



**NEW YORK STATE ASSOCIATION OF MPOs
FREIGHT WORKING GROUP**

March 14, 2018

Teleconference

10:00 AM – 10:58 AM

MEETING NOTES

1. Participating

- BMTS – Leigh McCullen
- CDTC – Christian Bauer (Chairman)
- DCTC – Dylan Tuttle
- GTC – Jody Binnix
- NYMTC – Carlos Delpozo
- OCTC – Ashlee Long
- SMTC – Mike Alexander (Co-Chairman)
- WJCTC – Scott Docteur
- NYSDOT-Main Office – David Rosenberg, Vanessa Saari
- FHWA – Maria Chau, John Formosa, Christine Thorkildsen
- Cambridge Systematics (NYSAMPO Staff Support) – Elaine McKenzie, Brian Stewart
- T.Y. Lin International (NYSAMPO Staff Support) – Richard Perrin

1. Roll Call

Bauer opened the meeting and conducted the roll call. Noted change to agenda.

2. Update on NYS State Freight Plan

Rosenberg reported that NYSDOT is progressing three primary items to complete the State Freight Plan: 1) Technical Memorandum 6 on needs and deficiencies; 2) Technical Memorandum 7 on projects and strategies; and 3) Plan Document that will combine all of the information contained in the technical memorandums along with a summary.

1. Technical Memorandum 6 is being refined in-house and is expected to be provided for review and comment in the near future. Needs and deficiencies are organized into categories: Infrastructure, Regulatory, Operations, and Policy.
2. Technical Memorandum 7 will include projects and strategies that will address the needs and deficiencies identified in Technical Memorandum 6. A stakeholder working group meeting will be held via webinar to review the projects and strategies. Projects will be matched to funding sources including, but not limited to, the National Highway Freight Program (NHFP).

3. Plan Document will be as brief as possible relative to the significant amount of content to be included in it. Infographics, maps, and other visualization techniques will be incorporated to the maximum extent practical to produce a plan that is able to be easily comprehended. Only a portion of Technical Memorandum 6 will be included in the Plan Document due to its length.

Bauer asked for questions. Thorkildsen asked about the estimated completion date for the State Freight Plan. Rosenberg responded that the Department is aiming for completion in summer/fall 2018.

Formosa asked what the public involvement plan is for the remainder of the State Freight Plan. Rosenberg responded that Technical Memorandum 6 would be provided for stakeholder review and comment, a stakeholder working group webinar will be held to discuss projects and strategies to be included in Technical Memorandum 7, and the Plan Document will be made available for stakeholder review prior to being finalized.

Bauer asked if the State Freight Plan will be fiscally constrained. Rosenberg responded that it will be from the standpoint of projects identified to be advanced with NHFP funds but will also include illustrative projects in the mid-term and long-term that will be considered for programming with other fund sources.

Chau asked about the estimated amount of NHFP funds that will be included in the State Freight Plan. Rosenberg responded that it will include the full five years' worth of NHFP funding apportioned to New York State through the FAST Act. This is approximately \$250 million over 5 years on a "sliding scale" (i.e., it is not \$50 million per year for five years but increases slightly each year through Federal Fiscal Year 2020). He added that NYSDOT is appreciative of NHFP funds but that private sector stakeholders consistently state that they are more interested in improving operations as that results in the most benefit to them.

Bauer thanked Rosenberg for the update. Rosenberg wrapped up by responding that NYSDOT is very interested in and looks forward to receiving feedback from the MPOs on Technical Memorandum 6 and during the webinar on projects and strategies.

3. Linking Transportation, Logistics, and Economic Development Strategies in the Greater Albuquerque Region *(Presentation Attached)*

McKenzie stated that this is a presentation that was provided at the national Association of Metropolitan Planning Organizations' annual meeting in October 2017, and that it was an interesting project to work on. The New Mexico DOT had conducted freight planning and several local governments had produced various economic and transportation studies prior to this project. The purpose of the project was to build upon these efforts to build momentum for economic development. The biggest question to be answered is how the region can leverage transportation assets to drive economic growth.

The project was sponsored and led by the New Mexico Mid Region Council of Governments (MRCOG), which houses the MPO for the Albuquerque urbanized area. Project partners included the City of Albuquerque, all four of the counties in the region, and Burlington Northern Santa Fe Railway (BNSF) and other private sector partners.

