Massachusetts Freight and Rail Plan

Land Use Development Meeting
Friday, February 6, 2009
9:30 A.M.

Union Station
Worcester, Massachusetts

Meeting Attendees:

Michael	Ball	AECOM
Tim	Brennan	Pioneer Valley Planning Commission
Patricia	Byrne	CSX
Clare	Conley	APM
Stephen	Crane	Worcester Business Development Corporation
Brian	Doherty	Montachusett Regional Planning Commission
Caroline	Hampton	AECOM
Andrew	Hargens	Massachusetts Port Authority
Bruce	Hughes	Old Colony Planning Council
Doug	Kehlhem	MassEcon
Anthony	Komornick	Merrimack Valley Planning Commission
John	Krajovic	Massachusetts Port Authority
Mike	Leone	Massachusetts Port Authority
Pamela	Mann	Go21
Anne	McGahan	Boston Region Metropolitan Planning Commission
Tim	McGourthy	City of Worcester
Maureen	Mullaney	Franklin Regional Council of Governments
Maurice	O'Connell	CSX
Claire	O'Neill	Mass Office of Business Development
John	Delli Priscolli	Grafton & Upton Railroad
Adam	Reccia	Southeastern Regional Planning & Economic Development District
Mike	Rennicke	Pioneer Valley Railroad
George	Russell	Northern Middlesex Council of Governments
Richard	Rydant	Central MA Regional Planning Commission
Clay	Schofield	Cape Cod Commission
Rosemary	Scrivens	Central MA Regional Planning Commission
Chris	Steele	TranSystems
Jessica	Strunkin	495/ Metrowest Partnership
Doug	Vigneau	Vanasse, Hangran, Brustlin
Jon	Weaver	Worcester Business Development Corporation
Karen	Winger	Old Colony Planning Council

Massachusetts Executive Office of Transportation

Ned	Codd	Office of Transportation Planning, Study Project Manager
Timothy	Doherty	Rail Development & Enhancements, Rail Director
Paul	Nelson	Office of Transportation Planning

Consultant Team:

Jill	Barrett	Fitzgerald & Halliday, Inc.
Stephen	Fitzroy	Economic Development Research Group (EDR)
Dan	Hodge	HDR Engineering (HDR)
Steven	Landau	EDR
Ronald	O'Blenis	HDR, Project Manager

Ned Codd, Project Manager of the State Freight and Rail Plan for the Massachusetts Executive Office of Transportation, welcomed attendees, gave a brief overview of the plan that is currently under development and explained the purpose of the meeting was to get feedback on key land use issues and potential strategies to address them. Dan Hodge of HDR provided an overview of the linkage between freight transportation and economic development in Massachusetts including an overview of key freight shipping trends and the economic contribution of freight transportation and freight-dependent industries (e.g., manufacturing, agriculture, distribution).

Industrial Site Selection and Trends

Chris Steele of TranSystems, presented his perspective of how private companies approach site selection based on his experience working with companies looking for development sites in Massachusetts and across the United States. Patricia Byrne and Mike Rennicke, representatives of the Massachusetts Railroad Association, spoke about the current rail and transportation trends, and the industry demand for "shovel ready" development sites. They said:

- Fuel costs can play a significant role in site selection. Companies are looking to the future and realize that they want to have strong multi-modal transportation access at sites, including both truck and rail options due to fluctuations in fuel costs.
- Access to markets and infrastructure are important for site selection. Companies want sites and locations that are readily available to meet the industry needs.
- Existing industrial sites with access to multiple transportation modes are often being overtaken by retail or commercial uses or not fully utilized. While many new distribution centers are being located without access to other transportation modes. For example, the new BJ's warehousing site in the Blackstone Valley could have had rail access but the facility is positioned so that the rail cannot be utilized.
- Other states provide more incentives for freight infrastructure, making Massachusetts less competitive.
- Development of large industrial parks with good multimodal connections has worked well in other states.
- The Massachusetts Railroad Association can provide technical assistance in the development of industrial sites so that a site is designed not to preclude rail connection in the future.
- There is a need to get state planning resources to recognize the importance of protecting land available for multi-transportation uses. Planners should approach rail and rail served sites as though they are "protecting an endangered species."

