



Board Report

File #: 2019-0849, **File Type:** Informational Report

Agenda Number: 8.

**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 15, 2020**

**SUBJECT: LOS ANGELES COUNTY GOODS MOVEMENT STRATEGIC PLAN DEVELOPMENT
STATUS UPDATE**

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status update on the development of the Los Angeles County Goods Movement Strategic Plan.

ISSUE

In November 2018, Metro awarded a contract to develop the Los Angeles County (County) Goods Movement Strategic Plan (Plan). The intent of the Plan is to develop a strategic vision for the Metro Board, in collaboration with the many goods movement stakeholders in the County, to address the many challenges and capture the tremendous number of opportunities presented by Los Angeles County's status as the nation's leading freight gateway. The Plan will also inventory existing conditions surrounding goods movement activities in Los Angeles County-including economic benefits, community impacts, and system performance-and develop a robust stakeholder engagement process to inform the recommendations of the Plan to allow the County to maintain its national freight competitiveness in a sustainable manner.

This report serves as an update for the Board on the current activities of the Plan development since the last update in June 2019.

BACKGROUND

The County is home to over 10 million people - a population that would rank as approximately the ninth largest state - and generates a tremendous demand for goods on a daily basis. The daily activities and purchases made by the residents, visitors and businesses of the County are the main drivers of goods movement, which fuel our regional economy. The County also serves the nation as its premier global trade gateway, comprising the nation's largest container port complex, the nation's sixth busiest air cargo hub, nearly 35,000 warehouse sector buildings, and the extensive multimodal transportation network that connects all these important trade hubs to the populations, businesses, and markets located in the rest of the country.

While the County's surface transportation system supports the national and regional need for efficient flow of goods through the Ports of Long Beach and Los Angeles, the communities located closest to freight facilities and major goods movement corridors disproportionately suffer localized impacts to health, equity, and quality of life associated with the movement of these goods. On a regional level, robust economic activities impact the mobility, safety, and air quality for all residents of the County because of the conflicts created by the shared use of the multimodal transportation network-most notably between passenger vehicles and commercial trucks on the highway system and between freight trains and commuter trains on rail corridors.

As the County's and the nation's population are expected to grow, Metro, as the regional transportation planning agency for Los Angeles County, must lead and develop a strategic planning vision that is well-informed through robust stakeholder engagement. The vision must be effective in supporting the County's economic competitiveness, delivering solutions for our sustainability needs, and advancing equity goals. The vision must support a collaborative framework among our many goods movement stakeholders that guides development of strategies and programs that address goods movement challenges in a comprehensive manner.

The Plan will develop a cohesive narrative for the County's goods movement system that identifies the benefits and impacts associated with goods movement projects, programs, and policies; articulates the need to invest in our multimodal freight system; and supports the acquisition of state and federal discretionary funding to leverage local investment in goods movement related projects and programs.

DISCUSSION

At the June 2019 Planning & Programming Committee, staff presented on the status of the Plan's development. This presentation included the following:

- A brief profile of the County's goods movement system and how the goods movement sectors contribute to the economy
- The relationship of the Plan to Metro's Vision 2028 and Long Range Transportation Plan
- A draft vision statement
- The structure of the Plan development
- How stakeholders would shape the Plan development.

Metro invited regional stakeholders from public, private, and community organizations representing various logistics modes, regulatory agencies, academia, subject matter expert organizations, equity and public health advocacy groups, and local and state partner agencies to participate in a Freight Working Group that served to provide input into and guide the development of the Plan's purpose, priorities, and content. Metro convened the Freight Working Group and subject matter focus groups to capture expert insight into and guidance on the most critical challenges facing the County; strategies to address these challenges; development of evaluation criteria for strategies that lead towards sustainable competitiveness; early action items; and the clarification of Metro's role in advancing such strategies and early action items.

Through the guidance of our stakeholders, the Plan's project team has finalized the vision statement for the Los Angeles County Goods Movement Strategic Plan and identified five elements of

sustainable freight competitiveness to be the focus of our Plan.

