

US 27 Mobility Stakeholder Working Group – District One

Keith Robbins
District Freight Coordinator,
FDOT District One



Agenda



Freight Mobility through the Heartland of Florida



- **Introductions and Administrative Remarks**
- **Freight Coordinator Update**
- **US 27 Corridor (Polk County) Study Update**
- **America's Gateway Project Update**
- **Sebring Multimodal Logistics Center Update (Tentative)**
- **Inland Ports – A Presentation followed by Discussion**
- **Closing Remarks**

Introductions and Administrative Remarks



- Restrooms
- Emergency Procedures
- Ground Rules for What is Presented
- Introductions
 - Who you are and what you do for your company/organization
 - What your company or organization does

Purpose and Intent for the Working Group



Purpose: To provide an opportunity to share and exchange information relating to the US 27 Highway Corridor with stakeholders from the public and private sector, and allow for discussion among those stakeholders that could result in the genesis of future efforts to improve and/or preserve the efficient mobility of freight among all other users of the corridor.

Intent: What We Hope to Accomplish

- Raise awareness and support for freight mobility issues through updates on related projects, concepts, and studies
- Re-invigorate the Future Corridors Initiative to focus effort on the Heartland Corridor for potential transformation of US 27
- Cultivate interaction among stakeholders to collaborate on potential ideas for protecting and preserving the corridor for freight movement
- Use previous studies/reports for reference and guidance when and where applicable to capitalize on work already done



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District One, FDOT

Telling The Freight Story – US 27 Corridor

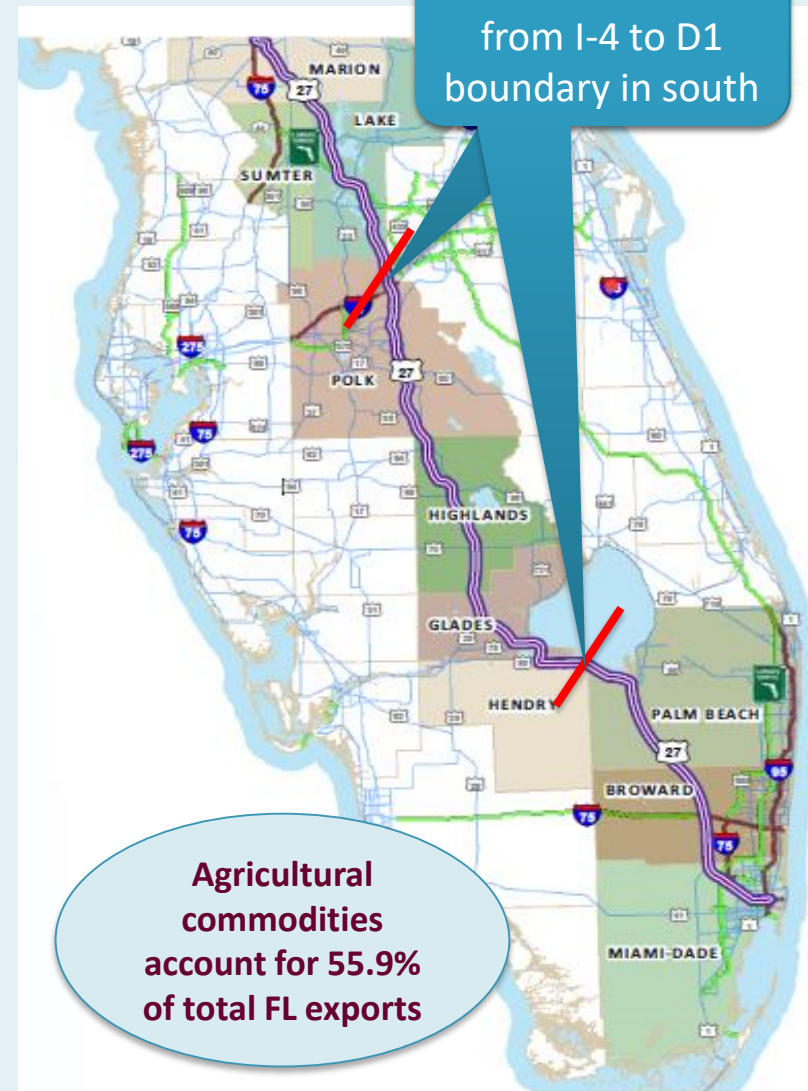


Key Agenda items from the June 2018 meeting:

