Appendix G: Project Evaluation

PREPARING MODERN INTERMODAL FREIGHT INFRASTRUCTURE SUPPORT
Brownfield Economic Development Project

Phase II Project Evaluation Report

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Prepared by:

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PROJECT EVALUATION REPORT – PHASE II

GeoTrans, acting as the Independent Review member of the Study team, was tasked with providing an independent evaluation of the Study Team's Phase II efforts (the Study) during the course of the Preparing Modern Intermodal Freight Infrastructure Support - Brownfield Economic Development Project (Project) as required by the US Department of Transportation's—Transportation and Community and System Preservation Pilot Program.

This evaluation report assesses the degree to which the Study goals developed at the beginning of Phase II of the Project were achieved. As part of this project evaluation process, GeoTrans has performed several tasks that included development of performance outcomes or goals to define what the Study intended to accomplish and development of performance measurement procedures to evaluate the success of these outcomes and consequently the Project's success. The evaluation report is intended to provide feedback to the Study Team members, FHWA personnel and other interested parties on the success and effectiveness of achieving the project goals as well as identify areas of the Project that would benefit from an altered approach.

The project evaluation process developed a set of desired performance outcomes that were evaluated through the end of Phase II of the Project. The performance outcomes were developed through an interactive process involving the Independent Reviewer and the core Study Team (NJIT/NJTPA). The Team also recognized that aspects of this project were evolutionary in nature and could result in adjustments to desired project and/or site outcomes during implementation. This evaluation specifically address's those instances where significant project events necessitated adjustments to the desired outcomes or goal measurements.

Evaluation of Performance Outcomes

To ease the reader's review of this report, the performance outcomes that were targeted as a measure of success at the beginning of the Phase II are outlined below and followed by the evaluation of the success in achieving the desired outcome. The successful degree of achievement of these outcomes or goals forms the basis for defining the success the Phase II.

For the initial task under this evaluation, GeoTrans prepared a technical memorandum identifying performance outcomes and evaluation procedures for the Project. To the extent possible, performance outcomes were expressed in quantifiable terms and definable end-points within the timeframe of the study. In addition there were other events which, while not falling conveniently into one of the listed performance outcomes, collectively had an influence on the success of this project. These events which are discussed in the management and methodology outcomes section, are recognized as being important to the success of the project and were evaluated for their cumulative affect on the project.

A. Increased Awareness and Acceptance of Freight Related Redevelopment Initiatives for Brownfields.

The projects first step was the goal of raising the awareness of utilizing Brownfields sites as part of a redevelopment strategy to support the intermodal freight growth expected in the next decade. The project team set about to notify stakeholders of the inception of this project and at the same time make municipal governments and state agencies aware of the program's intent to combine freight related development with the identification of potential Brownfields sites. Early in the process a Steering Committee was formed composed of key state partner agencies in order to over-

see this work and coordinate the project with other ongoing transportation related programs. The Steering Committee and larger advisory committee met on a scheduled basis.

Large venue stakeholder meetings were also scheduled during the course of this project to disseminate information and solicit input from local communities, commercial developers and business leaders involved in the transportation industry. These meetings were held at important project milestones, during Phase I and Phase II of this project. These stakeholder meetings were well attended and provided helpful interaction with the Study Team. Numerous smaller meetings were also held with individual entities of agencies. These stakeholder meetings were successful in that they achieved their goal of allowing the Study Team to present the project concepts and status to the group, as well as to solicit input on ongoing activities and/or coordinate with other entities. Attendance at these meetings varied as would be expected with such a group composed of predominately public employees with many other public obligations and commitments which have little scheduling flexibility.

In the Phase I broad-based outreach activities, nearly 500 notice letters were sent to counties and municipalities as well as host community leaders advising then of the initiation of the project and offering to provide supplemental information and come to their community to provide a presentation on the project. A brownfields survey was also provided to over 220 transportation related business. Many presentations were given to municipalities or development authorities as a direct result of the outreach activities. Other outreach activities included establishing a booth exhibit at the 2000 Transportation Convention in Atlantic City, New Jersey to announce the Project and hand out informational brochures.

