



**WESTMARC**  
**BOARD RETREAT**  
**August 20, 2010**

# WESTMARC Survey

- **PAST**

- Leadership West: 2005 & 2008 - Members
- 2009: Board Members

- **PROPOSED**

- 2010 – Members & Board Members

- **PURPOSE**

- Value
- Issues
- Priorities

# 'Inland port' a vision for jobs, growth in Arizona

by Sean Holstege - Jun. 13, 2010 12:00 AM

## The Arizona Republic

Two maps appear on a screen inside the offices of the Maricopa Association of Governments. To Executive Director Dennis Smith, they show the Valley's past and its future. He looks at the first one, which shows a tiny red dot for the location of each Valley foreclosure - a sea of red.

"This isn't working," Smith said. "What do we do to shift to a more diversified economy?"

The second map is global in scope, and MAG planners hope it answers Smith's question.

It shows a massive port in Baja California. Freight lines lead to a huge rail yard west of the Valley. From there, tracks and interstates fan out in all directions. The map is a blueprint for creating jobs and growing industries in the Valley.

It's an ambitious plan, and some call it unrealistic.

It requires Mexico to first build one of the world's biggest ports in Punta Colonet, about 130 miles south of Tijuana.

Freight lines would have to be built and improved to connect to a new "inland port": a rail, truck and warehouse complex envisioned west of the White Tank Mountains. A new Interstate 11 would be built, running from Phoenix to Las Vegas and possibly beyond.

Each component would require billions of dollars and government approvals. Some freight and transportation experts say there's no market for Mexico's seaport or an interstate north of Las Vegas.

Still, MAG planners believe that goods from the Pacific Rim can reach the eastern United States faster by rail from Punta Colonet via Arizona than by any other land or sea route. Planners' maps show cargo from China taking 26 days to reach New York through the Pana-

ma Canal, 20 days through West Coast ports, and 19 via Punta Colonet and Arizona.

The inland port would also be a hub to truck goods more quickly throughout the fast-growing Mountain West. If private developers and investors back the concept, an international freight-forwarding complex would bring new jobs to the Valley in light manufacturing and logistics. The region could piggy-back on the development, too, taking advantage of new highways or using train tracks for commuter rail.

In July, MAG launches a \$500,000, 18-month study to find out if the freight port would work. Other findings are expected sooner.

At the end of the month, AECOM, a planning think tank, will finish its "Global Cities" study. Based on a deep examination of demographic and economic data for urban Arizona, findings will pinpoint a strategy to attract industries and jobs to keep the region globally competitive in the upcoming decades.

In the summer, Gov. Jan Brewer's Canamex Task Force, which coordinates development of a Mexico-U.S.-Canadian trade route, will determine if the inland port will work. Early indications are positive, said task force Executive Director Marisa Walker.

This year, the Mexican government is expected to choose where Punta Colonet's freight track would enter the United States.

### *Punta Colonet and rail*

Today, a few thousand people live in Punta Colonet, where farmers grow strawberries and chiles and fisherman pluck lobster and crab from the ocean. The Mexican government wants the area to become a deepwater seaport busier than New York's, and larger in area than in Los Angeles'.

The endeavor would spawn a new city of

200,000 people to support the port's operation. To reach U.S. markets, Mexico would need to build hundreds of miles of new rail line through Baja's rugged mountains and deserts. The port envisioned would handle as much as 6 million containers a year by 2030. That's a little less than half of today's volumes in Los Angeles ports but more than current New York area volumes.

Mexico first imagined the new port in the 1990s but got serious about five years ago.

Three-year-old estimates put the port's construction cost at between \$4 billion and \$5 billion. In 2008, investors lined up, but they shied away when credit dried up. The Mexican government expects to try again with private bids this year.

At the earliest, the first phase of the on-again, off-again Punta Colonet project wouldn't open until 2016, transportation officials say. U.S. port consultants have already told Arizona that crossing the international border near Yuma would work best to tie into U.S. freight rail lines.

But there are questions about whether there's sufficient demand.

The Punta Colonet idea took root before the global recession tore deep bites out of trans-Pacific trade. At the time, the combined ports of Los Angeles/Long Beach were congested. Ships waited days to unload, while area freeways and tracks strained to keep up with global trade. A labor dispute with longshoremen disrupted ports all along the West Coast. MAG says there is a demand for Arizona's inland port because the Los Angeles ports need to triple in size to handle projected cargo volumes for China.

