

Maricopa Association of Governments

What is Goods Movement and the Economic Benefits of Freight

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Agenda

- Freight Framework Study
 - Scope
 - Stakeholder Involvement
- Freight Issues
 - Commodity Flows
 - Mega-regions
 - Policy & Regulatory
 - Coalitions
- Inland Ports

Freight Framework Study

- Goal: Identify and develop freight related economic development opportunities
- Objectives:
 - Increase mobility and freight access
 - Identify freight commodity profile
 - Identify border crossing opportunities
 - Identify Inland Port opportunities
 - Identify funding options and sources
 - Identify freight infrastructure improvements

Freight Framework Analysis Tasks and Work Elements

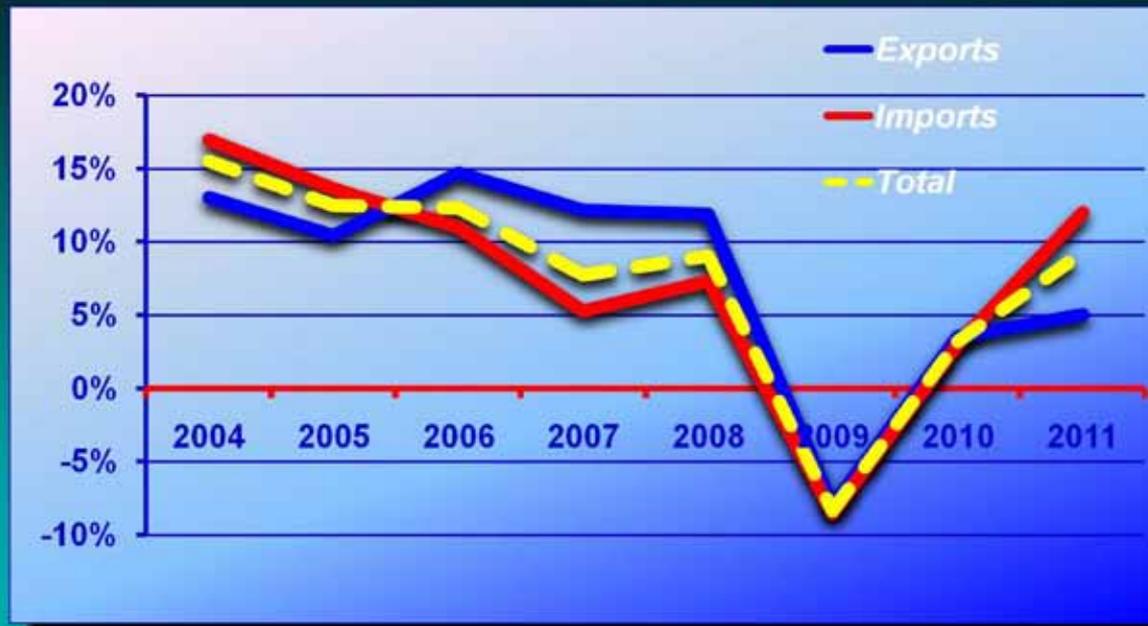
- Commodity flow analysis
 - Cargo and trade forecasts
 - PB's MARAD Study
- National and regional freight profile
 - Shipper perspectives
 - Carrier perspectives
- Policy and regulatory issues

Let's Talk Freight

- Commodity Flows
- Mega-regions
- Policy & Regulatory
- Coalitions
- Inland Ports

