



# The Economic Case

Little Rock Port Authority Growth Initiative

Project Grant Documents - <https://lrport-authority.squarespace.com/>

Project Narrative – Link # 32

Benefit Cost Analysis – Link # 21

# Making the Economic Case for the Project

- Total estimated project cost of just over \$10M
  - 2 Funded Components
    - \$7.02M estimate for new rail served dock
    - \$2.91M estimate for rail storage tracks
  - 1 Unfunded Component
    - \$337K estimate for Mobility enhancements

# Project Cost and Funding Sources

Uses of Funds				Sources of Funds		
	Railroad Improve-ments	Slackwater Harbor Dock Improve-ments	Mobility Enhance-ments			% From Each Funder
Design	\$ 173,600	\$ 462,300		Little Rock Port Authority	\$3,000,000	30%
Construction	\$2,739,400	\$6,560,100	\$ 69,525	City of Little Rock	\$ 750,000	7%
Transit Vehicles			\$188,814			
Transit Shelters & Bicycle Lockers			\$ 78,943			
Subtotal	\$2,913,000	\$7,022,400	\$337,282	TIGER	\$ 6,522,682	63%
Total Project Cost					\$10,272,682	

# Identifying Project Benefits

- Identify benefits of components separately
  - Rail storage tracks
    - 5 benefits identified, monetized value of 3 of the benefits calculated and used
      - Identified benefits not monetized in BCA – 1) Increased use of rail/decreased use of trucks and 2) Reduction in car hire fees (demurrage)
      - Monetized benefits – 1) reduced roadway congestion, 2) reduced air pollution, and 3) reduced crashes
  - New dock infrastructure
    - 5 benefits identified, monetized value of 4 of the benefits calculated and used
      - Identified benefit not monetized in BCA – 1) Increased use of waterways/decreased use of trucks
      - Monetized benefits – 1) reduction in barge demurrage, 2) Reduced roadway congestion, 3) reduced air pollution, and 4) reduced crashes

