

A PORT'S GROWTH AND ESSENTIAL EXPANSION TO ACCOMMODATE FUTURE INDUSTRIAL DEVELOPMENT

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ABSTRACT

Since commencing operations in 1995, the Caddo-Bossier Parishes Port Commission (Port) has seen extensive economic development growth, occupying over 70% of its original 2000 acres of land. Due to this growth rate and lack of available space to accommodate additional large industries and Port tenants, the Port's Board acted and approved the staff to conduct and implement a Port Expansion Study for future growth. The development of the study assisted the Port to acquire and develop highly suitable land for the attraction of business and industry to the next generation. The Port Board and Staff, along with the hired consultant, had to develop strategic goals for the Port and characteristics of the property that were to be targeted for purchase and future industrial development. Following the successful implementation of land acquisition as outlined in the Port Expansion Study, the Port developed a master plan for the recently purchased raw, greenfield land sites. This paper will lay out the steps taken throughout the Port's expansion and master planning processes. It will also discuss the various obstacles that were encountered throughout the process of implementation.

BIOGRAPHY

Tyler Comeaux, PE

Director of Operations

Tyler is the Director of Operations at the Caddo-Bossier Parishes Port Commission, which is often referred to as the Port of Caddo-Bossier. He is responsible for the capital improvement and operational enhancements in and around the Port premises, which includes roughly 4000 acres of land. In addition, he is responsible for maintaining and keeping up with over \$1B of assets located on the port lands and coordinating with all departments, including legal, accounting, engineering, and administration, to ensure the Port's operations, and tenant operations are conducted and run smoothly daily.

Tyler joined the Port in January of 2019 after a decade of private consulting engineering work. Prior to joining the Port, he held positions at Hartman Engineering as an engineer intern in the Baton Rouge office. He then moved to Shreveport and worked for Burk-Kleinpeter incorporated from 2012 through 2019. While at BKI, he worked his way up from an engineering intern to becoming the branch Vice President of North Louisiana Operations where he primarily managed the company's major projects throughout North Louisiana. These major projects included the Port of Caddo-Bossier expansion and capital projects and the City of Shreveport Consent Decree program, which is a project totaling an estimated \$1B in capital improvements to the sanitary sewer system.

Tyler is a native of New Iberia, LA where he attended Catholic High School, graduating in 2004. He attended Louisiana State University in Baton Rouge, LA where he received a Bachelor of Science Degree in Civil Engineering with a minor in Structural Engineering in 2009. Tyler is a registered professional engineer in the State of Louisiana. He is an active member of the American Association of Port Authorities where he is an active participant in the Facility Engineering and Maritime Economic Development committees, in addition to the activities involved in the Port Professional Manager (PPM) program. Tyler is an active member of Louisiana Engineering Society (LES) where he has served all board positions, including Statewide President in 2021-2022. He is also active in the National Society of Professional Engineers (NSPE) where he currently serves as the Louisiana representative on the House of Delegates within the NSPE. Tyler has been married to his wife, Katie, for twelve (12) years and they have three (3) girls, Camille, Ann Kathryn, and Eloise.

INTRODUCTION

The Caddo-Bossier Port Commission (CBPC, Port, or the Commission) is located at the head of navigation of the Red River in Shreveport, LA. The Port was created by the Louisiana Legislature in 1962 to assist with economic development and to “regulate commerce” within Caddo and Bossier Parishes (Louisiana R.S. 34:3160). Since inception, the Port remained idle for several years before purchasing the first piece of land in 1980. Following the purchase of land, the Port has continuously developed capital improvements amongst the assets and has now grown to over 4000 acres today. This paper will explain the processes and steps taken by the Port to embark on an aggressive Port Expansion which has doubled the Port’s acreage, from the 2000 original acres to over 4000 acres, which all happened within a matter of roughly 5 years. Continuing this aggressive mindset, the paper will conclude with the Port’s development of a master plan for the newly purchased acreage and how this property will serve future industrial tenants over the next decade.

Following each major milestone section, I will recap on how this particular section’s material can potentially assist another Port in its decision-making process.

INITIALIZATION OF PORT EXPANSION

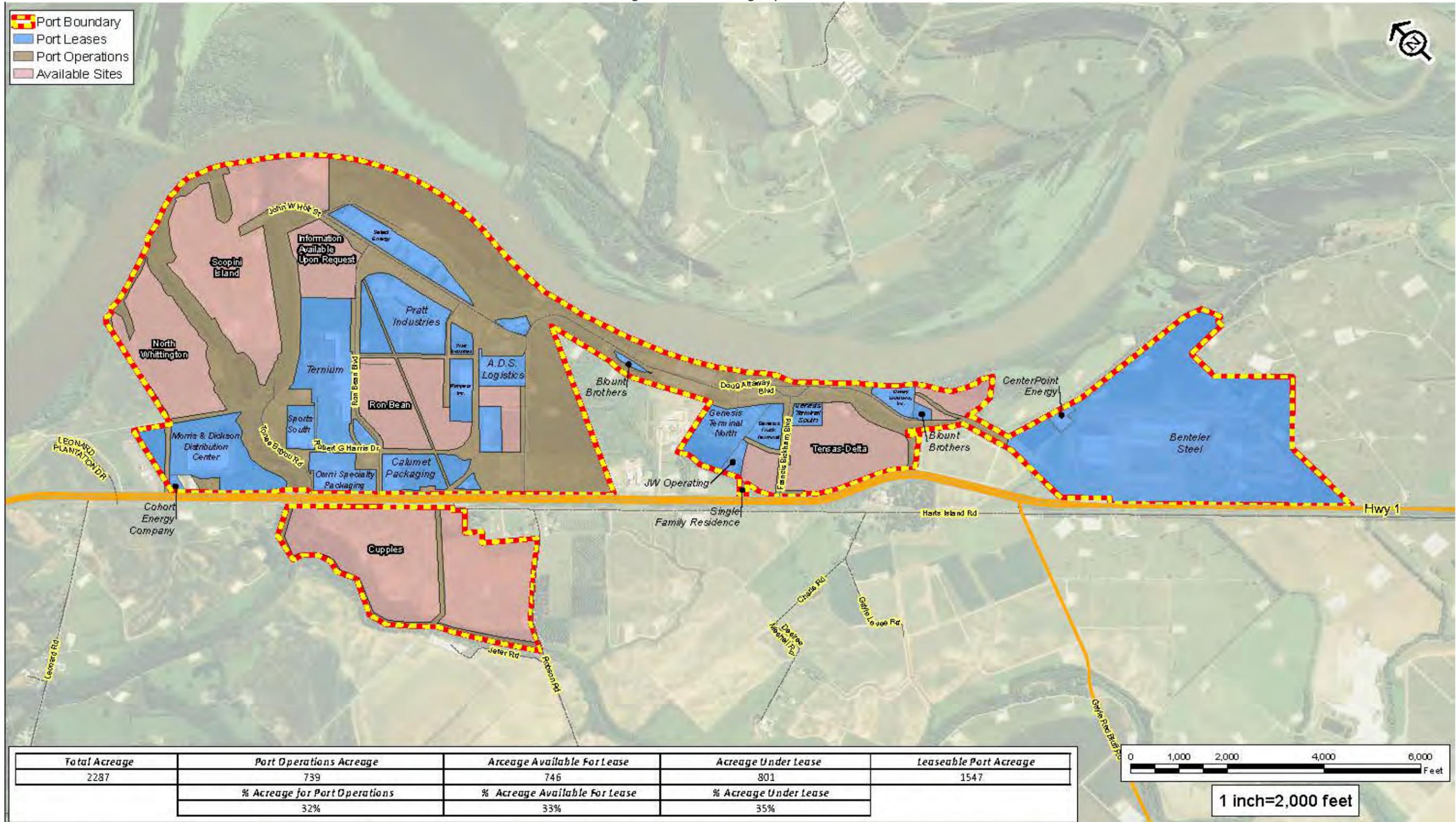
The Caddo-Bossier Parishes Port Commission was enacted through the Louisiana Legislature in the Legislative Session of 1962. This enactment provided the Port Commission to regulate commerce and traffic within the Port Area (Louisiana R.S.34:3160. C.), which defines the “port area” as all of Caddo-and Bossier Parishes or 1,800 square miles of land. Within the confines of regulating Port traffic, the Port board has set goals to help diversify the economy in Shreveport, which historically is oil/gas related, while creating well-paying manufacturing jobs for Caddo and Bossier Parishes.

The inception of the Port Expansion began as a result of the Port staff and board recruiting and landing its largest industrial tenant, Benteler Steel/Tube, in 2013. Benteler decided to locate on the Port’s last “mega-site.” The term mega-site is often referred to as a parcel of property ready for industrial development which is at least 250 contiguous acres.

Following Benteler's locating on the Port’s last mega-site, the Port board had a decision to make, whether to rely on the remaining land (roughly 500 total acres) to potentially lease smaller tracts (typically less than 100 acres in size) that were remaining of the Port’s original property. Or alternatively to expand and try to keep the momentum going of land development with the potential for substantial amounts of additional well-paying jobs at the Port. The Port campus following the landing of Benteler Steel can be seen in Figure 1.

At the August 2013 Board Meeting of the Caddo-Bossier Parishes Port Commission, the Board unanimously approved the signing of the scope of services as shown in Appendix I to employ Burk-Kleinpeter, Inc. (“BKl”) to move forward with the Port Expansion Study (Port Meeting Minutes, August 2013). The study would look for additional land for acquisition and ultimately create additional mega-sites within Caddo and Bossier Parishes.

Figure 1 – Port Acreage by Land Use



Total Acreage	Port Operations Acreage	Acreage Available For Lease	Acreage Under Lease	Leaseable Port Acreage
2287	739	746	801	1547
	% Acreage for Port Operations	% Acreage Available For Lease	% Acreage Under Lease	
	32%	33%	35%	

GOALS OF PORT EXPANSION

The Port's mission is to maximize utilization of the Port of Caddo-Bossier resources to generate economic development in Caddo and Bossier Parishes, expand use and development of the area's multi-modal transportation and distribution system, and increase commerce through the Port.

As a result of that mission, the goal of the Port Expansion was to evaluate the entire 1,800 square mile Port area to thoroughly filter through iterations of data using ESRI's GIS and ultimately develop the most highly suitable sites for land acquisition and industrial development. To guide this process of identifying sites, the Port Board created a special subset of the board, referred to as the "Port Expansion Committee." This Committee will oversee all aspects of this project and report, as necessary, to the full board. A critical component of BKI's scope of services was to provide the Port Expansion Committee with periodic updates on the project. These updates were done during public meetings which also provided periodic updates to the community for involvement throughout the project. These meetings were integral in providing the Port board members with the ability to guide the project in the direction they saw most fit while also providing the public with the ability to provide comments and input for consideration.

Following the identification of the candidate sites, the goal of the Port board was to acquire at least 2,000 acres of land within the candidate sites for development for future industrial tenants. The process of acquisition proved to be harder and more expensive than expected, but the Port staff and Board were able to overcome various obstacles throughout the acquisition to succeed.

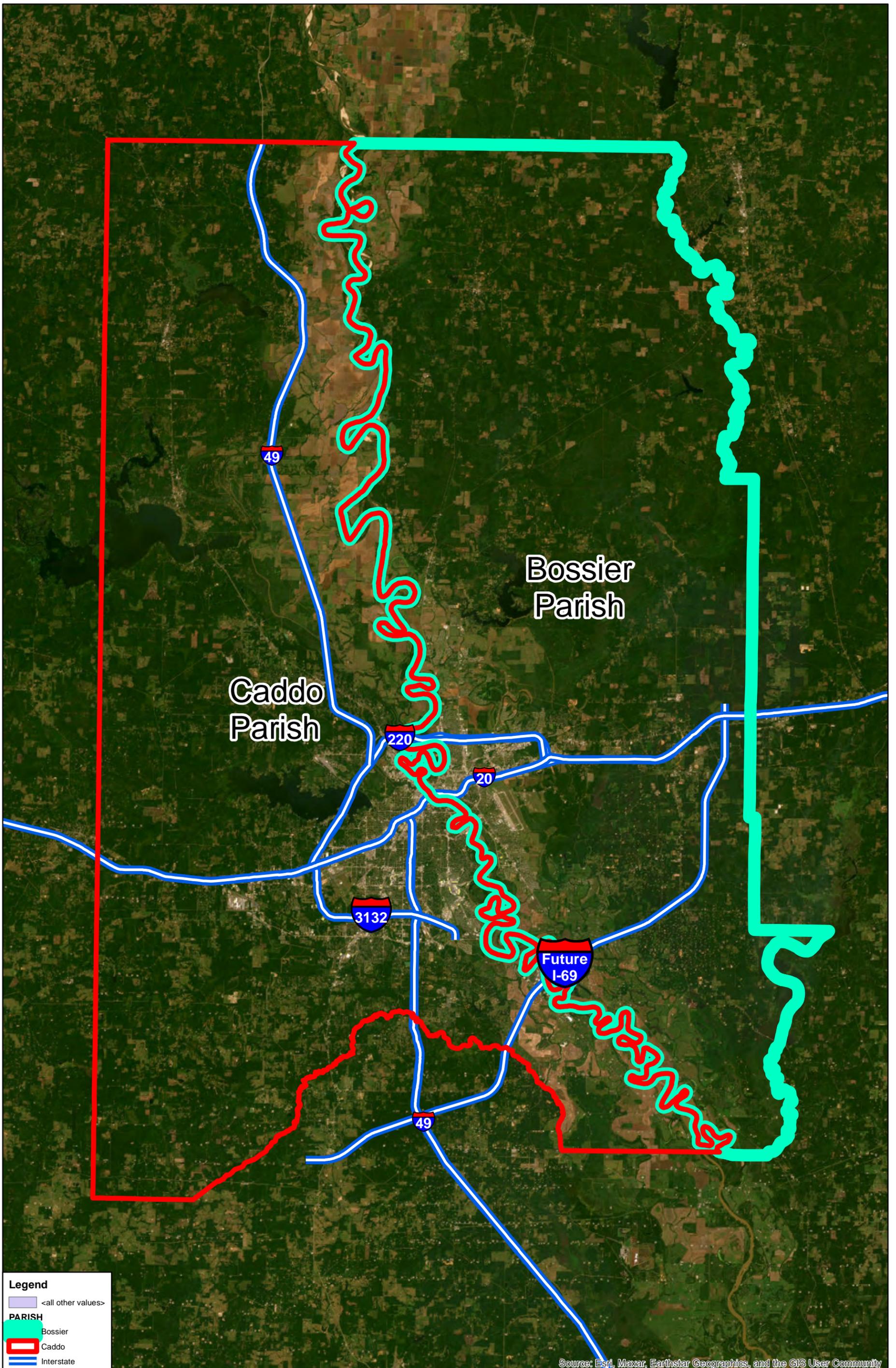
Other Ports Applicability

This section could be applied to another Port in several ways; however I find the two most important things are that our Port had a mission, which drove the need for this study, and also had a way to engage the community throughout this mission development. Our Port has been very well-received by the local community because we have a stated mission that we try to deliver on throughout each days work. Throughout the development and implementation of the Port growth, we have also been open and welcoming to community involvement throughout our expansion.

PROCESS OF DEVELOPING CANDIDATE SITES

Port Area and Expansion Criteria

The Port Expansion study was conducted by analyzing all the over 1,800 square miles of Caddo and Bossier parishes. The Port Area, along with the aerial imagery of the local community can be seen in Figure 2 – Port Area.



Legend

- <all other values>
- PARISH**
- █ Bossier
- █ Caddo
- █ Interstate

Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community



1 inch = 25,000 feet

Map Showing
Figure 2 - Port Area
 Caddo and Bossier Parishes



Several critical factors and considerations played a role in refining all the possible land into the candidate sites. The following selection or suitability criteria were considered paramount in the expansion possibilities and selection of sites. Each criterion was developed by BKI, with help from both the Port staff and Tenants associated with or located on the Port premises. The tenants and Port staff were a significant part in helping with the development of the suitability criteria. The tenants all provided both interviews and completed surveys where they ranked industry standard criteria to assist the Port staff and BKI in understanding the reasoning why they are located at the Port. Additionally, BKI and the Port staff went through various Request for Proposals (RFPs) from previous prospects that outlined the desired criterion that they wanted to see in a potential candidate site for locating their industrial plant. The following criteria were the suitability criteria developed from the aforementioned procedures of tenants and Port staff.

Proximity to Major Interstates: Access to major highways and interstates is crucial for the transportation of goods and materials. Candidate sites located within twelve-mile proximity to these transportation arteries can significantly reduce logistics costs and improve the efficiency of industrial operations. During the tenant interviews, the Port and BKI noted several prospects enjoyed the ability of most tenants to be “traveling 55 mph in 5 minutes or less” which is an industry buzzword in logistics. Given the proximity to the Port with LA Hwy 1 being a 65 MPH speed limit roadway, we considered this strategic advantage in the analysis.

Water/Barge Access: If the site or sites were located near the Red River, this can be advantageous for industries that rely on water transportation or require access to water for manufacturing processes. While some industries located at the Port do not all use barge access, merely having the ability to leverage the water access will likely keep other modes of preferred transportation in check. Given the leverage potential and ability to move large volumes of goods, water access or proximity to water near sites was a consideration in the evaluation.

Rail Access: Rail transportation remains a critical mode of moving goods, especially for heavy industries. Sites with access to rail lines can attract businesses that depend on efficient rail transport.

State Roadway Infrastructure: While the proximity to interstate is critical in selecting a site, the ability for the industry to have a localized interchange with said interstate is also just as important. In consideration of this interchange necessity, the proximity of land to an interstate interchange was included in the ranking criteria analysis for candidate sites.

Land Slope: Slope analysis is a critical component for large industrial tenants to consider when looking to locate a potential new plant site. The Port’s existing land, which is gently sloping farmland with less than 3% grade, has provided key advantages for the Port’s industrial development. This advantage helps the industrial tenant with speed-to-market considerations and the ability to see the capital investment begin to have return-on-investment quickly. Slope of land will also help in the development of the necessary infrastructure, specifically, rail infrastructure where slope gradation on the rail is critical in potential loads to be carried as well as the feasibility of getting the necessary rail infrastructure onsite. The slope of all lands throughout both parishes was a key consideration when looking at suitable sites.

Proximity to Class I Fire Station: The proximity to robust fire support is imperative to the insurance rating and premiums of an industry. At the start of the Port’s industrial development in the

late 1990s, the Shreveport Fire Department (SFD) only served the residents within the City of Shreveport city limits which the Port is located approximately 5 miles south of the City limits. Therefore, the Port and the City of Shreveport had to draft and execute a Cooperative Endeavor Agreement (CEA) whereby the Port would build a fire station for the SFD at the southern edge of the City of Shreveport limits, supply two (2) fire trucks, and pay half of the recurring yearly expense for the City to serve the Port property and its tenants. This was the only way for the Port to ensure it would be able to service its tenant base with the desired fire department features. The Professional Insurance Association of Louisiana (PIAL) analyzes the ability of each fire department's response time, equipment, water system capacities, and other ancillary factors to develop a fire rating for each department every five (5) years. Fortunately, since the time of the initial Port development, the City of Bossier City and the City of Shreveport Fire Departments are growing in personnel and geography and are consistently rated for the highest PIAL rating, a Class 1 Fire Rating. The proximity of a potential candidate site to these highly rated fire stations was critical in the selection to minimize the additional cost to both premiums for industrial tenant insurances as well as the Port avoiding the need to develop a similar CEA.

Soil/Land Use Considerations: The soils of the site were also scoring criterion of the study, which evaluated the native soils within each potential candidate site. Soil can add substantial cost to an industrial project because of the need for pile foundations. In this scenario, the Port area typically has clay and silty sand soils, and because both are of similar nature when considering industrial development, the Port staff and BKI chose to look at the existing assets or use of said land for the Port area. In the land use category, farmland or other similar types of land use provide the prospects the land to be highly suitable for immediate development, as opposed to land with pine forest or water on it and thus taking months to prepare the site for development. It should be noted, the best type of soil analysis a Port or other entity can conduct would be soil borings for an interested site; however, due to the magnitude of the site selection search in the Port expansion study, it was not cost feasible for the Port to conduct this analysis on each site. Therefore, the land use approach was utilized for the site selection criteria.

Proximity to Port: The Port of Caddo Bossier has considered the size and capacity of the capital improvements throughout its history of installing assets over the last three (3) decades. Specifically, the Port and its design engineering teams have provided ample expansion or additional capacity in the size of the water, sewer, electrical, and gas utilities onsite. Lastly, Port administrative teams would likely be able to support local expansion, while expansion in other areas of the Port area may require additional overhead and personnel to manage and operate. Given the proximity to large capital assets with known additional capacities, and the ability to leverage the existing workforce, this criterion was considered in the ranking criteria.

With these criteria decided upon and approved by the Port Board, BKI and the Port Staff team developed a comprehensive GIS dataset which was to be used in the analysis for identification of suitable candidate sites for industrial development. The GIS section of the paper will dive more into the sections of analysis and the limitations and refinement of each criterion shown above.

GIS Driven Data/Refinement

With the given criteria shown in previous section, the Port enabled BKI to conduct the needed analysis by utilizing ESRI's GIS software.

The two (2) models selected within ESRI were the "weighted overlay model" and "fuzzy overlay model". These two models leveraged several tools within GIS, which include but are not limited to, Euclidean distance, reclassify, weighted over, fuzzy membership, and find fuzzy. In simple terms, the weighted overlay model had a hard break point "radii" from the desired criterion as you gained distance away from the desired criterion. Meanwhile, the fuzzy overlay model would slowly diminish the scoring from the highest point potential to the lowest point potential as you gained distance away from the desired location or criterion.

The models were both run with a pixel approach rather than deciphering each parcel. The models merely selected and weighted pixels within the GIS software and ranked each pixel to develop hot spots. These pixel hot spots of the desired outcome criteria of the models can be seen in Figure 3 & Figure 4.

If you would like to read more on the full GIS analysis, please refer to APPENDIX IV - PORT EXPANSION STUDY REPORT where the report dives deep into the specific parameters and how they were analyzed on a systematic and methodical approach using ESRI's GIS. As stated, the GIS was the primary tool in identifying and developing the sites for selection of potential purchase.

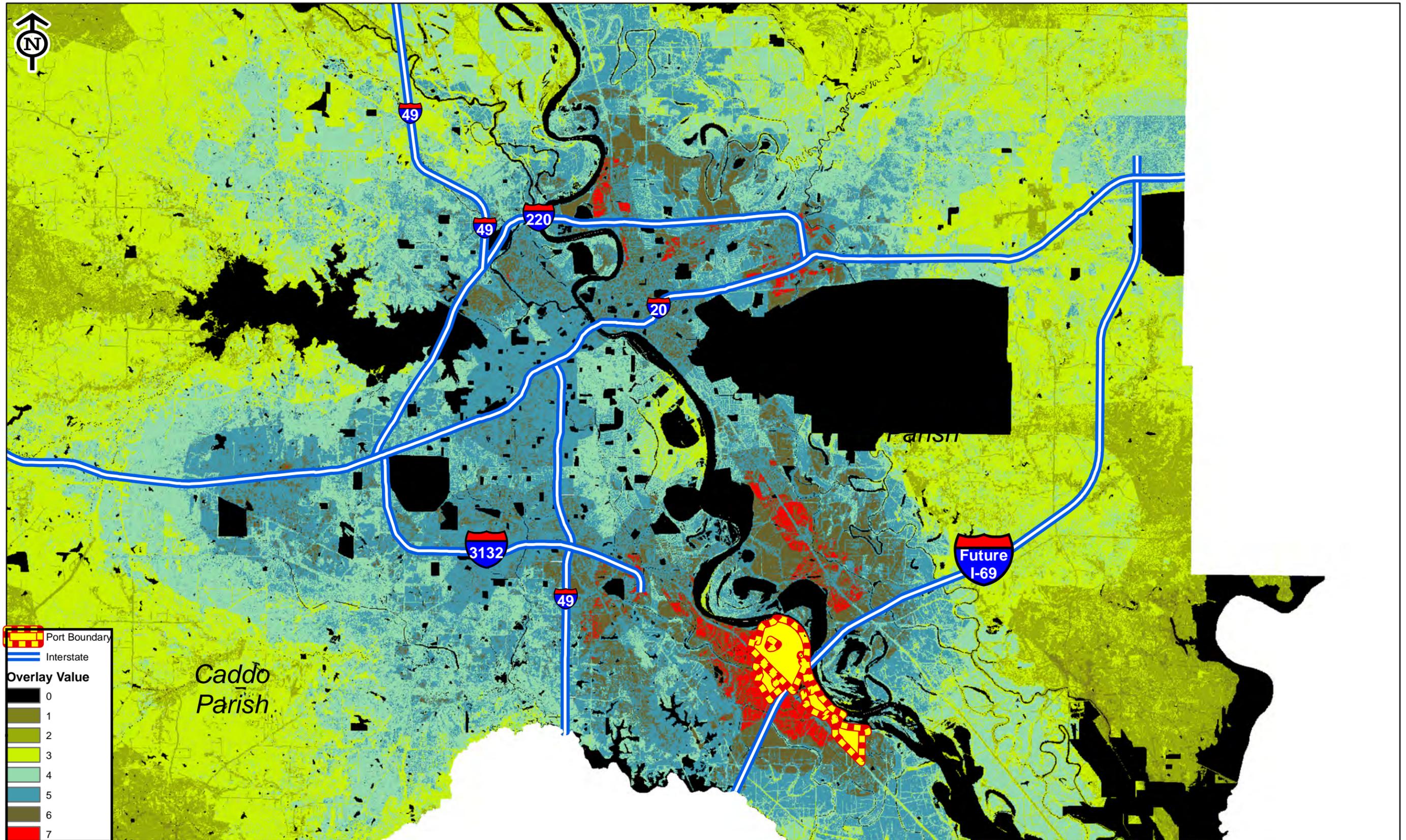


Figure 3 – Weighted Overlay GIS Model Results
 PORT EXPANSION STUDY
 Caddo & Bossier Parishes Louisiana

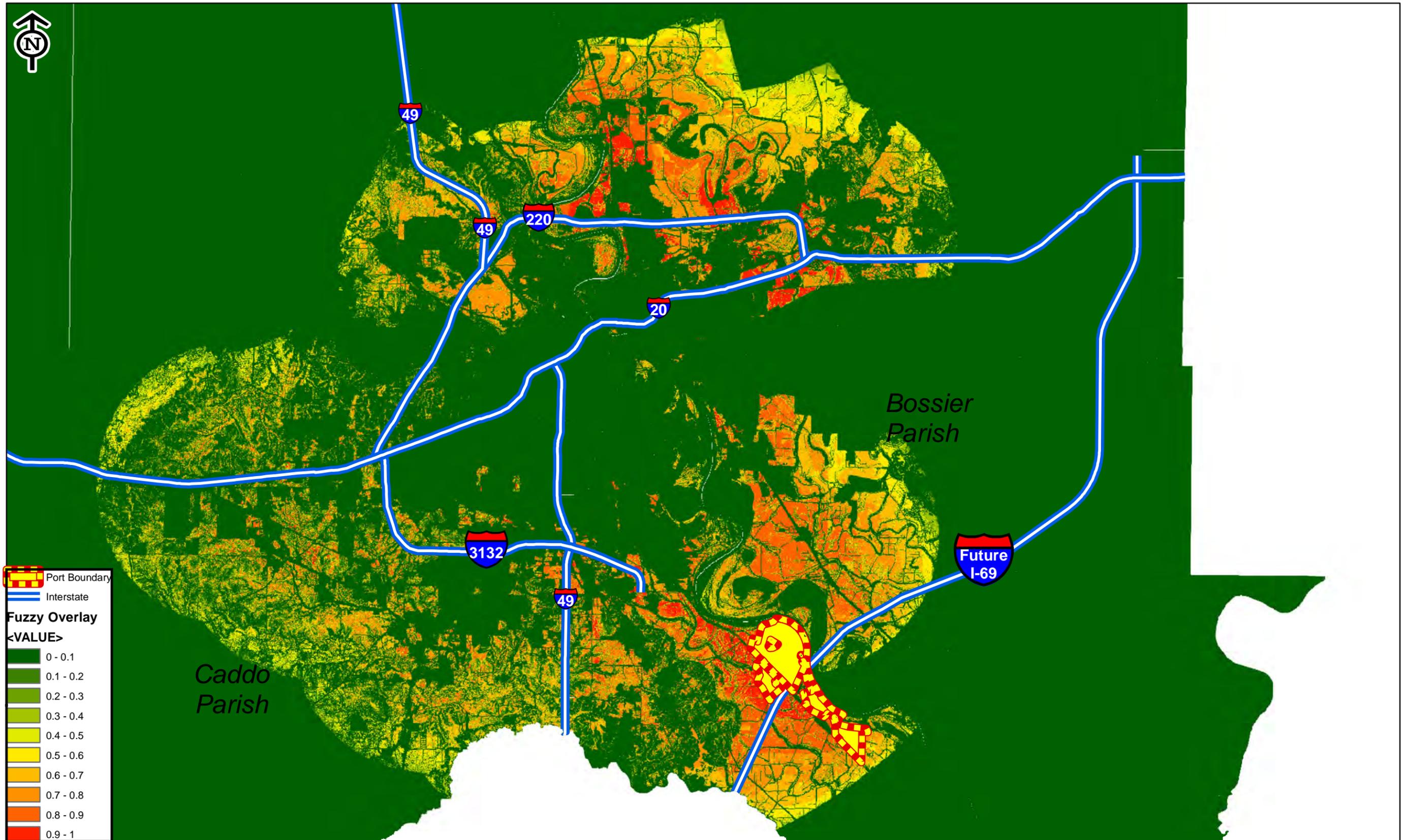


Figure 4 – Fuzzy Overlay GIS Model Results

PORT EXPANSION STUDY
Caddo & Bossier Parishes Louisiana

Selection of Sites on Suitability (Heads Up Digitization)

Following the development of hot spots, the BKI team worked with the Port staff, specifically the Executive Director, Eric England, and Director of Engineering and Planning, Richard Nance, to develop eighteen “areas of interest” or AOI. These eighteen (18) AOIs ranged in size from 617 to 2,078 acres. These were primarily selected by highly valued land shown in the GIS model results. The boundaries for these sites were developed by using “heads up digitizing” where the BKI team along with the Port collaboratively selected parcels while utilizing natural breaks (i.e. – property lines, lakes, streams, ditches, wetlands, etc.) in land development for boundaries.

The map in Figure 5 shows the eighteen (18) AOI sites that are a result of the preliminary screening analysis. Each of these sites were then further evaluated in the title research for potential conflicts (i.e. – historical, cultural, environmental, etc.) prior to final ranking of the candidate sites.

Other Ports Applicability

There are a few things in this section that can be utilized by other Port. First, the open-mindedness of the Port Board to not only look in the area of the Port’s existing campus, but to look throughout the possibilities of the entire Port jurisdiction. The 1800 square miles of potential real estate really helped in the Port’s justification that we were willing to locate and develop land wherever the data and information drove us to fulfill our mission.

Secondly, the use of ESRI’s GIS Software tools allowed the data to drive decisions throughout the process, rather than political pressure or any one person. Our Port board has allowed the data to provide the desired results in the past, and thus far, data has proven to be accurate – over 2,000 high-paying manufacturing jobs and \$1 billion in capital investment throughout our existing Port campus.

NARROWING OF CANDIDATE SITES

The refinement of AOIs took considerable time for the initial title research of the parcels within the boundaries of AOIs. There were 417 parcels which made up the eighteen (18) AOIs and all parcels were investigated for potential conflicts of industrial development. The initial title research identified items such as wetlands, rights of way on property, liens, historical monuments, oil/gas wells, and even a cemetery from a historic homestead. While the BKI team was conducting the title research, the Port and Red River Waterway experienced a historic high-water flood in June 2015. To capture the risk associated with this historic high water, the Port procured a consultant to capture the high-water marks and created inundation mapping to determine if any of the candidate sites were affected by the 2015 floodwaters. All the stated critical developmental constraints, along with the ability of each item’s potential impact on industrial development were then considered and assisted BKI and Port staff in determining the final candidate site ranking.

In doing this preliminary title research, it also provided the Port staff with the current ownership of each parcel and potential contacts of these parcels for potential purchase once the study was concluded.

The final rankings of the AOIs into Candidate Sites and the summary table that provided the Port with the reasoning for the Candidate Site adjustments, albeit minor from AOI rankings, are shown in Table 1.

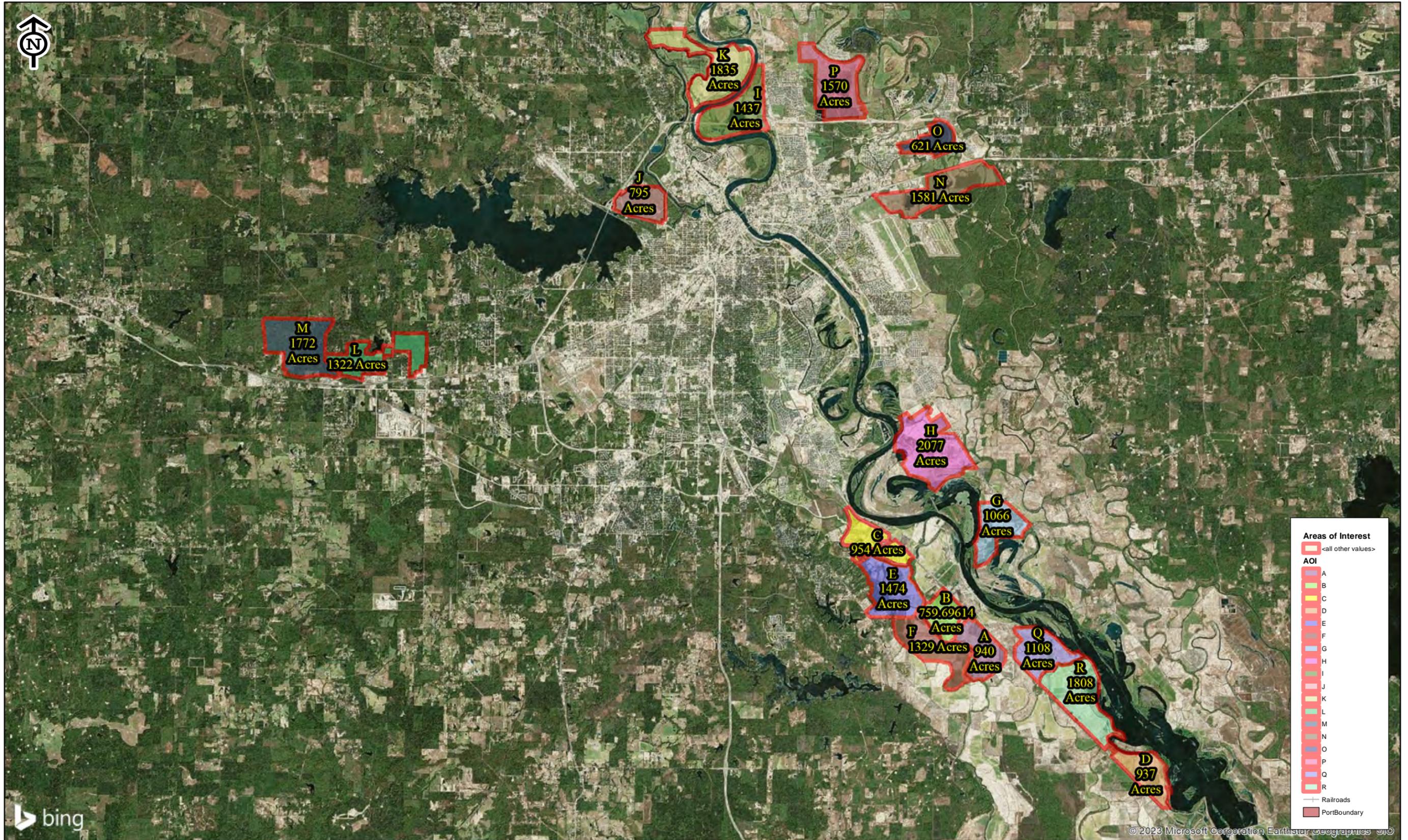


Figure 5 - Areas of Interest for Port Expansion
 PORT EXPANSION STUDY
 Caddo & Bossier Parishes Louisiana

Table 1 - Candidate Property Prioritization

Finalized (Initial) Site Ranking	Candidate Site	Weight Overlay GIS Model Result	Fuzzy Overlay GIS Model Result	Total Cumulative GIS Score	Pros	Cons	Notes
1 (1)	B	6.3602	0.667	7.0272	ready green field site; adjacent to port	possible cemetery, further investigation required; residential homes on site according to satellite imagery	prior to purchasing, it is recommended the Port properly identify the location of the cemetery
2 (2)	C	6.1526	0.6207	6.7733	ready green field site	agriculture lease agreement	prior to purchasing, it is recommended the Port conduct investigation on lease terms
3 (3)	E	5.8882	0.5614	6.4496	ready green field site	residential homes on site according to satellite imagery; agriculture lease agreement	prior to purchasing, it is recommended the Port conduct investigation on lease terms
4 (4)	F	5.6444	0.6495	6.2939	ready green field site	residential homes on site according to satellite imagery	
5 (5)	H*	5.6155	0.6137	6.2292	ready green field site	residential homes on site according to satellite imagery; one small agricultural facility according to satellite imagery; portion of this site is LSU Agricultural Farm in Bossier Parish	part of this site is LSU Agricultural Farm in Bossier Parish, purchase of this land could be affected by state ownership of parcels, it is recommended that the Port conduct investigation for the feasibility of purchase from Ag Center
6 (6)	A	5.6453	0.5597	6.205	ready green field site	possible cemetery, further investigation required	prior to purchasing, it is recommended the Port properly identify the location of the cemetery
7 (7)	P	5.4241	0.7001	6.1242	ready green field site	agricultural lease agreements	prior to purchasing, it is recommended the Port conduct investigation on lease terms
8 (9)	O	5.2377	0.4203	5.658	ready green field site	weight limit of 20-35 tons near site; portions of site are contiguous to Barksdale Air Force Base which could limit tenant building heights; Existing lease with Cellexion	site could be adversely affected by noise ordinances, it is recommended that the Port confirm this property would be compatible for potential tenants; also recommended to investigate Cellexion lease terms agreement
9 (12)	G*	5.0435	0.4435	5.487	ready green field site; potential direct access to Red River channel with room for a harbor	residential homes on site according to satellite imagery; one small business site according to satellite imagery	
10 (11)	N	5.153	0.4349	5.5879	ready green field site	portion of site are contiguous to Barksdale Air Force Base	site could be adversely affected by noise ordinances, it is recommended that the Port confirm this property would be compatible for potential tenants
11 (8)	J*	5.297	0.5855	5.8825	ready green field site	prone to flooding from Twelve Mile Bayou at Red River flood stage	prior to purchasing, it is recommended that the port conduct analysis to determine potential flooding
12 (10)	Q*	5.4241	0.2255	5.6496	ready green field site	weight limit of 25-40 tons just south of site; residential homes on site according to satellite imagery; 50+ oil and gas wells, active and inactive; possible cemetery, further investigation required	Mary Magdelene cemetery exact location should be identified prior to purchasing
13 (14)	L	4.9269	0.2179	5.1448		weight limits of 20-35 tons near the site; majority of site is wooded timber	
14 (16)	R*	3.9802	0	3.9802	ready green field site; *approximately 700ft of Red River riverfront channel*	weight limit of 25-40 tons near site; residential homes on site according to satellite imagery; 50+ oil and gas wells, active and inactive; Partnership with Caspiana Land Co	Partnership with Caspiana Land Co: prior to purchasing, it is recommended the Port conduct investigation on Partnership terms
15 (13)	I*	4.8939	0.4034	5.2973	ready green field site	residential homes on site according to satellite imagery; Bossier Reservoir is part of this site	
16 (18)	D*	3.6254	0	3.6254	ready green field site; potential direct access to Red River channel with room for a harbor	weight limit of 25-40 tons near site; residential homes on site according to satellite imagery; Partnership with Caspiana Land Co	prior to purchasing, it is recommended the Port conduct investigation on Partnership terms
17 (15)	K*	4.2353	0.4191	4.6544	ready green field site	10+ residential lots and homes according to satellite imagery; weight limit of 5 tons near the site	
18 (17)	M	3.8037	0.1591	3.9628		50+ oil and gas wells, active and inactive; wooded timber; weight limit of 20-35 tons near the site	

* - Candidate Site at least partially inundated/affected by 2015 Red River Flood.



Board Selection of Path Forward

Following the refinement of the Candidate Property and Sites by BKI and Port Staff, the Board of Commissioners received a presentation during the Port Board meeting on August 20, 2015 (Port Board Meeting Minutes August 2015). During this meeting, the Board provided the staff and BKI with positive feedback on the ranking criteria, specifically, the addition of data refinement with respect to the future alignment of I-69 and details collected during the historic high water for future reference.

The last major item discussed during the August 2015 board meeting was the Board's decision on how many acres of land to pursue. The BKI team laid out data which showed the initiation of the project, which was Bentler Steel/Tube occupying the last mega-site. In addition, the Port expansion study identified that roughly one-third (1/3) of the land to be acquired would likely be for Port operations (i.e. – roads, rail, water, sewer, electric, gas, docks, etc.). The Port Board decided it would be best to pursue roughly 2,000 acres of new land to ensure the Port would have two (2) mega-sites for future industrial tenants (Port Board Meeting Minutes, August 2015).

The Board voted unanimously to approve and move forward with the finalization of the study on the prioritization of the candidate sites. The plan of action and direction to Port staff was to pursue the purchase land within the top five (5) candidate sites as shown in Table 1.

At this point, BKI and Port Staff finalized the Port Expansion Study with the given direction and submitted it for final approval at the Port Special Board Meeting on October 15, 2015 (Port Special Board Meeting Minutes, October 2015).

Other Ports Applicability

This section is a great reminder of how the day-to-day work can have you thinking about all the immediate problem solving that must be completed this week, month, or year. The Port Board had the foresight to think about what the Port will need for the next 20 or 30 years. Thus the lofty goal of acquiring at least 2,000 acres was set. The discussion within the Board Meeting Minutes in August 2015 show how our Board was clearly aligned in the need for 2,000 acres and setting forth the Port on solid ground for decades to come.

PURSUIT OF CANDIDATE SITE PURCHASES

The Port Expansion Study has now been completed and the Port's Board of Commissioners has officially given Port staff the "go-ahead" to pursue purchase of several of the top candidate sites identified. As stated in previous sections, one of the advantages of the Port expansion title research was the names and owners of parcels within the sites. Luckily, the Port had working relationships with some of the neighboring landowners from prior deals on oil and gas well exploration in the area. Prior to negotiations, the Port staff had to analyze and consider any limitations they may have prior to approaching landowners.

Limitation of Purchasing Power for Port (Neighbors)

Ports and other governing bodies throughout Louisiana have limitations set forth in Louisiana law which provides that governing body its requisite powers. In this case, the Port had to abide by rules set forth as a result of a few key expropriation cases.

In 2005, the US Supreme court opined on a case in Connecticut that dealt with expropriation of a residential property to a municipality/government body. In the *Kelo vs. New London, Connecticut* 545 U.S. 469 (2005) case the City of New London expropriated land owned by Suzette Kelo for what they referred to as a “public purpose”. According to case documents Suzette Kelo claimed unjust expropriation of her home because the expropriation was not for a public purpose. The *Kelo* attorneys argued that the US Constitution Fifth Amendment which states, “private property [shall not] be taken for public use, without just compensation” preserves their right for a private citizen to own their land, unless it is for a public purpose. Public purpose was broadly defined and thus left the argument for both sides to infer what it meant. Kelo argued that a public purpose was not met because the City of New London was not the intended user, rather the City was turning over the land to a private developer which merely raised additional tax revenue for the City. The City of New London claimed that the expropriation was a justified act for a “public purpose” which would redevelop a residential area in partnership with a private developer. Ultimately, the US Supreme Court decision in *Kelo* allowed the Connecticut municipality to expropriate the land because the court found the City of New London provided just compensation for a public purpose which was economic development.

In response to the *Kelo* decision, the Louisiana Legislature, chose to amend its Constitution to narrow the scope of eminent domain authority in the state by providing more rigorous regulations on takings, as well as providing a clear definition for the term “public purpose.” The governing law and amended constitution Article I §4(B)(2) state a “public purpose” to be as follows:

- (a) A general public right to a definite use of the property.
- (b) Continuous public ownership of property dedicated to one or more of the following objectives and uses:
 - (i) Public buildings in which publicly funded services are administered, rendered, or provided.
 - (ii) Roads, bridges, waterways, access to public waters and lands, and other public transportation, access, and navigational systems available to the general public.
 - (iii) Drainage, flood control, levees, coastal and navigational protection, and reclamation for the benefit of the public generally.
 - (iv) Parks, convention centers, museums, historical buildings, and recreational facilities generally open to the public.
 - (v) Public utilities for the benefit of the public generally.
 - (vi) Public ports and public airports to facilitate the transport of goods or persons in domestic or international commerce.
- (c) The removal of a threat to public health or safety caused by the existing use or disuse of the property.

Given this new definition, the term “public purpose” was now clearly and explicitly defined for the State of Louisiana. Governing authorities and local municipalities within Louisiana, which included the Caddo-Bossier Port, were now limited in their power for additional land purchases. To expropriate land, any port within Louisiana must fit within the public purpose definition in Article I §4(B)(2)(a)(vi). The Port and its legal team analyzed the potential for this provision to enable the Port the ability to purchase the highly suitable site, but ultimately decided against it due to the public perception and lack of fulfilling the intended purpose.

While the Port fully intends to lease and utilize all the targeted property for international and domestic commerce, unfortunately, the Port legal team and staff recognized the lack of a direct backstop of an industry tied to the potential land purchase(s). Therefore, it was the Port’s decision not to pursue this route. Rather, the Port staff chose to approach the highly suitable site landowners to discuss potential purchase and gauge interest on if any would be willing sellers.

Oil/Gas Exploration Royalties in Shreveport Bossier Area

The Shreveport-Bossier region received a major economic boom in the middle of the 2008 housing crisis. The discovery of the Haynesville Gas Field was found by Chesapeake Energy in 2008. The Haynesville Shale has been a major source of revenue for both landowners and oil/gas exploration companies from 2008 until the present day. In Louisiana, the mineral code allows a landowner to lease minerals to an oil/gas exploration company and collect a portion of the revenue or royalty interest in the oil/gas that is extracted. The existing Port campus and a large majority of the highly suitable sites from the Port’s Expansion study lie directly in the middle of this hotbed of oil/gas exploration. Thus, the landowners within the region and within the candidate sites are not very enthusiastic about the idea of selling land which they are continuously collecting monthly or quarterly checks on. These checks are a result of the landowners merely leasing the mineral interest and allowing a drilling company to explore and extract natural gas from underneath their land surface. For reference, the estimated direct economic household income for the Haynesville shale lease payments in 2009 were over \$2.9B (Loren C. Scott, 2008), which is a direct payment to the neighboring landowners, prior to receiving any royalty interest in the extraction of the natural gas under their land. The lease payments referenced merely allowed the oil/gas companies to explore for natural gas – the extraction of natural gas would then pay a percentage of the revenue to the landowner following the successful drilling and completion of a well. The figures referenced along with the total economic annual impact that the Haynesville shale contributes to the Shreveport-Bossier economy can be seen in Appendix II. So, in essence, the adjacent landowners next to the Port were happily resting on their laurels with the incoming cash from their land.

The Haynesville Shale exploration activity put limitations on what the Port would be able to pursue within these potential land purchases. In Louisiana, property owners are allowed the right to “reserve” the minerals beneath the intended land rather than convey them during a surface ownership transaction of land. Thus, in the case of all the properties the Port was looking to acquire, the reservation of minerals for each existing landowner was assumed to be reserved and therefore never brought up in discussions or negotiations with potential willing sellers. With the reservation of minerals (i.e. – the Port assuring the existing landowners the royalty check would still be forthcoming to them) it provided the existing landowners some comfort that the Port was only looking to purchase

surface right to the land and therefore they could still benefit from the royalties that are a very lucrative source of revenue.

Negotiations with Adjacent Landowners

The Board of Commissioners approved the Port Expansion Study which had a clearly defined scope – purchase an additional 2,000 acres of land to develop two additional mega-sites. With that in mind, the Port’s Executive Director, Eric England, got to work on the acquisition phase.

Appraisals of Assets to be Acquired by Port (Public Entity)

The Caddo-Bossier Port Commission has to abide by Louisiana law, specifically, Article VII, § 14(A) of the 1974 Constitution, which requires the Port only pays up to the appraised value of assets it purchases, outside of a bidding environment. Given that this law had to be followed, the Port had to negotiate with willing sellers knowing that the agreed upon purchase price would have to ultimately be matched or surpassed by an appraisal of the intended property. Therefore, the Port discussed the types of appraisals allowed by the Louisiana laws. Two primary types of appraisals are allowed for use by a public entity to purchase property: sales comparison and use/income approach methodology.

- Sales Comparison: Sales comparison approach appraisals are the typical appraisals used for residential properties and in this case, could have been used for similar purchases of farmland properties. This approach uses the recent transactions and sales of similar land or houses to develop a cost per acre or cost per square-foot on a property.
- Use/Income approach: Use approach appraisals look at both the sales comparison of a piece of similar land along with the potential revenue or income that the interested piece of real estate can produce. In the case of the Port expansion acquisitions, this typically yielded a higher value for a piece of property. The total appraisal price would develop the liquid asset value, plus an estimated revenue amount minus the cost of development for such revenue.

Purchase of Parcels for Expansion

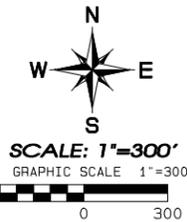
The landowners of the parcels within the candidate sites were identified through the title research and provided Mr. England with baseline information on the owners. The first contact of a potential purchase was made in early 2016 with a 290-acre parcel of land with the ownership of Robson Farms, LLC. This parcel fell within the highest ranked candidate site, Candidate Site B. Robson Farms, LLC. was a company that was created by several investors who were in the oil/gas business. Fortunately, they had a single point of contact with the ability to make management decisions on behalf of the investors. The investors and the manager were keenly aware of the Port Expansion Study results and due to that, had lofty expectations when contacted about the potential of the Port purchasing their land. Mr. England and the landowner met on several occasions to discuss the potential purchasing of the land and ultimately the purchase price. Of course, as it is with most all negotiations, the landowner had a figure much higher than the Port was initially offering. Thus, initial discussion and excitement about the opportunity of the land purchase subsided. In 2017, those discussions again ramped up between Robson Farms LLC and the Port. This time, the Port and Robson

Farms began negotiations in closer proximity to each other. Ultimately, the Port and Robson Farms negotiated a deal that both parties thought could be beneficial and agreeable, assuming the Port's purchasing limitation and requirement could be met (England Interview, September 2023).

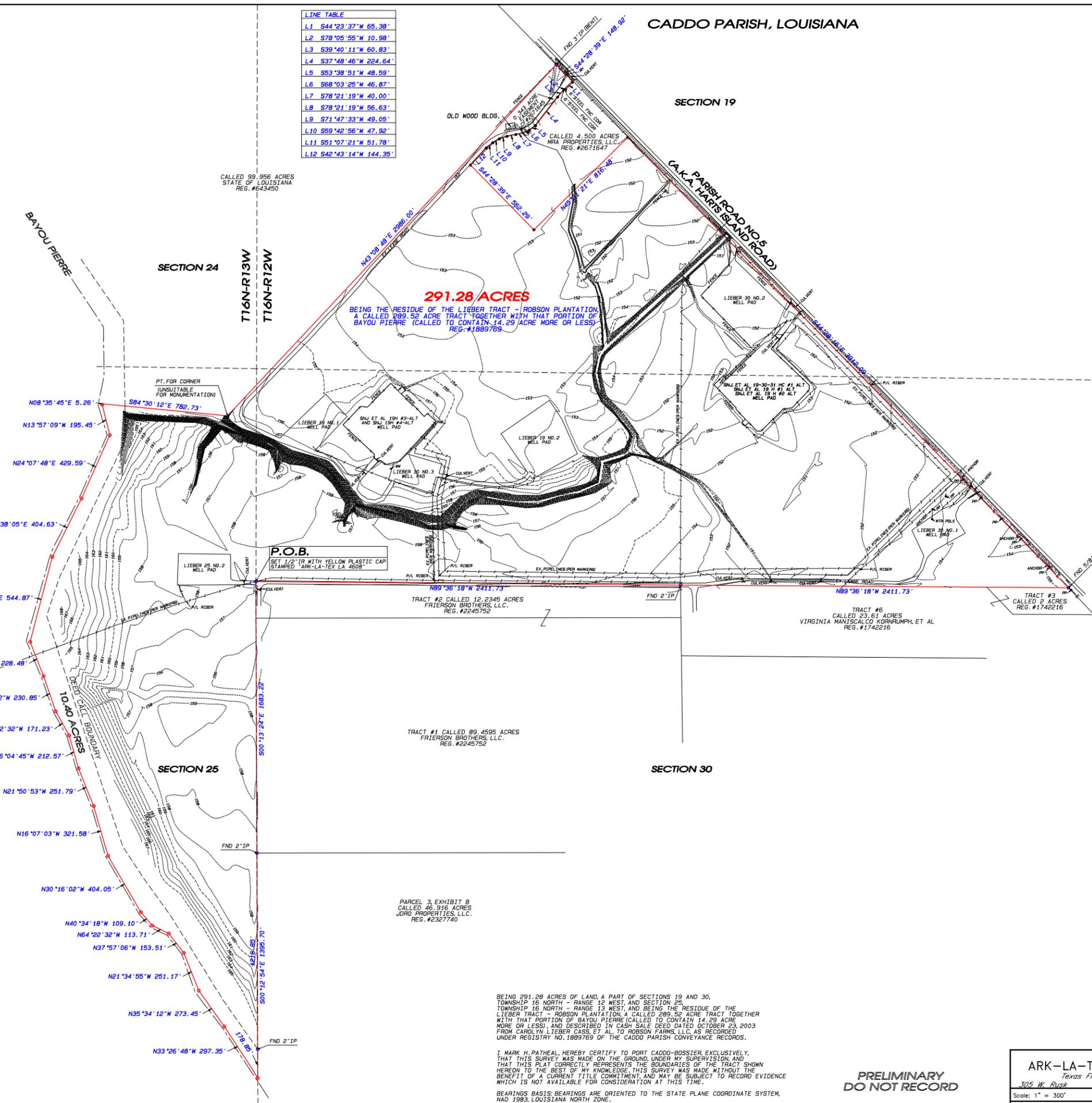
Following the agreement on a potential purchase price, the Port and Robson Farms drafted a buy sell agreement which had several clauses in relation to the Port's ability to only purchase up to the agreed price or appraised price, whichever is least. The Port staff had several due diligence items, including an Appraisal, Phase 1 Environmental Site Assessment, Survey, and visual site inspection/reconnaissance to complete prior to the purchase of the property.

- Commercial Approved Appraisal: As discussed in previous sections, the Port was required to justify the purchase of an asset by an accompanying appraisal. To do so, the Port hired a well-known industrial appraiser throughout the State of Louisiana, David Lakvold, to complete the Robson Farms tract appraisal. Mr. Lakvold chose to appraise the site by utilizing the "use or income approach" methodology because he had recent and up to date revenue estimates from the neighboring land which was owned and operated by the Port. Mr. Lakvold's appraisal returned an estimated appraised value of the property at \$3,975,000.00. The appraisal price slightly outpaced the agreed purchase price, thus affirming the Port's ability to purchase the desired tract.
- Survey: The Port initially began property purchases within the Port expansion by utilizing boundary and topographic surveys for its definition of the property. This survey entails a licensed professional surveyor to stake out the entire boundary of the property while also capturing topographic points at an agreed upon interval for the Port to utilize at a future date. While the topographic points of the survey are straight forward, the boundary points within this survey are significantly harder to complete, especially for boundary point along a drainage ditch. Typically, a boundary point can be identified by a bearing and a distance from a beginning point, but in the case of a boundary boarding a drainage ditch, the mean low water mark of the specific drainage ditch must be identified. After determining the mean low water mark of the specific channel, the surveyor then must delineate where that elevation of a mean low water mark falls within the degrading elevation of the drainage ditch, thus determining the property boundary in that location. The western edges of Robson Farms were along Bayou Pierre drainage ditch and this process had to be completed for the western boundary of Robson Farms tract to be identified. The Robson Farms Tract survey map can be seen in Figure 6.
- Phase 1 Environmental Site Assessment (ESA): It has been customary for the Port to perform Phase 1 ESAs on properties throughout its existence. As such, prior to the acquisition of any property, the Port conducts a Phase 1 ESA to ensure there are no environmental concerns within a potential property it is looking to purchase. In the case of Robson Farms acquisition, the 290-acre parcel returned no significant findings and thus provided the Port with the required report to move forward with the acquisition.

CADDO PARISH, LOUISIANA



LINE TABLE	
L1	S44°23'37"W 65.38'
L2	S78°05'55"W 10.98'
L3	S39°40'11"W 60.83'
L4	S37°48'46"W 224.64'
L5	S53°38'51"W 48.59'
L6	S68°03'25"W 46.87'
L7	S78°21'19"W 40.00'
L8	S78°21'19"W 56.63'
L9	S71°47'33"W 49.05'
L10	S59°42'56"W 47.92'
L11	S51°07'21"W 51.78'
L12	S42°43'14"W 144.35'



291.28 ACRES
 BEING THE RESIDUE OF THE LIEBER TRACT - ROBSON PLANTATION
 A CALLED 289.52 ACRE TRACT TOGETHER WITH THAT PORTION OF
 BAYOU PIERRE (CALLED TO CONTAIN 14.29 ACRE MORE OR LESS)
 REG. #1889769

SECTION 24
 T16N-R13W
 T16N-R12W

SECTION 20

SECTION 25

SECTION 30

SECTION 29

- LEGEND**
- FOUND 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "ARK-LA-TEX LA 460B"
 - MEAN LOW WATER LINE
 - MONUMENT AS NOTED
 - EXISTING PIPELINE LOCATED BY MARKERS/PIN FLAGS
 - EXISTING FENCE (BARBED WIRE, METAL, PIPE, WOOD)

NOTE:
 1: THE EXISTING PIPELINES/UTILITIES SHOWN WERE IDENTIFIABLE ON THE GROUND, THERE MAY BE OTHERS THAT WERE NOT VISIBLE/LOCATABLE.

P.O.B.
 SET 1/2" IR WITH YELLOW PLASTIC CAP
 STAMPED "ARK-LA-TEX LA 460B"

BEING 291.28 ACRES OF LAND, A PART OF SECTIONS 19 AND 30, TOWNSHIP 16 NORTH - RANGE 12 WEST, AND SECTION 25, TOWNSHIP 16 NORTH - RANGE 13 WEST, AND BEING THE RESIDUE OF THE LIEBER TRACT - ROBSON PLANTATION, A CALLED 289.52 ACRE TRACT TOGETHER WITH THAT PORTION OF BAYOU PIERRE (CALLED TO CONTAIN 14.29 ACRE MORE OR LESS) AND DESCRIBED IN CASH SALE DEED DATED OCTOBER 23, 2003 FROM CAROLYN LIEBER CASS, ET AL, TO ROBSON FARMS, LLC, AS RECORDED UNDER REGISTRY NO. 1889769 OF THE CADDO PARISH CONVEYANCE RECORDS.

I MARK H. PATHEAL, HEREBY CERTIFY TO PORT CADDO-BOSSIER EXCLUSIVELY, THAT THIS SURVEY WAS MADE ON THE GROUND, UNDER MY SUPERVISION, AND THAT THIS PLAT CORRECTLY REPRESENTS THE BOUNDARIES OF THE TRACT SHOWN HEREON TO THE BEST OF MY KNOWLEDGE. THIS SURVEY WAS MADE WITHOUT THE BENEFIT OF A CURRENT TITLE COMMITMENT, AND MAY BE SUBJECT TO RECORD EVIDENCE WHICH IS NOT AVAILABLE FOR CONSIDERATION AT THIS TIME.

BEARINGS BASIS: BEARINGS ARE ORIENTED TO THE STATE PLANE COORDINATE SYSTEM, NAD 1983, LOUISIANA NORTH ZONE.
 ELEVATIONS ARE REFERENCED TO NAVD 88.

**PRELIMINARY
 DO NOT RECORD**

MARK H. PATHEAL, R.P.L.S. #460B

PLAT SHOWING:
 TOPOGRAPHIC SURVEY OF
 291.28 ACRES OF LAND, LOCATED IN SECTIONS 19 AND 30,
 TOWNSHIP 16 NORTH - RANGE 12 WEST, AND SECTION 25,
 TOWNSHIP 16 NORTH - RANGE 13 WEST, AND BEING THE RESIDUE OF THE
 LIEBER TRACT - ROBSON PLANTATION, A CALLED 289.52 ACRE TRACT TOGETHER
 WITH THAT PORTION OF BAYOU PIERRE (CALLED TO CONTAIN 14.29 ACRE MORE OR LESS)

Surveying & Mapping By ARK-LA-TEX SURVEYING CO., INC. Texas Firm Registration No. 10093700 305 W. Rusk, Marshall, Texas (903) 938-9939		PREPARED FOR: PORT CADDO-BOSSIER
Scale: 1" = 300'	Drawn By: JLS	Job No.: 34028
Date: 7/20/2018	Surveyed By: BCC	File No.: 16NE-25D

The appraisal, survey, and Phase 1 ESA all came back satisfactory to proceed with the purchase of Robson Farms LLC. 290-acre parcel for a total price of \$3,932,280.00. This transaction was completed and the Port officially started expanding on July 31, 2018.

Following the success of the initial property acquisition, the Port purchased several additional pieces of property. To summarize these purchases, the following four sections are labeled for each respective property name along with a summary of the purchase and the challenges presented within each acquisition.

Four Homestead Owners Adjacent to the Port

Throughout the Port Expansion Study development, the Port had several adjacent property owners that attended most of all Port Expansion meetings and provided feedback during such meetings. Many of the comments from the four (4) neighboring “homestead” property owners were positive and commended the Port on its thoroughness. Following the completion of the Port expansion study, one (1) of the four (4) property owners approached Mr. England to discuss the potential to sell their entire four (4) homes as a package deal to the Port. With this information, Mr. England explored and negotiated with the single point of contact for the four (4) properties (which was ultimately turned over to legal representation) to discuss a purchase price. After several months of negotiations on the commercial terms of the acquisition, the homeowners agreed to a purchase price, which was again contingent upon the necessary reports, including appraisals, for acquisition. These four (4) homesteads, which total approximately 23 acres, had residential structures along with various other metal buildings and barnlike structures which had to be appraised for compensation. The Port again hired David Lakvold to conduct the appraisals of all properties. A unique scenario concerning these properties was the Port had to ensure all properties would transfer ownership and none of the property owners would back out of the deal. The reason for this “all-or-nothing” approach was due to the four (4) properties being adjacent to one another. The Port did not want to own pieces of land next to a residence. The Port wanted to ensure that it could fully develop the land for Industrial purposes without interruption or to the potential detriment to a neighboring landowner. To ensure this was accomplished, the Port awaited the closing documents to be signed by all landowners the day before the Port and its executives went to close on the property. After the appraisal, survey, and clean Phase 1 ESA, and paperwork was completely signed by all four (4) landowners, the Port purchased the desired four (4) homestead properties on January 10, 2020, for a total price of \$2,835,000.00.

Leonard Road Farms Tract

As mentioned in the Robson Farms Tract purchase section, the property had a group of oil/gas investors with a partial stake in the property. As luck would have it, the Leonard Road Farms Tract was owned by two (2) of the investors in Robson Farms and thus, provided a mechanism for Mr. England and myself (I had moved to the Port from BKI at this time) to discuss a potential acquisition with the existing owners of Leonard Road Farms. The owners and Mr. England already had a baseline for raw land purchase price and mechanisms in place to expedite the acquisition. The unique item on this property was Leonard Road Farms owners had a desire to keep the portion of the tract on the East side of Robson Road for their future development. Meanwhile, the Port and its engineers desired to have at least a portion of that particular tract in order to ensure access for rail and intra-port

roadways to the Leonard Road Farms site. As you will see in Figure 7, the far southeastern part of the Leonard Road Farms tract was uniquely defined with the engineers' assistance to accommodate future rail and roadway access to and from the Robson Farms tract. Following the required documentation of appraisal, clean Phase 1 ESA, and survey of the property, the Port and the Leonard Road Farms owners were able to come to an agreement relatively quickly for the acquisition of the land for a total purchase price of \$5,100,195.00 for the 340-acre tract on January 31, 2020.

Sorensen Tract

Almost immediately following the Leonard Road Farms Tract purchase and the ease at which it was conducted, one of the two landowners provided a contact to Mr. England for the adjacent landowner which had approximately 578 acres. As stated, the Leonard Road Farms owners were in the oil and gas business and had relationships with the neighboring landowners from previous deals with them on oil/gas transactions. Mr. England and I swiftly contacted the landowner of the Sorensen tract and discussed the potential to purchase his property for the Port expansion. The owner of Sorensen was more than willing to talk and ultimately agreed to commercial terms with the Port for the due diligence phase to begin. In the due diligence phase of the property, the Port and its environmental firm found that a portion of the property had been an operating agricultural spraying airport since approximately 1950. Given this, the Port instructed its environmental consultant to conduct a Phase II report and perform testing on the suspected areas affected by herbicide and pesticides produced by the airport. The Port's environmental consultant found higher than normal levels of constituents associated with herbicide and pesticides in the soil and thus caused an issue for any potential land purchase. To resolve the issue at hand, the Sorensen landowner decided he would donate the roughly 16-acre airstrip site (that was only partially contaminated) to the Port if the Port would purchase the remaining land at the agreed to per acre price. Following this agreement and successful appraisal and survey of the site, the Port purchased 578 acres from Sorensen-Naylor LTD for \$6,838,300.00 on December 24, 2020.

MFE Properties Tract

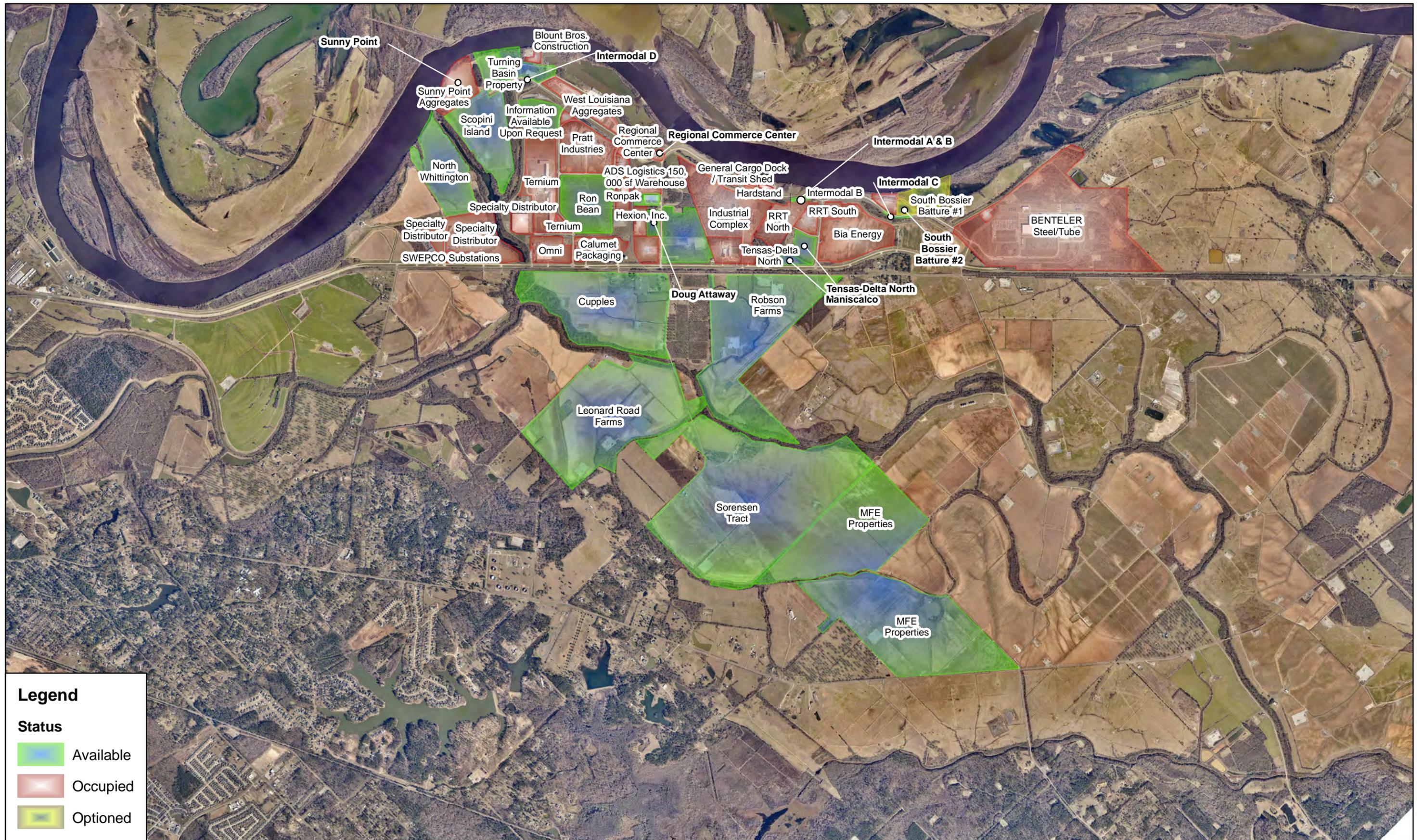
The last and final tract of land was referred to the Port by an oil/gas auditor that had been tracking the Port's expansion. This person had known of the Port expansion and knew that one of his clients was near the Port expansion efforts. Following the acquisition of the Sorensen Tract, the point of contact to MFE Properties, who eventually acted as the owner's agent, talked with Mr. England about the potential for the Port to purchase his clients' land. Commercial terms were discussed for the potential acquisition. The terms for purchase price took slightly longer than previous negotiations but were ultimately agreed to approximately four (4) months after the initial discussions. During the development of the survey on this property, it was brought to the Port's attention that the property had a 22" oil pipeline dissecting a substantial portion of the southern half of the property. This was not disclosed at the initial negotiations and thus required the Port and its staff to bring the obstacle and its significant developmental constraint to the owner's attention. Port staff had to renegotiate the terms and compensation of the property because of these constraints which ultimately discounted the purchase price of the property by approximately 11%. Following the successful renegotiation, clean Phase 1 ESA, and survey documentation, the Port acquired the 589-acre tract for \$6,873,312.58.00 July 1, 2021.

Other Ports Applicability

It is imperative to consider the number of steps and persistence this section encompasses. The first thing to cover is how to develop a plan of action to tackle a goal. In this case, the Port staff had to develop a plan of action, in case we were able to purchase property. Prior to any expansion acquisitions, the Port had to know what course of action it would take if it were to successfully negotiate with a landowner. In our case, we had a plan and discussions with appraisers to gauge and amount of what the Port may be willing to pay within the confines of the law. Having this knowledge going into discussions or negotiations always helps further the dialogue. Secondly, it is imperative to have a problem-solving mindset and resolve when going into uncharted territories. Time and time again in the acquisition phase, the Port staff and board encountered obstacles that could've halted any or all purchases. Rather than giving up in any one obstacle, the Port staff and board found ways to endure and succeed with the landowners and negotiated very favorable conditions for the Port to continue its expansion efforts.

EXPANDED PORT CAMPUS

As you can see in the section above, the Port Board and Staff went through a rapid acquisition phase of property purchases to satisfy the Port Expansion Study's conclusion. After taking almost 3 years to acquire the initial expansion tract, the Port Board and Staff worked extremely hard to continue the momentum of expansion and ultimately expand to the desired footprint within 2 years. The expansion of the Port area along with the available and leased property can be seen in Figure 7.



Legend

Status

- Available
- Occupied
- Optioned

Map Showing
Figure 6 Caddo-Bossier Parishes Port Commission with Expansion Properties
 Caddo and Bossier Parishes

ACQUISITION SUCCESS! – WHAT’S NEXT?

The Port Board and Staff have been extremely successful with the purchasing of nearly 2,000 acres of additional land in just over 2 years. Even though the stated mission following the Port Expansion Study had been completed, there was still plenty of work to be done prior to these sites being ready for industrial tenants. First, the Port began a Master Planning Process to evaluate the land and set forth the most ideal development strategy given the layout of the recently acquired land.

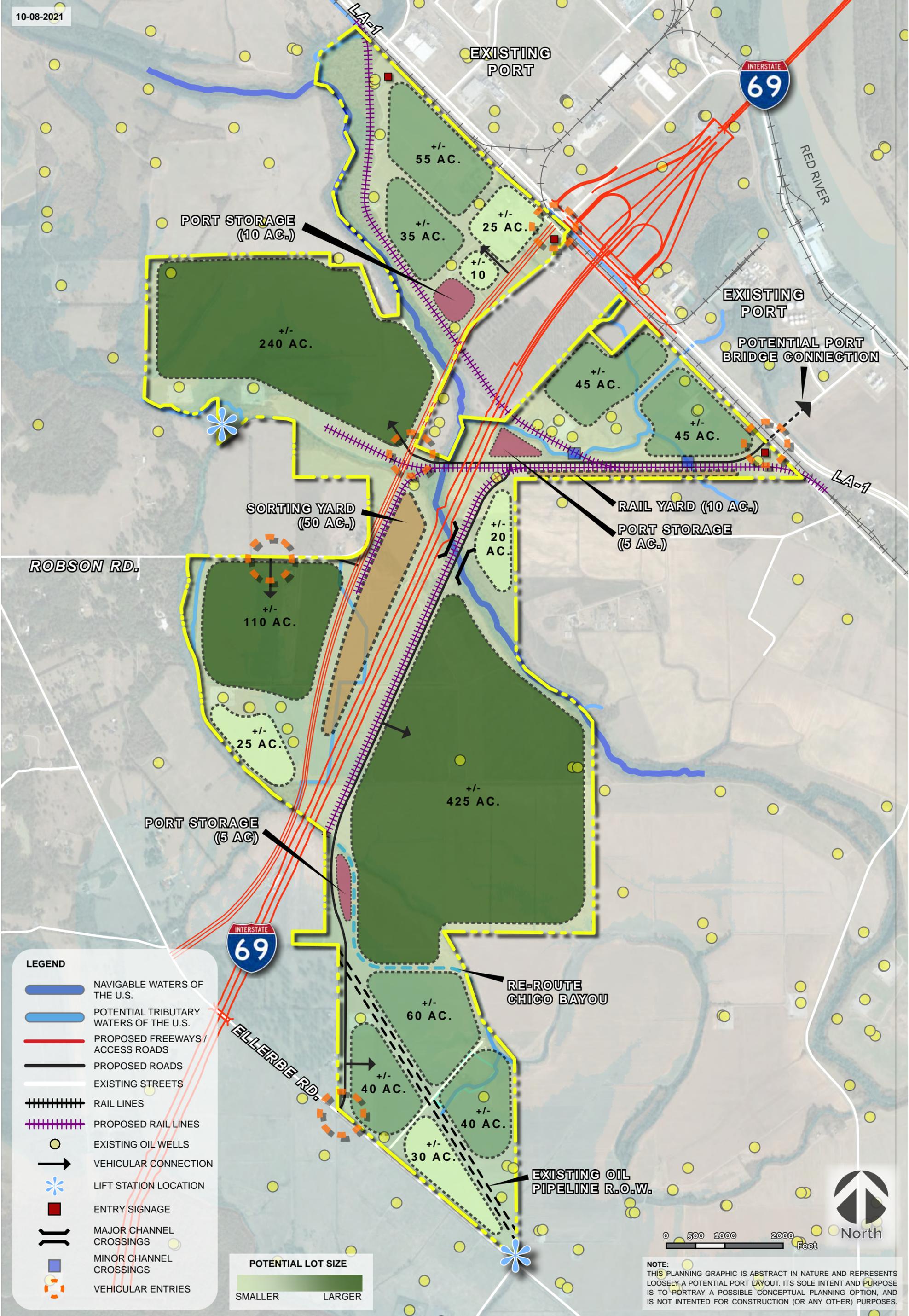
MASTERPLAN OF ACQUIRED PROPERTY

In order to master plan the recently acquired land, the Port advertised a Request for Qualifications (RFQ) to select a consulting firm for assistance in master planning the westernmost properties. In the past, the Port has had remarkable success in master planning for future industrial tenants. The Port staff began the advertisement of the RFQ in April of 2020. Following a brief delay of advertisement and selection of a consultant due to the COVID-19 pandemic in Spring of 2020, the Port selected Burk Kleinpeter’s (BKI) team to conduct the master planning of western properties.

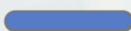
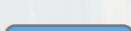
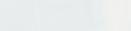
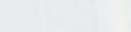
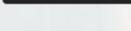
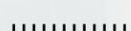
It should be noted, at the time of selecting BKI, the Port was still in serious negotiations with the owners of Sorensen tract. Additionally, the Port staff would further negotiate and succeed with the purchase of MFE Properties tract after contracting with BKI. These two (2) tracts caused a slight bit of delay in the process of master planning because it expanded the effort of layout of potential property. The Port and BKI did not want to proceed with only the existing property, which included Robson Farms, Leonard Road Farms, Cupples West, and Sorensen at the time of contracting. This would have inhibited the layout of potential mega-sites knowing that the MFE site would potentially change the outcome of the layout. Therefore, the decision was made to slightly delay the start of master planning to accommodate the potential purchase of MFE Properties.

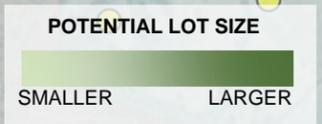
Ultimately, BKI received the “go-ahead” from the Port via contract Supplement No. 1 on June 1, 2020. This supplement officially gave BKI the path to proceed forward with the layout and geometry for master planning for future Port roads, rail, water, sewer, electric, gas, and other miscellaneous infrastructure. To conduct an adequate master planning development, the Port provided BKI with all the information acquired during the purchasing process. Specifically, the survey and environmental documents collected during the purchasing of each tract were given to BKI in digital form for incorporation into the GIS and AutoCAD modeling. The limitations of existing pipeline ROWs, namely the 22” oil pipeline ROW on the MFE Property, were also considered in the master planning process.

After several iterations of refining potential layouts, the Port and BKI finalized a conceptual layout which incorporated two mega-sites into the Port’s available lands along with several ancillary support or smaller development sites. The final conceptual layout incorporated the future I-69 Corridor, along with most all sites having access to existing rail infrastructure. Additionally, the BKI team provided a phasing plan for the Port to consider in the development of industrial sites. This phasing plan is a roadmap for the Port to consider in its capital funding plans for future years. As the Port continues to expand west, the phasing plan will provide our Board with a mechanism to allocate funding for capital projects in future years. The final conceptual master plan layout along with the BKI proposed phasing plan can be seen in Figure 8 and Figure 9, respectively.



LEGEND

-  NAVIGABLE WATERS OF THE U.S.
-  POTENTIAL TRIBUTARY WATERS OF THE U.S.
-  PROPOSED FREEWAYS / ACCESS ROADS
-  PROPOSED ROADS
-  EXISTING STREETS
-  RAIL LINES
-  PROPOSED RAIL LINES
-  EXISTING OIL WELLS
-  VEHICULAR CONNECTION
-  LIFT STATION LOCATION
-  ENTRY SIGNAGE
-  MAJOR CHANNEL CROSSINGS
-  MINOR CHANNEL CROSSINGS
-  VEHICULAR ENTRIES

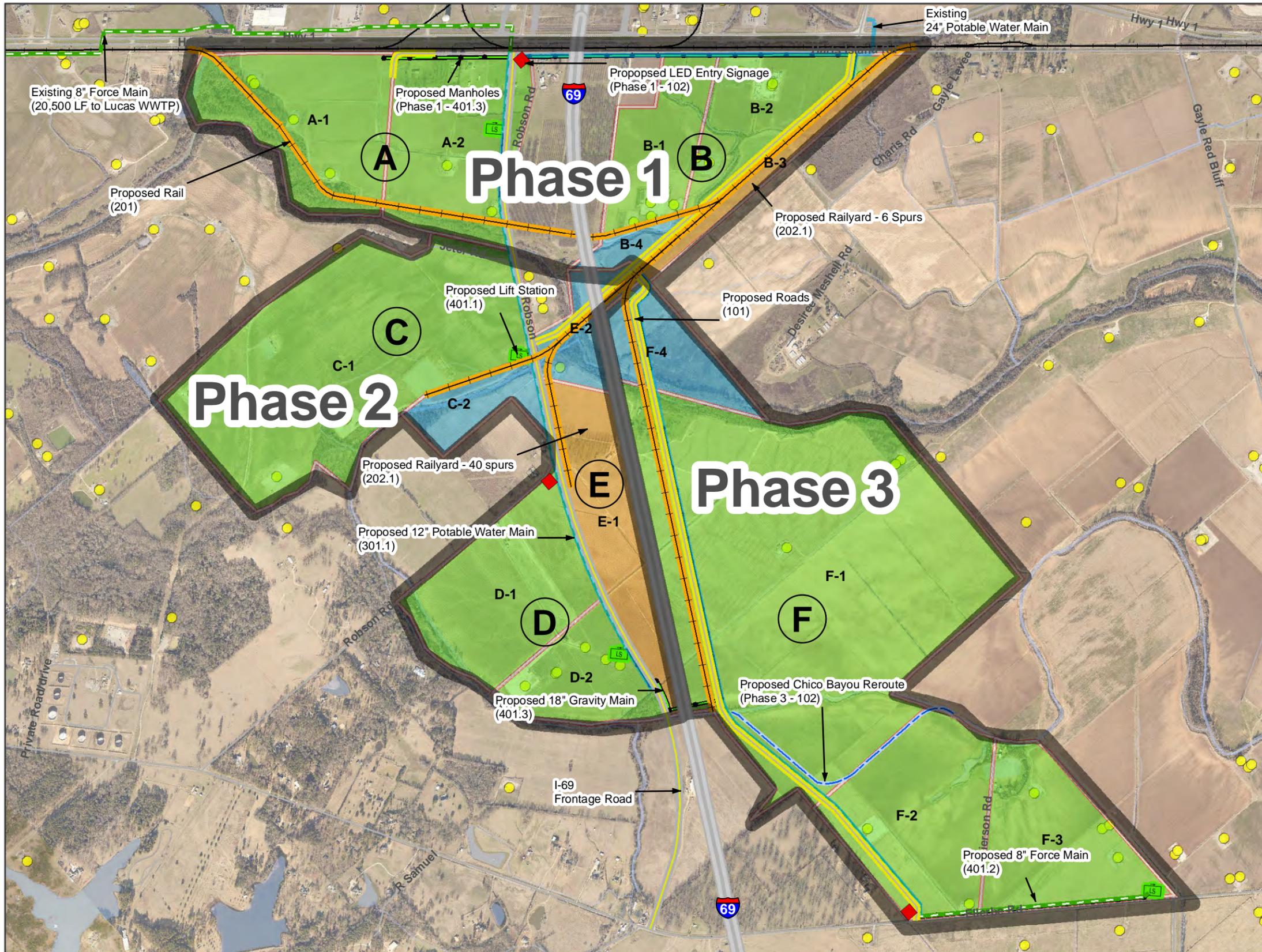


NOTE:
 THIS PLANNING GRAPHIC IS ABSTRACT IN NATURE AND REPRESENTS LOOSELY A POTENTIAL PORT LAYOUT. ITS SOLE INTENT AND PURPOSE IS TO PORTRAY A POSSIBLE CONCEPTUAL PLANNING OPTION, AND IS NOT INTENDED FOR CONSTRUCTION (OR ANY OTHER) PURPOSES.



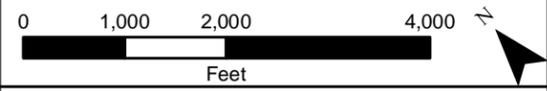
PORT OF CADDO BOSSIER LAND PLAN
 FINAL CONCEPT
 CADDO PARISH, LOUISIANA





**Master Planning for
Certain Tracts of Land**
Figure 3-1. Master Plan

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- ▭ Proposed Rail
- ▭ Proposed Port Roads
- ▭ Proposed Chico Bayou Reroute
- ▭ Proposed Water Mains
- ▭ Proposed Lift Stations
- ▭ Proposed Force Mains
- ▭ Proposed Gravity Mains
- Proposed Manholes



Prepared by:
BKI BURK-KLEINPETER, INC.
 ENGINEERING • PLANNING • ENVIRONMENTAL
 BKI SH.20.002 January 2021

Other Ports Applicability

The Port of Caddo-Bossier has had a successful experience from planning ahead of the time of needing an asset or awaiting to build until the “desired” tenant wants to locate within the Port. As it stands today, the Port has roughly 1,000 acres ready for immediate development, meaning all utilities (i.e. – road, rail, water, sewer, gas, and electric) are onsite and ready for industry. The greenfield ready sites do not happen overnight; rather, it takes thought out planning, such as the master plan outlined above, to continuously invest in land that will produce for the citizens for many years to come. The first step in the planning for the future should consider a master plan of any available or becoming available property. This planning phase of development for any Port may allow for the Port staff to consider what may best be suited for this site, or how do we finally land that one tenant we have been lacking for many years.

CONCLUSION AND LESSONS LEARNED

The Port Expansion has been considered a success, thus far, given the expansion of property, however the truth will ultimately be in the expansion of industrial tenants over the next decade.

There are several lessons learned in this process. First, the Port Board and Staff have shown great aspirations in the ability to think of the ‘big picture’ and not get bogged down in how hard it may be to accomplish something. When the Port board recommended the staff to pursue up to 2,000 acres of contiguous land, I was hopeful but had serious reservations for the likelihood of Port staff being successful in that endeavor. As stated, the adjacent landowners were all very well compensated during the Haynesville Shale and it was the main reason I had serious reservations. Despite reservations, the Port Staff, specifically Executive Port Director, Eric England, was extraordinarily successful in spearheading the expansion effort. Mr. England and the Port Board showed great resolve, patience, and trust in the process to have a successful outcome. I have learned a lesson in perseverance – when you are presented with a problem, or experience adversity in a situation, it is best to take a step back, have patience, and proceed with a plan to solve the problem or adverse situation. As you can see in many instances, the Port staff had to find resolutions of different obstacles that presented themselves during the process of purchasing additional land.

As you can see in Figure 8, the Port now has the potential to attract several large industrial tenants with the desired mega-sites available for development. The Port has already received several queries from industrial prospects looking to locate on this newly expanded land. As of authoring this paper, the Caddo-Bossier Port has been in the final two (2) remaining sites for two (2) different large manufacturing prospects which both have a total CAPEX of over \$1 Billion. These prospective finalists are a testament to the forward thinking of the Port Board and will hopefully soon be a fulfillment of the Port Mission – to maximize utilization of the Port of Caddo-Bossier resources to generate economic development in Caddo and Bossier Parishes.

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APPENDIX I - SCOPE OF SERVICES FOR PORT EXPANSION STUDY

BURK-KLEINPETER, INC.

ENGINEERS, ARCHITECTS, PLANNERS, ENVIRONMENTAL SCIENTISTS

CHAIRMAN OF THE BOARD
WM. R. "BIFF" BURK, III, PE

VICE PRESIDENT
ROBERT F. VINET, PE

WILLIAM R. BURK, JR., 1912-1986

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OVER 100 YEARS OF SERVICE

PRESIDENT
GEORGE C. KLEINPETER, JR., PE

REGIONAL VICE PRESIDENT- LA
MICHAEL D. CHOPIN, PE

August 20, 2013

Mr. Eric D. England, PPM
Executive Port Director
Caddo-Bossier Port
6000 Doug Attaway Boulevard
Shreveport, LA 71115

**Re: Task Order No. 6
Port Expansion Study
Port Engineering and Planning Services
Caddo-Bossier Port
Caddo & Bossier Parishes, Louisiana
[BKI P6024-0099]**

Dear Mr. England:

We are pleased to submit for your consideration our proposed Scope of Services to perform a Port Expansion Study project for the Caddo-Bossier Port (Port).

The proposed Scope is set up to be executed as Task Order No. 6 under our existing Port Engineering and Planning Services Agreement. The total lump sum fee for the proposed Scope is \$200,000.00. The project shall be completed within twelve (12) months from the Notice to Proceed.

We whole-heartedly support the Port's Minority and Women Owned Business Program (M/WBE), and are pleased to report that 25% of the project will be performed by a qualified M/WBE subconsultant. At this time, we are planning to utilize the K.L. Bobier Law Firm located in Bossier City. The remaining 75% will be performed by Burk-Kleinpeter, Inc. (BKI).

We appreciate the opportunity to be of continued service to you. Should you have any questions or require any additional information, please contact me.

(Continued on Page 2 of 2)





OVER 100 YEARS OF SERVICE

Mr. Eric D. England, PPM
August 20, 2013
Page 2 of 2

Very truly yours,

BURK-KLEINPETER, INC.
ENGINEERS, ARCHITECTS, PLANNERS, ENVIRONMENTAL SCIENTISTS

Robert F. Vinet, PE
Vice President

Enclosures: Scope of Services (July 31, 2013)
Project Schedule (July 31, 2013)

Copy to: Mr. George C. Kleinpeter, Jr., PE, President, Burk-Kleinpeter, Inc.
Mr. Michael G. Jackson, PE, Executive Vice President, Burk-Kleinpeter, Inc.
Mr. J.W. "Bill" Giardina, Jr., PE, Executive Vice President, Burk-Kleinpeter, Inc.
Mr. Bruce L. Badon, AICP, Executive Vice President, Burk-Kleinpeter, Inc.
Mr. James W. Armbruster, Executive Vice President, Burk-Kleinpeter, Inc.
Mr. Michael D. Chopin, PE, Regional Vice President, Burk-Kleinpeter, Inc.

APPROVED:

Eric D. England, PPM
Executive Port Director
Caddo-Bossier Port

Date





SCOPE OF SERVICES

Burk-Kleinpeter, Inc. (BKI) is pleased to submit a proposed Scope of Services to the Caddo-Bossier Port (Port) for consideration to perform a Port Expansion Study project. The project will be executed as Task Order No. 6 under our existing Port Engineering and Planning Services Agreement.

The project will be a comprehensive and thorough evaluation of property throughout Caddo and Bossier Parishes suitable for Port expansion, and very similar to the process in the Master Plan project (Task Order No. 3). The process will be very interactive and iterative, requiring feedback from the Port throughout. The end product will be a prioritized listing of final candidate properties including implementation and property replacement plans.

PROJECT TASKS

Phase 1 Initialization, Data Collection, and Existing Evaluation

Task 1 Project Kick-Off Workshop (Meeting No. 1)

BKI will conduct the Project Kick-Off Workshop which will include a review of the scope, project procedures, approach, schedule, and preliminary goals, as well as, required project resources and data.

Task 2 Data Collection, Review, and Compilation

BKI will collect, review and compile relevant existing data and information for the project. It is anticipated that the below GIS data will be utilized in the project as principal data, and that some data requests may have to be initiated by the Port. In such cases, BKI will work with the Port to make these requests.

GIS Data Needs

1. Caddo-Bossier Port Data
2. Caddo Parish Parcel Data
3. Caddo Parish Infrastructure
4. City of Shreveport Infrastructure
5. Bossier Parish Parcel Data
6. Bossier Parish Infrastructure
7. Bossier City Infrastructure
8. USACE Levees, Locks/Dams
9. DNR Oil & Gas Activities
10. Agricultural Soil Maps
11. Census – cultural considerations
12. Shreveport/Caddo Parish MPC Zoning
13. Bossier MPC Zoning
14. Aerials
15. PLSS (Townships and Ranges)



The full extent of the required data is unknown at this time. BKI may need assistance from the Port to acquire additional data.

BKI will compile the relevant data to create a project GIS database that will be the principal data source used throughout the various project analyses.

Task 3 Characterization/Evaluation of Existing Port Properties

BKI will review the historical development of existing Port properties for the purposes of developing an existing property matrix that will reflect economic development indicators (e.g., jobs, salaries, investment, type of industry) and other factors and drivers in an effort to find trends that will be useful in selecting candidate properties.

Phase 2 Project Goals, Collaboration, and Selection Criteria and Priorities

Task 4 Review and Moving-Forward Workshop (Meeting No. 2)

BKI will conduct the Review and Moving Forward Workshop which will include a review of the work and findings in Phase 1, and what to expect in Phase 2. It will also be an opportunity for interaction with the Port.

BKI will also prepare and deliver a draft memorandum that documents Phase 1, and address any review comments the Port may have prior to delivering a final memorandum.

Task 5 Develop Project Goals and Preliminary Expansion Budget

BKI will work with the Port to develop the project goals and preliminary expansion budget. Project goals will guide and focus the rest of the project. The goals will provide direction about how the Port wants to expand; for example, expand the main campus, spread-out the footprint throughout Caddo and Bossier Parishes, increase river frontage, improve access to the Union Pacific Railroad (UPRR) or Kansas City Southern Railways (KCS), etc. The preliminary expansion budget will provide financial context and constraints to the project.

Task 6 Port Collaboration/Exchange

Work under this Task will be at the direction of the Port. BKI may work with the Port to establish, assist, and/or maintain a dialogue with other ports, industrial parks, or economic development agencies/organizations to seek input on expansions, and as a general collaboration and exchange of ideas that may be useful for the purposes of the project. This may include off-site travel.

Since the extent of this Task is unknown, and as-directed by the Port, BKI's compensation for services will be in accordance with the Supplemental or Other Services section of the scope.



Task 7 Organize and meet with a Project Advisory Committee (PAC)

A Project Advisory Committee (PAC) will be formed to provide technical and local guidance, input and review, through the project. Membership could include, but not necessarily limited to representation from Port appointing bodies, Metropolitan Planning Committees (Caddo and Bossier Parishes), Port tenants, transportation representatives, industrial representatives, and major civic organizations as needed. The Port will have the primary responsibility for identifying PAC members and providing a list of nominees to BKI. BKI will provide Port approved technical information in summary form to PAC members in advance of meetings and/or review deadlines. BKI will also support PAC meetings and provide meeting content.

Task 8 Develop Port Expansion Property Selection Criteria and Priorities

BKI will develop the Port expansion selection criteria and priorities that will be used to conduct the property search and preliminary screening/analysis. The selection criteria and priorities will be submitted to the Port for review and approval.

Phase 3 Property Search and Preliminary Screening/Analysis

Task 9 Review and Moving Forward Workshop (Meeting No. 3)

BKI will conduct the Review and Moving Forward Workshop which will include a review of the work and findings in Phase 2, and what to expect in Phase 3. It will also be an opportunity for interaction with the Port.

BKI will also prepare and deliver a draft memorandum that documents Phase 2, and address any review comments the Port may have prior to delivering a final memorandum.

Task 10 Conduct Property Search and Preliminary Screening/Analysis of Candidate Properties

BKI will use the approved selection criteria and priorities applied to the project GIS and any other relevant data gathered in the project to conduct the property search and preliminary screening/analysis of candidate properties. The preliminary candidate properties will move forward into Phase 4 of the project for further review and consideration.

Phase 4 Final Screening/Analysis, Initial Due Diligence, and Candidate Properties

Task 11 Review and Moving Forward Workshop (Meeting No. 4)

BKI will conduct the Review and Moving Forward Workshop which will include a review of the work and findings in Phase 3, and what to expect in Phase 4. It will also be an opportunity for interaction with the Port.

BKI will also prepare and deliver a draft memorandum that documents Phase 3, and address any review comments the Port may have prior to delivering a final memorandum.

**Task 12 Conduct Final Screening/Analysis of Candidate Properties**

BKI will use the approved selection criteria and priorities, as well as, additional criteria that may be developed, along with feedback from the Port, to conduct the final screening/analysis of candidate properties. The candidate properties will move forward in Task 13 for further review and consideration.

Task 13 Conduct Initial Due Diligence (pre-environmental and legal analysis)

BKI will conduct initial due diligence that will alert and inform as to potential issues, both legal and environmental, that need to be considered while evaluating and characterizing the candidate properties. Although it is difficult to predict at this time, it is expected that the final screened list would include about 20 candidate properties/sites.

The legal initial due diligence would include information about the candidate properties that would be found in a property abstract, though would not be a formal abstract or opinion of title. The information would be of things that would come out of basic courthouse research; for example, it would likely include current ownership, copies of deeds, restrictions, encumbrances, mortgages, liens, survey plat (if there is one), tax history, etc.

The pre-environmental initial due diligence would be a cursory review of the candidate properties with respect to pollution, biological, cultural issues, etc.

Task 14 Develop Ranking of Final Candidate Properties

Based on the review and consideration given under Task 13, along with feedback from the Port, BKI will develop with the Port's input a ranked list of final candidate properties.

Phase 5 Implementation and Replacement Planning

Task 15 Review and Moving-Forward Workshop (Meeting No. 5)

BKI will conduct the Review and Moving Forward Workshop which will include a review of the work and findings in Phase 4, and what to expect in Phase 5. It will also be an opportunity for interaction with the Port.

BKI will also prepare and deliver a draft memorandum that documents Phase 4, and address any review comments the Port may have prior to delivering a final memorandum.

Task 16 Develop Implementation Plan

BKI will develop an implementation plan and schedule that recommends ways in which the Port should consider expansion.



Task 17 Develop Property Replacement Plan

BKI will develop a property replacement plan so that as properties are utilized, the Port’s property inventory is appropriately maintained.

Phase 6 Final Presentation and Adoption

Task 18 Final Presentation and Adoption (Meeting No. 6)

BKI will make a final presentation to the Port which includes a review of the work and findings in Phase 5, as well as, a recap of the entire project.

BKI will also prepare and deliver a draft memorandum that documents Phase 5, and address any review comments the Port may have prior to delivering a final memorandum.

PROJECT COSTS

	Lump Sum Fee
Phase 1 – Initialization, Data Collection, and Existing Evaluation	\$40,000.00
Phase 2 – Project Goals, Collaboration, and Selection Criteria	\$25,000.00
Phase 3 – Property Search and Preliminary Screening/Analysis	\$30,000.00
Phase 4 – Final Screening/Analysis, Initial Due Diligence, and Candidate Properties	\$80,000.00
Phase 5 – Implementation and Replacement Planning	\$20,000.00
Phase 6 – Final Presentation and Adoption	\$5,000.00
TOTAL	\$200,000.00

We whole-heartedly support the Port’s Minority and Women Owned Business Program (M/WBE), and are pleased to report that 25% of the project will be performed by a qualified M/WBE subconsultant.

At this time, we are planning to utilize the *K.L. Bobier Law Firm* located in Bossier City, LA, for 25% of the project to work on the initial due diligence (pre-environmental and legal analysis) covered in Task 13. The remaining 75% of the project will be performed by BKI.

PROJECT TIME AND SCHEDULE

The project is expected to be complete within twelve (12) months from the notice to proceed as shown on the attached project schedule. Should delays occur that are beyond the control of BKI, the schedule may be adjusted accordingly.

SUPPLEMENTAL OR OTHER SERVICES

Should supplemental services be requested during this project, said services may be arranged by mutual agreement between the Port and BKI.

Supplemental services may include, but not limited to, the following:



- Task 6 (Port Collaboration/Exchange)
- Appraisal Services
- Legal Services
- Engineering Services
- Environmental Services
- Oil and Gas Consultation

Further, it is recognized that specific needs and services may arise in the project that are unanticipated or unaccounted for in the above described Project Tasks. In these cases, a cost-plus basis fee may be an appropriate form of compensation if mutually agreed by the Port and BKI. Compensation for services shall be an amount equal to the cumulative hours charged to the assignment by each class of BKI's employees multiplied by the Standard Hourly Rates for each applicable billing class, plus related reimbursable expenses with a 10% administrative mark-up.

The Standard Hourly Rates are set forth below and include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit. The Standard Hourly Rates are effective through December 31, 2013 and will be adjusted annually (as of January 1, 2014) to reflect equitable changes in the compensation payable to BKI.

Hourly rates for services performed are:

<u>Category</u>	<u>Billing Rate</u>
Clerical	\$55.00
CAD/GIS Technician	\$95.00
Design Engineer	\$110.00
Staff Engineer	\$125.00
Project Engineer	\$165.00
Vice President	\$205.00
Principal	\$325.00

Port Expansion Study (Task Order No. 6)
Port Engineering and Planning Services
Caddo-Bossier Port
Caddo & Bossier Parishes, Louisiana

Project Schedule

		1	2	3	4	5	6	7	8	9	10	11	12
		Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Phase 1	Initialization, Data Collection, and Existing Evaluation	1	2	3	4								
Task 1	Project Kick-Off Workshop (Meeting No. 1)	1											
Task 2	Data Collection, Review, and Compilation												
Task 3	Characterization/Evaluation of Existing Port Properties												
Phase 2	Project Goals, Collaboration, and Selection Criteria and Priorities				1	2	3						
Task 4	Review and Moving-Forward Workshop (Meeting No. 2)				2								
Task 5	Develop Project Goals and Preliminary Expansion Budget												
Task 6	Port Collaboration/Exchange												
Task 7	Project Advisory Committee (PAC)												
Task 8	Port Expansion Property Selection Criteria and Priorities												
Phase 3	Property Search and Preliminary Screening/Analysis						1	2	3				
Task 9	Review and Moving-Forward Workshop (Meeting No. 3)						3						
Task 10	Property Search and Preliminary Screening/Analysis												
Phase 4	Final Screening/Analysis, Initial Due Diligence, and Candidate Properties								1	2	3	4	
Task 11	Review and Moving-Forward Workshop (Meeting No. 4)								4				
Task 12	Final Screening/Analysis												
Task 13	Conduct Initial Due Diligence												
Task 14	Final Candidate Properties												
Phase 5	Implementation and Replacement Planning											1	2
Task 15	Review and Moving-Forward Workshop (Meeting No. 5)											5	
Task 16	Develop Implementation Plan												
Task 17	Develop Property Replacement Plan												
Phase 6	Final Presentation and Adoption												1
Task 18	Final Presentation and Adoption (Meeting No. 6)												6

Phase Duration
 Active Work Range
 Workshop / Meeting
 No Work / Non-controlling Task

**APPENDIX II - THE ECONOMIC IMPACT OF THE HAYNESVILLE
SHALES ON THE LOUISIANA ECONOMY IN 2008.**

**THE ECONOMIC IMPACT OF THE HAYNESVILLE SHALE
ON THE LOUISIANA ECONOMY IN 2008**

PREPARED BY

LOREN C. SCOTT & ASSOCIATES

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PREPARED FOR:

**THE LOUISIANA DEPARTMENT OF NATURAL RESOURCES
DNR Contract No. 2027-09-02
OCR Contract No. 431-900236**

April 2009

EXECUTIVE SUMMARY

Much excitement has been created in Louisiana's oil and gas extraction sector by the discovery of the Haynesville Shale deposit in the northwestern part of the state. In Louisiana, it is located primarily in four parishes---Caddo, Bossier, DeSoto, and Red River. What has especially bolstered excitement about this play is the first estimate of its size. Some of the initial wells have produced prodigious amounts of natural gas. Chesapeake Energy has estimated the Haynesville Shale holds an estimated 245 tcf of natural gas, which would make it the largest onshore natural gas find in the U.S.

The purpose of this report is to capture and measure the direct and indirect effects on the Louisiana economy from the activities of the extraction firms operating in the Haynesville Shale in 2008. In the present case, expenditures provided by the seven of the seventeen firms (72 percent of the acreage) operating in the shale were plugged into the RIMS II model to estimate the annual impacts on: (1) *new sales* for firms in the state, (2) *new household earnings* for residents in the state, (3) *new jobs* in the state, and (4) *tax collections* by the state and local governments.

We can summarize the impacts on the Louisiana economy in the following way:

- We estimate that during the year 2008, the extraction activity of these seven firms generated approximately **\$2.4 billion in new business sales within the state of Louisiana.**
- New business sales in turn created new household earnings for residents of the state. **As a result of these activities, nearly \$3.9 billion in household earnings was created in 2008.** This estimate includes both direct and indirect earnings and includes almost \$3.2 billion in lease and royalty payments to private landowners.

- Including the direct employment of approximately 431 employees and contract workers reported by these seven firms, **there was an increase of 32,742 new jobs within the state in 2008. As a reference point**, this is slightly larger than total employment in all of Louisiana's banks and credit unions. The job multiplier is remarkably large in this case due to the fact that \$3.2 billion in lease and royalty payments were injected into the state's economy by the extraction firms.
- Finally, we estimate the increase in state and local tax collections that were generated by these seven firms due to their extraction activities in the Haynesville Shale. These new taxes came from two sources: taxes paid directly by the seven firms and additional taxes paid by households who experienced an increase in their household earnings via the multiplier effects. Our conservative estimate is that collectively, **state and local tax revenues increased by at least \$153.3 million in 2008** due to the extraction activities in the Haynesville Shale. In one parish sales tax collections alone are up over 300 percent in the first quarter of 2009.

While these multiplier impacts appear large at first blush, it is important to note that most of the multiplier impacts estimated above do not arise from the extraction or drilling activity *per se*. Approximately \$3.2 billion (or 70%) of the total expenditures associated with the extraction activity in the Haynesville Shale for these seven firms were in the form of mineral lease payments and royalty payments. Thus, the impacts on business sales, household earnings and jobs arise in large measure from the expenditures made by these lease owners.

On a final note, it is important to point out that we have data from only seven of the seventeen companies involved with extraction activity in the Hayneville Shale. Obviously, our impact estimates understate the total infusion of new money in the state's economy and in turn, understate the true impacts on business sales, household earnings and employment in the state. Also, we are using a very conservative estimate of the percentage of newly created wealth (e.g. lease payments and royalties) that households will spend on goods and services. Based on existing studies, economists estimate that households spend about 5 percent of their wealth each

year. But, these estimates are based on traditional measures of household wealth (value of homes, pension values, etc.). The studies do not contemplate massive increases in a household's wealth due to royalties and lease payments (equivalent in this case to winning the lottery). Unfortunately, we are not aware of any studies that measure the amount of money that households spend from lottery winnings, so we use the 5 percent value to calculate the impacts on sales, earnings and jobs. Thus, the multiplier impacts reported here may be viewed as lower bound estimates. The actual impacts are likely to be substantially larger.

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I. Introduction

Much excitement has been created in Louisiana's oil and gas extraction sector by the discovery of the Haynesville Shale deposit in the northwestern part of the state. As pointed out by engineer David McGee of Louisiana's Department of Natural Resources, shale is formed where rivers deposit muddy waters over many years. When the water stops flowing a marsh is formed, plants grow and become the source of carbon that is later consumed by bacteria (methanogens), releasing methane. Buried under many feet of other material it is compacted to form a layer of shale with the methane and some water trapped in tiny spaces between the grains.¹

Depth, Location & Size

This shale is found at depths of 10,000 to 14,000 feet and requires horizontal drilling and fracturing of large areas of the formation to release the gas in economical quantities.² This makes the Haynesville Shale gas relatively expensive to produce at \$5 to \$6 million per well. In Louisiana, it is located primarily in four parishes---Caddo, Bossier, DeSoto, and Red River.

What has especially bolstered excitement about this play is the first estimate of its size. Some of the initial wells have produced prodigious amounts of natural gas. For example, a typical well in the Fayetteville Shale may produce 5 mmcf/d and in the Marcellus Shale wells typically yield 3 to 4 mmcf/d.³ Conventional gas wells yield about 2-3 mmcf/d.⁴ The **Oil and Gas Journal** reported on a Petrohawk well in Red River Parish

¹ David McGee, "Haynesville Shale Gas Play and Louisiana Coal Seam Natural Gas", Louisiana Department of Natural Resources/Technology Assessment Division, August 2008.

² Ibid.

³ Jefferies & Company, Resource Chronicles – US Equity Research, January 2009.

⁴ "Companies Gush Over LA Wells", Morning Advocate, March 24, 2009, p. 1D.

producing 28.2 mmcf/d---a rate more than five times that of the Fayetteville Shale. Petrohawk had another well in Bossier Parish clocking in at 23.4 mmcf/d.⁵ EXCO Resources has completed two wells in DeSoto Parish yielding initial flow rates of 22.9 mmcf/d and 24.2 mmcf/d, respectively.⁶ It is because of these prodigious flow rates that exploration and production in the Haynesville Shale has continued in early 2009 despite the fact that natural gas prices frequently dipped below \$4 per mmbtu at the wellhead.

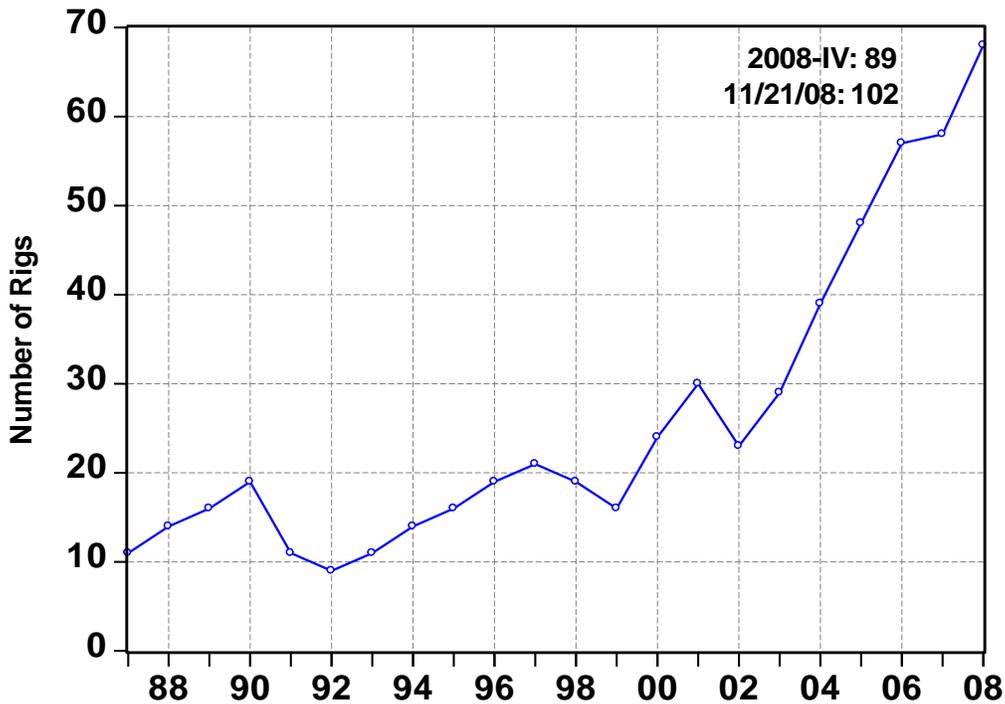
Chesapeake Energy has estimated the Haynesville Shale holds an estimated 245 tcf of natural gas, which would make it the largest onshore natural gas find in the U.S.

Rig Count Data

Rig count data for the northern part of the state reveal the intensity of interest in the Haynesville Shale (see Figure 1). Between 2004 and 2006 there was an increase in the number of operating rigs from about 39 to approximately 58 due to the overall increase in commodity prices. However, there was another step increase that occurred in 2008 as word about the Haynesville Shale spread.

⁵ Oil and Gas Journal, website release, December 9, 2008.

⁶ Oil and Gas Journal, March 9, 2009, p. 40.

Fig. 1: North Louisiana Rig Count

The magnitude of the rig count response is somewhat hidden in the annual average numbers in Figure 1. **Actually, the rig count had declined to only 47 in February 2008. By November 21, 2008 the count had jumped suddenly to 102 rigs before settling down at 90 in December 2008.** This number declined somewhat in early 2009 to 71 rigs in March in response to the U.S. recession, tightening credit markets, and lower natural gas prices. Despite this small dip, this latest rig count is more than 50 percent higher than February 2008, just before the Haynesville Shale play began in earnest.

Outline of Report

The purpose of this report is to estimate the impact on the Louisiana economy of activities in the Haynesville Shale in 2008. Section II describes the methodology that we

use to estimate these impacts. Section III provides the impact estimates on business sales, household earnings, jobs, and tax collections in the state. Section IV provides a summary and conclusions.

II. Methodology

It is a well established principle that business operating decisions have both direct and indirect (multiplier) impacts on the economy.

The Direct Effects

The **direct** impact can be measured by how much new money is injected into the state's economy by activities of firms operating in the shale. In the case of exploration firms, they inject money via lease payments to landowners, monies spent on drilling activities, monies spent on administrative costs associated with operating a firm in the area, and direct taxes paid to governmental entities.

The Questionnaire. To measure these direct impacts we conducted a questionnaire survey of firms that were operating in the Haynesville Shale in 2008. A copy of this questionnaire can be found in Appendix A. This questionnaire was first tested with a few on the participating firms to make sure that questions were clearly stated and that we were asking questions that would capture all the new spending that these firms would be injecting into the Louisiana economy. Several useful suggestions were incorporated into the questionnaire before it was finally emailed to contact persons in each firm. These contact persons were provided by the staff of the Louisiana Oil and Gas Association.

Responses to Questionnaire. Table 1 illustrates the acreage position of the firms that were operating in the Haynesville Shale in 2008.

Table 1
Net Acreage Position in the Haynesville Shale: 2008

Operator	Net Acreage Position
Devon Energy	483,000
Chesapeake	480,000
Encana	370,000
Petrohawk	300,000
Shell	175,000
EOG Resources	150,000
Cabot Oil And Gas	135,000
EXCO	119,800
Plains Exploration	110,000
Forest Oil	106,000
XTO Energy	100,000
Comstock	67,918
Penn Virginia	61,000
Goodrich	60,500
St. Mary	50,000
El Paso	42,500
GMX Resources	38,455
TOTAL	2,849,173

Source: Jefferies & Company

Of the total net acreage position of 2,849,173 acres, we received completed questionnaires from seven firms holding 72 percent of this acreage. We use these data to estimate the impacts of shale activity on the state's economy. Clearly, because we are leaving out data on 28 percent of the firms operating in the shale, our estimates will be very conservative.

The Multiplier Effect

However, just estimating these direct impacts alone would significantly understate the role of these firms in the economy. The reason is that the firms also buy from, and sell to, many other firms in the economy. The interactions caused by these purchases and

expenditures are magnified by the spending of employees of the extraction firms who earn income from the firm and the affected businesses.

Thus, any change in the activity of a particular firm **indirectly** affects these other buyers and sellers, which in turn affects firms that buy from and sell to these buyers and sellers, etc. For example, when a decision is made by a firm that creates a new job, a chain-reaction is started which works its way throughout the economy. This chain-reaction (**multiplier effect**) causes even more jobs to be created. The analogy is of a rock being tossed into a pond. Not only is there an initial splash (the direct effect), but ripples are created that spread throughout the pond. The purpose of this report is to capture and measure these direct and indirect effects on the Louisiana economy from the activities of the extraction firms operating in the Haynesville Shale.

The Input-Output Table

A major difficulty lies in attempting to quantify these indirect impacts. Fortunately, a technique has been developed for precisely this purpose---an **input-output (I/O) table**. An I/O table is a matrix of coefficients describing the interactions between all industries in a geographical area. The I/O table provides a complete picture of the flows of products and services in an economy for a given year, illustrating the relationship between producers and consumers and the interdependencies of industries in a region.

An I/O table for state has been constructed by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. The BEA is the government agency responsible for measuring the nation's gross domestic product each quarter. This model is referred to as the RIMS II model, and is similar to the IMPLAN or REMI models. To find the direct

and indirect (spillover) operational effects of particular firm or industry on other firms and workers within a given geographical area, we insert the firm's expenditures into the matrix. In the present case, expenditures provided by the firms operating in the shale are plugged into the RIMS II model to estimate the annual impacts on: (1) *new sales* for firms in the state, (2) *new household earnings* for residents in the state, (3) *new jobs* in the state, and (4) *tax collections* by state and local governments.

III. Impact of Seven Firms' Extraction Activities on the Louisiana Economy

In this section we estimate the direct and indirect impacts on the state's economy resulting from the extraction activities of the seven firms operating in Haynesville Shale. The estimates reported below represent the impacts for one year---2008. We estimate the impact on business sales, household earnings, and jobs.

The Direct Effects

To get some idea of the magnitude money infusion into the state's economy that was associated with the extraction activity by these seven firms, Table 2 reports the expenditures on such things as lease and royalty payments, wages and salaries, direct drilling expenditures, administrative expenses, and taxes in 2008.

Note, that in just one year **these seven firms pumped an amazing \$4.5 billion into the state's economy**. As seen in Table 2, of that \$4.5 billion total, approximately \$3.2 billion (70 percent) was accounted for in mineral lease payments with another \$93.8 million in royalty payments. Using the analogy above, this sizable injection of new money into the Louisiana economy can more appropriately be characterized as tossing a "boulder" into the pond.

Further, recall that we have data from only seven of the seventeen companies involved with extraction activity in the Hayneville Shale. Obviously, these numbers understate the total infusion of new money in the state's economy and in turn, will understate the true impacts on business sales, household earnings, employment and taxes in the state.

Table 2
Annual Expenditures, Taxes and Direct Employment
From Extraction Activity by Seven Firms Operating
In the Haynesville Shale, 2008

Category	Amount
Mineral Lease Payments	\$3,152,276,305
Royalty Payments	\$93,788,467
Rental & Surface Lease Payments	\$18,221,292
Wages and Salaries	\$31,879,630
Other Administrative Expenses	\$3,645,552
Direct Drilling Expenditures	\$1,081,620,980
Infrastructure Spending	\$75,350,000
Direct Taxes	\$3,962,000
State Taxes	\$13,992,034
Local Taxes	\$38,302,276
Total	\$4,513,038,536
Direct Employment	318
Contract Employment	113

Source: Survey conducted by author.

Handling of Lease & Royalty Payments

Estimating the impact of the activities of these seven firms on the state's economy presents researchers with a special problem that is unique to impact analysis. The problem has to do with how one treats the very large lease and royalty payments made to private individuals.

Under normal circumstances, researchers will take all monies spent by a firm in an area and plug that number into an I/O table to generate the indirect impacts on the state economy. However, there is behind that procedure the normal assumption that a large portion (95 percent +) of the new money received by state residents will be spent. In the case of the \$3.2 billion in lease and royalty payments we are quite confident that this assumption is not true. As an example, we have heard anecdotal evidence of one landowner receiving a check for \$23 million for the right to drill in the Haynesville Shale on his land. Is it reasonable to assume that landowner will spend all \$23 million dollars in one year? The answer is clearly no.

How much will be spent? Perhaps a useful way to approach this is to consider these lease payments (from a spending standpoint) not as income but rather as a sudden increase in wealth. Based on a study by Yash Mehra, he estimates that households spend about 5 percent of their wealth each year.⁷ That would suggest that we insert only 5 percent of the lease and royalty payments into the I/O tables as new spending in 2008.

It is important to note that such a procedure will yield very conservative estimates of lease and royalty payment impacts. This is because Mehra's estimates are based on traditional measures of household wealth (value of homes, pension values, etc.). The studies do not contemplate massive increases in a household's wealth due to royalties and lease payments, which are more equivalent in this case to winning the lottery. Unfortunately, we are not aware of any studies that measure the amount of money that households spend from lottery winnings, so we use the 5 percent value to calculate the impacts on sales, earnings and jobs. Thus, the multiplier impacts reported here may be viewed as lower bound estimates. The actual impacts are likely to be substantially larger.

⁷ Yash Mehra, Federal Reserve Bank of Richmond Quarterly Review, Spring 2001.

Impact of Extraction Activity on Business Sales in Louisiana

Table 3 shows the I/O estimates of the impact of these extraction activities within the Haynesville Shale on new business sales in the state. We estimate that during the year 2008, the extraction activity of these seven firms generated approximately **\$2.4 billion in new business sales within the state of Louisiana.**

Table 3
Direct and Indirect Impacts on the Louisiana Economy from Extraction Activity
Of Seven Firms Operating in the Haynesville Shale

<i>Item</i>	<i>Impact</i>
New Sales Created	\$2,402,779,223
New Annual Household Earnings Created	\$3,866,342,225*
New Permanent Jobs Created	32,742*

Source: BEA RIMS II Input/Output tables and author's calculations.

* Includes both the direct and indirect impacts. Direct impacts on household earnings includes both wages and salaries and lease and royalty payments from Table 2.

The distribution of these additional sales across industries within the state's economy is reported in Table 4. As expected, **the largest impact was experienced by the mining sector (the location of exploration firms), with about \$1.1 billion in new sales during 2008.** Wholesale and retail trade together experienced an increase of about \$177.9 million in new business sales during 2008, which is not surprising given that a non-trivial portion of lease payments going to individuals would be spent in these sectors. According to the I/O tables, other sectors benefiting in a major way from the Shale

activities included manufacturing (\$202.6 million), healthcare (\$123.4 million), and real estate (\$147 million).

Table 4
Impact of Extraction Activity by Seven Firms on
New Business Sales in Louisiana by Industry

Industry Sector	New Business Sales
Agriculture, forestry, fishing, and hunting	\$9,920,461
Mining	\$1,067,177,163
Utilities	\$36,817,395
Construction	\$84,242,917
Manufacturing	\$202,594,108
Wholesale trade	\$74,634,557
Retail trade	\$103,314,366
Transportation and warehousing	\$62,978,657
Information	\$53,775,522
Finance and insurance	\$67,629,974
Real estate and rental and leasing	\$147,355,113
Professional, scientific, and technical services	\$90,009,387
Management of companies and enterprises	\$112,918,177
Administrative and waste management services	\$31,793,545
Educational services	\$18,958,622
Health care and social assistance	\$123,370,644
Arts, entertainment, and recreation	\$14,743,159
Accommodation and food services	\$51,939,909
Other services	\$48,605,545
Total	\$2,402,779,223

Source: BEA RIMS II Input/Output tables and author's calculations.

Impact of Extraction Activity on Household Earnings in Louisiana

New business sales in turn created new household earnings for residents of the state. The impact on household earnings for Louisiana residents resulting from the extraction activities of these seven firms is reported in the second row of Table 3. **As a result of these activities, nearly \$3.9 billion in household earnings was created in 2008.**

These household income estimates include both direct and indirect earnings. Table 5 documents the indirect household earnings created by Haynesville Shale activities. These indirect earnings (multiplier effect earnings) totaled \$588.4 million. As shown in Table 5, **the greatest impact on indirect household earnings was experienced by workers in the mining sector, with new household earnings of \$191.3 million in 2008.** Over \$30 million in new earnings was also created in six other sectors: (1) health care (\$56.7 million); (2) management (\$46.6 million); (3) professional, scientific, and technical services (\$38.5 million); (4) retail trade (\$35.7 million); (5) manufacturing (\$33.5 million); and (6) construction (\$31.8 million).

Table 5
Indirect Impact of Extraction Activity by Seven Firms on
New Household Earnings for Louisiana Residents by Industry

Industry Sector	New Household Earnings
Agriculture, forestry, fishing, and hunting	\$2,236,948
Mining	\$191,314,334
Utilities	\$5,469,296
Construction	\$31,815,171
Manufacturing	\$33,529,206
Wholesale trade	\$24,204,186
Retail trade	\$35,712,413
Transportation and warehousing	\$21,948,471
Information	\$9,683,058
Finance and insurance	\$19,870,854
Real estate and rental and leasing	\$12,378,124
Professional, scientific, and technical services	\$38,488,877
Management of companies and enterprises	\$46,592,529
Administrative and waste management services	\$11,828,088
Educational services	\$9,146,507
Health care and social assistance	\$56,734,553
Arts, entertainment, and recreation	\$5,436,693
Accommodation and food services	\$15,200,658
Other services	\$16,807,858
Total*	\$588,397,823

Source: BEA RIMS II Input/Output tables and author's calculations.

* Does not include the direct earnings

Impact of Extraction Activity on Jobs in Louisiana

Using the I/O tables for the region, we can also estimate the impact that the extraction activities of these seven firms had on permanent new jobs in the state. New job estimates are reported in the third row back in Table 3. Including the direct employment of approximately 431 employees and contract workers reported by these seven firms, **there was an increase of 32,742 new permanent jobs within the state in 2008.** As a reference point, in February 2009, there were 32,100 Louisianans working in banks and

credit unions throughout the state and about 31,500 working in all the real estate/rental/and leasing firms in Louisiana.⁸

The distribution of the indirect new jobs across industries within the state is reported in Table 6. The new jobs created by the extraction activities in the Haynesville Shale are widely dispersed across industries. Large impacts were felt in utilities (5,229 jobs), mining (3,808 jobs), health care (3,496 jobs), and retail trade (3,433 jobs).

Table 6
Indirect Impact of Extraction Activity by Seven Firms on
New Permanent Jobs in Louisiana by Industry

Industry Sector	New Permanent Jobs
Agriculture, forestry, fishing, and hunting	205
Mining	3,808
Utilities	5,229
Construction	1,506
Manufacturing	996
Wholesale trade	952
Retail trade	3,433
Transportation and warehousing	1,346
Information	359
Finance and insurance	1,058
Real estate and rental and leasing	957
Professional, scientific, and technical services	1,588
Management of companies and enterprises	928
Administrative and waste management services	1,352
Educational services	882
Health care and social assistance	3,496
Arts, entertainment, and recreation	423
Accommodation and food services	2,218
Other services	1,574
Total*	32,311

Source: BEA RIMS II Input/Output tables and author's calculations.

* Does not include direct employment.

⁸ Louisiana Workforce at a Glance, Louisiana Workforce Commission, March 25, 2009, p.8.

A careful reader will note that since there were only 431 people directly involved in exploration activities by these seven firms, that 32,311 indirect jobs results in a huge job multiplier figure. While this is an unusually large job multiplier, it is important to note that most of the multiplier impacts estimated above do not arise from the extraction or drilling activity *per se*. Recall that \$3.2 billion (or 70 percent) of the total expenditures associated with the extraction activity in the Haynesville Shale are in the form of mineral lease payments and royalty payments. This means that \$3.2 billion is injected directly into the hands of lease owners. Thus, the impacts on business sales, household earnings and jobs arise in large measure from the expenditures made by these lease owners.

Alternative Estimates Based on Greater Spending of Lease/Royalty Payments

The impact estimates that we reported in Tables 3-6 are all based on a very important assumption that we discussed back on page 9. That is the assumption that recipients of lease and royalty payments will treat these huge sums of money as a sudden increase in their wealth and will only spent 5 percent of these payments in 2008. We mentioned that the 5 percent figure was based on studies of how much people spend out of traditional sources of wealth, like their homes and equity holdings.

How will lease and royalty recipients think of their newly received wealth? Like a traditional increase in home prices and stock values---leading to a 5 percent withdrawal for spending---or like picking a winning lottery ticket where much more of the sudden increase in wealth is spent?

To illustrate how sensitive our impact estimates are to different assumptions about spending of lease and royalty payments we show in Table 7 what happens to the impact

estimates if we assume that lease and royalty payment recipients spent 25 percent of their increase in wealth rather than only 5 percent.

