







INLAND PORTS MODELS AND LESSONS

The Tioga Group, Inc.

Presentation to
Faster Freight Cleaner Air Conference

FEBRUARY 2008

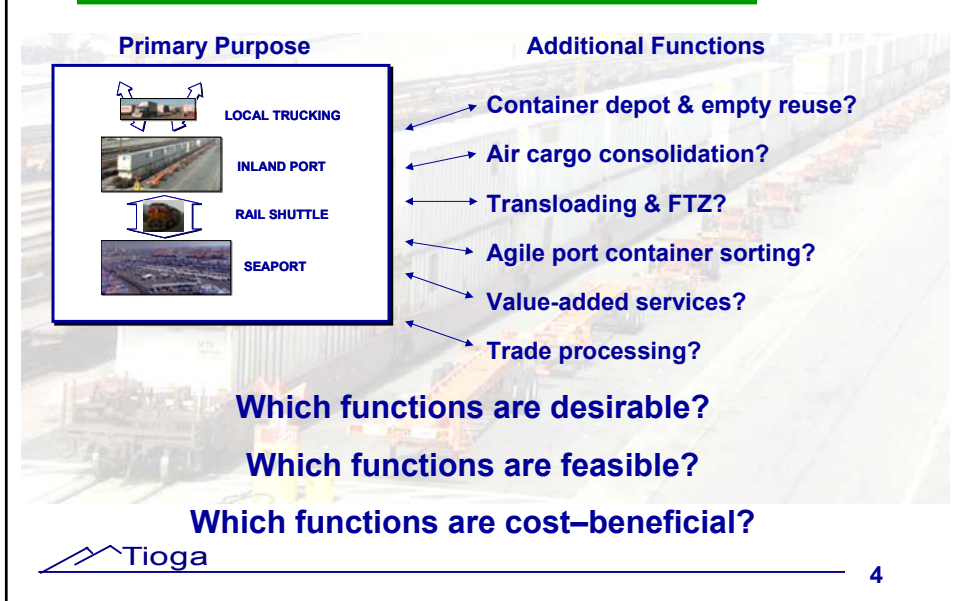
Inland Port Goals

- Duplicate port functions at inland locations
- Reduce the demands on port land
- Increase transportation efficiency
- Reduce environmental impact
- Promote inland economic development and logistics integration

Inland Port Concept



Inland Port Concept Expanded



“Inland Port” models

- **“Satellite Marine Terminal”** – Virginia Inland Port, CIRIS
- **“Logistics Park”** – Alliance, Joliet, Huntsville
- **“Crossroads”** – Rochelle, Puerto Nuevo
- **“Trade Processing Center”** – Yuma, Kingman
- **“Logistics Airport”** – SCLA, Rickenbacker
- **“Economic Development”** – KC SmartPort



Satellite Marine Terminal

Virginia Inland Port (VIP)

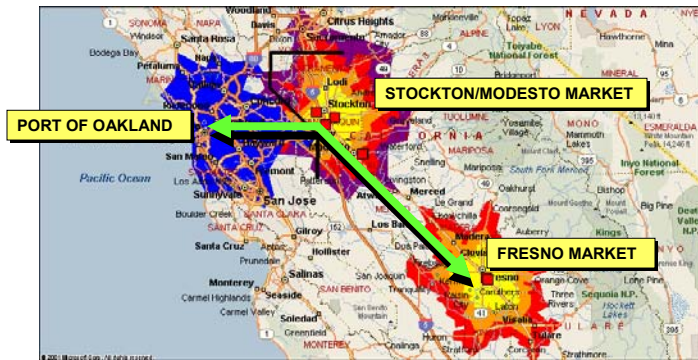
- **Linked to Norfolk (VPA) via rail shuttle**
- **The “all-in” service makes VIP port-like**
- **Norfolk Southern is a willing rail partner**



Satellite Marine Terminal

CIRIS – Proposed

- The California Inter-regional Intermodal System (CIRIS) would connect the Port of Oakland with key Central Valley Markets
- Key issues are market assessment, rail capacity, and long-term funding



Logistics Park

Logistics-Based Economic Development

Using transportation assets as “anchor tenants” distinguishes logistics-based economic development and inland ports.

Economic Development	Logistics-based Development	Inland Ports
<p>Goal: Attract beneficial businesses and organizations to the region.</p> <p>Message: The region is an attractive, low-cost, and high-yield place to do business.</p>	<p>Goal: Attract logistics-based businesses.</p> <p>Message: The region/site offers specific logistical advantages (beyond its general business advantages).</p>	<p>Goal: Attract trade-based businesses.</p> <p>Message: The region/site offers specific advantages for handling international trade (beyond its general business and logistical advantages).</p>
<p>Anchor Tenants: Any business, but often manufacturers.</p>	<p>Anchor Tenants: Distribution centers, carrier facilities.</p>	<p>Anchor Tenants: Carriers, Customs, FTZ, transloaders.</p>
<p>Issues & Tools</p> <ul style="list-style-type: none"> • Location assistance • Zoning & Permitting • Telecom & Utilities • Basic roads • Tax Incentives • Labor pool • Marketing assistance • Financial incentives • Cost of doing business • Local business climate 	<p>Issues & Tools</p> <ul style="list-style-type: none"> • Freight transportation infrastructure (truck, rail, air, water) • Location on trade lanes & corridors • Role in supply chains • Freight carrier participation • Regional & national market access • Cost of logistics • Local receptivity to freight & logistics 	<p>Issues & Tools</p> <ul style="list-style-type: none"> • Customs functions • Port of Entry status • Foreign Trade Zone • Security • Location on trade lanes • Distance to border • Cost of trade movements • Local receptivity to trade

