The Southwest Mega Region
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SCAG Executive Director
Uneven and Inequitable Growth Patterns

Population change per square mile 1990 - 2000
POPULATION CHANGE, 2000-2050

Source: Woods & Poole 2002, ESRI
GLOBAL TRENDS
“Blue Banana”
Core EU Area with the most competitive cities
“BESETO” Corridor

Beijing
Seoul
Tokyo
THE SOUTHWEST GLOBAL GATEWAY
Southwest

CALIFORNIA

Ventura
Los Angeles
Orange
Riverside
San Bernardino
Imperial
SOUTHWEST GLOBAL GATEWAY TRENDS
POPULATION GROWTH

Population is expected to grow to 27,700,000 by 2030, which is a 35% increase from 2000.
Los Angeles/Long Beach port complex 5th largest in world
44 million 20 ft. containers by 2030 - reaching capacity
The Mexico-California commercial relationship in 2002 was worth approximately $36 billion, 7 percent, of the total bilateral commercial activity between U.S. and Mexico.

Mexico ranks as California’s largest trade partner.
GROWTH IN AIRPORT DEMAND

- Mega-region’s airports make So. Cal the busiest of all regions in the country
- 94 million passengers served in 2003
- Demand forecast to double before 2030
- Cargo expected to triple
HIGHWAY CONGESTION

Worst in nation since 1982

Projected Growth

- truck travel
- auto travel
- population

2000 2010 2020 2025
AIR POLLUTION

• Progress has stalled and diesel emissions from ships, locomotives and port complex are projected to increase

• Mega-region continues to have the worst air quality in the U.S.
THREATENED ENVIRONMENT & QUALITY OF LIFE

ENERGY
Demands on the capacity and distribution of energy will remain a major challenge

WATER
Per capita demand not projected to decline as the population increases

HABITAT & OPEN SPACE
Suburban-style sprawl continues to consume native habitat
GLOBAL GATEWAY THINKING

- Promotes relationships between existing metropolitan areas
- Supports sustainability and long-term vitality
- Streamlines transportation and land use patterns
- Fosters better economies
- Encourages cost-saving measures through cooperation
1. Vision for Growth
2. Infrastructure Investment
3. Economic Development Strategy
Changes will affect only 2% of regional land mass.
Infrastructure Investment
Decentralized Airport System with High-Speed Rail System

Airports Connected by Maglev High-Speed Rail

Southwest

Ensenada

San Diego

San Pedro

Long Beach

Santa Barbara

Ventura

Kern

Los Angeles

Orange

Riverside

San Bernardino

Califomia

Arizona

Mexico

Sonora

Baja
U.S. Inventory to Sales Ratio, 1985-2004

Source: U.S. Census Bureau

35% Less Inventory
At So-Cal Ports
Consolidation &
Trans-Loading Produce
Both Cost and Time
Savings, Making
“Just-In-Time”
Strategies Achievable
Non-Consolidated Shipping

Nation-wide order placed with Asian Factory

Many Ships to Many Ports

Depart Ports

Arrive at Destinations

ORDER

Retail Stores

DAYS OUT:

75 - 100

25 - 40

1 - 5

1 - 10

Committed 27 - 55 Days Out

Leachman & Associates LLC
Consolidated & Trans-Loaded

Nation-wide order placed with Asian Factory

Fewer ships to select Trans-Loading Ports

Depart Destination Ports

Arrive at Destinations

Retail Stores

ORDER

Goods can be allocated just before vessel arrives

DAYS OUT:
75 - 100

25 - 37

5 - 9

1 - 9

Committed Only

6 - 18 Days Out

Average of one month advantage

Leachman & Associates LLC
The Benefit to Shippers

The trans-loading of weekly shipments affords large, nation-wide retailers an 18-20% reduction in their total pipeline plus safety stock inventory compared to direct shipping.

Assuming a 6% average error in nationwide one-week-ahead sales forecasts
The Benefit to Shippers

Similar improvements in cross-border, land-port logistics within the Southwest Mega-region would also provide efficiencies and benefits to shippers.
The Benefit to Global Gateways

The sustenance and growth of the Logistics Industry, an industry noteworthy for the good pay and upward mobility opportunities available to a growing blue collar labor force.
Logistics Share of So-Cal Jobs

1 out of 12 jobs in 2003

% SCAG Jobs

16%
14%
12%
10%
8%
6%
4%
2%
0%

Motion Picture Services
Other Services
Constr. Financial Activities
Logistics
Leisure and Hosp.
Educ. & Health Services
Manf.
Prof. & Bus. Services
Gov’t.

1.7
3.5
4.8
7.5
8.1
9.6
10.6
12.1
14.1
14.9
Logistics Share of So-Cal Jobs

Approximately 117,000 of all export-supported jobs in California are related to commercial relationships with Mexico = 17 %
Average weekly pay for all industries is $749.

1 of highest paying compared to other sectors.
1. Support the Creation of Partnerships Between Metropolitan Areas
2. Seek Federal Support to Provide Coordination and Incentives
3. Create Public-Private Partnerships to Execute Strategic Investments in Infrastructure
Mega Region Strategy Results

1. Growth of Logistics Industry Builds Middle Class
2. Increase in Housing Stock
3. Better Quality of Life for All
4. Made Possible by New Finance Structures That Encourage Change
Being Competitive Participants in the Global Economy
The Southwest Mega Region
Thank You