



Transportation & Ports Subcommittee

MEETING PACKET

**Tuesday, February 3, 2015
1:30 PM – 3:30 PM
Sumner Hall (404 HOB)**

**Steve Crisafulli
Speaker**

**Patrick Rooney, Jr.
Chair**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Transportation & Ports Subcommittee

Start Date and Time: Tuesday, February 03, 2015 01:30 pm
End Date and Time: Tuesday, February 03, 2015 03:30 pm
Location: Sumner Hall (404 HOB)
Duration: 2.00 hrs

Consideration of the following bill(s):

HB 257 Freight Logistics Zones by Ray

Presentations:

Space Florida - Spaceports

Florida Department of Transportation - 2015 Legislative Proposals

Pursuant to rule 7.12, the filing deadline for amendments to bills on the agenda by a member who is not a member of the committee or subcommittee considering the bill is 6:00 p.m., Monday, February 2, 2015.

By request of the Chair, all Subcommittee members are asked to have amendments to bills on the agenda submitted to staff by 6:00 p.m., Monday, February 2, 2015.

NOTICE FINALIZED on 01/27/2015 15:30 by Manning.Karen

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 257 Freight Logistics Zones
SPONSOR(S): Ray
TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Ports Subcommittee		Johnson <i>AS</i>	Vickers <i>EV</i>
2) Transportation & Economic Development Appropriations Subcommittee			
3) Economic Affairs Committee			

SUMMARY ANALYSIS

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 within a defined area, and allows a county, or two or more contiguous counties to designate a freight logistics zone, which must include a strategic plan. Projects within freight logistics zones, which are consistent with the Department of Transportation's (DOT) 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.

The bill allows for a prioritization in state funding for projects in freight logistics zones; however, it does not have a direct fiscal impact on state government.

The bill has an indeterminate fiscal impact on local governments since incentives will vary from project to project.

The bill has an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Freight

The U.S. economy's success depends on a complex, interconnected transportation network comprised of highways, railways, seaports, and airports. 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).¹ MAP 21 creates a streamlined, performance-based, and multimodal program to address the many challenges facing all modes of U.S. transportation. In terms of freight, MAP-21 policies and provisions outline the requirements for developing a 27,000 mile National Freight Network that is critical to the nation's long-term economic growth. Additionally, MAP-21 provides a number of new funding opportunities, including up to 95 percent match for certain freight-related projects.

In recent years, Florida has taken a number of steps to address freight mobility needs and diversify the state's economy. The Department of Transportation (DOT) is pursuing a goal to develop a coordinated multi-modal transportation system for freight movement in Florida. In furthering that goal, DOT established the Office of Freight Mobility and Passenger Operations.

In 2012, the Legislature enacted CS/CS/CS/HB-599,² which created the Florida Freight Mobility and Trade Plan (FMTP).³ The FMTP will play an important role in transforming the state's economy to become a global hub of trade, logistics, and export oriented manufacturing activities. The four main objectives of the FMTP include:

- 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.⁴

The FMTP is being developed in two phases. The Policy Element was adopted on June 19, 2013, and lays out the policy framework through the development of objectives, strategies, and action items.⁵ The Investment Element builds on the Policy Element and is specifically intended to:

- Identify freight needs;
- Identify criteria for state investments in freight;

¹ P.L. 112-141

² Ch. 2012-174, L.O.F.

³ Information on the development of the FMTP is available at <http://www.freightmovesflorida.com/freight-mobility-and-trade-plan/freight-mobility-and-trade-plan-overview> (January 14, 2015).

⁴ S. 334.044(4)(a), F.S.

⁵ A copy of the Policy Element of the FMTP is available at <http://www.freightmovesflorida.com/freight-mobility-and-trade-plan/policy-element> (Last visited January 14, 2015).

- Prioritize freight investments across modes; and
- Meet requirements of federal MAP-21.

The investment element has been adopted by DOT, and it is waiting on confirmation from the Federal Highway Administration (FHWA) that it meets federal MAP-21 requirements.⁶

Another key element of Florida's freight mobility strategy is the establishment of intermodal logistics centers (ILCs). Section 311.101(2), F.S., defines an ILC as 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 related to the 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, F.S.⁷

Section 311.101, F.S., also establishes the ILC Infrastructure Support Program which provides a minimum of \$5 million in funds annually to support projects that create or improve the movement of freight goods along all modes of transportation. This program is open to state, local, or private entities that have obtained local support and funding for their project. The eligibility of a project is determined by DOT and the Department of Economic Opportunity (DEO). Eligible projects must show a benefit to the community as well as demonstrate the improvement of freight movement within the affected region.

