



KC REGIONAL FREIGHT **OUTLOOK**

September 2009



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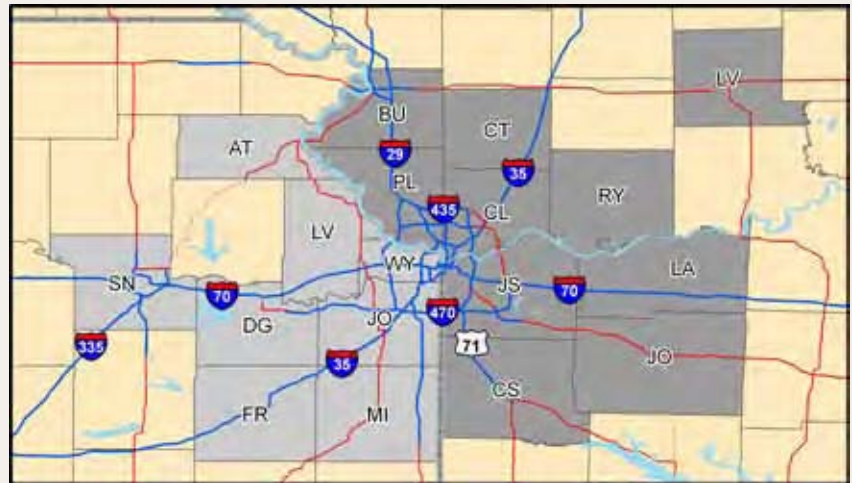
Growing Freight Transportation and Logistics in Kansas City

The Kansas City region is a distinguished center for transportation and logistics-driven business and the region has continued building on its excellence in this area over the last several decades. This reputation was built on the strong transportation infrastructure and business climate that exists in the 18-county study area. In an effort to sustain this momentum and further expand the region's presence in transportation and logistics, the Mid-America Regional Council (MARC) and Kansas City SmartPort initiated the Kansas City Regional Freight Outlook (RFO). The RFO was developed in collaboration with the Kansas and Missouri Departments of Transportations (KDOT and MoDOT).

The overall vision for the Kansas City Regional Freight Outlook is to positively impact and accommodate the growth of freight transportation and logistics in the 18-county study area.

Over the Last Decade

Kansas City began its formal freight planning efforts in 1995 with the completion of the Intermodal Freight Strategies Study. That study laid the foundation for the region's strategic planning effort by developing the first list of strategies to strengthen the Kansas City region as a freight center and to expand the depth of economic benefits stemming from freight.



Study Area

Further planning was conducted with the Mid-Continent Tradeway Study, completed in 1998 to determine the feasibility and the national benefits of establishing the Kansas City region as a place where international trade processing activities can be carried out. The study found that Greater Kansas City was already a substantial hub for domestic and international freight flows. In fact, between 1993 and 1996 exports from Kansas City to NAFTA countries grew by 119 percent. Kansas City's physical and technical capabilities formed the framework of a potentially successful International Trade Processing Center. Another important finding from the study was that Kansas City needed an entity with the sole focus of growing the transportation industry. As a result, Kansas City SmartPort was formed.

Process Overview

The Kansas City RFO is intended to guide and manage the anticipated growth of freight in the Kansas City region. The study identifies freight infrastructure needs and assesses Kansas City's regional transportation advantages, resulting in targeted messages for the region. Furthermore, the project outlines a freight strategic plan that helps the region remain a vital national freight transportation hub attracting freight growth. Study recommendations will help with long-range infrastructure planning and growth in new freight-based investments in our region.

Element 1: Freight Infrastructure Investment Plan.

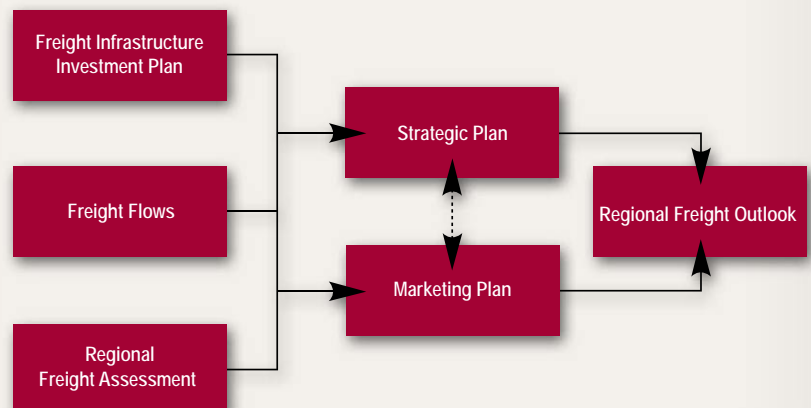
This infrastructure element discusses the investment needed to sustain and grow the network.

Element 2: Profile of Freight Flows.

This element is to identify and target economic growth areas for retention, recruitment, and expansion.

Element 3: Regional Freight Assessment.

This element assesses freight-related qualities and characteristics that make the region attractive to new or expanded businesses.



An Overview of the Regional Freight Infrastructure

Kansas City has a vast transportation network encompassing highways, railroads, airports and the Missouri River system. These modes provide a strong base for the supporting freight transportation infrastructure in the region.



The region's highway system encompasses three interstate highways (I-29, I-35, and I-70) traversing multiple states, numerous interstate beltways (including I-435 in Kansas City, I-335 in Topeka and I-229 in St. Joseph) within the metropolitan areas and 10 U.S. highways with several cross state (such as U.S. 71) and local routes providing direct access to industry.

The truck volumes in the region are heavily concentrated on the higher classification routes in the region – the interstate and U.S. Highways. Interstate 70 in Missouri is the most heavily traveled truck route in the region with some segments exceeding 12,000 trucks per day. More local routes directly serving industry provide needed access for the region and generally serve between 500 and 1000 trucks per day. The region's national freight corridors are estimated to carry approximately 70% of truck vehicle miles traveled (VMT) with historic trends indicating a high rate of growth which is likely to continue.



