



TIGER Grant Adds Capacity

Letter from the Board Chair

To our community stakeholders, industrial partners and local residents:

I am pleased to present the 2018 annual report of the Little Rock Port Authority. Moving forward, we will present the annual report each July, in recognition of our creation on July 6, 1959. As we begin our 60th year, we look forward to celebrating our successes and building a foundation for the future. This community should be proud of the Port of Little Rock and what has occurred over the past year.

The Port of Little Rock had a positive 2018 and we are continuing to identify strategies to attract investment from around the globe. The Port's Board of Directors gives tirelessly of their time to create growth opportunities, remaining focused on becoming the best inland port in America.

I want to welcome Clay McGeorge to the Little Rock Port Authority Board of Directors. Mr. McGeorge brings a vast knowledge of the river system to the Board and replaces Jon Wickliffe, who left the Board after twenty years of service. Thank you, Mr. Wickliffe, for your long-time commitment to the Port. On another note, we congratulate Frank Scott, Jr. who was elected as the 73rd Mayor of the City of Little Rock. We are proud of his accomplishment and are honored to have served with him on the Little Rock Port Authority Board.

During 2018, the Board of Directors and Port staff achieved several significant accomplishments. Logistic Services, Inc., the Port's Stevedore, unloaded its 500th barge in November; this is a feat that has only happened once before and illustrated the growing demand for waterborne commerce. On the rail side of the business, staff switched more than 20,000 rail cars. This level of activity is

unprecedented. Our staff managed these logistics in an effective and efficient manner, always keeping the focus on the customer.

The Little Rock Port Authority continues to acquire land and we are slowly shifting our efforts to create shovel ready sites for future industrial prospects. These efforts will prepare the Port of Little Rock for the future. Along the same lines, the Little Rock Port Authority, in collaboration with other users of the McClellan-Kerr Arkansas River Navigation System, increased our efforts to advocate for adequate federal investment for the river. As this system ages, it is important that Congress and the policy makers recognize the impact of waterborne commerce in Arkansas and continue to ensure its sustainability.

This July we begin our 60th year. The creation of the Port of Little Rock is a remarkable story that must be shared with all. Over the next twelve months, we will do just that. We will remind the community that the visionaries who established the Port, set in motion a series of events that resulted in billions of dollars' worth of economic impact for our community. Like those who served before us, this board will continue to focus on economic development, community outreach, job creation and land acquisition.

The Port of Little Rock remains committed to attracting investment and growing jobs for our community. I am confident that our future is bright and that we will continue to play a significant role in economic development for the City of Little Rock and the State of Arkansas.

Sincerely



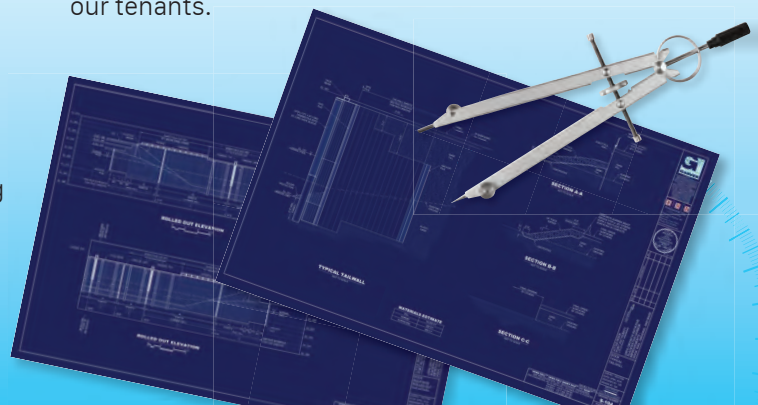
Melissa Hendricks
Chair

TIGER Grant changes intermodal services

To grow the Port for future businesses, we are focusing on land acquisition and infrastructure development. Key factors in attracting new tenants are rail line and utility enhancements. We also have plans for expanded services such as a container-on-barge capability.

One achievement of note is the recent award of a \$6.2 million Tiger Grant from the Department of Transportation. One of only 40 grants awarded among 585 national applicants, it will fund the Port's Growth Initiative project—improving the river-protected Slackwater Harbor, including a new dock with direct

dock-to-rail capability, and the addition of rail storage to accommodate larger users in the Port. The three year project will add a significant competitive edge for our tenants.



