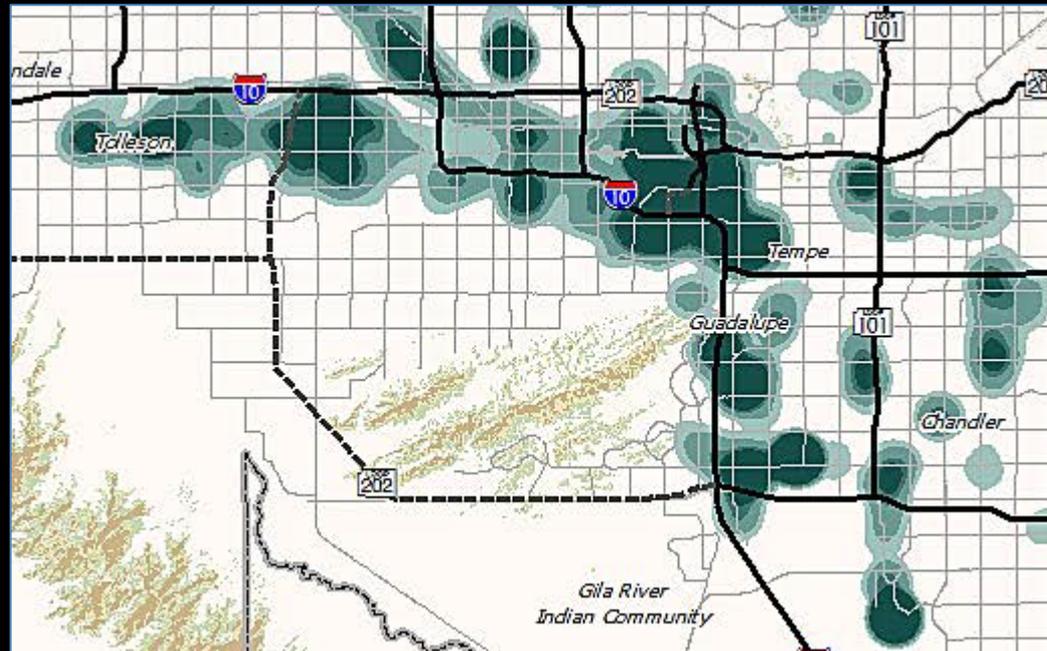


MAG FREIGHT PLAN UPDATE

Examining Freight and Multimodal Opportunities in the MAG Region



MAG Street Committee Meeting
May 9, 2015



Phase I - Review

Freight Transportation Framework Study Phase I

- Shipper Survey and Interviews
- Supply Chain Consortium Database
- Commodity Flow Analysis
- Facilities Inventory
- Stakeholder Outreach
- Freight Focus Areas



Freight Focus Areas

The image displays four overlapping report covers for freight focus areas. From left to right, they are:

- Important:** Red cover with a sunset background. Text: "Important", "A study by the JOINT PLANNING ADVISORY COUNCIL A planning partnership for the Arizona Sun Corridor", and the MAFSODPA logo.
- Mixed:** Purple cover with a warehouse interior background. Text: "Mixed", "A study by the JOINT PLANNING ADVISORY COUNCIL A planning partnership for the Arizona Sun Corridor", and the MAFSODPA logo.
- Manufacturing:** Orange cover with a sunset background. Text: "Manufacturing", "A study by the JOINT PLANNING ADVISORY COUNCIL A planning partnership for the Arizona Sun Corridor", and the MAFSODPA logo.
- Forward Distribution Center:** Green cover with an aerial view of a large warehouse and a worker with a clipboard. Text: "Forward Distribution Center", "WEST VALLEY FOCUS AREA", "A study by the JOINT PLANNING ADVISORY COUNCIL A planning partnership for the Arizona Sun Corridor", and logos for MAFSODPA, PAG (Pinal Association of Governments), and CAG (Central Arizona Council of Governments). A map of the region is also included.

Labor Force

The population within the five mile focus area has a higher percentage of high school graduates than either the Pima County or Arizona. This is an important demographic for the import distribution center, which relies on many workers with high school level educations.