Table 7
Direct and Indirect Impacts on the Louisiana Economy from Extraction Activity
Of Seven Firms Operating in the Haynesville Shale Assuming 5% v. 25% Spending
by Lease and Royalty Recipients

<i>Item</i>	<i>Impact Assuming 5%</i>	<i>Impact Assuming 25%</i>
New Sales Created	\$2,402,779,223	\$3,234,649,884
New Annual Household Earnings Created	\$3,866,342,225*	\$4,076,672,631
New Permanent Jobs Created	32,742*	40,310

Source: BEA RIMS II Input/Output tables and author's calculations.

* Includes both the direct and indirect impacts. Direct impacts on household earnings include both wages and salaries and lease and royalty payments from Table 2.

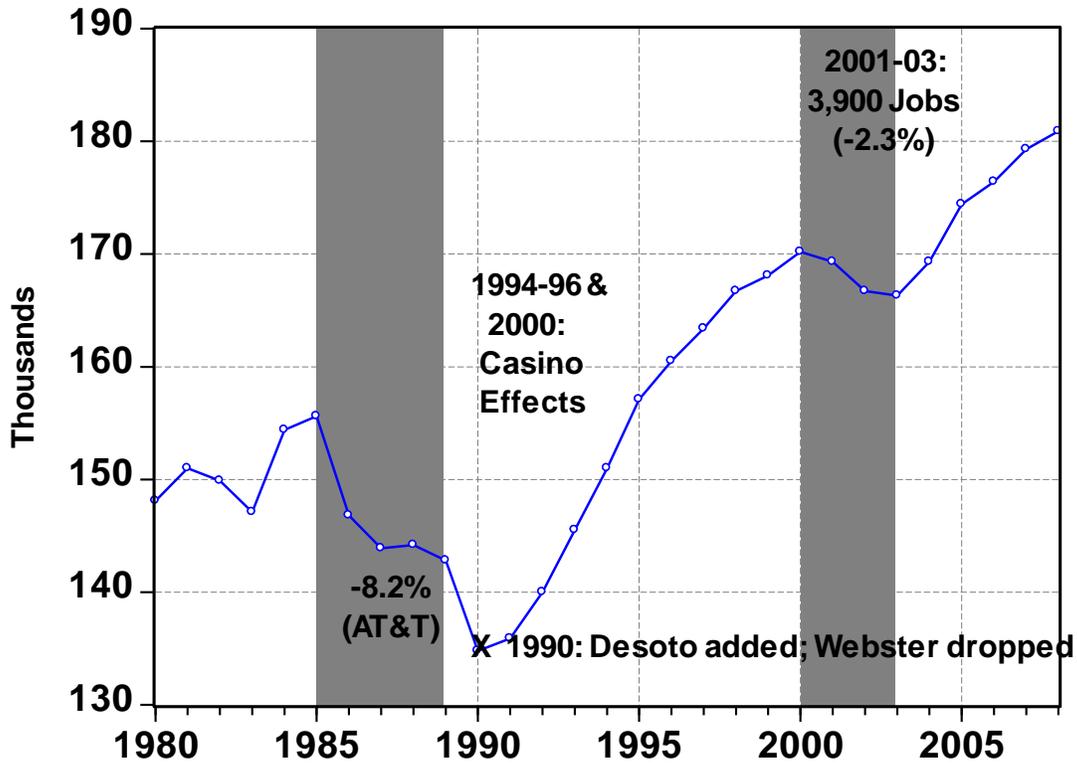
Note that the impact on our estimates of this small change in the spending assumption results in a non-trivial boost in our impact estimates. In particular, the job impact jumps from 32,742 to 40,310---a 23.1 percent increase. Table 7 confirms how sensitive the impact estimates are to our assumptions about these spending patterns and also confirms that the estimates we generated in Tables 3-6 are very conservative estimates.

National Recessions and Employment in Northwest Louisiana

Seeing these job impact estimates in Table 7 helps readers understand another interesting phenomenon in the Northwestern area of the state. Figure 2 illustrates the pattern of non-farm employment in the Shreveport-Bossier MSA---defined as Caddo, Bossier, and DeSoto Parishes. **Typically this MSA is the most sensitive area of the state to declines in the national economy.** Note for example that during the post 911 national recession in the early 2000s, the very strong impact on this MSA's employment.

Non-farm employment (1) fell for three straight years and (2) by -2.3 percent. By contrast, during this same period, Louisiana’s employment (1) fell in only two years and (2) by only 1.2 percent.

Fig. 2: Shreveport-Bossier MSA Non-Farm Employment 1980-2008



Why does this difference exist in the impact of national recessions in the state as a whole versus the Northwestern corner of the state? When the national economy enters a recession and people either lose their jobs or think they may lose their jobs, the first thing they quit buying are durable goods like autos, appliances, electronics, houses, etc. In the U.S., 6.4 percent of employment is in durable goods, while in Louisiana the comparable figure is only 4.6 percent. Thus, Louisiana firms as a whole are not hit as badly as at the national level. On the other hand, durable goods employment is 8.2 percent of total

employment in the Shreveport-Bossier MSA; thus, this MSA tends to fall harder and longer than the national economy.

It is here that we see evidence of the Haynesville Shale's powerful influence on this part of the state. The national economy has been losing jobs since January 2008. As of February 2009, its employment had dropped by almost 4.4 million jobs or 3.2 percent. Normally, the Shreveport-Bossier MSA would be tracking that pattern. However, during this national recession, the MSA's employment actually grew every month in 2008 until November 2008. As of February 2009, employment in the MSA has fallen only 0.6 percent. **Instead of falling harder than the U.S. economy, the Shreveport-Bossier MSA is performing significantly better.**

And this occurred despite the fact that some of the typical durable goods manufacturers in this northwest region are being distressed just as in a normal recession. For example, the local GM plant has completely dropped one shift (-798 jobs) and has buyout offers accepted by another 195 employees, Beaird Industries has closed its 400-worker plants, and Georgia Pacific closed a plywood plant (-280 jobs) and furloughed 400 at another plant in the region. Clearly, the huge sum of money injected into the local economy via the Haynesville Shale activity has spared this MSA from some of the worst effects of the national slowdown.

Impact of Extraction Activity on Government Tax Revenues

Finally, we estimate the increase in state tax collections that were generated by these seven firms due to their extraction activities in the Haynesville Shale. These new taxes came from two sources: (1) taxes paid directly by the seven firms and (2) additional

taxes paid by workers in the Haynesville Shale and households who experienced an increase in their household earnings via the multiplier effects.

Direct taxes paid. Table 8 reports both direct taxes paid by these seven companies and our estimate of indirect taxes generated by new household earnings. According to the information provided by these seven firms, they paid a total of \$562.6 million in state and local taxes that related directly to their extraction activities.

Indirect state taxes collected. Regarding indirect taxes, we have an estimate for both (1) state tax collections and (2) local government collections. We have estimated that earning created by Haynesville Shale activities in 2008 was \$782.6 million. This number is the sum of (1) total indirect household earnings from Table 5, (2) total wages and salaries paid to extraction firm employees from Table 2, and 5 percent of total lease and royalty payments in Table 2.

Officials in the State Legislative Fiscal Office estimate that for every dollar of new earnings generated in the state, the state treasury collects about 7.0 cents in sales taxes, income taxes, and other fees. Thus, Haynesville Shale activities resulted in additional tax revenues for the state of about **\$54.8 million** (\$782.6 million x 0.07). As a reference point, in FY07 the state collected \$53.9 million from its beer and liquor taxes combined.⁹

Indirect local taxes collected. Dr. James Richardson of LSU's Public Administration Institute has estimated that local governments collect 5.4 cents on every new dollar of earnings generated in the economy. That suggests that Haynesville Shale activities generated \$42.3 million in new revenues for local government coffers in Louisiana (\$782.6 million X 0.054). It is interesting to see what is happening to sales tax

⁹ Louisiana Department of Revenue, 06-07 Tax Collection Report.

collections alone in some of the parishes directly impacted by the Haynesville Shale activity. For example:

- In Red River Parish, over the 6-month period from October 2008 through March 2009, sales tax collections were up by over \$5.3 million---a 101 percent increase. In the more recent part of that 6-month period---the first quarter of 2009---collections are up by over 300 percent.
- In DeSoto Parish over the 12-month period from April 2008 through March 2009, sales tax collections were up by \$12,5 million, an increase of 53.6 percent.
- In Caddo Parish, over the 7-month period from August 2008 through February 2009, sales tax collection rose by \$16.7 million or 14.5 percent. This is in a parish where at this stage of the national business cycle sales tax collections would normally be decidedly down.

Total taxes collected. Thus, our conservative estimate is that collectively, state and local tax revenues increased by at least \$153.3 million (see Table 8) in 2008 due to the extraction activities in the Haynesville Shale. Obviously, these estimated tax impacts understate the true impacts because there are an additional 10 firms engaged in extraction activities in the Haynesville Shale for which we do not have data, and the estimates assume lease and royalty recipients spend only 5 percent of their newly received wealth.

Table 8
Additional Taxes Generated by the Extraction Activities of Seven Firms in Haynesville Shale, 2008

Category	Amount
Paid Directly by Seven Companies:	
Direct Taxes	\$3,962,000
State Taxes	\$13,992,034
Local Taxes	\$38,302,276
Indirect Taxes:	
State Taxes Paid by Households	\$54,780,648
Local Sales Taxes Collected	\$42,259,357
Total	\$153,296,315

Source: Survey and author's calculations.

IV. Summary and Conclusions

Much excitement has been created in Louisiana's oil and gas extraction sector by the discovery of the Haynesville Shale deposit in the northwestern part of the state. In Louisiana, it is located primarily in four parishes---Caddo, Bossier, DeSoto, and Red River. What has especially bolstered excitement about this play is the first estimate of its size. Some of the initial wells have produced prodigious amounts of natural gas. Chesapeake Energy has estimated the Haynesville Shale holds an estimated 245 tcf of natural gas, which would make it the largest onshore natural gas find in the U.S.

The purpose of this report is to capture and measure the direct and indirect effects on the Louisiana economy from the activities of the extraction firms operating in the Haynesville Shale in 2008. In the present case, expenditures provided by the seven of the seventeen firms (72 percent of the acreage) operating in the shale were plugged into the RIMS II model to estimate the annual impacts on: (1) *new sales* for firms in the state, (2)

new household earnings for residents in the state, (3) *new jobs* in the state, and (4) *tax collections* by the state and local governments.

We can summarize the impacts on the Louisiana economy in the following way:

- We estimate that during the year 2008, the extraction activity of these seven firms generated approximately **\$2.4 billion in new business sales within the state of Louisiana.**
- New business sales in turn created new household earnings for residents of the state. **As a result of these activities, nearly \$3.9 billion in household earnings was created in 2008.** This estimate includes both direct and indirect earnings and includes almost \$3.2 billion in lease and royalty payments to private landowners.
- Including the direct employment of approximately 431 employees and contract workers reported by these seven firms, **there was an increase of 32,742 new jobs within the state in 2008.** As a reference point, this is slightly larger than total employment in all of Louisiana's banks and credit unions. The job multiplier is remarkably large in this case due to the fact that \$3.2 billion in lease and royalty payments were injected into the state's economy by the extraction firms.
- Finally, we estimate the increase in state and local tax collections that were generated by these seven firms due to their extraction activities in the Haynesville Shale. These new taxes came from two sources: taxes paid directly by the seven firms and additional taxes paid by households who experienced an increase in their household earnings via the multiplier effects. Our conservative estimate is that collectively, **state and local tax revenues increased by at least \$153.3 million in 2008** due to the extraction activities in the Haynesville Shale. In one parish sales tax collections alone are up over 300 percent in the first quarter of 2009.

While these multiplier impacts appear large at first blush, it is important to note that most of the multiplier impacts estimated above do not arise from the extraction or drilling activity *per se*. Approximately \$3.2 billion (or 70%) of the total expenditures associated with the extraction activity in the Haynesville Shale for these seven firms were in the form of mineral lease payments and royalty payments. Thus, the impacts on

business sales, household earnings and jobs arise in large measure from the expenditures made by these lease owners.

On a final note, it is important to point out that we have data from only seven of the seventeen companies involved with extraction activity in the Hayneville Shale. Obviously, our impact estimates understate the total infusion of new money in the state's economy and in turn, understate the true impacts on business sales, household earnings and employment in the state. Also, we are using a very conservative estimate of the percentage of newly created wealth (e.g. lease payments and royalties) that households will spend on goods and services. Based on existing studies, economists estimate that households spend about 5 percent of their wealth each year. But, these estimates are based on traditional measures of household wealth (value of homes, pension values, etc.). The studies do not contemplate massive increases in a household's wealth due to royalties and lease payments (equivalent in this case to winning the lottery). Unfortunately, we are not aware of any studies that measure the amount of money that households spend from lottery winnings, so we use the 5 percent value to calculate the impacts on sales, earnings and jobs. Thus, the multiplier impacts reported here may be viewed as lower bound estimates. The actual impacts are likely to be substantially larger.

Appendix A

Questionnaire Sent to Exploration Firms

Louisiana Haynesville Shale Questionnaire

Note: The responses to this questionnaire will be seen only by the staff of Loren C. Scott & Associates, Inc., will not be shared with any other parties, and will be kept strictly confidential. All responses will be reported in aggregate so that confidentiality of individual responses can be maintained. All data requested are for calendar year 2008. **Please return to us by February 20th** so we can have the report finished for the upcoming legislative session. Thanks!

1. How much did your firm pay in mineral lease payments in the Louisiana Haynesville Shale in 2008? \$145,000,000

2. How much did your firm pay in royalty payments in the Louisiana Haynesville Shale in 2008? N/A

3. How much did your firm pay in rental or surface lease payments in the Louisiana Haynesville Shale in 2008? N/A

4. How much did your firm pay in direct taxes (severance, royalties, rentals, bonuses, lease) to the State of Louisiana associated with the Louisiana Haynesville Shale in 2008? N/A

5. How much did your firm pay in General and Administrative payments in the Louisiana Haynesville Shale in 2008?
 Wages & salaries (direct employees and contractors): \$1,115,000
 Utilities: 0
 Field Office construction and operating expenses 0
 Advertising and Public Relations 0
 Community Sponsorships and Donations \$50,000
 Other: _____
 Total \$1,165,000

6. How much did your firm spend on direct drilling activities associated with the Louisiana Haynesville Shale in 2008?
 Rig expenses (include new build construction expenses if built in Louisiana, contract expenses, and operating expenses) N/A

Materials (include pipe, proppant, chemicals, etc. purchased from vendors in Louisiana) _____ N/A _____

Service company expenses (include Louisiana-procured pressure trucking, water trucking, frac / completion services, road and pond construction, trailers, other provisions) _____ N/A _____

Utilities (water, electricity at operational level):
_____ N/A _____

State taxes (other than those in question 4): _____ N/A _____

Local government taxes: _____ N/A _____

Other: _____ N/A _____

Total: _____ \$0 _____

7. How much did your firm spend on infrastructure activities associated with the Louisiana Haynesville Shale in 2008? (include gathering / pipeline / amine plant construction and operation) _____ N/A _____
7. How many people did you directly employ in Louisiana associated with the Louisiana Haynesville Shale in 2008? _____ N/A _____
8. How many contractors did you employ in Louisiana associated with the Louisiana Haynesville Shale in 2008? _____ 15 _____

Please fax to Loren C. Scott at 225-751-2350. Thanks! If you have any questions please call me at 225-751-1707

**APPENDIX III - CADDO-BOSSIER PARISHES PORT COMMISSION
MEETING MINUTES REFERENCED**



The logo for the Caddo Bossier Port Commission features a stylized black arch above the text "CADDO BOSSIER" in a large, bold, sans-serif font. Below this, the words "PORT COMMISSION" are written in a smaller, all-caps, sans-serif font.

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**Minutes of the Regular Board Meeting
August 15, 2013**

The regular monthly Board meeting of the Caddo-Bossier Port Commission was called to order by President Erica R. Bryant at approximately 4:30 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA and everyone was welcomed.

Pledge of Allegiance: Was led by Commissioner Ernest Baylor, Jr.

Roll Call: President Bryant requested roll call by Eric. Commissioners Lynn Austin, Ernest Baylor, Jr., Erica R. Bryant, Sam N. Gregorio, James D. Hall, Thomas F. Murphy, Rick C. Prescott and Steve Watkins were present. A quorum was present. Commissioners Absent: James L. Pannell.

Public Comment/Introduction of Guests: President Bryant said she had two cards. She called Lisa Linn, Tri State Optical, to the podium who gave a brief introduction of her company and thanked the Board. President Bryant then called Frederick Lewis to the podium. He said he was there on behalf of an event held August 3rd called Jazz in the Park and thanked the Commission for being a supporter. He said he had with him Preston Edwards, Center Manager of Chris Hayes and Rhonda Wilson, the Center Manager of Hollywood Heights. Mr. Edwards gave a presentation to the Board of the organization, its meaning and purpose.

Commissioner Bryant called for introduction of guests: Anne Gremillion & Matt Dockendorf, Gremillion & Pou and Associates; Robert Vinet, BKI and Jacqueline Scott, Jacqueline Scott & Associates and Frederick Lewis, Jazz in the Park; Preston Edwards and Rhonda Wilson, SPAR. Staff: Eric England, Executive Port Director; Brenda Levinson, Director of Business Development; Ted Knight, Director of Operational Services, Hugh McConnell, Director of Operations, Charles Tutt, Director of Legal Affairs and Hettie Agee, Board Secretary.

Approval of Regular Meeting Minutes of July 18, 2013: Commissioner Baylor said the Minutes of July 18, 2013 are in your package. If there are no additions, deletions, or corrections, I move for approval. The motion was seconded by Commissioner Austin. Hearing no discussion, the motion carried.

Approval of July 2013 Financials: Commissioner Baylor said the July 2013 Financials had been presented to you. If there are no deletions, additions or corrections, I move for approval. The motion was seconded by Commissioner Murphy. Hearing no discussion, the motion carried.

"The Caddo-Bossier Port Commission is an equal opportunity provider."

MEMBERS: Erica R. Bryant, President; Capt. Thomas F. Murphy, Vice President; Ernest Baylor, Jr., Secretary-Treasurer; Lynn Austin; Sam N. Gregorio; James D. Hall; James L. Pannell; Rick C. Prescott; Steve Watkins

Caddo-Bossier Port Commission – Minutes

August 15, 2013

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UNFINISHED BUSINESS:

Marketing Committee Report of August 5, 2013: The Marketing Committee was called to order by Committee Chairman Thomas F. Murphy at approximately 12 noon, August 5, 2013 in the Board Room at the Regional Commerce Center. Commissioners present: Lynn Austin, Ernest Baylor, Jr., Erica R. Bryant, Sam N. Gregorio, James D. Hall, Thomas F. Murphy and Steve Watkins.

Commissioner Murphy welcomed everyone and called on Commissioner Baylor to lead in the Pledge of Allegiance. This was followed by introduction of guests and call for any public comments.

Guests included: Richard Elston, DA Richlen Land Company LLC; Sonya French, McInnis Brothers Construction and Anne Gremillion and Daniel Strickland, Gremillion & Pou and Associates. Staff included Eric England, Brenda Levinson, Ted Knight, Hugh McConnell, Charles Tutt and Hettie Agee.

Commissioner Murphy called on Brenda for a Customer Update. Brenda's report included Pratt Industries, CRS Proppants, ADS Logistics, Ronpak and Ternium. TruSouth Oil has had an official name change to Calumet Packaging and their building and trucks have been renamed. We're making the changes on our website.

Some new opportunities came in and we have responded to two of them, one involving an LNG operation and the other involving a Houston-based petrochemical company.

Regarding a Benteler update, progress is continuing on the site. They're well into Task Order 2. Eric will go into an update from Walbridge shortly to show the site and the activities that have taken place.

Commissioner Murphy called on Eric for the monthly reports. He said the contact report and public affairs reports are in your packages. He said there were a couple of our customers that have raised issues to us about the pending water rate increases and how it will affect their operations. One of the things that we have visited with them about is our gray water line which the Commission installed several years ago which can be an alternative water source for their operations.

In the calendar of activities review, we do have our Board meeting next week. Prior to the Board meeting which will begin at 4:30 p.m., we have the Port Expansion Committee at 3:30 p.m., chaired by Commissioner Watkins. This will be the kickoff meeting of the Port Expansion study led by Burk-Kleinpeter. Hope you all can attend.

Hearing no questions for Eric, Commissioner Murphy said that will conclude the Marketing Committee at approximately 12:14 p.m.

Commissioner Murphy said the Marketing Committee report of August 5, 2013 is in your package. If there are no deletions, additions, or corrections, he moved for approval of the report as written. Hearing no discussion, the motion carried.

Caddo-Bossier Port Commission – Minutes

August 15, 2013

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Operations Committee Report of August 5, 2013: The meeting was called to order by Commissioner Ernest Baylor, Jr. at approximately 12:15 p.m., August 5, 2013, at the Regional Commerce Center Board Room. Commissioner Baylor welcomed everyone and called for public comments.

Commissioners present: Lynn Austin, Ernest Baylor, Jr., Erica R. Bryant, James D. Hall, Thomas F. Murphy, James L. Pannell, and Steve Watkins.

Guests: Richard Elston, DA Richlen Land Company LLC; Sonya French, McInnis Brothers Construction and Anne Gremillion and Daniel Strickland, Gremillion & Pou and Associates. Staff included Eric England, Brenda Levinson, Ted Knight, Hugh McConnell, Charles Tutt and Hettie Agee.

Commissioner Baylor called on Hugh for the Operations Report. Hugh said the manufacturing has been holding steady with around 12,000 tons per month. Petroleum was about 14,000 tons. In total, there were 613 new rail cars that came into the Port, 1354 switches and 37,857 tons moved by rail. Regarding barge activity, our River is in good shape. The Mississippi River is all back to pool from one end to the other. The Port stevedores loaded two barges of scrap steel for the month. Oakley reported receiving three barges of frac sand and Genesis Energy had fourteen barges of petroleum. In total, there were 19 barges, 49, 575 tons.

Commissioner Baylor then called on Eric to give the Port projects report. He said with regard to the Slack Water Harbor dock project, they are going to have a meeting at the RCC on the 12th to try and resolve the issues. We are awaiting a construction schedule from them. With regard to the dredging being performed by Blount Bros. Construction, the mouth of the Slack Water Harbor, they're about one third complete. The ADS rail unload facility - they approached us and said they would like a way to unload lumber from rail cars and last year we built a pad for them to take their hard tire fork lifts and unload these rail cars. We doubled the space for them. Where Ron Bean intersects with LA Hwy. 1 and where our digital sign is, we've increased the radius of that turnout for trucks heading north onto Hwy. 1. DOTD approved our original and we're going to go ahead and put the bid package together and get that project underway. We've mentioned to you we have a rail expansion we're planning. Part of that is to incorporate some new rail scales that will be capable of weighing rail cars as they're in movement. Also we have a portion of the project to the north of us. Brenda and Rick have been working successfully with the customer to allow the Port to place two additional rail tracks on what is now their leased facilities. We'll take it back to allow us to increase the number of unit trains we could handle in the Port on any given day. They've approved that. So now we are moving forward on the design.

Eric referred to the Benteler site layout on the screen and provided an update on the Benteler project including the relocation of natural gas lines to and from existing gas wells near the project. Commissioner Gregorio asked what was the cost. Eric said less than \$100,000 for us. With regard to the RCC, we're working on the IPICS system.

Hearing no questions, Eric said the projects sheet is in your package as well as the tonnage. Unless there is any other business, that concludes my report.

Caddo-Bossier Port Commission – Minutes

August 15, 2013

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Hearing no further comments, Commissioner Baylor adjourned the meeting at approximately 12:26 p.m.

Commissioner Baylor said the Operations Committee report for August 5, 2013 is in your package. If there are no additions, corrections or deletions, I move for approval. Hearing no discussion, the motion carried.

NEW BUSINESS:

Port Expansion Committee Update: Committee Chairman Watkins said the Port Expansion Committee met today at 3:30 p.m. We had a quorum. Robert with Burk-Kleinpeter gave an overview of the Port Expansion study that we were asked to look at and what scope it would be for the next twelve months. After his presentation, the motion was made, seconded and approved to approve his recommended scope of services for this project. I make a motion to approve those minutes. The motion was seconded by Commissioner Baylor. Hearing no discussion, the motion carried.

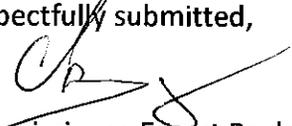
Port Director's Report:

Mr. England said Gloria is back at work coming in for partial days as she's making her recovery. We're glad to have her back.

You should have received an invitation in the mail for the event next month. We have the Benteler Groundbreaking ceremony on September 16th.

Hearing no further items to discuss, Commissioner Bryant moved to adjourn at approximately 4:44 p.m.

Respectfully submitted,


Commissioner Ernest Baylor, Jr.
Secretary-Treasurer

September Meeting Dates!!

Next Regularly Scheduled Board Meeting: Thursday, September 19, 2013, 4:30 p.m.

Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport 71115

Marketing and Operations Committee Meetings: Monday, September 9, 2013, Noon

Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA



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PORT COMMISSION

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FY 2013
(January - December 2013)

CADDO-BOSSIER PORT COMMISSION
FINANCIAL POSITION
August 2013

	July' 13	August' 13
CAPITAL ONE (GENERAL ACCOUNT)	281,429.99	449,087.01
CAPITAL ONE (CAPITAL ACCOUNT/PROPERTY TAX)	2,069,832.07	1,727,633.98
BANK OF NEW YORK PURCHASED SECURITIES - US TREASURY BILLS/DISCOUNT NOTES - CAPITAL ACCOUNT)	6,622,981.00	6,622,981.00
CAPITAL ONE (BONDS ACCOUNT)	196,497.53	133,007.87
CAPITAL ONE (CAPITAL OPERATIONS RESERVE FUND)	1,621,194.78	1,621,676.77
BANK OF NEW YORK (PURCHASED SECURITIES - US TREASURY BILLS/DISCOUNT NOTES - CAP OPER RESERVES ACCOUNT)	9,704,948.05	9,704,948.05
CITIZENS NATIONAL BANK - ESCROW ACCOUNT	1,041,385.64	1,041,728.07
LOUISIANA ASSET MANAGEMENT POOL (SEWER/WATER DEBT RESERVE FUND)	<u>1,574,613.03</u>	<u>1,574,678.11</u>
TOTAL	<u>\$23,112,882.09</u>	<u>\$22,875,740.86</u>

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MEMBERS: Erica R. Bryant, President; Capt. Thomas F. Murphy, Vice President; Ernest Baylor, Jr., Secretary-Treasurer;
Lynn Austin; Sam N. Gregorio; James D. Hall; James L. Pannell; Rick C. Prescott; Steve Watkins

Caddo-Bossier Port Commission
2013 Operations Budget
Period: 08/01/13 to 08/31/13

	Current Period Actual	Year-To-Date Actual	Amended Annual Budget
REVENUE			
Agricultural Lease Rentals	17,400.00	17,400.00	17,400.00
Industrial Land Lease Rentals	231,465.40	1,767,326.22	2,599,546.00
RCC Operations	0.00	2,364.00	15,000.00
Commodity Operating Revenue	230,425.56	1,995,580.38	2,315,188.00
Interest Income	110.40	1,690.62	1,250.00
Miscellaneous Income	0.00	0.00	0.00
TOTAL REVENUE	<u>479,401.36</u>	<u>3,784,361.22</u>	<u>4,948,384.00</u>
EXPENDITURES			
Salaries	145,784.92	1,199,765.80	1,811,000.00
P/R Tax Exp - FICA	4,770.43	40,283.74	55,550.00
P/R Tax Exp - State Unemployment	0.00	1,536.12	1,310.00
Employee Benefits	40,152.43	420,462.79	711,200.00
Automobile Allowance	3,325.00	26,600.00	39,900.00
Dues/Fees/Subscript/Memberships	(244.35)	33,924.63	36,000.00
Office Supplies / Printing	2,178.29	23,257.19	50,700.00
Office Equipment	36.00	815.51	10,000.00
Postage	129.00	690.22	4,500.00
Telephone/Communication/IT	11,743.24	87,196.62	140,000.00
Utilities	13,031.48	106,581.48	177,000.00
Office Maintenanane	5,132.20	41,421.60	61,500.00
RCC Operations	197.17	38,677.13	15,000.00
Insurance - Port Complex	0.00	278,485.25	341,912.00
Worker's Compensation	2,075.81	1,735.67	35,000.00
Travel Promotion & Marketing	2,987.17	139,767.82	235,000.00
Human Resources	630.00	4,857.57	5,000.00
Prof Services: Legal	0.00	1,575.17	25,000.00
Prof Services: Safety / Security	0.00	375.00	10,000.00
Prof Services: Other	3,575.65	57,618.20	89,500.00
Stevedore / Terminal Operations	41,572.53	300,715.36	671,300.00
Transfer to Capital Operations Reserve	0.00	1,230,000.00	415,000.00
Miscellaneous Expenses	0.00	1,084.75	3,000.00
TOTAL EXPENDITURES	<u>277,076.97</u>	<u>4,037,427.62</u>	<u>4,944,372.00</u>
EXCESS REVENUE (EXPENDITURES)	<u>202,324.39</u>	<u>(253,066.40)</u>	<u>4,012.00</u>

Caddo-Bossier Port Commission
Balance Sheet
Administrative Fund
As of 08/31/13

ASSETS

Capital One - Operations Account	\$449,087.01	
Accounts Receivable-Admin (see pg 9)	282,903.52	
Prepaid Expenses (Environ Insurance)	<u>112,816.08</u>	
TOTAL ASSETS		<u>\$844,806.61</u>

LIABILITIES

Accounts Payable - Admin	\$58,205.54	
Deferred Revenue (Prepaid Rent)	1,114,524.00	
Fed W/H	0.18	
Fica W/H	(1,566.95)	
Medicare	0.00	
State Income Tax Withheld	0.28	
Garnishment Payable	694.66	
Federal Unemployment Payable	(0.08)	
State Unemployment Payable	<u>(0.47)</u>	
TOTAL LIABILITIES		\$1,171,857.16

FUND BALANCES

Fund Balance - Administrative	(\$73,984.15)	
Excess Revenue (Expenditures)-Adm.	<u>(253,066.40)</u>	
TOTAL FUND BALANCES		<u>(\$327,050.55)</u>
TOTAL LIAB & FUND BALANCES		<u>\$844,806.61</u>

Caddo-Bossier Port Commission
Balance Sheet
Debt Service Fund
As of 08/31/13

ASSETS

LAMP - Sewer Debt Reserve	\$1,574,678.11	
TOTAL ASSETS		<u>\$1,574,678.11</u>

LIABILITIES

TOTAL LIABILITIES	<u>\$0.00</u>
-------------------	---------------

FUND BALANCES

Fund Balance - Debt Service Fund	\$1,573,943.49	
Excess Revenue (Expenditures)	<u>734.62</u>	
TOTAL FUND BALANCES		<u>\$1,574,678.11</u>
TOTAL LIAB & FUND BALANCES		<u>\$1,574,678.11</u>

Appendix III Page 9 of 80
Caddo-Bossier Port Commission
2013 Capital Operations Budget
Period: 08/01/13 to 08/31/13

	Current Period Actual	Year-To- Date Actual	Annual Budget
REVENUE:			
Red River Waterway Commission	0.00	0.00	1,917,683.00
LED - Benteler	0.00	2,908,787.20	23,000,000.00
FEMA/Home Land Security	0.00	329,150.00	330,840.00
Mineral Leases	166,282.13	1,117,222.77	705,000.00
Property Tax Revenue - 2012 (Gross)	7,896.69	5,974,199.56	6,000,000.00
Water and Sewer Revenue	161,717.56	1,177,482.21	1,800,000.00
Safety Tariff Revenue	0.00	231,460.00	232,412.00
Interest Income	1,460.48	13,626.90	50,000.00
Transfer from General to Capital Op Rsv	0.00	1,230,000.00	415,000.00
Transfer from Capital Operations Reserve	0.00	0.00	13,710,000.00
TOTAL REVENUE	<u>337,356.86</u>	<u>12,981,928.64</u>	<u>48,160,935.00</u>
EXPENDITURES:			
Prof Services: Engineering	0.00	9,751.80	85,000.00
Prof Services: Accounting	0.00	15,250.00	17,500.00
Prof Services: Environmental Services	0.00	18,900.36	20,000.00
3.2M Water Revenue Bond Payment	14,272.00	114,176.00	171,264.00
3.53M Limited Tax Bonds Payment	19,025.00	343,925.00	343,925.00
4.74M Limited Tax Rev Bonds Payment	26,968.75	461,437.50	461,438.00
6.025M LCDA Loan	68,900.00	560,949.99	834,550.00
6.25M Sewer Limited Tax Bonds Payment	17,552.50	415,636.25	415,636.00
10.8M Utility Revenue Refunding Bonds	0.00	498,195.00	724,740.00
15.0M Limited Tax Revenue Bond Pmt	187,500.00	1,620,400.00	1,620,400.00
23.0M Revenue/Refunding Bond Payment	0.00	1,780,096.25	2,215,243.00
Fire Station Operations	0.00	988,229.43	1,225,000.00
Port Complex Capital Maintenance	151,871.72	249,161.77	375,000.00
Master Plan	0.00	0.00	200,000.00
Sheriffs' Pension/Collection Fees	0.00	192,353.11	186,000.00
Miscellaneous Expense	0.00	8,729.61	0.00
Total Capital Operations	<u>486,089.97</u>	<u>7,277,192.07</u>	<u>8,895,696.00</u>
General Cargo Dock Refurbishment/Grappel	0.00	66,425.50	1,685,000.00
Steelscape Dock	0.00	4,058.81	200,000.00
ADS Unloading Facility (Phase II)	3,294.49	29,092.85	90,000.00
Regional Commerce Center	0.00	91,388.80	400,000.00
3-D Port Model	0.00	10,792.50	10,000.00
Gray Water Filtration & Tank	0.00	0.00	1,200,000.00
Ron Bean Acceleration Lane	0.00	2,037.87	86,500.00
Ronpak	304,379.55	1,349,829.55	2,500,000.00
Benteler	15,922.68	3,960,482.68	28,969,000.00
Benteler Marshaling Switch	0.00	0.00	274,000.00
Slack Water Dock Laydown Area	0.00	187,835.00	475,555.00
Hwy 1 Northbound Lane RR Crossing	0.00	0.00	150,000.00
Hardstand Lighting	10,340.73	36,066.10	50,000.00
Receiving Rail Yard Lighting	0.00	0.00	50,000.00
RCC Parking Lot Expansion	0.00	0.00	100,000.00
Rail Expansion	15,965.00	15,965.00	3,000,000.00
Headwall	0.00	0.00	25,000.00
Total Specific Projects	<u>349,902.45</u>	<u>5,753,974.66</u>	<u>39,265,055.00</u>
TOTAL EXPENDITURES	<u>835,992.42</u>	<u>13,031,166.73</u>	<u>48,160,751.00</u>
EXCESS REVENUE (EXPENDITURES)	<u>(498,635.56)</u>	<u>(49,238.09)</u>	<u>184.00</u>

Caddo-Bossier Port Commission
Balance Sheet
Capital Operations Fund
As of 08/31/13

ASSETS

Capital One - Capital Account/Prop Tax	1,727,633.98
Bank of New York - Purchased Securities (Capital)	6,622,981.00
Capital One - Bonds Account	133,007.87
Capital One - Capital Operations Rsv Fd	1,621,676.77
Bank of New York - Purchased Securities (Cap Op Rsv)	9,704,948.05
Citizens National Bank - Escrow	1,041,728.07
Regions - Bond Fund	1,260.18
Regions - COI Fund	136,875.12
Regions - Bond Discounts	178,210.25
Debt Issuance Costs	420,135.00
Land, buildings and equipment (Net of A/D)	160,002,880.00
Accounts Receivable - Cap Operations	<u>11,376,577.34</u>

TOTAL ASSETS

\$192,967,913.63

LIABILITIES

Accounts Payable - Capital Operations	\$385,210.46
Accrued Interest Payable - Bonds	656,787.43
\$3.2M Water Revenue Bonds	2,908,047.00
\$3.53M Revenue/Refunding Bonds	1,430,000.00
\$4.745M Revenue/Refunding Bonds	1,945,000.00
\$6.025M LCDA Bonds	4,201,979.00
\$6.6M Sewer Limited Tax Bonds	1,565,000.00
\$10.8M Utility Revenue Refunding Bonds	10,361,790.00
\$15M Limited Tax Revenue Bonds	10,514,130.00
\$24.97M Revenue/Refunding Bonds	22,422,926.00
Deferred Revenue (Property tax)	<u>5,200,126.00</u>

TOTAL LIABILITIES

\$61,590,995.89

FUND BALANCES

Fund Balance - Capital Operations	\$131,426,155.83
Excess Revenue (Expenditures)	<u>(49,238.09)</u>

TOTAL FUND BALANCES

\$131,376,917.74

TOTAL LIAB & FUND BALANCES

\$192,967,913.63



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**Regular Board Meeting
Regional Commerce Center, Board Room
6000 Doug Attaway Blvd., Shreveport, LA 71115
August 20, 2015**

The Regular monthly Board meeting of the Caddo-Bossier Parishes Port Commission was called to order by President Commissioner Capt. Thomas F. Murphy at approximately 4:30 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA and everyone was welcomed.

Commissioner Gregorio led the Pledge of Allegiance.

Commissioner Murphy asked Eric to call the roll: Commissioners Capt. Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins were present. A quorum was present. Absent: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall.

Commissioner Murphy called for Introduction of Guests: Tyler Comeaux, Burke-Kleinpeter; Anne Gremillion and Daniel Strickland, Gremillion & Pou and Joe and Zachary Johnson. Staff: Eric England, Executive Port Director; Gloria Washington, Director of Finance & Human Resources; Rick Nance, Director of Engineering & Planning; Brenda Levinson, Director of Business Development; Ted Knight, Director of Operational Services; Hugh McConnell, Director of Operations; Dannye Malone, Director of Legal Affairs; Gloria Washington, Director of Finance & Human Resources, Kathy French, Director of Community Relations and Hettie Agee, Board Secretary.

Commissioner Murphy called for public comment. Hearing none, he called for the first order of business.

Approval of Regular Meeting Minutes of July 16, 2015: Commissioner Gregorio said the minutes of July 16th have previously been sent to you. They're in your package. If there's no alterations, I would ask that they be approved. The motion was seconded by Commissioner Pannell. Hearing no discussion, the vote was called for. All in favor, please say "Aye". Opposed, "Nay". The motion passes unanimously.

Approval of the July 2015 Financials: Commissioner Gregorio said the July 2015 Financials have been previously sent to you and are in your package. Unless there's any corrections, I would make a motion for approval. The motion was seconded by Commissioner Prescott. Hearing no

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MEMBERS: Capt. Thomas F. Murphy, President; Ernest Baylor, Jr., Vice-President; Sam N. Gregorio, Secretary-Treasurer; Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell; Rick C. Prescott; Steve Watkins

Caddo-Bossier Port Commission - Minutes

August 20, 2015

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discussion, the vote was taken. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passes unanimously.

UNFINISHED BUSINESS:

Port Expansion Committee Meeting of July 16, 2015: The Port Expansion Committee meeting was called to order by Committee Chairman Steve Watkins at approximately 3:30 p.m. on July 16, 2015 in the Board Room at the Regional Commerce Center. Public comment and introduction of guests was called for.

Committee members in attendance included Steve Watkins, Sam N. Gregorio, James L. Pannell, and President Capt. Thomas F. Murphy, Ex-Officio. Commissioner Austin joined the meeting later on as indicated in the minutes. Commissioner Hall was also in attendance. A quorum was present. Guests: Tyler Comeaux and Michael Chopin, Burk-Kleinpeter, Inc. Staff: Eric England, Rick Nance and Hettie Agee.

Commissioner Watkins moved to the first item of business, Port Expansion Study, and turned the meeting over to Tyler Comeaux.

Tyler gave a Power Point presentation consisting of an update on Technical Memorandum #4 and Final Presentation. He also did the Initial Presentation on Technical Memorandum No. 5.

Tyler said as you know this has been going on for a little while and we're beginning to get the selection of sites and finalizing selection of sites with the prioritization of each site. This is what I call Meeting 5B. We're going to go over TM 4, presented at last month's Port Expansion Committee meeting on June 18th right before the Board meeting. We had a few comments that Commissioner Watkins had asked for, so we incorporated those comments and we have a final draft of TM 4.

Before I get to all that, I just want to recap what we did before was we collected a bunch of GIS information from everywhere, developed the historical trends of the growth of the Port by looking at the leased land throughout the years, got everybody's take on the needed goals by using the questionnaire, Commission, staff and tenants. Then we used that criteria to build two GIS models. In the GIS models we had the weighted overlay and the fuzzy overlay. From those we developed preliminary sites. We took the preliminary sites and finally did initial diligence basically checking out the site, checking out the parcels within each site, making sure there's no red flags. If there was, we properly documented it and that is part of TM 4. We took 420 parcels, investigated each one of them, made sure that each site that the parcels were ranked within each site and you do have a printout of TM 4, the bigger style packet in front of you right now. So the updates that we did to TM 4 was Commissioner Watkins had asked for us to show the size and location of the parcels within each site. I've added a map. You'll see there's two maps for each site now. There's the initial map which shows the parcel ranking, 1 through 5, 1B, a flagged parcel 5B, there's nothing wrong with the parcel. There's a second larger style map, 11 x 17, that shows the parcels within that site and their geo number and their size or mapping number depending on if it's a Caddo or Bossier Parish. And what that'll help is two things for you to reference from the description to the actual parcel and whenever you go to purchase

Caddo-Bossier Port Commission - Minutes

August 20, 2015

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this land and you have all the information in front of you on one map with the number of acres for each parcel.

The start, I think it's Figure 33 is the first priority site that shows this information. Eric, I and Rick had talked Monday and we determined that was a good way, a good measure to show it. I did look at putting the owner's name on each one of these. It was hard because the owner name descriptions on some properties are very wrong, groups, entities whenever you do that on labels on a map, it just clutters the whole thing. Commissioner Watkins said do we have somewhere say on a parcel of land how many owners may be in that. Tyler said yes, and in the table right before that map, if you flip back probably a page, there's a table for each site that shows each parcel from the largest parcel to the smallest parcel with the owner name and the parish that it's within and the description that we have from the GIS and/or the due diligence. If the ownership was wrong on the GIS and we found that in due diligence, we inserted the correct owner name. So that gives you a rundown from largest to smallest and you can reference back size parcels if you need to on the map with those tables.

Another thing that I edited in TM 4, there was three sites that had I-69 either running through them or right up against them. It was Property B, F and G. B and F are on the Caddo side of the River and they're just to the west of the Port. G is actually on the other side of the River directly across. I-69 splits G. So that's just a note we wanted to make. We don't necessarily want to upgrade or downgrade that because depending upon what type of development is going to be there, it may or may not effect it. But we did make a note that if you have a master plan for the property or have a type of industry that you're thinking about putting at the property, we've got to keep in mind I-69. Any questions, so far?

That's essentially the updates I've made to TM 4. If I'm not mistaken, this is what we consider the final draft and I think Eric would consider it the same. We would like for you guys to review it, let us know if you have any final comments and I think the anticipation is for you to give us final comments and think about adoption the next month.

Eric said Commissioner Watkins, how we would like to proceed, we were going to cover a little of this now and a little bit more later in the meeting is for the committee to have any final discussion on TM 4, which Tyler just reviewed, and see a favorable recommendation from the committee to the Board and look to have that adopted at the August Operations Committee meeting since that's the committee of the whole and not wait until the Board meeting so we can stay on schedule. Tyler said so whenever you can give us comments, if you have any, that would be great.

The next step in the Port Expansion Study and the final step is Implementation and a Replacement Plan for the Port Expansion Study. There is a few items in here. Basically we're gonna help with the implementation of what we have determined as the candidate sites as well as determine the Replacement Plan. The Replacement Plan I'll get into a little more detail, but I definitely need feedback from you on what direction you want to go for a replacement plan in the future, not necessarily the immediate action but where are the triggers that we need to look at, investigate more sites and start determining what the appraisal value on these sites are and all this stuff to where you can go ahead and purchase it when needed.

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In TM 5, which is the smaller package that you have, is the first draft. It's an initial draft meaning after this meeting, depending upon y'all's feedback on the triggers, I'm gonna go back to the office and develop, based on the triggers we're gonna discuss today. The initial form, what it does is it shows you the final rankings of each site with a description and the estimated real estate acquisition cost of that site. The real estate estimates were done by David Volentine. I know most of you are familiar with David. He does a lot of work here. And so he looked at each parcel within each site and estimated what the real estate acquisition cost for that individual parcel would be based on averages. Now this is 2015 dollars. It's not 2020, 2025 so you've just got to keep that in mind. Each one of the sites has an estimated low and high range cost on the site. So it's going to be somewhere in between those two costs.

A couple of foundation things we want to talk about before we get into the triggers is we've looked at all the property within the Port and essentially there's 5 big sites and 4 smaller sites that make up about 746 acres that are available for lease at this time. Of those 9 sites, they're listed on the screen as the Cupples property which is just across Hwy 1. From my understanding, it's going to be limited to Commercial and Distribution. Therefore, you can't have Heavy Industrial there right now. It won't ever be zoned that. So that's why I put limited industries, because you're not going to be able to have a Heavy Industrial site. That 224 acres. That's your largest available site right now as most of you know. Scopini Island is the next available. It's actually on the batture side of the levee. We've got to weigh that whenever looking at tenants. Tenants may not want to locate there because it's unprotected. North Whittington is north of Scopini Island, 90 acres. Ron Bean is right here inside the Port; it's 80 acres. That's the largest protected site that is unlimited to what type of industry you can have. That's essentially your most available non-restricted site. So 80 acres is probably not the largest that you would want to have. Tensa Delta is south of here. It's 77 acres, if I'm not mistaken, partially battured on the batture side. Eric said it's all protected. There's 4 small sites within the Port that compiled together make 125 acres that are specialty type businesses that would need it. So, with that in mind knowing that your 80 acres is really your most unrestricted unlimited site, I would look to you as a Board to tell me if that is something that you want or do you want a larger style site that can attract mega sites such as Benteler. I would think the answer is you would like a larger contiguous tract that's available without restrictions. Any opinion? Commissioner Gregorio said yes. Tyler said yes. So with that, is everybody on the same page here before I move forward with this that we're looking at a large-style site?

So with that, we're going to go ahead and in the Implementation we're going to state such actions that we've got to look at getting a large site contiguous to each other where you could have a large-style tenant such as Benteler, and I'll use Benteler as an example for that. The triggering for purchase will for this, in particular, will go at the same time of investigation because we're going to be looking immediately to get a large-style tract. The other question is the smaller style tracts that you have currently that we had listed before, the 80 acres, 90 acres, the 100 acres. Those style tracts will be for ancillary businesses to the mega business or to medium businesses that may be stand-alone by themselves but they can come into it. We have discussed Eric, I, staff and Rick, we need to look at a trigger for when do we need to replenish the smaller style sites or look at triggering a smaller size inventory for not only the large style but also a small style tract that has—you can look at attracting smaller and medium style business rather than having one 600 piece of land by itself. What I mean by

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that is right now there's roughly 450 acres that is available without restriction. That basically discounting Cupples right now because that's really Commercial L& Distribution only. So there's 400 acres that's available in a smaller style tract setup. We need to discuss and have an open discussion of where are the triggers that you want to have in place to first of all start investigating—okay we'll getting low on our medium to small style tracts and where do we need to start investigating where can we buy land, and then what's the trigger for purchasing? The initial we had discussed---and this is just a number to throw out there--is 400 acres. Once you get below 400 acres of medium to smaller style tracts you need to look at least investigating which sites you can purchase next. When you get the 300 acres available, you go ahead and purchase. I would like to get everybody's feedback on what triggers you like and that is combined acreage, if that makes sense. Does that make sense to everybody? I would like to get y'all's feedback on that.

Commissioner Gregorio said I want to go back to large in just a moment, but let's stay on small since you are there. Historically ten years, fifteen years, whatever we think's appropriate, what's the rate that we burn through? How much acres do we burn through what period of time? Tyler said in the first steps of this process we determined your absorption rate, if you want to call it that. And the projection over, the straight average when you take what you leased from the start to now, is about 40 acres a year. But you've got to remember, y'all are on the uptrend. You're not stationary. We did a five-year rolling average and the trend for the next two periods is roughly 60 acres a year which would mean from 2014 through 2019 and 2015 through 2020. So it would be 60 acres a year, roughly 300 acres by 2020 would be absorbed. Does that make sense? And so that's the trend line right now where everything is including Benteler—we had Benteler in the study when we started—it's roughly 60. I think it's 59.7 acres per year. Commissioner Gregorio said on the numbers that you had, if we start to purchase when we're at 300 acres available, we have a 5 year inventory. Tyler said roughly. And that's on only small land. Commissioner Gregorio said just small right now. Tyler said correct. Commissioner Gregorio said is a 5 year inventory normal in the industry of the ports, or do we need more, less. Eric said that would be something we would have to investigate, Commissioner Gregorio. Some ports are maxed out on their land and have no inventory while others have an amount in between zero and an amount we have. It would take some investigation. Commissioner Gregorio said my next question is, you know what's available in five years may be way different than what's available now. Tyler said that's the big—Commissioner Gregorio said ten years may be way different, particularly if there's roads and highways and other development. Any thoughts on what's going to be happening in this area down Hwy 1 with future roads the next 5 or 10 years? Tyler said as we all know, I-69 is planned to come through here. Now when is the funding available, we don't necessarily know. The same thing with 3132. 3132 is planned to come somewhere in the vicinity, at least the potential for it to come somewhere in the vicinity, the next....We don't know time periods because of the amount of funding available but that is the two major roads that are anticipated to come through this area. Timeframe wise I can't say if it's 5 years, 10 years or 20 years but we at least know that the corridor for I-69 is preserved. As you know, where the power line is it's preserved. The 3132 corridor, if it's determined to be a corridor, it would probably be preserved in the next two to three years, at least for no development on that corridor. But I don't know time period for actual roadway builds. That's kind of unknown. Commissioner Gregorio said is there a disadvantage for purchasing and holding real estate to guarantee for the future. Eric said one of the ones that would come to mind and maybe to private business would be maybe the overhead or such in terms of just the property tax or the carrying cost. For the Port there are no property taxes, so

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the exposure there is minimal just in upkeep. Commissioner Gregorio said to continue my out-loud thinking, if we in the community believe that we are an economic engine and if we have a bright future, then I think we should plan for that bright future with the amount of real estate that we want now and the triggers that would guarantee that. So I do think we're an economic engine; I do think the community sees us as such and I think we are, so I think we should acquire the real estate while it's available rather than wait. Tyler said and at probably a lower premium than you may pay whenever the roads are being planned to be built. Commissioner Gregorio said correct. There's only so much real estate. We know from the 3132 thing that development happens and all of a sudden options are foreclosed. So if we acquire the real estate that we believe we will need as an economic engine for the community, then we'll have that available for us.

Commissioner Watkins said Jimmy, you know we have a possible tax issue in front of us for renewal. If we're successful in passing that, we do have the ability to bond that, and of course that will be whatever length of time we're going for which if we go for another 25 years or whatever we do. We should be able to buy, bond and have the money to buy whatever we need. Commissioner Hall said absolutely. I think the argument you're gonna have with some people is that if you're gonna pre-determine I'm in the route of some future development, you're gonna have to pay me for the land or you're going to have to compensate me for lack of development, but I would think that we would seriously consider looking at what the capacity is that we can bond because then you can acquire whatever property and it also buy you funds for some development like we've done here with the infrastructure etc. It's what's been the catalyst in my mind that's what's made us so successful is all the pre-planning that was done before and made these greenfield sites that are ready available, and when somebody is looking for a site location, it makes it a likely spot that they're going to heavily consider. So I would think if we're successful in getting the tax renewed, then we should seriously look at that.

Commissioner Gregorio said let me say that in maybe a little different way. I'm in complete agreement. Twenty five years ago we acquired land that guaranteed us a 25 year future. I think my number's right. And so if we basically run out of land, maybe we should look for a 25 year future, not just a 5 year, 10 year but guarantee the future like we did in the past for which we've had very good results. Commissioner Watkins said I'll just act like I've got play money and say we're successful. You could actually take two of these plots, the two that you really like, that may be \$40 million in total that would be well over what we need for 25 years. We should be able to bond those out easily and then start your infrastructure and basically have put the Port on the next 25 years they're not going to have to worry about land etc. The money we're spending on this and the time and effort that they're putting into this, this does have a date on it. It'll be outdated in a couple of years. So as we think through these and what we want to do, it may be two years before we do it, but we need to start thinking that way because this will be old information in two years. So I think we all need to be thinking about that trigger. But I like what Sam and Jimmy said. We need to think big. Let's don't think about a 5 year plan. Let's think of a 25 year plan and let's bite that bullet one time and be done with it. Eric said that's perfect. That's exactly the feedback we were...Capt. Murphy said I think we're unanimous on that.

Commissioner Watkins said Eric for you, I think you need to start thinking about funding these tracts. If we go grab two tracts and \$40 million, what are our options? Certainly we have other options, not only the tax renewal. You have RRWC etc. There's other options out there for us. We have some money

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but I think that would go dovetailing with it. You know we need \$40; how are we gonna get there and get to that. Eric said I understand what you are saying Commissioner Watkins. If I may with regard to the property tax, we know that the tax expires in 2018 and here we are in 2015. We're wrapping up the Port Expansion Study and as we've discussed in the past, as soon as we had timed the completion of the Port Expansion Study is the time to update our overall Master Plan of the Port which was completed a few years ago and also it would be an ideal time for Dr. Loren Scott to do an update on the economic impact of the Port, especially with Benteler coming on line and with the expansions we know are about to happen so that when we do go to the citizens in that time period before 2018, we can tell them that yes, we do have a Port Expansion Study. This is what we want to use the property tax money for the land. We have a Master Plan that has over \$100 million of projects in it and we are a proven economic engine and we can use the Dr. Scott information for the jobs that have been created as well as the economic impact, as well as the household incomes as a result of the Port. I think in timing wise it all is lining up perfectly. And also with the comments, we'll get to work on beginning to understand if the tax revenues to the Port of Caddo Bossier are roughly \$6.8 million, we know we're covering our debt service now, but in today's market environment what dollar amount could we likely see in terms of total bonding with that type of revenue. Commissioner Hall said this is just a John Holt revenue story, but his standard deal is a million will get you \$15 million today with the market rates the way they are. Just at \$6 million would get you \$90 million dollars in today's rates. We just had a discussion last week about it. And so that gives you some mindset as to what you would have to bond to get to \$40 million wouldn't be the whole thing and of course, the other thing we need to keep in mind is you don't want to expend your capacity all on just land because the land without the infrastructure is really just a pie in the sky deal. To me, to make it credible as far as marketing, it has to have the infrastructure. And so you've got to plan that; you've got to build it. All I'm saying is within what we have there's plenty capacity to do both—acquire the property and look to the 25 year plan and then also provide—you don't have to do all the infrastructure right then, but you can do it in making it the marketable pieces. I think we've probably talked about that larger pieces are sometimes more attractive for bigger industries etc. So there would be a way for the experts to master plan that but I think there's plenty of capacity there under current rates—I don't know what the rates will do in the future.

Commissioner Watkins said Rick, a question for you. You would be able to ballpark a figure—and it'd be real ballpark—to say this is what it takes per acre to put in water and road, sewage. Be really ballpark. Say if you're going to acquire 100 acres you can ballpark—you're going to have to spend this much and that would at least give us a benchmark to say, for every 100 acres, we need to make sure we've got this much in infrastructure money. Is that doable? Rick said I think so. Commissioner Watkins said and obviously it's a guess but it's an educated guess. Eric said that's a great idea.

Commissioner Watkins said Tyler, the other thing and I thought about this after Step 4, do we need a designated—of course we can look on the maps and see things that are on the River side of Hwy 1. You know I think as we look, I think the most attractive tracts are probably on the non-River side of Hwy 1 is kind of what it's kind of looking like. But do we need to make an effort to acquire—do we need tracts on the River side? Do we need to try to get more River frontage? Let's say we get 1800 acres. I don't know that they all can be on the non-River side of Hwy 1. Does a certain piece of them need to have River frontage? Commissioner Hall said that's a good question. With the docks, can you not be manufacturing over here and transport it over here to put it on a ship and ship it or is that logistically

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something that a big time entity would find not feasible. Eric said just with our experience with Benteler, for example, they're a perfect one to study. They lease 370 acres from us on the protected side of the levee. At some point, they will be shipping 500,000 + tons a year of scrap steel to the steel mill as their raw product. While we have had talks with them about a potential conveyor from our general cargo dock, they chose not to construct a general cargo dock that would serve just their facility. So it does bring up Commissioner Watkins' question, the discussion does bring up something we do need to look at and where we would begin on that is looking at the existing capacity of our existing facilities and then look at the existing planned facilities. For example, at our slack water harbor we've constructed one dock. We have the potential for at least two more in there and not to mention the River frontage that we have on the Scopini Island and the North Whittington tracts. But with that said though, if there is a tract of land that does have the River frontage, it needs to be carefully analyzed especially if it's the site that is what we're calling a mega site or a 350/400 acre site because I believe someone that we as the Port are going to preserve that site for, if you will, one tenant, one lessee for that entire site, there's a greater option that they would need their own general cargo handling facility. I think we need to go back and understand our true capacity, but just don't say "no" based on that capacity. I think it would be an incredible advantage to have a mega site with at least what we determine to be the minimal amount of River frontage space. It doesn't have to be as elaborate as we have. It just has to be an access point. Tyler said and to that point we can move wherever we need to move on these sites. But I'm trying to get to a perfect example of this is Site R, if I'm not mistaken. It is, and Rick had brought this up to me, has a portion of the property, 700 or so feet that is direct access to the channel on the Red River in a navigable portion, so it's south of here. But each one of the sites that we thought could be easily accessible to the River with either the slack water harbor or direct access to the River, we noted as such in the description. So it's really not hard for us to move, note whatever we need to do in the future, to properly note these things. So right in this area, 741 feet, it's in the actual description, that's direct River front access that's right there. There's probably another 700 or so feet that's on the batture side of the levee but you can see easily that's it on the River. That is the only property that we found that is on the River channel in this vicinity. Rick said if you think of Benteler's site, then you have the Hutchinson Plantation below that. This is immediately to the south of that. Commissioner Gregorio said R is ranked not high in your ranking. Tyler said correct. It fell out of a lot of criteria. Commissioner Watkins said but that one piece might be. You know R may have too many gas wells or whatever the reason is but that one piece of R may be perfect for us. So as we go do that, we may say "Hey, we're gonna grab 1000 acres on this side of Hwy 1 and then we're gonna go grab 300 acres in R". Tyler it might be the one that has a lot of as gas wells, 68 oil and gas wells on the site which would not lend itself to development of an industry but for a docking facility and rail cars through and as an access point to that, that's a great point.

Commissioner Watkins said and I think Jimmy brings up a good point too. You know part of our inventory we have to know that we have two docks now but we have the ability to add three more, or whatever that number is, which would service this many acres. So until we get past that many acres we have enough dock area that's either built or could be built. Commissioner Hall said and you've got to figure that Benteler did an analysis and it made more sense to use our dock than build their selves a dock, so there's no way they missed that opportunity to look at that situation so there's got to be some cost effectiveness to us having additional dock space and servicing the various needs. It may be that it has to be a pretty good piece of property with River access before you really want to jump on that.

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Because all things being equal, I think Benteler probably did a little more due diligence than anybody else has ever done. So clearly it's an economic advantage for them to deal with using our facility. Commissioner Watkins said so that may just be a trigger we think about is what triggers when we need to start looking at our next dock. You know you've got the slack water and the general cargo. You know at what point in our acreage being leased do we need to start thinking to get ahead of the game and start building our next one and where to put it---Tyler said available land etc. Commissioner Hall said any idea how that steel's coming in? Eric said it's scrap steel; it'll be domestic and international. It's by barge. Commissioner Gregorio said then they're going to truck it over to the plant? Eric said that is correct. That's the initial plan, but there have been discussions about cheaper more efficient ways of doing it than draying it by truck or even rail car and that has brought the discussions of a conveyor.

Commissioner Watkins said my last question for you, Tyler, is in any of this analysis have we tagged anything that is currently listed for sale, any of this land? Tyler said we did not and that can be something I can get with David on. I'm sure he has access to sites that are within this area that is potentially for sale. I can easily do that and note that as such in each of the individual sites that may be presented. Commissioner Watkins said I would like to know what the land costs is before this becomes public.

Eric said Commissioner Watkins, and Tyler, I may be stepping out on something you were about to say. We have talked about this but I think what we hear the committee saying is if we were to take a 25 year forecast, maybe even just bump it up to 30, we're talking about 1500-1800 acres is what we need to be considering. Included within is at least one mega site, at least I would think.

Commissioner Gregorio said I was going to ask you about that. You had mentioned one. I said I wanted to come back to the large site. Do we need two? That was going to be my question. Tyler said I think if we're planning for 25 years, I think it's a good idea to plan for two. However, we've got to keep in mind that if we purchase 2,000 acres, there's two mega sites and still 1,000 acres for smaller ancillary businesses such as you have now and that's kind of what happened here. You know you have businesses, businesses, boom, mega site, Benteler. And so you're starting to close out this area, but if you have a 2,000 acre contiguous tract and you have two mega sites, you still have 1,000 acres there to have the smaller style businesses. Commissioner Gregorio said which is the argument that we should have two mega sites. Tyler said correct. Commissioner Gregorio said that's what I'm thinking. That's my initial thought too. And what do y'all think? Tyler said okay. Eric said and one thing to keep in mind with the mega sites is they will not be subdivided like you will the smaller tracts, so therefore the infrastructure cost will not be as high. Obviously you have to get the road and rail access and water and sewer, but you won't have near the involved costs of the subdivided smaller tract. Commissioner Gregorio said Eric you were making a point. I went to my question about the larger. Did you have some more to continue. Eric said I did not. I think we've gotten the guidance we need on the total number, included of which how many mega sites to plan. We can now take that and apply it to the information we've received. The 1800 rather is just a gage. It might come back 21 or 22. We've gotten our feedback from the committee which has been extremely helpful. Commissioner Gregorio said and your 18, of course, is 60 x 30. Commissioner Watkins said correct. Commissioner Gregorio said 30 years, 60 per year. Eric said that's just what we used on the rolling 5 absorption rate. Commissioner Gregorio said is you're gonna go that, might as well shoot at 2,000. Eric said exactly. Tyler said and what it will do

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is the study has prioritized land. What land you actually go out and purchase because I think you're going to follow the priority, but what land fits what you want to purchase is essentially what you're going to try and do. Eric said and what we're saying in this meeting also is that the time is now to begin the overall process, but it's incredibly urgent that we find our first replacement mega site. Commissioner Gregorio said so we don't have any. I agree.

Commissioner Watkins said Tyler, do you have anything else for us. Tyler said I had one more slide, but the discussion's been so good here. We've got all the answers we need, like Eric said, and basically what I'm gonna do is I'm going to incorporate these comments, bring back TM 5 in final draft form for your review at the Operations Committee meeting. At the Board meeting, I think the plan is to adopt it for approval. Commissioner Watkins said do we need a motion from this committee to present Step 4? Eric said yes sir, we do. Commissioner Gregorio said I so move. Commissioner Murphy seconded the motion. Commissioner Watkins said all those in favor of recommending that that Step 4 be approved by the Commission at the Marketing Meeting—Eric said we want to do the Operations Committee meeting on August 10th please. Commissioner Watkins said that's the motion. Any discussion? All those in favor say "Aye".

AYES: Commissioners: Steve Watkins, Thomas F. Murphy, Sam N. Gregorio and James L. Pannell.

NAYS: None

ABSENT: Lynn Austin

ABSTAINING: None

Eric said that's a perfect segway. We want to talk a little bit about wrapping up the Port Expansion Study with these remaining steps we have. Commissioner Watkins just handled the motion with regards to TM 4. What we would propose to do now is to take the feedback, which we sincerely appreciate we've gotten from the committee today, incorporate that and just distribute it to the committee and the Commission with the permission of the committee, so that we could seek to have final adoption of TM 5 at the Board meeting in August. That's a proposal. Commissioner Austin joined the meeting at 4:18 p.m.. Commissioner Watkins said will this committee need to meet before then. Eric said that's what we want to seek from the committee. Would you all like to meet one more time before? If not, we can...Commissioner Watkins said I think we need to meet before the August Board meeting to look at the final wrap-up on 5. Eric said then okay, what we can is schedule that meeting at the same time, 3:30 p.m. Eric said what we would like to do is shoot for September 8th, which is a Tuesday. Labor Day is on that Monday. We're having our committee meetings on Tuesday, the 8th. We'll have a Port Expansion Committee meeting on that day to go over the final presentation. Commissioner Austin said at what time, Eric. Eric said around 11:00 a.m. Commissioner Austin said I have a crime lab meeting on the 8th. That's the second Tuesday. It's at 10:00 a.m. so I may be late. Eric said okay.

Commissioner Gregorio said Eric would you mind repeating the dates one more time. Eric said on August 10th, at the Operations Committee, we will ask the Board to adopt and ratify TM 4. On August 20th, prior to the Board Meeting, we'll have a 3:30 p.m. Port Expansion meeting where we'll have a final discussion on TM 5 which we just heard the initial presentation of today. Then on September 8th, at 11:00 a.m., we'll have a Port Expansion meeting to discuss the final step of the Port Expansion Study, the final delivery, the culmination of all the technical memos. From there, what we'll also put together is whether or not at that date, on September 8th, does the committee want to meet once more before

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presenting to the final Board or not. And then, we'll determine on September 8th the final adoptions of TM 5 and the final. Tyler said I think the idea is when TM 5 is adopted, you've adopted all 5 TM's and that is the Port Expansion Study, a binder of all 5 TM's. Commissioner Austin asked if all these in here? Eric said no sir, we just discussed them seeking feedback from the committee on setting those dates. We'll get it updated, Commissioner Austin, and get it to you. What we don't know at this point, Commissioner Watkins, we'll just have to schedule is when we'll have that ratification of TM 5 by the Board. That will be determined at the August 20th meeting. We can figure it out after that.

Commissioner Watkins asked if there was any other subjects to come before the committee and adjourned the meeting at approximately 4:21 p.m.

Commissioner Watkins said the July 16, 2015 Port Expansion Committee minutes are in your package. If there are no additions, corrections or deletions, as Chairman I move they be incorporated into the minutes of this meeting. The motion was seconded by Commissioner Austin. Commissioner Murphy said it had been moved and seconded that the Port Expansion Committee report of July 16, 2015 be adopted as printed in your packages. Calling for discussion and hearing none, the vote was taken. All in favor please say "Aye". Opposed, "Nay". The motion carried unanimously.

By-Laws Committee Report of August 7, 2015: The By-Laws Committee meeting was called to order by Committee Chairman Lynn Austin at approximately 12:00 p.m. on August 7, 2015 in the Board Room at the Regional Commerce Center. Commissioner Austin said we do have a quorum.

Committee members in attendance included Lynn Austin, Erica R. Bryant and Rick Prescott via telephone. Commissioners James L. Pannell and Steve Watkins were also in attendance. Staff: Eric England, Danyne Malone and Mary Jo Ward.

Commissioner Austin said the way we're going to proceed. All of you have a copy of the By-Laws in your binder. We'll start on pg. 1 and go through each one of them and not necessarily read them, but let's just go through each one of them, and Eric, if you or Danyne will call to attention something we need to look at because I really feel like it's the staff's position to put into action the By-Laws and for the Commission to oversee those and approve those. But I do think it's a staff function for you to set the By-Laws of how we're gonna run. We will approve those or disapprove those or rewrite those however.

We'll start with Article I. Does anybody see anything on pg. 1, Eric or anyone, that needs to be changed. Eric said first of all, we need to change the address and change our name from the Port of Shreveport-Bossier to the Port of Caddo-Bossier in Article I. That's all I have there. Commissioner Austin said the name and address on the first pg. in Article I from P.O. Box. Change that address and also the trade name, Port of Shreveport-Bossier will be Port of Caddo-Bossier. Eric said correct.

Commissioner Austin said and I think the rest of it on that page, the jurisdiction of the Commission, the parishes of Caddo and Bossier and then the objectives of the Commission regulating commerce and traffic. These are pretty generic for any organization. Anybody see anything in there that we need to redo, update or change? Danyne said no, in fact if you look at the objectives, they pretty much track the

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State law. Commissioner Austin said and that goes all the way through Section 6. Danye said that is correct.

Commissioner Austin said let's look at Article V now, the nine members overlapping terms of six years. Danye said we have a recommendation in Section 1. Where it states overlapping terms of six years, we would delete that language and it would simply read, "The Commission shall be comprised of nine (9) members who shall serve without compensation and shall be appointed in the manner provided by La. R.S. 34:3158". Commissioner Austin said and what does in the manner say. Does it say in six years? Danye said actually the statutory provision actually delineates these specific terms of each commissioner. It's really not an overlapping term of six years. You know the statute was changed I think several years ago, and so this particular provision is inconsistent with the newly enacted statute. Commissioner Austin said the statute actually names when Caddo will appoint, when Bossier will appoint. Danye said it does. It actually delineates the terms and the time period in which the commissioner is appointed and the duration of the term. Commissioner Austin said okay, and are those all six year terms. Danny said not all of them. For example, Commissioner Gregorio, his term is concurrent of the City of Shreveport. So that would be four years. So all of them are not six year terms. Commissioner Austin said is Bossier consistent with the mayor. Danye said no, there are six year terms for the appointees from Bossier City and Bossier Parish. The only one that is concurrent with the mayor of the City of Shreveport is that particular appointee. Commissioner Austin said just one of the appointees of the mayor. Danye said yes. Commissioner Austin said and he serves at the pleasure of the mayor. All of us serve—well I serve at the pleasure of the mayor anytime because he can remove me at any time. Danye said that's an interesting point. Actually there's an AG Opinion with respect to this particular commission and whether those individuals can be removed at the pleasure of the mayor. Actually the mayor can recommend the removal of a commissioner, but the governing authority actually has to remove the commissioner. So, for example, if during your term, and your term is six years and you're in the third year of your term and that mayor wants to remove you, well the mayor cannot remove you, but the governing authority can. So there has to be a recommendation by the mayor and the governing authority—maybe in your case—Commissioner Austin said City Council—Danye continued the City Council would have to concur in the removal of that commissioner. Commissioner Austin said that's pretty much the way our appointments are. We're appointed by the mayor and approved by the Council. Any appointments that he makes have to be approved by the Council with the exception of police and fire chief. Danye said right, and it would also require the City Council to act on the removal of that commissioner. Commissioner Austin said so this just brings us into compliance with State law. Danye said correct.

Eric said Commissioner Austin in Section 2, I bring up—not necessarily in Section 2--it might be that we add a section. As we know, a couple of years ago the commission adopted a code of conduct and a new commissioner orientation and we were discussing among just staff would the commission want to include those type of things in the By-Laws that they would be offered a new commissioner orientation and recognize the code of conduct. Commissioner Austin said I don't think so myself, just personally. How do y'all feel about it? Commissioner Watkins said I don't know why you would put that into your By-Laws. Commissioner Austin said I think you're respecting organizations that appoint you. If you get out of line, you're going to be taken out anyway. But I honestly don't think we could get into

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that too much. Do y'all feel the same way, or do y'all want to go into that? Commissioner Watkins said I feel the same way.

Commissioner Austin said does the law say that each commissioner shall be a property tax payer. Dannye said it does in Section 2.

Commissioner Austin said and with resignations, as I understand it, unless you specify the date of the resignation that you submit to the appointing authority, then your resignation becomes effective when he receives the registered letters. Is that correct? Dannye said that's correct.

Commissioner Austin said then the unexpired term, we just notify the appointing authority. Is that correct? Dannye said that is also correct. Commissioner Austin said the appointing authority at the proper time as soon as they see fit or in due time put someone on the Commission. Dannye said that's correct and that's consistent with R.S. 34:3158. Commissioner Austin said is that for the unexpired term of the person who quit. Dannye said actually the statute reads for "any vacancy", whether it's for an unexpired term, resignation or death. It has to be filled in the same manner as the original appointment for any vacancy. Commissioner Austin said what I'm asking is like if I had three years left on my six year term and I quit and the mayor appointed someone, would they fill the three years or would they be appointed for six years? Dannye said I think the appointment would be filled for the three years. Commissioner Austin said that's correct. Commissioner Pannell said who makes that decision, or is that already here. Dannye said that would be of course the mayor and subject to confirmation either by the Council, or in the case of Bossier Parish will be the police jurors and the Commission will be the Commission. Commissioner Pannell said what I am saying is that if it's completion of three year term or if it's a six year term, is there a definitive answer on that. Dannye said I think it's the three-year term. The statute states three years. Commissioner Pannell said that was confusing about the appointment and how they remove them and I think we got an AG's opinion on that because there's varying opinion. At this point, I just think that we need to know definite and where an opinion needs to come from. I think that we need to know because I mean you know if you're telling me that I'm just saying if you're telling me that you think, I trust your judgment. But I'm saying we're still not definite here because I know the difference between you telling me I know and I think. So I just—Dannye said I think it's pretty clear. Commissioner Austin said Section 4 kind of really defines that in a loose manner—"The filling of the COMMISSION vacancy for the unexpired term resulting from a resignation, death, etc., shall be in the same manner as the original appointment". Dannye said when you review the statute, there are specified time periods in which a particular commissioner serves. So for example, going back to Commissioner Austin's theory, if he, for example, has a six year term and he resigns three years into that term, then there's a definitive period which will be the unexpired term. And so if there's an appointment at that point, then that individual will serve for the remainder of that unexpired term because they just specified under statute. I think it's pretty clear. Commissioner Austin said I think Section 4 kind of defines the Commission filling the unexpired term. Commissioner Hall says does the etc. deal with removal when it said resulting from resignation, death, etc.. Is that also included removal in your...Dannye said I think it is because in going back to the statute, I read it this morning, it says for any reason the vacancy will be filled in the same manner that's provided under the statute. So I think removal would definitely fit into that category. Commissioner Austin said does a person moving out of the jurisdiction make them ineligible to serve as a Commission member? Dannye said not as long as

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they are a U.S. citizen, a voter and a tax payer within the respective jurisdiction, they can serve. Commissioner Austin said I'm saying if a person that's appointed by Bossier City moves out of the city and into the parish, does he become ineligible as a Board member? Eric says it goes into that little detail. Danye said I think it does. Eric said it delineates that for the municipality and the City of Bossier City, that the two appointees must be residents of Bossier City. Commissioner Watkins said at one point didn't I have to resign. Commissioner Austin said we switched you and Jimmy around and...Commissioner Hall said he became the parish representative. Eric said all of our Board. Commissioner Austin said Jimmy was representing the City and lived in the Parish and you were representing the Parish and lived in the City. We just got the Police Jury to appoint him and the Council to appoint him. Eric said the most recent change to our statute provided that change and that was the cause and the switch for Commissioners Hall and Commissioner Watkins. Commissioner Austin said okay, let's move on down to Article VI.

Eric said one other thing, we just want to suggest in Section 3 where it said Secretary, we had that officer listed in the following article as Secretary-Treasurer. I think that needs to be Secretary-Treasurer. We don't have an officer, if you will, of just Secretary. Eric said that's under Article V, Section 3.

Commissioner Austin said let's go to Article VI. Anyone got concerns about anything about the officers, the duties, the terms, the job descriptions. Commissioner Watkins said just one comment. It talks about the President shall serve at least three years, and I know it says normally, so I guess we could deviate at any time. It says it needs to go to one AAPA Commissioner Seminar. Is that really the language that needs to be in your by-laws? Is that important to really be the President? Commissioner Austin said I don't think so. Commissioner Bryant (inaudible). Commissioner Austin said I really think we ought to take that out because. I think if your fellow Board of Commissioners feel strong enough that you can be president, that should be enough. Commissioner Austin said an AAPA seminar is not going to help you be president, I can tell you that from attending several of them. (Inaudible). Commissioner Austin said it might take you out of the office of president, but it won't put you in it.

Commissioner Pannell said let me ask you Lynn, we're in the section for officers, I know that if I'm appointed by the City, the City has to be the one to remove me. All that's good. But if we elect an officer of this commission and that officer is absent for a period of time, looks like we ought to have our own rules as to how we would...how would you move that person because we shouldn't be governed by the City on how we handle our internal business, so if somebody is elected and how many meetings can you miss without serving in your capacity? Commissioner Bryant said so you're saying you can't stop them from being a Board member...Commissioner Pannell said we can't stop them from being a Board member, but we appointed them to that office and if they're not serving, we should have a process in place that if you...I don't know what the process is but if there's no process now. They just keep serving whether they come or not. Commissioner Austin said well and that can be a problem too because the Bossier Parish School Board has no policy on the number of meetings you can miss to be replaced, because you can miss all of them. Commissioner Watkins said it's been proven so. Commissioner Austin said we had one school board member that made three meetings the whole year and got reelected without opposition. Commissioner Pannell said but he was elected though. I'm saying we're not addressing how the appointing authority deals with putting on this Board. But we're the one who

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decide who those people are that's going to serve in those various capacities and if you are saying that Secretary-Treasurer, Vice-President, President positions are not important, you just don't have to come. Commissioner Watkins said in Section 4 it says they are elected to serve a period of twelve months and said terms of office starts immediately after election, so somehow there needs to be a section saying if an officer is absent X number of meetings...Commissioner Pannell (inaudible) Commissioner Hall said I think it ought to be even more egregious than that. What about the guy that gets arrested and has all kind of staff going on, and he sits as officer—I'm just theoretically throwing it out—and he sits as an officer for the Port and we're sitting here with an opportunity where we have to go to the people and ask for them to renew a tax and that person...let's just say he batters his wife and we don't know if he's guilty or not but he's charged. And so, most contracts for employment have morals clauses, things of that nature, so I think we ought to have something a little more...if you're thinking about it, what about the guy that lives after an accident and is on life support and can't serve. What about the guy that is charged, maybe unjustifiably but it brings some question of the Port. While I was relieved that Eric had never got charged as President with anything, it just could happen to anybody. Commissioner Bryant said for example, when I was here and I was out for a significant amount of time (someone said on maternity leave). If I was officer and was President and I've got to be out, it may be such that I don't need to serve as President, and if I was out for a year, even though it's no fault of my own. Commissioner Pannell said but I'm saying this is an opportunity because I mean we can't do anything about an appointing authority, but we ought to be able to handle our business and I don't see how we can have what somebody appointed here, but no they appointed him to this Commission but we appointed him to that position. Commissioner Hall said I think it ought to generally say that any officer can be removed by a majority vote of the Board for good cause shown and then we can determine as a body what good cause is. Is it failure to attend? Is it something that's bringing question on the Port? Somebody got arrested for suspicion of theft, you know whatever. I mean that's not somebody you really want to be an officer of the Port. Commissioner Watkins said just throwing this out here, do you say something about absenteeism and missing meetings. Because it does take the human element. It's easy if a guy gets charged with murder. But if the guy's missed three in a row meetings, you know, if we have that in the by-laws, at least that takes the human element out of it. You know I would like to help James but it says right here in black and white. Commissioner Pannell said exactly. Commissioner Bryant said but what if you do want to help them and they miss four meetings and you really don't want to vote them out because you think...Dannye said I like Jimmy's suggestion though. I mean you want it to be as broad as possible because I think at that point the Board decides. Commissioner Hall said I'm pretty sure before the Board would tee it up, you've got feeling how the Board's gonna proceed on that. It's either something the Board feels strongly about to tee it up or not and then that discussion would take place but I think Erica is right. There may be somebody that has good cause for something happening. I mean you could have all kind of events in your life that could cause that to occur and it wouldn't be any fault of your own. Commissioner Austin said Eric, why don't the staff work on the wording of that...Eric said we will...to say any officer may be removed for just cause at any time by a majority of voters of the Commission. And we actually could put that under Section 4. Commissioner Prescott said could we possibly have that if an officer miss so many and they inform the appointed agency of the changes since they appointed him. Commissioner Pannell said I think that would be true of all members because that is the place already now. If you miss X amount of meetings, you would have to inform to inform the appointing authority. But we're talking about--I mean if we inform the appointing authority and they say we don't have no problem with that, he can

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stay. But he still should not be serving in a position that we put him in from this Board's standpoint. We should have the final say over who's gonna serve in a position on this Board. Commissioner Prescott said okay, I understand. I misunderstood. Commissioner Austin said we're not taking them off the Board, we're taking them out of office. Commissioner Pannell said not from the Board; that's not our authority. Commissioner Prescott said not from the Board but from the office that's he's serving. Commissioner Austin said and even now if a person is continually and habitually absent, Eric notifies the appointing authority anyway, the appointing agency. Commissioner Pannell said and if the appointing authority chooses not to remove them, our issue is you're serving in the capacity we elected you at. You know if you're just on the Board and you're missing, I don't see that's a problem. But if we appoint people to a position, those positions mean something or else we're saying that we don't really mean anything. You're not coming to mean anything. I assume that...I know each one of those positions I've been through and they are of value to this Port.

Commissioner Austin said okay. Section 5, Eric. No member shall hold more than one office at a time. No member may serve as President more than two consecutive terms. I'm gonna tell you when I was President for two years that was a load and I just don't know how y'all feel about two year terms as officers. I think one year as President and then on the Executive Board is a plate full. Serving for President for two years is a lot and it demands a lot of you. So how do y'all feel about that. I don't care because I've already done my time but if I had it to do over again, I would prefer to serve one term and not two terms. Commissioner Bryant said you don't have to serve two terms though right. Commissioner Austin said you don't have to. But I think people—they feel obligated once they're elected to serve the two terms because it's in there. And we did that for some reason way back then that somebody didn't want to serve or. Eric said that's correct. That was during our most recent change that section was changed because we had an individual that served as Vice President for a number of consecutive years. Commissioner Bryant said I just find sometimes continuity consistency it helps to have them the two years but the fact is if you don't want to do it, you can say I don't want to serve a second term, right. Commissioner Watkins said absolutely. Commissioner Pannell said I guess my concern is kind of on the form given to the other nine members. We could actually have a dilemma at this point here now. Okay. You have appointments, and all of us, Rick, was reappointed, me, Sam and Ernest have not been. I'm not in the rotation but Ernest is. Let's just assume that she makes the appointment for Ernest tomorrow. That means that Sam moves up and Rick moves up. At the end of the year here Capt. Murphy moves. Sam moves up and Rick moves up and then a brand new man is serving as Secretary-Treasurer that's been here for six months. And that process would speed up if you just go solely back to one-year terms. It actually will speed up. I don't have a problem either way. I'm saying that I think that if a person can serve two---what I'm saying that if it says that an officer can only serve two years in consecutive years, then it would be up to the Board to say you know. And if it was Steve and I had asked Steve and Steve said yeah, I would like to do this another year. That's fine but if he says not, but it'll make it where we still have ways to—it doesn't lock us in one way or the other. Commissioner Austin says it takes two years as Secretary-Treasurer, then two years as Vice-President to get to the Presidency, it takes you four years to get there, almost a term to get there if you're appointed immediately. Commissioner Pannell said right. Commissioner Austin said but you know, let's go around and get some ideas. Steve, how do you feel about it? Commissioner Watkins said one thing that I have thought about here lately. We've got a lot of long-term members now and if we all keep getting re-nominated etc., you're looking at all five of us have been President, and now you're

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going to have the Capt.. That's six of nine that have already been President. You know. Commissioner Austin said let's leave two years because I don't want to be President again. Commissioner Watkins said I don't want to be President again. Commissioner Bryant said I'm not ready to be but you also if you do end up with some new members, I think at some point somebody's gonna have to come back because you're not going to want to put the newest person as a..but you could have a situation where you don't want somebody to serve a second term. It's sticky when you decide you don't want to reappoint somebody for a second term. Commissioner Austin said okay, we'll leave it like it is. I don't want to get all the way back around because I don't want to do it for two more years. It cuts into my retirement time. I can do it for two if I don't do President and Treasurer, then President. Eric said just add a section, all right. Commissioner Austin said I know that on LCDA someone served as President for about 18 months because the other President just left when all that controversy. He just stopped coming. Commissioner Watkins said let me ask a question. Commissioner Austin said it wore me out. I spent more time dealing with LCDA than I did the Marshall's office. Commissioner Watkins said Section 5 it says no member may serve as President more than two consecutive terms. How about if we said something like the President can serve up to two consecutive terms. So if you said "up to", it says you may get one, you may get two, but you can't have more than two. Does that make any sense? Commissioner Hall I think it's talking to the idea of consecutive, but I like your thought. If you say "up to" somebody could be cut short without it seeming like the by-laws say you're guaranteed. Commissioner Watkins said does that make sense, Dannye. Dannye said it makes sense. Commissioner Bryant said you could have a situation where we're talking about now where we just say I just want to serve one term because we've got new members and once they've come along. Commissioner Austin said is everybody okay with that.

Commissioner Austin moved to Contractors, Employees and Expenses. I think that Steve, didn't you request that we have an organizational chart for the employees of the Port drawn up. Eric said we have it right here. Commissioner Bryant said we have it in our email. Commissioner Watkins said I'm not even on the By-Laws Committee but I would like to throw something out. We've talked about this and I've talked to Eric about it is that nowhere on this does it really say that we have a No. 2 so to speak, whether we say that the Director of Legal Affairs is No. 2 or however we want to do that or if we actually put a box in for a Deputy Port Director. Commissioner Austin said In the absence of the Executive Director, who's in charge. Commissioner Watkins said I know there's been some language and I know when Charles was here, we talked about the Director of Legal Affairs stepping into that and that's where I was going for the longest time thinking that, but you know our Director of Legal Affairs. I think it's better to talk about the position and not the name. But the Director of Legal Affairs could have a conflict of interest if he/she was also the Deputy Port Director because that person needs to be totally objective, really only answering to the Board of Commissioners so that they can have oversight over keeping us legal and in line and protected. That Director of Legal Affairs not only protects the Port. It should protect this Board is my thought and if you put that person in as Deputy, then suddenly it's kind of convoluted and where does this person really answer to. Commissioner Austin said is he representing the Board or is he representing the employees of the Port. I think the Director of Legal Affairs needs to have a straight line to the Board of Commissioners and really that would be it. Now him/her and the Executive Port Director have to work hand in hand, but I believe the Director of Legal Affairs answers to the Commissioners. It would be my thought that then at that point you need a Deputy Port Director. Commissioner Austin said if you took your directors that serve directly under you, which

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director would you designate as the Assistant Port Director in your absence. You don't have to tell us right now, but who is the most responsible person as director that knows what's going on and could handle your job if you weren't here or if you were hospitalized for an extended period of time, if something came up and you were out of town for a week. Who do we go to as the second person who can make the call. I think we need to designate somebody that's the 2nd in charge. Like anything, if the police chief's out of town, the assistant chief is there. If the marshal is out of town, the chief deputy or whoever he designates. You've got to have somebody that's there, somebody that says who's in charge and can make that decision without having to contact you, just contact the Board because you could be out of the country, you could be in a car wreck. You could be in the hospital. Somebody needs to be designated to be in charge in your absence, so I think we need to work on that and not necessarily by name but by position. Who would move up there and say okay, I'm gonna take over these duties along with the other duties I'm doing and I'm the one you have to answer to. Everybody else needs to know that. Is that what you think. Commissioner Watkins said do you even take it further and actually move one of these boxes. Let's just play with the ones we have in front of us, just one of those five boxes just move up a line, the Executive Port Director in that box and the rest of your directors. Does that make sense? Commissioner Bryant said let me ask a question. Didn't we have the Deputy Port Director's position before. Eric said we have a Deputy Port Director position in the files. Commissioner Bryant said so why don't we have that anymore on here? Eric said it's not a position that's active at this time but it's still in there. It's just not a position that's been adopted by the Board. Commissioner Watkins said so it's not a position that's adopted. Eric said it's for this organizational chart. We would need to bring that back and include that into our organizational chart. There's not a spot for it per se like you're saying, Commissioner Watkins. The Deputy Port Director, if what we're talking about, so that their direct reports would be under what we're talking about those four other department heads. As it's currently written, the Deputy Port Director job description does not have that. The Deputy Port Director position has more responsibility in line with things like business development. That was a position I held. Commissioner Watkins said a couple of the boxes, I'm just talking out loud, you know your Director of Human Resources almost does not need to be your Deputy Port Director from the point of the human resource end of that. Eric, does that make sense. It's not the person, it's the position. I don't know that the Director of Community Relations would be your Deputy Port Director. So it really leaves you with the Director of Business Development, Director of Operational Services and Director of Engineering, one of those three boxes to move up. Commissioner Austin said normally I would see it, if I were just looking at this and didn't know and I don't know all of these positions who they are, but Director of Operational Services is the most to me the person who would be most likely to be Deputy Port Director or assistant Port director. If they're the head of operational services, they're supposed to have their hands over everybody like the CAO to the mayor. Commissioner Bryant said first, we need to decide if we're reestablishing the Deputy Port Director position. Then we get to what position it's gonna be. Commissioner Hall said I'm 100% for that because honestly I really thought we had one but I think there's got to be somebody that's clearly 1)in charge and 2) everybody understands that when they make a decision, they have all the authority to do it and they take all the responsibility for it because there's gonna come a circumstance as time goes by that you cannot control. Just like we were talking about with the commissioner. You can have a family member be in the hospital. You can be in the hospital. You can be incapacitated. You can have any number of things and so if at the end of the day, I think it's important that everybody clearly understand that person is in charge and the Commission knows that person is in charge and the Commission holds them accountable for their decisions just like

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you would be the Acting Port Director. So I think that's important. Commissioner Watkins said in the past, that position, if I'm hearing Eric right, was the Director of Business Development. That's where you were and that's where you moved through. Eric said that's correct. It was a title of Deputy Port Director with primarily business development functions and in the absence of the Port Director's service, the port director. Commissioner Austin said I don't think we need to hire somebody. I just think that we need to take somebody that we already have, let them do those duties but also act as a Deputy Port Director in the absence of the Port Director. So Eric, y'all kick that around, you and Dannye, and why don't you bring it back to us with a recommendation for this committee. Commissioner Pannell said let me just throw in. I think we need a definition of "in the absence", what would that technically mean if that person was functioning and was absent. Would that mean someone has to be incapacitated or they're just out of town. What would that mean. This is kind of where I am about it. I'm going back to those railcars. I'm saying that someone here should receive all the information and if they carry that on to Eric, that's fine. But if nobody knows who's calling or what, that to me seems that's possibly where the mix up was because I didn't even want to deal with, because somebody said this person made a decision and then that one didn't, but I'm saying that whoever, I don't care if you're one of these people here, whatever decision is made, it ought to go to somebody on the property here. And at that point, that person is responsible for communicating with Eric because the fact that one person may have thought the other one was talking to Eric. I don't even want to know the real reason, but I'm saying that if it didn't happen then, it could happen. You thought that he was calling. Somebody here needs to know and I'm not going as far as to say if someone says that they need to call Eric. And the thing that I'm sitting here saying is that you can't call Eric, but I'm saying they ought to know. Unless it's a personal conversation, they ought to know what that conversation is about if it has to do with the Port so that person can maintain continuity there because I. Commissioner Hall said I go further than that thought—I think you've got to accept the fact and I know Eric is on top of everything---but there's got to come a time in his life when he turns the phone off and somebody else is in charge. They have the authority and they accept the responsibility. I know how attentive he is on top of stuff etc. But you can't run everything through a small deal at some point, so what I'm saying is he ought to have the luxury of leaving with his family for a couple of weeks, turning the phone off and being done with it and somebody else has got the responsibility. And if you want to do it on a short period of time because I know he's gonna have to get use to it, a couple of days at a time, three days here and there. Let that person accept the responsibility and prove they can do it whoever that is. So at the end of the day I think they build up confidence in running the ship because at some point, Eric's young but after a while you've got to get off the grid. You've gotta get away from it. You've gotta let somebody else handle up on it. So I think that's important. Commissioner Bryant said right and as far as Deputy Port Director, it just should be automatic. There should be whenever the Port Director is not available and they're not in the office, the Deputy Port Director is in charge. And that's just automatic. The staff knows that. We know that because now you have it established. I think what we have a problem with now because it's not established, it's causing some problem as to who do we determine is in charge. But if you have a Deputy Port Director by its very nature that's second in charge, that's the person you go to when Eric's not available. And if that person wants to call Eric, that's on them. We should know, the staff should know that's the go to person when he's not here. Commissioner Hall said I agree. Commissioner Watkins said if you take all the names off of this and if nobody was working here and we were a brand new company, you would think your Director of Business Development is the one you would be grooming to be your next Port Director. If there was no faces or names attached to any of this. If you

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just looked at this chart, you would think, just like Eric, you would groom that Business Development guy to go forward. Commissioner Hall said one of the things you've got to consider is in addition to the operation of the Port, there's deals that are being done and were somebody to be incapacitated, somebody has to carry forth those deals. Go back to Erica's term when Benteler was in the throes of being, God forbid something had happened, somebody has got to have the ball. I mean whatever deal is out there, there's always a deal. There's always somebody looking at coming and somebody has got to be up to speed on the current evolution of where it's at, what progress and what response is needed to be made with regard to it. Eric said I'm thankful for this discussion because I thought at one point that we would create like a Chief Operating Officer. All of those department heads would report to that and that person would report to me. What you're saying is now as I understand it is that's in the event of my absence. Commissioner Watkins said no, I think that person would have to have authority over everybody if they're going to be 2nd in charge. They can't be on the same line as everybody else. Commissioner Hall said I think what we're talking about is the Deputy Port Director in your absence or inability to make decisions, they would be automatically on the plate. Eric said right, in my absence. Right. Commissioner Hall said yeah. They would..Eric said not on a day to day basis. Commissioner Hall said no. Eric said on a day to day basis I would have one direct report and that would be the Deputy Port Director or in that regard. Commissioner Hall said only in your absence or inability to make a decision. Let's just say you're in Peru and you can't see all the stuff, what I'm saying is for me a bad plan is for somebody to have to call you and try to get ahold of you to give you the facts. Somebody is responsible now. I'm with James on the train. Somebody in my world would have moved the trains. And safety be damned, somebody might have died, but we would have moved the trains. So what I'm saying is whoever is on the ground here and if you're out of town, that person to me answers to the Board and I would have a real problem with looking at you and you tell me it was a safety issue because I've got a problem with that. I don't care in our world across the River, you're going to move the trains and if I have to put divers in to look at the location of the track change, it would have been done. We'd have mounted that thing and moved it. And so at the end of the day, I think that person needs to know when they step on that plate. In your absence they're in control and they also have the responsibility and if they make a bad call, then they have to answer to the Board. I have the same anxiety, James and I both do about the trains. I'm good with taking care of our customers but probably in my world somebody would lose their job because that is a huge huge mistake and I really don't care about safety. At the end of the day if you have absence on the line, that's what you got people for and there's a rest with everything. So what I'm saying is whoever steps onto that plate in your absence has a responsibility just like you've got. You've got responsibility and the people need to know they're in charge and they also accept the full responsibility for their actions. Commissioner Pannell said and they cannot have a problem with calling the Board because we ultimately have to take responsibility for that and I'm saying that there are clear things that are a Board's responsibility and there are clear things that are staff responsibility. But sometime you get in that gray area, make the call because it only takes a second to...you don't have to have a unanimous...it's too many people on here that I can just call one person and if they tell me something, that's pretty much going to be the feel of the Board because we're pretty much unified here. And if there was a question of moving the train and Jimmy made a decision don't move them, I live with that. If he makes the decision to move them, I live with that. But I'm saying he spoke for the Board but somebody has to speak for the Board here because we're ultimately the ones who are going to be responsible for that loss and I'm saying that loss at this point is on us. I don't care who's paying for it or how they're going about it. That loss is on us. And I go

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back to and I keep making this point. A public railroad down in New Orleans, 17 members on that thing. The director went to jail but everybody got removed because you sit there and you let that happen. But if you didn't know about it, you should have known about it. So it comes down to from the Board's standpoint of creating an atmosphere where nobody feels calling us because you can call us with anything. For me, I'm going to call somebody to make sure I don't take the heat for something. You know they're going to say wait a minute you called me too many times. They're not gonna say you didn't call me enough. You know and I'm saying we are here and we have said this and it's clear that we protect our staff but we can't protect you if you don't make the connection. Whatever you've got to do or however you've got to do it, we're gonna be here and we've shown that we're gonna protect you but we can't protect you from yourself. I always want to get the responsibility off of my back to wherever it is. Somebody can come and ask me well what kind of fixture do you think could go up here. I'll come wire your house, but I'm not going to buy a fixture for you because I don't want later on for somebody to say that don't look right. I'm not gonna do that. It's true in small games and large games. How much we pay for insurance? We pay that amount of money for insurance to keep liability off of us. So people have to make sure that when they're in certain situations---now I wouldn't have had a problem and then I'm going to leave this alone. I wouldn't have had a problem if there was a tornado. But there was water rising. You know. That took some days and so I'm not concerned about putting the responsibility on anybody as long as I know if that comes up again, that's not going to happen. But if I don't know that I'm still going to be in this same situation here. I just got to know something other than somebody saying well, we'll take care of it next time. You've got to show me structurally how that's not going to happen or you've got to show me structurally who made that decision.

Commissioner Prescott said I just want to say that I agree with Commissioner Watkins. I think there needs to be a separation between legal affairs and Port positions because that effects the Board as well as the Port. I think there would be a conflict of interest so if we need to have a deputy director, I think that would be the way to go. For instance, if you moved the business development person into the director, will they do both of those jobs or will that be a position that's open? Commissioner Bryant said they do both. Could somebody give me some clarity on that? Commissioner Austin said both of the jobs. Commissioner Pannell said both the jobs because if you look at it, you're going back to what was happening in the past and that was exactly what was happening in the past. Whatever position you put in there, that person still has responsibility. I don't foresee a situation where we hire anybody for anything. Commissioner Prescott said what I'm saying is that person would just serve in the absence of Eric, right. Commissioner Austin said right. Commissioner Watkins said but be a line above the rest of the directors, correct? Jimmy is that what you are thinking? Commissioner Pannell said and it's something as simple as they are walking around here for an answer and Eric is gone, at least you could ask them. It's something simple and I'm talking the same thing Jimmy is talking. Sometime I get calls and they're the craziest calls in the world. You know you could have found that out from anybody. But if they're just in here, you can go get an answer from them and they can either say let me call Eric or that's fine, go ahead and do it. Because we don't have an operation here that we can delay for no period of time here. I mean we got a billion dollar operation here and we know how what's his name on Horseshoe over there, he could walk in here and make a decision so quick and walk on out. So it isn't anybody gonna wait for it. Commissioner Austin said Jack Binion used to. When Jack Binion left, it all slowed to a crawl. It went back to a beauracracy. Commissioner Pannell said that's what I'm saying and

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it's got to be a clear make a decision like that and move on. Commissioner Austin said I think y'all are familiar enough with what we want that we can straighten this out and do the organizational chart where we have somebody as a Deputy Port Director and also the other duties. Whatever you choose to do, bring it back to us and let the Board vote on it. Is that okay with all of y'all? I think we kicked that one around enough.

Eric said we have six commissioners, we have five here and one on the phone, what we will have to do and just to share with you all, what we'll start doing and Commissioner Bryant, you're chair of the Personnel Committee, we'll have to change every job description with that tier and we'll start working on that such that the direct reports, if you will, the Port Director change, and you'll have the Deputy Port Director added into that line up and then add into that for the other directors that they are a direct report to the Executive Port Director except in the absence. And then in that case, they are a direct report to the Deputy Port Director. Is everyone okay with that? Commissioner Watkins said since there's six of us here, do we want to give any direction on who we think should move into that box? Commissioner Bryant said I still think you still have to allow your director. He's in charge of his staff and they make recommendations to us and then if we don't agree with that, then we let them know at that time. But your process is normally for the director to make the...Commissioner Austin said I don't know who's qualified to do that. I don't know them enough.

Commissioner Watkins said my thought is you're not really looking at a person. You're looking at the job, the positions. Commissioner Austin said I understand but I still think...Commissioner Watkins said everybody could quit tomorrow. Every time somebody quits, you wouldn't want to shuffle your boxes, so you need to think which one of these boxes needs to be there. Commissioner Austin said I think the staff has pretty well gotten the tune of who we want in there and who they can trust to be in there. The Port Director has to trust his assistant port director and communicate with them. And that's got to be a decision in my opinion that the Port Director makes with the approval of the Board. Commissioner Bryant said I don't want it to get into a situation where we start saying directors. We do get to approve.

Commissioner Watkins said do we take out the line....does the Director of Legal Affairs answer solely to the Board of Commissioners? Commissioner Austin said the Director of Legal Affairs represents the Board and if he had to represent the Board against some member of the staff, then it would be a conflict of interest for him to try to represent both. Jimmy is in the same position. He advises the mayor but he actually works for the council. And I think the same way we can do. Dannye can advise Eric, but if it came down to a matter of litigation, he would have to support the Board and be our attorney. We hired him. Commissioner Bryant said I'm in this situation personally and I had to hire my own attorney. The parish attorney could not be the attorney for me after I was sued in my position as Director of Finance for the parish. Commissioner Austin said and it was the same way when I was police chief. The City, whoever they hired to defend me in a lawsuit, would have a conflict of interest on whether or not I worked within the policies and procedures as outlined by the City of Bossier and I had to either sign a waiver to let that attorney represent me that represented the City if there was a conflict of interest or I had to hire my own attorney. Commissioner Hall said I think it would be cleaner if Dannye answered directly to the Board. Of course he will represent the Port, but it'll if there's some issue that come up, obviously other counsel will have to be obtained. There's gonna be conflict situation all the time. Commissioner Austin said but don't you think you could still advise Eric on things. Commissioner

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Watkins said he'll represent the Port. Commissioner Austin said he's in the same position you are because Jimmy advises the Mayor all the time, but when it comes down really to it, he represents the Council. Commissioner Watkins said it's not an issue at this point, but Eric's not gonna be sitting in that position all his life, and it may be an issue somewhere down the road that your Executive Port Director has some issues and you want that attorney, the Director of Legal Affairs, to come here.

Commissioner Austin asked if they were ready to move on and asked if anybody had any more issues with Article VII. We talked about the job descriptions and things like that going back to Personnel. I think everyone is familiar with any employees not assuming any debt in the name of the Commission. Let's go to Article VIII on Committees. Commissioner Bryant said I'm waiting on Section 3 before we go. You're saying move to Article VIII but I'm on Article VII, Section 3 on travel. I'm just on that "Commissioner travel must be approved by the Commission in advance", I don't know if we're following that closely? And then also just from staff travel standpoint, are we getting reports—we don't give reports on travel. The only reason I'm asking about it is travel for me is a big issue for my Commission. When they reappoint me, the first thing they want to know from Eric is I want a list of all her travel. I guess travel has been an issue for folks. And so in my role there I have to communicate to them all travel that everyone, commissioners, staff, everyone is taking just because they want to be aware of it. And I don't know for us is that something that...we're being made aware I guess technically by the...Eric said calendar, that's correct...you list on the calendar who is going or what. So I guess that could suffice. Commissioner Watkins said but until you monetize it does that really mean anything. I would like to see a report where it monetizes travel. Then you would have that. Commissioner Hall said because if you haven't got it soon, there will be a request for those records to be printed. We get them all the time. And at some point, there going to be appear if they're noteworthy enough in *The Inquisitor*. So I would--I'm saying that it ought to be something we're aware of before we get blindsided with it. It's hard to have checks and balances on something unless you're seeing that. And there may be ample justification for all of it but at some point in time, I really would prefer to see it here than in a box. Commissioner Bryant said and from me personally I may not always be aware of really my travel. I'm aware of it but until it is shown to me in black and white and I may need to say Eric, you might need to cut down on your travel, because it comes back to me. Commissioner Austin said it's actually in here. We're not just doing it. Commissioner Bryant said on the approval, "Commissioner travel must be approved by the Commission in advance". I don't think we have an issue with the three out of State events, but the "in advance", I don't know if we're doing that. Eric said just in our budget process and when we go over the Travel, Promotion and Marketing item. Commissioner Bryant said okay, that's what you consider when you put...Eric said we put an amount for commissioner travel. Commissioner Bryant said okay. Eric said we've never asked the Commissions a year in advance what events do you plan to go to, but we do escrow an amount of that Travel, Promotion and Marketing. Commissioner Bryant said I'm good if that's as far as of us approving the budget constitutes the approval for the travel. Commissioner Pannell said I think Steve is saying...Commissioner Watkins said you manage what you measure. And unless you measure something, you don't manage it. So you know I am like Jimmy. I don't want to be blindsided one day and find out that Joe Blow has rung up \$100,000 worth of expenses on the Commission's dime and it's on the front page of "*The Inquisitor*" and somebody says tell me about that, Steve, and I go well, I wish I knew. Eric said we can prepare those reports, and in addition to that, we have an obligation to submit all the travel to the State of Louisiana and load it on the Division of Administration website, so each one of you at any time can go to that

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website and drop down the menu for each year and see exactly which commissioner on any board and commission how much they were reimbursed for their travel, but we can prepare that report. Commissioner Watkins said I'm more concerned about staff than I am commissioners. Commissioner Pannell said I think that's what we're misunderstanding because I'm hearing Steve say one thing and we are discussing something else here. Steve was saying staff. Commissioner Bryant said I was addressing—when I started I was addressing both basically saying we're getting the calendar letting us know, but I think Steve chimed in from a monetary standpoint—we're not seeing it from a monetary standpoint what it's costing by staff and commissioner. And my next part of that was just the line about the travel must be approved which I think I'm good on that part. As far as reporting and giving us reports monetarily, where, whom and how much, is that what I'm hearing? That's, if y'all want that, we can start getting that. Commissioner Pannell said in the Director's package, is there a travel allowance already in his package or car allowance or something? Is that in your package? Eric said I don't have a package per se. There's no contract for anybody at the Port, so what the Executive Director position gets, is what the Commission approves each year. There's no contract. Commissioner Pannell said do you mean on travel or car? Eric said period. Commissioner Pannell said I got you. That was what I was going to question. Commissioner Austin said well I think that we're going to have an Executive Director that we should be able to trust the Executive Director to take care of staff travel and not put himself in a bind..and then give us a report on that after the fact. Commissioner Bryant said right, that's what I think you're asking for. Commissioner Pannell said I don't think you were saying you wanted them in advance. Commissioner Watkins said I'm not approving it. I would like to see if Joe Blow is...Commissioner Austin said let's do a monthly report on staff travel at a Board meeting, just make it part of the Board meeting and staff travel. Commissioner Bryant said is that quarterly or monthly? Commissioner Austin said well, whatever y'all want to do. It doesn't matter to me as long as we get some accounting of it. Quarterly might be better because there's not that many monthly. Commissioner Pannell said we'd get a feel of whats...Commissioner Bryant said I think quarterly will be good. Commissioner Austin said on a quarterly basis, that probably will be sufficient. At least we know. Commissioner Watkins said I think it should be all encompassing. I think it needs to be travel, meals, what was spent by that employee in that quarter. Commissioner Austin said that's what I expect, a travel expense voucher, where they went, the purpose of the travel and the expenses that were incurred. That's not a big deal. It's just how much total they spent. Commissioner Bryant said yeah I think it's just where, for what total. And then, if the total we want further, we can contact the... Commissioner Watkins said that's what I said, the total needs to include everything. Commissioner Bryant said right. Commissioner Austin said we have a per diem that's governed under State law anyway, political subdivision under State travel regulations on per diems and things like that. Eric said so we're reporting monthly to the Board what---Commissioner Pannell said no, quarterly. Eric said right, I understand thank you. We are reporting currently monthly travel expenses in the Financials that we send to you each month but it reflects what was spent that month. What you all want to see, just to clear up, is a quarterly report that shows it year to date for that for employee. Commissioner Bryant said by employee. Eric said because you're getting it monthly now. You just want to see it in the cumulative form. Okay.

Commissioner Austin said are you ready to move to VIII. On Committees, everybody read this, got any issues, answers or anything for Eric or Dannye on the committees? I don't really see any problems with anything in VIII, do you Jimmy? Anybody see any problems with VIII? Commissioner Pannell says it

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will be directed by the Commission for the Executive Director to notify the appointing authority. I'm assuming that would be done anyway because Eric keeps up with that and he knows how many of the members are missing and I think he would do that without having to have direction from us. Eric said I'm sorry. I thought we were on VIII. Did you move to IX? Commissioner Pannell said oh I'm sorry I skipped a page. Eric said you are right about that. Commissioner Bryant said you are on IX. Commissioner Austin said you are on IX now. Eric said the answer either way is yes. That's what the responsibility is. Commissioner Pannell said on VIX he shouldn't wait for direction from us. Commissioner Austin said what do you have Dannye? It should the roman numeral should be IX. Eric said back to IX, we wanted to make a comment in Section 3, it says in Section 3 about notices being mailed, we want to add some comment about electronic notification. Commissioner Austin said emails in effect is much more effective than the Post Office because I think everybody gets plenty of notification. I got about four notifications for today's meeting. Commissioner Bryant said and a phone call. Commissioner Austin said I got it by mail, electronic mail, phone call, smoke signal and this is what we've talked about before about notifying the appointing authority of the Commission. Anybody that misses three consecutive monthly meetings, the Executive Director---I don't think it may instruct, but I think they shall inform the appointing authority. I think it should be automatic instead of that the Commission may, but the Commission shall and not even instruct him. He just does that. Commissioner Bryant said you just want the Executive Director shall inform. Commissioner Watkins said the second part is not even necessary. Commissioner Pannell said right, because we don't have reference of who's attending. We're not keeping up with that so we can't act on that. Commissioner Austin said the second part is not necessary, Steve. It's just that anybody misses three consecutive Board meetings, the Executive Director shall inform the appointing authority of that commissioner. Commissioner Watkins said just for my clarification, that's just regular monthly meetings, that's not committee meetings. Commissioner Austin said monthly meetings. Are y'all okay with that?

Commissioner Austin said let's go to X, Quorum. I don't see any problem with that. That's pretty much standard. Do y'all have any problems or changes to Article X?

Commissioner Austin said Article XI, Amendments to Bylaws. Dannye said the only suggestion I would have on Article XI would be a two thirds vote rather than a simple majority vote. Commissioner Austin said I would think a two thirds vote myself. The By-laws are pretty important. Let's change that, if y'all are all in agreement, to two thirds vote. Is that okay with y'all. There might not be but five people here and those five people vote and that's the end of it. Commissioner Watkins said would it follow then in Article XII you would do the same thing when you temporarily suspend? Commissioner Hall said I think that ought to be the same way, two thirds. Commissioner Austin said it ought to be two thirds.

Commissioner Austin said Article XIII, Severability, I think that's pretty much a common paragraph for any set of by-laws that if any provision of one is held invalid, that it is not invalid of other provisions. That's pretty standard, isn't it Jimmy, for just about everything? He said yeah.

Commissioner Austin said Article XIV, Roberts Rules of Order, shall govern the Commission in all cases. I think we go by that.

And unless we have somebody else wants to bring something else up or add it to the Bylaws, I think we have done a comprehensive review of them. With Eric and Dannye's help, they can put that and

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reduce it into writing in a form that we can vote on by the full Board and we'll bring that up. Do y'all want to do it at the next Board meeting, or let's do it at the meeting after next? Commissioner Bryant said the Board meeting after next. Commissioner Austin said the Board meeting after next and Eric, if you'll send those to me, then I'll introduce them at the Board meeting, not this month but next month. Eric said Section 11 specifies how we will amend the Bylaws, so we'll do it in accordance with that.

Dannye said I've got a couple of suggestions. Eric and I talked yesterday and I talked with him some time ago about incorporating an indemnification provision into the By-Laws. I think that's fairly standard in most governmental charters and I think it's worth discussing. Erica, you're going through that very same thing right now in which not only the Commission but members of the staff has been sued so I think it would certainly be beneficial to discuss this matter. Commissioner Hall said does the Indemnification clause have any language about how far outside of the bounds of reasonableness you can act? Dannye said I think so. Commissioner Hall said in fact, if y'all could word it, it could be put in the Bylaws. Commissioner Bryant said I think it is worthy. I think this Board, we could get sued individually just for performing our duties on this Board and we need to have a provision to cover those costs if it's being that it's in relation to our official duties, not outside of that. Commissioner Hall said yeah, I think it's worthwhile. I think it certainly is a potential exposure if you sit up here making decisions that you could be sued and it's a worthwhile deal. If you put a raincoat on and sprint down Youree Drive...that's a whole different deal. Dannye said Eric wants to add one as well.

Eric said there was some suggestions, just for discussion, we mention in the Secretary-Treasurer will order annual audit. We also learned last year—as you know, it was our first year to prepare the budgets in accordance with the Louisiana Budget Act. And, as we've talked about today, we're looking to have a document that someone could go to in the absence of all of us, should some of this institutional knowledge go away, and we were suggesting that the Bylaws also cover that the Port Commission prepare budgets in accordance with the Louisiana Budget Act. The audit's already covered in there. We also have a process of ordering an internal control audit every three years. We know to do that because we have reminders. But these are things that the Commission may say this is what we want to do. Though we're talking about this Monday at the Executive Committee meeting regarding reserve funds, we wouldn't have anything but a reference that the Commission maintains reserve funds as well. Though the reserve funds would be established by Ordinance in a separate act, if someone were to look at this, they could see that the Commission has those in place. Commissioner Watkins said I think that the audit part is smart to put in there and especially the three year internal audit. I would like to add language that the three year internal audit not be done by the same company who's doing our yearly audit, but those need to be separate...Commissioner Austin said should be separate....Commissioner Watkins said because I'm not mistaken, our last one was done by the company that we use for regular audit and in retrospect, we probably should have done something different.

Commissioner Hall said one comment I want to make, I read the deal for the Executive Committee and I had given Dannye some ordinances we had done in the City for reserve funds but there's one thing I think we ought to think about. And I'm not sure when we planned to go to the people and seek renewal of the tax, but I've found over the years that there's a blessing that you have reserve funds, but there's a curse if you have reserve funds. And so the only thing I'm saying is that sometimes it's like Bill

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Gates knocking on your door asking for a renewal. If you have, I'm totally for that with the exception of how it looks to the public. We've found that it's difficult sometimes to get the taxpayer to want to roll millages forward or do other things because it's like you're knocking on the door saying can you give me that millage and they're going say look man, you've got a bunch of money in reserve. The only thing I want to mention is I like the idea but I'm thinking we might want to put it on hold until sometime down the road. A very wise lady told me years back that would be problematic. I didn't see it, but now I've seen it and the reality is that when you go to people and ask them to do things that make all the sense in the world to renewal millage and do those things. Sometimes they look at you, well you know you're sitting on a pot of money. And I love Steve's answer. A couple of years ago when we had somebody challenge us and he told us all these assets are yours. They belong to the people, but people see reserves and savings accounts as something that you're sitting on like you're a holding company or a bank so I'm just recommending--I didn't think about it when I gave those to Dannye. So it was something later came to me and I was thinking in light of the fact that we do have to go to the people at some point. We might want to just keep that in the budget and then going forward maybe do that at some point. Commissioner Austin said we have a school board tax and Jimmy remembers where the Bossier Press said the school board has \$16 million dollars in reserve. And the tax was defeated because we had \$16 million dollars. That was the editorials that kept coming in the paper. They've got \$16 million dollars. They don't need it. They've got \$16 million dollars. And until we spent that \$16 million dollars, we didn't get the tax passed. We actually spent it. We spent it down to a couple of million dollars. Commissioner Bryant said from a financial standpoint, you need to have reserve and you need to have in my opinion significant reserve but it does...we're facing that now. They have a Finance Director that thinks the reserve needs to be as high as they can be. But is coming back; it is definitely a problem for us right now. We have some significant reserves in all of our funds and that's the main thing. We're going out for renewals and they're like, you don't need it and you do need it. You don't have enough. Reserve is still not enough to operate at the level you need to operate for the number of years you need to operate. You mean if I have a one year reserve, that's saying I can operate one year and what about the other years? Commissioner Hall said I hundred percent agree with you. I'm just saying perception. Commissioner Bryant said I agree. Don't put it in there. From a financial standpoint, we need to have reserves and we know we need to have decent reserves. Pinpointed in our bylaws right now might not be the best thing to do but as an operational standpoint, we know we should have them. But I agree. I'm saying that I agree that it can come back to you. Commissioner Watkins said you can have reserves without calling them reserves. Commissioner Hall said I know Eric well and know Gloria well enough that I never worried that we don't have money available. I know that's taken care of. Dannye and I talked about it some time ago and then it just occurred to me with this looming issue we have to go to the people on..you know all it takes is a writer like Lynn said or somebody to work you over and you've experienced it Erica and we have too. Even people that are supportive of government and supportive of economic development get kind of twisted out when they think you're sitting on it...Commissioner Bryant said too much money. They're saying we're paying it and then you're sitting on it. Why do we need to pay it which...Commissioner Hall said yeah. The Waterway Commission just got hammered by it. Commissioner Austin said you could call it a Capital Expenditure fund. Commissioner Bryant said yeah, you could shift it. Commissioner Watkins said or just don't do it. Eric said you can have it, just don't call it a reserve fund. Commissioner Watkins said just don't spend it. Keep it in the bank. Commissioner Bryant said you have to show it on your financials. Eric said it's there. But it's there and that's what they're looking at. But if you did something where you created a Capital fund and you

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transferred those monies out and so it's not sitting there in your general fund showing you know. Commissioner Hall said but everybody is not like you. Most people can't read the financials and find what's in there. I can't. Somebody's got to point it out to me and that's kind of. Commissioner Bryant said if they find out that it is at \$165 million. Commissioner Austin said it does make a difference if you pick up on somebody like Elliot Stonecipher and he gets to writing about it, he's gonna write about your reserves, just like he wrote about us keeping our millage 1/100th of a mill. Commissioner Bryant said he took ours and highlighted the reserve for the last 20 years. They don't explain what happened in those 20 years that you got oil and gas money, that your sales tax went through the roof. We can't control those things or to say these dedicated ones that's included in that are not that large. But you know, just highlighting it like that on a page and showing it, it is what it is. Commissioner Austin said and we have it in Bossier City. We have a \$30 million dollar trust fund for the riverboats and \$18 million from the hospital. People say y'all have got \$48 million dollars, you need to lower the taxes but those are funds that were put aside we can only use the interest on and those are truly rainy day funds for catastrophes but it does help our bond rating and it does help us when we go out for bonds.

Anybody else got anything to bring forward? If not this meeting is adjourned at approximately 1:30 p.m.

Commissioner Austin said we had an extensive meeting on the By-Laws on August 7, 2015 with everyone present that was on the committee and we went through the articles one by one and we made a number of changes I think all of you probably got in the mail or in your email. We won't go through all of them, but if there's no deletions, corrections, then I move that those changes that we made be adopted. I might add that the major change that we made in there is to move someone to Assistant Port Director but we did make some changes on there that were all necessary and everyone participated. I think we had a unanimous agreement on the changes that we did make. So I will make that in the form of a motion that they be accepted. The motion was seconded by Commissioner Prescott. Commissioner Murphy said it had been moved and seconded that the By-Laws Committee report of August 7, 2015 be adopted. Hearing no discussion, the vote was taken. All in favor please say "Aye". Opposed, "Nay". The motion passes unanimously.

Executive Committee Report of August 10, 2015: Commissioner Capt. Thomas F. Murphy called the Executive Committee to order at approximately 10:00 a.m., August 10, 2015 in the Board Room at the Regional Commerce Center and welcomed everyone.

Committee members present: Capt. Thomas F. Murphy, Sam N. Gregorio and Erica R. Bryant, Ex Officio. A quorum was present. Commissioner Pannell also joined the meeting which the minutes will show.

Commissioner Murphy called for introduction of guests. Guests in attendance: Joe Johnson; David Montgomery, Montgomery Agency Inc.; Larry Harper, IMS; Julie Searing and Tiya Scroggins, Scroggins Consulting and Michael Weinstein, Sisung Investment Management. Staff members: Eric England, Gloria Washington, Dannye Malone and Hettie Agee.

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Commissioner Murphy called for public comments. Hearing none, he called on Michael Weinstein to give the Investment Advisor Presentation.

Mr. Weinstein said I am here for Sisung Group and we are the investment managers for the Caddo-Bossier Port Commission. I'll walk you through the portfolio briefly and then open it up for questions. If you turn to pg. 4 on the portfolio, the current yield is 1.04 %. The yield increase since I was here last I am going to say was roughly 80 basis points the last time we were here. The current duration is one and a half years. The timed weight of return in 2014 was .68 %. The timed weight of return for the first quarter was .64, for the second quarter was .12 and for the first half was .76. That gives you 1.55 annualized. The difference between the time weighted return and the yield is the March market on the (Inaudible) at each period. So if you had a (inaudible) and 2014 returned only .68%, you had a negative market. The same thing going forward a positive market in the first quarter and negative in the second quarter. For comparison purposes, the current U.S. Treasury with one and a half year duration is yielding 58 points. So you roughly double the available yield (inaudible). On the next page you see earnings over the last couple of years. Interest earnings is outlined 133,000 in 2013, and 140 in 2014 and the first half of 2015 is for \$90,000. The increase is two fold. It's due to interest portfolio yield and it's due to an increase in invested assets in the March market. Below that, we tend to view this as a (Inaudible). Finally on pg. 6, you have the allocation portfolio. The top right quadrant, 22.71%, is US Government Agencies. The rest of the portfolio is invested in muni's that are eligible for investment under State law. If you look, roughly 50% of the portfolio, the bottom half, the purple and the teal, are your AA munis, AA and AAA. 12% for the AAA and a quarter is a single A which is the lower threshold of what's allowed by State law. The lowest threshold is A- and you only have a 2.5 % allocation for that. So all in all, I would say it's a pretty high grade portfolio. On pg. 8, the top line is historical and I guess current and forecast GDP. The current GDP is 2.30 %. There's an expectation that the GDP will move higher but not significantly higher over 20 quarters. With that said, the Fed has roughly stated that they're going to start raising the rates in this calendar year, so that means either September of next month or at the December meeting or both. The current expectation, (inaudible) if you use and if it uses 40 basis points, that's a 50% chance that there is in September. But basically you go out and you start raising rates incrementally and gradually over the next two years. If you look though at the percentage doing the 10, right now the two year is yielding 67 basis points; the 10 year is yielding 2.15 so that's roughly 150 basis points a spread. As you get out, rates rise but the spread diminishes because you're essentially raising interest rates in a slow growth environment. So the GDP and the 10 year Treasury tend to attract each other and so if the GDP stays around 3 or just under 3, there's a tap on how far the tenure can go. Your portfolio is 1 ½ years and currently the maximum maturity invested in munis is 3 years. So by nature you have a short folio. The rising rates for a short duration portfolio is good news. The investment rate goes up. This chart is in here just to kind of summarize why the Fed would raise the interest rates in a slow growth environment and this is the Taylor Rule. It's set up to give you a guideline of where that point should be (inaudible) given a current GDP and current unemployment. The blue line is the model and the white line is where we are. That continues to be a (inaudible) and you're now close to 7 years into a recovery from the lows and so the idea that you would still be at a 0 rate, which is supposed to be an emergency rate, one that was initially implemented this far in, they just want to create (inaudible). The Fed will start raising rates albeit honestly, the level will not be all that high relative to where we are now. So in that environment, there's still spread in actual municipals relative

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to governments. And so we still look to invest in munis which will generate a minimal return. You have a 3 year ladder and as (inaudible). And so theoretically the yield is increasing as we re-invest at higher rates. So in summary, the Fed has signaled that it will (inaudible). GDP should rebound from the first half of the year and get back to kind of levels we've had for the last two to three years. Unemployment is down to really a level that the Fed had previously targeted so the idea that they wouldn't increase rates hit their target is a credibility issue. So obviously they're going to start raising them.

With that said, the current portfolio durations are short. You should be able to benefit from reinvestment as the rates rise and be protected from price risk during the short rise because of the short duration of the portfolio sort of like taxable munis. The one other thing is change of State law in the last year that broadened the investments that are allowable (inaudible). Previously there have been a jerky path on municipals and no allowable investment for securities and they extended the term from 3 to 5 years for both and they opened it up for investment in AA corporates. So there is room to contemplate broadening the investment horizon should you want to pursue that. With that, I will open it up for questions.

Calling for questions, Commissioner Gregorio said let me just ask you a couple. You say we have a 3 year. Is the three year set by law that we cannot go longer than? Mr. Weinstein said the municipal allocation is set by law at 3 years. Commissioner Gregorio can you longer than 3 years? Mr. Weinstein said that was the change to 5. And so now you're restricted by policy. Commissioner Gregorio said and y'all still like the municipals versus the government because you get a little better spread? Mr. Weinstein said get a little better return and I think it's important to maintain a government allocation for liquidity, but we do like taxable muni's where they're available on a municipality basis and relative to the corporate investments available, the corporate investment is AA which in today's world is a finite amount. It is doubled by US domestic issues and so that will be Apple, Microsoft, the oils maybe GE Capital still but very few of the national It's a small large liquid market, so where there's no incremental US Treasuries there, we still think that's a better bang for your buck in municipalities because it's a more diverse environment. Commissioner Gregorio said and then on your historical earnings, you have the change of unrealized gain and loss. As I understand, we have a buy and hold policy, so those are just really paper losses. We recoup it when the issue matures, right? Michael said right and that's just the delta (inaudible) loss or gain. That's in the performance. Commissioner Gregorio said that may be my question, but one second. Do you have any benchmark that you're trying to replicate or match that could look at to say, oh yeah that's a great job or we underperformed. Number one, do you have such a benchmark? Mr. Weinstein said there are benchmarks available. Currently we are not benchmarked. I put the light Treasury yield in there for comparison's sake. Commissioner Gregorio said so no published or recognized benchmark to say for which y'all are trying to meet or exceed. Mr. Weinstein said there are...Commissioner Gregorio said for your work here. Mr. Weinstein said currently we are not benchmarked, but the applicable benchmark would be for other clients of the same kind would be using 1-3 year as an index as an index. I know we beat that. I can provide you what's for the same time period. Commissioner Gregorio said If you don't mind. That will help our analysis. Mr. Weinstein said I can do that for this period and I'll do it going forward.

