

IMTS Steering Committee Meeting



Illinois Department of Natural Resources Headquarters
Springfield, IL

February 27, 2020



ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN



Illinois Department of Transportation



Agenda

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

- **BUDM Study Update**
- **Economic Value Update**
- **Peer States Review Findings**
- **Neighbor States Dredging Regulations Findings**
- **Draft Programmatic Recommendations**
- **New! Port Capital Improvement Grant Program**
- **Next Steps**



Economic Value



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Economic Value

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IMTS reliant
industry effects on
State's economy

Port contribution
to state economy



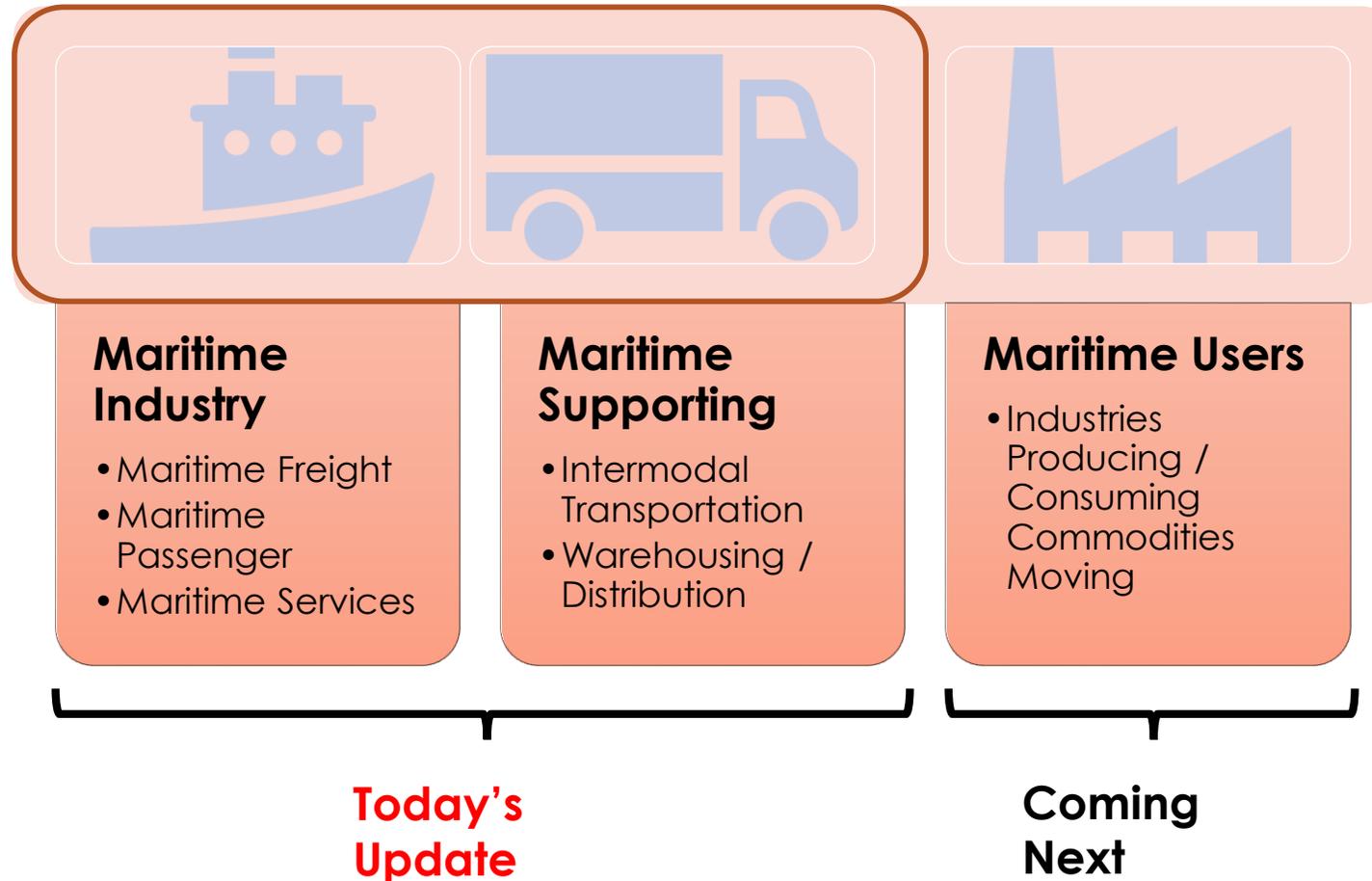
Port contribution
to regional
economy



Economic Value

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Three Kinds of Maritime Activity Captured





Economic Value

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Distribution of Employment

Support Related Employment

Navigable_Waterway_Network

▨ Illinois Port Districts

Warehousing Employment

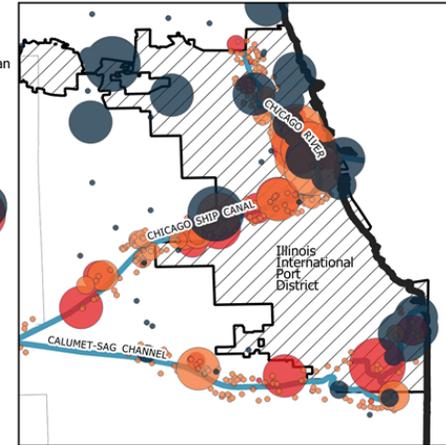
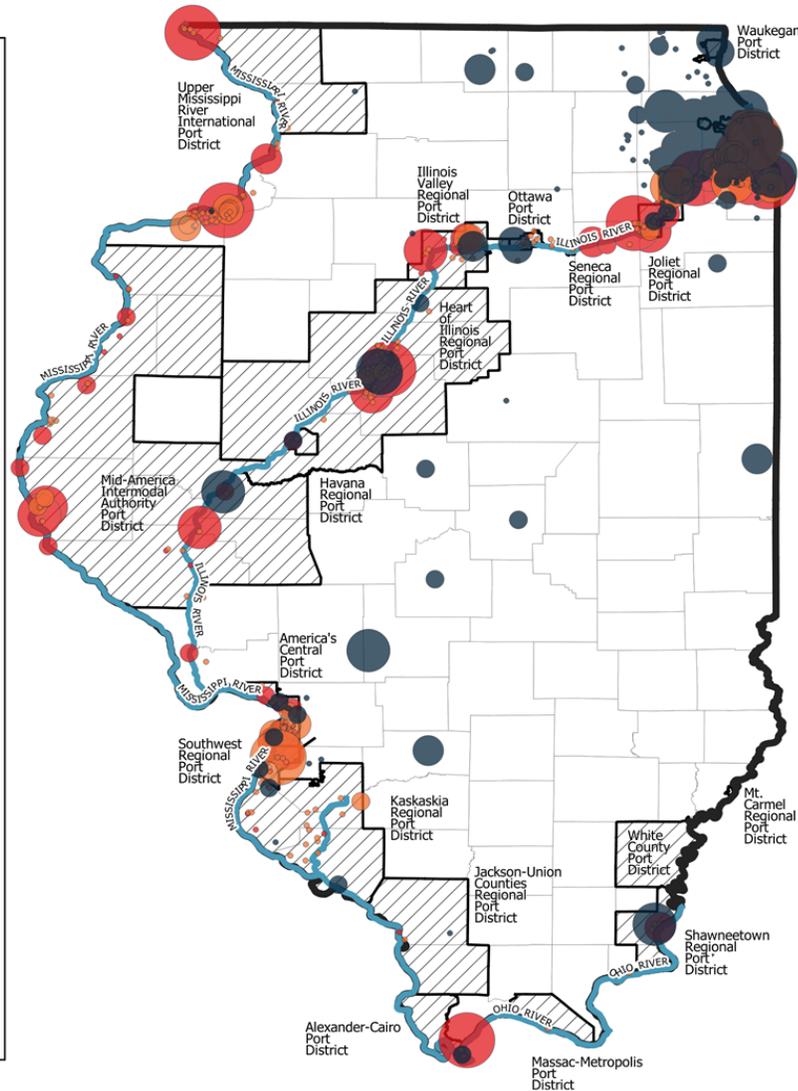
- 1 - 5
- 5 - 10
- 10 - 20
- 20 - 50
- 50 - 100

