

**MINUTES FROM PORTFIELDS PEER
EXCHANGE WORKSHOP**

**SOUTHERN LOUISIANA
REGIONAL PORTFIELDS INITIATIVE**

MAY 23-24, 2006

NEW ORLEANS, LOUISIANA

PORTFIELDS DAY ONE: MORNING SESSION

Opening Remarks:

Regional Planning Commission (RPC): Walter Brooks, Executive Director

Mr. Brooks welcomed the attendees and thanked the sponsors. He then spoke briefly about the economic recovery of New Orleans. He emphasized the importance of encouraging businesses to return to New Orleans. Mr. Brooks emphasized that the most important industry sectors to the future of the city are information technology, biotechnology, and medical personnel. He noted that the need to increase tourism is great, as the city wants to project a positive image. Finally, he discussed the opportunity to enhance and improve the city's educational system.

In terms of port expansion, Mr. Brooks discussed the city's interest in increasing the level of trade with South America that flows through New Orleans. He sees opportunities for the ports to grow container capacity and rail links. New Orleans has six major trunk lines. These infrastructure upgrades will require time, but he noted that strong leadership will drive economic development. He noted that it was strong leadership that spurred the revitalization in the warehouse district in the 1970's and 80's (near the Convention Center and Riverwalk).

The city does face many challenges to meeting its economic development goals. The levees must be rebuilt higher and longer to protect the city. Significant improvements must be made to improve the city's school system and attract residents back to the city. Water and sewer systems require major repairs and improvements. Leadership is the key component to ensuring the city's recovery.

Ports Association of Louisiana (PAL): Dr. Robert Scafidel, President

Dr. Scafidel briefly introduced the Ports Association of Louisiana (PAL). The Association has twenty-six member ports, including six deepwater ports, and five ports located on the lower Mississippi River. He pointed out that one in eight jobs in the state is related to the maritime industry. He noted that the American Association of Port Authorities provides financial support for Louisiana port employees.

Louisiana Department of Environmental Quality (LDEQ): Wilbert Jordan, Assistant Secretary

Mr. Jordan emphasized that no significant environmental toxicity impacts resulted from Hurricanes Katrina and Rita, beyond the Murphy Oil spill incident. He gave a brief overview of the Louisiana Department of Environmental Quality Brownfields programs, including the Targeted Brownfields Assistance (TBA) program and the state's recently announced Revolving Loan Fund (RLF) program. The RLF program will provide low interest loans to entities willing to cleanup brownfields. The state brownfields program also offers liability relief to prospective purchasers willing to cleanup contaminated properties.

Port of New Orleans: Gary LaGrange, President and CEO

Mr. LaGrange provided a snapshot of the effects of Hurricane Katrina on the City of New Orleans. He pointed out that over 98,000 square miles of land was affected by the hurricane and 56,000 square miles of land were lost. 245,000 homes and 380,000 vehicles were lost. Thirteen hundred human lives were lost and two thousand people remain unaccounted for months after the storm. The City of New Orleans had a preparedness plan, but has no recovery plan. Currently eighty percent of hotels are back in operation, and the airport is operating at sixty-two percent capacity. The cruise ship industry will return to its pre-hurricane capacity in October.

Mr. LaGrange noted that the Portfields partnership provides an opportunity to use innovative solutions to address traditional port issues. The combined operations of all the ports along the Lower Mississippi River result in the largest port in the world. The Mississippi River runs for 15,000 miles, connecting Louisiana with 32 other states. Ship calls are back to one hundred percent of pre-Katrina levels as of six weeks prior to the Peer Exchange Workshop. One of the tools that can help Portfields projects in New Orleans is a Riverfront Development Agreement that is currently before the City Council for its approval. The agreement targets a five-mile stretch of riverfront and will facilitate redevelopment of port-owned properties for public benefit. Negotiations are underway for the Peabody Hotel to locate along the riverfront. Additionally, negotiations are underway with Anheuser Busch and Coca-Cola to fund the development of the Homer Plessy Memorial Plaza. The plaza and monument are to be erected on the site where, in 1892, Mr. Plessy took a seat in a “whites only” car of a Louisiana train.

National Oceanic and Atmospheric Administration (NOAA): Kenneth Walker (Refer also to the PowerPoint presentation):

Mr. Walker provided an overview of the Portfields Partnership and the Partnership’s goals for the Louisiana Portfields Initiative.

Portfields Pilot Presentations: (Refer also to the PowerPoint presentations):

Port of Bellingham, Washington: Alan Birdsall

The Port of Bellingham is a small, diverse port located in northwestern Washington. It encompasses 137 acres and includes 200 businesses that operate within the port’s facilities. The port is realizing a changing economy. Traditional industries such as pulp paper and aluminum are closing and the port’s economy is moving towards mixed-use development. In particular, the new Whatcom sub-zone within the port’s jurisdiction will be re-zoned to attract a new business mix. The port is partnering with the City of Bellingham to encourage this waterfront revitalization. The Waterfront Futures Group, a community group, also is involved in the effort.

The port is addressing contaminated sites and redevelopment through the Portfields partnership. Port facilities include twenty state-listed contaminated sites. Increased tax revenue from new development projects will help to ameliorate some of the cost of site cleanup and revitalization. The Whatcom Waterway redevelopment will include salmon habitat restoration and provide increased public waterfront access opportunities.

Mr. Birdsall noted that community involvement is critical to the success of the port's redevelopment efforts. He also emphasized that one of the greatest benefits from the Portfields program are the partnerships forged within the framework of the program. Permit streamlining helped the port utilize dredge materials for habitat restoration. Access to agency expertise provides a national perspective, builds capacity, coordinates federal resources, provides knowledge of best management practices and encourages public participation.

Mr. Birdsall highlighted one of the unique programs that Bellingham began under Portfields. The port is working with NOAA, the Environmental Protection Agency (EPA) and the Army Corps of Engineers (USACE) to develop "Clean Marina" standards. The environmentally friendly marina facility will include open berms that allow fish passage, create habitat benches, and be surrounded by greenway berms that allow public access to the waterfront.

Port of New Bedford, Massachusetts: John Simpson

New Bedford, a coastal town of one hundred thousand residents, is home to a small commercial fishing port that brings in the largest scallop catch on the eastern seaboard. There are five commercial piers managed by the port and one state-owned pier. A fast ferry operation to Martha's Vineyard transports 1.1 million passengers per year from infrastructure owned and managed by the Port Authority. The commercial fishing fleet is comprised of three hundred vessels, and is home to cold storage facilities for seventy seafood processing plants. In addition, the port is currently working with the fishing fleet on safety training, including the promotion of the maintenance and use of survival suits.

The port also is home to a large Superfund site with extensive PCB contamination. The port would like to expand its seafood industry and build a marine industrial park to support new jobs in the city. The city has a Harbor Master Plan that was developed by a large group of stakeholders. The state issues permits only for projects consistent with the Harbor Master Plan; plan priorities include traditional port industries, tourism, rebuilding infrastructure and enhancement of the harbor environment. More specifically, freight capacity enhancement, a whaling national park in the historic district and ferry expansion are all potential projects. Recently, a referendum to develop the waterfront into residential use was defeated. As a result, the opportunity for seafood processing expansion remains viable. The port sought funding for redevelopment through the issuance of bonds.

Mr. Simpson notes that flexibility is the key to successful redevelopment. For example, the port found that it needs to use certain space for parking in summer months, but in autumn, the same area can be used for cranberry storage due to the significant decrease in demand for parking. Creativity is also important. An example of creativity

on the part of New Bedford that protects its fishing fleet is the ports tiered berthing fee system. Recreational vessels pay a much higher berthing fee, and the port uses income from transit dock fees to subsidize the commercial fleet's facilities. Mr. Simpson identified some of the benefits of Portfields as combined problem solving and associated cost savings through coordinated efforts that resulting in setting definitive schedules for cleanup and redevelopment activities and streamlined permitting options. Permit streamlining allowed for a coordinated remedy for the New Bedford Superfund site. The state contributed five million dollars to the dredging project, and EPA and USACE approved implementation of the "state-enhanced remedy." The state-enhanced remedy allowed for coordinated permitting and for combining remedy dredging with navigational dredging. The economic opportunities created by this dredging project are great—the increased channel depth allows full loading of commercial ships that was not previously possible. The project included a coordinated plan for managing sediments and dredge spoils; the contaminated sediment was buried in underwater in Confined Aquatic Disposal (CAD) cells and the cells were capped with clean sediment collected during the creation of the cells. The cell caps protect the harbor from further contamination and improve habitat quality. Mr. Simpson noted that the cost savings realized from implementation of the streamlined permitting and combined dredging is the same as money in the bank, or the same as direct funding for other projects.

Port of Tampa, Florida: Bob Musser

The city of Tampa developed around the port, similar to New Orleans. The port includes an area of approximately three thousand acres, including nine hundred acres of dredge material disposal islands. The dredge spoils islands were built from sediment dredged from a forty-mile channel from the mouth of the bay to the port. In fact, much of the port land was created from dredge material. Though its container terminal is expanding, the port primarily handles bulk cargo. The largest import product is petroleum. Historically, phosphates were the primary import commodity.

