

Marine Board Meeting April 13, 2005

The Economic Impact of the Port of Memphis

**on the Memphis and Shelby County Economy
by Younger Associates**

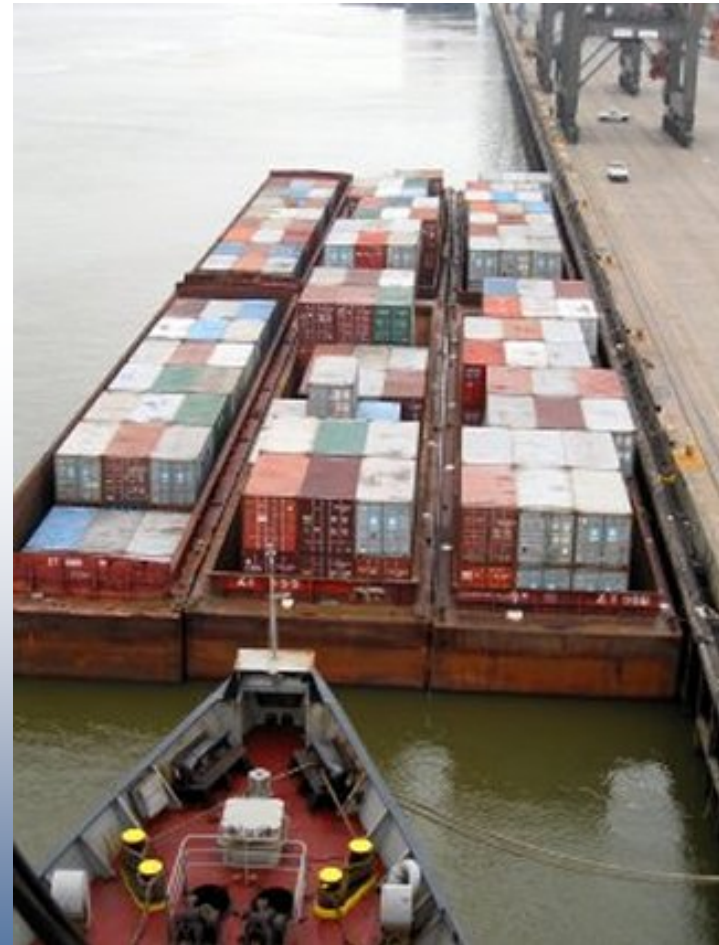
Scope and Purpose of Study

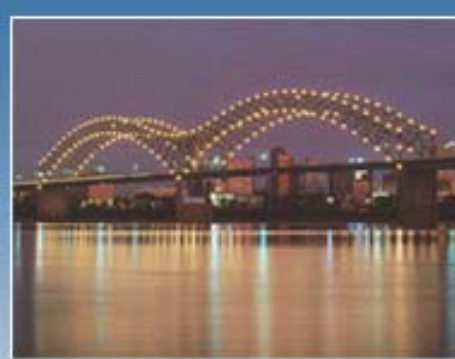
Scope

To quantify the impact of the Port of Memphis on the economy of Memphis and Shelby County

Purpose

To provide Policy makers with an understanding of the magnitude of the Port's impact within Shelby County.





Overview of the Port of Memphis



INTERNATIONAL
PORT OF MEMPHIS



Memphis Waterfront 1941



INTERNATIONAL
PORT OF MEMPHIS



- 1949 – Construction started
- 1951 – Complete
- 8 mile/12 km long still water harbor
- 300 ft./91m wide channel



INTERNATIONAL
PORT OF MEMPHIS



Public Terminal- October 7, 1955



Location

- 640 river miles north of New Orleans
- 400 river miles south of St. Louis
- Jurisdiction extends from miles 715.5 to 741.0 on Mississippi River
- Three slack water harbors
 - McKellar Lake Harbor
 - Pidgeon Industrial Harbor
 - Wolf River Harbor





Surrounding Transportation Infrastructure



Public & Private Port Facilities

| | |
|-------------------------------------|----|
| Piers, Wharfs & Docks | 59 |
| Oil Handling & Bunkering | 11 |
| Liquid Bulk Handling Facilities | 18 |
| Public Storage of Bulk Liquids | 6 |
| Dry Bulk Handling Facilities | 18 |
| Public Facilities | 8 |
| Grain Elevators | 6 |
| Hoisting Equipment | 5 |
| Marine Repair & Dry Dock Facilities | 3 |
| Midstream Refueling Equipment | 4 |



Memphis Area

- Memphis MSA consists of 8 counties in Tennessee, Mississippi and Arkansas
- MSA population is 1.2 million
- City of Memphis is 17 largest city in U.S.
- The Port of Memphis is situated at the strategic central location on the inland waterway system
- Memphis is known worldwide as America's Distribution Center.



