

Greater Lafourche Port Commission

AGENDA

November 7, 2014 at 10:30 AM

Administration Building · 16829 East Main St · Galliano, LA

(Revised: November 6, 2014 at 9:50 AM)

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Consider approval of minutes for October 8, 2014 regular meeting and October 22, 2014 special meeting
- V. Executive Director's Report
 - A. Northern Expansion**
 1. Northern Expansion Slip C Bulkhead (J. Wayne Plaisance)
 2. Northern Expansion Slip C Sweep Dredge (J. Wayne Plaisance)
 - B. Airport Projects**
 1. Glide Slope (LPA/Baker)
 2. Apron Expansion (LPA/Baker)
 3. Pump Station – Pipe Replacement (Angelette-Picciola)
 - C. Port Security and Grant Projects**
 1. Cybersecurity and Resiliency (2013)
 2. Airport Cameras
 3. Port Wide Sustain & Maintain (2014)
 4. Risk Mitigation Plan (2014)
 - D. Other Port Projects**
 1. Assumption of Maintenance Study (URS)
 2. Storm Harbor Marina (J. Wayne Plaisance)
 3. N. J. Theriot Road Elevation & Improvements (Angelette-Picciola)
 4. Nerby Collins Commercial Marina Bulkhead (J. Wayne Plaisance)
 5. Leeville Public Boat Launch
 - E. Presentation by Economist Dr. Loren Scott on 2014 Port Fourchon Economic Impact Study**
- VI. Committee Reports
 - A. Executive Committee
 1. Consider approving the Amendment for Bollinger Fourchon's lease GLF502-B to include the dock access road
 2. Consider approving the Landlord's Waiver and Consent Agreement for Hoover Materials Handling Group for site GLF196
 - B. Permits & Waterways Committee
 1. Review permit applications from Discovery Producer Services, Launch Leeville, Plains Pipeline, Castex Energy, and GLPC
 - C. Construction & Development Committee
 1. Consider adopting a resolution for the DOTD application for Port Priority Program funding
 2. Consider awarding the lowest responsive bid for the Slip C Sweep Dredge project
 3. Consider approving the Cooperative Endeavor Agreement with Lafourche Parish Water District for waterline along Minor Chermie Sr. Road
 4. Consider awarding the lowest responsive bid for the N.J. Theriot Road Improvements project
 - D. Finance Committee
 1. Consider approving payment of October invoices and recognize expenditures over \$10,000
 2. Consider approving October 2014 financial statements
 3. Consider approving the out of state travel request
- VII. Any other business - None
- VIII. Public Comment – None
- IX. Adjournment

*Serena L. Bruce, Legal/Projects Assistant
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OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
November 7, 2014

The Board of Commissioners of the Greater Lafourche Port Commission met in regular session on Friday, November 7, 2014 at 10:30 AM at the Administration Building 16829 East Main Street, Galliano, LA.

President Gisclair called the meeting to order and Secretary Cheramie called roll.

ATTENDED: Chuckie Cheramie, Perry Gisclair, Kris Gaudet, Donald Vizier, Wilbert Collins, Larry Griffin, John Melancon Jr., Jimmy Guidry, and Ervin Bruce

ABSENT: None

Upon motion by Melancon and second by Bruce, the board unanimously approved the minutes for October 8, 2014 regular meeting and October 22, 2014 special meeting.

Executive Director's Report

Northern Expansion Projects – Davie Breaux reported that the Slip C West Bulkhead is complete and the final inspection with DOTD is scheduled for next week. The contractor has driven all 1600 LF of steel sheet piles for the East Bulkhead. They are now driving concrete piles for the deadman. Breaux reported that the bids for Slip C Sweep Dredge project were opened on October 24th. The low bid was from Coastal Dredging Company in the amount of \$1,269,340 which is later on the agenda for approval. The bid includes the Slip C of \$842,770 and Alternate Slip A of \$426,570.

