

KEY SUCCESS FACTORS FOR TIGER GRANT

PORT OF INDIANA-JEFFERSONVILLE

Rich Cooper, CEO, Ports of Indiana



PORTS OF INDIANA
3 PORTS - 2 WATERWAYS - 1 SYSTEM

PORTS of INDIANA

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Burns Harbor

Jeffersonville
Mount Vernon

www.portsofindiana.com

Ports of Indiana

MISSION:

"To develop and maintain a world-class port system that operates as an agile, strategically-driven, self-funded enterprise dedicated to growing Indiana's economy."

- Bipartisan, business-focused board appointed by Governor (7 members)
- 26 staff operating one on Lake Michigan and two along the Ohio River
- Totally self-funded, no State/Local tax support



Ports of Indiana Operations



An aerial photograph showing the Port of Indiana-Jeffersonville. The Ohio River flows from the left towards the center. In the background, the Louisville, KY skyline is visible across the river. The foreground shows a large industrial area with several large white buildings, a church with a steeple, and various smaller structures. The land is a mix of green fields and wooded areas.

Port of Indiana-Jeffersonville

- Ohio River port, across from Louisville, KY
- On ramp to M-70 Marine Highway
- 1,057 acres, Rail served by CSX, LIRC, MG Rail
- Cargoes: steel, grain, fertilizer, salt, liquid bulk

TIGER Grant Award

- TIGER VII – Oct. 30, 2015, U.S. DOT announces \$10M TIGER Grant for infrastructure project at Port of Indiana-Jeffersonville
- 39 TIGER projects in U.S. totaling \$500M
- 5 port projects (\$44M)
- Since 2009, 0.4% of TIGER projects have gone to ports/maritime



Contributing Factors to Grant

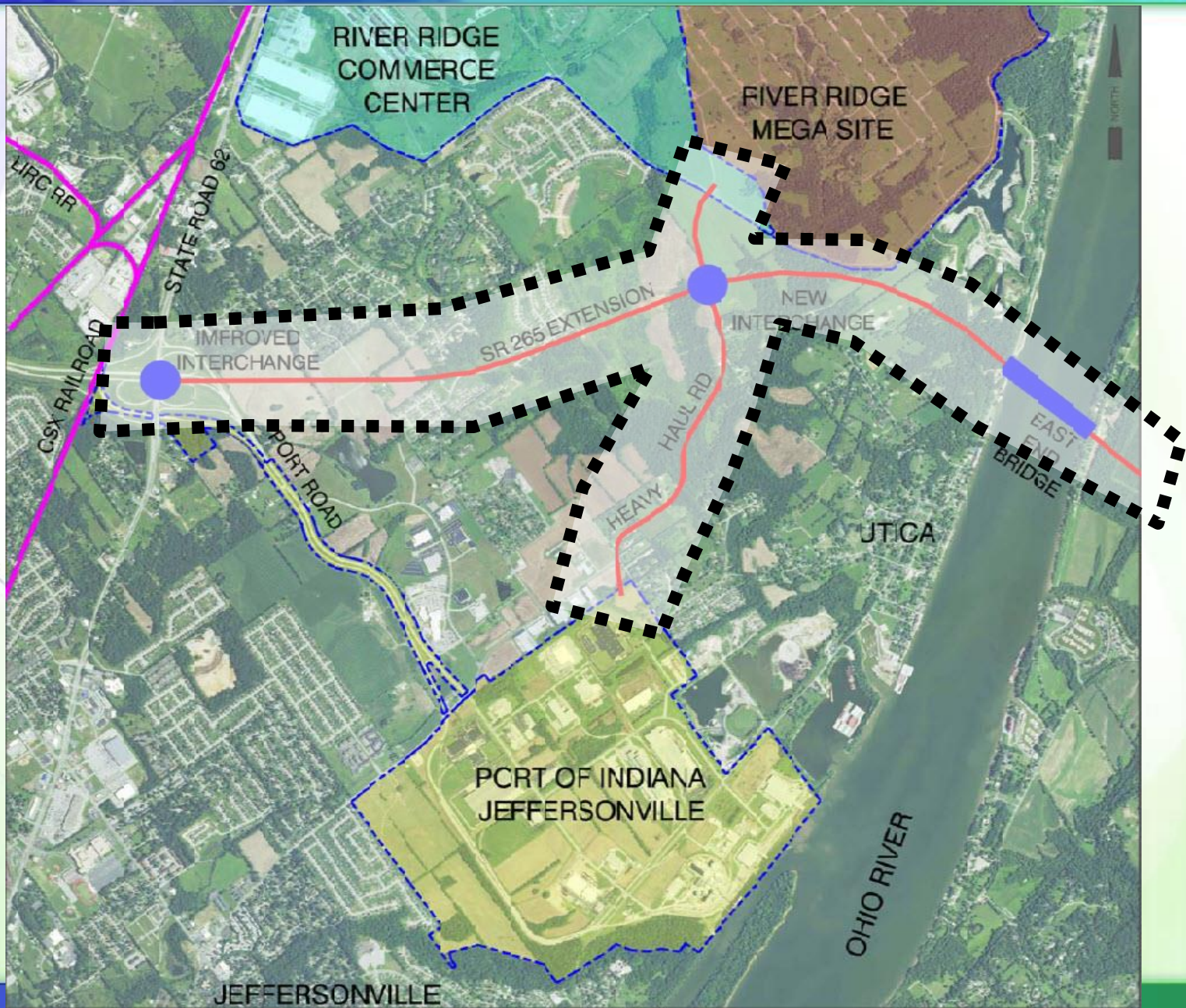
Significant Regional Projects and Investments

