KENTUCKY RIVERPORTS, HIGHWAY & RAIL FREIGHT STUDY

CHAPTER 5

DEVELOPING A HOME MARKET FOR KENTUCKY'S RIVERPORT HINTERLANDS

This final chapter of the *Kentucky Riverports, Highway & Rail Freight Study* addresses strategies to leverage Kentucky's riverports to serve emerging industries in Kentucky's economy with affordable transportation by growing a strong home-market for 21st century waterborne commerce. With the transition from coal to a different commodity mix, the use of Kentucky's riverports will depend on attracting businesses and supply chains that will utilize the efficiency of riverport transportation. This chapter offers both strategic constructs and action steps for such strategies as well as case examples of how other states have addressed the role of riverports in economic development. The chapter serves as an economic and market development playbook for local and regional development partners as well as a Riverport Hinterland Compact (RHC) as recommended in **Chapter 4 (Section 4.4)**.

5.1 KEY FINDINGS UNDERLYING ECONOMIC STRATEGY

Proactive Development Can Leverage the Cost Advantage of River Transportation: Chapter 1 of this study demonstrates the cost efficiency and economic payoffs of moving goods by water in Kentucky's economy. For decades, Kentucky has enjoyed an economy that relies on riverports as a highly affordable mode of transportation for a large percentage of the Commonwealth's trade, with products such as coal and agricultural products readily moving by water. However, as Kentucky moves to an economic base with a wider range of commodities, higher reliance on more expensive modes such as truck and rail can increase the costs of doing business in Kentucky. For Kentucky to continue to offer the cost advantages of moving commodities by river, proactive strategies to attract business and to market riverports will play a key role. They will do so by leveraging the ability of riverports to move an increasingly complex array of goods in the supply chain.

A New Role for Riverports in a More Complex Market: The findings provided in **Chapter 2** of this study forecast a significant restructuring of Kentucky's waterborne commerce economy. The findings demonstrate that with the decline in coal and petroleum products, Kentucky's riverports are increasingly dependent on moving agricultural goods, primary metals, kindred products and chemicals, and allied products (including plastics and rubber). The changes projected in **Chapter 2** make it clear that to maintain riverport commerce as a competitive sector, Kentucky will have to acquire significantly more than its "share" of new tonnage in these growth sectors.

Suppose Kentucky's riverports simply maintain a constant share of new business in the growth commodities listed above. In that case, the loss of fossil fuel traffic at private riverports will likely warrant a combination of (1) significant closure of private riverports, (2) intensified public riverport competition from private riverports, or (3) a heightened statewide economic dependency on more costly truck and rail modes for new commodity mix by 2045. With Kentucky's overall waterborne tonnage in existing commodities declining by between 20 and 30 million tons by 2045 (as shown in **Table 2-1**), the ability of Kentucky's ports to move new commodities for a changing client base is the central challenge before Kentucky's public riverport system. **Chapter 3** considers the prospect of the ports within this changing context, including strengths, weaknesses, opportunities, and threats facing the riverport system and individual riverports. **Chapter 4** quantifies the benefits of investing in riverports and the degree to which Kentucky's jobs, income, gross domestic product, and business sales can be supported at different investment levels, and it provides port and state/regional policy recommendations for supporting and leveraging this investment. Taken together, the findings suggest the need for a concerted market-based strategy to ensure Kentucky uses riverports efficiently in the long term. The following sections describe key success factors for such a strategy.

5.1.1. Focus on New Hinterland Markets More than Modal Diversion

Riverport market strategies focusing on modal diversion face the following principal challenge: no projected change would prompt shippers to divert existing trade from highway or rail to water transportation. Mere promotion of riverports will not change the underlying reasons of time, cost, access, and availability that presently motivate shippers to move commodities via other modes. For this reason, it is expected that (1) the majority of new or replacement markets will need to come from establishments not currently using other modes and (2) the Attraction, Creation, Retention, or Expansion (ACRE) of new riverport customers will require a coordinated effort to demonstrate that Kentucky has the workforce, supply chain partners, and other amenities to leverage Kentucky's public riverports for emerging markets.

Kentucky's success in attracting advanced manufacturing establishments (such as the new Ford Battery plant announced in Hardin County, Kentucky, in September 2021) demonstrates how economic restructuring can create riverport opportunities. Strategies can map out which suppliers of advanced manufacturing business will use the riverports if critical water-associated elements of supply chains are pinpointed. While attracting markets to use the economic advantages of waterborne commerce can reduce overall costs for Kentucky's economy, such strategies can also support wider goals of environmental sustainability, social equity, and technological advancements. By achieving these wider objectives, Kentucky's riverport market development initiatives can qualify the riverports and their communities for a range of economic development funding and investment opportunities. The topic of funding riverport investment within the context of federally and privately funded development policies is further explored in the current chapter (in discussion of **strategic objective #1**).

5.1.2. Rationale for "Home Market" Growth for Leveraging Riverports

As discussed in the Riverport Hinterland Compact (RHC) recommendation of **Chapter 4 (Section 4.4.1)**, Kentucky can accomplish home-market growth by developing mutually beneficial compacts among governments and ports. The compact can implement statewide, private equity, and multi-state collective funding strategies for developing a "home market strategy" focused on social equity (higher-paying jobs and opportunities for lower-income areas) and rural and urban regeneration opportunities. A strategy makes the case for investment in the overall hinterland when it aims at not only providing amenities to attract port clients, but also demonstrating how the growth of the riverport home market is beneficial to both private investors and federal or other public sponsors. Key features of such a strategy include:

1. Enhanced reputation of riverports and communities as innovative sites for new investment.
2. Increased eligibility for federal programs aimed at social equity, poverty, and sustainability
3. Increased ability to develop and attract knowledge workers through educational and occupational programs aimed an emerging riverport market sector (such as chemical manufacturing and advanced manufacturing).
4. Increased, measurable new tax revenues for port operations and expansion from:
    a. Community Improvement Districts (CIDs), Tax Increment Financing (TIFs), Business Improvement Districts (BIDs)
    b. New Market Tax Credits
    c. Innovation Hubs
    d. Free Trade Districts

MATH OF POVERTY

The strategy of measurably reducing the public sector cost of public health, affordable housing, courts, jails, policing, and social service delivery expenses by incentivizing actions that prevent or alleviate poverty by attracting, creating, retaining, and expanding business.

   e. Multimodal Logistics Industrial Parks
   f. Recreation and tourism
   g. Mixed-use, commercial, live-work developments
5. Increased household income, reduced poverty and associated reduction in the public welfare burden for Kentucky agencies as well as municipal and county governments.

A market development strategy focused on social equity, youth poverty, workforce upskilling, and entrepreneurship presents both a worthy challenge and a financial return on investment (ROI) including "math of poverty" and tax dividend opportunities. This type of strategy qualifies for a growing range of funding programs to be discussed further in this chapter. The creation of revenue-producing public-private partnerships, regional alliances, a formal system connecting education to the economy, and other ROI models for "future-proofing" Kentucky and the entire riverport economic system are suggested.

