



# DISTRIBUTION WORKFORCE ANALYSIS

SOUTHPORT LOGISTICS PARK

OCTOBER, 2016

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# PROJECT PROFILE

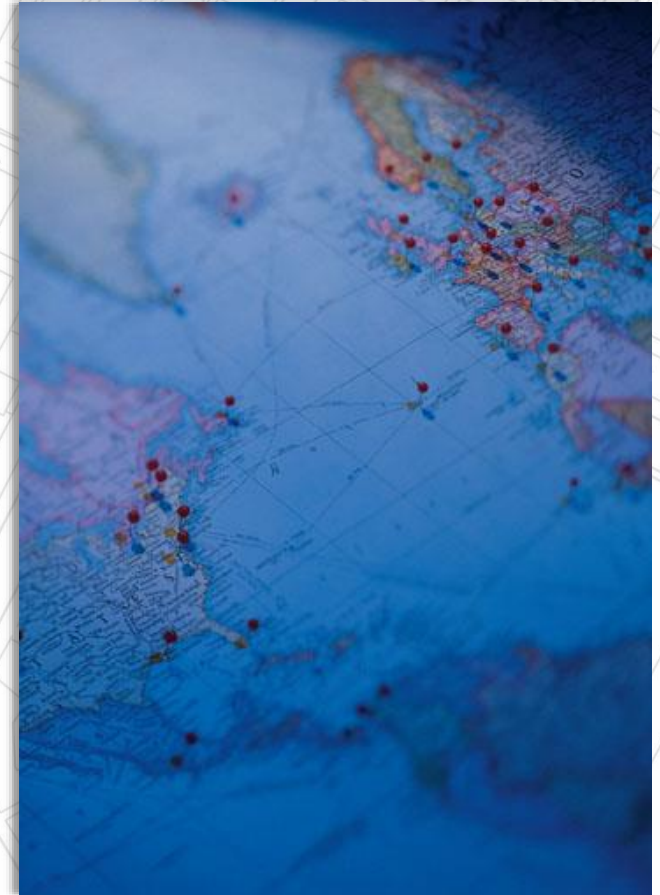
Southport Logistics Park is located in Wilmer, Texas, directly across Interstate 45 from the Union Pacific Intermodal Yard. The master-planned 500-acre industrial park will consist of nine million square feet of new distribution and e-commerce fulfillment centers.

## Objective

- Evaluate workforce and demographic conditions around Southport
- Compare Southport to other popular distribution center locations in the Dallas-Fort Worth area
- Understand trends using 5-year projected data

## Workforce and Employer Targets

- Expecting to hire approximately 500 employees
- Targeting e-commerce employer
- Majority of workforce unskilled logistics laborers



# VALUE PROPOSITION

Our analysis suggests that the community surrounding Southport is positioned well as an up-and-coming home for distribution and logistics activities. In short, the population is optimal for this type of work, but today there are not enough employers to support the community.

Southport's value can be summarized by these three characteristics:

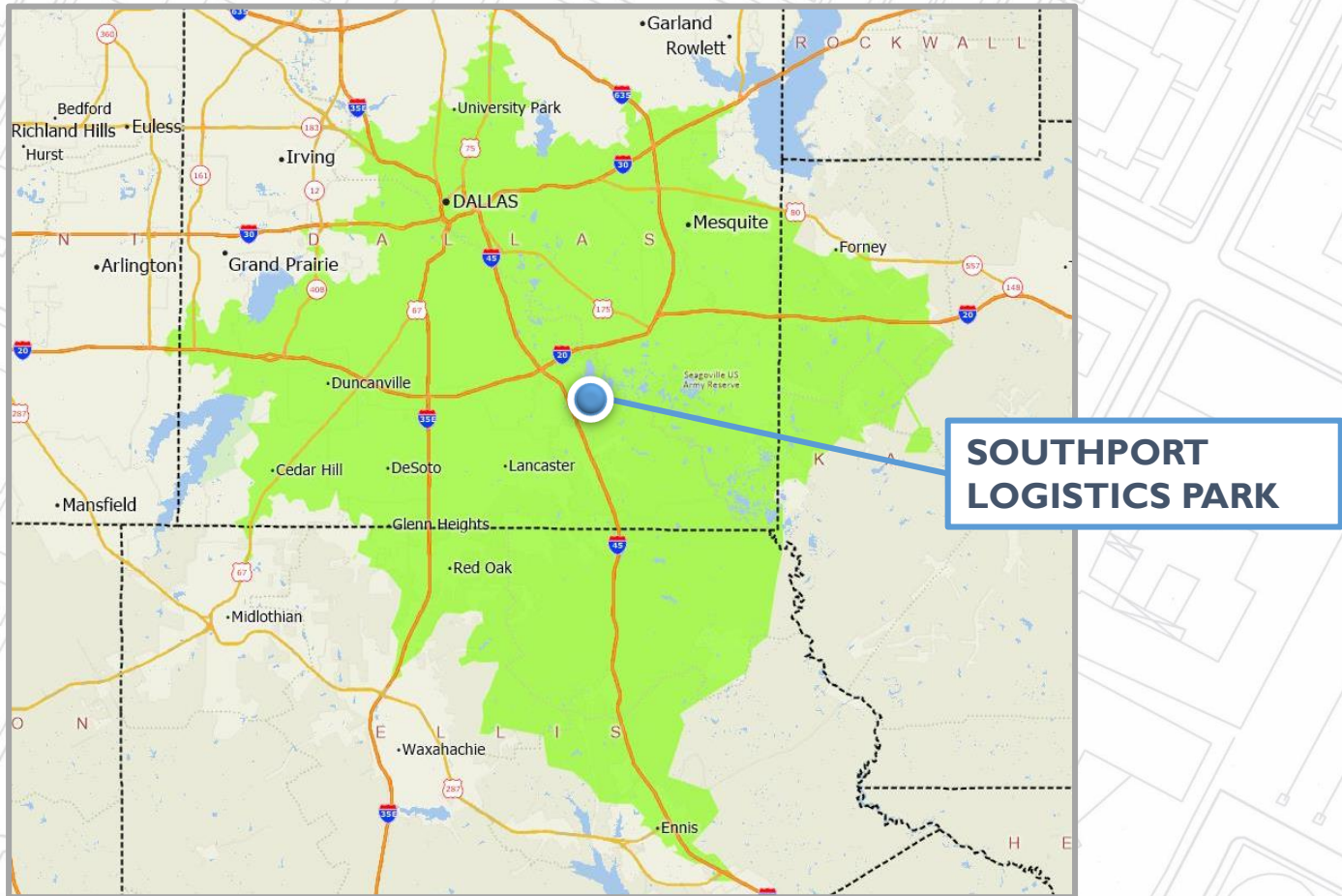
- #1 The workforce is leaving the community to find jobs.**
- #2 The area is an unsaturated labor market for target occupations.**
- #3 The population is a good demographic and occupational fit.**



# COMMUTING PATTERNS

# DRIVE-TIME MAP

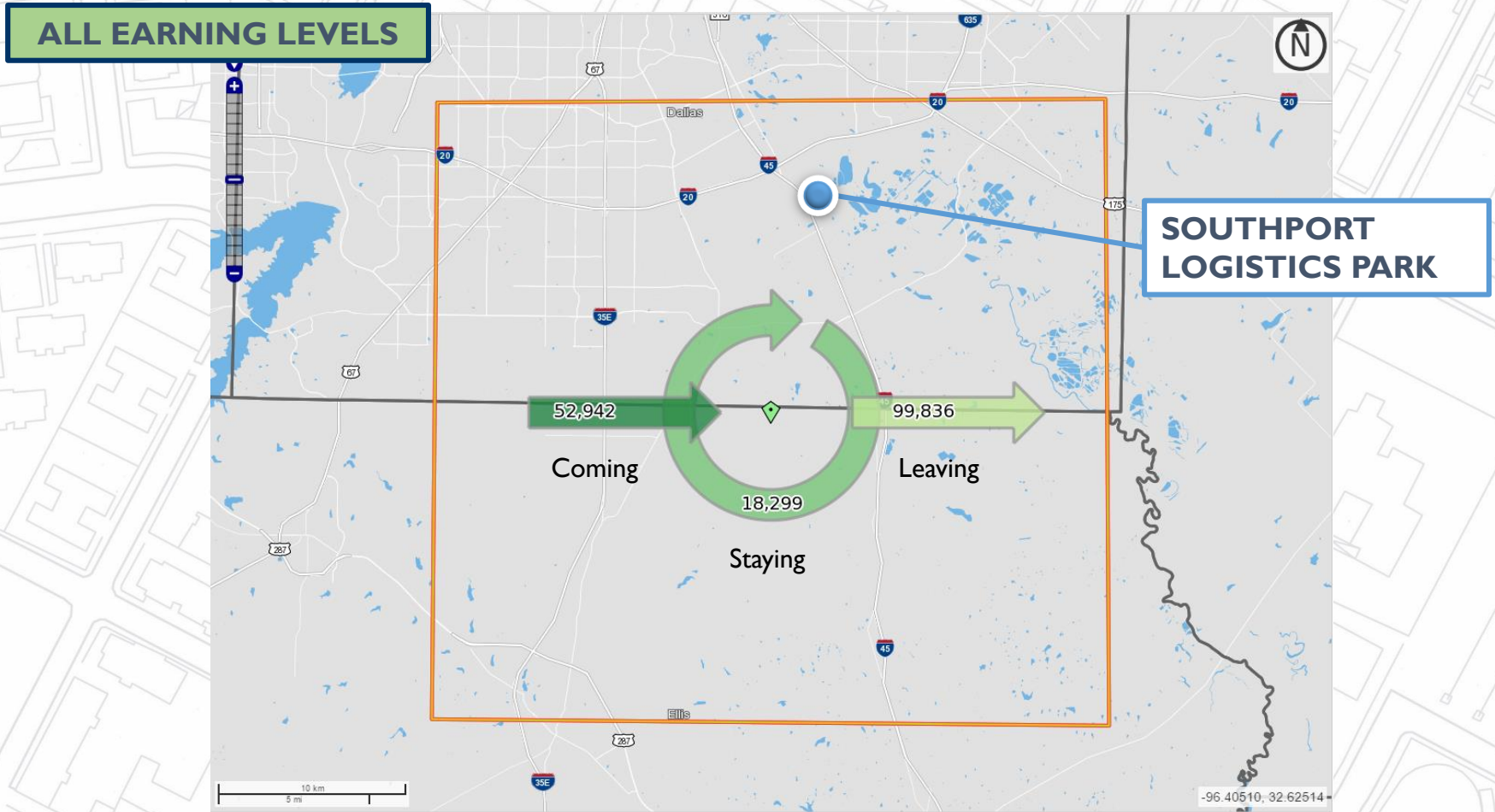
The map below shows the boundaries of a 30-minute drive time from the Southport Logistics Park. Based on SSG's analysis this is the maximum commuting distance for a warehouse and distribution worker. The drive-time area is a wide-ranging area covering a large portion of the Dallas-Fort Worth area, particularly areas south of I-30, east of 67, north of Ennis and west of Terrell.



