



## Board Report

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### PLANNING AND PROGRAMMING COMMITTEE JUNE 17, 2020

**SUBJECT: PRESENTATION OF DRAFT LOS ANGELES COUNTY GOODS MOVEMENT STRATEGIC PLAN**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE the Draft Los Angeles County Goods Movement Strategic Plan.

#### **ISSUE**

Metro staff is developing the Los Angeles County Goods Movement Strategic Plan (Plan) in partnership with a wide range of regional goods movement stakeholders at the public, private and community level. The Plan reflects insights and priorities elicited from these stakeholders and supports Metro Board positions and planning efforts, particularly the Equity Platform and Vision 2028.

The Plan presents the Vision, Sustainable Freight Competitiveness Framework and Early Action Initiatives that were developed through ongoing stakeholder engagement over the past 18 months, along with an implementation strategy for these items.

Staff requests input from the Board for the draft Plan. Upon Board action to Receive & File the Draft Plan, staff will initiate a formal public comment period that will take place through July 2020. Input gathered from the Board and the public comment period will be incorporated into the final Plan, which will be presented to the Board in October 2020.

#### **BACKGROUND**

Successful societies across the history of civilization share similar hallmarks - in particular, their economic competitiveness and quality of life depend greatly on a strong transportation system that allows for the efficient movement and delivery of goods.

Unsurprisingly, the rise of Los Angeles County as a regional, national, and international economic, industrial, and manufacturing powerhouse traces its genesis directly to the development of its regional, multimodal freight system. The arrival of the Santa Fe Railroad in 1885, the founding of the Port of Los Angeles in 1907 and the Port of Long Beach in 1911, and the post-war development of the region's extensive freeway system connected local and regional industries to national and global markets, fostered expansion of economic opportunity, attracted westward migration, and improved

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the quality of life for all Southern Californians. This symbiotic relationship remains true today, even as the LA County freight network has expanded into a sophisticated system of marine terminals, railroads, highway corridors, and air cargo facilities, while the industries supported by this system have evolved beyond dairy, citrus, and oil production to include aerospace and defense, bio-science, technology, and logistics.

Today, LA County's goods movement system is the backbone of the regional and national economy. This system is the lifeblood for industries that contribute billions to the regional economy and provide thousands of jobs nationwide. This system has helped the County become the gateway of choice for international trade and is essential to the attraction, retention, and growth of County businesses. At the local level, this system facilitates a robust and convenient urban quality of life by allowing residents and businesses to access goods from across town or around the world, all delivered to their doorsteps, sometimes in a matter of hours.

The prosperity brought by robust economic activities, however, has also resulted in a series of challenges that increasingly threaten the County's ability to ensure quality of life, equity, public health and economic sustainability for its 10 million-plus residents. At the same time, the widening of the Panama Canal, trade wars with China, labor disputes at the San Pedro Bay Ports and extensive investment in East Coast, Gulf Coast and Canadian ports have together endangered LA County's preeminence in attracting discretionary international cargo into the United States, resulting in a loss of national market share symbolized most viscerally by the Port of Long Beach dropping to third place in national container port rankings in 2019.

With an increasing emphasis on correcting past wrongdoings, improving regional mobility and air quality and fending off North American competitors siphoning away cargo and economic prosperity, we are at an important juncture in LA County's history to steer a course towards prosperity that is built on equity, inclusion and sustainability. The LA County Goods Movement Strategic Plan being developed by staff in partnership with a wide range of regional goods movement stakeholders from the public, private and community sectors will help guide that course. Through the development and implementation of this Plan, Metro has an opportunity to lead the region in identifying and addressing goods movement challenges and to partner with the myriad regional goods movement stakeholders to allow the nation's most populous County to make progress toward its economic, mobility, environmental and equity goals.

This Plan is the first full-scale review of the regional goods movement system since the Multi County Goods Movement Action Plan that Metro and its partner agencies completed in 2008. Since that time major shifts in consumer and industry trends have changed the volume of and manner in which goods move throughout the County. These trends include growth in population, global trade volume moving through the San Pedro Bay Ports and Los Angeles International Airport, eastward movement of distribution centers and logistics hubs to the Inland Empire, and our own growing e-commerce shopping habits. Additionally, as Metro has become more reliant upon sales taxes to support its regional planning efforts, highway and transit construction and bus and rail operations, the oversized role that goods movement plays in the generation of these taxes - and other revenue streams - requires even greater attention to and support for maintaining LA County's economic competitiveness through strategic investment in the region's multimodal, shared use transportation system.

