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30,000-square-foot warehouse planned at Port Manchac

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When making the pitch to potential clients, economic development officials like to stress Port Manchac's location on the Canadian National/Illinois Central Railroad line, easy access to four interstate highways, access to the Mississippi river via Lake Pontchartrain and its proximity to Louis Armstrong International Airport.

They will soon add a new 30,000-square-foot warehouse to the list of assets. State and local officials hope the new building will help further Manchac's efforts in becoming a true intermodal port and distribution center.

The new warehouse sits along the port's rail platform and will allow workers to load or unload up to eight rail cars at a time. The State Department of Transportation Development is covering the bulk of the \$1.1 million project.

Now, the challenge for port officials is to line up tenants in the midst of a business downturn.

"Industrial, warehousing, anybody who can use it," says South Tangipahoa Parish Port Commission executive director Fred Bullinger. "We've got a campaign on to fill the warehouse."

The port expansion comes on the heels of what Bullinger calls a "terrible" year. By his estimate, business at Manchac is down 45% from 2001, when the port handled 1,040 railroad cars laden with steel and timber products.

A 30% U.S. tariff on most imported steel imposed last March, along with the terrorist attacks, further dampened business already suffering from the national economic slowdown, Bullinger says.

Bullinger says some domestic steel producers using the Canadian National rail line to ship supplies to Louisiana' steel fabricating yards have begun bypassing the port in favor of facilities at Convent, La.

"We are trying to work with the railroad and steel companies to return that business to Port Manchac," he says.

The Port's biggest client, **Hunt Forest Products** Inc., shipped less plywood this year despite a relatively strong national housing sector.

"Nine-eleven hurt us all," Bullinger says. "Hunt's business dropped considerably last year."

Strategically located on the narrow pass linking Lake Pontchartrain and Lake Maurepas, the Port of Manchac's main selling point these days is its link to rail and highway service. A shallow draft port, Manchac can accommodate only the smaller, shallow draft barges. The trend over the past several years has been to larger, container-carrying barges.

The railroad, which serves the port six days per week, likely rescued Port Manchac from economic obsolescence, says John Ware, who was the port commission's executive director from 1987 to 1998, and who now heads the Livingston Parish Economic Development Council.

"One of the greatest challenges when I first arrived was there was no rail service to the port," Ware says.

During his first year in Manchac, Ware helped negotiate a lease for tracks at the site and constructed a platform. The move not only made the port's plywood transport business more efficient but created opportunities for handling steel headed for area shipyards.

"I guess the project would not have developed to the extent it has had we not been able to get rail service," Ware says.

In the late '80s, the port added its own series of tracks to provide access to two warehouses with a combined 50,000 square feet of storage.

Ware says there is still a role for shallow draft barges and "low-cost operating facilities" like Manchac. But getting those barges from Manchac to the Mississippi River at New Orleans can be costly for industry, says MetroVision vice president of economic development Tommy Kurtz.

Port Manchac is better suited, he says, to light manufacturing and distribution companies that rely on rail and highway service more than shipping.

Ware says the port could be more competitive if it had its own towing vessel, a goal under discussion when he left the agency.

William Joubert, director of the economic and business development program at Southeast Louisiana University in Hammond, says shallow ports such as Manchac are faced with recreating themselves in a shipping world increasingly dominated by large containers and deepwater ports.

"A lot of these shallow draft ports have been put in the difficult situation of finding a new niche," he says.

Besides capitalizing on its rail and highway links, Manchac could market itself to companies that move goods in smaller quantities, which require more careful handling, he says. "And you've got the big lake there, and the port. You really have the opportunity to use it as a recreational boat area - a marina for pleasure craft," he says.

Joubert says the university has helped market the port to prospective tenants. "We'd love to see any development that would take the port to the next level or to find that niche," he says.

Bullinger says the port has just begun marketing the new warehouse.

"We've had a few people call, and we're getting the information out," he says.

Other possible improvements include Port Manchac being used to help ease congestion at New Orleans-area industrial sites such as Elmwood Business Park and the port's effort to streamline services such as billing.

"I think our future is as a distribution center because of great rail service" and proximity to interstates 10 and 12, he says. "We're also looking at becoming a bulk transfer center," he says, a place where cargo can easily be moved from trucks to railcars and vice versa.

Shipping, he acknowledges, is more problematic.

"We haven't given up on barge traffic," he says. "But percentage-wise, it's tough to get." o

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Port Manchac bills move to House

- Story

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Posted: Wednesday, April 23, 2003 12:00 am

By: **Deon Roberts** | **0 comments**

The House is scheduled to move today on Rep. Henry "Tank" Powell's House bills 775, 1076 and 1598, all of which aim to significantly change the operations and funding of what Powell has called a failing port. Powell said the port has been levying property taxes without voter approval since 1987. During that time, the port has collected more than \$5 million from the voters but has failed to become self-sufficient. He said the port has never earned a profit. HB 1076 would abolish the seven-member commission and repeal all of its authority. The Tangipahoa Parish Council would take over operations, Powell said. If the bill is passed, the port would not go away, but its leadership would, he said. HB 775 would take away the \$75 commission members are paid to attend their regular monthly meeting as well as any reimbursement for their travel expenses. Currently, no more than six special meetings can be held annually, and no more than three meetings can be held in one month. Powell wants the voters to decide whether they should be further taxed to fund the port. In 2002, voters in the 6th, 7th and 8th wards paid more than \$300,000 in property taxes to the port. HB 1598 would grant voters the power in October to have a say in whether they are taxed. The port has defended its operations and recently self-reduced the millage to zero for 2003. Commissioners said they were reducing the millage as a result of a sluggish national economy, not in response to Powell's legislation. Port President Robert K. Lansden said the port has \$1.3 million in liquid assets and could exist for about two years without the millage. But the port retains the power to increase the property tax to 2.09 mills in the future to fund projects. Port officials said they are working on a number of projects to increase business at the port. One pending deal with the Port of New Orleans would bring an increase of container and truck traffic and result in \$15.6 million in investment. To alleviate 18-wheeler traffic on Tchoupitoulas Street in New Orleans, cargo would be shipped via the railroad to Manchac, where trucks would pick them up. But some people say the Port of New Orleans' concept is a pipe dream that will never get the necessary funding. "No one supports Port Manchac. Nor do they see any future for the prosperity of the port," Powell wrote in a March 27 letter to local state representatives. Officials from Hunt Forest Products, Inc. in Natchitoches said the port is the only viable location for the company to ship plywood by rail. Cutting the millage would result in an immediate savings of \$200,000 a year to taxpayers, Powell said, adding that his port bills are very popular. "There's no opposition from the local delegation," he said. "I don't anticipate any opposition, because it's just hard to defend the lack of progress at the port." Deon Roberts may be reached at 254-7828 or droberts@hammondstar.com.