- Review of activities since the October 2018 meeting
- District One Trucking Seminar and Agribusiness Mobility Study
- US 27 Mobility Study (Polk County)
- Statewide Planning look at the US 27 corridor
- Adaptive Signals Control Technologies Update

Activities since the October meeting:

- 4th Annual Freight Trucking Forum in August – Ag mobility add-on
- Rural Land Stewardship Area Plan (Collier) presentation
- Port Manatee Capability and Capacity Improvements Study and NW Manatee County Area Plan
- 29 Bridge project began in LaBelle
- Adaptive Signals Control project completed on US 27 north of SR 60
- Public Hearing on SR 29 PD&E in Immokalee
- Increasing work in various areas to aid in truck parking issue at the local, state and national level – new FAC ruling on parking for trucks
- Attended annual crop forecast luncheon by Florida Citrus Mutual
- LIVE ON-AIR Discussions on Road Dog Trucking, Sirius XM Radio





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**Rick Ferrin
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TranSystems**

A Look at the Characteristics and Operational Overview of Inland Ports

Rick Ferrin, Consultant
TranSystems



Inland Port Characteristics



▶ Characteristics:

- ▶ **Inland Port** – typically an extension of marine terminal facilities or activities
- ▶ **Distance** – generally located within a range of 150 to 300 miles away
- ▶ **Connectivity** – direct access to rail and highway systems
- ▶ **Ownership** – a port authority, a railroad, a county, or a 3rd party; however, existing inland ports are owned by Ports Authorities
- ▶ **Operated by** – a port authority, a railroad, or an experienced company contracted with the owner for all or a portion of facility operations
- ▶ **Provides added value** – through Ro-Ro processing facilities, transloading operations, removal of containers from congested marine facilities (reducing dwell and increasing the containers per acre), etc.
- ▶ **Applicability** – when marine terminal congestion and surrounding highway congestion have become an issue for the port



ROAD



RAIL



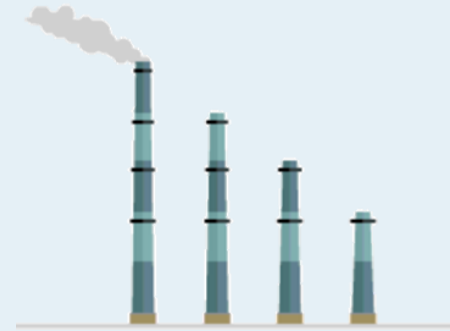
PORT

Inland Port Benefits



▶ Benefits:

- ▶ **Removal of trucks from the highway system** – reducing wear and congestion
- ▶ **Supports economic growth** – for both existing and projected industries
- ▶ **Job creation** – both for the facility and increase in industrial development in the surrounding area
- ▶ **Reduced environmental impacts** – moving freight by rail is 3x more efficient than moving by road and can reduce CO₂ emissions by approximately 70-85%
- ▶ **Increased safety** – fewer road miles decreases potential accidents
- ▶ **Cost savings** – financial analysis is required to determine if operational costs may exceed shipping costs – generally regional delivery costs in areas with inland ports are lower than their counterparts due to their centralized locations, chassis per diem, fewer detention charges, and costs associated with land and labor
- ▶ **Reduced trucking distance** – truck drivers are able to haul more loads over a shorter distance
- ▶ **Supply chain resiliency** – compared to trucks, rail provides less daily variability and increased assurance on capacity availability



