



JOPLINmetro

The Business Cities of Carl Junction, Joplin, Neosho and Webb City

Warehousing and Distribution

**Joplin, Missouri Metro Area
Southwest Missouri**

Overview: Warehousing & Distribution

Overview

- SIC 4225 or NAICS 49311 includes companies that are engaged in distribution and warehousing, whether for themselves or as a public warehouse
- MO has hundreds of national & regional distribution centers

Location Factors

Critical

- Proximity to local and regional customers

Important

- Sites near N-S and E-W Interstate crossings

Industry Characteristics

Average wage in 2004 \$34,684
 Typical plant employment (#) 99

Historic Growth Rates(1999-2004)

Employment + 17%
 Number of New Facilities(+) +674

Industry Suppliers, Customers and Reasons to Target

Suppliers

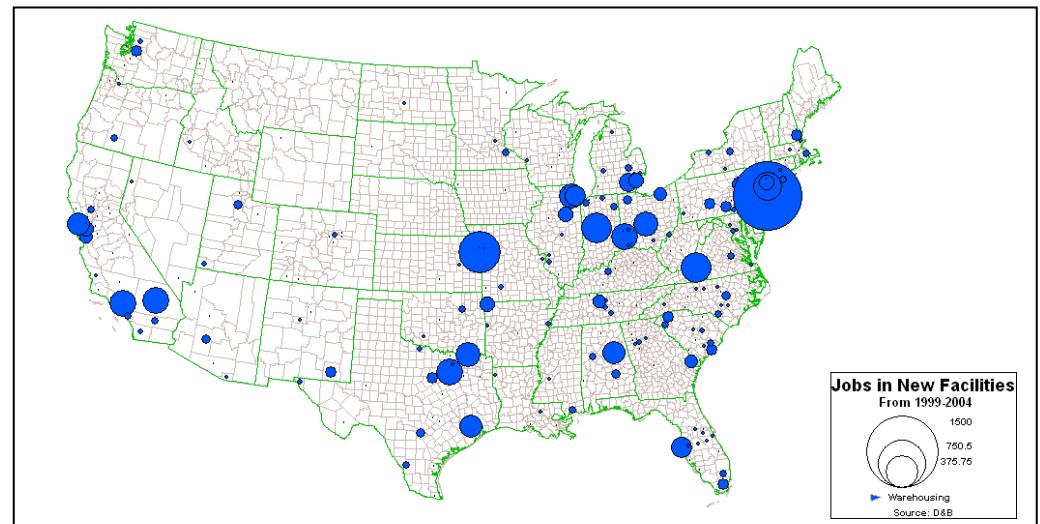
- Consumer goods producers
- Industrial goods producers

Customers

- Major retailers
- Major wholesalers
- Manufacturers

Joplin's & Neosho's Strengths.

- Proximity to Wal-Mart distribution centers
- Vacant buildings
- Size of local market



Location Factors

Market Access

The Joplin Metro area's position for serving national markets is nearly as advantageous as Chicago or Kansas City. A market of 5.2 million persons can be reached within a 150-mile radius of the Joplin area. Interstates 40 and 44 (east-west) and US Hwy. 71 (north-south) connect to every region in the country as seen in the map below. Among its competitors, Joplin has the largest population within a 150 mile radius. Four airports within 110 miles serve the region, providing commercial and cargo service to markets throughout the world. Two Class 1 and one local railroad are an important part of the transportation system. Both UPS and FEDEX offer daily early morning deliveries in Joplin and Neosho through their regional hub at Springfield.

HIGHWAYS

Interstate-44 running east-west & U.S. Hwy. 71 running north-south (designed I-49 corridor)

FREIGHT RAIL

Kansas City Southern; BNSF; RailAmerica

AIRPORTS

	miles
Joplin Regional Airport (commercial; 6,500 ft. runway)	2.5
Springfield/Branson Airport - 8,000 ft. runway; 250-acre industrial park	70
Tulsa International Airport - sq. ft. runway	110
Northwest Arkansas Regional Airport - 8,800 ft. runway	70

MOTOR FREIGHT

50 major freight carriers.
Terminal facilities are available in the region.



● I-44 / I-40: St. Louis & Los Angeles	● I-44 / I-64: Louisville
● US 71 / I-29: Kansas City & Winnipeg	● I-44 / I-55: Chicago
● US 71 / I-35: Duluth	● I-44 / I-70: Philadelphia
● US 71 / I-49: New Orleans	● US 71 / US 59: Houston
● US 69 / I-35: Dallas & Mexico	● US 400 / I-35 & 70: Wichita & Denver
● I-29 / I-90: Tacoma	

Transportation Advantages

Access to Major Metro Markets

Joplin has an excellent location for distribution based on the population within 150 and 250 miles (see table below). Among its competitors, Joplin has the largest population within a 150 mile radius. The population in the local market has as much of an influence on distribution costs as the overall population within the distribution radius, as it is far cheaper to distribute to local customers than to customers that are at 2 hours from the distribution center.

