

ARL



Amazon Fulfillment, Chesterfield County



Virginia International Gateway, Portsmouth



The Gatorade Company, Wythe County

# America's East Coast Logistics Hub



Lidl US, Spotsylvania County

# SUPPLY CHAIN MANAGEMENT IN VIRGINIA

## America's East Coast Logistics Hub

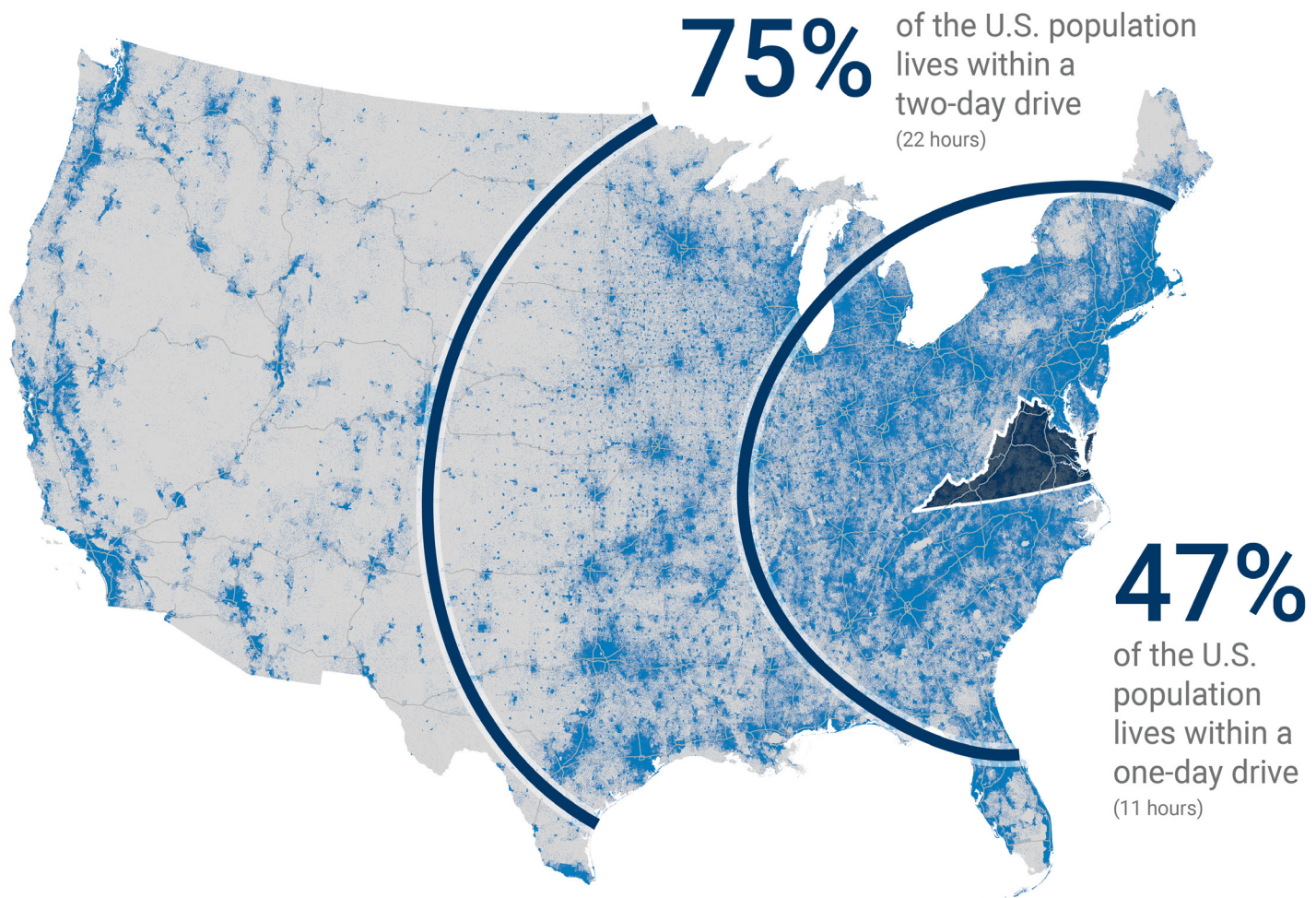
The Commonwealth of Virginia is one of North America's premier supply chain destinations. In the past decade, over 200 supply chain companies – including Fortune 500 retailers (e.g., Amazon, Walmart, and Dollar Tree) and major logistics companies (e.g., DHL, Patton Logistics, Interchange, and Lineage Logistics) – have been attracted to Virginia by its combination of strategic location, world-class infrastructure, highly ranked business climate, top-ranked and abundant talent, and innovative supply chain ecosystem.