Conversion to Rail



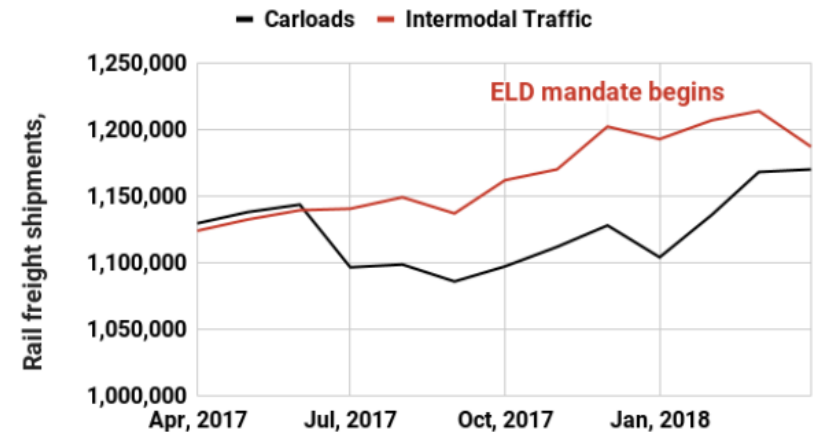
- ▶ **Highway-to-rail conversations are historically cyclical in occurrence** – industry experts believe this switch may be more long term
 - ▶ **BNSF** – reported a 6% rise in domestic and international intermodal volumes attributed to economic growth and tight truck capacity
 - ▶ **Kansas City Southern** – reported 8% increase in carloads in Q1 2018 YOY
- ▶ **Railroads have focused on improving efficiency and service performance** – primarily focusing as little as 500 miles
 - ▶ **CSX** – implemented Precision Railroading initiative, CSX is building 13% longer trains to move in point-to-point service for fewer delays and is adding 600,000 units of capacity in intermodal terminals
 - ▶ **UP** – preparing to implement their “Unified Plan 2020” beginning Oct. 1st with a focus on Precision Railroading
 - ▶ **NS** – preparing for the for the surge by stepping up train crew hiring and locomotive leasing

Supply Chain Resiliency cont.



- ▶ **Electronic Logging Devices (ELDs) have permanently evaporated some value of trucking capacity** – Schneider (6th largest US for-hire carrier) reported a drop in productivity in 2010 when they implemented ELDs in 2010
- ▶ **Shippers have begun transitioning towards intermodal shipment opportunities to move their freight** – Intermodal traffic grew 7.2% YOY in Q1 2018
 - ▶ IANA reported: domestic freight increased 6.2%, international increased 7.0%, and international grew 14.5%
- ▶ **According to the American Trucking Association there is an existing shortage of approximately 51,000 drivers** – the driver shortage is leading to delayed deliveries and higher prices for goods that Americans buy. The ATA predicts that the shortage is likely to get worse in upcoming years

Intermodal shipments have spiked since the ELD mandate entered force



📹 Railroads are reporting higher monthly averages in 2018 than they recorded in all of 2016. Credit: Bureau of Transportation Statistics

Inland Port Challenges



▶ Challenges:

▶ **Determination of ownership and funding**

- ▶ Funding can come from one or multiple sources
- ▶ There may be opportunities for federal and state funding

▶ **Property acquisition**

- ▶ Real estate research would be required to locate one or multiple sellers of property OR
- ▶ Dedication of property from a municipality

▶ **Cooperation between major stakeholder**

- ▶ Train scheduling/guaranteed service
- ▶ Terminal design, specifically rail access

▶ **Determination of operating company**

- ▶ Determined by the owner(s)
- ▶ There could be multiple entities operating on the facility

▶ **Reconciling Cargo Flows**

- ▶ Repositioning empty containers efficiently for imbalances in container flows

▶ **Increased operating costs**

- ▶ Additional operating costs associated to extra “touches” between origin and destination that are typically passed to the consumer

▶ **Cargo security**

- ▶ Avoid pilferage and vandalism
- ▶ Adapt to Federal security requirements for imports and exports