# WORKER IN-OUT MIGRATION

## ALL EARNINGS LEVELS

When evaluating the place of residence versus place of employment statistics for outlined area below in the box, far more residents are leaving the region (99,836) for employment compared to residents entering the region (52,942) for employment. This suggests that 84.5% of the general workforce living in this region are leaving every day for work opportunities.



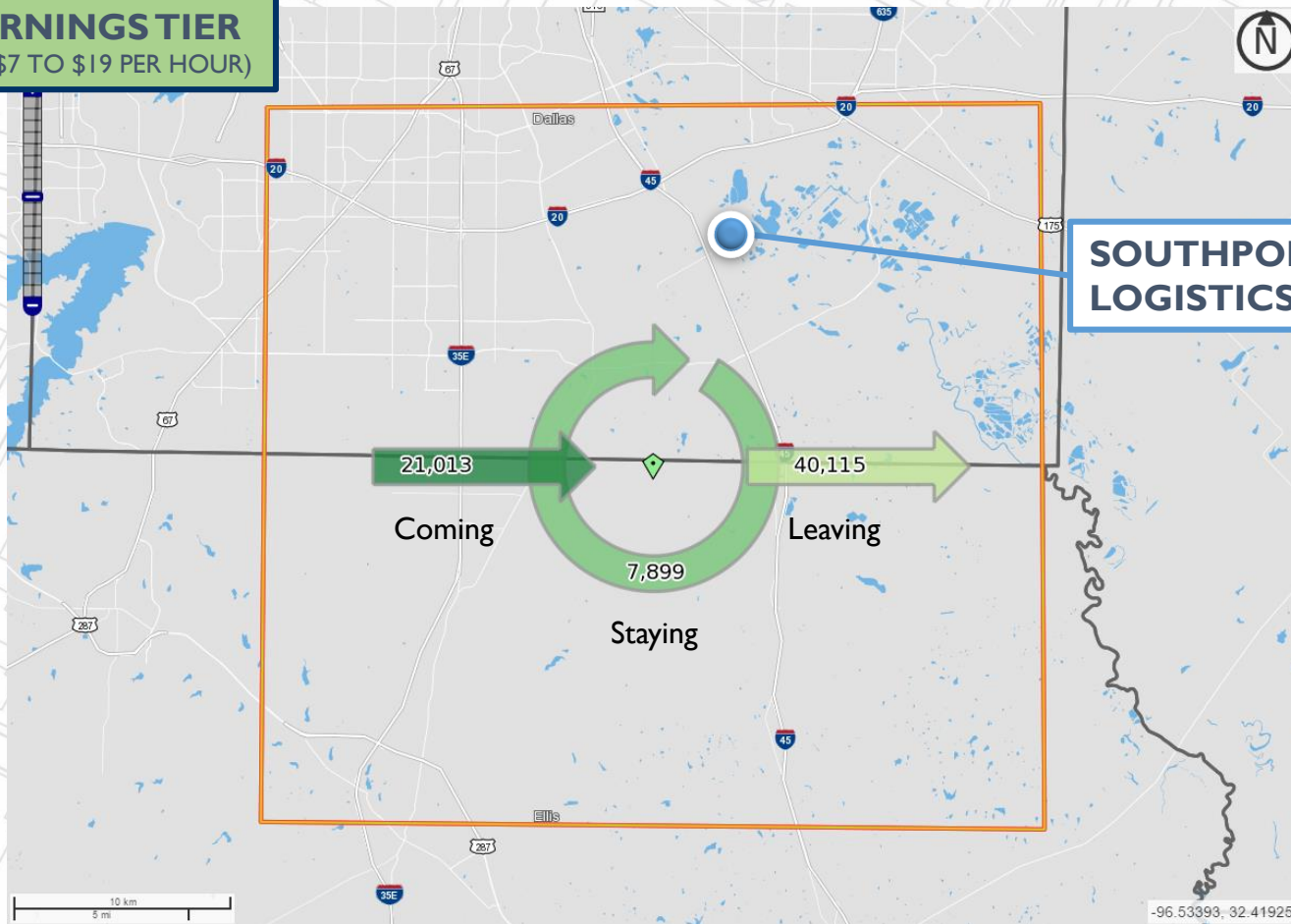
# WORKER IN-OUT MIGRATION

## MIDDLE EARNINGS TIER

When evaluating the place of residence versus place of employment statistics for outlined area below in the box, far more residents are leaving the region (40,115) for employment compared to residents entering the region (21,013) for employment. This suggests that 83.5% of the workforce in the middle earnings tier that live in this region are leaving every day for work opportunities.

### MIDDLE EARNINGSTIER

(APPROXIMATELY \$7 TO \$19 PER HOUR)







# DEMOGRAPHICS

# WORKFORCE DEMOGRAPHICS

## COMPARISON OF THE AREAS SURROUNDING PROSPECTIVE AND CURRENT SITES

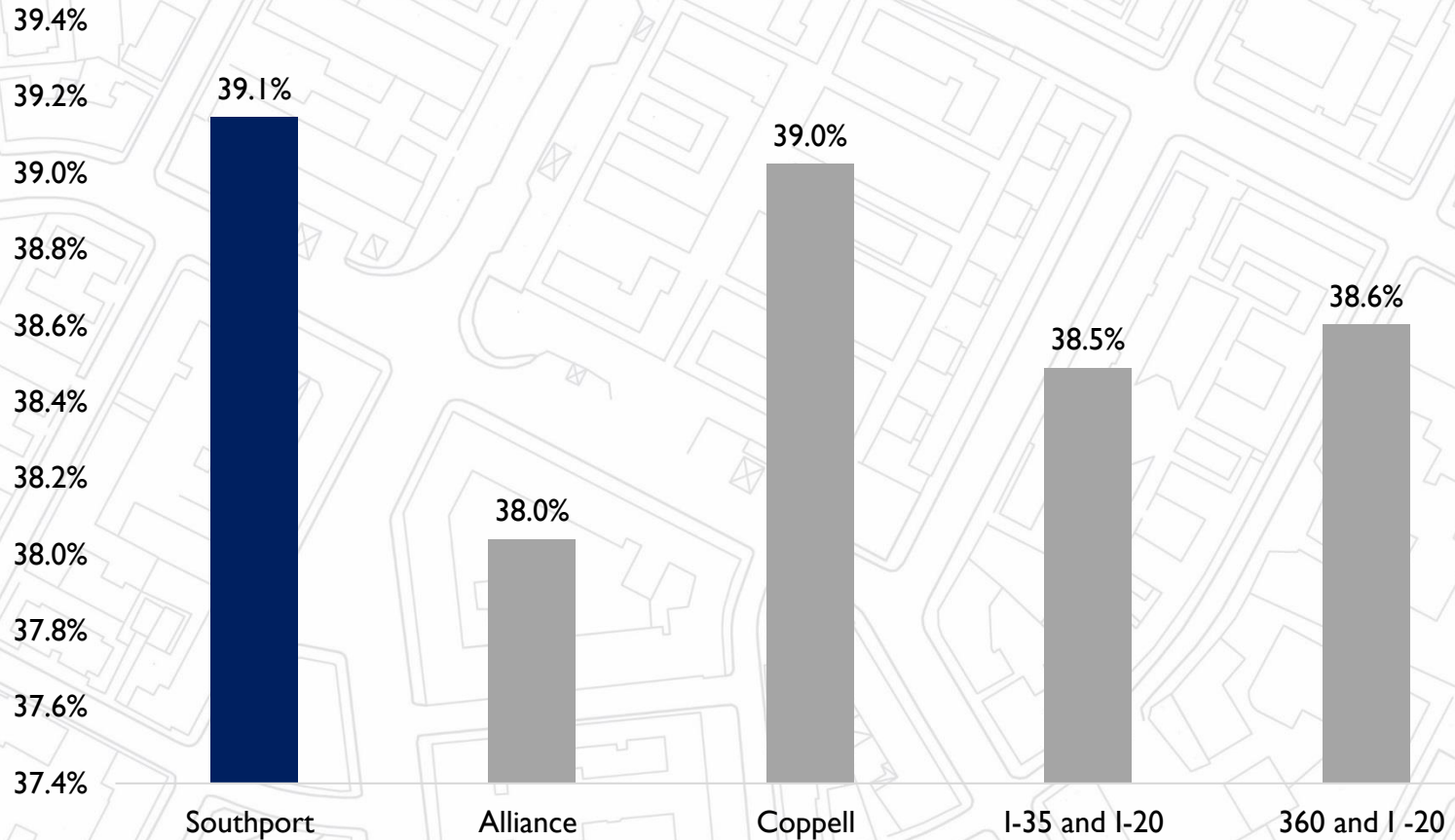
The table below highlights key demographic and labor market variables for each location. Data was gathered for each location using a 30-minute drive-time. Southport has a larger population than its northwest competitor Alliance. The average person is younger, makes less money, and is more likely to be a blue collar worker. The median owner-occupied household unit value is lower than the comparison communities.