Trucking/Distribution Employment

- 1 - 50
- 50 - 150
- 150 - 250
- 250 - 500
- 500 - 2000

Water Transportation Employment

- 1 - 5
- 5 - 10
- 10 - 20
- 20 - 50
- 50 - 100



Where is Maritime Related Employment?

State Level Summary of Relevant Sectoral Data

Record Condition	Business Line	Number of Records	Reported Employment	Reported Sales (\$M)
Complete Information	SUPPORT	893	14,930	\$ 3,102.1
	WAREHOUSE	133	1,821	\$ 215.0
	WATER	217	1,812	\$ 485.4
No Sales Information	SUPPORT	21	3,977	\$ -
	WAREHOUSE	2	10	\$ -
	WATER	4	53	\$ -
No Employment, Sales	SUPPORT	2	-	\$ -
	WATER	1	-	\$ -
Total Number Establishments	SUPPORT	916	18,907	\$ 3,102.1
	WAREHOUSE	135	1,831	\$ 215.0
	WATER	222	1,865	\$ 485.4
	Total	1,273	22,603	\$ 3,802.5

Peer States Review Findings



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Peer State Review

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GOAL: Identify best practices to help IDOT best address system needs

Key points of comparison

- » DOT organization
- » Port governance
- » Funding and financial assistance
- » Assistance (technical, advocacy, etc.)

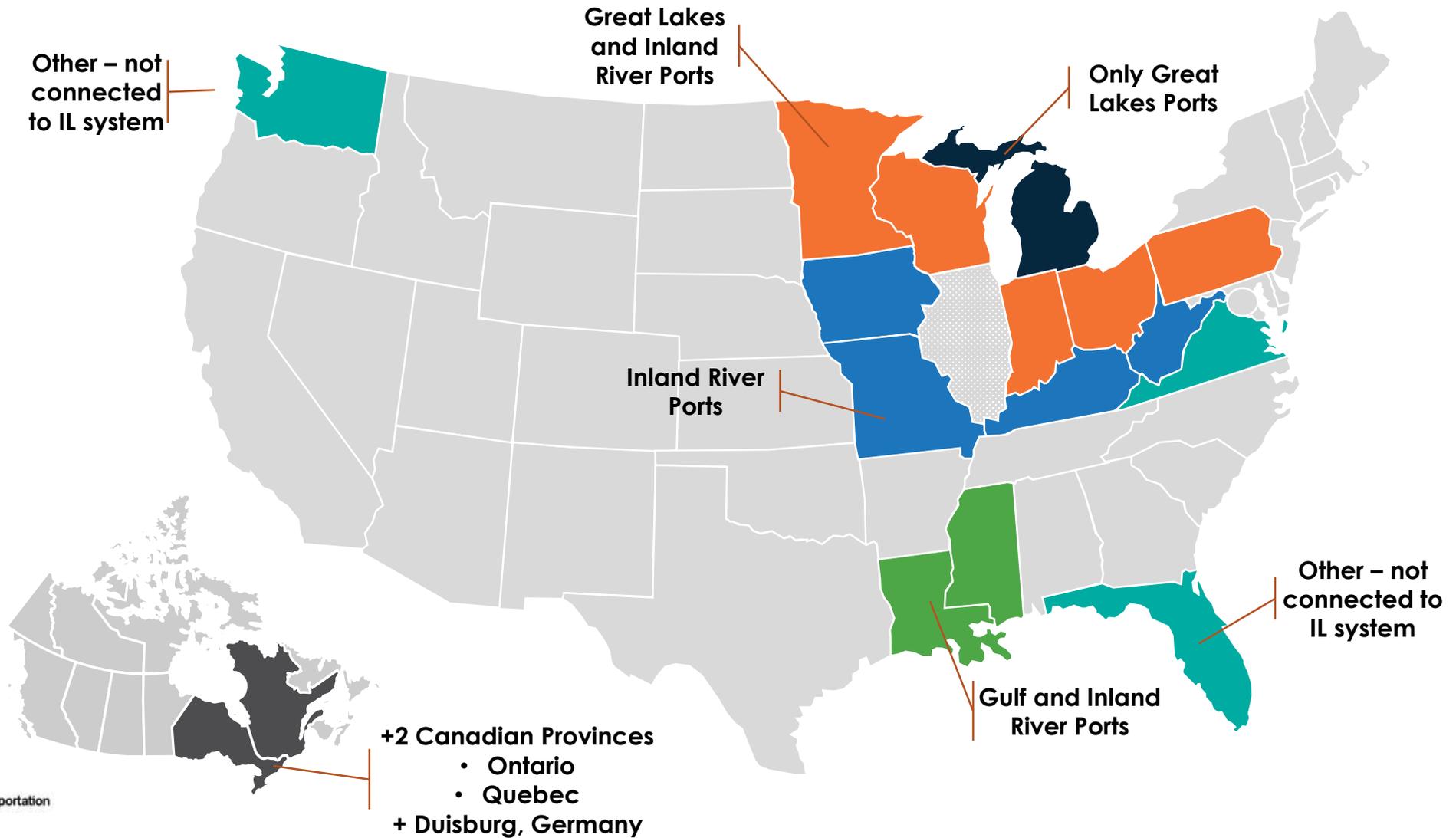
Use findings to inform maritime system recommendations

There is no “one-size-fits-all” solution



Peer States Review

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History of IDOT and the Waterway System

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IDOT takes over Division of Waterways when the Department of Public Works and Buildings is dissolved

1972

1995

The Illinois Department of Natural Resources (IDNR) is created, IDOT's Division of Water Resources becomes part of IDNR.