There were four objectives: 1) understand existing and emerging freight, industry, and logistics trends (i.e., what's happening in region); 2) assess the region's competitiveness (i.e., what are strengths and weaknesses relative to peer regions in New Mexico and nationally); 3) identify investments that will enhance regional development (i.e., what are the levers to pull to move the needle); and 4) develop strategies to position the region as a transportation and logistics hub (it was determined that there are significant challenges to doing so, including building the region's manufacturing base).

The project approach included both data analysis and discussions with key public and private sector partners. Supply chains, operational structures, and other key elements were analyzed to determine the opportunities and challenges. Four future scenarios were developed: 1) Corridors – build on I-25, I-40, and existing "trade lanes;" 2) Rail – build on location along BNSF's Los Angeles to Chicago line; 3) Industry – build on sectors such as natural resources and advanced manufacturing; and 4) Border – build on proximity to Santa Teresa, Mexico via I-25.

The region's transportation assets, economic structure and trends, and land use and policies were reviewed. Two primary findings were that there are challenges to attracting goods-producing/goods-moving industries due to the region's size, remoteness, and small industrial base. Furthermore, the region doesn't have an identity – something that it is known for, such as autos in Michigan/Ohio, or tech in Silicon Valley. From the perspective of businesses, opportunities are about more than incentives, and includes transportation infrastructure, utilities, workforce, site quality, proximity to markets, and other factors that are ultimately important to long term success. One of the competitiveness case studies conducted as part of the project was described.

Findings and implementation were discussed. The project wrapped up in early-2017 and MRCOG immediately began promoting and implementing the plan. An early win was securing public and private sector investment for the Central New Mexico Rail Park, which broke ground in 2016.

Bauer asked for questions. Formosa asked why third-party logistics (3PL), warehousing, and associated industries were not one of the recommended sectors. McKenzie responded that this sector was originally considered an opportunity at the onset of the project but it was determined that transportation costs, distance from key metro areas, and other factors limited its potential.

Rosenberg asked what was required to receive designation from BNSF as a "certified site." McKenzie responded that BNSF has a national program where they review sites and assess the readiness for development. Site certification can include working with communities to determine if they are ready for service based on multiple criteria (e.g., presence of utilities, needed/approved permits, etc.). Rosenberg asked if any consideration was given to establishing intermodal service. McKenzie responded that all regions want it and it was assessed for the Albuquerque region as part of this project but the market wasn't quite strong enough to support intermodal service.

Bauer suggested that if members know of any presentations that would be worthwhile to the NYSAMPO Freight Working Group, they should let him or Perrin know about them and they can be considered for inclusion in future meetings.

4. Updates from Stakeholders

Bauer informed the group that CDTC is preparing for the upcoming performance management deadlines including target setting for Percentage of Interstate System Mileage Providing Reliable Truck Travel Time (Truck Travel Time Reliability Index) and other metrics on May 20, 2018. In addition, CDTC is continuing its quarterly Freight Advisory Committee meetings and preparing for goods movement-related items included in its upcoming unified planning work program.

Rosenberg reported that NYSDOT is planning the soft launch of its overweight permitting system this spring or summer. This is a joint initiative with the Thruway Authority and Bridge Authority. Bauer asked if there was any additional information such as a brochure available. Rosenberg responded that he will look to see if there is additional information and, if not, he will keep the NYSAMPO Working Group apprised of developments.

Delpozo discussed the clean freight corridors study that NYMTC is advancing. The scope is being finalized; the tasks are set and the deliverables are being confirmed. The study is expected to be an 18-month initiative that will be completed in late-2019. Tasks include creating a public outreach plan, developing a strategic vision, conducting a scan of technology, inventorying conditions along candidate corridors, producing corridor-level business plans, and recommending projects and programs for inclusion in the NYMTC freight plan.

5. Other Business

A. Freight 101 Fact Sheet

Perrin informed the group that the revision that was agreed to regarding the discussion of air as a mode of goods movement was made, and the updated electronic version of the PDF was posted to the NYSAMPO website. There were some issues encountered with the native file (an InDesign document) that was provided by the previous NYSAMPO staff support consultant but these have been resolved. Three quotes for printing 1,500 copies on 11"x17" glossy card stock were obtained. They are in production by a printer in the Capital District. The April 13, 2018 in-person meeting of the NYSAMPO Directors' Group is being held at CDTC. This is an opportunity for distribution to the respective MPOs or they can be mailed if they are needed sooner. Perrin will ask MPOs to provide their preferred quantity of hard copies of the fact sheet in the email transmitting the notes from this meeting.

