

FREIGHT TRANSPORTATION FRAMEWORK STUDY

Examining Freight and Multimodal
Opportunities in the Sun Corridor

Management Committee
January 16, 2013

JOINT PLANNING ADVISORY COUNCIL

A Planning Partnership for the Arizona Sun Corridor

Today's Presentation

Overview

Part 1: Framework Findings

Global Supply Chain with the Sun Corridor

Part 2: Sun Corridor Supply Chain

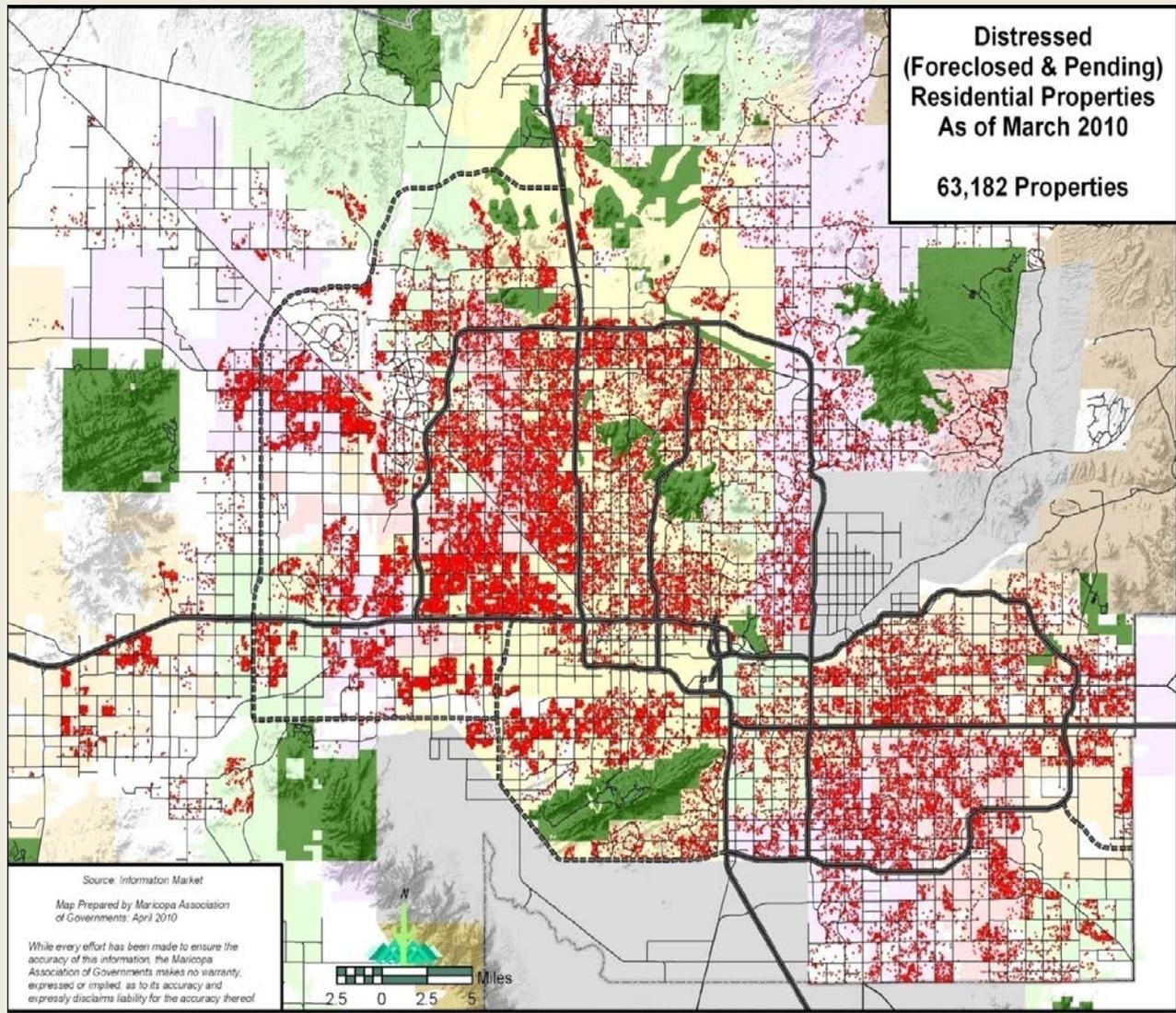
Opportunities

Part 3: Five-Point Plan