The five sustainable freight competitiveness elements identified through our stakeholder engagement and endorsed by the Freight Working Group are as follows:

- Equity and Sustainability
- A Safe and Efficient Multimodal System
- A Culture of Investment and Innovation
- Strong Markets and Reliable Supply Chains
- A Strong Labor Force

The project team then embarked on focus group meetings around each of the sustainable competitiveness elements to garner in-depth understanding from subject matter experts and stakeholders. Discussions during these meetings highlighted the need for equity and sustainability to be a foundation of the Plan infused into and predicated the other four elements. Further, through these discussions, the project team identified early action items that call for Metro's immediate leadership as the Plan is being developed. These early action items are as follows:

- Define what equity means for goods movement in the County through a creation of a recurrent goods movement-focused task force involving equity-focused stakeholders;
- Develop a Clean Truck Initiative to accelerate the deployment of near-zero and zero emission trucks in the region to address air quality and public health concerns, particularly for our most vulnerable communities;
- Craft a framework for a freight rail investment partnership for the region's shared use rail corridors;
- Foster a regional forum for urban delivery and curbside demand management needs in the County to mainstream this policy issue across other planning efforts;
- Identify opportunities to create programs for and conduct research on countywide workforce development in logistics.

Staff intends to continue preliminary research and further discussions with the key stakeholders on these items. However, staff anticipates that these action items will require further resources and intends to develop them into full workplans in the coming months.

Additionally, staff considers close coordination with our State partners to be an important hallmark of a successfully developed Plan, specifically in working through the implications of the implementation of the Governor's Executive Order N-19-19 and the State's development of the California Freight Mobility Plan 2020 (CFMP 2020). At the third Freight Working Group meeting in October 2019, staff invited Deputy Secretary for Transportation Planning at the California State Transportation Agency (CalSTA) Avital Barnea, and Office Chief for Caltrans Freight Planning Yatman Kwan, to share their insights on the Governor's Executive Order, the status of the CFMP 2020 and how Metro can best continue coordinating closely with CalSTA, Caltrans and other state departments.

Through our stakeholder discussions and Freight Working Group meetings, the project team identified several research topics and implementation topics that merit further effort beyond the Plan

development and adoption. These topics include but are not limited to the following:

- Robust economic impacts analysis of goods movement activities;
- A strategy for logistics planning and coordination in support of the Los Angeles 2028 Olympic and Paralympic Games;
- Development of a countywide legislative platform to articulate the County's freight needs for the next federal surface transportation reauthorization bill and future state funding programs and policies; and
- Broader deployment of technology-based operational efficiency improvements and cleaner freight rail technology.

Equity Platform

The LA County Goods Movement Strategic Plan supports three of the four Equity Platform Pillars I (Define and Measure), II (Listen and Learn) and III (Focus and Deliver).

Pillar I (Define and Measure): By focusing on Equity and Sustainability as the core element of the Plan and working with stakeholders to receive input on equity concerns and creating inclusive conversations on goods movement issues, the Plan seeks to define measurable objectives that will help advance equity goals for the County.

Pillar II (Listen and Learn): To develop the Plan staff will hold focused meetings with key equity-focused communities and representatives to gain an understanding of equity needs for the region. Staff also will develop an ongoing working group tailored specifically to goods movement equity-focused organizations to facilitate a forum that will continuously inform Metro's goods movement planning.

Pillar III (Focus and Deliver): The Plan, through input with our stakeholders, will help determine where Metro can lead and where Metro can partner in implementing equity-conscious policies and programs to improve health, economic opportunity, accessibility and quality of life for those most impacted by freight externalities in the County.

DETERMINATION OF SAFETY IMPACT

The LA County Goods Movement Strategic Plan supports a number of projects that have considerable safety improvements associated with movement of goods, including at-grade separation projects, intelligent transportation system projects, advanced vehicle technologies and transportation facility operational improvements. As such, the Plan supports Metro's agency safety standards.

FINANCIAL IMPACT

There is no financial impact associated with this report.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Los Angeles County Goods Movement Strategic Plan supports implementation of the following

Strategic Plan Goals, 1. Provide high-quality mobility options that enable people to spend less time traveling; 3. Enhance communities and lives through mobility and access to opportunity; and 4. Transform LA County through regional collaboration and national leadership.

ALTERNATIVES CONSIDERED

No decisions are required at this time.