To assist in the outreach activities, project newsletters were prepared and sent out to a wide distribution mailing list. These newsletters and project updates were also posted on the project web-site (www.NJTPA.org). The newsletter activities were concentrated in Phase I of the project when broad outreach and raising the awareness level was most critical. Outreach activities focused in on specific geographic areas and target sites as the number of potential Brownfield redevelopment sites was narrowed down to the six demonstration or model sites. After the model sites were selected, informational briefings with local community leaders, site owners and related governmental agencies such as the New Jersey Economic Development Authority, the Carteret Redevelopment Authority and the Elizabeth Development Authority were held.

Another example of a successful broadly focused public outreach activity was the workshop held at the end of Phase I activities. The workshop was well attended and provided a presentation of Phase I results and Phase II activities as well as providing an opportunity for Senator Lautenberg and Representative Menendez to increase public awareness of the study, explain the importance of the Port area growth and voice their support for the project.

Since specific sites were identified at the beginning of Phase II, the outreach focus shifted to individuals and effected stakeholders. The indication of the success this project had with increasing the awareness of using Brownfields for transportation development support was demonstrated by several individual site owners/developers who came forward and met with the Study Team. The Town of Carteret and Tony Russo provided Brownfield study sites that became part of this project.

The project was successful in raising the awareness of and support for freight related growth in the North Jersey area and the ability of Brownfield sites to provide growth support through their redevelopment. At the leadership level there was clear support for the need to plan for this transportation growth and coordinate with other projects such as the Portway project and the Comprehensive Port Improvement Program. At the municipal level, the Carteret Redevelopment Authority provides a good example of how community needs (what to do with a large underdeveloped/abandoned tracts of land) can be compatible with this type of redevelopment.

Clearly there were some comments from stakeholders that questioned using their Brownfields sites to support freight related transportation growth or adamant in their desires to have a different redevelopment approach. The Study Team anticipated that there would be a number of incidences were there was not wide spread support for this redevelopment strategy and in those cases no further site evaluation were undertaken.

B. Redevelopment Interest in Specific Case Study Sites.

An evaluation of the success of this project outcome is difficult due to the nature of how individual sites evolve from being identified as a Brownfield site, through the evaluation of potential redevelopment approaches, to the point were there is specific redevelopment interest and parties willing to consummate a redevelopment deal. There are a number of factors that go into the redevelopment equation. The nature of the redevelopment process is fluid and is greatly dependent on timing and economics at any given point in time.

Clearly from the feedback received from business leaders and developers, there is interest in each of the case study sites agreement with the concept in general. The level of interest varies between the study sites and ranges from nearly completed negotiations for redevelopment of the site through the expression of general interest contingent upon a number of factors falling into place to enable a study site to be advanced past the conceptual stage. For those study sites with a conceptual level of redevelopment interest, one of the most critical factors was the nature of transportation access. As an example, the Koppers Coke/Diamond Shamrock/Standard Chlorine site provides an attractive redevelopment opportunity however, specific interest is directly related to the transportation access challenges presented by this site's location. As the transportation solution progresses past the conceptual stage almost certainly the specific redevelopment interest in this site will rise accordingly.

Certainly one of the redevelopment challenges has been the economics of site redevelopment in general. Several stakeholders have commented that there is strong competition for higher income generating uses such as office/retail space and as well as from the other end of the spectrum, the net cost prospective of leasing un-redeveloped land for container storage use. This latter site use is attractive to some property owners due to the low cost associated with developing the site for container storage (usually just pavement and fencing) verses the income it generates. A mitigating factor in utilizing vacant Brownfield properties for container storage is the general unwillingness of some municipalities to allow this type of property usage.

At the conclusion of the Phase II portion of this project, the Carteret site, the Arsynco site the Reichold Chemical site and the Albert Steel Drum site have specific redevelopment interests. The Koppers site also has received expressions of interest from developers although the interest is more conceptual in nature since this site is not as far along in the redevelopment process. At the time this report was written the Albert Steel Drum site had achieved a preliminary sales agreement between the site owner and prospective site developer. The point in the property redevelopment process that some of these Sites have moved to at the completion of Phase II is a demonstration that brownfield redevelopment projects to provide infrastructure support are viable.