5.1.3. Practical Elements of Home Market Economic Development Strategy

The elements of a home-market strategy include (1) strategic objectives and tactics for leveraging riverports to develop the hinterland economy informed by (2) case studies and lessons learned from other states that have leveraged riverports for economic development and (3) practical indicators and action items to diagnose, advance and track riverport-based economic performance moving forward.

The strategy is recommended in the following sections addressing:

6. **Strategic Objectives of Riverport Economic Strategy:** Rationale for strategic objectives guiding an economic development strategy to leverage Kentucky's riverports
7. **Case Studies and Lessons Learned for Kentucky's Riverports:** Examples of how other states are leveraging riverports in the economic development process and their potential relevance for Kentucky
8. **Pathway to Implementation—Five Practical Steps:** Five initial steps that Kentucky's riverports and economic development partners can take to use the current study and its findings to build home markets for Kentucky's riverports in the economic conditions projected by the current study

These strategic elements can be understood as local, regional, and statewide strategic actions that provide a market and economic development complement to the public riverport infrastructure and policy recommendations offered in **Chapter 4.**

5.2 THREE STRATEGIC OBJECTIVES

A Vision for Riverport Economic Development: Three Strategic Objectives

Kentucky's home-market development strategy will rest primarily on three strategic objectives:

1. Providing for a public-private riverport compact (as recommended in **Chapter 4 (Section 4.4)**) that has within its mission specific economic development actions
2. Developing and implementing a statewide collective funding strategy for riverport modernization and ACRE activities
3. Implementing a home market business attraction strategy for establishments moving waterborne commerce growth markets

Strategic Objective #1—Define the Economic Development of an RHC: Chapter 4 in particular calls for both a legislative caucus and RHC, and the concept of operations for such a compact should be specific regarding economic development objectives. A compact that focuses exclusively on funding for riverport infrastructure or the promotion of riverport business without addressing the growth and vitality of home markets in the hinterlands is unlikely to be successful for the reasons given in **Chapter 2**. Therefore, it is recommended that both the formative study and ultimate charter of such a compact include the following:

1. Securing funding for infrastructure, services, workforce competitiveness, and other factors necessary to attract, create, retain, and expand establishments in the riverport hinterland
2. Implementing proactive strategies to prepare and market sites in the hinterlands to firms dealing in waterborne commodities while working from a strategic plan with measurable goals in terms of overall waterborne market size and mix of commodities and industries served

It is recommended that the RHC have at least one full-time employee (or staff with hours equivalent to one full-time employee) focused specifically on funding and market attraction for both the compact itself and for the riverport hinterland region.

Strategic Objective #2—Develop and Implement Statewide Collective Funding Strategy for Riverport Modernization and ACRE Activities: Chapter 4 (Section 4.3.3) names federal programs available to support the modernization of riverport infrastructure. Some of the programs identified are precisely designated for economically challenged areas or areas working to facilitate an economic transition from fossil fuel markets to more sustainable markets. It is recommended that the RHC include a funding strategy that does the following:

3. Identifies specific sources for all the public and private sector infrastructure needs identified in **Chapter 2** (not already funded)

4. Identifies an investment package of workforce, community infrastructure, technology, Kentucky innovation hub development, and other amenities that would differentiate the hinterland market area from competing regions in terms of
    a. Specific line items to be invested
    b. Total investment needs
    c. Likely funding sources (including grants, private investment, or investment matches as part of business attraction packages) to be pursued and secured by the compact

If this objective is achieved, Kentucky's riverport hinterland will be equipped with the complimentary amenities and workforce needed to attract, create, retain, and expand riverport client establishments and increasingly target new types of client establishments in growth markets identified in **Chapter 2 (Section 2.1.4)**.

KEY AMENITIES FOR BUILDING A HOME-MARKET FOR RIVERPORTS

- Business Real Estate Sites
- Workforce training, mentoring and youth development programs aimed at emerging riverport industries
- Talent Pool for Advanced Manufacturing
- Innovation Hubs and Districts
- Awards & Recognition
- Public-Private Partnership Apparatus
- Commodity-Sourcing Business Intelligence Platform (See **Appendix 5.1**)

Strategic Objective #3—Strategically Develop "Home Market Strategy" for New Commerce in Riverport Hinterlands: Concurrent with Objective #2 (which focuses on developing a portfolio of competitive amenities and funding for such amenities) is the objective of actively securing riverport clients to locate in the hinterland. This entails charging the riverport compact with an annual business planning process that will create and update:

1. A working list of available riverport hinterland market development sites
2. A working list of industries and specific firms to be monitored for development on these sites
3. A working list of specific infrastructure or service investments to be made and staff actions to be taken for each prospect (including specific requests for statewide and regional economic development partners)

A home-market business development strategy can enable individual riverports or local and state economic development agencies to effectively leverage the port profiles, marketing tool-kit and the self-assessment (given with Strategic Objective #3) to prioritize specific development and workforce programs that can best leverage the riverport amenity in each of Kentucky's public riverport communities.

A development focus that extends beyond simply obtaining grants for on-site riverport infrastructure and addresses workforce, fiscal, environmental and technology outcomes of riverport market development can "future-proof" Kentucky's riverport economies. A riverport economy may be considered "future-proof" when it demonstrates multiple sources of value for a range of public and private stakeholders achieving returns through ongoing investment in the riverport markets. For example, a riverport that has (1) multiple available clients, deriving value from not only the port but the associated workforce and other amenities, and (2) multiple sources of potential funding, qualifying for a diversity of public grant programs and offering a strong business case for private equity will be more resilient than a port that relies on one or two public programs to sustain a small number of footloose anchor tenants. "Future-proof" Kentucky riverport economies are the ultimate outcome of a successfully home-market development strategy.

5.2.1. Unifying Success Factors for Home Market Development

LEARNING FROM HOLISTIC FUNDING STRATEGIES IN OTHER STATES

Both Florida and California have leveraged statewide port entities to obtain funding, channel investment, and better leverage port infrastructure assets. For Florida ports, a statewide port entity addresses the economic needs in port communities and provides a chief liaison for port industry needs in the state — whether fiscal, talent based, policy, technology, operations, or information. This creates a clear messaging system with a strong podium while maintaining the local autonomy of ports. In Florida, communication and cooperation between the statewide port authority and Enterprise Florida (an economic recruiter) has been powerful and effective, with Florida going from $5 million annual allocations to nearly $61 million during the past 20 years. California ports, including the Inland Empire and other multimodal land - based logistics hubs, and their seaport counterparts are requesting $250 billion in federal funding. Although Kentucky is not a coastal state, the model of collective port investment and market development strategies can help address many of the market challenges described in **Chapter 2**.

