

West Kentucky Regional Riverport Authority (WKRRA)  
Riverport Public-Private Partnership (P3)  
Request for Information

**Amendment 1**

Information Due Date  
**April 30**, 2024, 4 p.m. Central Time

Information Delivery Address  
WKRRA  
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RFI Point of Contact  
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# Executive Summary

The West Kentucky Regional Riverport Authority (“WKRRRA” or the “Authority”) is issuing this Request for Information (“RFI”) to solicit feedback and creative ideas from innovative and capable teams on how to best develop an inland riverport located at the confluence of the Ohio and Mississippi rivers in West Kentucky (the “Project”) as a public-private partnership (“P3”). A 2021 economic feasibility study (the “Feasibility Study”) determined that the Project would be financially viable and generate positive net revenues due to the strong demand for a riverport in the area. WKRRRA is now seeking developer, investor, and operator interest in and feedback on the Project, to include the best uses of a riverport to meet commercial shipping needs, and how to promote the economic development of the surrounding area and generate maximum revenue to support the Project. Interested parties are invited to submit written information as well as schedule one-on-one meetings with WKRRRA to provide verbal feedback.

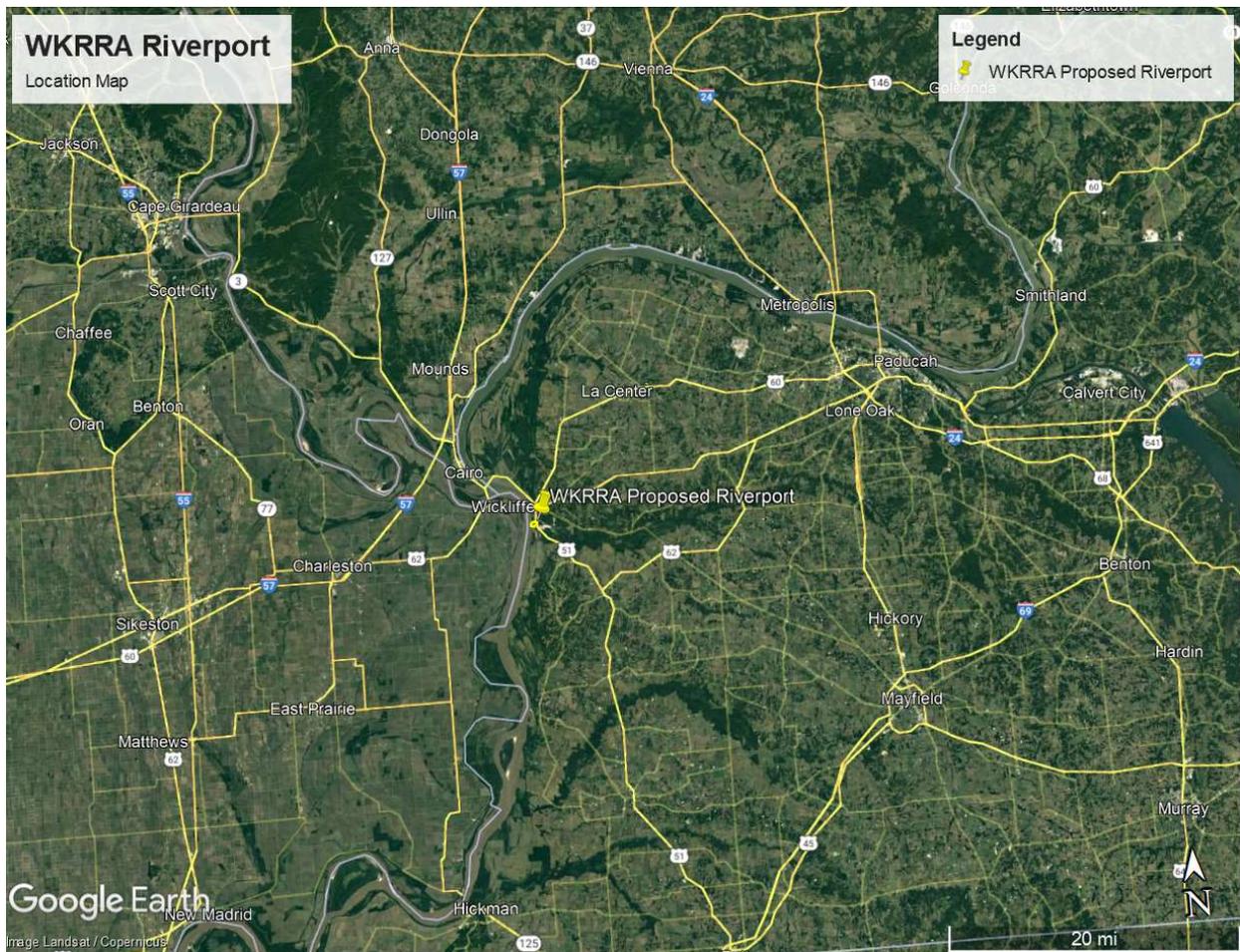


Figure 1: Project Site and Surrounding Areas

## I. Proposed Project Location and Transportation Connections.

The proposed site for the WKRRRA Regional Riverport Development project is in Wickliffe, Ballard County, Kentucky (the “Project Site”). In total, approximately 69 acres are available for the Project with only 19 acres targeted for the first phase. Road access to the Project includes a direct connection to U.S. Highway 60 and nearby Highway 286. Road access from the west of the Mississippi River is available via the U.S. 51 bridge, which will soon be replaced as a joint project between the Kentucky and Illinois Departments of Transportation. Nearby Barkley Regional Airport was recently expanded with the addition of a new terminal in June 2023, although the airport does not accommodate large freight. A nearby railyard, owned by WKRRRA’s site partner, Phoenix Paper Wickliffe LLC (“Phoenix Paper”), will provide rail access to the Project.



Figure 2: Proposed Project Site

