$191,250
Access road rehabilitation*	0.5	mile	\$6,046	\$3,023
Rail spur connection	0.5	mile	\$6,000	\$3,000
Dock access bridge and access road	0.2	mile	\$6,046	\$1,209

Note: \*The Project estimates O&M savings from paving the access road to Building 71. The tenants are contractually responsible for the operations and maintenance.

## Funding Sources and Amounts

The Board of Commissioners of the Port of South Louisiana (POSL) requests funding in the amount of \$13,410,662 from the 2019 Port Infrastructure Development Grant (PIDG) Program for the Project. The requested PIDG funding represents a critical source of funding for the Project and will allow the POSL to meet industry demands and continue to serve as a major economic driver of the region by solving key transportation challenges. Table 3 shows how much of each component has existing match funding, and how much PIDG funding investment would be required to leverage further development.

**Table 3 – Funding Sources and Amounts (2019\$)**

Source	Type	Design and Engineering	Construction (incl. 20% contingency)	Total Funding Amount	% of Total
Requested PIDG Funding	Ports Program (Federal)	\$2,025,000	\$11,385,662	\$13,410,662	53%
Louisiana Capital Outlay Grant Funding	State (Non-Federal)	\$1,793,124	\$9,750,376	\$11,543,500	45%
Lafarge Holcim Co.	Private Funding	-	\$500,000	\$500,000	2%
<b>TOTAL PROJECT COST</b>		<b>\$3,818,124</b>	<b>\$21,636,037</b>	<b>\$25,454,162</b>	<b>100%</b>

The estimated, construction cost of the Project is \$25.45 million. PIDG funding requested equals 53 percent of total Project cost and the POSL, jointly with private company and current Globalplex tenant Lafarge Holcim, are proposing 47 percent in matching funds. Every dollar of PIDG funding would leverage another \$0.89 in non-federal sources.

Lafarge Holcim is the leading global building materials and solutions company serving masons, builders, architects and engineers all over the world. Their operations produce cement, aggregates and ready-mix concrete which are used in building projects ranging from affordable housing and small, local projects to the biggest, most technically and architecturally challenging infrastructure projects. Lafarge Holcim, current Globalplex tenant, leased the storage domes adjacent to Building 71. (Figure 8)



**Figure 8 – Globalplex Storage Domes**

## Funding Commitments for Non-Federal Funds

Match funding consists of State of Louisiana Capital Outlay funding and, in addition, Lafarge Holcim will contribute \$500,000 to the Project. Lafarge Holcim will contribute to the construction of the rail spur component. The Globalplex Dock Access Bridge and Equipment Replacement/Repair, and the Globalplex Rail Siding Capital Outlay projects have been previously authorized by the Capital Outlay program (Table 4). The Globalplex Dock Access Bridge project has \$975,000 in Priority 2 and \$7,705,000 in Priority 5 appropriations, as well as \$26,000 in unspent balance from a previous phase. The Globalplex Rail Siding project has \$336,700 in unspent balance of Priority 1 funding from a previous phase, as well as \$2,516,800 in Priority 5 appropriations. Upon PIDG funding award, the POSL will reallocate the Capital Outlay funding to the Project described in this grant application.

**Table 4 – Port of South Louisiana - Capital Outlay Funding Status (2019\$)**

Founding Sources	Previously Spent	Capital Outlay Act				Total
		Prior Year's Cash	Priority 1	Priority 2	Priority 5	
Globalplex Dock Access Bridge and Equipment Replacement/Repair ( St. John)	\$2,973,531	\$2,973,531		\$975,000	\$7,705,000	\$8,680,000
Globalplex Rail Siding (St. John)			\$346,700		\$2,516,800	\$2,863,500

*Note: POSL will reallocate both funding sources to the Project described in this grant application.*

## Funding Commitments for Federal Funds

With the exception of PIDG funding, the Project will not be funded with additional federal funds.

## Matching Funds by Component

Table 5 lists the costs for each component reflecting the percentage of the PIDG funds request, and the non-federal match, including the Capital Outlay funding and the private funding.

