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## State of the Port 2020

Second Slackwater Harbor Terminal under Construction

#### Letter from the Board Chair

To our stakeholders, partners, and community residents:

I am honored to present the 2020 annual report of the Little Rock Port Authority. 2020 was a difficult year for all of us as we adjusted to the pandemic and economic uncertainties. Although we changed the way we do business and learned to meet virtually and interact remotely, the Port of Little Rock pivoted

accordingly to accomplish its primary objectives and continue its mission of creating high paying jobs for Little Rock and central Arkansas. Our team accomplished this seamlessly with very little disruption.

I want to welcome Stan Hastings to the Little Rock Port Authority Board of Directors. Mr. Hastings has a long standing family connection to the Arkansas River and we're excited to have him join the board. Stan replaces Dexter Doyne, who dedicated ten years of his life to the Little Rock Port Authority. Mr. Doyne grew up in the College

Station community and worked hard to ensure the Little Rock Port Authority, and the College Station community, worked side by side to make Little Rock a better place. Thank you, Dexter, for your service and for being an amazing servant leader.

One of the more exciting happenings at the Port of Little Rock in 2020, occurred when Amazon announced the acquisition of eighty acres of land to build a four-million square foot, state-of-the-art "first mile" fulfillment facility. Amazon's announcement will create over 1,000 new jobs and allowed the Port to secure and leverage outside funding to make over \$12 million in infrastructure improvements to the Port's industrial park. This was the most significant announcement in the last decade and brought national attention and new interest in what the Port of Little Rock is working to accomplish.

During 2020, the Port board and staff continued aggressively acquiring real estate for future expansion and secured over 300 acres of additional land that has been purchased or placed under contract. Over the past several years, we have added almost 2,000 acres of land to our inventory.

The Little Rock Port Authority continued working diligently with the Federal Aviation Administration to relocate the VOR Cone south of the Port and we made great progress in these efforts. We know that when the VOR Cone is finally relocated, the Port of Little Rock will have a 1,000-acre industrial site unmatched anywhere in the region. We believe this will be another watershed moment in our evolution as an organization.

Port staff continues working closely with the Little Rock Regional Chamber of Commerce to attract industry from around the globe and during 2020,

> the Port worked several large industrial projects, despite the pandemic. Several of these projects are still completing their due diligence and the Port remains a viable location option for their future investment. Our team pursued grant opportunities and looked for ways to diversify our funding to ensure we remain financially independent and are able to meet our obligations. The Port board, Port staff and our stakeholders remain committed to building the best inland port in America.

I want to say a few words about the Port's board members. The Port of Little Rock is undeniably a key board serving our community and I am grateful for the time and effort that each of my colleagues invests individually in our important work. Collectively, we serve as a guiding hand to this critical economic engine for our community and never stop working to enhance the environment of opportunity for individuals looking for meaningful employment. The Port of Little Rock and its industrial partners, contribute over \$500 million dollars annually to the State's economy. The Port board takes a serious approach to our civic function and works tirelessly to accomplish our capital investment attraction and job creation mission. Sincere thanks to each of my fellow board members for their service.

2020 was a challenging year in so many ways, but I am confident the Port of Little Rock is well positioned moving forward to continue having a major positive economic impact on our region. The Port of Little Rock's future is bright.

Respectfully,

Greg M. Joslin, Chair



## 2020 Little Rock Port Authority Board of Directors



Greg Joslin Chair



Bobby Brown Treasurer



Ray C. Dillon Director



Clay McGeorge Director



Joe Bailey Vice-Chair



Stan Hastings Director



Melissa Hendricks Director



Mayor Frank Scott City of Little Rock

## 2020 Port Accomplishments

These accomplishments were achieved as a team; the Little Rock Port Authority staff, the Little Rock Port Authority Board of Directors; and the Port's stakeholders all played an equal part in these endeavors:

