

2023  
**CONVERGENCE**

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CONNECTS

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I-64 Innovation Corridor's Economic Outlook

# Logistics & Transportation Report

Convergence 2023 | RVA757 Connects

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# Agenda

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Historical  
Economics

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Story

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What You  
Can Do

# Regional Historical Economics

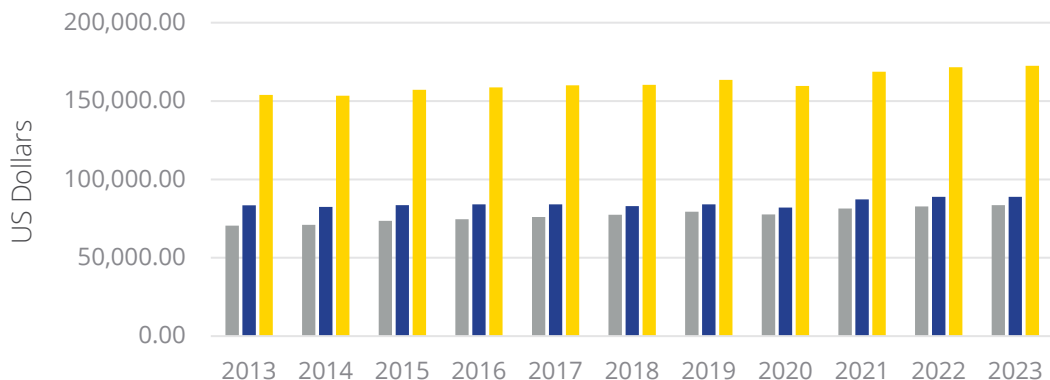
## Why Are We Focused on Logistics & Transportation?

- The I-64 corridor between Hampton Roads and Richmond is the Mid-Atlantic driveway to I-95 to serve the entire East Coast.
- As part of the I-64 Innovation Corridor Opportunity Study, the Research Council identified Transportation/ Logistics/ Supply Chain as one of four target industries for creating and filling jobs.
- Supply chain management has been identified by VEDP as a key industry for the commonwealth.
- Continued growth in this industry will continue to fuel growth at the Port of Virginia.