C. Estimates of Increased Job Opportunities Related to Individual Brownfield Site Redevelopment

This performance outcome is presented by the prospective workforce analysis contained within the Real Estate Market Package prepared for each project site. These forecasts are based upon the assumptions and third party data for the expected future use(s).The forecasts were supported by interviews with similar industry representatives. Although each of the real estate market studies has

a workforce analysis component, the level of specificity will vary depending upon the extent of each development plan.

Each real estate market assessment provides a workforce analysis and employment projections for the area. To the degree that proposed uses are determined, the number of jobs has been approximated. Where no final proposed use(s) was determined, no forecast of increased job opportunities was provided.

The Carteret Site for example, has a job creation analysis that predicts approximately 400 jobs will be created by the proposed development. The jobs include 240 for a warehouse/distribution center, 90 for a travel center and 45 to 60 for a new hotel/restaurant.

Phase II of this study was successful in defining the current economic climate and demonstrating workforce availability. The Study also achieved the goal of providing reasonable estimates of increased job opportunities by polling similar industry representatives and trade organizations when the proposed use was defined.

The degree to which that workforce analysis projections were determined for each site is a function of the extent to which the market assessment can be completed. Sites with a lack of consensus regarding end-use or where agency cooperation is not confirmed also hinders the projection of job opportunities.

D. Proposals to Improve Transportation Access to Brownfield Sites.

The performance measurement for this Study goal will be the degree of development of a freight related redevelopment approach that identifies land constraints, transportation access (both freight and workforce related) and potential transportation improvements for each site.

Transportation issues associated with each site were provided in the Study report in the form of text and a conceptual design drawing of transportation improvements. Highway access constraints as well as freight rail connectivity issues were also discussed for each site. The availability of transit service and passenger rail access for workforce transportation needs was also analyzed.

The Study was successful in developing a conceptual transportation approach for each site. It was valuable in calling attention to the critical transportation issues that will need to be addressed by the redeveloper. The Study provided a list of recommended transportation improvements for each site and summarized regional recommendations as they related to the brownfields redevelopment concept. At the end of the transportation section a Transportation Problem Statement is included which could form the basis for future plans for transportation improvements.

More detailed transportation improvement plans seem to be impractical at this stage of the redevelopment process since so many factors (some outside the control of the site owner/developer) affect specific redevelopment plans. It was unfortunate that the Koppers Coke site and it's potential for marine transportation access has not progressed further since it could provide an excellent maritime example for future practitioners. The site's redevelopment potential is high but currently encumbered by environmental and access uncertainty issues.

This Project can only serve to provide the catalyst for the initiation of transportation improvement planning and should not be considered the region's final design. The support and resource contributions of state agencies and other transportation stakeholders are critically important to the success of access improvements and accomplishing the project's ultimate goals.

D. Development of promotional materials related to individual site redevelopment or areas of redevelopment that are attractive to site developers and municipalities.

The Study's goal was to attract redevelopment interest from site developers and municipalities to the potential that the identified brownfield site held. Developing interest was inter-linked with the initial outreach activities discussed earlier. In the initial stages, the outreach was successful in raising the awareness of the Project and it's ability to support other Port growth related activities.

The intention of this Phase was to create specific site related information that would provide a report or 'prospectus' on how the property could be utilized for intermodal freight support while outlining the associated redevelopment issues. For each site, the performance outcome was measured by the development of materials that presented a conceptual or planned redevelopment approach.

Components of the Real Estate Marketing Package were intended to include local market analysis for freight redevelopment, local land use and zoning, property appraisal with and without warehouse redevelopment, a conceptual view of the redevelopment scheme, identification of financing options, list of possible developers. Also to be included were forecasts of job creation, tax revenues from the reuse and income revenues from job creation. These materials incorporated elements that addressed efforts to improve air quality through greater transportation efficiencies and the protection of the environment. These materials could be a combination of electronic and/or hard copy media.

