Cedar Rapids Logistics Park FASTLANE Award

September 9, 2016

FASTLANE Grant Program Summary

- Eligible applicants are states/groups of states, MPOs, local governments, political subdivisions of state or local governments, special purpose districts, federal land management agencies, tribal governments, multi-state/jurisdictional groups.
- Project types include highways and bridges; rail-highway crossings/separations, freight intermodal or rail, freight surface transportation projects within rail/water/intermodal facilities

FASTLANE Grant Program Summary – Cont.

- Primary criteria: economic outcomes/competitiveness, safety, community and environmental; mobility
- Minimum award: FASTLANE – large project ($100 million+) $25 million and small project $5 million
- Match requirements: FASTLANE – up to 60% with other federal funding up to 80%
- Funding available: FASTLANE - $4.5 billion over 5 years

FASTLANE Award Summary

- $759 million officially awarded on September 7th
- Leverages $3.6 billion in public/private infrastructure investment
- Cedar Rapids Logistics Park one of 18 projects selected out of 212 applications (one in twelve or 8% selected)
- Cedar Rapids Logistics Park:
  - total cost is $46.5 million;
  - requested $27.9 million;
  - received $25.65 million (55%) in federal FASTLANE funding;
  - remaining $20.85 million (45%) from private entities, state and local sources.

Cedar Rapids Logistics Park Grant

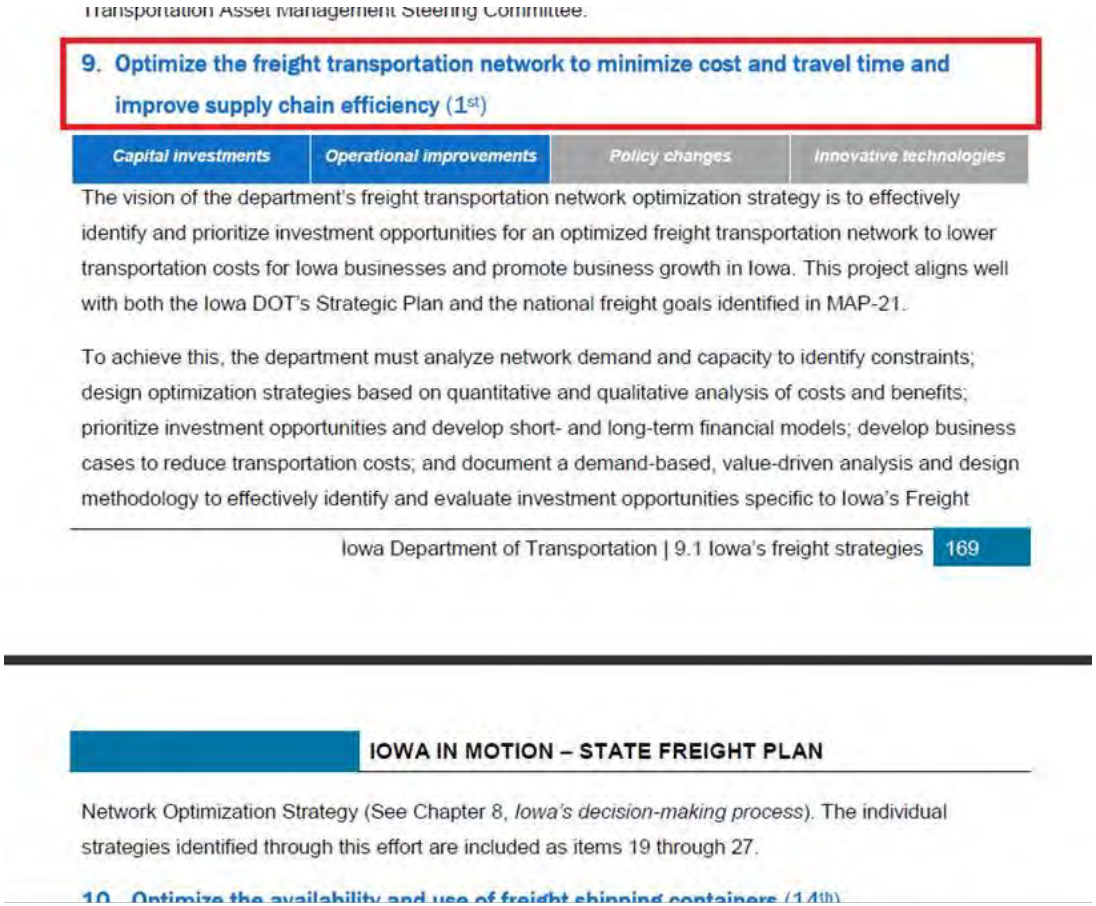
- Integrated intermodal (35 acres), cross-dock (120,000 square feet with 200 doors) and transload (two tracks with storage area for dry and liquid bulk materials) facility based on the Iowa DOT supply chain Freight Optimization study
- 75 acre site with up to 1,200 acres for development
- Benefit/cost ratio of 26.53 to 1 using conservative 7% discount rate
- Connection to seven Class 1 railroads
- Combines partially loaded trucks into full loads
- Contiguous with 580 acres for development by airport