- Since Massachusetts is a consumption-oriented state in which the majority of goods are shipped into the state, it is very important to focus on updating the transportation grid and not just pushing all distribution centers and rail activity further west.
- Transporting freight by rail is not only more fuel efficient by the gallon, but also results in less congestion and thus less truck idling and fewer truck emissions.

Discussion and Comments:

- While we are focused on industrial land use and preservation, shouldn't we also consider the rail yards that are no longer positioned in optimal areas (example, downtown Framingham)? We should consider what do we do with rail sites that have locations that no longer make sense and conflict with planned uses.
- Many times it is better for the local communities to permit commercial or other non-rail dependant land uses where railroads are, so the towns opt to do that. The result is that rail operations are moved west and this creates congestion on the roads moving from the sites to get the goods to the eastern part of the state.
- The closing of Beacon Park would have impacts related to the connection with Conley Terminal at the Port of Boston and areas to the west of Boston.
    - A relatively small portion of the freight moved into Conley Terminal utilized the rail at Beacon Park Yard.
    - While the proximity to Beacon Park is not used as often as it could be, it is very important for marketing purposes.
    - More manufacturing is moving to Southeast Asia, following the cheaper labor. As this happens, more tonnage is moving through the Suez Canal, which can be a competitive route for the Port of Boston, so it may be important to maintain the access to a rail yard.
- If the public sector can play a role in land preservation, does Massachusetts have some sort of Industrial Development Authority to buy the land and create a land bank?
- Does it make sense to apply the concept of the "Designated Port Areas" program we have in the state that protects maritime industrial land to critical inland areas that support freight?
- Even though the "inland port" in the Pioneer Valley at the CSX rail yard is surrounded by a mix of commercial and residential development, it is not considered sustainable development because it is a freight-oriented rail yard and does not follow the typical Transit Oriented Development model. Perhaps something could be created for this type of development that would enable it to tap into financial resources as is available to TOD projects.
- Land use planners are now trying to return to compact land development instead of the sprawl that has happened in the past decades, and regain land that has lost its function. One example is a new proposal to renovate/rehab a mill in Ludlow where the rail function has been lost. People are concerned with additional truck traffic that would come into the area if redeveloped, but they do not understand that if it were rail-served, that would decrease the number of trucks, so perhaps some public education about the impact of such a project is a good idea.
- There is not enough investment in rail compared to highways in Massachusetts.
- What happens in terms of investment in rail will drive development in the state.

- Public education on the importance of the freight system to our economy is needed. This study could be instrumental in closing the gap between talk and behavior more quickly, in terms of identifying issues, etc.
- The Plan should evaluate the mechanisms and models in other states for some guidance.
    - Georgia has the premier model for distribution centers and land use development near marine ports: the state has invested heavily in the Savannah area, attracted some of the largest retailers in the world to have distribution centers. If there's enough business, rail companies will invest.
    - Virginia has taken significant steps to develop its freight system and industrial land use sites for development. It has worked to have: 1.) shovel ready sites available, 2.) secured land for development, 3.) aggressively recruited businesses, 4.) supported a multimodal system, and 5.) some programs that are not tied to job creation
    - Florida and New Jersey also have programs designed to remove trucks from its highways with significant rail investments and a prioritization process that accounts for likely truck to rail diversion.

Land Use Planning

Dan Hodge of HDR and Steve Fitzroy of EDR, members of the consultant team developing the Freight and Rail Plan, outlined their work with MassEcon, to develop a statewide database that includes: rail served sites, sites with expedited permitting in place, available industrial buildings and industrial sites of greater than ten acres. They encouraged attendees to closely look at this information to see if all locations within their regions are included. Dan and Steve led a discussion that focused on the following four topics:

- Strategic land use planning for freight
- Land preservation for freight use
- Public/private partnerships for freight
- Expedited permitting

Discussion and Comments:

Strategic land use planning for freight

- Rail freight yards do not have the development appeal that many communities are chasing in the Massachusetts markets. They are not associated with "trendy" businesses, so no one is getting excited to try to bring them in or to upgrade freight yards.
- It's too bad that **40R** does not mean 40Rail. The power that local communities have over permitting of projects makes it very easy to stop a project, and local governments have a tendency to stop projects. Something like a state overriding overlay district is needed.
- Devens is not a good example to use for strategic industrial land use planning because it was a unique opportunity. It will be really difficult to see this happen again because of the size of Devens and because it did not involve permission from any local communities. On the other hand, the transportation access to pre-permitted sites was very effective and something that other parts of the state could learn from.

