

Dallas International Inland Port: A Global Gateway

The vision, current status and next
steps

August 2006

Purpose

- ❑ To clarify the vision of the Dallas International Inland Port and outline key components
- ❑ To present the Urban Land Institute's recommendations
- ❑ To provide information on the existing status
- ❑ To recommend a strategic approach and next steps towards ongoing public sector involvement

The Vision

- ❑ The Dallas International Inland Port is successfully developed into:
 - A key driver in making Dallas the nation's premier logistics and distribution center
 - A catalyst for Southern Sector investment, job growth and development of sustainable communities, increasing city-wide tax base

Components of the Vision

- ❑ A vital southern sector component in the nation's premier distribution and logistics center
- ❑ On-site customs pre-clearance
- ❑ Master-planned, state of the art logistics and distribution center, consistent with the City's comprehensive plan
- ❑ Two world-class intermodal facilities in place and operating

Components of the Vision

- ❑ Inland port facilities set the standard for logistics technology and add value to all elements of the supply chain
- ❑ Rail issues between Mexican ports, Laredo, Houston and Dallas as well as Long Beach and Los Angeles resolved
- ❑ Increased tax base, job growth and sustainable community development in Dallas' Southern Sector

Components of the Vision

- ❑ A non-profit and/or port district created to facilitate governance, management and promotion
- ❑ Coordinated environmental planning
- ❑ Workforce training links formalized with DCCCD and area universities
- ❑ NCTCOG's recommendations integrated into TTC-35 route

Growth at Alliance

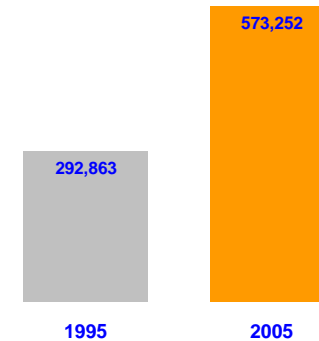


Alliance, 1993 (above)
and today (right)



Growth at Alliance

- ❑ Intermodal lifts have increased 96% since 1995
- ❑ 41% of business is international (increase of 31% in 2006)



Intermodal lifts at Alliance

- ❑ Overall, there are 24,000 employees at AllianceTexas, 140 corporate residents and 24.4 million sq. ft. office space
- ❑ \$5.76 billion was invested for a **\$26 billion** economic impact

ULI Advisory Services Panel

- About the Urban Land Institute
 - Independent non-profit education and research organization with 30,000+ members worldwide
 - Represents entire spectrum of land use and real estate development disciplines
 - Seven member panel dedicated five days to study the Southern Dallas Trade Corridor
 - Reviewed extensive briefing materials
 - Conducted independent interview process
 - Privately underwritten
 - Public presentation 6/30/06
 - Final written report August 06

ULI Advisory Services Panel

- ❑ Overview of findings
 - Southern Dallas County is a prime trade corridor location
 - Dallas-Fort Worth is already a major trade hub with tremendous long-term development potential
 - Key success factors are: regional cooperation, establishment and expansion of strategic partnerships with other corridor cities, states and ports

ULI Advisory Services Panel

- ❑ Overview of findings
 - Challenges include
 - Need local water/sewer distribution infrastructure
 - Inadequate arterial and local roads
 - Ozone non-attainment area
 - Multiple jurisdictions need to deal with area-wide issues

ULI Advisory Services Panel

- ❑ Recommendations organized into three key areas
 - Public Policy
 - Governance
 - Development Strategies and Implementation

ULI's Public Policy Recommendations

□ Environmental

- Ensure area is included in State Implementation Plan (SIP)
- Engage environmental stakeholders
- Set reasonable and cost effective environmental standards/expectations

□ Technology

- Encourage innovation, don't legislate it
- Incorporate technology into planning efforts
- Bring together education, regulatory, industry and technology experts
- Use computer modeling and simulation for logistics systems

Public Policy Recommendations

- ❑ Planning
 - Get ahead of the curve
 - Engage experienced planning and urban design team
 - Include development regulations and capital improvement program in implementation plan
 - Focus on sustainability to realize long-term development potential
- ❑ Organization
 - Ensure equitable representation of stakeholders
 - Use existing proven models– don't reinvent the wheel
 - Operate with transparency
 - Address regional funding needs
 - Compete globally, not locally

Public Policy Recommendations

□ Regulatory

- Encourage uniform building codes among municipal jurisdictions
- Create compatible zoning and subdivision regulations
- Explore ways to expedite building plan review/approval and building inspections