Kansas City's rail system consists of five Class I railroads and several regional or shortline carriers. The extensive rail network throughout the region serves local industry, major intermodal yards and provides connection to international markets. The BNSF Railway's Transcontinental Route runs diagonally through the region from the southwest to the northeast. The "Transcon" connects the Ports of Los Angeles and Long Beach to Chicago via Kansas City with 80 to 90 trains per day. The Union Pacific Railroad's major coal route runs east-west through the region from Topeka into Missouri where it parallels the Missouri River. This route carries upwards of 80 trains per day of loaded unit coal trains – a unit train is typically one mile long. Other significant routes in the region include the Kansas City Southern's north-south route that connects to Mexico at Laredo, Texas and the Norfolk Southern's east-west route that ends in Kansas City. The Canadian Pacific now serves Kansas City over the ICE route.

There are currently five intermodal yards in Kansas City. The BNSF, KCS and NS each have one facility and the UP has two facilities in the region. Along with intermodal activity there are numerous switching yards, classification yards, transload facilities and other rail operations that occur in the region. Due to constraints at existing facilities and opportunities with new traffic lanes, the Kansas City Southern recently moved their intermodal operations from the Knoche Yard on Front Street to Richards Gebaur. This move also allows for more opportunities for complimentary development at the CenterPoint Intermodal Center – Kansas City. The BNSF intermodal operations at the Argentine Yard are also constrained and new development opportunities are limited in this area. Therefore, the BNSF facility will move to Logistics Park KC in Southern Johnson County, Kansas in the near future.



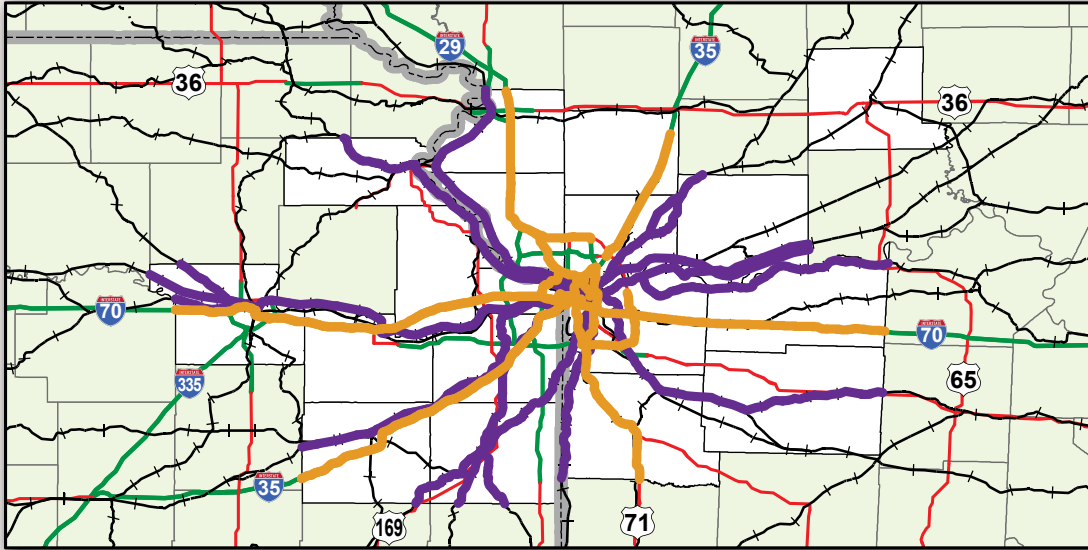
The Kansas City International Airport (KCI) is the air cargo terminal in the region. KCI's current plan intends to expand service capabilities and enhance the attractiveness of aviation facilities associated with manufacturing and industrial operations. An initial phase of the plan is part of a 800-acre master planned site, KCI Intermodal BusinessCentre, which could include upwards of 5 million square feet of big box distribution centers, air cargo and on-ramp, airport-related logistics buildings.

Other airports in the region whose runways are of sufficient length and are capable of supporting large aircraft suitable for air cargo operations include Kansas City Downtown airport, Rosecrans in St. Joseph, Missouri, as well as New Century AirCenter, Johnson County and Forbes Field in Topeka, Kansas. Currently these facilities do not handle air cargo. Several of these aviation facilities are supported by activities with Foreign Trade Zone designation.



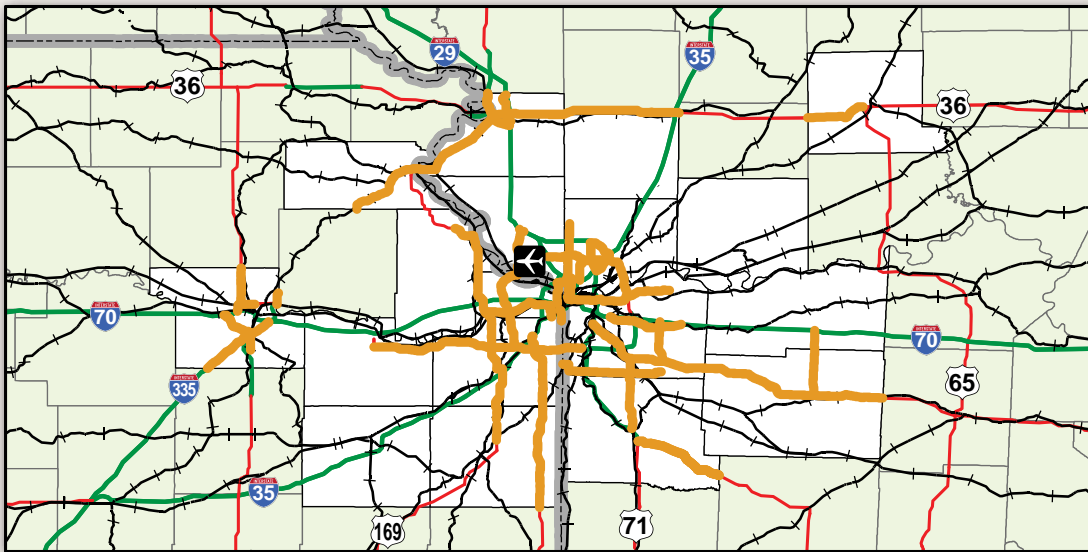
The Missouri River is the historic center of trade for the region as water was a faster and easier shipping route in the 1800s. Today, the region has two public port authorities with operations along the Missouri River. Currently, river flows are managed by the U.S. Corps of Engineers' Missouri River Master Manual which limits the navigation season to approximately six months each year. Despite the lack of commercial waterway traffic, the Kansas City and St. Joseph ports provide access to this mode and sufficient facilities to handle waterway cargoes.