The proposed Project Site is owned by Phoenix Paper, which operates a railyard and paper mill adjacent to the proposed site. WKRRRA and Phoenix Paper signed a Cooperative Agreement for the proposed Project Site and are currently working toward the execution of a lease agreement that will give WKRRRA control of the Project Site.

WKRRRA is open to the possibility of using an alternative site within the four-county area (Ballard, Carlisle, Fulton, and Hickman Counties), especially if such a site is already owned or may be acquired by a developer or investor seeking to partner with WKRRRA

on the planning and execution of the Project. Respondents are encouraged to include information on alternative Project Sites in their submissions, including ownership information and proposed uses of such sites.

## II. WKRRRA's Objectives

WKRRRA seeks to accomplish the following objectives with this Project:

1. Meet the strong regional demand for inland waterway transportation,
2. Spur immediate economic growth in the area by creating jobs and increasing revenue from commercial activities,
3. Position the area for long-term economic redevelopment and sustained success,
4. Enter into a long-term agreement with an experienced private entity to operate the riverport,
5. Incentivize innovation and efficiency while maintaining sufficient public control of this public Project.

## III. Project Overview

### A. Background

Following the loss of over 700 high-paying jobs in rural western Kentucky due to the closure of the Paducah Gaseous Diffusion Plant in 2013, the loss of the Verso Paper Mill in 2016, and the completion of Olmstead Dam in 2019, the County Judge/Executives from Ballard, Carlisle, Hickman, and Fulton, and other counties in West Kentucky recognized the need to cooperate in order to mitigate the economic losses from these events. A robust maritime industry currently exists and operates in the area from Cairo, IL to Wickliffe, KY, with active companies including Traylor Bros., James Marine, ADM, and PTL Marine on the Kentucky side of the rivers and Bunge, Waterfront Services, and American Commercial Barge Line (ACBL) on the Illinois side. Inland waterway transportation was highlighted as a priority project for economic redevelopment efforts, so the four river county Judge/ Executives and the City of Wickliffe formed WKRRRA to lead the development of a port along the Mississippi River.