IDOT and IDNR meet to discuss that IDOT is responsible for promoting, supporting, and encouraging a more efficient and vibrant waterway and port system related to movement of goods. IDNR continues to regulate flood plains, recreational use, etc.

2016

2019

IDOT begins the planning process for the Illinois Marine Transportation System Plan and Economic Analysis

The Illinois Legislature passes a historic capital bill, Rebuild Illinois, that includes dedicated funds for public ports

IDOT takes a leadership role and continues to integrate the marine transportation system into the State's multimodal transportation network.

2020

& Beyond



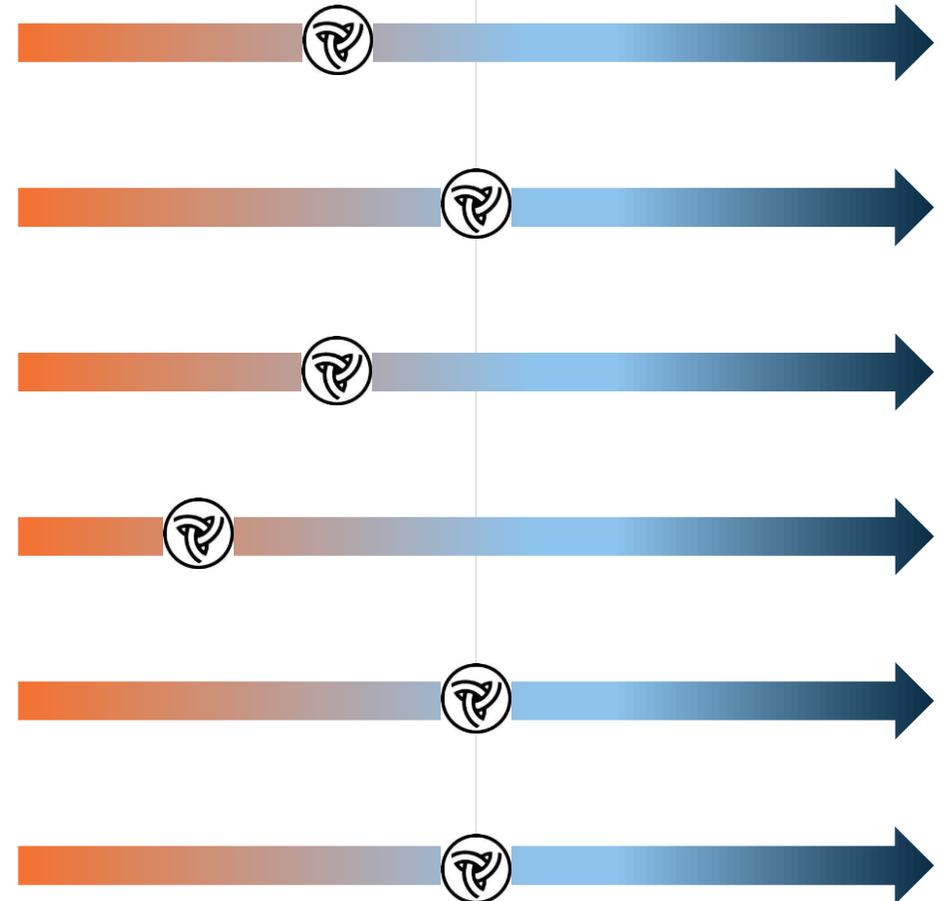
Illinois Base Case

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- 1 | DOT structure to conduct maritime system planning and provide support to the system
- 2 | Maritime integrated within DOT
- 3 | Maritime integrated within sister state agencies
- 4 | Sustainable, dedicated maritime system funding
- 5 | Existing funding sources “flexed” for maritime use
- 6 | Support and advocacy to maritime stakeholders

Needs Improvement

Better





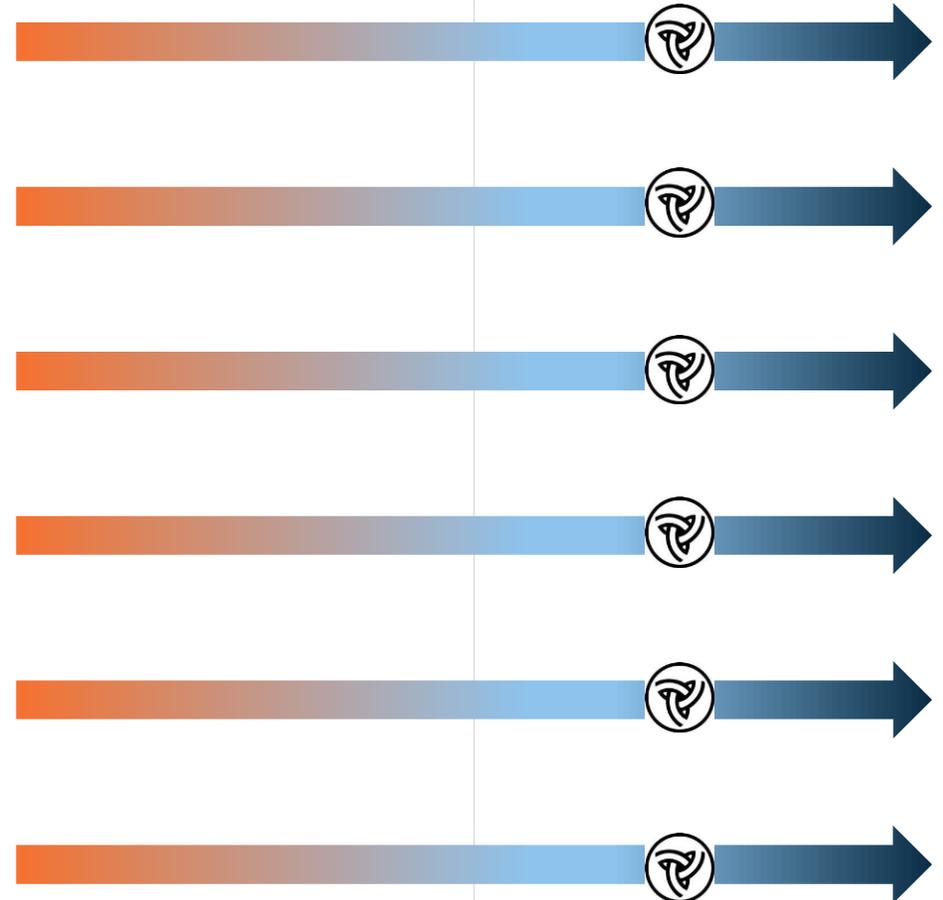
Illinois Future Case?