Commissioner Murphy called for the Pollution Insurance Coverage for Port and Tenants. Eric said at an earlier Executive Committee meeting this year, there was discussion about the Port's pollution

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coverage and we brought the committee up to date on what the Port has in place for on site and off site events where pollution coverage would be necessary. There was also discussion about reviewing the Port's requirements of our tenants at the Port of Caddo Bossier complex with regard to threshold of coverage. The Executive Committee asked us to do a survey mainly through the Port Association of Louisiana and also the Gulf Ports through the Gulf Ports Association of the Americas. We did that survey and the responses are in your folder and you can see the responses vary throughout the State and throughout the ones we surveyed in the Gulf Coast. Again, right now the Port of Caddo Bossier, our requirements are for \$5 million of pollution coverage and our tenants \$3 million dollars. I'll give you a second to find that table and take a look at it. I see the 5, is the 3 on the table for tenants? Eric said it's on a separate handout that's in your packages as well where it says Caddo-Bossier Parishes Port Commission d/b/a Caddo-Bossier Port insurance requirements. The two documents that are in the package also you can see on the header the different ports in the State and Gulf coast. Commissioner Gregorio said I think I understand Eric, in the one you just mentioned, the Port Commission d/b/a Caddo-Bossier Port. That's for the tenants only insurance requirements? Eric said yes, we have not had a customer per se where we needed to enforce these pollution requirements. Our operating position has been that these pollution requirements have been for tenants, tenants such as those that handle the hazardous cargo such as Calumet, Omni and Red River Terminals, those types. If we had a customer that wanted to transport hazardous cargos but not necessarily be a tenant, we would utilize these requirements as well. We just haven't yet. With this discussion and with the review from the survey, David Montgomery, Danye and I had discussed and have a recommendation of keeping the Port's pollution coverage at \$5 million for our operation and recommending that we increase that of our tenants and customers that handle those types of hazardous cargos from \$3 million dollars to \$5 million dollars. Commissioner Gregorio said as I look at the chart the other ports are either way less than that for our \$5 million or equal \$5 million and those that are higher are much bigger ports, Houston, Corpus Christi, Alabama. Eric said that's correct. Commissioner Gregoro said for our size we're actually at a well protected area at \$5 and asking the tenants to go from \$3 to \$5 just increases our protection even more. Eric said that's right. Capt. Murphy said are we going to need a motion for that. Eric said I think Commissioner Pannell had a question. Commissioner Pannell said present tenants, what is the process of asking them to do that. Would it be a possibility of them saying we don't want to that because the way it sounds to me it's just like a formality and I sure hope that's true. Eric said what we want to do is we need to communicate this, if the Board moves in this direction, we would need to give them some time to provide this coverage. It's the Commission's decision to make. Commissioner Pannell said I'm saying if we require, then they would basically have to do that. Eric said that's correct. As to the individual day to day working with their carrier, I don't know how quickly they can increase that coverage or what process they may have to go through but we would have to contact those that are in the day to day handling these hazardous cargos and let them know the new requirements. Commissioner Pannell said I don't have a problem with it. I just wanted to know if we required them, were they required to do it? Eric said a way to explain how there's an internal control for that is our contracts for these tenants especially those that are located at the Port Complex are required to provide us Certificates of Insurance and those are routed to our legal department to be analyzed to insure they're meeting our requirements. In addition, what we would want to see on these policies is that the Port would be named additional insured and there would be a waiver of subrogation. Commissioner Gregorio said I have one more question. Looking at our column the Port, question 4, do you require your tenants/lessees that handle hazardous materials to carry pollution

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coverage? We answered no on that. So that's the tenants/lessees that handle hazardous materials to carry pollution coverage. Eric said that should have been a yes. That's a typo. Commissioner Gregorio said that the \$3 to \$5 million. And then question 5, that would be 3 and we potentially will go to 5 in just a moment. Question 6, do you require your tenant/lessees to carry coverage for both on and off site incidents? Eric said it would be on and off. Commissioner Gregorio said that would be yes also. And then 7, do you require your tenants/lessees to name your port as additional insured and provide a waiver of subrogation? I think the answer is yes. That form might need to be retyped.

Capt. Murphy said Eric, would you like to comment on the possibility of the Port purchasing and having our own pollution control boom. Eric said yes. In addition to having this coverage in place, we've had discussions about purchasing a spill containment boom, a spill absorption boom placing that at the Port complex. While our operations are not deemed as hazardous by the cargo we handle, we do see a need as the landlord of this facility that in the event where someone might handle a hazardous substance and there would be a leak on the River, the Port taking that pro-active approach to placing a spill containment boom on our dock that environmental response and recovery firm or even perhaps a sheriff's deputy or a first responder could deploy and spread. We've done some initial investigation and we see that the boom can range anywhere from starting in the \$8,000 dollar range possibly to the \$20,000 dollar range. Our idea is if we would look to put this in the...if we amend the 2015 budget...put it in there. It wasn't named before, but as a last resort put it in the 2016 budget to purchase in conjunction with having this coverage. Capt. Murphy said Eric, where is the nearest boom today to this Port? Eric said I would have to get back with you on that. Capt. Murphy said not local. Eric said not here. It would be in another location. Capt. Murphy said it would behoove us to consider very favorably having our own spill containment boom accessible by emergency personnel. So do you need a motion to put that into consideration for amending the budget for 2015 or adopting in 2016. Commissioner Pannell said one question I have is what determines the fact of that cost from \$8 to \$20. Eric said there are different types of booms. There are different lengths of booms. We've done some preliminary investigation. You have the spill containment boom which does just that. It contains the spill, but then you also have the absorbent type that will be more like an absorbing material. It won't just contain it within an area. We just have to make the decision on which type or both that we want to pursue, how much, what's the length of both. Commissioner Pannell said what I'm saying is if we pass something here that we will do the boom, then will the decision come back to us on the type of boom. My thing is that if we have a problem and that's going to come back. I just want to make sure we make decisions at the Board level if we decide to do that. Commissioner Bryant said I'd like not to make the decision today. I think we ought to explore it and put it on the 2016 budget. When the 2016 budget is presented to us, it will be included in there. There will be no need for a motion today. Commissioner Gregorio said let me address that for a second. I do think we need a little bit more information, one of which Eric, which one do you recommend and what would be your recommendation? Does it go in '15 or '16. I know '15 with the flooding has produced an income problem. I would like to hear your recommendation, '15 or '16 and then after those two pieces of information, maybe then a motion would be in order. Commissioner Pannell said how long do think that would take. Commissioner Gregorio said I would refer to Eric. Eric said it would just be a matter of a couple weeks time to get those quotes. Commissioner Pannell said the reason why I'm asking because the discussion at the Executive Board meeting but hopefully when that decision is made it can come to whatever form it needs to come because it's not a professional service issue, so I don't see why it has to come back to

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you. Commissioner Bryant said if you could you would still have to present an amendment to this Board on another agenda. Capt. Murphy said that's why I brought it up for discussion. Commissioner Bryant said the motion today is only giving him our support to continue, but you still have to present an amendment back to this Board to be approved at some later date. Capt. Murphy said that's the motion I would like to entertain. Would someone like to make that motion. Commissioner Gregorio said I don't think we need a motion. Eric said we'll move forward in that regard. Capt. Murphy said we'll just authorize the staff to investigate. Eric said and we can come back before the Operations Committee which is a committee of the whole and make the presentation and seek guidance from the Port at that time.

Commissioner Gregorio said if we're through with that, I would make the motion to raise the tenant insurance from \$3 to \$5 million. I think we do need a motion for that. The motion was seconded by Commissioner Bryant. Capt. Murphy said it was moved and seconded to instruct staff to raise from \$3 to \$5 million the coverage. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Capt. Murphy called on Eric to present the rail insurance. Eric said we wanted to have a discussion with you regarding what we've investigated and what we've discovered in regard to the damaged rail cars that were impacted during the 2015 flood. It's been quite revealing and we found that we have, of course, pollution coverage; we have coverage for the contents of the rail cars; we have insurance for the rail itself in the complex area. But the rail cars is an area as the owner and operator of the Port railroad where we need to do some investigation into railroad coverage. At this time, I would like to hand it over to Dannye to bring the Commission up to date on what we learned and we also have David here because we've got some information about some various policies as well. Dannye said one thing we discovered during our investigation is that the Caddo-Bossier Parishes Port Commission is governed by the AAR Interchange with respect to handling and repairing the rail and the rail cars. Under those rules, it places or imposes an obligation on the handling line to repair those rail cars if those rail cars are in the custody and control of that handling line. That certainly was the case with regard to the flood that occurred back in June. Under Rule 95 in particular it states that the handling line is responsible for submerged rail cars and is responsible for repair of the road bearings and the components. Under Rule 99, it also states that the handling line is responsible including the cost of any loss or damage to cars in the possession of the handling line. So we do have that responsibility. There's no question about that. Then we also asked David to examine what the potential cost may be to secure insurance for damaged rail cars and our preliminary investigation indicates that for \$22 million in coverage it would cost approximately \$90,000 dollars annually, a deductible of 2% of the actual cost up to a maximum of \$100,000. There may be an option the Commission may want to consider and that may be an option to self-insure. That's something we certainly need to explore. David, I don't know, you may want to have some additional comments. David said we are in the process of trying to secure an alternate quote through Lloyds so there is possibly of another competitor that may give us a little bit better rate in coverage of rail car insurance. The quote Dannye was speaking of is through Zurich. That's your current carrier of

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your railroad liability insurance. Commissioner Bryant asked Eric how many cars in the latest damage we had—how many cars were effected? Eric said 61. Commissioner Bryant said that was approximately a half million. Eric said we're out for bids right now. We think the bids will come in anywhere \$250+ just depending on. Commissioner Bryant said but we would pay the \$100,000 to have. David said Danye was referring to that deductible was actually a named storm deductible so if a hurricane came through, that deductible would apply. Any other cause of loss, any perils that are covered in damages, would be a \$25,000 deductible per occurrence. Commissioner Bryant said so a \$25,000 deductible would pay a \$90,000 a year for the coverage. David said for \$22 million dollars, that's right. Commissioner Bryant said I know it's \$22 million, but I'm thinking more would we actually incur \$22 million, or would we actually incur something like we have now. Comparison wise, is it...David said potentially if you have a derailment of cars and they were totally destroyed, I believe Danye said there's roughly \$150 to \$175,000 dollars apiece. Again that quote also includes what we call business income so if the rail system is down, and roughly Eric told me y'all make about a million dollars a year, it would cover that loss of net for the months the rail system was down. So there are—and I wish I had a formal quote and I'll be glad when I get that to provide it to you. There's a lot of ancillary coverages that are...Commissioner Bryant said that we get in addition to...I've got you. I was just making sure—I guess on the surface it didn't seem we were getting our bang for the buck at \$100,000 a year. But I guess if you have the income replacement, I guess it's the situation where you could have multiple if you had a derailment at \$22 million, so I guess in that instance it could be worth it. But \$90,000 still seems high. David said but I thought that I would have that formal quote this morning and the underwriter told me that it wasn't ready, but as soon as it's ready for release, I'll forward it to you and it will be distributed and you can see all the additional coverage's and I would be happy to come back and discuss it. Commissioner Gregorio said is the \$22 million set by the number of cars that we have here or can that overall number be reduced to see if there could be a reduction in premium. Danye said as David said earlier, we took an average of the number of rail cars that we have on site that potentially may be at risk at any one time and that is 150 cars. And we took a range, depending on the type of railcar that you have, probably valued at \$175 per railcar. So take into account If all 150 cars were damaged, you would be in the range of \$15 to \$20 million dollars. That's not likely but that's the range we're looking at right now. Commissioner Gregorio said so what option would be to, if we were concerned about the premium amount, we could reduce that \$22 million to some other number that would correspondingly reduce the premium and is that something for Eric, you and staff to do, or is there a committee to look at that issue. I don't know the right amount, by the way. I am not suggesting that...Eric said we'll see what the premium is and then begin those evaluations, but whatever direction we head, this is going to greatly increase our insurance line item. So it will have to go back before the Board for discussion, because it will increase our insurance line item in the budget. Danye said and there may be another option as I noted earlier. We may want to consider self-insuring of those rail cars. Eric said that's something...Commissioner Pannell said would that be a similar formula that we have here now if you reduce it to the bottom amount and then look at what the rate would be, we would then figure out how long would it take for us to come up with that amount that would be equal to what that would be. But at that point, it would be our money. Danye said that's correct. Commissioner Bryant said you're looking that if we did our money, in what level of insurance we say okay, we would be self-insured up to this amount and then be guided into a situation where the cost is high, then at that point, you have the reinsurer come in instead of us insuring it to \$22, we can insure a portion of the first whatever and that point. Danye said reinsurance would take over at that point. Commissioner Bryant said so that you

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could minimize. You don't want it to be open ended if we did say we were covering losses, you want to minimize how much you would actually have to come up with. Dannye said I agree. Commissioner Gregorio said I think that is just a high deductible...that we bear and then the insurance picks up over that amount. David said you call it an SIR plan, self-insured plan. Commissioner Bryant said right, you could be sticking \$100,000 a year into some fund to cover and then if your costs gets to this level, then you would want some level of insurance. Commissioner Pannell said you could look at it as a high deductible but the fact is that the longer that this happened, that money would be going back into that amount of your deductible, which at some point, say if you put up \$100,000 and reduces the amount you are paying on a monthly or yearly basis, you're keeping that money which goes back towards the \$100,000. At some point, if nothing happens, you would have recovered that amount anyway. At that point, you can continue to put that money in that way and you could have an amount that would be solely self-sufficient. Dannye I think we have some good options in that regard. Commissioner Gregorio said my suggestion is what I'm hearing is let's get some more information based on these questions, and then we can come back and make a good decision. Dannye said absolutely. David said we'll let the carriers know that you want to look at something around \$500,000 to \$1 million dollars exposure limit. I'll be glad to visit with Dannye and Eric and get back with y'all relative so that you'll have a range of cost. That's what I'm understanding that y'all would like to see. Eric said that's precisely the feedback we were looking for today. We appreciate it. Commissioner Gregorio said and my thought is instead of us telling you the deductible amount of the self-insurance amount, that y'all calculate with the staff, calculate y'all recommend and think as opposed to us just picking a number. David said absolutely. Eric said just one thought about the rail insurance, we'll look to move on that. We already have an Executive Committee scheduled for November in keeping with our schedule. We'll have that information back before then.

Capt. Murphy called on Eric for Port Insurance Requirements for Vendors, Tenants, Others. Eric said as we are looking at minimum insurance requirements, what we're struggling with on a day to day basis, your staff is, that there are the situations where mainly we would call our lower value contracts, the ones who work in small businesses where our insurance requirements are a difficult for these small businesses to reach. For example, recently with the buildings that were flooded this summer and during the River flood, we have a number of buildings that need to be demolished for example. The general contractor is struggling to meet our insurance requirements. It's a \$9,000 contract but it's demolition work. It is a little bit riskier than some of the other things that we do up here on a day to basis but just for him to get in compliance with our requirements which in that regard was a million dollar per occurrence, \$2 million dollar aggregate on the general liability, was gonna cost an additional \$10-\$12,000 dollars a year. And that was just to get his general liability where it needed to be. On top of that, we have a \$5 million umbrella on top of the \$2 million dollar general liability. So we were looking for, we wanted to get some feedback from the Executive Committee, from the Commissioners about how there might be a platform of how we can set a waiver process for these smaller contracts that are deemed for services the Port needs. They are struggling to meet our insurance requirements. Commissioner Pannell said this is a \$2 million dollar policy. Eric said yes, they're outlined here, all of our requirements. On general liability you can see a million dollars per occurrence, \$2 million dollar general aggregate and then all the other coverages and then the excess umbrella \$5. Commissioner Gregorio said did you ask for discussion. Eric said please. We don't want to hamstring the Port from, for example, this demolition contract is the most recent example, but we also

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don't want to limit even the simplest of contracts for window washing, yard mowing, just reasonable landscaping work even where even janitorial services, for example. Commissioner Gregorio said here's my thoughts on it. If we allow a waiver, then we probably ought to have some cap above which there is no waiver and number two is everybody's going to ask for it so we would need to make sure that you and the staff are protected...get some criteria. And thirdly, we have to be a little careful because somebody could do damage to the property or to whatever they're dealing with even on a small contract that could create a lot of damage. So we're kind of opening ourselves up to less protection. Those are my three thoughts. My fourth thought is there is some equity in favor of making exception for the smaller contractor just from an economic point of view. So those are my initial thoughts as we start this discussion. Commissioner Pannell said I have no problem with the staff having a waiver process, but before you look at that waiver process, my position is this. On demolition what is required for a demolition contractor? No demolition contractor is going to make a living off the Port. We assume that he is going to work somewhere else. He has to work for the City, the Parish or somewhere else. All of those places are insurance requirements. I know the City of Shreveport's insurance requirement is about a \$2 million dollar policy. So I'm saying that we're not going to be able to support a demolition contractor just by our work. He's going to have to go somewhere else. If he's a new contractor and we are his first place to do business and he don't have a policy, then that's like somebody practicing on us. If you're going to go in this business, you've got to go into the business with the normal insurance requirements and window washing people, I'm not addressing that part of it. I don't believe a window washer would have a \$2 million dollar policy. But when I started out years ago, there was a minimum requirement I had to have and that requirement was higher than Shreveport and right now, if I want to get licensed in the City of Shreveport, I have to have a \$2 million dollar policy. If I go to Baton Rouge, I need \$500,000; if I go to New Orleans, it would be \$500,000. But if you're going to do work here, they set the minimum and that's what you've got to have and that's what my policy is. So I'm saying it has to be governed by something. We can't make rules here at the Port for our outside contractors. There are rules already in place for them. If they can't meet those requirements, they shouldn't be here. That's my two cents worth. Commissioner Bryant said Eric, are you saying these minimum insurance requirements are the same regardless of the type of contractor? Eric said that's what we have in place now and these apply to our tenants, customers, vendors everything. Commissioner Bryant said so regardless of it is a window washer, they're having to comply. Commissioner Pannell said and I have no problem with the waiver, for somebody if y'all feel comfortable. The bottom line is if the window washer is doing it and has employees, and if he's not insured to take care of those employees, then we're going to have to pay for that because it's on our property. Commissioner Bryant said I" just using--I don't know that we would have a waiver, but it seems to me that the type of contract sometimes should govern the insurance, not so much like your response to the demolition. It may be maybe that they need to meet this. But in some instances, the type of contract this may be. Commissioner Pannell said and we're saying the same thing. My point was they should be able to do waiver in certain conditions. But when you come to construction, you've got to base it on what would the liability be if something happened. What I'm saying I have no problem with that. I'm saying a demolition person I can't see. You know if it's a small business, a minority business, I'm going to do everything that I can, but some things you just cannot get out on that limb. If they're going to be in business, they have to allow for that. Dannye said I agree. I think that this discussion is exactly what we've been talking about all along. You've got circumstances in which you have the lawn service. You may have landscaping services and to meet this stringent requirement, quite

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frankly I think that's a little ridiculous to require those particular contractors to come up with a \$5 million dollar umbrella policy. That's a bit much. And then when you go to a demolition contractor, David and I talked about this, those insurance, our requirements are almost cost prohibitive. It's true to increase by another million dollars, it's gonna cost that demolition contractor \$12,000 on a \$9,000 contract. That's a little problematic. In fact, we checked with David and said that is the case particularly based on the type work it is, dangerous work. However, David you speak to this, David confirmed that for every million dollars, goes up substantially in terms of the premium. So, either we don't engage a demolition contractor or we modify a position where we have to accept the risks and make a determination on whether a million dollars is adequate for this type of work. But certainly I think from the perspective that these insurance requirements would have to go across the board regardless of the type of work. I think we need some more flexibility on it. Commissioner Pannell said do we have a requirement of naming this Port...Dannye said as an additional insured and also waiver of subrogation. Commissioner Pannell said we're saying that if we say we don't have a problem of making those adjustments, then it comes down to who and how those adjustments are made because we're not going to see it again. So that is what we would need to know, who makes those adjustments and how those adjustments would be made and I'm thinking we should lean some on David also because he's not the insured but he knows what's a liable situation. Dannye said he's our expert. Commissioner Gregorio said I have two questions. For example, on the demolition guy, I'm guessing that there's companies that have insurance policy in general that's already \$2 million dollars, so they would come to this job and say \$9,000, I can meet that, and assume there's vendors out there that can do our job or it's somebody who only has \$1 million now and has to raise it which makes this job cost prohibitive. Am I right on that or wrong? Dannye said I think that Rick looked into that and what he has found is that what this gentleman said is true is that for every million dollars in coverage, there's a corresponding \$12,000 or more amount that's going to cost that contractor to increase that coverage. Commissioner Gregorio said there are companies out there that have pre-existing \$2 million dollar coverages and they just pick up this job as part of their routine cost of doing business. Dannye said I assume that's right but I don't know that. They have to have some coverage. But on a small job like this, when it was submitted a proposal on one person. David said that relative to construction firms, and in this case do you mind if I tell who the contractor is. Eric's said Capt. Murphy should decide. It's his committee. Capt. Murphy said go right ahead. David said do you mind if I disclose the contractor in this case. Commissioner Murphy called for any objections. David said it was H&W which is a firm that's been around a long time. It's a long standing family business and on contracts such as this, there are very few demolition contractors in the area. That's what I wanted to speak to, Commissioner Gregorio, relative to that. So to find another demolition contractor, let's say that has \$5 million in coverage, or an additional million or \$2 million, they're gonna be a much larger, more regional construction company and your price is going to escalate accordingly. Does that answer your question? Commissioner Gregorio said yes. David said I reviewed the Certificate of Insurance from H&W. They have all the appropriate coverage's, broad form, CGL, \$1 million with a \$2 million aggregate and based on the size job in the marketplace of what we see, their insurance requirements are normal. Commissioner Gregorio said and did you say they already have the \$1 million and \$2 million aggregate...David said yes, along with the statutory Workers Comp—Dannye said they don't have to buy \$1 million. David said \$1 million with \$2 million aggregate. Commissioner Gregorio said so their CGL coverage is in line with our requirement. David said but they don't have the \$5 million umbrella. Commissioner Gregorio said is it the \$5 million umbrella that's hiking it up from \$10 to \$12? David said that's per million. Commissioner Bryant said

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so if it's \$2 million, then it's \$12. (Inaudible). So the waiver then would not expose us to any exposure up to \$2 million dollars. David said well \$1 million per occurrence. So you only have (inaudible). So really the question is a waiver for the excess. Commissioner Pannell said right. Commissioner Gregorio said not for the \$1 million and \$2 million. Commissioner Bryant said in this particular case, you're saying this particular vendor is a long standing vendor, has jobs, been working and you're saying other vendors comparable to their size probably would not be able to meet the \$5 million also would end up being that it would take a large company to spread that cost over (inaudible). Commissioner Gregorio said the question is it's an excess coverage problem, not a underlying liability problem. Danye said only in this particular instance. You know we have that general problem with you know your lawn service, your landscaper companies that can't comply with the \$2 million, certainly not the \$5. So we've got a general problem and we've got a particular problem with this demolition contractor. Commissioner Pannell said seem like to me I'm hearing two problems. You know I mean if we're asking for a \$5 million umbrella and the City or nobody else asks for it, look like our requirements are out of line. That has nothing to do with whether a person needs a waiver or not because most of the things that we're just looking at that other ports do here, we make our rules based on something, normally what somebody else is doing. If we're doing something nobody else is doing, that's a problem. To me if this person and we give them a waiver based on the size of the contract, then we ought to have a system that determines how you do that based on the size of the contract. Danye said I also think that it depends on the type of activity. While that contract may be \$9,000, the risks may be far greater than \$9,000. Commissioner Pannell said so where is the system for that? If we don't have a system. Commissioner Gregorio say may I make a suggestion on that. It seems like with our experience we have to generate a list of vendors and from that list of vendors we could determine the type of activity that we could say well \$1 million on the general liability is sufficient versus \$2, and secondly we could develop the type of vendor who could say we don't need the excess of \$5, but we do want the \$2 aggregate, the \$1/\$2. And from that list we could then grant discretion to grab the exemptions as needed. Is that reasonable? Commissioner Pannell said let me just add this Sam. I don't think it ought to be the vendor as much as the type of work that that vendor was doing. Commissioner Gregorio said we have to develop a list of vendors. And then we look at the type of work and number 2, that's for the \$1/\$2 million and then secondly the excess, two separate criteria. Danye said that's correct. If we have a lawn service out here, I wouldn't impose that \$5 million umbrella on that particular service. That doesn't make sense to me. It's so rigid that we discourage other companies from doing business with us. And that's not a good thing. Commissioner Pannell said so once again I think we're back to the point of somebody developing something and bringing it back. Commissioner Gregorio said that was the discussion y'all were looking for? Eric said that's exactly because we have a lot of that information on hand already, we've just got to get it in table form to present to you in executive summary. Eric said I didn't mean that to say in any way to end the discussion, I think we can do exactly what you're asking. Capt. Murphy asked if everybody was satisfied with that and called for the next item, Internal Controls. Eric said we do want, with regard to this demolition work, we have three buildings that need to be demolished. Secondly, we're under a tight time frame because of FEMA reimbursements. If we're able to award this contract, we can get our money hopefully reimbursed according to their schedule faster. We would like to seek some guidance with that regard with this one particular contract. Commissioner Gregorio said do you need a motion or not? Eric said in order to do that, I think we have to bring that before---we need five votes, but I think we could get a motion from the Executive Committee to recommend that to bring up at the Operations meeting. Capt. Murphy said it's been

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moved and seconded. All in favor please say Aye. Commissioner Bryant said who moved and seconded. Capt. Murphy said didn't you just say. Commissioner Pannell said I'm not on the Board. Commissioner Gregorio said I make a motion we recommend at the Operations Committee that the H&W Demolition project that we waive the \$5 million excess but otherwise keep the commercial general liability limits. The motion was seconded by Commissioner Bryant. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Eric said we thank the committee and commissioners for that discussion.

Capt. Murphy said let's go to Internal Controls. Eric said also earlier this year we visited with the Executive Committee about how we as staff are handling internal controls especially in light of the resignation of Tameka Williams who was assisting Gloria Washington in the Finance Department. We discussed some ideas at that meeting about how to improve the internal control and we wanted to give you an update on our progress and seek some feedback and guidance as we continue forward. But largely one of the main things that was discussed was where we had a deficiency or weakness in our internal controls. Internal controls were involved in the reconciliation of the bank statements, so we spent this time since then establishing that Mary Ward, who sits at the receptionist desk when you walk in, can have limited access to Gloria's system where she can reconcile the bank statements. She's in the process of learning that process. Gloria and she are reconciling together, but the long-term plan is for her to do that reconciliation with that limited access to the system on her own. The other thing that was discussed that we've also moved forward on is having a verification of the deposits, a process utilizing first of all Mary and I before Gloria ever sees the bank statements. To walk through the chronological order of things of how the internal controls are set up is as we receive checks in the mail, those checks are logged by Mary and then they're further verified by me on a monthly basis. When the bank statements arrive at the Port, Mary opens the mail, not Gloria, and those deposits that are logged in monthly by Mary are verified by her as being deposited in the bank account and then they're further verified by me as a second backup. The third backup is those are verified by our auditor, Heard, McElroy & Vestal, in their annual audit process. So those are the areas that we are making with regard to that other discussion. Another area in where Mary is assisting Gloria also for internal control is that Gloria runs the checks. As you know, she's one of the signers on the checks, but then she gives those, after she runs the checks, they are given to Mary for her to attach the invoice to so that you have that verification process and then they're handed directly to me. Those are the things that we've done. Gloria, did I miss anything? That's what we've done. What we want to do is continue on that process and one of the things that we also talked about was after we are finished with these things, have Heard, McElroy & Vestal review these internal controls and correspond/write us as to their thoughts on them. Commissioner Bryant said I have a question. Who makes the deposits? I'm still do not believe you still have one person making deposits and writing the checks and I understand controls. Let me ask you have we explored the Positive Pay in that when you write the checks you can send a report to the bank on the checks that you've written, so that if I came with a check and it's not on that list and they wouldn't cash that check. Can we explore just the cost? I don't want it to be cost prohibitive, but if we

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add that aspect to our processes, what the cost would be and what the necessary cost to implement that because it would take some level of adjusting your software to be able to send that file to the bank. I just think that's another communicating control you should do and consider that. I understand it's easy to process everything; it's easy do it but you still have a situation where you basically have one person doing all your functions. And so if we can add just that extra control. Commissioner Gregorio asked what was the name? Commissioner Bryant said Positive Pay, but I know there's a cost involved with that and if the cost is I don't see that it's worth doing, I don't think we should do it at any cost. It just should be something that we should explore and see and if's something that we can do, if it's considered cost prohibitive, I don't think the benefits would outweigh the cost. Commissioner Gregorio said the other thing that I was hearing was that Mary was deposits and then verifying the deposits. Gloria said I make them. Commissioner Gregorio said so you make the deposits. Gloria said Mary's verifying. Commissioner Gregorio said she verifies the deposits. Gloria said right, when the bank statement comes in at the end of the month. Well this is how. When the checks come through the mail, Mary records this check, so at the end of the month she has a whole list of checks that have physically come into this office. When the bank statement comes in, she pulls that list out and each one of those checks should have been deposited by me and they should show up on that bank statement. This is before I even see it. Then it goes to Eric with that list and she has verified that every check on that list was deposited and that's when he looks at it. Then the list comes back to me. I am now working with Mary teaching her how to reconcile on that system. It's very easy for me. I've done it 23 years. It's not easy to just get on an accounting system, so she's still learning. I'm still standing over her. Then when the auditor comes at the end of the year he's handed 12 lists for January through December. Then he goes through and verifies the deposits, so it's verified. The deposits for the whole year are verified three times in this office. Commissioner Bryant said and my suggestion—the deposits seem to be okay. My suggestion now is on the check writing side to see if we could add just one more level of control on the check writing side. Commissioner Gregorio said Gloria, let me stay on deposits for just a moment. So she's recording. It's not her. That position is recording and then you deposit and I'm good after that. Now this is a problem in law offices just very frequently. So that's my interest. Once the check and balance are in that position receiving the check, pocketing the check, it never gets on the list. You never make the deposit. It's just blank from there on out. How do we have a check and balance for that? Commissioner Bryant said it should be a review of the financial statements because you—Gloria knows what she's waiting on. Gloria said I know what's due. I may not know it in 30 days, but eventually I'm going to say—because I know my receivables. So eventually I'm gonna say okay, well why hasn't this customer or why hasn't this payment been made to the Port? You guys see that list every month on the financials. When it's getting to 60 and 90 days, I've already reached out to the customer, the tenant or whoever owes us the money. So if they come back and say we paid this on such and such date, I say I don't have it. Would you check your bank? If it has not cleared their bank, then it may be lost in the mail. That happens. If it has cleared their bank with our stamp on the back saying it was deposited—well it won't have our stamp on the back if it's never been deposited. Then there's where the issue's gonna come, who signed the back of it and where did it go. Commissioner Bryant said with y'all receiving very routine type payments, you're not like collecting occupational licenses like we could have some paying \$50 here, \$50 there and I might not know that that came in because that's such a small. But on your revenues they're so routine that you should really aware of what's coming in, what you expect to come in, what hasn't come in. Gloria said we don't accept cash payment. It has to be check or sometimes money orders. That's fine. But we do not have cash. We don't have petty

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cash. We don't have those type of things. So it's easy to trace. Somebody's check, if I say I haven't gotten a payment and they say it was cashed. Commissioner Gregorio said what if we had a non-tenant making a payment by check. So there's a bunch of those that you're not specifically thinking about on a day to day basis. The check gets pocketed. Would that be easy to overlook? Gloria don't know why a non-tenant would be making a payment that I didn't invoice them for. Commissioner Gregorio said let's just say you invoice a non-tenant invoice and the check gets pocketed. So you're not necessarily focused just on that invoice. Gloria said well I know what my receivables are at the end of the month every month. Commissioner Gregorio said is there a routine where those invoiced statements would come back and you would see paid or not paid? Gloria said absolutely. I know every 30 days what's not paid. Commissioner Gregorio said there's a report that's generated. Gloria said at any time I can show you what has not been paid. But definitely every 30 days a receivable report is generated. Now 30 days I don't send a second request. Once it's in the 45 to 60 days that same invoice that's still showing outstanding, they're gonna get a second request on that. If they call back and say I've paid that and that check has been cashed. That's where our investigation starts. If they call back and say okay, we haven't done the payment, then we're okay with that. But if they call and say I paid that. It was cleared on this date. Then we need to investigate where is that check. Commissioner Gregorio said and all checks we receive through an invoice system, even tenant rent. Gloria said absolutely. If they rent this room for \$25 beverage charge, I'm sending them an invoice with a contract that they signed saying we're going to pay you \$25 for a beverage cart. Commissioner Gregorio said so then the check and balance that's what I'm hearing on pocketing the check is that we always invoice and we have 30/45 and 60 day report that you're checking, not the person who receives the check. It seems okay to me. Thanks for explaining it. Eric said if I may, Commissioner Gregorio, just to help explain, it might help this discussion to understand that we were focusing on those payments such as tenant/lessee payments for the land they rent from the Port. We developed an invoicing system where our Operations department coordinates with Gloria such that our Operations department does not invoice for...when Priefert Steel, for example, was to be invoiced for steel handling of coils. All that goes through Gloria and so it does include those rail customers, those customers that ship product on our general cargo dock, those types as well. That was an improvement that we made that all—there's a common conduit that goes to Gloria and secondly, no contract that is signed up here where it doesn't go through a process. It can't be just a two-person process; it has to go through Gloria. Gloria said the Positive Pay and I'm familiar with it a little bit. Like every check, like a little check for \$20, all those go on that list so everything somebody at the bank has to watch to see. Commissioner Bryant said you can override. Let's say you have to do a quick check. You can contact the bank for a quick check and say as long as they have to have some level to know that you wrote that check. There are ways around. I know what you're saying. They call and say I need that check now and you don't even have time to run the computer program etc. You just call your bank rep and say I've got a check coming through. The flip side of it is they're going to call you, so if you write the check you could not get in contact with the bank, when that check goes for clearance, they're gonna contact you and say we have this check for this amount; we don't have a record of it. Is it okay to cash? Once you say yes. Gloria said so it's connected to our accounting program, so like at the beginning of the month. I run 50/60 checks. It will automatically send it to them. Commissioner Bryant said it will generate the report and you just submit it. Gloria said I generate a report now. Commissioner Bryant said you have to make sure it's all compatible. Gloria said gotcha. Commissioner Bryant said that's what I mean your software. If they say it's gonna take, we have to change this and costs this to do it. The bank fee is this and you may say based on the bank fee,

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based on the cost, it's not. But it is something that's worth. Gloria said it sounds like something we already do now because I generate a report after every batch of checks. It just needs to go. Commissioner Bryant said and I'm gonna tell you that after every batch of checks, we had someone who copied our checks, got our routing number, and put some bogus address even wrote---we bank at Capital One, even said it was Regions Bank and that check went through. But because it was not on our Positive Pay system the bank had to reimburse us because they did not take the steps they needed to take in order to block that. But it was because---you know that electronic process---when they ran the check through the electronic process and not deposit in the bank, that was where the bank realized they had a weakness in the electronic process and they had to change their controls in order that you swipe the check right then. Anyway, this is something to explore, not anything we have to have.

Capt. Murphy called for the 2015 General Fund Budget Update. Eric said may I go back to internal controls one final time. I do want to tell the Executive Committee that at the Bylaws Committee last week on Friday there was discussion and a recommendation that the---no action that I recall was taken to the motion---but I remember there was talk about the internal control audit that we're doing every three years be performed an auditor other than our auditor that's performed our annual audit. We have that as a follow up item to bring for discussion but just to let you know we'll bring that back for discussion, but since it was just brought up Friday, we wanted to make you aware of it and will come back to you for discussion on that.

Eric said with the General Fund update, with regard to our Operations, the 2015 flood has left an incredible impact. While much of our discussion has been about that period of time in early June when the River rose to the 37 mark on the Shreveport gage, just to go back, keep in mind we were experiencing one of the highest River levels in our history for the longest period of time this year. And I mean to say that even back as early as March and April we were seeing an incredible amount of decrease in our operating volume. The general fear among the folks that pushed the barges, the carriers as they're referred to, was that they were fearful that even back in that April time frame that if barges and tow boats were in Pool 5 and the Corps closed the lock, their equipment would be trapped in Pool 5. Some of them would be left holding the expense of the demurrage on the barge, the demurrage on the tow boat which is an astronomical amount on a daily basis. All that to say that even before we even had the highest water, we've seen a long steady period of time where we've seen a decrease in operations and that means a decrease in revenue. This, while we've continued to see the River at a high level, typical pool right now should be in the 13/14 range. We're in the 22/23 range. The reason why we're seeing that higher level is because the Corps is allowing for a slower drop so you don't have that siltation sand bar forming in the channel. As long as the River is high, the idea behind the technology and the science of the River is that silt stays suspended and it'll wash, settle in the channel. Even though we have seen like the super cargo moves, the steel coil shipment moves, eventually the River is going to get to pool and there will be an incredible amount of dredging to be done. It's still undetermined exactly how much dredging will need to be done. So in addition to the period of time that we saw in the spring and summer, it could very well spread out well into the fall with the dredging that has to be done. We are going to see our General Fund budget in need of amendment if nothing else is done from this point. What I mean by if nothing else is done, the Red River Waterway Commission has asked the Port for their damages from the flood event. Included in that report to them we mentioned our estimated revenue loss. At this point what we wanted to tell you is if the Waterway Commission does

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not provide the Port Commission any type of assistance for our revenue loss, by fall I estimate and I think our forecasts are accurate, we will need to come to you to amend our general fund, our Capital Operations budget. And what we would propose to do is to do at the same period of time that we would be bringing you the 2016 budgets anyway. Whereas if this flood event had not occurred, we would have met our revenues for 2015. We would have already been going through one public hearing for the 2016 budget process. What we're saying is while we're gathered for one public hearing for the 2016 budget, we'll hold the 2015 amendment public hearing as well so as to coordinate those with your schedule and not call a separate meeting for that matter. However, that's the worst case scenario that I just presented. If the Waterway Commission does come with some funds to help us with our General Fund, it may be that we do not need to amend our budgets. We will know that likely within the next 60 days long before we would propose holding our hearings on the 2016 budget. With that, I'll be glad to answer any questions or address any comments. Capt. Murphy called for questions.

Capt. Murphy called for General and Capital Operations Reserve Funds. Eric said as you know as you see on pg. 1 of our financial each month details of the Port's assets we have in various accounts some of which are invested in bonds and you've received that presentation this morning from the Sisung Group. We wanted to open before the Executive Committee the discussion of establishing reserve funds. The initial idea was to have one for our General Fund, that would match our General Fund expenditures and one that would match our Capital Operations expenditures mainly in terms of debt service. I will say that during the Bylaws Committee Friday there was discussion about not doing this about the taking a cautionary role in establishing reserve funds mainly in terms that even the Port has incredible demands in terms of our capital projects and capital maintenance projects, that some of those that view that reserve funds are viewed as unnecessary just as an account for money that does not have an obligation. So those were some of the comments that were made. Commissioner Bryant said I want to clarify. I believe reserve funds are necessary and at some point we need to have it in place. I think the discussions were more about does it need to be now. But I think your bond rating will be identified with a minimum reserve balances and you should have that in writing as a policy, but I think there are those that think that right now it's a double edge sword that you should have reserve balances, but some of your taxpaying citizens feel that if your reserves are too high, then you don't need the money. So it can, while you have to have them to operate because if you hadn't had reserve the balances, the situation that you had this year, how would you cover those costs. If the Red River Waterway does not come through for us and your revenues are way down, how do you cover those costs? You cover them from your reserve balances because you have them, and that's why they're there in the case of extraordinary circumstances, in case your revenues aren't coming in as what you thought. Many things can happen. You know you project the sales tax to be here and they plummet. We didn't know, so you have to prepare for that. You have to have those types of things, so the reserves need to be there. It's just a matter of when and how much in my opinion. Commissioner Gregorio said so does that decision get made at the Bylaws Committee that goes to the Board, or does it get made at the Board level to begin with or...Eric said it was brought up in the Bylaws Committee meeting in the context of did the Bylaws Committee want to recommend that the Bylaws note that the Commission would establish reserve funds. And that was, if you will, that was what prompted the initial discussions Commissioner Bryant was describing. Commissioner Gregorio said not that it was required to be in the Bylaws but it was discussed against part of their mandate. Eric said so that it would always have that reference in the guiding Bylaws of the Commission should whatever reason. Commissioner

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Bryant said if this Board set a minimum reserve or whatever in the General Fund, where would that policy be? Eric said it would be established by Ordinance. Commissioner Bryant said and it doesn't have to go in the Bylaws; you could just have an Ordinance establish what the minimum reserves are. Eric said that's correct. And that to answer, Commissioner Gregorio, your question, the Executive Committee would be the first step in having the discussion and then of course. But the Executive Committee only being four members, everything that the Executive Committee does has to be ratified by the Board anyway. We were looking for feedback. I just felt remiss if whereas originally I communicated with you via memo of where we were in it, I wanted to make sure that the Executive Committee was aware of some of the discussion that was not in complete agreement to the original reserve fund. Capt. Murphy said then Commissioner Bryant, if I'm reading you right, then you're suggesting that this body, the Executive Committee, recommend that we perhaps have them to study having creating an Ordinance for establishing a reserve fund. So if you would suggest that it be...Commissioner Bryant said at some point I think that it does need to be addressed. I think for a fund that receives property tax that you should at least have a reserve of at least 25% of the revenues coming into that fund....in reserve. In that reserve and once you put it by Ordinance, that you would have that in your financial statements, not as restricted but it would state in there how much is reserved for this purpose and so we know, and anybody reads our financial statements. I guess I do agree with other Board members who are concerned about the timing of that and that we may want to wait until after whenever we call the election. Anyway I agree. But at some point you really do need to put those in effect. Capt. Murphy said okay. Does that action of this Executive Committee would be a recommendation or do we need that in the form of a motion. Eric said I would tell you that as your Executive Director and with your Director of Legal Affairs, your Director of Finance & Human Resources, that between the three of us that we can maintain these reserves for you without an Ordinance without anything and not go below these thresholds we've proposed without coming before the Board. We can establish our own internal reserve funds. It is not necessary for it to be by Ordinance, but again, it's as good as the three of us sitting here and I just want to tell you that for whatever we're not here, just know that there isn't an Ordinance to protect, but we operate under those parameters right now anyway. We were just seeking did the Board want to establish an Ordinance. We've gotten that feedback from you. Commissioner Bryant said I think at some point it needs to be by Ordinance and that's because you will get asked that question, is that required by your Board or is that just something you're doing operations and by your Board carries more weight than operations. So yes, y'all have a number in mind where you like to see a reserve, we all do and try to keep it at that and try to keep us from spending such that it goes below that. However, to actually have it recognized in the financial statement it would have to be by Ordinance and so at some point, not today I understand that, but at some point it needs to be by Ordinance. That's my thought for right now. Yeah, operations you all keep it at a level you think it's a good level in order to operate and be able to operate in situations where you have unexpected financial issues that you didn't....so yeah, keep those but at some point I would like to see it come back to the Board for an Ordinance, but I'm not prepared to make that....Commissioner Gregorio said here's my concern is that part of this is a timing question. So if we're putting it off we've just made a timing decision intentionally or unintentionally. So do we need to have that discussion at the Board level. Do we do it now or do we wait? That's really a policy decision. I think that discussion should be had, so my thought would be to recommend to the Board that we discuss whether we should set up these reserve funds, whether we discuss the amount or not, I'd leave that to staff and Eric to tell us what they recommend but I think we should discuss whether we should them up. Capt. Murphy said

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so therefore you are making that in the form of a motion. Commissioner Gregorio said I might. Commissioner Bryant said could we table it for the next Executive meeting in November. Commissioner Gregorio said I hear you. What would be the reason to wait? Commissioner Bryant said just so we can talk to---I don't know if we bring it to Operations or Marketing or do you have something? Dannye said if I may, I know what the concern is that we have a tax renewal that's going to come up in 2018. Do you postpone it for that length of time. I heard Mr. Austin loud and clear. He said that I guess the Bossier Parish School Board had a reserve of \$16 million dollars and they could not get their renewals passed because the citizens thought they had adequate funds and that there was no need to renew the tax millages. I think that is the general concern right now and do we hold off until that period of time? That's a substantial period of time between now. Commissioner Bryant said I guess Sam was right in that you should have a discussion because it really doesn't matter. The money is there. It's in your fund balance regardless if you set it aside to say a million reserve that my fund balance can't drop below this level, but if you have high fund balance, it is what it is. Dannye said for bond rate purposes you would have to establish by Ordinance though. For bond rating purposes you're establishing that we have said we do not want our fund balance to drop below this level and we're going to maintain it at this one. So you have that where you're saying—that's what I'm saying—at some point we need to say at what level we think our fund balance should never drop below but that's just identifying it, but if your fund balance is a way above that now, it would be way above that in 2018. I just think that what they may be trying to avoid you can't avoid. If it's high. Commissioner Gregorio said it may be the amount that's in the reserve. Commissioner Bryant said right. If the total amount in reserve is more than...Commissioner Gregorio said that would require the discussion and y'all's recommendation and particularly how we describe it. If we're trying to set aside a year's worth of bond payments, that might make sense. When we have capital improvements, if we're trying to set aside for a specific purpose, that might make sense. Commissioner Bryant said you want to say in there reserve bond payments, reserve this and that. If you get to a point like we talked about the rail cars, if we want to start saying we're going to set aside, then we need to start saying reserved for losses and whatever those amounts are going to be every year and that's shown in there. That's better if let's say you have \$16 million dollars and if you said, oh yeah, but \$2 million of that is for this and \$2 million of that is missing. When you really get down to that, all you really have available for general operations is this. So it could help you in the sense that you've broken down as opposed to just \$16 million dollars. Dannye said right, I understand, but I wanted to point out what the concerns was. Commissioner Gregorio said actually I like your comment because my suggestion is to bring it up for the Board after we have y'all's recommendations for what funds and how much and then we can hear Lynn's comments because he might be right. I sure would like to hear that. Commissioner Bryant said at the next Operations meeting. Commissioner Gregorio said will that be sufficient time lines? Eric said right, we'll shoot for September Operations meeting and bring it back before the full Board, to that committee of the whole. Commissioner Pannell said and then we can discuss about moving forward and that time line too. Commissioner Bryant said the question becomes—it should be prior to 2018. That just makes good business sense. You get creamed for doing it too early, but if you do it too late, you don't give yourself the opportunity, one to prepare and one to call another election if you need to. (Inaudible). And I'm sorry if I know what they said, but it's going to have to be on the October ballot. Eric said we'll do that and set that for the September Operations meeting. Thank you for your feedback on that.

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Eric said in regard to Professional Services Selection, as you know the Executive Committee is charged with choosing the professional services and then making those recommendations to the Commission. Today I want to visit with you about the M/WBE Consultant. Before we go into where we are, I want to give you a background as to the Port's development history in regard to M/WBE development. Some time ago we had a review of our M/WBE process and it was done by Martin Burrell Associates. The results of that report brought forth some goals and some objectives that the Port could accomplish. At that time, we viewed the Strategic Action Council's Minority Supplier Institute as the ideal partner for us with that regard. As many of you know, there's been change in the leadership and a change in the staff of the Strategic Action Council and if I may, just provide a side note to that. While we were pursuing a contract with MSI, we learned that the MSI was an operating committee of the Strategic Action Council, that the entity in which we would of entered the CEA with was actually the Strategic Action Council because MSI is a committee not capable of entering into a contract per se. But those contract discussions, or those CEA discussions were for an amount each year in exchange for the services to be provided that were highlighted in the Burrell Associate's report. But in the amount of time that has passed since that original study and given just there's not been the progress we had hoped in working through that, we began, the committee chairman, Commissioner Pannell of the MBE Committee, so as you know when we performed the process of identifying the entities that were capable of doing the MBE study, there were several respondents and we had a meeting where they each made a presentation. One of those that presented is represented here today and with that, I would like to hand it over to Commissioner Pannell who had asked to make a few comments about how he sees the Commission moving forward as opposed to moving forward with the Strategic Action Council. Commissioner Pannell called Ms. Scroggins to come to the podium and said this is where we are. I talked to several commissioners and they have expressed their position on where we were with MSI and everything else. The other thing that happened that's extremely important is that we had some internal changes within the staff at the Port. We hired Dannye Malone who has an extensive background in minority participation. And we hired Kathy French who is our community outreach person. The conversation I've had with some commissioners is that we revisit this situation now to see if we can reconstruct this in a more positive way and bring more stuff into the Commission as a whole instead of outsourcing everything. So in that vane, we've discussed this as what I see as a solution to that is to instead of giving a contract to someone with specific duties for a specific cost and in our efforts to move this forward, because it has been delayed for far too long. We will continue to have discussion that the work can be done inside the Port itself and how we can maintain things like data bases etc. Construction of those data bases and how we put them together, we would not want the staff to spend that much time dealing with. So what we've asked Ms. Scroggins to look at offering her services more on an hourly basis rather than getting tied into a set contract. We feel like that would be better and those costs and procedures would be done between the Port Director, our legal staff and myself to see what we need and what are the things we need now. So Ms. Scroggins to introduce herself and answer any questions, but I hope we can move forward on this. Like I say it has been delayed for too long. Commissioner Prescott said I want to statement before she comes. I think at one of the previous meetings I made the suggestion about a commissioner being involved with those entities you are talking about and they never moved on it and I think it's imperative that we do something for ourselves instead of outsourcing it because nothing has happened. I mean are we just going to continue on that path giving them funds and we're not receiving anything for it. I would just like to commend you with you of being the chairman of that committee to reaching out to the Commission and bringing it before us to

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possibly move and have our own in-house, if that's the right word, to handle our situation and that way we'll be involved as well. Because right now we're just out on an island and I mean this is passionate to me. I have been sitting and listening and that's what I do but this is very passionate to me and I would like to see us move in a different direction. Commissioner Pannell said I personally tried. We had a goal we were trying to reach. The thing about it is. We offered a contract to these people and I didn't want to really get that deep into it but they held that contract until changes started happening within their operation. When those changes started happening, we didn't like those changes. Fortunately enough, the contract had not been signed. So when that happened, that's when we decided not to sign the contract and figure out another way to do this and I think this is a much improved process here. I think we will remain in control because we will not have to go back to them and say we're not moving fast enough; this is not what we wanted and so I think I would like the commissioners that I have talked to. I've had conversations with some of the commissioners, including Jimmy and Steve and you about this and I've gotten some good feedback in that area and from the Commission's standpoint, they have been extremely supportive in this area. So I'd like at this point thank y'all too but I'll go back to Ms. Scroggins. She said good afternoon. Just want to introduce myself. I'm Tiya Scroggins; I go by Ty. I'm Julie Searing. Ty said we're with Scroggins Consulting and we are happy to answer any questions that you may have for us. If you'd like us to tell you a little bit more about ourselves, we'll be happy to do that as well. Commissioner Gregorio said I see your rates at the end of your document. Are those your government rates? Ty said GSA rates. Commissioner Gregorio said a standard rate. And then as I look at your proposal, as we sit here today there is no specific structure or format that you're presenting or recommending but you're going to be looking to determine what the best process or system is and presume, come back to us after you develop that system. Am I reading that right? Ty said correct. Commissioner Pannell said because we're going to be involved in that process. Commissioner Gregorio said there's nothing on the table as we sit here. They're going to develop that. That's my question, thank you. Capt. Murphy said is there anything more, questions. Commissioner Prescott said when we had the meeting of trying to get someone to look at our MBE program downtown, Ms. Scroggins was one of the companies represented that I was very impressed with. I'm very pleased the Board that she would do a great job. She's already been before us so far as what she can do. Commissioner Pannell said the motion we're requesting today is for her and the staff to go into negotiations on serving in that position. Is that correct, Eric? Eric said to wrap up those negotiations and to retain the services of her firm to move forward. Commissioner Bryant said I make that motion. The motion was seconded by Commissioner Gregorio. Capt. Murphy said it had been moved and seconded to retain the services of Scroggins Consulting with our staff. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio said from the conversation I understand we will expect great things from y'all. Ty said you will get great things from us.

Capt. Murphy said the last item on our list is Port Bond Issue for Omni Project. Eric said our last item on the agenda is what I've written you about in a previous memo regarding Omni Specialty

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Packaging. Omni is on the verge of expanding their existing warehouse and manufacturing facility located on Hwy. 1 within the Port complex by 300,000 ft. They're in an approximate 150,000+ facility now where they manufacture and blend specialty chemicals for the automotive and other specialty type chemicals. Their building facilities, the warehouses and the offices, are currently owned by the Port and we lease those facilities to them. In our talks with Omni, we've gone down a couple of avenues of how we could work with them and grow and expand this 300,000 sq. ft. facility and there are two options on the table both of which will require us to raise—the estimate for the 300,000 sq. ft. facility is approximately \$12 million dollars. The first option on the table is the Port to issue bonds for this project, not as conduit bonds, but Port bonds whereby we would issue the bonds in our name and perhaps even through LCDA, whatever the case may be, but this would be our obligation. What we would do is amend our lease agreement with Omni where the increase in their rental would match and slightly be an increase amount over the debt service from the bond issue. The second option which is currently being evaluated would have to do with Omni needing this 300,000 sq. ft. facility in the time frame faster than what the Port could deliver it if we were to build it. In that scenario, what I would title it, it would be similar to the transaction we did with Ronpak whereby Ronpak built the facility and then we in turn, buy it at the end of their construction for an agreed upon amount that would be agreed upon before construction began and also based on appraisal at the end of construction. I walked through those two scenarios, because either way we go, whether it be the Port built it or whether it be Omni build it and sell it to us, we would have to raise the capital and that capital amount is \$12 million dollars. In order to do that, we need to have the Executive Committee select a bond counsel and given the nature of this bond issue as we expect, we believe that a financial advisor (FA) will be needed and we propose not only, of course we need bond counsel, but also issue an RFP for financial advisor at this time. With regard to bond counsel, it would be our recommendation of the Boles Law Firm who would be partnering with Alex Washington as co-bond counsel. And then with regard to the FA, looking forward, we would like to see the issuance of an RFP as quickly as we can after this meeting and have those RFP's back in by the end of the month to where we could have during a, for example, our September Operations meeting in conjunction with that meeting and presentations made to the Board on those RFP's for the FA. That's an overview or summary of where we are with regard to that customer and how we see moving forward. We would appreciate any feedback and guidance and then eventually if the Executive Committee is in a position to make a recommendation on the bond counsel and then the issuance of the RFP, we'll move in those directions. Thank you. Commissioner Austin said how soon, Eric, do you expect to do that. Eric said the bond. We would hope that between now and the end of the year. Commissioner Austin said rates are very favorable right now. Eric said we believe just in terms of timing, if we do go through the RFP process, that put us off in under 30 days. But Omni needs some time to continue evaluating. Commissioner Gregorio said do you need any action from this committee today. Eric said we do. If the committee is favorable to the selection of bond counsel, we would like to see that from the committee so that we could get that ratified by the Board as quickly as possible. The key to that decision is in any type bond issue like this the key document to trigger these things is the preliminary resolution in which you name the bond counsel as well as the financial advisor. We realize it's going to take some time to select the financial advisor as we go through this process, but our goal then would be to adopt the preliminary resolution at the September Board meeting. So from this committee today we'd like to see a selection of the Boles Law Firm partnering with Alex Washington. Commissioner Gregorio said let me ask you a couple of questions on that. Have we from our past usage have we been happy with the Boles firm and with the Alex Washington firm. Eric said yes

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sir, we have experience with both and are pleased with their performance. Commissioner Gregorio said are their prices and charges in line with the standard. Eric said they are. Commissioner Gregorio said and we've been happy with not just the end product but the day to day interaction with them. Dannye said I have with both. Commissioner Gregorio said and my last is more of a comment. If Omni does build it, I presume that by some method we would have oversight in the construction to make sure it's being built according to what we're going to end up with. Eric said absolutely. We would have a project manager on our behalf and when we have entered into those types of agreements in the past, we purchase it and lease it back without any warranty whatsoever. They take it as it is. Commissioner Bryant said I am good with the bond counsel. I agree we should go out for RFP's on financial advisor. I don't think we've got the best pricing in the past on our FA's that we used in the past, so it would be good to get prices and see if we can get a better quote than we've got in the past. Commissioner Gregorio said I make a motion to select the Boles Law Firm and the Alex Washington Law Firm as the bond counsel on the Port bond issue for the Omni project. The motion was seconded by Commissioner Bryant. Capt. Murphy said it had been moved and seconded. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Eric said do you want to make a motion for an RFP? Commissioner Gregorio said I move we get an RFP for Financial Advisor for the Omni project. The motion was seconded by Commissioner Bryant. All in favor, please say "Aye". Opposed, "Nay". Hearing no nays, it passed unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, and Erica R. Bryant, Ex-Officio

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Austin said gonna have to tell you that I'm not on the Executive Committee but I am on the LCDA and I can tell you that if the bond issue goes through the Port instead of Omni, you can get a better rate on a 30 year bond issue because of our bond rate. The Port's gonna have a lot better bond rate than a private entity.

Capt. Murphy adjourned the meeting at approximately 11:57 a.m.

The Executive Committee report of August 10, 2015 is in your package. If there are no additions, deletions or corrections, as Chairman I will move that the Executive report of August 10, 2015 be adopted. The motion was seconded by Commissioner Austin. Hearing no discussion, the vote was taken. All in favor please say "Aye". Opposed, "Nay". The motion passes unanimously.

Marketing Committee Report of August 10, 2015: Commission President Capt. Thomas F. Murphy called the Marketing Committee meeting of August 10, 2015 to order at approximately 12 Noon in the Board Room at the Regional Commerce Center and welcomed everyone.

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Commissioners present: Lynn Austin, Erica R. Bryant, Sam N. Gregorio, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell, Rick C. Prescott and Steve Watkins. A quorum was present.

Commissioner Gregorio led the Pledge of Allegiance.

Commissioner Murphy called for introduction of guests. Guests in attendance: John Hubbard, AEP/SWEPCO; Tyler Comeaux, BKI; Anne Gremillion and Daniel Strickland, Gremillion & Pou; Larry Harper, IMS; Ty Scroggins and Julie Searing, Scroggins Consulting, LLC and Steve Melvin, EJES, Inc. Staff members: Eric England, Rick Nance, Brenda Levinson, Dannye Malone, Gloria Washington, Ted Knight, Hugh McConnell, Kathy French and Hettie Agee.

Commissioner Murphy called for Public Comments.

Commissioner Murphy called on Brenda for a Customer Update. Her report included: ADS Logistics; Carbo Ceramics; Pratt Industries; Ronpak and Ternium. Benteler continues to track well. They are making pipe. They have been doing some serious performance tests on the finishing line. They're meeting those benchmarks and the tests are being successful. They're moving forward and continues to be on track. As of the end of June, they have 280 employees and are still hiring.

Brenda said during the month of July we got three RFI's from LED. One was for a company looking to relocate an aircraft component part back to the US and looking for a 75,000 sq. ft. bldg. that could be expandable. The second project was an electronic accessories company. This was a new operation but were looking for a way to get into it and ramp it up. They were looking for 25,000 sq. ft. expandable. On both of those they're looking for an existing building to cut down their costs. The largest project was called Project USA and actually tagged this as a reshoring and is a global consumer products provider. What they're wanting to do is bring a major portion of their business back to the United States which is a growing trend in the manufacturing industry. We submitted the Ron Bean site for this in case it comes down to looking at a Greenfield site. Another inquiry came from a large real estate company that had been to the LED data base looking for a site. They had looked at our Scopini Island site and had contacted us for more information. We continue to work with Omni and Calumet on their expansion plans. We did visit with Priefert about an expansion plan.

Commissioner Murphy called for questions from Brenda and called on Kathy for her report. She thanked Gremillion & Pou for their assistance this month. This is the longest list I've ever seen as far as the amount of coverage we've received. And that's because of two things, Super Load 1 and Super Load 2. But the other interesting thing to note is where all of those places were covering those stories. The Houston Chronicle covered it; Lake Charles covered it, Dallas, Biloxi, Gulfport and Chatanooga, Tennessee. I think that's pretty interesting that we got coverage all over the place for those stories. Gremillion & Pou is also going to give a Public Information Campaign next month. We have had a very busy July. Eric did a great job last week on Tom Pace's Talk of the Town radio and LED is going to be here again today to wrap up the interview that Eric did for their quarterly magazine. He's also got a busy day tomorrow where he's going to meeting with Senator Cassidy and Senator Vitter at different times. I'm going to be leaving here right after this to go to Memphis and represent the Port for an I-69

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Coalition meeting. In July we gave the following tours: Congressman Charles Boustany (Commissioner Prescott and Markey assisted), Little Rock Port, Chris Scott, Peggy Rainey. Several Port reports were given at different functions: Inner Tech Committee Meeting, two presentations, one at the Breakfast Club, Rotary Club at Willis Knighton and at another Rotary Club. We've also attended various functions representing the Port such as the Sheriff's Breakfast meeting, various City Council meetings, Police Jury meetings, Chamber of Commerce events and other committee meetings. The big thing that happened in July was the Red River Flood summit meeting. It was a joint participation between Caddo and Bossier and all the entities. We did not invite the press to join us at that time because it was a working meeting. It was very much a successful meeting. Commissioner Gregorio said I know you've probably thought about this, but that was a pretty good report by Brenda about what's going on with the Port. Just a suggestion to see if some news articles and TV shows, TV articles could be generated to get that out to the public. Kathy said to follow up with what Brenda was talking about with Priefert, Priefert did make a statement to the media this weekend and said theirs is an article out in Texas talking about the possible expansion to the Port but also they have not decided yet between the Port and keeping it in Mt. Pleasant, Texas. Commissioner Prescott said he wanted to commend Kathy on the tour with the Senator she did a great job. It was well put together. Kathy said I definitely appreciate your being there.

Commissioner Murphy called on Eric for the monthly Report. Eric said the calendar is in your packages. If you have any questions, just let us know. I wanted to let you know that we got notice late last week of a 3132 Project Advisory Committee meeting this coming week and I plan to attend it. Also we had told you that Benteler was going to have a Grand Opening ceremony in October. They are going to reschedule the Grand Opening ceremony for early next year. As soon as we have that definitive date, we'll let you know.

Commissioner Murphy said one thing under our Public Affairs report in your package I think in the month of July I heard the word or saw the word Port published more in that one month than I have in the eight years I've been here and I want to thank our staff and all those responsible for getting the word out about what goes on out here.

Hearing no further comments or further questions, the meeting was adjourned at approximately 12:27 p.m.

Commissioner Murphy said the Marketing Committee report for August 10, 2015 is also in your package. He asked if there are any additions, deletions or corrections. Hearing none, being the committee of the whole, I will entertain a motion for adopting them as printed. Hearing no discussion, the vote was taken. All in favor, indicate by saying "Aye". Any opposed, "Nay". It passed unanimously.

Operations Committee Report of August 10, 2015: The meeting was called to order by Secretary-Treasurer Sam N. Gregorio at approximately 12:28 p.m., August 10, 2015, at the Regional Commerce Center Board Room. Any public comments? I see no one else has come in since the last meeting so we will continue on.

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Commissioners present: Lynn Austin, Erica R. Bryant, Sam N. Gregorio, James D. Hall, Capt. Thomas F. Murphy, James L. Pannell, Rick C. Prescott and Steve Watkins. A quorum was present.

Guests in attendance: John Hubbard, AEP/SWEPCO; Tyler Comeaux, BKI; Anne Gremillion and Daniel Strickland, Gremillion & Pou; Larry Harper, IMS; Ty Scroggins and Julie Searing, Scroggins Consulting, LLC and Steve Melvin, EJES, Inc. Staff members: Eric England, Rick Nance, Brenda Levinson, Danye Malone, Gloria Washington, Ted Knight, Hugh McConnell, Kathy French and Hettie Agee.

Commissioner Gregorio called on Hugh for the Operations report. Hugh said rail activity this year so far has had its up and downs. We've had some transitions go on with the frac sands companies. Some cargos are pretty strong, pretty stable; some have fallen off. Just wanted to say that from 2012-2014 we averaged around 600,000 tons per year by rail. This year we're on track for a little over 400,000. So we are gonna be down on our rail tonnage and I'm expecting about 45%. To let you know why, frac media last year through July we had recorded 73,000 tons. This year we're recording 35,000 tons, so about half. Aggregate shipments with the changeover to West Louisiana Aggregates from Select, of course we know the Haynesville Shale has slowed on the drilling. But just to let you know that we went in 2014 from 157,000 tons through July to this year through July 47,000 tons, so about 100,000 less. Then on petroleum shipments, which some of it was due to the River being up, tanks being full—they couldn't empty those tanks because the barges couldn't come. So last year through July we reported about 63,000 tons; this year 38,000 tons. So we're seeing a reduction in those tonnages passing through. But folks like Ternium are still pushing a lot of coils through the Port and expecting their numbers to be about the same. July last year was 137,000 tons; through July this year was 92,000 tons. So they're kind of on track. Good news! Benteler has two more cars coming in tomorrow, in fact two more billet cars. That'll make four they've received. That's a sign they're getting up and running and continuing with their commissioning. Budget numbers coming up, we've had some Hwy 1 crossing repair done. We've had the Ron Bean crossing repaired. Some of those were expenses we didn't plan on the first of the year. So just kind of setting the table for numbers that may not be the best we've had in year's past. All in all, the activity level is pretty stable. The equipment is running very well and we still are doing ongoing maintenance on the tracks at the Port. In total, there were 438 cars that came into the Port and 36,563 tons.

Moving on to barge activity. We know the River is back down. It is open. We are still about 8 ft. above normal pool. There are at least three dredges running. Pine Bluff Sand & Gravel is here on site today. We met with some of those folks and I know from Rich Brontoli's report, there are two other dredges working further south. With that high water they're able to pass through trouble areas. As the water continues to fall, those trouble areas will then become an issue so it's good that all that dredge work is being done now in advance of the water falling out. Wanted to say that Super Load 1 and Super Load 2 came and went. It was impressive to see all the moving parts that were involved in that. The coordination that went into--Kuehne & Nagle put it together and Edward's Moving was the company that actually had the equipment to move those pieces. The stop signs, the street lights, the utilities that had to be moved, coordinate with so many different political leaders in Shreveport, but then also to get into Texas and deal with those DOTD's. The requirements change from State to State. Good news for us, we were able to use our Slack Water dock and or Slack Water Harbor. The dock and all worked out just great. We were able to move the crane out of the way. They set up and had no issues whatsoever. Another name that you all have been hearing a lot about, Priefert Steel, we first started talking to them in November of last year. Got to meet Chris Shipp. He came out and saw the Port and made several

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trips. Things are starting to happen. We're expecting some good news to continue from those folks. Our stevedores unloaded 2 barges of steel coils. One was for Commercial Metals which was ultimately for Priefert. Commercial was the broker they worked through. The second barge we unloaded was directly for Priefert and we have two more on the water. The next barge load should be in about 10-12 days. We've got a warehouse full of coils and our guys are loading those to trucks every day and shipping those to Mt. Pleasant. As other conversations I've heard, they may go to other mills and other facilities they have. So it sounds like a really good relationship has been developed and we're really excited about it. A company called Florida Marine came along with Priefert. Historically we've had one tow company, Terral River Service, that calls on the Port routinely. What has occurred is now you've got another tow company working the Red. Not too many rivers have more than one carrier. So with that Oakley had 11 barges for the month; Genesis Energy reported 6 barges. There were a total of 20 barges, 35,579 tons. I did want to say that the tons reported this year are not really a good accurate reflection of the progress, the activity and the things that have been happening. We've got new companies looking at us and all the media attention.

Commissioner Gregorio called for questions. Hearing none, he called on Rick for Port Projects. Rick said 1) the new stevedore building is supposed to be in draft form this week and we'll start the final review of it so we can get it out probably in the next month or so; 2) the parking lot expansion is concreted. They're doing dress up now and finalizing their joint sealing. Chains have been put up. 3) On Benteler, the Doug Attaway Ext. has been striped and the signage put up; 4) The main lift station for Benteler, wet well is sunk and they're getting into the electronics; 5) the batture rail we had, the switches were not in. They've completed that run around and is in active use; 6) the auger spoil from Benteler we were asked if we could use it so I'm in the process of building a dike down by the Slack Water Harbor with the spoils to establish a new spoil pit; 7) we had a fendrer rehab job and I'm going to let Larry Harper from IMS brief that. Larry said IMS was selected to do the project. The project consisted of encasement or replacement of 53 timber piles and 3 rolls of non timber fenders. We prepared the documents; we had a bid scheduled for June 30, a mandatory pre-bid scheduled for June 23. Seven contractors examined the plans. On the pre-bid meeting we only had one contractor to show. We contacted the other six that did not show to find out what were the problems or why they did not show. Two of them did not respond; one stated that the project seemed to be too risky for them; the other one said that the project was too small; one stated that they were too busy; another one stated it was not in their core of work. We held the bid opening on July 29. No bids were received. We contacted the contractor who attended the mandatory pre-bid meeting, CWW, to find out why he didn't submit. They indicated that the reason they didn't submit was their current work load didn't allow them to accept any additional work. Even they were too busy. So with no submission of the bids, the Commission has the flexibility of re-advertising this contract without the one year stipulation that you would have had if you had rejected all the bids. So our recommendation is that we re-schedule this bid for first quarter of next year because this project has to be completed during the low water time that occurs in the summer except it didn't occur this particular summer. With that, that's all we have. Any questions? Commissioner Gregorio said does that require any action by this committee or the Board. Dannye what's your thought? Dannye said I don't think it matters at the present time, Commissioner Gregorio. Questions?

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Commissioner Pannell said just a comment. I have a gentleman I have been talking to that I would like for him to come and make a presentation before this Board. There's a new process. Some people are familiar with so it may not be called CM at Risk. That process is being used by the Federal government, several other entities and it's something we need to look at and it would save us money. You're familiar with it. I just saw you had a meeting for one in New Orleans. But that process needs to be explained to the Board, but I don't want to get into that today but that would prevent some of these issues here. We would maintain control of the project throughout the process and once that budget is set, that project has to come in at that budget or below that budget but it stays in our hands completely throughout that process. I've been in contact. He's willing to come up. He's offered to come up before and I wanted to get with Eric to see under what process we would use because I don't know if it's necessary for him to come to a Board meeting or what. But I'm putting Eric in touch with him. Rick said while those are obviously some of the explanations they gave, the fender system, normally you come out and look things and the fender system was well under water all during this time and I have a feeling that some of them were scared away because they couldn't see what they were getting ready to do and that's one of the reason we extended the bids for 30 days to see if it would go down. Then we had the second rise so I think that was also involved in this activity. Rick any more of your report.

Eric said while we were still on projects that was discussed during the Executive Committee meeting regarding H&W and the contract for them to demolish the buildings at the Port as a result of the 2015 flood. In the Executive Committee meeting today we discussed a mechanism for the Port on future contracts waive certain insurance requirements we have in place and we still have to report back to the Board with that regard the plan that was discussed during the meeting. However, in this interim time, we have a low bid from a contractor, H&W, to demolish these buildings and their insurance is less than our requirements. We want to ask the Commission for authorization to move forward with this contractor recognizing that they do not meet our insurance requirements but also that there is a need to move forward with this project in this interim period largely because this is a FEMA reimbursable expense and there is a period of time which we need to be contracting these services. With that regard, I would answer any questions or facilitate any discussion with that regard. Commissioner Hall said I make a motion we approve the award of the bid to the low bidder. I think you said you're going to come back to the Board in the future, but with this contract specifically we need to acknowledge they do not meet our insurance requirements. However, it is our recommendation to award this contract to this contractor. The motion was seconded by Commissioner Pannell. Discussion? Contractor Gregorio said Jimmy specifically the only change that's needed for the insurance is to waive the excess liability coverage. In other words, there would not be any change in the commercial general liability. So with that regard, I was going to suggest would you accept an amendment to your motion that the waiver be only as to the excess or umbrella liability limits? Commissioner Hall said so move. Commissioner Pannell said second. Any other discussion please. Hearing none, all in favor, please say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Erica R. Bryant, Sam N. Gregorio, Lynn Austin, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

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Eric said thank you. We'll move forward with that contract. Appreciate the vote on that.

Commissioner Gregorio called for the Benteler Compression Station and Eric, I think you're going to address that. Eric said with regard to Benteler, as you all recall in 2012, there was a \$29 million dollar infrastructure incentive package put forth on the Benteler for various components of the Benteler infrastructure such as the road, the rail and other projects within the Benteler facility. Benteler has asked the Port Commission to consider the construction of a compressor station access road. To give a little background on it, there is a compressor station adjacent to the Benteler facility and in order for us to extend Doug Attaway Blvd, it was necessary for us to interrupt access to this compressor station. Therefore we rerouted the access to that compressor station road. In doing so, we allowed access to that compressor station to go uninterrupted. The mechanism where we suggest where we can facilitate the Port paying for this is through an amendment to our agreement with Benteler whereby originally the Port Commission contributed \$3,000,000. What we would like to do is propose that at the August Board meeting we bring a resolution and the necessary amendments to increase that amount for the cost of the compressor access road in the amount of \$135,000. Therefore we would amend it from \$3,000,000 to \$3,135,000. I would be glad to answer any questions that the commissioners may have. Commissioner Gregorio called for any questions. If not do I hear a motion. The motion was made by Commissioner Austin and seconded by Commissioner Hall. Discussion please. Hearing none, all in favor, please say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Erica R. Bryant, Sam N. Gregorio, Lynn Austin, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio said next Sandbag machines and called on Eric. He said we've been approached about the interest of the Port Commission participating in the purchase of what I would call sandbag filling machines. I want to emphasize sandbag filling machines because in talking about this there has been some confusion as to whether it is a sandbag machine that actually manufactures the sandbags or the sandbag filling machines. The discussion has been about sandbag filling machines and at this time we know that BPPJ and the City of Bossier City are considering a two party CEA to purchase two machines to be placed in Bossier Parish and Bossier City for future flood fights. These machines are unlike any that are in the area in that they are capable of filling some thousand plus bags in an hour each. And further that they are automated. They do not require the coordination of labor, whether that be employees or utilizing other sources of labor to handle the machines. You fill this machine and it returns filled bags. The Port's attention so far, rather my attention, has been with the dialogue where we know that there is a two-party CEA, and talking with other Commissioners, I know there is interest for other entities perhaps in Caddo Parish more specifically, also the City of Shreveport. We wanted to get some feedback from the Commission please about some direction about how we could move forward and partner with these entities to extend the Commission's presence in the community. That's all I have and I'll be glad to answer any questions.

Commissioner Gregorio said how about some discussion to help Eric on this. Commissioner Murphy asked where would that be located, the machine be physically located. Eric said it's our understanding in

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my talks with the BPPJ that they would be located in two different spots, not in the same area, for the machines in Bossier Parish. I would ask Commissioner Hall so you know. I don't know the specifics, but...Commissioner Hall said I think one in public works in the City. One would be in the parish in the location that they would have. The benefit of the machines are that they bag and load so you don't have a lot of manpower and it provides citizens some remedy in high water situations to protect their property.

Commissioner Gregorio said I like the idea for the sandbag. We certainly have the problem recently. You know we have it every other year. And it's certainly always a river-related issue. It seems to be appropriate inside our what we do would be a help to the communities. I see it as very positive.

Commissioner Bryant said I agree. I think it's positive in that I mean I think the citizens of both Bossier and Caddo Parish are contributing property tax wise to this body and I think it would be a good idea for us to show we're providing back to the community especially in that area. From the Caddo Parish standpoint, it took a lot of man hours, a lot of overtime, a lot of bodies in order to prepare those sandbags and have them available for citizens and we pretty much worked around the clock. And I think that something like this would be helpful to us. They would be located—the parish maintains two public work sites. One serves the north end of the parish, one that serves the south end of the parish. So we would coordinate between those two sites if we were able to secure those sandbag machines. Commissioner Gregorio said I think we would need a motion.

Eric said if I might could provide some more information and it might help steer the motion, Commissioner Gregorio is it's our understanding that these machines run around \$90,000 apiece. And two machines would be more than adequate for the need in Bossier Parish is what we understand. It's our idea that it would be our goal to enter into a three part CEA with the BPPJ and Bossier City whereby the Port's contribution would be in the neighborhood of approximately \$60,000. In other words, we would split the cost of two machines three ways. We have had a conversation with Brian Crawford with the City of Shreveport—he's the CAO as you know—about pursuing this with the City of Shreveport. Whereas Bossier City and Bossier Parish are further along and likely close to executing this CEA, we can become a party of the CEA there, we need to have discussions in Caddo Parish about if possible entering into a three-party CEA with Caddo and the City of Shreveport. But one thing to consider is I think what we would want to do is match our contributions in Caddo and Bossier Parish equally, so another way, if our contribution in Bossier Parish is \$60,000. In the event that a three-party CEA is not the answer in Caddo Parish and Shreveport, we would limit our contribution to \$30,000 with the Parish of Caddo and \$30,000 with the City of Shreveport. I just wanted to offer that. We will likely be going through a budget amendment process anyway so we can cover these funds in that process.

Commissioner Pannell asked if the motion would be only for Bossier until something happens with Caddo. We get that motion out of the way and move forward with it. Commissioner Gregorio said that's what I am hearing. Do I hear a motion? The motion was made by Commissioner Prescott to enter into a CEA with Bossier City, Bossier Parish for the \$60,000. The motion was seconded by Commissioner Pannell. Any discussion? Hearing none, all in favor say "Aye". Opposed, "Nay". It passes unanimously. AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

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NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio called on Eric for the Traffic Ordinance/Speed Limits. Eric said with regard to traffic ordinance/speed limits, we did as you know on our 2,300 acre Port complex, the roads within are not State roads, are not Federal roads, and are not parish roads. They're Port roads, and with the increased amount of activity that we've seen over the past couple of years, we felt it was important for us to investigate how the Caddo Sheriff's office could assist the Port in maintaining a safe driving environment within the Port. When we did that initial research, we discovered that in order for the Caddo Sheriff's Office (CSO) to issue citations that an ordinance would be necessary and in that ordinance which Dannye has prepared a draft of which we're proposing the Commissioner consider at the Board meeting later this month, we have to name the individual Port roads and the speed limits for each of those roads. It is our recommendation that the Commission consider adopting this traffic ordinance so that we can establish these speed limits by ordinance and so that we can call upon the CSO to enforce those speed limits that we've established. And simply the speed limit is 25 miles an hour for those. I will be glad to answer any questions or address any concerns with that regard. Commissioner Gregorio said one of my concerns is that road coming directly here to this building, 25 miles an hour just seems so slow to me and I think we would have a lot of violations, so I would like to look at raising that to an appropriate number and secondly, my other thought, do we have some data to justify speed limits or some experts who's in that field so that we could base our decision on some valid evidence? Eric said that's correct. When Doug Attaway was designed, the consulting engineer was Demopolos and Ferguson and the recommendation for the speed limit at that time was 25 miles per hour. The speed limits for the roads within the Port---we'll focus on just a couple of them at this time---are attributable to the type of activity that you'll see in that area. Doug Attaway Blvd. is one of our arterial roads leading to our general cargo dock where you have what is considered high loads, loads that are taller than your normal 18 wheeler loads and also what we call your heavier loads. For example, as you know, Ternium distributes a large amount of their finished product to the ADS warehouse as you see across the street from the RCC here. As you know, in the Port complex weight restrictions that you see on State roads are not in effect. That is one of the things that makes that relationship between ADS and Ternium attractive is the fact that they are able to overload their trucks. As we looked at Doug Attaway Blvd, we're taking into account those heavier loads as well as those taller loads and ensuring that whatever speed limit that we do come with takes into account that those heavier loads will need more braking distance. With regard to Ron Bean, there is research to support the speed limit on it and it largely has to do with the radius of curve near the intersection of Robert Harris and Ron Bean Blvd. In order for us to raise the speed limit beyond 25 on that road, for example, we would have to widen the radius of curve. In summary, we can go back and analyze between now and the Board meeting if there is a possibility of raising the speed limit on Doug Attaway, but at this time the Ron Bean Blvd. will have to maintain a 25 m/p/h speed limit because of that radius of curve. Also due to the fact that the way our access roads are constructed, and I'll just visualize, our roads have a crown in the center and as you go around a corner, what you would want to see is that exterior shoulder of the road raise. All of our roads are built with declining elevations of those near the shoulder. That's the science that we do have or if you will the research behind the formulation of the speed limits. We will go back and re-review the Doug Attaway portion between John Holt Blvd. and Hwy 1. What we're saying is that between here and Hwy

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1 we would want to keep a lower speed just due to the type of cargo. Capt. Murphy said along just exactly what you said here, looking at the coils that come in that are down there now, and especially if we are continuing getting the barges of coils, some of those coils weighting 22 tons, and for a truck. You know drivers if they can go 40, they're going to go 40 and come around that curve that's down there now, we will look forward to having problems, so we may just want to consider keeping it down. I personally think it would be a bad idea on the existing road now to increase the speed limit on John Holt going from the cargo docks out there. Truck drivers, if they can they will go faster and we're going to have a problem. Commissioner Pannell said this is what I'm having problems with. If the Ordinance passes and we put the signs out there, I don't see the Sheriff coming in here spending time enforcing that. At some point, we probably would have to start looking at cameras or something, because it doesn't matter what speed limit you put out there, who's going to enforce it? So at some point, if you've got a problem now, I don't see the problem being solved because you put speed signs out there. And so, that's what I'm confused about. Who's going to come in and make sure. What kind of process then? If you have an accident out here and nobody is looking at it, who's to say that accident vehicle was going too fast. Commissioner Gregorio said James, I hear what you're saying and I don't disagree with anything you just said. However, I do think it's important for the Board, the governing body, to establish a speed limit for our own protection because if we don't have a speed limit, perhaps we have some complicity in something. Commissioner Pannell said all I'm saying is I agree with that and I have no problem with that but we still need to look at something other than just the speed limit for the purpose of the Port because your purpose is not to protect yourself because you put a sign out; your purpose is to make sure people are safe. So if we're going to look at this, we need to look at both issues and not just one. That may be for a later time but...Commissioner Gregorio said I think that's part of the discussion with the CSO, how they are going to actually enforce it. Eric said and that's what the Ordinance—the Ordinance creates that conduit so that the CSO can enforce on behalf of the Commission, in other words issue citations. That's what this Ordinance would provide. Commissioner Gregorio said and some discussion that they would actually be out here and show a presence. Let me go back to Capt. Murphy for a second if I may. First of all, whatever we do different than the 25 m/p/h I would like for us to have some evidence based for it and perhaps some expert opinion for it, but for as to this main road coming to our center, could we have an either a speed limit for anything over a gross vehicle weight and a different one for something under it? Is that something to look at also. That would help solve your issue. Other thoughts, questions, comments? Eric, do you need a motion for anything? Eric said what we would like to do is bring this before the Board, but I believe we're gonna need more than a couple of weeks on this or more than a week just to get our—let us come back before---perhaps a motion to authorize the Board to continue along the development of an Ordinance to bring back before the Commission. That would keep us moving in that regard. Commissioner Gregorio said do I hear such a motion. The motion was made by Commissioner Hall and seconded by Commissioner Pannell. Any discussion? Hearing none, all in favor, all in favor say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

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Commissioner Gregorio called on Eric to give the FEMA Update. He said with regard to the 2015 flood, we want to make sure that the Board knows we are in the process of submitting an application to FEMA for reimbursement. Rick in our office is heading up that effort. In fact he told us that they're going to be with us at 1:30 p.m. today. They'll be back for another meeting. There's a short window of time to receive a maximum reimbursement from them, and that's what we're working towards, everything from our administrative time to the actual expenses. The key is it's from a period of time after the flood, not pre-flood, but that point in time they've established post flood. So we are preparing applications. I just wanted to provide an update in that regard. Commissioner Gregorio called for questions.

Commissioner Gregorio called on Eric for monthly reports. He said they'd been covered by our presentations and I'll be glad to answer any final questions.

Commissioner Gregorio called on Eric for Port Expansion Study Technical Memorandum No. 4. Eric said Tech Memo 4 has been reviewed in its final draft form and recommended by the Port Expansion Committee. It's been provided to the remainder of the Board and it's recommended at this time. So we would seek a motion from the committee to adopt Port Expansion Study Technical Memo 4. Commissioner Gregorio called for the motion. The motion to adopt was made by Commissioner Austin and seconded by Commissioner Prescott. Any discussion? Hearing none, all in favor, all in favor say "Aye". Opposed, "Nay". It passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, Erica R. Bryant, James D. Hall, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr.

ABSTAINING: None

Commissioner Gregorio said that's the end of our agenda. Anything new; any other comments. Hearing none, he adjourned the meeting at approximately 1:06 p.m.

Commissioner Gregorio said the Operations Committee report for August 10, 2015 is in your package. I move that they be adopted. The motion was seconded by Commissioner Pannell. Hearing no discussion, the vote was taken. All in favor, please say "Aye". Any opposed, "Nay". It passed unanimously.

Port Expansion Committee Report of August 20, 2015: Committee Chairman Watkins said the Port Expansion Committee met at 3:30 p.m. today. There was a quorum at the meeting. At the meeting Tyler Comeaux with BKI presented the Technical Memo No. 5 in final draft form. TM 5 will be tweaked once more and distributed to members not present today and we will asked for it to be placed at our September 8th Operations meeting. Minutes of the meeting will be prepared and presented at the September Board meeting. That concludes my report.

NEW BUSINESS:

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Railcar Wheelset Repair Project – Award of Bid: Mr. England said we did receive two bids for the repair of the railcars that were damaged during the flood earlier this year and it's our recommendation to award the project to McDevitt Company based on their bid of \$230,687.50 Commissioner Austin made a motion to approve. The motion was approved by Commissioner Prescott. Commissioner Murphy said it had been moved and seconded that we adopt the Railcar Wheelset Repair bid as present. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

Rs. No. 15, 2015 Benteler Lease Agreement Amendment: Mr. England said as you will recall the original lease agreement with Benteler provided the Port would provide \$3,000,000 for infrastructure and the proposed amendment is to increase that amount from \$3,000,000 to \$3,135,000 to cover a gravel access road to a compressor station adjacent to the site. The motion to approve was made by Commissioner Pannell and seconded by Commissioner Prescott. Commissioner Murphy said it had been moved and seconded that we adopt Rs. No. 15 of 2015, the Benteler Lease Agreement Amendment. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

Authorization – CEA with Bossier Parish Police Jury and City of Bossier City for Sand Bag Filling Machines: Mr. England said the next item is to authorize the Port enter into a three party CEA with Bossier Parish Police Jury and the City of Bossier City for the purchase of two sandbag filling machines. The motion to authorize was made by Commissioner Pannell and seconded by Commissioner Austin. Commissioner Murphy said it had been moved and seconded that we authorize a CEA with the Bossier Parish Police Jury and the City of Bossier City for the purchase of sandbag filling machines. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

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Tenant/Customer Pollution Insurance Coverage Requirements: Mr. England said at the recent Executive Committee meeting we discussed increasing the insurance requirement for customers and tenants for their pollution policies from \$3 million to \$5 million. The Executive Committee voted in favor of this increase from \$3 million to \$5 million and we seek ratification from the Board today to make that increase. Commissioner Murphy said it had been moved and seconded that we increase the customer insurance requirements as presented. Any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nay's", it passes unanimously.

AYES: Commissioners: Thomas F. Murphy, Sam N. Gregorio, Lynn Austin, James L. Pannell, Rick C. Prescott and Steve Watkins.

NAYS: None

ABSENT: Ernest Baylor, Jr., Erica R. Bryant and James D. Hall

ABSTAINING: None

Proposed Amendments to Caddo-Bossier Parishes Port Commission By-Laws: Mr. England said as Commissioner Austin mentioned during his By-Laws Committee report, in keeping with the existing By-Laws of the Commission, amendments to the Commission's By-Laws are to be presented at one regular or special called meeting of the Commission before they can be adopted by the Commission. So today there's no action needed but you have been provided a copy of the By-Laws by email from Danye yesterday and they're also presented in your packages today, the amendments. We ask that you take a look at them and unless there's objection, we will place these on the Board meeting agenda for September 17th for adoption by the Board. If there are no questions, I can move into my Port Director's report.

Port Director's Report: Mr. England said we are authorized to move forward with the three party CEA with Bossier Parish Police Jury and wanted to give you an update with regard to our progress with Shreveport and the parish of Caddo. We have made contact with both of them and our goal is to enter into a three party agreement and we'll keep you posted as we progress through that.

We have finished the RFP for the Financial Advisory firm and it's our goal to issue that RFP tomorrow, if at the latest on Monday and that we would seek to have those proposals back on the 10th of September and that we have presentations in the time period before our next Board meeting in September possibly around the lunch hour. Just depending on the number of responses we get, we'll limit their time to 20/30 minutes for Q&A and their presentation. Depending on how many responses we get will determine how those presentations are scheduled before the Commission. Commissioner Gregorio said I'm sorry, Eric, did you say what day the presentations are? Eric said we're tentatively scheduling those for the 17th which is also our Board meeting day.

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In addition, I wanted to give you an update on our progress with Priefert Steel. It's a fast moving project unlike any that we've worked on to date. For their manufacturing facility, we believe that they'll be making a decision in the next 30-45 days. The Red River Waterway Commission has verbally given us the go ahead to make an offer based on a dollar amount that they're willing to commit to the project, but make that offer contingent upon ratification by their Board at their September Board meeting. Their number is \$4 million dollars and they have asked that we partner with \$1 million. Our infrastructure incentive package will be in that \$5 million dollar range. We believe we're going to be with Priefert next week in Mt. Pleasant where we can put a proposal in front of them and we propose to structure the deal similar to the way that we did with Ronpak in 2011. Based on their timeline, they need their facility built quicker than what we could build it and at the end of construction, we would purchase the facility and then lease it back to them. The revenue opportunities for the Port will include rail, general cargo barge handling, the land lease as well as the warehouse lease. Upon us purchasing the warehouse, we will lease it back to them for a price. So we will keep you posted on that but we wanted to share with you that news that we had received that go ahead from the Waterway Commission and their commitment to this project mainly because of the large volumes of barge traffic that are going to come with this project. Two barges have already been shipped to the Port and another five barges are expected between now and the end of the year of their raw product.

Looking ahead all six of you were in the Port Expansion meeting, but our September 8th committee meetings are very important based on the discussion of not only the Port Expansion meeting but also our previous committee meetings. Based on the discussion of our previous committee meetings, we will have on the Operations Committee agenda a discussion of our property tax renewal as well as it was asked that our reserve fund also be discussed in greater detail following our most recent discussion. Also, as you all heard we have our Port Expansion final presentation that day. During our Marketing Committee meeting, Gremillion & Pou will be making their presentation based on the Public Relations and Business Development Plan. If you can, please make those September meetings. They'll be some of the most important meetings that we've had in time and we look forward to the discussion that will come of it. That concludes my report unless there are any questions. Commissioner Gregorio said again, what time on the 17th was the presentations, time of day. Mr. England said we're tentatively planning from 12:00 to 3:00 p.m. But we don't know exactly and it will depend on the number of responses we get to the RFP. If we receive too large a number, it may be the presentations have to be done over two days just based on y'all's schedule. On that day we have already a MBE Committee scheduled at 3:00 p.m., so our goal is to plan the presentations to be made from 12 to 3:00 p.m., have an MBE Committee meeting at 3:00 p.m. and then roll into our Board meeting at 4:30 p.m. That's the plan. We'll be checking with you as to your availability. If the Commissioners would prefer that those be separated, we can do that. However our goal with regard to the FA is to have a selection made as quickly as possible given this schedule mainly due to the fact that we have to adopt a preliminary resolution as quickly as possible for

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the bond issue. In that preliminary resolution you have to name both your bond counsel and your FA, so that's what's driving the urgency of need for the selection of the FA.

Commissioner Murphy called for any other business. Hearing none, the meeting was adjourned at approximately 4:46 p.m.

Respectfully submitted,

Commissioner Sam N. Gregorio
Secretary-Treasurer

September Meeting Notices!!

Next Regularly Scheduled Meeting: Thursday, September 17, 2015, 4:30 p.m.

Board Room, 6000 Doug Attaway Blvd., Shreveport, LA 71115

MBE Committee Meeting, RCC Steering Room, September 17, 2015 3:00 p.m.

Marketing and Operations Committee Meetings, Monday, October 5, 2015, 12 Noon

6000 Doug Attaway Blvd., Shreveport, LA 71115

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6000 Doug Attaway Blvd. | Shreveport, LA 71115 | P | 318 | 524-2272 | F | 318 | 524-2273 | port@portsb.com | www.portcb.com

Special Board Meeting
Regional Commerce Center, Board Room
6000 Doug Attaway Blvd., Shreveport, LA 71115
October 15, 2015

The Special Board meeting of the Caddo-Bossier Parishes Port Commission was called to order by President Capt. Thomas F. Murphy at approximately 3:33 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA and everyone welcomed.

Commissioner Murphy called for introduction of guests: Commissioners: Capt. Thomas F. Murphy, Erica R. Bryant, Roy Griggs, James D. Hall, Lynn Austin and Steve Watkins, Guests: Lennis Elston, Vansons Family LLC's; Richard Elston, Vansons Family LLC's; Dean Elston, Vansons Family LLC's; Nnamdi Thompson, Government Consultants; Joe Johnson, Resident; George Carroll, Resident; Tyler Comeaux, BKI; Anne Gremillion and Daniel Strickland, Gremillion & Pou; Staff: Eric England, Dannye Malone, Rick Nance and Mary Ward.

Commissioner Murphy asked if anyone like to make a public comment:

Commissioner Murphy said the main purpose of the meeting today is for the Port Expansion's Study Presentation from Tyler Comeaux of BKI. Tyler said his purpose for being here was to present the findings finalization of the Port Expansion Study. We have been having periodic meetings throughout this process as well as delivering some TM's technical memorandums to the Port for the Port's review, comment and finalization and adoption eventually of each TM. Today, I will be taking you through from the inception of the project all the way to the findings at this point and at any one point if you have a questions, please stop me...we can ask questions at the end but if you have a question about any specific item within the study stop me and I will explain it. I will be hitting the high points not talking about all the details so if you have a question specific just let him know. The Port Expansion Study, the purpose was to take an inventory of the Port land look at do we need property, are we okay, do we need it later and define what the Port needs were as well as if it was to be property port expansion in the future what are the highly suitable sites within the Caddo-Bossier region. We needed to determine a time frame of when this expansion needed to happen and then eventually develop a replacement plan once you implement this port expansion. With that the process was broken into five phases and I'll go through the five phases but essentially at the end of each phase we delivered a TM on that phase.

"The Caddo-Bossier Port Commission is an equal opportunity provider."

MEMBERS: Capt. Thomas F. Murphy, President; Sam N. Gregorio, Vice President; Rick C. Prescott, Secretary-Treasurer; Lynn Austin; Erica R. Bryant; Roy Griggs; James D. Hall; James L. Pannell; Steve Watkins

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Phase I was kickoff for the project and data collection. We sent to every governmental agency, private entity, AEP Swepco and all those utility companies. We went into public search downloads and all this data was gathered, there was 500 feature classes so an example of features classes are Shreveport City water lines, Bossier City water lines is another features class so those 500 of those that we did compile from all different types sources into a master GEO database of (GIS) Geographical Informational System. Basically we sorted through these 500 schema of features classes and found out which ones were prevalent to this project and then created that one master database. Second part of phase I, as we were getting all the data in we characterized the properties of the port existing properties and it's approximately 2300 acres right now roughly speaking a third was leased, a third was available and a third was port operations of the available the largest tract is west couples and it's about 200 acres. Mainly speaking of 746 acres was made up of smaller style tracts. The one thing that we looked at was a five year rolling average of the historical growth from the inception of the Port 1996 to now and to 2013 when we did this part that was the available data. One thing I want to note here is that is leased land only so as you lease the land it was 60 acres per year or roughly speaking it came up to 60 acres per year. A graph was shown of the 5-year rolling average that was done you can see the 5-year span from 1997-2001 on the first one and the average leasing 15.5 acres in that 5-year span so roughly 75 acres in that 5-year span. So as you go forward you can see the trend line is on the up and you can see where we are now is roughly 68 acres a year that's what we just talked about on the previous slide. You can see the spike where Benteler is the 90 acres in that 5-year rolling average. Once we got an inventory of the Port new what we were looking at as far as land the next was to develop the project goals and in collaboration with the Port as far as the surveys we gave you a 15 question survey for suitability criteria. You ranked from the highest to the lowest in your opinion we took all that information and actually we looked at tenants even though tenants was not used because it mimicked exactly what the Port said. We utilized the information from the Port to develop the suitability criteria for the GIS models. Here is the fifteen questions we asked the Port to rank and their average score when you look at all the commissioners combined to the ranking. Again for everybody it ranked....we ranked from the highest priority in a Commissioner's model is 15 all the way down to the lowest priority it was 1 and you had to rank it in chronological order. So here's the 15 we dropped the bottom 5 the ones in red they were considered not important to the Port and we took the top 10 to create the waited over like model and the fuzzy overlay model. The weighted overlay took the percentage of the importance of these average scores to weigh how important it was to the Port so the 10.9 got a 13.6 percent out of 100. The second and this was the separate item from developing the goals. We went to...Eric, Tyler and a few of the Commissioners went to the Port of Catoosa in Tulsa. We talked with Bob Portiss who is the Executive Port Director. He gave a great laying of the land there, how

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they developed the Port lessons learned and one thing he said that really stuck with me and maybe some of the Commissioners is he said to acquire as much land as you can now because land will never come available as much as you think it will. They are in not a crisis but they are beginning to be boxed in at their Port now so that's why he made sure to tell us get the land while it's available. He talked about past tenant deals, how they work some deals and what not and then he also mention that the Port strip mall this was one of the things that we had talked about the Maniscalso property that was just purchased he said that maybe a good candidate for that like we had talked about. Phase 3, once we had all this information from the Port to develop the suitability criteria based on your surveys we built the GIS models and there was two models we used which was the weighted overlay at use the direct proportion of those weights that you was just showed and then the fuzzy overlay. The fuzzy overlay is a little bit more finer comb it's a easier way to explain, the weighted overlay is a broad brush comb and the fuzzy overlay is a little bit finer of a comb to rank properties within Caddo and Bossier parishes. So based on those suitability criteria we ran both models to find out which properties within each parishes worked and we determine the hotspots. This is the suitability criteria run through the models and this is the outcome of the models as you can see as Caddo and Bossier parishes both in the green and then you can see as it gets red that's the quote hot spots that we had talked about and that was the sites that ranked high based on the suitability criteria. So using those hotspots we then use heads up digitizing which is essentially looking at the landscapes of the land the hotspots, the parcel breaks and natural breaks in the land is river, stream, roads those types of items to develop sites within the hotspots. We collaborated with Port Expansion Committee on this we developed 18 sites from those hotspots and those 18 sites are right here. So as you can see they are all throughout Caddo and Bossier parishes these are the sites that ranked high based on the criteria that we used. We then, once we looked at these sites we ran it by Port staff and the Expansion Committee for confirmation that they were okay to move forward did not have any problems with that so we ended up moving forward with these 18 candidate sites. They range from 600 a little bit plus or minus 600 acres to 2000 acres and the 18 sites included 417 parcels throughout both parishes. They phase 4, once we identified the sites was to investigate preliminary search on these 417 parcels this is not a full title opinion but it is to give the red flags of a parcel if there was a potential issue with a parcel you guys may know about it. There were 9 specific checks that are listed here and then any additional notes that we thought maybe of interest to you guys we noted down. Some of the pieces of land had agricultural leases and timber lease those type of things we noted in the notes for you each parcel and it's actually included in the appendix of this report. There are a few sites that had not red flags but things that the Port maybe interested in, cemetery's those types of items that maybe cause issues in the future. Once we looked at the due diligence and what we are calling due diligence of the parcels with

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in each site. We then ranked each parcel based on the findings and this is just an example we're showing candidate site A which is just across the street from Benteler essentially and you can see the red parcel and there is actually a cemetery in that parcel so we marked it as further investigation maybe needed or is needed to identify the actual location of that cemetery cause you guys would not want to buy something in a cemetery so you want to avoid that at all cost. So candidate site A just has that in its notes as part of its cons is that it has the potential cemetery within it. That parcel actually splits candidate site A and B so it shows up in both candidate sites as the pro's and con's for that site. Certain things that also showed up is right away within a candidate site, oil wells within a candidate site those types of things are measured as pro's and con's for each site. So, initially what we did was we used the weighted criteria and the fuzzy overlay scores to rank each site and then we got an initial ranking for these candidate sites. After we did the due diligence based on the findings of the due diligence we reordered and adjusted as needed....it was minor but things that needed to be reordered because of potential issues or issues that were known such as very dense population of oil wells that you guys would not be able to develop on that demoted a potential site to a lower ranking rather than it being higher up. That was used to prioritize the candidate sites and then that prioritization was then looked at how can we implement that....that's the phase 5 the implementation and replacement planning what's the path forward? We came to the Port Expansion Committee talk to them about the sites that were identified as highly suitable and then from the highly suitable sites we asked for some feedback as far as the size of acreage and how much and how far do y'all want to plan ahead into the future. The feedback was great very easy to get some feedback, great feedback and the target was for us to use 25-30 year planning period in utilizing that 60 acre growth trend that we had talked about just a while ago that was leased and the amount of acreage you would need for infrastructure, we identified 2500-3000 acres would need to be purchased. In addition to just the 2500 acres it is made up of two identified items that we had discussed and collaborated with the Port Expansion Committee is that the need for a mega site which is 400-500 acres 500-600 acres to accommodate a business such as Benteler's these mega companies that come and need a very large contiguous site that they could build upon. That is one identified need and then the other identified need is the broken up pieces of land or available for breaking up pieces of land for the smaller support businesses of these larger entities or a medium size business by itself. Pratt, Ternium those types of industries that can come for medium to smaller style tract. So those were the items that make up the 2500 acres and when we say, as the slide says 2 mega sites it would be each mega site plus or minus 500 acres so 1000 acres total, 800 acres for the two small or medium styles and then the remaining 900 acres plus or minus is for infrastructure needs which is exactly consistent with what is out hear now as far as rail, road, water, sewer those type of infrastructure needs you have to allot for land for that to build that infrastructure out. With that said I did not worry

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about putting the cost in here but roughly speaking the cost is the dependent upon the land but you're looking at \$75M for the 2500 – 3000 acres and then another \$40-45M for the infrastructure needs within those sites, those identified sites and the increase in expansion study land. So the recommended implementation actually at this time...I want to stay on this slide for a second, but so as I said we finalized the prioritization of the candidate sites and that was based on the weighted overlay and fuzzy overlay outputs of the model and then looking at finalization based on the due diligence moving up and down slightly here and there. The good thing is the top 5 sites actually did not have anything substantially wrong with them so they actually stayed in the exact same order that they were so 1-5 initial and final stayed exactly the same. Just for everybody's reference the long green was the highest rank site as candidate site B, candidate site E is the 3rd ranked and then candidate site C is the 2nd ranked and these three candidate sites makeup a little bit over 3000-3200 acres. It's a good fit based on the needs and what you can acquire at this time for implementation. For your utilization while you are implementing this plan you can see the Ports right here and that is candidate site B it is ranked number 1 you see the final rank attribute there and then the pros and cons are listed in the notes as a shortcut for the due diligence are listed as well. The total acreage is 759 acres between that site and so on and so forth. So each one of the sites as you can see this is...if you just click it...its final rank 3 the total acres is 1474 acres and the pros and cons are listed as well. Candidate site C, it actually splits Leonard Road here but this is one candidate its identified as one candidate site its roughly 950 acres the pros and cons for it are also listed right in that notes column. Our recommendation is to move forward with these three candidates sites for purchase. I know we've talked with Eric and Rick about the implementation of how and when the bodies pieces of land and that will be discussed further along the line at a later date once you start in the beginning to purchase. So these are the three sites, candidate site B, E & C they are identified as the highest ranked sites within the TM 5 as the top three for implementation that we are recommending being implemented into the Port expansion. So and just for you guys notes I've showed this too Rick and Eric already but for your use whenever Eric and Port staff are looking at these sites to purchase they can and whoever the attorney or whoever it is that's going to be doing the title opinions can easily get the GEO numbers on these sites and the same thing is available on the assessors' office but it's quick use here for the Port to reference whenever you are looking at these sites and assessing the values. With that being said our recommendation as I said is C, B & E and that should make up the 2500-3000 acres that the Port is looking to implement and expand to in the next future years. Tyler asked if there were any questions?

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Captain Murphy asked if anyone had any questions for Tyler? Captain Murphy said he would entertain a motion that we accept the Port Expansion Committee Study Report. It was moved by Commissioner Steve Watkins and seconded by Commissioner Roy Griggs. It's been moved and second that the board accept the Study Presentation. All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nays", it passed unanimously. Thank you.

AYES: Commissioners: Thomas F. Murphy, Jimmy Hall, Roy Griggs, Steve Watkins, Erica Bryant and Lynn Austin.

NAYS: None

ABSENT: Sam Gregorio, James Pannell and Rick Prescott

Eric said Captain Murphy if I may with the adoption of this study I would like to inform the Commissioners that we've met with one of the property owners in candidate site C that owns the majority of the property, in fact we had a meeting with them yesterday and laid out to them our Port Expansion Study process and the methodology pretty much what Tyler just presented to the commission. He is a willing seller and is agreeable to moving forward with the Port commissioning an appraisal on the property and if the commission is acceptable to that we would like to get an authorization from the board to move forward in those directions on candidate site within the tracks own by Franks Management within candidate site C. I would be glad to answer any questions or address any comments with that regard.

Commissioner Hall made a motion that we appraise the candidate site C and it was seconded by Commissioner Lynn Austin. It was moved and seconded that we appraise the property in candidate site C. Captain Murphy asked if there was any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nays", it passed unanimously. Thank you.

Commissioner Murphy said he would entertain a motion to authorize staff to move on the recommended sites of site B, C & E for those, everyone understands I would entertain that motion. It was moved by Commissioner Steve Watkins and seconded by Commissioner Erica Bryant that we authorize staff to move on the recommended site acquisitions of sites B, C, & E, any discussion? All in favor, please say "Aye". Opposed, "Nay". Hearing no "Nays", it passed unanimously. Thank you.

Commissioner Murphy asked if there was any more to come before the board?

Eric said if no Commissioners has comments I would like to thank the Commissioners and also would like to thank Burk-Kleinpeter and all of those that

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contributed to the production of this Port Expansion Study last but certainly not least Commissioner Watkins for chairing this committee from the start to the finish. It was an elaborate process took a lot of hours and just wanted to say I appreciate all the work of all of you. Thank you very much.

Commissioner Murphy said also as your Board President, I would also like to extend a Bravo Zulu to Commissioner Watkins. Is there anything further to come before this Committee or this Board.

Commissioner Murphy adjourned the Special Board Meeting at 3:59p.m.

Respectfully submitted,

Commissioner Rick C. Prescott
Secretary-Treasurer

APPENDIX IV - PORT EXPANSION STUDY REPORT

Port Expansion Study

Technical Memorandum No. 1 through 5

Caddo-Bossier Port



Prepared for the
Caddo-Bossier Parishes Port Commission



Prepared by



October 2015

BKI SH.13.001

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The Caddo-Bossier Port Commission (CBPC or the Commission) has engaged Burk-Kleinpeter, Inc. (BKI) to conduct a Port Expansion Study for the Commission. This Study is composed of six (6) parts, or steps, to be performed in sequence. These six (6) steps are briefly described below and will be the relied upon steps to conduct the aforementioned Port Expansion Study.

The Initialization, Data Collection, and Evaluation of Existing Property establishes study procedures and examines the potential sources of GIS data within Caddo and Bossier Parishes. Submits formal requests for the desired data and subsequently collects and compiles the GIS data. The final task within this step evaluates and characterizes the current past and future consumption of Port property.

The Project Goals, Collaboration, Selection Criteria and Priorities process will develop goals and preliminary expansion budget through collaboration and exchange with Port officials. Through collaboration and exchange with Port officials, selection criteria will be defined and prioritized.

The Property Search and Preliminary Screening/Analysis will leverage GIS to perform a comprehensive and through evaluation of properties within the study area based on the top criteria established in step two. After areas that meet the top criteria are delineated, further analysis will be performed based on secondary criteria established in step two.

The Final Screening/Analysis, Initial Due Diligence, and Candidate Properties will screen the properties by analyzing geographical, title and environmental weaknesses and strengths. During this initial due diligence a final list of candidate properties will emerge.

The Implementation and Replacement Planning will develop an implementation plan based on the final candidate properties plus a property replacement plan. Issues discovered during due diligence will be investigated and options for mitigating the issues will be vetted. Plans for replacing property will be based on past trends and milestones reach during implementation.

The Final Presentation and adoption will be a comprehensive presentation of the analysis and methods conducted during the study. A final list of candidate properties and a review of the strengths and weaknesses of each property will be presented. This includes a look at options for addressing obstacles facing each property.

Each of these six (6) steps will first be developed as a Technical Memorandum to be provided in draft form to the Port Commission and its staff for review and comment. As each step of the Port Expansion Study

builds on the findings and recommendations of the previous step, it is important for the Commission to review, comment, and approve each step as the basis of moving forward. In this way, the Commission will be kept informed of the progress of the Port Expansion Study effort and will understand the reasons for specific recommendations as well as the underlying research that served as the basis for these recommendations.

1. INITIALIZATION, DATA COLLECTION, AND EVALUATION OF EXISTING PROPERTY

In order to conduct a comprehensive review of property throughout Caddo and Bossier Parishes the decision was made to employ a geographic information system (GIS) to conduct suitability analysis of the 1800 square mile study area. In advance of implementing GIS for suitability analysis, several companies and government bodies were solicited for access to their geospatial data as input into the GIS system. Among the entities called upon were the North Louisiana Council of Governments (NLCOG), Caddo, and Bossier Parish Assessors offices, Louisiana Public Service Commission, CenterPoint Energy, Louisiana Office of Cultural Development, Southwestern Electric Power Company (SWEPCO), City of Shreveport, Caddo Parish Administrator, Caddo Parish 911, Bossier Parish Administrator, Bossier Parish 911, City of Bossier City and the National Pipeline Mapping System. Geospatial data was also collected from public sources and they include the following: Atlas - Louisiana Statewide GIS web site, Louisiana Department of Transportation (DOTD), Louisiana Department of Natural Resources (DNR), Louisiana Geographic Information Center (LAGIC), Louisiana Oil Spill Coordinators Office (LOSCO), Louisiana Site Selection Center, National Atlas of the United States, United States Geological Survey, National Resources Conservation System (NRCS), National Registrar of Historical Places, United States Fish and Wildlife Service, Louisiana Division of the United States Department of Agriculture, and the United States Army Corps of Engineers. From the respondents and public data sources, over 500 individual data sets have been compiled from over twenty-five (25) sources.

1.1. Organization and Review of Data

Upon BKI's receipt of the data, it was cataloged and organized by source then stored on a hard drive. Since some participants were not able to provide data because of legal agreements with the State, and national security concerns, the data received is not uniform across Caddo and Bossier Parishes. Since the data is not uniform, it may require separate analysis to be performed on each Parish but should not prevent a thorough examination of the property within the study area for the primary location screening.

1.2. Characterization and Evaluation of Property

This phase acts as a review of the historical development of the Port from 1996-2013. If the past is the key to the future a comprehensive examination of past land use at the Port is necessary to form benchmarks for understanding land use and establish a property absorption rate. Secondly, property consumed by Port tenants has been classified according to industry type to further characterize leased acreage. The characterization process will assist the Port in making informed decisions and maintain a competitive position by having a large inventory of the appropriately needed properties in reserve.

1.2.1. Land Use

In the course of characterizing Port property the Port's GIS data was leveraged to categorize land by its use and calculate the acreage for each category. All property falls into one of three categories Port Operations, Acreage Available for Lease, and Acreage under Lease. A map of these properties is presented below in Figure 1.

1.2.1.1. Port Operations

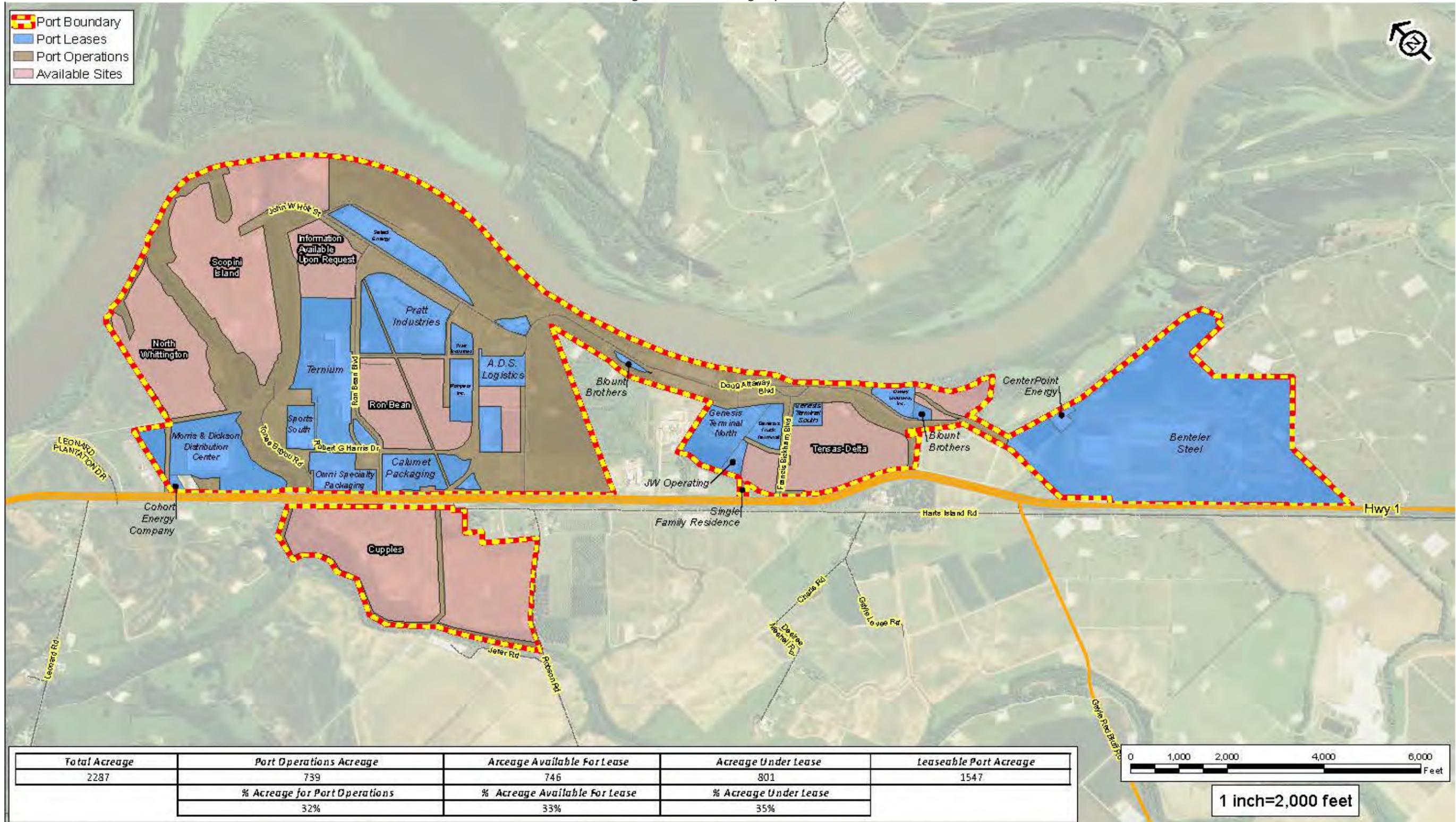
The category of Port Operations includes all property maintained by the Port for public use including, all internal streets, drainage easements, water storage facilities, utility corridors, electric substations, railroad rights-of-way, levees, slack water harbor, and the I-69 corridor. As in the March 2011 Master Plan by BKI short-term lease properties are considered in this category. Short Term lease properties include warehouses, the liquid docks, and the dry bulk storage facility. Also included in the Port Operations category are portions of property that are unavailable for lease due to environmental concerns or regulations. These properties consist of potential riparian vegetation that border streams or swamps, they act as an interface between land and streams on Port property. Some acreage occupied by gas wells are included in this category, such as when they are encompassed by land considered Port Operations and/or Acreage Under Lease, wells that are in environmentally sensitive areas and multi-well pads that are not financially feasible to buy out due to cost or location. This land totals 739 acres or approximately 1/3 of the total acreage and means that of the 2,286 available acres at the Port's main campus, 1,547 n acres are leasable.

Railroad Infrastructure

A significant amount of property has been consumed in the development of the railway transportation infrastructure. Prior to the Benteler Steel extensions Port owned railroad tracks measure 92,070 linear feet and encompass approximately sixty-nine (69) acres of Port property. The first railroad shipments began arriving at the Port in early 1999 after construction of the main rail spur the north rail extension and the Public Port Terminal Project Railroad Extension were completed. Rail tonnage for 1999 and 2000 were approximately 29,000 tons and 17,000 tons, respectively, then jumped to approximately 74,500 tons in 2001 (328% increase). Of the 74,500 tons in 2001, 99.62% was in the form of bulk dry goods. After construction of the core rail infrastructure the Port entered into lease agreements with Omni Specialty Packaging in April of 2000, Blount Brothers construction in August of 2001, and Davidson Trucking Terminal began operations in September of 2001 contributing to the increase in rail tonnages. The next major increase in rail tonnage occurred in 2005 when the tonnage increased from 23,122 tons in 2004 to 167,427 tons, a staggering increase of 624%. This increase is partially due to the ramp up of oil and gas operations in the Cotton Valley formation, including the construction of pipelines and well pads, expansion of Davidson Terminal Service, a new addition to Omni specialty packaging in mid-2005, which

included an upgrade to rail loading facilities, and the completion of the slack water harbor in 2004. In 2010, the Port saw rail tonnage peak at 1.2

Figure 1 – Port Acreage by Land Use



Total Acreage	Port Operations Acreage	Acreage Available For Lease	Acreage Under Lease	Leaseable Port Acreage
2287	739	746	801	1547
	% Acreage for Port Operations	% Acreage Available For Lease	% Acreage Under Lease	
	32%	33%	35%	



1 inch=2,000 feet

Million tons coinciding with a peak in bulk dry tonnage at 1,068,361 tons. This is also the last year that bulk-liquid and bundled/breakable rail cargo was under 1 million tons. In 2010, total waterborne and rail tonnage reached its peak with 1.7 million tons, or approximately 14%, of all the historical waterborne and rail cargo shipped to the Port. Another peak reached in late 2010, coinciding with the peaks in rail and waterborne tonnage, was Haynesville Rig Counts as seen below in Figure 2. During this period, the Port infrastructure was leveraged heavily by the Oil and Gas industry, acting as a storage and loading facility for pipe used in pipeline construction, gravel for well pad and access roads construction, and manufacturing ceramic proppants used in the fracturing process. Railroad infrastructure proved to be a key investment by the Port. Had the Rail infrastructure not been in place before the rise of the Haynesville Shale, the Ports chance to capitalize on this market opportunity would have expired.

Figure 2 - Haynesville Shale Rig Counts

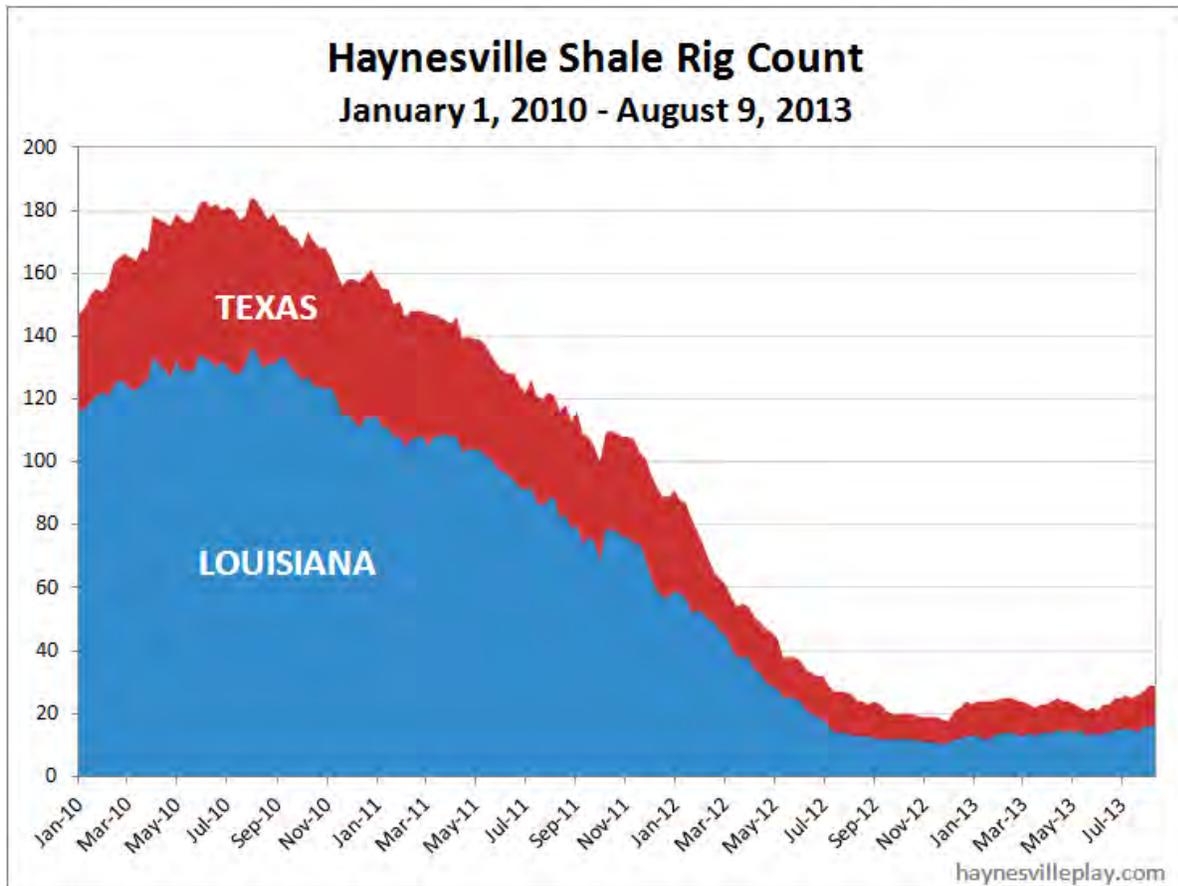
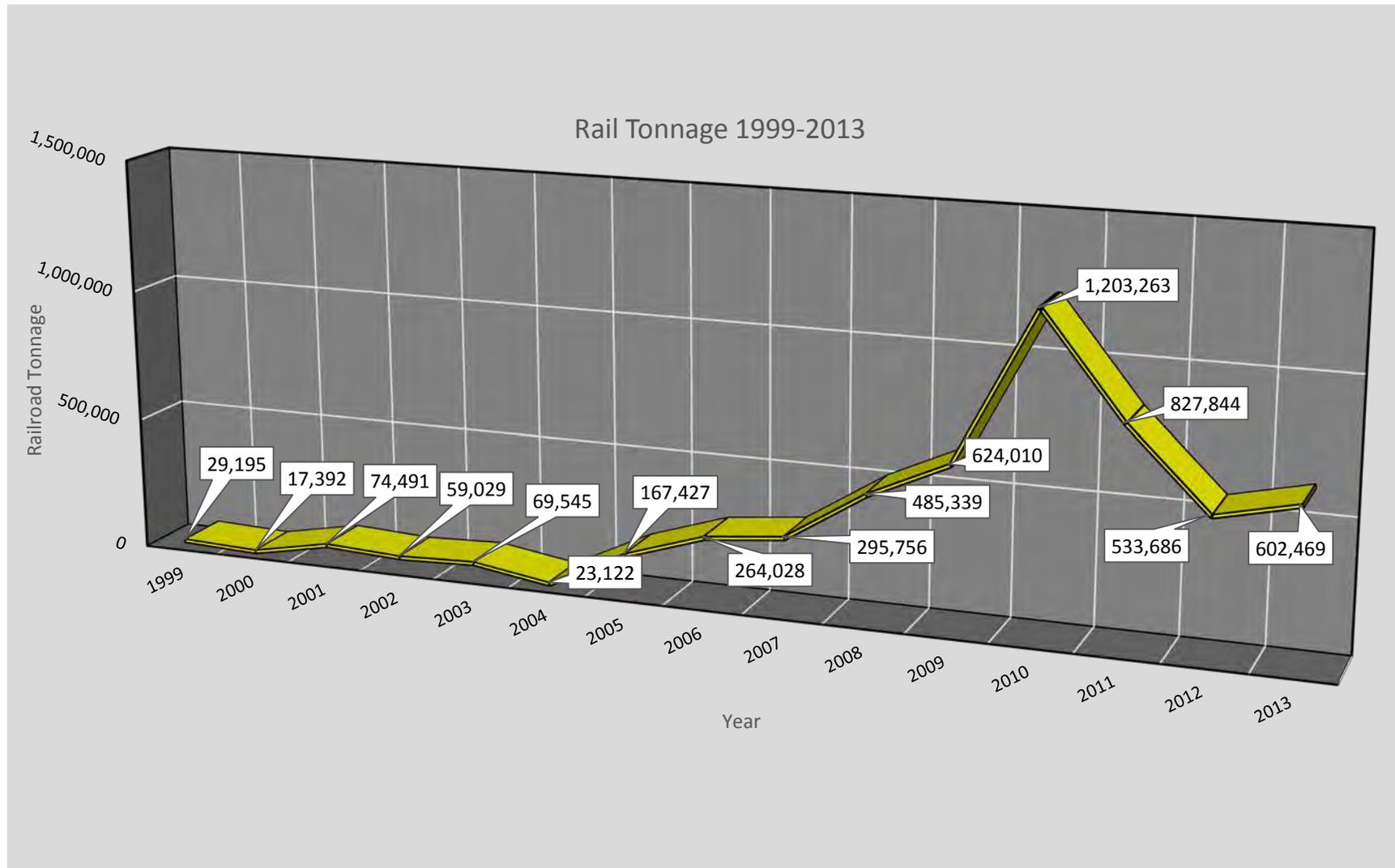


Figure 3 – Total Rail Tonnage 1999-2013



Waterborne Infrastructure

The key feature that sets the Port apart from other industrial complexes in Caddo and Bossier Parishes is access to the Red River and the infrastructure that is in place to take advantage of it. The infrastructure that is currently in place for loading and unloading waterborne freight includes six (6) docks, a crawler crane situated on the slack water harbor dock, a boat ramp, and a barge fleeting facility. Since the Port started waterborne shipping in 1995, approximately 7,234,000 tons of cargo on 3,995 barges have been either off-loaded or loaded through the Port's facilities. This 7,234,000 tons of barge traffic accounts for 57% of all historical rail and waterborne tonnage. Bulk-Liquid Petroleum accounts for approximately 4,012,000 tons or 55% of the historical waterborne tonnage, beating Bulk Dry goods, the second highest commodity shipped by water, by approximately 989,000 tons. Figure 4 shows the total Waterborne per year beginning in 1999. Waterborne tonnage reached its peak in 2011 when 694,337 tons were received through the Port (57% or 396,189 tons being Bulk-Liquid Petroleum). As seen in Figure 5, 2011 is the same year that completions peaked for Haynesville shale wells.