## Why Virginia?

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# Strategic Mid-Atlantic Location

Virginia's central East Coast location enables companies to efficiently access major U.S. economic hubs east of the Mississippi and across the continental U.S. Located within a one-day drive of nearly half of U.S. consumers, Virginia offers companies a single gateway into critical customer markets along the affluent Northeast corridor, across the high-growth Southeast, and throughout the Midwest. Virginia also offers international companies streamlined communication and operations thanks to ample travel options and a four- to six-hour time difference with Western Europe.



Source: VEDP, Esri Business Analyst



Virginia International Gateway, Portsmouth

## Lineage Logistics' Major Warehouse Operation Near The Port of Virginia

Lineage Logistics, one of the largest public refrigerated warehousing companies in the world, announced a \$60 million investment to establish an East Coast cold storage warehouse in the City of Portsmouth in 2019. Complementing its nearby facility in Chesapeake, the new operation is a Mid-Atlantic hub to import, export, process, and distribute a variety of food products, positioning the company to meet the growing demand for cold storage space.

The company's site selection process was focused on a strategic East Coast location with excellent access to major markets and proximity to a capable and expanding port. The Portsmouth site met the critical decision factors with the help of The Port of Virginia, which is investing to expand overall capacity and aggressively attract more refrigerated cargo business. The port's forward-thinking vision to expand the refrigerated container fleet at its terminals significantly contributed to Lineage Logistics' decision to locate its newest facility in Virginia.



# World-Class Port and Transportation Infrastructure

Virginia's world-class port, rail, roadway, and air transportation infrastructure helps companies fully unlock the potential offered by the state's strategic location. Virginia's infrastructure will be secured for years to come thanks to \$27 billion in fully funded investment currently underway.



Ranked one of the Most Advanced Ports in the U.S. by *Global Trade Magazine*, The Port of Virginia offers efficient access to international markets through its world-class facilities, which can accommodate the largest vessels. The Port of Virginia is the largest intermodal rail port on the East Coast.



Virginia's rail system is supported by both CSX and Norfolk Southern, as well as several short line operators.



Virginia is home to the second-densest road network in the Southeast and offers direct access to critical North-South and East-West trucking thoroughfares (e.g., I-95, I-81, I-85, and I-64).



The Commonwealth also offers access to 16 commercial airports and ranks in the top 14 states in the continental U.S. for air freight.



