



Using Public-Private Partnerships for Local & Regional Economic Development

Ports of Eastern Iowa Organizational Meeting

(October 2024)

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Client Focus *Experience* *Insight* *Results*

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FIRM OVERVIEW



Prosody Group, LLC
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*The Prosody Group, LLC (“Prosody”) is a set of companies that helps owners, investors and executives **START, GROW, EVALUATE, OPTIMIZE and TRANSITION** their businesses.*



Prosody's partners have provided advisory and consulting services to some of the country's largest public & private businesses, private equity firms, family offices and high net worth investors

Economic Development & Finance

Government Financing, Incentives & Grants
Financial / M&A Advisory
Business, Transaction & Litigation Valuation
Steady-State & Transition Accounting
Restructuring / Workout / Crisis Management

Management Consulting

Strategic & Tactical Advisory
Pre-/Post-Merger Planning & Integration
Due Diligence & Transition Management
Commercial Representation & Negotiation
Interim Executive Services

Strategic Communications

Media & Public Relations
Government & Community Relations
Message Development & Implementation
Benchmarking & Polling
Executive Media Training
Digital Services

Charles R. Brettell

Managing Partner

Office: (816) 977-2688

Direct: (816) 824-3980

Email: bbrettell@prosodyconsulting.com

Mr. Brettell is the Managing Partner of [The Prosody Group](#) and leads the firm's economic development and management consulting practices. Mr. Brettell's 20 years of project development, revitalization & resolution experience includes site selection & negotiation, government, debt & equity financing, due diligence, merger integration, human resources and compliance services for projects valued at over \$20 billion dollars.

Along with Prosody's project development experience on behalf of clients, Prosody recently divested an equity interest in a multi-state solar development entity, MAP Energy Solutions, LLC, for which it provided commercial origination, structuring and management services. Prosody has also utilized its own personnel, experience & capital to invest in & revitalize a registered securities broker-dealer, [Brooklight Place Securities, Inc.](#)

Prior to founding The Prosody Group, Mr. Brettell was a founder of Energy Asset Advisors (EAA) & Energy Asset Solutions (EAS) and held executive posts with Tyr Energy and Aquila. As a co-founder and Managing Director of EAA & EAS, Mr. Brettell was involved in the due diligence, financing and development of renewable energy and technology projects, as well as providing a variety of support services including investment banking, commercial origination, project management functions and decision support/option analysis for a diverse base of clients. As Senior Director with Tyr, Mr. Brettell was responsible for asset acquisition & merger integration, third-party crisis management and advisory services for renewable and conventional power generation facilities & companies, including investment banking & lender clients as well as private equity firms. During his tenure at Aquila, Mr. Brettell's leadership spanned strategy, competitive intelligence, business development, legal, regulatory and human resources for multiple wholly-owned subsidiaries

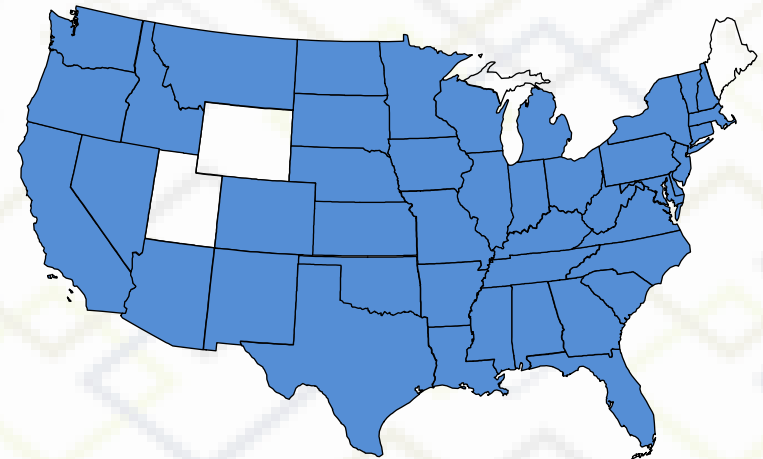
Mr. Brettell has also worked as an attorney in private practice handling business & litigation matters and holds Series 7, 24, 27, 52, 53 and 66 securities & life, health and variable contracts insurance licenses.

Mr. Brettell earned a Bachelor's degree in History from the University of Maryland, a joint Juris Doctor & Master of Business Administration (Finance) degree from the University of Kansas, and a Master of Laws (Tax) degree from the University of Missouri, Kansas City.

