Kentucky Riverport Improvement Project

Prepared for

Kentucky Transportation Cabinet

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Prepared by:

Hanson Professional Services Inc.
One Burton Hills Blvd., Suite 360
Nashville, TN 37215

(615) 665-9611

HANSON

TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

EXHIBITS

APPENDIX A – ADDITIONAL INFORMATION

APPENDIX B – PORT DATA SHEETS

1.0 INTRODUCTION AND PURPOSE

The Commonwealth of Kentucky lies in the heart of the nation, at the hub of the nation's inland waterways as shown in Exhibit 1.1. Positioned advantageously on both the Ohio and Mississippi Rivers, its location offers unique advantages for efficient year-round freight transport of bulk materials, agricultural products, chemicals, minerals, metals, wood, manufactured goods, and containerized freight. The Commonwealth's full complement of well-developed terminals, riverports, enterprise zones, warehouse facilities, ports of entry, and foreign trade zones link with an intermodal transportation system that forms a network with the world. Containing nearly 1,600[1] navigable inland waterway miles, Kentucky is the waterway link between the Great Lakes, Canada, Mexico and the deep-draft ports of New Orleans and Mobile for shipments overseas.[2]

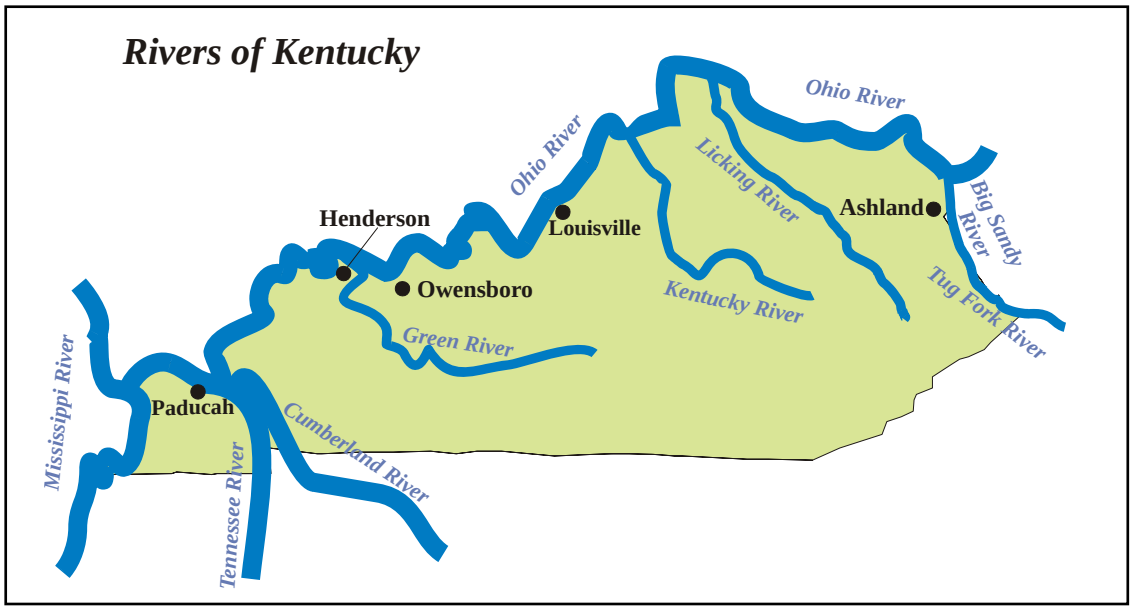
Recognizing that waterways and intermodal riverport facilities play an important role in the commonwealth's economy, the Kentucky Riverport Improvement Project (the Project) was initiated to conduct a study of the commonwealth's riverports and to investigate the roles and responsibilities that other states have taken to capture the benefits of their inland waterway system. The primary objective of the Project is to assist the Kentucky Transportation Cabinet (KYTC) in developing a plan to make Kentucky's riverports more competitive. The results presented here provide the KYTC with recommendations to initiate a commonwealth-wide program that will impact Kentucky's ability to compete in regional, national, and global markets for many years to come.

Exhibit 1.1 - Inland River System

2.0 OVERVIEW OF KENTUCKY'S RIVERS AND PUBLIC RIVERPORTS

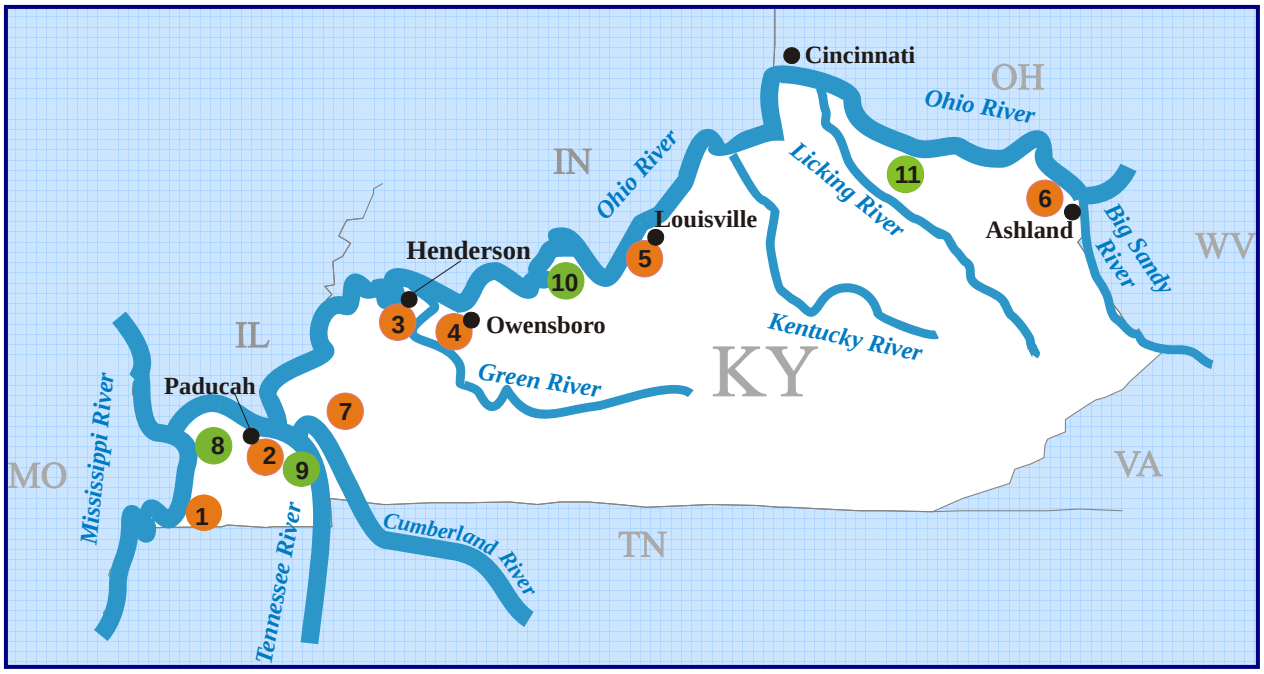
Rivers have played a vital role in the historical development of this country. Kentucky's 90,000 miles of streams comprise one of the most expansive and complex stream systems in the nation. It is the only US commonwealth to be bordered on three sides by rivers – the Mississippi River to the west, the Ohio River to the north, and the Big Sandy River and Tug Fork to the east. Its major internal rivers include the Kentucky River, the Tennessee River, the Cumberland River, the Green River, and the Licking River.

Kentucky is also home to a large concentration of marine industries. A state-of-the art towing industry training facility is located in Paducah (see Appendix A for additional information) and several barge lines have headquarters and/or operations centers in Kentucky.



2.1 Public Riverports

Kentucky has eleven public Riverports as shown in Exhibit 2.1, seven of which are operating ports and four of which are developing ports. Individual port visits were conducted to discuss local issues and perform a strengths-weaknesses-opportunities-threats (SWOT) analysis for each port. The results of these visits are discussed in this section. The opinions of cost provided in this section are provided by the ports and are not based on data developed by Hanson. Data sheets on each port are provided in Appendix B.



Operating Ports

1. Hickman-Fulton County Riverport Authority
2. Paducah-McCracken County Riverport Authority
3. Henderson County Riverport
4. Owensboro Riverport Authority
5. Louisville-Jefferson County Riverport Authority
6. Greenup-Boyd County Riverport Authority
7. Eddyville Riverport & Industrial Development Authority

Developing Ports

8. Wickliffe-Ballard County Port Authority
9. Marshall County-Calvert City Riverport Authority
10. Meade County Riverport
11. Maysville-Mason County Port Authority

Exhibit 2.1 - General Locations of Public Ports in Kentucky

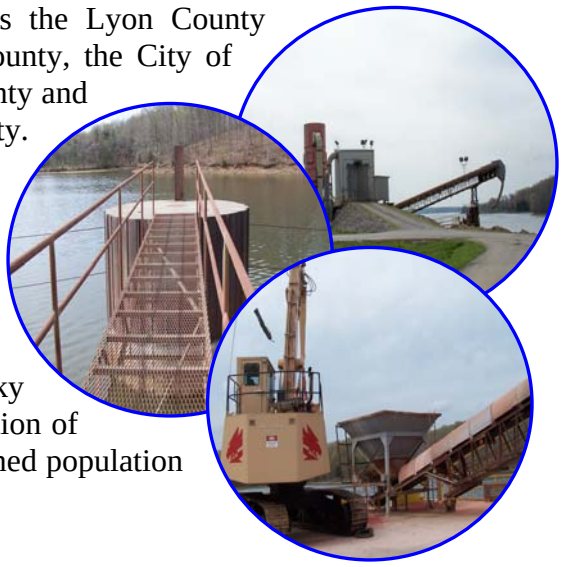
2.2 Synopsis of Information Regarding Individual Riverports

The individual port visits focused on discussing existing conditions, future direction or vision for the port, and identifying short- and long-term capital needs that are essential for continued success with the current and visionary operations and facilities. Using this information along with the SWOT analysis provides context for the Project's recommendations.

Though each port has unique characteristics, needs, and visions, a commonality emerged: none of the ports compete with one another and each has the ability to stimulate economic development in the surrounding region. The riverports of Kentucky play an important role in facilitating access to the commonwealth's natural freight transportation system. The future vitality of these riverports revolves around the ability to maximize the ports' potential. The following encapsulates the results of these visits. Additional comparative information on these ports can be found in Appendix B.

2.2.1 Eddyville Riverport and Industrial Development Authority

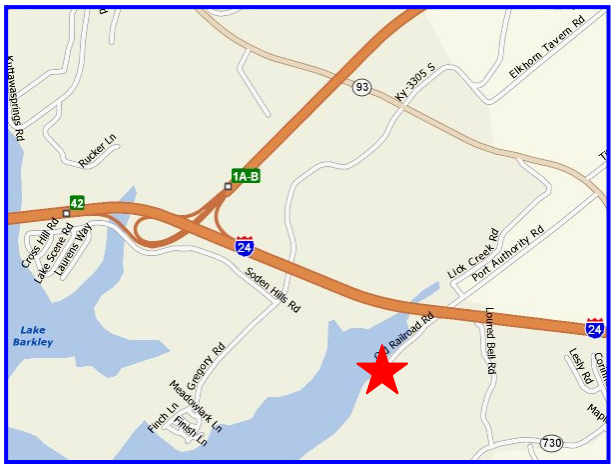
The Eddyville Riverport was established in 1976 as the Lyon County Riverport Authority, with involvement from Lyon County, the City of Eddyville and the City of Kuttawa. In 2002, Lyon County and Kuttawa elected to cease participation with the Authority. The City of Eddyville, by articles of incorporation, formed the Eddyville Riverport and Industrial Development Authority (Eddyville), combining the industrial development authority and the port operation. The port operation is located adjacent to a natural harbor/bay at river mile 43 on the Cumberland River/Barkley Lake and is the only operating Kentucky public riverport on the Cumberland River. The population of the City of Eddyville in 2006 was 2,405, with a combined population of 21,189 for Lyon and Caldwell counties.



Existing Conditions

Location: The port facilities are located on Port Authority Road, approximately one mile off of KY-93. KY-93 offers connections to US-62, two miles west, and I-24, 1.5 miles southeast of the port entry road. In addition, US-62 connects with the Wendell Ford Western Kentucky Parkway approximately five miles northeast from the port. These connections, with

primary four-lane roadways, offer the opportunity for truck transportation in all directions from the port facilities.



★ ***Eddyville Riverport and Industrial Development Authority Location***

Rail service to the area is provided by the Paducah & Louisville Railroad (P & L), a short line railroad with connections to various Class I rail carriers. There is no rail service to the port facility, with the P & L track currently terminating four miles from the port. There is an old existing track bed from the track termination into port property, potentially offering the opportunity to rebuild track at a "lower than new" cost.

The nearest operating public general purpose river terminals are listed below. A general purpose river terminal is defined as a versatile facility in which a variety of goods or commodities are loaded or unloaded to/from barges.

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Paducah-McCracken County Riverport Authority	KY	Tennessee River mile 2	45 miles
River Enterprises	IL	Ohio River mile 881	74 miles
Winn Materials	TN	Cumberland River mile 123	80 miles
Henderson County Riverport	KY	Ohio River mile 808	158 miles

Site: Port facilities are located on 252 acres of land owned by Eddyville. The current utilization of this property is as follows: port operations - 5 acres; tenant operations - 20 acres; unusable - 25 acres; available - 202 acres. The acreage currently operated by the port or tenants is relatively flat, with the additional acreage quite hilly. Development of more acreage

could be an expensive challenge, with the exception of a primarily flat area "above" the current operations. This area offers a natural gravel base and is adequate in size for a building or hardstand lay down area. This site is accessible to current operations from two directions, with existing gravel roadways that could be improved to allow truck traffic.

In addition to the acreage listed above, Eddyville owns an additional 122 acres in the Eddyville Industrial Park, located on US-62 approximately five miles from port operations. This industrial park has infrastructure in place (including rail), with two industries currently operating from the park. One of the industries is Exel, receiving plastics and chemicals by rail and truck for blending, grinding and processing. Its operation is in a 200,000 sq. ft. complex, employing approximately 50 people. The other industry is Keith Coleman Racing LLC, a business that assembles and repairs race cars, plus offers a training complex for race cars. It employs approximately 20 people.

Facilities: The terminal operations area offers 2,700 ft. of water frontage. The current port authority operation is the discharge of granular fertilizer from barge to conveyor, transporting the product to a fertilizer storage and load-out operation. This fertilizer is discharged by port employees, utilizing a hydraulic material handler. The dock configuration could be utilized for discharge of general cargo type commodities; however, those could not be handled efficiently with the hydraulic material equipment. The dock area is also the location for a pipeline that is utilized for the discharge of liquid fertilizer to storage tanks. The fertilizer storage facility and the liquid tanks are owned, maintained, and operated by personnel from Agri-Chem, a major tenant at the port. The fertilizer storage facility has a capacity of 9,000 net tons, with the liquid fertilizer tanks having a capacity of 1,000,000 gallons.

The other major operation at the terminal is the receipt, storage, and barge load out of grain. The tenant for this operation is Peavey Grain, with Peavey personnel providing all labor and equipment for the operation. The grain handling facility includes a truck scale, storage bins, two truck dump pits, and two conveyor systems for loading grain to barges. Storage capacity at the grain facility is approximately 70,000 bushels. Adjacent to the grain handling facility is a compacted hardstand area utilized seasonally for storage of corn, with the capacity for outside storage of 630,000 bushels.

The third tenant is Rottgering Marine, providing storage and repair for pleasure boats on a ten-acre tract leased from the port authority. This acreage could offer the opportunity for an additional dock facility in the future; however, the lease to Rottgering Marine is not near expiration.

Eddyville owns one small building located on the acreage leased to Rottgering, with use of the building part of the lease agreement. The other port-owned building is an office complex located near the entrance to port facilities. The total riverport employment is currently three.

Primary equipment items at the facility are:

#	Equipment
1	946 Hydraulic Material Handler
1	Skid Loader

This equipment is ample to handle current commodity requirements.

Services Offered:

Facilities at Eddyville provide availability for the following services:

- Barge discharge to truck - granular commodities, break bulk commodities.
- Barge discharge to conveyor - granular fertilizer.
- Barge discharge to tanks - liquid fertilizer.
- Barge discharge of equipment - roll off method.
- Conveyor to barge - grain products.

Approximate volumes of commodities handled through the port facilities annually are as follows:

Commodity	Volume
Dry fertilizer	68,000 net tons
Liquid fertilizer	20,000 net tons
Corn	4.5M bushels
Soybeans	1.6M bushels
Wheat	660,000 bushels

Mechanical presses weighing a combined 7,000 net tons were individually brought ashore at the port, adding a new service operation to the terminal.

Financial data are in the audit process; however, port personnel advised that operating revenues are adequate to cover current operating costs.

Vision

To become a multi-industrial center for inbound and outbound commodities, including warehousing and rail service for the port. Such a facility could then serve the Eddyville Industrial Park and the Pennyrile West Industrial Park, utilizing shuttle service for commodity transport to industries or warehouses at those sites.

Capital Needs

	Estimated Cost	
Primary Capital Needs	**Time Frame 0 – 5 Years**	**Time Frame 6 – 15 Years**
Create hardstand laydown area capable of storing general cargo type commodities.	**$ 300,000**	
Purchase additional crane with lifting capacity for general cargo.		**$ 3,000,000**
Build an additional cell for more efficient handling of barges.	**$ 400,000**	
Build a second dock where barges could tie off, allowing heavy lifts and general cargo handling.		**$ 5,000,000**

SWOT Analysis

Strengths:

- Port facilities offer nearby access to US highways and interstates.
- This is the only operating Kentucky public riverport on the Cumberland River/Barkley Lake.
- Additional acreage is available for development at the port facility.
- Acreage is available in the area industrial parks for industry to efficiently utilize port operations.
- Area government and community leaders are verbally supportive of the port as a means to attract new and expanded industries.

Weaknesses:

- Lack of an existing crane to efficiently handle general cargo commodities.
- Lack of rail at the port facility.
- Lack of improved hardstand storage area for storage/handling of general cargo commodities.
- Lack of a marketing program, including website.

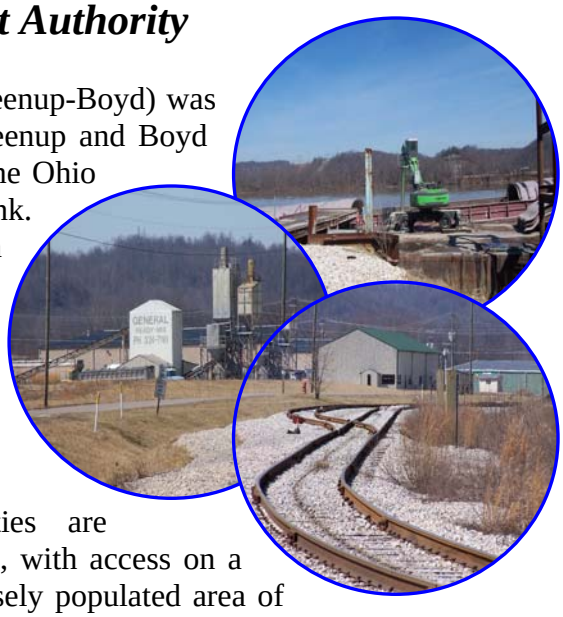
Opportunities:

- The Caldwell-Lyon Partnership is active in attracting new industry to the area with the potential to utilize port facilities and services.
- Aggressive marketing programs could generate additional commodity handling opportunities to more populated areas south of the port.
- Future marketing emphasis for handling import commodities moving through the deep water port of Mobile.

Threats:

- The primary threat appears to be the lack of funding to allow quick reaction to opportunities for handling general cargo commodities for existing or future industries.
- Consumption of corn by proposed ethanol plants could dramatically reduce the available corn for movement through the port.

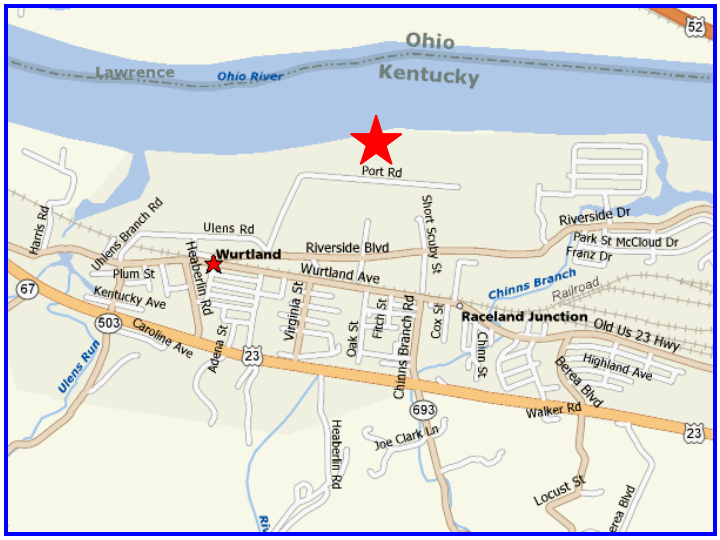
2.2.2 Greenup-Boyd County Riverport Authority



The Greenup-Boyd County Riverport Authority (Greenup-Boyd) was established in 2001 by the legislative bodies of Greenup and Boyd Counties. The operating port facility is located on the Ohio River at river mile 332, on the left descending bank. The property is in the City of Wurtland (population 1,051 in 2006). Greenup and Boyd counties had a combined population of 86,745 in 2006.

Existing Conditions

Location: The operating port facilities are located one mile from US-23, with access on a two-lane road through a sparsely populated area of the City of Wurtland. US-23 is a four-lane highway that offers access to Ashland, KY, to the southeast and Portsmouth, OH, (via bridge) to the northwest. The highway also connects with the Industrial Parkway (KY-67), a north-south highway that connects with I-64, 14 miles south. I-64 provides access that could enable the port to serve industries in eastern Kentucky and West Virginia. At the intersection of KY-67 and I-64 is an existing 1,000-acre developed industrial park, EastPark, offering an excellent opportunity for the port to serve new industries that locate to the site.



★ ***Greenup-Boyd County Riverport Location***

Rail service at the port is provided by CSX, with Greenup-Boyd owning the rail within the port acreage and surrounding industrial park. The rail network within this industrial park area is new, having been installed and/or refurbished by Greenup-Boyd.

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Scioto Docking, Inc.	OH	Ohio River mile 346.9	14.9 miles
Superior Marine Inc.	OH	Ohio River mile 316	16 miles

Site: Greenup-Boyd County Riverport Authority owns 14 developed acres at the present site plus 15 undeveloped acres downstream from the current site for a total of 29 acres with 1,120 ft. of river frontage. In addition to this acreage, the counties of Greenup and Boyd jointly own 20 acres, and Greenup County owns an additional 15 acres, all of which are in the immediate vicinity of the operating port facilities. The port and county-owned acreage at the site has a permit operating restriction whereby no coal or coal derivative commodity can be handled on the site. Industries that own land in the industrial park at the port site include: Vesuvius USA, Great Lakes Minerals, General Concrete and Appalachian Fuels. An additional 90 acres of undeveloped land located immediately upstream from the port site is privately-owned.

Greenup-Boyd also owns an additional 15 acres of undeveloped land downstream from the existing site, with no application to date for a Corps of Engineers permit. This property was purchased to allow for a second operating location in the future, with no coal-related restrictions.

Facilities: The general cargo/commodity handling dock has two steel dolphins for barge tie-off. The only commodity currently discharged at the facility is a specialty imported aggregate. A work barge with an excavator type crane ties to the dolphins, with the commodity barge tied on the river side of the work barge. A stationary steel ramp allows trucks to back near the work barge, with the excavator discharging the aggregate to truck. Located near the dock area is a 25,000 sq. ft. warehouse owned by the port and currently leased for storage and handling of the aggregate.

The port owns no mobile equipment, with all stevedoring performed by McGinnis, Inc. McGinnis supplies all labor, equipment, and supplies necessary for discharge of the aggregate.

Services Offered:

Facilities at the Greenup-Boyd provide the following services:

- Barge discharge to truck - granular commodities, break bulk commodities.
- Truck to storage - granular commodities, break bulk commodities.
- Rail service to industries on-site.

The port has been operating only one and one-half years, with an annual average of 200,000 net tons of aggregate handled through the facilities.

Financial data supplied by Greenup-Boyd's accounting firm indicates that for each fiscal year to date, expenses have exceeded revenue, resulting in a negative net income figure. This financial scenario is typical for the first years of operations for a public port authority.

Vision

The Greenup-Boyd Riverport Authority strategic vision is to help guide the region through its redevelopment along the Ohio River. The priority is to be a leader for business in the eastern Kentucky region for freight mobility and logistic needs.

Capital Needs

	Estimated Cost	
Primary Capital Needs	**Time Frame 0 – 5 Years**	**Time Frame 6 – 15 Years**
Master Plan, Surveys, Geotechnical, Preliminary Engineering	**$ 400,000**	
Construct a slackwater harbor		**$ 4,000,000**
Develop the 15 acres at the second site with infrastructure for terminal operations		**$ 4,000,000**
Purchase additional property	**$ 1,500,000**	

SWOT Analysis

Strengths:

- The port location offers good highway connections, especially east-west.
- Further development of port facilities is verbally supported on a regional basis by four counties.
- Rail service appears good in the area, with the port facilities having adequate internal rail track.

Weaknesses:

- The existing dock facility could be inefficient for handling general cargo commodities.
- Roads from US-23 to the port site are challenging for trucks to travel.
- Additional acreage in the immediate dock facility is currently not available.
- Greenup-Boyd has no marketing program and the operating stevedore appears to have no marketing for port services.