Trade Forecasts

Total US Trade - 2011 Forecast Annual Rate of Change

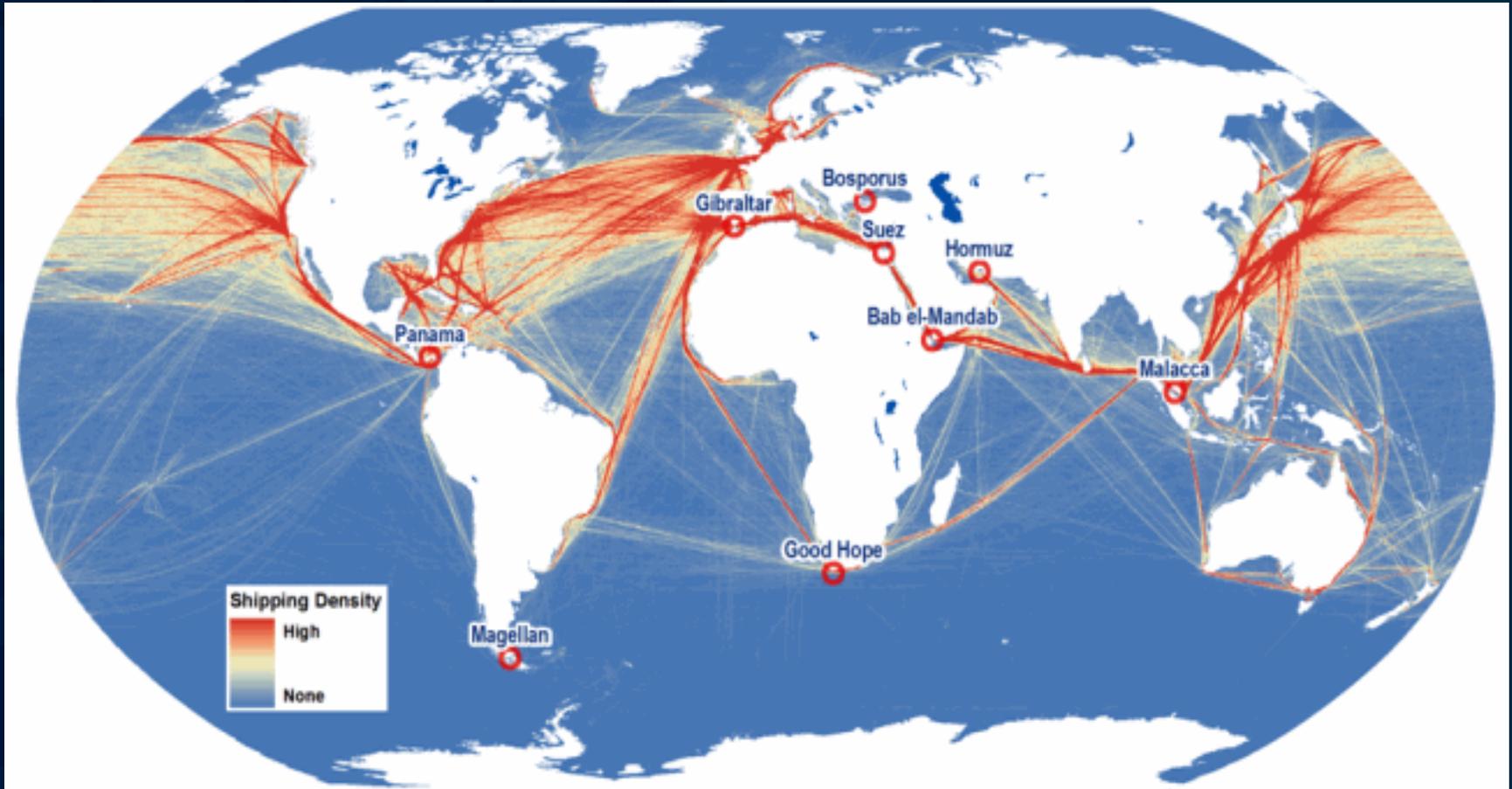


Source: US Census, Scotiabank, TD Economics, RBC, E-economics

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Source: Coalition for America's Gateways and Trade Corridors

Commodity Flows



North American Gateways

Current North American Trade Corridors, Gateways and Inland Freight Clusters



Source: The Geography of Transport Systems 2nd Edition
Jean-Paul Rodrigue, Claude Comtois and Brian Slack (2009)

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Source: Coalition for America's Gateways and Trade Corridors