- Are rail-trails a stumbling block to preserving lines for rail use? Perhaps a public relations program is needed. The Route 12 rail line in Fitchburg has been ripped up, and it was right next to a municipal airport.
- Worcester has many underutilized and abandoned mill buildings along the rail lines. Brownfields investment incentives should be considered to help encourage utilization of the existing industrial sites along rail lines. We need to look at redeveloping existing assets as land is scarce.
- We also have to keep the market in mind. There is a supply of properly zoned land in Worcester, but we have not seen much market demand.
- While there may be the supply of land and it is planned for appropriate uses, it is not always the case that there is the demand from industrial/freight users. That is a big concern, because often times the town or body that owns the land does not want to sit on it and wait for a buyer for industrial purposes and will sell it for a different use.
- The Providence and Worcester railroad refers to Central Massachusetts as the intermodal hub of New England. There is also an existing CSX facility that perhaps has room for efficiencies and improvements.
- The experience of siting a distribution facility in East Brookfield/Spencer showed the importance of working closely with the community to be a good neighbor. Using low lighting, earthen berms, and limiting the use of horns are practices that have lessened the community impacts.
- There is a difference between consumption and production industries. Production (e.g., manufacturing) can have small to medium sized facilities and sites, perhaps within a city's limits, while consumption industries (e.g., distribution centers) tend to need bigger spaces to accommodate high volumes of inbound goods and thus often are pushed outside of denser urban areas.
- We need to understand that the geography of the economy is regional in nature (commuting, shopping, etc.) while the regulation and permitting is mostly local (cities and towns).
- We need to be concerned not only with what it takes to improve the freight infrastructure, but also what is necessary to develop the land around it.
- Many of the current programs (40D, 40S) are single purpose. Trying to put them all together is very difficult. It may be helpful to allow these programs to be developed on a regional scale, as the existing programs are all set up to be for a single municipality.
    - The programs have to be more specific, so the actual process has to have tailored areas for freight.
- As an example of roadblocks to improvement, West Springfield was trying to secure funding through the MPO process to resolve a last-mile issue, but was never able to get that freight-related project on the Transportation Improvement Plan so they had to get a congressional earmark for the project.
- Many employers are not as large as they used to be (about 80% of the companies in the Pioneer Valley employ 10 people or less), so there may be an opportunity to help small companies in consolidating their freight needs because the companies do not produce large loads individually.
- The Industrial Revolution started in New England, but industry is different now. Rather than utilizing huge mill buildings, more industrial companies are housed in large one-story facilities. It is necessary to figure out what form of development the next stage in the economy will take and what we need to do to prepare for it. In other

land uses, the future is driving land use more toward a dense model. Therefore it may not be necessary to think about development in terms of as many large industrial spaces as before.
- The industrial park of the future may be headed back to the urban core (e.g., smaller manufacturing firms using existing buildings).
- Important to understand the products that Massachusetts is moving and have a synergy in planning for freight and truck.
    - Moving more consumable goods – we don't make much that is shipped by rail. Need landing pads for all of the items that we are consuming. We have to get things in and that happens most efficiently generally by rail or water, so we need to utilize these modes.
    - Airports are major movers of the highest value products produced in Massachusetts, such as biomedical and electronic products. Additionally, airports are essential for our high-tech economy but need to consider how the products get to the airport, especially through good highway access.
- Erie County, New York is a good example of the effectiveness of collaboration and educational outreach when developing industrial programs. The town, county and Chamber of Commerce worked cooperatively to pass resolutions supporting the investment and making the public aware of the benefits.