Prosody has provided government financing, incentives and grants advisory services for energy, agriculture and logistics projects with an estimated enterprise value in excess of \$12 billion dollars

- Prosody's economic development experience includes:
 - Federal, State & Local Infrastructure Incentive Programs (BUILD, TIGER, RAISE, INFRA, PIDP, FPEP, PDAP, EDP, etc.)
 - Property Tax Abatements / PILOT Programs
 - Sales & Use Tax Exemptions / Rebate Programs
 - Tax Credit Incentive Programs (Enterprise Zones, Renaissance Zones, High Quality Jobs, etc.)
 - Federal & State Work Opportunity Tax Credits (WOTC)
 - Federal & State New Markets Tax Credits (NMTC)
 - Municipal Infrastructure Grants & Development Programs
 - Industrial Development / Revenue Bonds (IDB / IRB)
 - Empowerment Zone & Renewal Community Employment Tax Credits (EZ & RC)
 - Tax Increment Financing (TIF)
 - Community Development Block Grants (CDBG)
 - Energy-Industry Tax Credits, Grants & Loan Guarantee Programs (Treas. 1603, 1705, 1703, IRC 45 & 48, USDA 9003, 9004, 9005 & 9007 and BCAP)
- Prosody also provides compliance solutions to assure continuing qualification for Clients' projects

**Public-Private Partnership & Economic
Development
Project Locations**



PUBLIC-PRIVATE PARTNERSHIPS (P3)



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- **Goals for Today:**

1. Educate Audience About
 - a. P3s – What, Who, How, etc.
 - b. Port Infrastructure Development Program Overview
 - c. Federal Program Requirements
 - d. Expectations (and Management Thereof)
2. Encourage Public Entities to Reach Out to Private Parties to Locate Potential Projects



- **What are they?**

- Any scenario where a public entity (port, city, county, etc.) supports (financially or otherwise [grant eligibility, permitting relief, etc.]) a private enterprise's development/upgrade/rehabilitation of an asset

- **Why use a P3?**

- Everybody wins!
 - Private party gets a valuable asset at reduced capex (think: 80% discount)
 - Public party gets a happy private partner, an asset that provides public benefit and on-going financial benefit to the public partner (negotiated)
- The Feds love them!

- **How are they formed?**

- **Most Common**

- Private party approaches public party to pursue mutually beneficial project

- **What We Want to Encourage**

- Public party approaches private party to pursue mutually beneficial project

- **Where Do You Start?**

- Need to programmatically/proactively reach out to **Top 25 Tenants, Employers, Taxpayers, Etc.**
- Inform/Educate
 - As partners with Corn Belt Ports, we can help you present relevant, timely, factual updates on programs & flesh out opportunities
 - Builds relationship/trust among private/public parties
- Solicit Interest (make sure you're talking about projects/needs/wants that are at least 2 years out!)

Port Infrastructure Development Program (PIDP)

- Best overall economic development program for inland river ports
- Highest success rate (26%) among Federal Programs
- Can include everything necessary to prop up a greenfield or rehab/expand an existing port
 - Buildings, equipment, roads, rail, etc.
 - Nothing in water (but see, MHP, Small Shipyard, etc.)
- Carveouts/set asides
 - **Small Port/Project**
 - \$11.25M or less from Feds
 - Less than 8M TPY from Port
 - Rural / Area of Persistent Poverty (APP) / Historically Disadvantaged Community (HDC) allow for lower non-federal match
- Expanded BIL funding coming to an end
 - Only 2 rounds left (2025 & 2026)
 - \$450M x 2, then back to \$225M

