

## OHIO'S ELECTRIC COOPERATIVES CURRENT



### Exurban Distribution Center Locations Can Help Increase Supply Chain Resiliency

“All companies want to better control their supply chains,” said Brian Marsh, a managing director in JLL’s Columbus office. “But this isn’t something that can be fixed quickly. It’s going to take years to recalibrate.”

As companies update supply chain studies and work through their recalibration process, distribution center locations in exurban Ohio may be part of the solution that helps businesses increase resiliency and stabilize supply chain costs.

#### Exurban locations and buildings garnering increased attention.

Ohio’s exurban locations once seemed rural and almost remote. But suburban growth and transportation infrastructure expansion means many more exurban sites are now on the radar of site selection consultants for distribution center locations.

“Every company is looking at how to build up inventory in the U.S.,” noted Marsh. Nationally, warehouse space is at record low vacancy and we expect this condition to stay for the next few years.”

During the early months of the pandemic and the subsequent years of supply chain disruption, companies relying on just-in-time deliveries ran out of materials and supplies. Companies found they need more warehouse space for storing parts and goods to avoid running out.

Very high demand and limited supply has resulted in dramatic rent increases, even double the rates of three years ago. The unprecedented cost of steel and precast, in some

cases as much as 300% higher than a few years ago, and the cost of land are at record highs.

“Companies are looking wherever space is available and any shovel ready, fully entitled land is getting a lot of interest,” said Marsh. “Once companies map their customers and update material supplier locations, we’ll see some companies go to these alternate areas. We’re already seeing more and more projects scattered throughout Ohio.”

## Cooperatives are a member-controlled source of reliable, affordable power.

With greater automation, comes greater demand for power, so companies are looking more closely to make sure they'll have a reliable source of power Marsh said.

## OHIO'S ELECTRIC COOPERATIVES

Your Touchstone Energy® Cooperatives 



Ohio's Electric Cooperatives provides reliable, affordable, and responsibly-produced power generation and transmission, engineering services, load management assistance, and economic development for Ohio's 24 local electric cooperatives. Local electric cooperatives serve territories in 77 of Ohio's 88 counties, including many exurban communities.

"Members served by local electric cooperatives range in size and complexity from automotive manufacturing plants with peak power loads exceeding 40 megawatts to local small businesses," said Dennis Mingyar, director of economic development for Ohio's Electric Cooperatives. "Cooperative members include many mega distribution centers, Fortune 500 food processing, agriculture production, and biofuels manufacturing throughout Ohio."

## Ohio's workforce is a national leader in logistics.

When distribution centers locate on the outskirts of Ohio's core urban areas and in smaller communities, they're drawing from a different labor pool with potentially fewer competitors.

Ohio ranks as the fifth highest state in the nation in warehousing and storage services. Trucking employment ranks No. 2 in the Midwest, No. 4 in the U.S. Ohio's labor pool throughout the state has experience and depth in warehousing, fulfillment, and trucking.

From 2010 to 2019, Ohio's education institutions granted 73% more supply chain management degrees annually, further enhancing Ohio's logistics and distribution workforce.

In Ohio, employees have the best of Midwest living at a great price. With easy access to abundant natural areas, big cities, excellent colleges and universities, and an abundance of entertainment and recreation options, Ohioans in exurban communities enjoy a vibrant lifestyle with one of the most affordable cost of living rankings in the U.S.





## Best-in-class infrastructure connects Ohio to the world.

Source: JobsOhio | [www.jobsohio.com](http://www.jobsohio.com)

“Ohio is connected to the rest of the world via land, air, and water, creating a comprehensive and complete infrastructure for shipping worldwide,” said Kevin Chambers, managing director of logistics and distribution for JobsOhio. “The flexibility of choice and cost savings this offers companies are among the top reasons Ohio’s infrastructure is one of the best in the U.S.”

### Ohio’s logistics and transportation assets include:

- Ohio has the fourth largest interstate highway system in the nation. Ohio is a one-day drive from 60% of the populations of the U.S. and Canada
- Ohio has 10 major rail yards and 13 intermodal terminals, the second highest number in the U.S.
- Ohio has four Class 1 rail-based suppliers: CSX, Norfolk Southern, Canadian Pacific, and Canadian National, and has the fourth largest network of operating railroads in the nation.
- Ohio has nine commercial ports on Lake Erie and multiple terminals along the Ohio River.
- Ohio is the only Midwest state with a direct shipping route to Europe from the Port of Cleveland for both container and heavy goods, reducing time to market by five days or more.
- Ohio has 736 miles of navigable waterways leading to the Gulf of Mexico and the St. Lawrence Seaway.
- Ohio has seven commercial air carrier airports and 97 general aviation airports.
- Rickenbacker International Airport and Wilmington Air Park offer cargo-focused hubs. Rickenbacker has regular service to Hong Kong, Dubai, Luxembourg, and other cities around the globe. The Wilmington Air Park is the highest volume cargo airport in Ohio and serves as a hub for AmazonAir.
- Ohio has 10 Foreign-Trade Zones (FTZ), which comprise the largest presence with the most active firms in the Midwest.
- The four largest delivery companies in the U.S. (UPS, DHL, FedEx and the U.S. Postal Service) provide more outbound parcel services from Ohio than from any other state in the Midwest.



There are no quick fixes to the pandemic-induced supply chain issues, but warehouse locations and the experienced, ready workforce in exurban locations served by Ohio's local electric cooperatives will be part of the solution.

For assistance with warehouse sites and building services, contact:

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## Look for Us:

**Site Selectors Guild Fall Forum**

September 19-21, 2022  
Richmond, Virginia

**IAMC (Industrial Asset Management Council) Fall 2022 Professional Forum**

October 22-26, 2022  
Detroit, Michigan

**NREDA (National Rural Economic Developers Association) Annual Conference**

November 2-4, 2022  
Albuquerque, New Mexico

### Buckeye Power and Ohio's Electric Cooperatives can help with:

- Comprehensive site and building portfolios
- Preliminary site studies
- Site search tours
- Assistance in identifying financial incentives
- Electric rate analyses
- Community profiles
- State and local government contacts
- Contractor introductions

# OHIO'S ELECTRIC COOPERATIVES

Your Touchstone Energy® Cooperatives 

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