Brownfields redevelopment is a key part of the Tampa Portfields Pilot program, and the port partnered with EPA and the state of Florida to assess and cleanup Brownfields, including remnant Department of Defense sites. One such area is the Port Ybor area, a multi-modal center leased to the U.S. Postal Service. The Port Ybor site is a fifty acre property. To facilitate assessment and remediation of this area, the port divided the property into eight to ten individual parcels. Parceling made the cleanup project more manageable. Brownfields targeted assessment grants and state seed money provided incentives for attracting matching funds and leveraging resources from private sources for redevelopment. Mr. Musser noted that these small pockets of money can go a long way if leveraged properly.

Bob also noted that another important component of the Portfields model is the partnerships fostered by the program. Funding is available if the port is creative, resourceful and able to partner with multiple agencies. Other projects that the Port of Tampa is involved with include habitat restoration projects, energy efficiency investments and improving stormwater management infrastructure. As mentioned above, the port built two dredge spoil islands from sediment resulting from channel dredging. These islands provide important habitat to native species of migratory and wading shore

birds. The port also purchased electric Gantry cranes to reduce diesel emissions. This effort was guided by Tampa's non-attainment status under the Clean Air Act. Additionally, the port is developing an innovative stormwater management program using Geographic Information Systems technology.

Question and Answer Session: Portfields Pilots

Question: What was the programmatic process for dredging permitting?

Responses:

Massachusetts has a comprehensive permitting process established around performance standards. New Bedford developed a permit application in cooperation with the state of Massachusetts. The state's permitting requirements satisfy federal requirements; therefore the comprehensive state permit eliminates the need to obtain individual federal permits. The state-enhanced remedy establishes performance standards that substitute for federal permit requirements. Use changes also are permitted—a comprehensive permit from the state allows for multiple staged projects.

Question: Please provide further information on the new standards Bellingham is developing for clean marinas?

Responses:

Bellingham is developing a "clean oceans" marina concept – the port wants to design an environmental friendly marine construction and management plan. The clean marina concept will allow for the construction of the marina while accounting for habitat needs. Bellingham does not want to damage the marine environment during construction. Following construction, Bellingham plans to follow the clean marina management standards to operate its marina as an environmentally clean facility. Fish passages and floats will be designed to be more habitat-friendly. The full project will result in a more environmentally sustainable marina system. Bellingham is still uncertain about what the final clean marina standards will entail, but the hope is that Bellingham will be on leading edge of marina development.

Comment: USACE is interested in the development of green design for maritime infrastructure

Question: Which ports were invited to the New Orleans area Peer Exchange and how were ports selected?

Responses:

- List of potential participants was jointly developed by PAL and RPC, with input from EPA and NOAA.
- The RPC noted that the initiative will begin with the ports present at the Peer Exchange Workshop. The list of participating ports may be expanded based upon the project's initial successes and the availability of agency resources.

Question: How much staff time and money did the pilot ports contribute to Portfields?

Responses:

- Bob Musser (Tampa) stated that key staff activities included meetings with federal and state stakeholders—meetings took approximately 1.5 days. At partnership meetings, partners reviewed project lists developed by port personnel and discussed potential technical and financial assistance options. Some staff time was necessary for follow up meetings (one day the following year).
- Alan Birdsall (Bellingham) said the Portfields partnership became part of Bellingham’s day-to-day project work and normal communications. Ultimately, the coordination opportunities and technical assistance resulted in significant savings in time and money.
- John Simpson (New Bedford) pointed out that Portfields becomes integrated into normal process; it is part of outreach effort and normal day-to-day communications, harbor plan implementation, infrastructure improvements, etc. In New Bedford, Portfields was integral to getting approval of the port’s dredging plan.
- Portfields can be seen as cooperative with developing an environmental management strategy (EMS).

Question: Can the pilots give an approximation of money their ports have saved or acquired as a result of involvement in Portfields?

Response:

- New Bedford saved \$1 million in dredging costs; The port received \$500,000 from the city of New Bedford in first project and the State provided grants in the amount of about \$6 million. Some of this money was in the form of direct funding for a specific project, while some is money saved due to the implementation of the streamlined permitting. The city and local waterfront businesses also contributed matching funds of about \$200K that would not have been provided without the approval of the dredging project.
- Tampa estimates several hundred thousand dollars were received from in-kind support. Tampa undertook small projects with numerous partners. Portfields projects helped to leverage matching investments. Communicating that Port is part of Portfields partnership when it applied for state funding for targeted brownfields assessments demonstrated commitment and enhanced relationships with additional partners.
- Bellingham noted that the Portfields partnership lends credibility to its projects and established a sense of community, as well as a clear vision for future. Marina cleanup is supported by \$16.1 million from state agencies. Savings from permit streamlining cannot be estimated yet. Alan points out that \$65 million would be saved if the waterway is de-authorized. The anticipated cost to rebuild the dock structure along the area to be de-authorized is approximately \$63 million. Instead of rebuilding the structures for non-existent uses, the structures would be removed and the shoreline softened, which would not be possible under the current channel authorization. Alan does not want this figure to be misleading, so the following paragraphs that discuss the cost breakdown;
 - The shoreline structures at the head of the federal channel have never been constructed to support the authorized depths. Additional costs to utilize

the authorized depths would include \$25 million for sediment dredging, \$30 million for bulkhead replacement, up to \$8 million for shoreline cutbacks, and very expensive long term maintenance of industrial facilities.

- This \$63 million additional cost would represent almost a 5x increase in the current estimate (\$16.8 million) for the waterway cleanup. The additional cost can only be justified for a very large and very active industrial waterfront cargo operation. It is in direct conflict with the community's vision for a vibrant multi-purpose waterfront.

Question: What are the benefits of the Port of Tampa's association with Tampa Bay National Estuary Program?

Responses:

- Benefits include scientific assistance and ongoing studies about sea grass health and impacts of wave energy (this can be a double edged sword for ports, but ports are trying to see how impact can be reduced).
- Tampa has been a member of the managing board of Tampa Bay National Estuary Project from its beginning.
- John Simpson pointed out that in New Bedford, the citizens action committee sits on the Portfields committee.

Question: Could partners elaborate further on project selection? How was the initial project list narrowed?

Responses:

The ports discussed project potential with key federal and state agencies, developed, and reviewed a list of potential projects to see where there were opportunities for partnership and cooperation. Emphasis was to put priority projects on the radar of senior managers at agencies—this facilitates getting necessary reviews completed by agency staff. Different projects floated to the surface and some partners joined at different points in project development and implementation. Some projects will move forward more quickly than others based on priorities, staff time, and funding availability.

The Louisiana ports should prioritize their projects based on needs and available funding and technical assistance. For this Initiative, the local liaisons will work with the ports to develop project summaries and identify port priorities. The summaries then will be sent to the agency partners to determine which projects provide the best opportunities for collaboration, and the local liaisons will report back to the ports for their concurrence. It is our aim to select at least one project from each of the participating ports. See "Next Steps Timeline" for further information on how Louisiana project identification process will work.

Question: How have the Pilots' partnerships developed?

Response:

- Relationships were easily developed. In many cases, the ports were already working with the relevant agencies; Portfields put the agencies in contact with

each other, which resulted in reduced efforts for the ports because they did not have to serve as a go-between when there were agency conflicts.

PORTFIELDS DAY ONE: AFTERNOON SESSION

Louisiana Port Presentations:

(Refer also to the PowerPoint presentations):

Port of South Louisiana: Joel Chaisson

The Port of South Louisiana is the largest tonnage port district in the United States and the fourth largest in the world. Sixty percent of the U.S. grain exports and a total of two hundred and forty short tons of cargo pass through the port annually. The port facilities encompass a fifty-four mile industrial region. The region includes a three hundred thirty five acre maritime industrial park, general and bulk cargo deep-draft docks, eight grain transfer facilities, four refineries, eleven petrochemical facilities and a large intermodal transportation network. One hundred and thirty-five acres remain open for development. Four thousand deep draft vessels visit the port each year.

The port is currently experiencing a high demand for leaseable dock space and is looking to expand. The port has several needs that spawned their project ideas. First, the port seeks to close a wastewater pond on the property, and requires a short-term solution to expanding wastewater management capacity for St. John Parish. The parish needs additional sewage treatment capacity or will have to impose a moratorium on new housing construction. The Port of South Louisiana and four other Mississippi River deepwater ports are collaborating on the development of a joint application for federal port security grants. The ports are looking to take a layered approach to their collective security. Finally, the port seeks to establish a presence on the west bank of the Mississippi River and to transfer land ownership to the port from private companies.

Port Fourchon: Chett Chiasson

Port Fourchon is the southern most port in the region. Port Fourchon has the only elected port commission (with nine members) in the state. The port is an intermodal hub for the oil and gas business. One thousand trucks and two hundred seventy supply vessels service the port each day. In 2005, twenty-two million tons of cargo was transferred through the port, a twelve percent increase over the prior year. Seventy percent of deepwater discoveries are serviced through the port, and six thousand people per week are transported from Port Fourchon to offshore oil rigs by helicopter. The Louisiana Offshore Oil Port (LOOP) brings thirty percent of the nation's oil through Port Fourchon. Supertankers unload at the port and transfer oil to the pipeline.

Port Fourchon also is home to a commercial and recreational fishing fleet due to the habitat created by artificial reefs on the rigs. Ecotourism opportunities in the area include a nesting area for birds and the maritime forest ridge project that provides an excellent birding site. The channel is dredged to a depth ranging from twenty-seven to thirty feet. The port has developed in the shape of an E slip, with another two slips and one long bulkhead currently being developed to create a seven thousand foot slip. There

is a large mitigation area for seven hundred acres of development between the port and the ridge. Two thousand feet of ridge is already complete, and the port hopes to double this length. Dredge material from the harbor is pumped into the mitigation area and onto the ridge. An airport is also under development; this project involves construction of a sixty-five hundred foot runway using FAA funding.

