Proposed Port of Gulfport Expansion Project EIS
August 9 Public Workshop
Poster Slideshow Presentation Script

Thank you, Mr. Young. Good evening. I'd like to thank all of you for joining us tonight for the workshop. We're glad for the opportunity to discuss the project with so many people from the community. Before we move to the informal discussion portion of the meeting, we wanted to take a moment to go through all of the posters that are here tonight and tell you a little bit about each one. So I am going to show slides that contain the same information as the posters and provide some background information. After this presentation, during the informal discussion session, we will have Atkins and U.S. Army Corps of Engineers staff at each of these posters available to try to answer any questions you might have and discuss theproject. Representatives from the Mississippi Development Authority and Mississippi State Port Authority will also be here to address questions as needed.

NEPA Slide:

Before we start going through the posters, I want to take just a minute to review where we are with this project and the National Environmental Policy Act (or NEPA) process. In spring of 2010 the Mississippi State Port Authority submitted a permit application to the U.S. Army Corps of Engineers for various activities associated with the proposed Port expansion. This permit application was reviewed by the Mobile District Corps of Engineers, who determined the proposed expansion project was a significant effort and that under NEPA an Environmental Impact Statement, or EIS, would need to be prepared. In March of 2011 a Notice of Intent to prepare an EIS was published in the Federal Register and a formal scoping meetingwas held in March of 2011. Since that time the NEPA team, consisting of Corps of Engineers, Mississippi Development Authority, National Marine Fisheries Service, and Atkins staff, have been coordinating with the Mississippi State Port Authority and other state and federal agencies to compile, review, and collect information to evaluate the proposed project and its potential effects. At this time we are working to prepare the Draft EIS for public review and comment.

Purpose and Need Poster:

Let's begin with the Port's purpose and need for the proposed Port of Gulfport Expansion Project. Essentially, the proposed expansion is intended to create operational efficiency and additional space for new tenants to operate at the Port and to increase the number of containers that move through the Port each year. This is referred to as Twenty Foot Equivalent Unit, or TEU, throughput. One standard shipping container that you would see on a train or truck is usually 40 foot long and counts as two TEUs. In general, the higher the TEU throughput, the higher the jobs and economic benefits generated.

The Port would like to implement the expansion project so they can increase throughput that would contribute to the long-term economic development in the state and in the region. The proposed expansion would allow the Port to bring in new tenants and grow in size and throughput resulting in additional jobs and other direct and indirect economic benefits. Because the Port is situated on land built in the Mississippi Sound, it has unique constraints to growth. Essentially, land must be built up in the Sound for the Port to grow. That is why the Port applied for the permit from the U.S. Army Corps of Engineers, so that they could build more upland to provide space for new tenants and increased TEU throughput.

Restoration vs. Expansion Project Features Poster:

Slide 1

The next two slides will show graphics that are on one of the posters here tonight. The intent of this poster is to clarify the differences between the ongoing Restoration Project and the proposed Expansion Project. Many of you are familiar with the Restoration Project, which is currently underway and will increase the size of the Port footprint by 84 acres and will raise the elevation of the West Pier to 25 feet above mean sea level. The footprint of that project is shown here in gray. The Restoration project was permitted in 1998 as an 84-acre expansion project and was under construction with approximately 60 acres completed when Hurricane Katrina impacted the area in 2005, causing significant damage. As part of the post-hurricane recovery effort, funding was provided to restore the damage to the 60-acre project and to elevate the West Pier to provide protection against future storm damage. I'm sure most of you know they have completed the addition of the 60 acres and completion of the remaining 24 acres of fill to the West Pier is currently underway. Work has also started to raise the elevation from 10 to 25 feet on the West Pier.

Slide 2

The proposed Expansion Project is the project we are here tonight to discuss. The footprint of the proposed Port expansion is shown here in yellow. We'll go through the specific components of the proposed Expansion Project on the next slide. The main point here is to show the difference between the ongoing Restoration Project and the proposed Expansion Project.

Although it's not shown on this slide, I would like to point out that the proposed Expansion Project footprint is significantly reduced from that proposed in the original permit application. This is because following notice of the permit application for the proposed Expansion Project submitted in March 2010, the Port decided to reduce the footprint of the proposed expansion in response to comments received from the public and state and federal agencies and per recent market studies. The expansion proposed in the original permit application was intended to increase throughput to up to 4 million TEUs per year and fill 700 acres of Mississippi Sound

water bottoms. The currently proposed project is intended to increase throughput to up to about 2 million TEUs per year and fill approximately 300 acres of water bottoms.

Proposed PGEP Project Features Poster-Graphic:

This poster shows the features of the proposed Expansion Project in blue. The features include expansion of the West Pier, North Harbor, East Pier, and Turning Basin and a proposed breakwater. These features would help to increase the capacity and efficiency of the Port of Gulfport and allow the Port to increase the amount of containers that pass through the Port each year.