Freight Corridors



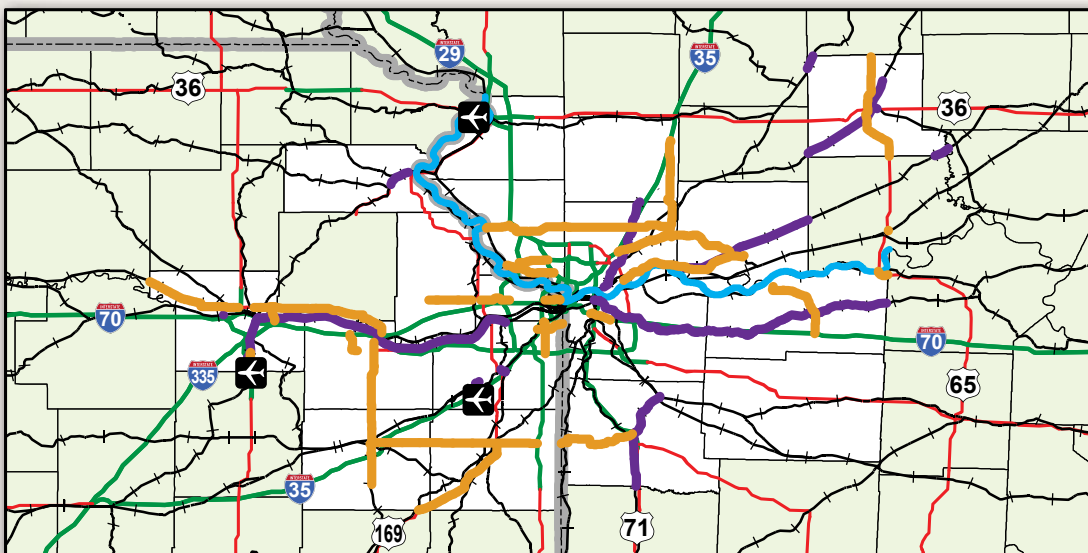
National Corridors

- Truck
- Rail
- Interstates
- Major Highways
- Railroads



Regional Corridors

- Airports
- Truck
- Interstates
- Major Highways
- Railroads



Local Corridors

- Airports
- River
- Truck
- Rail
- Interstates
- Major Highways
- Railroads

Freight Activity in the Region

The 18-county study area handled a total estimated 291 million short tons of freight in 2007 with an estimated total value of \$826 billion. An additional 650 million short tons of through rail volume was also handled on the region's rail network. Total regional rail and truck freight is projected to increase from 246 million short tons in 2007 to 349 million short tons in 2027, a 20-year compound annual growth rate of 1.8 percent. The fastest growing freight flows over the 20-year period will be cross-border trades with Mexico and Canada, however domestic freight flows will remain dominant when measured by tonnage. There is a risk to the near-term forecast due to national and global economic weakness.

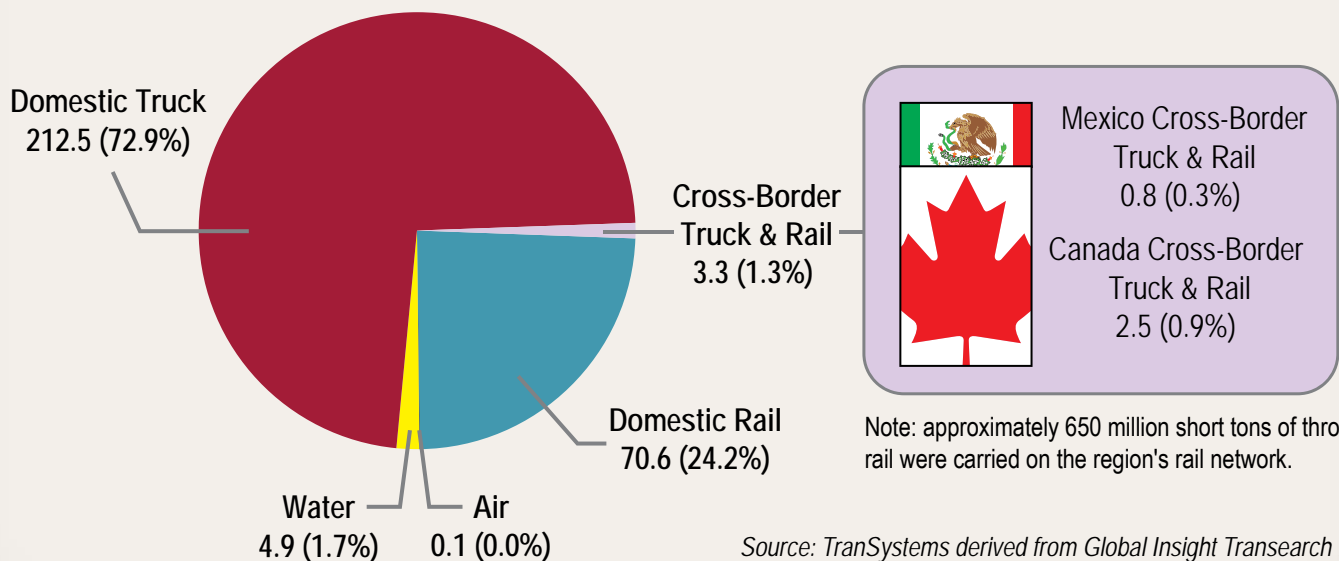


The Kansas City region is one of the nation's leading transportation hubs with an established transportation infrastructure supporting freight moving by truck, rail, air and water in domestic and international trade lanes. A large quantity of higher value/processed commodities is handled by the region's warehousing and distribution centers, intermodal rail yards and other facilities. The projected increase in freight over the next 20 years, with the higher value/processed commodities growing fastest, along with general industry trends suggest the region's positive momentum will continue into the future.

The Kansas City region has a significant volume of truck freight driven by local industry, local distribution, regional distribution, movements through the region, and international trade. In 2007, the study region had an estimated 214 million short tons of truck freight with an estimated total value of \$722 billion.