Mr. Chiasson discussed a number of potential projects the port seeks to advance under the Portfields program. They include the LA-1 Highway project that requires additional funding for an elevated highway from Golden Meadow to Fourchon and an airport corridor that requires funding to construct a bridge from LA-1 and LA-3235 to the airport. Another project seeks additional hazard mitigation funding to increase the number of offshore breakwaters to prevent beach erosion. In the past, these breakwaters were sunken barges. In the future, this will not be an option. Twelve breakwaters cost \$8.5 billion in 1993. The port seeks to diversify, and has potential for a fifty-foot channel, as it is located within seven miles from the fifty-foot contour. If the channel were deep enough, the port would be a good location to bring deepwater rigs and other vessels for refurbishment. Mr. Chiasson also discussed beach renourishment projects including rebuilding dunes with hurricane debris in conjunction with the Louisiana Department of Natural Resources (LDNR). Finally, the port would eventually like to consider putting a maritime forest ridge around the entire port for storm protection. The existing partial ridge protected the port from water coming in from the north during Hurricane Katrina.

Port of Greater Baton Rouge: Karen St. Cyr and Justin Farrell

The Port of Baton Rouge serves four parishes and is one of the nation's top ten ports in total tonnage, transferring sixty-one million tons of cargo per year. The port has three thousand feet of berthing space and services between twenty-eight hundred and three thousand ocean-going vessels per year. The port can accommodate vessels with up to 45-foot draft. The port connects three major railroads and five interstates, and provides direct transfer capacity between ships, barges, rail and trucks. The port facility is home to seventy companies, and includes seven different facilities with both deep and shallow draft areas. It also includes the Inland Rivers Marine Terminal, a two hundred sixty acre intermodal facility on a slackwater canal just off the Intercoastal Waterway.

Potential projects for the Port of Greater Baton Rouge under the Portfields program range from a container-on-barge (COB) terminal to signage improvements and stormwater management. The COB demonstration project stems from the reality that barges have greater capacity than trucks due in part to highway weight restrictions and the fact that one six-barge tow is equivalent in capacity to three hundred trucks. Barge transport reduces transport costs when compared to rail or truck transport and decreases land-side congestion at seaports. Barge transport also saves time; for example, the trip between Houston and Baton Rouge is ten days shorter by barge than by rail. The port would like to study market conditions and potential linkages to other inland transportation modes, as well as address logistical concerns such as lock system delays. There is interest in demonstrating to industry that locks are navigable in a reasonable amount of time. Lock delays can be problematic for COB terminals. The goal is to take

trucks off the road and reduce air emissions. However, if it is faster to remove containers from barges and put them on trucks for transport due to lock system delays, then the solution will not be cost effective.

Another proposed project involves the improvement of directional and interpretive signage for the port and locks. This seems to be a very viable project. Up to one thousand trucks enter the port daily and not all incoming traffic is familiar with the port's traffic pattern. There is also interest in improving signage at the locks and public fishing access site. Additionally, the port is interested in stormwater management and drainage improvements, and has a need for an emergency staging area and other infrastructure improvements.

Questions and Discussion:

Question: What specific projects are ports discussing for stormwater management? NOAA might be able to provide more support if provided with additional information and project specifics.

Responses:

- Stormwater outfalls are currently draining into ditches, the ports would like to develop and install pumping stations.
- Bob Musser (Tampa) stated that the ports could look into a Combined Discharge System unit for high flow outfall.
- John Simpson (New Bedford) suggested that the port incorporate emerging security needs into any request to FHWA for funding for signage improvements.

Port of New Orleans: Catherine Dunn

The port of New Orleans supports three parishes, and is a landlord port. It covers almost thirty-five miles of riverfront, and its facilities include fifty-two deep draft ship berths, seven container cranes, cruise terminals, a fireboat and a dredge. The port also controls four bridges that support rail traffic. The port supports sixty thousand jobs and realizes two billion dollars in earnings each year. The port is interested in several types of projects within the Portfields framework. First, several brownfields redevelopment opportunities exist. The port would like to conduct a site assessment at the former Todd Shipyard on the west bank of the Mississippi. There is possible PCB contamination from transformers on the property that is currently being used as a trailer park to house port employees. The port also wants to conduct a Phase I assessment on a site intended for use by the Trust for Public Land (TPL) for recreation, mixed-use development and an amphitheater. Tulane University is interested in constructing a maritime museum on a property adjacent to the TPL site. The Federal Emergency Management Agency (FEMA) assisted with demolition of old buildings on the Tulane property after fire damaged one third of the site and caused other negative impacts. These effects increase the need to undertake the Phase I assessment. The City of New Orleans might be able to move Targeted Brownfields Assessment funds from another project to this one.

Finally, the city is interested in doing a Phase I assessment on the Piety, Desire, and Press Street Wharves, as the port plans to develop the area into a second cruise ship terminal. Another potential project is to assess and address the current state of fueling and cleaning facilities that are located at each terminal. There may be many underground storage tanks (UST) containing residual diesel or gas within the port area. The Port of New Orleans wants to work with its tenants to develop state-of-the-art containment facilities and institute best management practices. The port is seeking funding to conduct site assessments to determine UST locations and extent of potential contamination.

The Port's long-term plans are to relocate its facilities that are currently on the Industrial Canal to the Mississippi River.

Questions and Discussion:

Comment: LDEQ can assist the Port of New Orleans with the Phase I environmental site assessments (ESAs).

Comment: The Clean Cities designation that the New Orleans metropolitan area is hoping to receive soon may provide funding for various projects, such as infrastructure for alternative fuel supply and distribution stations.

Question: How have other ports dealt with underground storage tanks (UST)?

Responses:

- It often is difficult to locate USTs; when assessing the location of USTs, the Port may need to speak to former employees who could suggest potential locations, then conduct soil probes.
- Bellingham has environmental cost cap insurance to deal with unforeseen costs associated with cleanup such as the discovery of unknown USTs.
- The port may want to consider consolidating fuel facilities or consider using alternative fuels.

Question: Is there an agreement between the port and the city to redevelop some riverfront area for public access?

Responses:

- This agreement is already underway and is before the City Council for approval. The formal agreement is one way for the port and city of New Orleans to initiate a working relationship to facilitate riverfront development, including hotel construction.
- Tampa experienced security issues when redeveloping property into a river walk. The solution was to add a buffer zone between the waterfront and river walk area.

Question: What is the Port of New Orleans' relationship with TPL?

Responses:

- Patricia Overmeyer (EPA) pointed out that if TPL takes ownership of port property it is developing for recreational use TPL may be eligible for a brownfields cleanup grant. The port may not be eligible to apply for federal

brownfields grants due to owner liability restrictions on those funds. TPL also has excellent experience in redeveloping brownfields into green space.

Port of St. Bernard: Jeff McClain

St. Bernard Port Harbor and Terminal District owns fourteen hundred acres of land, nine hundred of which are undeveloped. The port is located along the lower Mississippi River, with two terminals: Chalmette and Arabi. The port's primary site is a ten-mile parcel on the Mississippi River with an inland cut slip, the only one of its kind on the river. Dredging maintenance is conducted by the port to a depth of 31 to 32 feet. The port supports a heavy commercial fishing industry, many oil refineries and a sugar refinery. Potential projects focus on infrastructure upgrades. The port would like to improve sewerage systems at the Chalmette and Arabi Intermodal Business Parks. Currently, each facility has its own sewage infrastructure system comprised of a series of ditches and canals. The port would like to connect these sites to the municipal sewer system to encourage new tenancy and create a unified system that is easier to maintain. The estimated cost of this project is \$500,000 per site. The port also would like to make other infrastructure improvements, including the conversion of an empty parcel for warehouse space or berthing; the reconstruction of two berths in the Arabi terminal where one hundred year old docks are collapsing and not being used; and a new loading area to address problems with truck traffic.

Finally, the port is interested in rehabilitating its stormwater management systems. These include internal wastewater, fire and hospital sites at Chalmette and a ten-acre retention pond. Retention ability is depleted due to sediment buildup, and the pumping system needs to be upgraded to keep up with heavy rains. This dredging project is estimated to cost \$750,000.

Questions and Discussion:

Comment: John Simpson pointed out that contaminated sediments can be deposited in closed landfills or land berms that are sealed. Mr. Simpson recommended being creative in exploring potential uses for dredged sediments. There may be a closed landfill nearby that could use the sediments for cover.

Question: Does EPA still offer money for sewage facilities?

Responses:

- Revolving Loan Fund grants may be available for sewer facility construction and improvement.
- Roger Gingles of LDEQ will follow up with state water department.
- Diana Hinds will follow up with EPA Region 6.
- Planning money also may be available through the Lake Ponchartrain Restoration Program. Project proposals are due in June or July and money is earmarked for parishes around the lake.

Comment: Jane Mergler of USACE suggested that energy-generating gasification plants may be able to burn biomass and other carbon based debris from port cleanup and redevelopment projects. The biggest problems for this industry are siting gasification plants and the transport of debris and other fuels to the plants. Many gasification companies are very well connected to Department of Energy and working with City of New Orleans—is this a potential enterprise for the 216-acre industrial park in St. Bernard?

