IMTS Steering Committee Meeting

Draft Illinois Marine Transportation System Plan and Economic Impact Analysis

Online Meeting
July 23, 2020
How Far We’ve Come

2019

- Facilities Inventory
- Economic Impact Analysis
- Port Profiles
- Peer State Review
- Stakeholder Outreach

Today

- Industry Profiles
- Inventory of Carriers and Operators
- Programmatic Recommendations
- Benefits of Action

- 6 Steering Committee Meetings
- Over 70+ Stakeholder Interviews
Overview of the IMTS Plan

The plan is divided into the following chapters:

1. Introduction
2. History and System Overview
3. Public Port District Profiles
4. Commodity Flows and Economic Value
5. Needs Assessment and Strategy Development
6. Implementation
Chapter 1: Introduction
Introduction

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

- Highlights
  - IDOT’s First ever IMTS Plan
  - Joins other plans as part of the Long-Range Transportation Plan Suite of Plans

- 1,118 Miles of commercially navigable waterways
- 19 public port districts
- Ferries, water taxis, cruise ships
- 350+ private terminals
- 90.6M tons of goods
- $36B in economic contribution
Chapter 2: History and System Overview
History

Provide a history of the IMTS over the past millennia.

Topics covered

- Mississippian Culture (Cahokia Mounds)
- European Exploration and Settlement
- Illinois & Michigan Canal
- Chicago Sanitary and Ship Canal
- 4 ½ Foot and 9 Foot Channel Projects
- IMTS Role in WWII
- History of IDOT and the IMTS
History

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

1050-1150 A.D.

Cahokia Mounds
The Mississippian culture builds one of the largest pre-Columbian cities in North America located near the Mississippi River. Cahokia Mounds was the site of a city that had a population between 10,000 and 20,000 people.

1673

First Europeans Explore Illinois
Jacques Marquette and Louis Jolliet explore what is modern day Illinois. They traversed the Mississippi, Illinois, and the Chicago rivers. Along the way they interacted with many Native American tribes.

1779

DuSable Settles Chicago
Jean Baptiste DuSable settles along the banks of the Chicago River near Lake Michigan, where modern day Chicago is located. DuSable is widely attributed to be the founding father of Chicago.

1818

Illinois Statehood
Illinois is granted statehood. The Mississippi, Ohio, and Wabash rivers, as well as Lake Michigan create its distinct shape.

1848

Illinois & Michigan Canal Complete
The Illinois & Michigan Canal is completed. It connects the Illinois River to the Chicago River providing a direct route to the Great Lakes from the Mississippi River.

1878

41/2 Foot Channel Project
Congress authorizes the 41/2-foot channel project on the Upper Mississippi River. This would ensure there was a consistent depth along the river, allowing reliable navigation for vessels.

1900

Chicago Sanitary and Ship Canal Complete

1931

9-Foot Channel Navigation Project
Congress authorizes the 9-foot channel project on the Upper Mississippi River to encourage commerce along the river. A series of locks and dams were constructed to ensure a 9-foot depth.

1941

Navy Pier Transformed for Training
Navy Pier is used as a military training facility during WWII. By the end of the war a total of 60,000 troops were trained at the Pier. Included in the 60,000 were 15,000 fighter pilots who trained landings and takeoffs on freshwater aircraft carriers that were transported by rail to the Pier.

1942

Prairie Shipyards
The Prairie Shipyards in Seneca Illinois is commissioned to build Landing Ship Tanks (LST). These watercrafts were used in the D-Day assault at Normandy, France.

