



May 27, 2010

Contacts: Chris Bonura
504-528-3222

Port Approves Contracts for Refrigerated Terminal *Terminal is the first design-build project for the Port*

The Board of Commissioners of the Port of New Orleans approved three projects today worth \$25 million for a new dockside refrigerated terminal at the Henry Clay Avenue Wharf. The work includes demolition of an existing cargo shed on the wharf, repairs to the substructure of the wharf and designing and building a new refrigerated warehouse.

The terminal is expected to be completed in August 2011. Building the new terminal at the Henry Clay Avenue Wharf will secure 230 jobs and is expected to add 120 new jobs for New Orleans Cold Storage and its stevedoring contractor.

“Refrigerated cargo generates jobs in Louisiana’s transportation and agriculture sectors, and we’ve had to take extraordinary steps to retain this business following Hurricane Katrina. Awarding these contracts is a major milestone in the Port’s recovery. We couldn’t have done it without a concerted effort by the Port, its tenants and our federal, state and local leaders to secure this cargo for the long-term and to retain and grow the jobs associated with this cargo,” said Gary LaGrange, President and CEO of the Port of New Orleans.

New Orleans is one of the nation’s leading exporters of frozen poultry. Before Hurricane Katrina, the Port completed construction of a similar dockside refrigerated facility at the Jourdan Road Terminal, which is operated by New Orleans Cold Storage. Cargo volumes grew because of the capacity to freeze more than 1 million pounds of food-products per day and to transfer that cargo directly from the warehouse to a ship docked in front of the warehouse.

After Hurricane Katrina, the warehouse was repaired, but the Mississippi River-Gulf Outlet, the main channel leading to the Jourdan Road Terminal, was closed. Some ships can still reach the Jourdan Road Terminal if they take another route through the Inner Harbor Navigational Canal Locks. However, less than half of the vessels that would normally call the Jourdan Road Terminal fit through the locks.

Fixing this situation requires that the Port build a new refrigerated terminal along the Mississippi River, which can accommodate all vessels that handle refrigerated cargo. The site at the Henry Clay Avenue Wharf is inside of the existing footprint of the Port of New Orleans and all trucks bringing cargo to the site will use the Clarence Henry Truckway, a dedicated port roadway, to access the site.

Some \$23.5 million in funding will be provided by the Community Development Block Grant Disaster Recovery Program of the Louisiana Office of Community Development – Disaster Recovery Unit. The Port has also made a request for \$16.5 million in federal funds needed to complete the project. The funds will be used to improve access to the site, for office space at the terminal and for dredging.

“When it comes to economic development, actions speak louder than words,” said Mark Blanchard, President of New Orleans Cold Storage, which will operate the new terminal. “As we

worked to rebuild our business over the last five years, we got lots of help from our government leaders.”

Blanchard specifically thanked Gov. Bobby Jindal and his chief of Staff Timmy Teepell; Commissioner of Agriculture Mike Strain; Secretary of Economic Development Stephen Moret, House Speaker Jim Tucker, Senate President Joel Chaisson, members of the Louisiana Legislature; Mayor Mitch Landrieu, the Louisiana Congressional Delegation led by Senator Mary Landrieu and Senator David Vitter, the Board of Commissioners of the Port of New Orleans and Port staff.

“Thanks to these individuals and many others, New Orleans Cold Storage will continue providing jobs and paying taxes here for a long time,” Blanchard said.

Before construction can begin, the existing cargo shed at the Henry Clay Avenue Wharf must be torn down. Demolition work is expected to begin in June and be completed in September.

Kostmayer Construction Inc. was awarded a contract of \$527,730 to repair the substructure of the wharf to make it ready for construction of the new refrigerated warehouse. The start and completion dates of this work depend on the river stage. The river is currently at a high stage and must recede before work can begin.

The Board has also approved the first design-build contract in the history of the Port of New Orleans, and one of the first public design-build construction projects in Louisiana. A joint venture of The McDonnell Group, LLC of Metairie, La, and Primus Builders, Inc., of Atlanta, Ga., was awarded a contract for \$24,298,000 to design and construct the new warehouse.

“Obviously, we’re pleased to have been chosen for the Port’s first design-build project and we are very aware how critical the project is in terms of economic impact for the region,” said Allan McDonnell, President of The McDonnell Group. “We believe our proposal was selected because of the expertise and forward-thinking of both companies. Our design incorporates energy-saving technology and operational efficiencies throughout the warehouse, including an automated pallet conveying system. This will bring New Orleans Cold Storage significant operational efficiencies and cost savings.”

The joint venture will have 414 days to design and build the warehouse. The 140,000 square foot warehouse will be able to store at least 35 million pounds of product between –15 and 40 degrees Fahrenheit and blast freeze 1.2 million pounds of product in 20 hours or less.

Through the design-build process, the Port was able to wrap design and construction of the new terminal into one bidding process. The design-build bidding process allowed the Port to evaluate quality and completion time factors, as well as costs, in the design and construction of the new terminal. Normally, public agencies in Louisiana have to use a design-bid-build process that requires that a construction project be fully designed before it is put out for bid, but the Louisiana Legislature passed a law that allows public entities to use the design-build process for hurricane recovery projects that meet certain criteria.

###