- Karen Peycke (EPA) pointed out that many companies are looking to site demonstration projects in the New Orleans area, including incineration and gasification plants.
- Someone pointed out that incineration and gasification are not the same thing, but residents object heavily to the siting of gasification plants because they think a gasification plant is an incinerator. Community opinion might change now that debris challenge is growing and landfills are getting full.

There was a discussion regarding the potential reuse of dredge sediments:

Question: Are the sediments generated from maintenance dredging contaminated? It was suggested that the sediments could it be used for refill or clean capping material.

Responses:

- A representative from the port responded that using maintenance dredge materials for refill or clean caps is unlikely because the dredging occurs in a high energy part of river and sediment is carried downstream.
- Someone else stated that if there is high aluminum content to the sediment, the sediment might be of interest to concrete companies.

Question: Is hydrocarbon contamination an issue and is it possible to clean contaminated dredged sediments with phyto- or bioremediation?

Responses:

- Whether or not this is a good solution will depend on the contamination of the site.
- Diana Hinds will follow up with EPA Region 6.
- Planning money may be available through Lake Ponchartrain Restoration Program. Bioremediation is a preferable project for the program, but you need a significant amount of space. There is a six month processing time. However, once sediment is cleaned and meets fill criteria then it is quite useful.
- EPA Innovative Technologies Office in Region 6 can follow up on this.

Comment: Alan Birdsall of Bellingham pointed out that the port of Bellingham requested that the city connect utilities to the waterfront. This increased the city's revenue base and allowed the city to recoup costs of the capital investment to do this. Future tax revenue could be used as a catalyst to gain funding participation from a city, county, state, etc. In Bellingham, the assessed value of the Georgia-Pacific land that the Port of Bellingham acquired is \$26 million. After build-out, it should have an assessed value of \$750 million to \$1 billion. The city stands to realize a substantial increase in tax revenues from the property. Since the city stands to increase revenues as the property

develops, they have agreed to construct the utilities on the site including roads and access improvements. The city will most likely float a bond for the work and pay the bond through the increased tax revenues.

The Port of St. Bernard stated that they have a proven track record of increased tonnage since 1995. One of their problems was that the Arabi intermodal business park did not have a sewer system. Since they do not have sewer system at the site, they cannot recruit businesses. If a sewer system was in place, they are confident that they could fill the site, but they do not have funding. This raises the issue of tax revenues. Is there a way to apply our model (above) to St. Bernard? Does the city, ward, state stand to gain in tax revenues if the site is developed? If so, it may be worth approaching the agency to discuss potential funding sources since St. Bernard has a proven track record of growth.

Jefferson Parish Economic Development Commission / Jefferson Parish Port District: Pete Chocoles

The Jefferson Parish Port District (under the auspices of JEDCO) encompasses all shallow draft waterways in Jefferson Parish, focusing on development along those waterways, especially along the Harvey Canal. The port works with political leaders in the area on many issues, including funding for bridge repair and infrastructure development. Projects often take many years and require extensive resources. Mr. Chocoles mentioned a potential project at the Johns Manville site, a former asbestos manufacturer, with one thousand feet of river frontage suitable for industrial development. However, the parcel may be undesirable to potential tenants because of possible asbestos contamination, and residents are concerned about possible impacts from cleanup. The Port of New Orleans is interested in partnering with JEDCO on this project. The parish is interested in developing the land side of the property and the Port of New Orleans is interested cleaning up and redeveloping the riverside.

Questions and Discussion:

- A representative from EPA suggested that the Johns Manville property could be cleaned up in parcels to facilitate limitations on available resources. Mr. Chocoles of JEDCO responded that conducting the cleanup parcel by parcel may not be possible because it will be difficult to put in half a facility. The Johns Manville site is approximately ten to twenty acres. EPA and Mr. Chocoles agreed to discuss possibilities that will help move this project forward.

Final Comments for Day One: Patricia Overmeyer, EPA Headquarters

Ms. Overmeyer thanked everyone for their attendance and participation. She stated that there is great value in everyone attending the meeting and developing partnerships. She pointed out that the Portfields pilot ports demonstrated in their presentations and their comments throughout the meeting that large problems can often be addressed by bringing necessary partners to the table and jointly exploring potential

solutions and resources. There is great value in using federal grant monies as seed money to leverage other funding, particularly private investments. The Portfields partnership can offer ports financial and technical assistance. Ms. Overmeyer assured the Southern Louisiana ports that the federal and state partners will take the action items identified during the meeting seriously and follow up on each of them.

Ms. Overmeyer reminded everyone that several times during the day the point was made that the ports may want to attempt to couch their priority project needs within the scope of security issues to obtain federal grant money. Ms. Overmeyer also pointed out that a key to the success of the Portfields pilot program is continual communications and commitment on the part of all partners.

DAY TWO

PORT SECURITY SESSION

Panelists:

Gary Henderson, United States Coast Guard (USCG)

Jim Murphy, Maritime Administration (MARAD)

The Department of Homeland Security's (DHS) Port Security Grant Program was of tremendous interest to many of the attending ports, who are already collaborating on a regional security plan. Mr. Murphy emphasized that collaboration is important in security because any one port's security is only as good as the surrounding ports' security. Mr. Henderson noted that the grant program administered by the DHS Office of Grants and Training supports prevention and detection of potential transportation incidents. Attendees should note that information about the grant program provided at the Portfields Workshop is pre-decisional. An announcement regarding the grant program is pending, with potential release on June 9, 2006. Please see www.ojp.usdoj.gov/odp/grants_programs.htm for further information.

The round six, FY 2006 grant cycle will be funded at approximately \$400 million. These grants will only pay for equipment (maintenance and operation must be paid by the grantee). Eligible ports and port areas include:

- 100 most critical port areas (last year list included 66 eligible port areas)
- Facilities within a two mile radius of an eligible port area's commercial waterway
- Facilities outside the two mile radius, but included in the Area Maritime Security Plan
- USCG inspected port facilities, port areas (including those inspected by USCG and covered in marine security plans), and USCG inspected passenger vessels (only passenger vessels).

Additional eligibility criteria:

- Each funded project must include a twenty-five percent funding match in cash provided by grant applicant, unless the total project cost is less than \$25,000. Applicants can appeal the funding match requirements to the Secretary of DHS).
- Applicants must provide certification of participation in Port-Wide Risk Management Plan.

Currently three of the six ports participating in the Regional Portfields Initiative are eligible, and several of the ports have received grants in past funding cycles. The grant program is strategic and risk-based. Its goal is to create real protections. Funding priorities include protection against small craft attacks and maritime domain awareness. Grants primarily cover prevention and detection of transportation security incidents. Port security grant funds pay for equipment only and not fuel, staffing, or maintenance costs. Equipment includes access control, surveillance, and monitoring fixing fences. Grant funds must be obligated within thirty months of being awarded, recognizing that ports are

public entities and that their procurement systems are not always able to obligate the funds more quickly.

Discussion:

- There is no avenue for administrative appeal because it is a grants process (political avenues may exist—lobbying representatives).
- There was a discussion regarding the fact that the list of port areas that are eligible for the security grants list is restricted for security reasons. Dr. Scafidel noted that the ports generally are aware of why they are or are not eligible.
- Grant eligibility covers inspected port facilities, port areas (including those inspected by USCG and covered in marine security plans), and USCG inspected passenger vessels (only passenger vessels)
- For each funded project, the grantee must have twenty-five percent matching funds, except for projects of less than \$25,000. In some cases, matching funds may not be required if a higher level of federal support is required (Louisiana may meet this standard due to hurricane damage sustained).
- Participation in Port-Wide Risk Management Planning is a pre-requisite.
- The grant program is strategic and risk-based. It focuses on the creation of real protections.
- Ports can submit joint applications for grants and a non-eligible port can apply with an eligible port. The grant application will be evaluated on the merits of the project and not prejudiced by the fact that one of the submitting ports is not on the eligibility list.

Questions and Discussion:

Question from the panelists to Dr. Scafidel: Could you provide further information on the Mississippi River port consortium (Plaquemines, St. Bernard, New Orleans, South Louisiana, and Baton Rouge) that is forming a 501(c) and seeking fifteen to twenty million dollars for coordinated security effort?

Response: Dr. Scafidel responded that the ports are working with a company that was successful in obtaining a grant for the port of Houston. The liquid natural gas (LNG) terminals proposed or under construction for Calcasieu River change the risk formulas for that area.

Question: Could Portfields play a role in conducting outreach to the shipping community regarding the impacts of the LNG terminals?

Response: The liquid natural gas (LNG) terminals proposed or under construction for Calcasieu River change the risk formulas for that area.

Question: Does Southeastern Louisiana have an Area Maritime Security (AMS) plan?

Response: Yes. Each plan includes required components as outlined in the regulations that cover mitigation strategies in areas that USCG does not regulate, including bridges,

power lines, and casino boats. The goal is to increase trust between port owners and operators based on knowledge of the reality of their security level.

Comment: Nathan Champagne commented that the Huey Long Bridge would cut linkages to all intermodal transportation if it were targeted in a terrorist attack. He asked if there is a plan in place to protect this critical infrastructure. A panel member responded that USCG has a list of critical infrastructure and key assets. The Huey Long Bridge is on the list used for priority planning. In addition, there is a precedent set for port security grants and bridges. Memphis was able to get a Port Security Grant to place cameras on an interstate overpass bridge.

