

Summary of Freight Summit 1
Appendix B

Summit Presentation Materials

December 2020

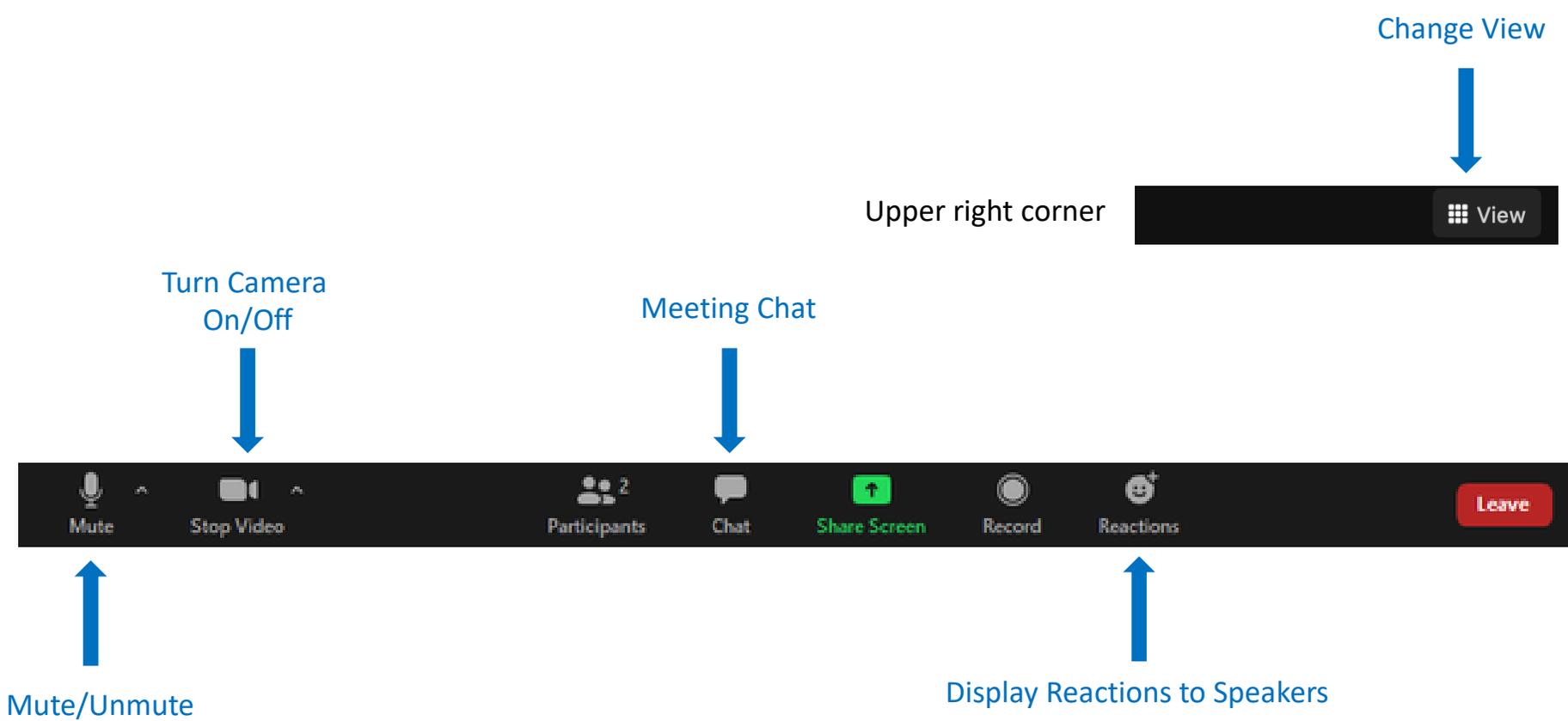




**KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY**

Welcome to the First Kentucky Summit on the Economic Role of Freight Modes





Please keep your microphone muted when you are not speaking

Please use the chat button to submit questions to the speakers or wait until the Question and Answer portion of the session

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Opening Session



**KENTUCKY RIVERPORTS, HIGHWAY
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**Welcome to the First
Kentucky Summit on the
Economic Role of Freight Modes**



Speakers

Mikael B. Pelfrey, P.E.

Director, KYTC Division of Planning

Brian Wright

President/ CEO, Owensboro Riverport Authority

Chandler Duncan, AICP

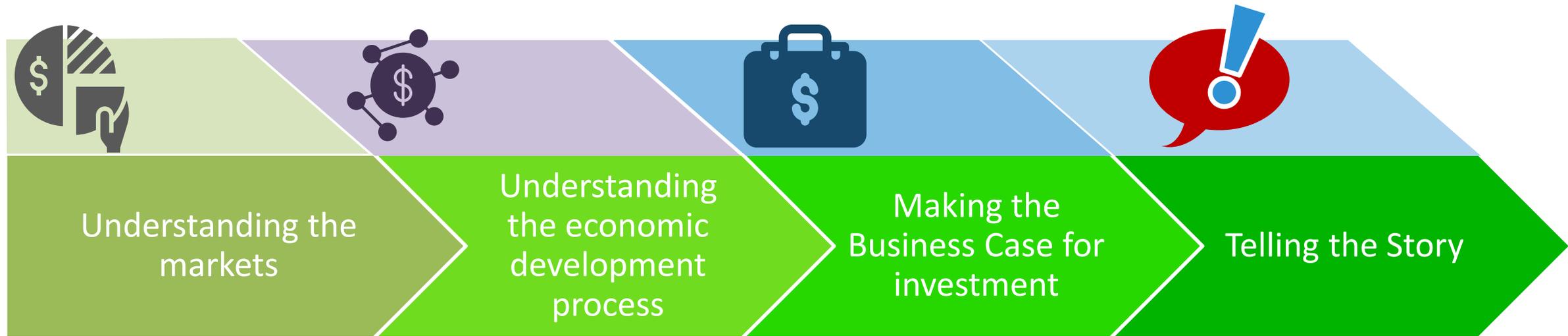
Vice-President, Metro Analytics



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY

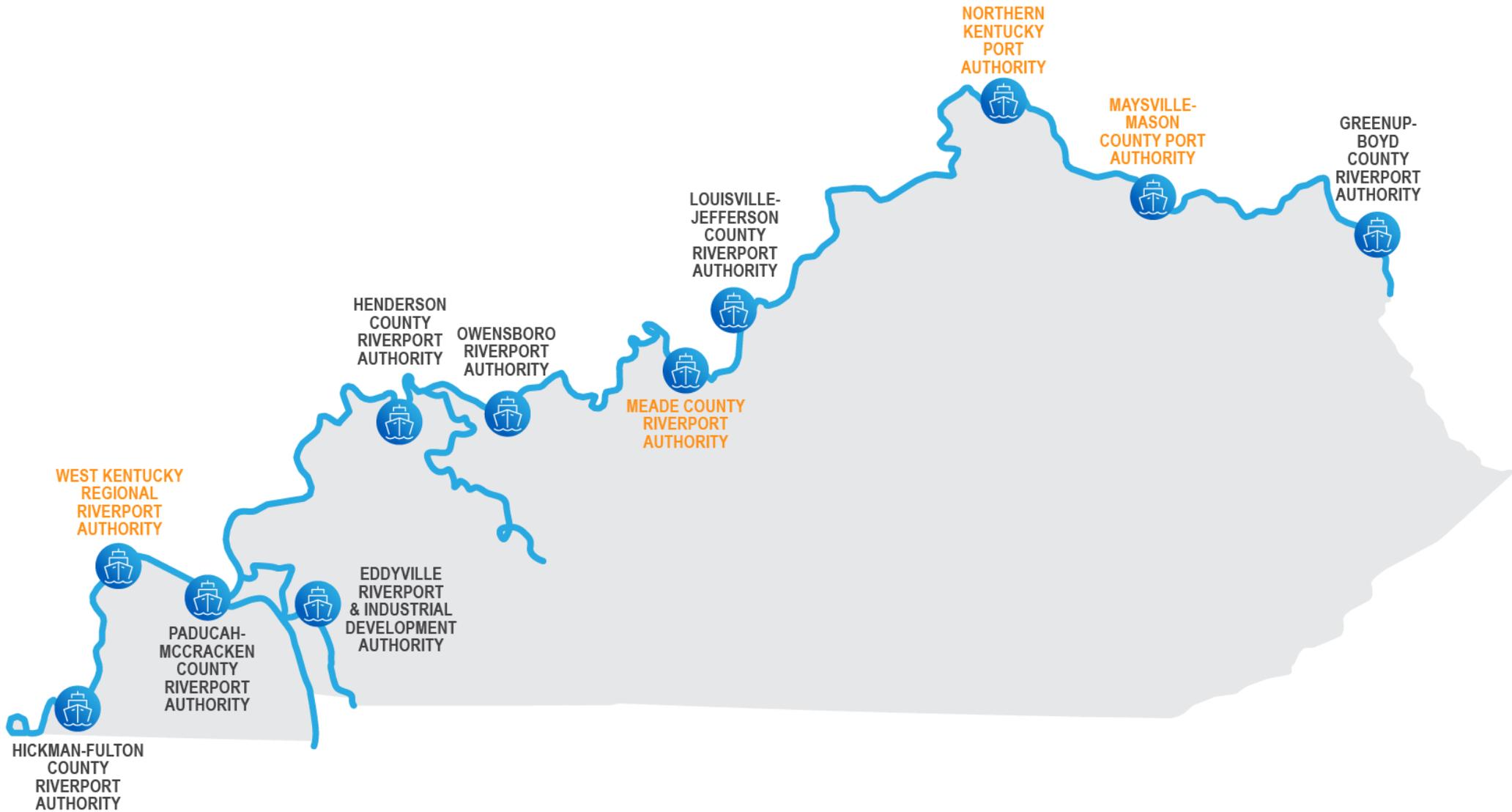


Project Overview



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY





KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Project Tasks

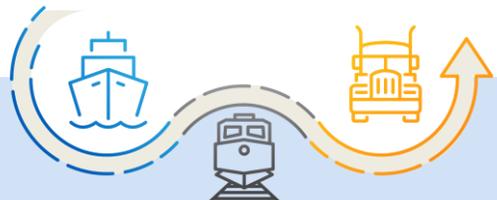




Task 1

Existing Role of Kentucky Riverports & Freight in the Economy

Key Activities	Committee Involvement	Key Deliverables
<ol style="list-style-type: none">1) Define strategic roles of infrastructure2) Quantify and demonstrate current market dynamics3) Identify and profile existing transportation system4) Quantify economic impacts of current modal contributions/performance5) Review KYTC model and methods for integration6) Develop informational materials for Summit No. 1	<ul style="list-style-type: none">- Review and Comment<ul style="list-style-type: none">- Port Visit Interview Guide- Summit Presentation Materials- Suggest Summit Programming Content- Summit No.1 attendance	<ul style="list-style-type: none">- Summit Presentation and Handouts (Statewide port and regional profiles)- Existing markets summary- Brief Memorandum





Task 2

Forecast Future Trade Volumes and Performance Implications

Key Activities	Committee Involvement	Key Deliverables
<ol style="list-style-type: none">1) Forecast trade and utilization of ports2) Integrate KYTC model3) Develop informational materials for Summit No. 2	<ul style="list-style-type: none">- Suggest Summit Programming Content- Review and Comment<ul style="list-style-type: none">- Summit Presentation Materials	<ul style="list-style-type: none">- Summit No. 2 Presentation and handouts (Statewide port and regional profiles)- Future markets summary- Brief Memorandum

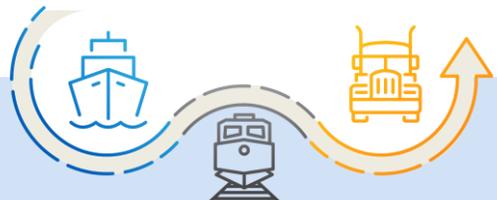




Task 3

Engage Stakeholders on Future Needs and Opportunities

Key Activities	Committee Involvement	Key Deliverables
<ol style="list-style-type: none">1) Execute Summit No. 22) Present future trade and growth scenarios3) Take input from potential policies and projects4) Complete SWOT in collaboration with Ports	<ul style="list-style-type: none">- Summit No.2 attendance- Review and Comment on SWOT memorandum	<ul style="list-style-type: none">- Summit and Site Visit Records/Proceedings- SWOT Memo





Task 4

Investment and Performance Scenarios

Key Activities	Committee Involvement	Key Deliverables
<ol style="list-style-type: none">1) Integrate and enhance project investment concepts2) Develop scenarios (investment and supportive policies)3) Vet scenarios through KYTC and key stakeholders	<ul style="list-style-type: none">- Provide input on scenarios direction and focus	<ul style="list-style-type: none">- Scenario definitions, detailed characteristics, and rationale (including maps, narrative and charts).





Task 5

Scenario Impacts and Formation of Preferred Scenario

Key Activities	Committee Involvement	Key Deliverables
<ol style="list-style-type: none">1) Assess economic performance impacts of scenarios2) Develop preferred scenario (with investments, impacts, supportive policies, possible growth trajectories)	<ul style="list-style-type: none">- Review and provide feedback on scenarios	<ul style="list-style-type: none">- Strategic recommendations and implications (economic, performance, ROI, other).



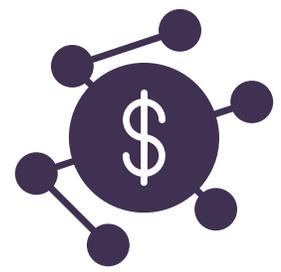


Task 6

Success Roadmap

Key Activities	Committee Involvement	Key Deliverables
<ol style="list-style-type: none">1) Present preferred strategies2) Develop implementation concepts3) Final Roadmap	<ul style="list-style-type: none">- Review and Comment on final recommendations and priorities- Review and Comment on documents and final deliverables	<ul style="list-style-type: none">- Clear and concise Executive Summary- Final Report and port-by-port summary- Marketing Toolkit (strategic, educational, and promotional elements)





River system investments support statewide and regional economic development goals and opportunities

- Build a Consensus
- Increase Trade
- Reduce Unemployment
- Increase Income
- Maximize ROI
- Manage natural and culture assets



- Attract new revenue streams
- Provide economic toolkit
- Increase prosperity
- Expand commodities
- Maximize ROI return on investment
- Generate net new TIF and PID tax revenue streams
- Increase high paying career economic opportunities

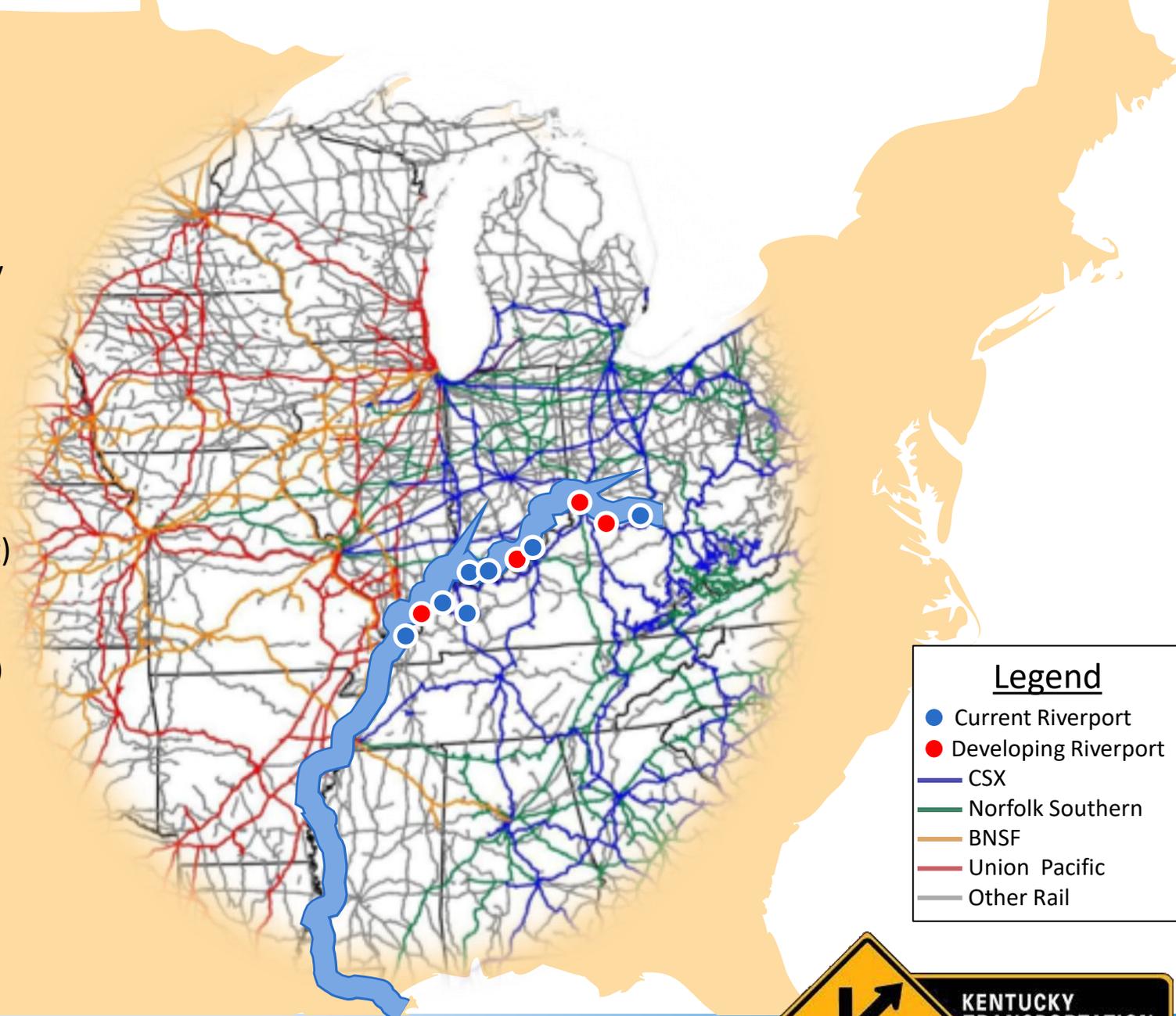
Goals

Strategies



Port Locations

- Eddyville Riverport and Industrial Development Authority
- Greenup-Boyd County Riverport Authority
- Henderson County Riverport Authority
- Hickman-Fulton County Riverport Authority
- Louisville and Jefferson County Riverport Authority
- Owensboro Riverport Authority
- Paducah-McCracken County Riverport Authority
- Maysville-Mason County Riverport Authority (Developing)
- Meade County Riverport Authority (Developing)
- Northern Kentucky Port Authority (Developing)
- West Kentucky Regional Riverport Authority (Developing)



Legend

- Current Riverport
- Developing Riverport
- CSX
- Norfolk Southern
- BNSF
- Union Pacific
- Other Rail



Questions



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Kentucky Summit on the Economic Role of Freight Modes

- All sessions will be recorded
- Attendees can participate in sessions via Zoom – video and/or audio

Opening Session	Nov. 16 1:00 to 2:00pm
State of the Ports	Nov. 17 11:00am to 12:00pm
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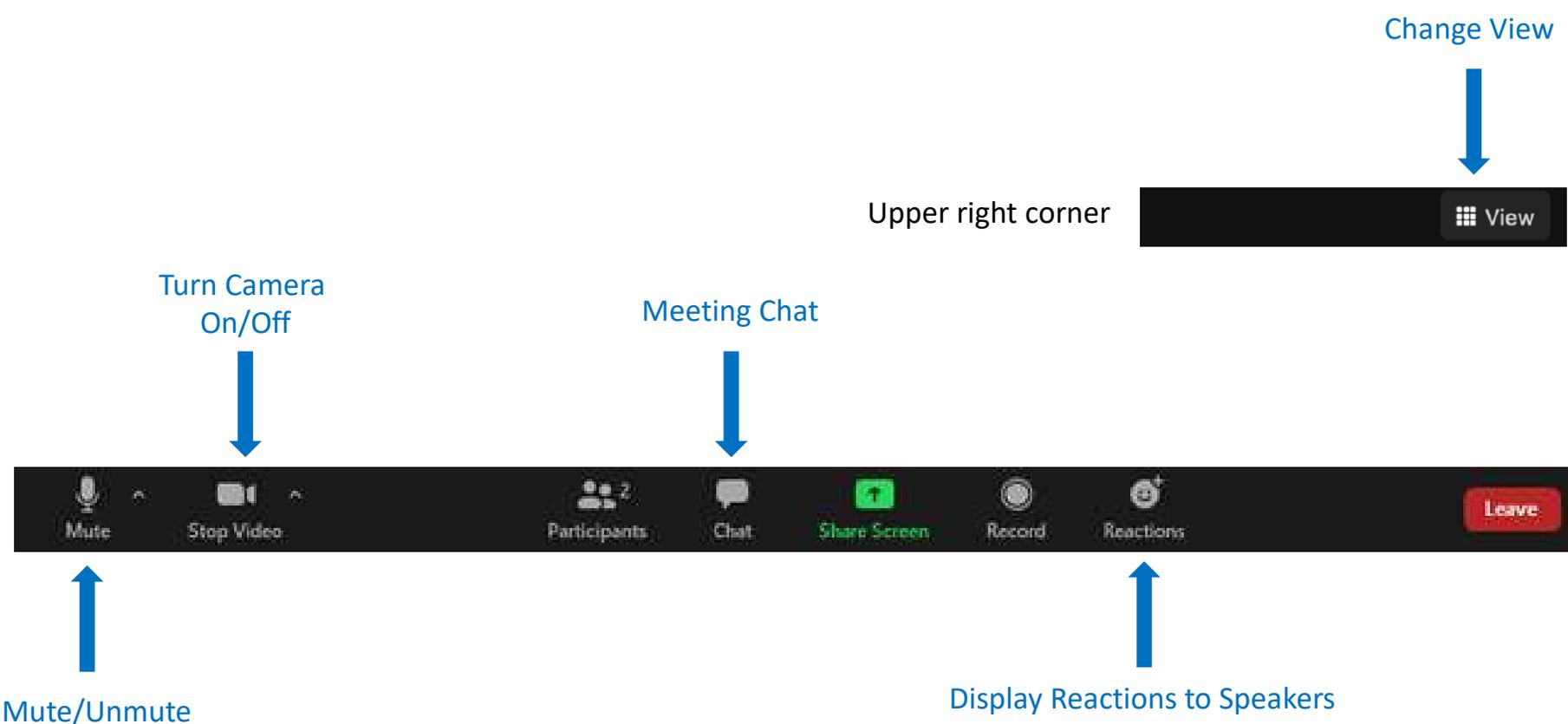


First Kentucky Summit on the Economic Role of Freight Modes

Session 2: The State of the Ports



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State of the Ports



KENTUCKY RIVERPORTS, HIGHWAY
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**Welcome to the First
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Economic Role of Freight Modes**



Speaker

Ken Eriksen

Senior Vice President

IHS Markit, Energy and Natural Resources, Agribusiness
Head of Client Advisory and Development, Energy and
Transportation, and Policy



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Agenda

- Introduction
- Session Purpose
- State of Inland Navigation
- Current Conditions of Kentucky Riverports
- Status of Riverport Development
- Questions and Comments

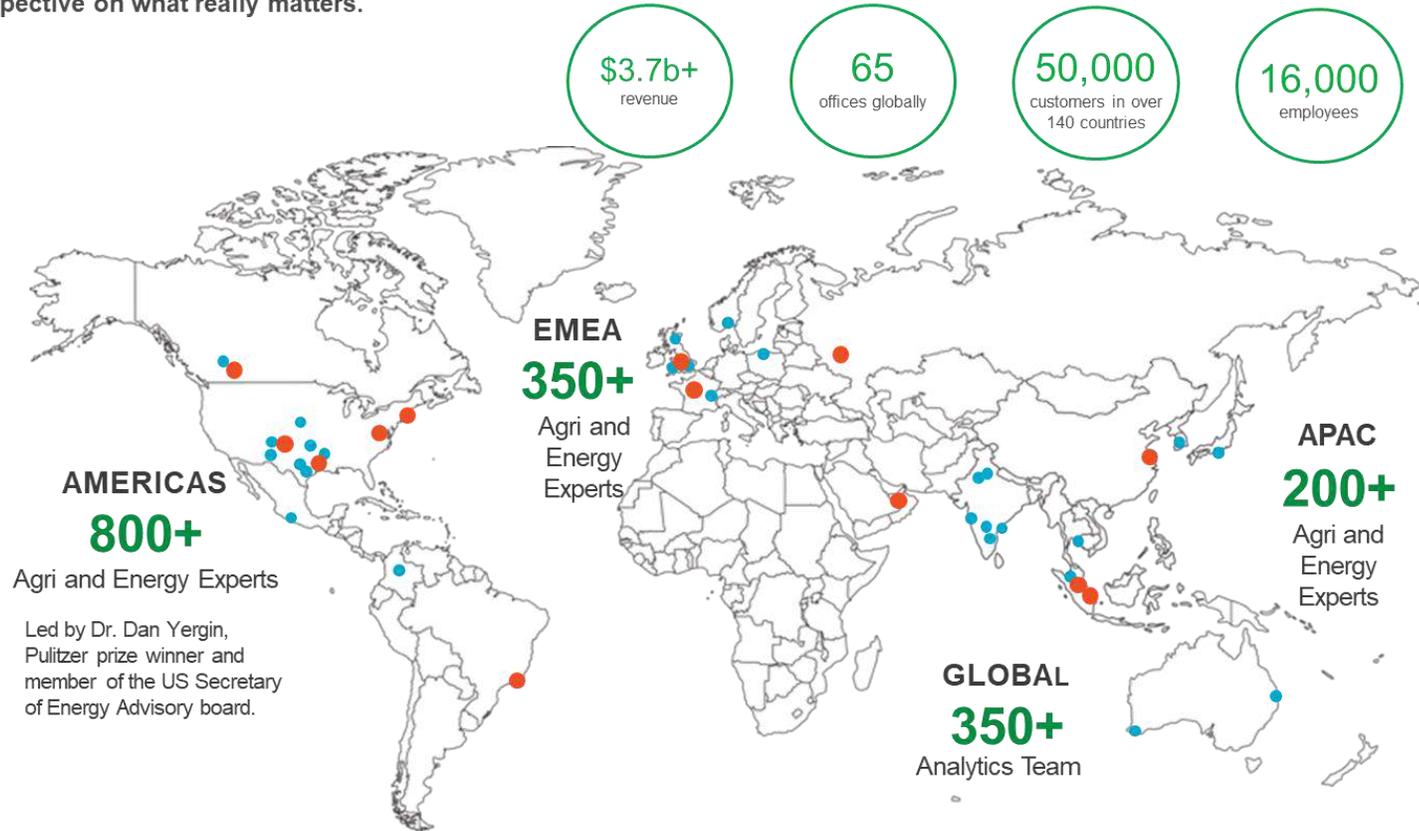


INTRODUCTION



IHS Markit

We have the deepest source of information, analytics and solutions for the world's major industries, financial markets and governments. Our analytics and experts reveal interdependencies across complex industries to truly understand why things happen. By seeing the big picture and all the connections, we provide our customers with insights and perspective on what really matters.



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Led by Dr. Dan Yergin,
Pulitzer prize winner and
member of the US Secretary
of Energy Advisory board.

EMEA
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Agri and
Energy
Experts

APAC
200+
Agri and
Energy
Experts

GLOBAL
350+
Analytics Team

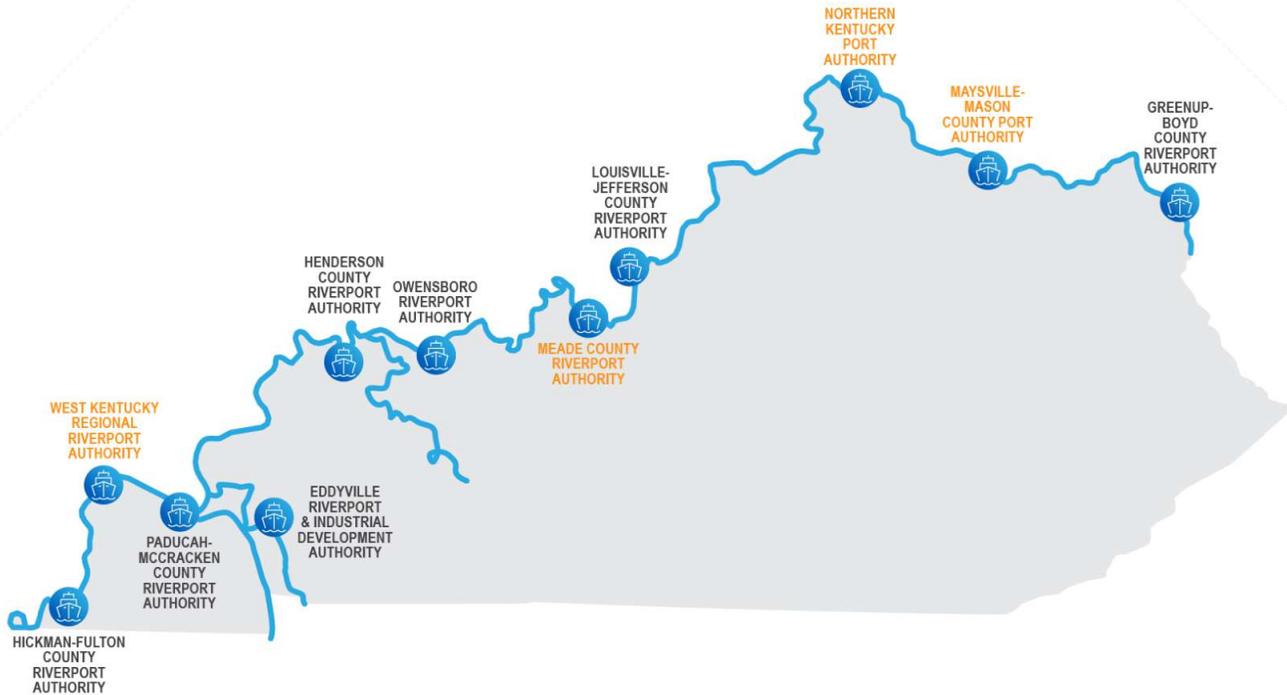


SESSION PURPOSE



Session Purpose

- Review the 11 public riverports in the Commonwealth with a focus on the current conditions and status of port development.
- A snapshot of how the riverports are interacting with markets around the world.



In-Person Riverport Director Meetings

Objectives

- In-person interviews with Kentucky riverport authority directors and key team members at the seven operating ports, and with organizers or representatives at three of the four developing ports.
- Confirmed basic descriptive metrics of each riverport and gain an understanding of each riverport's history, needs and competitiveness.

