

Florida Freight Advisory Committee Meeting

January 5, 2023



**FREIGHT
& RAIL**

Call to Order

Roll Call

22 members –
15 is a quorum

Name	Organization Represented
John Abrams	Loves Travel Stops
Joe Arbona	Genesee Wyoming Railroad
Aubrey Brown	CSX
William Crowe	Canaveral Port Authority
Jaha Cummings	City of Punta Gorda
Kevin Daugherty	Space Coast Regional Airport
Laura DiBella	Enterprise Florida
John Dohm	Florida TransAtlantic Holdings
Lauren Farrell	Space Florida
Patrick Feeney	Kenan Advantage Group
Bruce Lyon	Winter Haven Economic Development Council
Robert Midgett	Walmart
Carol Obermeier	Southwest Florida International Airport (RSW)
Seckin Ozkul	University of South Florida (USF)
Samuel Pearson	UPS
Nick Primrose	Jacksonville Port Authority (JAXPORT)
Mike Rubin	Florida Ports Council
Tori Rumenik	Florida Fruit and Vegetable Association
Gregory Stuart	Broward Metropolitan Planning Organization
Alexander Trauger	MetroPlan Orlando
Kevin Walford	Miami-Dade Transportation Planning Organization
Desiree Ann Wood	REAL Women in Trucking, Inc.

Welcome & Housekeeping



Intermodal Logistic Center Feasibility Assessment

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FDOT Seaport Office*

*Michael Williamson
Cambridge Systematics, Inc.*



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Agenda

- Study Introduction & Purpose
- Existing & Proposed Florida ILCs
- ILC Programs in Other States
- Needed Services & Capabilities
- Key Challenges
- Recommendations & Next Steps

Study Introduction & Purpose

- Over the last decade, seaports, private companies, local governments, and the state have explored ILC opportunities
- Some sites are shovel ready or have initial development underway, while others have not advanced
- 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

Study Introduction & Purpose

- The assessment included five key components
 - Interviews with stakeholders (e.g., Florida's seaports, industrial developers, economic development agencies, railroads)
 - Defining an ILC and the state's role in development
 - Understanding ILCs in the southeastern U.S. and Florida's competitive position
 - Existing and Potential ILC locations in Florida
 - Recommendations for developing an ILC strategy

What is an ILC?

- Section 311.101(2), F.S.: the term “intermodal logistics center (ILC)”, including, but not limited to, an “inland port”, means a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance or shipping through one or more seaports listed in S. 311.09, F.S.
- Additional definitions have been included as part of:
 - Port of Palm Beach Inland Port Cargo Connector Presentation (2006)
 - South Florida Inland Port Feasibility Study (2007)
 - Florida Trade and Logistics Studies (2010, 2013, 2022)
 - FDOT’s Strategic Intermodal System (SIS) program

Question

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

“...a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance or shipping through one or more seaports listed in S. 311.09, F.S.”