**Table 5 – Matching Funds by Component (2019\$)**

Item	Port Program (Federal)		State (Non-Federal)		Private Funding		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Heavy load capacity floor at Building 71	\$5,486,500	22	\$1,863,500	7	\$-	-	\$7,350,000	29
Conveyor improvements	\$4,500,000	18	\$-	-	\$-	-	\$4,500,000	18
Access road rehabilitation	\$1,650,000	6	\$-	-	\$-	-	\$1,650,000	6
Rail spur connection	\$-	-	\$1,000,000	4	\$500,000	2	\$1,500,000	6
Dock access bridge and access road	\$1,774,162	7	\$8,680,000	34	\$-	-	\$10,454,162	41
<b>TOTAL PROJECT COST</b>	<b>\$13,410,662</b>	<b>53</b>	<b>\$11,543,500</b>	<b>45</b>	<b>\$500,000</b>	<b>2</b>	<b>\$25,454,162</b>	<b>100</b>

## Fund Management

POSL has extensive experience in successfully managing every aspect of federal grants. Table 6 lists the past federal grants successfully completed by POSL, including projects as well as those still in progress.

**Table 6 – Federal Grants Successfully Managed**

Award	Amount (\$)	Description	Completed
Economic Development Administration (EDA) Grant	\$446,890	Globalplex southside property rail project	05/1997
Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG)	\$988,785	Internal roadway	12/2003
EDA Grant	\$900,000	Rail spur north property, phase I and switch	09/2005
2006 Federal Emergency Management Agency (FEMA) Port Security Grant Program (PSGP)	\$92,238	Security patrol vehicle; communication surveillance	2008
2007 FEMA PSGP	\$1,300,000	Maritime security operations center and installation of computer servers	05/2012
2009 FEMA PSGP	\$1,695,189	Communication towers and mariner software	2012
2010 FEMA PSGP	\$618,589	Barge and response staging site	2013
2011 FEMA PSGP	\$3,500,000	Fire boat	06/2015
2012 FEMA PSGP	\$1,142,000	Communications upgrades	06/2015
2013 FEMA PSGP	\$416,448	Security cameras and software	06/2015
FEMA	\$175,287	Scale house	07/2013

Award	Amount (\$)	Description	Completed
2009 Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Grant #13	\$611,784	Rehabilitate runway 17/35 lighting	2010
2010 FAA AIP Grant #14	\$161,500	Conduct airport action plan	12/2015
2014 FAA AIP Grant #15	\$270,000	Update airport layout plan; conduct approach study	12/2015
EDA Grant	\$250,000	Container strategic planning and market study	1/2017
2017 FEMA PSGP	\$665,199	Transportation worker identification credential (TWIC) reader, cyber security and sustaining systems	-
Department of Homeland Security (DHS) Funding	\$55,512	Communications equipment purchase (portable radios)	Fiscal Year 2018
2018 FEMA PSGP	\$478,950	Continued sustainment of the Maritime Staff Operators Course (MSOC)	Ongoing

The POSL is able to use its own resources to leverage local and state funding partnerships to match PIDG funding, but POSL cannot complete the Project without this critical federal support. In fact, without PIDG funding, POSL would likely need 10 years, at a minimum, to accumulate funding reserves that would be adequate to fully fund the construction aspects of the Project, internally or through state appropriations. Existing and potential marine-related operations would likely be lost if the dock access bridge, building floor upgrade, conveyor improvements, access road rehabilitation and rail spur connections are not completed, and it is certain that further development would not occur without the project.

## Leveraging of Federal Funds

The POSL is committed to leverage every dollar of PIDG with \$0.89 in non-federal sources.

Globalplex began in March of 1992 when the port purchased the 205-acre former sugar mill from Godchaux-Henderson Properties for \$11.5 million. The original purchase included a bulk handling facility, bulk dock with conveyors and storage, barge mooring sites, among other infrastructure. Over time, the POSL has been committed to rehabilitate Globalplex. The POSL added to the complex a general cargo dock, two 50,000-ton storage domes, covered warehouses and a paved open storage area. Globalplex is currently at capacity and needs to add more infrastructure to keep developing the industrial site. Globalplex's tenants are responsible for operating and maintaining the infrastructure that are leased from the POSL. They shall at their [own expense keep and maintain the ship and barge docks, the decks thereof, all dock fendering, access ramps, as well as the rail and roads outside the leased premises serving the facility in good

repair and working condition and shall make all necessary repairs and alterations thereto].<sup>4</sup> The term of the leases varies; Holcim for example signed a lease for 30 years.

Associated Terminals, LLC, the stevedores who have been managing the Globalplex facility since early 2000s, have an excellent working relationship with the POSL. Associated Terminals is responsible for the transportation, receipt, delivery, interchange, storage, and documentation of maritime cargoes to-and-from Globalplex. As a private partner, Associated Terminals has been directly involved in the planning of the Project. The company assisted in identifying the needs as well as prioritizing which facility upgrades were the most pressing and, thus, should be included in this request for funding. The firm will continue to play a key role in near-term/long-term asset performance.

