Southern Arizona
Inland Port Possibilities

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Key Observations

• Southern AZ is ripe for further inland port development
• Region already has a strong base of logistics, warehousing and transportation companies
• Potential for an even larger role in global trade and logistics
• But certain elements are lacking, including a coordinated network and marketing approach
• Potential to generate 4,300 jobs by 2020
Geographic Advantages

- Proximity to Mexico – Nogales is our gateway
- Proximity to Phoenix
- Proximity to other markets – CA, Western States
Infrastructure Advantages

- Main Union Pacific rail line
- Nogales Branch rail line to Mexico
- Interstates – I-10, I-19
- Tucson International Airport
- Port of Tucson Intermodal Center
- Port expansion at Mariposa POE
Top of the “T”
Port of Tucson

• Huge asset for the region
• Intermodal facility adjacent to main U.P. line
• Shipment of goods between throughout Arizona and with Mexico
Spotlight on Transportation & Logistics

Tucson MSA

152 Logistics Service Providers
3,698 Workforce
Infrastructure Needs

• Valencia Corridor
• I-10 Western Bypass Loop
• Tucson-Nogales-Guaymas Corridor Improvements
  – Including better connection between main rail line and southern spur
Justified High Capacity Corridors (based on demand analysis only)
Tucson-Guaymas Corridor
Ferromex Rail Network

- Ferromex
- Trackage Rights
- Other Railroads
KCSM Rail Network
(from Lazaro Cardenas)
Market Expansion Opportunities

• Address the imbalance – take advantage of the number of trucks leaving the region empty
• Value-added services – processing, consolidation, deconsolidation, FTZ activities
• Port development/expansion to the south
  – Guaymas / Manzanillo / Lazero Cardenas
  – Punta Colonet
Action Plan

• Short Term (year one)
  – Establish a Center of Expertise
  – Network existing logistics facilities and providers (SALEO)
  – Market our assets and providers
  – Re-align FTZ boundaries along high value corridors
  – Prioritize/advocate for transportation projects necessary for freight movement
  – Support CANAMEX activities
Action Plan, cont’d

• Medium Term (1-3 years)
  – Increase region’s role in processing product imports, especially from Mexico
  – Target distribution centers to take advantage of in/outbound shipment imbalance
  – Develop training programs to strengthen workforce and talent needs for logistics industry

• Long Term (3-6 years)
  – Accelerate expansion of core, high value-added industrial activity