Question: Are regional applications beneficial to ports not on the eligibility list, or detrimental to those who are?

Response: The focus when reviewing grant applications is on a layered approach to security, putting emphasis on known threats and developing a system that effectively counters those threats. Non-eligible and eligible ports can benefit from partnering and showing a regional approach to security, but approval will still depend on the type of project.

Question: John Simpson asked about the eligibility status of the commercial fishing fleets.

Response: Gary Henderson noted that if the fleets are mentioned in AMS plan, they are eligible for grants because they are located in an eligible port area. Money is also available through local law enforcement.

BROWNFIELDS SESSION

Panelists:

Patricia Overmeyer (EPA Headquarters)

Karen Peycke (EPA Region 6)

Roger Gingles (LDEQ)

Federal Brownfields Programs: Patricia Overmeyer
(Refer also to handouts)

The Environmental Protection Agency (EPA) Brownfields Program provides approximately \$70 million annually to state, tribal and local governments in the form of competitive grants for:

- The assessment, characterization and inventorying of brownfields;
- Brownfields cleanup; and
- Capitalizing revolving loan funds.

The competition for these brownfields grants is held annually. Competition guidelines are generally issued in September. Grant proposals generally must be submitted by mid-December. Grant awards are made in the spring.

EPA's Brownfields Program also provides Targeted Brownfields Assessment (TBA) grants to local and municipal governments to assist localities in assessing potential contamination at brownfields properties. Applications for targeted assessment grants are accepted throughout the fiscal year. Interested ports should contact their EPA Region 6 Brownfields Coordinators (Karen Peycke or Diana Hinds).

Targeted Assessment Grants provide funding for the conduct of Phase I, and Phase II environmental site assessments. Occasionally these funds also can be used to undertake additional sampling and analysis activities to support further site characterization. These funds also may be used to conduct an inventory of sites and conduct planning for brownfields cleanup and redevelopment activities. All types of government entities are eligible for targeted brownfields assessment grants. Applications are accepted throughout the year.

The Federal Brownfields Tax Incentive allows parties to fully deduct environmental cleanup costs as operating expenses in the year the costs are incurred, rather than amortize the depreciation costs across several years. Generally, the federal brownfields tax expired at the end of the last calendar year. Although the brownfields tax incentive was renewed annually in a tax Extender Bill in years past, Congress did not include an extension of the brownfields tax incentive in the recently passed tax bill. However, the Gulf Opportunity Zone Act of 2005 extended the brownfields tax incentive only for those areas devastated by Hurricanes Katrina and Rita for two years (through December 2007).

Direct Cleanup Grants are available to state, tribal and local government entities, as well as to non-profits to clean up a property owned by a non-profit. (Non-profits are not eligible for assessment grants directly from EPA.) Direct cleanup grants may be awarded for up to \$200,000 per property. A single government entity can apply for up to five cleanup grants (for five separate properties) per year. The entity applying for the cleanup grant must contribute a twenty percent funding match. The funding match can be made in cash, labor, or equipment.

Entities applying for direct cleanup grants must demonstrate that they are not responsible for the contamination at the property to be addressed by the grant. A community that acquires a brownfields property via tax default, eminent domain, or other involuntary means is exempt from CERCLA liability and does not otherwise have to demonstrate that it is not responsible for contamination. Communities that otherwise purchase brownfields properties have to demonstrate that they meet the statutory criteria for a bona fide prospective purchaser, innocent landowner, or contiguous property owner to be eligible for the grant. This demonstration includes showing documentation that all appropriate inquiries were conducted prior to acquiring the property. Ports should call Karen Peycke or Diana Hinds at EPA Region 6 for assistance in determining eligibility for brownfields grants prior to applying for a grant.

The federal EPA Brownfields program also provides funding for Revolving Loan Fund Programs. Eligibility for revolving loan fund grants is the same as for the brownfields assessment grants. State, tribal, and local government entities are eligible. Non-profit organizations are not eligible for brownfields revolving loan fund grants.

Loans made from revolving loan fund can be made to private entities for brownfields cleanup activities. Generally, after being awarded a revolving loan fund grant, a community makes low interest or non interest loans to other entities to conduct cleanup activities. Revolving loan fund grants can be used to fund the cleanup of brownfields properties contaminated by petroleum or hazardous substances. Grants can be up to one million dollars. Up to forty percent of a revolving loan fund grant can be provided to other eligible entities in the form of sub-grants. Sub grants must have a twenty percent cost share provided by the entity receiving the sub grant. The match can be in labor, materials, equipment or cash.

EPA's Job Training Grant Program provides funding to communities where brownfields exist for job training in the areas of environmental assessments and cleanup activities. Job training grants generally are provided to communities previously awarded brownfields assessment or cleanup grants. Eligible entities include state, tribal, and local government entities, colleges and universities and job training organizations. Grants can be awarded for up to \$200,000 per grant.

It was noted that the brownfields grant program is very competitive. Grant evaluations are based upon both eligibility criteria and ranking criteria. EPA receives between seven hundred and one thousand applications per year. EPA is able to award approximately two hundred to three hundred grants per year. The proposal guidelines for FY07 grants should be available by the end of August 2006 or early September. The guidelines will be available via www.grants.gov and on www.epa.gov/brownfields. A good way to prepare for the application process is to look at the brownfields grant guidelines from this past year. The guidelines do not change very much from year to year, especially with regard to the ranking criteria. When considering the brownfields application process, think very carefully about the required community notification criteria. The grant guidelines require applicants to notify their community that they are applying for a brownfields grant. Applicants must provide the community with an opportunity to provide input to the grant application.

Regional Brownfields Programs: Karen Peycke, EPA Region 6

The targeted brownfields assessment program is a good opportunity for ports to request assistance with brownfields assessments. Targeted Brownfields Assessment grants from EPA Region 6 often are provided to communities when other funding efforts fail. If the local or LDEQ (state) brownfield programs cannot fund a brownfields assessment request, LDEQ will forward your application to Region 6. EPA Region 6 is committed to funding and undertaking a combined Phase I and II Environmental Site Assessment (ESA) for brownfields located in the hurricane damaged areas within a forty-five day timetable. The program is updated and adjusted as needed to meet community needs. Communities must have a site assessment application completed and a statement from LDEQ that the state turned down your application or the project is not eligible for the state's program.

Activities under the brownfields targeted assessment program include conducting Phase I environmental site assessments (ESAs). A Phase I ESA includes investigating the history of the property and surrounding properties, interviewing the current owner of the property to obtain information on the ownership and uses of the property, searching

government records for information on waste management and cleanup activities conducted at the property, and walking the site to look for visible signs of contamination. No sampling is required as part of a Phase I assessment. A Phase II ESA may also be funded with a targeted brownfields assessment grant. A Phase II assessment includes subsurface investigation to document the type and extent of contamination, such as collection and analysis of soil and/or groundwater samples. Often Phase II activities are a starting point, but are not adequate to fully characterize the environmental conditions of a property. The results of a Phase II investigation may provide enough information to support a real estate transaction decision.

Staff members from EPA Region 6 are currently working with several South Louisiana communities in assessing brownfields. The South Central Planning and Development Commission, the RPC, the City of New Orleans, and Baton Rouge all have assessment grant funds, with the RPC and City of New Orleans also having revolving loan funds. Contact Leslie Williams, of South Central Planning and Development Commission; Rebecca Otte at the RPC; Nathan Champagne of the City of New Orleans; or Beth Hughes of Baton Rouge for additional information. The general order for funding brownfield assessments is:

- 1) Contact your local brownfield coordinator;
- 2) If the local program cannot fund your project, apply to LDEQ's brownfield program;
- 3) If LDEQ is unable to fund the project, contact EPA.

Louisiana Department of Environmental Quality:

Roger Gingles, LDEQ

(Refer also to PowerPoint presentation—**will be attached to final draft**)

The Louisiana Department of the Environmental Quality (LDEQ) can provide financial and regulatory incentives to support brownfields cleanup and redevelopment. LDEQ's TBA Program currently has more money than applicants. Targeted Brownfields Assessment grants are available to all local and regional government entities and non-profit applicants. Private projects that are of significant benefit to community may also receive the funding. The application period for targeted brownfields assessments from LDEQ is open year-round; there are no deadlines. Typically, the party applying for the funds should own the property, however, a Phase I assessment (all appropriate inquiries) may be conducted for the purposes of supporting a site acquisition, if there is a good faith intent on the part of the eligible applying entity to purchase the site. TBA applications are only open to non-responsible parties.

LDEQ's Voluntary Remediation Program (VRP) helps manage liability issues related to Superfund sites. The VRP program provides a release of liability under state law for further cleanup costs at a site to entities that enroll in the program and complete the cleanup requirements. The release of liability applies to program participant and successive owners of a property. Liability relief flows to future buyers, developers and lenders of any property taken through the program. All entities and properties in the state of Louisiana are eligible. Participation in the VRP program is completely voluntary. Both responsible and non-responsible parties are eligible. However, non-responsible

parties may perform less costly cleanups based on land use restrictions and remedies that include the use of institutional controls. U.S. EPA generally will respect LDEQ's decision to release an entity from liability for environmental contamination under the provisions of a Memorandum of Agreement (MOA) between EPA and LDEQ. LDEQ will waive oversight fees under the program for non-profits. Non-profits must still pay the \$500 application fee for entry into the VRP.