Airport Projects – Joe Wheeler reported that we are waiting to resolve the permitting issues to complete the Glide Slope project. The parts for the AWOS have been received and should be commissioned by next week. The Apron Expansion project's contractor is excavating the area and bringing in sand near the ramp barricaded area. They are moving along on schedule. In regards to the Pump Station project, the contractor Low Land has started moving equipment on site and they do plan to start next week. He then reported that for October there were 2330 aircraft operations. Executive Director Chett Chiasson stated that it is anticipated that when Chevron's facility is up and running next year it will double the daily and monthly operation figures which is good for the future of the airport.

Port Security and Grant Projects – April Danos reported that the equipment for both the Cybersecurity and the Airport Camera project are being delivered and starting to be installed. In regards to the Port Wide Sustain & Maintain project, the licensing and support invoices are being received and processed. Joni Tuck reported that the Risk Mitigation Plan has not been updated since 2008. This new project will account for the Port's growth since 2008 with vessel traffic and other items coming on line which will tie into the master plan. We plan to go out for bid later this month.

Other Port Projects – William Evans with URS reported on the Assumption of Maintenance Study. He reported that we received feedback from the Corps that there is no need for the environmental testing of the dredge spoils. The Corps is moving forward with processing the permit. Engineer John Plaisance reported that the contractor is progressing on the Storm Harbor Marina however they are late on contract time. He expects them to be complete in 3 weeks. The remaining work is to complete installation of concrete revetment, wharves, welding on steel pipes, and bringing in aggregate.

Chiasson stated that in regards to the N. J. Theriot Road Elevation & Improvements project the state has not yet reviewed the plans and bid packet therefore we will not be able to award the bid that is later on the agenda. We do plan to have the approval within the next 2 weeks so we plan to have a special meeting on November 20th to award the project. Engineer Larry Picciola stated that the low bidder Barriere Construction would like to be on site in January to do the work during the winter months.

Engineer John Plaisance stated that the plans and specs for the Nerby Collins Commercial Marina Bulkhead project will be complete next week to submit to the state. Once approval is received, we plan to

be advertising toward the end of December. Davie Breaux reported that we did a piling wrap project at Nerby Collins Marina recently to the boat lift piles. Deep South Dock and Pile Restoration wrapped the older piles and filled with cement while the newer piles were just wrapped. This is a proven method of repair instead of pulling and replacing all the piles. It is a repair in place. Griffin questioned if we know of someone else that used this, which Breaux replied actually a pile driving company used this method of repair and also it has been done at Pointe Fourchon.

Joe Picciola reported that the Leeville Public Boat Launch is close to completion. The contractor is completing the delivery of aggregate today and putting up signs for completion next week.

Presentation by Economist Dr. Loren Scott on 2014 Port Fourchon Economic Impact Study – Chiasson stated that we are excited today to roll out the results from the economic impact study which was done as part of the master plan. Dr. Scott stated that this is an update from the information gathered in 2006. We have added the state impacts this year. The study determines the amount of new money that is brought into an area because of the existence of Port Fourchon. It all starts with sending out a questionnaire to ask about capital expenditures over a 5 year period, annual revenues, and employment from 2009 to 2013. 17 tenants responded. These firms had annual revenues summed to \$1.4 billion. These 17 tenants represent approximately 60% of all lease revenues collected by the Port. With the figures collected, there is no scientific way to blow up a sample of the rest of the population therefore the estimates are very conservative. We take the direct numbers and measure the multiplier effect by using an input/output table.