Please note that the proposed Port of Gulfport Expansion Project does not include any modification to the existing federally authorized navigation channel. Thus, the ship channel would not be deepened or widened as part of this project. However, there are other studies currently underway that are considering modification to the Federal channel.

The West Pier expansion is intended for use as a container terminal for new tenants. It would add approximately 160 acres to the completed Restoration Project. As you can see from this 2010 aerial photograph, the 84-acre addition to the West Pier that is part of the Restoration Project, was under construction. The proposed Expansion Project would continue to build upon the West Pier, at 25 feet above mean sea level, further south into the Mississippi Sound. This addition to the West Pier would allow more berthing area for ships, more space for container processing and storage for additional tenants, and road and rail access for transferring containers to and from the Port.

The Expansion Project also includes an 85-acre expansion of the Gulfport Turning Basin to the south, adjacent to the extended West Pier. The expanded turning basin would be dredged to a depth of 36 feet, consistent with the existing federally authorized turning basin. The Port would be responsible for dredging the turning basin expansion and maintaining it at the needed depth. It would not be part of the Federal Turning Basin that is maintained by the U.S. Army Corps of Engineers. This new turning basin expansion would allow ships to use the expanded West Pier.

The East Pier Expansion would extend the existing East Pier further south into the Mississippi Sound. It is expected to be about a 15-acre expansion that would provide for additional rail operations and warehouse storage.

The North Harbor Fill area is about 9 acres. It would create an upland area where the Copa Casino barge used to be in the North Harbor. The fill area would be used as a new berthing area for ships.

The breakwater to the east of the Federal Navigation Channel would provide wave protection to the extended West Pier. The design of the breakwater was tested in ship simulations by pilots that regularly navigate the channel. The break in the structure also provides access for shallow-draft vessels from Bert Jones Yacht Basin to the Federal Navigation Channel.

I want to note that as a result of the project approximately 7.4 million cubic yards of sediment would be dredged from the Mississippi Sound for construction. This material would be used as fill for expansion of the West Pier, placed in designated beneficial use sites, or placed in an approved Ocean Dredged Material Disposal Site. Additionally, it is expected that approximately 300,000 to one million cubic yards of material would be dredged over a 50-year period to maintain the expanded turning basin. This material would be placed in a desginated beneficial use site or placed in an approved Ocean Dredged Material Disposal Site.

Alternatives Poster (Text):

As part of theNEPA process, the NEPA team conducted a thorough evaluation of other projects being constructed, permitted, or proposed in the vicinity of the Port and evaluated them to determine how they should be addressed in the Environmental Impact Statement. Three projects were identified as relevant to the Expansion Project: the Restoration Project, the I-310 MDOT project (also known as Highway 601 or the Port Connector Road), and the KCS Rail Improvements Project. Because of the status of each of these projects in regards to where they were in the permitting and/or construction phase, how they were incorporated into regional planning documents, and when each project was expected to be complete, they were all rolled into the No-Action Alternative. This means that in the proposed Port of Gulfport Expansion Project EIS, it is assumed that each of these other three efforts would move forward and be constructed, regardless of whether the proposed Expansion Project is implemented or not.

Let me explain further. NEPA requires the EIS to describe the existing environment and then, in order to address potential impacts of the proposed action, a scenario is presented that looks forward in time, assuming the proposed expansion project is not constructed. This is called the No-Action Alternative. Then other scenarios are presented looking forward in time, assuming the proposed expansion project and possibly alternatives to the proposed expansion project are constructed. Comparison of impacts from the action alternatives can then be made to the No-Action Alternative so that the differences between constructing the proposed project or not can be clearly seen.

In the case of the proposed Expansion Project, it is assumed for the No-Action Alternative and all of the action alternatives, that the three efforts listed above (the Restoration Project, I-310 MDOT Project, and KCS Rail Improvements Project) have been constructed as permitted and are in place and functional.

For the No-Action Alternative, it is assumed that the permit for construction of the expansion is denied by the U.S. Army Corps of Engineers. Therefore, a future scenario is envisioned that assumes completion of the Restoration Project, I-310 MDOT Project, and the KCS Rail Improvements Project but without the proposed Expansion Project. In this alternative the Port would operate at between 250,000 and 400,000 TEU throughput each year.

The other two alternatives evaluated in the EIS are action alternatives. Both alternatives assume that the three projects are in place, just as for the No-Action Alternative, but they also add the Expansion Project in two forms. The first alternative assumes that the Expansion Project is permitted and operates at a medium efficiency, increasing TEU throughput beyond that anticipated for the Restoration Project. This medium level of efficiency combined with the extra tenant space provided for by the expansion would allow the Port to operate at up to about 1.2 million TEU throughput each year.