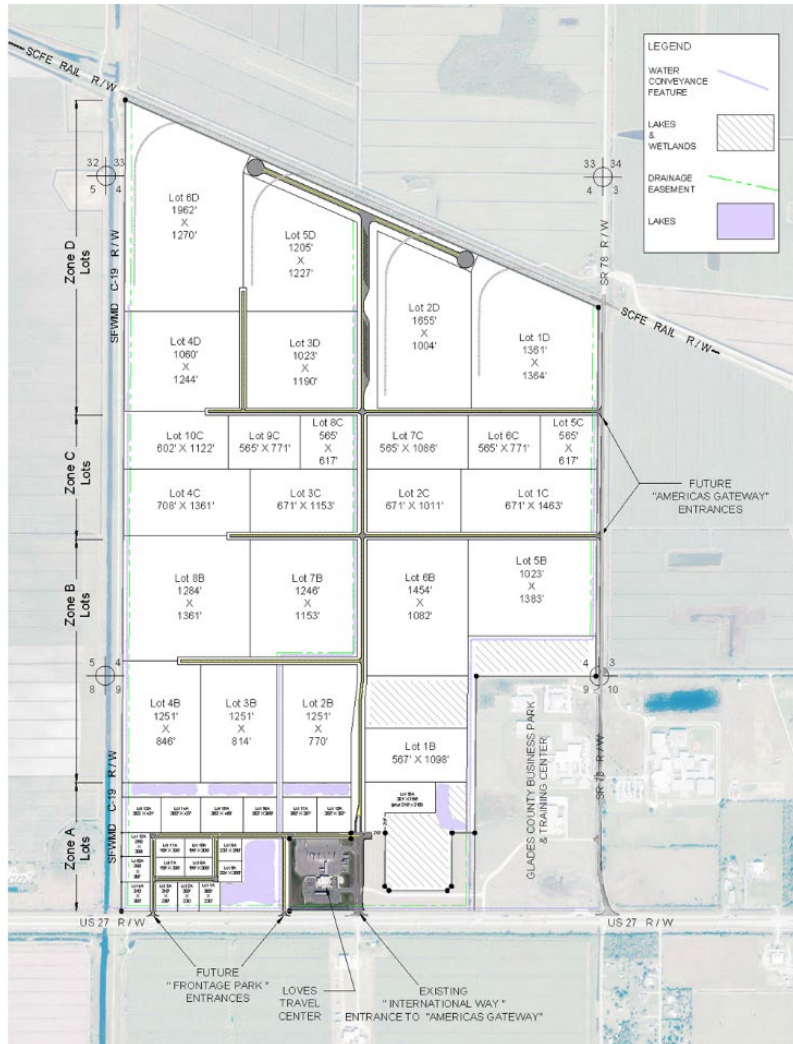


Florida ILCs

- Existing and potential ILCs were identified and evaluated on a regional basis to reflect differing needs
- Highlights of existing ILCs include:
 - America's Gateway Logistic Center (South)
 - Winter Haven ILC (Central)
 - Gulf to Gadsden (North)

Existing Florida ILC

Americas Gateway Logistic Center



- 772-acre rail-served industrial park in Moore Haven
- Served by South Central Florida Express (SCFE)
- Shovel ready with existing zoning allowing warehousing and heavy industrial uses
- Key site challenges include proximity to Florida ports (e.g., additional transportation cost), workforce and housing availability