Figure 4 – Total Waterborne Tonnage 1999-2013

Waterborne Tonnage 1999-2013

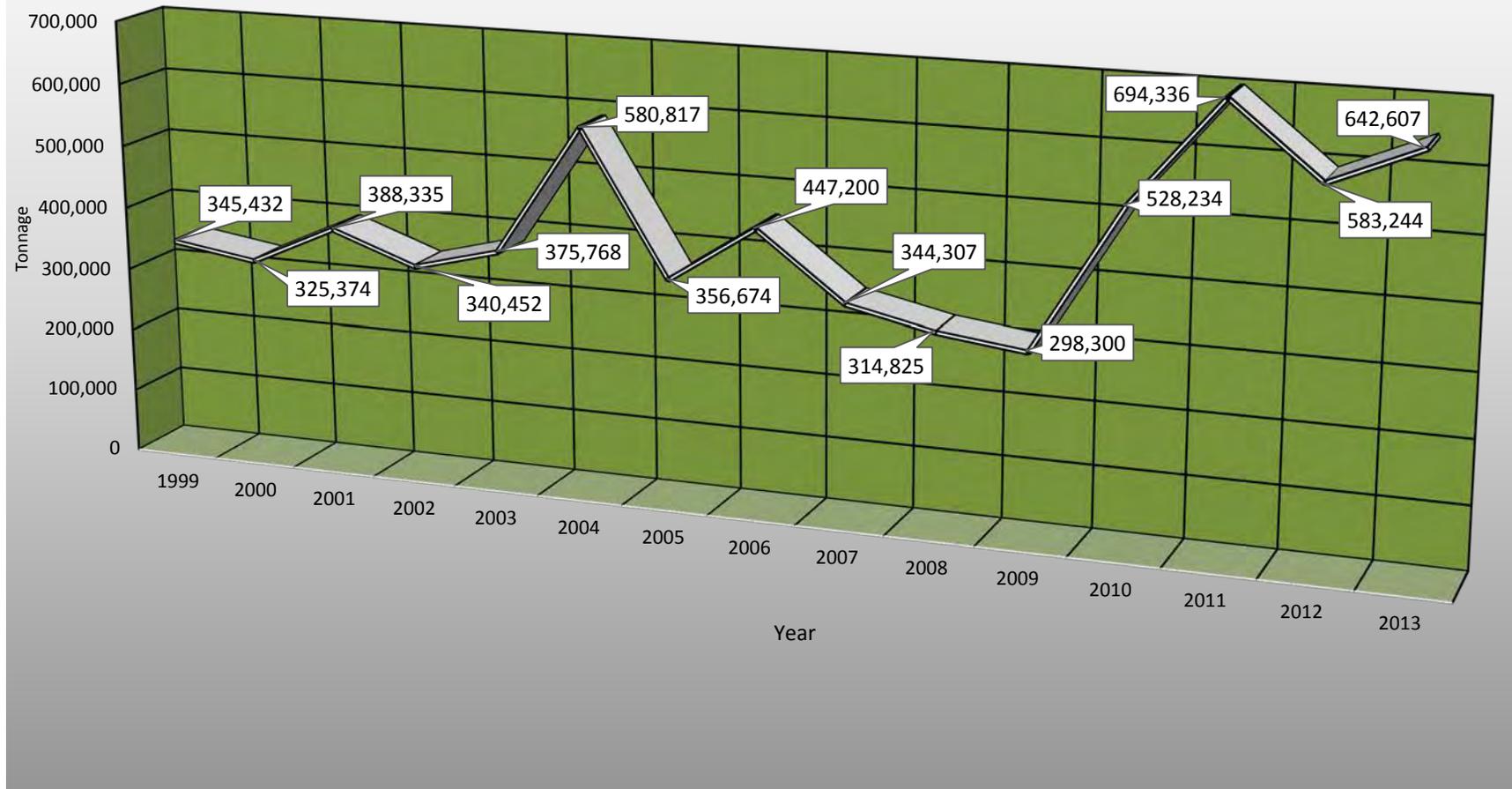
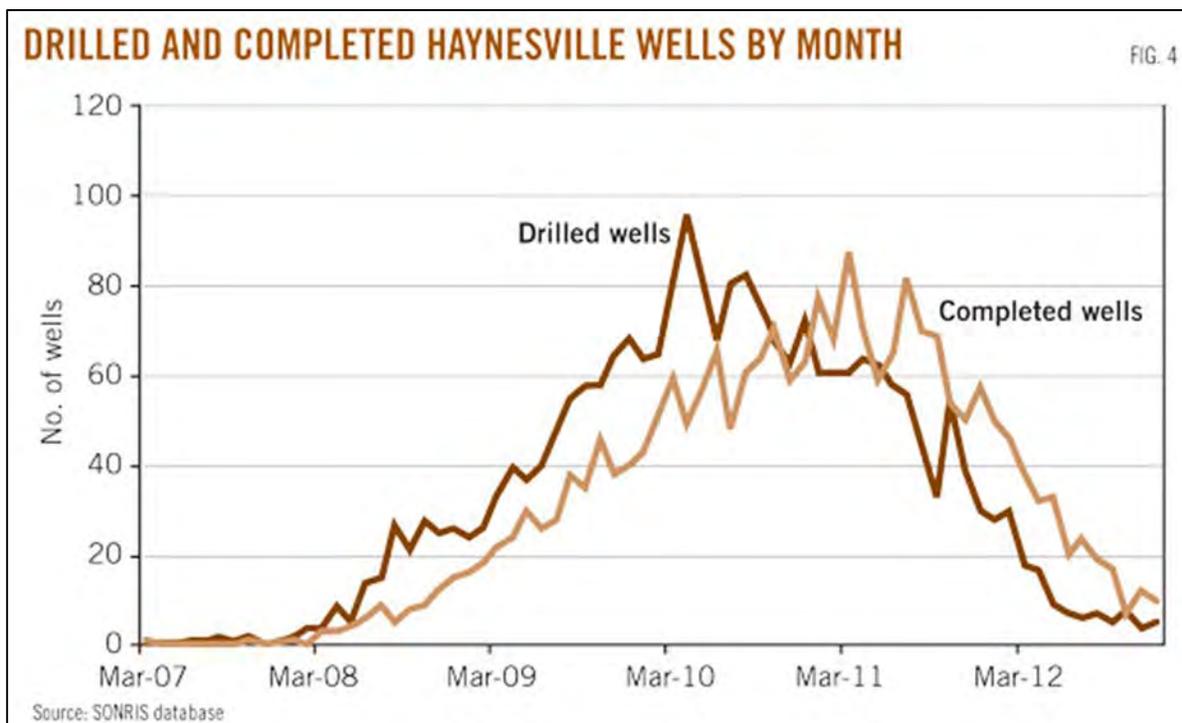


Figure 5 – Drilled and Completed Haynesville Wells by Month



Relationship between Rail and Waterborne Infrastructure

The staggered peaks in tonnage suggest multiple possibilities; one is that rail was employed more for construction of well pads, access roads, and pipelines needed prior to drilling or completions and waterborne tonnage is utilized for products related to completions. It was common, with Haynesville wells, for completions to lag behind rig count. According to Robert Huchinsons September 2012 article on Haynesvilleplay.com web site, “the two are correlated, but since the infrastructure and personnel to complete wells is more constrained than drilling, there has long been (was) a backlog of uncompleted wells”. This is evident in Figure 5, which shows drilled wells and completion totals and the lag that occurred between the drilling of the initial well and the time that the well comes on line. It is evident in these Tables, completions peaked nearly a year after the rig counts peaked. This is very similar to the peaks in rail tonnage and waterborne tonnage in 2010 and 2011 as seen in Figure 3 and Figure 4.

While the drilling and completions activity have significantly decreased and Natural Gas production is down, it does not necessarily mean the Port will not be able to capitalize on the Haynesville Shale in the future. As noted in Eric Penner’s September 2013 article in the “Oil & Gas Financial Journal” Shale Production Economics-Estimating Well Production; it’s common for Haynesville shale gas wells to significantly decrease production over a fairly short period of time, as seen in Table 1 which shows production declines based on the “typical data for a Haynesville reservoir” and predicts that the average

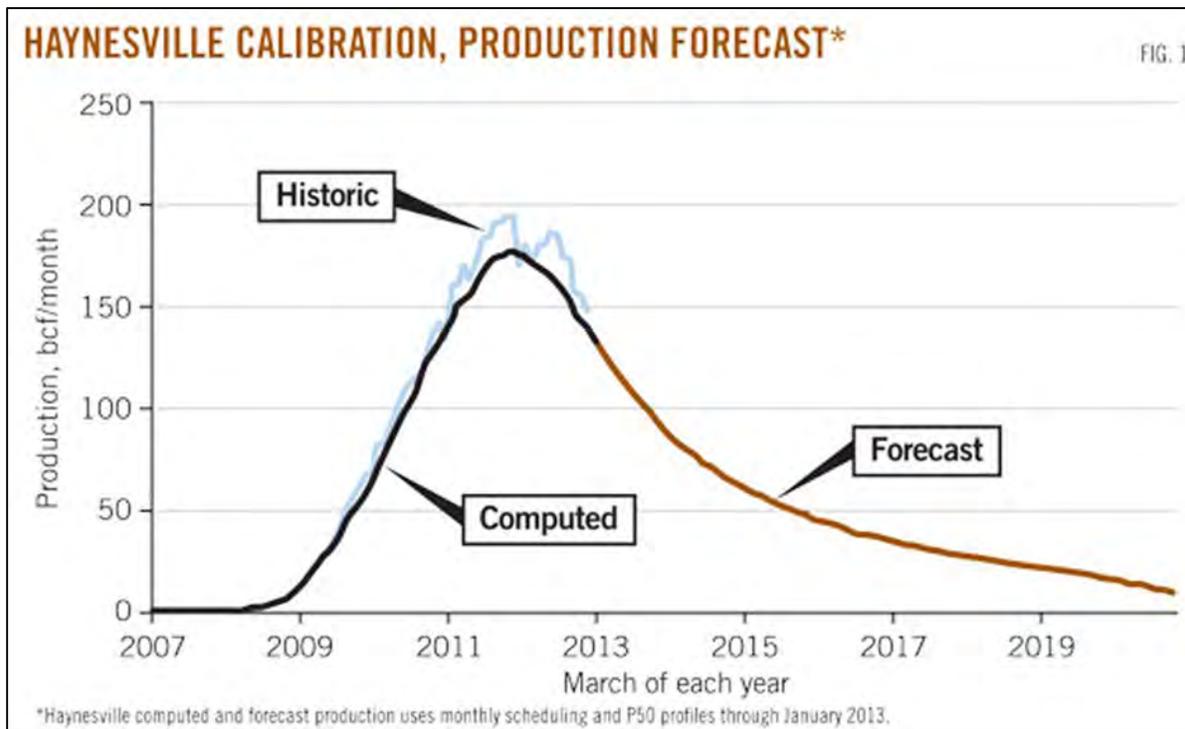
well, “declines 70% in year one, 30% in year 2, 15% in years three and four, and 10% thereafter. Louisiana State University’s director of Research & Development Division at the Center for Energy Studies, Mark J. Kaiser examines the outlook for Haynesville production in his March, 2014 article in the *Oil and Gas Journal* entitled, “HAYNESVILLE UPDATE—4: Haynesville outlook hinges on gas price”. In his article, future production is extrapolated based on the current inventory of wells and assumes no additional capital expenditures or significant changes in operating practices. Dr. Kaiser’s production forecast presented in Figure 6 shows that, “production declines quickly in accordance with the nature of the average Haynesville well. If no new wells are drilled and brought online, regional production will result in an estimated 13.9 tcf of gas through 2020.”⁽¹⁾ As long as the price of natural gas is low, Oil and Gas companies will not commit assets to drill new wells or re-stimulate existing wells. If Natural Gas prices begin to rise, while gas production from the Haynesville formation falls, Oil and Gas companies will drill new wells on existing pads that are designed for multiple wells. In addition, since fracs do not last forever, producing wells will be rejuvenated to restore production levels. Since most new wells will be drilled on existing well pads, and the pipeline infrastructure is in place, the Port should be focused on products related to drilling and completions (e.g. sand, and other additives that make up the fluid used in the fracturing process).

Table 1 – Annual Percent Decline Forecast

	Annual Percent Decline Forecast					
	Month 1	Month 12	Month 24	Month 36	Month 48	Month 60
Annual Decline (%)		70	30	15	15	10
Daily Production (MMscfd)	10.00	3.00	2.10	1.79	1.52	1.37
Cumulative Production (Bcf)	0.36	2.37	3.30	4.01	4.61	5.14

⁽¹⁾ <http://www.ogj.com/articles/2013/09/shale-production-economics-estimating-well-production.html>

Figure 6 –Haynesville Production Forecast



Another explanation for the staggered peaks in waterborne and rail tonnage is that falling natural gas prices triggered Oil and Gas companies to maximize profits by reducing supply chain related costs. As seen in Figure 7, railroad transport is more expensive than rail but it is also faster, more reliable, and more flexible than barge transport. Oil and Gas companies could have decreased costs by utilizing the slower yet less expensive waterborne shipping and instead of the fast yet more expensive railroad transport. If this holds true, the Port should expect increasing demand for rail over barge as natural gas prices climb, and increased demand for barge over rail as prices fall. Figure 8 shows the history of the Ports rail and waterborne tonnage per year by percentage of the total tonnage, demonstrates the inverse relationship that can exist between rail and water tonnage. From this chart it is easy to see that, in multiple years, when the percentage of the total tonnage attributed to rail increased, waterborne tonnage decreased and vice-a-versa. In 2007, the beginning of Haynesville Shale activity, rail made up 46% of the tonnage and water made up 56%, which was the most balanced ratio since the Port began rail operations. Leading up to 2007, the Port saw increased rail traffic due to a combination of factors. Among these factors were drilling activity in the Cotton Valley field, Ternium operations beginning in April of 2006, new additions to Omni Industry’s facilities, and the construction of Calumet Packaging completed in 2006. The end of 2007 marked the beginning of a four (4) year dominance of rail tonnage over barge tonnage that coincides with peak Haynesville activity. The evidence of Haynesville Shale drilling activity and the influence on rail and barge shipment can be visualized by comparing charts of drilling rig and completions activity to the charts of rail and water tonnage. The peak in drilled wells and rig counts came around March of 2010 which is the same year rail tonnage peaked at 1,203,263 tons. The next year when well completions peaked, barge

tonnage peaked, most likely because the sand required during the fracking process was being barged in. Furthermore, as Haynesville shale drilling and completions activity dropped off the ratio of total freight carried by rail and water returned to balances recorded prior to the heavy Haynesville Shale activity in 2007.

Figure 7 –Haynesville Production Forecast

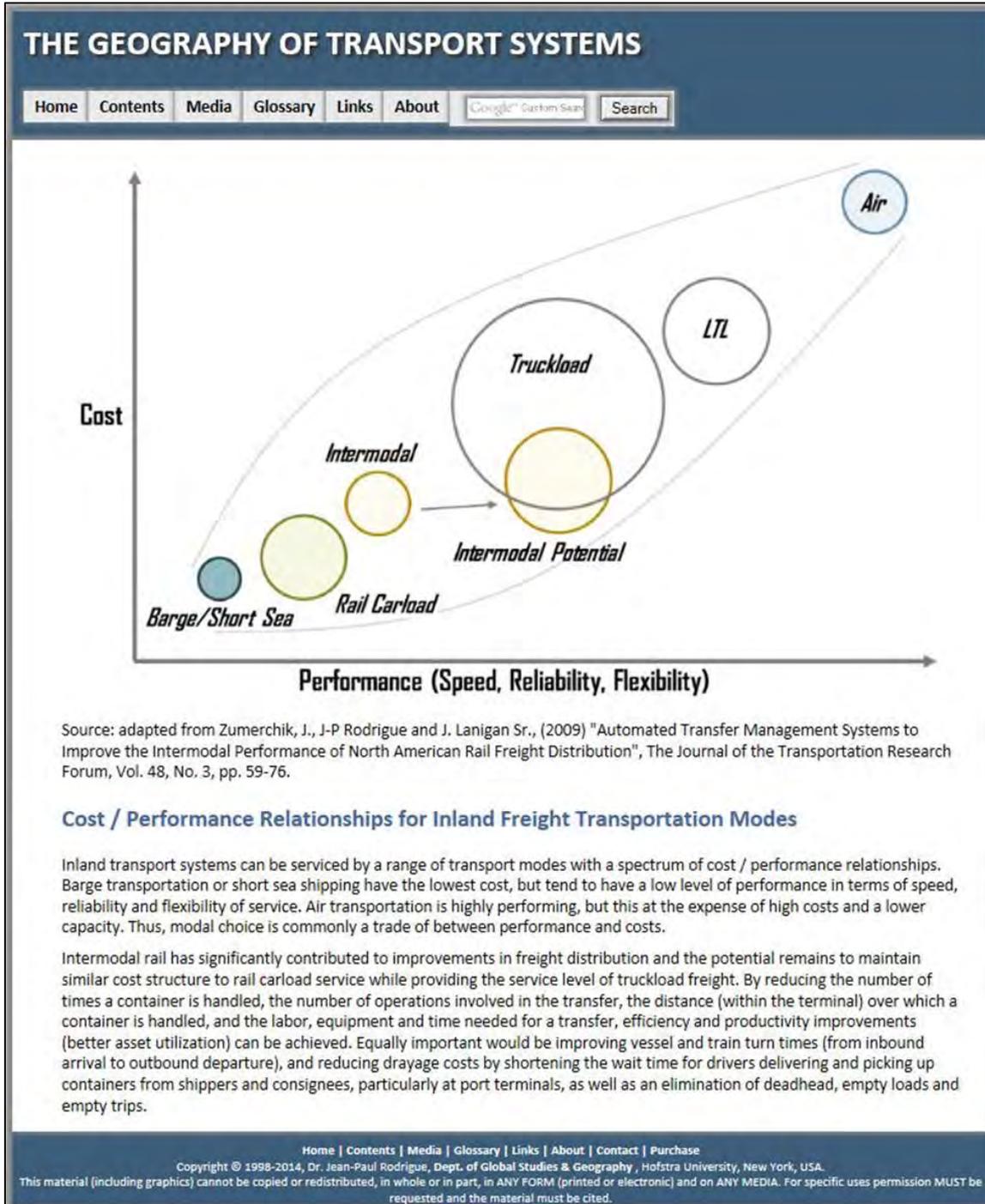
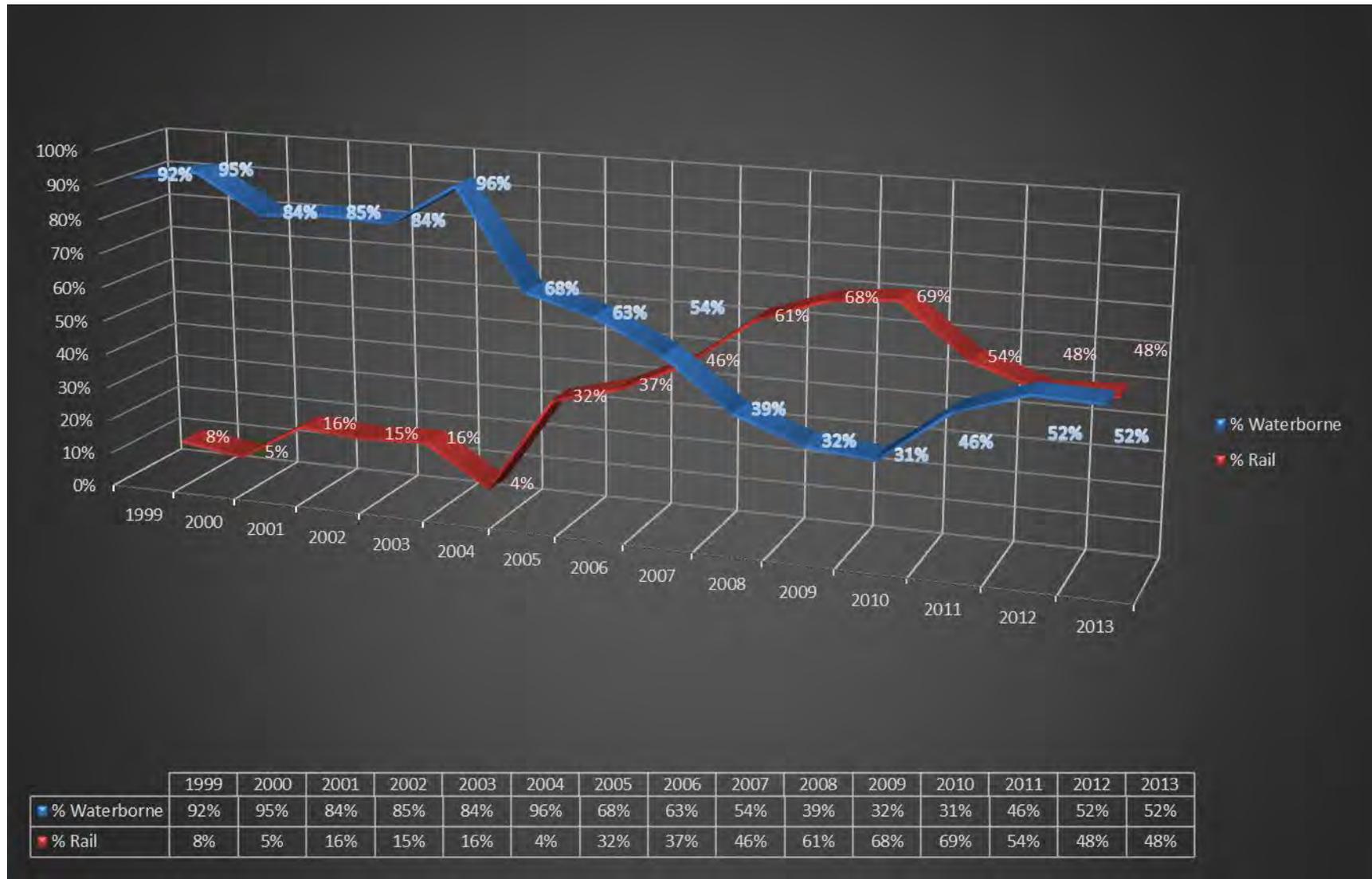


Figure 8 –Rail and Waterborne Tonnage by Percent of Total Tonnage 1999-2013



1.2.1.2. Acreage available for lease

The Acreage available for lease includes the following tracts: North Whittington (90+/- acres), Scopini Island (145+/- acres), Cupples (224+/- acres), Ron Bean (80+/- acres), Tensas Delta (77 +/- acres), and four small unnamed miscellaneous tracts (125+/- acres). The available acreage for lease therefore totals 746 acres of Port property.

North Whittington* *(see note)*

The North Whittington tract contains 90 +/- of usable acreage zoned for heavy industrial use. The western boundary is pastureland with Tones Bayou to the east the Red River levee to the south and the Red River to the north. The tract has approximately 1000 feet of river channel frontage and is generally rectangular. Water is available at the site via a 12" waterline that terminates at the property line of the tract. In addition, the site has a two lane concrete road that provides access to the site. According to the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program this land has been designated as "Zone A".

***NOTE:** The site also contains an active well pad with a salt water disposal well and a natural gas well. The facility passed a facility inspection report in October of 2013 and is operated by J-W operating company. The pad and access road are situated in a way that would not greatly interfere with development. GIS data obtained from the Louisiana Department of Natural Resources shows a plugged and abandoned well on the north bank of Tones Bayou approximately 2300 feet from the access road entrance to the CV RA SU90;CADDO BOSSIER Port 13 well. However, the 1987 "map of the survey" by John R. Bowman from the DNR website lists the well in Section 3 of T16, R13W (possible theoretical section?) and on the bank of the red river. Aerial imagery from 1989 is inconclusive therefore more research need to be performed to determine if this well is on Port property*

Scopini Island

The Scopini Island tract (Bossier Parish) contains approximately 145 acres of useable acreage with approximately 2,800 feet of river frontage and existing railroad access. It is generally triangular bounded by Tones Bayou to the west, The Red River levee to the east, and northern boundary is created by the Red River. According to the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP), this land has been designated as "Zone A".

Cupples

The largest of the Greenfield sites is the Cupples tract comprised of 224 acres. This site is bordered by LA HWY 1 to the northeast and Bayou Pierre to the southwest. The confluence of Tones Bayou and Bayou Pierre is to the northwest, and Robson road to the southwest. The property also shares a border with residential property at the intersection of Harts Island road and Robson road at the east corner of the property. The Cupples tract is currently zoned as Residence-agriculture (R-A) district and is roughly bisected by an electrical power easement that contains an overhead transmission line. This electrical easement measures 100 feet wide by 2500 feet long, diving the property into a 97 acre tract to the south and a 127 acre tract to the north, and impacts approximately six (6) acres of land. The property also contains six (6) well pads that are accessed from two entrances located on Harts Island Road and Robson

Road. These pads have a total of seven (7) wells producing from the Elm Grove field, and operated by Camterra Resources Inc.

Tensas Delta

Situated to the south of Francis Bickham Blvd is the flat and well-drained 77-acre Tensas Delta tract. Fully served by utilities, this ready-for-development site is bordered by the Red River levee on the southeastern side and a Levee Board Control Area to the south. Zoned as I-2 by the Shreveport Metropolitan Planning Commission the western border has over 2500 feet of road frontage along LA HWY 1. A fifty (50) foot wide water easement runs parallel to the LA HWY 1 border and contains a thirty (30) inch pressurized water distribution main. Genesis Terminal South shares an approximately 1150 feet of border with this tract on the northern most corner. According to Louisiana Department of Natural Resources (DNR) there are two (2) operating natural gas wells within the tract. The well named LCV RA SU67; TENSAS DELTA 30 is located on the North-East corner of the property and is accessed from LA HWY 1 via a 2000-foot access road. The LCV RA SU67; FRIERSON 30 well is located on the South-East portion of the property and is accessed from LA HWY 1. The 340-foot access road for this well is also used as a driveway by the homeowner adjacent to the well pad. The well pads and access roads are situated along the borders of the tract, and should not greatly hinder potential development. This property contains a right of first refusal to lease in favor of Genesis Truck Terminal.

Ron Bean

Situated in the heart of the Port is the approximately 80 acre Ron Bean tract. This generally rectangular tract is bounded by Pratt Industries to the northeast, Ronpack Inc. to the southeast, Calumet Packaging to the southwest and Ternium to the northwest. This site is ready for development and is well served by the Port's utility infrastructure. Bisecting the property from the southwest to the northeast is a 5,043' by fifty (50) foot ingress/egress easement. Parallel to the ingress/egress easement is a 3,982' long by twenty (20) foot wide easement for a gas pipeline of which fifteen (15) feet are within the ingress/egress easement and five (5) feet are outside. This pipeline is owned by JW operating and has been abandoned in place. This tract is also bisected from the southeast to the northwest by an eight (8) inch pressurized water distribution line, an eight (8) inch gas transmission line (owned by CenterPoint Energy) and an eighteen (18) inch sewer gravity main. This site is well drained and zoned as I-2 by the Shreveport Metropolitan Planning Commission.

1.2.1.3. Acreage under lease

The current acreage under lease is occupied by twenty-two (22) tenants and totals 800 acres of Port property. This property includes land used for Public Use, Distribution Centers, Heavy Industry, and Light Industry.

Public Use

Land occupied for Public Use includes the property the Port's water tower sits on, the property the Regional Commerce Center is situated on, and the property on which the Port owns a residential home.

Oil and Gas Operations

The property that is maintained by Oil and Gas Operations are properties used for natural gas compressor stations such as the Cohort Energy, JW operating, CenterPoint Energy compressor stations, and Select Energy. These properties total forty-two (42) acres or less than 1% of available acreage.

Distribution Centers

Two existing port tenants, Morris and Dickson Co. and Sports South, fall under the category of Distribution Centers these companies comprises eighty (80) total acres of port property

Light Industry

This category includes two properties, which are leased to Blount Brothers Construction and consists of approximately five (5) acres of land.

Heavy Industry

This category consumes a vast majority of the Port acreage and is the top employer of all the categories. A total of ten (10) companies consume 667 of the 800 acres under lease or 83%. The largest heavy industrial tenant, Benteler Steel, consumes 375 acres or approximately 47% of the Port property under lease and 56% of the property in the Heavy Industrial category.

Analysis of the property under lease reveals the dominance of heavy industry as the primary industry type at the Caddo Bossier Port. The nature of heavy industry “typically carries a high capital cost... and low transportability”. For this industry type, capital costs are non-recurring expenses, such as land and buildings. The high consumption of Port property by this industry type is typical and demonstrates why it is important for the Port to maintain a large reserve of acreage in order to continue attracting heavy industry. Low transportability means that these industries are typically difficult to carry from one place to another, and therefore, increases the willingness for heavy industry to enter into long-term leases with the Port. An inventory of currently leased properties is presented in Table 2 below.

Table 2 - Leased Property by Tenant and Industry Type

Company Name	Acres	Industry Type
A.D.S. Logistics	15	Heavy Industrial
Benteler Steel	375	Heavy Industrial
Blount Brothers	5	Light Industrial
Calumet Packaging	28	Heavy Industrial
CenterPoint Energy	4	Oil and Gas Operations
Cohort Energy Company	2	Oil and Gas Operations
Genesis Terminal North	32	Heavy Industrial
Genesis Terminal South	7	Heavy Industrial
Genesis Truck Terminal	12	Heavy Industrial
JW Operating	5	Oil and Gas Operations
Momentive Specialty Chemicals	10	Heavy Industrial
Morris & Dickson Distribution Center	67	Distribution Center
Oakley Louisiana, Inc.	10	Heavy Industrial
Omni Specialty Packaging	24	Heavy Industrial
Pratt Industries	65	Heavy Industrial
Regional Commerce Center	4	Public
Ronpack Inc.	15	Heavy Industrial
Select Energy	31	Oil and Gas Operations
Single Family Residence	1	Public
Sports South	13	Distribution Center
Ternium	75	Heavy Industrial
Water Tower	2	Public

1.3. Characterization of Leased Property

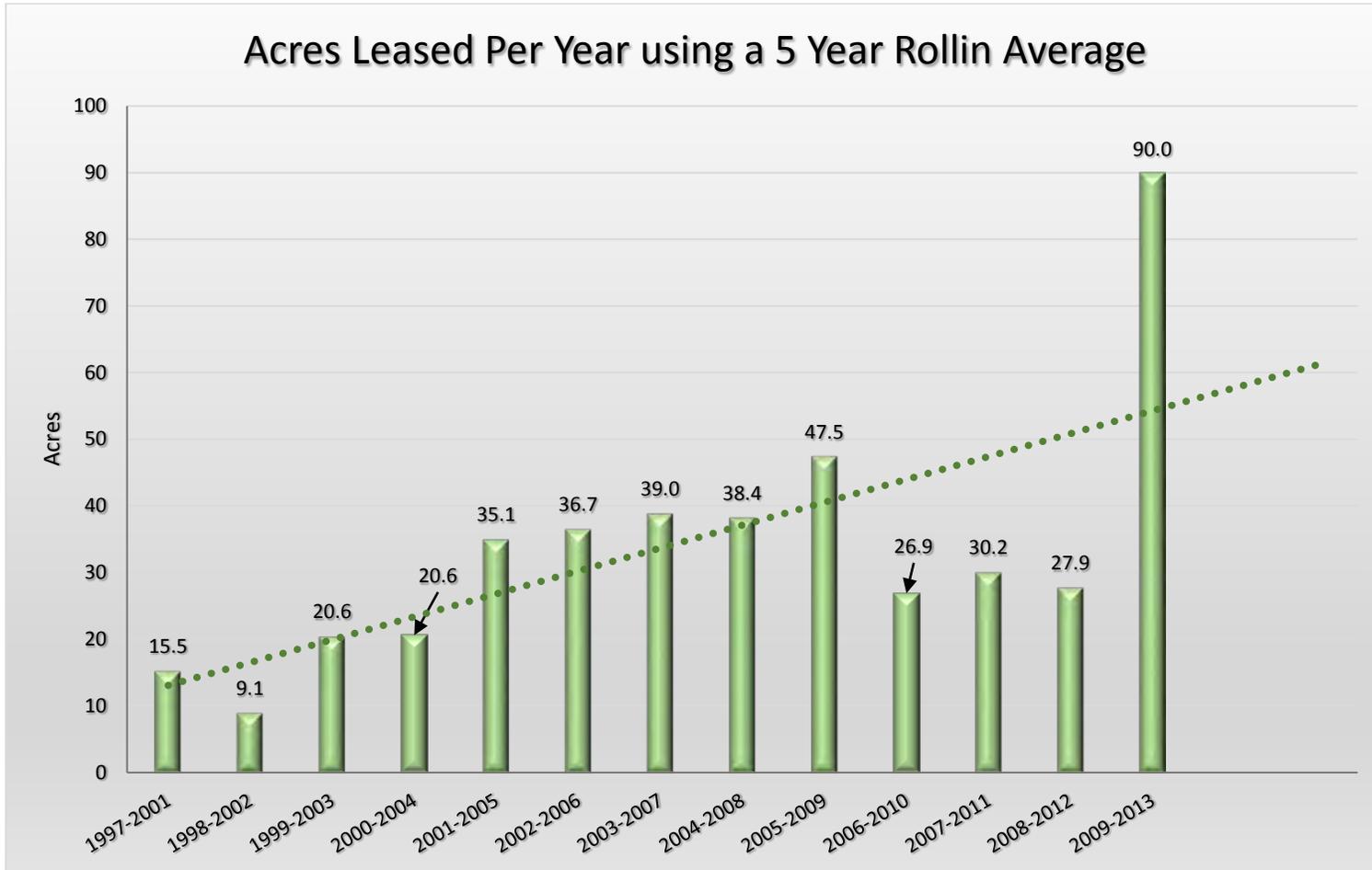
In order to characterize historical property consumption and forecast future property demand, a five (5) year rolling average, for historical Port leasing, was formulated then Microsoft Excel was employed to develop a trend line to forecast future property consumption. For historical consumption a total for each of the five (5) year sequences was first developed. The five (5) year total equals the sum of acres leased for each five (5) year sequence (e.g. 2000-2004 =103 acres leased). After calculating the sum of acreage totals for each sequence these were averaged for each five (5) year sequence (dividing total acreage by 5 years) resulting in an average acres leased for each sequence (e.g. 2000-2004 = 20.6 average acres/year). For example in the five (5) year sequence from 1997-2001 seventy-seven (77) acres were leased. In the following sequence,1998-2002, the acreage leased in 1997 is subtracted and the acreage leased in 2002

is added yielding approximately forty five (45) acres that were leased during this sequence, divided by five (5) the average equals 9.1 acres leased per year for the 1998-2002 sequence. Using these rolling averages, a standard property consumption rate was developed yielding a standard consumption rate of approximately 33.7 acres per year from 1997 to 2013 as shown in Table 3. These rolling averages were entered into Microsoft Excel to create a pivot chart and calculate a linear trend line for forecasting future property consumption. This chart can be seen below in Figure 9. At the current leasing rate of the Port, the trend line suggests a property consumption rate of approximately fifty-four (54) acres per year during the 2009-2013 sequence. The trend line suggests consumption will increase to approximately sixty (60) acres per year by the end of the 2011-2016 sequence. Using the 2011-2016 consumption rate of sixty (60) acres per year, the Port's current leasable property will be completely consumed by 2026.

Table 3 - Five Year Rolling Average of Acreage Leased

5-Year Sequence	Sequence Averages
1997-2001	15.5
1998-2002	9.1
1999-2003	20.6
2000-2004	20.6
2001-2005	35.1
2002-2006	36.7
2003-2007	39.0
2004-2008	38.4
2005-2009	47.5
2006-2010	26.9
2007-2011	30.2
2008-2012	27.9
2009-2013	90.0
Totals Averaged	33.7

Figure 9 –Five Year Rolling Average of Acreage Leased

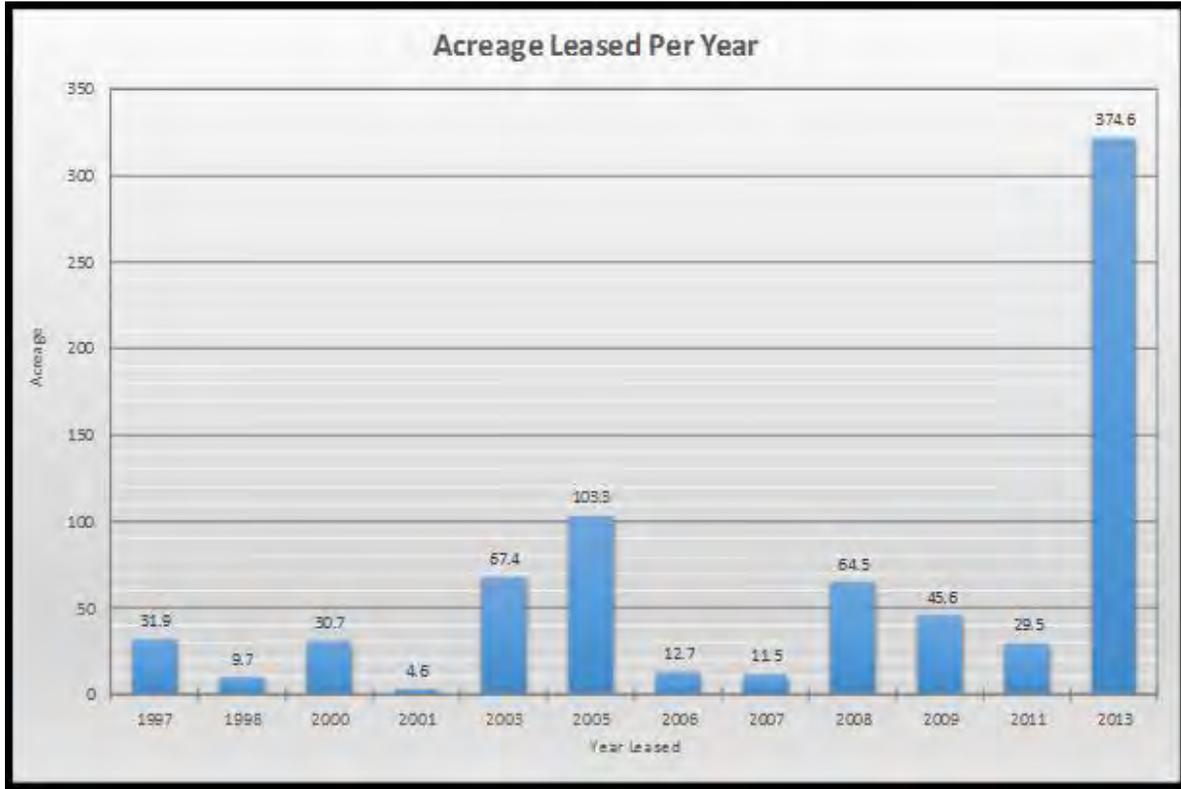


Summary of STEP 1

The multiple modes of transportation have a direct impact on profits for Port tenants and other businesses in the area by cultivating competition. This is achieved by providing options to utilize rail and waterborne modes of transportation therefore creating downward pressure on shipping prices among competing modes of shipping. This is a benefit not only port tenants, but also any company that could potentially utilize the Ports waterborne or rail infrastructure for their shipping needs. Whether it is rail or water the Port provides options for businesses to increase profits by supplying cost effective transportation options capable of reducing supply chain related cost.

The Caddo Bossier Port has successfully leveraged its unique geography to attract tenants by positioning itself to capitalize on market opportunities and having critical infrastructure in place prior to demand and maintaining a versatile inventory of land that provides potential tenants with a variety of land from which to choose. To further the Ports mission of economic development in Caddo and Bossier Parishes the Port must continue its outstanding record of landing top corporations. The majority of demand for port property comes in short bursts. This can be seen in Figure 10 when looking at the four (4) top leasing years, approximately seventy-six percent (76%) of acreage leased at the port occurred in these four (4) years. The Port leased 67.4 acres in 2003, 103.3 in 2005, 64.5 in 2008, and 374.6 acres in 2013. If the Port does not have sites available when growth cycles hit, it will risk missing the opportunity for significant job and income expansion for a decade or more.

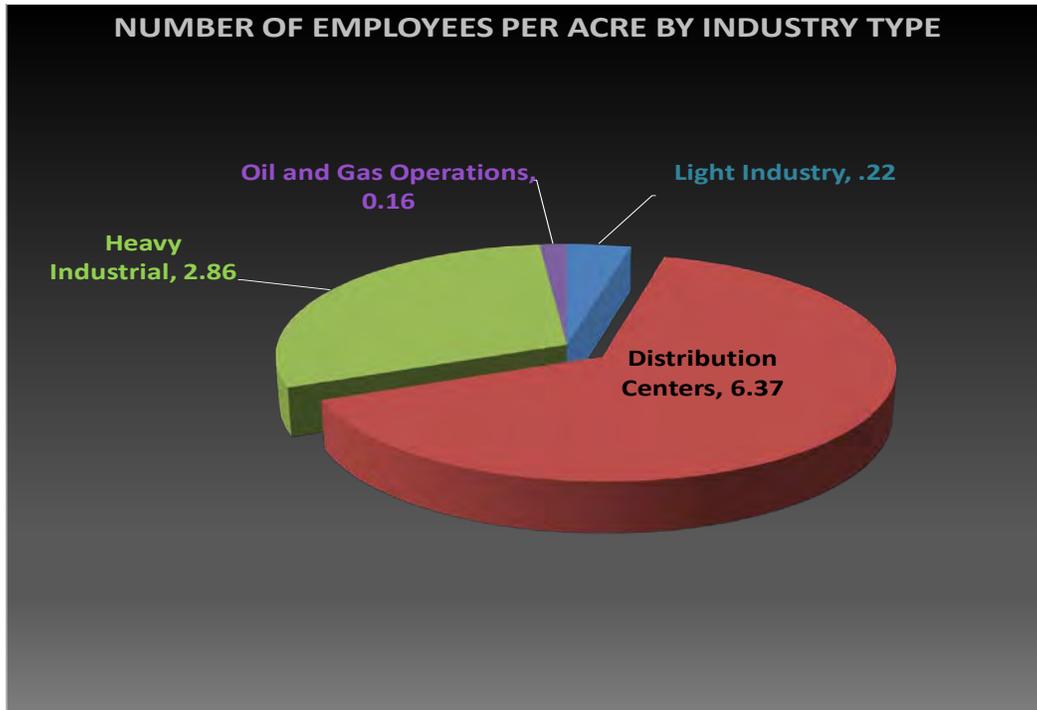
Figure 10 – Acreage Leased Per Year



To show the return the Port receives for each acre it leases, in terms of job numbers and to further the understanding of balance between land consumption, job creation, and economic impact, an analysis of numbers of employees per acre leased was performed. The Port currently has 15 companies that have employees on site and they are leasing 784 acres of Port owned land. These 15 companies will employ approximately 1,758 people (based on Benteler Steel maximum of employment of 675). Using the total leased acreage and the total number of employees, the average of 2.2 employees per acre lease was developed as a baseline for the overall employment of the Port. To further the employment analysis, an employment average per acre was developed for each type of industry. In order to determine each industry’s average employment per acre, we used the total employees per industry and divided by the acreage leased by industry type from Section 1.2.1.3. The complete breakdown of employment by industry is shown in Figure 12. Distribution Centers have created the most jobs (6.37 per acre) in terms of employees per acre of land consumed, and leads the second place category, Heavy Industrial, by twice the number of jobs per acre. With the construction of I-69 making the Shreveport Bossier Metropolitan Statistical Area (MSA), one of the few areas with three (3) major North-South/East-West Interstate intersections, the Shreveport Bossier MSA will become a very desirable location for Distribution Centers. Although the Heavy Industrial sector does not create as many jobs at the Port, it has a deep and far-reaching economic impact that filters through the regional economy. For instance, in Loren C. Scott & Associates 201 study, “Economic Impact Analysis” in 2010 the impact by manufacturing firms at the Port on new sales topped the list with, “over 1.2 Billion annually, roughly 60% of the total”. The report states,

“this is primarily because two of the largest entities on port property are manufacturing firms” and that, “the wholesale trade sector is second with nearly \$260 million in new sales because a number of the tenants are in the distribution business”. While Distribution Centers create nearly twice the jobs for the land they consume, the impact on new business sales is less than one quarter of Heavy Industrial. A diversity of tenants is important not only to reduce impact during swings in the economy or specific business sectors, but it is also important for getting the most out of Port property. For the Port to continue maintaining a diversity of business sectors, it must maintain an ample inventory of large continuous tracts to land Heavy Industrial tenants while preserving smaller interior tracts for sectors that do not consume as much property yet create jobs. This analysis demonstrates the importance of balancing land consumption with job creation and economic impact in order to maximize the Port’s mission of economic development and job creation.

Figure 11 – Number of Employees per Industry



In order to maintain the Port's high level of competitiveness with other industrial parks, this enclosed study will assist the Port in developing a replacement plan for its property inventory so that it can provide potential tenants with the same options that attracted the current roster of world class tenants.

2. PROJECT GOALS, COLLABORATION, SUITABILITY CRITERIA AND PRIORITIES

2.1. Project Goals

In order to conduct a comprehensive review of property throughout Caddo and Bossier Parishes the decision was made to employ Geographic Information System (GIS) software to conduct suitability analysis of the 1800 square mile study area. The GIS software is a product from the Environmental Systems Research Institute (ESRI) known as ArcGIS Desktop. The Spatial Analysis extension within ArcGIS provides tools to model suitability based on a set of criteria selected from available spatial data. Once the criteria are defined, the extension provides multiple methods to combine the input, identify, and rate suitable locations. The methods best suited for the purposes of this study are both the Weighted Overlay and Fuzzy Overlay analysis tools. BKI staff in conjunction with Port staff, Port Commissioners, and Port tenants developed the criteria selection with the needed inputs into the model. The criteria is based on the Port's 2011 Master Plan, the Louisiana Economic Development (L.E.D) certified sites program, and common features sought after in the site selection industry. An initial set of criteria was selected by BKI staff and Port staff from the available spatial data. Each of the criterion was presented to the Port's Commissioners through a questionnaire asking them to rank the criterion against the others. Based on the results of the Port Commissioner's surveys, the top eight (8) criteria were selected to be run in the GIS spatial analysis software. These top eight (8) criteria were then weighted, based on a 100% scale, by their relative importance shown in the Commissioner's survey results. In order of importance, the criteria chosen as an input into the suitability model for future property expansion are as follows:

1. Located within twelve miles of an East/West North/South Interstate interchange (15%)
2. Within close proximity of major infrastructure capable of carrying the existing Port's needs (14%)
3. Adjacent to or accessible to additional railway (13%)
4. Flat Land (13%)
5. Within a one and one half (1- ½) mile radius of an existing Interstate interchange (12%)
6. Open land as opposed to heavily forested (12%)
7. Within a five mile radius of a Class One Fire Station (11%)
8. Adjacent to or within a 5-mile radius of the existing port (10%)

2.2. Collaboration

The finalization of the criteria was completed through collaboration of Port officials as well as the Port Expansion Committee throughout a series of meetings. The dates of the meetings with Port officials and the Port expansion committee are listed below in Table 4.

Table 4 – Meeting Dates

MEETING DATES	
Port Officials	Port Expansion Committee
April 14, 2014	April 17, 2014
July 10, 2014	July 11, 2014
August 18, 2014	August 21, 2014

2.3.Collaboration/Exchange (Port of Catoosa Visit)

During the development of this Port Expansion Study project, the Port Commissioners and Staff agreed that a site visit to a nearby inland port should help the any critical decision to be made within this study and all potential future expansion decisions by the Port. Since the Caddo Bossier Port has had past experiences with the Port of Catoosa and it is existing inland port that is thriving from its past decisions/expansions, it was a selected as the best candidate site for development ideas and Q&A with the staff. The Caddo-Bossier Port Commissioners and Staff that attended the trip on October 27, 2014 were Captain/Commissioner Thomas Murphy, Commissioner James Pannell, Commissioner Rick Prescott, Attorney Danny Malone, Eric England, and Tyler Comeaux.

The Port of Catoosa was started in 1967 when the City of Tulsa and Rogers County Oklahoma passed a bond to develop the infrastructure needed to develop what is now ultimately the Tulsa Port of Catoosa (Tulsa Port). Since its conception, the Tulsa Port has grown into one of the Midwest region’s top intermodal facilities for transportation of cargo.

The Tulsa Port was kind enough to offer their Port Director, Bob Portiss, and Manager of Operations, Brad Banks, to our Caddo-Bossier Port crew where they gave an extensive site tour of their existing facilities. During the site tour, Bob gave a detailed overview on most of their seventy (70) tenant facilities, which employ over 4000 people from the local community. The Tulsa Port currently transport’s approximately 2,700,000 tons of cargo up and down the Verdigris and Arkansas River systems. The bulk portion of the tonnage shipped in and out of this Port has to do with the Midwest’s seasonal crops.

The Tulsa Port is relatively removed from the City of Tulsa (± 20 minutes) commercial developments (i.e. – restaurants, gas, banks, convenient stores, etc.) and therefore has developed and leases a Commercial Strip Center and gas filling station just outside of their main entrance gate for convenient used by its tenants’ employees. The strip center has typically averaged about 50% occupancy with restaurants such as, Mexican, subway, and donuts, and also other businesses such as, quick care/work care facility or Credit Union. Bob went on to describe that Tulsa Port developed these properties with the tenants’ employees in mind; not just to make money to pay off the facility. He went on saying

that these facilities are only for the Tulsa Port everyday work and that they are very particular in the lessors that are accepted (e.g., - They have had several liquor stores propose lease agreements for available spaces, but they have declined all proposals because it is not in the best interest of the Tulsa Port.). In addition, Bob stated that the Tulsa Port took the initiative to develop this property into a strip mall because they suspected if the Port didn't take action on the available opportunity then there may be an outside party that would develop a commercial strip center in the vicinity that may not be in the best interest of the Tulsa Port (i.e. - Liquor stores, etc.).

During the tour, Bob also conferred how the Tulsa Port has five (5) available gates that are typically open from 6 AM to 6 PM daily with all traffic outside of these available times having to pass through the main gate entrance with a guard/security service. He explains that all incoming traffic has to be cleared by one of the tenants prior to being cleared to proceed onto Port property. He said this is a very good mechanism for the tenants to feel as though they are protected during susceptible times throughout the night and it also eliminates non-Port traffic from entering and exiting the Port outside of the allotted time frames. Furthermore the one main gate entrance also allows for the placement of a waterproof box with a Port map for visitors and also a place for all Tulsa Port Tenant to post available jobs on the "Now Hiring" magnetic board. These two items at the main gate entrance are a small way that the Tulsa Port tries to give back in a relatively inexpensive way to its tenants and visitors alike.

As we were driving through the facility, a question asked by a Caddo-Bossier Port member was "what is your setup for standby truckers during holding periods" to which Bob pointed out that they now have an approximate five (5) acres lit up gravel parking lot facility that was just completed. Bob went on to talk about how all he has received is very positive comments on this new facility.

Lastly, we stopped at the Port Office Facility where Bob gave us a tour of their now Maritime Education Center. This center has several things that are directed towards kids and young adults learning about and expanding their knowledge on the advantages of the maritime industry. In addition, there are a variety of short videos that teach visitors about the Tulsa Port's history and economic impact on Oklahoma.

Following our extensive site/facility visit, we sat down with Bob and Brad inside the Tulsa Port office building to discuss the lessons that have been learned through the thirty (30) years that Bob has been the Port Director. Bob talked in general terms about each of the facilities planning and development stages and what worked best and vice versa to help inform the Caddo-Bossier Port Commissioners and Staff in attendance on what may be potential risk when developing future facilities. Everyone in attendance agreed that the trip was very successful and gained a wealth of knowledge about Port growth and strategies.

2.4. Suitability Criteria

Twelve Miles from North-South East-West Interstate Intersection

The feature desired most, based on the Port Commissioners survey, is for future property to be within twelve miles of a North/South-East/West Interstate Intersection. The importance of proximity to a North/South-East/West Interstate Intersection is also cited in the Port's 2011 Master Plan. In part two section one titled, "Recommendations for additional Real Estate Projects to Enhance Regional Economic Development", the plan states that, "to meet the needs of distribution sensitive companies, industrial parks sites need to be adjacent to an interstate interchange AND ideally within twelve miles of the intersections of North-South East-West interstate highways. Listed in Table 5 are the suitability values assigned to the distances from each North-South East-West interstate intersection.

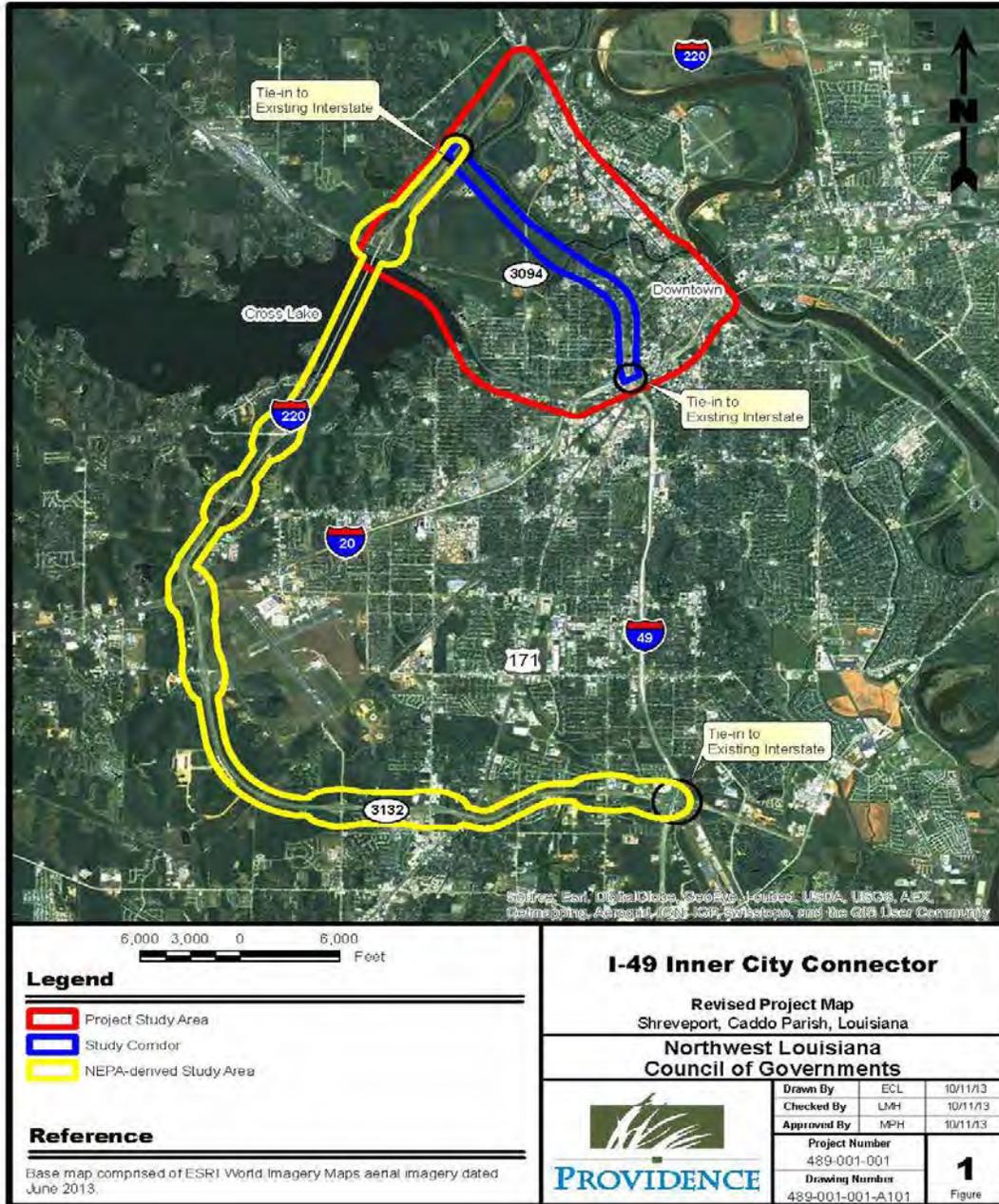
Upon completion of I-49 to Texarkana, the Shreveport Bossier Metropolitan area will attain its first North-South East-West Interstate intersections. The North-South East-West interstate intersections of I-49 and I-20 applied as inputs for this weighted overlay layer includes both I-49 at I-20 (near downtown Shreveport) and the current intersection of I-20 and 3132 (near the Shreveport Regional Airport). Due to the uncertainty of completing the "I-49 Inner city connector" the "fifth build alternative", formerly the "no-build alternative", the I-49 temporary route via I-220 and 3132 will be considered (see Figure 12 –). This alternative places the N/S-E/W interstate intersection of I-49 and I-20 at the current intersection of I-20 and 3132. More information and maps are available at www.i49shreveport.com.

Due to the August 16, 2013, completion of the Final Environmental Impact Study by The Louisiana Department of Transportation and Development (DOTD) and the Federal Highway Administration (FHWA) there is a high level of certainty where I-69 will intersect I-20. While many factors remain unresolved, such as allocations of funds and construction timelines, it has been agreed on to include the future intersections of I-69 and I-20 as an existing North/South-East/West interstate intersection. The location established for the future intersection of I-20 and I-69 is in Bossier Parish on I-20 approximately one and a half miles west of the Webster Parish line near mile marker 37. Further information and maps of the proposed route can be found at www.i69dotd.com. Upon completion of I-69, the Shreveport-Bossier Metropolitan Area will have access to two major North/South-East/West interstate intersections.

Table 5 – Proximity to North-south east-west Interstate Intersections

Suitability Value	Value Range (miles)
5	12
4	12-13
3	13-14
2	14-15
1	> 15

Figure 12 – Map showing I-49 Inner City Connector Study



Proximity of major infrastructure capable of carrying the existing Port's needs

The second highest priority from the survey of the Port Expansion Committee members is for future property to have reasonable access to infrastructure capable of handling demand equivalent to the existing Port. The current excess potable water capacity at the Port is 5.25 million gallons per day (MGD). Water is provided by the City of Shreveport via a 30" water main with a capacity in excess of 7 MGD. Wastewater disposal is also provided by the City of Shreveport via an 18" force main with a capacity of 5.0 MGD. CenterPoint Energy serves natural gas to the Port via two 12-inch pipelines at 150psi plus one 12-inch pipeline at 300psi. Electricity is provided by AEP/SWECO via two substations, each energized by dual feed 138KV lines. Bell South, including T-1 internet, offers telephone/Telecommunications. Requests for GIS data representing the location and attributes of natural gas mains, fiber optic lines, and electricity infrastructure were denied, due to binding legal agreements and homeland security concerns. The GIS data options to leverage the modeling suitability of utility infrastructure are limited to the municipal sewerage and water systems operated by the City of Shreveport and Bossier City. In addition, it is assumed that all major municipal sewer and water lines are somewhat geographically correlated and including both in the model may cause some areas to be overrepresented in the final weighted overlay model. Water consumed in urban areas supplied by municipal water must be disposed of in one way or another and municipal sewage is usually the most viable option. This leads to the assumption that sewer capacity tracks water consumption and therefore it is reasonably safe to assume that, in urban areas, where there is water demand on a municipal system, the ability to dispose of it through municipal sewage is not far. This is backed up by the fact that, in Shreveport, wastewater disposal is billed with water and estimated by water consumption. Based on the reasons stated above and lower construction costs of sewer lines versus water lines, proximity to water supply was selected as the model input representing this criteria over sewer lines. Consensus by all parties was agreed that a minimum diameter of eighteen inches (18") is necessary to supply the required future water demand of potential future sites. Uncertainties concerning the output capacity and data accuracy of smaller parish water systems without GIS inputs caused the analysis to be restricted to the Shreveport and Bossier municipal water systems. GIS data obtained from the City of Shreveport and Bossier City were queried to select all water distribution mains greater than or equal to eighteen inches (18") in diameter. As shown in Table 6, areas within one half (½) mile of an eighteen inch (18") water line receive the highest suitability value and decreases by one every one half (½) mile up to four (4) miles. All areas over four (4) miles from an eighteen inch (18") line receive a value of one (1).

Consideration of the availability and capacity of electric power, telecommunications, natural gas, wastewater, and potable water supply will be examined later in the process to further rate the properties ability to meet the demand requirements.

Table 6 – Proximity to Water Infrastructure

Suitability Value	Value Range (miles)
1	Greater than 4
2	3.5 - 4
3	3 - 3.5
4	2.5 - 3
5	2 - 2.5
6	1.5 - 2
7	1 - 1.5
8	.5 - 1
9	0 - .5

Proximity to Railroad

In part two section one titled, “Recommendations for additional Real Estate Projects to Enhance Regional Economic Development” the Port’s 2011 Master Plan states that, “another clear site need is for industrial sites with dual rail service from both United Pacific (UP) and Kansas City Southern (KCS)” while suitability isn’t addressed for KCS specific access, proximity to any major rail carrier is considered and receives the third highest influence. As shown in Table 7 areas within a one half (½) mile of rail service receive the highest suitability value and decreases by one (1) every half mile up to four (4) miles. All areas over four (4) miles from rail lines receive a value of one (1).

Table 7 – Proximity to Railroad

Suitability Value	Value Range (miles)
1	Greater than 4
2	3.5 - 4
3	3 - 3.5
4	2.5 - 3
5	2 - 2.5
6	1.5 - 2
7	1 - 1.5
8	.5 - 1
9	0 - .5

Slope

Slope analysis is an important component of site selection analysis. Flat to moderately sloped sites are preferable to steeply sloped sites. Steeply sloped areas are problematic to develop due to environmental factors such as soil erosion, loss of hillside vegetation, and damage to waterways due to runoff. Flatter lots are preferred because they are less expensive to develop due to costs associated to cut and fill process involved in slope stabilization and stability. Slope is also an important factor in the economics of railroad construction because gradients limit the load that a locomotive can haul. On a 1% gradient a locomotive can pull half of the load that it can pull on level track, construction of railways on slopes steeper than 4% a nearly unheard of. The drawbacks associated with flatter slopes are poor drainage and the potential presence of wetlands. The suitability values and the slope ranges assigned to them are presented below in Table 8.

Table 8 – Slope Values

Suitability Value	Value Range
9	0% - 3%
5	3% - 5%
2	5% - 8%
1	8% and greater

Proximity to interstate interchanges

The fifth priority is proximity to an Interstate interchange. To locate within close proximity to an Interstate interchange is one of the most desirable attributes for both commercial and industrial development. The Federal Highway Administration (FHWA) defines an interchange as, “a system of interconnecting roadways that provides for the movement of traffic between two or more highways on different levels. Any Interstate exit-ramp or on-ramp is considered an interchange as long as both roadways are accessible in all direction of travel. In Caddo and Bossier Parishes, there are nearly one hundred exit and on ramps (including planned future interstates). In order to narrow down the analysis we removed intersections that do not provide access in all direction to both roadways. To focus our analysis further we chose interchanges that connect roads classified as, Interstates, State Highways, and principal arterial routes. Research suggests that road access is the paramount criteria in site selection for both commercial and industrial development. In the Q4 2013 issue of Area Development Magazine Mark Crawford argues the reasons why “highway connections are essential for a well-functioning supply chain”. In his article, “Critical Location Decision Factor #2: The Road to Profitability” Crawford states that, “for the logistics and manufacturing industry sectors... transportation costs typically account for more than 60 percent of all supply chain costs.” He goes on to say that, “For some site selection projects, highway access should also be viewed in terms of the visibility it creates and ease of access for the work force, especially for labor-intensive operations like call centers and customer service centers. Access to public transit, signage, and the ability of applicants to readily recognize and find the hiring site are all part of the access equation. To further emphasize his point Crawford quotes Tim Feemster, managing principal for Foremost Quality Logistics in Dallas, Texas, whom states that “The rule of thumb is ‘5 to 55’ — meaning taking only five (5) minutes to get to 55 miles per hour.” David Abney, chief operating officer for United Parcel Service

(UPS), quantified the importance of time in controlling operating cost in his testimony to the U.S. House of Representatives’ Committee on Transportation and Infrastructure when he revealed that “if every UPS delivery vehicle is delayed just five minutes each day, it would cost UPS an additional \$105 million annually.”

In 2013 the “28th annual survey of corporate executives”, by Area Development Magazine, asked 240 executives to rank the top site selection factors when choosing a site (the majority [39 percent] are with manufacturing companies, and about a fifth represent the financial services/insurance/real estate sector). The survey results, released during the first quarter of 2014, ranked “availability of skilled labor” as the top priority, however, this is a “realignment of sight selection priorities” according to the magazine, “historically, highway accessibility and labor costs have ranked as the top factors.

With this in mind highway access must be among the top geographical location priorities. The analysis will consider the route of I-49 currently under construction through Caddo Parish. The proposed I-69 route through Caddo and Bossier Parishes, and the intersection with I-20 and LA Highway 1 will be used in the model. The challenges that arise from this decision are an undefined construction timelines, and that “financing highway construction is one of the most critical issues facing Congress”. According to the Congressional Budget Office (CBO) in an April 2013 report on the status of the Highway Trust Fund, “The current trajectory of the Highway Trust Fund is unsustainable. Starting in fiscal year 2015, the trust fund will have insufficient amounts to meet all of its obligations, resulting in steadily accumulating shortfalls” (<http://www.cbo.gov/publication/44093>). In order to attract businesses to the Port it is essential to leverage the two (2), and eventually three (3), interstates that will intersect in the Ark-La-Tex. With this in mind the portions of I-49 under construction, the proposed I-69 route and the extension of 3132 from Hwy. 526 south to Flournoy Lucas have all been digitized and assimilated into GIS. The suitability values and the value range assigned to them are presented below in Table 9. The intersections selected are presented in Table 10.

Table 9 – Proximity to Interstate Intersections

Suitability Value	Value Range (miles)
1	Greater than 2.5
3	2 - 2.5
4	1.5 - 2
5	0 - 1.5

Table 10 – Proximity to Interstate Intersections

Interstate	Cross Street
I-20	3132
I-20	Benton Road
I-20	Bert Kouns Industrial
I-20	Hearne Avenue
I-20	I-220
I-20	Spring Street
I-220	Airline Road
I-220	Benton Road
I-220	Market Street
I-49	Bert Kouns Industrial
I-49	I-20
I-49	I-220
I-49	Kings Highway
I-49	Mansfield Road
I-49	North Market
I-49	Terry Bradshaw Passway
I-69	Hwy 1
1-69	I-20

Land Use

The sixth criteria selected as input into the model is land use. The land use criteria allows for scoring land for proximity to developed areas, environmental issues, and cost to get build ready. The land use categories and the suitability values assigned to them are listed in Table 11. The Port Master Plan states, “a site is considered ‘build ready’ if it is level, well drained, and can offer soil testing results to the perspective user”. With this in mind higher values are assigned to land that is typically less expensive to get “build ready”. This criterion allows for property that is developed and/or within close proximity to residential areas to receive a lower score or restricted. The land use criteria is also useful for restricting or avoiding wetlands, parks, and open water.

Table 11 – Land Use

Suitability Value	Land Use
9	Barren Land
9	Cultivated Crops
4	Deciduous Forest
1	Developed, High Intensity
1	Developed, Low Intensity
1	Developed, Medium Intensity
4	Developed, Open Space
1	Emergent Herbaceous Wetlands
4	Evergreen Forest
9	Hay/Pasture
9	Herbaceous
4	Mixed Forest
0	Open Water
0	Restrictions
5	Shrub/Scrub
1	Woody Wetlands

Proximity to Class One Fire Station

The seventh highest priority is to be located within a five (5) minute drive from a Class One Rated Fire Station. Primarily this is important to employers that invest heavily to protect employees and the workplace. Secondly it assists prospective tenants in obtaining an acceptable fire rating which in turn keeps fixed insurance expenses at viable levels. As an approximation of a five (5) minute drive time, land within five (5) miles of all Shreveport and Bossier City fire stations receives preference over land that is over five miles. The suitability values and the value range assigned to them are presented below in Table 12.

Table 12 – Proximity to Class One Rated Fire Station

Suitability Value	Value Range (miles)
1	> 8
2	7 - 8
3	6 - 7
4	5 - 6
5	< 5

Proximity to the Caddo Bossier Port

The final input chosen for the weighted overlay model is proximity to the existing Port property. Due to the geographical advantages (present and future), and the ability to capture and realize economies of scale proximity to the Port was selected as a criteria to model suitable locations to expand.

Some of the features that make the area near the Port attractive for Industrial development are laid out in the Port Mast Plan of 2011. These strengths include a good location for recruiting workers, comparable property taxes to other industrial Parks in Caddo Parish, access to the Red River, and flexible zoning. The Port Commission's 1976 Master Plan for Marine Terminal Facilities and Industrial development describes some additional reasons this area was initially selected. It points to distance from residential areas, existing industrial zoning and flood protection as key factors that lead to the selection of the current location. In addition to these strengths access to municipal utilities and the capacity of the utility infrastructure, as laid out in section 2.3.2, are the present geographical advantages that make this area unique to Caddo and Bossier Parishes.

The future advantage of the Port's location is currently one of its two geographical weaknesses. Perhaps resolution to Interstate access will open the door to dual access rail. As stated in Technical Memorandum (TM) No. 1, Part 2- Competitive Analyst of the 2011 Port Master Plan and shown in Table 3, "Industrial Park Strengths and Weaknesses" the major geographical weaknesses of the Port are the lack of dual line rail service and adjacency to Interstates. In the future, I-69 will traverse the Port, making the Port's current location adjacent to an interstate intersection and just outside of twelve miles from two North-South East-West Interstate intersections. With the construction of I-69 through the Caddo-Bossier Metropolitan Area, land near the intersection of I-69 and LA Highway 1 will be very well suited for an industrial park. This geographical attribute will boost the competitive advantage the Port has over other industrial parks regionally and nationally. As potential growth is realized, demand for rail service will increase and supply will decrease. Potentially this environment will create the competition required to motivate KCS. At least it may open negotiations for trackage rights if it is mutually beneficial, as stated on pg. 2-42 in TM 2 of The Port Master Plan.

In Tina Salonen 2010 book, "Strategies, Structures, and Processes for Network and Resources Management in Industrial Parks: The Cases of Germany and China" the author discusses "business network strategies for cost reduction and differentiation in industrial parks". Below is an excerpt from her book discussing these strategies.

"Realization of economies of scope: In industrial parks synergies can be realized through the sharing of resources and joint accomplishment of activities. Tenant companies can e.g. jointly perform activities related to production e.g. maintenance, logistics activities or activities related to the firms infrastructure e.g. communication with authorities and environmental, health and safety (EH&S). Industrial parks also provide a basis for the development of interfirm energy and raw material supply concepts.

"Realization of economies of scale: in industrial parks specialization through concentration on core competences result in the performance of support activities at higher scale by specialized firms which

can carry them out more efficiently. Tenant companies can also use existing environmental infrastructure facilities to achieve higher capacity utilization of the facilities and lower company specific fixed cost. Economies of scale can also be realized through joint procurement.”

“Realization of learning effect: learning effects in industrial parks can indirectly be achieved by realizing economies of scale and scope. Direct ways to realize learning effects comprise knowledge sharing and interorganizational learning.”

“Realization of quality advantages: the input and process quality in industrial parks is often higher due to specialization of companies, economies of scale and learning effects. The park management can increase its product quality by offering one stop services, key account management and tailor made services to tenant companies.”

“Realization of economies of speed: specialized companies in industrial parks usually need less time for performing activities due to their experience, efficient facilities as well as steadily available resources and competences for the activity. Moreover, the Investment-to-market-timework tenant companies is shorter due to the available infrastructure and settlement services of the park management.”

“Realization of flexibility advantages: due to the organizational flexibility of interfirm networks their reaction times are often shorter. The park management in industrial parks can offer the tenant companies a possibility to flexible manufacturing by supplying utilities and services on demand basis.”

Table 13 – Proximity to Existing Caddo-Bossier Port

Suitability Value	Value Range
1	> 5
5	> 1.5 and < 5
6	> 0 and < 1.5

Summary of Suitability Criteria

As noted in Andy Mitchell’s book, “Modeling Suitability, Movement, and Interaction”, “GIS data has both a spatial component and an attribute component. Features have to have both the correct location and the correct attributes to ensure the results are valid”. Verifying the accuracy of all the data utilized in the course of this study would be very labor intensive; however, care was taken to insure the most recent versions of the data are utilized. When feasible, the data was spot checked for accuracy against other sources and field observations.

The goal of the suitability analysis in this phase is to identify general areas that are best suited for the Ports expansion needs. Once the general areas of interest are delineated, individual properties can be selected and rated against each other with more detail.

3. PROPERTY SEARCH AND PRELIMINARY SCREENING/ANALYSIS

3.1. Property Search

As stated earlier in the prospect of this analysis, the Port and BKI determined GIS would be the best method of systematic evaluation and comprehensive search for properties within the study. As stated in Technical Memorandum 2 (TM 2), two (2) GIS tools, weighted overlay and fuzzy overlay, were used to build two (2) different suitability models during the property screening process.

The weighted overlay and fuzzy overlay suitability GIS models are methods for evaluating locations, which involve running a series of functions or tools in sequence to get the result. For each, you specify parameters and the input dataset (in many cases the output dataset for one-step becomes the input dataset for the next step). Together, the data tools and parameters – along with the sequence of steps – comprise a GIS model.

The weighted overlay and fuzzy overlay models are comprised of the selection criteria developed by Port officials and staff in conjunction with BKI. The tools leveraged within GIS include, but not limited to, Euclidean distance, reclassify, weighted overlay, fuzzy membership, and find fuzzy overlay. For spatial criteria, such as distance to/from specific features (such as distance to/from Interstate Interchange), Euclidean distance was employed to create a layer that represents the distance from the interchange to each pixel within the study area. In this case, the output dataset from the previous step is used as the input dataset to the next step, which is applying the reclassify tool to apply the suitability value relative to the criteria (relative suitability value). For example, the proximity to Interstate Interchange, the output of the Euclidean distance to each pixel is reclassified to the scale of within 1 mile = 9, within 2 miles = 8, etc.

It should be noted that BKI and Port staff agreed upon certain restricted areas prior to building and running the GIS models. These areas include properties such as Barksdale Air Force Base, Camp Minden, local and regional airports, brown filled sites, industrial parks, open water, etc. Each of these restricted sites are shown in black on the weighted overlay model results map.

The weighted overlay and fuzzy overlay models steps are further described in each of their following respective sections.

3.1.1. Weighted Overlay Model

The GIS weighted overlay model was developed with the aforementioned top eight (8) suitability criteria from the Port Commissioner surveys. The GIS model is built to give an initial suitability value for the entire 1800 square mile study area for each criterion. After a suitability value is assigned for each criterion, the model will then apply the weighted percentage (based on survey results as shown in Section 2.1) of each criterion to the entire study area. Once each criterion suitability value is weighted based on the percentage given from the survey results the model will then add all weighted scores to determine the cumulative suitability score for each pixel. An example to the process of evaluating properties through the weighted overlay GIS model for a particular pixel is as follows:

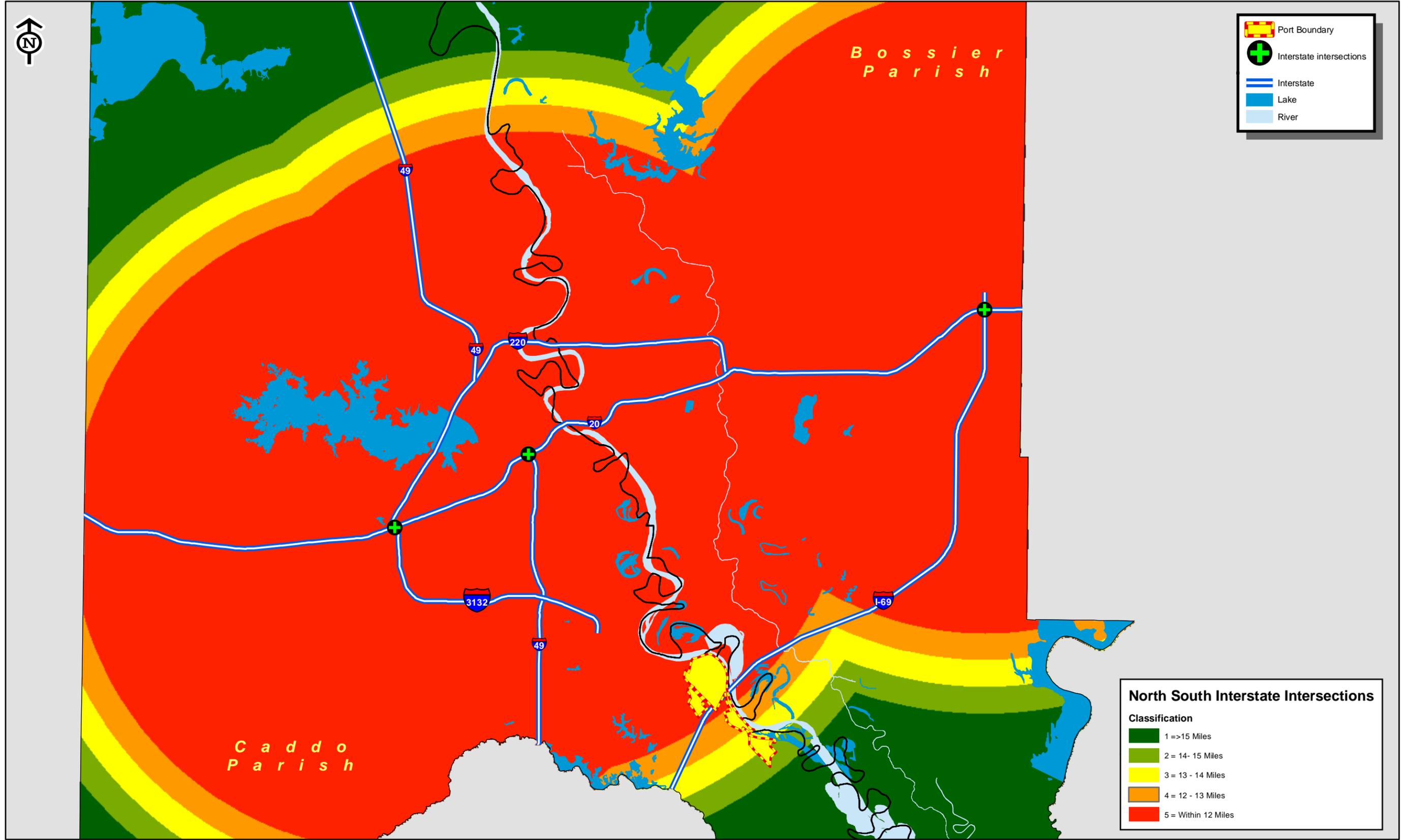
Table 14 – Caddo Parish Weighted Overlay Output Example

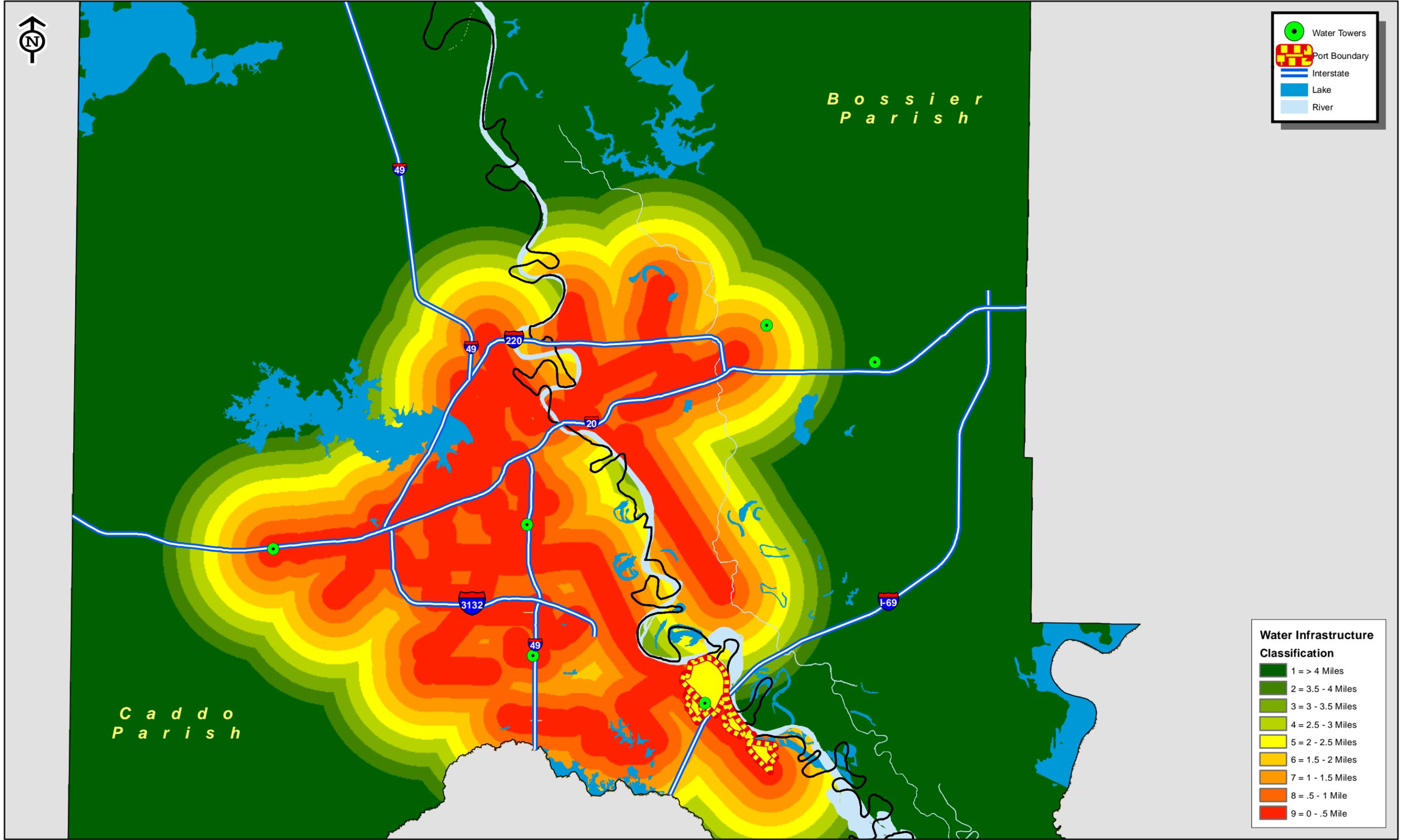
Suitability Criteria	Suitability Score	Weighted Percentage	Total Criteria Score
1	5	15%	0.75
2	3	14%	0.42
3	6	13%	0.78
4	9	13%	1.17
5	1	12%	0.12
6	7	12%	0.84
7	5	11%	0.55
8	5	10%	0.5

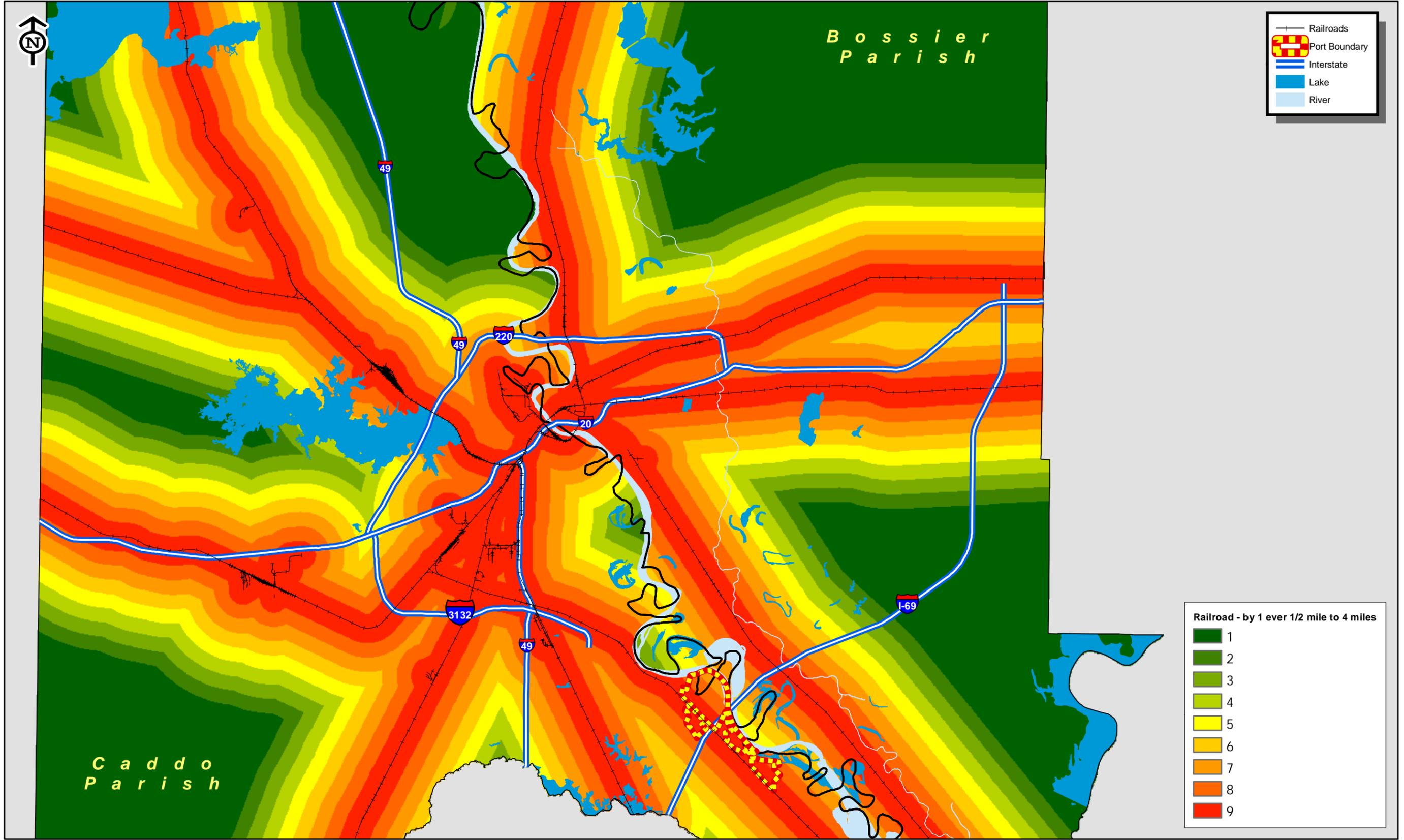
Total Cumulative Score for Pixel: 5.13

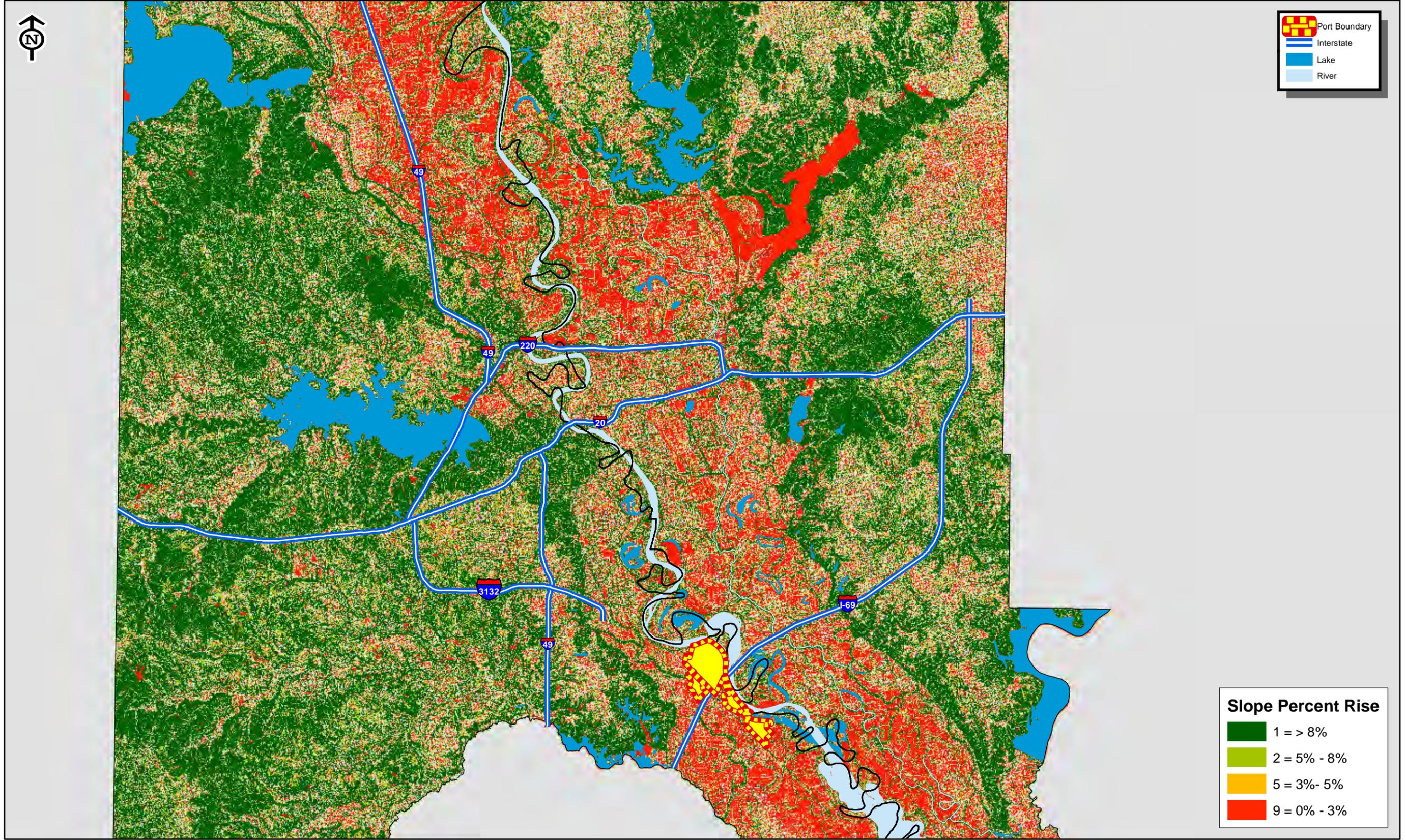
This example property would receive a weighted overlay overall cumulative suitability score of 5.13.

The following nine (9) figures/maps show the suitability scale applied to the study area on each criterion as well as the final weighted overlay model results.









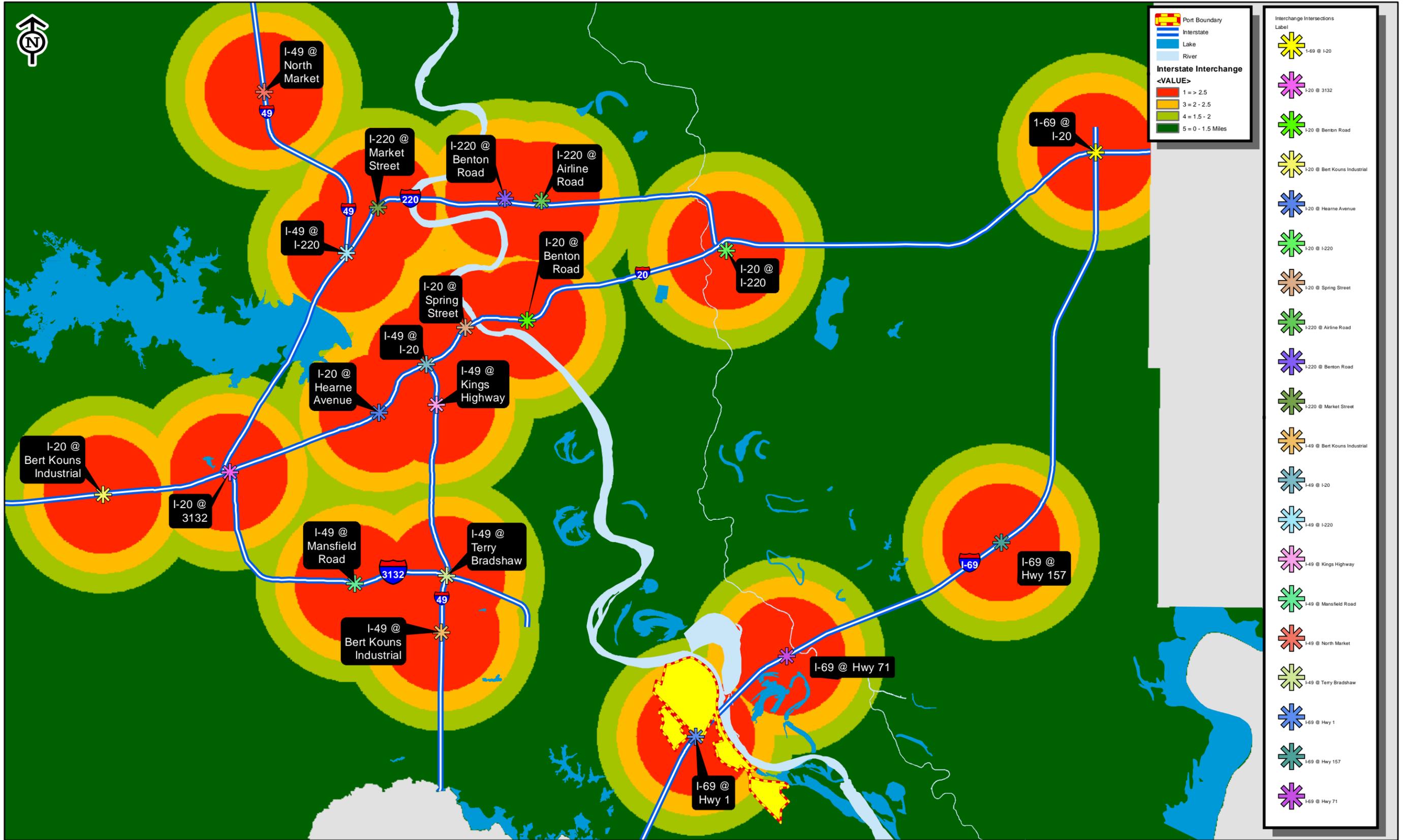
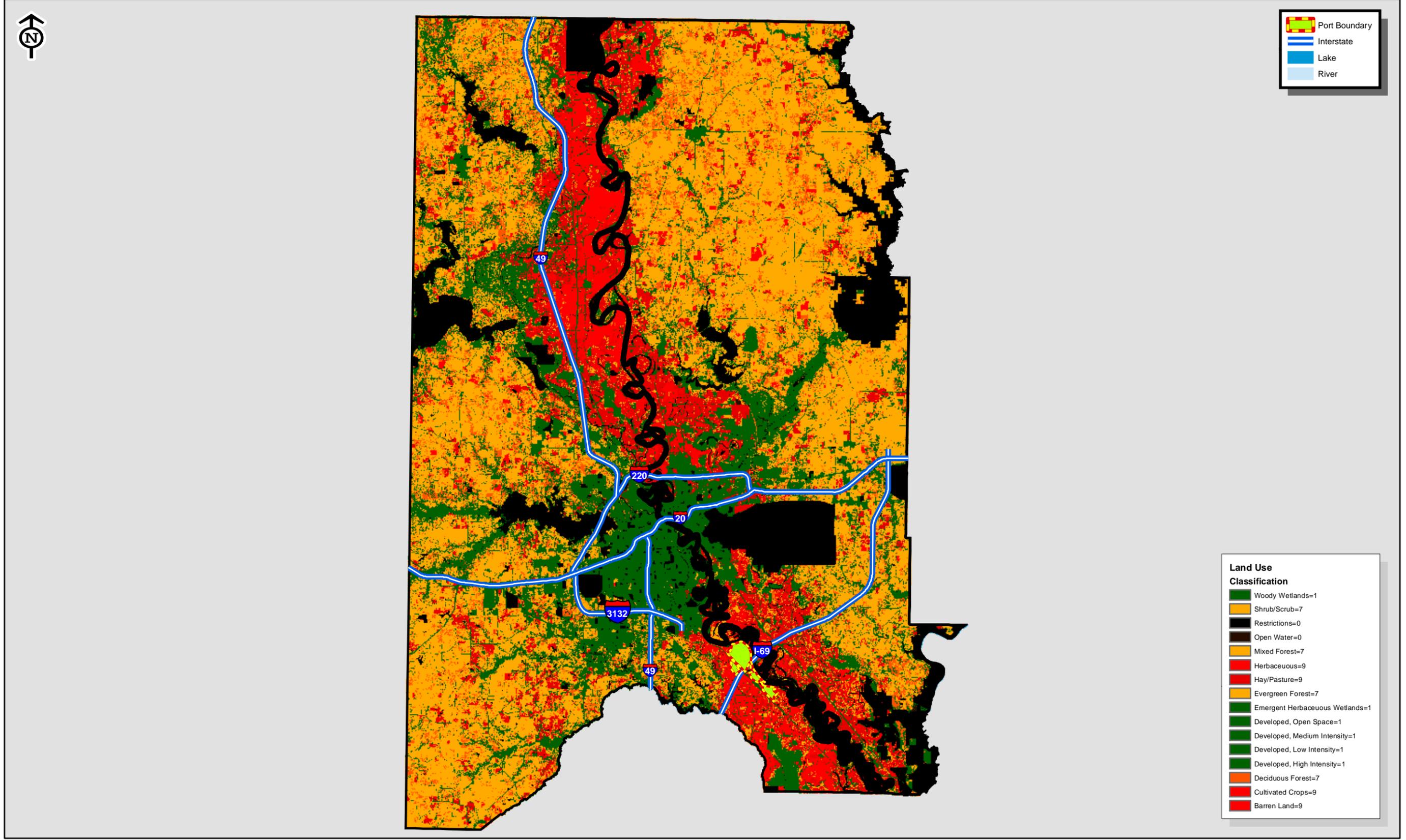
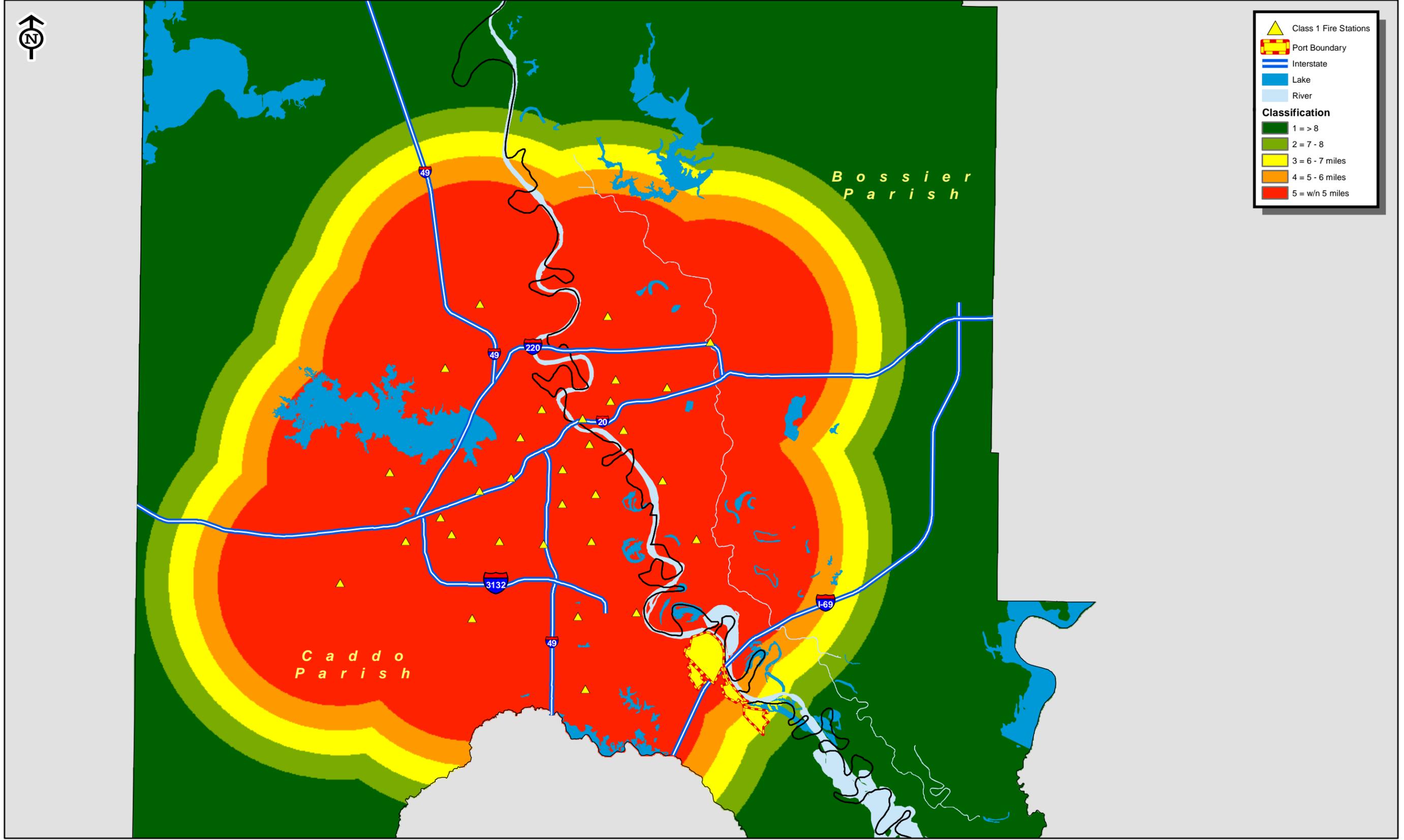
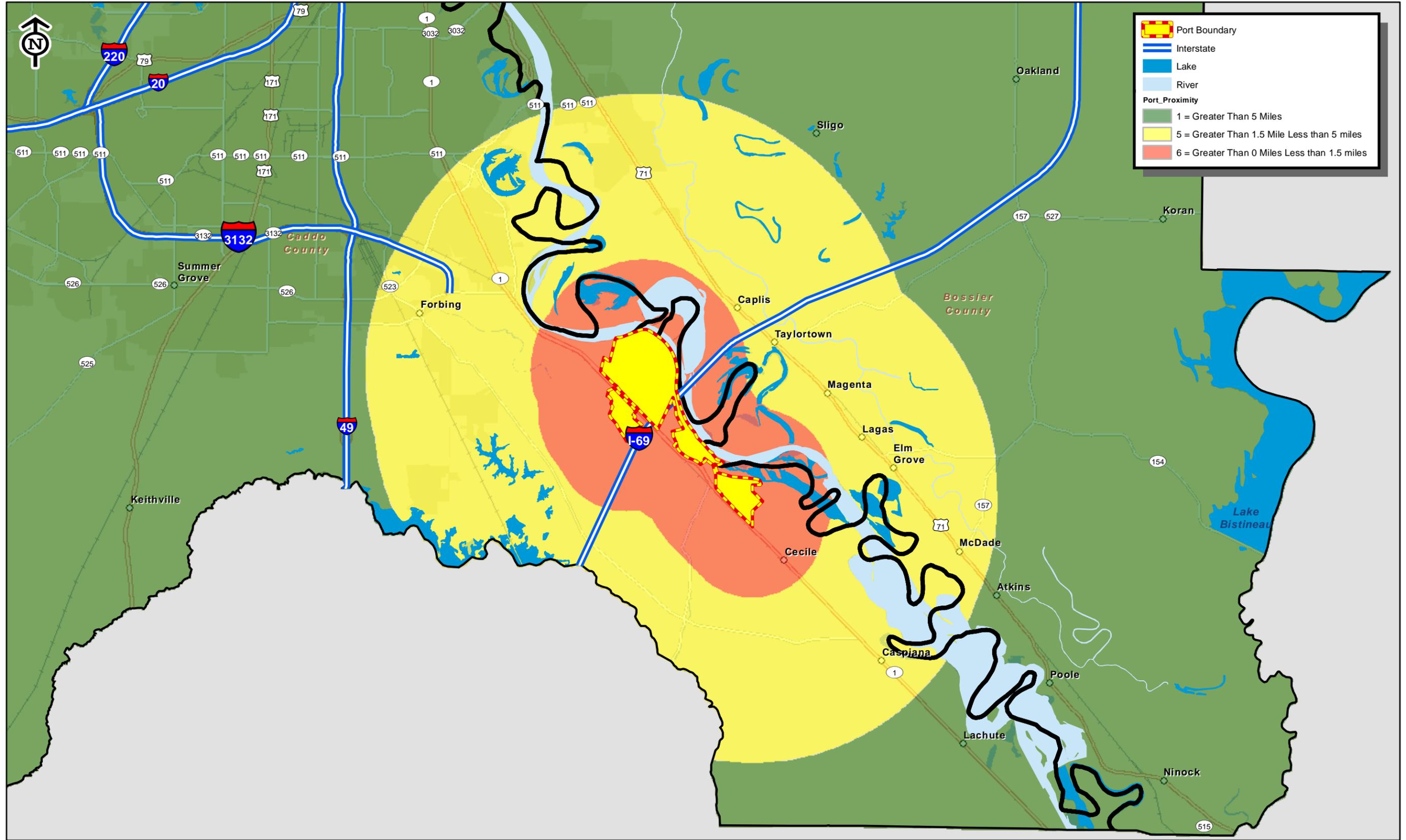
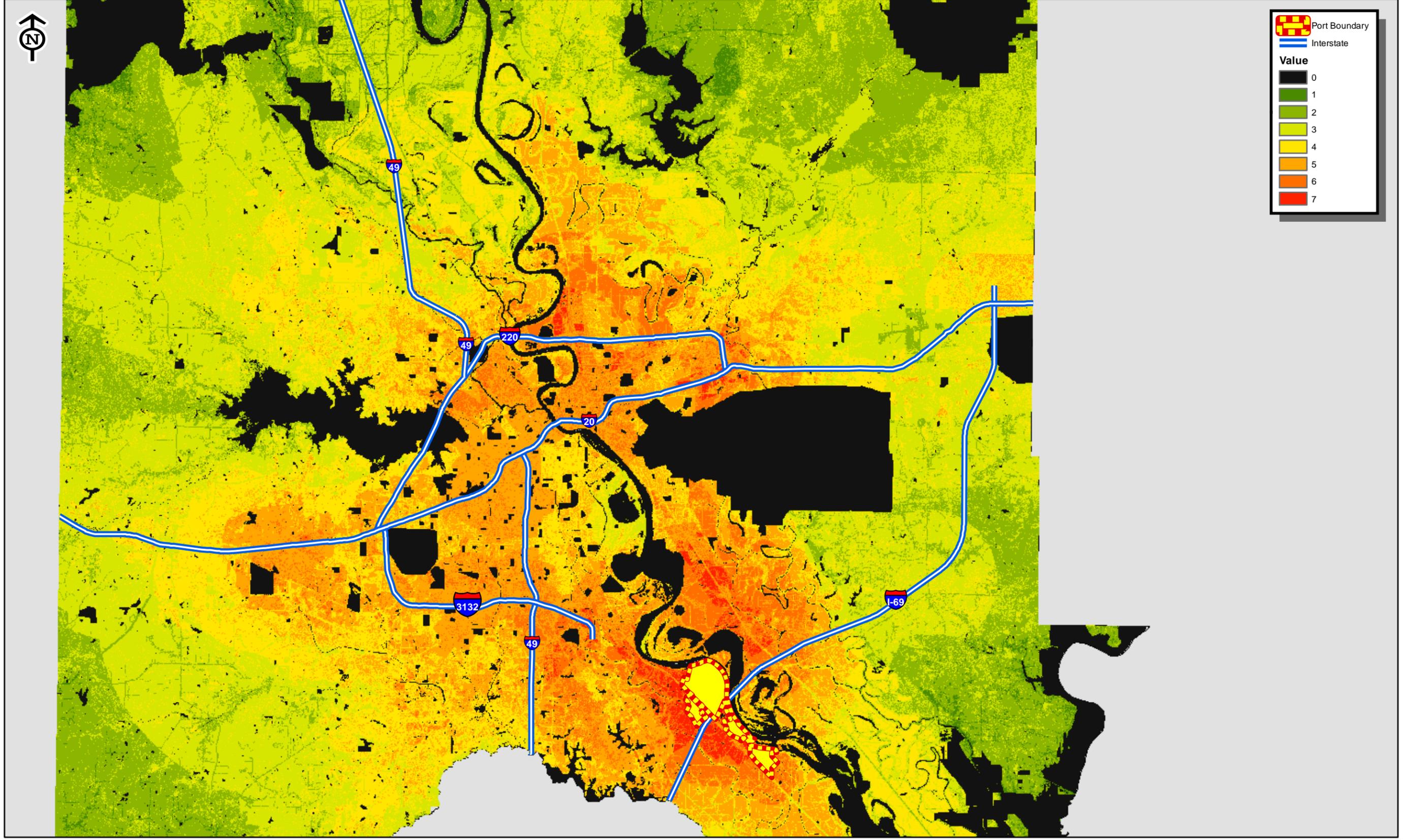


Figure 17 – Proximity to Interstate Interchange (Weighted Overlay)
PORT EXPANSION STUDY
Caddo & Bossier Parishes Louisiana









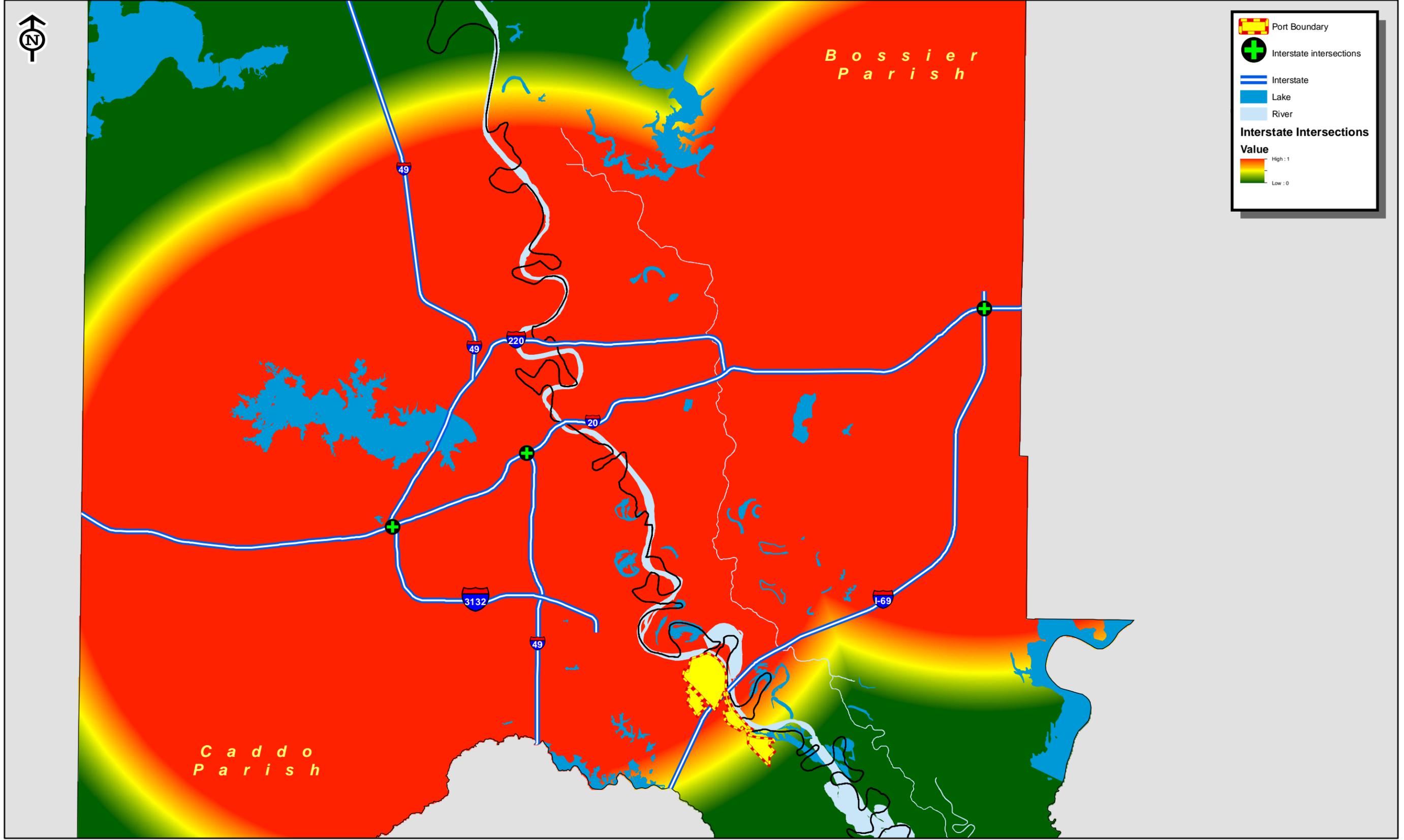
3.1.1. Fuzzy Overlay Model

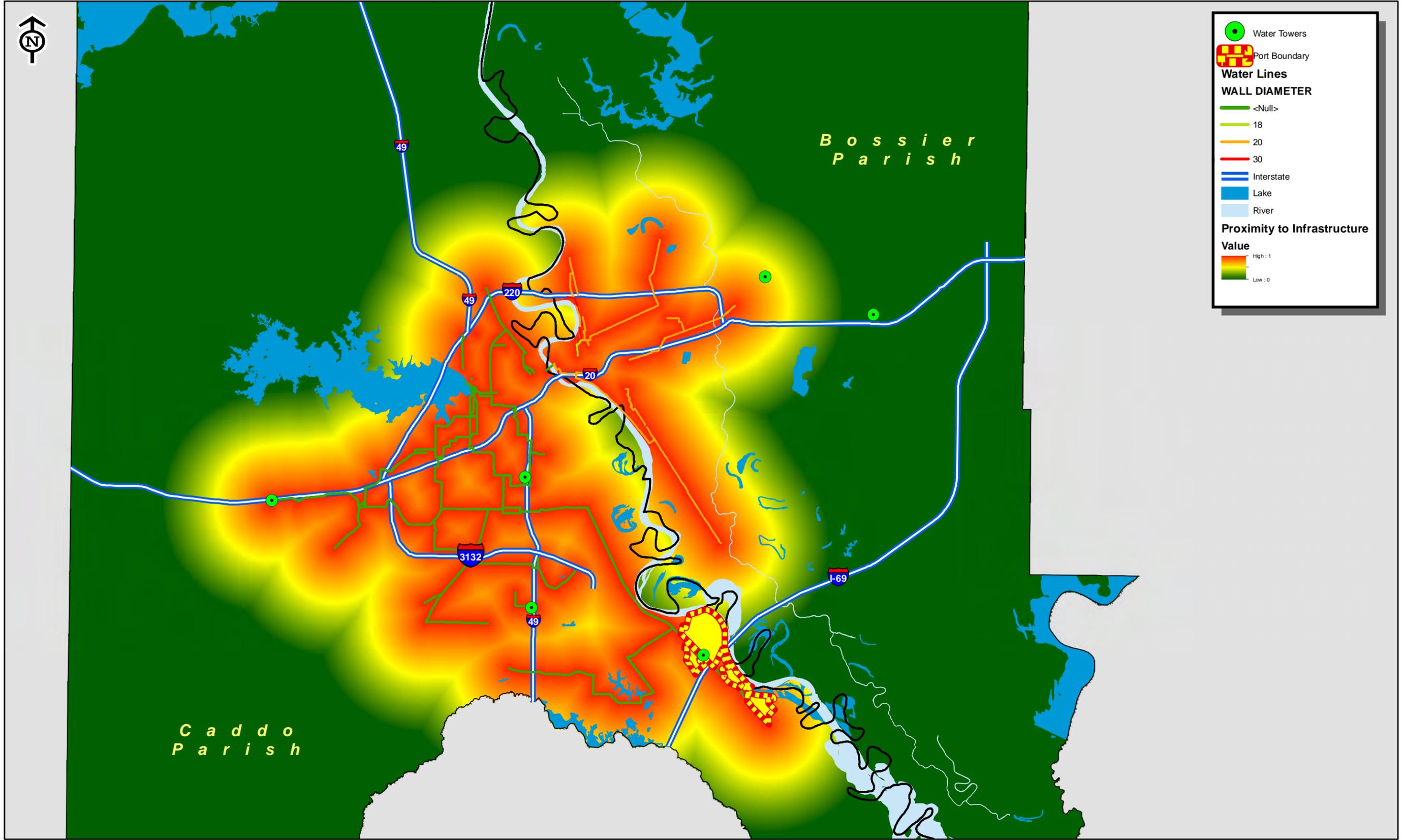
The GIS fuzzy overlay model was developed as a secondary evaluation of the properties within the study area. This model provides more flexibility in combining layer to capture expert opinion and is commonly used for situations when it is difficult to quantify each criteria's importance.

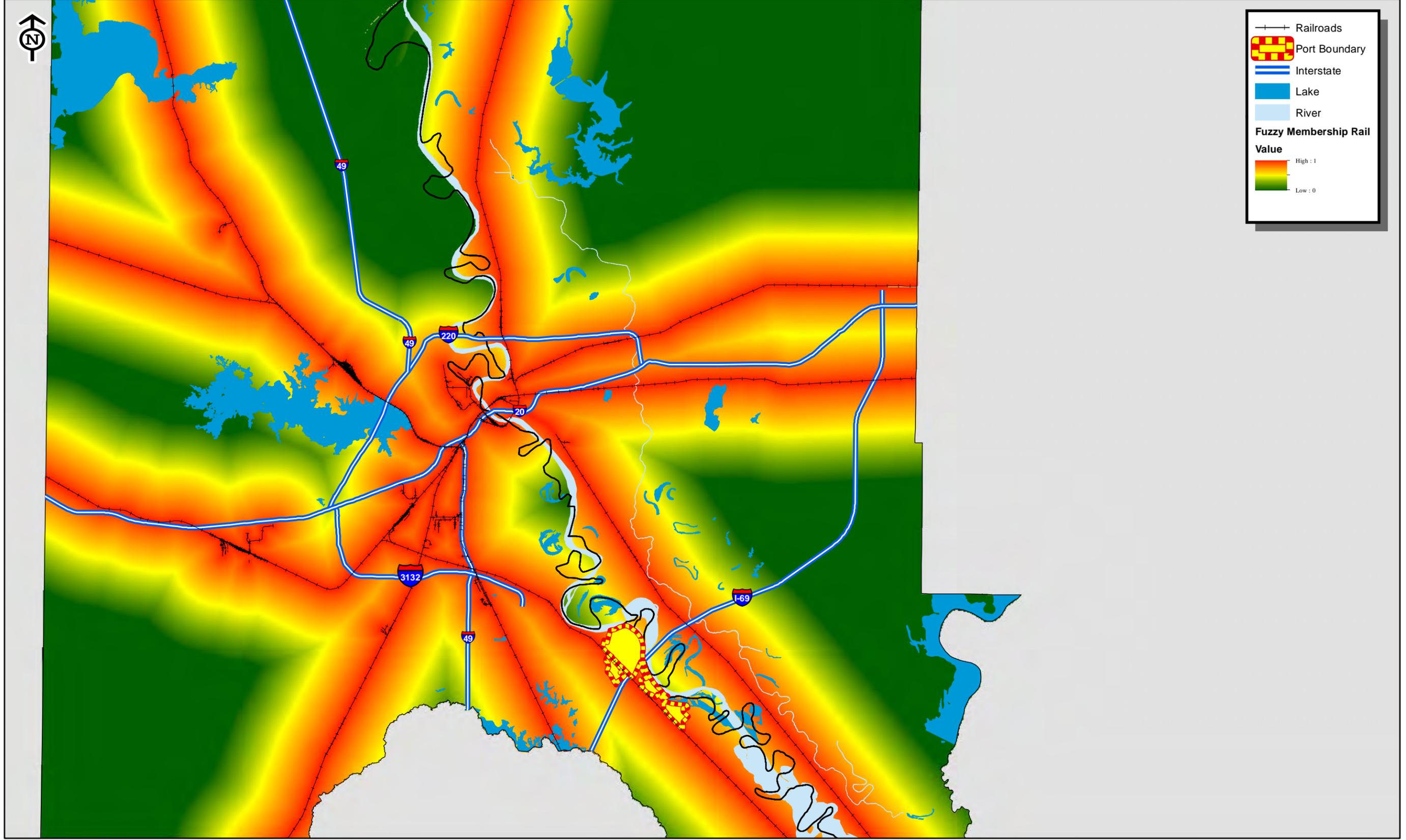
The GIS fuzzy overlay model is comprised of seven (7) of the identified criteria; the Port proximity criteria was not used to ensure a well-rounded product of all properties within the study area. The GIS fuzzy overlay model was built to first give a suitability value for the entire 1800 square mile study area on each of the selected criterion. The difference between the weighted overlay and fuzzy overlay models is the breakpoints on where the suitability value scale changes. In the weighted overlay model, these breakpoints are typically at an interval/distance specified for that criterion; however, the fuzzy overlay model uses a logical or mathematical operator within the tool to create a mathematical function, which will allocate the suitability score within each criterion. As stated in the ESRI guide to GIS Analysis, *"Fuzzy overlay is based on the logic of set theory, in which, traditionally, you determine whether a value is a member of a set, or not. A variation on set theory, known as fuzzy logic, allows you to specify the likelihood that a given value is a member of the set (rather than merely specifying whether the value is either in or out of the set)."*

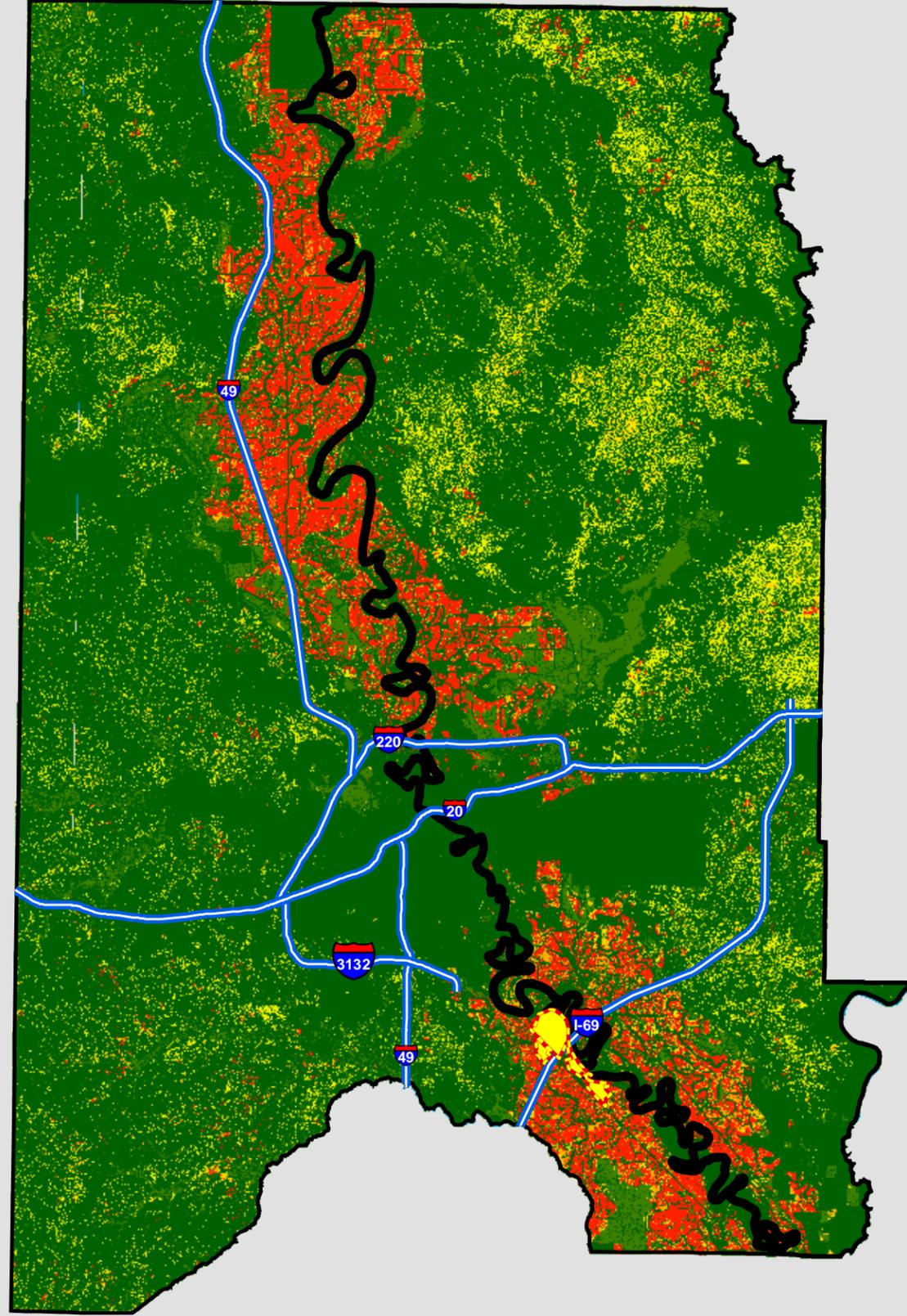
Since the fuzzy overlay model identifies the likelihood of the parcel being within a set, the weighted percentage of the commissioner surveys was not included in this model. Therefore, the fuzzy overlay model overall suitability score is determined by using the fuzzy gamma operator in the fuzzy overlay tool within GIS. The gamma operator was selected because it is typically used to emphasize the high output values, which will highlight the most suitable properties within the study area. Therefore, it was determined that this was a good fit for the project goal (see Section 2.1) which was to find the most suitable areas/properties within Caddo and Bossier Parishes.

The following eight (8) figures/maps show the suitability scale applied to the study area on each criterion as well as the final fuzzy overlay model results.









