

MARKET SNAPSHOT

Logistics & Transportation



CREG

Tucson, Arizona

A Growing Southwest Logistics & Transportation Hub? Yes. Actually, a Global Hub.

This *Market Snapshot* explores the premise that Tucson, Arizona should top the short list of cities to consider when a company requires a solid logistics and transportation infrastructure for their success or when they serve and support the transportation industry.

Key Facts about Logistics & Transportation in the United States

- Trucks moved more than 9 billion tons of U.S. freight in 2011, accounting for \$604 billion in revenues.
- Rail freight moves more than 70% of the nation's coal, more than 30% of its grain and 58% of raw metal ores.
- Air freight shipments, while a small percentage overall, continues to grow and airports are seen as important factors for companies choosing a new location.

Tucson, Arizona not only has an international airport, but as anyone who regularly drives the two hours from Tucson to Phoenix can tell you, there are plenty of trains and trucks to be seen along the way.

Intermodal Freight – Where Tucson, Arizona Shines

According to the Intermodal Association of North America, intermodal freight is growing faster than any other mode of transportation because the “transfer of freight using multiple modes of transportation (truck, rail or ocean carrier) can often provide a cost-effective, reliable and efficient shipping method.”

Tucson's central southwestern U.S. location makes it perfect as a global transportation hub .

- There are a large number of growing cities within a 500-mile radius.
- There is a population of over 34 million people within that same radius.
- Mexico, the country that is expected to become the largest economy in Latin America by 2020, is only an hour's drive away. Arizona exports over \$6 billion worth of goods to Mexico annually. In 2013, over \$18 billion worth of U.S. imports came in via Arizona, with 37% of them coming from Mexico.

CITY	DISTANCE FROM TUCSON Miles (km)
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Nogales, Mexico (PORT OF ENTRY)	64 (103 km)
Phoenix, AZ	113 (182 km)
Yuma, AZ	238 (383 km)
Hermosillo, Mexico	245 (394 km)
Flagstaff, AZ	257 (414 km)
El Paso, TX	318 (512 km)
Guaymas, Mexico (PORT)	324 (521 km)
Las Vegas, NV	407 (655 km)
San Diego, CA (PORT)	413 (665 km)
Albuquerque, NM	450 (724 km)
Long Beach/Los Angeles, CA (PORT) *	498 (801 km)

*The world's fifth-busiest port complex.

“Located just 60 miles from the Mexican border, at the intersection of two interstate highways and the Union Pacific Railway System, Tucson is set to become a logistics hub. We are the nearest major U.S. city to the expanding deep-water port at Guaymas – a gateway not only to Central and South America, but to the Pacific Rim. These natural advantages are why we’re focused on transportation infrastructure that expedites trade, and why you’ll find a number of logistics, import and export specialists operating in Tucson and Southern Arizona.”

...Jonathan Rothschild, Mayor of Tucson

Market Snapshot courtesy of:



Commercial Real Estate Group of Tucson LLC

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Tucson, Arizona

Yes, a desert, but certainly no desert island.

While it's true that Tucson has zero miles of inland waterways, it does have a port – a rail port that connects Tucson's businesses almost seamlessly with the rest of the world.

The Port of Tucson is an intermodal rail facility on 767 acres in southeast Tucson. The Port handles intermodal containers and provides boxcar access, team track facilities and public warehousing.

Providing local companies the ability to move goods in and out of the Southwest region and to international destinations, the Port is registered as a Foreign Trade Zone, which allows shipping and receiving of product in bond.

An example of how local companies benefit from the Port of Tucson is that they no longer need railroad infrastructure directly to their own warehouses. Product can be placed in containers directly from their loading dock, driven by truck to the Union Pacific rail hub at the Port and then loaded onto a train heading off to a seaport like Long Beach, California.

Local Tucson Support & Proven Success

Local government, economic development and business entities in Tucson and surrounding areas are very enthusiastic about the future of Tucson as a global transportation hub. Pima County, the City of Tucson, TREC (Tucson Regional Economic Opportunities) and others, all have initiatives or funding supporting its growth.

Target, Horizon Moving Systems and Arizona Canning Company are three success stories of companies operating national distribution centers in Tucson.



"The biggest benefit is that local businesses will be able to be part of the global economy, whether receiving or exporting. Local businesses are really the ones that will benefit. The alternative of rolling a 120-car, double-stacked train through town takes 240 trucks off the road, lowering fuel costs and shortening delivery time."

Alan Levin, Owner, Port of Tucson,
(Arizona Daily Star, September 1, 2013)



Go to www.cretucson.com and download our White Paper "Tucson, Arizona. A Growing Southwest Logistics & Transportation Hub?" for more information on how Tucson is becoming a global transportation hub. Or request it from Michael Coretz at Commercial Real Estate Group of Tucson LLC.

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