Existing Florida ILC

Winter Haven – Central Florida ILC

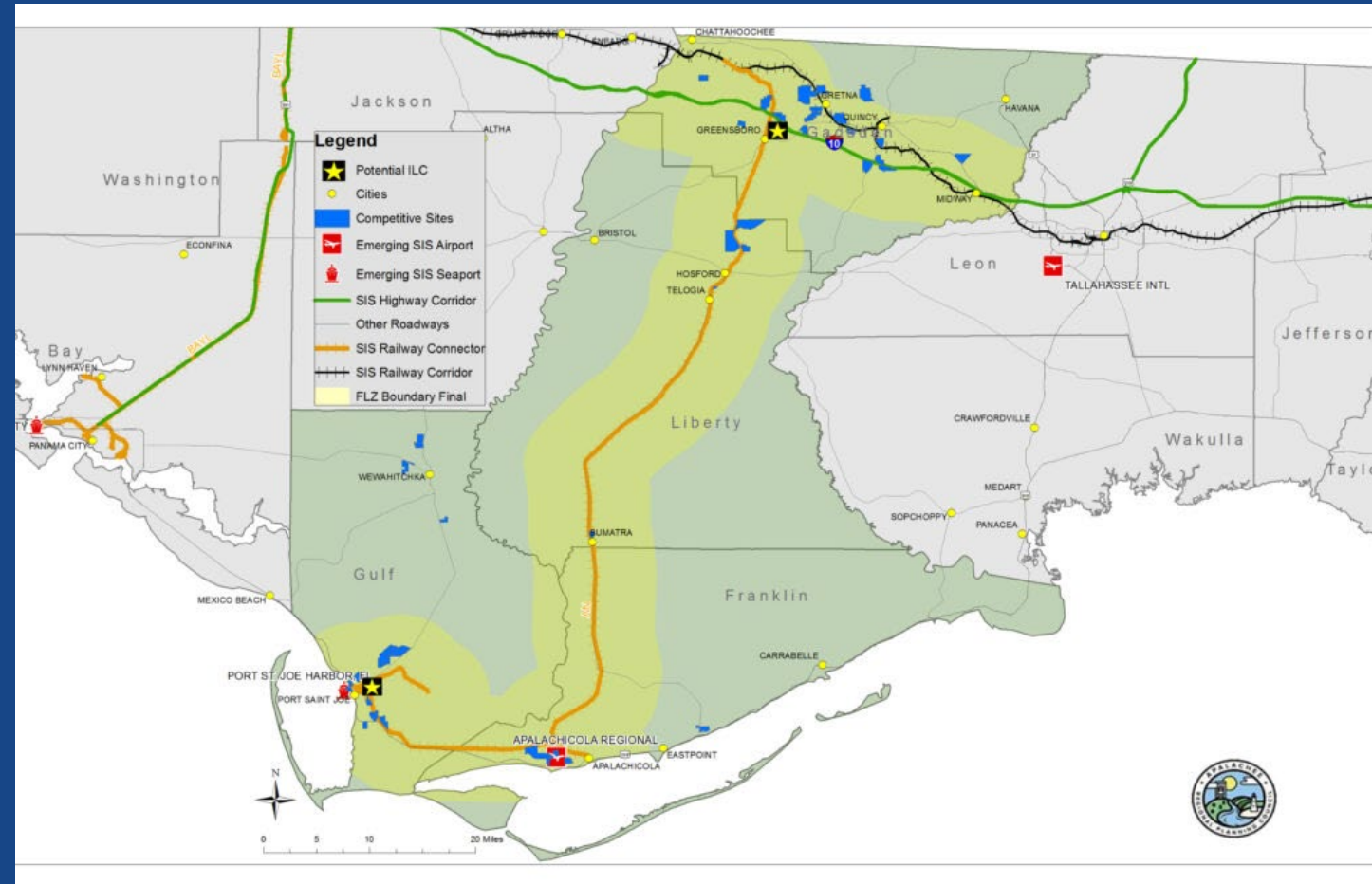
- Only ILC currently identified as part of FDOT's SIS (Strategic Growth facility)
- Owned and operated by CSX
- 932 acres with plans for 7.9 million square feet of warehousing and distribution facilities
- Additional facility access and truck parking capacity are needed



Existing Florida ILC

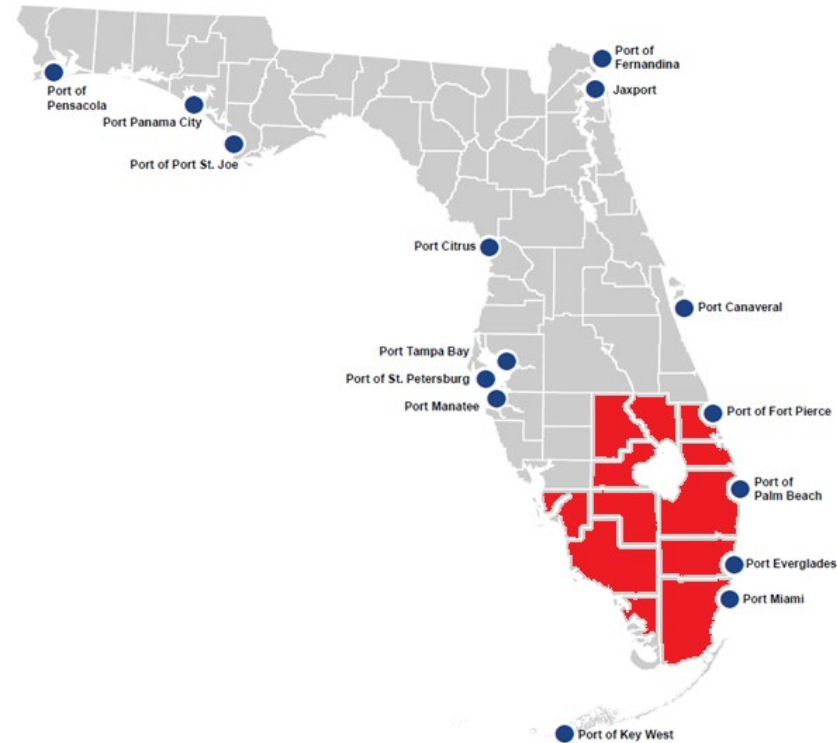
Gulf to Gadsden

- Freight Logistics Zone (FLZ) includes Gadsden, Liberty, Franklin, and Gulf counties
- Apalachicola Northern Railway connects the Port of Port St. Joe to CSX
- Efforts underway to achieve designation as a foreign trade zone to better attract users



