



**Quad-City  
Times**

# Insight

**THE BUSINESS JOURNAL OF THE QUAD-CITIES**

## Power of ports

Leveraging the river to put  
the region on the map

## REGIONAL REDUX

A Quad-Cities collaboration

## EXECUTIVES' CORNER

Jan Masamoto of JTM writes  
the book on business

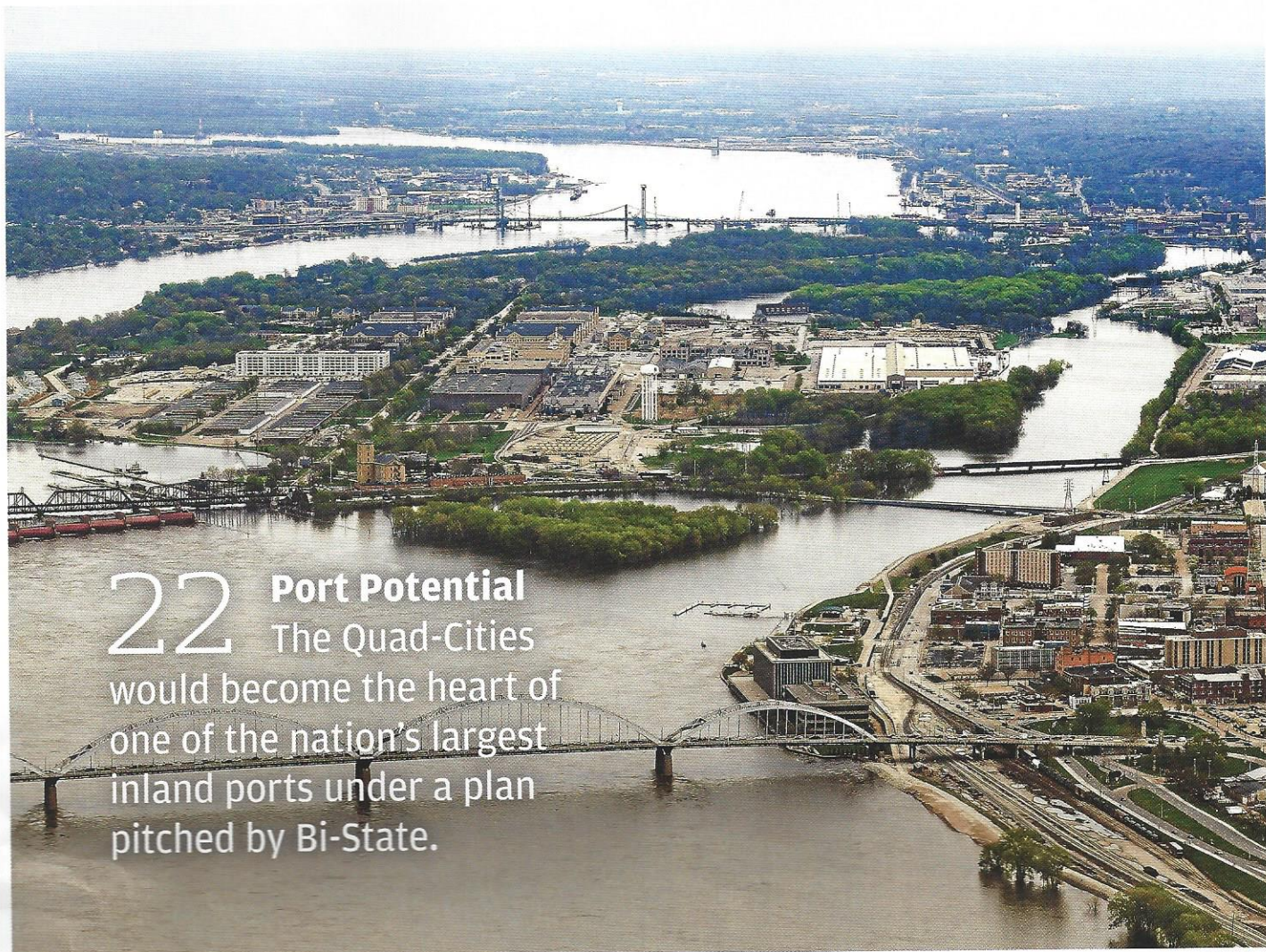
## OLD BUILDINGS, NEW SPACES

Re-inventing properties in the Q-C

**Spring 2020**



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# PORT POTENTIAL

PSA designation could raise the profile of the Quad-Cities



The motor vessel James F. Neal pushes barges down river after passing through Lock & Dam 12 at Bellevue, Iowa. If a federal port designation is achieved for the 70 Iowa and Illinois ports along the Mississippi River, it would be the 20th-biggest inland port in the US in terms of tonnage shipped.