▶ **Technology Implementation**

- ▶ Compatibility with the originating port and the railroads



Inland Port Locations in Georgia, South Carolina, and Virginia



South Carolina Ports Authority

- ▶ Inland Port Greer
- ▶ Inland Port Dillon

Georgia Ports Authority

- ▶ Cordele Inland Port
- ▶ Appalachian Regional Port – Opening 2018

Virginia Port Authority

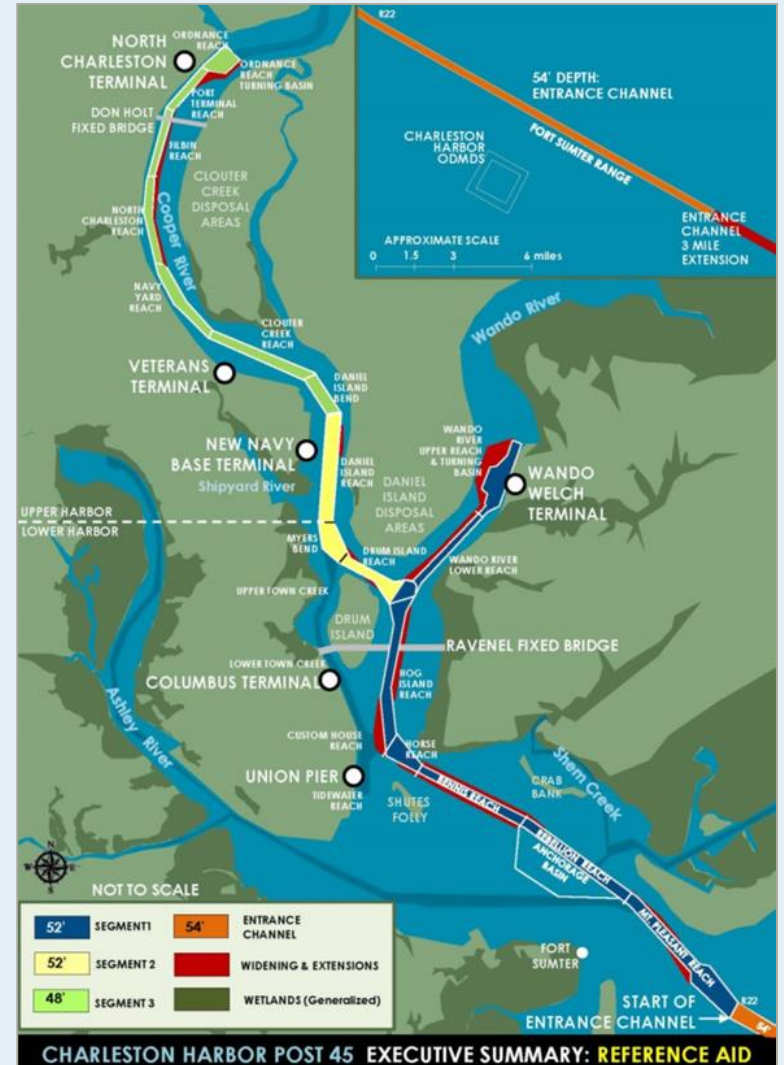
- ▶ Virginia Inland Port



South Carolina Ports Authority



- ▶ 2.2 million twenty foot equivalent units (TEUs) were handled in 2017 calendar year, 10% growth over previous year
- ▶ 250K + vehicles exported in FY17
- ▶ 35 crane moves per hour
- ▶ 52 foot channel coming in 2020, 3 year project to be the deepest harbor on the eastern U.S.
- ▶ Constructing a new terminal, Hugh Leatherman Terminal. Phase I will be in operations by 2020
- ▶ Currently expanding Wando Welch Terminal to include a stronger wharf that can handle 18,000 TEU ships and up to 9 cranes with 155' of outreach



Inland Port Greer (IPG)



