AECOM

Port of Fort Pierce Master Plan Update Phase I

Market Overview / Stakeholder Input

June 2012 Final Report

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Executive Summary

The Phase 1 Study was initiated for 2 purposes: to determine if Seaport investment at the Port of Ft. Pierce would attract new cargo activity consistent with the Goals and Objectives of the Florida Transportation Plan 2060 and the Florida Chamber Tradeflow and Logistics Study; and if the Community was willing to engage in a collaborative effort to update their Master Plan.

The results of the Phase 1 effort indicate:

The Port is well positioned for a number of business opportunities that would result from increased Seaport infrastructure investment.

The Community well understands the potential for the land within the Port boundaries and have many ideas on how the property should be developed. The Team held 3 public meetings attended by more than 300 people in total and received approximately 300 completed questionnaires and comment cards overall. A summary of input is provided in the Appendix.

In addition a number of unanticipated opportunities/issues arose during the process of completing Phase 1, including:

- Research identified that the State of Florida passed legislation in 2011 that provided for 50% funding to match efforts for the implementation of maritime education and training facilities and programs. The Team recognizes that a Phase 2 collaborative effort could look at new Seaport/Maritime Training uses at the Port.
- Research indicates that the 2002 Master Plan has been successful as a tool to fund transportation related projects. Both the Taylor Creek Dredging and Spoils site project and the Port Entrance and 2nd Street Project as are fully funded for Fiscal Year 2013 which begins on July 1, 2012. As a result, there are no new projects to be considered for State Seaport/Intermodal funding.
- The 2012 Florida Legislature passed significant funding for Seaport and Intermodal projects and the legislation was signed into law by the Governor. A summary of the legislation is attached in the Appendix.

Community Outreach Overview

The community outreach objective was to facilitate a public engagement process for determining whether to proceed with a Phase 2 to do an actual Master Plan Update. The Phase 1 Collaborative Opportunities Analysis focused upon getting a "yes" or "no" answer from the public. The community outreach strategy was first to identify a full spectrum of key community stakeholders in various categories including the general public, government, education and business, and then to engage some of them in conversation about the Port of Fort Pierce. The purpose was to find out if they or their constituents were interested in engaging in a larger community-wide master planning process to explore potential additional uses at the Port. The community outreach and engagement process was designed to be broad-based and inclusive. Some 48 discussions and meetings as well as four community meetings were conducted during the Phase I process. The study team contacted local groups and individuals about Phase I. Some groups invited the team to participate in meetings they set up, which significantly increased the reach to more individuals with a cross section of views, than the team would have gotten from individual interviews.

A Port of Fort Pierce Collaborative Analysis "Fact Sheet" and "Questionnaire" was developed to ensure that a consistent and impartial message was being conveyed to the public. This provided the public with straightforward information about the Phase I process, scope and intent. By disseminating this information at numerous locations, electronically via e-mail, and posting it on both the City of Ft. Pierce and St. Lucie County websites, the volume of community members engaged in the process was substantially increased.

Market Overview

Strategic investment of State Seaport and Intermodal funds is focused on investments that support an overall State of Florida plan to intercept Florida-borne trade that is shipped through Non-Florida Ports, attract New Trade to the State, and in the case of Ft. Pierce and other small Ports to support the State's large Ports by keeping trade in the State that may be relocated due to the influx of major shippers at the large Ports.

These include:

- Mega yacht facility could offer dry-docking and servicing support services
- Enhance the port to expand trade within the Caribbean Basin. Opportunities for growth may come from other Florida ports not having the space or facilities to accommodate smaller operators.
- Better rail connectivity to the FEC would enhance the port's operations and potential new markets and expansion, e.g., Cuba, Bahamas. Port of Fort Pierce is ideal for railcar on ferry.
- Expand Wal-Mart Distribution Center, Fort Pierce and the Caribbean
- Utilize Freeport to Fort Pierce to distribution center utilizing FEC rail
- Capitalize on domestic shipping/short-sea shipping
- Opportunities to accommodate shuttle ocean service to/from transshipment points, e.g., Freeport or new markets, e.g., Cuba linking into Wal-Mart Distribution Center (Fort Pierce), CVS Caremark Distribution Center (Vero Beach) and Tropicana Products Inc. (Fort Pierce).

Capital Improvements Needed to Achieve Key Goals

- Land acquisition
- New Port entrance in design stage
- Infrastructure construction

Spheres of Influence

- Hinterland served: St. Lucie, Indian River, Okeechobee, Highlands, Hendry, Glades and Martin Counties
- Trading partners: Caribbean basin, Bahamas, Far East and Europe

Potential Action Items for Consideration

- Continue lobbying U.S. Army Corps of Engineers to provide regular maintenance dredging of the harbor channel to its original depth of 28' enabling the Port of Fort Pierce to be more active and be recognized by the U.S. Government as a viable component of the national transportation system. Inform the Corp. that the Port is constrcuting the final Phase of the Taylor Creek

project, construction of a core roadway, utilities and drainage project is fully funded and programmed for construction in FY 2012-2013 and the Port has actively engaged the Community in developing a new strategic plan gered towards economic development and mixed maritime uses.

- Continue efforts to develop and attract land for mega-yacht use. Niche shipping can be viewed as compatible with marina, mega-yacht, and boat works operations, so advancement of both the former and the latter activities could prove harmonious and complimentary while also furnishing the benefits of diversity in revenue streams.
- Establish the Port of Ft. Pierce as a niche shipping port. While the bigger east coast ports will pick up large volumes of cargo, the Port of Ft. Pierce stands to gain from small vessels being squeezed out of these ports; expand capacity at the Port to serve appropriate size clean container, break bulk, and bulk markets; focus on more regional cargo activities, including intrastate and interstate waterborne transportation and traditional maritime markets, such as the Caribbean Basin.
- Enhance the new Florida Maritime Training Academy for Merchant Mariners located in the Port of Fort Pierce and seek to develop the facility into a true statewide/international maritime training center in collaboration with Indian River State College and other international trade and logistics career academies and programs established for high school, vocational and advanced-degree students. Collaboration on this effort should consider expansion and inclusion of the Aviation program already in place.
- Encourage domestic shipping, marine highway and short-sea shipping, as the Port of Fort Pierce is in a prime location; improve landside connectivity to airports, seaports, and rail terminals; develop and maintain high-capacity, long-distance rail, water and truck corridors. The Port is in a position to contribute significantly to the regional transportation system and facilitate distribution to inland logistics centers as a spoke to connect intermodal transportation links.
- Expand on Freeport to Fort Pierce trade by enabling Distribution Centers to utilize the FEC rail, road and airport connections; maintain and enhance regional distribution networks by working with the public and private sector to attract more distribution centers such as Home Depot, Dollar Tree, Target, Pier 1, and Ikea to service domestic and international trade.
- Continue commitment to provide infrastructure for land to be developed for mixed marine recreation, marine commercial, and marine industrial uses and support and pursue acquisition of new waterfront land swaps or inland locations for the redevelopment of seaport operations for the Port of Fort Pierce; adopt land use plans supporting both freight-intensive activities and environmental stewardship.

In summation, a deepwater port is a genuine asset, and the Port of Fort Pierce has numerous opportunities to advance toward achieving its full potential as one of Florida's deepwater ports. The City of Ft. Pierce Urban Core is in its infancy as a great urban space that can be enhanced by increased activities at the Port but good urban design applications need to be outlined so they blend together well and support each other. Pursuit of such bodes to bring well-paying jobs and other economic benefits to the Port of Ft. Pierce, City of Ft. Pierce, St. Lucie County and the Treasure Coast region as a whole. Of paramount importance is a pledge that all who are connected with this effort share in cherishing the treasured waters of the Indian River Lagoon and recognize the importance of ensuring that, as the Port of Fort Pierce finds its lucrative niche in Florida's No. 1 industry of international trade, development must not come at the expense of the County's natural resources. A core commitment of this effort is dedication to environmental stewardship to safeguard the Lagoon for fish and for families.

Introduction and Background

Overview of the Port of Fort Pierce

Communities throughout the State of Florida are examining or re-examining how they can take advantage of these opportunities and marshal local and regional assets into new avenues to create sustainable, good-paying jobs. The following discussion is designed to identify key potential assets of St. Lucie County and the Port of Ft. Pierce and to offer options for further action.

Port of Fort Pierce
St. Lucie County, Florida

Port History

In the heart of citrus country, the Port of Fort Pierce was at one time the main exporter of grapefruit to Europe and the Far East. The railway arrived in the 1920s to expand the Port of Fort Pierce's reach.

The Florida Legislature established the Port of Fort Pierce Inlet District in 1918 to fund construction and operation of a new inlet between the Indian River and the Atlantic Ocean. The current inlet was dredged in 1921, and two stone jetties were constructed in 1926 in the Port of Fort Pierce. A channel was cut through Hutchinson Island that had separated the Indian River Lagoon and the Port of Fort Pierce from the sea. In 1935, the harbor was authorized as a federal project and was completed by the U.S. Army Corps of Engineers in 1938.

