

USDOT- Maritime Administration
FY2022 Port Infrastructure Development Program
Small Projects at Small Ports Economic Vitality Webinar



March 23, 2022

This presentation will cover the following topics:

- **An Overview of the Port Infrastructure Development Program (PIDP) Notice of Funding Opportunity (NOFO).**
- **Changes and additions in the 2022 NOFO.**
- **The Merit Criteria reviewers will evaluate.**
- **A focus on the Economic Vitality merit criterion.**
- **What reviewers will look for in evaluating Economic Vitality.**
- **Resources to help applicants seeking a Port Infrastructure Development Program grant.**

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■ Port Infrastructure Development Program Grant Opportunity

- PIDP Grants provide federal assistance to eligible applicants to assist in funding eligible projects for the purpose of improving the safety, efficiency, or reliability of the movement of goods through ports and intermodal connections to ports.

Changes from the FY 2021 NOFO

- The FY 2022 PIDP NOFO contains new program information and includes new program requirements based on provisions specified in 46 U.S.C. 54301, as amended by the National Defense Authorization Act (NDAA), and the Bipartisan Infrastructure Law (BIL).
- The FY 2022 PIDP NOFO also includes new eligibility for projects that improve the safety, efficiency, or reliability of operational improvements, including projects to improve port resilience (as defined in Section A.4. of the notice).
- The NDAA and the BIL also expanded the list of eligible projects to explicitly include projects that reduce or eliminate port-related criteria pollutant or greenhouse gas emissions.

* See 2022 Notice of Funding Opportunity (NOFO) at www.maritime.dot.gov/PIDPgrants

Availability of Funds

- The FY22 Appropriation Act allocated additional funding separate from the BIL. Further details will be posted to MARAD's website.
- \$112.5 million is reserved for "small projects at small ports."
A small port is defined as a coastal seaport, Great Lakes, or inland river port to and from which the average annual tonnage of cargo handled during the 3 calendar years immediately preceding the time of application is less than 8,000,000 short tons.

A small projects at small ports grant application request cannot exceed \$11.25 million.

- Not more than 10 percent (\$33.75 million) of the funds not reserved for small projects at small ports may be awarded for development phase activities for large projects (as defined in Section A.4. of this notice) that do not result in construction.
- Applicants who plan to request more than \$11.25 million are required to submit a benefit cost analysis with their application.
- The application submittal deadline is 11:59 p.m. EDT, May 16, 2022.
- Applications must be submitted through www.grants.gov.

■ Eligible Applicants

- A port authority, a commission or its subdivision or agent under existing authority;
- A State or political subdivision of a State or local government;
- An Indian Tribe;
- A public agency or publicly chartered authority established by one or more States;
- A special purpose district with a transportation function;
- A multi-state or multi-jurisdictional group of entities; or
- A lead entity described above jointly with a private entity or group of private entities (including the owners or operators of a facility, or collection of facilities, at a port).

■ Joint Applications

- If submitting a joint application, applicants must identify in the application the eligible lead entity as the primary point of contact and identify the primary recipient of the award.
- The applicant that will be responsible for financial administration of the project must be an eligible lead entity described above (i.e., not a private entity).
- Joint applications must include a memorandum of understanding as an attachment signed by all the entities that includes a description of the roles and responsibilities of each entity.

Planning Grants

- Activities eligible for funding under PIDP planning grants include development phase activities, such as planning, feasibility analysis, revenue forecasting, environmental review, permitting, and preliminary engineering and design work.
- Applicants for planning grants that qualify under the definition of a small project at a small port must address the three merit criteria of Economic Vitality: (1) The project's impact on economic advantage; (2) Contribution to freight transportation; and (3) Any competitive disadvantage of the port.
- Applicants must show how the planned project intends to address the three merit criteria.
- Documentation could include business plans, construction plans, engineering studies, feasibility studies, port community revitalization plans, and mobility studies.
- **Note: As stated in the 2022 NOFO, applications for only development phase activities will be less competitive than applications for capital grants.**

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To maximize the value of FY 2022 PIDP funds for all Americans, DOT seeks projects that support the following Merit Criteria:

- (1) Improving the safety, efficiency, or reliability of the loading and unloading of goods, the movement of goods, operational improvements (including projects to improve port resilience), or environmental and emissions mitigation measures;
- (2) Supporting economic vitality at the national and regional levels;
- (3) Addressing climate change and environmental justice impacts;
- (4) Advancing equity and opportunity for all; and
- (5) Leveraging Federal funding to attract non-Federal sources of infrastructure investment.

See Section A.4. for definitions of “port resilience” and “equity.”

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Merit Criteria

Applicants must address each of the following merit criteria in their application:

- Effect on the Movement of Goods
- **Economic Vitality (the focus of this presentation)**
- Addressing Climate Change and Environmental Justice Impacts
- Advancing Racial Equity and Reducing Barriers to Opportunity
- Leverage of Federal Funding.