Port Boundary

Interstate

Lake

River

Slope, Land Use, Land Cover Value

High : 0.9

Low : 0

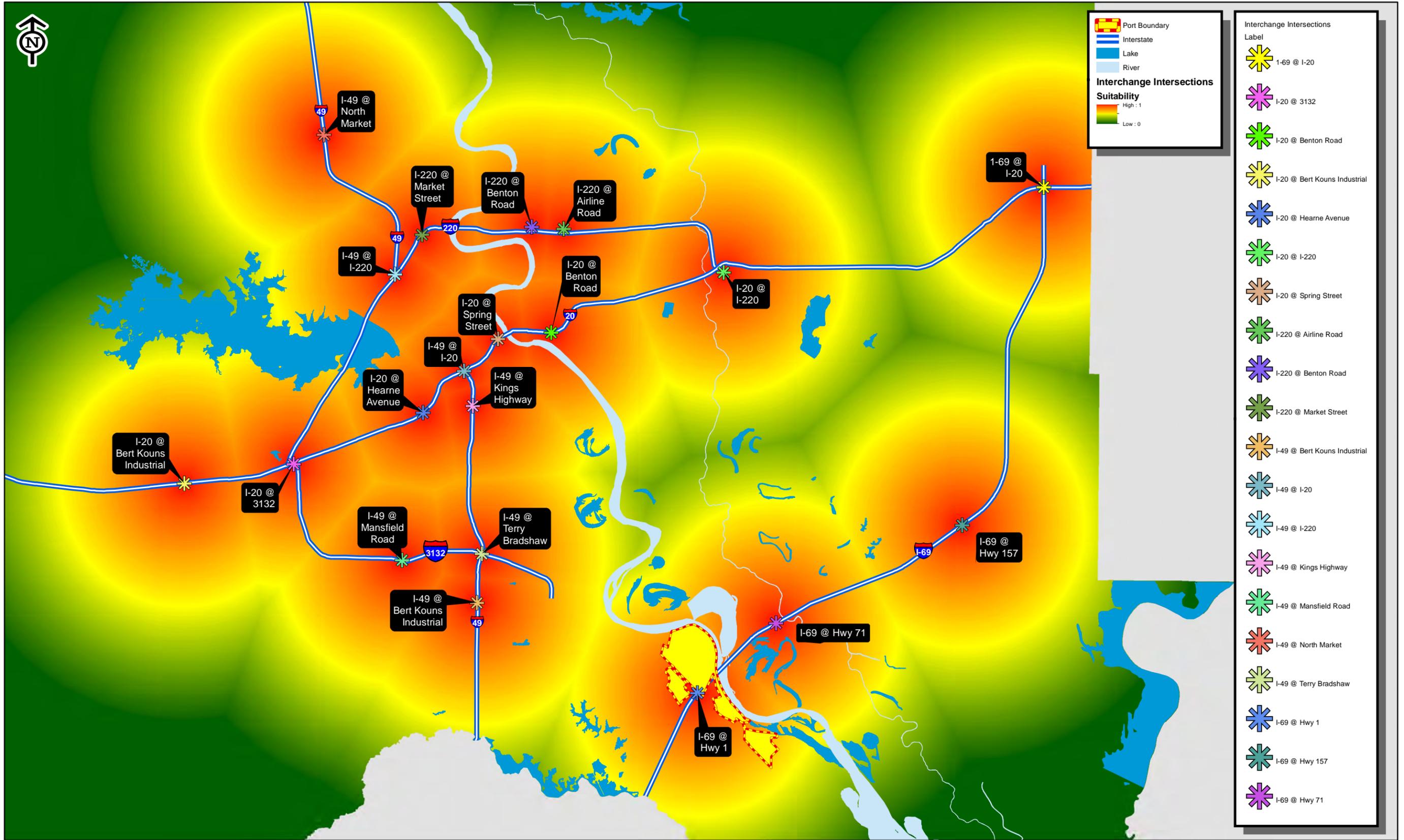
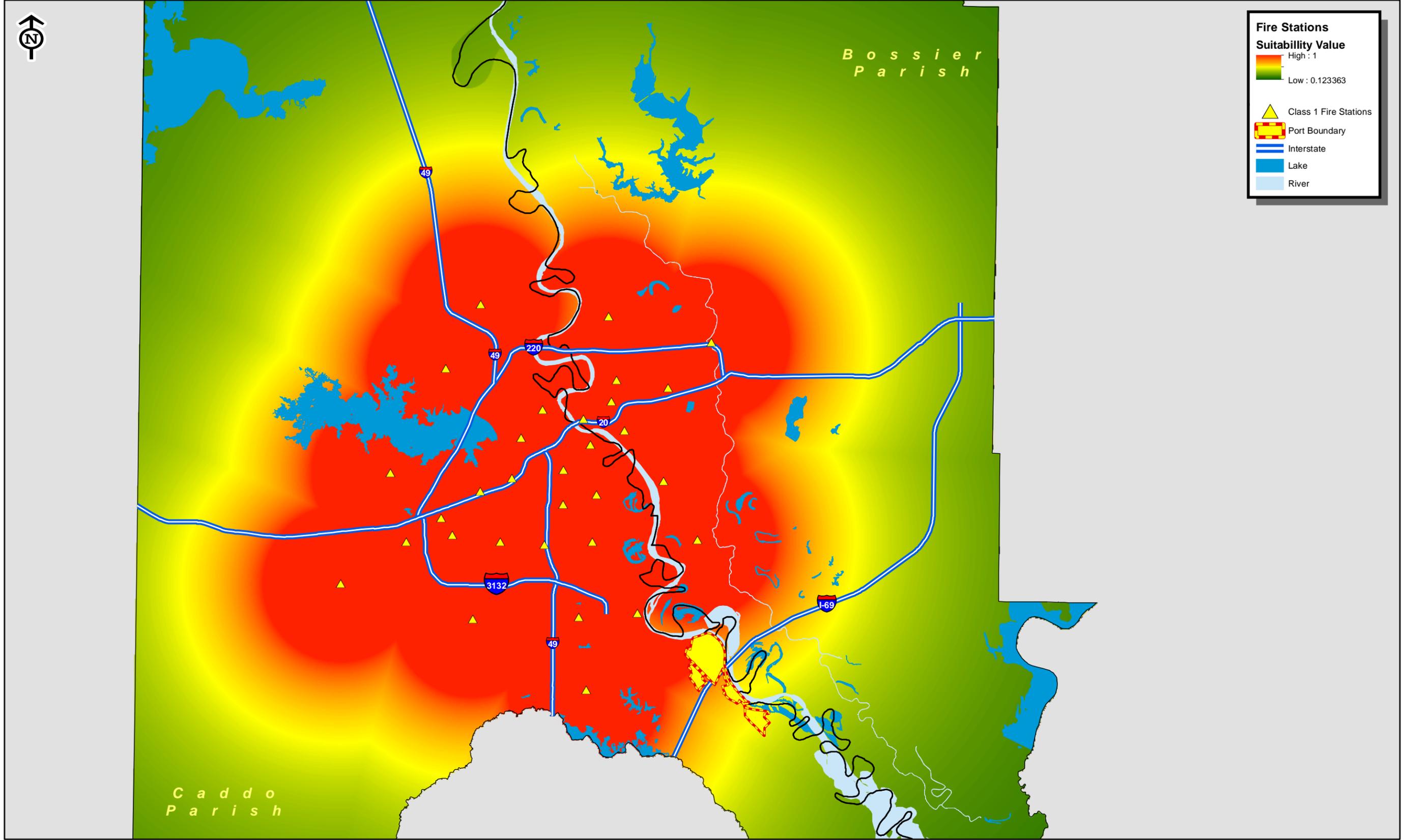
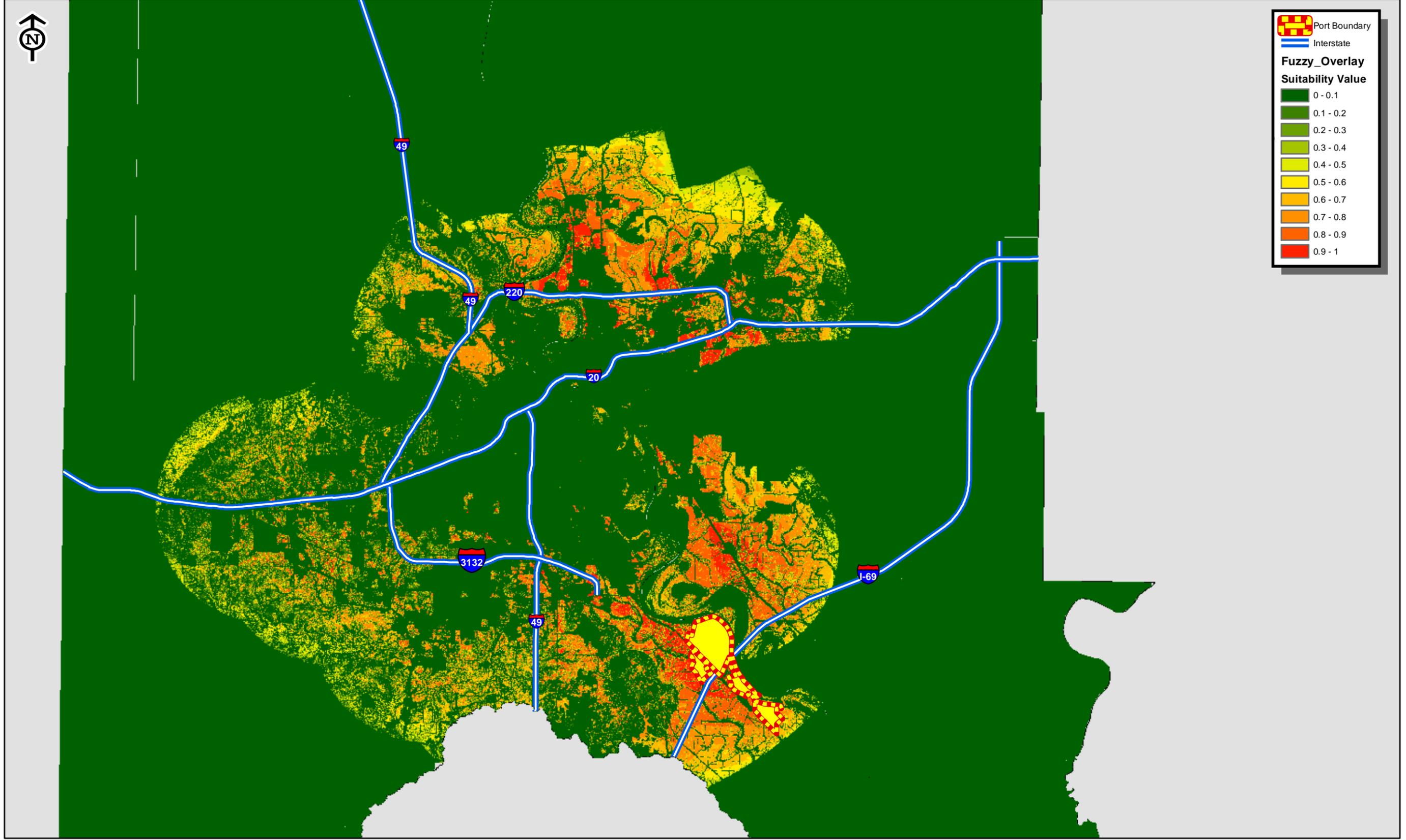


Figure 26 – Proximity to Interstate Interchange (Fuzzy Overlay)
 PORT EXPANSION STUDY
 Caddo & Bossier Parishes Louisiana

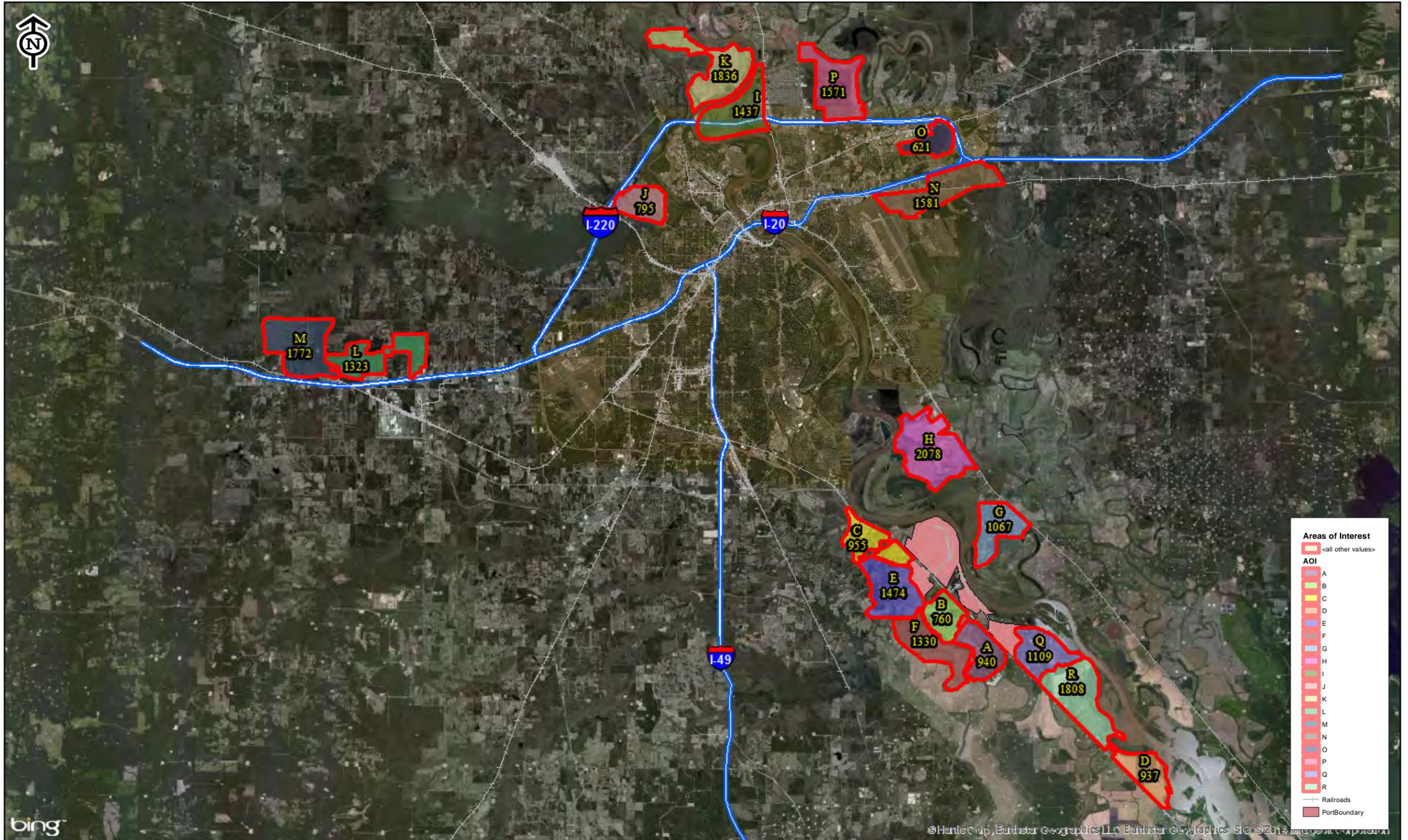




3.1.1. Preliminary Property Search

Through the utilization of both the weighted overlay and fuzzy overlay models results, the preliminary identification of suitable properties/sites was identified and collaborated upon with Port staff. The eighteen (18) identified areas of interest (AOI) sites range from 617 to 2078 acres and were selected by looking at the highly valued land between the weighted overlay and fuzzy overlay model results. The boundaries of the selected sites were typically selected based on heads up digitizing (i.e., - manual digitization by tracing a mouse over features displayed on the computer monitor) and natural breaks in land development (i.e. – lakes, streams, rivers, wetlands, etc.).

The following map shows the eighteen (18) AOI sites that are a result of the preliminary screening analysis. Each of these sites will be thoroughly evaluated for potential conflicts in the final screening/analysis and initial due diligence as a part of TM 4.



AIO Label
Acres



Figure 29 - Areas of Interest for Port Expansion
 PORT EXPANSION STUDY
 Caddo & Bossier Parishes Louisiana

4. FINAL SCREENING/ANALYSIS, INITIAL DUE DILIGENCE, AND CANDIDATE PROPERTIES

Following the preliminary screening and determination of potential candidate sites based on the selection criteria, there was a final screening and initial due diligence that was conducted on each of the candidate sites. The final screening was additional analyst using GIS to quantify the average overall scores for both the weighted overlay and fuzzy overlay models. Also included in the final screening was the initial due diligence where a brief title search was conducted on each of the selected site's parcels through looking at very obvious signs of potential issues that could arise when purchasing the parcels within the candidate site.

4.1. Final Screening

BKI started the final screening of the selected sites by quantifying both GIS suitability models' average score for each of the candidate sites. Each suitability model score for all criteria was converted from a raster image (initial model output file) into a point file. The point file was then used to average all points within each site to create the average model output score for the candidate site. This average score was then used to prioritize the sites by the most desirable to least desirable based on the model outputs. Each of the selected sites along with their average weighted overlay and fuzzy overlay model scores can be seen on Figure 30. Note – There are two (2) candidate sites with a fuzzy overlay model score of zero (0); this is because these areas fall outside of the specified twelve-mile radius criterion range of scored parcels; therefore the default in the fuzzy overlay model used this score for the entirety of the potential criteria. This was a limitation in the fuzzy overlay model and therefore in these special cases, the weighted overlay score was used to govern the ranking of this site.

Following the prioritizing of candidate properties by average score of the GIS models, BKI then looked at other specified selection criteria unable to be reviewed in the GIS models. The specific criterion that was the most looked into was the posted weight limits on potential routes for each candidate site. Note - During the process of this study, Bossier Parish weight limits on bridges changes in February 2015. These new weight limits were then acquired by BKI in March of 2015 from Bossier Parish GIS Department.

The posted bridge weight limits were a factor on two (2) of the eighteen (18) sites. The posted bridge weight limits can range from five (5) tons (high restriction) to forty (40) tons (lower restriction) and depend on each individual bridge's capabilities. Each of the posted weight limit restrictions are listed in each of the candidate sites description in Section 4.2 and an overall bridge weight limits map can be seen in Figure 31.

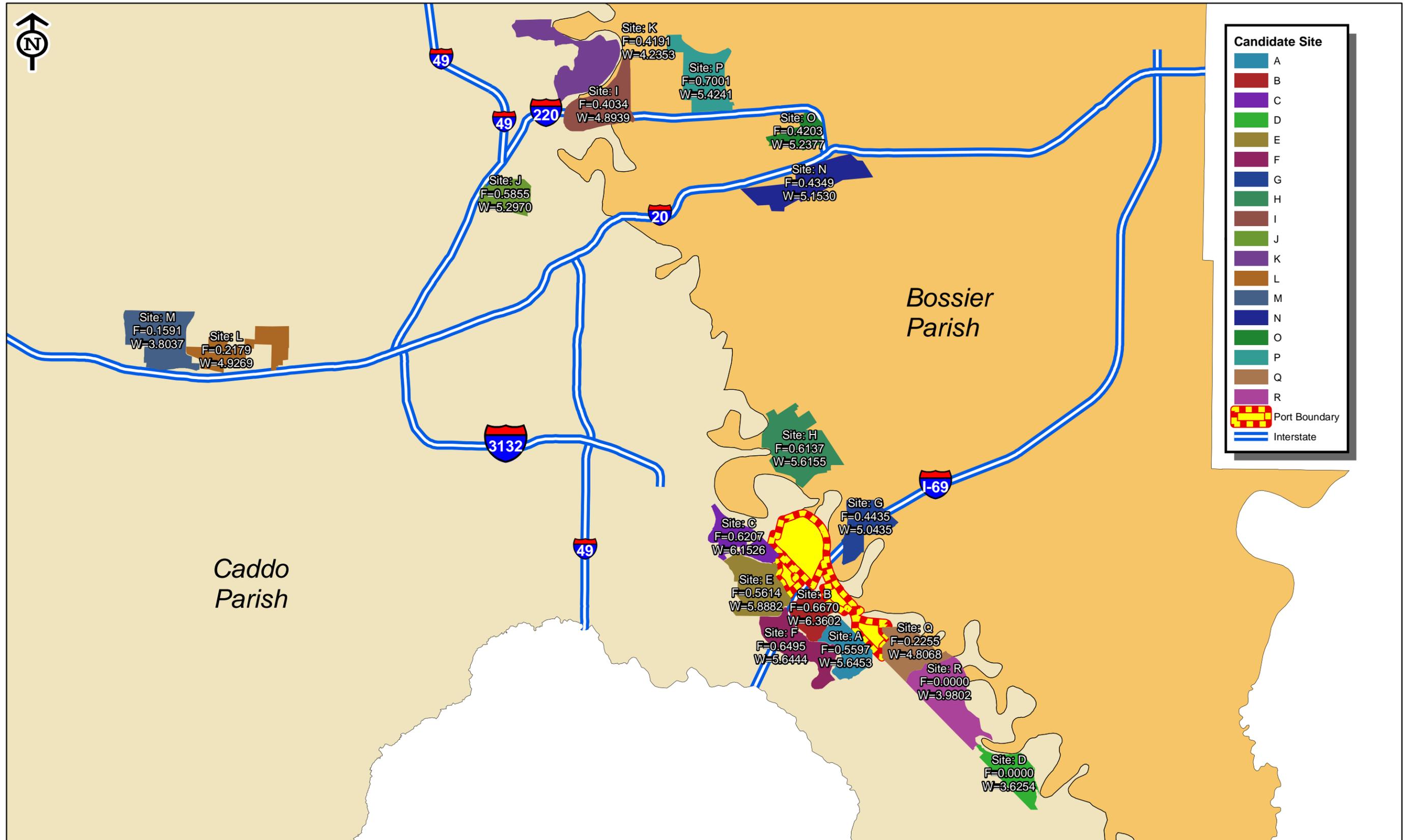
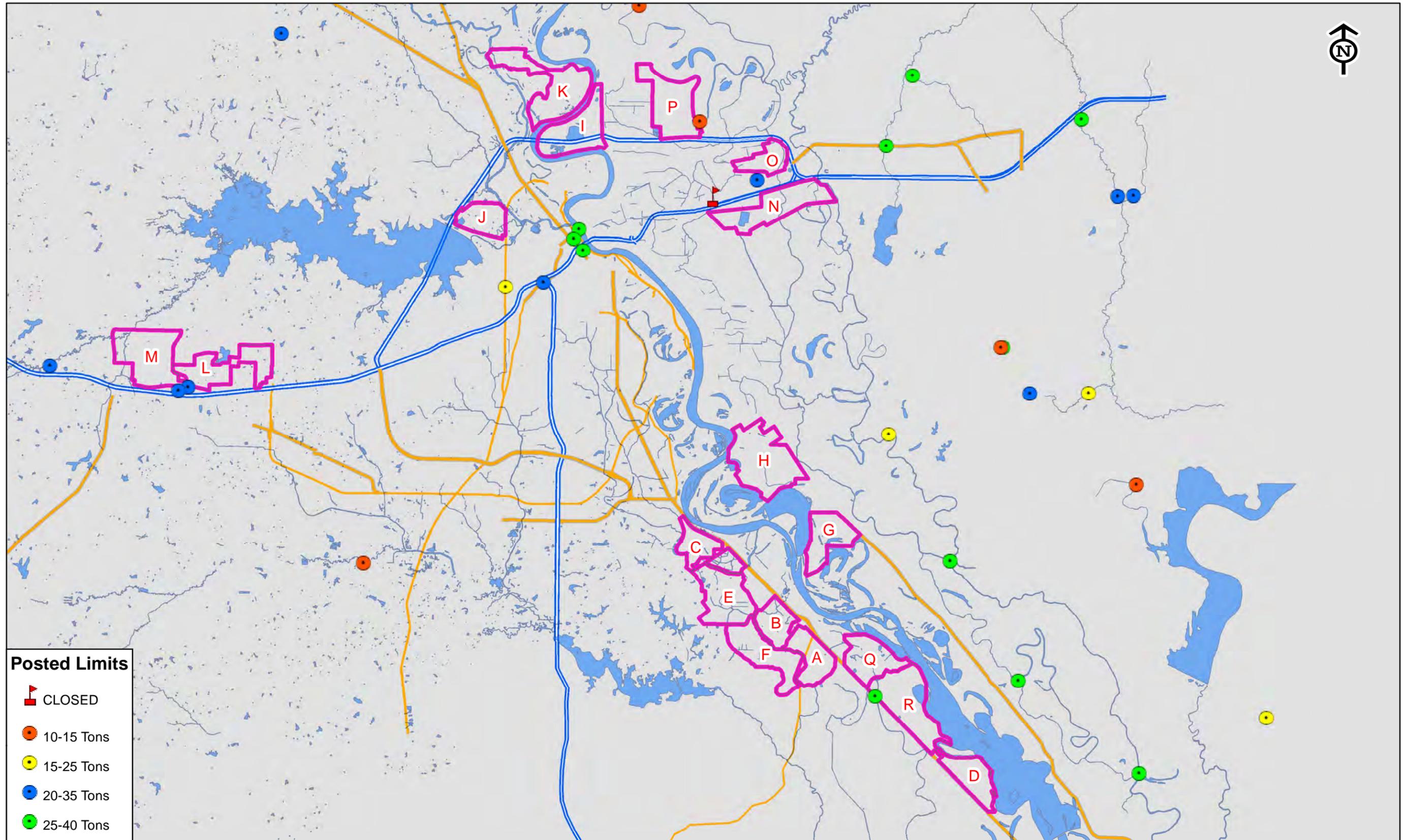


Figure 30 – Candidate Sites Weighted Overlay and Fuzzy Overlay Average Score



Document Path: P:\SH.13.001\0100\GIS\2015-06-01 Figure 31 Posted Bridge Weight Limits.mxd

0 1.25 2.5 5 7.5 10 Miles



THE PORT WORKS
PLANNERS, ENGINEERS, ARCHITECTS

Figure 31: Posted Bridge Weight Limits
The Port of Caddo-Bossier

4.2. Initial Due Diligence

An initial due diligence was performed by BKI and K.L. Bobier Law Firm to determine the potential conflicts of each candidate site if the Port were to purchase that specific candidate site's parcels. Each site was broken down into the parcels within the site. There were 417 total parcels investigated that were either partially encompassed or completely within at least one of the candidate sites. Each parcel's descriptions, ownership names, ownership address, GEO ID (Caddo Parish), Mapping No. (Bossier Parish), and other various pieces of applicable information were exported out of the Caddo and Bossier Assessor's shapefiles within GIS into a Excel spreadsheet in order to conduct the due diligence task.

The next step was to identify what information would need to be investigated as a part of the due diligence task. Through conversations with the Port Staff and Commissioners, the following nine (9) pieces of information were identified to be either check, investigated for potential issues, or verified during the due diligence of each parcel within the candidate sites.

- Ownership check – Proper succession
- Right of Ways (ROW) or Easements
- Liens on property
- Mineral rights (leased or not leased)
- Environmental hazard check
- Historical monuments
- Current assessed value
- Cemeteries
- Indian preserves or burial sites

Each of these items were investigated by utilizing Caddo and Bossier Parish Assessor's online database as well as the needed additional investigation work in both the Caddo and Bossier Parish courthouses. As the data was being collected, each parcel within these sites had an appropriate comment entered into each field for the aforementioned nine (9) pieces of investigated information. Each parcel was investigated and reported on in an Excel spreadsheet format to document the noted potential issues or confirmation of available information. The detailed documentation of the recorded Excel Spreadsheet information from the due diligence investigation is shown in Appendix I

After completing the spreadsheet with the available information, BKI analyzed the findings for each of the candidate site by scoring each parcel on a one (1) to five (5) scale by order of most conflicted parcel to least conflicted parcels, respectively. After scoring each parcel within a site, BKI summarized the sites conflicts and potential issues as well as the general configuration and location into a candidate site summary paragraph. Each candidate site's summary can be seen in the Sections 4.2.1 through Section 4.2.17. The site summaries are prioritized by the initial prioritization of candidate sites which was determined by the average scores of the GIS model runs shown in Figure 30.

4.2.1. Candidate Site “B”

This site consists of eighteen (18) parcels totaling roughly 760 acres. There are eleven (11) known oil and gas wells according to Strategic Online Natural Resource Information System GIS (SONRIS), throughout the site, and three (3) or four (4) residential lots & homes, according to the most recent available satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by LA Hwy 1; the south by Bayou Pierre; the west by similar land cover and the east by potential site “A”. The primary access point for this site is Hwy 1, from the north. This potential site is west of Hwy 1 from Benteler’s existing site. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 15, and a map of this site can be found in Figure 32 and Figure 33.

The parcels consist of residential, oil and gas wells, and farmland. The mineral rights are leased on ten (10) of the parcels, with the remainder having no record of leasing in Conveyance Records. Nine (9) of the parcels also contain pipeline Right-of-Ways (ROW), servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, or Indian preserves according to Mortgage and Conveyance records or the Shreveport/Caddo historical database. There is one possible cemetery according to the Shreveport/Caddo public cemetery database (see below).

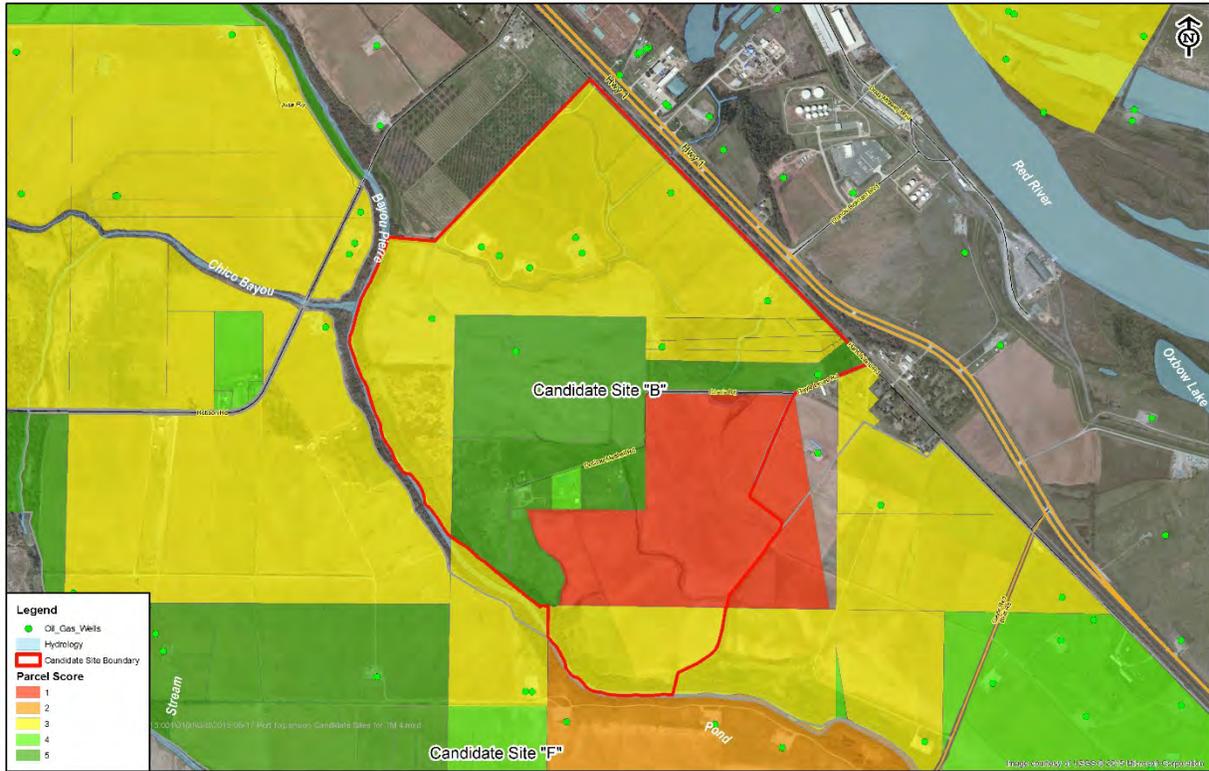
Geography Number 161230000005500 is a 200 acre parcel within sites “B” and “A” owned by George Archer Frierson. During the due diligence investigation there was a record of a potential cemetery within the boundaries of this parcel. Further investigation is recommended to determine the extent of the size and location of this cemetery for future reference.

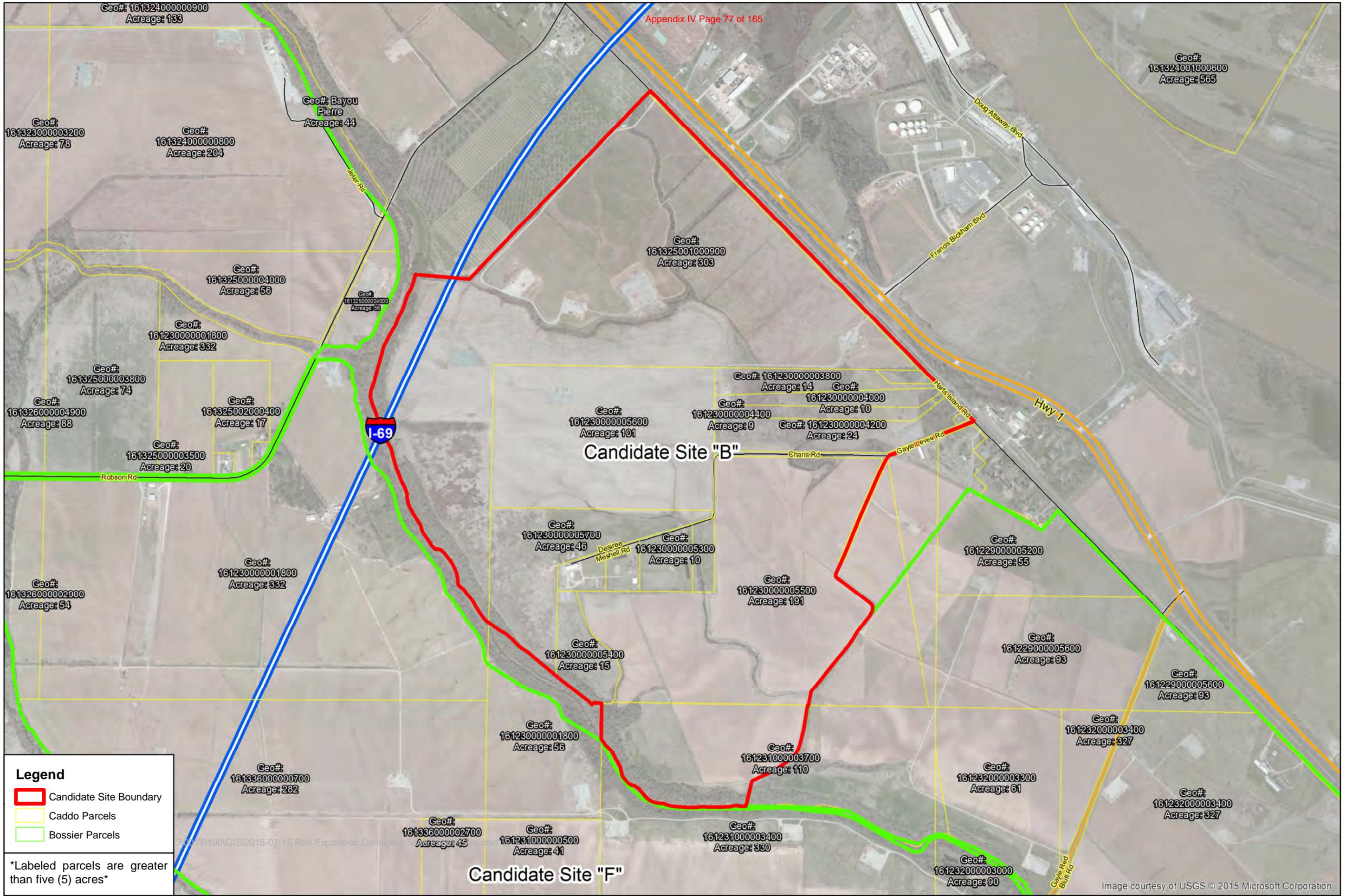
In addition to the notes above, it should be noted that the future I-69 corridor is designated to border and go through a very small portion of the northern most portion of this site. The intersection of this site with the I-69 designated route can be seen in Figure 33.

Table 15 – Parcels within Candidate Site “B”

Candidate Site B Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
161231000003400	FRIERSON, CHRISTIAN BASINGER 1/4, ETAL	329.85	B,A,F	Caddo
161325001000900	ROBSON FARMS, LLC	302.89	B	Caddo
161230000005500	FRIERSON, GEORGE ARCHER, II 1/4, ETAL	191.23	B,A	Caddo
161231000003700	FRIERSON, GEORGE ARCHER, II 1/4, ETAL	110.29	B,A	Caddo
161230000005600	FRIERSON BROTHERS, L.L.C.	101.47	B	Caddo
161230000005700	JDRO PROPERTIES, LLC	45.85	B	Caddo
161230000004200	HINTON, MARGURITE, ETAL	24.23	B	Caddo
161230000005400	JDRO PROPERTIES, LLC	14.56	B	Caddo
161230000003800	KORNRUMPH, VIRGINIA MANISCALCO 1/3, ETAL	13.72	B	Caddo
161230000005300	RADCLIFFE, JILL LYNETTE BUSSA	10.00	B	Caddo
161230000004000	KORNRUMPH, VIRGINIA MANISCALCO 1/3, ETAL	9.86	B	Caddo
161230000004400	KORNRUMPH, VIRGINIA MANISCALCO 1/3, ETAL	8.90	B	Caddo
161230000004500	0	5.04	B	Caddo
161230000004700	CURTIS FARMS, INC.	5.02	B	Caddo
161230000005000	JOHNSON, JOSHUA PAUL	5.02	B	Caddo
161230000003600	KORNRUMPH, VIRGINIA MANISCALCO 1/3, ETAL	1.96	B	Caddo
161229000004700	DELUXE PROPERTIES, L.L.C.	0.34	B	Caddo
161230000004300	KORNRUMPH, VIRGINIA MANISCALCO, CYNTHIA MANISCALCO LOCKE AND TANYA MANISCALCO MC MASTER	0.25	B	Caddo

Figure 32 – Candidate Site “B” Map





Geo#: 16132400000900
Acreage: 133

Geo#: Bayou Pierre
Acreage: 44

Geo#: 161323000003200
Acreage: 78

Geo#: 161324000000800
Acreage: 204

Geo#: 161325000004000
Acreage: 56

Geo#: 161325000004000
Acreage: 53

Geo#: 161325000001800
Acreage: 332

Geo#: 161325000003800
Acreage: 74

Geo#: 161326000004900
Acreage: 88

Geo#: 161325002000400
Acreage: 17

Geo#: 161325000003500
Acreage: 20

Geo#: 161326000002900
Acreage: 54

Geo#: 161230000001800
Acreage: 332

Geo#: 161230000005700
Acreage: 46

Geo#: 161230000005300
Acreage: 10

Geo#: 161230000005400
Acreage: 15

Geo#: 161230000001800
Acreage: 56

Geo#: 161336000000700
Acreage: 282

Geo#: 161230000005500
Acreage: 191

Geo#: 161230000003800
Acreage: 14

Geo#: 161230000004000
Acreage: 10

Geo#: 161230000004400
Acreage: 9

Geo#: 161230000004200
Acreage: 24

Geo#: 161230000005600
Acreage: 101

Geo#: 161230000005600
Acreage: 93

Geo#: 161229000005200
Acreage: 55

Geo#: 161229000005600
Acreage: 93

Geo#: 161230000003700
Acreage: 110

Geo#: 161232000003300
Acreage: 61

Geo#: 161232000003400
Acreage: 327

Geo#: 161232000003400
Acreage: 327

Geo#: 161231000003400
Acreage: 350

Geo#: 161232000003000
Acreage: 90

Geo#: 161336000002700
Acreage: 45

Geo#: 161231000000500
Acreage: 41

Geo#: 161325000003000
Acreage: 303

Geo#: 161324001000600
Acreage: 565

Robson Rd

Jeter Rd

I-69

Charis Rd

Gayle Levee Rd

Harts Island Rd

Hwy 7

Doug Allaway Blvd

Francis Bickham Blvd

Desiree Meshell Rd

Gayle Red Bluff Rd

Candidate Site "B"

Candidate Site "F"

4.2.2. Candidate Site “C”

This site consists of ten (10) parcels totaling roughly 955 acres. There are twenty-four (24) oil and gas wells throughout the site, according to SONRIS GIS. The majority of the parcel is open farmland that would indicate a ready green field site for development. This potential site is bound to the north by Hwy 1; the south by Bayou Pierre and Leonard Road, the east by a Hwy 1, and west by Bayou Pierre. The primary access point for this site is Hwy 1 on the northeast side of the property. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 16, and a map of this site can be found in Figure 34 and Figure 35.

The parcels consist of oil and gas wells and open farmland. The mineral rights are leased on four (4) of the parcels, with the remainder having no record of leasing in Conveyance Records. Three (3) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

Geography Number 161314000007800 notes Ag. Lease Agreement: Farm No. 1349 by USDA. Prior to purchasing of this property, it is recommended the Port conduct the needed investigation on the Agricultural lease’s terms. This lease may affect the ability for the Port to build sites/infrastructure on this land because of the limitations of the lease.

Table 16 – Parcels within Candidate Site “C”

Candidate Site C Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
161310001000400	FRANKS INVESTMENT COMPANY, L.L.C.	431.20	C	Caddo
161312000003100	EGAN LAND CO., L.L.C. 1/6, ETAL ATTN: BILL GERARDY	207.66	C	Caddo
161314000007800	EGAN LAND CO., L.L.C. 1/6, ETAL ATTN: BILL GERARDY	188.62	C,E	Caddo
161315000003500	LEONARD ROAD FARMS, LLC	105.68	C	Caddo
Bayou Pierre		65.75	C,E	Caddo
161315000000100	SPRINGBANK, L.L.C. 1/2 AND FRANKS INVESTMENT COMPANY, L.L.C. 1/2	62.13	C	Caddo
Bayou Pierre		43.79	C,E	Caddo
161315000000200	SPRINGBANK, L.L.C. 1/2 AND FRANKS INVESTMENT COMPANY, L.L.C. 1/2	39.91	C	Caddo
161312000002400	ROWELL, JAMES ADRIAN, JR.	12.24	C	Caddo
161314000007700	CADDO PARISH FIRE DISTRICT NUMBER FIVE	5.16	C	Caddo
161312000001500	LACAZE, DOUGLAS N. AND ELVA ANN ATTAWAY LACAZE	4.46	C	Caddo
161315000001100	SPRINGBANK, L.L.C. 1/2 AND FRANKS INVESTMENT COMPANY, L.L.C. 1/2	3.47	C	Caddo

Figure 34 – Candidate Site “C” Map



4.2.3. Candidate Site “E”

This site consists of twenty-nine (29) parcels totaling roughly 1474 acres. There are twenty-seven (27) oil and gas wells according to SONRIS GIS, and two (2) residential lots & homes according to the most recent available satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. This potential site is bound to the north by Bayou Pierre and Leonard Road; the south by Robson Road; the west by residential neighborhoods along Ellerbee Road and the east by Bayou Pierre. The primary access points for this site are Robson Rd. to the south, Leonard Rd. to the north, and a small section of Ellerbe Rd. on the southwest border. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 17, and a map of this site can be found in Figure 36 and Figure 37.

The parcels consist of open farmland, oil and gas wells, and residential homes. The mineral rights are leased on twenty-six (26) of the parcels, with the remainder having no record of leasing in Conveyance Records. Nineteen (19) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

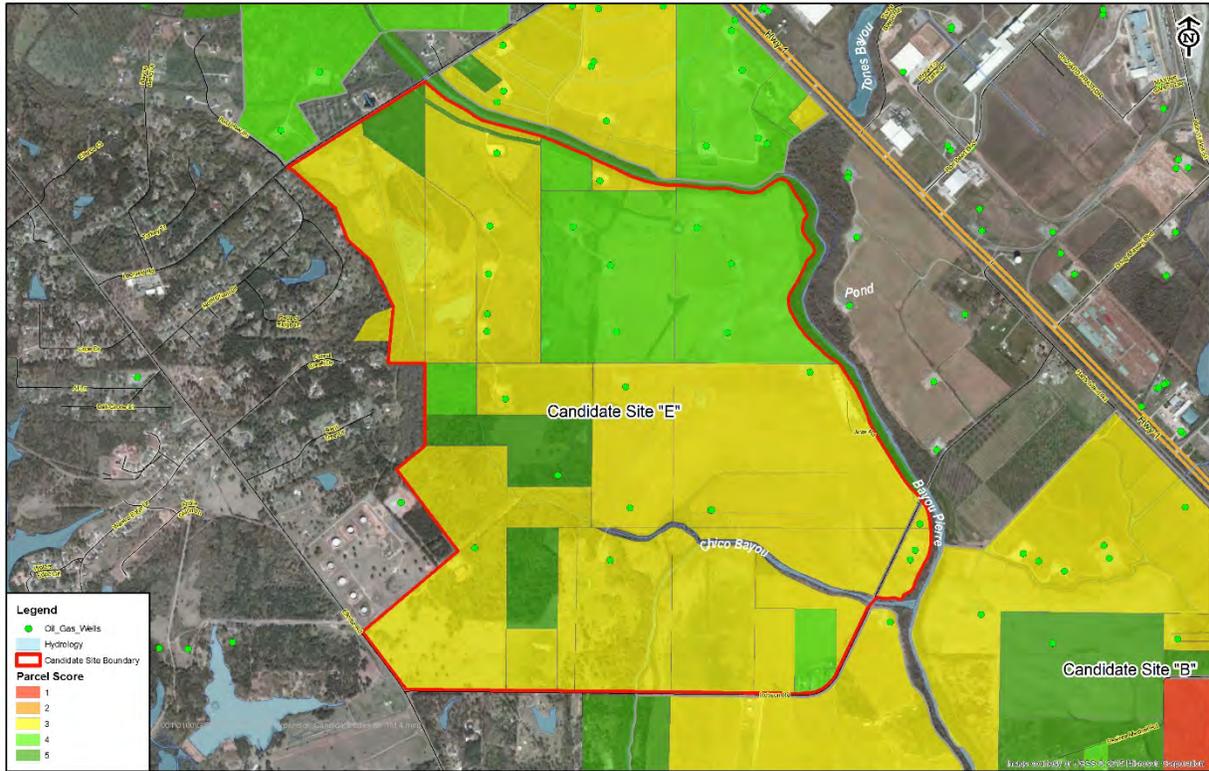
Geography Number(s) 161323000003300 & 161314000007800 & 161314000003400 notes Agricultural Lease Agreement: Farm No.1349 by USDA. Prior to purchasing of this property, it is recommended the Port conduct the needed investigation on the Agricultural lease’s terms. This lease may affect the ability for the Port to build sites/infrastructure on this land because of the limitations of the lease. There are also many ROWs and Servitudes running through the parcels throughout this section of land, it is recommended to map these ROWs/servitudes in order to determine the available building ready sites that may be within the property extents.

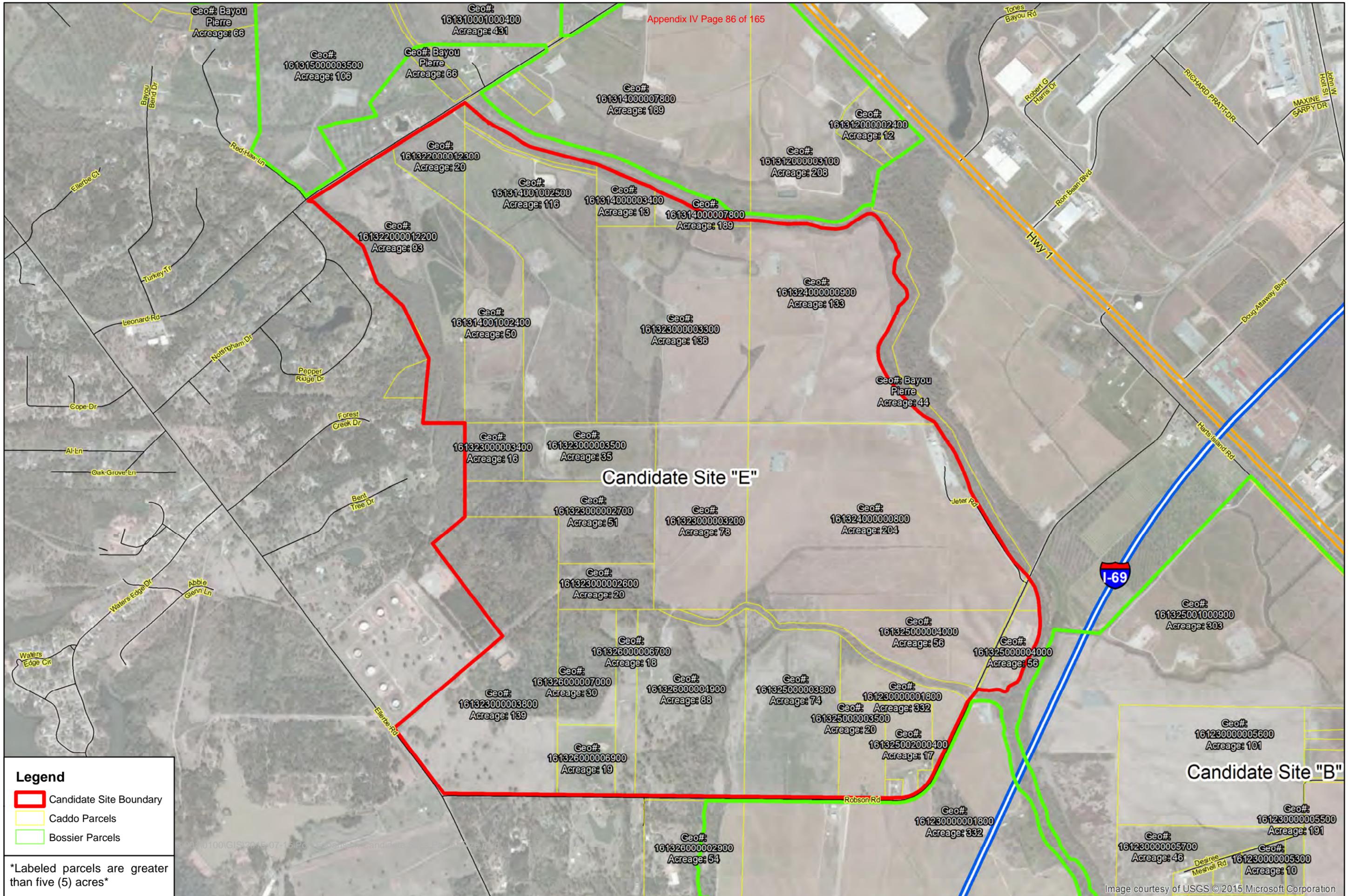
Table 17 – Parcels within Candidate Site “E”

Candidate Site E Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
16123000001800	SORENSEN-NAYLOR, LTD.	332.50	E,F	Caddo
16132400000800	LEONARD ROAD FARMS, LLC	204.33	E	Caddo
161314000007800	EGAN LAND CO., L.L.C. 1/6, ETAL ATTN: BILL GERARDY	188.62	C,E	Caddo
161323000003800	LEONARD ROAD FARMS, LLC	139.06	E	Caddo
161323000003300	EGAN LAND CO., L.L.C. 1/6, ETAL ATTN: BILL GERARDY	136.21	E	Caddo
161324000000900	EGAN LAND CO., L.L.C. 1/6, ETAL ATTN: BILL GERARDY	133.03	E	Caddo
161314001002500	LEONARD ROAD FARMS, L.L.C.	116.04	E	Caddo
161322000012200	DICKSON, PAUL M. AND BEVERLY RIGBY DICKSON C/O MORRIS & DICKSON CO., LTD.	92.98	E	Caddo
161326000004900	LINAM, READE RAMSEY C/O H WAYNE WILSON, AGENT	88.49	E	Caddo
161323000003200	LEONARD ROAD FARMS, LLC	78.46	E	Caddo
161325000003800	LINAM, READE RAMSEY C/O H WAYNE WILSON, AGENT	73.82	E	Caddo
Bayou Pierre		65.75	C,E	Caddo
161230000001800	SORENSEN-NAYLOR, LTD.	55.99	E,F	Caddo
161325000004000	LEONARD ROAD FARMS, LLC	55.58	E	Caddo
161323000002700	MOSELEY, JERRY WAYNE 1/8, ETAL C/O LARENCE SMITH	50.88	E	Caddo
161314001002400	DICKSON, PAUL M. AND BEVERLY RIGBY DICKSON C/O MORRIS & DICKSON CO., LTD.	50.41	E	Caddo
Bayou Pierre		43.79	C,E	Caddo
161323000003500	LEONARD ROAD FARMS, LLC	35.36	E	Caddo
161326000007000	LEONARD ROAD FARMS, LLC	30.42	E	Caddo
161322000012300	LEONARD ROAD FARMS, LLC	20.28	E	Caddo
161325000003500	TAGLAVORE, VINCENT MICHAEL 27/144, ETAL	20.18	E	Caddo
161323000002600	LEONARD ROAD FARMS, LLC	20.13	E	Caddo

161326000006900	LINAM, READE RAMSEY C/O H WAYNE WILSON, AGENT	18.52	E	Caddo
161326000006700	LINAM, READE RAMSEY C/O H WAYNE WILSON, AGENT	17.58	E	Caddo
161325002000400	WILSON, MICHAEL RAY	17.15	E	Caddo
161323000003400	DICKSON, PAUL M. AND BEVERLY RIGBY DICKSON C/O MORRIS & DICKSON CO., LTD.	15.68	E	Caddo
161314000003400	ELLERBE-WEBB LAND CO., L.L.C. 1/3, ETAL ATTN: BILL GERARDY	13.29	E	Caddo
161314001002200	ELLERBE-WEBB LAND CO., L.L.C. 1/3, ETAL ATTN: BILL GERARDY	2.77	E	Caddo
161325002000300	HUDSON, LANCE IVERSON	1.52	E	Caddo
161326000003100	LEONARD ROAD FARMS, LLC	1.40	E	Caddo
161325000003600	FLEETWOOD, YVONNE GAIL THOMASON	1.00	E	Caddo
161323000003600	LEONARD ROAD FARMS, LLC	0.09	E	Caddo

Figure 36 – Candidate Site “E” Map





Legend

- Candidate Site Boundary
- Caddo Parcels
- Bossier Parcels

Labeled parcels are greater than five (5) acres

Map Showing
Figure 37 – Candidate Site "E" Parcel Map
The Port of Caddo-Bossier

4.2.4. Candidate Site “F”

This site consists of eleven (11) parcels totaling roughly 1329 acres. There are twenty-three (23) oil and gas wells according to SONRIS GIS, and two (2) or three (3) residential lots & homes according to the most recent available satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by Bayou Pierre; the south by Chico Bayou; the west by similar open farmland and the east by potential site “A” and “B”. The primary access points for this site are Hwy 175, to the south, and Robson Rd. to the north. Ellerbe Rd. is also close to the south border of the site. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 18, and a map of this site can be found in Figure 38 and Figure 39.

The parcels consist of open farmland, oil and gas wells, and residential homes. The mineral rights are leased on five (5) of the parcels, with the remainder having no record of leasing in Conveyance Records. Six (6) of this site’s parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

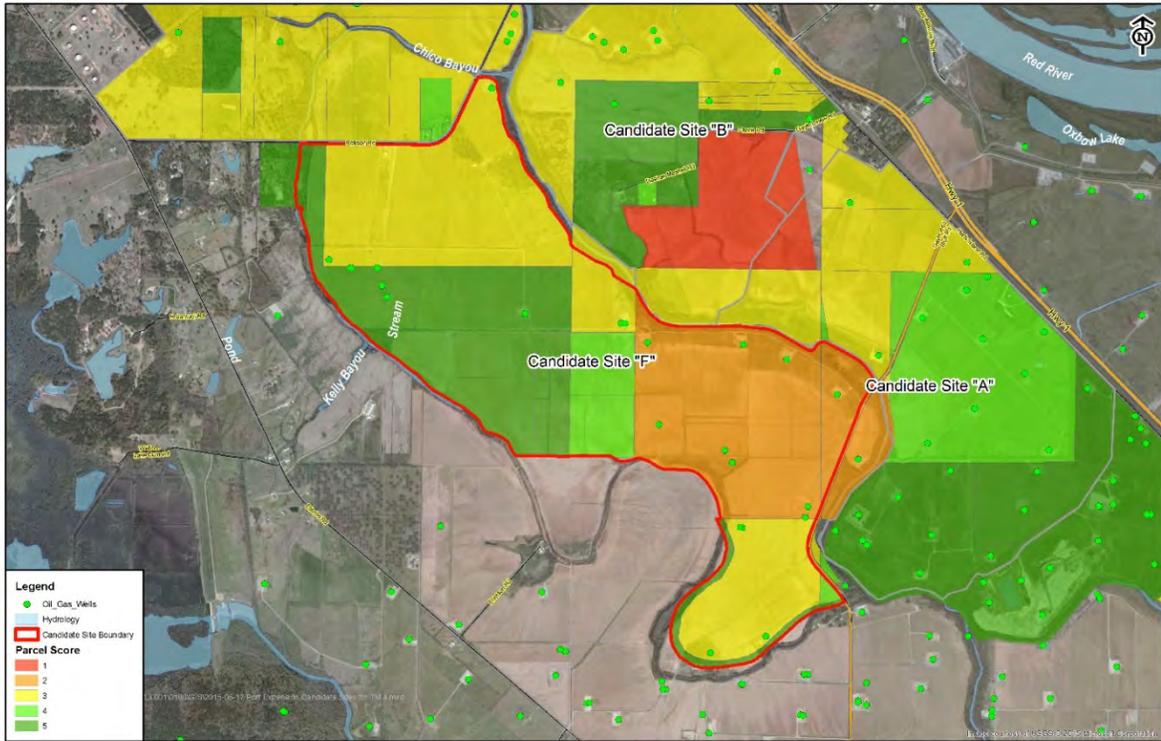
Geography Number(s) 161231000000500 & 161231000001200 have the following special note: Contribution of Capital: Martha Ellis Family (Sec 31 T-16 R-12) start date: 12-18-12, ending date 10-03-13 which would indicate that this note has expired. This is not something that was counted against the site when ranking each, rather a side note for the parcels to be looked into further if evaluated for purchase.

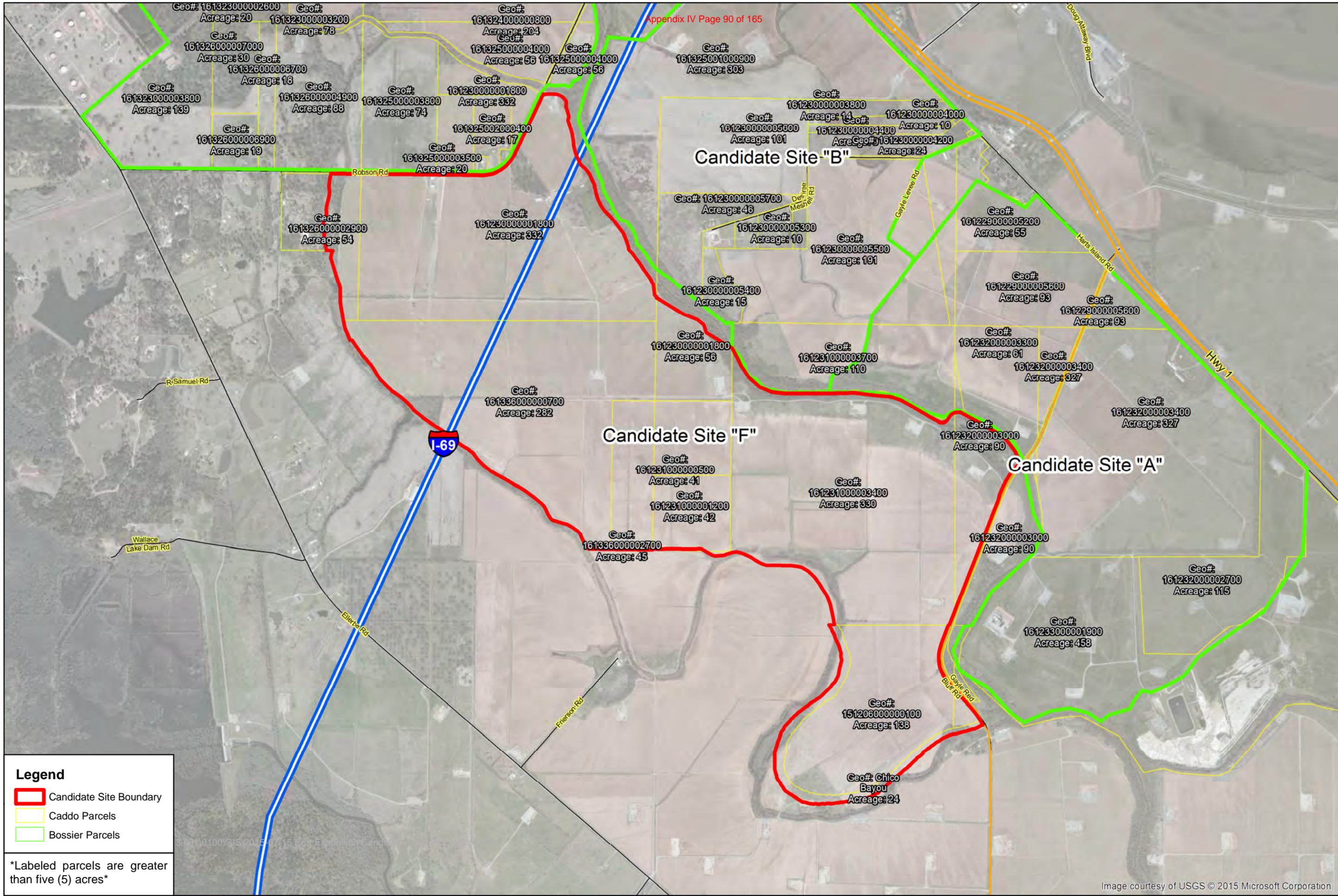
In addition to the notes above, it should be noted that the future I-69 corridor is designated to go through the northern most portion of this site. The intersection of this site with the I-69 designated route can be seen in Figure 39.

Table 18 – Parcels within Candidate Site “F”

Candidate Site F Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
161230000001800	SORENSEN-NAYLOR, LTD.	332.50	E,F	Caddo
161231000003400	FRIERSON, CHRISTIAN BASINGER 1/4, ETAL	329.85	B,A,F	Caddo
161336000000700	MFE PROPERTIES, LP	282.65	F	Caddo
151206000000100	FRIERSON, CHRISTIAN BASINGER 1/4, ETAL	138.37	F	Caddo
161232000003000	FRIERSON, CHRISTIAN BASINGER 1/4, ETAL	89.83	A,F	Caddo
161230000001800	SORENSEN-NAYLOR, LTD.	55.99	E,F	Caddo
161326000002900	MAJORS, JAKE M. AND KATHLEEN K. MAJORS	53.79	F	Caddo
161336000002700	MFE PROPERTIES, LP	44.66	F	Caddo
161231000001200	MFE PROPERTIES, LP	41.66	F	Caddo
161231000000500	MFE PROPERTIES, LP	41.27	F	Caddo
Chico Bayou		23.88	F	Caddo
151205000000300	FRIERSON, CHRISTIAN BASINGER 1/4, ETAL	6.17	F	Caddo

Figure 38 – Candidate Site “F” Map





Map Showing
Figure 39 – Candidate Site "F" Parcel Map
 The Port of Caddo-Bossier

Labeled parcels are greater than five (5) acres

4.2.5. Candidate Site “H”

This site consists of twenty-nine (29) parcels totaling roughly 2077 acres. There are sixteen (16) oil and gas wells throughout the site, according to SONRIS GIS, and six (6) or seven (7) residential lots & homes, according to the most recent available satellite imagery. There is also a small scale agricultural facility. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by Hwy 612; the south by Oxbow Lake; the west by the Red River and the east by Hwy 71. The primary access point for this site is Hwy 71. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 19, and a map of this site can be found in Figure 40 and Figure 41.

The parcels consist of oil and gas wells, residential homes, and open farmland. The mineral rights are leased on twenty-three (23) of the parcels, with the remainder having no record of leasing in Conveyance Records. Twenty-four (24) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

It should be noted that part of this site is the LSU Agricultural Farm in Bossier Parish. The purchase and priority of this land could potentially be affected because of the state ownership of the parcels within this site. It is recommended that the Port conduct the needed investigation for the feasibility of purchase from another governmental entity.

Table 19 – Parcels within Candidate Site “H”

Candidate Site H Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
1712317	BOARD OF SUPERVISORS OF	506.71	H	Bossier
1713251A1	THE COWLEY CORPORATION	385.27	H	Bossier
16120612B	THE COWLEY CORPORATION	240.74	H	Bossier
1713361D	THE COWLEY CORPORATION	239.11	H	Bossier
1713361B	THE COWLEY CORPORATION	149.03	H	Bossier
1712302B3A	Hassell, Leslie Gene Sr. 50% 1/2; Hassell, Joan Hartgrove 50% 1/2	139.55	H	Bossier
181412000001100	181412-0-22: SAGO FARMS, L.L.C. 181412-0-23: SAGO FARMS, L.L.C. 181412-0-25: P-NIC, L.L.C	116.35	H	Caddo
16120612A	TEMPLE, AUBREY T JR	110.76	H	Bossier
1613011A	Bantle, Susan A Cowley 2.08% 1/48; Cowley, Sheri Lynn 4.17% 1/24; Dorothy C Cowley 4.17% 1/24; Ernest H Turner III & the Trust Company of Louisiana 4.17% 1/24; Kathryn N Cowley LLC 83.33% 5/6; Susan A Cowley Bantle Trust 2.08% 1/48	93.74	H	Bossier
1713362B	Ernest H Turner III & the Trust Company of Louisiana 25% 1/4; Kathryn N Cowley LLC 50% 1/2; Turner, Ernest H III 25% 1/4	63.97	H	Bossier
1613011B	Ernest H Turner III & the Trust Company of Louisiana 25% 1/4; Kathryn N Cowley LLC 50% 1/2; Turner, Ernest H III 25% 1/4	63.60	H	Bossier
16120611A	TEMPLE, AUBREY T JR	55.70	H	Bossier

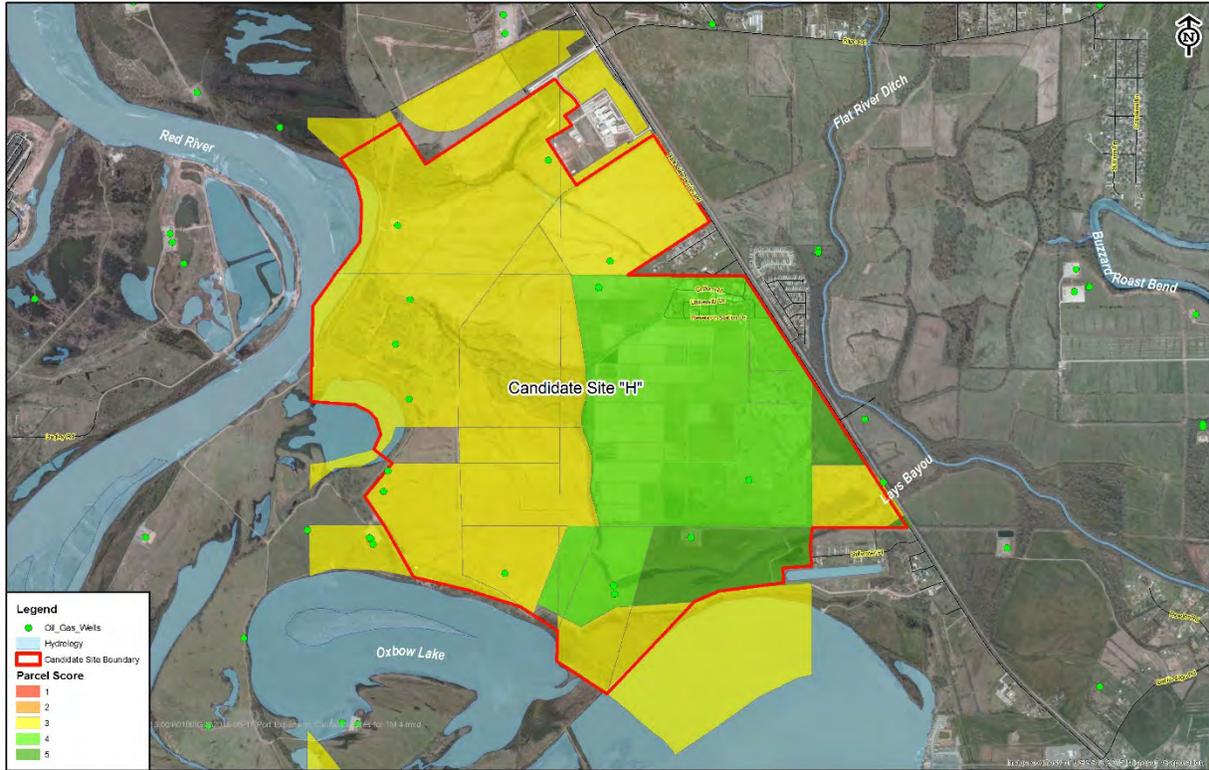
1713362A	Bantle, Susan A Cowley 2.08% 1/48; Cowley, Sheri Lynn 4.17% 1/24; Dorothy C Cowley 4.17% 1/24; Ernest H Turner III & the Trust Company of Louisiana 4.17%% 1/24; Kathryn N Cowley LLC 83.33% 5/6; Susan A Cowley Bantle Trust 2.08% 1/48	53.83	H	Bossier
1712324	GRAY INVESTMENTS LP	49.31	H	Bossier
1712302B1	THE COWLEY CORPORATION	45.57	H	Bossier
16120611B	THE COWLEY CORPORATION	39.22	H	Bossier
1713361C	Ernest H Turner III & the Trust Company of Louisiana 25% 1/4; Kathryn N Cowley LLC 50% 1/2; Turner, Ernest H III 25% 1/4	37.40	H	Bossier
181412000001900	FITZGERALD, HELEN A. AND THOMAS P. FITZGERALD, III	36.75	H	Caddo
1712316B	Ernest H Turner III & the Trust Company of Louisiana 25% 1/4; Kathryn N Cowley LLC 50% 1/2; Turner, Ernest H III 25% 1/4	32.37	H	Bossier
1712316A	THE COWLEY CORPORATION	31.78	H	Bossier
1712315	BOARD OF SUPERVISORS OF	25.34	H	Bossier
1712325	BOARD OF SUPERVISORS OF	24.06	H	Bossier
191435000001300		20.72	H	Caddo
16120613A	TEMPLE, AUBREY T JR	20.49	H	Bossier
1712311B	BOARD OF SUPERVISORS OF	20.25	H	Bossier
1713251A2	THE COWLEY CORPORATION	17.89	H	Bossier
1713251A3	Hassell, Leslie Gene Sr. 50% 1/2; Hassell, Joan Hartgrove 50% 1/2	7.42	H	Bossier
1613012A	TEMPLE, AUBREY T JR	7.07	H	Bossier
1712323	Fleming, Helen Hinton 50% 1/2; Fleming, Melvin Emerson 50% 1/2	1.75	H	Bossier



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16120613B	Ernest H Turner III & the Trust Company of Louisiana 25% 1/4; Kathryn N Cowely LLC 50% 1/2; Turner, Ernest H III 25% 1/4	0.96	H	Bossier
1712302B4	THE COWLEY CORPORATION	0.77	H	Bossier
16120613C	THE COWLEY CORPORATION	0.44	H	Bossier

Figure 40 – Candidate Site “H” Map





Map Showing
Figure 41 – Candidate Site "H" Parcel Map
The Port of Caddo-Bossier

4.2.6. Candidate Site “A”

This site consists of eleven (11) parcels totaling roughly 940 acres. There twenty-six (26) oil and gas wells according SONRIS GIS. The majority of the parcels are open farmland that would indicate a ready green field site for development. The potential site is bound to the north by Hwy 1; the south by Bayou Pierre; the west by potential sites “B” and “F” and the east by similar land cover. The primary access point for this site is Hwy 1, to the north. Hwy 175 also runs through the middle (north/south) of this site. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 20, and a map of this site can be found in Figure 42 and Figure 43.

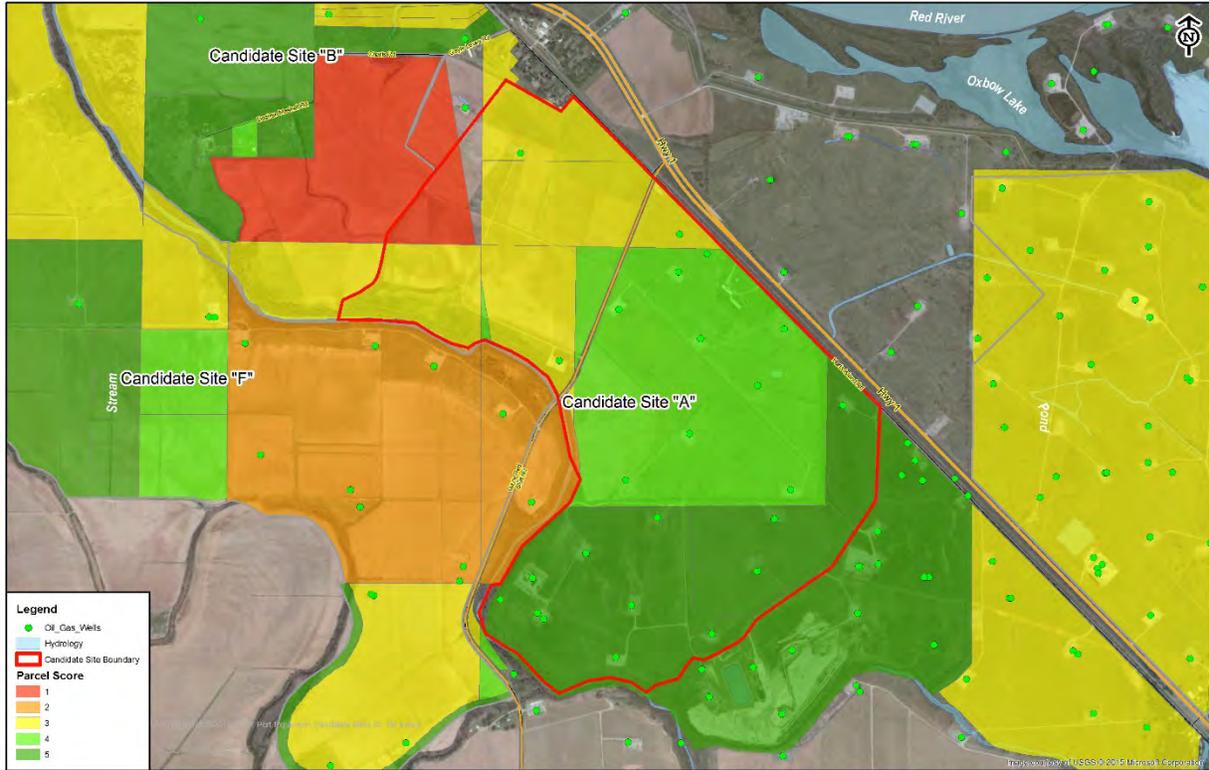
The parcels within this tract of land consists of oil and gas wells and farmland. The mineral rights are leased on four (4) of the parcels, with the remainder having no with the remainder having no record of leasing in Conveyance Records. . Four (4) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, or Indian preserves according to Mortgage and Conveyance records and the Shreveport/Caddo historical database. There is one (1) possible cemetery according to the Shreveport/Caddo public cemetery database (see Appendix I).

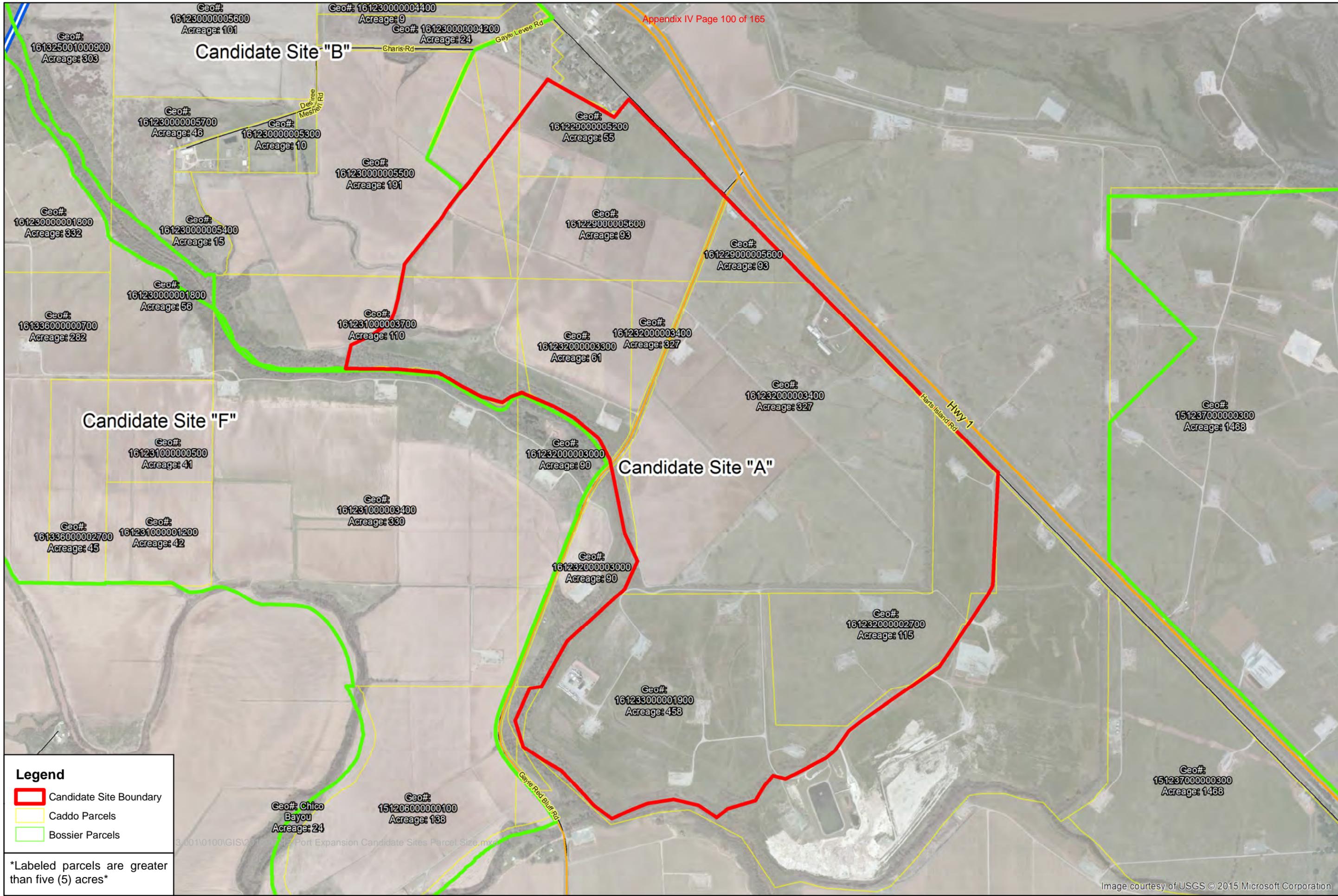
Geography Number 16123000005500 contained within Site “B” is a 200 acre parcel within sites “A” and “B” owned by George Archer Frierson. During the due diligence investigation there was a record of a potential cemetery within the boundaries of this parcel. Further investigation is recommended to determine the extent of the size and location of this cemetery for future reference.

Table 20 – Parcels within Candidate Site “A”

Candidate Site A Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
161233000001900	SHREVEPORT, CITY OF	457.86	A	Caddo
161231000003400	FRIERSON, CHRISTIAN BASINGER 1/4, ETAL	329.85	B,A,F	Caddo
161232000003400	FRIERSON BROTHERS, L.L.C.	327.51	A	Caddo
161230000005500	FRIERSON, GEORGE ARCHER, II 1/4, ETAL	191.23	B,A	Caddo
161232000002700	SHREVEPORT, CITY OF	115.09	A	Caddo
161231000003700	FRIERSON, GEORGE ARCHER, II 1/4, ETAL	110.29	B,A	Caddo
161229000005600	FRIERSON BROTHERS, LLC	92.90	A	Caddo
161232000003000	FRIERSON, CHRISTIAN BASINGER 1/4, ETAL	89.83	A,F	Caddo
161232000003300	FRIERSON, GEORGE ARCHER, II 1/4, ETAL	61.13	A	Caddo
161229000005200	FRIERSON BROTHERS, L.L.C.	54.68	A	Caddo
161232000003200	FRIERSON, GEORGE ARCHER, II 1/4, ETAL	1.78	A	Caddo

Figure 42 – Candidate Site “A” Map





Map Showing
Figure 43 – Candidate Site "A" Parcel Map
 The Port of Caddo-Bossier

4.2.7. Candidate Site “P”

This site consists of twenty-five (25) parcels totaling roughly 1570 acres. There are three (3) oil and gas wells throughout the site, according to SONRIS GIS. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north and east by Willow Chute bayou; the south by Interstate 220 and the west by Hwy 3105 and open land. The primary access point for this site is Interstate 220 to the south, Hwy 3105 to the west, and Swan Lake Rd to the east. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 21, and a map of this site can be found in Figure 44 and Figure 45.

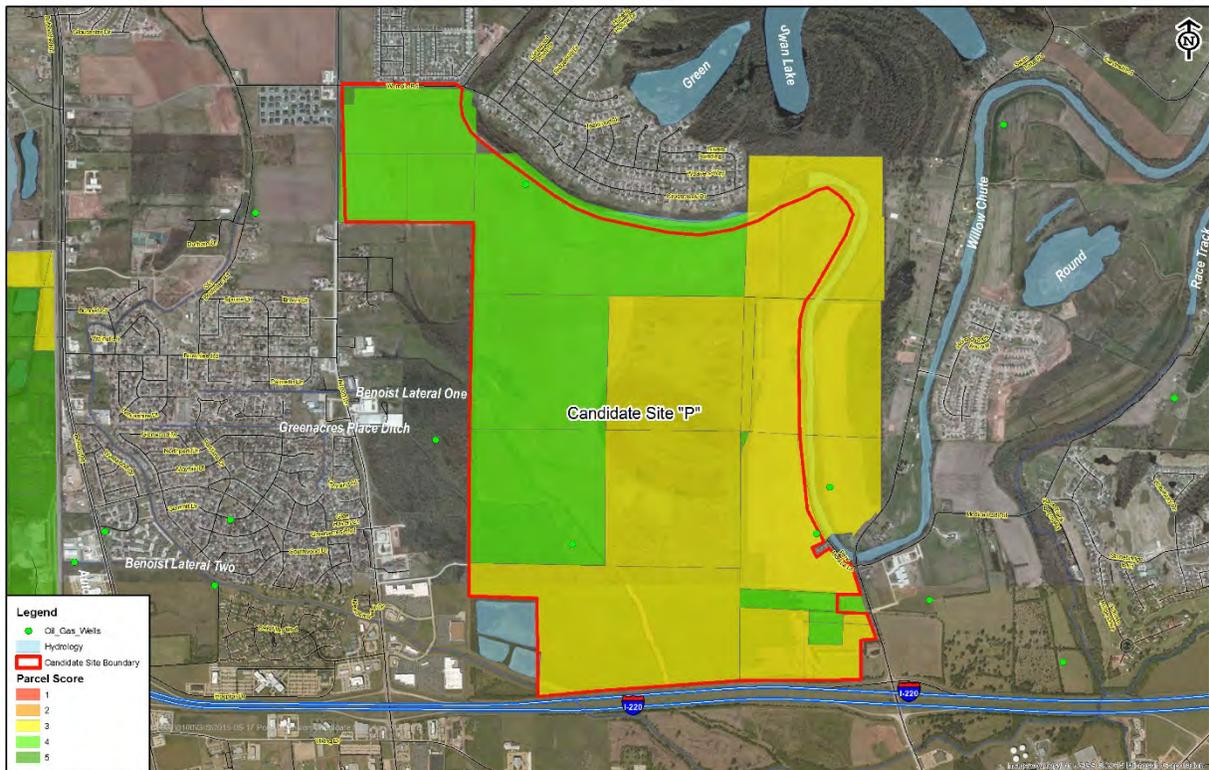
The parcels consist of wooded timber and open farmland. The mineral rights are leased on eleven (11) of the parcels, with the remainder having no record of leasing in Conveyance Records. Nineteen (19) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

Table 21 – Parcels within Candidate Site “P”

Candidate Site P Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
1813101B1	GRECO-MICIOTTO PROPERTIES LLC	233.82	P	Bossier
1813031A	AMALEI-BOSSIER LLC	232.40	P	Bossier
1813021B	YOUNGBLOOD, JAMES D III	169.82	P	Bossier
1813111A1	MODICA FAMILY LIMITED	167.81	P	Bossier
1813101A1	YOUNGBLOOD, JAMES D III	159.79	P	Bossier
1813031B1	AMALEI-BOSSIER LLC	159.57	P	Bossier
1813101A2	AMALEI-BOSSIER LLC	159.44	P	Bossier
1813031B2	YOUNGBLOOD, JAMES D III	157.24	P	Bossier
1813021A3	MODICA FAMILY LIMITED	151.74	P	Bossier
1813042B	AMALEI-BOSSIER LLC	40.49	P	Bossier
1813111F2	GRECO-MICIOTTO PROPERTIES LLC	40.43	P	Bossier
1813043	AMALEI-BOSSIER LLC	40.07	P	Bossier
1913336	AMALEI-BOSSIER LLC	37.77	P	Bossier
1913335B	AMALEI-BOSSIER LLC	36.50	P	Bossier
1813111F3	GRECO-MICIOTTO PROPERTIES LLC	23.20	P	Bossier
1813111E	Westbrook, Carroll Gene 50% 1/2; Westbrook, Marie Annette 50% 1/2	20.01	P	Bossier
1813021A4	YOUNGBLOOD, JAMES D III	12.32	P	Bossier
1813111F3B	BOSSIER PARISH SCHOOL BOARD	6.51	P	Bossier

1813111F2B	BOSSIER PARISH SCHOOL BOARD	3.27	P	Bossier
1813111F2	GRECO-MICIOTTO PROPERTIES LLC	2.29	P	Bossier
1913335B3	ARCP CV Bossier City LA LLC	1.79	P	Bossier
1813111A2	YOUNGBLOOD, JAMES D III	0.81	P	Bossier
1913336C	BOSSIER PARISH, PARISH OF	0.45	P	Bossier
1913335B2	BOSSIER PARISH, PARISH OF	0.37	P	Bossier
1813111F2C	BOSSIER PARISH SCHOOL BOARD	0.15	P	Bossier

Figure 44 – Candidate Site “P” Map



4.2.8. Candidate Site “J”

This site consists of seven (7) parcels totaling roughly 795 acres. There are twenty-five (25) oil and gas wells throughout the site, according to SONRIS GIS. The majority of the parcel is open land that would indicate a ready green field site for development. The potential site is bound to the north by open land and North Regional Wastewater Treatment Plant; the south by Hwy 173; the west by Interstate 220 and the east by Hwy 3094. There is a portion of Twelve Mile Bayou to the northeast of this site. The primary access point for this site is Interstate 220. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 22, and a map of this site can be found in Figure 46 and Figure 47.

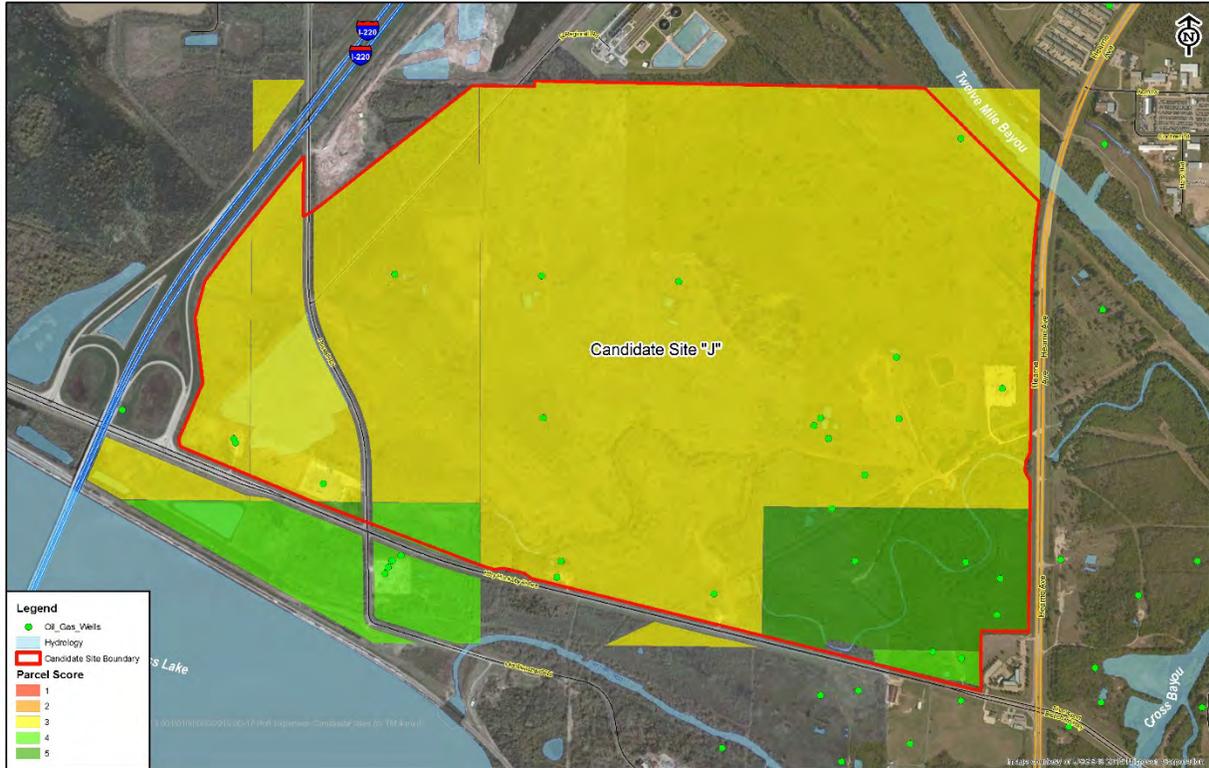
The parcels consist of mostly open land and small water features. The mineral rights are leased on four (4) of the parcels, with the remainder having no record of leasing in Conveyance Records. Four (4) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

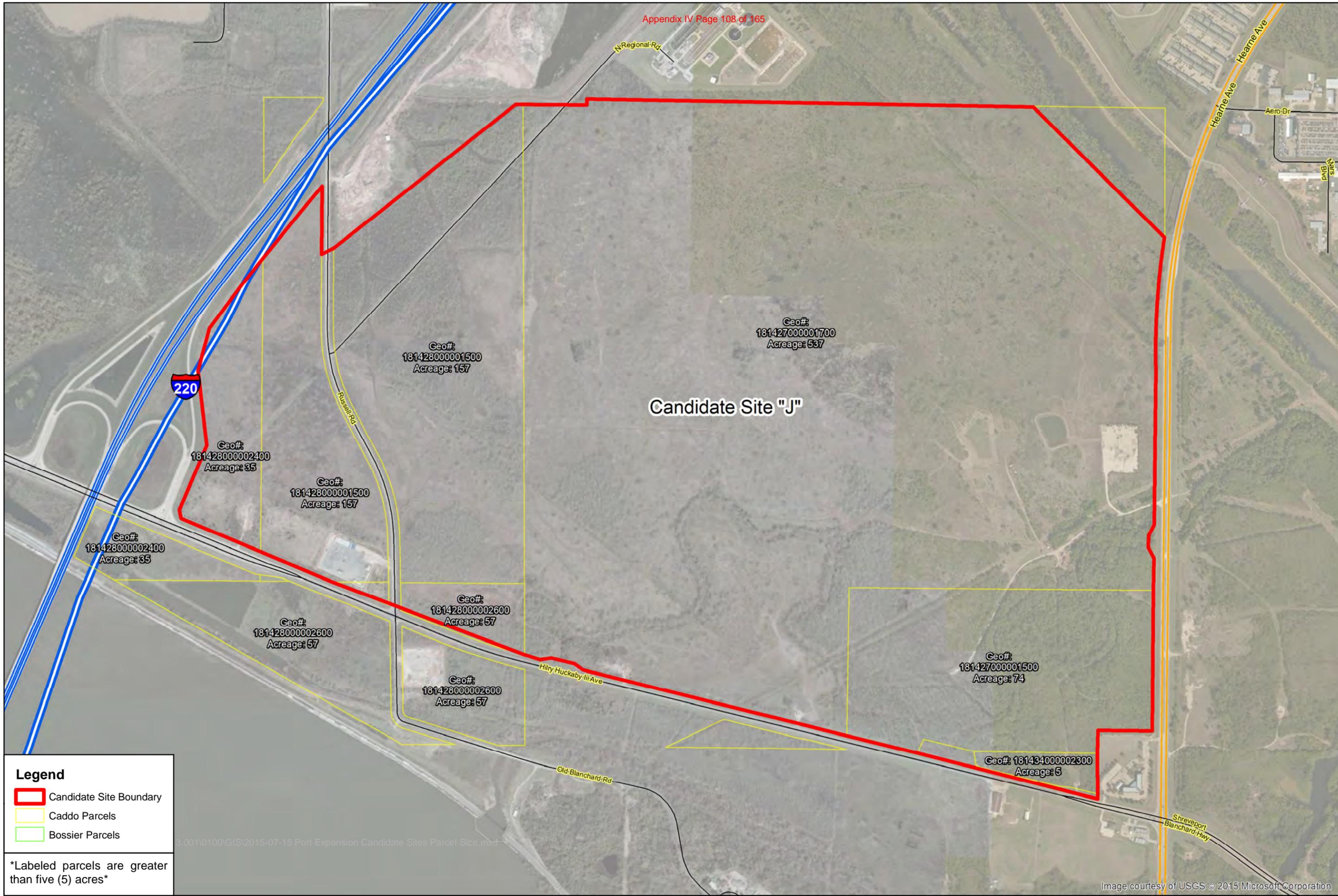
It should be noted that this lands is prone to flooding from Twelve Mile Bayou backwater when the Red River reaches flood stage. Prior to purchasing, it is recommended the Port conduct an analysis to determine the past and potential future flooding conditions in reference potentially building the needed infrastructure.

Table 22 – Parcels within Candidate Site “J”

Candidate Site J Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
181427000001700	HOLMES, MANSEL O., INC. 1/2 AND SUPERIOR LAND COMPANY, L.L.C. 1/2	537.45	J	Caddo
181428000001500	HOLMES, MANSEL O., INC. 1/2 AND SUPERIOR LAND COMPANY, L.L.C. 1/2	157.07	J	Caddo
181427000001500	BAPTIST CHURCH, GREENWOOD ACRES	74.35	J	Caddo
181428000002600	SHREVEPORT, CITY OF	57.32	J	Caddo
181428000002400	HOLMES, MANSEL O., INC. 1/2 AND SUPERIOR LAND COMPANY, L.L.C. 1/2	34.57	J	Caddo
181434000002300	BAPTIST CHURCH, GREENWOOD ACRES	5.34	J	Caddo
181428000002500	DEVON ENERGY PRODUCTION COMPANY, L.P. ATTN: AD VALOREM TAX GROUP	1.02	J	Caddo

Figure 46 – Candidate Site “J” Map





Map Showing
Figure 47 – Candidate Site "J" Parcel Map
 The Port of Caddo-Bossier

4.2.9. Candidate Site “O”

This site consists of forty-four (44) parcels totaling roughly 621 acres. There is one (1) oil and gas wells throughout the site, according to SONRIS GIS. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by Interstate 220; the south by Hwy 80 and a small residential subdivision; the west by a small residential subdivision and the east by Interstate 220. The primary access point for this site is Interstate 220 and Hwy 80. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 23, and a map of this site can be found in Figure 48 and Figure 49.

The parcels consist of wooded timber, a drainage canal, and a small pond. The mineral rights are leased on eleven (11) of the parcels, with the remainder having no record of leasing in Conveyance Records. Ten (10) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

It should be noted that this potential site is located near the flight line of Barksdale Air Force Base and could be adversely affected by the noise ordinances in place. Please reference Appendix II for more information about the potential restrictions.

Table 23 – Parcels within Candidate Site “O”

Candidate Site O Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
S028 0030A	KHCD PROPERTIES LLC	127.29	O	Bossier
S028 0029A	KHCD PROPERTIES LLC	70.39	O	Bossier
S028 0028B1	SCHOONOVER INVESTMENTS LP	48.07	O	Bossier
1813135N	SCHOONOVER INVESTMENTS LP	46.75	O	Bossier
S028 0027B1	SCHOONOVER INVESTMENTS LP	43.16	O	Bossier
S028 0028B7	POLE LANDLORD LLC	38.12	O	Bossier
S028 0026C	SCHOONOVER INVESTMENTS LP	28.79	O	Bossier
S028 0031D	KHCD PROPERTIES LLC	27.52	O	Bossier
S028 0027B4A	SCHOONOVER INVESTMENTS LP	25.75	O	Bossier
1812186B	KHCD PROPERTIES LLC	23.81	O	Bossier
S028 0029B2	KHCD PROPERTIES LLC	20.69	O	Bossier
1813132H6	SCHOONOVER INVESTMENTS LP	14.31	O	Bossier
1813132H1	SELECT STORAGE CONDOS LLC	13.07	O	Bossier
S028 0029B1	SCHOONOVER INVESTMENTS LP	11.06	O	Bossier
SH39 0004	BOSSIER CITY, CITY OF	8.77	O	Bossier
S028 0028B5A	SCHOONOVER INVESTMENTS LP	8.18	O	Bossier
S028 0030B2	KHCD PROPERTIES LLC	7.80	O	Bossier
S028 0030B2	KHCD PROPERTIES LLC	6.19	O	Bossier
S028 0031F	RIB'EM & BLUES INC	6.09	O	Bossier
S028 0026B1	SCHOONOVER INVESTMENTS LP	6.04	O	Bossier
S028 0028B6	KHCD PROPERTIES LLC	5.29	O	Bossier
1813135B1	SELECT STORAGE CONDOS LLC	5.09	O	Bossier
S028 0028B3	KHCD PROPERTIES LLC	4.76	O	Bossier
1813135B2	SCHOONOVER INVESTMENTS LP	4.69	O	Bossier
1812074	MCCLENDON, RANDOLPH DUNN	4.66	O	Bossier

S028 0027B2A	POLE LANDLORD LLC	4.25	O	Bossier
S028 0027B5A	POLE LANDLORD LLC	4.14	O	Bossier
18121811B	OTC LLC	3.79	O	Bossier
1813135C1	SCHOONOVER INVESTMENTS LP	3.71	O	Bossier
S028 0027B4B	POLE LANDLORD LLC	3.68	O	Bossier
S028 0031A	OTC LLC	3.64	O	Bossier
1812186A	BOSSIER CITY, CITY OF	2.75	O	Bossier
1812073C	BOSSIER CITY, CITY OF	2.63	O	Bossier
1812073B	KHCD PROPERTIES LLC	2.63	O	Bossier
S025 0010C2	SCHOONOVER INVESTMENTS LP	1.72	O	Bossier
S028 0031B	KHCD PROPERTIES LLC	1.47	O	Bossier
S028 0030B1	SCHOONOVER INVESTMENTS LP	1.03	O	Bossier
S028 0027B2B	POLE LANDLORD LLC	0.67	O	Bossier
S028 0027B5B	ALDEST INVESTMENTS LLC	0.65	O	Bossier
S028 0028B5B	POLE LANDLORD LLC	0.63	O	Bossier
1813135C2B	POLE LANDLORD LLC	0.39	O	Bossier
S028 0026B2	SCHOONOVER INVESTMENTS LP	0.19	O	Bossier
1813135C2A	WADDELL, ROBERT EARNEST	0.03	O	Bossier
1813135C2C	POLE LANDLORD LLC	0.02	O	Bossier

Figure 48 – Candidate Site “O” Map





Legend

- Candidate Site Boundary
- Caddo Parcels
- Bossier Parcels

Labeled parcels are greater than five (5) acres

Map Showing
Figure 49 – Candidate Site "O" Parcel Map
The Port of Caddo-Bossier

4.2.10. Candidate Site “Q”

This site consists of eight (8) parcels totaling roughly 1100 acres. There are seventy-eight (78) oil and gas wells throughout the site, according to SONRIS GIS, and one (1) or two (2) residential lots & homes, according to the most recent available satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north and east by the Red River; the south by Site “R”; the west by Hwy 1. Primary access location for this site is Hwy 1, from the west. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 24, and a map of this site can be found in Figure 50 and Figure 51.

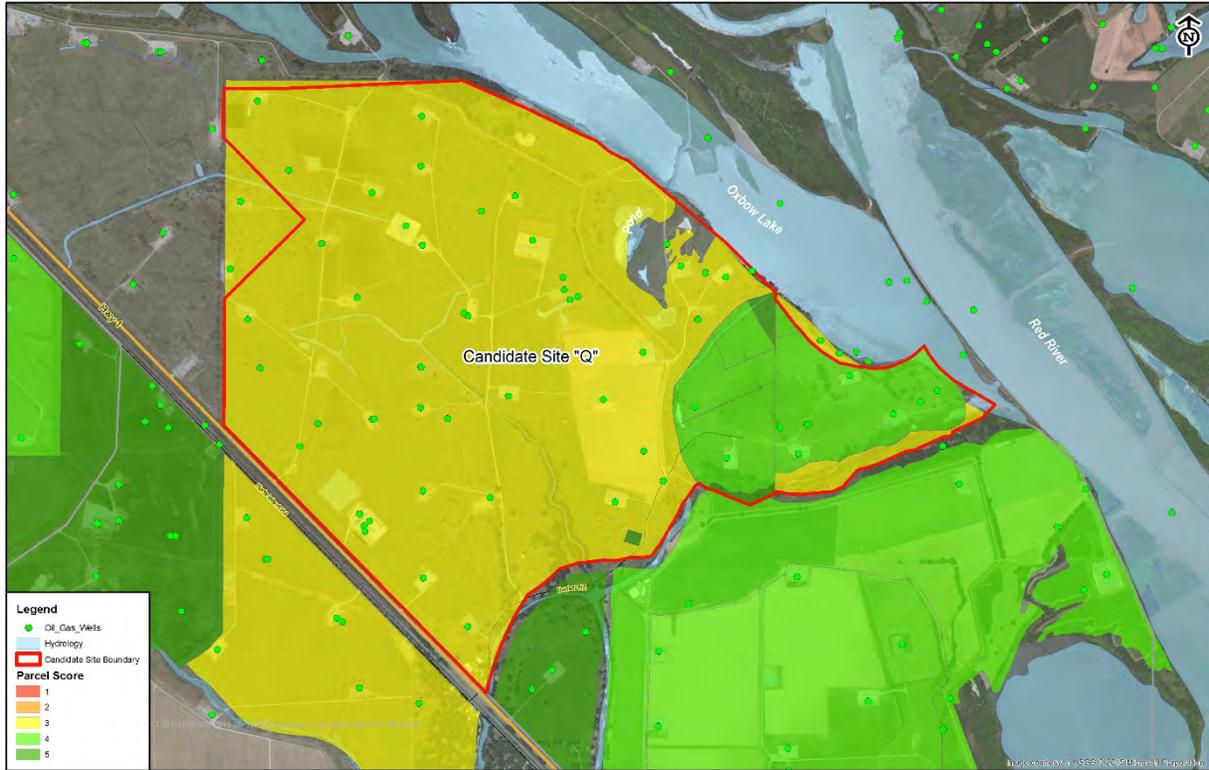
The parcels consist of oil and gas wells, farm operations and farmland. The mineral rights are leased on six (6) of the parcels, with the remainder having no record of leasing in Conveyance Records. One (1) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database and Bossier Clerk of Court Records

Mapping Number(s) 1612343B & 1612341B note this property is in close proximity to the Mary Magdalene Cemetery. The cemetery’s exact location should be identified prior to purchasing in order to assure its location will not adversely affect the needed operations of this site. Also, due to the vast amount of oil and gas wells located on this site, the Port should conduct a site analysis to identify contiguous pieces of real estate that are not affected by the existing gas wells. If the analysis determines the gas wells prohibit large developmental sites; then this sites prioritization should be reconsidered at that time.

Table 24 – Parcels within Candidate Site “Q”

Candidate Site Q Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
151237000000300	151237-0-04: CADDO-BOSSIER PARISHES PORT COMMISSION 151237-0-05: CECILE PLANTATION, L.L.C. 3/4 AND CECILE LAND HOLDINGS, L.L.C. 1/4	1469.17	Q	Caddo
1612353A	JAMES, JANE HUTCHINSON	76.55	Q	Bossier
1612343A	JAMES, JANE HUTCHINSON	35.21	Q	Bossier
1612342	JAMES, JANE HUTCHINSON	20.72	Q	Bossier
1612341A	JAMES, JANE HUTCHINSON	10.50	Q	Bossier
1612341B	RED RIVER WATERWAY DIST	3.60	Q	Bossier
1612343B	RED RIVER WATERWAY DIST	2.51	Q	Bossier
1612352A	JAMES, JANE HUTCHINSON	2.18	Q	Bossier

Figure 50 – Candidate Site “Q” Map





Map Showing
Figure 51 – Candidate Site "Q" Parcel Map
 The Port of Caddo-Bossier

4.2.11. Candidate Site “N”

This site consists of twenty-six (26) parcels totaling roughly 1580 acres. There are two (2) oil and gas wells throughout the site, according to SONRIS GIS. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by Interstate 20; the south by Barksdale Air Force Base (BAFB) and wooded timber; the west by BAFB and the east by wooded timber. The primary access point for this site is Interstate 20. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 25, and a map of this site can be found in Figure 52 and Figure 53.

The parcels consist of oil and gas wells, open farmland and wooded timber. The mineral rights are leased on sixteen (16) of the parcels, with the remainder having no record of leasing in Conveyance Records. Eleven (11) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

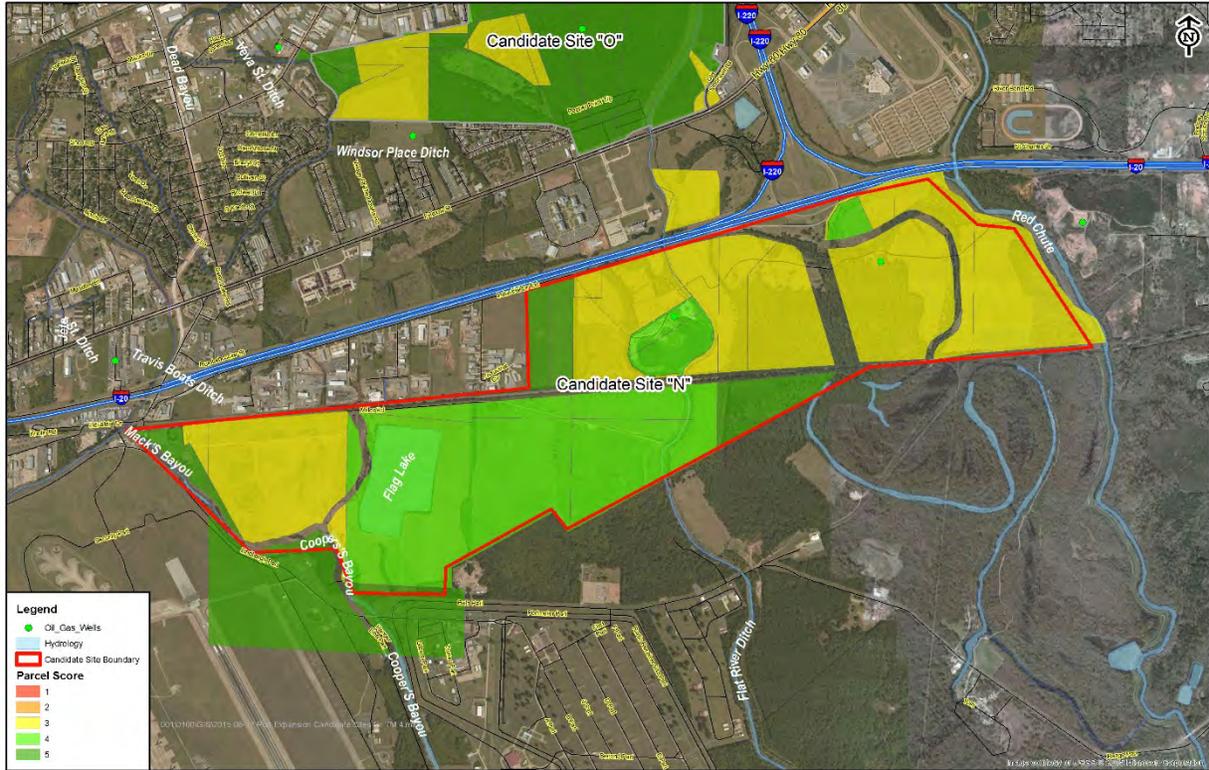
It should be noted that this potential site is located contiguous to Barksdale Air Force Base and could be adversely affected by the noise ordinances in place. The Barksdale Air Force Base Joint Land Use Study as shown in **Error! Reference source not found.** In this study, the identified property/parcels are considered conditionally compatible for heavy industrial use. Therefore, prior to the purchase of this property, it is recommended that the Port confirm if this property would be compatible for a potential tenant/user.

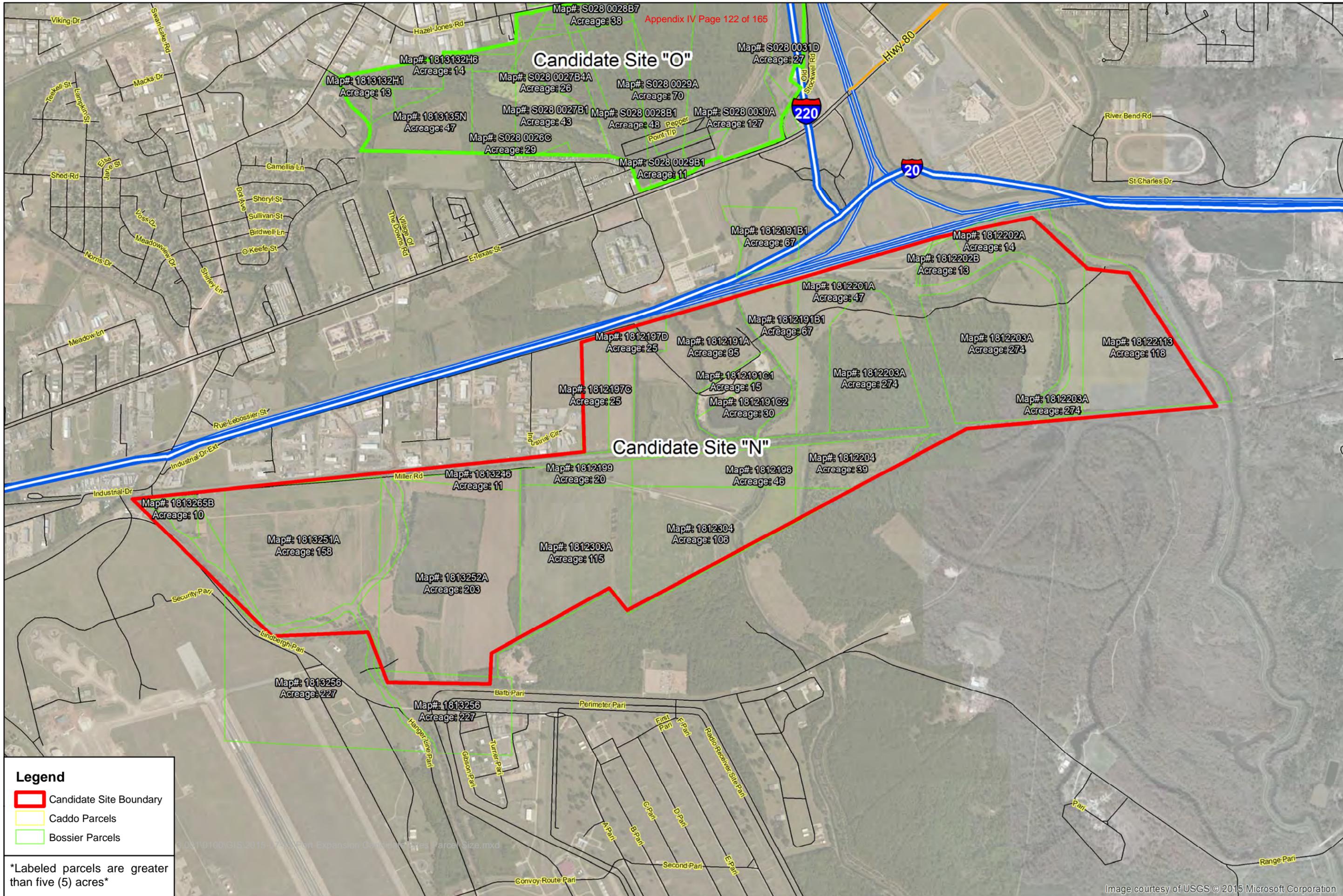
Table 25 – Parcels within Candidate Site “N”

Candidate Site N Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
1812203A	Bobbie Cates Hicks Trustee 4.87% 7/144; Bridgford, Belmore Hicks 12.50% 1/8; Hendrick, John A III 6.25% 1/16; Hicks, Bobbie Cates 4.87% 7/144; Hooks Family LLC 25% 1/4; JPIL Beaird Partnership 25% 1/4; Marilyn Wheless Hendrick Morehead & Ellis Boal Tru 6.25% 1/16; Sale, Katherine Hicks 2.76% 79/2880; Wheless, Nicholas Hobson Jr. 6.25% 1/16	273.98	N	Bossier
1813256	UNITED STATES OF AMERICA	227.11	N	Bossier
1813252A	Santa Maria LLC	203.43	N	Bossier
1813251A	Santa Maria LLC	158.52	N	Bossier
18122113	Bobbie Cates Hicks Trustee 4.87% 7/144; Bridgford, Belmore Hicks 12.50% 1/8; Hendrick, John A III 6.25% 1/16; Hicks, Bobbie Cates 4.87% 7/144; Hooks Family LLC 25% 1/4; JPIL Beaird Partnership 25% 1/4; Marilyn Wheless Hendrick Morehead & Ellis Boal Tru 6.25% 1/16; Sale, Katherine Hicks 2.76% 79/2880; Wheless, Nicholas Hobson Jr. 6.25% 1/16	118.36	N	Bossier
1812303A	BARKSDALE PROPERTIES LLC	115.21	N	Bossier
1812304	BARKSDALE PROPERTIES LLC	106.24	N	Bossier
1812191A	JPIL BEAIRD PARTNERSHIP	94.92	N	Bossier
1812191B1	JPIL BEAIRD PARTNERSHIP	66.97	N	Bossier

1812201A	Bobbie Cates Hicks Trustee 4.87% 7/144; Bridgford, Belmore Hicks 12.50% 1/8; Hendrick, John A III 6.25% 1/16; Hicks, Bobbie Cates 4.87% 7/144; Hooks Family LLC 25% 1/4; JPIL Beaird Partnership 25% 1/4; Marilyn Wheless Hendrick Morehead & Ellis Boal Tru 6.25% 1/16; Sale, Katherine Hicks 2.76% 79/2880; Wheless, Nicholas Hobson Jr. 6.25% 1/16	46.71	N	Bossier
1812196	BARKSDALE PROPERTIES LLC	45.87	N	Bossier
1812204	BARKSDALE PROPERTIES LLC	39.27	N	Bossier
1812191C2	S & B LLC	30.37	N	Bossier
1812197C	MOSLEY, ROBERT E JR	24.71	N	Bossier
1812197D	MOSLEY, ROBERT E JR	24.70	N	Bossier
1812199	BARKSDALE PROPERTIES LLC	19.60	N	Bossier
1812191C1	S & B LLC	15.00	N	Bossier
1812202A	Bobbie Cates Hicks Trustee 4.87% 7/144; Bridgford, Belmore Hicks 12.50% 1/8; Hendrick, John A III 6.25% 1/16; Hicks, Bobbie Cates 4.87% 7/144; Hooks Family LLC 25% 1/4; JPIL Beaird Partnership 25% 1/4; Marilyn Wheless Hendrick Morehead & Ellis Boal Tru 6.25% 1/16; Sale, Katherine Hicks 2.76% 79/2880; Wheless, Nicholas Hobson Jr. 6.25% 1/16	14.03	N	Bossier
1812202B	S & B LLC	13.28	N	Bossier
1813246	Santa Maria LLC	11.48	N	Bossier
1813265B	UNITED STATES OF AMERICA	10.37	N	Bossier
1813265A	Santa Maria LLC	8.55	N	Bossier
1812293	BARKSDALE PROPERTIES LLC	8.46	N	Bossier
1813265C	UNITED STATES OF AMERICA	7.42	N	Bossier
1812198	JPIL BEAIRD PARTNERSHIP	7.35	N	Bossier
1813251B	UNITED STATES OF AMERICA	3.85	N	Bossier

Figure 52 – Candidate Site “N” Map





Map Showing
Figure 53 – Candidate Site "N" Parcel Map
 The Port of Caddo-Bossier

4.2.12. Candidate Site “G”

This site consists of thirty-eight (38) parcels totaling roughly 1066 acres. There are forty-one (41) oil and gas wells throughout the site, according to SONRIS GIS, and four (4) or five (5) residential lots & homes, according to the most recent available satellite imagery. There appears to be one (1) small scale commercial business site according to satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by Bossier South Marina and Recreational Campground; the south by an oxbow of the Red River (Old River Lake); the west by the Red River and the east by Hwy 71. The primary access point for this site is Hwy 71. It has several named water features, including; Watson Lake, Old River Lake, and Half-Moon Lake. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 26, and a map of this site can be found in Figure 54 and Figure 55.

The parcels consist of oil and gas wells, open farmland, residential homes, and commercial business. The mineral rights are leased on four (4) of the parcels, with the remainder having no record of leasing in Conveyance Records. Ten (10) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

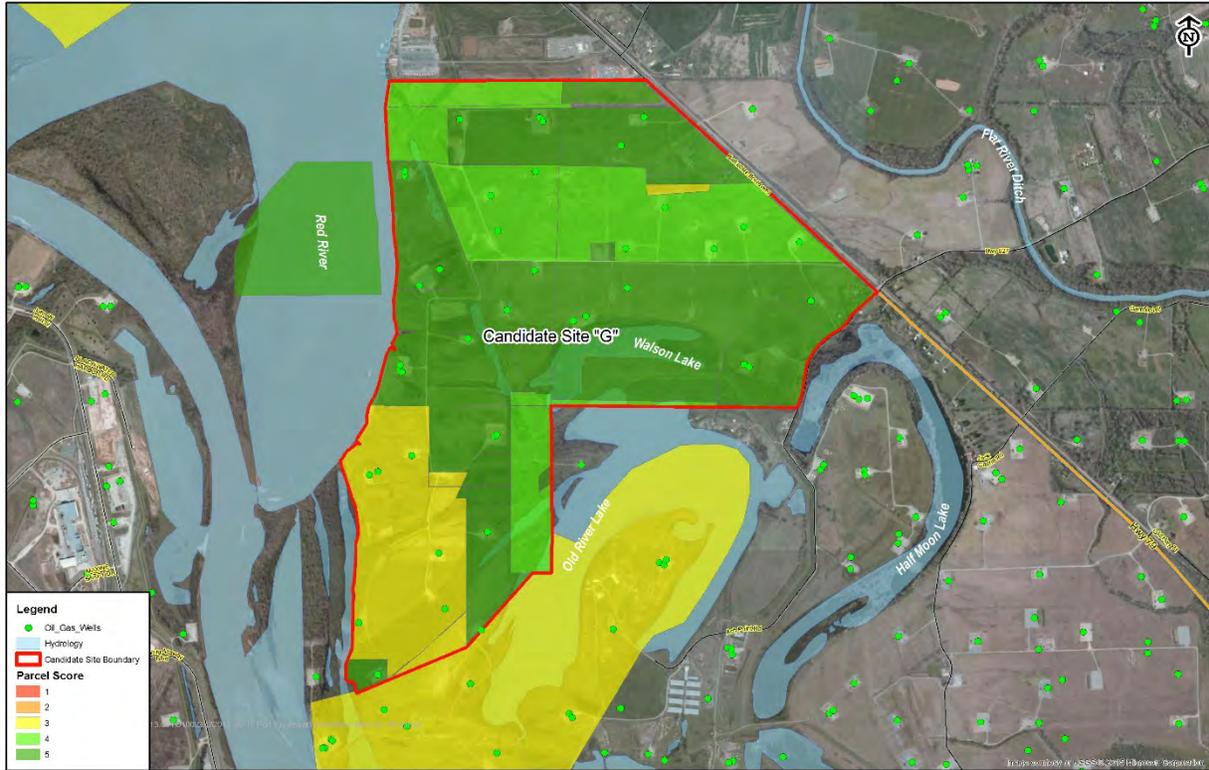
It should be noted that this piece of land could potential have direct access to the Red River Channel with a relatively minor dredging effort for a harbor. Also, the future I-69 corridor is designated to go through the middle of this site which may be beneficial or adversely affect the potential for development. Prior to purchasing of this property, it is recommended that the Port investigate the route of I-69 in relation to the projected land use/tenant/tracts that are projected for the property. The intersection of this site with the I-69 designated route can be seen in Figure 55.

Table 26 – Parcels within Candidate Site “G”

Candidate Site G Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
161324001000600	MOON LAKE FARMS, L.L.C.	565.40	G	Caddo
16120915C2B	JAMES HENRY MERCER II	189.65	G	Bossier
1612176A	Sanders, Nancy Parker 50% 1/2; Taylortown Co. LLC 50% 1/2	148.27	G	Bossier
1612088A	GARY W PHILIBERT LLC	148.06	G	Bossier
16120914A	L M A LAND CO LLC	117.28	G	Bossier
1612089F	JAMES HENRY MERCER II	69.35	G	Bossier
1612088B	L M A LAND CO LLC	64.31	G	Bossier
1612089E	TAYLORTOWN COMPANY LLC	58.27	G	Bossier
16120915C2	TAYLORTOWN COMPANY LLC	46.84	G	Bossier
16120913A	WILCOX CONTRACTING LLC	43.77	G	Bossier
1612174C	Haynie, Madeline Marshall 25% 1/4; Haynie, William Jr. 50% 1/2; William H. Trustee 25% 1/4	40.60	G	Bossier
1612087E	WILCOX CONTRACTING LLC	38.91	G	Bossier
1612174D	MOON LAKE DAIRY PARTNERSHIP	32.31	G	Bossier
1612175	TAYLORTOWN COMPANY LLC	28.57	G	Bossier
1612087C	Roberts, Ledean D 50% 1/2; Roberts, Sheri K 50% 1/2	26.28	G	Bossier
1612087D	Chapman, Don M SR 50% 1/2; Chapman, Jeaniece Pickett 50% 1/2	23.00	G	Bossier
16120913C	ELM GROVE BAPTIST CHURCH	10.52	G	Bossier
1612175B	MOON LAKE DAIRY PARTNERSHIP	8.33	G	Bossier
SH59 0002	ETC TIGER PIPELINE, LLC	8.17	G	Bossier
1612173A	TAYLORTOWN COMPANY LLC	6.63	G	Bossier
16120915B	Haynie, Madeline Marshall 25% 1/4; Haynie, William Jr. 50% 1/2; William H. Trustee 25% 1/4	5.74	G	Bossier
1612174A	LITTLE RIVER ENT INC	5.66	G	Bossier
16120914B2	ELM GROVE BAPTIST CHURCH	4.82	G	Bossier
16120914B	Heyward, Andrew A 16.67% 1/6; Heyward, Daniel N. 16.67% 1/6; James S Heyward Jr. Living Trust 16.67% 1/6; Betsy Hudson Mcdade 50% 1/2	3.49	G	Bossier
1612175C	Sanders, Nancy Parker 50% 1/2; Taylortown Co LLC 50% 1/2	3.26	G	Bossier

1612089C	Haynie, Madeline Marshall 25% 1/4; Haynie, William Jr. 50% 1/2; William H. Trustee 25% 1/4	2.81	G	Bossier
16120914C	HUTCHENS, FRANCIS DEON	2.73	G	Bossier
16120913D	Roberts, Ledean D 50% 1/2; Roberts, Sheri K 50% 1/2	2.55	G	Bossier
SH59 0001	Roberts, Ledean D 50% 1/2; Roberts, Sheri K 50% 1/2	2.07	G	Bossier
16120914D	COHORT ENERGY CO	2.00	G	Bossier
16120915C2C	MOON LAKE DAIRY PARTNERSHIP	1.97	G	Bossier
1612174B	SANDERS, NANCY PARKER	1.31	G	Bossier
16120916	JAMES HENRY MERCER II TRUSTEE	1.27	G	Bossier
16120914E	COHORT ENERGY CO	0.69	G	Bossier
1612176D	MOON LAKE DAIRY PARTNERSHIP	0.56	G	Bossier
1612089C2	TAYLORTOWN COMPANY LLC	0.38	G	Bossier
1612089D	Haynie, Madeline Marshall 25% 1/4; Haynie, William Jr. 50% 1/2; William H. Trustee 25% 1/4	0.38	G	Bossier
16120913B	HUTCHENS, FRANCIS DEON	0.35	G	Bossier
16120913E	Chapman, Don M Sr 50% 1/2; chapman, Jeaniece Pickett 50% 1/2	0.25	G	Bossier

Figure 54 – Candidate Site “G” Map



Map#: 16120612B
Acreage: 241



Legend

- Candidate Site Boundary
- Caddo Parcels
- Bossier Parcels

Labeled parcels are greater than five (5) acres

Map Showing
Figure 55 – Candidate Site "G" Parcel Map
The Port of Caddo-Bossier

4.2.13. Candidate Site “T”

This site consists of forty (40) parcels totaling roughly 1437 acres. There are fifteen (15) oil and gas wells throughout the site, according to SONRIS GIS, and three (3) or four (4) residential lots & homes, according to the most recent available satellite imagery. There is a large gravel/sand/soil storage facility on the site, according to satellite imagery. The parcel is partially surrounded by the Red River and contains the “Bossier City Reservoir” which is one (1) of the two (2) main sources of raw water for the Bossier City Water Treatment Plant. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north, south, and west by the Red River, and the east by Hwy 3. The primary access point for this site is Interstate 220 and Hwy 3. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 27, and a map of this site can be found in Figure 56 and Figure 57.

