



PORTNYC NYCEDC



## TABLE OF CONTENTS

| Executive Summary   | 1                    |
|---|----------------------|
| Freight Industry Trends   | 2                    |
| Freight in New York City  | 3                    |
| Freight Network   |                      |
| Jobs in Freight   | 10                   |
| Challenges  | 12                   |
| Goals of Freight NYC  | 14                   |
|   |                      |
| Freight NYC Recommendations   | 15                   |
| Freight NYC Recommendations  Maritime Vision: Shift to Hub and Spoke  |                      |
|   | 16                   |
| Maritime Vision: Shift to Hub and Spoke   | 16                   |
| Maritime Vision: Shift to Hub and Spoke   | 16<br>21             |
| Maritime Vision: Shift to Hub and Spoke  Rail Vision: Expand Rail Freight  Urban Distribution Vision: Develop Freight Hubs Connected to                             | 16<br>21<br>24       |
| Maritime Vision: Shift to Hub and Spoke  Rail Vision: Expand Rail Freight  Urban Distribution Vision: Develop Freight Hubs Connected to  Multimodal Freight Network | 16<br>21<br>24<br>28 |



As presented to the BQE Expert Panel for informational/background purposes only. https://bqe-i278.com/en/expert-panel/documents

## **EXECUTIVE SUMMARY**

Freight NYC programs

will overhaul our aging
freight system by
creating thousands
of jobs, modernizing
infrastructure, and
reducing shipping costs.

New York City, anchoring a gross metropolitan product of \$1.5 trillion, is the largest consumer market in the United States.<sup>1</sup> The region's 20 million residents expect and deserve a modern and well-functioning freight system, even though most people rarely think about the details. New York City's current freight infrastructure was mostly developed in the early 20th century and is outdated and increasingly obsolete.

New York City depends on aging highway infrastructure, yet we rely on trucks to move nearly 90 percent of freight around the city. Traffic congestion cost the local economy \$862 million in 2017, hurting local businesses and impeding commerce.<sup>2</sup> At the same time, we have under-invested in rail, maritime, and distribution infrastructure while freight volumes are projected to grow 68 percent by 2045.

To address these challenges, Freight NYC outlines the following goals for the City:

- 1. Create nearly 5,000 good-paying jobs
- 2. Transform how freight enters New York City by investing in maritime and rail solutions
- 3. Modernize and develop new distribution facilities
- 4. Improve air quality by supporting an environmentally sustainable and resilient supply chain

Inaction will cost the city's residents and businesses hundreds of millions of dollars each year, limit opportunities for growth, and exacerbate greenhouse gas emissions. Freight NYC programs will overhaul our aging freight system by creating thousands of jobs, modernizing infrastructure, and reducing shipping costs.

Freight NYC programs also recognize the need for partnerships across multiple jurisdictions—these programs complement the NYC Smart Truck Management Plan by the NYC Department of Transportation (NYCDOT). Coalitions are vital to address the predominant mode of goods movement in New York City.

## FREIGHT INDUSTRY TRENDS

Changes in consumer behaviors and expectations—as well as emerging technologies—have combined to transform the logistics industry. These changes affect the freight industry as a whole and within New York City. With change comes opportunity, making it an ideal moment to capitalize on these trends.



#### E-commerce

The Internet has changed the way we shop. E-commerce has grown, on average, 15 percent annually since 2009 and will account for 15 percent of all retail commerce by 2020.3 Today's consumers expect their orders to be customizable, delivered at no cost, and to arrive within days—if not hours.

#### Bigger Ships and "Inland Ports"

To remain competitive, ports now accommodate larger ships; however, those ships visit less frequently and carry more cargo. Without alternatives in place, this means each cargo ship that arrives requires more trucks to move containers, causing congestion. As a result, we have seen a rise of "inland ports" -- ports located farther inland, away from expensive waterfront property—that are often accessible by rail.4

#### New. Faster. Business Models

Many retailers operate on a "just-in-time" model that relies on consistent, frequent, and speedy delivery to replenish stock and keep inventory carrying costs low. Many traditional brick-and-mortar retailers now dedicate floor space for their local distribution operations to meet customer needs.

#### Technology

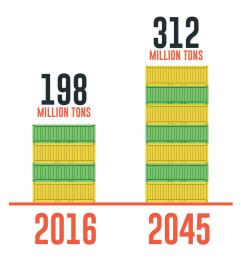
Emerging technologies have provided the freight industry with many new opportunities in recent years, improving workflow and lowering costs: Augmented reality is shortening the learning curve for warehouse employees and allows workers to "see" what is in boxes without manually opening each one. In manufacturing, 3D printing allows for high-quality, low-cost, low-volume production and easy customization. And soon, blockchain technology will allow supply chain information to be distributed seamlessly across networks, making it more transparent for stakeholders and more secure. Additionally, concerns about climate change are spurring public and private initiatives promoting the use of alternative fuels for trucks, trains, and ships.

## FREIGHT IN NEW YORK CITY

Rapid growth in freight volume, driven by population increases and higher consumer demand, is straining existing infrastructure. The City must invest wisely in upgrading its multimodal freight systems to ensure a strong platform for economic growth.

