

# Arizona State Freight Plan: Enabling Economic Competitiveness and Growth

Project Kick-Off Meeting  
May 21, 2015

Team led by: CPCS

In association with:



And specialty sub-consultants:



Gill V. Hicks & Associates

Chris Caplice Ph.D. (MIT)

# Agenda



## Welcome and Introductions

Arizona's State Freight Plan Overview

Arizona's Freight Vision, Goals and Objectives

Arizona Freight System Performance Approach and Discussion

Top Economic Sectors Approach

Closing Thoughts



Team combines CPCS's multimodal freight strategy, economics and related analytical expertise, with regional knowledge of the economic context and transportation system in, and connected to, Arizona.

**CPCS:** Project leadership, sector transportation needs analysis, strategy, goals and objectives, GIS analysis and mapping, improvement strategy, plan

**HDR:** Arizona transportation systems and conditions analysis (modal expertise), modeling, forecasting, Mexico border and trade expertise, prioritization

**American Transportation Research Institute:** GPS truck data and analysis

**Elliott D. Pollack & Company:** Arizona economic research and analysis

**Dr. Chris Caplice (MIT):** Scenario planning expertise

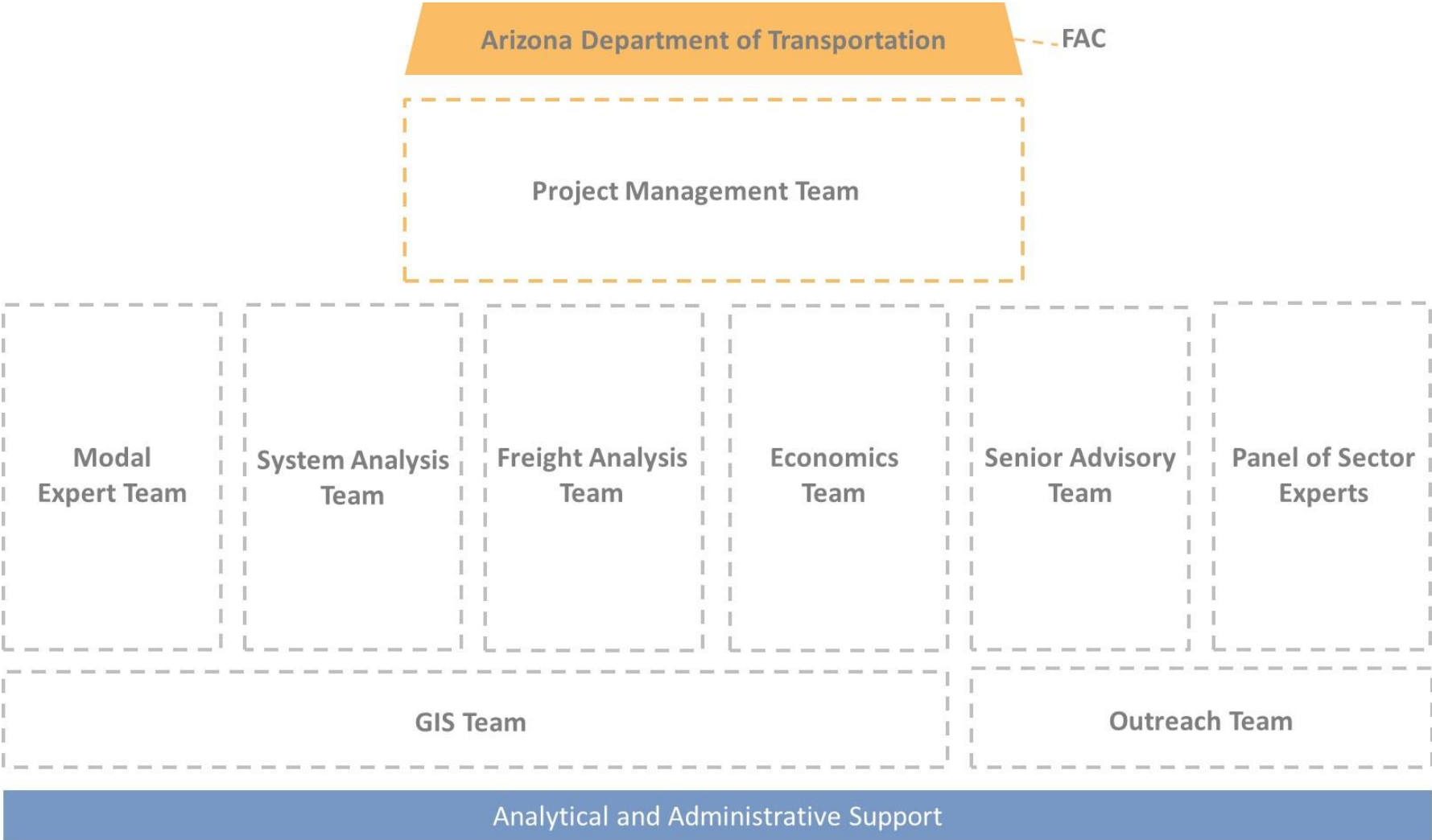