Statistic	Southport (30-min. drive-time)	Alliance (30-min. drive-time)	Coppell (30-min. drive-time)	I-35 and I-20 (30-min. drive-time)	360 and I-20 (30-min. drive-time)
2016 Population	1,989,346	1,709,779	3,142,039	2,861,175	2,776,738
5-Year Projected Population Growth Rate	6.8%	8.1%	7.5%	7.6%	6.9%
Average Age	33.25	34.68	35.07	34.91	34.12
Median Household Income	\$48,688	\$64,199	\$64,593	\$62,154	\$54,033
Median Owner-Occupied Housing Unit Value	\$139,186	\$178,339	\$214,106	\$199,419	\$148,236
Total Blue Collar Workers	234,173	174,839	293,279	376,407	312,845

# WORKING AGE DISTRIBUTION

## COMPARISON OF DALLAS-FORT WORTH AREAS

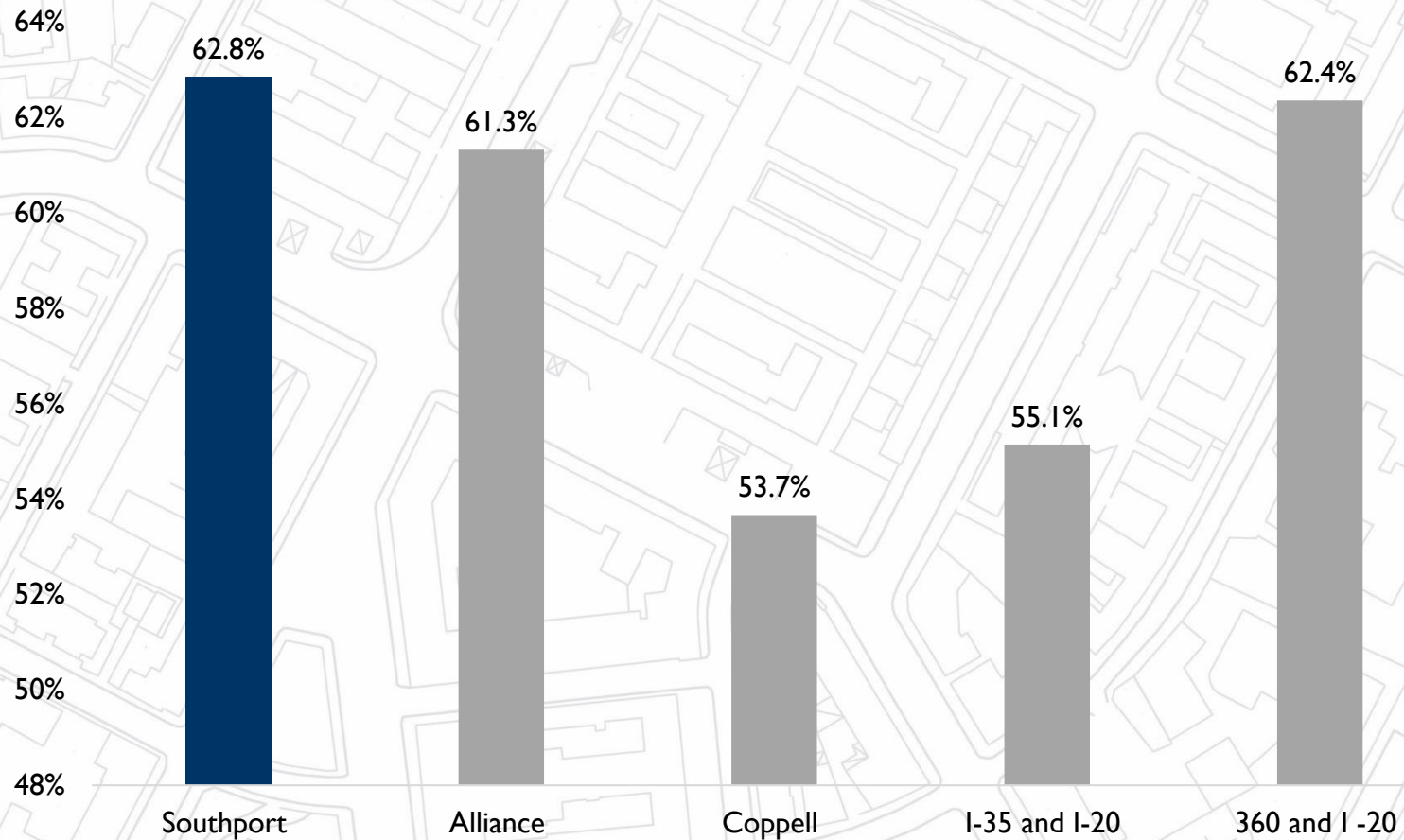
The chart below demonstrates the total of 18 to 45-year-olds as a percent of total population for each community. Southport scores the highest with over 39% of the population in the target age group. The higher the percentage the better the area score.



# TARGET EDUCATION DISTRIBUTION

## COMPARISON OF DALLAS-FORT WORTH AREAS

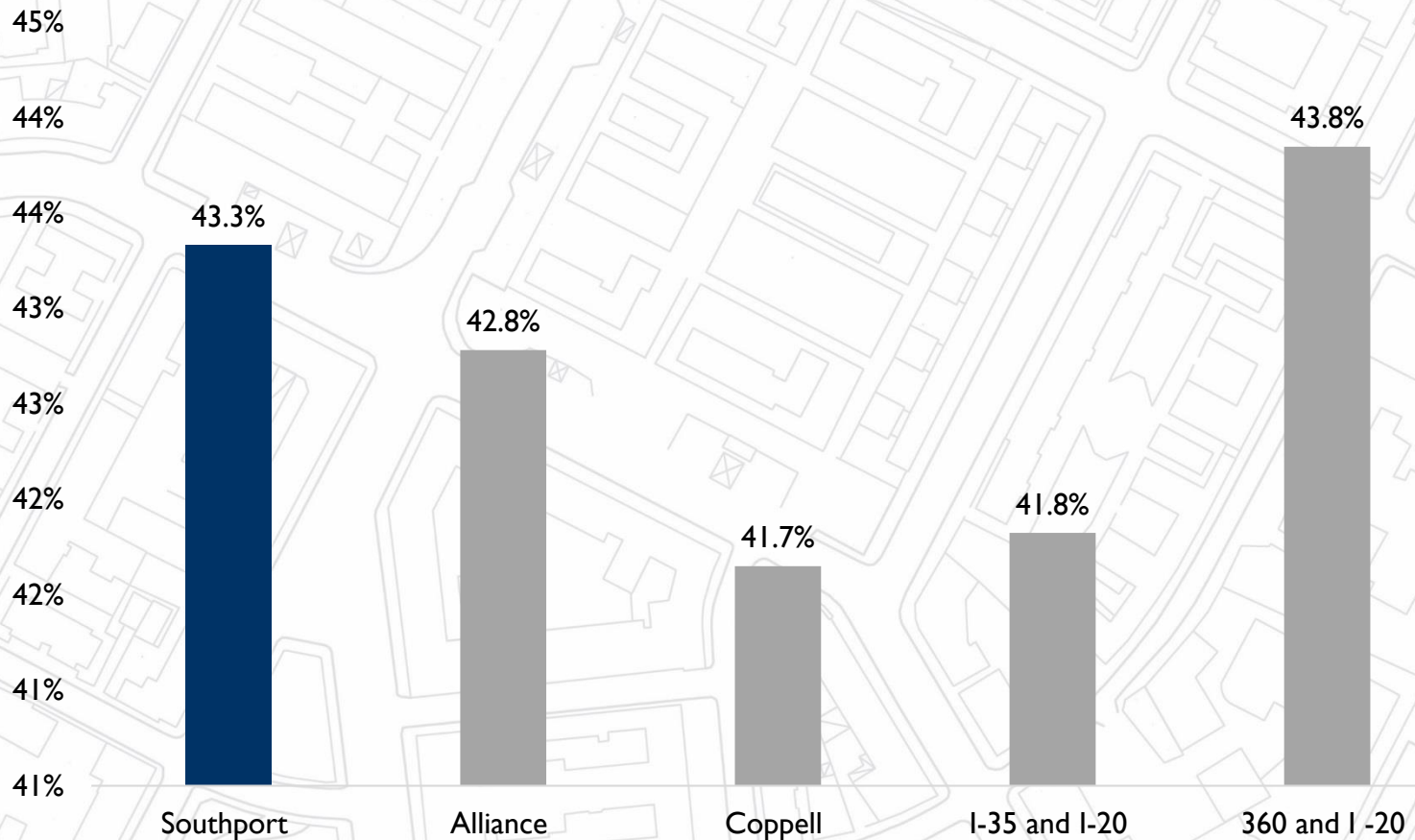
The chart below demonstrates the percentage of target educational group (high school graduates, some college, and associate degree) as a percentage of total population age 25+. Southport scores the highest in this category at 62.8%. The higher the percentage the better the area score.



# TARGET INCOME DISTRIBUTION

## COMPARISON OF DALLAS-FORT WORTH AREAS

The chart below demonstrates the percentage of target household incomes (\$35,000 to \$100,000) as a percentage of total households for each community. Southport scores well with the second highest percentage, demonstrating that the area has the types of households more suited for distribution-type work. The higher the percentage the better the area score.



