

# **Genesee County Freight Flow Report, 2012**

**Prepared by**



**For**

**Flint & Genesee Chamber of Commerce**

# Flint & Genesee Chamber of Commerce – Freight Flow Report

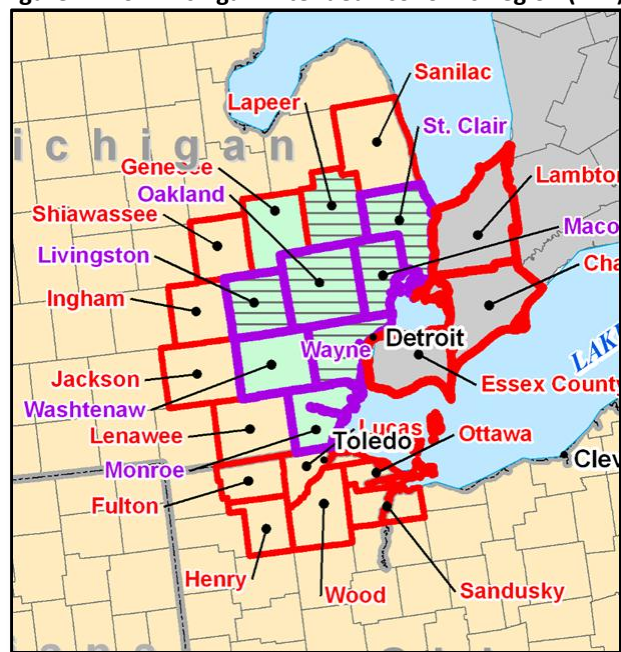
## 1. Introduction

In Michigan, freight movement/logistics represents a multi-billion-dollar industry supporting in excess of 100,000 jobs. Freight movement/logistics is part of the existing and planned economies of all regions in the state. The Genesee County-centered region, including Shiawassee, Lapeer, and St. Clair counties, has adopted a logistics strategy with a new intermodal center at Bishop International Airport. Additional improvements are nearing completion on both sides of the border, in St. Clair County and in Sarnia, Ontario at the Blue Water Bridge. The region expects thousands of jobs to be retained or created by this strategy.

A number of other initiatives are underway or planned in the “Southeast Michigan Extended Economic Region” (EER) (Figure 1.1). For example, the plan prepared by the Southeast Michigan Council of Governments and the Detroit Regional Chamber of Commerce, focuses on: 1) improving access to regional/mega-region distribution centers and intermodal rail, waterborne and air terminals; 2) improving U.S.-Canada connectivity; and, 3) improving urban freight flows. The vision is to create, in the Southeast Michigan EER, North America’s most efficient and cost-effective first-tier multimodal transportation and logistics hub. To do so, according to the Detroit Regional Chamber “...The region must use future transportation investments to link massive but pragmatic and underutilized transportation and logistics resources into an integrated hub...to strengthen existing businesses and attract new ones.” These assets and initiatives will affect the success of freight and logistics in Genesee County.

This study is focused on Flint and Genesee County, which has the transportation infrastructure assets to potentially attract major truck-rail intermodal and distribution/logistics facilities. It is comprised of three elements. First, an evaluation of the Genesee County freight market – existing and forecasts; local economic trends and targeted growth opportunities; and, measures of competitiveness; second, an evaluation of infrastructure needs that affect the region’s ability to attract private-sector freight and logistics operations; and, third, findings and recommendations focused to assist the Flint and Genesee Chamber of Commerce to promote potential redevelopment sites.

Figure 1.1: SE Michigan Extended Economic Region (EER)



Source: Southeast Michigan Council of Government (SEMCOG)

## 2. Evaluation of the Genesee County Freight Flows

### 2.1 Introduction

To understand the freight/logistics market in Genesee County, it is necessary to evaluate the county's geographic context. Genesee County is about 55 miles northwest of Detroit and the U.S. border at Windsor, Ontario, Canada (**Figure 2.1**). The County has 425,790 people in 637 square miles of land area. According to the Bureau of Economic Analysis (BEA), Detroit is the 10<sup>th</sup> largest by population among the nation's 179 regions. Genesee County is in the Detroit BEA.

**Figure 2.1: Genesee County Location and Geographic Context**



Source: The Corradino Group

### Datasets

The Michigan Department of Transportation (MDOT) has provided the Michigan-specific version of the *Transearch* Database from IHS Global Insight as the primary information source used to analyze current (2009) and future (2030) freight flows in Genesee County.

Freight Analysis Framework/Version 3 (FAF<sup>3</sup>) data were also used to create a comprehensive picture of freight movement among states and major metropolitan areas by all modes of transportation. FAF<sup>3</sup> provides estimates of tonnage and value, by commodity type, mode, origin, and destination for 2007, the most recent year, and forecasts through 2040. Also included are truck flows assigned to the highway network for 2007 and 2040.

The Genesee County Travel Demand Model (GCTDM) was also used in this project because it provides truck forecasts to 2030 and the most-detailed picture of freight movement in Genesee County.

## 2.2 Existing Freight Flow

In 2009, Genesee County had a total of 7.4 million tons of inbound, outbound and internal freight flows with an estimated value of \$10.1 billion (Table 2.1). The freight flows of interest in this study are inbound and outbound, which amount to 98% of total flow (7.2 million tons) with 99% of total value (\$10.0 billion). The majority of Genesee County’s regional flows are driven by inputs and outputs for industry and consumption, and generate demands for logistics facilities and re-delivery services. There is a small volume of internal-to-internal commodity flow within Genesee County, which comprises 2.0 percent by tonnage and 1.0 percent by value.

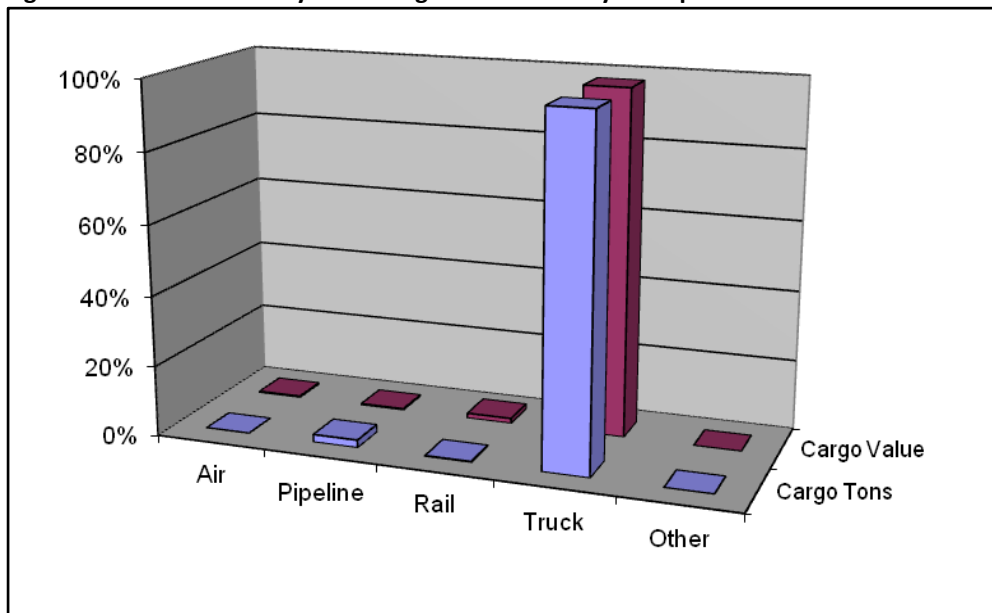
**Table 2.1: Genesee County 2009 Total Freight Flow by Direction**

Freight Flow by Direction	Tonnage (thousand tons)	Tonnage Share	Total Value (million \$)	Value Share
Internal	151	2.0%	98	1.0%
Inbound	4,649	62.9%	6,215	61.6%
Outbound	2,594	35.1%	3,784	37.5%
Total	7,394	100.0%	10,097	100.0%

Source: IHS Global Insight, Transearch 2009-2030

Genesee County freight is carried by multiple transportation modes: rail, truck, air, pipeline, and other modes (Figure 2.2). Trucks carry 97.5 percent of commodity volume (7.2 million tons) and 97.7 percent of commodity value (\$9.9 billion). Pipeline and rail are the second and third largest movers of freight commodities within the Genesee County region. They handle 2.2 percent and 0.4 percent of total volume, respectively, and 0.4 percent and 1.4 percent of total value, respectively.

**Figure 2.2: Genesee County 2009 Freight Flow Share by Transportation Modes**

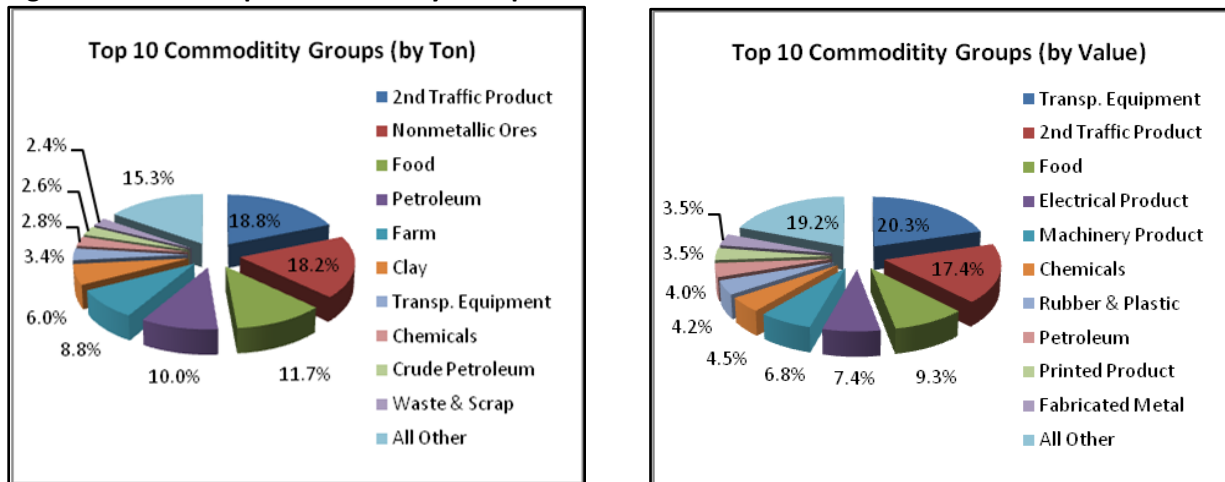


Source: IHS Global Insight, Transearch 2009-2030

The 2009 unit value of commodity (\$/ton transported) by different modes is \$7,086/ton for air, \$7,569/ton for rail, \$1,370/ton for truck, and about \$300/ton or less for all other modes. The high-valued commodities shipped by truck are mainly comprised of transportation equipment moving from/to Mexico and Canada. Rail plays a limited role in regional logistics as it transports a very small portion of freight tonnage.

**Figure 2.3** illustrates the top ten commodity groups and their market shares by tonnage and value according to 2009 *Transearch* data. When evaluating the Genesee County freight market by tonnage, the secondary-traffic products make up the largest commodity group (1.4 million tons and 18.8 percent share). These products are primarily comprised of deliveries of consumer goods from warehouses/distribution centers to stores, and commodities related to rail intermodal drayage and air. Nonmetallic ores and food products are the second (1.4 million tons and 18.2% share) and third largest (0.9 million tons and 11.7% share) commodity groups, representing primary inputs to industry and consumption, respectively. The rest of the top commodities include a wide variety of inputs to and outputs of industry (petroleum, farm products, clay, chemicals, crude petroleum, waste & scrap) and transportation equipment/parts. These top ten groups dominate the commodity volume (84.7% share of total) in Genesee County.

**Figure 2.3: 2009 Top 10 Commodity Groups**



Source: IHS Global Insight, Transearch 2009-2030

From a monetary point of view, the largest commodity group is transportation equipment and parts (\$2.1 billion and 20.3% share of total). Secondary-traffic products rank second in value (\$1.8 billion and 17.4% share). The food products commodity group (\$0.9 billion and 9.3% share) ranks third. These three groups comprise almost half of the total value of the top ten commodity groups (**Figure 2.3**). The top ten make up about 81 percent of total commodity value in Genesee County.