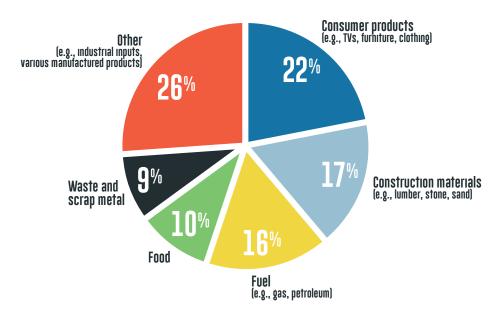
In 2016, 198 million tons of freight passed through New York City.<sup>5</sup> The city's freight network includes highways, marine terminals, rail lines and rail yards, airports, and distribution centers.

#### Freight Volumes (million tons)



Estimated increase of freight volume, both commercial and consumer, based on expected population and economic growth rates

#### Top Commodities Moved in NYC<sup>6</sup>



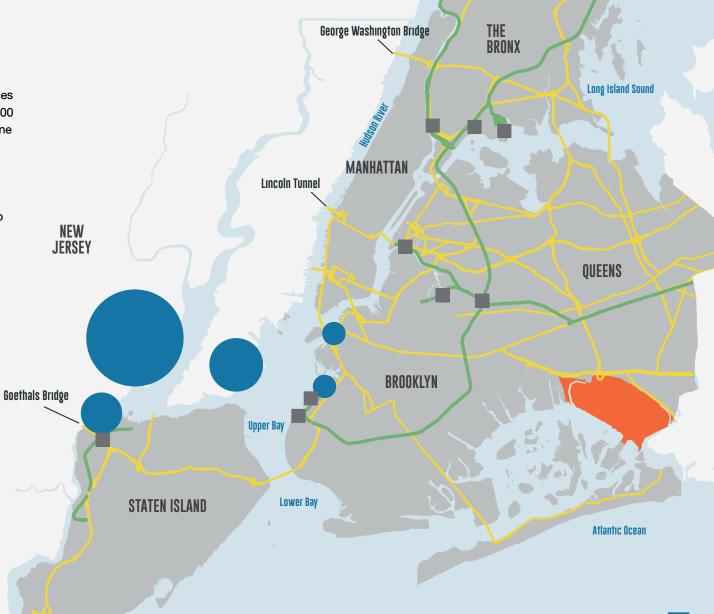




#### FREIGHT NETWORK

New York City's freight and logistics network includes over 90 miles of rail freight lines, nine rail yards, 1,300 miles of truck routes, three marine terminals, and one large air cargo hub, JFK International Airport—not to mention the city's over 170 million square feet of warehouse and distribution space.<sup>7</sup> The import and export of everyday consumer goods, construction materials, and food products rely on this network to keep the city's economy growing.







## MARITIME INDUSTRY

As a city of islands, New York City is surrounded by bodies of water both large and small. Maritime transport is an important part of the city's freight industry and presents an opportunity to lessen the city's over-reliance on trucking.



MARITIME INDUSTRY accounts for \$3.6 BILLION IN PERSONAL INCOME for New Yorkers®

About <sup>17</sup> of the city's freight arrives via New York City's waterways each year, ELIMINATING THOUSANDS OF TRUCK TRIPS across bridges and tunnels, LESSENING TRAFFIC IN NYC°

Inland waterways like NEWTOWN CREEK, GOWANUS CANAL, and FLUSHING BAY contribute \$300 MILLION annually to New York City's economic output 10

**New York City's Marine Terminals** 

NEW YORK Staten Island RED HOOK **CONTAINER TERMINAL** Brooklyn

Brooklyn



The city's businesses rely on railways to import construction materials, food products, and other commodities. These items enter via the national rail network or marine terminals, sparing us more trucks on city roads.

New York City has over **90 MILES OF RAIL FREIGHT TRACK** and **9 RAIL YARDS**, connecting the city to the national rail network and serving local businesses<sup>11</sup>



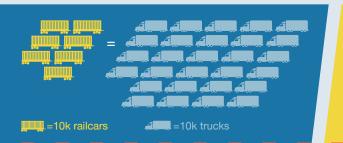
Businesses' top three imports and exports via rail are **CONSTRUCTION MATERIALS**,

FOOD PRODUCTS, and RECYCLABLES

#### Over 70K RAILCARS

each year—equivalent to

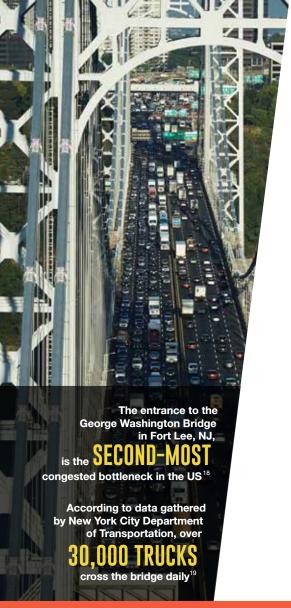
280,000 TRUCKS.12



RAIL HANDLES ONLY

of the city's overall freight 13







Trucks are a big part of NYC's freight story. They present challenges but are a vital part of getting goods to New Yorkers and New York City businesses.





