

Clarksville-Montgomery County

Intermodal Port Development Project

Port Issues and Market Potential

Prepared for:
The Clarksville-Montgomery County
Regional Planning Commission

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Executive Summary

Based on local surveys and our independent analysis we believe development of a public-use port in the Clarksville-Montgomery area to be feasible. Because, private sector interests in water transport facilities are strong and diverse. In addition, the regional economy continues to grow and would benefit from public access to water cargo transportation. Indeed, such diversification of transportation facilities coincides with the APSU/EDC Data Center findings that suggest the utilization of the Cumberland River to promote the region's commercial development.

Study findings have identified an order-of-magnitude estimate of annual cargo tonnage that ranges between a conservative 300,000 tons to 1.5 million tons. Based on the conservative volumes, annual-operating revenues could range between \$800,000 to \$2.4 million. From an operating standpoint this translates as shipping volume in the range of 4 to 20 barges per week.

Private business interests speculate that an additional 3.5 million annual tons could be attracted to the port via a single major shipper, this would increase revenues significantly (i.e. possibly over \$10 million) resulting in total weekly barge traffic of 70 plus.

Numerous communities currently benefit from small public-use river ports that handle similar cargo volumes (i.e. 300,000-1.5 million tons). Some of these communities have issued Government Obligation (GO) bonds in the range of \$5.0 million to begin development of their port facilities. Other communities have secured EDA funding and Corps of Engineers assistance for the development of port facilities similar to those anticipated for the Clarksville-Montgomery area.

Regarding development of a port, we recommend some form of cooperation with the private sector if at all possible, due to the high level of private-sector interest in port development. Similar to the way airports operate, this could involve development through a Port Authority with private lease arrangements for maintenance and operation. However, private sector concerns contacted in this study indicated that timing is a major concern, with a preference for development as quickly as possible.

A primary purpose of most public ports is hinterland economic development through access to efficient, low-cost river transportation. For this reason the direct financial benefits of port operation over the long term may actually be less important than the economic growth that is spurred or enabled because of port access.

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