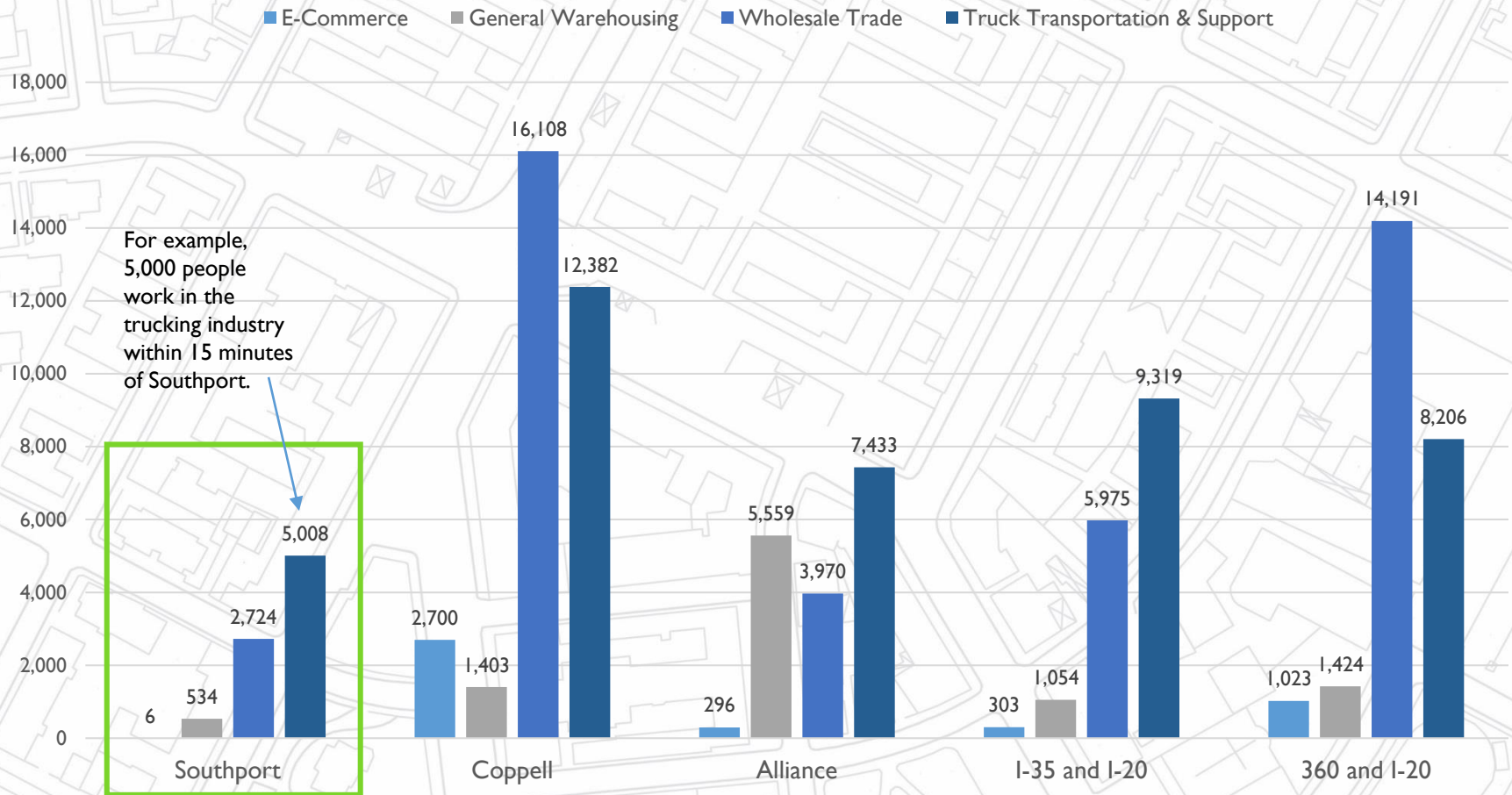


# INDUSTRY CONCENTRATION

# INDUSTRY CONCENTRATION

## KEY DISTRIBUTION RELATED INDUSTRIES

Overall, the area around Southport has a very low number of key distribution-related industries at present. This offers an opportunity for new employers to the region to have their choice of labor and land. The chart below shows the number of workers employed in each industry that have their place of employment within 15 minutes of the target site. By using workforce counts as a proxy for number of businesses in the area, we see that Southport has by far the lowest number of target industry companies currently. Each bar is a different industry as explained in the legend.

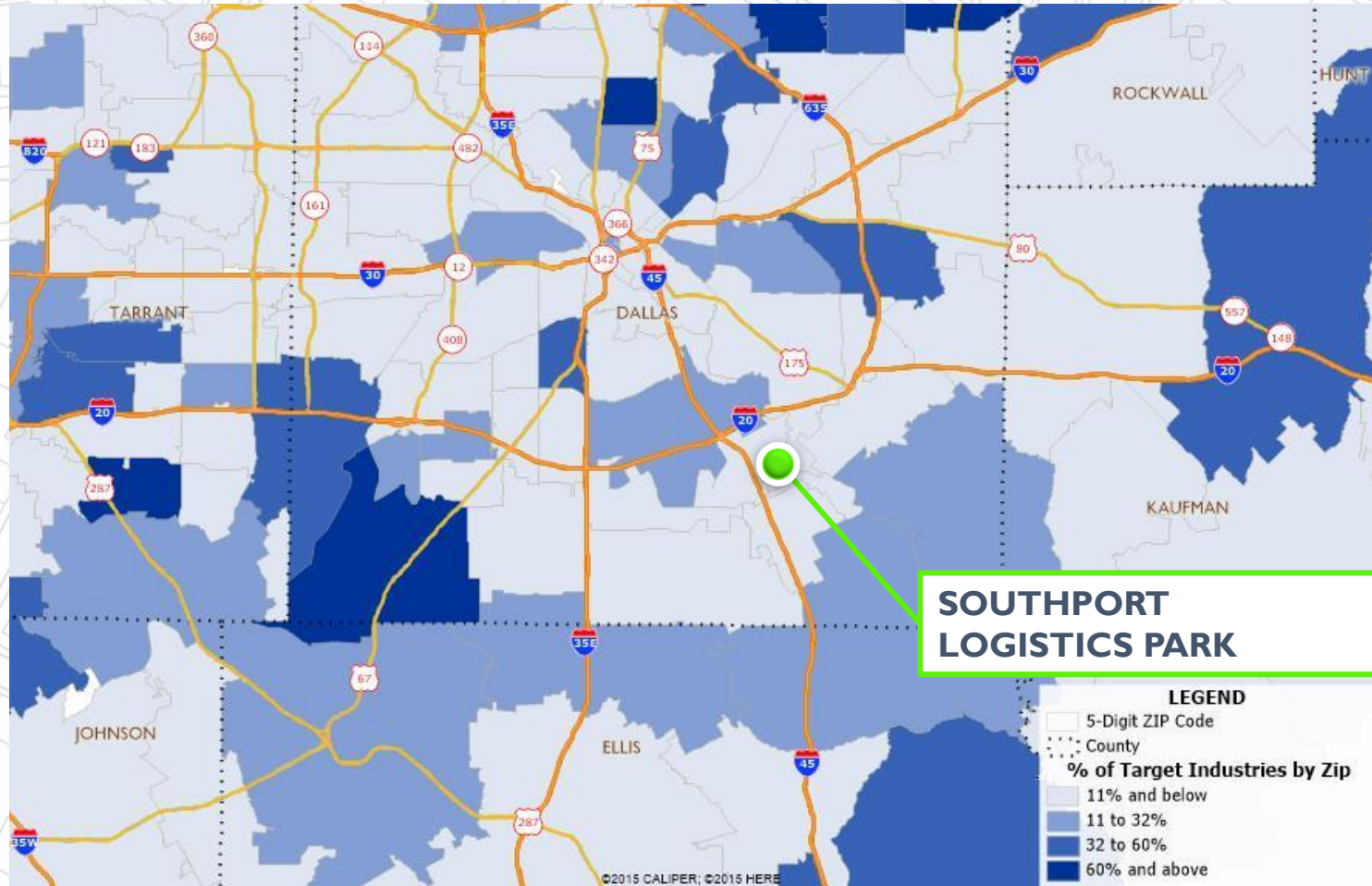


Source: EMSI 2016. E-Commerce includes NAICS codes under 454 (Nonstore Retailers). General Warehousing includes NAICS codes under 493 (Warehousing & Storage). Wholesale Trade includes all NAICS codes under 42 (Wholesale Trade). Truck Transportation & Support includes all NAICS codes under 484 (Truck Transportation) and 4885 (Freight Arrangement)

# INDUSTRY CLUSTER BY ZIP

CURRENT 2016 DATA

The map below shows the number of workers in the industry by zip code. Darker zip codes indicate a higher total amount of businesses in the target industry cluster. Wilmer is marked with a green circle. Currently, less than 12% of the people who work in that zip code are employed in the industry target group.