The impacts of Port Fourchon on the Houma MSA economy is estimated on the survey of firms of construction and operation activities. The construction impacts on the Port has not been a straight line. There was a big dip that occurred from 2009 to 2011 associated with the moratorium then a big jump in 2012 and 2013 and still rising. In 2011, about 50% of the construction spending was done by the Port mainly through port priority funds. However, in 2013 there is only 9% of Port spending and the remaining amount was mostly from new private spending from the activities in the Gulf. The economic impacts of construction spending by year varies. The figures start high in 2009 and drops in 2011 then starts going back up in 2012. Over the 5 year construction cycle, over half a billion dollars (\$570 million) in new sales were created for firms in Lafourche and Terrebonne Parishes that would not be there if it were not for the capital spending in the Port, \$194.8 million in new household earnings for residents of Houma MSA, and an average of 708 jobs a year were provided for MSA residents. There was almost 1,000 jobs created just in 2013 which has a very significant impact on our area.

The operations impacts are very substantial regarding firms with \$1.4 billion in sales. The annual operations of these firms supported over \$2.1 billion in sales at firms in Houma MSA that would not be here if not for the operations at the Port, \$458.1 million of household earnings for MSA residents, and 8,015 jobs created for residents of MSA. 1 out of every 13 jobs are here because of the existence of the Port operations. The job multiplier is 4.6 which means for every new job created at the Port another 3.6 new jobs are created elsewhere in Lafourche and Terrebonne economy.

The areas of the economy that benefit the most is the transportation and warehousing, mining sector of the oil and gas industry, manufacturing, real estate and leasing, and the retail trade. These are not low paying jobs. The average pay of these jobs created through operations is \$57,000/yr. The average in Louisiana is about \$42,000/yr. The other group that benefits from this is the Parish Government revenues that they receive. The indirect sales tax collected is approximately \$13 million which is up 45% since 2006. This does not include direct sales tax or property tax. He then showed a chart of how the Port has grown since 2006. The sales impacts are up 52%, household earnings increased 46%, and the jobs increased 10%. We do other studies for different companies and you will see this similar growth of the sales and earnings going up but the jobs go down. The Port's job impacts did go up. The reason for the jobs small increase is that companies are using computers more or using less people but smarter people and paying them more.

The construction impacts of Port Fourchon on Louisiana are at a lower estimate. By determining only the new money in areas, some construction spending came from the state so that is not considered new money but it is still substantial impacts. Over the 5 year period, construction spending at the Port

generated \$714.5 million in new sales for Louisiana firms, \$243.1 million in new household earnings for state citizens, and an average of 708 jobs a year for state residents. In 2013, almost 1100 jobs in the state are contributed to the activities in the Port.

The operations impacts of Port Fourchon on the state economy in 2013 show that the on-going activities at the Port generated almost \$2.6 billion in sales at firms in the state, \$580.2 million in household earnings for state citizens, and created 10,804 jobs for Louisianans. In regards to the 10,804 statewide jobs, there are 30 parishes in LA with less employment. The jobs created are equal to the total employment in West Baton Rouge Parish. The job multiplier is at 6.2 for the state which is close to the refinery industry in the state. The average pay is \$54,000/yr. The indirect tax received by the state in 2013 due to the presence of the Port was \$46 million based on the 17 respondents and no direct taxes measured.

The impacts on the national economy are determined by focusing on the potential impacts of losing the services of Port Fourchon for a period of 3 weeks having temporary loss of natural gas and oil. We tested this from a model used for Katrina/Rita. The model shows that from the loss of oil the price of gasoline would go up and the national economy would lose about 51,000 jobs. With the loss of natural gas, the economy would lose about 14,000 jobs. The comparison of 2006 and 2013 of national impacts result in the sales and earnings going up but the employment goes down. This is due to the fact that the oil impacts are higher and natural gas impacts are lower. In 2006, the natural gas prices were \$7 and now it is at \$4 but the oil prices were \$62 a barrel and now it is at \$100 per barrel. In conclusion, the Port's operations are important to whole country.

Chiasson stated that this report will be available on our website. He thanked Representative Gisclair, Parish President Randolph, and Parish Assessor Thibodaux for being here for this presentation. We thought there would be an increase from the 2006 report but didn't think it would be that much. The study shows that we continue to be a source of positive impacts on our community, state, and nation.