Additional factors that will be assessed include project location, geographic diversity, size of the port, whether a project is located within a Federally designated Community Development Zone, domestic preference, and the resilience of the port as a result of the project. See Section D.2 of the NOFO.

See details in the NOFO at: www.maritime.dot.gov/PIDPgrants

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Merit Criteria: Achieving Safety, Efficiency, or Reliability Improvements

Merit Criteria: Economic Vitality

Merit Criteria: Climate Change and Environmental Justice Impacts

Merit Criteria: Equity and Opportunity

Merit criteria: Leverage Of Federal Funding

Project Readiness

Domestic Preference

Additional Considerations

Merit Criteria

Economic Vitality – Small Projects at Small Ports

Reviewers will use three criteria to evaluate Economic Vitality:

- (1) The project's impact on economic advantage
- (2) Contribution to freight transportation
- (3) The competitive disadvantage(s) of the port

A Benefit Cost Analysis (BCA) of small projects at small ports is not required; but can be used to help demonstrate meeting the 3 criteria for Economic Vitality.

Economic Vitality

Economic vitality supports the development of transportation systems that stimulate, support, and enhance the movement of goods to ensure a prosperous economy. A prosperous economy is one that is conducive to growth, productivity, innovation, and entrepreneurship.

Examples of actions that support economic vitality include:

- Collaborating with local businesses
- Converting unused space to support marine trade activity of the port and region
- Safety measures that benefit the port's vicinity/community
- Developing and supporting land use and infrastructure policies that promote a robust and diverse employment base
- Creating a partnership with regional organizations, local educational institutions, vocational schools, or universities to facilitate career development and business growth.

MARAD will consider all relevant information provided, such as, but not limited to, business plans, construction plans, engineering studies, feasibility studies, investor prospectuses, and mobility studies.

Merit Criteria: Economic Vitality (Small Projects at Small Ports)

Evaluators will consider three factors:

- Impacts on economic advantage
- Contribution to freight transportation at the port
- The competitive disadvantage of the port

There are 4 possible ratings: High, medium, low or non-responsive:

A High Rating: The project, based on documentation submitted by the applicant, will improve the economic advantage of the port, contribute to freight transportation at the port, and improve the competitive advantage of the port seeking funding. The project must also significantly improve port resilience, as demonstrated through measurable improvements.

A Medium Rating: The project, based on documentation submitted by the applicant, will improve two of the three factors identified above. The project must also have a positive impact on port resilience.

Merit Criteria: Economic Vitality (Small Projects at Small Ports) (Continued)

A Low Rating: The project, based on documentation submitted by the applicant, will improve one or none of the three factors identified above.

Non-Responsive: An application will be evaluated as “non-responsive” if the reviewers determine that the project will not improve any of the factors or it does not have the potential to improve port resilience.

Notes:

- Applicants should consider that the concept of resilience is broader than cargo throughput.

Therefore, the project’s narrative should address how the project will positively impact, or correct, systemic issues, including making improvements to security, logistics, and expanding diversity in ways that, without the proposed project investments, would not be possible.

- Increasing cargo throughput does not necessarily mean that it also impacts resilience

Therefore, the project's narrative must demonstrate that the applicant understands that improving resilience requires more than simply improving the economic advantage of a port.

Resilience is the mechanism that allows a port to adapt and recover from disruptions while maintaining operations.

Resilience addresses physical, social (e.g., pandemic, labor), environmental, and economic shocks.

Examples of port resilience actions (projects, project components, steps) include

- (1) Improving the port infrastructure and superstructure
- (2) Traffic diversion strategies
- (3) Stronger enforcement of hazardous material management
- (4) Investments in information technologies such as cyber security
- (5) Relocation of terminal facilities to lower-risk areas
- (6) Preparedness- installation of equipment, components, and material to replace or repair destroyed infrastructure.

Impacts On Economic Advantage

- The economic advantage of a port includes factors such as, but not limited to:
 - Superior logistics
 - The availability of large spaces or capacity
 - Proximity to rail and highways
 - Ample truck parking
 - Decreased traffic congestion
 - Economic incentives
- Applicants should include analyses and documentation related to how the project will enhance the port's economic advantage(s), such as by creating economies of scale, overcoming barriers to entry, or creating more efficient access for labor, resources, and customers.