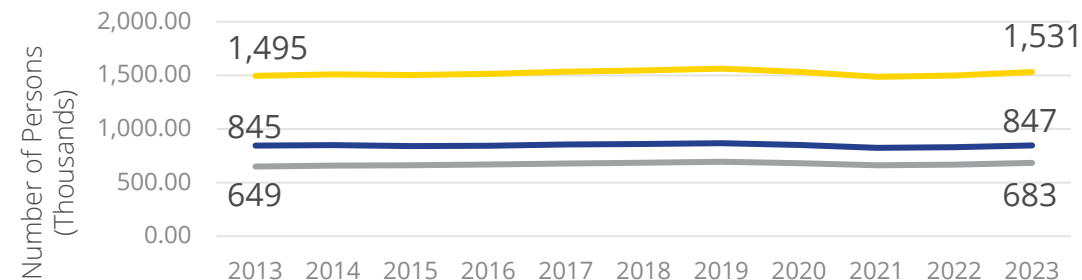
# Regional Historical Economics

## Where We've Come From...Not Very Far

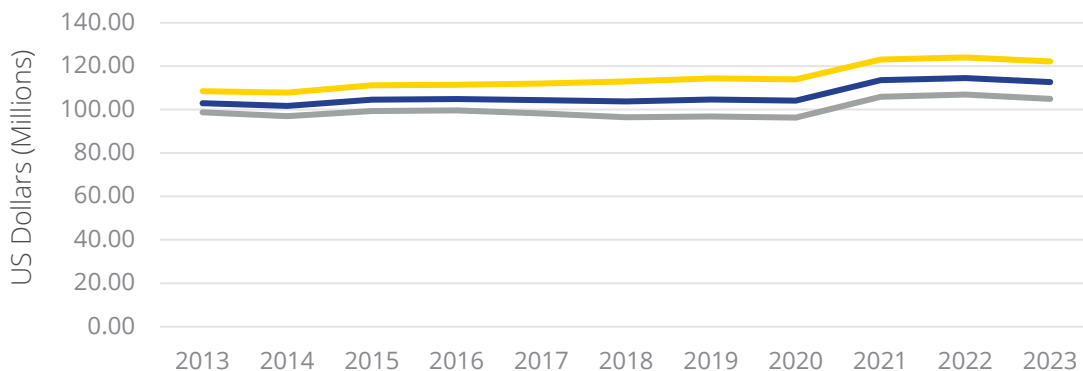
10-Year Real GDP Growth



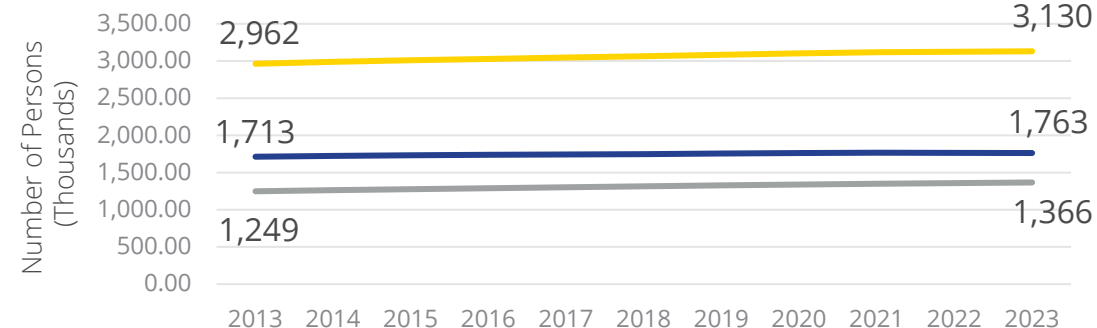
10-Year Labor Force Growth



10-Year Average Productivity Per Person Growth






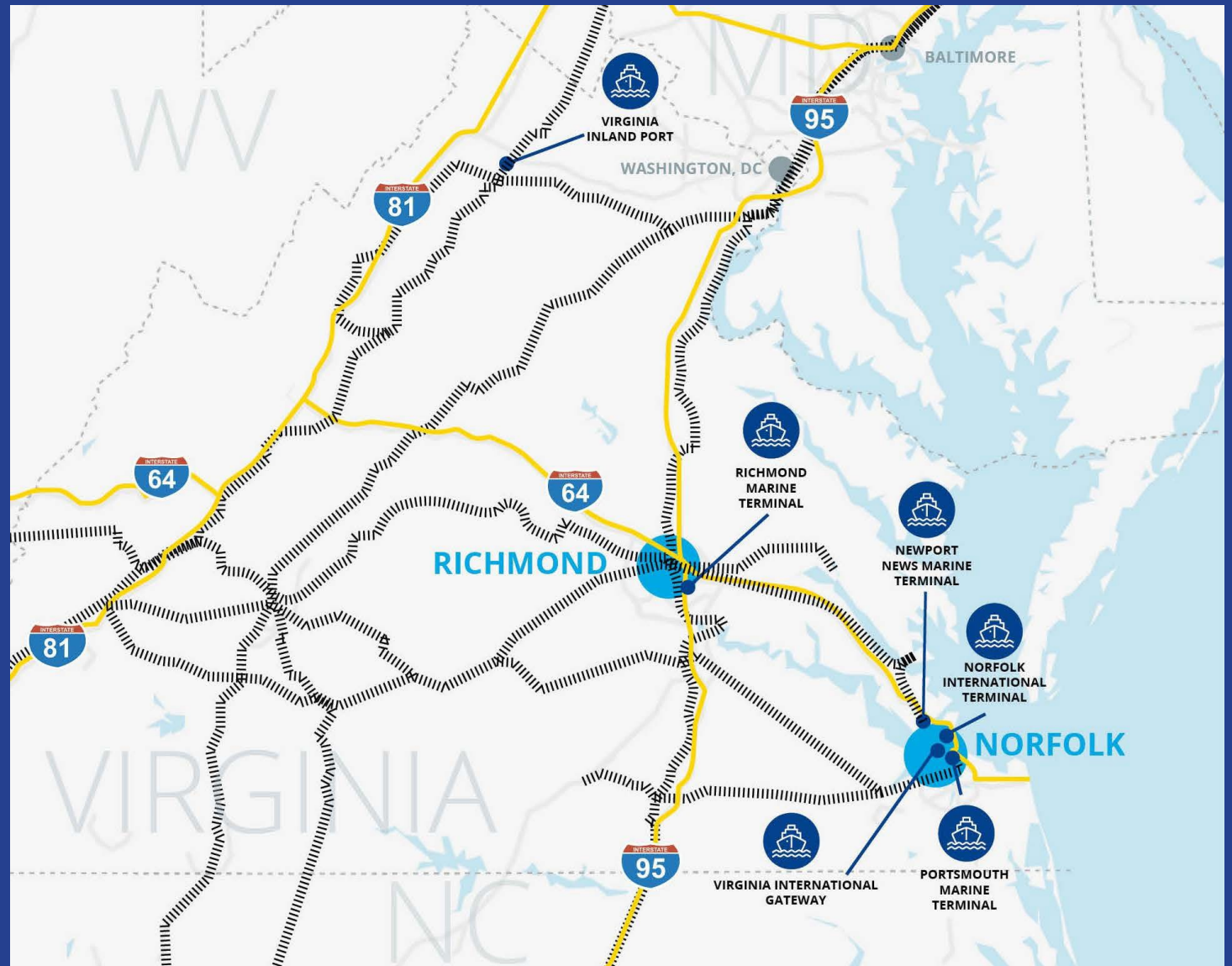