- The Port of Little Rock, like all other business around the world, adapted to the effects of the pandemic and adjusted its operating procedures to continue serving its customers, while at the same time protecting its employees and stakeholders
- In response to the pandemic, TY Garments changed their production line and produced personal protective equipment like masks to help individuals and institutions keep their workforce safe.
- The Port of Little Rock welcomed two new tenants to the industrial park: Amazon acquired 80 acres of land along Zueber Road to build a distribution facility, and MRC Global acquired the old Baptist Hospital Laundry Facility on Mauney Road. Revolution Bag (formally Delta Plastics) announced a major expansion at their current location.
- The Port acquired, or put under contract, approximately 325 acres of land; over the past six years, and has acquired over 1500 acres of land utilizing the sales tax revenues provided by the citizens of Little Rock in 2011.
- The Port, through the efforts from Pulaski County and the City of Little Rock, began work on several major infrastructure projects, totaling an investment of over \$12 million. These projects included the widening of Zueber Road, the widening of Fourche Dam Pike and the extension of Pratt Remmell Road.
- The Port constructed a Tornado Storm Shelter for its employees; the shelter is located at the Slackwater Harbor Dock.
- The Port constructed a multi-modal hub for public transit users and cyclists. This facility is located on Fourche Dam Pike at the Lindsey Road intersection.
- The Port applied for and received a \$600,000 grant from the Arkansas Natural Resources Commission to relocate a portion of the Fourche Island Levee.
- The Port acquired the old Baptist Health Clinic on Lindsey Road and leased it to CHI St. Vincent to operate a healthcare clinic for the Port and surrounding community. The facility opened in fall 2020. In October, the Port partnered with CHI St. Vincent to host a flu shot clinic at the location.
- The Port completed over \$500,000 in repairs to its facilities as a result of damages caused by the 2019 highwater event.

## In Memoriam:

Robert "Bob" Brave, the Little Rock Port Authority's third executive director, passed away at the age of 92 on July 20, 2020.

Bob Brave served as the Port's Director from 1977 to 1995. During his tenure, Mr. Brave worked diligently to promote the Port of Little Rock and make it more competitive with other ports on the McClellan-Kerr Arkansas River Navigation System. Mr. Brave understood that attracting industry to the Port of Little Rock was paramount to its survival, and that without new industry, the Port would not survive. Mr. Brave and the Port Board developed partnerships and strategies to remain competitive and coordinated marketing efforts with organizations such as the Greater Little Rock Chamber of Commerce, the Arkansas Industrial Development Commission, and the utility interests to target prospective industries. These efforts helped bring about the construction of the Slackwater Harbor, which began during Mr.Brave's tenure.



Arkansas Democrat Gazette

#### New to the Port



**Slackwater Harbor Update** – Early 2020 marked the substantial completion of the new Slackwater Harbor Dock funded by the 2016 TIGER grant. PND Engineers worked with Garver Engineers on design of the open cell dock, which was built by Massman Construction. This open cell dock is an innovative approach to building docks on the inland river and will serve the Port well. Massman Construction also performed initial dirt work and grading, constructed the dolphins, conveyor pad, railroad spur, and steel framing for the hopper. After this phase of work was completed, Cline Construction





Group took over, adding finishing touches to the dock, and began work on the warehouse, scalehouse, winch system, and other project elements. The new slackwater harbor dock is expected to open in the summer of 2021.

**Severe Weather Shelter** – The Port of Little Rock installed a storm shelter on the slackwater harbor dock to provide protection for its employees during weather events. The shelter was part of a Arkansas Waterways Commission Grant.





**Port Mobility Hub** – Utilizing funds from a transportation grant, the Port of Little Rock installed a transportation hub to serve employees who take the bus, carpool or bike to work. This hub provides a connecting point for the workforce.



The COVID-19 Pandemic of 2020 spread across the globe in a short period of time and caused the largest global recession in history, with more than a third of the global population being placed on lockdown. By early 2021, more than 421,000 Americans had died because of the virus.

Forbes Magazine reported some key measurements showing where things stood at the end of 2020 as a result of the COVID-19 virus:

• The nation has 8.5 million fewer jobs at the end of 2020 than it did before Covid-related shutdowns began in March of 2020.

• As of December 2020, more than 1 in 10 adults were reporting their households have gone hungry during the pandemic.

The Pandemic affected all sectors of America's economy. American Manufacturers saw production, demand, and revenue fall across all business areas and many companies struggled to maintain cash flow and handle existing debts.

The Port of Little Rock's industrial partners fared relatively well during the pandemic. Several industries (food production, transportation, apparel) saw large increases in demand, as they adapted to meet the changing needs of our community. Other sectors such as steel, metals and raw materials maintained a steady production to meet the demands of civil works projects that were currently in the works. No industry at the Port closed its doors due to the pandemic.