Developing New ILCs

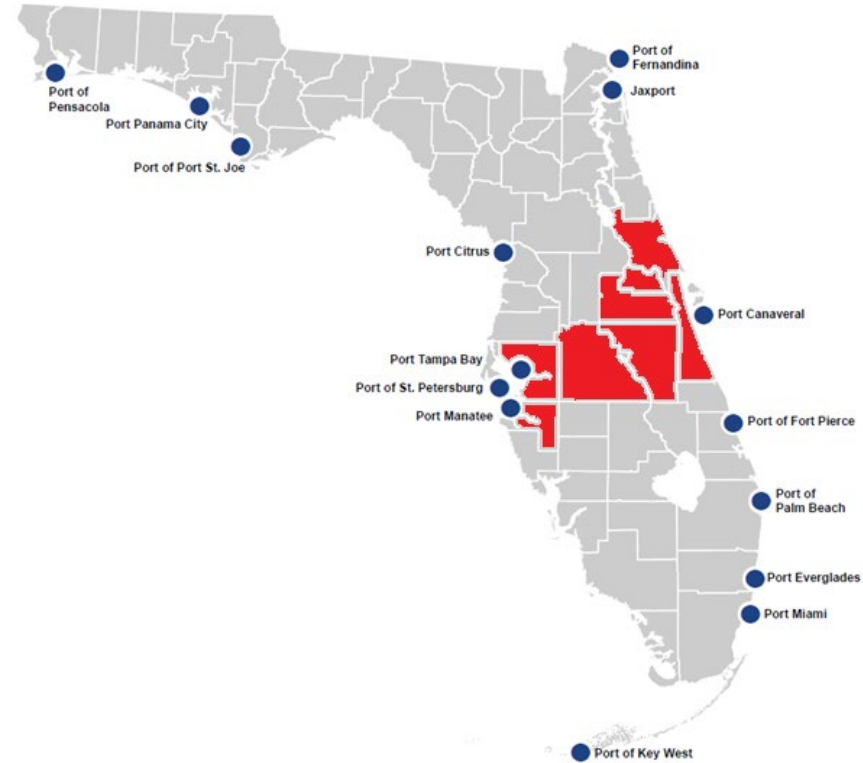
South Florida



- Large parcels of land in urban areas adjacent to ports are limited and have seen significant increases in value; land is selling for upwards of \$3 million/acre
- Developments have been focused in more rural areas with cheaper land (e.g., America's Gateway, Airglades)
- FDOT has studied the potential for a rail corridor along US 27 to connect South Florida ports to more distant, inland sites
- Development has been slow due to additional transportation costs, lack of workforce and housing, and the desire of ports for more port-adjacent sites

