



# Greater Phoenix E-Commerce, Distribution & Logistics Ecosystem

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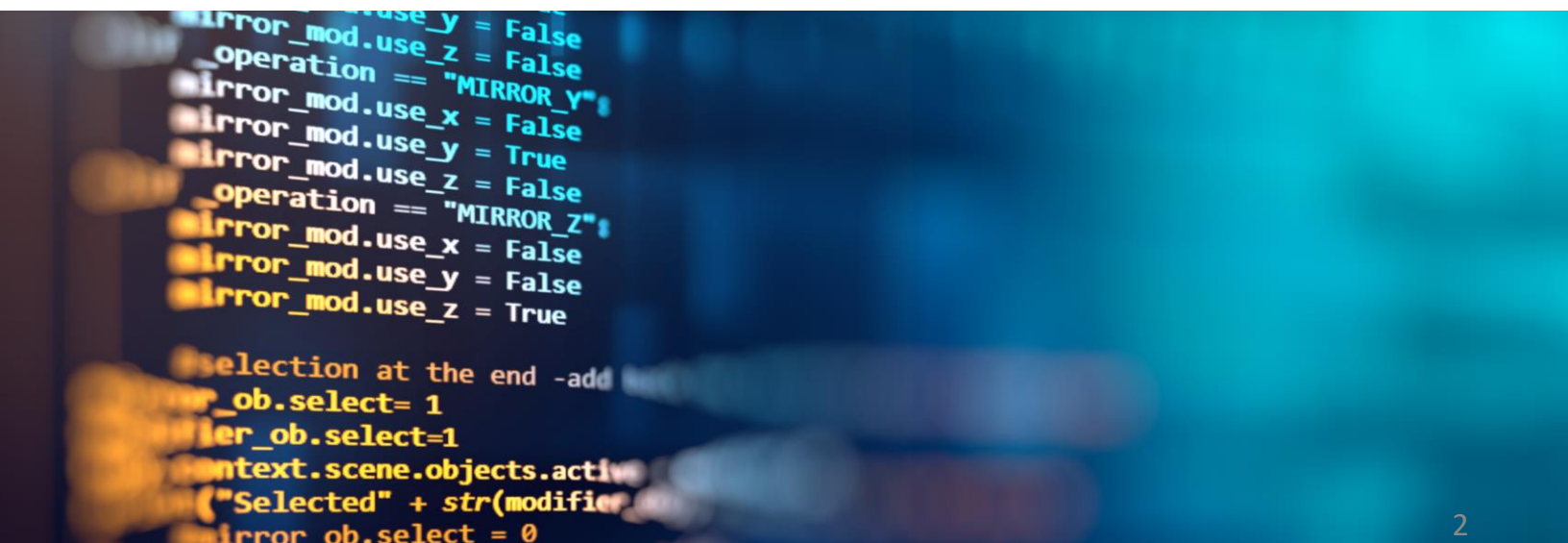
# Supply Success in Greater Phoenix

## One of the nation's largest e-commerce, distribution & logistics hubs

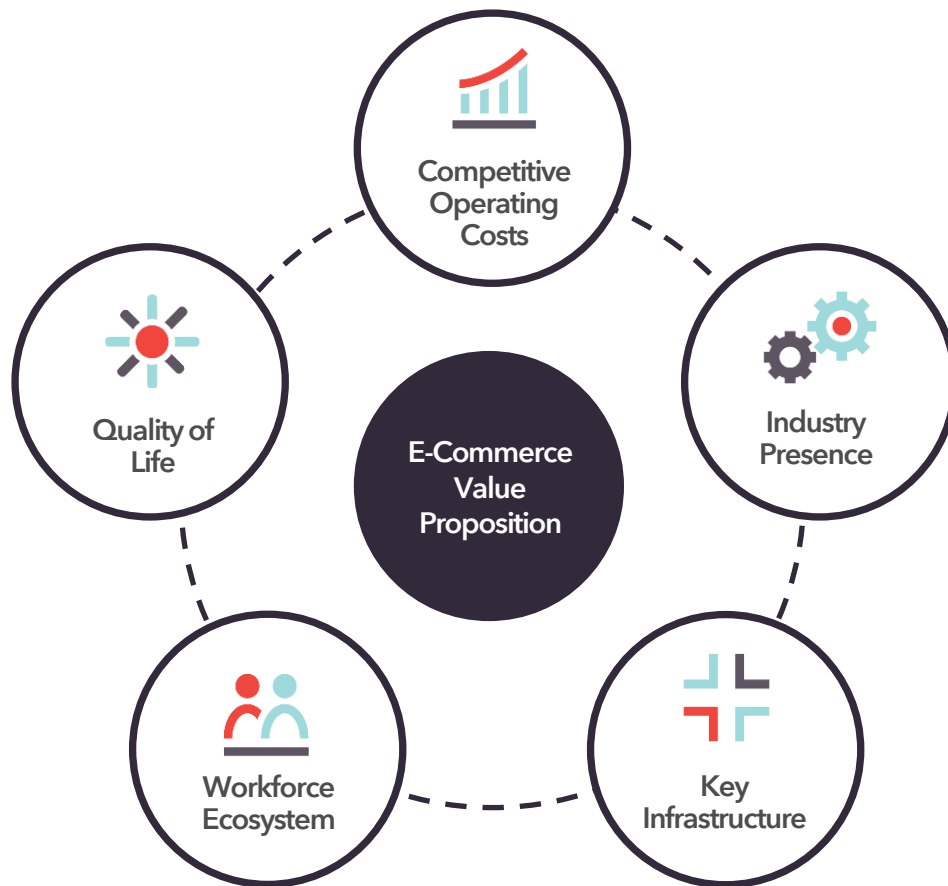
Greater Phoenix is a large and growing e-commerce, distribution and logistics hub. Many of the largest e-commerce firms have facilities in Greater Phoenix. With exceptional access to major markets, innovative trade programs and high-quality infrastructure, the region is an ideal location for these types of operations.

