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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

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

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 Maniscasco 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

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

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?

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 Commission 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 owned 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

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