

## CRC Infrastructure Sub-Committee

### Project Identification Template

#### Alabama State Port Authority Capital Investment Program

##### I. What – Project Information/Basic Facts

1. Project Scope: The purpose of the Alabama State Port Authority Capital Investment Program is to fund a transportation investment and expansion program to modernize and expand the market capability of the publicly owned deepwater seaport assets at the Port of Mobile. A detailed list of projects, along with the cost and benefits of each one is contained in Exhibit A of this document.
2. Project duration or schedule by phase and status of any work in progress: The Alabama State Port Authority public seaport infrastructure enhancement and expansion program is a five year plan, of which several major components can be immediately implemented and completed within 24 months from receipt of a formal Notice of Funding.
  - 2.1. Conceptual and Feasibility Planning, Engineering, Construction: The Alabama State Port Authority Capital Program is supported by market assessments and is contained in the organization’s strategic plans. Program components are either currently permitted for construction or do not have any significant barrier to construction. 80% of the plan’s components are fully engineered and are also included in the State Transportation Improvement Plan (STIP) and the State of Alabama Transportation Plan.
3. Estimated Cost (plus or minus 30%) \$356,500,000 US
  - 3.1. Indicate level of confidence in accuracy of these estimates 80%

##### II. Why – Project Description relative to Impact and Criteria

Identify what need, threat or opportunity that this project, study, or recommendation will address: A public seaport infrastructure enhancement and expansion program would meet the critical components for a diverse, expanded and resilient regional economy. The ASPA Capital Expansion Program would diversify the transportation asset base to expand market access and commercial competitiveness of regional business and industry, establish new infrastructure to serve emerging businesses and industries, and attract new industries thereby creating jobs and economic sustainability.

1. How does this project or recommendation address and impact the recommended evaluation criteria:

- 1.1.1.Coastal Recovery: \$356.5 million in transportation infrastructure investments will generate jobs, expand the regional tax base, generate environmental benefits, and establish a framework for long range economic development opportunities.

- 1.1.2.Resiliency: The ASPA Capital Expansion Program enhances the Alabama Coastal region’s ability to withstand economic downturns and provides more diversified transportation options for goods and services in the aftermath of natural and man-made interruptions to surface transportation

assets. Port assets generate alternative emergency shelter options in the aftermath of disasters through the use of cruise ships or housing barges.

1.1.3. Transformational: Over the past ten years, the Alabama State Port Authority has been a key to the transformation of the economy of Coastal Alabama region and of the State of Alabama as a whole. ASPA's infrastructure investments such as the Mobile Container Terminal have been instrumental in supporting the State's thriving automobile, poultry and manufacturing industries. Investments in the Port Authority's Pinto Steel Terminal and Axis Inland Dock have attracted both new steel mills and expanded existing steel manufacturing in the coastal region. The Port Authority's new Rail Ferry Terminal provided regional manufacturers and agribusiness with efficient and cost effective market access to Mexico and landed Mobile a publicly traded company's corporate headquarters. The ASPA Capital Expansion program will continue this transformational growth in the region's economy.

1.1.4. Regionalism: Seaport investments expand domestic, export and import opportunities in the global marketplace for economically and socially distressed coastal areas and communities by attracting economic development opportunities in agribusiness, manufacturing, and logistics and by reducing energy consumption, diesel emissions, and truck congestion in and around the coastal communities thereby improving the livability of the surrounding communities and the reliability and efficiency of the supply and distribution chains.

1.1.5. Economic Diversification: As stated previously, the Alabama State Port Authority has been a key in the diversification of the economy of Coastal Alabama over the last ten years and the ASPA Capital Expansion Program is designed to continue that trend of economic diversification.