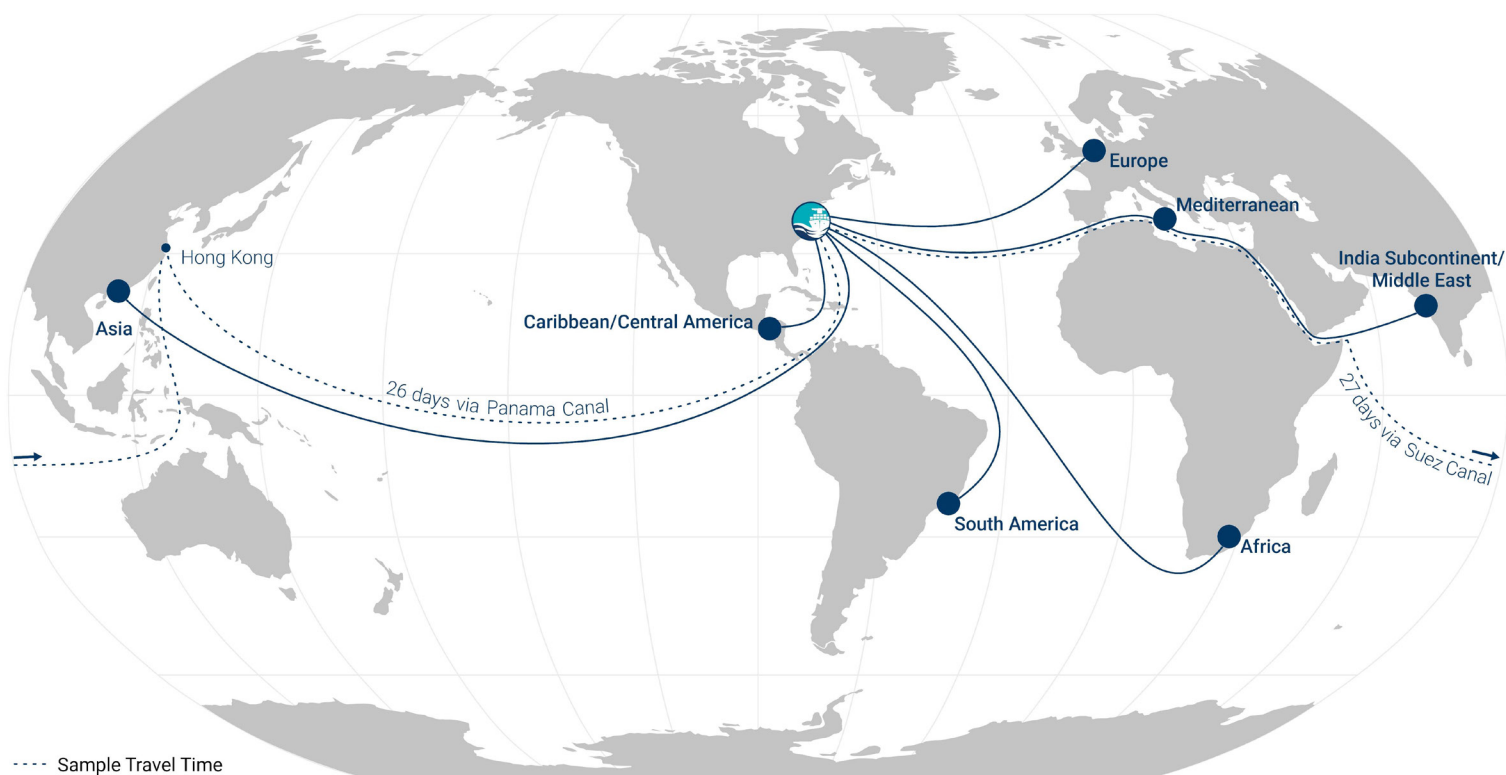
We serve the U.S. market and export to over 80 countries from our location in Virginia Beach. The Port of Virginia was one of the reasons we chose this location more than 45 years ago, and as we have grown, the port has become integral to our success.

BJOERN FISCHER  
President, STIHL Incorporated

# The Port of Virginia: A Global Gateway

The Port of Virginia has the capability to handle the largest vessels calling on the East Coast and boasts weekly shipline services across the globe. That, along with Virginia's strategic, central location on the East Coast makes the Commonwealth a desirable location for companies importing or exporting goods no matter the origin or destination.

Nearly 30 international shipping line services offer direct access to more than 90 foreign ports



## Weekly Shipline Service

Asia	12	South America	2
North Europe	8	Africa	1
Mediterranean	5	Caribbean/Central America	1
Indian Subcontinent/Middle East	3		

Source: The Port of Virginia, May 2021



Virginia International Gateway, Portsmouth

GlobalTrade 2019  
One of the Most Advanced Ports in the U.S.



6 terminals comprise The Port of Virginia and operate on a combined 1,864 acres, including four deep water terminals

3.1M TEUs of cargo was handled by The Port of Virginia in 2019, with over 2,300 vessel calls

35 minutes for traditional turn time and 39 minutes for expanded turn time, significantly below the industry standard of 60 minutes, in 2020

55-foot channel deepening project that will allow two-way traffic will be completed by 2024

\$1.5 billion modernization and expansion project on track to create the deepest, widest, and safest commercial shipping channels and harbor on the East Coast

Source: The Port of Virginia

# Advanced Infrastructure and Exceptional Logistics

Virginia's extensive network of well-maintained roads, railways, ports, and airports offer efficient logistics and global connectivity.