Achieving the above three objectives require a consistent and unified approach to developing the riverport market. Three unifying success factors offer points of consistency for how the economic development objectives (as well as the policy recommendations of **Chapter 4**) can be understood and interpreted to maximize the effectiveness of public riverports as a catalyst for Kentucky's economy:

Success Factor #1 - Focus Holistically on Ohio River Markets and Goals: A successful market and economic development strategy requires unifying local, state, and regional development strategies around a larger objective of optimally utilizing the riverport system. Achieving this success will require leadership to transcend often competitive individual jurisdictions and agency missions. For example, the Kentucky Cabinet for Economic Development (CED) focuses strongly on developing Kentucky's statewide economic position, just as county and local entities focus strongly on local development opportunities. However, attracting firms to home markets leveraging Kentucky's riverport hinterland (which spans across Kentucky's boundary) may not always be a statewide priority. A major prospect for leveraging a riverport may not represent CED staff's best and highest use when weighing priorities against the entire universe of Kentucky's business ACRE opportunities. Furthermore, because the hinterland includes counties both within and outside of Kentucky, there are cases in which a riverport client (or prospective client) may be in a neighboring state. Attracting such a client would not fall within the CED's mission. In a similar way, the development of complementary ports, ground infrastructure, or amenities in other states do not fall within the purview of the Kentucky CED, the Transportation Cabinet, or any local entity in Kentucky.

For the above reasons, it is advisable for the Kentucky riverport compact to both:

1. Be chartered and defined through a caucus of Kentucky Legislators specifically representing the riverport counties
2. If possible, consider inclusion and collaboration with neighboring states as described in **Chapter 4 (Section 4.4)**

Success Factor #2 - Specifically Define the Business and Economic Role of the RHC: While the RHC proposed in **Chapter 4** is recommended to focus on infrastructure priorities and funding, giving the RHC a clear economic development mission will empower the entity to develop the home market for the river ports. While such a compact for Kentucky would not be a new state agency per se (as it could be an expansion of the Kentucky Riverport Association or may come to be defined in quasi-governmental terms), a review of other states (such as the Florida Ports Council and California Public Ports Program, as described in the below text box) include:

- **Statewide or Multi-State:** A compact should be understood as a "state port advocacy entity," with logistics in state or multi-state transportation missions and an economic development "innovation hub" business expansion agenda.
- **Quasi-Governmental:** A compact should be understood as a quasi-governmental (including both public and private members) agency collaborating with appropriate entities to recruit industry to ports and port cities and counties.
- **Self-Funding:** A compact should be envisioned as self-sustaining by establishing formal roles for collaborating on federal funding applications; marine industry partnerships with cities, counties, businesses, and education; back-office operations; and applications to global private sector infrastructure investors.
- **Wider Economic Objectives:** A compact should identify and promote quantifiable objectives empowering riverports to channel new revenue to strategic priorities across the riverport system. Formalizing collaborations for strategic economic objectives can create a broader base of support and a broader business case for investing in amenities that grow riverport markets. Economic objectives include eliminating youth poverty, formulating equity initiatives, and connecting education to the logistics industry sector (and waterborne commerce growth market sectors) in each hinterland community.

Success Factor #3 - Collaboration Between Individual Port Authorities and Local Entities: While a holistic regional focus is recommended, it is also recommended that riverports engage directly with county and municipal entities. Important areas for riverports to engage directly at the county and municipal level include workforce, land development, education, related services, and community relationships with their host cities and counties to accelerate business attraction, talent development, real estate joint ventures, equity economic development initiatives, and education partnerships to help eradicate youth in poverty. CEO Roundtables such as those being launched in Owensboro by the Greater Owensboro Economic Development Corporation (EDC), the CED Innovation Hubs system, and the Cabinet for Education Innovation District program can be replicated in other riverport communities.

5.2.2. Supportive Role of Existing State Agencies

As described above concerning Success Factor #1, a hinterland regional focus is intrinsically different from the statewide focus and mission of either the Kentucky Transportation Cabinet (KYTC) or the CED. However, there are supportive roles that both the KYTC and CED are recommended to play in ensuring a riverport hinterland market strategy is successful. These roles pertain to functions that fall clearly within the mission and purview of these existing state agencies and are described as follows:

KYTC: In association with the update of Kentucky's statewide freight plan to reflect the capital needs and investments described in the current study, it is recommended that KYTC address the potential role of a waterways legislative caucus and/or RHC in meeting future multimodal freight needs in its statewide freight plan update. KYTC is federally charged with identifying performance and needs-based plans for freight. Its previous statewide freight plans have accounted for grant outlays and addressed waterborne transportation infrastructure at the policy level and decisions made by the Water Transportation Advisory Board (WTAB). Recognizing a more expansive universe of needs within the statewide freight planning process would provide important context for an independent RHC and leverage an opportunity to engage key stakeholders in determining how waterway investments fit into KYTC's overall multimodal performance.

It is also recommended that KYTC appoint a staff member to serve as a liaison to a riverport compact during its formation and operation. The member can pinpoint the subset of infrastructure needs identified in statewide planning that fall within the purview of KYTC and the complementary roles that KYTC can play with a riverport compact in applying for grants, securing matches, and scoping projects that may include both ground access and on-port improvement opportunities.

Kentucky CED: Although the CED is understood to have a broader focus than the riverport hinterland, it is recommended that the CED share with a new riverport compact its understanding of potential business attraction sites and prospects within the riverport hinterland. This would be a starting point for hinterland-specific ACRE activities focusing specifically on port properties. The CED is also recommended to appoint a staff member who can serve as the liaison with the RHC in its formation and ongoing operation and who can pinpoint where prospects for hinterland market development align with statewide ACRE priorities to develop joint strategies for those sites and prospects. The CED is recommended to review ROI on projects and programs generating economic impacts in relation to state goals. The goal is to validate the allocation of state economic development resources to port communities. The CED may consider software platforms like *Envision Tomorrow*, *LOCI, ERP,* and other ROI tools to assess initiatives or recommendations from local port communities or the RHC.

These allocations would include:

- Innovation hub startup funding
- Focused new training in small business logistics opportunities
- Connection of education to the Kentucky economy, focusing on low-income youth

The Kentucky Riverport system is a unique and robust economic asset to the state economy. In reviewing business intelligence on competitors and growing and shrinking economic cluster industry sectors, it is critical that the lead economic agency add the port system to its portfolio of assets to be marketed. A riverport compact would serve as a companion organization to the CED much the same way that other regional entities pursue regional objectives while also collaborating with the CED in cases where regional pursuits match statewide objectives.

The following guidance includes recommended action items for realizing each of the three strategic objectives for developing a home market for Kentucky's riverports, consistent with the suggested tactics above.

Strategic Objective #1:

Leverage Riverport Hinterland Compact

The first strategic economic objective entails leveraging the RHC recommended in **Chapter 4 (Section 4.4.1)** to establish legislative support; prioritize funding opportunities for the economic concept of operations (as developed through the process in **Chapter 4**); and provide a prioritized economic development action list of key sites, amenities, and other economic development capabilities for the RHC in its first year of operations.