NYC is home to over 1,300 MILES OF TRUCK ROUTES to support industrial businesses and meet consumer demand 16

There are **OVER 10,000 TRUCKING JOBS** based in NYC<sup>17</sup>



NYCDOT's Smart Truck Management Plan details strategies for effective truck freight management and access in a sustainable and environmentally friendly manner. Additionally, it proposes mechanisms to balance freight mobility needs with New York City residents' quality of life.

Trucks will always be needed for the final step in delivering goods to a home or store.

THIS IS KNOWN AS "LAST-MILE" DISTRIBUTION





Air cargo represents about 5 percent of the city's overall freight value, even though it's only a small percentage of the city's total freight volume.<sup>20</sup>

JFK Airport is the region's **BUSIEST CARGO AIRPORT** 



of air freight each year<sup>21</sup>

JFK is a key part of the City's

#### TOP-RANKING FOREIGN TRADE ZOI

in the US for value of imports in 2016

in the US for value of exports in 2016<sup>22</sup>

JFK Airport is the <sup>#</sup> destination for long-haul trucks in NYC<sup>23</sup>





E-commerce is an ever-growing component of the freight industry, prompting changes to distribution models and requiring greater local warehouse space.



- Historically located far from urban centers
- Processes freight at slower speeds



## E-COMMERCE DISTRIBUTION space serves RESIDENTS

- Increasingly located in urban centers
- Moves freight quickly—"just-in-time" deliveries



The overall vacancy rate for  $\overline{\textbf{URBAN DISTRIBUTION}}$  properties in NYC is  $\overline{\textbf{BELOW 5}\%}$  , with  $\overline{\textbf{FOOD PROCESSING}}$  spaces even lower at  $\overline{\textbf{2}\%}^{24}$ 

In 2016 22 MILLION SQ FT

of NYC distribution space for e-commerce

19 **3.8**MILLION SQ FT

of additional e-commerce space PLANNED OR UNDER CONSTRUCTION<sup>25</sup>

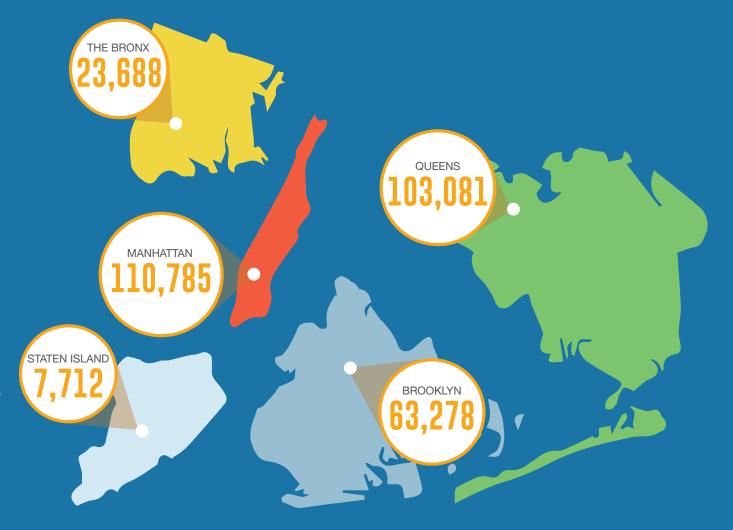


Distribution facilities, like the one shown here, move goods at HIGH VELOCITY and, on average, EMPLOY MORE PEOPLE than typical warehouses<sup>26</sup>

#### JOBS IN FREIGHT

Over 308,000 jobs - 9 percent of private employment—in New York City are freightdependent.<sup>27</sup> Those jobs are largely concentrated in Manhattan, Queens, and Brooklyn and are reliant on efficient and functioning freight assets like airports, marine terminals, highways, and rail yards to be productive. Further, they are usually goodpaying jobs.

On behalf of the City, New York City Economic Development Corporation (NYCEDC) and its partner agencies are training and preparing the next generation of residents for jobs in the industrial and logistics sectors. By partnering with industry, nonprofits, and schools, NYCEDC demonstrates the importance of supply chain jobs and supports maritime, rail, truck, transportation, distribution, and logistics career opportunities through classroom visits, awareness and expo fairs, and vessel and harbor facility tours.



As presented to the BQE Expert Panel for informational/background purposes only. https://bqe-i278.com/en/expert-panel/documents

# AVERAGE WAGES IN FREIGHT TRANSPORTATION INDUSTRIES<sup>28</sup>

The goods distribution, rail, and maritime sectors provide residents with good-paying jobs. Focusing on job quality is not only a moral imperative, but essential for the future of New York City. These jobs provide the opportunities many New Yorkers seek, allowing them to invest not only in their families and communities, but in their futures.

"Every New Yorker deserves a fair shot at a good job that pays a quality wage and offers the opportunity to develop a meaningful career."