- Two Key Regional Economic Engines:
 - Port of Indiana-Jeffersonville
 - River Ridge Commerce Center – 6,000 acres
- \$2B in two Interstate Bridges over Ohio River
- Louisville metro loop completed (I-265)
- \$30M Heavy Haul Corridor from Port
- \$90M Railroad Improvements by CSX, LIRC

New Ohio River Bridge (I-265)



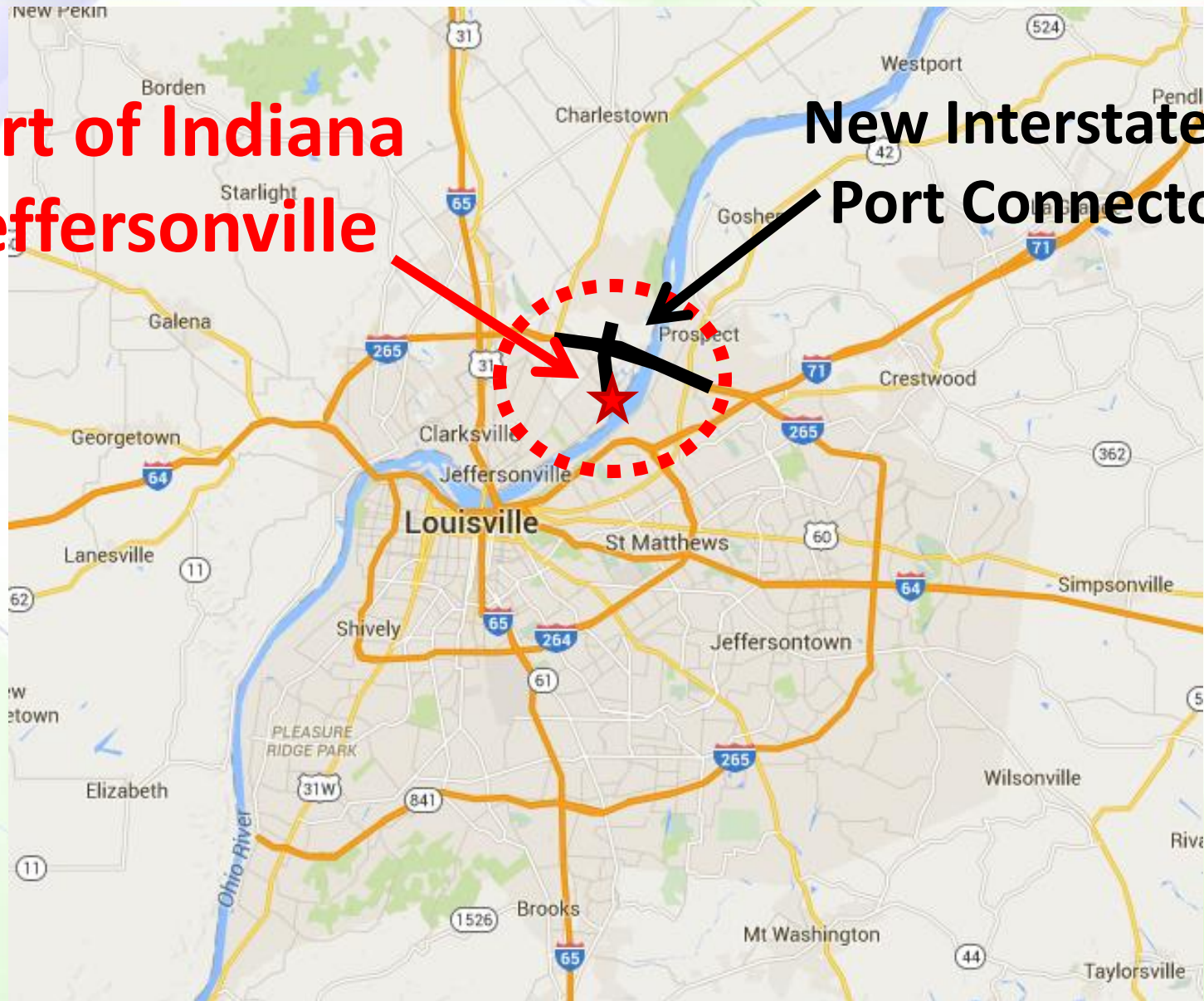
Regional Projects and Investments



New Interstate Connectivity

**Port of Indiana
Jeffersonville**

**New Interstate &
Port Connector**



Port of Indiana Jeffersonville

*\$17M multimodal
project (\$10M grant)*

Intermodal
yard

Rail extension

Unit train rail siding

Waterfront
rail loops

Barge
terminal



Reasons for TIGER VII Success

- Leadership and Team
- Strategic Partnerships
- Financial Commitment
- Regional Integration
- Expands Capabilities
- Benefit-Cost Analysis
- MARAD Support
- Lessons Learned



Leadership and Team

- Strong/Diversified Team
- Collaborative Process
- Encourage big, creative innovative ideas
- Everyone takes ownership in Project
- Combination of inside/outside resources



Strategic Partnerships

- Broad support: Government, business, economic development, transportation
- 23 letters of support
- Successful track record of regional projects
- Collaboration with key strategic partners



Financial Commitment

- Ports and Region have “skin in the game”
 - Tiger Grant Award: \$10M
 - Ports of Indiana: \$7M (40%)
 - Port’s contribution is 100% self-funded with immediately available funds
 - Region has made considerable investment (including other federal funds) and everyone has a stake in Project success



Regional Integration

“The Perfect Storm”

- Capstone project leverages other community projects and investments:
 - Allows transfers of truck cargo to other modes resulting from new bridges, Heavy Haul Corridor
 - Allows for unit train access which complements new CSX/LIRC rail enhancements
 - “Last mile” of Heavy Haul Corridor between Port and River Ridge Commerce Center

Expands Capabilities *To Solve Problems*

Needs

- Increase cargo throughput
- Limited to 75-car unit trains
- Alleviate rail congestion
- Reduce truck traffic

Solutions

- Double cargo throughput