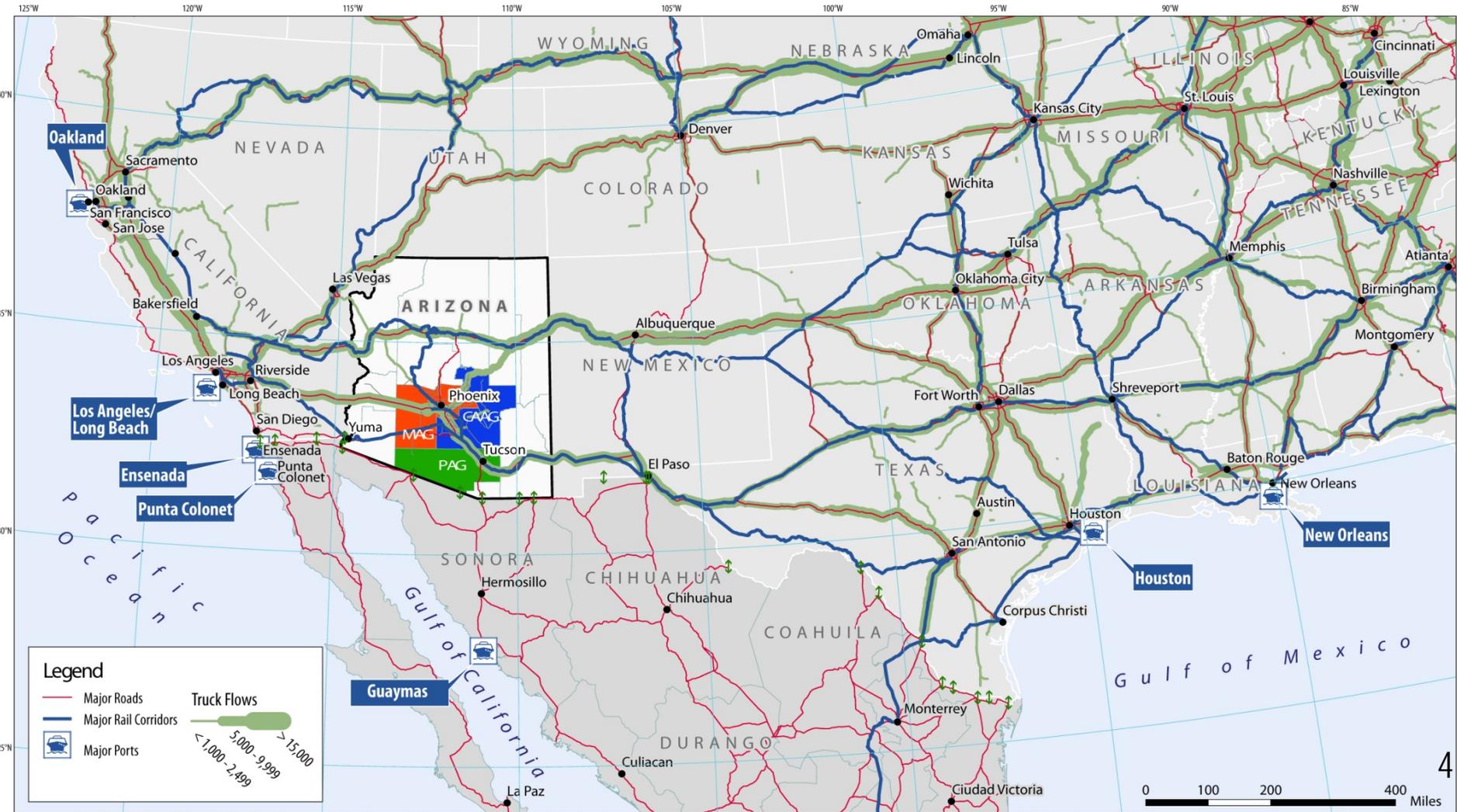
Realizing the Freight Framework

Background

Distressed
Residential
Properties:
March 2010

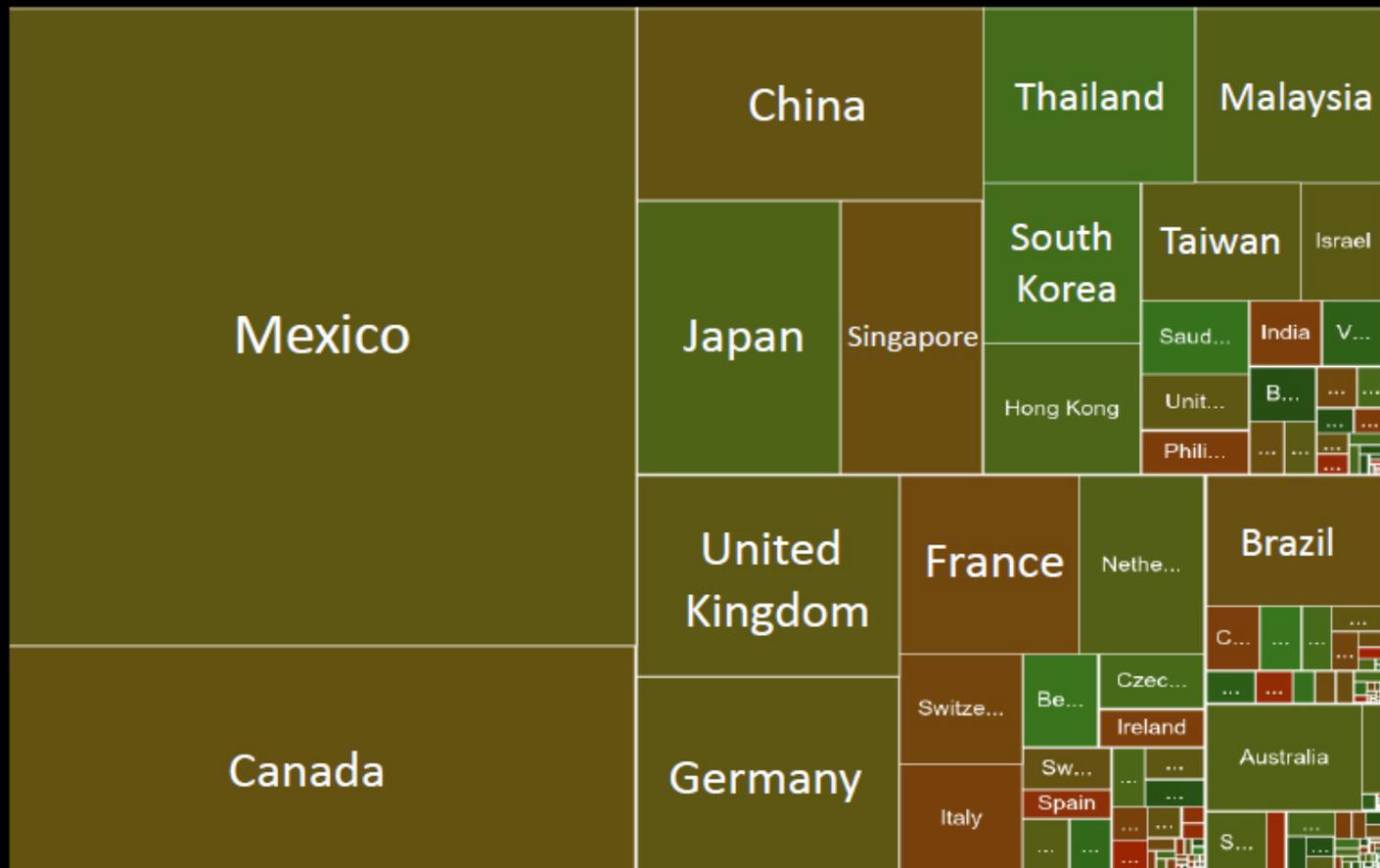


Background



Background

Composition of Arizona Exports



Source: Arizona State University

Color represents percentage change between 2009-11

Study Goal

Identify and develop
freight related economic
development opportunities



An aerial photograph showing a city built on a hillside in the upper left, with a large, flat, brownish area in the center, possibly a construction site or a large open lot. In the lower left, there are several large industrial buildings and a parking lot filled with cars. The right side of the image is a dark, semi-transparent overlay containing text.

Regional Objectives

Capitalize on **strategic position** relative to goods movement.

Identify **added value** for supply chain.

Diversify **regional economic** base.

Create jobs.