- The top ten commodity groups carried by truck accounted for 87 percent of truck tonnage in 2007.
- Altogether secondary traffic (warehouse and distribution eligible commodities, rail intermodal drayage, and a small amount of air freight drayage) accounted for 54 percent of total truck freight value.
- Higher value commodities (e.g., apparel, electrical equipment, secondary traffic, transportation equipment) account for an estimated 43 percent of total truck tonnage.
- Cross-border truck freight with Mexico and Canada has the largest share of higher value commodities, which reflects the semi-finished and finished products moving in NAFTA trade.
- Domestic outbound freight has a greater share of higher value commodities than domestic inbound freight, which most likely reflects the movement of food and kindred products (or processed products) out of the study region, regional distribution from Kansas City, the conversion of higher value inbound intermodal rail tonnage into outbound truck freight for regional distribution, and the outbound shipment of manufactured goods from the region.
- The larger outbound loads partly reflect the area's extensive freight handling infrastructure — highway, rail, warehouse and distribution — and functions as a regional transportation inland cargo hub.

Total Estimated Regional Freight in 2007 (Tons) – 291 Million Short Tons





The Kansas City region is one of the nation's leading rail hubs and handles a broad variety of rail freight. In 2007, the total estimated volume was 72.2 million short tons of rail freight with an estimated value of \$100 billion. Using the Surface Transportation Board Waybill Sample Database from 2006, the total estimated through rail volume was 653 million short tons, with coal accounting for 53 percent of through shipments. Total rail freight includes a large quantity of inbound coal shipments (40.5 million short tons). When coal is excluded net total rail freight is 30 million short tons with a total estimated value of \$99 billion.

- Rail freight is dominated by domestic inbound and outbound flows that have the highest value per ton of the different rail flows. The domestic inbound and domestic outbound flows (each with 47 percent of the tonnage) together account for 98 percent of value.
- Canada cross-border rail freight accounts for 5 percent of tonnage and Mexico cross-border holds a 1 percent share of tonnage.
- The value profile is dominated by transportation equipment and miscellaneous mixed shipments. Together they account for 83 percent of total value.
- Intermodal freight accounts for only 28 percent of total tonnage, but it accounts for 63 percent of total value.
- The largest carload commodity group is Transportation Equipment which is largely comprised of motor vehicles and motor vehicle parts/accessories.
- The Los Angeles lane (Ports of Los Angeles and Long Beach) accounts for 48 percent of total intermodal rail tonnage. The major commodity originating from this area, accounting for 88 percent of tonnage, is high value Miscellaneous Mixed Shipments (mostly freight-all-kind (FAK) which tends to be international imports from the ports of Southern California). The major commodity destined for the Los Angeles area is also Miscellaneous Mixed Shipments at 45 percent of tons moving westbound.

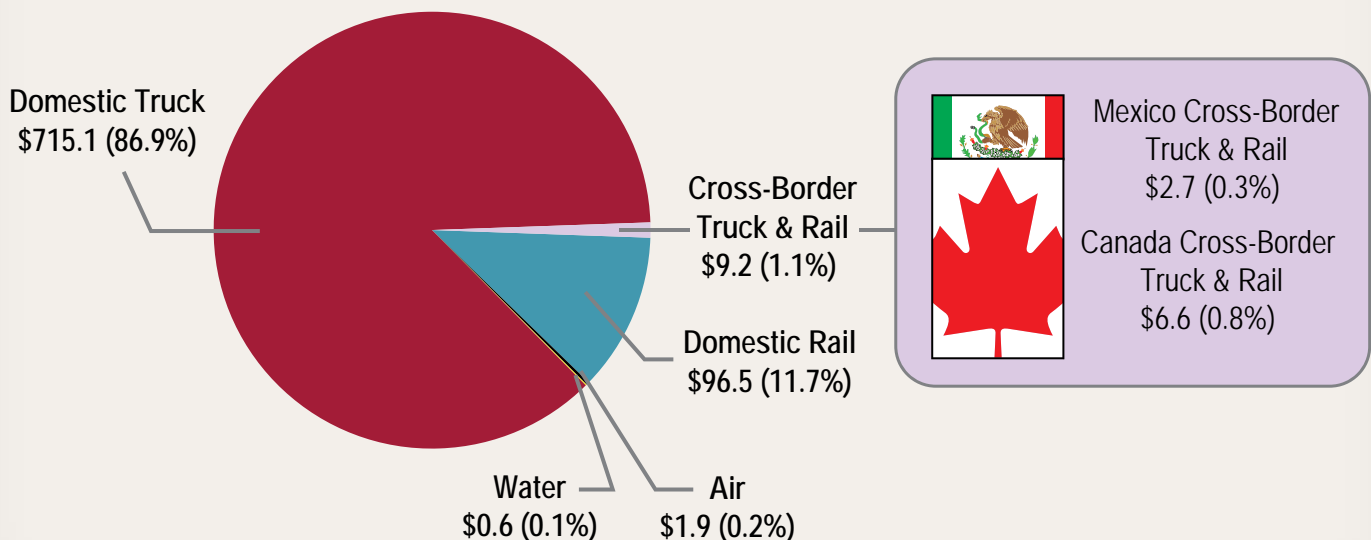


Air freight involves the shipment of small volumes of higher value products. In 2007, the study region's total air freight amounted to 126,000 short tons with a total estimated value of \$1.85 billion. Outbound air freight has a total value of \$1.24 billion which reflects the shipment of higher value products, notably miscellaneous manufactured products (jewelry, precious metal, etc) at 58 percent of outbound value. Demand for international air cargo services is projected to grow in line with future expansion of regional economic activity.



The river system of the study region handled 4.9 million short tons of water freight in 2007 with an estimated total value of \$0.6 billion. Inbound freight amounted to 0.5 million short tons with an estimated total value of \$0.17 billion, with the following major commodity groups – nonmetallic minerals and waste or scrap materials. Outbound freight amounted to 2.6 million short tons with an estimated total value of \$0.21 billion. Major outbound commodity groups were nonmetallic minerals, waste or scrap materials, and farm products.

Total Estimated Regional Freight in 2007 (Value) – \$826 Billion



Source: TranSystems derived from Global Insight Transearch Data

Assessing the Region's Strengths

Internally and externally the Kansas City region is viewed as a place where strong infrastructure and supporting elements come together to provide an atmosphere where freight-based business can grow. Through perception surveys and statistical data the region can show strengths in the areas most highlighted by business as important to location decision.