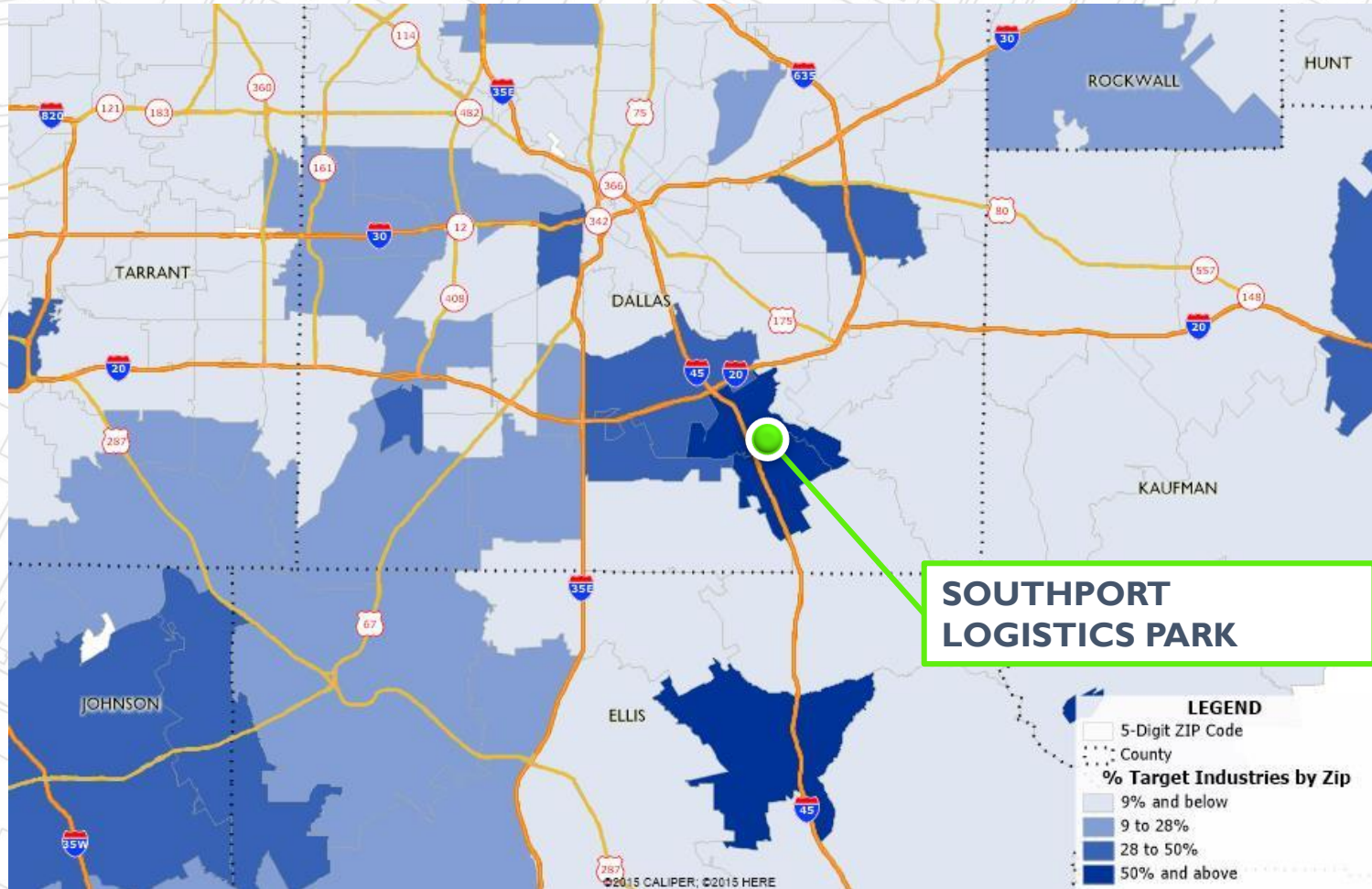




# INDUSTRY CLUSTER BY ZIP

PROJECTED 2021 DATA

The map below shows the number of workers in the industry by zip code. Darker zip codes indicate a higher total amount of businesses in the target industry cluster. Wilmer is marked with a green circle. It is projected to increase its percentage to greater than 50%.



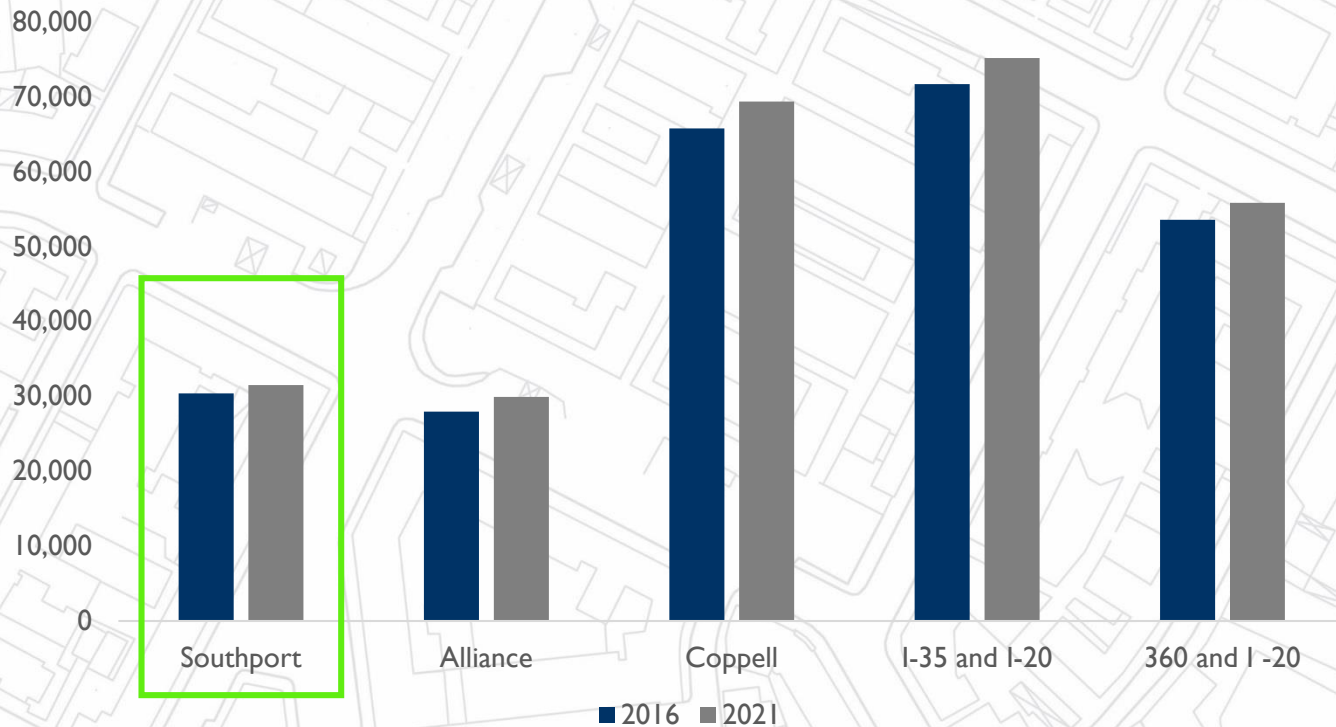


# TARGET WORKFORCE AND MARKET WAGES

# TARGET OCCUPATION PRESENCE

## TOTAL NUMBER OF DISTRIBUTION WORKERS

The chart below displays absolute numbers of workers in the target occupational cluster as defined below. Southport beats out Alliance by a thin margin. These two communities are most comparable due to their geographic location on the outskirts of the Dallas-Fort Worth area. These numbers are based on a 30-minute drive-time.



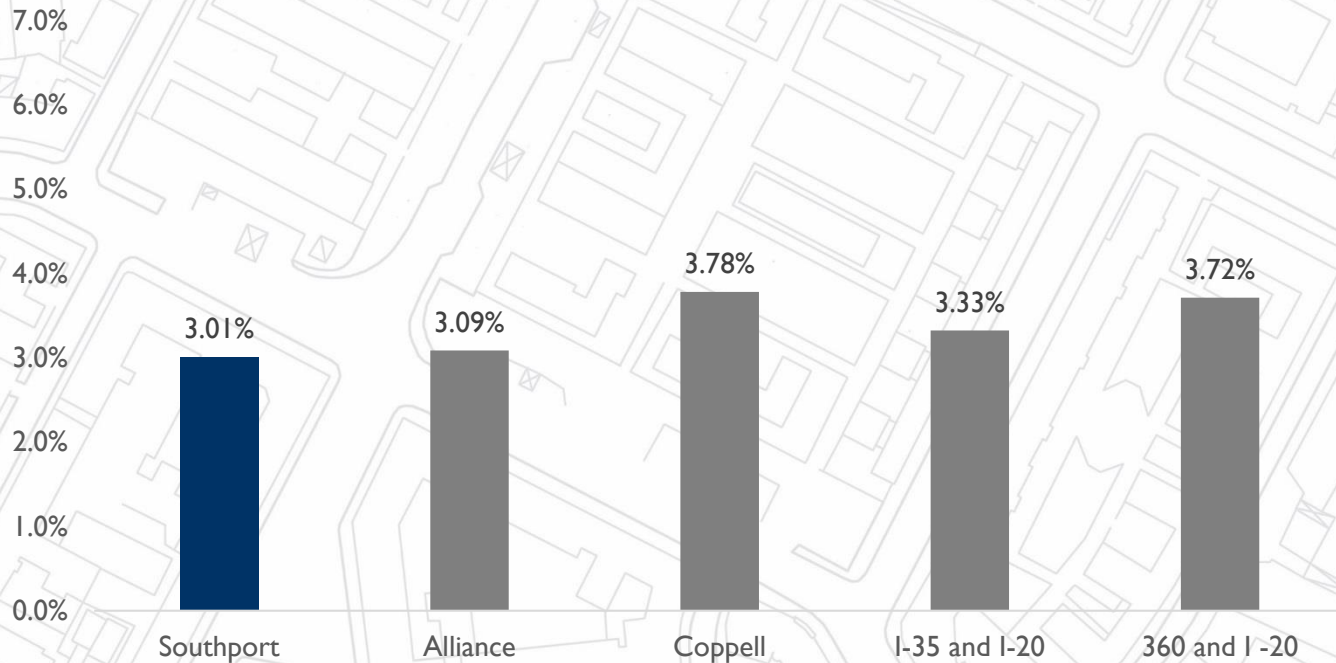
Definition of Target Occupations (Inventory & Warehouse Occupations): First Line Supervisors of Helpers, Laborers, Material Movers, Hand; Laborers and Freight, Stock, and Material Movers, Hand; Packers & Packagers, Hand; Industrial Truck and Tractor Operators

Source: EMSI 2016

# TARGET OCCUPATION PRESENCE

CONCENTRATION OF DISTRIBUTION WORKERS AS % OF LABOR FORCE

The previous slide showed raw numbers to demonstrate a sense of magnitude of the total hiring pool. This slide shows the target occupational cluster as a percent of the labor force in the 30-minute drive time area. Southport is comparable to Alliance. In fact, all given areas are within less than one percent of each other indicating little variability.