Population Distribution in Various Centers

Name	Radius		Percent of 150 radiu in Local Market	Percent of Maximum	
	150 Miles	250 Miles		150 Miles	250 Miles
Oklahoma City	3,393,752	12,374,849	32%	64%	63%
Tulsa	2,952,283	13,156,031	27%	56%	67%
Joplin	5,290,741	12,122,467	3%	100%	62%
Fayetteville	4,071,768	13,293,308	8%	77%	68%
Springfield	3,488,048	14,494,615	9%	66%	74%
Kansas City	4,171,972	10,565,916	43%	79%	54%
St. Louis	3,426,173	19,549,346	76%	65%	100%

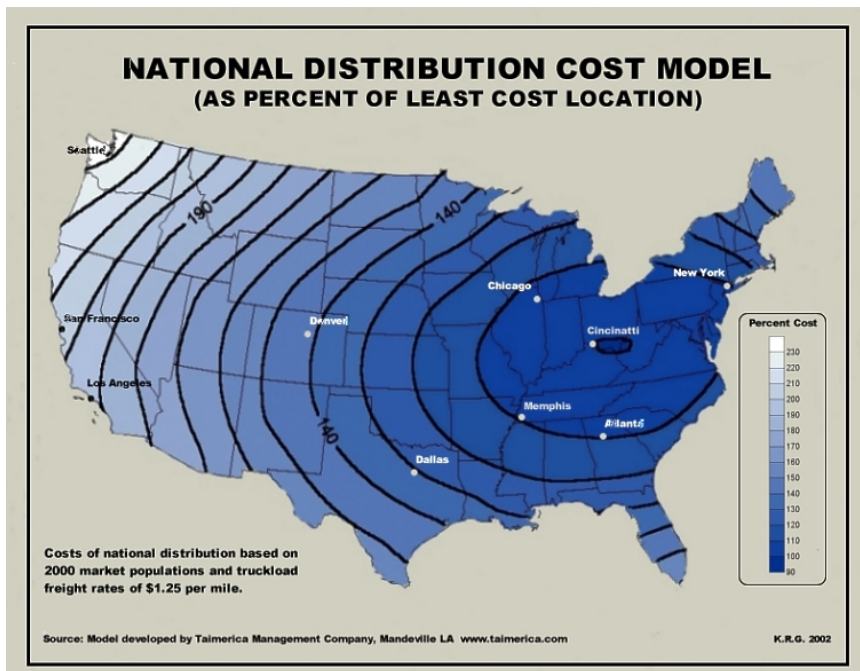
Source: Computed via GIS

Access to Wal-Mart Headquarters Distribution Network

With Wal-Mart Headquarters' in nearby Bentonville, Arkansas (45 miles) directive for suppliers to provide just-in-time deliveries, Joplin is well positioned geographically to serve as a distribution center for these suppliers. Joplin is located within 2 hours of six of Wal-Mart Centers, which gives the region a logistics advantage for supplying the Wal-Mart system, the nation's largest retailer.

Transportation Costs

The Joplin Metro Area is at an advantage to other metro areas in terms of transportation access and cost. Employers recently interviewed by Tamerica Management rated their access to national markets as a locational advantage. Some, such as La-Z-Boy, operate large, sophisticated national distribution operations from the region.



Truck freight costs from the Joplin area to national customers fall within 10 percent of Memphis or Chicago.

Container Freight Rates

Destination	Inland Rates from		
	Oakland	Savannah	Houston
Memphis	\$ 1,205	\$ 805	\$ 810
Chicago	\$ 1,195	\$ 1,550	\$ 1,210
Joplin	\$ 1,250		\$ 1,375
Kansas City	\$ 895		\$ 1,050
St. Louis	-		\$ 1,005
Wichita	\$ 1,330		\$ 1,460
Omaha	\$ 1,445		
Oklahoma City	\$ 1,490		\$ 1,135
Dallas	\$ 1,025	\$ 1,200	\$ 335
Oakland	\$ 150	\$ 4,365	\$ 880

Source: Sealand Tariff April 8 2005

Access to Global Distribution System

Some indication of a region's competitiveness can be determined by looking at the inland freight rates for ocean shipments. Kansas City offers the lowest inbound costs from Asia or Latin America to the Midwest. However, the costs for container deliveries to Joplin from Asia (thru Oakland) from Europe or Latin America (thru Houston) are within \$325-\$350 of Kansas City costs. Joplin inland rates from Asia, via Oakland, are nearly equal to rates for Chicago or Memphis deliveries and are better than rates to Omaha, Wichita or Oklahoma City. Analysis suggests that the Joplin region continues to be competitive from a freight standpoint for assembly operations involving Asian components and that the stiffest competitors will be in the Kansas City area.

Employment

There is an available labor pool in the Joplin Labor Market of 93,668. Of those, more than half have at least some college education, while 94% have at least a high school diploma. The Joplin area already has several back office operations that have prepared a large pool of full and part-time workers in this industry. Companies such as La-Z-Boy, General Mills and Owens-Corning transport their finished products from the area. In addition, there are numerous large freight companies located in the area that provide logistics services.