Action 1A: Convene Legislative Stakeholders to Discuss Trends and Invite Solutions		
Key Agent: • **Kentucky Association of Riverports**	**Time Frame (From RHC Inception):** • First 3 Months	**Outcomes:** • Legislative Caucus Introduced • Path for Legislative Recognition of Hinterland Compact Formalized
Action 1B: Engage State and Local Agencies to form RHC Finance Committee		
Key Agent: • **Kentucky Association of Riverports**	**Time Frame: (From RHC Inception):** • Second 3 Months	**Outcome:** • RHC Finance Committee and Initial Funding Sources/Priorities Established
Action 1C: Engage Riverports for RHC Implementation Committee		
Key Agents: • **Kentucky Association of Riverports** • **Kentucky Cabinet for Economic Development**	**Time Frame:** (From RHC Inception) • Second 3 Months	**Outcomes:** • Prioritized Economic Development Action List for Compact Year 1

RIVERPORT HINTERLAND COMPACT

Formal language recognizing an RHC around the Ohio River as a response to the conversion from the coal economy can make the RHC (and the areas it serves) eligible for economic and environmental programs associated with this economic shift, as is further described in Strategic Objective #2.

Recognize Decline in Waterborne Coal as a Specific Mission Area for RHC: The most identifiable trend described throughout the current study is the significant decline in coal as the predominant commodity handled by Kentucky's riverports. It is shown in **Chapter 2 (Section 2.1.3, Figure 7)** that this change will lead to an overall decline in waterway traffic throughout the Commonwealth. A statewide legislative agreement to address the loss of this economic asset should be formalized as a key RHC objective. Legislative language should be introduced for both a legislative caucus and the role of the RHC in the Commonwealth's development. The relapse of the coal sector has precipitated the need for a strategic rethinking of the commodity alternatives and for the immediate diversification and restructuring of riverport economies. These two trends reinforce the need for better teamwork and collaboration among all stakeholders.

VEHICLE MILES OF TRAVEL (VMT) INCREASE

The findings of this study directly quantify the decline of waterborne coal as a potential source of truck VMT increase and quantify VMT savings from sustained riverport use (as described in **Chapter 4**). This study also quantifies the specific the economic and environmental benefits of VMT savings from riverport use. Recognizing the control of truck VMT growth and the associated economic and environmental efficiency in RHC economic strategies can enhance participation and funding eligibility for a host of programs.

Structure Agreements Around the Economic Costs of the Decline in Waterborne Coal: Nationwide, utility consumption of coal declined 22% in 2020, according to the US Energy Information Administration. The Kentucky Energy and Environment Cabinet and the Department for Energy Development and Independence, in partnership with the Kentucky Coal Industry, reports that Kentucky coal production decreased in 2016 by 29.9% from 2015 to 42.9 million tons, a production level not seen since 1922. Eastern Kentucky coal production decreased in 2016 by 39% from 2015 to 17 million tons. Production slowed at both underground and surface mines. Eastern Kentucky coal production has declined by 87% since peak production at 131 million tons in 1990. Western Kentucky coal production decreased by 22.4% from 2015 to 25.9 million tons.[1]

According to a May 2021 Ohio Valley Resource Organization report, coal employment in Kentucky recently fell by 14.6% to 3,983 workers. Within the state, "Western Kentucky produced 4.3 million tons compared to 2.3 million tons mined in the east. Union, one western Kentucky county, produced more coal than the entire eastern coalfield. However, total employment remained higher in the east, with 2,366 workers. Western Kentucky mines employed 1,617 workers." In 2010, Kentucky produced 108 million tons annually, employing more than 18,000 workers. Based on a further port-by-port analysis, assuming that all modernization and infrastructure improvements that are planned or currently underway are completed but that no other improvements are made, the following points can also be concluded:

- Even with the most optimistic forecasting, all but two Kentucky public port hinterlands will see negative growth in waterway traffic.
- Seven of the eleven port hinterlands will experience negative rail growth, mainly due to coal decline.
- There will be significant growth in trucking across all port hinterlands.[2]

Align RHC Agreements with National Economic Policy Objectives: Chapter 4 (Section 4.4) identifies the US Economic Development Administration (EDA) as a potential source of grant funding for the inception and development of an RHC serving Kentucky and its surrounding areas. Making regional collaboration and the enhancement of US global competitiveness a specific focus of charter documents, mission statements, and yearly plans will be essential to maximize funding and policy support eligibility.

[1] Kentucky Energy and Environment Cabinet and the Kentucky Department for Energy Development and Independence, Kentucky Coal Facts, 17th Edition (2017), https://eec.ky.gov/Energy/Coal%20Facts%20%20Annual%20Editions/Kentucky%20Coal%20Facts%20-%2017th%20Edition%20(2017).pdf

[2] Curtis Tate, "Kentucky Coal Production, Employment Decline Slows in 1st Quarter," Ohio Valley Resource, May 18, 2021, https://ohiovalleyresource.org/2021/05/18/kentucky-coal-production-employment-decline-slows-in-1st-quarter/.

US EDA MISSION

To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. This foundation builds upon two key economic drivers: innovation and regional collaboration. Innovation is key to global competitiveness, new and better jobs, a resilient economy, and the attainment of national economic goals. Regional collaboration is essential for economic recovery because regions are the centers of competition in the new global economy and those that work together to leverage resources and use their strengths to overcome weaknesses will fare better than those that do not. EDA encourages its partners around the country to develop initiatives that advance new ideas and creative approaches to address rapidly evolving economic conditions.

The US EDA's 2021 investment policy is designed to establish a foundation for sustainable job growth and for the building of durable regional economies throughout the United States. States and regions that practice greater teamwork and collaboration will benefit in the form of federal funding. The goals of economic resilience, social equity, and the generation of new public-private revenues represent a shift to "foundational" cash-positive changes that can improve regional and statewide prosperity through economic cooperation.

California, Illinois, and Indiana are just three logistics sector port states forming collective, statewide, regional, and multi-state shipping alliances to capture market share. Kentucky can benefit from understanding these examples and convening appropriate stakeholders to consider developing similar or superior riverport community roles as tuned-up prosperity engines for state finances.

Demonstrate Economic Opportunities for Disadvantaged Populations and Communities: A strong federal policy focus on social equity can offer opportunities for riverport communities to qualify for funding and reduce the overall costs of poverty and income disparities. If riverport market targets are aimed at creating jobs and income for the "disadvantaged" communities[3] identified by the national Justice40 initiative, the market development can both support utilization of low-cost waterborne transportation while also reducing the cost of social services, law enforcement public health and other public costs of poverty and income disparity.

