

 **Port of Little Rock**
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Planning Documents and Recommendations

March 2021

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Introduction

In the fall of 2020, staff at the Port of Little Rock facilitated a planning process intended to guide future infrastructure investments and land use, and assist in development of real estate policies. The following documents (Recommendations, Internal Land Use Map, and 2021 Capital Improvements Plan) are a result of this process. The resulting Real Estate Policies and Procedures are maintained in a separate document.

A steering committee provided initial guidance on the process, and a series of virtual focus groups made up of the various stakeholder groups participated. The focus groups met to discuss Transportation, Economic Development, Port Governance, and Quality of Life. The resulting recommendations were presented to the Little Rock Port Authority Board of Directors, and approved at the March 17, 2021 meeting.

The Steering Committee members and list of Invited Stakeholders is attached (Appendix A).

Recommendations

2020-2021 Port of Little Rock Planning Process

The Port of Little Rock began a planning process in Fall 2020 to identify infrastructure priorities, and to assist with development of real estate policies and an internal land use plan. Input received from stakeholders corresponded to the key strategies from the 2015 Strategic Growth Plan and are organized as such:

Strategy 1 – Become a recognized leader in land use planning, infrastructure management, and real estate development.

High Priority The City of Little Rock I-3 zoning designation best meets the needs of Port Industry users. Staff should work with the Planning Commission and City Board of Directors to ensure that property in the Extraterritorial Jurisdiction becomes zoned I-3, and that all Port land holdings are zoned I-3.

Action: Zone/rezone all Port properties to I-3.

Action: Educate Planning Commission and City Board of Directors on the need and justification for I-3 in the Port area.

High Priority Use best practices when structuring real estate transactions.

Rationale: In the past, the Port’s interests have not always been secured in real estate sales, so that promised river and rail users did not meet their performance targets or left the Port altogether, retaining possession of the land and depriving the Port of valuable revenue.

Action: Establish Real Estate Policies, for approval by the Port Board of Directors.

Priority Apply original Bill of Assurance to all Port-owned property.

Rationale: The Bill of Assurance for the Port Industrial Park provides more protections from certain noxious uses than does the Little Rock Zoning Ordinance. It has not been consistently attached to new land purchase or sales.

Action: Specify Bill of Assurance procedures in Real Estate Policies and begin implementation.

Strategy 2 – Have a strategic market focus on companies that utilize port assets.

High Priority Continue marketing focus to the four industry types identified in 2015 Strategic Plan (Advanced Food Products, Chemical Manufacturing, Machinery Manufacturing and Primary Metals Manufacturing) as they are River/Rail users.

High Priority Establish an internal land use plan that sets aside River/Rail User Only sites, for approval by the Port Board of Directors.

High Priority Develop criteria for use of the Entergy Select Site to maximize river/rail use of Port property.

Rationale: Developing a large industrial site is a risky proposition, as the land and infrastructure may go unused for many years, producing no return on investment. The Port needs a policy to guide decisions on when to subdivide the select site.

Priority Acquire/Operate Non-River Industrial Park

Rationale: Properties within the Port Industrial Park and its planning boundaries are valuable because of their proximity to river and rail, but there is an increasing pressure to use that land for truck-related distribution facilities and other non-river/rail uses, which limits the Port's profitability and self-sufficiency. The Little Rock Port Authority has become a de facto economic development entity for the City of Little Rock and could, with appropriate city financing, expand that role to other areas, meanwhile preserving existing river/rail properties for just those uses.

Action: Work with City of Little Rock leadership to determine the need and secure resources for a non-river industrial park.

Priority Increase business opportunities with BNSF.

Rationale: Historically, the majority of rail business has been with Union Pacific, but Port businesses like the option of having service from two Class I railroads. The Port should continue to work with BNSF on mutually beneficial projects.

Action: Explore possible development of a BNSF Select Site.

Strategy 3 – Increase Programs to Support Existing and New Business/Industry

High Priority Work with real estate professionals, developers, and operators to provide more quality-of-life amenities in the Port area.

Rationale: Industry stakeholders who participated in the planning meetings expressed the need for a number of amenities, including food options, banking, automobile service & repair, a gym, parks and trails, and corporate housing/decent nearby hotel.

Action: Identify areas in or near the Port that would be suitable for non-industrial uses.

Action: Direct Port real estate team to market identified properties for Port-serving commercial.

Action: Explore possibility of establishing a one-stop training center/food service court/childcare center, implement if feasible.