3. Project Economics: The cargo activity associated with each of the ASPA capital projects will contribute to the local and regional economy by generating business revenue to local and national firms providing marine cargo handling, intermodal, and distribution services. These firms, in turn, provide employment and income to individuals, and pay taxes to state and local governments. The impact of a marine terminal/intermodal terminal/logistics park on the economy cannot be reduced to a single number, but instead, the distribution activity creates several impacts. These are the *revenue impact, employment impact, personal income impact, and tax impact*. In a Martin Associates economic impact 2010 assessment of the ASPA Capital Expansion Program, the total annual economic impact of the proposed projects, at full build out, represents a significant annual impact to the Mobile and State of Alabama economies. The following table summarizes potential economic impacts of the ASPA capital expansion projects:

Potential Economic Impacts of ASPA's Proposed Capital Program

	Total
Jobs	
Direct	4,557
Induced	5,430
Indirect	<u>2,545</u>
Total	12,532
Personal Income (millions)	
Direct	\$186.1
Re-spending/Local Consumption	\$502.4
Indirect	<u>\$108.2</u>
Total	\$796.7
Revenue (millions)	\$764.0
Local Purchases (millions)	\$225.0
State and Local Taxes (millions)	\$70.1

Martin Associates also developed job, income and output multipliers for construction activity impact on the Mobile economy. These multipliers were developed for Martin Associates by the US Bureau of Economic Analysis. It is assumed that about 75% of the ASPA's Capital Expansion Program expenditures would be associated with construction projects, while the balance is used for land and equipment acquisition. Martin concluded the potential economic impacts that would be generated by \$267.5 million of construction expenditures associated with the capital program as summarized in the table below. These are one-time impacts and unlike the annual impacts associated with the projects, and these impacts would be discontinued upon completion of the projects.

Construction Impacts of ASPA's Proposed Capital Program

	Potential Construction Impacts
Construction Expenditures	\$267,450,000
Jobs	6,353
Income	\$205,562,070
Local Purchases	\$394,863,180
S/L Taxes	\$18,089,462
Federal Taxes	\$346,792

- Identify Direct Project benefits to Coastal Alabama, including avoided costs, consequence of "No Build" alternative. The direct benefit is through the provision of state of the art multimodal transportation assets to efficiently and cost effectively move goods and services throughout the region and to facilitate commercial growth through expanded export and import capability. The consequences of "No Build" or failure to invest in

seaport and intermodal infrastructure would result in increased congestion and emissions associated with trucked freight on regional highways and interstates; decrease maritime and logistics jobs growth opportunities; decrease the region's attractiveness for new manufacturing and distribution investments; decrease regional tax revenues; and contribute to the overall decline of the region's economic growth and global competitiveness.

4.1. Impact on employment, job training and development, both short term and permanent: The Alabama State Port Authority's activities generate 66,617 direct and indirect jobs and \$7.9 billion in economic impact on the regional economy. The jobs and economic impact stemming from a \$356.5 million capital infusion to expand and enhance public transportation assets has been quantified by the well respective transportation and maritime economists at Martin Associates. Martin concluded that the Port Authority's Capital Expansion Program would generate \$267 million in construction expenditures, 6,353 construction jobs and generate an estimated \$18.4 million in tax revenue. Martin further concluded the potential total annual economic impact of the proposed program would generate over 12,500 direct, indirect and induced jobs with over \$800 million in personal income and local consumption impacts. The state and local tax benefit from the program was projected to total \$70.1 million.

4.2. Oil spill mitigation outside of claims process: The program will generate private investment and jobs opportunities in the region that will help offset economic impacts.

5. Identify Indirect benefits and costs

5.1. Collateral Benefits to the objectives of Healthy Environment, Healthy Economy and Healthy Society (subjective responses allowed) The transportation improvements under the ASPA capital expansion program would establish additional rail and water transportation assets to reduce the number of vehicle-miles-traveled (VMT) by heavy trucks on highway systems and provide economic benefits in terms of a net reduction in congestion, accidents, noise, pavement wear, health impacts from criteria pollutant emissions and green-house gas emissions, while also reducing fuel imports. The reduction in truck VMT will also reduce the demand for imported oil, thereby contributing to improved US economic performance.