ULI's Governance Recommendations

- ❑ Organize for success (first steps)
 - Formalize and broaden existing interlocal agreements within Dallas NAFTA coalition
 - Form a non-profit trade corridor development organization to create a unified voice
 - Establish metrics for success
 - Include all key stakeholders
 - Pool resources
 - Explore formation of a special district (requires legislative approval)

Governance Recommendations

- ❑ Broaden existing interlocal agreements
 - Advantages
 - Governance structure is familiar
 - Doesn't require state legislative action
 - Keys to success
 - Articulate clear goals and objectives
 - Define partnership roles, responsibilities, and decision-making process
 - Establish rules for implementation
 - Involve all parties, public and private

Governance Recommendations

- ❑ Representation should include:
 - All trade corridor municipalities
 - State and County Representatives (elected, key agencies)
 - NCTCOG
 - Railroads (BNSF, UP)
 - Colleges and universities
 - Private sector

Governance Recommendations

- ❑ Form a non-profit development organization with dedicated staff and responsibility to:
 - Create a regional vision and master plan
 - Coordinate Infrastructure
 - Communicate, promote and market the visions and plans to the public
 - Identify and secure funding
 - Secure additional logistics and trade assets
 - Assisting and guiding implementation of policy recommendations
- ❑ Funding Sources
 - All Stakeholders should provide some financial commitment
 - State
 - Federal grant program

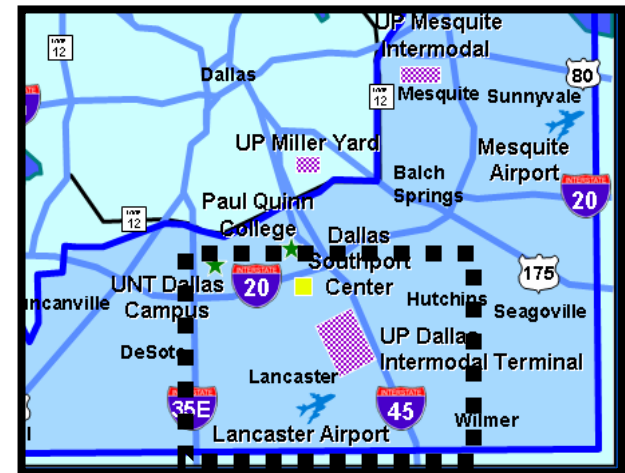
ULI's Development and Implementation Recommendations

□ Development Strategies

- Recognize practical constraints that impact execution of development potential
- Share opportunities and costs
- Establish reasonable expectations
- Add value through planning and design
- Create a livable community
 - Logistics is driver for mixed-use, mixed-income residential communities with parks and open space as well as light industrial and manufacturing opportunities.

Development Strategies

- ❑ Target geographically
 - Prioritize infrastructure investments
 - Initial focus on the BOX
 - Special opportunities
 - UNT-Dallas campus
 - I-45 and UP intermodal center
 - Potential BNSF intermodal
- ❑ Municipal airport in Lancaster and Mesquite
 - Should focus on general aviation and corporate uses as there is significant excess capacity at both Alliance and DFW



Implementation Strategies

- Implementation Strategies
 - Create a master plan
 - Ensure meaningful public participation
 - Integrate plan into local plans and ordinances
 - Create a communication program
 - Create and use a comprehensive marketing plan
 - Work closely with stakeholders, residents and businesses
 - Keep public informed and involved
 - Communicate opportunities
 - Use public forums, newsletters and websites
 - Create a Logistics Advisory Council
 - Advice on industry trends
 - Knowledge of technological innovations
 - Insights about potential end users

Existing Status

- ❑ Five interlocal agreements with City of Dallas; five annual contracts with Dean
- ❑ River of Trade Corridor Coalition (ROTCC) in place, adding membership along identified corridor (the traditional NAFTA (N-S) corridor and key E-W rail routes)
 - Dallas in a leadership role with EPA for a clean and green corridor along ROTC

Existing Status: Task Forces

- ❑ Five task forces in place to organize key logistics hub components (agile port, inland port of pre-clearance, linear foreign trade zone, cargo airport, ROTCC)
 - In formative stages
 - Need more focus and direction
 - Need link to vision with goals and timetables

Existing Status

- ❑ Ongoing environmental discussions with State (SIP) and NCTCOG (OED and OEQ)
- ❑ ULI Advisory Panel Study completed
- ❑ Allen Group controls approximately 5500 acres in impact area. Crow, Panattoni, ProLogis, Duke and Argent all have investments
- ❑ UP terminal operating near full capacity (300,000 lifts annually; 365,000 max)