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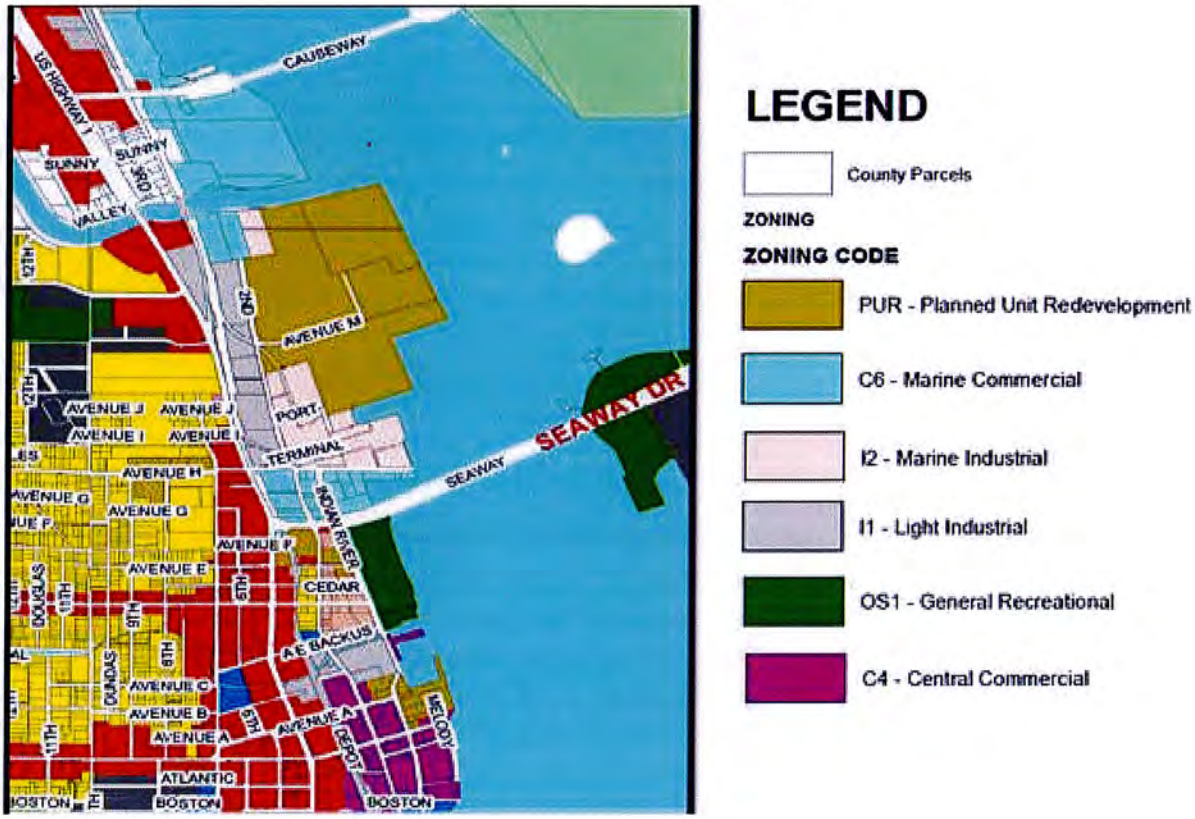
The Florida Legislature abolished the Inlet District in 1947, replacing it with the Port of Fort Pierce Port Authority. In 1961, the Legislature created the Fort Pierce Port and Airport Authority to operate under the auspices of St. Lucie County. In 1988, Florida law created the St. Lucie County Port and Airport Authority. Finally, in 1998, the Legislature dissolved that body and transferred its holdings and responsibilities to the Board of County Commissioners of St. Lucie County to operate and manage the Port of Fort Pierce.

In 1996, St. Lucie County purchased about eight hectares of waterfront property in the northeast corner of the port area (known as Harbour Pointe) to be used for tourism, recreational, and marine commercial uses. The county also operates a public boat ramp in the southern port area. Almost half of the 71 hectares continues to be undeveloped in private ownership. Land uses within the Port of Fort Pierce planning area are a mix of public property for recreation, community support services, and conservation.

Port of Fort Pierce – Current Zoning



Community Outreach Process

- The Phase I Community Outreach effort facilitated a process to determine the public's wishes about going forward through a collaborative process to update the Port of Fort Pierce Master and explore and include additional uses for the Port. The community outreach process was designed in three phases:
    - Identification of key stakeholders;
    - Engagement of stakeholders; and
    - Collection of the stakeholders' sentiments about updating the Master Plan.
- Stakeholders were identified through researching historical documents, the past master plan, reviewing the rosters of various City of Ft. Pierce and St. Lucie County Advisory Boards, homeowner associations, extensive internet research of local civic and business organizations, maritime and marine businesses, workforce unions, land owners and port operators, government officials and the citizenry at large. A data base of over 400 stakeholders was assembled.
- Stakeholders were categorized in three groups:
    - General public;
    - Shipping and trade; and
    - Education and training.
- Engagement Process
    - Interviews with individuals and small groups were held
    - Attended meetings of local civic, business groups and organizations, such as the Chamber of Commerce, Rotary Club, etc., see Tab 5 for a list of the meetings held to discuss Phase I Collaborative Analysis.
- Community Participation
    - Community meetings were held. The City of Fort Pierce hosted two meeting attended by 177 community stakeholders, St. Lucie County hosted one community meeting attended by 121 stakeholders, and the International Longshoremen Local 1359 hosted a meeting at Indian River State College attended by 91 community stakeholders;
    - More than 150 completed questionnaires were submitted to the consulting team;
    - Three written suggestions for possible additional uses for the Port were submitted for consideration by members of the public. See Tab 4.
    - A summary of comments made at the community meetings. See Tab 2.

Phase 1 Community Outreach Effort

Community Involvement Meeting/Venue	Date	# Participants	# Speakers
Indian River State College	March 7, 2012	91	22
St. Lucie County Commission	May 2, 2012	121	27
City of Fort Pierce/River Walk Center	May 16,2012 1:00 PM	101	17
City of Fort Pierce Commission Chambers	May 16,2012 6:00 PM	76	24
Total		389	
Total number of meetings with key stakeholders in various venues and by telephone 48			

The Port of Ft. Pierce and St. Lucie County Today

While commercial exports are not a significant part of the county's economy today, the production of grapefruit in St. Lucie County and subsequent export through the Port of Ft. Pierce is a valued-added component of the overall economic base.

The Treasure Coast is seeing the growth of manufacturing, boat building, repairs and related industries servicing both the commercial and recreational markets, and jet engine part manufacturing. Additional assets include the location of a Wal-Mart Distribution Center for regional stores which has up to 1,100 associates when in high volume and a CVS Distribution Center in nearby Vero Beach.

Educational, scientific research, and employment certification and training institutions are located on-port or in neighboring communities creating a synergy to be capitalized upon. It is important to consider that marine research studies can be compatible with expanded port activity and may even support attracting marine research vessels to use the Port of Fort Pierce.

- The Smithsonian Institution's National Museum of Natural History supports a research center in Ft. Pierce: "Smithsonian Marine Station" specializing in marine biodiversity and ecosystems of Florida. Research focuses on the Indian River Lagoon and the offshore waters of Florida's east central coast with comparative studies throughout coastal Florida.
- The St. Lucie County Regional History Center offers a glimpse at the foundation of the community including the earliest known residents, the Ais Indians, to the Creek and later the Seminoles.
- The Manatee Observation and Education Center is a non-profit wildlife observation and nature education facility.
- The Harbor Branch Oceanographic Institute, a marine science, engineering, and technology research arm of Florida Atlantic University, is focused on aquaculture and stock enhancement, marine biomedical and biotechnology, marine ecosystem health, ocean engineering and technology, ocean exploration and undersea research education, and marine science education.
- Indian River State College offers a wide variety of educational and certification programs, and could develop a full Maritime Training Program.
- The Florida Maritime Training Academy, new to the community, is a premier facility established as a practical training site for all seafarers, from entry level seamen to the most experienced Masters and Chief Engineers.
- The area is quickly becoming a biotech area boosting Torres Pines Institute for Molecular Science, Mann Research Center, Oregon Vaccine & Gene Therapy Institute and Oakridge National Laboratory.

Each of these facilities represents a part of a whole which could be marketed as a community committed to education and research which could utilize waterfront infrastructure for advancement.

The Port of Fort Pierce City Marina is on one of Florida's best all-weather inlets, the beautiful Indian River Lagoon. Offering 284 slips, the marina offers all the amenities for visiting boaters. Within easy reach of the Atlantic Ocean, the marina offers many opportunities for both recreational and commercial fishermen, and it is a short trip from the Bahamas. Marine services are provided by local businesses and include boat cleaning and detailing service, bottom cleaning, yacht auctions, and a variety of services to keep boats in top shape.

Private users of the Port – mainly Indian River Terminal Company and McCulley Marine move various types of cargo through their facilities. Currently, approximately 358,000 tons of cargo passes through Indian River Terminal annually. Nearly all of this container and general cargo traffic moves into the Bahamian and Caribbean islands -- primarily Freeport, Grand Bahamas; Provincials, Turks and Caicos; and Nassau -– and comprises mostly exports of products, materials, and supplies to support everyday life in those islands, plus supplies, equipment, and tools for development projects. Projected increases in cargo throughputs reflect the growing demands of development- related projects that serve tourist and recreation markets in the islands. The Hinterland serviced by the Port of Ft. Pierce is St. Lucie, Indian River, Okeechobee, Highlands, Hendry, Glades, and Martin counties with Trading Partners in the Caribbean Basin, Bahamas, Far East, and Europe.