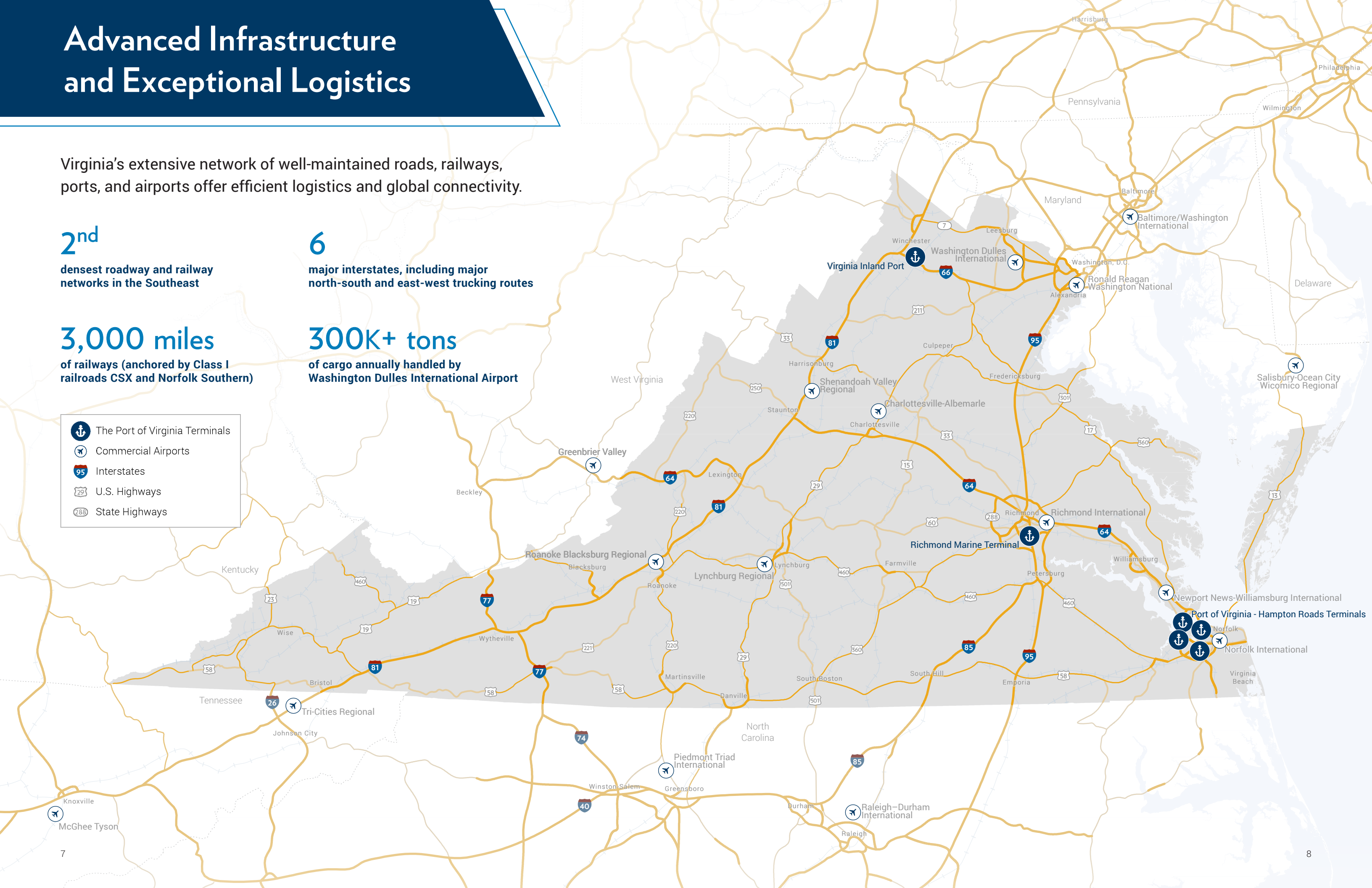
**2<sup>nd</sup>**  
densest roadway and railway networks in the Southeast