— Mayor Bill de Blasio





#### **CHALLENGES**

#### Over-reliance on Trucking

Trucks move almost 90 percent of New York City's freight tonnage, and freight volumes are expected to increase by 68 percent between 2012 and 2045.<sup>29</sup> Truck trips through New York City to Nassau and Suffolk counties are projected to increase by 85 percent by 2045.<sup>30</sup>

#### Truck Access

Industry-standard tractor-trailers have limited access to many of New York City's roadways due to weight and height restrictions, and commercial traffic is restricted or prohibited on parkways. As a result, trucks often take inefficient routes, adding truck miles to our city streets and pollutants to New York City's air. In addition, truck access regulations between New York City, New York State, and New Jersey sometimes conflict.

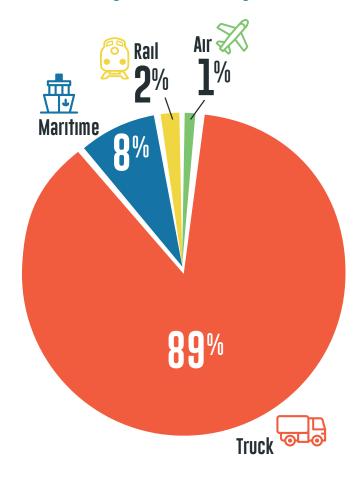
#### Congestion

In 2017, truck congestion and delays cost New York City \$862 million in lost economic activity.<sup>31</sup> By 2045, if nothing changes, truck congestion will cost the city's economy \$1.1 billion—an increase of 31 percent.<sup>32</sup> In 2016, drivers in the New York City region were second only to Los Angeles in how much time they spent in traffic—89.4 hours per year.<sup>33</sup> The region's drivers spend 19 percent of their driving time stuck in traffic.<sup>34</sup>

#### Pollution

As of 2015, trucks accounted for 10 percent of citywide transportation greenhouse gas emissions.<sup>35</sup> Rather than relying on trucks, New York City should use more environmentally sustainable modes like rail and maritime to reduce greenhouse gas emissions.

#### **How Freight Moves Through NYC**36





#### CHALLENGES (CONTINUED)

#### Geography

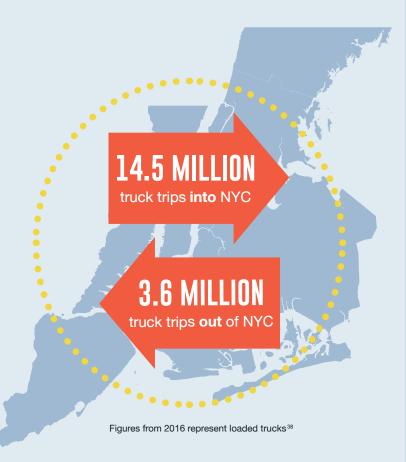
It is challenging to deliver goods to New York City, as trucks can only enter and exit the city via a few bridges and tunnels. Three crossings, the George Washington Bridge, the Goethals Bridge, and the Lincoln Tunnel, are the main routes that allow large trucks to enter New York City from New Jersey. Moving freight into Brooklyn and Queens usually requires a second crossing over the East River or the Narrows. These limitations increase costs to businesses and end consumers—and expenses will increase as demand grows.

#### Old Infrastructure

Most of New York City's maritime and rail facilities date to the early 20th century, and the current average life of the city's bridges exceeds 70 years.<sup>37</sup> Unless the existing infrastructure is brought to a state of good repair, freight will become increasingly difficult and expensive to move.

#### Lack of Modern Distribution Space

New York City lacks modern, affordable distribution space. Existing spaces are often old and have low ceiling heights and limited truck loading bays. Building new distribution space in New York City can be difficult and expensive. As a result, most international freight is unloaded at New Jersey ports and trucked to warehouses in central New Jersey or eastern Pennsylvania. The goods are then brought by truck back to businesses in New York City. This system is inefficient, environmentally unfriendly, and makes goods more expensive for New Yorkers.





## GOALS OF FREIGHT NYC

To combat the challenges facing New York City's freight system, Freight NYC provides recommendations to accomplish four important goals:

- Create nearly 5,000 good-paying jobs over 10 years
- Transform how freight enters New York City by investing in maritime and rail solutions
- Modernize and develop new distribution facilities
- Improve air quality by supporting an environmentally sustainable and resilient supply chain network

These goals require big thinking, advanced planning, and great vision. They must consider all aspects of the freight network. And they must address distribution demand throughout the five boroughs.

## FREIGHT NYC RECOMMENDATIONS

The following recommendations, if implemented, will support a freight system that is modern, environmentally sustainable, and resilient, all while creating good jobs.

New York City Economic Development Corporation seeks to change how freight travels into, out of, and through the city. First, NYCEDC will invest in changing how freight enters the city, assisting in the development of new maritime and rail freight infrastructure. Second, it will invest in changing and modernizing how and where freight is stored for distribution and warehousing. And third, NYCEDC will work with partners to incentivize the use of clean and green trucks that deliver goods to residents and local businesses from those facilities. Therefore, investments in Freight NYC follow the full supply chain.



