

State of Missouri Port Funding Program
by
Sam Masters
Missouri Highway and Transportation Department

The Missouri Port Development Program was established by an act of the Missouri legislature and began providing development funds to port authorities in fiscal year 1979. The program is administered by the Missouri Highway and Transportation Department, which awards both administrative grants and capital improvement grants to port authorities. The Department has prepared two manuals to assist port authorities in applying for and administering state funds. These are entitled the Port Development Program Manual and the Capital Improvement Program Manual.

Administrative Grants

All port authorities are eligible to receive administrative grants on the basis of financial need. Funds are provided for such expenditures as office expenses, promotion, engineering studies, legal costs and staff salaries. Port authorities that apply for these state funds must submit a formal application that includes a budget and a scope of work to be accomplished over the coming year.

The Department evaluates the applications for administrative grants and prioritizes the requests based upon the success of the port authority in prior year activities, the scope of the proposed activities and the amount of funds available from the state. In addition, the Department uses three criteria in determining the amount of the award to a port authority: (1) if the port authority has a construction project underway or one to begin within the year, (2) if the port authority has a planned project for which construction is to begin within three years, and (3) the funds are for port promotion. A port authority that receives a grant enters into an agreement with the Department that specifies whether the funds are to be paid monthly or quarterly. The port authority agrees to have an audit prepared.

During the first nine years of the program, through FY 1987, the state provided administrative grants to port authorities totalling \$2.5 million. The state's general revenue fund was the source of the funding. In the future, it is expected that the state will provide \$325,000 to \$375,000 annually for administrative grants.

Capital Improvement Program

The state's capital improvement program for ports was initially funded as part of a \$600 million bond issue. A total of \$13.4 million was expended on port projects during the four-year period FY 1983 to FY 1986. Types of projects eligible for funding include harbor construction, land acquisition, dock construction, road construction and utility extension. Port projects are selected for funding by the Department on the basis of construction being ready to begin within the year, a cost/benefit ratio analysis, the need of the project for port operating efficiency, and the amount of funds needed to begin the phased construction of the project.

In administering a port construction project, the Department reviews all plans and specifications and concurs in all expenditures of funds. In

addition, the Department requires inspection reports, conducts a final inspection of completed work and requires an audit of all project costs.

Pennsylvania's Port Rejuvenation Program

by

Stanley L. Vale

Pennsylvania Department of Transportation

Pennsylvania is unique in being geographically located with connections to the United States inland waterways system at Pittsburgh/Western Pennsylvania, the Great Lakes at Erie, and shipping lanes to the Atlantic, as well as the United States Coastal Waterways through the Port of Philadelphia.

Facilities are administered by local port authorities at Erie and Pittsburgh. The Philadelphia Port Corporation is governed by a partnership made up of the Commonwealth of Pennsylvania, the City of Philadelphia and the Philadelphia Chamber of Commerce.

Recognizing these ports with access to low-cost water transportation as valuable assets which contribute to the economy of the state, the Commonwealth has appropriated \$23 million during the past four years to the three ports to be used in a wide range of activities (O&M, administrative costs, and capital projects). The budget for FY 86-87 calls for a \$6.5 million appropriation to assist the ports.

Pennsylvania in 1980 granted a \$26 million low-cost long term loan to Conrail for the rehabilitation of Pier 124 on the Delaware River. Pier 124, in 1985, handled 5-1/4 million tons of coal and coke for export, more than doubling the tonnage handled in 1979.

In 1981, voters of the Commonwealth approved a referendum authorizing legislation to incur a \$300 million bond indebtedness, the funds to be used as a long term, low interest loan program. Such funds were to be apportioned as follows:

\$220 million -	rehabilitation, construction for water treatment plants
\$ 40 million -	flood control projects
\$ 40 million -	restoration of port facilities

The Water Facilities Restoration Act which was the outcome of the legislation, contained the following provisions:

It established a 15 person Advisory Board, made up of representatives from local government, labor, civic groups, and one representative of the river transportation industry. The rules and regulations developed by the Advisory Board give the governing body wide latitude in reviewing and approving applications for loans. The 11 person Water Facilities Loan Board, the governing body, is made up of 7 members of the Governor's Cabinet, and a majority and minority member of both the House and Senate. The Board administers a long term, low