Bauer asked if there was any other business. Hearing none, he stated that the next meeting of the group is scheduled for June 21, 2018 and that there would be interim correspondence on any items of note, including the May 20, 2018 deadline for performance management requirements that he previously mentioned.

9. Adjourn

Bauer adjourned the meeting at 10:58 a.m.



CAMBRIDGE
SYSTEMATICS

Think  Forward

Linking Transportation, Logistics, and Economic Development in the Albuquerque Region

presented to

NYSAMPO Freight Working Group

presented by

Cambridge Systematics, Inc.

Elaine McKenzie, PhD

March 14, 2018

Project Sponsors and Team Members

➤ Numerous project sponsors

» New Mexico Mid Region Council of Governments (MRCOG), with:

- City of Albuquerque
- Bernadillo, Sandoval, Torrence, and Valencia Counties
- BNSF
- Other local agencies



➤ Cambridge Systematics Team

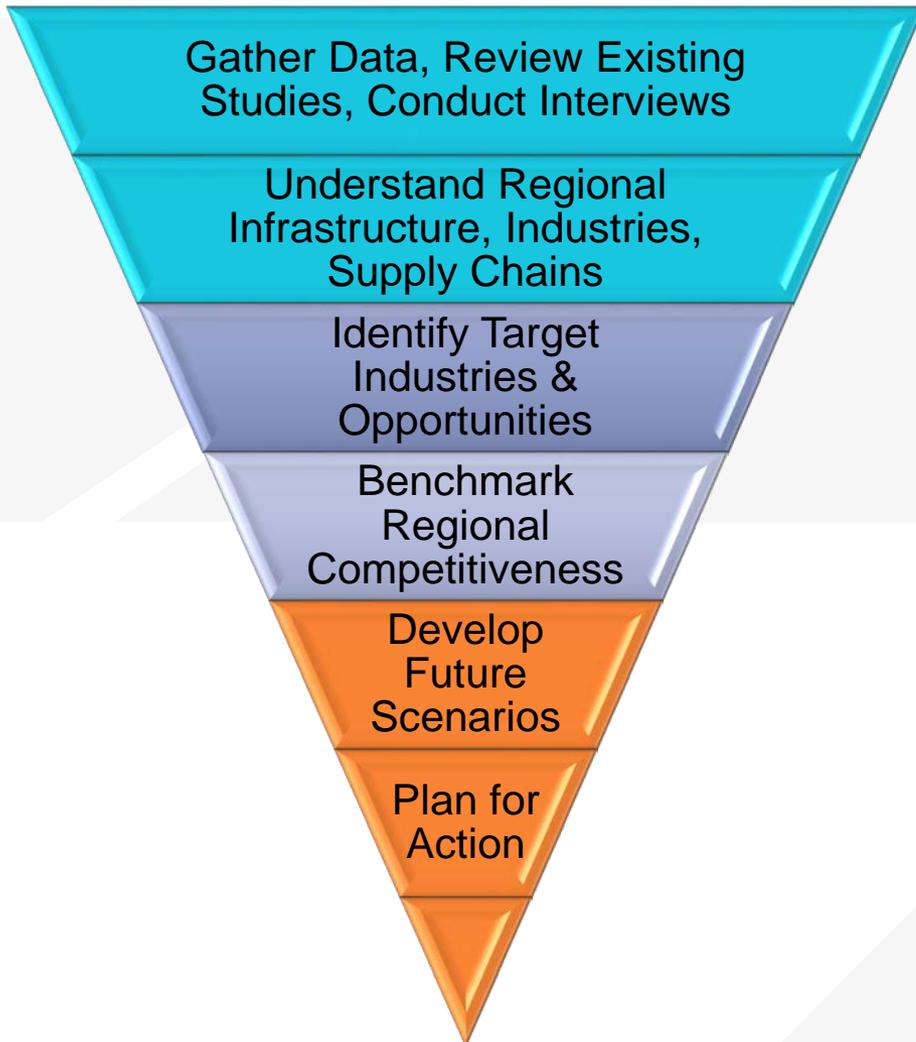
- » Global Logistics Development Partners (GLDP)
- » Center for Neighborhood Technology (CNT)