Riverport director meeting schedule

Kentucky Riverport	Status	Visit Date
West Kentucky Regional Riverport Authority	Developing	September 28, 2020
Paducah-McCracken County Riverport Authority	Operating	September 28, 2020
Eddyville Riverport and Industrial Development Authority	Operating	September 29, 2020
Henderson County Riverport Authority	Operating	September 29, 2020
Meade County Riverport Authority	Developing	September 30, 2020
Jefferson Riverport International	Operating	September 30 2020
Maysville-Mason	Developing	October 1, 2020
Greenup-Boyd County Riverport Authority	Operating	October 1, 2020
Owensboro Riverport Authority	Operating	October 2, 2020
Hickman-Fulton County Riverport Authority	Operating	October 2, 2020
Northern Kentucky Riverport	Developing	n/a

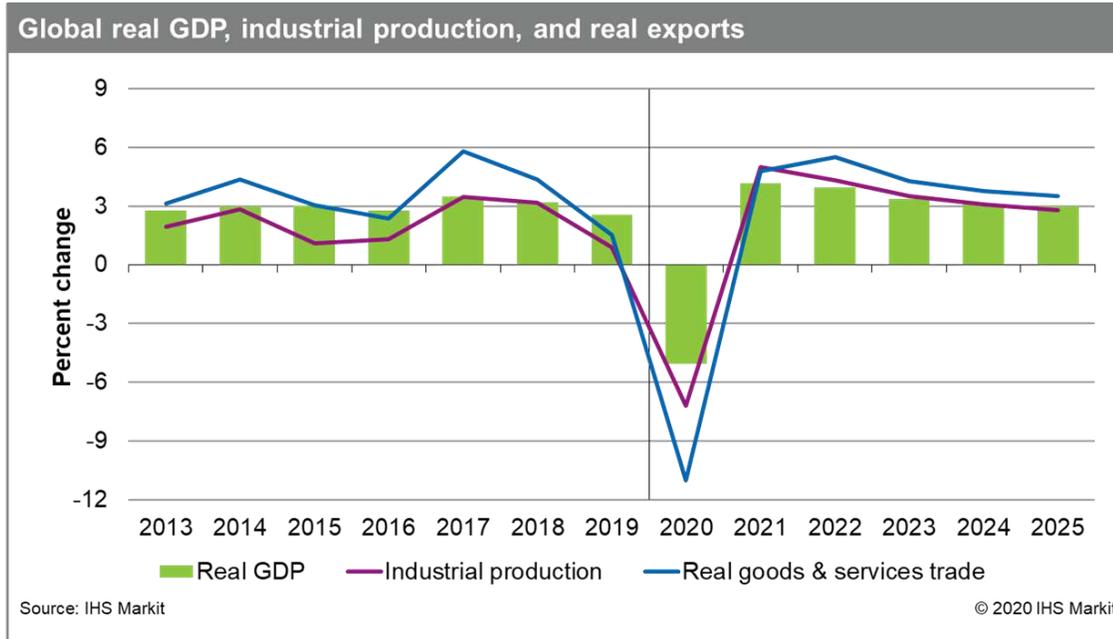


STATE OF INLAND NAVIGATION

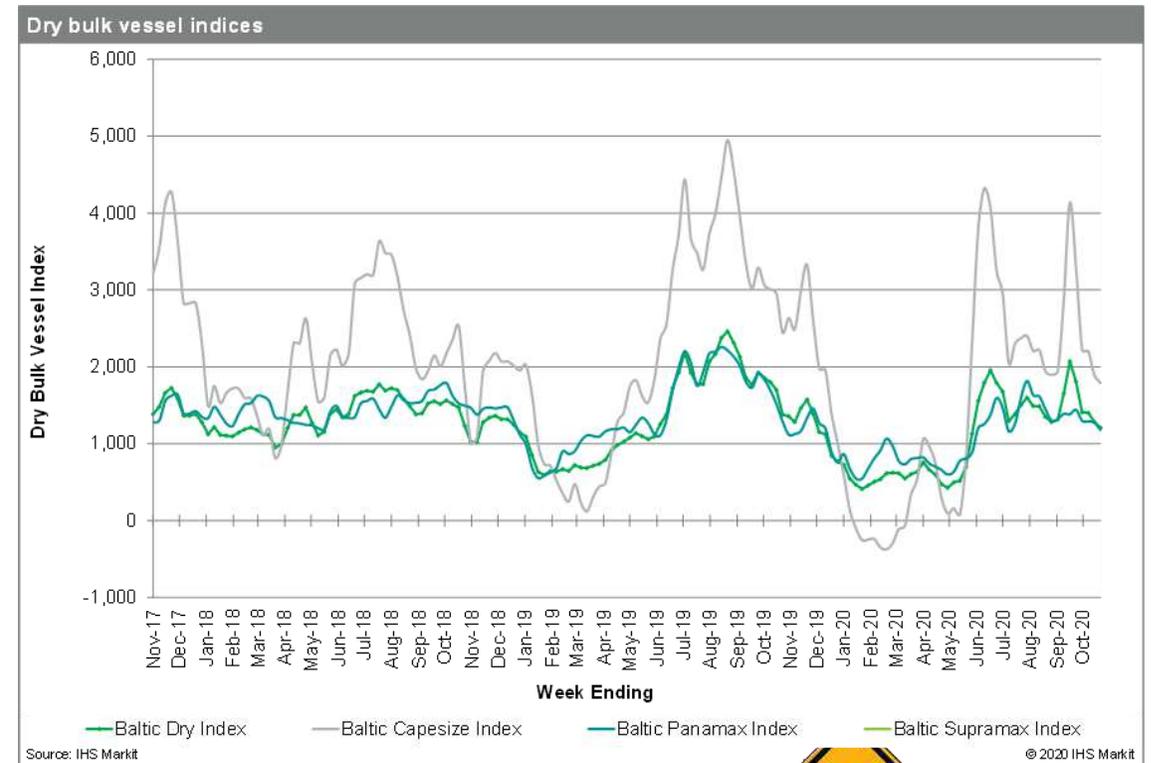


Economic Considerations

COVID-19 pandemic will depress global output throughout 2020, strong rebound in 2021



Bulk ocean freight rates simmer from initial emergence from COVID-19 influence and adjusting on vessel realignment



Fluidity of Logistics Pipeline in Period of COVID-19

Key post-COVID-19 outcomes and considerations

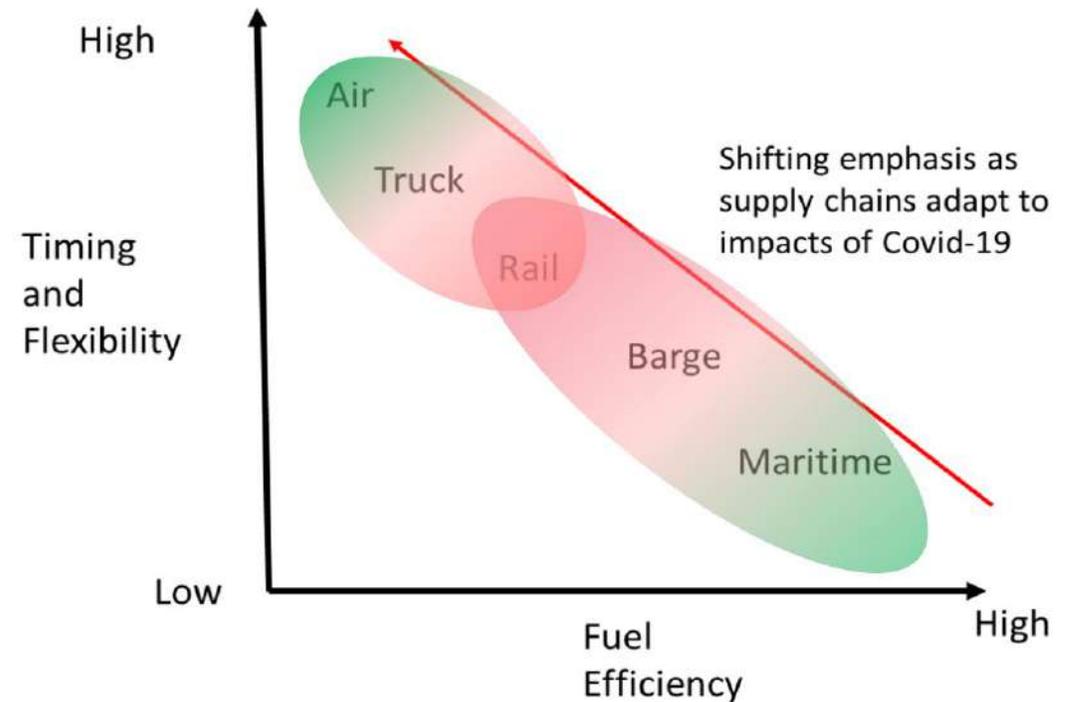
Cyclical forces

- Supply disruptions related to COVID-19
- Inventory cycles
- Deceleration in capital spending
- Weak commodity demand

Structural forces

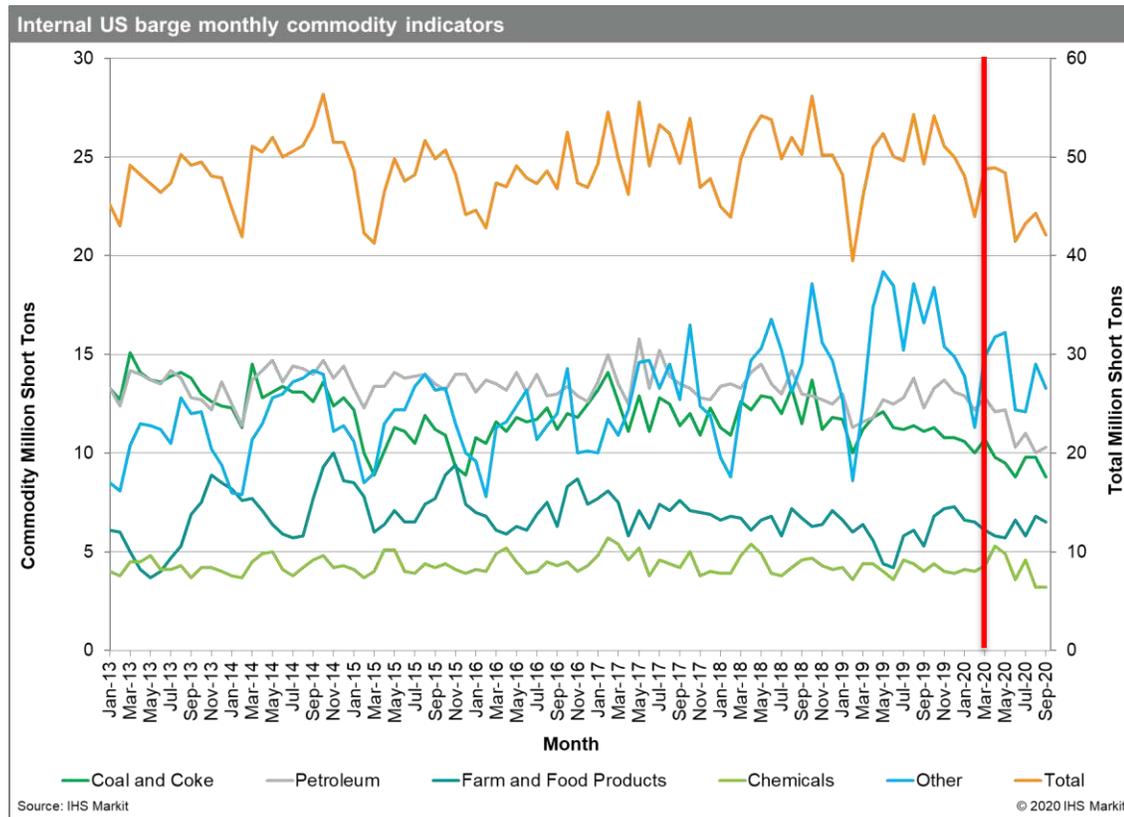
- Shift from manufacturing to services
- Shortening of global supply chains
- Trade protectionism
- Technological advances

“Veins” of the supply chain “body” is transportation network; trade-off between flexibility and fuel efficiency

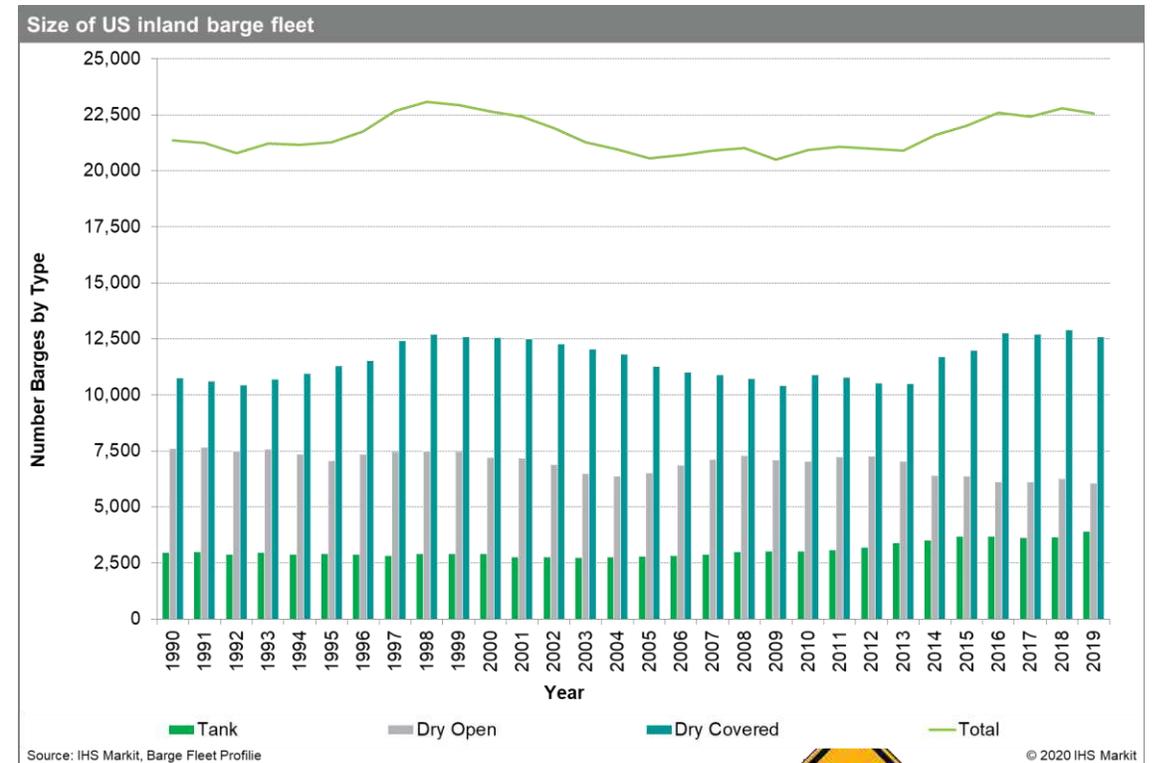


Inland Barge Volumes and Fleet Dynamics

COVID-19 impact on barge volumes



Barge fleet dynamics mixed



CURRENT CONDITIONS OF KENTUCKY RIVERPORTS



Key Themes from Kentucky's Public Riverport Director Interviews

- All thankful KYTC undertaking overdue and important study of Kentucky's riverports, welcoming opportunity to be involved.
- All appreciate Commonwealth of Kentucky makes available annual grant matching program for riverports.
 - Funds limited and distributed across public riverports, difficult to obtain a sizeable, continuing funding level for capital improvements.
 - Current funding level limits extensive investment opportunities.
 - Rules require funds used during fiscal year issued, no carryover.



Key Themes from Kentucky's Public Riverport Director Interviews (continued)

- Several comments made comparison to state port structures of Indiana and Missouri.
 - These states have a different funding and organizational relationships with the public ports.
- Many envision KYTC to coordinate and lead efforts with the Kentucky Cabinet for Economic Development (CED) representing interests of Kentucky's waterways and riverport infrastructure.



Key Themes from Kentucky's Public Riverport Director Interviews (continued)

- The waterway and port infrastructure mostly built during and for a previous era.
 - Among the ports, there is a collective identification of need and desire to modify the infrastructure.
- Some riverports sold waterfront land in the past and have made for disjointed ports.
- Some riverports were set up to serve local farmers as a mechanism to submit grants for economic development and infrastructure funding.



Key Themes from Kentucky's Public Riverport Director Interviews (continued)

- Each riverport has local governance and influence
 - Six-member board of directors.
 - Representation from the city and or county governments of the representative area.
 - Respective mayors appoint board members, while the local commissions approve appointments.
 - Across Kentucky there are roughly 42 board members representing the local interests of the seven operating ports.



STATUS OF RIVERPORT DEVELOPMENT

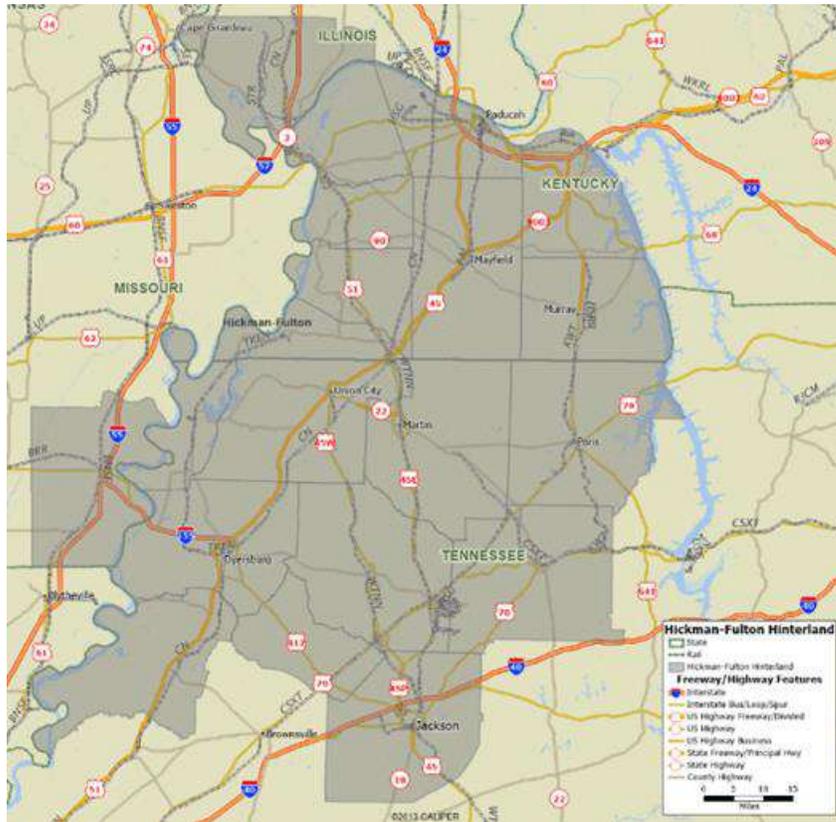


Developed Public Riverports in Kentucky



Hickman-Fulton County Riverport Authority

Competitive Market Hinterland



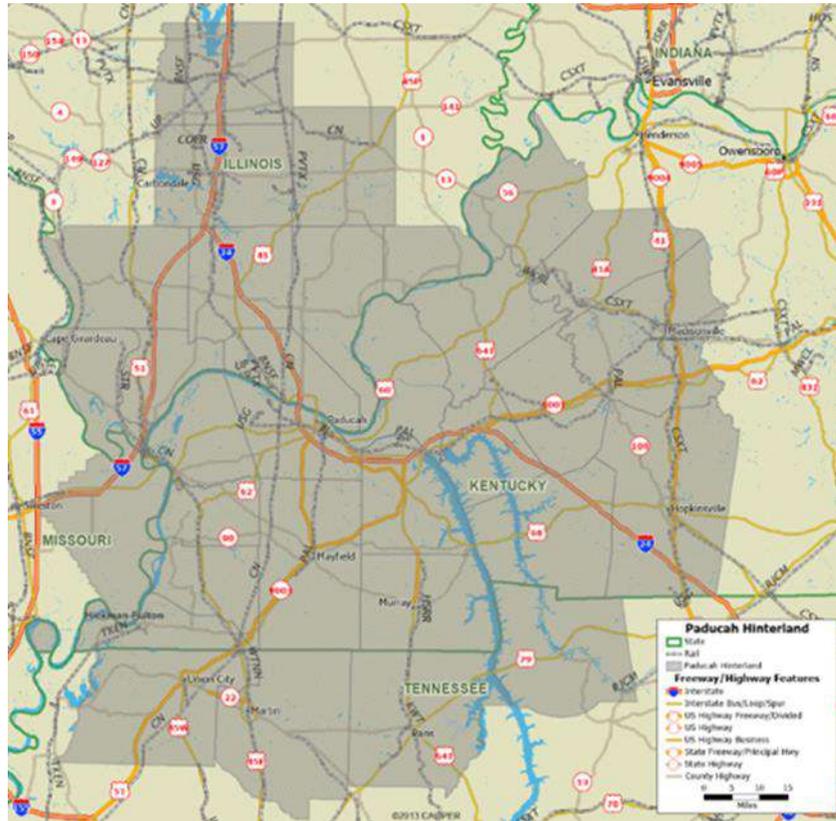
Key Status Points

- 10 acres with additional 210 available for purchase and development
- TennKen short line railroad connects port to CN railroad in Dyersburg, TN; plans to develop line to Union City, TN
- Infrastructure exceeds designed life, needing substantial investment to modernize and expand
- Hinterland of 21 counties in Kentucky, Illinois, Tennessee and Missouri



Paducah-McCracken County Riverport Authority

Competitive Market Hinterland

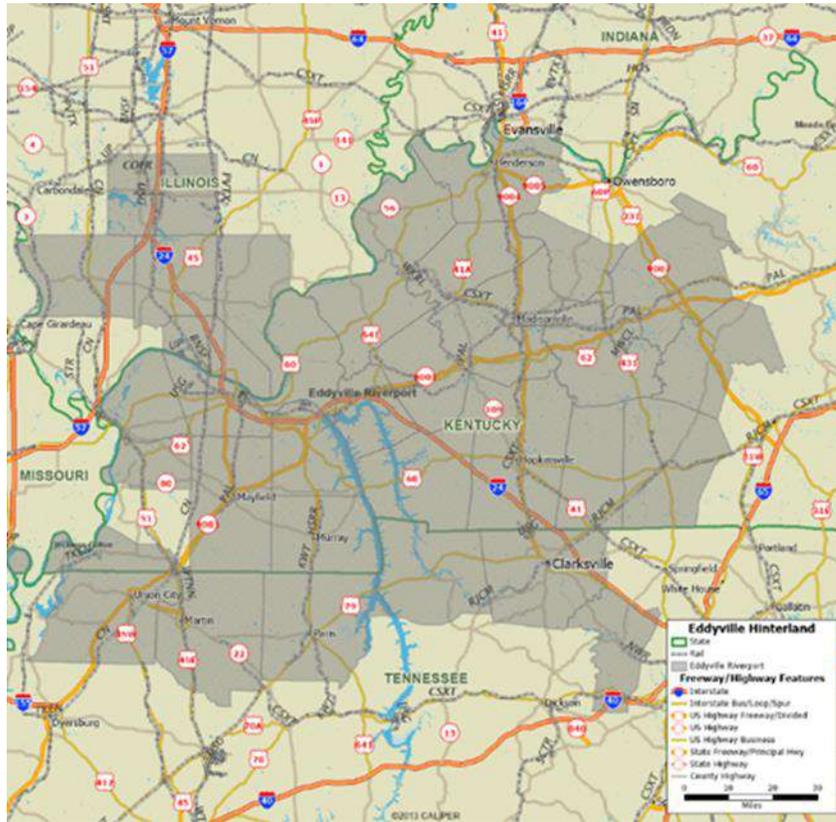


Key Status Points

- 48 acres with 2,300 feet of river frontage; additional 240 acres west of the city have been purchased
- Increasing river frontage to accommodate higher volumes
- Expanding intermodal opportunities, though no direct rail service
- Defining identity and market focus
- Hinterland of 32 counties in Kentucky, Illinois, Missouri and Tennessee

Eddyville Riverport and Industrial Development Authority

Competitive Market Hinterland

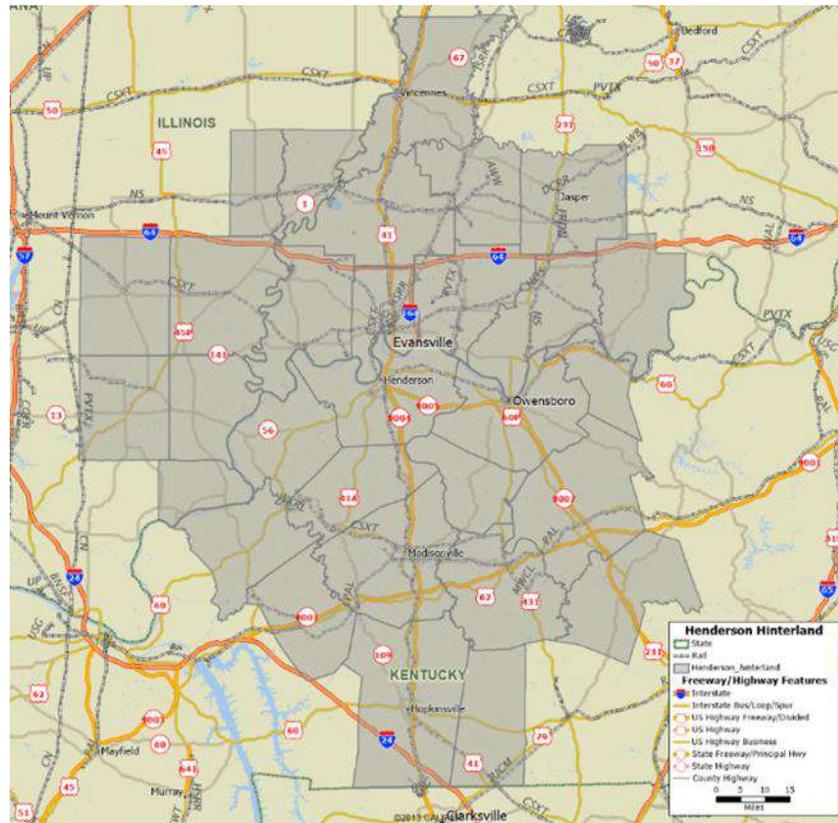


Key Status Points

- 250-acre property
- Has a public dock and a multi-national grain company operating grain barge loading facility
- Owns a 120-acre industrial park served by the Paducah & Louisville short line
- Master plan being prepared to guide investment, and key infrastructure consideration expands footprint and new access road to river channel
- Hinterland of 32 counties in Kentucky, Illinois and Tennessee

Henderson County Riverport Authority

Competitive Market Hinterland



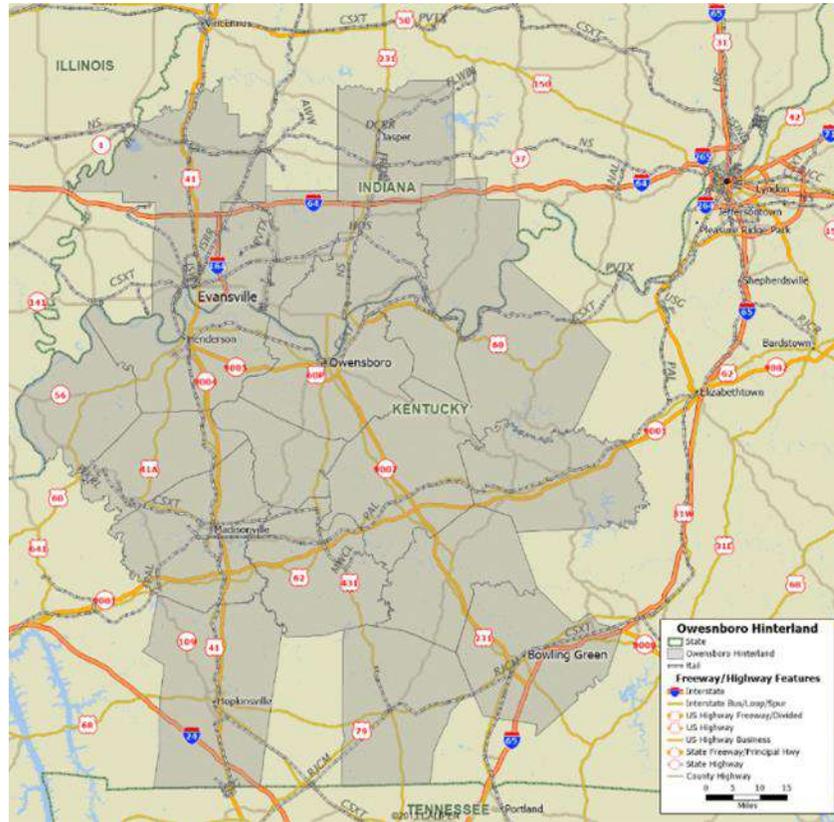
Key Status Points

- 102.5-acre property (40 acres for terminal)
- Long established riverport, needs increasing upkeep and restoring existing assets—including docks and warehouses
- Fortifying existing customer relationships and identifying new customers offering logistics solutions
- Envisions matrix on available business and commodity flows, rates and services among modes for planning, execution, and sales opportunity
- Hinterland of 30 counties in Kentucky, Illinois and Indiana



Owensboro Riverport Authority

Competitive Market Hinterland

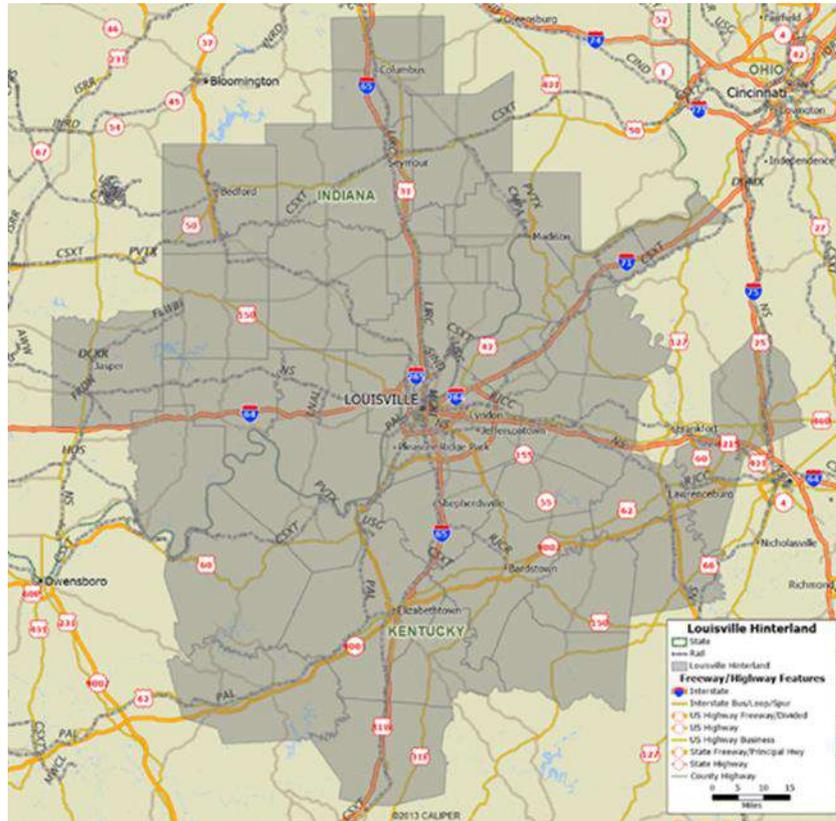


Key Status Points

- 420-acre property
- Originally an agriculturally based riverport, serving several industries, listed as an aluminum delivery point on the London Mercantile Exchange
- Homeland Security Port
- Hiring marketing coordinator to meet customers and develop business leads
- Managing expectations with local governing council
- Improving Highway 331
- Hinterland of 21 counties in Kentucky and Indiana

Louisville Riverport Authority

Competitive Market Hinterland

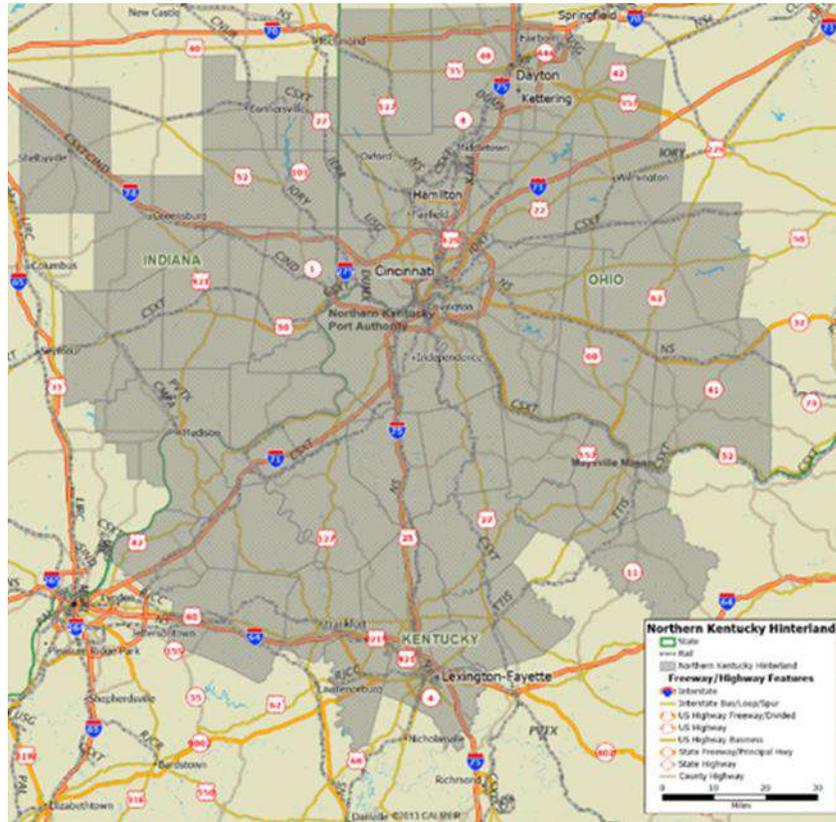


Key Status Points

- 2,000-acre property, 1.5 miles of river frontage, and 13 miles of rail line across the property
- Positioning as multimodal operation that considers all modes of operations
- Develop key performance indicators that requires substantial data to assist with capital investments
- Proper use of land, developing stronger marketing program, and flexible to handle multiple commodities and products.
- Hinterland of 37 counties in Kentucky and Indiana

Greenup-Boyd County Riverport Authority

Competitive Market Hinterland



Key Status Points

- 29 acres with 1,120 feet of river frontage plus two additional properties nearby, totaling 35 more acres.
- Exploring increased connectivity to EastPark Industrial Center
- Had high-volume coal throughput
- Focus is attracting business with existing infrastructure, including solid waste treatment plant
- Collaborative effort in the Kentucky-Ohio-West Virginia tri-state area as economic magnet for region
- Hinterland of 25 counties in Kentucky, Ohio and West Virginia

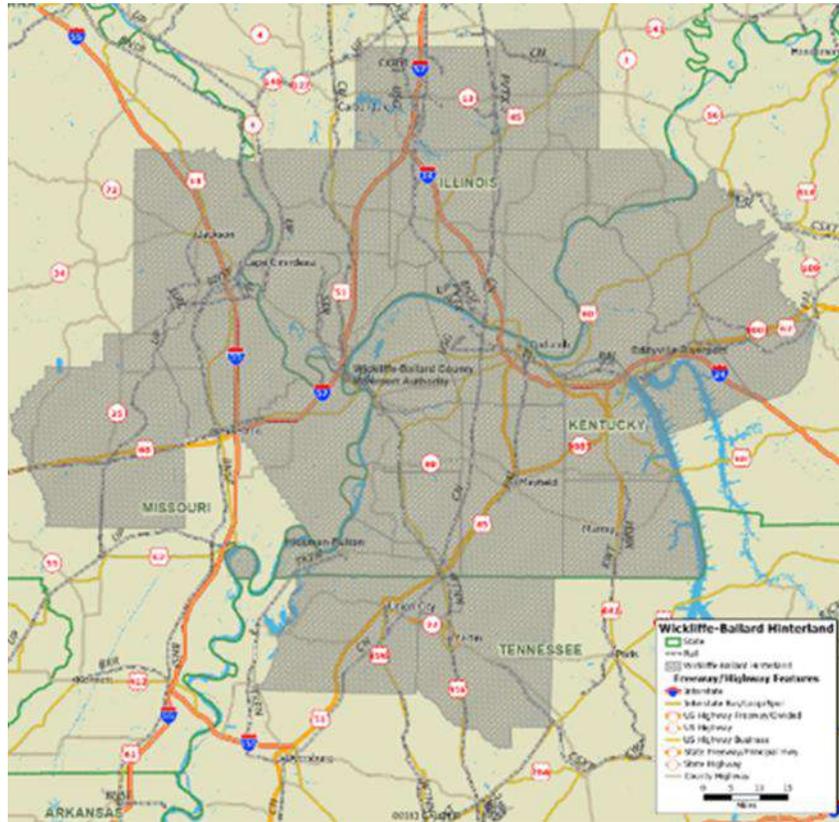


Developing Public Riverports in Kentucky



West Kentucky Regional Riverport Authority

Competitive Market Hinterland

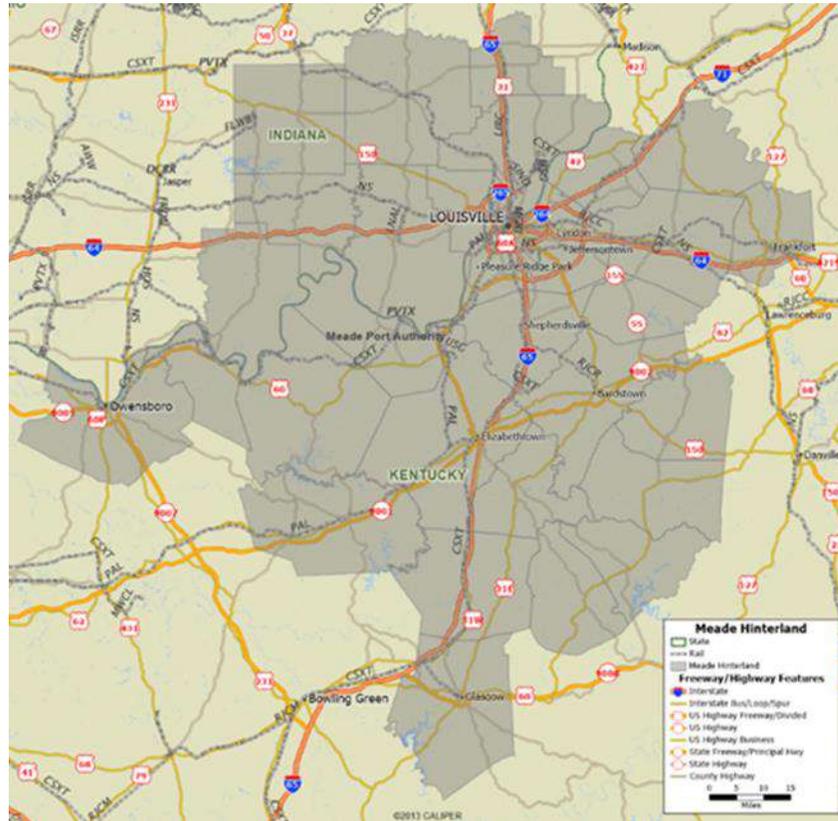


Key Status Points

- 2019 formed to establish riverport facility; three sites under consideration
- Feasibility studies underway
- KYTC consider statewide authority approach like Indiana
- Will compete with operations across the Ohio or Mississippi Rivers, as those states investing in respective riverports
- Hinterland of 27 counties in Kentucky, Illinois and Missouri