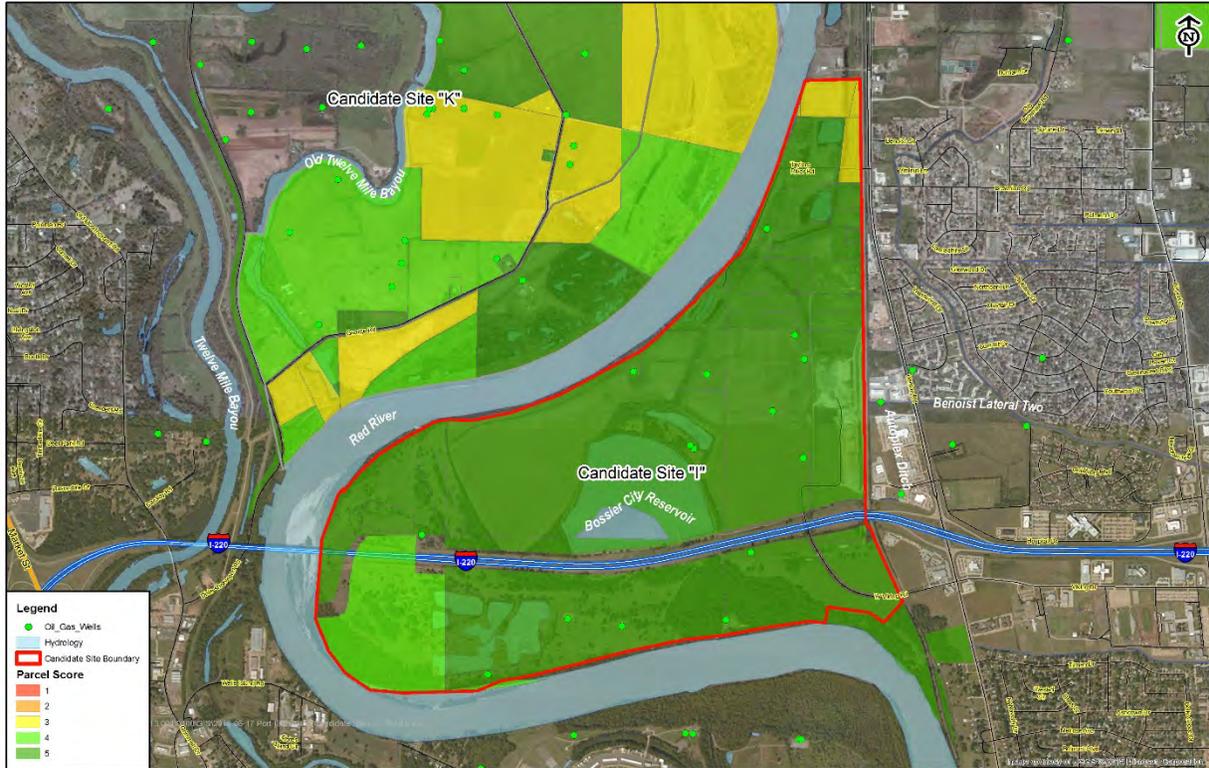
The parcels consist of farmland, water features, and residential homes. Mineral rights of the parcels appear to be open and there are no pipeline ROW, servitudes, and/or easements according to direct conveyance. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

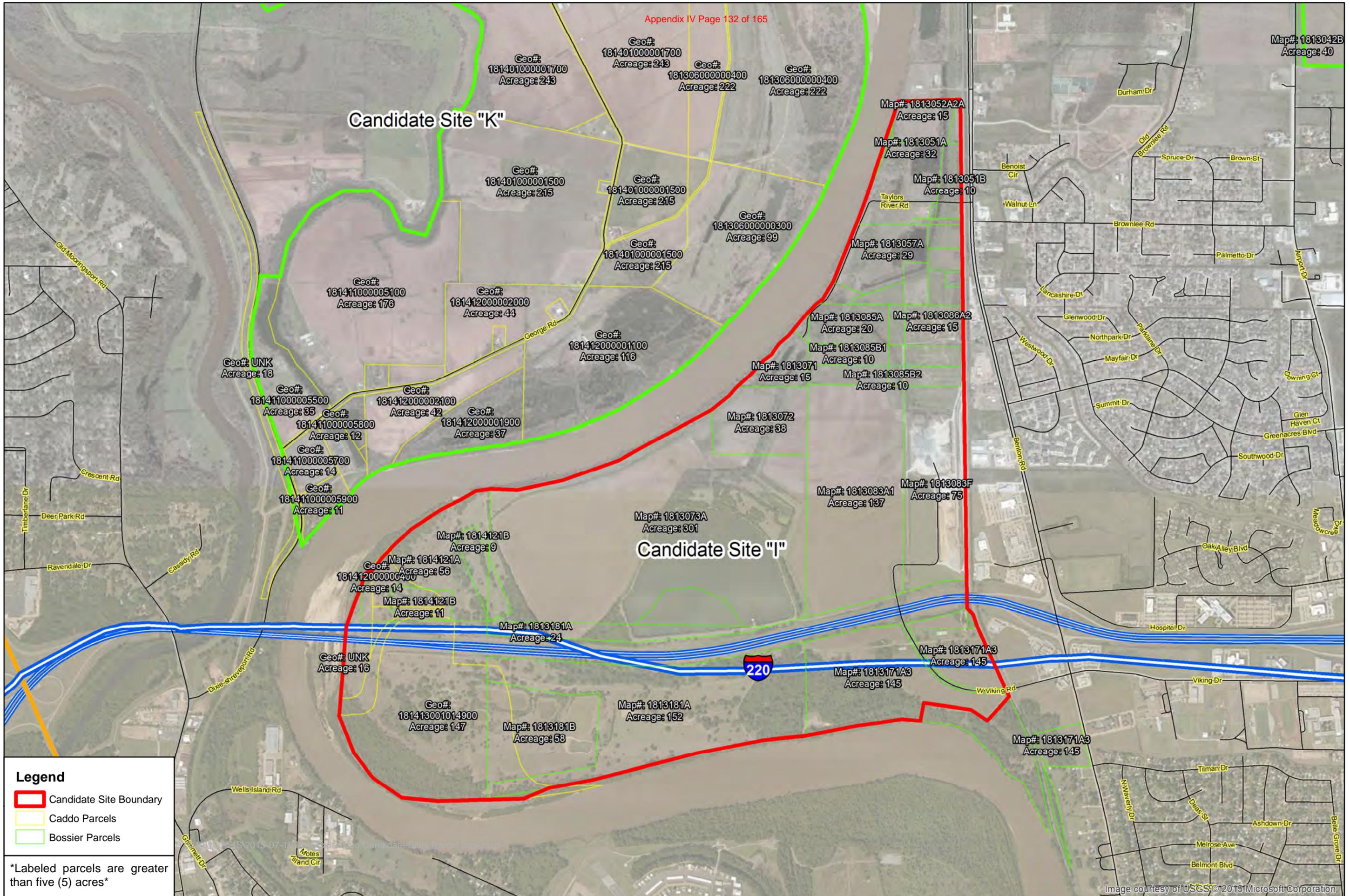
Table 27 – Parcels within Candidate Site “I”

Candidate Site I Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
1813073A	BOSSIER LAND ACCOUNT LLC	301.01	I	Bossier
1813181A	BOSSIER LAND ACCOUNT LLC	152.36	I	Bossier
181413001014900	SAMMO, L.L.C. C/O C. CODY WHITE, JR.	146.95	I	Caddo
1813171A3	W Harlan Beene Family LLC	145.37	I	Bossier
1813083A1	BOSSIER LAND ACCOUNT LLC	137.07	I	Bossier
1813083F	UNION PACIFIC RAILROAD CO	75.43	I	Bossier
1813181B	BOSSIER LAND ACCOUNT LLC	58.47	I	Bossier
1814121A	BOSSIER LAND ACCOUNT LLC	56.14	I	Bossier
1813072	BOSSIER LAND ACCOUNT LLC	38.27	I	Bossier
1813051A	NORTH RED RIVER LAND CO LLC	32.51	I	Bossier
1813057A	NORTH RED RIVER LAND CO LLC	29.47	I	Bossier
1813181A	BOSSIER LAND ACCOUNT LLC	24.43	I	Bossier
1813085A	WEST VIKING DRIVE LLC	19.86	I	Bossier
UNK		18.48	I,K	Caddo
UNK		16.16	I,K	Caddo
1813052A2A	Enable Gas Transmission, LLC	15.24	I	Bossier
1813086A2	UNION PACIFIC RAILROAD CO	14.66	I	Bossier
1813071	TSC INC	14.65	I	Bossier
18141200000400	FORD, JOHN MC W. C/O JOHN W. FORD	13.66	I	Caddo
1814121B	BOSSIER LAND ACCOUNT LLC	10.63	I	Bossier
1813085B1	LA-ARK INVESTMENTS LLC	10.16	I	Bossier
1813085B2	LA-ARK INVESTMENTS LLC	10.07	I	Bossier
1813051B	UNION PACIFIC RAILROAD CO	10.02	I	Bossier
1814121B	BOSSIER LAND ACCOUNT LLC	9.10	I	Bossier

1813086B2B	UNION PACIFIC RAILROAD CO	7.49	I	Bossier
1813086B1B	UNION PACIFIC RAILROAD CO	7.42	I	Bossier
1813057B	UNION PACIFIC RAILROAD CO	6.40	I	Bossier
1813059A	UNION PACIFIC RAILROAD CO	5.97	I	Bossier
1813059B1	UNION PACIFIC RAILROAD CO	4.97	I	Bossier
1813073B	BOSSIER LAND ACCOUNT LLC	4.90	I	Bossier
1813057D	WEST VIKING DRIVE LLC	4.46	I	Bossier
1813059B2	UNION PACIFIC RAILROAD CO	4.43	I	Bossier
181413000000400	FORD, JOHN MC W. C/O JOHN FORD	4.40	I	Caddo
1813086A1	WEST VIKING DRIVE LLC	3.97	I	Bossier
1813057C	WEST VIKING DRIVE LLC	3.50	I	Bossier
1813052A2B	UNION PACIFIC RAILROAD CO	2.32	I	Bossier
1813086B2A	LA-ARK INVESTMENTS LLC	1.99	I	Bossier
1813086B1A	LA-ARK INVESTMENTS LLC	1.99	I	Bossier
1813071B	WEST VIKING DRIVE LLC	1.55	I	Bossier
1813059D	UNION PACIFIC RAILROAD CO	1.27	I	Bossier
18130513B	UNION PACIFIC RAILROAD CO	1.26	I	Bossier
18130513A	NORTH RED RIVER LAND CO LLC	0.68	I	Bossier
1813051C	NORTH RED RIVER LAND CO LLC	0.58	I	Bossier
UNK		0.47	I,K	Caddo
1813059C	UNION PACIFIC RAILROAD CO	0.39	I	Bossier
18130510	Enable Gas Transmission, LLC	0.26	I	Bossier

Figure 56 – Candidate Site “I” Map





Candidate Site "K"

Candidate Site "I"

Legend

- Candidate Site Boundary
- Caddo Parcels
- Bossier Parcels

Labeled parcels are greater than five (5) acres

Map Showing

Figure 57 – Candidate Site "I" Parcel Map

The Port of Caddo-Bossier

4.2.14. Candidate Site “L”

This site consists of twenty-three (23) parcels totaling roughly 1322 acres. There are twenty (20) oil and gas wells throughout the site, according to SONRIS GIS. The majority of the parcel is wooded timber. The potential site is bound to the north by wooded timber; the south by Interstate 20; the west by Par Rd 18 and the east by wooded timber. The primary access point for this site is Interstate 20. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 28, and a map of this site can be found in Figure 58 and Figure 59.

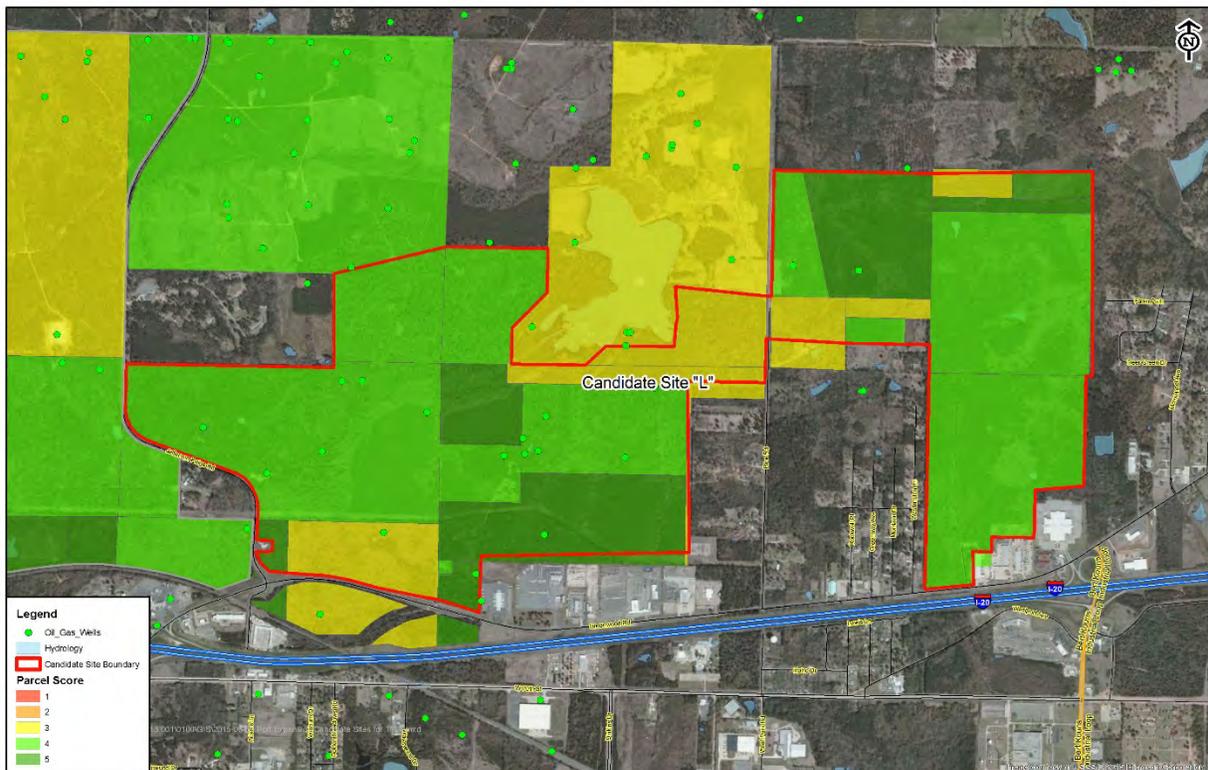
The parcels consist of wooded timber and oil and gas wells. The mineral rights are leased on twelve (12) of the parcels, with the remainder having no record of leasing in Conveyance Records. Ten (10) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

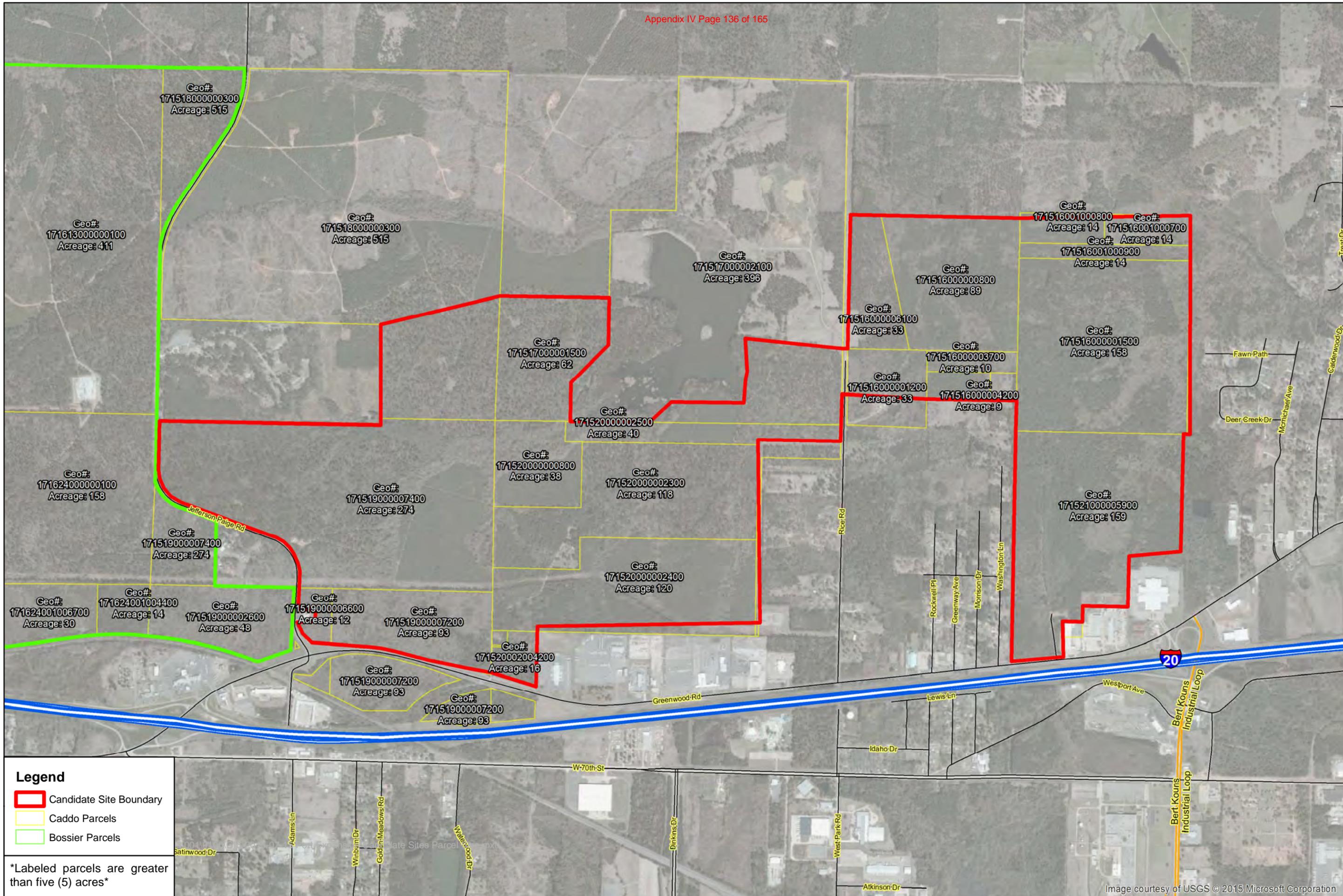
Table 28 – Parcels within Candidate Site “L”

Candidate Site L Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
171518000000300	MARTIN TIMBER COMPANY, L.L.C. 4294, ETAL	515.76	L,M	Caddo
171517000002100	RICE FARMS LIMITED	396.64	L	Caddo
171519000007400	MARTIN TIMBER COMPANY, L.L.C. 4294, ETAL C/O MS BARBARA TRANGMAR	274.31	L,M	Caddo
171521000005900	FRANKS INVESTMENT COMPANY, L.L.C.	158.76	L	Caddo
171516000001500	FRANKS INVESTMENT COMPANY, L.L.C.	157.65	L	Caddo
171520000002400	SIMPSON, WAYNE L., MANAGER TLC INVESTMENTS, L.L.C.	119.70	L	Caddo
171520000002300	GAYLE, EDWIN OLIN	118.15	L	Caddo
171519000007200	TRI-STATE REALTY COMPANY, L.L.C.	92.73	L	Caddo
171516000000800	PINEHILLS TIMBER FARMS, LLC	88.63	L	Caddo
171517000001500	MARTIN TIMBER COMPANY, L.L.C. 4294, ETAL ATTN: MS BARBARA TRANGMAR	62.09	L	Caddo
171520000002500	RICE FARMS LIMITED	39.71	L	Caddo
171520000000800	MARTIN TIMBER COMPANY, L.L.C. 4294 4294, ETAL ATTN: MS BARBARA TRANGMAR	38.43	L	Caddo
171516000006100	RICE FARMS LIMITED	32.97	L	Caddo
171516000001200	GREEN, CONSTANCE L.	32.56	L	Caddo
171520002004200	ABRAMSON FAMILY LLC C/O ARGENT PROPERTY SERVICES, LLC	16.24	L	Caddo
171516001000900	BAILEY, BRIAN ELTON 1/2, ETAL	13.98	L	Caddo
171516001000700	HENRICH, BEVERLY ANN BURTON 1/2 AND ROBERT WILLIAM BURTON 1/2	13.74	L	Caddo

171516001000800	BICKHAM, WILLIAM BRADLEY	13.57	L	Caddo
171519000006600	A. Homemade Dreams, LLC- 171519000007500 B. Jackson, Patricia Moore - 171519000007600	11.51	L	Caddo
171516000003700	GREEN, CONSTANCE L.	10.13	L	Caddo
171516000004200	WILSON, LOIS BOOGHREY 1/2 & ODESSA BOOGHREY GREEN 1/2	9.35	L	Caddo
171520000001000	GRIGSBY LAND L.C.	1.20	L	Caddo
171520002004100	GRIGSBY LAND L.C.	0.12	L	Caddo

Figure 58 – Candidate Site “L” Map





Legend

- Candidate Site Boundary
- Caddo Parcels
- Bossier Parcels

Labeled parcels are greater than five (5) acres

Map Showing
Figure 59 – Candidate Site "L" Parcel Map
 The Port of Caddo-Bossier

4.2.15. Candidate Site “K”

This site consists of thirty-nine (39) parcels totaling roughly 1835 acres. There are thirty-four (34) oil and gas wells throughout the site, according to SONRIS GIS, and roughly twenty (20) residential lots & homes, according to the most recent available satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by the Red River and open land; the south by the Red River; the west by Old Twelve Mile Bayou and the east by the Red River. The primary access point for this site is Interstate 220. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 29, and a map of this site can be found in Figure 60 and Figure 61.

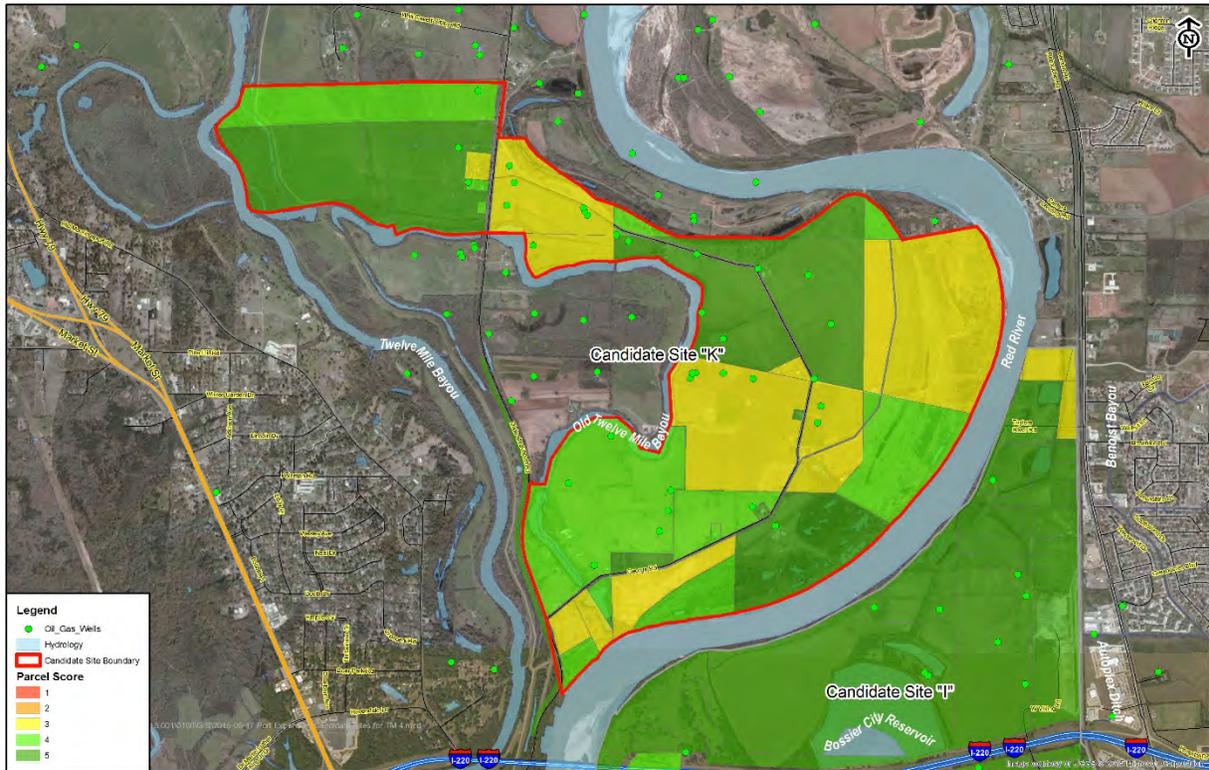
The parcels consist of oil and gas wells and residential lots. The mineral rights are leased on eleven (11) of the parcels, with the remainder having no record of leasing in Conveyance Records. Seven (7) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

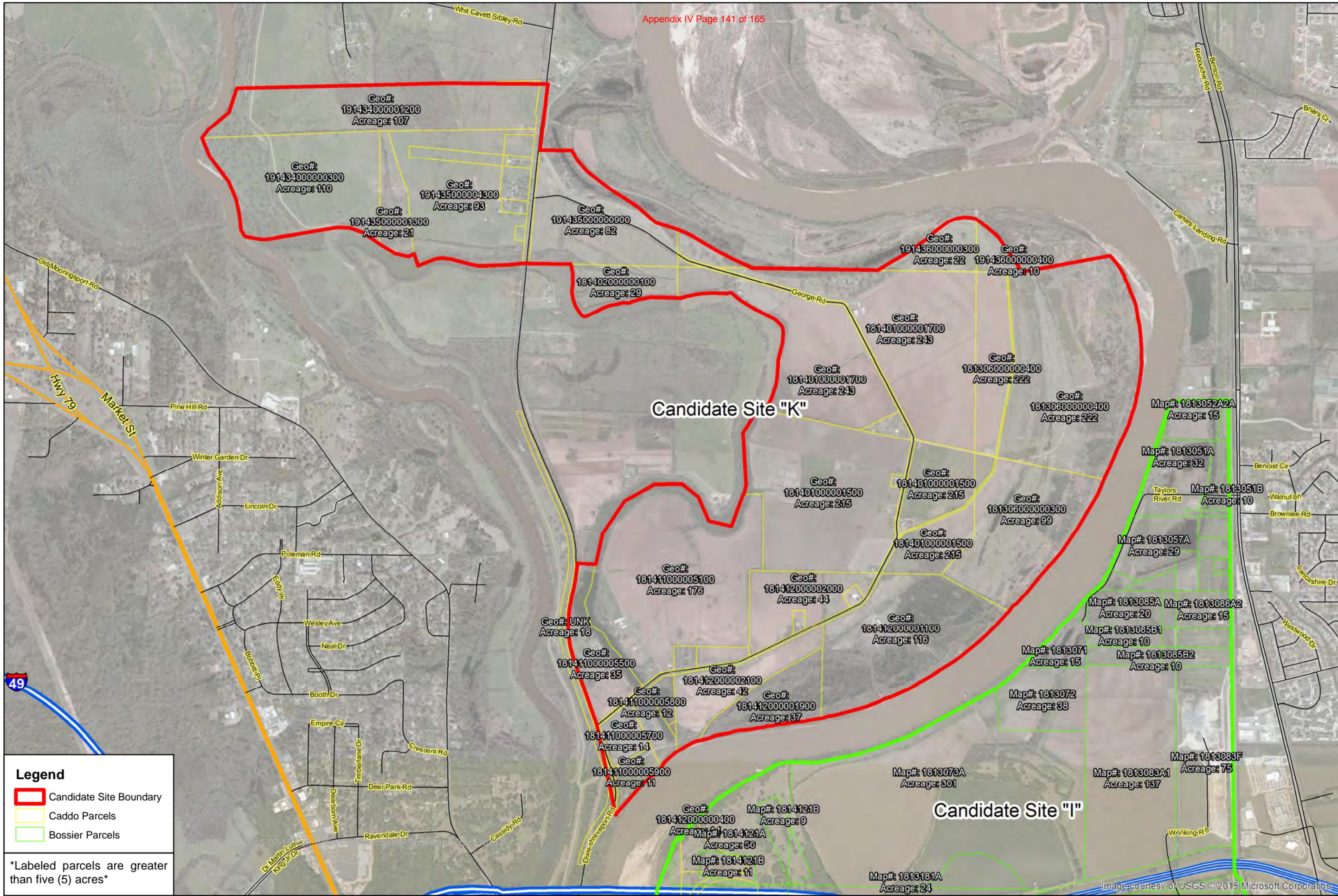
Table 29 – Parcels within Candidate Site “K”

Candidate Site K Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
181401000001700	GILBERT, PATTIE PITTMAN	243.13	K	Caddo
181306000000400	GILBERT, PATTIE PITTMAN	222.12	K	Caddo
181401000001500	WITHROW ENTERPRISES, INC.	214.64	K	Caddo
181411000005100	GREEN OAKS FARMS, INC.	176.19	K	Caddo
191434000000300		109.97	K	Caddo
191434000001200	HOOGLAND, MICHAEL JOHN AND VALERIE ADGER HOOGLAND	106.75	K	Caddo
181306000000300	WITHROW ENTERPRISES, INC.	99.45	K	Caddo
191435000004300		93.34	K	Caddo
191435000000900	MARSHALL, JOHNNIE S. 11/16 AND MARGARET J. MARSHALL JOHN 5/16	81.97	K	Caddo
181412000002000	FITZGERALD, THOMAS P., III	44.14	K	Caddo
181412000002100	FITZGERALD, HELEN A. 1/2 AND THOMAS P. FITZGERALD, III 1/2	42.38	K	Caddo
181411000005500	GREEN OAKS FARMS, INC.	35.35	K	Caddo
181402000000100	MARSHALL, JOHNNIE S. 11/16 AND MARGARET J. MARSHALL 5/16	28.82	K	Caddo
191436000000300	G & C WITHROW, LLC 311/320, ETAL	22.17	K	Caddo
UNK		18.48	I,K	Caddo
UNK		16.16	I,K	Caddo
181411000005700	ROBINSON, CHARLES EDWIN	13.65	K	Caddo
181411000005800	ROBINSON, RALPH P. C/O CHARLES E. ROBINSON	11.79	K	Caddo
181411000005900	ROBINSON, CHARLES EDWIN	10.64	K	Caddo

19143600000400	G & C WITHROW, LLC 311/320, ETAL	9.75	K	Caddo
19143600000500	GILBERT, PATTIE PITTMAN	9.00	K	Caddo
191435000004500		7.64	K	Caddo
191435000004100	HOOGLAND, MICHAEL JOHN AND VALERIE ADGER HOOGLAND	6.77	K	Caddo
181411000005000	HARRIS, RICHARD GALLAGER, ET AL	6.54	K	Caddo
181412000001200	RIVER CITY PROPERTY MANAGEMENT, L.L.C.	6.16	K	Caddo
181401000001600	WITHROW ENTERPRISES, INC.	5.19	K	Caddo
191435000004400	MCMASTER, RYAN K. AND JOAN G. MCMASTER	4.46	K	Caddo
181412000000800	RIVER CITY PROPERTY MANAGEMENT, L.L.C	3.69	K	Caddo
191435000004200	CARROLL, MOLLY ANN DUGGAN	2.38	K	Caddo
181412000001000	HOWARD, DEBORAH KAY TRAINER	2.02	K	Caddo
191435000002800	MCMASTER, RYAN K. & JOAN G. MCMASTER	2.00	K	Caddo
181412000001400	FITZGERALD, T. PATRICK, III & MARTHA H. FITZGERALD	1.84	K	Caddo
181401000001400	WITHROW, CHELSEA TYSON	1.01	K	Caddo
191435000001500	CARRROLL, MOLLY ANN DUGGAN 7/12 ETAL	1.00	K	Caddo
UNK		0.47	I,K	Caddo
191435000004600	MCMASTER, RYAN K. AND JOAN G. MCMASTER	0.36	K	Caddo

Figure 60 – Candidate Site “K” Map





Legend

- Candidate Site Boundary
- Caddo Parcels
- Bossier Parcels

Labeled parcels are greater than five (5) acres

Map Showing
Figure 61 – Candidate Site "K" Parcel Map
The Port of Caddo-Bossier

4.2.16. Candidate Site “R”

This site consists of twenty-two (22) parcels totaling roughly 1800 acres. There are sixty-eight (68) oil and gas wells throughout the site, according to SONRIS GIS, and two or three residential lots & homes, according to the most recent available satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north by Booker Road; the east and south by the Red River, and the west by Hwy 1. Primary access location for this site is Hwy 1 from the west. There is a posted weight limit of 25-40 tons on the section of Hwy 1 contiguous to this site. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 30, and a map of this site can be found in Figure 62 and Figure 63.

The parcels consist of oil and gas wells, open farmland and residential homes. The mineral rights are leased on seven (7) of the parcels, with the remainder having no record of leasing in Conveyance Records. Six (6) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are three (3) parcels that note Agricultural Lands or Timberlands (see below). There are no past historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

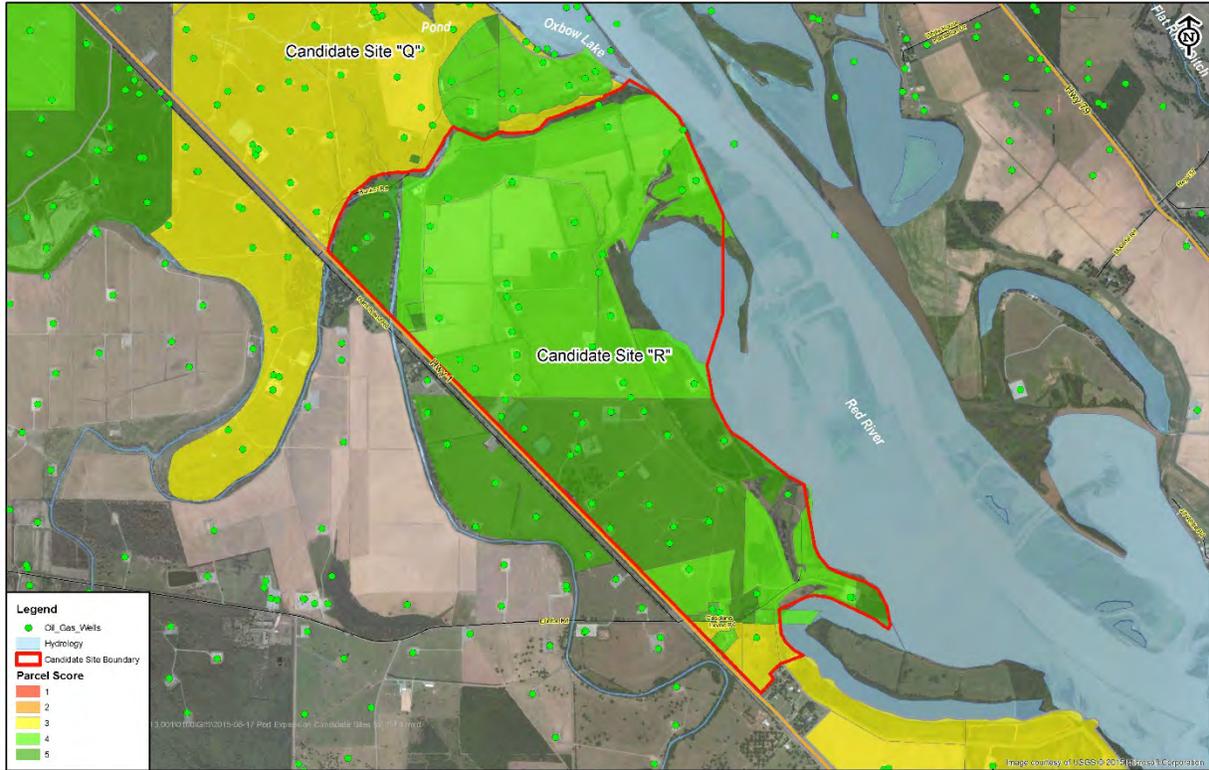
Geography Number 151212000000700 & 151213000002000 notes Partnership with Caspiana Land Company. Prior to purchasing of this property, it is recommended the Port conduct the needed investigation on the Partnership terms. Geography Number 151213000002900 & 151212000002700 notes Timberlands in Past Environmental Issues or Potential Environmental Hazard. The Timberland environmental issue needs to be further investigated to determine the reasoning for this being an environmental issue as well as the affect it could have on potential industrial/site development.

It should be noted that site “R” also contains approximately 700’ of riverfront directly on the channel of the Red River that could provide access for potential tenants to build the needed infrastructure for multimodal traffic distributions of goods.

Table 30 – Parcels within Candidate Site “R”

Candidate Site R Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
151201000001900	MOSS & MAGNOLIA, L.L.C.	518.91	R	Caddo
151211000001000	MOSS & MAGNOLIA, L.L.C.	428.35	R	Caddo
151201000001400	SANDIA PROPERTIES, L.L.C.	364.84	R	Caddo
151210000000400	MOSS & MAGNOLIA, L.L.C.	136.10	R	Caddo
151212000002700	MOSS & MAGNOLIA, L.L.C.	83.31	R	Caddo
151201000000800	LOUISE TYLER PROPERTIES, L.L.C.	68.71	R	Caddo
151213000002000	MC CLELLAN, MARGARET HUTCHINSON 1/32, ETAL	66.50	R,D	Caddo
151211000000800	CUPPLES, KAREN LEA	49.22	R	Caddo
151213000002900	HARRIS, J. TURNER, INC.	26.44	R	Caddo
151212000002500	MOSS & MAGNOLIA, L.L.C.	15.38	R	Caddo
151238000000200	MOSS & MAGNOLIA, L.L.C.	12.75	R	Caddo
151212000000700	MC CLELLAN, MARGARET HUTCHINSON 1/8, ETAL C/O JOHN LEIGH MC CLELLAN	7.18	R	Caddo
151212000002600	ROUSE, LARRY MIKE AND JO ANN CHANCE ROUSE	6.59	R	Caddo
151214000000900	HARRIS, J. TURNER, INC.	6.37	R	Caddo
151211000000900	MOSS & MAGNOLIA, L.L.C.	5.68	R	Caddo
151214000000800	HARRIS, CONWAY S. AND BARBARA M. HARRIS	5.27	R	Caddo
151214000001000	HARRIS, J. TURNER, INC.	5.15	R	Caddo
151212000001000	DEMOSS, CHARLES THOMAS 1/2 AND ALICIA DEMOSS 1/2	3.87	R	Caddo
151201000001800	MAGNOLIA SOUTH HOLDINGS, L.L.C.	2.99	R	Caddo
151201000001700	CUPPLES, KAREN LEA	2.32	R	Caddo
151212000000800	BAPTIST CHURCH, MECHANVILLE	2.11	R	Caddo
151237000000200	HORNE, JANE HUTCHINSON 1/8, ETAL	0.83	R	Caddo

Figure 62 – Candidate Site “R” Map





Map Showing
Candidate Site "R" Parcel Map
The Port of Caddo-Bossier

4.2.17. Candidate Site “M”

This site consists of thirty-four (34) parcels totaling roughly 1772 acres. There are fifty-seven (57) oil and gas wells throughout the site, according to SONRIS GIS. The majority of the parcel is wooded timber. The potential site is bound to the north by wooded timber; the south by Interstate 20; the west by Hwy 169 and the east by Par Rd 18. The primary access point for this site is Interstate 20. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 31, and a map of this site can be found in Figure 64 and Figure 65.

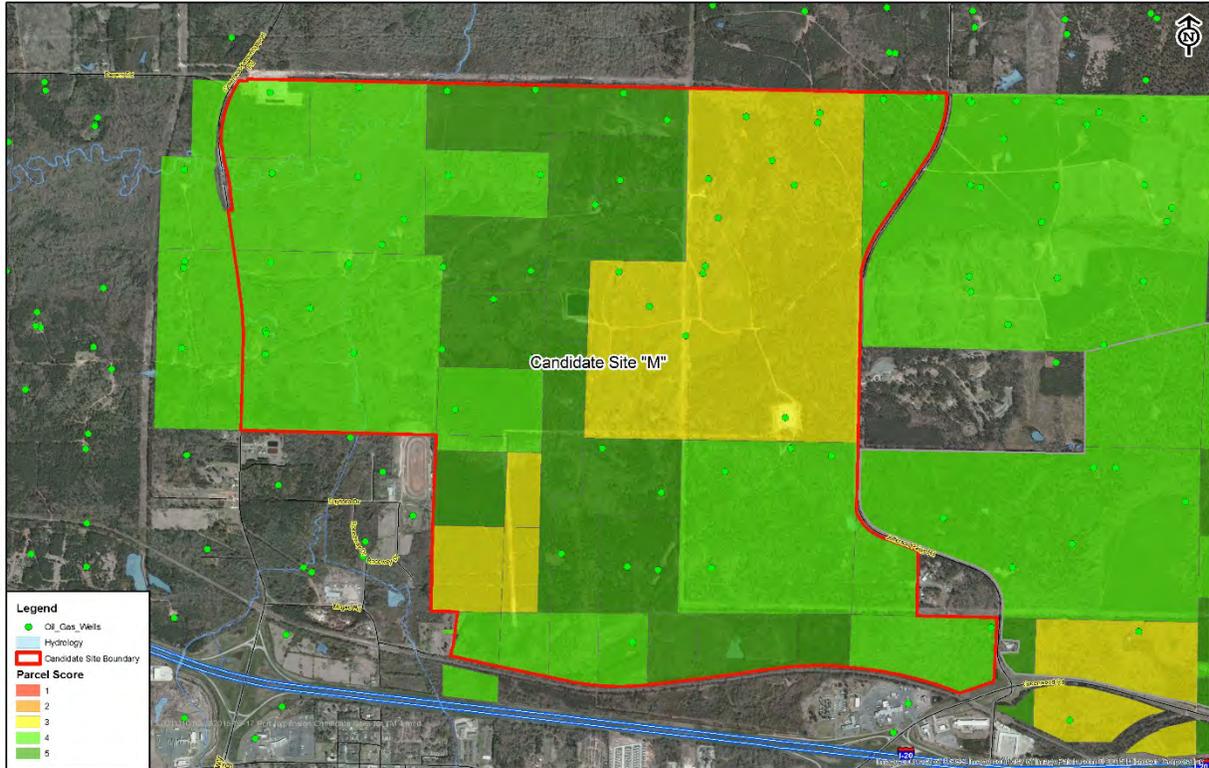
The parcels consist of wooded timber and oil and gas wells. The mineral rights are leased on five (5) of the parcels, with the remainder having no record of leasing in Conveyance Records. Seventeen (17) of the parcels also contain pipeline ROW, servitudes, and/or easements within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

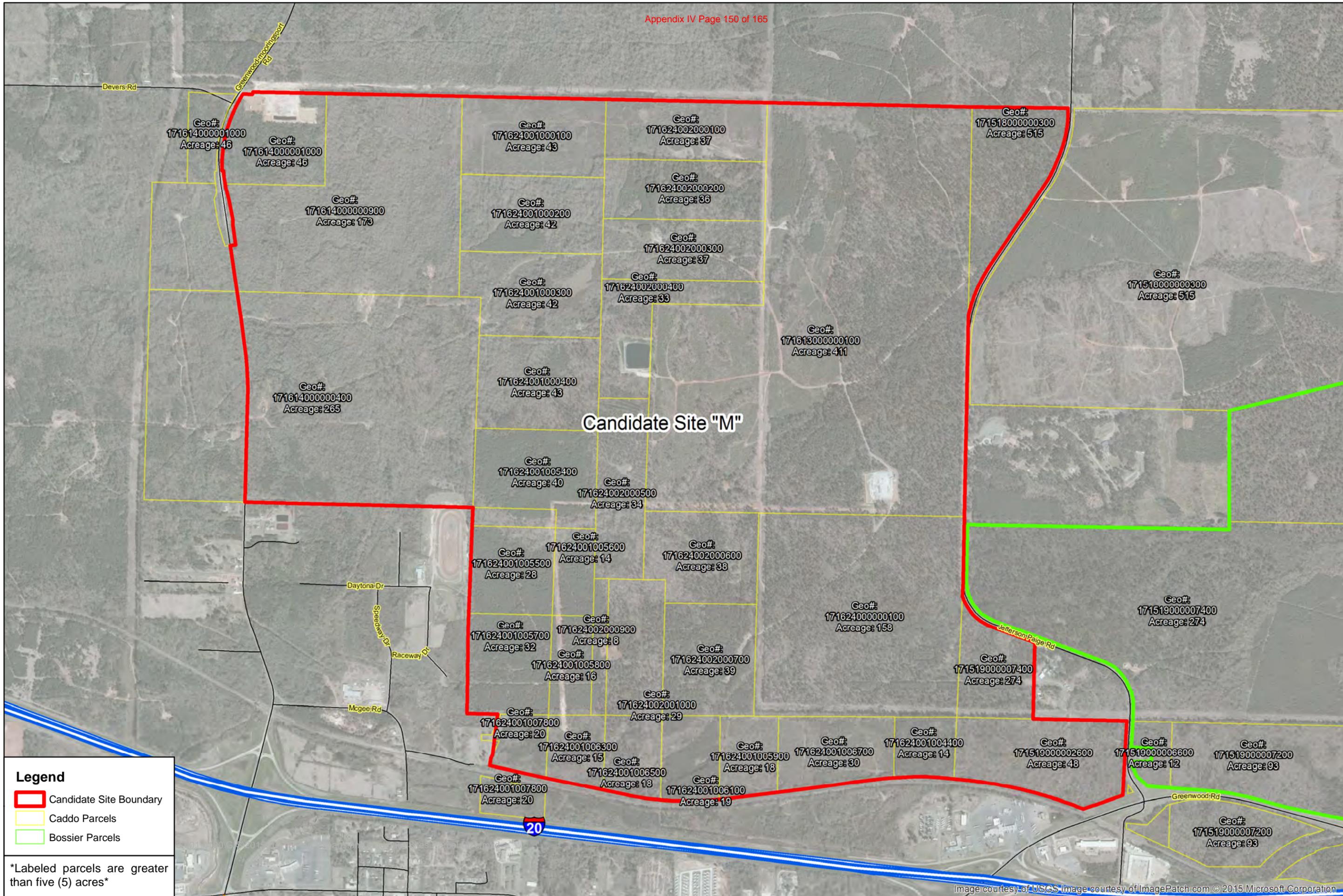
Table 31 – Parcels within Candidate Site “M”

Candidate Site M Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
171518000000300	MARTIN TIMBER COMPANY, L.L.C. 4294, ETAL	515.76	L,M	Caddo
171613000000100	MARTIN TIMBER COMPANY, L.L.C. 4294, ETAL C/O MARTIN TIMBER CO.	411.16	M	Caddo
1715190000007400	MARTIN TIMBER COMPANY, L.L.C. 4294, ETAL C/O MS BARBARA TRANGMAR	274.31	L,M	Caddo
171614000000400	BLANCHARD, JAMES H., JR. 1/2 AND GARY E. PATTERSON & MELODYE TANNER PATTERSON 1/2	265.47	M	Caddo
171614000000900	BLANCHARD, JAMES H., JR. 1/2 AND GARY E. PATTERSON & MELODYE TANNER PATTERSON 1/2	172.62	M	Caddo
171624000000100	MARTIN TIMBER COMPANY, L.L.C. 4294, ETAL	158.19	M	Caddo
1715190000002600	LAZARD FAMILY, L.L.C. 20% AND HEROLD-WINKS-VALLHONRAT, L.L.C. 80%	48.14	M	Caddo
1716140000001000	WILLS, DORIS H., TRUSTEE (OF THE DORIS H. WILLS TRUST)	45.88	M	Caddo
171624001000400	CHANDLER, NANCY D. 1/2, ETAL	43.00	M	Caddo
171624001000100	JOHNSON, JAMES PATRICK	42.86	M	Caddo
171624001000300	HAGGARD, CARL FEDERICK, ETAL	42.48	M	Caddo
171624001000200	LEWLA, L.L.C. 3/4 AND TIMOTHY I. COLE & LISA F. COLE 1/4	42.05	M	Caddo
171624001005400	LEWLA, L.L.C. 3/4, ETAL	40.25	M	Caddo
171624002000700	LEWLA, L.L.C. 3/4, ETAL	39.29	M	Caddo
171624002000600	WISSING, ALMA ELLISE DUNN	37.93	M	Caddo

171624002000300	HAGGARD, CARL FEDERICK, ETAL	37.39	M	Caddo
171624002000100	JOHNSON, JAMES PATRICK	36.81	M	Caddo
171624002000200	LEWLA, L.L.C. 3/4, ETAL	36.36	M	Caddo
171624002000500	LEWLA, L.L.C. 75% AND TIMOTHY I. COLE AND LISA F. COLE 25%	34.09	M	Caddo
171624002000400	CHANDLER, NANCY D. 1/2, ETAL	33.41	M	Caddo
171624001005700	DUNN, LAWRENCE FRANKLIN	31.64	M	Caddo
171624001006700	HAGGARD, CARL FEDERICK, ETAL	30.32	M	Caddo
171624002001000	WISSING, ALMA ELLISE DUNN	29.40	M	Caddo
171624001005500	DUNN, LAWRENCE FRANKLIN	27.92	M	Caddo
171624001007800	DRIGGERS, RODNEY LEMAN AND MARY ELLEN DRIGGERS	20.30	M	Caddo
171624001006100	LEWLA, L.L.C. 3/4 AND TIMOTHY I. COLE & LISA F. COLE 1/4	18.97	M	Caddo
171624001005900	HAGGARD, CARL FEDERICK, ETAL	17.87	M	Caddo
171624001006500	WISSING, ALMA ELLISE DUNN	17.52	M	Caddo
171624001005800	DUNN, LAWRENCE FRANKLIN	15.92	M	Caddo
171624001006300	CHANDLER, NANCY D. 1/2, ETAL	15.15	M	Caddo
171624001004400	LEWLA, L.L.C. 3/4 AND TIMOTHY I. COLE & LISA F. COLE 1/4	14.11	M	Caddo
171624001005600	DUNN, LAWRENCE FRANKLIN	13.56	M	Caddo
171624002000900	DUNN, LAWRENCE FRANKLIN	7.65	M	Caddo
171624001005300	LEWLA, L.L.C. 3/4, ETAL	5.74	M	Caddo

Figure 64 – Candidate Site “M” Map





Legend

- Candidate Site Boundary
- Caddo Parcels
- Bossier Parcels

Labeled parcels are greater than five (5) acres

Map Showing
Figure 65 – Candidate Site "M" Parcel Map
The Port of Caddo-Bossier

4.2.18. Candidate Site “D”

This site consists of six (6) parcels totaling roughly 940 acres. There are sixteen (16) oil and gas wells throughout the site, according to SONRIS GIS, and one (1) residential lot & home, according to the most recent available satellite imagery. The majority of the parcel is open farmland that would indicate a ready green field site for development. The potential site is bound to the north, east, and south by the Red River, and the west by Hwy 1. Primary access location for this site is Hwy 1. There is a posted weight limit of 25-40 tons on the section of Hwy 1 north of the site. All parcels that fall within or are at least partially encompassed by this site can be seen in Table 32, and a map of this site can be found in Figure 66 and Figure 67.

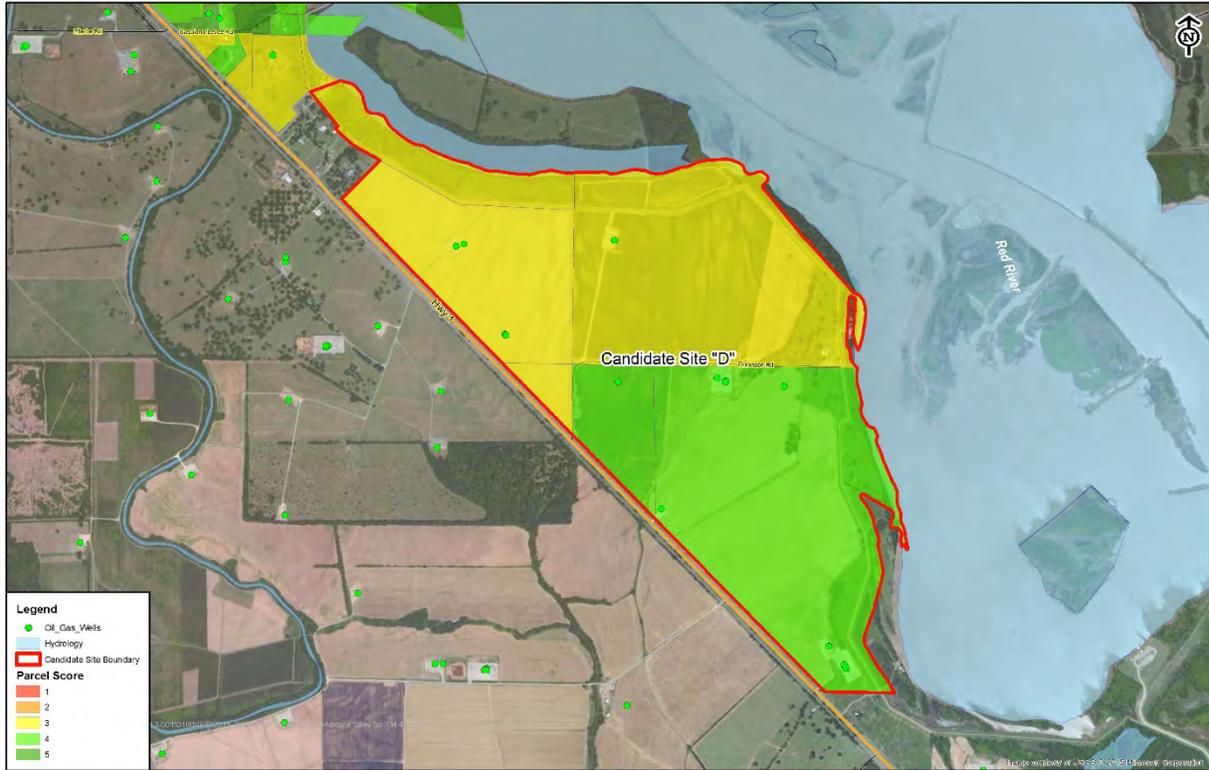
The parcels consist of oil and gas wells and open farmland. The mineral rights are leased on all of the parcels. Four (4) of the parcels also contain pipeline ROW within its boundaries. There are no past environmental issues, historical monuments, possible cemetery or Indian preserves according to Mortgage and Conveyance records, the Shreveport/Caddo historical database or the Shreveport/Caddo Public Cemetery database.

Geography Number 151213000002000 notes Partnership with Caspiana Land Company. Prior to purchasing of this property, it is recommended the Port conduct the needed investigation on the Partnership terms. It should be noted that this piece of land could potential have direct access to the Red River Channel with a relatively minor dredging effort for a harbor.

Table 32 – Parcels within Candidate Site “D”

Candidate Site D Parcel Summary				
MAPPING/GEO #	Owner Name	Area (Acres)	Candidate Site	Parish
151119000000600	RATZBURG FARMS, LLC	348.99	D	Caddo
151107000000200	RIVES PLANTATION, L.L.C.	297.39	D	Caddo
151213000001600	DUTTON FAMILY, L.L.C.	158.09	D	Caddo
151213000002000	MC CLELLAN, MARGARET HUTCHINSON 1/32, ETAL	66.50	R,D	Caddo
151119000000500	RIVES PLANTATION, L.L.C.	55.90	D	Caddo
151224000000400	DUTTON FAMILY, L.L.C.	15.11	D	Caddo

Figure 66 – Candidate Site “D” Map





Map Showing
Figure 67 – Candidate Site "D" Parcel Map
The Port of Caddo-Bossier

4.3. Develop Ranking of Final Candidate Properties

Following the Initial Due Diligence findings, BKI was tasked with prioritizing the final candidate properties. In order to do so, BKI took the GIS models' average score, Initial Due Diligence findings, as well as feedback from the Port Commission and Staff to prioritize the aforementioned candidate properties.

Each site was looked at on an individual basis with the pros and cons mentioned and determined whether it needed to be moved up or down in priority. The finalized list of candidate sites along with their initial and finalized priority is shown in Table 33.

Table 33 shows where there are several sites that have changed positions because of the beneficial or potentially adverse conditions identified through the Due Diligence findings or conversations with the Port Commissioners and/or Staff. The specific findings for each of the 417 investigated parcels can be found in Initial Due Diligence Spreadsheet shown in Appendix I.

Table 33 - Candidate Property Prioritization							
Finalized (Initial) Site Ranking	Candidate Site	Weight Overlay GIS Model Result	Fuzzy Overlay GIS Model Result	Total Cumulative GIS Score	Pros	Cons	Notes
1 (1)	B	6.3602	0.667	7.0272	ready green field site; adjacent to port	possible cemetery, further investigation required; residential homes on site according to satellite imagery	prior to purchasing, it is recommended the Port properly identify the location of the cemetery
2 (2)	C	6.1526	0.6207	6.7733	ready green field site	agriculture lease agreement	prior to purchasing, it is recommended the Port conduct investigation on lease terms
3 (3)	E	5.8882	0.5614	6.4496	ready green field site	residential homes on site according to satellite imagery; agriculture lease agreement	prior to purchasing, it is recommended the Port conduct investigation on lease terms
4 (4)	F	5.6444	0.6495	6.2939	ready green field site	residential homes on site according to satellite imagery	
5 (5)	H*	5.6155	0.6137	6.2292	ready green field site	residential homes on site according to satellite imagery; one small agricultural facility according to satellite imagery; portion of this site is LSU Agricultural Farm in Bossier Parish	part of this site is LSU Agricultural Farm in Bossier Parish, purchase of this land could be affected by state ownership of parcels, it is recommended that the Port conduct investigation for the feasibility of purchase from Ag Center
6 (6)	A	5.6453	0.5597	6.205	ready green field site	possible cemetery, further investigation required	prior to purchasing, it is recommended the Port properly identify the location of the cemetery
7 (7)	P	5.4241	0.7001	6.1242	ready green field site	agricultural lease agreements	prior to purchasing, it is recommended the Port conduct investigation on lease terms
8 (9)	O	5.2377	0.4203	5.658	ready green field site	weight limit of 20-35 tons near site; portions of site are contiguous to Barksdale Air Force Base which could limit tenant building heights; Existing lease with Cellexion	site could be adversely affected by noise ordinances, it is recommended that the Port confirm this property would be compatible for potential tenants; also recommended to investigate Cellexion lease terms agreement
9 (12)	G*	5.0435	0.4435	5.487	ready green field site; potential direct access to Red River channel with room for a harbor	residential homes on site according to satellite imagery; one small business site according to satellite imagery	
10 (11)	N	5.153	0.4349	5.5879	ready green field site	portion of site are contiguous to Barksdale Air Force Base	site could be adversely affected by noise ordinances, it is recommended that the Port confirm this property would be compatible for potential tenants
11 (8)	J*	5.297	0.5855	5.8825	ready green field site	prone to flooding from Twelve Mile Bayou at Red River flood stage	prior to purchasing, it is recommended that the port conduct analysis to determine potential flooding
12 (10)	Q*	5.4241	0.2255	5.6496	ready green field site	weight limit of 25-40 tons just south of site; residential homes on site according to satellite imagery; 50+ oil and gas wells, active and inactive; possible cemetery, further investigation required	Mary Magdelene cemetery exact location should be identified prior to purchasing
13 (14)	L	4.9269	0.2179	5.1448		weight limits of 20-35 tons near the site; majority of site is wooded timber	
14 (16)	R*	3.9802	0	3.9802	ready green field site; *approximately 700ft of Red River riverfront channel*	weight limit of 25-40 tons near site; residential homes on site according to satellite imagery; 50+ oil and gas wells, active and inactive; Partnership with Caspiana Land Co	Partnership with Caspiana Land Co: prior to purchasing, it is recommended the Port conduct investigation on Partnership terms
15 (13)	I*	4.8939	0.4034	5.2973	ready green field site	residential homes on site according to satellite imagery; Bossier Reservoir is part of this site	
16 (18)	D*	3.6254	0	3.6254	ready green field site; potential direct access to Red River channel with room for a harbor	weight limit of 25-40 tons near site; residential homes on site according to satellite imagery; Partnership with Caspiana Land Co	prior to purchasing, it is recommended the Port conduct investigation on Partnership terms
17 (15)	K*	4.2353	0.4191	4.6544	ready green field site	10+ residential lots and homes according to satellite imagery; weight limit of 5 tons near the site	
18 (17)	M	3.8037	0.1591	3.9628		50+ oil and gas wells, active and inactive; wooded timber; weight limit of 20-35 tons near the site	

* - Candidate Site at least partially inundated/affected by 2015 Red River Flood.

5. IMPLEMENTATION AND REPLACEMENT PLANNING

As a result of the first four steps in the Port Expansion Study (TM 1 through TM 4), the Port of Caddo-Bossier now needs an implementation and property replacement plan. These two items will enable to Port to maintain its high level of competitiveness with other industrial parks so that it can provide future tenants with the same options that attracted the current roster of world class tenants.

5.1. Implementation Plan

The Implementation of the Caddo-Bossier Port Expansion, as outlined in the following steps, will provide a guide of the recommendation actions following the completion of this study.

5.1.1. Immediate Action Plan

As a part of Section 1.2.1, BKI identified and characterized the Port's current property by the current land use (i.e., - Port Operations, Leased, and Available for Lease). This characterization also help identify the projected future leased growth/absorption rate to be an average of roughly 60 acres/year as shown in Section 1.3. This leased land absorption rate will be used to properly project and identify the needed land for the Port's needed expansion.

The following sections will provide an inventory of the Port available land, as well as, a projection of the property that will be needed along with the estimated acquisition cost to acquire such properties.

5.1.1.1. Available Land within Existing Port Boundary

As discussed within Section 1.2.1.2, the Port has approximately 746 acres of available land for lease. Within this acreage, there are several sizes of tracts ranging from approximately 10 acres to 224 acres. The range of land that is currently available is a great fit for opportunistic small to medium businesses that are looking to locate at a top of the line facility with all the needed infrastructure amenities. In addition, these existing available sites provide a variety of options such as land/river/rail resources for a tenant to weight multimodal transportation while selecting a site. The downfall to these existing sites is the size limitations and/or limited zoning utilization which will ultimately effect the types of industries that can locate within the Port's existing available land.

All of the aforementioned available land can be offered too small to medium type businesses; however, if the Port were to want to attract businesses such as Benteler Steel, which has already provided a great economic boom to the Caddo-Bossier economy, there is not a suitable mega-site to accommodate the needed acreage for this facility to locate. The need for a mega-site is therefore needed attract large businesses and will be discussed with the Port Commissioners during the Replacement Planning section.

5.1.1.1.1. Port Property Acquisitions during Study

During the process of the Port Expansion Study, the Port was opportunistic in purchasing two (2) pieces of property that became available for sale at the corner of Francis Bickham Blvd. and LA Hwy 1. This land is considered the Maniscalco Property and is roughly seven (7) acres. While this

acquisition may not be of great interest to the Port Expansion, the acquisition now provides a piece of Highway frontage that is a great opportunity to be of service to its tenants. As previously mentioned in Section 2.3 the Port and BKI visited the Port of Catoosa in Tulsa Oklahoma. While in Oklahoma, the Port of Catoosa's Director Bob Portiss explained to us that they have had great success with providing their tenants with a strip mall. In the strip mall, they are currently providing food, gas, banking, and a quick care clinic to the local employees. The Port of Catoosa is similar to the Caddo-Bossier Port when comparing the facility's location to the surrounding City/community. Both Ports are somewhat removed from the adjacent City and therefore do not have a large selection of food and everyday amenities for its tenants' employees. The Port of Catoosa took the opportunity to purchase land adjacent to the existing Port property and then developed the aforementioned strip mall where they can now accommodate the tenants' employees within the Port.

Similarly, this newly purchased Maniscalco Property could potentially provide a great opportunity for the Caddo-Bossier Port to execute a similar strategy to that of the Port of Catoosa, and have a development on the newly purchased highway frontage property to provide the needed everyday amenities to the employees within the Port.

5.1.1.2. Final Ranking of Candidate Sites and Estimated Acquisition Cost

The final candidate site ranking are shown in detail on Table 33 in Section 4.3. The following sections will describe the eighteen (18) candidate sites along with their estimated real estate acquisition cost. Each site's estimated acquisition cost was performed by Mr. David Volentine MAI. Mr. Volentine's report, which is attached as Appendix III of this report, states all assumptions and limitations during the process of estimating each site's total acquisition cost. These estimates should only be used for budgeting purposes and a complete real estate appraisal should be conducted on each parcel within the site prior to purchasing.

Candidate Site "B" – Site "B" is located in Caddo Parish located in Caddo Parish along the southwest side of Harts Island Road and the northwest side of Site "A". Bayou Pierre makes up the westernmost boundary. Site "B" contains a total of 1,190 acres +/- which is made up of eleven (11) ownerships. The Parish Assessor lists these ownerships as being comprised of eighteen (18) parcels ranging in size from 0.12 to 349.8 acres. The total estimated real estate acquisition cost for this candidate site is between \$13,000,000 and \$19,000,000.

Candidate Site "C" – Site "C" is located in Caddo Parish along the southwest side of Highway 1 and the northwest and southeast sides of Leonard Road. Bayou Pierre and Red Haw Lane make up the westernmost boundary. Site "C" contains a total of 970 acres +/- which is made up of seven (7) ownerships. The Parish Assessor lists these ownerships as being comprised of ten (10) parcels ranging in size from 3.48 to 432.27 acres. The total estimated real estate acquisition cost for this candidate site is between \$15,500,000 and \$20,500,000.

Candidate Site "E" – Site "E" is located in Caddo Parish along the south side of Leonard Road, along the north side of Robson Road and along the east side of Bayou Pierre. Site "E" contains a total of 2,250 acres +/- which is made up of twelve (12) ownerships. The Parish Assessor lists these ownerships

as being comprised of twenty-nine (29) parcels ranging in size from 0.09 to 576.7 acres. The total estimated real estate acquisition cost for this candidate site is between \$38,000,000 and \$48,000,000.

Candidate Site “F” – Site “F” is located in Caddo Parish along the northwest side of Highway 175, along the southwest side of Bayou Pierre and along the northeast side of Chico Bayou. Site “F” contains a total of 1,500 acres +/- which is made up of four (4) ownerships. The Parish Assessor lists these ownerships as being comprised of ten (10) parcels ranging in size from 10.0 to 576.7 acres. The total estimated real estate acquisition cost for this candidate site is between \$14,000,000 and \$21,000,000.

Candidate Site “H” – Site “H” is located in Bossier Parish along the southwest side of Highway 71, along the south side of Sligo Road Extension, along the west side of Red River and just north of Stillwater Place. Site “H” contains a total of 2,465 acres +/- which is made up of seven (7) ownerships. The Parish Assessor lists these ownerships as being comprised of twenty-nine (29) parcels ranging in size from 0.44 to 506.71 acres. The total estimated real estate acquisition cost for this candidate site is between \$40,500,000 and \$56,600,000.

Candidate Site “A” – Site “A” is located in Caddo Parish along the southwest side of Harts Island Road and the northwest and southeast sides of Gail Red Bluff Road. Bayou Pierre makes up the westernmost boundary. Site “A” contains a total of 1,840 acres +/- which is made up of four (4) ownerships. The Parish Assessor lists these ownerships as being comprised of eleven (11) parcels ranging in size from 1.94 to 457.82 acres. The total estimated real estate acquisition cost for this candidate site is between \$18,000,000 and \$27,500,000.

Candidate Site “P” – Site “P” is located in Bossier Parish along the north side of I-220, along the west side of Swan Lake Road/Pete Modica Lane, along the east side of Airline Drive and along the south side of Wemple Road. Site “P” contains a total of 1,860 acres +/- which is made up of eight (8) ownerships. The Parish Assessor lists these ownerships as being comprised of twenty-five (25) parcels ranging in size from 0.15 to 233.82 acres. The total estimated real estate acquisition cost for this candidate site is between \$36,000,000 and \$47,500,000.

Candidate Site “O” – Site “O” is located in Bossier Parish along the north side of Highway 80, west of I-220 and along the south side of Reuben E. White Industrial Park. Site “O” contains a total of 645 acres +/- which is made up of ten (10) ownerships. The Parish Assessor lists these ownerships as being comprised of forty-four (44) parcels ranging in size from 0.02 to 127.37 acres. The total estimated real estate acquisition cost for this candidate site is between \$11,000,000 and \$13,000,000.

Candidate Site “G” – Site “G” is located in Bossier Parish along the southwest side of Highway 71, just south of Red River Marina Road, along the west side of Red River and along the northwest side of Ash Point Road. Site “G” contains a total of 1,720 acres +/- which is made up of seventeen (17) ownerships. The Parish Assessor lists these ownerships as being comprised of thirty-nine (39) parcels ranging in size from 0.25 to 567.2 acres. The total estimated real estate acquisition cost for this candidate site is between \$18,000,000 and \$26,000,000.

Candidate Site “N” – Site “N” is located in Bossier Parish along the south side of I-20, east of Industrial Circle, along the east side of Mack’s Bayou and along the north side of Barksdale Air Force Base. Site “N” contains a total of 1,705 acres +/- which is made up of six (6) ownerships. The Parish Assessor lists

these ownerships as being comprised of twenty-six (26) parcels ranging in size from 3.85 to 274.71 acres. The total estimated real estate acquisition cost for this candidate site is between \$22,000,000 and \$27,000,000.

Candidate Site “J” – Site “J” is located in Caddo Parish along the northeast side of Shreveport-Blanchard Road, along the west side of Hearne Avenue and along the southeast side of I-220. Site “J” contains a total of 880 acres +/- which is made up of four (4) ownerships. The Parish Assessor lists these ownerships as being comprised of seven (7) parcels ranging in size from 0.70 to 532.33 acres. The total estimated real estate acquisition cost for this candidate site is between \$4,500,000 and \$6,000,000.

Candidate Site “Q” – Site “Q” is located in Caddo Parish along the northeast side of Highway 1, along the north side of Prairie River and along the west side of Red River. Site “Q” contains a total of 151 acres +/- which is made up of two (2) ownerships. The Parish Assessor lists these ownerships as being comprised of seven (7) parcels ranging in size from 2.18 to 76.55 acres. The total estimated real estate acquisition cost for this candidate site is between \$750,000 and \$1,500,000.

Candidate Site “L” – Site “L” is located in Caddo Parish along the east side of Jefferson Paige Road and along the north side of Greenwood Road. Site “L” contains a total of 2,230 acres +/- which is made up of fifteen (15) ownerships. The Parish Assessor lists these ownerships as being comprised of twenty-three (23) parcels ranging in size from 0.11 to 522.96 acres. The total estimated real estate acquisition cost for this candidate site is between \$8,000,000 and \$12,500,000.

Candidate Site “R” – Site “R” is located in Caddo Parish along the northeast side of Highway 1, along the south side of Prairie River and along the west side of Red River. Site “R” contains a total of 1,930 acres +/- which is made up of twelve (12) ownerships. The Parish Assessor lists these ownerships as being comprised of twenty-two (22) parcels ranging in size from 1.00 to 507.24 acres. The total estimated real estate acquisition cost for this candidate site is between \$8,500,000 and \$11,500,000.

Candidate Site “I” – Site “I” is located in Bossier Parish along the north and south sides of I-220, along the west side of the Union Pacific Railroad and along the west side of Red River. Site “I” contains a total of 1,280 acres +/- which is made up of ten (10) ownerships. The Parish Assessor lists these ownerships as being comprised of forty-three (43) parcels ranging in size from 0.26 to 301.01 acres. The total estimated real estate acquisition cost for this candidate site is between \$25,000,000 and \$31,500,000.

Candidate Site “D” – Site “D” is located in Caddo Parish along the northeast side of Highway 1 and south of Caspiana Levee Road. Caspiana Lake and the Red River make up the easternmost boundary. Site “D” contains a total of 950 acres +/- which is made up of four (4) ownerships. The Parish Assessor lists these ownerships as being comprised of six (6) parcels ranging in size from 14.35 to 337.84 acres. The total estimated real estate acquisition cost for this candidate site is between \$3,000,000 and \$5,000,000.

Candidate Site “K” – Site “K” is located in Caddo Parish along the east and west sides of Dixie-Shreveport Road and along the west side of Red River. Site “K” contains a total of 2,060 acres +/- which is made up of eighteen (18) ownerships. The Parish Assessor lists these ownerships as being

comprised of thirty-one (31) parcels ranging in size from 0.27 to 428.16 acres. The total estimated real estate acquisition cost for this candidate site is between \$7,000,000 and \$11,500,000.

Candidate Site “M” – Site “M” is located in Caddo Parish along the west side of Jefferson Paige Road, along the north side of Greenwood Road and along the east side of Highway 169. Site “M” contains a total of 2,645 acres +/- which is made up of eleven (11) ownerships. The Parish Assessor lists these ownerships as being comprised of thirty-four (34) parcels ranging in size from 5.62 to 522.96 acres. The total estimated real estate acquisition cost for this candidate site is between \$8,000,000 and \$12,000,000.

These eighteen (18) candidate sites shown above are listed in hierarchical order by their final ranking. It is recommended that the Port use this hierarchical order as a guide to determine the needed action within each candidate site and further evaluate the Port Expansion site selection needs and available capital.

5.2.Replacement Plan

5.2.1. Future Property Replacement Planning

As a part of the implementation of the Port Expansion Study the Port should plan to replenish the dwindling inventory of available land to lease. The first step is to identify the most cost effective, highly suitable, and strategic land that is available in both Caddo and Bossier Parishes. These available and highly suitable tracts are shown in Section 5.1.1.2.

During the finalization of this study and development of the replacement plan, BKI presented the initial study findings and gave a presentation to the Port Commission to generate feedback on the direction the Commissioners would like to go following this study. In the presentation to the Port Expansion Committee, BKI went through the Port’s existing inventory and current tracts available on the Port’s existing site and sought feedback from the Port Commissioners’ thoughts on trigger points for acting/moving forward. Specifically, the questions were targeting the Commissioners’ feedback on purchasing of land to accommodate small to medium size tracts for smaller to medium tenants, as well as, the large mega site to accompany a large business entity such as Benteler Steel.

The Commissioners provided great feedback and specific direction for the path forward of the Port of Caddo-Bossier. During the discussion, BKI also discussed the Port’s current absorption rate of acreage per year. The average absorption rate of sixty (60) acres per year was developed as a part of Technical Memorandum 1 and can be seen in Section 1.3. The Commissioners’ discussed the average absorption rate and how they would like to plan for a higher rated growth than projected. The idea behind a larger number is that the Port has increased its land leasing rate over the last several years and the trend is to keep increasing. With that in mind, the Port Commissioners agreed that the projection needs to be slightly higher than the projected 60 acres to account for the anticipated accelerated growth in the future years to come.

In addition to the purchase of land for future tenants of the Port, BKI and the Commissioners also discussed the need for the development of “trigger” points for future land usage and the initiation

of additional property acquisition. During the discussion, BKI talked about the need for a mega site (± 500 acres) that can be or is zoned for heavy industrial. The Port Commissioners agreed that there should always be an available tract that is around 500 acres in order to accommodate the large industries that are looking for a location. In addition, the Port Commissioners also agreed that available should remain above 400 total acres (cumulative total between all available sites) for the incorporation of small and medium style businesses that either support the large industries, or a stand-alone business that is self-sufficient. As a result, the Port Commissioners acknowledged the need for an initial purchase of land sized to accommodate with an additional 400 acres available for small to medium style tracts.

All Commissioners present at the meeting discussed expanding the horizon to a twenty-five (25) to thirty (30) year period. As a result, the plan moving forward and all agreed that the Port should be looking for two candidate site(s) totaling approximately 2500 to 3000 acres to plan for that amount of growth. With these purchases, the Port should accomplish two (2) critical items on the path forward; first, the availability of a needed mega site (± 500 acres each; 2 total), and second the needed acreage for smaller to medium style tracts (± 400 cumulative acres for each site; 2 total) for support/smaller industrial businesses. The remaining acreage would be used for the needed infrastructure space to properly accommodate the future tenants. Note – The current infrastructure space along the existing Port facility is approximately 1/3 of the total acreage; therefore, using 2500 acres purchased, it is estimated that approximately 833 acres will be used strictly for infrastructure (i.e., – roads, rail, docks, water, sewer, administrative building(s), etc.).

The cost for the real estate acquisition of the 2500 to 3000 acres will have a range based on the targeted top sites and their location. In addition to the real estate acquisition cost, there will be other general developmental infrastructure cost associated with each of the proposed sites.

As a general guide, the Port's staff conducted an extensive study to determine the historical cost per acre, adjusted for inflation to 2015, to develop the basic infrastructure (i.e., – water, sewer, roads, and rail). Using the historical adjusted cost the cost to develop the Port's existing basic infrastructure (i.e., - roads, rail, water, sewerage) is approximately \$13,500,000 per 600 acre site. These basic infrastructure items are assumed to be needed for all acreage purchased to accommodate the future tenants' needs. Therefore, when extrapolating this cost per acreage for the Port Expansion's desired acreage, the total estimated basic infrastructure cost is estimated between \$55,000,000 and \$67,500,000. Furthermore, it is assumed a one-time cost for an additional water tower and sewerage pump station, to feed the selected site, would be an estimated \$10,000,000. These developmental cost for the needed infrastructure to support the industries of future tenants are in addition to the real estate acquisition cost and are estimated to be between \$65,000,000 and \$77,500,000 for the 2500 to 3000 acres recommended for purchase.

Based on the feedback and direction identified, BKI recommends that the Port staff and Commission use this report's identified highly suitable sites for the Port to further investigate and proceed with the purchasing of the parcels/land identified as the most suitable sites for the Port needs.

6. OVERALL STUDY FINDINGS AND PORT IMPLEMENTATION

BKI has summarized the needs of the Port's expansion efforts and utilization of the available land within Caddo and Bossier Parishes as a part of Section 5 of the Port Expansion Study. In order for the Port to sustain its opportunity to provide for world renowned tenants and its offer of a first class development location, the Port needs to further investigate and proceed with the purchasing of the needed acreage identified within the study. This investigation should yield a purchase of the most suitable parcels within the identified candidate sites for the best fit to the Port's forward thinking vision in order to maintain the existing and attract prospective world class tenants.



Appendix I. Initial Due Diligence Spreadsheet

Included on attached USB Flash Drive

Appendix II. Barksdale Joint Lands Use Study

Included on attached USB Flash Drive

Appendix III. Real Property Appraisal Counseling Analysis

Included on attached USB Flash Drive

APPENDIX V - PORT MASTER PLAN FOR DEVELOPMENT

MASTER PLAN

FOR CERTAIN TRACTS OF LAND

FINAL REPORT



Prepared by

BKI

In Association with



April 2022

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EXISTING CONDITIONS ANALYSIS

The purpose of this analysis was to document the existing conditions and physical features of the project study area for the **Master Plan for Certain Tracts of Land** (Figure 1) to assess physical and natural constraints, identify the highest and best use for development, and begin to identify the major features that will impact the site layout.

In addition to this narrative, an ESRI ArcGIS database was developed as part of this task. The database contains a variety of features that will be used throughout the project to identify potential environmental conditions and/or permitting constraints.

The database contains:

- Study Area Boundary
- Red River terminal/docks
- Infrastructure
 - Electric transformers
 - Electric overhead conductors (lines)
 - Electric substations
 - Water wells
 - Sewer system fittings
 - Water valves
 - Backflow preventers
 - Water mains (pressurized)
 - Sewer mains (gravity and pressurized)
 - Utility poles
 - Natural gas plants
 - Refineries
 - Oil and gas wells
 - Crude oil pipelines
- Transportation
 - Rail
 - HPMS road (functional class)
 - Airports
 - Proposed I-69
 - Proposed 3132
 - Planned I-69 Frontage Road
 - Marine highway
 - Levees
- Waterways
- Wetlands
- Floodplain
- ACS census data
- Aerial Imagery provided by Port
- Gas mains
- Geology
- Hazardous Materials Sites
- Lift Stations

- Natural Gas Plants
- Flood lines (NFHL)
- National Wetland Inventory (NWI)
- Petroleum terminals
- Refineries
- Soil

Major findings of the analysis are:

- First, access to the site for both rail and roadways will be one of the initial decision points. The main point of access from the study area to LA 1 is anticipated to be the realigned at-grade crossing of the Union Pacific (UP) mainline at the I-69 service road/relocated Robson Rd. Identifying a secondary access point to LA 1 will be of critical importance and will need to account for both train blocking events and access before, during and after construction of the new roadways. The location for rail switching to the UP line with adequate capacity will be a necessary part of this decision process.
- A Stage Zero Feasibility Study was recently completed for the I-69 Frontage Road. The construction of this roadway would provide a two-lane direct connection from I-49 to the Port and LA 1. This is anticipated to improve access to both the main campus of the Port and the study area, as well as serve as the main arterial through the study area property. This proposed roadway would provide direct access from I-49 to LA 1 and the Port. An Environmental Assessment (EA) is anticipated to begin in 2022. The conceptual alignment is shown in Figure 5.¹
- Improvements to Robson Road would improve access from the West in the interim period. This two-lane Parish Road is likely not up to standards that would withstand the heavier loads that would be anticipated by Port tenants. For example, the bridge over Bayou Pierre is categorized as HS 20 for bridge load maximum according to the National Bridge Inventory (NBI).²
- Bayou Pierre, a navigable waterway, will need to be considered when identifying large areas for development. Similarly, floodplains located in the Sorenson and Leonard Road Farms tracts will be considered during the site planning process. Though several intermittent streams were found in the study area during a database review, future field survey and delineation will be necessary to determine if these areas are to be considered USACE jurisdictional and require future permitting.

Study Area

This existing condition analysis includes the six unleased tracts of land owned by the Port between Louisiana Highway 1 (LA 1) and Ellerbe Road (Parish Rd 26), as illustrated in Table 1 and Figure 1. The total area of land within the study area is 2,018 acres. Acreage was measured using GIS software on a

¹ For the purpose of this Master Plan, the I-69 Frontage Road will be considered "existing."

² [BridgeReports.com | Robson Rd over BAYOU PEIRRE, Caddo Parish, Louisiana](https://www.bridge-reports.com/Robson-Rd-over-BAYOU-PEIRRE-Caddo-Parish-Louisiana)

Louisiana State Plane projection³ and correlates with Caddo Parish assessment records for the parcels that fall within the study area boundaries. Each site was compared to Survey data provided by the Port to ensure accuracy with regard to boundaries, exempt areas, and other physical features included in the surveys.

Table 1: Tracts of Land in the Study Area for the Master Plan, 2021

Tract	Name	Ownership (06/2021)	Total Acres
1	Cupples West	Port	247
2	Robson	Port	291
3	Sorenson	Port	560
4	Leonard Road Farms	Port	340
5	MFE Property*	Port	580

Source: The Port of Caddo-Bossier, 2021, Caddo Parish Assessors Office, 2021

MFE acreage includes the 10 acre Watson site and 2-acre school board site.

Cupples West

Furthest north, the Cupples West tract covers a total of 247 acres of land. The tract is bound by LA 1 to the northeast and by Bayou Pierre to the west. There is one access point from LA 1 located 2/3 of a mile south of the northernmost tip of the tract boundary (Harts Island Road/Parish Road 5).

Robson

To the southeast of the Cupples West tract is the 291-acre Robson tract. The Robson property is one large parcel with a single 4.5-acre property “cut out” of the northern end of the eastern boundary line. This parcel is also bound by Harts Island Road to the east and Bayou Pierre to the west. There are eight rock well pads within the boundaries of the tract with unpaved roads leading to them.

Sorenson

The Sorenson tract consists of 560 acres of land and is bound by Bayou Pierre to the East, Chico Bayou to the West, and by Robson Road to the North. There is also a small section of land to the north of Robson Road that is part of this parcel although separated by Robson Road – it extends northward to Chico Bayou. Within the tract’s geographic boundaries, there are two large exempt areas: the first is a 16.63-acre area off Robson Road. The second is an 8.93-acre area accessed from an unnamed dirt road and containing a metal shed, an open-air shed, several barns, and concrete pads. There are five existing rock well pads and one abandoned rock well pad on the tract. Several proposed roadways will bisect this tract of land, including the future I-69 Mainline ROD and the I-69 Frontage Road, as shown in Figure 5.

Leonard Road Farms

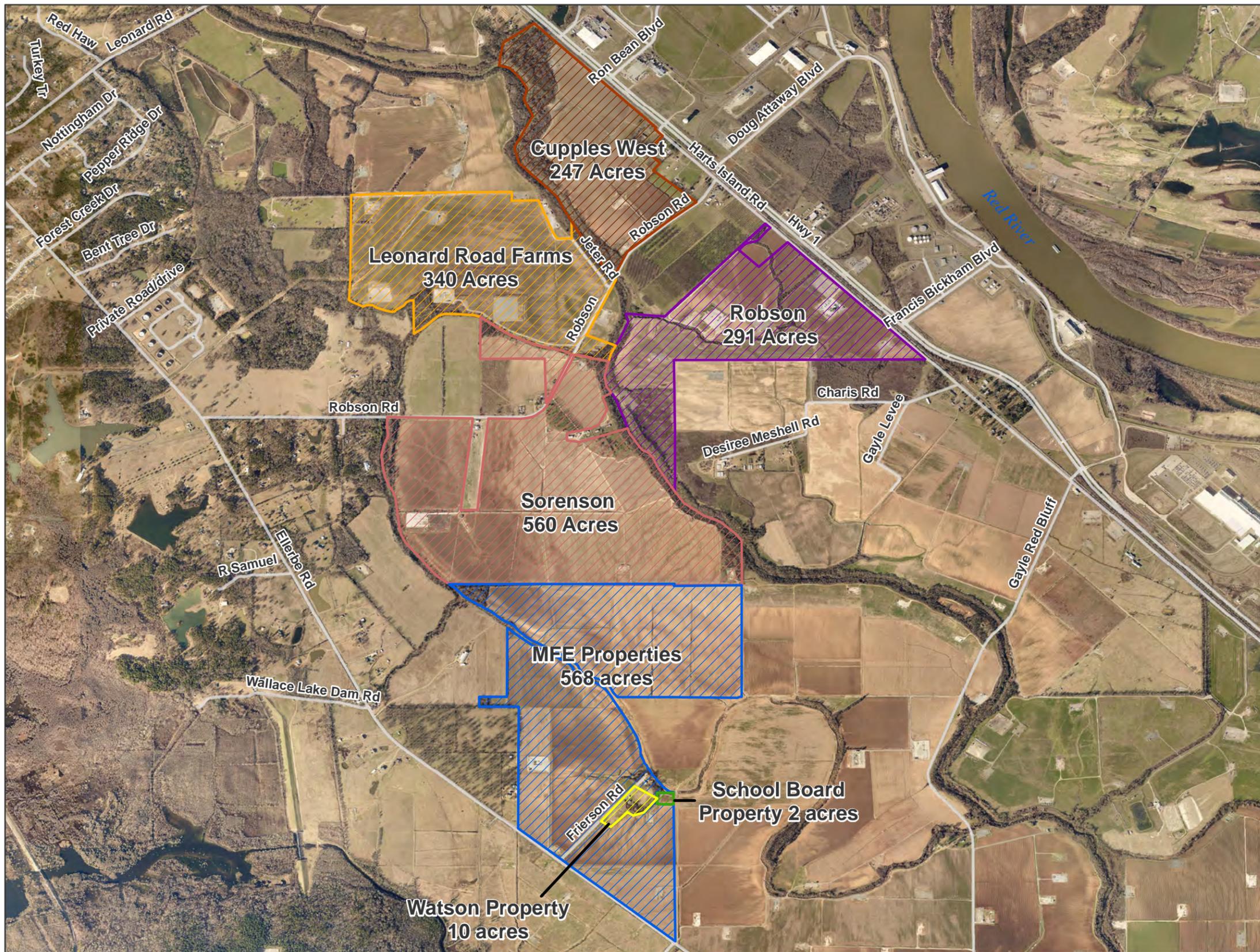
The Leonard Road Farms Tract is a 340-acre area on the most western point of the study area. The Leonard Road Farms property is bound by Bayou Pierre and Robson Road to the east and Chico and Moscow Bayous to the south. The northern edge of the property is bound by a gravel road that extends from Jeter Road and continues west past the property edge. There are five rock well pads located within the tract and two additional gravel roads providing access to those locations.

³ NAD_1983_StatePlane_Louisiana_North_FIPS_1701_Feet

MFE Property

The MFE property was the most recent acquisition by the Port at the time of this study and master planning process. It is also the largest property, consisting of two tracts – a northern tract that is which abuts the Sorenson Property and an unnamed dirt road to the north, Chico Bayou and a dirt road to the west, a dirt road to the south, and the adjacent 330-acre property owned by Christian Basinger Frierson et al. to the east. There is a single well site in the far northeast corner of the tract.

The southern tract is bound by Chico Bayou to the north, an unnamed dirt road to the east, Ellerbe Road / Parish Road 26 to the south, and the western boundary is the adjacent properties owned by Grass Farms, LLC (82 acres), Avallone Management and Company, LLC (54 acres) and Russell Alan Dean and Elizabeth Sitherman Dean (11 acres). The southern tract has four active rock well pad sites, two abandoned wells and is traversed by a 50' wide Oil Pipeline ROW. There are two residential structures on the southern tract at the end of Frierson Rd with two accessory structures. The structures can be vacated and demolished prior to site development. For the purpose of this study and master plan, this property contains the "Watson" and "School Board" sites, and totals approximately 580 acres.



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Figure 1. Study Area

Legend

-  Caddo Parish School Board
-  Leonard Road Farms
-  MFE Property
-  Robson
-  Cupples West
-  Sorenson
-  Watson

N



1 in = 2,500 ft

0 0.25 0.5 0.75 1

Miles

Source: Port of Caddo-Bossier

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June 2021

Location Assets

This section of the analysis describes the locations and key characteristics of the study area in terms of location assets such as roadways, rail lines/yards, marine highways, and infrastructure components such as water, sewerage, electricity, natural gas, and oil facilities.

Existing Road Network

The existing road network serving the study area consists of various roadway types as classified by the Federal Highway Administration (FHWA)⁴ from interstates (the most connective roadway) to local roads (least connective/serving localities). This section describes the road network in the immediate area of the Port and within the study area.

Table 2: Federal Highway Administration (FHWA) Roadway Functional Classifications

Classification Level	Function	Classification
1	Arterial	Interstate
2		Highway
3		Other principal arterial
4		Minor Arterial
5	Collector	Major collector
6		Minor collector
7	Local	Local roads

Source: FHWA, 2000

LA Highway 1

The primary principal arterial road serving the study area is Louisiana Highway 1 (LA 1). LA 1 is a four-lane, median-divided arterial owned by the Louisiana Department of Transportation and Development (LA DOTD) that is oriented northwest to southeast. LA 1 intersects with I-20 roughly 13 miles north of the study area. Likewise, I-49 is approximately 9 miles from the Port and can be reached by using LA 1 – LA 523 – LA 3132. LA 1 is bound on its western right of way edge by the Union Pacific (UP) Railroad. It divides the main campus of the Port from the unleased tracts that make up the study area.

Currently, the study area’s main access point from LA 1 to Harts Island Road is located across from Calumet Packaging and the Port Water Tower; however, that access point is proposed to move 0.27 miles south to align with Doug Attaway Boulevard.

Harts Island Road

Harts Island Road is a major collector that parallels LA 1 and the UP Railroad. Harts Island Road is the northeastern boundary of the study area and is the most direct point of access from LA 1 to the study area. Continuing south on Harts Island Road, the next major crossing location is Gail Red Bluff Road (LA 175) which is located 2.2 miles south of the forementioned access point back to LA 1.

Robson Road

Robson Road is a local 2-lane minor collector road that traverses the entire site. Robson Road is one of

⁴ https://safety.fhwa.dot.gov/speedmgt/data_facts/docs/rd_func_class_1_42.pdf

the only means of access to the site from the western side of the study area and Ellerbe Road (Parish Road 26) until future roadways are constructed.

Ellerbe Road (Parish Road 26)

Ellerbe Road (Parish Road 26) is a 2-lane minor arterial road that runs north-south on the western and southern sides of the study area. Currently, it is the only major alternate to LA 1 as a connection between the City of Shreveport and the study area.

Within the study area are several local streets and private unimproved roads providing access to farmland, well pads, and driveways to residential properties. On the north side of LA 1, on the Port's main campus, the Port maintains a network of interior roadways through a series of unmanned gates.

Proposed Road Improvements

In addition to the existing road network, there are a few major proposed roadway projects that will impact the study area.

The projects are:

I-69 Segment of Independent Utility (SIU-15)/SPN H.005184

This is a planned new four-lane interstate with a bridge over the Red River. The Shreveport Urban section connects I-20 to US 171. The project received a Record of Determination (ROD) following the Environmental Impact Statement (EIS) in 2014. The alignment is shown on Figure 5.

I-69 Frontage Road⁵ / SPN H.014054 and H.014056

This is a two-lane highway that will provide access from I-49 directly to the Port and LA 1. A Stage Zero Feasibility Study for the project was completed in 2022. This project will be constructed as a part of three (3) different DOTD State Project Numbers, H.014054, H.005184, and H.014056 all respectively connecting the stated terminuses in consecutive order, as you move from South to North. An Environmental Assessment (EA) for the project, which will determine the preferred alignment, is anticipated to begin in 2022. The location of the proposed roadway as identified in the Stage Zero Study is shown in Figure 5. Appendix A2 includes conceptual layouts and typical section drawings from the Stage Zero Study.

LA 3132 (Inner Loop) Extension⁶ / SPN H.009213.2

The LA 3132 extension is a new four-lane arterial highway that connects with LA 1 at the same tie in location and extends northward to the city of Shreveport (to existing LA 3132). An Environmental Assessment (EA) for the project is currently underway, with a preferred alternative selected and made available to the public via Public Meeting on the project website ([LA 3132 Inner Loop Extension | NLCOG Listens](https://www.nlcoqlistens.com/document/la-3132-ext-environmental-assessment)) in March 2020. The project is awaiting a final public hearing and determination from the Federal

⁵http://shreveportcaddompc.com/wp-content/uploads/2019/07/NWLA-Mega-Project-Update-June-2019_reduced-3.pdf

⁶ <http://www.nlcoqlistens.com/document/la-3132-ext-environmental-assessment>

Highway Administration (FHWA) before moving forward. The preferred alignment, B2, is shown on Figure 5.

Table 3: Existing and Proposed Roadways in Study Area Vicinity

Road	Class	Approx. Width	AADT	Lanes	Posted Speed Limit
Louisiana Highway 1	Principal Arterial	ROW > 100'	4,600 to 11,300	4	60
Gail Red Bluff Road (LA 175)	Major Collector	22	1,450	2	55
Ellerbe Road (Parish Road 26)	Minor Arterial	22'	2,656	2	55
Harts Island Road (Parish Road 5)	Major Collector	20'	unknown	2	25
Robson Road	Minor Collector	20'	unknown	2	55
Jeter Road	Local Street			2	25
Proposed I-69	Interstate	Approx. 250'	TBD	4	TBD
Proposed LA 3132	Major Arterial	Approx.250'	TBD	4	TBD
I-69 Frontage Road	Urban Collector	110'	5,300*	2	55

Source: FHWA 2019, LADOTD 2021, BKI 2020, Neel-Schaffer, 2020.

* Projected

Rail Facilities

The Port's primary rail service access is through the Class 1 Union Pacific (UP) Railroad mainline that runs adjacent to LA 1. Access from the Port's interior rail service to the UP Railroad occurs through two (2) switches located approximately 1,000 feet north of Doug Attaway Blvd. On the east side of LA 1, the Port Main Campus includes: two on-site rail switch yards, rail storage yards, on-dock rail service, and roll-on/roll-off ramp with locomotive switch engines available for moving goods from waterborne to land-based travel. From the UP yard located approximately 11 miles north of the study area, the Port gains access to the Kansas City Southern (KCS) and Burlington Northern and Santa Fe (BNSF) Railway. A KCS mainline is located approximately 2 miles west of the study area, but there is no direct connection between it and the study area.

Table 4. Existing Rail Facilities

Facility	Characteristics	Approximate Size
Rail Storage Yard A	8 spur tracks	2,200' x 140'
Rail Storage Yard B	5 spur tracks	500' x 80'
Transload Site / North Satellite Yard	5 tracks	750' x 150'
Switch Yard		3,500' x 175'

Source: Aerial Imagery and Master Plan for Economic Development, 2011

There are also additional track spurs serving various tenants and sites. Identification of rail storage needs within the study area should occur early in the site planning process.

Figure 2: Rail Service at the Port of Caddo-Bossier, 2021



Source: BKI

Marine Transportation

Marine transportation is a valuable asset for the sites included in the study area. The Red River serves as a marine highway bringing goods from the entire world through the Mississippi River system and Intracoastal Waterway. The Port has six terminals serving ten barge lines that operate along the river. The channel is 9 feet deep and 200 feet wide.

Access to the Port's wharves from the study area will occur primarily via the roadway network.

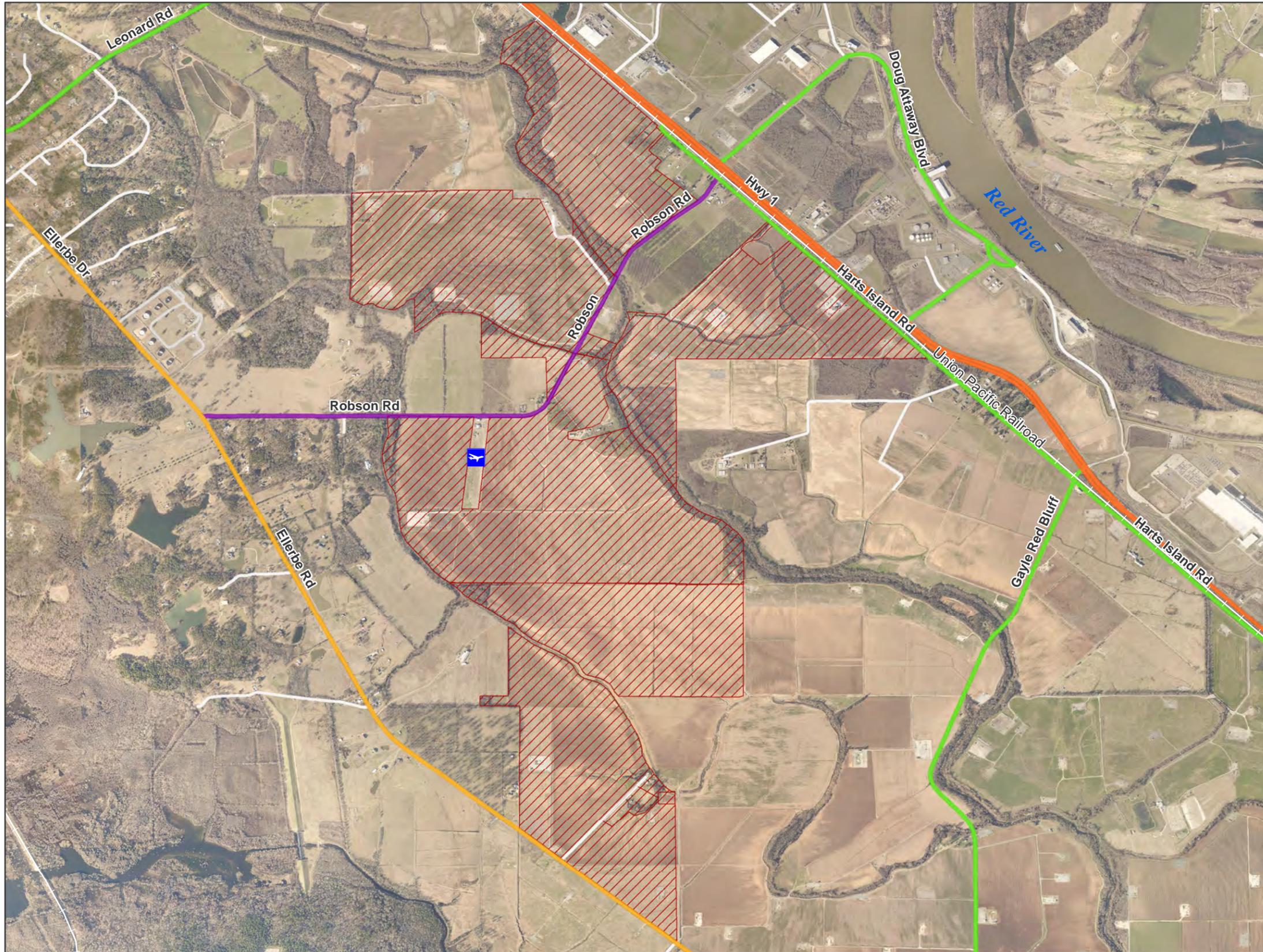
Figure 3: Map of US Marine Highways, 2019



Source: US Department of Transportation, 2021

Airports

The Port's closest commercial airport is the Shreveport Regional Airport, located about four miles north in the city of Shreveport. Naylor Airport, a private airfield in the Sorenson Tract, was closed in 2021. The airport's former location is shown in Figure 4.



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Figure 4. Existing Transportation
Network in the Study Area

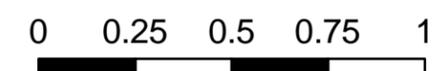
Legend

Road Network (Functional Class)

-  Principal Arterial
-  Minor Arterial
-  Major Collector
-  Collector
-  Minor Collector
-  Local
-  Class 1 Railroads



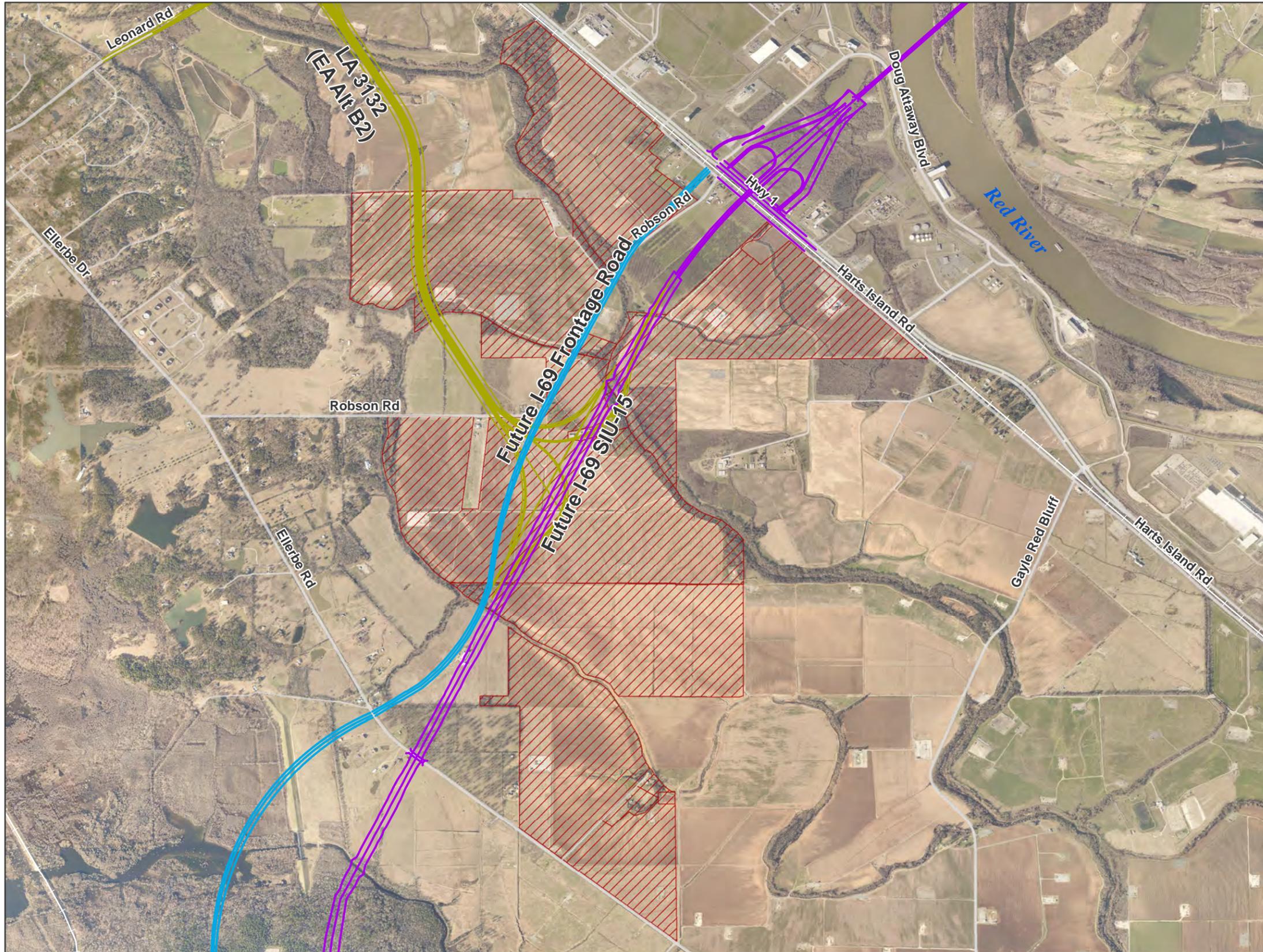
1 in = 2,500 ft



Miles

Source: Port of Caddo-Bossier

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Figure 5. Proposed Projects
in the Study Area

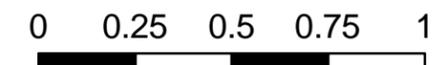
Legend

-  I-69 Frontage Road (NLCOG MTP)
-  I-69 SIU-15
-  LA 3132 (EA Alt B2)

N



1 in = 2,500 ft



Miles

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Other Infrastructure

Development of the project study area will require extension of water, sanitary sewer, electrical and natural gas infrastructure. This section describes the existing conditions of those systems in the study area and immediate vicinity.

Water & Sewerage

There are several water wells within the study area, but no major infrastructure related to the distribution of water or collection of wastewater is currently in place within the study area tracts. Water mains are in place along LA 1 and Ellerbe Roads. Currently, a number of water wells serve the area, presumably for agricultural and residential purposes.

Currently, the Port’s main campus is supplied potable water by the City of Shreveport. The main water supply is two lines, a 24-inch and 30-inch transmission main which are fed from the Inner Loop Pumping station. The Port distributes potable water to various Port facilities via a series of transmission lines and lateral mains that range in size from 8 inches to 30 inches in diameter. For the future development of the study area, water lines will need to be extended from the Bossier City water system, which is currently in planning stages, soon to be in design. Plans for the Bossier Water Main Alignment extension are included in Appendix A3.

Table 5. Water Infrastructure in the Study Area

Site	Active Water Wells	Inactive Water Wells	Plugged and Abandoned Wells
Cupples West	0	0	3
Robson	6	0	3
Sorenson	1	0	2
Leonard Road Farms	2	0	0
MFE Properties	0	0	2

Source: LSU, 2019 and BKI, 2021.

The City of Shreveport provides sewer collection and treatment service to the Port. Sewer system capacity at the Port is approximately 5.7 million gallons per day. There are three (3) lift stations and a network of gravity main and force main pipelines that convey sewerage from the Port to the City of Shreveport’s Lucas Wastewater Treatment Plant.

Electrical

Power to the area is provided by Southwestern Electric Power Company (SWEPCO). Electrical transmission and distribution lines occur adjacent to the major roads of LA 1, Harts Island, and along segments of Robson and Jeter Roads in the study area. The southern tracts of the study area do not appear to have electrical infrastructure in place, based on Homeland Infrastructure Foundation Level data sets. Given the anticipated intensity of development for the study area, an electrical substation may be necessitated on the western side of LA 1, much like the one located on the eastern side of LA 1 near Doug Attaway Boulevard. See Figure 7.

Oil & Gas

Centerpoint Energy is the natural gas service provider to this area. On the Port's main campus, gas is supplied from two large transmission lines. The Port's petroleum dock located at the Red River Terminal and operated by Genesis Energy has four pipelines connecting to ten storage tanks that can hold up to 340,000 thousand barrels⁷.

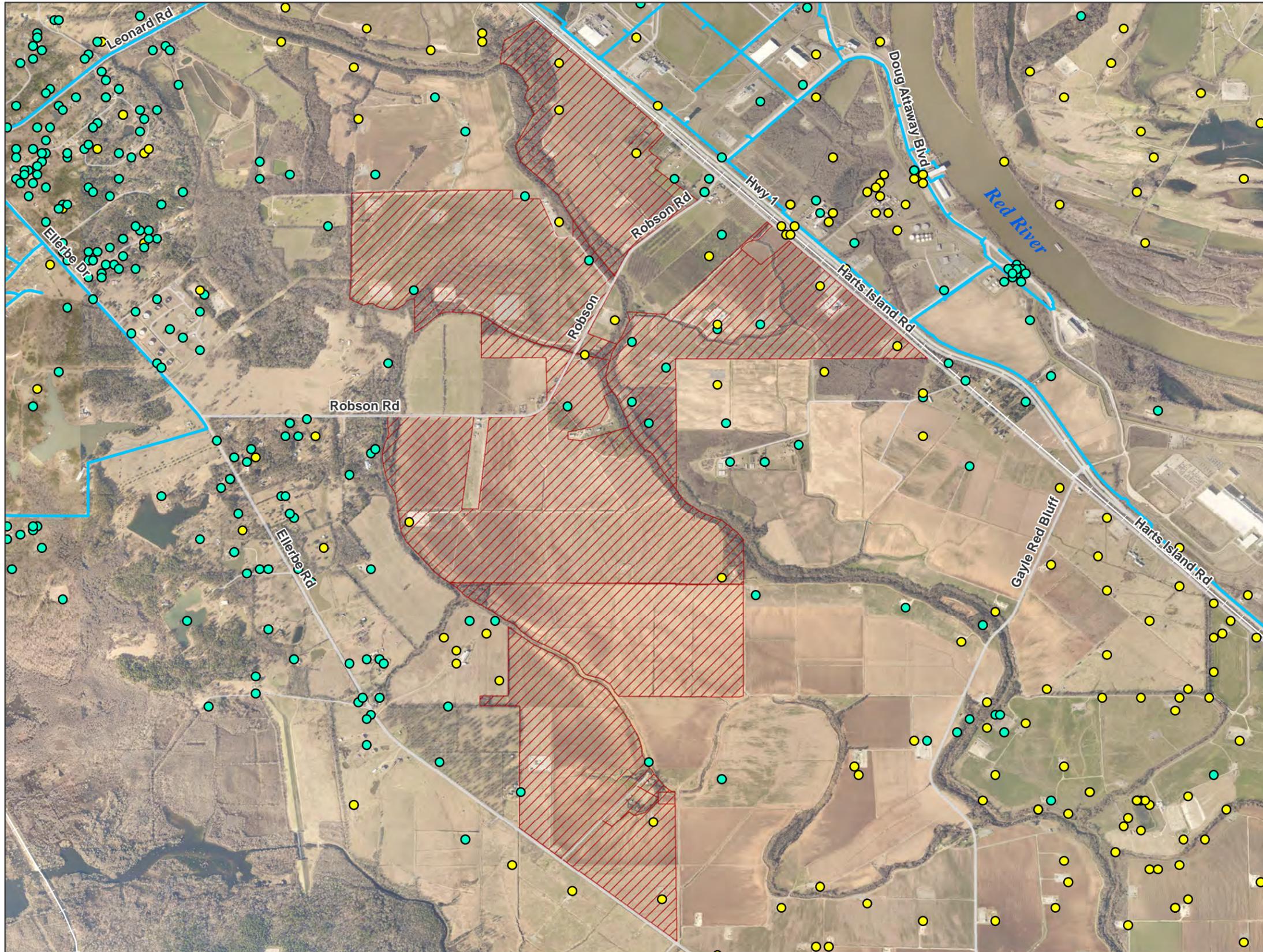
The Port also has two petroleum terminals, one of which is shown on Figure 8.

Table 6. Oil and Gas Infrastructure Near the Study Area

Site	Oil and Gas Wells
Cupples West	7
Robson	13
Sorenson	10
Leonard Road Farms	5
MFE Properties	6

Source: U.S. Energy Information Administration, 2020

⁷ http://www.worldportsource.com/ports/commerce/USA_LA_Port_of_Shreveport_Bossier_63.php



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Figure 6. Water System near
Project Study Area

Legend

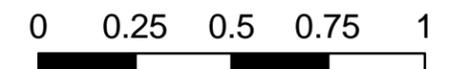
Water Wells

- Plugged and Abandoned Well
- Active Water Well
- Water Mains 2012

N



1 in = 2,500 ft



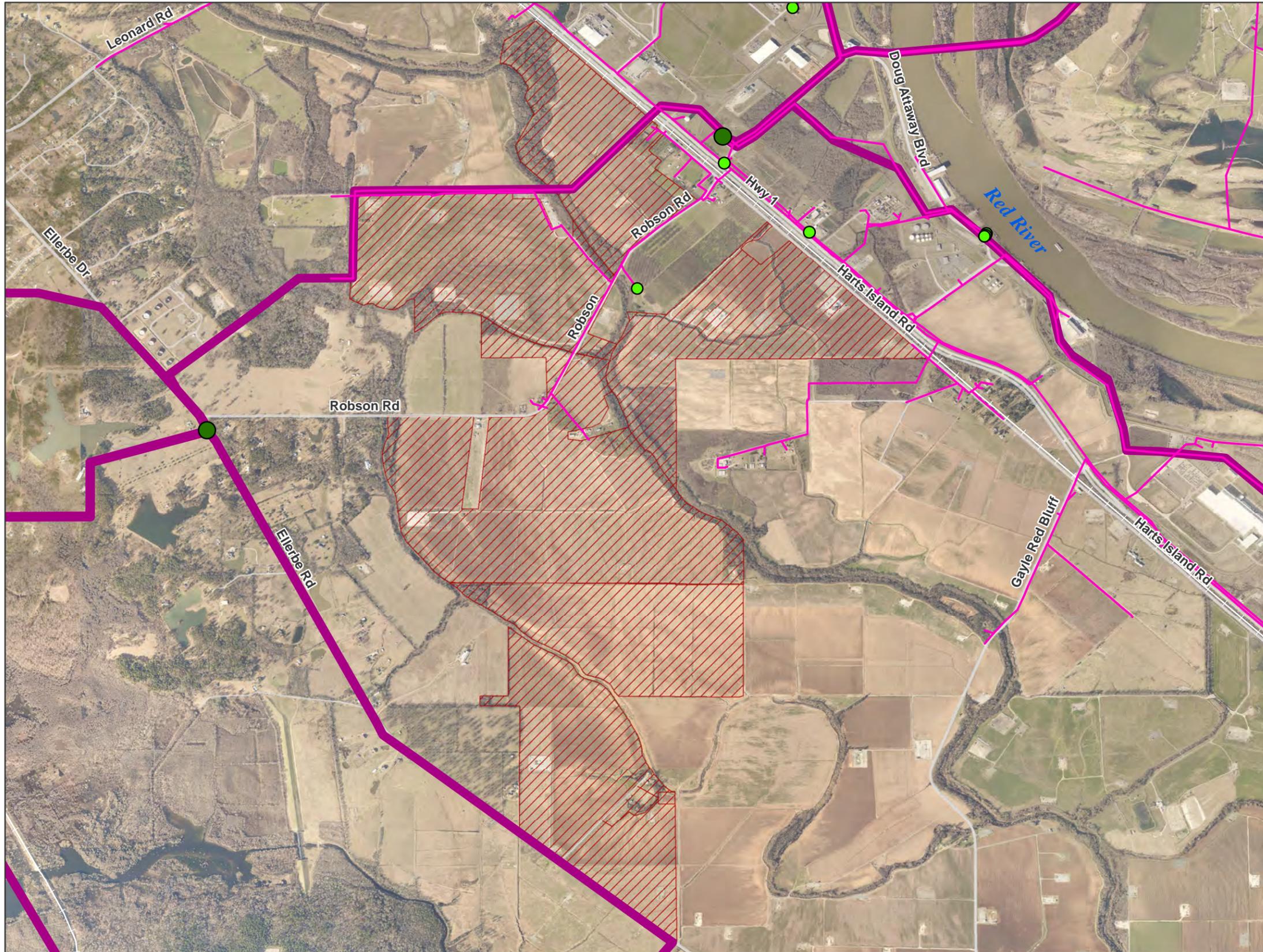
Miles

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Figure 7. Electrical Systems near
Project Study Area

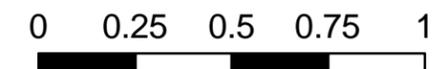
Legend

-  Electric Substation
-  Electrical Transformers
-  Electrical Overhead Conductors
-  Electric Transmission Lines

N



1 in = 2,500 ft



Miles

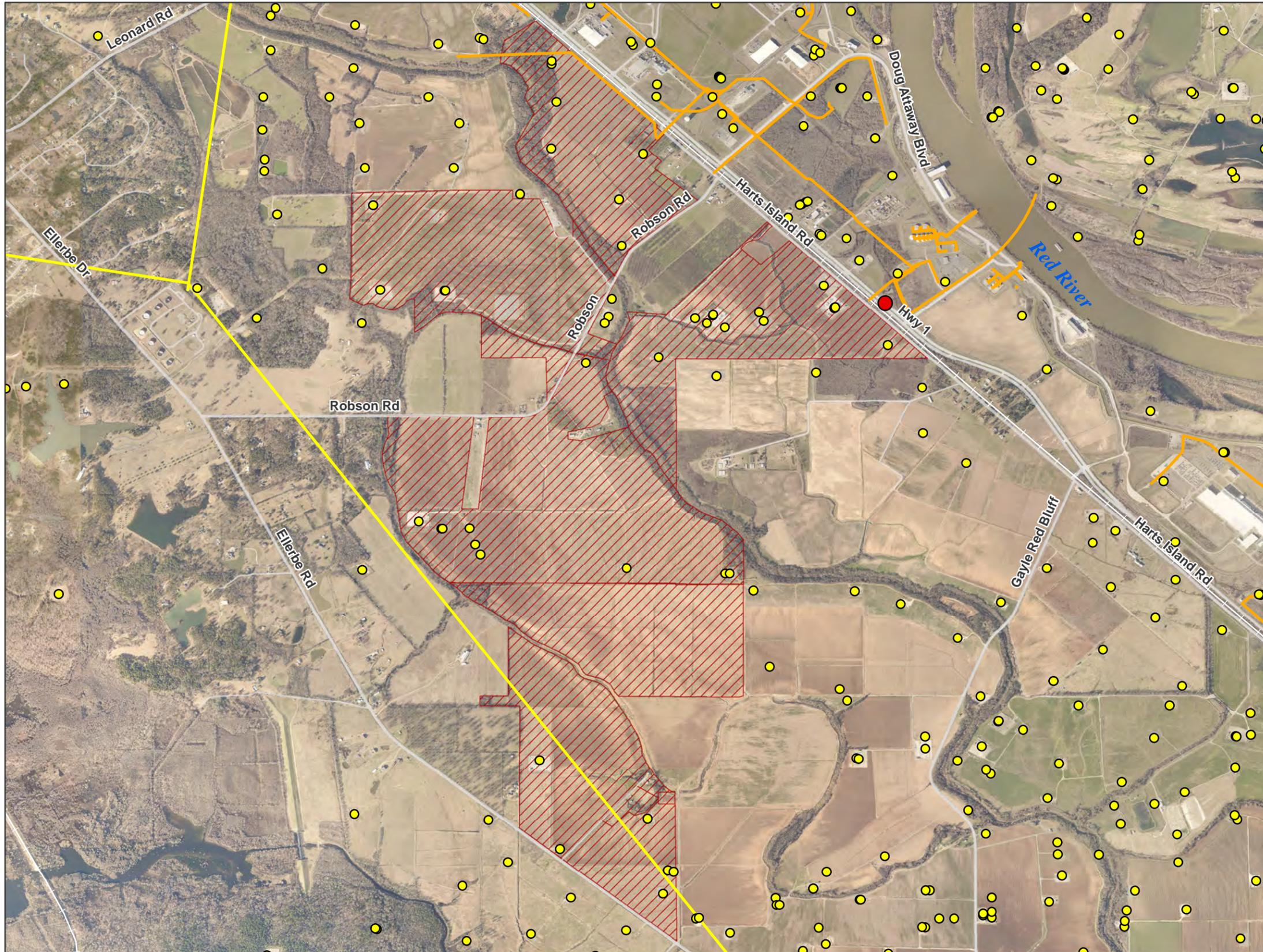
Source: Homeland Infrastructure
Foundation-Level Data, 2020

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Figure 8. Oil and Gas Infrastructure
near the Study Area, 2020

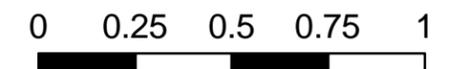
Legend

-  Petroleum Terminal
-  Oil and Gas Wells
-  Natural Gas Main
-  Crude Oil Pipelines

N



1 in = 2,500 ft



Miles

Source: U.S. Energy Information
Administration, 2020

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Natural Environment

An environmental constraints analysis performed in January 2021 and updated in June 2021 provides background on the environmental resources within the study area. Specifically, the analysis considers geological characteristics, critical habitats, hazardous materials, cultural resources, and other socioeconomic attributes not covered above. Key conclusions of the environmental constraints analysis are:

- Most of the study area is prime farmland.
- Hydric soils in and around the waterways indicate wetland conditions are present in those areas.
- In order to determine if drainage areas are subject to U.S. Army Corps of Engineers (USACE) jurisdiction, future field delineation will be necessary determine if these areas are to be considered USACE jurisdictional and require future permitting.
- Bayou Pierre is a Section 10 Navigable Waterway.
- Bayou Pierre and its tributaries are within the 100-year flood zone.
- Three species and eleven migratory birds may be affected by activities in the study area; however, there are no critical habitats therein.
- No historic buildings/structures are located within the project area.
- No environmental justice impacts are expected as a result of activities in the study area; however, public outreach should take into consideration the population with minority status and in poverty.
- Hazardous materials are present at 2121 Robson Road that may require further analysis.

The full environmental constraints analysis is included in Appendix A.

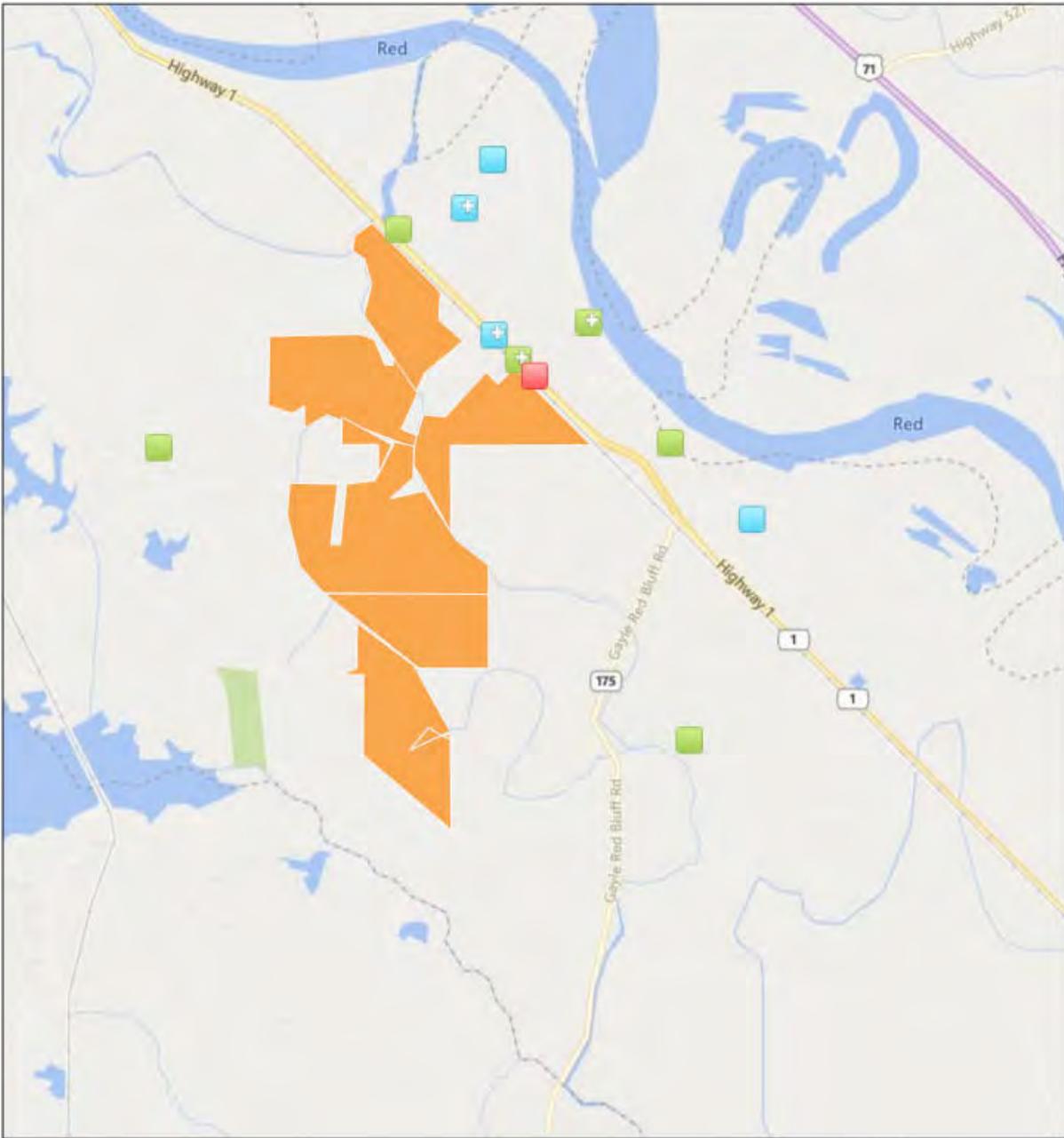
Hazardous Materials

The environmental constraints analysis also considered hazardous materials that may be present in or near the study area. There is a site that is registered as having regulated hazardous materials at a property located at 2121 Robson Road (Nor Wes Inc.). This site may require additional investigation, depending on the proximity and nature of any proposed future development to ensure safety during construction.

Additional information on hazardous materials comes from the Environmental Protection Agency's (EPA) NEPAassist⁸ online mapping tool. The tool shows that there are eight hazardous waste sites within the boundaries of the Port's existing campus east of LA 1, one to the west of the study area, and one other site where toxic substances are stored (the petroleum terminal shown in the map above). There are an additional six toxic release (TRI) sites on the east side of the Port campus. (See Figure 9)

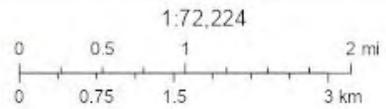
⁸ <https://nepassisttool.epa.gov/nepassist/nepamap.aspx>

Figure 9: Hazardous Waste, Toxic Substances, and Toxic Releases near the study area, 2021



June 11, 2021

-  Toxic Substances Control Act (TSCA)
-  Toxic Releases (TRI)
-  Toxic Releases (TRI)
-  Hazardous Waste (RCRAInfo)
-  Hazardous Waste (RCRAInfo)
-  studyareaboundaries20210608



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Source: NEPAassist, 2021

Future Development in the Surrounding Area

The area that surrounds the study area will likely be substantially affected by the construction of I-69, I-69 Frontage Road and LA 3132 in the coming years. The proposed new roadways will be major highway connections to major freight routes in all directions, expanding the reach of Port tenants' markets and supporting nearby local economies in the cities of Shreveport and Bossier City. The City of Shreveport's Master Plan, *Great Expectations: Shreveport-Caddo 2030 Master Plan*, provides additional insight into the future of land use near the study area. According to the Master Plan, the sector of land that encompasses the Port is expected to see between 12.5% and 25% of the region's 40,553 new households by 2030 as growth continues in this direction. This means that the area surrounding the Port could see as many as 10,138 new homes in the next ten years.

Demographics

Block Groups are the smallest geographic area covered by the US Census. The study area is part of block group 2 of Census tract 240 in Caddo Parish which, according to 2019 American Community Survey (ACS) estimates, is home to 3,327 people at a density of about 52 people per square mile. Figures 10-13 illustrate the population and demographics of the Census Block Groups in which the study area lies.

Population Density

The population is fairly low and dispersed in Census Block Groups surrounding the Port at less than one hundred people per square mile. Moving in toward the cities of Shreveport and Bossier City the population gets increasingly denser, ranging from 500 to more than 2,000 people per square mile.

Household Income

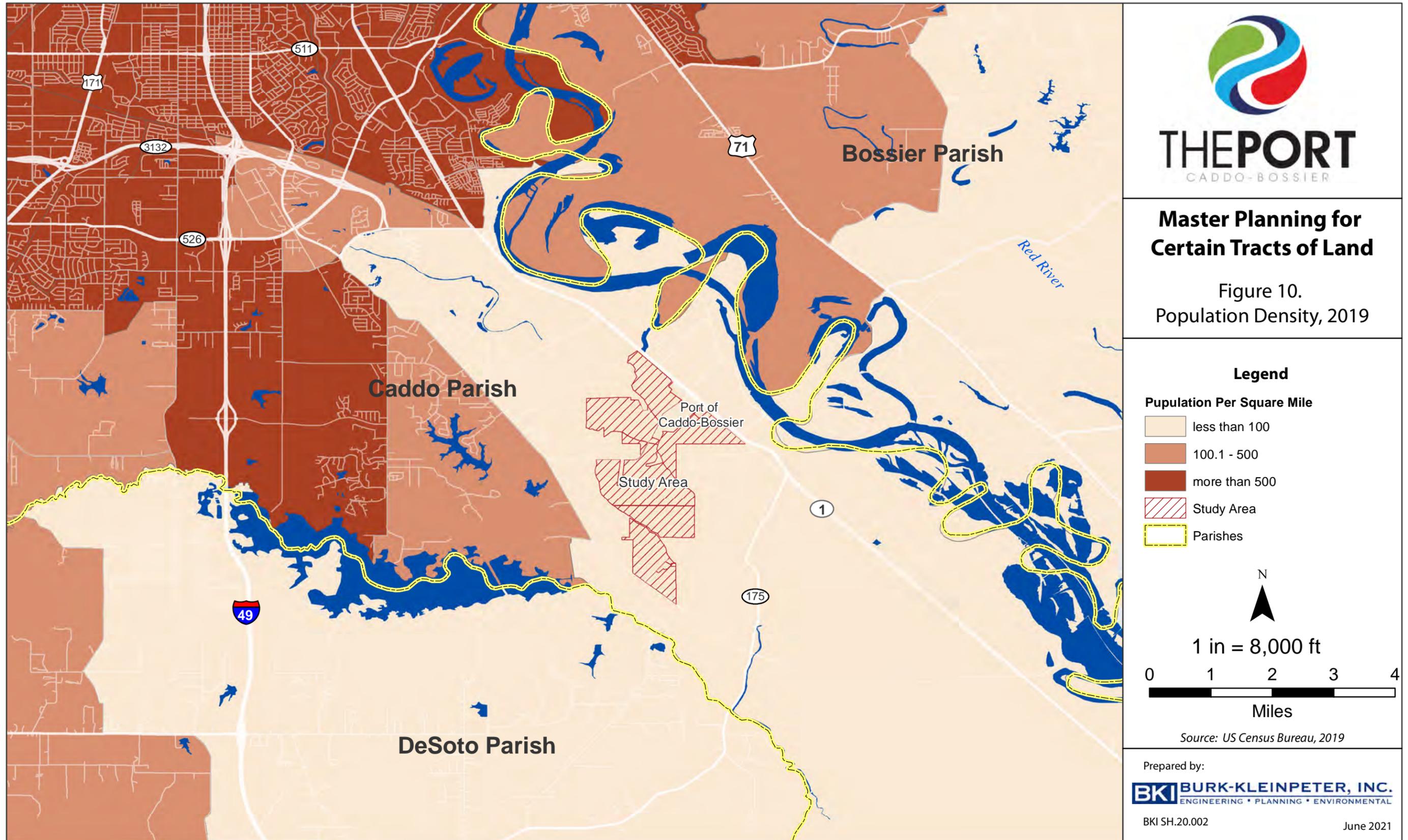
At \$71,905, median household income in the Census Block Group that encompasses the study area is slightly higher than in neighboring Block Groups in Bossier and De Soto parishes. The lowest median household incomes are seen toward the west of city center and outward into the city of Shreveport.

