

# MARAD - *Inland Waterways Gateway Office*

## A MARAD UPDATE

**East St. Louis, Illinois  
Regional Economic Resilience Forum**



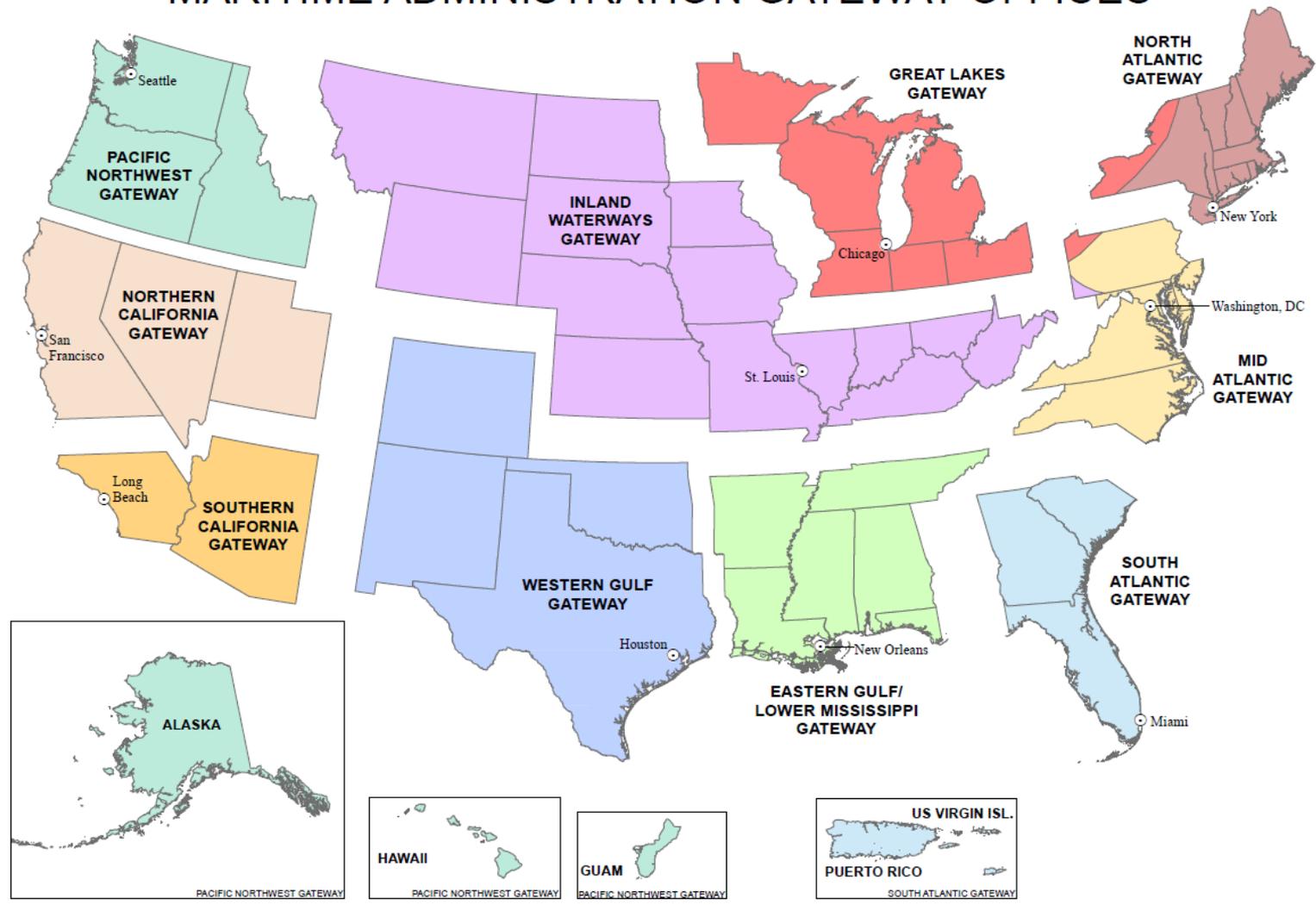
Bill Paape, Director, Inland Waterways Gateway Office  
U.S. Department of Transportation  
Maritime Administration  
21 May 2015

# MARAD MISSION

To strengthen the U.S. marine transportation system -- including infrastructure, industry, and labor -- to meet the economic and security needs of the nation.



# MARITIME ADMINISTRATION GATEWAY OFFICES



# MARAD – Update



- New Associate Administrator for Intermodal System Development – Lauren Brand (since January 2015)
- Pending hire of a Port Finance Agent (StrongPorts Program)
- MRCTI, IRPT Marine Highway Project Application – pending approval with the Secretary of Transportation
- Marine Highway Projects Open Season – next window closes June 30, 2015
- Tugboat, Towboat and Barge Economic Impact Study – conducted under a cooperative agreement between MARAD and AWO – Release date target is Oct 2015