NEXT STEPS

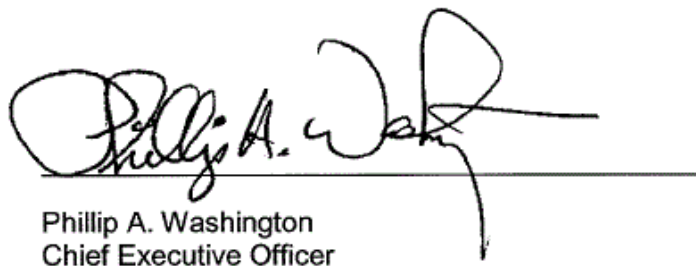
Staff will initiate Board office outreach on the Plan through January and February 2020, develop a draft plan and present in spring 2020, with a Board consideration of the Final Plan to be presented in summer 2020.

ATTACHMENTS

- Attachment A - LA County Goods Movement Strategic Plan Update
- Attachment B - Freight Working Group Member Organization List
- Attachment C - Why Los Angeles County's Goods Movement Matters

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Phillip A. Washington
Chief Executive Officer

Update on the Los Angeles County Goods Movement Strategic Plan

LA County Goods Movement Strategic Plan

Metro Planning and Programming Committee

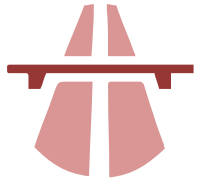
January 15, 2020

Legistar File #2019-0849



Metro

LA County Goods Movement By the Numbers



851 miles of State Highways
3,200 miles of County Roads
17,631 miles of City Roads

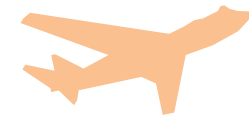


10th Busiest container port complex in the World (Ports of Long Beach and Los Angeles)

Over **578 million sq. ft.** of warehousing space
With over **18,000** warehousing buildings



Nations' **6th** busiest air cargo hub



2 Class I Railroads connecting the Ports of Los Angeles and Long Beach to the rest of the nation



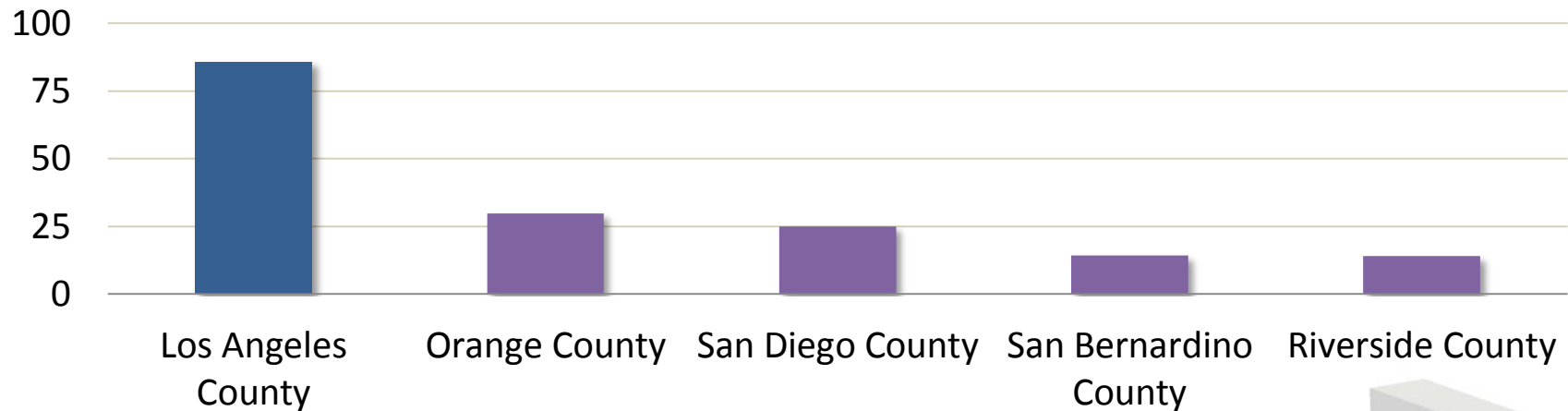
Goods Movement Means Jobs

LA County holds nearly **30%** share of California's goods movement dependent industries

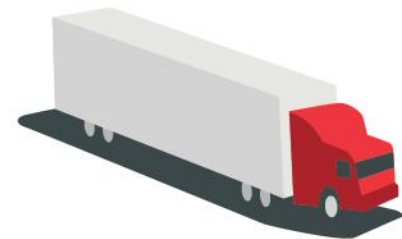
Close to **86,000** firms

With over **1.3 million** people employed

Top 5 CA Counties by Number of Goods Movement Dependent Industry Firms, 2015 (in thousands)



