

# Distribution

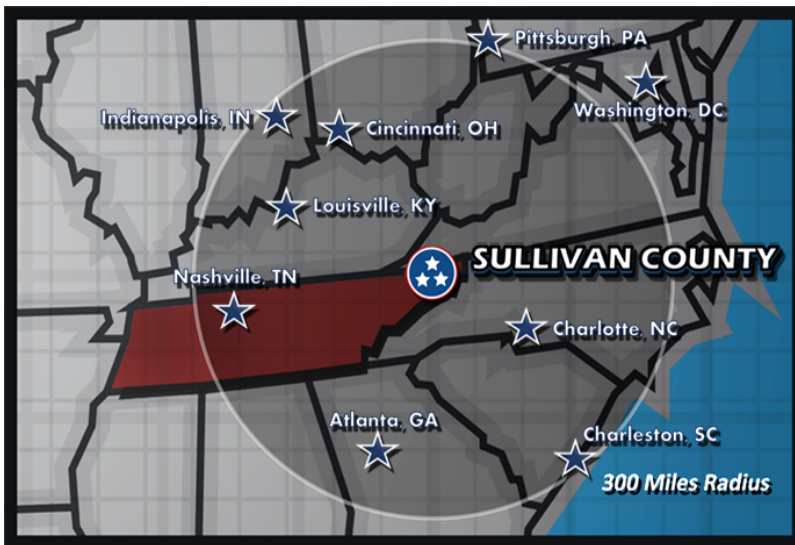
## Our Distribution Cluster



- The Home Shopping Network has a 1 million sq. ft. fulfillment center in Sullivan County which employs 350 people
- FedEx has ground and freight facilities in Sullivan County
- Our labor shed has seen the following growth in numbers of employees from 2011-2016:
  - 89% growth in General Warehousing and Storage
  - 32% growth in General Freight Trucking, Long-Distance, Less than Truckload
  - 6% growth in General Freight Trucking, Long-Distance, Truckload
- Over 15,000 people are employed in transportation/warehousing in our labor shed
  - 3,298 of them are heavy and tractor-trailer truck drivers (this has grown by 8% since 2011)
  - 1,416 of them are light truck or delivery service drivers
- Our labor shed has more people employed than the average US labor shed in the following areas:
  - 3 times more in mixed mode transit systems
  - 2 times more in more general freight long-distance trucking
  - 3 times more in more general warehousing and storage
- Over 4,202 temporary help workers in the labor shed
- Under 3.5% of employees in Sullivan County are a member of a union
- Tennessee is a Right-To-Work state
- \$52 billion in products are exported from our labor shed annually
- Interstates 81 & 26 intersect in Sullivan County

- Norfolk Southern and CSX provides Class I Rail Access to Sullivan County
- Tri Cities Regional Airport provides commercial and cargo air services
- We have available prepared sites with access to airport runways
- There is no Inventory tax on finished goods in Tennessee.
- East Tennessee State University, the University of Tennessee, and Virginia Tech all have Logistics/Supply Chain Management degree programs within 2 hours of Sullivan County.
- We are home to Foreign Trade Zone #204 and have our own US Customs Port

## Location



## No Inventory Tax

- Tennessee has no inventory tax on finished goods.

## Transportation

### Interstates

- Sullivan County is located at the intersection of Interstates 81 and 26. Additionally, we are served by:
- 88 Common Carriers serve the area
- 63 Common Carriers Have Local Terminals

## Rail

- Sullivan County has Class I rail access via the NS and CSX main rail lines.

## Air Access

- The Tri-Cities Regional Airport in Kingsport has multiple daily flights to Charlotte, Atlanta, Orlando, and St. Petersburg

## Buildings and Sites

### Partnership Park I

### Partnership Park II

### Gateway Commerce Park

- *108 Acre Industrial-Business Park*
- *4 miles from Interstate 81*
- *5-28 acre sites available*

- *204 Acres*

- *Norfolk Southern Railroad*
- *138 Additional Acres Available*

- *60 Acres*

- *Located on Interstate 26*

- *Zoned Business/Industrial*
- *12" Water Main*

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## Distribution Centers in Area



- The Home Shopping Network has a 1 million sq. ft. fulfillment center in Sullivan County which employs 350 people.
- This is the largest of 3 Home Shopping Network fulfillment centers in the U.S.
- The Home Shopping Network recently announced an expansion representing a \$48 million investment and 40 new employees.

- FedEx ground is building a new 46,000 sq. ft. facility and hiring 60 new people in Sullivan County.
- There is also a FedEx freight center near the Tri Cities Airport



## Third Party Logistics Providers

- SoPakCo provides 3PL services to Sullivan County with a focus on the following:
  - Cross Docking (Truck to Rail or Truck to Truck)
  - Container Unloading/Loading and Palletizing
  - Freight Consolidation
  - Damaged Rework, Repackaging and Cleaning
  - Light Assembly and Distribution
  - Product Labeling
  - Order Pick and Pack
  - Bar Coding and EDI
  - Computerized Inventory Control
  - Inventory and Shelf Life Management
  - LIFO and FIFO
  - Dedicated Transportation
  - LTL
  - Rail Test Shipments with Norfolk Southern (NS)
  - Trailer/Container Drop Lots

## Foreign Trade Zone



Sullivan County is home to Foreign-Trade Zone No. 204. The FTZ offers importers exclusive benefits that are only available to zone users. These benefits include the reduction of or elimination of US Customs duties, the

elimination of costly duty drawback programs, drastic reduction of transit times and delays at ocean ports, and an invaluable working relationship with the local Customs office. Multiple sites throughout the Tri-Cities region assure prospects of an appropriate and convenient site for their business. Serviced by Customs and Border Protection Port No. 2027 and with all sites situated near the intersection of Interstate 26 and Interstate 81, FTZ No. 204 gives businesses a distinct advantage.

## Colleges/University with Distribution Programs



- East Tennessee State University is located in the Tri Cities and has an enrollment of 15,536
- East Tennessee State University has a Business Management major with a concentration in Logistics/Supply Chain Management



- University of Tennessee in Knoxville has an enrollment of 27,171 and is located 98 miles from Sullivan County
- The University of Tennessee in Knoxville has 11<sup>th</sup> best supply chain logistics program in country according to US News



- Virginia Tech University in Blacksburg, Virginia has an enrollment of 29,684 and is located 125 miles from Sullivan County
- Virginia Tech has an Operations and Supply Chain Management degree program in its Business and Information Technology School

## Construction Costs

- According to RSMeans Construction Cost Data, Sullivan County is less expensive than the following:
  - \$16/sq. ft. less expensive to build a warehouse than the US average
  - \$6/sq. ft. less expensive to build a warehouse than in Nashville
  - \$8/sq. ft. less expensive to build a warehouse than in Atlanta
  - \$10/sq. ft. less expensive to build a warehouse than in Lexington, Kentucky
  - \$11/sq. ft. less expensive to build a warehouse than in Cincinnati, Ohio

# Low Natural Disaster Risk

- According to usa.com, Sullivan County has a 34.60 Tornado Index which is much lower than the US average of 136.45 and Tennessee's average of 175.35
- According to usa.com, Sullivan County has a 0.16 Earthquake Index compared to a US average of 1.81.

## Additional Information

- [Utilities](#)
- [Primary and Secondary Education](#)
- [Taxes and Business Climate](#)
- [Incentives](#)