Finally in 2012, ILCs were added to the list of transportation facilities eligible to receive funding for transportation capacity improvements under the Strategic Intermodal System (SIS).⁸ Designation as part of the SIS requires review and approval by DOT. DOT has developed designation criteria for SIS eligibility for ILCs.

Currently, freight logistics zones are not defined or designated.

Incentive Programs: Parts I, III, and V of ch. 288, F.S.

Current law provides a number of economic development incentives in various forms, including tax credits, tax refunds, tax exemptions, infrastructure funding, and cash grants.⁹

With respect to part I of ch. 288, F.S., the Quick Response Training Program is intended to meet the short-term, immediate, workforce-skill needs of certain "business and industries that support the state's economic development goals, particularly high value-added businesses or businesses that locate in and provide jobs the state's distressed urban areas."¹⁰

The Rural Infrastructure Fund facilitates "the planning, preparing, and financing of infrastructure projects in rural communities that will encourage job creation, capital investment, and the strengthening and diversification of rural economies by promoting tourism, trade, and economic development."¹¹

Section 288.106, F.S., establishes a tax refund program for qualified, eligible target industry businesses for projects that create a new business or expand an existing business.

Part III of ch. 288, F.S., authorizes any corporation or government agency to apply to federal authorities for a grant of privilege of establishing, operating, and maintaining foreign trade zones and subzones in or adjacent to ports of entry of the United States pursuant to the Foreign Trade Zone Act of 1934. A

⁶ A copy of the FMTP Investment Element is available at: <http://www.freightmovesflorida.com/freight-mobility-and-trade-plan/freight-mobility-investment> (Last visited January 14, 2015).

⁷ Section 311.09(1), F.S. lists the following seaports: Jacksonville, Port Canaveral, Port Citrus, Fort Pierce, Palm Beach, Port Everglades, Miami, Port Manatee, St. Petersburg, Tampa, Port St. Joe, Panama City, Pensacola, Key West, and Fernandina.

⁸ The SIS is created pursuant to ss. 339.61 through 339.65, F.S.

⁹ See ch. 288, F.S., relating to Commercial Development and Capital Improvements.

¹⁰ S. 288.047, F.S.

¹¹ S. 288.0655, F.S.

grant includes authority to select and describe the location of zones or subzones and to make rules as may be necessary to comply with the rules and regulations made in accordance with the Act.

Part V of ch. 288, F.S., creates the Florida Export Finance Corporation as a not-for-profit corporation. The corporation's intended purpose is to assist small and medium-sized Florida businesses in the expansion of international trade and to expand job opportunities for Florida's workforce.

Each of the various programs under parts I, III, and V of ch. 288, F.S., has its own set of eligibility criteria and related requirements.

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 ILC. 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 designation 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 existing or planned 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.
- 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,¹² may be eligible for priority in state funding and incentive programs relating to freight logistics zones under applicable programs in parts I, III, and V of ch. 288, F.S.

The bill provides criteria for evaluating projects within a designated freight logistics zone to determine funding or incentive program eligibility, consideration must be given to:

- The presence of an existing or planned intermodal logistics center within the freight logistics zone.
- Whether the project serves a strategic state interest.
- Whether the project facilitates 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 existing or planned 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.

¹² DOT's Freight Mobility and Trade Plan is developed pursuant to s. 334.044(33), F.S.

- Demonstrated local financial support and commitment to the project, including in-kind contributions.

The bill has an effective date of July 1, 2015.

B. SECTION DIRECTORY:

Section 1 Creates s. 311.103, F.S., relating to the 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:

Indeterminate. The bill gives projects in freight logistics zones priority in state funding for various incentive programs. However, the number of eligible projects and the amount of state funding these projects will receive is unknown.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

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

2. Expenditures:

Indeterminate. Financial or other local government incentives are to be identified in the strategic plan for a designated freight logistics zone and will vary from project to project.

Counties that choose to designate freight logistics zones will incur expenses, in unknown amounts, associated with creating strategic plans and designating freight logistics zones.