Here are just a few reasons why so many top companies choose Greater Phoenix:

- Lower operating costs than peer markets
- Well-planned, high-quality, air, rail and highway infrastructure
- Access to key markets within a one-day haul
- Innovative programs providing fast-tracked customs with Mexico
- More affordable cost of living for the employees that make companies great
- The region opens the door to a better quality of life than peer markets
- A welcoming and supportive region with active trade associations and key partners



# Value Proposition



Competitive Operating Costs	Industry Presence	Key Infrastructure	Workforce Ecosystem	Quality of Life
<ul style="list-style-type: none"> <li>Up to 19.6% less expensive operating costs than in competitor markets</li> <li>Real estate purchasing costs 20% lower than Reno and Riverside</li> </ul>	<ul style="list-style-type: none"> <li>Major firms such as Amazon, Chewy, REI, UPS and others have significant operations</li> <li>Home to largest full-truckload carrier in the United States</li> <li>Several innovative logistics firms based in Greater Phoenix</li> </ul>	<ul style="list-style-type: none"> <li>Access to Interstates 8, 10, 17 and 40</li> <li>Planned highways throughout region</li> <li>Served by Union Pacific and BNSF Railroads</li> <li>Sky Harbor International Airport serves 10 major freight carriers</li> </ul>	<ul style="list-style-type: none"> <li>#2 Supply Chain Management Undergraduate Program and #3 Supply Chain Management MBA Program in the U.S. at ASU</li> <li>ASU Internet Edge Supply Chain Lab provides expertise and industry connectivity</li> </ul>	<ul style="list-style-type: none"> <li>Up to almost 20% lower cost of living than competitor markets</li> <li>Housing rental cost is roughly 30% lower than Riverside, CA</li> <li>Home to the largest municipal park in the nation</li> </ul>

# Value Proposition

## What the industry is saying about Greater Phoenix



"We're excited to further expand Chewy fulfillment operations to Arizona, our first in the state and seventh in the country. We greatly appreciate the partnership with the city of Goodyear and look forward to investing in the local community with the creation of 700 new jobs."

**-Ryan Cohen**  
**Co-founder & CEO - Chewy**



"Selecting the Phoenix area as a PDC [i.e., parts distribution center] location was more than just picking a dot on a map... Phoenix's ideal location will improve service for many of those dealers and fleets."

**-Stefan Kurschner**  
**Senior vice president of Aftermarket - Daimler Trucks North America**



"We are thrilled to be expanding our operational footprint on the West Coast...this new Phoenix distribution center will help strengthen our presence in the region and further support our mission of excellent service and delivery of delicious meals. We also look forward to tapping in to the region's talented labor pool and making a positive impact on the local community."

**-Uwe Voss**  
**CEO - HelloFresh U.S.**



"The Goodyear distribution center will enable us to continue to focus on the needs of customers by moving our gear and apparel more quickly and efficiently, now and into the future."

**-Rick Bingle**  
**Vice president of supply chain - REI**



"Sysco's Arizona East site will help meet the demands of the growing local market and bring excellent, long-term career opportunities to the Mesa community. We look forward to bringing Sysco's expertise and service to thousands of new customers in the market, including restaurants, healthcare, education, and travel and leisure locations throughout Arizona."

**-Matt Jacobson**  
**Desert region president - Sysco**

# Industry Ecosystem

## Notable logistics firms headquartered in Greater Phoenix



### Knight-Swift

Knight-Swift, created after a merger between Phoenix-based, publicly traded Knight Transportation and Swift Transportation, is the industry's largest full-truckload. With roughly 24,000 employees nationally, Knight-Swift also provides cross-border, intermodal and logistics services.



### GlobalTranz

GlobalTranz is a privately-held, Scottsdale-based logistics and freight management technology firm. A full-service third-party logistics (3PL) provider, GlobalTranz has been ranked a Top 10 3PL Provider by Inbound Logistics for three years in a row (2021-2023).



### GPS Insight

GPS Insight is a Scottsdale-based fleet management and logistics firm. It was listed in Inc. 5000 Fastest-Growing Private Companies and Deloitte Technology Fast 500 rankings multiple times.



### Mach 1 Global Services

Mach 1 Global Services provides logistics and supply chain solutions via air, ocean, road, rail and warehousing services. Headquartered in Tempe, the company has 25 locations throughout the U.S., as well as operates in China, India, Indonesia, Mexico and United Arab Emirates.



### Updike Distribution Logistics

Updike Distribution Logistics provides supply chain services including warehousing, e-commerce fulfillment, road transportation, and managed logistics services. The company has 29 locations across the western U.S., with 9 locations in Arizona close by to the Phoenix headquarters.

# Industry Ecosystem

## Distribution Centers

Many leading national firms operate distribution centers in Greater Phoenix. Listed below are the largest operations in the region by employment. Each row represents an individual location for the company.

Company	Employee Count	City
Amazon	2,741	Goodyear
Amazon	2,730	Phoenix
Amazon	2,392	Phoenix
Marshalls	1,900	Phoenix
UPS	1,858	Goodyear
Amazon	1,747	Phoenix
Chewy	1,580	Goodyear
Amazon	1,523	Phoenix
Amazon	1,516	Phoenix
Macy's	1,469	Goodyear
Swift Transportation	1,200	Phoenix
Amazon	1,089	Phoenix
Walmart	1,080	Buckeye
Amazon	1,026	Avondale
Dexcom	1,000	Mesa
Shamrock Foods Company	940	Phoenix
Amazon	900	Goodyear
Amazon	891	Goodyear
Albertsons	804	Tolleson
Target	772	Phoenix
HelloFresh	750	Phoenix
Stitch Fix	712	Phoenix
Atlas Retail Services	660	Tolleson
Amazon	612	Phoenix

# Industry Ecosystem

## Locates and Expansions

Since July 2018, GPEC has helped more than 35 e-commerce, distribution and logistics companies expand in the region, resulting in more than 13,000 jobs. Here is a sampling of companies:



