

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/CS/HB 879 Freight Logistic Zones

SPONSOR(S): Economic Affairs Committee; Transportation & Economic Development Appropriations Subcommittee; Transportation & Highway Safety Subcommittee; Ray

TIED BILLS: **IDEN./SIM. BILLS:** SB 1058

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	14 Y, 0 N, As CS	Johnson	Miller
2) Transportation & Economic Development Appropriations Subcommittee	13 Y, 0 N, As CS	Proctor	Davis
3) Economic Affairs Committee	15 Y, 0 N, As CS	Johnson	Creamer

SUMMARY ANALYSIS

The bill creates s. 311.103, F.S., defining a freight logistics zone as a grouping of activities and infrastructure dealing with freight transportation and related services within a defined area, and allows a county, or two or more contiguous counties to designate a freight logistic zone. Projects within freight logistics zones, which are consistent with DOT's Freight Logistics and Trade plan, may be eligible for priority in state funding for certain incentive programs. Currently, freight logistics zones are not defined or designated.

Designated freight logistics zones may be eligible for priority state funding and incentives.

To the extent that counties choose to designate a freight logistics zone, the bill may have a negative fiscal impact on counties for the costs associated with the designation process.

The bill has an effective date of July 1, 2013.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

The Department of Transportation's (DOT's) Office of Freight Logistics and Passenger Operations was created "as a tool to better connect, develop, and implement a freight planning process that will maximize the use of existing facilities and integrate and coordinate the various modes of transportation, including the combined utilization of both government-owned and privately owned resources."¹

In 2012, HB 599² required the DOT to develop the Freight Mobility and Trade Plan, due by July 1, 2013. The goals for the plan's creation are:

- Increasing the flow of domestic and international trade through the state's seaports and airports, including specific policies and investments that will recapture cargo currently shipped through seaports and airports located outside the state;
- Increasing the development of intermodal logistic centers in the state, including specific strategies, policies, and investments that capitalize on the state's empty backhaul trucking and rail market;
- Increasing the development of manufacturing industries in the state, including specific policies and investments in transportation facilities that will promote the successful development and expansion of manufacturing facilities; and
- Increasing the implementation of compressed natural gas (CNG), liquefied natural gas (LNG), and propane energy policies that reduce transportation costs for businesses and residents located in the state.³

Currently, freight logistics zones are not defined or designated.

Proposed Changes

The bill creates s. 311.103, F.S., defining a freight logistics zone as a grouping of activities and infrastructure associated with freight transportation and related services around an intermodal logistics center as defined in s. 311.101(2), F.S.⁴. The bill allows a county, or two or more contiguous counties, to designate a geographic area or areas within its jurisdiction as a freight logistics zone. The plan must be accompanied by a strategic plan adopted by the county or counties. At a minimum, the strategic plan must include, but is not limited to:

- A map depicting the geographic area or areas to be included within the designation.
- Identification of existing or planned freight facilities or logistics clusters located within the zone.
- Identification of existing transportation infrastructure, such as roads, rail, airports, and seaports, within or in close proximity to the proposed freight logistics zone.
- Identification of existing workforce availability within or in close proximity to the proposed zone.
- Identification of any local, state, or federal workforce training capabilities available for a business seeking to expand or locate within the proposed zone.
- Identification of any local, state, or federal plans, including transportation, seaport, or airport plans, concerning the movement of freight within or in close proximity to the proposed zone.

¹ Florida Department of Transportation, Office of Freight Logistics and Passenger Operations website. <http://www.dot.state.fl.us/publictransportation/> (Last visited March 21, 2013).

² Ch. 2012-174, L.O.F.

³ Information on the development of the Freight Mobility and Trade Plan is available at: <http://www.freightmovesflorida.com/home.aspx> (Last visited March 21, 2013).

⁴ Section 311.101(2), F.S. defines "intermodal logistics center" as "including, but not limited to, an "inland port," means a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance or shipping through one or more seaports listed in s. 311.09."