Changing Transportation Networks

Panama Canal Expansion 2014



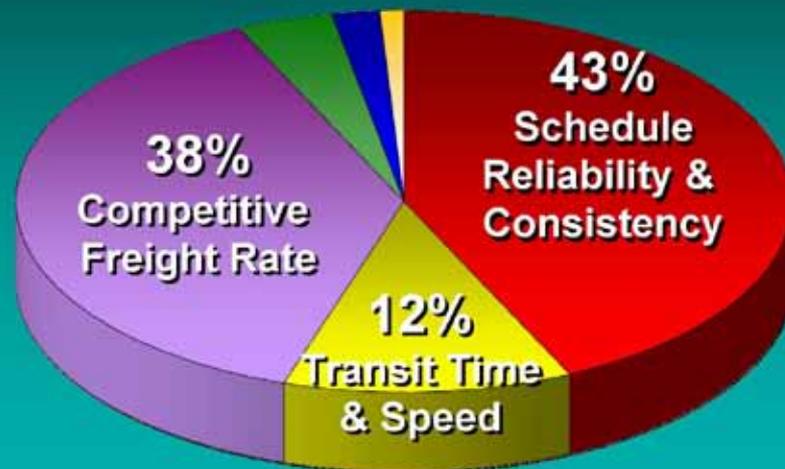
Changing Networks

Effect of Transshipment



Shippers Perspective

Poll of the Top 1000 “Blue Chip” Multinational Shipper Priorities



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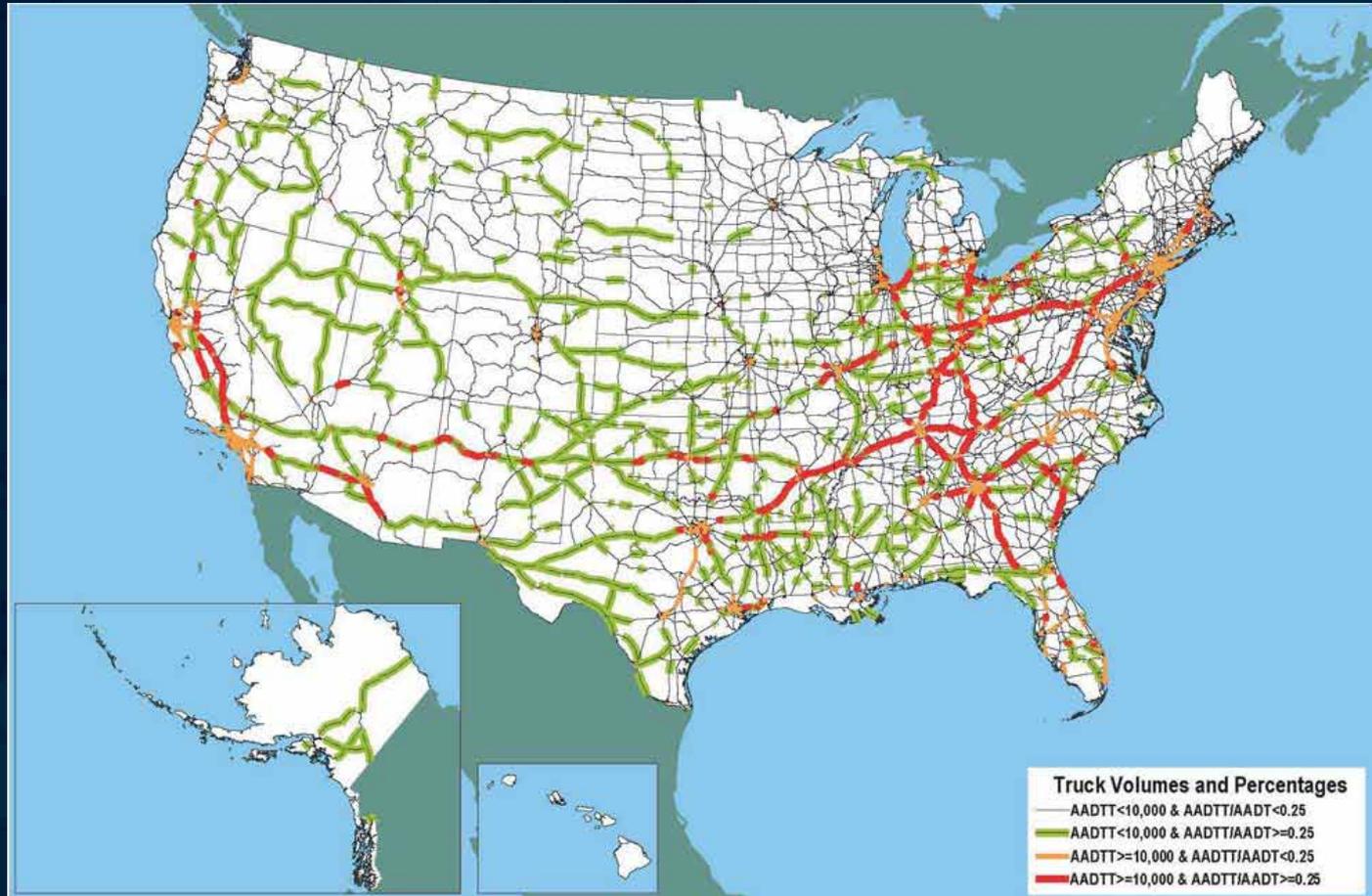
Source: Coalition for America's Gateways and Trade Corridors