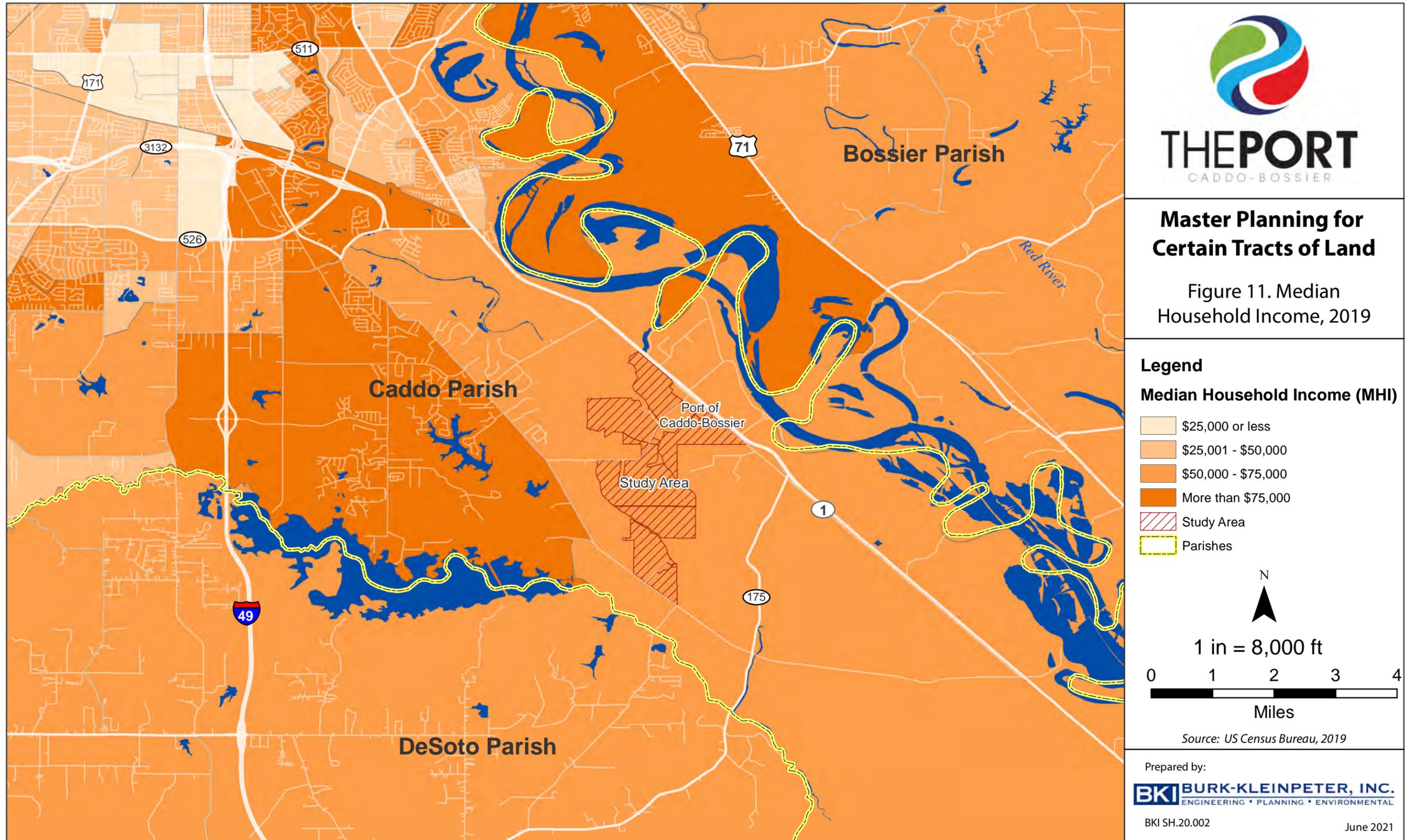
Percent of Households in Poverty

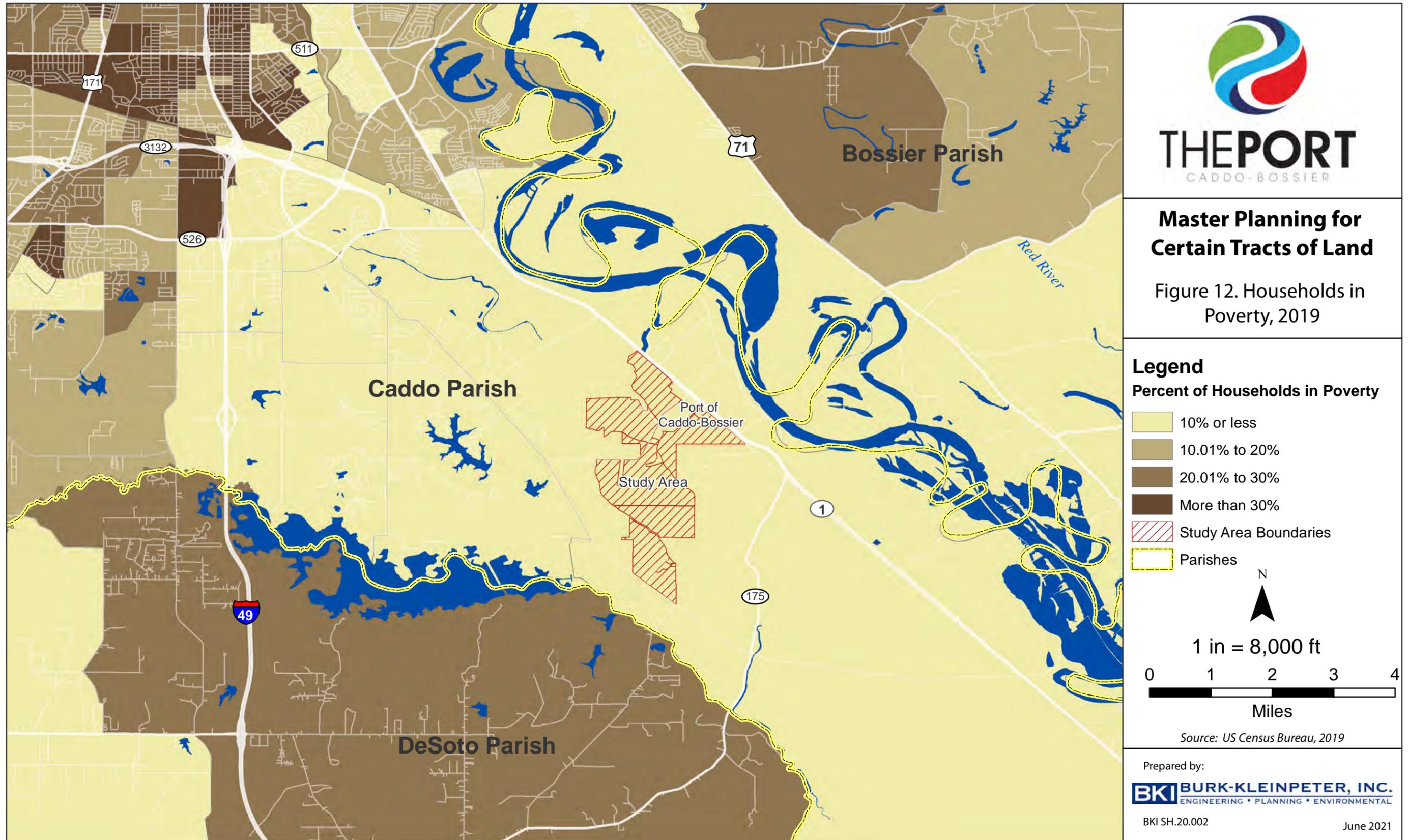
The number of households in poverty in the Census Block Group that encompasses the study area is relatively low compared to Block Groups in the city of Shreveport. Just across parish lines, the Census Block Groups to the northeast and southwest of the Port have higher percentages of poverty.

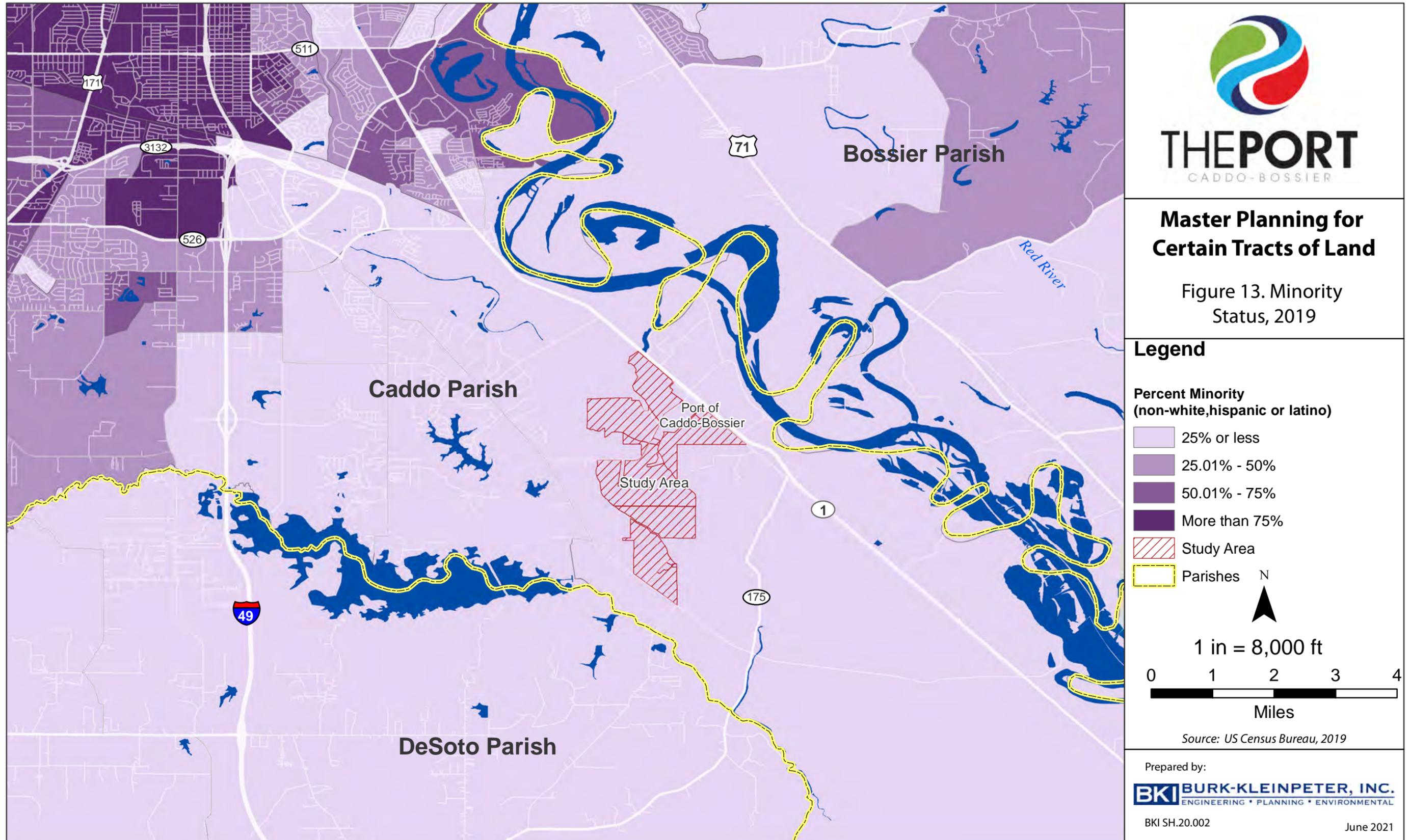
Population with Minority Status

People who self-identify as Black, African American, Hispanic, Native American, Asian Pacific, or Asian Indian are considered to have minority status. Minority populations have historically been underserved or subjected to environmental injustices and require special consideration in impact analyses. The Census Block Groups in the immediate vicinity of the Port do not have marginally high populations with minority status; however, the majority of nearby Block Groups in the cities of Shreveport and Bossier City are home to high concentrations of populations with minority status.









Existing Conditions Summary

The desktop environmental constraints analysis and existing conditions assessment reveals the following factors about the development potential of the site, which should be taken into consideration as the site planning process proceeds.

First, access to the site for both rail and roadways will be one of the initial decision points. The main point of access from the study area to LA 1 is anticipated to be the realigned at-grade crossing of the UP mainline at the I-69 service road/relocated Robson Rd. Identifying a secondary access point to LA 1 will be of critical importance and will need to account for both train blocking events and access before, during and after construction of the new roadways. The location for rail switching to the UP line with adequate capacity will be a necessary part of this decision process.

Improvements to Robson Road would improve access from the West, considering proposed transportation projects in the area. This two-lane Parish Road is likely not up to standards that would withstand the heavier loads that would be anticipated by Port tenants. For example, the bridge over Bayou Pierre is categorized as HS 20 for bridge load maximum according to the National Bridge Inventory (NBI).⁹

The construction of the I-69 Frontage Road will provide a two-lane direct connection from I-49 to the Port and LA 1. This is anticipated to improve access to both the main campus of the Port and the study area, as well as serve as the main arterial through the study area property.

Bayou Pierre, a navigable waterway, will need to be considered when identifying large areas for development. Similarly, floodplains located in the Sorenson and Leonard Road Farms tracts will be considered during the site planning process. Though several intermittent streams were found in the study area during a database review, future field survey and delineation will be necessary to determine if these areas are to be considered USACE jurisdictional and require future permitting.

⁹ [BridgeReports.com | Robson Rd over BAYOU PEIRRE, Caddo Parish, Louisiana](https://www.bridge-reports.com/Robson-Rd-over-BAYOU-PEIRRE-Caddo-Parish-Louisiana)

CONCEPTUAL SITE PLAN DEVELOPMENT

A conceptual site plan was developed for the tracts of land west of LA 1. The project team analyzed various road and rail configurations with corresponding land use scenarios that provided possible multimodal development sites for target industries and future tenants. Based on preliminary sketches, ongoing discussions with the Port, and other background information, two concept scenarios, including construction cost estimates, were developed. These scenarios served more as a menu of possible options rather than strict alternatives to one another. In September 2021, the project team convened in person at the Port to assess the concept scenarios and develop a final concept plan based on the best aspects of each (see meeting notes and attachments in Appendix B1). The Final Concept will serve as a guide for the detailed master plan designs and comprehensive cost estimates.

Concept Scenarios

Concept A1

Concept A1 (see Figure 1) shows the main rail line coming off the Union Pacific (UP) railroad from the north and then crossing under the proposed I-69 corridor near LA 1 through the pecan orchard. An adjacent road parallels this connection between the western and eastern halves of the overall study area as bisected by I-69. On the western half, the rail continues south from the Cupples West tract across Bayou Pierre and along the edge of the Leonard Road Farms tract to access the large rail sorting yard between the I-69 frontage road and I-69 before reaching the small portion of the Sorenson tract on the western side of I-69. The I-69 frontage road serves as the primary roadway on the western side.

On the eastern side, the rail passes by a narrow rail yard before turning south, crossing Bayou Pierre, and running along I-69 to the property line. A roadway parallels this rail line, providing access to the mega-site comprised of major portions of both the Sorenson tract and MFE properties, including a minor re-routing of Chico Bayou to maximize the size potential of the proposed mega-site. At the southern tip of the MFE properties, four example tenant sites are situated around an existing oil pipeline and Frierson Road. The preliminary construction cost estimate of Concept A1 was nearly \$67 million (see Opinion of Probable Construction Cost – Concept A1 in the Appendix B1).

Concept A2

Concept A2 (see Figure 2) differs primarily in where the rail and road connect the western and eastern halves of the study area. Instead of crossing the pecan orchard near LA 1, the sliver of right-of-way where Bayou Pierre runs between I-69 and its frontage road is used as the rail and road connection point. Other minor differences include the rail skirting the tree line to maximize space in the Cupples West tract and the main roadway on the eastern half of the study area going around the east side of the mega-site rather than paralleling the rail. Beyond that, there are only slight variations in the examples of possible tenant sites to maximize space around the differing road and rail configurations and existing oil wells. The preliminary cost estimate of Concept A2 was nearly \$77 million (see Opinion of Probable Construction Cost – Concept A2 in Appendix B1).

Figure 14: Concept A1

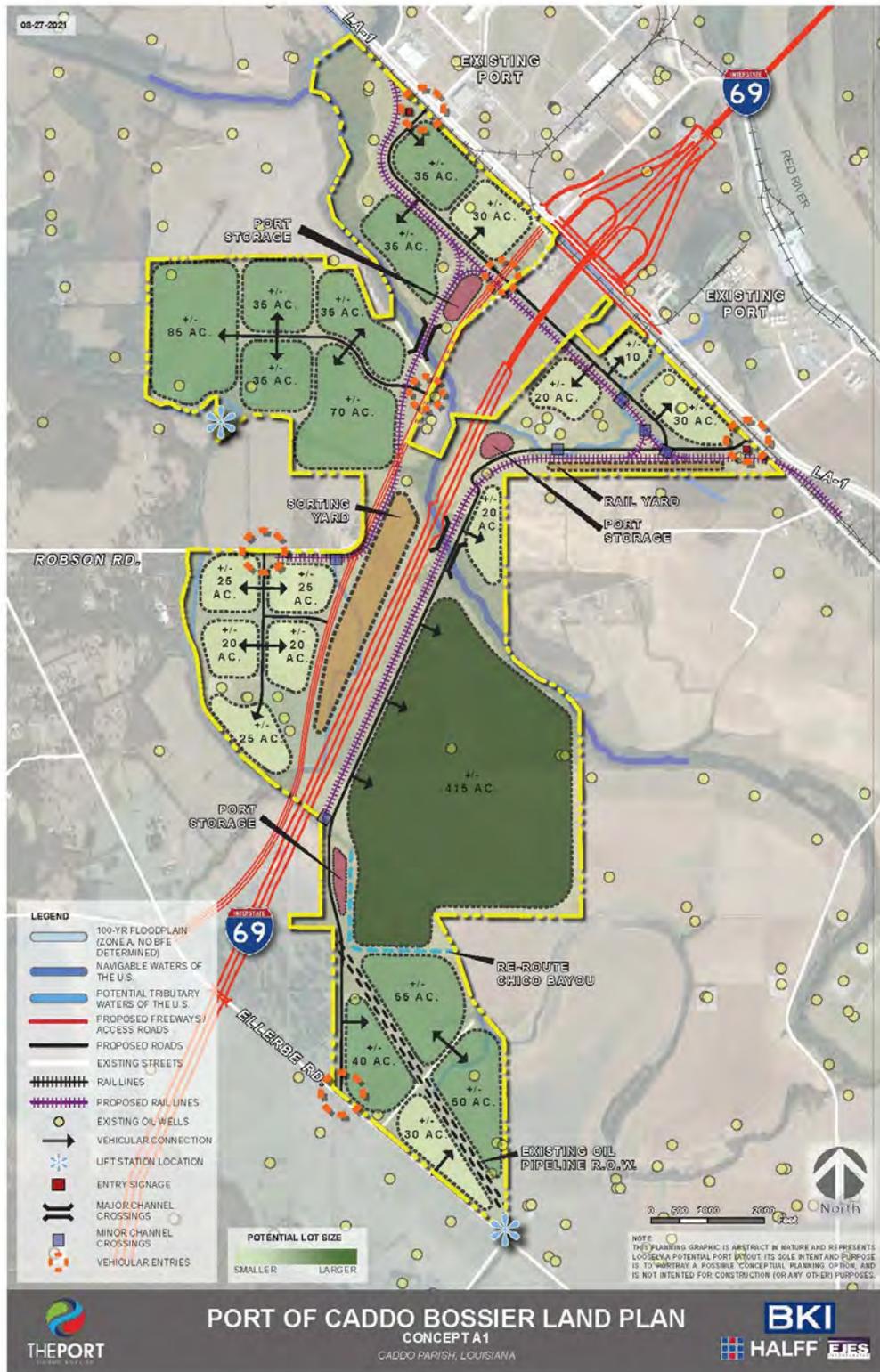
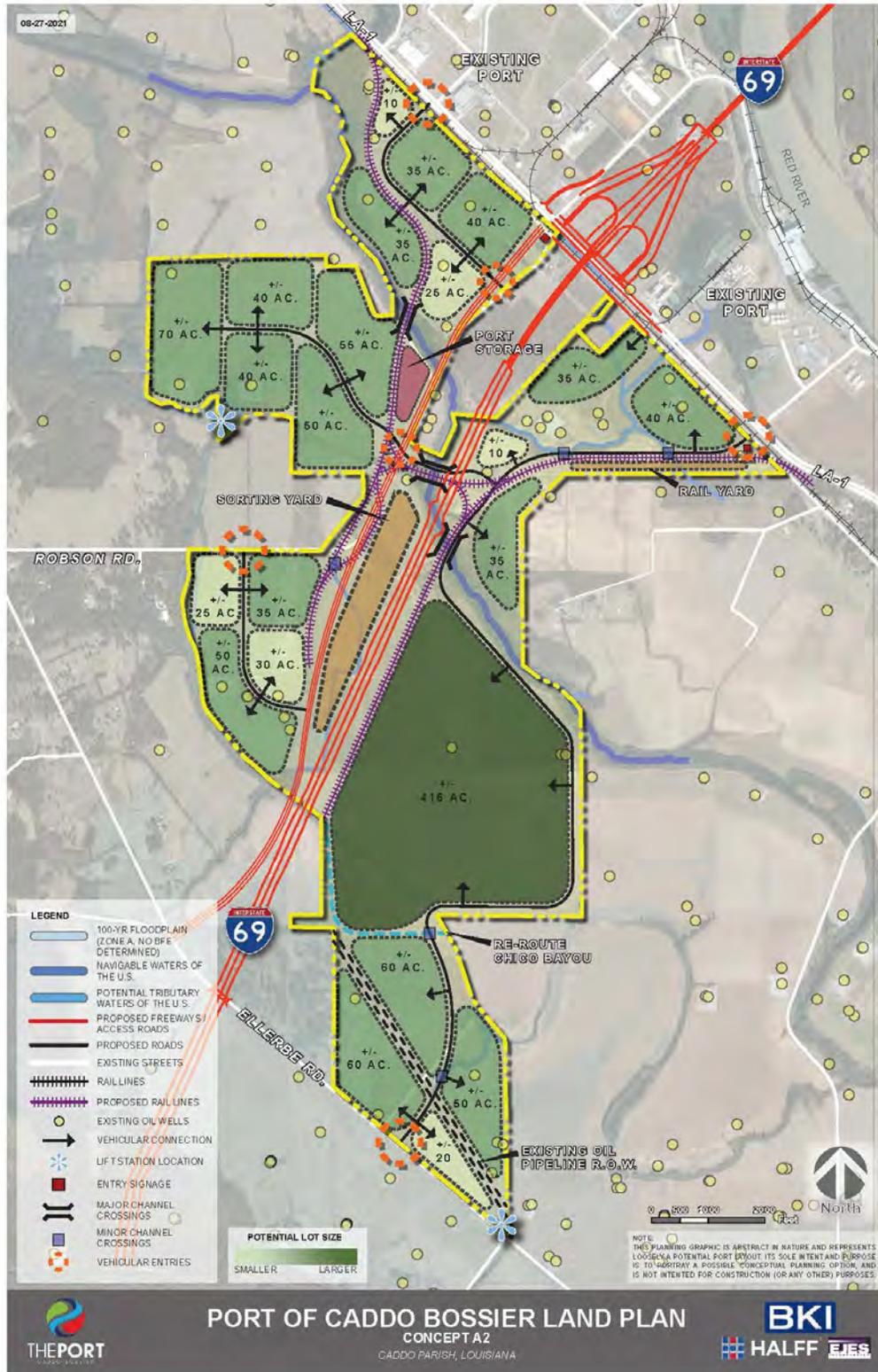


Figure 15: Concept A2



Final Concept

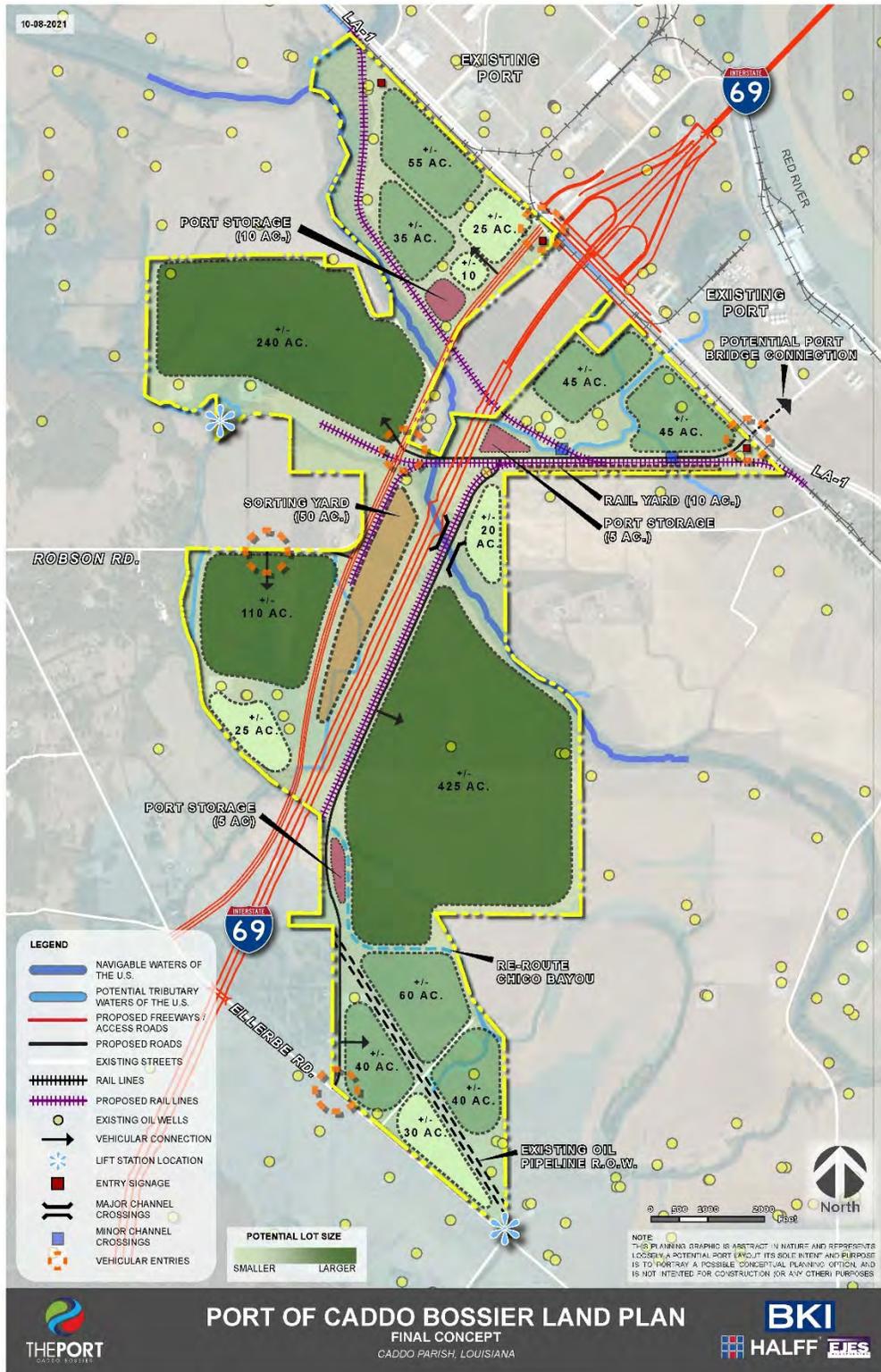
As mentioned, the previous concept scenarios were not developed with the intention to choose the best alternative so much as to lay out all the options visually for the Port and project team to fit the puzzle pieces together and find the most desirable solution. Throughout this iterative final design process, a new adjustment to the rail configuration came about that was not part of the previous concepts directly but was very much based around the discussions of the pros and cons of each.

As in Concept A2, the rail hugs the tree line coming off the UP in the Cupples West tract, but instead of turning southwest, it continues southeast across the pecan orchard to connect to the eastern half of the study area. This configuration maximizes space for potential tenant sites while providing sufficient track for incoming trains to back into this new Port expansion west of LA 1. The rail coming off the UP in the eastern half continues due west, now with a longer primary rail yard, and crosses Bayou Pierre in the right-of-way sliver similar to Concept A1. By doing this, the Final Concept utilizes the east-west rail and road connections of both Concept A1 and A2, though the pecan orchard crossing is moved further to the southwest.

With this configuration, costly and complicated Bayou Pierre crossings are limited to two, whereas Concept A2 showed three. After making this crossing, the rail splits to cross the I-69 frontage road as well as provide access to the Leonard Road Farms tract. While the previous concepts had as many as four instances of rail crossing the I-69 frontage road, there was a desire to limit that complication as much as possible. The Final Concept configuration limits those crossings to two by focusing on serving the additional mega-site and accessing the large, central sorting yard.

While the Final Concept maximizes tenant space and gains some efficiency in terms of rail logistics, it does sacrifice rail access to the small properties at the southern edge of the western half. These sites were always difficult to serve with rail without crossing the I-69 frontage road multiple times due to the property line pinch point, but they are still served as well as any in terms of roadway access and should still provide the right tenant with a great opportunity. Limiting the number of I-69 frontage road crossings and costly bridges across Bayou Pierre became a necessary reality, but the option remains to extend rail to these sites should future land acquisitions make the geometry and finances more amenable.

Figure 16: Final Concept



CHAPTER 3: FINAL MASTER PLAN - SITE LAYOUT & DEVELOPMENT COSTS

Overview

The final site design refines the conceptual plan to align roads, rail, and utilities using AutoCAD to ensure correct lengths, widths, and geometry. The master plan site layout shows these features, in addition to phasing, sites, and other infrastructure improvements anticipated in the area, to be constructed by others. Approximate quantities were used to develop order of magnitude cost estimates.

(See Figure 3-1: Master Plan)

Infrastructure Improvement Assumptions

A variety of infrastructure needs may arise over time, depending on requirements of future tenants and the order in which the site is developed. For the purpose of the overall master plan, the following infrastructure improvements are included:

- Roadways
- Railroads
- Potable Water
- Sewer

Major infrastructure investments in each of these categories are included on the master plan. More detailed, site-specific extensions of these to tenant sites are not included. The following assumptions were used in developing the infrastructure improvements:

Roads: Roads shall be Portland cement concrete, 10 ½-inches thick, 24 feet wide with two 12-foot travel lanes. There shall be an 8-foot-wide shoulder adjacent to the concrete pavement with a 2" thick asphalt pavement wearing course to accommodate vehicle wheel runoff and parking along the sides of roadways. Typical sub-grade will be per LA DOTD standard specifications. Each 12-foot lane shall have at least a 2.5% slope and the 8-foot shoulder shall have at least a 5% slope, to allow drainage runoff into ditches. All ditches or swales shall have a minimum 3:1 slope ratio on each embankment.

The minimum standard roadway right-of-way (ROW) shall be 100 feet for all access roads. In addition to the 100 feet of ROW for the road and drainage swale, an additional 40 feet of ROW should be preserved for water, sewer, and other infrastructure needs.

Railroads: Railroads shall be constructed with a 4'-8 ½" standard gauge track width. The track shall, at a minimum, have 8'-6" wooden cross ties spaced on 19 ½" centers. The minimum standard railroad right-of-way shall be 100-feet for all railroads. The subgrade under the cross ties shall have at least a 2% slope constructed with minimum 8 inches of ballast and 8 inches of sub-ballast. The ballast shoulder shall have a minimum 3:1 slope ratio to allow drainage runoff into ditches. The ditches shall have a 3:1 slope ratio on each embankment. Appurtenances, such as turnouts and at-grade crossings, follow typical industrial standards for those applications.

Water: Water main materials and placement will follow AWWA standards, Recommended Standards for Water Works (2007 Edition), and City of Shreveport Standard Specifications. Utility lines included are 12" potable water mains.

Sewer: Sewer gravity mains, force mains, manholes, and lift stations will follow Recommended Standards for Wastewater Facilities (2004 Edition) and City of Shreveport Standard Specifications. All force mains shall be 8" in diameter and gravity mains shall be 18" in diameter. Lift stations are also depicted at their proposed locations.

Figures 3-2, 3-3, 3-4 and 3-5 show road, rail, potable water, and sewer for the entire study area.

Phasing

The study area is divided into three rough phases, based on the likely order of development for the Port, and six planning areas (A through F). Areas were divided into sites that will likely be most desirable for future private lease, versus areas with constraints that make them less likely for near-term development due to existing easements or environmental constraints – these sites are designated for Port operations or storage but could easily be used for future tenants if desired. Within each planning area, sites were created based on natural topography, road and rail alignments and existing development, such as well pads. There are three categories of sites depicted: future development sites (green), proposed Port operations (blue), and proposed railyards (orange).

Due to the nature of utility lines following transportation corridors and the overall size of the study area, the utilities sometimes cover one another and/or are covered by road and rail lines on the accompanying maps. To show all the infrastructure improvements coherently, separate maps have been developed for each phase. They are further broken down into a series of maps showing each infrastructure type (rail, road, water, and sewer) for each of the three phases. All maps are included in Appendix C-1: Master Plan Map Atlas for ease of use.

Phase 1 primarily consists of the area between the U-shaped rail line that connects to the Union Pacific railroad along Highway 1. Phase 1 has been further subdivided into Planning Areas A and B. Planning Area A, to the west of the future I-69, was previously known as the West Cupples Tract. It contains site A-1 (135 acres) and site A-2 (134 acres). Planning Area B is to the east of the future I-69 alignment. It contains sites B-1 (71 acres), B-2 (84 acres), B-3 (31 acres) and B-4 (21 acres). It was formerly the Robson Tract. (See Figure 3-6).

Phase 2 includes the areas below Phase 1 and west of the I-69 corridor. It has been divided into Planning Areas C, D, and E. Planning Area C consists of site C-1 (322 acres) and C-2 (39 acres), Planning Area D consists of site D-1 (134 acres) and D-2 (69 acres), and Planning Area E consists of site E-1 (103 acres) and site E-2 (40 acres). It is comprised of the Leonard Road Farms Tract and the western portion of the Sorenson Tract. (See Figure 3-7).

Phase 3 is made up by the areas below Phase 1 and east of the I-69 corridor. Designated as Planning Area F, it has been further subdivided into sites F-1 (572 acres), F-2 (139 acres), F-3 (112 acres) and F-4

(59 acres). This site is primarily the MFE properties and the eastern portion of the Sorenson Tract. (See Figure 3-8).

Table 3-1. Development Sites

Phase	Planning Area	Site	Approximate Acreage	Proposed Use
1	A	A-1	135	Future Development Site
1	A	A-2	134	Future Development Site
1	B	B-1	71	Future Development Site
1	B	B-2	84	Future Development Site
1	B	B-3	31	Proposed Railyard
1	B	B-4	21	Port Operations/Port Storage
2	C	C-1	322	Future Development Site
2	C	C-2	39	Port Operations/Port Storage
2	D	D-1	134	Future Development Site
2	D	D-2	69	Future Development Site
2	E	E-1	103	Proposed Rail Yard
2	E	E-2	40	Port Operations/Port Storage
3	F	F-1	572	Future Development Site
3	F	F-2	139	Future Development Site
3	F	F-3	112	Future Development Site
3	F	F-4	59	Port Operations/Port Storage

Prioritization of Development

At this time, some preliminary work has begun on developing the Phase 1 area, which provides prime locations along the UP railroad at the intersection of LA 1 and the future I-69. After building out this area, the priority will be extending the road and rail from the east across the I-69 alignment and over Bayou Pierre to connect to the Phase 2 area, which includes a large, centrally located railyard between I-69 and its frontage road. Smaller, centrally located areas for potential Port storage, administrative, or logistics-related facilities are identified around these transportation junctions and connections between Phases 1 and 2. On the east side of I-69, Phase 3 sees the rail extending south along I-69, opening access to a potential mega-site and connecting this side of the study area to Ellerbe Road. This order of prioritization is subject to change based on the requirements of future tenants.

Site Development Cost Estimate

A full itemized estimate of costs is included in Appendix C-2. Table 3-2 below summarizes the master plan cost by infrastructure type.

Contingency costs include:

- potential gas mains and other utility relocations
- potential trenchless construction methods implemented for the water main and sewer force main crossing LA 1 and other areas within the site
- static rail scale

Appendix V Page 36 of 69
Master Plan for Certain Tracts of Land
Final Master Plan

Cost estimates do not include:

- engineering
- site clearing, grading, drainage, other than that which is associated with the infrastructure improvements
- permitting/mitigation

Table 3-2 Summary Cost Estimate, Master Plan

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
100	Road								
101.1	Two 12' Lanes With 8' Shoulder	19,812	LF	\$750.00	\$14,859,000.00				
101.2	Grade Crossing (Precast Concrete)	105	LF	\$600.00	\$63,000.00				
					\$14,922,000.00	\$2,238,300.00	\$17,160,300.00	\$1,716,030.00	\$18,876,330.00
102.1	Bridge	1,600	LF	\$10,000.00	\$16,000,000.00				
					\$16,000,000.00	\$2,400,000.00	\$18,400,000.00	\$1,840,000.00	\$20,240,000.00
	Drainage Excavation (Chico Bayou, 4244 LF)	22,000	CY	\$15.00	\$330,000.00				
103.2	Embankment (Chico Bayou, 3260 LF)	17,000	CY	\$15.00	\$255,000.00				
					\$585,000.00	\$87,750.00	\$672,750.00	\$67,275.00	\$740,025.00
104.1	LED Message Sign (Double Sided) Including Post, Panels and other Items	1	EA	\$300,000.00	\$300,000.00				
104.2	Entry Signage (HWY 1) (Robson Rd) (Ellerbe Rd)	3	EA	\$25,000.00	\$75,000.00				
					\$375,000.00	\$56,250.00	\$431,250.00	\$43,125.00	\$474,375.00
					\$31,882,000.00	\$4,782,300.00	\$36,664,300.00	\$3,666,430.00	\$40,330,730.00
200	Railroad								
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	28,589	TF	\$200.00	\$5,717,800.00				
201.2	Turnout, Ties, Ballast, and other Items	10	EA	\$90,000.00	\$900,000.00				
					\$6,617,800.00	\$992,670.00	\$7,610,470.00	\$761,047.00	\$8,371,517.00
202.1	Rail Storage Yard, Ties, Ballast, and other Items	141,000	TF	\$200.00	\$28,200,000.00				
202.2	Switch, Ties, Ballast, and other Items	94	EA	\$90,000.00	\$8,460,000.00				
					\$36,660,000.00	\$5,499,000.00	\$42,159,000.00	\$4,215,900.00	\$46,374,900.00
203.1	Rail Bridge	1,600	TF	\$8,000.00	\$12,800,000.00				
					\$12,800,000.00	\$1,920,000.00	\$14,720,000.00	\$1,472,000.00	\$16,192,000.00
204.1	4'-8 1/2" Track Gauge, 136#, 8'-6" Ties, Ballast, and other Items (Phase 3)	3,500	TF	\$260.00	\$910,000.00				
					\$910,000.00	\$136,500.00	\$1,046,500.00	\$104,650.00	\$1,151,150.00
					\$56,987,800.00	\$8,548,170.00	\$65,535,970.00	\$6,553,597.00	\$72,089,567.00
300	Water								
301.1	12 Inch Diameter Water Main	30,100	LF	\$100.00	\$3,010,000.00				
					\$3,010,000.00	\$451,500.00	\$3,461,500.00	\$346,150.00	\$3,807,650.00
400	Sewerage								
401.1	Lift Station (Main)	1	EA	\$1,000,000.00	\$1,000,000.00				
401.2	Lift Station (Sub)	3	EA	\$500,000.00	\$1,500,000.00				
401.3	8 Inch Diameter Sewer Force Main	38,700	LF	\$200.00	\$7,740,000.00				
401.4	18 Inch Diameter Gravity Sewer Main	35,600	LF	\$150.00	\$5,340,000.00				
401.5	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	96	EA	\$7,500.00	\$720,000.00				
					\$16,300,000.00	\$2,445,000.00	\$18,745,000.00	\$1,874,500.00	\$20,619,500.00
					\$16,300,000.00	\$2,445,000.00	\$18,745,000.00	\$1,874,500.00	\$20,619,500.00
					\$108,179,800.00	\$16,226,970.00	\$124,406,770.00	\$12,440,677.00	\$136,847,447.00

Source: Prepared by EJES, January 2022

Phase 1: Planning Areas A and B

Phase 1 includes potential for small and medium development sites ranging from 21 acres to 135 acres to maximize available land around clusters of oil wells. These sites have prime location with nearly direct access to the UP railroad and LA 1.

The I-69 Frontage Road will serve as the primary access for vehicles on the west side of Phase 1, while a Port road that is 5,087 feet in length will be constructed off Harts Island Rd (in alignment with Francis Bickham Boulevard) on the east side and run parallel to the proposed rail line. Additionally, an extension of Harts Island Road that is 960 feet in length on the west side of the area will lead into the potential sites. Entry signage and LED message board will be located at the main gate at LA 1 entrance. (See Figure 3-9).

The Port will construct a U-shaped rail line (15,009 feet in track length) that connects to the UP railroad on either end of the Phase 1 area, traversing a proposed easement across the pecan orchard where the alignment of the future I-69 corridor runs. A railyard with six spurs will be constructed along the rail line on the east side. A static scale for rail may be needed along the rail line within site A-2 on the west side. (See Figure 3-10).

Phase 1 includes 8,448 linear feet of water main (12" diameter). A combination of sewer force mains (20,500 linear feet), gravity sewer mains (12,025 linear feet), and one (1) lift station will serve the wastewater needs of Phase 1. (See Figures 3-11 and 3-12)

Phase 1 Cost Estimate

The summary cost estimate for Phase 1 in Table 3-3, next page, shows the estimated cost of constructing the two roads indicated above, the rail main line indicated above, water mains, gravity and force mains, and the construction of Lift Station 1.

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Master Plan for Certain Tracts of Land
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Table 3-3. Summary Cost Estimate, Phase 1

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
100 Road									
101.1	Two 12' Lanes With 8' Shoulder	6,047	LF	\$750.00	\$4,535,250.00				
101.2	Grade Crossing (Precast Concrete)	35	LF	\$600.00	\$21,000.00				
					\$4,556,250.00	\$683,437.50	\$5,239,687.50	\$523,968.75	\$5,763,656.25
102.1	LED Message Sign (Double Sided), including Post, Panels and other	1	EA	\$300,000.00	\$300,000.00				
102.2	Entry Signage (LA 1)	1	EA	\$25,000.00	\$25,000.00				
					\$325,000.00	\$48,750.00	\$373,750.00	\$37,375.00	\$411,125.00
					\$4,881,250.00	\$732,187.50	\$5,613,437.50	\$561,343.75	\$6,174,781.25
200 Railroad									
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	15,009	TF	\$200.00	\$3,001,800.00				
201.2	Turnout, Ties, Ballast, and other	4	EA	\$90,000.00	\$360,000.00				
					\$3,361,800.00	\$504,270.00	\$3,866,070.00	\$386,607.00	\$4,252,677.00
202.1	Rail Storage Yard (6 Spurs), Ties, Ballast, and other Items	24,000	TF	\$200.00	\$4,800,000.00				
202.2	Switch, Ties, Ballast, and other Items	14	EA	\$90,000.00	\$1,260,000.00				
					\$6,060,000.00	\$909,000.00	\$6,969,000.00	\$696,900.00	\$7,665,900.00
					\$9,421,800.00	\$1,413,270.00	\$10,835,070.00	\$1,083,507.00	\$11,918,577.00
300 Water									
301.1	12 Inch Diameter Water Main	8,448	LF	\$100.00	\$844,800.00				
					\$844,800.00	\$126,720.00	\$971,520.00	\$97,152.00	\$1,068,672.00
400 Sewerage									
401.1	Lift Station (Main)	1	EA	\$1,000,000.00	\$1,000,000.00				
401.2	8 Inch Diameter Sewer Force Main	20,500	LF	\$200.00	\$4,100,000.00				
401.3	18 Inch Diameter Gravity Sewer Main	12,025	LF	\$150.00	\$1,803,750.00				
401.4	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	35	EA	\$7,500.00	\$262,500.00				
					\$7,166,250.00	\$1,074,937.50	\$8,241,187.50	\$824,118.75	\$9,065,306.25
					\$7,166,250.00	\$1,074,937.50	\$8,241,187.50	\$824,118.75	\$9,065,306.25
					\$22,314,100.00	\$3,347,115.00	\$25,661,215.00	\$2,566,121.50	\$28,227,336.50

Source: Prepared by EJES, January 2022

Phase 2: Planning Areas C, D, and E

Site Design

Phase 2, located to the south of Jeter Road and west of future I-69, includes Planning Areas C, D and E. Planning Area C includes a potential large development site (C-1) that is approximately 322 acres with road access coming off the future I-69 frontage road, and rail access crossing from Planning Area B. Planning Area D offers two moderate sized development sites (D-1, 134 acres and D-2, 69 acres). Phase 2 offers the benefits of larger sites than Phase 1 that are located along the I-69 frontage road and a large, primary rail storage yard between the I-69 alignment and its frontage road.

In Phase 2, the only Port road construction included in the master plan is an additional 1,260' extension of the Francis Bickham extension, which connects to the future I-69 frontage road. A 900' bridge will cross Bayou Pierre. Additional Port roads may be necessary depending on the size, location, and timing

of future tenants. In addition to the items noted above, the cost estimate includes a large entry sign at Robson Road. (See Figure 3-13)

The Port's rail line will extend west from Phase 1 under I-69 and over Bayou Pierre before splitting to a 40-spur railyard to the south and the potential large tenant site further west via the second of two rail crossings of the I-69 frontage road (the first being located just north in Phase 1). The combined track length to serve the two areas, not including the railyard is 6,236 track feet. (See Figure 3-14)

As in Phase 1, there is potential here for Port storage along the rail and I-69 frontage road if needed (site C-2, 39 acres and E-2, 40 acres).

Phase 2 includes 9,152 linear feet of water mains (12" diameter). A combination of sewer force mains (8,475 linear feet), and gravity sewer mains (11,075 linear feet), and two (2) lift stations will serve the wastewater needs of Phase 2. (See Figures 3-15 and 3-16)

Development Costs

Table 3-4 includes a summary cost estimate for infrastructure within Phase 2.

In Phase 2, the base rail quantity is approximately 6,236 track feet. The additional 117,000 track feet is the estimated rail quantity in the proposed rail yard. This number also accounts for the additional left- and right-hand turnouts.

Depending on whether Phase 2 or Phase 3 is constructed first, there is some additional track and road footage that is currently included in the Phase 3 cost estimate that would need to be added to the Phase 2 estimate if this moved forward first. It is approximately 1,800 linear feet of road, and rail.

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Table 3-4. Summary Cost Estimate, Phase 2

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
100 Road									
101.1	Two 12' Lanes With 8' Shoulder	1,260	LF	\$750.00	\$945,000.00				
101.2	Grade Crossing (Precast Concrete)	35	LF	\$600.00	\$21,000.00				
					\$966,000.00	\$144,900.00	\$1,110,900.00	\$111,090.00	\$1,221,990.00
102.1	Bridge	900	LF	\$10,000.00	\$9,000,000.00				
					\$9,000,000.00	\$1,350,000.00	\$10,350,000.00	\$1,035,000.00	\$11,385,000.00
103.1	Entry Signage (Robson Rd)	1	EA	\$25,000.00	\$25,000.00				
					\$25,000.00	\$3,750.00	\$28,750.00	\$2,875.00	\$31,625.00
					\$9,991,000.00	\$1,498,650.00	\$11,489,650.00	\$1,148,965.00	\$12,638,615.00
200 Railroad									
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	6,236	TF	\$200.00	\$1,247,200.00				
201.1	Turnout, Ties, Ballast, and other Items	3	EA	\$90,000.00	\$270,000.00				
					\$1,517,200.00	\$227,580.00	\$1,744,780.00	\$174,478.00	\$1,919,258.00
202.1	Rail Storage Yard (40 Spurs), Ties, Ballast, and other Items	117,000	TF	\$200.00	\$23,400,000.00				
202.2	Switch, Ties, Ballast, and other Items	80	EA	\$90,000.00	\$7,200,000.00				
					\$30,600,000.00	\$4,590,000.00	\$35,190,000.00	\$3,519,000.00	\$38,709,000.00
203.1	Rail Bridge	900	TF	\$8,000.00	\$7,200,000.00				
					\$7,200,000.00	\$1,080,000.00	\$8,280,000.00	\$828,000.00	\$9,108,000.00
					\$39,317,200.00	\$5,897,580.00	\$45,214,780.00	\$4,521,478.00	\$49,736,258.00
300 Water									
301.1	12 Inch Diameter Water Main	9,152	LF	\$100.00	\$915,200.00				
					\$915,200.00	\$137,280.00	\$1,052,480.00	\$105,248.00	\$1,157,728.00
400 Sewerage									
401.1	Lift Station	2	EA	\$500,000.00	\$1,000,000.00				
401.2	8 Inch Diameter Sewer Force Main	8,475	LF	\$200.00	\$1,695,000.00				
401.3	18 Inch Diameter Gravity Sewer Main	11,075	LF	\$150.00	\$1,661,250.00				
401.4	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	25	EA	\$7,500.00	\$187,500.00				
					\$4,543,750.00	\$681,562.50	\$5,225,312.50	\$522,531.25	\$5,747,843.75
					\$4,543,750.00	\$681,562.50	\$5,225,312.50	\$522,531.25	\$5,747,843.75
					\$54,767,150.00	\$8,215,072.50	\$62,982,222.50	\$6,298,222.25	\$69,280,444.75

Source: Prepared by EJES, BKI, January 2022

Phase 3: Planning Area F

Site Design

Phase 3 includes a potential mega-site of over 570 acres (site F-1) with the option to reroute Chico Bayou to maximize this space's potential. Two additional development sites further south along Ellerbe Rd. and Frierson Rd. offer smaller site potential (site F-2, 139 acres and site F-3, 112 acres).

The Port proposed road extends south from the east side of Phase 1, running parallel to the I-69 alignment until its intersection with Ellerbe Road. It is 12,505 linear feet with a 700' bridge. (See Figure 3-17). The rail line follows the same path but ends before the Port property jogs east. It is 7,344 linear track feet and includes a 700' rail bridge. (See Figure 3-18)

There is potential for Port storage or facilities in a small area wedged between the proposed Port road and the property line at the northern tip of the Phase 3 area, which is central to the overall study area (site F-4, 59 acres).

Phase 3 includes 12,500 linear feet of water mains (12" diameter). A combination of sewer force mains (9,725 linear feet), gravity sewer mains (12,500 linear feet), and one (1) lift station will serve the wastewater needs of Phase 3. (See Figures 3-19 and 3-20)

Development Costs

The cost estimate also includes drainage excavation and embankment associated with a re-route of Chico Bayou and an entry sign at the gate at Ellerbe Road.

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Master Plan for Certain Tracts of Land
Final Master Plan

Table 3-3. Summary Cost Estimate, Phase 3

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
100	Road								
101.1	Two 12' Lanes With 8' Shoulder	12,505	LF	\$750.00	\$9,378,750.00				
101.2	Grade Crossing (Precast Concrete)	35	LF	\$600.00	\$21,000.00				
					\$9,399,750.00	\$1,409,962.50	\$10,809,712.50	\$1,080,971.25	\$11,890,683.75
102.1	Drainage Excavation (Chico Bayou, 4244 LF)	22,000	CY	\$15.00	\$330,000.00				
102.2	Embankment (Chico Bayou, 3260 LF)	17,000	CY	\$15.00	\$255,000.00				
					\$585,000.00	\$87,750.00	\$672,750.00	\$67,275.00	\$740,025.00
103.1	Bridge	700	LF	\$10,000.00	\$7,000,000.00				
					\$7,000,000.00	\$1,050,000.00	\$8,050,000.00	\$805,000.00	\$8,855,000.00
104.1	Entry Signage (Ellerbe Rd)	1	EA	\$25,000.00	\$25,000.00				
					\$25,000.00	\$3,750.00	\$28,750.00	\$2,875.00	\$31,625.00
					\$17,009,750.00	\$2,551,462.50	\$19,561,212.50	\$1,956,121.25	\$21,517,333.75
200	Railroad								
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	7,344	TF	\$200.00	\$1,468,800.00				
201.1	Turnout, Ties, Ballast, and other Items	3	EA	\$90,000.00	\$270,000.00				
					\$1,738,800.00	\$260,820.00	\$1,999,620.00	\$199,962.00	\$2,199,582.00
202.2	4'-8 1/2" Track Gauge, 136#, 8'-6" Ties, Ballast, and other Items	3,500	TF	\$260.00	\$910,000.00				
					\$910,000.00	\$136,500.00	\$1,046,500.00	\$104,650.00	\$1,151,150.00
203.1	Rail Bridge	700	TF	\$8,000.00	\$5,600,000.00				
					\$5,600,000.00	\$840,000.00	\$6,440,000.00	\$644,000.00	\$7,084,000.00
					\$8,248,800.00	\$1,237,320.00	\$9,486,120.00	\$948,612.00	\$10,434,732.00
300	Water								
301.1	12 Inch Diameter Water Main	12,500	LF	\$100.00	\$1,250,000.00				
					\$1,250,000.00	\$187,500.00	\$1,437,500.00	\$143,750.00	\$1,581,250.00
400	Sewerage								
401.1	Lift Station	1	EA	\$500,000.00	\$500,000.00				
401.2	8 Inch Diameter Sewer Force Main	9,725	LF	\$200.00	\$1,945,000.00				
401.3	18" Inch Diameter Gravity Sewer Main	12,500	LF	\$150.00	\$1,875,000.00				
401.4	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	36	EA	\$7,500.00	\$270,000.00				
					\$4,590,000.00	\$688,500.00	\$5,278,500.00	\$527,850.00	\$5,806,350.00
					\$4,590,000.00	\$688,500.00	\$5,278,500.00	\$527,850.00	\$5,806,350.00
					\$31,098,550.00	\$4,664,782.50	\$35,763,332.50	\$3,576,333.25	\$39,339,665.75

Source: Prepared by EJES, BKI, January 2022

REQUIRED PERMITS

Waters of the US

If waterways in the study area are determined to be Waters of the US (WOTUS), then potential tenant sites will either need to be designed to avoid impacts to WOTUS or will require a Section 404 Permit from the USACE. Impacts to WOTUS below 0.5 acres can generally be permitted with a Nationwide General Permit. If impacts to WOTUS exceed 0.5 acres, a Standard Individual Permit will be required. The USACE has a 45-day timeline to review administratively complete Nationwide Permit submittals, with typical processing times between 60 and 90 days. The Standard Individual Permit process typically takes between 12 to 18 months. For impacts to wetlands exceeding 0.10 acre, and streambed exceeding 0.03 acres, compensatory mitigation will be required. Generally, wetland mitigation bank credits are

between \$50,000 to \$100,000 per acre, and stream mitigation may cost between \$500 and \$1,000 per linear foot of impact.

Utilities, interior access roads, and other attendant features should be designed to avoid/minimize impacts to WOTUS where practicable. If design constraints necessitate impacts for these components, they may be permissible with a Nationwide General Permit, provided the impacts do not exceed 0.5 acre.

Bayou Pierre

Potential Port storage facilities should be designed to avoid impacts to Bayou Pierre (a Section 10 navigable WOTUS) and any adjacent wetlands. If impacts are necessary to accommodate design, permitting requirements, timelines, and costs would be similar to the tenant sites. Additional coordination under Section 10 of the Rivers and Harbors Act will be required for direct impacts and/or work within to Bayou Pierre, including proposed rail/roadway bridges.

Re-routing Chico Bayou

The proposed re-route of approximately 1 mile of Chico Bayou would require a Standard Individual Permit from the USACE, and potentially an Environmental Impact Statement (EIS). The permit process for an action of this magnitude would likely take 2 to 3 years, longer if the USACE determines that an EIS is required from them to issue the permit. Compensatory mitigation for this component of the project would likely be between \$2.5m and \$5m. If bank credits are not available to satisfy the mitigation burden, permittee responsible mitigation would be required and would likely be substantially more expensive.

Phased Development

The USACE must evaluate permit decisions for phased developments cumulatively. Therefore, if the cumulative impacts for all phases of the development (regardless of timing) exceed 0.5 acre, a Standard Individual Permit will be required. However, if it can be demonstrated that certain components have independent utility, it may be possible to permit the project in phases. A pre-application meeting with the USACE Vicksburg district is recommend during conceptual design to determine the best path forward for Section 10/404 permitting.

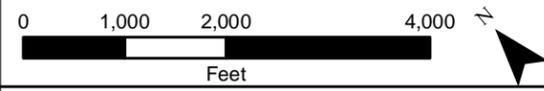
APPENDIX C-1: FINAL MASTER PLAN MAP ATLAS



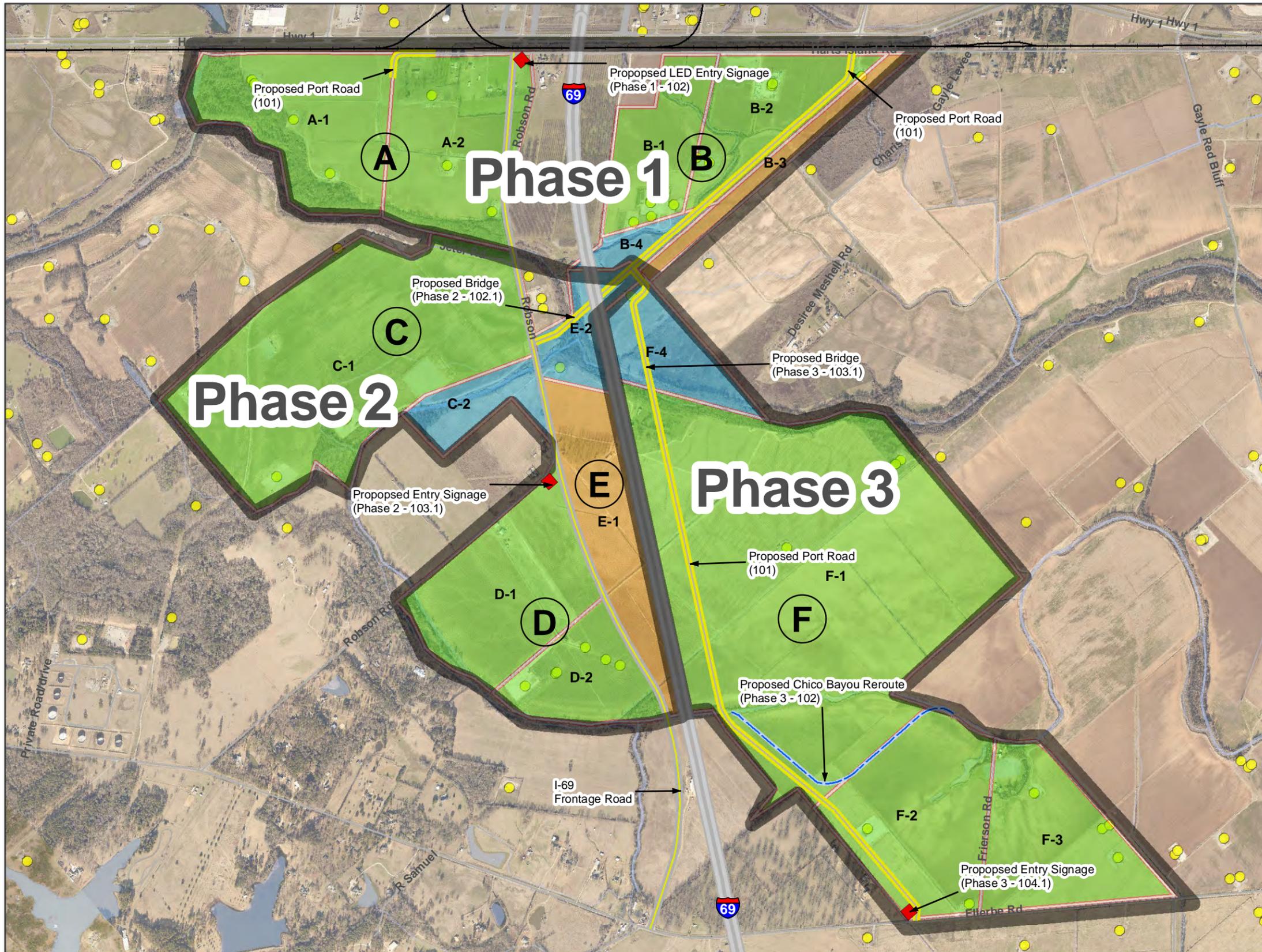
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**Master Planning for
Certain Tracts of Land**
Figure 3-1. Master Plan

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- ▭ Proposed Rail
- ▭ Proposed Port Roads
- ▭ Proposed Chico Bayou Reroute
- ▭ Proposed Water Mains
- ▭ Proposed Lift Stations
- ▭ Proposed Force Mains
- ▭ Proposed Gravity Mains
- Proposed Manholes



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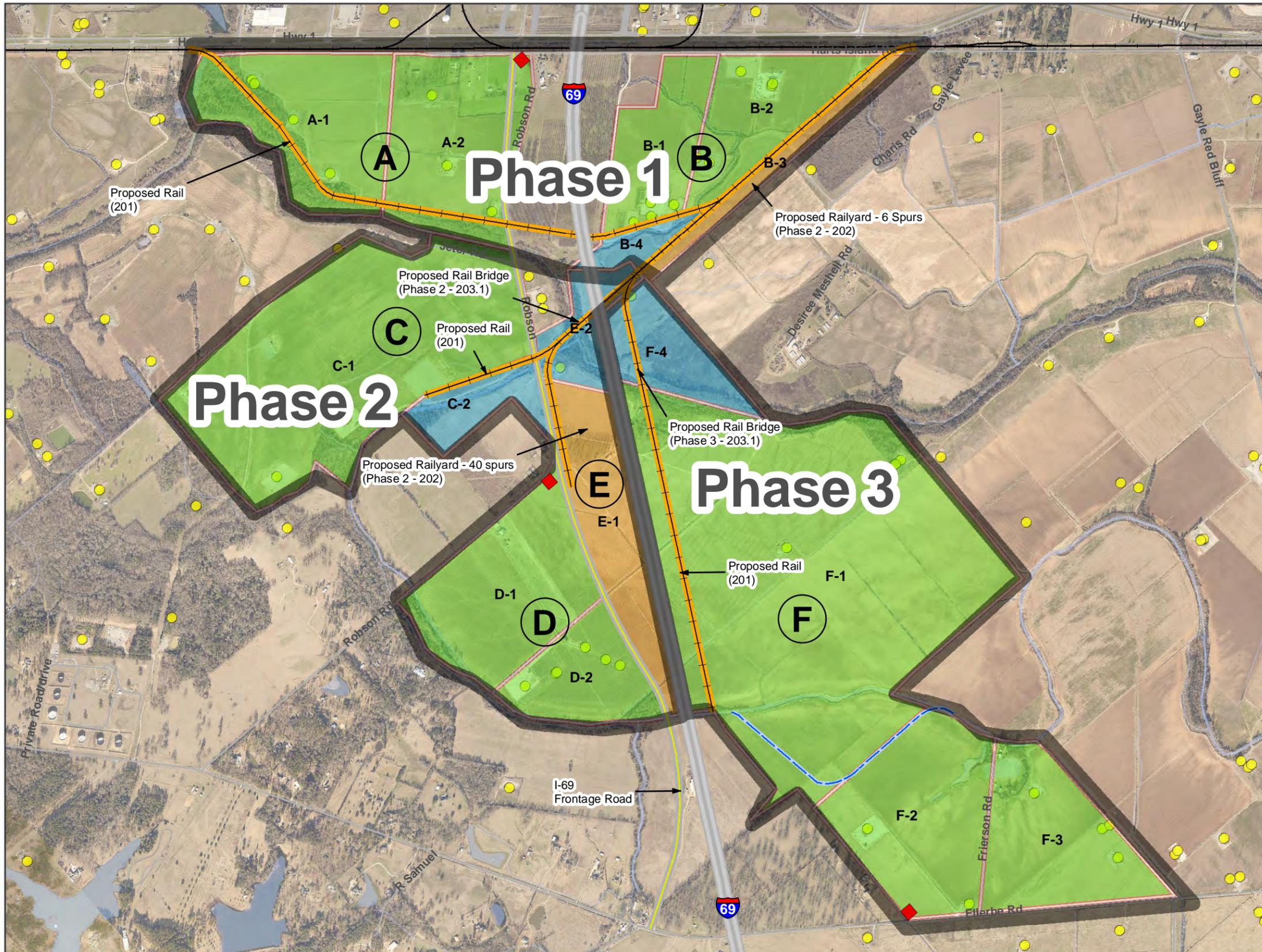
Master Planning for Certain Tracts of Land

Figure 3-2. Master Plan: Roads

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- Proposed Phases
- Potential Port Storage/Facilities
- Potential Tenant Sites
- Proposed Railyards
- Future I-69 Corridor
- Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Port Roads



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Master Planning for Certain Tracts of Land

Figure 3-3. Master Plan:
Rail

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- Proposed Phases
- Potential Port Storage/Facilities
- Potential Tenant Sites
- Proposed Railyards
- Future I-69 Corridor
- Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- Proposed Rail

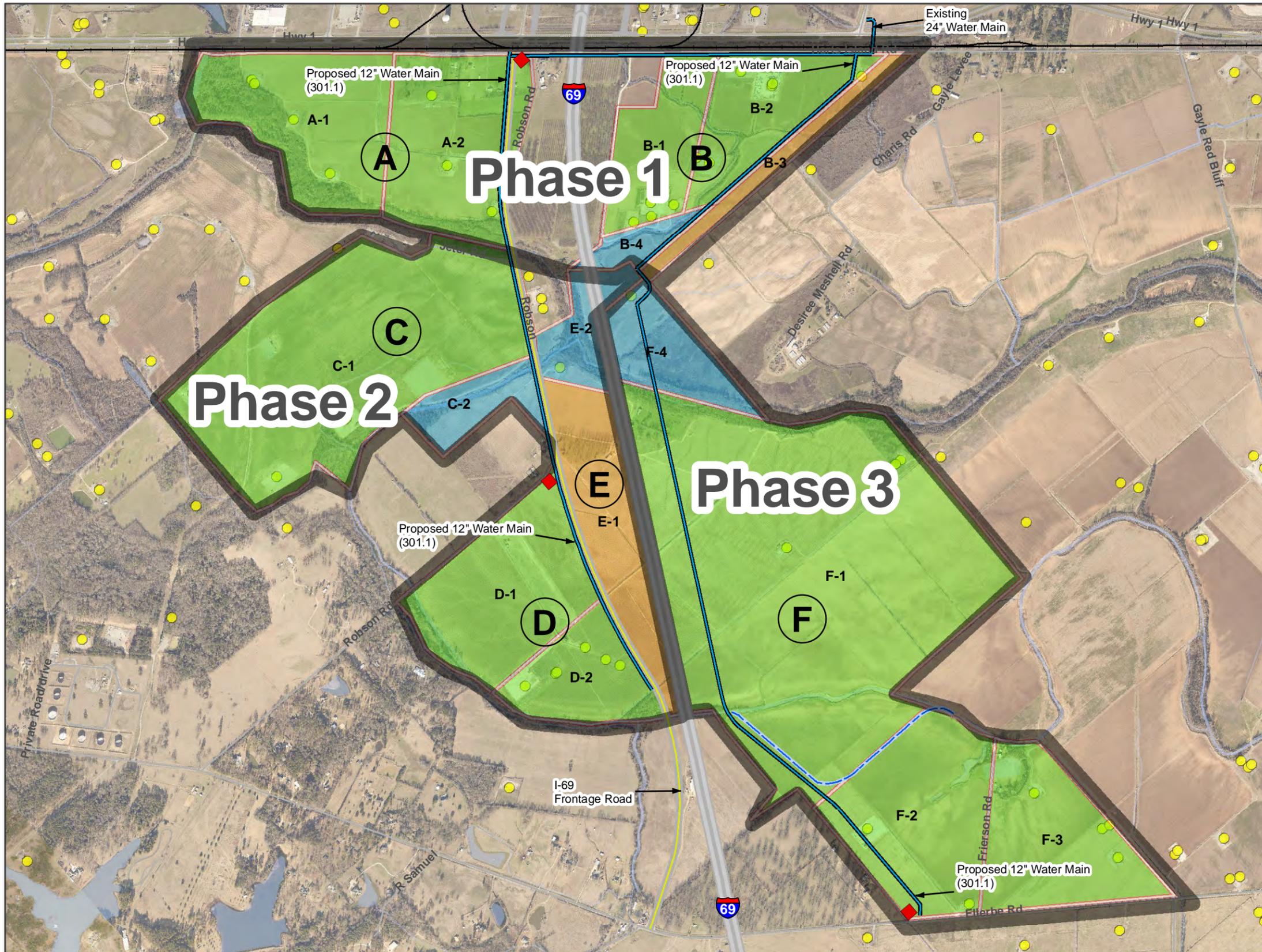
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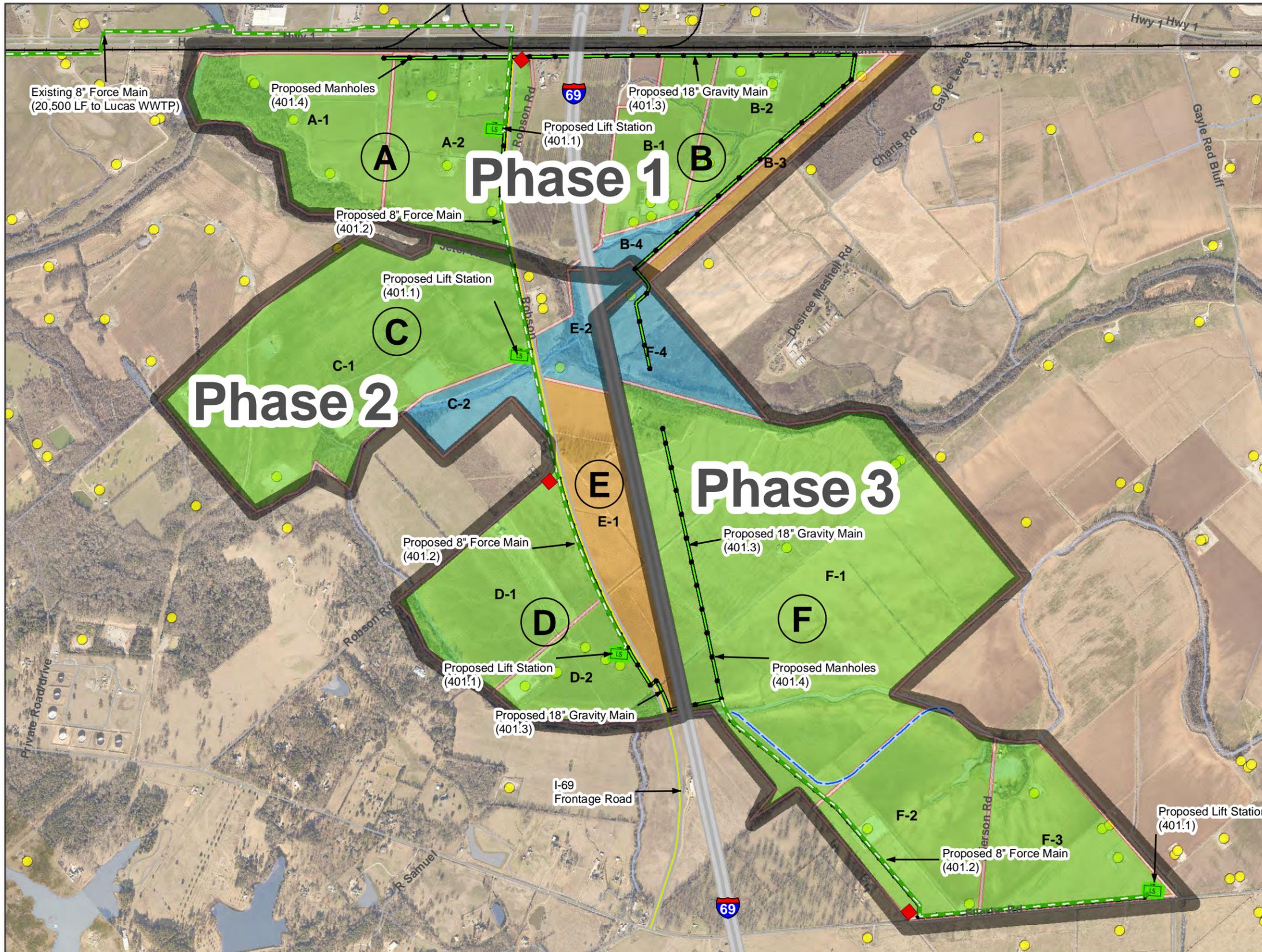
Master Planning for Certain Tracts of Land

Figure 3-4. Master Plan: Potable Water

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- Proposed Phases
- Potential Port Storage/Facilities
- Potential Tenant Sites
- Proposed Railyards
- Future I-69 Corridor
- Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- Proposed Water Mains



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**Master Planning for
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Figure 3-5. Master Plan:
Sewer

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- ▭ Proposed Lift Stations
- Proposed Force Mains
- Proposed Gravity Mains
- Proposed Manholes

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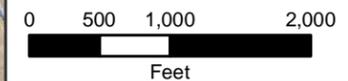
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**Master Planning for
Certain Tracts of Land**

Figure 3-6. Phase 1



- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- ▭ Proposed Rail
- ▭ Proposed Port Roads
- ▭ Proposed Water Mains
- ▭ Proposed Lift Stations
- ▭ Proposed Force Mains
- ▭ Proposed Gravity Mains
- Proposed Manholes



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Master Planning for Certain Tracts of Land

Figure 3-11. Phase 1: Potable Water

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- Proposed Phases
- Potential Port Storage/Facilities
- Potential Tenant Sites
- Proposed Railyards
- Future I-69 Corridor
- Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Water Mains

0 500 1,000 2,000
Feet

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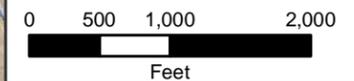
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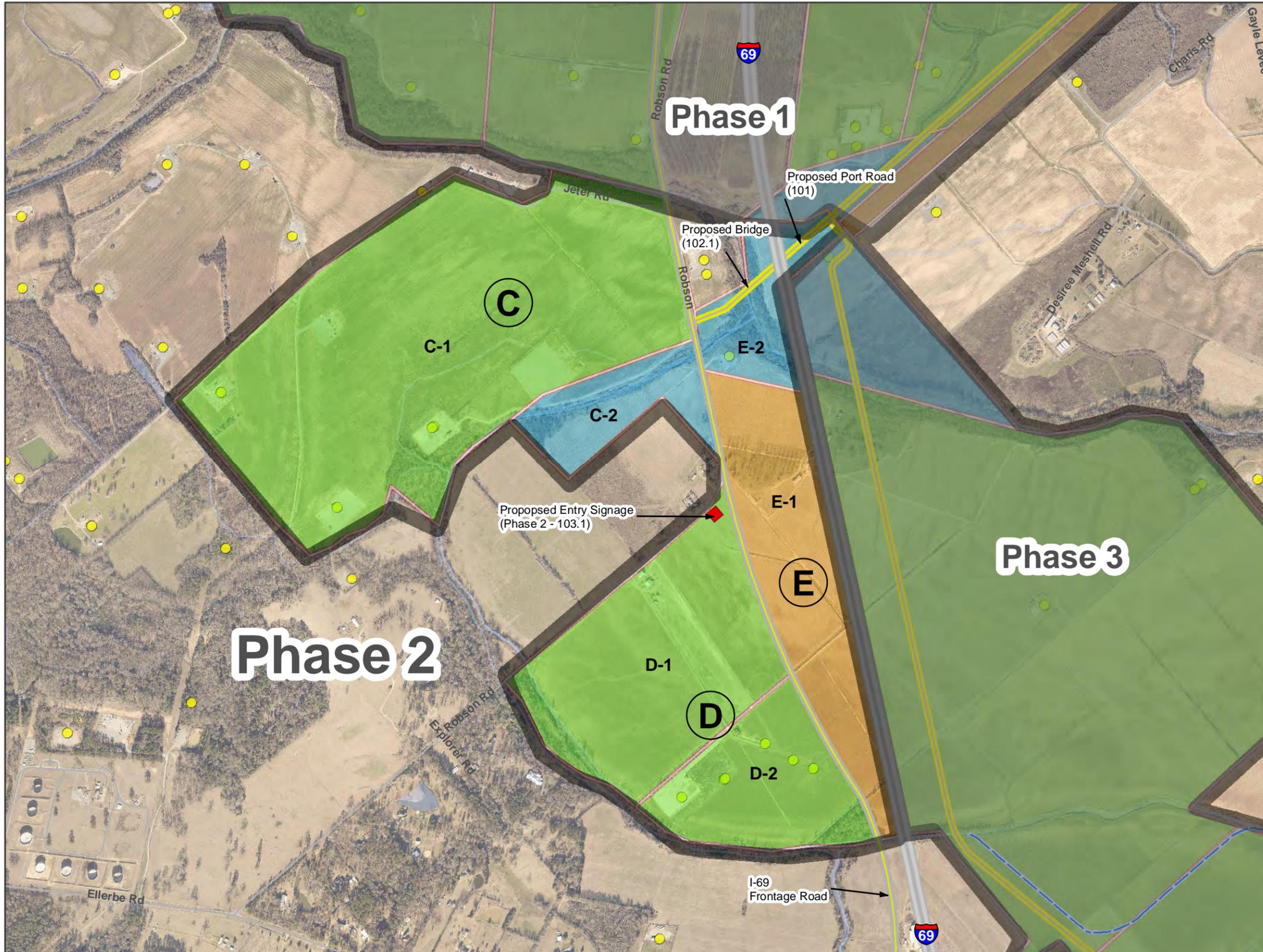
Figure 3-12. Phase 1:
Sewer



- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- ▭ Proposed Lift Stations
- Proposed Force Mains
- Proposed Gravity Mains
- Proposed Manholes



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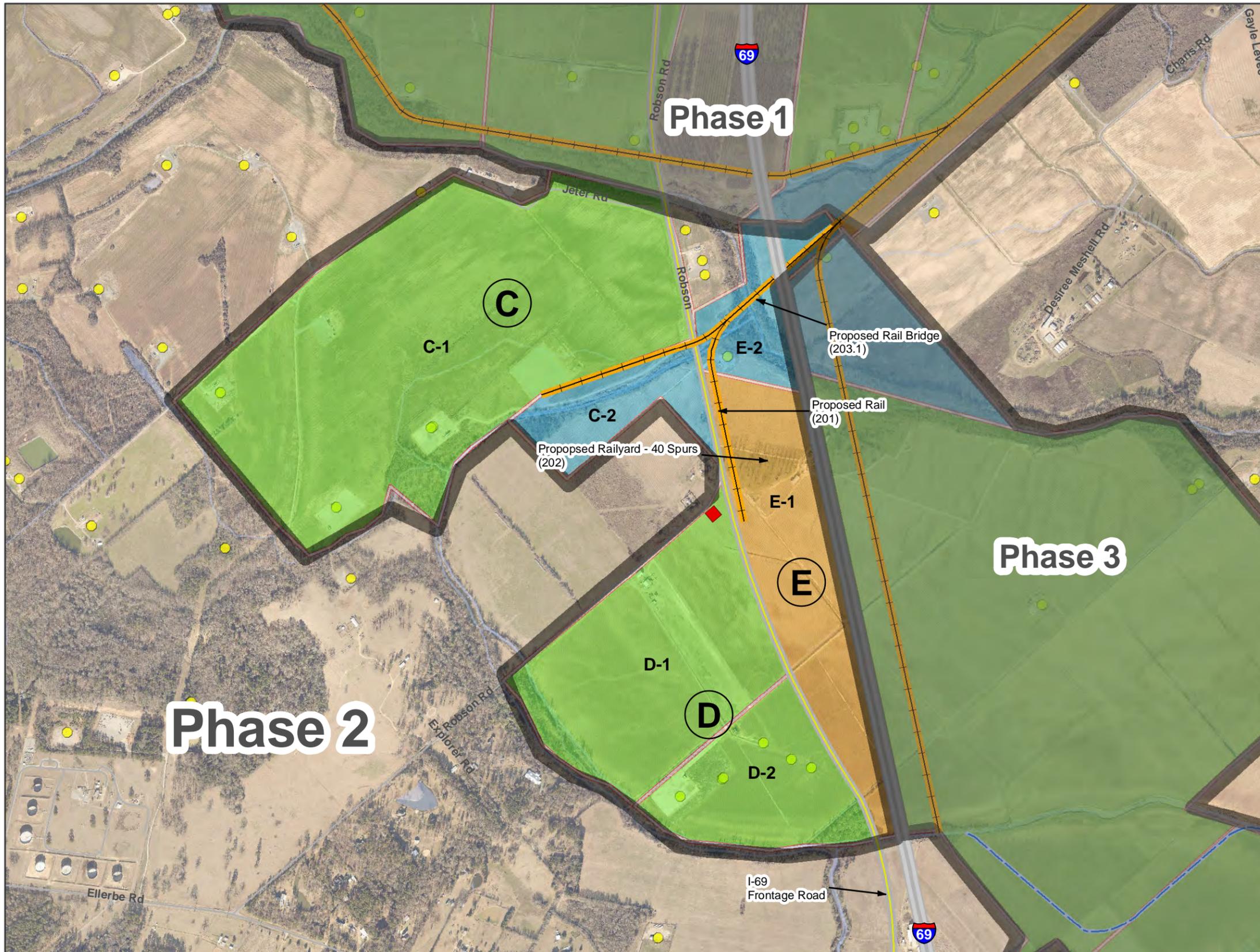
Master Planning for Certain Tracts of Land

Figure 3-13. Phase 2:
Roads

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- Proposed Phases
- Potential Port Storage/Facilities
- Potential Tenant Sites
- Proposed Railyards
- Future I-69 Corridor
- Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- Proposed Port Roads

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Feet

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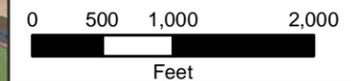


THEPORT
CADDO-BOSSIER

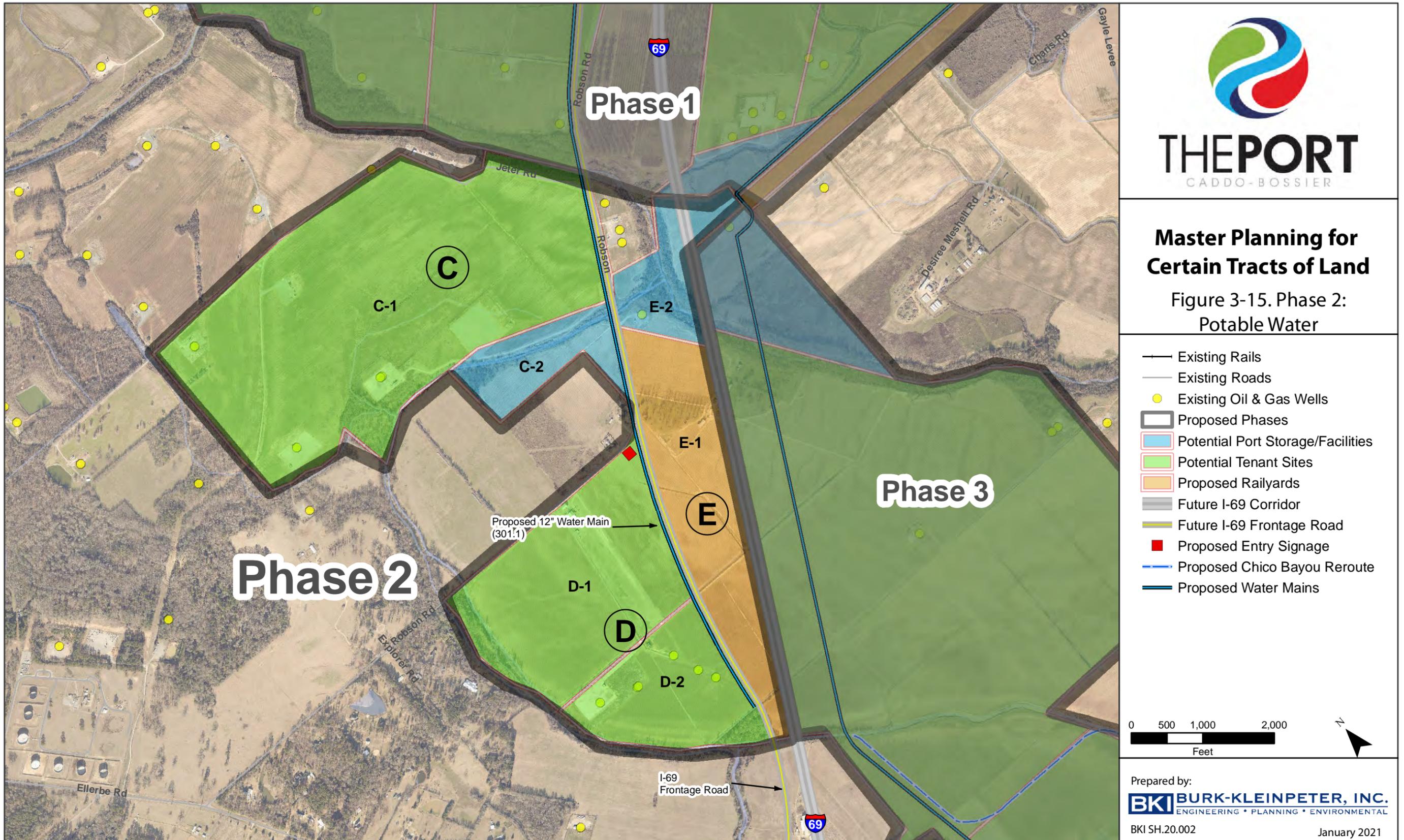
**Master Planning for
Certain Tracts of Land**

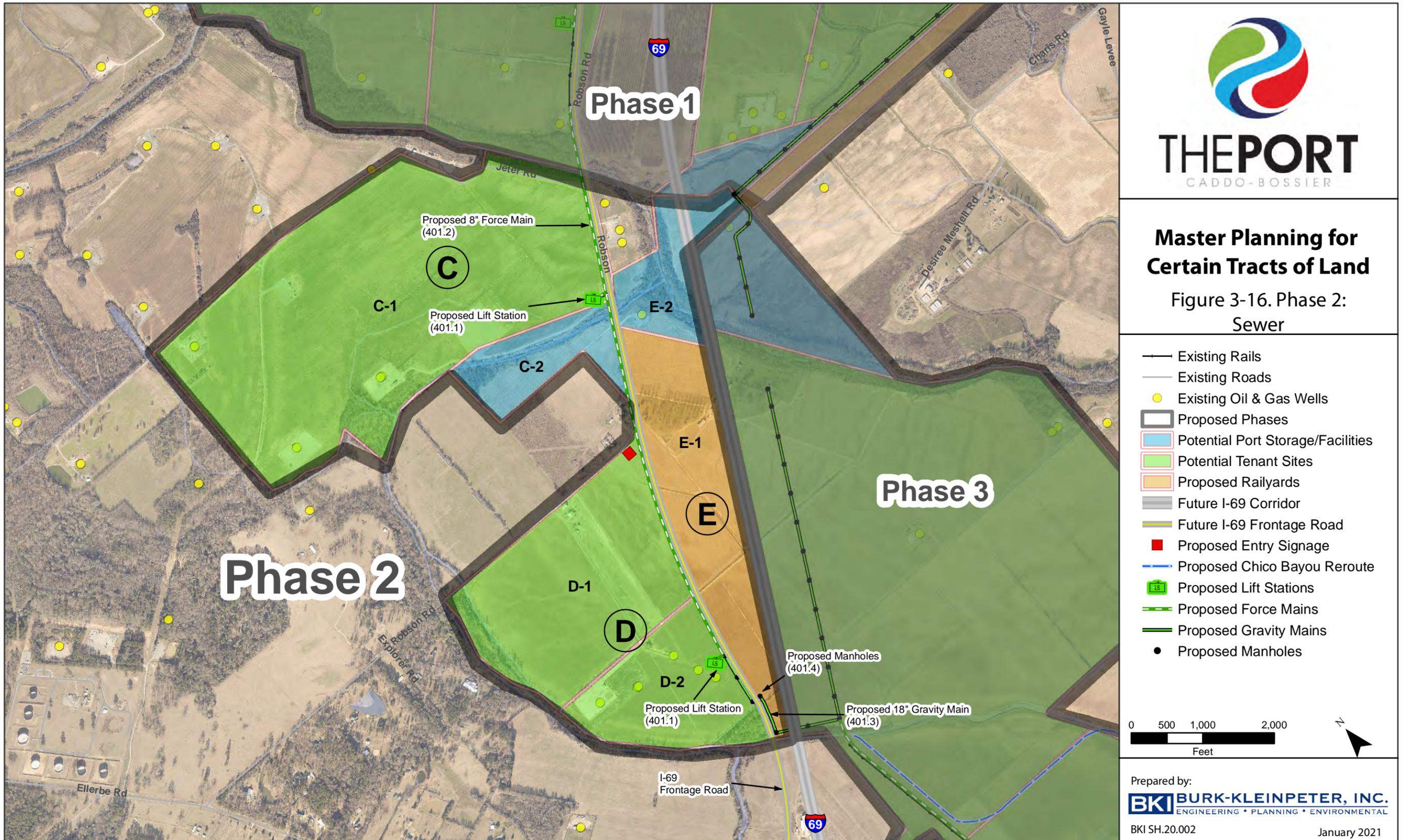
Figure 3-14. Phase 2:
Rail

- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- Proposed Rail



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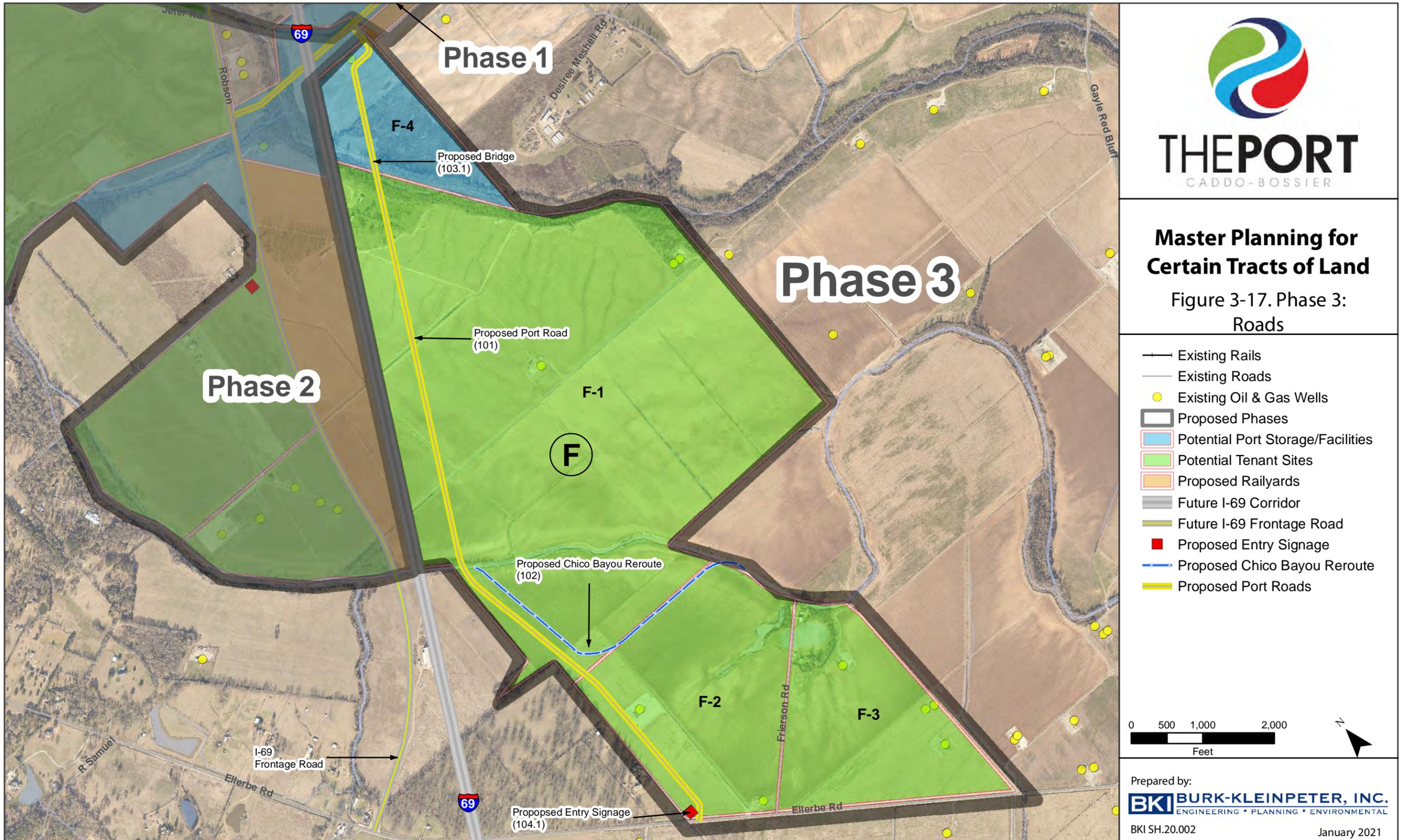
Master Planning for Certain Tracts of Land

Figure 3-16. Phase 2: Sewer

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- ▭ Proposed Lift Stations
- Proposed Force Mains
- Proposed Gravity Mains
- Proposed Manholes



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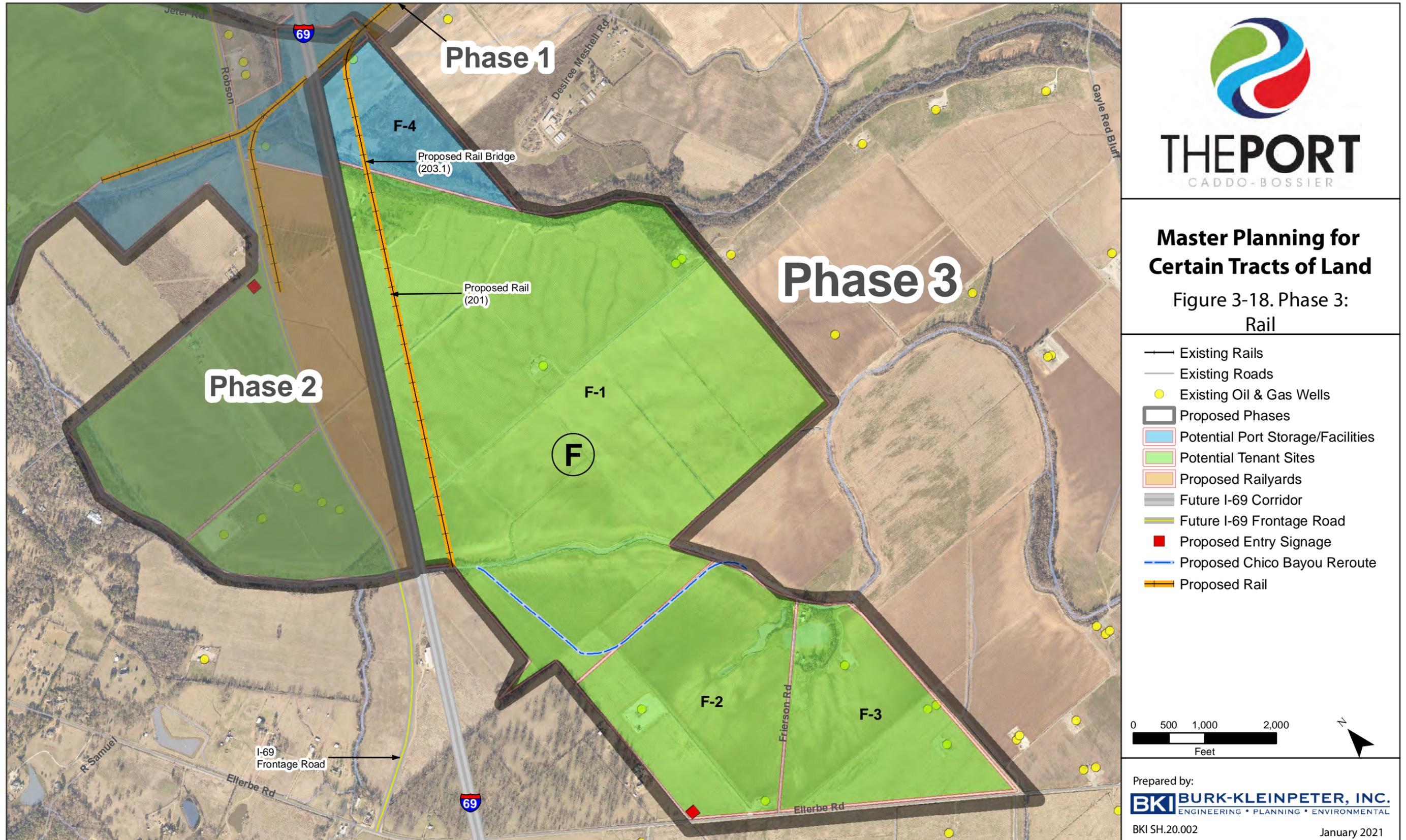
Master Planning for Certain Tracts of Land

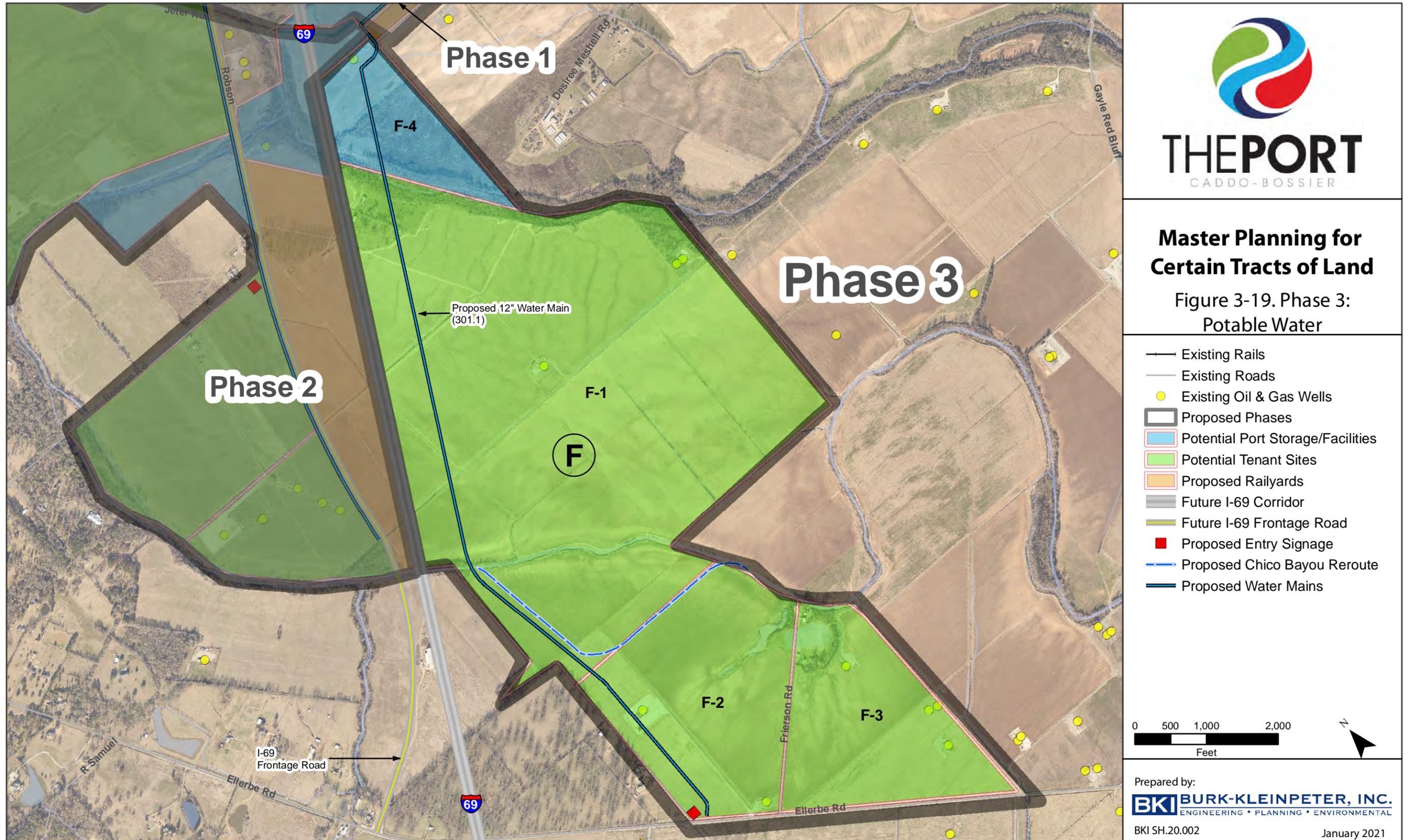
Figure 3-17. Phase 3:
Roads

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- ▭ Proposed Port Roads



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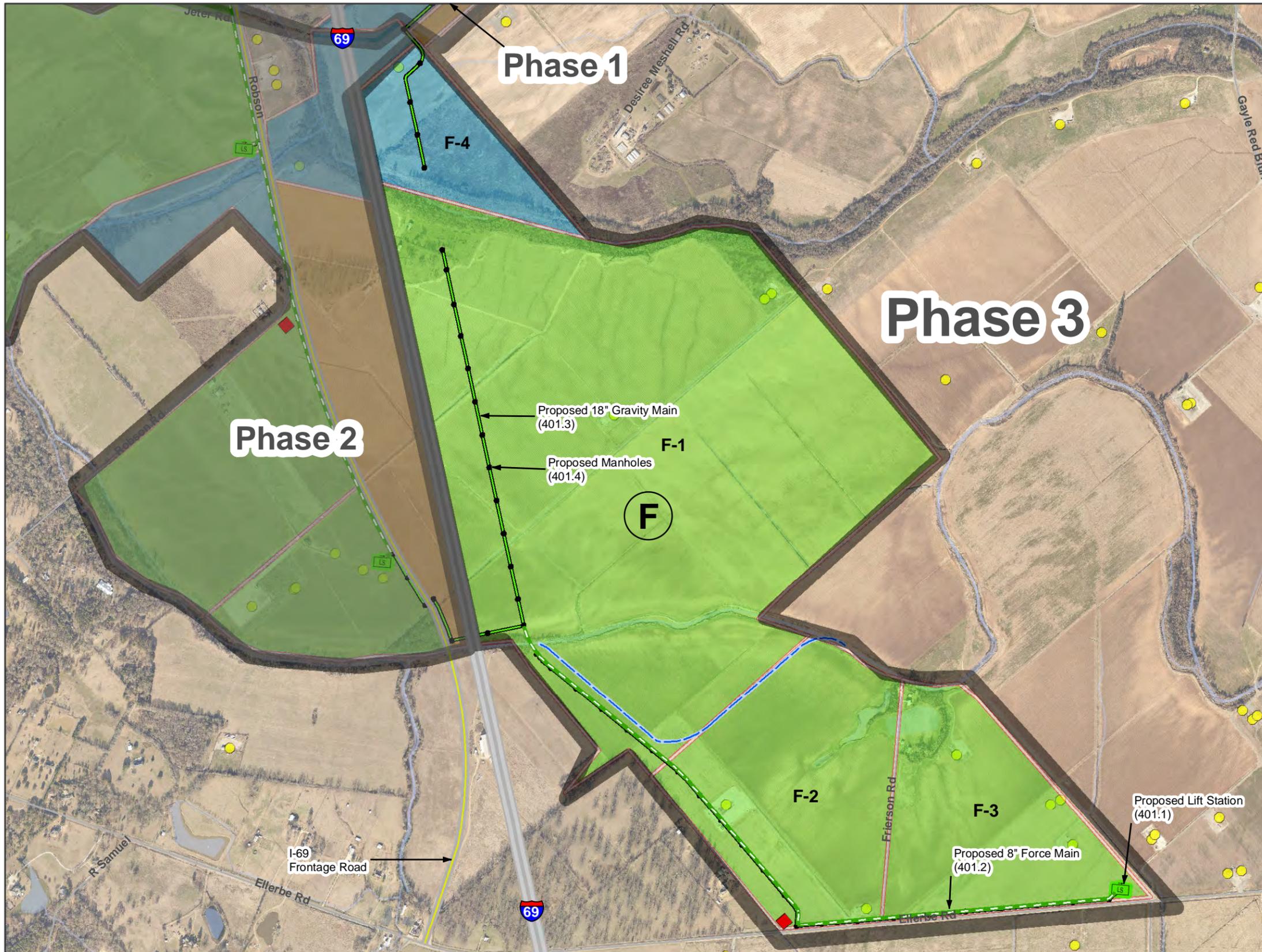
**Master Planning for
Certain Tracts of Land**

Figure 3-19. Phase 3:
Potable Water

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- ▭ Proposed Phases
- ▭ Potential Port Storage/Facilities
- ▭ Potential Tenant Sites
- ▭ Proposed Railyards
- ▭ Future I-69 Corridor
- ▭ Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- Proposed Water Mains



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Master Planning for Certain Tracts of Land

Figure 3-20. Phase 3: Sewer

- Existing Rails
- Existing Roads
- Existing Oil & Gas Wells
- Proposed Phases
- Potential Port Storage/Facilities
- Potential Tenant Sites
- Proposed Railyards
- Future I-69 Corridor
- Future I-69 Frontage Road
- Proposed Entry Signage
- Proposed Chico Bayou Reroute
- Proposed Lift Stations
- Proposed Force Mains
- Proposed Gravity Mains
- Proposed Manholes

0 500 1,000 2,000
Feet

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APPENDIX C-2: DETAILED COST ESTIMATES



Master Plan Port of Caddo-Bossier Land Plan
Opinion of Probable Construction Cost
ALL PHASES

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
<u>100-Road</u>									
101.1	Two 12' Lanes With 8' Shoulder	19812	LF	\$750.00	\$14,859,000.00				
101.2	Grade Crossing (Precast Concrete)	105	LF	\$600.00	\$63,000.00				
					\$14,922,000.00	\$2,238,300.00	\$17,160,300.00	\$1,716,030.00	\$18,876,330.00
102.1	Bridge	1600	LF	\$10,000.00	\$16,000,000.00				
					\$16,000,000.00	\$2,400,000.00	\$18,400,000.00	\$1,840,000.00	\$20,240,000.00
103.1	Drainage Excavation (CHICO BAYOU, 4244 LF)	22000	CY	\$15.00	\$330,000.00				
103.2	Embankment (CHICO BAYOU, 3260 LF)	17000	CY	\$15.00	\$255,000.00				
					\$585,000.00	\$87,750.00	\$672,750.00	\$67,275.00	\$740,025.00
104.1	LED Message Sign (Double Sided) Including Post, Panels and other Items	1	EA	\$300,000.00	\$300,000.00				
104.2	Entry Signage (HWY 1) (Robson Rd) (Ellerbe Rd)	3	EA	\$25,000.00	\$75,000.00				
					\$375,000.00	\$56,250.00	\$431,250.00	\$43,125.00	\$474,375.00
					\$31,882,000.00	\$4,782,300.00	\$36,664,300.00	\$3,666,430.00	\$40,330,730.00
<u>200- Railroad</u>									
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	28589	TF	\$200.00	\$5,717,800.00				
201.2	Turnout, Ties, Ballast, and other Items	10	EA	\$90,000.00	\$900,000.00				
					\$6,617,800.00	\$992,670.00	\$7,610,470.00	\$761,047.00	\$8,371,517.00
202.1	Rail Storage Yard (6 Spurs), Ties, Ballast, and other Items	141000	TF	\$200.00	\$28,200,000.00				
202.2	Switch, Ties, Ballast, and other Items	94	EA	\$90,000.00	\$8,460,000.00				
					\$36,660,000.00	\$5,499,000.00	\$42,159,000.00	\$4,215,900.00	\$46,374,900.00
203.1	Rail Bridge	1600	EA	\$8,000.00	\$12,800,000.00				
					\$12,800,000.00	\$1,920,000.00	\$14,720,000.00	\$1,472,000.00	\$16,192,000.00
204.1	4'-8 1/2" Track Gauge, 136#, 8'-6" Ties, Ballast, and other Items (Phase 3)	3500	TF	\$260.00	\$910,000.00				
					\$910,000.00	\$136,500.00	\$1,046,500.00	\$104,650.00	\$1,151,150.00
					\$56,987,800.00	\$8,548,170.00	\$65,535,970.00	\$6,553,597.00	\$72,089,567.00
<u>300-Water</u>									
301.1	12 Inch Diameter Water Main	30100	LF	\$100.00	\$3,010,000.00				
					\$3,010,000.00	\$451,500.00	\$3,461,500.00	\$346,150.00	\$3,807,650.00
<u>400-Sewerage</u>									
401.1	Lift Station (Main)	1	EA	\$1,000,000.00	\$1,000,000.00				
401.2	Lift Station (Sub)	3	EA	\$500,000.00	\$1,500,000.00				
401.3	8 Inch Diameter Sewer Force Main	38700	LF	\$200.00	\$7,740,000.00				
401.4	18 Inch Diameter Gravity Sewer Main	35600	LF	\$150.00	\$5,340,000.00				
401.5	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	96	EA	\$7,500.00	\$720,000.00				
					\$16,300,000.00	\$2,445,000.00	\$18,745,000.00	\$1,874,500.00	\$20,619,500.00
					\$16,300,000.00	\$2,445,000.00	\$18,745,000.00	\$1,874,500.00	\$20,619,500.00
					\$108,179,800.00	\$16,226,970.00	\$124,406,770.00	\$12,440,677.00	\$136,847,447.00

February 17, 2022

Master Plan Port of Caddo-Bossier Land Plan
Opinion of Probable Construction Cost
PHASE 1

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
<u>100-Road</u>									
101.1	Two 12' Lanes With 8' Shoulder	6047	LF	\$750.00	\$4,535,250.00				
101.2	Grade Crossing (Precast Concrete)	35	LF	\$600.00	\$21,000.00				
					\$4,556,250.00	\$683,437.50	\$5,239,687.50	\$523,968.75	\$5,763,656.25
102.1	LED Message Sign (Double Sided) Including Post, Panels and other Items	1	EA	\$300,000.00	\$300,000.00				
102.2	Entry Signage (HWY 1)	1	EA	\$25,000.00	\$25,000.00				
					\$325,000.00	\$48,750.00	\$373,750.00	\$37,375.00	\$411,125.00
					\$4,881,250.00	\$732,187.50	\$5,613,437.50	\$561,343.75	\$6,174,781.25
<u>200- Railroad</u>									
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	15009	TF	\$200.00	\$3,001,800.00				
201.2	Turnout, Ties, Ballast, and other Items	4	EA	\$90,000.00	\$360,000.00				
					\$3,361,800.00	\$504,270.00	\$3,866,070.00	\$386,607.00	\$4,252,677.00
202.1	Rail Storage Yard (6 Spurs), Ties, Ballast, and other Items	24000	TF	\$200.00	\$4,800,000.00				
202.2	Switch, Ties, Ballast, and other Items	14	EA	\$90,000.00	\$1,260,000.00				
					\$6,060,000.00	\$909,000.00	\$6,969,000.00	\$696,900.00	\$7,665,900.00
					\$9,421,800.00	\$1,413,270.00	\$10,835,070.00	\$1,083,507.00	\$11,918,577.00
<u>300-Water</u>									
301.1	12 Inch Diameter Water Main	8448	LF	\$100.00	\$844,800.00				
					\$844,800.00	\$126,720.00	\$971,520.00	\$97,152.00	\$1,068,672.00
					\$844,800.00	\$126,720.00	\$971,520.00	\$97,152.00	\$1,068,672.00
<u>400-Sewerage</u>									
401.1	Lift Station (Main)	1	EA	\$1,000,000.00	\$1,000,000.00				
401.2	8 Inch Diameter Sewer Force Main	20500	LF	\$200.00	\$4,100,000.00				
401.3	18 Inch Diameter Gravity Sewer Main	12025	LF	\$150.00	\$1,803,750.00				
401.4	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	35	EA	\$7,500.00	\$262,500.00				
					\$7,166,250.00	\$1,074,937.50	\$8,241,187.50	\$824,118.75	\$9,065,306.25
					\$7,166,250.00	\$1,074,937.50	\$8,241,187.50	\$824,118.75	\$9,065,306.25
					\$22,314,100.00	\$3,347,115.00	\$25,661,215.00	\$2,566,121.50	\$28,227,336.50

February 17, 2022

Master Plan Port of Caddo-Bossier Land Plan
Opinion of Probable Construction Cost
PHASE 2

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
<u>100-Road</u>									
101.1	Two 12' Lanes With 8' Shoulder	1260	LF	\$750.00	\$945,000.00				
101.2	Grade Crossing (Precast Concrete)	35	LF	\$600.00	\$21,000.00				
					<u>\$966,000.00</u>	\$144,900.00	\$1,110,900.00	\$111,090.00	\$1,221,990.00
102.1	Bridge	900	LF	\$10,000.00	\$9,000,000.00				
					<u>\$9,000,000.00</u>	\$1,350,000.00	\$10,350,000.00	\$1,035,000.00	\$11,385,000.00
103.1	Entry Signage (Robson Rd)	1	EA	\$25,000.00	\$25,000.00				
					<u>\$25,000.00</u>	\$3,750.00	\$28,750.00	\$2,875.00	\$31,625.00
							<u>\$9,991,000.00</u>	\$1,498,650.00	\$11,489,650.00
<u>200- Railroad</u>									
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	6236	TF	\$200.00	\$1,247,200.00				
201.1	Turnout, Ties, Ballast, and other Items	3	EA	\$90,000.00	\$270,000.00				
					<u>\$1,517,200.00</u>	\$227,580.00	\$1,744,780.00	\$174,478.00	\$1,919,258.00
202.1	Rail Storage Yard (40 Spurs), Ties, Ballast, and other Items	117000	TF	\$200.00	\$23,400,000.00				
202.2	Switch, Ties, Ballast, and other Items	80	EA	\$90,000.00	\$7,200,000.00				
					<u>\$30,600,000.00</u>	\$4,590,000.00	\$35,190,000.00	\$3,519,000.00	\$38,709,000.00
203.1	Rail Bridge	900	TF	\$8,000.00	\$7,200,000.00				
					<u>\$7,200,000.00</u>	\$1,080,000.00	\$8,280,000.00	\$828,000.00	\$9,108,000.00
							<u>\$39,317,200.00</u>	\$5,897,580.00	\$45,214,780.00
								\$4,521,478.00	\$49,736,258.00
<u>300-Water</u>									
301.1	12 Inch Diameter Water Main	9152	LF	\$100.00	\$915,200.00				
					<u>\$915,200.00</u>	\$137,280.00	\$1,052,480.00	\$105,248.00	\$1,157,728.00
							<u>\$915,200.00</u>	\$137,280.00	\$1,052,480.00
								\$105,248.00	\$1,157,728.00
<u>400-Sewerage</u>									
401.1	Lift Station (Sub)	2	EA	\$500,000.00	\$1,000,000.00				
401.2	8 Inch Diameter Sewer Force Main	8475	LF	\$200.00	\$1,695,000.00				
401.3	18 Inch Diameter Gravity Sewer Main	11075	LF	\$150.00	\$1,661,250.00				
401.4	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	25	EA	\$7,500.00	\$187,500.00				
					<u>\$4,543,750.00</u>	\$681,562.50	\$5,225,312.50	\$522,531.25	\$5,747,843.75
							<u>\$4,543,750.00</u>	\$681,562.50	\$5,225,312.50
								\$522,531.25	\$5,747,843.75
							<u>\$54,767,150.00</u>	\$8,215,072.50	\$62,982,222.50
								\$6,298,222.25	\$69,280,444.75

February 17, 2022



Master Plan Port of Caddo-Bossier Land Plan
Opinion of Probable Construction Cost
PHASE 3

No.	Description	Quantity	Unit	Unit Cost	Construction Cost	Contingency (15%)	Construction Total	Professional Services (10%)	Project Total
<u>100-Road</u>									
101.1	Two 12' Lanes With 8' Shoulder	12505	LF	\$750.00	\$9,378,750.00				
101.2	Grade Crossing (Precast Concrete)	35	LF	\$600.00	\$21,000.00				
					\$9,399,750.00	\$1,409,962.50	\$10,809,712.50	\$1,080,971.25	\$11,890,683.75
102.1	Drainage Excavation (CHICO BAYOU, 4244 LF)	22000	CY	\$15.00	\$330,000.00				
102.2	Embankment (CHICO BAYOU, 3260 LF)	17000	CY	\$15.00	\$255,000.00				
					\$585,000.00	\$87,750.00	\$672,750.00	\$67,275.00	\$740,025.00
103.1	Bridge	700	LF	\$10,000.00	\$7,000,000.00				
					\$7,000,000.00	\$1,050,000.00	\$8,050,000.00	\$805,000.00	\$8,855,000.00
104.1	Entry Signage (Ellerbe Rd)	1	EA	\$25,000.00	\$25,000.00				
					\$25,000.00	\$3,750.00	\$28,750.00	\$2,875.00	\$31,625.00
					\$17,009,750.00	\$2,551,462.50	\$19,561,212.50	\$1,956,121.25	\$21,517,333.75
<u>200- Railroad</u>									
201.1	4'-8 1/2" Track Gauge, 115#, 8'-6" Ties, Ballast, and other Items	7344	TF	\$200.00	\$1,468,800.00				
201.1	Turnout, Ties, Ballast, and other Items	3	EA	\$90,000.00	\$270,000.00				
					\$1,738,800.00	\$260,820.00	\$1,999,620.00	\$199,962.00	\$2,199,582.00
202.2	4'-8 1/2" Track Gauge, 136#, 8'-6" Ties, Ballast, and other Items	3500	TF	\$260.00	\$910,000.00				
					\$910,000.00	\$136,500.00	\$1,046,500.00	\$104,650.00	\$1,151,150.00
203.1	Rail Bridge	700	TF	\$8,000.00	\$5,600,000.00				
					\$5,600,000.00	\$840,000.00	\$6,440,000.00	\$644,000.00	\$7,084,000.00
					\$8,248,800.00	\$1,237,320.00	\$9,486,120.00	\$948,612.00	\$10,434,732.00
<u>300-Water</u>									
301.1	12 Inch Diameter Water Main	12500	LF	\$100.00	\$1,250,000.00				
					\$1,250,000.00	\$187,500.00	\$1,437,500.00	\$143,750.00	\$1,581,250.00
					\$1,250,000.00	\$187,500.00	\$1,437,500.00	\$143,750.00	\$1,581,250.00
<u>400-Sewerage</u>									
401.1	Lift Station (Sub)	1	EA	\$500,000.00	\$500,000.00				
401.2	8 Inch Diameter Sewer Force Main	9725	LF	\$200.00	\$1,945,000.00				
401.3	18 Inch Diameter Gravity Sewer Main	12500	LF	\$150.00	\$1,875,000.00				
401.4	Precast Concrete Manholes 4' Diameter, 15' Depth (Average)	36	EA	\$7,500.00	\$270,000.00				
					\$4,590,000.00	\$688,500.00	\$5,278,500.00	\$527,850.00	\$5,806,350.00
					\$4,590,000.00	\$688,500.00	\$5,278,500.00	\$527,850.00	\$5,806,350.00
					\$31,098,550.00	\$4,664,782.50	\$35,763,332.50	\$3,576,333.25	\$39,339,665.75

February 17, 2022

**APPENDIX VI - NOTES FROM INTERVIEW WITH ERIC ENGLAND ON
PORT EXPANSION**

September 15, 2023

Tyler Comeaux notes from an interview with Eric England, PPM on Port Expansion Study Recollections/Negotiations:

The Port Expansion Study was completed in 2015 and the Board expected Eric to make moves regarding acquisitions.

Robson Farms:

- First property to receive and return calls to discuss the potential for acquisition. The primary contact was Jerry Huddleston, acting as manager for investors in the property.
- Jerry had expressed interest in potentially selling but initially asked significantly more than was anticipated.
- Discussions subsided but Eric held out hope that they might come back around.
- Late 2017 Eric was having a quarterly check-in with Jerry on the potential to purchase again and this time Jerry expressed some interest. In that discussion Eric laid the groundwork for the price he felt comfortable would be able to be paid – it was based on the acquisition of Port's Cupples West Property in 2009. This property was bought at roughly \$10,000/acre.
 - Jerry took the number under advisement and said he would get back to Eric.
- Jerry came back with a \$15,000/acre number a few days later which, of course, Eric didn't think he could get.
- Eric said he would talk to an appraiser he knew to see what, if anything, he could go up to given that he would have to have the property appraised for.
 - Eric then spoke to Dave Lakvold about the property and Dave gave him some recent numbers in the area for budgeting.
- Ultimately Eric discussed an amicable number of \$13,500/acre and both parties agreed to develop and sign a buy/sell agreement, contingent upon satisfactory appraisal and due diligence (i.e. – survey environmental, etc.)
- The property was purchased shortly after Dave Lakvold provided an adequate appraisal and all other ancillary documentation was collected.

Four (4) Homestead Owners:

- Eric was contacted by Goerge Carrol for a meeting in Q1 2019. Eric had been approached by Mr. Carrol in the past on complaints about Port issues, specifically trucking speeding, etc.
 - Given this meeting request had no context, Eric asked the Port's legal counsel, Mr. Dannye Malone, to accompany him in the meeting.
- During the meeting George had expressed a willingness to potentially sell his property to the Port, given the recent purchase of Robson Farms. Eric understood and thanked him for coming forth, however, Eric expressed the desire to have all four (4) or nothing – because if one residence was left there it would still be a massive hindrance to the Port to be able to develop industrial facilities neighboring any one of the four (4) residences. Eric did offer to pay up to the

full appraisal price of their properties to Goerge and said he could relay that same sentiment to his other neighbors.

- George understood Eric's concern and said he would discuss it with his neighbors.
- Luckily shortly after the meeting between Mr. Carrol, Eric and Dannye, Mr. Carrol returned the good news that the other three (3) landowners were on board with the potential to sell.
- Given this information, the Port and all four (4) landowners entered into a unique agreement, whereby the purchase price would be determined and agreed to following a completed appraisal.
- All appraisals were completed by Dave Lakvold again and following the appraisal of all four, **and all four (4) landowners signing the closing paperwork, prior to the Port's arrival at the closing attorney's office, the Port closed on these four (4) properties and roughly 23 acres.**
-

Leonard Road Farms Property:

- In late 2019 after dominoes were beginning to fall, Eric contacted an investor of the Robson Farms Tract, John Kinnebrew, to see if he would be interested in selling a portion of Leonard Road Farms (LRF) property within the region of the Port. Several of the LRF parcels were targeted in the Port Expansion Study.
- John actually received Eric's call very well and asked to talk to his partner on the property to see if they would be interested.
- A few weeks after John and Eric spoke, they went to lunch together to discuss potential terms.
 - Given that John was an investor in Robson Farms, he was aware of what the Port paid for Robson Farms and agreed to a slightly higher number (\$15000/acre) which Eric felt would be appropriate for the desired site with little to no gas wells onsite.
- The only obstacle in this purchase was John and his partner's desire to reserve some land for a BBQ restaurant that they wanted to open on a portion of the site. ultimately the Port's Engineer, Richard Nance, was able to work out a portion of the property to be conveyed in order to accommodate a future rail/road bridge from Robson Farms to be serviced to the site.

Sorensen Tract:

- Almost immediately after the closing of LRF, Eric was having a check in lunch with John Kinnebrew where John offered the potential for the Port to purchase a large neighboring tract to LRF. John had completed several transactions with the neighboring landowner in oil/gas business dealings and had a good contact for Eric to talk to.
- Eric spoke to John's contact, Scott Sorensen, about the potential for the land to be acquired by the Port. Scott was enthusiastic about the potential to sell the land because his mother, who owned the land, was up in age and he lived in Dallas.
- After several phone calls about the potential to purchase the land, Eric and Scott agreed to a purchase price.
- In late 2019, Scott and Eric agreed to a price of roughly \$12,000/acre, contingent upon appraisal.
- The property had some issues in the environmental phase so in order to break it up, the Port decided to exclude the property with environmental concerns in the initial purchase, which needed to close within the 2020 calendar year (for tax purposes). Following the full evaluation

of the property with environmental concerns, the Port and Sorensen worked through a donation of such land at no cost to the Port because it contained issues that would ultimately need to be handled by the Port through a Voluntary Remediation Plan (VRP). The Port is still working on the environmental cleanup with LADEQ on the VRP today.

MFE Properties Tract

- Eric was contacted by an agent to MFE owners regarding the potential for the port to buy a neighboring piece of property to Sorensen.
 - Eric went to a breakfast to discuss the potential for purchase and shortly after that breakfast, the initial terms were agreed to.
 - A couple of items that were unique in this negotiation were:
 - The MFE properties had an agent, whereas previously we dealt directly with the owners.
 - MFE properties had several parties that had to buy off on the sell price.
 - MFE properties had neighboring relatives that they felt would need to be offered the land to be purchased by them at the agreed purchase price of the port.
 - Luckily, all the relatives turned the “first right of refusal” down and therefore, the port could proceed with a buy/sell agreement.
- A big issue that came up approximately 1 month after the buy/sell agreement was signed was the 22” oil pipeline dissecting the southern half of the property. This pipeline was discovered by our surveyor during topographic and boundary survey efforts.
 - Eric immediately contacted the MFE agent and stated that this would put a massive hindrance to the potential for us to develop the land – he had to renegotiate the sell price, at least for the southern half of the land given the pipeline location.
 - The MFE agent understood and ultimately came back with a revised price of merely 10,500/acre for the southern half, while the northern half of MFE remained at roughly \$13,200/acre.
- Following these hurdles, the MFE property appraised, returned a clean phase 1, and closed fairly quickly after resolution to the oil pipeline dilemma.