The State of Louisiana Capital Outlay Program provides a source of funding for public improvement type projects not eligible for funding through any of the dedicated funding programs. Items, which qualify as capital outlay expenditures, include acquisition of land; site development and improvement; construction of buildings and other structures; additions, major improvement, and alterations to an existing facility that will extend its life or increase its usefulness; among other items. The Capital Outlay Program is not adequate to fund the Project in its totality; however, with funding from the PIDG program, the POSL and Lafarge Holcim together will match 45 percent of the total Project cost applying the Capital Outlay program funding and private funding.

## Benefit-Cost Analysis

The Project will consist of the five components described above to achieve the goal of preserving future opportunities by bringing the current infrastructure to a state of good repair and by making the current transport network more efficient. The Project will avoid drayage cost (which is the transport of goods over a short distance), incur in O&M savings and general efficiencies in the transport network.

The Project is of national significance as it will facilitate the movement of marine cargo, stimulate international commerce, and create short-term and long-term jobs at America's largest tonnage port.

Table 7 summarizes the Project costs and benefits. The benefit-cost analysis is in 2017 dollars, discounted to 2019 dollars. In accordance with the Notice of Funding Opportunity, benefits for the Project are

### Project Benefits

- Warehouse capacity increases by 2.8 million short tons annually, allowing heavy bulk imports to be stored on site, and avoiding drayage related costs.
- Building access road rehabilitation lower annual O&M costs, resulting in maintenance costs avoided.
- New bridge and access road increases efficiency by allowing two-way traffic in and out of the dock, reducing truck operating costs, idling emissions and increasing vessel efficiency.

<sup>4</sup> Source: Maintenance clause in lease between lessor and the POSL.

described within the following benefit categories: bringing facilities to a state of good repair and improving safety and efficiency. The Project benefit-cost ratio (BCR) is 6.1 and the net present value is \$109.1 million. The BCR is computed using the present value of benefits and costs over a life-cycle of 20 years. Appendix B includes the workbook with all the calculations and detailed technical memorandum. Also they are: <http://portsl.com/pidg-globalplex-multimodalcxns/>

**Table 7 – Benefit-Cost Analysis Summary  
(2022-2041, in millions of 2017\$)**

20-year analysis period (2022-2041)	Values stated in 2017\$ million
	Discounted at 7 percent
<b>Costs</b>	
<i>Capital Costs</i>	<b>\$21.6</b>
<b>Benefits</b>	
<b>State of Good Repair</b>	<b>\$14.0</b>
Life-Cycle Costs	\$(3.4)
Reduced Pavement Damage	\$10.9
Reduced Truck Emissions	\$4.3
Residual	\$2.3
<b>Safety and Design Efficiency Improvements</b>	<b>\$116.7</b>
Truck Operating Cost Savings	\$69.5
Vessel Operating Cost Savings	\$15.2
Reduced Accidents	\$9.7
Reduced Congestion	\$22.3
<b>Total Benefits</b>	<b>\$130.7</b>
<b>Benefit-Cost Ratio</b>	<b>6.1</b>
<b>Net Present Value</b>	<b>\$109.1</b>

Note: Numbers are shown in 2017\$ thousands – Discounted to base year 2019.

# Project Outcomes

The Project's main outcomes are to bring Globalplex to a state of good repair, to incorporate efficiency improvements in the facility transportation network and to promote agricultural exports.

## State of Good Repair

The redevelopment of Globalplex facility is guided by a Master Plan (**Error! Reference source not found.**) that focuses on the dynamic needs of today's shippers and manufacturers. Flexibility, efficiency, and connectivity are the hallmarks of the Project and represent a significant improvement over existing system.

By rehabilitating the current storage space (Building 71) and the associated conveyor system, upgrading the access road, creating a rail spur connection, and building a new high-capacity dock access bridge, the Project will increase the useful life of the facility for well over 20 years. Additionally, drayage avoided will support pavement deteriorating savings (further explain in next section).

Once the facility's infrastructure is rehabilitated, the tenants will be contractually responsible for maintaining the condition of the facility to ensure it remains viable and meets the needs of the POSL well into the future. The volume of cargo passing through the facility provides a steady stream of revenue to ensure operations and maintenance are sustainable.

All components within the Project have been or will be designed and constructed to ensure long-term resilience, extending the useful life of the facility. The state funding sources identified for various components of the project, with assistance from the PIDG program, will properly capitalize the Project up front and will help to ensure the facility reaches optimum capacity.