Currently, the Kentucky Association of Riverports offers a limited portfolio of advocacy for riverports. The general objectives are as follows:

- Serve as a voice of the Kentucky waterborne transportation industry
- Promote and assist in the development of multimodal transportation systems
- Serve freight needs across state and interstate regions

[3] Each of the six disadvantage indicators are assembled at the Census Tract level using data from the- CDC Social Vulnerability Index, Census America Community Survey, EPA Smart Location Map, HUD Location Affordability Index, EPA EJ Screen, FEMA Resilience Analysis & Planning Tool, and FEMA National Risk Index. https://usdot.maps.arcgis.com/apps/dashboards/d6f90dfcc8b44525b04c7ce748a3674a

- **Transportation Access disadvantage** identifies communities and places that spend more, and longer, to get where they need to go. (CDC Social Vulnerability Index, Census America Community Survey, EPA Smart Location Map, HUD Location Affordability Index)
- **Health disadvantage** identifies communities based on variables associated with adverse health outcomes, disability, as well as environmental exposures. (CDC Social Vulnerability Index)
- **Environmental disadvantage** identifies communities with disproportionate pollution burden and inferior environmental quality. (EPA EJ Screen)
- **Economic disadvantage** identifies areas and populations with high poverty, low wealth, lack of local jobs, low homeownership, low educational attainment, and high inequality. (CDC Social Vulnerability Index, Census America Community Survey, FEMA Resilience Analysis & Planning Tool)
- **Resilience disadvantage** identifies communities vulnerable to hazards caused by climate change. (FEMA National Risk Index)
- **Social disadvantage** identifies communities with a shared history of discrimination, racism, or other forms of disadvantage that warrant consideration along with each/any of the above measures. (CDC Social Vulnerability Index)

FEDERAL POLICY DEVELOPMENTS OPENING OPPORTUNITIES FOR AN RHC

- On January 27, 2021, President Biden signed Executive Order 14008 "Tackling the Climate Crisis at Home and Abroad," which created the government wide Justice40 Initiative.
- Justice40 aims to deliver 40% of the "benefits" of relevant federal investments to "disadvantaged" communities.
- USDOT will undertake a comprehensive approach to advance environmental justice, including for individuals who have been historically underserved and adversely affected by persistent poverty or income inequality.
- USDOT will collect community input on transportation challenges in "disadvantaged" communities and desired "benefits," or what direct positive impacts USDOT programs could have on their community.

KAR is currently composed of seven public operating ports and four developing public ports authority members, and representatives from the Kentucky Transportation Cabinet."[4]

The RHC offers an opportunity to create a more robust and formalized advocate to advance a larger Kentucky Public/Private agenda. RHC responsibilities can include applying for federal dollars for the port system; implementing statewide riverport agendas; attracting private investment to port counties and cities; fostering partnerships for expanding innovation hubs; connecting education, STEM, and entrepreneurship to the riverport and state economies; recruiting and developing manufacturing and distribution sites to appropriate mega sites in riverport counties; and conducting homegrown port economy economic activities. The Department of Local Government has been suggested as a potential partner, as has the network of Metropolitan Councils of Governments (COGs), including the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) and the Kentuckiana Regional Planning & Development Agency (KIPDA).) Finally, collaboration among Kentucky's 15 area economic development agencies and others provides an additional opportunity to introduce inland port economic development into all 120 counties in the Kentucky hinterland.

[4] Kentucky Association of Riverports, "About KAR," Kentucky Association of Riverports (KAR), 2008, http://kentuckyriverports.com/about_kar/.

Consider the Role of Economic Compacts in Other States: In forming the RHC, Kentucky will benefit from reviewing and implementing successful models of logistics and transportation operations/investment compacts in other states. California, for example, is introducing a 24-hour logistics economy into its new statewide approach to trade, a streamlined system of management connecting seaports to inland ports and warehousing to buyers. Other examples of statewide leadership in connecting inland ports include Indiana, which is using a statewide port agency. As described in **Chapter 3 (Section 3.2)**, Florida uses Enterprise Florida for statewide economic recruitment and investment attraction, and the Florida Council of Ports, which serves a transportation advocacy function like the Kentucky Riverport Association.

PEER STATE EXAMPLE: FLORIDA PORTS COUNCIL

Florida Ports Council is a nonprofit corporation serving the 15 public ports and governed by a board of directors. It considers itself a "state port entity to maximize commercial and tourism activity" and a quasi-governmental agency with a collective formal role in collaborating on legislation, research, and back-office operations and formalizing collaborations for strategic objectives.

The Florida example can build on the existing Kentucky Association of Riverports, whether through a new legal regime, an expanded existing entity, or a public enterprise for optimizing future funding and resource allocations. The Florida Ports Council represents the collective needs of Florida ports. It is the chief liaison for port industry needs in the state, whether fiscal, policy, operations, or information. This provides one message and a strong podium while maintaining the ports' local autonomy. The Ports Council built a constituency from $5 million annual allocations to nearly $61 million during the past 20 years. The Florida Ports Financing Commission is a sister entity created to vet and supply dollars for the implementation of Florida-Port-Council-supplied port modernization projects.

Legislative History Chapter 311 in the Florida Statutes created the Florida Seaport Transportation and Economic Development Council with the authority to collectively advocate for funding, distribute funds, develop a project review and ranking process, provide data and marketing resources, produce an annual mission plan strategic report, meet with state agency partners, and provide a public forum for input into funds allocation and investment strategies.

There is more power in teamwork than there is not. Federal dollars are available to explore the creation of a strategic riverport economic plan to assist in Kentucky's restructuring, economic recovery, and capturing of economic benefits for citizens and local businesses, especially considering the negative impact of the diminished coal industry sector.

Strategic Objective #2:

Funding Strategy for Anchor Client Sites AND Infrastructure

The second strategic economic objective entails the RHC developing a funding strategy to support promotional activities for riverport clients, the development of sites for riverport trade partners, and the ongoing operation of the RHC. In the inception study/process for the RHC, it is recommended that a prioritized list of grant and private investment sources for already identified infrastructure needs (described in **Chapter 2** of this report and in preexisting grant applications) be organized and matched to potential funding sources. However, it is further recommended that programs for the development of sites and amenities for riverport anchor clients also be developed with a strong business case that development of such sites and attraction of such clients meet the key policy criteria of

3. Addressing social equity by supporting disadvantaged communities
4. Supporting sustainable transportation by encouraging the use of river transportation, which is more affordable and sustainable than other modes
5. Facilitating the transition of the RHC economy from waterborne coal dependence to a more diverse and sustainable economic base

It is also recommended that new concepts not yet identified in **Chapter 2** or prior grant applications be identified to specifically qualify key RHC development sites (and ports) for new technology programs aimed at sustainability and social equity outcomes.

Action 2A: Identify and Leverage Grants		
Key Agents: • RHC aided by • KYTC and CED	**Time Frame (From RHC Inception):** • First Year	**Outcome:** • Prioritized List of Grant and Private Investment Pursuits and Partners of $200M or more
Action 2B: Prioritize and Submit Grants or Investment Pitches for Already-Identified Site, Port, and Other Development Needs for New Riverport Anchor Clients		
Key Agents: • RHC aided by • Kentucky Association of Riverports • CED and Other State/Regional Partners	**Time Frame:** **(From RHC Inception):** • First Year	**Outcome:** • Generate On-Site Visits By investors and submit Grant Applications from Relevant Programs
Action 2C: Develop New Project (Technology/Sustainability Concepts) On-Port or at Development Sites Aimed Specifically at Qualifying for Technology/Sustainability Programs		
Key Agents: • RHC aided by • Kentucky Association of Riverports • CED and Other State/Regional Partners	**Time Frame:** (From RHC Inception) • First Year	**Outcome:** • Cargo and Technology Grants Submitted

Implement Business Intelligence Resources with New Data and New Partners: Use business intelligence information derived from the current study and documented infrastructure needs identified in on-site port visits, to propose pragmatic public-private partnerships for attracting grants, low-interest loans, private investments, and local matching dollars to obtain funding to modernize the Kentucky Riverport Network and address statewide economic goals.