WKRRRA has already taken significant steps towards the development of the riverport. As noted above, WKRRRA and Phoenix Paper are working toward the execution of a lease agreement that will give WKRRRA control of the Project Site. The WKRRRA board also combined with the Wickliffe-Ballard Riverport Authority board to increase efficiency and decrease redundancy.

A Feasibility Study was conducted in 2021 by Commonwealth Economics to determine the projected success of the Project. After conducting a comprehensive review of the Project's plans, local market conditions and interest, and the Project's financial requirements, the study concluded that the Project would be economically feasible. As depicted in Figure 3 below, the study projected an annual net cash flow of over \$700,000,

and a debt service coverage ratio of approximately 1.9x. Overall, the study found that the Project has several unique advantages, including an existing partnership with Phoenix Paper, room for growth following the initial development, direct roadway access, an above-average existing workforce in the local area, and a climate that would allow the riverport to operate year-round. The study also found that there is significant business interest in the project, as surveys indicate that up to nine companies were highly motivated to establish or grow operations at the Project Site. Once operational, the project was projected to create approximately 43 jobs at the riverport itself, as well as 6 additional jobs for WKRRA.

<b>West Kentucky Regional Riverport Project - Phase I Estimated Pro Forma &amp; Cash Flow (Annual)</b>	
<b><u>Estimated Revenues</u></b>	
Handling Fees	\$ 1,908,000
Net Land Lease Revenue	\$ 265,000
Management Fees	\$ 149,000
<b>Total</b>	<b>\$ 2,322,000</b>
<b><u>Estimated Expenses</u></b>	
Employee Compensation (Wages, Benefits, Taxes, etc.)	\$ (400,636)
Management Cost	\$ (100,000)
Maintenance Cost	\$ (202,410)
Insurance Cost	\$ (150,000)
<b>Total</b>	<b>\$ (853,046)</b>
<b>Net Operating Revenue / Loss</b>	<b>\$ 1,468,954</b>
<b>MINUS: WKRRA Financing Cost (15 Years; 6% Interest Rate)</b>	<b>\$ (755,308)</b>
<b>Net Positive / Negative Cash Flow (Income)</b>	<b>\$ 713,646</b>
<b>Debt-Service Coverage Ratio</b>	<b>194%</b>

Figure 3: Estimated Pro Forma & Cash Flow from Economic Feasibility Study

WKRRA has also been awarded several grants to support the planning and development of the Project. A DRA grant for \$40,000, combined with \$10,000 in matching funds, was used to complete the Feasibility Study. A USDA grant for \$54,000, combined with \$30,000 in local matching funds, was used to complete a Phase I Archaeological Survey and a Wetlands and Stream Delineation Survey for the proposed Project Site. A Cleaner Commonwealth Grant, which is funded by the American Rescue Plan Act (ARPA), provided funds for the installation of water lines to the port site for fire protection and potable water. Recently, the Commonwealth of Kentucky awarded WKRRA a \$300,000 Kentucky Product Development Initiative (KPDI) grant for due diligence and pre-construction activities.

WKRRA is continuing to apply for grants to secure more funding for the Project. In addition to these grants and matching funds, one company has submitted a letter of intent to become a tenant of the riverport and invest an additional \$3 million to develop infrastructure on the Project Site necessary for their operations, as well as creating approximately 10 jobs.

The riverport Project has also received support from state government officials. Following a presentation on the Feasibility Study, Governor Andy Beshear, as well as officials from the Kentucky Transportation Cabinet and the Kentucky Economic Development Cabinet issued letters of support for the Project because of its potential to significantly impact the local economy.

The Alexander County-Cairo Port District of Illinois and the Mississippi County Port Authority of Missouri also signed a letter of support with WKRRA supporting development of a riverport in the area and recognizing the regional impact of such developments.