10-Year Population Growth



Richmond Hampton Roads Combined

# Regional Port Story Richmond/ Hampton Roads Extensive Logistics Infrastructure

-  Port of Virginia Locations
-  Interstate Highway
-  Railway Service



# Regional Port Story Major Transportation & Logistics Driver for the Region

## \$1.4 B Gateway Investment Program



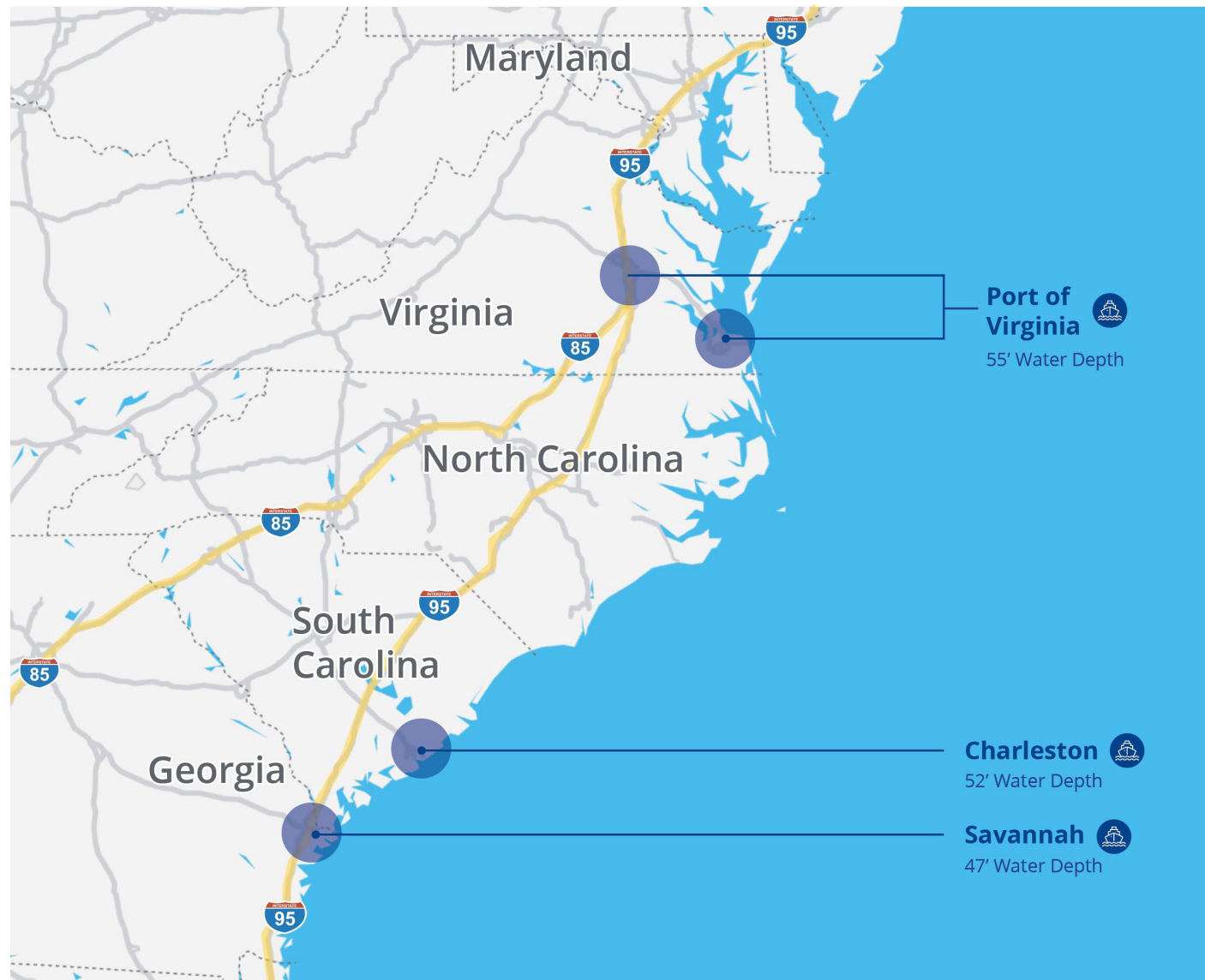
### Port of Virginia Economic Impacts

- 565,000**  
 Full and Part Time Jobs\*  
 (11% of employment in State)
- \$124.1B**  
 in Output Sales\*  
 (12% of Total Output)
- \$63B**  
 VA Gross State Product\*  
 (10% of Gross State Product)
- 32%**  
 Increase in Container Volume  
 (2020-2022)
- #1**  
 Most Efficient Port In North America  
 (2022)