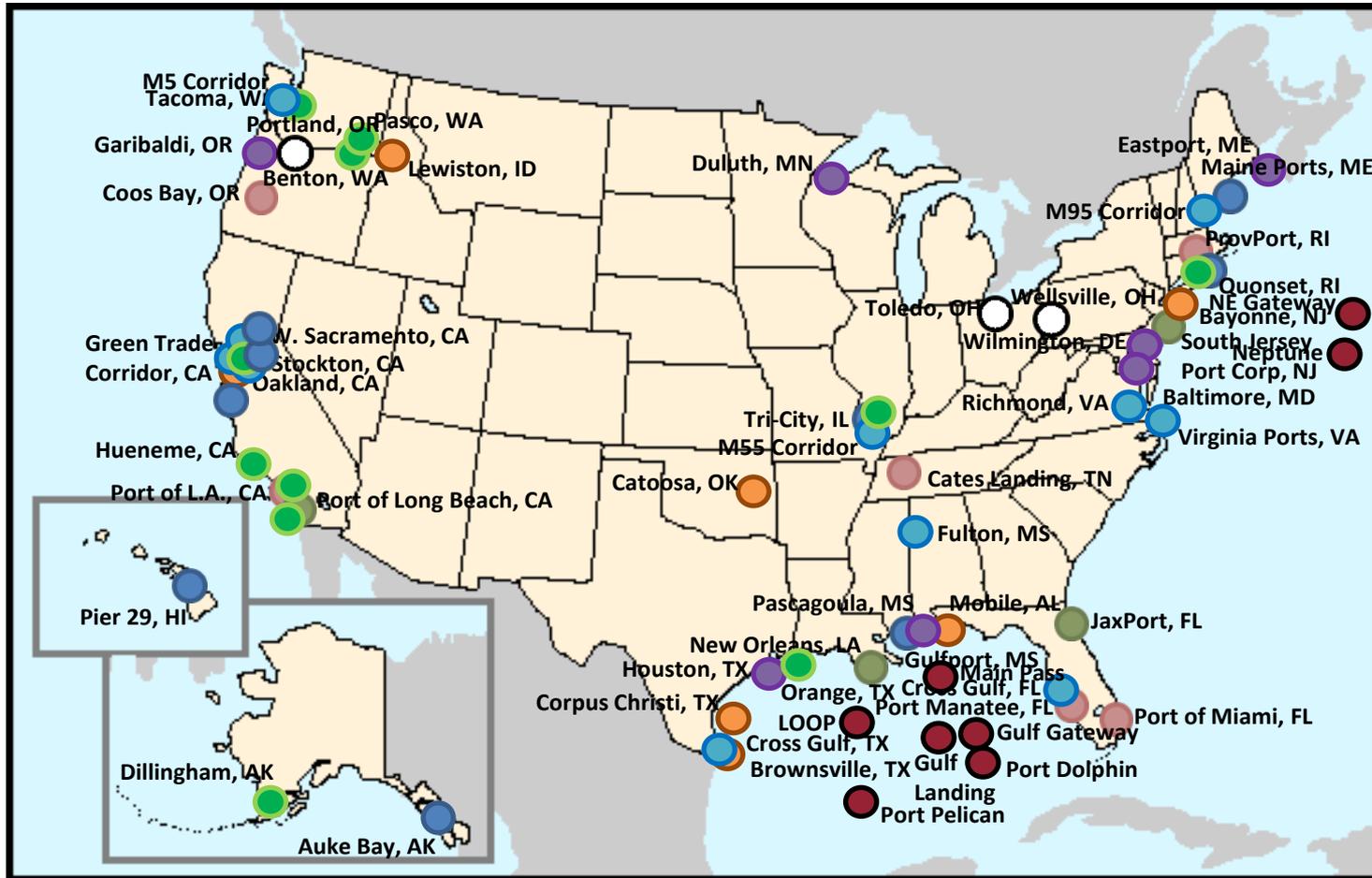
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# Maritime Administration Projects



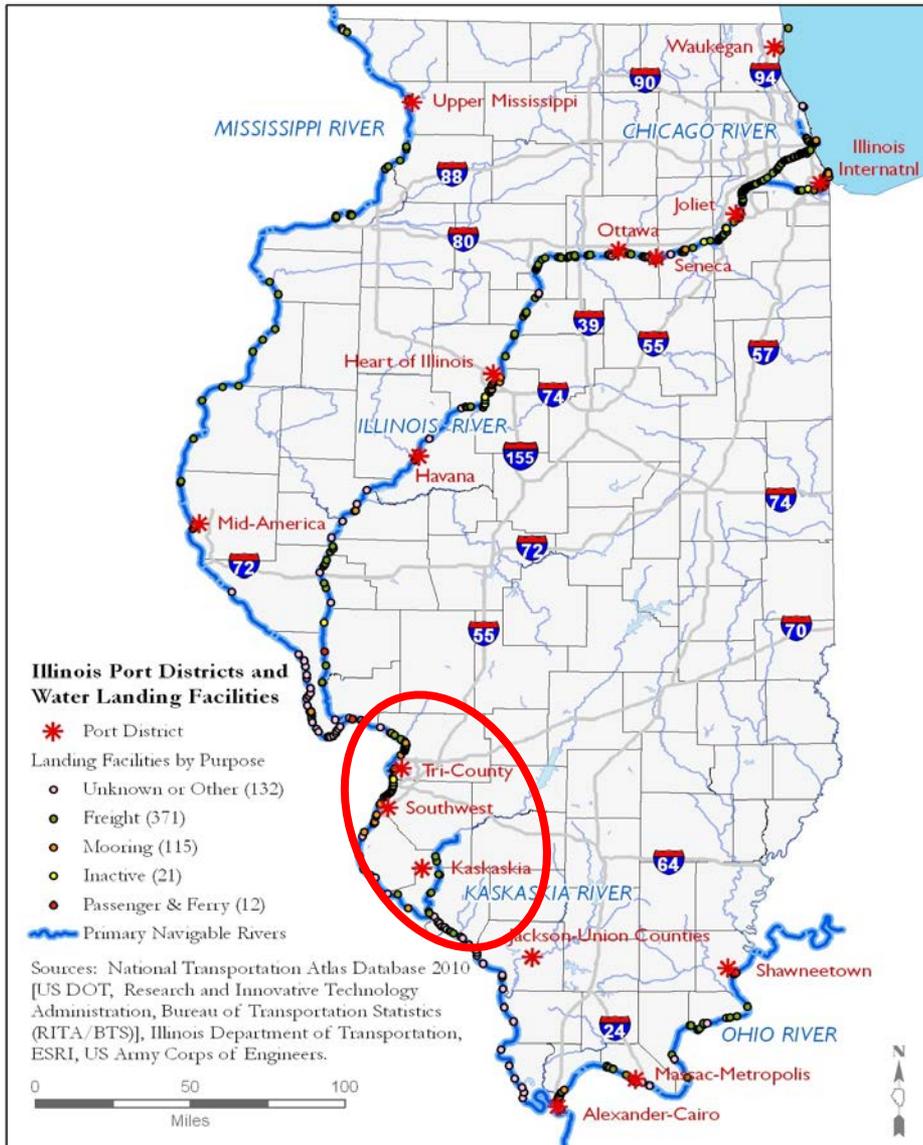
- ARRA Grants
- TIGER FY 2009
- TIGER FY 2010
- TIGER FY 2011
- TIGER FY 2012
- TIGER FY 2013

