

# The Sustainable Working Waterfronts Toolkit

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## *Financial Tools for Working Waterfronts*

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# **FINANCIAL TOOLS FOR WORKING WATERFRONTS**

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# I. Financial Tools for Working Waterfronts

## A. Financing Overview

Across the nation there are financing tools in play that have a proven track record in addressing working waterfront and waterway issues, and some that could be used for that purpose, but haven't been to date. The Financing section is meant to be a central inventory of summarized information about these tools, with links to learn more about each program or benefit.

## B. Resource Categories

The information was collected and grouped into the following categories:

1. State Resources
2. Federal Resources
3. Trade Associations
4. Foundations.

State Resources include working waterfront funding mechanisms for 30 coastal states (including Great Lakes states) and are searchable by state name. Federal Resources are a compilation of Federal programs and independent sources with national scope that qualify to be used on working waterfront and waterway issues. Trade Associations is a list of organizations (many that work across state lines) that represent members and interests aligned with working waterfront and waterway issues. Lastly is a listing of private Foundations (philanthropic) that have either funded working waterfront and waterway projects or have focused on aspects of coastal communities' economies.

## C. Finance Tools

In addition to the different sources of support (State, Federal, Trade Associations and Foundations) we have identified different tools to address the issues facing our working waterfronts. These include:

1. **Grants** – an award of financial assistance that does not need to be repaid, the principal purpose of which is to transfer a thing of value from one party to a recipient to carry out a specific purpose.
2. **Loans** – a sum of money lent at interest with the expectation it will be repaid.
3. **Loan Guarantees** – a promise made by a person or entity to repay a debt if the borrower (debtor) should default on the loan.

4. **Dedicated Revenue** – revenue set aside by law for a particular purpose or entity.
5. **Tax Incentives** – a governmental enticement, through a tax benefit, to engage in a particular activity, such as the purchase of a home or the contribution of money or property to a qualified charity.

Technical/Planning Assistance and links to additional Information Repositories are available to help interested parties gain access to more resources.

## **II. Methods of study**

### **A. Internet Searches**

Information was compiled primarily by using Google internet searches, using key terms and phrases. Commonly used terms and phrases included:

- Working Waterfront Programs
- Working Waterfront Loan fund
- Financing Tools
- Grants
- Grant and Loan Guide
- Coastal Program
- Department of Conservation
- Department of Marine Resources
- Division of Marine Fisheries
- Tax Incentives
- Loan Programs
- Loan Guarantee Programs
- Dedicated Revenue
- Subsidies
- Information Repositories

- Preservation Programs
- Technical Assistance.

### **B. Reports, Studies and Local Experts**

Many reports and studies were reviewed and analyzed nationwide to hone in on funding sources for working waterfront and waterway projects. After the information was compiled in draft form, local experts (both state and federal) whose work centers on working waterfront and waterway issues were contacted (via email and phone) to provide opinions of the inclusiveness and factual accuracy of the material. Despite these precautions, the authors admit that the findings may have some incompleteness or inconsistencies that their work did not reveal. *A list of professionals consulted during the research process appears at the end of this report.*

## **III. Analysis & Summary of Financial Tools Key Findings**

### **A. Overall Trends in Working Waterfront Initiative Funding Sources**

Many states have created special programs to preserve working waterfront access. Our research revealed 526 separate entries in a database. In fact, 60% of the resources identified are state resources, 15% Federal, 10% Trade Associations, 8% Economic Development Entities and 6% Foundations.

### **B. Sources of funding**

In the funding sources identified: 9% comes in the form of Dedicated Revenue, 29% in the form of loans and 62% are grants available to working waterfront industry.

There are 18 states (a little more than half of the 30 states researched) that have Dedicated Revenue in the form of **bond funds** that can be applied towards economic development projects along the waterfront.

A total of 131 State and 23 Federal **grant programs** were identified that could support working waterfront projects. Although there are more state-initiated programs, our research did not explore actual funding investment when comparing state and federal programs.

A total of 77 **loan funds** were identified, 43 of which are administered by individual states, 18 by the Federal Government and 16 by private Economic Development Entities.

Also worth noting are a number of **Tax Incentive programs** that businesses can apply for to support working waterfront activities. Most are provided through a particular state; however, there are also a few Federal Tax incentives.

On a non-monetary side of working waterfront investment, there are a number of **Technical and Planning Assistance programs** in place that can assist working waterfront businesses,

communities and projects. More than half (25) of the 49 programs identified are state programs. There are also 17 Technical and Planning Assistance programs provided by the Federal Government.

