SPONSORED EDITORIAL

* * * * GREAT SITES * * * * * ALL-STAR LOGISTICS LINEUP



When it comes to siting manufacturing and distribution facilities, these locations don't just get on base; they knock it out of the park.

W.S.

U.S. manufacturers and distributors rely on a roster of locations ideally situated for quick turnaround and efficient transportation to points across the globe. These sites

step to the plate with geographic, workforce, economic, transportation access, and business climate benefits that give local companies a home field advantage.

Kentucky leads the line-up of great U.S. logistics sites. "Kentucky is at the center of a 34-state distribution area," says Larry Hayes, secretary, Kentucky Cabinet for Economic Development.

Two-thirds of the U.S. population lies within one day's drive of Kentucky, but the state's logistics assets are by no means limited to over-the-road traffic. For example, Louisville International Airport houses UPS's worldwide air hub.

"If you are eating fresh lobster in Singapore, it probably spent last night in Louisville," says Hayes.

Kentucky's strategic logistics location helps explain the concentration of third-party distribution facilities near Louisville International Airport and the Greater Cincinnati Airport in Florence, Ky., located minutes away from DHL Worldwide Express operations in Erlanger, Ky.

"The two facilities give shippers global

reach," says Hayes. "More than 200 flights leave Kentucky daily to every part of the world."

The presence of UPS, DHL, and other logistics providers has earned Kentucky recognition among global logistics professionals. "Kentucky's role in global logistics is acknowledged abroad," says Hayes. "Distribution has become a major industry in Kentucky; so has automobile and truck manufacturing. There's more to the state than bourbon and horses."

Although much of the state is rural, local communities are accustomed to foreign companies having a major presence. Thirty percent of new investment, and more than 20 percent of new jobs announced in the state in 2011, resulted from foreign direct investment (FDI)—investment by foreignowned companies.

"Kentucky has the second-highest number of Japanese-owned businesses in the United States per capita, after Hawaii," Hayes says. "Many Americans might be surprised to learn that."

INDIANA: POSITIONED FOR POWER

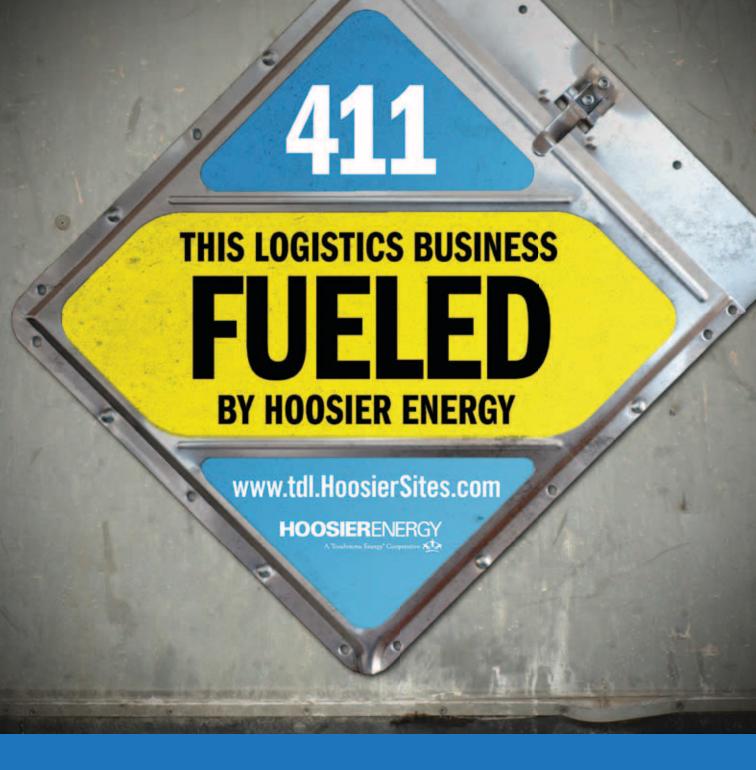
When pitching to site selectors, Indiana serves up three main advantages: low costs, excellent highway access, and a collaborative business environment.

Indiana's Hoosier Energy Power Network provides electricity to developed sites and industrial parks along the I-70, I-65, I-64, and I-74 corridors. Hoosier Energy's workforce lives in adjacent metropolitan areas such as Indianapolis, Louisville, Cincinnati, and Evansville. That fortunate geography benefits the companies and agencies, such as Henry County, Ind., that fall within its midst.