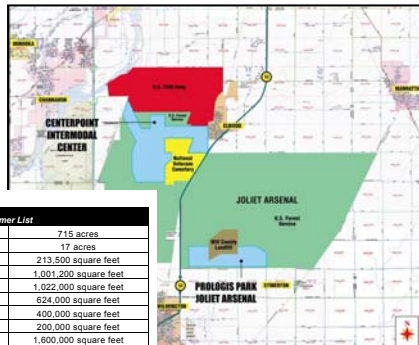
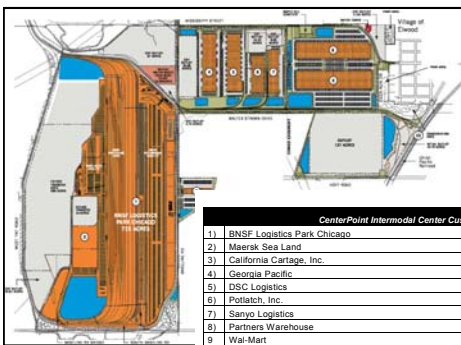
Alliance Texas Logistics Park

- 17,000 acre industrial park with air, rail, and truck service
- Airport and auto terminals created separate business clusters
- BNSF moved its Dallas intermodal hub to Alliance
- Just 15 miles from the Dallas-Fort Worth market



Joliet Arsenal (JADA)

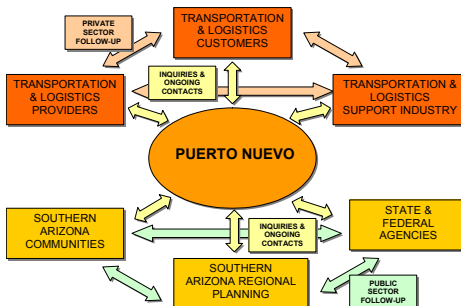
- Adequate financing, a solid and well-understood market opportunity, and a willing Class I railroad
- Chicago-area location as national logistics hub
- Role of Centerpoint as “champion”



CenterPoint Intermodal Center Customer List		
1)	BNSF Logistics Park Chicago	719 acres
2)	Masrak Sea Land	17 acres
3)	California Cartage, Inc.	213,500 square feet
4)	Georgia Pacific	1,001,200 square feet
5)	DSC Logistics	1,022,000 square feet
6)	Pottlatch, Inc.	624,000 square feet
7)	Sanyo Logistics	400,000 square feet
8)	Partners Warehouse	200,000 square feet
9)	Wal-Mart	1,600,000 square feet
10)	Wal-Mart	1,800,000 square feet

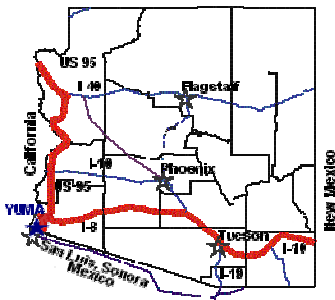
Puerto Nuevo (Tucson)- Proposed

- Take advantage of Southern Arizona’s geographic location
- Participate in the growing global commerce
- Enhance regional economic development efforts
- Serve as a catalyst for infrastructure improvements



Greater Yuma Port Authority - Proposed

- Expanded port of entry for U.S.- Mexico truck traffic
- Grant money to purchase 400 acres of land and develop a Master Plan
- The emphasis is on “trade processing” - the challenge is to add value

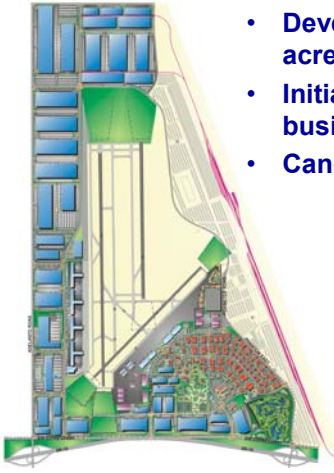


“The GYPA will develop a gateway for global trade and facilitate, promote, and support multi-modal transportation and trade opportunities to enhance economic development in the Greater Yuma area.”

Logistics Airport

Southern California Logistics Airport

- Former George Air Force Base
- Developed by Stirling International into a 4,000-acre business and industrial airport complex
- Initial tenants are primarily aircraft-related businesses and retail distribution centers
- Candidate for long-term inland port development



KC SmartPort

Economic Development

- Economic development initiative designed to promote Kansas City as a logistics hub (separate from the KC Port Authority)
- Two main focuses:
 - Attracting businesses with significant transportation and logistics elements
 - Make it cheaper, faster, more efficient, and secure for companies to move goods into, from, and through the Kansas City area



Key Lessons

- **Match the Inland Port model with regional objectives**
 - Are we trying to promote economic development?
 - Are we trying to relieve congestion?
 - Are we trying to gain market share?
 - Are we trying to reduce environmental impact?
- **Have an effective project “champion”**
- **Make a realistic appraisal of market and purpose**
 - Most failures have been market failures
 - Need freight carrier cooperation
 - Development timelines can be very long
 - Private success is necessary for public goals