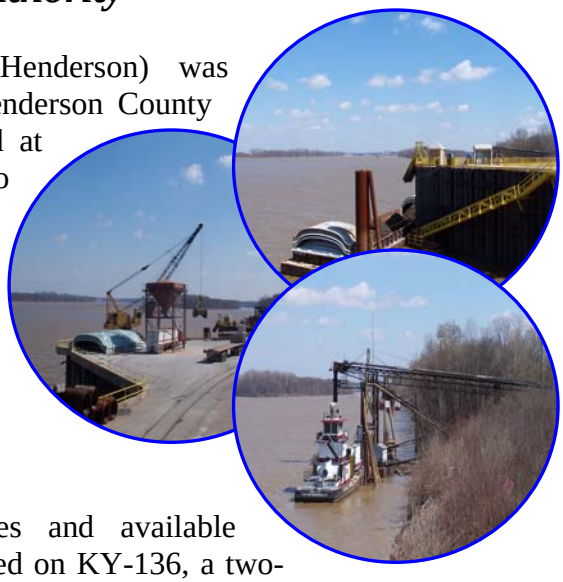
Opportunities:

- A regional industrial park is located near the port, offering opportunity for the location of industries that could utilize port services.
- Existing industries in the general area are potential customers representing marketing opportunities.
- Awareness of increasing imports/containers for handling in the tri-state area; marketing opportunity.

Threats:

- Potential development of adjacent acreage into a private terminal facility.
- Development of terminal facilities in Southern Ohio prior to further development of Greenup-Boyd facilities.

2.2.3 Henderson County Riverport Authority



The Henderson County Riverport Authority (Henderson) was established in 1970 by legislative action of the Henderson County Fiscal Court. The operating port facility is located at river mile 808 on the left descending bank of the Ohio River, west of the City of Henderson. The property is in Henderson County (2006 population of 45,666) and near the City of Henderson (2006 population of 27,915).

Existing Conditions

Location: The operating port facilities and available industrial properties are located on KY-136, a two-lane roadway. This highway connects with US-60, only one mile from the port, and also connects with US-41 about three miles from the port. At the junction of KY-136 and US-60, KY-425 (also known as Henderson Bypass) offers an excellent connection to the Edward T. Breathitt/Pennyrile Parkway and the Audubon Parkway, both only eight miles from the port. The Edward T. Breathitt/Pennyrile Parkway is a designated I-69 corridor, important for future transportation in the geographic region.

★ ***Henderson County Riverport Authority Location***

Rail service at the port is provided by CSX, with numerous port industries and nearby industries utilizing rail transportation. Within the confines of the port development, the port authority owns a track network of 12,800 ft. designed to service the needs of industries and terminal operations.

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Evansville Marine Service	IN	Ohio River mile 793	15 miles
Port of Indiana – Mt. Vernon	IN	Ohio River mile 828	20 miles
Owensboro Riverport Authority	KY	Ohio River mile 759	49 miles
Eddyville Riverport & Industrial Development Authority	KY	Cumberland River mile 43	158 miles

Site: Port facilities are located on a 236-acre site owned by Henderson. Approximately 40 acres are utilized for terminal operating facilities, with 102.5 acres having been developed by industries located at the site and 93.5 acres available for development. The terminal site offers 4,000 ft. of river frontage, over 42,000 sq. ft. of open dock space and approximately 5 acres of hardstand for outside storage of commodities. The site has an internal roadway system that allows for transport to and from the industries and terminal operations.

In 2003, Henderson purchased an additional 185 acres for future development. This property adjoins the primary site downstream, with an existing roadway offering connections to current terminal facilities. The acreage has been “cleared” for development, with no infrastructure installations to date. With the proximity of this acreage to the primary site, there is an opportunity for construction of an additional dock to service industries locating on the new site.

Facilities: The general cargo handling area includes a cargo dock with 42,000 sq. ft. of open dock space and a 125-ton electric-pedestal crane capable of handling commodities from barge, truck, or rail. The crane capacity and design configuration provides excellent heavy-lift capacity, with the terminal noted for this service. Commodities currently handled by the crane include wire rod coils, fertilizer, aluminum fluoride, zinc, and specialty lumber. The primary dock area includes an adjacent heated warehouse currently utilized for storage of numerous commodities.

A new dock immediately upstream from the cargo dock was opened in 2006 and is utilized for loading steel scrap to barge, a very active business for the terminal. The new structure incorporates a 42-foot-diameter sheet pile cell with Z-pile wing walls to encapsulate the operating area and approach to the dock face. Mooring dolphins were constructed upstream and downstream at the new dock site. The design and location of this new dock offers the opportunity for a second general cargo facility in the future.

The terminal operating area also has two other potential barge positions. Upstream from the new dock is a coal loading conveyor system with the capability to receive coal by truck or rail, with conveyor loading to barge. Downstream from the general cargo dock is a grain loading conveyor system with the capability to load grain to barge from storage, rail, or truck.

In addition to the warehouse located adjacent to the general cargo handling area, the port owns three additional smaller warehouses which are currently leased for commodity storage. The total warehouse space at the port is 60,000 sq. ft.

During 2006, the port developed a fertilizer distribution facility which includes two 135-foot-diameter storage domes, conveyors, rail dump pit, operating areas, and access roads for connection to the general cargo dock. The total storage capacity for this facility is 22,000 tons. In the vicinity of the general cargo dock, the port owns an aluminum fluoride storage and handling facility with a capacity of 3,000 tons. Grain storage with a capacity of 50,000 bushels is connected to the grain barge loading system, located downstream from the general cargo dock.

Primary equipment items owned by the port include the following:

#	Equipment
1	125-ton Electric Pedestal Crane
10	Forklifts
3	Loaders

In addition, the port owns a 1000 HP tow boat, the “Can-Do,” which is available at the terminal area for prompt handling of barges. The port also owns an array of forks, buckets, and specialty handling accessories. Equipment at the port appears to be ample for handling of bulk and general cargo commodities currently moving through the facilities.

Services Offered:

Facilities at Henderson provide availability for the following services:

- Barge discharge to truck - granular commodities, break bulk commodities.
- Barge discharge to rail - granular commodities, break bulk commodities.
- Barge loading by crane - break bulk commodities.
- Barge loading by dock dump chute - scrap steel.
- Barge loading by conveyor - grain, coal.
- Truck & rail to storage - break bulk commodities, fertilizer, grain.

Total tonnages of commodities handled through port facilities during the last three complete fiscal years have fluctuated between 376,000 net tons and 533,000 net tons. Primary tonnage commodities include steel scrap, grain, fertilizer, and wire rod coils.

Operating revenues during fiscal years 2002 through 2006 were very good, ranging from $1.35 million to $1.76 million. In four of these five fiscal years, total expenses were less than revenue, resulting in a profit for the port. Financial success at the facility enables the port to continue capital projects, plus acquisitions of property and facilities.

Vision

Henderson County Riverport Authority sees itself as an economic development tool for the local community and region. It is their goal to continue to support local and regional industry by providing low-cost freight transportation services via river and railroad for all existing businesses and prospective industries looking to the area. It is keenly understood that one of the major costs of businesses is moving raw materials and finished goods. The Henderson County Riverport Authority was established for the purpose of creating economic advantage for existing business to assist in lowering transportation costs so that local jobs can be retained and created. This advantage would also apply to new industries the Henderson community is recruiting, in efforts to create new jobs for the local population.

Capital Needs

Primary Capital Needs	Estimated Cost	
	Time Frame 0 – 5 Years	**Time Frame 6 – 15 Years**
Rail track to serve the port and industries (1 mile)	**$ 1,000,000**	
New crane		**$ 1,500,000**
Recondition existing crane	**$ 500,000**	
Debt reduction	**$ 2.7M + long-term debt on warehouses**	

SWOT Analysis

Strengths:

- Geographic location near major highway transportation routes.
- Successful reputation for attracting river-related industries, with ample acreage for future industry locations.
- Heavy lift capacity of existing crane, with highway and rail for transport of heavy equipment.
- Population, industries, and agricultural activities generate inbound and outbound commodities for handling at the port facility.
- Area governmental, regulatory, and community leaders are verbally supportive of the port operations and importance to the region.

Weaknesses:

- Current debt load restricts additional borrowing for needed capital expansions.
- Lack of management time to explore potential new markets.
- Lack of funding sources for needed capital expansions.

Opportunities:

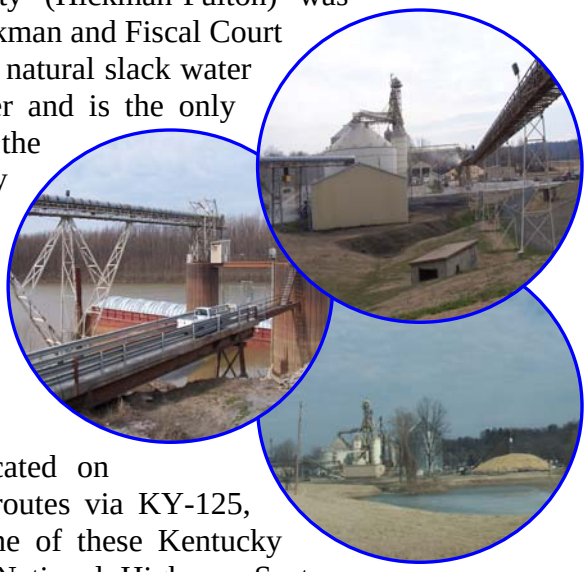
- Henderson has 279 acres available for development, offering opportunities for future expansion of facilities and services.
- The port is strategically located to become a regional port operation, serving developing industrial parks in the geographic area.
- Additional marketing efforts offer the opportunity to expand the customer base at the facility.

Threats:

- The aging of equipment, primarily the 125-ton crane, is a threat to future business.
- Inbound rail track to the port facilities and tenants is in danger of diminishing, a potential threat to the future viability of rail service.
- The abundance of existing general cargo terminals in the geographic region, plus the announced plans for new terminals, could dilute the potential terminal business.

2.2.4 Hickman-Fulton County Riverport Authority

The Hickman-Fulton County Riverport Authority (Hickman-Fulton) was established in 1964 by ordinance of the City of Hickman and Fiscal Court of Fulton County. The port is located adjacent to a natural slack water harbor at river mile 922 on the Mississippi River and is the only operating Kentucky public riverport located on the Mississippi River. The port property is in the City of Hickman (2006 population of 2,282) and in Fulton County (2006 population of 6,949).



Existing Conditions

Location: The port facilities are located on KY-94, with other access routes via KY-125, KY-166, and KY-309. None of these Kentucky highways are part of the National Highway System (NHS), with the only NHS highway segment in Fulton County, the Julian Carroll Purchase Parkway, accessible in the City of Fulton. The nearest bridges across the Mississippi River are located approximately 41 miles to the north near Cairo, IL and to the south near Dyersburg, TN. There is ferry service crossing the Mississippi River in Hickman, the Hickman-Dorena Ferry; however, there are limitations on truck utilization of the ferry.

★ ***Hickman-Fulton County Riverport Authority Location***

Rail service at the port is provided by a short line railroad, the TennKen Railroad Company. The rail line is the former Illinois Central branch line from Dyersburg, TN to Hickman, KY, owned by a local non-profit corporation, the Hickman River City Development Corporation, and currently operated by a third party short line operator from out of state. The Class I connection in Dyersburg, TN is with the Canadian National Railway. All rail tracks within the confines of the port are owned and maintained by the port.

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Port of Cates Landing	TN	Mississippi River mile 900	22 miles
New Madrid County Port Authority	MO	Mississippi River mile 885	37 miles
Pemiscot County Port Authority	MO	Mississippi River mile 849.9	72.1 miles
Consolidated Grain & Barge Company	MO	Mississippi River mile 48	79.8 miles
Paducah-McCracken County Riverport	KY	Tennessee River mile 2	83 miles

Site: Port facilities are located on approximately 10 acres of land owned by Hickman-Fulton. With the exception of scattered small parcels, all of the land is currently utilized for port and tenant operations. Additional acreage must be purchased if the port is to expand services, attract more tenants or compete to attract new industrial development.

The port currently has an option to purchase 10 acres immediately downstream from the existing docks that is possibly adaptable for construction of a new general cargo dock facility. In addition, the port has an option to purchase 200 acres on non-riverfront land adjacent to current operations. This property appears suitable for expansion of port commodity handling, warehousing, or industrial development. All of the optioned property is relatively flat. Additionally, there are large tracts of land currently being utilized for farming that could be available for future development.

Facilities: General cargo handling facilities include a cargo dock with a 22 ft. wide approach bridge, a 3,000 sq. ft. staging area, and a 125 ton pedestal-mounted crane. A stationary conveyor system is used to transport granular coke from barge to warehouse, with eventual loading to truck. This dock is also utilized to unload steel, fertilizer, and other general cargo commodities. The dock configuration requires trucks to travel

backward on the approach bridge to be loaded by the crane; this situation decreases productivity when compared to conventional dock arrangements.

A grain-handling conveyor system is utilized to load grain from the storage/handling facility to barge, with the loading spout immediately downstream from the general cargo dock. Congestion problems are encountered when a grain barge and general cargo barge are being handled at the same time. The grain handling facility is leased to Cargill Corp. Port employees manage loading grain commodities to barge, including corn, soybeans, and wheat.

There are two warehouses owned by the port, both leased to tenants. An 18,000 sq. ft. warehouse is leased to Hickman Pipe and Tube, a processor of various steel products. Hickman Pipe and Tube has 15 employees operating at the facility, with port employees and equipment unloading steel coils and pipe from barge for use by this tenant. The second warehouse has 10,000 sq. ft. and is leased to SGL Carbon for storage of granular coke. SGL Carbon has been operating in Fulton County since 1990 and has an employment of 63.

Hickman-Fulton offices are located in a 4,000 sq. ft. office building, purchased and renovated in 2002. Adjacent to the office building are covered facilities for secure storage of port mobile equipment and supplies, with the entire area fenced. Riverport employment includes three administrative staff, six full-time laborers and six part-time laborers.

Primary equipment items include the following:

#	**Equipment**
1	125-ton Pedestal-Mounted Crane
2	Forklifts
3	Loaders
2	Trailers
3	Trucks

There is also an array of minor equipment for operations and maintenance of port facilities. Equipment at the port appears to be adequate for handling bulk and general cargo commodities currently moving through the facilities.

Services Offered:

Facilities at Hickman-Fulton provide availability for the following services:

- Barge discharge to truck - granular commodities, break bulk commodities.
- Barge discharge to conveyor - coke, granular commodities.
- Barge discharge to rail (utilizing conveyor) - coke, granular commodities.
- Conveyor to barge - grain products.
- Truck & rail to storage - break bulk commodities, granular commodities, grain.

Total tonnages of commodities handled through port facilities during the last five fiscal years have fluctuated between 299,000 net tons and 446,000 net tons. Records for the most recent fiscal year indicate a total of 334,000 net tons, with the following tonnage for primary commodities handled: grain - 207,000 net tons; coke - 55,000 net tons; wire rod - 40,000 net tons; fertilizer - 24,000 net tons.

Operating revenues during the last five fiscal years have fluctuated between $719,000 and $895,000, with the most recent fiscal year indicating an operating revenue of $852,000. In each of these five fiscal year periods, the operating expenses exceeded operating revenue, resulting in an operating income loss. This type of financial situation for a public riverport minimizes funds available for capital projects.

Vision

The vision of the Hickman-Fulton County Riverport Authority is to be a leader in commercial/industrial development and an economic benefit to its community through leadership, stewardship and partnership in marine and industrial expansion. The focus will be on the retention and attraction of businesses and jobs as related to transportation, facilities, future development and the environment and being a catalyst for expanding the integration of marine, land and rail transportation systems in a safe, efficient, economical and environmentally sound manner while achieving these goals through effective planning, management and marketing of the port's assets and facilities.

Capital Needs

Primary Capital Needs	Estimated Cost	
	Time Frame 0 – 5 Years	**Time Frame 6 – 15 Years**
Land acquisition (10 acres)	**$ 2,000,000**	
New warehousing	**$ 3,000,000**	
New general cargo dock	**$ 7,500,000**	
Improvements to site, access, and storage		**$ 5,000,000**

SWOT Analysis

Strengths:

- The port maximizes operations to achieve the tonnage and revenue generated through limited acreage.
- This is the only operating Kentucky public riverport located on the Mississippi River, thus offering opportunities for growth.
- Additional acreage is available in the immediate area of the port for operational and industrial development opportunities.
- Area government and community leaders are verbally supportive of the port as a means to attract new and expanded industries.

Weaknesses:

- None of the highways in the immediate vicinity of the port are designated a National Highway System roadway, thus limiting accessibility to the port.
- There is no bridge across the Mississippi River near the port, thus limiting marketing opportunities to neighboring states to the west.
- The port lacks additional property to allow for expansion opportunities.
- The close proximity of the two barge positions creates congestion of barges, thus affecting productivity.
- Declining population and limited industries in the county negatively affect growth opportunities.

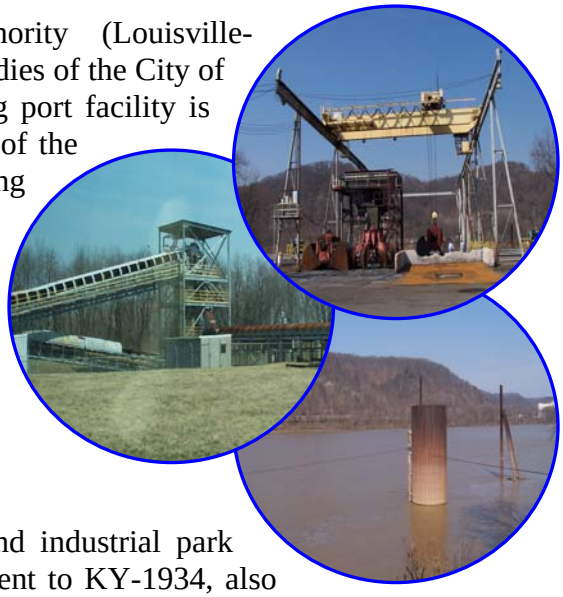
Opportunities:

- The port staff has generated numerous opportunities for expansion of services. These include the publicized proposed Hickman Energy Island to attract a renewable energy system operation.
- Other proposed projects not publicized to date are dependent on the port's ability to expand services.
- County-wide industrial development efforts are active to attract new industry with the potential to utilize port facilities.

Threats:

- The primary threat for the future viability of Hickman-Fulton is the proposed new port facility of Cates Landing in Tennessee, only 18 river miles south of Hickman. This proposed port has already received $5.5 million in federal and local funding to commence dredging of the waterway and construction of a harbor. The State of Tennessee, in cooperative efforts with the federal government, is planning construction of roadways for better access to this new port site.

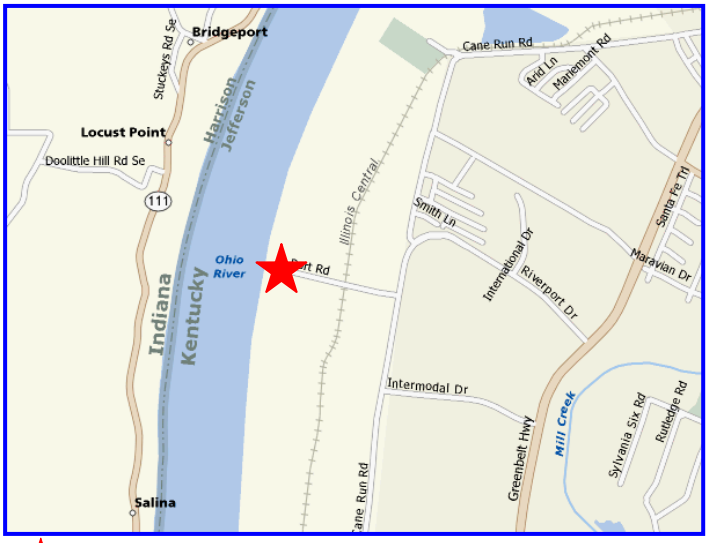
2.2.5 Louisville-Jefferson County Riverport Authority



The Louisville-Jefferson County Riverport Authority (Louisville-Jefferson) was established in 1965 by the legislative bodies of the City of Louisville and the County of Jefferson. The operating port facility is located at river mile 618 on the left descending bank of the Ohio River. The operating port facility and adjoining industrial park development (Jefferson Riverport International) are located in Louisville (2006 population of 554,496) and in Jefferson County (2006 population of 701,500).

Existing Conditions

Location: The operating port facilities and industrial park developments are located adjacent to KY-1934, also named Cane Run Road, a four-lane primary transportation route on the west side of Louisville. This four-lane route connects with I-264 four miles to the north. I-264 offers connections with I-64, I-71, I-65 and US-31W, all of which are national highway system routes enabling truck transportation to the north, south, east, and west. The highway systems have been very influential in developing the industrial park.



★ ***Louisville-Jefferson County Riverport Authority Location***

Rail service at the port and industrial park development is provided by three carriers: CSX, Norfolk Southern, and the Paducah & Louisville Railway (P & L). There is an advantage to having three rail carriers competing for business in the port area. The coal-handling facility at the port, as well as numerous tenants in the industrial park, rely on rail service to sustain their commodity movements.

The nearest operating public general purpose river terminals are:

Public Riverport	State	River Mile Location	River Mile Distance
Port of Indiana – Jeffersonville	IN	Ohio River mile 597	21 miles
Tell City Riverport	IN	Ohio River mile 727	109 miles
Owensboro Riverport Authority	KY	Ohio River mile 759	141 miles

Site: The total developed acreage at the site is 2,000 acres. Of that total acreage, 1,550 acres have been sold to the over 125 existing industries on site, 150 acres remain available for sale to prospective industries and the remaining 300 acres comprise the general cargo dock, the bulk commodity transfer terminal, ground storage, and 13 miles of railroad track. The total river frontage is approximately 8,000 ft. with a fleeting area for up to 60 barges. The Riverport Industrial Park also includes an additional 30 acres of riverfront property and a still-water excavated pool previously utilized as a sand dredging and loading facility.

A planned network of roadways offers easy access to all of the developed and undeveloped industrial sites, plus the general cargo dock and the bulk commodity transfer terminal. The available utilities, gently rolling land, and access to an aquifer in the industrial park provide attractive features for current resident companies and prospective companies.

Facilities: The general cargo handling facilities include a 30-ton bridge crane with barge to truck discharge capability and truck to barge loading capability. This cargo handling area is on the river side of the floodwall/levee, thus occasionally creating down time for the facility during high river stages. Current commodities handled by the crane include steel coils, stainless steel scrap, coal, petroleum coke, iron ore, and aggregates. The floodwall opening is more than ample to allow truck traffic, with the crane area having an adequate area for staging trucks.

Downstream from the general cargo crane is the bulk commodity terminal facility. The facility has the capability to transfer commodities including coal, grain, and fertilizer from rail hopper cars to barges. A

23,000 ft. double-loop rail track with the capability to handle 120 car unit trains is designed primarily for coal. The facility is complete with a dumper vault building with track-mounted rail car indexer for receiving the bulk cargo, a conveyor system for transferring the cargo to ground storage or to barges, and a variable speed blending system. The marine facility at the termination of the conveyor system has the capacity to fleet a total of 60 barges. The transfer terminal was designed with the capability to handle dry bulk commodities at a rate of 2,000 tons/hour.

Primary equipment owned by Louisville-Jefferson includes:

#	Equipment
1	Loader
1	Locomotive

In addition, the port owns two large grapples for handling scrap stainless and two large buckets for handling bulk commodities. The largest of these buckets is a 27-yard capacity bucket. Additional equipment required for operations is supplied by Cooper T. Smith Stevedoring.

Services Offered:

General cargo and bulk commodity terminal handling facilities at Louisville-Jefferson provide availability for the following services:

- Barge discharge to truck - bulk granular commodities, break bulk commodities.
- Barge loading by crane - bulk commodities, break bulk commodities.
- Conveyor to barge - bulk granular commodities.
- Rail to outside storage - bulk commodities.

Total commodity tonnages handled through these facilities during the last five fiscal years have averaged 150,000 tons annually. The primary tonnages are represented by steel coil, coal and petroleum coke, with steel scrap and a variety of other commodities comprising the balance.

Income statements indicate that operations from the above referenced general cargo and bulk commodity terminal activities have resulted in a net loss for four of the last five fiscal years. Despite this apparent loss, the general cargo operations are a support mechanism for various industries in the industrial park and the surrounding region that provide employment for the region.

The success for Jefferson Riverport International has been the development of the industrial park. It is a well-planned industrial community with over 125 companies located in over 12,000,000 sq. ft. of constructed space. The total employment of the industrial park exceeds 6,500 employees. The diversity of companies in the industrial park ranges from steel processing, plastics molding and fabrication, stamping for the appliance industry, custom fiberglass products, clothing manufacturing, and production of fiber optic cable systems to many distribution companies. The park has become a home for various companies, with buildings ranging from 3,000 sq. ft. to over 500,000 sq. ft.

The port is designated as Foreign Trade Zone #29, with customs clearance for goods in Louisville. This designation encompasses the entire port site and industrial park, providing the opportunity for distribution and manufacturing firms to develop domestic and foreign markets.

Financial statements for the last five fiscal years indicate that revenue derived from the industrial park provides enough operating income to more than offset the operating loss incurred by the terminal operations. This enables the port to continue its role as an economic catalyst for the greater Louisville and southern Indiana area.