"Henry County is strategically situated along Interstate 70 between the two key logistics markets of Indianapolis and Dayton," says Robert Grewe, president and CEO at New Castle/Henry County Economic Development Corporation. "The area's considerably low development and operations costs allow companies to take advantage of these logistics hubs while avoiding the steep development costs typically associated with urban markets."

The Henry County Redevelopment Commission is planning a 50,000-squarefoot shell building to attract new business to the area.





Logistics operations have special considerations when relocating or expanding. Indiana is known for excellent road, rail, and air transportation, as well as a favorable business climate and abundant sites. Better yet, Hoosier Energy can help facilitate every step of the process. Learn more at tdl.HoosierSites.com.



www.tdl.HoosierSites.com



The Coca-Cola Company recently broke ground on a new distribution facility in Joplin that will serve as a hub for its operations in southwest Missouri and southeast Kansas.

With three exits along I-70, Henry County is preparing to conduct a market-based planning initiative that will identify optimal design considerations to accommodate the logistics sector. The area's other transportation connections include U.S. Highway 40, which runs parallel to I-70 through eastern Indiana. The fourlane highway provides a redundant route should I-70 experience delays.

NEBRASKA: GRAND SLAM CENTRAL

Nebraska is another power hitter in the U.S. logistics lineup. "Geographically, Nebraska is central to both regional and national markets," says Ken Lemke, Ph.D., economist for the Nebraska Public Power District (NPPD). As the state's largest electric utility, NPPD's chartered area includes 91 of Nebraska's 93 counties.

Passing through the state, Interstate Highway 80—the most traveled east-west transcontinental route of the interstate highway system—offers 482 miles of quick access to everywhere in the nation. Through Nebraska's roadways, goods delivered by truck reach more than 25 percent of the U.S. population in just one day. Within two days, that percentage rises to more than 90 percent.

Moreover, the nation's two largest rail companies—BNSF Railway Company and Union Pacific Railroad—provide service to many Nebraska communities. Ten freight railroads operate more than 3,200 miles of track throughout the state. No major city in the United States is more than five days by rail from Nebraska.

Also of particular importance to logistics leaders is having a geographical position amid a large regional customer base. The Illinois-Missouri region of the United States enjoys precisely that advantage.

"The population base within an eighthour driving radius of some sites in the area approaches 78 million people with above-average income," notes Cheryl Welge, business development executive in the Economic Development Department of electric power provider Ameren Corporation.

"The region offers unsurpassed transportation infrastructure, particularly in its well-distributed transportation network of interstate and other highways, railroads, and commercial and cargo airports," she continues. "Most highways in Ameren's territory receive high marks for quality of design and maintenance, and for absence of traffic congestion and bottlenecks.

"All seven U.S./Canadian Class I railroads serve Ameren territory," Welge adds. "Many communities and sites are served by more than a single carrier—and offer the associated negotiating benefits such competition brings."

Seventeen intermodal terminals lie in, or within, driving distance of Ameren's service territory. "Intermodal is vital to the wholesale trade sector," Welge says. "As much as 80 percent of the materials passing through some distribution centers travels by dual modes."

A PITCH FOR JOPLIN, MISSOURI

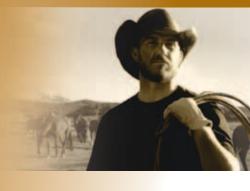
In Missouri, Joplin provides another advantageous location for siting manufacturing and distribution facilities. The Joplin region is comprised of 10 communities and five counties in southwest Missouri and southeast Kansas. Economic development efforts throughout the region are promoted through the Joplin Regional Partnership. Joplin is the hub of the region's market area, home to nearly 250,000 people. The overall market reach within 60 miles of Joplin is more than 700,000 people.

"The Joplin region is located near the population center of the United States, and is situated nearly equidistant between Los Angeles and New York, as well as the Mexican and Canadian borders," says Rob

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CREAT ALL-STAR LOGISTICS LINEUP

O'Brian, president, Joplin Area Chamber of Commerce.

An excellent highway system that includes east-west Interstate 44, north-south U.S. Highway 69, and interstate-grade U.S. Highway 71 – currently being converted to I-49 – creates connections throughout North America.