Punta Colonet was conceived as a reliable alternative to Los Angeles. Its success is

contingent on crowded California ports, shipping analysts say. But today, officials at the combined ports of Los Angeles/Long Beach say they have sufficient capacity for the foreseeable future.

The recession set back cargo volumes by eight to 10 years, allowing breathing room for millions of dollars in capacity investments.

"We haven't painted a scenario over the next two decades where we can't keep up with growth in trade," Port of Los Angeles spokesman Phillip Sanfield said.

The Hillwood Development Co., a Texas firm that developed a major inland port there, depends heavily on Los Angeles ports. The company's research indicated the ports will have capacity for the foreseeable future, said spokesman David Pelletier, adding "it is still the most efficient way to move goods in and out of the United States."

John Martin, president of Martin Associates, a global shipping consultant, concludes Punta Colonet makes no business sense.

"I've looked at this idea for many years. It's just not going to happen," Martin said. "I've not heard any interest from investors or terminal operators."

Instead, trade is shifting. Southeast Asia and India are eyeing Egypt's Suez Canal to get products to the eastern United States.

MAG planner Bob Hazlett says Punta Colonet is still needed because it will unload a new generation of ever-larger ships that older ports can't handle.

And even if the port is never built, Arizona's rail port could still work, he says, because it could better move produce and other goods from Sonora, and its routes are less affected by bad weather.