**6**  
major interstates, including major north-south and east-west trucking routes

**3,000 miles**  
of railways (anchored by Class I railroads CSX and Norfolk Southern)

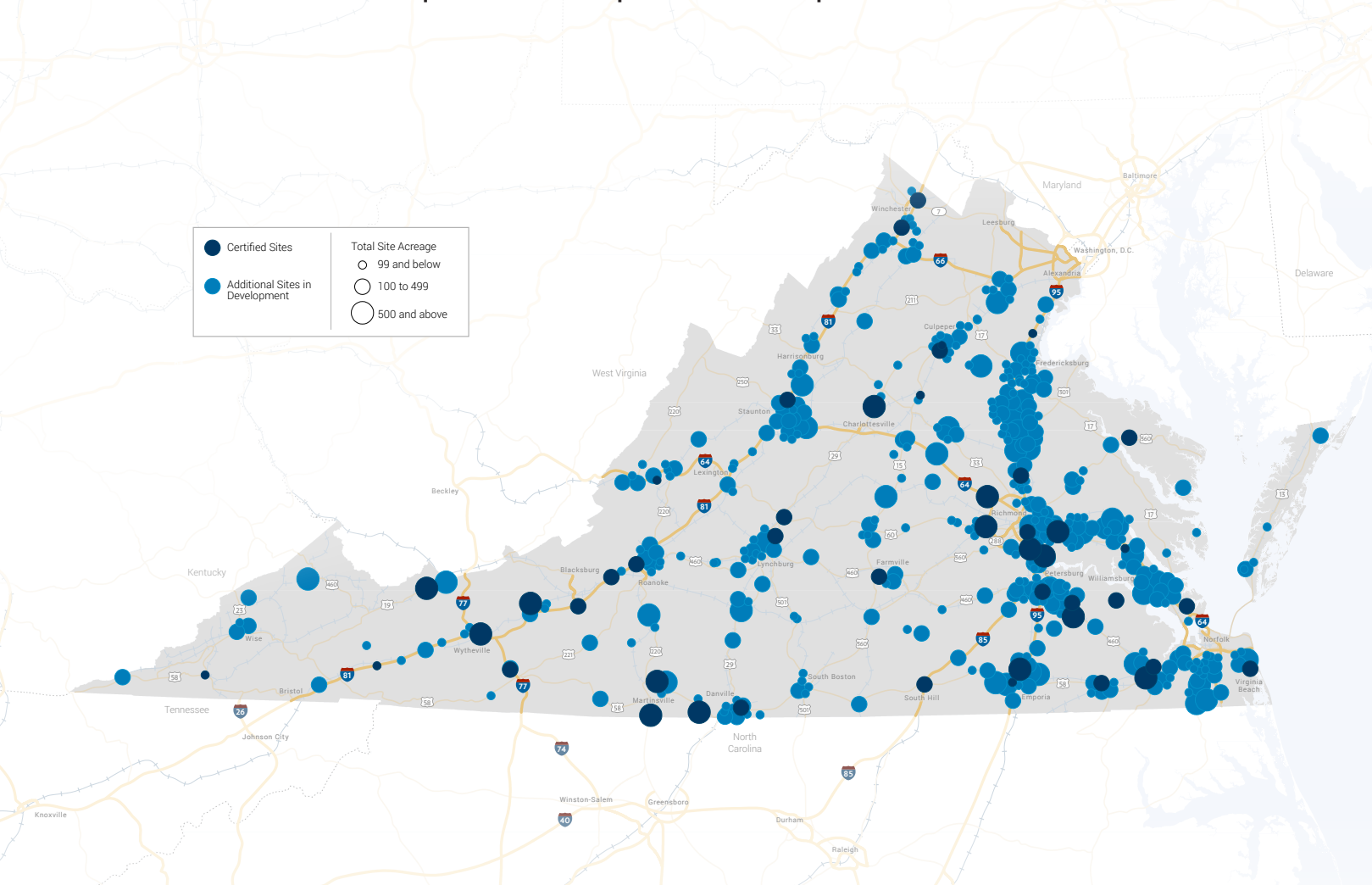
**300K+ tons**  
of cargo annually handled by Washington Dulles International Airport

-  The Port of Virginia Terminals
-  Commercial Airports
-  Interstates
-  U.S. Highways
-  State Highways



# Robust Portfolio of Project-Ready Sites

With 450+ fully characterized development sites of 25 acres or larger, dozens of certified sites, and a growing inventory of spec buildings and virtual buildings, Virginia is constantly improving its portfolio of real estate options for the supply chain industry. Companies looking for ready-built options will have ample choices among the 7,800+ existing buildings representing over 320 million square feet of warehousing and distribution space across the state, with construction started on another 5.3 million square feet of space over the past 12 months.