1959

St. Lawrence Seaway Opens
The St. Lawrence Seaway opens, officially linking the Gulf of Mexico to the Atlantic Ocean via the Illinois and Mississippi Rivers and the Great Lakes.
System Overview

- Provides an overview of the IMTS

- Topics covered
  - National Marine Highway System
  - Commercially Navigable Waterway Profiles
  - Lock and Dam System
  - Ferry and Cruise Industry
  - Cargo Type
  - Overview of Benefits of the IMTS
Questions?
Chapter 3: Public Port District Profiles
Port District Profiles

Topics covered

- Overall Port District Powers
- Overview of all 19 Public Port Districts
  - Multimodal Connections
  - Top Commodities
  - Economic Impact
  - Terminals
  - Capital Needs
  - History

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<tr>
<th>Public Port District</th>
<th>Date Established</th>
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<td>70 LCS 140/0</td>
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<td>1975</td>
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<td>Mt. Carmel Regional</td>
<td>1949</td>
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<td>Ottawa</td>
<td>2001</td>
<td>70 LCS 140/0</td>
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<td>Seneca Regional</td>
<td>1941</td>
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<td>Upper Mississippi River International</td>
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<td>70 LCS 140/0</td>
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<td>Waukegan</td>
<td>1972</td>
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</tr>
<tr>
<td>White County</td>
<td>1971</td>
<td>70 LCS 140/0</td>
</tr>
</tbody>
</table>

3.1 PUBLIC PORT DISTRICT POWERS

Each Public Port District has unique and specific enabling legislation, however, there are similar powers afforded to each. Below are commonly held powers each port district enjoys:

- Issue permits for the construction of all wharves, piers, docks, doors, booms, weirs, breakwaters, bulwarks, jetties, bridges or other structures of any kind, over, under, in, or within 40 feet of any navigable waters within the Port District; for the deposit of rock, earth, sand or other material, or any matter of any kind or description in said waters.
- Prevent or remove obstructions, including the removal of wrecks
- Locate and establish dock lines and show or harbor lines
- Regulate the anchorage, mooring and space of water borne vessels and establish and enforce regulations for the operation of bridges.
- Acquire, own, construct, lease and maintain water terminal facilities and transportation facilities within the Port District
- Fix and collect just, reasonable and nondiscriminatory charges for the use of such facilities. The charges so collected shall be used to defray the reasonable expenses of the Port District and to pay the principal of and interest on any revenue bonds issued by the District.

Additionally, some districts have the following powers:

- Police its physical property only and all waterways and to exercise police powers in respect thereto or in respect to the enforcement of any rule or regulation provided by the ordinances of the District and to employ and commission police officers and other qualified persons to enforce the same.
- Build, construct, repair, and maintain levees.
HEART OF ILLINOIS REGIONAL PORT DISTRICT

The Heart of Illinois Regional Port District, branded as TransPORT, is located in Central Illinois. The Port District’s boundaries consist of Peoria, Fulton, Tazewell, Woodford, and Marshall Counties and all of Mason County except for Havana Township.

Port District Biography

The Port District's strategic location in Central Illinois provides a great logistical advantage. Central Illinois is one of the state's greatest regions for agriculture with corn and soybeans being one of the greatest produced commodities. In addition, located within the Port District is the Peoria's metro area, one of the state's largest urban centers. Home to Fortune 500 firms, Caterpillar Komatsu America, Liberty Steel, two significant regional healthcare systems, and numerous professional technical services (finance, legal, engineering) companies. The Port District is the northernmost point on the Illinois River to have year-round access and is part of Foreign Trade Zone #314. The Port District spans both urban and rural communities providing the district diverse industry and potential for growth.

1939
Construction was completed on the Peoria Lock and Dam

2003
Heart of Illinois Regional Port District was created

2004
Peoria Lock and Dam was added to the National Register of Historic Places

2020
US Army Corps of Engineers
Peoria Lock and Dam receives Major Maintenance Program Funding
Multimodal Connections

HIGHWAY
Several interstates, state routes, and US highways traverse the port district. These include I-90, I-74, I-75, I-80, I-88, I-94, I-190, H-80, H-90, H-176, I-290, I-76, I-89, IL 94, IL 110, IL 122. Additionally, there are a total of 126 Critical Urban Freight Corridor miles and 16.59 Critical Rural Freight Corridor miles within the port district.

RAIL
Four class I railroads provide service throughout the port district, these include Union Pacific (UP), Canadian National (CN), Burlington Northern Santa Fe (BNSF), and Norfolk Southern (NS). Additionally, the following class II railroads provide services to the district: Toledo Peoria and Western (TP&W), Tazewell and Peoria Railroad (TZR), Kaskaskia Junction (KJ), Illinois & Midland Railroad (IMR), and Iowa Interstate railroad (IUS).