A survey was administered by mail with extensive follow-up by phone to a random sample of businesses in the Kansas City region. The survey had a 27 percent response rate with a 95 percent level of confidence. The sample was stratified over five major areas of industry: agriculture, manufacturers, wholesalers/retailers, transportation/warehousing, and professional service providers. Businesses were asked to rate various items regarding freight movement in the region.

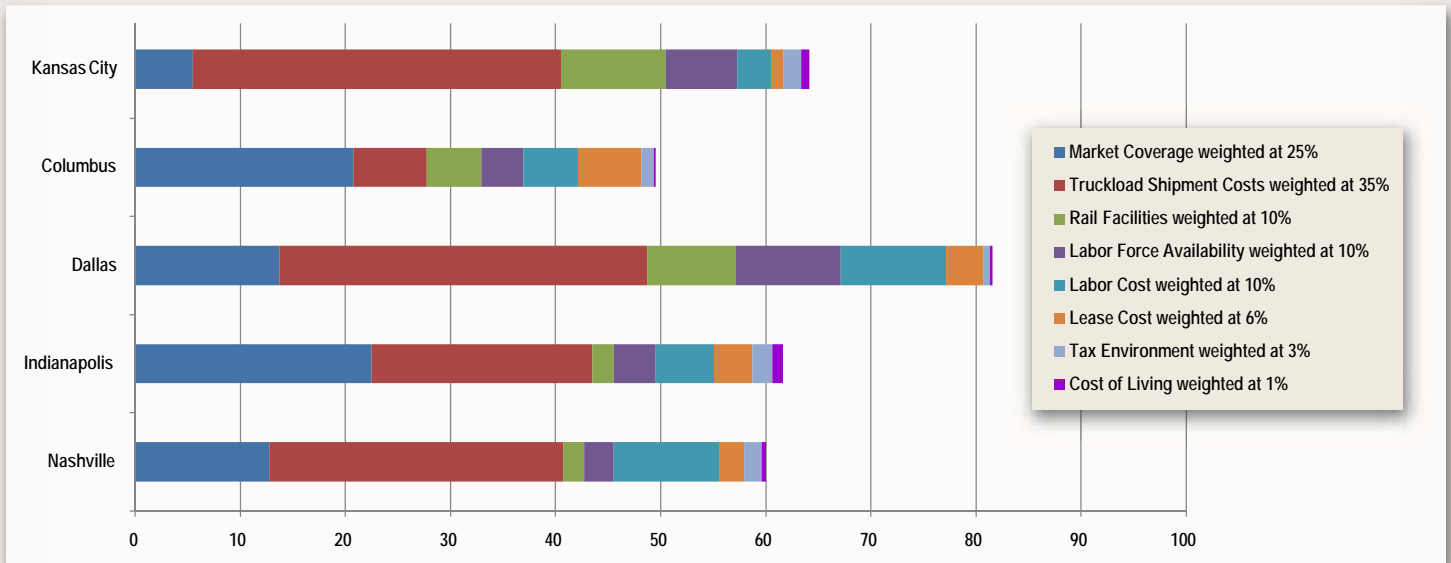
- The highest level of combined “good” and “excellent” responses were travel conditions during off-peak hours (84 percent) and the number and location of highway interchanges (80 percent).
- Most business leaders (64 percent) throughout the region expect to see some growth in the next two to three years of operation in light of current economic conditions. In 1995, 88 percent of businesses expected to see “some growth” over the following two to three years.
- The survey found the perception of “good to excellent service” to/from origins and destinations that businesses need by mode to be: Truck at 91 percent, Non-intermodal rail at 89 percent, Intermodal rail at 87 percent, Air at 85 percent and Barge at 44 percent.

As a follow-up to the survey, a series of focus groups were conducted with nearly 50 participants including business representatives, Kansas City SmartPort investors, city/county staff, elected officials and local residents. Attendees discussed issues related to freight infrastructure, development, investment, education, and awareness. The discussions confirmed many of the expectations about knowledge and interest of freight in the region. The overall conclusion from the survey and focus groups was that freight transportation and logistics are important to the Kansas City region in maintaining a competitive edge over other regions of the country.

- Focus group participants generally thought future investments in the region's freight infrastructure will be needed so that the region does not get passed up for bigger markets.
- Education about freight issues can help build strong support for freight investments because of the projected benefits to the local economy. Several participants indicated that they became more supportive of freight investments as they learned more about freight issues.
- Focus group participants thought there is a need for coordinated freight transportation planning in the region. Some of the perceived benefits of better regional planning included: reducing the negative impacts of freight on local communities, minimizing the level of conflict that occurs when new freight developments are proposed, enhancing the region's attractiveness for future investment, and reducing the time it takes to make improvements to the region's freight transportation system.



Weighted Ranking of Comparative Cities



To understand the external view of Kansas City, 27 major national markets as well as comparative markets and regional competitors in terms of freight activities were investigated. The goal was to help define how Kansas City can continue to be competitive in freight movement activities. Each of the 27 cities was assessed against several criteria including demographics, transportation availability and business characteristics. These categories were chosen based on market research studies that outlined the importance of these aspects in determining factors that make cities more desirable for the location of freight-related development which are transportation-intensive like distribution centers, warehouses or manufacturing facilities.

Some of the cities generally handle very large volumes of freight and have major port facilities like Los Angeles and Miami. Other cities analyzed consist of metropolitan areas that are more similar to Kansas City as they are located within the inland regions of the United States like Indianapolis and Columbus.

The results of this national comparison show that Kansas City is and will continue to be competitive in the transportation-intensive industries including those in warehousing and distribution centers. When considering attributes of the region's peer cities, Kansas City can continue to excel and further gain a stronghold in the area of transportation-intensive, freight-related development.

A competitive assessment was performed on four cities through the United States to determine how the Kansas City Metropolitan Area matches up as a competitor in relation to freight activities. Typically, when businesses choose to locate in Kansas City, several other cities are also considered in order to determine the best fit. A variety of criteria are used to identify suitable locations for freight-related development. Key criteria are market coverage (population within a specified driving distance of the location), truckload shipment costs to major markets and rail connectivity. Labor availability and quality, building lease rates and availability of developed infrastructure are also important. Other considerations include tax rates and quality of life factors. Kansas City was analyzed against four selected cities: Columbus, Ohio; Dallas, Texas; Indianapolis, Indiana; and Nashville, Tennessee.