# Maritime Administration Projects



- ARRA Grants
- TIGER FY 2009
- TIGER FY 2010
- TIGER FY 2011
- TIGER FY 2012
- TIGER FY 2013
- Marine Highway
- Port Conveyance
- Deep Water Ports

# Illinois Port Districts and Water Landing Facilities- 1,095 Miles of Navigable Waterways



## Outbound -2010

COMMODITY	%	TONNAGE (in millions)
Coal	56	58.4
Agriculture	25	26.2
Petro/Gas	11	11.8
Other	8	7.8
<b>TOTAL</b>	<b>100</b>	<b>104.2</b>

## Inbound -2010

COMMODITY	%	TONNAGE (in millions)
Stone/Ore	36	6.3
Fertilizer/Chem	20	3.5
Metal Products	14	2.5
Other	30	5.2
<b>TOTAL</b>	<b>100</b>	<b>17.5</b>

# America's Central Port

- Encompasses over 75 square miles in Southwestern Madison County, Illinois on the banks of the Mississippi River and Chain of Rocks Canal. The municipalities of Granite City, Madison and Venice are located within the Port.
- The Port includes Foreign Trade Zone #31, commercial warehouses, truck and rail facilities, harbor facilities, industrial plants, office space, recreational facilities and residential housing units.
- In 2000, the Port added over 840 acres of land in a transfer of the former Charles Melvin Price Support Center property from the U.S. Army, creating over 1200 acres of prime development along the river and adding nearly 2 million square feet of warehouse space.
- The Port has over 84 tenants, whose **employment exceeds 800 individuals** from the surrounding communities.
- America's Central Port transfers in excess of 4 million tons of product annually between river barges, railcars and trucks.
- A recent study of the **economic impact of the Port** on Madison County was over **\$208 million dollars annually** and growing.
- The Port is responsible for approximately **1,350 jobs in Madison County, and a total labor compensation of over \$66 million.**

