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GROWING IMPORTANCE OF INLAND PORTS FUELS MULTI-MILLION DOLLAR INVESTMENTS AT FOUR PORTS IN ST. LOUIS REGION

[ST. LOUIS, MO/May 23, 2023] Investments underway or planned at four ports in the St. Louis area are supported by an influx of federal and state funding that underscores the growing importance of inland ports in the global supply chain. The investments have the bi-state region poised to support continued growth in traditional barge services and intermodal operations, while helping to prepare for the arrival of new Container-on-Vessel service in the Midwest. These multi-million dollar investments in facilities and infrastructure and the funding secured for these projects were the focus of the May 23rd FreightWeekSTL 2023 virtual panel session, which featured panelists from America's Central Port, St. Louis Development Corporation, Kaskaskia Regional Port District and Jefferson County Port Authority.

America's Central Port anchors a 1,200-acre multi modal business and industrial site in Granite City, Ill., where a series of infrastructure investments are underway. Built in the 1940s as a military base, the site has been converted into one of the largest freight hubs in the Midwest, with access to six Class-I railroads and two multi modal harbors that bring in more than 3 million tons of product by barge each year. The site is home to more than 75 manufacturers and freight intensive operators that collectively employ an estimated 1,000 workers, and offers 2.1 million square feet of warehouse space, 70,000 square feet of office space and 150 apartments.

According to America's Central Port Executive Director Dennis Wilmsmeyer, the original roads leading into the property were not built to handle the weight of trucks today. To remedy that, a new full-depth concrete road along Fourth Street was recently constructed, nearly completing the circulation corridor around the port's main industrial park. Construction on a new street – partially funded through a grant from the Illinois Department of Transportation (IDOT) – is about to get underway. This new street will replace the old First Street and it will create a sixth entrance into the port from Illinois Route 3 that will support truck movement. IDOT is also partially funding construction of a new West 7th Street Road, which will complete the loop at the main industrial park. These investments come of the heels of a recently completed upgrade of the Bissell Street Rail Crossing.

America's Central Port will also soon start on a \$3 million rehabilitation of a 1940s era, 50,000 square-foot building that was originally used as a locomotive repair shop for the U.S. Army and is now being upgraded for manufacturing purposes. As part of a \$15.8 million U.S. Department of Transportation BUILD grant secured for America's Central Port back in 2020, other upgrades coming to the port include 2,050 linear feet of new railroad track, a new product receiving belt system from barge to rail, barge loading system replacement, rail car load-out upgrades, multi modal transfer equipment modernization and safety upgrades. Grants were also recently secured for a truck calling and staging center, and expansion of the cargo dock at the Granite City Harbor.

“All this funding that's been coming for our port facilities has just been tremendous, and I just can't thank enough those who are now realizing the importance of ports throughout the country,” said Wilmsmeyer. “The Port District, like many other ports in the region and throughout the country, are economic development generators. We are here for the purpose of creating jobs, and we do that through a lot of investment in our property that tries to attract companies.”

The City of St. Louis Port Authority, located in downtown St. Louis, comprises about 10,000 acres along 19-plus miles of riverfront on the Mississippi River and moves 15 to 18 million tons of cargo a year. A landlord port, it has approximately 40 leases with shippers and carriers and fleeting operators up and down the river, and its main terminal is the Municipal River Terminal (MRT), located about a mile and a half north of the Gateway Arch and operated by SCF Lewis and Clark Terminals. The 40-acre site has a 2,000-foot dock that can hold 250-ton crane loads and features 67 fleeting berths, 250,000 square feet of warehouse space, and direct rail service.

The Port Authority has invested about \$10 million in the Municipal River Terminal over the past couple years. Recent additions include a rail river conveyor system and direct rail access into the yard, and portions of the yard are currently being paved. SCF recently secured a grant for unitized cargo equipment to get unit train capability at the terminal. As part of a \$9 million BUILD grant secured through SCF, 7,350 linear feet of new railroad track will be added, and that is expected to drive more rail traffic to the facility.