The Little Rock Port Authority staff and Board adapted its operating procedures and was able to meet the needs and expectations of its customer base while safely operating with reduced public contact and limited hours. The pandemic forced the Little Rock Port Authority to evaluate its service delivery and look for ways to be more efficient and effective in meeting its objectives. By the end of 2020, the organization had mostly returned to normal operations.

# Logistics Services, Inc.

The Port of Little Rock provides intermodal transportation services connecting U.S. markets and the deep water ports of the Gulf of Mexico.

At the heart of the Port are three full-service river terminals, including the main river terminal and two slackwater harbor docks.



Logistic Services, Inc. (LSI) is the Port's stevedoring company since 1982, specializes in the handling of bulk and breakbulk cargos to and from rail cars, trucks



and barges; as well as warehousing and packaging services, managing over 200,000 sq ft of warehouse space and over 10 acres of outside storage.

LSI is a subsidiary of

Carrix Inc., the world's largest privately held marine terminal operator, managing over 250 locations on five continents.

Barge transportation is the most cost-effective method for moving bulk raw materials heading both west and east on the Arkansas River.

Whether it's made here or shipped here, the Port's commodity market mix focuses on attracting companies in sectors like advanced food products, chemical manufacturing, machinery manufacturing and expanded primary metals manufacturing.

The Port can move an impressive 200 inbound and 350 outbound tons of cargo an hour.

#### Typical Dock Commodity Tonnage



Working in close partnership with the Port, LSI operates the docks, terminals and the Foreign Trade Zone warehouse to create a business friendly environment for barge and rail users. Arkansas Freeport Law exempts inventory tax on raw materials, goods in progress, and finished goods bound for out-of-state shipment.

The Little Rock Port is located at mile

112.8 on the right decending bank of the Arkansas River and is part of McClellan-Kerr Arkansas River Navigation

System (MKARNS). The ice-free system includes 18 locks, shipping 12 million tons annually with a cargo value of \$3.9 billion. Over \$500,000,000 in commodity value crosses our docks every year.





The City of Little Rock is in the geographic center of Arkansas and is the state's capital city and business hub.







"The central location and easy access to water, highway, air and the two Class I railroads (Union Pacific and Burlington Northern) saves companies a lot of money."

– Jack Long, VP, LSI

#### Statement of Revenue and Expenses

Little Rock Port Authority and Railroad combined



OPERATING REVENUES	2016	2017	2018	2019	2020
Total Railroad and Port Authority Revenues	2,658,621	2,835,598	4,375,323	4,361,900	3,356,595
OPERATING EXPENSES					
Total Railroad and Port Authority Expenses	2,179,105	2,273,024	2,964,494	3,443,495	2,764,778
OPERATING REVENUE OVER/(UNDER) EXPENSES	479,516	562,574	1,410,829	918,405	591,817

Due to a change in reporting practices, 2020 numbers came from yearly finacial report.

Port of Little Rock

10600 Industrial Harbor Drive • Little Rock, Arkansas 72206 (501) 490-1468 • PortofLittleRock.com

Notice of Nondiscrimination - The Little Rock Port Authority complies with all civil rights provisions of federal statutes and related authorities that prohibit discrimination in programs and activities receiving federal financial assistance. Furthermore, the Little Rock Port Authority complies with the City of Little Rock Civil Rights Ordinance. Therefore, the Little Rock Port Authority does not discriminate, in any of its activities, whether federally funded or not, on the basis of race, color, creed, religion, sex, national origin, age, disability, marital status, sexual orientation, genetic information, political opinions or affiliation. Complaints of alleged discrimination and inquiries regarding the nondiscrimination policies of the Little Rock Port Authority may be addressed to: Jean Pulliam, Title VI Coordinator, 10600 Industrial Harbor Drive, Little Rock, AR 72206, jpulliam@ PortofLittleRock.com or telephone (501) 490-1468. Hearing and speech impaired may dial 711. This notice is available from the Title VI Coordinator in large print, or on audiotape.

## Little Rock Port Authority Staff



Kally Robinson Assistant/ Special Projects

Jean Pulliam Finance Manager Mike Stapp Engineer/Conductor Matt Chastain Engineer/Conductor

### **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 7,000 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 7,000 jobs
- 4,000-acre industrial park with ample leveeprotected acreage available
- Three 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 10,000 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**











#### Dock Commodity Tonnage (2020) 715,723.483 total net tons, 573 barges



## **Corporate profiles**

partial list





**Amazon** - An American multinational company focusing on e-commerce



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



**HMS** - A manufacturing company designing innovative houseware products



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



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