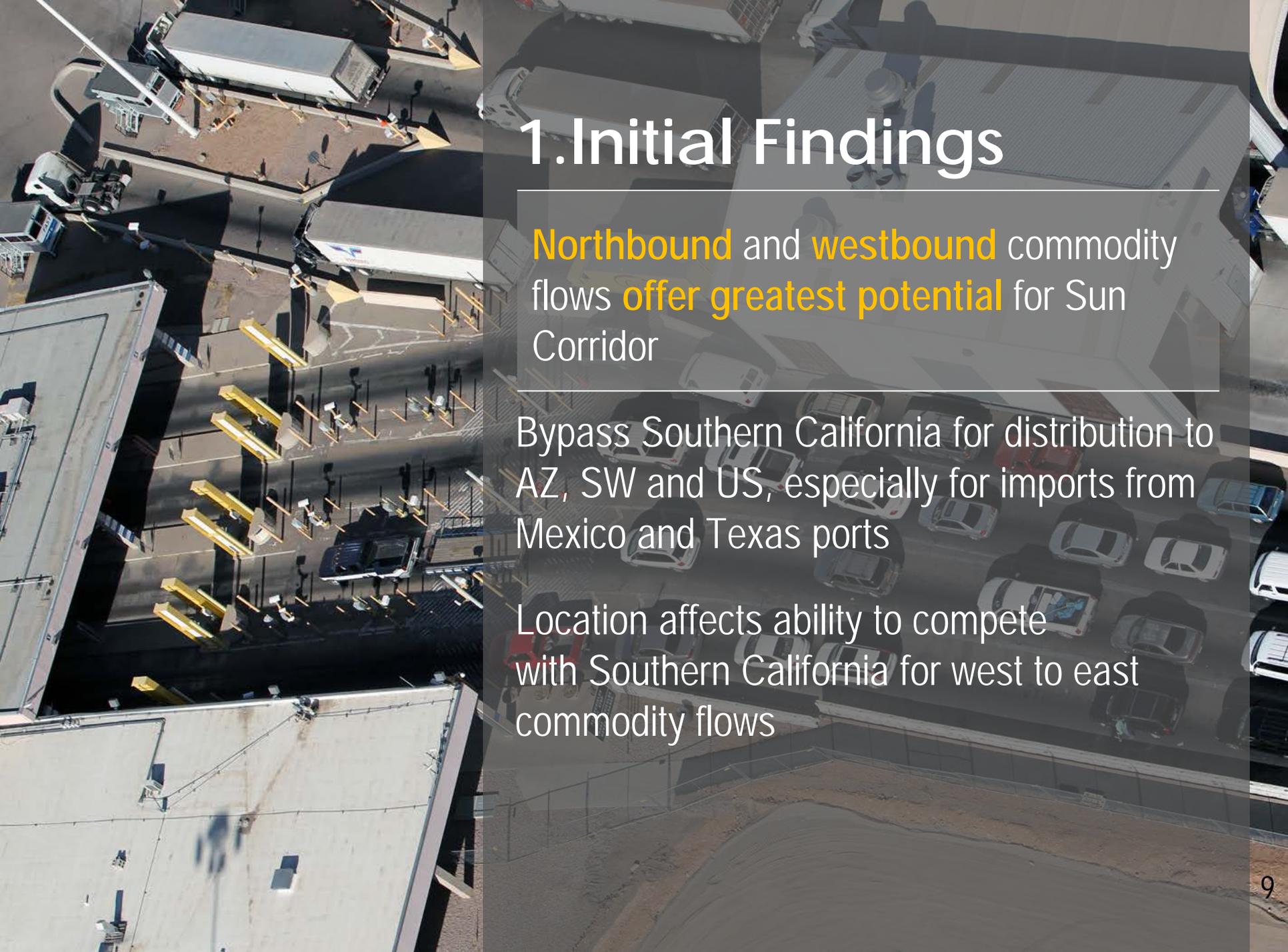


Initial Findings

Sun Corridor needs to better promote advantages of the region to supply chain

Land availability, lower costs, solid workforce and legislation are seen as favorable

There is a general lack of understanding regarding the benefits of the region as part of the supply chain



1. Initial Findings

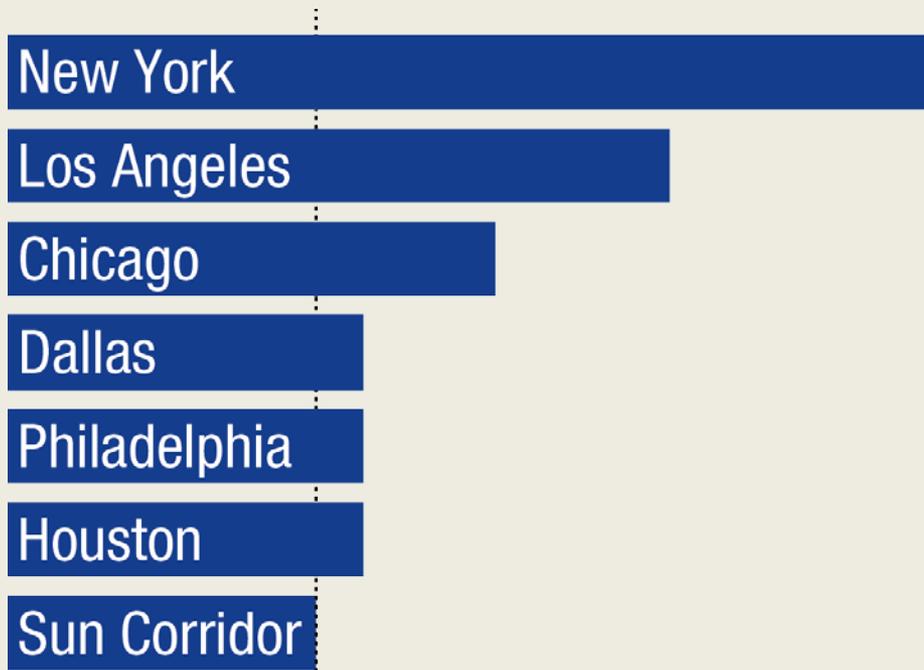
Northbound and **westbound** commodity flows **offer greatest potential** for Sun Corridor

Bypass Southern California for distribution to AZ, SW and US, especially for imports from Mexico and Texas ports

Location affects ability to compete with Southern California for west to east commodity flows