**Plan\*ET Communities:** Outreach

**Gill V. Hicks & Associates:** Regional marine ports and freight flows expertise

**Sector Experts:** Knowledge and expertise in key Arizona economics sectors

CPCS Team

# Team Structure



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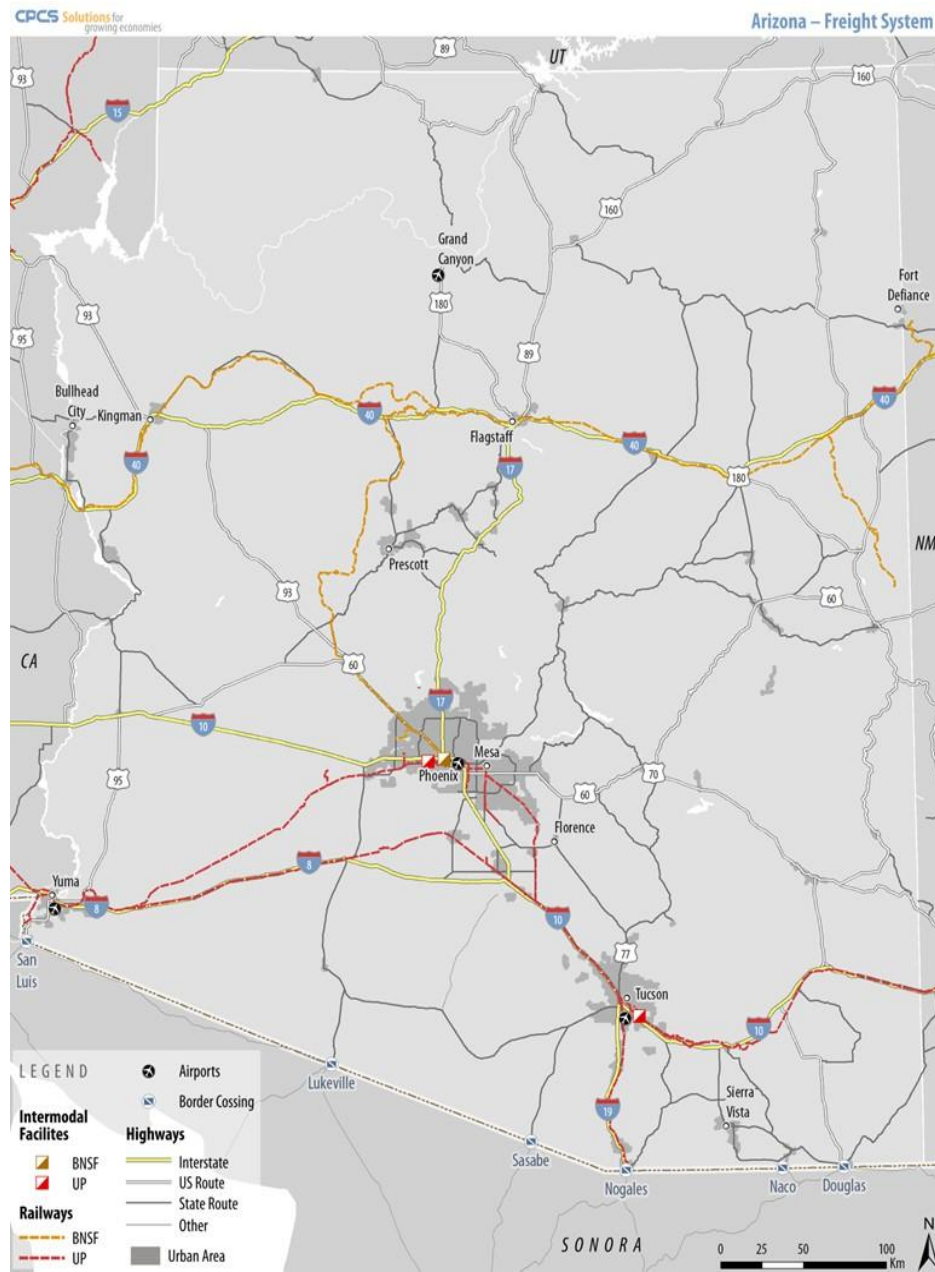
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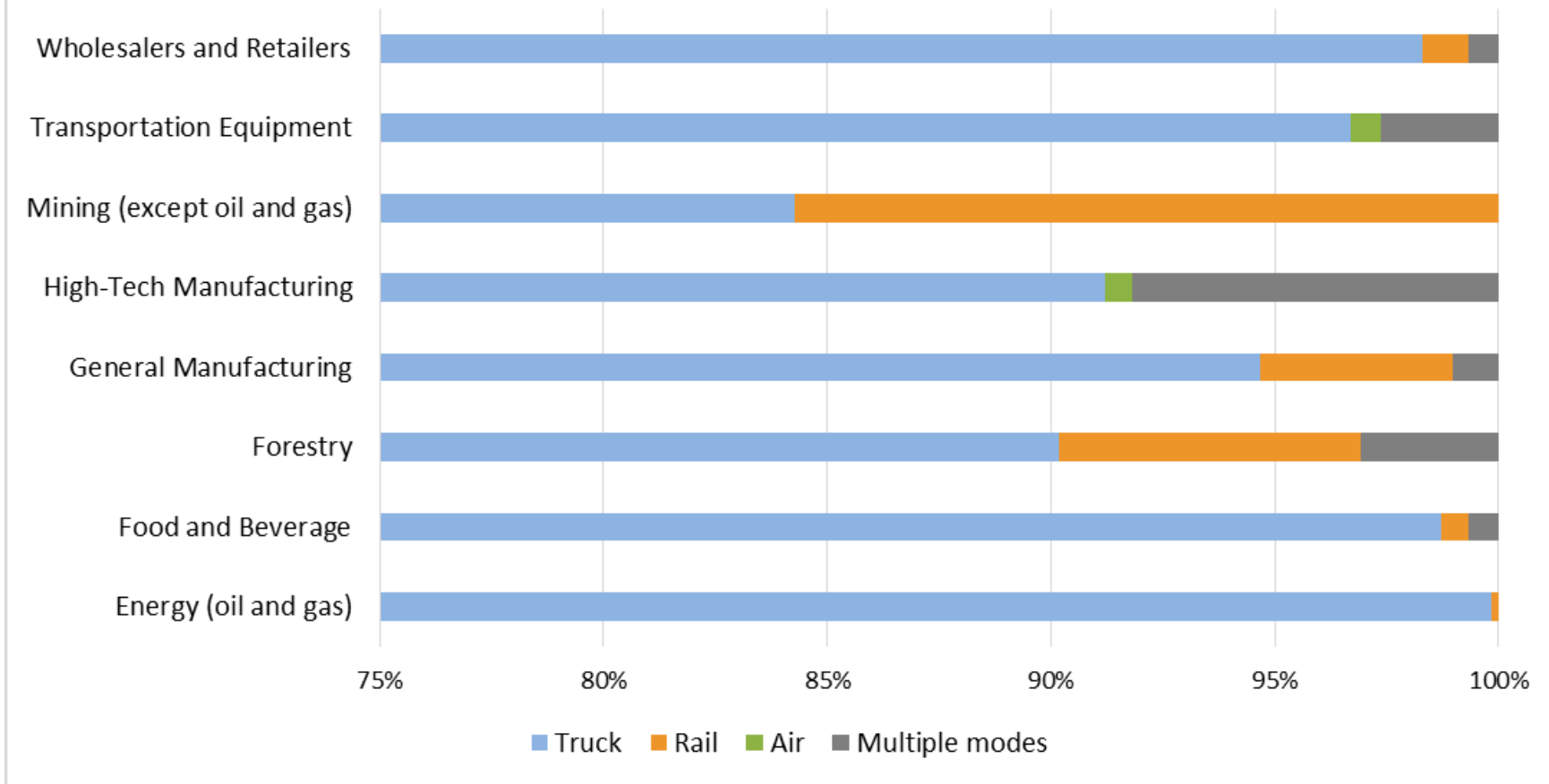
# Key Issues for Arizona State Freight Plan

- Population growth driving demand
  - 45% increase in state population from 2013 to 2035
- Significance of transit (flow through) traffic
- Arizona's role in international trade
  - Ports of Los Angeles / Long Beach
  - Trade with Mexico / Sonora
- Economic competitiveness
  - Transportation investments that support key sectors
- Coordination with other transportation planning initiatives
- Achieving stakeholder buy-in



# Key Issues for Arizona State Freight Plan

Volume (ton) share by top sectors, 2012



# Work Plan Focused on Economic Competitiveness

Jurisdictions with access to competitive transportation infrastructure and services are at a competitive advantage in attracting investment, creating jobs and realizing economic growth. Arizona's State Freight Plan can help enable this outcome.