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**B**ob Sinkler spent 30 years working for the U.S. Army Corps of Engineers, managing commerce along the Mississippi River's system of locks and dams. As a government employee, he often had to bite his tongue when it came to speaking out on policy issues.

But now that he's retired, Sinkler can't stop talking about ports and their economic impacts.

The federal government ranks the size of ports around the country, including on inland waterway systems like the Mississippi River. The list is closely watched by companies

who ship goods, so the higher up on the list the more likely a port is to attract additional business. The list also helps protect funding for Army Corps districts like the one in Rock Island, since districts that manage waterways near bigger ports are less likely to suffer funding cuts. And shippers say doing business from a ranked port makes it easier to ship, especially overseas, when companies know a ranked port will be able to accommodate large volumes of goods.

The nation's largest port is in New Orleans. Today, the Quad-Cities doesn't even make the list.

But perhaps not for long.

For the past few months, Sinkler and Denise Bulat, executive director of Bi-State

Regional Commission, have worked to designate a sprawling network of 70 terminals along the Mississippi River into a single designated port with its heart in the Quad-Cities. If established, the network of terminals would constitute one of the top 20 inland ports in the country.

Local leaders say the designation could enhance the region's prominence in the shipping industry, likely drawing new investments to the area. And once the port is created, Bi-State, the regional economic development group, plans to bring shareholders together to leverage the designation, including local business leaders, government officials and leaders in the land, rail and water shipping industries.

"What it finally does, and it should have



## 6.3 million tons

Bob Sinkler, co-leading the effort to bring a federal port designation to the Mississippi River in Iowa, estimates that 6.3 million tons of cargo move through the area that would be included the port designation, citing U.S. Department of Transportation statistics.

That amount would place the proposed port No. 20 among the largest U.S. inland ports, and No. 68 for all ports in the U.S.

been done decades ago, is it finally gives this region national and global visibility on the tonnage that's being actually shipped in this area," Sinkler said. And that's a lot of tonnage. Iowa alone ships 4.8 million tons out of the state on the river every year; about 1.5 million tons are shipped on the Illinois side.

Local leaders submitted their application for the Mississippi River Ports of Eastern Iowa and Western Illinois (MRPEIWI) port in early February via the Bi-State, which is acting as the administrator. Experts say it's likely to be approved, meaning a designation — and its expected economic benefits — could come soon.

### WHAT'S NEXT?

Fourteen of the 15 counties on both sides of the river, from Dubuque to Keokuk have signed off via their respective county boards.



Bob Sinkler, retired from the U.S. Army Corps of Engineers, is co-leading the effort as a volunteer to bring a federal port designation to the Quad-Cities.

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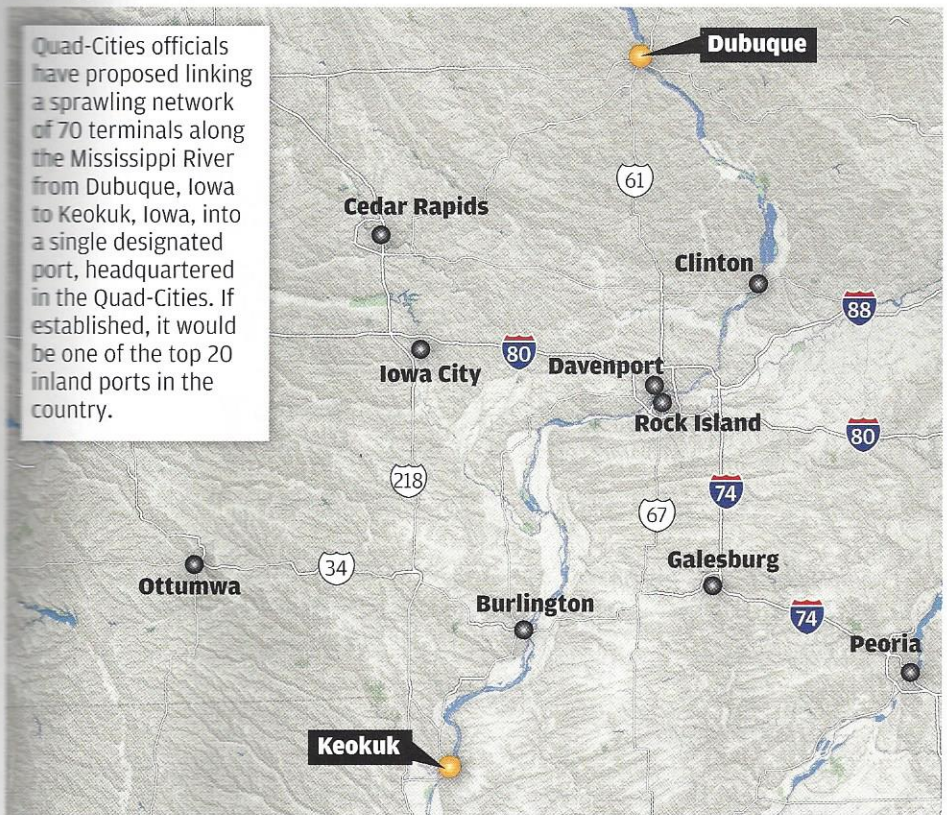
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## A regional port's reach