2. Freight Framework 'Big Picture'

Anchor Market



5M Population

Metropolitan Statistical Areas

Sun Corridor is **now a major anchor market**

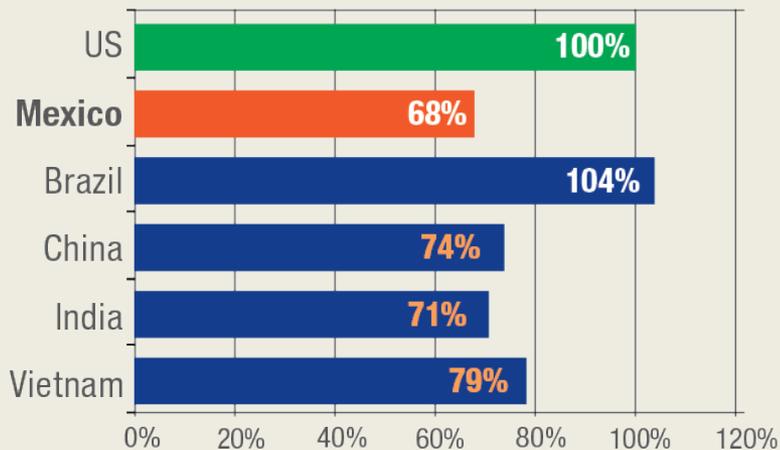
Top 10 population in U.S. for combined MSAs

Only top market between Texas and California

3. Freight Framework 'Big Picture' Near-Shoring

Mexico is now the **lowest cost producer** for many goods
Many companies are now contemplating **near-shoring** to the Americas

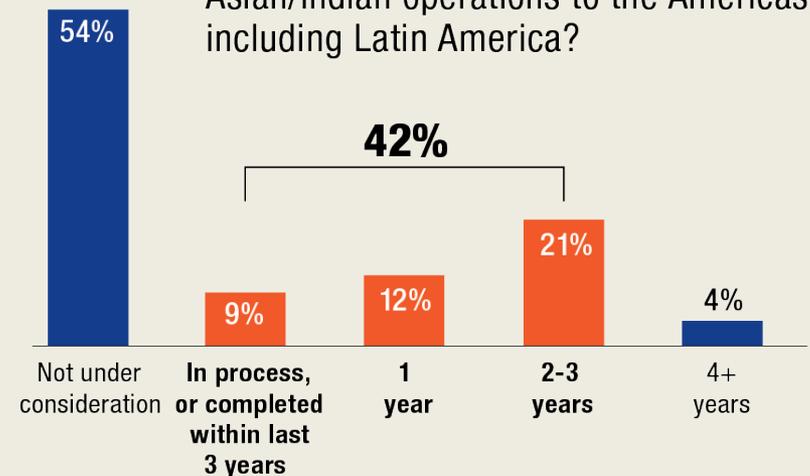
Index of U.S. Landed Costs as % of U.S. Manufacturing Cost by Country for Moderate Labor and Shipping Cost Product



Source: AlixPartners, July 2011

Timelines for Near-Shoring Plans

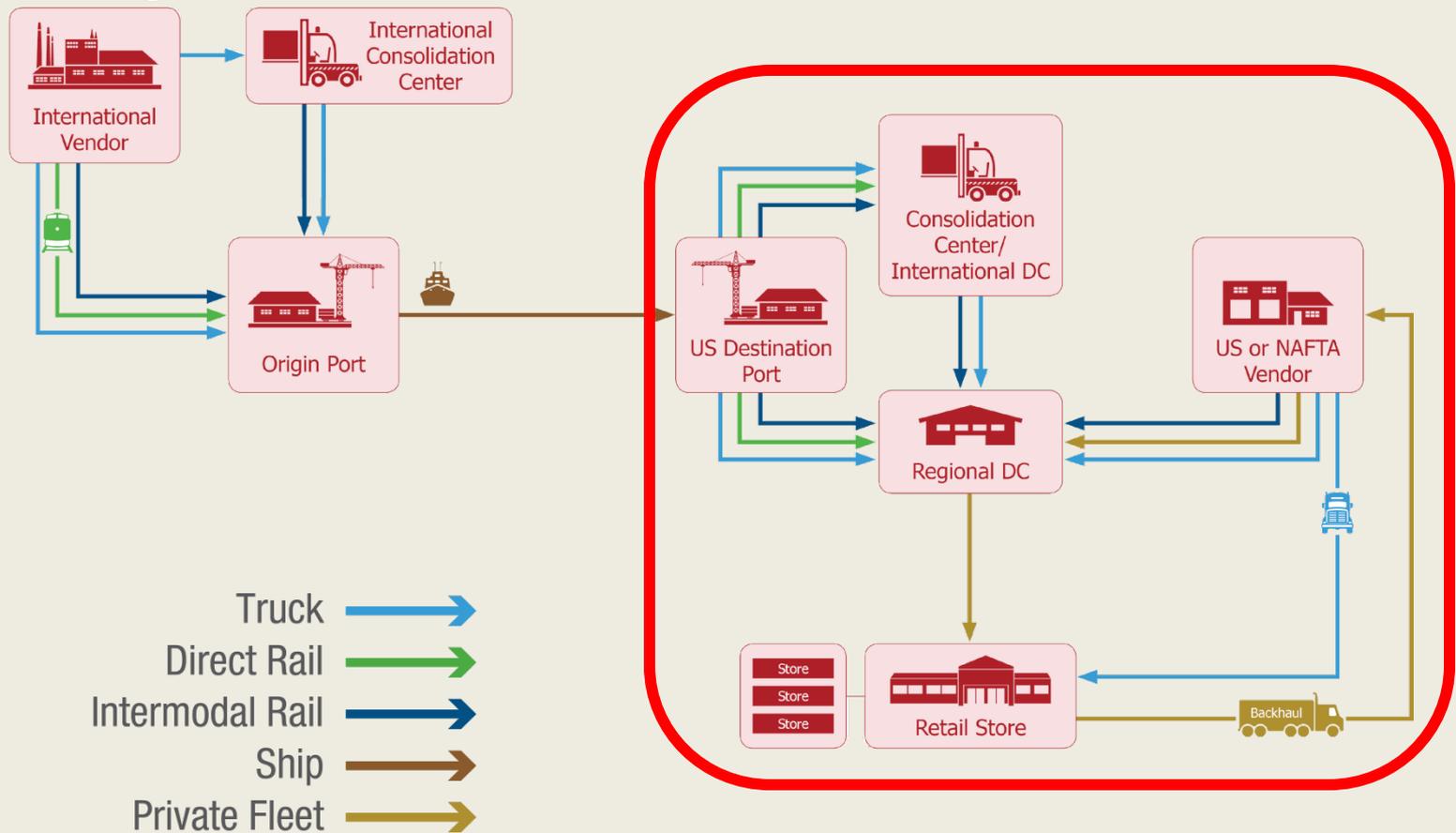
If near-shoring is a consideration, what is your time horizon for near-shoring Asian/Indian operations to the Americas, including Latin America?