Meade County Riverport Authority

Competitive Market Hinterland

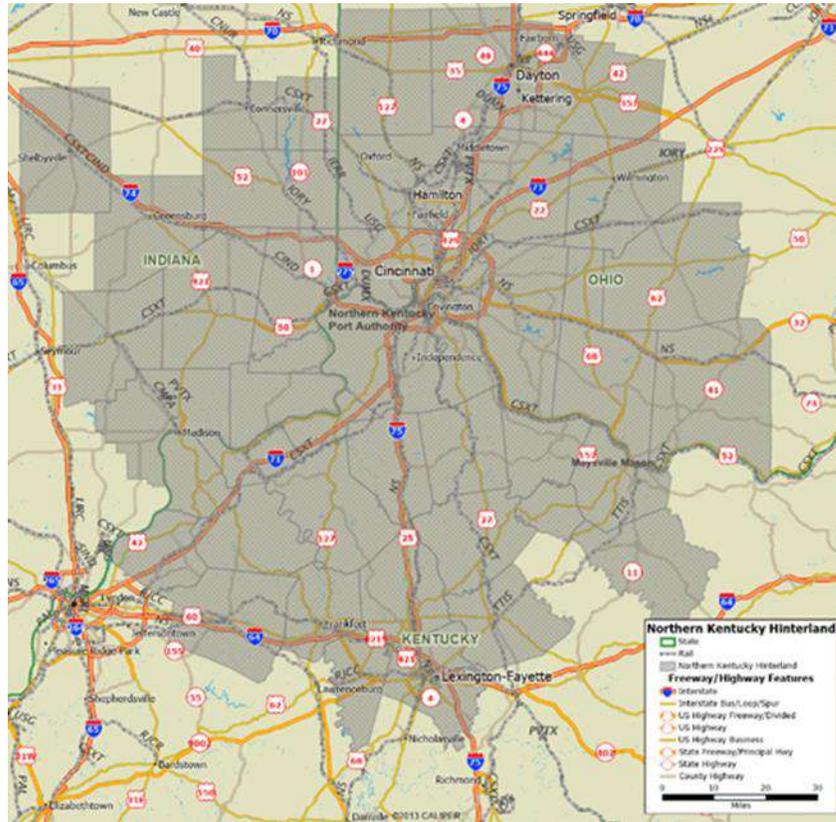


Key Status Points

- 550 acres
- Founded to serve agricultural interests
- Nucor Steel building a 1.5 million square foot building at the port, leading to removal of only grain barge loading operation
- Considering another grain barge loading operation at two different port locations
- Hinterland of 29 counties in Kentucky and Indiana

Northern Kentucky Riverport

Competitive Market Hinterland



Key Status Points

- No dedicated infrastructure comprising a public port
- In partnership with Port of Cincinnati
- Hinterland of 44 counties in Kentucky, Ohio and Indiana

QUESTIONS AND COMMENTS



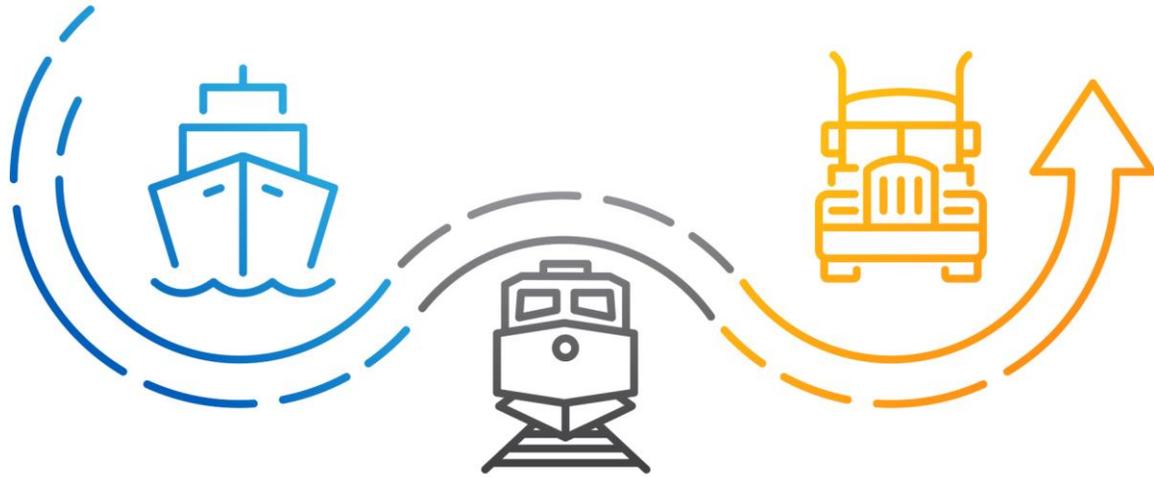
Welcome to the First Kentucky Summit on the Economic Role of Freight Modes

- All sessions will be recorded
- Recordings will be accessible through the project website:
<https://transportation.ky.gov/MultimodalFreight/Pages/Kentucky-Riverports,-Highway-and-Rail-Freight-Study.aspx>
- Attendees can participate in sessions via Zoom – video and/or audio

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First Kentucky Summit on the Economic Role of Freight Modes



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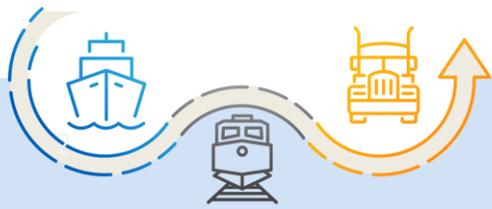
Session 3: Current Freight Movements in the Market

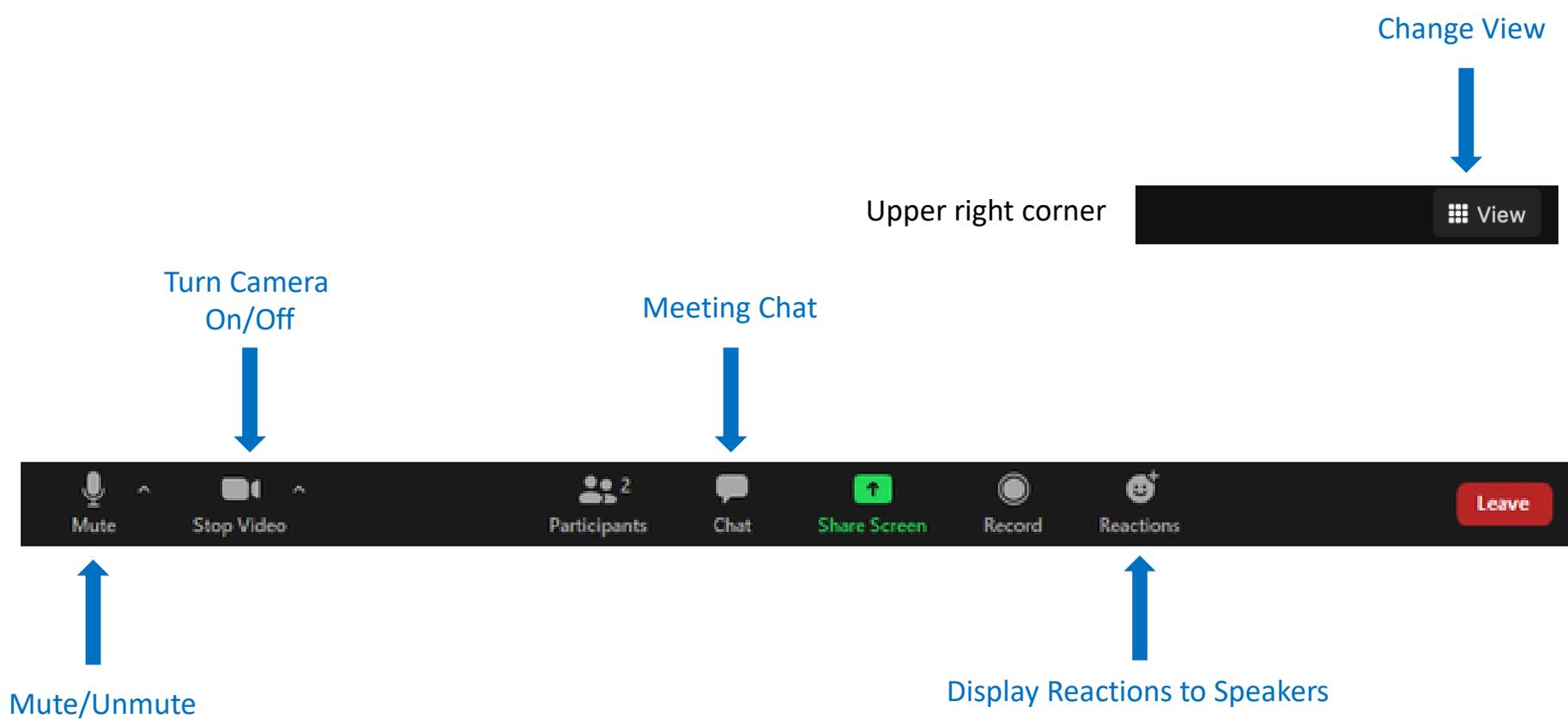


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Current Freight Movements in the Market Session



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Speakers

Chandler Duncan, AICP

Vice-President, Metro Analytics

Paul Bingham

Director, IHS Markit Transportation Consulting



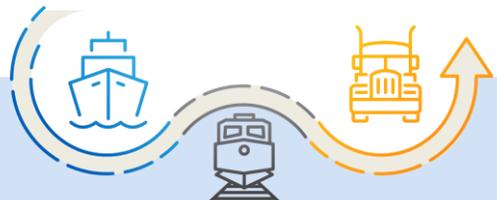
KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY





Current Kentucky Freight Movements

Need	Information Source	Application
<p>Quantify and demonstrate current modal freight movements</p> <ul style="list-style-type: none">- Port Market Hinterland / Draw Area on both sides of the river- Commodity category volumes that could potentially divert to Kentucky riverports	<p>IHS Markit Transearch Modal Commodity Flow data</p>	<ul style="list-style-type: none">- Current markets summary for Kentucky and riverports- Identify initial potentially divertible freight flows in tons





Transearch Freight Flow Information

Current Multimodal Origin Destination Freight Flows – Annual Total Tons & Value

- Transearch Base Year Freight Flows are for Calendar Year 2018
- Geography
 - US Markets:
 - Kentucky, neighboring-state and river-adjacent riverport market counties
 - State portions of Business Economic Areas (BEAs)
 - Canada Imports and Exports
 - Mexico Imports and Exports
 - Overseas Imports and Exports

Transearch enables location-specific freight flow analysis for transportation and market planning





Transearch Freight Flow Information

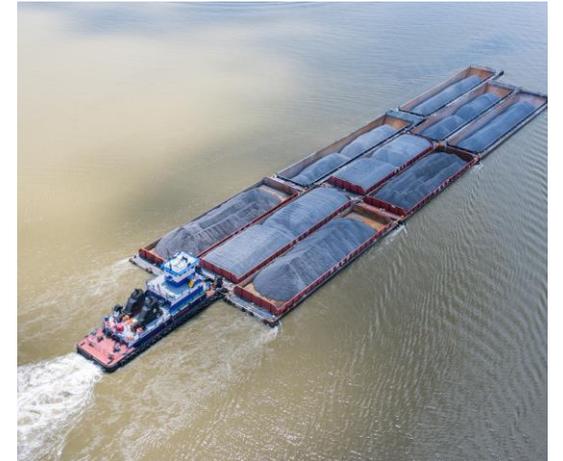
- Modes of Freight Transportation:
 - U.S. Domestic Flows: Waterborne, Rail Carload, Rail Intermodal, Truckload, Less than Truck-load (LTL), Private Truck, and Air
- Commodities:
 - Classified by 400 Four-Digit detailed Standard Transportation Commodity Classification (STCC) commodity categories
- Import and Export Trade Flows:
 - Inland portion of Import/Export flows are indicated
 - Domestic-only moves indicated separately
 - Canada and Mexico flows separately indicated





Transearch Freight Flow Information

- Freight Volumes:
 - Annual volume in net (short) tons,
 - Equipment unit volumes for truck and rail modes
 - Total tonnage for inland waterway and air freight
 - Truck loads (for truck modes only)
 - Trailers or containers (for intermodal rail)
 - Carloads (for non-intermodal rail)
- Freight Value:
 - Dollar value of commodities shipped





Freight Finder Freight Generator Data

Freight-generating and consuming business establishments data for client prospecting and market analysis.

Estimated freight flows of 7,200+ shipping and receiving businesses.

Data elements include:

- Geographic location - geo-coded for use in GIS mapping and analysis
- Industry and commodity identification, commodity volume estimates
- Employment
- Production (output) measures
- Business contact information





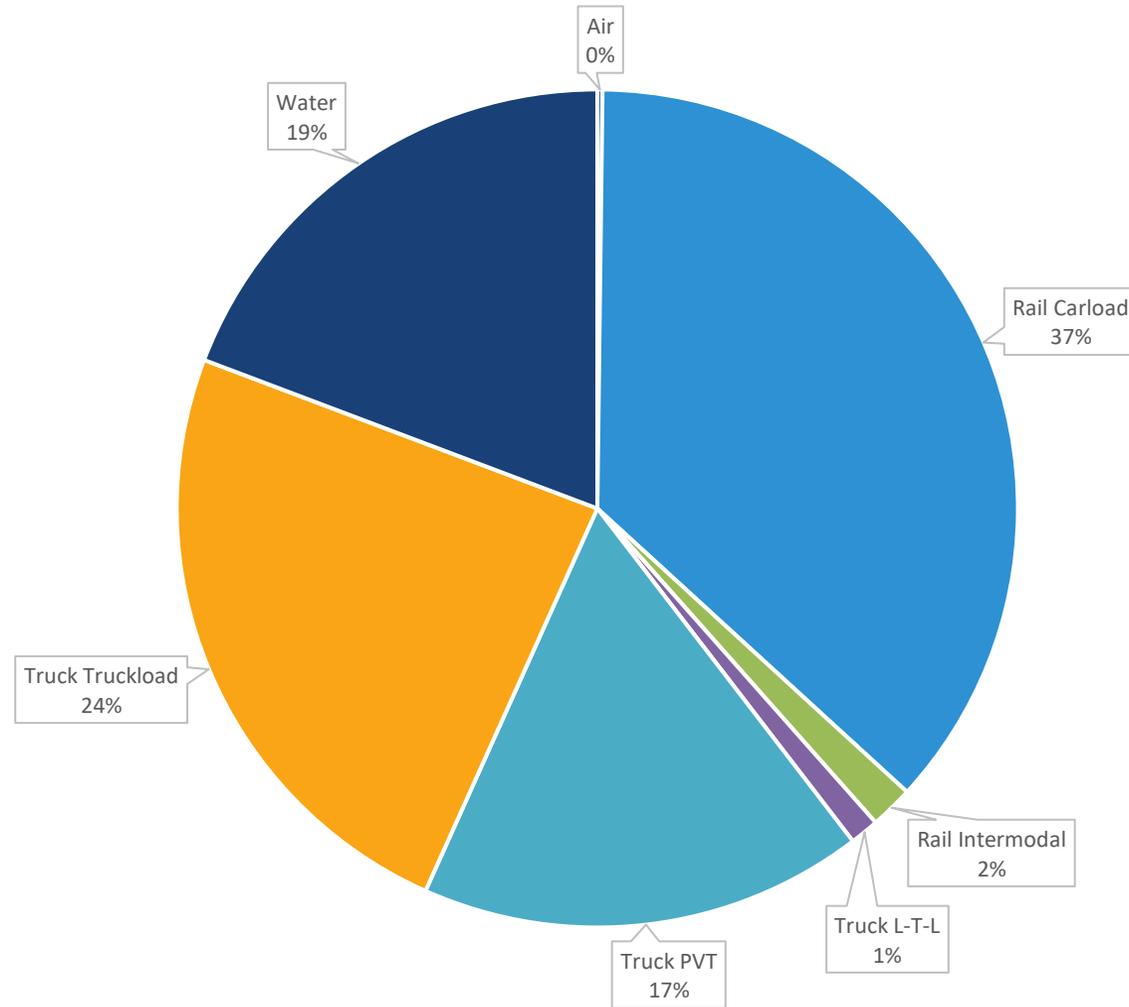
Current Kentucky Freight Movements

Mode	Tons (millions)	Value (billions)
Air	0.9	134.8
Rail Total	177.4	316.7
Rail Carload	169.7	277.2
Rail Intermodal	7.7	39.5
Truck Total	195.9	182.8
Truck L-T-L	5.2	17.7
Truck Private	79.2	34.2
Truck Truckload	111.5	130.9
Water	89.1	18.1
Total	463.3	652.4



Rail Carload & Truckload Truck Carry the Most Tons

Current Kentucky Freight Movements by Mode, Percent of Tons

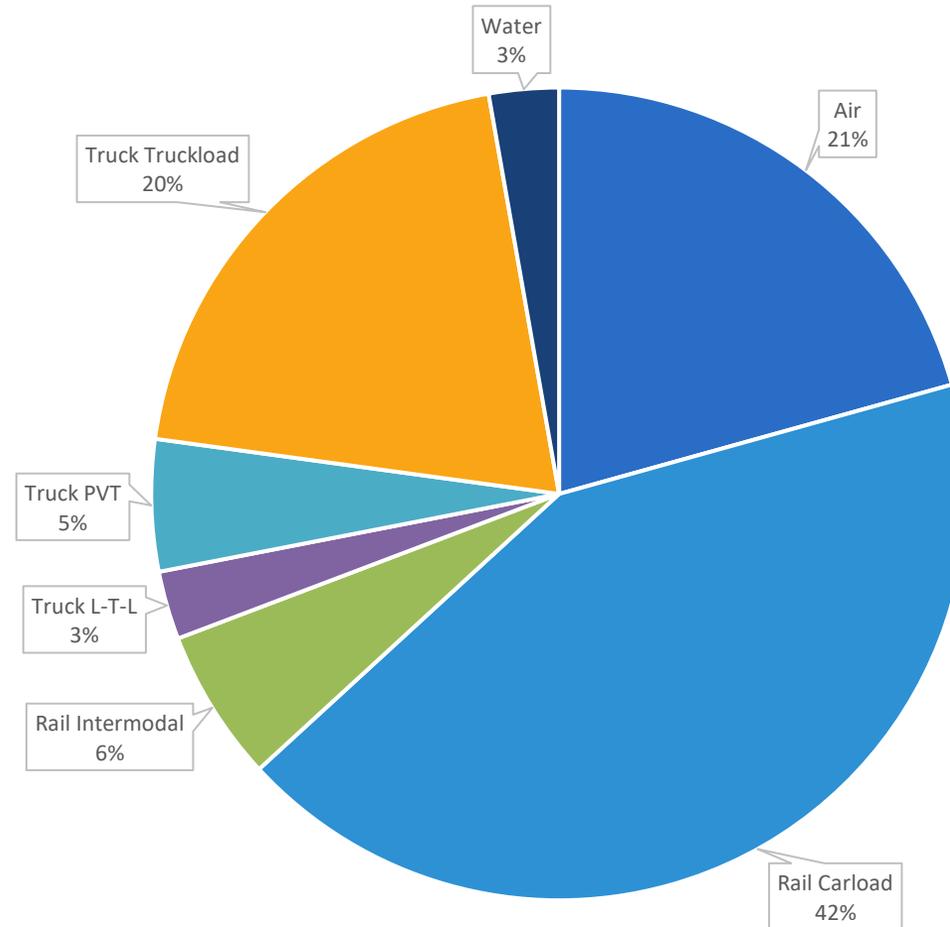


KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



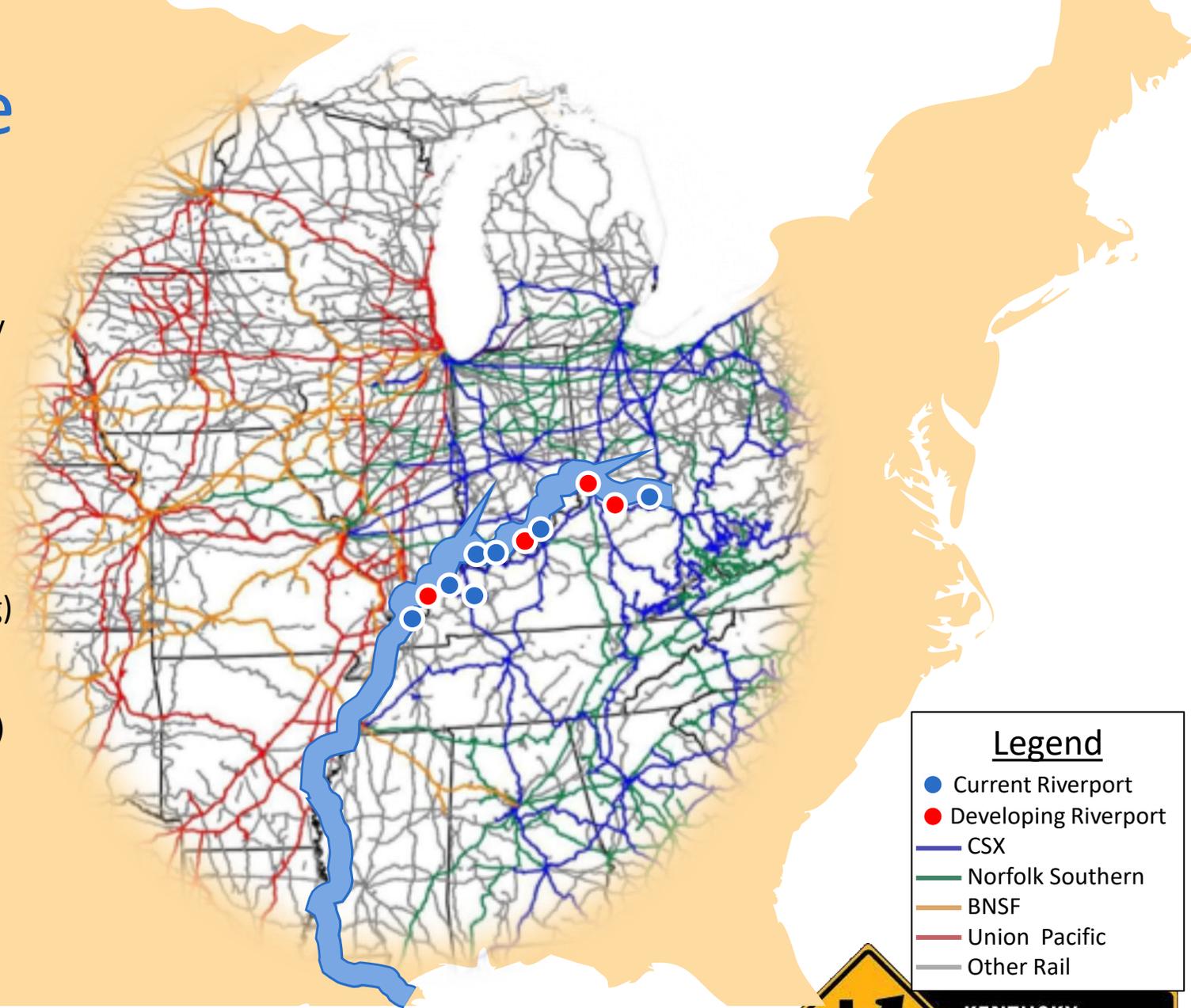
Rail Carload, Air & Truckload Truck, Top in Value

Current Kentucky Freight Movements by Mode, Value Share



Port Locations and the U.S. Freight Network

Eddyville Riverport and Industrial Development Authority
Greenup-Boyd County Riverport Authority
Henderson County Riverport Authority
Hickman-Fulton County Riverport Authority
Louisville and Jefferson County Riverport Authority
Owensboro Riverport Authority
Paducah-McCracken County Riverport Authority
Maysville-Mason County Riverport Authority (Developing)
Meade County Riverport Authority (Developing)
Northern Kentucky Port Authority (Developing)
West Kentucky Regional Riverport Authority (Developing)



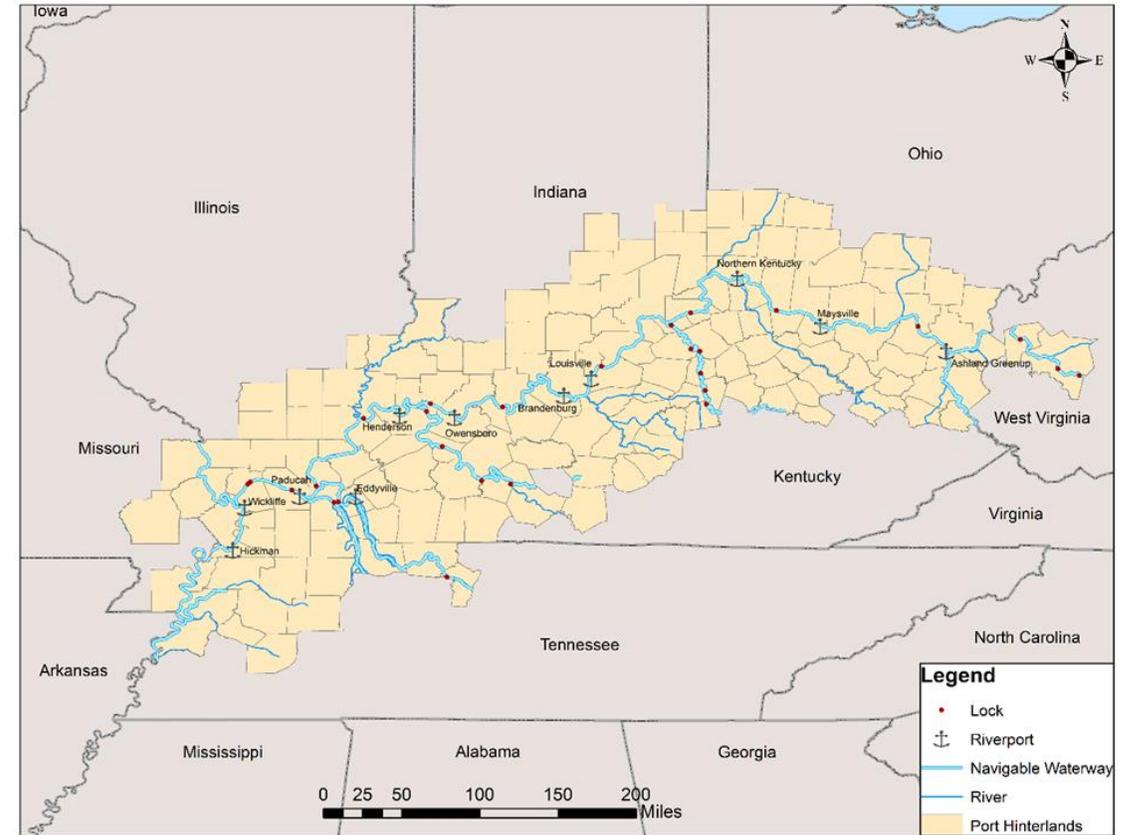
Legend

- Current Riverport
- Developing Riverport
- CSX
- Norfolk Southern
- BNSF
- Union Pacific
- Other Rail

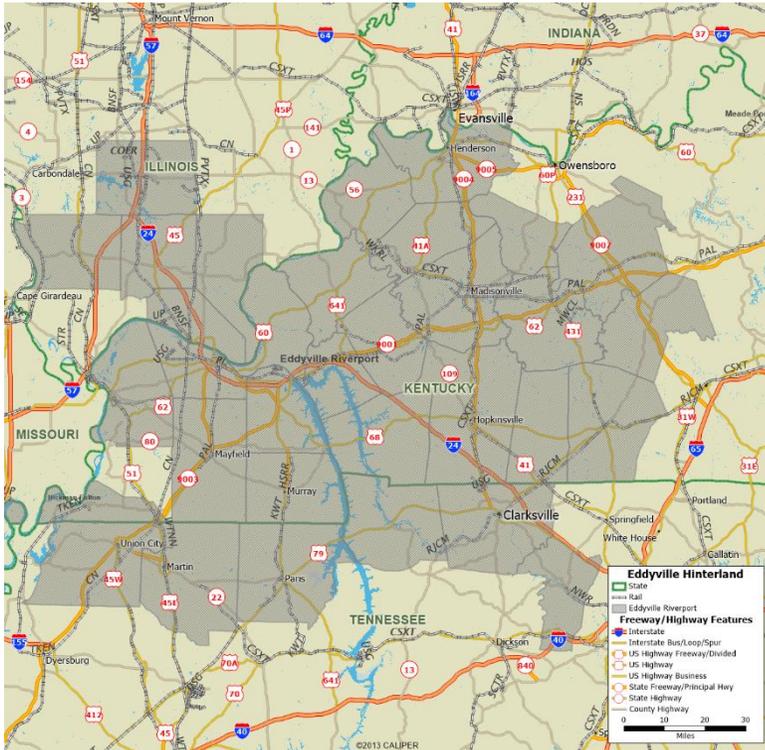


Kentucky Riverport Market Hinterland

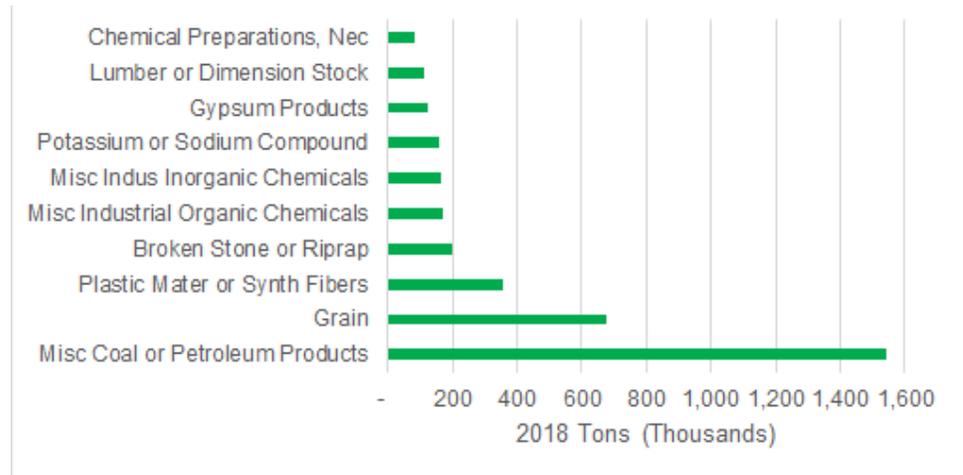
- Each riverport competitive market hinterland freight flows.
- Counties reached in 90-minute driving time from each riverport.
- Kentucky's market reach of the riverports extends into Illinois, Indiana, Missouri, Ohio, Tennessee and West Virginia.
- Riverports market reach and freight flows can and do overlap.



