

New Frontiers in Logistics Site Selection

Logistics Development Forum

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Trends Impacting Corporate Logistics

- High fuel prices are here to stay
- On-shoring/re-shoring
- Customer expectations for same day delivery
- The Internet of Things
- Increased access to broadband
- Continued labor strife at West Coast ports
- Panama Canal widening
- Globalization and free trade pacts
- Emergence of a global middle class
- Opening of new markets (Cuba, Iran, Burma, Africa)

How Trends Shape Site Selection

- More distribution centers
- More distribution close to large metro areas
- Increased importance of air transport hubs (Memphis, Dallas, Louisville, Atlanta, Portland)
- Increased importance of port hubs
- Compressed time to develop facilities (sites must be shovel ready)

Best Practices for Logistics Communities

- Enhance intermodal connections
- Understanding freight rates, drayage costs
- Linking training with the needs of employers
- Educating the community about impacts of logistics
- Locating sites close to intermodal hubs
- Sites must be shovel ready
- Incentives and economic development plan must meet the needs of logistics companies
- Thoughtful site planning and zoning

What Site Selectors Want - MAPS

Supermarket/Grocery/Convenience Store



Home Furnishings



Discount and Specialty Stores

What Site Selectors Want - DATA

Consumption Market	Population	Percent
1 Hillsborough/Pinellas/Polk Counties	2,710,357	19.9%
2 Miami-Dade County	2,476,289	18.2%
3 Ft. Lauderdale (Broward County)	1,742,891	12.8%
4 Orlando (Lake/Orange Counties)	1,404,471	10.3%
5 Palm Beach County	1,286,778	9.4%
6 Brevard/Volusia Counties	1,061,425	7.8%
7 Jacksonville (Duval County)	899,535	6.6%
8 Ft. Myers (Lee County)	616,626	4.5%
9 Ocala/Gainesville (Alachua/Marion Counties)	588,200	4.3%
10 Treasure Coast (Indian River/Martin/St. Lucie Counties)	560,141	4.1%
11 Tallahassee (Leon County)	274,900	2.0%
Total	13,621,613	100.0%
Total Florida Population (2010)	18,773,356	
, Top 11 Markets Percent of Population	73%	

Say Yes to Distribution in Virginia



Virginia's Skilled Workforce

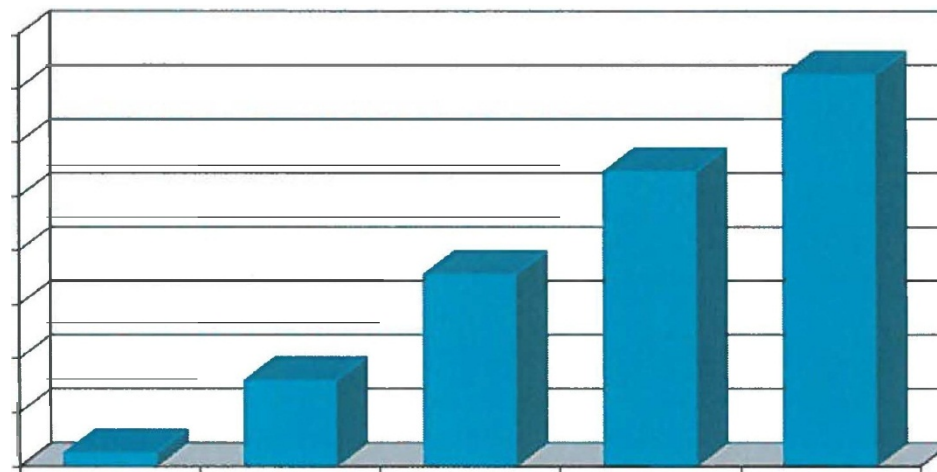
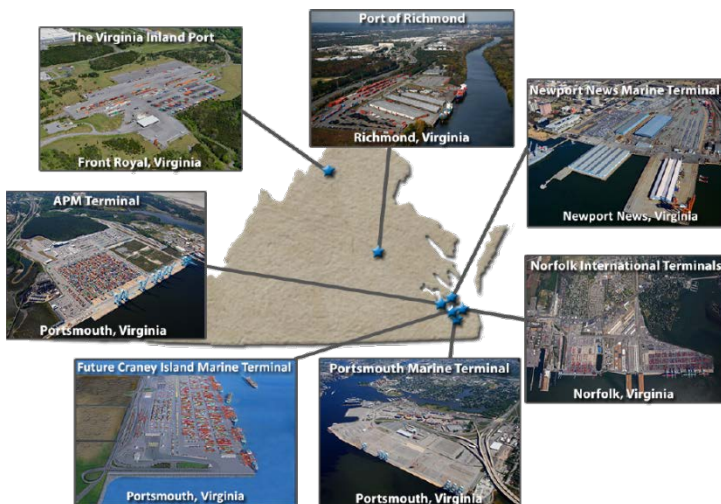
Selected Logistics Occupations	Virginia Employment	Virginia Average Salary
Logisticians	6,170	\$86,070
Customer Service Representatives	52,330	\$32,820
Order Clerks	4,760	\$27,100
Cargo and Freight Agents	2,060	\$37,960
Production, Planning, and Expediting Clerks	8,420	\$47,770
Shipping, Receiving, and Traffic Clerks	13,070	\$30,920
Stock Clerks and Order Fillers	50,290	\$25,190
Weighers, Measurers, Checkers, and Samplers, Recordkeeping	1,570	\$31,300
Office Clerks, General	85,490	\$30,550
Inspectors, Testers, Sorters, Samplers, and Weighers	8,760	\$35,940
Heavy and Tractor-Trailer Truck Drivers	36,450	\$38,290
Transportation Workers, All Other	1,570	\$37,970
Industrial Truck and Tractor Operators	11,980	\$32,860
Laborers and Freight, Stock, and Material Movers, Hand	45,120	\$25,860
Packers and Packagers, Hand	11,550	\$22,560

Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics, May 2013

What Site Selectors Want - SITES

IndustrialMarket	(in millions of SF)				Total
	Manufacturing	R&D/Flex	Whse/Distribution	Other	
Palm Beach	5.1	10.0	30.3		45.3
Miami	20.6	13.5	175.3	7.8	217.1
Broward	6.8	11.6	74.3	1.3	94.0
Tampa Bay	32.0	12.6	92.8	3.0	140.4
Orlando	19.9	7.9	74.7	3.6	106.1
Jacksonville	19.0	8.4	66.1	4.3	97.9
Polk County	5.2	0.6	26.9	1.5	34.2
Total Florida Major Markets	108.5	64.7	540.3	21.5	735.0
2011(03) CB Richard Ellis, MarketView Report					

Florida Distribution Center Potential Additional Demand/Absorption
2011-2030



Challenges Created By These Trends

- Shortage of truck drivers
- Increased mechanization of distribution eliminates entry jobs
- Airport congestion
- Increased traffic congestion
- Tolling to pay for infrastructure
- Port winners and losers
- Community opposition to traffic and noise
- Questions about quality of jobs
- Environmental issues

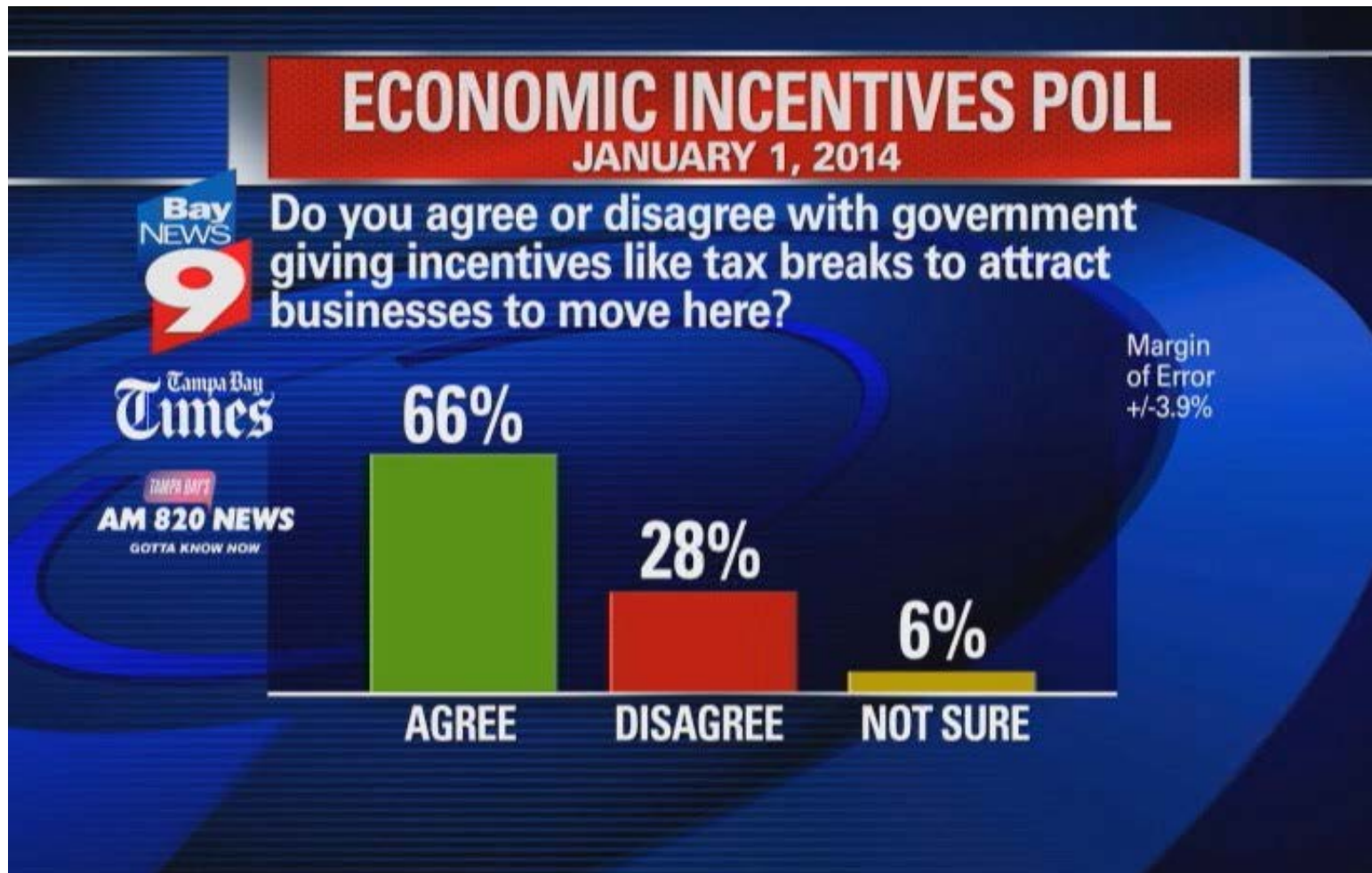
Why is economic development increasingly political?

- Decisions involve the use of public dollars
- Decisions are made by elected officials
- Tax aversion limits available funding, competing priorities
- Fear of Big Business/the 1%
- Union vs. Right to Work
- Grassroots advocacy more important in political decision making
- No established faction that is pro-economic development
- Most economic developers are public employees who cannot engage in lobbying activities
- Concept that development pays for itself
- NIMBY/BANANA/NOPE syndromes

We Are All Part of the Problem – Recent Headlines

- “End of Tax Break Means End to 1250 jobs”
- “Illinois official calls incentives a form of cronyism”
- “Incentives: PBS vs. GE”
- “NC audit finds lack of verification in administering job creation grants”
- “Florida program gives \$423,000 incentive to cocaine dealer”