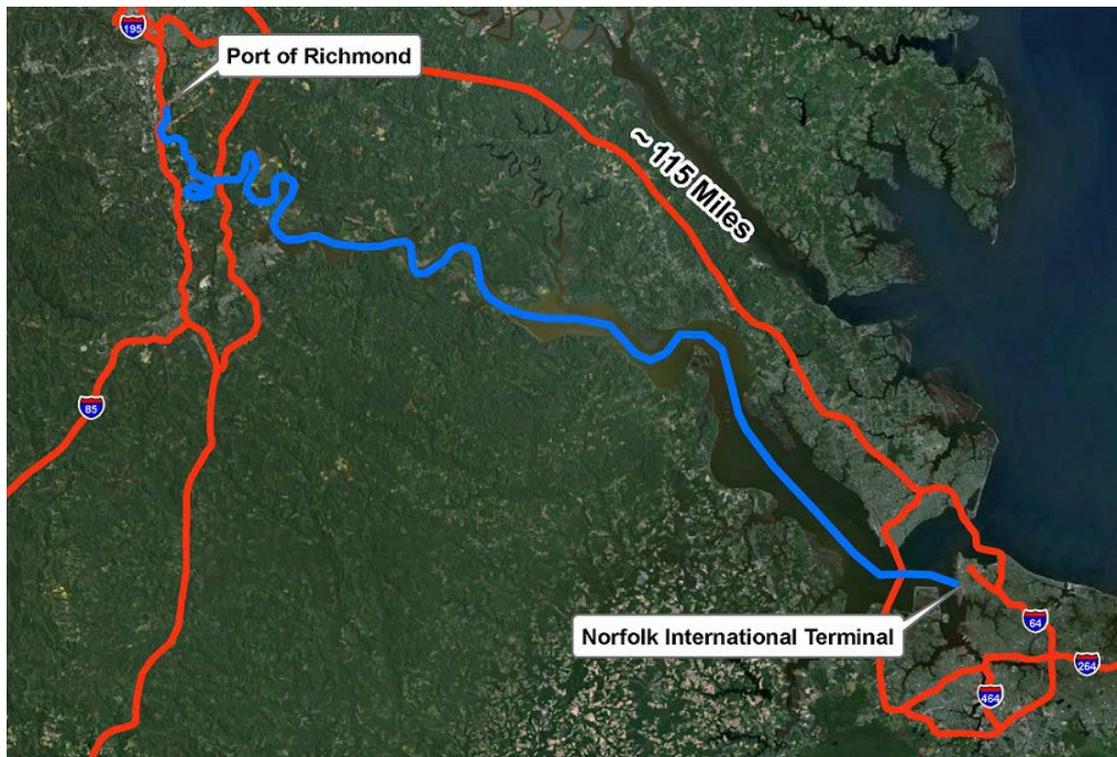


# New Corridor Designation M- 35 Upper Mississippi River



# 64 Express Marine Highway Service

MARAD Marine Highway Grant Funds provided for purchase of barges and container handling equipment



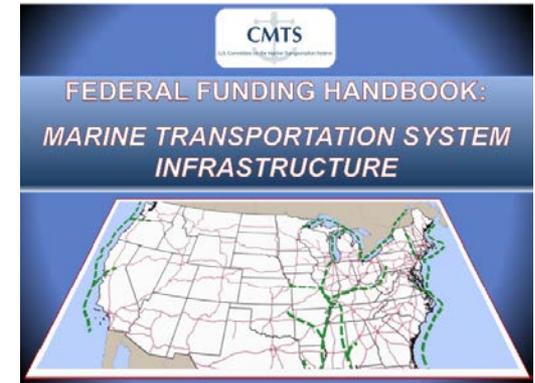
- Service started in 2008
- Moves approx. 12,000 containers annually
- Provides relief of congested I-64 corridor

# MARAD – *TIGER*

- TIGER VII – Federal Register Notice of Funds Availability (NOFA) has been published
- \$500 million will be made available for transportation projects across the country under a seventh round of TIGER
- The Pre-Application deadline is 11:59 E.D.T. on May 4, 2015
- The Final application deadline is 11:59 E.D.T. on June 5, 2015
- For more information on the TIGER 2015 Grant program, please visit our web page: <http://www.dot.gov/tiger>
  - ✓ Notice of Funding Availability
  - ✓ 2015 Webinar Series
  - ✓ How to Apply
  - ✓ Fact Sheet

# MARAD - MTS Funding Handbook

- The Marine Transportation System (MTS) Funding Handbook is the only single source Document (that I know of...) for MTS funding in the industry.



- The Handbook includes more than 50 programs
- Over 75 percent of the programs are verified
- Agency's range from EDA to DOT to NOAA
- Currently being updated for FY15
- Available on the Committee on Marine Transportation (CMTS) web site at: [http://www.cmts.gov/downloads/MTS\\_Funding\\_Handbook\\_\(Final\).pdf](http://www.cmts.gov/downloads/MTS_Funding_Handbook_(Final).pdf)

# MARAD - *MTS Funding Handbook*

- The MTS Funding Handbook contains 52 Federal [current] FY13 (& beyond) and [recent] FY12 multimodal transportation funding programs for MTS infrastructure



- The MTS consists of ocean, coastal, and inland waterways; ports, intermodal connections (freight and passenger), and vessels; and commercial, military, and recreational users
- MTS infrastructure consists of the physical and technological elements that move goods and people within the MTS

# MARAD – *Federal Funding Handbook Disclaimer*

## FEDERAL FUNDING HANDBOOK DISCLAIMER

This document is a compilation of existing and recent Federal funding programs. It is provided as a resource. No particular program is endorsed nor are the programs herein all-inclusive. It includes current and recent programs whose application deadlines may have passed. Current funding does not guarantee future funding.

Grant applications cannot be filed through the CMTS, nor can the CMTS assist in the application. Grant applications' required materials must be provided to the targeted funding program or through Grants.gov as directed. We recommend that you review [www.Grants.gov](http://www.Grants.gov) for other applicable programs and various submission requirements such as <http://www.epa.gov/oqd/guide/language.html>. To avoid interpretation, the information for each program in this handbook was taken from the program's instruction for application (e.g., Grants.gov) or from the program's website. Contact the funding program manager to determine if a program meets your project's needs.

FHWA program funding is typically formula-based and data-driven. Hence, it typically passes through the State or metropolitan planning organization (MPO). Interested parties may wish to work collaboratively with their respective State department of transportation or MPO.

Use of this Handbook does not negate the need for all development and construction projects involving Federal funding to be compliant with National Environmental Protection Act; related environmental laws; and all other required permits.

Finally, please review Federal Acquisition Regulations and The Federal Funding Accountability and Transparency Act, 2006, to completely consider and be aware of acquisition, funding and reporting guidelines.