Current and projected activities and products moving through the private Ft. Pierce Terminals include:

Table 1: Imports - Aragonite, cement. Exports: Materials and supplies for Island residents

	Current	**Projected**
Year	2010/2011	2014/2015
Cargo (TONS)	358,000	923,000
Cargo (TEU'S)	15,080	27,500

St. Lucie County owns 20 acres at the Port, adjacent to 67 acres owned privately. This is in addition to the 12 acres that house the privately owned Indian River Terminal. Almost half of the waterfront is privately owned.

Table 2: Dashboard Sampling of Ports Similar to Port of Fort Pierce and Their Jobs Per Acre

Port of Fort Pierce Port Manatee Port of Palm Beach Port of Fernandina Miami River		
The above Florida Ports have similarities to Port of Fort Pierce and are most appropriate for comparison. They share some similarities in cargo types, demographics, proximity to communities.		
Combined Port Acreage	Direct and Indirect Jobs	Jobs Per Acre
566 Acres	5,945	10.5

The Port of Fort Pierce has significant potential to become a stronger economic engine, bringing sustained jobs with solid wages that can support a family. Port jobs generate good wages well in excess of retail compensation averages. The average annual wage of seaport-related jobs is $54,400, double the average annual wage for all other non-advanced degree occupations ($26,933) and $15,000 more than the average annual wage for all occupations ($38,470)[1].

[1] Flaports.org

Today, the Port of Fort Pierce is at the hub of highway and rail transportation routes that reach across south Florida and provide ready connectivity with the northeast and mid-west. The confluence of Interstate 95, Florida's Turnpike and the Florida East Coast Railway make for true assets to support both waterborne and inland port activity. Port employment in both shipping and maritime uses would expand far beyond the Port boundaries.

Port Parcel Map

It may also be helpful graphically to look at an aerial map of the existing Port of Fort Pierce and nearby properties in relation to maritime jobs-per-acre statistics. This analysis combines acreage and jobs for five Florida ports (Port of the Miami River, Port of Palm Beach, Port of Fort Pierce, Port of Fernandina and Port Manatee) that have similarities in terms of cargo types handled, lack of significant cruise industry presence and proximity to communities, reflecting 5,945 direct and indirect jobs related to a combined 566 acres, or 10.5 jobs per acre. This per-acre figure is within approximately 10 percent of the national average jobs per acre for U.S. port facilities, thus underscoring its validity. If this per-acre figure were to be reflected specifically in Port of Fort Pierce jobs, it could be deduced that a doubling of existing Port operations from the 11.5-acre Indian River Terminal site to a total of 23 acres would double Port jobs to 241.5 from 120.75. Were a land swap to be implemented through which the 20-acre County Park site were to become part of the Bell Property and the 20 acres of the present Bell Property closest to the existing Port of Fort Pierce be turned over to the County and be developed for Port activity, approximately 210 new jobs would be created, bringing the Port's total to 330.75 jobs.

Furthermore, were the full 67-acre Bell Property to be developed for Port operations, the potential number of newly created permanent jobs – not even counting those specific to facility construction – would calculate to 703.5 new jobs, bringing the Port's total to 824.25 jobs related to 78.5 acres of Port operations (a footprint approximately one-half the size of the 160-acre working area of the Port of Palm Beach).

The Port of Fort Pierce can leverage the State of Florida's business successes with the growing markets in the Caribbean and parts of Latin America. This finding is supported by the discussion and findings of Port studies conducted by entities within the State of Florida. By building on the established trade activities, such as construction materials, automotive parts, vehicles, small boats, produce, Port of Fort Pierce would focus to enhance current customers' efforts that will lead to future expansion of the Port's markets.

Unique Events

A series of unique events have sharpened awareness of the opportunities international trade and logistics may offer citizens throughout Florida and in St. Lucie County, if embraced and implemented. The movement of goods through Florida's ports contributes significantly to everyday life not only by providing food, clothes, computers, vehicles, furniture, boats, component parts, and more, but also by creating direct and related jobs needed to grow, manufacture, and move these commodities into, out of and within Florida. Florida is part of the global supply chain which rings the world.

- The economic recession has hit St. Lucie County unusually hard. While the Florida unemployment rate is approximately 10 percent, the unemployment rate in St. Lucie County has been as high as 14 percent. Other contributing economic factors include foreclosures, insurance failures, and costly natural disasters. The foundation of Florida's economy has been shaken requiring a new look at other industry sectors to diversify dependence on traditional components: tourism, construction, and agriculture.[2]
- Florida will soon be the third largest state in the U.S. with a 2011 population of over 19 million people[3] and 85.9 million tourists[4]: a significant destination consumer market for international trade.
- The expansion of the Panama Canal by 2014 will offer transit of larger ships carrying more containers of goods through an efficient, cost-effective, all-water transportation route from Asia and the Pacific to the consumer and manufacturing markets of the U.S. East Coast offering potential shipment and transshipment scenarios for Florida.
- The National Export Initiative (NEI)[5] – is an Obama Administration March 2010 initiative to improve conditions that directly affect the nation's ability to export and targeting the Administration's goal of doubling exports by 2015. The purpose is to develop programs that assist state and local governments, and Small to Medium Sized Enterprises (SMEs) in coordination with the Advocacy Center at the Department of Commerce to, among other things, increase current exports, identify new markets, U.S. Government-led trade missions to effectively promote exports by U.S. companies and increase export credits to SMEs.
- The implementation of the U.S. Free Trade Agreements with South Korea, Colombia, and Panama will foster new trade relationships and increase market opportunities for Florida exports.
- In 2010 and 2011, the Florida Chamber Foundation, Florida Seaport Transportation and Economic Development (FSTED) Council, and the Florida Department of Transportation (FDOT) completed a groundbreaking series of studies and initiatives addressing trade, logistics, ports and transportation for the State of Florida. These include the following:

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[2] US Bureau of Labor Statistics

[3] US Census Bureau, Florida Quick Facts

[4] http://media.visitflorida.org/research.php

[5] The White House Office of the Press Secretary, Executive Order 13534 - National Export Initiative, March 11, 2011

- The Florida Chamber Foundation and the FDOT, along with private sector partners, completed a study entitled: *Florida Trade and Logistics Study*, in December 2010[6]. This landmark study documented existing and projected future domestic and international trade flows to, from, and within Florida; identified opportunities available to Florida to compete in the global marketplace; and identified the strategies needed to take advantage of the most promising opportunities.
- The Florida Chamber Foundation also is leading a statewide initiative to develop an economic blueprint for the next two decades: "Six Pillars for Florida's Future." The Six Pillars framework process is meant to help communities statewide prosper and create high-paying jobs through a visioning process which looks to a 20-year horizon addressing those topics which have been deemed critical to economic success in the future:
  - Talent supply and education
  - Innovation and economic development
  - Infrastructure and growth leadership
  - Business climate and competitiveness
  - Civic and governance systems
  - Quality of life and quality places
- The Florida Department of Transportation over the past few years has worked closely with more than 80 statewide partners to update modal plans covering the statewide Strategic Intermodal System, aviation, rail, and seaports; and to develop the 2060 Florida Transportation Plan, the state's first-ever 50-year transportation policy framework. It provides an overarching statewide assessment of what needs to be accomplished to prepare for and take advantage of the anticipated growth in domestic and international trade with stated objectives to:
  - Document existing and project future domestic and international trade flows to, from and within Florida;
  - Identify opportunities available to Florida to compete in the global marketplace; and
  - Identify the strategies needed to take advantage of the most promising opportunities.

The 2060 Florida Transportation Plan (FTP) highlights Florida as a successful importer and exporter of goods to and from the Caribbean and parts of Latin America and identifies the need to maximize its pivotal role with these trading partners. As a note, this indicates the statewide initiative would recognize the value and be supportive of efforts to enhance Fort Pierce's current and future expansion in these market areas. A couple of additional points in the study relevant to market development planning for Fort Pierce are recognition of the need to improve port-to-port feeder services and transshipment activity and to support acquisition and redevelopment of new waterfront land, as constraints hinder capacity growth at five of the eleven seaports interviewed for this study.