- “Despite Big Promises, Incentives Often Fail to Deliver”
- “Another day, another bad economic development deal”
- “GE says new taxes could force it out of Connecticut”

Public Opinion Supports Incentives



Consider the Alternatives

- Economic development pays the bills of all other public services
- Since the recession started in 2007, the federal government has spent \$688 BILLION on unemployment insurance payments.
\$150 billion was spent in 2010 alone
- In FY 2013, we spent \$80 billion on food stamps – doubled in 4 years

Educating Your Community

- Take the secrecy out of economic development
- Economic Development 101 for your elected officials
- Business leader testimonials
- Logistics Day/business open houses
- Use your state economic development association

Using ROI to your benefit

- Characterizes incentives as an investment
- Demonstrates to the public that decision to give incentives are not taken lightly
- Shows that incentives are a net gain to the community
- Helps you weed out bad deals
- Guides adjustments to tax and incentives policies to meet prospect needs

Business Community Buy-In

- Convene a summit of local business executives and elected officials to review incentive policies
- Bring in national experts on smart growth and corporate trends to validate your practices
- Let elected officials hear directly what motivates companies to add jobs and investments
- Develop a standing working group on business climate and incentives

Written Incentives Policies

- Outline what kind of jobs and investments a community wants
- Establish policies to guide your attraction and retention efforts
- Establish guidelines for incentives amounts
- Secure political and public approval for use of incentives
- May want to consider an “audit” of your incentives practices and programs

Questions or Comments?

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