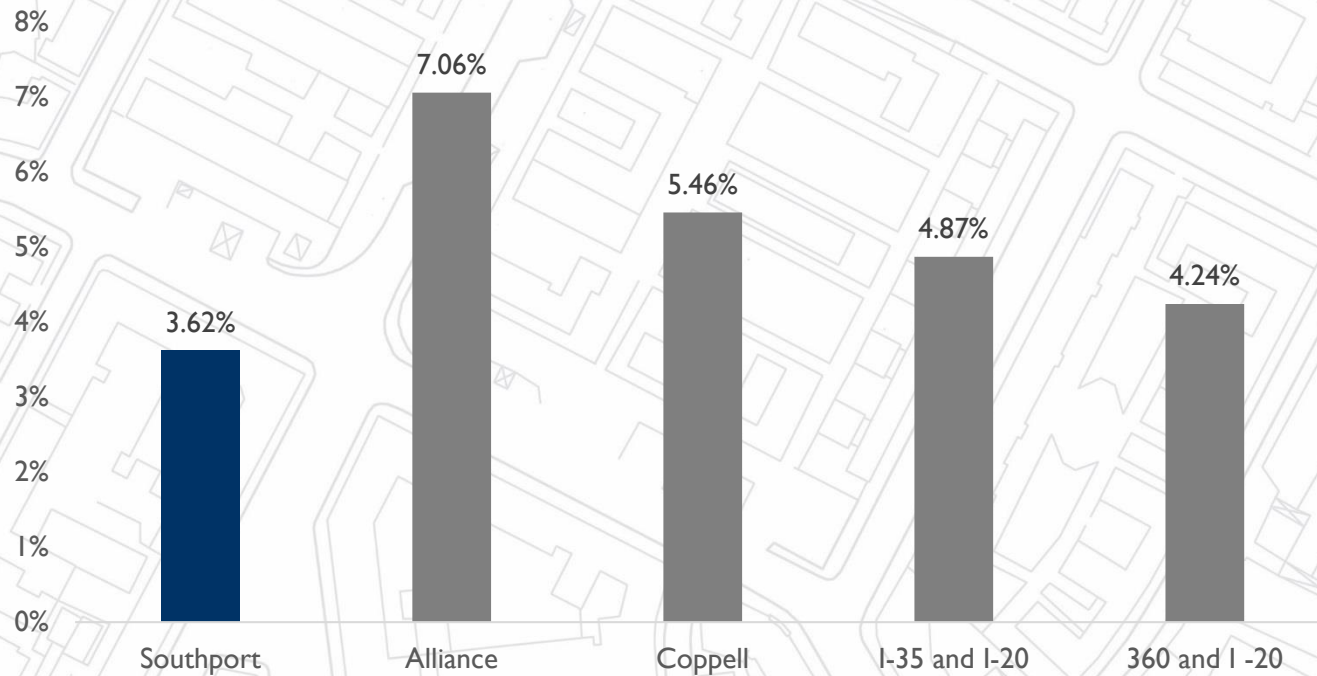
Definition of Target Occupations (Inventory & Warehouse Occupations): First Line Supervisors of Helpers, Laborers, Material Movers, Hand; Laborers and Freight, Stock, and Material Movers, Hand; Packers & Packagers, Hand; Industrial Truck and Tractor Operators

Source: EMSI 2016

# TARGET OCCUPATION GROWTH

PROJECTED FIVE-YEAR GROWTH OF DISTRIBUTION OCCUPATIONS

Southport's target occupational cluster within a 30-minute drive is projected to grow 3.6% over the next five years.



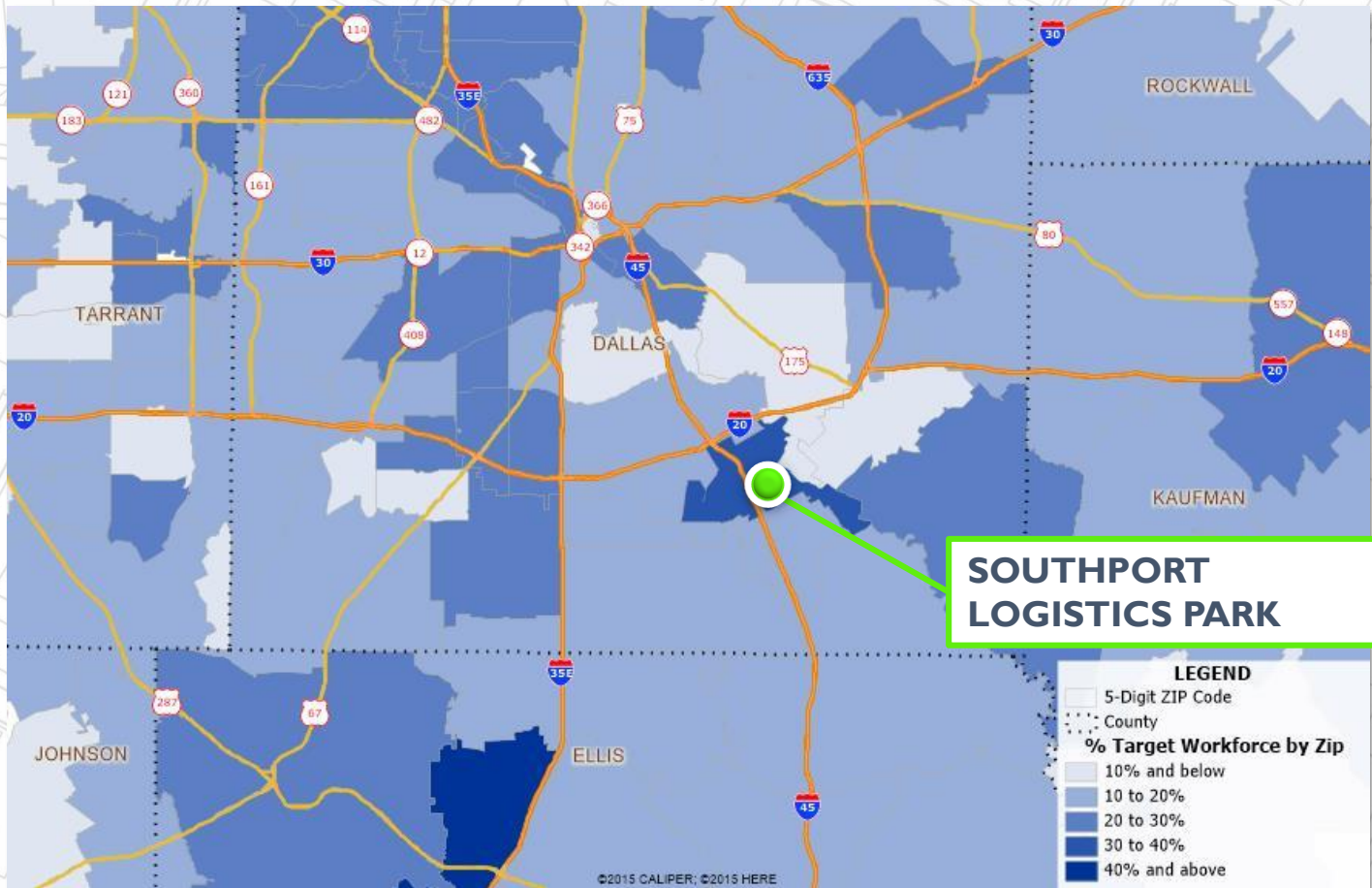
Definition of Target Occupations (Inventory & Warehouse Occupations): First Line Supervisors of Helpers, Laborers, Material Movers, Hand; Laborers and Freight, Stock, and Material Movers, Hand; Packers & Packagers, Hand; Industrial Truck and Tractor Operators