# Total Project Benefit Cost Ratio

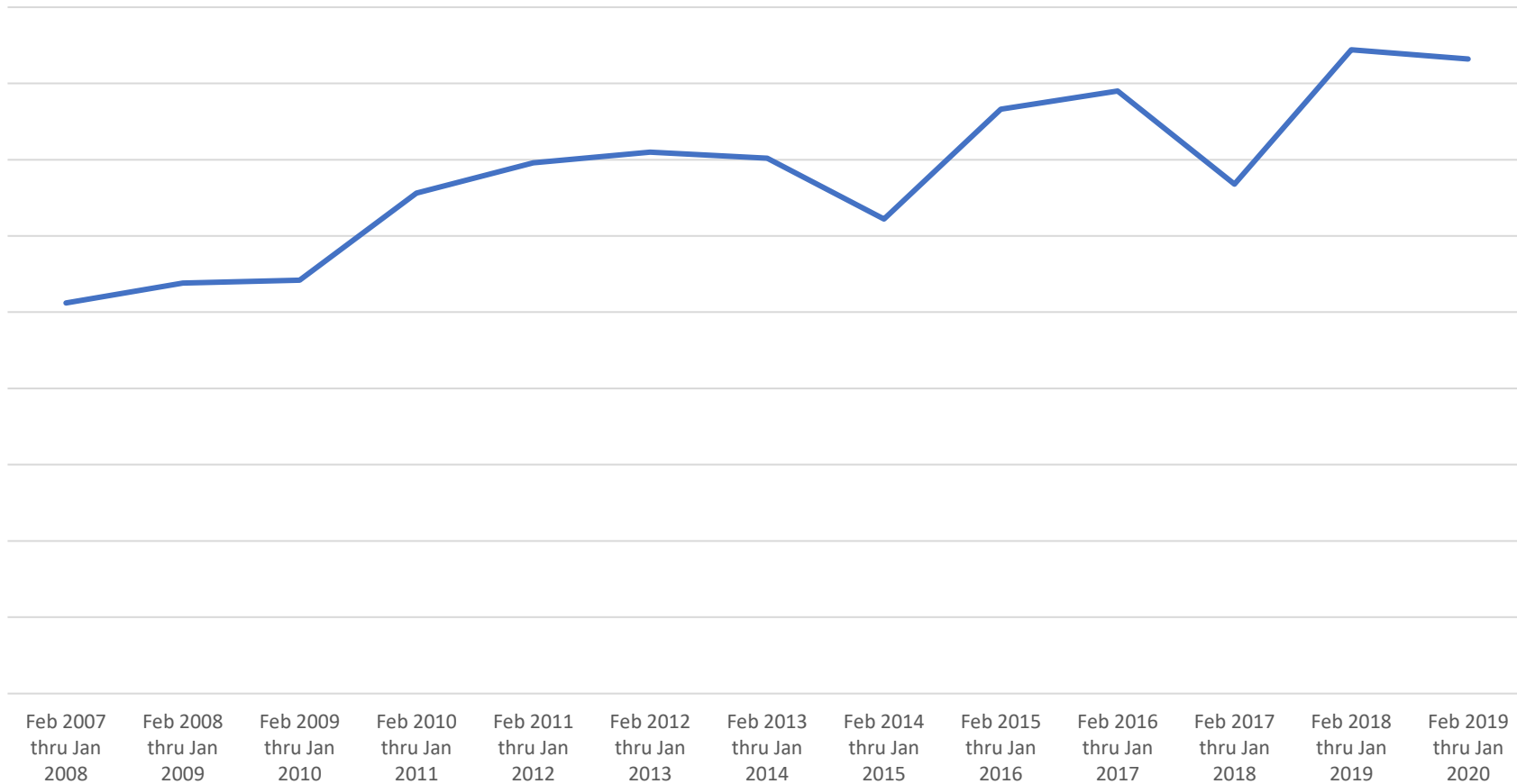
**Table 4 Summary of Benefit – Cost Analysis Results**

	Slackwater		Rail		Mobility Enhancements		Total	
	7%	3%	7%	3%	7%	3%	7%	3%
Total Discounted Benefits	\$9,595,952	\$13,753,861	\$6,936,422	\$9,613,233	\$6,647,340	\$7,662,753	\$23,179,713	\$31,029,848
Total Discounted Costs	\$5,927,367	\$5,962,457	\$3,064,962	\$3,123,617	\$828,371	\$896,979	\$9,820,701	\$9,983,054
Net Present Value	\$3,668,585	\$7,791,404	\$3,871,459	\$6,489,616	\$5,818,968	\$6,765,774	\$13,359,012	\$21,046,794
Benefit/Cost Ratio	1.62	2.31	2.26	3.08	8.02	8.54	2.36	3.11
Net Present Value With Social Costs of Carbon	\$3,716,712	\$7,839,532	\$4,211,264	\$6,829,420	Not Calculated		\$7,927,976	\$14,668,952

TIGER BCA Available at Link #21 at: <http://lrport-authority.squarespace.com>

# Port Revenue Growth – Dock Assessment

LRPA Dock Assessment (x1000)



# Port Operator Growth Opportunities

- Capacity expands from 500 barges to 800 barges per year
- Warehouse capacity expands by an additional 30,000 square feet
- Rail-to-barge direct transfer marketability
- Expanded lay-down areas for project cargo/containers
- LSI has a history of making capital investment in equipment and growing business, we expect to substantially grow tonnage and revenues with an expected 6-year ramp up

# The Economic Case = CASE MADE

- The project has a solid BCR and is a good use of federal monies
- The project produces opportunities for revenue growth for the Little Rock Port Authority
- The project generates opportunities for the port operator to increase revenues and margins
- The public wins with the port's expanded infrastructure
  - Reduced barge demurrage and barge loading/unloading delays
  - Reduced car hire for rail customers
  - Fewer trucks on the road
  - Ability to provide additional rail and barge services