Land preservation for freight use
- If we do not do something now to preserve the tracks of land that are connected to transportation infrastructure, future opportunities will be lost.
- We should prioritize industrial sites into categories such as those that should be permanently preserved and those that could be used in the future use but can be used for other purposes in the interim.
- Does it matter that there are no big available industrial sites within I-495?
- Once a site is lost to other uses, it can be lost forever and even though the demand is not necessarily there right now, we do not want to lose all of the industrial sites and opportunities.
- Preserving the infrastructure is more important than preserving a site because without the infrastructure and connectivity, the site does not matter.
- It's necessary to be open-minded in what we want to promote – a site doesn't have to be huge to be valuable. This speaks to the idea of a variety of site options, such as the smaller footprint needed for production compared to distribution and consumption.
- We need to understand what kind of manufacturing we want to keep and what kind of building is needed.
- We should be reversing the sprawl model of industrial development to a more dense, compact model.
- While Worcester hasn't had water access in over 100 years, the rail access to the Port of Boston or Providence is essential to maintain competitiveness.
- **W95** (as a waterborne route) – connections to the Port of Boston or Providence and Port of New York by barge is important to maintain. It is in both public and private interest to maintain these facilities.
- As Beacon Park is moved, whatever rail corridor is maintained needs to keep access to the Port, not only for the sake of Boston but also for the areas to the west.

- Perhaps tax credits to preserve land for freight use in "rail corridors of critical concern" could be established as is the case for tax credits for land conservation. The public would gain economic, security and mobility benefits.

Public/Private Partnerships

- Airport land is publicly owned but airports are privately operated. Perhaps that can be expanded upon for other areas.
- Public investment in site control is a big monetary concern, so it is necessary to consider the private partnerships. Need to target marketing efforts to those who know and will use the land for industrial purposes. It is often tempting to sell to a developer who has cash in hand and convert the land to a less desirable use rather than holding onto the expensive parcels.
- Need people who will develop and benefit from the parcels to be invested in the process.
- **IRAP (**Industrial Rail Access Program) **–** These make a great deal of sense for Massachusetts, particularly because we are surrounded by states with very robust programs where states invest in rail to boost economic/industry opportunities. We keep losing out on opportunities because we do not have any incentives for people to bring their freight related business here. This is critical and has a shovel-ready flavor to it. Other states have programs to help fund sidings and have helped shortlines that took over decrepit rail lines. Something like this would greatly benefit Massachusetts.
    - Massachusetts has nothing to offer currently in terms of rail-oriented incentives to businesses. If there is no funding available, and no incentive, companies will not come.
    - There is no way to be precise about the loss of economic opportunity, but the program needs to be changed. Mass Railroad and CSX will put together a list of lost opportunities to help make the case for creating some of these programs.
- The Massachusetts prohibition on investing in the rail network owned by private entities has to change. The state should be shown this type of investment would be leveraging private funds for projects with public benefit and is not a giveaway.
- Other states have helped the rail industry in three ways: grants, technical assistance and low-cost loans.
- It is difficult for Massachusetts to compete with what other states do. For example, a new intermodal facility was built in Seneca, NY with 90% funding from the state.
- Massport has found it beneficial to have a meeting of stakeholders as well as non-industrial neighbors to promote ideas. Seeking alliances outside of the freight advocates can be beneficial.
- At the federal level there is an Investment Tax Credit Act under consideration that would return $0.25 on $1 to for-profit entities that invest in improvements for freight rail. Perhaps could look into something similar in Massachusetts.
- It is important to look at and generate long-term land and infrastructure models and to invest in improvements.
- Truckers may not think that getting them off the road is beneficial and may oppose support for rail. A representative of the rail industry responded that rail companies work closely with the truckers and believes moving more freight to rail may not create as large of an impact as they might be concerned about.

Permitting

- **Chapter 43D** – localities do permitting fast, but the state MEPA process tends to be the issue. Environmental issues slow things down when state approval is needed.
- The problem is not always permitting. Sometimes there are also conditions, such as historic buildings and brownfields that have to be dealt with before land can be redeveloped.
- Every permit in Worcester is processed within 45 days so the 43D program is of little to no benefit (similar story in other areas of the state). Focus should be on pre-permitting through the MEPA process.
- Need to be more creative than just financial – perhaps permitting mitigation, traffic reduction, and other community issues. Need to link benefits of freight and multi-modal transportation to land use decisions.

The meeting concluded at 12:00 P.M.