Susan Taylor, Port Authority Director for the St. Louis Development Corporation, also talked about other investments occurring. "We're trying to develop a new rail and river terminal on our south riverfront and have secured a \$5.76 million ARPA grant towards that," Taylor said. "We're talking to a new lessee about a potential liquid fertilizer dock on our north riverfront, and we plan on issuing some RFPs soon for fleeting. There's also a developer interested in a large \$1.2 billion project, just south of the MacArthur Bridge, and it will focus on manufacturing and, hopefully, container on vessels shipping of the manufactured goods."

Taylor also highlighted the benefits of doing business with the City of St. Louis Port Authority located in the Ag Coast of America. "I think it's important for people to realize that we are by far the busiest inland port," she said. "We have approximately 130 facilities in our harbor on both sides of the river. We just have so many different options, and we have ultimate flexibility and last mile in and out options for people."

As a political subdivision of the state, the Port Authority also can offer major investment incentives. In 2018, it issued \$15 million in bonds to an agricultural entity on the south riverfront to help propel its \$37 million expansion. In 2019, \$8.75 million in bonds was issued to a scrap company to buy and relocate a shredder on the north riverfront, enabling the company to consolidate operations and to expand. Taylor also highlighted the Port Authority's ability to create port improvement districts, sharing it is in the process of creating one for the new soccer stadium in downtown St. Louis, which encountered some unexpected groundwater pollution. The port improvement district will help generate funds to address that issue.

Located just 30 miles south of St. Louis, the Kaskaskia Regional Port District encompasses Monroe, Randolph and St. Clair counties in Illinois and, by tonnage, is the 15th largest inland port in the country. The Port District has four port locations on the Kaskaskia River and one on the Mississippi River. Kaskaskia Regional Port District General Manager Ed Weilbacher talked about the investments being made his terminals, starting with Kaskaskia Regional Port District Terminal 1, operated by Kaskaskia River Terminals and located just outside of New Athens, Ill. The site was originally an outbound coal facility that was repurposed into an inbound offloading facility that ships scrubber stone about 15 years ago. Recently, the site has been producing waste products like gypsum and fly ash that have marketability, and the terminal will undergo \$20 million in upgrades to ship 2 million tons of product outbound while simultaneously maintaining the inbound cargo movement. The upgrades include a second rail loop, a new rail yard at the terminal, and updates to the rail corridor that runs from the terminal to Lenzburg, Ill.

Investments are also being made at Kaskaskia Regional Port District Terminal 2, a multi modal river, rail and road facility for steel, general cargo and bulk products located in Baldwin, Ill., along the Kaskaskia River. Approximately \$2.7 million in grants were secured from IDOT for a new conveyor to move fertilizer from the dock to an expansion that is taking place at tenant Gateway FS, with the goal of increasing fertilizer throughput at that location. The facility also received a recent freight grant to double track the rail underneath the overhead crane, which will reduce congestion and improve safety at that location, priming the facility for future growth. Grant applications for \$14 million were recently submitted

for a new south dock at Kaskaskia Regional Port District Terminal 2, and the Port also applied for a \$1.3 million U.S. Marine Highway grant for a series of shuttle cars that will allow for the movement of coiled steel through the terminal to keep pace with the increase in coiled steel at this location. The Kaskaskia Regional Port District is also seeking \$3 million in grant funding for the addition of a second entrance road to the terminal and a laydown yard for one of its tenants.

“Kaskaskia Regional Port District is poised for significant growth,” Weilbacher said. “With these upgrades, we're going to have great capacity within our terminals to move cargo to any tenant that wants to locate there.”

Weilbacher talked about a feasibility study underway with the Army Corps of Engineers to construct a pipeline from the northernmost terminal on the Kaskaskia River to Scott Air Force Base. A pipeline would more safely transfer fuel to the base, versus continuing to have it trucked in. “If we want to keep Scott Air Force Base thriving and off any future closure list, we need to look at an alternative fuel source for that base,” Weilbacher said.