Port infrastructure Development Program Overview



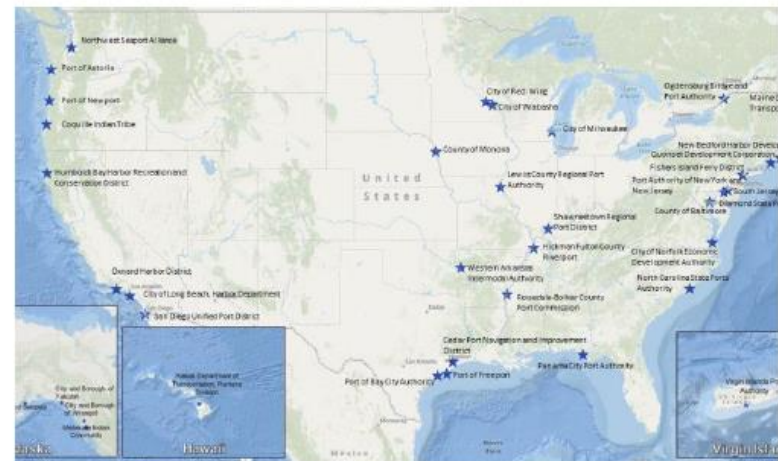
The [Port Infrastructure Development Program](#) (“PIDP”), managed by the Maritime Administration (MARAD), is a discretionary grant program designed to enhance the safety, efficiency, and reliability of U.S. port infrastructure. Grants are *competitively* awarded to projects that improve the movement of goods in and around ports, addressing the nation’s freight transportation needs while preparing for future growth in freight volumes. PIDP funding supports both planning and capital projects across urban and rural ports, with specific statutory provisions for small ports to expand their capacity and support local and regional economies. The Bipartisan Infrastructure Law (BIL) allocated \$2.25 billion for the PIDP over 5 years, with \$500 million per year available for fiscal years 2025 & 2026 through combined appropriations; after this, the Program returns to funding at \$225M per year. A map of awarded projects from the 2023 round is set out below at Figure 1.

The program also includes a notable carveout, the Small Port-Project (“SPP”) (with 2 prongs), relevant to the _____ project - the Small Port Carveout and the Small Project Carveout. The Small Port Carveout provides dedicated funding for ports handling less than 8 million tons of cargo annually, ensuring these smaller entities can access federal grants to enhance infrastructure, operational efficiency, and competitiveness. The Small Project Carveout focuses on funding smaller-scale (\$14M project, \$11.25M @ 80% match), but impactful projects that might not meet the financial thresholds of larger initiatives. This provision ensures that critical infrastructure improvements, safety upgrades, and operational enhancements can still receive federal support, thereby extending the benefits of the program to a broader range of ports and fostering economic growth at both local and national levels.

As your Project currently stands, our recommendation would be to pursue _____ as a primary development funding mechanism (bolstered by the _____ and _____ programs discussed elsewhere).

Attached are 2 examples – the first being an SPP project we won for a client in the 2023 Round, the other is an example of a large project we won for a client in the 2022 Round.

Figure 1 - Map of 2023 PIDP Awards



- **Federal programs i) occur only at specific times of year by issuance of a NOFO, ii) are highly competitive and iii) massively oversubscribed**
 - See “**Program Analytics**”
- **Threshold Requirements for Federal Programs (3)**
 1. An eligible entity (a non-federal governmental entity);
 - » Ports, Cities, Counties, MPO/RPO, etc.
 2. An eligible project (broad & pretty easily accomplished), and
 - » What problem is solved by its execution? (SER)
 - » Where is it located? (APP/HDC)
 3. A “non-federal” (state/local government or private party) match of at least 20%
 - » Exceptions include small port/projects, rural areas & others
- **Applications are a mix of art & science**
 - Because no single person reads the entirety of your application, you will repeat many arguments multiple times in different sections (it’s ok)
 - Whoever you use for your grant application should draft both the Narrative & the Benefit/Cost Analysis in house to avoid gaps between them
 - The narrative needs to support the math & vice versa

- **As the Public Partner, you will have to:**

- Manage the application, award, obligation and execution process
 - **Remember** – the public partner – YOU – are the applicant, not the private party (you drive the bus)
- Enter into a number of legal agreements with the feds & private party to hold yourselves harmless as the conduit
- Handle the back office for a successful grant – bidding, accounting, etc.
 - *NOTE: You can hire a 3rd party and pay for that out of the grant (remember to drop it in your Project budget & let the private partner know you'll need to be reimbursed for staff time, etc.)*

- **Three (3) questions to ask yourself:**

1. Do you have (or can you find) the expertise to understand & apply for the Programs?
 - It's a specialty, so be wary of folks that tell you "they can do it" with no record
 - The Department is especially leery of engineering firms doing this work and then bidding the engineering
2. Are you staffed to handle a P3 Project?
 - As the public entity, you're the conduit and will be required to handle bidding, accounting, disbursements, etc., as well as have a continuing relationship to the Program-funded improvements
3. Is P3 the right fit?
 - Do you & your partner have time to wait for the federal process to play out?
 - Can you get comfortable with the working relationship with each other?