These trends in increased goods movement activities have also created externalities that threaten

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the region's quality of life, in particular for disadvantaged communities most heavily impacted by and adjacent to existing highway and freight rail corridors. Additionally, the goods movement sector plays a major role in producing air pollutants that impact public health and threaten to keep LA County from reaching federal air quality attainment goals.

The CEO established the Goods Movement Planning office in 2016 to address these challenges through the mainstreaming of goods movement planning activities within the agency, developing partnerships with the county's goods movement stakeholders, identifying and securing funding for goods movement related projects, and initiating a goods movement strategic plan to help guide the agency and region in working together more collaboratively and across modes, geography and interests to move LA County forward collectively.

The Goods Movement planning team initiated the LA County Goods Movement Strategic Plan in November 2018. Over the course of the Plan's development, staff has engaged myriad goods movement stakeholders that have provided guidance for and input into the Plan and continues to engage stakeholders actively to produce the final Plan that meets the needs of the County. Staff has conducted four Freight Working Group meetings and a number of expert interviews and focus group meetings, comprising groups representing equity, workforce development needs, the logistics industry, port operations, clean and smart technology advancement, public health and air quality management. The input gathered through these discussions formed the basis for the Plan's vision statement, the five elements of Sustainable Freight Competitiveness to guide Metro's goods movement planning activities, and the five Early Action Initiatives that operationalize the vision and deliver on the goals of the Sustainable Freight Competitiveness Framework.

Staff last presented on the status of the Plan to the Board at the January 2020 Planning and Programming Committee. Since that presentation staff has hosted additional meetings, workshops and summits-in person and via webinar-and has turned those discussions into detailed draft recommendations that further delineate steps to implement the Early Action Initiatives. This presentation serves to inform the Board of the progress made since January and the current status of the Draft Plan. Upon Board action to Receive and File the Draft Plan, staff will initiate a public review period of 30 days during which staff will conduct additional stakeholder engagement through the summer to finalize the Plan and present it to the Board for adoption in October 2020.

## **DISCUSSION**

The presentation at the January 2020 Planning and Programming Committee on the status of the Plan's development included a review of five Early Action Initiatives, as follows:

- Defining equity for goods movement in LA County
- Accelerating clean truck initiatives
- Creating a freight rail investment partnership
- Researching countywide workforce development in logistics
- Planning for urban delivery and curbside demand management

Since the January 2020 Board meeting, staff has worked with stakeholders to develop further each of these early action items to be included in the Plan as recommendations. One of these items-

accelerating clean truck initiatives-received strong support from the Board through a motion from Directors Hahn, Solis, Butts, Garcia and Najarian to develop a framework for the 710 Clean Truck Program. Staff reported back in April 2020 with an update on Motion 8.1 as well as a recommendation of \$50 Million to serve as “seed funding” for the program. The Board approved this recommendation along with a provision amended into the recommendation by Director Bonin that this funding could not be used to implement non-zero-emission truck infrastructure, such as natural gas fueling stations. Staff continues to develop the 710 Clean Truck Program in close coordination with Highway Program staff and stakeholders.

Staff is also closely collaborating with Metro’s new Executive Officer for Equity and Race to engage meaningfully various stakeholders from community advocacy, environmental justice, public health and equity fields to understand equity risk factors that are strongly correlated to goods movement activities to support goods movement planning efforts and ground them in equity considerations. Staff has also conducted preliminary discussions with Union Pacific Railroad, Burlington Northern Santa Fe Railway and Metrolink about regional priorities and has determined that a mutual desire exists to develop a strategic rail investment partnership for LA County that seeks to identify and prioritize projects and programs that support public and private goals through a collaborative, consensus-based process.

While the Draft Plan has been reviewed and discussed with the various stakeholders that participate on the Metro Freight Working Group and at various roundtables, staff intends to continue vetting and improving these recommendations with stakeholders over the course of the summer. Together, these Early Action Initiatives will provide a tangible output of the Plan that will allow Metro to emerge as a national leader and a regional partner in implementing a modern, responsive, resilient, and effective freight transportation system while serving as a steward of equitable and sustainable investments and technological innovation that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for County residents.