For each site, a Real Estate Marketing Package was developed which contained the components listed above. The only exception was the lack of data regarding revenue projections from future job creation. That information may have been broadly developed during the Phase I analysis and should have been developed for this Study.

From an overall viewpoint, the Study was successful in accomplishing its goal of preparing a package for each site. The level of detail varied between components. For instance, in the Carteret Report the property assessment and appraisal contained detailed, local information while the financing options section merely listed a synopsis of public programs without references or links to detailed descriptions of each program.

E. Development of the project methodology designed to facilitate municipal and private sector redevelopment of industrial brownfield sites by intermodal freight related businesses to support port growth.

The development of the project methodology for Phase II activities was prepared by the core Study Team. They accomplished their intended goal of describing how the study was implemented and provided insights on where the difficult and/or unanticipated events were encountered. Part of the methodologies employed during Phase I of the project (which could have received more attention in this report even though it is focused on Phase II activities) were holding periodic stakeholders meetings, preparation of outreach materials and the establishment of a web-site.

It would be interesting to follow the level of post-project interest expressed by stakeholders in other areas looking to duplicate this type of program, as well as tracking additional brownfield sites that are brought to the attention of NJIT/NJTPA.

G. Completion of Phase II Task Work Orders.

The Phase II implementation methodology evolved into a Work Order approach for accomplishment of specific tasks since each of the case studies had a unique status and was at a different point in the redevelopment process. Due to the unique circumstances of each site owner, each Work Order was crafted by the core Study Team for implementation by the consultants. The measurement criteria of successful performance are the completion of the case study Work Orders.

The task order approach requires some lag-time between initiating the case studies and preparing the Work Orders. The time gap allows the core Study Team to evaluate existing information (predominantly environmental) and identify what data is still needed. The work orders were issued and completed for each case study and therefore this performance goal was accomplished. (Note that one component of each Work Order, the delivery of a Power Point slide presentation to the core Study Team had not taken place at the time this evaluation was written)

While recognizing that each case study had specific issues which had to be resolved before the access agreement could be completed, once these agreements were in place the pace of Work Order completion and by extension Phase II seemed to be sporadic. Both the core Study Team and the consultants would have benefited from the inclusion of a schedule of deliverables and milestones for each Work Order.

Appendix H: Phase I Evaluation on Market Analysis

Draft Final Market Analysis Report for
"Preparing Modern Intermodal Freight Infrastructure to Support

A Commentary on the

"Brownfield Economic Development"

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March 2001

DISCUSSION PAPER: EVALUATING THE FINAL MARKET ANALYSIS REPORT FOR "PREPARING MODERN INTERMODAL FREIGHT INFRASTRUCTURE TO SUPPORT BROWNFIELD ECONOMIC DEVELOPMENT"

Introduction

This paper will focus on three issues:

- The overall validity of the data and analysis conducted.
- The overall correctness of the findings and conclusions drawn from the analysis combined with interviews and case studies.
- The targeting of the knowledge obtained in this study to create a recommended set of steps for action by the North Jersey Transportation Planning Authority (NJTPA)

The overriding question is how well does this draft report help the NJTPA achieve the goals stated in the Request for Proposals. The specific analysis being evaluated in this paper is part of a larger multi-task phased study program being progressed by the NJTPA as part of their intermodal freight planning for Northern New Jersey.

The central issue being addressed is what should be done, if anything, to provide for distribution/warehouse facilities on brownfields sites in Northern New Jersey. Corollary questions on choosing sites; their size, location, etc. stem from working to answer the central question.

This assessment was conducted using the project goals as set forth in the Request for Proposal.

The Data and Analysis: Does the Final Report provide the information needed?

The simplest answer is yes. The data used and analysis performed by Moffat & Nichol indicates the changes and needs:

- on the movement of goods;
- on the logistics requirements;
- on the projected growth of goods movement flows focused especially on marine cargo;
- on the future transportation and distribution facility requirements for Northern NJ; and,
- for the development of candidate criteria distilled from assessments of other goods movement systems, especially the provision of distribution/warehouse space.