MR-COG Transportation and Logistics Hub Study - Objectives

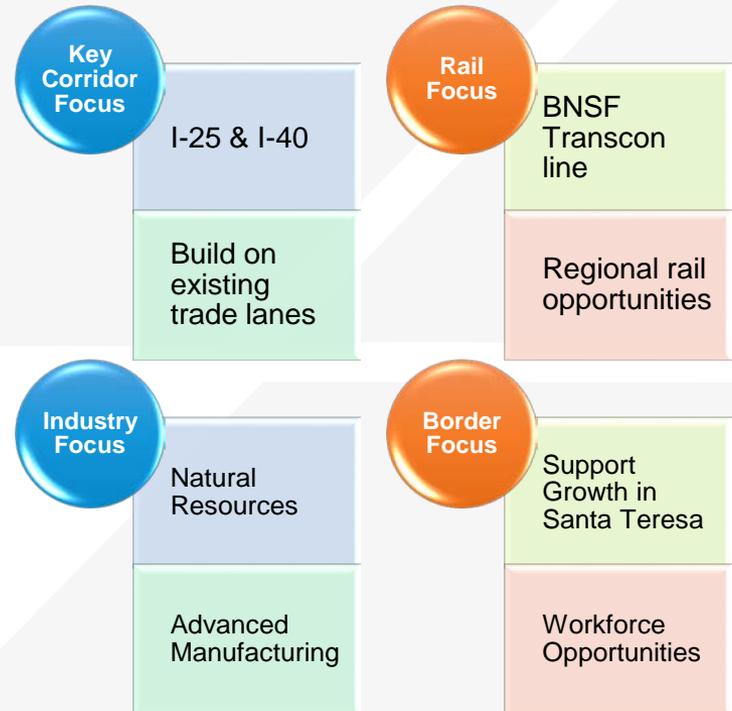
- Understand existing and emerging freight, industry, and logistics trends
- Assess the region's economic competitiveness against national and New Mexico peer regions
- Identify transportation and/or economic development investments to enhance regional development
- Develop strategies to position the MR-COG region as a transportation and logistics hub



3-Stage Study Approach



Potential Scenarios



Regional Context

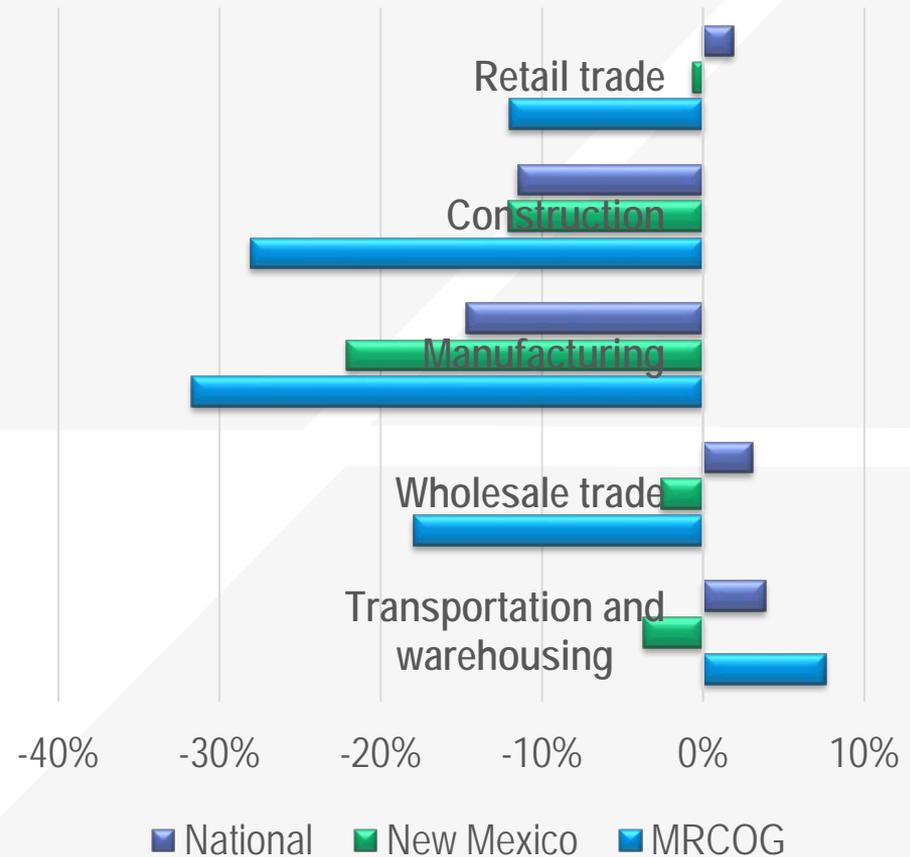
Regional Context - Infrastructure

- I-40 and I-25
 - » 400+ miles away from major markets
- BNSF Transcon Line
 - » Line haul does not stop in ABQ; limited intermodal service
- Albuquerque International Sunport (ABQ)
 - » Limited domestic, no international connections