LDEQ provides technical assistance to local brownfields programs and VRP participants. LDEQ sponsors workshops of all sizes, planning meetings, and individual meetings with property owners and prospective purchasers to assist all parties in planning for brownfields assessments, cleanups, and redevelopment. LDEQ has a streamlined remediation program and a risk-based cleanup approach (Risk Evaluation/ Corrective Action Program-RECAP) to encourage brownfields cleanups.

LDEQ will soon implement its revolving loan fund (RLF) Program. LDEQ will initiate loans from its RLF grant later this year. Loans will be made in the amount of \$200,000 per loan or higher in exceptional circumstances.

The state of Louisiana has a Brownfields Investor Tax Credit that allows private entities, including industries on port sites, to recoup 15 percent of site investigation costs and up to 25 percent of cleanup costs. The tax credit is not sellable or tradable, but good against an entity's state tax burden. Any unused credit in the current tax year can be carried over for up to ten years if initial year tax burden is lower than total amount of tax credit. The tax credit is only available to non-responsible parties.

Questions and Discussion:

Question: Someone requested clarification of landowner ports' status with regard to Superfund liability and grant eligibility.

Response: EPA responded that in cases where a port owns port property and leases the property to others for use, the port still falls within the definition of owner under CERCLA and is a responsible party with regard to any releases or threatened releases of hazardous substances on the property. In addition, long-term lessees fall within the definition of owner / operator under CERCLA and also can be held liable for contamination on the property. Owners may be held liable for contamination caused by their lessees. Therefore, landlord ports are not eligible for brownfields cleanup grants, because they share liability for any contamination present on the property. These ports are still eligible for TBA funds from EPA (but not LDEQ). Landlord ports can also enroll in the LDEQ VRP, unless they are the hazardous waste generator or knowingly allowed the contamination to occur.

EPA staff pointed out that the ports should not be discouraged if eligibility criteria seem daunting; please talk to EPA and LDEQ for assistance. There may be resources available to assist ports in assessing, cleaning up and redeveloping brownfields properties under the Superfund revitalization program or through some other avenue. Please Contact Roger Gingles at LDEQ first to discuss funding eligibility. If you have an immediate need (e.g., real estate transaction is pending) feel free to contact Roger and "cc" Karen Peycke of EPA Region 6. LDEQ has in-house contractors that can be made available within a rather short timeframe, so the assistance application and implementation process can be relatively quick.

Patricia Overmeyer (EPA) stated that collaboration between state, local and federal partners would increase the likelihood that funding opportunities will be found and increase the potential for success.

Roger Gingles stated that applications for assessments at properties contaminated with petroleum that are received by LDEQ are sent directly to EPA. However, the RPC and the City of New Orleans both have brownfields assessment grants that can be used to address properties with petroleum contamination. Ports should use their designated liaisons to assist them in the assessment assistance application process and when requesting funding from these sources. LDEQ staff also will sit down with individual ports and work with port personnel on identifying brownfields funding opportunities.

Nathan Champagne emphasized the fact that although LDEQ is a regulatory agency, its programs are not going to result in complications for the ports—they are the “good guys.”

DREDGING/BENEFICIAL USE AND HABITAT RESTORATION SESSION

Panelists:

Jane Mergler (USACE Headquarters)

Curtis Delaune (USACE New Orleans Field Office)

Cheryl Brodnax (NMFS Habitat, NOAA)

Rick Hartman (NMFS Regulatory, NOAA)

Russ Watson (USFWS)

Jeff Harris (LDNR)

Richard DeMay (BTNEP)

Chett Chiasson (Port Fourchon)

Army Corps of Engineers: Jane Mergler and Curtis Delaune

The Army Corps of Engineers (USACE) plans and develops water resources projects nationwide, typically on a large scale. USACE is not a grant-making agency. Congress authorizes USACE to do specific projects. There are three main avenues for funding. First, the Continuing Authorities Program is a competitive program that funds smaller projects. Second, the Civil Works program funds major projects that require feasibility studies, such as dredging and navigational support. Finally, there are Reimbursable Projects where USACE provides technical assistance through funding and work orders from other federal agencies. In other words, other federal agencies reimburse USACE for costs incurred.

USACE will engage in Portfields by providing technical assistance on a reimbursable basis to other federal agencies. Direct funding through the USACE is limited. Projects most likely to be funded are multi-purpose projects, such as a dredging project with additional benefits in habitat restoration or reuse of dredge spoils. USACE is trying to become a better environmental steward and to evaluate its projects in terms of

long-term sustainability. To this end, USACE established environmental operating procedures. USACE is already engaged in the following projects in the region:

- A Lake Charles waterfront revitalization effort, including the redevelopment of Sears' retail and automotive buildings.
- A New Orleans waterfront restoration project in conjunction with Trust for Public Land (TPL).
- A Baton Rouge riverfront redevelopment project.

NOAA, National Marine Fisheries Service, Habitat Conservation Division: Cheryl Brodnax and Rick Hartman

The National Marine Fisheries Service (NMFS) has several regulatory responsibilities pertaining to potential Portfields projects. First, NMFS comments on all Clean Water Act Section 404 grant applications regarding the potential for adverse impacts on fisheries resources. NMFS reviews, comments, and works with USACE on maintenance dredging programs and beneficial use projects to maximize benefits and assess environmental impacts. NMFS may slow projects down if it determines that adverse impacts are possible. Overall, NOAA's expertise in habitat restoration can assist USACE in designing, evaluating and implementing restoration projects, and encourage early, up-front coordination.

The Community Based Restoration Grants program is a federal government funding program for non-federal (non-profit) entities to obtain assistance for planning and implementing wetlands restoration and habitat restoration projects. Funding should benefit marine fish or habitat. Grants are awarded for up to \$250,000. Recipients must provide a one-to-one match in funding. The match can be in in-kind services, cash, equipment, or other resources. The most attractive projects for funding under this program are those that benefit a community as a whole (e.g., those that will result in multiple ecological and economic benefits) instead of single port or specific habitat projects.

Department of Interior, U.S. Fish and Wildlife Service: Russ Watson

The United States Fish and Wildlife Service (USFWS) cooperates with the Louisiana Department of Wildlife and Fisheries (LDWF), LDEQ, NMFS, USCG, MARAD, USACE, and other state and federal agencies. The agency works to conserve, protect and restore fish and wildlife habitats in accordance with various federal laws and treaties (e.g., Fish and Wildlife Coordination Act, Endangered Species Act, Migratory Bird Treaty Act, National Environmental Policy Act (NEPA)). The primary mandates of USFWS are under the Fish and Wildlife Coordination Act. This legislation mandates that fish and wildlife resources be considered equally with economic development by other federal permitting or funding agencies. USFWS funds projects to protect, conserve and restore fish and wildlife and provides technical assistance on stormwater improvement projects.

Mr. Watson emphasized that his agency's focus is not on regulation so much as it is on cooperation. USFWS tries to be involved with ports during the earliest phases of project planning to avoid costly and controversial complications and delays at final implementation stages. Ports have a responsibility to be proactive and consult with relevant federal agencies regarding environmental issues early and continuously. USFWS can become involved with permitting of stormwater projects through a memorandum of understanding with LDEQ.

Louisiana Department of Natural Resources (Coastal Program) (LDNR): Jeff Harris

The Louisiana Department of Natural Resources (LDNR) mandate is to manage appropriate development of coastal zone, and to prevent wetland loss. To achieve this, the department uses two basic tools. First, the coastal use permitting program applies to most private construction projects, including port dredging. There is an exemption for deepwater ports. Second, the federal consistency review process requires the LDNR review federal dredging projects. The department also works with USACE on beneficial use projects. Though lack of funding often prevents USACE from doing beneficial use projects (USACE funding often only covers the base dredging project), LDNR tries to coordinate partnerships with other state and federal agencies to identify additional funding sources for beneficial use components of dredging projects. In the past, USACE has partnered with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Even though LDNR is a regulatory agency, Mr. Harris notes that the earlier a port can contact LDNR, the more time will be available to identify opportunities to streamline a permitting process and identify beneficial reuse alternatives.

The ports should contact Greg DuCote or Jeff Harris at 1-800-267-4019 for additional information.

LDNR expertise and resources includes the LA Coastal Area Ecosystem Restoration Program (LCA). Under this program, USACE and LCA share costs 50/50 for major coastal restoration efforts. The types of projects funded include beneficial use and ecosystem restoration projects (e.g. Maritime Ridge). LCA has funding to pay for incremental costs of dredging projects. LCA currently is conducting a three year inventory of beneficial use sites.

LDNRC also participates in a joint program between the State Coastal Engineering and Restoration Division and USACE. Program initiatives include a beneficial use and ecosystem restoration projects. Contacts include Ken Duffy, Carol Parsons, and Jennifer Beall.

Barataria-Terrebonne National Estuary Program: Richard DeMay and Chett Chiasson

The Barataria-Terrebonne National Estuary Program's (BTNEP) challenge is to move forward as good stewards of the natural resources that remain within the estuary

complex. The program is focusing on the following issues to effect change and understanding of this complex system.