This comparison relied on data obtained from a variety of different sources – the U.S. Census Bureau, state and local government agencies, and commercial data sources. Once the data was gathered, a weighted scoring system was used to rank the locations. This approach assigned greater importance to the major evaluation criteria (market coverage, transportation costs, rail facilities, and labor availability/costs) in which Kansas City scored well. With all the criteria analyzed, the results showed that Kansas City ranks just behind Dallas and ahead of the other four cities analyzed.

Additionally, results revealed Kansas City's strengths in several areas including transportation costs, rail facilities, availability of labor and a low cost of living. These are some of the top selection criteria for businesses looking for suitable locations for freight-related developments that need to be promoted.

Key Findings

As in past freight strategic planning efforts undertaken by the Kansas City region, this effort has concluded that focus should not be placed solely on infrastructure planning but also on addressing economic development, marketing efforts, and stakeholder perceptions. There are numerous overlapping findings from each of the elements included as part of the Kansas City RFO. This reinforces the message that the region's freight system must be viewed holistically and not only from one point of view. This not only provides a more complete vision but balances the needs and perspectives of all involved. The overall assessments of the findings show that the region has a strong and committed focus to providing the best environment for freight-based business.

Increase data collection efforts to track freight performance

Up-to-date and pertinent data is relevant and required to identify and prioritize freight-transportation projects fairly and accurately. One basic way the region can begin monitoring freight system trends and performance is with a truck travel demand model. After building this type of model, the region will be able to monitor growth, identify areas of truck-specific congestion and project future truck traffic volumes as well as monitoring the effects of new intermodal facilities. Expanding and enhancing the capabilities of KC Scout, the region's traveler information system, to collect data important to the freight community utilizes existing infrastructure and provides a consistent data collection system across the region (KC Scout is a bi-state effort).

Foster Public/Private Partnerships (PPPs)

Within any freight transportation investment plan there is a distinction amongst three different entities; public agencies responsible for roadways, quasi public authorities owning and operating ports and related facilities, as well as private owners. The entire freight community, public and private, ought to be the "champion" for transportation projects that have a direct influence upon regional freight mobility and access. Kansas City SmartPort and the MARC Goods Movement committee are two established ways that could continue to foster PPPs in the region.

Institutionalize freight in the transportation planning process

The region does include factors related to freight in scoring criteria but many times these factors do not highlight the importance of freight in the region. Promotion of freight-related projects, either by listing or calculating the cumulative dollar investment will illustrate to the freight community inside and outside of the region that a total transportation system is important. The Kansas City RFO study region would also benefit from a coordinated effort between the Metropolitan Planning Organizations (MPOs) and the States in completing the next freight strategy update on a bi-state and multi-region level.

Study the region's Corridors of Freight Significance to identify freight-specific projects

Using assessments of the Corridors of Freight Significance is a systematic way to identify projects:

- Corridors of National Significance - These corridors provide service across many state lines and generally for long distances of travel. Many of these corridors provide access to international ports of entry and export.
- Corridors of Regional Significance - These corridors provide supplementary service for regional travel and direct access to freight-related facilities including, manufacturing, distribution and intermodal terminals.
- Corridors of Local Significance - These corridors provide connecting links to higher level facilities as well as providing direct access to freight-related facilities often found in industrially zoned areas.

Seek a balance between the land use and transportation relationships with freight development

As new development is built outside of the traditional industrial areas of the region more information is needed to understand the land use and transportation implications of these moves. The region ought to maintain an adequate supply of industrial land while finding means to reduce traffic conflicts, such as designating truck access routes through non-residential areas. The land use and transportation relationship may vary based upon established industrial areas, newer industrial areas and industrial areas yet to be.

Position the region to capture growth in emerging markets

Leveraging the region's manufacturing history and base to transition into emerging "green" industries is a potential growth opportunity. "Green" industries including components and finished products for green energy technologies.

Continue to invest in the maintenance and expansion of the region's freight handling infrastructure

To remain a leading transportation hub, the region must continue to invest in the maintenance and expansion of its freight handling infrastructure. Many shippers are interested in locating in close proximity to rail intermodal facilities with good highway access. This supports the importance of investment in the region's rail and highway infrastructure. Additionally, potential future modal shifts from truck to rail due to long term increases in energy costs, highway congestion and other factors would result in faster growth of regional rail freight than projected in this study and support greater investment in rail-related infrastructure.

Continue to grow established industries while leveraging new opportunities

Kansas City has the potential to grow as a location for component assembly and light assembly in established industries like the automotive, aircraft and agricultural machinery manufacturing sectors based on near sourcing raw material and component parts from the industrial areas of Northern Mexico. The rail connection via the Kansas City Southern de Mexico to the Monterrey, Mexico region provides a very significant opportunity to take advantage of near sourcing machinery parts for final assembly by the region's skilled workforce.

Target investment to high growth commodities and trade lanes

Projected growth of higher-value/processed commodity sectors indicates that future investment should include the provision of facilities and services suited to these types of commodities. In addition, the faster growth of some cross-border trades compared to domestic freight indicates that emphasis should be placed on the development of facilities, services, technologies and security to support international trade flows.

Leverage Kansas City's low transportation costs

Of the cities studied, Kansas City has the lowest truckload shipment costs, which makes it very ideal for shipping non-time-sensitive products. Furthermore, the economical shipping costs make it very appealing for non-consumer and assembly goods. The highway connectivity and low levels of congestion are also very appealing factors as businesses consider locating their freight-intensive developments in the city.

Highlight regional rail assets

Kansas City enjoys the most connected rail network with direct service by BNSF, Canadian Pacific, Kansas City Southern, Norfolk Southern and Union Pacific. This access provides Kansas City with a connection to most metropolitan area markets as well as access to transcontinental routes with the opportunity to play an important role in goods movement between Canada, the United States and Mexico. Kansas City's strong intermodal infrastructure makes it a leading cargo center with four Class I Railroads maintaining facilities in the metro area. Companies seeking to locate their manufacturing, distribution and warehousing facilities will find that these attributes make the city very attractive.