High Priority

Continue to build relationships with Port industries to assist in meeting identified needs.

Action: Develop a Port Industry Council.

High Priority

Work with industry partners to make sure that workforce training needs are met.

Action: Build and maintain relationships with Port industries to keep abreast of training needs, and connect them with education and training resources as needed.

High Priority

Plan for and build a high-quality roadway network.

Rationale: The number of workers and freight trucks in and out of the Port continues to grow, especially with the addition of Amazon. Continual improvements to the roadway network will need to be made to accommodate all the traffic.

Action: Work with the City of Little Rock, Pulaski County, Metroplan, and ArDOT to make sure funding is allocated for identified roadway needs, some of which are listed below.

- South Loop Freeway
- Fourche Dam Pike Extension to 145th Street
- East-West Connector in South Port Area

Priority

Acquire Rail-Served Property Outside Port Industrial Park

The Port has already acquired or is in the process of acquiring much of the desirable land to the current unofficial southern boundary of Harper Road. However, there are other rail-served properties in Little Rock that could be linked to river users, plus the LRPARR could provide services to these industries, enhancing Port revenue.

Action: Explore purchase and profitability of providing rail service to suitable properties outside Port Industrial Park as they become available.

Priority

Acquire land on the north side of the river for future development.

Rationale: The Port has acquired much of the readily developable land on the south side of the river, which may make it desirable to acquire land on the north side if the municipal port authority statute allows operation in another municipality.

Action: Seek Attorney General opinion on the legality of operating outside the City of Little Rock.

Priority Work with utility partners to plan for and provide sufficient system capacity, reliability, and redundancy to meet Port industry needs.

Strategy 4 – Promote the Port of Little Rock with an Aggressive Marketing/Communications Strategy

Not addressed in this planning effort.

Strategy 5 – Enhance Organizational Capabilities and Resources

High Priority

Work to become a self-funded enterprise.

Rationale: To this point the Port of Little Rock has been able to operate with a combination of public funding and profits from operations. However, in order to be competitive in the future, the Port must become more self-sustaining, which will require more river and rail users, as well as revenue from other entrepreneurial activities. Additionally, every project or activity undertaken by the Port should be driven by the need to produce revenue.

GOAL: Increase revenue by 35% over the next 5 years.

Action: Establish an internal land use plan that sets aside River/Rail User Only areas, for approval by the Port Board of Directors.

Action: Establish a policy that strongly encourages leases/strongly discourages sale of real estate, for approval by the Port Board of Directors.

Action: Explore revenue enhancement possibilities of the following activities, implement where feasible.

Activity	Priority for Implementation
Operate Food Court/Provide Food Services	Must Do
Build/Sublease Communications Tower	Should Do
Build/Lease Port Warehouse	Should Do
Perform Mowing/Maintenance In-house	Should Do
Establish Wetlands Bank	Should Do
Lease of digital billboard	Should Do
Manage docks/Perform Stevedoring In-house	Could Do
Build or Lease Property for Solar Array	Could Do
Repair Railcars In-house	Could Do
Provide Rail Services to Non-Adjacent Industries	Could Do
Acquire Delta Dental Bldg for Sale or Lease	Could Do
Perform Fleeting/Harbor Services In-house	Could Do

High Priority

Update the 2015 Capital Improvements Plan

Rationale: The Port has made or is making many of the capital improvements from the 2015 plan so that an update is in order. Staff is working on an updated Plan, for approval by the Port Board of Directors in Spring 2021.

High Priority

Review leases, tariffs, franchise fees, and other sources of income with those of benchmark ports and railroads to ensure they are adequate and fair.

Priority

Examine all contracts to determine whether activities could be better and more economically performed in-house.

Rationale: When the Port was established, it was determined that certain services would be contracted out. In order to maximize revenue and provide better service, all contracts should be examined, and functions moved in-house as determined necessary.

Actions: Perform management assessments of

- Stevedoring
- Fleeting and harbor services
- Marketing
- Mowing and Maintenance
- Real estate management
- Legal
- Engineering

OTHER ITEMS IDENTIFIED

High Priority

Make sure Woodson Levee is repaired and maintained.

Rationale: The Fourche Island Levee is part of a larger system that includes the Woodson Levee, which does not have an operational levee district to make sure it is repaired and maintained. If the Woodson levee fails, industries in the Port will be jeopardized.

Action: Work with the State of Arkansas, Pulaski County, and Corps of Engineers to repair the levee and establish a source of funding for regular maintenance.