Eddyville Riverport Authority Current Movements



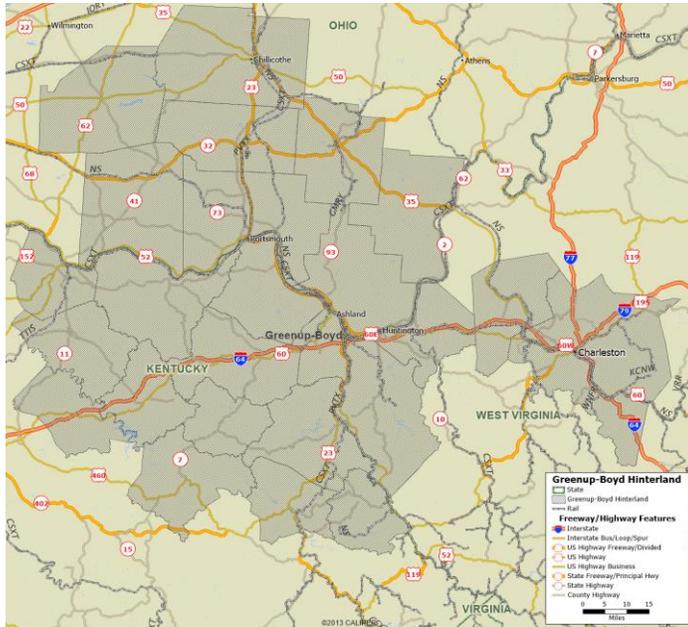
Top Potentially Divertible Commodity Categories



	Tons (000s)	Value (millions USD)
Truck	738,862	1,194,576
Water	56,041	7,023
Rail	500,785	345,545
Total	1,296,688	1,547,144

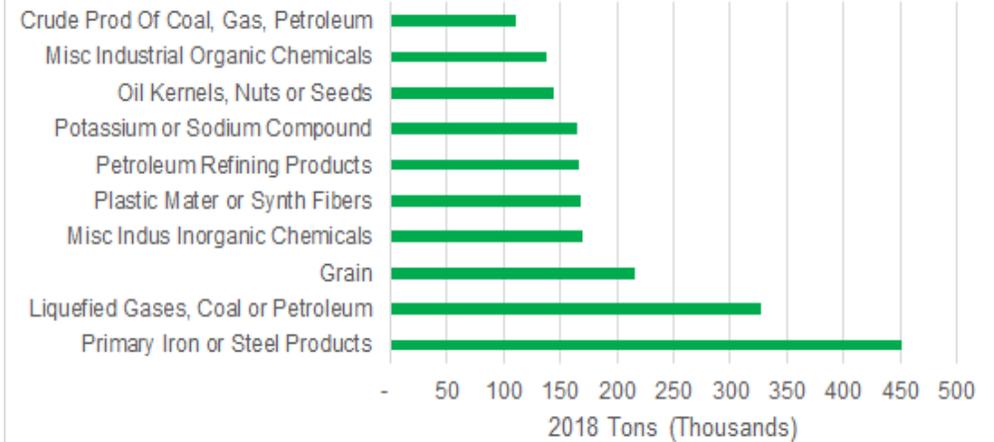


Greenup-Boyd County Riverport Authority Current Movements

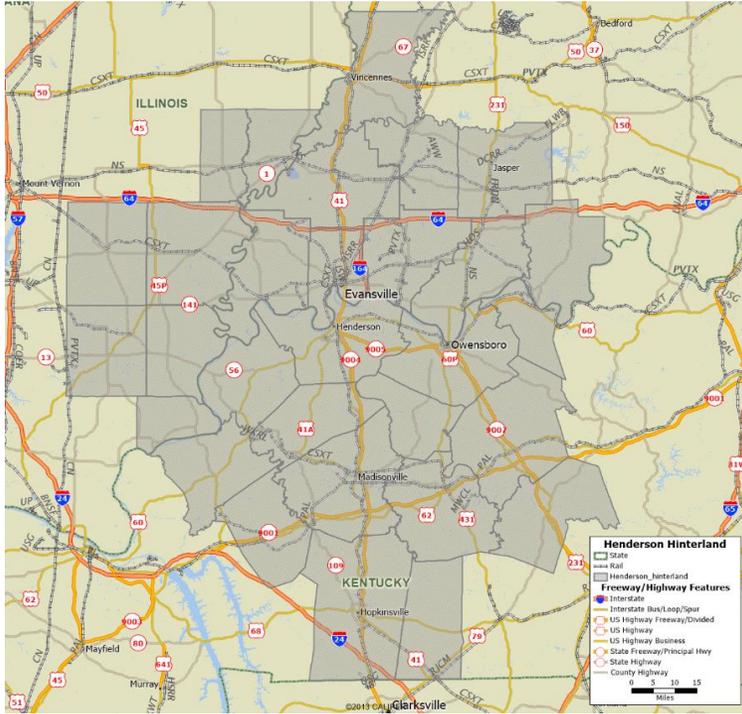


	Tons (000s)	Value (millions USD)
Truck	334,222	487,144
Water	41,853	10,495
Rail	86,930	77,722
Total	463,005	575,361

Top Potentially Divertible Commodity Categories

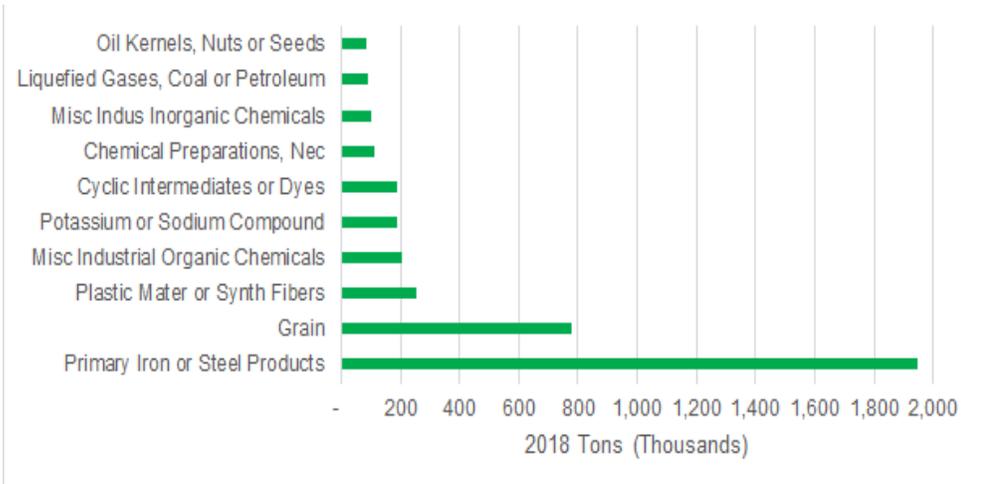


Henderson County Riverport Authority Current Movements

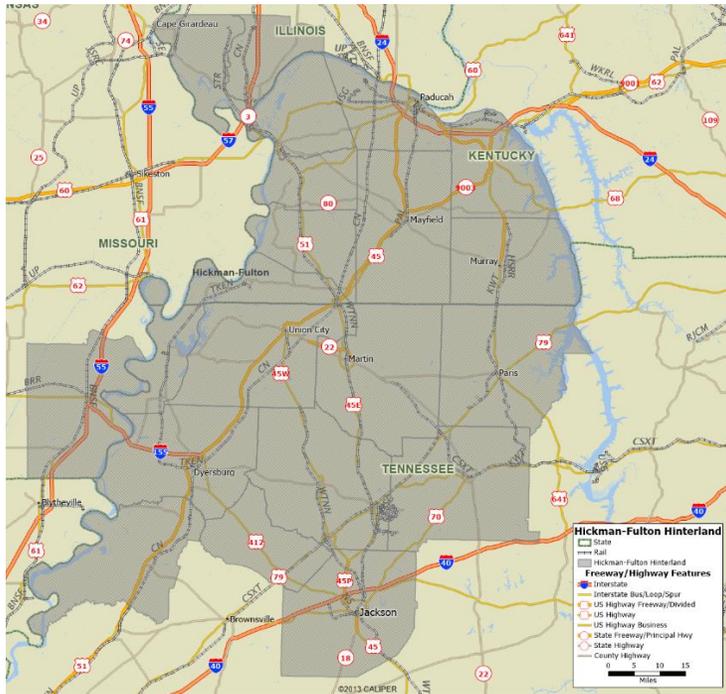


	Tons (000s)	Value (millions USD)
Truck	476,558	657,702
Water	47,047	8,344
Rail	474,953	319,903
Total	998,558	985,949

Top Potentially Divertible Commodity Categories

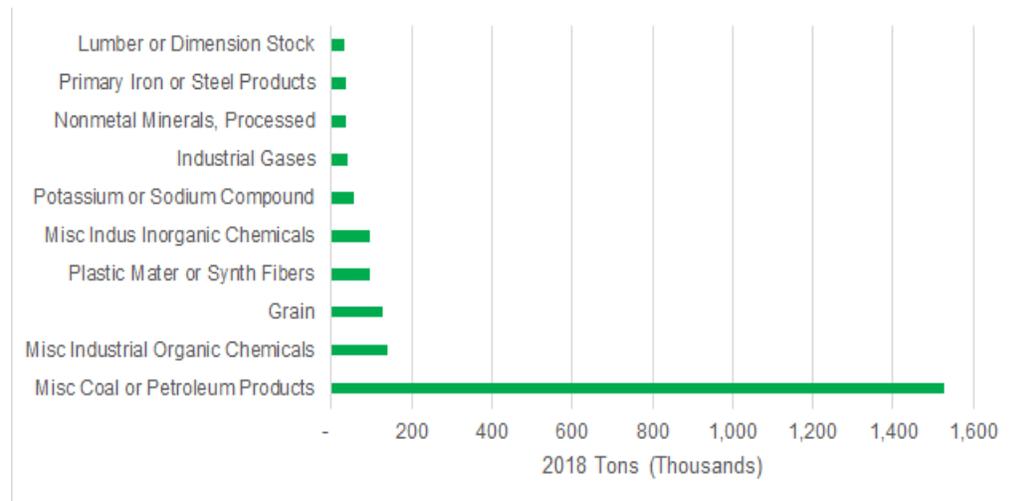


Hickman-Fulton County Riverport Authority Current Movements

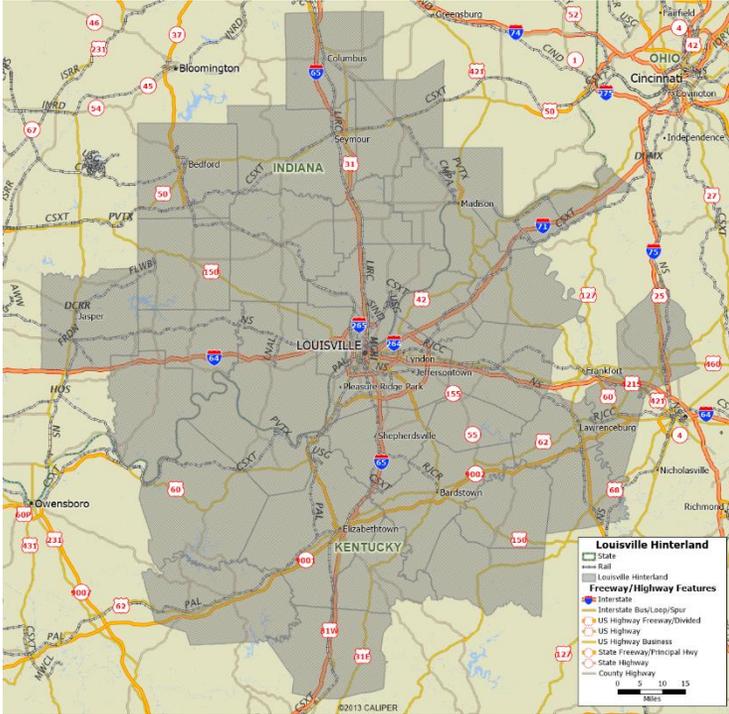


	Tons (000s)	Value (millions USD)
Truck	425,010	657,702
Water	10,470	5,253
Rail	197,976	154,989
Total	633,456	817,944

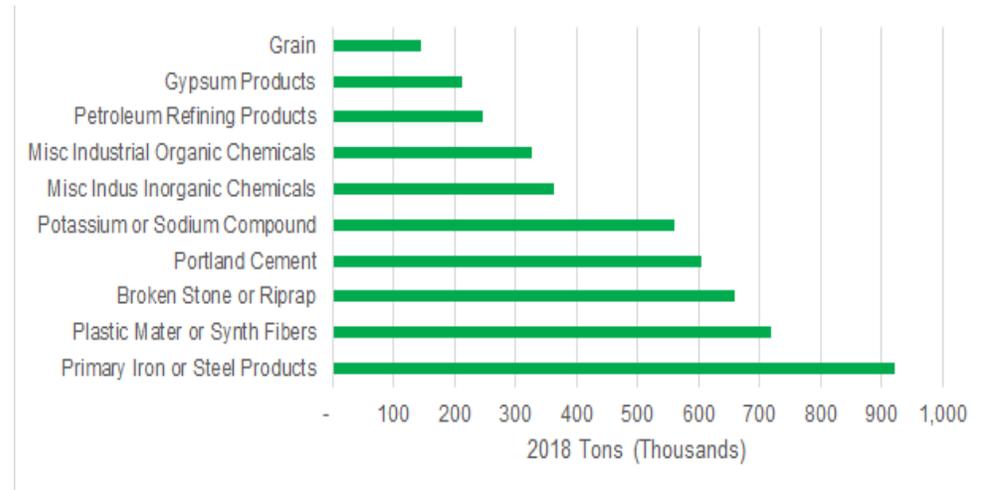
Top Potentially Divertible Commodity Categories



Louisville and Jefferson County Riverport Authority Current Movements



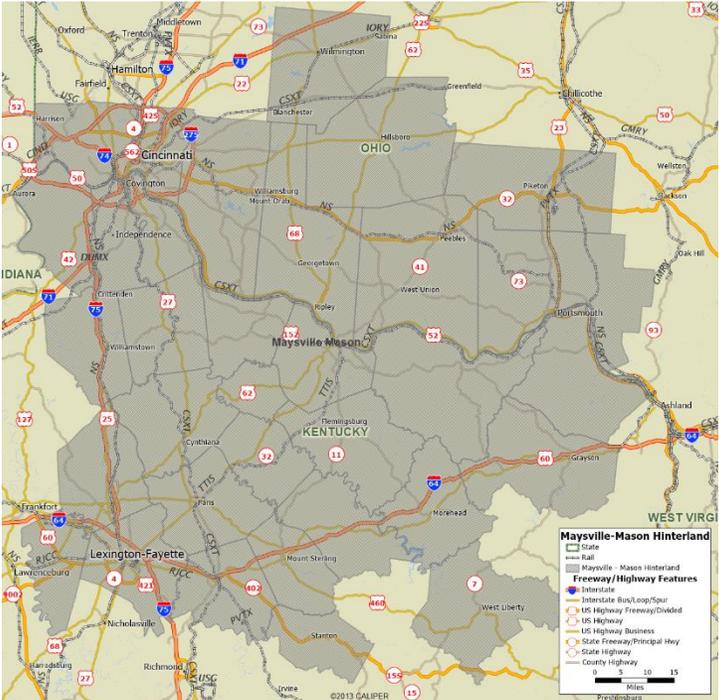
Top Potentially Divertible Commodity Categories



	Tons (000s)	Value (millions USD)
Truck	1,106,458	1,854,564
Water	50,763	7,118
Rail	479,759	793,933
Air	350	40,677
Total	1,637,330	2,696,292

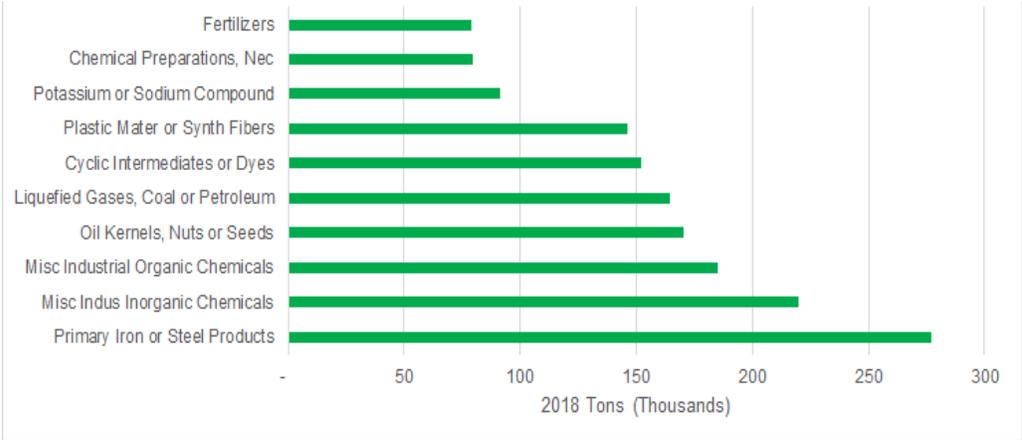


Maysville-Mason County Riverport Authority Current Movements

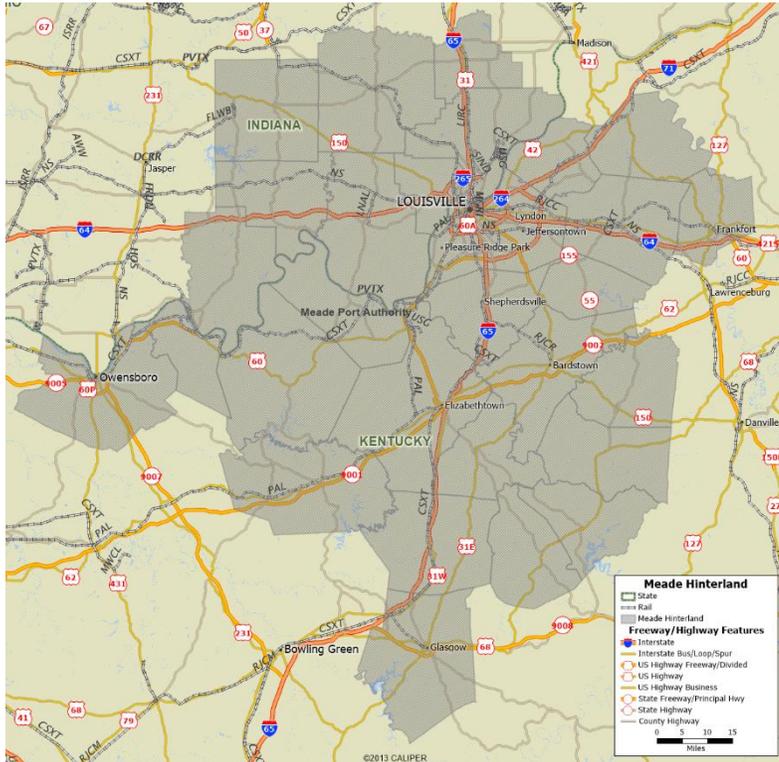


	Tons (000s)	Value (millions USD)
Truck	806,255	1,246,391
Water	30,956	8,711
Rail	453,191	637,645
Total	1,290,402	1,892,747

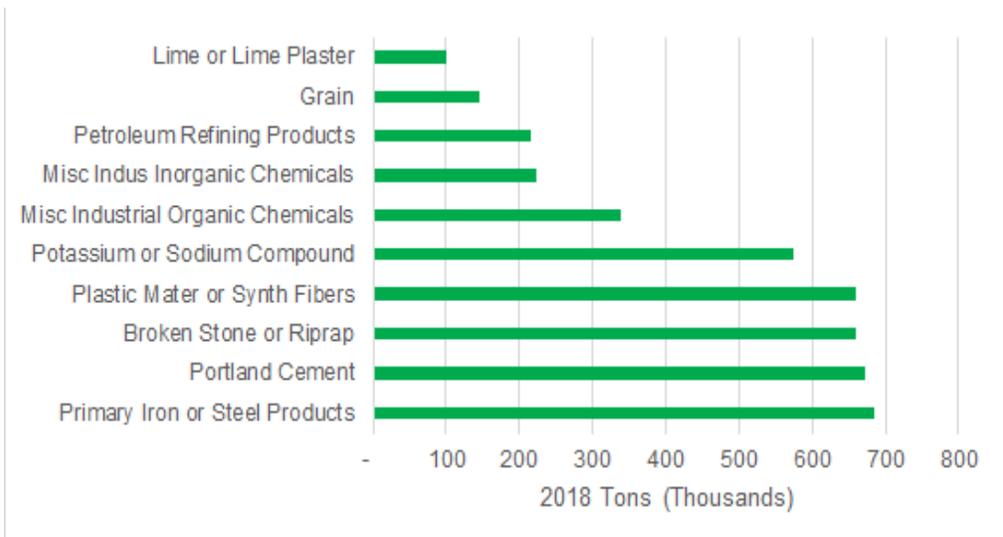
Top Potentially Divertible Commodity Categories



Meade County Riverport Authority Current Movements



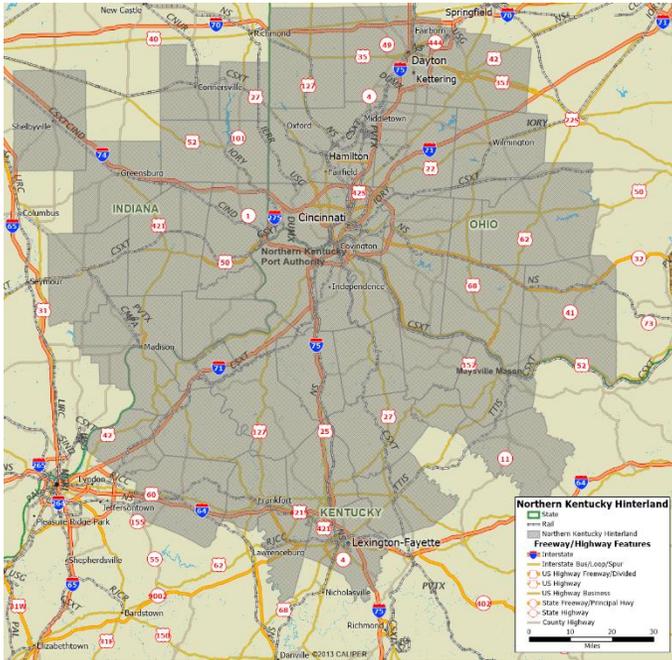
Top Potentially Divertible Commodity Categories



	Tons (000s)	Value (millions USD)
Truck	827,121	1,392,576
Water	34,802	6,371
Rail	312,166	570,287
Total	1,174,089	1,969,234

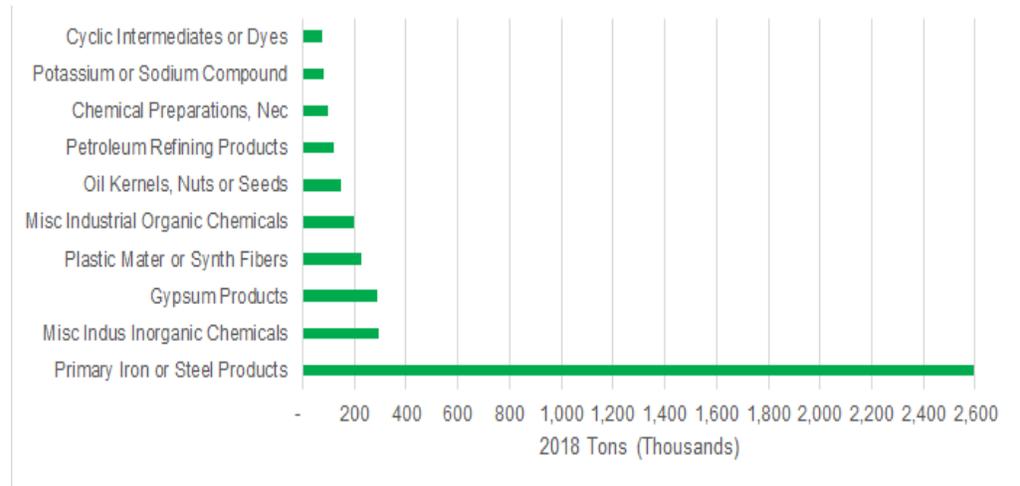


Northern Kentucky Port Authority Current Movements

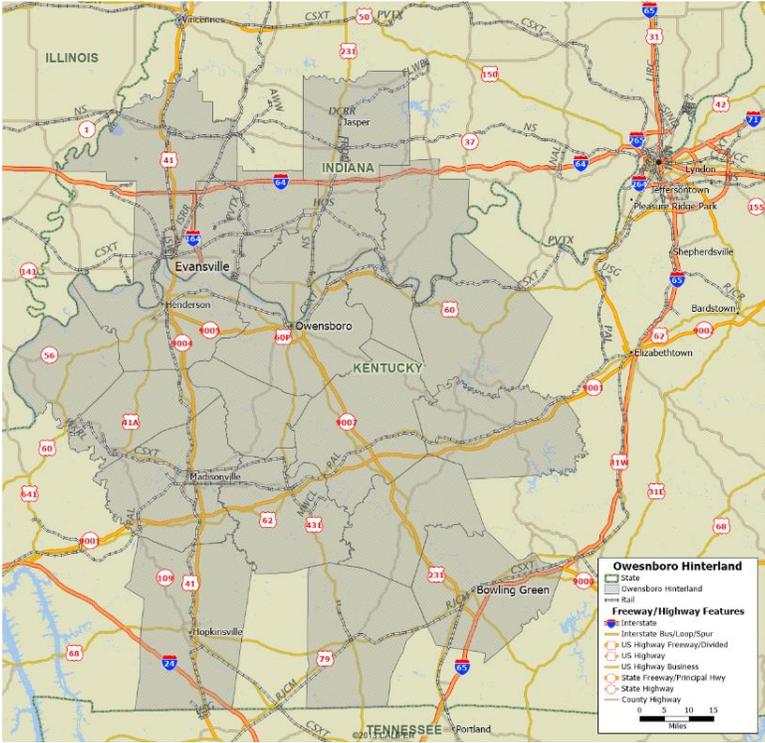


	Tons (000s)	Value (millions USD)
Truck	1,509,989	2,382,181
Water	52,316	11,029
Rail	577,261	801,002
Total	2,139,566	3,194,212

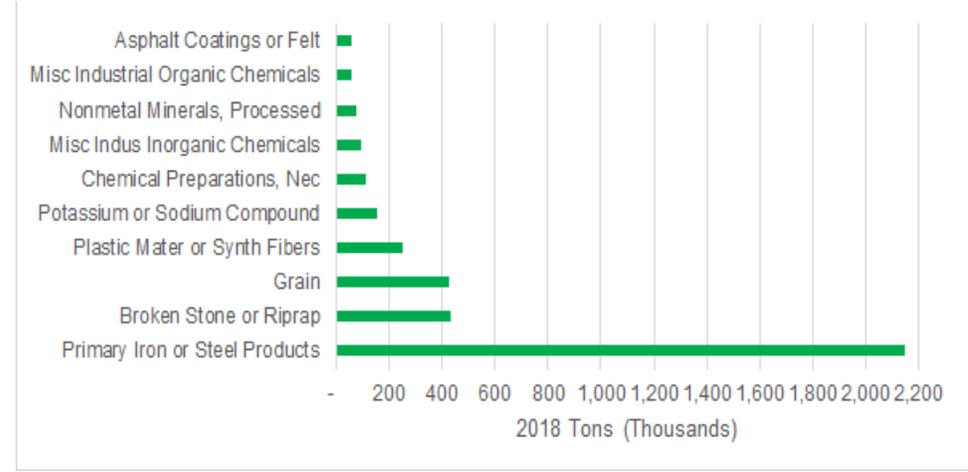
Top Potentially Divertible Commodity Categories



Owensboro Riverport Authority Current Movements



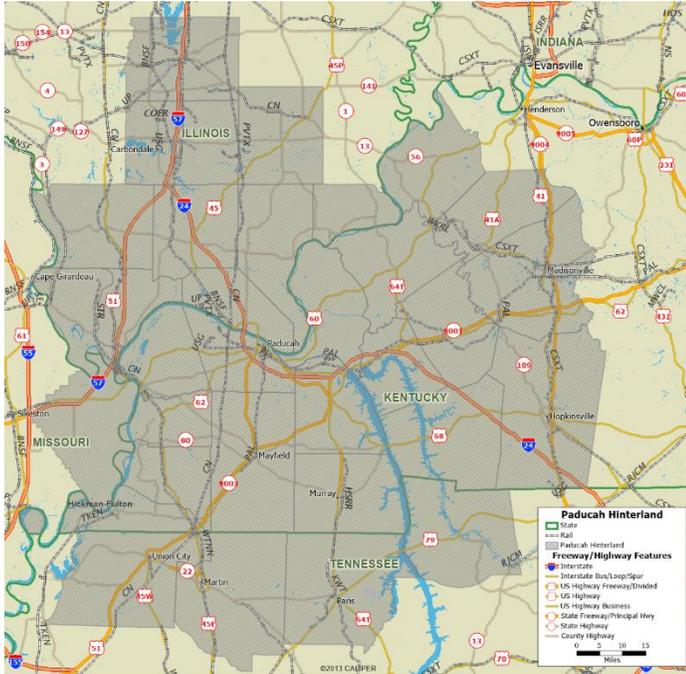
Top Potentially Divertible Commodity Categories



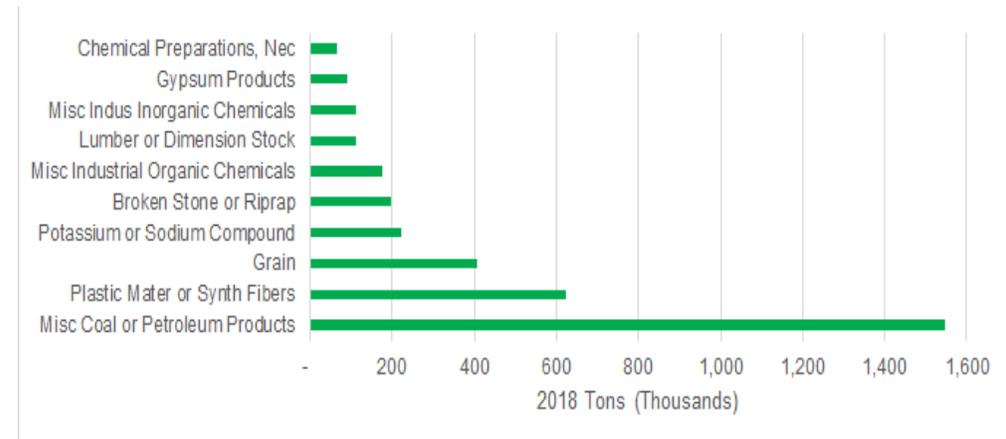
	Tons (000s)	Value (millions USD)
Truck	426,232	633,861
Water	34,967	5,321
Rail	399,154	307,067
Total	860,353	946,249



Paducah-McCracken County Riverport Authority Current Movements



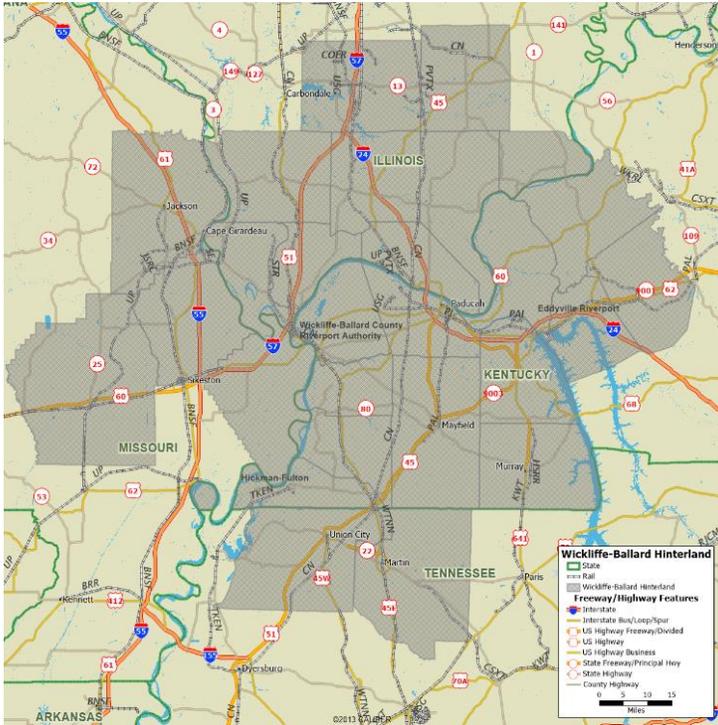
Top Potentially Divertible Commodity Categories



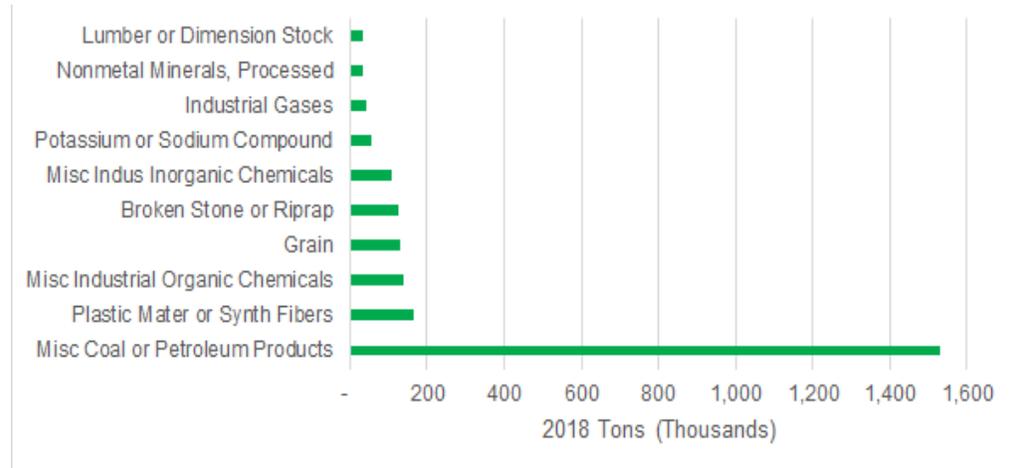
	Tons (000s)	Value (millions USD)
Truck	723,820	1,193,054
Water	52,699	6,939
Rail	420,577	290,679
Total	1,197,096	1,490,672



West Kentucky Regional Riverport Authority Current Movements



Top Potentially Divertible Commodity Categories



	Tons (000s)	Value (millions USD)
Truck	581,160	958,466
Water	32,847	7,889
Rail	201,260	155,129
Total	815,267	1,121,484



Questions and Comments



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Kentucky Summit on the Economic Role of Freight Modes

- All sessions are being recorded
- Attendees can participate in sessions via Zoom – video and/or audio

Opening Session	Nov. 16 1:00 to 2:00pm
State of the Ports	Nov. 17 11:00am to 12:00pm
Current Freight Movements in the Market	Nov. 17 1:00 to 2:00pm
Economic Development with Riverports	Nov. 17 3:00 to 4:00pm
Funding	Nov. 18 11:00am to 12:00pm
Port Interactions and Logistics	Nov. 18 1:00 to 2:00pm
Closing Session	Nov. 18 3:00 to 4:00pm

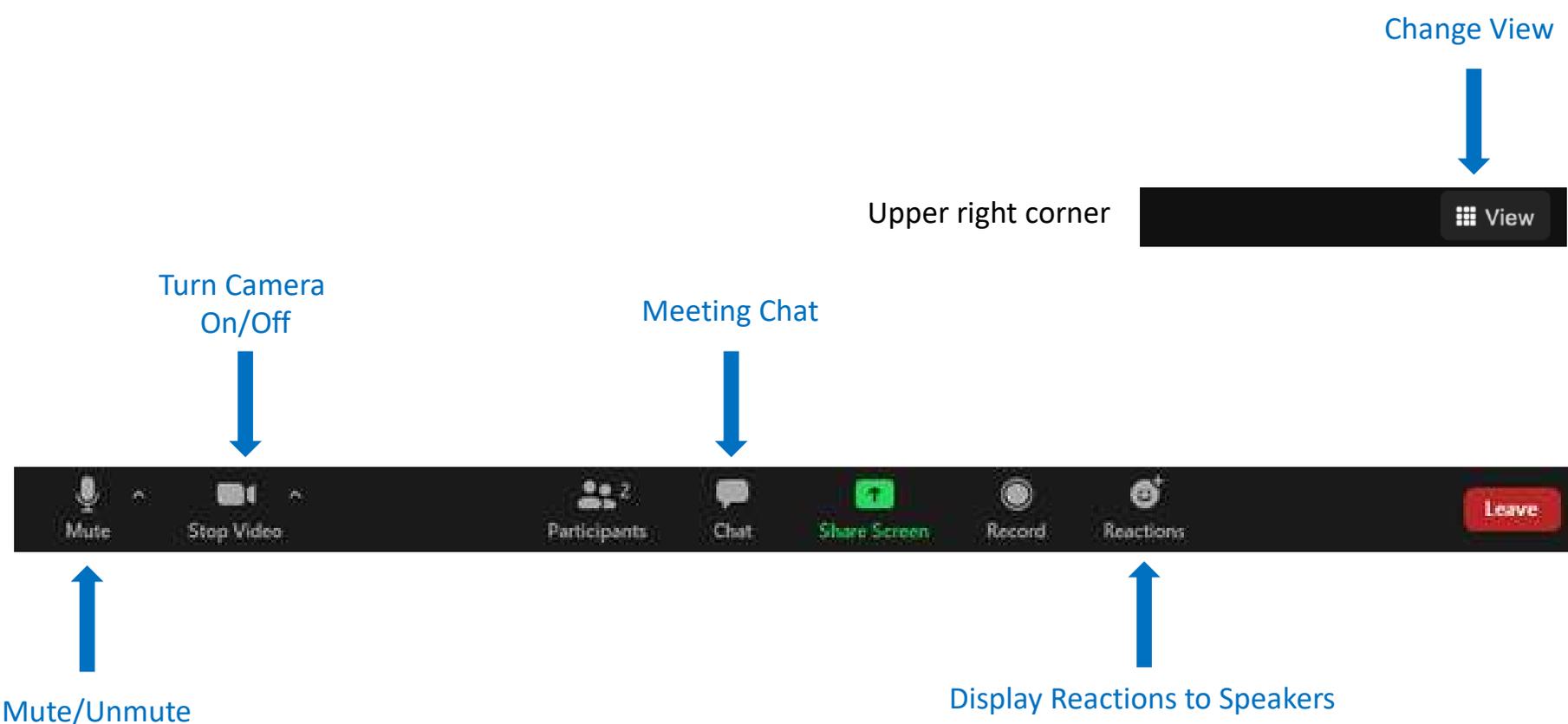




**KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY**

Welcome to the First Kentucky Summit on the Economic Role of Freight Modes





Please keep your microphone muted when you are not speaking

Please use the chat button to submit questions to the speakers or wait until the Question and Answer portion of the session

Please use the "Reactions" button to raise or lower your hand or provide other non-verbal feedback to the host (if enabled)

In the upper right corner you can select "speaker view" or "gallery view"



Economic Development with Riverports



KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY

**Welcome to the First
Kentucky Summit on the
Economic Role of Freight Modes**



Agenda

Kristina Slattery

Executive Director, Office of Business & Community Services
Kentucky Cabinet for Economic Development

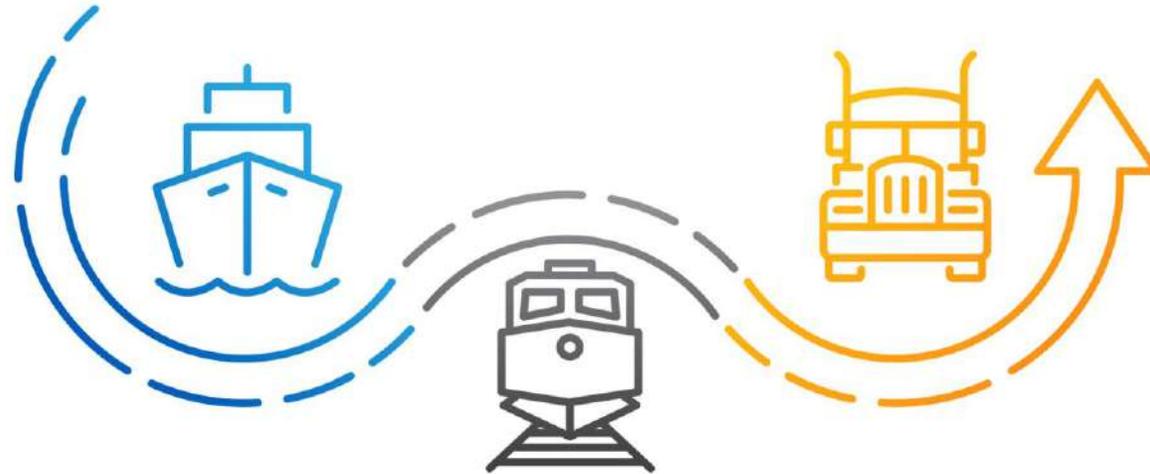
Kevin Johns AICP

Economic Development Specialist, Metro Analytics
Former Director of Economic Development for Austin, Texas

Breakout Session

Discussion of 3 specific questions around Economic
Development to seek comments about current initiatives





KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Kentucky Cabinet for Economic Development

Presented by Kristina Slattery
Executive Director, Business & Community Services



JEFF TAYLOR

COMMISSIONER, BUSINESS DEVELOPMENT

Jeff Taylor is a native Kentuckian with 35 years' experience in economic development. As commissioner for business development, Jeff leads the cabinet's efforts to create and retain jobs and generate investment throughout the Commonwealth.