Maritime Vision: Shift to Hub and Spoke



Rail Vision: Expand Rail Freight



Urban Distribution Vision: Develop Freight Hubs Connected to Multimodal Freight Network



Clean Trucks Vision: Green New York City's Supply Chain





# **MARITIME VISION**Shift to Hub and Spoke

New York City can benefit from a hub-and-spoke marine highway barging operation. Using this approach, shipping containers or palletized cargo would move from large regional container terminals to various points in the city on barges via our waterways—thereby taking trucks off the roads and reducing roadway congestion and pollution. Such a system can also serve regional markets, moving freight by water to New England and Mid-Atlantic states, bypassing the city's congested highways. The City will assist in developing the facilities needed to support increased barging in our harbor.

#### **Strategies**

- Support USDOT's American Marine Highway Program by designing and developing barge terminals in New York Harbor
  - Identify an operator and develop a barge terminal to serve Hunts Point Food Distribution Center in the Bronx
  - Work with operator to develop a barge terminal to serve the South Brooklyn Marine Terminal in Sunset Park
- Convene a regional barge council comprising port authorities, maritime businesses, and shippers
- Work with regional partners to advance regional service between New Jersey container terminals,
   New York City, and New England ports
- Promote regular maintenance dredging of New York City's borough waterways (e.g., Newtown Creek, Gowanus Canal, Flushing Bay, Eastchester Creek)

## Potential Benefits

Jobs created:

~400, including longshore workers, terminal operators, and maritime distribution workers

Truck miles eliminated per year:

~1 MILLION

Greenhouse gas eliminated per year:  $^{\sim}6,000$  METRIC TONS

Particulate matter eliminated per year: ~6,000 POUNDS

## TESTIMONIAL **Red Hook Container Terminal**

The Red Hook Container Terminal on the Brooklyn waterfront serves as a major gateway for food and beverage importers in New York. The terminal not only brings into the city your favorite beer, cider, and wine, but also imports roughly 4 million bananas each week along with other items in your pantry. The 80-acre terminal employs over 400 women and men and is home to 1.2 million square feet of vital distribution space that is increasingly in demand. By utilizing New York City's waterfront, the terminal also eliminates over 30,000 truck trips from New York City streets each year.

A major customer at Red Hook is Seaboard Marine, an ocean carrier with shipping services across North America, including the Brooklyn waterfront, the Caribbean, and Central and South America. With a fleet of approximately 25 vessels and over 55,000 dry, refrigerated, specialized containers and related equipment, Seaboard Marine provides cargo-shipping services between over 25 countries in the Western Hemisphere.



"Red Hook Container Terminal is well positioned to bring goods into the heart of New York City. By directly shipping into the city, we eliminate thousands of truck trips each year, thereby reducing roadway wear and tear and improving air quality. We are also proud to support over 400 good-paying jobs."

—Mike Stamatis, President, Red Hook Container Terminal, LLC.

"Without the Brooklyn piers, our customers would have to truck goods from great distances. We are happy to partner with Red Hook Container Terminal in bringing produce from overseas and to be a part of the essential maritime economy of New York City."

> —Angel Morrobel, Regional Director, Seaboard Marine Major importer of bananas at Red Hook Container Terminal



As presented to the BQE Expert Panel for informational/background purposes only https://bqe-i278.com/en/expert-panel/documents

# TESTIMONIAL GCT New York

GCT New York on Staten Island is one of two container terminals in the city—and the largest in the state. While the freight moved through GCT New York comes from across the globe, the team working there is decidedly local. Nearly two-thirds of GCT New York's 360 employees live in New York City, hailing from four of the city's five boroughs.

In addition to international freight, GCT New York transfers about half of the city's volume of solid waste. Barges loaded with containerized municipal solid waste in Queens and Manhattan are unloaded at GCT New York and put on trains. This water-to-rail transfer eliminates over 100,000 truck trips each year.

Effective January 2018, NYCDOT designated a route from the Goethals Bridge to GCT New York to permit trucks hauling sealed shipping containers to operate safely and legally on city streets and highways.

Trucks that are up to 73-1/2 feet in length that are carrying sealed shipping containers and weighing up to 90,000 pounds can use this route, making this NYC port regionally and globally competitive.



"GCT New York is the stevedore company operating the Port Authority of New York and New Jersey marine terminal in Mariners Harbor, Staten Island, New York State's largest international trade gateway.

GCT is a vital link in New York City's supply chain, ensuring residents and businesses alike get the goods and jobs needed to power our local economy. Our location on Staten Island adjacent to the Arlington Rail Yard and future urban logistics park contributes to NYC's goals of being a model city for multimodal freight systems. The 360 hardworking women and men at the terminal make all of this possible, a testament to New York's vibrant maritime industrial sector."