# MARAD - MTS Funding Handbook

## TABLE OF CONTENTS

The handbook is organized by agency/organization, with a reference per program to the previously-defined funding type, as follows:

- Department of Commerce (DOC)
  - *Economic Development Administration*
  - *National Oceanic & Atmospheric Administration*
- National Fish & Wildlife Foundation
- Department of Interior (DOI)
  - *U.S. Fish & Wildlife Service*
- Department of Homeland Security (DHS)
- Department of Housing and Urban Development
- Department of Defense (DOD)
  - *U.S. Army Corps of Engineers*
- Environmental Protection Agency (EPA)
- Department of Transportation (DOT)
  - *Office of the Secretary of Transportation*
  - *Federal Highway & Transit Administrations (Joint Effort)*
  - *Federal Highway Administration*
  - *Federal Motor Carrier Safety Administration*
  - *Federal Railroad Administration*
  - *Federal Transit Administration*
  - *Maritime Administration*

- US Department of Agriculture (USDA)
  - *Farm Service Agency*

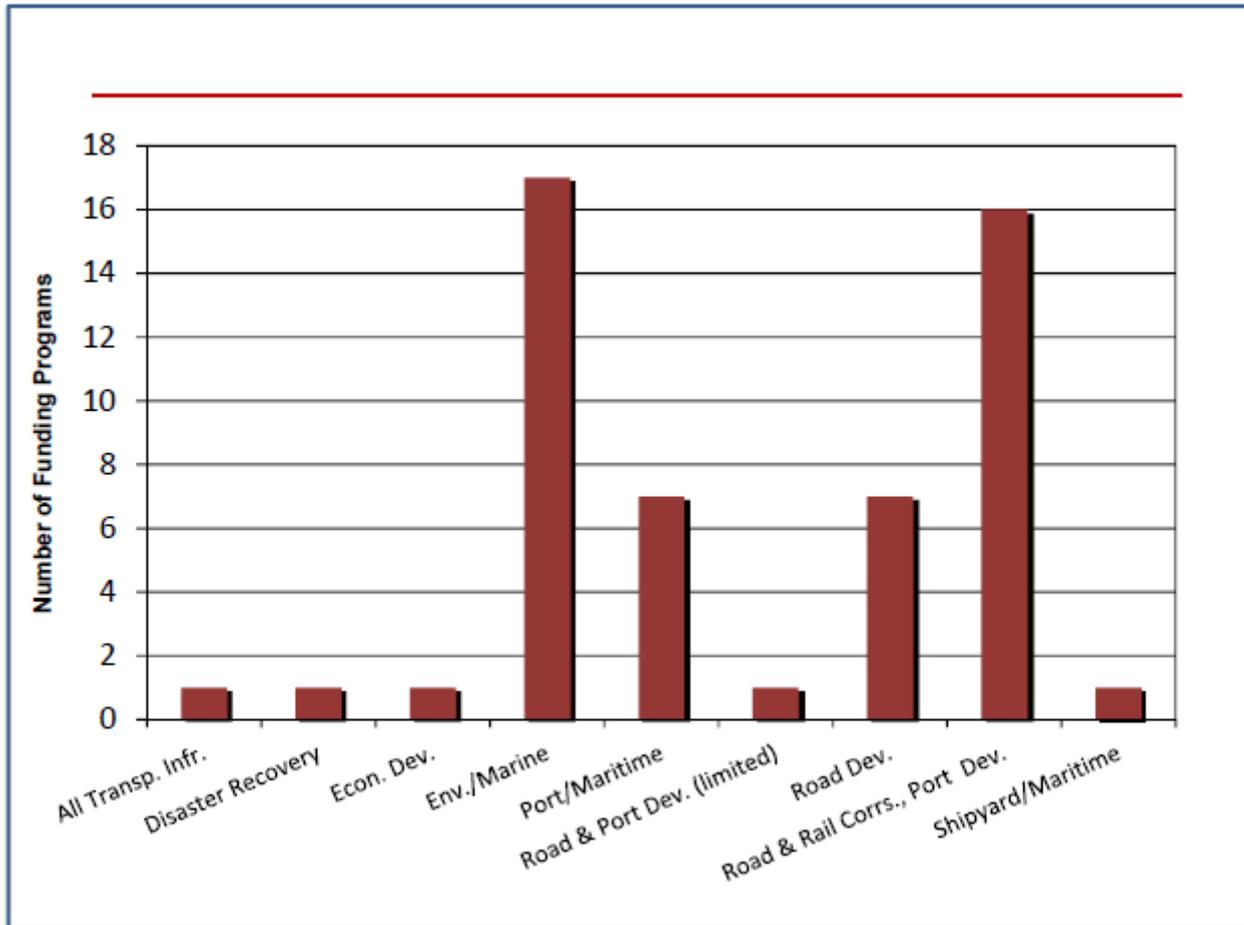


# MARAD – MTS FUNDING TYPES

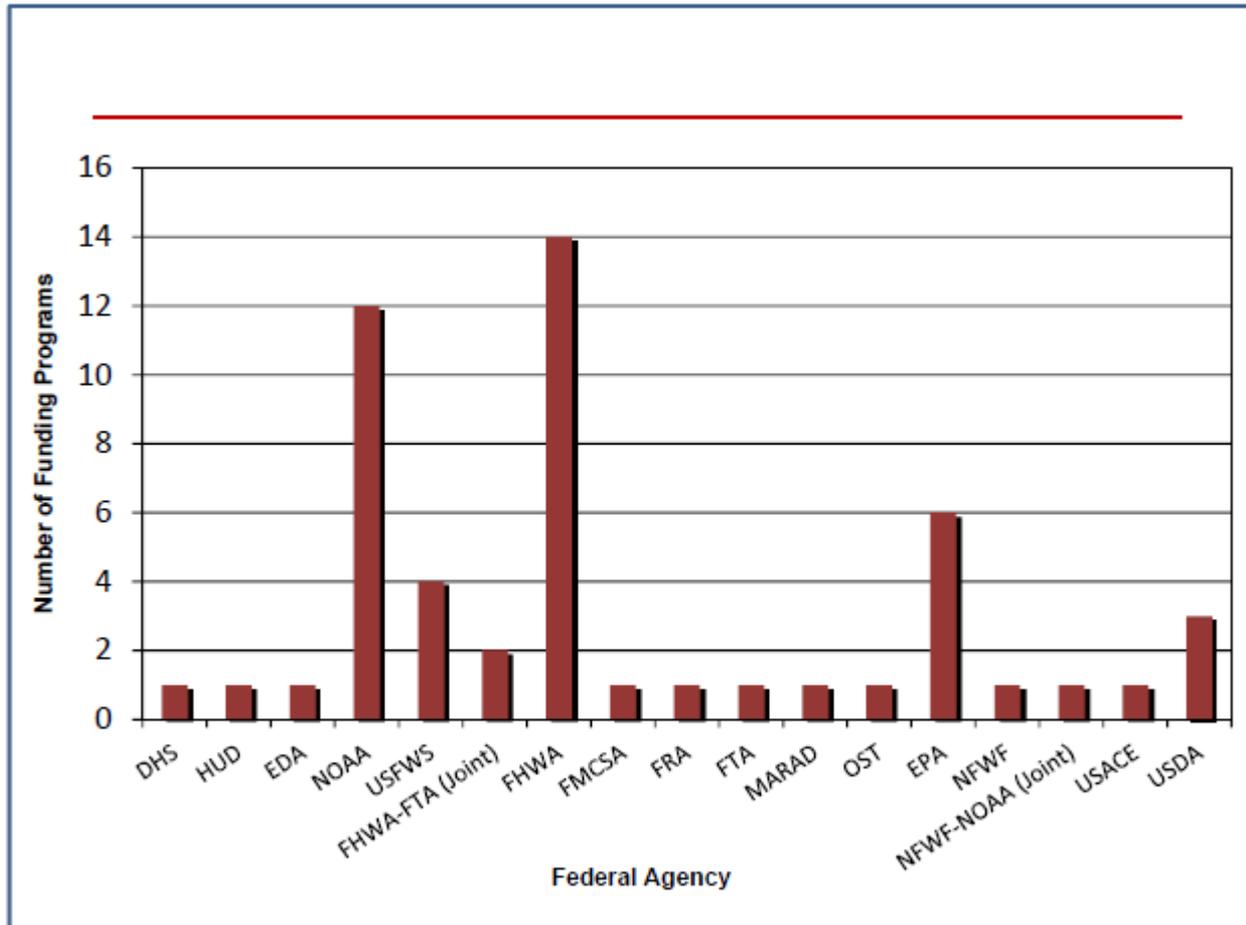
Each of the funding programs listed in the MTS Funding Handbook is classified by “type” meant to provide a quick context for the various programs. The nine (9) types and respective definitions are:

- 1. Transportation Infrastructure:** Funding programs that address all modes of transportation including air.
- 2. Disaster Recovery:** Funding programs that assist in sustainable recovery programs after a natural or manmade disaster event
- 3. Economic Development:** Funding programs that strengthen the economy and create jobs.
- 4. Environmental/Maritime:** Funding programs that work to create environmental benefits on inland and coastal waterways, landside, and by improving air emissions
- 5. Port/Maritime:** Funding programs that support improvements to facilities serving a port, including channel dredging/maintenance
- 6. Shipyard/Maritime:** Funding programs that assist the development of facilities to repair or build ships, barges, and inland/coastal US Flag vessels
- 7. Roadway & Railway Corridors, Port Development:** Funding programs that improve port access including the last-mile of highway and railway development to the port. This type also includes programs applicable to landside port infrastructure, whereas “Port/Maritime” is only applicable to ports and waterways.