**40+**  
sites are certified as project-ready under Virginia's Business Ready Sites program

**12**  
of Virginia's certified parks have graded pad sites available for construction

**12-18 mos.**  
for project-ready sites to have utilities on-site and all infrastructure in place



The Community College Workforce Alliance (CCWA) is the workforce development partnership between John Tyler Community College and Reynolds Community College serving the economic development and workforce needs in four cities and 12 counties of Central Virginia.

Reynolds Community College



John Tyler Community College

## Bissell Plugs into Virginia's Strategic Location

Bissell Inc. established its first East Coast distribution center in Chesterfield County in 2019 to serve as the distribution hub for the Mid-Atlantic region, allowing the company to continue to grow its market share in the homecare products industry. During the life of the project, it was apparent that Virginia's strategic location on the East Coast would play a big role in the company's decision.

In the end, Bissell selected Virginia over several other states, prioritizing the Commonwealth's strategic location and access to major markets as well as its partnership with The Port of Virginia and proximity to the Richmond Marine Terminal. The Port of Virginia has increased capacity and frequency of service to the Richmond Marine Terminal, making the inland parts of Virginia a suitable location for supply chain companies using The Port of Virginia.

The company has plans to continue to grow in the Commonwealth and has benefited from Virginia's workforce development assets, including support from the Virginia Jobs Investment Program and access to the Community College Workforce Alliance (CCWA) programs centered around supply chain.



  
**#1** Top State  
for Business



## An Attractive, Stable, and Predictable Operating Environment

Ranked America's Top State for Business by CNBC and the No. 2 state for governance by *U.S. News & World Report*, Virginia has long-been recognized for its favorable regulatory climate and is consistently rated one of the best-run states in the country. It also has one of the oldest right-to-work laws in the country and the fourth lowest private sector unionization rate in the country at 2.5%. The Commonwealth offers a stable tax environment as well as competitive wages, construction costs, and industrial lease rates. Virginia also presents low risks of natural hazards in every region, such as hurricanes and tornadoes, minimizing the potential of disruption to supply chain operations.

- ✓ Virginia has had a stable 6% corporate income tax rate, one of the lowest in the nation, since 1972.
- ✓ Sound economic policy and prudent financial management has earned Virginia a AAA credit rating since 1938 – longer than any other state.
- ✓ Virginia has a low natural disaster risk and is tied No. 4 among 'States Most Prepared for a Disaster,' according to 24/7 Wall Street.

# America's Top State for Talent

Ranked No. 1 in the U.S. for both Workforce and Education by CNBC, Virginia is home to almost 300,000 people working in the supply chain industry and core supply chain occupations, from logisticians to warehouse associates. Companies operating in the Commonwealth can also reap the potential gains – lower healthcare costs and higher productivity – of one of the healthiest workforces in the Southeast.

Looking to the future, the Commonwealth has also invested heavily in its talent pipeline, supporting the supply chain industry through a variety of higher education programs and workforce credentials in logistics management. Indeed, the state is home to the best schools in the South (No. 4 in the U.S.) according to WalletHub, as well as the No. 2 higher education system in the U.S. according to SmartAsset.

Virginia further ensures that new or expanding companies can quickly attract and onboard high-quality employees by offering a world-class, customized talent acquisition solution through the Virginia Talent Accelerator Program – or a grant from the Virginia Jobs Investment Program (VJIP) for companies that want to manage their own recruitment and training activities.

  
**#1** Top State for Business – Workforce

 **WalletHub** 2020  
**#1** Best Public Schools in the South

 **SmartAsset** 2020  
**#2** Best State for Higher Education







## Amazon Launches Robotics Fulfillment and Processing Centers of the Future in Hampton Roads

In 2020, Amazon announced two new, state-of-the-art operations facilities in Hampton Roads, creating 1,500 total new jobs. The e-commerce giant selected Suffolk for a \$230 million, 822,833-square-foot robotics fulfillment center in Northgate Commerce Park. Standing 95 feet and five stories tall, the facility will have an overall square footage of more than 3.8 million, representing Virginia's largest industrial building and second-largest in overall size to the Pentagon. The center – one of the first in the United States – will employ 1,000 working in conjunction with robots to pick, pack, and ship customer orders. Amazon is also building a \$50 million, 650,000-square-foot import processing center (cross-dock) in the City

of Chesapeake. The first of its kind in Virginia, the processing center will employ 500 workers.