Three Class I and two regional shortline railroads also are important parts of the transportation system. These rail lines provide direct access to major ports on the Gulf of Mexico and Pacific Ocean.

In addition, the Joplin Regional Airport and three other airports within 60 to 90 minutes drive time provide air cargo service to markets throughout the world.

ELEMENTARY, WATSON

Through the twin ports of Los Angeles and Long Beach, the West Coast provides the Pacific gateway for products manufactured in Asia. Some logistics experts predict its centennial this year. The company develops, owns, and manages industrial properties throughout southern California. Watson Land Company has developed several million square feet of master-planned centers within four miles of the ports of Los Angeles and Long Beach, and maintains a footprint that includes facilities in Carson/Rancho Dominguez, Chino, Apple Valley, Fontana, and Redlands, Calif.

Most recently, the company leased a 553,963-square-foot industrial property to M. Block & Sons in Redlands. The building is a part of Watson Land Company's Legacy Building Series, an initiative to develop and offer highly flexible, Class-A industrial facilities with distinctive architectural detail. The property will be used for warehousing, distribution, and managing third-party logistics.

Watson Land Company's legacy extends back two centuries to the Rancho San Pedro Spanish Land Grant. Today, the methods as single weekly entry of containers, which reduces merchandise processing fees and duty deferral.

Watson Land Company affirmed its commitment to sustainable design by becoming the first developer in southern California to design and construct speculative buildings in accordance with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) guidelines.

Each LEED-certified building features design elements, materials, functionality, and construction procedures that reduce environmental impact, enhance energy efficiency, and reduce operating costs. Watson Land Company has completed construction on more than two million square feet of speculative industrial buildings designed for LEED certification.

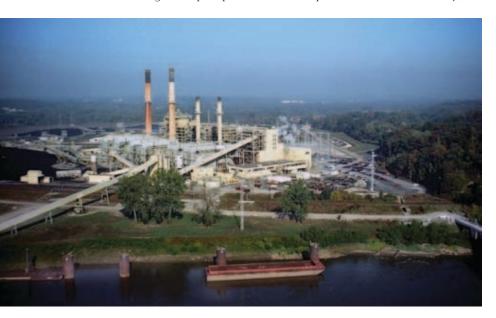
POWER HITTERS

Operating costs are a key factor in site selection, and one major element of their total is utility costs.

Ameren Corporation works to promote energy efficiency for its 2.4 million electric and more than 900,000 natural gas customers in Missouri and Illinois. Ameren ranks as the largest electric power provider in Missouri, and Ameren Illinois ranks as the third-largest natural gas distribution operation (in total number of customers) in Illinois.

In Indiana, Hoosier Energy makes the most of the strategic advantages offered by the region it serves. "Hoosier Energy can effectively leverage these assets by providing competitive electric rates to the area," says Harold Gutzwiller, Hoosier Energy's manager of key accounts and economic development.

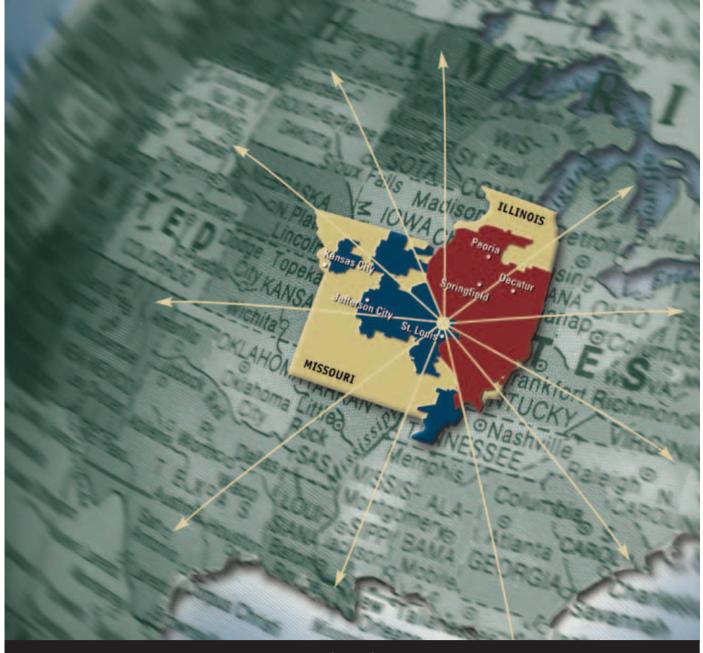
In Nebraska, NPPD's industrial utility rates are 26 percent lower than the national average. "NPPD is the state's largest electric utility, and uses a diverse mix of generating facilities, such as nuclear, coal, gas, oil, hydro, and renewable energy to meet customer needs," says Lemke. "In 2011, NPPD relied on carbon-free energy sources for more than 40 percent of its overall energy mix."