Source: US Census, County Business Patterns, 2015



Goods Movement Means Sales Tax Revenue

\$10.9 Billion: Sales taxes generated from Retail and Foods Services sectors in LA County in 2017¹

\$1.7 trillion worth of goods moved into, out of, and within the Los Angeles Region in 2017²

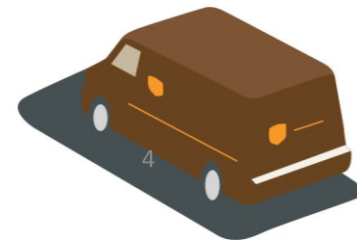
- \$1.02 trillion: Value of goods moved by **trucks**
- \$391 billion: Value of goods moved by multiple modes & mail

78 percent: California communities who depend exclusively on trucks to move their goods³

1: California Department of Tax and Fee Administration

2: Federal Highway Administration, Freight Analysis Framework (FAF) 4.5, 2019

3: Smart Freight Center: Caltrans case study in *Developing a Sustainable Urban Freight Plan*



Stakeholders Are Shaping the Plan

Stakeholders:

- Provide input and feedback throughout the project
- Weigh in on key questions from a variety of perspectives
- Vet findings and guide the project team at critical points in the process



Stakeholder Guidance

Questions we have posed to stakeholders:

1. What are the most critical challenges facing LA County? What strategies should be undertaken to meet these challenges?
2. What criteria can we use to evaluate strategies that lead towards sustainable competitiveness?
3. Are there immediate steps to take, aka “early wins”?
4. What should Metro’s role be? What should Metro *not do*?

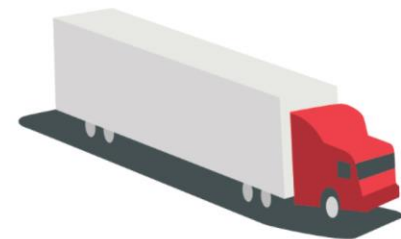


Mission and Vision Statement

Metro's Mission: *To provide a world-class transportation system that enhances quality of life for all who live, work, and play within LA County.*

Goods Movement Strategic Plan Vision: Metro will become...

- > ...a *national leader* and *regional partner* in implementing a modern, responsive, resilient, and effective freight transportation system through policies, programs, and projects that support a competitive global economy.
- > ...a steward of *equitable and sustainable investments* and *technological innovation* that will increase regional economic competitiveness, advance environmental goals, and provide access to opportunity for County residents.



Sustainable Freight Competitiveness



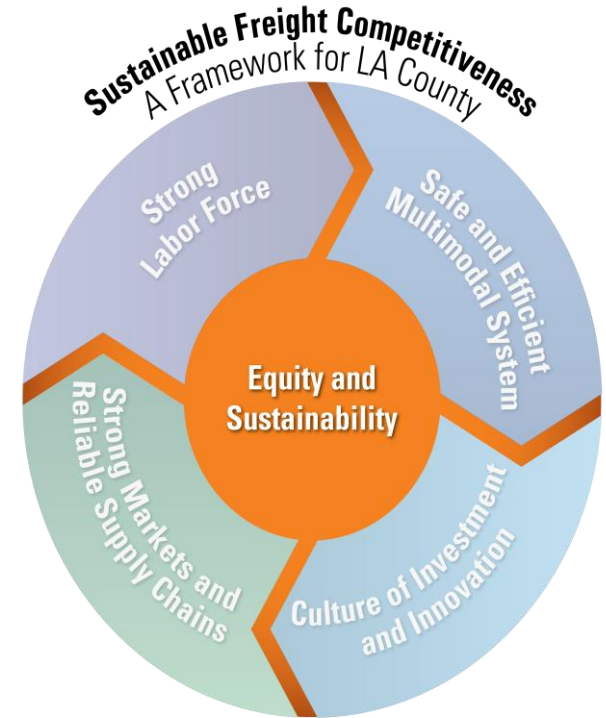
Elements of Sustainable Freight Competitiveness

Equity and Sustainability

- > Foundation of Metro's Goods Movement Planning activities
- > Permeate through other elements

Questions to be addressed:

- > How can we achieve competitiveness that is grounded in equity and sustainability?
- > What does equity in goods movement look like for LA County?