Vision

Increase river volume enough to justify a straight type dock with a crawler type crane in addition to the existing bridge crane. Continue the growth of the very successful industrial park.

Capital Needs

Primary Capital Needs	Estimated Cost	
	Time Frame 0 – 5 Years	**Time Frame 6 – 15 Years**
Master Plan, surveys, geotechnical, preliminary engineering	**$ 350,000**	
Construct a second "straight type" dock with a new crane		**$ 4,000,000**
Purchase additional land for industrial park expansion	**$ 1,000,000**	
Construct 1 mile rail to the dock area		**$ 1,000,000**

SWOT Analysis

Strengths:

- Geographic location with excellent transportation modes via highways, rail, river, and air.
- Variety of industry within industrial park.
- Louisville-Jefferson is financially sound, which is important for operations, capital expansions, and development.
- The Metro government and economic development organizations are verbally supportive of the port.
- The population base of the area offers an educated workforce, promoting further expansions of industry.
- The facility has additional acreage to expand general cargo operations and industrial park facilities.

Weaknesses:

- The general cargo facility location on the river side of the floodwall/levee is subject to closure during high pool stages of the Ohio River.
- The existing bridge crane offers challenges for handling some general cargo commodities.

Opportunities:

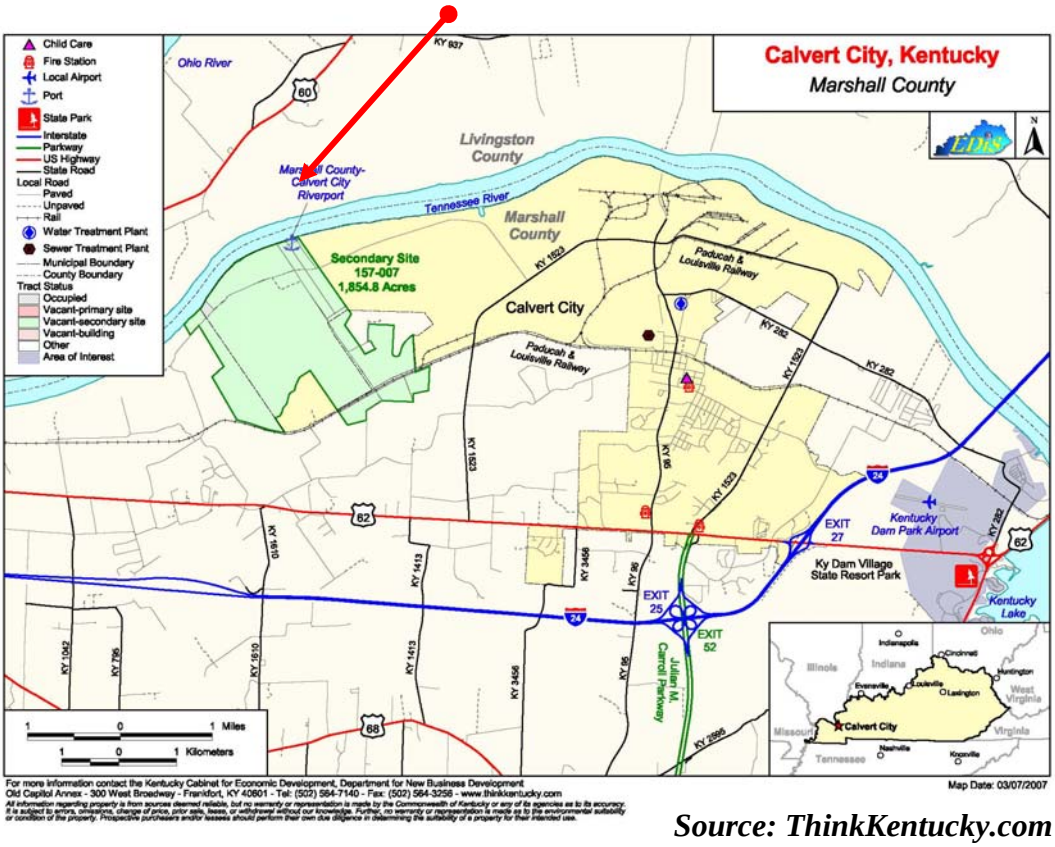
- Construction of a second dock, with a crawler type crane, could create opportunities to handle more general cargo that is currently being handled at a nearby Indiana State Port.
- The geographic location is a major distribution area for the Midwest. This could lead to the potential for becoming a major container-on-barge handling facility in the future.
- Increase marketing efforts, with the assistance of Kentucky transportation and economic development organizations.
- Obtain additional acreage for the continued expansion of the industrial park.

Threats:

- Continued capital expansion of the Indiana State Port, with no expansion of river facilities at the Jefferson port remains a threat to general cargo handling success.
- Developing the available acreage without purchasing additional acreage will inhibit further expansion of the industrial park.

2.2.6 Marshall County-Calvert City Riverport Authority – Developing Riverport

The Marshall County-Calvert City Riverport Authority (Marshall-Calvert) was formed in 2003 under statutes of Marshall County and Calvert City. The proposed site for development is located on the Tennessee River from river mile 10.6 to river mile 12.1 as shown below. A large portion of the property for this proposed development is located in Calvert City as a result of recent annexation. The 2006 population of Calvert City was 2,774, with the population of Marshall County at 31,278.



Source: ThinkKentucky.com

Existing Conditions

Location: The primary access road to the proposed port site is SharCal Road (maintained by Marshall County and Calvert City), connecting to KY-1523 approximately three miles east and US-62 on the west (six miles). The nearest interstate is I-24, 11 miles from the site.

★ ***Marshall County-Calvert City Riverport Authority Location***

Rail service in the area is provided by the P&L, a locally-owned short line railroad operating on track purchased from the former Illinois Central Gulf Railroad. Interchanges with Class I railroads are in Paducah (Burlington Northern Santa Fe and Canadian National Railway) and in Madisonville (CSX). The P&L track is adjacent to the proposed site boundary on the south, convenient to develop a spur line to service the site.

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Paducah-McCracken County Riverport	KY	Tennessee River mile 2	10 miles
Eddyville Riverport & Industrial Development Authority	KY	Cumberland River mile 43	20 miles
Metropolis Ready-Mix Inc.	IL	Ohio River mile 942.5	30.7 miles
Sangravl Company, Inc.	TN	Tennessee River mile 100.4	88.4 miles

Site:

The initial site proposed for development as a riverport and adjoining industrial park was approximately 1,750 acres, with approximately 8,000 ft. of frontage on the Tennessee River. The 250-acre tract along the river is privately-owned with a small portion developed for operation of a barge repair and dry dock facility. The primary portion of the remaining 1,500 acres has reportedly been optioned by a private company, First

Marine Properties, LLC. Negotiations for Marshall-Calvert to purchase the 250-acre tract and obtain first options on the remainder of the property have reportedly been quite difficult. In July 2001, the Corps of Engineers issued a conditional permit for use of the property. The existing barge repair and dry dock facility currently operates under the conditional permit issued to Marshall-Calvert.

A Marshall County-Calvert City Riverport Master Plan - Phase I was issued in May 2005. The following are excerpts from that document relative to property for the proposed site: "Securing available port development sites for public use is the primary challenge and need for the board to pursue in the immediate future…Immediately upon gaining public ownership of the site, the board should begin pursuing site permitting and mitigation approvals from the Corps of Engineers and the Tennessee Valley Authority." This Master Plan indicated that due to the nature of the property to be permitted, the permit process could require up to 24 months for completion, with a cost up to $400,000.

Based partially on the property acquisition problems mentioned above, Marshall-Calvert has contracted to purchase 45 acres immediately upstream from the proposed site and is negotiating on an additional 126-acre adjoining site and a tract of land to connect these 171 acres to river frontage.

A primary goal of Marshall-Calvert is to develop an industrial site, including utilities, with access to highway, rail, and river transportation modes. Based upon documentation from the Kentucky Economic Development Cabinet and conversations with riverport board members, there are currently no available industrial sites in Marshall County with infrastructure to attract potential industries.

Facilities & Services: There are no Marshall-Calvert-owned facilities or services located at the proposed site.

Vision

Develop a new industrial park, with river facilities constructed to support new industries.

Capital Needs

Primary Capital Needs	Estimated Cost	
	Time Frame 0 – 5 Years	**Time Frame 6 – 10 Years**
Acquisition of property	**$ 1,000,000**	
Infrastructure to develop industrial sites and terminal		**$ 5,000,000**
Roadway for better connection to US-62 and I-24		**$ 3,000,000**

SWOT Analysis

Strengths:

- There is a large quantity of land available in the area for development of an industrial park; there are currently no industrial sites available in Marshall County.
- Rail service is easily accessible on the southern boundary of the proposed site.
- The proposed site is near US highways and an interstate.

Weaknesses:

- The acreage initially proposed for port and industrial development is either owned or optioned by a private third party.
- A significant portion of acreage in the area lies in the 100-year flood plain, including acreage in the proposed area for development.
- The recently completed Master Plan for the proposed port indicates the permitting process will be expensive and lengthy, thus delaying development of the site.
- The Master Plan study indicates the probable cost exceeding $16 million for Phase I development, with this estimate not including property acquisition.
- This proposed public riverport has close proximity to two operating public riverports and one private general cargo terminal.
- The Master Plan study and conversations with riverport board members indicate there are limited industries in the area who expressed an interest in utilization of a new port facility.

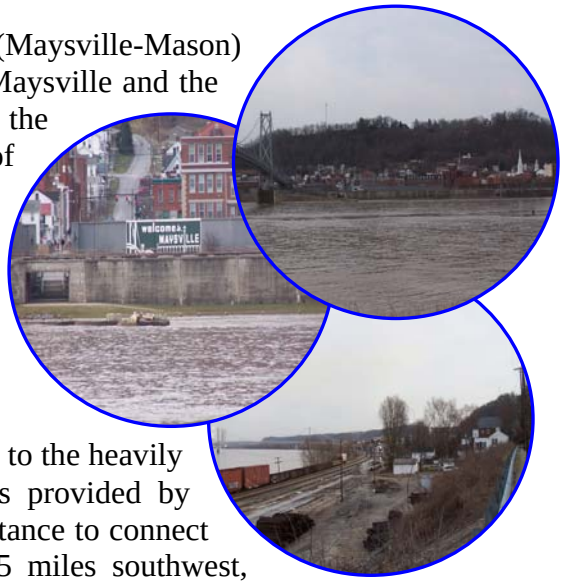
***Opportunities*:**

- Development of an industrial park to attract new industry to the county.
- Attract a major industry that may need river facilities.
- Consider a public/private partnership arrangement for port/terminal development.

Threats:

- There are no current operations to be threatened.

2.2.7 Maysville-Mason County Riverport Authority – Developing Riverport



The Maysville-Mason County Riverport Authority (Maysville-Mason) was originated in 1978 by joint action of the City of Maysville and the County of Mason. The City of Maysville is situated on the Ohio River between Northern Kentucky and the City of Ashland, KY. The 2006 population of Maysville was 9,179, with the population of Mason County at 17,271.

Existing Conditions

Location: Highway access from Maysville to the heavily populated area of Lexington is provided by US-68 and US-27. The total distance to connect with I-64 near Lexington is 65 miles southwest, with only 13 miles being four lane. KY-9, also known as the AA Highway, offers a connection to I-64 near Grayson, 60 miles southeast from Maysville. KY-9 is a modern two-lane highway with generous truck passing lanes on steep grades. The William H. Harsha Bridge (US-62/68) connects the area with Ohio to the north and the routes mentioned above to the south. The primary highway to connect the Maysville area to the Greater Cincinnati area is KY-9, a total of 51 miles to intersect with I-275 in northern Kentucky.

★ ***Maysville-Mason County Riverport Authority Location***

Rail service is provided to the area by CSX, with the main line located adjacent to both sites. The Transkentucky Transportation Railroad, Inc. (TTI) short line railroad (a subsidiary of CSX) connects the City of Maysville with the City of Paris, KY.

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Scioto Docking	OH	Ohio River mile 354	52 miles
Martin Marietta Aggregates	OH	Ohio River mile 464.7	58.7 miles
Port of Cincinnati	OH	Ohio River mile 472	66 miles
Greenup-Boyd County Riverport	KY	Ohio River mile 332	74 miles
Louisville-Jefferson County Riverport Authority	KY	Ohio River mile 618	212 miles

Site:

In 1979, a study was completed of the feasibility of constructing a coal-handling facility near river mile 406. A 120-acre site was identified with 4,500 ft. of river frontage, located adjacent to KY-8. The plan was to purchase the land, construct a facility, and operate it by a privately-owned entity. The site remains undeveloped and privately-owned, with some industry located on the property downstream from this proposed site. Other privately-owned sites with potential for development are available in the area. One site that appears feasible is located near the small town of Dover. This site is approximately 50 acres and is downstream from the 120-acre site mentioned above.

Both sites discussed above are flat, with the primary acreage reportedly located above the 100 year flood stage. Since the sites are privately-owned, no permit applications have been filed with the Corps of Engineers.

There are various industries in the county. Industries near the river include: the H.L. Spurlock Power Station, Temple-Inland, Carmeuse Lime, Crounse Corporation, and Transcontinental Terminals. Other industries in the area include: Emerson Power Transmission, Federal Mogul, FKI Logistex, Green Tokai, Mitsubishi Electric Automotive, Stober Drives, Wald LLC, and Welco Technologies.

Facilities & Services: There are no Maysville-Mason-owned facilities or services located in the county.

Vision

Marketing of the port's geographic area, resulting in the opportunity to construct a port facility to support new and existing industry.

Capital Needs

	Estimated Cost	
Primary Capital Needs	**Time Frame 0 – 5 Years**	**Time Frame 6 – 15 Years**
Strategic market assessment and master plan	**$ 250,000**	
Purchase of land if port development becomes feasible		**$ 1,000,000**
Infrastructure costs for port development		**$ 6,000,000**

SWOT Analysis

Strengths:

- There are multiple sites that are reportedly available for development.
- Area governmental and community leaders, plus the Maysville-Mason board of directors are verbally supportive to the development of a public riverport.
- There are no operating general cargo terminals in the immediate area, offering opportunity for development of river facilities to support new industries.
- Rail and barge service appears excellent in the geographic area.
- A modern bridge connects Kentucky with Ohio, offering opportunity for highway modernization in both states.

Weaknesses:

- Interstate highway connections are 50 - 60 miles from proposed port sites.
- There are no known industries currently in the general area that would be clients for a port facility.

Opportunities:

- Attraction of new industries to justify development of a public riverport.
- Maysville-Mason warehousing facilities to support existing and future industries.
- Expanded marketing services by area organizations and the Commonwealth of Kentucky.

Threats:

- There are no current operations to be threatened.

2.2.8 Meade County Riverport Authority

The Meade County Riverport (Meade) is still in its infancy. Studies for the proposed port facilities were reportedly performed in 2007. According to an article published by the *Meade County – Brandenburg Industrial Authority*, design and preliminary plans for grain-handling and all-purpose terminals have been completed. The plans involve three engineering firms that have been identified to work together with Meade to develop a project scope and the site plan: Tim Smith Engineering, B.L.N. Engineering, and Garver Engineering. The 2006 population of Brandenburg was 2,190, with the population of Meade County at 27,994.

Existing Conditions

Location: The riverport has a 50-acre location just east of Brandenburg, KY at river mile 645 on the Ohio River.

★ ***Meade County Riverport Authority Location***

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Consolidated Grain & Barge Company	IN	Ohio River mile 597	48 miles
Tell City Riverport	IN	Ohio River mile 727	82 miles
Louisville-Jefferson County Riverport Authority	KY	Ohio River mile 618	27 miles
Owensboro Riverport Authority	KY	Ohio River mile 759	114 miles

Facilities: The riverport will initially have a grain elevator and stevedoring services, focusing early operating efforts towards becoming an agriculture distribution center, as well as providing light industrial operations and services for industries south of Meade County and in Central Kentucky. AgriFuels, LLC, has expressed interest in developing a 55 million gallon ethanol plant in the industrial park near the proposed port site.

The port is expected to be enhanced by a well-developed terminal offering modern transloading equipment, safe docking, berths, extensive storage, warehousing, and competitive access to rail and highway corridors. Consolidated Grain and Barge (CG&B) will operate the facility. The port will be located between I-64 and I-65 and have CSX rail availability.

Funding for the riverport has been derived from the following sources:

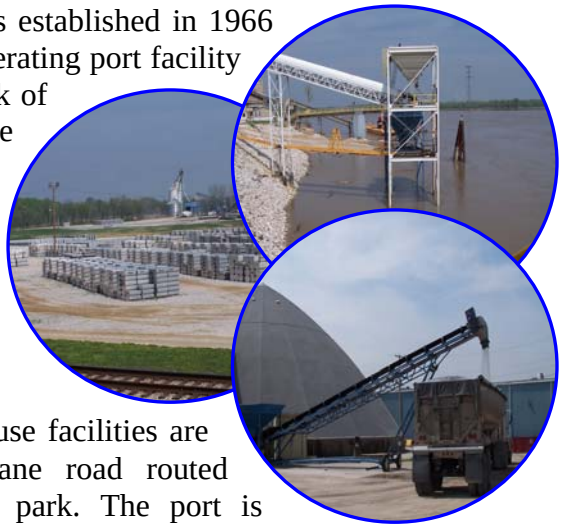
1. In 2003, the Authority secured $1 million in federal appropriations.
2. In 2006, the Authority received a grant of $206,000 from the Community Economic Growth Grant (CEGG) program to complete a 1.16 mile access road.
3. In June 2006, Congressman Ron Lewis announced a grant of $95,000 to implement engineering services for development of the port.

Capital Needs

No information was provided and no meeting was granted to discuss capital needs.

2.2.9 Owensboro Riverport Authority

The Owensboro Riverport Authority (Owensboro) was established in 1966 by legislative action of the City of Owensboro. The operating port facility is located at river mile 759 on the left descending bank of the Ohio River, on the western edge of Owensboro. The property is in the city limits of Owensboro (2006 population of 55,525) and Daviess County (2006 population of 93,613).



Existing Conditions

Location: The operating port and warehouse facilities are located on KY-331, a two-lane road routed through an existing industrial park. The port is approximately two miles from US-60 which connects with the western end of the Owensboro Bypass/Wendell Ford Expressway. The Bypass has connections to the Audubon Parkway, westbound to Henderson, and the Natcher Parkway, southbound to Bowling Green. Even though the parkways offer four-lane roads west and south, there are no existing four-lane routes east and north from the port area. A new four-lane bridge is located east of Owensboro on US-231, with that highway currently under construction to become a four-lane northern route to I-64. The project is now scheduled for completion in 2011.

★ ***Owensboro Riverport Authority Location***

Rail service at the port area is provided by CSX, with numerous industries in the area utilizing rail transportation. Owensboro owns sufficient internal track to provide rail service to each of its four warehouses, grain facility, and fertilizer facility.

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Southern Indiana Dock, Inc.	IN	Ohio River mile 783.3	24.3 miles
Tell City Riverport	IN	Ohio River mile 727	32 miles
Henderson County Riverport	KY	Ohio River mile 808	49 miles
Louisville-Jefferson County Riverport Authority	KY	Ohio River mile 618	141 miles

Site:

The initial site for the Owensboro Riverport consisted of 422 acres. Of that acreage, 241 acres have been sold and developed, with the remaining 181 acres utilized for port operations or awaiting development for future port operations. The terminal site offers 4,700 ft. of river frontage with current development providing a total of eight potential barge-handling positions. Outside commodity storage includes a combination of compacted limestone, concrete, and asphalt, with the total improved storage area approximately 75 acres. The site also has an internal network of roadways.

Owensboro recently purchased an additional 92 acres on the east side of the City of Owensboro, this being the former location of the Green River Steel facility. The site has been named the Waylon D. Coleman Terminal, with the port in the process of transforming the site into an industrial development complex. The site offers a 350,000 sq. ft. structure that is planned for modernization, plus 10,700 linear feet of rail line and 2,100 ft. of river frontage. This site is adjacent to US-60, which is four lanes, east to the new Natcher Bridge.

Facilities: The general cargo handling area extends along the river, with a lower roadway beneath the river wall. There are five potential barge positions in this area for handling general cargo, plus handling fertilizer to a storage dome (4,000 ton capacity) and nitrate to a storage dome (10,000 ton capacity). Cargo and commodities are handled by a 110-ton Link Belt crane that moves along the lower road or by a second 110-ton Link Belt crane on a spud barge that can be located at any position within the terminal work area. The crane on the spud barge is also utilized to discharge fertilizer to a tenant-owned fertilizer storage building. During periods of high water, typically spring and fall, the lower road is impassable, thus dramatically reducing the efficiency of cargo handling. Granular commodities can be discharged from barge directly to storage, railcars, or trucks.

The grain storage and loading facility is located at the upstream end of the lower roadway, with grain storage bins owned by others having a total capacity of 90,000 bushels. In addition, there is a pod for corn storage with a total capacity of 650,000 bushels. A stationary conveyor is utilized to load grain to barge from either the bins or pod. In addition, the system allows for discharge and/or loading of grain from railcar and truck.

Owensboro owns seven warehouses at the site with a total of 489,750 sq. ft. One of these is adjacent to the terminal handling area, offering 32,000 sq. ft. for storage of cargo typically moved to or from barge (e.g., steel coils). Two other warehouses (22,000 sq. ft. and 43,250 sq. ft.) are located in the general area of terminal operations and are utilized for storage of a variety of commodities. All three of these warehouses are served by rail. A new 300,000 sq. ft. warehouse located across the CSX mainline track is utilized for commodities typically moving in and out by truck or rail. This warehouse creates tremendous truck volume without interference with traffic in the terminal area. This new warehouse is also the location for the Owensboro administrative offices. Additionally, Owensboro leases 210,000 sq. ft. of warehouse space located in the industrial park.

The outside improved storage area of approximately 75 acres is utilized primarily for the storage and handling of primary aluminum shapes including T-bars, ingots, and sows. In addition, an area is leased to a tenant for accumulation of scrap steel for eventual loading to barge.

Primary operating equipment at the port includes:

#	Equipment
2	110-ton Link Belt Cranes
1	40-ton Grove Crane
1	Excavator
3	Bobcats
2	Loaders
30	Forklifts (5,000# - 52,000#)
2	Peterbilt Tractors
2	Dump Trucks
2	Dozer
	Variety of Maintenance-type Trucks, Autos, and Pickups

Owensboro also owns an array of forks, specialty forklift attachments, and specialty terminal accessories. Equipment at the port appears to be ample for handling bulk and general cargo commodities currently moving through the facilities.

Services Offered:

The Owensboro facilities provide the following services:

- Barge discharge to truck - granular commodities, break bulk commodities, grain.
- Barge discharge to rail - granular commodities, break bulk commodities, grain.
- Barge discharge to storage (inside or outside) - break bulk commodities.
- Barge loading by crane - break bulk commodities, scrap steel.
- Barge loading by conveyor - grain.
- Barge discharge of liquids - styrene, fertilizer (both tenant owned and operated).
- Truck & rail to storage - break bulk commodities, fertilizer, grain.

During the last three fiscal years, the total tonnage of commodities handled through the terminal facilities has fluctuated between 702,000 net tons and 893,000 net tons. Primary tonnage commodities include: aluminum, fertilizer, grain, ammonium nitrate, and steel. Warehouse activity is not measured in tonnage, with truck and rail activity being extremely busy.

Vision

Drive economic growth in the Owensboro area through improved port efficiency and capital commitment to equipment and infrastructures.

Capital Needs

	Estimated Cost	
Primary Capital Needs	**Time Frame 0 – 5 Years**	**Time Frame 6 – 15 Years**
Existing facility:		
Master plan, surveys, geotechnical, preliminary engineering	**$ 350,000**	
Purchase a new crane to serve multiple purposes and to provide ability to operate during high water	**$ 1,500,000**	
Construct a new bulk material storage facility to replace old dome	**$ 1,000,000**	
Build a slackwater harbor at the downstream portion of port property	**$ 3,000,000**	
Coleman Terminal:		
Construct 1 mile rail into the facility	**$ 1,000,000**	
Construct utility infrastructure throughout the site, including sewer, water and electrical	**$ 1,000,000**	
Complete improvements to existing buildings, finalize clean-up	**$ 3,500,000**	

SWOT Analysis

Strengths:

- Abundance of area industries to consume/produce commodities for handling at port.
- Premier facilities and equipment for commodity handling and storage.
- Expertise of personnel in terminal and warehousing operations.
- Diversification of commodities handled.
- Successful marketing programs.

Weaknesses:

- Lack of interstate highway in greater Owensboro area.
- Dock facilities restrict operations during periods of high water.
- Dock facilities do not allow heavy lift capability.

Opportunities:

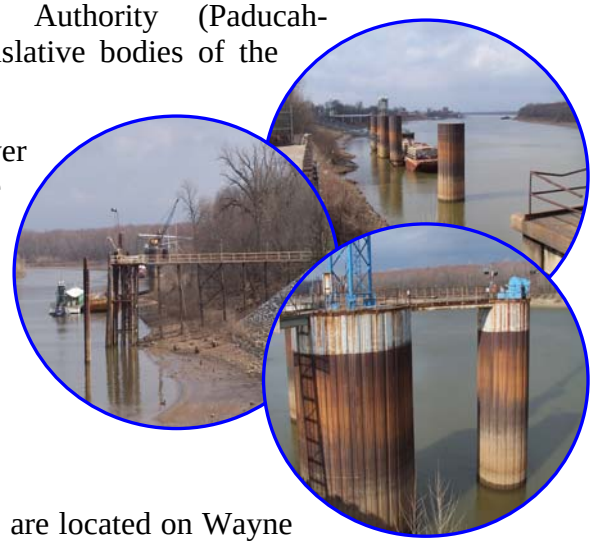
- Further promote port facilities as a regional port to support regional industrial parks and industrial sites in surrounding counties.
- Construct new facilities to provide equipment and infrastructure for heavy lift capacity.
- Remain aware of potential for container-on-barge movements and development of a container handling facility in Owensboro.
- Development of the Coleman Terminal for industries or future terminal and warehousing operations.

