



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

Commission for Logistics & Supply Collaboration
FINAL Meeting Minutes
May 10, 2018

Members Present:

Tim Hoeffner *for Kirk Steudle*
Robert Boehm
Les Brand
Matthew Chasnis *for Jeff Mason*
Dr. David Closs
Roger Huff
Dr. Pasi Lautala
Joe McCulloch *for Gordon Wenk*
Fred Schlemmer
Janice Walsh (via phone)

Members Absent:

Peter Anastor

The meeting was called to order at around 9:05 a.m.

Tim Hoeffner, Michigan Department of Transportation (MDOT) Office of Rail Director welcomed Commissioners for the Logistics & Supply Chain Collaboration (LSC), guests, and MDOT staff.

Tim noted that there would be a Public Comment period at the end of the meeting.

Draft minutes from February 8, 2018 were approved with correction.

Major Project Updates

Matthew Chasnis of Michigan Economic Development Corporation (MEDC) reported as follows:

New Projects

Since 2/8/2018

Job Creation: 2,840

Private Investment: \$558,020,670

FY18

Job Creation: 6,347

Private Investment: \$2,039,338,254

Esys Automation

Michigan Business Development Program Grant: Esys Automation, established in 1999, is a full-service provider of turnkey automation systems with two locations in the City of Auburn Hills and one in Greenville, South Carolina. The company has seen increased demand for its products and has experienced significant growth over the past three years. Esys plans to build a world-class headquarters facility that will combine its existing three facilities under one roof containing engineering, research and development, manufacturing and management. The project is expected to generate a total capital investment of \$15.8 million and create 154 jobs, resulting in an \$832,000 Michigan Business Development Program performance-based grant. Michigan was chosen over a competing site in South Carolina. The City of Auburn Hills has offered a four-year property tax abatement in support of the project. For information on careers with Esys, visit <https://www.esysautomation.com/about/careers/>.

Nexient

A \$1.5 million Michigan Business Development Program performance-based grant was awarded to California-based Nexient. Nexient is committed to invest \$4.17 million to create 300 high-skilled, high-wage tech jobs. Nexient is a leading provider of 100-percent U.S.-based Agile software services. Established in 2009, the company is headquartered in Silicon Valley and has locations in Michigan and Indiana. The company's expansion comes as a response to increasing demand from high tech and corporate clients looking to develop more responsive and faster software.

Site Readiness

An RFP was issued for a 3rd party consultant to review a variety of sites across the state. The goal of the RFP is to find a consulting firm that will be able to evaluate whether or not a site is one that is attractive for new developments. The consultant will be required to identify issues with the sites and identify key industries that may be suitable targets. The consultant will also be

required to identify improvements that may be beneficial to the sites and calculate the costs associated with those improvements.

Autonomous Vehicle Update

Roger Huff, President at HGLC Consulting, updated the Commission at the February 26-27 Kick-off meeting of the National Academies -TRB Forum; Preparing for Automated Vehicles and Shared Mobility services. The objective of the forum was to bring together public, private, and research organizations to share perspective on critical issues surrounding the development of automated vehicles and shared mobility. The focus of the discussion was to identify and facilitate fact-based research that is needed to deploy these technologies in a manner and timeframe that informs policy to meet long-term goals. The long-term goals include increasing safety, reducing congestion, enhancing accessibility, increasing environmental and energy sustainability, and encouraging economic development and equity. Mr. Huff also mentioned the media attention focusing on the new technologies surrounding autonomous vehicles.

State Long Range Transportation Plan

Elisha DeFrain, Transportation Planner, Asset Management and Policy Division reported that MDOT just kicked off efforts to develop Michigan's new 2045 State Long-Range Transportation Plan (SLRTP) with the assistance of WSP Michigan, Inc. MDOT will be the first state in the nation to integrate its State Freight Plan and State Rail Plan into the SLRTP. The consultants will attend the November 8th LSC meeting in Lansing to present Phase I findings.