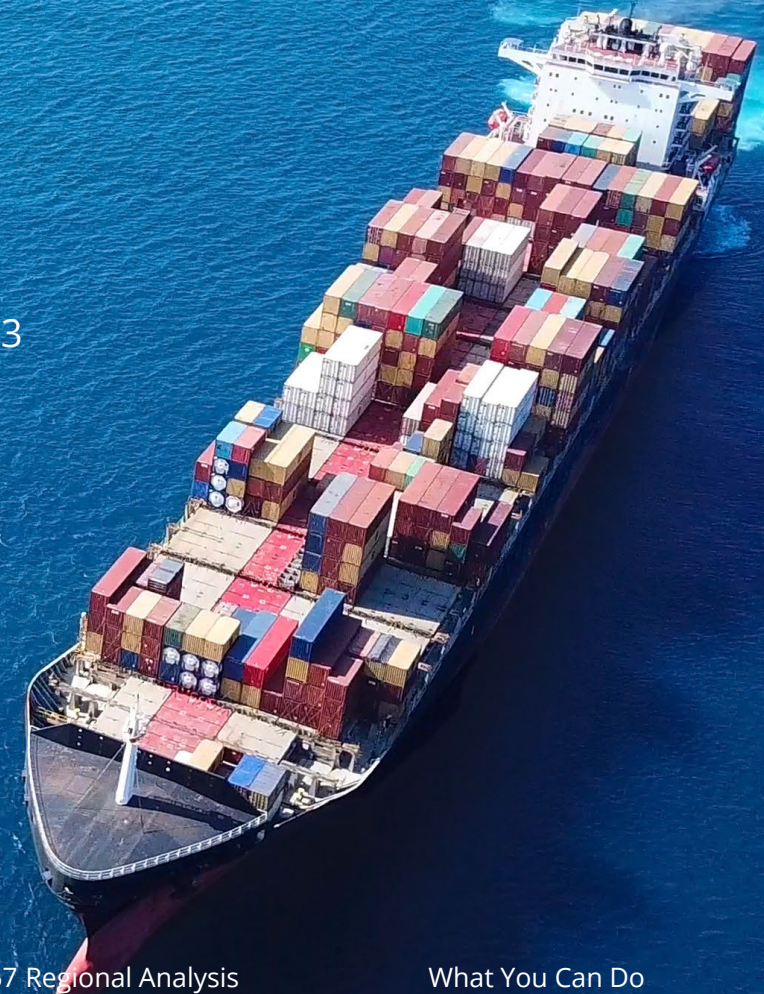
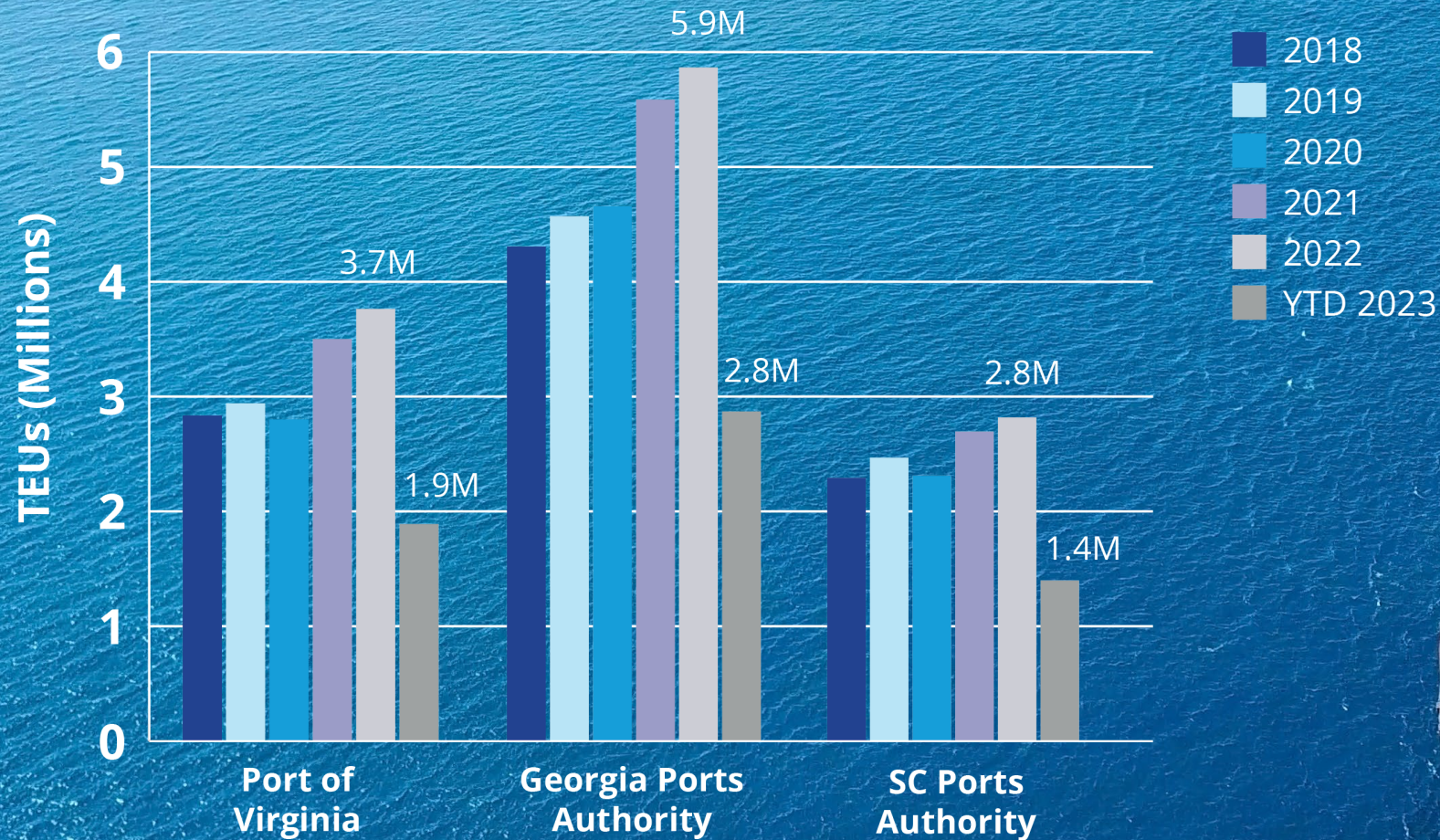
\*William & Mary Study, 2021