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- **Economies of scale-** the applicant must show, such as by providing valid and relevant metrics or qualitative analysis, that the average, or per unit, cost of the project's component(s) subject to an increase in scale will decrease (or at least not increase). Examples of projects, or project components, in support of an increase in a port's economies of scale include, but are not limited to, land expansion, new or larger warehouses, and longer or wider berths.
- **Barriers to entry-** they consist of economic and geographic barriers, such as an incumbent or adjacent port having an absolute cost advantage due to port location, a large minimum scale of operation, or switching costs; or the applicant's port having natural constraints to its capacity. The applicant could show how the project intends to overcome those barriers, by enhancing the appeal of the port's location, broadening narrow channels or lengthening short ones, offering bundled services, or investing in spatial and functional networks.
- **Increased efficient access of labor, resources, and customers-** the applicant must show, where applicable, that the project will improve the physical access for employees, customers, and resources to and around the port; will create larger pools of potential employees; and will address equitable opportunities for hiring and promotion within the port.

- The narrative's discussion of the project's contribution to freight transportation should address how the project will improve the physical process of transporting commodities, merchandise, goods, cargo, and address related externalities.
- Applicants should include information that helps reviewers understand how the project will benefit **both** direct stakeholders (such as shippers, carriers, or consignees) and other members of society who may not benefit directly from cargo movements (such as by reducing some of the negative externalities of freight transportation such as air, noise, and water pollution, vegetation, and wildlife destruction).

New- The applicant must particularly consider where negative externalities disproportionately impact low-income communities, Historically Disadvantaged Communities, or overburdened communities.

Reviewers will look for narrative and supporting documentation of how the project will enhance economic advantage.

Supporting Documentation:

- **Economies of Scale**

Reviewers will look for narrative and supporting documentation, such as plans, purchases, investments or policies of efficient increased scaling, operational collaboration or resource consolidation.

- **Overcoming Barriers to Entry**

Reviewers will look for narrative and supporting documentation addressing potential inequities and barriers to equal opportunity in: (1) planning and policies; and (2) project investments.

- **Creating More Efficient Access for Labor, Resources and Customers**

Reviewers will look for narrative and supporting documentation in support of increased efficiency in those -areas through, but not limited to, the use of new technology, innovations or time saving and related job creation.

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Contribution To Freight Transportation At The Port

Reviewers will look for narrative and supporting documentation of how the project will

- Improve the process of transporting commodities and
 - Improve positive externalities and/or overcome negative externalities.
- Describe whether and how the project will improve the physical process of transporting commodities; whether the project will improve disaster preparedness and resiliency.
 - Describe whether, or not, the project will improve positive externalities, such as increases in land value, economic sector improvements, aesthetic improvements, lighting improvement, tourism, and agglomeration. Describe also how the project will overcome negative externalities, such as noise, congestion, pollution, and safety risk.

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- Documentation in support of a port's contribution to freight transportation include, but are not limited to, plans and/or project components addressing the abatement/elimination of negative externalities.

Examples include pollution abatement, safety promotion and congestion reduction.

- Also, documentation in support of a port's contribution to freight transportation include, but are not limited to, plans and/or project components describing the existence or enhancement of positive externalities related to the port project.

Examples include studies of port impacts on land value, economic sector improvements, aesthetic improvements, lighting improvement, and tourism.

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The Competitive Disadvantage of The Port

A port may be at a competitive disadvantage, due to inherent or external factors that impact a potential project and that may be the impetus behind a project. A competitive disadvantage hinders the port's ability to effectively compete.

Examples of competitive disadvantage include:

- Limited technology: limited specific or new technology.
- Limited topography: limited or congested space, narrow navigation channels, shallow harbors, and congested truck and rail access routes.
- Reviewers will look for narrative and supporting documentation of how the project will improve the port's competitive position.
- Reviewers will look for evidence and explanation of how PIDP funding will help reduce, remove, or correct elements of competitive disadvantage.

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- A port may be in a competitive disadvantage, due to inherent or external factors to a port that impact a potential project and that may be the impetus behind a project.
- Examples of competitive disadvantage include limited technology and limited topography, such as limited or congested space, narrow navigation channels, shallow harbors, and congested truck and rail access routes, which hinder a port's ability to effectively compete.
- The application could also identify how a PIDP-funded project's values-based approach (such as an emphasis on respect for people and the environment or commitment to individual economic opportunities) will address the competitive disadvantage of the port.
- Supporting Documentation could include investment plans, feasibility studies, traffic studies, safety risk studies, and environmental studies.

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Port Infrastructure Development Program Grants Webpage:

<https://www.maritime.dot.gov/PIDPgrants>

Webinar information:

<https://www.maritime.dot.gov/office-port-infrastructure-development/port-and-terminal-infrastructure-development/2020-port>

Department of Transportation guidance on preparing a benefit-cost analysis:

<https://www.transportation.gov/office-policy/transportation-policy/benefit-cost-analysis-guidance>

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Upcoming Webinar

A webinar on preparing a benefit-cost analysis (Large Projects) will be held on April 7, 2022 from 12:00-2:00 pm EDT . Please periodically check the PIDP website for registration information.

More Info: <https://www.maritime.dot.gov/PIDPgrants>

Questions?

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