From a Carrier's Perspective

- What does a Carrier look for in a supply chain?
 - Reliability
 - Efficiency of costs
 - Density and balanced cargo flow
 - Redundancy and contingency
 - Social responsibility



Trucking

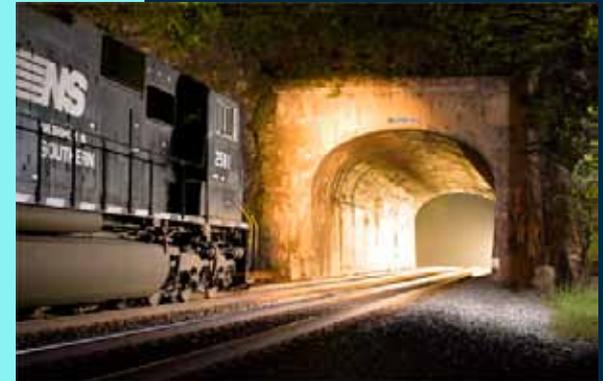
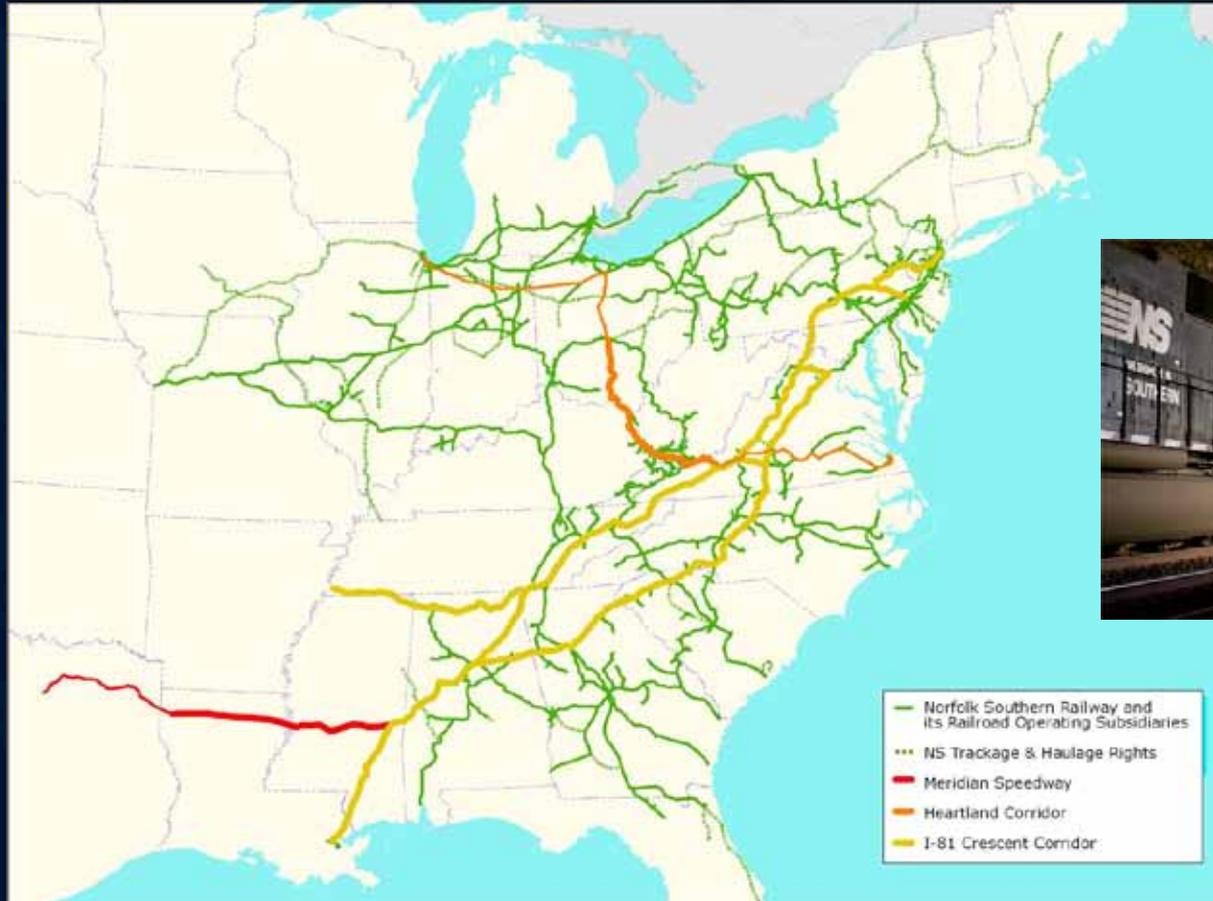