- Bob Nixon, Vice President, Operations, GCT New York





## RAIL VISION **Expand Rail Freight**

Highway congestion, infrastructure costs, and air pollution concerns have made rail freight competitive again. To take advantage of this opportunity, New York City will support the modernization and expansion of rail lines and freight facilities where shipments are moved from railcars to "last-mile" trucks. The City will assist in developing new rail spurs to better connect industrial businesses and food-related businesses to the national rail network, eliminating thousands of truck miles in the city each year. New rail sidings, like new lanes on a highway, will improve fluidity and expand capacity for rail shipments. By extending and improving rail corridors, the City can reduce truck traffic and resulting air pollutants.

#### **Strategies**

- Construct new transload facilities in Brooklyn and Queens to provide industrial and food-related businesses with direct access to the national rail network, introducing new points to transfer shipments from one mode of transportation to another
- Construct sidings—tracks that run parallel to a main line that allow trains traveling in opposite directions to pass each other, or faster trains to pass slower trains
- Support the Port Authority's Cross Harbor Freight Program (CHFP), which aims to reduce truck traffic into New York City from New Jersey through rail and maritime investments
- Support the Metropolitan Rail Freight Council (MRFC) Action Plan and its goal to increase rail freight service to locations east of the Hudson, support industrial jobs, and promote environmental sustainability

## Potential Benefits

Jobs created:

 $\sim$  500, including engineers, yardmasters, and rail distribution workers

Truck miles eliminated per year:

~500.000

Greenhouse gas eliminated per year:

~500 METRIC TONS

Particulate matter eliminated per year:

~200 POUNDS





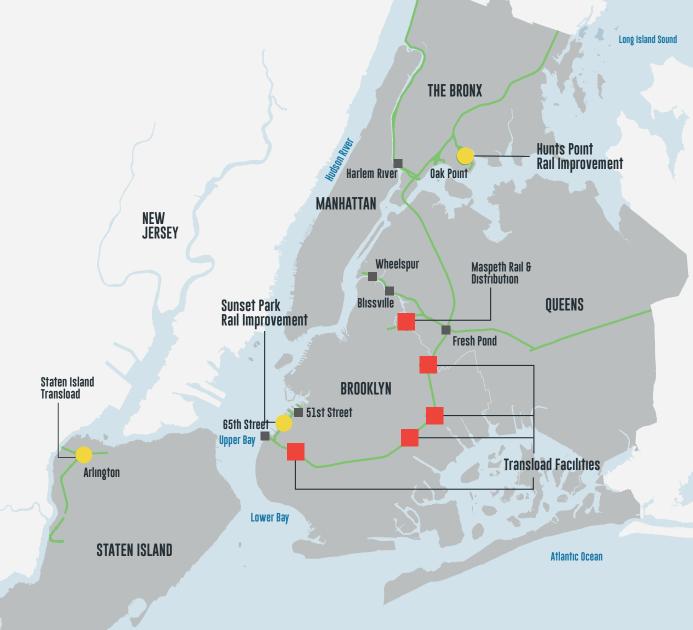




#### RAIL FREIGHT IMPROVEMENTS

Rail improvement projects have increased the volume of freight moved by rail in Brooklyn, the Bronx, Queens, and Staten Island to support industrial businesses and take additional trucks off New York City streets.

# Legend Freight NYC Initiatives Rail Yard Opportunities Rail Yards Freight Rail Network



## TESTIMONIAL **D&M Lumber**

With locations in Brooklyn and Queens, D&M Lumber imports and distributes lumber and other wood products within New York City to support the city's growing construction industry. D&M Lumber has found significant cost savings by using rail spurs at both locations to minimize final-mile truck deliveries.

"Our business relies heavily on maritime and rail infrastructure throughout the United States. Specifically, our rail facilities east of the Hudson handle 300 railcars each year, which reduces roughly 1,200 trucks from city streets. In cooperation with the Red Hook Container Terminal we also barge ocean containers from New Jersey to Brooklyn. Brooklyn's working waterfront is key to our success."

— Steve Packin, President, D&M Lumber





## URBAN DISTRIBUTION VISION

## Develop Freight Hubs Connected to Multimodal Freight Network

Freight hubs are existing industrial areas where multiple forms of transportation (rail, maritime, and highway) support urban distribution and manufacturing businesses. Freight hubs also host support facilities, such as off-street truck plazas and alternative fueling stations. The City will assist in making wise investments in freight hubs that meet current freight demand while accommodating growth in e-commerce, ensuring economic growth, and making New York City more resilient against supply chain disruption. This vision relies on the other maritime, rail, and clean truck visions described.

#### Strategies

- Support the development of geographically dispersed freight hubs across the city in the following locations:
  - Brooklyn: The Brooklyn Army Terminal in Sunset Park
  - The Bronx: Bathgate, Hunts Point
  - Queens: Maspeth, JFK Area
  - Staten Island: West Shore and North Shore
- Build supporting freight transportation infrastructure:
  - Brooklyn: Develop a marine terminal to serve east-of-Hudson businesses; improve local and regional access to Sunset Park freight facilities
  - The Bronx: Develop a barge terminal to serve Hunts Point Food Distribution Center; improve regional access to Hunts Point Food Distribution Center
  - Queens: Improve rail infrastructure
  - Staten Island: Improve rail infrastructure; support the development of a truck plaza; support Global Container Terminal—New York
- Improve rail infrastructure in Brooklyn, the Bronx, Queens, and Staten Island