*The inland port*



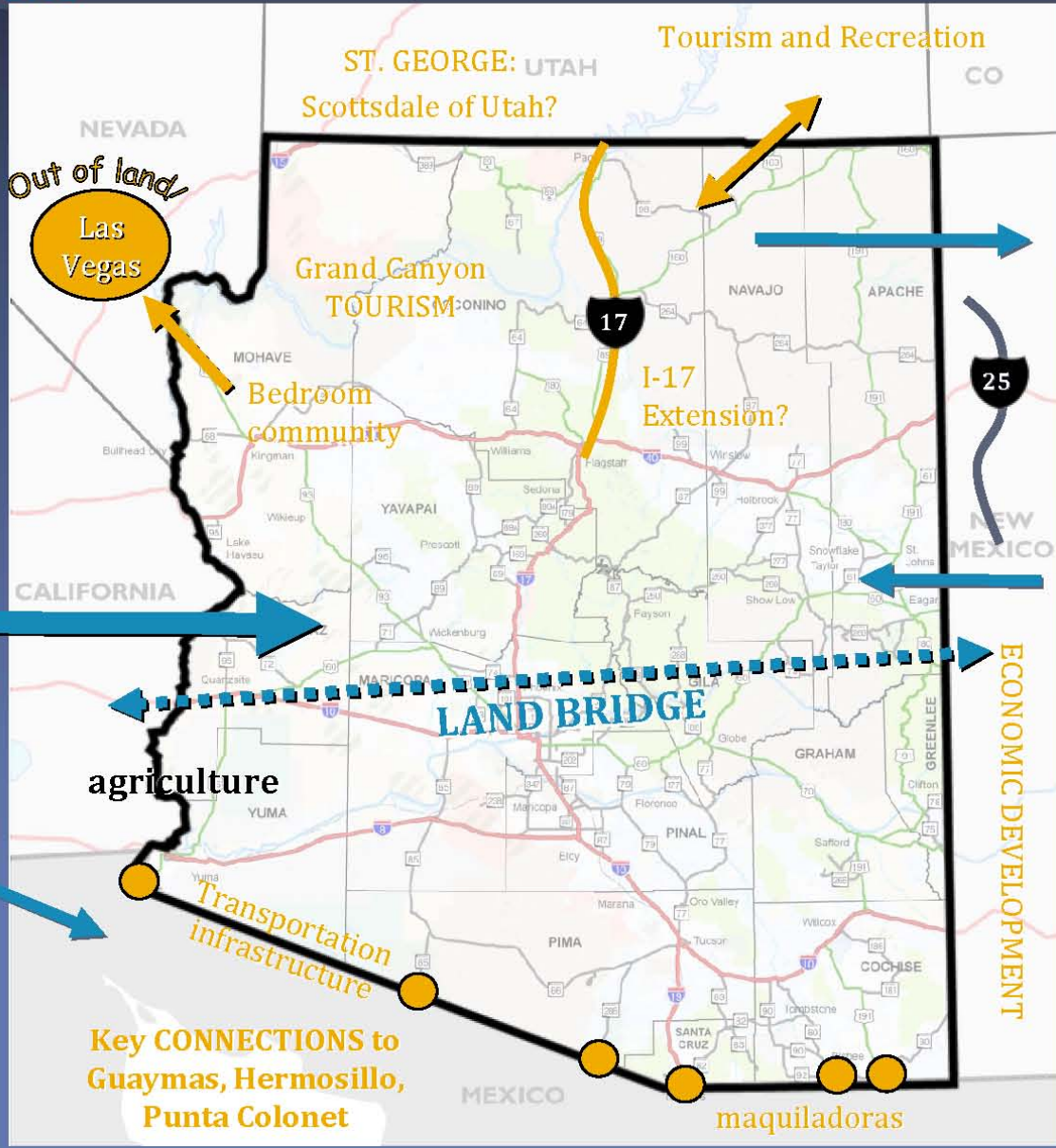
# Bordering States

COG/MPO DISCUSSIONS

California  
Population:  
**60 M** by 2050!

People  
Businesses  
Second homes  
Tourists  