Year: 2023 | Jobs: 158



Year: 2022 | Jobs: 178



Year: 2022 | Jobs: 206



Year: 2022 | Jobs: 125



Year: 2022 | Jobs: 1,716



Year: 2021 | Jobs: 750



Year: 2020 | Jobs: 761



Year: 2020 | Jobs: 150



Year: 2020 | Jobs: 1,500  
Year: 2020 | Jobs: 1,000



Year: 2019 | Jobs: 200



Year: 2019 | Jobs: 300



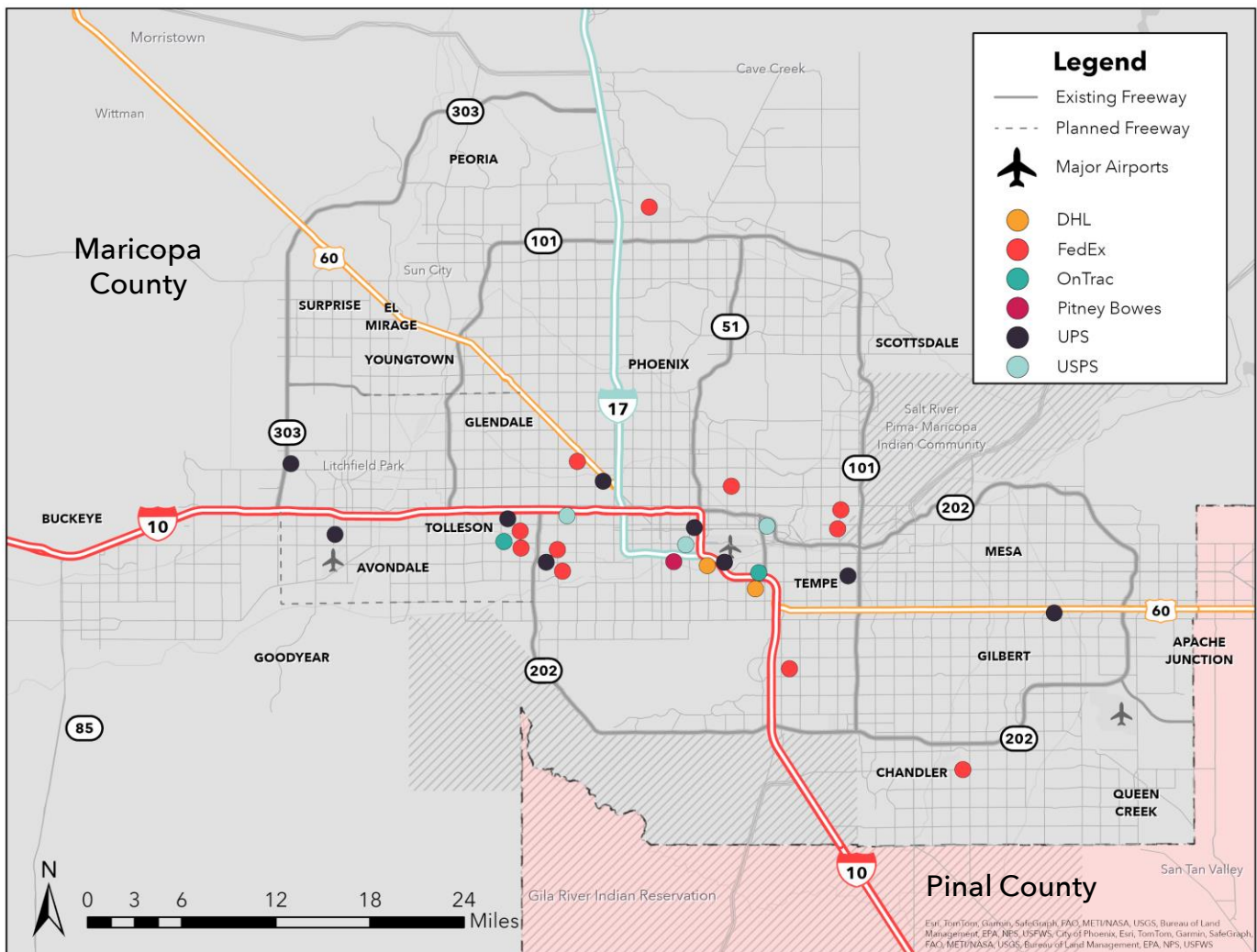
Year: 2018 | Jobs: 145  
Year: 2020 | Jobs: 200



# Industry Ecosystem

## Major Carrier Locations

The map below shows freight and sorting locations for major shipping firms in Greater Phoenix. As can be seen below, FedEx and UPS have substantial operations in Greater Phoenix, including the development of a new distribution center in Goodyear, near Interstate 10 and Loop 303.