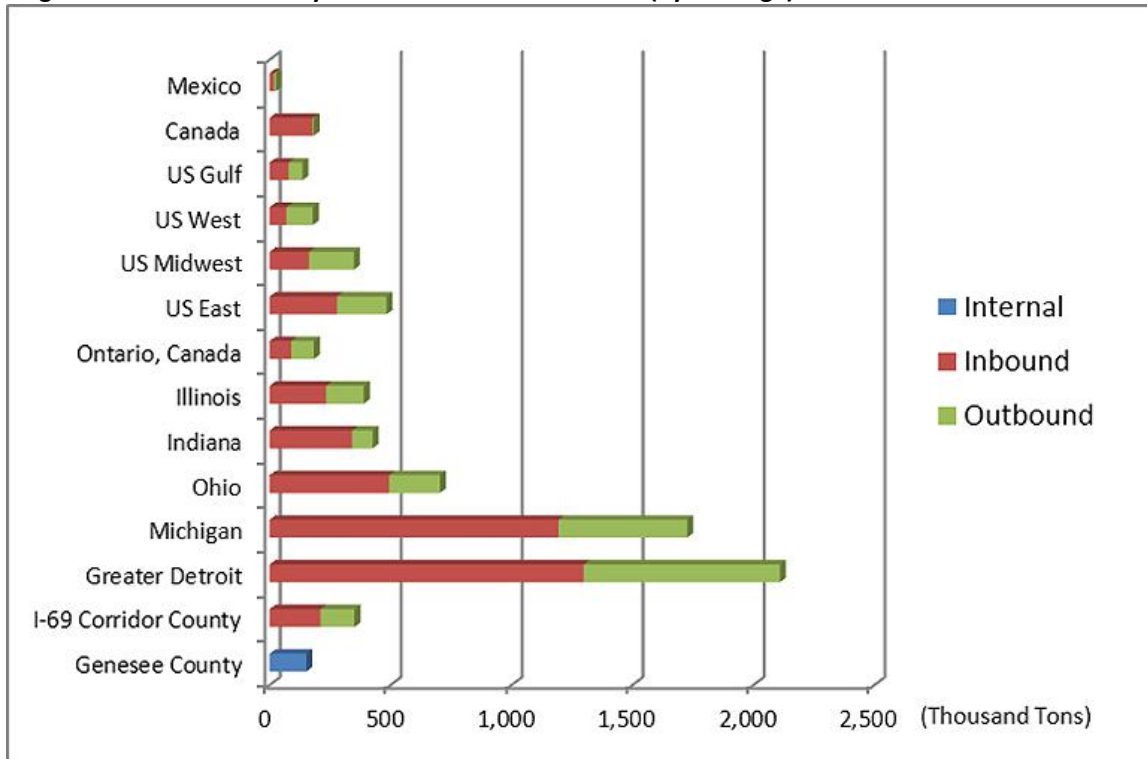
**Table 2.3** lists the 14 geographic areas which were determined by the Regional Chamber of Commerce to be important trade centers with Genesee County. **Figures 2.4** and **2.5** and **Table 2.4** also illustrate 2009 total freight flow distribution by tonnage and value, respectively.

**Table 2.3: Geographic Areas for Genesee County Flow Distribution**

Geographic Area	Description
I-69 Corridor County	St. Clair, Lapeer & Shiawassee counties in Michigan, which are I-69 international trade corridor participating communities.
Greater Detroit	Greater Detroit region, including Detroit area in Michigan, Toledo in Ohio and Windsor in Canada
Michigan	Remainder of Michigan outside of the I-69 corridor and Greater Detroit
Ohio	Remainder of Ohio the I-69 corridor and Greater Detroit
Indiana	Indiana
Illinois	Illinois
Ontario	Ontario in Canada, excluding Windsor
US East	States in Eastern US
US Midwest	States in Mid-western US
US West	States in Western US
US Gulf	States surrounding Gulf of Mexico
Canada	Remainder of Canada
Mexico	Mexico

Source: IHS Global Insight, Transearch 2009-2030

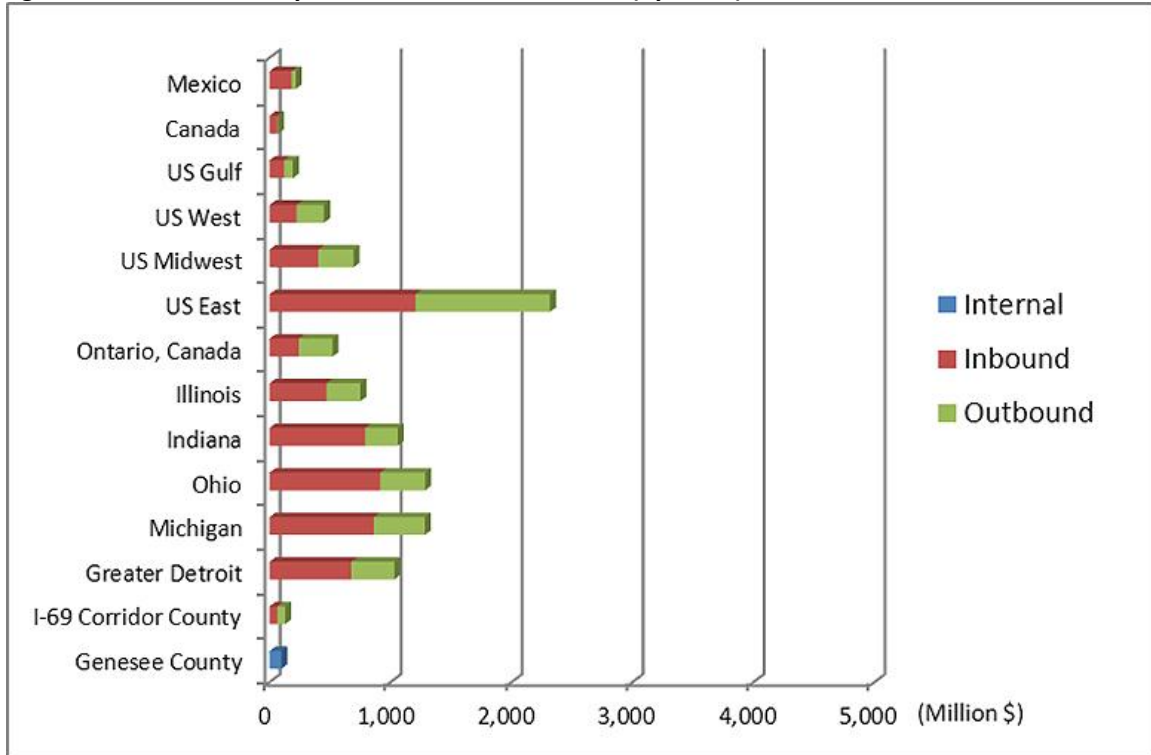
**Figure 2.4: Genesee County 2009 Total Flow Distribution (by Tonnage)**



Source: IHS Global Insight, Transearch 2009-2030



**Figure 2.5: Genesee County 2009 Total Flow Distribution (by Value)**



Source: IHS Global Insight, Transearch 2009-2030

Domestic inbound and outbound freight flows within Michigan account for 56.5 percent of total flow measured by tons (specifically, 4.7% to I-69 corridor counties, 28.5% to Greater Detroit and 23.3% with other Michigan places). The next major volume lanes are Ohio (9.5%), U.S. Eastern states (6.5%), Indiana (5.8%) and Illinois (5.3%). The spatial distribution by commodity value is somewhat different. U.S. Eastern states become the most important partner exchanging with Genesee County in 2009 \$2.3 billion in commodities (23% of total commodity value). Regions neighboring Genesee County also play important roles: Almost one quarter (24.2 percent) of total commodity value was exchanged within Michigan (specifically, 1.3% to I-69 corridor counties, 10.2% to Greater Detroit, and 12.7% to other Michigan places), although a significant drop is observed compared to the tonnage share. Ohio, Indiana and Illinois are still considerably large partners from a viewpoint of goods value. Genesee County internal flow, and international trade associated with Canada and Mexico make up a very small portion (less than 4%) of total flow.

**Table 2.4: Genesee County 2009 Freight Flow Distribution**

Geographic Area	Flow by Modes (1,000 tons)					Total (1,000 tons)	Total (million \$)	Share by Tonnage	Share by Value
	Air	Pipeline	Rail	Truck	Other Modes				
<b>I-69 Corridor County</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>350.93</b>	<b>0.00</b>	<b>350.93</b>	<b>128.01</b>	<b>4.7%</b>	<b>1.3%</b>
Inbound	0.00	0.00	0.00	210.68	0.00	210.68	62.81		
Outbound	0.00	0.00	0.00	140.24	0.00	140.24	65.20		
<b>Greater Detroit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>2,108.97</b>	<b>0.00</b>	<b>2,108.98</b>	<b>1,030.95</b>	<b>28.5%</b>	<b>10.2%</b>
Inbound	0.00	0.00	0.01	1,298.80	0.00	1,298.81	676.66		
Outbound	0.00	0.00	0.00	810.17	0.00	810.17	354.30		
<b>Michigan</b>	<b>0.14</b>	<b>0.00</b>	<b>0.00</b>	<b>1,725.52</b>	<b>0.00</b>	<b>1,725.65</b>	<b>1,283.74</b>	<b>23.3%</b>	<b>12.7%</b>
Inbound	0.11	0.00	0.00	1,194.10	0.00	1,194.21	861.08		
Outbound	0.03	0.00	0.00	531.42	0.00	531.45	422.67		
<b>Ohio</b>	<b>0.08</b>	<b>0.00</b>	<b>0.00</b>	<b>703.36</b>	<b>0.00</b>	<b>703.44</b>	<b>1,285.33</b>	<b>9.5%</b>	<b>12.7%</b>
Inbound	0.08	0.00	0.00	494.70	0.00	494.78	915.33		
Outbound	0.00	0.00	0.00	208.66	0.00	208.66	370.00		
<b>Indiana</b>	<b>1.39</b>	<b>0.00</b>	<b>0.00</b>	<b>424.61</b>	<b>0.00</b>	<b>426.00</b>	<b>1,059.44</b>	<b>5.8%</b>	<b>10.5%</b>
Inbound	0.63	0.00	0.00	340.40	0.00	341.03	789.10		
Outbound	0.76	0.00	0.00	84.21	0.00	84.97	270.34		
<b>Illinois</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>389.72</b>	<b>0.00</b>	<b>389.72</b>	<b>751.31</b>	<b>5.3%</b>	<b>7.4%</b>
Inbound	0.00	0.00	0.00	233.57	0.00	233.57	470.76		
Outbound	0.00	0.00	0.00	156.14	0.00	156.15	280.55		
<b>Ontario, Canada</b>	<b>0.00</b>	<b>0.00</b>	<b>0.84</b>	<b>179.90</b>	<b>2.35</b>	<b>183.09</b>	<b>520.59</b>	<b>2.5%</b>	<b>5.2%</b>
Inbound	0.00	0.00	0.58	86.01	2.35	88.94	240.27		
Outbound	0.00	0.00	0.26	93.89	0.00	94.15	280.32		
<b>US East</b>	<b>3.97</b>	<b>0.00</b>	<b>0.00</b>	<b>479.65</b>	<b>0.00</b>	<b>483.62</b>	<b>2,317.92</b>	<b>6.5%</b>	<b>23.0%</b>
Inbound	3.24	0.00	0.00	275.62	0.00	278.86	1,205.04		
Outbound	0.73	0.00	0.00	204.03	0.00	204.76	1,112.88		
<b>US Midwest</b>	<b>0.06</b>	<b>0.00</b>	<b>0.00</b>	<b>348.71</b>	<b>0.00</b>	<b>348.76</b>	<b>693.87</b>	<b>4.7%</b>	<b>6.9%</b>
Inbound	0.06	0.00	0.00	162.60	0.00	162.66	403.60		
Outbound	0.00	0.00	0.00	186.11	0.00	186.11	290.26		
<b>US West</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>178.38</b>	<b>0.00</b>	<b>178.38</b>	<b>450.03</b>	<b>2.4%</b>	<b>4.5%</b>
Inbound	0.00	0.00	0.00	70.08	0.00	70.08	222.75		
Outbound	0.00	0.00	0.00	108.29	0.00	108.29	227.28		
<b>US Gulf</b>	<b>0.25</b>	<b>0.00</b>	<b>0.00</b>	<b>135.09</b>	<b>0.00</b>	<b>135.35</b>	<b>192.69</b>	<b>1.8%</b>	<b>1.9%</b>
Inbound	0.25	0.00	0.00	78.61	0.00	78.86	119.55		
Outbound	0.00	0.00	0.00	56.49	0.00	56.49	73.15		
<b>Canada</b>	<b>0.00</b>	<b>161.03</b>	<b>3.82</b>	<b>18.02</b>	<b>0.00</b>	<b>182.87</b>	<b>69.92</b>	<b>2.5%</b>	<b>0.7%</b>
Inbound	0.00	161.03	0.00	17.35	0.00	178.38	65.82		
Outbound	0.00	0.00	3.82	0.66	0.00	4.48	4.10		
<b>Mexico</b>	<b>0.00</b>	<b>0.00</b>	<b>14.41</b>	<b>11.77</b>	<b>0.00</b>	<b>26.19</b>	<b>215.70</b>	<b>0.4%</b>	<b>2.1%</b>
Inbound	0.00	0.00	11.87	5.81	0.00	17.68	182.45		
Outbound	0.00	0.00	2.54	5.96	0.00	8.51	33.25		
<b>Total</b>	<b>5.89</b>	<b>161.03</b>	<b>19.08</b>	<b>7,205.67</b>	<b>2.35</b>	<b>7,394.02</b>	<b>10,097.14</b>	<b>100.0%</b>	<b>100.0%</b>
Internal	0.00	0.00	0.00	151.04	0.00	151.04	97.64	2.0%	1.0%
Inbound	4.38	161.03	12.46	4,468.33	2.35	4,648.55	6,215.21	62.9%	61.6%
Outbound	1.52	0.00	6.62	2,586.29	0.00	2,594.43	3,784.30	35.1%	37.5%

Source: IHS Global Insight, Transearch 2009-2030



For most geographic partners, Genesee County has a much higher inbound tonnage flow than outbound, except with Ontario, the U.S. Mid-western and Western states, which have slightly higher outbound flows. The dollar value of freight flows has a similar pattern: the inbound direction is dominant except for I-69 corridor counties, Ontario, and U.S. Western states.