2018 Little Rock Port Authority Board of Directors



Melissa Hendricks
Chair



Greg Joslin
Vice-Chair



Joe Bailey
Treasurer



Bobby Brown
Director



Ray C. Dillon
Director



Dexter Doyne
Director



Clay McGeorge
Director

2018 Port Accomplishments

These accomplishments were achieved as a team; the LRPA staff and the LRPA Board of Directors all played an equal part in these endeavors:

- On November 15, 2018, Logistic Services, Inc. unloaded the 500th barge for the year; this is only the second time in history that this volume of commodities has passed through the Port of Little Rock in a calendar year.
- The Port welcomed three new tenants to the Port: TY Garments (opened for production in 2018), USALCO and Cap Fleet
- Railroad signage and required information were upgraded all 23 at-grade rail crossings in the industrial park.
- The Port was awarded a \$50,000 grant from the Arkansas Department of Transportation to construct a bus shelter at Fourche Dam Pike and Lindsey Drive
- The Port analyzed its progress on the 2015 Strategic Growth Plan. The findings included a 10.7 percent increase in rail use from 2015; a 16 percent increase in dock use from 2015, and a 19 percent increase in warehouse use from 2015. Additionally, the Port has seen \$76 million dollars in new investment and expansion of existing industry, resulting in 540 new jobs over the past three years
- The Port, through its relationship with the Chamber of Commerce, conducted six business retention visits and three Corporate headquarter visits
- The Port completed a number of outreach events, including "Pickin at the Port" (co-hosted with the Chamber) and four Coffee at the Port events.
- The Port completed the first element of the TIGER Grant (the completion of 6,000 feet of rail spur; the second phase of the project (dock expansion) should be completed by spring 2020
- The Port completed a 16,000 square foot warehouse at the River terminal; this was funded from an Arkansas Waterways Commission Grant
- One-hundred acres of land south of the Port has been acquired and staff will soon finalize acquisition of one-hundred and sixty acres
- The Port applied for and received a \$260,000 grant from the Arkansas Waterways Commission to construct additional laydown space near the Arkansas River Terminal Dock



*Only 40 grants
were awarded
among 585
national
applicants*

The Slackwater Harbor Project will provide improvements to the slackwater harbor that include extending Intermodal Loop Road 700 feet, constructing a 200' x 150' open warehouse structure, and adding conveyors with barge loading flow control equipment, a scale house, barge mooring, and a new 200' x 120' dock. The new dock will be connected to the existing railroad track by an 1,800 foot spur to allow

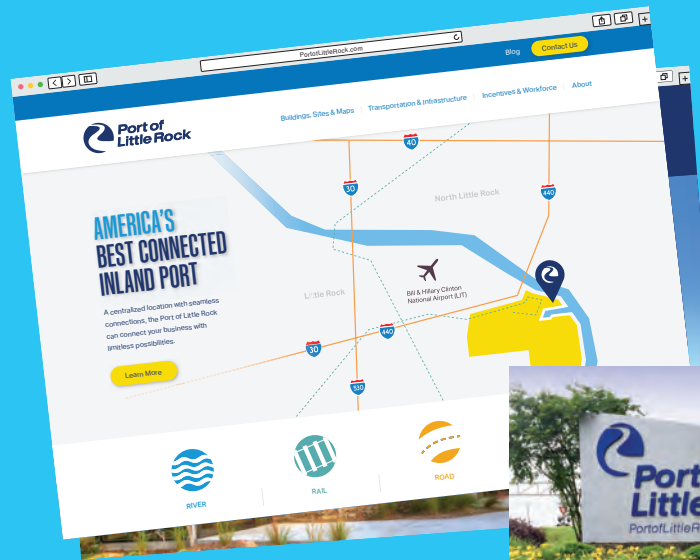
for direct barge-to-rail transfer. The permanently installed cable winch system to be added will allow for continuous flow of barges and improve the efficiency of moving commodities from the river to rail or truck. The project will allow up to 50% more freight to be handled at the harbor.



The Rail Storage Project will increase the amount of storage by 20%, adding 5,400 feet of track on two side-by-side segments near the slackwater harbor.

Updated Branding

In our upcoming 60th year, the Port of Little Rock is strengthening its brand, updating its logo and launching a website geared to site selection decision makers.



The Arkansas Waterways Commission now offices at the Port

In June of 2018, the Arkansas Waterways Commission (AWC) moved into the Arkansas River Resource Center and fulfilled the original plans for the Port and the Commission to share office space.

The AWC was established in 1967 by State Statute and represents over 90 public and private organizations from around Arkansas.



The mission of the AWC is to develop, promote, and protect the commercially navigable waterways of Arkansas for waterborne transportation and to promote economic development to benefit the people of Arkansas. Arkansas has over 1,000 miles of inland waterways including the Arkansas, Mississippi, Red, Ouachita River and White Rivers.



The Commission is composed of seven commissioners appointed by the governor, with the advice and consent of the Arkansas Senate. Each commissioner serves a seven-year term. Five of the commissioners represent five navigable stream basin areas of the state, and two members serve "at large."

The Arkansas Waterways Commission and the Little Rock Port Authority work side by side to create job opportunities using the navigable waterway as an asset to efficiently move commodities around the world. Additionally these two organizations convene various stakeholders to advocate and educate for the inland river system.