Cedar Rapids Logistics Park Grant – cont.

- Substantial savings over the first 20 years
  - Nearly $265 million through the intermodal component
  - Over $260 million through the cross dock component
  - Over $37 million through the transload component
  - Nearly $293 million in benefits from avoided crashes
  - Over $61 million in benefits from emissions reductions
- Improves industrial cost competitiveness for regional businesses and distribution efficiency
- New non-capture access to national intermodal lanes
- Reduction of long-haul truck traffic
- Job creation

Logistics Park Relationship to Freight Plan

Highest ranking overall Freight Plan strategy



Transportation Asset Management Steering Committee.

9. Optimize the freight transportation network to minimize cost and travel time and improve supply chain efficiency (1st)

Capital investments	Operational improvements	Policy changes	Innovative technologies

The vision of the department's freight transportation network optimization strategy is to effectively identify and prioritize investment opportunities for an optimized freight transportation network to lower transportation costs for Iowa businesses and promote business growth in Iowa. This project aligns well with both the Iowa DOT's Strategic Plan and the national freight goals identified in MAP-21.

To achieve this, the department must analyze network demand and capacity to identify constraints; design optimization strategies based on quantitative and qualitative analysis of costs and benefits; prioritize investment opportunities and develop short- and long-term financial models; develop business cases to reduce transportation costs; and document a demand-based, value-driven analysis and design methodology to effectively identify and evaluate investment opportunities specific to Iowa's Freight

Network Optimization Strategy (See Chapter 8, *Iowa's decision-making process*). The individual strategies identified through this effort are included as items 19 through 27.

10. Optimize the availability and use of freight shipping containers (14th)

Logistics Park Relationship to Freight Plan – cont.

Recommended optimization strategy

an Iowa to Gulf Coast bi-direction rail/barge multimodal service option.

23. Explore opportunities to build a logistics park to co-locate cross-docking, intermodal, transloading, and warehousing facilities

Capital investments	Operational improvements	Policy changes	Innovative technologies

A logistics park is a development concept in which warehouse and distribution centers are located in a single zone, typically with access to railroad networks and primary highway systems. Co-locating logistics functions in a single development provides many benefits, including substantially lower transportation costs, improved transportation efficiency, more transportation options for shippers, increased transportation capacity and better facility management. Quantitative analysis has identified a region in Eastern Iowa as an economically viable location for a new logistics park. The estimated annual transportation cost savings for the logistics park are approximately $37.7 million to $52.9 million.

24. Collaborate with the railroads to provide Iowa companies with more access and

Efficiency Focus of Logistics Park Components

- Cross-dock component → consolidate freight shipments and reduce transportation costs – 52,000 annual loads
- Intermodal component → leverage railroad transportation and reduce transportation costs and truck miles (truck to intermodal conversion mainly due to detention cost savings and service reliability) – 59,000 to 68,000 annual loads
- Transload component → enable additional railroad freight transportation – 3,300 to 6,900 annual loads
- Annual shipping cost savings → $38 to $53 million (plus crash, carbon, road wear, etc. savings)

Timeframe for Development

- Agreement development, consultant selection, and environmental analysis and final design → Spring 2017
- Bid letting, equipment purchase and construction completion → Spring 2018
- Schedule could slip depending on FHWA versus FRA process, length of environmental review, construction delays, etc.

Questions?

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