Local government financial support and commitment, in unknown amounts, are to be identified in the required strategic plans.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

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

D. FISCAL COMMENTS:

There is no direct impact to DOT. Projects within freight logistic zones may be given priority consideration for funding during the development of the Five-Year Tentative Work Program.¹³

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

¹³ DOT's work program is developed pursuant to s. 339.135, F.S.
STORAGE NAME: h0257.TPS.DOCX
DATE: 1/29/2015

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

1 A bill to be entitled
 2 An act relating to freight logistics zones; creating
 3 s. 311.103, F.S.; defining the term "freight logistics
 4 zone"; authorizing a county or two or more contiguous
 5 counties to designate a geographic area or areas
 6 within its jurisdiction as a freight logistics zone;
 7 requiring the adoption of a strategic plan which must
 8 include certain information; providing that certain
 9 projects within freight logistics zones may be
 10 eligible for priority in state funding and certain
 11 incentive programs; providing evaluation criteria for
 12 freight logistics zones; providing an effective date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

15
 16 Section 1. Section 311.103, Florida Statutes, is created
 17 to read:

18 311.103 Designation of state freight logistics zones.-

19 (1) As used in this section, the term "freight logistics
 20 zone" means a grouping of activities and infrastructure
 21 associated with freight transportation and related services
 22 within a defined area around an intermodal logistics center as
 23 defined in s. 311.101(2).

24 (2) A county, or two or more contiguous counties, may
 25 designate a geographic area or areas within its jurisdiction as
 26 a freight logistics zone. The designation must be accompanied by

27 a strategic plan adopted by the county or counties. At a
 28 minimum, the strategic plan must include, but is not limited to:

29 (a) A map depicting the geographic area or areas to be
 30 included within the designation.

31 (b) Identification of the existing or planned freight
 32 facilities or logistics clusters located within the designated
 33 zone.

34 (c) Identification of existing transportation
 35 infrastructure, such as roads, rail, airports, and seaports,
 36 within or in close proximity to the proposed freight logistics
 37 zone.

38 (d) Identification of existing workforce availability
 39 within or in close proximity to the proposed zone.

40 (e) Identification of any existing or planned local,
 41 state, or federal workforce training capabilities available for
 42 a business seeking to locate or expand within the proposed zone.

43 (f) Identification of any local, state, or federal plans,
 44 including transportation, seaport, or airport plans, concerning
 45 the movement of freight within or in close proximity to the
 46 proposed zone.

47 (g) Identification of financial or other local government
 48 incentives to encourage new development, expansion of existing
 49 development, or redevelopment within the proposed zone.

50 (h) Documentation that the plan is consistent with
 51 applicable local government comprehensive plans and adopted
 52 long-range transportation plans of a metropolitan planning

53 organization, where applicable.

54 (3) Projects within freight logistics zones designated
 55 pursuant to this section, which are consistent with the Freight
 56 Mobility and Trade Plan developed in accordance with s.
 57 334.044(33), may be eligible for priority in state funding and
 58 incentive programs relating to freight logistics zones,
 59 including applicable programs identified in parts I, III, and V
 60 of chapter 288.

61 (4) When evaluating projects within a designated freight
 62 logistics zone for purposes of determining funding or incentive
 63 program eligibility under this section, consideration must be
 64 given to:

65 (a) The presence of an existing or planned intermodal
 66 logistics center within the freight logistics zone.

67 (b) Whether the project serves a strategic state interest.

68 (c) Whether the project facilitates the cost-effective and
 69 efficient movement of goods.

70 (d) The extent to which the project contributes to
 71 economic activity, including job creation, increased wages, and
 72 revenues.

73 (e) The extent to which the project efficiently interacts
 74 with and supports the existing or planned transportation
 75 network.

76 (f) The amount of investment or commitments made by the
 77 owner or developer of the existing or proposed facility.

78 (g) The extent to which the county or counties have

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79 | commitments with private sector businesses planning to locate
80 | operations within the freight logistics zone.

81 | (h) Demonstrated local financial support and commitment to
82 | the project, including in-kind contributions.

83 | Section 2. This act shall take effect July 1, 2015.