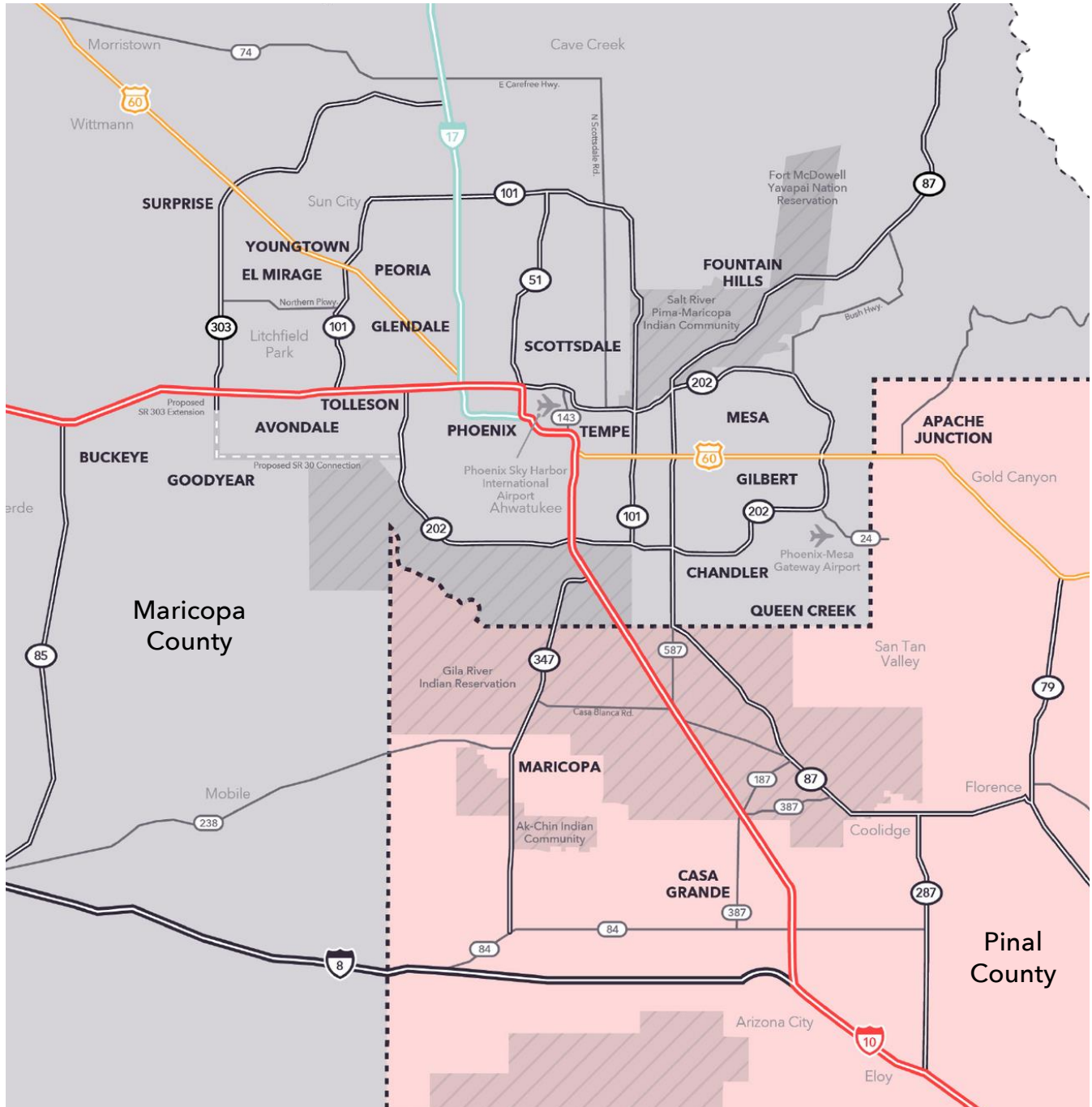




# Key Infrastructure

## Greater Phoenix Regional Highway Map

The map below displays existing and planned highway infrastructure in Greater Phoenix. The region's highways are well-planned and provide easy access to all the major submarkets in this area. In addition, proximity to Interstates 8 and 40 mean that access to California markets is seamless.



# Key Infrastructure

## Greater Phoenix Market Access

Greater Phoenix has access to more than 34 million people in seven states within a one-day truck haul, including major seaports in Los Angeles and Long Beach. Firms have access to nearly the entire Southwest within a two-day haul. Hauling is made easy thanks to easy access to Interstates 8, 10, 17 and 40.

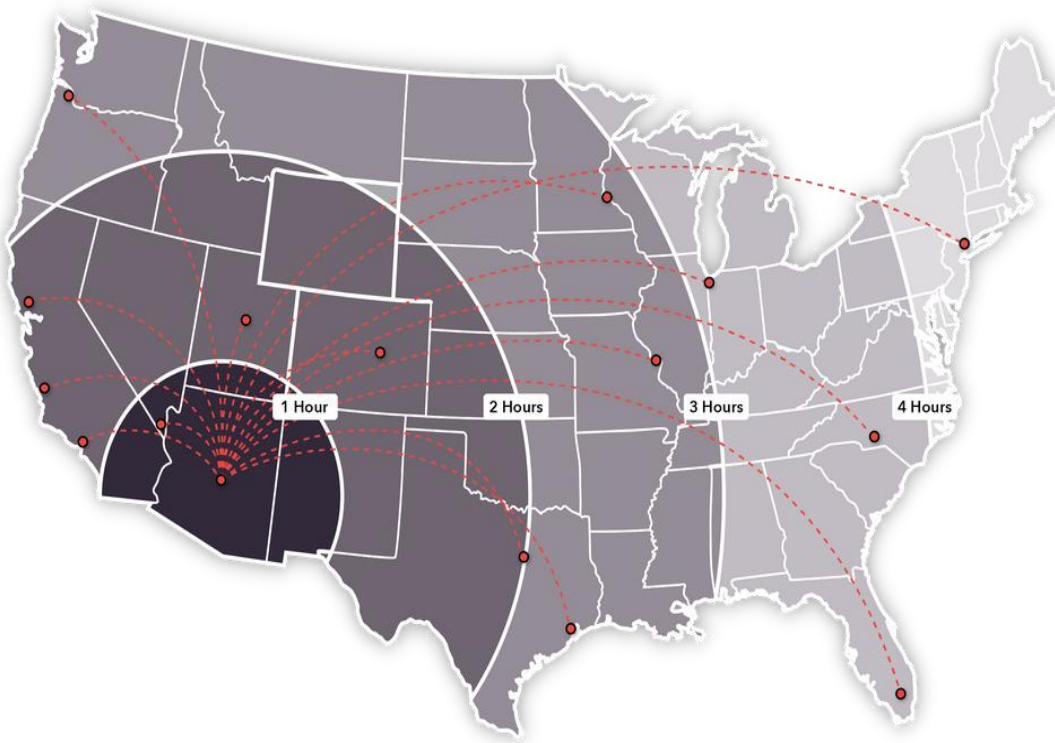


# Key Infrastructure

## Greater Phoenix Airport Access

### Skybridge at Mesa Gateway Airport:

- The air logistics hub to ship high-value goods directly to consumers through a bonded facility incorporating Mexican and U.S. customs will be the first of its kind in the interior U.S. for air freight activities.
- Ideally situated within the Southwestern U.S. to not only meet growing e-commerce and airport logistics demands in the Phoenix metropolitan area but also to serve as a direct carrier to and from consumers in Mexico and across the nation.
- The proximity to Arizona State University's Polytechnic Campus creates opportunities for partnerships to attract and retain workforce talent within the airport.