Regional Context - Economy

- ➔ Heavily impacted by recession
- ➔ Losing freight-related jobs faster than the national average
- ➔ Regional % employment in manufacturing is only 1/2 of the national average
- ➔ Isolated, mid-sized market with small producer/consumer base

Employment Percent Change



Regional Context - Industry

- ABQ has been challenged to attract goods-producing or moving industries.
 - » Transportation infrastructure is adequate – there are no glaring deficiencies
 - » **Transportation costs to the region are higher than average** –
 - Lack of goods moving outbound via truck
 - Minimal rail and air service and connections
- **The region doesn't have a clear “product”**
 - » Has poor recognition to most investor audiences
 - » Strength in R&D and federal labs, some legacy tech manufacturing
 - » Labor supply is adequate but depth is a concern



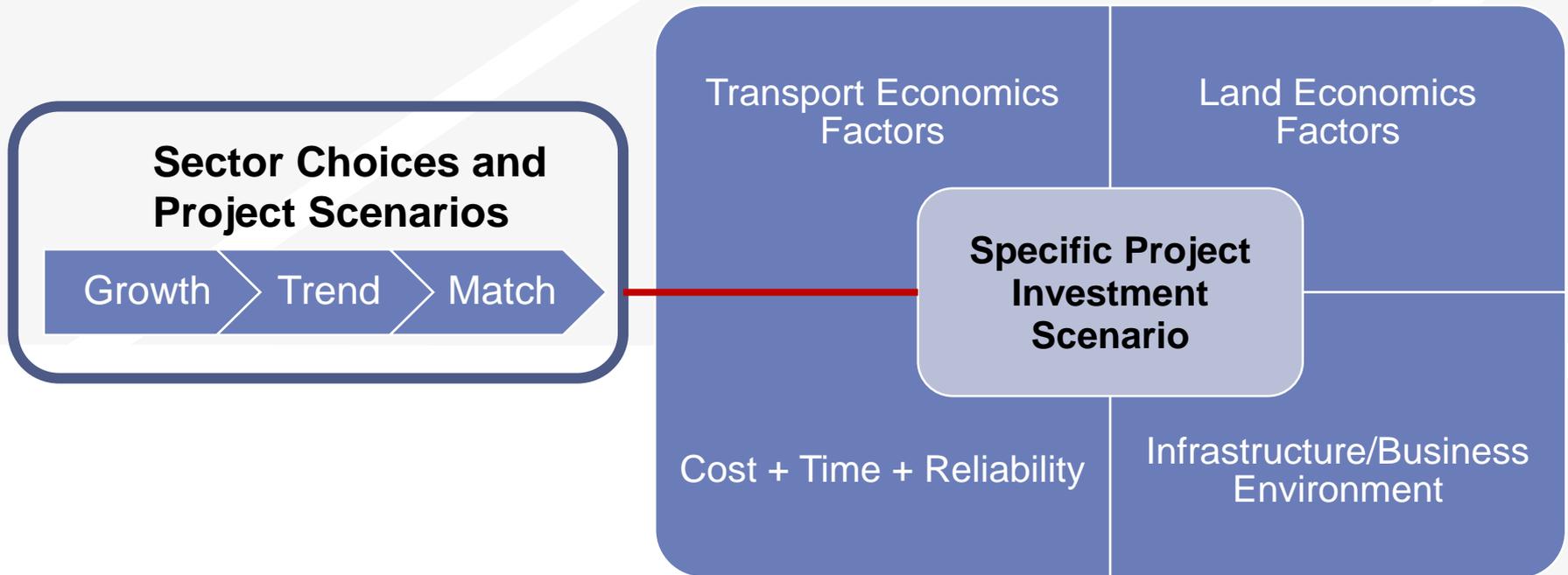
Study Methodology

Methodology Overview

- Assess Transportation Assets
- Economic Competitiveness Assessment
 - » Benchmarked the MR-COG region against competitor regions
 - » Illustrates how various location factors influence location decisions
 - » Provides basis for compelling reactive and proactive business propositions
 - » Is based upon a range of data sources & prevailing industry knowledge
- Land Use and Policy Analysis
 - » Focus on identifying potential opportunities