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[6] Florida Trade and Logistics Study, Florida Chamber Foundation, December 2010

- For the first time in decades, increasing international trade through Florida's seaports to create jobs and economic opportunity has become a highly visible, significant initiative of Florida's political leadership. Florida Governor Rick Scott, the state's self-proclaimed Chief Ambassador for Economic Development, is proactively calling out-of-state manufacturers, supply chain logistics managers, foreign companies, and others touting the attributes of the Florida business climate and promoting re-location or expansion of their businesses to Florida. The Governor's 7-7-7 Plan: Seven Steps for 700,000 Jobs in 7 Years is reflected in his 2012 Job Creation and Economic Growth Agenda[7] which was embraced and supported by the Legislature. Components expanding a variety of existing tax incentives for businesses include:
    - Increases the current corporate income tax exemption from net income from $25,000 to $50,000.
    - Decreases the productive output required to qualify for the sales tax exemption for industrial machinery and equipment used by an expanding business from 10 percent to 5 percent.
    - Increases the total amount of tax credits available to be allocated under Enterprise Florida's "New Markets Development Program" from $97.5 million to $195 million[8].
- Building on achievements of the past two years to create stronger nexus between economic development and environmental stewardship, the 2012 Legislature passed two landmark transportation and economic development bills which offer a number of innovative approaches to infrastructure investments, inland intermodal distribution centers, and transportation corridors.[9] More specifically, these new laws would:
    - Require FDOT to develop a Freight Mobility and Trade Plan by July 1, 2013, to include proposed policies and investments that promote the following:
        - Increasing the flow of domestic and international trade through the state's seaports and airports, including specific policies and investments that will recapture cargo currently shipped through seaports and airports located outside the state.
        - Increasing the development of intermodal logistic centers in the state including specific strategies, policies, and investment that capitalize on the empty backhaul trucking and rail market in the state.
        - Increasing the development of manufacturing industries in the state, including specific policies and investments in transportation facilities that will promote the successful development and expansion of manufacturing facilities.
        - Increasing the implementation of compressed natural gas (CNG), liquefied natural gas (LNG), and propane energy policies that reduce transportation costs for businesses and residents located in the state.
    - Require a Statewide Seaport and Waterways System Plan to be developed by FDOT in coordination with seaports and other partners and must identify 5-, 10-, and 20-year

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[7] www.FLGOV.com

[8] House Bill 7087, 2012 Florida Regular Legislative Session

[9] Senate Bill 1998 and House Bill 599, 2012 Florida Regular Legislative Session

needs for the seaport system along with projects needed to ensure the success of the transportation system as a whole.

- Increase minimum funding of the Florida Seaport Transportation and Economic Development (FSTED) program from $8 million to $15 million annually.
- Redirects the flow of funds from state motor vehicle registration fees back from the state's general revenue fund to state and local transportation funding programs.
- Requires FDOT to give emphasis in all appropriate transportation plans, including the Florida Transportation Plan and the Strategic Intermodal System Plan for freight issues and needs.
- Requires FDOT to plan and develop "Strategic Intermodal System Highway Corridors" that allow for high-speed and high-volume traffic movements within the state. The FDOT must ensure that access is "limited or controlled" to these corridors.
- Create the Strategic Port Investment Initiative to set aside an additional $35 million annually from the Statewide Transportation Trust Fund for certain seaport projects which are selected jointly by FDOT and representatives of the state's ports.
- Create the Intermodal Logistics Center (ILC) Infrastructure Support Program to provide funds for roads, rail facilities, or other means for the conveyance or shipment of goods through a seaport and allocate $5 million per year towards funding for up to 50% of the eligible costs of local government or private projects at ILC facilities that meet certain criteria.
- Define the term "intermodal logistics center" as a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport whose activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by one or more seaports, as provided in s. 311.09, F.S.,
- Designate Integrated Logistics Centers (ILCs) as part of the Strategic Intermodal System and waive transportation concurrency requirements for ILCs that meet certain criteria.
- Allow designated seaports to make use of offsite stormwater management facilities under certain under certain conditions.
- Allow FDOT additional opportunities in choosing between various mitigation methods when wetland mitigation is required for transportation projects.

- Targeted programs are being developed to create a trained workforce to engage in the many fields related to international trade. Partnerships among public and private agencies and educational institutions are being implemented today and are ripe for significant expansion and collaboration. With a state college such as Indian River State College geared to partner with the domestic and international trade sector, a curriculum could be devised to blend the needs of the local and global business community with the fields of industrial and international business management, computer and technical logistics programs, import and export transaction requirements, finance, ship officers training, and many more.
- A recent example is the Florida International Trade and Logistics initiative focusing on youth and future talent development. Key components of the effort are to develop Career and

Professional Education (CAPE) industry certification; Science, Technology, Engineering, and Mathematics (STEM) talent development in collaboration with STEMflorida, Inc.; and to create secondary and middle school career academies to focus on trade and logistics learning paths to ensure a viable workforce. WorkForce Florida, Inc., the Northeast Florida Educational Consortium, and private sector industry partners are working together through a grant process to create twelve Florida International Trade and Logistics Career Academies throughout the state with a geographic focus on the deepwater seaports, inland ports and air cargo transportation hubs. Partnering with Indian River State College, the Florida Maritime Training Academy, and the local school board to offer trade and logistics training in St. Lucie County with practical application and on-the-job training at the Port of Ft. Pierce may present tangible possibilities.

The newly created Florida Department of Economic Opportunity, the Florida Agency for Workforce Innovation, WorkForce Florida, Inc., as well as other local and regional public and private education institutions and programs are focusing on fostering the creation of a workforce much more reflective of the needs of the business community.

Macro Trade Developments Affecting Florida Ports

Several developments at the macro level within the Caribbean Basin will continue to expand or potentially develop in the future, presenting more opportunities for all-water services to the Southeastern U.S. and Florida. These include:

- The Panama Canal Expansion
- Caribbean Transshipment Port Developments
- Trade Expansion with Cuba
- New Foreign Trade Agreements with Colombia, South Korea and Panama

In assessing these Macro Trade Developments, some of the impacts on the Port of Fort Pierce will be indirect. For example, the Panama Canal expansion will encourage larger containerships to call in the Southeastern region of the U.S. This will directly lead to congestion at current container ports, and the indirect benefit for the Port of Fort Pierce may be the relocation of small "niche" carriers to the smaller "niche" ports. The Port of Fort Pierce can support small "niche maritime operators" which, when pressured by growth and congestion of major Florida container ports will seek an alternative port of call. This finding and market strategy has been successfully followed in other U.S. port regions where smaller "niche ports" have taken overflow and sustainable cargo opportunities from the major load centers. "Niche cargo" continues to be associated with the palletized fresh fruit markets and Roll-on / Roll-off cargo.

Other developments will have a direct impact on the port, such as the opening of trade with Cuba. Previous studies of the Cuban infrastructure show that trade will include not only the larger Cuban ports but will include many smaller regional ports. These smaller ports will be ideal markets for the smaller vessels currently calling at other Caribbean trading partners. Smaller ports of Cuba and other Caribbean markets that have limited depths are well-poised as compatible partners with the Port of Fort Pierce with its limited depth in serving operators of smaller-size vessels that are getting squeezed from big load centers. It is not suggested that the Port of Fort Pierce lure business away from other nearby ports but rather that the Port of Fort Pierce position itself to serve the needs of smaller shippers whose needs are not being fully attended to at big load centers. Several types of cargo could be attracted to the Port of Fort Pierce.

The Panama Canal Expansion

The Panama Canal expansion program is well underway and will allow the transit of larger post-Panamax vessels. This expansion includes a new set of locks and the deepening of channels. The expansion of the Panama Canal will allow direct all-water service from Asia to the transshipment ports in the Caribbean and ports along the U.S. East Coast and Gulf Coast. The transshipment ports within the Caribbean and those ports in the U.S. that can handle post-Panamax vessels are positioned to grow from the economics associated with the larger vessels. Increases in overall trade with the east coasts of North America and South America and the major containerized cargo ports, e.g., Port of New York and New Jersey, Norfolk International Terminals, Port of Charleston, Port of Savannah, Port of Jacksonville, Port Everglades, Port Miami, Port of Santos, Port of Buenos Aires, will result from the expanded Panama Canal. The program investment to the Panama Canal expansion is projected to be US $5 to $8 billion and is scheduled for completion in 2014-2015.

Trade forecasts completed by U.S. East Coast ports and the Panama Canal Authority concluded that a greater of volume of cargo will transit on all-water routes from the Far East to the East Coast of the US,

thus supporting expansion plans at ports to meet this forecasted demand. A cascading effect that may present a market for the Port of Fort Pierce is feeder services that may be required to service the Central Florida and Interstate 4 growth corridor. The Port of Fort Pierce, as a niche port, could develop further its market position and deepwater port assets to aid in the development and expansion of the State of Florida Seaport System and the overall intermodal transportation system within Florida. The potential location and development of multiple intermodal logistics centers for the distribution of goods entering the state as imports are being processed and packaged for export could be facilitated through enhanced transportation linkages to the Port of Fort Pierce.

Caribbean Basin Transshipment Port Developments

To understand the potential of the Port of Fort Pierce over the next 10 years, the Consultant presents at the macro level, an overview of transshipment port developments in the Caribbean Basin. There are numerous ports within the Caribbean that operate largely as transshipment ports. In essence, they receive containerized cargo from Asia, the Americas and Europe, and redistribute the cargo to various feeder services. These ports include:

- Port of Kingston, Jamaica
- Port of Cartagena, Colombia
- Port of Cristobal and Caribbean Entrance Container Terminals , Panama
- Puerto Caucedo, Dominican Republic
- Freeport Container Port, Bahamas
- Port Miami, U.S.
- Port of Point Lisas and Port of Spain, Trinidad
- Port of the Americas at Port of Ponce, Puerto Rico (planned)
- New terminal, Mariel Bay, Cuba (under development by Terminal de Contenedores de Mariel S.A and PSA International, wholly-owned by state investment firm Temasek Holdings)

These transshipment ports in general have been designed with deeper channels, i.e., 45- to 50-foot deep channels, to handle all-water services from Europe and the Mediterranean, the Americas and Asia. Additionally, they have been planned to have sufficient upland areas for today's throughputs and forecast growth. The operators and developers of these facilities tend to be the known international port entities, e.g., APM Terminals, Mediterranean Shipping Company, Hutchison Port Holdings, DP World, Terminal Links (CMA-CGM), SSA Marine, Ports America Group. These are generally referred to as Tier 1 port operator and developer entities. There exist other entities which we will refer to as Tier 2 port operators, developers and investors, e.g., International Container Terminal Services Inc. (ICTSI), The Cooper Group, Logistec Corporation, ICS Logistics, Waterson Terminal Services LLC, that operate port terminals but tend not to be transshipment terminal operators.