# Peer Markets Comparison Regional Logistics Competition

 Port in Region



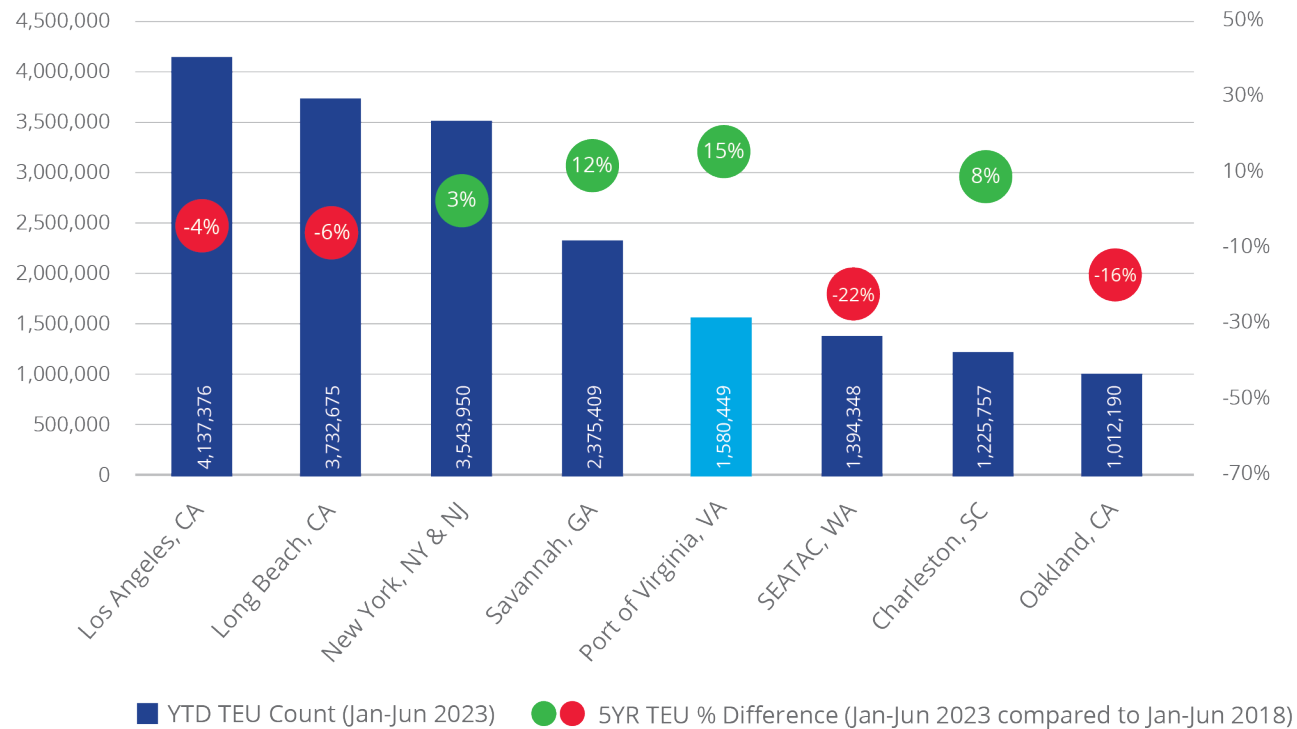
# Peer Markets Comparison Historical Port TEU Volumes