Competitiveness Model Framework

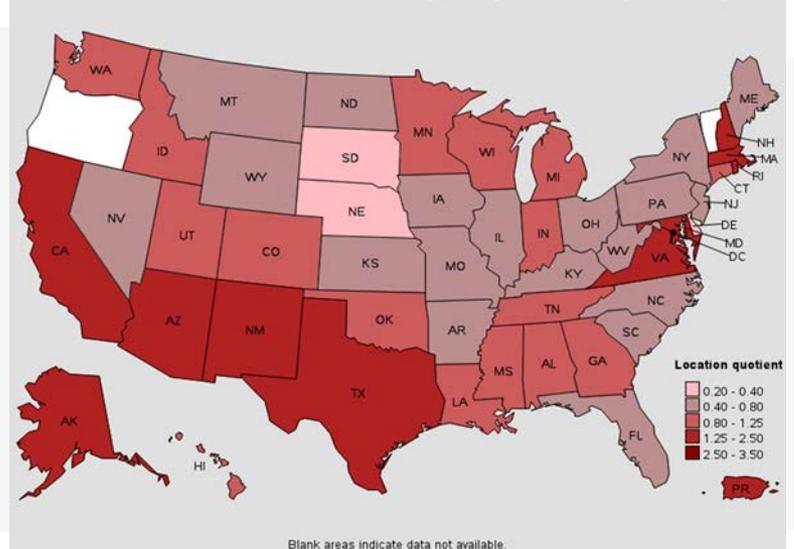


Competitiveness Case Study: Aero/Defense Systems

➤ Aerospace products include:

- » Aircraft
- » Helicopters
- » Unmanned aerial vehicles
- » Spacecraft
- » Missiles
- » Propulsion systems
- » Guidance and control systems
- » Communication systems
- » Electronics
- » Mission specific equipment
- » Ground equipment

Location quotient of electrical and electronics engineering technicians, by state, May 2015



- Highly concentrated and capital-intensive industry
- Civil and military applications
- High-skill jobs
- Positive trade balance
- Cyclical market dependent on global economic factors

Competitiveness Case Study: Aero/Defense Systems

A California privately held aerospace engineering company that designs, develops and manufactures specialty custom air moving systems for the aerospace and defense industry. Interested in relocating their corporate headquarters and manufacturing operations out of California. They also have an operation in the UK.

Project: Lease of a 50,000-60,000 SF existing building and will invest \$7.5M in plant and equipment

Development proposition: None, searching for an existing building

Jobs: 53 jobs created over a 5 year period, will include engineers, machinists & senior executives with an average salary of \$68,000

Raw materials sourced: Various, throughout the US

Markets served: Global

Modes used: Truck and air. Products primarily shipped by integrators

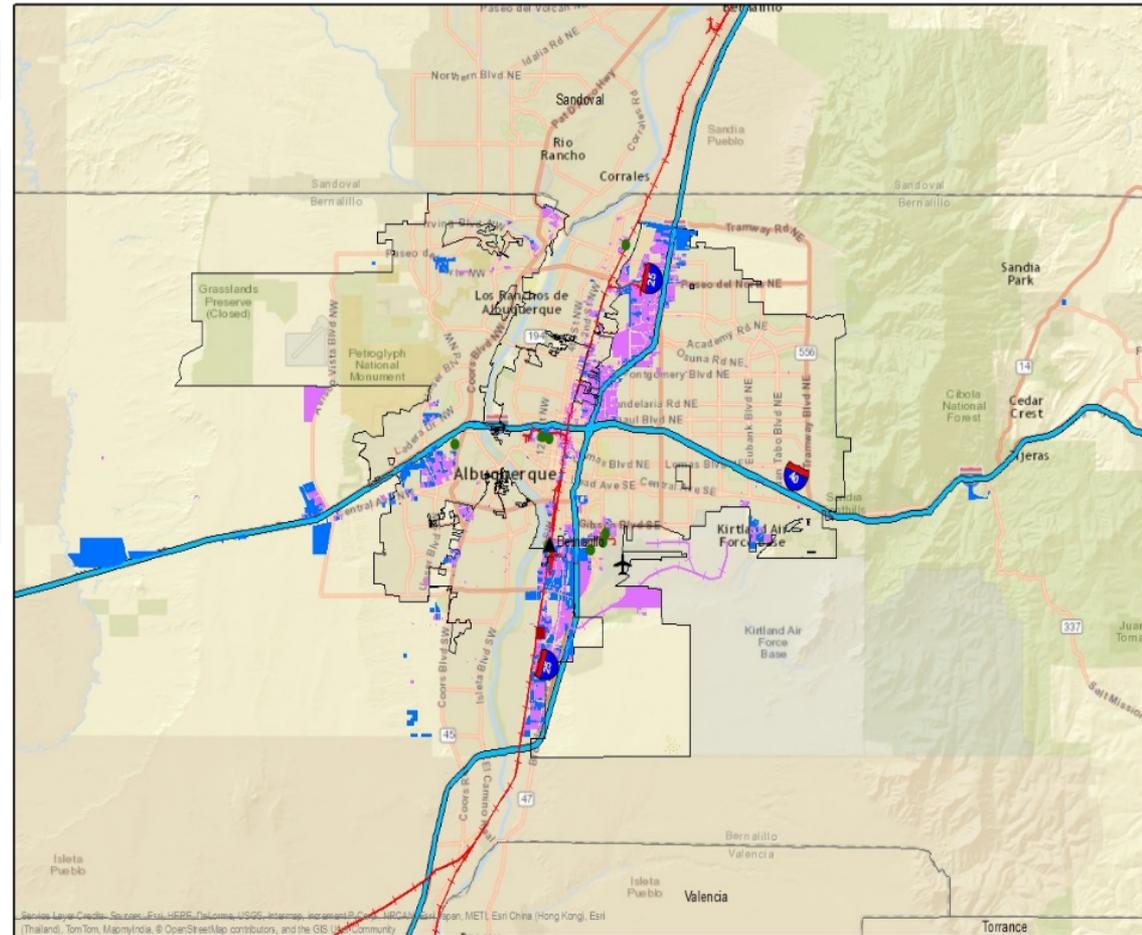
Competitors: ABQ; Phoenix, AZ; Wichita, KS; Charleston SC