Space Transportation In Florida

Jim Kuzma
Chief Operating Officer
Space Florida

3 February 2015

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Space Florida

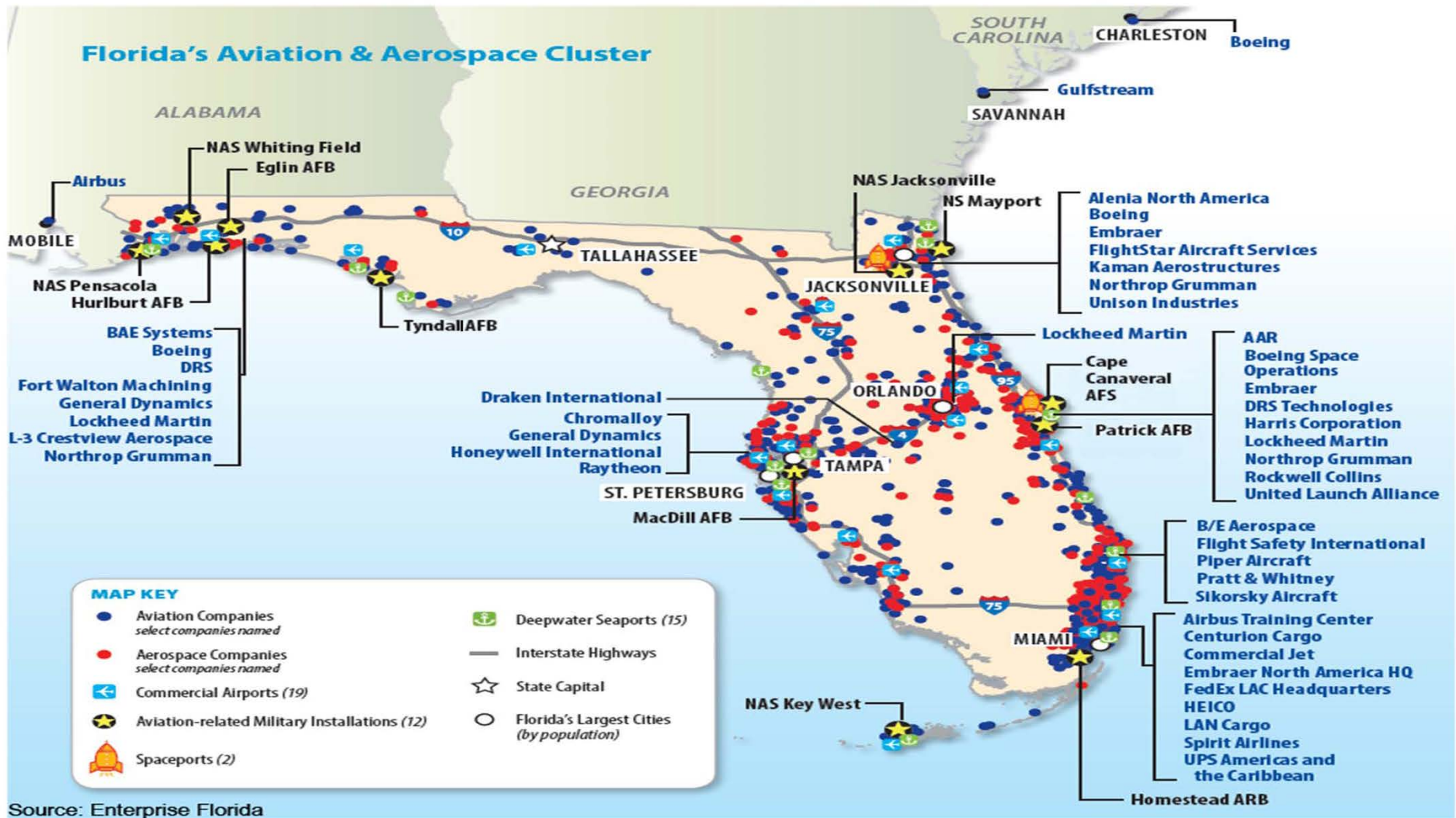
Focus on Aerospace / Space Industry Growth In Florida



- *Authority for Florida's Spaceport System Infrastructure, Development and Operation*
- *Economic Development assist to Aviation and Aerospace Growth / International Trade*