COVID-19 has brought the essential nature of the region’s goods movement network and the effectiveness of its resilient supply chains to the fore. The pandemic crisis also poses challenges to local, state and federal governments to review and adapt goods movement planning processes of the past as we discover what the “new normal” will be going forward, and how disparities in the impacts of COVID-19 on the County’s minority and disadvantaged populations-especially those compromised by air quality impacts-will lead to the County’s renewed commitment to address equity and sustainability needs head on.

Metro has an opportunity to guide the County’s recovery from COVID-19, to support the freight infrastructure development needed to maintain market share, to strengthen the regional logistics workforce and competency and to deliver on sustainability and equity goals to lift up communities burdened with a long history of poor investment and ongoing freight industry impacts. Through the review of the Draft Plan, staff aims to provide the Board with a stakeholder-guided, consensus-based roadmap to dealing with these many challenges in the next five years.

### Equity Platform

The LA County Goods Movement Strategic Plan supports three of the four Equity Platform Pillars I (Define and Measure), II (Listen and Learn) and III (Focus and Deliver).

Pillar I (Define and Measure): By focusing on Equity and Sustainability as the core element of the Plan and working with stakeholders to receive input on equity concerns and creating inclusive conversations on goods movement issues, the Plan seeks to define measurable objectives that will help advance equity goals for the County.

Pillar II (Listen and Learn): Through the development of the Plan, staff has been holding focused meetings with key equity focused communities and representatives to gain an understanding of equity needs for the region. Staff has initiated the development of an ongoing working group tailored specifically to goods movement equity-focused organizations to facilitate a forum that will continuously inform Metro's goods movement planning.

Pillar III (Focus and Deliver): The Plan, through input from our stakeholders, will help determine where Metro can lead and where Metro can partner in implementing equity-conscious policies and programs to improve health, economic opportunity, accessibility and quality of life for those most impacted by freight externalities in the County.

### **FINANCIAL IMPACT**

Receiving and filing the draft LA County Goods Movement Strategic Plan will not have any financial impact to the agency.

### Impact to Budget

No impact to the budget is anticipated as a result of this item.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

LA County Goods Movement Strategic Plan supports implementation of the following Strategic Plan Goals:

1. Provide high-quality mobility options that enable people to spend less time traveling
  - The Plan includes efforts to improve the efficiency of goods movement on the county's shared multimodal transportation system, as well as calls for investment to support added capacity for regional rail transit opportunities.
  - Inclusion of goods movement planning in existing Metro planning efforts, such as Complete Streets and curbside management, will help reduce congestion and impacts to mobility at the local community level.
  
3. Enhance communities and lives through mobility and access to opportunity
  - The Plan calls for providing more transit connectivity for logistics workforce members to jobs

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currently difficult to reach by transit.

- Developing equity and logistics workforce development initiatives will support local access to opportunity, especially for some of the more disadvantaged, freight-impacted communities in LA County.

4. Transform LA County through regional collaboration and national leadership.

- The Plan identifies priorities and policies generated through regional collaboration and stakeholder engagement to drive funding and policymaking decisions at the state and federal level in support of LA County goals.

**NEXT STEPS**

Upon Board approval of the draft LA County Goods Movement Strategic Plan, staff will initiate a public review period for 30 days. The Draft Plan and an online comment form will be available from <https://www.metro.net/projects/goods-movement-strategic-plan/>. The online comment form will be open until July 26th.

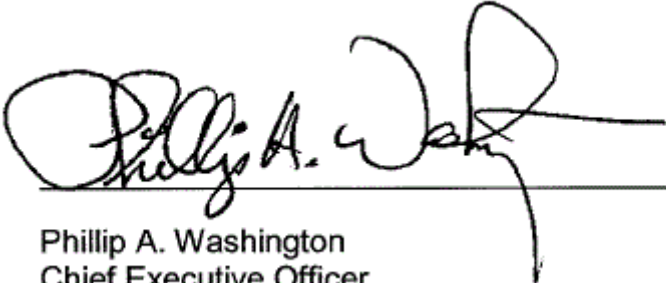
**ATTACHMENTS**

Attachment A - Draft LA County Goods Movement Strategic Plan

Attachment B - Early Action Initiatives

Prepared by: Akiko Yamagami, Manager, Transportation Planning (213) 418-3114  
Michael Cano, DEO, Countywide Planning & Development, (213) 418-3010  
Wil Ridder, EO, Countywide Planning & Development, (213) 922-2887 Laurie Lombardi,  
SEO, Countywide Planning & Development, (213) 418-3251

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



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Phillip A. Washington  
Chief Executive Officer