Developing New ILCs

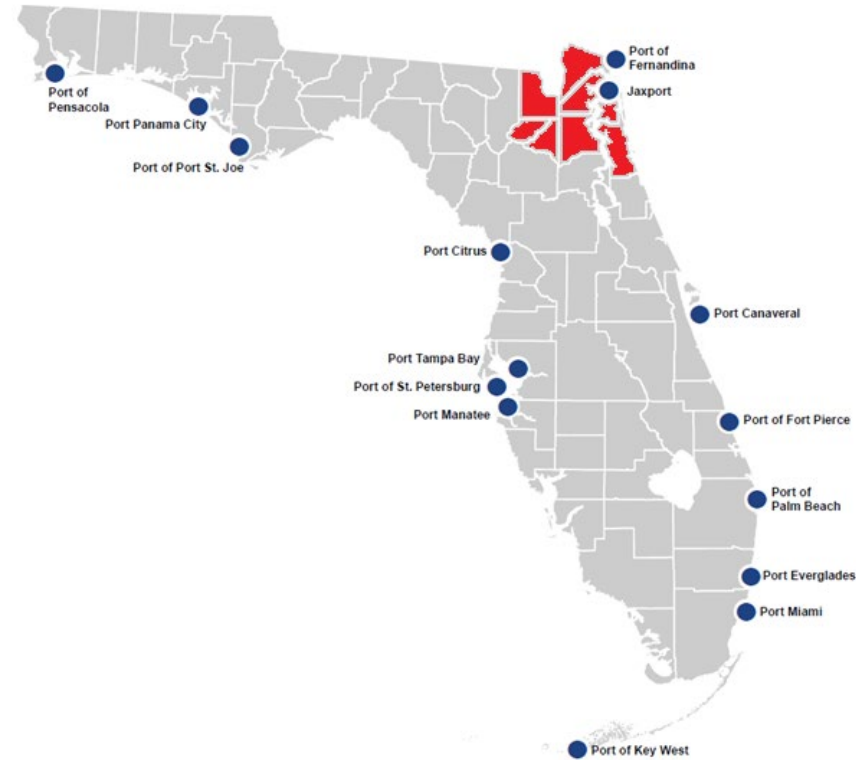
Central Florida



- Central Florida has greater land availability at a lower cost
- ILCs could serve Gulf and Atlantic ports
- Region depends on the I-4 corridor, which is home to a significant number of warehouses and distribution centers, and is already heavily congested
- Additional truck parking also is needed
- Existing Winter Haven ILC is in the region; this ILC does not directly serve Florida ports today

Developing New ILCs

North Florida – East



- North Florida has greater land availability at a lower cost
- Several 200+ acre sites are in the region which are well suited for ILC activities
- ILCs could help JAXPORT better compete for the Southeastern U.S. market
- Site readiness and transportation connectivity represent ongoing challenges
- Cecil Commerce Center is an example of a possible site



Needed Services & Capabilities

- There is no one set definition of what makes an ILC successful
- Keys to success include:
 - Proximity to Florida's seaports and markets
 - Site readiness
 - Workforce availability
 - Economic incentives and funding
 - Partnerships

How Are Other States Different?



- Other southeastern states (Georgia, South Carolina, Alabama) have only one port or port authority
- These ports drive the development of ILCs with full commitment of the port to utilize and integrate the facility
- Commitment of a railroad to serve the facility
- Lower cost of land
- Fewer empty backhaul movements
- Significantly larger economic incentive packages (>\$1 billion)

Key Challenges facing Florida ILCs

- Decentralized, multiple port system
- Ability to capture and serve non-Florida, discretionary cargo
- Lack of a unified marketing message to industry
- Cost of development
- Cost of transportation
- Multimodal transportation system connectivity
- Availability of housing for workforce
- Workforce training
- Trade imbalance
- Lack of manufacturing
- Differences in regional needs
- Competitiveness of economic incentives

Question

Please type the corresponding letter of your top three challenges in the chat box

2. What are the top three challenges impacting development of ILCs 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*

Types of Funding Available for ILC Development

- Several programs and legislation have been aimed at supporting ILC development
 - **Infrastructure Investment and Jobs Act (IIJA)** – ILCs are eligible to receive funding through federal grants, which have seen a 50% increase in funding
 - **Economic Development Administration (EDA)** – Provides grants to economically distressed communities to generate new employment and stimulate industrial and commercial growth
 - **ILC Infrastructure Support Program** – Former Florida State program providing at least \$5 million per year for ILC development
 - **Strategic Intermodal System (SIS)** – Florida's high priority network of transportation facilities which receive over \$15 billion in the current 5-year work program
 - **Job Growth Grant Fund** – Promotes public infrastructure and workforce training. Provided funding to the City of Winter Haven to support the ILC
 - **Industrial Development Authorities (IDA)** – Authorities which can foster economic development within a county



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Recommendations to Advance Florida's ILC Strategy



- **Conduct a study of regional (south, central, and north) ILC needs with a breakdown of urban versus rural locations**
 - » **Why:** There is not a one size fits all solution for the state. Understanding what the needs of each region are will help to focus marketing and development efforts to expand ILC business.
 - » **How:** FDOT to conduct an analysis of ILC needs by region.
- **Determine monetary and non-monetary statewide ILC benefits in order to inform financial incentive packages**
 - » **Why:** The goal of ILC development is to enhance Florida's future. Providing incentive packages which outweigh the financial benefits would be a poor use of public funds.
 - » **How:** FDOT to conduct an analysis of the benefits of ILCs to Florida to help demonstrate their potential impacts.