### Phoenix Sky Harbor International Airport (PHX):

- 44 million passengers in 2022
- 418,856 landings and takeoffs in 2022
- Over 1,000 tons of cargo handled daily

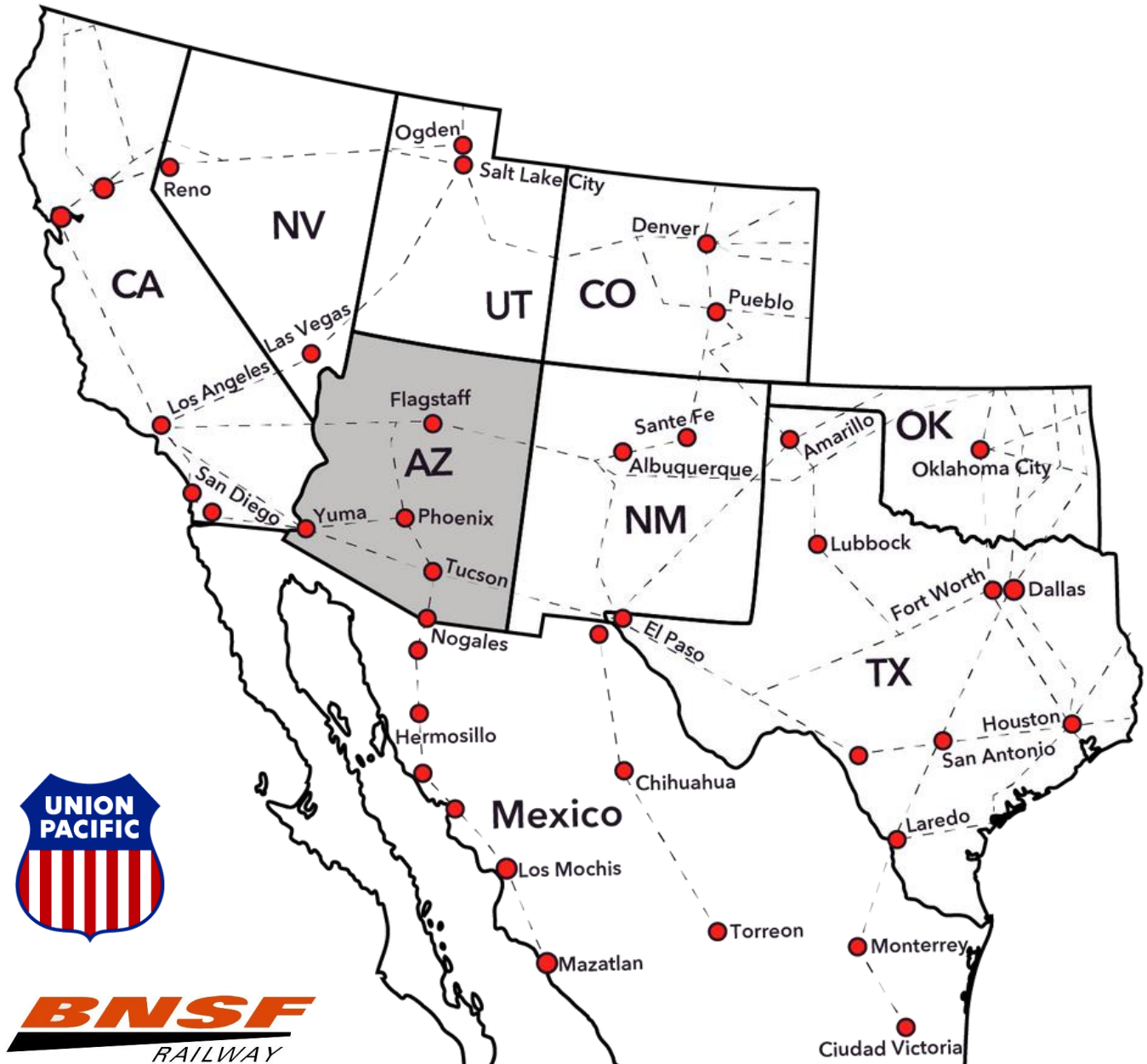
### Cargo Community at PHX:

- |                     |                                   |
|---------------------|-----------------------------------|
| • ABX               | • Southwest Airlines              |
| • American Airlines | • Swissport Cargo                 |
| • DHL               | • UPS                             |
| • FedEx             | • West Air Cargo                  |
| • South Air Cargo   | • Worldwide Flight Services (WFS) |

# Key Infrastructure

## Regional Rail Access

Greater Phoenix is served by two major railroads, Union Pacific and BNSF. The map below displays all major rail lines throughout the Southwest.



# Talent Pipeline

## Greater Phoenix Talent Pipeline

The Department of Supply Chain Management at Arizona State University's (ASU) W.P. Carey School of Business is one of the top-ranked supply chain departments in the U.S. The department spearheads prevalent industry and academic research through various SCM centers and labs, such as the Center for Applied Research and Innovation in Supply Chain - Africa (CARISCA) and the Knight-Swift Logistics Lab. The department also values industry partnerships, and this collaboration is fostered through the SMB Lab, Supply Chain Executive Consortium and Executive Education.



## Top 5

ASU ranked 3<sup>rd</sup> for Best Supply Chain Management MBA Programs in 2023 and 2<sup>nd</sup> for Best Supply Chain Management & Logistics Undergraduate Programs in 2024 by *U.S. News and World Report*

## ASU's Supply Chain Management Programs

The Department of Supply Chain Management under the W.P. Carey School of Business advances knowledge in global supply chain management while focusing on issues of practical importance. Faculty is globally recognized for expertise in procurement, supply management, operations management, logistics, and supply chain performance optimization.

The school offers the following programs:

- Supply chain management (B.S.)
- Global logistics management (B.A.)
- Master of Science in Business Analytics (MS-BA)
- Master of Science in Global Logistics (MS-GL)
- The Online Master of Science in Supply Chain Management (Online MS-SCM)
- Business Administration with a concentration in SCM (Ph.D.)



# Talent Pipeline

## Notable Programs & Training Courses



### University of Arizona

Located in Tucson, University of Arizona (UArizona) offers a variety of programs that are relevant to logistics employers. UArizona enrolls more than 5,000 future professionals at its well-known Eller College of Management and is ranked #3 in Management Information Systems undergraduate programs by U.S. News and World Report.

- Operations & Supply Chain Management (B.S., B.A.)



### Grand Canyon University

Grand Canyon University is a private Christian university committed to training the next generation of working professionals. GCU has over 200 academic programs and more than 25,000 on-campus students enrolled.

- Supply Chain & Logistics Management (B.S.)
- Supply Chain Management Emphasis (Online MBA)



LIFT (Logistics, Inventory, Forklift, Training) is a warehouse and logistics job training and life skills program by St. Mary's Food Bank for those with barriers to employment. The six-week program includes job skills such as certified forklift training, material handling equipment, warehouse safety, global supply chain logistics, quality controls and inventory management.

# Labor Analysis

## Labor Pool

The table below shows employment for the following e-commerce, distribution and logistics occupations in the selected metros.