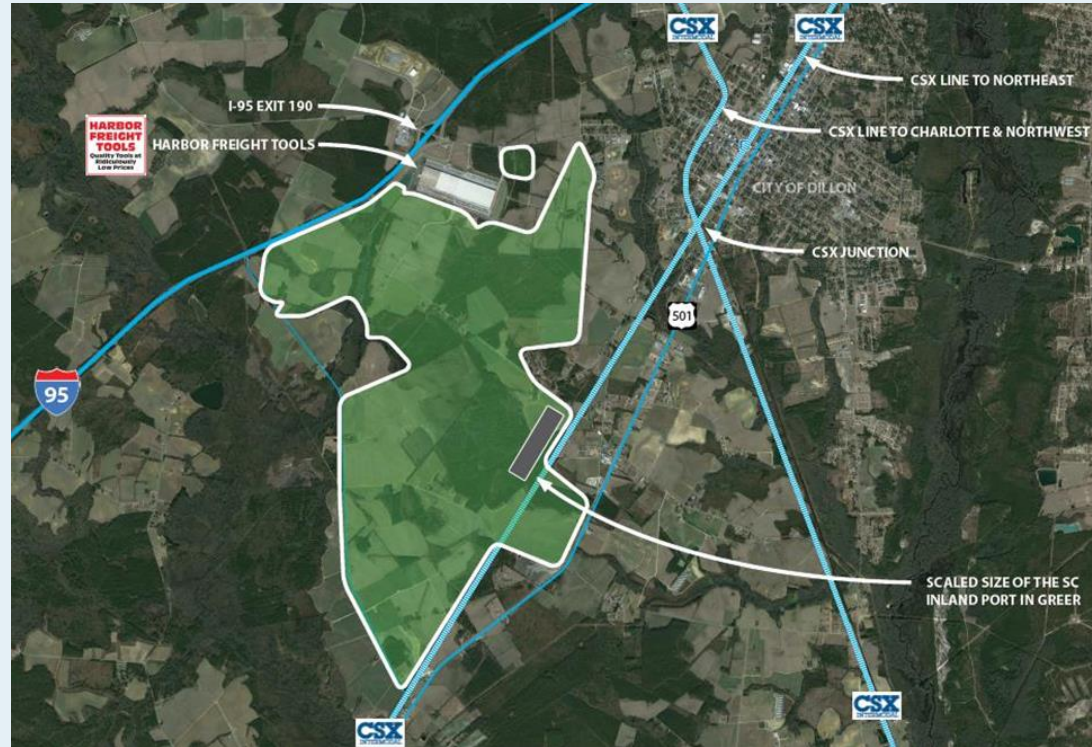
- ▶ SCSA's 1st inland port
- ▶ Located in Greer, SC and serves the Western Carolinas
- ▶ Owned and operated by SCSA
- ▶ Located along the Norfolk Southern Mainline
- ▶ 5,200 feet of working tracks
- ▶ 7,800 feet of storage tracks
- ▶ Operates an overnight service from Port of Charleston
- ▶ BMW Manufacturing Co. and Adidas Group are major shippers using IPG
- ▶ Future expansion currently under consideration



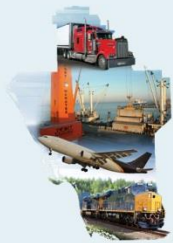
Inland Port Dillon (IPD)



- ▶ SCPA's newest inland port
- ▶ Located in Dillon, SC and serves the Eastern Carolinas
- ▶ Opened in April 2018
- ▶ Owned and operated by SCPA
- ▶ Located along the CSX Mainline, close to I-95, and close to affordable land available for development
- ▶ 10,080 feet of working tracks
- ▶ Loaded container capacity of 4,380 TEU
- ▶ Empty container capacity of 7,584 TEU
- ▶ 2 inbound and 2 outbound portals and kiosks
- ▶ 2 Rubber Tire Gantry (RTG) cranes stacking on 2 tracks, 4 wide 5 high
- ▶ 2 empty container handlers stacking up to 8 high
- ▶ Harbor Freight Tools located adjacent to the 3,400 acre industrial park as major shipper using IPD



