

Meeting Minutes

Subject: Florida Freight Advisory Committee Meeting

Date: Thursday, January 05, 2023

Location: GoToWebinar/Executive Conference Room

I. Call to Order

Rickey: Good Morning and Happy New Year, we very much appreciate all of you joining our meeting here to make sure that our private stakeholders help lead the way in the transportation industry. Looks like we're ready to get started, so I now call the Florida Freight Advisory Committee to order. Thank you everyone for being a part of this committee. This committee ensures that Florida has representation in the freight space from all partners. Let's confirm the previous meetings and make sure we have a quorum.

II. Welcome & Housekeeping

**Roll call*. Everyone except for Aubrey Brown, Samuel Pearson, and Greg Stuart are present. Emily Fischer in on behalf of Mike Rubin.*

Rickey: Before we move on to new business, let's take a moment to approve the meeting minutes and agenda from August. The meeting minutes and agendas for all meetings are posted on [FDOT.gov/FLFAC](https://www.flhwy.com/FLFAC). As a reminder, our last meeting was held on August 8th, 2022. We held a hybrid meeting on GoToWebinar and at the Florida Turnpike to discuss the Supply Chain strategy and come up with some solutions to the crisis. Would anyone like to make a motion to approve the meeting minutes/agenda from August 2022?

John Dohm motioned to approve and seconded the agenda.

Rickey: The agenda is approved as published.

Diana: A few housekeeping reminders - All committee members should be panellists at this point, but please try to keep your microphones muted when we are not in a discussion setting. If you do have questions or comments during a presentation, or if anyone who is not a committee member has input to provide, please use the question box or chat box, and we'll be monitoring that throughout the meeting. Remember, these webinar meetings are recorded, and the meeting materials will be posted to our FLFAC website.

Rickey: Today we'll be talking about FDOT's efforts to go back to basics and see what a statewide ILC strategy might look like, we'll continue to refine our supply chain framework by discussing who needs to be involved in implementation of individual solutions and finish off with an example of how FDOT is trying to improve on hurricane response. I'll now turn it over to Lauren & Mike to talk about ILCs.

ILC Feasibility Assessment

Mike Williamson: As we understand, ILC's are a topic that are consistently talked about. In that vein we have done a feasibility analysis for ILC's in Florida considering that some of our border states have made some successful strides into this process.

Over the last decade many of local logistics industries have followed up on ILC opportunities and many have not advanced. We are identifying where our role as a state is that we can assist in the development. This feasibility assessment documents these developments and opportunities to better understand 1) Florida's competitive position, 2) the role of ILCs in Florida, and 3) the appropriate role of the state to support development

A few critical processes of our assessment were:

- Interviews with stakeholders
- Defining an ILC and the state's role
- Understanding how border states completed them
- Where we are as Florida

What is an ILC?

The state defined an ILC to help grant statutes be utilized towards their funding

The key part of the definition is that they are required to be connected to a deep-water seaport in Florida

Do you agree with this definition of an ILC for the state of Florida, if not what would you change?

Chat log Responses:

Tori Rumenik (to Organizers and Panelists Only): 9:49 AM: yes
 Kevin Daugherty (to Organizers and Panelists Only): 9:49 AM: Yes
 Laura DiBella (to Organizers and Panelists Only): 9:49 AM: Yes
 Patrick Feeny (to Organizers and Panelists Only): 9:49 AM: Yes
 John Dohm (to Organizers and Panelists Only): 9:49 AM: Yes
 Robert Midgett (to Organizers and Panelists Only): 9:49 AM: yes
 Jaha Cummings (to Organizers and Panelists Only): 9:49 AM: Yes
 Carol Obermeier (to Organizers and Panelists Only): 9:49 AM: Yes
 Desiree Ann Wood (to Organizers and Panelists Only): 9:49 AM: Yes

Bruce Lyons – We've got an ILC in Winter Haven that is completed, and we are developing, I would say that the theory is that they will be supported by Seaports; but in common practice that may not always be the case. I would say the concept is to ALIGN with seaports, but not necessarily be totally tied to a seaport.