WATER
The Illinois River flows 925 miles through the port district and is part of Marine Highway 55.

LOCKS and DAMS
- Peoria Lock and Dam

Port District Top Commodities:

2017 Commodities by County* (inbound, outbound, in-state):

<table>
<thead>
<tr>
<th>County</th>
<th>Food</th>
<th>Chemicals</th>
<th>Fertilizer</th>
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</thead>
<tbody>
<tr>
<td>Fulton County</td>
<td>500K Tons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marshall County</td>
<td>800K Tons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peoria County</td>
<td>2.8M Tons</td>
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</tbody>
</table>

Tazewell County 3.4M Tons
Woodford County 73K Tons
Massion County 1.2M Tons

*Note: Port District does not encompass the entirety of Mason County.
**Economic Impact**

It is estimated that marine cargo activity being handled within the Heart of Illinois Regional Port District directly or indirectly support 21,583 jobs within the state. These workers earn an estimated $1.6 billion in wages and contribute approximately $1.7 billion towards state GDP. The activity enabled comes from shipper across the state making use of facilities within the district, as well as the services supporting their goods movement. The following table breaks out the impact by the type of activity occurring.

<table>
<thead>
<tr>
<th>Port User</th>
<th>Marine Industry</th>
<th>Marine Supporting</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>$21,583</td>
<td>$2,285</td>
<td>$3,756</td>
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<tr>
<td>Income</td>
<td>$1,270.2M</td>
<td>$153.8M</td>
<td>$254.2M</td>
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<tr>
<td>Value Added</td>
<td>$2,151.8M</td>
<td>$259.4M</td>
<td>$365.9M</td>
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<tr>
<td>Output</td>
<td>$4,562.4M</td>
<td>$585.9M</td>
<td>$649.3M</td>
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**Capital Needs**

The Heart of Illinois Port District does not own or operate any terminal facilities. If the port district were to construct a terminal, a major investment would be required to include heavy cranes, dredging, and storage facilities. Depending on the type of terminal, the cost of construction could range from a couple million dollars to tens of millions of dollars.
Questions?
Chapter 4: Commodity Flows and Economic Value
Commodity Flows and Economic Value

- Provides an overview of the commodity flows and economic value
- Topics covered
  - Commodity Flows
  - Economic Impact
  - Industry Profiles

90.6 Million Tons Moved Annually or 9% of Total State Freight Tonnage

$36 Billion in Economic Contribution to the State
## Commodity Flows and Economic Value

### Total Output by Activity ($M)

- **Port User**: 78%
- **Water**: 10%
- **Rail**: 3%
- **Truck**: 8%
- **Warehouse**: 1%

### Composition of Total Impacts (Economic Output)

- **Port User**: 78%
- **Water**: 10%
- **Rail**: 3%
- **Truck**: 8%
- **Warehouse**: 1%

### Impact Type

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Direct Impact</th>
<th>Total Impact</th>
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<tr>
<td></td>
<td>Employment</td>
<td>Income (SM)</td>
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<tr>
<td>Port User</td>
<td>39,372.9</td>
<td>3,681.5</td>
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<td>Rail</td>
<td>1,704.7</td>
<td>302.4</td>
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<td>Truck</td>
<td>8,015.9</td>
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<tr>
<td>Warehouse</td>
<td>1,831.0</td>
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<tr>
<td>Water</td>
<td>3,757.7</td>
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<tr>
<td>Total</td>
<td>74,682.2</td>
<td>4,916.4</td>
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**Note:** The table and chart provide a breakdown of the economic impacts across different sectors, highlighting the significant contributions of port users and water transportation in particular.
Illinois Waterway 2017 Freight Tonnage

Two-thirds outbound

Mississippi and Illinois River volumes roughly equal

Chicago Region particularly significant for in-state

Ohio River mainly outbound
- 4 million ton net gain
- Loss in outbound freight offset elsewhere
- Outbound decline is mainly in coal
- Ohio River loses most traffic: ↓ 31%
- Chicago Region gains most: ↑ 37%
Food products are #1 on IMTS and mainstay of outbound volume: 56 percent in 2017

