

MEMORANDUM

To: MPA Board

From: Jon Nass

Date: May 13, 2020

RE: Port Development Infrastructure Program grant --Special Meeting

We are in the final stages of putting together an application for the federal Port Development Infrastructure Program. This new \$225 million grant program is authorized “to make grants to improve facilities within, or outside of and directly related to operations of coastal seaports, inland river ports, and Great Lakes ports.” The program has specific provisions for grants that are exactly \$10 million designed by Congress for ports like those in Maine.

We explored a state-wide proposal that would have provided infrastructure for multiple ports, but ultimately we have developed a proposal that centers around connecting the International Marine Terminal and Merrill’s terminal in order to increase efficiency and reach full optimization of both operations.

The proposal would leverage \$2 million in state funding for \$8 million in federal funds.

A successful grant application should have at least a 20% non-federal cost share. MaineDOT has graciously allowed for use of \$1.9 million currently in its work-plan for construction of a heavy haul road between the IMT and Merrill’s terminal along a railroad tracks owned by the MPA as a match for this project. The MPA will need to contribute \$100,000 to make the 20% threshold, *only if the grant is successful.*

Key to the project is connecting the IMT to a MPA owned asset – a 60,000 square foot warehouse designed for newsprint located at Merrill’s terminal. The newsprint business has dried up, and the warehouse is empty. Sprague recently laid off 15 workers from that facility.

This project will provide off-road connection between the facilities and upgrade the warehouse to store a wide variety of other products. It would also enhance container to bulk and bulk to container operations to the benefit of both operations and in support of existing and potential new business. It would create redundancy in IMT operations for smooth, continuous operations and make other improvements at the IMT related to efficiency. Finally, it would support technology developed at the University of Maine for a “smart” shipping container, which, among other things, creates data on international and domestic shipping.

The application contains the specific elements that follow:

1. Heavy Haul Road: Construction of a half-mile long private road parallel to existing railroad track, connecting the IMT with warehouse and bulk assets at the private Merrill Terminal, to allow transfer of freight without ever having to traverse public roadways. Project is currently 60% design, with a 100 % completion date of October 23, 2020 and

advertising schedule of February 2021.

2. Gate reconstruction: Modernization of gates and scales at bulk and storage facility for efficient through put of cargo.
3. Equipment: Purchase container to bulk equipment, a crawler crane for intermodal movement of containers and yard trucks for movement of cargo into and out of storage facilities and between terminals. The crawler crane would be owned by the MPA and rented to Sprague for use at a rate to be determined.
4. Warehouse rehabilitation: Addition of truck bays and other improvements to existing warehouses to allow for conversion of warehouses designed for newspaper print to life sustaining products and other commodities. This replaces current transloading capacity on the pier at the IMT that is both inadequate and failing. Relocating this capacity to Merrill's Terminal will consolidate on terminal and off terminal transloading while opening additional pier space at the IMT for more efficient cargo operations and future pier work. Moving off terminal transloading operations connected to the terminal will reduce local traffic.
5. Reconfiguration and rehabilitation of existing warehouse space at the IMT and Merrill's Terminal to allow for container packing and unloading. Construction of a new CFX building at the IMT.
6. Industrial generator, refrigerator plugs and accompanying utilities to ensure redundant and resilient life-sustaining supply chain operations
7. Rail improvements at bulk transfer facility to improve efficiency and safety of roadways
8. Smart box technology to collect data related to freight movement, particularly in rural areas.