Welspun Tubular LLC is a part of Welspun Group, a \$2.3 billion-dollar company with diversified interests in home textiles, line pipes, infrastructure and oil and gas. They are among the largest line pipe manufacturers in the world.

In 2007, Welspun Corp began looking for a location in the United States to better serve their U.S. clientele. Early in the site selection process, Welspun Corp looked at sites in Louisiana, Alabama, Texas, Tennessee, Oklahoma and Missouri. Their preference for a location was in community that had a reliable port in order to accommodate their complex logistics needs. After a lengthy search, Welspun Corp chose the Port of Little Rock as their new north American location. This decision was made because of the Port's ability to accommodate logistical needs and because of the friendly and pro-business environment within the Little Rock community.



Initially Welspun invested \$100 million dollars into their new manufacturing facility. When the plant was opened, Welspun hired 300 people to begin production of steel pipe. The Little Rock community

and the Port of Little Rock have consistently supported Welspun as they have continued to expand and grow their business. Today Welspun has invested millions of additional dollars to serve their U.S. clientele and now employ over 1,000 people.

The Port of Little Rock's location on the interstate system the Arkansas River and the access to Union Pacific and Burlington Northern Railroads have allowed Welspun to experience consistent growth over the last ten years.

As with many manufacturing prospects, the Little Rock Regional Chamber of Commerce plays a significant role in recruiting them to the community. The Chamber works with the Port of Little Rock, the Arkansas Economic Development Commission, the City of Little Rock and local utilities to create competitive incentive packages and workforce development programs to attract industry from around the globe. These efforts by the local business community played a major role in attracting Welspun to the Port of Little Rock.



"The Port of Little Rock has one of the most valuable infrastructures in the nation, which adds to our success in North America."

— Rajesh Chokhani,
Chief Operating Officer Americas



- Facility currently employs over 1,000 workers
- Welspun imports raw materials from multiple continents that are delivered via barge on the Arkansas River
- Provides a one-stop solution to oil and gas customers in and around the United States
- Welspun has manufactured pipe for projects located in Texas, Oklahoma, Wyoming, Kansas, North Dakota, South Dakota, Iowa, California, Louisiana, Montana and Canada.

Statement of Revenue and Expenses

Little Rock Port Authority and Railroad combined



	2014	2015	2016	2017	2018
OPERATING REVENUES					
<i>Total Railroad and Port Authority Revenues</i>	2,741,513	3,478,832	2,658,621	2,835,598	4,375,323
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OPERATING EXPENSES					
<i>Total Railroad and Port Authority Expenses</i>	2,263,063	2,422,267	2,179,105	2,273,024	2,964,494
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OPERATING REVENUE OVER/(UNDER) EXPENSES	478,450	1,284,734	479,516	562,574	1,410,829
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(501) 490-1468 • PortofLittleRock.com

Little Rock Port Authority Staff



Bryan Day
Executive Director



James Firestone
Director of Operations



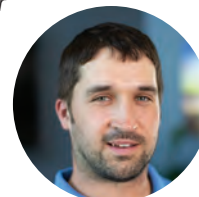
Doug Farley
Railroad Supervisor



Jason Briggs
Engineer / Conductor



Wila Pinkerton
Receptionist



Scotty Allen
Assistant Railroad Supervisor



Kally Robinson
Assistant/Special Projects



Jean Pulliam
Finance Manager



Mike Stapp
Engineer / Conductor



Matt Chastain
Brake Operator

Port Operations

The Little Rock Port Authority was organized in 1959 to oversee the Port and provide intermodal transportation services connecting U.S. markets and the deep water ports of the Gulf of Mexico. The Port of Little Rock is located approximately seven miles east of downtown Little Rock along the banks of the Arkansas River.

The LRPA Industrial Park is a 4,000-acre diverse business community representing over 4,000 jobs and more than 40 businesses. At the core of its activity is the Little Rock Port Terminal and the Little Rock Port Authority Railroad; these assets provide the foundation for existing business and future expansion of businesses in Central Arkansas. All modes of transportation converge at the Port: water, rail and motor freight, offering convenient intermodal shipping solutions. The Port caters to world-wide markets with its Foreign Trade Zone #14.

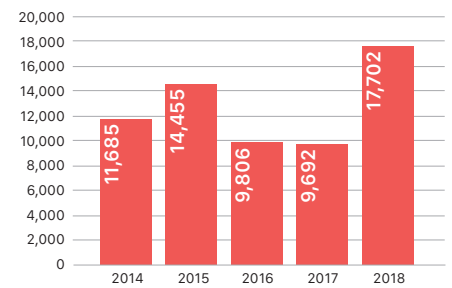
The Port of Little Rock is part of the 448-mile McClellan-Kerr Arkansas River Navigation System completed in 1971, which runs from the Mississippi River northwest to 15 miles east of Tulsa, OK. The 448-mile system includes 18 locks, shipping 12 million tons annually with a cargo value of \$4 billion.