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Recommendations to Advance Florida's ILC Strategy



- **Create large incentive packages for ILC development to attract businesses**
 - » **Why:** Existing economic incentive packages are not competitive. Other southeastern states are providing up to 100 times more in financial support.
 - » **How:** Utilize the results of determining statewide ILC benefits to create appropriate financial packages. Create a new program with dedicated funding to help Florida compete for new business.
- **Create a statewide marketing campaign to promote Florida ILCs**
 - » **Why:** Several ILCs are already under development and primarily do their own marketing. A larger campaign showcasing all that Florida has to offer can create higher visibility for these locations.
 - » **How:** Coordinate with the Florida DEO, Visit Florida, and individual efforts by ILCs and their communities to create a comprehensive marketing campaign showcasing the diversity of offerings in Florida.



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Recommendations to Advance Florida's ILC Strategy



- Evaluate the impact of increased passenger rail services on rail corridors and the need for additional capacity
 - » **Why:** An increase in demand for passenger rail services is straining existing rail corridors. A new freight rail corridor through Florida's rural core could shift traffic from congested urban areas and serve future ILC locations.
 - » **How:** FDOT to conduct an analysis of the impacts of a shift of rail freight away from passenger corridors.



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Recommendations to Advance Florida's ILC Strategy



- **Create a Statewide Intermodal Logistic Center Authority**
 - » **Why:** A statewide authority would provide the necessary leadership and direction to implement the ILC strategy that emerges from the earlier recommendations. This authority would provide focus, resources, and commitment to encourage private sector investment.
 - » **How:** Determine the appropriate business structure and necessary legislative and agency support to create the authority (e.g., FDOT or the Florida Department of Economic Opportunity (DEO)).
- **Develop a Statewide Intermodal Logistic Center Working Group**
 - » **Why:** To provide industry insights, expertise and direction to the statewide ILC authority in support of the Florida ILC strategy.
 - » **How:** Develop an initial group based on stakeholders who participated in this study to build a foundation and expand to underrepresented stakeholders as appropriate.



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Question

3. Do the recommendations as described resonate?

- ❑ 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



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**STRATEGIC
DEVELOPMENT**



Supply Chain Strategy



A Global Issue



- **The supply chain crisis impacted industries and economies globally**
- **Disruptions caused by:**
 - International trade policies
 - Evolving & shifting trade lines
 - Ukraine war
 - COVID-19 pandemic
 - Spike in consumer demand
 - Labor shortages
 - Inflation
 - Production shortage



Impacts



- **Global challenges impacted businesses and people**
 - Congestion at major ports and warehouses
 - Increased truck detention times, lost productivity
 - Significant cost increases
 - Empty shelves
 - Deteriorated quality of life



Opportunities



- Proactively respond to near-term supply shortages
- Strategically improve long-term supply chain resiliency
- Enhance Florida's global and domestic economic competitiveness
- Improve intermodal connectivity and travel time reliability





Industry Feedback



Industry Feedback

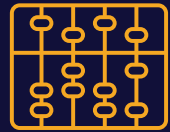


Live Polling Results

- 17% Inland Port Authority
- 13% Support and fund economic development
- 11% Funded RFP for Inland Port site selection (privately driven)
- 8% Better regulate driving schools and diversify skills
- 7% State-provided truck parking

- 7% Create freight-specific corridors
- 6% Preserve corridors for flexible use
- 6% Allow flexibility to advance big projects
- 5% Market Florida as a freight-friendly state
- 5% Workforce development