The Meramec Power Station near St. Louis is owned and operated by Ameren, the largest electric power provider in Missouri.

that, even after the Panama Canal expansion opens in 2014, it may still be faster and less expensive to route freight to the West Coast and transport it via landbridge to the Midwest.

That's one value proposition of Watson Land Company, which is celebrating company is among the largest industrial developers in the nation. Watson holds a Foreign Trade Zone (FTZ) designation on more than eight million square feet of its distribution buildings. The FTZ designation allows customers to significantly reduce operating costs through such



Least Cost Connections to Midwest Markets

Selected business costs from 18% to 27% below the national average costs for Distribution Centers.



Take advantage of:

- A regional customer base of nearly 78 million.
- Unsurpassed infrastructure: Class 1 rail, intermodal, air, interstates and river.
- A location positioned to benefit from shifts in international transportation lanes.
- Tremendous community resources, transportation assets and workforce availability.

Ameren's Economic Development Team is ready to help with your site search.



More than 5,000 miles of high-voltage transmission lines make up the NPPD electrical grid system, which delivers power to one million Nebraskans. As a member of the Southwest Power Pool, NPPD has the advantage of selling its excess power into the regional marketplace.

"Nebraska's status as the only public power state in the union provides significant advantage to businesses that choose our state," says Lemke. "It means the primary goal of Nebraska's electric utilities is to provide low-cost power, rather than shareholder profits."

LEADERSHIP AND LABOR

If cost is a key to progress, teamwork is a key to cost. That means, to qualify as a great logistics site, a region must enjoy a commercial climate in which the forces of business, government, and labor are moving in the same direction. Nebraskans understand that essential truth. No matter how temperatures may fluctuate on the plains, the business climate in Nebraska is characterized by far more sun than rain and snow.

"Nebraskans take pride in the quality of their work, and the workforce consists of productive, dependable, educated, and welltrained individuals who care about what they do," says Lemke. "This contributes to high productivity and success rates, and low absenteeism and turnover rates."

Nebraska maintains an unemployment rate that is about half the national average. Unemployment insurance costs and worker's compensation insurance also are lower than the national average.

And while business benefits from a favorable workforce, so, too, is it assisted by agencies dedicated to its success.

NPPD's Economic Development Team helped hundreds of companies find productive and profitable locations in Nebraska. Services range from supplying requested information to guiding firms through the entire site selection process, including gathering community proposals, identifying information and financial resources, or facilitating final negotiations at the local level.

"NPPD, in conjunction with the Nebraska Department of Economic Development and other allies, aggressively targets the logistics sector through advertising, trade show attendance, and personal visits with decision-makers," says Lemke.

The Nebraska Advantage Act includes expanded incentives for investment and/or job creation, including incentives targeted to small business, research and development, microenterprises, and rural development. Nebraska also offers additional development assistance programs, including tax increment financing, community development

Disasters Happen!
How you handle them is what matters.

On May 22nd, an EF-5 tornado devastated nearly 1/3 of Joplin, Missouri 7,000 homes where destroyed
More than 500 businesses were leveled and 5,000 jobs were lost
107 miles of city streets were filled with 3 million cubic yards of debris
(That's enough debris to fill a football field end zone to end zone nearly as high as the Empire State Building)
Eleven public school facilities, including the high school, and one private school were lost

Before dawn on May 23rd, all streets were opened one lane for emergency services
Before midnight on May 24th all lanes were cleared
On May 26th the Business Recovery Center opened to help impacted businesses
More than 400 businesses have reopened their doors with more reopening every day
3,500 of the employees who "lost" their job remain on the payroll
All 3 million cubic yards of debris was removed by August 7th as scheduled
Schools started on time in temporary facilities that are the model for schools of tomorrow

For More Information
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417.624.4150
kwelch@joplinregionalpartnership.com

www.JoplinRegionalPartnership.com

This recovery would not have been possible without our Regional Partners and help from all across the United States and the world.