Appendix A includes information illustrating detailed 2009 and 2030 commodity tonnage distribution between geographic areas by modes. Appendix B includes data illustrating 2009 and 2030 commodity value distribution among geographic areas by modes. Appendix C displays information showing 2009 and 2030 tonnage distribution by geographic area of the top five commodity groups (farm, nonmetallic ores, food, petroleum and secondary traffic). Appendix D includes tables and figures showing 2009 and 2030 value distribution of the top five commodity groups (food, machinery product, electrical products, transportation equipment and secondary traffic) by geographic area.

Among all commodities transported in, out and within Genesee County, a certain group of commodity products heavily rely on value-added services facilitated by supply chain and logistics organizations. These are classified as warehouse able goods requiring storage, process and/or re-distribution; they typically have a relatively high unit value compared to raw materials. **Table 2.5** defines warehouse-able commodity groups and lists the corresponding Standard Transportation Commodity Classification (STCC) codes:

**Table 2.5: Warehouse able Commodities**

	STCC Code	Description	STCC Code	Description
<b>Warehouse-able Commodities</b>	9	Fresh Fish	35	Machinery Products
	19	Ordnance	36	Electrical products
	20	Food	37	Transportation Equipments
	21	Tobacco	38	Instruments
	22	Textile	39	Misc. Manufacturing Products
	23	Apparel	41	Misc. Freight Shipments
	25	Furniture	43	Mail
	26	Pulp, Paper or Allied Products	44	Freight Forwarder Traffic
	27	Printed Products	45	Shipper Associated Traffic
	30	Rubber or Plastic Products	46	Misc. Mixed Shipments
	31	Leather Products	47	Small Packed Freight Shipments
	33	Primary Metal Products	49	Flammable Materials
34	Fabricated Metal Products	50	Secondary Traffic Products	
<b>Other Commodities</b>	1	Farm Products	28	Chemical Products
	8	Forest Products	29	Petroleum
	10	Metallic Ores	32	Clay
	11	Coal	40	Waste and Scrap Materials
	13	Crude Petroleum	42	Empty Equipments
	14	Nonmetallic Ores	48	Waste Hazardous Materials
	24	Lumber		

Source: IHS Global Insight, Transearch 2009-2030

In 2009, Genesee County’s warehouse-able commodities accounted for 47.2 percent of total commodity tonnage and 85.1 percent of total commodity value.

## 2.3 Genesee County Future Freight Flow

The 2030 freight data from *Transearch* estimates total freight volume at 10.5 million tons, with an estimated value of \$17.0 billion. Compared to 2009, commodity flow will experience a 42 percent increase in tonnage and a 69 percent increase in value. The largest directional flow in 2030 is still inbound with estimated 6.0 million tons (57.6 % of total) and \$10.3 billion in value (60.8% of total), although its share drops from 2009. The outgoing commodity flow is close to 4.3 million tons with a value of \$6.6 billion. This represents an increasing share of volume (41% of total) and value (38.7% of total), compared to 2009. The internal-to-the-region freight flow in 2030 will still be a very small portion by both tonnage (0.16 million) and value (\$0.09 billion) through 2030.

**Figure 2.6** illustrates how mode shares will shift through 2030. Trucks continue to dominate the shipping modes in the Genesee County region, accounting for about 10.2 million tons and a value of \$16.7 billion, increasing 41 percent and 69 percent, respectively, compared to 2009. Furthermore, trucking commodities expect to experience the fastest growth in value, indicating more high-value goods will be delivered on roads in the future. Pipeline and rail still rank second and third in handling future freight flow, but pale in comparison to the truck mode. Pipeline is forecast to move 0.28 million tons with a value of \$0.06 billion; rail is projected to carry 0.03 million tons with value of \$0.23 billion. Air freight is forecasted to drop on commodity tonnages by 2030 (from 5,900 thousand tons in 2009 to 5,000 thousand tons in 2030) but with a slight increase in value (\$41.8 million in 2009 to \$45.2 million in 2030).

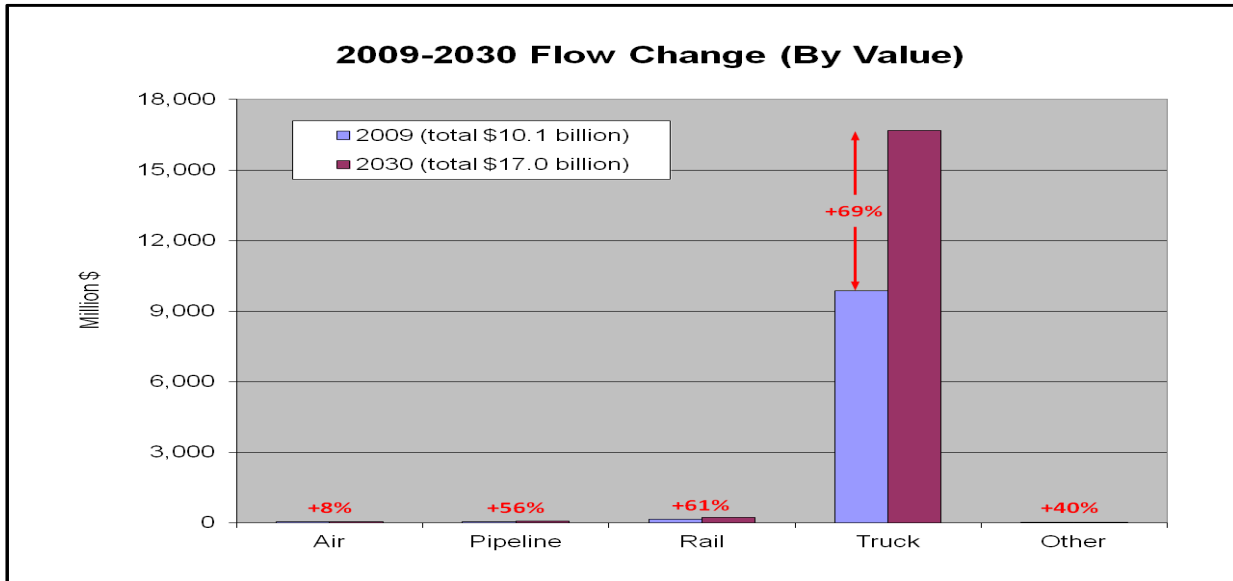
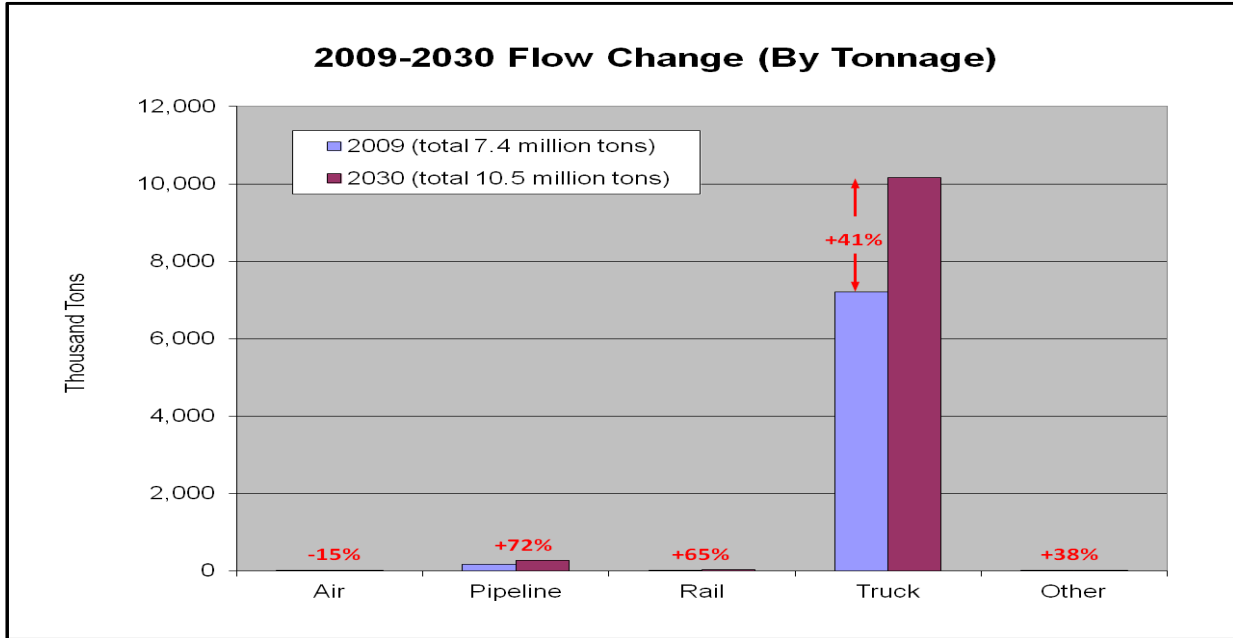
**Figures 2.7** and **2.8** also illustrate inbound and outbound freight flow demands at Genesee County in 2030 by tonnage and value, respectively. **Table 2.6** summarizes 2030 freight flow distribution between Genesee County and other geographic areas.

Commodity flows between Genesee County and other Michigan places (including I-69 corridor counties, Greater Detroit, and the remainder of Michigan) account for 51.8 percent of total tonnage. The neighboring states, including Ohio, Indiana and Illinois share in 22.1 percent of the total tonnage, followed by relatively far-off geographies. When examining value, states in the Eastern U.S. continue to be the largest trade partners with Genesee County (\$4.4 billion or 26% of the total value). The next largest single trade area is the remainder of Michigan (total \$3.3 billion or 20% share). Trade in 2030 with Ohio (\$2.0 billion or 12%), Indiana (\$1.5 billion or 9%), Illinois (\$1.3 billion or 7%), Midwestern states (\$1.1 billion or 6%) and Western states (\$1.5 billion or 9%) are forecast to total 43 percent of the value of trade with Genesee County. Trade value associated with Western states will experience growth in the next 20 years.

**Figure 2.9** illustrates growth for the top 10 commodity clusters measured by tons. All ten groups show increasing trends, which result in a total 8.9 million tons in 2030 with an increasingly dominant market share of 85.1 percent, compared to 6.3 million tons or 84.7 percent in 2009. It also noted that the top three commodity groups (secondary-traffic related products, nonmetallic ores, and food products) are all expected to substantially increase. Forecasts show the currently leading commodities in Genesee County will continue over the long-term.