Rail Networks



Changing Transportation

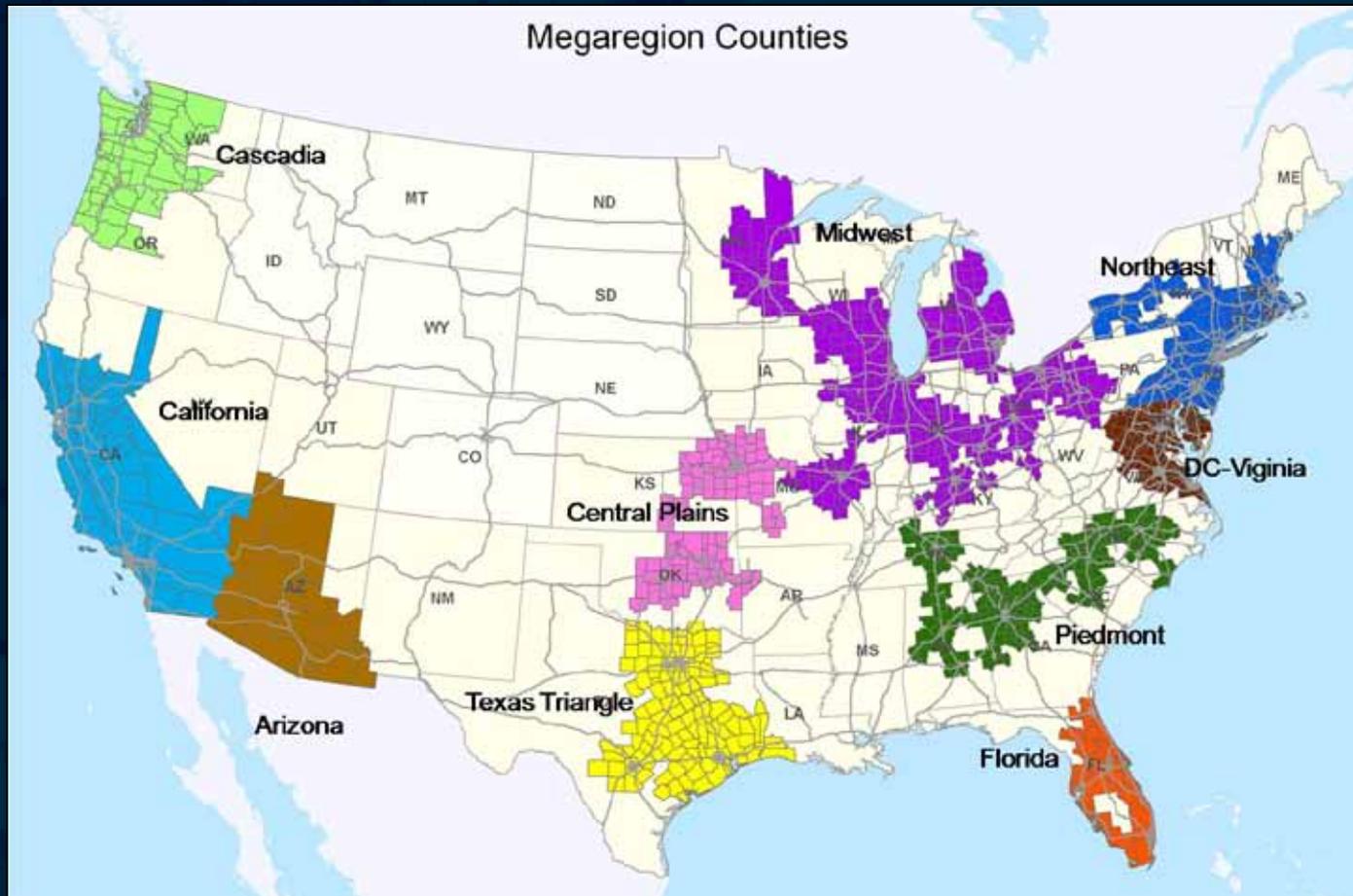
Key Rail Corridors



Public Policy

- Sustainable Development
- Transportation Policy
- Security / Safety (Hours of service)
- Land Use
- Environmental
- Energy and Climate Change
- Infrastructure Operations and Maintenance
- Infrastructure Investment
- Infrastructure Finance
- Trade and Economic Regulation