While the channel dimensions of the Port of Fort Pierce, in its current configuration, do not allow it to compete with the above transshipment ports, it is likely that the port may serve a role within the feeder cargo service activity utilizing smaller vessels. These smaller vessels will include lift-on/lift-off barges, small container vessels, and roll-on/roll-off vessels. All of these vessel categories fit the Port of Fort Pierce, but it is essential to restore the port's depth to 28 feet. Examples of feeder cargo services are Tropical Shipping as it relates to its shipping activities between the Port of Palm Beach and the Caribbean; Horizon, Crowley, SeaStar and Trailer Bridge as it relates to its shipping activities between the Jacksonville Port Authority and Puerto Rico; Crowley, Sea Freight, King Ocean as it relates to its

shipping activities between Broward County's Port Everglades and the Caribbean and Central America; and Bernuth and Antillean Marine as it relates to shipping activities between the Miami River and the Caribbean and Central America.

The Port of Fort Pierce, based on its operating conditions, e.g., channel dimensions, berth, terminals and intermodal access, has the potential to increase trade with Caribbean and Central and South American ports and cargo operating terminals with similar operating characteristics that limit the size of roll-on/roll-off vessels, lift-on/lift-off vessels, and other cargo vessels. This would be an expansion upon similar trade currently conducted through the Port of Fort Pierce with the Port of Freeport, Bahamas.

Several types of cargo could be attracted to the Port of Fort Pierce. While citrus exports are unlikely to return to historically high levels, the port can still handle what there will be. The US Census Bureau, Foreign Trade Division reports: While tariffs on fruit will not be completely eliminated, they will be significantly reduced and permit US growers much greater access to what has been a heavily protected Korean industry. Tariffs on orange juice concentrate, on the other hand, will be completely eliminated within five years of implementation of the FTA. Though demand for concentrate has been historically more volatile than that for citrus fruit, the elimination of these barriers will make US concentrate much more affordable relative to Brazilian concentrate, which, according to the USDA, currently satisfies the majority of Korean demand. This will represent tremendous opportunities for Florida citrus growers, especially the Port of Fort Pierce and therefore, Florida ports are poised to benefit due to the proximity to the exporters. In addition, potential cargos could encompass automotive parts and privately owned vehicles (POVs) going to the Bahamas and other Caribbean and Central American ports. Also, all types of construction materials can be imported (as the Florida building market recovers) and exported (to build resorts and other developments in Caribbean). Similarly, earthmoving and other construction equipment that could be used in developing Cuba could move in Roll-on / Roll-off fashion.

Future Potential Cargos for Port of Fort Pierce

Table 3: Leading Export Prospects from the Southeastern US

	2009	2020	2029	2009 to 2020	2020 to 2029
Total Commodities	**40,591,676**	**83,750,543**	**114,585,964**	**106%**	**37%**
Pulp	3,655,484	6,568,343	8,326,847	80%	27%
Paper and Paperboard and Products	2,988,494	6,388,683	8,893,315	114%	39%
Cork and Wood	1692771.04	3872959.58	5077685.44	186%	28%
Waste Paper	1549948.51	3444864.47	5896618.96	70%	10%
Meat, Frozen	1357983.2	2465851.01	33613378.35	126%	52%
Animal Feed	1295194.61	1776941.61	1997645.6	129%	31%
Textiles	782343.58	1627146.93	2279017.31	122%	71%
Cotton	549994.86	829780.85	1030553.24	155%	58%
Special Industry Machinery	277329.47	678746.39	997878.2	82%	36%
Air	5,901	12,576	19,001	113%	51%

Source: IHS Global, August 2011 South Atlantic waterborne trade forecast

Table 4: Moderate or Emerging Export Prospects from the Southeastern US

	2009	2020	2029	2009 to 2020	2020 to 2029
Total Commodities	**40,591,676**	**83,750,543**	**114,585,964**	**106%**	**37%**
Wood Products	152,950	363,335	458,163	138%	26%
Grain	87,305	132,309	148,052	52%	12%
Meat, Fish and Dairy, Other	85,260	135,281	161,868	59%	20%
Meat, Fresh/Chilled	80,678	155,614	226,007	93%	45%
Other Raw Textile Materials	2,442	3,056	3,280	25%	7%
Other Agriculture	67,566	120,810	153,194	79%	27%
Fertilizers and Pesticides	108,534	135,111	152,194	24%	13%
Rubber Products	189,969	422,630	622,436	122%	47%
Other Food	451,179	734,866	986,991	63%	34%
Crude Fertilizers	6,203,100	10,364,843	12,330,645	67%	19%
Tobacco	44,924	62,309	52,221	39%	-16%

Source: IHS Global, August 2011 South Atlantic waterborne trade forecast

Table 5: Strongest Southern US Import Markets

	2009	2020	2029	2009 to 2020	2020 to 2029
Total Commodities	**79,578,018**	**118,911,098**	**151,291,294**	**49%**	**27%**
Inorganic Chemicals	2,505,619	3,772,249	4,484,133	51%	19%
Chemical Products, nec.	1,034,013	1,319,777	2,122,491	28%	60%
Organic Chemicals	1,011,598	2,199,983	3,821,071	117%	74%
Metal Products	684,948	1,515,300	2,265,076	121%	49%
Stone, Clay and Other Crude Materials	6,181,801	8,675,418	9,054,265	40%	4%
Non-Metalilic Product, nec.	1,956,082	3,462,126	6,128,983	77%	77%
Machinery and Equipment, nec.	527,108	1,335,959	2,407,142	153%	80%
Special Industrial Machinery	205,265	365,687	462,506	78%	26%
Engines and Turbines	177,614	334,764	559,895	88%	67%
Electrical Industrial Machinery	166,134	345,920	520,851	108%	51%
Agricultural Machinery	71,852	171,920	301,738	139%	76%
Transport Equipment, nec.	48,866	128,949	254,121	164%	97%
Metal and Wood Working Machinery	45,058	71,320	113,293	58%	59%

Source: IHS Global, August 2011 South Atlantic waterborne trade forecast

Table 6: Florida's Anticipated Distribution Centers as Related to Jobs, Salaries & Incomes

Estimated Economic Activity of Distribution Center Activity				
	2015	**2020**	**2025**	**2030**
Jobs				
Direct Jobs	18,158	40,712	62,410	82,909
Induced Jobs	8,255	18,532	28,409	37,740
Indirect Jobs	12,852	28,816	44,174	58,683
Total Jobs	39,276	88,068	134,993	179,332
Personal Income (1,000)				
Direct	$590,135	$1,323,140	$2,028,325	$2,694,543
Induced / Respending	$1,168,457	$2,619,817	$4,016,084	$5,353,194
Indirect	$436,877	$979,521	$1,501,570	$1,949,772
Total Income	$2,195,479	$4,922,478	$7,545,979	$10,024,509
State and Local Taxes (1,000)				
State Taxes	$92,605	$207,638	$318,289	$422,834
Local Taxes	$69,860	$156,633	$240,113	$318,980
Total Taxes	$162,465	$364,263	$558,402	$741,814

Source: Martin Associates

The goal of all communities is to support and develop businesses resulting in high employment density on asset, i.e. most jobs per acre. This means cargo terminal facilities, distribution centers, mega yacht facilities, marine building facilities, retail, condos, restaurants, ocean related museums, maritime training academy etc.

Florida Initiatives

While, at present, the Port of Fort Pierce is not realizing its full potential as one of Florida's deepwater ports, new and expanded shipping and economic development opportunities do exist. A deepwater port is a genuine asset, so, for the benefit of Fort Pierce, St. Lucie County and the broader region, it is important that legitimate opportunities are fully capitalized upon.

The Florida Strategic Intermodal System (SIS) is designated by Florida law and managed by the Florida Department of Transportation.

- It is a transportation system that:
    - Is made up of facilities and services of statewide and interregional significance (strategic)
    - Contains all forms of transportation for moving both people and goods, including linkages that provide for smooth and efficient transfers between modes and major facilities (intermodal)
    - Integrates individual facilities, services, forms of transportation (modes) and linkages into a single, integrated transportation network (system)
- The SIS was established to:
    - Efficiently serve the mobility needs of Florida's citizens, businesses, and visitors; and
    - Help Florida become a worldwide economic leader, enhance economic prosperity and competitiveness, enrich quality of life, and reflect responsible environmental stewardship.
- The current designated SIS is a network of high-priority transportation facilities which:
    - Includes the state's largest and most significant commercial service airports, spaceport, deepwater seaports, freight rail terminals, passenger rail and intercity bus terminals, rail corridors, waterways and highways; and
    - Carries more than 99 percent of all commercial air passengers and cargo, virtually all waterborne freight and cruise passengers, almost all rail freight, 89 percent of all interregional rail and bus passengers, and 55 percent of total traffic and more than 70 percent of all truck traffic on the State Highway System.
- Various designations are assigned to transportation facilities, and it is through this program that state funding is made available for intermodal infrastructure projects. Currently, the Port of Ft. Pierce is not designated on the SIS, but by focusing on international trade and logistics opportunities, the potential growth component may lead to the designation as an "emerging" or "pre-emerging" strategic deepwater seaport and to the benefits of funding opportunities for transportation hubs.