Mike Williamson: Each region of the state has a different set of needs from an ILC, within those regions we established highlight of three ILC's

Americas Gateway Logistics Center (SOUTH): 772-acre, served by a short line; shovel ready with existing zoning allowing warehousing; includes a work force training site and

a Love's travel center. It has been a bit slow to get development in there, key challenges include proximity to ports and work force and housing availability

Winter Haven ILC (Central): Only ILC identified as part of SIS, owned and operated by CSX, 932 acres with plans for 7.9 million square feet of warehousing. Additional facility access and truck parking capacity are needed. This facility is primarily focused on moving goods South

Guld to Gadsden (North): Became a Freight Logistics Zone (FLZ) a few years ago, actively working to become a foreign trade zone

What does the future look like?

South Florida: When you think about South Florida, there are not many large parcels of land in urban areas adjacent to ports. When there is availability, it is at nearly \$3M an acre. Due to that there has been more looking towards the US27 corridor and near lake Okeechobee to develop some of these potential sites.

With the growth of same day delivery, many of the warehousing has still been squeezing in as close to these urban cores as possible rather than further away

Central Florida: Truck parking is a key issue in this area. This region depends on I-4 Corridor, which is home to significant number of warehouses.

Bruce Lyons – We do have a more general distribution now with Coca Cola and a few other manufacturers. Many of these are not dealing with seaports, it is mostly rail and truck

Question – Are the costs here at all comparable to those in South Florida by acre?

John Dohm – the costs are a fraction at only around \$65000 per acre. This begs the question of whether central Florida can become an air hub due to the space required for that.

Jaha Cummings – One thing that we must look at long term is that most of the population growth will be south of the I4 corridor. When we look at ILC's the seaports are not necessarily critical to the development of these. For consideration California ILCs are not seaport based. As the population grows inland railways away from ports are going to be critical to ILC development. As far as housing, this isn't something that is an ILC problem, this is more of a generic Florida problem, especially considering housing prices and population trends.

North Florida: Costs and land availability are much more manageable in this region of Florida. ILC's could help JAXPORT better competed with Savannah and be more central to the Southeastern US market

Needed Services and Capabilities: There is no obvious definition to what makes ILCS successful, but strong connectivity to other modes is critical

Site readiness: Most developers need the site ready to be established and improved within a 6 to 12 months development period.

Economic competitiveness: Other states seem to be providing better opportunities for manufacturing and other business that draw business away from Florida, the state needs to compete on this level to drive industry towards us

How are other States Different? Other southeastern states have a port development authority that manage these ILCs. The states have also committed significant funding to create these facilities, as well there is a lower cost of land and less of an empty backhaul issue.

Question – What are the top three challenges impacting the advancement of ILC’s in Florida today?

- A. *Decentralized, multiple port system*
- B. *Ability to capture and serve non-Florida, discretionary cargo*
- C. *Lack of a unified marketing message to industry*
- D. *Cost of development*
- E. *Cost of transportation*
- F. *Multimodal transportation system connectivity*
- G. *Availability of housing for workforce*
- H. *Workforce training*
- I. *Trade imbalance*
- J. *Lack of manufacturing*
- K. *Differences in regional needs*
- L. *Competitiveness of economic incentives*

Chat Log Responses:

Kevin Daugherty (to Organizers and Panelists Only): 10:13 AM: C - J - L
 Laura DiBella (to Organizers and Panelists Only): 10:13 AM: B, E, L
 Desiree Ann Wood (to Organizers and Panelists Only): 10:13 AM: Truck Parking Zoning, Truck Parking Capacity
 John Dohm (to Organizers and Panelists Only): 10:13 AM: Top 3:
 Patrick Feeney (to Organizers and Panelists Only): 10:13 AM: B D A
 Tori Rumenik (to Organizers and Panelists Only): 10:13 AM: D,K,C
 Jaha Cummings (to Organizers and Panelists Only): 10:13 AM: C, J,F
 Carol Obermeier (to Organizers and Panelists Only): 10:13 AM: J, G, K
 Kevin Walford (to Organizers and Panelists Only): 10:13 AM: L, B, I
 Bruce Lyon (to Organizers and Panelists Only): 10:13 AM: C, K, J
 Robert Midgett (to Organizers and Panelists Only): 10:14 AM: d,e,I
 Lauren Farrell (to Organizer(s) Only): 10:14 AM: D, F, J
 John Dohm (to Organizers and Panelists Only): 10:14 AM: Lack of connectivity between rails: Short-line, Class 1, and FEC. Also A. Also J.
 Joe Arbona (to Organizers and Panelists Only): 10:14 AM: A, D, F