WKRRA partnered with GEO Consultants, a local engineering firm, to create preliminary site maps of the port. GEO Consultants and HDR Group were selected to provide engineering and planning services following an RFQ in 2022. Can-Tech Engineering Group was hired by the City of Wickliffe to design the water line system for the port, and those plans have already been approved by the Kentucky Infrastructure Authority (KIA). WKRRA also has a long-term partnership with Frost Brown Todd LLP to provide legal and public policy consulting services to deliver this Project.

Thus, WKRRA and its partners have made significant strides towards the development of the riverport Project. The Project has substantial interest from businesses and members of the community and is projected to be economically viable. Now, WKRRA is exploring whether a P3 is the best option to develop and finance the Project and ensure the long-term success of the riverport.

## B. Riverport Project Overview

The Feasibility Study found there is strong market demand for a riverport along the Mississippi River in Ballard County, Kentucky. Multiple potential project sites were examined in the Feasibility Study, including sites at Willow Creek and Beech Creek. The Mayfield Creek Site was selected for further study and development because of its unique advantages, including the significant amount of land available for development (69 acres) and the 2,000 feet of Mississippi River frontage available at the site.

Following a survey of potential business partners, the Feasibility Study determined there is significant business interest in the Project. The survey's results indicated that at least nine companies are highly motivated to establish or grow operations at the Project Site. These companies primarily deal with salt, grain, fertilizer, and scrap metal. All of these commodities could be shipped through a riverport at the Project Site or an alternative riverport location in WKRRA's footprint.

In addition to the businesses surveyed in the Feasibility Study, three new major electric vehicle battery manufacturing plants will be opening in central Kentucky and western Tennessee in the near future. The proximity of the proposed riverport to the Ford/SK and

Envision AESC battery plants means the Project will be an attractive logistical position for many suppliers. Integration into this supply chain would secure further demand for WKRRRA's proposed riverport's facilities and services.

Based on the site plans and engineering work already completed by WKRRRA's partners, GEO Consultants and HDR Group, Phase I of the Project's development includes four components: (1) planning/engineering activities, (2) earthwork and grading, (3) utility services, and (4) access road improvements.

Conceptual engineering plans already exist for the project, including a proposed layout for the Project Site at Mayfield Creek. Further planning and engineering activities are required before construction can begin, including environmental surveys, traffic analysis, and an environmental impact statement. A geotechnical study, grading and draining plan, surveying, construction management, and resident inspection are also anticipated. Plans for improvements to the Project Site will include improvements to the access road required to elevate the road above the base flood elevation of 329 feet, additional mooring and docking facilities to accommodate more barges, utility improvements, and earthwork grading plans. The traffic flow analysis will examine new and projected truck traffic to determine if additional roadway improvements are necessary to accommodate projected demands as a result of the port development.

Of the 19 acres included in the initial Project Site plans, 14 acres will require sitework and grading to elevate the land to 330 feet, which is one foot above the base flood elevation of 329 feet. This involves moving an estimated 330,000 cubic yards of material to the riverport site from other areas within the 69-acre Project Site. GEO Consultants Group projects that no additional material will be required to elevate and level the area to be used for the riverport.

The Project Site already has electrical and internet access via overhead powerlines with attached fiber and cable connections. WKRRRA is proposing to bury these utility lines to reduce the risk of utility outages from environmental factors. The site's existing high-speed fiber-optic internet connection will allow the implementation of a highly efficient logistics system utilizing online scheduling, digital real-time inventory management, and electronic site access and monitoring for greater security. The planned logistical capabilities of the Project will allow the riverport to adapt to the unique needs of its customers and tenants, promoting efficiency for the riverport's operators and customers. Respondents are encouraged to include specific proposals for shipping logistics systems, inventory management, and other operational matters in their submissions.