Quad-Cities officials have proposed linking a sprawling network of 70 terminals along the Mississippi River from Dubuque, Iowa to Keokuk, Iowa, into a single designated port, headquartered in the Quad-Cities. If established, it would be one of the top 20 inland ports in the country.



maps4news.com/©HERE, Lee Enterprises graphic

Lee County, Iowa, has yet to decide whether to join the port statistical area (or PSA), which includes the Quad-Cities, or one that originates from the Mid-America Port Commission, based in Quincy-Hannibal.

There is also a third PSA in development in the greater area that is more of an inland port that follows the Illinois River, by the name Illinois Waterways Ports and Terminals. Together, the three are being dubbed the Corn Belt ports.

Sinkler said the amount shipped locally has been “invisible” to the general public, economic development organizations and regional planning commissions. Securing a PSA leads the U.S. Army Corps of Engineers to go back several years and calculate tonnage that has moved through the terminals in a given area — in this case, 70 terminals.

If the PSA is approved this year, those stats could be released as early as October.

“When you look at it in totality, it is significant, and this part of the U.S. has been missing out — north of St. Louis, in particular,” Sinkler said.

The two closest federally recognized port areas are in St. Paul, Minn., and St. Louis.

This region has been “left off the map and off the scoreboard, and this puts all three of the areas we’re creating on the scoreboard to be nationally significant,” Sinkler said.

### WHY IT MATTERS

In Quincy, Ill., the Mid-America Port Commission was created in the late 1990s in the wake of the flood of 1993, said MAPC Chairman Doug Aeilts.

“All three states realized we’re very dependent on the river for very positive things and when Mother Nature and that access is cut off, we’re impacted negatively. So the more we work together the better off we are,” Aeilts said.

The commission had several studies done in its early years that pointed to building the Mid-America Intermodal Port, south of Quincy. Advocacy for that project, estimated at \$27.95 million in recent years, continues in hopes of bringing it to fruition.

MAPC’s PSA application was submitted with hopes of getting the federally recognized port designation by late summer, with the aspiration of boosting the profile of the area. That’s because, according to Aeilts, if there isn’t a PSA, the amount of tonnage that goes through isn’t counted.

“It’s by far the least expensive mode of transportation available ... when the cargo is on the river, you’re not being detrimental to the infrastructure of roads and bridges

**ABOVE:** Denise Bulat, head of Bi-State Regional Commission, is co-leading the effort to bring a federal port designation to the Quad-Cities.

MEG MCLAUGHLIN



The tow Jacob Michael Eckstein moves barges upriver past Marquette, Iowa. The Hawkeye State ships out about 4.5 million tons on the Mississippi River each year.

KEVIN SCHMIDT



and all the truck traffic associated with it," Aeilts said of river commerce.

"We're an advocate for river commerce, increased utilization of the river for more commerce, whether it be on private ports or public ports and to also be an advocate for other organizations in order to improve

navigation on the river."

Sinkler, speaking anecdotally, said some local tonnage may be reported for other ports. That could be because shippers write down the closest federally recognized port.

Local federally recognized ports would mean more accurate reports for tonnage that

comes through eastern Iowa, western Missouri and northeastern Missouri further downstream. Those numbers can further be used by regional entities when applying for grants or other outside funding mechanisms.

"That will benefit all of us, in one way or another," Sinkler said.

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Continental Cement operates a facility along the Mississippi River in Buffalo, Iowa. Mike Gordon, Continental's senior vice president of sales and marketing, said about 120 employees work at the facility that the Missouri-based cement company has owned since 2015.

Continental acquired the Buffalo facility from LafargeHolcim, which operated it from 1990 to 2015.

Gordon didn't know about the local PSA effort, but was familiar with it from working in river commerce "all my life," he said.

The designation allows "the movement of cargo in a more efficient way than if you don't have a port designation, primarily through the customs process," Gordon said.

