

5 Reasons To Choose the Dallas/Fort Worth Metroplex As A Distribution Hub

Developed by
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Supply chain management has become the new battleground for competitive advantage. As manufacturers and retailers search for ways to get products to market quickly at the lowest possible cost, the location of distribution centers has emerged as a critical decision point. Companies that carefully examine the facts are finding that North Texas, which includes the Dallas/Fort Worth Metroplex, offers significant advantages for regional, national and international distribution.

1 *Central location*

North Texas is located near the geographic heart of the United States making it an efficient distribution hub. It is also at the center of North America's four major business centers: New York, Los Angeles, Mexico City, and Toronto.

- From Dallas, 93% of the U.S. population can be reached via truck within 48 hours and 37% can be reached within 24 hours (U.S. DOT)
- 79 major U.S. markets can be reached overnight by truck or rail
- DFW Airport gives access to 95% of the U.S. population within 4 hours

2 *Lower operating costs*

The Dallas/Fort Worth Metroplex has the lowest distribution cost to the top 50 U.S. consumer markets of any major U.S. city (CF Lynch & Associates)

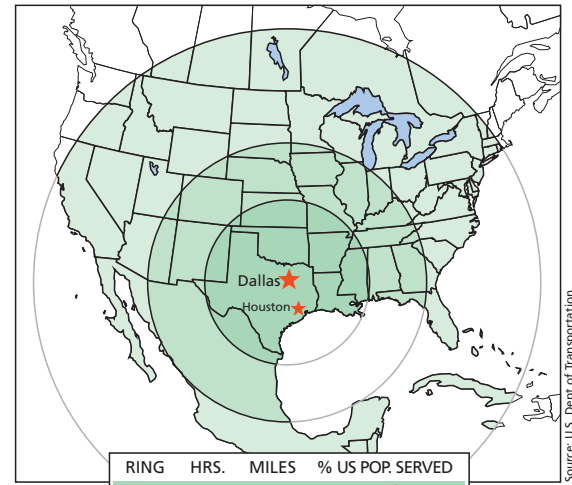
- Warehouse net rental rates are among the lowest in the nation
- Business costs are lower than any other major U.S. metro area (Economy.com)
- The state and local per capita tax burden is 19% below the national average
- Infrequent weather-related delays increase operational efficiency

3 *Unrivaled Logistics Infrastructure*

Both the public and private sectors have invested heavily in DFW Metro to create one of the nation's top transportation networks. The region is home to many logistics service providers, including warehousing and distribution companies, freight forwarders and customs house brokers. By outsourcing, shippers can serve this important market without significant capital investment.

- More than 600 motor carriers operate out of DFW Metro and most major U.S. common carriers have terminals here
- According to the Texas Transportation Institute, the Dallas/Fort Worth area has a congestion rating that is below Houston and Atlanta, and well below Chicago and Los Angeles
- Three major rail lines and eight intermodal hubs make the region one of nation's top intermodal transportation centers
- The nation's best regional airport network includes:
 - o DFW Airport, the 3rd busiest U.S. airport in terms of operations
 - o Alliance Airport, the nation's first master-planned industrial airport
 - o Love Field, a central hub for regional and business travel located just minutes from downtown Dallas

Ground Transport Service Levels from Dallas



Source: U.S. Dept of Transportation

4 *Hub for Import-Export Activity*

Texas is the top exporting state in the U.S. (Texas Manufacturing Assistance Center) with significant volumes moving to Mexico and its population of more than 100 million. Since NAFTA, trade between Dallas/Fort Worth and Mexico and Canada has more than doubled. Much of the increased imports from Mexico come to and through Dallas via I-35 – the NAFTA Superhighway. In addition, DFW Metro serves as a distribution point for international imports flowing through the Port of Houston – ranked first in the U.S. in foreign waterborne commerce.

- DFW Metro has more than a dozen Foreign Trade Zones where foreign and domestic goods can be stored, assembled, manufactured or exhibited for sale without payment of duty and excise taxes
- Some local warehousing and distribution companies are located within Freeport Zones, offering significant tax benefits

5 *Continued Growth*

To improve logistics costs and service, it helps to be close to your customers. Many of these customers, whether businesses or consumers, are moving to the Dallas area, drawn by the region's warmer climate, lower cost of living and job opportunities. This trend is expected to continue.

- The population of the Dallas/Fort Worth Metroplex will grow from 6.5 million in 2010 to 12 million by 2050 (U.S. Census Bureau)
- Hundreds of companies have relocated their headquarters to North Texas, including Blockbuster, Exxon Mobil, AT&T, Research in Motion, Fluor, and Comerica.

Any company seeking to optimize its distribution network should consider DFW Metro as part of the analysis due to the region's significant cost and service advantages. Companies who choose to locate logistics hubs in Dallas can establish their own operations or outsource and leverage the existing infrastructure of one of the region's many third-party logistics providers.

Some facts cited were based on data from the North Texas Commission (www.ntc-dfw.org). For more information, contact Daryl Flood Logistics at 888-745-6494 or logistics@darylflood.com.