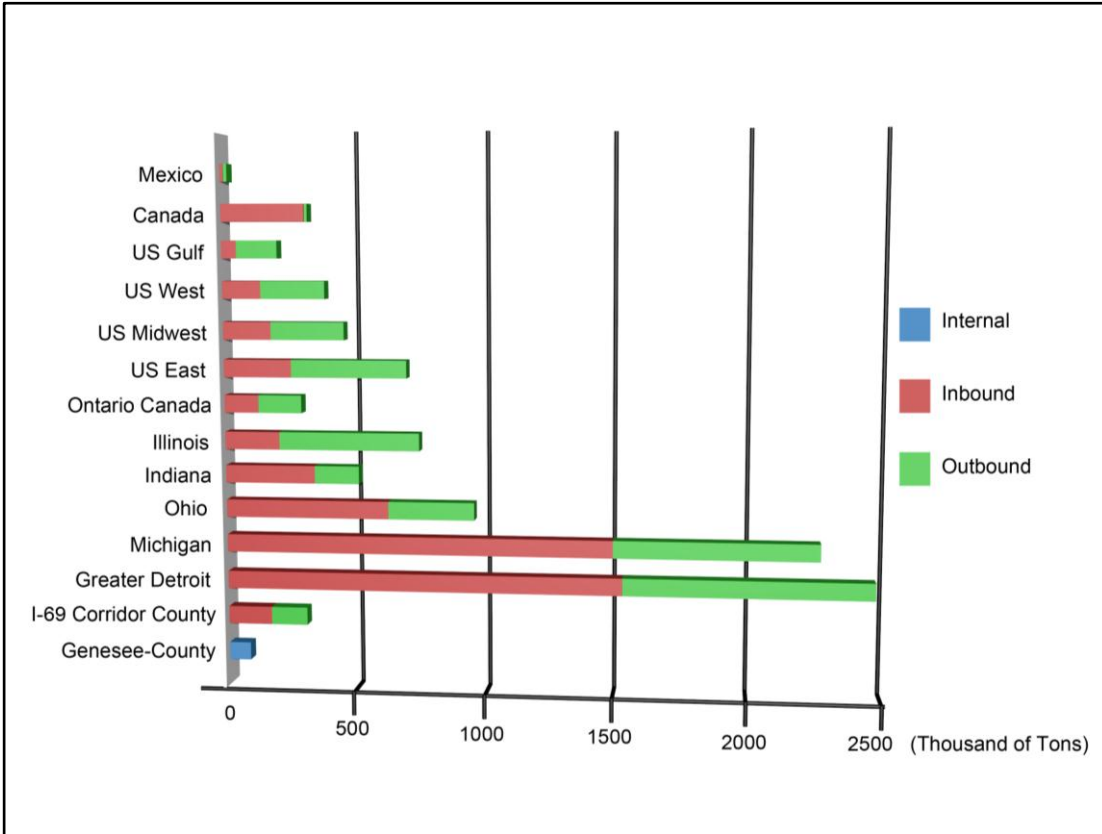
Among the highest value commodity groups, all but two (petroleum and printed products) will increase between 2009 and 2030 (**Figure 2.10**). This will lead to a higher market share of 84 percent (\$14.3 billion) in 2030, compared to 80 percent (\$8.2 billion) in 2009 in products shipped to/from Genesee County.

**Figure 2.6: 2009-2030 Freight Flow Change**



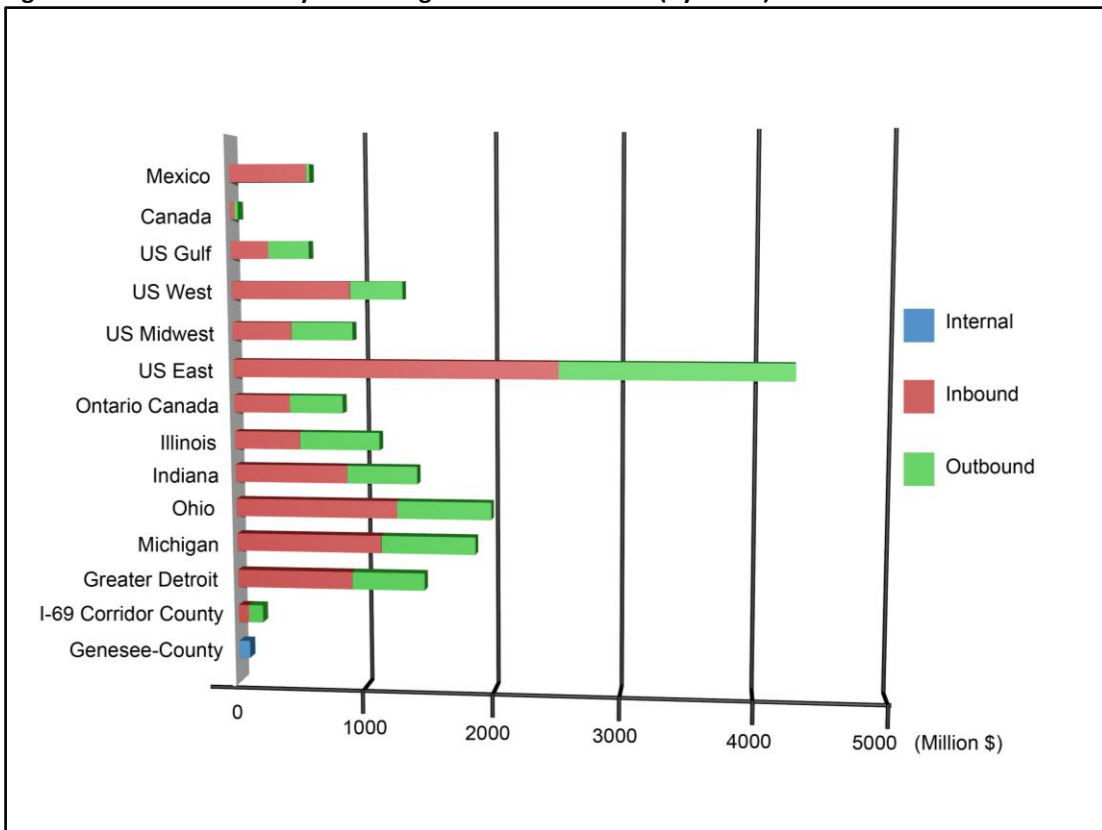
Source: IHS Global Insight, Transearch 2009-2030

**Figure 2.7: Genesee County 2030 Freight Flow Distribution (by Tonnage)**



Source: IHS Global Insight, Transearch 2009-2030

**Figure 2.8: Genesee County 2030 Freight Flow Distribution (by Value)**



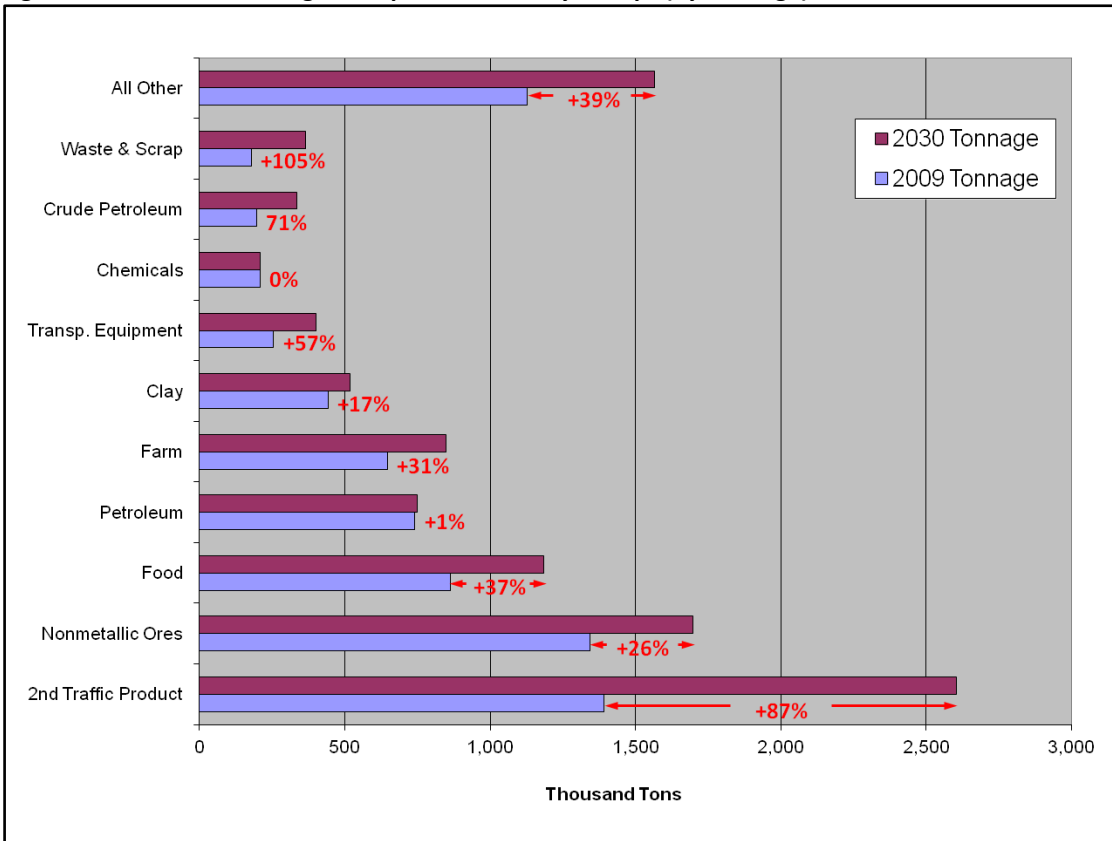
Source: IHS Global Insight, Transearch 2009-2030

**Table 2.6: Genesee County 2030 Freight Flow Distribution**

Geographic Area	Flow by Modes (1,000 tons)					Total (1,000 tons)	Total (million \$)	Share by Tonnage	Share by Value
	Air	Pipeline	Rail	Truck	Other Modes				
<b>I-69 Corridor County</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>431.84</b>	<b>0.00</b>	<b>431.84</b>	<b>147.87</b>	<b>4.1%</b>	<b>0.9%</b>
Inbound	0.00	0.00	0.00	235.15	0.00	235.15	67.06		
Outbound	0.00	0.00	0.00	196.69	0.00	196.69	80.81		
<b>Greater Detroit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>2,731.09</b>	<b>0.00</b>	<b>2,731.10</b>	<b>1,441.32</b>	<b>26.1%</b>	<b>8.5%</b>
Inbound	0.00	0.00	0.01	1,582.29	0.00	1,582.31	947.26		
Outbound	0.00	0.00	0.00	1,148.79	0.00	1,148.79	494.06		
<b>Michigan</b>	<b>0.17</b>	<b>0.00</b>	<b>0.00</b>	<b>2,259.42</b>	<b>0.00</b>	<b>2,259.59</b>	<b>1,758.88</b>	<b>21.6%</b>	<b>10.3%</b>
Inbound	0.10	0.00	0.00	1,548.74	0.00	1,548.84	1,162.86		
Outbound	0.06	0.00	0.00	710.69	0.00	710.75	596.03		
<b>Ohio</b>	<b>0.15</b>	<b>0.00</b>	<b>0.00</b>	<b>994.84</b>	<b>0.00</b>	<b>994.98</b>	<b>2,047.16</b>	<b>9.5%</b>	<b>12.0%</b>
Inbound	0.15	0.00	0.00	632.80	0.00	632.95	1,413.42		
Outbound	0.00	0.00	0.00	362.03	0.00	362.03	633.74		
<b>Indiana</b>	<b>2.17</b>	<b>0.00</b>	<b>0.00</b>	<b>550.66</b>	<b>0.00</b>	<b>552.83</b>	<b>1,509.92</b>	<b>5.3%</b>	<b>8.9%</b>
Inbound	0.94	0.00	0.00	397.85	0.00	398.79	867.19		
Outbound	1.23	0.00	0.00	152.82	0.00	154.04	642.73		
<b>Illinois</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>765.30</b>	<b>0.00</b>	<b>765.30</b>	<b>1,291.97</b>	<b>7.3%</b>	<b>7.6%</b>
Inbound	0.00	0.00	0.00	298.38	0.00	298.38	575.69		
Outbound	0.00	0.00	0.00	466.92	0.00	466.92	716.28		
<b>Ontario, Canada</b>	<b>0.00</b>	<b>0.00</b>	<b>1.21</b>	<b>337.14</b>	<b>3.24</b>	<b>341.59</b>	<b>919.66</b>	<b>3.3%</b>	<b>5.4%</b>
Inbound	0.00	0.00	0.89	167.82	3.24	171.96	487.87		
Outbound	0.00	0.00	0.32	169.31	0.00	169.63	431.80		
<b>US East</b>	<b>2.05</b>	<b>0.00</b>	<b>0.00</b>	<b>730.06</b>	<b>0.00</b>	<b>732.11</b>	<b>4,400.75</b>	<b>7.0%</b>	<b>25.9%</b>
Inbound	1.46	0.00	0.00	377.28	0.00	378.74	2,633.63		
Outbound	0.59	0.00	0.00	352.78	0.00	353.37	1,767.12		
<b>US Midwest</b>	<b>0.10</b>	<b>0.00</b>	<b>0.00</b>	<b>494.66</b>	<b>0.00</b>	<b>494.76</b>	<b>1,055.78</b>	<b>4.7%</b>	<b>6.2%</b>
Inbound	0.10	0.00	0.00	205.86	0.00	205.96	594.39		
Outbound	0.00	0.00	0.00	288.80	0.00	288.80	461.40		
<b>US West</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>429.89</b>	<b>0.00</b>	<b>429.89</b>	<b>1,477.79</b>	<b>4.1%</b>	<b>8.7%</b>
Inbound	0.00	0.00	0.00	140.88	0.00	140.88	957.32		
Outbound	0.00	0.00	0.00	289.02	0.00	289.02	520.48		
<b>US Gulf</b>	<b>0.37</b>	<b>0.00</b>	<b>0.00</b>	<b>214.88</b>	<b>0.00</b>	<b>215.25</b>	<b>343.99</b>	<b>2.1%</b>	<b>2.0%</b>
Inbound	0.37	0.00	0.00	90.05	0.00	90.42	188.15		
Outbound	0.00	0.00	0.00	124.83	0.00	124.83	155.83		
<b>Canada</b>	<b>0.00</b>	<b>277.38</b>	<b>4.72</b>	<b>36.66</b>	<b>0.00</b>	<b>318.76</b>	<b>124.00</b>	<b>3.0%</b>	<b>0.7%</b>
Inbound	0.00	277.38	0.00	35.39	0.00	312.77	117.94		
Outbound	0.00	0.00	4.72	1.27	0.00	6.00	6.07		
<b>Mexico</b>	<b>0.00</b>	<b>0.00</b>	<b>25.49</b>	<b>27.54</b>	<b>0.00</b>	<b>53.03</b>	<b>411.92</b>	<b>0.5%</b>	<b>2.4%</b>
Inbound	0.00	0.00	19.48	13.07	0.00	32.55	331.08		
Outbound	0.00	0.00	6.01	14.47	0.00	20.49	80.84		
<b>Total</b>	<b>5.01</b>	<b>277.38</b>	<b>31.43</b>	<b>10,159.29</b>	<b>3.24</b>	<b>10,476.36</b>	<b>17,023.46</b>	<b>100.0%</b>	<b>100.0%</b>
Internal	0.00	0.00	0.00	155.32	0.00	155.32	92.43	1.5%	0.5%
Inbound	3.13	277.38	20.38	5,725.56	3.24	6,029.70	10,343.85	57.6%	60.8%
Outbound	1.88	0.00	11.05	4,278.42	0.00	4,291.35	6,587.19	41.0%	38.7%