# Peer Markets Comparison Shifting Port Trends

Total TEU by Port with 5 Year Volume Comparison



Source: Monthly TEU Reports from individual port websites

**6% of Total TEU Container Volume Has Shifted** to the East Coast ports from the West Coast.

Image Source: BBC, Getty Images

## Peer Markets Comparison

### Current Warehouse Capacity Can't Support Our Growth Potential

Market	Inventory SF	Vacancy Rate	Under Construction	% of Inventory Under Construction
Richmond	117,135,465	1.9%	5,732,959	4.9%
Norfolk	84,703,837	1.7%	4,413,372	5.2%
Charleston	68,219,851	4.4%	<b>10,200,000</b>	<b>15%</b>
Savannah	113,661,513	4.6%	<b>16,106,285</b>	<b>14.2%</b>

# RVA757 Regional Analysis

## Headwinds & Tailwinds for Industrial Development



### Strengths



- Port Terminals & Investments
- Population Size
- Right to Work State
- Interstates
- Rail
- Geographic Location



### Weaknesses



- Local (RVA757) Population Growth Trend
- Limited Supply of New Warehouses
- Availability of Sites Ready for Development



### Opportunities



- Shift from West to East Coast Ports
- Onshoring
- I-64 Widening
- Virginia Business Ready Sites Program



### Threats



- Zoning Hurdles
- Global Supply Chains/Delays
- Wetlands
- Data Centers
- Peer Markets

# RVA757 Regional Analysis

## Regional Case Studies – Key Port Users



SanMar

- \$50M Investment
- 1.1M SF
- 1,000 Jobs
- Large Emphasis on Logistics, Labor, Community & Culture



AutoZone

- \$185M Investment
- 800,000 SF
- 352 Jobs
- Significant Importer



Lego

- \$1B Investment
- 1.7M SF
- 1,760 Jobs
- Evaluated Over 40 States, Speed to Market, and Transportation

# RVA757 Regional Analysis

## Regional Case Studies – Industrial Development Projects



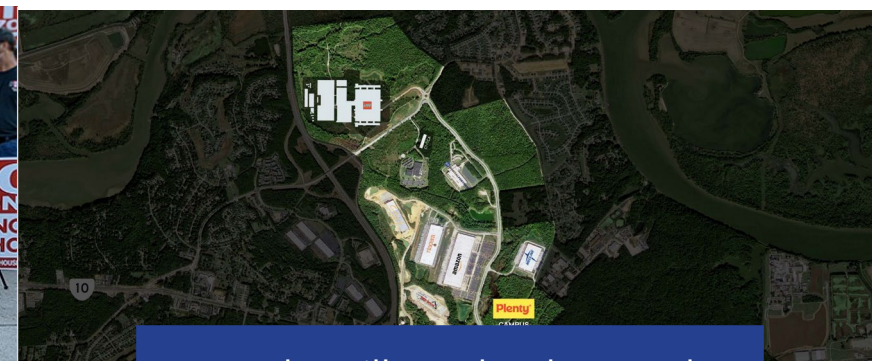
Crosspointe Logistics

- Former 880-Acre Rolls-Royce Campus
- 3.3M SF of Development Potential
- Lacks Near-Term Water & Sewer Capacity