Six Recommendations

- Conduct a study of regional (south, central, and north) ILC needs with a breakdown of urban versus rural locations
- Determine monetary and non-monetary statewide ILC benefits in order to inform financial incentive packages
- Create large incentive packages for ILC development to attract businesses
- Create a statewide marketing campaign to promote Florida ILCs
- Evaluate the impact of increased passenger rail services on rail corridors and the need for additional capacity

- Create a Statewide Intermodal Logistic Center Authority
- Develop a Statewide Intermodal Logistic Center Working Group

Question – Do these recommendations seem like the best next steps?

Laura DiBella – I agree with most of everything said here. When it comes to making a statewide ILC authority; the space Florida charter has many creative licensing abilities to drive and promote economic development. The way the charter is written does not have to be specifically related to space programs, it has the ability to affect specifically this topic. There is a lot that is done through the space Florida charter that can help advance this topic. I have been talking quite a bit with highlands county who is very interested in being an ILC partner. The Sebring airport is very gung-ho for an ILC and much of their land is rail adjacent and could support a potential ILC as it is very central in Florida. It is generally on the south side of central Florida which connects it well to many of the major growth areas of the state.

John Dohm – One of the issues with Sebring is getting there. How would that be accomplished?

Laura – CSX has been very engaged in this discussion and they have a particular interest in getting this established.

Joe Arbona – About 70 miles of the line from Teloshia to Port St. Joe is still inactive and we have been looking to get it re-established. This is one of those that takes a lot of participation to get it running again. Regarding the recommendations, I think these are good and are a strong set of guidance to get things moving forward.

Desiree – Being a truck driver talking about the Love's and ILC there, this ILC is grossly underdeveloped for the need with the Wal Mart distributions centers growing in these areas. In all these regions the truck traffic is increasing

John Dohm – one thing we must watch for and prepare for is that as these centers begin to develop and bring in jobs and residents, they begin to vote to get rid of the thing that helped establish these regions. We can see this unfolding in Air glades and the Sebring area

Patrick – I don't know if these is an answer to that. Voters would love to move an ILC to inland Florida, but once they move their again, they want it gone. There will always be a group of people fighting against these large freight movers, but as of now there isn't a particular answer

Desiree – Truck parking should be thought of like handicap parking in that there should be a certain amount developed beforehand, because once everything is established there will be no way to integrate it later.

Jaha – We may even have to look at this on a long timeline and make sure that the stakeholders that we are bringing in can support this in a more long-term style.

Robert Midgett – One of the biggest issues we have is that every county is significant and different, and until we have specific legislation that drives this effort, they will continue to work as fiefdoms and not towards a unified goal.

Ann Mullen – has anyone thought of an underground development area?

John Dohm – With enough money, anything is possible. Building underground is quite pricey

Hunter – One of the factors for these ILCs is creating the ILC flow with the density of population. The empty backhaul issues is a central factor. Balancing that production would be the center point to making these ILCs and logistics facilities successful. Also, I have to say that the point that these ILCs are removing freight passenger congestion is a bit of an issue.

Joe Arbona– One of the major issues is that the passenger lines and freight lines are looking to go in two different directions. Many of the freight lines that want to go to ILC’s would be going in a different direction towards central Florida as opposed to the passenger lines that would be moving through the urban areas.