PRIORITY

Ensure adequate wastewater treatment capacity.

Rationale: The existing wastewater treatment plant in the Port area does not have sufficient capacity to serve additional food processing or other water-intensive industries. The lead time to add capacity is 2-3 years, due to EPA permitting constraints, which is too long for most site location decisions.

Action: Encourage the Little Rock Water Reclamation Authority to design for and permit needed capacity.

Low Priority

Be prepared for eventual container-on-barge deployment on the Mississippi to MKARNS system.

Rationale: MARAD continues to encourage and provide project funding for container-on-barge on inland river systems, and proposed developments in the New Orleans area may make it more feasible along the Arkansas River.

Action: Continue to monitor developments.

Priority

Work with Rock Region Metro to encourage Transit Oriented Development (TOD) in the Port area.

Rationale: The possibility of increasing the amount of affordable housing for workers in the Port area is being explored to help ensure a supply of workers and to help encourage the location of Port-serving commercial, as retail typically follows rooftops. Transit Oriented Development is one way to link these goals with the goal of improving transportation connections to, from, and within the Port. The current residential population in College station is around 800 people; if it were built out at the same density, the population could be around 2,600 people. The population in the area bounded by I-440, the river, Wrightsville, and the railroad on the west is approximately 6600 people. When a population of around 8,000 workers is joined with 3,000 to 7,000 residents, providing a bus rapid transit / mobility hub with services begins to make sense.

Action: Make joint application with Rock Region Metro for an FTA planning grant to explore the feasibility of TOD.