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

- 1 | DOT structure to conduct maritime system planning and provide support to the system
- 2 | Maritime integrated within DOT
- 3 | Maritime integrated within sister state agencies
- 4 | Sustainable, dedicated maritime system funding
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- 6 | Support and advocacy to maritime stakeholders

Needs Improvement

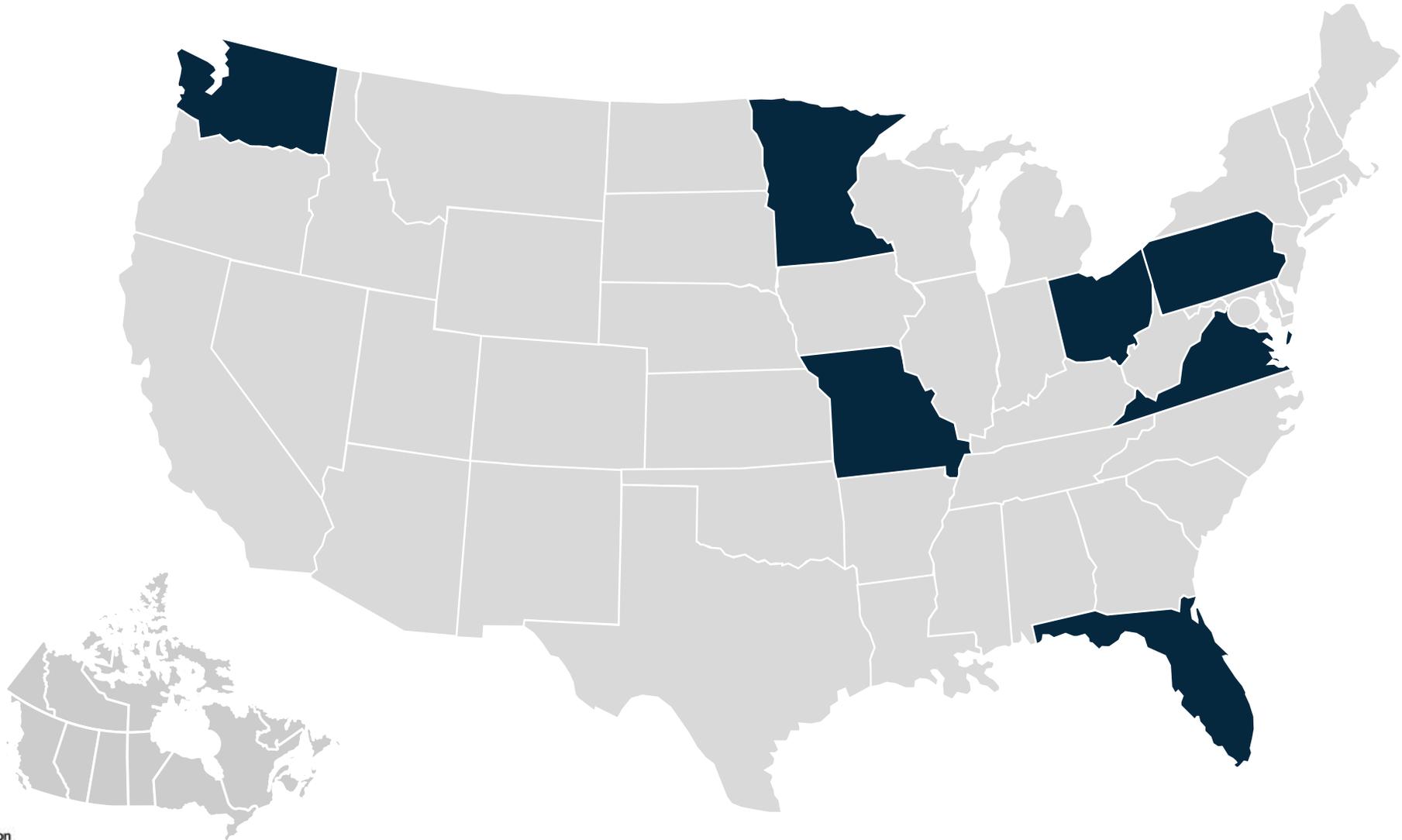
Better





Peer States Review – Case Study States

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Case Study Highlights

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■ Maritime Staff and/or Dedicated Section

» Great variation on how states are organized



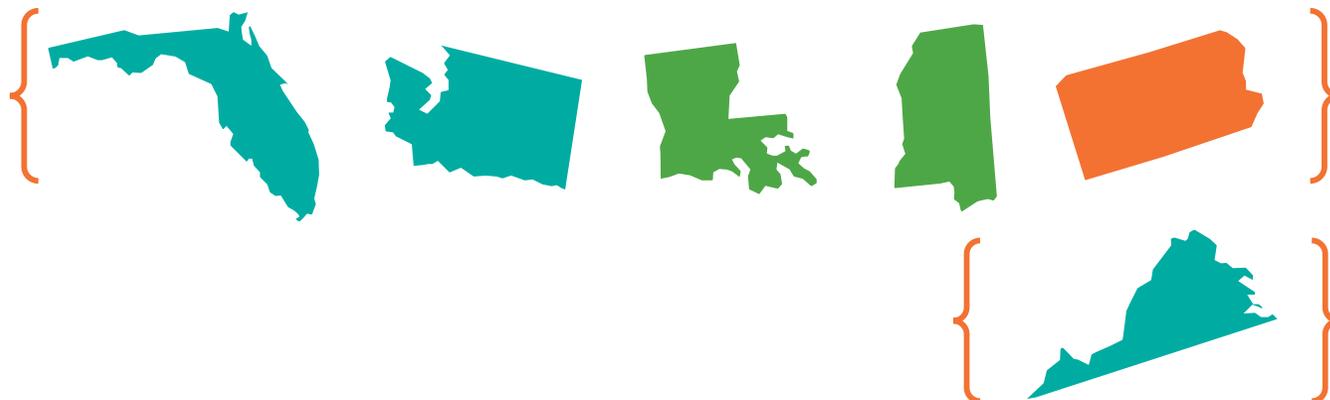
Has multiple staff focused on maritime and seaport system topics