A meeting was held on July 7, 2000 at which a discussion ensued concerning general and specific comments on the draft final report. This paper, in the pursuit of brevity, will not detail those discussions. The major focus at that meeting was on taking the conclusions and findings and shaping them into strategy and actions for NJTPA to consider pursuing. There was a limited discussion about refining some of the data and breaking it out differently, especially some of the projections.

A major bottom line conclusion of the analysis is a projection that about 700 acres of land will be required to specifically accommodate "value added" type distribution facilities by the year 2040, see page 6-12. The analysis placed added emphasis on this type of activity associated with newer distribution facilities. "Value added" typically means that something is done to alter the item being shipped and stored that adds to its value before it moves to its final destination, an individual person or a business. The process of altering the item can be extensive enough to be considered a form of light assembly. The importance of this type activity at distribution facilities is significantly increased jobs at these facilities. The overall trend in distribution facilities is to employ fewer people to operate, although there are some exceptions with some forms of e-commerce distribution facilities. Northern New Jersey has very little "value added" activity occur-

ring in its distribution facilities a discussed in this report compared to the area around the Ports of Los Angeles and Long Beach in California. (See pages 3-17 to 3-27, 5-2 & 5-6 for more information.)

The progression of steps leading to this major conclusion that about 700 acres are needed in 2040 follow a rational progression of steps. The major findings concerning what the mix of commodities are at the Ports of Los Angeles and Long Beach versus those coming into the Port of NJ and NY are correct. By combining with this information with information on how much coming into each port is consumed locally and how much is shipped longer distances, it becomes evident why the Port of NJ and NY has not caused much "value added" activity. The Port of NJ and NY serves more of a local consumer market mostly within a few hundred miles of the port. (See pages 2-22 through 2-26 for the full discussion.)

The absolute correctness of this projection should not be the focus in determining a candidate set of future actions. This number is sufficiently far enough into the future that any number of factors could cause it to go up or down. The importance of this number is that its size suggests that a substantial increase in "value added" activity at distribution facilities is possible. This amount of land could equate to about 6.0 million square feet of space that is significant. This projected demand is in addition to a demand for distribution space to handle domestic goods movement, including newer space to replace outdated space built thirty and more years ago. The projection of 700 acres provides a benchmark to work towards in thinking about strategy and actions.

Other analysis points to the increases in the number of containers to be handled in the Port of NJ and NY. The numbers, appearing in Figure 6-6, page 6-11, are generally in line with those seen in other recent studies of future port activity. The forecast suggests a huge increase in the volume of containers moving through the port using a set of assumptions about future shifts in manufacturing to Southeast Asia and the Indian subcontinent and the increased use of the Suez Canal. The assumptions, which support this forecast, are being used by others, including the Port Authority of New York and New Jersey. Realizing these increases however assumes the other implications and needs mentioned in this report are addressed, especially improved landside intermodal facilities and connections.

The future increase in air cargo is only briefly mentioned. The point is made that the volume of air cargo, even if it grows tremendously, will always be small compared to marine, rail or truck volumes is true. It is also said that commodities being moved by air are less likely or not at all likely to require "value added" activities. This is currently true. Nonetheless, there will be a substantial need for more land to support air cargo facilities, especially around Newark International Airport. The commodities handled by air are usually high value and require priority handling. This requires sites close to the airport that are as directly connected to it as possible be made available for air cargo related activities. Air cargo facilities can also generate a large number of good jobs that like those associated with "value added" activities should be planned for and encouraged.

Findings and Conclusions: Are they correct?

Again, the simplest answer is yes. In a few instances, it is suggested that they be modified to reflect local conditions or be expanded in their scope or offer added flexibility. Here are a few recommendations:

Port Dredging - Not all of the potential for growth is dependent on dredging the channels to fifty feet. Some demand will exist in the future even if the channels are only forty-five feet. It should be stated clearly that while Northern NJ will best and most fully realize the economic and other benefits of the expanding world-wide trade and commerce if the dredging occurs, there is still a future without it that requires some action be taken.