Twenty percent of households within the focus area earn less than \$35,000 annually. This demographic fits with an import distribution center, which is interested in employing workers seeking jobs paying close to \$15 an hour.

Average household travel time to work within the focus area is 23 minutes, which is on par with both the County and State averages.

Plans and Policies

Pima County Economic Development

The County identifies past transportation investments that have been credited in part with sparking past private investment such as the IBM, TIA, and U of A employment centers. The County also calls for the creation of a major aerospace and defense corridor stretching from I-19 to I-10 south of existing TIA facilities. www.pima.gov/CED

Emerging Project: Port Of Tucson Transloading Facility

The Port of Tucson is a multifaceted transportation and logistics center serving Tucson and the Southwest. Pima County and the Port of Tucson are collaborating to develop an intermodal transportation and logistics rail improvement in association with Union Pacific Railroad. Potential economic development and community benefits include:

- Construction jobs
- Logistics support for major manufacturers in the aerospace, defense, agriculture, and mining industries
- Reduced reliance on trucks and less congestion on I-10
- Minimized deadhead containers
- Path for Air-Rail-Truck transloading

www.portoftucson.net

For more information: www.bqaz.org

Percent of population with high school degrees / equivalency:

Tucson International Airport Area	32%
Pima County	24%
State of Arizona	25%

Average length of work commute:

Tucson International Airport Area	23 min
Pima County	24 min
State of Arizona	25 min

Tucson International Airport Focus Area freight businesses move petroleum and plastic products, beverages, machinery and equipment, automobile and motor vehicle items, aeronautical/nautical systems and instruments, and more!

Alcoa Fastening Systems
Auto Safety House
Chamberlain Manufacturing
Golden Eagle Distributors Inc
Modular Mining Systems Inc
Pepsi Bottling Group
R&R Products Inc
Sundt Co Inc
Universal Avionics Sysys Corp
Western Refining Wholesale

Source: HIS Global Insight, 2010

Recommendation

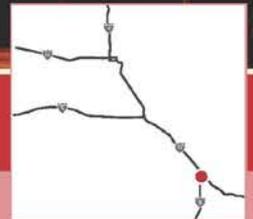
Develop a Sun Corridor Freight Development Zone for the proposed high capacity corridor that will provide attractive incentives for business seeking to locate within the region, which may include property tax reductions, state income tax credits, etc.

The TREC Foreign Trade Zone (FTZ) service area should be actively promoted by Policymakers. Qualifying companies should be encouraged to apply for FTZ status. Companies that achieve FTZ status can benefit from lower inventory costs, reduced or eliminated U.S. Customs Duties, and property tax incentives.



Import Distribution Facility

TUCSON INTERNATIONAL AIRPORT FOCUS AREA

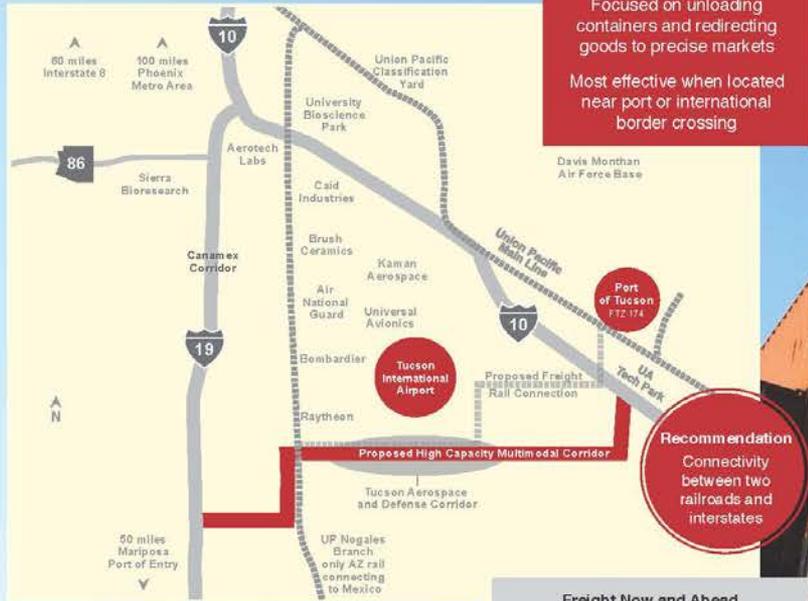


A study by the **JOINT PLANNING ADVISORY COUNCIL**
A planning partnership for the Arizona Sun Corridor