Inland Port Dillon (IPD) Virtual Reality Demonstration



Georgia Ports Authority



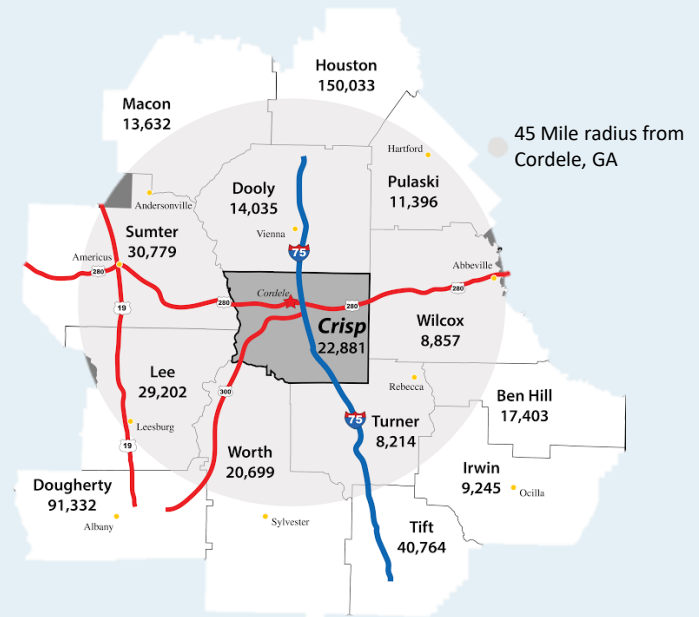
- ▶ Largest single terminal in North America
- ▶ 2nd busiest U.S. container exporter
- ▶ 4th busiest container port in the U.S.
- ▶ Offers access to 44% of the US consumer market in 2-3 days
- ▶ Served by CSX and Norfolk Southern
- ▶ 9,700 feet of contiguous berth space
- ▶ Largest concentration of import distribution centers on the East coast
- ▶ Immediate access to I-16 and I-95
- ▶ Savannah Harbor Deepening project to deepen to 50 feet scheduled for completion in 2020



Cordele Inland Port



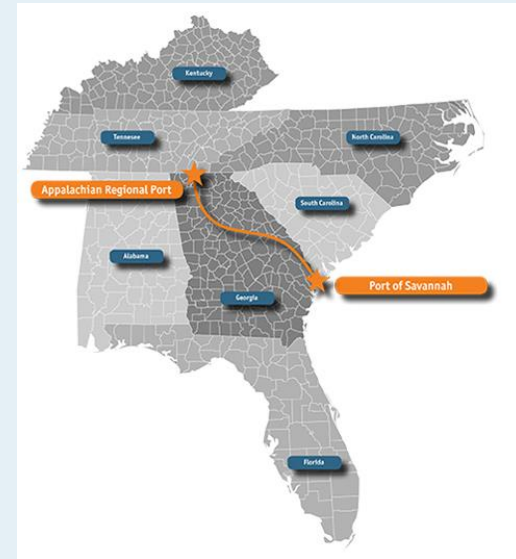
- ▶ Located less than 1 mile from I-75, HWY 300, and HWY 280
- ▶ Target market of southwest Georgia, southern Alabama, and western Florida
- ▶ Located within a regional center for agriculture allowing those products to become more competitive in the global market
- ▶ Located within a 40 acre industrial park with option to expand to 1,200 acres
- ▶ Owned by Georgia Ports Authority and operated by Cordele Intermodal Services, Inc.



Appalachian Regional Port



- ▶ Opened August 2018
- ▶ Joint effort of Governor Nathan Deal's office and the State of Georgia, CSX, and the Georgia Ports Authority
- ▶ Target markets in Georgia, Alabama, Tennessee, and Kentucky
- ▶ Located in an industrial belt – including the production and export of carpet and flooring, automobiles, and tires
- ▶ Site features easy access to I-75 and US-411
- ▶ 42 acres with a lift capacity of 100,000 containers per year
- ▶ Owned by Georgia Ports Authority
- ▶ Eliminates 710 truck miles on Georgia highways
- ▶ 1,500 acres of available developable land with 258 acres of rail-front property in Murray County