Work to maintain current momentum

This assessment reveals that Kansas City is and will continue to be competitive in the transportation-intensive industries including those in warehousing and distribution centers. Overall, Kansas City is appealing and has a strong position in the country as an ideal location for attracting and developing freight-related businesses. Leveraging Kansas City's strengths and building on opportunities will help maintain the momentum that exists and keep the region competitive.



Importance of Economic Analysis of Freight Projects

Broader community participation in the decision-making process is too often hampered by a lack of information regarding the probable project impact on residents and businesses that are only indirectly affected. This is unfortunate because infrastructure decisions greatly impact both the character of a region and the level of prosperity that can be attained on a community-wide basis. An economic analysis provides information on predicted direct effects and estimates of long-range regional economic impacts. In doing so, the potential for valuable public input in the decision-making process is increased. For instance, in the cases of the Logistics Park KC and the CenterPoint Intermodal Center rail-truck intermodal facilities, and the KCI Intermodal BusinessCentre air-truck intermodal facility, economic analyses could help area residents understand how the developments will impact their communities and the broader region.

These three facilities will lower transport costs for regional shippers making them more competitive and broaden their market reach. Since these facilities serve differing modes, trade lanes and regional geographies, the individual facilities will complement each other so that the aggregate economic impacts may exceed the sum of each individual development.

Overall, investments in freight-related transportation infrastructure that reduce user costs make the region more competitive and generate measurable increases in jobs and incomes.

Study Partners

The Kansas City Regional Freight Outlook is a joint effort between Kansas City SmartPort and the Mid-America Regional Council, with the study being led by TranSystems. Two committees guided the sponsors and study team: Kansas City RFO Study Advisory Committee and MARC's Goods Movement Committee. Both the Kansas and Missouri Departments of Transportation played an integral role in the project, providing data, expertise, and guidance.

The Study Advisory Committee (SAC) is composed of stakeholders interested in participating in the prioritization of regional initiatives and positioning Kansas City as a national freight leader. The SAC members include public and private stakeholders representing MoDOT, KDOT, area developers, rail, truck, barge, and air freight users. As an advisory group, the committee has provided voice and guidance on the issues and findings throughout the study process.

MARC's Goods Movement Committee (GMC) was established from the 1995 Intermodal Freight Strategies Study. It seeks to integrate freight issues and concerns with the overall metropolitan planning process. The committee is comprised of stakeholders from both the public and private sectors, with knowledge of and expertise in a wide variety of freight transportation issues. The committee advises on major freight activities throughout the region and provides policy recommendations on regional freight planning to the Total Transportation Policy Committee.

Freight and the Environment

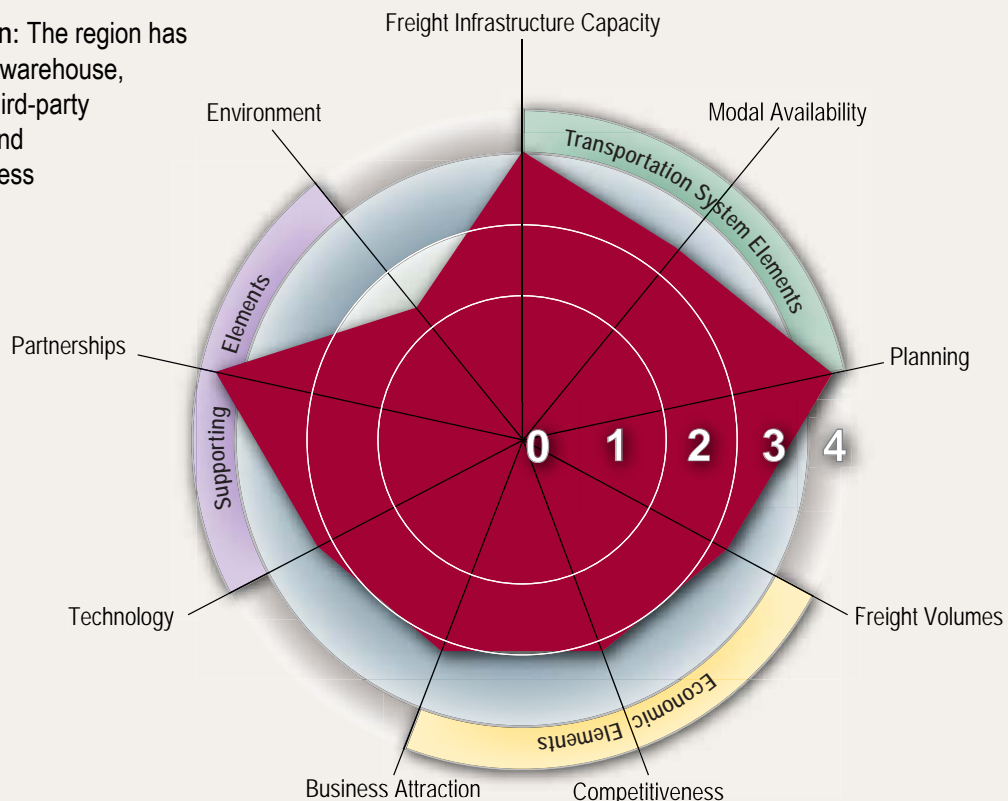
According to the Environmental Protection Agency, approximately 81 percent of transportation Green House Gas emissions in the United States come from "on-road" vehicles, with passenger vehicles (e.g., automobiles, SUVs, motorcycles) accounting for 62 percent of total transportation emissions. Heavy-duty vehicles, which include trucks and buses, are responsible for only 19 percent of total transportation emissions. Currently the Kansas City region, through the Mid-America Regional Council, is taking voluntary actions to maintain air quality through the Clean Air Action Plan. This plan is the first systematic and comprehensive clean air strategy outside of a regulatory requirement enacted by the region.

Kansas City is succeeding when it comes to creating developments where multi-modal service, warehousing and distribution facilities, intermodal terminals and customs facilities can be located in one area, a concept known as freight villages. As a region there are several opportunities to encourage this type of land use. The CenterPoint Intermodal Center, Logistics Park KC and the KCI Intermodal BusinessCentre are three large developments that could benefit by co-locating transportation facilities, industry and services for employees in one location. The benefits mean a reduction of truck VMT which is the result of several facilities being concentrated in one area and decreasing overall transport costs.