- Handle 90-car unit trains
- Increase rail sorting capacity
- Diverts truck traffic to rail/barge

Benefit-Cost Analysis (BCA)

- BCA measures Project's net benefits
- Prepared by outside consulting economist
 - Used measured data vs. assumptions/estimates
- Examples of regional benefits measured:
 - Rail car loading time savings
 - Reduced fuel consumption
 - Emissions reductions
 - Reduced accidents
 - Operations & maintenance savings
- Project's BCA Ratio was high: 17.21

MARAD Review & Support

MARAD...

- Educates ports in preparing TIGER applications
- Understands ports' lingo during review
- Reviewers understand how port projects provide transportation solutions
- Provides critical leadership within U.S. DOT



Paul “Chip” Jaenichen
Maritime Administrator



Lessons Learned

Prior (Unsuccessful) Grant Applications

- TIGER I/II (2009, 2010) - Lake Michigan port
- 57-acre parcel: Infrastructure development, dredging, dock, road, rail, utilities
- 2009 Project Costs: \$22M (0% match)
- 2010 Project Costs: \$14M (33% match)



Lessons Learned

<u>Lessons</u>	<u>TIGER VII</u>	<u>TIGER I and II</u>
Financial contribution	40% match	0% and 33% match (Requested credit for prior investments)
Strategic partnerships	Formalized through recent agreements	None
Demonstrable need	Immediate benefits	Speculative – “build it and they will come”
Implementation	Design complete, NEPA needed	Conceptual only, NEPA needed
Innovation (distinguishable)	New intermodal capacities and improved efficiencies	Facility expansions

Lessons Learned

<u>Lessons</u>	<u>TIGER VII</u>	<u>TIGER I and II</u>
Range of Impacts	Integrated regional projects, broad reach	Primarily in port, limited local impact
Economic BCA	Sophisticated report on project prepared by outside expert	Internal analysis of previous economic impact study
BCA Ratio	17.21 based on detailed report	High numbers based on broad assumptions, speculative growth
TIGER Team	Diversified team of subject matter experts – with outside consultants	Small internal team – no outside consultants

**Special thanks to AAPA for its support
and educational programs for TIGER**

Rich Cooper, CEO



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