Source: AlixPartners, July 2011

Sun Corridor Supply Chain Opportunities

Sun Corridor can leverage core supply chain roles to capture 'Big Picture' opportunities

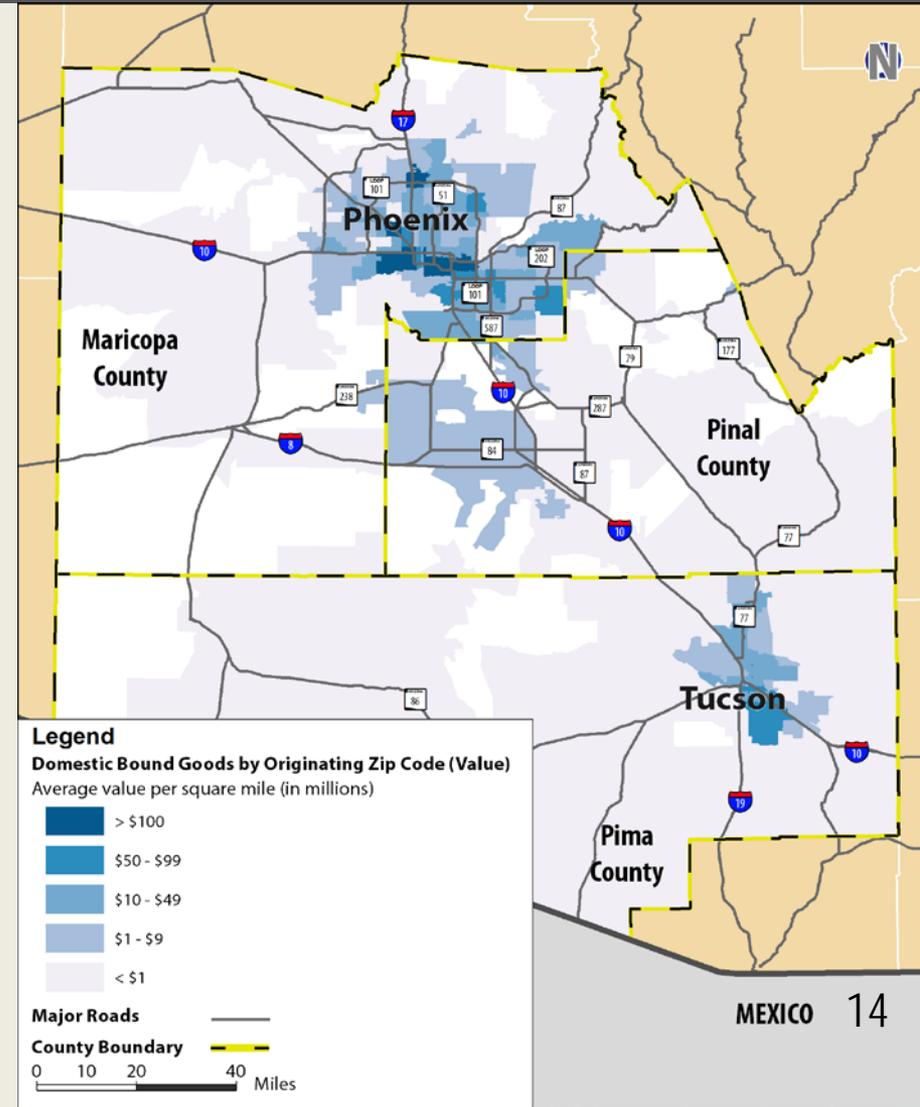


Supply Chain Process Linking to Sun Corridor

Linking supply chain opportunities to Sun Corridor locations

Sun Corridor analysis of commodity flow and major transportation infrastructure

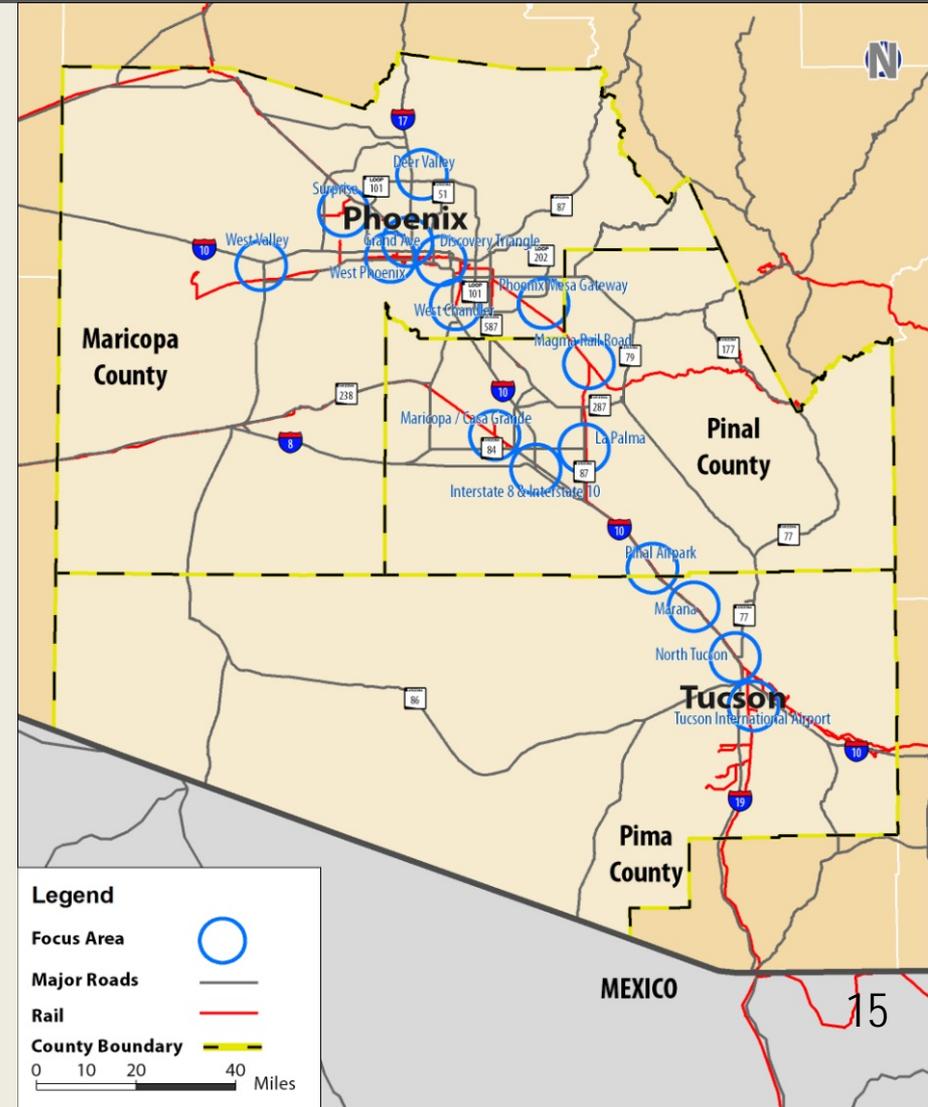
Analysis formed basis for site selection



Freight Focus Areas Identified by Study Partners

Regional freight focus areas were identified by study partners

Sites were identified for potential to contribute to the 'Big Picture'



Freight Focus Area Typologies: Four examples

Focus Area evaluation helped identify freight typologies present in Sun Corridor

Maricopa

Phoenix Mesa Gateway

West Valley

Discovery Triangle

West Phoenix

Grand Avenue

Deer Valley

West Chandler

Surprise

Pinal

Pinal Airpark

La Palma

Eloy (Interstate 8 / Interstate 10)