Threats:

- Dramatic changes in the international economic trade of specific commodities currently handled at the port.
- Further dilution of the general cargo handling in the area if additional facilities are constructed.
- The aging of major equipment is a threat unless replaced prior to lengthy downtime.

2.2.10 Paducah-McCracken County Riverport Authority

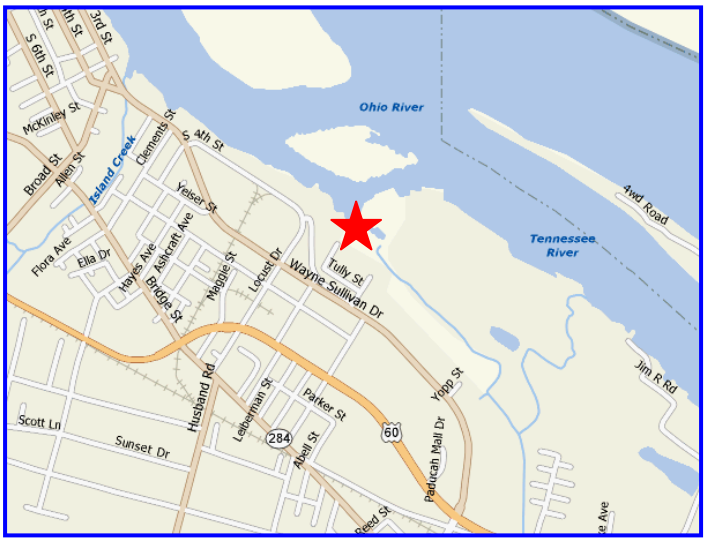
The Paducah-McCracken County Riverport Authority (Paducah-McCracken) was established in 1964 by the legislative bodies of the County of McCracken and the City of Paducah.



The operating port facility is located between river mile 1.3 and 2.0 on the left descending bank of the Tennessee River, near its confluence with the Ohio River. This property is in the City of Paducah (2006 population of 25,661) and in McCracken County (2006 population of 64,950).

Existing Conditions

Location: The operating port facilities are located on Wayne Sullivan Drive, a four-lane primary city access route. This four-lane route connects with US-60 and US-62 only one mile from the port and with I-24 only four miles from the port. I-24 provides access that enables the port to serve southern Illinois in addition to the surrounding counties in Western Kentucky. These National Highway System roadways offer excellent opportunities for shipment of commodities by truck.



★ ***Paducah-McCracken County Riverport Authority Location***

Rail service at the port is provided by a short line railroad, the P & L. The P & L connects in Paducah with two Class I railroads, the BNSF and the CNR, plus with a third Class I, CSX, in Louisville. This rail network offers rail service to major industrial areas including Memphis, New Orleans, St. Louis, and Chicago. Rail track within the confines of the port is leased by the port and must be maintained by the port. Portions of this internal rail are in need of rehabilitation.

The nearest operating public general purpose river terminals are:

General Purpose River Terminals	State	River Mile Location	River Mile Distance
Metropolis Ready-Mix Inc.	IL	Ohio River mile 942.5	20.7 miles
Eddyville Riverport & Industrial Development Authority	KY	Cumberland River mile 43	45 miles
Hickman-Fulton County Riverport Authority	KY	Mississippi River mile 922	83 miles
Sangravl Company, Inc.	TN	Tennessee River mile 100.4	198.4 miles

Site:

The operating port facilities are located on approximately 50 acres of land owned by the City of Paducah and McCracken County. Approximately 35 of these acres are utilized for operations, 10 acres available for future development and five acres not usable for development due to topography. The site has 2,300 ft. of river frontage. The acreage is bisected by South Fourth Street which connects with Wayne Sullivan Drive in two locations. Land areas in the vicinity of the port are fully developed with primarily industrial facilities.

In 2006, Paducah-McCracken acquired 242 acres of undeveloped land west of Paducah, located on the Ohio River with 2,000 ft. of river frontage. This land is referred to as Riverport West and was acquired for future development. The Greater Paducah Economic Development Council plans for this western section of Paducah to become a large industrial area, with the council having options on large tracts of additional acreage in the area. Challenges for development include inadequate road access at present, lack of water and sewer to the area, and large portions of the acreage below the 100-year flood stage. Despite the challenges, this property acquisition appears to be an excellent long-term investment for the port.

Facilities: The general cargo handling facilities include a cargo dock with a 25,000 sq. ft. staging area and a 20-ton Linden tower crane. This cargo dock area is on the river side of the floodwall, but no high water problems have been experienced during recent years. Current commodities handled with the tower crane include inbound rubber and steel, plus outbound specialty cylinders. The dock area also includes two warehouses, 9,600 sq. ft and 2,000 sq. ft., currently utilized for storage of granular coke. In addition, the dock area has a truck dump and conveyor typically used for loading grain from truck to barge. The floodwall has two gates utilized by trucks for ingress and egress at this dock area.

Located on the dry side of the floodwall is a 20,000 sq. ft. warehouse that has been used for storage of various commodities, plus port-owned equipment and supplies. A smaller building is in this area, with the upper portion housing the port executive offices and the lower floor used for storage of port supplies.

At the upstream end of the riverport is a second dock, equipped with a 125-ton crawler crane used to unload bulk materials. This crane transfers bulk materials such as sand, gravel, and coke from barge to a 32-inch belt conveyor. The conveyor carries the materials to the bulk storage yard where materials are routed via three radial stackers to different storage areas. The storage areas include outside storage for sand and gravel, inside storage of fertilizer with a capacity of 14,000 net tons and two domes with a combined capacity of 4,500 net tons for storage of petroleum coke. The dock areas and bulk storage yard described above are secure with fence, gates, lights, and closed-circuit TV cameras.

Two additional warehouses owned by the port and leased to a third party for storage and transfer of bulk rubber have a combined area of 58,000 sq. ft. The rubber is discharged utilizing the tower crane, moved by truck to these warehouses and eventually loaded to van trucks for shipment to the consumers of the product.

The port has a grain handling facility currently leased and operated by a grain company. This facility is equipped to receive grain by truck or rail and reload to barge, truck, or rail. Total movement of grain through this facility is approximately 100,000 net tons (3.6 million bushels) annually. Liquid storage tanks with a capacity of 2.6 million gallons are located adjacent to the grain facility, with a pipeline for discharge of liquids from barge to storage.

Primary equipment items include the following:

#	Equipment
1	125-ton Crawler Crane
1	20-ton Tower Crane
4	Rubber-tired Loaders
8	6,000# Forklifts
1	24,000# Forklift
1	52,000# Forklift

The port also owns an array of forks, buckets and specialty handling accessories. Equipment at the port appears to be adequate for handling of bulk and general cargo commodities currently moving through the facilities.

Services Offered:

Facilities at Paducah-McCracken provide for the following services:

- Barge discharge to truck - granular commodities, break bulk commodities.
- Barge discharge to conveyor - sand, gravel, coke, fertilizer, granular commodities.
- Barge loading by crane - break bulk commodities, cylinders.
- Conveyor to barge - grain products.
- Truck & rail to storage - break bulk commodities, granular commodities, grain.

Total tonnages of commodities handled through port facilities during the last four fiscal years have fluctuated between 673,000 net tons and 1,014,000 net tons. These reported tonnages do not include grain handled by the third party operating the grain facility. Primary tonnage commodities include sand, gravel, fertilizer, rubber, and graphite.

Operating revenues during fiscal years 2001 thru 2004 were relatively constant, ranging between $1.3 million and $1.4 million. In fiscal year 2005 the port had operating revenue of $2.3 million. In each of these five years, total expenses were substantially less than revenue, resulting in an excellent profit for each fiscal year. This financial success has enabled the port to continue capital projects, plus acquisitions of property and facilities.

Vision

Remain a major transloader/distributor of products to and from the river. Expand port operations as customer needs grow and other modes are introduced, such as container-on-barge. Explore off-site operation to complement current facility and promote economic development in the region.

Capital Needs

	Estimated Cost	
Primary Capital Needs	**Time Frame 0 – 5 Years**	**Time Frame 6 – 15 Years**
Master plan, surveys, geotechnical, preliminary engineering	**$ 350,000**	
General cargo dock expansion and surfacing	**$ 5,000,000**	
Heavy lift crane - replacement for tower crane	**$ 5,000,000**	
Preliminary development of riverport west	**$ 1,000,000**	**$ 5,000,000**

SWOT Analysis

Strengths:

- Geographic location near confluence of the Tennessee River and Ohio River.
- The City of Paducah has become a major hub for barge line repair and operations facilities.
- Through proper management of facilities and personnel, the port maximizes operations to handle the tonnage and generate the revenue through limited acreage at the port.
- The port is located very near two US highways and one major interstate.
- Population, industries, and agricultural activities generate inbound and outbound commodities for handling at the port.
- Enhanced security at the facilities following installation of fences, lighting, and cameras, meeting the requirements of the Transportation Security Administration (TSA) and the Coast Guard.
- Area governmental, regulatory, and community leaders are verbally supportive of the port operations and importance to the region.
- The port is strong financially, which is important for operations, capital expansions and borrowing leverage.

Weaknesses:

- The lack of available property at the port site could limit attracting future tenants or expansion of services requiring substantial acreage.
- The city street dissecting port properties creates a challenge to operations and a potential safety hazard.
- Rail track within the port needs major rehabilitation, a weakness for attracting additional rail business.

Opportunities:

- Paducah-McCracken recently obtained the 242 acres known as Riverport West, creating opportunities for future expansion of facilities and services.
- A recently completed strategic market assessment addresses the potential for the port to be a major container-on-barge handling facility.
- The port is strategically located to qualify as a regional port operation, serving industry throughout the region.

Threats:

- The developing public riverport in Marshall County, only 10 river miles from Paducah, could be a threat for future business if fully developed.
- The developing public riverport of Cates Landing in Northwest Tennessee could be a future threat if fully developed.

2.2.11 Wickliffe-Ballard County Riverport Authority – Developing Riverport

The Wickliffe-Ballard County Riverport Authority (Wickliffe-Ballard) was established in 2003 following enactment of ordinances by the City of Wickliffe and Fiscal Court of Ballard County. The proposed site for development is at river mile 951 on the Mississippi River, with the 31-acre site located in and owned by the City of Wickliffe. The 2006 population of Wickliffe was 787, with the population of Ballard County at 8,245.

Existing Conditions

Location: The proposed port site is located very near US-51/62 and US-60, and KY-121 and KY-286. I-24 is accessible 28 miles east via US-60, with I-57 accessible 10 miles northwest via US-51/62. The nearest bridge across the Mississippi River is located near Cairo, IL, approximately five miles from the site. I-55 is accessible 35 miles north via US-60 and I-57.

★ ***Wickliffe-Ballard County Riverport Authority Location***

Rail service in the area is provided by Canadian National Railway, who purchased the rail system formerly operated by Illinois Central Gulf Railroad. The main line rail is located adjacent to the site with potential to develop a spur line to service the site.

The nearest operating public general purpose river terminals are:

Public Riverport	State	River Mile Location	River Mile Distance
Mississippi County Port Authority	MO	Mississippi River mile 946	5 miles
Consolidated Grain & Barge Company	IL	Ohio River mile 972.9	21.9 miles
Hickman-Fulton County Riverport Authority	KY	Mississippi River mile 922	30 miles
Paducah-McCracken County Riverport Authority	KY	Tennessee River mile 2	30 miles
St. Jude & New Madrid Harbor Service	MO	Mississippi River mile 884	67 miles

Site:

The proposed 31-acre site is located along the river in a relatively narrow strip, with the City of Wickliffe bordering one section of land and high bluffs bordering the other section. There is additional private property adjacent to the site within the city which could be acquired to marginally expand the port site. The section near the city has a private company operating adjacent to the property, Economy Boat Store. Economy is a service organization providing services including mid-stream fueling, crew changes, delivery of supplies, towing service, and mail delivery. It operates from spud work barges and a warehouse building located adjacent to the proposed port site near the city. The proposed site located further downstream is separated from the city site by a creek and a private facility formerly operated by Traylor Brothers, a nationwide bridge construction company. This site was utilized for loading equipment and supplies to barge for transport to bridge construction projects.

Discussions during the visit indicated an uncertainty about the elevation of the proposed sites relative to 100-year flood stage. With the small acreage available for proposed development, plus the somewhat restricted nature of a portion of the acreage, it seems imperative that an engineering investigation be completed concerning the 100-year flood stage for all of the property. The result of such a study would determine acreage that could potentially be permitted by the Corps of Engineers.

Facilities & Services: There are no Wickliffe-Ballard-owned facilities or services located at the proposed site.

Vision

Further support and development of existing facilities, market industrial park and spec building, support construction of new roads and bridge, purchase additional property, and promote value of location.

Capital Needs

	Estimated Cost	
Primary Capital Needs	**Time Frame 0 – 5 Years**	**Time Frame 6 – 15 Years**
Engineering studies to determine acreage for development (master plan, surveys, geotech)	**$ 400,000**	
New road to proposed port site	**$ 100,000**	**$ 1,000,000**
Infrastructure to develop terminal operations		**$ 5,000,000**

SWOT Analysis

Strengths:

- The proposed site has good highway access via US highways, access to three interstates and near two bridges, one crossing the Mississippi River and one crossing the Ohio River.
- The county has an 80-acre industrial site with a spec building located approximately five miles from the proposed port site.
- Area governmental and community leaders are verbally supportive of developing a public riverport to attract new and expanded industries.
- The site is near the confluence of the Mississippi River and the Ohio River, thus significant barge traffic is in the area.

Weaknesses:

- The quantity of acreage available is relatively small for development of a port facility.
- There is a question concerning the acreage that could be permitted within existing site elevations for development.
- There are no known industries currently in the county that would be obvious clients for a port facility.

Opportunities:

- Potential utilization of a port facility includes a grain handling facility.
- Based on conversations, Economy Boat Store has expressed an interest to use port facilities, ideally resulting in growth of their operations.

Threats:

- There are no current operations to be threatened.

In summary, the ports identified nearly $96 million in major rehabilitation and infrastructure improvements needed to remain competitive and sustain continued growth as shown in the table below. The capital needs and visions identified are based primarily on conversations during visits to existing and developing port facilities. The opinions of cost were provided by the ports and are not based on data developed by Hanson.

Port Name	Capital Needs	0 - 5 Years	6 - 15 Years
Eddyville	Create hardstand laydown area for storing gen'l cargo	$ 300,000	
	Additional crane with lifting capability		$ 3,000,000
	Additional cell for more efficient handling of barges	400,000	
	Second dock where barges could tie to dock allowing heavy lifts		5,000,000
Greenup-Boyd	Master plan, surveys, geotech., preliminary engineering	400,000	
	Construct slackwater harbor		4,000,000
	Develop the 15 acres at second site with infrastructure for terminal operations		4,000,000
	Purchase additional property	1,500,000	
Henderson	Rail track to serve port and industries (1 mile)	1,000,000	
	New crane		1,500,000
	Recondition existing crane	500,000	
	Debt reduction ($2.7m + long-term debt on warehouses)		
Hickman-Fulton	Land acquisition - 10 acres	2,000,000	
	New warehousing	3,000,000	
	New general cargo dock	7,500,000	
	Improvements to site, access, and storage		5,000,000
Louisville-Jefferson	Master plan, surveys, geotech., preliminary engineering	350,000	
	Construct second straight type dock with new crane		4,000,000
	Purchase additional land for industrial park expansion	1,000,000	
	Construct 1 mile rail to dock		1,000,000
Marshall Cnty-Calvert	Acquisition of property	1,000,000	
	Infrastructure to develop industrial sites and terminal		5,000,000
	Roadway for better connection to US-62 and I-24		3,000,000
Maysville-Mason	Strategic market assessment & master plan	250,000	
	Purchase land if port development becomes feasible		1,000,000
	Infrastructure costs for port development		6,000,000
Meade	No meeting granted by Meade County to discuss needs		
Owensboro			
Existing Facility	Master plan, surveys, geotech., preliminary engineering	350,000	
	New crane	1,500,000	
	New bulk material storage	1,000,000	
	Build slackwater harbor	3,000,000	
Coleman Terminal	Construct 1 mile rail into facility	1,000,000	
	Construct utility infrastructure	1,000,000	
	Complete improvements to existing buildings	3,500,000	
Paducah-McCracken	Master plan, surveys, geotech., preliminary engineering	350,000	
	General cargo dock expansion and surfacing	5,000,000	
	Heavy lift crane - replacement for tower crane	5,000,000	
	Preliminary development of Riverport West	1,000,000	5,000,000
Wickliffe-Ballard	Engineering studies to determine acreage for development (master plan), surveys, geotech	400,000	
	New road to proposed port site	100,000	1,000,000
	Infrastructure to develop terminal operations		5,000,000
	Total Project Costs	**$ 42,400,000**	**$ 53,500,000**

3.0 OVERVIEW OF SUPPORT FOR RIVERPORTS PROVIDED BY OTHER STATE GOVERNMENTS

The United States has one of the most extensive and modern water transportation systems in the world. Some 40 states are served by deepwater ports, coastal shipping, and nearly 12,000 miles of federally maintained navigable waterways. Recognizing the importance of ports and waterways to future growth in global trade and economic development, many of these states have made this mode an integral function of their transportation agency's mission. Like other modes, ports and waterways are an important part of these states' intermodal and multimodal freight planning, investment strategies, and other associated transportation programs. Some states also administer programs that provide financial aid, technical assistance, and other services to its public ports to help them better serve the state's commerce and trade needs. These facilities support agriculture, mining, and natural resources, as well as attract industrial development to the state, especially those manufacturers that depend on barge transportation to ship large volumes of raw materials, or intermediate products needed for production processes, or for shipping over-sized or heavy products. In addition to navigation, federally maintained waterways also provide benefits of flood control, water supply, and recreation.

3.1 Purpose and Methodology

A major objective of this study was to investigate the roles and responsibilities of other states fortunate to be served by water transportation. Included are any programs conducted by these states to help capture the potential socio-economic and environmental benefits of this mode. Information gleaned from researching these policies, programs, and functions should be considered in formulating similar initiatives for the Commonwealth.

While the approved Scope of Work (SOW) specified that the seven states which border Kentucky be researched and studied, an additional 13 states including Kentucky were also investigated to learn more about how other states support water transportation and their ports. This extensive investigation of 19 states provides a much more thorough and comparative analyses of possible roles for Kentucky. Those states studied are identified in Exhibit 3.1.

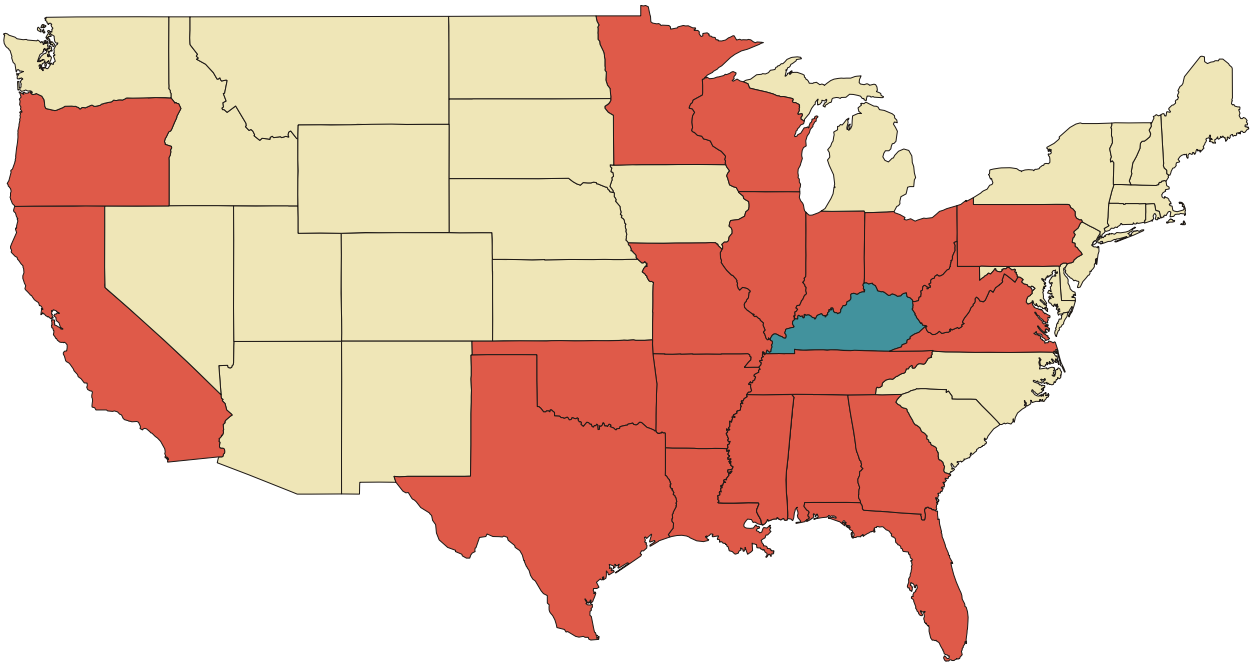


Exhibit 3.1 - States Studied (Identified in Red)

The involvement of states in their ports and their jurisdiction over this transportation mode varies greatly; however, these roles can be summarized into the following categories:

Governance — The extent of control and rule, if any, by a state over the administration of water transportation and that state's influence over its public ports.

State Ownership and Control — Enabling authorities and empowerments enacted by a state to own and/or operate public ports.

Financial Assistance — Programs established by state statute and specifically formulated to help public ports better serve the state's commerce and industry. Most state funding is either in the form of grants or loans with varied eligibility and repayment stipulations, depending on the needs and the purpose of the program.

Technical Assistance — State-funded programs that provide both technical assistance and advice to the ports and waterways industry, as well as conduct studies and research to address both near-term and long-range needs and opportunities pertaining to water transportation.

Marketing Assistance Promotion and marketing of these unique resources can take many forms ranging from direct marketing campaigns to providing grants or other ways to help the individual ports increase their market share.

These kinds of state roles are described in greater detail below. Sections 3.2 and 3.3 provide information pertaining to specific states and their roles to support water transportation and their ports.

3.1.1 Governance

Most states consolidated their highway and bridges department or agency with other modal programs, such as aeronautics, into an all-encompassing transportation department during the early 1970's after Congress had elevated transportation to a cabinet level within the federal government in 1969. At that time, many of the states did not have an existing state program for ports or water transportation or, in some cases, as with Kentucky, jurisdiction for ports had been given to a different agency.

For several years, the Kentucky riverports were under the jurisdiction of the Kentucky Port and River Development Commission that was part of the Cabinet for Economic Development. The Commission was abolished in 1992 and the commonwealth's interest in ports was transferred to the Transportation Cabinet in 1998. In some other states, water as a transportation mode is assigned to DOT while its financial assistance program for ports is administered by a different agency, such as the state's commerce or economic development department.

Many of the states, including Kentucky, that are served by riverports are prohibited by their constitutions to spend revenues derived from fuel taxes on any program except highways and bridges. This constitutional provision (see below) greatly limits the source of dedicated revenues to fund any programs for ports and waterways.

Kentucky Constitution
Section 230

Money not to be drawn from Treasury unless appropriated - Annual publication of accounts - Certain revenues usable only for highway purposes.

No money shall be drawn from the State Treasury, except in pursuance of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published annually. No money derived from excise or license taxation relating to gasoline and other motor fuels, and no moneys derived from fees, excise or license taxation relating to registration, operation, or use of vehicles on public highways shall be expended

for other than the cost of administration, statutory refunds, and adjustments, payment of highway obligations, costs for construction, reconstruction, rights-of-way, maintenance and repair of public highways and bridges, and expense of enforcing state traffic and motor vehicle laws.

Text as Ratified on: November 6, 1945.
History: 1945 amendment was proposed by 1944 Ky. Acts ch. 9, sec.1: original version ratified August 3, 1891, and revised September 28, 1891.

The State of Mississippi has applied a more liberal interpretation of its constitutional restrictions on the use of fuel taxes. It recognizes that this provision was adopted prior to establishing a State Department of Transportation (DOT) and that the use of these funds is restricted to only those transportation programs, including water, rail, and mass transit, that now make up the DOT that were included under the old Highway Department.

With its ports contributing nearly 25 percent of the total value of Louisiana's goods and services (gross state product) and producing about five percent of the personal income of the state, a statewide referendum was successfully passed to amend the state constitution to permit use of fuel taxes for modes other than just highways. About $15 million of the state's fuel taxes are allocated each year to help finance a ports improvement program.

3.1.2 State Ownership and Control

Most states that have legislatively directed authorities for ports and waterways have assigned these responsibilities to their transportation departments. In some states, ports and waterways are organized within a separate office or bureau that is part of a planning or intermodal division within DOT. Ideally for the benefit of the mode and its interests, the higher the ports and waterways office is within the hierarchy of the agency's organization and with closer access to the principal decision makers within the agency, the more effective is the program. The more successful programs have at least one person whose time and responsibilities are totally devoted to water transportation.