Existing Status

- ❑ November bond referendum includes \$35 M in city funds for infrastructure (total investment: \$51 M)
 - \$13.7 M I-20 frontage road project: \$4.7 M city bond funds, rest from TxDOT
 - \$15.8 M Bonnieview expansion: \$7.9 M city bond funds, \$5M county, remainder TxDOT
 - \$19.7 M for Bonnieview from Langdon to city limits, all city funds
 - \$2.7 M for regional detention pond, all city funds
- ❑ Two additional infrastructure projects invest \$12.5 M
 - \$8 M Pleasant Run Overpass (NCTCOG and Federal funds)
 - \$4.5 M Wintergreen Overpass (NCTCOG funds)

Existing Status

- ❑ LOI between Allen Group and BNSF to develop a second intermodal (2/3 of land in city of Dallas, two times the capacity of UP facility)
- ❑ U.S. Customs located at DFW (no location in Southern Sector)
- ❑ \$340,000 contract with Dean International Inc (\$25,000/month plus expenses up to a maximum of \$40,000) expires September 8th, 2006

Recommended Strategic Approach and Next Steps

- ❑ Continue proactive leadership by City of Dallas on a local, state and national level
- ❑ Expand and renew interlocal agreements within Dallas NAFTA coalition and other potential partners
- ❑ Create a professionally staffed and stakeholder funded non-profit development organization for the purpose of fundraising, public outreach, promotion and marketing
- ❑ Explore the viability of a special port district or authority (requires legislative approval)

Recommended Strategic Approach and Next Steps

- ❑ Engage environmental stakeholders to ensure impact area is properly treated in State Implementation Plan
- ❑ Expand and enhancement of ROTCC and other strategic partnerships with logistics corridor cities, states and ports
- ❑ Initiate comprehensive master planning process to maximize long term development potential and create sustainable communities

Recommended Strategic Approach and Next Steps

- ❑ Target public sector infrastructure support to stimulate strategic development in the BOX with emphasis on potential BNSF intermodal
- ❑ Incorporate technology and security into planning efforts with a pilot program
- ❑ Support the Foreign Trade Zone application currently being prepared by Ernst & Young for the DFW airport board



Recommended Strategic Approach and Next Steps

- ❑ Integrate current task force activity to ensure alignment with inland port vision and goals
- ❑ Educate community and explore workforce training opportunities in partnership with area universities
- ❑ Focus more attention on rail issues and priorities
- ❑ Renegotiate Dean International, Inc (DII) contract to focus on areas where DII provides the most value

Appendix: Contract Assessment

General Goals and Objectives

- Work with economic development, transportation and trade specialists to promote development of transportation infrastructure and transportation routes in vicinity
Current Status: Discussions have focused on TTC-35 and Loop 9, as well as ROTCC corridor. ROTCC corridor has advanced because of efforts of DII; TTC-35 is expected to follow locally recommended route (Loop 9)
- Recruit additional members into DNTC coalition
Current Status: Have recruited 8 new member communities
- Analyze and prepare strategies and implement the same via coalition as directed by the Client to achieve city's goals and goals of the coalition.
Current Status: Most successes have been related to the River of Trade Corridor coalition, and its expansion. The expansion of the FTZ has been moved along, mostly driven by E&Y/DFW airport board.

Appendix: Contract Assessment

- ❑ Promote client's goals and objectives by assisting coalition in coordination of transportation and mobility programs among local, regional, state and federal elected and appointed officials and the private sector.
Current Status: Have provided regular updates regarding federal and state transportation programs. Organized vocal opposition to TTC-35. Working on multi-state corridor language at federal level; House-passed technical corrections bill did not have language in it.
- ❑ Promote client's goals and objectives by assisting the coalition in petitioning local, state, federal and international governments, to accomplish the transportation and ED goals and objectives
Current status: Have met with local, regional, federal and state leaders to brief on the project; no significant asks have been made in the past year other than the TTC-35 corridor alignment. (High priority corridor designation was made last year)

Appendix: Contract Assessment

- ❑ Expand ROTCC legislative and congressional caucuses and strategies on behalf of the coalition as directed by the client to promote the interests of the DNTC
Current Status: Achieved
- ❑ Within 90 days of execution of the agreement, develop a communication and public awareness strategy, including a website
Current status: Achieved
- ❑ As part of the Action Plan, identify funding sources for infrastructure improvements and economic development to enhance benefits to client of high priority corridor #55
Current status: Identified sources; have not retained funding (as categories are earmarked)
- ❑ As part of the Action Plan, report possible costs, benefits and economic impacts related to establishing an Agile Port System
Current status: Text is included in Action Plan