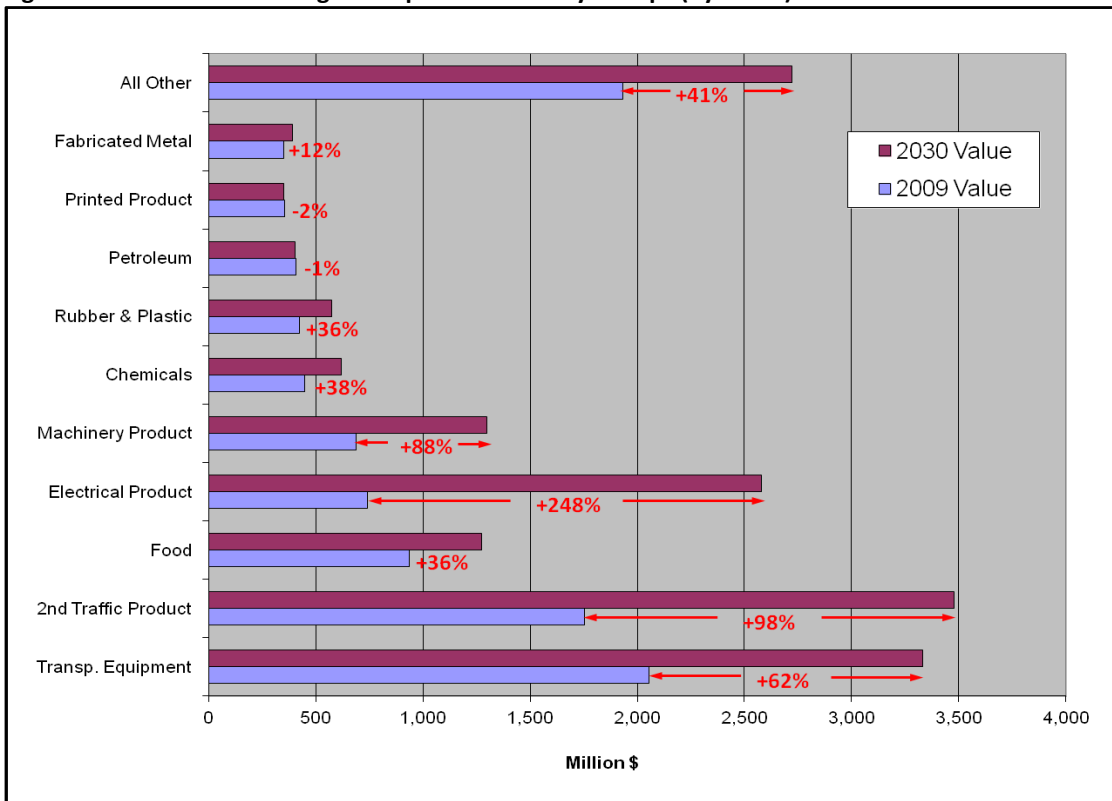
Source: IHS Global Insight, Transearch 2009-2030

**Figure 2.9: 2009-2030 Change of Top 10 Commodity Groups (by Tonnage)**



Source: IHS Global Insight, Transearch 2009-2030

**Figure 2.10: 2009-2030 Change of Top 10 Commodity Groups (by Value)**

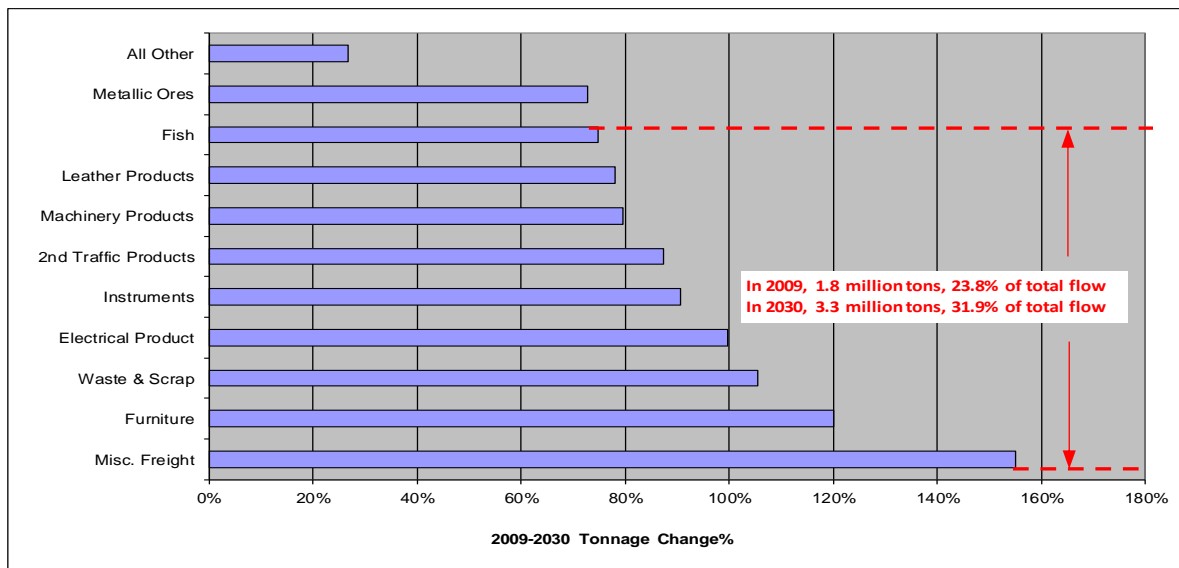


Source: IHS Global Insight, Transearch 2009-2030



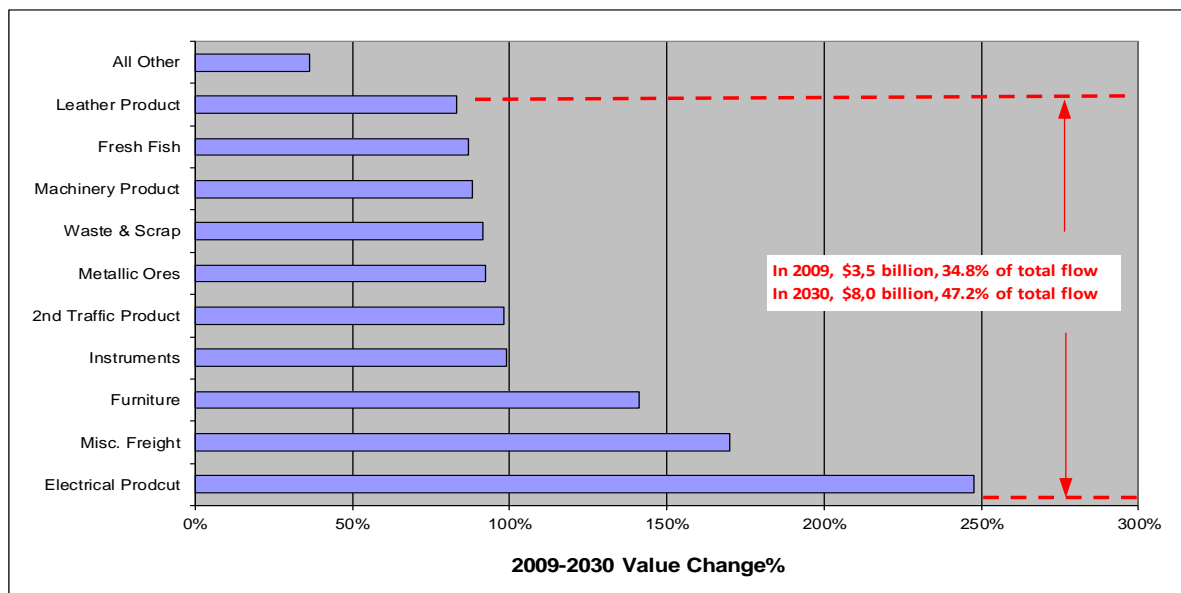
The study also examined the fastest-growing commodities by tonnage and value (Figures 2.11 and 2.12, respectively). The commodities with the fastest tonnage growth will grow from 73 percent to 155 percent through 2030, which are significantly faster rates than the average growth of total tonnage flow (42%) into and out of Genesee County. While most of these groups have small market shares, secondary traffic products and Waste & Scrap commodities represent about 1.8 million tons with 24 percent of total Genesee County trade in 2009 and will increase to 3.3 million tons or 32 percent of share in 2030. Among the ten commodity groups with the fastest growth in value, the top three are electrical products, miscellaneous freight and furniture, which dramatically increase by 248 percent, 170 percent, and 141 percent, respectively over the next 20 years (Figure 2.12). The other seven groups show a slower rate of increase, but all exceed 80 percent. These ten commodity groups represent about \$3.5 billion with 35 percent of share in 2009 but \$8.0 billion with 47 percent of share of Genesee County trade in 2030.

**Figure: 2.11 Fastest Growing Commodity Group (By Tonnage)**



Source: IHS Global Insight, Transearch 2009-2030

**Figure: 2.12 Fastest Growing Commodity Group (By Value)**



Source: IHS Global Insight, Transearch 2009-2030

## 3. Economic Forecasts

### 3.1 Economic Trends

Attracting investment to the Flint & Genesee depends, to a significant degree, on the overall economic trends of the region. The I-69 corridor communities have undergone major shifts over the last decade, first with the decline of the auto industry and now its resurgence. Economic forecasts for Genesee County were obtained from the Genesee County Metropolitan Planning Commission's (GCMPC) 2006 *"Land Use & Scenario Planning Report"*. GCMPC develops population and employment forecasts periodically and in cooperation with the Michigan Department of Transportation for the purpose of modeling and forecasting travel demand. GCMPC uses these forecasts to plan transportation infrastructure. The basis for the economic forecasts comes from three main sources; REMI, Woods and Poole, and the U.S. Bureau of Economic Analysis.