Joplin Labor Market Area: 93,668 persons

Education Level:

- > than 50% with some college
- 94% with at least HS diploma

Wage Rates: \$11.78 - \$16.29

Distribution Centers:

- Owens-Corning
- Sunbeam
- La-Z-Boy
- Genera Mills

Logistics Companies:

- Contract Freighters, Inc. (CFI)
- Tri-State Motor Transit Company
- Standard Transportation Services

Wage Rates

Occupation	Dallas, TX PMSA	Rogers, AR MSA	Joplin, MO MSA	Lawrence, KS MSA	Springfield, MO MSA	Tulsa, OK MSA
Forklift operators	\$11.34	\$11.69	\$11.78	\$12.56	\$12.01	\$11.64
Material Handlers	\$ 8.70	\$ 8.96		\$ 9.71	\$10.06	\$ 8.99
Truck drivers, heavy and tractor-trailer	\$16.81		\$16.29	\$13.09	\$16.54	\$15.07

Available Buildings

The Joplin Metro Area has a number of buildings available that are suitable for warehousing and distribution operations. The Joplin Business & Industrial Development Corporation (JBIDC), a not-for-profit corporation that serves as the financier and developer of the area's speculative building program has, to date, financed and built six speculative buildings.

The 7th speculative building, a 50,000 square foot flex space, tilt wall construction is being built at Crossroads Center Distribution and Business Park, a 600-acre industrial and business park located on Interstate-44 and U.S. Hwy. 71 (interstate grade), which connects Kansas City, MO to Bentonville, AR (Wal-Mart Headquarters). The new building is ideal for businesses looking for a facility and location to distribute products to regional, national or international markets.



Location map showing it's position relative the interstate and US Hwy 71, which is an interstate grade HWY connecting Kansas City with Bentonville AR. Also highlight that US 71 connects Kansas City to Bentonville, AR. This is one of the strongest selling points for this building.

Utilities

Telecommunications

High-speed, broadband telecommunications capacity is the infrastructure of the New Economy. Businesses must have this capacity to be competitive and operate effectively. The Joplin region has deployed a variety of broadband technologies and has a variety of providers. Empire District Electric Company has deployed a fiber ring network that offers T-1 service in commercial areas. Wireless broadband is also available from other vendors. Cable, DSL and satellite service are other options that are widely deployed throughout the Joplin region.

Electric Reliability

The reliability of electric service has become critical to process industries and many manufacturers. Even a short interruption in power can deprogram microprocessor based controls used in modern equipment. Employers in the Joplin region almost universally rated reliability as excellent or very good, among the highest response rates encountered in recent surveys to businesses.

Business Climate

The Joplin Metro Area business costs are reasonable in comparison to competitor areas of Dallas, Fayetteville, AR, Lawrence, KS, Springfield, MO and Tulsa, OK. Property tax rates in Joplin and Neosho are between rates in the communities analyzed (see table below). Corporate income tax rates for Missouri are lower than those in all states except Texas and Kansas. The tax rates shown in the table below assume that companies are not receiving any tax incentives.

Tax Rates

	Joplin Region		Dallas	Fayetteville			Tulsa
	Joplin	Neosho			Lawrence	Springfield	
Sales tax (State & local %)	7.23	6.40	8.25	9.00	7.3	6.60	8.52
Property Tax (\$/1000 market)	15.3	15.2	23.7	9.54	35.2	15.3	11.7
State Personal Income (%)	6.0	6.0	0.0	7.0	6.5	6.0	7.0
State Corporate income (%)	6.25	6.25	4.5	6.5	4.0	6.3	6.0

Source: Compiled from various sources

Business Incentives

Over the years, the state of Missouri has developed a competitive package of incentives for most industries locating or expanding including tax credits, gross payroll rebates and property & sales tax exemptions for qualifying businesses based on jobs creation and investment. Some of the incentives applicable to the back office industry include:

Quality Jobs Program

Missouri's Quality Jobs Program grants businesses engaged in manufacturing or other basic industries cash rebates up to 5% of annual gross payroll (up to 3% additional from local). Qualifying companies must pay at least the average county wage in which it locates (as published by DED), and the company must offer health insurance and pay at least 50% of the premium.

BUILD MO Program

An incentive program for significant investment and job creation in an economic development projects. Qualifying companies must have a \$15 M investment (\$10M office) and 100 jobs (500 office or if distressed community – 200) Co. pays a job development assessment fee to MDFB of 5% (max 10% in distressed) of gross wages of each employee.

Enhanced Enterprise Zone Program

Missouri's Enterprise Zone Program provides tax credits and other incentives to businesses hiring from within officially designated Enterprise Zones (also federal EC and EZ). EZs are urban or rural areas of high unemployment, low income, and/or where a large number of residents are receiving some form of public assistance.

New Jobs Training

Whether the company is expanding its workforce or locating a new facility in the State, this program is designed to assist with the costs of training the employees in the newly created jobs. Tax credits for up to 10 years from the tax withholding from employer's wages from the new jobs equal to 2.5% of gross wages for the first 100 new jobs and 1.5% for the remaining new jobs is provided.