Richard DeMay, senior scientist with BTNEP, spoke briefly about the Maritime Ridge Project in Port Fourchon. The port's plan to expand included the need to conduct dredging to construct new marine slips. Current law requires that the expansion project and dredging activities include planning for the mitigation of environmental impacts. Given that new slips will be dredged, new mitigation planning must be undertaken. The area that was dredged totaled over seven hundred acres. Given the large size of the dredged area, more dredge material was available than was needed for the mitigation area. Port Fourchon sought advice from the Barataria-Terrebonne National Estuary Program early in the project's process about how to use its dredge materials. The dredged material was used to build a maritime forest ridge and restore a marsh area. The restored marsh extends one hundred feet on each side of the constructed ridge. The entire restoration area is four hundred feet wide and two thousand feet long. The goal in constructing the ridge and marsh is to create habitat for migratory birds on an elevated ridge that supports tree growth. The project is experiencing success. The site is now home to the largest Least Tern colony in Louisiana. Two thousand feet of the forest ridge was sufficiently elevated so that it provided notable hazard mitigation effects during the hurricanes. Port Fourchon staff noted that this project re-affirms the need to coordinate dredging projects with regulatory agencies early in the project development phase. Such coordination can significantly help to move the process forward smoothly.

Questions and Discussion:

- It was noted that sediment must be moved six to eight miles from channels for wetland rebuilding (i.e., onto National Wildlife Reserves). Also, if dredged material is not needed near a port for beneficial use, USACE can use dredged sediment for levee reconstruction.
- Regarding wetlands filling: the coastal restoration trust fund can contribute small amounts of money and grants through the Coastal Impact Assistance Program (CIAP).
- It is important to get all stakeholders to the table when reviewing projects because what is an annoyance to one party/agency may be a mandate for protection by a government agency.
- Someone mentioned a beneficial reuse project implemented in Houston where a port built dredge spoil islands in the bay. Early consultation with government agencies was critical to the success of the project.
- Bob Musser pointed out that in Tampa dredged materials are disposed on spoils islands in the bay. Materials later can be mined from the island for construction fill material.
- Bob Musser also mentioned that it is important to meet with stakeholders and regulators before undertaking dredging projects to allow for an analysis of potential reuse projects, alternative site locations, and potential funding prior to initiating dredging.

- John Simpson (New Bedford) stated that a port should “adopt a regulator” before submitting a permit application or project application for dredging. Ports should discuss the goals and importance of their projects with a regulatory agency up-front.
- Alan Birdsall pointed out that Bellingham found that some beneficial uses for dredge materials are less costly than deep ocean disposal. Sometimes hard decisions have to be made. If you have contaminated sediments, it might be better to dig trenches and bury it on port property rather than send it to a Hazmat site. Be flexible.
- • A representative from the USACE stated that USACE is looking into the creation of protection levees across Louisiana. Area ports may be able to offer dredge material and disposal sites for the project.
- There also are opportunities for landscape scale projects through the Coastal Impact Assistance Program. Opportunities for getting involved in large scale restoration projects include:
 1. CWPPRA—Coastal Wetlands Planning, Protection and Restoration Act (more information at www.Lacoast.gov/cwppra)
 2. CIAP: Application information can be found at <http://dnr.louisiana.gov/crm/ciap/ciap.asp>.
- It was mentioned that a new energy bill will provide state and local funding for habitat and coastal restoration projects; Thirty-five percent of funding will go directly to the parishes (the other sixty-five percent of funds will go to the state).

INFRASTRUCTURE/STORMWATER MANAGEMENT/ ENERGY EFFICIENCY/HAZARD MITIGATION SESSION

Panelists:

DJ Webre, LDOTD
Pamela Ehlers, EDA Headquarters
Pat Witty, LDED
Greg Hamilton, HUD
Rob Lawrence, EPA Energy
Jeff Harris, LDNR
Loni Gaudet, LDEQ
Tim Tempfer, FEMA

Louisiana Department of Transportation and Development: DJ Webre

The Louisiana Department of Transportation and Development (LDOTD) administers the Port Construction and Development Priority Program. This program provides assistance in the form of ninety percent construction funds and guidance. Program guidelines provide that a ten percent match is required of grant recipients. Project applications are measured or scored by their potential for success, including Southern Louisiana Regional Portfields Initiative

immediate need and the probability that the project will be permitted. The grantee or user must pay for the use of infrastructure. Successful projects must have a high benefit to cost ratio. Additional information is available on page 55 of the Portfields Financial and Technical Assistance Guide.

Economic Development Administration: Pamela Davidson-Ehlers

In fulfilling its mission, the federal Economic Development Administration (EDA) is guided by the basic principle that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies. Given these locally- and regionally-developed priorities, EDA works in partnership with state and local governments, regional economic development districts, public and private non-profit organizations, and Indian tribes. Pamela Davidson-Ehlers is located in New Orleans and is the only EDA employee in the state. EDA has worked with sixteen ports in the state. EDA works primarily with shallow draft ports with waterfront industrial parks. Additionally, EDA engages in many jointly funded programs with LDOTD. Occasionally EDA funds projects involving cargo transfer (e.g., Beard Industries required a special permit to transfer items on land. Once on barges, the requirements are less stringent). On very complex environmental projects, EDA can assist with planning.

Projects funded by EDA require a non-federal dollar match. EDA funding is often tied to the potential for job creation. Projects funded by EDA must show a potential for leveraging private resources and capital resources. For projects that involve connecting to the parish sewer system, the parish is the proper applicant from both legal and engineering standpoints.

Louisiana Department of Economic Development: Pat Witty
(Refer also to handouts)

Pat Witty is in Community Outreach. He noted that the Louisiana Department of Economic Development's (LDED) funding is volatile. However, LDED is working toward achieving more stable funding opportunities. Mr. Witty summarized the Economic Development Awards Program. The program provides a cash rebate to assist recipients in servicing debt on public infrastructure enhancements. For information on tax credits available to Louisiana employers see www.louisianaforward.com.

U.S. Department of Housing and Urban Development: Greg Hamilton
(Refer also to handouts)

Part of HUD's mission is to support community development. HUD oversees the Community Development Block Grants, the Section 108 Loan Guarantee program for large scale economic development projects, the Brownfields Economic Development Initiative (BEDI), and the Lead-Based Paint Hazard Control Program.

The Gulf Zone Opportunity Act (see www.gozoneguide.com) establishes tax incentives and bond provisions to rebuild local and regional economies devastated by hurricanes Katrina and Rita. The act is commonly referred to as the "GO Zone Act."

While the entire state of Louisiana is part of the Hurricane Katrina Disaster Area, the provisions of the GO Zone Act apply only to a limited number of Louisiana parishes (those directly affected by the hurricanes).

The Section 108 Loan Guarantee Program is the loan guarantee provision of HUD's Community Development Block Grants (CDBG) Program. This is a very flexible program. It supports infrastructure improvements, support, and job creation. Communities can receive these funds on behalf of all kinds of organizations. CDBG entitlement communities and non-entitlement communities are eligible to receive the loan guarantees. Loan terms are for 20 years and are based on a federal interest rate. Projects must be tied into national objectives: such as benefiting low-income people or housing.

The Brownfields Economic Development Initiative (BEDI) program provides funds to stimulate local government and private sector redevelopment or to continue phased redevelopment efforts on brownfields sites. BEDI funds are used to enhance the security or to improve the viability of a project financed with a new Section 108 guaranteed loan commitment. Section 108 is the loan guarantee provision of HUD's Community Development Block Grant (CDBG) program. BEDI funds minimize the potential loss of future CDBG allocations. A request for a new Section 108 loan guarantee authority must accompany each BEDI application. BEDI and Section 108 funds must be used in conjunction with the same economic development project. HUD emphasizes the use of BEDI and Section 108 Loan Guarantee funds to finance projects and activities that will provide near-term results and demonstrable economic benefits to communities. CDBG entitlement communities and non-entitlement communities are eligible for BEDI and Section 108 Loan Guarantee funding. Program priorities are tied to national economic development goals. Applications for current year funding are due on June 14, 2006. Funds can be used for planning, site assessment and remediation. BEDI grants may be a good source of funding for sites that are falling into a funding gap, if a project meets the program's criteria and goals.

The Congressional Grants Program includes set asides or earmarks designated by a city's or state's U.S. Congressional delegation. The program provides funding for concepts, not specific projects. HUD predicts that the grant program will be funded at approximately \$307 million in FY 2006. The "application" process requires that a community meet with a member of its congressional delegation. The congressional member or congressional delegation must sponsor a bill setting aside funds from HUD's appropriations (i.e., funds are an earmark in HUD's budget appropriations).

The Section 108 Loan Guarantee Program is the loan guarantee provision of HUD's Community Development Block Grants Program. This is a very flexible program. It supports infrastructure improvements, support, and job creation. Communities can receive these funds on behalf of all kinds of organizations. CDBG entitlement communities and non-entitlement communities are eligible to receive the loan guarantees. A request for a new Section 108 loan guarantee authority must accompany each BEDI application. BEDI and Section 108 funds must be used in conjunction with the same economic development project. Loan terms are for 20 years and are based on a federal interest rate. Projects must be tied into national objectives: such as benefiting low income people or housing.

Environmental Protection Agency—Energy: Rob Lawrence

Rob Lawrence is a staff member in EPA's Region 6 Air Planning office. Rob is a good resource for information on energy issues as well as air emissions issues. The state of Louisiana recently passed a statewide industrial building code that includes energy codes for remodeling and retrofitting of energy efficiency alternatives as well as codes for new construction. The State energy office must review the international building codes and identify energy efficiency aspects to be included in building designs. Paula Ridgeway is a good contact at the LDNR State Energy Office for further information.

