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GARVER ENGINEERS

October 29, 2001

Ms LaNita Bonds, Civil Engineer
Project Planning Branch
USACE Corps of Engineers, Nashville District
P. O. Box 1070
801 Broadway
Nashville, TN 37202-1070

Re: Clarksville Riverport Concept Study
Indefinite Delivery Contract Number DACW62-98-D-0002, TO 14

Dear Ms. Bonds:

Enclosed in the pages following is our concept study for the Clarksville-Montgomery County Riverport.

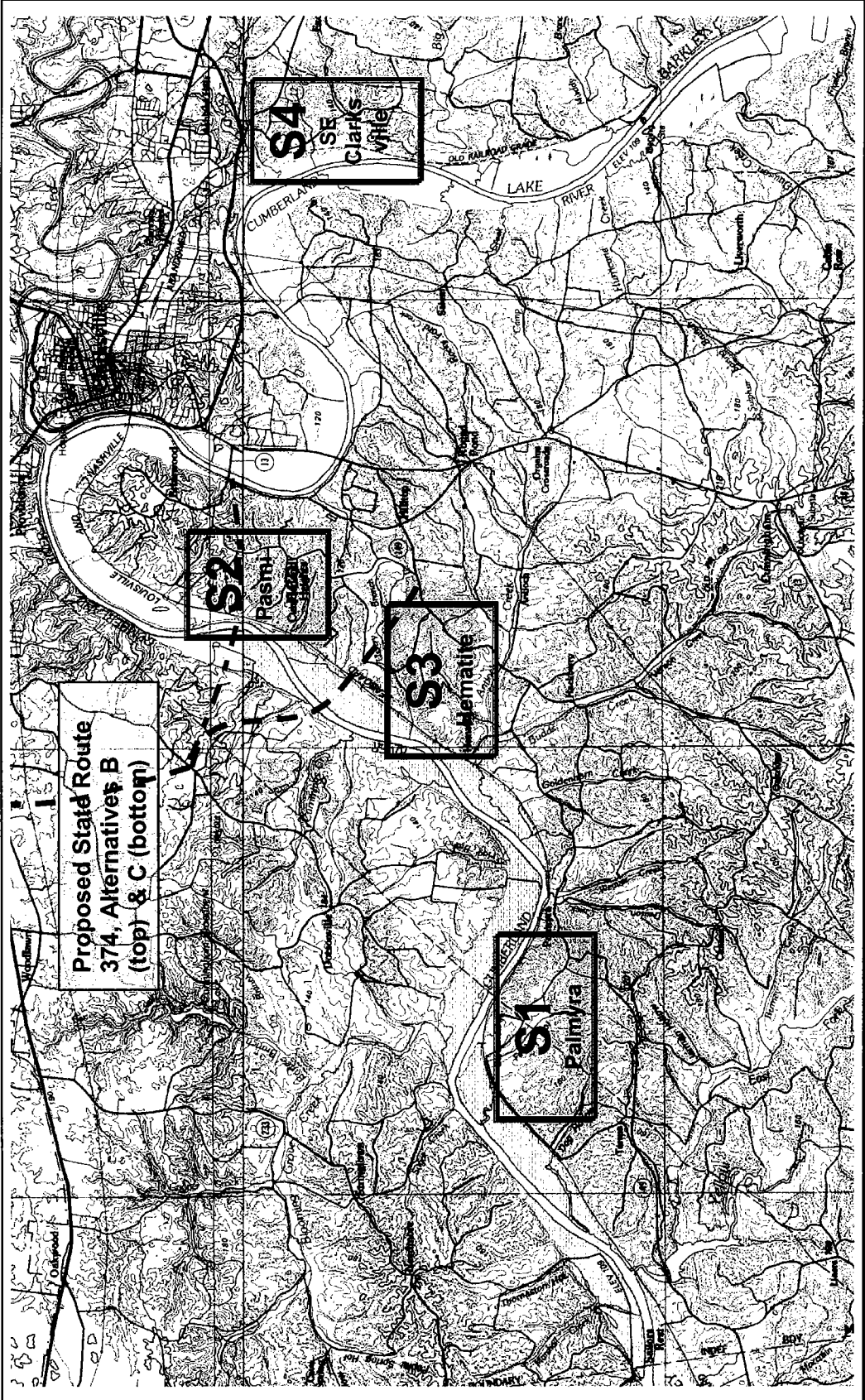
1. Executive Summary

This concept-level Section 107 study builds on work previously presented in the Clarksville-Montgomery County Intermodal Port Feasibility Study published by Garver Engineers and Wilbur Smith Associates, released in two phases: Phase 1 (economics) June 1999 and Phase 2 (site selection) October 1999. That study found a regional public-use port to be economically feasible, and subsequent to a site-selection process recommended four sites as follows:

- First Preference: S2 – Pasminco Zinc Area (immediately south of the existing plant site)
- Second Preference: S3 – Hematite Area
- Third Preference: S1 – Palmyra Area (generally north of the existing permitted site)
- Fourth Preference: S4 – Southeast Clarksville Area (Matthews-Tucker Site)

See Exhibit 1 for the general areas identified above. Subsequent to completion of that study the first-recommended site (S2-Pasminco Zinc Area) became unavailable for further development. This Section 107 study continued with the local area sponsor in reviewing development options for the second preferred site, known as the S3-Hematite Area site, co-located with the RJ Corman Railroad Company, as recommended in the previous study.