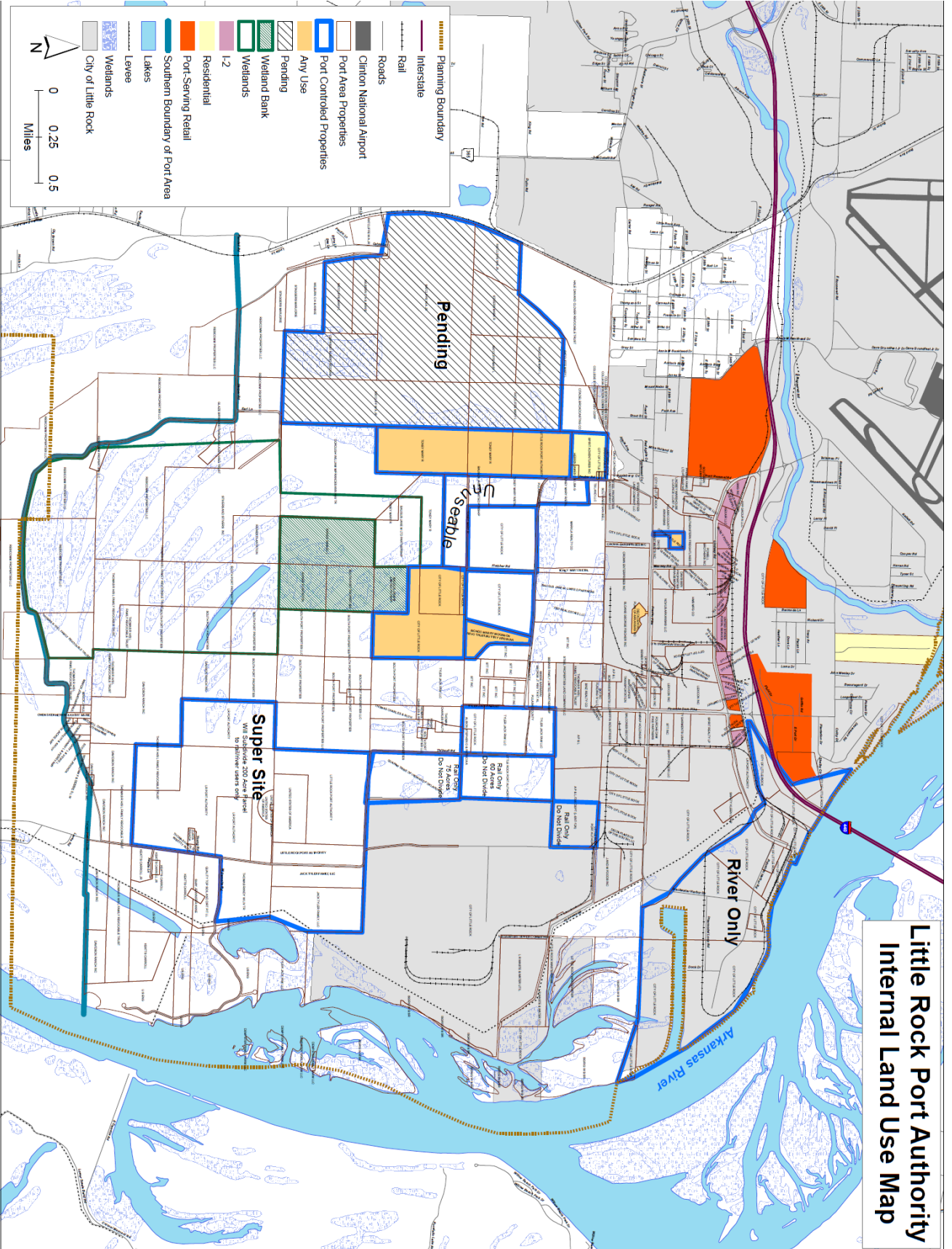
Important Comments from Stakeholders

- The Port needs to spend more on infrastructure, less on land
- The Chamber took the lead on the South Loop study, would definitely support an update
- Fourche Dam Pike to 145th Street connection is important (and is shown on the Pulaski County Master Street Plan)
- Re lease only stance - Land and improvements are a big part of a corporate balance sheet that a corporation might be glad to offload.
- Re low rates for Port services – why wouldn't we compare the rate for Port of Little Rock services with benchmark communities?
- Competing against Oakley requires us to watch our rates.
- How fast do we want to grow? If we want to move fast, we need to get moving now on land and infrastructure.
- The size of the transload facility depends mostly on the customers. Having a shorter facility is more of an operational problem than a capacity problem. Unit trains, though, are an “ever-changing animal,” could be 8,500 feet long in the future.
- Re becoming a Regional Intermodal Facility and Little Rock City fathers reaction – Central Arkansas Water is an example of a time where the City of Little Rock thought the bigger picture [acting regionally] was important.
- The Port should do its own marketing so there will be less pressure to give land to non-river/rail users.

Possible New Markets Identified

- Wood pellets – BNSF does not have a port in the U.S. with this capability. Covered storage/silo/dust control would be needed to accommodate.
- Rice – covered conveyor needed, possibly grain bins
- Lumber – service to new greenfield mills or extension to existing mills
- Heavy machinery – we have not been able to capitalize on this due to steel tariffs, but this could change
- Plastic pellets
- Metal stampings – covered storage is needed

Little Rock Port Authority Internal Land Use Map



2021 Capital Improvements Plan

Preventative Maintenance

- Dolphin Replacement cost unknown
- FTZ Roof Replacement and Façade Repair \$1,500,000
- Annual Track Maintenance \$250,000 per year
- Road Resurfacing annual cost unknown

Income / Revenue Enhancement

- Additional Warehouse Space \$3,000,000
- Storage Tracks (throughout Port) \$5,000,000
- Transload Facility \$10,000,000
- Electronic Billboard \$250,000
- Communications Tower cost unknown

Improve Existing Real Estate

- Mitigate Shingle Pile \$1,500,000
- Extend Fourche Dam Pike to the South cost unknown
- Mitigate Wetlands cost unknown
- General Infrastructure (rail, road, utilities, etc.) \$15,000,000
- Certify Woodson Levee cost unknown
- Create Wetland Bank cost unknown

Operational improvements

- Build New Engine Shed \$1,500,000
- Build new railroad bridge into Port \$2,500,000
- Build new railroad approach into the west end of the Port cost unknown
- Upgrade & expand river dock; create new warehouse space \$20,000,000
- Portwide Security Upgrades \$700,000

Land Acquisition

- Land Acquisition (targeted parcels) \$23,000,000

Enhancement / Industrial Park

- Build Industrial resource Center \$5,000,000
- General Landscaping, Signage, Beautification \$1,000,000

Appendix A

Steering Committee and Invited Stakeholders

Steering Committee

Judge Barry Hyde, Pulaski County
Grant Tennille, City of Little Rock
Jay Chesshir, Little Rock Regional Chamber of Commerce
Joe Bailey, Entergy, LRPA Board of Directors
Hank Kelley, Flake & Kelley
Tab Townsell, Metroplan
Bryan Day, LRPA
James Firestone, LRPA
Greg Joslin, Colliers International, LRPA Board
Jim Dailey, Flake & Kelley
Gary Smith, Flake & Kelley