US Inland Waterways

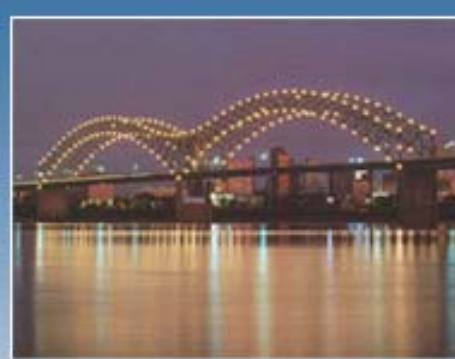




Port Designations

- U.S. Customs Port of Entry
- Foreign Trade Zone #77
- U.S. Corps of Engineers Memphis District operation covers 355 miles of the Mississippi River
 - \$200 million capital investment
 - 170 employees

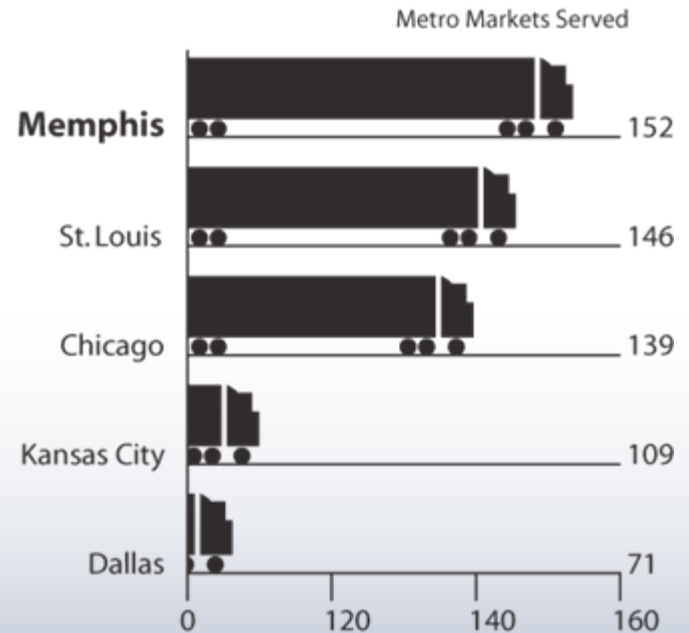




Strategic Logistical Importance of the Port of Memphis



Truck Service From Memphis



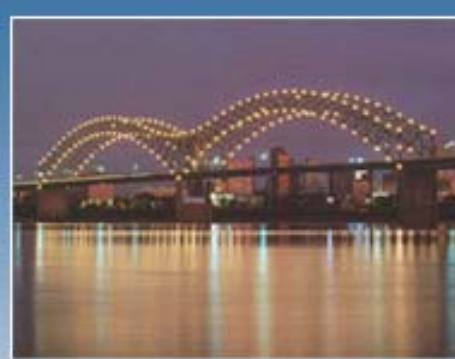
More metro markets can be served by truck overnight from Memphis than any other city in the Central United States.



Rail Service from Memphis



Major cities served by Class I single rail system shipments from Memphis



Economic Impact



Summary of Impacts

- Overall economic impact is \$5.5 billion annually.
- 16,765 jobs are supported within Shelby County by the port and its related operations.

INTERNATIONAL
PORT OF MEMPHIS



Presidents Island Industrial Park





Memphis & Shelby County Port Commission Operations

| | |
|-------------------|---------------------------|
| Direct Employment | 6 |
| Total Employment | 31 |
| Economic Impact | \$2.4 million annually |



Tenant Operations

| | |
|---------------------------|--------------------------|
| Current Tenant Operations | 160 |
| Direct Employment | 6,549 |
| Total Employment | 16,734 |
| Economic Impact | \$5.497 billion annually |
| Local Taxes Generated | \$26 million annually |


Homeland Security Investments

- Department of Homeland Security selected the Port of Memphis as a “best practices” model for high tech security measures
- \$1,356,067 Homeland Security grants received
- Economic impact of \$2.4 million for these grants



Super Terminal Projections

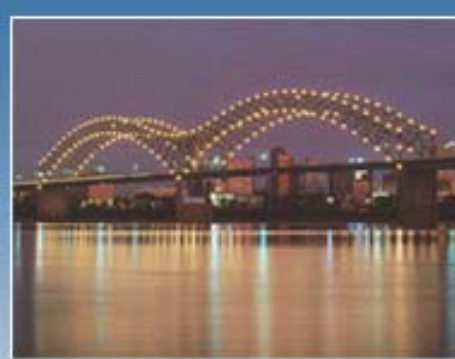
| | |
|-------------------------------|-------------------------|
| Cost | \$25 million |
| Annual Lifts | 200,000 |
| Construction & Startup Impact | \$50.5 million one time |
| Economic Impact of Operations | \$15.6 million annually |
| Total Employment | 58 |
| Local Tax Revenues | \$94,000 |



155 Acres Canadian National and CSX
Intermodal Rail Facility in Memphis, TN

Opening date June 2005

01/20/2005



Conclusion



Factors Point to Future Growth

- Barge shipments are 10-15% less expensive than truck or rail
- Waterways are the most fuel efficient mode of transporting freight
- Increased rail and truck intermodal capabilities
- Existing facilities are broadening capabilities
 - Fullen Dock & Warehouse – Container handling
 - Barnhart Crane & Rigging – Project Cargoes



Fullen Dock and Warehouse
Container on barge operation
Memphis, TN

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Barnhart Crane & Rigging
1,500 ton stiff leg derrick crane
Memphis, TN

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www.PortofMemphis.com