### C. Program Emphasis

There is a hierarchy or prevalence of program types which the investigators found in the combined state and federal listings, as well as the numbers of coastal states which offer these programs. This hierarchy is presented in the following matrix:

State & Federal Agencies	Total # of Entries (422)	Total # of States Researched (30)	Does the Federal Government have these types of programs?
Program Resource	# Entries	# States	# Federal
Grants	161	29	yes
Loans	79	21	yes
Technical Planning Assistance	49	14	yes
Economic Development Entity	44	30	yes
Repository	43	13	yes
Dedicated Revenue	22	13	yes
Tax Incentives	22	11	yes
Land Conservation	1	1	no
Vessel Buy-back	1	0	yes

Both federal agencies and the state programs emphasize Grant and Loan programs, followed by a distant secondary group of Technical Planning Assistance, Economic Development, and Information Repositories. The single skew to this hierarchy is found in the unanimous offering of Economic Development Programs accessible by and relevant to the Working Waterfront. Programs involving Dedicated Revenues and Tax Incentives fall a distant third in prevalence, probably because of their impact on state and federal budgets and the requirement that Legislatures must ultimately provide the leadership for these kinds of programs.

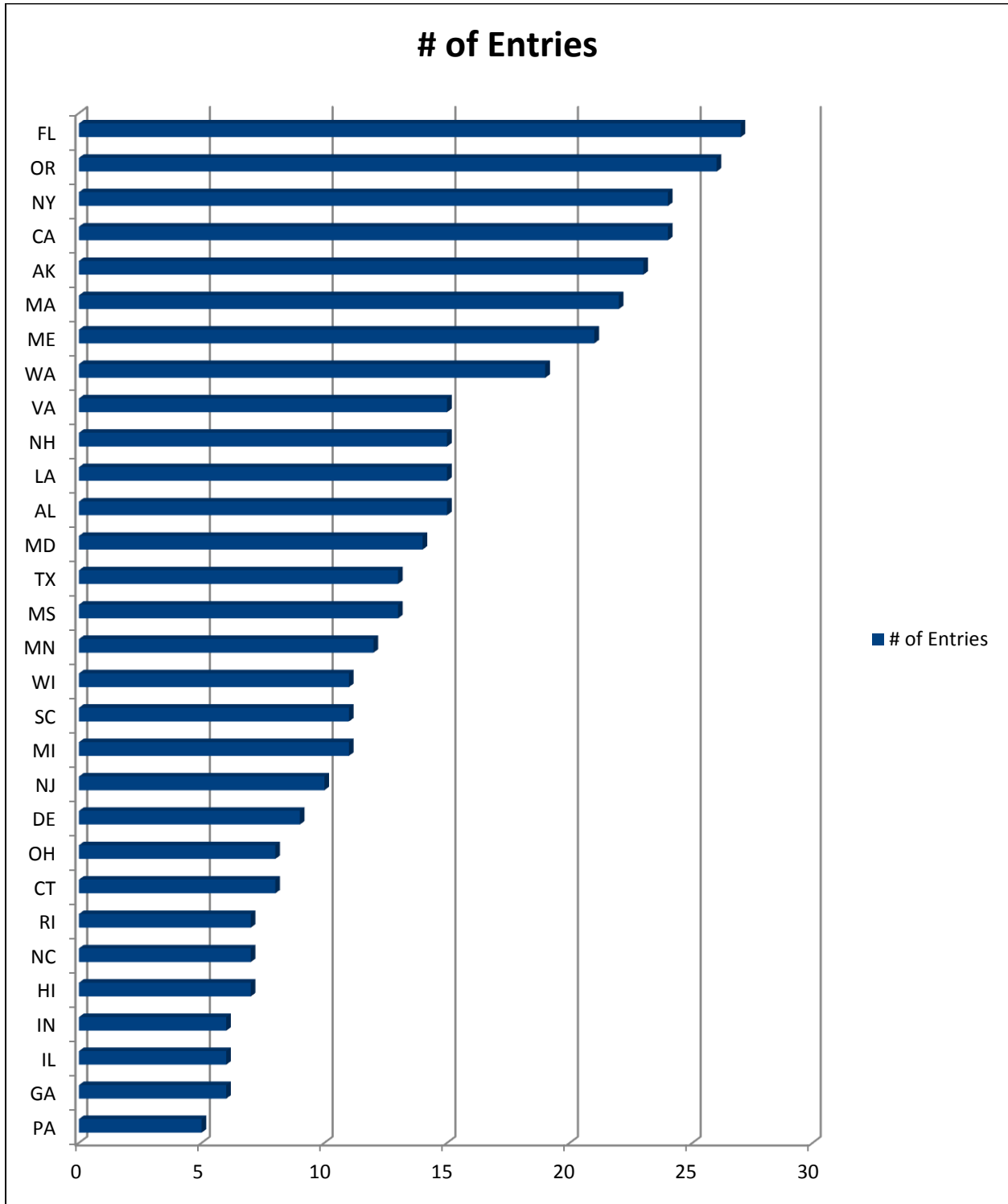
### D. Programs that are lacking

There are very few Federal programs, Economic Development Entities, Philanthropic Foundations or Trade Associations that have grants available specifically for working waterfront related projects. The accessibility of federal programs that do exist is often not directly intended to target working waterfront infrastructure. Many of the programs include working waterfronts as

an allowable way to spend funds. That helps solve some challenges facing working waterfronts, although the programs do not address the drivers of trends or change that threaten working waterfronts. The philanthropic community could be a little more direct in their approach to supporting working waterfront related projects. When one considers that there are 1.1 million non-profits in United States, perhaps between 5 - 10 percent are charitable, with grant making programs. Of these tens of thousands of grant making non-profits, we have identified only 24 who have stated objectives in assisting working waterfront themes. Our research identifies a few foundations that support a wide range of initiatives that include commercial fishing activities, marine research, natural resource conservation, energy efficiencies, community economic development, environmental health and regional food systems. Obviously, there is much capacity to gain philanthropic support among the vastly untapped philanthropies. The working waterfront community needs to be proactive in seeking creative ways to gain philanthropic support that align with the general themes.