Pursue Statewide Riverport Needs through Equity-Based Funding Opportunities: For example, in FY 22 nationally the federal government announced $1.5 billion for RAISE grants, $2.25 billion for PIDP grants, $25 million in Marine Highway program. To compete for the sizable unmet needs in intermodal port infrastructure funding, identified as $200 million, it is recommended that the Commonwealth of Kentucky present to federal agencies a comprehensive application outlining a societal ROI strategy. This ROI strategy should utilize new business intelligence data and the best regional, traditional, and equity-based economic development practices. These strategies are included in this study and illustrate how the joint intra-agency and riverports funding application addresses KYTC and EDA safety and economic requirements, produces positive ROI, provides private sector leveraging of government investments, and promotes national American Rescue development goals.

Define Clear Contributions for Diverse Agencies and Riverports: It is recommended that the business planning and board of a RHC pro-actively engage agencies across different policy areas to offer the strongest possible social-equity base business case for funding and investment. Kentucky will make its strongest investment case through an interdisciplinary team of state economic, education, workforce, and local government agencies describing how funding would be leveraged to meet national goals. The CED would be invited to bridge the gap between transportation infrastructure funding and leveraging of commercial, taxable outcomes with innovation hubs, trade, and small business implementation initiatives. Education agencies would be invited to further engage innovation districts, entrepreneurship, and workforce training. The Kentucky Association of Riverports (KAR) would be invited to identify and liaison legislative support, regional partnerships, and private infrastructure investment.

Individual participating ports would be invited to offer evidence of innovative strategies and strategic economic plans taking advantage of new funding streams with actions for meeting federal equity and grant requirements. Additionally, individual port executives and transportation, economic, and education Cabinets can team up to highlight the port system as a catalyst for "future-proofing" the state. They will provide ample evidence to federal reviewers that Kentucky intends to restructure its economy around sound economics, innovation, regional collaboration, and private firm investments.

Invite City and County Financial Participation for Small and Rural Ports: The marketing toolkit of the current study is offered as a guide for individual riverports to implement local strategies that can fit into a larger regional effort as envisioned in this chapter. Local ports will need to identify partnerships capable of producing a substantial local funding match for grants. The self-assessment in the following section (**Strategic Objective #3**) is offered to help port executives provide detailed information on local conditions and ensure focused pursuits with the strongest economic development business case. The Kentucky Association of Riverports can support grant applications at ports by brokering collaborative pursuits with community, business and public agency partners.

The Role of Equity in Awarding Infrastructure and Transportation Grants: USDOT funding options have traditionally been discretionary, formula funds, loans, and P3s. However, currently, readiness, evidence of private investment, public-private partnerships, and equity are the priorities. ROI, P3 partnerships, and equitable economic development are the highest "rated" criteria.

For the most competitive funding bid, it is advisable to create a policy framework "application" for the state and riverport system that is equitably and economically powerful. The current study offers business intelligence regarding economic payoffs for the hinterland of continued riverport use. The best applications will address new DOT and EDA priorities. This criterion requires applicants to leverage infrastructure dollars; foster equity; create workforce innovations; install port city innovation hubs (consistent with the CED's innovation hub initiatives that are currently underway), joint city-county port industrial, office, and mixed-use business parks; develop alternatives to coal dependence; apply business intelligence and smart technology; and cultivate P3s. The resulting Kentucky port network strategy will be nationally replicable, resilient, and data driven, with measurable cash-positive ROI. Tapping underutilized youth in the poverty talent pipeline and attracting matching resources from local cities and counties is a collective value-added impact approach that optimizes state and federal dollars.

Grant Opportunities Specifically Aimed at RHC Objectives: Chapter 4 (Section 4.4) identifies a wide range of port investment programs. Defining an RHC specifically in terms of social equity, sustainability, conversion to sustainable energy, and technology can qualify the compact for funding opportunities. Specific economic development grant programs can support development sites and anchor riverport clients if they are framed as part of a riverport utilization strategy for sustainable and equitable use of transportation. These programs according to the US EDA include:

The Statewide Planning, Research & Networks Program: This program provides $59 million for statewide planning grants and $31 million for research and network grants to invest in research that assesses the effectiveness of the EDA's programs and provides support for stakeholder communities.

Economic Adjustment Grants: This program is designed to provide a wide range of financial assistance to communities and regions as they respond to, and recover from, the economic impacts of the coronavirus pandemic, including long-term recovery and resilience to future economic disasters. Under this announcement, the EDA solicits applications under the authority of the Economic Adjustment Assistance (EAA) program, which is flexible and responsive to the economic development needs and priorities of local and regional stakeholders. A $500 million allocation was made and used in 2021, and another smaller round of grants is expected in 2022.

Strategic Objective #3: Riverport Home-Market Creation - Self-Assessment and Resources

The first two strategic objectives highlight actions that will (1) establish an apparatus for building up Kentucky's riverport hinterland with clients in the economic climate described in **Chapter 2 (Section 2.1.2)** and (2) secure resources to identify and implement a program of modernization for the riverport hinterland economy. With these resources in place, individual riverports, local economic development partners, and state entities will be equipped to apply the Marketing Toolkit to develop business for the ports themselves and attract newly locating clients.

Riverport Self-Assessment: The following questions are offered as discussion items for riverport directors and other stakeholders:

Question 1: Has the riverport considered collaborative land development initiatives with county or municipal governments?

Plans for new development centers in and around riverports can be convincing scenarios when pursuing federal grants and private investors. These centers might also reduce commute costs for government agencies and citizens, increase local family disposable income, reduce pollution and congestion, foster small business, enhance "live-work" quality of life, and benefit ports and cities/counties with tax-producing new revenue streams. Potential tax improvement districts include Tax Increment Financing (TIFS), Community Improvement Districts (CIDS), Business Improvement Districts (BIDS), and Port Improvement Districts (PIDs).

Question 2: Does the riverport have a cooperative agreement for tax incentives?

Tax incentives targeted to specific industry sectors or business types that may leverage riverports or complement riverport services can be a valuable mechanism for growing home markets for riverports. For example, a tax incentive could (1) make a site in proximity to a riverport attractive enough to secure the location of a key riverport client, who would then operate more efficiently in the entire transportation system by using water transportation; or (2) attract a complementary supplier or companion firm that, while not using the riverport directly, makes the area more attractive to other supply chain partners that move commodities by water. The overview of growth commodities in Kentucky's riverport hinterland markets in **Chapter 2 (Section 2.1.2)** provides a starting place for identifying such prospects.

Question 3: Is there a CEO network that meets annually on workforce needs related to waterborne transportation markets?