## Potential Benefits

Jobs created:

~4,000 including material handlers, warehouse associates, logistics coordinators, and Class A truck drivers

Truck miles eliminated per year:

~40 MILLION

Greenhouse gas eliminated per year:

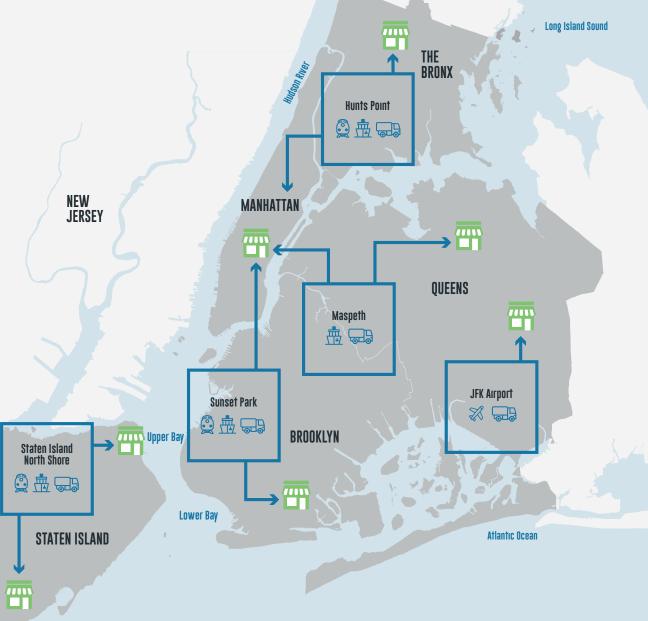
~65,000 METRIC TONS

Particulate matter eliminated per year:

~24,000 POUNDS

#### FREIGHT HUBS

Freight hubs are geographically dispersed to cover all parts of the city, with some directly connecting to the national rail network and others, like the freight hub in the Bronx, connecting to USDOT's marine highway network via the East River and Long Island Sound.





#### TESTIMONIAL Krinos Foods

Krinos Foods, a source of Greek, Mediterranean, and Middle Eastern specialty foods, moved to the Tremont section of the Bronx in 2016. Their 100,000-square-foot facility boasts 38-foot ceilings, state-of-the-art refrigerators and freezers, eight loading bays, and one of the largest solar arrays in New York City. But it's not only a modern distribution facility—it's also Krinos's corporate headquarters. Being part of the New York City community is important to Krinos, but they see the business value in their city location, too.

> "Krinos Foods is an importer, manufacturer, and distributor of specialty foods throughout the US. We could have located our headquarters and principal distribution center anywhere. But we chose to be in New York City because of its proximity to marine terminals, its central access to a large customer base, and its unmatched employee pool. Our location allows us to stay competitive and keep up with growing demand—and it contributes to a significant reduction in regional truck vehicle miles travelled."

> > — Eric Moscahlaidis, Chairman, Krinos Foods, LLC



## TESTIMONIAL Sahadı Fine Foods

Sahadi Fine Foods, a third-generation family-owned food retailer and wholesaler, has been operating in New York City for over 100 years. They handle over 2,000 types of specialty foods—including nuts, olives, and cheeses and sell their brands to local, regional, and national markets. With over 80 employees between their two locations, Sahadi Fine Foods moves over 10,000 pallets a year through their Brooklyn facility-much of which requires special handling and refrigeration.

> "In a modern 'just-in-time' replenishment world, businesses like Sahadı Fine Foods increasingly rely on a distribution network that is safe, reduces stopping points, and lowers costs in order to stay competitive and keep jobs in New York City."

> > - Pat Whelan, CEO, Sahadı Fine Foods





# GREEN NEW YORK CITY'S SUPPLY CHAIN

Clean trucks are the future, and New York City must encourage the deployment of cutting-edge and emission-free trucks on city streets. Our goal is to have all New York City truck deliveries powered by clean energy. The City will assist in the implementation of the proposed actions, which will help meet the City's goal of reducing greenhouse gas emissions 80 percent by 2050 and will positively change the city's transportation network. Additionally, NYCEDC will support NYCDOT's Smart Truck Management Plan.

#### Strategies

- Support the development of clean fuel infrastructure in freight hubs, including sites for compressed natural gas (CNG) and electric charging, while promoting truck safety measures to help meet NYCDOT's Vision Zero goals
- Pilot initiatives for tenants in City-owned properties to green their own supply chains through logistics consolidation, carbon-neutral shipping, and clean vehicle use
- Support the expansion of the NYCDOT's Hunts Point Clean Trucks Program to other truck hubs and Industrial Business Zones, as envisaged in OneNYC, and in the NYCDOT's Smart Truck Management Plan



## INLAND PORTS: A MODERN VISION FOR FREIGHT

Inland ports are efficient distribution facilities usually located several miles from expensive coastlines or harbors. They are typically served by rail connections from a seaport and have good highway access in an area appropriate for freight uses. In addition, they are convenient to large population centers and labor markets and feature value-added services such as US Customs inspections, light manufacturing, and assembly of goods prior to "last-mile" delivery. Freight planners in Southern California and Virginia are thinking innovatively about how to move freight between seaports and inland ports as part of a modern freight supply chain.