Tucson International Airport Focus Area

IMPORT DISTRIBUTION FACILITY OPPORTUNITY



Commonly the first stop for imported goods

Focused on unloading containers and redirecting goods to precise markets

Most effective when located near port or international border crossing

Recommendation
Connectivity between two railroads and interstates

Recommendation
Develop high capacity multimodal transportation corridor south of TIA connecting Interstate 19 to Interstate 10

Create good rail connectivity

Targeted transportation investments to accommodate and complement expansion efforts at Port of Tucson

Improve I-19 corridor signage and increase trucking services

The Tucson International Airport area is ideal for an Import Distribution Facility, which focuses on accepting imports and redirecting to precise markets. The area encompasses major air, rail and freeway facilities, is within two days by truck of major Texas and Mexican markets, and is within 53 miles of the Nogales international border crossing with Mexico.

Freight Now and Ahead

\$9.42 billion of goods were traded in the Tucson International Airport Area in 2009, with Mexico as an important trading partner.

By 2015 the level of activity is anticipated to grow by 41%, for a total of \$13.25 billion.

Source: IHS Global Insight, 2010

Transportation

Not only is this area well-placed geographically, but it has in place the necessary elements for import distribution—rail, air, and interstate access all are conveniently co-located.

Tucson International Airport Characteristics:

- 3 runways
- 11,000' primary runway
- Land available for development
- Improved land available
- Enterprise Zone
- Empowerment Zone
- Foreign Trade Zone



Distance to Market	Road	Rail
Laredo	947 mi.	1,021 mi.
Houston	1,058 mi.	1,072 mi.
Dallas	949 mi.	945 mi.
Nogales Port of Entry (with Mexico)	53 mi.	55 mi.

Rail Features	Distance to Intermodal Terminal	Miles of Access
		5 mi.
		18 mi.

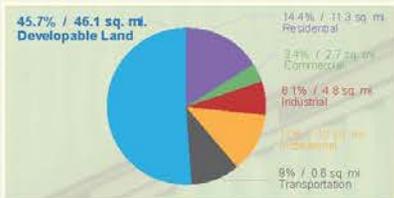
Distance to Freeways	to I-10	to I-19
	3 mi.	3 mi.

Miles of Existing Major Roadway
17 mi.

Developable Land

Land use planning is critical when developing freight clusters. It is key to the success of a freight corridor to protect available land at key transportation junctions for additional industrial development.

Nearly 50 percent of the area is considered developable, and businesses also can be accommodated by existing vacant industrial and commercial properties. The region is also actively planning an aerospace and defense "high-tech" corridor south of the airport.



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

Additional Recommendations

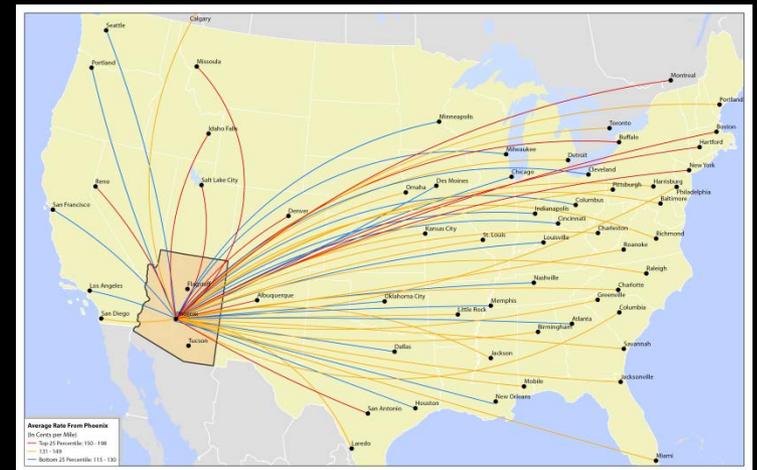
- Establish a Sun Corridor Freight Development Zone special land use designation.
- Implement strategic transportation improvements to support efficient freight distribution.
- Assist municipal governments with related amendments to public policy.
- Prepare conceptual business plans for specific freight related opportunities.