Florida's Aerospace Industry Clusters

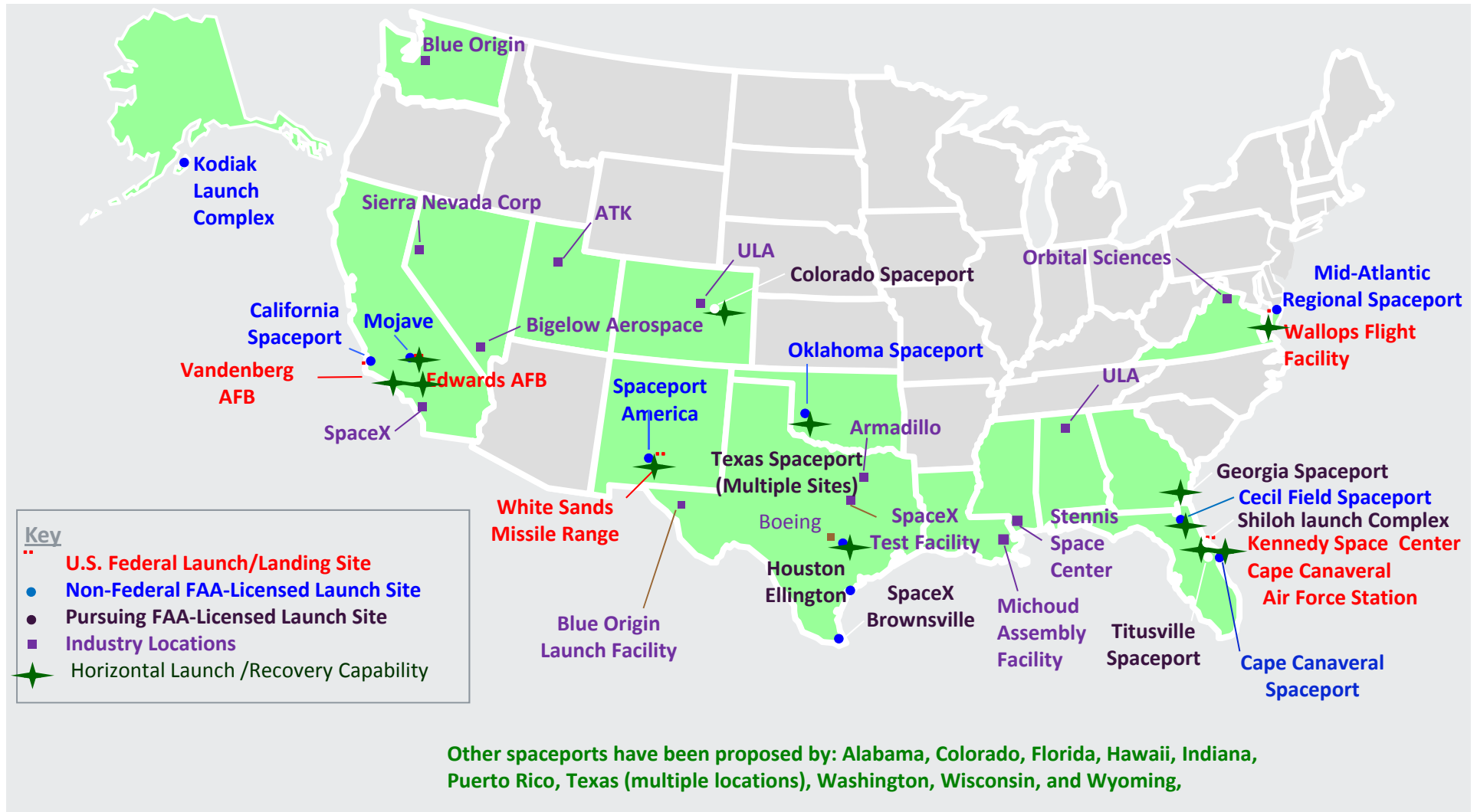


The Space Industry is Transitioning

- *Global Space Industry Revenues from Commercial Sources far exceed Government*
- *Even without Sequestration, Federal Budgets for Space will be severely constrained*
- *Government reliance on the private sector will increase*