As referenced previously, in 2010 and 2011, the Florida Chamber Foundation, the FSTED Council, and the FDOT completed a series of landmark studies addressing trade, logistics, ports and transportation for the State of Florida. One study entitled: *An Economic Analysis: Priority Seaport Projects to Expand Capacity, Enhance Competitiveness, Accelerate Economic Growth, and Create Well-Paying Jobs Statewide*, published by the FSTED Council, in March 2011, provides an analysis of identified infrastructure projects and economic value to the State of Florida.

This evaluation of the economic impacts resulting from the additional cargo and cruise passengers transiting Florida's seaport system upon implementing 17 priority projects at nine select seaports, including the Ports of Miami, Jacksonville, Everglades, Tampa, Canaveral, Manatee, Palm Beach, Fernandina, and Panama City. The Port of Fort Pierce, as it was not identified as one of that state's major deepwater ports, was not included in this report's evaluation. The priority projects presented for funding total $853.2 million with requested state contribution to match estimated at $337.3 million. It is estimated these projects would generate a return in terms of state and local taxes of about $7.47 per dollar of initial state investment, clearly illustrating the potential value of port infrastructure investment.

The one point discussed with potential relevance to market development planning for the Port of Fort Pierce was the significance of maintaining and enhancing existing Florida trade with the Caribbean and Latin America. This suggests the potential value of Fort Pierce's existing relationships in these markets and need for any market planning to focus on evaluating possibilities for maximizing exploitation in these markets.

As noted previously, *A Five-Year Plan to Achieve the Mission of Florida's Seaports, 2010/2011 – 2014/2015*[10], provides a statewide assessment of the current and five-year projected quantity, value and distribution of Florida's trade and commerce via its 14 deepwater ports[11], as well as the Port of Fort Pierce. Some of the points made concerning the state's overall seaport trade that need to be factored into market planning include:

- The regional distribution of the state's global commerce in 2010 illustrated that South America, Central America, and the Caribbean – accounted for 59.2 percent of the state's international trade. The reported top five regions with which Florida trades -- South America (1) at 36.6%, Western Europe (2) at 14.7%, Asia (3) at 14.5%, Central America (4) at 13.1%, and the Caribbean (5) at 9.5% with the greatest value of exports to countries in South America.
- Industrial machinery, electric machinery, and vehicles continue to lead the top ten-commodity list.
- Waterborne international trade moving through Florida's seaports was valued at $69.7 billion in 2010, increasing by 22.6 percent from the $56.9 billion recorded in 2009. This $69.7 billion represented 55.2 percent of Florida's $126.2 billion total international trade.
- Of the $69.7 billion in waterborne international trade, $33.8 billion were imports and $35.9 billion were exports. Both exports and imports through Florida's seaports continued to rebound in 2010. Exports represented 51.4 percent of the state's total international trade value, and imports represented 48.6 percent. The state's continuing strong waterborne export trade with its neighbors to the south is the primary reason for the predominance of exports over imports.
- About 0.1% of this activity is attributed to Port of Fort Pierce. On a tonnage basis, including the bulk tonnage, the Port of Fort Pierce handled 358,000 in 09/10 and is projected to handle 923,000 in FY 14/15. The comparative tonnages of cargo types moving through the Port of Fort Pierce in FY 09/10 are 77,000 tons dry bulk, 4,000 tons liquid bulk, 55,000 tons break bulk and 179,000 tons general cargo.
- The report identifies for the seaports' collectively, a $2.56 billion five-year capital improvement program for FY 10/11 through FY 14/15, of which it identifies 0.2% for the Port Fort Pierce, with

[10] Florida Seaport Transportation and Economic Development Council, A Five-Year Plan to Achieve the Mission of Florida's Seaports, 2010/2011–2014/2015, March 2011

[11] Note that Port Citrus was added to the FSTED Council by the 2011 Legislature

$1.8 million in FY 10/11, $2.3 million in FY 12/13, but no monies are identified for FYs 13/14 or 14/15.

In a study completed by the FDOT entitled: *Florida Seaport System Plan*, Dec. 14, 2010, research completed by the FDOT in 2006, found every $1 in state funds spent for seaports results in $6.90 in economic benefits to the State[12]. Subsequent analyses performed using the FDOT Seaport System Planning Framework Tool confirmed this level of benefit. Further research completed by the Florida Ports Council (FPC) in 2009 found Florida's seaport system cargo activity provides 550,000 direct and indirect jobs throughout Florida, including 100,000 port-related jobs and 450,000 user-related jobs, amounting to $66 billion in business output and $24 billion in personal income.

Seek designation of the Port of Fort Pierce as a pivotal strategic facility of Florida's Strategic Intermodal System (SIS). Present criteria for such designation include that the facility account for 0.005 (1/2 of 1%) of all national freight movement volume, or approximately 1 million tons per year. Currently, the Port of Fort Pierce is almost one-third of the way toward this threshold mark, and, based upon this report's findings, the required level is an achievable goal in the foreseeable future.

[12] Florida Department of Transportation, Florida Seaport System Plan, December 14, 2010

Federal Initiatives

National Export Initiative

The NEI is the Obama Administration March 2010 initiative to improve conditions that directly affect the nation's ability to export and targeting the Administration's goal of doubling exports by 2015. Based upon USACE 2007 data, exports represent 49.8% (58,522 tons) of the total cargo handled at the Port Fort Pierce (total import/export cargo tons 117,541). By exploiting the NEI assistance programs through the U.S. Commercial Service office of the U.S. Department of Commerce, small- and medium-size businesses in St. Lucie County may provide an avenue to help significantly increase and build on the current market share. The U.S. Commercial Service has a global network and offers exporters assistance with market intelligence, trade advocacy, working with state and federal partners, and participation in trade missions and shows. In some cases, the cargo generated by the NEI program may be required to move through other Florida ports; however, by promoting this program within St. Lucie County, the port is directly contributing to the creation of jobs and other value-added economic development activities.

America's Marine Highway Program

The Maritime Administration (MARAD) is promoting a short-sea transportation program as the America's Marine Highway (AMH) program. The program is intended to expand freight uses of the country's inland and coastal waterways to mitigate landside congestion, reduce greenhouse gas emissions and accomplish other objectives.[13]

The USDOT on August 11, 2010, officially designated 18 AMH all-water routes that can serve as extensions of the surface transportation system. One of these is the M-95 Corridor along the Atlantic coast from Florida to Maine. MARAD has sponsored the soon-to-be-completed East Coast Marine Highway Initiative Study of the M-95 Corridor. This study seeks to further advance the America's Marine Highway program by identifying corridor-specific Marine Highway markets, developing tailored business plans and optimal operational models for those markets along and related to the M-95 corridor.

Additionally, MARAD completed an assessment of the types of vessels suitable for AMH trade finding them generally not unique, but similar to ships already in service. Identifying 11 different designs that would adequately address the spectrum of vessel types envisioned, including configurations suitable for existing Port of Fort Pierce navigation conditions. The 11 designs range in size, type and speed, from Articulated Tug Barge (ATB) roll-on/roll-off vessels to conventional roll-on/roll-off type trailer ships, combination roll-on/roll-off and container carriers, and special high speed vessels. These proposed vessel designs have a range of design water draft of from 14.1 to 32.8 feet.[14]

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[13] U.S. Department of Transportation, Maritime Administration in Consultation with the Environmental Protection Agency, America's Marine Highway - Report to Congress, April 2011

[14] MARAD DTMA1C10061, Final Report, American Marine Highway Design Project, October 28, 2011

Market Analysis

For the purpose of this analysis forecast are presented for imports and exports for the forecasted years of 2015 and 2020. The "market analysis" utilizes the 2007 Global Insight forecast produced as part of the FREIGHT ANALYSIS FRAMEWORK (FAF). The FAF integrates data from a variety of sources to create a comprehensive picture of freight movement among states and major metropolitan areas by all modes of transportation. To assist in the economic and market evaluation of the Port of Fort Pierce, a spreadsheet model using fairly generic available government data was constructed to address the scope of work. The model results were contrasted and compared to the USACE import/export volumes documented for the Port of Fort Pierce for 2007.

