

Supply Chain Logistics and Transportation Indicator Study – Executive Summary

In the fall of 2002, local leaders from the private and public sectors came together to determine how the region could utilize its transportation assets, especially the Illinois River, as a means for economic development and job generation. Out of those discussions came the notion of establishing a port district that would span six counties and provide opportunities to promote the creation of transportation and industrial employment for the region. With the help of local lawmakers, the Heart of Illinois Regional Port District (TransPORT) was signed into law by Governor Rod Blagojevich in July of 2003.

Encompassing over 100 miles of the Illinois River throughout Fulton, Marshall, Mason, Peoria, Tazewell, and Woodford Counties, TransPORT is poised to become an integral part of the regional economic development landscape. However, local leaders recognized that in order for TransPORT to capitalize on its mission of job generation, a comprehensive study would need to be undertaken to better understand the region in which TransPORT operates. This study, the Supply Chain Logistics and Transportation Indicator Study, which was funded through the Illinois Tomorrow Grant program and completed by The Heartland Partnership and the Tri-County Regional Planning Commission, contains three specific components that together realize the goal of giving TransPORT leadership a snapshot of the assets and market potential offered by the region. The three components of the study are:

- **Part I:** An inventory and capacity analysis of the four modes of transportation (river, highway, rail, and air)
- **Part II:** A market analysis that includes an overview of local freight data and freight users as well as an examination of industries that have a high potential for increased job generation opportunities, with an emphasis on river transportation.
- **Part III:** A study of locations along the Illinois River that offer a high likelihood for the development and/or expansion of port facilities.

Part I:

In looking at the transportation inventory, it can be seen that TransPORT is well-served by and has sufficient capacity in all four modes. The capacity of the Illinois River is directly linked to the capacity of the Peoria Lock and Dam, which is generally in operation about 40% of the time. Although the Lock and Dam has excess capacity, there can be significant delays and inefficiencies while barges wait to lock through the system. While upgrading the Peoria Lock and Dam from 600 to 1,200 feet is planned, construction is not scheduled to begin until after 2020. Although much of the study concentrated on river transportation, the highway system is by far the most widely used form of freight transportation locally and nationally. TransPORT is fortunate to have access to key north-south and east-west interstate systems as well as tremendous state and federal highway systems. Even though there are a few segments of the highway system that are at or near their limits, there is adequate capacity overall for the next twenty years, especially since plans to improve those roadways facing capacity issues are underway.

Rail transportation is also well represented in the region. TransPORT is served by three of the seven national Class I railroads. In addition, the TransPORT region has an adequate supply of regional, line-haul, and switching/terminal railroads that support the Class I railroads. Most of the Class I rail lines in the region can handle dozens of trains per day and are utilized less than 100%

of the time. Finally, when looking at air transportation, the Greater Peoria Regional Airport is the only air facility with the size and capacity necessary to support major air freight transportation in the region. The Greater Peoria Regional Airport offers plenty of freight capacity in terms of the number of additional enplanements that can be handled and the space and acreage available for freight expansion.

Part II:

The second component of the study was a comprehensive market analysis. To begin with, the overall freight industry was examined. This examination showed that TransPORT is in a position to capitalize on a national freight industry that grew by 40% in the decade from 1992 to 2002 and that will nearly double over the next twenty years. In addition, TransPORT is centrally located along not only the inland waterway system but also the NAFTA corridor that saw trade between the three member nations grow from \$410 billion in 1996 to \$563 billion in 2003. Next, a look at the local freight market showed an overall growth of over 20% between the years 2000 and 2004 from 49 million tons to 61 million tons.

A survey was sent to over 300 local companies as part of the market analysis as well. The respondents to this survey clearly stated that they are dependent upon truck transportation for the majority of their freight needs. The survey thus verified the important role that trucking plays in the freight industry and identified some potential hurdles TransPORT might face in marketing alternative and multi-modal transportation options to local businesses. In addition, several key growth opportunities were examined in the freight industry. One key, emerging opportunity is that of container-on-barge (COB). Although COB has several obstacles to overcome, TransPORT can work diligently to capitalize on its available assets and favorable location as the COB market continues to evolve. Other opportunities that were examined as potential areas of growth included many typical industrial maritime development industries such as value-added manufacturing, metal processing/fabricating and warehousing/storage.

Part III:

The final component of the study looked at potential sites within TransPORT along the Illinois River that exhibited a high likelihood for development based on several sets of criteria: transportation availability (proximity to inter-modal linkage with rail/highway); land use/zoning; and environmental. Overall thirteen sites were chosen throughout the six counties. Nine of the sites are located within a fully optimized transportation zone (within 0.2 miles of a rail spur AND within 1 mile of a state or federal highway); four of the sites are located within a partially optimized transportation zone (within 0.2 miles of an existing rail line OR within 1 mile of a state or federal highway).

The study offers several key findings that will assist TransPORT in expanding the logistics and maritime development industries in the six counties it encompasses. The capacity analysis proves that the region can accommodate a sizeable increase in freight traffic; the market analysis gives a snapshot of the freight industry in the region and shows what industries are likely for opportunistic growth; and the site selection analysis indicates what locations are available in the region for development and expansion to take advantage of our assets and market potential. Taken together, the three parts of the Supply Chain Logistics and Transportation Indicator Study offer a base on which TransPORT leadership can begin to play to the strengths of the region in order to capitalize on a booming industry and create opportunities for economic growth and job generation.