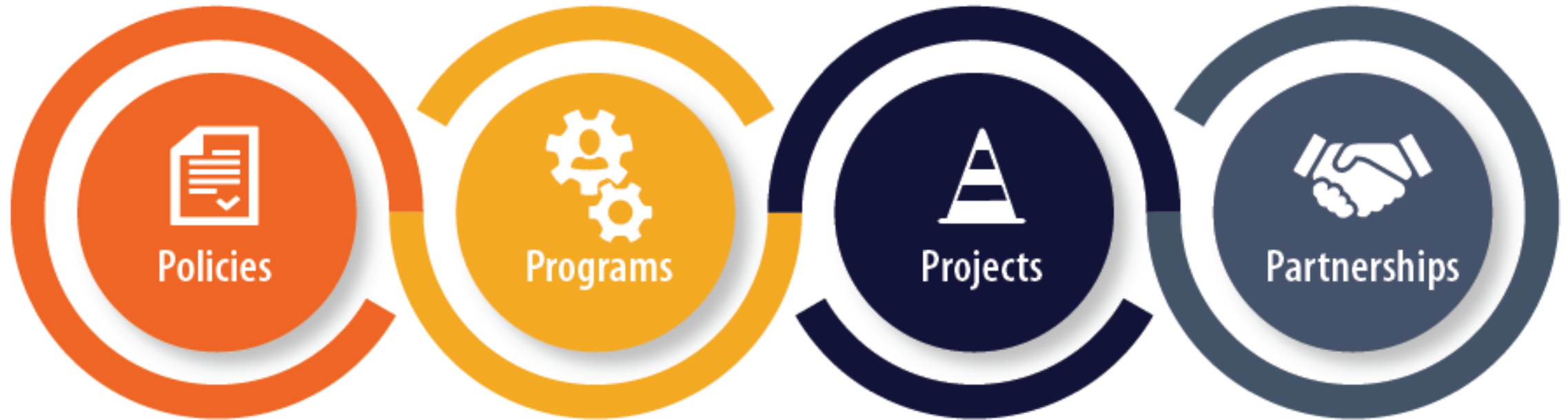
- 4% Truck parking program
- 3% Unify modal entities to function as one Florida
- 3% Sunshine Law exemptions for trade secrets
- 3% Leverage and expand Space Florida authority
- 2% Ensure investments are benefiting whole state



Solutions



Strategic Framework



Solution Pillars



Workforce



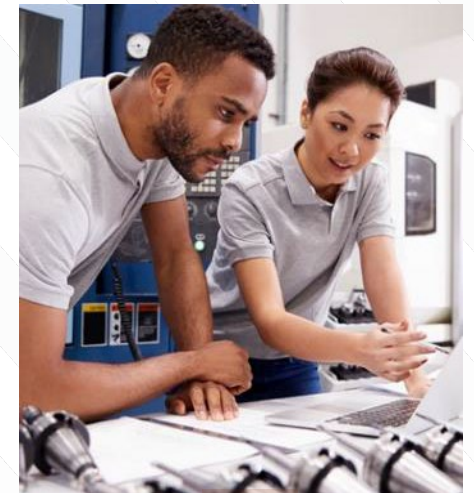
Infrastructure



**Economic
Competitiveness**



Innovation



**Resilient
Communities**



Workforce



*Goal: Accelerate
workforce development*

Solutions



Truck Driver Shortage

- Increase minimum truck driver pay
- Improve conditions and amenities for truck drivers
- Enhance truck driver educational and training opportunities



Trucking Industry, DEO, EFI, CareerSource FL?

Logistics Workforce

- Incorporate freight and logistics into academic curricula of schools, colleges and universities
- Promote youth-focused and women-focused recruitment



Trucking Industry, DEO, EFI, CareerSource FL?

Construction Labor

- Promote initiatives to train construction workers for employment
- Connect road and bridge construction contractors with qualified workforce



DEO, FloridaMakes?



Infrastructure



Goal: Improve infrastructure capacity

Solutions



Freight Hubs

- Develop inland ports
- Increase infrastructure capacity at modal hubs

Freight Gateways & Corridors

- Preserve corridors for flexible use
- Create automated freight-only corridors to connect ports and surrounding freight facilities

Truck Parking

- Develop a Truck Parking Improvement Program
- Explore additional truck parking funding opportunities

Maximize Return on Investment

- Prioritize meritorious programs and projects that yield greater return on investment



Seaports?



*Local gov't,
Seaports?*



FTA?



FL Chamber, EFI?



Economic Competitiveness



*Goal: Achieve trade
balance*

Solutions



Marketing

- Promote Florida as a freight-friendly state that's open for business
- Develop a "One Florida" approach to unify all modal entities



FL Chamber, DEO, Economic Development Orgs?