- **Overview**

- Anyone who tells you this is “free money” or suggests that they can guarantee a win is wrong
- Federal programs reimburse, so the private party will be fronting the capex and be reimbursed, something they’ll need to understand at the outset
- The Public Partner is in charge from Application to Project Completion
 - Afterwards there will be a residual relationship of some kind (negotiated between the parties)

- **Significant process & timeline expansion as compared to private-only execution**

- *Buy America Provisions (BABA)*
 - Very hard to comply and can be literally impossible to meet (cranes)
 - Feds have been resistant to blanket exceptions even where folks like the AAPA have weighed in on equipment issues (EPA exception)
 - Latest update is that there will be no blanket and virtually no individual waivers granted
- *National Environment Policy Act (NEPA)*
 - Full blown NEPAs are rare given 95% of projects fit within a categorical exclusion, but you may want to plan to have to do it anyway for timing purposes (9-15 months!)
- *Bidding*
 - Executed by the public partner on private parties’ behalf; can be uncomfortable for both



- **Become/Stay Aware of Funding Opportunities**
 - State/Regional/Local EDAs, Grants.gov, CBP & Related, State Departments of Transportation, etc.
- **Have a Great Project**
 - Provide broad-based, outsized benefits to stakeholders
 - Economic, Environmental, Social, etc.
 - Demonstrate engagement with people & processes beyond your own boundaries
 - Port Master Plan, STIP, etc.
 - Community (writ large) support/visibility - residents, agencies, businesses, politicians, etc.
 - Have bulletproof data/studies/etc.
- **Choose the Right Approach**
 - Public-private partnerships (P3s) are viewed favorably by USDOT for their ability to better leverage federal \$\$\$s and deliver a solid economic benefit to the area
 - Document Participant relationship by MOU, LOI, etc. for submission with your application
- **Apply & Cross Your Fingers, But Also Be Ready to Reapply**
 - You've got to be in it to win it & most grant recipients apply more than once
- **Work the Refs After Submission**
 - If possible, use earned/placed media as “air cover” for interested parties
 - If possible, lobby your federal legislators (esp. Appropriators) & USDOT staff **in person**

- Bridging the Information Gap**

- As more data became available for BIL-funded rounds, we noticed a gap in publicly available analysis ... so we started filling that
- Current analytic products include PIDP and RAISE as these are the 2 most popular programs for our clients
- You can find the raw data analysis and the commentary we provided clients & colleagues here:

https://drive.google.com/drive/folders/1w1tLMg9HJWucz83vEDPAoLMj6xZ/Wlxlj?usp=drive_link

FUNDING - COST - AWARD OVERVIEW						
Years	All Projects			Awarded Projects		
	Program Funds Available	Requested Funding	Oversubscription	Funding Request	Project Cost	Award Amount
2023	\$653,145,398	\$2,813,990,547	431%	\$653,345,402	\$1,481,286,501	\$653,145,398
2022	\$703,123,800	\$2,801,824,235	398%	\$778,319,480	\$1,553,145,228	\$703,123,800
2021	\$361,473,244	\$1,298,496,719	358%	\$248,668,461	\$802,172,420	\$361,473,244
2020	\$221,087,194	\$968,409,698	438%	\$250,714,064	\$450,686,064	\$221,087,194
2019	\$287,303,341	\$1,198,562,475	417%	\$314,363,341	\$711,850,081	\$287,303,341
Average		444%				

APPS, AWARDS, SUCCESS RATIO & AWARD TRENDS				
Years	Apps	Awards	Award Success Ratio	# of Awards Trend
2023	153	41	26.80%	0.00%
2022	141	41	29.08%	64.00%
2021	107	25	23.36%	38.89%
2020	63	18	28.57%	20.00%
2019	62	15	24.19%	N/A
TOTAL	526	140		
AVG			26.40%	N/A

AVERAGES & RATIOS				
Funding Request (\$AVG)	Project Cost (\$AVG)	Awarded Amount (\$AVG)	Request:Cost Ratio (AVG)	Award:Request Ratio (AVG)
\$18,392,095	\$35,804,127	\$15,930,376	51.37%	86.62%

APPLICATIONS			
State	Applications	Awards	Success Ratio
AK	28	7	25%
AL	4	0	0%
AR	3	0	0%
AS	1	0	0%
CA	13	4	31%
CT	1	1	100%
DE	1	1	100%
FL	7	1	14%
GA	1	0	0%
GU	1	0	0%
HI	1	1	100%
IA	1	1	100%
IL	6	1	17%
IN	1	0	0%
KY	3	1	33%
LA	10	0	0%
MA	8	1	13%
MD	3	1	33%
ME	1	1	100%
MI	2	0	0%
MN	4	2	50%
MO	2	1	50%
MP	1	0	0%
MS	3	1	33%
NC	1	1	100%
NH	1	0	0%
NI	2	2	100%
NY	3	1	33%
OH	4	0	0%
OK	1	0	0%
OR	5	3	60%
PA	2	0	0%
PR	1	0	0%
RI	2	1	50%
TN	1	0	0%
TX	10	3	30%
VA	2	1	50%
VI	1	1	100%
WA	7	1	14%
WI	2	1	50%
WV	2	0	0%