- REMI 2005 – Regional Economic Models, Incorporated (REMI®), is a private company that provides economic projections, models, and employment data forecasting to the State of Michigan.
- Woods & Poole 2005 - Woods & Poole Economics, Incorporated, is an independent firm that specializes in long-term county-by-county economic and demographic projections.
- BEA 2004 – Bureau of Economic Analysis (BEA) is part of the U.S. Department of Commerce and provides regional economic information by industry.

The officially adopted forecast for the Genesee Region reflects an extension of trends which show a major shift from Manufacturing to Services.

### 3.2 Key Industries

Supply chain and location characteristics of the economy in the broad Extended Economic Region of which Genesee County is a part, economic conditions and trends in Genesee County are all important considerations to be considered when developing a marketing strategy for Flint and Genesee sites. For example, in the recently-released report *"Increasing Jobs and Prosperity in Southeast Michigan"* (August 2010), six regional clusters are viewed as opportunities for growth:

- Healthcare and Social Assistance;
- Transportation and Warehousing;
- Professional and Technical Services;
- Management of Companies;
- Manufacturing; and,
- Information.

As noted earlier, manufacturing is rebounding. A nearly equally-large and concentrated industry, health care, has been growing. Both have freight/logistics needs dependent on road, rail and air assets, which Genesee County has a leading edge.

### 3.3 Supply Chain Opportunities

Michigan State University's Broad College of Business recently completed an analysis of supply chain opportunities focused on Southeast Michigan. The study's final report, (*"Supply Chain Opportunity*

*Assessment: Economic Development for SE Michigan, Final Report,*” May 31, 2010) emphasizes the region’s supply chain management capabilities and describes a potential Supply Chain Management (SCM) Strategy focused on attracting industries to a hub. The hub would be developed through a public-private partnership and facilitate rail-to-motor freight transport, air-to-motor freight and rail transport, and value-added services. According to the MSU analysis, the strategy should target industries that focus on:

- Heavy manufacturing attracted to the hub for resource efficiency and differentiation;
- Light manufacturing attracted to the hub for resource efficiency and differentiation; and,
- Warehouse and consumer-based industry attracted to hub market location for distribution and value-added services.

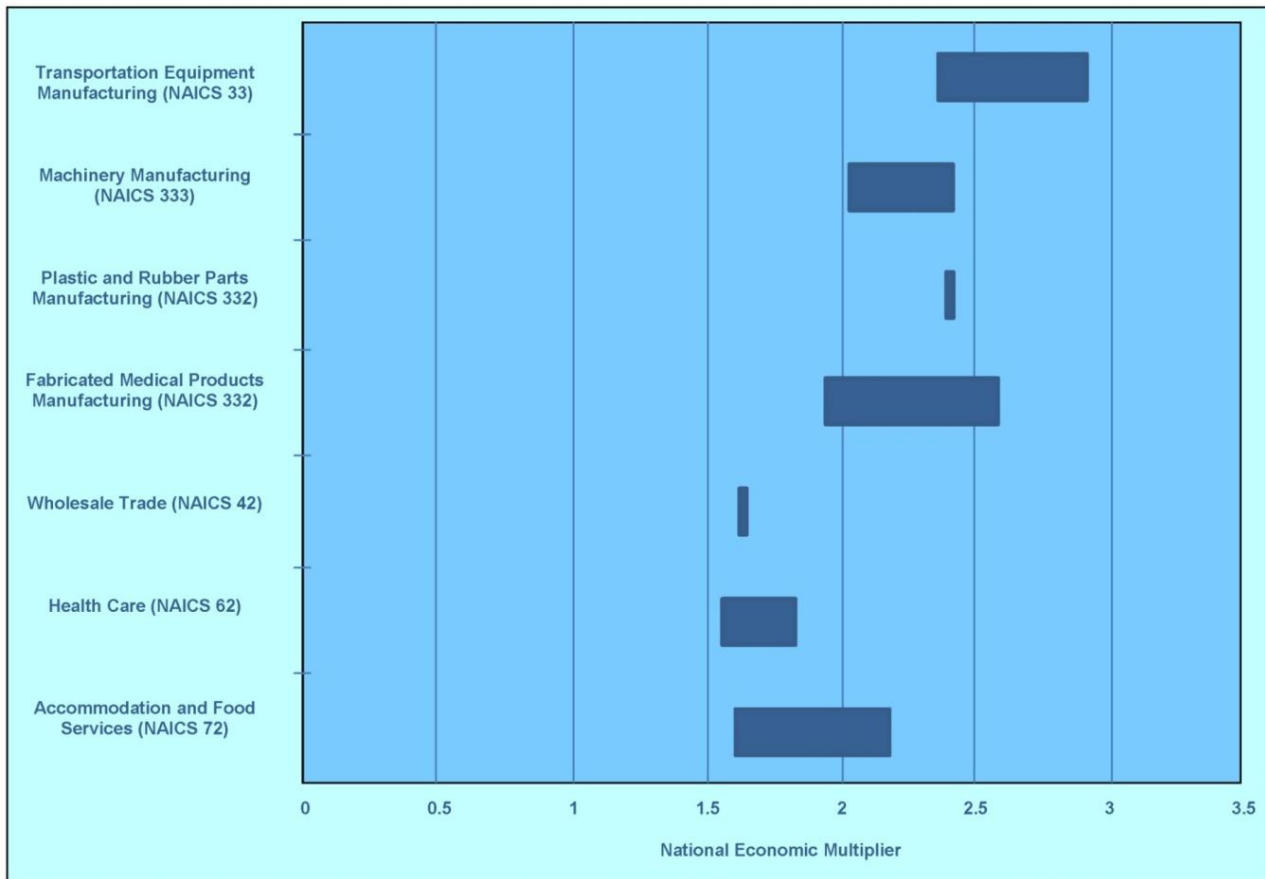
MSU also developed a list of target industries:

- SE Michigan Target industries: transportation & logistics, alternative energy, aerospace, medical devices, homeland security and defense, advanced manufacturing.
- Statewide target industries: alternative energy, automotive engineering, life sciences, homeland security and defense, advanced manufacturing, film industry.

### 3.4 Economic Characteristics and Impacts

Offering incentives and other promotions to attract key industries should depend on the ability of a target industry to impact the regional economy. **Figure 3.4** illustrates the multiplier for each of seven target industries. The multiplier indicates how much economic activity is generated by output in a particular industry. For example, Transportation Equipment Manufacturing (NAICS 336) has a fairly high economic multiplier of 2.9. This means that producing \$1.00 of output in the sector will generate \$2.90 of activity throughout the economy. By comparison, an average, or typical, industry has a multiplier of only about 2.0.

**Figure 3.4: Economic Multiplier**



Source: U.S. Bureau of Economic Analysis

### Outlook for Key Industries

**Table 3.4** illustrates characteristics of the seven key industries. Employment in the four manufacturing industries and Wholesale Trade (NAICS 42) declined over the last decade nationally; the decline in the local region was greater than the U.S. average. Employment in Health Care (NAICS 62) and Accommodation and Food Service (NAICS 72) grew, but somewhat slower than the national average.

**Table 3.4: Regional Economic Trends for Key Industries**

Selected Industry	Employment		Wages		Workers per Establishment	
	Regional Trend	vs. US Trend	Regional Trend	vs. US Trend		
Transportation Equipment Manufacturing (NAICS 336)	Declining	Worse	Stable	Worse	Declining	120
Machinery Manufacturing (NAICS 333)	Declining	Worse	Increasing	Worse	Declining	28
Plastics and Rubber Parts Manufacturing (NAICS 326)	Declining	Worse	Increasing	Same	Declining	51
Fabricated Metal Products Manufacturing (NAICS 332)	Declining	Worse	Increasing	Worse	Declining	19
Wholesale Trade (NAICS 42)	Declining	Worse	Increasing	Worse	Stable	14
Health Care (NAICS 62)	Increasing	Worse	Increasing	Same	Stable	21
Accommodation and Food Services (NAICS 72)	Increasing	Worse	Increasing	Same	Stable	18

Source: U.S. Census Bureau, County Business Patterns

Wages grew in nearly every industry in the Southeast Michigan EER, although somewhat less than the U.S. average. Wages remained steady in the Transportation Equipment Manufacturing (NAICS 336) sector in the EER, while they grew nationally. Although wage trends in Transportation Equipment Manufacturing (NAICS 336) and Machinery Manufacturing (NAICS 333) were slower than the U.S. average, wages remained higher than the U.S. national average.

The region must focus on the transportation needs of industries that are the most likely to retain jobs and attract new employment. The seven target industries included in the SEMCOG study are highly concentrated, have a large employment base, and/or are expected to grow within the region over the next 20 to 30 years (Table 3.5). The industry profiles indicate that transportation plays a universal, albeit small, role in the overall cost in these industries – a theme echoed in the 2011 SEMCOG survey of businesses (Table 3.6). To attract and retain these businesses, transportation policy should focus on maintaining and operating current facilities efficiently as an expected condition of the regional business environment.

**Table 3.5: Characteristics of Selected Industries**

Selected Industry	High Concentration	Large Employment	Growing	Shipping
Transportation Equipment Manufacturing (NAICS 336)	●	●		●
Machinery Manufacturing (NAICS 333)	●	●		●
Plastics and Rubber Parts Manufacturing (NAICS 326)	●	●		●
Fabricated Metal Products Manufacturing (NAICS 332)	●	●		●
Wholesale Trade (NAICS 42)	●			●
Health Care (NAICS 62)	●	●	●	
Accommodation and Food Services (NAICS 72)			●	

Source: U.S. Census Bureau, Occupational Employment Statistics

**Table 3.6: Regional Economic Trends for Key Industries**

<b>Selected Industry</b>	<b>Reason for Location in Region</b>
Transportation Equipment Manufacturing (NAICS 336)	<i>Near customers and assembly plants, workforce availability, tax incentives, property features</i>
Machinery Manufacturing (NAICS 333)	<i>Major highways, airport</i>
Plastics and Rubber Parts Manufacturing (NAICS 326)	<i>Near clients and population centers, business opportunities</i>
Fabricated Metal Products Manufacturing (NAICS 332)	<i>Near customers and service centers</i>
Wholesale Trade (NAICS 42)	<i>Airport, US-Canada border, distribution area, water port access</i>
Health Care (NAICS 62)	<i>Not covered in survey</i>
Accommodation and Food Services (NAICS 72)	<i>Not covered in survey</i>

Source: SEMCOG Freight Industry Survey (included Genesee County)

The industrial profiles indicate that one-third to one-half of all freight movement for the regional manufacturing industries occurs within 50 miles of the manufacturing site. This suggests that local road improvements addressing last-mile, local connections to freeways, may be as critical to shipments as major freeway projects. As noted earlier, survey respondents cited several, more-local problems, which impinge on freight movement for that particular business. Addressing these, by completing smaller projects, can have significant positive effects over time. Genesee County's forecast suggests that employment will decline more slowly in Wholesale Trade than in Manufacturing. Wholesale Trade has a reliance on trucking similar to Manufacturing. However, wholesale firms tend to use their own trucks and require direct access to the Canadian border and regional distribution centers. To support these industries, infrastructure facilities need to address specific Wholesale Trade sites. In addition, Wholesale Trade relies on package shipment to a greater extent than other industries, so airport access is an important factor.

Health Care plus the Accommodation and Food Services industries have their own specialized supply-chain needs and are much less reliant on transportation. As a result, the specific transportation needs of these industries should be kept in focus through regular contact.

In general, investments in logistics facilities and other transportation infrastructure should support economic development efforts. Coordination among the Flint and Genesee Chamber of Commerce, local and statewide political leadership, local transportation planning agencies, and potential employers, must be highly focused and provide a measurable return on investment.



## 4. Genesee County Market Potential for Logistics

As discussed in Section 2, commodity movement via trucks accounts for the nearly all freight flow occurring in Genesee County. Therefore, an evaluation of the potential market surrounding Genesee County must focus on truck transport.

For evaluation purposes, a set of truck travel time buffers with maximum of 5-hour and one-hour increments have been established using the FAF<sup>3</sup> network with Genesee County as the geographic center. The travel time buffers were determined based on congested truck travel speed to represent realistic traffic conditions (**Figure 4.1**).