Competitiveness Case Study: Aero/Defense Systems

Aerospace/Defence Manufacturing Site Decision Factors	Alb., NM	Phx., AZ	Wich., KS	Charleston, SC
Transport Costs	0.73	0.63	0.80	0.70
Time in Transit	0.98	0.78	1.31	1.24
Reliability	1.28	1.11	1.21	1.32
Facility Availability and Operating Costs	1.26	1.78	1.22	1.00
Labor Availability and Costs	0.98	0.96	0.96	0.72
Total Tax Burden	0.37	0.31	0.40	0.28
HQ Considerations	0.42	0.70	0.26	0.34
Competitiveness Score	6.95	7.04	7.47	6.84

Land Use Analysis

- Identified vacant / underutilized parcels
- Assessed sites
 - » Access to transportation
 - » Utilities
 - » Existing building condition
- Identified actions to make sites more attractive to developers



Findings / Implementation

IMMEDIATE OPPORTUNITY 1: CAPITALIZE ON ABQ SUNPORT

- DEVELOP AN AIRPORT INVESTMENT DISTRICT
 - ALIGN WITH EXISTING INITIATIVES, E.G. INNOVATE ABQ, STC.UNM
 - LED BY THE CITY OF ALBUQUERQUE
- KEY STEPS:
 - BUILD A CORE MARKET PROPOSITION ALIGNED WITH KEY TECHNOLOGY-RELATED SECTORS;
 - DETERMINE THE CURRENT AND FUTURE CARGO DEMAND AND AIR SERVICE REQUIREMENTS;
 - DEVELOP A REALISTIC ON- AND OFF-AIRPORT DEVELOPMENT PLAN; AND
 - CONVENE A STRATEGY SESSION WITH KEY STAKEHOLDERS AND DEVELOP A BUSINESS PLAN.

IMMEDIATE OPPORTUNITY 2: RAIL-FOCUSED INVESTMENT DISTRICT



- ASSESS POTENTIAL OF EXISTING AND PROPOSED RAIL-FOCUSED DEVELOPMENT IN THE REGION
 - EXAMPLE: CENTRAL NEW MEXICO RAIL PARK HAS BROKEN GROUND IN 2016 AND IS A CERTIFIED BNSF SITE
 - OTHER DEVELOPMENT OPPORTUNITIES SHOULD ALSO BE CONSIDERED
 - FACILITATED BY MRCOG TO ENSURE REGIONAL-FOCUSED STRATEGY
- NEED TO CONVENE A STRATEGY SESSION TO:
 - UNDERSTAND CURRENT PLANS AND LOCAL/REGIONAL PRIORITIES;
 - IDENTIFY INITIAL, HIGH LEVEL, INDUSTRY SECTOR TARGETS;
 - ASSESS ROLES AND RESPONSIBILITIES MOVING FORWARD; AND.
 - DEFINE CLEAR PUBLIC-PRIVATE BUSINESS INVESTMENT STRATEGY.