KRISTINA SLATTERY

EXECUTIVE DIRECTOR, BUSINESS & COMMUNITY SERVICES

Kristina Slattery is primarily responsible for new business recruitment and support of existing Kentucky industry expansions. She leads a team of Project Managers to support our mission of job growth and investment in Kentucky.



CRAIG MCKINNEY

DIRECTOR, INTERNATIONAL AFFAIRS

Craig McKinney joined the staff of the Kentucky Cabinet for Economic Development in August 2019 as Director of International Affairs and Business Development. In this role, Craig oversees the Cabinet's efforts to attract foreign investment and new business opportunities for the commonwealth outside the United States.



CHRISTOPHER SNYDER

RESEARCH EXECUTIVE

As research executive, Snyder manages a talented group of individuals who provide daily support for the Cabinet's business development team through materials including maps, economic impacts, workforce analyses and other reports. This support contributes heavily toward the Cabinet's mission of recruiting new companies to the state and helping existing companies expand their operations. Additionally, Snyder and his team provide data to help support local economic development organizations, universities, state agencies and other organizations by publishing publicly available information on the Cabinet's website and answering requests received directly from these external partners.



2020: A “REBUILDING” YEAR...

Continuous Improvement Plan

- 85 hours of training & development
- Project Management, Community Visits, Finance & Utility Training

Strengthening Key Relationships

- Community/partner visits almost weekly for all of this year
- Existing industry support
- Local partners & company contacts are #1 and #2 lead source

Enhancements of target market strategy

- California recruitment
- Project Manager presentations

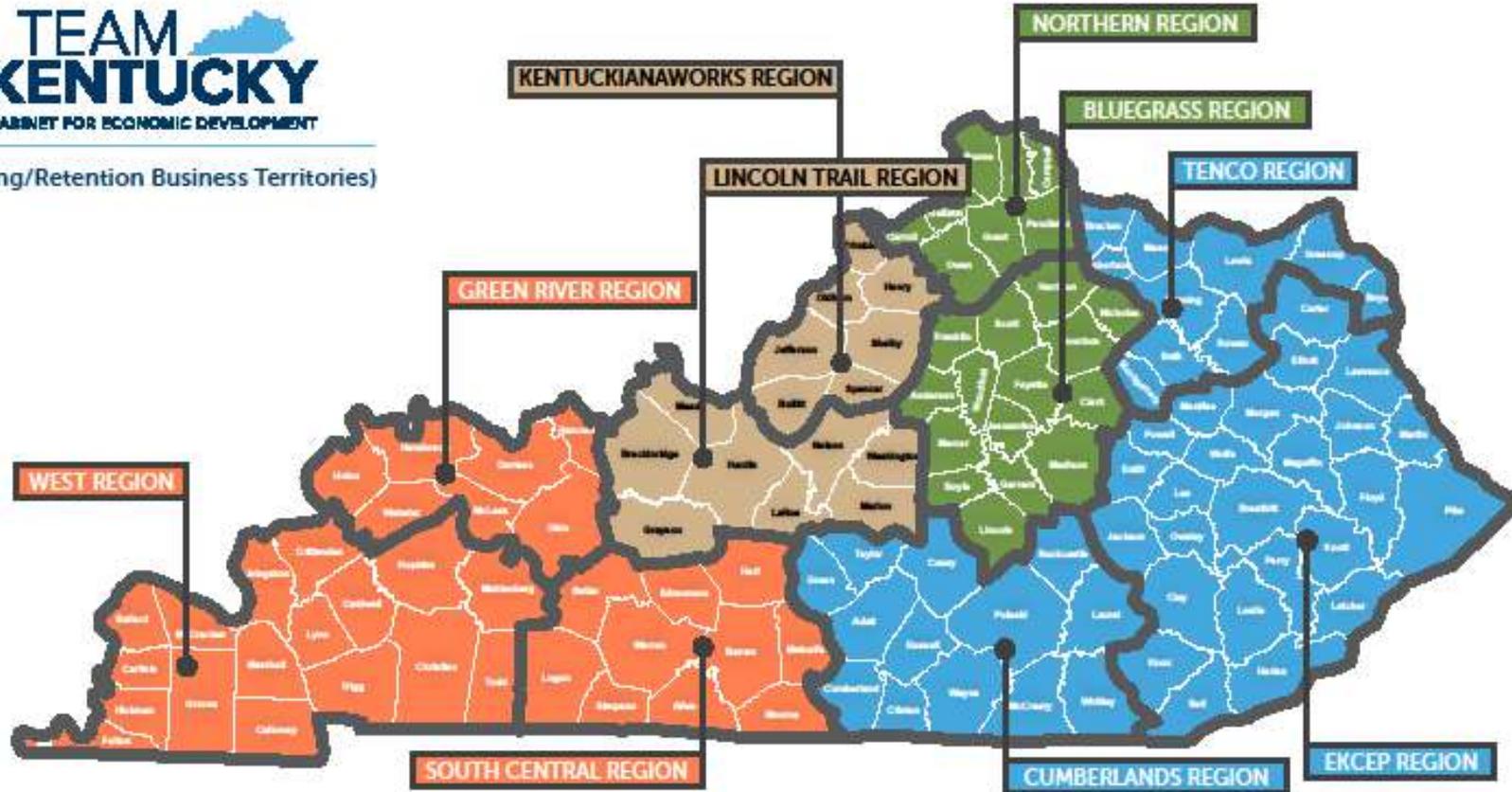
Development of Targeted Webpage

- Easily can be duplicated for other opportunities

Further implementation of Zoom Prospector Tool



(Existing/Retention Business Territories)



REGIONAL TERRITORIES

- West KY/Green River/South Central
Corky Peck
- EKCEP, TENCO & Cumberland
Beka Burton and Brooklyn Leap
- NKY & BG
Annie Franklin, Brittany Cox and Elizabeth Bishop
- KentuckianaWorks and Lincoln Trail
Martin David Jacobs and Andy Luttner

TARGET INDUSTRY RESPONSIBILITIES

- Health Care | Martin David Jacobs, Project Manager
- Food & Beverage & Agribusiness | Annie Franklin, Project Manager
- Automotive, Aerospace & Defense | Brooklyn Leap, Project Manager
- Metals & Chemicals | Andy Luttner, Project Manager
- Tech Projects | KY Innovation

THE EXPANSION PROCESS

1. Facility visit
2. Lead
3. Due diligence – DNBi Reports
4. Negotiations
5. Announcement

**SINCE 2018, THERE
HAVE BEEN 567
EXPANSIONS
ANNOUNCED-
\$7.9 BILLION,
17,134 NEW
JOBS**

THE ATTRACTION PROCESS

1. Lead
2. Property submissions
3. RFI
4. Site visit
5. Due diligence – DNBi Report
6. Negotiations
7. Announcement

**SINCE 2018, THERE
HAVE BEEN 131
NEW LOCATIONS
ANNOUNCED-
\$4.13 BILLION,
13,174 NEW
JOBS**

2020 ANNOUNCEMENTS

YEAR TO DATE



5,069

new full-time
jobs planned



\$1.46B

in planned ongoing
investment



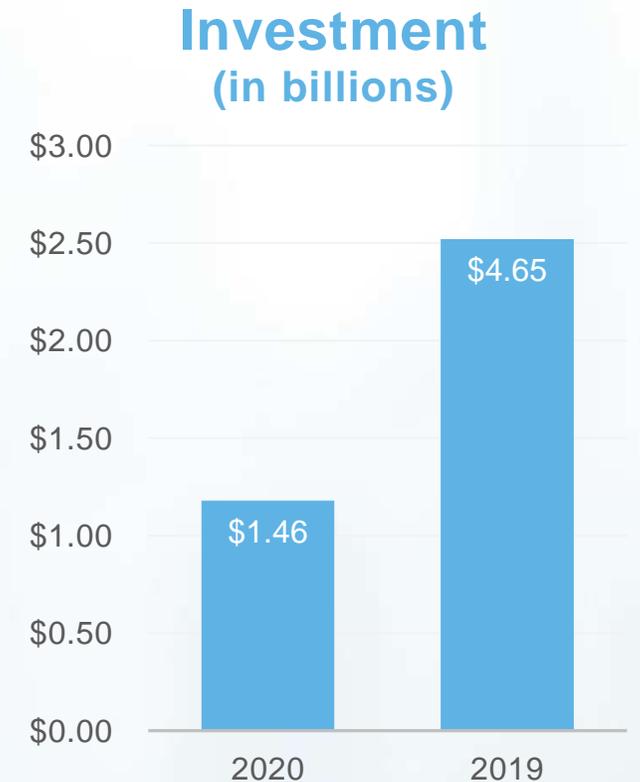
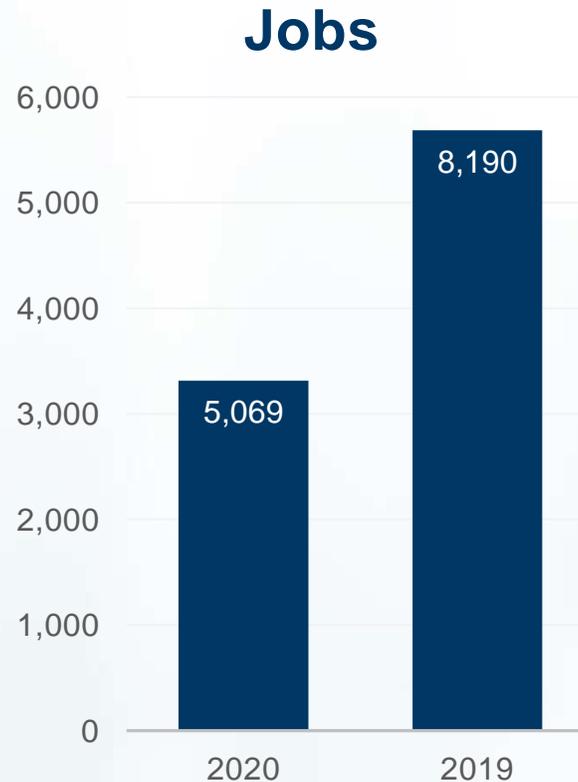
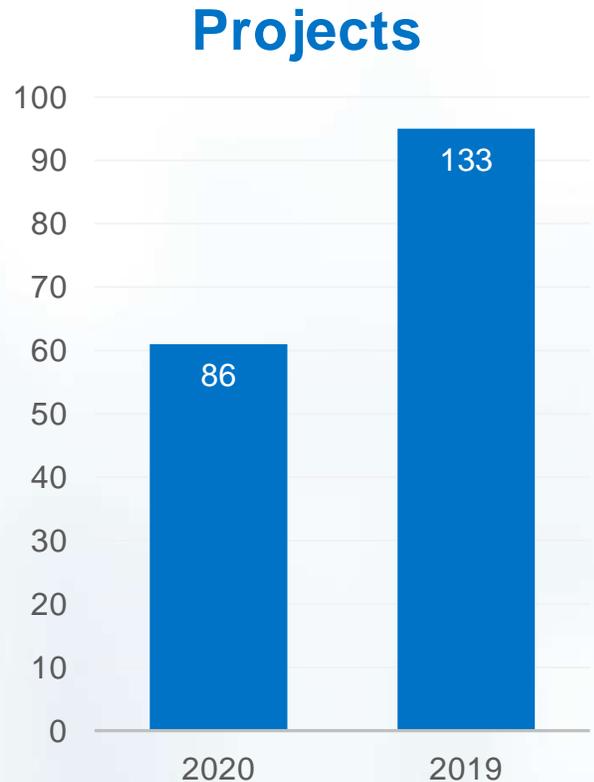
86

Expansion and
new-locations
projects announced

TOTAL ANNOUNCEMENTS

JANUARY – SEPTEMBER

Despite the pandemic's difficulties, long-term corporate investment and job creation remains strong in Kentucky.

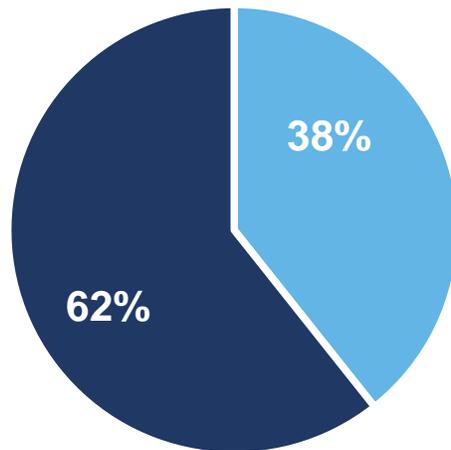


EXISTING INDUSTRY EXPANSIONS LEAD THE WAY

JANUARY – SEPTEMBER 2020

Project Announcements

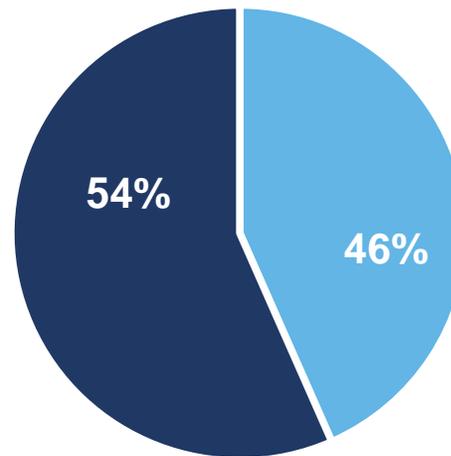
- New Locations
- Existing Industry Expansions



TOTAL – 86

Capital Investment

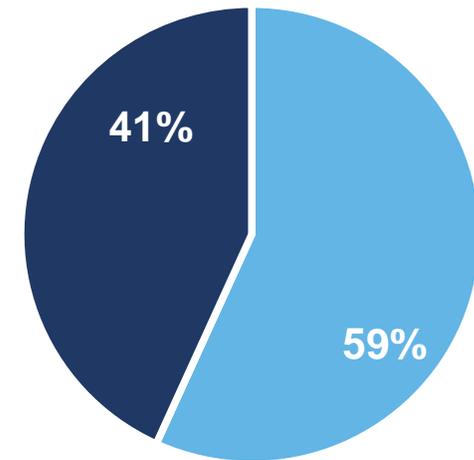
- New Locations
- Existing Industry Expansions



TOTAL – \$1.46B

Jobs

- New Locations
- Existing Industry Expansions



TOTAL – 5,069

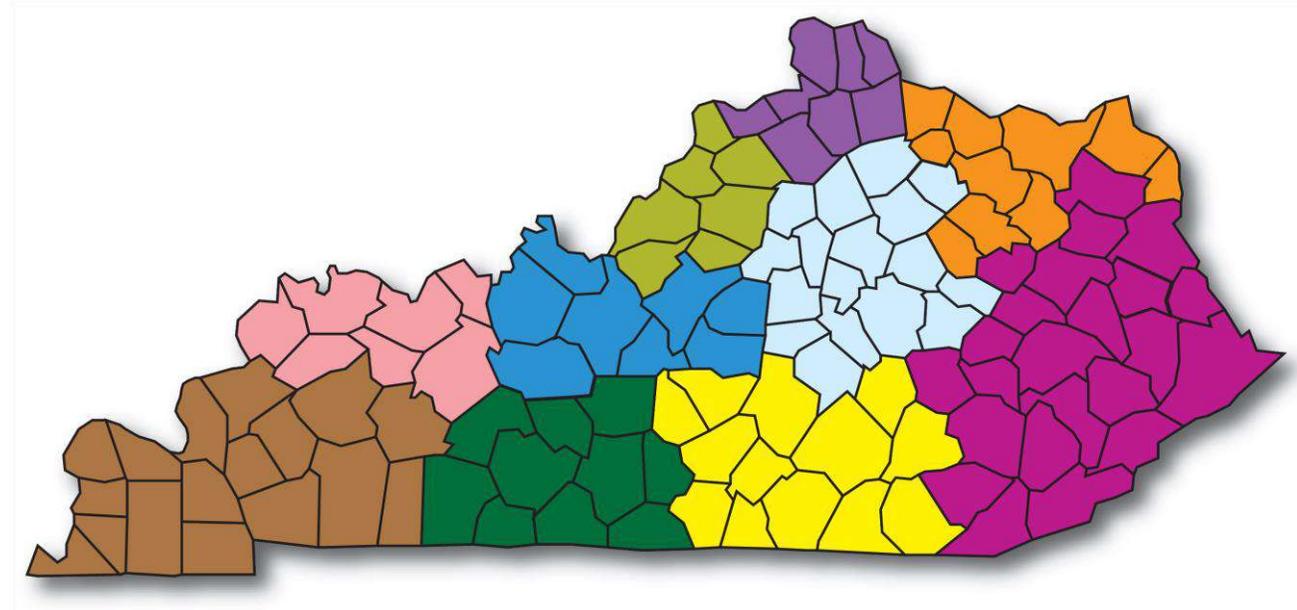
ANNOUNCEMENTS STATEWIDE

PROJECTS, JOBS AND INVESTMENT TOTALS MAPPED BY REGION

GRAND TOTAL (January – September 2020)

Announcements: **86** | Announced Investment: **\$1,456,724,456** | Announced New Jobs: **5,069**

Local Workforce Area	Announcements	Announced Investment	Announced New Jobs
BlueGrass	13	\$296,225,072	466
Cumberlands	7	\$38,594,606	375
EKCEP	2	\$12,160,000	170
Green River	2	\$44,100,000	85
Kentuckiana Works	19	\$324,478,400	1,331
Lincoln Trail	5	\$74,832,089	66
Northern Kentucky	16	\$152,478,770	893
South Central	9	\$393,582,539	1,036
Tenco	4	\$21,773,020	182
West Kentucky	9	\$98,499,960	465



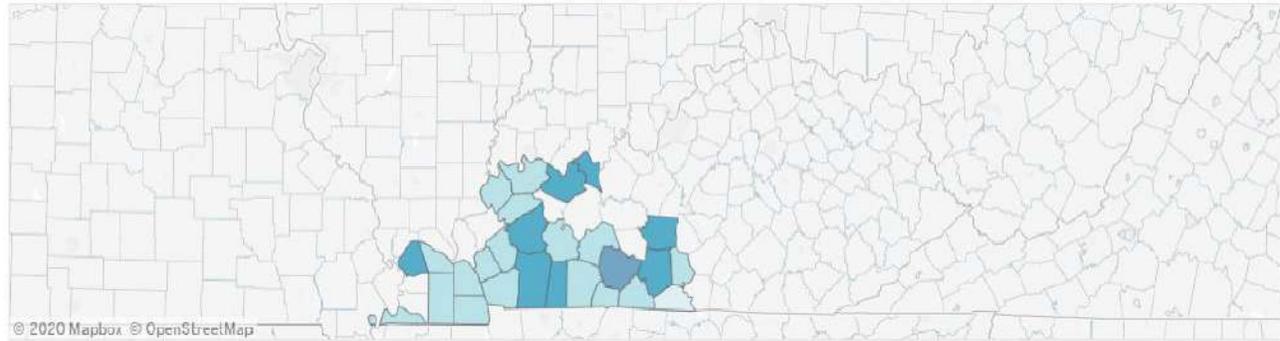
NEW & EXPANDING INDUSTRY DASHBOARD



New & Expanding Announcements
Office of Business and Community Services
Data as of September 30, 2020

Announcements 163	Investment \$2,659,777,601	New Jobs 6,136
-----------------------------	--------------------------------------	--------------------------

Year (Multiple values)	Month (All)	County (All)	Project Type (All)	Local Workforce Area (Multiple values)	Industry Group Name (All)	Parent Country of Origin (All)
---------------------------	----------------	-----------------	-----------------------	---	------------------------------	-----------------------------------



Announced Investment
\$100K to \$1M \$1M to \$100M \$100M to \$500M \$500M to \$1B

Announced Investment by Year	Announced Jobs by Year

ANNOUNCEMENT BY INDUSTRY

Industry	Announcement	Announced Investment	Announced New Jobs
Aerospace	2	\$20,700,000	300
Aluminum-Related	1	\$147,550,000	125
Automotive-Related	7	\$219,206,571	880
Chemicals	2	\$3,360,000	16
Distribution & Logistics	11	\$179,487,945	962
Food & Beverage	20	\$453,836,988	930
Healthcare	4	\$90,923,600	381
Manufacturing	52	\$1,008,259,410	2,679
Plastic & Rubber	9	\$161,904,050	274
Primary Metals	2	\$29,750,000	83
Service & Technology	34	\$448,465,046	2,390
Spirits	12	\$158,886,010	226
Steel & Iron-Related	2	\$29,750,000	83



HOW WE CAN HELP

PROGRAMS

- Incentive Programs
- Build Ready
- Zoom Prospector
- Work Ready
- Product Development Initiative
- Opportunity Zones

SERVICES

- Site Evaluation Services
- Detailed Community Data
- Connect you to resources and expertise
- Incentive and training inducements
- Workforce Services

INCENTIVES AT A GLANCE

Incentive Program Overview

August 2020

Kentucky Economic Development Finance Authority (KEDFA)

Program	Approval	Eligible Companies	Jobs	Minimum Investment	Maximum Duration	Special Provisions
Kentucky Business Investment (KBI)	Preliminary & Final	Manufacturing, non-retail service or technology activities, agribusiness, headquarters operations, alternative fuel, gasification, energy-efficient alternative fuels, renewable energy production, or carbon dioxide transmission pipelines in Kentucky	Minimum - 10; Job target also negotiated	\$100,000	10-15 Years (depending on location) with Compliance Monitoring	The approved company is required to certify that without the incentives offered, the project would likely locate outside of the Commonwealth. Wage requirements are also included.
Kentucky Enterprise Initiative Act (KEIA)	Final	Manufacturing, non-retail service or technology activities, agribusiness, headquarters operations, alternative fuel, gasification, energy-efficient alternative fuels, renewable energy production, carbon dioxide transmission pipelines, or in operating or developing a tourism attraction	None	\$500,000 Construction Materials & Building Fixtures \$50,000 Electronic Processing Equipment	Up to 7 Years with Compliance Monitoring	The total maximum incentive per fiscal year available for all projects is \$20 million for construction materials & building fixtures and \$5 million for R&D, electronic processing and flight simulator equipment.
Kentucky Reinvestment Act (KRA)	Preliminary & Final	Any Kentucky company engaged in manufacturing and related functions at a location operating within the Commonwealth on a permanent basis for a reasonable period of time preceding the request for assistance	Retain 85%	\$2,500,000	Up to 10 Years with Compliance Monitoring	Eligible equipment and related costs do not include repair or replacement due to normal wear and usage. May not claim more than 20% of incentive in any year.
Kentucky Small Business Tax Credit (KSBTC)	Final	Eligible small businesses include for-profit entities that have fifty (50) or fewer full-time employees at the time of application	1	\$5,000	Carryforward up to 5 years	\$25,000 maximum tax credit cap per applicant for each calendar year. Performance must occur prior to submitting application.
Kentucky Angel Investment Tax Credit	Final	A knowledge-based activity related to Bioscience; Environmental and Energy Technology; Health and Human Development; Information Technology and Communications; and Materials Science and Advanced Manufacturing	< 100	Cash investment of \$10,000 made by a Qualified Investor in a Qualified Small Business	Carryforward up to 15 years	Qualified Investors making Qualified Investments may be eligible for up to a forty percent (40%) tax credit.
KEDFA Direct Loan/Grant	Final	Agribusiness, Tourism, Manufacturing, or Service Industry	Negotiable	Negotiable	Up to 20 Years with Compliance Monitoring	Fixed asset financing only is permissible.
Tax Increment Financing (TIF)	Preliminary & Final	Public agencies that need to assist the cost of public infrastructure (e.g., streets, sewers, parking lots, etc.)	None	Property Tax Only - \$10 million Mixed-Use - \$20 million	Up to 30 Years with Compliance Monitoring	TIF captures the future value of an improved property to pay for the current costs of those improvements. Only new tax revenues generated within the

KENTUCKY BUSINESS INVESTMENT PROGRAM (KBI)

ELIGIBILITY

- Manufacturing, agribusiness, regional/national headquarters or non-retail service and technology businesses

RECOVERY METHOD

- Corporate income/LLET credits and employee wage assessments for up to 10 or 15 years, depending on location

REQUIREMENTS

- Create at least 10 new, full-time jobs for Kentucky residents
- Minimum investment of \$100,000 in eligible costs
- Minimum hourly wage and total hourly compensation requirements
- Negotiated job and wage targets



KENTUCKY ENTERPRISE INITIATIVE ACT (KEIA)

ELIGIBILITY

- Manufacturing, service and technology businesses, or those operating or developing a tourism attraction

RECOVERY METHOD

- Refund of sales and use tax paid for building fixtures, construction materials, electronic processing equipment and/or R&D equipment

REQUIREMENTS

- Minimum investment of \$500,000 in eligible costs
- Statutory limit of \$20 million for building fixtures and construction materials, and \$5 million for electronic processing and R&D equipment per fiscal year



TRANSPARENCY



Transparency

The Cabinet for Economic Development strives to operate in a transparent fashion, making public such information as meeting agendas, reports, incentives, etc.

Below, please find updated information on a variety of cabinet programs:

KBI Incentives – Performance
(revised monthly)

[View](#)

Financial Incentives Database
(Allows users to search by company name, location, program type, project status and more)

[View](#)

KEDFA Board Materials, Minutes and other information

[View](#)

Annual Reports
(Includes Bluegrass State Skills Corporation (BSSC), Economic Development Bonds (EDB), Kentucky Investment Fund Act (KIFA), Kentucky Enterprise Initiative Act (KEIA), Incentives for Energy Independence Act, Office of Entrepreneurship and KEDFA Audited Financial Statements)

[View](#)

Open Records Requests
The Cabinet for Economic Development complies with the state's open records statutes. Please submit all open records to:
CEDOpenRecords@ky.gov.

BUILD READY

With a Build-Ready site, the local community has eliminated much of your “red tape” by acting in advance to:

- Identify a site
 - Construct a pad of at least 50,000 square-feet, expandible to 100,000 square-feet or more
 - Ensure proper zoning is in place
 - Resolve all environmental issues
 - Provide an engineer-approved plat of the property and develop site and building plans
 - Extend utilities to the site or establish plans to do so
 - Plan road access to the site
 - Outline project costs and construction timeline
-
- 15 current sites



LIST YOUR PROPERTIES

ZoomProspector

The screenshot displays the ZoomProspector website interface. At the top, there is a navigation bar with tabs for "State of Kentucky", "PROPERTY SEARCH", "COMMUNITY DATA", and "WORKFORCE". Below this is a search bar with "Location" and a "1" notification icon. Filter options include "All Properties", "Size", and "Sale / Lease". A "New Search" button and a "Saved Results 0" indicator are also present.

The main content area is titled "Property Results" and shows "340 total Properties". It includes a "TEAM KENTUCKY" logo, a "Sort By: Featured" dropdown, and buttons for "PDF", "Excel", "Print", and "Share". A "Map Layers" panel is visible on the right, with "Show Properties" checked. The map shows a blue outline of Kentucky with green circles indicating property counts in various regions: 28, 56, 135, 28, 54, 14, 17, and 8.

Two property listings are shown in a grid:

- I-24 Industrial Park**
Address: 5600 Commerce Dr, Paducah, KY 4...
City: Paducah
County: McCracken County
Zip Code: 42001
Min Size: 136.60 Acres
- Washington County Commerce ...**
Address: 201 Corporate Dr, Springfield, KY 40...
City: Springfield
County: Washington County
Zip Code: 40069
Min Size: 2.50 Acres

The map on the right includes a legend, a "Search as I move the map" checkbox, and a "MAP TOOLS" section at the bottom.



KENTUCKY HELPS TRAIN YOUR WORKFORCE

- Recruitment & Job Placement
- Customized Training
- Training Incentives
- Skill Development



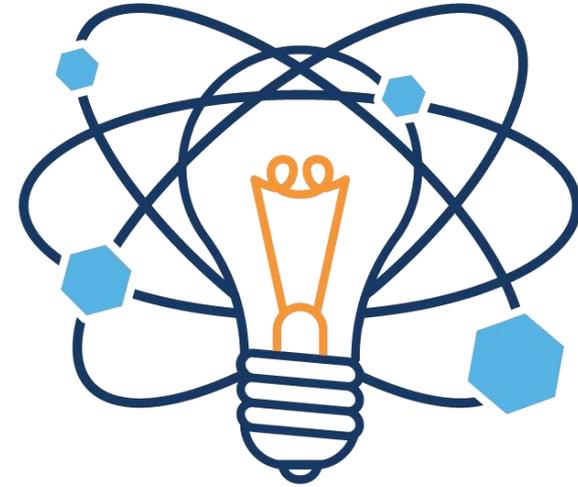
WORKFORCE PROGRAMS

Bluegrass State Skills Corporation (BSSC)

- Grant-in-Aid (GIA) – Provides up to 50% cash reimbursement of eligible costs to eligible companies/consortia for approved training activities
- Skills Training Investment Credit (STIC) - Provides up to 50% tax credit of eligible costs to eligible companies/consortia for approved training activities
- Eligible trainees must be FTE, Kentucky residents, and meet wage requirements
- Budget includes \$6.8 million funding for this program - \$4.3 million for GIA, \$2.5 million for STIC

THE CABINET'S **SMALL BUSINESS FOCUS**

KY Innovation is focused
on assisting the growth
of small businesses



KY INNOVATION

CATALYST FOR GROWTH

LOOKING FORWARD

Lead Generation

- Measured, proactive outreach to targeted site selection consultants
- Enhancements to CED website
- Reshoring Opportunities

Supporting Diversity in Kentucky

- Women & Economic Development Initiative in partnership with KAED
- Cabinet wide focus on development of minority owned/operated businesses

Target Markets 2.0

- New additions for Project Managers (Data Centers)
- California campaign duplication

Agritech Initiative

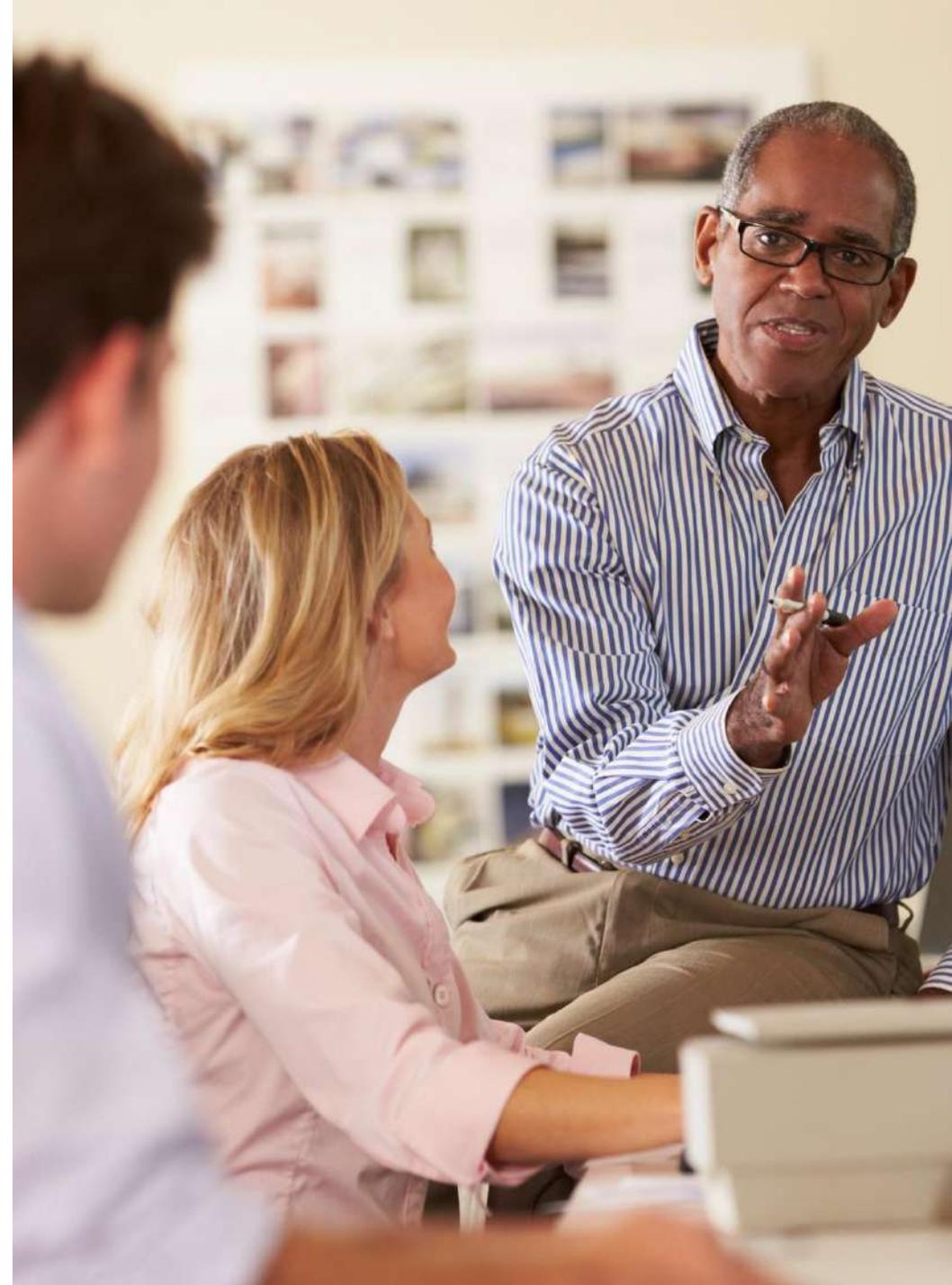
- Collaboration agreement with the Netherlands

Work to better the lives of Kentuckians through smart recruitment!