There are some states where waterways are critically important to that state's freight transportation but where no funds or staff resources are budgeted or allocated specifically to this mode. Illinois and Ohio are examples of states that have no organizational or program responsibilities for ports and waterways. Without some formal program advocacy or representation, water transportation, with its untapped capabilities for efficiently moving freight, is likely given little consideration in statewide multimodal transportation planning and investment decisions.

One state that is undergoing change to more effectively capitalize on its waterways is Alabama. A study conducted by the University of Alabama-Huntsville found a direct correlation between highway congestion and economic growth and job creation. The Speaker of the Alabama House of Representatives established a blue ribbon panel to study the transportation needs of the state and recommend needed improvements. The Commission on Infrastructure found:

- Without near-term solutions, the state's transportation network will continue to deteriorate, existing and prospective industries and jobs will be lost, and the safety and convenience of highway travel will be severely impacted.
- Transportation needs should be addressed in an intermodal manner that properly reflects the assets of all modes, including water transportation.

The Commission's recommendations included creation of an Office of Inland Waterways that would report directly to the director of the Alabama DOT (ALDOT). Enabling legislation was overwhelmingly passed by the House of Representatives during the 2007 legislative session, but failed in the Senate because of partisan politics. Currently ALDOT has no program responsibilities for water transportation although that state is served by 1,297[3] miles of waterways and a major deepwater port at Mobile.

Legislation is also pending to authorize a new independent Alabama Transportation Commission to administer funding, planning, and operations of the state's transportation programs. Presently, the director of ALDOT serves at the discretion of the governor. An advisory board comprised of port and waterways interests would also be established to advise the new transportation commission and its CEO on water transportation matters.

Alabama, Georgia, Indiana, and Virginia have assumed an even more aggressive role for water transportation by establishing state port authorities. These state port authorities own terminals and related facilities, and in most cases are responsible for the operations and provide the necessary improvements needed to meet customer needs. Mississippi has two state-designated ports but also supports 14 other public ports, mainly owned by units of local government.

3.1.3 Financial Assistance Programs

Programs established by the states to help their ports finance needed improvements vary from one state to another. Some states provide grants, while others administer loans for port development and improvements. It is likely that states establish port programs based on what the perceived needs of its ports were at the time the program was authorized. Most state grant and loan programs for ports are for infrastructure improvements.

Administrative or operational expenses are generally not eligible for state assistance. However, Missouri and Oregon provide grants to assist with the operational expenses of its ports, with most of these funds directed to helping the ports prepare marketing, business, and financial plans. This program is in addition to grant and loans administered by these two states for port improvements.

In most cases, the availability of state funds is far less than that requested by its ports. Most states have adopted evaluation criteria to help judge the relative worth or priority of each application. These include:

- Economic impact of proposed project (ratio of benefits to costs)
- Impact on employment (both direct and indirect)
- Urgency of project
- Impact on waterborne commerce (tonnage)
- Submission of a 3-5 year development plan prepared by the port

Some programs recognize the difference between a mature, fully-operational service facility and a developing port that has not been in operation long enough to generate enough revenues to help finance improvements. For example, Minnesota provides grants to projects that may not produce immediate sufficient revenue streams and loans to those projects that have a better likelihood of repaying the loan.

The inability of some state funds to fully finance the needs of its ports through its applications for assistance has led the states to permit the ports to participate in the review and prioritization of the state funds. In some cases, such as Mississippi and Oregon, representatives of the ports actually serve as members of a peer committee or as participants of the committee that reviews the funding requests from the ports and recommends awards. Other states have advisory boards and councils that are comprised of port representatives and waterway interests to provide advice and recommendations to state agencies concerning the administration of these programs, including funding priorities.

3.1.4 Technical Assistance Programs

Technical assistance provided by state waterway agencies also varies greatly. Different methodologies are used to deliver this form of assistance; all resulting however, in providing expertise to the ports and waterways industry. The Ports and Waterways unit of the Minnesota DOT (MNDOT), for example, has developed a national reputation for its work in water transportation. Its research and studies addressing water transport needs and opportunities have contributed much to an increased appreciation of the importance of this mode for moving freight.

In Oklahoma, state personnel work closely with ports and the waterway industry on matters affecting barge transportation, the transfer of cargo, including types and specifications of handling equipment, and other issues. This technical assistance can be available in-house or subcontracted to an external source.

While not necessarily technical assistance, other state DOTs are providing valuable assistance to ports and the waterway interests by responding to local needs, including the advocacy role for water transportation. For example, Ohio DOT helped coordinate and provide in-kind services to support a water transportation commodities freight study to identify Ohio's water transportation system needs and opportunities. That study concluded that the state's ports along the Ohio could

improve their ability to attract more commodities if the north/south access roadways were improved with better connections to West Virginia and I –64.

West Virginia Public Port Authority has assumed the leadership role for planning, assisting, and advocating the development of new freight transport facilities as well as improvements to existing ports in that state. As a result, it has helped facilitate the creation and expansion of several port districts.

3.1.5 Marketing Assistance Programs

Water transportation, like any other asset or tool for stimulating commerce and economic development, must be aggressively marketed to fully capitalize on its use. It is in the best interests of a state to ensure its ports and waterways are aggressively marketed.

The Internet has become an effective and affordable medium to market a state's programs and resources for attracting new businesses and other economic growth opportunities. The Missouri DOT's (MODOT) website (http://www.modot.org/) is a good example how ports and waterways can be promoted on the web in an informative and user-friendly manner. This website describes all the transportation modes that serve the state, including waterways. Included are maps that show the location of the waterways as well as the state's 14 public ports. Information about these riverports, including available services, can also be accessed from the DOT website. Although it is a transportation agency, the MODOT site also provides information of interest to industrial prospects, including a brief description of state incentives.

As stated earlier, Missouri and Oregon administer grant programs to assist ports with operational expenses. A high priority use of these funds is to help finance marketing projects. In fact, Oregon's program is called Port Planning and Marketing. Port projects funded by this program must meet the following criteria:

- It will help the port to serve commerce and trade;
- It will lead to economic diversification, development of new and emerging industry, or redevelopment of existing public facilities;
- Will not duplicate other port marketing activities in the state;
- Fully funded and not dependent on subsequent grants; and
- Cannot be used to subsidize port's regular operating costs.

The cost of projects funded by the grant program is capped at $25,000 or 75 percent of the total cost of the project, whichever is less. The 25 percent local share must include at least 75 percent cash with the remainder as in-kind services. Projects are evaluated against standards established by a peer review committee that is comprised of four representatives of the state's legally formed port districts.

The committee's priorities are those projects that:

- Develop strategic business, marketing, and financial plans for ports;
- Update these plans on a five-year interval;
- Include regional and cooperative efforts that benefit more than one port;
- Will help leverage other marketing efforts by state agencies and other governmental entities.

The Community Development Division of the Oregon Economic and Community Development Department administers the fund as it does for the state's other port programs.

The Mississippi Development Authority (MDA) administers a marketing grant program to local governmental entities and non-profit organizations to help attract new businesses and industrial development to the state. The program is funded at about $300,000 to $400,000 annually and requires a cash match equal to one-half the cost of the projects.

Projects are ranked according to the merits of the project with preference to regional projects and those that will influence interests and people outside of the state. Eligible projects include almost all forms of promotion and marketing, including advertising in mass media, billboard, websites, trade shows, and familiarization tours. Airport and port marketing projects are not eligible unless the project is designed to market an available building or facility and to help recruit industrial development.

3.2 Port Programs of Neighboring States

The seven states that border the Commonwealth of Kentucky are all served by water transportation. Each state has instituted different roles and responsibilities for water transportation with little, if any, commonality with that of Kentucky or, for that matter, between any two of these states.

This section describes the various ways these and the other states researched have provided support for their riverports. As noted earlier, each state has taken a different approach to its responsibilities for this transportation mode. With the possible exception of Virginia, the 11 public ports in Kentucky are vying with those public ports in the adjoining six states for common markets. To ensure a "level playing field" for the Kentucky ports, it is important to understand the roles these neighboring states have assumed for waterways and ports and how these programs and organizational structure may give Kentucky's ports an unfair competitive disadvantage.

The following is a summary of each of these seven states, listed alphabetically, and their respective roles in assisting their riverports.

3.2.1 Illinois

Illinois has 1,095 miles of navigable waterways that border or pass through the state[3]. It has 15 public port districts, including the Port of Chicago. Rail and air have dominant positions within Illinois DOT's governmental structure, but water transportation has no comparable standing. There is neither an office nor entity within the DOT nor a staff person solely responsible for the state's ports and waterways. Any consideration this mode receives is in a much larger context of freight planning conducted by the DOT.

The state does administer a revolving loan program for its ports through its Department of Commerce and Community Affairs. The Port Development Revolving Loan Program provides funding to its 13 ports for infrastructure improvements and is used for working capital or administrative expenses. A loan cannot exceed $3 million, with repayment not to exceed 20 years at an interest rate of five percent. Each application must include: information on project impacts in terms of economic benefits and jobs supported or generated, a business plan, loan collateral and guarantees, and detailed project plans, including cost estimates. The applications received from the ports are ranked based on the benefits-to-costs ratios, a demonstrated economic feasibility and the ability of the port to repay the loan. As with most port assistance programs, needs far exceed the $3 million available each year from this revolving loan program.

3.2.2 Indiana

In 1961, the General Assembly created the Indiana Port Commission, replacing the Indiana Board of Public Harbors and Terminals that had operated since 1939. The seven-member commission is charged with the development and stewardship of the three state-owned public ports. Two of these facilities are located on the Ohio River. The third is on Lake Michigan. Indiana has 353 miles of navigable waterways[3]. Legislation enacted in 2003 gave the commission broad authorities to develop traffic exchange points (intermodal centers) anywhere within the state and issue revenue bonds to finance its projects.

Like Illinois, water transportation is not a distinct program function within Indiana's DOT, although rail, aeronautics, and mass transit have funded and staffed programs. Most states that have state-owned or operated ports have no programs to assist other public ports within the state. In Indiana's case, current law limits state funding to the three state ports only. Other public ports are not eligible for financial assistance funded by state revenues.

3.2.3 Missouri

Missouri has one of the more comprehensive programs for water transportation in the nation. According to the USACE, the state has 1,033 miles of navigable waterways[3], and its 11 active ports handle an average of about $4.1 billion[4] of commerce annually.

The water transportation mode is part of the Multimodal Operations Division of MODOT. The division head reports to the chief engineer who is accountable to the director of transportation. The transportation director reports to a six-member commission that is appointed by the governor.

MODOT administers three funding programs to assist its ports. As described earlier, it is one of only two states that have a program to assist ports with operational costs. The grant program can cover expenses such as salaries, travel, utilities, and other operating costs. Its primary objective is to help emerging ports or new or start-up projects. The administrative grants require no local match and are funded from state sales taxes on new vehicles. The annual budget is about $450,000 annually.

Its Port Capital Improvement Program has been budgeted at $2 million annually for FY 2008 and 2009, which is higher than the $1 million appropriated in FY 2006 from the Capital Improvement Budget. The ports have identified some $15 million of critical or immediate infrastructure needs that could be funded by the program. A 20 percent local match and a five-year development plan are required from the port seeking a grant.

The state also has a Transportation Assistance Revolving Fund that was established in 1997 to assist non-highway-related transportation facilities, including ports and waterways. However, the fund has been used mainly to fund local public airport projects and loan requests typically exceed available funding.

3.2.4 Ohio

Ohio has 444 miles of inland navigable waterways[3] along the Ohio River. Of its 16 public port authorities, three of these, including one riverport, own their facilities. The other 13 public authorities, including six riverports, are mostly landowners and lease to operators. There are also 24 general purpose river terminals operated by private interests for public use.

The Ohio Department of Transportation (ODOT) has no functional responsibilities for water transportation but its Systems Planning and Program Management is heavily engaged in freight planning. This office reports to the Division of Planning that reports to the DOT Director through the Assistant Director for Transportation. Its statewide comprehensive

transportation plan called "Access Ohio 2004-2030," includes a chapter on Ohio's Water Transportation System that contains detailed information about the importance of this mode to the state.

ODOT does not provide any funding assistance to port authorities. It does, however, provide funding for highway and bridge projects that directly benefit ports by providing better land transport access to these facilities as is the case for KYTC.

The state's Transportation Review Advisory Council (TRAC) funds projects costing more than $5 million that increase mobility, provide connectivity, increase accessibility of a region to economic development, and increase the capacity of a transportation facility or reduce congestion. Funding commitments have ranged from $386 million to $810 million per year.

3.2.5 Tennessee

Waterways are an integral function of the Office of Freight & Rail, which falls under the Multimodal Transportation Resources division, one of six divisions of the Tennessee Department of Transportation (TDOT) that report to the commissioner of TDOT. Tennessee has 946 miles of navigable waterways[3].

Tennessee has no grant or loan programs to assist its public ports. TDOT collects about $100,000 annually from barge fuel taxes and uses some of these funds to help finance port feasibility studies and other waterway-related investigations. It is currently cooperating with the US Army Corps of Engineers to conduct a reconnaissance study on the importance of the state's ports and waterways and possible expanded roles for the state to support and promote water transportation.

3.2.6 Virginia

The Virginia Port Authority (VPA) is a state agency charged with operating and marketing the state's maritime facilities. The authority reports directly to the Secretary of Transportation. The agency owns four coastal general cargo terminals and a non-marine intermodal terminal some 220 miles inland of its deepwater facilities. Virginia has 674 miles of navigable waterways[3].

The VPA made a bold move 15 years ago and established its Virginia Inland Port (VIP) at Front Royal, VA, with some 18,000 feet of on-site rail with warehousing located near the intersection of I-66 and I-81. This facility has greatly relieved congestion caused by container transfers at Hampton Roads and other Virginia coastal ports and has helped reduce handling costs. While VIP serves markets mainly in Pennsylvania, northern Virginia, West Virginia, and eastern Ohio, it could affect any plans that Kentucky ports may have to provide container-on-

barge service, especially for shipments to and from Europe. A similar intermodal facility is under consideration in the southwestern part of the state near Wytheville. Like most states that own and operate its own ports, Virginia has no financial programs to assist other public ports.

3.2.7 West Virginia

Water transportation is governed in this state by an amalgamation of empowerments and program responsibilities that are vested in a state port authority. The West Virginia Public Port Authority is governed by an 11-member board, including the state's transportation secretary, who serves as chairman. It reports directly to the Cabinet Secretary. The agency has broad sweeping powers to acquire, construct, operate, use, or control ports and related facilities. A port is defined to include rail, airports, roadway, terminals, marine facilities, and wayports. It also can act on behalf of the state in matters concerning the location of new public ports. Similar to other state port authorities, it can develop, lease, or operate public ports and issue revenue bonds to finance these projects. The bonds may be issued without the consent of any other agency of the state. The authority can also exercise the right of eminent domain and the powers of a corporate body. Among its activities are studies to determine the feasibility of building inland container ports at Martinsburg and Prichard, south of Huntington, similar to the one built by the VPA in Front Royal, VA. West Virginia has 682 miles of navigable waterways[3].

3.3 Other State Programs of Interest

In addition to the above seven states that border the Commonwealth, five others (Louisiana, Minnesota, Mississippi, Oregon and Wisconsin) were chosen for further consideration and analysis because of their stewardship and support for water transportation. These states have long recognized the importance of their ports and waterways to the economic well-being of their people. All have implemented successful programs to ensure that their ports and the waterway industry remain competitive and can sustain increased commerce and trade in the future.

The following are descriptions of these state programs and their institutional responsibilities for water transportation.

3.3.1 Louisiana

With 2,823 miles of inland waterways[3], Louisiana is consistently ranked as one of the top two states in the nation with regard to total tonnage of waterborne commerce. Five of the top thirteen deep draft ports in the nation in terms of tonnage handled are located in this state. Its 38 ports include 13 inland shallow draft public ports and 11 developing public terminals. These ports play a major role in Louisiana's economy by helping to generate nearly one-fourth of the total dollar value of the state's goods and services. Given its worth to the state, water transportation and its needs receive much attention from state government.

Ports and waterways are a part of the Intermodal Transportation Division, comprised of marine, rail, and aviation. The Division is part of the Office of Public Works, Hurricane Flood Protection, and Intermodal Transportation, one of five offices that make up the Department of Transportation and Development (DOTD). That office is headed by an assistant secretary, who reports directly to the secretary of transportation. The Intermodal Division administers the state's Port Construction and Development Priority Program.

The grant program funds capital improvements at publicly-owned ports, including intermodal facilities, maritime-related industrial development infrastructure, cargo handling equipment, railroads, utilities, and warehousing. In recent years, the program has been funded at $20 million annually from the state's Transportation Trust Fund. The local port is required to pay 10 percent of the project's cost.

Grant applications are reviewed, evaluated, and prioritized within DOTD. Criteria used to establish priorities include the technical feasibility of the project; its economic feasibility and impacts; environmental impacts; and port management considerations. The program also emphasizes the need to equitably distribute the funds and avoid duplication of port infrastructure. To help determine the project's benefit/cost ratio, benefits accruing to the state include cargo handling and shipping cost reductions, jobs created, and impacts on personal income, both direct and indirect.

The state has also authorized a Louisiana Waterways Infrastructure Bank, a loan program for ports, but the state legislature has never funded the Bank. The Bank's intent was to help fund large capital improvements that are bonded. The Bank's funding level would be set annually to provide adequate financing.

A needs assessment study, commissioned by the Ports Association of Louisiana (PAL) and completed last year, found that although the ports had spent $455 million on capital improvements from 2001 through 2005, nearly twice that amount will be needed for the next five years. The study identified 104 projects costing a total of $849 million that need to be completed within five years for the affected ports to remain competitive. It is understood that the ports will seek increased funding from the state by at least $100 million more annually to help meet these

capital needs. It has been proposed that this increase in funding comes from the nearly $500 million of fees and taxes paid each year by the state's maritime-related transportation industry.

There is also interest in reviving an effective marketing program that was once administered by the state for ports before it was terminated several years ago. The ports want to reestablish the grant program to a level of about $500,000 annually. These funds would be used by the ports to help better market and promote their facilities to increase business opportunities and attract development.

3.3.2 Minnesota

The Minnesota Department of Transportation's (MNDOT) Ports and Waterways Office has set the standard for measuring a state's role in water transportation planning, conducting meaningful modal research, and providing technical assistance to the waterway industry. This agency has had the resources and staff capabilities to produce some of the most important studies and research in water transportation during the past 25 years. Examples are its studies on the impacts of increased user fees and the consequences of modal shifts on environmental quality. More recent concerns have focused on the supply and demand for barges and its impacts on freight prices and changing transportation patterns as they may relate to the upper Mississippi River region. Ports and waterways are within the Office of Freight and Commercial Vehicle Operations of MNDOT. This office is comprised of Rail, Freight, and Waterways Section; Air; and Commercial Vehicle Operations Section. It is one of six offices that make up the Planning, Modal, and Data Management Division that reports to the transportation commissioner through the deputy commissioner. The commissioner of transportation is also the lieutenant governor of the state.

The state is served by two waterway systems, the Upper Mississippi River and the Great Lakes/ St. Lawrence Seaway. It has four public ports on Lake Superior and five ports on the Mississippi River. The five riverports transported nearly 12 million tons in 2005, mainly corn, soybeans, and wheat. Over 60 percent of the state's agricultural products are shipped by barges on the Mississippi River. Minnesota has a total of 258 miles of navigable waterways[3].

In 1996, the State Legislature established a Port Development Assistance Program. This revolving loan program will fund up to 80 percent of the costs for a specific project, with the affected port providing the remaining 20 percent of the needed funds. Most of the funding has been allocated to facility repairs and improvement. Currently, only public ports are funded, although there is interest in seeking approval of an amendment to the State Constitution that would permit the grant program to be expanded to include privately-owned port facilities.

The program provides grants for projects that may not produce immediate returns and loans for those that generate direct revenues. Projects funded are prioritized based on five factors: (1) movement or volume of cargo; (2) enhancement of boat construction and repairs; (3) economic development benefits; (4) local and regional benefits; and (5) ability to repay the loan.

The fund has received a total of $14.5 million from 1996 to 2005, with $6 million coming from bond funds and the remaining $8.5 million from the General Fund. $6 million were requested to fund the program in FY 2006.

In addition, ports are eligible for loans from the State's Transportation Infrastructure Finance and Innovation Act. This program is used to fund large intermodal transportation projects and would be available to fund port projects, especially road or rail improvements that serve ports or intermodal port terminals.

3.3.3 Mississippi

Mississippi has sixteen ports, two of which are governed by state port authorities. All but two are shallow draft coastal ports or inland riverports. Mississippi has 873 miles of navigable waterways[3]. Although the Mississippi Department of Transportation (MDOT) was created in 1972, water transportation did not become a legislated function until 1995. The Ports and Waterways Division is now within the Office of Intermodal Planning.

In 2000, the Legislature enacted a Multimodal Transportation Capital Improvement Program Fund. Initially, the Mississippi Water Resources Association (MWRA), a trade association that represents ports and waterway interests, tried to have a bill passed to establish a grant program solely to fund the 16 public ports. However, it quickly learned that there was not enough political support for passage of such legislation. The following year a multimodal bill was introduced that included short line railroads, public airports, and mass transit, as well as ports. It passed overwhelmingly.

The law stipulates the percentage that each mode receives from those funds appropriated. Ports receive 38 percent of the available funds. For the past two years, the Legislature has approved $10 million, with the ports receiving $3.8 million.

These grant funds can only be used for capital improvements and cannot be used to help finance a port's administrative or operating expenses. The fund is unique since no local match is required. Another novel part of the program is the actual participation of the ports in the review, evaluation, and prioritization of the applications received for funding. A Multimodal Fund Committee was created for each of the four modes receiving grants from the fund. The Port Committee consists of:

1. Seven directors, appointed by the President of MWRA (to include three from coastal ports and four from inland ports);
2. The Executive Director of the Mississippi Development Authority, or designee;
3. The Executive Director of MDOT, or designee; and
4. The Executive Director of MWRA, or designee

There were some who felt this arrangement with the ports controlling seven or possibly eight of the ten seats on the committee could make the review and evaluation process contentious and dysfunctional. To the contrary, the review and evaluation process has worked exceedingly well and the funds have been allocated in an equitable manner, with few if any complaints from the 16 ports or from MDOT. As with similar programs, funding requests from the ports each year always exceed available funds. The committee makes its recommendations to the executive director of MDOT with the final decision made on the use of the grant funds by the three transportation commissioners who are elected. Generally speaking, the committee's recommendations prevail.

MDOT also administers an Intermodal Connector Improvement Program that has been very beneficial to the ports. This grant program is included in the Mississippi Statewide Transportation Improvement Program (STIP). It lists transportation projects in which federal funds are to be spent that generally reflects MDOT's multi-year construction schedule. For ports, the program is dedicated to roadways, access roads, marshalling areas, etc. So far, the ports have received approximately $15 million of these federal funds.

The state's Mississippi Development Authority has developed a Mississippi Port Revitalization Revolving Loan Program that provides low-interest loans to public port authorities. The terms include a maximum loan amount of $750,000 for any one project with an interest rate of three percent with a pay out period not to exceed 10 years.

MDA also administers a very successful marketing grant program that can benefit ports, chambers of commerce and other economic development groups.

3.3.4 Oregon

Of the 20 states reviewed, Oregon has one of the most comprehensive state programs for water transportation. It administers three programs to assist its 24 port districts. Oregon has 681 miles of navigable waterways[3]. Unlike most other states, these programs are under the jurisdiction of the Oregon Economic and Community Development Department and not the state's transportation agency.

Oregon's Port Planning and Marketing Fund has been described in Section 3.1.5, *Marketing Assistance Programs* on pages 3-7 of this report. It is one of only two state grant programs established to assist ports in conducting planning and marketing studies and research to help expand its commerce and trade activities.

The state's Port Revolving Fund provides loans for port facilities and improvements, including assisting port-related private business development projects. Program coverage is very broad and includes industrial parks, commercial developments, airports, and water-related facilities provided the project is located within the boundaries of the port district. Eligible project costs also include engineering and pre-project planning expenses.

Interest rates are set by the state agency at market rates, but not lower than US Treasury Notes of a similar term, less one percent. The repayment period can be as long as 20 years or for the life of the project, whichever is less. An applicant (port district) cannot have more than $3 million of outstanding debt to the fund at any one time.

Another fund called the Marine Navigation Improvement Fund is one of a kind. This fund has historically been used to provide the local contribution of 25 percent of the costs of dredging associated with federally authorized navigation projects, as required by law. These funds are available for the local share of the costs associated with channel deepening and other federally authorized projects conducted by the USACE. More recently, the use of the fund has been expanded by the State Legislature to assist local ports with costs for maintenance dredging of access channels for ports and marinas, because of declining federal funding for these needs. Non-federally authorized port projects or marine facilities are also eligible for funding, either as a loan or grant.

3.3.5 Wisconsin

This state is included because it is unique from the standpoint of permitting privately-owned general service terminals to be eligible for financial assistance from state government. Its Harbor Assistance Program provides grants of up to 80 percent of a project's cost. Eligible projects include dock reconstruction and improvements and dredging needs, including facilities to retain dredged materials. This grant program was initiated in 1979 and the port improvements it has funded since 1995 have generated over $250 million of additional economic benefits for the state, which has 231 miles of navigable waterways[3].