MAG Freight Plan

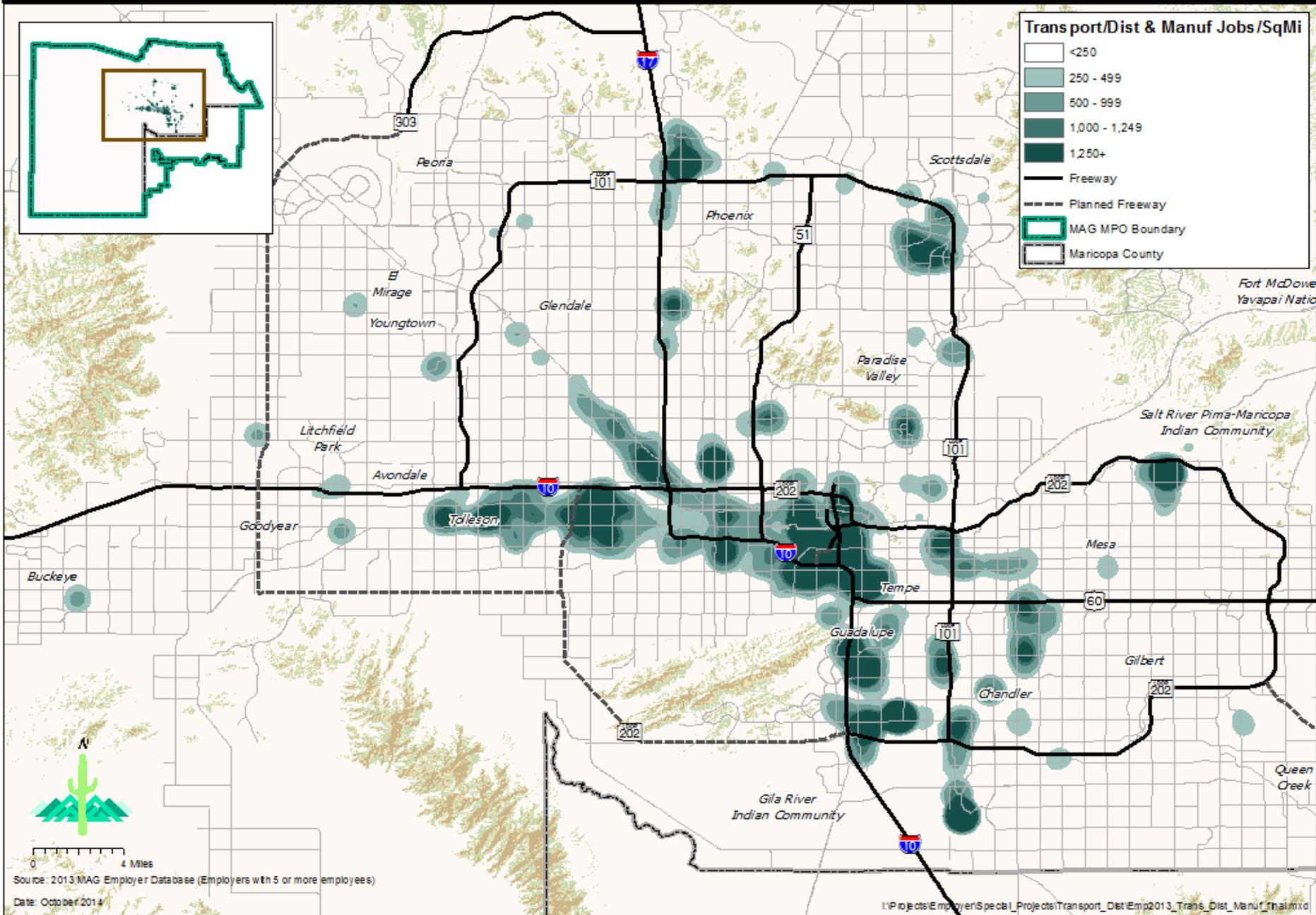
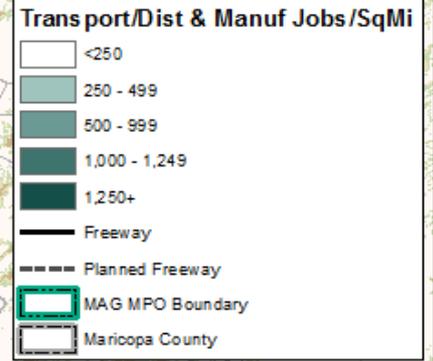
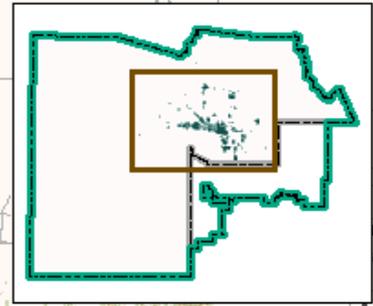
Goal: Enhance the region's transportation network to facilitate freight movement and improve access to and from major employment centers.