Creating an executive roundtable or advisory committee of both riverport executives and senior human resource/workforce officers from firms among existing and potential riverport clients can be a vital asset to building home markets. Frank and structured discussions about trade school and public-school curricula, internship/co-op programs, STEM, and logistics occupational needs and capabilities can help pinpoint and address the staffing needs of riverports and the business case to attract clients to an area. For example, the riverport in Owensboro, KY, is currently engaged in a CEO-driven project for youth. Initiatives of this type specifically address USDOT criteria for the funding mentioned above.

Question 4: Is the riverport connected to existing state and local adult workforce initiatives?

In addition to CEO perspectives, riverport and RHC participation in adult workforce initiatives can give riverports direct access to information and resources for connecting workforce needs to specific clients. For example, the Kentucky Department of Education and the Department of Agriculture have specific programs related to the workforce in sectors within emerging riverport markets, including:

- Kentucky Department of Education: https://education.ky.gov/CTE/nsfy/Pages/KY-NSFY.aspx; A New Vision for Kentucky Youth, Innovation Districts
- Kentucky Department of Agriculture: https://www.kyagr.com/ky-agnews/press-releases/2021/KDA-KAM-announce-fifth-year-of-LAND-forums.html; Partnerships with Manufacturing/https://transportation.ky.gov/Education/Pages/default.aspx; Scholarships

Question 5: Is the riverport using available sourcing and customer databases?

Although the long-term commodity and industry targets discussed in **Chapter 2 (Section 2.1.2)** provide a structure for defining a new home-market economy for the riverport hinterland, syndicated databases can provide a critical tool for motivating specific prospects to both use a port and locate themselves in the riverport hinterland. Using waybill data, business intelligence firms can provide actual establishment names, business characteristics, and contact information for businesses trading specific goods by water in the hinterland of each Kentucky riverport. **Appendix 5.1** provides an example of how business intelligence information can be used to pinpoint specific riverport customers and hinterland development prospects as call lists, in this case using the Datamyne platform. The appendix also has examples of specific firm listings that both riverports and economic development entities may use in outreach strategies, as described in the Marketing Toolkit and the business attraction tactics in this chapter.

Question 6: Is the riverport leveraging Public-Private Partnerships (P3s)?

Done properly, P3s such as jointly owned industrial parks, logistics hubs, innovation hubs, mixed-use developments, and targeted business recruitments and expansions can produce an ROI that will improve the bottom line of port authorities. Educational partnerships can produce considerable dividends in talent for port management, client companies, and real estate partners. These public-private partnership revenues offer the potential to generate matching dollars for state and federal grants and to supplement operational and maintenance budgets.

The concise list in **Appendix 5.2** is a sample of technical assistance providers, potential investors, and partnership concepts that can aid the long-term economic resilience of ports and governments.

5.3 CASE STUDIES AND LESSONS LEARNED

In addition to the case examples cited above regarding how riverport compacts collaborate to secure funding and prioritize infrastructure, there are examples of how states leverage riverports to achieve economic impacts and development. The cases are relevant to Kentucky as they demonstrate how state, regional, and riverport partners can define roles to create new opportunities. The cases also demonstrate how complementary fiscal and workforce strategies can encourage private investment and generate positive cash flows for all partners involved.

Lessons Learned: The economic strategies of Illinois, Georgia, California, and Louisiana are examples of regional or statewide networks adopting diverse, effective approaches to future growth. Lessons can also be learned from how existing Kentucky strategies can be most effectively leveraged to enhance the prosperity of the riverport network and its hinterland market. These include CED initiatives such as (1) the Innovation Kentucky Hubs Initiative, (2) the Small Business Initiatives, and (3) the education-based Innovation District Programming.

The strength of the Kentucky riverport system relies upon its central location, aggressive marketing strategies, and ability to adapt to rapidly changing conditions. The successful Ohio-River-based Kentucky port system carries more freight than any in the region. Coal currently accounts for half of Kentucky's waterborne freight. Crude materials, petroleum, farm produce, and chemical and manufacturing goods are the primary freight sourced to the ports now experiencing significant shifts in the market. The tendency to adapt away from the diminishing coal supply is notable in the main ports. The challenge of modernizing the riverports with technology, multimodal connectivity, and strong talent is addressed in the evaluation of case studies in this chapter and in subsequent recommendations for the CED and KYTC.

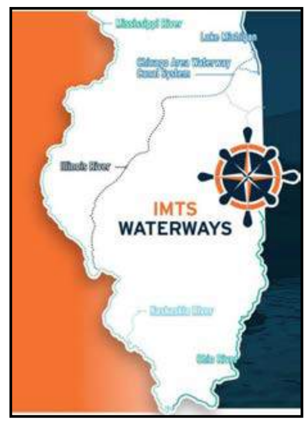
The following case studies provide a sampling of investments and roles those public agencies and other entities play in port development to achieve economic outcomes in various parts of the United States and abroad.

5.3.1. Illinois Marine Transportation System Plan

The Illinois Department of Transportation (IDOT) provides an example of a state using a study like the current study to establish an apparatus for managing waterway investment and prioritizing funding and economic opportunities. The Illinois recommendation regarding multi-state partnerships is relevant to Kentucky's findings in the current report on an RHC focusing on the Ohio River. The IDOT finalized the Illinois Marine Transportation System (IMTS) Plan and Economic Impact Analysis Study. The plan includes a profile of each of the state's 19 public port districts and eight key recommendations. The plan found that the marine transportation industry supports 166,000 jobs and contributes $36 billion to the state's economy; that is 4% of Illinois gross state product (GSP). IDOT evaluated proposed projects based on the following criteria: implementing a goal within the state's long range transportation plan, implementing a performance-based program, and implementing asset management to benefit disadvantaged and economically distressed communities.

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN 8 RECOMMENDATIONS

1. Re-Establish a Marine Section Within IDOT
2. Fully Integrate IMTS Modal System Planning Within IDOT
3. Fully Integrate Statewide IMTS Planning to Stakeholders
4. Improve Port District Structure and Appointment Process
5. Streamline Dredging Process
6. Strengthen Federal Agency and Multi-State Partnerships
7. Leverage Existing Illinois Funding
8. Establish Long-Term, Sustainable IMTS Funding Program



5.3.2. Georgia Waterways Program Partners

Georgia DOT provides an example of a state where a DOT provides in-kind support for strategic port assets. The Georgia DOT Waterways Program partners with the US Army Corps of Engineers to maintain the navigability of the Atlantic Intracoastal Waterway (AIWW) and Georgia's deep-water ports in Savannah and Brunswick. These port facilities are operated by the Georgia Ports Authority (GPA). Further, the program has assessed Georgia's ports and inland terminals, finding that 396,000 jobs are supported by deep water ports and inland terminals. Key contributions Georgia DOT makes to the program include:

Savannah Harbor: The DOT provides easements and rights of way for upland disposal areas and covers 35% of the cost to raise dikes at the upland disposal areas for the harbor. The DOT is also providing technical support for the Savannah Harbor Expansion Project, which is expected to create more than 11,000 jobs in the southeast and nationally, reduce shipping costs by $213 Million a year, provide $282 Million in net economic benefits, and yield a 7.3/1 ROI for the national economy.