Has 1 staff that is responsible for maritime, all other freight topics and other duties

» Context is important

✓ Historic recognition of deep water ports significance



Have dedicated Staff

Has elevated maritime further by having all activities primarily led by the Virginia Ports Authority



Case Study Highlights

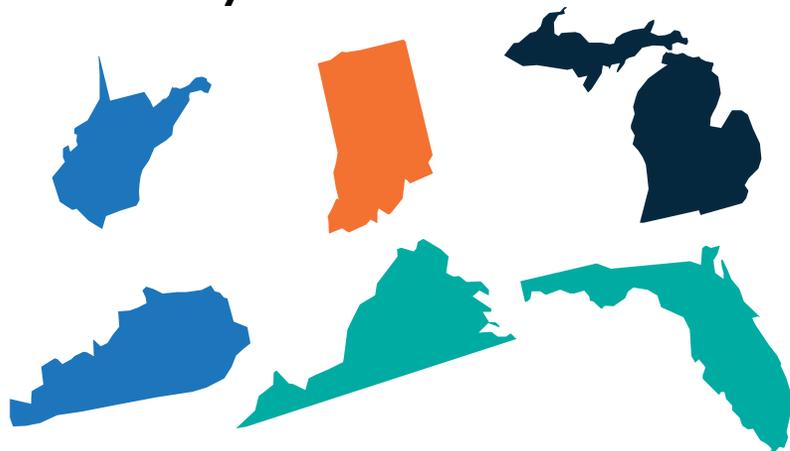
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■ DOT Integration with Sister-Agencies (State-Level Advisory Board)

» Opportunity to integrate DOT activities with economic development, environment, and other agencies tied to ports and waterways

- ✓ Often advisory board has a role in project prioritization and selection for maritime funding

Peer State with some type of state-level maritime focused advisory board



→ **Michigan** focused on recreation to the exclusion of broader maritime interests.

→ **Florida** Seaport Transportation and Economic Development (FSTED) Council - one of the best examples of an effective board that facilitates collaboration or a purpose.



Case Study Highlights

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■ Sustainable, Dedicated Funding Source

- » General consensus on not funding operations, but there are some exceptions
- » Most states have funding generally tied to the maritime system, however not many states have programs **explicitly linked to funding port or maritime specific-infrastructure**
- » fund maritime-adjacent needs and maritime-benefitting projects

Not many states have “guaranteed” funding on an annual basis



Port Development Assistance Program (PDAP) active since 1991, but contingent on legislative action. Typically \$0-\$3 million/year.



FSTED Program allows for wide range of projects types to close gaps in DOT program. Minimum of \$25 million/year.



Maritime Assistance Program one-time \$23 million over 2 years.



State Transportation Improvement Program (STIP) has a \$7.5 million annual set-aside for port capital improvement programs.

Questions?



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Neighbor States Dredge Regulations Findings



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Neighbor State Dredging Review

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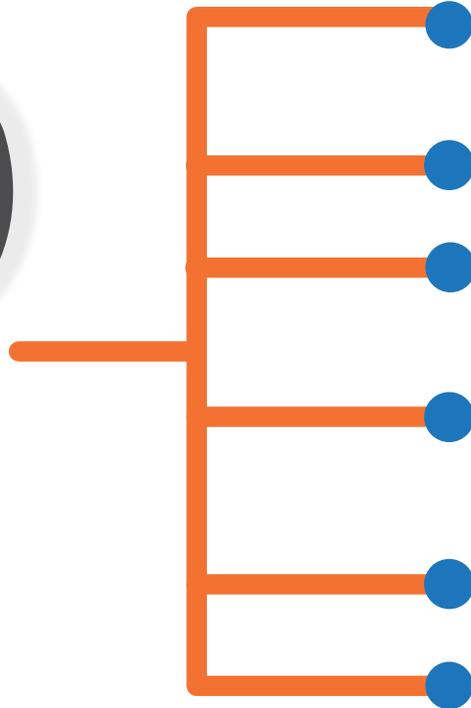
Key Issues

- Federal and state requirements are burdensome to comply with in terms of cost and time
- Lack of consistency in regulations at the state-level
- Unreliable, overprescribed, and underutilized funding at the federal-level
- Most states do not have dedicated funds for dredging
- Disposal and reuse of dredged material
- “Lessons learned” are yet being collected for the disposal and reuse of dredged materials, and true best practices to comply with regulations are not formally established



Neighbor State Dredging Review – Purpose?

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- Port competitiveness depends on efficiency & cost effectiveness
- Inconsistency in regulations at the state-level
- Unreliable, overprescribed, and underutilized funding at the federal-level
- Most states do not have dedicated funds for dredging
- Disposal and reuse of dredged material
- “Lessons learned” are yet being collected for the disposal and reuse of dredged materials, and true best practices to comply with regulations are not formally established





Neighbor State Dredging Review – Process

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■ Stakeholder Consultation*

- » Federal
- » State
- » Ports
- » Associations
- » Dredging Contractors

■ Desk Research

*See Appendix B in Dredging Review for full list of stakeholders consulted





Neighbor State Dredging Review – Permitting

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State permit (§ 401 Certification) entirely dependent on where dredged material will be disposed



No “one-size fits all” for definition of “contaminated”

- » USACE is autonomous; IL has a different definition
- ✓ Costly and frustrating for non-federal sponsors



“Mind over matter”

- » State more concerned about hazardous matter than form of sand
- ✓ More open-water disposal, less costly for non-federal sponsors



Cheapest option

- » Frequent disposal in confined facility
- ✓ Not a “best practice” – more landfills and lacking innovation





Neighbor State Dredging Review – BUDM and Funding

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Beneficial Use of Dredged Material (BUDM)



- ✓ Ongoing IDOT Study



- ✓ State indemnification on disposal
- ✓ Non-federal sponsors liable for any BUDM – NOT a “best practice”



- ✓ Numeric identification for “contamination” -> BUDM or not?
- ✓ Intensive research on new locations/uses for BUDM

Funding



- ✓ Harbor Assistance Program (HAP) -> approximately \$10 million/year for any harbor maintenance project including dredging
- ✓ Recreational Boating Facilities Grant -> “as needed” funding for recreational harbors



- ✓ Port Development Assistance Program (PDAP) -> approximately \$5 million/year for any harbor maintenance project, including dredging

Questions?