Based on local surveys and our current independent analysis we believe development of a public-use port in the Clarksville-Montgomery area to be economically feasible at the Hematite Site, with a preliminary Benefit/Cost Ratio of 10.3 for the entire project. Simply stated, there are \$10.30 of benefits to the local area economy for every \$1 of cost incurred for the total project throughout its life. If we use only traditional 107 eligible items (Phase 1), the BCR increases to 27.4. And this is excluding shipping volumes currently anticipated by the RJ Corman Railroad Company at its contiguously-located entire facility. This estimate is conservative in nature. The estimated development cost of the entire facility is \$10,801,430.



Shown above are the four general areas recommended for additional investigation for an intermodal port facility for the Clarksville/Montgomery County area.

Exhibit 1: Potential Sites for More Intensive Review

Clarksville-Montgomery County Regional Planning Commission Intermodal Port Feasibility Study – Phase 2 Site Selection

Previous study findings identified an order-of-magnitude estimate of annual cargo tonnage between 300,000 to 1.5 million tons. Based on these findings annual operating revenues would range in year one from \$800,000 to \$5.8 million. Including the RJ Corman volumes, the cargo revenue could approach \$20 million if survey results are reasonably accurate. From an operating standpoint this translates to a start-up shipping volume in the range of 4 to 20 barges per week to as many as 70 barges per week average at full development.

2. Section 107 Concept Study Process

This Concept Study Process incorporated 7 major elements of work:

Project Initiation and Coordination: This was especially important as this study continued as a follow-up to the previous studies mentioned, which were paid for by the local sponsor with other grant monies. As noted in the previous studies, there were several independent port development efforts underway. This study eventually resulted in recommendation of a co-located facility with the RJ Corman Railroad company in some kind of to-be-determined public-private partnership for development of the public port. Parts of this study were delayed pending development of critical pieces of the RJ Corman facility. See Appendix 1 for a copy of the Corps permit notice including the preliminary anticipated facility layout for the Corman facilities.

Study Scheduling: See Appendix 2 for the project schedule illustrating the major items of work. As noted, the study schedule was modified to accommodate permitting procedures for the RJ Corman Railroad Company. At the time of publication of this report, the RJ Corman Facility is nearing completion of its permit application process with construction anticipated to be started within a few months.

Preliminary Environmental included both archaeology and biology, which are included in greater detail as Appendices 7 and 8. While there are some issues that require careful consideration, there is nothing noted that is anticipated to deter this project.

Field Surveys incorporated a baseline survey, topographic survey of the final recommended site, archaeological grid staking and geotechnical layout. Survey results are incorporated in the Concept Design, Appendix 3.

Preliminary Geotechnical was limited to 3 soil borings with analysis and observation of the archaeological investigations. A preliminary geotechnical report is included as Appendix 6, and notes conditions anticipated for the site with a general recommendation that the facility can be constructed with reasonable methods.

Concept-Level Design coordinated with the RJ Corman Railroad Company facility (See published permit application, Appendix 1) and made use of the other preliminary reports. The concept-level design is included as Appendix 3, with the anticipated costs included in Appendix 4. This concept-level design was approved by the local sponsor.

Concept-level Benefit/Cost Ratio was conducted towards the end of this study (October 2001) to include the final estimated cost of the project, resulting with a preliminary BCR of 10.3 for the entire project, 27.4 for the traditional 107 study eligible items only (Phase 1), and 14.9 for Phase 2. See Appendices 4 and 5 for details.

Ms. LaNita Bonds
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We are pleased to have been of service to you in this process, and look forward to many good things to come for the Clarksville-Montgomery County Intermodal Port Facility.

Sincerely,



Kenneth W. Wilson, PE, MBA
Vice President

W/ encl

List of Exhibits

Exhibit 1 4 Recommended Sites from the Clarksville-Montgomery County Regional Intermodal Port Feasibility Study, October 1999

List of Appendices

Appendix 1: RJ Corman Permit Application documents and preliminary layout

Appendix 2: Study Schedule

Appendix 3: Concept Design

Appendix 4: Preliminary Construction Cost Estimate

Appendix 5: Preliminary Benefit/Cost Ratio Calculations

Appendix 6: Geotechnical Report

Appendix 7: Archaeological Report

Appendix 8: Ecological Report