Source: EMSI 2016

# TARGET WORKFORCE BY ZIP

CURRENT 2016 NUMBERS

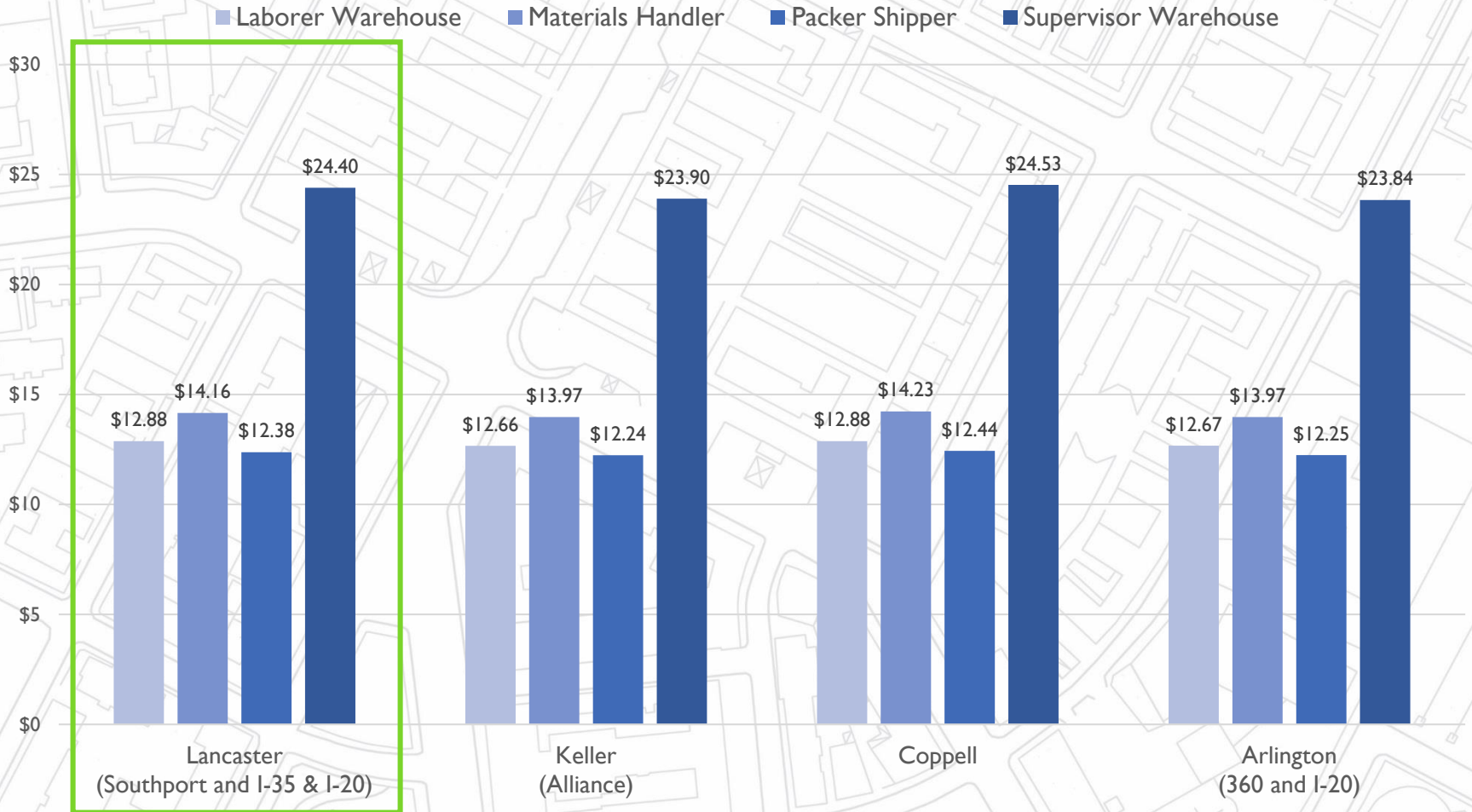
The map below shows the percentage of residents with the target occupations by zip code. The darker the zip code, the more available workers in the target occupation cluster. When analyzing this map with the target industry map, we can see that the target labor force exists in Southport's surrounding areas, but there are not enough jobs in the area. Consequently, the residents in the area who are in the target occupational cluster travel outside of the surrounding area for work.



# ESTIMATED MARKET WAGES

## TARGET OCCUPATIONAL CLUSTER

The chart below shows the average hourly market wage for the specified occupation at 3 years of experience. Overall, wages across the analyzed areas are aligned with one another.





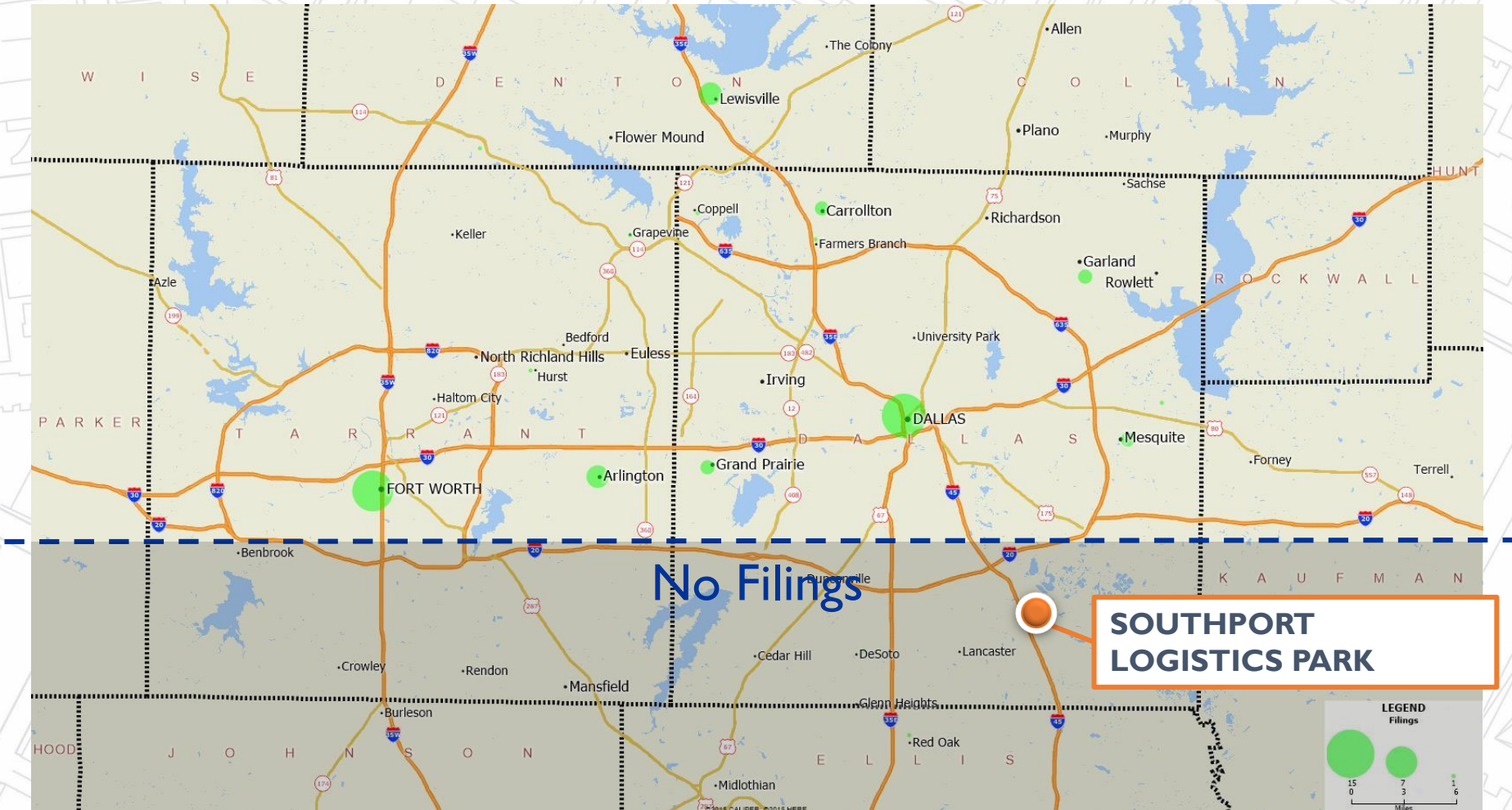
# ORGANIZED LABOR OVERVIEW



# ORGANIZED LABOR SUMMARY

## ORGANIZATION ATTEMPTS IN DALLAS FORT-WORTH SINCE 2013

The map below shows organized labor attempts in Dallas-Fort Worth since 2013 by city. In short, the largest number of organization attempts have been in more established areas like Dallas, Fort Worth, and Arlington. The data indicate that there have been no attempts at unionization near the Southport area in the last three years.



# ORGANIZED LABOR SUMMARY

## LARGEST FILINGS

The table below shows the largest organization attempts in Dallas-Fort Worth area in the last three years. Aside from Lockheed Martin, many of the filings are with food manufacturing companies, with none in e-commerce.

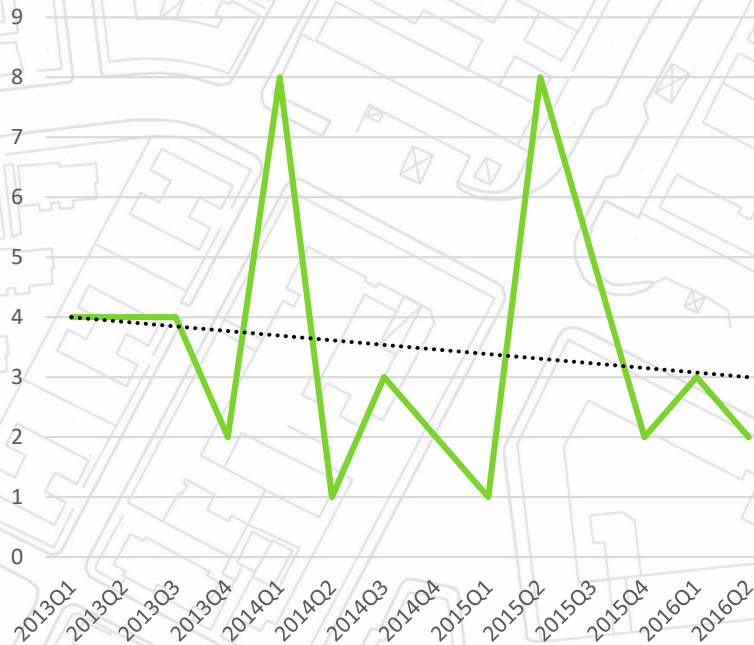
Address	Number of Employees	Outcome	City
Lockheed Martin Aeronautics Company - Fort Worth	2,957	Withdrawal Non-adjusted	Fort Worth
First Student, Inc.	360	Certific. of Representative	Lewisville
Don Miguel Mexican Foods, Inc.	300	Withdrawal Adjusted	Dallas
US Foods, Inc.	253	Certification of Results	Garland
The Martin-Brower Company, LLC	249	Certification of Results	Roanoke
Cargill Meats Solutions	230	Certific. of Representative	Fort Worth
Triumph Aerostructures, Vought Aircraft Dv.	205	Dismissal Non-adjusted	Red Oak
Texas New Mexico Power Company	186	Certific. of Representative	Lewisville
Security Consultants Group	185	Dismissal Non-adjusted	Dallas
Texas New Mexico Power Company, LLC	177	Certific. of Representative	Lewisville
WWF Operating Company D/B/A Whitewave Foods	175	Certification of Results	Dallas
Progressive Incorporated	170	Withdrawal Adjusted	Arlington
Sherwin Williams Company	150	Certific. of Representative	Garland
ADT Security Service	145	Open - Blocked	Carrollton
Mother Parker'S Tea And Coffee	130	Certification of Results	Fort Worth
Fort Dearborn Company	124	Certification of Results	Fort Worth
SDH Education East, LLC	110	Certific. of Representative	Fort Worth
Triumph Aerostructures-Vought Aircraft Division	100	Dismissal Non-adjusted	Grand Prairie