Workforce Development

Jeremy Hendges, Chief Deputy Director at the Michigan Department of Talent & Economic Development (TED) gave an overview of the Marshall Plan for Talent, which is an approach to better prepare Michigan students and adults for jobs. Stephanie Beckhorn, Director of the Workforce Development Agency (WDA) within TED presented on WDA's role in workforce development in Michigan, including industry services, worker training, career-based education and employment assistance. James Fults (WDA) will be the Commission's representative for workforce development moving forward.

Meijer Presentation

Dr. Closs introduced Tom McCall, Vice President of Logistics at Meijer, and one of Dr. Closs' former students at Michigan State University. Mr. McCall in return introduced his team members – Dave Hoover, Director of Outbound Logistics at Meijer, and Carol Heinowski, Private Fleet Manager at Meijer. In addition to his current position, Mr. McCall has held various leadership positions in Distribution, Inventory Control and Logistics. He is responsible for all Inbound Logistics that plan and execute product flow strategies for all modes of worldwide transportation, supporting in-stock conditions and margin efficiencies while maintaining and developing business relationships with carriers, service providers, 3PL's, U.S. Customs, and other governmental agencies. Inbound Logistics support, track, and identify product/location and timing; provide robust Inbound supply chain data analytics; minimize transportation costs through multiple methods; and reduce accessorial costs related to transportation.

Outbound Logistics has four dedicated outbound carriers: MPF – Meijer Private Fleet – 103 stores serviced in Michigan, northern Ohio, and Indiana; NTB – Nationwide Truck Brokers – 43 stores serviced throughout Michigan, Ohio, Indiana, and Wisconsin; JBH – JB Hunt – 36 stores serviced in Greater Chicago area, Indiana, Michigan, and Wisconsin; USX – US Xpress – 53 stores serviced in Ohio, Kentucky, and Indiana. 2017 Total OBL miles driven – 65 million.

State Legislative Updates

Troy Hagon, Government Affairs Liaison at MDOT reported on the Fiscal Year 2018-2019 budget. He stated that both the Senate and House have moved their respective budget bills and that budget negotiations between the Executive branch and the Legislative branch will commence soon. Mr. Hagon stated that with 2018 being an election year, elected officials were eager to finish legislative work by mid-June, so they can begin election activities in earnest. Mr. Hagon also reported on House Bills 5335, 5406, and 5408. House Bill 5335 (H-2) would enact the "Michigan Infrastructure Council Act," creating a Michigan Infrastructure Council to help coordinate infrastructure investment. House Bill 5406 (H-2) would create the Water Asset Management Council, which would help encourage an asset management approach for water infrastructure. House Bill 5408 (H-1) would amend Public Act 51, the Michigan Transportation funding law to strengthen the responsibility of the Transportation Asset Management Council currently in existence. Mr. Hagon reported that House Bills 5335, 5406, and 5408 were reported

from the Senate Standing Committee on Transportation on Thursday, May 10, 2018 and now move to the full Senate for their consideration.

Federal Policy Updates

Chris Hundt, Transportation Planner, Asset Management and Policy Division at MDOT, provided a summary of recent Congressional actions on transportation-related legislation. This included mention of the bi-partisan agreement that raised the budget caps to allow for some additional investment in various areas of the federal budget. The budget agreement includes \$20 billion for additional investment in transportation infrastructure over the 2018 and 2019 fiscal years. Congress is also working on legislation to reauthorize federal aviation programs and funding, as well as legislation to address the nation's water resources.

Open Discussion Topics

- The next meeting on August 9th will be a joint meeting with the Governor's Port Advisory Group. The meeting will include a tour and presentation at the American Center for Mobility (ACM). Additional details will be forthcoming.
- **Michigan Rail Conference**
"End to End Journeys: Integrating Partners"
Saginaw Valley State University
August 7-9
<http://www.rail.mtu.edu/mrc2018>
- **MAASTO/MAFC 2018**
(Mid-America Association of State Transportation Officials/Mid America Freight Coalition)
"Making Connections...Transforming Lives"
Grand Traverse Resort, Traverse City
August 27-29
<https://www.maasto2018.com/>

No public comments were made

Meeting was adjourned at 11:15 a.m. followed by an on-site tour at the Meijer Distribution Center.