Bruce Lyon – One of the things we have heard from industry is that we are competing with all these other states; they have industries in which they are doing well in that we may never be competitive in. While we think about ILC’s need to support the state, we should focus more on issues and industry where we would be competitive as opposed to competing to the industry where there is a much larger gap to jump to become competitive.

III. Supply Chain Strategy

Holly Cohen - Everything we have been discussing he last few months are part of this effort. Everything discussed today are supportive of this strategy. Supply chains have been disrupted significantly over the last few years. The supply chain is finally starting to normalize, so we are working to better understand how we can get ahead of these issues.

This was the last FLFAC held on Aug 8th. We created solutions and had a post meeting survey to help categorize our strategic framework for the types of implementation actions needed.

We started with the 4 P Framework – Policy, Programs, Projects, and Partnerships.

Now we are further looking at pillars – workforce, infrastructure, economic competitiveness, innovation, and resilient communities.

Workforce: the goal is to accelerate workforce development by looking at the truck driver shortage, logistics workforce, and construction labor.

Desiree: There is no truck driver shortage, it's a pay shortage, work culture issues – a retention problem. We would like to see sexual assault in truck driver training spoken about as a retention issue for diversity.

Patrick - State standards for trucking schools need to be addressed. Too much churn and burn in trucking schools right now.

Laura DiBella - Florida Trucking Association

Desiree -Florida Trucking Association are not truck drivers. Design of truck spaces has to make sense or they will not be used. I have seen recent renderings that would make it difficult for the spaces to be used as intended.

Patrick - FTA not being truck drivers speaks to an industry issue. There isn't a good pathway from truck driver to leader in the trucking industry. Management training in the industry needs to improve. That's on us companies.

Holly - Second pillar is Infrastructure: the goal is to improve infrastructure capacity. We are looking to improve infrastructure in ways like updating and improving the ILCs and getting our economic partners involved. Who else needs to be engaged in the development of modal hubs? A primary goal is to preserve corridors for future use. This requires ensuring that NIMBY does not become an issue as their corridors are maintained and updated. Truck Parking who all needs to be engaged to help develop additional opportunities. Maximizing return on investment to make sure projects that are funded are meritorious.

Third pillar is Economic Competitiveness. The goal is to achieve trade balance.

Marketing and promoting Florida as a freight friendly state that is open for business and that the message is unified across partners. How do we get FDOT from just an education agency to a marketing agency? Increasing manufacturing through our partnerships with industry partners. Incentivizing the industries alongside other state agencies to ensure that the assistance provided is broad spectrum. Backhaul is something that is discussed a lot.

Desiree: Reduce backhaul with more broker transparency and maybe a Florida to Florida B2B partners to get Florida based OO and companies can cut out middle man on freight contracts

Tori: I'd like to learn more about the backhaul issues that have been mentioned. We have a lot of fruits and veg to haul out of the state, so if FFVA can support on that, please include us.

Desiree: Our organization can help you understand backhaul issues. There is a reason why truck drivers leave empty, price gouging

John Dohm: May be worth involving shipping lines, container suppliers, and others who "lose track" of the goods after they leave the port and before they return.

Bruce Lyon: Local Economic Development Organizations are closely connected to industry needs. We should be involved in discussions about new state incentive programs.

Seckin Ozkul: We have recently completed two research projects, one focusing on the Logistics Activity Center development potential of any location in Florida along with land use (related to the ILC discussion) and another study analyzing the impacts of empty backhauling, in which we looked at different manufacturing regions within Florida as well as what manufacturing sectors are legacy, high performing or emerging. I would be happy to present on these during the next FLFAC meeting.

Holly - The fourth pillar is innovation, with a goal of increasing operational efficiencies through innovative ideas. Supply chain visibility: establish programs to track goods to ensure they are arriving at destinations and not encountering cost increasing issues. Technology integration to drive efficiency in the supply chain and identification of freight investments. Leverage funding opportunities to make sure that the meritorious projects make it across the finish line in the face of rising costs. Strengthen partnerships to enhance the ability of the public and the private to incorporate and support each other on project development.