- High skilled, quality wage jobs

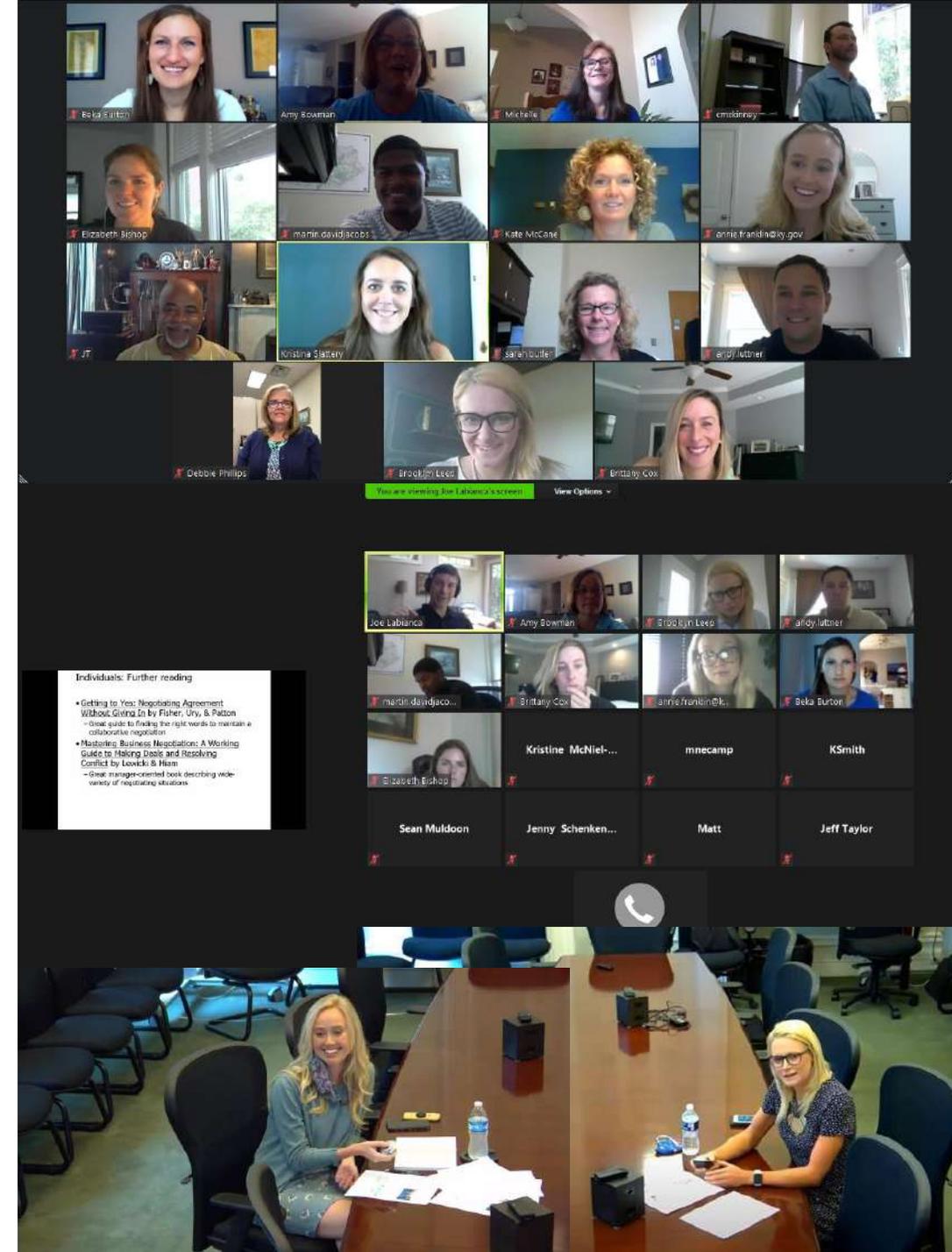
New & Expanding Industries Dashboard

- More to come!



COVID-19 SUPPORT

- Sourced PPE
- Dedicated a staff to Emergency Management Center
- Provided resources to small businesses regarding CARES Act and funding
- Prepared economic effects analysis of the pandemic
- Converted majority of staff to teleworking and virtual meetings and site visits
- Secretary participated in the Governor's Task Force for reviewing Healthy at Work plans
- Staffed the PPE Donation hotline and assisted with Unemployment Insurance calls
- Build in flexibility for incentive programs
- COVID Related Annual Survey Questions



Individuals: Further reading

- **Getting to Yes: Negotiating Agreement Without Giving In** by Fisher, Ury, & Patton
—Great guide to finding the right work to maintain a collaborative negotiation
- **Mastering Business Negotiation: A Working Guide to Making Deals and Resolving Conflict** by Lewis & Mann
—Great management-oriented book describing wide-variety of negotiating situations



Q & A



THANK YOU

Kristina Slattery
Kristina.Slattery@ky.gov
Mobile: 502-234-4350

CED.ky.gov

TEAM 
KENTUCKY
CABINET FOR ECONOMIC DEVELOPMENT



Strengthening the Kentucky Riverport Economy: Partnerships, Incentives and Strategies

- *New revenue streams \$\$\$\$\$\$*
- *stronger return on investment (ROI),*
- *equitable economic development,*
- *new recruitment, new human capital*



“You can’t solve a problem on the same level that it was created. You have to rise above it to the next level.”

- Albert Einstein



Future Proofing the Kentucky Inland River Port Network

How can CED better coordinate with the Riverports?

- Consider creating specific **Kentucky televised and social media forums** to inform and gather support for funding and investments. A “River Port CED” economic development series can present current strategies, state, US and **global best practices for citizen input and to persuade investors to participate financially.**
- Consider **increasing the size of matching state grants and performance measures** for port modernization and industry recruitment
- **Offer a portfolio of technology and small business innovations,** technical assistance to River Ports and River Port Regions to increase trade, logistics, entrepreneurship in a hard ball global marketplace
- Consider **convening state “Connecting Education to the Economy” continuity forums** with leadership of elementary, middle, high school and community colleges, port business, logistic and trade users
- **Advance a partnership with Department of Agriculture County Agents** in the host rural communities. County Agents offer the potential to strengthen boots on the ground economics, agriculture, labor and cultural tourism opportunities for river cities.



QUESTION 1: NEW REVENUE STREAM STRATEGIES?

What are these **opportunities**? New business, revitalization, human capital, national/global vision.

Accelerate billions of dollars of private investments to port communities and port infrastructure development. **Invite private infrastructure companies to future forums** to discuss global funded projects as case studies for the river port network and become future funders.

Increase the recruitment effectiveness to revitalize local tax bases without raising taxes or cutting services, **attract federal funds** for local matching multi modal dollars. River Port regions, counties and cities can **increase their share of infrastructure dollars in 2021**.

Accelerate the elimination of youth poverty and related government expenses through **fresh incentives with port user partnerships and infrastructure contractors**. Tutoring youth for high paying careers reduces long term government expenses in the heavily funded police, courts, public health, housing and social service delivery systems.

Facilitate investment in a Kentucky initiated multi state port network ; a “**St Lawrence Seaway like Partnership**” for commerce, equitable economic development and ecological disaster planning. A Kentucky led vision for an interstate economic contract with regional ports will lead to a pipeline of funding.



QUESTION 2: MODIFY INCENTIVES?

What incentive programs could be added or modified to benefit development?

ROI Software

- Consider adding performance-based ROI business incentive platforms, software (LOCI, ET) to ensure contracts are cash positive ROI. These economic development incentive tools eliminate the economic blindside of government investments.

Transparency

- Advocate for Regions, City and counties with river ports to recruit new industry to strengthen and diversify their economies.
- Documenting the cost benefit will increase transparency, equity, happiness and confidence in the investment strategy.

Eliminate Youth Poverty

- Consider creating a new incentive for new and existing businesses to tutor river port area youth in poverty for high income careers, creating a reverse brain drain for rural and poverty communities and neighborhoods.
- The current workforce reskilling is expensive, geared towards adults. The ROI for retraining adults is less than the ROI for tutoring youth in poverty. Kentucky has a high incidence of poverty and high poverty costs.

Leverage private investment into Port and Port hinterland regeneration

- Consider revisiting performance-based incentive platforms to attract global private sector infrastructure companies to invest in the River Port Network and adjacent communities.
- Identify key global infrastructure companies to investigate their incentives and performance for potential replication in Kentucky.

Leverage public funded infrastructure contracts

- Consider adding a bonus system of incentives to companies seeking to design, engineer, finance, insure, build port infrastructure.
- Consider incentivizing potential contractors to scale up entrepreneurial and management internships for the duration of their project involvement.
- Poverty, led by increasing numbers of youth in poverty is not sustainable in the post corona virus economy. Creating an entrepreneurship youth wave will reduce government costs and future proof the Kentucky economy.

QUESTION 3: NEW METRICS?

- Do the metrics used in Kentucky help identify performance?
 - **Yes, business income, and jobs created are excellent measures.**

“Kentucky announced \$9.2 billion in corporate expansion and new location projects in 2017, along with commitments to create more than 17,200 jobs.”
<https://businessfacilities.com/2018/01/kentucky-corporate-investment-hit-record-9-2-billion-2017/>
 - Kentucky also had 577 companies create 55,173 jobs "between 2001 and 2010.
- For 2021 - 2022 consider adding new ROI performance measures:
 - **number of persons lifted out of poverty,**
 - **increased family disposable income** as a measure of
 - **equitable economic development,** and the ROI of
 - **taxes generated to local governments** resulting directly from port expansion and modernization.
- Also consider adding a metric to measure **happiness** to assess citizen satisfaction with government performance, quality of life, and work life.



Case Studies

- **Brookings Institute** https://www.brookings.edu/wp-content/uploads/2018/02/report_examining-the-local-value-of-economic-development-incentives_brookings-metro_march-2018.pdf
- **National League of Cities** <https://www.nlc.org/article/2017/11/09/how-austin-texas-got-equitable-economic-development-right/>
- **6 states with the best incentives for small businesses**
<https://www.kabbage.com/resource-center/finance/6-states-offer-best-tax-incentives-small-business-owners/>
- **Top 10 Ranking on Incentives** <https://www.globaltrademag.com/our-annual-governors-cup-ranks-top-10-southern-states-for-site-selection-incentives/>



For more information

Advance the River Port Network as another prosperity engine for Kentucky

From Metro Analytics

Thank You

Kevin Johns AICP

kjohns@metroanalytics.com

1-770-366-1212



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY





KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY

**Welcome to the First
Kentucky Summit on the
Economic Role of Freight Modes**

**Economic Development
with Riverports**



Breakout Session



Breakout Session Overview

- Each group will have 16 minutes
- Review each question and discuss accordingly (~5min per question)
- Team members will take notes in order to compare ideas with the larger group afterwards
- After 15 minutes has elapsed, each participant will receive a prompt to return to the main meeting space. This will appear as a 1-minute countdown. If discussion is complete, you can hit enter to return. If not, you all will **AUTOMATICALLY** be pulled back into the larger group once the timer hits zero.

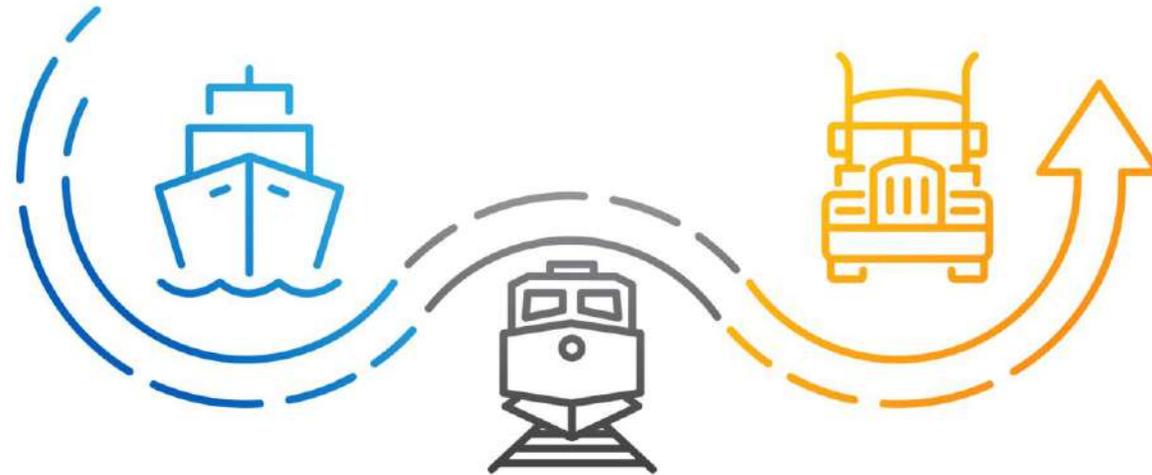


Questions

1. How can CED better coordinate with the Riverports? What are these opportunities?
2. What incentive programs could be added or modified to benefit development?
3. Do the metrics used in Kentucky help identify performance?



Breakout Groups Now



**KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY**



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Questions



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Kentucky Summit on the Economic Role of Freight Modes

- All sessions will be recorded
- Attendees can participate in sessions via Zoom – video and/or audio

Opening Session	Nov. 16 1:00 to 2:00pm
State of the Ports	Nov. 17 11:00am to 12:00pm
Current Freight Movements in the Market	Nov. 17 1:00 to 2:00pm
Economic Development with Riverports	Nov. 17 3:00 to 4:00pm
Funding	Nov. 18 11:00am to 12:00pm
Port Interactions and Logistics	Nov. 18 1:00 to 2:00pm
Closing Session	Nov. 18 3:00 to 4:00pm



FUNDING PROGRAMS

Panelists:

Deb Calhoun

Senior Vice President
(Waterways Council Inc.)



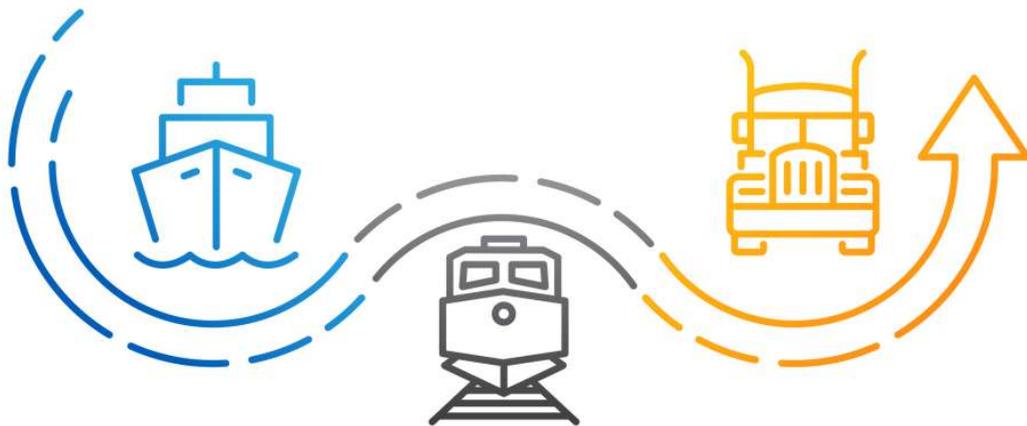
Jimmy McDonald

Freight Practice Leader, Senior Maritime
Consultant (Metro Analytics)



Chad Dorsey

Director, Inland Waterways Gateway Office
(Paducah Office of Maritime & Intermodal
Outreach, USDOT Maritime Administration,
MARAD)



**KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY**



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Port Funding Programs

Winston Churchill was asked to cut funding to the classical arts to support the efforts of WWII. He responded by saying,
“Then what are we fighting for?”





WCI and Its Mission: Funding for the Inland Waterways System

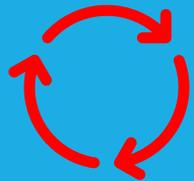
DEB CALHOUN, SVP

KY RIVERPORTS SUMMIT

NOVEMBER 18, 2020



WCI's 3-pronged approach to advocacy



**Direct Lobbying
of Congress**



Grassroots



**Media and
Communications**



**12,000 MILES
IN 38 STATES**

239 LOCKS AT 193 SITES

NEARLY
**600 MILLION
ANNUAL TONS**

VALUED AT OVER \$300 BILLION

**20% OF COAL
60% OF GRAIN**

MOVED ON OUR RIVER SYSTEM

TODAY'S U.S. INLAND WATERWAYS SYSTEM
A CRITICAL PART OF THE TRANSPORTATION SUPPLY CHAIN

AS MANY AS
540,000 JOBS
DEPEND ON INLAND NAVIGATION

**THE SAFEST AND
MOST ENERGY-EFFICIENT**
MODE OF SURFACE TRANSPORTATION



Waterways Benefit the Entire Nation

Who Benefits from the Waterways?



Flood Control Beneficiaries



Shippers



Recreational Boaters



Land Owners

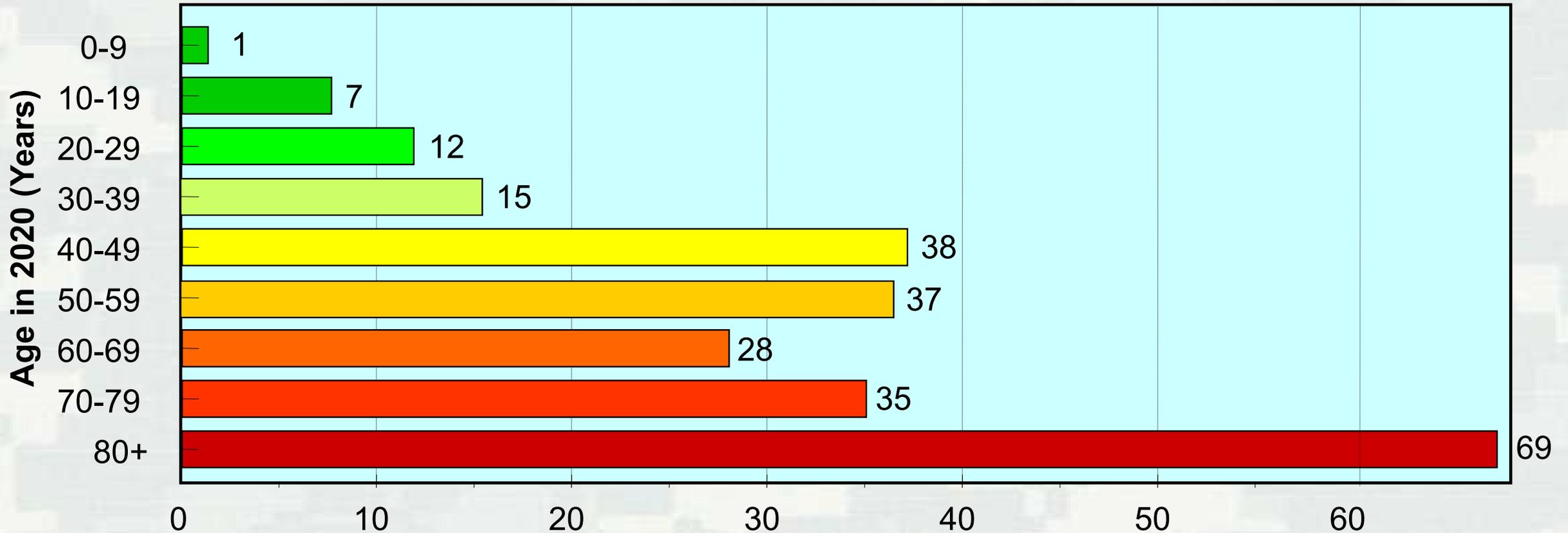


Hydropower Generation



Industrial and Municipal Water Users

Aging Corps Lock Portfolio: 2020



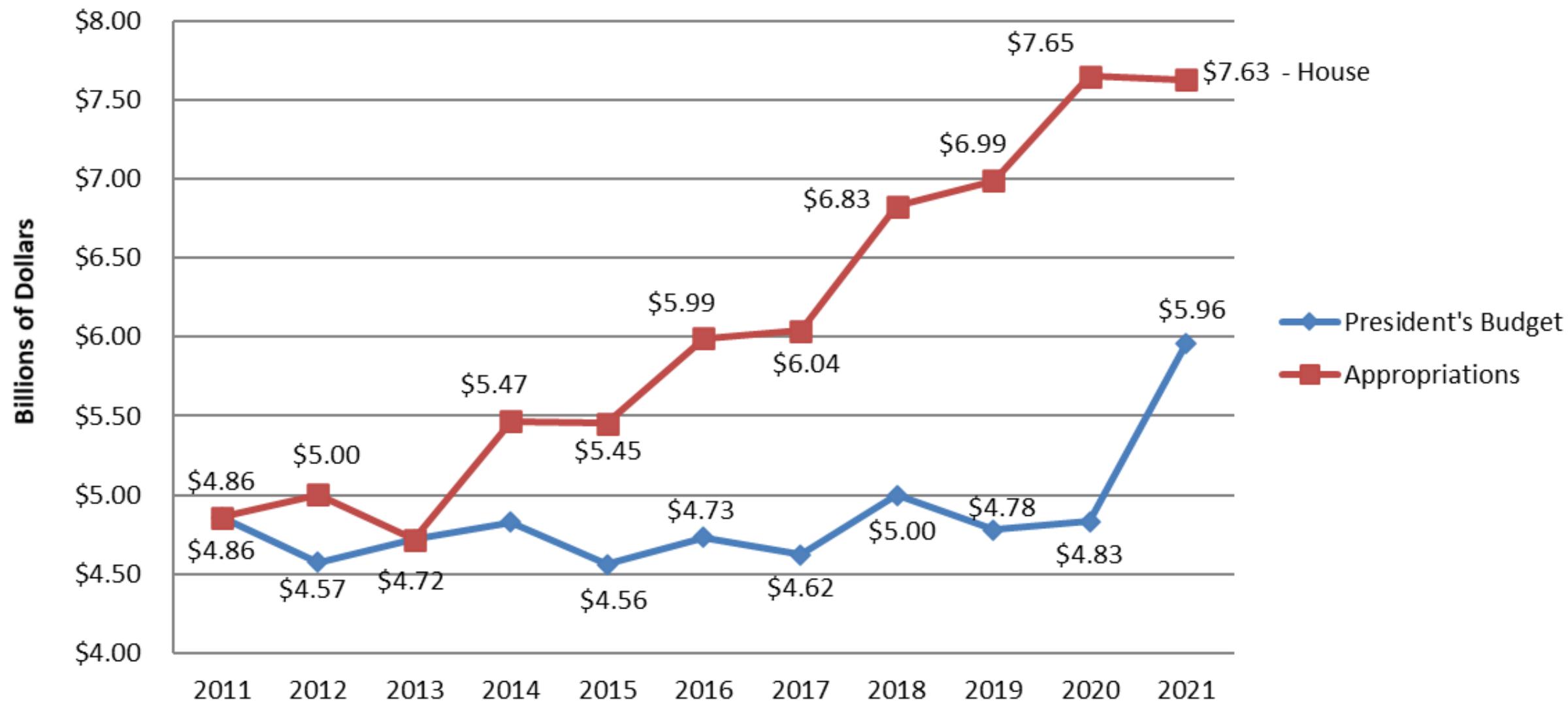
242 Operational Lock Chambers

**Includes All Operational Deep and Shallow Draft Corps and TVA Navigation Locks and Control Structures.*

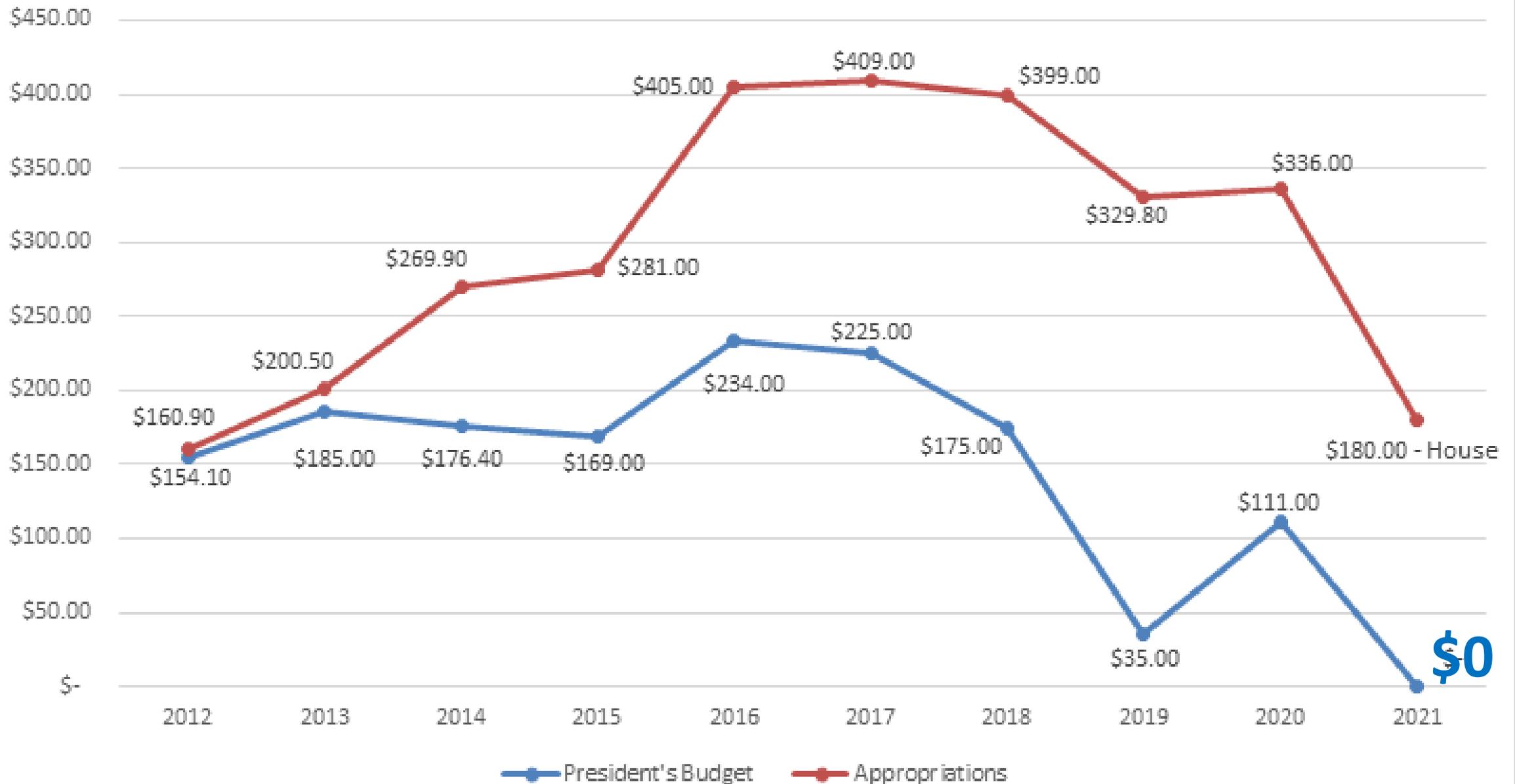


BUILDING STRONG®

Army Corps – Civil Works Total Annual Funding



Annual Funding for the Inland Waterways Trust Fund Projects





WRDA 2020 Priorities

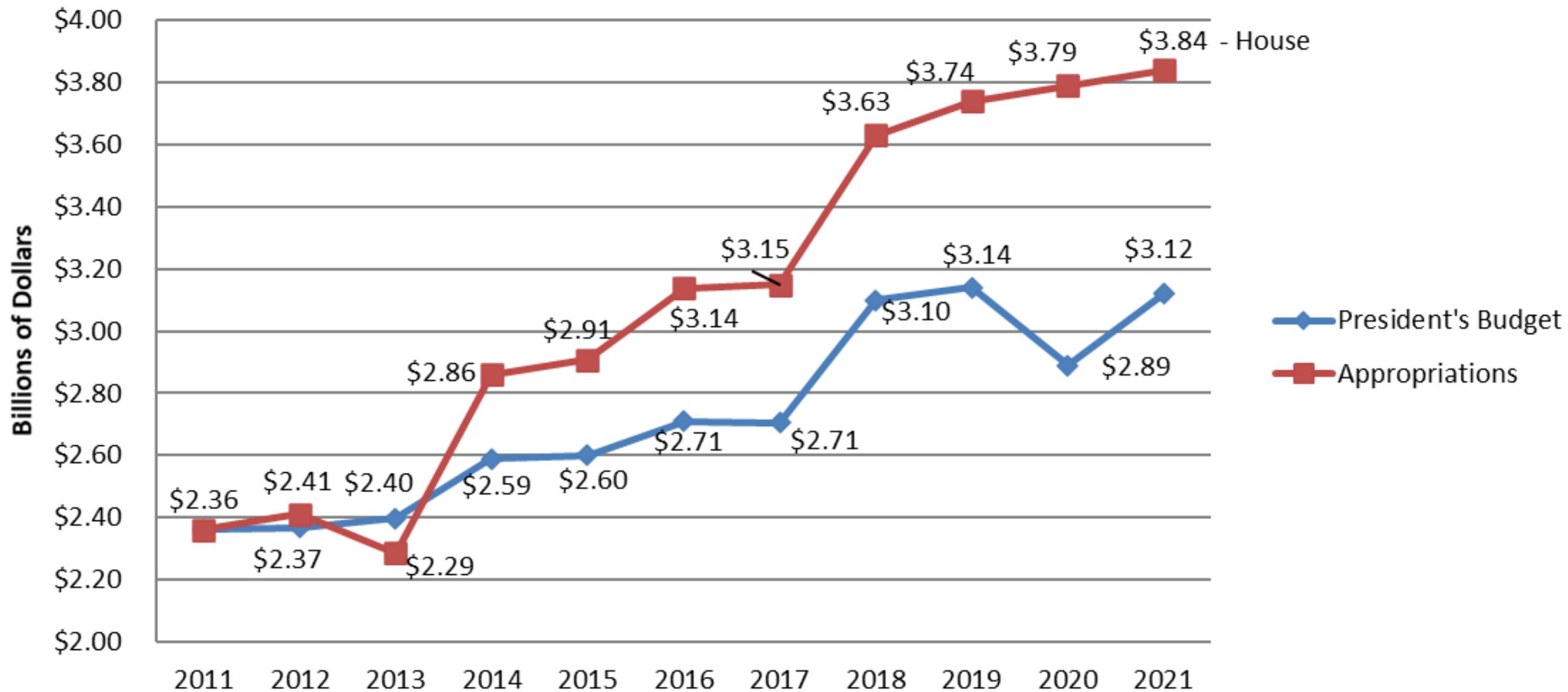
- Conform the cost-share of Inland Waterways Trust Fund-funded projects to match deep-water ports
 - WRDA 2016 changed HMTF to 75%/25%
 - IWTF Currently 50%/50% in most cases
 - Exceptions precedent: Chickamauga (FY19, FY20), Olmsted (FY14-FY20)
 - It's been a 70%/30% share the past six years
- Block any tolls or lockage fees

Water Resources Development Act 2020

- Senate base text: 65%/35%
 - 17 Senators requested 75/25 shift
- House base text: 65%/35%,
7-year sunset, each new
start within FY21-27 stays
at 65/35 until construction
completion
 - 78 House Members requested
75/25



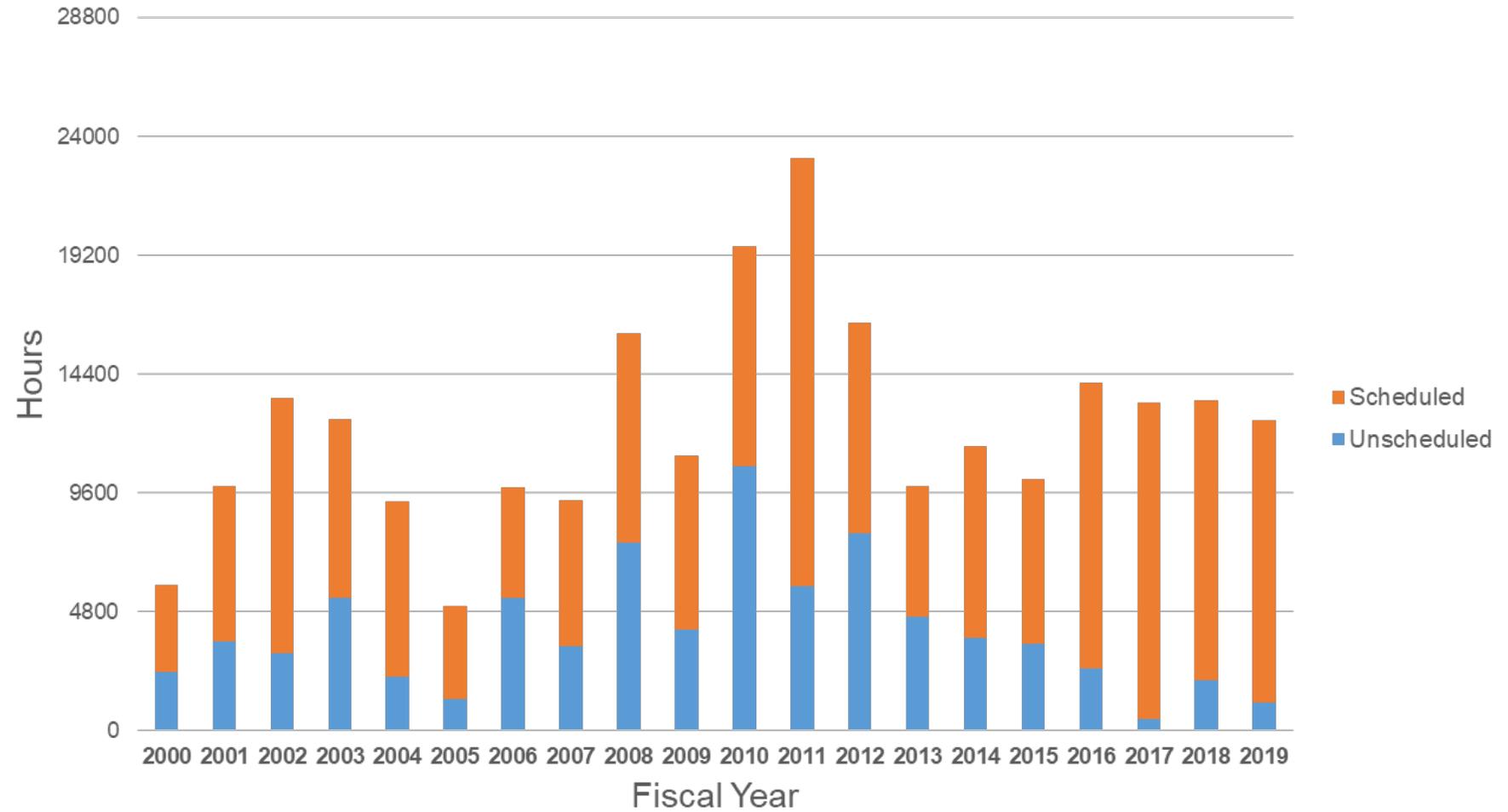
Annual Funding for Operations and Maintenance





*National Lock
Portfolio Service
Trends
Main Chamber
Mechanical
Unavailable Hours
(Events Longer than 1
Day)*

Lock Closures
Main Chamber Mechanical Unavailable Hours
(Events longer than 1 day)





New Data Source: National Waterways Foundation State Waterways Profiles

www.nationalwaterwaysfoundation.org

ECONOMIC IMPACT OF
KENTUCKY'S
INLAND WATERWAYS

IN 2018, KENTUCKY'S PORTS, INLAND WATERWAYS, AND INLAND WATERWAYS-DEPENDENT INDUSTRIES SUPPORTED

Nearly **110,000 jobs**

\$5.9 billion in personal income

\$12.0 billion in Gross State Product

\$30.7 billion in total output

...Giving rise to more than **\$1.2 billion** in state & local tax revenue

Kentucky has
1,590 MILES
of navigable inland waterways, ranking it
4th in the nation

Industry Sub-Category	Percent of Goods Shipped by Water (Tons)	Direct Kentucky Jobs
Utilities	⊕ 37.4% of inbound	6,820
Mining (except oil & gas)	⊖ 27.4% of outbound	7,750
Crop production	⊖ 20.0% of outbound	3,270*
Chemical manufacturing	⊕ 17.3% of inbound	12,560
Nonmetallic mineral prod. mfg.	⊖ 15.8% of outbound	7,470

*Total for Agriculture, Forestry, Fishing, and Hunting sector (NAICS 1)

TOP INLAND WATERWAYS COMMODITIES BY WEIGHT
(comprising 79% of total tonnage)

Coal, lignite, and coal coke

41.4 million tons

Sand, gravel, shells, clay, silt, & slag

35.8 million tons

Petroleum products

8.7 million tons

TOP INLAND WATERWAYS COMMODITIES BY VALUE
(comprising 54% of total value)

Basic chemicals used in consumer products, including capstanes, dyes, and cosmetics

\$2.6 billion

Gasoline

\$2.0 billion

Coal

\$1.8 billion

KENTUCKY'S INLAND WATERWAY ASSETS AT A GLANCE

Mississippi, Tennessee and Ohio Rivers

11 public ports

In 2018, **108M** tons of freight valued at **\$11.9 BILLION** moved on Kentucky's inland waterways, which is equivalent to **2.7 MILLION TRUCKS**

Avoided trucks translates into **reduced congestion, emissions, and crashes**, lessening impacts on highway infrastructure



Why are the waterways and *investment* in the waterways so important?