The mission statement for the POSL includes "promoting maritime commerce." This important objective will be addressed with the proposed Project, and will increase the POSL throughput volume. Once Building 71 is in good condition, the costs of repair and maintenance of the facility are not expected to be adversely affected by the Project, as all the components represent upgraded or new elements. Increasing the services and capacity at the Globalplex facility will allow more productive vessel calls, greater flexibility with modal choices, and allow for further economic development of the POSL.

There are three benefits under the state of good repair criterion:

- Access road O&M savings – After paving the access road connecting the existing paved entrance road at Globalplex to Building 71, the Project estimates O&M savings.
- Reduced payment damage – Associated with the reduction in truck vehicle miles traveled (VMT) by the less drayage, the Project captures the savings from less pavement deterioration cost.
- Project residual value – Based on Bureau of Economic Administration (BEA) and the United States Department of Transportation (U.S. DOT) recommended values, the upgraded heavy capacity floor will have a useful life of 20 years, the rehabilitated conveyor will have a useful life of 10 years, the access road a useful life of 20 years, the rail spur connection

will have a useful life of 38 years, and the new the access bridge 75 years. As a result, there will be residual value remaining at the end of the project's 20 year life.

## Safety and Design Efficiency Improvements

The intermodal improvements at the Globalplex facility are an infrastructure upgrade that will improve the functional capability on the site and will support the integrity of the current infrastructure. After rehabilitating the warehouse space and upgrading the facility transport infrastructure, shippers will not need to transport the cargo arriving to the POSL to a nearby warehousing facility reducing truck miles travel. Additionally, the new bridge and access road to the general cargo dock allows two-way traffic in and out of the dock generating efficiencies and avoiding transport cost.

There are several benefits under the safety and design efficiency improvements criterion:

- Related to less drayage distance by reducing truck vehicle miles traveled (i.e. VMT reduction), the Project benefits are:
  - Accidents avoided
  - Truck operating cost savings
  - Congestion avoided
  - Emissions avoided
  - Pavement cost avoided<sup>5</sup>
- Related to the new bridge and access road by allowing two-way traffic in and out of the general cargo dock, the Project benefits are:
  - Truck operating cost savings
  - Idling emissions avoided
  - Increased vessel efficiency savings

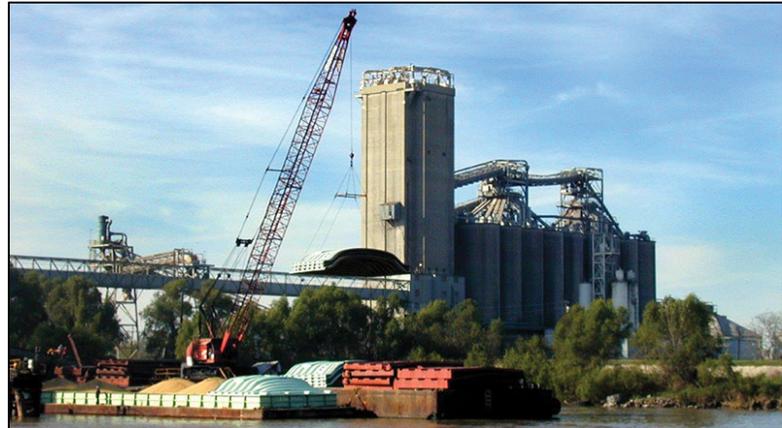
All of these benefits will have positive impacts on the local population, as the safer and less congested transportation of freight will make goods, commodities, and services more readily available and more affordable. The Project champions environmental sustainability by reducing the carbon footprint of regional transportation systems.

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<sup>5</sup> Mentioned as a benefit in the state of good repair criterion.

## Promote Exports

The POSL is the nation’s leading port for bulk exports; a large share of these are agricultural exports that originate in the rural Midwest and travel down the Mississippi River by barge. The capacity and performance of POSL’s bulk handling facilities are thus an important factor for U.S. agriculture’s logistics. As the largest grain port in the United States, grain elevators within the POSL handle over 50 percent of all U.S. grain exports annually. These exports included 23.3 million short tons of maize, 19 million short tons of soybean, 2.9 million short tons of animal feed, almost 1.2 million short tons of wheat, and over 494 thousand short tons of other grain such as milo (sorghum) and rice in 2018 (see Table 8). Imports benefit rural Midwestern farmers as well. Imports of fertilizer and fuels travel back up the Mississippi River, providing inputs to the farm sector.