John Dohm: May be worth involving commerce department personnel (from countries with whom we do business throughout Florida (e.g., Brazil, Mexico, Germany, Japan, etc)

Laura DiBella: EFI has an international division that can support that John

Holly - Fifth pillar is Resilient Communities with a goal of preparing to mitigate and respond to disruptions.

Operational disruptions need to be planned around so that as facilities are shut down, we can get around these; and how needed goods can be supplied to targeted areas as needed. It may be helpful to discuss with countries that we do business with to help them send our goods where they are needed and around the disruptions. Mitigation by diversification of energy sources. Significant amounts of funding coming down from the fed. Buy-in with local partners is significant to provide sufficient funding and produce possibilities of project identification.

Discussion:

- Any general feedback?
- What are the next steps?
- Commitment to action – who will lead these efforts?

Ann Mullen: I believe there needs to be an education program to the residents of Florida about truckers. When I tell people that 70% of goods are moved in Florida by Truck, a lot of people don't know this. We also need to educate about not cutting of trucks because they need a large stopping distance because of their weight. A lot of residents need to be made aware of these 2 things. Maybe FDOT could add safety messages specific to trucks to residents.

Desiree: Here is the video link Truck Parking: Local Solutions to a National Problem
<https://youtu.be/9HtBG5nd1Q4>

Holly - We need to champion these efforts, but it can't all be the FDOT. We will likely include this in our post meeting survey; we will try and include a good acronym list.

IV. Public Comments

V. Member Comments

John Abrams – Great meeting, I just want to shed some light on Love's; we have two new locations coming in Florida, one in Jacksonville and another in St. Augustine off I-95. There are a lot of companies out there driving this effort to establish truck parking and finding the correct business models.

Hunter asked if John would be open to P3 for truck parking

Joe Arbona – Thank you everyone for a productive and informative meeting

Laura DiBella – I always enjoy these conversations and I always feel like we are getting somewhere with this. Whatever I can do to help, please let me know

Lauren Farrell – As usual this was a very interesting conversation, and I am grateful to be considered

Patrick Feeny – There was some discussion that some of these ILC investments are too far from the centers of population, while that might be the case now it likely won't be in the future.

Bruce Lyon – As always this is moving forward in a good way, and I love to see that there is the consideration for a more ILCs around the state

Robert Midgett – Lots of good discussion and looking forward to mull over everything that was discussed.

Carol Obermeier – Very interested in the development of more ILC’s in south Florida. As was mentioned there is some workforce and housing issues down here. We have done a good job of getting this resolved but there is more to move forward.

Seckin – We did help with the research for the logistics activity centers locations. We hope that we can use that study and provide it to those on this call if there is interest for understanding where we can help establish some of these areas.

Tori Rumenik – Thanks all, this is one of my favorite meetings; I am really interested in the discussion regarding how to make trucking more desirable in Florida. We are looking for some solutions to the empty backhaul and would like to get solutions moving.

Kevin Walford – very informative meeting today, glad that I was able to participate

Desiree – Thank you again for this meeting, as a truck driver we are the ones that bear the brunt of this supply chain issues. We still have cities and communities that don’t understand that bringing these distribution centers brings us and some things that we don’t want. Having the opportunity to talk about this topic directly with folks helps us change hearts and minds.

John Dohm – This is tremendous, what we’ve made from our group over the last few years. We’ve got diversity and a little bit of everything. As a state we have so many parts moving together and independently but also together. Working with the FDOT, we need to understand that there is nothing we can’t do. We have so many options to what we can do alongside our relationships with other nations, other industries, university, and all of that. When we dive into what our competition has, at the end of the day they don’t have much compared to us. There is an enormous amount we can do by bringing all these groups together.

VI. Adjourn

Committee Roll Over – We are coming up on the committee roll over; thank you all for your service these last 1.5 years. We will reach out with further information

With that said, if we have no other questions or comments, do I have a motion to adjourn?

Motion, seconded

It has been moved and seconded, with that we will adjourn the Florida Freight Advisory Committee meeting. Thank you all for joining us today and have a wonderful afternoon!