Two-thirds of food is corn and soybeans

Volatile export market is key driver of volume for top commodity group on IMTS

2045 forecast expects continuing, moderate growth
Chapter 5: Needs Assessment and Strategy Development
Needs Assessment and Strategy Development

Provides an analysis of the needs and strategies for the IMTS

Topics covered

- Peer State and Neighbor State Review
  - MTS Planning and Funding Programs
  - Dredging Programs
- Critical Needs of the IMTS and Its Stakeholders
- Programmatic Recommendations
- Benefits of Action
5.3.3 RECOMMENDATION #1: RE-ESTABLISH A MARINE SECTION WITHIN IDOT

IDOT should re-establish a marine section with dedicated staff within its organizational structure. This will provide better support for maritime system planning and MTS stakeholders, elevate awareness of the MTS as part of the state multimodal transportation system, and position IDOT to provide effective leadership on MTS issues. Key functions of the new section and staff would include:

- Leverage and coordinate expertise that already exists within IDOT, including IDOT District staff
- Liaison with port districts, associations, private terminals, federal agencies, and other key system stakeholders
- Lead a new state-level Marine Transportation System Advisory Board (see Recommendation 3)
- Educate the state legislature and their staff on the benefits the marine system has on the state’s transportation network and economy; educate the public on the importance of the marine transportation system
- Provide technical assistance/support to stakeholders (grant applications, policy changes, understanding regulations, etc.)
- Provide multimodal communication & coordination with external entities when an IDOT-sponsored project will impact marine facilities
- Collect and monitor data; perform or manage system-wide or sub-regional studies; coordinate research activities
- Participate in state and national marine organizations
- Coordinate and administer applicable IDOT MTS funding programs (see Recommendation 8)

Synergies with other IDOT modal plans and policies:

STATEWIDE LONG-RANGE TRANSPORTATION PLAN:

<table>
<thead>
<tr>
<th>ECONOMY CHAPTER OBJECTIVES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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LIVABILITY CHAPTER OBJECTIVES

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MOBILITY CHAPTER OBJECTIVES

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RESILIENCY CHAPTER OBJECTIVES

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STEWARDSHIP CHAPTER OBJECTIVES

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ILLINOIS STATE FREIGHT PLAN

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<th>IMPROVE SAFETY</th>
<th>IMPROVE EFFICIENCY</th>
<th>GROW THE ECONOMY</th>
<th>PRESERVE EXISTING INFRASTRUCTURE</th>
<th>EXPAND INFRASTRUCTURE STRATEGICALLY</th>
<th>SUPPORT MULTIMODAL DISTRIBUTION</th>
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Benefits of Action

- Highlights
  - Direct
    - 75 Thousand Employees
    - $7.9 Billion in Value-Added
  - Total
    - 167 Thousand Employees
    - $17.4 Billion in Value-Added
Chapter 6: Implementation
Implementation

- Work Together to Implement the Programmatic Recommendations

- Implementation Partners
  - Illinois Department of Transportation (IDOT)
  - Illinois Department of Commerce and Economic Opportunity (DCEO)
  - Illinois Department of Natural Resources (IDNR)
  - Illinois Environmental Protection Agency (IEPA)
  - United States Army Corps of Engineers (USACE)
  - Port Districts
  - Illinois Port Association (IPA)
  - Inland Rivers Ports & Terminals Association (IRPT)
NEXT STEPS for IMTS Plan

- **July 30th**: Presentation to IL State Freight Advisory Committee
- **Early August**: Full Draft Plan to Steering Committee for Review & Comment (2-week review)
- **Late August/September**: Address/Respond to Steering Committee Comments
- **September**: Release Draft Plan and Overview PowerPoint for Broad Stakeholder Review (30 – day review)
- **October**: Address/Respond to Comments
- **November**: Publish Final Plan
Port Capital Grant Program

Application Window this Fall
Thank you!