### 'NO REAL DOWNSIDE'

The port conversation is one of several regional efforts in the Quad-Cities area. Gordon called the regional approach encouraging, pointing to Memphis, Tenn., and West Memphis, Ark., where both locations have integrated business principles to make operating in both places "seamless"

"These are the things you need to do things together in a community and forget about the boundaries and the

states ... all have one common aspect, and that is a whole lot of river trade. You have a foundation to build on, and that should help ease the fact that it's a pretty significant geographic area you're tackling" from Dubuque to Keokuk, Gordon said.

Sinkler said in mid-February that the MRPEIWI application had already made its way to the U.S. Army Corps of Engineers' headquarters for review. That means the effort will have come to fruition in just one year or less.

There is "no real downside to doing this, and I think that's just very obvious that this should have been done years ago," Sinkler said. "Particularly from an Iowa perspective, you can't be the number one exporter of corn, number one exporter of feed grains, number two exporter of soybeans and be a major user of the Illinois waterway system and not have a port."

In Des Moines County, where the Board of Supervisors recently unanimously approved joining the PSA that includes the Quad-Cities, and Lee County, the last remaining holdout, officials were unsure if the PSA would mean better chances of qualifying for federal water and river infrastructure grants.

"I think the jury is still out on whether

## Largest ports on Mississippi River

1. South Louisiana, LA – 275.5 million tons (ocean-going vessels)
2. New Orleans, LA – 93.3 million tons (New Orleans district headquarters) (ocean-going vessels)
3. Baton Rouge, LA – 82.2 million tons (ocean-going vessels)
4. St. Louis, MO and IL – 37.4 million tons (St. Louis district headquarters)
5. Memphis, TN – 11.1 million tons (Memphis district headquarters)
6. St. Paul, MN – 5.8 million tons (St. Paul district headquarters)
7. Kaskaskia, IL – 5.7 million tons
8. Vicksburg, MS – 2.9 million tons (Mississippi Valley division headquarters)
9. Greenville, MS – 2.9 million tons
10. New Madrid County, MO – 2.2 million tons (The Honorable R.D. James – ASA (CW))
11. 11. Hickman-Fulton County Riverfront, KY – 1.2 million tons
12. Natchez, MS – 1 million tons
13. Rosedale, MS – 1 million tons
14. Southeast Missouri Port, MO – 1 million tons

Source: U.S. Port Ranking by Cargo Volume 2018, via Bob Sinkler

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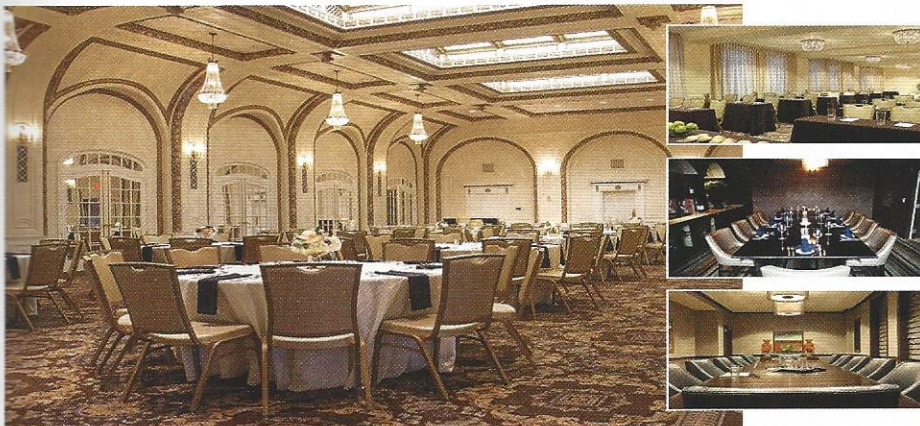
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A barge passes under the Julien Dubuque Bridge while traveling along the Mississippi River in Dubuque, Iowa.

QUAD-CITY TIMES FILE PHOTO



or not that actually helps us," said Jeremy Hess, economic development director for the Greater Burlington Partnership in Burlington, Iowa. "I don't think it hurts us. There are a lot of folks in a PSA that haven't seen dime one."

Hess said a PSA is "not a silver bullet" but "is another marketing tool."

He pointed to a recent inquiry by a company

that was exploring setting up a production facility in Burlington. In that instance, with a federal port designation, Burlington could have said it was part of a top 30 port in the U.S., pointing to statistics of tonnage that moves through the area.

"We can tout to potential folks that are looking to locate in this area that we have the

infrastructure and the terminals to handle the types of tonnage that someone may be looking for," Hess said. "We just need everything that we can bring to bear as far as marketing our location and taking better advantage of this big, beautiful river that we have here — especially for industrial purposes and unloading and offloading of goods."

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