Regional Freight Outlook Report Card

This Report Card seeks to inform regional partners about the state of freight in the 18-county region. The Kansas City region has made significant strides over the last decade in integrating freight into regional planning and economic development. Both the public and private sector has been engaged and has helped to achieve the positive results. The following report card outlines nine major categories that are relevant to freight and provides a rating for each category. The report card is shaped like a wheel, which metaphorically relates to transportation, yet it goes beyond just freight movement to encompass the elements of economic development and the environment.

- **Freight Infrastructure Capacity:** The region has a strong highway, rail, airport, and river system complemented by facilities to handle freight – warehouses, distribution centers, intermodal facilities and ports.
- **Modal Availability:** All four transportation modes – truck, rail, air and barge – are available to shippers in the region. The truck and rail modes have a significant presence in the region and are supported by the availability of air and barge service.
- **Planning:** Freight is well-integrated into the Kansas City metropolitan planning process. The Kansas City RFO is the third major freight study conducted in the past 10 years.
- **Freight Volumes:** A freight volume equal to 291 million short tons in 2007 with an additional 650 million short tons of through rail volume shows that the region has a significant nexus of freight-based activity.
- **Competitiveness:** Kansas City is highly competitive with cities of comparable size due to its strengths in several top site selection criteria.
- **Business Attraction:** The region has attracted numerous warehouse, distribution center, third-party logistics providers and transportation business expansions and openings in the last decade.
- **Partnerships:** The public and private sectors have joined together in several forums to coordinate efforts and build projects to impact the region.
- **Technology:** Kansas City SmartPort's Trade Data Exchange, the Cross-Town Improvement Project, and the KC Scout Traffic Management System are all technology-based solutions that are designed to facilitate and improve the region's freight transportation system and economic development. The region is also making strides to monitor safety and improve incident management through KC Scout's technology system.
- **Environment:** The region has recently begun to place more focus on environmental issues related to freight and is working to encourage a dialogue to promote environmentally-conscience freight transportation while creating balance between environmental needs and the needs of the freight community.



Source: TranSystems

Key Recommendations

The Kansas City region must continue to look at the big picture and support not only highways and railroads but investment in efforts to grow transportation and logistics business while balancing the needs of the community and freight interests. The Kansas City RFO acts as the region's guide through the next planning phase focusing on the critical actions to implement immediately.

The overall vision for the Kansas City Regional Freight Outlook is to positively impact and accommodate the growth of freight transportation and logistics in the 18-county study area. This vision describes the ideal outcome of the efforts the region will undertake in the coming years. The vision guides the development of objectives that outline what needs to be accomplished to attain the vision.

Regional Freight Objectives

Improve – *goods movement system performance*

Support – *transportation and logistics business attraction and retention*

Contribute – *to ensuring the region's quality environment*

Critical Actions

The following set of priority or critical actions focus on the near term and help to initiate and maintain the regional vision to positively impact and accommodate the growth of freight transportation and logistics in the 18-county study area. This set of manageable, critical actions should become the region's focus over the next 3 to 5 years.

- Focus on transportation-related projects to identify and highlight freight-related benefits
 - Support infrastructure investments that indirectly improve freight transportation like interstate pavement replacement, guardrail installation or transit service to freight zones.
 - Support infrastructure investments that directly improve freight transportation like:
 - Widening MO-210
 - Building interchanges on Interstate 35 in southern Johnson County and connecting roadways that will serve the new BNSF intermodal facility and logistics park
 - Improving the Front Street Interchange on I-435
 - Actively supporting the conversion of U.S. 71 to Interstate 49
 - Improving access along MO-150 and Botts Road
 - Improvements to the interchange at I-70 and I-435
 - Increase discussions with Class I Railroads to identify locations where grade separations would provide mutually beneficial results for the community and freight carriers.
 - Initiate discussions on potential public tools that could assist Class I Railroads with infrastructure investments like capacity improvements to the BNSF Missouri River Bridge in western Jackson County, the Union Pacific Kansas River crossing near Topeka, or the KCS Airline Junction.
 - Actively coordinate with agencies sponsoring corridor studies in the region so that the freight perspective is included from the start.
 - KDOT: I-35/I-435/K-10 Interchange Study
 - KDOT: Weigh Station Location Study
 - MoDOT: I-70 Studies: Statewide Truck Only Lanes, Jackson County Improvements, and the four state Corridors of the Future Study
 - MoDOT: Missouri River Freight Corridor Development Plan

- Continue to advance non-infrastructure projects that impact transportation efficiencies for regional business.
 - SmartPort Pre-Clearance Facility (for U.S. exports to Mexico)
 - Trade Data Exchange
 - Cross-Town Improvement Project
- Encourage a dialogue among all stakeholders to promote environmentally-conscience freight transportation while creating balance between environmental needs and the needs of the freight community.
- Expand the use of existing technologies and tools to monitor freight-specific data
 - Encourage the expansion of KC Scout capabilities to monitor data on freight mobility (reliability) and safety.
 - Conduct a 24-hour truck origin-destination survey to better understand the movement of trucks throughout the region.
 - Build a truck travel demand model suitable for forecasting and integrate into the region's overall travel demand model.
- Recognize the Corridors of Freight Significance and conduct regional assessments
 - The MARC Goods Movement Committee should create a work plan that will recognize the national, regional, and local corridors and set an action plan to complete assessments of prioritized corridors.
 - Identify corridors that serve ports and airports such as those with landside access to support water and air.
 - Using the assessments, "last-mile" projects will be identified and can be championed by the appropriate agency for implementation.
- Focus on attraction and retention of transportation and logistics businesses
 - Position the region as a location for emerging sectors such as "green" industries including components and finished products for green energy technologies that include wind and solar power, as well as, advance transportation and battery technology
 - Maintain efforts to attract established industries like component assembly in the automotive, aircraft, and agricultural machinery manufacturing sectors.
 - Continue the attraction of warehouse and distribution centers.
 - Leverage construction at proposed and recently opened regional intermodal facilities.
 - Continue to invest in Kansas City SmartPort.
- Innovate marketing efforts by emphasizing the competitive advantage of the region
 - Invigorate communication between the freight community and the public sector.
 - Establish a base of continuous data to report and provide a forum where the report can be discussed and challenged.

Recently opened and proposed regional intermodal facilities.

-  KCI Intermodal BusinessCentre
-  CenterPoint Intermodal Center
-  Logistics Park KC





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