Amazon first launched its Virginia fulfillment operations in 2006 with a fulfillment center in Sterling and has grown its robust operations network to include more than 10 fulfillment and sortation centers and delivery stations, in addition to the company's Arlington headquarters – currently under construction. Amazon is working with VEDP's Talent Solutions team to identify opportunities to partner with higher education institutions on workforce development, ensuring a long-term talent pipeline for its operations across Virginia.

# A Large and Diverse Distribution and Logistics Ecosystem

## Illustrative Examples of Supply Chain Operations / Headquarters

Companies expanding their supply chain operations into Virginia will join industry leaders like Amazon, DHL, Walmart, and Aldi. More than 4,600 supply chain operations are located throughout Virginia, spanning warehousing and storage; road, rail, air, and maritime freight transport; and associated support services. More than 250 supply chain management projects have been announced since 2010, representing almost 20,000 jobs and over \$1.5 billion in pledged capital investment.



# Dynamic Center of Supply Chain Innovation

Companies with distribution and logistics operations in Virginia tap into a community of innovative practitioners at the forefront of modern supply chain operations. Virginia is a leader in autonomous supply chain technology, including both aerial and ground applications. Autonomous vehicle researchers and companies in Virginia are also creating the future of transportation, with Virginia Tech's 'Virginia Smart Roads' test-bed research facility logging over 30,000 miles of research time since it was opened in 2000. Virginia's innovation ecosystem is supported by world-class research institutions and forward-thinking companies that collectively conducted over \$7 billion in R&D in 2018.



Torc Robotics, Blacksburg

Torc Robotics, a Virginia-based company acquired by Daimler Trucks in 2020, is a leader in self-driving vehicles specializing in commercializing heavy-duty, self-driving vehicle technology.

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Virginia has been one of the leaders among all the states across the country when it comes to automated vehicles.

TOM McMAHON

Senior Vice President of Advocacy and Government Relations, Association for Unmanned Systems International (AUVSI)



The Virginia Tech Transportation Institute (VTI), the second largest university-level transportation institute in the U.S., is committed to finding solutions to the greatest transportation challenges facing the world. The institute offers a number of unique infrastructure-related programs helping to define the technological innovations of tomorrow in the supply chain and transportation industries, including:

- **Virginia Smart Road** is a state-of-the-art, closed test-bed research facility managed by VTI in cooperation with the Virginia Department of Transportation and is proving ground for new transportation technologies including commercial vehicle logistic technologies. The facility offers 2.5 miles of roads, a reconfigurable urban setting, weather towers to create a variety of conditions, and light towers replicate most highway lighting conditions.
- **Virginia Automated Corridors** allow the testing of any automated vehicle on Virginia roads under the guidance of VTI.



Virginia Tech Transportation Institute (VTI), Blacksburg



Virginia Tech Transportation Institute (VTI), Blacksburg



Virginia Smart Roads at VTI Rendering

# An Exceptional Quality of Life

## #1 Forbes Best States for Business – Quality of Life

Ranked No. 1 in the U.S. for Quality of Life by *Forbes*, Virginia offers a diverse range of lifestyle options; a mild, four-season climate; and a competitive cost of living. Vibrant urban centers and picturesque small towns are alive with arts and culture and stunning landscapes. Outdoor enthusiasts can take advantage of a wide variety of beautiful outdoor settings, from mountains and hiking trails to beaches and rivers.





Wing, a subsidiary of Google parent company Alphabet, launched the first commercial drone delivery service in the United States in 2019, offering deliveries in Christiansburg in Montgomery County.

## Expertise • Collaboration • Innovation • Solutions

The Virginia Economic Development Partnership (VEDP)'s team of dedicated and knowledgeable professionals is committed to Virginia's economic success, and connects industry-leading businesses to the resources they need to make relocation and expansion successful endeavors. From site selection, customized research, cost analysis, and coordination with public and private partners, to discretionary incentives and workforce solutions, VEDP's services are tailored to companies' unique requirements.

To learn more about VEDP's expertise and resources, visit [VEDP.org](https://vedp.org).