Optimizing Freight Transportation System  
Means Different Things to Different People

**Freight Shippers:** Faster, cheaper, more reliable

**Consumers:** Right price, right place, right time

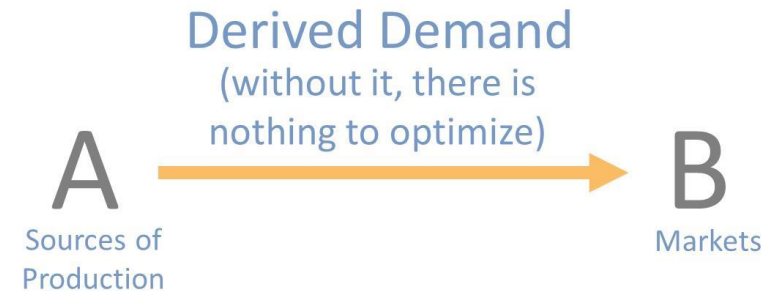
**Carriers:** Maximize utilization of assets, profits

**Society:** Maximize benefits, minimize impacts

**Government:** Enable all of the above

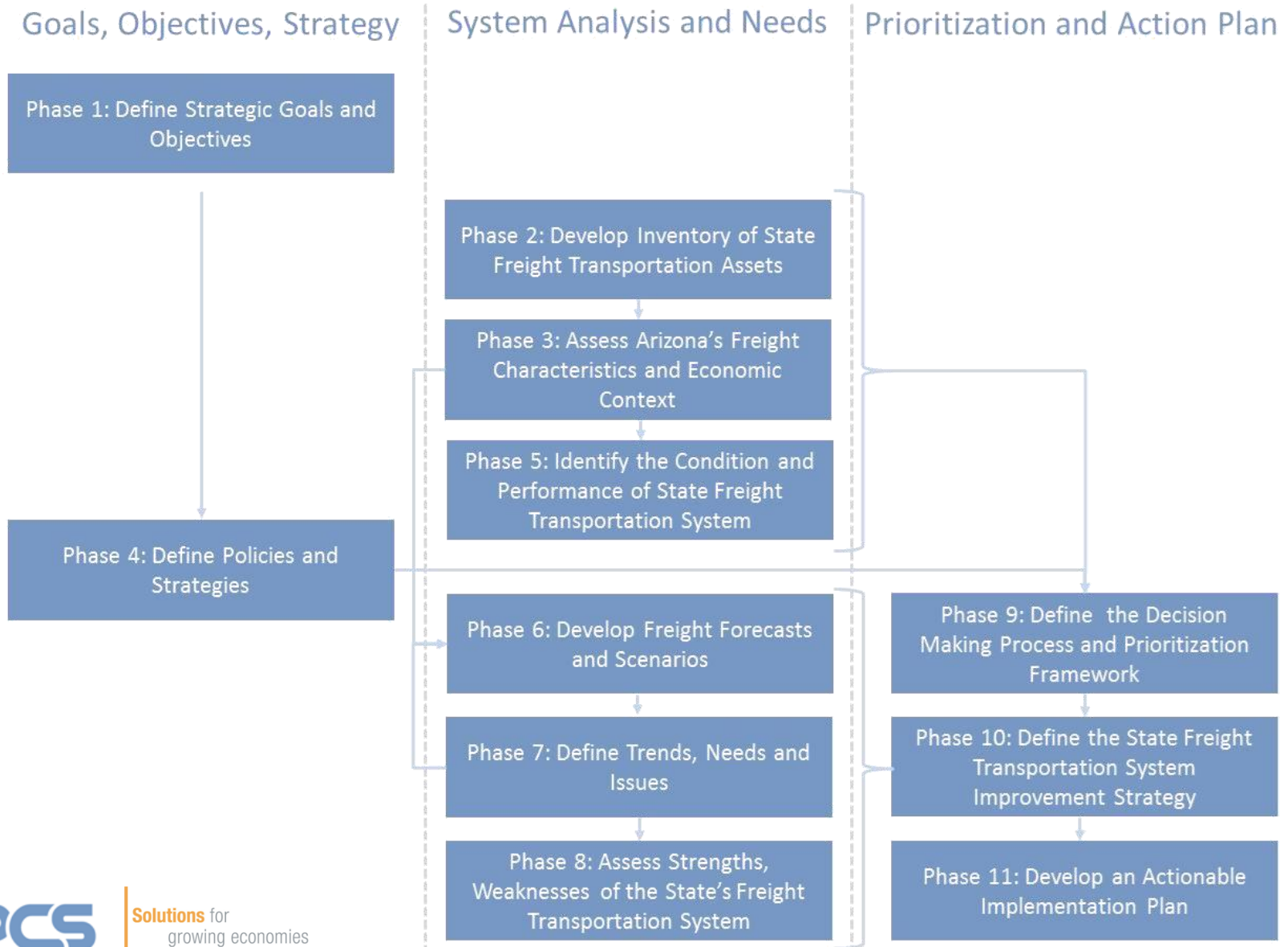
(With scarce resources, competing priorities)

So where to begin to optimize freight transportation system performance?





# Stepped Approach to the Project



# Overview of Work Plan and Deliverables



# State Freight Plan will Yield a Strategy and Implementation Plan

## System Investment Needs and Opportunities

(per System Analysis and Needs)

Stakeholder input

Strategic screens  
(per Goals, Objectives, Strategies)

Prioritization framework, incl.  
Benefits Cost Analysis

Sequencing of project  
to enhance benefits

State Freight Transportation  
System Improvement Strategy  
& Implementation Plan