# ORGANIZED LABOR SUMMARY

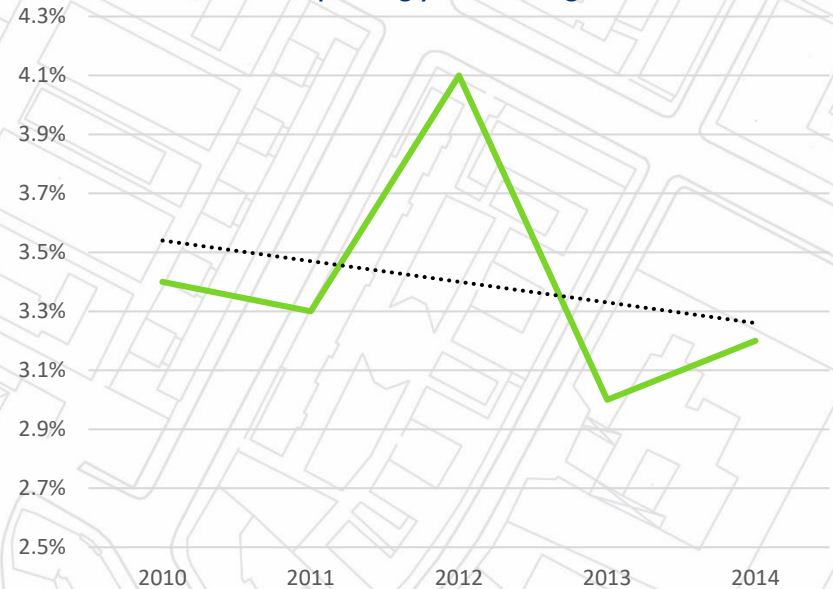
## REGIONAL TRENDS

Overall for Dallas-Fort Worth, private union membership averages around 3% and is generally not considered a challenge for businesses in the area. Total organizational attempts in the market overall have trended downward since 2013

Total Dallas-Fort Worth filings trend slightly downward since 2013.



Private union membership rates for the last five reporting years average 3.2%.





# EDUCATIONAL OUTPUT

# HIGHER EDUCATION OUTPUT

## INSTITUTIONS WITH LOGISTICS/SUPPLY CHAIN MANAGEMENT PROGRAMS

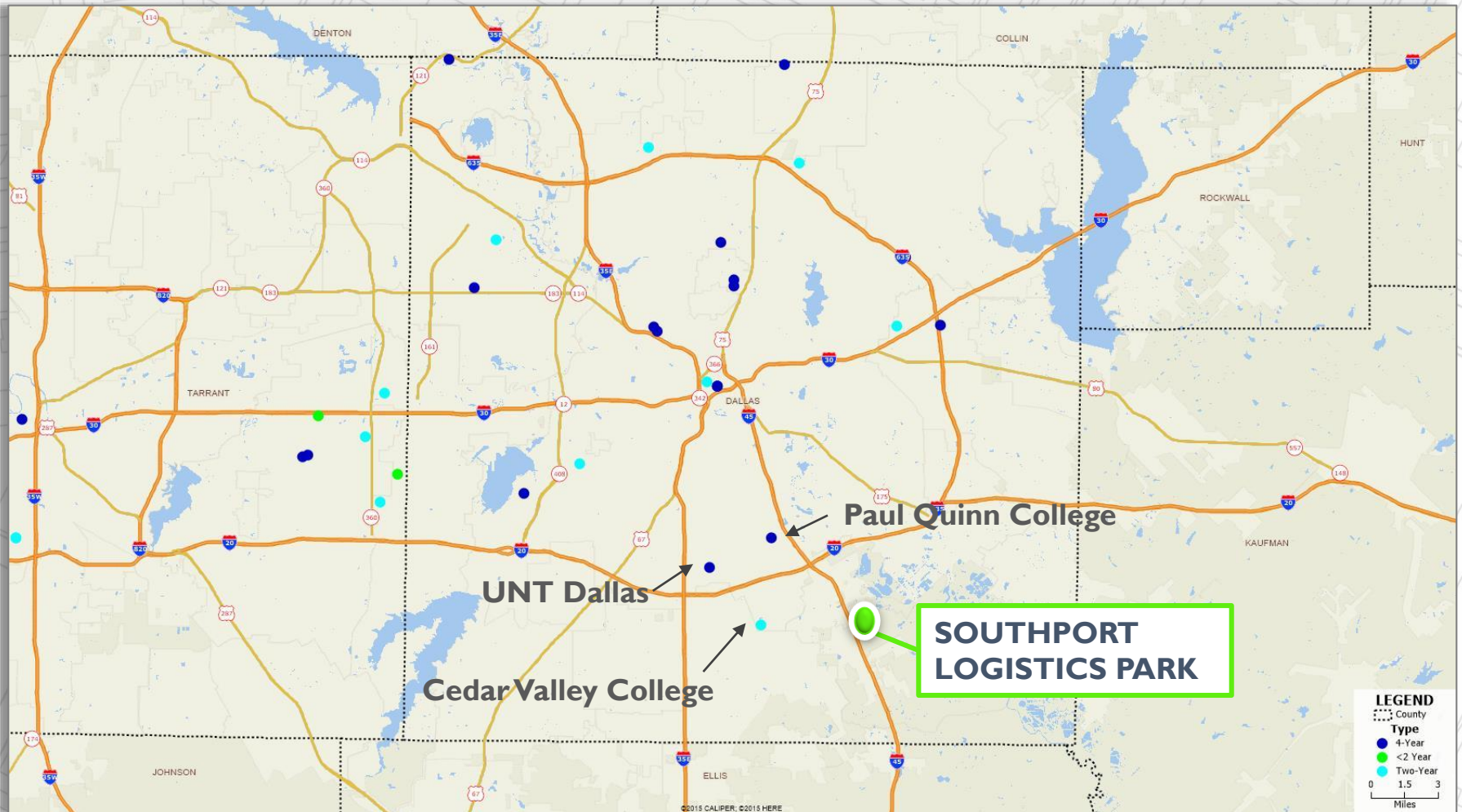
Dallas-Fort Worth is home to more than 40 institutions for higher education. Several offer programs related to logistics, materials and supply chain management. The closest of those to Southport is the University of North Texas at Dallas which offers both a degree and certificate program in Logistics & Supply Chain Management.

Institution	City	Type	Total Enrollment	Logistics Materials and Supply Chain Management Graduates
The University of Texas at Dallas	Richardson	4-Year	23,902	189
University of North Texas	Denton	4-Year	42,303	62
North Lake College	Irving	2-Year	19,849	37
Texas Christian University	Fort Worth	4-Year	10,518	31
The University of Texas at Arlington	Arlington	4-Year	48,527	4
<b>University of North Texas at Dallas</b>	<b>Dallas</b>	<b>4-Year</b>	<b>3,130</b>	<b>4</b>
Tarrant County College District	Fort Worth	2-Year	76,904	3

# HIGHER EDUCATION OUTPUT

## EDUCATIONAL INSTITUTIONS IN DALLAS FORT-WORTH

Dallas-Fort Worth has many higher education institutions graduating a high number of students. Paul Quinn College (4-year), University of North Texas – Dallas (4-year), and Cedar Valley College (2-year) are closest in proximity to Southport.





# KEY FINDINGS

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## Commuting Patterns

- Of the working-age, middle-income-tier residents living in Southport's surrounding area, 84% leave the region for employment. This represents a significant population base that would likely favor a shorter commute.

## Workforce Demographics

- Within the estimated labor shed of Southport Logistics Park, there is a blue collar workforce of more than 230,000.
- The median household income (\$48,688) is comparatively lower than most locations in the Dallas-Fort Worth area, and is more in-line with general distribution activities.
- The average age is 33, the youngest of all comparison communities.
- The percentage of the workforce with an education attainment of high school, some college, and associate degree is higher than most regions in Dallas-Fort Worth area.

## Target Occupation Concentration

- Within a 30-minute drive-time to Southport, there are more than 30,000 workers classified into distribution and material moving occupations.
- The target occupation cluster is expected to grow 3.6% in the drive-time area over the next 5 years.

## Industry Presence

- The distribution and material moving industry still has not matured in the region relative to other parts of the Dallas-Fort Worth area. This provides an unsaturated environment from which employers can recruit.

## Educational Support

- There are a variety of post-secondary schools with transportation and logistics programs in Dallas-Fort Worth area, with several being in close proximity to Southport Logistics Park.

## Organized Labor

- There is virtually no union presence or influence in the immediate region of the Southport Logistics Park.