Virginia Ports Authority



- ▶ 2.7 million TEUs annual throughput in 2017
- ▶ Fully authorized and permitted for future marine terminal expansion
- ▶ 50-foot channels and berths
- ▶ Zero air-draft restrictions
- ▶ 35% of cargo arrives and departs the port by rail, the largest percentage of any US East Coast port
- ▶ 36,800 linear feet of on-dock rail track
- ▶ 2 Class I railroads operating on-dock, CSX and Norfolk Southern
- ▶ 16 Midwest and Southeast inland points served by rail
- ▶ 2.5 hours to open sea



Virginia Inland Port



- ▶ Located in Front Royal, 60 miles west of Washington D.C.
- ▶ Container service to/from Norfolk International Terminals and Virginia International Gateway
- ▶ Home Depot, Kohl's, Rite Aid, and Red Bull have opened distribution centers in the Front Royal area
- ▶ Within 1 mile of I-66 and 5 miles of I-81
- ▶ Owned by Virginia Ports Authority





Inland Ports in Florida TranSystems

Application of an Inland Port in Florida



▶ Importance:

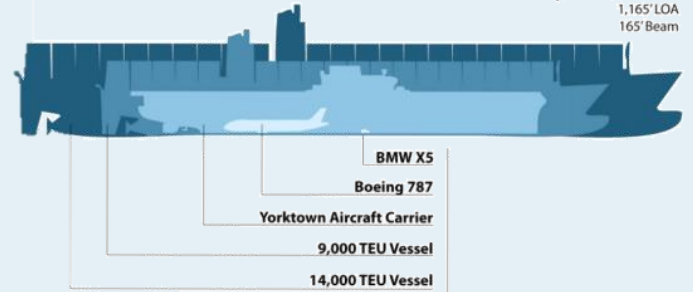
- ▶ **Larger vessel sizes calling East coast ports** – Post-Panamax vessels (14,000 TEU)
- ▶ **Significant increase in truck drays** – caused by the larger vessels which will congest the highway system further
- ▶ **Increased monitoring of truck drivers** – causing increased delivery time to the consumer

▶ Opportunity:

- ▶ **Limited ability for port growth within the state** – an inland port would increase flexibility with storage off port property in congested areas, like PortMiami
- ▶ **Potential to consolidate freight** – if the inland port supports multiple seaports, it may require determination of land use (ex. storage capacity allocated to each port) dependent on negotiated agreements between the inland port owner and each user

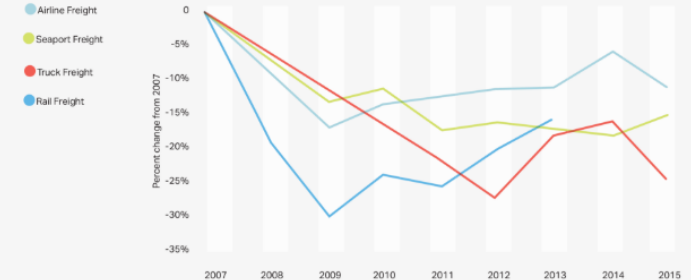
Soon To Be Calling USEC Ports

Vessels up to 14,000 TEU
1,165' LOA
165' Beam

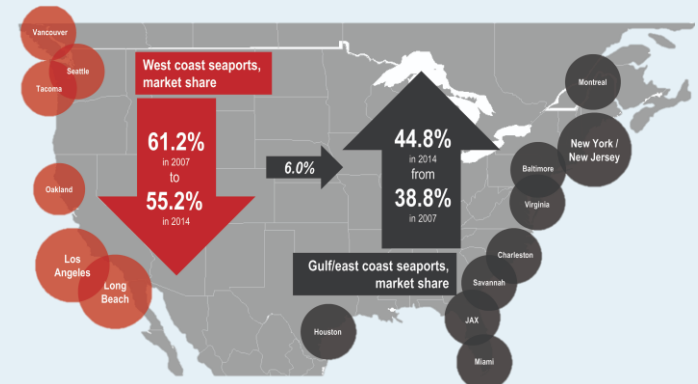


Post-Recession Freight Volumes in Florida Stabilize

Economic activity levels have kept freight volumes below peak levels of 2007



Florida Department of Transportation / Office of Policy Planning / TRENDS / January 2017