At the end of our interview, I spoke briefly on the master planning efforts, however, this portion of the interview is not captured in notes because I was a part of all master planning efforts and meetings throughout the process.

**APPENDIX VII - LOUISIANA STATUES AND COURT CASES
REFERENCED**

Mr. Billy Hebert, La. Atty. Gen. Op. No. 09-0293 (2009)

La. Atty. Gen. Op. No. 09-0293 (La.A.G.), 2009 WL 5240201

Office of the Attorney General

State of Louisiana
Opinion No. 09-0293
December 22, 2009

SYLLABUS

*1 90 - A - 1 **PUBLIC FUNDS & CONTRACTS**

La. R.S. 33:4712.10

It is permissible for the parish to **purchase property** without first seeking proposals from other **property** owners; however, the **property** must be **appraised** per La. R.S. 33:4712.10 and the political subdivision may not pay a price that exceeds the **appraised value**.

Mr. Billy Hebert
Terrebonne Parish Council
Post Office Box 3485
Houma, LA 70361

Dear Mr. Hebert,

You have requested an opinion of this office regarding a proposal by the Terrebonne Parish President to **purchase** 70 acres of **property** in the north part of the parish to construct a local government development, which would include a category 5 office for the Homeland Security Department, a new juvenile detention center, an animal shelter, and other government related offices. According to your request, the parish president picked out the site for the project and would like to **purchase** the **property** based on an **appraisal** obtained by the seller. Certain council members were approached by **property** owners in the area asking why their **property** was not considered. Thus, you ask whether it is permissible for the parish to **purchase property** without first seeking proposals from other **property** owners.

Article VI, § 23 of the Louisiana Constitution authorizes political subdivisions to acquire **property**. It provides: Subject to and not inconsistent with this constitution and subject to restrictions provided by general law, political subdivisions may acquire **property** for any **public** purpose by **purchase**, donation, expropriation, exchange, or otherwise.

Once the determination has been made by a political subdivision to **purchase** a particular piece of **property**, there is nothing in the law that requires it to obtain **appraisals** from owners of different **properties**. See La. Atty. Gen. Op. No. 94-342 (stating “[t]here are no state constitutional or statutory provisions which dictate methods which must be used when school boards or other political subdivisions of the state **purchase** land.”); see also La. Atty. Gen. Op. No. 95-514. The law only requires that the **property** the political subdivision **purchases** be **appraised**. This requirement is set forth in La. R.S. 33:4712.10 and provides:

Notwithstanding any other provision of law to the contrary, no political subdivision shall **purchase** immovable **property** with a **value** greater than three thousand dollars unless prior to such **purchase** the **property** has been **appraised** by a qualified **appraiser**. No such **appraisal** shall include the **value** of improvements proposed to be made to the **property** after **purchase** by the political subdivision.

The purchase of immovable property for a price that exceeds the appraised value of the property would be tantamount to a donation of public funds; and therefore, a violation of Article VII, § 14(A) of the 1974 Constitution. La. Atty. Gen. Op. Nos. 08-0226, 99-251, 89-581.

Mr. Billy Hebert, La. Atty. Gen. Op. No. 09-0293 (2009)

*2 We note that the parish council has the responsibility to act as a prudent manager of the public fisc. Thus, the council must closely scrutinize the appraisal obtained by the seller to ensure it is reasonable, was properly conducted and reflects the fair market value of the property. Fair market value means the price at which property would change hands between a willing buyer and a willing seller when neither party is under any compulsion to buy or sell and both parties have a reasonable knowledge of relevant facts. La. Atty. Gen. Op. Nos. 08-0226, 06-0236. If the council believes the appraisal is too high, it may wish to have its own appraisal done on the property.

Accordingly, it is the opinion of this office that it is permissible for the parish to purchase property without first seeking proposals from other property owners; however, the property must be appraised per La. R.S. 33:4712.10 and the political subdivision may not pay a price that exceeds the appraised value.

We trust this adequately responds to your request. However, if our office can be of further assistance, please do not hesitate to contact us.

Yours very truly,

James D. "Buddy" Caldwell
Attorney General
By: Lindsey K. Hunter
Assistant Attorney General

La. Atty. Gen. Op. No. 09-0293 (La.A.G.), 2009 WL 5240201

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Kelo v. City of New London, Conn., 545 U.S. 469 (2005)

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 KeyCite Yellow Flag - Negative Treatment
Superseded by Statute as Stated in [PBS Coals, Inc. v. Department of Transportation](#), Pa., January 20, 2021

125 S.Ct. 2655
Supreme Court of the United States

Susette KELO, et al., Petitioners,
v.
CITY OF NEW LONDON,
CONNECTICUT, et al.

No. 04–108
|
Argued Feb. 22, 2005.

|
Decided June 23, 2005. Rehearing Denied Aug.
22, 2005. See 545 U.S. 1158, 126 S.Ct. 24.

Synopsis

Background: Owners of condemned property challenged city’s exercise of eminent domain power on ground takings were not for public use. The Superior Court, Judicial District of New London, Corradino, J., granted partial relief for owners, and cross-appeals were taken. [The Supreme Court, Norcott, J., 268 Conn. 1, 843 A.2d 500](#), upheld takings. Certiorari was granted.

[Holding:] The Supreme Court, Justice [Stevens](#), held that city’s exercise of eminent domain power in furtherance of economic development plan satisfied constitutional “public use” requirement.

Affirmed.

Justice [Kennedy](#) concurred and filed opinion.

Justice [O’Connor](#) dissented and filed opinion in which Chief Justice [Rehnquist](#) and Justices [Scalia](#) and [Thomas](#) joined.

Justice [Thomas](#) dissented and filed opinion.

West Headnotes (7)

[1] Eminent Domain  Taking for Private Use

Sovereign may not use its eminent domain power to take property of one private party for sole purpose of transferring it to another private party, even if first party is paid just compensation. [U.S.C.A. Const.Amend. 5](#).

[151 Cases that cite this headnote](#)

[2] Eminent Domain  Public Use

State may use its eminent domain power to transfer property from one private party to another if purpose of taking is future use by public. [U.S.C.A. Const.Amend. 5](#).

[242 Cases that cite this headnote](#)

[3] Eminent Domain  Urban renewal; blight

City’s exercise of eminent domain power in furtherance of economic development plan satisfied constitutional “public use” requirement, even though city was not planning to open condemned land to use by general public, where plan served public purpose. [U.S.C.A. Const.Amend. 5](#).

[130 Cases that cite this headnote](#)

[4] Eminent Domain  Public Use
Eminent Domain  Conclusiveness and effect of legislative action

Court defines “public purpose,” needed to justify exercise of eminent domain power, broadly, reflecting longstanding policy of judicial deference to legislative judgments in this field. [U.S.C.A. Const.Amend. 5](#).

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[57 Cases that cite this headnote](#)**[5] Eminent Domain** → Urban renewal; blight

Economic development can qualify as “public use,” for eminent domain purposes. *U.S.C.A. Const. Amend. 5*.

[39 Cases that cite this headnote](#)**[6] Eminent Domain** → Determination of Questions as to Validity of Exercise of Power

No heightened standard of review is warranted when public purpose allegedly justifying use of eminent domain power is economic development.

[25 Cases that cite this headnote](#)**[7] Eminent Domain** → Conclusiveness and effect of legislative action

Once court decides question of whether exercise of eminent domain power is for public purpose, amount and character of land to be taken for project and need for particular tract to complete integrated plan rests in discretion of legislative branch.

[29 Cases that cite this headnote](#)****2656 *469 Syllabus***

After approving an integrated development plan designed to revitalize its ailing economy, respondent city, through its development agent, purchased most of the property

earmarked for the project from willing sellers, but initiated condemnation proceedings when petitioners, the owners of the rest of the property, refused to sell. Petitioners brought this state-court action claiming, *inter alia*, that the taking of their properties would violate the “public use” restriction in the Fifth Amendment’s Takings Clause. The trial court granted a permanent restraining order prohibiting the taking of some of the properties, but ****2657** denying relief as to others. Relying on cases such as *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 104 S.Ct. 2321, 81 L.Ed.2d 186, and *Berman v. Parker*, 348 U.S. 26, 75 S.Ct. 98, 99 L.Ed. 27, the Connecticut Supreme Court affirmed in part and reversed in part, upholding all of the proposed takings.

Held: The city’s proposed disposition of petitioners’ property qualifies as a “public use” within the meaning of the Takings Clause. Pp. 2661–2669.

(a) Though the city could not take petitioners’ land simply to confer a private benefit on a particular private party, see, e.g., *Midkiff*, 467 U.S., at 245, 104 S.Ct. 2321, the takings at issue here would be executed pursuant to a carefully considered development plan, which was not adopted “to benefit a particular class of identifiable individuals,” *ibid*. Moreover, while the city is not planning to open the condemned land—at least not in its entirety—to use by the general public, this “Court long ago rejected any literal requirement that condemned property be put into use for the ... public.” *Id.*, at 244, 104 S.Ct. 2321. Rather, it has embraced the broader and more natural interpretation of public use as “public purpose.” See, e.g., *Fallbrook Irrigation Dist. v. Bradley*, 164 U.S. 112, 158–164, 17 S.Ct. 56, 41 L.Ed. 369. Without exception, the Court has defined that concept broadly, reflecting its longstanding policy of deference to legislative judgments as to what public needs justify the use of the takings power. *Berman*, 348 U.S. 26, 75 S.Ct. 98; *Midkiff*, 467 U.S. 229, 104 S.Ct. 2321; *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 104 S.Ct. 2862, 81 L.Ed.2d 815. Pp. 2661–2664.

(b) The city’s determination that the area at issue was sufficiently distressed to justify a program of economic rejuvenation is entitled to deference. The city has carefully formulated a development plan that it believes will provide appreciable benefits to the community, including, ***470** but not limited to, new jobs and increased tax revenue. As with other exercises in urban planning and development, the city is trying to coordinate a variety of commercial, residential, and recreational land uses, with the hope that they will form a whole greater than the sum of its parts. To effectuate this plan, the city has invoked a state statute that specifically authorizes the use

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of eminent domain to promote economic development. Given the plan's comprehensive character, the thorough deliberation that preceded its adoption, and the limited scope of this Court's review in such cases, it is appropriate here, as it was in *Berman*, to resolve the challenges of the individual owners, not on a piecemeal basis, but rather in light of the entire plan. Because that plan unquestionably serves a public purpose, the takings challenged here satisfy the Fifth Amendment. Pp. 2664–2665.

(c) Petitioners' proposal that the Court adopt a new bright-line rule that economic development does not qualify as a public use is supported by neither precedent nor logic. Promoting economic development is a traditional and long-accepted governmental function, and there is no principled way of distinguishing it from the other public purposes the Court has recognized. See, e.g., *Berman*, 348 U.S., at 33, 75 S.Ct. 98. Also rejected is petitioners' argument that for takings of this kind the Court should require a "reasonable certainty" that the expected public benefits will actually accrue. Such a rule would represent an even greater departure from the Court's precedent. E.g., *Midkiff*, 467 U.S., at 242, 104 S.Ct. 2321. The disadvantages of a heightened form of review are especially pronounced in this type of case, where orderly implementation of a comprehensive plan requires all interested parties' legal rights to be established before **2658 new construction can commence. The Court declines to second-guess the wisdom of the means the city has selected to effectuate its plan. *Berman*, 348 U.S., at 35–36, 75 S.Ct. 98. Pp. 2665–2669.

268 Conn. 1, 843 A.2d 500, affirmed.

STEVENS, J., delivered the opinion of the Court, in which KENNEDY, SOUTER, GINSBURG, and BREYER, JJ., joined. KENNEDY, J., filed a concurring opinion, *post*, p. 2669. O'CONNOR, J., filed a dissenting opinion, in which REHNQUIST, C. J., and SCALIA and THOMAS, JJ., joined, *post*, p. 2671. THOMAS, J., filed a dissenting opinion, *post*, p. 2677.

ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CONNECTICUT

Attorneys and Law Firms

Institute for Justice, William H. Mellor, Scott G. Bullock, Counsel of Record, Dana Berliner, Steven Simpson, Washington, DC, Sawyer Law Firm, LLC, Scott W. Sawyer, New London, CT, Counsel for Petitioners.

Wesley W. Horton, Counsel of Record, Daniel J. Krisch, Horton, Shields & Knox, P.C., Hartford, CT, Thomas J. Londregan, Jeffrey T. Londregan, Conway & Londregan, P.C., New London, CT, Edward B. O'Connell, David P. Condon, Waller, Smith & Palmer, P.C., New London, CT, Counsel for the Respondents.

Opinion

Justice STEVENS delivered the opinion of the Court.

*472 In 2000, the city of New London approved a development plan that, in the words of the Supreme Court of Connecticut, was "projected to create in excess of 1,000 jobs, to increase tax and other revenues, and to revitalize an economically distressed city, including its downtown and waterfront areas." 268 Conn. 1, 5, 843 A.2d 500, 507 (2004). In assembling the land needed for this project, the city's development agent has purchased property from willing sellers and proposes to use the power of eminent domain to acquire the remainder of the property from unwilling owners in exchange for just compensation. The question presented is whether the city's proposed disposition of this property qualifies as a "public use" within the meaning of the Takings Clause of the Fifth Amendment to the Constitution.¹

***473 I**

The city of New London (hereinafter City) sits at the junction of the Thames River and the Long Island Sound in southeastern Connecticut. Decades of economic decline led a state agency in 1990 to designate the City a "distressed municipality." In 1996, the Federal Government closed the Naval Undersea Warfare Center, which had been located in the Fort Trumbull area of the City and had employed over 1,500 people. In 1998, the City's unemployment rate was nearly double that of the State, and its population of just under 24,000 residents was at its lowest since 1920.

These conditions prompted state and local officials to target New London, and **2659 particularly its Fort Trumbull area, for economic revitalization. To this end, respondent New London Development Corporation (NLDC), a private nonprofit entity established some years earlier to assist the City in planning economic development, was reactivated. In January 1998, the State authorized a \$5.35 million bond issue to support the NLDC's planning activities and a \$10 million bond issue

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toward the creation of a Fort Trumbull State Park. In February, the pharmaceutical company Pfizer Inc. announced that it would build a \$300 million research facility on a site immediately adjacent to Fort Trumbull; local planners hoped that Pfizer would draw new business to the area, thereby serving as a catalyst to the area's rejuvenation. After receiving initial approval from the city council, the NLDC continued its planning activities and held a series of neighborhood meetings to educate the public about the process. In May, the city council authorized the NLDC to formally submit its plans to the relevant state agencies for review.² Upon obtaining state-level approval, the NLDC *474 finalized an integrated development plan focused on 90 acres of the Fort Trumbull area.

The Fort Trumbull area is situated on a peninsula that juts into the Thames River. The area comprises approximately 115 privately owned properties, as well as the 32 acres of land formerly occupied by the naval facility (Trumbull State Park now occupies 18 of those 32 acres). The development plan encompasses seven parcels. Parcel 1 is designated for a waterfront conference hotel at the center of a "small urban village" that will include restaurants and shopping. This parcel will also have marinas for both recreational and commercial uses. A pedestrian "riverwalk" will originate here and continue down the coast, connecting the waterfront areas of the development. Parcel 2 will be the site of approximately 80 new residences organized into an urban neighborhood and linked by public walkway to the remainder of the development, including the state park. This parcel also includes space reserved for a new U.S. Coast Guard Museum. Parcel 3, which is located immediately north of the Pfizer facility, will contain at least 90,000 square feet of research and development office space. Parcel 4A is a 2.4-acre site that will be used either to support the adjacent state park, by providing parking or retail services for visitors, or to support the nearby marina. Parcel 4B will include a renovated marina, as well as the final stretch of the riverwalk. Parcels 5, 6, and 7 will provide land for office and retail space, parking, and water-dependent commercial uses. App. 109–113.

The NLDC intended the development plan to capitalize on the arrival of the Pfizer facility and the new commerce it was expected to attract. In addition to creating jobs, generating tax revenue, and helping to "build momentum for the revitalization of downtown New London," *id.*, at 92, the plan was also designed to make the City more attractive and to create *475 leisure and recreational opportunities on the waterfront and in the park.

The city council approved the plan in January 2000, and

designated the NLDC as its development agent in charge of implementation. See **2660 Conn. Gen.Stat. § 8–188 (2005). The city council also authorized the NLDC to purchase property or to acquire property by exercising eminent domain in the City's name. § 8–193. The NLDC successfully negotiated the purchase of most of the real estate in the 90-acre area, but its negotiations with petitioners failed. As a consequence, in November 2000, the NLDC initiated the condemnation proceedings that gave rise to this case.³

II

Petitioner Susette Kelo has lived in the Fort Trumbull area since 1997. She has made extensive improvements to her house, which she prizes for its water view. Petitioner Wilhelmina Dery was born in her Fort Trumbull house in 1918 and has lived there her entire life. Her husband Charles (also a petitioner) has lived in the house since they married some 60 years ago. In all, the nine petitioners own 15 properties in Fort Trumbull—4 in parcel 3 of the development plan and 11 in parcel 4A. Ten of the parcels are occupied by the owner or a family member; the other five are held as investment properties. There is no allegation that any of these properties is blighted or otherwise in poor condition; rather, they were condemned only because they happen to be located in the development area.

In December 2000, petitioners brought this action in the New London Superior Court. They claimed, among other things, that the taking of their properties would violate the "public use" restriction in the Fifth Amendment. After a 7-day bench trial, the Superior Court granted a permanent restraining order prohibiting the taking of the properties located *476 in parcel 4A (park or marina support). It, however, denied petitioners relief as to the properties located in parcel 3 (office space). App. to Pet. for Cert. 343–350.⁴

After the Superior Court ruled, both sides took appeals to the Supreme Court of Connecticut. That court held, over a dissent, that all of the City's proposed takings were valid. It began by upholding the lower court's determination that the takings were authorized by chapter 132, the State's municipal development statute. See Conn. Gen.Stat. § 8–186 *et seq.* (2005). That statute expresses a legislative determination that the taking of land, even developed land, as part of an economic development project is a "public use" and in the "public interest." 268 Conn., at 18–28, 843 A.2d, at 515–521. Next, relying on cases such as *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229,

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104 S.Ct. 2321, 81 L.Ed.2d 186 (1984), and *Berman v. Parker*, 348 U.S. 26, 75 S.Ct. 98, 99 L.Ed. 27 (1954), the court held that such economic development qualified as a valid public use under both the Federal and State Constitutions. 268 Conn., at 40, 843 A.2d, at 527.

Finally, adhering to its precedents, the court went on to determine, first, whether the takings of the particular properties at issue were “reasonably necessary” to achieving the City’s intended public use, *id.*, at 82–84, 843 A.2d, at 552–553, and, second, whether the takings were for “reasonably **2661 foreseeable needs,” *id.*, at 93–94, 843 A.2d, at 558–559. The court upheld the trial court’s factual findings as to parcel 3, but reversed the trial court as to parcel 4A, agreeing with the City that the intended use of this land was sufficiently *477 definite and had been given “reasonable attention” during the planning process. *Id.*, at 120–121, 843 A.2d, at 574.

The three dissenting justices would have imposed a “heightened” standard of judicial review for takings justified by economic development. Although they agreed that the plan was intended to serve a valid public use, they would have found all the takings unconstitutional because the City had failed to adduce “clear and convincing evidence” that the economic benefits of the plan would in fact come to pass. *Id.*, at 144, 146, 843 A.2d, at 587, 588 (Zarella, J., joined by Sullivan, C. J., and Katz, J., concurring in part and dissenting in part).

We granted certiorari to determine whether a city’s decision to take property for the purpose of economic development satisfies the “public use” requirement of the Fifth Amendment. 542 U.S. 965, 125 S.Ct. 27, 159 L.Ed.2d 857 (2004).

III

[1] [2] Two polar propositions are perfectly clear. On the one hand, it has long been accepted that the sovereign may not take the property of *A* for the sole purpose of transferring it to another private party *B*, even though *A* is paid just compensation. On the other hand, it is equally clear that a State may transfer property from one private party to another if future “use by the public” is the purpose of the taking; the condemnation of land for a railroad with common-carrier duties is a familiar example. Neither of these propositions, however, determines the disposition of this case.

[3] As for the first proposition, the City would no doubt be forbidden from taking petitioners’ land for the purpose of

conferring a private benefit on a particular private party. See *Midkiff*, 467 U.S., at 245, 104 S.Ct. 2321 (“A purely private taking could not withstand the scrutiny of the public use requirement; it would serve no legitimate purpose of government and would thus be void”); *478 *Missouri Pacific R. Co. v. Nebraska*, 164 U.S. 403, 17 S.Ct. 130, 41 L.Ed. 489 (1896).⁵ Nor would the City be allowed to take property under the mere pretext of a public purpose, when its actual purpose was to bestow a private benefit. The takings before us, however, would be executed pursuant to a “carefully considered” development plan. 268 Conn., at 54, 843 A.2d, at 536. The trial judge and all the members of the Supreme Court of Connecticut agreed that there was no evidence of an illegitimate purpose in this case.⁶ Therefore, as was true of the statute **2662 challenged in *Midkiff*, 467 U.S., at 245, 104 S.Ct. 2321, the City’s development plan was not adopted “to benefit a particular class of identifiable individuals.”

On the other hand, this is not a case in which the City is planning to open the condemned land—at least not in its entirety—to use by the general public. Nor will the private lessees of the land in any sense be required to operate like common carriers, making their services available to all comers. *479 But although such a projected use would be sufficient to satisfy the public use requirement, this “Court long ago rejected any literal requirement that condemned property be put into use for the general public.” *Id.*, at 244, 104 S.Ct. 2321. Indeed, while many state courts in the mid–19th century endorsed “use by the public” as the proper definition of public use, that narrow view steadily eroded over time. Not only was the “use by the public” test difficult to administer (*e.g.*, what proportion of the public need have access to the property? at what price?),⁷ but it proved to be impractical given the diverse and always evolving needs of society.⁸ Accordingly, *480 when this Court began applying the Fifth Amendment to the States at the close of the 19th century, it embraced the broader and more natural interpretation of public use as “public purpose.” See, *e.g.*, *Fallbrook Irrigation Dist. v. Bradley*, 164 U.S. 112, 158–164, 17 S.Ct. 56, 41 L.Ed. 369 (1896). Thus, in a case upholding a mining company’s use of an aerial bucket line to transport ore over property it did not own, Justice Holmes’ opinion for the Court stressed “the inadequacy of use by the general public as a **2663 universal test.” *Strickley v. Highland Boy Gold Mining Co.*, 200 U.S. 527, 531, 26 S.Ct. 301, 50 L.Ed. 581 (1906).⁹ We have repeatedly and consistently rejected that narrow test ever since.¹⁰

[4] The disposition of this case therefore turns on the question whether the City’s development plan serves a

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“public purpose.” Without exception, our cases have defined that concept broadly, reflecting our longstanding policy of deference to legislative judgments in this field.

In *Berman v. Parker*, 348 U.S. 26, 75 S.Ct. 98, 99 L.Ed. 27 (1954), this Court upheld a redevelopment plan targeting a blighted area of Washington, D. C., in which most of the housing for the area’s 5,000 inhabitants was beyond repair. Under the plan, the area would be condemned and part of it utilized for the construction of streets, schools, and other public facilities. The remainder of the land would be leased or sold to private parties for the purpose of redevelopment, including the construction of low-cost housing.

*481 The owner of a department store located in the area challenged the condemnation, pointing out that his store was not itself blighted and arguing that the creation of a “better balanced, more attractive community” was not a valid public use. *Id.*, at 31, 75 S.Ct. 98. Writing for a unanimous Court, Justice Douglas refused to evaluate this claim in isolation, deferring instead to the legislative and agency judgment that the area “must be planned as a whole” for the plan to be successful. *Id.*, at 34, 75 S.Ct. 98. The Court explained that “community redevelopment programs need not, by force of the Constitution, be on a piecemeal basis—lot by lot, building by building.” *Id.*, at 35, 75 S.Ct. 98. The public use underlying the taking was unequivocally affirmed:

“We do not sit to determine whether a particular housing project is or is not desirable. The concept of the public welfare is broad and inclusive.... The values it represents are spiritual as well as physical, aesthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-balanced as well as carefully patrolled. In the present case, the Congress and its authorized agencies have made determinations that take into account a wide variety of values. It is not for us to reappraise them. If those who govern the District of Columbia decide that the Nation’s Capital should be beautiful as well as sanitary, there is nothing in the Fifth Amendment that stands in the way.” *Id.*, at 33, 75 S.Ct. 98.

In *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 104 S.Ct. 2321, 81 L.Ed.2d 186 (1984), the Court considered a Hawaii statute whereby fee title was taken from lessors and transferred to lessees (for just compensation) in order to reduce the concentration of land ownership. We unanimously upheld the statute and rejected the Ninth Circuit’s view that it was “a naked attempt on the part of the state of Hawaii to take the property of A *482 and **2664 transfer it to B solely for

B’s private use and benefit.” *Id.*, at 235, 104 S.Ct. 2321 (internal quotation marks omitted). Reaffirming *Berman*’s deferential approach to legislative judgments in this field, we concluded that the State’s purpose of eliminating the “social and economic evils of a land oligopoly” qualified as a valid public use. 467 U.S., at 241–242, 104 S.Ct. 2321. Our opinion also rejected the contention that the mere fact that the State immediately transferred the properties to private individuals upon condemnation somehow diminished the public character of the taking. “[I]t is only the taking’s purpose, and not its mechanics,” we explained, that matters in determining public use. *Id.*, at 244, 104 S.Ct. 2321.

In that same Term we decided another public use case that arose in a purely economic context. In *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 104 S.Ct. 2862, 81 L.Ed.2d 815 (1984), the Court dealt with provisions of the Federal Insecticide, Fungicide, and Rodenticide Act under which the Environmental Protection Agency could consider the data (including trade secrets) submitted by a prior pesticide applicant in evaluating a subsequent application, so long as the second applicant paid just compensation for the data. We acknowledged that the “most direct beneficiaries” of these provisions were the subsequent applicants, *id.*, at 1014, 104 S.Ct. 2862, but we nevertheless upheld the statute under *Berman* and *Midkiff*. We found sufficient Congress’ belief that sparing applicants the cost of time-consuming research eliminated a significant barrier to entry in the pesticide market and thereby enhanced competition. 467 U.S., at 1015, 104 S.Ct. 2862.

Viewed as a whole, our jurisprudence has recognized that the needs of society have varied between different parts of the Nation, just as they have evolved over time in response to changed circumstances. Our earliest cases in particular embodied a strong theme of federalism, emphasizing the “great respect” that we owe to state legislatures and state courts in discerning local public needs. See *Hairston v. Danville & Western R. Co.*, 208 U.S. 598, 606–607, 28 S.Ct. 331, 52 L.Ed. 637 (1908) *483 noting that these needs were likely to vary depending on a State’s “resources, the capacity of the soil, the relative importance of industries to the general public welfare, and the long-established methods and habits of the people”).¹¹ For more than a century, our public use jurisprudence has wisely eschewed rigid formulas and intrusive scrutiny in favor of affording legislatures broad latitude in determining what public needs justify the use of the takings power.

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IV

Those who govern the City were not confronted with the need to remove blight **2665 in the Fort Trumbull area, but their determination that the area was sufficiently distressed to justify a program of economic rejuvenation is entitled to our deference. The City has carefully formulated an economic development plan that it believes will provide appreciable benefits to the community, including—but by no means limited to—new jobs and increased tax revenue. As with other exercises in urban planning and development,¹² the City is endeavoring to coordinate a variety of commercial, residential, and recreational uses of land, with the hope that they will form a whole greater than the sum of its parts. To effectuate *484 this plan, the City has invoked a state statute that specifically authorizes the use of eminent domain to promote economic development. Given the comprehensive character of the plan, the thorough deliberation that preceded its adoption, and the limited scope of our review, it is appropriate for us, as it was in *Berman*, to resolve the challenges of the individual owners, not on a piecemeal basis, but rather in light of the entire plan. Because that plan unquestionably serves a public purpose, the takings challenged here satisfy the public use requirement of the Fifth Amendment.

^[5] To avoid this result, petitioners urge us to adopt a new bright-line rule that economic development does not qualify as a public use. Putting aside the unpersuasive suggestion that the City’s plan will provide only purely economic benefits, neither precedent nor logic supports petitioners’ proposal. Promoting economic development is a traditional and long-accepted function of government. There is, moreover, no principled way of distinguishing economic development from the other public purposes that we have recognized. In our cases upholding takings that facilitated agriculture and mining, for example, we emphasized the importance of those industries to the welfare of the States in question, see, e.g., *Strickley*, 200 U.S. 527, 26 S.Ct. 301; in *Berman*, we endorsed the purpose of transforming a blighted area into a “well-balanced” community through redevelopment, 348 U.S., at 33, 75 S.Ct. 98;¹³ in *Midkiff*, *485 we upheld the interest in breaking up a land oligopoly that “created artificial deterrents to the normal functioning of the State’s residential land market,” 467 U.S., at 242, 104 S.Ct. 2321; and in *Monsanto*, we accepted Congress’ purpose of eliminating a “significant barrier to entry in the pesticide market,” 467 U.S., at 1014–1015, 104 S.Ct. 2862. It would be incongruous to hold that the City’s interest in the economic benefits to be derived from the development of the Fort Trumbull area has less of a public character than any of those other interests. Clearly, there is no basis for exempting economic **2666

development from our traditionally broad understanding of public purpose.

Petitioners contend that using eminent domain for economic development impermissibly blurs the boundary between public and private takings. Again, our cases foreclose this objection. Quite simply, the government’s pursuit of a public purpose will often benefit individual private parties. For example, in *Midkiff*, the forced transfer of property conferred a direct and significant benefit on those lessees who were previously unable to purchase their homes. In *Monsanto*, we recognized that the “most direct beneficiaries” of the data-sharing provisions were the subsequent pesticide applicants, but benefiting them in this way was necessary to promoting competition in the pesticide market. 467 U.S., at 1014, 104 S.Ct. 2862.¹⁴ The owner of the department store in *486 *Berman* objected to “taking from one businessman for the benefit of another businessman,” 348 U.S., at 33, 75 S.Ct. 98, referring to the fact that under the redevelopment plan land would be leased or sold to private developers for redevelopment.¹⁵ Our rejection of that contention has particular relevance to the instant case: “The public end may be as well or better served through an agency of private enterprise than through a department of government—or so the Congress might conclude. We cannot say that public ownership is the sole method of promoting the public purposes of community redevelopment projects.” *Id.*, at 33–34, 75 S.Ct. 98.¹⁶

It is further argued that without a bright-line rule nothing would stop a city from transferring citizen A’s property to *487 citizen B for the sole reason that citizen B will put the property to a more productive **2667 use and thus pay more taxes. Such a one-to-one transfer of property, executed outside the confines of an integrated development plan, is not presented in this case. While such an unusual exercise of government power would certainly raise a suspicion that a private purpose was afoot,¹⁷ the hypothetical cases posited by petitioners can be confronted if and when they arise.¹⁸ They do not warrant the crafting of an artificial restriction on the concept of public use.¹⁹

^[6] Alternatively, petitioners maintain that for takings of this kind we should require a “reasonable certainty” that the expected public benefits will actually accrue. Such a rule, however, would represent an even greater departure from *488 our precedent. “When the legislature’s purpose is legitimate and its means are not irrational, our cases make clear that empirical debates over the wisdom of takings—no less than debates over the wisdom of other kinds of socioeconomic legislation—are not to be carried out in the federal courts.” *Midkiff*, 467 U.S., at 242–243,

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104 S.Ct. 2321.²⁰ Indeed, earlier this Term we explained why similar practical concerns (among others) undermined the use of the “substantially advances” formula in our regulatory takings doctrine. See *Lingle v. Chevron U.S.A. Inc.*, 544 U.S. 528, 544, 125 S.Ct. 2074, 2085, 161 L.Ed.2d 876 (2005) (noting that this formula “would empower—and might often require—courts to substitute their predictive judgments for those of elected legislatures and expert agencies”). The disadvantages of a ****2668** heightened form of review are especially pronounced in this type of case. Orderly implementation of a comprehensive redevelopment plan obviously requires that the legal rights of all interested parties be established before new construction can be commenced. A constitutional rule that required postponement of the judicial approval of every condemnation until the likelihood of success of the plan had been assured would unquestionably impose a significant impediment to the successful consummation of many such plans.

[7] Just as we decline to second-guess the City’s considered judgments about the efficacy of its development plan, we also decline to second-guess the City’s determinations as to what ***489** lands it needs to acquire in order to effectuate the project. “It is not for the courts to oversee the choice of the boundary line nor to sit in review on the size of a particular project area. Once the question of the public purpose has been decided, the amount and character of land to be taken for the project and the need for a particular tract to complete the integrated plan rests in the discretion of the legislative branch.” *Berman*, 348 U.S., at 35–36, 75 S.Ct. 98.

In affirming the City’s authority to take petitioners’ properties, we do not minimize the hardship that condemnations may entail, notwithstanding the payment of just compensation.²¹ We emphasize that nothing in our opinion precludes any State from placing further restrictions on its exercise of the takings power. Indeed, many States already impose “public use” requirements that are stricter than the federal baseline. Some of these requirements have been established as a matter of state constitutional law,²² while others are expressed in state eminent domain statutes that carefully limit the grounds upon which takings may be exercised.²³ As the submissions of the parties and their *amici* make clear, the necessity and wisdom of using eminent domain to promote economic development are certainly matters of legitimate public debate.²⁴ This Court’s authority, ***490** however, extends only to determining whether the City’s proposed condemnations are for a “public use” within the meaning of the Fifth Amendment to the Federal Constitution. Because over a century of our case law interpreting that provision dictates an affirmative answer

to that question, we may not grant petitioners the relief that they seek.

****2669** The judgment of the Supreme Court of Connecticut is affirmed.

It is so ordered.

Justice **KENNEDY**, concurring.

I join the opinion for the Court and add these further observations.

This Court has declared that a taking should be upheld as consistent with the Public Use Clause, U.S. Const., Amdt. 5, as long as it is “rationally related to a conceivable public purpose.” *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 241, 104 S.Ct. 2321, 81 L.Ed.2d 186 (1984); see also *Berman v. Parker*, 348 U.S. 26, 75 S.Ct. 98, 99 L.Ed. 27 (1954). This deferential standard of review echoes the rational-basis test used to review economic regulation under the Due Process and Equal Protection Clauses, see, e.g., *FCC v. Beach Communications, Inc.*, 508 U.S. 307, 313–314, 113 S.Ct. 2096, 124 L.Ed.2d 211 (1993); *Williamson v. Lee Optical of Okla., Inc.*, 348 U.S. 483, 75 S.Ct. 461, 99 L.Ed. 563 (1955). The determination that a rational-basis standard of review is appropriate does not, however, alter the fact that transfers intended to confer benefits on particular, favored private entities, and with only incidental or pretextual public benefits, are forbidden by the Public Use Clause.

***491** A court applying rational-basis review under the Public Use Clause should strike down a taking that, by a clear showing, is intended to favor a particular private party, with only incidental or pretextual public benefits, just as a court applying rational-basis review under the Equal Protection Clause must strike down a government classification that is clearly intended to injure a particular class of private parties, with only incidental or pretextual public justifications. See *Cleburne v. Cleburne Living Center, Inc.*, 473 U.S. 432, 446–447, 450, 105 S.Ct. 3249, 87 L.Ed.2d 313 (1985); *Department of Agriculture v. Moreno*, 413 U.S. 528, 533–536, 93 S.Ct. 2821, 37 L.Ed.2d 782 (1973). As the trial court in this case was correct to observe: “Where the purpose [of a taking] is economic development and that development is to be carried out by private parties or private parties will be benefited, the court must decide if the stated public purpose—economic advantage to a city sorely in need of it—is only incidental to the benefits that will be confined on private parties of a development plan.” App. to Pet. for

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Cert. 263. See also *ante*, at 2661–2662.

A court confronted with a plausible accusation of impermissible favoritism to private parties should treat the objection as a serious one and review the record to see if it has merit, though with the presumption that the government’s actions were reasonable and intended to serve a public purpose. Here, the trial court conducted a careful and extensive inquiry into “whether, in fact, the development plan is of primary benefit to ... the developer [*i.e.*, Corcoran Jennison], and private businesses which may eventually locate in the plan area [*e.g.*, Pfizer], and in that regard, only of incidental benefit to the city.” App. to Pet. for Cert. 261. The trial court considered testimony from government officials and corporate officers, *id.*, at 266–271; documentary evidence of communications between these parties, *ibid.*; respondents’ awareness of New London’s depressed economic condition and evidence corroborating the validity of this concern, *id.*, at 272–273, 278–279; the substantial commitment of public *492 funds by the State to the development project before most of the private beneficiaries were known, *id.*, at 276; evidence that respondents reviewed a variety of development plans and chose a private developer from a group of applicants rather than picking out a particular transferee beforehand, **2670 *id.*, at 273, 278; and the fact that the other private beneficiaries of the project are still unknown because the office space proposed to be built has not yet been rented, *id.*, at 278.

The trial court concluded, based on these findings, that benefiting Pfizer was not “the primary motivation or effect of this development plan”; instead, “the primary motivation for [respondents] was to take advantage of Pfizer’s presence.” *Id.*, at 276. Likewise, the trial court concluded that “[t]here is nothing in the record to indicate that ... [respondents] were motivated by a desire to aid [other] particular private entities.” *Id.*, at 278. See also *ante*, at 2661–2662. Even the dissenting justices on the Connecticut Supreme Court agreed that respondents’ development plan was intended to revitalize the local economy, not to serve the interests of Pfizer, Corcoran Jennison, or any other private party. 268 Conn. 1, 159, 843 A.2d 500, 595 (2004) (Zarella, J., concurring in part and dissenting in part). This case, then, survives the meaningful rational-basis review that in my view is required under the Public Use Clause.

Petitioners and their *amici* argue that any taking justified by the promotion of economic development must be treated by the courts as *per se* invalid, or at least presumptively invalid. Petitioners overstate the need for such a rule, however, by making the incorrect assumption that review under *Berman* and *Midkiff* imposes no

meaningful judicial limits on the government’s power to condemn any property it likes. A broad *per se* rule or a strong presumption of invalidity, furthermore, would prohibit a large number of government takings that have the purpose and expected effect of conferring substantial benefits on the public at large and so do not offend the Public Use Clause.

*493 My agreement with the Court that a presumption of invalidity is not warranted for economic development takings in general, or for the particular takings at issue in this case, does not foreclose the possibility that a more stringent standard of review than that announced in *Berman* and *Midkiff* might be appropriate for a more narrowly drawn category of takings. There may be private transfers in which the risk of undetected impermissible favoritism of private parties is so acute that a presumption (rebuttable or otherwise) of invalidity is warranted under the Public Use Clause. Cf. *Eastern Enterprises v. Apfel*, 524 U.S. 498, 549–550, 118 S.Ct. 2131, 141 L.Ed.2d 451 (1998) (KENNEDY, J., concurring in judgment and dissenting in part) (heightened scrutiny for retroactive legislation under the Due Process Clause). This demanding level of scrutiny, however, is not required simply because the purpose of the taking is economic development.

This is not the occasion for conjecture as to what sort of cases might justify a more demanding standard, but it is appropriate to underscore aspects of the instant case that convince me no departure from *Berman* and *Midkiff* is appropriate here. This taking occurred in the context of a comprehensive development plan meant to address a serious citywide depression, and the projected economic benefits of the project cannot be characterized as *de minimis*. The identities of most of the private beneficiaries were unknown at the time the city formulated its plans. The city complied with elaborate procedural requirements that facilitate review of the record and inquiry into the city’s purposes. In sum, while there may be categories of cases in which the transfers are so suspicious, or the procedures employed so prone to abuse, or the purported benefits are so trivial or implausible, that courts should presume an impermissible private **2671 purpose, no such circumstances are present in this case.

* * *

For the foregoing reasons, I join in the Court’s opinion.

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***494** Justice O’CONNOR, with whom THE CHIEF JUSTICE, Justice SCALIA, and Justice THOMAS join, dissenting.

Over two centuries ago, just after the Bill of Rights was ratified, Justice Chase wrote:

“An act of the Legislature (for I cannot call it a law) contrary to the great first principles of the social compact, cannot be considered a rightful exercise of legislative authority A few instances will suffice to explain what I mean[A] law that takes property from A. and gives it to B: It is against all reason and justice, for a people to entrust a Legislature with such powers; and, therefore, it cannot be presumed that they have done it.” *Calder v. Bull*, 3 Dall. 386, 388, 1 L.Ed. 648 (1798) (emphasis deleted).

Today the Court abandons this long-held, basic limitation on government power. Under the banner of economic development, all private property is now vulnerable to being taken and transferred to another private owner, so long as it might be upgraded—*i.e.*, given to an owner who will use it in a way that the legislature deems more beneficial to the public—in the process. To reason, as the Court does, that the incidental public benefits resulting from the subsequent ordinary use of private property render economic development takings “for public use” is to wash out any distinction between private and public use of property—and thereby effectively to delete the words “for public use” from the Takings Clause of the Fifth Amendment. Accordingly I respectfully dissent.

I

Petitioners are nine resident or investment owners of 15 homes in the Fort Trumbull neighborhood of New London, Connecticut. Petitioner Wilhelmina Dery, for example, lives in a house on Walbach Street that has been in her family for over 100 years. She was born in the house in 1918; her husband, petitioner Charles Dery, moved into the house when they married in 1946. Their son lives next door with ***495** his family in the house he received as a wedding gift, and joins his parents in this suit. Two petitioners keep rental properties in the neighborhood.

In February 1998, Pfizer Inc., the pharmaceuticals manufacturer, announced that it would build a global research facility near the Fort Trumbull neighborhood. Two months later, New London’s city council gave initial approval for the New London Development Corporation (NLDC) to prepare the development plan at issue here. The NLDC is a private, nonprofit corporation whose mission is to assist the city council in economic development planning. It is not elected by popular vote, and its directors and employees are privately appointed. Consistent with its mandate, the NLDC generated an ambitious plan for redeveloping 90 acres of Fort Trumbull in order to “complement the facility that Pfizer was planning to build, create jobs, increase tax and other revenues, encourage public access to and use of the city’s waterfront, and eventually ‘build momentum’ for the revitalization of the rest of the city.” App. to Pet. for Cert. 5.

Petitioners own properties in two of the plan’s seven parcels—Parcel 3 and Parcel 4A. Under the plan, Parcel 3 is slated for the construction of research and office space as a market develops for such space. It will also retain the existing Italian Dramatic Club (a private cultural organization) ****2672** though the homes of three plaintiffs in that parcel are to be demolished. Parcel 4A is slated, mysteriously, for “ ‘park support.’ ” *Id.*, at 345–346. At oral argument, counsel for respondents conceded the vagueness of this proposed use, and offered that the parcel might eventually be used for parking. Tr. of Oral Arg. 36.

To save their homes, petitioners sued New London and the NLDC, to whom New London has delegated eminent domain power. Petitioners maintain that the Fifth Amendment prohibits the NLDC from condemning their properties for the sake of an economic development plan. Petitioners are not holdouts; they do not seek increased compensation, and ***496** none is opposed to new development in the area. Theirs is an objection in principle: They claim that the NLDC’s proposed use for their confiscated property is not a “public” one for purposes of the Fifth Amendment. While the government may take their homes to build a road or a railroad or to eliminate a property use that harms the public, say petitioners, it cannot take their property for the private use of other owners simply because the new owners may make more productive use of the property.

II

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The Fifth Amendment to the Constitution, made applicable to the States by the Fourteenth Amendment, provides that “private property [shall not] be taken for public use, without just compensation.” When interpreting the Constitution, we begin with the unremarkable presumption that every word in the document has independent meaning, “that no word was unnecessarily used, or needlessly added.” *Wright v. United States*, 302 U.S. 583, 588, 58 S.Ct. 395, 82 L.Ed. 439 (1938). In keeping with that presumption, we have read the Fifth Amendment’s language to impose two distinct conditions on the exercise of eminent domain: “[T]he taking must be for a ‘public use’ and ‘just compensation’ must be paid to the owner.” *Brown v. Legal Foundation of Wash.*, 538 U.S. 216, 231–232, 123 S.Ct. 1406, 155 L.Ed.2d 376 (2003).

These two limitations serve to protect “the security of Property,” which Alexander Hamilton described to the Philadelphia Convention as one of the “great obj[ects] of Gov[ernment].” 1 Records of the Federal Convention of 1787, p. 302 (M. Farrand ed.1911). Together they ensure stable property ownership by providing safeguards against excessive, unpredictable, or unfair use of the government’s eminent domain power—particularly against those owners who, for whatever reasons, may be unable to protect themselves in the political process against the majority’s will.

***497** While the Takings Clause presupposes that government can take private property without the owner’s consent, the just compensation requirement spreads the cost of condemnations and thus “prevents the public from loading upon one individual more than his just share of the burdens of government.” *Monongahela Nav. Co. v. United States*, 148 U.S. 312, 325, 13 S.Ct. 622, 37 L.Ed. 463 (1893); see also *Armstrong v. United States*, 364 U.S. 40, 49, 80 S.Ct. 1563, 4 L.Ed.2d 1554 (1960). The public use requirement, in turn, imposes a more basic limitation, circumscribing the very scope of the eminent domain power: Government may compel an individual to forfeit her property for the *public’s* use, but not for the benefit of another private person. This requirement promotes fairness as well as security. Cf. *Tahoe–Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency*, 535 U.S. 302, 336, 122 S.Ct. 1465, 152 L.Ed.2d 517 (2002) (“The concepts of ‘fairness and justice’ ... underlie the Takings Clause”).

****2673** Where is the line between “public” and “private” property use? We give considerable deference to legislatures’ determinations about what governmental activities will advantage the public. But were the political branches the sole arbiters of the public-private distinction,

the Public Use Clause would amount to little more than hortatory fluff. An external, judicial check on how the public use requirement is interpreted, however limited, is necessary if this constraint on government power is to retain any meaning. See *Cincinnati v. Vester*, 281 U.S. 439, 446, 50 S.Ct. 360, 74 L.Ed. 950 (1930) (“It is well established that ... the question [of] what is a public use is a judicial one”).

Our cases have generally identified three categories of takings that comply with the public use requirement, though it is in the nature of things that the boundaries between these categories are not always firm. Two are relatively straightforward and uncontroversial. First, the sovereign may transfer private property to public ownership—such as for a road, a hospital, or a military base. See, e.g., ***498** *Old Dominion Land Co. v. United States*, 269 U.S. 55, 46 S.Ct. 39, 70 L.Ed. 162 (1925); *Rindge Co. v. County of Los Angeles*, 262 U.S. 700, 43 S.Ct. 689, 67 L.Ed. 1186 (1923). Second, the sovereign may transfer private property to private parties, often common carriers, who make the property available for the public’s use—such as with a railroad, a public utility, or a stadium. See, e.g., *National Railroad Passenger Corporation v. Boston & Maine Corp.*, 503 U.S. 407, 112 S.Ct. 1394, 118 L.Ed.2d 52 (1992); *Mt. Vernon–Woodberry Cotton Duck Co. v. Alabama Interstate Power Co.*, 240 U.S. 30, 36 S.Ct. 234, 60 L.Ed. 507 (1916). But “public ownership” and “use-by-the-public” are sometimes too constricting and impractical ways to define the scope of the Public Use Clause. Thus we have allowed that, in certain circumstances and to meet certain exigencies, takings that serve a public purpose also satisfy the Constitution even if the property is destined for subsequent private use. See, e.g., *Berman v. Parker*, 348 U.S. 26, 75 S.Ct. 98, 99 L.Ed. 27 (1954); *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 104 S.Ct. 2321, 81 L.Ed.2d 186 (1984).

This case returns us for the first time in over 20 years to the hard question of when a purportedly “public purpose” taking meets the public use requirement. It presents an issue of first impression: Are economic development takings constitutional? I would hold that they are not. We are guided by two precedents about the taking of real property by eminent domain. In *Berman*, we upheld takings within a blighted neighborhood of Washington, D.C. The neighborhood had so deteriorated that, for example, 64.3% of its dwellings were beyond repair. 348 U.S., at 30, 75 S.Ct. 98. It had become burdened with “overcrowding of dwellings,” “lack of adequate streets and alleys,” and “lack of light and air.” *Id.*, at 34, 75 S.Ct. 98. Congress had determined that the neighborhood had become “injurious to the public health, safety, morals, and

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welfare” and that it was necessary to “eliminat[e] all such injurious conditions by employing all means necessary and appropriate for the purpose,” including eminent domain. *Id.*, at 28, 75 S.Ct. 98 (internal quotation marks omitted). Mr. Berman’s department store was not itself blighted. Having approved *499 of Congress’ decision to eliminate the harm to the public emanating from the blighted neighborhood, however, we did not second-guess its decision to treat the neighborhood as a whole rather than lot-by-lot. *Id.*, at 34–35, 75 S.Ct. 98; see also *Midkiff*, 467 U.S., at 244, 104 S.Ct. 2321 (“[I]t is only the taking’s purpose, **2674 and not its mechanics, that must pass scrutiny”).

In *Midkiff*, we upheld a land condemnation scheme in Hawaii whereby title in real property was taken from lessors and transferred to lessees. At that time, the State and Federal Governments owned nearly 49% of the State’s land, and another 47% was in the hands of only 72 private landowners. Concentration of land ownership was so dramatic that on the State’s most urbanized island, Oahu, 22 landowners owned 72.5% of the fee simple titles. *Id.*, at 232, 104 S.Ct. 2321. The Hawaii Legislature had concluded that the oligopoly in land ownership was “skewing the State’s residential fee simple market, inflating land prices, and injuring the public tranquility and welfare,” and therefore enacted a condemnation scheme for redistributing title. *Ibid.*

In those decisions, we emphasized the importance of deferring to legislative judgments about public purpose. Because courts are ill equipped to evaluate the efficacy of proposed legislative initiatives, we rejected as unworkable the idea of courts’ “ ‘deciding on what is and is not a governmental function and ... invalidating legislation on the basis of their view on that question at the moment of decision, a practice which has proved impracticable in other fields.’ ” *Id.*, at 240–241, 104 S.Ct. 2321 (quoting *United States ex rel. TVA v. Welch*, 327 U.S. 546, 552, 66 S.Ct. 715, 90 L.Ed. 843 (1946)); see *Berman*, *supra*, at 32, 75 S.Ct. 98 (“[T]he legislature, not the judiciary, is the main guardian of the public needs to be served by social legislation”); see also *Lingle v. Chevron U.S.A. Inc.*, 544 U.S. 528, 125 S.Ct. 2074, 161 L.Ed.2d 876 (2005). Likewise, we recognized our inability to evaluate whether, in a given case, eminent domain is a necessary means by which to pursue the legislature’s ends. *Midkiff*, *supra*, at 242, 104 S.Ct. 2321; *Berman*, *supra*, at 33, 75 S.Ct. 98.

*500 Yet for all the emphasis on deference, *Berman* and *Midkiff* hewed to a bedrock principle without which our public use jurisprudence would collapse: “A purely private taking could not withstand the scrutiny of the

public use requirement; it would serve no legitimate purpose of government and would thus be void.” *Midkiff*, 467 U.S., at 245, 104 S.Ct. 2321; *id.*, at 241, 104 S.Ct. 2321 (“[T]he Court’s cases have repeatedly stated that ‘one person’s property may not be taken for the benefit of another private person without a justifying public purpose, even though compensation be paid’ ” (quoting *Thompson v. Consolidated Gas Util. Corp.*, 300 U.S. 55, 80, 57 S.Ct. 364, 81 L.Ed. 510 (1937))); see also *Missouri Pacific R. Co. v. Nebraska*, 164 U.S. 403, 417, 17 S.Ct. 130, 41 L.Ed. 489 (1896). To protect that principle, those decisions reserved “a role for courts to play in reviewing a legislature’s judgment of what constitutes a public use ... [though] the Court in *Berman* made clear that it is ‘an extremely narrow’ one.” *Midkiff*, *supra*, at 240, 104 S.Ct. 2321 (quoting *Berman*, *supra*, at 32, 75 S.Ct. 98).

The Court’s holdings in *Berman* and *Midkiff* were true to the principle underlying the Public Use Clause. In both those cases, the extraordinary, precondemnation use of the targeted property inflicted affirmative harm on society—in *Berman* through blight resulting from extreme poverty and in *Midkiff* through oligopoly resulting from extreme wealth. And in both cases, the relevant legislative body had found that eliminating the existing property use was necessary to remedy the harm. *Berman*, *supra*, at 28–29, 75 S.Ct. 98; *Midkiff*, *supra*, at 232, 104 S.Ct. 2321. Thus a public purpose was realized when the harmful use was eliminated. Because each taking *directly* achieved a public benefit, it did not matter that the property was turned over to private use. Here, in **2675 contrast, New London does not claim that Susette Kelo’s and Wilhelmina Dery’s well-maintained homes are the source of any social harm. Indeed, it could not so claim without adopting the absurd argument that any single-family home that might be razed to make way for an apartment building, or any church *501 that might be replaced with a retail store, or any small business that might be more lucrative if it were instead part of a national franchise, is inherently harmful to society and thus within the government’s power to condemn.

In moving away from our decisions sanctioning the condemnation of harmful property use, the Court today significantly expands the meaning of public use. It holds that the sovereign may take private property currently put to ordinary private use, and give it over for new, ordinary private use, so long as the new use is predicted to generate some secondary benefit for the public—such as increased tax revenue, more jobs, maybe even esthetic pleasure. But nearly any lawful use of real private property can be said to generate some incidental benefit to the public. Thus, if predicted (or even guaranteed) positive side effects are enough to render transfer from one private party to

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another constitutional, then the words “for public use” do not realistically exclude *any* takings, and thus do not exert any constraint on the eminent domain power.

There is a sense in which this troubling result follows from errant language in *Berman* and *Midkiff*. In discussing whether takings within a blighted neighborhood were for a public use, *Berman* began by observing: “We deal, in other words, with what traditionally has been known as the police power.” 348 U.S., at 32, 75 S.Ct. 98. From there it declared that “[o]nce the object is within the authority of Congress, the right to realize it through the exercise of eminent domain is clear.” *Id.*, at 33, 75 S.Ct. 98. Following up, we said in *Midkiff* that “[t]he ‘public use’ requirement is coterminous with the scope of a sovereign’s police powers.” 467 U.S., at 240, 104 S.Ct. 2321. This language was unnecessary to the specific holdings of those decisions. *Berman* and *Midkiff* simply did not put such language to the constitutional test, because the takings in those cases were within the police power but also for “public use” for the reasons I have described. The case before us now demonstrates why, when deciding if a taking’s purpose is *502 constitutional, the police power and “public use” cannot always be equated.

The Court protests that it does not sanction the bare transfer from A to B for B’s benefit. It suggests two limitations on what can be taken after today’s decision. First, it maintains a role for courts in ferreting out takings whose sole purpose is to bestow a benefit on the private transferee—without detailing how courts are to conduct that complicated inquiry. *Ante*, at 2661–2662. For his part, Justice KENNEDY suggests that courts may divine illicit purpose by a careful review of the record and the process by which a legislature arrived at the decision to take—without specifying what courts should look for in a case with different facts, how they will know if they have found it, and what to do if they do not. *Ante*, at 2669–2670 (concurring opinion). Whatever the details of Justice KENNEDY’s as-yet-undisclosed test, it is difficult to envision anyone but the “stupid staff[er]” failing it. See *Lucas v. South Carolina Coastal Council*, 505 U.S. 1003, 1025–1026, n. 12, 112 S.Ct. 2886, 120 L.Ed.2d 798 (1992). The trouble with economic development takings is that private benefit and incidental public benefit are, by definition, merged and mutually reinforcing. In this case, for example, any boon for Pfizer or the plan’s developer is difficult to disaggregate from the promised **2676 public gains in taxes and jobs. See App. to Pet. for Cert. 275–277.

Even if there were a practical way to isolate the motives behind a given taking, the gesture toward a purpose test is

theoretically flawed. If it is true that incidental public benefits from new private use are enough to ensure the “public purpose” in a taking, why should it matter, as far as the Fifth Amendment is concerned, what inspired the taking in the first place? How much the government does or does not desire to benefit a favored private party has no bearing on whether an economic development taking will or will not generate secondary benefit for the public. And whatever the reason for a given condemnation, the effect is the same *503 from the constitutional perspective—private property is forcibly relinquished to new private ownership.

A second proposed limitation is implicit in the Court’s opinion. The logic of today’s decision is that eminent domain may only be used to upgrade—not downgrade—property. At best this makes the Public Use Clause redundant with the Due Process Clause, which already prohibits irrational government action. See *Lingle*, 544 U.S. 528, 125 S.Ct. 2074. The Court rightfully admits, however, that the judiciary cannot get bogged down in predictive judgments about whether the public will actually be better off after a property transfer. In any event, this constraint has no realistic import. For who among us can say she already makes the most productive or attractive possible use of her property? The specter of condemnation hangs over all property. Nothing is to prevent the State from replacing any Motel 6 with a Ritz–Carlton, any home with a shopping mall, or any farm with a factory. Cf. *Bugryn v. Bristol*, 63 Conn.App. 98, 774 A.2d 1042 (2001) (taking the homes and farm of four owners in their 70’s and 80’s and giving it to an “industrial park”); *99 Cents Only Stores v. Lancaster Redevelopment Agency*, 237 F.Supp.2d 1123 (C.D.Cal.2001) (attempted taking of 99 Cents store to replace with a Costco); *Poletown Neighborhood Council v. Detroit*, 410 Mich. 616, 304 N.W.2d 455 (1981) (taking a working-class, immigrant community in Detroit and giving it to a General Motors assembly plant), overruled by *County of Wayne v. Hathcock*, 471 Mich. 445, 684 N.W.2d 765 (2004); Brief for Becket Fund for Religious Liberty as *Amicus Curiae* 4–11 (describing takings of religious institutions’ properties); Institute for Justice, D. Berliner, Public Power, Private Gain: A Five–Year, State–by–State Report Examining the Abuse of Eminent Domain (2003) (collecting accounts of economic development takings).

The Court also puts special emphasis on facts peculiar to this case: The NLDC’s plan is the product of a relatively careful deliberative process; it proposes to use eminent domain *504 for a multipart, integrated plan rather than for isolated property transfer; it promises an array of incidental benefits (even esthetic ones), not just increased

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tax revenue; it comes on the heels of a legislative determination that New London is a depressed municipality. See, e.g., *ante*, at 2667 (“[A] one-to-one transfer of property, executed outside the confines of an integrated development plan, is not presented in this case”). Justice KENNEDY, too, takes great comfort in these facts. *Ante*, at 2670 (concurring opinion). But none has legal significance to blunt the force of today’s holding. If legislative prognostications about the secondary public benefits of a new use can legitimate a taking, there is nothing in the Court’s rule or in Justice KENNEDY’s gloss on that rule to prohibit property transfers generated with less care, that are less comprehensive, that happen to result from less elaborate process, whose **2677 only projected advantage is the incidence of higher taxes, or that hope to transform an already prosperous city into an even more prosperous one.

Finally, in a coda, the Court suggests that property owners should turn to the States, who may or may not choose to impose appropriate limits on economic development takings. *Ante*, at 2668. This is an abdication of our responsibility. States play many important functions in our system of dual sovereignty, but compensating for our refusal to enforce properly the Federal Constitution (and a provision meant to curtail state action, no less) is not among them.

* * *

It was possible after *Berman* and *Midkiff* to imagine unconstitutional transfers from A to B. Those decisions endorsed government intervention when private property use had veered to such an extreme that the public was suffering as a consequence. Today nearly all real property is susceptible to condemnation on the Court’s theory. In the prescient words of a dissenter from the infamous decision in *Poletown*, “[n]ow that we have authorized local legislative *505 bodies to decide that a different commercial or industrial use of property will produce greater public benefits than its present use, no homeowner’s, merchant’s or manufacturer’s property, however productive or valuable to its owner, is immune from condemnation for the benefit of other private interests that will put it to a ‘higher’ use.” 410 Mich., at 644–645, 304 N.W.2d, at 464 (opinion of Fitzgerald, J.). This is why economic development takings “seriously jeopardiz[e] the security of all private property ownership.” *Id.*, at 645, 304 N.W.2d, at 465 (Ryan, J.,

dissenting).

Any property may now be taken for the benefit of another private party, but the fallout from this decision will not be random. The beneficiaries are likely to be those citizens with disproportionate influence and power in the political process, including large corporations and development firms. As for the victims, the government now has license to transfer property from those with fewer resources to those with more. The Founders cannot have intended this perverse result. “[T]hat alone is a *just* government,” wrote James Madison, “which *impartially* secures to every man, whatever is his *own*.” For the National Gazette, Property (Mar. 27, 1792), reprinted in 14 Papers of James Madison 266 (R. Rutland et al. eds.1983).

I would hold that the takings in both Parcel 3 and Parcel 4A are unconstitutional, reverse the judgment of the Supreme Court of Connecticut, and remand for further proceedings.

Justice THOMAS, dissenting.

Long ago, William Blackstone wrote that “the law of the land ... postpone[s] even public necessity to the sacred and inviolable rights of private property.” 1 Commentaries on the Laws of England 134–135 (1765) (hereinafter Blackstone). The Framers embodied that principle in the Constitution, allowing the government to take property not for “public necessity,” but instead for “public use.” Amdt. 5. *506 Defying this understanding, the Court replaces the Public Use Clause with a “[P]ublic [P]urpose” Clause, *ante*, at 2662–2663 (or perhaps the “Diverse and Always Evolving Needs of Society” Clause, *ante*, at 2662 (capitalization added)), a restriction that is satisfied, the Court instructs, so long as the purpose is “legitimate” and the means “not irrational,” *ante*, at 2667 (internal quotation marks omitted). This deferential shift in phraseology enables the Court to hold, against all common sense, that a costly urban-renewal project whose stated purpose is a vague **2678 promise of new jobs and increased tax revenue, but which is also suspiciously agreeable to the Pfizer Corporation, is for a “public use.”

I cannot agree. If such “economic development” takings are for a “public use,” any taking is, and the Court has erased the Public Use Clause from our Constitution, as Justice O’CONNOR powerfully argues in dissent. *Ante*, at 2671, 2675–2677. I do not believe that this Court can eliminate liberties expressly enumerated in the

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Constitution and therefore join her dissenting opinion. Regrettably, however, the Court's error runs deeper than this. Today's decision is simply the latest in a string of our cases construing the Public Use Clause to be a virtual nullity, without the slightest nod to its original meaning. In my view, the Public Use Clause, originally understood, is a meaningful limit on the government's eminent domain power. Our cases have strayed from the Clause's original meaning, and I would reconsider them.

I

The Fifth Amendment provides:

"No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb, nor shall be compelled in any *507 criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; *nor shall private property be taken for public use, without just compensation.*" (Emphasis added.)

It is the last of these liberties, the Takings Clause, that is at issue in this case. In my view, it is "imperative that the Court maintain absolute fidelity to" the Clause's express limit on the power of the government over the individual, no less than with every other liberty expressly enumerated in the Fifth Amendment or the Bill of Rights more generally. *Shepard v. United States*, 544 U.S. 13, 28, 125 S.Ct. 1254, 1264, 161 L.Ed.2d 205 (2005) (THOMAS, J., concurring in part and concurring in judgment) (internal quotation marks omitted).

Though one component of the protection provided by the Takings Clause is that the government can take private property only if it provides "just compensation" for the taking, the Takings Clause also prohibits the government from taking property except "for public use." Were it otherwise, the Takings Clause would either be meaningless or empty. If the Public Use Clause served no function other than to state that the government may take property through its eminent domain power—for public or private uses—then it would be surplusage. See *ante*, at 2672 (O'CONNOR, J., dissenting); see also *Marbury v. Madison*, 1 Cranch 137, 174, 2 L.Ed. 60 (1803) ("It

cannot be presumed that any clause in the constitution is intended to be without effect"); *Myers v. United States*, 272 U.S. 52, 151, 47 S.Ct. 21, 71 L.Ed. 160 (1926). Alternatively, the Clause could distinguish those takings that require compensation from those that do not. That interpretation, however, "would permit private property to be taken or appropriated for private use without any compensation whatever." *Cole v. La Grange*, 113 U.S. 1, 8, 5 S.Ct. 416, 28 L.Ed. 896 (1885) (interpreting same language in the Missouri Public Use Clause). In other words, the Clause would require the government to compensate for takings done "for public use," leaving it free to take property for purely private uses without the payment of **2679 compensation. *508 This would contradict a bedrock principle well established by the time of the founding: that all takings required the payment of compensation. 1 Blackstone 135; 2 J. Kent, Commentaries on American Law 275 (1827) (hereinafter Kent); For the National Gazette, Property (Mar. 27, 1792), in 14 Papers of James Madison 266, 267 (R. Rutland et al. eds.1983) (arguing that no property "shall be taken *directly* even for public use without indemnification to the owner").¹ The Public Use Clause, like the Just Compensation Clause, is therefore an express limit on the government's power of eminent domain.

The most natural reading of the Clause is that it allows the government to take property only if the government owns, or the public has a legal right to use, the property, as opposed to taking it for any public purpose or necessity whatsoever. At the time of the founding, dictionaries primarily defined the noun "use" as "[t]he act of employing any thing to any purpose." 2 S. Johnson, A Dictionary of the English Language 2194 (4th ed. 1773) (hereinafter Johnson). The term "use," moreover, "is from the Latin *utor*, which means 'to use, make use of, avail one's self of, employ, apply, enjoy, etc.'" J. Lewis, Law of Eminent Domain § 165, p. 224, n. 4 (1888) (hereinafter Lewis). When the government takes property and gives it to a private individual, and the public has no right to use the property, it strains language to say that the public is "employing" the property, regardless of the incidental benefits that might accrue to the public from the private use. The term "public use," then, means that either the government or its citizens as a whole must actually *509 "employ" the taken property. See *id.*, at 223 (reviewing founding-era dictionaries).

Granted, another sense of the word "use" was broader in meaning, extending to "[c]onvenience" or "help," or "[q]ualities that make a thing proper for any purpose." 2 Johnson 2194. Nevertheless, read in context, the term "public use" possesses the narrower meaning. Elsewhere, the Constitution twice employs the word "use," both

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times in its narrower sense. Claey's, [Public-Use Limitations and Natural Property Rights](#), 2004 Mich. St. L.Rev. 877, 897 (hereinafter Public Use Limitations). Article I, § 10, provides that "the net Produce of all Duties and Imposts, laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States," meaning the Treasury itself will control the taxes, not use it to any beneficial end. And Article I, § 8, grants Congress power "[t]o raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years." Here again, "use" means "employed to raise and support Armies," not anything directed to achieving any military end. The same word in the Public Use Clause should be interpreted to have the same meaning.

Tellingly, the phrase "public use" contrasts with the very different phrase "general Welfare" used elsewhere in the Constitution. See *ibid.* ("Congress shall have Power To ... provide for the common Defence and general Welfare of the United States"); preamble (Constitution established "to promote the general Welfare"). **2680 The Framers would have used some such broader term if they had meant the Public Use Clause to have a similarly sweeping scope. Other founding-era documents made the contrast between these two usages still more explicit. See Sales, [Classical Republicanism and the Fifth Amendment's "Public Use" Requirement](#), 49 Duke L.J. 339, 367–368 (1999) (hereinafter Sales) (noting contrast between, on the one hand, the term "public use" used by 6 of the first 13 States and, on the other, *510 the terms "public exigencies" employed in the Massachusetts Bill of Rights and the Northwest Ordinance, and the term "public necessity" used in the Vermont Constitution of 1786). The Constitution's text, in short, suggests that the Takings Clause authorizes the taking of property only if the public has a right to employ it, not if the public realizes any conceivable benefit from the taking.

The Constitution's common-law background reinforces this understanding. The common law provided an express method of eliminating uses of land that adversely impacted the public welfare: nuisance law. Blackstone and Kent, for instance, both carefully distinguished the law of nuisance from the power of eminent domain. Compare 1 Blackstone 135 (noting government's power to take private property with compensation) with 3 *id.*, at 216 (noting action to remedy "*public* ... nuisances, which affect the public, and are an annoyance to *all* the king's subjects"); see also 2 Kent 274–276 (distinguishing the two). Blackstone rejected the idea that private property could be taken solely for purposes of any public benefit. "So great ... is the regard of the law for private property," he explained, "that it will not authorize the least violation

of it; no, not even for the general good of the whole community." 1 Blackstone 135. He continued: "If a new road ... were to be made through the grounds of a private person, it might perhaps be extensively beneficial to the public; but the law permits no man, or set of men, to do this without the consent of the owner of the land." *Ibid.* Only "by giving [the landowner] full indemnification" could the government take property, and even then "[t]he public [was] now considered as an individual, treating with an individual for an exchange." *Ibid.* When the public took property, in other words, it took it as an individual buying property from another typically would: for one's own use. The Public Use Clause, in short, embodied the Framers' understanding that property is a natural, fundamental right, prohibiting the government from "tak[ing] *property* from A. and *511 giv[ing] it to B." *Calder v. Bull*, 3 Dall. 386, 388, 1 L.Ed. 648 (1798); see also *Wilkinson v. Leland*, 2 Pet. 627, 658, 7 L.Ed. 542 (1829); *Vanhorne's Lessee v. Dorrance*, 2 Dall. 304, 311, 1 L.Ed. 391 (C.C.D.Pa.1795).

The public purpose interpretation of the Public Use Clause also unnecessarily duplicates a similar inquiry required by the Necessary and Proper Clause. The Takings Clause is a prohibition, not a grant of power: The Constitution does not expressly grant the Federal Government the power to take property for any public purpose whatsoever. Instead, the Government may take property only when necessary and proper to the exercise of an expressly enumerated power. See *Kohl v. United States*, 91 U.S. 367, 371–372, 23 L.Ed. 449 (1876) (noting Federal Government's power under the Necessary and Proper Clause to take property "needed for forts, armories, and arsenals, for navy-yards and light-houses, for custom-houses, post-offices, and court-houses, and for other public uses"). For a law to be within the Necessary and Proper Clause, as I have elsewhere explained, it must bear an "obvious, simple, and direct relation" to an exercise **2681 of Congress' enumerated powers, *Sabri v. United States*, 541 U.S. 600, 613, 124 S.Ct. 1941, 158 L.Ed.2d 891 (2004) (THOMAS, J., concurring in judgment), and it must not "subvert basic principles of" constitutional design, *Gonzales v. Raich, ante*, 545 U.S., at 65, 125 S.Ct. 2195, 162 L.Ed.2d 1 (2005) (THOMAS, J., dissenting). In other words, a taking is permissible under the Necessary and Proper Clause only if it serves a valid public purpose. Interpreting the Public Use Clause likewise to limit the government to take property only for sufficiently public purposes replicates this inquiry. If this is all the Clause means, it is, once again, surplusage. See *supra*, at 2678. The Clause is thus most naturally read to concern whether the property is used by the public or the government, not whether the purpose of the taking is legitimately public.

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II

Early American eminent domain practice largely bears out this understanding of the Public Use Clause. This practice *512 concerns state limits on eminent domain power, not the Fifth Amendment, since it was not until the late 19th century that the Federal Government began to use the power of eminent domain, and since the Takings Clause did not even arguably limit state power until after the passage of the Fourteenth Amendment. See Note, *The Public Use Limitation on Eminent Domain: An Advance Requiem*, 58 Yale L.J. 599, 599–600, and nn. 3–4 (1949); *Barron ex rel. Tiernan v. Mayor of Baltimore*, 7 Pet. 243, 250–251, 8 L.Ed. 672 (1833) (holding the Takings Clause inapplicable to the States of its own force). Nevertheless, several early state constitutions at the time of the founding likewise limited the power of eminent domain to “public uses.” See Sales 367–369, and n. 137 (emphasis deleted). Their practices therefore shed light on the original meaning of the same words contained in the Public Use Clause.

States employed the eminent domain power to provide quintessentially public goods, such as public roads, toll roads, ferries, canals, railroads, and public parks. Lewis §§ 166, 168–171, 175, at 227–228, 234–241, 243. Though use of the eminent domain power was sparse at the time of the founding, many States did have so-called Mill Acts, which authorized the owners of grist mills operated by water power to flood upstream lands with the payment of compensation to the upstream landowner. See, e.g., *id.*, § 178, at 245–246; *Head v. Amoskeag Mfg. Co.*, 113 U.S. 9, 16–19, and n. 2, 5 S.Ct. 441, 28 L.Ed. 889 (1885). Those early grist mills “were regulated by law and compelled to serve the public for a stipulated toll and in regular order,” and therefore were actually used by the public. Lewis § 178, at 246, and n. 3; see also *Head, supra*, at 18–19, 5 S.Ct. 441. They were common carriers—quasi-public entities. These were “public uses” in the fullest sense of the word, because the public could legally use and benefit from them equally. See Public Use Limitations 903 (common-carrier status traditionally afforded to “private beneficiaries of a state franchise *513 or another form of state monopoly, or to companies that operated in conditions of natural monopoly”).

To be sure, some early state legislatures tested the limits of their state-law eminent domain power. Some States

enacted statutes allowing the taking of property for the purpose of building private roads. See Lewis § 167, at 230. These statutes were mixed; some required the private landowner to keep the road open to the public, and others did not. See *id.*, § 167, at 230–234. Later in the 19th century, moreover, the Mill Acts were employed to grant rights to private manufacturing plants, in addition to grist mills that had common-carrier **2682 duties. See, e.g., M. Horwitz, *The Transformation of American Law 1780–1860*, pp. 51–52 (1977).

These early uses of the eminent domain power are often cited as evidence for the broad “public purpose” interpretation of the Public Use Clause, see, e.g., *ante*, at 2662, n. 8 (majority opinion); Brief for Respondents 30; Brief for American Planning Assn. et al. as *Amici Curiae* 6–7, but in fact the constitutionality of these exercises of eminent domain power under state public use restrictions was a hotly contested question in state courts throughout the 19th and into the 20th century. Some courts construed those clauses to authorize takings for public purposes, but others adhered to the natural meaning of “public use.”² As noted above, *514 the earliest Mill Acts were applied to entities with duties to remain open to the public, and their later extension is not deeply probative of whether that subsequent practice is consistent with the original meaning of the Public Use Clause. See *McIntyre v. Ohio Elections Comm’n*, 514 U.S. 334, 370, 115 S.Ct. 1511, 131 L.Ed.2d 426 (1995) (THOMAS, J., concurring in judgment). At the time of the founding, “[b]usiness corporations were only beginning to upset the old corporate model, in which the *raison d’être* of chartered associations was their service to the public,” Horwitz, *supra*, at 49–50, so it was natural to those who framed the first Public Use Clauses to think of mills as inherently public entities. The disagreement among state courts, and state legislatures’ attempts to circumvent public use limits on their eminent domain power, cannot obscure that the Public Use Clause is most naturally read to authorize takings for public use only if the government or the public actually uses the taken property.

III

Our current Public Use Clause jurisprudence, as the Court notes, has rejected this natural reading of the Clause. *Ante*, at 2662–2664. The Court adopted its modern reading blindly, with little discussion of the Clause’s history and original meaning, in two distinct lines of

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cases: first, in cases adopting the “public purpose” interpretation of the Clause, and second, in cases deferring to legislatures’ judgments regarding what constitutes a valid public purpose. Those questionable cases converged in the boundlessly broad and deferential *515 conception of “public use” adopted by this Court in *Berman v. Parker*, 348 U.S. 26, 75 S.Ct. 98, 99 L.Ed. 27 (1954), and **2683 *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 104 S.Ct. 2321, 81 L.Ed.2d 186 (1984), cases that take center stage in the Court’s opinion. See *ante*, 2663–2664. The weakness of those two lines of cases, and consequently *Berman* and *Midkiff*, fatally undermines the doctrinal foundations of the Court’s decision. Today’s questionable application of these cases is further proof that the “public purpose” standard is not susceptible of principled application. This Court’s reliance by rote on this standard is ill advised and should be reconsidered.

A

As the Court notes, the “public purpose” interpretation of the Public Use Clause stems from *Fallbrook Irrigation Dist. v. Bradley*, 164 U.S. 112, 161–162, 17 S.Ct. 56, 41 L.Ed. 369 (1896). *Ante*, at 2662–2663. The issue in *Bradley* was whether a condemnation for purposes of constructing an irrigation ditch was for a public use. 164 U.S., at 161, 17 S.Ct. 56. This was a public use, Justice Peckham declared for the Court, because “[t]o irrigate and thus to bring into possible cultivation these large masses of otherwise worthless lands would seem to be a public purpose and a matter of public interest, not confined to landowners, or even to any one section of the State.” *Ibid*. That broad statement was dictum, for the law under review also provided that “[a]ll landowners in the district have the right to a proportionate share of the water.” *Id.*, at 162, 17 S.Ct. 56. Thus, the “public” did have the right to use the irrigation ditch because all similarly situated members of the public—those who owned lands irrigated by the ditch—had a right to use it. The Court cited no authority for its dictum, and did not discuss either the Public Use Clause’s original meaning or the numerous authorities that had adopted the “actual use” test (though it at least acknowledged the conflict of authority in state courts, see *id.*, at 158, 17 S.Ct. 56; *supra*, at 2682, and n. 2). Instead, the Court reasoned that “[t]he use must be regarded as a public use, or else it would seem to follow that no general *516 scheme of irrigation can be formed or carried into effect.” *Bradley*, *supra*, at 160–161, 17

S.Ct. 56. This is no statement of constitutional principle: Whatever the utility of irrigation districts or the merits of the Court’s view that another rule would be “impractical given the diverse and always evolving needs of society,” *ante*, at 2662, the Constitution does not embody those policy preferences any more than it “enact [s] Mr. Herbert Spencer’s Social Statics.” *Lochner v. New York*, 198 U.S. 45, 75, 25 S.Ct. 539, 49 L.Ed. 937 (1905) (Holmes, J., dissenting); but see *id.*, at 58–62, 25 S.Ct. 539 (Peckham, J., for the Court).

This Court’s cases followed *Bradley*’s test with little analysis. In *Clark v. Nash*, 198 U.S. 361, 25 S.Ct. 676, 49 L.Ed. 1085 (1905) (Peckham, J., for the Court), this Court relied on little more than a citation to *Bradley* in upholding another condemnation for the purpose of laying an irrigation ditch. 198 U.S., at 369–370, 25 S.Ct. 676. As in *Bradley*, use of the “public purpose” test was unnecessary to the result the Court reached. The government condemned the irrigation ditch for the purpose of ensuring access to water in which “[o]ther land owners adjoining the defendant in error ... might share,” 198 U.S., at 370, 25 S.Ct. 676, and therefore *Clark* also involved a condemnation for the purpose of ensuring access to a resource to which similarly situated members of the public had a legal right of access. Likewise, in *Strickley v. Highland Boy Gold Mining Co.*, 200 U.S. 527, 26 S.Ct. 301, 50 L.Ed. 581 (1906), the Court upheld a condemnation establishing an aerial right-of-way for a bucket line operated by a mining company, relying on little more than *Clark*, see **2684 *Strickley*, *supra*, at 531, 26 S.Ct. 301. This case, too, could have been disposed of on the narrower ground that “the plaintiff [was] a carrier for itself and others,” 200 U.S., at 531–532, 26 S.Ct. 301, and therefore that the bucket line was legally open to the public. Instead, the Court unnecessarily rested its decision on the “inadequacy of use by the general public as a universal test.” *Id.*, at 531, 26 S.Ct. 301. This Court’s cases quickly incorporated the public purpose standard set forth in *Clark* and *Strickley* by barren citation. See, *517 e.g., *Rindge Co. v. County of Los Angeles*, 262 U.S. 700, 707, 43 S.Ct. 689, 67 L.Ed. 1186 (1923); *Block v. Hirsh*, 256 U.S. 135, 155, 41 S.Ct. 458, 65 L.Ed. 865 (1921); *Mt. Vernon–Woodberry Cotton Duck Co. v. Alabama Interstate Power Co.*, 240 U.S. 30, 32, 36 S.Ct. 234, 60 L.Ed. 507 (1916); *O’Neill v. Leamer*, 239 U.S. 244, 253, 36 S.Ct. 54, 60 L.Ed. 249 (1915).

B

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A second line of this Court's cases also deviated from the Public Use Clause's original meaning by allowing legislatures to define the scope of valid "public uses." *United States v. Gettysburg Electric R. Co.*, 160 U.S. 668, 16 S.Ct. 427, 40 L.Ed. 576 (1896), involved the question whether Congress' decision to condemn certain private land for the purpose of building battlefield memorials at Gettysburg, Pennsylvania, was for a public use. *Id.*, at 679–680, 16 S.Ct. 427. Since the Federal Government was to use the lands in question, *id.*, at 682, 16 S.Ct. 427, there is no doubt that it was a public use under any reasonable standard. Nonetheless, the Court, speaking through Justice Peckham, declared that "when the legislature has declared the use or purpose to be a public one, its judgment will be respected by the courts, unless the use be palpably without reasonable foundation." *Id.*, at 680, 16 S.Ct. 427. As it had with the "public purpose" dictum in *Bradley*, the Court quickly incorporated this dictum into its Public Use Clause cases with little discussion. See, e.g., *United States ex rel. TVA v. Welch*, 327 U.S. 546, 552, 66 S.Ct. 715, 90 L.Ed. 843 (1946); *Old Dominion Land Co. v. United States*, 269 U.S. 55, 66, 46 S.Ct. 39, 70 L.Ed. 162 (1925).

There is no justification, however, for affording almost insurmountable deference to legislative conclusions that a use serves a "public use." To begin with, a court owes no deference to a legislature's judgment concerning the quintessentially legal question of whether the government owns, or the public has a legal right to use, the taken property. Even under the "public purpose" interpretation, moreover, it is most implausible that the Framers intended to defer to legislatures as to what satisfies the Public Use Clause, uniquely *518 among all the express provisions of the Bill of Rights. We would not defer to a legislature's determination of the various circumstances that establish, for example, when a search of a home would be reasonable, see, e.g., *Payton v. New York*, 445 U.S. 573, 589–590, 100 S.Ct. 1371, 63 L.Ed.2d 639 (1980), or when a convicted double-murderer may be shackled during a sentencing proceeding without on-the-record findings, see *Deck v. Missouri*, 544 U.S. 622, 125 S.Ct. 2007, 161 L.Ed.2d 953 (2005), or when state law creates a property interest protected by the Due Process Clause, see, e.g., *Castle Rock v. Gonzales*, *post*, 545 U.S. 748, 125 S.Ct. 2796, 162 L.Ed.2d 658, 2005 WL 1499788 (2005); *Board of Regents of State Colleges v. Roth*, 408 U.S. 564, 576, 92 S.Ct. 2701, 33 L.Ed.2d 548 (1972); *Goldberg v. Kelly*, 397 U.S. 254, 262–263, 90 S.Ct. 1011, 25 L.Ed.2d 287 (1970).

Still worse, it is backwards to adopt a searching standard of constitutional review for nontraditional property interests, such as welfare benefits, see, e.g., **2685

Goldberg, *supra*, while deferring to the legislature's determination as to what constitutes a public use when it exercises the power of eminent domain, and thereby invades individuals' traditional rights in real property. The Court has elsewhere recognized "the overriding respect for the sanctity of the home that has been embedded in our traditions since the origins of the Republic," *Payton*, *supra*, at 601, 100 S.Ct. 1371, when the issue is only whether the government may search a home. Yet today the Court tells us that we are not to "second-guess the City's considered judgments," *ante*, at 2668, when the issue is, instead, whether the government may take the infinitely more intrusive step of tearing down petitioners' homes. Something has gone seriously awry with this Court's interpretation of the Constitution. Though citizens are safe from the government in their homes, the homes themselves are not. Once one accepts, as the Court at least nominally does, *ante*, at 2661, that the Public Use Clause is a limit on the eminent domain power of the Federal Government and the States, there is no justification for the almost complete deference it grants to legislatures as to what satisfies it.

***519 C**

These two misguided lines of precedent converged in *Berman v. Parker*, 348 U.S. 26, 75 S.Ct. 98, 99 L.Ed. 27 (1954), and *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 104 S.Ct. 2321, 81 L.Ed.2d 186 (1984). Relying on those lines of cases, the Court in *Berman* and *Midkiff* upheld condemnations for the purposes of slum clearance and land redistribution, respectively. "Subject to specific constitutional limitations," *Berman* proclaimed, "when the legislature has spoken, the public interest has been declared in terms well-nigh conclusive. In such cases the legislature, not the judiciary, is the main guardian of the public needs to be served by social legislation." 348 U.S., at 32, 75 S.Ct. 98. That reasoning was question begging, since the question to be decided was whether the "specific constitutional limitation" of the Public Use Clause prevented the taking of the appellant's (concededly "nonblighted") department store. *Id.*, at 31, 34, 75 S.Ct. 98. *Berman* also appeared to reason that any exercise by Congress of an enumerated power (in this case, its plenary power over the District of Columbia) was *per se* a "public use" under the Fifth Amendment. *Id.*, at 33, 75 S.Ct. 98. But the very point of the Public Use Clause is to limit that power. See *supra*, at 2679.

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More fundamentally, *Berman* and *Midkiff* erred by equating the eminent domain power with the police power of States. See *Midkiff, supra*, at 240, 104 S.Ct. 2321 (“The ‘public use’ requirement is ... coterminous with the scope of a sovereign’s police powers”); *Berman, supra*, at 32, 75 S.Ct. 98. Traditional uses of that regulatory power, such as the power to abate a nuisance, required no compensation whatsoever, see *Mugler v. Kansas*, 123 U.S. 623, 668–669, 8 S.Ct. 273, 31 L.Ed. 205 (1887), in sharp contrast to the takings power, which has always required compensation, see *supra*, at 2679, and n. 1. The question whether the State can take property using the power of eminent domain is therefore distinct from the question whether it can regulate property pursuant to the police power. See, e.g., *Lucas v. South Carolina Coastal Council*, 505 U.S. 1003, 1014, 112 S.Ct. 2886, 120 L.Ed.2d 798 (1992); *520 *Mugler, supra*, at 668–669, 8 S.Ct. 273. In *Berman*, for example, if the slums at issue were truly “blighted,” then state nuisance law, see, e.g., *supra*, at 2680; *Lucas, supra*, at 1029, 112 S.Ct. 2886, not the power of eminent domain, would provide the appropriate remedy. To construe the Public Use Clause to overlap **2686 with the States’ police power conflates these two categories.³

The “public purpose” test applied by *Berman* and *Midkiff* also cannot be applied in principled manner. “When we depart from the natural import of the term ‘public use,’ and substitute for the simple idea of a public possession and occupation, that of public utility, public interest, common benefit, general advantage or convenience ... we are afloat without any certain principle to guide us.” *Bloodgood v. Mohawk & Hudson R. Co.*, 18 Wend. 9, 60–61 (N.Y.1837) (opinion of Tracy, Sen.). Once one permits takings for public purposes in addition to public uses, no coherent principle limits what could constitute a valid public use—at least, none beyond Justice O’CONNOR’s (entirely proper) appeal to the text of the Constitution itself. See *ante*, at 2671, 2675–2677 (dissenting opinion). I share the Court’s skepticism about a public use standard that requires courts to second-guess the policy wisdom of public works projects. *Ante*, at 2666–2668. The “public purpose” standard this Court has adopted, however, demands the use of such judgment, for the Court concedes that the Public Use Clause would forbid a purely private taking. *521 *Ante*, at 2661–2662. It is difficult to imagine how a court could find that a taking was purely private except by determining that the taking did not, in fact, rationally advance the public interest. Cf. *ante*, at 2675–2676 (O’CONNOR, J., dissenting) (noting the complicated inquiry the Court’s test requires). The Court is therefore wrong to criticize the “actual use” test as “difficult to administer.” *Ante*, at 2662. It is far easier to analyze whether the government owns or the public has

a legal right to use the taken property than to ask whether the taking has a “purely private purpose”—unless the Court means to eliminate public use scrutiny of takings entirely. *Ante*, at 2661–2662, 2667–2668. Obliterating a provision of the Constitution, of course, guarantees that it will not be misapplied.

For all these reasons, I would revisit our Public Use Clause cases and consider returning to the original meaning of the Public Use Clause: that the government may take property only if it actually uses or gives the public a legal right to use the property.

IV

The consequences of today’s decision are not difficult to predict, and promise to be harmful. So-called “urban renewal” programs provide some compensation for the properties they take, but no compensation is possible for the subjective value of these lands to the individuals displaced and the indignity inflicted by uprooting them from their homes. Allowing the government to take property solely for public purposes is bad enough, but extending the concept of public purpose to encompass any economically beneficial goal guarantees that these losses will fall disproportionately on poor **2687 communities. Those communities are not only systematically less likely to put their lands to the highest and best social use, but are also the least politically powerful. If ever there were justification for intrusive judicial review of constitutional provisions that protect “discrete and insular minorities.” *522 *United States v. Carolene Products Co.*, 304 U.S. 144, 152, n. 4, 58 S.Ct. 778, 82 L.Ed. 1234 (1938), surely that principle would apply with great force to the powerless groups and individuals the Public Use Clause protects. The deferential standard this Court has adopted for the Public Use Clause is therefore deeply perverse. It encourages “those citizens with disproportionate influence and power in the political process, including large corporations and development firms,” to victimize the weak. *Ante*, at 2677 (O’CONNOR, J., dissenting).

Those incentives have made the legacy of this Court’s “public purpose” test an unhappy one. In the 1950’s, no doubt emboldened in part by the expansive understanding of “public use” this Court adopted in *Berman*, cities “rushed to draw plans” for downtown development. B. Frieden & L. Sagalyn, *Downtown, Inc. How America Rebuilds Cities* 17 (1989). “Of all the families displaced

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by urban renewal from 1949 through 1963, 63 percent of those whose race was known were nonwhite, and of these families, 56 percent of nonwhites and 38 percent of whites had incomes low enough to qualify for public housing, which, however, was seldom available to them.” *Id.*, at 28, 75 S.Ct. 98. Public works projects in the 1950’s and 1960’s destroyed predominantly minority communities in St. Paul, Minnesota, and Baltimore, Maryland. *Id.*, at 28–29, 75 S.Ct. 98. In 1981, urban planners in Detroit, Michigan, uprooted the largely “lower-income and elderly” Poletown neighborhood for the benefit of the General Motors Corporation. J. Wylie, *Poletown: Community Betrayed* 58 (1989). Urban renewal projects have long been associated with the displacement of blacks; “[i]n cities across the country, urban renewal came to be known as ‘Negro removal.’ ” Pritchett, *The “Public Menace” of Blight: Urban Renewal and the Private Uses of Eminent Domain*, 21 *Yale L. & Pol’y Rev.* 1, 47 (2003). Over 97 percent of the individuals forcibly removed from their homes by the “slum-clearance” project upheld by this Court in *Berman were black*. 348 U.S., at 30, 75 S.Ct. 98. Regrettably, the predictable consequence of the Court’s decision will be to exacerbate these effects.

*523 * * *

The Court relies almost exclusively on this Court’s prior cases to derive today’s far-reaching, and dangerous, result. See *ante*, at 2662–2664. But the principles this Court should employ to dispose of this case are found in the Public Use Clause itself, not in Justice Peckham’s high opinion of reclamation laws, see *supra*, at 2683. When faced with a clash of constitutional principle and a line of unreasoned cases wholly divorced from the text, history, and structure of our founding document, we should not hesitate to resolve the tension in favor of the Constitution’s original meaning. For the reasons I have given, and for the reasons given in Justice O’CONNOR’s dissent, the conflict of principle raised by this boundless use of the eminent domain power should be resolved in petitioners’ favor. I would reverse the judgment of the Connecticut Supreme Court.

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Footnotes

- * The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U.S. 321, 337, 26 S.Ct. 282, 50 L.Ed. 499.
- 1 “[N]or shall private property be taken for public use, without just compensation.” U.S. Const., Amdt. 5. That Clause is made applicable to the States by the Fourteenth Amendment. See *Chicago, B. & Q.R. Co. v. Chicago*, 166 U.S. 226, 17 S.Ct. 581, 41 L.Ed. 979 (1897).
- 2 Various state agencies studied the project’s economic, environmental, and social ramifications. As part of this process, a team of consultants evaluated six alternative development proposals for the area, which varied in extensiveness and emphasis. The Office of Policy and Management, one of the primary state agencies undertaking the review, made findings that the project was consistent with relevant state and municipal development policies. See App. 89–95.
- 3 In the remainder of the opinion we will differentiate between the City and the NLDC only where necessary.
- 4 While this litigation was pending before the Superior Court, the NLDC announced that it would lease some of the parcels to private developers in exchange for their agreement to develop the land according to the terms of the development plan. Specifically, the NLDC was negotiating a 99-year ground lease with Corcoran Jennison, a developer selected from a group of applicants. The negotiations contemplated a nominal rent of \$1 per year, but no agreement had yet been signed. See 268 *Conn.*

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1, 9, 61, 843 A.2d 500, 509–510, 540 (2004).

- 5 See also *Calder v. Bull*, 3 Dall. 386, 388, 1 L.Ed. 648 (1798) (“An act of the Legislature (for I cannot call it a law) contrary to the great first principles of the social compact, cannot be considered a rightful exercise of legislative authority.... A few instances will suffice to explain what I mean.... [A] law that takes property from A. and gives it to B: It is against all reason and justice, for a people to entrust a Legislature with such powers; and, therefore, it cannot be presumed that they have done it. The genius, the nature, and the spirit, of our State Governments, amount to a prohibition of such acts of legislation; and the general principles of law and reason forbid them” (emphasis deleted)).
- 6 See 268 Conn., at 159, 843 A.2d, at 595 (Zarella, J., concurring in part and dissenting in part) (“The record clearly demonstrates that the development plan was not intended to serve the interests of Pfizer, Inc., or any other private entity, but rather, to revitalize the local economy by creating temporary and permanent jobs, generating a significant increase in tax revenue, encouraging spin-off economic activities and maximizing public access to the waterfront”). And while the City intends to transfer certain of the parcels to a private developer in a long-term lease—which developer, in turn, is expected to lease the office space and so forth to other private tenants—the identities of those private parties were not known when the plan was adopted. It is, of course, difficult to accuse the government of having taken A’s property to benefit the private interests of B when the identity of B was unknown.
- 7 See, e.g., *Dayton Gold & Silver Mining Co. v. Seawell*, 11 Nev. 394, 410, 1876 WL 4573, *11 (1876) (“If public occupation and enjoyment of the object for which land is to be condemned furnishes the only and true test for the right of eminent domain, then the legislature would certainly have the constitutional authority to condemn the lands of any private citizen for the purpose of building hotels and theaters. Why not? A hotel is used by the public as much as a railroad. The public have the same right, upon payment of a fixed compensation, to seek rest and refreshment at a public inn as they have to travel upon a railroad”).
- 8 From upholding the Mill Acts (which authorized manufacturers dependent on power-producing dams to flood upstream lands in exchange for just compensation), to approving takings necessary for the economic development of the West through mining and irrigation, many state courts either circumvented the “use by the public” test when necessary or abandoned it completely. See Nichols, *The Meaning of Public Use in the Law of Eminent Domain*, 20 B.U.L.Rev. 615, 619–624 (1940) (tracing this development and collecting cases). For example, in rejecting the “use by the public” test as overly restrictive, the Nevada Supreme Court stressed that “[m]ining is the greatest of the industrial pursuits in this state. All other interests are subservient to it. Our mountains are almost barren of timber, and our valleys could never be made profitable for agricultural purposes except for the fact of a home market having been created by the mining developments in different sections of the state. The mining and milling interests give employment to many men, and the benefits derived from this business are distributed as much, and sometimes more, among the laboring classes than with the owners of the mines and mills. ... The present prosperity of the state is entirely due to the mining developments already made, and the entire people of the state are directly interested in having the future developments unobstructed by the obstinate action of any individual or individuals.” *Dayton Gold & Silver Mining Co.*, 11 Nev., at 409–410, 1876 WL, at *11.
- 9 See also *Clark v. Nash*, 198 U.S. 361, 25 S.Ct. 676, 49 L.Ed. 1085 (1905) (upholding a statute that authorized the owner of arid land to widen a ditch on his neighbor’s property so as to permit a nearby stream to irrigate his land).
- 10 See, e.g., *Mt. Vernon–Woodberry Cotton Duck Co. v. Alabama Interstate Power Co.*, 240 U.S. 30, 32, 36 S.Ct. 234, 60 L.Ed. 507 (1916) (“The inadequacy of use by the general public as a universal test is established”); *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1014–1015, 104 S.Ct. 2862, 81 L.Ed.2d 815 (1984) (“This Court, however, has rejected the notion that a use is a public use only if the property taken is put to use for the general public”).

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- 11 See also *Clark*, 198 U.S., at 367–368, 25 S.Ct. 676; *Strickley v. Highland Boy Gold Mining Co.*, 200 U.S. 527, 531, 26 S.Ct. 301, 50 L.Ed. 581 (1906) (“In the opinion of the legislature and the Supreme Court of Utah the public welfare of that State demands that aerial lines between the mines upon its mountain sides and railways in the valleys below should not be made impossible by the refusal of a private owner to sell the right to cross his land. The Constitution of the United States does not require us to say that they are wrong”); *O’Neill v. Leamer*, 239 U.S. 244, 253, 36 S.Ct. 54, 60 L.Ed. 249 (1915) (“States may take account of their special exigencies, and when the extent of their arid or wet lands is such that a plan for irrigation or reclamation according to districts may fairly be regarded as one which promotes the public interest, there is nothing in the Federal Constitution which denies to them the right to formulate this policy or to exercise the power of eminent domain in carrying it into effect. With the local situation the state court is peculiarly familiar and its judgment is entitled to the highest respect”).
- 12 Cf. *Village of Euclid v. Ambler Realty Co.*, 272 U.S. 365, 47 S.Ct. 114, 71 L.Ed. 303 (1926).
- 13 It is a misreading of *Berman* to suggest that the only public use upheld in that case was the initial removal of blight. See Reply Brief for Petitioners 8. The public use described in *Berman* extended beyond that to encompass the purpose of *developing* that area to create conditions that would prevent a reversion to blight in the future. See 348 U.S., at 34–35, 75 S.Ct. 98 (“It was not enough, [the experts] believed, to remove existing buildings that were insanitary or unsightly. It was important to redesign the whole area so as to eliminate the conditions that cause slums.... The entire area needed redesigning so that a balanced, integrated plan could be developed for the region, including not only new homes, but also schools, churches, parks, streets, and shopping centers. In this way it was hoped that the cycle of decay of the area could be controlled and the birth of future slums prevented”). Had the public use in *Berman* been defined more narrowly, it would have been difficult to justify the taking of the plaintiff’s nonblighted department store.
- 14 Any number of cases illustrate that the achievement of a public good often coincides with the immediate benefiting of private parties. See, e.g., *National Railroad Passenger Corporation v. Boston & Maine Corp.*, 503 U.S. 407, 422, 112 S.Ct. 1394, 118 L.Ed.2d 52 (1992) (public purpose of “facilitating Amtrak’s rail service” served by taking rail track from one private company and transferring it to another private company); *Brown v. Legal Foundation of Wash.*, 538 U.S. 216, 123 S.Ct. 1406, 155 L.Ed.2d 376 (2003) (provision of legal services to the poor is a valid public purpose). It is worth noting that in *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 104 S.Ct. 2321, 81 L.Ed.2d 186 (1984), *Monsanto*, and *Boston & Maine Corp.*, the property in question retained the same use even after the change of ownership.
- 15 Notably, as in the instant case, the private developers in *Berman* were required by contract to use the property to carry out the redevelopment plan. See 348 U.S., at 30, 75 S.Ct. 98.
- 16 Nor do our cases support Justice O’CONNOR’s novel theory that the government may only take property and transfer it to private parties when the initial taking eliminates some “harmful property use.” *Post*, at 2675 (dissenting opinion). There was nothing “harmful” about the nonblighted department store at issue in *Berman*, 348 U.S. 26, 75 S.Ct. 98; see also n. 13, *supra*; nothing “harmful” about the lands at issue in the mining and agriculture cases, see, e.g., *Strickley*, 200 U.S. 527, 26 S.Ct. 301; see also nn. 9, 11, *supra*; and certainly nothing “harmful” about the trade secrets owned by the pesticide manufacturers in *Monsanto*, 467 U.S. 986, 104 S.Ct. 2862. In each case, the public purpose we upheld depended on a private party’s *future* use of the concededly nonharmful property that was taken. By focusing on a property’s future use, as opposed to its past use, our cases are faithful to the text of the Takings Clause. See U.S. Const., Amdt. 5. (“[N]or shall private property be taken for public use, without just compensation”). Justice O’CONNOR’s intimation that a “public purpose” may not be achieved by the action of private parties, see *post*, at 2675, confuses the *purpose* of a taking with its *mechanics*, a mistake we warned of in *Midkiff*, 467 U.S., at 244, 104 S.Ct. 2321. See also *Berman*, 348 U.S., at 33–34, 75 S.Ct. 98 (“The public end may be as well or better served through an agency of private enterprise than through a department of government”).

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- 17 Courts have viewed such aberrations with a skeptical eye. See, e.g., *99 Cents Only Stores v. Lancaster Redevelopment Agency*, 237 F.Supp.2d 1123 (C.D.Cal.2001); cf. *Cincinnati v. Vester*, 281 U.S. 439, 448, 50 S.Ct. 360, 74 L.Ed. 950 (1930) (taking invalid under state eminent domain statute for lack of a reasoned explanation). These types of takings may also implicate other constitutional guarantees. See *Village of Willowbrook v. Olech*, 528 U.S. 562, 120 S.Ct. 1073, 145 L.Ed.2d 1060 (2000) (*per curiam*).
- 18 Cf. *Panhandle Oil Co. v. Mississippi ex rel. Knox*, 277 U.S. 218, 223, 48 S.Ct. 451, 72 L.Ed. 857 (1928) (Holmes, J., dissenting) (“The power to tax is not the power to destroy while this Court sits”).
- 19 A parade of horrors is especially unpersuasive in this context, since the Takings Clause largely “operates as a conditional limitation, permitting the government to do what it wants so long as it pays the charge.” *Eastern Enterprises v. Apfel*, 524 U.S. 498, 545, 118 S.Ct. 2131, 141 L.Ed.2d 451 (1998) (KENNEDY, J., concurring in judgment and dissenting in part). Speaking of the takings power, Justice Iredell observed that “[i]t is not sufficient to urge, that the power may be abused, for, such is the nature of all power,—such is the tendency of every human institution: and, it might as fairly be said, that the power of taxation, which is only circumscribed by the discretion of the Body, in which it is vested, ought not to be granted, because the Legislature, disregarding its true objects, might, for visionary and useless projects, impose a tax to the amount of nineteen shillings in the pound. We must be content to limit power where we can, and where we cannot, consistently with its use, we must be content to repose a salutary confidence.” *Calder*, 3 Dall., at 400, 1 L.Ed. 648 (opinion concurring in result).
- 20 See also *Boston & Maine Corp.*, 503 U.S., at 422–423, 112 S.Ct. 1394 (“[W]e need not make a specific factual determination whether the condemnation will accomplish its objectives”); *Monsanto*, 467 U.S., at 1015, n. 18, 104 S.Ct. 2862 (“Monsanto argues that EPA and, by implication, Congress, misapprehended the true ‘barriers to entry’ in the pesticide industry and that the challenged provisions of the law create, rather than reduce, barriers to entry.... Such economic arguments are better directed to Congress. The proper inquiry before this Court is not whether the provisions in fact will accomplish their stated objectives. Our review is limited to determining that the purpose is legitimate and that Congress rationally could have believed that the provisions would promote that objective”).
- 21 The *amici* raise questions about the fairness of the measure of just compensation. See, e.g., Brief for American Planning Association et al. as *Amici Curiae* 26–30. While important, these questions are not before us in this litigation.
- 22 See, e.g., *County of Wayne v. Hathcock*, 471 Mich. 445, 684 N.W.2d 765 (2004).
- 23 Under California law, for instance, a city may only take land for economic development purposes in blighted areas. Cal. Health & Safety Code Ann. §§ 33030–33037 (West 1999). See, e.g., *Redevelopment Agency of Chula Vista v. Rados Bros.*, 95 Cal.App.4th 309, 115 Cal.Rptr.2d 234 (2002).
- 24 For example, some argue that the need for eminent domain has been greatly exaggerated because private developers can use numerous techniques, including secret negotiations or precommitment strategies, to overcome holdout problems and assemble lands for genuinely profitable projects. See Brief for Jane Jacobs as *Amicus Curiae* 13–15; see also Brief for John Norquist as *Amicus Curiae*. Others argue to the contrary, urging that the need for eminent domain is especially great with regard to older, small cities like New London, where centuries of development have created an extreme overdivision of land and thus a real market impediment to land assembly. See Brief for Connecticut Conference of Municipalities et al. as *Amici Curiae* 13, 21; see

Kelo v. City of New London, Conn., 545 U.S. 469 (2005)

125 S.Ct. 2655, 60 ERC 1769, 162 L.Ed.2d 439, 73 USLW 4552...

also Brief for National League of Cities et al. as *Amici Curiae*.

- 1 Some state constitutions at the time of the founding lacked just compensation clauses and took property even without providing compensation. See *Lucas v. South Carolina Coastal Council*, 505 U.S. 1003, 1056–1057, 112 S.Ct. 2886, 120 L.Ed.2d 798 (1992) (Blackmun, J., dissenting). The Framers of the Fifth Amendment apparently disagreed, for they expressly prohibited uncompensated takings, and the Fifth Amendment was not incorporated against the States until much later. See *id.*, at 1028, n. 15, 112 S.Ct. 2886.
- 2 Compare *ante*, at 2662, and n. 8 (majority opinion) (noting that some state courts upheld the validity of applying the Mill Acts to private purposes and arguing that the “‘use by the public’ test” “eroded over time”), with, e.g., *Ryerson v. Brown*, 35 Mich. 333, 338–339 (1877) (holding it “essential” to the constitutionality of a Mill Act “that the statute should require the use to be public in fact; in other words, that it should contain provisions entitling the public to accommodations”); *Gaylord v. Sanitary Dist. of Chicago*, 204 Ill. 576, 581–584, 68 N.E. 522, 524 (1903) (same); *Tyler v. Beacher*, 44 Vt. 648, 652–656 (1871) (same); *Sadler v. Langham*, 34 Ala. 311, 332–334 (1859) (striking down taking for purely private road and grist mill); *Varner v. Martin*, 21 W.Va. 534, 546–548, 556–557, 566–567 (1883) (grist mill and private road had to be open to public for them to constitute public use); *Harding v. Goodlett*, 11 Tenn. 41, 3 Yer. 41, 53 (1832); *Jacobs v. Clearview Water Supply Co.*, 220 Pa. 388, 393–395, 69 A. 870, 872 (1908) (endorsing actual public use standard); *Minnesota Canal & Power Co. v. Koochiching Co.*, 97 Minn. 429, 449–451, 107 N.W. 405, 413 (1906) (same); *Chesapeake Stone Co. v. Moreland*, 126 Ky. 656, 663–667, 104 S.W. 762, 765 (1907) (same); Note, Public Use in Eminent Domain, 21 N.Y.U.L.Q. Rev. 285, 286, and n. 11 (1946) (calling the actual public use standard the “majority view” and citing other cases).
- 3 Some States also promoted the alienability of property by abolishing the feudal “quit rent” system, *i.e.*, long-term leases under which the proprietor reserved to himself the right to perpetual payment of rents from his tenant. See Vance, *The Quest for Tenure in the United States*, 33 Yale L.J. 248, 256–257, 260–263 (1923). In *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 104 S.Ct. 2321, 81 L.Ed.2d 186 (1984), the Court cited those state policies favoring the alienability of land as evidence that the government’s eminent domain power was similarly expansive, see *id.*, at 241–242, and n. 5, 104 S.Ct. 2321. But they were uses of the States’ regulatory power, not the takings power, and therefore were irrelevant to the issue in *Midkiff*. This mismatch underscores the error of conflating a State’s regulatory power with its taking power.

ARTICLE I. DECLARATION OF RIGHTS

§1. Origin and Purpose of Government

Section 1. All government, of right, originates with the people, is founded on their will alone, and is instituted to protect the rights of the individual and for the good of the whole. Its only legitimate ends are to secure justice for all, preserve peace, protect the rights, and promote the happiness and general welfare of the people. The rights enumerated in this Article are inalienable by the state and shall be preserved inviolate by the state.

§2. Due Process of Law

Section 2. No person shall be deprived of life, liberty, or property, except by due process of law.

§3. Right to Individual Dignity

Section 3. No person shall be denied the equal protection of the laws. No law shall discriminate against a person because of race or religious ideas, beliefs, or affiliations. No law shall arbitrarily, capriciously, or unreasonably discriminate against a person because of birth, age, sex, culture, physical condition, or political ideas or affiliations. Slavery and involuntary servitude are prohibited, except in the latter case as punishment for crime.

§4. Right to Property

Section 4.(A) Every person has the right to acquire, own, control, use, enjoy, protect, and dispose of private property. This right is subject to reasonable statutory restrictions and the reasonable exercise of the police power.

(B)(1) Property shall not be taken or damaged by the state or its political subdivisions except for public purposes and with just compensation paid to the owner or into court for his benefit. Except as specifically authorized by Article VI, Section 21 of this Constitution property shall not be taken or damaged by the state or its political subdivisions: (a) for predominant use by any private person or entity; or (b) for transfer of ownership to any private person or entity.

(2) As used in Subparagraph (1) of this Paragraph and in Article VI, Section 23 of this Constitution, "public purpose" shall be limited to the following:

(a) A general public right to a definite use of the property.

(b) Continuous public ownership of property dedicated to one or more of the following objectives and uses:

(i) Public buildings in which publicly funded services are administered, rendered, or provided.

(ii) Roads, bridges, waterways, access to public waters and lands, and other public transportation, access, and navigational systems available to the general public.

(iii) Drainage, flood control, levees, coastal and navigational protection and reclamation for the benefit of the public generally.

(iv) Parks, convention centers, museums, historical buildings and recreational facilities generally open to the public.

(v) Public utilities for the benefit of the public generally.

(vi) Public ports and public airports to facilitate the transport of goods or persons in domestic or international commerce.

(c) The removal of a threat to public health or safety caused by the existing use or disuse of the property.

(3) Neither economic development, of tax revenue, or any incidental benefit to the public shall be considered in determining whether the taking or damaging of property is for a public purpose pursuant to Subparagraph (1) of this Paragraph or Article VI, Section 23 of this Constitution.

enhancement (4) Property shall not be taken or damaged by any private entity authorized by law to expropriate, except for a public and necessary purpose and with just compensation paid to the owner; in such proceedings, whether the purpose is public and necessary shall be a judicial question.

(5) In every expropriation or action to take property pursuant to the provisions of this Section, a party has the right to trial by jury to determine whether the compensation is just, and the owner shall be compensated to the full extent of his loss. Except as otherwise provided in this Constitution, the full extent of loss shall include, but not be limited to, the appraised value of the property and all costs of relocation, inconvenience, and any other damages actually incurred by the owner because of the expropriation.

(6) No business enterprise or any of its assets shall be taken for the purpose of operating that enterprise or halting competition with a government enterprise. However, a municipality may expropriate a utility within its jurisdiction.

(C) Personal effects, other than contraband, shall never be taken.

(D) But the following property may be forfeited and disposed of in a civil proceeding, as provided by law: contraband drugs; property derived in whole or in part from contraband drugs; property used in the distribution, transfer, sale, felony possession, manufacture, or transportation of contraband drugs; property furnished or intended to be furnished in exchange for contraband drugs; property used or intended to be used to facilitate any of the above conduct; or other property because the above-described property has been rendered unavailable.

(E) This Section shall not apply to appropriation of property necessary for levee and levee drainage purposes.

(F) Further, the legislature may place limitations on the extent of recovery for the taking of, or loss or damage to, property rights affected by coastal wetlands conservation, management, preservation, enhancement, creation, or restoration activities.

(G) Compensation paid for the taking of, or loss or damage to, property rights for the construction, enlargement, improvement, or modification of federal or non-federal hurricane protection projects, including mitigation related thereto, shall not exceed the compensation required by the Fifth Amendment of the Constitution of the United States of America. However, this Paragraph shall not apply to compensation paid for a building or structure that was destroyed or damaged by an event for which a presidential declaration of major disaster or emergency was issued, if the taking occurs within three years of such event. The legislature by law may provide procedures and definitions for the provisions of this Paragraph.

(H)(1) Except for leases or operation agreements for port facilities, highways, qualified transportation facilities or airports, the state or its political subdivisions shall not sell or lease property which has been expropriated and held for not more than thirty years without first offering

the property to the original owner or his heir, or, if there is no heir, to the successor in title to the owner at the time of expropriation at the current fair market value, after which the property can only be transferred by competitive bid open to the general public. After thirty years have passed from the date the property was expropriated, the state or political subdivision may sell or otherwise transfer the property as provided by law.

(2) Within one year after the completion of the project for which the property was expropriated, the state or its political subdivision which expropriated the property shall identify all property which is not necessary for the public purpose of the project and declare the property as surplus property.

(3) All expropriated property identified as surplus property shall be offered for sale to the original owner or his heir, or, if there is no heir, to the successor in title to the owner at the time of expropriation at the current fair market value, within two years after completion of the project. If the original owner, heir, or other successor in title refuses or fails to purchase the surplus property within three years from completion of the project, then the surplus property may be offered for sale to the general public by competitive bid.

(4) After one year from the completion of the project for which property was expropriated, the original owner or his heir, or, if there is no heir, the successor in title to the owner at the time of expropriation may petition the state or its political subdivision which expropriated the property to have all or any portion of his property declared surplus. If the state or its political subdivision refuses or fails to identify all or any portion of the expropriated property as surplus, the original owner or the successor in title may petition any court of competent jurisdiction to have the property declared surplus.

Amended by Acts 1989, No. 840, §1, approved Oct. 7, 1989, eff. Nov. 7, 1989; Acts 2003, No. 1295, §1, approved Oct. 4, 2003, eff. Nov. 6, 2003; Acts 2003, No. 1304, §1, approved Oct. 4, 2003, eff. Nov. 6, 2003; Acts 2006, No. 851, §1, approved Sept. 30, 2006, eff. Oct. 31, 2006; Acts 2006, No. 853, §1, approved Sept. 30, 2006, eff. Oct. 31, 2006; Acts 2006, No. 859, §1, approved Sept. 30, 2006, eff. Oct. 31, 2006.

§5. Right to Privacy

Section 5. Every person shall be secure in his person, property, communications, houses, papers, and effects against unreasonable searches, seizures, or invasions of privacy. No warrant shall issue without probable cause supported by oath or affirmation, and particularly describing the place to be searched, the persons or things to be seized, and the lawful purpose or reason for the search. Any person adversely affected by a search or seizure conducted in violation of this Section shall have standing to raise its illegality in the appropriate court.

§6. Freedom from Intrusion

Section 6. No person shall be quartered in any house without the consent of the owner or lawful occupant.

§7. Freedom of Expression

Section 7. No law shall curtail or restrain the freedom of speech or of the press. Every person may speak, write, and publish his sentiments on any subject, but is responsible for abuse of that freedom.

§8. Freedom of Religion

Section 8. No law shall be enacted respecting an establishment of religion or prohibiting the free exercise thereof.

§9. Right of Assembly and Petition

Section 9. No law shall impair the right of any person to assemble peaceably or to petition government for a redress of grievances.

§10. Right to Vote; Disqualification from Seeking or Holding an Elective Office

Section 10.(A) Right to Vote. Every citizen of the state, upon reaching eighteen years of age, shall have the right to register and vote, except that this right may be suspended while a person is interdicted and judicially declared mentally incompetent or is under an order of imprisonment for conviction of a felony.

(B) Disqualification. The following persons shall not be permitted to qualify as a candidate for elective public office or take public elective office or appointment of honor, trust, or profit in this state:

(1) A person who has been convicted within this state of a felony and who has exhausted all legal remedies, or who has been convicted under the laws of any other state or of the United States or of any foreign government or country of a crime which, if committed in this state, would be a felony and who has exhausted all legal remedies and has not afterwards been pardoned either by the governor of this state or by the officer of the state, nation, government or country having such authority to pardon in the place where the person was convicted and sentenced.

(2) A person actually under an order of imprisonment for conviction of a felony.

(C) Exception. Notwithstanding the provisions of Paragraph (B) of this Section, a person who desires to qualify as a candidate for or hold an elective office, who has been convicted of a felony and who has served his sentence, but has not been pardoned for such felony, shall be permitted to qualify as a candidate for or hold such office if the date of his qualifying for such office is more than fifteen years after the date of the completion of his original sentence.

Acts 1997, No. 1492, §1, approved Oct. 3, 1998, eff. Nov. 5, 1998.

§10.1. Disqualification from Seeking or Holding an Elective Office or Appointment

Section 10.1.(A) Disqualification. The following persons shall not be permitted to qualify as a candidate for elective public office or hold elective public office or appointment of honor, trust, or profit in this state:

(1) A person actually under an order of imprisonment for conviction of a felony.

(2) A person who has been convicted within this state of a felony and who has exhausted all legal remedies, or who has been convicted under the laws of any other state or of the United States or of any foreign government or country of a crime which, if committed in this state, would be a felony and who has exhausted all legal remedies and has not afterwards been pardoned either by the governor of this state or by the officer of the state, nation, government, or country having such authority to pardon in the place where the person was convicted and sentenced.

(B) Exception. The provisions of Paragraph (A) of this Section shall not prohibit a person convicted of a felony from qualifying as a candidate for elective public office or holding such elective public office or appointment of honor, trust, or profit if more than five years have elapsed since the completion of his original sentence for the conviction.

(C) The provisions of Paragraph (A) of this Section shall not prohibit a person from being employed by the state or a political subdivision.

Added by Acts 2019, No. 719, §1, approved November 6, 2019, eff. December 12, 2019.

§11. Right to Keep and Bear Arms

Section 11. The right of each citizen to keep and bear arms is fundamental and shall not be infringed. Any restriction on this right shall be subject to strict scrutiny.

Amended by Acts 2012, No. 874, §1, approved November 6, 2012, eff. December 10, 2012.

§12. Freedom from Discrimination

Section 12. In access to public areas, accommodations, and facilities, every person shall be free from discrimination based on race, religion, or national ancestry and from arbitrary, capricious, or unreasonable discrimination based on age, sex, or physical condition.

§13. Rights of the Accused

Section 13. When any person has been arrested or detained in connection with the investigation or commission of any offense, he shall be advised fully of the reason for his arrest or detention, his right to remain silent, his right against self incrimination, his right to the assistance of counsel and, if indigent, his right to court appointed counsel. In a criminal prosecution, an accused shall be informed of the nature and cause of the accusation against him. At each stage of the proceedings, every person is entitled to assistance of counsel of his choice, or appointed by the court if he is indigent and charged with an offense punishable by imprisonment. The legislature shall provide for a uniform system for securing and compensating qualified counsel for indigents.

§14. Right to Preliminary Examination

Section 14. The right to a preliminary examination shall not be denied in felony cases except when the accused is indicted by a grand jury.

§15. Initiation of Prosecution

Section 15. Prosecution of a felony shall be initiated by indictment or information, but no person shall be held to answer for a capital crime or a crime punishable by life imprisonment except on indictment by a grand jury. No person shall be twice placed in jeopardy for the same offense, except on his application for a new trial, when a mistrial is declared, or when a motion in arrest of judgment is sustained.

§16. Right to a Fair Trial

Section 16. Every person charged with a crime is presumed innocent until proven guilty and is entitled to a speedy, public, and impartial trial in the parish where the offense or an element of the offense occurred, unless venue is changed in accordance with law. No person shall be compelled to give evidence against himself. An accused is entitled to confront and cross-examine the witnesses against him, to compel the attendance of witnesses, to present a defense, and to testify in his own behalf. However, nothing in this Section or any other section of this constitution shall prohibit the legislature from enacting a law to require a trial court to instruct a jury in a criminal trial that the governor is empowered to grant a reprieve, pardon, or commutation of sentence following conviction of a crime, that the governor in exercising such authority may commute or modify a sentence of life imprisonment without benefit of parole to a lesser sentence which includes the possibility of parole, may commute a sentence of death to a lesser sentence of life imprisonment without benefit of parole, or may allow the release of an offender either by reducing a life imprisonment or death sentence to the time already served by the offender or by granting the offender a pardon.

§17. Jury Trial in Criminal Cases; Joinder of Felonies; Mode of Trial

Section 17.(A) Jury Trial in Criminal Cases. A criminal case in which the punishment may be capital shall be tried before a jury of twelve persons, all of whom must concur to render a verdict. A case for an offense committed prior to January 1, 2019, in which the punishment is necessarily confinement at hard labor shall be tried before a jury of twelve persons, ten of whom must concur to render a verdict. A case for an offense committed on or after January 1, 2019, in which the punishment is necessarily confinement at hard labor shall be tried before a jury of twelve persons, all of whom must concur to render a verdict. A case in which the punishment may be confinement at hard labor or confinement without hard labor for more than six months shall be tried before a jury of six persons, all of whom must concur to render a verdict. The accused shall have a right to full voir dire examination of prospective jurors and to challenge jurors peremptorily. The number of challenges shall be fixed by law. Except in capital cases, a defendant may knowingly and intelligently waive his right to a trial by jury but no later than forty-five days prior to the trial date and the waiver shall be irrevocable.

(B) Joinder of Felonies; Mode of Trial. Notwithstanding any provision of law to the contrary, offenses in which punishment is necessarily confinement at hard labor may be charged in the same indictment or information with offenses in which the punishment may be confinement at hard labor; provided, however, that the joined offenses are of the same or similar character or are based on the same act or transaction or on two or more acts or transactions connected together or constituting parts of a common scheme or plan; and provided further, that cases so joined shall be tried by a jury composed of twelve jurors, ten of whom must concur to render a verdict.

Acts 1997, No. 1502, §1, approved Oct. 3, 1998, effective Nov. 5, 1998; Acts 2010, No. 1053, §1, approved November 2, 2010, effective December 1, 2010; Acts 2019, No. 722, §1, approved November 6, 2019, eff. December 12, 2019.

§18. Right to Bail

Section 18.(A) Excessive bail shall not be required. Before and during a trial, a person shall be bailable by sufficient surety, except when he is charged with a capital offense and the proof is evident and the presumption of guilt is great. After conviction and before sentencing, a person shall be bailable if the maximum sentence which may be imposed is imprisonment for five years or less; and the judge may grant bail if the maximum sentence which may be imposed is imprisonment exceeding five years. After sentencing and until final judgment, a person shall be bailable if the sentence actually imposed is five years or less; and the judge may grant bail if the sentence actually imposed exceeds imprisonment for five years.

(B) However, a person charged with a crime of violence as defined by law or with production, manufacture, distribution, or dispensing or possession with intent to produce, manufacture, distribute, or dispense a controlled dangerous substance as defined by the Louisiana Controlled Dangerous Substances Law, and the proof is evident and the presumption of guilt is great, shall not be bailable if, after a contradictory hearing, the judge or magistrate finds by clear and convincing evidence that there is a substantial risk that the person may flee or poses an imminent danger to any other person or the community.

Acts 1997, No. 1498, §1, approved Oct. 3, 1998, eff. Nov. 5, 1998.

§19. Right to Judicial Review

Section 19. No person shall be subjected to imprisonment or forfeiture of rights or property without the right of judicial review based upon a complete record of all evidence upon which the judgment is based. This right may be intelligently waived. The cost of transcribing the record shall be paid as provided by law.

§20. Right to Humane Treatment

Section 20. No law shall subject any person to euthanasia, to torture, or to cruel, excessive, or unusual punishment. Full rights of citizenship shall be restored upon termination of state and federal supervision following conviction for any offense.

§21. Writ of Habeas Corpus

Section 21. The writ of habeas corpus shall not be suspended.

§22. Access to Courts

Section 22. All courts shall be open, and every person shall have an adequate remedy by due process of law and justice, administered without denial, partiality, or unreasonable delay, for injury to him in his person, property, reputation, or other rights.

§23. Prohibited Laws

Section 23. No bill of attainder, ex post facto law, or law impairing the obligation of contracts shall be enacted.

§24. Unenumerated Rights

Section 24. The enumeration in this constitution of certain rights shall not deny or disparage other rights retained by the individual citizens of the state.

§25. Rights of a Victim

Section 25. Any person who is a victim of crime shall be treated with fairness, dignity, and respect, and shall be informed of the rights accorded under this Section. As defined by law, a victim of crime shall have the right to reasonable notice and to be present and heard during all critical stages of preconviction and postconviction proceedings; the right to be informed upon the release from custody or the escape of the accused or the offender; the right to confer with the prosecution prior to final disposition of the case; the right to refuse to be interviewed by the accused or a representative of the accused; the right to review and comment upon the presentence report prior to imposition of sentence; the right to seek restitution; and the right to a reasonably prompt conclusion of the case. The legislature shall enact laws to implement this Section. The evidentiary and procedural laws of this state shall be interpreted in a manner consistent with this Section.

Nothing in this Section shall be construed to inure to the benefit of an accused or to confer upon any person the right to appeal or seek supervisory review of any judicial decision made in a criminal proceeding. Nothing in this Section shall be the basis for an award of costs or attorney fees, for the appointment of counsel for a victim, or for any cause of action for compensation or damages against the state of Louisiana, a political subdivision, a public agency, or a court, or any officer, employee, or agent thereof. Remedies to enforce the rights enumerated in this Section shall be provided by law.

Acts 1997, No. 1487, §1, approved Oct. 3, 1998, eff. Nov. 5, 1998.

§26. State Sovereignty

Section 26. The people of this state have the sole and exclusive right of governing themselves as a free and sovereign state; and do, and forever hereafter shall, exercise and enjoy every power, jurisdiction, and right, pertaining thereto, which is not, or may not hereafter be, by them expressly delegated to the United States of America in congress assembled.

Acts 1997, No. 1494, §1, approved Oct. 3, 1998, eff. Nov. 5, 1998.

§27. Freedom to Hunt, Fish and Trap

Section 27. The freedom to hunt, fish, and trap wildlife, including all aquatic life, traditionally taken by hunters, trappers and anglers, is a valued natural heritage that shall be forever preserved for the people. Hunting, fishing and trapping shall be managed by law and regulation consistent with Article IX, Section I of the Constitution of Louisiana to protect, conserve and replenish the natural resources of the state. The provisions of this Section shall not alter the burden of proof requirements otherwise established by law for any challenge to a law or regulation pertaining to hunting, fishing or trapping the wildlife of the state, including all aquatic life. Nothing contained herein shall be construed to authorize the use of private property to hunt, fish, or trap without the consent of the owner of the property.

Added by Acts 2004, No. 927, §1, approved Nov. 2, 2004, eff. Dec. 7, 2004.

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