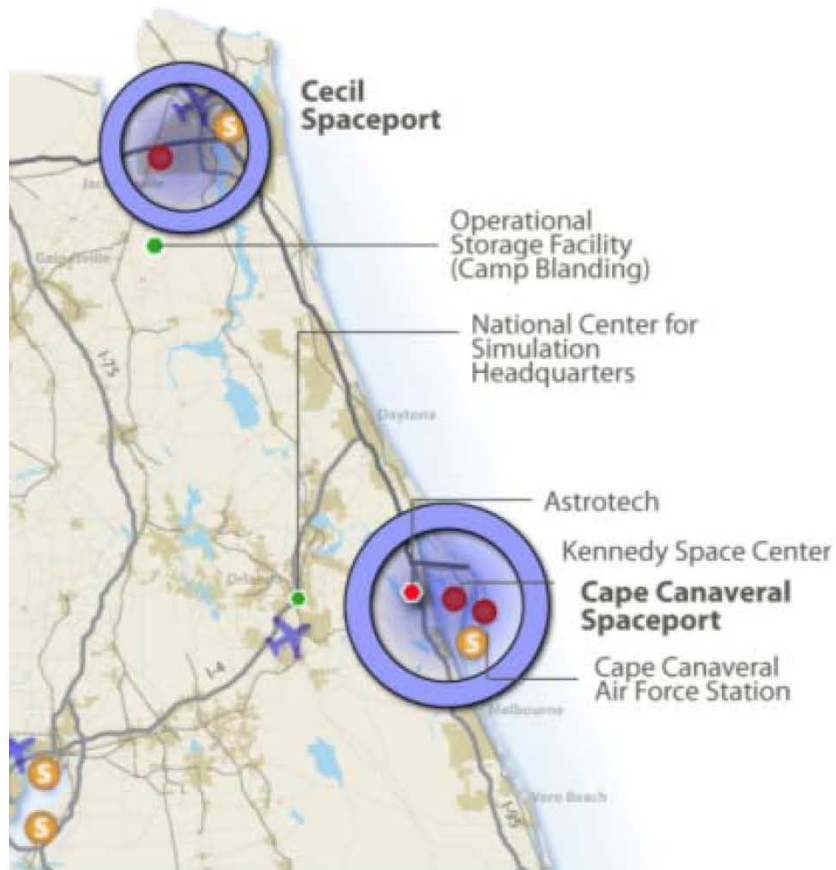


Space Industry Competition



Commercial operators have multiple options outside of Florida.

FAA Licensed Spaceports in Florida



www.spaceflorida.gov

Florida Spaceport System Plan Goals



- Create a stronger economy where Florida's spaceports and aerospace businesses can thrive
- Guide public and private investment into emerging and growing aerospace enterprises and maximize the use of existing aerospace resources
- Enrich our quality of life while providing responsible environmental stewardship
- Advance a safer and secure spaceport transportation system for residents, businesses, and others

Florida Spaceport Master Plans



Spaceport Master Plan Objectives/Goals



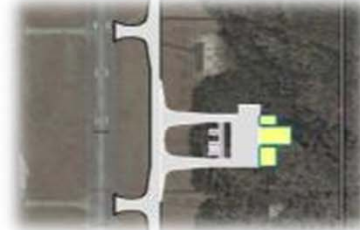
Advance Commercial Heavy Lift



Support Commercial Crew and Cargo



Expand Horizontal Launch and Landing



Expand Statewide Space Capacity



Attract New Emerging Space Systems



Multi-Modal Connections to the Cape Canaveral Spaceport



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Ongoing / Completed Projects