Review consistency  
against ADOT goals

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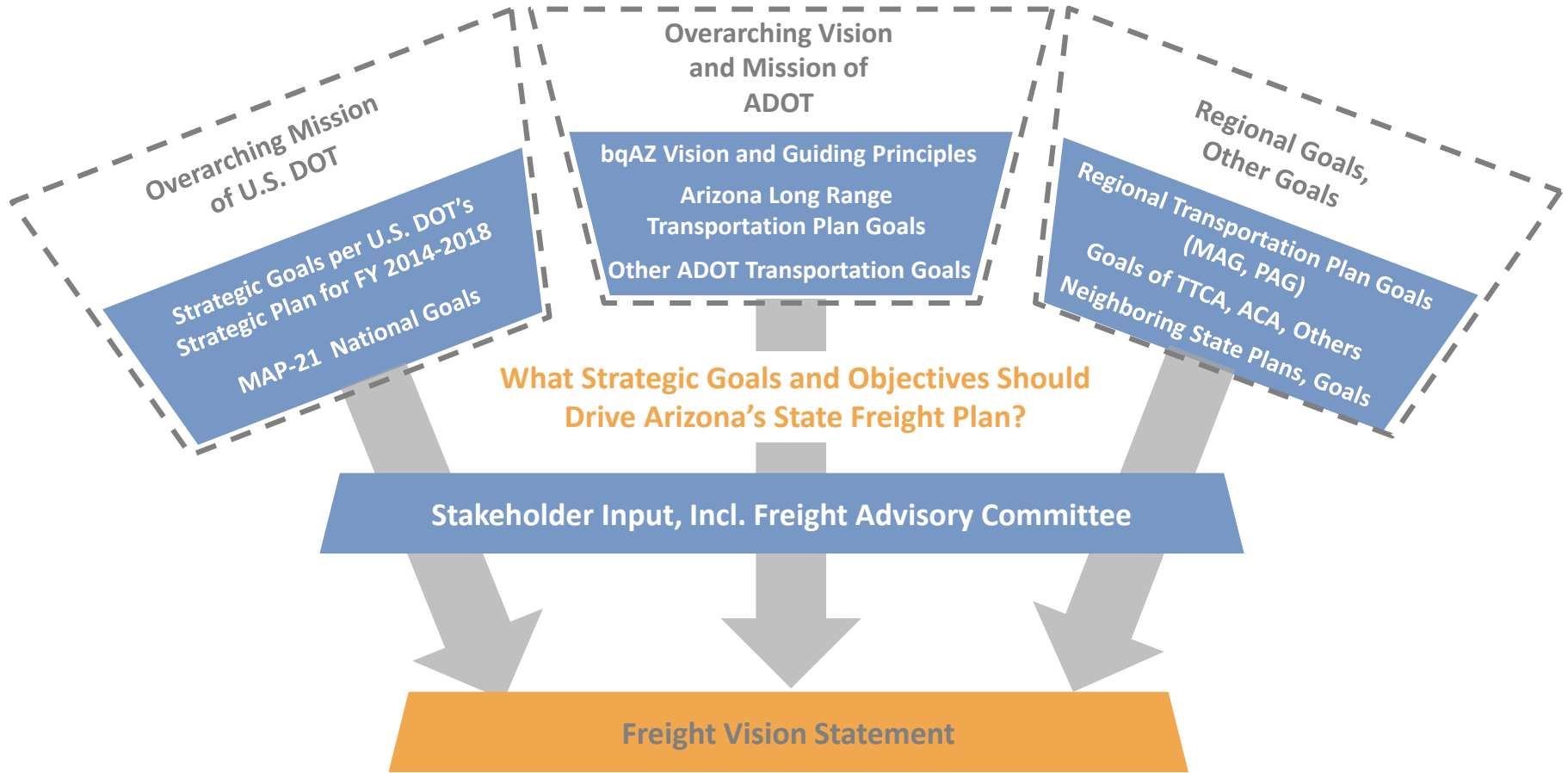
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# Phase 1: Vision, Goals, Objectives

## Backdrop: Competitiveness and Growth of the Arizona Economy



# Phase 1: Vision, Goals, Objectives

**Vision:** Arizona's freight transportation system enhances economic competitiveness and growth through effective system performance and management.

**Goal 1 - Enhance Economic Competitiveness:** Arizona's freight transportation system to enhance economic competitiveness and growth of Arizona's key goods movement sectors, leading to an increase in the State's economic activity and outputs.

**Goal 2 - Increase System Performance:** To reduce freight transportation cost, travel time and improve system reliability from the perspective of shippers and carriers, while minimizing negative externalities, such as emissions, congestion, and noise relating to freight transportation in the State.

**Goal 3 - Improve System Management:** To increase the effectiveness of system planning, investment and management, including through the use of innovative technologies.

# Phase 1: Vision, Goals, Objectives

Each goal supported by set of objectives

## Economic Competitiveness

Increase Economic Activity, Investment  
and High Paying Jobs

Increase Trade

## Increase System Performance

Increase Mobility and Multimodal  
Accessibility

Increase Safety and Security

Increase System Efficiency and Reliability

Minimize Negative Social and  
Environmental Impacts

## Improve System Management

Ensure System Preservation and  
Maintenance

Ensure Good Fiscal Stewardship

Link Transportation and Land-Use

Work in Partnership

Increase Effective Performance  
Monitoring

Increase Smart Network Expansion

# Phase 1: Vision, Goals, Objectives

Vision, goals and supporting objectives to guide project

**Vision Statement,  
Goals and Objectives  
(Phase 1)**

**Policies and  
Strategies  
(Phase 4)**

**Decision Making  
Process and  
Prioritization  
Framework  
(Phase 9)**



# Phase 1: Discussion and Validation

Does the Vision capture where we want to be going?

Did we hit the right goals and objectives?

Other reactions which should be captured?

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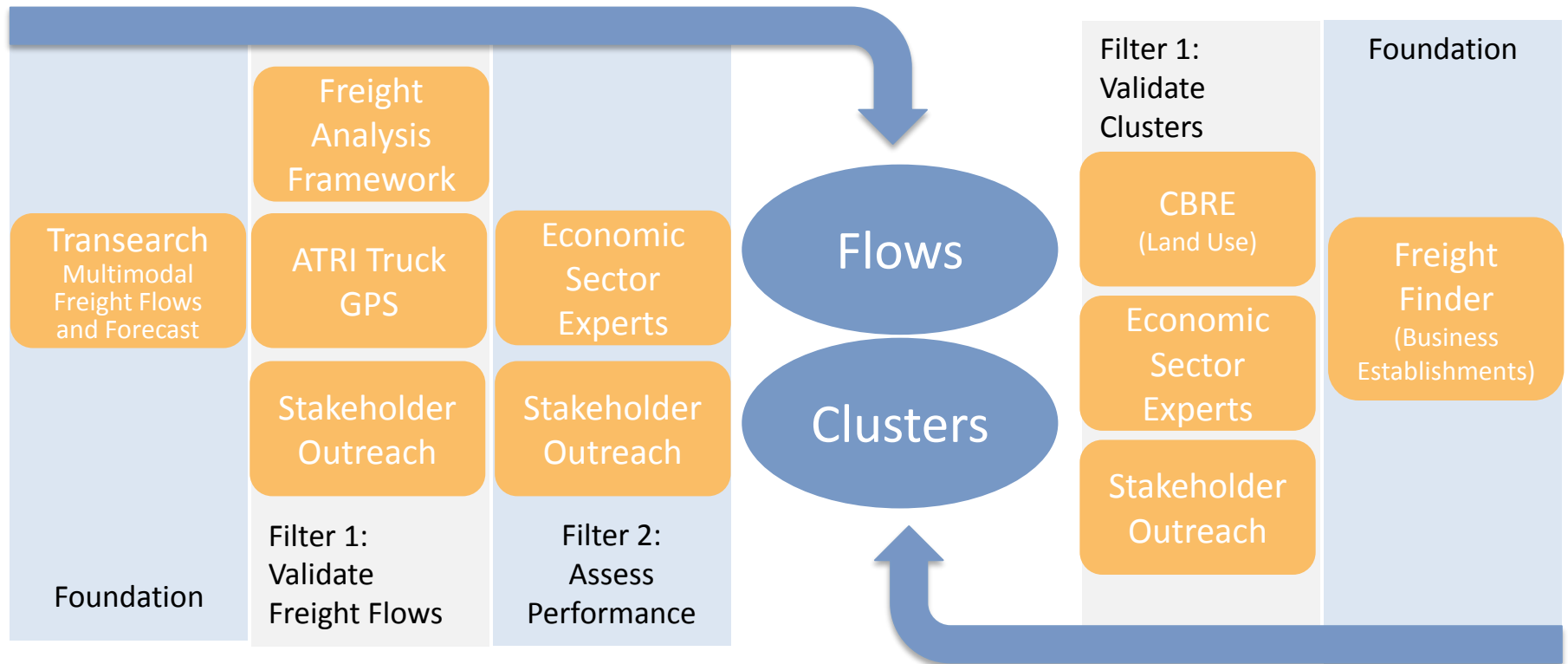
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# Phase 2: System Analysis and Needs: Evidence Based Approach

Our approach will triangulate between traditional and new data sources and expertise to provide Arizona with new perspectives on transportation and economic competitiveness.