Occupation	Phoenix	Las Vegas	Reno	Riverside
Customer Service Representatives	85,269	26,397	4,853	18,542
General and Operations Managers	68,466	30,308	8,263	22,393
Laborers and Freight, Stock, and Material Movers, Hand	56,933	29,584	11,195	80,075
Stockers and Order Fillers	44,073	15,578	5,540	53,333
Heavy and Tractor-Trailer Truck Drivers	28,982	10,782	4,719	38,334
Shipping, Receiving, and Inventory Clerks	16,924	8,082	2,956	15,478
Light Truck Drivers	13,842	6,416	2,606	15,708
Industrial Truck and Tractor Operators	10,829	4,894	2,093	36,778
First-Line Supervisors of Transportation and Material Moving Workers, Except Aircraft Cargo Handling Supervisors	8,047	3,933	1,488	8,871
Inspectors, Testers, Sorters, Samplers, and Weighers	7,640	2,435	1,475	5,436
Packers and Packagers, Hand	5,718	4,004	1,842	12,294
Packaging and Filling Machine Operators and Tenders	3,133	823	564	4,599
Logisticians	2,475	786	191	2,079
Cargo and Freight Agents	2,340	943	163	1,031
Transportation, Storage, and Distribution Managers	2,228	1,210	570	4,226
<b>Total</b>	<b>356,900</b>	<b>146,175</b>	<b>48,516</b>	<b>319,176</b>



# Labor Analysis

## Median Wage

Provided below are median annual wages for the selected e-commerce, distribution and logistics occupations in the comparison regions.

Occupation	Phoenix	Las Vegas	Reno	Riverside
Customer Service Representatives	\$37,826	\$37,086	\$37,881	\$38,501
General and Operations Managers	\$86,731	\$80,434	\$94,930	\$102,024
Laborers and Freight, Stock, and Material Movers, Hand	\$37,051	\$36,088	\$38,391	\$40,617
Stockers and Order Fillers	\$35,012	\$37,003	\$38,742	\$39,562
Heavy and Tractor-Trailer Truck Drivers	\$50,279	\$50,710	\$52,603	\$51,378
Shipping, Receiving, and Inventory Clerks	\$36,572	\$36,088	\$39,273	\$37,659
Light Truck Drivers	\$44,621	\$40,706	\$39,509	\$44,410
Industrial Truck and Tractor Operators	\$44,761	\$46,925	\$48,333	\$45,397
First-Line Supervisors of Transportation and Material Moving Workers, Except Aircraft Cargo Handling Supervisors	\$51,796	\$48,090	\$56,470	\$61,655
Inspectors, Testers, Sorters, Samplers, and Weighers	\$47,408	\$42,702	\$48,573	\$42,255
Packers and Packagers, Hand	\$34,182	\$35,069	\$36,108	\$36,168
Packaging and Filling Machine Operators and Tenders	\$35,335	\$36,358	\$40,069	\$37,078
Logisticians	\$66,262	\$67,018	\$63,802	\$72,129
Cargo and Freight Agents	\$38,522	\$35,612	\$43,871	\$46,276
Transportation, Storage, and Distribution Managers	\$93,590	\$77,917	\$82,434	\$82,184

# Operating Cost Analysis

The Annual Business Operating Cost Analysis has been prepared using the following parameters as an estimate for e-commerce, distribution and logistics operations in competitor markets. Component and custom analyses to match your company's operations can be provided upon request.

## Assumptions

- \$10,000,000 personal property investment
- 200,000 square foot Industrial Warehouse, Lease
- Utilities (per month):
  - Electric: 1,000W, 200,000KWh
  - Water/Wastewater: 3,000cf, 5/8 meter
- 250 jobs (Bureau of Labor Statistics equivalent occupations)

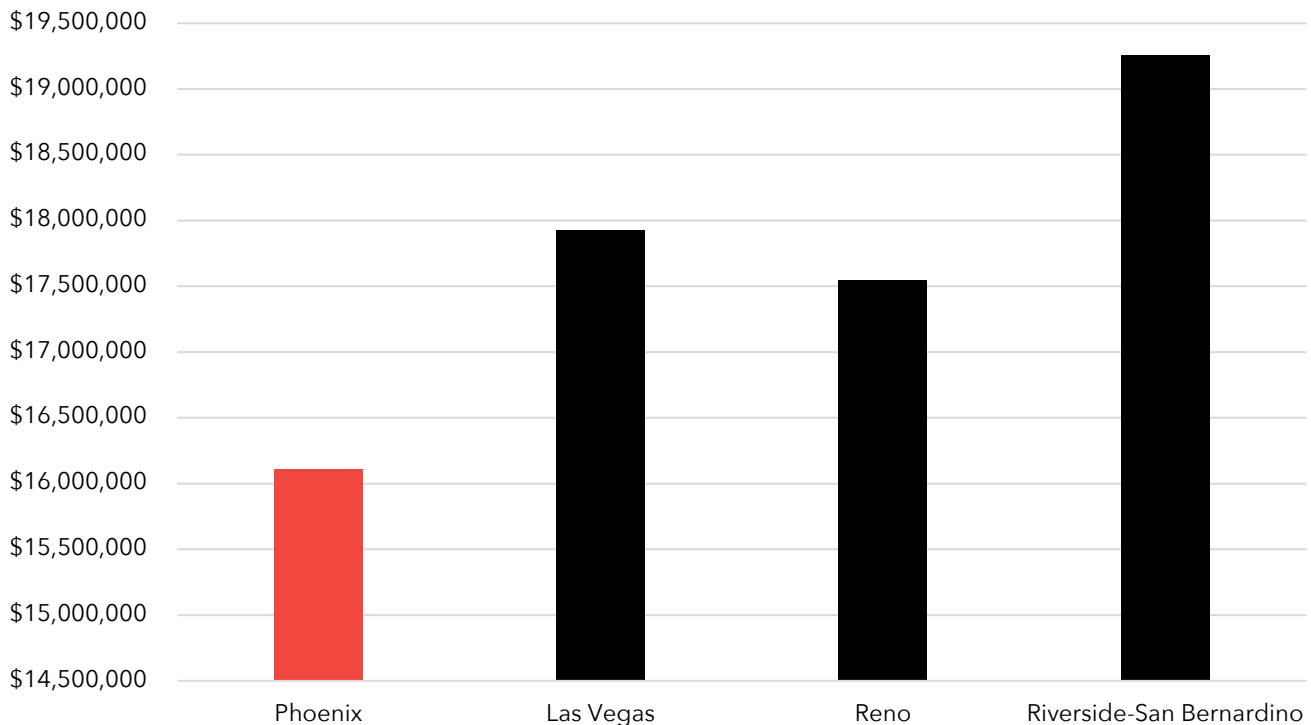
Occupations	Employment
Laborers and Material Movers, Hand	100
Packers and Packagers, Hand	50
Packaging and Filling Machine Operators	30
Shipping, Receiving and Traffic Clerks	30
Industrial Truck and Tractor Operators	20
First-Line Supervisors of Laborers and Material Movers	15
Logisticians	3
General and Operations Managers	1
Transportation, Storage and Distribution Managers	1
<b>Total</b>	<b>250</b>