Challenges of an Inland Port in Florida



► Challenges:

- **Determining ownership** – the owner would incur high upfront costs with a low margin for profit
- **Land division amongst ports** – If the inland port is used by multiple ports, a determination of land use may be required (ex. determination of storage capacity allocated to each port), this will be dependent on the owner and negotiated agreements with each port
- **Florida is a consumer state** – majority of traffic stays within the state, resulting in a confined driving distance for the for the first and last miles reducing the driving radius because of the peninsular shaped state
- **Viable connections to multiple railroads** – only JaxPort and Fernandina currently have viable connections to CSX, NS, and FEC
- **Limited Consumer Radius** – Consumer accessibility is regionally based for discretionary cargo



Characteristics of Good Inland Port Locations in Florida



- ▶ **Centrally located** – with potential to serve more than one port
- ▶ **Dense consumer location** – to reduce drayage requirements
- ▶ **Workforce proximity** – within commuting distance of qualified employees
- ▶ **Connectivity** – immediate access to highway and rail, potentially dual served
- ▶ **Cargo security** – to reduce pilferage and vandalism
- ▶ **Opportunity for economic development** – including stakeholder support and potential to facilitate future growth for warehousing or manufacturing facilities in the immediate area



Potential Inland Port Funding



- ▶ **Port Terminal Revenues** – generated from charges for handling containerized cargo, handling and storage charges for non-containerized cargo, and fees associated with chassis and empty container management
- ▶ **State and Regional Funds** – may be available for specific transportation related projects
- ▶ **Federal Funds** – are authorized to fund up to 80% of approved projects



**AMERICA:
KEEP IT MOVING**

Potential Locations within Florida



These are NOT in any ranked order of priority.

- 1 St. Joe Venture Crossing
- 2 Port Panama City ILC
- 3 Plum Creek Columbia County Inland Port
- 4 Alliance Florida at Cecil Commerce Center
- 5 Nassau County/Port Fernidina ILC
- 6 Ocala 489 Site
- 7 Central Florida Mixing Center/Monarch ILC
- 8 Manatee County ILC
- 9 Winter Haven CSX ILC
- 10 Florida Inland Port
- 11 America's Gateway Logistics Center
- 12 Air Glades Cargo Facility
- 13 Florida Crystals South Florida Regional ILC
- 14 Hialeah/FLAGLER Logistics Hub
-  Current Deepwater Seaport
-  SIS Roadway
-  Railroad
-  US Highway



QUESTIONS?

What's Next?



- **LaBelle Bridge (SR 29) construction upgrade completes this months! Final walk-thru on 18 Dec with full de-mob by EOM**
- *Completion* of ID of last-mile connectors to Freight Activity Centers and determine impact based on projected growth and development
- *Completion* of Rail/Highway Improvement Feasibility Study, Phase 2
- Review underway of District One FMTP Implementation Plan for progress and updates as required
- Continue effort to identify and implement, where possible, solutions to the truck parking situation – *rest area facility computation form*
- Regional Agriculture Stakeholder Meetings in Immokalee and other communities – Farm Bureaus and Growers Associations

Closing Remarks



- POC information
- Topics you would like to hear
- Next Meeting:
 - Suggested timeframe? Maybe June 2019
 - Location: TBD

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Why Florida Freight For The Movement Of Your Goods & Services?

As a leading international trade center, Florida offers easy access to international markets, particularly Latin America. Goods valued at nearly \$160 billion flow through Florida's airports and seaports each year, and the state has the 2nd largest Foreign Trade Zone (FTZ) network in the country.

Florida can help establish and boost your international business efforts. Miami International Airport is the largest U.S. gateway for Latin America and the Caribbean and is one of the busiest international passenger and freight airports in the world.

As the Western Hemisphere's commercial gateway, Florida's logistics & distribution industry is poised to grow further with the Panama Canal expansion. As it stands, Florida has the #2 infrastructure in the U.S. and can help you get your products & services anywhere.

Questions?

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