

The Riverport Industry in Kentucky



**KENTUCKIANS FOR BETTER
TRANSPORTATION**
WE MAKE KENTUCKY **GO**



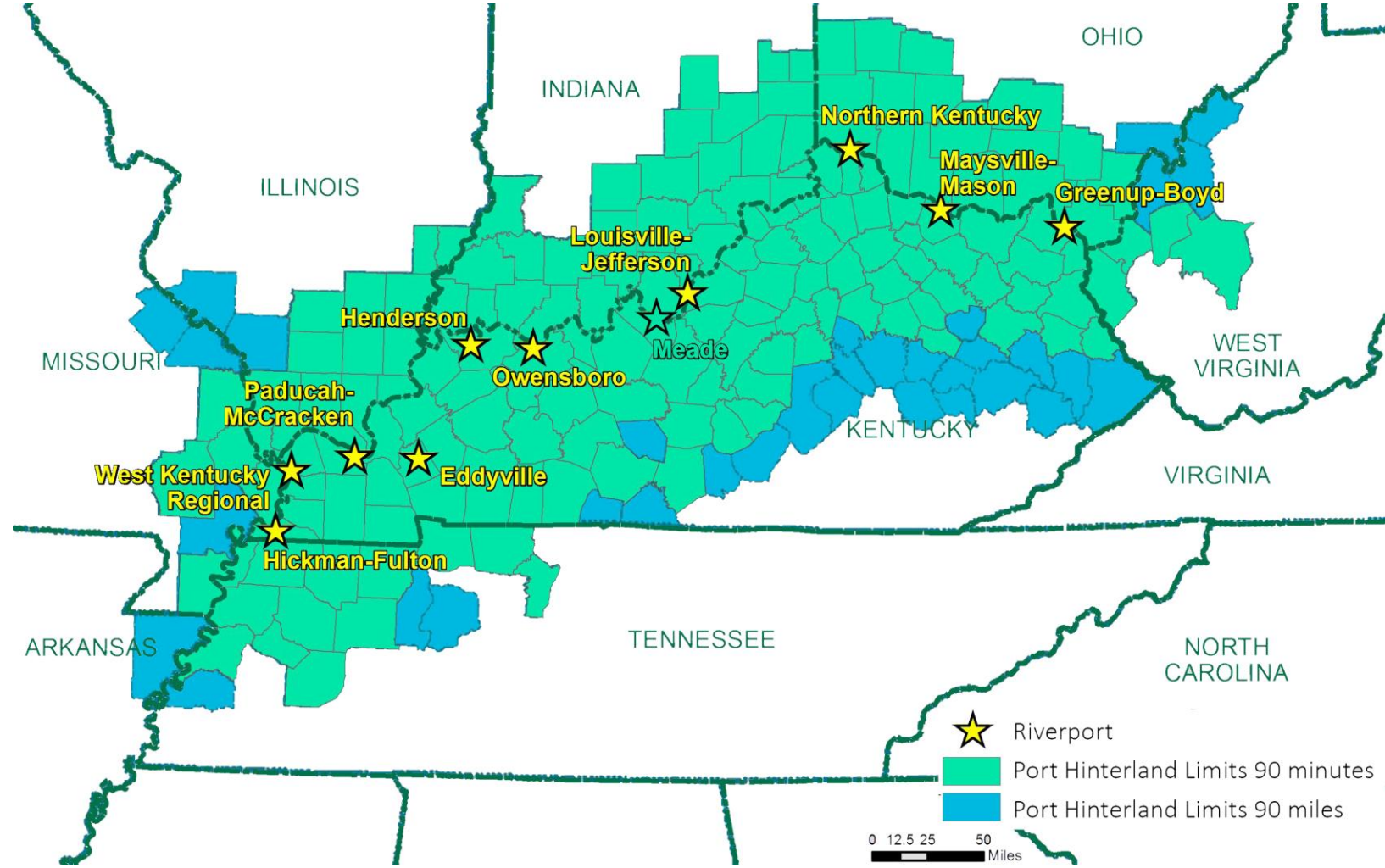
Public Riverports in Kentucky

- Any governmental unit by act of its legislative body or two or more units acting jointly and with approval of the Transportation Cabinet may establish a riverport authority
- Kentucky Public Riverport Authorities are established under Kentucky law with powers and duties prescribed by KRS 65.510 to 65.650
- Authority members are appointed by the local executive – Mayor, Judge Executive, or both
- Currently, there are 10 public riverport authorities in Kentucky
- 7 are active and operational in the movement of goods
- 3 are developing, have authorities in place, but not yet fully operational



Kentucky Riverport Hinterlands

**area within a 90 mile distance of a public riverport*



Kentucky's Waterways Create Value

Kentucky's Waterways Create Value by Enabling the Commonwealth to:

- Trade with the World: In 2018, Kentucky traded over 89 million tons of freight using inland waterways, valued at over \$18 billion. About 79% of Kentucky's waterborne trade (by tonnage) is exchanged with trading partners outside of the Commonwealth.
- Kentucky's waterborne transportation system overall saves approximately 2.3 billion vehicle-miles of travel (VMT) and over 43 million vehicle-hours of travel (VHT) each year in ground transportation costs.
- Our Waterways Support Kentucky's Supply Chains: energy, chemical, agriculture/food/lumber, and metals/minerals supply chains are highly dependent on Kentucky's waterways.



How Does Kentucky Invest in Riverports?

- Since 2013, the Commonwealth has supported the riverport industry through the Kentucky Riverport Improvement (KRI) Grant Program. Current budgeted allocation is \$500,000 annually.
- KRI funds are a General Fund appropriation in the Transportation Cabinet Budget.
- The program requires a 50% local match.
- KRI applications due each year in May for July 1 FY and funds must be used by June 30th or returned to General Fund. No carryover.
- Funding can be used for new construction, repairs, or replacement of docks, wharves, equipment, port buildings, storage facilities, roadways and railroads, other onsite improvements, and related professional services. Funds are not to be used on routine maintenance, port operations, or plans/studies



Investment by Surrounding States

	Kentucky	Ohio	Missouri	Illinois
Number of Public Ports	10	8	15	19
State Investment	\$500K	\$20M (recent increase from \$12M)	\$12M plus \$30M (ARPA) in FY 23	\$150M

**Indiana and Tennessee don't currently have state grant programs*



Public Riverport Challenges

- Inadequate funding
 - \$12.3M needed for asset preservation (based on 2018 data)
 - Increased annual state funding needed to continue investment and compete with surrounding states
- Riverports are unable to use state grant funds to match federal grants
- The funds don't carryover
- The current grant program requires a 50% local match and is a disincentive for some riverports to participate.



Proposal

- \$15 Million one-time allocation to address asset preservation – no required match
- Increased annual sustainable funding
- Utilize the Riverport Financial Assistance Trust Fund (KRS 174.210) to allow for:
 - Funds to carry forward
 - A decrease in the local match requirement from 50% to 20%





**KENTUCKIANS FOR BETTER
TRANSPORTATION**
WE MAKE KENTUCKY GO

**Jennifer Kirchner
Executive Director**



**Brian Wright
President/CEO
Owensboro Riverport
Authority**