Current and future freight flows and clusters of activity, organized by industry sector and assigned to GIS.

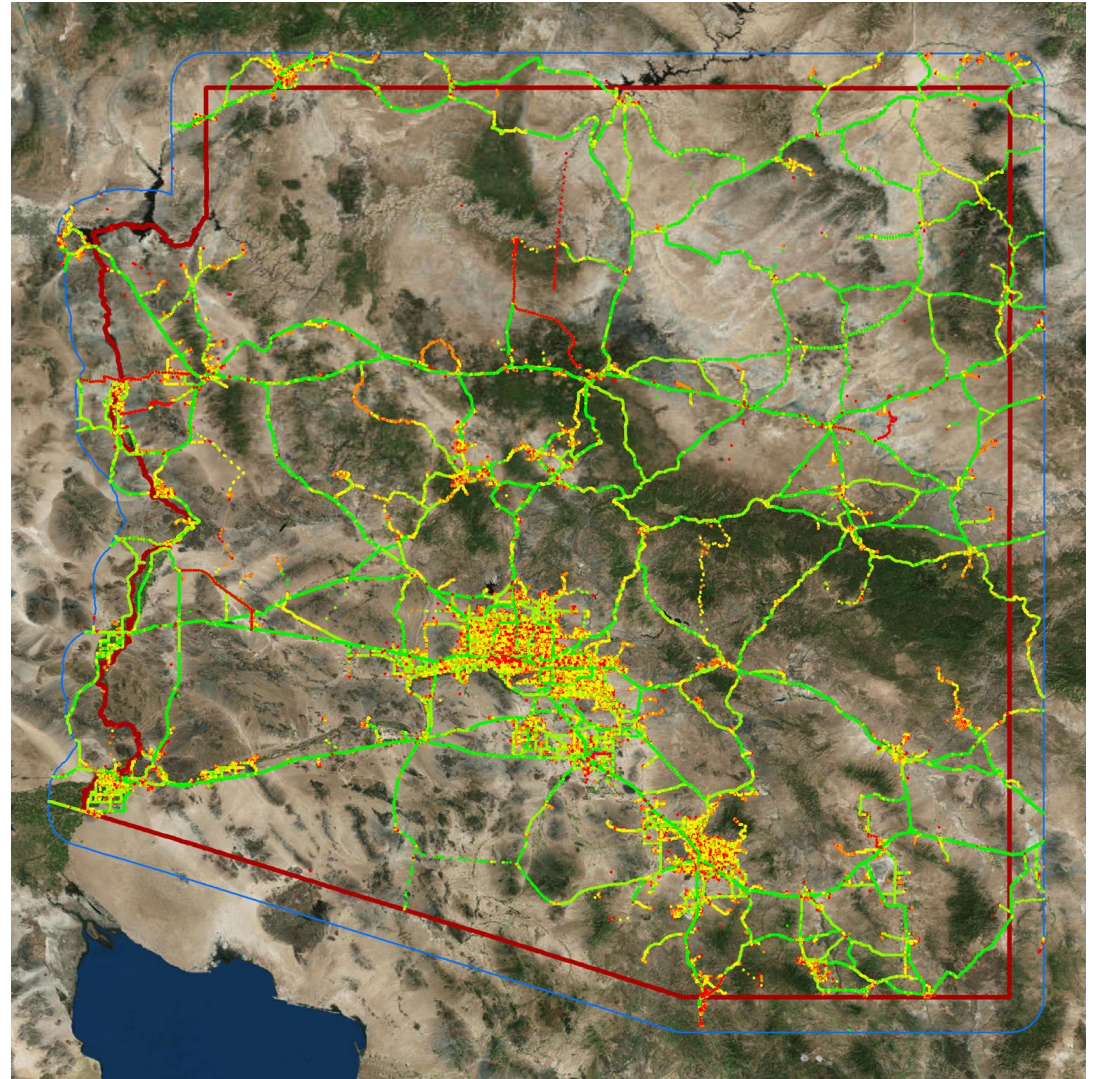
# Phase 2: Develop Inventory Transportation Assets

- Multimodal asset inventory
  - Highway
  - Rail
  - Pipeline
  - Aviation
- Data collection focused on
  - Existing studies
  - Performance data (truck GPS)
  - Consultations with stakeholders



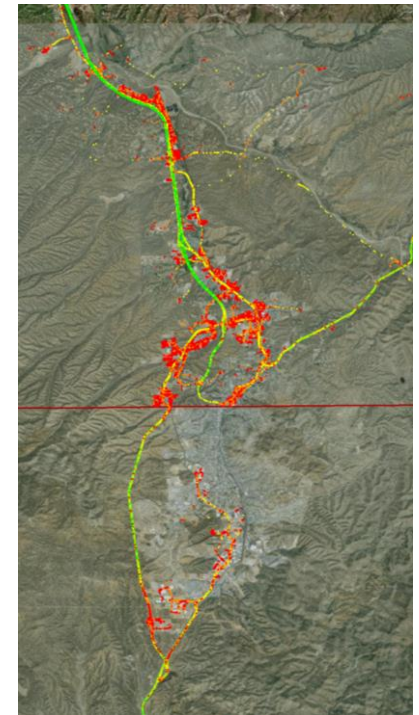
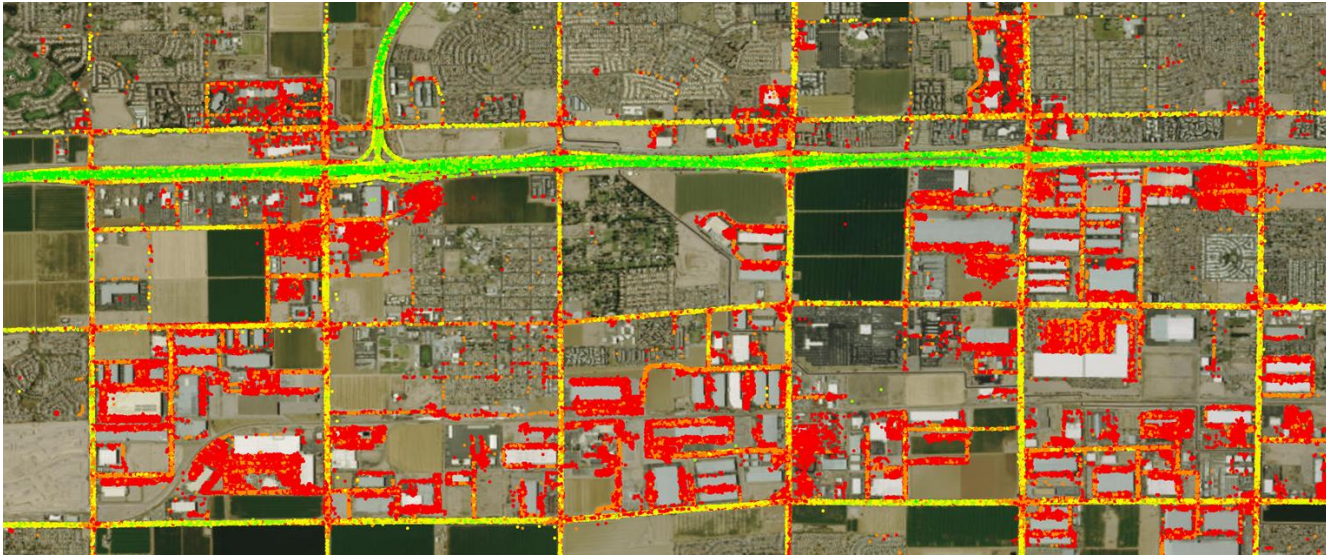
# Phase 2: Early Performance Analysis