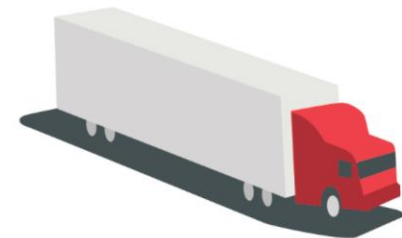
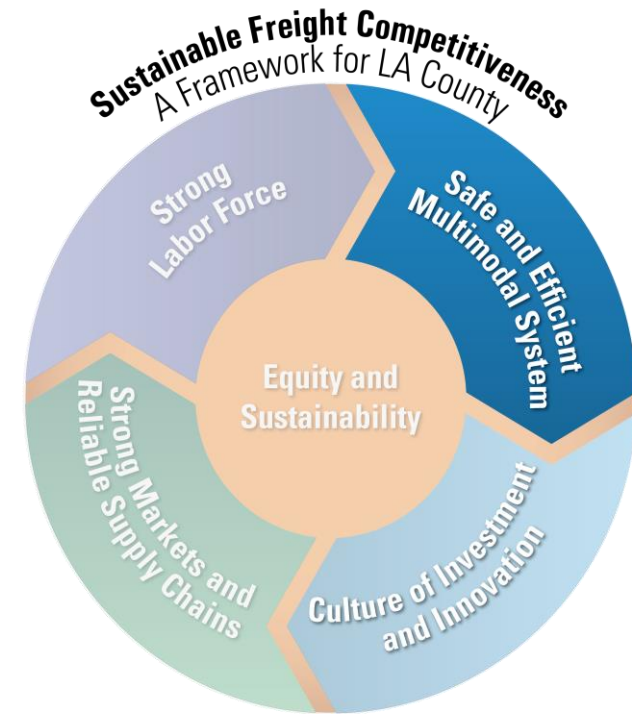


Elements of Sustainable Freight Competitiveness

Safe and Efficient Multimodal Systems

Questions to be addressed:

- > Can the shared system meet future demand as the population grows? Can it respond to changes in the way people/goods move?
- > How does Los Angeles County compete nationally in terms of cost, reliability, etc.?

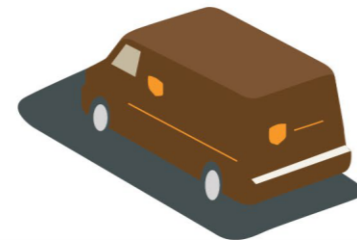
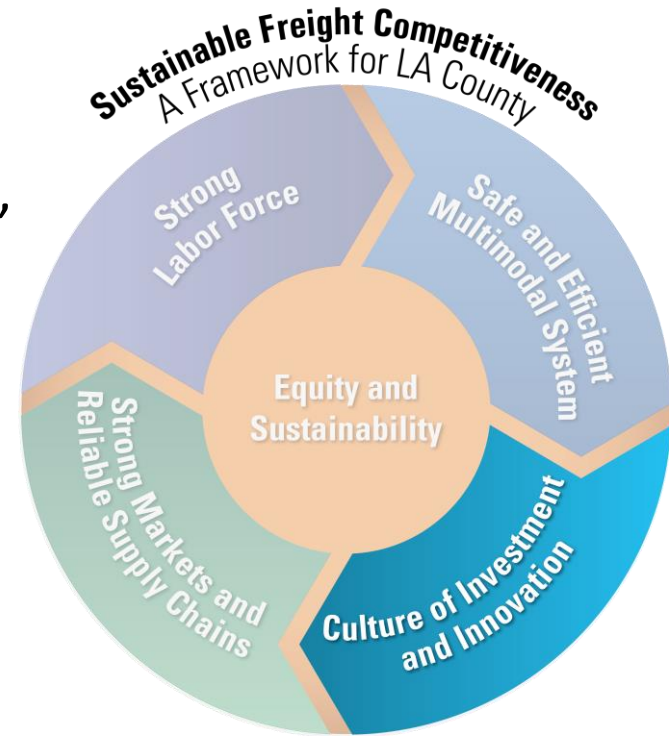


Elements of Sustainable Freight Competitiveness

Culture of Investment and Innovation

Questions to be addressed:

- > Is the regional leadership, policy environmental, and available capital sufficient to support investments in infrastructure and technology?
- > How do we balance our unique regulatory and policy environment with the need for private sector investment?