The Role of the Existing Highway Network and Portway – One finding from the surveys of port related distribution space in the vicinity of the Ports of LA and Long Beach is its closeness, about fifteen minutes drive, to the port. This finding becomes a conclusion about the area surrounding the marine terminals in Northern NJ where siting of distribution facilities on brownfields sites should occur. The use of distance as a measure would be too limiting. Travel time is a better measure to determine the area. Also, whether it should be fifteen minutes or something a little more should be left open to avoid getting trapped. Certainly, fifteen minutes driving time becomes a benchmark.

The issue of how the highway network presently functions and the proposed future improvement of that network to accommodate goods movement is easily derived from the preceding discussion of "how large an area do we consider?"

Portway is proposed as a truck priority road linking the Port/Airport Complex with the area rail/truck intermodal sites and providing improved truck access to an area that could accommodate new distribution space. There are sites along Portway that are candidate brownfields sites. The road is being designed to handle the heavier marine containers that are considered overweight and not allowed on other New Jersey highways and roads except with use of a special permit. Portway provides a potential key to creating a distribution corridor north and south of the Port/Airport Complex and also connecting to the proposed marine terminal expansion in Jersey City and Bayonne.

Definition of "Value Added" Activity - The definition of "value added" might be expanded to include any processing of a product prior to sale/shipment to the customer. This would then take in packaging and allied activities necessary for the item to move to its final destination, e.g. ironing fine clothing and placing it in plastic bags. Also, there are allied activities possible, such as repairing items that are returned because they have some problem. For a while, companies importing electronics through the Port of NY and NJ did some assembling of components and light repairs in communities within twenty miles of the Port. The fundamental issue is encouraging additional job producing activity so that containers are not just being loaded/unloaded at the Port and moved through Northern NJ.

Role of Air Cargo - Air cargo typically is high priority and comes essentially "ready for sale" or it is parts for some high value equipment, etc. However, there are forms of air cargo, e.g. the handling of check clearing by the Federal Reserve in East Rutherford, NJ or the testing of medical specimens at laboratories both in close proximity to Teterboro Airport. They rely on specially scheduled aircraft movements to bring in the materials for processing from all over the country, mostly in the late PM. Both types of activities employ hundreds of highly skilled people. The future growth prospects for this type of air cargo processing may be less predictable because it is less tied to a trend and more episodic. It is tied to breakthroughs both in logistics and fundamental ways of doing business. It might be useful to acknowledge these activities in this report as a complement to "value added" activities.

The Importance of Developing a Strategy and Action Plan - This report documents what Northern NJ could gain in attracting new types of distribution facilities and itemizes some of the broad types of actions needed to achieve the optimum benefit. Absent a realignment of government policies, investments and regulations, it is likely that distribution activity will spiral out farther from the Port/Airport Complex in Newark/Elizabeth/Jersey City and environs. This is not just as simple as this activity centering at locations like in Jamesburg at Interchange 8A. It is already apparent thisactivity will locate even further south, west and north, places like New Castle, Delaware, Allentown, Pennsylvania and Newburgh, New York. A scenario where the outward spiraling continues clearly benefits Northern NJ the least. Fewer jobs, more burden on the

transportation network, more transportation investment and a clear lessening of the potential benefits of accommodating an international gateway.

Northern NJ has strengths. It has the NJ Turnpike that has its outer lanes available especially to handle trucks. It has several key interstates that intersect with each of those points of intersection surrounded by extensive distribution activity. In many ways I-287 marks the outer boundary of the inner ring of that activity. There is a substantial existing freight railroad network; and of course, the Port/Airport Complex. The components of this system need improvement and increased capacity that will require a series of major investments by government and the private sector. The size and duration of such an investment program mandates that more benefits be derived than " just moving freight".

Linked Policies - The European Union and the individual member countries have given considerable attention to their gateways, connecting transportation system and logistics capability. They have developed a series of comprehensive plans that encompass everything down to specific load points and intermodal transfer locations. The transportation investment plans link to the economic development plans that in turn link with the environmental improvement plans. This example is one for Northern NJ to consider following. This is very similar to the intent of the State Plan. The proposal would be to develop a strategic vision for goods movement with brownfields development, redevelopment, transportation investment, labor force availability and accessibility and economic development as its focus. The plan would also include attention to improving the environment through use of improved intermodal logistics, use of less polluting technologies and effectively locating terminals and distribution facilities to increase overall efficiency.