The travel time buffers range from a 1-hour band, which covers Genesee’s neighbor counties and the northern portion of Greater Detroit, to a 5-hour band, which extends to northern Michigan, Ohio, Indiana, northeastern Illinois (primarily the Chicago area), western New York, and western as well as southern Ontario, Canada. When comparing surrounding logistics hubs, Detroit and Toledo are within 1-2 hour and 2-3 hour travel time buffers, respectively, of Genesee County. Buffalo, Cleveland, and Toronto require 3-4 hour truck trips to Genesee. Chicago and Columbus are located in the 4-5 hour by truck buffer area. . It takes more than five hours to truck commodities between Genesee County and other regional hubs, such as Cincinnati and Indianapolis.

**Table 4.1** also lists population in the buffer areas. Genesee County is within a 5-hour truck driving time to a market with a total population of 31.9 million in 2010 and 35.1 million in 2030, about 9 percent more in 20 years. The U.S. portion of the market area makes up about 80 percent of the total.

**Table 4.1: Area and Population of Genesee County Travel Time Buffers**

Time Buffer	Buffer Area (mile <sup>2</sup> )	2010 Population <sup>(1)</sup> (million)			2030 Population <sup>(2)</sup> (million)		
		U.S.	Canada	Total	U.S.	Canada	Total
≤ 1 hour	5,265	2.5	0.0	2.5	3.0	0.0	3.0
≤ 2 hours	20,874	7.2	0.3	7.5	7.8	0.4	8.2
≤ 3 hours	45,843	10.1	0.8	10.9	11.2	0.9	12.1
≤ 4 hours	71,471	13.8	6.2	20.0	15.0	7.6	22.6
≤ 5 hours	108,037	25.3	6.6	31.9	27.0	8.0	35.1

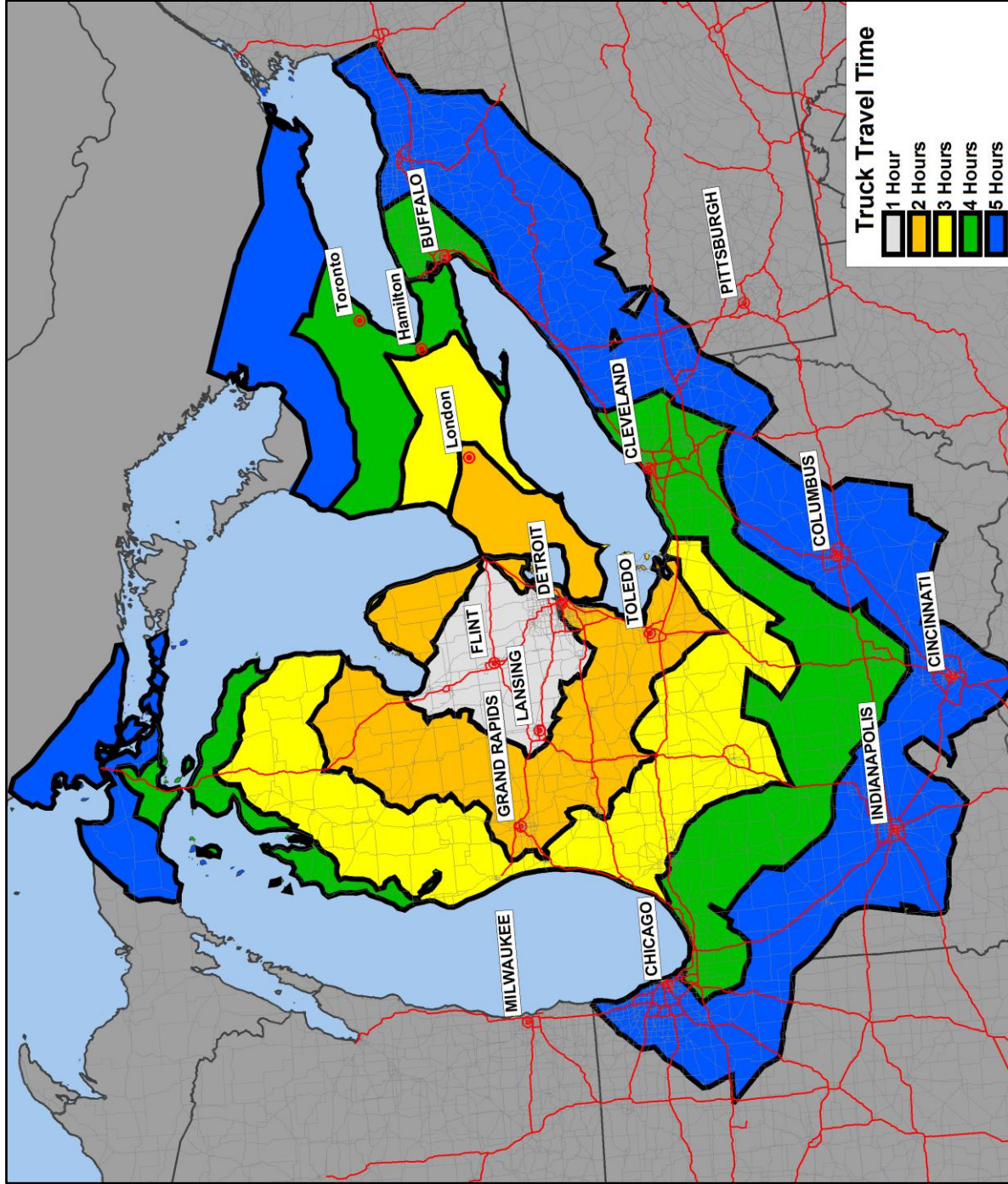
(1) Data is from 2010 US census and 2011 Canada Census. Canada portion only includes major cities.

(2) Projection is derived from US and Canada census data. Canada portion only includes major cities.

Source: Freight Analysis Framework version 3 (FAF3) highway network; 2010 US Census; and, 2011 Canada Census

There are many logistics hubs in the U.S. Midwest. They all potentially compete with Genesee County and take a share of the freight market. The market sizes and trucking commodity activities have been evaluated for these competing locations to measure the relative competitiveness of Genesee County as a supply hub location. **Figure 4.2** illustrates the 5-hour truck travel time areas covered by Genesee County and Buffalo, Chicago, Cincinnati, Cleveland, Columbus, Indianapolis and Toledo. As before, the 5-hour truck travel time areas are created based on FAF<sup>3</sup> congested travel speed, so they represent markets that can be accessed in real-world conditions. **Table 4.2** compares population market sizes and truck activities between Genesee County and these selected U.S. Midwest logistics hubs.

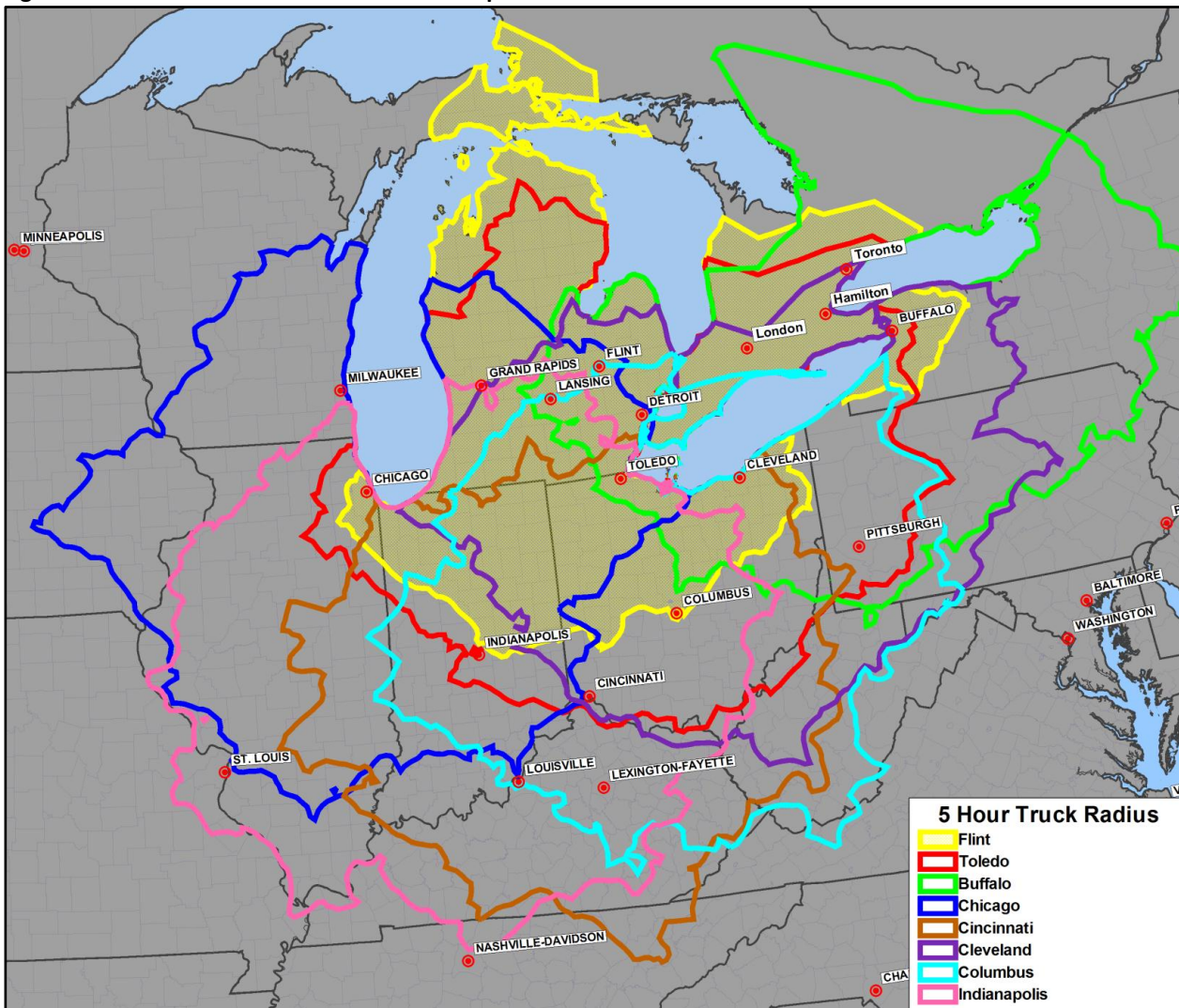
Figure 4.1: Truck Travel Time Buffers of Genesee County



Source: Freight Analysis Framework version 3 (FAF3) highway network. ; 2010 US Census ;and, 2011 Canada Census



**Figure 4.2: 5-Hour Truck Travel Time Area Comparison**



Source: Freight Analysis Framework version 3 (FAF3) highway network; 2010 US Census; and, 2011 Canada Census .

**Table 4.2: Population within 5-Hour Truck Travel Time of Genesee County and Competitive Cities**

Center Locations	Buffer Area (1,000 sq. miles)	2010 Population <sup>(1)</sup> (million)			2030 Population <sup>(2)</sup> (million)		
		U.S.	Canada	Total	U.S.	Canada	Total
Genesee County	108.0	25.3	6.6	31.9	27.0	8.0	35.1
Buffalo	128.2	21.8	6.9	28.7	22.3	8.4	30.7
Chicago	137.8	31.9	0.2	32.1	34.6	0.3	34.8
Cincinnati	130.7	24.2	0.0	24.2	26.0	0.0	26.0
Cleveland	125.3	28.9	5.5	34.4	30.3	6.7	37.0
Columbus	128.5	29.7	0.3	30.1	31.5	0.4	31.8
Indianapolis	161.1	35.0	0.0	35.0	38.4	0.0	38.4
Toledo	130.0	37.4	6.3	43.7	39.9	7.7	47.5

(1) Data is from 2010 US census and 2011 Canada Census. Canada portion only includes major cities.