**Figure 9 – ADM Grain Facility at Globalplex**

Within the POSL, Globalplex facility houses agriculture tenants, such as ADM. In April 2018, ADM signed a 20-year lease, with a five-year renewal option.<sup>6</sup> ADM storage capacity at Globalplex is 3.7 million bushels of grain, which much of it is grown in the Midwest. (Figure 9)

**Table 8 – New Orleans Port Region Agricultural Exports**

Commodities	New Orleans Port Region (metric tons)	Share (%)	U.S. Share (%)	POSL (metric tons)	POSL Share of New Orleans Port Region	POSL Share of US (%)
Grain products, bread, flour	25,977,215	39	76	19,237,347	74%	56%
Soybeans	25,630,705	39	59	22,737,918	89%	52%
Animal feed	5,301,404	8	38	3,866,024	73%	28%
Bulk grains	5,118,189	8	23	1,399,468	27%	6%
Rice	1,755,505	3	64	267,342	15%	10%

Note: 2015 Port Import Export Reporting Service (PIERS) for NOPR Data; Port of South Louisiana for Port Data

[http://portsl.com/wp-content/uploads/2016/03/2015\\_FourthQ\\_PSL\\_Ton\\_Stats.pdf](http://portsl.com/wp-content/uploads/2016/03/2015_FourthQ_PSL_Ton_Stats.pdf)

<https://www.ams.usda.gov/sites/default/files/media/PortProfiles2017.pdf>

<sup>6</sup> Biz New Orleans. “AARCHER DANIELS MIDLAND (ADM), Signs New Lease in April”. September 26, 2018

<https://www.bizneworleans.com/aarcher-daniels-midland-adm-signs-new-lease-in-april/>

# Project Readiness

## Technical Feasibility

The Globalplex facility has designed a Master Plan for the entire site. Preliminary design has been completed for the access road and improvements to Building 71.

During the planning process for the Project, all components and the Project as a whole were evaluated and found to be technically feasible. Components will begin final design once PIDG funding is available. The EDA study extensively evaluated the technical and market feasibility and has confirmed that, with the proposed improvements, the Globalplex facility will be able to function as both a highly efficient bulk and breakbulk terminal.

All design standards and guidelines for the road elements of the Project, including but not limited to American Association of State Highway and Transportation Officials (AASHTO) and others will be followed, and quality-control processes will be monitored closely to ensure and adhere to the highest standard of care.

In order to demonstrate accountability and transparency, the POSL will work with U.S. DOT on the development and implementation of a plan to collect information and report on the project's performance with respect to the relevant long-term outcomes that are expected to be achieved through construction of the Project.

The Project's success can be measured by the number of tons the warehouse facility handles annually.

### ***Detailed Statement of Work***

A statement of work summarizing the five Project components and their supporting infrastructure improvements follows in Table 9.

**Table 9 – Detailed Statement of Work by Component**

<b>Project Component</b>	<b>Description</b>	<b>Cost (2019\$)</b>
Heavier load capacity floor at Building 71	Improve the building foundation and replace the floor to prevent water seepage and store cargo in a dry environment.	Construction - \$6,247,500 Design - \$1,102,500 Total - \$7,350,000
Conveyor improvements	Replace the conveyer system to Building 71 to facilitate the movement of cargo within the warehouse, to the dock and to the rail spur.	Construction - \$3,825,000 Design - \$675,000 Total - \$4,500,000
Access road rehabilitation	Pave the gravel access road to Building 71 and to the adjacent laydown area to facilitate the storage of bulk commodities.	Construction - \$1,402,500 Design - \$247,500 Total - \$1,650,000
Rail spur connection	Although adjacent to the CN rail lines, Building 71 has no access to the CN rail line. The rail spur connection will give the rehabilitated warehouse direct access to destinations and spark competition. This connection will address the needs of existing tenants.  The design features include 0.5 miles of a new partial loop track, switches, and embankment.	Construction - \$1,275,000 Design - \$225,000 Total - \$1,500,000
Dock access bridge and access road	Construction of a second dock access bridge designed and constructed to support 1,000 pounds per square foot of live loading and heavy truck axle weights. The bridge will increase access to the General Cargo Dock and Finger pier, facilitating a more fluid and efficient loading and unloading process. Construction will also include the creation of an access road within the Globalplex property allowing access from the new dock access bridge directly to warehouses and staging areas.  The design features include railing, one hundred sixty (160) 120-foot long piles, one (1) bents, fifteen (15) 8-foot slabs, and one (1) 70-foot girder will be used in the construction of the dock access bridge. Additionally, a direct corridor within Globalplex, including ramping over necessary infrastructure, will be constructed to the bridge.	Construction - \$8,886,037 Design - \$1,568,124 Total - \$10,454,162

## Project Schedule

The Project will begin immediately upon award of PIDG funds, with final permits expected within nine months and construction completed within 24 months, so there will be no problem obligating the requested grant amount prior to September 30, 2022 (Table 10). No property or right-of-way issues exist, as the POSL owns the Globalplex facility. The site has been cleared, and the Project will continue immediately upon award.