The existing asphalt entry road will be widened and elevated during Phase I to accommodate track and trailer road access to the riverport. These improvements to the entry road will bring the road above the flood plain and result in a reconfigured entrance to the Project Site that will provide a safe entry way and adequate turning radius for semi-truck traffic.

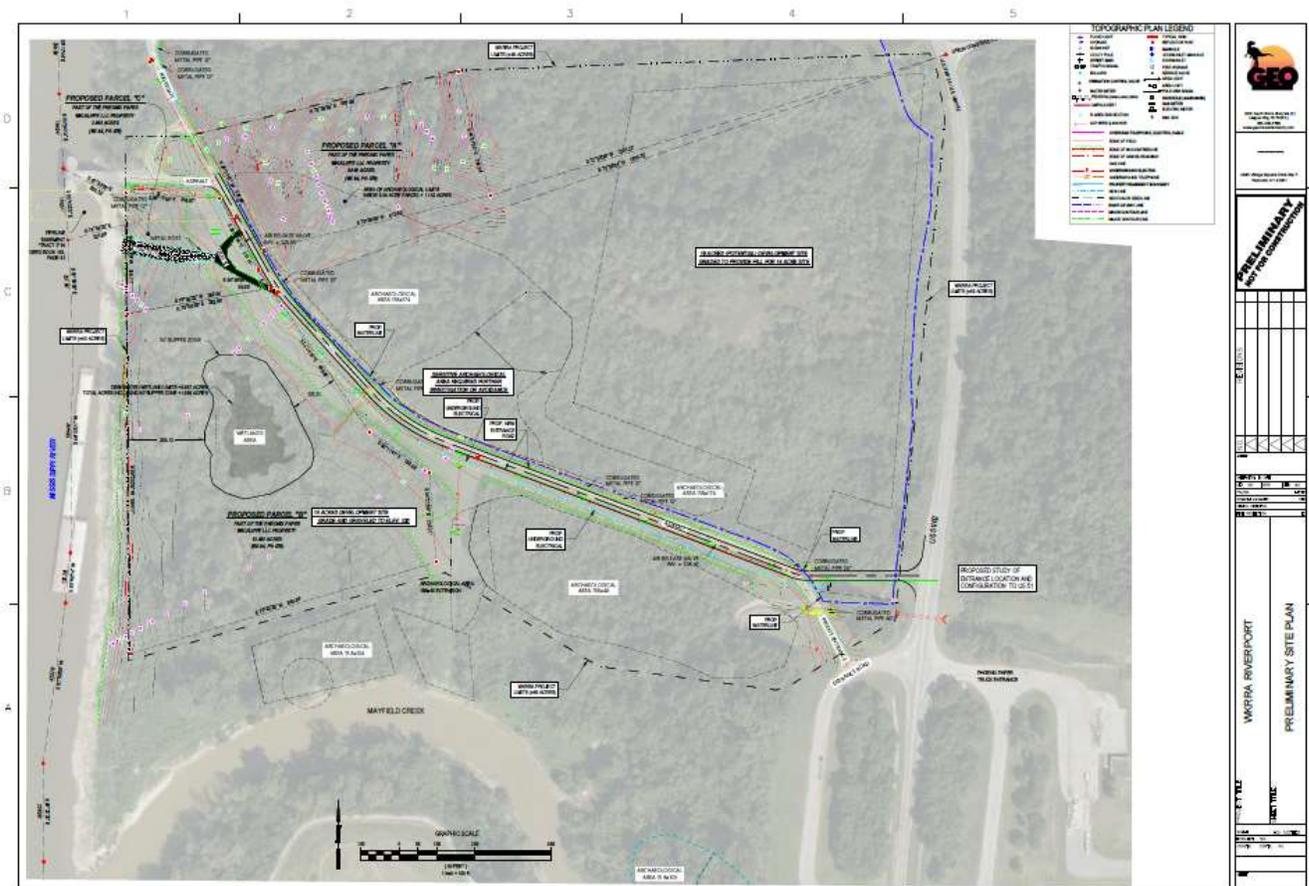


Figure 4: Potential Project Site Plan

### C. Funding sources available for the Project:

1. \$300,00 in grants and matching funds already committed to the Project.
2. Potential supplemental grants provided by the United States Department of Agriculture, the United States Department of Transportation's BUILD Grant Program, the Kentucky Agriculture Development Fund, the Delta Regional Authority, the Kentucky Riverport Improvement Fund, and a variety of other federal, state, and local grant opportunities.
3. Revenue generated from the Project, including handling fees, land lease revenue, and management fees.
4. Naming rights and sponsorships.
5. Other creative revenue generating activities.

In addition to the above, a prospective tenant has committed to investing \$3 million to develop their necessary infrastructure on the Project Site.

## IV. Information Sought

The West Kentucky Regional Riverport Authority would like to ultimately enter into an agreement with a capable partner who can demonstrate market innovation and efficiency in designing, building, financing, operating, and maintaining a riverport. This RFI is meant

to spur developers, investors, operators, and designers into submitting feedback on the feasibility of the Project and information that would help WKRRRA best deliver the Project. While WKRRRA welcomes general feedback and statements of interest, it would especially appreciate answers to the following questions:

1. Which facility features and capabilities could make the Project more attractive to customers and business partners and more efficient?
2. How should the facility be designed or operated to ensure long-term financial stability?
3. How would you develop, finance, operate, and/or maintain the facility?
4. What financing options could you provide?
5. What is your experience developing or operating riverports, shipping facilities, or other related facilities?
6. Do you have any recommendations on maintenance arrangements for the port?
7. Would you propose alternative Project Sites for the riverport?
8. WKRRRA anticipates issuing a Request for Qualifications (“RFQ”) to shortlist teams based on qualifications and then issuing a Request for Proposal (“RFP”) to those shortlisted teams. Are there any adjustments to this approach or provisions in the RFQ or RFP that would best enable you to participate in the Project or provide your best value proposals?