- Identification of financial or other local government incentives to encourage new development, expansion of existing development, or redevelopment within the proposed zone.
- Documentation that the plan is consistent with applicable local government comprehensive plans and adopted long range transportation plans of a Metropolitan Planning Organization, where applicable.

The bill provides that projects within freight logistics zones, which are consistent with DOT's Freight Mobility and Trade Plan,⁵ may be eligible for priority in state funding and incentive programs relating to freight logistics zones, including applicable programs related to commercial development and capital improvement, foreign trade zones, and export finance.⁶

The bill provides criteria for evaluating projects for designation as a freight logistics zone, or for determining funding or incentive program eligibility, which includes, but is not limited to:

- The presence of an existing or planned intermodal logistics center within the freight logistics zone.
- The ability of the project to serve a strategic state interest.
- The ability of the project to facilitate the cost-effective and efficient movement of goods.
- The extent to which the project contributes to economic activity, including job creation, increased wages, and revenues.
- The extent to which the project efficiently interacts with and supports the transportation network.
- The amount of investment or commitments made by the owner or developer of the existing or proposed facility.
- The extent to which the county or counties have commitments with private sector businesses planning to locate operations within the freight logistics zone.
- Demonstrated local financial support and commitment to the project.

The bill has an effective date of July 1, 2013.

B. SECTION DIRECTORY:

Section 1 Creates s. 311.103, F.S., relating to the definition and designation of state freight logistics zones.

Section 2 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The growth of the freight industry and related businesses in the freight logistics zones could have a positive impact on revenues generated from local taxes and fees.

⁵ DOT's Freight Mobility and Trade Plan is developed pursuant to s. 334.044(33), F.S.

⁶ Parts I, III, and V of ch. 288, F.S.

2. Expenditures:

To the extent that counties choose to designate freight logistics zone, some expenses will be incurred associated with creating strategic plans and designating freight logistics zones.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill could promote the growth of the freight industry and related businesses in the freight logistics zones.

D. FISCAL COMMENTS:

Projects within designated freight logistics zones, which are consistent with the state Freight Mobility and Trade Plan,⁷ may be eligible for priority in state funding and incentive programs, including programs related to commercial development and capital improvement, foreign trade zones, and export finance.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS / COMMITTEE SUBSTITUTE CHANGES

On March 27, 2013, the Transportation & Highway Safety Subcommittee adopted a strike all amendment. This amendment:

- Removed the Logistic Zone Advisory Council.
- Provided that the Secretary of DOT will consult with the Department of Economic Opportunity, the Florida Seaport Transportation and Economic Development Council, and other public and private stakeholders in establishing pilot freight logistics zones.
- Removed a requirement for DOT rulemaking.

On April 9, 2013, the Transportation & Economic Development Appropriations Subcommittee adopted a strike all amendment. This amendment:

- Provided a definition for "freight logistics zone".
- Revised the applicant from a single local government to a county, or two or more contiguous counties.
- Provided evaluation criteria for freight logistics zones.
- Removed the pilot program designation.

⁷ DOT's Freight Mobility and Trade Plan is developed pursuant to s. 334.044(33), F.S.

On April 16, 2013, the Economic Affairs Committee adopted one amendment. This amendment:

- Placed responsibility for the designation of freight logistics zones on the counties or counties and provides for the adoption of a strategic plan for the zone.
- Required that a freight logistics zone be in area around an intermodal logistics center as defined in s. 311.101(2), F.S.
- Removed reference to the DOT application process.
- Deleted reference to the Secretary of Transportation designating up to four freight logistics zones and replaces it with the provision that projects within zones designated by the county or counties that are consistent with the Freight Trade and Mobility Plan developed by DOT may be eligible for priority in state funding and incentive programs in Ch. 288, F.S.

The analysis is written to the committee substitute.