Objectives:

- Designate a regional freight network
- Increase mobility and access to existing freight clusters
- Identify a regional freight commodity profile.
- Identify freight infrastructure/operational improvements
- Identify funding options and sources



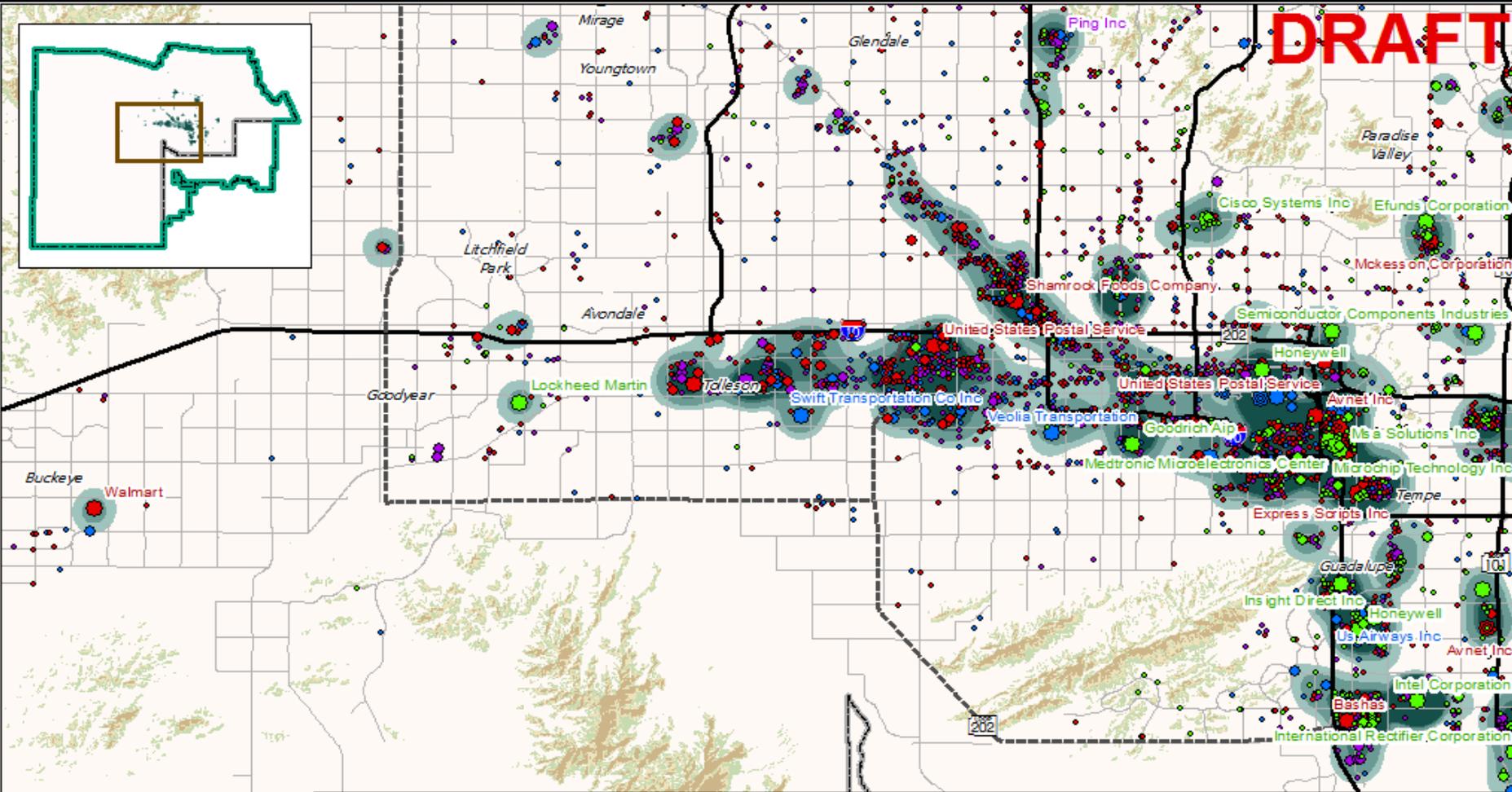
Transportation, Distribution & Manufacturing Job Clusters (2013)