Potential projects to reduce air emissions and improve air quality include:

- Container-on-barge projects that could reduce emissions from trucks, especially for EPA non-attainment areas, such as Baton Rouge.
- Application of a pilot project undertaken by Burlington Northern to reduce diesel-powered vehicle emissions. Vehicles turned engines off and used electrical power (via docking stations) during truck idling times instead of using diesel engine power. The pilot resulted in substantial emissions reductions and fuel savings. If tugs, hybrid locomotives, and /or trucks use alternative power sources (instead of diesel or gasoline engines) when they are idling or not in use, large energy savings can result. Cruise terminals in Seattle and Alaska allow ships to plug into shore power to reduce generator emissions.
- Other infrastructure improvement projects around ports that can incorporate in the use of energy saving/ environmental friendly technologies.

Louisiana Department of Natural Resources: Nonpoint Source Pollution (NSP) Control Program: Jeff Harris

The Nonpoint Source Pollution Control Program is housed within LDNR. Sources of pollutants leading to non-point source runoff include agriculture fertilizers and animal waste, forestry operations, stormwater, hydrologic modification of wetlands, and wastes from marinas. All states must have a Coastal Nonpoint Source Pollution Control Program. Louisiana's is currently under development. The program's purpose is to educate the public and local communities about best management practices and how reduce the runoff of pollutants into watersheds and waterways. LDNR can offer technical assistance with stormwater runoff management and provide a compilation of best management practices. It also has many field investigators and office staff who can consult with, advise, and offer expertise in areas such as siting of parking lots, hazardous material storage and garbage facilities, and how to create vegetative buffer areas to serve as pollutant filtration. Contact Linda Pace or Greg DuCote for further information.

Sources of pollutants leading to non-point source runoff include agriculture fertilizers and animal waste, forestry operations, stormwater, hydrologic modification of wetlands, and wastes from marinas.

Louisiana Department of Environmental Quality—Small Business and Small Community Assistance Program: Loni Gaudet

Loni Gaudet explained that the Louisiana Department of Environmental Quality's Small Business and Small Community Assistance Program provides technical assistance to small business in the area of regulatory compliance. The Small Business and Small Community Assistance Program does not have a grant program. It provides technical assistance only. The office is comprised of engineers, environmental scientists and others in a statewide network to provide assistance to help businesses understand how to comply with applicable regulations. The office supports businesses by making technical resources available, and by providing program staff that can provide permit application assistance, as well as consultation on stormwater management plans, best management practices, and pollution prevention plans. Such assistance is applicable to projects ranging from pre-construction plans, to parking facilities, washing facilities, marina operations, and wastewater management for foundries. LDEQ's goal is to provide assistance early and to assist small businesses in avoiding enforcement actions. Services are free (as opposed to private consultants). All of the lessees at a port facility as well as the port authority itself are eligible for these services. The size of the port is not an issue. All participating ports are eligible for assistance from LDEQ Small Business and Small Community Assistance Program. For additional information, please contact the LDEQ Small Business Hotline at 1-800-259-2890.

Federal Emergency Management Agency:

Tim Tempfer of the Federal Emergency Management Agency (FEMA) explained that FEMA is part of the U.S. Department of Homeland Security (DHS). FEMA's continuing mission within the new department is to lead the federal government's effort to prepare the nation for all hazards and effectively manage federal response and recovery efforts following any national incident. FEMA also initiates proactive mitigation activities, trains first responders, and manages the National Flood Insurance Program. FEMA contacts include:

- Tim Tempfer: 504-762-2087
- Owen Reese: FEMA Lead Parish Planner for the hurricane recovery effort
- Danny Laplatte and Dawn Lyons: 406 Mitigation- FEMA Public Assistance Program

406 Mitigation—Public Assistance (storm related)

These include 1) assistance to make repairs to return facilities to full compliance with codes and standards and 2) assistance for additions to or upgrades of current mitigation standards to strengthen a facility above required standards. This type of assistance helps a community or facility to achieve a level of hazard mitigation it did not have before (i.e., facility is damaged because it did not have an operative emergency generator). The FEMA 406 mitigation program focuses on long-term recovery assistance. Applicants who were not successful in getting previous funding may re-apply for funding for the same projects that were not funded in earlier funding rounds. Currently, storm related damage repairs are being funded under the FEMA 406 program. Examples of such assistance include: filling holding tanks and repairs to sewage treatment plants that suffered hurricane damage.

FEMA 404 mitigation grants are currently being directed by the state of Louisiana and the Louisiana Recovery Authority toward housing projects.

Questions/Afterthoughts:

All panelists emphasized that early communication with state and federal program representatives helps everyone involved.

Question: What is the funding level of the Port Priority Program?

Response: It will be \$1 million this year and should increase in future years. (See attached list of approved projects for current fiscal year).

Comment: It would be helpful if LDOTD could keep the ports and other partners up to date on proposed projects so that everyone can identify where opportunities for partnerships exist.

Comment: Ports should have a liaison for communicating with LDOTD.

Comment: A representative from LA DOTD stated that a few modifications were made to the Port Priority Program during the current legislative session. One modification is that applications for funding will now be accepted four times a year (on 3/1, 6/1, 9/1, and 12/1). Projects can be built with port funds if on recommended list of projects and be reimbursed by a state agency at later date. The result is that ports are able to begin construction earlier.

Question: Why are these traditional tools of economic development such as issuing bonds, TIFs, and enterprise zones not being used?

Response: Revenue streams may not be strong enough to pay for bonding. EDA is a good place to start, by applying for planning grants, then approach EPA with plan to begin site assessments and cleanups. CDBG funding is flexible and can be used for acquisition, construction, etc.

Question: Are HUD resources being used at all by ports in this area for environmental projects?

Responses:

- A \$1 million BEDI grant was received by American Can on Bayou St. John (the project is in the city of New Orleans, but is not specifically a port project).
- CDBG flexibility is being reaffirmed and emphasized. CDBG funds can be used for just about any type of project.
- LRA supplemental appropriation has identified \$40 million for unmet needs at ports.

Question: Is there any funding or engineering assistance available to help with energy projects involving cruise ships?

Responses:

- Yes, there is technical assistance through EPA’s Energy Office. However, no funding is available.
- Potential funding may be available pending a Clean Cities designation for the New Orleans metropolitan area, if ports can demonstrate reduced dependence on foreign oil. Baton Rouge has already received Clean Cities designation from the Department of Energy.

Question: Is there a website for long-term recovery actions?

Response: See www.louisianaspeaks.org.

Comment: Some long-term recovery plans, including those contributed by the ports, were long-term in nature and did not necessarily include FEMA 406 Mitigation program-relevant actions.

Response: Yes, this is true, but we should work together to get 406-relevant actions into the mitigation process now.

Question: What types of stormwater technical assistance are available from LDEQ’s Small Business and Communities Office?

Response: When designing new construction or new parking lots LDEQ can review plans for stormwater best management practices and will recommend techniques to use less water, using permeable parking lots and other design methods before construction begins. Where water usage is necessary LDEQ can assist an entity in looking into closed-loop wastewater management system options. The same goes for assistance in reducing air pollution and hazardous waste management costs.

Question: What happened to FEMA ESF-14 program?

Response: Long-term recovery is back on track and FEMA is trying to enhance resource availability. The current Recovery Support Team is a new group of individuals created out of the end of the previous ESF-14 team. The team currently is trying to match FEMA funding with eligible projects. A contingent of the long-term recovery team remains in place. People are being placed in the area to finish long-term projects and provide mitigation above former conditions and standards. See www.LouisianaSpeaks.org.

PORTFIELDS DAY TWO WRAP-UP SESSION

Final Thoughts from Pilot Port Representatives:

| Bellingham:

Start contacting agencies early, as it does save time in the long run. “Where is the money?” should not be the critical question; think about what can be saved as well as what can be gained. Partnerships and communication are the keys to finding solutions.

New Bedford:

There is a great benefit in sitting at the table with all agencies involved and with as many partners as possible to discuss challenges, priority projects and potential roadblocks. Discussion helps you overcome those roadblocks via modifications and adjustments.

Learn the language that each agency speaks. Each agency has different ways of looking at problems, and everyone needs to understand each other. They need to know what you are trying to do and why, and you need to understand their mandates.

Tampa:

Consider lobbying Congress for earmarks to fund Portfields. Bob Musser offered to assist the New Orleans area ports at any time, as it is just a short trip from Tampa.

Review of Action Items (see Action Items Attachment)

Patricia Overmeyer (EPA) reviewed the action item list that was developed throughout the two-day meeting.

Next Steps and Closing Remarks:

Rebecca Otte summarized the proposed timetable and reminded everyone that the ports have a two-year commitment from the Portfields federal, state and local partners. Included in the folders is a handout detailing the next steps and the proposed timeline for upcoming activities. The goal is for each port to develop at least one project to include within the scope of the Portfields effort. The immediate next step is for the local liaisons to work with the ports in developing the project summaries to be submitted to the agency partners.

Ms. Otte thanked the local ports for their participation in this regional pilot program. She also thanked the Portfields Pilot ports for coming to share their knowledge, and the agency partners for their help and participation. Special note of thanks was given to LDEQ, the sponsor of the event, and Shaw Environmental and TEA Inc., who sponsored the food for the event.

Ms. Otte closed by saying that this is just the beginning, reiterating the two-year commitment on the part of the agencies involved.