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Draft Programmatic Recommendations



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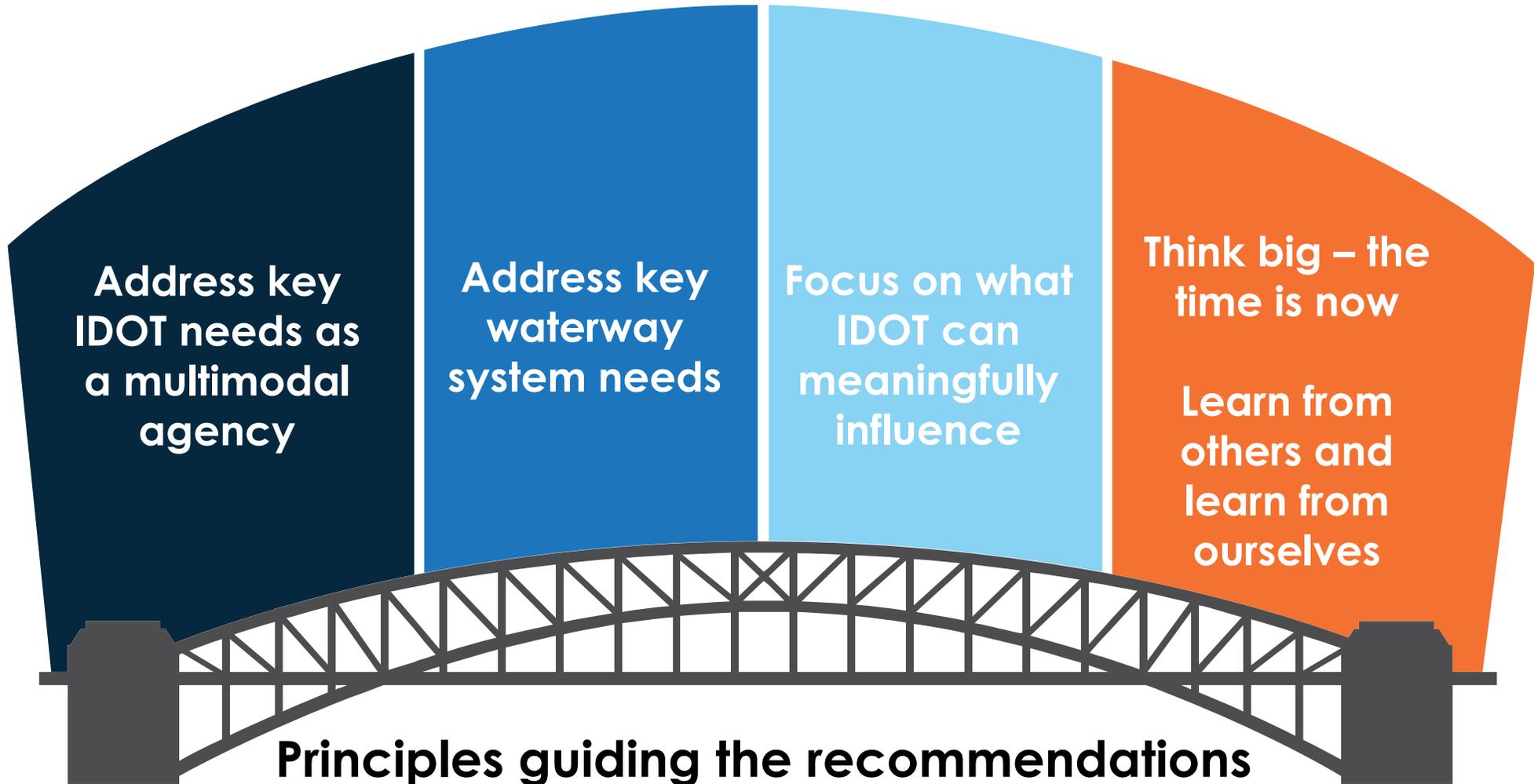


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Draft Programmatic Recommendations

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN





Draft Programmatic Recommendations (1 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

Structure should support IDOT in becoming an industry leader, to conduct maritime system planning and provide support the system and stakeholders need.

Create a Marine Section within IDOT with dedicated staff (IDOT Org Chart Should Reflect)

- Data collection and monitoring
- Conduct system specific studies
- Participate in research activities
- Member and participant in State and National marine organizations
- Coordinate IDOT marine system funding programs*
- Lead State-level marine system advisory board*
- Provide technical assistance/support to stakeholders (grant applications, policy changes, understanding regulations, etc.)
- Marine system education (internal and external)
- Liaison with port districts, associations, private terminals, federal agencies, and other key system stakeholders

Draft Programmatic Recommendations (1 of 8 - Continued)



ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

Structure should support IDOT in becoming an industry leader, to conduct maritime system planning and provide support the system and stakeholders need.

Create a Marine Section within IDOT with dedicated staff

- Promote for the increased use of the marine system
- Marine system education (internal and external)
- Liaison with port districts, associations, private terminals, federal agencies, and other key system stakeholders
- Conduct system specific studies
- 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 multimodal communication & coordination with external entities when an IDOT-sponsored project will impact marine facilities



Draft Programmatic Recommendations (2 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

**Marine as a mode
should be better
integrated within
IDOT**

Formally “integrate marine” as a mode within IDOT

- Establish formal statewide marine committee & strengthen connections to the ISFAC
- Provide a conduit between marine and other modal planning activities
 - ❖ Expect this will require a formal process change to be effective → integrate into organization structure/org chart
- Establish performance measures and targets for the marine system
- Re-evaluate existing project funding criteria to better include marine (freight and passenger) system needs*



Draft Programmatic Recommendations (3 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

**Marine as a mode
should be better
integrated with
sister state
agencies**

Formally “integrate marine” throughout the State of Illinois

- Establish a state-level marine system advisory board*
 - ❖ Membership could include IDOT, EPA, DNR, DCEO, and others (similar to new intrastate working group)
- Liaison with the ISFAC
- Collaborate to establish and administer marine system funding programs & existing state programs that can benefit the marine system*
- Address key issues and shared interest
 - ❖ Beneficial use of Dredged Materials
 - ❖ Permitting/regulatory changes
 - ❖ Resiliency/Flooding
 - ❖ Multimodal system connections



Draft Programmatic Recommendations (4 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

**Sustainable,
dedicated
marine system
funding**

Develop Illinois marine system funding program*

- Determine sustainable funding source (explore range of options)
- Annual or bi-annual funding (amount TBD)
- Identify funds that can be “flexed” and used on key parts of the system not already covered by other programs
- Focused on capital infrastructure (not operations)
- Local commitment required