- 8. Roadway Development:** Funding programs that improve port access including the last-mile of highway.
- 9. Roadway and Port Development (limited):** Funding programs that improve port access including the last-mile of highway and railway development to the port in a US territory.

# MARAD – MTS Funding Types



# MARAD – MTS Funding Programs by Agency



# MARAD – USDOT Funding Sources

## DOT/OFFICE OF THE SECRETARY OF TRANSPORTATION

### TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER)

<b>Type:</b>	All Transportation Infrastructure	<b>Program Status:</b>	Current
<b>Funding Method:</b>	Discretionary Grant	<b>Authorized Year[s]:</b>	FY13

**Purpose:** For surface transportation projects that have a significant impact on the Nation, a metropolitan area or a region, including economic development, transportation connectivity, and other various factors like livability outlined in the TIGER grant program.

**Who is Eligible:** State, local, and tribal governments, including U.S. territories, transit agencies, port authorities, metropolitan planning organizations (MPOs), other political subdivisions of State or local governments, and multi-State or multi-jurisdictional groups applying through a single lead applicant (for multi-jurisdictional groups, each member of the group, including the lead applicant, must be an otherwise Eligible Applicant as defined in this paragraph).

**Eligibility Criteria:** The FY 2012 Appropriations Act specifies TIGER Discretionary Grants may be not less than \$10 million (except in rural areas). For projects located in rural areas (as defined in Section V (Projects in Rural Areas)), the minimum TIGER Discretionary Grant size is \$1 million. Further, DOT will apply the following principles to determine whether an eligible project as a capital investment in surface transportation: (1) surface transportation facilities generally include roads, highways and bridges, marine ports, freight and passenger railroads, transit systems, and projects that connect transportation facilities to other modes of transportation; and (2) surface transportation facilities also include any highway or bridge project eligible under title 23, U.S.C., or public transportation project eligible under chapter 53 of title 49, U.S.C.