5.2. Collateral Costs or impacts to the objectives of Healthy Environment, Healthy Economy and Healthy Society (subjective responses allowed). None Expected

Connectivity and Linkage to other projects or initiatives: Does this project complement or compete with other projects? What other projects would be precluded if this project is funded? Yes. The proposed \$356.5 million port infrastructure expansion program would compliment nearly \$338 million in federal, state and private investment to date that constructed ship channel and marine terminal infrastructure to serve intermodal freight. The port infrastructure expansion program would also compliment newly proposed surface infrastructure investments. No other projects will be precluded if this project is funded.

### III. Who/How - General Information

1. Name and contact information for Entity, Collaboration or Person submitting project or recommendation nomination. Alabama State Port Authority Contact: Bob Harris, (251) 441-7082, [bharris@asdd.com](mailto:bharris@asdd.com) or Judith Adams, (251) 441-7003, [jadams@asdd.com](mailto:jadams@asdd.com)

1.1. Entities and communities sharing a common threat or need are encouraged to collaborate for a joint/combined project submittal to raise the profile of the issue and solution to be addressed. Also

please indicate the level of community support or resistance and hurdles to collaboration. A number of components within the Port Authority Capital Investment Program have been defined to key government and business entities, such as the Mobile Area Chamber of Commerce, The Baldwin County Economic Development Alliance, the South Alabama Regional Planning Commission (Metropolitan Planning Organization, the City and County of Mobile, the Mobile County Health Department, the Governor, the state's Transportation Department and members of Alabama's Congressional delegation, and has documented support from these interests. Further, plan components are also included in the State Transportation Improvement Plan (STIP) and the State of Alabama Transportation Plan.

2. Identify Sponsoring Entity for oversight and accountability if different from above. Same
  - 2.1. Existing or to be created? Existing
    - 2.1.1.If to be created, what parties or interests must be involved and what level of effort is required to do so? Not Applicable
  - 2.2. Describe governance, organizational capacity, availability of skills, and experience of sponsoring entity to implement the Project: Over the last ten years, the Alabama State Port Authority, a statutorily authorized agency of the State of Alabama, has successfully implemented a capital improvement program that is comparable in scope and size to this project.
  - 2.3. Project complexity: Hurdles and barriers to project implementation, completion and sustainability. Identify regulatory issues. There are no major barriers or regulatory hurdles that would inhibit or restrict the implementation of this project. Several elements of the project are already permitted or do not require environmental permits. The project elements that do require permitting are straightforward and readily permittable.
3. Identify any known or anticipated administrative, regulatory, or legislative action that would be required at either the local, state, or federal governmental level. None
4. Requested funding from Coastal Recovery Fund (CRF) \$75.0 million
5. Identified potential funding sources other than the CRF \$281.5 million
  - 5.1. Leverage or multiplier on CRF investment: matching funds, public or private The CRF funds will be matched with 3.75 dollars for each dollar of CRF funds invested for an approximate 4.75 to 1 leveraging of CRF funds.
  - 5.2. Public Private Opportunities, user fees, Federal funds, private foundation grants, bonding capacity, etc. \$281.5 million
6. Forecast of ongoing maintenance or operating costs and source of funding if not self sustaining. The project is self-sustaining and maintenance and operating costs will be funded by user-generated operating fees.