LONGER TERM RECOMMENDATIONS

- **FOCUS AND FORMALIZE REGIONAL PARTNERSHIPS**

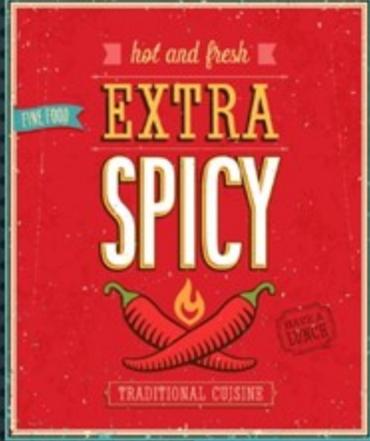
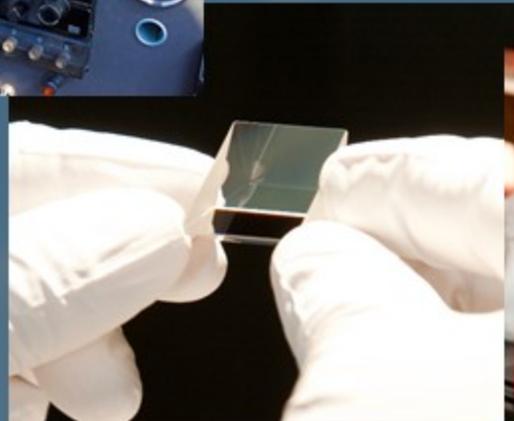
- CREATE A FREIGHT AND INDUSTRY COMMITTEE AS PART OF THE TECHNICAL COORDINATING COMMITTEE
 - SERVE AS A FOCAL POINT AND LEADERSHIP OF ECONOMIC DEVELOPMENT INITIATIVES
 - ENSURE ALIGNMENT OF NEW INITIATIVES WITH EXISTING PROGRAMS
 - SERVE AS A LIAISON BETWEEN PUBLIC AND PRIVATE SECTOR PARTNERS
- CREATE A VEHICLE FOR REGIONALLY FOCUSED INVESTMENTS
 - BEGIN BY ENCOURAGING CROSS JURISDICTIONAL INVESTMENTS (EX: CENTRAL NM RAIL PARK)
 - E.G. A JOINT POWERS AUTHORITY (JPA) FOCUSED ON FREIGHT AND INDUSTRIAL PROJECTS
- PRIVATE AND PUBLIC SECTORS NEED MORE FORMAL PARTNERSHIPS
 - FIND OPPORTUNITIES TO PARTNER WITH COCS, MEP, NAIOP, AMONG OTHERS

LONGER TERM RECOMMENDATIONS

- **ALIGN TRANSPORTATION, INFRASTRUCTURE, ECONOMIC DEVELOPMENT, AND WORKFORCE PROGRAMS**
 - **INDUSTRIAL SITE CERTIFICATION PROGRAM**
 - SITES IN EVERY COUNTY HAVE BEEN IDENTIFIED AS POTENTIALLY VIABLE INDUSTRIAL SITES, BUT MANY NEED STEPS TO BECOME "SHOVEL READY" ("INDUSTRIAL" METROPOLITAN REDEVELOPMENT AGENCY)
 - **ENSURE TRANSPORTATION CONNECTIONS**
 - REGIONAL ACCESS TO JOBS IS IMPORTANT TO SUPPORT AND MAINTAIN GROWTH

RECOMMENDED INDUSTRIES

- FOCUS ON SPECIFIC OPPORTUNITIES (HIGH-VALUE, TECHNOLOGY BASED MARKETS)
 - AUTOMOTIVE SECTOR VALUE-ADDED MANUFACTURING
 - AEROSPACE TECHNOLOGY
 - PHOTONICS-ENABLING TECHNOLOGY APPLICATIONS
 - FOOD MANUFACTURING
 - PLASTICS
 - OTHER INDUSTRIAL/MANUFACTURING OPPORTUNITIES UTILIZING RAIL FACILITY INVESTMENTS



LET'S GET MORE WINS!

- WE WOULD LOVE TO SEE YOU COME ON BOARD AS A PARTNER
- READ THE WHOLE STUDY AT WWW.MRCOG-NM.GOV
- REACH OUT TO ANN SIMON AT THE MRCOG TO BE INCLUDED IN FUTURE CORRESPONDENCE AND PLANNING MEETINGS:

ASIMON@MRCOG-NM.GOV