Gisclair stated that hopefully with the public here and watching they can see that the Port is moving forward and we are doing a good job with people's money. This commission along with the staff is on the right track to doing what is right. We thank our tenants for taking the risk everyday and putting all this money into their projects. We wouldn't be where we are today without them and any future tenants we welcome their business. We thank Dr. Scott for preparing this report. The Port contributes to the parish, state, and the nation. One thing we have to get across to the people is the importance of Port Fourchon and the role it plays in our economy. Melancon stated that we are currently working on the Port's 2015 budget which is overwhelming looking at all the numbers but with your presentation today you answered a lot of my questions and we appreciate you coming here to give the report.

Committee Reports

Executive Committee - The committee met on October 22nd in Fourchon. Present was Gisclair, Cheramie, Melancon, and Griffin. They also met on November 6th in Galliano with all present.

Upon motion by Cheramie and second by Guidry, with no public comment, the board unanimously approved the Amendment for Bollinger Fourchon's lease GLF502-B to include the dock access road.

Upon motion by Gaudet and second by Collins, with no public comment, the board unanimously approved the Landlord's Waiver and Consent Agreement for Hoover Materials Handling Group for site GLF196 subject to provisions by our Port Attorney.

Permits & Waterways Committee - The committee met on October 22nd in Fourchon. Present was Chairman Cheramie, Gisclair, Griffin, and Collins. They also met on November 6th in Galliano with all present.

Chairman Cheramie presented for the board's review the permit applications from Discovery Producer Services, Launch Leeville, Plains Pipeline, Castex Energy, and GLPC.

Construction & Development Committee - The committee met on October 22nd in Fourchon. Present was Chairman Bruce, Gisclair, Griffin, and Vizier. They also met on November 6th in Galliano with all present.

Upon motion by Griffin and second by Melancon, with no public comment, the board unanimously adopted a resolution for the DOTD application for Port Priority Program funding.

Upon motion by Cheramie and second by Collins, with no public comment, the board unanimously awarded the lowest responsive bid from Coastal Dredging Company for the Slip C Sweep Dredge project for the Base Bid of \$842,770 and Alternate for Slip A of \$426,570 totaling \$1,269,340.

Upon motion by Bruce and second by Guidry, with no public comment, the board unanimously approved the Cooperative Endeavor Agreement with the Lafourche Parish Water District for the waterline along Minor Cheramie Sr. Road a 50/50 cost share.

Chiasson stated that no action is to be taken to award the bid for the N.J. Theriot Road Improvements project. We plan to have a special meeting later this month.

Finance Committee - The committee met on October 22nd in Fourchon. Present was Chairman Melancon, Gisclair, Gaudet, and Guidry. They also met on November 6th in Galliano with all present.

Upon motion by Melancon and second by Griffin, with no public comment, the board unanimously approved payment of October invoices and recognized expenditures over \$10,000 with total expenses of \$3,146,780.08.

Upon motion by Melancon and second by Collins, with no public comment, the board unanimously approved the October 2014 financial statements.

Upon motion by Melancon and second by Guidry, with no public comment, the board unanimously approved the out of state travel request from April Danos to attend the AAPA Annual Leadership Summit in Virginia on December 3rd.

Chairman Melancon reminded the board that the next committee meeting is on November 20th to discuss the budget. If the board has any questions regarding the draft received, don't hesitate to contact the staff with your questions.

President Gisclair opened the floor for public comment and recognized the new Lafourche Parish Assessor Wendy Thibodaux to address the board. Mrs. Thibodaux thanked the board and expressed her appreciation of support and looks forward to working with the Port in the future.

Upon motion by Cheramie and second by Collins, the board adjourned the board meeting at 11:45 AM.

ATTEST:



Perry Gisclair, President



Harris "Chuckie" Cheramie, Jr., Secretary