The Harbors and Waterways Office that is part of the Bureau of Railroads and Harbors of the Wisconsin Department of Transportation manages the program. Applicants, including privately-owned facilities that are open to public use, must submit a three-year development plan. This plan includes a statement of intentions of improvements proposed during a three-year period and a ranking of the priority of the planned projects and the probability of being started during this period. The port authority must submit this plan prior to April 1 preceding the fiscal year in which the applicant is seeking financial assistance. The DOT can waive this planning requirement.

The state DOT also administers a Transportation Economic Assistance (TEA) program that provides grants for 50 percent of costs of projects involving any mode, including water transportation, that will help attract employers to the state or encourage existing industries and businesses to remain in the state. Private businesses are eligible even though state funding is limited ($4 million annually) for such an expansive and ambitious program.

Exhibit 3.2 summarizes some of the main points of these state programs.

Exhibit 3.2 – State Roles for Ports

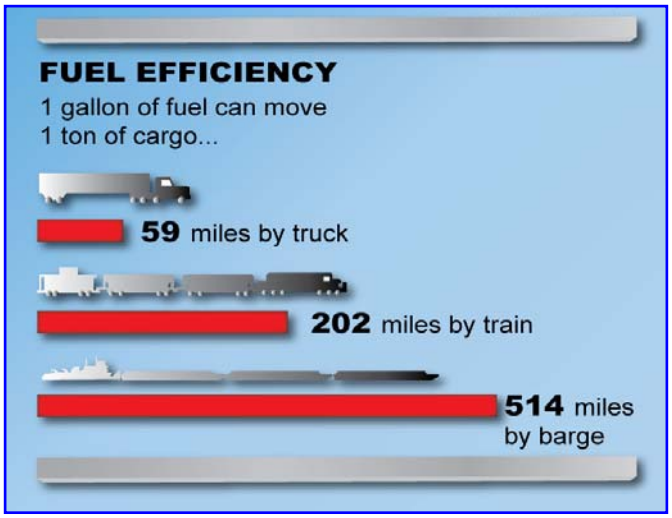
	AL	AR	CA	FL	GA	IL	IN	KY	LA	MN	MS	MO	OH	OK	OR	PA	TN	TX	VA	WV	WI
State Owned	X				X		X				X								X	X	
Water Transportation Advisory Board		X												X							
Financial Assistance (Grants) - Operations												X			X						
Financial Assistance (Grants) - Infrastructure Improvements				X					X	X	X	X			X						X
Financial Assistance (Loans) - Capital Needs			X			X			(1)	X			(2)		X					X	
Technical Assistance								X		X		X				X	X			X	
Marketing Assistance											X	X			X						
Other											X		X		X			X			

(1) Authorized but not funded
(2) Loan program for intermodal projects, including ports

4.0 CONSIDERATIONS & RECOMMENDATIONS FOR A COMMONWEALTH-WIDE RIVERPORT IMPROVEMENT PROGRAM

During the port visits, discussions focused on resolving outstanding issues relative to the existing condition, markets, future needs, and vision for each port. Kentucky's riverports provide benefits to their respective regions and, collectively, to the entire commonwealth. Though each port has its own unique needs and challenges, representatives expressed a common concern, if not disenchantment, for what they believe is inadequate representation for public ports within the commonwealth.

Representatives from each port stated they operate as an "island," with no assistance or guidance from the commonwealth. Port representatives expressed frustration with the absence of a designated individual at the commonwealth level with ample waterway-related experience and a working knowledge of the utilization of waterways and inland ports. They indicated that without this designated individual, the commonwealth cannot be responsive in educating policymakers and stakeholders to the regional and local economic benefits the ports can provide. Barge transportation remains the most fuel efficient mode available for shippers as shown in Exhibit 4.1. This is just one of many benefits the commonwealth can promote through providing assistance to the ports.



Source: US Army Corps of Engineers

Exhibit 4.1 - Fuel Efficiency of Transportation Modes

This perception by port representatives of no state-level support becomes more evident when considering that public riverport representatives in Kentucky have lobbied since the mid-1990's for more recognition, in addition to financial and marketing assistance, with little success. Port representatives believe that with a knowledgeable, designated advocate in commonwealth government, programs that benefit ports, and, ultimately, citizens, across the commonwealth will be developed.

Specific assistance desired by the ports can be encompassed in three major categories: (1) financial, (2) technical, and (3) marketing.

1. **Financial** - Port representatives indicated that nearby ports in adjoining states obtain major financial assistance in the form of loans or grants while Kentucky provides very little. Recent examples include Clark Maritime Centre and Southwind Maritime Centre in Indiana, and Cates Landing, a developing port, in Tennessee.

2. **Technical** - The public riverports of Kentucky operate as independent entities with little support from state government for their efforts. In order to make the riverports of Kentucky more competitive, port representatives believe there needs to be a key individual at the commonwealth level operating in their best interest. This individual would pursue and maintain awareness of issues important to the ports and waterways.

3. **Marketing** - Other states also provide non-financial assistance such as marketing assistance, engineering, and feasibility studies, etc. In order to promote the importance of the commonwealth's inland riverports, specific marketing assistance needed by port representatives is listed below, with all directed at the underlying goal of raising public awareness and benefiting local economic factors:

   - Website promotion with links to Kentucky's ports and other river-related sites.
   - Assistance in developing websites for ports that do not currently have that capability.
   - Marketing local area industrial parks near the ports with the intent to draw more industry to the port's resident county.
   - Active marketing of acreage available at numerous public riverports in Kentucky for development by industry or for public warehousing. The commonwealth should expand industry marketing efforts to include the importance of riverports to service the regional industrial parks, many having been developed utilizing coal severance funds. Examples of these regional parks and nearby public riverports include:

Regional Park	Nearby Public Riverport
Purchase Area Regional Park Authority (no infrastructure to date)	Hickman-Fulton County Port and Paducah-McCracken County Port
Four Star Regional Industrial Park	Henderson County Port
Bluegrass Crossings Regional Business Centre	Owensboro Port
Paradise Regional Business Park	Owensboro Port
EastPark Regional Industrial Park	Greenup-Boyd County Port

Typical operating public riverports in the commonwealth have a very limited administrative staff, with the port director's time consumed with daily operations, human resource management, customer relations, current community involvement, and some limited marketing efforts. Typical developing ports have no administrative staff, with volunteer (non-compensated) board members available on a limited basis for riverport matters.

To increase the success of the commonwealth's inland riverports, public awareness needs to be raised and policymakers educated on the importance of the local public riverports and their influence on area economy. With the limited resources that ports typically have, some states such as Mississippi, Missouri, and Oregon have implemented marketing programs to enable their ports to be more competitive.

4.1 Governance and Organizational Structure Recommendations

The Commonwealth of Kentucky has played a role in water transportation since 1964 when the General Assembly passed legislation that enabled local governments to form port authorities. The commonwealth's responsibilities for its ports and waterways were vested in a Kentucky Port and River Development Commission that was part of the Cabinet for Economic Development. Among its duties, the commission administered grants and loans enacted by the Legislature to assist the ports. Commonwealth funds provided by this program greatly benefited most all of the seven public ports presently operating in the commonwealth at that time.

Despite its success and accomplishments, the commission, including the financing program for the ports, was abolished in 1992. Later in 1998, the commonwealth's responsibilities for water transportation were reassigned to the Division of Planning of the Transportation Cabinet. Although over 100 million tons (20 percent) of the commonwealth's commerce is shipped by barge each year, water transportation did not initially receive much attention or focus within the Transportation Cabinet. It was not until 2003 that its Branch of Modal Programs became responsible for riverports and created a transportation planning position that included, in part, responsibilities for water transportation.

The following is a compilation of proposals, conclusions, and recommendations emanating from the Kentucky Riverport Improvement Project. Included for each item are a proposed action plan; identification of the responsible entity or entities; and a suggested time frame for accomplishment.

4.1.1 Water Transportation Staff

KYTC should authorize a full-time position within its Division of Planning to work exclusively on behalf of ports and other water transportation needs. This staff person would not only serve as a state liaison for the public ports, but would also be responsible for other matters related to ports and waterways, some of which are noted as follows:

- Promoting waterborne transportation at a regional and national level.
- Active participation in national organizations such as AASHTO Standing Committee on Water Transportation; Inland Rivers Ports and Terminals, Inc.; and the Transportation Research Board.
- Determine needs for research projects to provide primary benefits to Kentucky, with secondary benefits to the nation.
- Study and coordinate those activities needed to promote the development of the commonwealth's ports and waterways.
- Ensure that water transportation is properly reflected in any commonwealth intermodal and freight transportation plans, including the Long-Range Statewide Transportation Plan.
- Encourage and coordinate the development of the commonwealth's riverports, both existing and new facilities.
- Represent commercial users in matters pertaining to governmental policies and regulations that may affect the waterway industry.
- Actively liaison with the Cabinet for Economic Development.
- Assist other commonwealth agencies, such as the Commerce and Economic Development Cabinets, on matters pertaining to or concerning ports and waterways that may affect recruitment of new industries and businesses, increased markets for the commonwealth's products and commodities, and waterway-related tourism opportunities.
- Serve as the repository of data and information concerning the capabilities of the commonwealth's waterway industry.
- Maintain current information about the commonwealth's riverports, including their economic impacts and projected capital investments needed to meet current and future commerce and shipping needs.
- Provide, either from in-house capability or through contractual arrangements, guidance and technical assistance that may be requested by the public ports concerning planning, engineering, marketing research, or other needs, including potential funding sources.
- Perform those functions necessary to administer the proposed Riverport Improvement Grant Program.

- Assist in the formulation and presentation of legislation needed to foster the development and growth of the commonwealth's waterway industry, including its riverports.
- Conduct research, studies, and investigations that address policy and program matters that may benefit or adversely affect ports and waterways. This is of particular importance when considering a new public port facility within the commonwealth. It is important that a more thorough investigation be conducted by the commonwealth to better determine whether a proposed port is economically justified and needed before it is authorized by commonwealth statute. Experience has shown that the economic justification for some proposed public ports can be weak at best and, if built, the facility may not initially attract enough commerce and business to justify such a considerable public investment. Most new public ports would likely be financed mainly by federal and commonwealth funds.

  The water transportation staff should ensure that economic feasibility studies are conducted, either in-house or by contract, and that they are adequate to determine whether any proposed port is economically justified and warrants an investment of public funds. The availability of such pertinent information would enable KYTC to make a much more informed and reasoned decision concerning the potential public value of future riverports. This better documentation of the benefit-to-cost of a proposed port analysis would also provide a valuable service to the county or local government requesting approval of the new port. In some cases, a county or municipality could better serve the general public by using its resources to develop a waterfront industrial park to recruit new industries than to build a public port that may not have the markets available to support such an investment. The recommended feasibility studies would provide useful information to the state and local port sponsor concerning such choices.
- Seek and receive any federal funds, commonwealth appropriations, or private donations and grants that may be available to foster the development, use and expansion of the commonwealth's ports and waterways and help carry out these duties as described herein.
- Serve as the secretariat for the proposed Water Transportation Advisory Board as described below and be responsible for the board's administrative requirements and needs.

Responsible Entity: KYTC

Time Frame: Immediate – Legislation is not needed to implement this recommendation. However, additional funding may be needed that would require the support and approval of the Governor's Administration and the General Assembly. Increased funding would be needed for a newly structured water transportation program including those responsibilities defined in the report and for other related activities.

4.1.2 Water Transportation Advisory Board

Several states, such as Arkansas, Oklahoma, Florida, and Mississippi, have established institutional arrangements that enable its water transportation interests to advise and make recommendations to transportation officials and other governmental policymakers concerning matters affecting this mode. Such arrangements are especially important where expertise and knowledge about this mode are limited within state government unlike the other transportation programs. For example, the Alabama Commission on Infrastructure has recommended that an advisory board of ports and waterways interest be authorized by the State Legislature. As part of the authorization, the commission is seeking to incorporate the responsibility for water transportation as a program within the Alabama Department of Transportation for the first time since that agency was established some 30 years ago.

It is recommended that the Transportation Cabinet support similar legislation to approve such an advisory panel for its needs. The Water Transportation Advisory Board would be authorized to:

- Advise the Secretary of the Transportation Cabinet, the Governor's Office, and the General Assembly on matters pertaining to water transportation;
- Recommend any public and private actions that may be needed to better enable the commonwealth to utilize its ports and waterways for future economic growth;
- Assist in defining the duties and functions of those commonwealth entities responsible for water transportation;
- Recommend criteria for setting priorities for funding port improvements by the proposed Riverport Improvement Grant Program; and,
- Evaluate applications submitted by the riverports requesting financial assistance from the above proposed grant program or other commonwealth assistance and make recommendations to the appropriate decision makers on disbursement of these funds.
- The Advisory Board would be comprised of the following members appointed by the secretary of the Transportation Cabinet:
    - Five members representing the commonwealth's public ports, who would be elected by the Kentucky Association of Riverports;
    - Three members appointed at large from the private sector associated with the waterways industry;
    - One member from the public at large who has technical experience in economic analyses, feasibility studies, port design and operations, or other similar knowledge of the maritime industry;
    - A representative of the Kentuckians For Better Transportation; and
    - The Secretary of the Kentucky Economic Development Cabinet or designee.

The eleven members of the board shall elect a chairperson and a vice-chairperson. Once appointed, each member shall continue to serve in office until replaced. The members shall receive no compensation but if funds are available could be reimbursed for expenses incurred while on official business for the board.

The board shall meet twice each year or when called by the chairperson or the secretary of the Transportation Cabinet. As stated earlier, the water transportation staff would carry out the administrative functions of the board, including timely notices to the members of called meetings and the preparation of the minutes of the board's meetings.

Responsible Entity: KYTC, with input and support from KAR and the waterways industry.

Time Frame: Immediate – The Secretary of KYTC could establish an advisory board as an ad hoc organization but approval by the Assembly is needed to ensure the organization's permanence and not be totally dependent on the support of the Administration. Legislation should be drafted and coordinated with KAR in time for the 2008 session of the General Assembly.

4.1.3 Division of Surface Freight

By better capitalizing on all modes, including their relative transport capacities, Kentucky can help lessen the economic and societal costs to its shippers, consumers, motorists, as well as lessen the environmental degradation that may be caused by expected increases in freight flows. It is recommended that a Division of Surface Freight be established within the KYTC. This new freight division would include those programs associated with rail and trucking in addition to water transportation. The ability of the United States to compete in a global economy will depend largely on the efficiency and effectiveness of its freight transportation system. The US Congress, in its enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) in 2005, recognized the national importance of freight transport needs. Since then, the US Department of Transportation (USDOT) has implemented a new National Freight Policy in response to the challenges the nation faces in terms of increasing congestion in the transportation system and imposing costs affiliated with this. While doing so, USDOT acknowledges that it does not have the tools or resources to tackle this challenge alone and must partner with the states and the private sector to address this problem in a coordinated and collaborative effort.[5]

Those states that are served by water transportation and an effective rail system are much better positioned than others to address highway congestion or bottlenecks that are hindering the movement of both people and freight. For example, Kentucky's nearly 1,600 miles of navigable waterways include two of the busiest commercial transportation arteries in the nation, the Mississippi and Ohio Rivers. The Ohio River accounts for nearly one-third of all the US waterborne commerce each year, yet it currently operates at only one-third of its system transport capacity.[6]

The Minnesota DOT has a similar organization called Freight and Commercial Vehicle Operations that is part of its Planning, Modal, and Data Management Division. The division director reports directly to the commissioner's office. Its freight transportation programs include:

- Commercial Vehicle Operations that oversee truck regulatory and administrative programs, including truck size and weight policies;
- Rail Safety and Rehabilitation Programs, including prevention of the loss of rail service from abandonment;
- Ports and Waterways, including a Port Development Assistance Program;
- Air Cargo, including three financial assistance programs offered by the state; and,
- Freight Planning and Research that supports all DOT offices and other state and local agencies with respect to freight issues.

A similar organization within the KYTC would help to more fully integrate freight matters into the commonwealth's transportation planning activities, including those for highways. By incorporating multimodal freight considerations into the development, prioritization, and implementation of the commonwealth's transportation projects, non-highway modes, including water, would be much more effective and valuable toward solving the commonwealth's transportation needs for the future.

It is somewhat inconsequential what the title of the freight planning group would be as long as it incorporates all the modal programs involved in freight movement similar to what the State of Minnesota and other state DOTs have already implemented. There are also several options where this new entity could be established within the hierarchy of KYTC. One alternative would be to designate an Office of Freight Planning that would report directly to the Cabinet Secretary. A lesser preferred option would be to incorporate this new group as a division within a newly reorganized Department called Aviation and Freight. The least preferred option would establish freight planning as a separate division within the Office of Project Development that presently reports to the Department of Highways.

KYTC, in its Long-Range Statewide Transportation Plan, recognizes the importance of greater utilization of all modes to more efficiently transport freight. The Plan's conclusions on page 58 state, "With the projected increases in total travel, ….our roads will be utilized more than ever before and good intermodal connections providing access to airports, rail lines, and riverports will be essential for the movement of freight through our Commonwealth." However, the Plan acknowledges that KYTC does not presently receive federal or state funds for either rail or water transportation programs. It states, "While the needs of these programs are great, the funding sources are not." As a result, the Kentucky Long-Range Transportation Plan does not include any specific program needs for these two modes to better accommodate increased freight in the future. Without adequate funding and staff resources, the recommended Division of Surface Freight within KYTC would be meaningless and would not be able to perform this critically needed transportation function for the state.

There is increasing interest coming from Washington concerning freight issues and new funding opportunities for non-highway programs that were authorized by SAFETEA-LU. A new Division of Freight would help facilitate the Transportation Cabinet's response to these new federal policies and program priorities.

Responsible Entity: KYTC

Time Frame: Near-term – Legislation should be drafted and coordinated with affected agencies in time for consideration by the 2008 Assembly. This proposed new freight division should include commercial vehicle operations, including truck size and weight policies, which may require legislation. Its multimodal freight planning and research program would support other divisions within KYTC and other state and local agencies with respect to freight issues.

4.2 Financial Assistance Program Recommendation

It is recommended the governor support, and the General Assembly enact, a grant program to assist the commonwealth's public port authorities with those capital investments needed for port improvements that cannot be readily financed locally. The KYTC should administer the program, preferably by its proposed new Division of Surface Freight. While the seven operating public ports account for less than five percent of the total waterborne commerce for Kentucky, these intermodal facilities are nevertheless crucial to the continued economic growth of the commonwealth. The commonwealth's private terminals that handle specific commodities such as coal or grain or exclusively serve only one company's barging needs, ship over 100 million tons each year as compared to about 4 million tons handled by the public ports. Coal and non-metallic minerals (sand and gravel, etc.) make up as much as 80 percent of the shipments by the private terminals, which skews relative comparisons between private and public terminal operations, especially for general cargo needs. Unlike the private terminals, the public facilities are available to any shipper or producer that can benefit from water transportation. The public riverports help attract new businesses to the commonwealth and serve other companies that need access to water transportation but not to the extent to justify constructing and operating its own barge terminal. Some of these ports also provide other needed transportation services such as warehousing and drayage.

The commonwealth's public riverports, including the four emerging ports, must continue to make improvements to sustain competitiveness with other modal options and to compete with other marine terminals within the region. As described in Section 4, most of the states surrounding Kentucky have very progressive port programs. Three of these states (Indiana, Virginia, and West Virginia) have state authorities to own and operate port facilities that enjoy the full backing of state government, including the funding of improvements that may be needed for those ports to remain competitive and for future growth. Ports in other surrounding states such as Missouri and Illinois are supported by grant or loan programs authorized and funded by those states.

Kentucky must play a more aggressive role in supporting its ports and waterways industry if it is to capture the full economic and trade potential offered by water transportation. It had one of the most effective commonwealth-run programs for port development in the nation but, regrettably, shortsightedness led to that program being terminated 15 years ago. Some 20 states that have water transportation programs, including financial assistance to ports, were reviewed and studied to determine which may have some application to Kentucky's needs. Based on that research, the following financial assistance program is recommended for adoption by the Commonwealth of Kentucky.

***Responsible Entities**:* KYTC, Kentucky Association of Riverports (KAR), and the proposed Water Transportation Advisory Board.

Time Frame: A two-step process is recommended – Legislation to enact a grant program as described in the report should be drafted and approved by the Administration and submitted to the General Assembly when it convenes in 2008. The bill should be drafted in consultation with KAR. This legislation would not identify a dedicated source of funding but would assume, if approved by the Assembly, the grant funding would come from appropriations from the General Fund.

Concurrently, KAR and the waterway industry, working with KYTC, the Governor's office, and legislative leaders, should study in detail alternative dedicated sources of revenues to fund the program. This research should include the political ramifications of each alternative. Based on experience of other states, an economic impact study of the waterway industry as well as a detailed capital needs assessment of the ports may be essential information to garner the political support to establish a permanent source of funds for the grant program. This information would also help justify increased funding anticipated for KYTC's water transportation program.

4.2.1 Program Funding

Estimates made by a previous study conducted several years ago indicate that Kentucky's eleven public ports would need more than $60 million of major rehabilitation and infrastructure improvements to remain competitive and sustain continued growth.[7] Based on such needs, it is reasonable for the commonwealth to provide as much as $4 million of assistance annually to these port authorities through this proposed grant program.

According to previous interpretations of the commonwealth's constitution, the KYTC would be prohibited from funding non-roadway transportation programs from revenues acquired from fuel taxes, all of which now go to finance the commonwealth's highway program. It is important that other revenue sources be dedicated to fund the program. Possible revenue sources include the

commonwealth's severance taxes on coal and other minerals or property-related taxes on the barge industry.

The commonwealth collects over $225 million of coal severance taxes each year and about $16 million annually from mining other minerals. This important sector of Kentucky's economy is very dependent on the commonwealth's ports and waterways. Over 80 million tons of coal, sand, gravel, and other ores that help produce these severance tax revenues are shipped each year to markets by barge transportation. It is therefore reasonable to propose that a very small part of these revenues, about $4 million, or less than two percent, be designated to fund this grant program each year that would enable the commonwealth to more adequately address its water transportation needs.

The waterways industry that operates in Kentucky pays taxes based on the assessed valuation of property, including a Foreign Barge Tax. The Foreign Barge Tax applies to commercial vessels and other watercraft that operate on the commonwealth's waterways but whose home ports are located outside the commonwealth. That portion of the value of a non-resident's property to be taxed is based on the amount of distance the vessel traveled in Kentucky waters compared to the total it traveled both within the commonwealth and elsewhere. The total taxes paid on property by the barge industry are estimated to be about $6 million annually, of which $4 million are allocated to waterway counties.

4.2.2 Program Eligibility

The proposed grant program would fund port requests for capital improvements, both on-site as well as land-side access. Major repairs and rehabilitation of existing facilities would be eligible as well as dredging of access channels and turning basins, including those measures needed for disposal of dredged materials.

Funding for operational expenses, including routine maintenance and repairs, would not be permitted but expenses associated with master planning, site layout, engineering, and construction management of projects would be eligible for grants. To encourage the ports to develop strategic, marketing, business, and financial plans, these activities would also be eligible for financial assistance.

The grant program would require a 20 percent local match per applicant. Part of this local match could include in-kind costs. Those grant applications that included a larger share of local financing would be given higher priority for funding. The ports would also be encouraged to use the grant funds to help leverage additional funds, such as other commonwealth and federal grants and loans, that would help lead to more capital-intensive projects.

To qualify for funding, the port should provide an analysis that would demonstrate that the proposed project is a sound investment and that its economic benefits would exceed its costs. Only those projects that benefit the transfer or handling of freight would be funded, and a five-year plan would be prepared and submitted by the port that would indicate how the proposed project has been incorporated into the port's development plan. Any needed federal and

commonwealth permits should be obtained for the proposed project prior to any request for funding to help prevent any undue delays in the use of the grant by the port.

Most states that have grant programs report that requests from ports typically exceed the availability of funding. That would likely be the experience for the Kentucky program. To ensure that these funds generate the most return for the commonwealth, it is recommend that the proposed Water Transportation Advisory Board establish guidelines for setting funding priorities for the grant program and provide that information to prospective applicants. The board should also review those requests received from the ports to ensure the proposed projects comply with the approved funding guidelines. It should also make appropriate recommendations on the merits of the grant applications from the ports to the secretary of the Transportation Cabinet for consideration. Final approval of the disbursements of the commonwealth funds should rest with the secretary.

4.3 Port Loan Program Consideration

Consideration was given to recommending a loan program for ports improvements similar to those administered by the States of Illinois and Oregon, but this idea was rejected because of the availability of other existing state programs such as loans administered by the Kentucky Economic Development Finance Authority (KEDFA). A hybrid of a grant and loan program such as that available to ports in Minnesota was also considered but is not recommended. Minnesota's Port Development Assistance Program awards grants to proposed port improvements or economic development projects that may not generate immediate returns sufficient to pay the debt service but may approve loans for those projects that do provide a more immediate stream to revenues to retire the loan. The agency head has the discretion to decide whether to approve either a grant or loan for a specific project.

In 2000, the General Assembly enacted legislation that gave the KEDFA specific authorization to make loans to riverport authorities. It is recommended that this loan program be used by the ports for needed improvements instead of proposing that a new program be authorized for the ports. The KEDFA loan program, when setting priorities to loan applicants, must consider both direct and indirect employment impacts, a distinct advantage to ports over other loan programs that stress direct employment.

4.4 Marketing Program Recommendations

Missouri and Oregon are the only states that have grant programs to assist public ports with administrative or operational expenses, including marketing. Both state programs consider marketing and promotion to be of higher priority than other administrative functions. For example, Oregon's grant program is titled "Port Planning and Marketing Program."