Thanks to this CAN DO attitude, the Joplin region is still open for business and stronger than ever. Your business can benefit from this CAN DO spirit.

Contact us today.

The Joplin Region: Central. Connected. More Than Capable!

block grants, customized job training programs, and industrial revenue bonds.

Henry County and East Central Indiana also offer ample workforce resources to support continued logistics growth.

"From a quantity perspective, large pools of workers are looking for new employment opportunities as a result of the local auto industry's restructuring," says Grewe. "The quality of the area's talent is positioned to increase, because Henry County has partnered with Ivy Tech Community College to build a new \$3-million campus in New Castle. Ivy Tech has a strong track record of providing training that meets the needs of logistics and manufacturing companies."

Henry County is constructing a spec building in the county's industrial park, located 1.5 miles from I-70. "To capitalize on logistics opportunities, the building is designed with 32-foot clear height ceilings, and 50,000-square-foot initial buildout, with site prep that allows for immediate expansion to 200,000 square feet," says Grewe.

The Illinois-Missouri region served by Ameren also has distinct business and labor cost advantages.

"The expenses of labor and other key aspects of distribution center operations have risen at a demonstrably lower rate in most of Ameren's territory, averaging 17 percent below the national average," says Welge.

In addition, she notes, the region boasts an available labor pool with experience in all aspects of wholesale trade, distribution, logistics, and related businesses.

Selected business costs in the region are at least 18 percent below typical or national average costs for DCs. Even more relevant is that these costs in most of Ameren's territory are up to 32 percent below certain competing locations in the Midwest.

"While Ameren remains focused on

providing reliable and reasonably priced electricity and natural gas, we are more than just an energy consultant," says Welge.

"Ameren's economic development team helps facilitate new projects throughout the entire development process, including community assessment, site selection, infrastructure planning, and incentive review," explains Mike Kearney, manager, economic development for Ameren. "Whether in Illinois or Missouri, the team offers a comprehensive approach, bringing decades of experience in real estate development, engineering, operations, and urban planning."

In Illinois, Ameren recently introduced a 10-year Modernization Action Plan (MAP) that involves investing \$625 million in thousands of infrastructure projects. Ameren will create up to 450 new jobs during MAP's peak year.

"Customers can expect enhanced





ROGER, KENTUCKY LOBSTER, YOU ARE CLEARED FOR TAKEOFF.

If you dined on fresh lobster last night, chances are, it originated in Kentucky. That's because Clearwater Fine Foods chose to locate its seafood distribution center just a few miles down the road from the UPS world air hub at Louisville International Airport. Turns out, shipping out of Kentucky is actually quicker and more reliable than it is from the coasts. So claw your way to greater competitiveness. Let Kentucky add value to your supply chain.



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reliability, convenience, service, efficiency, and savings," says Welge. "Smart sensors and switches detect and isolate outages, so we can fix them faster. Meanwhile, new software and technology helps us pinpoint problems more precisely to reduce outage duration and frequency."

The Missouri Public Service Commission recently approved Ameren Missouri's filing under the Missouri Energy Efficiency Act, which calls for Ameren to invest \$147 million in energy efficiency programs over the next three years. Annual energy savings from these programs are expected to total nearly 800 million kilowatt-hours.

GETTING ON BASE WITH SITE SELECTORS

For the Joplin region, the Joplin Regional Partnership provides site selection assistance, incentive and business tax information, key contacts in business and local government, demographic and economic data, and other services.

"Through this unique partnership, site selectors have access to information about multiple locations throughout our area that meet their specifications," says O'Brian. "This can reduce the number of inquiries a site selector has to make, and help expedite the selection process for companies looking to move, expand, or begin operations."

In Kentucky, state government works side-by-side with companies seeking to create or increase business. This collaborative relationship has resulted in a staggering level of success. Hayes says that UPS, with the help of state agencies, has helped bring 140 companies to the state.

"We work closely with UPS to identify prospects," he says. "Then we help identify workforce, training, and tax incentive needs."

Because as every successful logistics provider—and the leadership at every great logistics site—knows, teamwork at all levels helps create an all-star logistics site.

For information on featuring your region in an Economic Development Supplement, contact James O. Armstrong at 314-984-9007 or jim@inboundlogistics.com.

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