FDOT Grant Projects



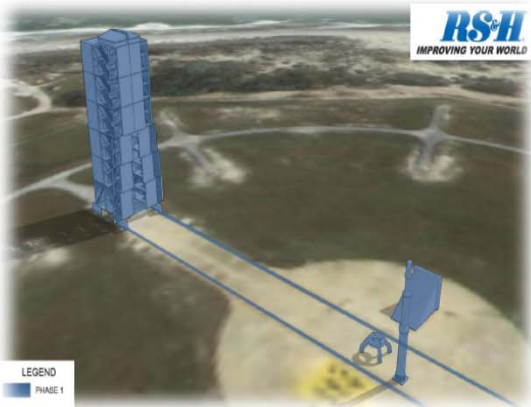
Orbiter Processing Facility 3



Orbiter Processing Facility 1



Commercial Heavy Lift



Launch Complex 46



Payload Integration Facility



Recent Industry Happenings in the US

- ***Cape Canaveral Spaceport***

2014 23 US Orbital Launches

18 Orbital Launches from Florida

- *Falcon 9 – 6*
- *Atlas V – 6*
- *Delta IV – 4*
- *Trident II D-5*

- **First Commercial Sub-Orbital Vehicle Flight tests**

- **First Flight of Orion Spacecraft**

- ***Next-Gen X-37 Ops begin***

ULA Atlas V



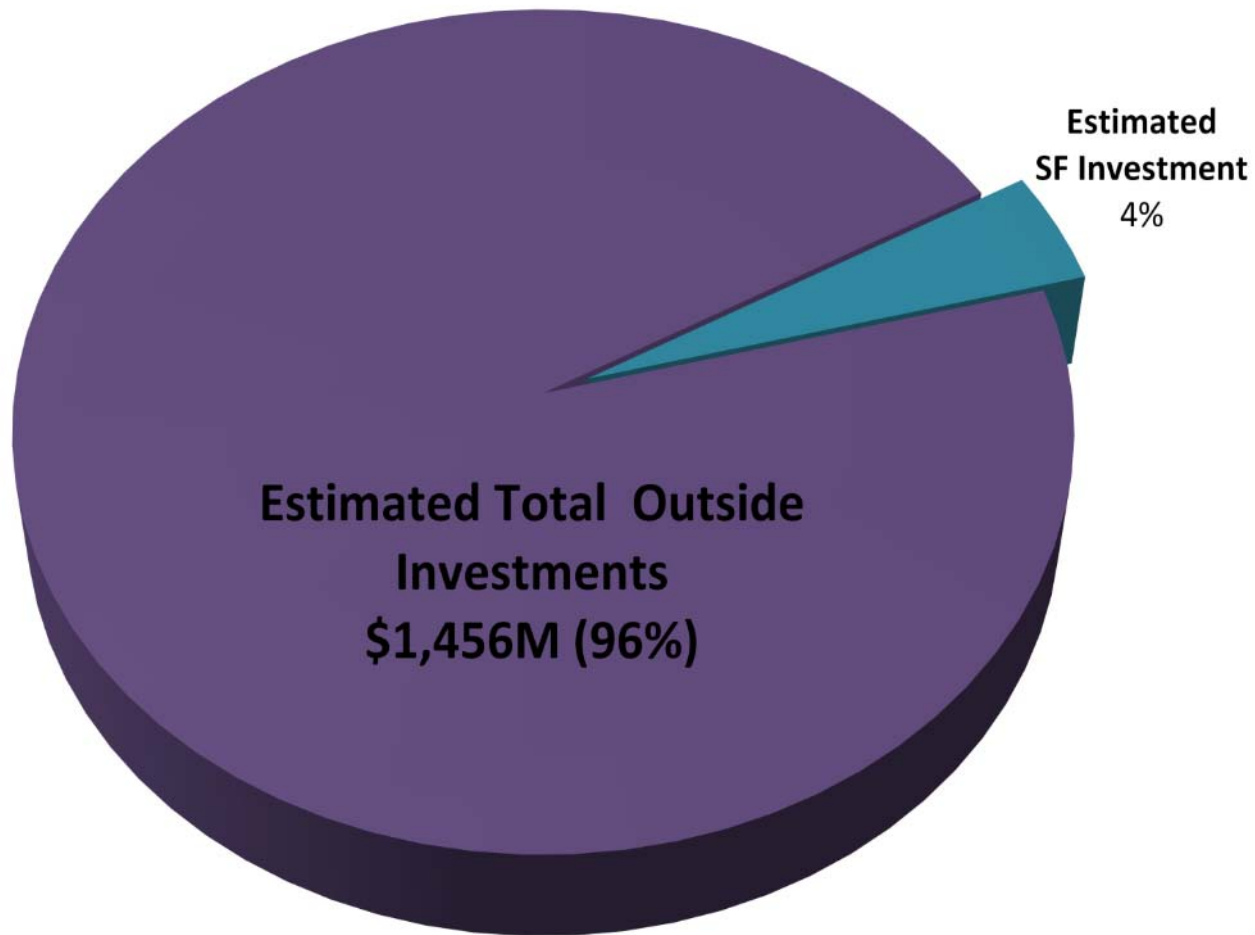
SpaceX Falcon 9



ULA Delta IV



Project Investments (over the next five years)

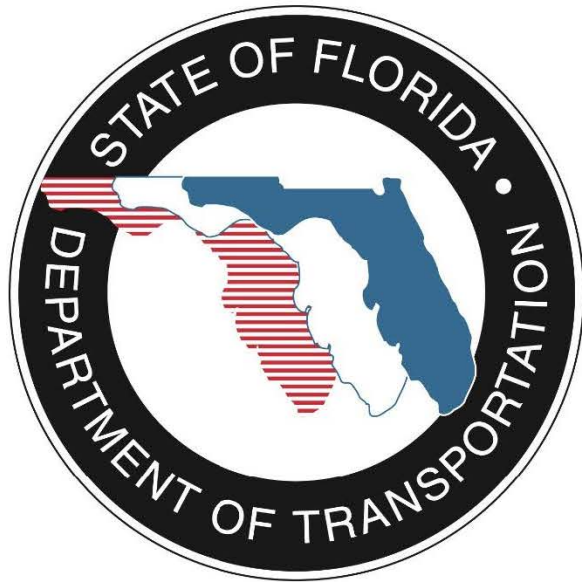


Key Strategy Elements

- *Space Transportation ... an Integral Part of the State's Transportation Planning System*
- *Integrate State and private sector capital formation into the plan for Future Spaceport infrastructure*
- *Partner, Secure & Upgrade Key NASA/AF Infrastructure*
- *Adopt Long-Range Consensus for Evolution of Future Cape Canaveral Spaceport Capabilities*