TOP 10 AWARDED STATES (2023)		
State	Awards (\$)	Awards:Total Awards (%)
CA	\$74,556,317	11.41%
AK	\$72,227,838	11.06%
WA	\$54,233,330	8.30%
NI	\$52,494,025	8.04%
DE	\$50,000,000	7.66%
MD	\$47,392,500	7.26%
VI	\$39,265,000	6.01%
TX	\$36,774,756	5.63%
OR	\$36,489,508	5.59%
MA	\$24,404,000	3.74%
TOTAL	\$487,837,274	74.89%

Project Types		
Type	Awarded	Percentage
Construction	37	90.24%
Planning	4	9.76%

Inland Ports			
Awarded Projects	% of Total Awarded Projects	Awarded Dollars	% of Total Awarded Dollars
8	19.51%	\$63,143,318	9.67%

Energy-Related Projects			
Awarded Projects	% of Total Awarded Projects	Awarded Dollars	% of Total Awarded Dollars
3	7.32%	\$90,286,525	13.82%

P3 CASE STUDIES



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Client / Project Overview

- Retained by agricultural coop seeking additional source of low-cost capital for the development of its first-of-a-kind Missouri River (Iowa) port facility
- Project consisted of ~\$12M in development cost, creating jobs and additional markets each in rural areas, as well as adding efficiencies (and patronage) for its farmer-owners.

Services Overview

- Reviewed multiple federal and state incentive programs for fit & funding
 - Identified 1 strong opportunity to access Federal conduit incentive program (US DOT MARAD Port Infrastructure Development Program grant)
- Led expedited program execution on behalf of client with coordination of County personnel
- Documented benefit-cost analysis showing in excess of 7x project benefit (2.5x times the maximum impact sought by MARAD under program rules)



NEW Cooperative, Inc.

For single-site project development valued at over

\$12,000,000

October 2023

Results

Obtained **\$10.25M** (80%) reimbursement commitment for identified project from USDOT MARAD PIDP program



Client / Project Overview

- Retained by agricultural coop seeking additional source of low-cost capital for the development of its Washington state port facility
- Project consisted of ~\$450M in development cost, creating dozens jobs and additional markets each in rural areas, as well as adding efficiencies (and patronage) for its farmer-owners.

Services Overview

- Reviewed multiple federal and state incentive programs for fit & funding
 - Identified 2 strong opportunities to access Federal conduit incentive programs (US DOT RAISE & MARAD Port Infrastructure Development Program grant)
- Served as client Program advisor for pursuit of PIDP grant
- Assisted in the coordination of port personnel & activities
- Provided client feedback on Port's benefit-cost analysis



AG Processing, Inc.

For single-site project development valued at over
\$450,000,000

May 2022

Results

Obtained **\$25.5M** reimbursement commitment for identified project from USDOT MARAD PIDP program



Client / Project Overview

- Retained by international commodities trading firm seeking additional source of low-cost capital for the development of its Texas Gulf port facility
- Project consisted of ~\$20M in development cost, creating a dozen jobs and additional crop markets each in rural areas

Services Overview

- Reviewed multiple federal and state incentive programs for fit & funding
 - Identified 1 strong opportunity to access Federal conduit incentive program (US DOT MARAD Port Infrastructure Development Program grant)
- Led expedited program execution on behalf of client with coordination of port personnel
- Documented benefit-cost analysis showing in excess of 12x project benefit (4 times the maximum impact sought by MARAD under program rules)



West Plains, LLC

For single-site project development valued at over

\$20,000,000

May 2020

Results

Obtained **\$17M** (80%) reimbursement commitment for identified project from USDOT MARAD PIDP program.

CONTACT INFORMATION



Prosody Group, LLC
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Charles R. “Bob” Brettell

Prosody Group, LLC
435 Nichols Rd., Ste. 200
Kansas City, MO 64112

Cell: (816) 824-3980

Email: bbrettell@prosodyconsulting.com