# EXHIBIT A

## ALABAMA STATE PORT AUTHORITY CAPITAL PROGRAM

Project	Timeline	Cost	NEPA / Permits	Project Description	Benefits	Private Sector Participation
<b>Choctaw Point Intermodal Container Transfer Facility (ICTF) Phase I</b>	Site & Track Work Completed by April 2012; Rail Bridge Completed by October 2012	\$ 31,300,000	Permitted	Construct a Railroad Connector Bridge; Construct Tracks	Jobs Creation; Reduce Freight Truck Traffic; Reduce Emissions	Yes
<b>Choctaw Point Intermodal Container Transfer Facility (ICTF) Phase II</b>	Truck/Vehicle Access Bridge: Completed by August 2013 Additional Tracks: Completed August 2014	\$ 44,000,000	Permitted	Construct a Vehicle Connector Bridge between Mobile Container Terminal and the Intermodal Rail Yard; Add Additional Tracks	Jobs Creation; Reduce Freight Truck Traffic; Reduce Emissions; Provide Easier Access, from Ship to Assembly Plant, for EADS' Oversized Aircraft Components	Yes
<b>Mobile Container Terminal Phase II - Full Build Out</b>	18 months	\$ 68,000,000	Permitted	Complete Phase II site development, paving, utilities and container handling equipment installation, including four container cranes, to complete build-out and provide 850,000 TEU annual throughput capacity.	Jobs Creation / Diversification	Yes
<b>Choctaw Point Logistics Park</b>	12-36 Months	\$ 57,500,000	Permitted	Develop a 96 acre logistics park at Choctaw Point to include 1,000,000 sq. ft. of Class A Distribution and Light Manufacturing Facilities.	Jobs Creation / Diversification	Yes
<b>North C Rehabilitation</b>	18-24 months	\$ 26,000,000	Not Required	Rehabilitate 1,800 feet of berth; Refurbish 244,000 sq. ft. of outside storage yard; Increase load bearing capacity of yard and berth to 1500 psf to support Alabama steel manufacturing.	Jobs Creation / Diversification	No
<b>Pier D Warehouse</b>	18-24 months	\$ 15,000,000	Not Required	Construct a 200,000 sq. ft. warehouse serving steel products.	Jobs Creation / Diversification	No
<b>Rail Interchange</b>	12 Months	\$ 5,000,000	Not Required	Install new rail and upgrade the seaport's Rail Interchange Yard serving five Class I railroads.	Increase rail car handling and throughput capacity to serve Alabama steel industry. Improvements will reduce truck congestion on regional highways / interstates.	Yes
<b>Middle Bay Port Pier / Yard</b>	36 Months	\$ 20,700,000	Permitted / Nominal Mitigation Required	Construct 600 ft. dock with a load capacity of 1,500 psf to accommodate deep draft vessels; Dredge 900,000 cy of material; Beneficially re-use dredged material via disposal on site and adjacent to ship berth generating five acres for cargo handling and terminal operations; Surface Improvements for newly created acreage	Jobs Creation / Diversification	Yes
<b>Shiploader and related improvements at McDuffie</b>	18-24 months	\$ 10,000,000	Not Required	Construct a new shiploader at McDuffie Coal Terminal to facilitate Alabama export coal shipments and grow Alabama's Coal Industry.	Jobs Creation / Diversification	Yes
<b>Automotive RO-RO Terminal</b>	36 Months	\$ 54,000,000	Permittable / Nominal Mitigation Required	Construct a Ship Berth and Rail Served Ro/Ro Terminal on the Theodore Turning Basin; Construct an 100+ acre Automobile Terminal; Construct an Automobile Processing Facility.	Jobs Creation / Diversification	Yes
<b>Axis Inland Dock Expansion</b>	12 Month Construction Schedule	\$ 5,000,000	Permitted	Construct 440 ft. of bulkhead; Develop 40,000 sq. ft. of operating dock area; Install mooring dolphins for barges; Install lighting for night operations.	Jobs Creation; Increase Use of Waterways to Divert Freight Traffic from Roads and Rail Networks.	No
<b>Property Purchase</b>	12 Months	\$ 20,000,000	N/A	Acquire deepwater property for future port expansion.	Jobs Creation / Diversification	No
<b>TOTAL</b>		<b>\$ 356,500,000</b>				