Florida Legislature HB 257 (SB 956) – Freight Logistics Zones

# Introduction

The growing importance of freight movement in the overall economy is reflected in the federal transportation authorization legislation, Moving Ahead for Progress in the 21st Century (MAP-21). Beginning in 2012, the Florida Legislature emphasized the importance of freight mobility to the state’s economic growth. The Florida Department of Transportation (FDOT) was tasked with developing a Freight Mobility and Trade Plan (Policy and Investment Elements), establishing a program for Intermodal Logistics Centers (ILCs), and designating existing and planned intermodal facilities as part of the Strategic Intermodal System (SIS) in coordination intermodal planning partners.

House Bill 257 (SB 956) took effect on July 1, 2015, and authorizes a county or counties to designate a geographic area or areas within its jurisdictions as a freight logistic zone. The bill defines a “freight logistics zone” as a grouping of activities and infrastructure associated with freight transportation and related services within a defined area around an intermodal logistics center and requires that the designation be accompanied by a strategic plan.

## What must be included in the Strategic Plan?

The bill states that the designation of a freight logistics zone must be accompanied by a strategic plan that includes, but is not limited to:

1. a map depicting the geographic areas to be included within the designation,
2. existing or planned freight facilities or logistics clusters located within the designation zone,
3. existing transportation infrastructure such as roads, rail, airports, and seaports within or close proximity to the proposed freight logistics zone,
4. identification of existing workforce availability within or in close proximity to the proposed zone,
5. identification of existing or planned local, state, or federal workforce training available for a business seeking to locate or expand within the proposed zone,
6. identification of any local, state, or federal plans including transportation, seaport, or airport plans concerning the movement of freight within or near the proposed zone,
7. identification of local governmental incentives for new development, expansion of existing development, or redevelopment within the zone, and
8. demonstration of consistency with local comprehensive plans and MPO plans.

## Funding Evaluation

Projects within a freight logistics zone may be eligible for priority in state funding and incentive programs. Eligibility for priority status will be based on an evaluation of the project. Consideration will be given to the following when determining funding or incentive program eligibility:

1. presence of existing or planned ILC within the zone,
2. whether the project serves the strategic state interest,
3. whether the project facilitates cost-effective and efficient movement of goods,
4. the extent to which the project contributes to the economy in terms of job creation, increased wages, and revenues,
5. extent to which the project interacts with and support existing or planned transportation network,
6. the amount of investment or commitments made by the owner or developer of the existing or proposed facility,
7. the extent to which the county or counties have commitments with private sector businesses planning to locate operations within the zone, and
8. the demonstration of local financial support and commitment, including in-kind contributions.

## Funding Providers

Under the provisions of the bill, the following programs would be allowed to provide priority funding considerations to projects within a designated freight logistics zone:

* Strategic Intermodal System
* Economic Development Transportation Fund
* Intermodal Logistics Center Infrastructure Support Program
* Seaport Program
* Aviation Program

# Freight Logistics Zones Ambiguities

House Bill 257’s (SB 956) provisions outline who can designate a freight logistics zone, what needs to be included in a Strategic Plan, and the considerations for receiving priority funding. However, there are a few uncertainties related to the designation of freight logistics zones.

## Approval Process

The bill authorizes a county or county to designate freight logistics zones, however the approval process for the consideration of freight logistics zones is unclear. Assuming the process is similar to the Intermodal Logistics Centers program, there will likely be an application and approval process in coordination with FDOT’s Office of Freight, Logistics, and Passenger Operations and the Florida Department of Economic Opportunity.

## Funding Evaluation

The House Bill does not specify if certain criteria being considered as part of the project funding and incentive process will be weighed equally or if certain factors will carry a heavier weight. The amount of investment commitments made by the owner and the amount of local financial support, including in-house contributions, could carry a higher consideration if it is similar to other programs.

## Proximity

Several strategic plan requirements state “within or in close proximity to the proposed zone.” It is not clear how “close proximity” will be defined in relation to a freight logistics zone. Presumably, the intent is to consider the merits of projects that have strong linkages and provide direct connections for existing work forces to freight logistics zones.