Good planning requires that attention be paid to labor force availability and its ability to access jobs. The future we are looking upon is one where the supply of labor will not be growing because the overall working age population will not grow. Businesses that locate far from major supplies of labor will find it difficult to attract people. Government has a role to encourage through regulation, zoning and investment an effective pattern of residential and business development. Allowing the current outward spiral of distribution activity to occur will place one of several added burdens on government and the citizens it serves. For example, providing transportation access for that portion of the labor force that is still seeking a job but is economically or otherwise not able to own and drive a car is both very difficult to accomplish and expensive to do on a per trip or per person basis. Providing more residences in proximity to these distribution facilities too often eats away at remaining open space. Such expansion of residential development may also require other infrastructure investments. The human dimension of this issue includes maximizing the job opportunities for a workforce that may not always be as mobile as the job market requires, as well trained as the job market expects and specifically trying to support the built-up developed areas of Northern NJ. It is also economically important for businesses to be able to attract workers from as large a labor pool as possible to insure they get the skilled workers they need. (See pages 5-3, 5-5, 5-7 & 5-8 for mention of labor issues.)

Interesting examples of public/private partnerships used to create intermodal distribution centers can also be found in Europe. For example, Guterverkehrszentren (GVZ) are being developed at several locations in Germany. One such GVZ has been developed near the port of Bremerhaven. Government and the private sector form a partnership to acquire the land. Government funds and builds the basic transportation infrastructure. The private sector develops the specific sites for distribution centers, truck servicing facilities and other supportive activities. The private sector organizes and operates a management system offering logistics support. Different distribution businesses work together to serve areas where demand from any one distributor would not fill a truck. By combining their shipping needs distributors reduce sending half-empty trucks to these areas and empty backhaul movements. Government and the private sector share the profit generated by the GVZ. This example could be used to demonstrate what could be done. This could

be combined nicely with the following proposal.

Proposed Planned Unit Developments - The use of Planned Unit Developments (PUDs) for intermodal/distribution facilities is both practical and effective. Many municipalities in NJ use this zoning designation for residential, retail and commercial land uses. The utility of advancing PUDs would be enhanced if they can be tied to other government initiatives - - either projects like Portway that is a designated project, or new planning/funding projects like Transportation Development Districts. Assemblyman Alex DeCroce sponsored legislation that formed a special commission, the Regional Intergovernmental Transportation Coordinating Study Commission (RITCSC). The RITCSC has just released their interim report that could lead to actions that would closely complement the establishment of PUDs.

The PUD designation could offer an opportunity to provide added regulatory and decision making certainty for the private sector investors. For example, the establishment of time limits that encourage quicker reviews and granting of permits, or developing a clearer definition of the required information that must be submitted are possible. Given the difficulties often encountered with developing brownfields, such improvements to the regulations and decision making could act as an offset or even an incentive to entice private sector interest in the candidate projects.

Candidate Opportunities - Here are a few such candidates:

- The Hackensack Meadowlands Development Commission is now considering redeveloping the portions of Carlstadt and Moonachie (located about 12 miles north of Newark and immediately adjacent to Teterboro Airport) that are zoned for light industrial and distribution. This area contains millions of square feet of older warehouse and light industrial space that does not meet today's market requirements. A number of miscellaneous chemical processing plants are also located in this area that have left behind a polluted and scared land. This area is being considered as a form of redevelopment zone or PUD.

- Similar in intent but not called a PUD, are plans evolving in Elizabeth for the property located west of the New Jersey Turnpike, south of Newark International Airport, east of Route 1& 9 and north of the old CNJ rail line through Elizabeth.

- Newark has focused on redevelopment along Doremus Ave. Private developer interests have focused periodically on east of the Ironbound section of the city that is wedged between Routes 1&9 and the New Jersey Turnpike.

There are yet other opportunities in communities in Bergen, Essex, Hudson, Middlesex, Morris, Passaic and Union counties. With careful consideration of a driving time limit to circumscribe the boundary of the area of focus, the candidate list will be large enough to insure projects will be identified.