Invited Stakeholders

Jack Long, LSI
Todd Mueller, Garver
Bryan Malinowski, Clinton National Airport
Frank Scott, Jr, Mayor of Little Rock
Bruce Moore, Little Rock City Manager
Tab Townsell, Metroplan
Charles Frazier, Rock Region Metro
Barry Hyde, Pulaski County Judge
Matt Twyford, AEDC
Col. Eric Noe, USACE
Grant Tennille, City of Little Rock
Rodney Larsen, CAPDD
Joe Bailey, Entergy, LRPA Board of Directors
Hank Kelley, Flake and Kelley
Greg Joslin, Colliers, LRPA Board of Directors
Dexter Doyne, Doyne Construction, former LRPA Board of Directors
Mike Metzler, Little Rock Harbor Services
Jared Wiley, ArDOT
Steve Frisbee, ArDOT
Jay Chesshir, Little Rock Regional Chamber of Commerce
Kristy Clark, BNSF
Christopher Selvey, BNSF
Fred Long, LSI
Charles Cullen, Garver
Steve Brummett, Pulaski County Public Works
Jamie Collins, City of Little Rock Planning Department

Invited Stakeholders, continued

Walter Malone, City of Little Rock Planning Department
Jon Honeywell, City of Little Rock Public Works
Casey Covington, Metroplan
Cassandra Caldwell, Arkansas Waterways Commission
Conya Spencer, CAPDD
Virginia Porta, ArDOT
Ben France, Little Rock Regional Chamber of Commerce
Jim Dailey, Flake and Kelley
Jared Garmon, BNSF
David Polzin, BNSF
Cary Hutchings, BNSF
Michael Yuen, BNSF
Chris Thomason, University of Arkansas Systems Office
Reteisha Byrd, Boyette & Associates
Mike Biggs, USACE
Kevin Hesser, Union Pacific
Rajesh Chokhani, Welspun
Steven Bayird, HMS Manufacturing
Larry Watson, Sage V Foods
Cloria Dozier, Progressive League of College Station
Trevor Villines, CAPDD
Todd Larson, North Little Rock Economic Development Commission
Rep. Denise Ennett

Port Industry Stakeholders

Rob Jones, Admiral Moving Services
Jennifer Cornwell, Admiral Moving Services
David Lyman, Boyd Metals
James Leigh, BTC Bulk
Kathy Higgins, BTC Bulk
Bob Lewis, Buzzi Unicem, USA
Dean Smith, Central Pipe
Mike Yazza, Central Pipe
Rusty Lloyd, Lexicon
Mary Childers, Lexicon
Jeff Williams, DAR PRO Solutions
Tiffany Morris, Delta Plastics/Revolution
Benny Wyles, Delta Plastics/Revolution
Frank Park, Democrat Printing and Lithographing
Nickie Branson, Democrat Printing and Lithographing
Stephen Easter, Educators Book Depository

Kim Fuller, Entergy
Robert Canterbury, Entergy
Jamala Thomas, Georg Fischer Harvel, LLC
David Williams, Hi-Speed Industrial Service
Danielle Jackson, Hi-Speed Industrial Service
Steven Bayird, HMS
Roger Vos, Hormel Foods
Michael Mantuano, Interstate Signways
Janice Thibault, J & M Foods
Scott Thibault, J & M Foods
Hayden Middlebrook, L & W Supply
J.W. Adamas, NGL Energy Partners
Michael Briggler, Delek Logistics
John Farmer, Novus International
Jennifer Handley, Novus International
David Flatton, O'Neal Steel
William Caldwell, O'Neal Steel
Sam Rowland, Orbit Fluid Power
Ashley Cockrum, Orbit Fluid Power
Syed Shah, Phillips 66
Michael Hupp, Prospect Steel
Gary Keifer, REW Materials
Ray Lovelace, Ring Container
Kay O'Neal, Ring Container
John Crews, Ryerson
Cindy Patrom, Ryerson
Hank Schrader, Safety-Kleen
Wayne Riggs, Safety-Kleen
Pete Vegas, Safe V Foods
Larry Watson, Sage V Foods
Jeff Underwood, Southeastern Freight Lines
Alan Nelson, Southeastern Freight Lines
Marisha, TY Garments
Joey Walsh, TY Garments
Rajesh Chokhani, Welspun
Robert Mills, XPO Logistics
Glenna Logan, XPO Logistics
Carol Johnson, Yourga Trucking
Lori Allen, Yourga Trucking
Jonathan Caldwell, CHS
Patrick Schueck, Lexicon
Kimberly Lee, HFCU
Mike Ramirez, HFCU
Autumn W, Lex Group