Commercial  
Vehicles

Mexico's fastest  
growing states are in  
the north (Sonora,  
Chihuahua, and  
Nuevo Leon)



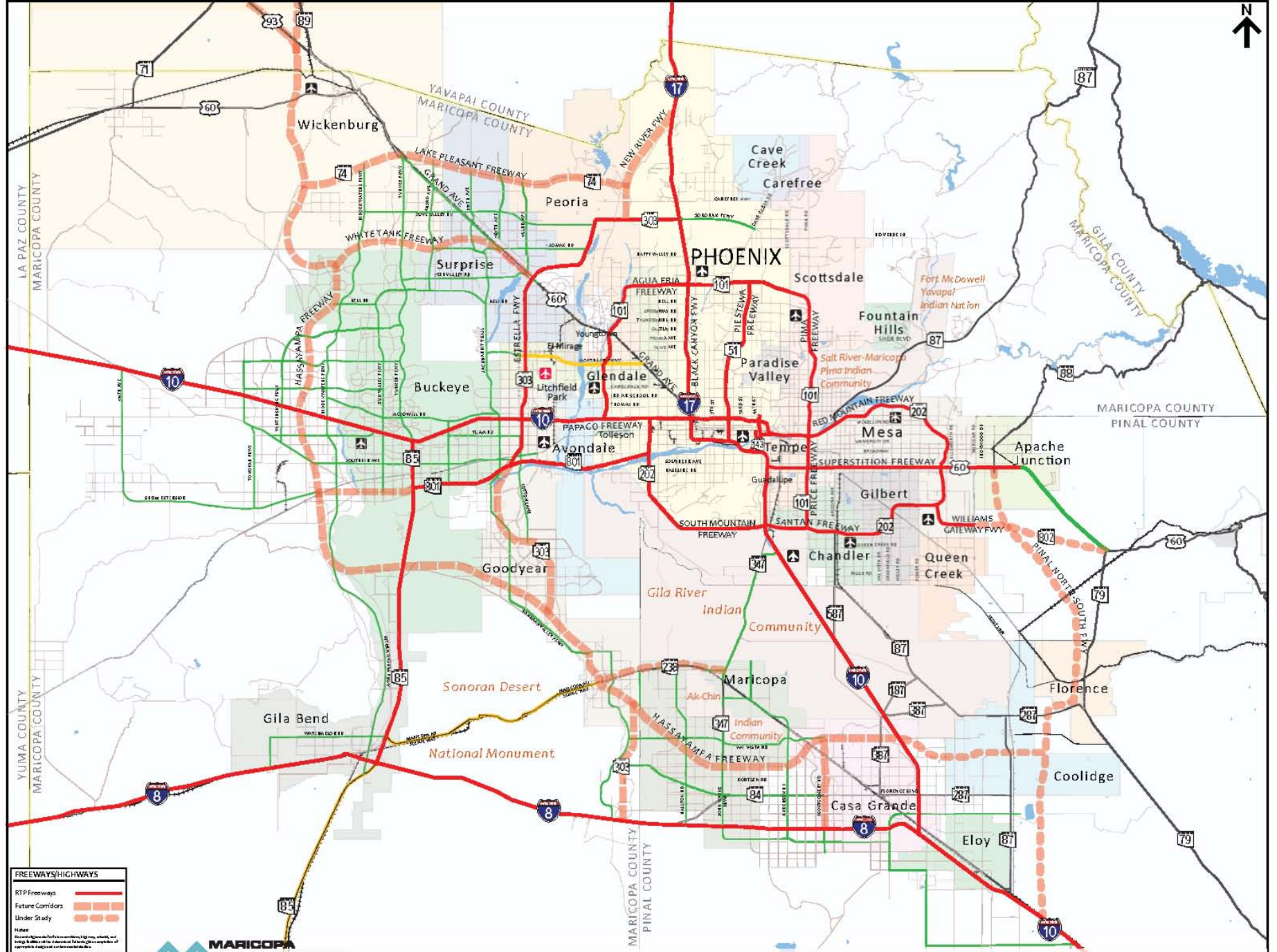
Navajo Nation relates  
more to New Mexico