**Table 10 – Project Schedule by Phase**

Activities	Timeline
Finalization of Project Design	Months 0-12
NEPA Approval	Months 0-6
Final Permit – Fire Code	Months 4-12
Procurement and Construction Bidding	Months 8-12
Project Construction	Months 12-24

The above months designated for completion of various activities have been scheduled to include the possibility of unexpected delays. However, unanticipated delays may extend the project construction end date. The schedule as defined allows for several activities to occur simultaneously, advancing the project completion date. Table 11 shows the schedule of spending spread throughout the anticipated 24 months of the project.

**Table 11 – Project Spending by Schedule (2019\$)**

Project Costs		2020	2021	Totals
Design and Engineering		\$3,818,124	\$-	\$3,818,124
Construction (incl. 15% contingency)	Heavy load capacity floor at Building 71	\$-	\$6,247,500	\$6,247,500
	Conveyor improvements	\$-	\$3,825,000	\$3,825,000
	Access road rehabilitation	\$-	\$1,402,500	\$1,402,500
	Rail spur connection	\$-	\$1,275,000	\$1,275,000
	Dock access bridge and access road	\$-	\$8,886,037	\$8,886,037
TOTAL PROJECT COST		\$3,818,124	\$21,636,037	\$25,454,162

## Required Approvals

To complete the Project, a NEPA review and fire code permit will be required.

### ***Environmental Permits and Reviews***

The NEPA review process for the Project will run concurrently with the final design engineering. A Categorical Exclusion (CE) for the project is anticipated in three to six months. Based on review of the U.S. DOT regulations, the project should fall under a CE. Globalplex facility is within an industrial area, and there are no environmental challenges at the site. Also, the site has been certified for development by the State of Louisiana based upon a wetlands survey and cultural resources survey; there are projects within Globalplex within the few hundred yards of the Project that have been recently constructed.

In addition to the NEPA CE, the Fire Code permit is the only other permit required and should easily be attainable before construction begins. All required State of Louisiana and legislative approvals have been received.

Since the Project will be conducted entirely on existing Port-owned property, surrounded by existing industrial developments, it is likely that neither an environmental study requiring public engagement, nor any other public engagements will be necessary to complete the project.

### ***State and Local Approvals***

The Cooperative Endeavor Agreement between the State of Louisiana and the POSL is in place and outline the specifications for the non-Federal match provided. Additionally, several state and U.S. senators and representatives have expressed their approval for the Globalplex Multi-Modal Connections Project in the form of letters of support.

The Project will be incorporated into the overall Port of South Louisiana Master Plan. Any roadway improvements will be incorporated into the Regional Planning Commission's Long-Range Transportation Plan and, should PIDG funding be granted, the roadway improvements associated with the Project will be considered for incorporation into the State Transportation Investment Plan.

## Assessment of Project Risks and Mitigation Strategies

The POSL has assessed the Project risks and built contingencies into the project budget as well as the project schedule. The Project is being constructed on Port-owned property, and will be adjacent to recently constructed projects, as well as active industrial activity. POSL does not anticipate environmental uncertainties, challenges regarding local match or lack of legislative approval. As a result, project risk and the need for mitigation strategies is minimal.

# Domestic Preference

Although vendors have not been selected, a market scan indicates that the Project can be accomplished using U.S. sourced materials and equipment. No exemption to the Buy American provisions outlined in the Notice of Funding Opportunity is anticipated. Much of the Project entails construction activity to rehabilitate the storage building and associated conveyor system, and to improve internal transportation within the facility. The aggregate, and paving materials required can all be obtained from U.S. suppliers. Equipment purchases include track and ties, as well as the conveyor equipment. There are numerous U.S. suppliers of each type of equipment.

# Appendix A. Federal Wage Rate Certification

# Appendix B: Benefit-Cost Analysis

# Appendix C: Letters of Support