Appendix: Contract Assessment

- ❑ Promote the Client's interests in the establishment of an Agile Port System via the coalition as directed to do so
Current status: Achieved, to the extent that an Agile Port System has been developed
- ❑ As part of the Action Plan, report the possible costs, benefits, and economic impacts to client related to establishing an inland port of pre-clearance
Current status: Text is included in Action Plan
- ❑ Promote the city's interests in the establishment of an inland port of pre-clearance via the coalition as directed to do so.
Current Status: Achieved, to the extent that an inland port of pre-clearance has been established.
- ❑ As part of the Action Plan, report the possible costs, benefits, and economic impacts to client related to establishing a Cargo Airport
Current Status: Text is included in Action Plan

Appendix: Contract Assessment

- ❑ Promote the city's interests in the establishment of a cargo airport via the coalition as directed to do so.
Current status: Achieved, to some extent, although it has been publicly stated that any potential Cargo Airport would NOT be located in the City of Dallas
- ❑ As part of the Action Plan, report the possible costs, benefits, and economic impacts to client related to establishing a linear/foreign/Freeport trade zone
Current Status: Text is included in Action Plan
- ❑ Promote the city's interests in the establishment of a linear/ foreign trade zone via the coalition as directed to do so.
Current Status: DFW/Ernst and Young have led efforts to expand existing FTZ space. Concept of linear FTZ is further behind.
- ❑ As part of the Action Plan, report the possible costs, benefits, and economic impacts to client related to establishing a rail district
Current Status: Mentioned but not fully developed in Action Plan

Appendix: Contract Assessment

- ❑ Promote the city's interests in the establishment of a rail district via the coalition as directed to do so.
Current Status: N/A
- ❑ As part of the Action Plan, report the possible costs, benefits, and economic impacts to client related to establishing an Agile Port System Authority
Current Status: Text is included in Action Plan
- ❑ Promote the city's interests in the establishment of an agile port system authority via the coalition as directed to do so. The City strongly supports the establishment of an agile port system.
Current Status: Achieved, to the extent that an Agile Port System has been established
- ❑ As part of the Action Plan, report the possible costs, benefits, and economic impacts to client related to establishing a rail district authority. Client strongly supports the establishment of a rail district authority.
Current Status: Mentioned but not fully developed in Action Plan. Strategy for development of rail district authority is provided

Appendix: Contract Assessment

- ❑ Assist client by providing technical staff support and consulting assistance including providing notice of meetings, preparing meeting minutes, distributing email reports and other notices related to transportation or economic development, and generally keeping client informed of relevant activities by agencies or governments.
Current Status: Achieved
- ❑ Monthly reports, complete with public official contacts, will be provided
Current Status: Generally achieved
- ❑ Conduct weekly meetings with client detailing current projects and activities
Current Status: Generally achieved
- ❑ As requested, deliver presentations to client summarizing current projects and activities
Current Status: Achieved

Appendix: Contract Assessment

- ❑ Promote the city's interests in the establishment of a Cargo Airport Authority via the coalition as directed to do so.
Current Status: N/A
- ❑ As part of the Action Plan, report the possible costs, benefits, and economic impacts to client related to establishing a Cargo Airport Authority
Current Status: Action plan deals with Cargo Airport, not the establishment of an Airport Authority
- ❑ Promote the city's interests in the establishment of a cargo airport authority via the coalition as directed to do so. Client strongly supports the establishment of a Cargo Airport Authority
Current Status: NA
- ❑ Generally advocate projects before, interface with, and represent the Coalition's interest before government, quasi-government and private entities related to the Dallas Corridor.
Current Status: Achieved

Appendix: Contract Assessment

- ❑ Generate written correspondence and updates, as necessary and requested by client, regarding projects, activities, and developments affecting consultant's projects for Client
Current Status: Achieved
- ❑ Consultant is encouraged and directed to expand ROTCC
Current Status: Achieved
- ❑ Consultant shall facilitate creation of a dues-paying membership encompassing members of ROTCC. If ROTCC becomes dues-paying, client's dues shall not supplant city's contractual obligation. City reserves right of exemption for dues.
Current Status: ROTCC remains a free organization; not aware of plans to make it dues paying

Appendix: Contract Assessment

- ❑ Consultant shall facilitate creation of an Agile Port System Authority. Powers and responsibilities of authority may include the power to design, build, own, operate, and finance the agile port system.
Current Status: A port authority is in the early creation phase.
- ❑ Consultant shall facilitate creation of a Rail District Authority to facilitate rail service to and from the area.
Current Status: A separate rail authority is not under discussion at this time.
- ❑ Consultant shall facilitate creation of a Cargo Airport Authority to facilitate cargo air service to and from the area.
Current Status: A separate Cargo Airport Authority is not under discussion at this time.

