Logistics Led Economic Development Activities

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Overview

- Project Description
- Preliminary Analysis
- Sample guidance
- Next steps
Project Description

• Analyze existing public investments for freight projects
• Examine non-traditional uses of transportation funding to advance economic development, domestically and abroad
• Provide Florida DOT with guidance and decision support framework for selecting potential freight-focused investments
• Offer critique of investment decision making
Context

- Freight Logistics and Passenger Operations
  - Port of Miami (to deepen the port),
  - Port of Canaveral (to expand the port),
  - an overpass at Port Everglades (in 2011)
  - Port of Tampa (to upgrade and expand the petroleum terminal complex).
- Integrated Logistics Centers
- Budget crises and trust fund firewalls
Considerations

• Policy Elements
  – Winners and Losers
• Infrastructure
  – Ownership Concerns
• Operations
  – PPP Management
  – Private benefits
Preliminary Analysis

• TIGER grants
  – Opened door for these investments
  – Wider acceptance of rail and maritime investment
• Examples
  – Old Model
    • CREATE
    • Alameda Corridor
    • Infrastructure Support for Development Projects (interchanges, bypasses)
  – New Model
    • Connect Oregon (lottery bonds)
    • MDOT Loan/Grant Program
    • South Carolina Ports
    • Georgia freight rail
    • Brunswick RORO
Other Examples

• International Falls, MN
  – Nexus Distribution Facility

• WisDOT TEA program
  – Many rail spurs (50% match required)

• FAST Corridor
  – Seattle area (highway linkages to ports)
  – Some investment inside the fence
International Examples

• Infrastructure Funding
  – Inland waterways (Europe, Brazil)
  – Port equipment (gantry cranes)
  – Access terminals (Vancouver for oil exports)
Other Opportunities

• State infrastructure banks
  – More than 30 states
  – CA Infrastructure & Economic Development Bank
  – Mississippi Multimodal Transportation Improvement Program
• TIFIA
  – i.e. AllianceTexas
• Rail loan programs
  – Wisconsin, Minnesota, Michigan, Illinois, many others
• Operating programs
  – Missouri DOT
• Tax Credits
  – Inland waterway usage
• Corporate Resources
• Port Revenue
EXAMPLES
Connect Oregon

• Legislature established in 2005
• Provides grants and loans to non-highway transportation projects that promote economic development in Oregon
• Types of Projects (203 projects to date)
  – Air cargo facilities
  – Container terminals and cranes
  – Grain facilities
MDOT Loan Program

• Freight Economic Development Program
• 50% of the cost
• Minimum interest rate of 2% below prime
• Can be forgiven incrementally over five years if agreed-upon minimum carloading requirements are met
• 36 projects/$14m
Georgia Programs

• Heart of Georgia
  – Aimed at rail bottlenecks in Atlanta and Savannah
  – Governor’s directive
  – Cordele Intermodal Facility
    • Inland port

• Brunswick RORO facility
**South Carolina Ports**

- South Carolina invested $23 million to perform upgrades on the city of Charleston’s Columbus Street Terminal “for handling roll-on/roll-off, breakbulk and project cargoes”
- Immediate impact on competition with other East Coast ports
- Other smaller investments
Alameda Corridor

- Started in mid 1980’s
  - Los Angeles & Long Beach rails.
- Goal was to increase the capacity
- Secondary goal was to remove daily barriers to city above it
CREATE

• Started in 2003 (70 projects)
  – 25 new overpasses
  – 6 rail overpasses
  – 36 freight rail projects

• Many partners
  – Federal
  – State
  – City
  – County
  – Private
Next Steps

• Identify specific projects
  – Use expert task group to guide in depth site visits
• Build database of key elements
• Explore factors of success / failure
• Determine Florida specific factors
• Project report 12 months from now
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