Brunswick Harbor: The Georgia DOT has been the local sponsor for Brunswick Harbor since April 5, 2002. The department provides easements and rights of way for upland disposal areas and 35% of costs required to raise dikes at Andrews Island, the main upland disposal area in Brunswick Harbor.

5.3.3. California Public Ports Program[5]

21ST-CENTURY INFRASTRUCTURE PLAN

"The link between infrastructure and economic competitiveness is proven. The strength of any urban economy is based on the productivity of its human capital and its access to natural resources."

Los Angeles Chamber of Commerce

Although California's port network is far more expansive than Kentucky's, California (i.e., the LA and Long Beach Ocean ports linked to the "Inland Empire") offers examples of realistic and successful financing options. Additionally, the connectivity of seaports to inland ports is an example of comprehensive economic planning.

California's public ports will receive $250 million as part of the state's allocation of funding from the American Rescue Plan[6], in recognition of the important role of California's ports in moving commerce safely, maintaining critical infrastructure, and managing sovereign public trust lands and resources for the benefit of all Californians. Integral to the communities where they operate, California ports will be a critical part of the recovery of local and regional economies.[7]

California's waterways planning specifically seeks to advance racial and economic justice by redirecting resources to marginalized communities; better connecting individuals to jobs, health care, education, and other opportunities; improving environmental justice; and amplifying the voices of those who have been historically excluded from the transportation decision-making process. Further, leveraging private sector investment is a priority recommendation of the 21st Century LA Infrastructure Plan.[8] Key economic development provisions of the plan include:

- *Technology and Density/Topography Considerations for Delivery of Waterway Projects:* The Los Angeles plan requires that local governments work closely with the private sector to draft an infrastructure delivery strategy that identifies technologies appropriate for the density and topography of the region. This creates a specific place in the waterway project development process to assess technology investments, land development, and other factors that may leverage waterway infrastructure.
- *Specific Call for Public-Private Initiatives:* The plan identifies a role for the private sector in sharing the risks and rewards of port and related investment. The proposed funding models are offered to secure public and private commitment over the longer term so that high-quality operations/maintenance can be sustained as the economy changes. The private sector in the LA/Long Beach port community has been found eager to work extensively with local governments.

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[5] California Association of Port Authorities, "CA Ports to Receive $250M in Funding from American Rescue Plan," CAPA: California Ports, 2022, https://californiaports.org/arp_250/.
[6] California State Transportation Agency, California Transportation Plan 2050, California Department of Transportation, 2020, https://dot.ca.gov/-/media/dot-media/programs/transportation-planning/documents/ctp-2050-v3-a11y.pdf.
[7] Eleanor Lamb, "Freight Economy Among Priorities of California's Long-Term Plan," Transport Topics, March 5, 2021, https://www.ttnews.com/articles/freight-economy-among-priorities-californias-long-term-plan.
[8] Los Angeles Area Chamber of Commerce and Siemens, A Blueprint for a 21st Century Los Angeles Infrastructure, http://www.lachamber.com/clientuploads/Infrastructure/15_Blueprint21stCenturyLA_Web.pdf.

5.3.4. New Orleans Port Master Plan

The New Orleans Port Strategic Master Plan[9] provides an instructive example of economic revitalization initiatives integrated into specific port planning concepts. Although New Orleans ports are larger than most Kentucky riverports, many features of its plan may be relevant to Kentucky's developing and existing port properties.[10] The New Orleans Port's Strategic Master Plan, published in Spring 2018, is a bold vision that paves a path forward to ensure that the port meets market demand and leads the region to greater sustained prosperity. The Port NOLA Inner Harbor Economic Revitalization Plan (PIER Plan) resulted from a collaborative planning project with the City of New Orleans, New Orleans Regional Planning Commission, the Louisiana Department of Environmental Quality, and the Deep South Center for Environmental Justice. The PIER element of the plan focuses on the future development of the port's inner harbor and its surrounding communities. A US Environmental Protection Agency Brownfields Area-Wide Planning Grant funded this planning effort. Additionally, Louisiana and its ports and port communities are developing public-private partnerships to regenerate local communities, address equity, and further state and federal goals.[11]

[9] Joseph Arcado, Jr., "PAL Presentation," Louisiana Department of Transportation & Development, November 9, 2016, http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Administration/GTFTII/Docs/11.09.16%20Task%20Force%20Meeting/PAL%20Presentation.pdf.
[10] "Future Projects," Port NOLA, https://www.portnola.com/business/real-estate/future-projects.
[11] "2017 Louisiana Infrastructure Report Card," 2021 Report Card for America's Infrastructure, https://infrastructurereportcard.org/state-item/louisiana/.

5.4 PATHWAY TO IMPLEMENTATION: Five Practical Actions

In summary, the fundamental changes in Kentucky's waterborne economy represent both a challenge and an opportunity for economic development. The analysis offered in the current study provides both a map of promising commodity and industry targets in **Chapter 2 (Section 2.1)** and a Marketing Toolkit with a practical structure for each riverport to enhance its market capture potential. These elements can be optimally leveraged through an RHC as described in **Chapter 4 (Section 4.4)**, with ample funding programs, successful examples from other regions, and supportive state and local programs to build a revitalized home market for Kentucky's riverports.

The five practical steps for developing the riverport hinterland home market are understood to occur in concert with (and often integrated with) the overall riverport development policy actions offered in **Chapter 4 (Section 4.3)**. The steps are not in competition or in contrast to the recommendations of **Chapter 4**; rather, they should be understood in the context of the key role economic development stakeholders play in realizing the overall riverport opportunities offered in the previous chapter:

Action #1: Define Economic Development Focus for Riverport Legislative Caucus

Engage the Kentucky Association of Riverports to establish a legislative caucus defining equitable and sustainable development of the riverport hinterland economy as a specific focus.

Action #2: Inventory Major Employers and Prospects

Take an inventory of major employers trading in the growth commodities of farm products, plastics, chemicals, metals, and others shown in **Chapter 2 (Section 2.1)** to develop a list of potential supply chain partners and commodities that may efficiently locate to the region and trade by water.

Action #3: Inform and Engage Economic Development Agencies with Study Findings

Reach out to state, local, and regional economic development entities to review potential development sites for firms consistent with opportunities from Action #2 and schedule quarterly reviews of prospects and sites attracting potential riverport customers.

Action #4: Use Port Profiles and Marketing Toolkit for Economic Development

While the port profiles associated with the current study and Marketing Toolkit can be used to simply promote ports, they can also provide an essential tool for promoting the overall hinterland. Therefore, users of the current study are recommended to present (1) the port profiles, (2) the executive summary presentations, and (3) available materials from the 2021 summits to local and regional economic development and industry groups highlighting the key attractive features of ports and ideal port-using development prospects.

Action #5: Pursue Funding to Develop RHC as an Economic Development Entity

By defining the RHC recommended in **Chapter 4** as not just an infrastructure planning entity but an economic development entity, riverport champions can more widely pursue grant funding through US EDA, MARAD PIDP grants, or other programs identified in this chapter (as well as **Chapter 4**) to develop a concept of operations for an RHC, as called for in **Chapter 4 (Section 4.4).**