- **Fuel-Efficient**
 - **Environmentally Friendly**
 - **Reduce Traffic Congestion**
 - **Cheapest Mode for Shippers (and Consumers)**
 - **Facilitates U.S. Competitiveness**
 - **Capacity**
- 



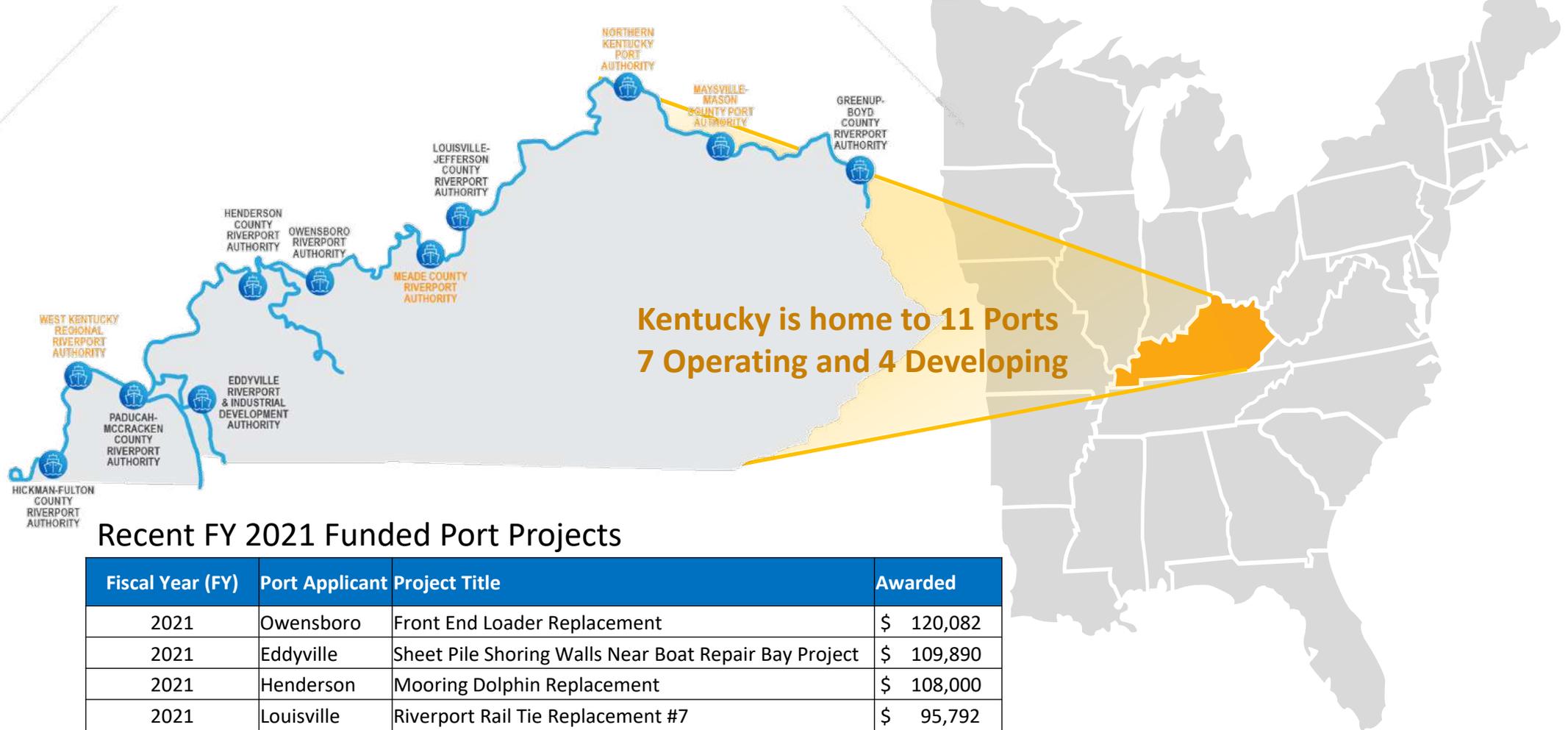
Thank You!

For questions:

- Dcalhoun@waterwayscouncil.org
- 301-332-0813



State Funding Directly For Ports



Recent FY 2021 Funded Port Projects

Fiscal Year (FY)	Port Applicant	Project Title	Awarded
2021	Owensboro	Front End Loader Replacement	\$ 120,082
2021	Eddyville	Sheet Pile Shoring Walls Near Boat Repair Bay Project	\$ 109,890
2021	Henderson	Mooring Dolphin Replacement	\$ 108,000
2021	Louisville	Riverport Rail Tie Replacement #7	\$ 95,792
2021	Paducah	River Belt Discharge Chute Refurbishment	\$ 16,236



Kentucky

PORT FUNDING PROGRAMS

Kentucky Riverport Financial Assistance Trust Fund -

- Legislative Statute KRS 174.210 created a Trust Fund
- The Fund can receive: State and Federal Funds, Contributions, Gifts, Donations

The State Funding Program is Kentucky Riverport Improvement (KRI) Funds

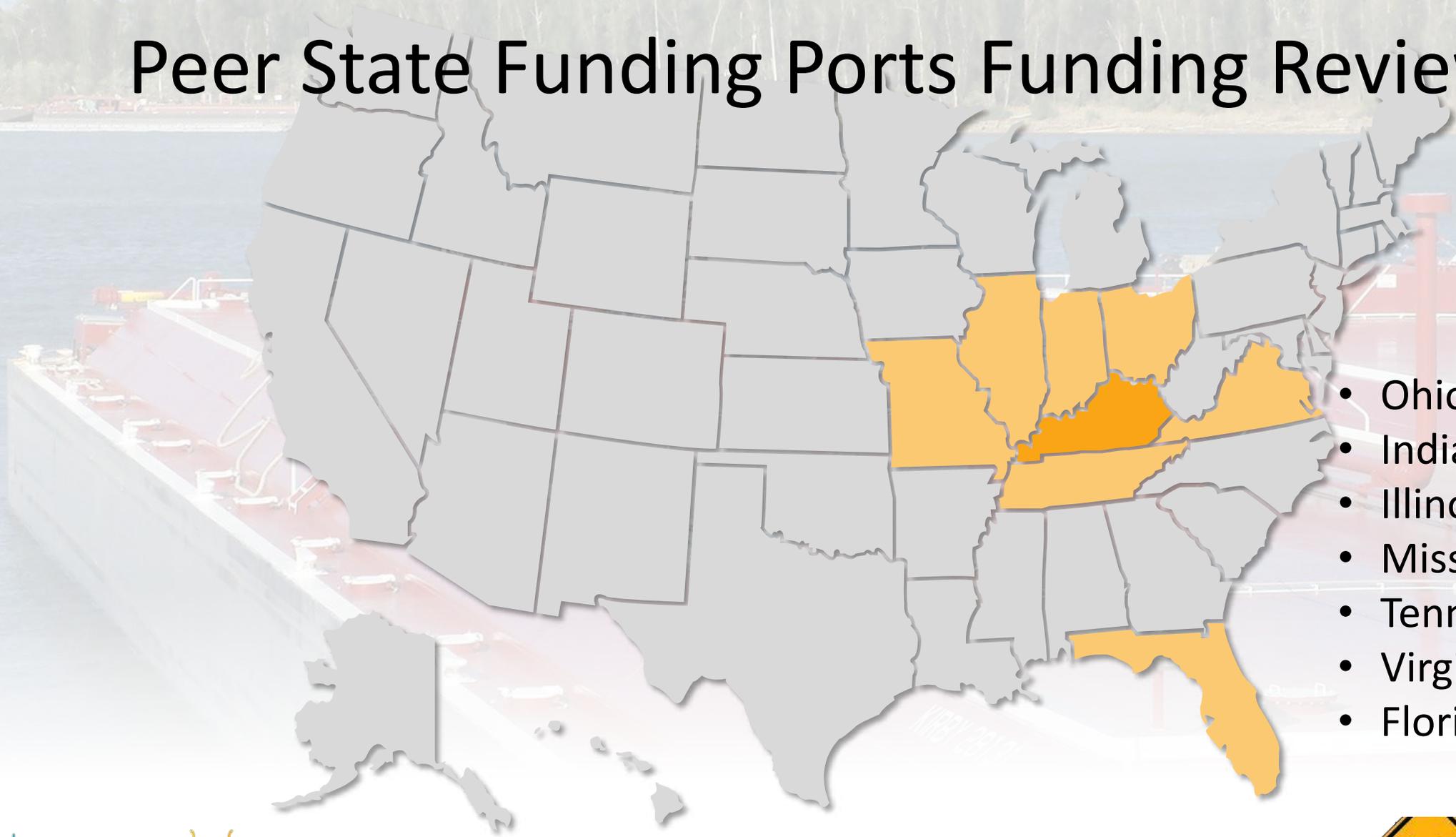
- Since FY2013 \$500K State General Transportation Funds were allocated annually totally \$4.4 million by 2021, leveraging approximately \$9 million in total project costs
- To date there has been nine (9) Fiscal Cycles with 64 projects receiving allocations
- Funded Projects include: Crane Repair and Replacement; Conveyor Upgrades, Access Road Paving, Rail repair, dolphin replacement, dock improvements, dredging, grain elevator, truck scales, etc....

KRI Annual Program	Total Award	No. Projects
2021	\$ 450,000	5
2020	\$ 510,000	7
2019	\$ 452,734	6
2018	\$ 499,950	4
2017	\$ 529,176	7
2016	\$ 500,000	7
2015	\$ 500,000	9
2014	\$ 458,848	11
2013	\$ 449,997	8
Grand Total	\$ 4,350,704	64

KY Riverports	Sum All Years	No. Projects
Owensboro	\$ 1,347,884	16
Hickman	\$ 724,055	13
Henderson	\$ 660,390	7
Louisville	\$ 653,677	8
Paducah	\$ 412,441	7
Eddyville	\$ 394,920	11
Greenup-Boyd	\$ 157,338	2
Grand Total	\$ 4,350,704	64



Peer State Funding Ports Funding Review



- Ohio
- Indiana
- Illinois
- Missouri
- Tennessee
- Virginia
- Florida



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY





Ohio

PORT FUNDING PROGRAMS

Maritime Assistance Program

1st Year Amount: \$11 million 2020 Funding

2nd Year Amount: \$12 million 2021 Funding

- Matching Requirements 50/50
- Program Invests \$23 million and leverages \$90 million in Water Port infrastructure
- 13 projects have been funded
- 5 Public Port Authorities on the Great Lakes and Ohio River
- Primary use is to repair, rebuild, and revitalize maritime transportation systems

Benefits: Major funding dollars, solid match, 3 projects per port

Shortfalls: 2-year allocation – not a long-term program
No long-term resolution or fixed capital programs





Indiana

PORT FUNDING PROGRAMS



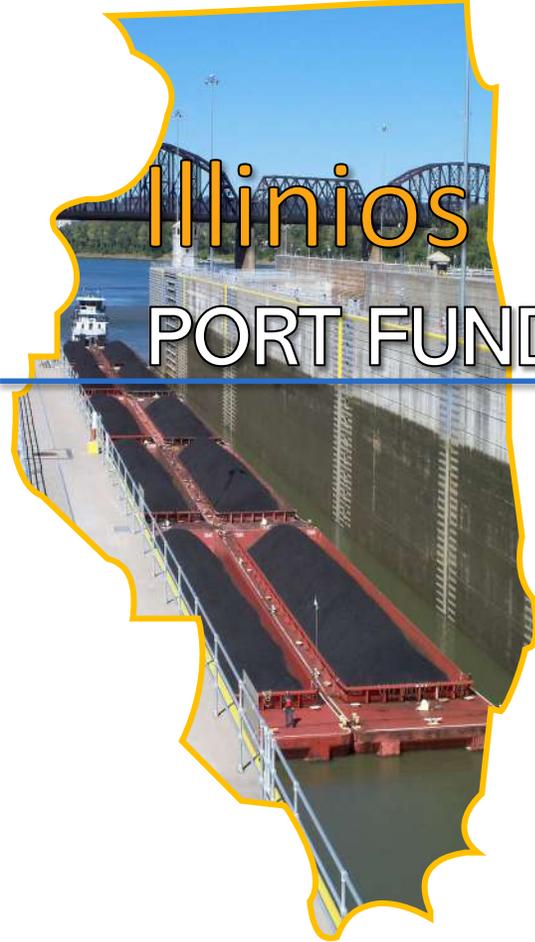
Amount:

- MARAD – Federal Grant
- \$4 million 2020 Funding For New Bulk Storage Facility
- Matching Requirements 50/50
- 84,000-square-foot warehouse and a 1.65-acre storage
- In 2017 – FastLane Grant for \$9.9 Million

Benefits: Major funding dollars, solid match

Shortfalls: Only receiving Federal Funding –
No State No long-term resolution or fixed capital programs





Illinois

PORT FUNDING PROGRAMS

Rebuild Illinois Fund – Fast Track Public Infrastructure (FTPI) Component

Amount:

- \$150 million appropriation for Illinois ports
- \$33.2 Billion over a 6-year period
- Matching Requirements 50/50
- \$1 Billion in Rail improvements
- \$40 million allocated in 2020 to fund a New Port Cairo

Benefits:

Enormous Investment Statewide
Multimodal – Port have significant funds
Highways and Rail help ports with cross-over
Ports can use for new development projects

Shortfalls:

19 Ports to spread the money across
Doesn't have continuing resolution of statute mandate



Missouri

PORT FUNDING PROGRAMS

The Freight Enhancement Program (FRE)

Amount:

- \$1 million appropriation for Missouri ports
- These funds must be used for a transportation purpose other than highways
- Matching Requirements 80/20
- \$500,000 one project max
- Must be completed in one year

Benefits: Multimodal – Port can gain access
Low matching requirement

Shortfalls: **Many Ports very little money**
Competes with other modes not port only
Doesn't have continuing resolution of statute mandate



Florida

PORT FUNDING PROGRAMS



Florida Department of Transportation (FDOT)

- Statutory minimum of \$100 million annual direct port funding allocation
- The State Transportation Trust Fund (STTF) to the seaport program includes:
 - \$25 million for the Florida Seaport Transportation and Economic Development (FSTED) Program
 - \$35 million for the Strategic Port Investment Initiative (SPII) Grant Program
 - \$25 million for debt service for the 1996 and 1999 bond programs
 - \$10 million to support the 2013/2014 bond program
 - \$5 million for the Intermodal Logistics Center (ILC) Support Grant Program.

Benefits: **Dedicated Long-term funding guarantee in Statute**

Multimodal Funding – Port can gain access – Diversified Funding Pots

Lower matching requirements on major projects like dredging 75/25 (50/50 on 25)

Shortfalls: **15 Ports many and big project needs - 1.6 Billion in capital needs**

Federal share USACE can lag

Cost of land high



Tennessee

PORT FUNDING PROGRAMS



Tennessee TDOT – No Dedicated Port Funding Program

Tennessee Tom Bigbee (TennTom) Waterway Authority

- Supports 28 Ports including - Paducah/McCracken County Port - Kentucky
- Tennessee Department of Economic and Community Development (TNECD) received a port specific BUILD grant for \$7 million for Port of Cates Landing
- Tennessee does have \$42 million in dedicated rail funding
- Which has \$10.3 Million for Rehab Projects – 25 apps/8 awards
- A new 2020 Rail Assessment is underway determining new projects

Benefits: Has active waterway authority
Ports and Economic Development have close partnership
Has rail funding that ports can partner for short-line rail funds

Shortfalls: **28 Ports on TTW Authority – mainly federal funding**
No dedicated state port funding



Virginia

PORT FUNDING PROGRAMS



Port of Virginia Economic and Infrastructure Development Grant Program (POV Grant)

Amount:

- VDOT has a \$42 million annual budget Port Trust Fund
- \$5 million annual allocations to Ports of Virginia (POV)
- \$500,000 to any one qualifying company or applicant
- Qualifying companies can access up to \$2 million annually
- Matching Requirements 50/50 and 80/20
- Must be completed in one year
- **Major Tax Incentive Programs for Barge and Rail users**

Benefits: Port dedicated annual multi-year funding – Port Authority Level and VDOT

Low matching requirement

Private Partnerships Applicable

Innovative Funding with Tax breaks for users and operators

Shortfalls: Application processes – State picks winners and losers

Many Terminals – low funding



Questions and Comments

- Type questions in chat, We will have an open mic town hall question and comment session!
- Additional descriptions will be provided covering features of State, Federal, and Innovative Funding Programs!
- **Thank You** for this great opportunity to share with you!
- **Please Welcome:**
 - Chad Dorsey – Director of Inland Gateway Office MARAD





MARITIME ADMINISTRATION

MARAD – Office of Ports and Waterways
Office of Maritime and Intermodal Outreach





KENTUCKY RIVERPORTS,
HIGHWAY & RAIL FREIGHT
STUDY

BUILDING A
COLLABORATIVE
COMMERCE
NETWORK
ACROSS
KENTUCKY

**FIRST KENTUCKY SUMMIT ON THE
ECONOMIC ROLE OF FREIGHT MODES**

Maritime Administration & the Inland Waterways:

- Overview of MARAD and Gateway Offices
- Review of USDOT & MARAD Programming
- Kentucky Grants Overview

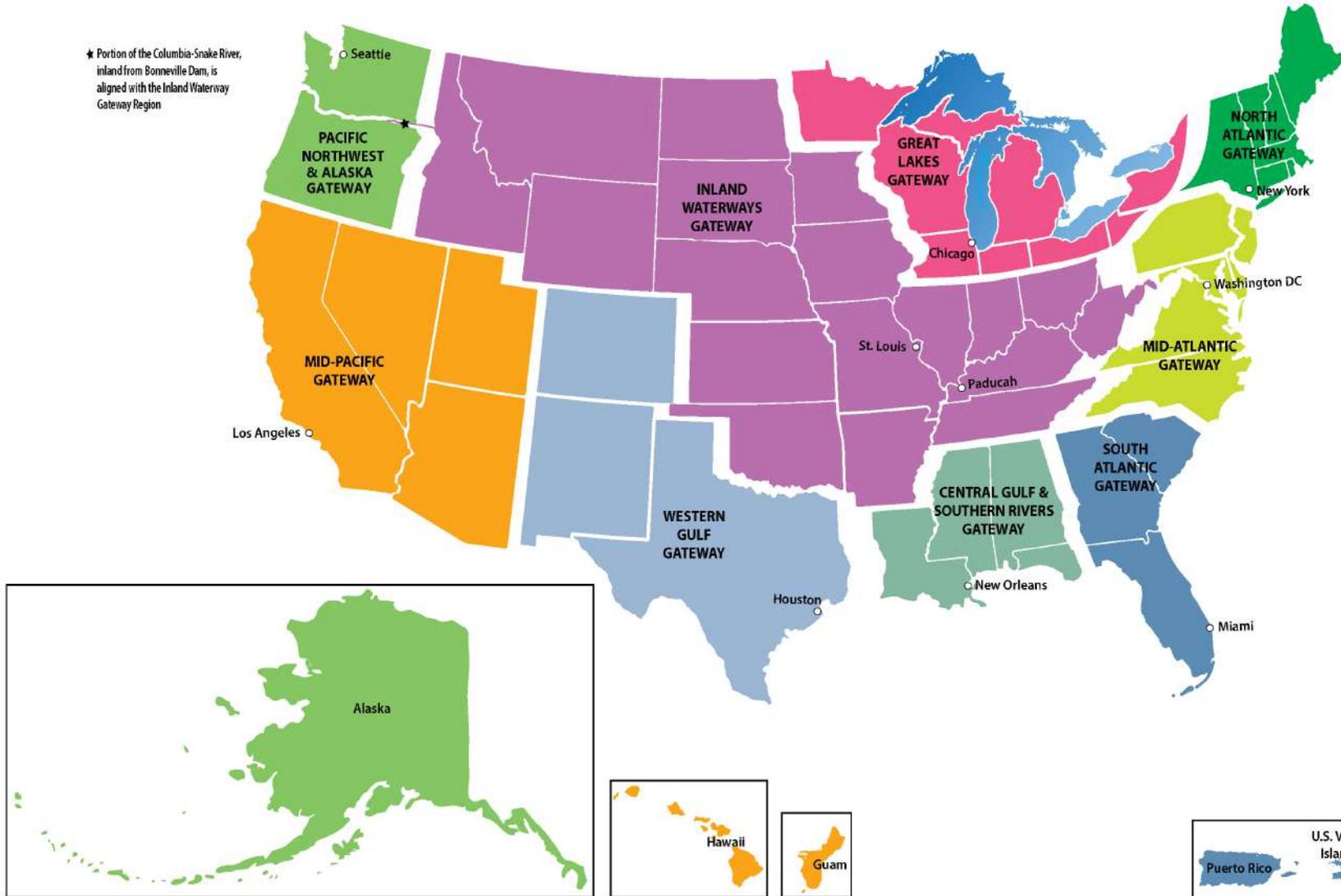




Mission: To foster and promote the United States Merchant Marine and the American maritime industry to strengthen the maritime transportation system — including landside infrastructure, the shipbuilding and repair industry, and labor — to meet the economic and national security needs of our Nation.

MARITIME ADMINISTRATION GATEWAY OFFICES

★ Portion of the Columbia-Snake River, inland from Bonneville Dam, is aligned with the Inland Waterway Gateway Region



Inland Waterways Gateways

Inland Waterways Gateway Responsibilities

The offices are primarily concerned with inland: marine transportation, ports, intermodal connectivity, vessel operators / service providers and marine security.

- Offices located in Paducah, Kentucky and St. Louis, Missouri
- Encompasses all or portions of 23 States
- The Gateway Directors serve as experts on all regional and local maritime issues to include disaster response/recovery, financing for port infrastructure, marine highway development, and support for American shipbuilding companies.





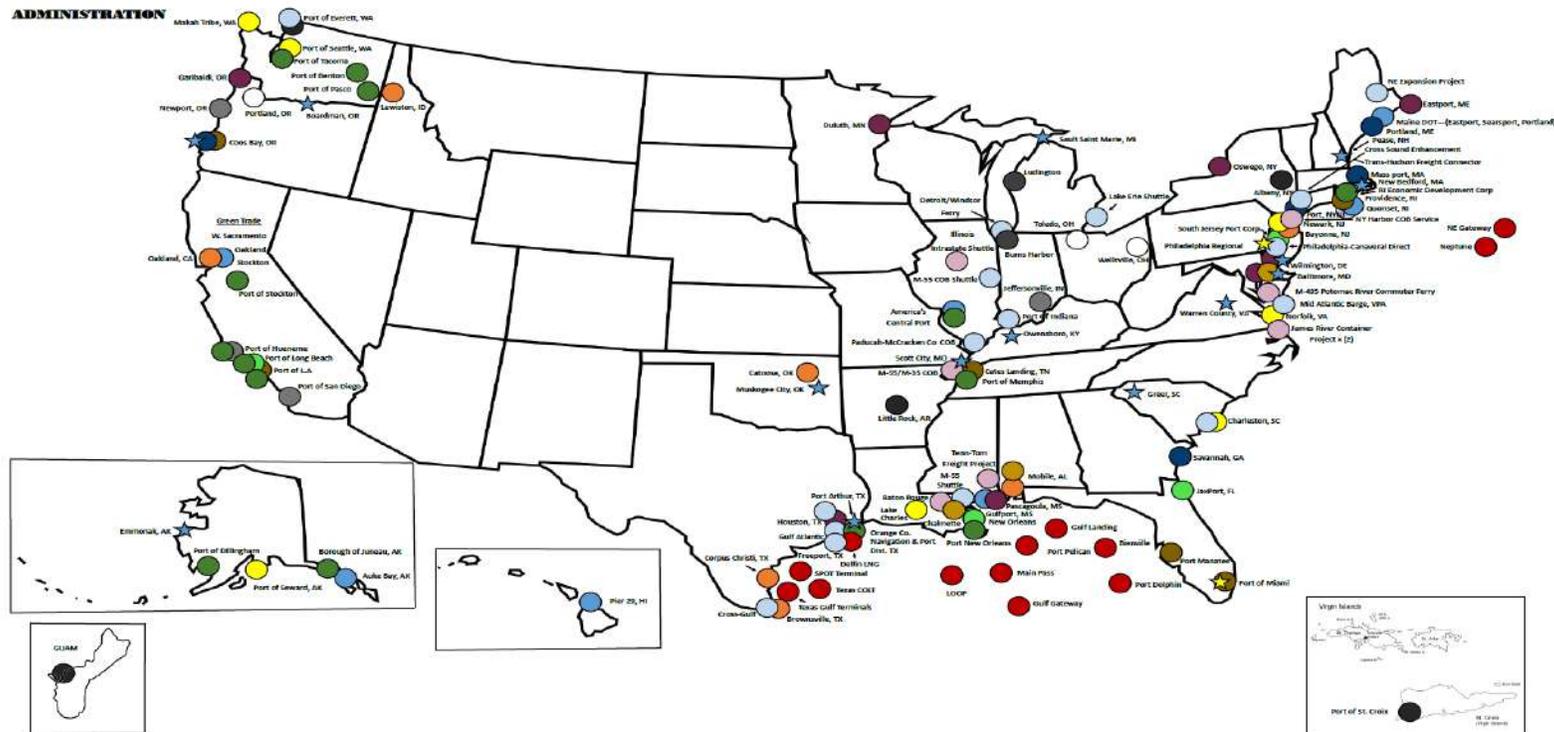
U.S. Department of Transportation

MARITIME

ADMINISTRATION

PORTS & WATERWAYS

INFRASTRUCTURE PROJECTS & SERVICES



○ ARRA Grants 2009 (3)	● TIGER IV FY 2012 (7)	● TIGER VIII FY 2016 (5)	● DEEP WATER PORTS (13)	★ INFRA FY 17/18 (2)
● TIGER I FY 2009 (7)	● TIGER V FY 2013 (8)	● TIGER VIII FY 2017 (3)	● PORT CONVEYANCE (14)	★ BUILD 2018 (14)
● TIGER II FY 2010 (6)	● TIGER VI FY 2014 (7)	● FASTLANE 2016 (5)	● MH PROJECTS (23)	
● TIGER III FY 2011 (4)	● TIGER VII FY 2015 (4)	● FASTLANE II 2017 (2)	● MH GRANTS (12)	

06 of APR 2016



U.S. Department of Transportation

2020 USDOT Assistance Programs



Grant Program	Authorization	Applicants	Projects	Awards	Other
<p align="center">- BUILD -</p> <p align="center">Better Utilizing Investment to Leverage Development</p>	<p>\$1B (FY20) (closed)</p>	<ul style="list-style-type: none"> State/local govt.; Public transit agency; Ports; and Collaborations. 	<ul style="list-style-type: none"> Highway; Transit; Rail; and Ports. 	<p>Large: \$5M min., \$25M max; 80% max Fed share. Rural: \$1M min.;</p> <p>May exceed 80% max Fed share.</p>	<p>10% max to one State;</p> <p>30% min to rural</p>
<p align="center">- INFRA -</p> <p align="center">Infrastructure For Rebuilding America</p>	<p>\$906M (FY20) (closed)</p>	<ul style="list-style-type: none"> State(s); MPO serving 200k+; Local govt.; Political subdivision of a State or local govt.; Special purpose district w/ transportation function; Port authorities; Federal land agency w/ State or States; and Tribal govts. 	<ul style="list-style-type: none"> Highway freight on NHFN; Highway or bridge on NHS; Intermodal or rail freight; Facilitate intermodal interchange, transfer or access into or out of intermodal facility; and Railway grade crossing or separation projects. 	<p>Large Projects: \$100M min. project; \$25M min. grant award; 60% max INFRA funds; 80% max Fed. Funds.</p> <p>Small Projects: \$5M min. grant award</p>	<p>25% rural</p> <p>10% small</p>
<p align="center">- PIDP -</p> <p align="center">Port Infrastructure Development Program</p>	<p>\$225M (FY20) (closed)</p>	<ul style="list-style-type: none"> Coastal ports (\$200M) + 15 largest coastal ports (\$92.73M) 	<ul style="list-style-type: none"> Ports; Port related facilities; and Phytosanitary facilities. 	<p>Up to 80% Fed share or more for rural</p>	<p>\$25M available for Inland / Rural Projects</p>

America's Marine Highway

Vision of the Marine Highway Program

The full integration of reliable, regularly scheduled, competitive, and sustainable Marine Highway services into the surface transportation system that are a routine choice for shippers.

- Includes nearly all of our waterways, rivers, coastlines and the Great Lakes
- Expands use of navigable waterways to reduce highway congestion and air pollution
- Provides new, economically sustainable, supply chain alternatives



What do we do?