Additionally, the FAF estimates commodity movements by truck and the volume of long distance trucks over specific highways. Models are used to disaggregate interregional flows from the Commodity Origin-Destination Database into flows among localities and assign the detailed flows to individual highways. These models are based on geographic distributions of economic activity rather than a detailed understanding of local conditions. While FAF provides reasonable estimates for national and multi-state corridor analyses, FAF estimates are not a substitute for local data to support local planning and project development. However, FAF is effective in estimating commodity flows and related freight transportation activity among states, sub-state regions, and major international gateways.[15] In order to make FAF more applicable, a source and use database was generated at the Florida county level using:

- The detailed County Business Patterns Database, which lists all firms by employment range and detailed industry code
- The 2007 Commodity Flow Database, which has detailed commodity flows at the state level
- The 2007 Economic Census, which has detailed revenue and Cost of Goods Sold by industry by county
- The U.S. detailed sources and use tables that are part of the national Input-Output framework

These were used together to estimate the total goods demanded on a county basis as well as total goods produced on a county basis for Florida. These estimates were then controlled to the FAF regions thus imposing FAF trade designations, mode used and trading geography.

To assist in the market evaluation of the Port of Fort Pierce, a spreadsheet model using fairly generic available government data was constructed to address the scope of work. This model incorporated and reviews various assumptions so that the model results match what is happening in the Florida market and more specifically at the Port of Fort Pierce. The model includes checking travel times for destinations that have had significant infrastructure improvement since 2002, reviewing assumed transport cost per mile, truck fee, barge fee, etc. and utilization of the 2007 Global Insight forecast produced as part of the FAF. The model results were contrasted and compared to the USACE import/export volumes documented for the Port of Fort Pierce for 2007. Since 2007, domestic import and export volumes, largely the commodities of sand and gravel, were small, amounting to 250 tons of domestic imports and 2,000 tons of domestic exports. The spreadsheet model does not address a forecast flow for them. The domestic imports and exports only captures St. Lucie County, for which, as of the year 2010, the United States Census Bureau sets the population at 277,789 and is part of the Port St. Lucie, Florida, Metropolitan Statistical Area, with a population of 400,121. As the M-95 corridor

[15] U.S. Department of Transportation, Federal Highway Administration, Freight Analysis Framework, http://www.ops.fhwa.dot.gov/freight/freight_analysis/faf/, January, 2012

under the AMH program progresses under MARAD, the port may wish to understand the future potential for growth of these cargos, as well as additional domestic cargos that could move through coastal trade under the Jones Act.

Table 7: USACE 2007 Cargo Data

Port	Commodity	Dom/Int'l	Imports/Exports	Year	Tons
Fort Pierce	All Commodities	Domestic	Imports	2007	250
Fort Pierce	All Commodities	Domestic	Exports	2007	2,000
Fort Pierce	All Commodities	Intl	Imports	2007	59,019
Fort Pierce	All Commodities	Intl	Exports	2007	58,522

Sorted by Federal Information Processing Standard (FIPS) codes for the six of the 67 counties in Florida were assigned to the Port of Fort Pierce as the lowest cost (L.C.) truck port and five were assigned as lowest cost (L.C.) rail port. All six counties are within the Freight Analysis Framework (FAF) Region 129. The FAF commodity origin-destination database includes tons and value of commodity movements among regions by mode of transportation and type of commodity.

Table 8: Florida Counties - Lowest Cost Truck and Rail Port Assignment to Port of Fort Pierce

FIPS-County	FAF Region	State	County Name	L.C. Truck Port	L.C. Rail Port
12043	129	FL	Glades	Port of Fort Pierce	Port of Palm Beach
12055	129	FL	Highlands	Port of Fort Pierce	Port of Fort Pierce
12055	129	FL	Indian River	Port of Fort Pierce	Port of Fort Pierce
12085	129	FL	Martin	Port of Fort Pierce	Port of Fort Pierce
12093	129	FL	Okeechobee	Port of Fort Pierce	Port of Fort Pierce
12111	129	FL	St. Lucie	Port of Fort Pierce	Port of Fort Pierce

The output of the model provides total commodity by international imports and exports for 2015 and 2020. The model incorporates the commodities, transportation mode, forecasts and routing parameters affecting the Port of Fort Pierce based on the port being either the low-cost truck or rail port for serving those counties listed above. The results of the model for the Port of Fort Pierce are presented in the below findings:

- This table is built up from county totals. The Port of Fort Pierce share of the Florida export and import market is in no case greater than 2 per cent.
- Five to six Florida counties geographically located in proximity to the Port of Fort Pierce present market growth for international imports/exports by 2015 and 2020; however, considering the commodity mix, the inflows and outflows from the above counties, the probability is that some commodities will not flow through the Port of Fort Pierce because of the current logistics framework. The inflows and outflows from the six counties explain the difference between USACE and FAF totals.

- International Exports Forecasts: 2015 – 407.1 million tons; 2020 – 432.5 million tons.
- International Imports Forecasts: 2015 – 606.9 million tons, 2020 – 659.2 million tons.

Table 9: Port of Fort Pierce - Base, Year 2015 - 2020 Import / Export Forecast by County

FIPS/ County	County Name	Low Cost Truck Port	Low Cost Rail Port	Int'l Exports Base	Int'l Imports Base	Int'l Exports 2015	Int'l Exports 2020	Int'l Imports 2015	Int'l Imports 2020
12043	Glades	PORT OF FORT PIERCE	PORT OF PALM BEACH	16.9	NA	32.4	NA	24.3	NA
12055	Highlands	PORT OF FORT PIERCE	PORT OF FORT PIERCE	60.5	102.1	100.1	116.6	104.5	121.0
12061	Indian River	PORT OF FORT PIERCE	PORT OF FORT PIERCE	47.5	143.2	73.5	85.5	147.3	165.1
12085	Martin	PORT OF FORT PIERCE	PORT OF FORT PIERCE	45.2	116.2	64.6	75.5	120.6	136.5
12093	Okeechobee	PORT OF FORT PIERCE	PORT OF FORT PIERCE	25.9	46.1	45.1	50.0	46.7	51.5
12111	St. Lucie	PORT OF FORT PIERCE	PORT OF FORT PIERCE	64.0	161.4	91.5	105.0	163.6	185.1
			Port of Fort Pierce Totals	260.0	568.9	407.1	432.5	606.9	659.2
			Florida Totals	24479.0	49050.0	31416.0	36405.0	45370.0	52230.0
		Port of Fort Pierce % of Florida Totals		1.06%	1.16%	1.30%	1.19%	1.34%	1.26%

Port of Fort Pierce Operator / Potential User Focus Studies

Interviews were conducted with operators who currently are engaged in business activities at the Port of Fort Pierce or have operations utilizing related facilities to the port. In addition, interviews were held with several shipping lines currently using other Florida ports. These broad reaching personal interviews included FEC railroad, Tropical Shipping, Crowley Liner Service, Cracker Bay Boat Works, River Marine Inc./Moby Marine, McCulley Marine, Indian River Terminal Sea Freight, King Ocean, Frontier Line, Bernuth Line, Antillean Marine, Seaboard Marine, and Maersk Line. The key results in a focus group format mentioned by the parties are:

- Mega yacht facility could offer dry-docking and servicing support services
- Enhance the port to expand trade within the Caribbean Basin. Opportunities for growth may come from other Florida ports not having the space or facilities to accommodate smaller operators.
- Better rail connectivity to the FEC would enhance the port's operations and potential new markets and expansion, e.g., Cuba, Bahamas. Port of Fort Pierce is ideal for railcar on ferry.
- Expand Wal-Mart Distribution Center, Fort Pierce and the Caribbean
- Utilize Freeport to Fort Pierce to distribution center utilizing FEC rail
- Capitalize on domestic shipping/short-sea shipping
- Opportunities to accommodate shuttle ocean service to/from transshipment points, e.g., Freeport or new markets, e.g., Cuba linking into Wal-Mart Distribution Center (Fort Pierce), CVS Caremark Distribution Center (Vero Beach) and Tropicana Products Inc. (Fort Pierce).

Capital Improvements Needed to Achieve Key Goals

- Land acquisition
- New Port entrance in design stage
- Infrastructure construction

Spheres of Influence

- Hinterland served: St. Lucie, Indian River, Okeechobee, Highlands, Hendry, Glades and Martin Counties
- Trading partners: Caribbean basin, Bahamas, Far East and Europe

Recent Accomplishments

- Completion of Phase 1 Taylor Creek restoration
- Completion of Phase 11 shoreline stabilization
- Completion of design for Phase 11 spoils site construction

Table 10: Sampling of Smaller Size Shipping Lines Currenty using Florida Ports

	Vessels in fleet can use 22ft. draft channel	Vessels in fleet can use 28ft. draft channel
Sea Freight	Yes	Yes
King Ocean	Yes	Yes
Frontier	Yes	Yes
Bernuth	Yes	Yes
Antillean Marine	Yes	Yes
SeaBoard Marine	No	Yes
Indian River Terminals	Yes	Yes
Tropical Shipping	No	Yes
Crowley Maritime	No	Yes
Maersk Line	No	No
MSC	No	No

Restoring the Port of Ft. Pierce to its published depth of 28ft. will increase the size and number of ships able to use the port

Existing Conditions

While there are some infrastructure concerns related to the Indian River Terminal site, it is important to note that, even with these limitations, the terminal is still thriving and, furthermore, that state funding may be available for alleviation of these infrastructure issues.