The Future Strategy and Action Plan: The Potentials for NJTPA - The myriad of actions required to coordinate policy, regulation and investment where it has not existed is like creating a "string of beads" as John Ricklefs, Moffat & Nichol, has stated in our conversations with him. There is no other governmental body as well situated as the NJTPA to perform this advocacy/coordinating function. NJTPA has the responsibility for coordinating the transportation planning and investments in Northern NJ. The siting and development of distribution facilities is directly related to both these responsibilities. The membership of the NJTPA board includes many of the critical government stakeholders and its ability to establish committees provides an easy means of involving other stakeholders, e.g. railroads, trucking companies, marine shipping firms, third party logistics businesses, etc.

The advocacy portion of the responsibility includes education of key people, legislators and citizens, concerning the need to focus efforts on locating distribution and other goods movement facilities in locations that support the Port/Airport Complex. The coordinating responsibility has two tasks. One is to assemble the critical stakeholders, i.e. transportation agencies, private businesses, state, county and municipal officials and organizations focused on goods movement, to gain their support on a coordinated action agenda. This should not be too difficult given the attention some legislators, e.g. Majority Assembly Leader Paul DiGaetano, have devoted to issues of redevelopment. The other task is to refine the action agenda and establish a structure that will cause the level of coordination desired among all these stakeholders.

The outcome of this work by NJTPA and others could be up to six immediate term projects, each with the appropriate levels of specific coordination and support, and possibly planning work focusing on another six. Critical is that NJTPA place the spotlight on these efforts as they are initiated and progress so a constituency of support is created that offers encouragement and critical support.

It may also be necessary for NJTPA to play another role providing technical assistance or funding to hire necessary expertise to effectively advance the identified candidate projects. The need for NJTPA to assume this responsibility needs to be assessed on a project-by-project basis.

Focusing on the Issues - As highlighted in the report by Moffat & Nichol, there are major risks and many missed opportunities if where distribution facilities are located, redevelopment and brownfields development are not addressed. Some of the central points are to improve local connectivity between the major terminals and intermodal facilities. This comes down to three measures: reducing travel time to the minimum practical, increasing reliability that travel time will be achieved to the maximum, and keeping costs reasonable. If travel times are reduced and they are very reliable, some increased costs may be accepted in the marketplace. But the value of these actions in terms of benefits to the private sector must be greater than the increased costs or at a minimum resistance will result from the private businesses.

Mentioned in the report is the issue of handling overweight containers. Accommodating these containers that come on ships from overseas is a very effective incentive to gain private sector interest in the development of brownfields or other properties.

Earlier the issue of regulation, permitting and decision making were highlighted. These must be addressed or plans will not progress and private sector support will diminish or be lost.

Funding incentives must be one of the beads on the string. These incentives can take many forms. It would be especially useful to provide funding for the “soft cost planning” necessary to define a project and determine if it is a “real” project. This reference to “real” means that the private sector is activity interested in advancing the project and has some hope it will succeed. Government may determine it has broader reasons for advancing a project and alternately could assume a fuller burden for developing the project scope and parameters. (See pages 6-1 through 6-7 for more on the issues and needs that need attention.)

Partnering - In discussing the role of the NJTPA, their role as an advocate and coordinator is highlighted. Only slightly is their role of partner suggested, mostly in terms of planning and technical assistance. A more proactive role for NJTPA to consider is partner with the array of government agencies and the private sector. This would require only some adjustment in the level of NJTPA involvement and would still encompass many of the same specific roles. A major difference is NJTPA would be more upfront in causing projects to advance. This is justified since NJTPA will otherwise be making transportation investment decisions that may trace a substantial portion of their need back to these projects.

Setting Priorities – This activity requires that the roles of advocate, coordinator and partner be filled. The projects to be advanced will likely be complex with overlapping requirements and issues to be addressed. It is important a simple process and the right players be structured to make the decisions about priorities. The priorities to redevelop a brownfield property must be linked to transportation investments that are also clear priorities.