Elements of Sustainable Freight Competitiveness

Reliable Supply Chains

Questions to be addressed:

- >Do we have the right mix of consumers, importers, exporters, etc. to grow our economy effectively?
- >Are we positioned for an optimal amount of discretionary cargo coming through the Ports?

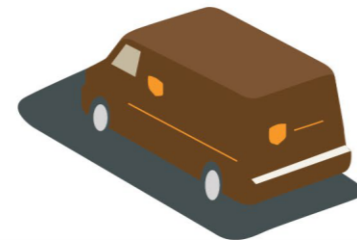


Elements of Sustainable Freight Competitiveness










Strong Labor Force

Questions to be addressed:

- >Is the local labor force positioned to support the industries of today and tomorrow?
- >Does the transportation system provide effective and efficient connections between workers and these industries?



Expert Meetings

-  Public health
-  Equity
-  Innovative vehicle technologies
-  State of clean emission vehicle technologies
-  Workforce development initiatives and research
-  Ports (LA, LB, and LAWA)
-  Freight railroads and the trucking industry
-  Urban freight
-  Curbside demand management



Coordination with the State

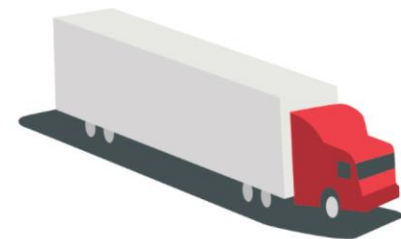
 Governor's Executive Order N-19-19

 California Freight Mobility Plan 2020



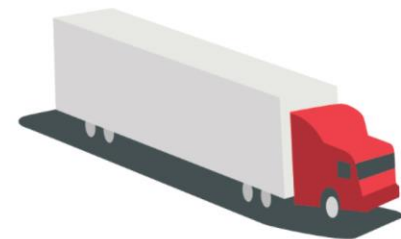
Early Action Initiatives

- 🔌 Defining equity for goods movement in LA County
- 🔌 Further research on countywide workforce development in logistics
- 🔌 Accelerating clean truck initiatives
- 🔌 Freight rail investment partnership
- 🔌 Urban delivery and curbside demand management



Further Areas of Study

- ➔ Robust economic impacts analysis of goods movement activities
- ➔ The 2028 Olympics event logistics planning and coordination
- ➔ Development of a countywide platform for future federal transportation funding reauthorization
- ➔ Broader deployment of technology-based operational efficiency improvements



Next Steps



Thank you!

**Metro Goods Movement Strategic Plan
Organizations Represented on Freight Working Group**

CATEGORY	ORGANIZATION
Metro Board Offices	City of Los Angeles
Metro Board Offices	LA County Board Supervisory District 4
Council of Governments	Gateway Cities COG
Council of Governments	San Gabriel Valley COG
Council of Governments	South Bay COG
Council of Governments	North County Transportation Coalition
Educational/Research Institute	CSULB CiTTI/METRANS
Local Government	LA County Department of Public Works (LADPW)
Local Government	LA Department of Transportation (LADOT)
Ports	Port of Long Beach
Ports	Port of Los Angeles
Regulatory Agencies	South Coast Air Quality Management District (SCAQMD)
Transportation Agencies	California Transportation Commission
Transportation Agencies	Alameda Corridor Transportation Authority (ACTA)
Transportation Agencies	California State Transportation Agency (CalSTA)
Transportation Agencies	Caltrans
Transportation Agencies	Los Angeles World Airports (LAWA)
Transportation Agencies	Metrolink
Transportation Agencies	Southern California Association of Governments (SCAG)
Economic Development	BizFed
Economic Development	LA Area Chamber of Commerce
Economic Development	LA Economic Development Corporation
Freight Industry	LA Customs Brokers & Freight Forwarders Association, Inc.
Freight Industry	Future Ports
Freight Industry	Pacific Merchant Shipping Association
Auto Industry	Automobile Club of Southern California (AAA)
Logistics	FedEx
Logistics	UPS
Railroads	BNSF Railway
Railroads	Union Pacific Railroad
Real Estate Industry	Majestic Realty, Inc.
Real Estate Industry	Watson Land Company
Real Estate Industry	NAIOP
Trucking	California Trucking Association
Trucking	Harbor Trucking Association
Utilities	California Public Utilities Commission
Utilities	Southern California Edison
Utilities	Southern California Gas
Community Based Organizations	California Endowment