Draft Programmatic Recommendations (5 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

**“Flex” existing
funding sources
for marine use**

Use existing funding sources to address marine needs

- Leverage federal funding sources to greatest extent possible*
 - ❖ National Highway Freight Program Funds (future funding is expected)
 - ❖ INFRA, BUILD, Etc.
- Other IDOT Transportation System Funding Programs (general)
 - ❖ Review existing funding programs to better understand how maritime (freight and passenger) system needs could be addressed
 - ❖ This is particular important for first-/last-mile needs
- Reestablish the Port Revolving Loan Fund
- Examine existing IDOT criteria and processes to better consider marine system needs
- Examine other programs
 - ❖ Economic Development Grant Program, TARP, USCG, IDNR, DCEO



Draft Programmatic Recommendations (6 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

Streamline regulatory processes for permitting, dredging and making beneficial use of dredged materials

Streamline processes for port activity permitting, dredging and making beneficial use of dredged materials

- Collaborate with state-level maritime system advisory board*
 - ❖ Establish common definition of “contaminated” dredged material
 - ❖ Establish dredged materials management practices
 - ❖ Establish BUDM best practices for Illinois
- Coordinate with Federal-level partners to make regulations more efficient
 - ❖ Work with regulatory agencies to streamline permitting process
 - ❖ Work with USDOT to make ports more competitive in federal grant processes



Draft Programmatic Recommendations (7 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

Keep conversation open on the consolidation or dissolution of inactive public port districts

Re-evaluate the Port District Structure within the State

- Develop relationships with port district boards/staff
- Determine if consolidation or dissolution of some public ports districts would provide efficiencies/is desirable
- Consider supply and demand related to where port districts are located (examine market)



Draft Programmatic Recommendations (8 of 8)

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

Timeliness of Port District Board Appointments

Establish port district board appointment process within IDOT

- Work with Governor's office to ensure port district board appointments are conducted in a timely manner
- Be a liaison between port districts and Governor's office for port district board appointments

Questions?



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Port Capital Improvement Grant Program



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PCIP Mission and Program Objectives

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

■ **Mission statement**

- » Support Illinois' public ports by investing in freight projects that generate demonstrable safety, transportation, economic, and community benefits at the local and state levels.

■ **Program objectives**

- » Transparent
- » Objective
- » Performance-Based
- » Reflect legislative intent
- » Straightforward application criteria



Performance Goal Areas

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Goal Areas
(in priority order)

1. Safety
2. Modal Connectivity
3. State of Good Repair
4. Economic Competitiveness
5. Mode Shift
6. Economic Opportunity
7. Environmental Sustainability



Goal Area #1

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Safety - Improve public health and safety by reducing transportation –related fatalities and injuries as well as property damage only events.

Measure #1 Modernization of Port equipment and/or operations, leading to improved safety

- **Data Required:** # of fatalities, injuries, property damage events avoided (vs. no-build), in 2030

Measure #2 Highway and/or rail access improvements that remedy high-accident locations

- **Data Required:** # of fatalities, injuries, property damage events avoided (vs. no-build), in 2030



Goal Area #1

ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

Safety - Improve public health and safety by reducing transportation –related fatalities and injuries as well as property damage only events.

Measure #3 Change in truck VMT and rail ton-miles, both of which drive incidents

- **Data Required:** Change (vs no-build) in truck moves, rail tons, and origin-destination patterns in 2030

Measure #4 Share and amount of change in truck VMT and rail ton-miles associated with hazmat commodities

- **Data Required:** Change (vs no-build) in truck moves, rail tons, and origin-destination patterns in 2030, specific to hazmat



Goal Area #2

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Modal Connectivity - Enhance integration and connectivity across and between transportation modes for Illinois and the nation resulting in increased multimodal options for freight movement.

Measure #1 Number of intermodal connections supported by project (water-truck, water-rail, truck-rail)

- **Data Required:** # of intermodal connections added or supported, in 2030

Measure #2 Volume of intermodal activity (tons) added by project

- **Data Required:** Current intermodal tons; # of intermodal tons added due to the project in 2030



Goal Area #3

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State of Good Repair - Ensure Illinois proactively maintains critical transportation infrastructure in a state of good repair.

Measure #1 Reduced life-cycle maintenance costs for on- Port equipment, rail, roads

- **Data Required:** Changes (vs. no-build) in estimated annual maintenance costs, in 2030

Measure #2 Asset Management and Maintenance plan

- **Data Required:** Confirmation of plan in place

Measure #3 Avoided pavement damage throughout the state, outside of Port property

- **Data Required:** Change (vs. no build) in number of truck moves by major origin-destination pair, in 2030



Goal Area #4

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Economic Competitiveness- Promote transportation policies and investments that bring lasting economic benefits to Illinois, its citizens, and its businesses

Measure #1 Temporary job creation from construction

- **Data Required:** Construction spending

Measure #2 Permanent direct job creation from operations

- **Data Required:** Change in on-terminal employment, year 2030

Measure #3 Permanent direct jobs supported by port customers and users

- **Data Required:** Change in employment by directly supported industrial customers, year 2030

Measure #4 Reduced freight transportation costs for shippers and receivers

- **Data Required:** Change (vs no-build) in truck moves, rail tons, and origin-destination patterns in 2030



Goal Area #5

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Mode Shift - Shifting cargo to barge rather than to truck or rail may reduce local roadway and grade crossing damage and congestion throughout many communities.

Measure #1 Change in truck AADT at sensitive intersections in nearby communities

- **Data Required:** Identification of up to five sensitive intersections and projected changes (vs. no-build) in truck AADT, in 2030

Measure #2 Change in rail tonnage at sensitive grade crossings in nearby communities

- **Data Required:** Identification of up to five sensitive crossings and projected changes (vs. no-build) in rail tonnage, in 2030



Goal Area #6

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Economic Opportunity - Investments should increase opportunity for economic growth in distressed areas.

Measure #1 Level of economic need in host community/region

- **Data Required:** Extent of community/region, for purposes of application

Measure #2 Level of investment in host community

- **Data Required:** Amount of construction spending on community and regional firms

Measure #3 Level of job creation in host community

- **Data Required:** Number of on-terminal jobs created; number of community/region industry jobs supported; in 2030



Goal Area #7

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Environmental Sustainability - Advance environmentally sustainable policies and investments that reduce carbon and other harmful emissions from transportation sources.