High-tech  
industry along  
I-25

Eager/ Springerville  
provide shopping/  
services to Western  
New Mexico





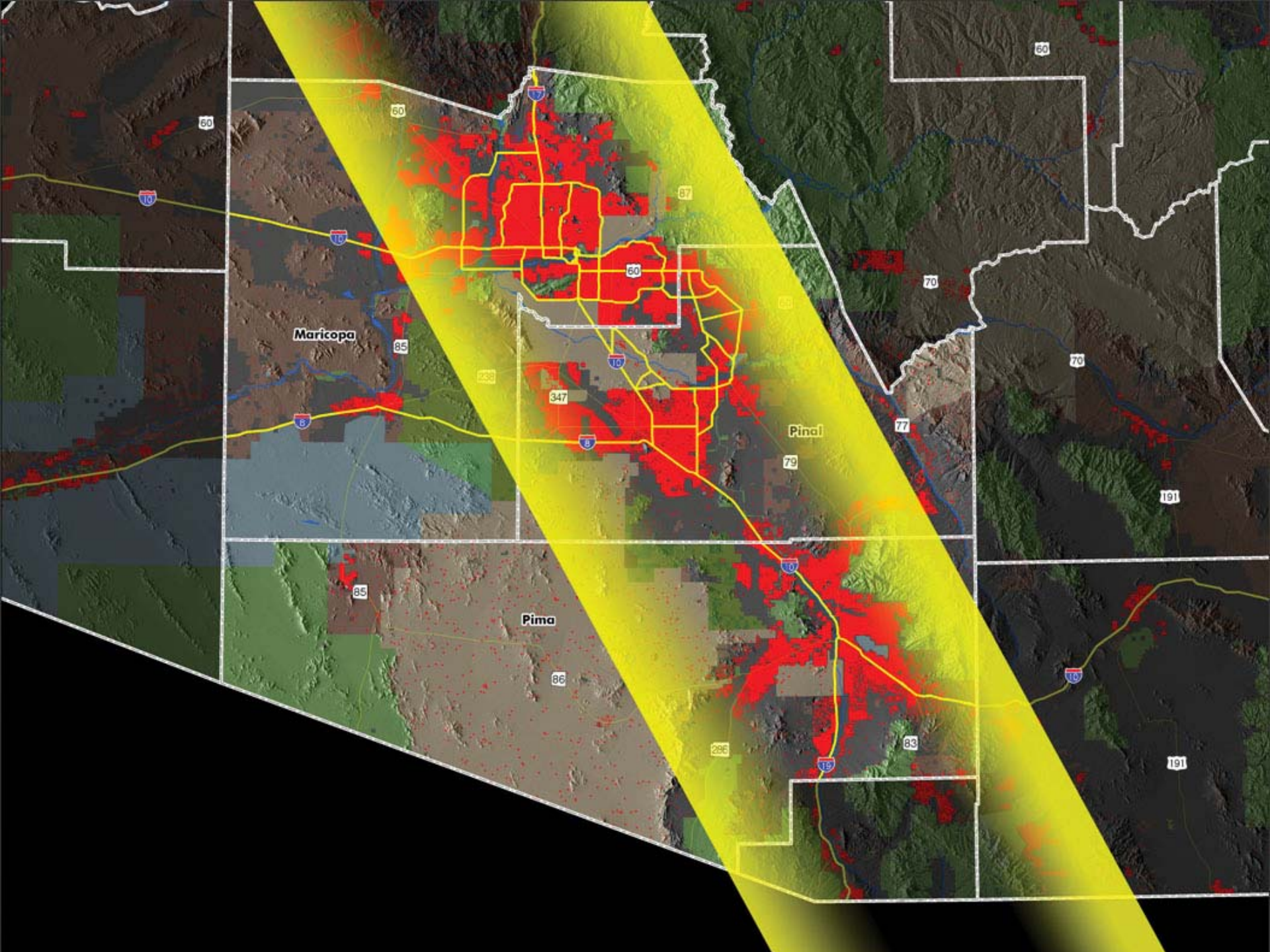


**FREWAYS/HIGHWAYS**

- RT P Freeways ———
- Future Corridors - - - - -
- Under Study - - - - -

**Notes:**

1. This map is intended for informational purposes only and is not a contract. It is subject to change without notice. The map is provided as a service to the public and is not intended to be used for legal or financial purposes. The map is not a guarantee of any kind and is not intended to be used for any purpose other than informational.



# **WESTMARC TRANSPORTATION**

## **COMMITTEE**

**TRANSPORTATION INITIATIVE:** WESTMARC will actively promote the timely development of a strong valley-wide transportation system that moves people efficiently and effectively throughout the valley, supports the smart growth of the West Valley, and makes a positive contribution to the quality of life for West Valley residents and businesses.

**ACTIVITIES IN 2009 THAT SUPPORT THE INITIATIVE:**

- WESTMARC will participate in the implementation of the TIME initiative after its approval in the General Election by advocating for prioritization of key West Valley projects at the State, Regional and Local levels. WESTMARC shall maintain involvement with all of the organizations involved in the decision making process and assist in coordinating a unified West Valley response to key priorities.
- WESTMARC will support and encourage the further development of Public-Private Partnerships (P3's) to provide alternative funding sources for regional transportation improvements. This may include encouraging legislation that allows for the creation of regional, county or local Community Facilities Districts or other quasi-governmental agencies with authority to issue bonds and facilitate transportation improvements.
- WESTMARC will research and advocate for additional alternative transportation funding sources such as Federal funds, state grants, private funding, user fees or any other opportunities to supplement current funding sources. This could also include the coordination and support for interest acceleration IGA's between West Valley cities in order to accelerate specific critical projects under current Prop 400 formulas.
- WESTMARC will review the opportunity to change state statutes that requires State Legislature approval of countywide transportation initiatives for Maricopa County. This will be accomplished by researching current statutes and their history, generating consensus within WESTMARC membership for any proposed changes if indicated, and advocating for statute changes at the legislative level.
- WESTMARC will continue to support the Statewide Transportation Framework Study process as well as other analyses such as the MAG Regional Transportation Plan, the ADOT Statewide Transportation Investment Strategy, and the CANAMEX corridor to provide the strong planning basis for the allocation of future funding sources.
- WESTMARC shall continue to advocate for the protection of HURF and insist that funding be allocated only for transportation purposes and not distributed to other uses within the State budget.

# **WESTMARC HEALTHCARE**

## **COMMITTEE**

**HEALTHCARE INITIATIVE:** WESTMARC promotes policies that ensure a healthy environment for West Valley residents and the availability of high-quality, accessible healthcare facilities.

**ACTIVITIES THAT SUPPORT THE INITIATIVE:**

- WESTMARC supports the construction and expansion of an adequate number of hospitals, clinics and medical facilities in appropriate locations to meet the healthcare needs of an increasing West Valley population.
- WESTMARC will examine ways to align with Valley hospitals, healthcare providers, and educational institutions to raise awareness of the employment/practice opportunities in healthcare in the West Valley and encourage hospitals to develop residency programs. WESTMARC will encourage more people in the community to work in hospitals and other healthcare settings.
- WESTMARC will promote enhanced health of West Valley residents through social services and mental/behavioral health services.
- WESTMARC will promote improved healthcare through information and activities that support nutrition, physical activity, preventative care, healthy lifestyle choices, mental/behavioral health and character development.
- WESTMARC will support the development of healthcare programs and services that are aligned with Biotech research, encourage research and business development activities in the West Valley by organizations such as TGEN, the Sun Health Research Institute and Midwestern University, and promote public education about the Biotech revolution.
- WESTMARC will promote/support international efforts related to recruitment and training of scientific and healthcare talent to the West Valley.
- WESTMARC will support organizations developing a responsible Valley-wide central command process for regional preparedness that allows the various emergency constituents to communicate and respond accordingly in the event of a CBRNE (chemical, biological, radiological, nuclear, explosive) threat or disaster.