<b>Program POC:</b>	Howard Hill, Office of the Secretary of Transportation (TIGERGrants@dot.gov; (202) 366-0301)
<b>Further Information:</b>	<a href="http://www.dot.gov/tiger">http://www.dot.gov/tiger</a>
<b>How to Apply:</b>	After the pre-application with the TIGER program, applicants must use Grants.gov which means they must be registered ( <a href="http://www.grants.gov/applicants/get_registered.jsp">http://www.grants.gov/applicants/get_registered.jsp</a> ) apply for funding. Registration with grants.gov may take two to five days before the system will allow access to the grant application package. Applicants must review the Notice of Funding Availability to ensure the process is completely correctly.
<b>Authorization:</b>	ARRA 2009, FY 2010, 2011 & 2012 Appropriations. (The funding source for FY13 will be determined.)

# MARAD – *USDOT Funding Sources*

- DOT/OFFICE OF THE SECRETARY OF TRANSPORTATION  
*TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER)*
- DOT/FHWA - *PRIVATE ACTIVITY BONDS (PABs)*
- DOT/FEDERAL HIGHWAY & TRANSIT ADMINISTRATIONS - *CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT (CMAQ) PROGRAM*
- DOT/FEDERAL HIGHWAY & TRANSIT ADMINISTRATIONS - *METROPOLITAN TRANSPORTATION PLANNING*
- DOT/FHWA - *TRANSPORTATION ALTERNATIVES PROGRAM*
- DOT/FHWA - *GRANT ANTICIPATION REVENUE VEHICLES (GARVEEs)*
- DOT/FHWA - *SECTION 129 LOANS*
- DOT/FHWA - *NATIONAL HIGHWAY PERFORMANCE PROGRAM*

# MARAD – USDOT Funding Sources

- DOT/FHWA - *TRANSPORTATION INFRASTRUCTURE FINANCE & ASSISTANCE (TIFIA)*
- DOT/FHWA - *MULTISTATE CORRIDOR OPERATIONS AND MANAGEMENT PROGRAM*
- DOT/FHWA - *PROJECTS OF NATIONAL AND REGIONAL SIGNIFICANCE (General Fund)*
- DOT/FHWA - *FERRY BOAT FORMULA PROGRAM (FBP)*
- DOT/FHWA - *TECHNOLOGY AND INNOVATION DEPLOYMENT PROGRAM*
- DOT/FHWA - *PRIORITIZATION OF PROJECTS TO IMPROVE FREIGHT MOVEMENT*
- DOT/FRA - *RAILROAD REHABILITATION & IMPROVEMENT FINANCE (RRIF)*
- DOT/FTA - *PASSENGER FERRY GRANT PROGRAM*
- DOT/MARAD - *SMALL SHIPYARD GRANT PROGRAM*
- DOT/MARAD - *PORT INFRASTRUCTURE DEVELOPMENT PROGRAM (StrongPorts)*

# MARAD - *USDOT Initiatives - BATIC*

- On July 17, the President announced a government-wide initiative to increase infrastructure investment and economic growth by engaging with state and local governments and private sector investors to encourage collaboration, expand the market for public-private partnerships (PPPs) and put federal credit programs to greater use. Starting with the transportation sector, this initiative will harness the potential of private capital to complement government funding.
- A major part of the initiative is the new Build America Transportation Investment Center at the Department of Transportation. This center will serve as a one-stop shop for state and local governments, public and private developers and investors seeking to utilize innovative financing strategies for transportation infrastructure projects.
- Through this website and hands-on support, advice, and expertise, the center provides navigator services for all types of projects and project sponsors.
- The center is housed within the Office of the Secretary, and draws from expertise from across DOT's operating administrations.

# MARAD - *USDOT Funding Initiatives*

The Department is excited to highlight the progress the Build America Investment Initiative, and its home here at DOT, the Build America Transportation Investment Center, have made over the past several months:

**Build America Investment Initiative:** The Administration has released a set recommendations which will guide our interagency work over the next two years. Included among those [recommendations](#) is the establishment of sister technical assistance efforts at the Environmental Protection Agency and the Department of Agriculture. We'll also be expanding our work on pre-development funding, and promoting the U.S. Infrastructure market more widely.

**The Build America Transportation Investment Center (BATIC):** The BATIC, in collaboration with experts from across DOT, continues to develop resources for project sponsors to use as they evaluate their approach. On our [Technical Assistance](#) page, you'll find Part Two of the Guide to Model Contract Provisions for Toll Concessions, as well as a guide on how the Federal Highway Administration evaluates Public Private Partnerships.

# MARAD - *USDOT Initiatives - BATIC*

## How BATIC can help:

- [Education](#): Learn more about transportation funding and financing including grants, credit and loan programs, and bonds.
- [Technical Assistance](#): Access helpful toolkits and training materials in innovative financing techniques.
- [Project Delivery](#): Fulfilling environmental review requirements; cutting through red tape; and achieving timely decisions.
- [Innovative Policies](#): Learn about the provisions proposed in the GROW AMERICA Act, as well as State-level policies and programs that enable private financing.

## State and local policies and programs –

[West Coast Infrastructure Exchange](#) - A partnership between California, Oregon, Washington, and British Columbia to create and develop innovative methods to finance and facilitate development of the infrastructure needed to improve the region's economic competitiveness, support jobs and families, and enhance quality of life.

[Virginia Office of Transportation Public Private Partnerships](#) - The OTP3 is responsible for developing and implementing a statewide program for project delivery via the Public-Private Transportation Act (PPTA) of 1995. They work in conjunction with multiple state agencies and focuses on the development of public-private projects across all modes of transportation.