- The Marine Highway System consists of **the vast majority of the Nation's navigable waterways** including inland waterways, coastlines, the St Lawrence Seaway, and the Great Lakes
- The Marine Highway Program has **three steps** –
 1. **Designating Marine Highway Routes** which are navigable waterways capable of moving freight
 2. **Designating Marine Highway Projects** which create new or expand existing marine highway services are then designated along those Routes
 3. Applicants of designated Marine Highway Projects or private sector partners with written referrals from the public applicants can then apply for **Marine Highway Grants**

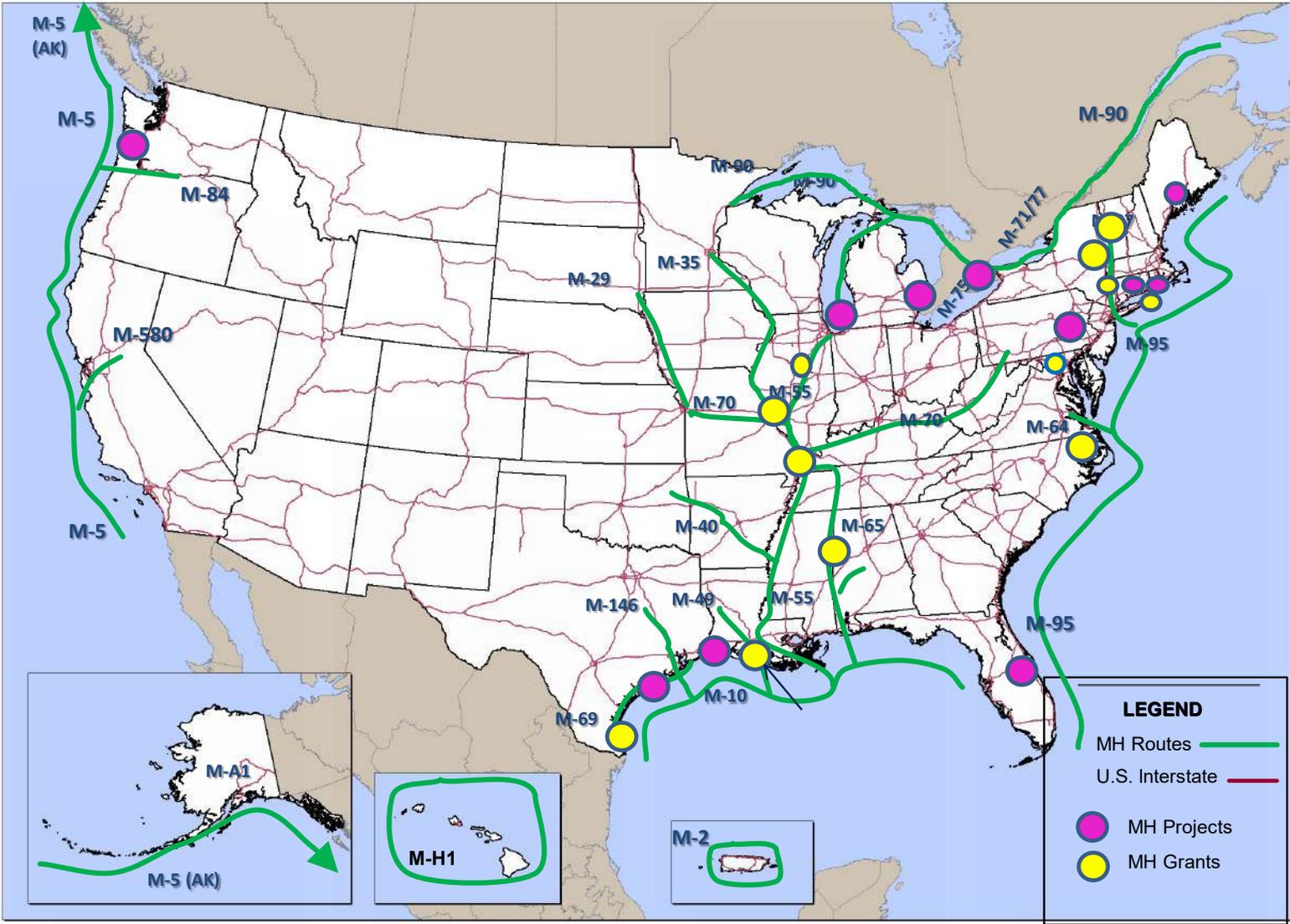
Grants can be used to alleviate the upfront capital risk associated with starting new services



**America's
Marine Highways**

U.S. Department of Transportation

Step 1: Marine Highway Routes





- **Eligible applicants include:**
 - Sponsors of Designated Projects, or
 - Private entities with the approval of the Designated Project Sponsor
- **What can Marine Highway Grant funds be used for?:**
 - Development and expansion of Port and landside infrastructure (including Cargo handling equipment)
 - Development and expansion of documented vessels
 - Planning, preparation and design efforts in support of marine highway projects (cannot be used for market related studies)



Recent Program Funding



FY 2016 \$5 Million

Baton Rouge–New Orleans Shuttle on the M-55	\$1,758,595
Illinois Intrastate Shuttle on the M-55	\$ 713,000
James River Expansion Project on the M-64	\$ 476,748
New York Harbor and Container and Trailer on Barge	\$1,632,296
M-55/M-35 Container on Barge Project	\$ 96,000
Potomac River Commuter Ferry Project	\$ 173,361

FY 2017 \$5 Million

Baton Rouge–New Orleans Shuttle on the M-55	\$2,507,200
Port of Davisville/Brooklyn/Newark COB Service	\$ 855,200
James River Expansion Project on the M-64	\$ 456,000
New York Harbor and Container and Trailer on Barge	\$ 298,423
Cross Sound Enhancements	\$ 503,927
Paducah-McCracken Riverport Container on Barge Service	\$ 251,927

FY 2018 \$7 Million

SEACOR AMH - Baton Rouge–New Orleans Shuttle on the M-55	\$3,155,622
JRBL - James River Expansion Project on the M-64	\$1,822,093

Recent Program Funding



FY 2019 \$7 Million

M-95 Fernandina Express Container on Barge Service	\$1,291,800
Paducah-McCracken Container on Barge Project	\$ 480,000
Baton Rouge-New Orleans Shuttle of the M-55	\$1,040,000
Lake Erie Shuttle	\$1,101,735
Port of Morrow M-84 Barge Service Expansion	\$1,623,200
Houston Gateway and Gulf Container on Barge Central Node	\$ 180,000
James River Expansion Project	\$ 189,840
Wallops Island M-95 Intermodal Barge Service	\$ 96,425
Seattle-Bainbridge Island Ferry Service	\$1,500,000

FY 2020 \$9.775 Million

“Kentucky / M70 Related Funding”

M70 Barge Service in the Ports of Cincinnati, northern Kentucky and Beyond \$ 545,136
(Ports of Indiana Shuttle Service)

M70 Barge Service in the Ports of Cincinnati, northern Kentucky and Beyond \$ 2,363,800
(Nucor Brandenburg Service)

Port Conveyance Program





Under the Small Shipyard Grant Program, approximately \$19,600,000 is typically made available for grants to: (1) Make capital and related improvements to qualified shipyard facilities that will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, and reconfiguration, and (2) provide training for workers in shipbuilding, ship repair, and associated industries.

Potential applicants are advised that it is expected, based on experience, that the number of applications will far exceed the funds available and that only a small percentage of applications will be funded. It is anticipated that roughly 8-20 applications will be selected for funding with an average grant amount of about \$1 million.

Build America Bureau

The **BUILD AMERICA BUREAU (BUREAU)** is responsible for driving transportation infrastructure development projects in the United States, serving as the single point of contact and coordination for states, municipalities and project sponsors looking to utilize Federal transportation expertise, apply for Federal transportation credit programs and explore way to access private capital through public private partnerships.

- Transportation Infrastructure Finance and Innovation Act (TIFIA)
- Railroad Rehabilitation and Improvement Financing (RRIF)
- Private Activity Bonds

OUTREACH

- On the Radar
- Scope Development
- LOI/Draft Application Development

CREDITWORTHINESS

- LOI/Draft Application Accepted
- Risk Analysis
- Scope Finalization
- Plan of Finance

ADMINISTRATION

- Loan Closure
- Construction Commencement/Completion
- Loan Repayment Period

Kirk Claussen

Office: 202-366-5660

Email: kirk.claussen@dot.gov

www.transportation.gov/buildamerica





Transportation Infrastructure Finance and Innovative Act (TIFIA) Credit Program

www.transportation.gov/tifia

Railroad Rehabilitation and Improvement Financing (RRIF) Loan Program

www.transportation.gov/buildamerica/programs-services/rrif

Private Activity Bonds (PABs)

www.transportation.gov/buildamerica/programs-services/pab

Port Conveyance Program

www.marad.dot.gov/ports/public-benefit-conveyance-program/

QUESTIONS?



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Director, Inland Waterways Gateway
Maritime Administration –
U.S. Department of Transportation
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Paducah, Kentucky 42003
Office 270.408.4828
chad.dorsey@dot.gov



Port Interactions and Logistics



KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY

Panelists



Mike Steenhoek
Executive Director
Soy Transportation Coalition



Amanda Coates
Commercial Import Manager
Port of New Orleans



Kentucky Riverports Summit

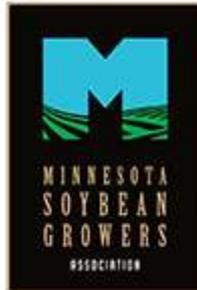
Port Interactions & Logistics

November 18, 2020



The Soy Transportation Coalition – Farmer funded & farmer led

Established in 2007. Comprised of 13 state soybean organizations, the United Soybean Board, & American Soybean Association.



**SOY TRANSPORTATION
COALITION**

Cargo Capacity



One Semi
910
bushels of soybeans



One rail hopper car
3,500 to 4,000
bushels of soybeans



100 car unit train
350,000 to 400,000
bushels of soybeans



One barge
52,500 to 57,000
bushels of soybeans



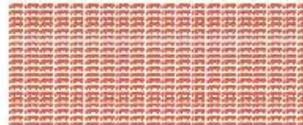
One 15 Barge Tow
787,500 to 855,000
bushels of soybeans

or



Four semis

or

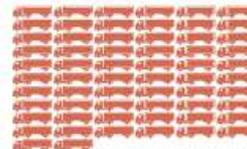


400 semis

or



16 rail hopper cars
or

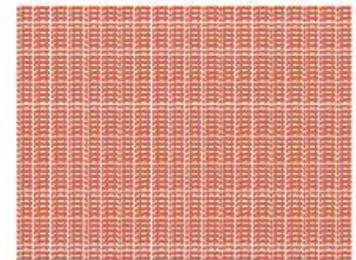


62 semis

or



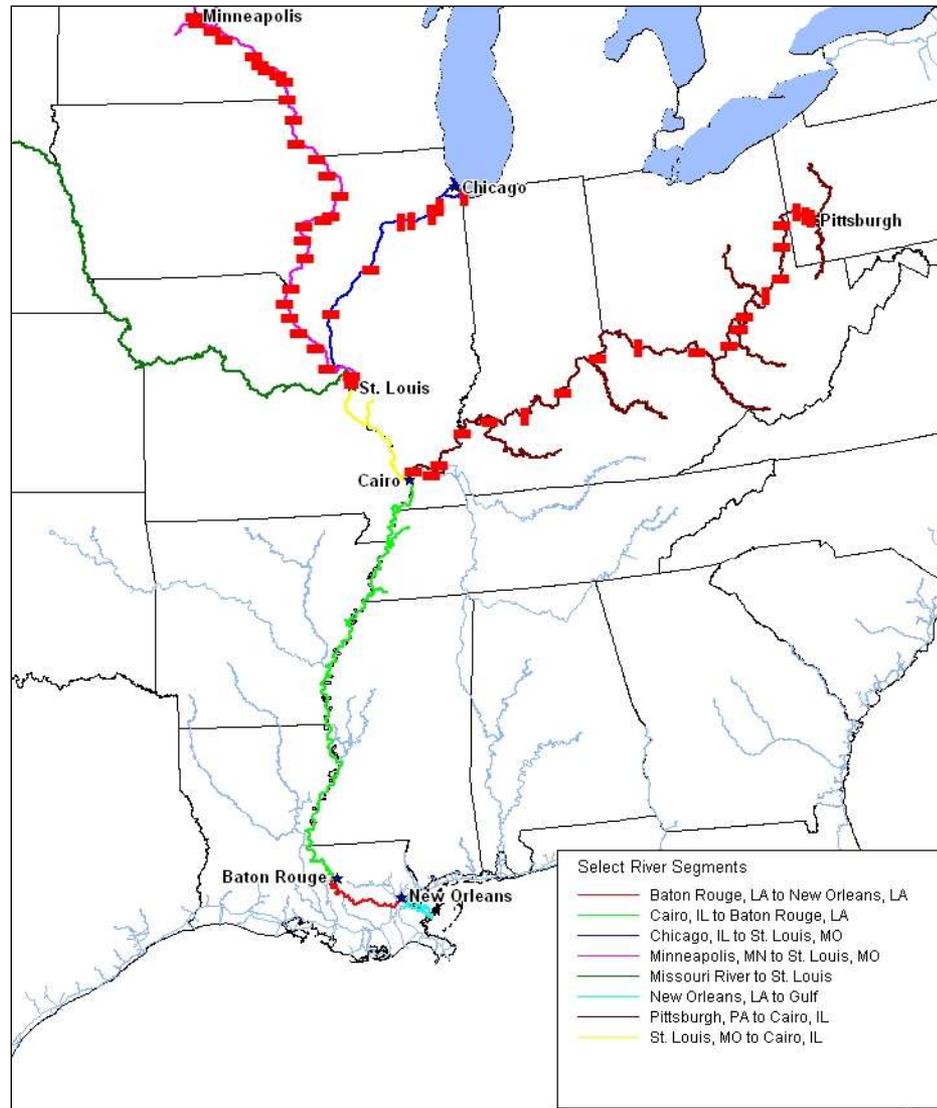
219 rail hopper cars
or



940 semis



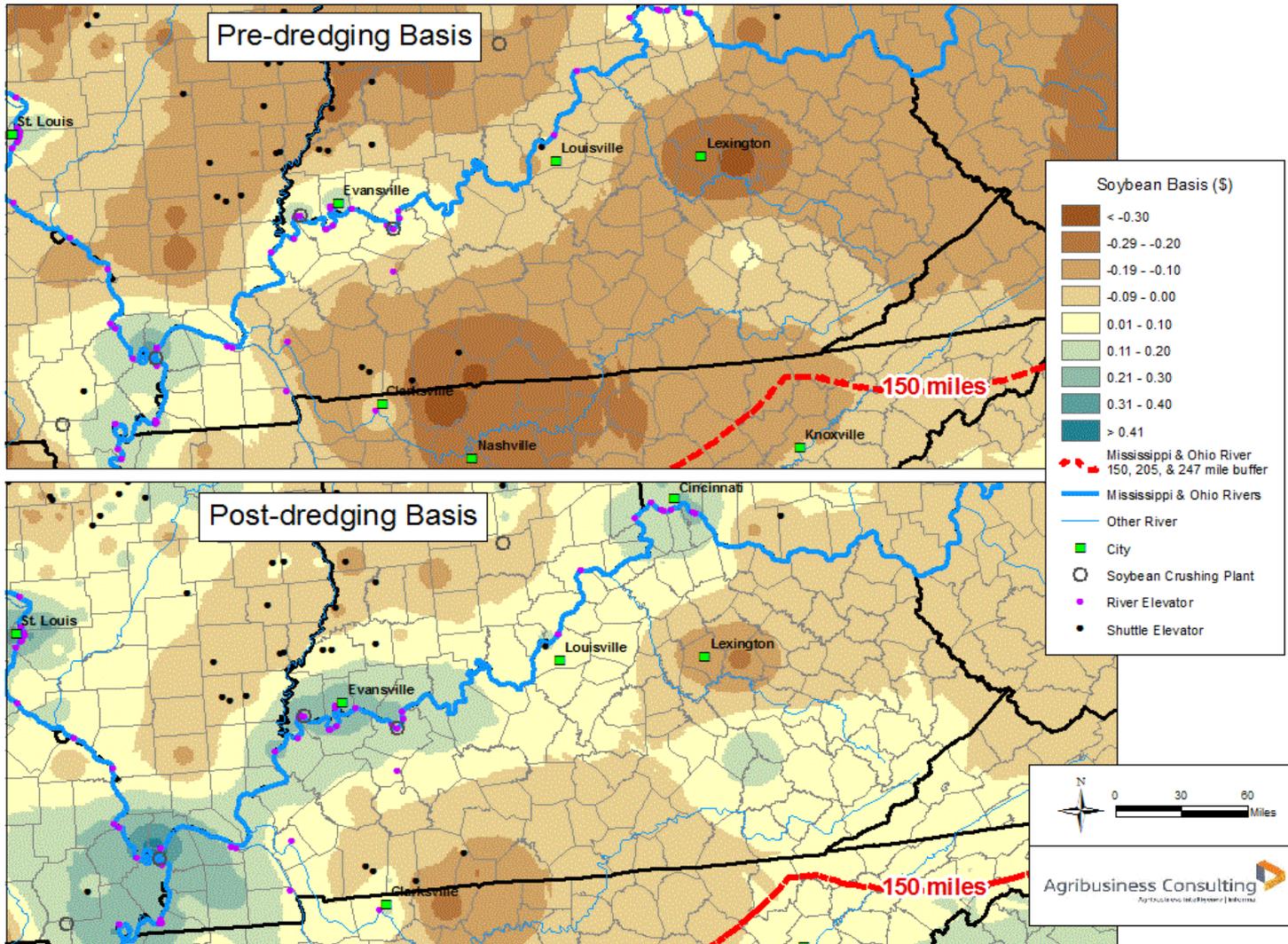
America's Rivers: An Efficient Maritime Highway



Mississippi Gulf
(Baton Rouge to
Gulf of Mexico):
60% of U.S.
soybean
exports; 57% of
U.S. corn
exports; #1
export region for
both
commodities



Dredging Lower Mississippi River: Impact on Midwest Agriculture



Kentucky soybean farmers expected to receive \$11.5 million more for the value of their soybeans post dredging the lower MS River. U.S. soybean farmers - \$461 million more



Dredging Lower Mississippi River: Impact on Midwest Agriculture

- Project officially kicked off on July 31st, 2020

“The soybean industry made for a great case study and reason to deepen the Mississippi River. Once this project is completed, the deepening of the Mississippi River will improve the global imports and exports of goods, and in turn, improve jobs, business and the quality of life for thousands of Louisianans and others who depend on the Mississippi River. I am grateful for our partnership and the commitment of time and money from the farming leaders of the United Soybean Board, the Soy Transportation Coalition, and countless others who have made this project possible.” (Governor John Bel Edwards, D-LA)



- Deepening work commenced on September 11th, 2020; First phase will be completed by fall of 2021; 11 of the 14 soybean and grain export facilities are located within phase 1



American Patriot Holdings Container on Vessel: Opportunity for U.S. Agriculture



Conceptual image provided by American Patriot Holdings



**SOY TRANSPORTATION
COALITION**

American Patriot Holdings Container on Vessel: Opportunity for U.S. Agriculture

Vessel Features:

- Exoskeleton Hull (Patent) - optimizes cargo payload
- Minimum Resistance Bow (Patent) - optimizes speed / minimizes wake
- Upriver speeds of 13 MPH vs. 5 MPH head current
- Parallel docking without assist tugs
- Environmental features (no wake, low emissions)
- Ability to turn in own length
- Redundant propulsion & take me home power



STC Feasibility Study

- Major Objective:
 - Evaluate competitiveness of grain exports via lower Mississippi River/APH all water route to Asian markets vs. current intermodal patterns
- Conclusions:
 - Significant savings results from all water routing of containerized grains
 - Cost per metric ton of shipping soybeans: St. Louis to Shanghai:
 - Barge (via Mississippi Gulf): \$79.80 per metric ton
 - Intermodal (via rail through Los Angeles/Long Beach): \$140.33
 - APH (via Plaquemines PHTD): \$87.07
 - Longer trade routing to Gulf Coast offset by significant West Coast delays
 - APH: 14 days faster than barge via Mississippi Gulf; 6 days faster than intermodal rail via Los Angeles/Long Beach (St. Louis to Shanghai)
 - New system will increase demand for container vs. bulk shipments
 - Cost competitive with less contamination
 - Soybeans per TEU: 801 bushels/21.8 mt; 636 bushels/17.3 mt. (road weight limits)



Thank You

Soy Transportation Coalition

1255 SW Prairie Trail Parkway

Ankeny, Iowa 50023

515-727-0665

515-251-8657 (fax)

www.soytransportation.org

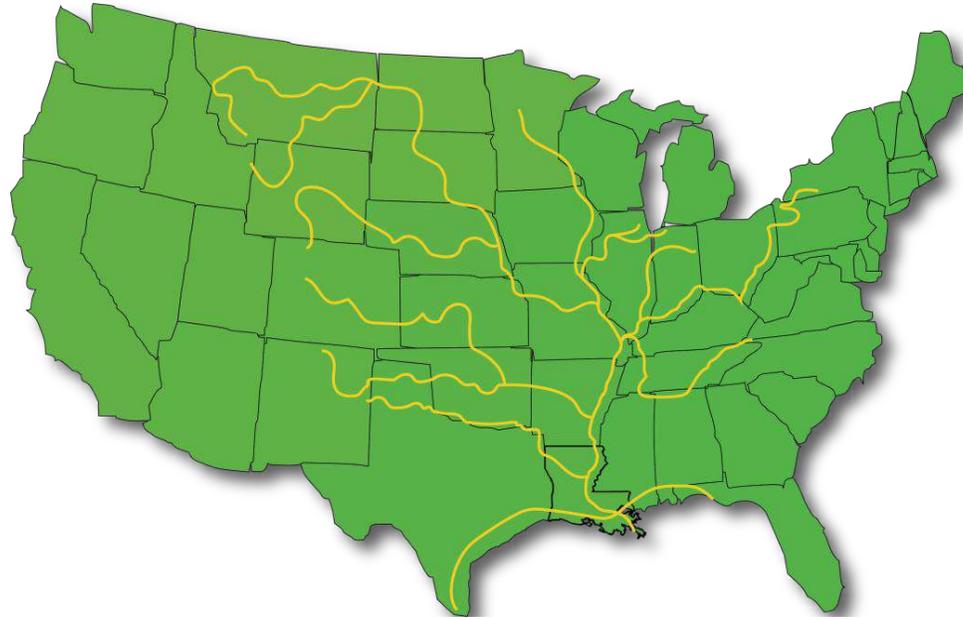
Mike Steenhoek, Executive Director

msteeenhoek@soytransportation.org



**SOY TRANSPORTATION
COALITION**

INLAND WATERWAY CONNECTIVITY



14,500 miles of inland waterway connectivity via the Mighty Mississippi

DIRECT DISCHARGE TO BARGE



CONTAINER ON BARGE



Mississippi River & Tributaries



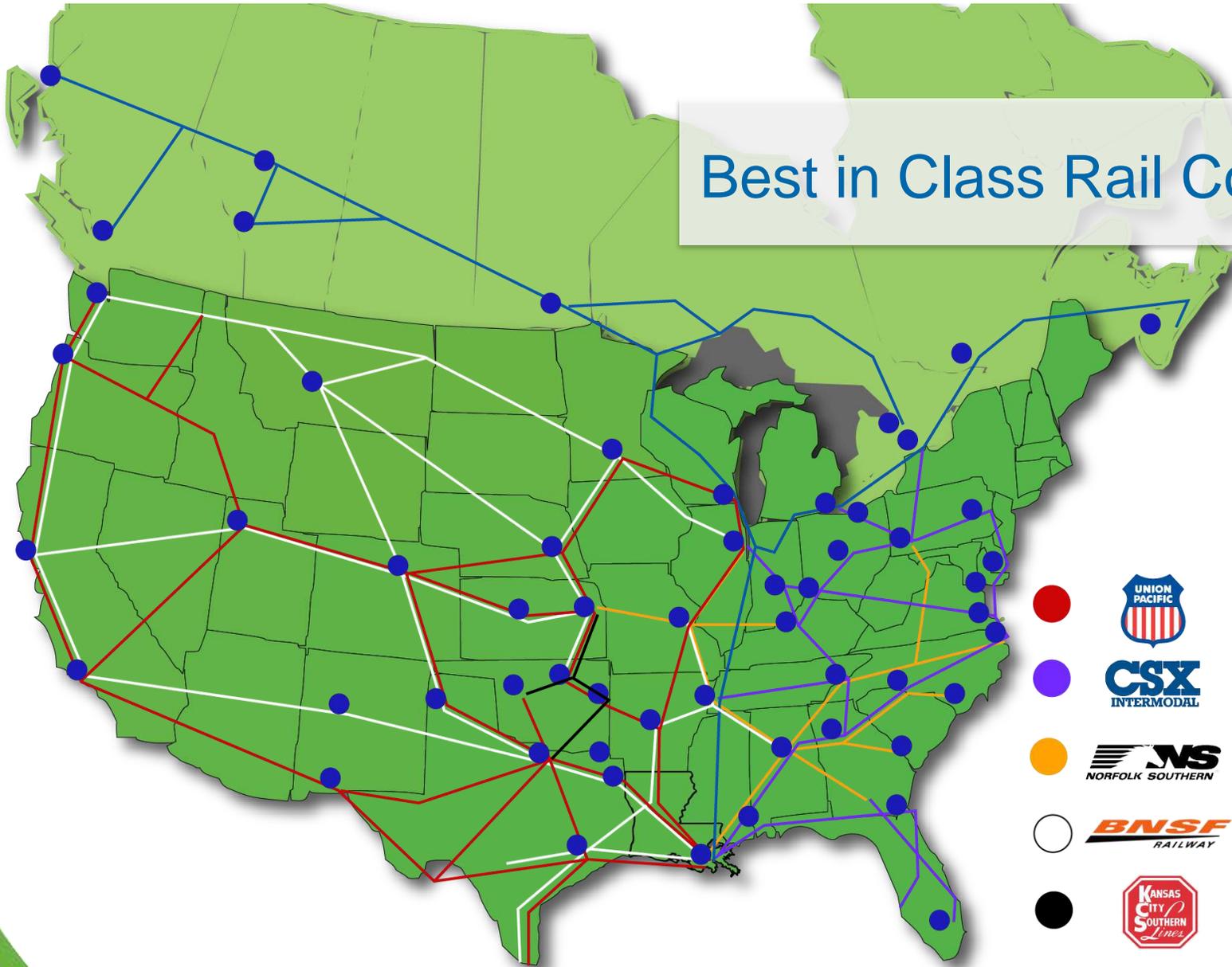
PORT NOLA
THE PORT OF NEW ORLEANS



- ✓ Serving the nations largest exporters and providing alternative routes for importers
- ✓ 28,000 TEUS moved by barge per year
- ✓ Committed to reducing impacts on the environment through innovative transport
- ✓ Connects St Louis, Memphis, Baton Rouge and New Orleans



Best in Class Rail Connectivity



-  
-  
-  
-  
-  
-  



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Opening Session

Agenda

Welcome

Background and origination of the study

Objectives of the project and summit

Overview of the project task items

Take Away Information

Provide an understanding of the project and summarize the influence of its outcome of Kentucky



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



State of the Ports

Agenda

Overview of the Inland Ports

Review and summary of the 11 public ports in Kentucky

Take Away Information

Identification and understanding of the ports (existing and developing) and a look at their trade influence

Port hinterlands show substantial overlap in KY and with neighboring States that share the same river system – how are comparable services reconciled in this competitive environment, niche ports?

Many of the KY ports have infrastructure that has exceeded design life – how does this infrastructure get refurbished in light of port proximity / hinterland overlap?



Current Freight Movements in the Market

Agenda

Transearch Data and how the project will utilize the resource

What is in the data and what does it mean

Movements across modes within Kentucky

Take Away Information

Understand existing commodity movements and a look at future growth. These will be utilized more in and out of the study.

Dominant cargo modes for the areas served by the ports are rail and truck, under what circumstances could some of that cargo be diverted to water?



Economic Development with Riverports

Agenda

An overview of CED's role and impact on Kentucky
Existing incentive programs and resources
Topics and potentials to consider into the future

Take Away Information

The potential for ports to influence economic development is considerable. We need to make sure the interaction and information is there to facilitate.

How could you measure ROI in ways that incorporate the population and the workforce?



Funding Options and Opportunities

Agenda

Waterways Council, Inc and its mission to fund the inland waterways MARAD and federal funding programs
Review of the peer-state efforts

Take Away Information

Provide an understanding of funding opportunities, the history of those programs, and what other states are doing to address their waterway needs.

Importance of the need to adequately fund the rehabilitation of an aging lock system. Potential to align efforts to this end as a key element of any plan going forward?



Port Interactions and Logistics

Agenda

Discuss the outcomes and impacts of dredging

Potential for containerized movements

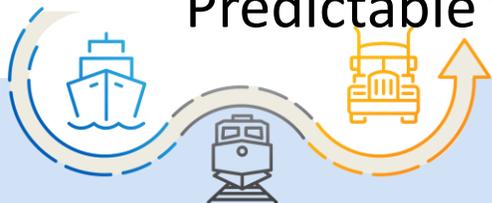
Some of the inland system improvements and how they influence the various markets within Kentucky

Take Away Information

The scales of economy around bulk movement through ports are substantial, but 'traceability' is an emerging trend that could influence containerized commodities.

Critical importance of downstream projects (dredging of lower MS River) to economic competitiveness upstream.

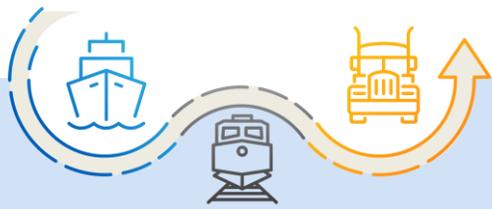
Predictable funding is critical.



Closing Session



**KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY**



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY





Next Steps



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



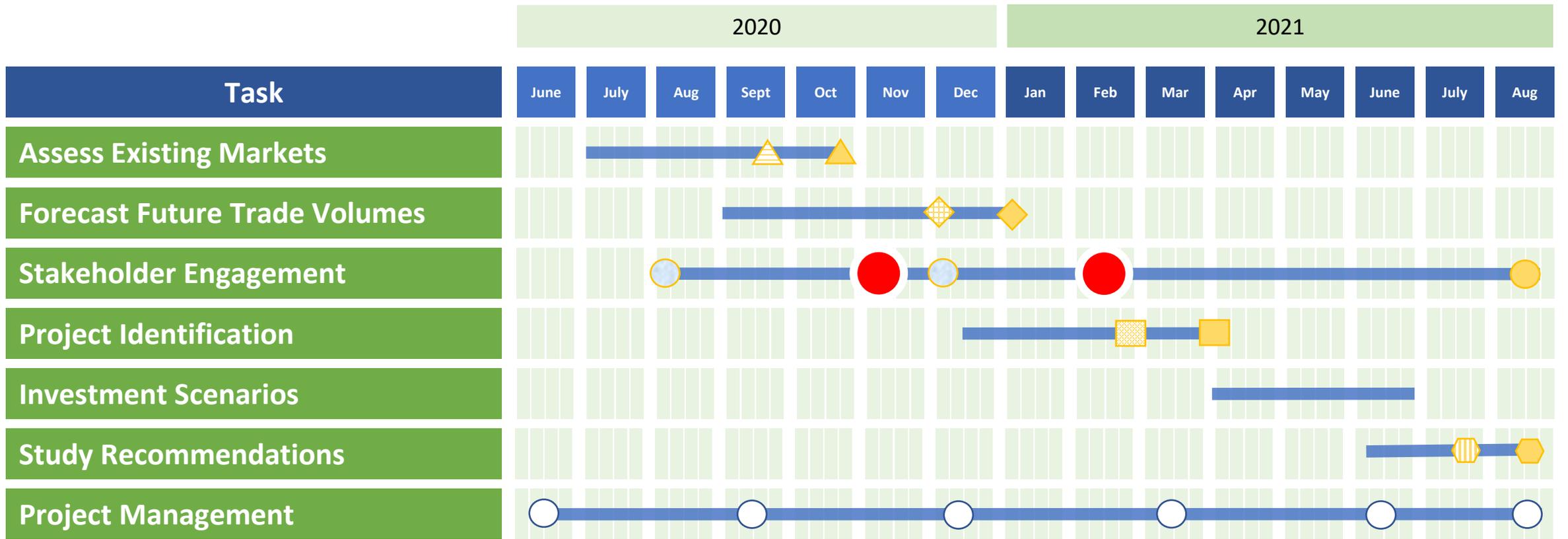
Project Tasks



Project tasks

- Finalizes notes and materials for this Summit
- Summary of Existing Role of Kentucky Riverports & Freight in the Economy
- Forecast trade and utilization of ports
- Re-engage stakeholders through another round of visits
 - Talk about needs and opportunities
- Summit #2: Economic Change & Kentucky's Transportation Infrastructure





○ Project Team Meetings

● Statewide Freight Summit

● Port Tours

▲ Draft Freight Profiles

◆ Draft Freight Forecast

■ Draft Investment Scenarios

▨ Draft Study Recommendations

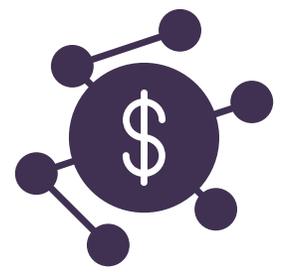
▲ Final Freight Profiles

◆ Final Freight Forecast

■ Final Investment Scenarios

▨ Final Study Recommendations





River system investments support statewide and regional economic development goals and opportunities

- Build a Consensus
- Increase Trade
- Reduce Unemployment
- Increase Income
- Maximize ROI
- Manage natural and culture assets



- Attract new revenue streams
- Provide economic toolkit
- Increase prosperity
- Expand commodities
- Maximize ROI return on investment
- Generate net new TIF and PID tax revenue streams
- Increase high paying career economic opportunities

Goals

Strategies





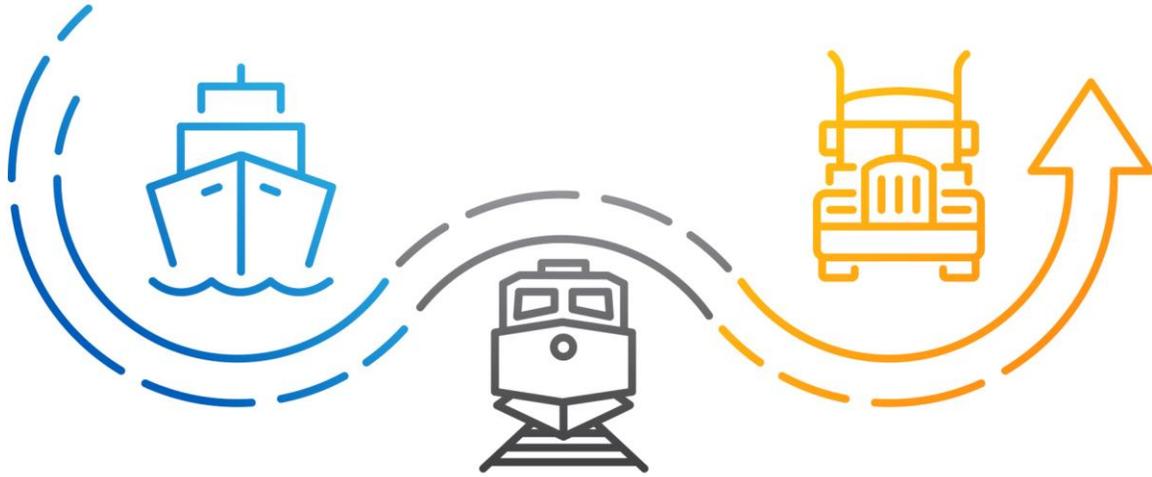
Closing Remarks



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY



Closing Session



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY

Jeremy R. Edgeworth

Freight, Rail, and Waterways Coordinator
Kentucky Transportation Cabinet Project Manager

Chandler Duncan

Metro Analytics | Vice President
Consulting Team Project Manager



KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY





**KENTUCKY RIVERPORTS, HIGHWAY
& RAIL FREIGHT STUDY**

**Thank you for
attending the First
Kentucky Summit on
the Economic Role of
Freight Modes**





www.metroanalytics.com

Moving Freight Better