Manufacturing

- Attract state targeted industries to increase manufacturing and reduce empty back haul
- Support reshoring and next-gen manufacturing activities



EFI, FloridaMakes, SpaceFlorida?

Incentivizing Industry

- Develop incentive programs with other state agencies
- Provide technical assistance and support to businesses and continue to foster a business-friendly environment



EFI, FloridaMakes, DEO?



Innovation



Goal: Increase operational efficiencies through innovation

Solutions



Supply Chain Visibility

- Establish program for supply chain visibility/data accessibility
- Develop supply chain performance measures and tools for regular monitoring



EFI, DEO, FloridaMakes, SpaceFlorida?

Technology Integration

- Improve mobility through Freight Signal Priority and Enhanced Freight Corridor Communication
- Incorporate AI, machine learning, and data analytics to analyze and visualize big-data
- Develop next-generation freight corridors and intermodal facilities leveraging latest technology and considering multimodal freight demand



EFI, FloridaMakes, SpaceFlorida?

Leverage Funding

- Expand grant opportunities
- Streamline processes to support freight and logistics projects



ATA, FRA?

Strengthen Partnerships

- Enhance intergovernmental partnerships for supply chain projects through state legislative actions and pursuit of discretionary federal funding
- Expand Public-Private Partnerships (P3s)



State Agencies, ATA, FRA?



Resilient Communities



Goal: Prepare to mitigate and respond to disruptions

Solutions



Operational Disruptions

- Improve weather resiliency of key multimodal infrastructure and identify alternatives
- Develop resources to guide partners on how to access and distribute fuel during and after an emergency



*Local Gov't, DEP,
DEO, FL Chamber?*

Mitigation

- Diversify Florida's portfolio of energy sources
- Develop and refine processes to collect, prioritize, and fund supply chain projects with new resilience funding opportunities



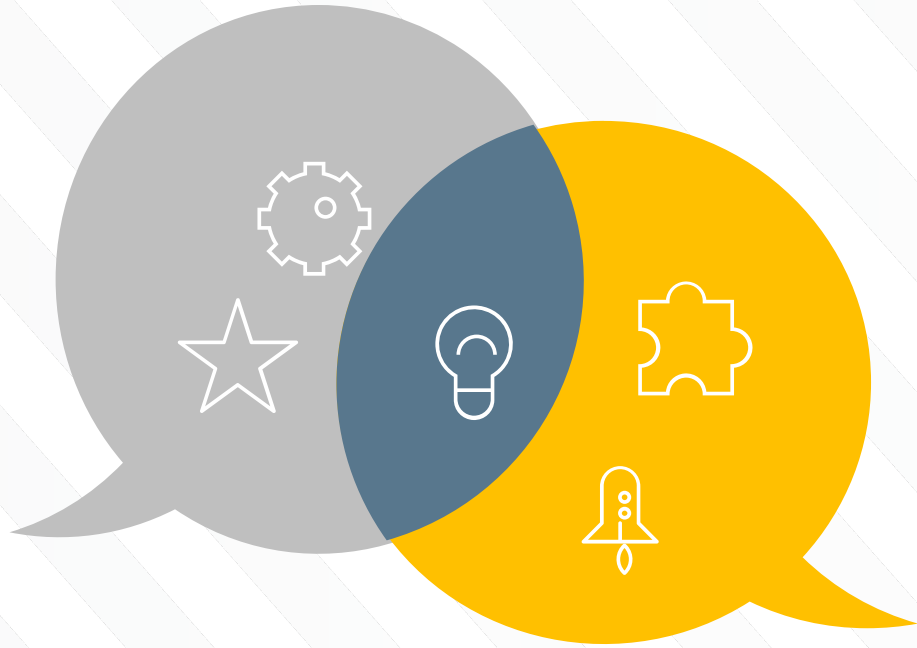
*Local Gov't, DEP,
DEO, FL Chamber?*

Buy-In

- Drive strategic investments that support both the state's multimodal/intermodal freight system vision and local priorities



*FL Chamber, Visit
Florida, EFI, DEO?*



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

Public Comments

Member Comments

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Adjourn



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