A similar grant program that addresses the administrative expenses of a port is not recommended for Kentucky. Instead, a commonwealth-wide marketing grant program is recommended that is patterned after the one administered by the State of Mississippi, as described in Section 3.3.3.

The proposed program would provide grants to public riverports and to other non-profit economic development organizations, including industrial development authorities and chambers of commerce, to help promote and market the commonwealth to industrial, business, commerce, and trade prospects.

It is recommended that the fund be administered by the Economic Development Cabinet and funded at a level of about $400,000 annually from the General Fund. The program would provide a fifty percent matching grant for a wide range of marketing activities. Eligible projects include: preparation of brochures; participation in trade shows; advertising in trade publications, billboards, and other media outlets; website preparation; marketing research; media kits; and other promotional materials. The intent of the program is to attract new economic development activities for the commonwealth, including new commerce and trade, and the local marketing projects that receive a commonwealth grant should be designed with that objective of reaching these audiences or prospective businesses.

Salaries and other administrative expenses, including staff travel, equipment purchases, or capital improvements would not be eligible for funding. Other marketing activities such as membership newsletters would not qualify for funding. A public port or other qualified organization could submit applications once each year for projects not to exceed $15,000 for a total of $30,000 annually. All projects that are funded should be completed within one year and the local match should be cash and not include in-kind services.

This program will likely be very popular with the riverports and economic development organizations throughout the commonwealth and should be strongly supported by these interests. The program can effectively double a participant's marketing budget and permit those participants that have limited resources to conduct a more effective marketing and promotion campaign. This would be money well spent by the commonwealth.

Responsible Entity: Economic Development Cabinet.

Time Frame: Since this program can likely be implemented without legislative authority, it is recommended that the Economic Development Cabinet incorporate this program into its next budget formulation cycle.

There are other marketing activities the ports, individually or collectively, need to consider to more effectively promote port services and water transportation benefits. Some details follow.

4.4.1 Websites

The Internet is one of the most effective and affordable marketing tools. The website for the KYTC provides useful information about ports and waterways. However, accessing this information would be much easier if the menu of programs and topics on the KYTC homepage included some reference to water transportation. At a minimum, a reference to intermodal programs could be featured on the menu that would link an inquirer to the rail and water modes. To find these programs now, one must know or assume they are included in the link to the planning feature on the home page's menu. Aviation is appropriately featured on the homepage.

The Economic Development Cabinet's website includes a very descriptive account of the transportation services available in the commonwealth, including ports and waterways. It is recommended that this website and the KYTC's page are hyperlinked to the websites for each of the ports. The MODOT website is an excellent example how a state agency can help showcase ports and waterways in an easily accessible and user-friendly manner.

It is also recommended that all eleven port authorities, including the four emerging ports, develop websites and periodically revise and update the sites as warranted.

***Responsible Entity**:* KYTC and the individual ports.

***Time Frame**:* As soon as practicable.

4.4.2 Other Activities

There are other affordable marketing projects the ports can undertake that will promote its services and improve public relations. The KAR had languished for several years but, with new direction and leadership, has now become a very active and effective trade association for the commonwealth's ports. The port members of KAR should explore opportunities for cooperative marketing and promotional projects, such as joint advertising in trade publications, and participation as a group in trade shows or trade missions. KAR should also host meetings at least annually in Frankfort with agency heads, legislative members, and other officials to discuss matters of importance to the waterways industry. Similar meetings should be held each year with the Commonwealth's congressional delegation, either in Washington or in Kentucky. These meetings are important in light of the increased interest by Congress in freight transportation and how these federal policies may impact water transportation, including Kentucky's ports and waterways.

It is also very important that the ports continually strive to improve public relations and promote the importance of a port and its activities to the local and regional economies. There are some

promotional projects that a port director can undertake even on a meager budget that are very effective for accomplishing that goal. These include familiarization tours and similar events at the port for the general public, prospective businesses, and elected officials, and a concerted effort to expand coverage of port activities by the local media.

Responsible Entity: KAR and the individual ports.

Time Frame: As soon as practicable.

4.5 Other Recommendations

4.5.1 Comprehensive Studies

Authorization of the proposed Riverport Improvement Program and a designated source for its funding will require the endorsement and strong support of the Transportation Cabinet Secretary, the Governor, and the leaders of the General Assembly. It will be imperative to demonstrate how important these ports and the waterways industry are to the commonwealth's economy. A detailed, comprehensive study of the economic impacts of water transportation is needed to better understand the importance of the commonwealth's ports and waterways to its economy and quality of life. This study should include both public and private ports and the waterways industry. It should be formulated in a manner that would provide sufficient details on the impacts of the individual public ports.

Other items to consider are some port-related issues identified during the course of this study that were outside the scope-of-work that may be of critical importance to the success of implementing this study's recommendations. A more current assessment of the capital needs of the eleven ports is needed to better demonstrate the need for commonwealth financial assistance. This assessment should include cost estimates for those improvements needed by each port to meet current customer demands as well as anticipated growth in commerce or requirements for new services. Based on the individual port's present debt service and its ability to finance these capital improvements, a determination could then be made concerning how much financial assistance may be needed from the commonwealth to enable these ports to compete and continue to grow. In addition, careful consideration should also be given before proposing a dedicated source of the grant funds to avoid any political backlash caused by those who may believe the port's program will come at their expense and will oppose it. Therefore, it is recommended that KAR and other water transportation interests convene an ad hoc group to explore the various sources of state revenues that may provide a more permanent or dedicated source of funding for the new water transportation programs, including the port grants. Those alternative sources noted earlier (coal and mineral severance taxes, barge taxes, etc.) should be considered by this group along with others. Proposed legislation to enact the committee's recommendations on the most viable source of funding should be submitted to the General Assembly for its consideration.

Responsible Entity: KYTC, in cooperation with KAR.

Time Frame: This research study should be initiated as soon as funds can be secured to ensure this information is available to the Administration and the General Assembly as part of its deliberations on funding the grant program and to help justify appropriations for the water transportation program.

4.5.2 Survey of Ports

Strengths, Weaknesses, Opportunities, and Threats (SWOT) analyses were conducted for each of the riverports, including three of the four developing ports. For these public facilities to grow and compete for new business opportunities, each port must capitalize on its strengths and opportunities while addressing its weaknesses and threats. formulate a Strategic plans should be formulated to address those items identified in the SWOT analyses for its port. The KAR should identify any issues that may be common or generic to several ports and develop proposals to address these collective SWOT items.

Responsible Entity: The governing body (county Riverport authority, etc.)

Timeframe: Strategic planning that focuses on each port's SWOT analyses should be initiated as soon as practicable and plans implemented to address these needs and opportunities within five years upon completion of the plan if possible.

5.0 CONCLUSION

The federal government's involvement in navigation projects dates to the early days when rivers and coastal harbors were the primary paths of commerce. Today inland navigation is a key element of state and local government economic development and job creation efforts and is essential in maintaining economic competitiveness.[8]

According to the US Census Bureau, Kentucky's population grew nearly 10% from 1990-2000. This trend is expected to continue. With the growing population and subsequent economic growth, heavy demands have been and will continue to be placed on the commonwealth's transportation system. Intensifying roadway congestion and increasing transportation-related pollution are by-products of a growing economy. Transportation planning with emphasis on freight mobility will be critical to addressing these issues. Many states have already acknowledged the importance of the inland waterway system and have programs in place to champion the development of ports and waterways. Other states are conducting extensive studies in order to implement their own state-level programs. The importance of integrating waterways into the national freight transportation system has reached national recognition through studies funded by the US Department of Transportation such as the Alabama Freight Mobility Study. Whether currently in place or in the development process, what these states have in common is the recognition that port and waterway development will benefit their economy through attraction of new industries, high paying jobs, and enhancement of the tax base resulting from these new industries, strengthening their current economic position.

In February, 2007, Frederick Smith, Chairman, President and CEO of FedEx Corporation, presented "Facing the Crisis of US Infrastructure." His plea:

> "We cannot ignore the supply chain issues we face. Our current infrastructure is not sufficient for our needs today, much less tomorrow. In 2006, approximately 69 percent of the total freight transported moved on a truck. That amounted to 10.7 billion tons of freight, **a new national record** (emphasis added). Demand for freight services will continue to remain strong. Forecasts for domestic freight tons moved will increase 65 to 70 percent by 2020. Reliability in the trucking industry is paramount. However, for the trucking industry to continue moving goods smoothly, we need an efficient highway system. **Our current infrastructure is not sufficient for our needs today, much less tomorrow** (emphasis added)**.** For example, the Federal Motor Carrier Safety Administration reports that from 1998 through 2018, there will be 70% more vehicle miles driven by commercial vehicles alone. (That doesn't count an increase in passenger vehicles.) From 1994-2004, the increase in highway lanes was only 3.4%. If this trend continues, we will be growing at 10 times the rate of capacity."

According to USDOT, in the Commonwealth of Kentucky alone, freight shipments moving to, from, and within the commonwealth will increase by 57% from 1998 to 2020. Of that increase, 72% is forecasted to be moved by truck, primarily on the Interstate Highway System through

urban areas. Can the commonwealth's current highway system handle this growth? Can expansion of the current highway system be enough to accommodate this increase? It will become increasingly more difficult to accomplish this. The inland waterway system in Kentucky is already in place and provides a transportation infrastructure that not only guarantees fuel efficient and environmentally advantageous transport of goods, but stimulates the economy.

With its central location and extensive navigable river system, the Commonwealth of Kentucky can, by instituting the recommendations contained in this report, be a leader in promoting waterborne commerce and facilitating a more efficient transportation system that enables economic growth and development.

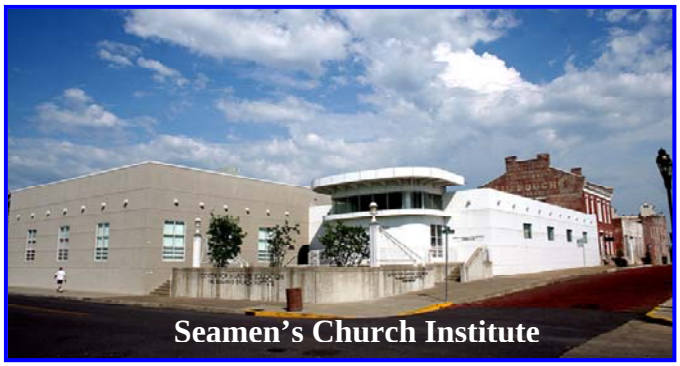
[1] US Army Corps of Engineers, Navigation Unit
[2] Kentucky Cabinet for Economic Development
[3] US Army Corps of Engineers, Navigation Data Center, National Waterway Network, personal communication, Dec. 12, 2006
[4] Missouri Department of Economic Development
[5] FHWA Acting Administrator Rick Capka, AASHTO Washington Briefing, 2/7/06, Washington DC
[6] Access Ohio 2000-2030, Ohio State Transportation Plan
[7] Kentucky Water Transportation Corridors, Public Riverport Development and Intermodal Access, Wilbur Smith Associates, 10/18/99
[8] US Army Corps of Engineers

Appendix A –
Additional Information

TABLE OF CONTENTS

Seaman's Church Institute Training Center

Paducah is known as the Hub of the Inland Waterways due to its geographic location as well as the heavy concentration of marine industry in the area. Most of the leading carriers that operate in the Midwest now have operational headquarters there. The city became renowned as a maritime center when, in 1997, it successfully recruited the Seamen's Church Institute of New York and New Jersey (SCI) to locate its Center for Maritime Education there.


Seamen's Church Institute

SCI is an ecumenical organization founded in 1834 to advance the personal, professional, and spiritual well being of merchant mariners. Its state-of-the-art training center in Paducah was the first of its kind to provide classroom type education and simulator training for the towing industry. The Center's program is intended to improve the skills of riverboat captains and pilots to ensure the safety of their vessels and crew while improving the efficiency of transporting commerce.

The $6-million facility has trained over 7,000 marine personnel since its opening. Since then, vessel collisions and groundings have declined from 73.1 per million trip miles in 1996, the year before the Center opened, to 51.3 per million trip miles in 2000. Crew fatalities have also dropped from 22 in 1996 to 9 in 2004. The waterway industry attributes a significant part of this decrease in accidents to the training received at the Center.

The simulation technology available at the Paducah facility has also been employed to study the design and location of bridges across navigable waterways like the Ohio River. Tests conducted by the simulator saved the Commonwealth of Kentucky $100 million in construction costs for the Louisville Downtown Bridge alone, according to the engineering firm responsible for its design. These studies by the Center not only significantly reduced costs but also helped lessen potential hazards to commercial navigation caused by the bridge's location.

SCI has begun a major financial campaign to ensure its training facilities remain technologically advanced and that the Center continues to be a valuable asset to the waterway industry. These improvements will also enable SCI to increase the size of its training classes to 1,500 mariners per year.

Appendix B –
Port Data Sheets

TABLE OF CONTENTS

Port Name — Eddyville Riverport and Industrial Development Authority

Location

City	Eddyville
County	Lyon
State	Kentucky
River	Cumberland
River Mile	43
Dist. To US Hwy.	US-62 - 2 miles
Dist. To Rail	4 miles

Site

Acres Developed	25
Acres Owned	252 (port site)
Acres Owned	122 (industrial park)
Topography	Flat to steep hills

Facilities

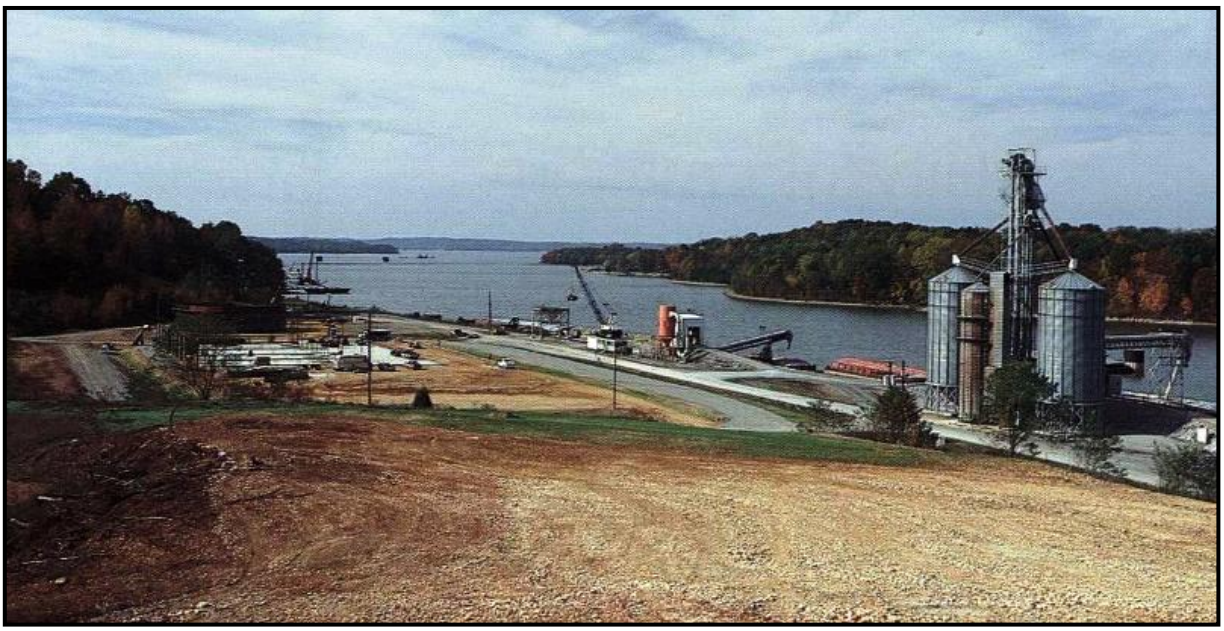
Barge Positions	3
Buildings	No warehouses
Equipment	(1) hydraulic material handler; (1) loader

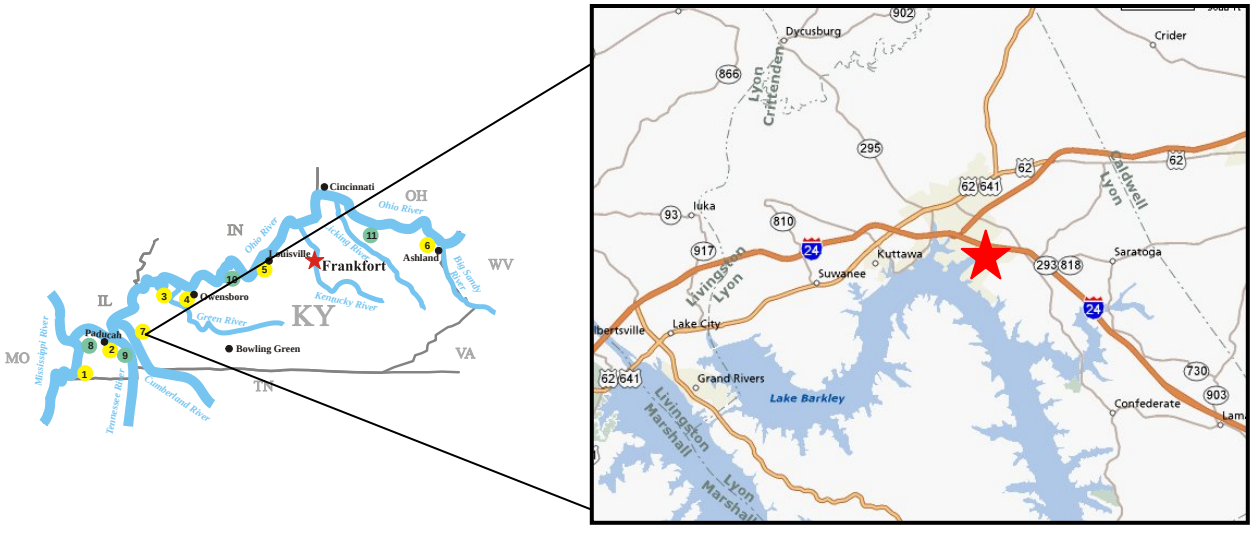
Services Offered — Commodity handling - barge, truck, ground storage

Primary Business — Fertilizer (dry & liquid), grain

Contact — Jay Hunt - Port Director
(270) 388-9671

Eddyville Riverport and Industrial Development Authority





Port Name — Greenup-Boyd County Riverport Authority

Location

City	Wurtland
County	Greenup
State	Kentucky
River	Ohio
River Mile	332
Dist. To US Hwy.	US-23 - 1 mile
Dist. To Rail	Rail on site

Site

Acres Developed	14
Acres Owned	29
Acres Optioned	-0-
Topography	Flat

Facilities

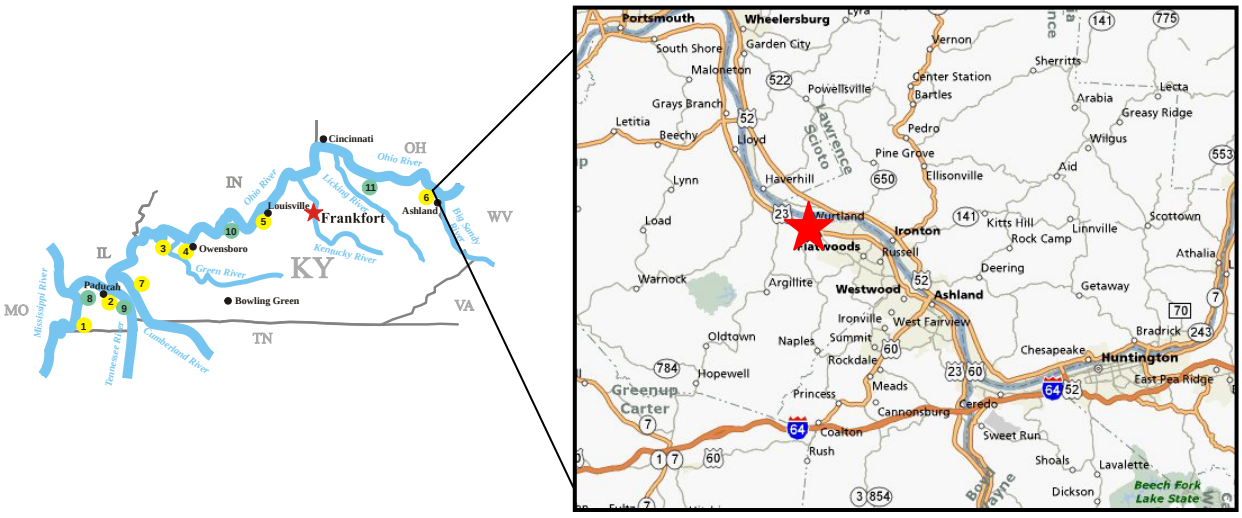
Barge Positions	1
Buildings	1 warehouse - 25,000 sq.ft.
Equipment	none

Services Offered — Commodity handling - barge, truck, rail, warehouse storage

Primary Business — Specialty aggregates

Contact — Nickie Smith - Boyd County Fiscal Court
(606) 739-0010
nickiesmith@zoominternet.net
Doug Collins - Greenup County Fiscal Court
(606) 473-6440

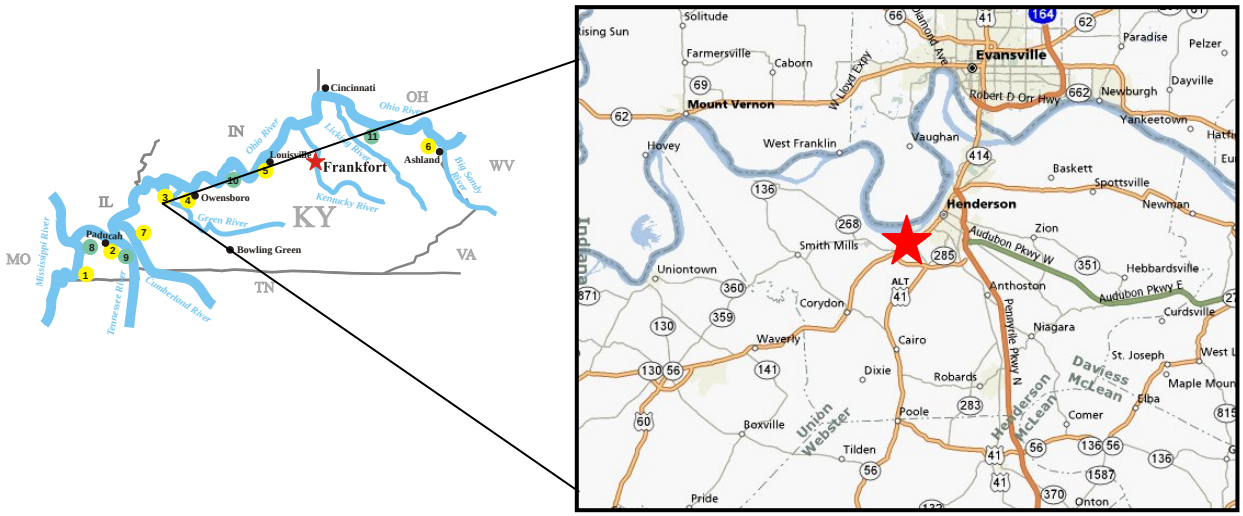
Greenup-Boyd County Riverport Authority



Port Name — Henderson County Riverport Authority

Location	City	Henderson
	County	Henderson
	State	Kentucky
	River	Ohio
	River Mile	808
	Dist. To US Hwy.	US-60 - 1 mile
	Dist. To Rail	Rail on site
Site		
	Acres Developed	142.5
	Acres Owned	319
	Acres Optioned	-0-
	Topography	Flat
Facilities		
	Barge Positions	4
	Buildings	4 warehouses - total 60,000 sq. ft.
	Equipment	(1) 125 ton electric pedestal crane; (10) forklifts; (4) loaders
Services Offered		Commodity handling - barge, truck, rail, ground storage, warehouse storage
Primary Business		Scrap metal, fertilizer, wire rod coils, zinc, grain, lumber, aluminum fluoride
Contact		Greg Pritchett - Port Director (270) 826-1636 www.hendersonport.com

Henderson County Riverport Authority



Port Name — Hickman-Fulton County Riverport Authority

Location

City	Hickman
County	Fulton
State	Kentucky
River	Mississippi River
River Mile	922
Dist. To US Hwy.	US-51 - 18 miles
Dist. To Rail	Rail on site

Site

Acres Developed	10
Acres Owned	10
Acres Optioned	210
Topography	Flat

Facilities

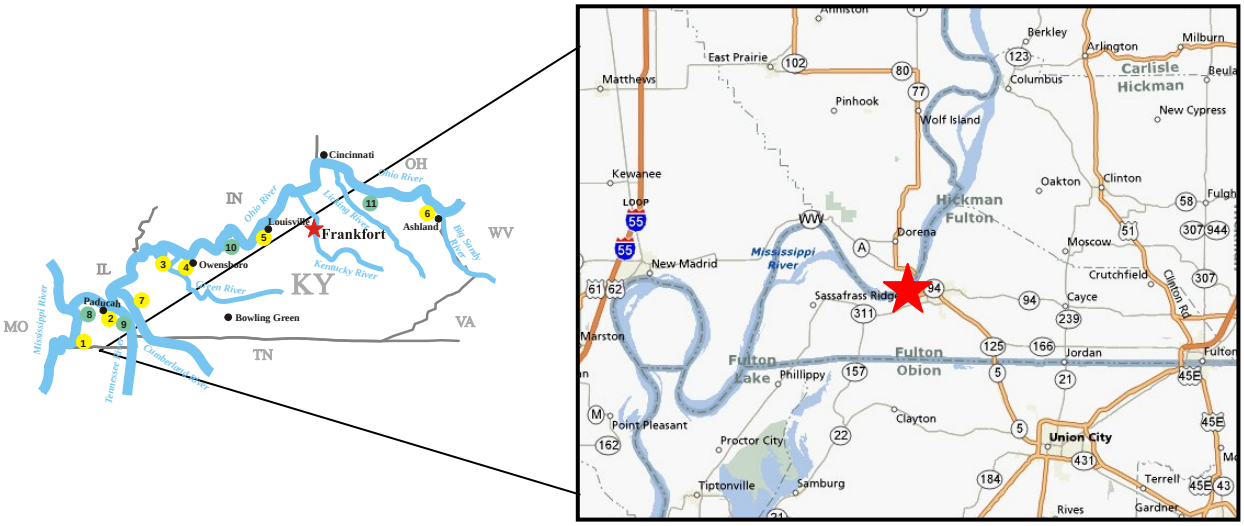
Barge Positions	2
Buildings	2 warehouses - total 28,000 sq. ft.
Equipment	(1) 125 ton pedestal mounted crane; (2) forklifts; (3) loaders; numerous miscellaneous equipment items.