We list 52 different Trade Associations that represent working waterfront related businesses and issues nationwide. In general these associations are membership-based affiliations that advocate on behalf of industry and are not direct funding sources for working waterfront projects. However, they collectively count on millions of members and have considerable influence on legislation and regulation at state and federal levels. By forming alliances of mutual interest with trade associations, a National Working Waterfront Network could gain considerable influence for its mission-related objectives within statehouses and the halls of Congress.

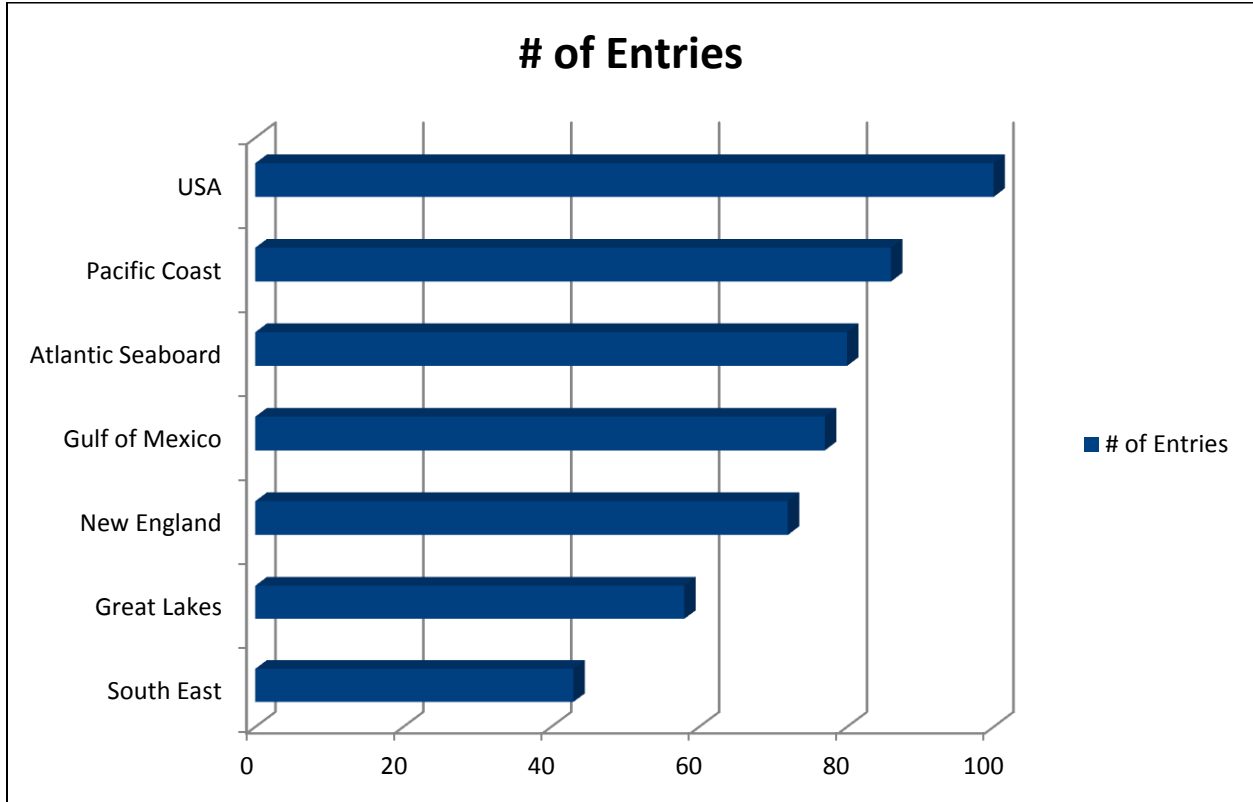
**Figure 1.** Distribution of Financial Resources by State



The graph in Figure 1 shows how 30 states compare on the number of entries in the database as a reflection of support for working waterfront initiatives.



**Figure 2.** Distribution of Financial Resources by Region



The graph in Figure 2 shows the number of entries (by region) in the database as a reflection of support for working waterfront initiatives. USA indicates resources that are available to all coastal states. Some regions of the country have more tools available to them and this is likely a direct correlation to the length of coastline, the scale of the local economy dependent on the working waterfront, varying degrees of development pressures and real estate trends and local efforts to preserve and protect the land/water interface.

## IV. Credits

### E. Professionals Consulted

We would like to thank the professionals who were consulted during the research phase:

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The *Sustainable Working Waterfronts Toolkit* is available at:

<http://www.WaterAccessUS.com>

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