As noted on the attached image, the eastern one-third of the terminal is not currently paved and there are structural matters related to a primary pier (with the south wall deteriorating and the dock alongside unstable), as well as a deficient stormwater drainage installation and an overall lack of sufficient lighting to facilitate nighttime operations and ensure adequate security

Although the facility is a privately owned and operated terminal, the Indian River Terminal site is eligible for consideration for matched state funding for infrastructure and operating improvements and maintenance provided the following two conditions are met:

1) The Port master plan is updated to ratify shipping and port operations, and
2) The project(s) for which funding is sought are vetted and accepted by FSTED and FDOT, with assurance that the match is met.

Conclusion

The Port of Fort Pierce has a unique present opportunity to capitalize upon a combination of several factors and seize the opportunity to bring well-paying jobs and other economic benefits to the City of Fort Pierce and St. Lucie County. These factors include state, federal and private-sector trade-related initiatives, expansion of the Panama Canal and a critical mass of consumers, including tourists.

As detailed in this report, these and other factors point toward pursuit of establishment of the Port of Fort Pierce as a niche shipping port in a manner that is compatible with continuing efforts to advance mega-yacht and marina activities. Such developments would go hand-in-hand with enhancement of the new Florida Maritime Training Academy.

Furthermore, the Port of Fort Pierce is positioned to reap benefits from its deepwater port assets without compromise of St. Lucie County's treasured natural resources, including Indian River Lagoon. It is imperative that all engaged in the Port of Fort Pierce development efforts share in the commitment to environmental stewardship while taking well-thought-out measures to move the Port forward in finding its lucrative niche in Florida's No. 1 industry of international trade.

Appendix

A. Methodology Source Documents

- A Five-Year Plan to Achieve the Mission of Florida's Seaports, 2010/2011 – 2014/2015, Florida Seaport Transportation and Economic Development Council, March, 2011.
- Martin Associates, An Economic Analysis: Priority Seaport Projects to Expand Capacity, Enhance Competitiveness, Accelerate Economic Growth, and Create Well-Paying Jobs Statewide, Florida Seaport Transportation and Economic Development Council, February, 2011.
- Florida Chamber Foundation and Florida Department of Transportation, Florida Trade and Logistics Study, December, 2010.
- Florida Department of Transportation, Florida Seaport System Plan, Dec. 14, 2010.

In addition to the above reports, the Consultant incorporated findings from the following sources of information:

- Post, Buckley, Schuh & Jernigan, Inc., Port of Fort Pierce Master Plan "Executive Summary," 1989
- FAU/FIU Joint Center for Environmental & Urban Problems, Shaping the Seaport, 2002 Master Plan for the Port of Fort Pierce, 2002
- The White House Office of the Press Secretary, Executive Order 13534 - National Export Initiative, March 11, 2011.
- U.S. Commercial Service, U.S. Department of Commerce Boston, Mass., Presentation - New England Trade Development Summit, October 18, 2011.
- U.S. Department of Transportation, Maritime Administration in Consultation with the Environmental Protection Agency, America's Marine Highway - Report to Congress, April, 2011.
- MARAD DTMA1C10061, Final Report, American Marine Highway Design Project, October 28, 2011.
- River Marine Inc. / Moby Marine Interview, January 9, 2012. Interview notes by AECOM
- McCulley Marine Interview, Jan. 9, 2012. Interview notes by AECOM
- Indian River Terminal Interview, Jan. 12, 2012. Interview notes by AECOM

B. Baseline Information

A literature review of the below listed documents was completed to establish a baseline of information with regards to the market potential for the Port of Fort Pierce.

State of Florida Port, Trade and Logistics Studies

- A Five-Year Plan to Achieve the Mission of Florida's Seaports, 2010/2011 – 2014/2015, Florida Seaport Transportation and Economic Development Council, March 2011.
- Martin Associates, An Economic Analysis: Priority Seaport Projects to Expand Capacity, Enhance Competitiveness, Accelerate Economic Growth, and Create Well-Paying Jobs Statewide, Florida Seaport Transportation and Economic Development Council, February 2011.
- Florida Chamber Foundation and Florida Department of Transportation, Florida Trade and Logistics Study, December 2010.
- Florida Department of Transportation, Florida Seaport System Plan, Dec. 14, 2010.

FDOT 2012-2013 Legislative Summary

MULTIMODAL FREIGHT RELATED LEGISLATION

TOPIC	BILL NUMBER/STATUS	SUMMARY
Intermodal Logistics Center Infrastructure Support Program	HB 599 - Passed SB 1998 - Passed	Creates new Intermodal Logistics Center Infrastructure Support Program with up to $5 million annual allocation. Purpose of program is to "provide funds for roads, rail facilities, or other means for the conveyance or shipment of goods through a seaport..."
Redirection of Trust Fund Revenues	SB 1998 - Passed	Redirects approximately $200 million of vehicle licensing revenue back to the State Transportation Trust Fund. Approximately $135 million is require to be used for "existing or planned strategic transportation projects which connect major markets within this state or between this state and other states, which focus on job creation, and which increase this state's viability in the national and global markets.
Intermodal Logistics Centers	HB 599 - Passed SB 1998 - Passed	Authorized "Intermodal Logistics Center" designation in SIS program. ILCs defined as "a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport whose activities relating to transport, logistics, goods distribution, consolidation, or value added activities are carried out and whose activities and services are designed to support or be supported by one or more seaports, as provided in s. 311.09, F.S., or an airport whose activities and services are designed to support the transport, logistics, goods distribution, consolidation, or value added activities related to airborne cargo deemed necessary to facilitate the economic development and growth of the state. Provides that ILCs located in or within 15 miles of RACEC area are exempt from transportation concurrency.
Freight Mobility and Trade Plan	HB 599 - Passed	Requires FDOT, in coordination with partners, to develop a Freight, Mobility and Trade Plan. The plan shall be delivered to the Governor and Legislature by July 1, 2013.
Freight Issue and Needs Emphasis in FDOT Plans	HB 599 - Passed	Requires that all FDOT plans give emphasis to freight issues and needs.
Strategic Intermodal System Highway Corridors	HB 599 - Passed	Requires FDOT to plan and develop SIS Highway Corridors to allow for high-speed and high-volume traffic movements within the state. Must be limited access and controlled facilities. Minimum amount allocated shall be $450 million, can be existing projects in work program or newly identified projects.
Economic development transportation projects program	SB 1998 - Passed	The state's economic development transportation projects program is transferred from DEO to FDOT. FDOT must consult with DEO on project selection to identify projects that are "necessary to facilitate the economic development and growth of the state."

SEAPORT RELATED LEGISLATION

TOPIC	BILL NUMBER/STATUS	SUMMARY
Seaport Budget Line Item	HB 5001 - Passed	$15,000,000 line item for Seaport - Economic Development (bond payment)
Seaport Budget Line Item	HB 5001 - Passed	$10,000,000 line item for Seaport Access Program (bond payment)
Seaport Budget Line Item	HB 5001 - Passed	$115,446,664 line item for Seaport Grants
Intermodal Grants Line Item	HB 5001 - Passed	$91,013,006 line item for intermodal grants of which $46,684,832 is for Seaport projects (includes SIB loans)
Port of Pensacola Infrastructure Improvements	HB 5001 - Passed	Transfers $2,000,000 from the State Transportation Trust Fund to the Port of Pensacola for infrastructure improvements - funds come out of the former OTTED "Road Fund."
Ch 311 Retitled	HB 599 - Passed HB 1998 - Passed	Increases the minimum statutory amount of funding for the FSTED program from $8 million to $15 million. Projects funded on 50:50 match with rehab of wharves, berths, docks and bulkheads requiring 25% match. Also expands project eligibility to include data and analysis and plan development. Adds criteria to the FSTED council to consider when evaluating projects; updates criteria to be used by DEO and FDOT for consistency finding for FSTED projects; provides FDOT assesses FSTED projects for transportation impacts and economic benefits.
Strategic Port Investment Initiative	HB 599 - Passed HB 1998 - Passed	Creates Strategic Port Investment Initiative with minimum funding of $35 million for projects that advance "state's goal of becoming a hub for trade, logistics, and export oriented activities... ." Provides for coordination with DEO and Ports prior to FDOT making final project allocations.
Seaport Investment Program	HB 599 - Passed HB 1998 - Passed	New authorized revenue stream (intended as new bond program) of $10 million for seaport projects in the adopted work program.
Seaport Stormwater Permitting	HB 599 - Passed	Authorizes seaports to provide for on or offsite stormwater treatment for water quality impacts caused by proposed port activity and requires a permit, and that causes or contribute to pollutions from stormwater runoff.
Seaport use of Mitigation Banks	HB 599 - Passed	Authorizes seaports to use a mitigation bank on projects that have met additional criteria for projects in surface waters and wetlands.
Statewide Seaport and Waterways System Plan	HB 599 - Passed	Requires FDOT, in coordination with partners, to develop a Statewide Seaport and Waterways System Plan.
Ferries	HB 599 - Passed	Authorizes ferries to be operated by joint agreement between public and private entities.
Expedited Permitting	HB 503- Passed	Provides expedited environmental permitting for an inland multimodal facility receiving or sending cargo through a Florida port.
Expedited Hearing	HB 599 - Passed HB 1998 - Passed	Provides that a challenge to an environmental resource permit shall be conducted within 30 days after a party files a motion for hearing.