MATAN/Port 460

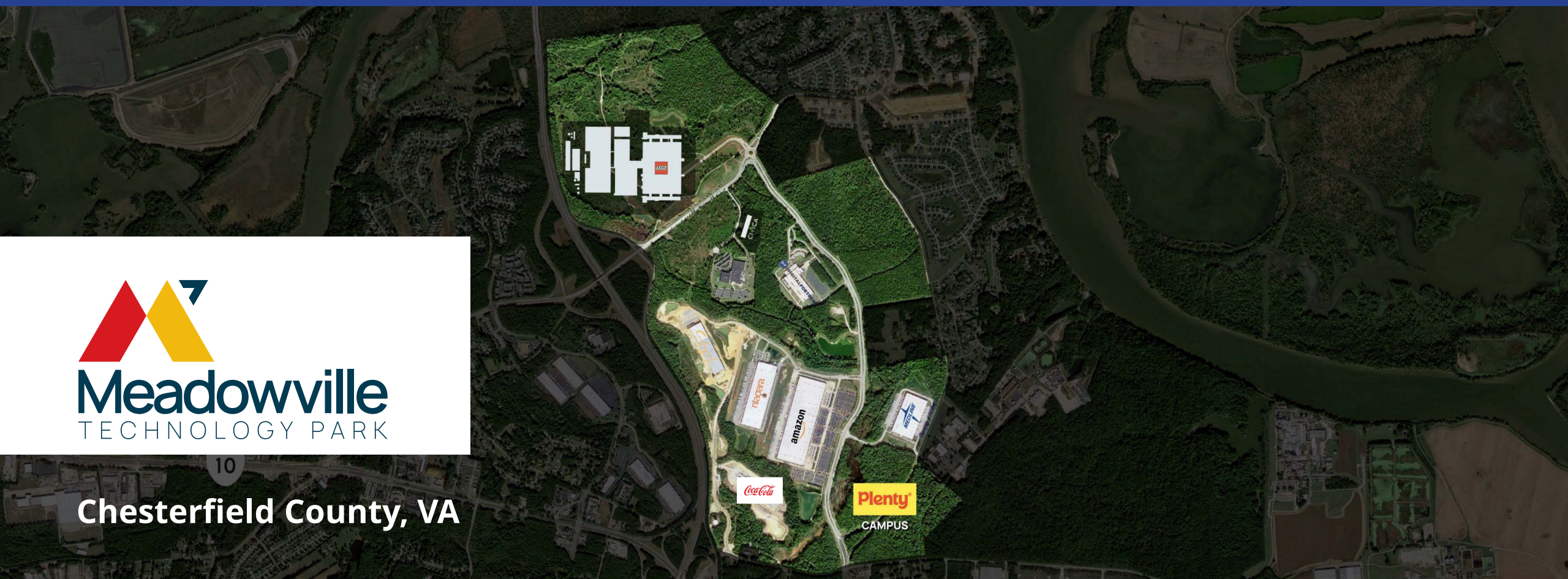
- Rezoning Farmland to Industrial
- 5M SF of Development Potential
- Result of Prudent Planning on Suffolk's Behalf



Meadowville Technology Park

- 1,262 Acres
- Mix of Logistics, Manufacturing, and Data Centers

# RVA757 Regional Analysis Planning & Infrastructure For a Successful Outcome



10  
Chesterfield County, VA

# What You Can Do To Help

- Logistics & Manufacturing Go Hand in Hand
- State Support From the Top/ VA Business Ready Sites Program (\$90M)
- Grassroots Education
- Thoughtful Planning





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