# Operating Cost Analysis

## Annual Operating Cost

Metro	Payroll	Benefits	Utilities	Real Estate	Property Tax	Total Operating Cost	Index
Phoenix	\$11,481,195	\$2,746,618	\$329,963	\$1,544,000	\$4,930	\$16,106,706	100.0%
Las Vegas	\$12,141,734	\$3,135,746	\$230,955	\$2,300,000	\$113,386	\$17,921,821	111.3%
Reno	\$12,201,881	\$3,149,629	\$262,116	\$1,806,000	\$127,652	\$17,547,278	108.9%
Riverside-San Bernardino	\$12,278,079	\$3,373,361	\$581,625	\$2,858,000	\$165,500	\$19,256,565	119.6%

## Annual Operating Cost by Metro



# Operating Cost Analysis

## Arizona Tax Environment vs. Competitor Markets

Arizona has a very competitive tax and mandated benefits environment compared to peer markets.

Metro	Sales Tax Rate	Corporate Income		Inventory Tax	Unemployment Insurance			Workers Comp. (Rate Per \$100 Payroll)
		Tax Rate	Bases		Rate (As % Of Payroll)	Wage Base	Max. Payment	
Phoenix	8.60%	4.90%	Net income	No	2.00%	\$8,000	\$320	\$0.87
Las Vegas	8.40%	1.48%	Payroll	No	2.95%	\$40,600	\$585	\$1.00
Reno	8.30%	1.48%	Payroll	No	2.95%	\$40,600	\$585	\$1.00
Riverside	8.80%	8.84%	Net income	No	3.40%	\$7,000	\$450	\$2.26

Source: Applied Economics Metrocomp Tool; Tax Foundation, 2023; Various state revenue departments, 2023; Oregon Dept. of Consumer and Business Services, "Workers' Comp. Premium Rate Ranking", 2022; U.S. DOL, "Significant Provisions of State Unemployment Insurance Laws", July 2023.

## Industrial Market Rates

The tables below provide quoted monthly rates per square foot for industrial properties within Greater Phoenix and competitor markets.

### Market Rate for Lease of Industrial Properties

Metro	Monthly Rate Per Square Foot	Index
Phoenix	\$1.08	100.0%
Las Vegas	\$1.15	106.5%
Reno	\$0.77	71.3%
Riverside (Inland Empire)	\$1.18	109.3%

### Average Quoted Industrial Rates by Greater Phoenix Markets

Submarket	Monthly rate per Square Foot
Glendale	\$0.94
Goodyear	\$0.85
Grand Avenue	\$0.97
Pinal County	\$1.03
Southwest Outlying	\$0.83
SW N of Buckeye Rd	\$0.82
SW S of Buckeye Rd	\$0.92
Tolleson	\$0.86
W Phoenix N of Thomas Rd	\$0.89
W Phoenix S of Thomas Rd	\$0.91

Source: CoStar 2023 Q3 Industrial Market Reports.

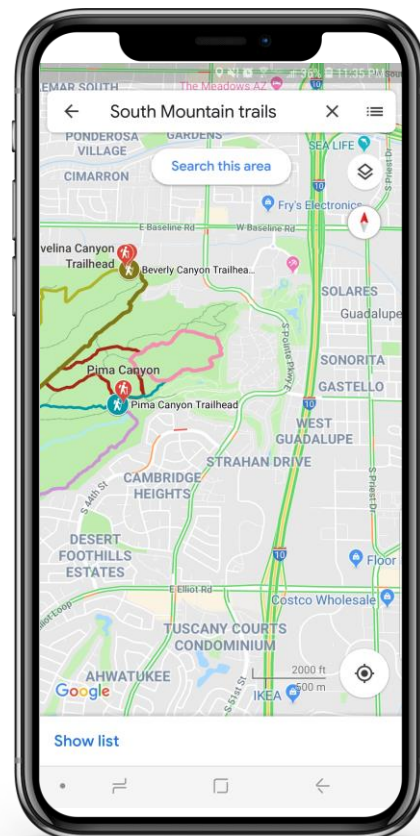


E-COMMERCE, DISTRIBUTION & LOGISTICS

# Quality of Life

## Parks & Recreation

With over 300 days of sunshine each year and mild weather throughout most of the year, Greater Phoenix is perfect for those who love an outdoor lifestyle. The region is home to hundreds of parks and hundreds of miles of hiking, biking and walking trails, including the three largest municipal parks in the United States- McDowell Sonoran Preserve, South Mountain Park, and Phoenix Sonoran Preserve. The region also features over 300 golf courses and hosts the Waste Management Phoenix Open which sees over 700,000 in attendance.



# Quality of Life

## Cost of Living

Greater Phoenix is more affordable for companies and the people that make them successful. Greater Phoenix is the only market with a cost of living below the national average. Across all major buckets of expenses, Greater Phoenix is lower cost than peer markets.

Metro	Cost of Living Index	Index
Phoenix	107.9	100.0%
Las Vegas	109.5	101.5%
Reno	116.3	107.8%
Riverside	128.7	119.3%

Source: Lightcast 2023 Q3 Dataset.

## Housing

Greater Phoenix’s housing market remains affordable relative to competing markets.