Services Offered — Commodity handling - barge, truck, rail, ground storage, warehouse storage

Primary Business — Fertilizer, coke, grain, steel wire rod, steel shapes, general cargo

Contact — Doug Goodman - Port Director
(270) 236-2563
www.hickmanriverport.com

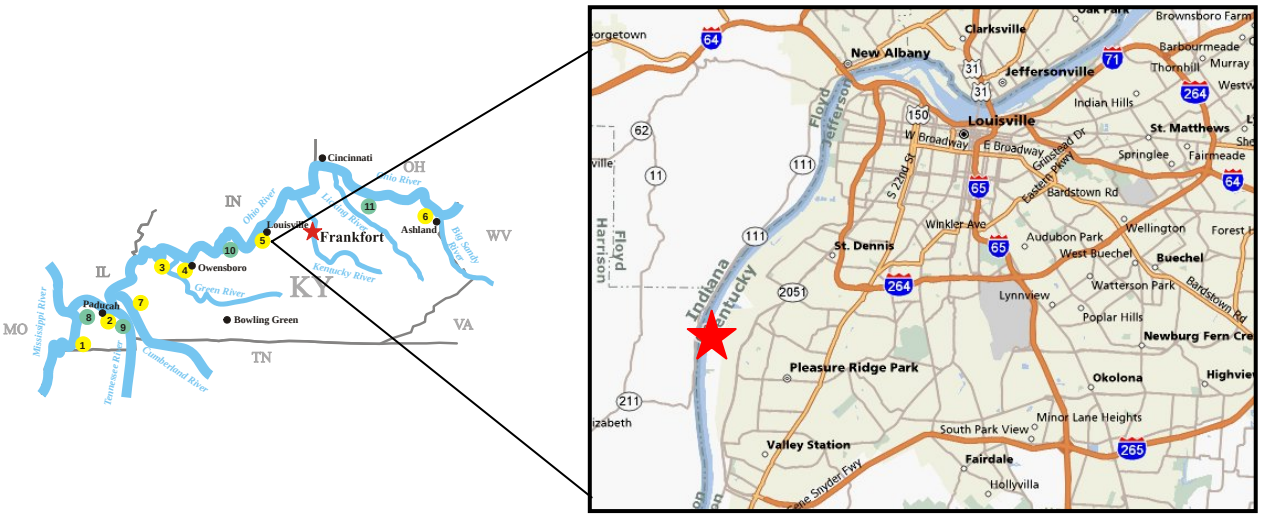
Hickman-Fulton County Riverport Authority



Port Name — Louisville-Jefferson County Riverport Authority

Location	City	Louisville
	County	Jefferson
	State	Kentucky
	River	Ohio
	River Mile	618
	Dist. To US Hwy.	I-264 & US-31W - 4 miles
	Dist. To Rail	Rail on site
Site		
	Acres Developed	2,000
	Acres Owned	450
	Acres Optioned	-0-
	Topography	Flat
Facilities		
	Barge Positions	1 - general cargo & 1 - coal loading
	Buildings	None owned by Port Authority
	Equipment	(1) loader; (1) locomotive; other necessary equipment supplied by stevedoring company
Services Offered		Commodity handling - barge, truck, rail, ground storage, industrial development
Primary Business		Coal, coke, steel coils, stainless scrap, industrial development
Contact		Larry McFall - President (502) 935-6024 www.jeffersonriverport.com

Louisville-Jefferson County Riverport Authority



Developing Port Name — Marshall County-Calvert City Riverport Authority

Location

City	Calvert City
County	Marshall
State	Kentucky
River	Tennessee
River Mile	12
Dist. To US Hwy.	US-62 - 6 miles; I-24 - 11 miles
Dist. To Rail	Adjacent to proposed site

Site

Acres Developed	-0-
Acres Owned	-0-
Acres Contracted	45
Acres Proposed	1,750
Topography	Flat-Rolling

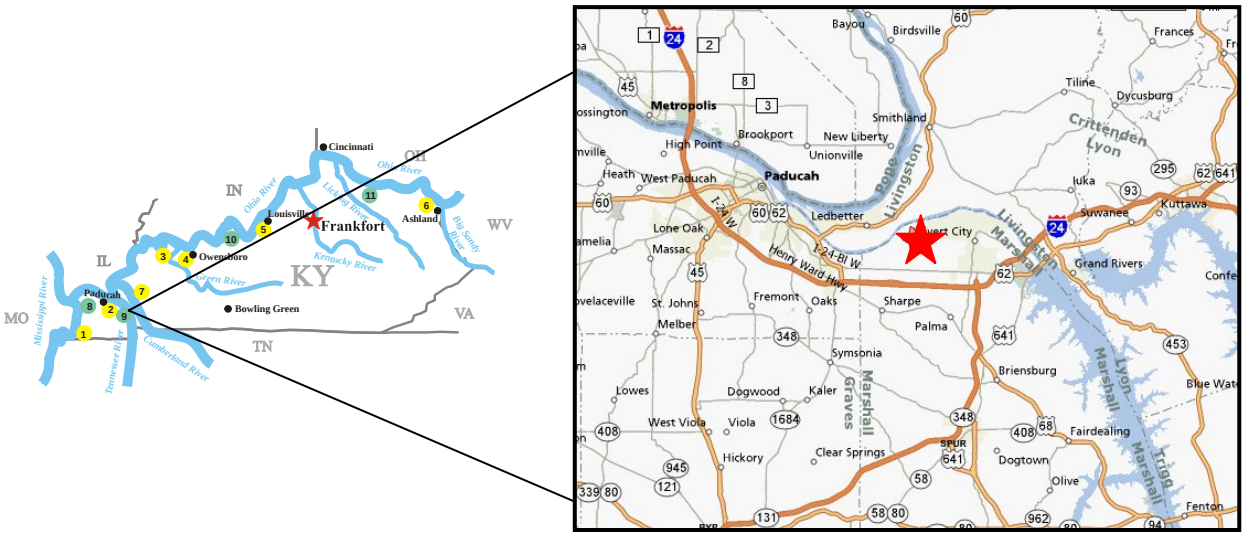
Facilities — No current facilities

Services Offered — No services offered

Primary Business — No commodities handled

Contact — Bill Butler - Marshall County Economic Development
(270) 527-2009
bill.butler@ky.gov

Marshall County-Calvert City Riverport Authority



Developing Port Name — Maysville-Mason County Riverport Authority

Location

City	Maysville
County	Mason
State	Kentucky
River	Ohio
River Mile	406 (a potential site)
Dist. To US Hwy.	US-62/68 one mile
Dist. To Rail	Adjacent to potential site

Site

Acres Developed	-0-
Acres Owned	-0-
Acres Optioned	-0-
Acres Proposed	Approx. 120 acres & 50 acres (2 potential sites)
Topography	Flat

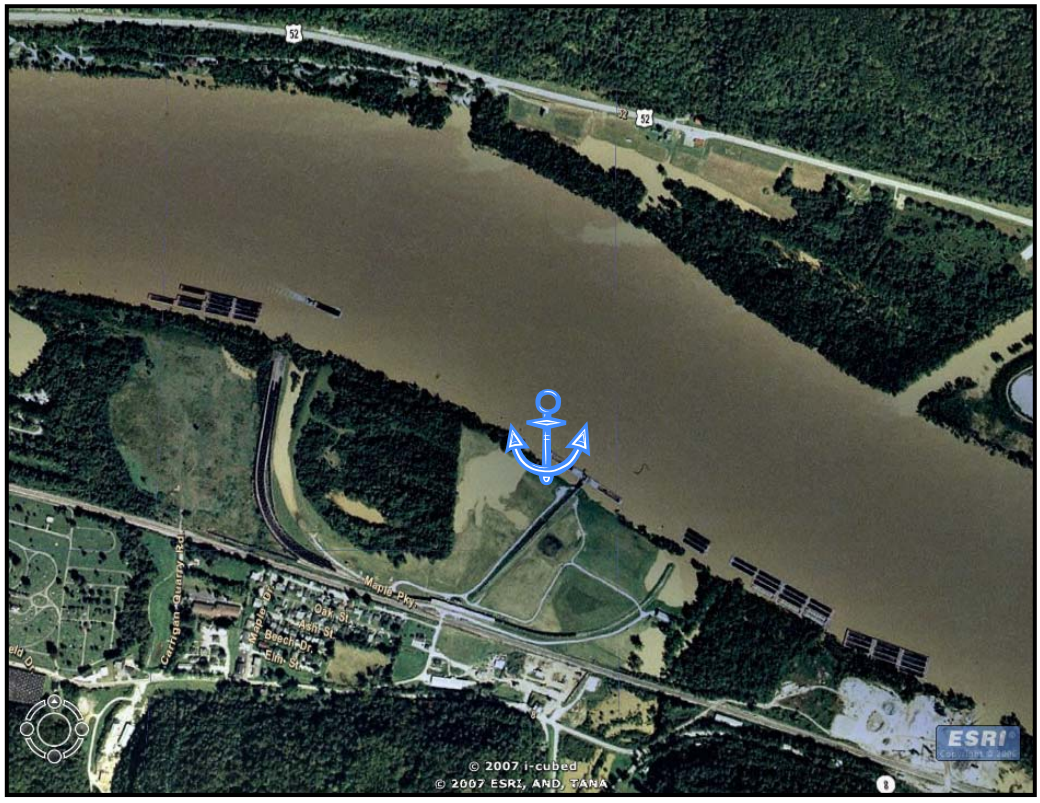
Facilities — No current facilities

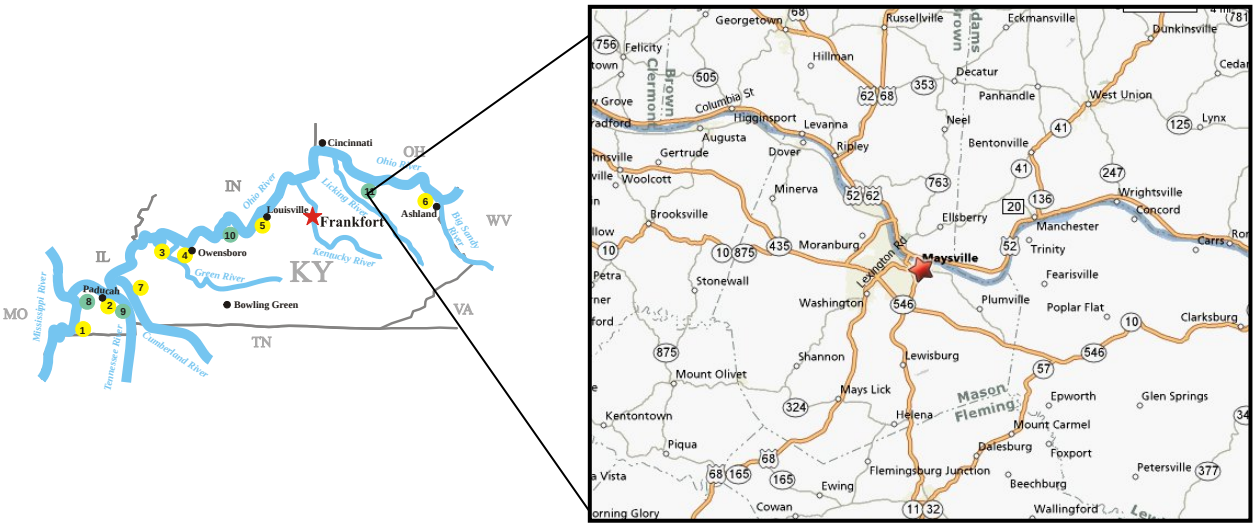
Services Offered — No services offered

Primary Business — No commodities handled

Contact — James “Buddy” Gallenstein - Judge Executive
(606) 564-6706
jlgallenstein@yahoo.com

Maysville-Mason County Riverport Authority





Developing Port Name Meade County Riverport Authority

Location

City	Brandenburg
County	Meade
State	Kentucky
River	Ohio
River Mile	645
Dist. To US Hwy.	
Dist. To Rail	

Site

Acres Developed	-0-
Acres Owned	50
Topography	

Facilities No current facilities

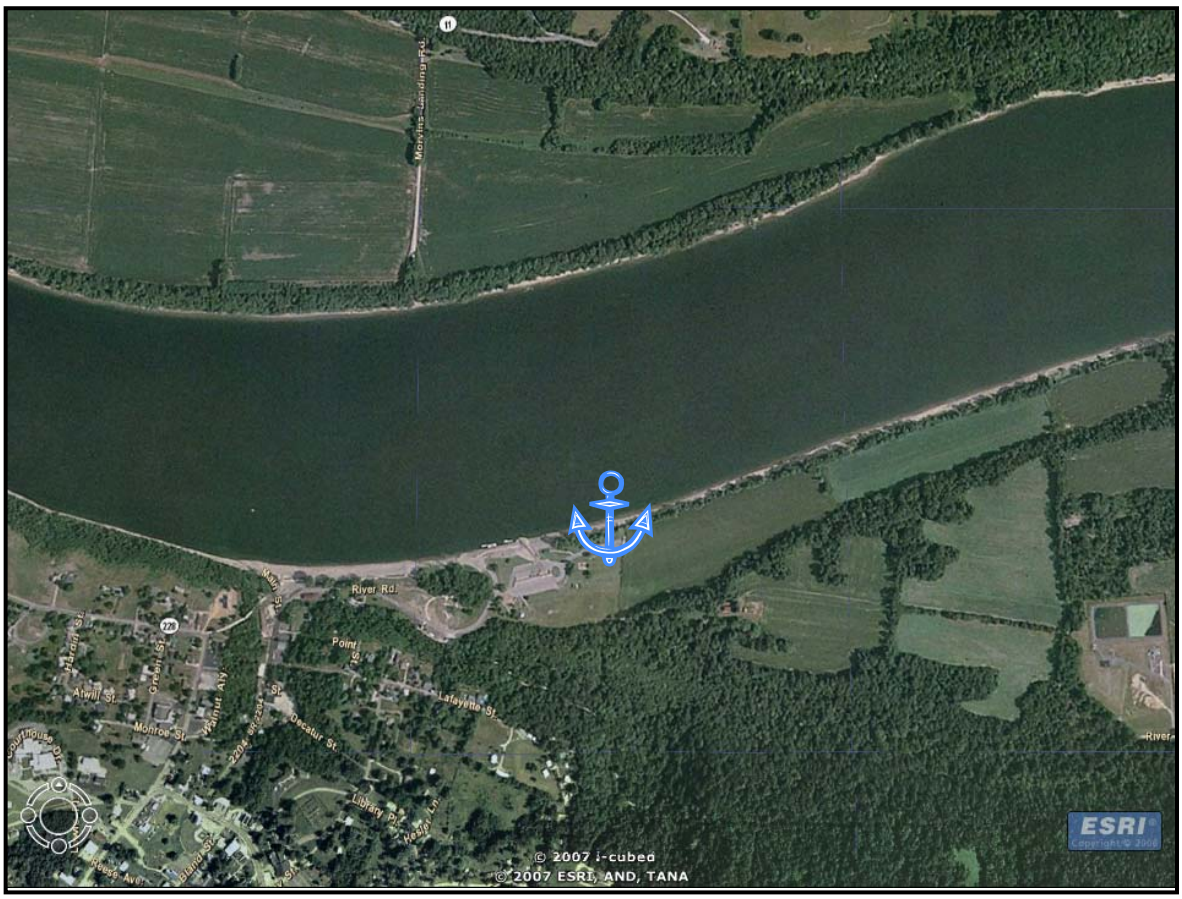
Services Offered No services offered

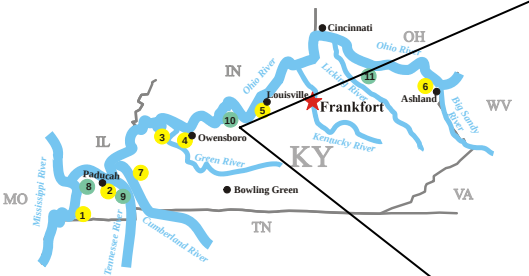
Primary Business No commodities handled

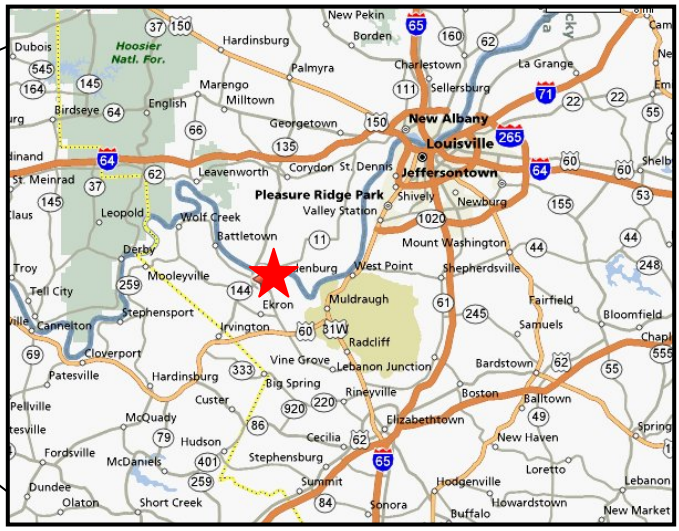
Contact

Don Bewley - Board Chairman
(502) 261-9398
don.bewley@tradesmeninternational.com

Meade County Riverport Authority



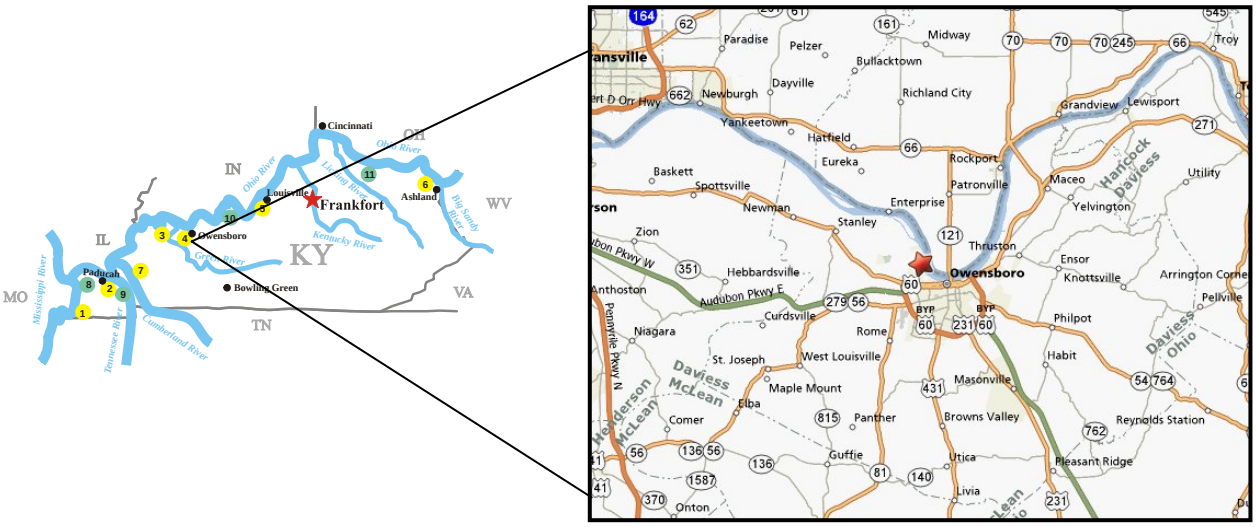




Port Name — Owensboro Riverport Authority

Location	City	Owensboro
	County	Daviess
	State	Kentucky
	River	Ohio
	River Mile	759
	Dist. To US Hwy.	US-60 - 2 miles
	Dist. To Rail	Rail on site
Site		
	Acres Developed	181 (port operations)
	Acres Developed	241 (tenant operations)
	Acres Owned	273
	Acres Optioned	-0-
	Topography	Flat
Facilities		
	Barge Positions	8
	Buildings	8 warehouses - total 821,750 sq. ft. Leased warehouse space - 334,000 sq. ft.
	Equipment	(2) 110 ton cranes; (1) excavator; (1) 40 ton Grove crane; (2) loaders; (3) Bobcats; (30) forklifts 5,000# - 52,000#; (2) Peterbilt tractors; (2) dump trucks; (3) maint. trucks; (2) dozer; (8) pickups, autos; (2) farm tractor.
Services Offered		Commodity handling - barge, truck, rail, ground storage, warehouse storage.
Primary Business		Aluminum, steel coils, grain, fertilizer, nitrate, rebar, paper products, alloys, wire rod coils
Contact		Ed Riney (270) 663-4034 www.owensbororiverport.com

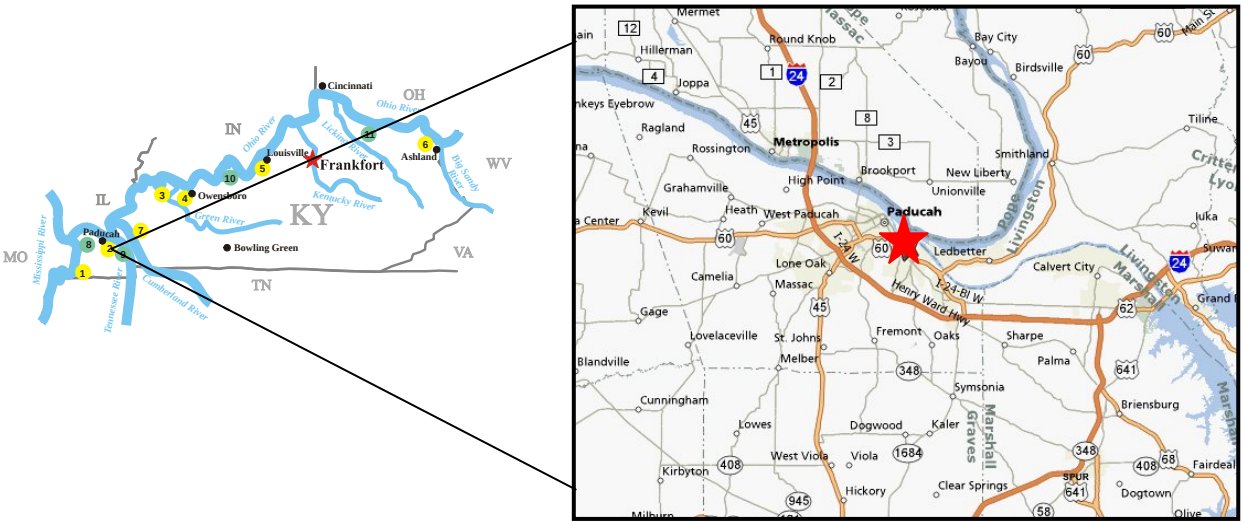
Owensboro Riverport Authority



Port Name — Paducah-McCracken County Riverport Authority

Location	City	Paducah
	County	McCracken
	State	Kentucky
	River	Tennessee
	River Mile	2
	Dist. To US Hwy.	US-60 & 62 - 1 mile
	Dist. To Rail	Rail on site
Site		
	Acres Developed	45
	Acres Owned	286
	Acres Optioned	-0-
	Topography	Flat
Facilities		
	Barge Positions	2
	Buildings	5 warehouses - total 89,600 sq. ft.
	Equipment	(1) 125 ton crawler crane; (1) 20 ton tower crane; (10) forklifts; (4) loaders; numerous miscellaneous equipment items.
Services Offered		Commodity handling - barge, truck, rail, ground storage, warehouse storage, liquid storage
Primary Business		Fertilizer, sand, limestone, rubber, steel shapes, rebar, coke, general cargo, grain
Contact		Ken Canter - Port Director (270) 442-9326 kcanter@paducahriverport.org www.paducahriverport.org

Paducah-McCracken County Riverport Authority



Developing Port Name — Wickliffe-Ballard County Riverport Authority

Location

City	Wickliffe
County	Ballard
State	Kentucky
River	Mississippi
River Mile	951
Dist. To US Hwy.	US-51/62 & US-60 adjacent to proposed site. 3 interstates within 30 minute drive.
Dist. To Rail	Adjacent to proposed site

Site

Acres Developed	-0-
Acres Owned	-0-
Acres Optioned	-0-
Acres Proposed	31 acres owned by City of Wickliffe
Topography	Flat & Hills

Facilities — No current facilities

Services Offered — No services offered

Primary Business — No commodities handled

Contact — Vickie Viniard - Judge Executive/Board Chairperson
(270) 335-5176
bcjudge@brtc.net

Wickliffe-Ballard County Riverport Authority