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Georgia ports plan to keep expanding capacity in 2021

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Consumer demand is expected to grow this year, and while the Georgia Ports Authority is prepared, it plans to continue expanding capacity.

In 2021, the GPA expects to complete another phase of the Savannah Harbor Expansion Project, which will deepen the channel to 47 feet, allowing ships with more than 15,000-TEU capacity to use the river with bigger loads and fewer tide restrictions. The GPA also will continue to expand terminal space and will commission nine new rail tracks to keep up with the expected increase in demand.

“Other ports are either still developing or in the midst of expansion plans, whereas GPA took huge investments in the last few years,” said Mark Yonge, managing member of Maritime Transport and Logistics Advisors, a maritime industries consulting group in Fort Lauderdale, Fla.

Recent projects allows the ports to cope with initial drops and then surges in demand during the coronavirus pandemic, when supply chains and demand were affected by shutdowns during the first half of 2020, then rebounded in the third and fourth quarters. Economists have predicted growth in 2021 in anticipation of widespread distribution of Covid-19 vaccines.

“Despite the current uncertainty, the authority has remained steadfast in its commitment to build for the future,” GPA Board Chairman Will McKnight said.

The GPA moved more than 4.68 million twenty-foot equivalent unit (TEU) containers in 2020, which was an increase of 1.8% over 2019. The volume is partly due to demand for housing and all the products that supply the construction industry.

“Savannah’s capacity to take on additional trade as well as its diversified cargo portfolio — including e-commerce and strong export markets — have helped to drive business gains,” GPA



JEREMY POLSTON/GEORGIA PORTS AUTHORITY

At 1,345 acres, the Port of Savannah’s Garden City Terminal is the largest container terminal in North America.

Executive Director Griff Lynch said. “Additionally, a housing boom has translated into strong demand for furniture, appliances and other home goods crossing our docks. We remain optimistic that the conditions for growth will continue, but it is too early to know if the pace of cargo expansion will carry on as it has.”

In 2020, the GPA added three new ship-to-shore cranes at the Port of Savannah’s Garden City Terminal, increased the capacity of the Mason Mega Rail Terminal by two million TEUs per year and paid \$18.7 million for 145 acres next to the Garden City Terminal, allowing for additional container storage capacity of more than one million TEUs. The GPA also is expected to build a new container terminal in Jasper County, S.C., just across the state line from the Port of Savannah.

The projects put the Georgia Ports Authority in better position to compete against regional and national competitors following the pandemic. The Port of Savannah is the third-busiest entry and exit point for containerized trade in the country, behind only Los Angeles-Long Beach and New York-New Jersey. It is the closest and fastest by rail to Atlanta, Memphis, Nashville, Charlotte, Huntsville and Birmingham.

“Location, location, location,” Yonge said. “The GPA is located in a part of the United States that is growing in terms of location of assembly, distribution and manufacturing as well as being located in a region of the United States that has a population that is growing.”

Being the most westerly port on the East Coast means Savannah gives shippers the most efficient option by cutting down on trucking and rail costs.

“There has been a surge in the demand for goods from manufacturing or producing areas primarily located in low-cost countries into markets in the European Union, United States, Middle East and Oceania,” Yonge said. “Changes in consumer habits has also had an impact. We call this the ‘Amazon effect’ in that consumers are ordering products and demanding it be delivered in a day. Competition is ramping up across the globe with emergence of competing e-commerce platforms.”

Growth already has been explosive at the Appalachian Regional Port (ARP), the first of GPA’s inland ports. The ARP provides a rail hub with direct access to the Port of Savannah.

“With 73% year-over-year growth, additional capacity is needed to handle the expanding volumes,” said Edward Fulford, manager of communications for GPA. “Additionally, increased container trade through the Port of Savannah places greater demand on truck capacity. With only so much truck capacity in the market, we’re expecting more containers destined for the ARP service region to transition to intermodal rail.”

The ARP has contributed to GE Appliances building a \$32 million logistics center and Huali Floors building a \$27 million manufacturing center in Murray County.

“Typically, ports and railways respond to markets, versus creating them,” said Eli Falls, president and CEO of the Murray County Industrial Development Authority. “While certain sectors of the economy did slow during 2020, others certainly surged in growth as the market responded to the pandemic. The GPA, in having capacity and strategic locations such as the ARP, was able to successfully respond to those changing market demands.”

Georgia’s ports now account for 10% of the state’s total employment and port activity accounted for 11% of the state’s total sales in fiscal 2019, McKnight said.

“GPA’s steady infrastructure investment readies our terminals with the capacity for future demand, allowing Georgia Ports to absorb influxes of cargo when they occur,” he said.

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