- ATRI Truck GPS Data
  - Raw data
  - April 2015
- Analysis will identify
  - Corridor performance
  - Recurring congestion
  - Emerging bottlenecks





# Phase 2: Early Performance Analysis



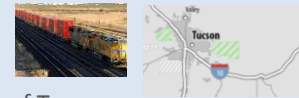
- ATRI Truck GPS Data
  - Provides local/regional snapshots of truck speeds
  - Major truck gateways (e.g. Nogales)
  - Major warehouse / distribution centers (e.g. Tolleson)

# Phase 2: Discussion and “Freight Facilities Stories”

What are the key freight facilities (nodes and corridors) in AZ?

Which characteristics define these facilities or make them unique?

- Identifying “Freight Facilities Stories”
  - Sidebars in reports
  - Key role of facilities / linkages to Arizona economic sectors
  - Potential examples:
    - Port of Tucson
    - West Side (Tolleson) Distribution Center Cluster



Port of Tucson

- Inland port with FTZ
- Key intermodal center
- Direct rail service to move produce to Midwest

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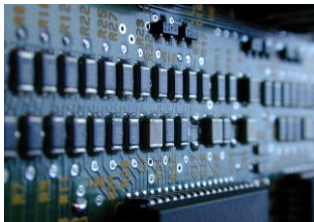
**Top Economic Sectors Approach**

Closing Thoughts



# Phase 3: Focus on Key Economic Sectors

**But:** Different economic sectors have different transportation performance needs



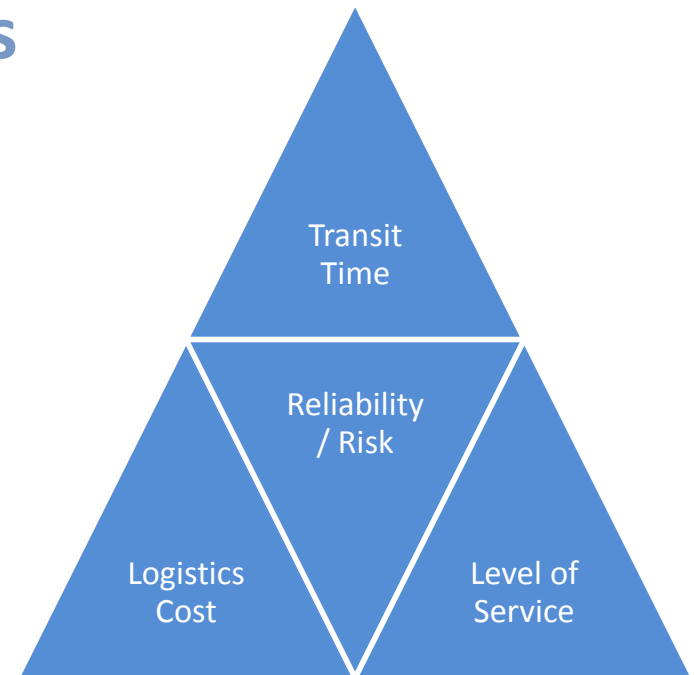
Favors high reliability, speed



Favors lowest transportation cost



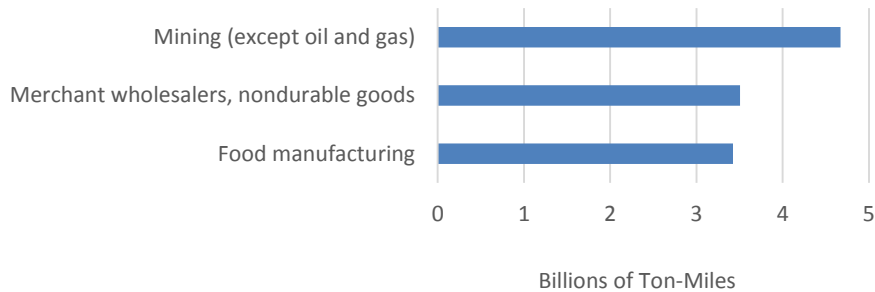
Favors high levels of service (e.g. climate control)