The MPO Perspective: Mega-Regions



Mega-Regions Freight Impacts

- 66% US International trade is concentrated in mega-regions
- 77 % of Domestic trade moved by truck into, out of mega-regions
- Within mega-regions heavier freight traffic on highways
 - 60% by Truck
 - 4-5 % by rail
 - 13 % of rail usage in non mega-region areas

Mega-region Impacts

- International trade will increase in mega-regions by 2035
 - 134% increase in export goods;
 - 85% in Mega-regions
 - 124% increase in import goods by 124 percent,
 - 76% in Mega-regions

Canada's Asia Pacific Gateway Strategy is Model

- Canada's National Strategy for Goods Movement tied to Asia
- “a framework for policies, investments and initiatives that seek to make Canada the most competitive exit and entry point in North America”
- Identical strategy for Europe-North American gateway
- It's working

FHWA Designated Major Corridor Freight Coalitions

Domestic

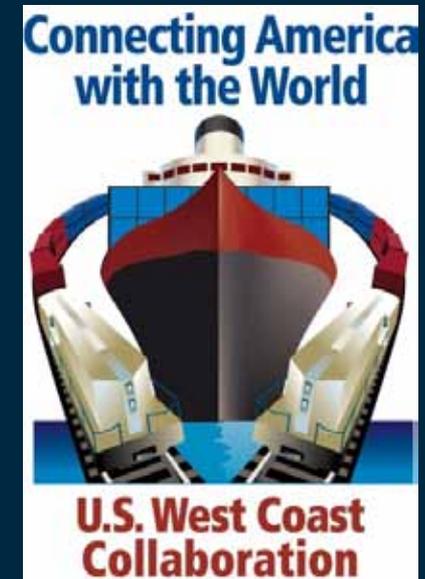
- Alameda Corridor Transportation Authority
- Central Corridors Freight Committee
- Continental One Trade Corridor
- Eastern Border Transportation Coalition
- **Fast Corridor**
- I-5 Golden State Gateway Coalition
- I-10
- I-69 Mid-Continent Highway Coalition
- I-70 Coalition
- I-80 Coalition
- **I-95 Corridor Coalition**
- Lake Michigan Interstate Gateway Alliance (formerly Gary-Chicago-Milwaukee Corridor)
- **Mid-America Freight Coalition (MAFC)**
- Ports-to-Plains Trade Corridor
- River of Trade Corridor Coalition
- Southwest Rail Corridor Coalition
- **West Coast Corridor Coalition**

International

- Border Trade Alliance
- Can/Am Border Trade Alliance
- **Canamex**
- Central North American Trade Corridor
- North America's Super Corridor Coalition, Inc

Other Freight Coalitions

- US West Coast Collaboration
- CREATE
- Coalition for America's Gateways and Trade Corridors



Inland Ports

- All about leveraging supply chains
- Convergence of several modes and distribution channels
- Major components
 - Trucking
 - Intermodal rail
 - Air cargo (or at least parcel service connections)
 - Logistics and distribution facilities
 - Economic Development/ Employment Multipliers
 - Peripheral investment

National Inland Ports of Significance

- Alliance, TX
- Joliet, IL & Rochelle, IL
- Winterhaven, FL
- Columbus, OH
- Kansas City SmartPort
- Tejon Ranch (CA)
- Quincy (WA)
- Southern California's Inland Empire