# MARAD - *USDOT Initiatives - BATIC*

## **BLUFF –**

- Multimodal in Nature
- Leverage Additional Private Investment
- Streamline Permitting Processes
- Developing Financing Strategy
- Facilitate Access to DOT Credit Programs



# MARAD - *Port Planning & Investment Toolkit*

- Developed to support the need of US Ports for a go-to guide to plan, fund and execute critical repair and project upgrades.
- Funding modern port intermodal freight projects is requiring the port industry to engage with a new, larger cast of public and private partners.
- MARAD together with AAPA brought together experts from around the port industry to develop an easy-to-read, easy-to-understand, and easy-to-execute Port Planning and Investment Toolkit to help you get to the point of bidding out a plan for the repairs and upgrades.
- The Port Planning and Investment Toolkit is being built around modules on planning, funding and executing projects.
- The toolkit modules can be used to help ports:
  - ✓ **Evaluate port conditions**
  - ✓ **Define problems**
  - ✓ **Plan thoroughly**
  - ✓ **Navigate the preplanning process**
  - ✓ **Engage private partners**
  - ✓ **Present actionable needs to administrators**
  - ✓ **Access available funding**
  - ✓ **Complete project**



# MARAD - *Port Planning & Investment Toolkit*

- The [Funding Strategy module](#) is the first tool developed for the Port Planning and Investment Toolkit. This Module contains:
  - ✓ **Clickable links**
  - ✓ **Useful forms**
  - ✓ **Tools\***
  - ✓ **Examples**
- \* Funding Strategies Port Concessions Evaluation Tool
- \* Funding Strategy Checklist
- Case studies illustrating the use of funding strategies. These case studies include:
  - ✓ **Long term capital planning**
  - ✓ **Upgrading capacity**
  - ✓ **Asset-backed and leased financing**
  - ✓ **Weighing traditional vs. alternative financing**
  - ✓ **Responding to environmental requirements.**
- Additional modules will be introduced periodically throughout the year.

# MARAD - Port Planning & Investment Toolkit



U.S. Department of Transportation  
Maritime Administration



## Port Concession Evaluation Model

### Instructions

The objective of the model is to illustrate a sample financial feasibility analysis for a port terminal concession. In preparation for formulating a concession plan of finance, a number of factors need to be assessed. For instance, market interest rates, bond issuer's credit rating, bond issuer's additional debt capacity, etc. The plan of finance will then be customized to accommodate these factors. For illustration purposes, this sample model makes certain assumptions (as shown in the Assumptions tab). The users, however, are able to change some other assumptions to tailor the model to their projects.

Users are able to change:

- (1) Public Entity's Name, State and State Income Tax Rate (Assumptions tab)
- (2) Concessionaire Annual Fixed Payments (Assumptions tab)
- (3) Capital Project Name and Cost (Assumptions tab)
- (4) Capital Project Construction Start and End Date (Assumptions tab)
- (5) Public Entity's Funds on Hand (Assumptions tab)
- (6) Concessionaire Contribution (Assumptions tab)
- (7) Concessionaire Working Capital (Assumptions tab)
- (8) Concessionaire's Operating Revenues and Costs (Data Input tab)
- (9) Public Entity's Operating Revenues and Costs (Data Input tab)
- (10) Public Entity's Existing Debt Service (Data Input tab)
- (11) New Debt Issuance - Pro Forma Debt Service (Data Input tab)

*The components that can be changed are in blue font.*

Developed by:



THE DEMC

IV. CF - Public Entity / V. Debt Cvrg - Concessionaire / VI. Debt Cvrg - Public Entity / VII. Tax / VIII. Depreciation / **Data Input**



U.S. Department  
of Transportation

# *Long Term Capital Planning – One Port’s Approach*

**Funding Strategies in Use** - Port officials have applied the methods contained in the Funding Strategies Module to plan for long-term projects and discover new, effective ways of creating capital – even access to capital they didn’t previously know they could use – ultimately leading to successful projects and a newly invigorated port.

**Plan of Action** - This large port authority had an ambitious long-term capital plan to expand its container terminals and warehouse facilities and construct a new deep-water port through the use of a public-private partnership. The plan for port finance and development staff and advisors included the following steps:

Gather data about their specific port [[Port Profile](#)]

Complete a market analysis

Carefully think about and discuss all aspects of the potential project

Determine if the project is realistic by analyzing data gathered and performing a risk analysis [[Project Due Diligence Profile](#)]

Creating a debt profile and completing a credit analysis [[Credit/Debt Profile](#)]

Operating and business structure identification [[Identify Structural Alternatives](#)]

Finance and delivery alternatives evaluation via a financial model [[Financial Model](#)]



# *Long Term Capital Planning – One Port’s Approach*

Once these steps were carefully completed, the port began obtaining funding for the proposed project using one or more of following means:

Project bond issuance [[Debt Implementation & Management](#)]

Concession terms and conditions development and solicitation via P3 [[Public-Private Partnerships](#)]

Grants and loans procurement from various governmental sources [[Grant Funding & Government Loan Programs](#)] (Note: There is no one way to fund a project. This port decided to obtain funding through three (3) different options to ensure the project is fully funded.)

## **Results**

Careful planning, data gathering and teamwork coupled with proper capital plan implementation allowed this large port to obtain the funding needed for their long-term projects, ultimately benefiting everyone who depends on the port.

# MARAD - *Inland Waterways Gateway Office*

## QUESTIONS?



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