The Port of Little Rock

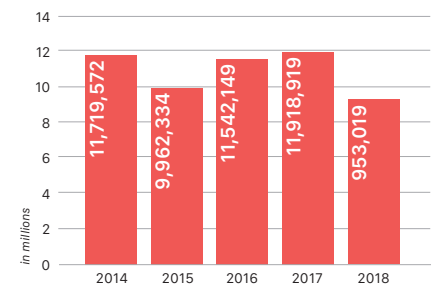
- More than 40 active businesses representing over 4,000 jobs
- 4,000-acre industrial park with ample levee-protected acreage available
- Two full-service river terminals including a River Port and a Slackwater Harbor
- The Union Pacific Railroad and the BNSF serve the Port of Little Rock's switching railroad, handling over 20,000 cars yearly
- Quick connections to I-40 and I-30 are located within five miles of the Port
- Caters to world-wide markets with Foreign Trade Zone #14
- Eligible new and expanding businesses are offered competitive incentive packages
- Arkansas Freeport Law exempts inventory tax on raw materials, goods in progress and finished goods bound for out-of-state shipment
- Port promotes sustainability practices



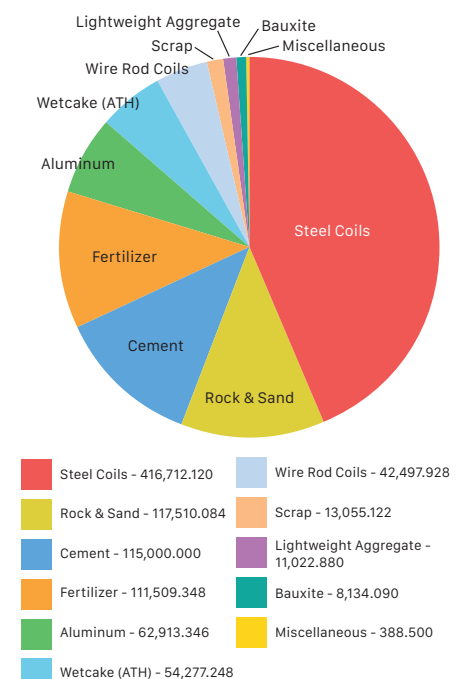
Total Railcars Interchanged



Arkansas River Tonnage McClellan-Kerr Navigation System



Dock Commodity Tonnage (2018) 953,019,666 total net tons



Corporate profiles

partial list



Admiral/Mayflower Moving - Little Rock • Moving /Storage Company



CHS Inc. - Inver Grove Heights, Minnesota • Wholesale bulk / blend crop nutrients supplied by barge and rail



Delta Plastics of the South and Revolution Bag - Little Rock • Preserving our Farmland • Plastics polytube and Revolution Bag can liners



Interstate Signways - Little Rock • Engineer and fabricate architectural, wayfinding and transportation signage



J&M Foods, Inc. - Little Rock • Wholesale Bakery (Cookies & Cheese Straws)



Lexicon, Inc. - Little Rock • Prospect Steel and Custom Metals - Fabricated Steel Products



LM Wind Power - Kolding, Denmark • The Power to Deliver • Wind Turbine Blades



Logistic Services, Inc. - Seattle, Washington • Full Intermodal Bulk and Breakbulk Facility



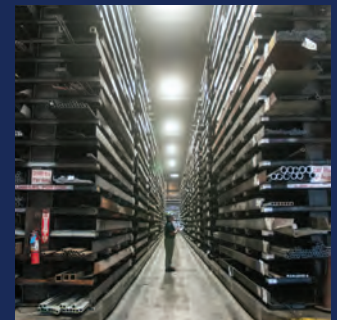
Natural State Recycling - Little Rock • Paper, Plastic, and Wood Recycling



Novus Arkansas, LLC, Novus International, Inc. - St. Louis, Missouri • Amino acids and minerals for the animal feed industry



Ring Container Technologies - Oakland, TN • Plastic Containers (specifically Skippy Peanut butter Jars in Little Rock)



Ryerson - Chicago, Illinois • General line metal service center • Plate fabrication



Sage V Foods - Boulder, Colorado • IQF Frozen Rice



TY Garments (Tian Yuan Garments Co. Ltd) - China / Little Rock • First fully automated sport-wear producer for Adidas and Reebok



Waste Management - Houston, Texas • leading provider of waste and environmental services in North America



Welspun Tubular LLC - India / Mumbai • Leading Tomorrow Together • Manufacture steel pipe for the oil and gas industry