Metro	Median Home Value	Index	Median Rent	Index
Phoenix	\$448,597	100.0%	\$1,929	100.0%
Las Vegas	\$404,829	90.2%	\$1,817	94.2%
Reno	\$526,048	117.3%	\$1,888	97.9%
Riverside	\$555,985	123.9%	\$2,533	131.3%

Source: Zillow Home Value Index August 2023; Zillow Rental Value Index August 2023.

## Personal Income Tax

Greater Phoenix has the lowest personal income tax of those states that have a personal income tax across all income levels. With its affordable cost of living and low taxes rates, income goes further in Greater Phoenix.

State	\$50,000	\$150,000	\$270,000	\$500,000	\$1 Million Or More
Arizona	2.50%				
Nevada	No Personal Income Tax Levied				
California	8.00%	9.30%	9.30%	11.30%	13.30%

Source: Tax Foundation 2023.  
Notes: Tax rates are for single filers.



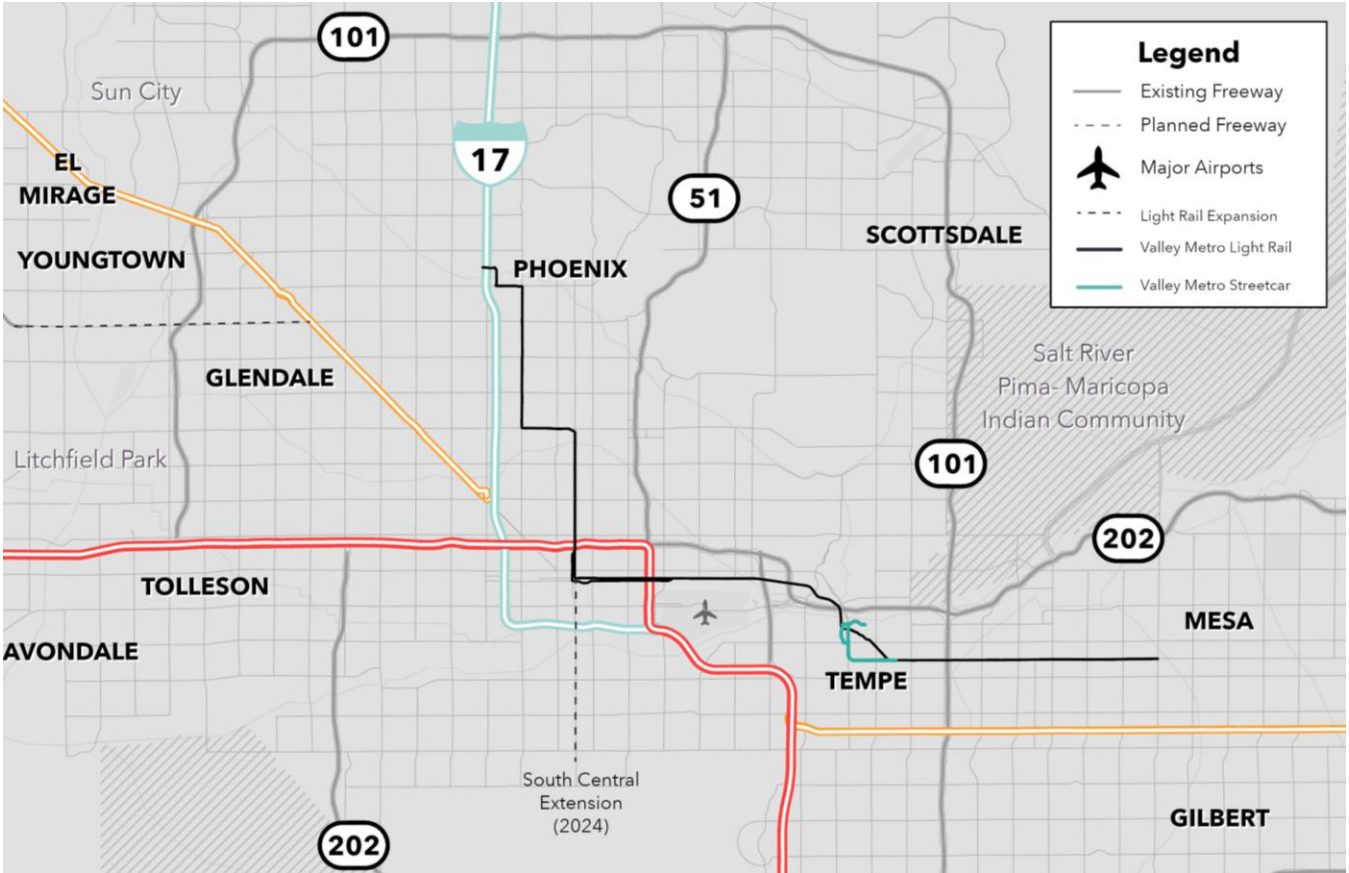
# Quality of Life

## Commute Times & Light Rail

Many companies that have recently expanded into the region have commented on the ease of access to the workforce and the accessibility of the market. An important aspect of this is the region’s commute times which are significantly shorter than competitor markets, enabling your workforce to spend more time enjoying their lifestyle and less time in traffic. The region has a modern freeway system and an expanding light rail ensuring that there is a robust supply of talent no matter where a business is located.

Metro	Average Commute Times	Yearly Commute	Index
Phoenix	25.8 minutes	9.3 days	100.0%
Las Vegas	24.6 minutes	8.9 days	95.3%
Reno	22.4 minutes	8.1 days	86.8%
Riverside	32.6 minutes	11.8 days	126.4%

Source: ACS 2022 1-Year Estimates.





# Rankings & Recognition

## #1

Phoenix was ranked #1 by population growth from 2010 to 2020 among all US cities

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## #1

Arizona State University named America's Most Innovative Schools nine years in a row by U.S. News & World Report

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## #2

Arizona is ranked #2 by U.S. News and World Report in power grid reliability

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## #3

Sky Harbor International Airport ranked 3<sup>rd</sup> in the Wall Street Journal's "The Best of the Biggest Airports"

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## #4

Arizona was ranked the No. 4 place to do business in 2022 by *Chief Executive*

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## #7

In 2023, Arizona was ranked as the seventh-best state to start a business by WalletHub

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## Top 20

In 2022, Scottsdale was listed in the top 20 happiest cities in the nation

## Top Tier

APS and SRP rank as top business service providers by J.D. Power and Associates for reliability

# Greater Phoenix Greater Together