FreightNYC
Goods for the Good of the People

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PFAC
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NYC region today...

- **The Problem:**
  - NYC over-relied on trucks for freight transportation (e.g. consumer goods, construction materials)
  - Increasing congestion on aging highways, bridges, tunnels
  - Freight volume to increase 68% by 2045

- **The Potential:**
  - Support and grow freight-dependent jobs in NYC
    - 300,000 existing jobs
  - Promote environmental sustainability
    - Rail and maritime freight transportation is 7-9 times more fuel efficient than trucks
  - Provide opportunities for growth
    - Rail and maritime freight infrastructure has significant untapped capacity

NYC Mode Share, by weight

- Truck: 89%
- Rail: 2.8%
- Maritime: 8%
- Air: 1%

Nation’s most heavily used bridge, George Washington Bridge (I-95)
Overview of FreightNYC

- Key pillar of New York Works, Mayor de Blasio’s jobs plan
- $100m multimodal strategy to modernize NYC’s freight distribution system

Goals:
- Create 4,000 jobs
- Reduce congestion
- Improve air quality

Strategies:
- Maritime investments
- Rail investments
- Urban distribution
- Clean trucks

https://www.nycedc.com/program/freight-nyc
Big Apple Unveils Details Of Massive Freight NYC Project

City reveals plan to invest $100M in freight infrastructure
Freight NYC is an initiative envisioned by the de Blasio administration to shift food, products and materials carted into the city each year by pollution-belching trucks to trains and ships.

Freight NYC Aims to Overhaul City's Antiquated Shipping System

NYC unveils $100M plan to modernize freight distribution system

'Refreight NYC' aims to modernize rail, maritime infrastructure in the Big Apple
FreightNYC Proposals

- Change how freight enters NYC
- Change where freight is stored/warehouse
- Ensure that trucks that serve those facilities are green

Maritime

Urban Distribution

Clean Trucks

Rail
Maritime Sector in NYC

Key Insights:

1. **NYC remains an important maritime gateway for commerce**
   - **Global Container Terminal** on Staten Island is City and State’s largest container terminal
   - **Red Hook Container Terminal** serves containerized, breakbulk, project cargo
   - **South Brooklyn Marine Terminal** reactivated in Summer 2018

2. **Jobs in maritime sector are good-paying**
   - Average was is $62,000 but can increase well over $100,000 with benefits
Maritime Sector

Key Insights:

3. NYC home to vibrant tug and barge maritime economy
   • Inland water freight contributes to economic output of $300m each year

4. Use of waterways key to relieving traffic congestion and improving air quality
   • Each year, inland waterways eliminate about 440,000 truck trips are eliminated, which is equivalent to about 30 days worth of traffic on the George Washington Bridge
Maritime Vision: **Shift to hub and spoke system**

**Strategies:**

1. **Develop maritime infrastructure**
   - Re-activate 72-acre South Brooklyn Marine Terminal (SBMT)
   - Develop Marine Highway barge terminal at Hunts Point in South Bronx

2. **Convene a regional barge council with port authorities, maritime businesses, shippers**

3. **Work with regional partners to advance regional system from NJ terminals and NYC to New England**

4. **Promote dredging and improve NYC’s inland waterways (e.g. Newtown Creek)**
Rail Sector in NYC

Key Insights:

1. Rail infrastructure investments continue
   - Metropolitan Rail Freight Council (MRFC) convenes planning efforts with CSX, NS, Conrail
   - Staten Island Railroad serves Staten Island and Global Container Terminal

2. Rail volumes increasing in Brooklyn, Queens and Long Island
   - Total traffic is ~70,000 carloads each year

2. Jobs in rail sector are good-paying
   - Average was is $60,000
Rail Vision: Expand rail freight terminals

Strategies:

1. Develop up to five (5) rail facilities in Brooklyn and Queens

2. Support Metropolitan Rail Freight Council (MRFC)

3. Support Port Authority Cross Harbor Freight Program (CHFP)
Urban Distribution Today

Key Insights:

1. Demand is HIGH
   - Overall the vacancy rate for urban distribution properties is below 5%.
   - Food processing space has the lowest vacancy rate, below 2%.

2. NYC space is increasingly obsolete, but some developers going vertical
   - Properties are older and offer lower ceiling heights, fewer loading docks per 10,000 SF, and smaller floor plates.

3. Job generation is HIGH
   - Typically one employee between 250 and 500 square feet
Existing Urban Distribution Properties
Urban Distribution Vision: Create “Freight Hubs”

**Strategy:**

1. Develop new urban distribution capacity

2. Support mix of e-commerce, distribution, production space

3. Build related infrastructure: truck plazas, alternative fueling stations, marine highway landings, rail facilities
Brooklyn Freight Hub: Brooklyn Army Terminal
Brooklyn Freight Hub: Brooklyn Army Terminal

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<th>Land SF</th>
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<tr>
<td>1 East Lot</td>
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<tr>
<td>2 South Lot</td>
<td>157,000 SF</td>
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<tr>
<td>3 65th St. Lot</td>
<td>177,000 SF</td>
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Trucking Today

Key Insights:
1. Trucks move ~90% into NYC, far more than any other mode

2. Trucks are often oversized, overweight, use diesel
Recommendation: **Green procurement**

**Proposed Opportunity:**

1. Deploy suite of leasing, development, and procurement strategies to become a City leader and accelerate the use of clean vehicles on NYC streets

2. Align with NYC’s Vision Zero

3. Align with NYC Dept of Transportation’s Smart Truck Management Plan

VISION ZERO

nyc.gov/visionzero
FreightNYC Benefits Summary

- **Up to 5,000 jobs** created
- **40 million truck miles** eliminated through 2045
- **70,000 metric tons** of greenhouse gas emissions eliminated each year
- **30,000 pounds** of particulate matter eliminated each year
Questions?

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What is EDC already doing?

- **Investments in maritime infrastructure**
  - Reactivation of South Brooklyn Marine Terminal in Sunset Park (Summer 2018)

- **Support for rail infrastructure**
  - Metropolitan Rail Freight Council
  - Support Port Authority CHFP Tier II Analysis (Summer 2018)

- **Investments in urban distribution**
  - Brooklyn Army Terminal (ongoing)

- **Terminal access improvements**
  - GCT– New York, Staten Island DOT Rule Change (January 2018)

- **Support for air cargo industry**
  - JFK Airport Industrial Business Zone (Fall 2017)

- **Expand the Foreign Trade Zone (FTZ) program**