Source: 2013 MAG Employer Database (Employers with 5 or more employees)
 Date: October 2014

I-10 Belt: Transportation, Distribution & Manufacturing Job Clusters (2013)

DRAFT



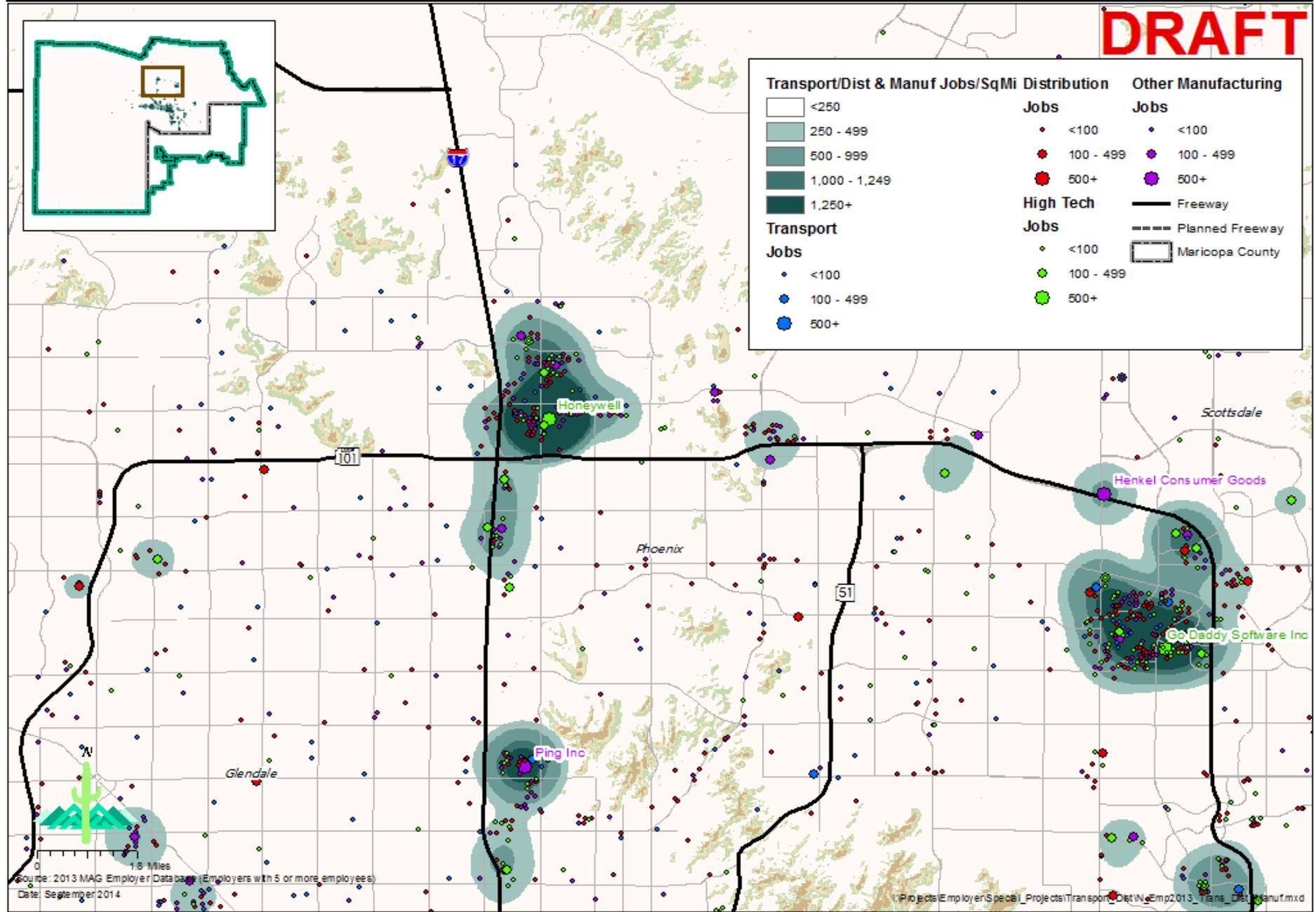
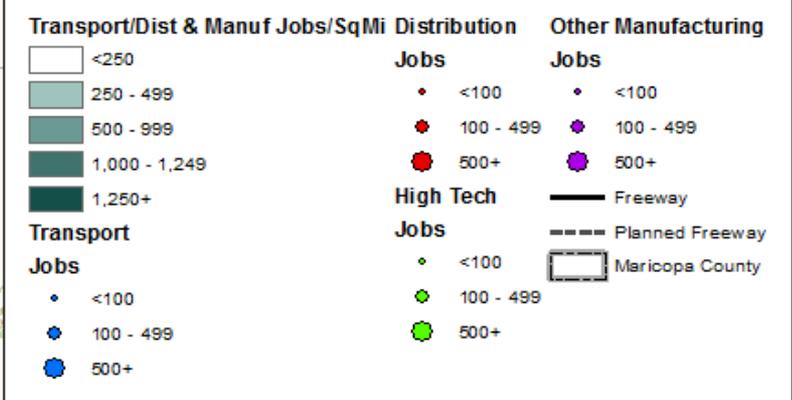
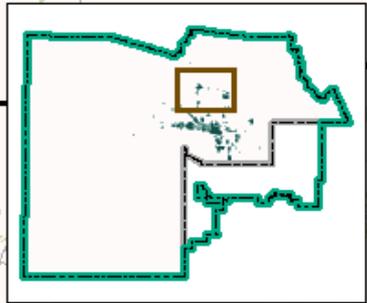
Transport/Dist & Manuf Jobs/SqMi	Transport Jobs	Distribution Jobs	High Tech Jobs	Other Manufacturing Jobs	Legend
<250	• <100	• <100	• <100	• <100	— Freeway
250 - 499	• 100 - 499	• 100 - 499	• 100 - 499	• 100 - 499	- - - Planned Freeway
500 - 999	• 500+	• 500+	• 500+	• 500+	□ Maricopa County
1,000 - 1,249					
1,250+					



Source: 2013 MAG Employer Database (Employers with 5 or more employees)
Date: September 2014

North: Transportation, Distribution & Manufacturing Job Clusters (2013)

DRAFT



Source: 2013 MAG Employer Database (Employers with 5 or more employees)
 Date: September 2014

Zoned Industrial/Business Park Opportunities

- Maricopa County has **110,800 acres** (173.1 sq. mi) of land that is zoned for Industrial /Business Park.
- The West Valley has **71,542 of those acres** (111 Sq. Mi.)
- Only 18% of the Industrial/Business Park zoned land has been developed for the West Valley.

Over 58,500 acres remaining in the West Valley
***91 square miles of future opportunities!**





Arizona State Freight Plan

Michael DeMers
Freight Planning Project Manager
mdemers@azdot.gov

Donald Ludlow
Managing Director
CPCS





Tim Strow
Senior Transportation Project
Manager

**Maricopa Association of
Governments**

tstrow@azmag.gov

(602)254-6300

www.jpacaz.org

www.greaterphoenixrising.com