Performance is supply chain specific

# Phase 3: Top Economic Sectors by Different Metrics

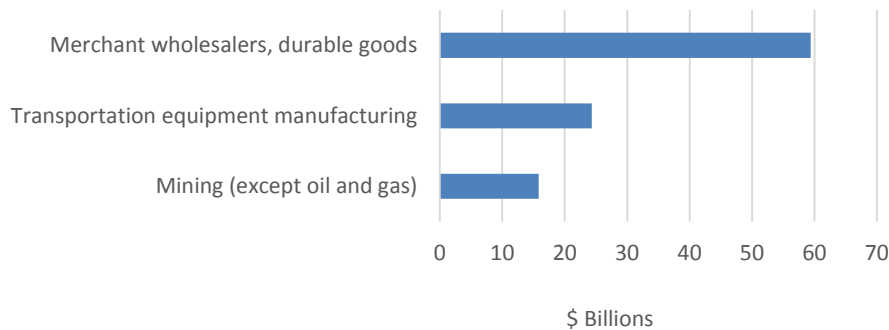
## By Volume of Flows



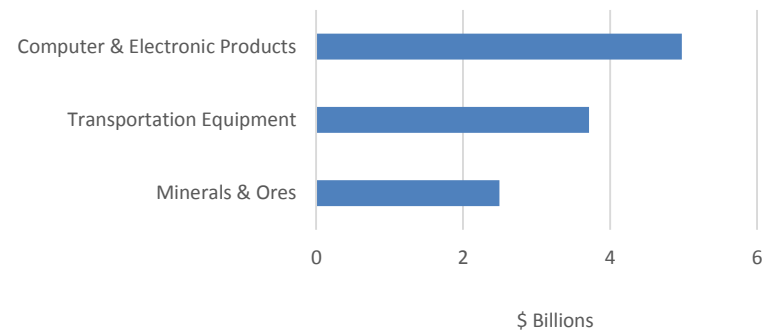
## By GDP



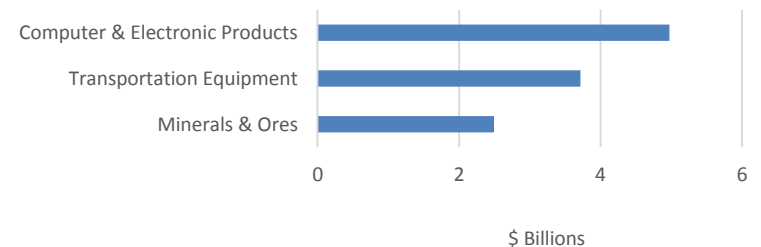
## By Value of Flows



## By Value of Exports



## By Number of Jobs

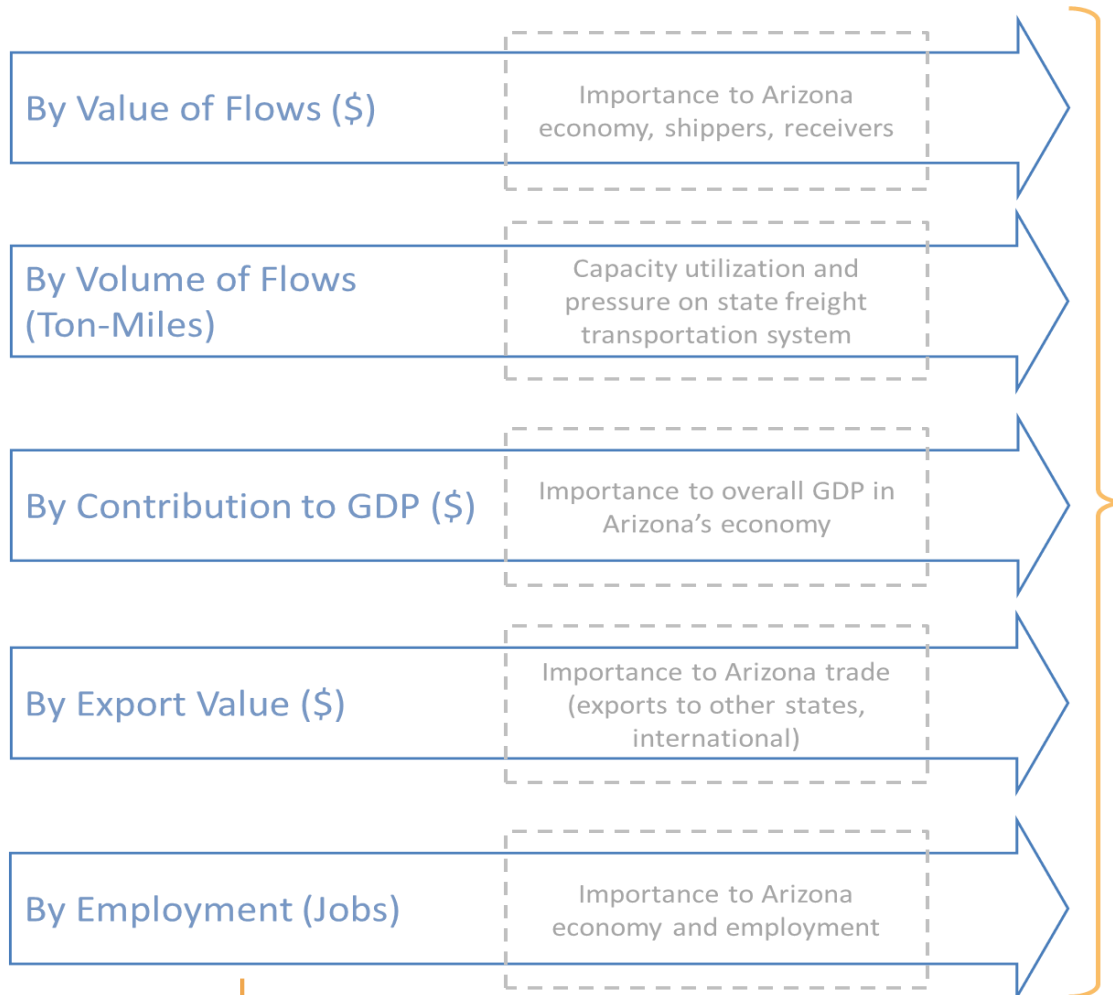


# Process for Defining “Top Economic Sectors for Focus”

## Top Goods Movement Sectors/ Commodity Groups

## Significance for Arizona’s State Freight Plan

## Criteria to Identify Top Freight Sectors for Focus



- Values of regional significance
- Significant use of system capacity
- Importance to Arizona economy
- Export potential
- Importance to employment in Arizona (particularly high value, high paying jobs)
- Role of transportation in sector competitiveness

# Phase 3: Focus Sectors

Top 10 Sectors for Focus	Related NAICS Codes
Wholesalers and Retailers	42, 44, 45
Food and Beverage	311, 312, 722
High-Tech Manufacturing	334-335
General Manufacturing	313-315, 325-327, 331-333, 337, 339
Transportation Equipment	336
Transportation and Logistics	48, 49
Mining (except oil and gas)*	212, 213
Energy (oil and gas)*	211, 324
Agriculture*	111, 112, 115
Forestry*	113, 321, 322

\*Also included are the focus sectors identified in MAP-21 and FHWA Guidance.

# Phase 3: Sector-Based Transportation Performance Needs

For each sector, we are addressing:

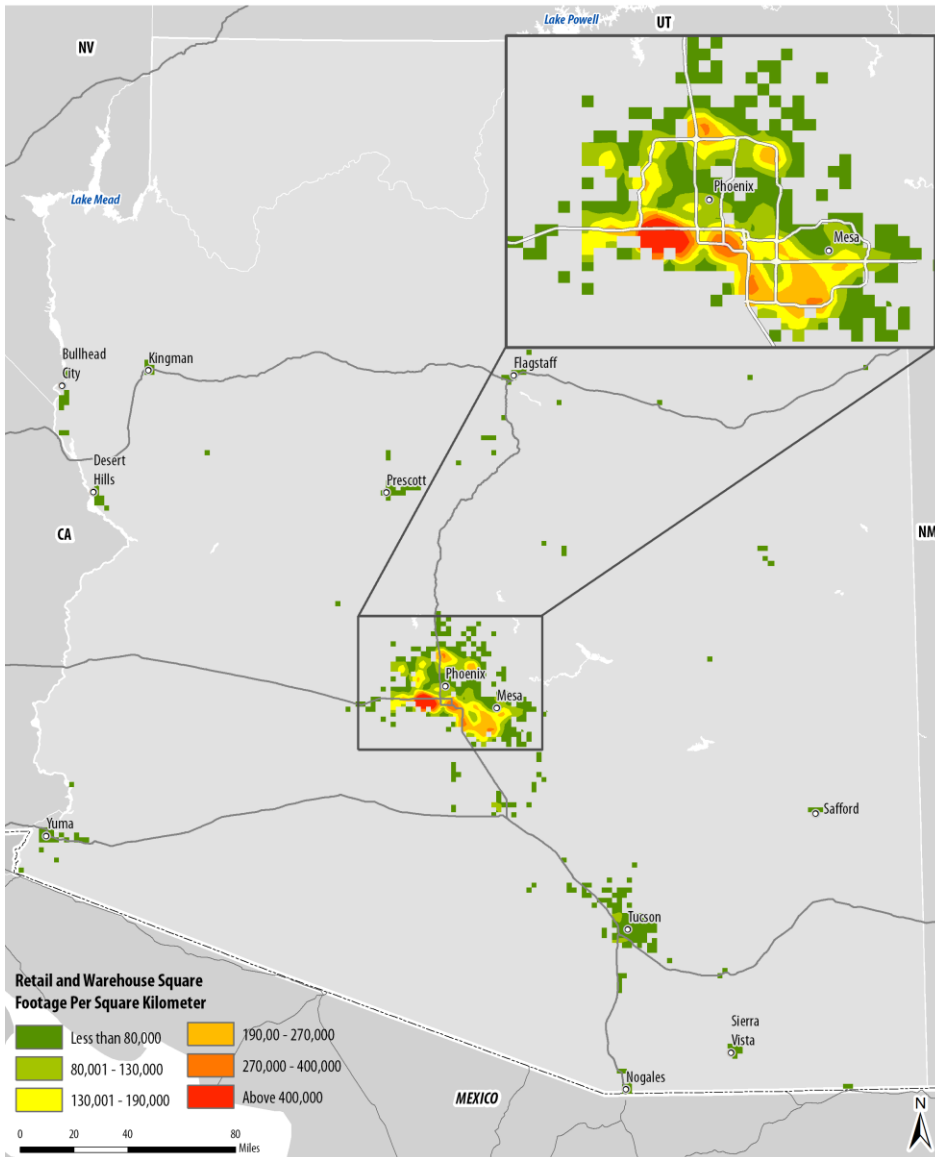
- How supply chains are structured, managed, and related trends
- Transportation performance requirements and decision drivers
- Top three transportation issues in Arizona
- Top three transportation system improvements

Analysis largely informed through consultations (which are ongoing)

# Example Sector-Specific Maps: Warehousing and Retail Clusters (Left), Forestry Sector Employment (Right)

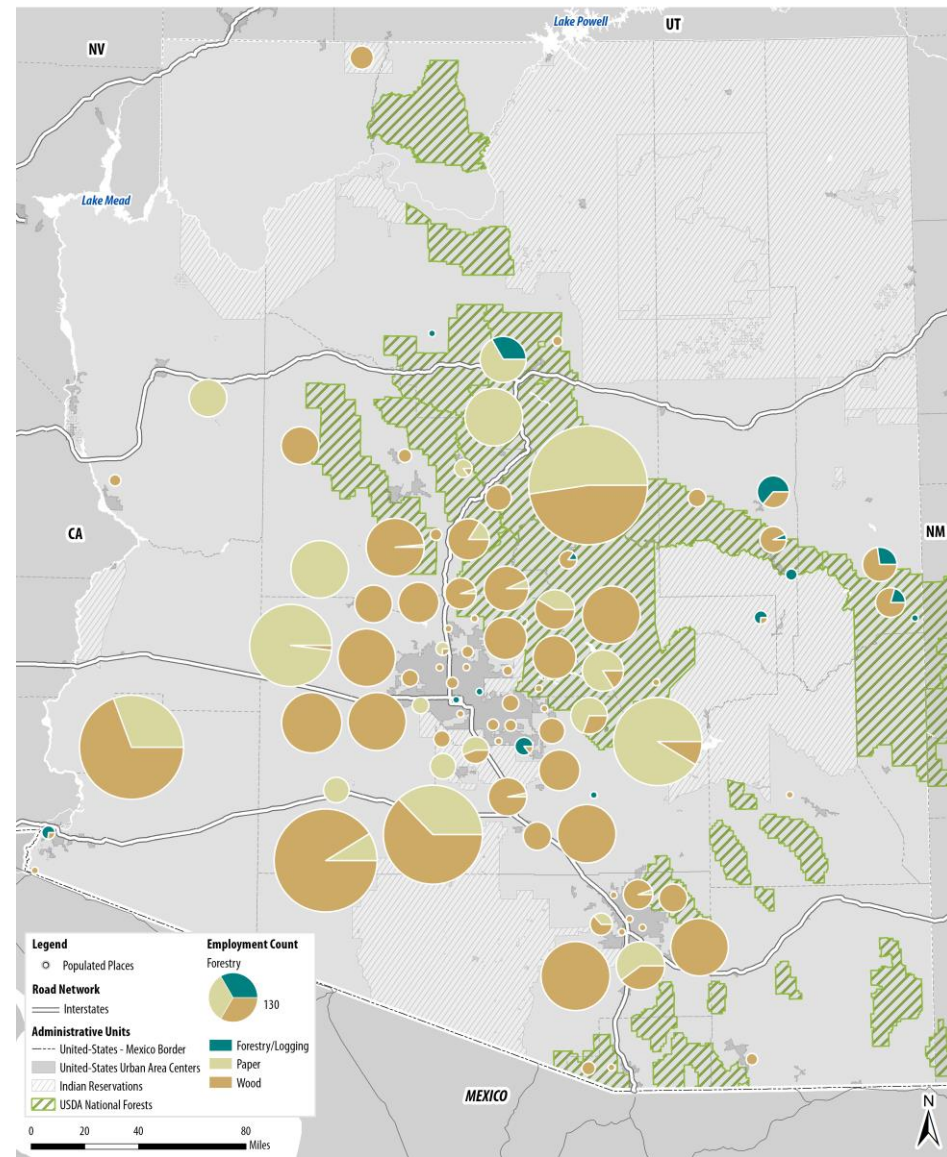
CPCS Solutions for growing economies

Warehouse and Retail Clusters  
Kernel Density Map



CPCS Solutions for growing economies

Employment Count by Zip Code  
Forestry



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# Next Steps and Upcoming Meetings

Proposed Meeting Date	Planned Activity
August 19, 2015	<ul style="list-style-type: none"><li>• Identify Drivers of Future Scenarios</li><li>• Validate System Assessment and Economic Sector Needs</li></ul>
November 5, 2015	<ul style="list-style-type: none"><li>• Define Future Scenarios</li><li>• Validate System Performance</li></ul>
February 17, 2016	Scenario Results and Implications <ul style="list-style-type: none"><li>• Validate Scenario Forecasts and Implications for the System</li></ul>



# Questions and Discussion



**Donald Ludlow, MCP, AICP**  
**Managing Director**

1050 Connecticut Ave. NW, 10th Floor, Washington, DC 20036

T: +1 202 772 3368 | C: +1 703 216 2872 | [dludlow@cpcstrans.com](mailto:dludlow@cpcstrans.com) | [www.cpcstrans.com](http://www.cpcstrans.com)



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