The second action alternative also assumes that the three projects are in place and that the Expansion Project is permitted and constructed and that it would operate at a level of efficiency higher than the first action alternative. This level of efficiency would be achieved by slightly reconfiguring the tenants on the space and increasing the level of automation at the Port. Such changes would allow the Port to operate at between 1.7 and 2 million TEU throughput each year.

No-Action Alternative Poster:

As you can see in this figure of the No-Action Alternative, it is assumed that the Restoration Project is complete and that the existing tenants are configured for wheeled and stacked handling of containers. Chiquita and Dole would both continue to operate using wheeled containters, loading the containers from the ships to be placed in the container yard without stacking containers on top of each other and using wheeled carts to move the containers around on the yard and to trucks or rail to be moved off the Port. Note that Crowley and the new tenant on Terminal #4 would use a stacked container operation in which containers are double stacked in the yard and are moved using rail-mounted gantry cranes to load and off-load ships. Also note that the improved rail line is shown in its existing alignment and that the I-310 MDOT road is expected to cross over Highway 90 at approximately 29th street.

Alternative 1 Poster:

The first action alternative is shown here. It's referred to as Alternative 1 and as previously mentioned it assumes a medium level of efficiency. As you can see, the footprint of the Restoration Project is configured the same as described for the No-Action Alternative, assuming the same tenants would occupy the space using the same type of operation. For this alternative it is assumed that the extended portion of the West Pier would provide concession space for

new tenants with stacked container operation, the same type of operation as used by Crowley. You can see additional rail-mounted gantry cranes used for loading and off-loading ships and the covered chasis storage area adjacent to the extended road and rail facilities. Wheeled chasis would be used to transfer containers to or from the container stacks to trucks or trains to be transported to or from the Port. This proposed layout assumes that all berths would be utilized as common berths. This extended West Pier would increase TEU throughput up to about 1.2 million TEUs per year by reducing handling times and increasing tenant space.

Alternative 2 Poster:

The second action alternative is referred to as Alternative 2 and as I mentioned before it assumes a higher level of automation and efficiency than Alternative 1. As you can see, the footprint is the same size as Alternative 1 but the operation on the West Pier extension is assumed to be a semi-automated operation instead of a stacked operation. Additionally, there is a staging area for loading and unloading between the container stacks and the road and rail system. For this alternative there is no warehouse shown on the northern end of the West Pier, which would provide increased space for wheeled containers. With this tenant layout and level of automation the extended West Pier would increase TEU throughput up to about 1.7 to 2 million TEUs per year.

Special Studies Poster:

Slide 1

Since preparation of the EIS for the proposed Expansion Project began, the NEPA team has been working to review, compile, process, and collect data to evaluate the potential impacts associated with the proposed Port expansion. To date, we have identified certain topics that have required additional study to properly assess project-related effects. For ease of viewing, I've split this poster into two slides.

Working with the National Marine Fisheries Service, we have conducted a benthic sampling study in which we sampled the sediment in the Mississippi Sound around the Port. The purpose of the study was to determine if the area was suitable for Gulf sturgeon, which is a federally protected species, or if the area included is what's called Essential Fish Habitat by National Marine Fisheries Service, meaning it provides food or shelter for important species found within the Gulf. These data have been collected and processed and we are currently preparing a report that will outline the results and recommendations from the study, which will be incorporated into the EIS.

Another study being done based on coordination with the National Marine Fisheries Service is a tagging and monitoring program for Gulf Sturgeon. This two-year study will begin in the next

couple of months and includes placing up to 40 electronic tags in young Gulf sturgeon and setting up about 19 recievers around the Port and between the Port and the Pascagoula and Pearl Rivers. This study will allow us to determine if Gulf sturgeon are crossing through the area so we can better understand how the proposed expansion might impact this endangered fish. This study will continue through the end of 2014 and results will be incorporated into the Final EIS and Record of Decision, as appropriate.

We've also determined the need to conduct a new road and rail traffic study to evaluate potential impacts resulting from the proposed Port Expansion. It is logical to assume that increased container throughput at the Port would result in more truck and train trips into and out of the Port facilities. Keep in mind that our look forward at impacts from the proposed expansion assumes that the I-310 MDOT project is completed and functional, as approved in their NEPA document, and that the KCS rail improvements have been completed, as approved in their NEPA documenation. The traffic study we will be conducting will include collecting current, real-time traffic counts at certain intersections in Gulfport that are most likely to be impacted by the proposed project. Engineers will then use existing regional traffic forecasts to determine what traffic would be for the No-Action Alternative, without the proposed expansion. They will then use container volume projections for Alternative 1 and Alternative 2, and forecast traffic associated with each into the future. By comparing this information to the No-Action Alternative, we will be focusing on the incremental difference in forecasted traffic between the future with and without the project. This traffic study will also include a projection of Port employee traffic. Highway capacity, traffic delays, and safety will be evaluated looking into the future at the years 2020, 2040, and 2060. The traffic study will also consider potential traffic impacts during construction of the proposed Port Expansion Project, taking into consideration construction employee traffic and traffic associated with transporting materials to the site via road or rail. Results of this study will be incorporated into the EIS.