Team Approach with Our Partners



ENTERPRISE
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FLORIDA DEPARTMENT *of*
ECONOMIC OPPORTUNITY

Thank You

Jim Kuzma

Senior Vice President & COO

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2015 Legislative Proposals

	A	B	C	D	E
1	<u>Proposal No.</u>	<u>Issue</u>	<u>Current Situation</u>	<u>Proposed Change</u>	<u>Statutory Sites</u>
2	1	Agency Inspector General	Currently s.20.23 (4)(d), F.S. has language that states, "The secretary shall appoint an inspector general pursuant to s.20.055 who shall be directly responsible to the secretary and shall serve at the pleasure of the secretary.	Deletes s.20.23(4)(d) to conform with provisions passed in HB 1385 relating to Inspector Generals.	s.20.23, F.S.
3	2	Ft. Myers Urban Office	Florida Statutes through a staffing mandate requires the Department have a District Director located in the Fort Myers Urban Office to assist in Developing 5-year plan for Charlotte, Collier, DeSoto, Glades, Hendry, and Lee Counties	The proposed change would remove the staffing requirement from statute. The change does not in any way affect the existence of the Fort Myers Urban Office.	s.20.23(4)(d), F.S.
4	3	SEED Clarification	Section 201.15 (1)(c)1., F.S., provides for an annual transfer of funds from the State Transportation Trust Fund (STTF) to the SEED Trust Fund. The statute does not explicitly state which entity is to make the transfer.	Clarifies that the Department of Revenue is responsible for the transfer of documentary stamp tax revenue to the State Economic Enhancement and Development (SEED) Trust Fund.	s.201.15, F.S.
5	4	Turnpike: Optional Bond Validation	Currently, Turnpike bonds are required to be validated pursuant to s.215.82, F.S.	Makes bond validation for Turnpike bonds optional rather than mandatory, as is currently required.	s.215.82, F.S.
6	5	FSTED Funding Increase	Funding is currently at \$15 million.	Increases FDOT funding to \$25 million.	s.311.09(9), F.S.

2015 Legislative Proposals

	A	B	C	D	E
7	6	Motor Vehicles - State Uniform Traffic Control	The Department is researching ways to increase Pedestrian and Bicycle Safety.	Clarifies existing statutory language to assist in enforcement and general understanding of Chapter 316 in an effort to maintain the safety of pedestrians and bicyclists on state and local roads in Florida.	Chapter 316, F.S.
8	7	Airspace and Land Use at Public Airports	In 2012 the department created a stakeholder working group to address problems with implementing ch. 333, F.S., Airport Zoning. The group consisted of representatives from airports, local planning/zoning departments, the Florida Defense Alliance, the League of Cities, the Florida Airports Council, the real estate development community, and the department. The group met three times from June to September of 2012.	Streamlines and clarifies the existing state process to manage airspace and land use at or near airports in order to maintain public safety and protect the public's investment in the transportation facility.	Chapter 333, F.S.
9	8	511 Definition & Responsibilities	The Department is reviewing ways to enhance Florida's 511 system.	Modifies definition of 511 service to be less restrictive and allows 511 services to be disseminated via other methods including an interactive voice response phone system.	s.334.03(37) & s.334.60, F.S.
10	9	Dormant Accounts/ Tolls/ SunPass	Section 338.231(3)(c), Florida Statutes, provides that any prepaid toll account that has remained inactive for 3 years shall be presumed unclaimed and handled by the Department of Financial Services in accordance with the provisions of Chapter 717 relating to the disposition of unclaimed property, and that the prepaid toll account shall be closed by the department.	Amends provision in s.338.231(3)(c), F.S. by changing years of toll account year inactivity from 3 years to 10.	s.338.231(3)(c), F.S.

2015 Legislative Proposals

	A	B	C	D	E
11	10	Port of Entry (FTA)	The department is seeking ways to seek more business friendly carrier registration systems while at the same time assuring proper enforcement of safety rules.	This modification will allow the Department to identify dedicated Ports-of-Entry and designate routes to these locations for carriers to obtain these temporary permits to operate legally.	s. 316.545, F.S.
12	11	General Revenue ServiceCharge/ Obsolete Language Removal	There is no service charge imposed upon title fees, fuel sales tax, off-highway sales tax on diesel, and SCETS fuel tax, pursuant to Section 215.211, Florida Statutes.	Removes an obsolete reference to the General Revenue service charge from Sections 319.32(5), 206.606 (1), 212.0501(6), and 206.608, Florida Statutes. This change would have no impact to current Department policy and operations.	319.32(5), 206.606 (1), 212.0501(6), F.S.
13	12	Beeline and Navarre Reference Removal	This proposal reflects the departments efforts to address out of date statutory language.	This proposal would remove the Beeline-East Expressway and the Navarre Bridge from this list of facilities. This change would have no impact to current Department policy and operations.	338.165(4), F.S.