Measure #1 Avoided emissions from reduced truck and rail activity

- **Data Required:** Changes (vs. no-build) in number of truck moves and/or rail tons due to project, by major origin-destination pair, in 2030

Measure #2 Purchase of alternative energy (non gas/non diesel fuel) equipment

- **Data Required:** Number of fuel-powered equipment replaced with alternative energy powered equipment.



Overall Evaluation and Ranking

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Ranking list to consider

Performance rank

- (highest to lowest) in each goal area, summed across all goal areas to a single number score, factored for confidence level (similar to USDOT evaluation of BCAs)

Project readiness

- Permits/Environmental Review
- Technical challenges (explain any challenges)
- Design plans
- ROW requirements
- Delivery plan and responsibility
- Project schedule
- Site Plan, Feasibility Study, and/or Master Plan

Requested match

- Size and percentage



PCIP Project Application Form – Part I

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Project Information

General

- Applicant Name
- Project Location
- Project Type and Description

Performance

- Data (as available) Addressing Goal Areas #1 through #7

Readiness

- Readiness Factors

Funding

- Total Cost
- Match Amount
- Match Source and Commitment





Scoring Within Each Goal Area

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■ IDOT Team to:

- » Review applicant-provide data; calculate metrics where necessary
- » Evaluate confidence in metrics (medium, high, very high) based on input quality/completeness; IDOT will work with applicants for best possible score

Goal Area	User Data	Processing Support by Review Team
(1) Safety	Yes	Yes
(2) Modal Connectivity	Yes	Yes
(3) State of Good Repair	Yes	Yes
(4) Economic Competitiveness	Yes	Yes
(5) Mode Shift	Yes	Yes
(6) Economic Competitiveness	Yes	Yes
(7) Environmental Sustainability	Yes	Yes





Eligible Project Types

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Eligible project types include:

- Dock and terminal repair, rehabilitation, or construction
- Port roadway rehabilitation or construction
- Improving or installing port rail facilities
- Improving or installing equipment for loading or off-loading barges and vessels
- Developing warehouse or commodity storage
- Improvements to port security such as fences or security systems, navigational aids, or other capital improvements
- Site design
- Land acquisition (with development plan submittal)





Eligible Applicants and Anticipated Match Levels

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■ Eligible applicants

- » Public Port Districts are only eligible for the funding
- » Funding may be spent on private facilities within public port district boundaries (Applicant must be Public Port District)

■ Anticipated match levels

- » Higher match (up to 100%) for Port Districts in disadvantaged areas; otherwise higher match (up to 90%) for small projects, lower match (up to 50%) for large projects





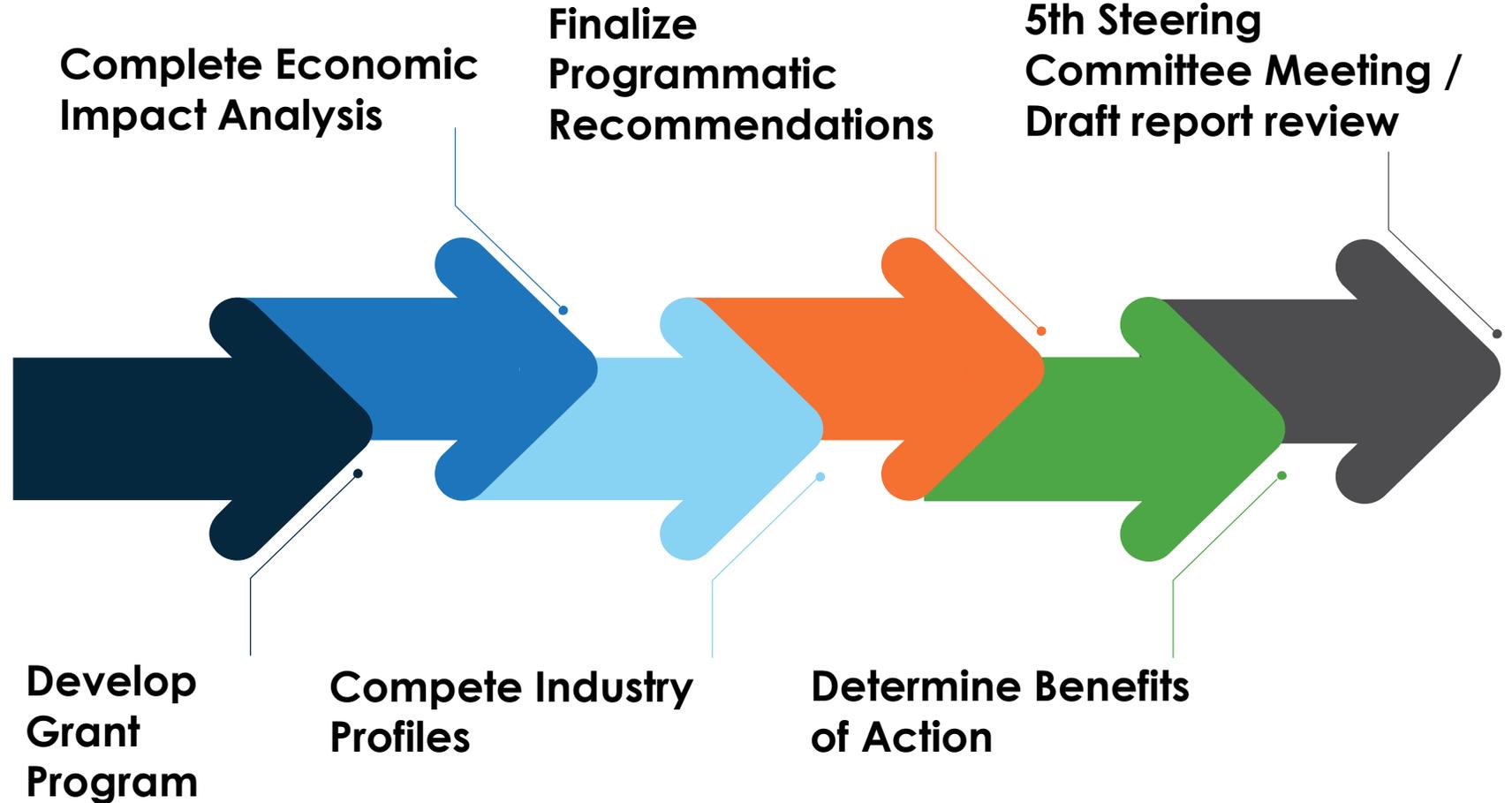
Next Steps

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Complete Tasks

- ✓ *Port Profiles*
- ✓ *Peer State Dredge Review*
- ✓ *Facilities Inventory*
- ✓ *Commodity Flows*
- ✓ *Inventory of Carriers and Operators*

Current Tasks





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