Jim McNichols, Executive Director of the Jefferson County Port Authority talked about expansion plans for the Port Authority, which is located south of St. Louis County, with boundaries encompassing the entirety of Jefferson County, Mo. The Jefferson County Port Authority has a dock in Kimmswick, Mo., but does not currently operate any facilities. That will soon change with the addition of a new port facility planned for Herculaneum that will bring American Patriot Holding's (APH) new innovative Container-On-Vessel (COV) service to the Midwest. The container facility will be a key hub on a the newly established all-water, north-south trade lane connecting the St. Louis region to the lower Mississippi River and on to worldwide destinations.

“We were able to take the momentum received from American Patriot's announcement and head to Jefferson City last year to secure an appropriation of \$25 million that will fund a list of approximately 14 infrastructure-related projects that need to be completed for the site to be prepared to receive APH's liner vessels,” McNichols said. “Some of the projects that are well advanced include the design and construction of new access roads, relocation of existing utilities, and the permitting design and construction of a new bulk materials processing facility that will be located on the southeastern portion of the property.”

Leveraging the \$25 million in state funds received from Missouri, the Jefferson County Port Authority has taken advantage of an additional opportunity made possible by the creation of a series of grant programs fueled by federal ARPA funding that the Missouri Department of Economic Development designed to help some of the most impacted industries recover from the pandemic-related shutdowns and revenue losses. One program was specifically designed to identify previously utilized industrial sites that have fallen out of productive use and to provide seed funding to bring them back online. After identifying 2,200 acres on six miles of Mississippi River frontage, the Jefferson County Port Authority applied for the mega-site designation of 1,000 contiguous acres or more, which means the \$25 million in state appropriations could be matched dollar for dollar.

“The critical portion of all of these sites is they all contain multiple modes of ingress and egress into them and out of them,” said McNichols. “Now you combine this opportunity with the currently approved and budgeted expansion of I-55, and the momentum generated by these projects really dovetails with our overall effort.”

Wilmsmeyer reinforced how vital the ports are to the local and national economy and the role they play in moving freight across the nation as part of the global supply chain. “The federal government now is understanding that role, and that's why so much money is being sent to some of these inland ports to address this backlog of issues and to increase that efficiency and keep those products moving,” said Wilmsmeyer. “One barge equals the same amount of commodity as about 22 rail cars or 90 trucks. So, when you think about the amount of product we're able to move through these small inland ports, it's pretty incredible.”

Panel moderator Mary Lamie told the port representatives, “There's a common thread that connects you. You are continuing to invest in your facilities with an eye to the future, making sure that all the ports in this region have the capacity and infrastructure to accommodate future growth. It's our pleasure to be able to highlight those investments

which collectively strengthened our region's role as a global freight hub.” Lamie is the Executive Vice President of Multi Modal Enterprises for Bi-State Development, which operates the St. Louis Regional Freightway as one of its enterprises

To view the panel session, visit www.freightweekstl.com. FreightWeekSTL 2023 continues through May 26 and will feature virtual panel sessions with industry experts and leaders in freight, logistics and transportation. The week-long freight and logistics expo is presented by the St. Louis Regional Freightway and Bi-State Development, which operates the St. Louis Regional Freightway as one of its enterprises. To learn more or to register for upcoming panel sessions or watch earlier sessions for FreightWeekSTL 2023, visit www.freightweekstl.com.

About St. Louis Regional Freightway

A Bi-State Development enterprise, the St. Louis Regional Freightway is a regional freight district and comprehensive authority for freight operations and opportunities within eight counties in southwestern Illinois and eastern Missouri, which comprise the St. Louis metropolitan area. Public sector and private industry businesses are partnering with the St. Louis Regional Freightway to establish the bi-state region as one of the premier multimodal freight hubs and distribution centers in the United States through marketing and advocacy for infrastructure development that supports the movement of freight. To learn more, visit www.thefreightway.com.