#### **Inland Port Best Practices**

#### Alameda Corridor

In Southern California, the Alameda Corridor Transportation Authority developed a 20-mile rail cargo expressway that links the marine ports in Long Beach and Los Angeles with the transcontinental rail network near downtown Los Angeles. At 50 feet wide and 33 feet deep, the project's centerpiece is the Mid-Corridor Trench, which carries freight trains in an open trench 10 miles long. The corridor, which has been operational since 2002, has the capacity to handle 150 trains each day.

#### Virginia Inland Port

The Virginia Port Authority created the Virginia Inland Port, a 161-acre intermodal container transfer facility, to better serve the Washington DC and Baltimore metro regions. The port, which is served by almost 20,000 feet of rail track, has prompted such well-known companies as Home Depot, Kohl's, and Red Bull to open new distribution centers nearby, bringing increased value to the region's economy.

#### Strategy

New York City will evaluate siting options for an inland port that leverage existing rail corridors. This will provide users of the inland port with the quick and reliable access needed to ensure goods are delivered on time.



## BENEFITS SUMMARY

If New York City implements the proposals introduced in Freight NYC, it will achieve its stated goals of transforming New York City's freight and distribution networks, modernizing distribution spaces, and improving air quality—and creating thousands of good-paying jobs. New York City will be a more sustainable, safe, equitable, efficient, resilient, and connected city for all residents.

- ~5,000 JOBS created over 10 years
- ~40 MILLION TRUCK MILES eliminated annually
- ~71,500 METRIC TONS of greenhouse gas emissions eliminated annually
- ~30,000 pounds of particulate matter eliminated each year

## **ENDNOTES**

- 1 Matheson, Zara. Martin Prosperity Institute. 2014 GMP vs. 2012 GDP https://www.citylab.com/life/2014/03/new-york-metros-economy-almost-large-australias/8543/
- 2 NYMTC Best Practice Model
- 3 McKinsey & Company. Parcel Delivery: The Future of Last Mile. September 2016
- 4 CBRE. https://www.cbre.com/research-and-reports/North-American-Inland-Ports-and-Logistics-Annual-Report-Figures-2016
- 5 NYMTC Best Practice Model
- 6 NYMTC Regional Freight Plan, 2018-2045
- 7 NYCEDC analysis of CoStar, 2017
- 8 New York Shipping Association, 2017
- 9 NYMTC Regional Freight Plan 2018-2045
- 10 NYCEDC, Impacts of New York City's Secondary Waterways, 2016
- 11 NYCEDC, 2018
- 12 NYCEDC, 2018
- 13 NYMTC Regional Freight Plan, 2018-2045
- 14 NYCEDC, 2018.
- 15 NYMTC via US Department of Transportation, Freight Analysis Framework v 3.4
- 16 New York City Department of Transportation, 2018
- 17 https://www.bls.gov/oes/current/oes533032.htm
- 18 ATRI, 2018. http://atri-online.org/
- 19 2016 New York City Bridge Traffic Volumes, NYCDOT





## **ENDNOTES**

- 20 Metro Freight Project Brookings Institution. https://c24215cec6c97b637db6-9c0895f07c3474f6636f95b6bf3db172.ssl.cf1.rackcdn.com/framed/~/media/research/files/reports/2015/06/16-freight/profiles/35620.pdf
- 21 Port Authority of New York and New Jersey, 2016. https://www.governor.ny.gov/news/governor-cuomo-announces-first-phase-modernization-air-cargo-operations-jfk
- 22 NYCEDC, 2016
- 23 NYCEDC, 2018
- 24 NYCEDC analysis of CoStar, 2017
- 25 NYCEDC, 2017
- 26 NYCEDC, 2018
- 27 NYCEDC, 2017. Freight-Dependent Jobs include maritime, rail, air, and distribution jobs
- 28 NYCEDC, 2017
- 29 NYMTC Best Practice Model
- 30 NYMTC Best Practice Model
- 31 NYMTC Best Practice Model
- 32 INRIX, 2016
- 33 INRIX Global Scorecard, 2016. http://inrix.com/scorecard/
- 34 INRIX Global Scorecard, 2016. http://inrix.com/scorecard/
- 35 "Inventory of New York City Greenhouse Gas Emissions in 2015". Published April 2017. New York City Mayor's Office of Sustainability. http://www.dec.ny.gov/docs/administration\_pdf/nycghg.pdf
- 36 NYMTC Regional Freight Plan, 2018-2045
- 37 NYCDOT Bridges and Tunnels Annual Condition Report, 2016
- 38 NYCEDC analysis of NYMTC Freight Plan data, 2017







FOR MORE INFORMATION, VISIT EDC.NYC/FREIGHTNYC



presented to the BQE Expert Panel for informational/background purposes only. https://bqe-i278.com/en/expert-panel/documents