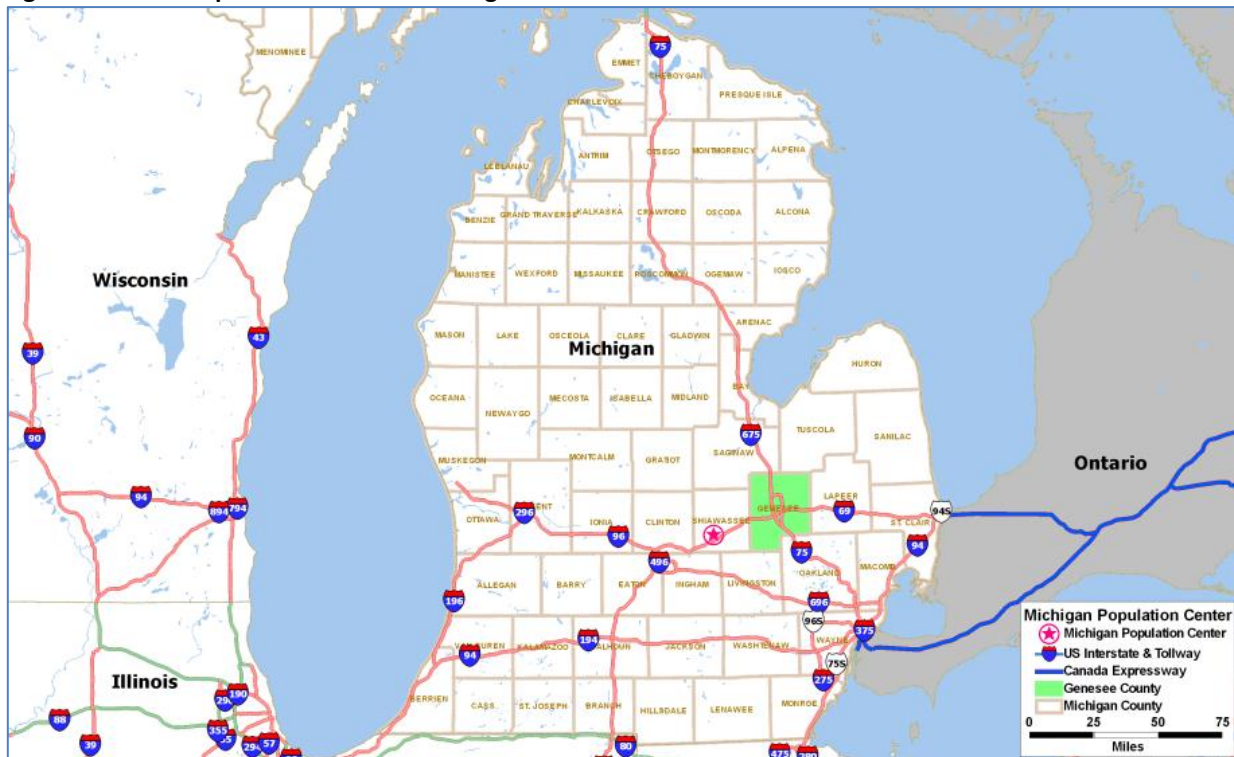
(2) Projection is derived from US and Canada census data. Canada portion only includes major cities.

Source: Freight Analysis Framework version 3 (FAF3) highway network; 2010 US Census; and, 2011 Canada Census .

When comparing hub areas, Toledo has the largest population coverage (43.7 million in 2010 and 47.5 million in 2030) while its land area (130.0 thousand mile<sup>2</sup>) ranks fourth among eight because surrounding Midwest and southern Ontario population centers can be reached by driving fewer than five hours. Indianapolis and Cleveland rank second and third in terms of total population covered. The market of Indianapolis (35.0 million in 2010) is only of U.S. population, while Cleveland’s population buffer area (34.4 million in 2010) is comprised of 5.5 million Canadian people. A total of 32.1 million people can be reached within a 5-hour truck drive of Chicago. Chicago is the favored choice of serving Midwestern and Western areas. Genesee County has moderate total population coverage (31.9 million in 2010 and 35.1 million in 2030) with the second largest Canadian market (6.6 million in 2010 and 8.0 million in 2030). It is likely to be a balanced hub for serving the Midwest, the Great Lakes and Canada. Buffalo, Cincinnati and Columbus have relatively low total population coverage. However, Buffalo is able to cover most of southern Ontario, which provides it the largest Canadian market size (6.9 million in 2010 and 8.4 million in 2030).

As mentioned, a large portion of Genesee County commodity flows actually stay within the State of Michigan (56.5% of total tonnage and 24.2% of total value). Further evaluation of Genesee County as the place to effectively serve the entire state of Michigan, shows promise. **Figure 4.3** illustrates the current population center of Michigan is located in Shiawassee County, just a few miles from western Genesee County. With the added advantages of excellent and uncongested east-west and north-south major highway access, Genesee County is an ideal location to serve the entire population of the state of Michigan. Accessibility analysis shows tremendous potential for Genesee County centered logistics facilities that would serve the Michigan market.

**Figure 4.3: 2010 Population Center of Michigan**



Source: The Corradino Group

## 5. Infrastructure Assessment

This report section will quantify the advantages and disadvantages of the Flint and Genesee in terms of transportation connectivity, system performance, and access. Also included is a discussion on important projects in the wider economic region that will benefit the freight handled in Genesee County.

### 5.1 Connectivity

Flint and Genesee have excellent connectivity to the interstates network. There is direct access to the rail network with CSX and CN serving the area. Roadway access to air cargo facilities (Bishop, Detroit, and Aerotropolis) is very good. Overall highway conditions are fair to good today. Genesee County's location along or very near along I-475, I-69, I-75, and US 23 provides outstanding accessibility to all of parts of the U.S., Canada and Mexico. Genesee County's proximity to the Blue Water Bridge is another advantage. Genesee County's accessibility to other Great Lakes Region locations is within reasonable:

- Midland/Bay City/Saginaw (40 miles)
- Midland/Bay City/Saginaw (40 miles)
- Capital City/Lansing (50 miles)
- Detroit (60 miles)
- Toledo (110 miles)
- Cleveland (223 miles)
- Chicago (273 miles)
- Toronto (248 miles)

### 5.2 System Performance Measures

Travel demand forecasts by GCMPC for the region also show positive indications for attracting logistics providers. The model is sensitive to land use changes, household/employment locations and growth. Forecasts show steady increases in truck travel. The average truck delay is currently insignificant, and projections to 2035 show continuation of these good conditions (**Table 5.1**). This is an important selling point for Flint and Genesee County.

**Table 5.1 Daily Genesee County Highway Network Statistics**

Infrastructure Measures	2005	2035
Total VMT	12,218,122	15,301,883
Truck VMT	694,934	781,374
Total Delay (hour)	4,813	9,756
Truck Delay (hour)	243	515
Total VMT/per capita	27.26	32.63
Truck VMT/per capita	1.55	1.67
Avg. Travel Delay (min)	0.64	1.25
Avg. Truck Delay (min)	0.03	0.07

Source: Genesee County Travel Demand Model. ATRI truck data

### 5.3 Regional Infrastructure

The 2011 SEMCOG Freight Analysis survey included several questions about freight flows, current bottlenecks, and future deficiencies.

The economic transition occurring in the Southeast Michigan EER continues to challenge governments responsible for maintaining transportation infrastructure. Government funding is significantly less than in the past. Governor Snyder's proposal to generate annually \$1.2 billion in additional funding to fix the state's crumbling roads by hiking motor vehicle registration fees and changing the 19-cents-per-gallon gas tax to a percentage tax based on the wholesale rate that can grow with inflation and rising oil prices. This is a primary area in which to partner with Chambers, governments and, even the private sector. Among the freight movement/logistics-supporting projects planned or underway of significant importance to Genesee County are:

- Expanding Blue Water Bridge plaza;
- Improving I-75 in Oakland County leading to Genesee County;
- Building an I-475/I-75 connector with associated improvements to the area at Genesys Hospital System; and,
- Improving the Port of Detroit.

### 5.4 Summary of Infrastructure Strengths and Weaknesses

Genesee County has the ability to export and import from locations near and far. Bishop International Airport has the runways for large cargo planes to utilize this fastest growing airport in the Midwest. The CSX and Canadian National railways intersect here and provide access from Nova Scotia. The I-75, I-69 and US-23 freeways run through Flint-Genesee County and connect Mexico to Canada.



## 6. Findings and Recommendations/Next Steps

Genesee County has great potential to capture its fair share of the Midwest logistics market. Freight logistics/movement represents a multi-billion-dollar industry supporting in excess of 100,000 jobs in Michigan. The Genesee County-centered region, including Shiawassee, Lapeer, and St. Clair counties, has invested in a logistics strategy with a new intermodal center at Bishop International Airport. The region's great asset is its location in the center of Michigan's population with superior accessibility to millions of people. As such, Genesee County is an ideal logistics/distribution center location.

This study provides information to support the region's efforts to strengthen its role in the freight movement/logistics and potentially attract new development to Flint and Genesee County. Major findings are:

- Freight Flow - Forecasts show significant growth in the freight flows to and from Genesee County. Nonetheless, forecasts show some declines in economic sectors that are the major freight users. The economic effects of the last recession continue to have an effect.
- Infrastructure Strengths – Flint and Genesee have direct access to the CSX rail network, with linkages to the CN system as well. There is good roadway access to air cargo facilities (Bishop, Detroit Metro/Aerotropolis). Genesee County's geographic situation along I-69, I-75, US 23 provides outstanding accessibility. Genesee County's proximity to the Blue Water Bridge, with significant investments to expand the US plaza, is an asset.
- Infrastructure Weaknesses – Portions of major highway are in need of improvement due to wear. Congested conditions are prevalent on I-75 in Oakland County leading into Genesee County, however flows within and through Genesee County are generally unhindered.




### 6.1 Incentives

The Flint & Genesee Chamber of Commerce's Economic Development team coordinates with local entities to negotiate project incentives on a case by case scenario. Available incentives include:

- Location-Based Tax Savings Programs:
  - ✓ PA 198 Industrial Property Tax Abatement – Provides 50% industrial property tax abatement on new investment for both real and personal property for up to 12 years. This abatement can be granted by local municipalities or Next Michigan Development Corporation.
  - ✓ PA 328 Personal Property Tax Relief in Distressed Communities -- Allows distressed communities to abate 100% of the personal property taxes on new machinery and equipment. Genesee County municipalities eligible to participate include the Cities of Flint, Burton, and Mt. Morris, the Townships of Genesee, Montrose and Mt. Morris. This abatement can be granted by local municipalities or Next Michigan Development Corporation.
- MEDC and State Tax Savings Programs:

- ✓ Michigan businesses, economic developers and communities now have new tools to spur investment, fuel job growth and support community revitalization. The MEDC and State of Michigan provides significant value to businesses looking to expand or locate their business here, including:
  - \$175 Million annually in business attraction and economic gardening programs and business assistance through MEDC;
  - \$100 million available for attraction and economic gardening
  - \$25 million available for business acceleration
  - \$25 million available to support the film and digital media industry
  - \$25 million available to support the Pure Michigan promotion program
- The Michigan Business Development Program is a new incentive program available to eligible businesses that create qualified new jobs and/or make qualified new investment in Michigan.
- The Michigan Community Revitalization Program is a new incentive program designed to promote community revitalization that will accelerate private investment in areas of historical declining values.
- A Simplified and Competitive Business Tax Structure will tax C-Corporations at 6% on federal taxable income apportioned to Michigan.
- Pure Michigan Business Connect, a \$3 billion public-private initiative strengthens Michigan's economic gardening philosophy through an alliance of the Michigan Economic Development.

## 6.2 Recommendations

- The following recommendations are made for advancing potential development of Flint and Genesee sites. These recommendations, where applicable, should be broadly communicated using, among other products, the video prepared for this project. Media, such as  and  should be used extensively to reach the interested market. 
- Retain and Attract Jobs
  - ✓ Communicate the economic benefits of redevelopment in terms of the expected jobs, personal income, and Gross Regional Product (GRP).
  - ✓ Make the return-on-investment business case, and measure results.
  - ✓ Prepare competitive grant applications for discretionary state and federal funds.
  - ✓ Identify the best additional projects from a cost-effectiveness standpoint.
- Projects
  - ✓ Focus on infrastructure repair/maintenance.
  - ✓ Coordinate with CSX and Canadian National Railway to improve intermodal freight at the site and in the region.

- ✓ Encourage capacity improvements to I-75 and U.S. 23.
- ✓ Provide support to connect I-475 to U.S. 23 to relieve congestion on I-75 and U.S. 23 and unlock the potential in the Genesys Medical Center.
- ✓ Support improving the US plaza at the Blue Water Bridge

All of these measures can be addressed by backing, in a visible way, Governor Snyder's priority to increase transportation funding.

- Planning
  - ✓ Further strengthen, with funding and staffing, the I-69 Corridor logistics strategy
  - ✓ Develop investment policies and performance measures.

Another item, which will require collaboration with the regional legislative delegation, and the constituencies they represent, is to amend the state's Aerotropolis legislation to allow these designated zones to become "turbo-charged" tax-increment districts. In this case, a portion of the economic return from the redevelopment in terms of property, income and sales taxes, is provided to the administrator of the site to maintain and improve the site's physical facilities, access to it, communications, staffing and the like, consistent with an state-approved master plan. This is a "turbo charged" approach because it is not limited to property taxes, as most tax-increment districts are. It also includes capturing a piece of the income and sales taxes generated by a site's activities. A law that supports this type situation exists and is included in Appendix E.