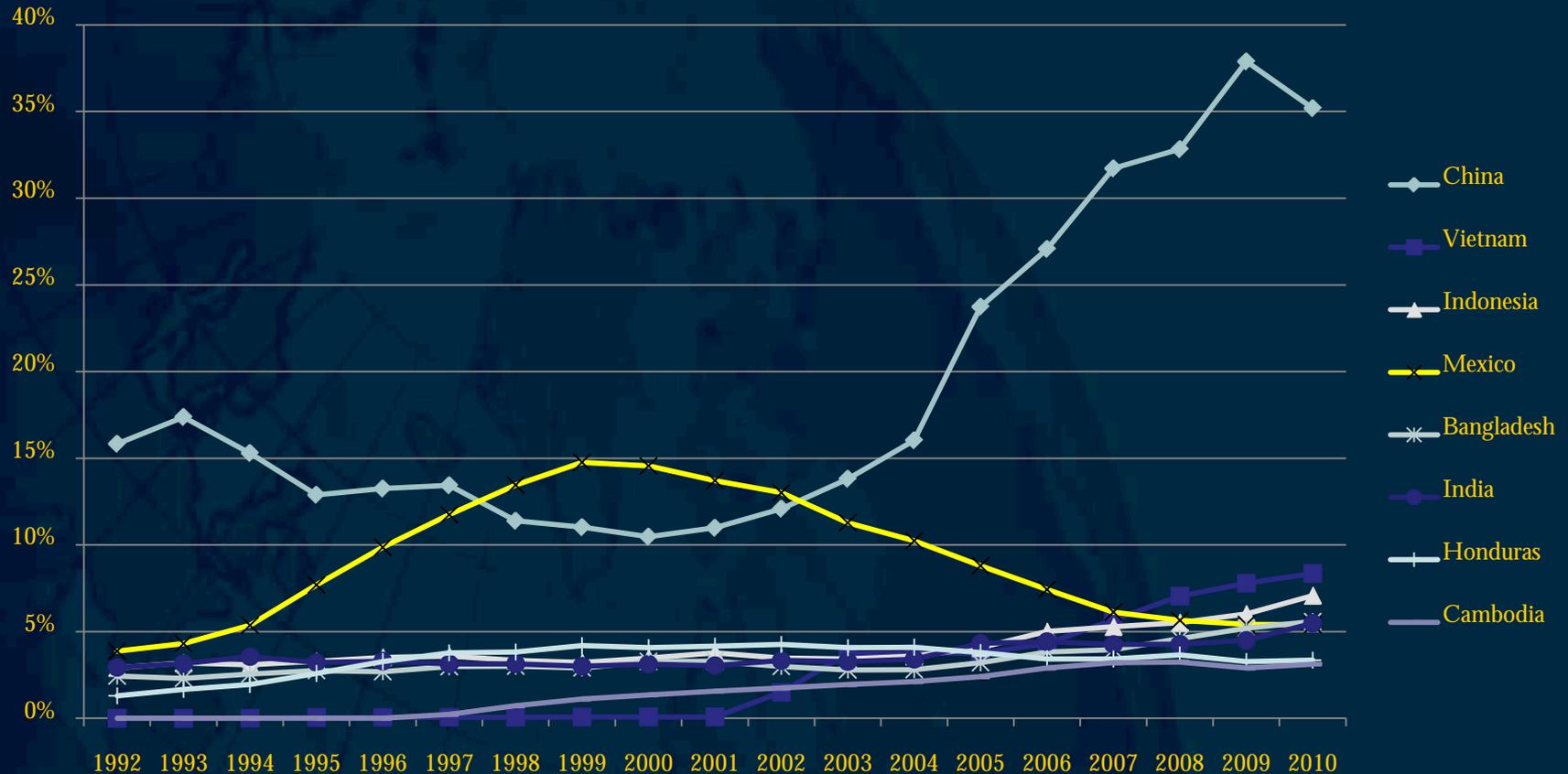
The Effect of an Inland Port

No such thing as acting locally

- Apparel
- Footwear
- Toys
- Electronics
- Frozen fish fillets

Effect of an Inland Port

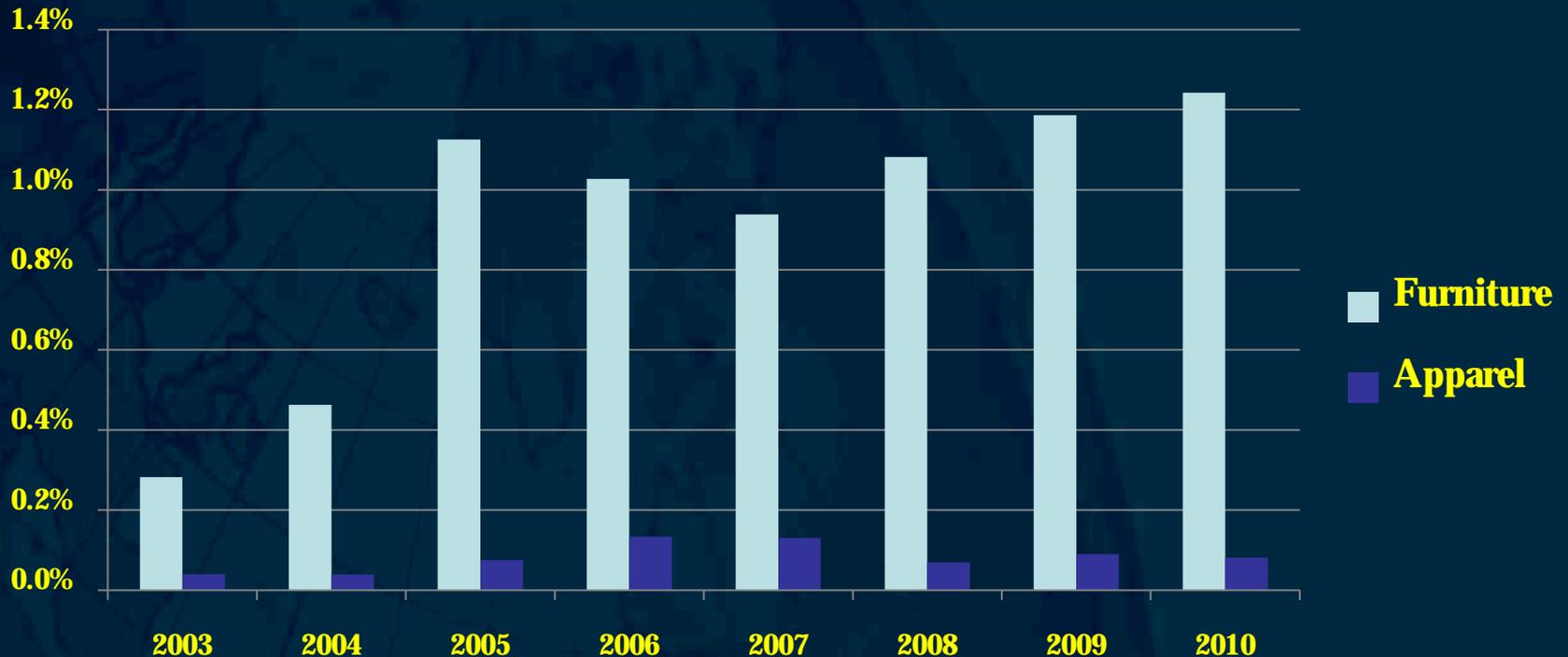
US Apparel Import Value- Market Share



The Effect of an Inland Port

The “Big Shipper” Effect

Houston Share of US Imports from Northeast Asia Container Value



Inland Empire of Southern California



California's Golden Triangle

The **Highland Fairview Corporate Park** places you at the center of America's largest distribution and manufacturing hub.

Project Highlights



Largest planned Logistics park in the United States' number one logistics market

The only Southern California location capable of accommodating the next generation of super-sized and efficient buildings

Development will contain over 30 million Square Feet of facilities

Site is served by the largest United States port operations | LA \ Long Beach Ports |

Site is within an hour's drive of every Southern California Market

Site is within the overnight trucking distance to the 11 Western States

Site is located at the center of the "Golden Triangle" - The U.S. Largest distribution and Manufacturing Hub

30 million square feet of Solar Energy production possibilities

Restricted Market - Site is the last large size property for Industrial development left in Southern California

Unique branding - Site will contain the largest LEED certified logistics building in the U.S.

Prototypical Building Features

- Building Area: 1,820,457 sq. ft.
- Building Length: 2,850 lf.
- Building Width: 650 lf.
- Building Height: 45 ft. to 49 ft.
- Office Area: 52,867 sq. ft. *
- Warehouse Area: 1,757,755 sq. ft.
- Retail Area: 9,835 sq. ft. *
- Interior Clear Height: 42 ft. minimum

Skechers building Architectural Enhancements



* Architectural Enhancement

Morongo Intermodal Center



Sustainable Development is Key



Every Building is LEED Certified



Framework Study Considerations

- Freight is significant driver in regional, state and national economy
- Manufacture's and shippers are changing their sourcing criterion
- Supply chains are dynamic
- Greening of the supply chain is paramount
- Direct economic and operational benefits to the shipper must be realized
- Implications of a national freight policy
- **Identify and capitalize on the unique strengths of the Sun Corridor**

Thank You!!!

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