Slide 2

Although air emissions studies have been done for the area, such as the emissions modeling that was done by MDEQ for the I-310 MDOT Project, none of them focused on the impact associated with the proposed port expansion, using the same container throughput and traffic volumes we are considering at this time. While this information is useful and will be used to the extent practical in the evaluation presented in the EIS, it was determined a separate analysis of air emissions needed to be conducted for evaluation of impacts specific to the proposed Expansion Project being considered by the Corps of Engineers. Therefore, using traffic forecasts from the traffic analysis, an air emissions study will be conducted. Like the traffic study, this study will assume that the I-310 MDOT project and the KCS rail project are constructed as permitted, in place, and functioning. The air emissions study will focus on construction and

operation of the expanded Port and, like the traffic study, will only consider the impacts associated with the proposed Port Expansion. To consider construction-related impacts, the analysis will look at air emissions from all construction equipment, both land-based and dredging, as well as construction workers and supplies traveling to and from the job site. Consideration of operational air emissions will take into account on-site facility emissions from large equipment such as cranes, emissions from ships, trucks, and trains transporting goods to and from the Port, and emissions from Port employee vehicles. The specific emissions studied will include those for which National Ambient Air Quality Standards have been established, like ozone, carbon monoxide, lead, and particulate matter, typical mobile air toxins like benzene, and formaldehyde, and greenhouse gasses associated with vehicle emissions, like carbon dioxide. Results of this study will be used in the EIS to determine impacts for the No-Action and the two action alternatives. As done for traffic, this will provide a look into the future both with and without the proposed Port expansion.

The EIS will also include an expanded evaluation of potential impact to areas designated as low-income or minority. This evaluation will provide a community-based analysis and will take into consideration issues such as air-quality, traffic, noise, and economics.

In addition to the studies I've already mentioned, the EIS will also include results of a container volume projection study and an economic impact study. The container volume study considers current container markets in the Gulf, takes into consideration ongoing efforts such as the expansion of the Panama Canal, and estimates potential future TEU throughput at the Port of Gulfport. To be consistent with typical U.S. Army Corps of Engineers planning guidelines, the study looks approximately 50 years into the future, which for our project that would be until about 2060. This container study describes four different potential future scenarios at the Port of Gulfport: a baseline projection, which is equivalent to the No-Action Alternative; a low-growth scenario, which assumes a lower growth rate than is currently expected based on existing markets and forecasts; a high growth scenario, which is consistent with Alternative 1;, and an optimistic growth scenario, which is consistent with Alternative 2.

The economic impact study considers the No-Action and two action alternatives and estimates job creation and revenue from construction and operation of the proposed expansion project. The study is based on previous economic studies and projections done at Gulfport and other ports such as New York, Los Angeles, and Long Beach. It is also based on a Port Economic Impact Kit developed at the University of Southern California and uses tools typical to the industry, such as a program called IMPLAN, to project direct, indirect, and induced jobs that could be expected from the proposed Expansion Project. Results of both of these studies will be included in the EIS.

Progress to Date Poster:

These last two slides show a timeline of what we have accomplished so far, the remaining steps to complete the NEPA process, and final steps to get to the decision by the U.S. Army Corps of Engineers whether or not to issue the requested permit.

As you can see here, this process was initiated in the fall of 2010. Since then, as I've mentioned, we have been collecting and evaluating existing information, conducting public involvement efforts such as the scoping meeting in spring of 2011 and this public workshop, evaluating existing conditions, developing alternatives to be considered in the EIS, and identifying the need for special studies.

Looking Forward Poster:

From this point on, we will continue efforts to evaluate potential impacts associated with the proposed Port of Gulfport Expansion Project to complete a Draft EIS for public and agency review. Upon completion of the Draft EIS, which is currently expected to be about this time next year, there will be a comment period and a public hearing. The comment period and public hearing will provide an opportunity for agencies and the public to submit formal comments on the proposed project and the information presented in the Draft EIS. We will then take about another year to process the comments received, prepare responses to the comments and revise the EIS as appropriate. The Final EIS will then be published for agency and public review and comment. This will be the final opportunity to submit formal comments. Those comments will be addressed in the Record of Decision, which will include the Corps' decision regarding whether or not to issue the requested permit. Up until about six months prior to the expected decision, which is currently anticipated in spring of 2015, we will be conducting special studies, such as the Gulf sturgeon study, to adequately address comments and evaluate the proposed expansion project.

This concludes the formal presentation and I'll turn it back over to Mr. Young. Thank you.