Maricopa / Casa Grande

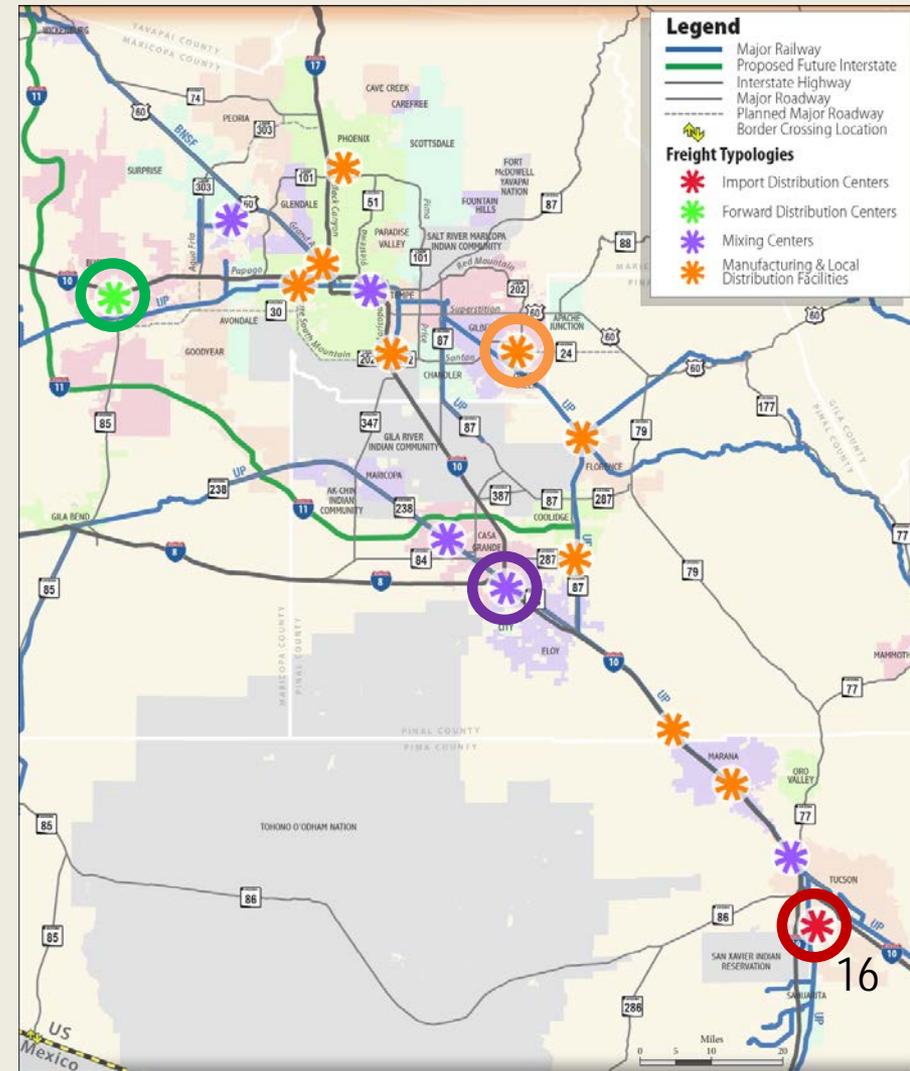
Magma Rail Road

Pima

Tucson International Airport

North Tucson

Marana



Four Focus Areas



Recommendation #1

Coordinate regionally to position and market the Sun Corridor for freight related economic development

Coordinate freight transportation, land use, economic development and marketing to implement the regional freight framework

Emulate coordination and 'one-stop shop' approach successful in other regions

Build upon existing organizational frameworks

Clarify existing and future roles of related entities



Recommendation #2

Establish a Sun Corridor Freight Development Zone special land use designation

Strengthens general plan designations to establish **consistent region-wide protection** for key areas

Land use/zoning overlays can address current limitations and ensure adequate preservation for land in key areas

Incentives and other benefits can be **tied to zones**

Recommendation #3

Implement strategic transportation improvements to support efficient freight distribution

Update and expand regional and statewide plans to enhance infrastructure for freight movements

Define **truck route networks** to be **inclusive**

Prioritize investment on transportation infrastructure that accommodates goods movement, particularly in freight focus areas

Continue to **invest in border** crossing facilities, technology and staffing to maximize efficiency and safety at Arizona crossings



Recommendation #4

Assist municipal governments with related amendments to public policy

Provide **guidance** to municipalities during the development of general plans and capital improvement programs

Preserve areas most appropriate and advantageous for freight uses

Seek strategies to **better integrate** freight related land uses and transportation

Support the **repurposing** of existing unutilized and underutilized buildings to serve supply chain purposes

Recommendation #5

Prepare conceptual business plans for specific freight related opportunities

Identify **specific sites** with Freight Focus Areas, including new development and redevelopment

Identify Focus Area **market opportunities** within the context of the regional framework

Ensure **highest and best use** based on market analysis

Determine **economic gap**, if one exists, to better understand needs for incentives and funding contributions

Freight Framework Next Steps

Develop topical white papers to further investigate and elaborate on key recommendations

Better understand existing organization structures, framework, opportunities and limitations

Evaluate best practices

Provide **specific recommendations for action**

Regional Workshop/ Retreat

Discuss White Papers
Determine Next Steps

March 6, 2013