Introduction

Every day, millions of goods are moved within and through Los Angeles County to support our daily lives. Demand for goods movement is an outgrowth of our daily activities as we live in a world that is built on trading goods and services. As a result, our economic activities, whether shopping in- stores or on-line, dining at restaurants, working in an office, building new infrastructure or manufacturing high-end medical devices, depend heavily on the distribution of goods and management of inventory. Ranked as the most populous county in the nation at over 10 million residents¹, people who live, work and conduct business in Los Angeles County generate a tremendous demand for goods on a daily basis. These demands in turn drive the demand for trucks, freight trains, and airplanes to move goods to and from places across the County and the world.

Many historical events contributed to shaping Los Angeles County into a premier global trade gateway of choice. These include the arrival of the Santa Fe Railroads in 1885, the founding of the Port of Los Angeles in 1907, the Port of Long Beach in 1911, the Los Angeles International Airport in 1928, containerization of cargo since the 1960s and its global spread throughout the 20th century, and the emergence of Pacific Rim economies in the late 20th century.

People in Los Angeles County have historically invested unprecedented amount of resources into the County's extensive transportation network, which now serves as a backbone of the nation's freight transportation system. This system includes 851 miles of state highways, 20,831 miles of city and county maintained roads², Class I freight railroads, the nation's largest container port complex, robust air cargo handling capacity, and a large presence of industry sectors in transportation and warehousing, wholesale trade and manufacturing. For many decades, due to the strategic location to Asia and Mexico, and the large population base, the County has attracted people and businesses alike to conduct both international and domestic commerce, and established its position as a premier global gateway.

The prosperity brought by robust economic activities also resulted in a series of challenges that now threaten the County's ability to ensure quality of life, equity, economic sustainability and competitiveness. These challenges include recurring congestion that impact system productivity and efficiency, generate undesirable impacts to surrounding communities in a form of spill-over traffic; air quality and noise impacts; increased truck involved collisions that threaten safety; and increased land use conflicts as incompatible land use types vie for limited space in already crowded urban areas. Across the County, some communities are exposed to these challenges more disproportionately than others.

Further, there are many opportunity areas on which Los Angeles County has not yet fully capitalized. These include emerging employment opportunities and workforce development efforts that are brought forth because of robust goods movement industries in the County. For example, emerging vehicle technologies and industry sectors that support such technology development, and application of advanced digital technology and robotics inside logistics facilities are creating employment

¹ U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates for the year 2016

² Caltrans Highway Performance Maintenance System (HPMS), Table 7, 2017

Why LA County's Goods Movement Matters

opportunities that did not exist a decade ago. While at the same time, slow recognition of these emerging employment opportunities has hindered our ability to analyze changing skillset needs and tailor education and training content to meet emerging needs.

As we look into the future, the County's population is projected to increase by an additional one million residents to over 11 million by the year 2035³. This growth will generate considerable increase in consumer demand that will place further strain on our County's freight transportation system that is already operating at or beyond capacity in certain areas. Consequences of not planning for the growth and not investing in our system could include deterioration of our economy, standard of living, and quality of life. For Metro, this means that we neglect our roles and responsibilities that are specified under the PUC 130051.12, a legislation which enabled establishment of the Los Angeles County Metropolitan Transportation Authority in 1992.

Through the development of the LA County Goods Movement Strategic Plan, Metro strives to achieve a comprehensive and holistic approach to addressing a multitude of interconnected challenges so that Los Angeles County will grow and thrive while balancing various goals, including efficient and effective flow of goods to support economic sustainability and prosperity. To this end, goods movement stakeholders across the County gathered to develop five elements of *Sustainable Freight Competitiveness* to provide a framework to evaluate LA County's freight competitiveness so that integrated and holistic approaches to improve mobility, accessibility, safety and quality of life will be developed and pursued. These five elements include:

PUC 130051.12

The Los Angeles County Metropolitan Transportation Authority shall, at a minimum, reserve to itself exclusively, all of the following powers and responsibilities:

- (1) Establishment of overall goals and objectives to achieve optimal transport service for the ***movement of goods and people*** on a countywide basis.