9. What else should WKRRRA consider when developing this Project?

WKRRRA is requesting written responses as outlined below.

**Interested parties may also schedule one-on-one meetings with WKRRRA to further explain their responses.**

## V. Instructions for Submitting Responses

### A. Response Format

#### 1. Cover Letter

Submissions should include a cover letter that summarizes the overall capability of the development team, including any partnerships considered for the Project and a succinct summary of their collective ability to design, build, finance, operate and/or maintain the Project.

#### 2. Project Feedback and Vision

The response may include feedback on the Project options, as outlined in Section III and answers to the questions in Section IV.

#### 3. Team Background and Experience

Please provide the background and experience of your team as well as descriptions of projects similar in size and scope to the one requested in this RFI. If the team is comprised of multiple individuals, companies and/or partnerships, WKRRRA would like to know details about past projects on which you have collaborated, if any, and whether the team has

worked together on a public project. Please provide a barebones structure of the management and leadership of the team if multiple parties will be involved in the Project.

### B. Method and Timing of Responses

Marketing materials from respondents are encouraged as part of a written response. All responses shall be submitted in electronic form (PDF format). Respondent's submission shall be delivered by email to the RFI point of contact on or before **April 30, 2024**.

Interested parties may request individual meetings to help explain their response at a mutually convenient time and venue.

### C. Disclosure

This RFI is an inquiry only and is not a formal solicitation or initiation of a procurement process. Submissions will not be formally evaluated or scored. No contract or agreement will be entered into as a result of this RFI. This RFI does not represent a commitment to issue an RFP in the future, or a commitment that any subsequent procurement, if issued, will reflect any delivery approach described herein. WKRRRA is not responsible for any costs associated with submissions or one-on-one meetings.

## Conclusion

The West Kentucky Regional Riverport Authority is grateful for your interest in this Project and is excited to move forward in a collaborative partnership with a qualified Partner.

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