- **A Safe and Efficient Multimodal System:** ability of the County's multimodal freight transportation infrastructure to move goods efficiently and effectively.
- **A Culture of Investment and Innovation:** strengthening the County's desire to invest in our infrastructure and intellect, as witnessed through four voter-approved sales tax measures towards transportation infrastructure and innovation.
- **Strong Markets and Reliable Supply Chains:** the County's ability to support businesses and industries to thrive. This would require investment into goods movement infrastructure to support well-coordinated supply chains.

³ State of California Department of Finance, Population Projections, P-1: State Population Projections (2016-2060): Total Population by County

Why LA County's Goods Movement Matters

- **A Strong Labor Force:** the County's ability to capitalize on new employment opportunities through investing in education and training.
- **Equity and Sustainability:** a foundation for quality of life and Metro's commitment to addressing inequity within the County, and balancing environmental, economic and social goals.

Equity and Sustainability is positioned not just as one of five elements, but as the foundation for the other four elements that supports and permeates strategies and priorities to be developed for those other four elements. This positioning of Equity and Sustainability echoes the Metro Equity Platform and is supported by the equity-focused stakeholders with whom Metro has engaged in this process.



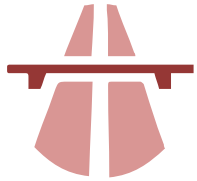
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LA County Goods Movement Strategic Plan
Metro Planning and Programming & Executive
Management Committees
January 15 & 16, 2020
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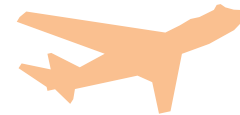
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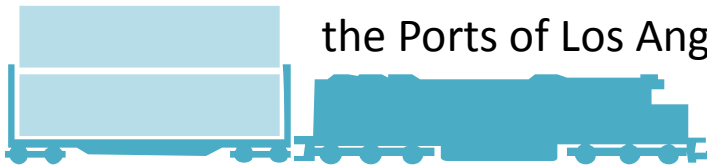
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51% of top-25% disadvantaged Census Tracts in CalEnviroScreen



Goods Movement Means Sales Tax Revenue

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\$1.7 trillion worth of goods moved into, out of, and within the Los Angeles Region in 2017²

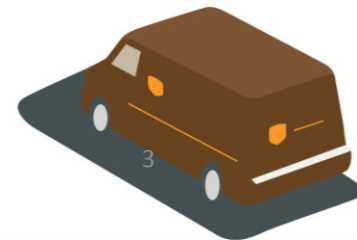
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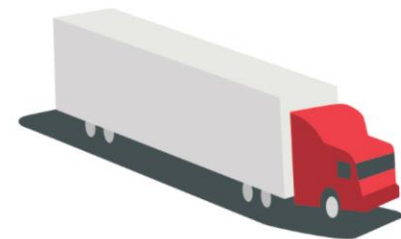


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- > ...a steward of *equitable and sustainable investments* and *technological innovation* that will increase regional economic competitiveness, advance environmental goals, and provide access to opportunity for County residents.



Elements of Sustainable Freight Competitiveness



Highlight: Equity and Sustainability

- > Foundation of Metro's Goods Movement Planning activities
- > Permeate through other elements

Questions to be addressed:

- > How can we achieve competitiveness that is grounded in equity and sustainability?
- > What does equity in goods movement look like for LA County?



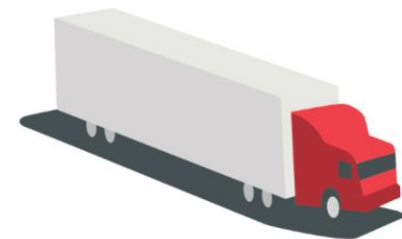
Early Action Initiatives and Further Areas of Study

Early Action Initiatives

- Defining equity for goods movement in LA County
- Further research on countywide workforce development in logistics
- Accelerating clean truck initiatives
- Freight rail investment partnership
- Urban delivery and curbside demand management

Further Areas of Study

- Robust economic impacts analysis of goods movement activities
- 2028 Olympics event logistics planning and coordination
- Development of a countywide platform for future federal transportation funding reauthorization
- Broader deployment of technology-based operational efficiency improvements



Next Steps

