



**COMPARATIVE
DISTRIBUTION WAREHOUSING
OPERATING COSTS**

The Boyd Company, Inc.
Location Consultants
Princeton, NJ



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**COMPARATIVE OPERATING COST ANALYSIS:
EXECUTIVE SUMMARY AND NOTES**

Introduction

In the following analysis, major operating costs scaled to a representative distribution warehouse are presented for a series of 20 comparative U.S. locations. Findings are summarized in Exhibit I and show total annual operating costs ranging from a high of \$29.3 million in California's Inland Empire Region to a low of \$15.3 million in Dillon, SC.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The independent Boyd analysis focuses on those key geographically-variable cost elements considered to be most pivotal to the corporate site selection process.

Overall costs were scaled to a hypothetical 750,000 sq. ft. distribution warehouse facility employing 200 hourly workers. The format of the cost exhibits will allow the tailoring of cost data and facility specifications to reflect alternate scales of operation and staffing. Geographically-variable operating cost differentials are based on latest first quarter 2017 figures.

Comparative Warehouse Locations

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected by Boyd for a series of 20 locations housing major concentrations of distribution warehousing operations. The comparative locations included in the Boyd analysis are detailed below alphabetically by state.

A COMPARATIVE OPERATING COST ANALYSIS

DISTRIBUTION WAREHOUSING SITE SELECTION

- Mobile, AL
- Inland Empire, CA
- Los Angeles, CA
- Jacksonville, FL
- Atlanta, GA
- Savannah, GA
- Chicago, IL
- Louisville, KY
- Meadowlands/Northern NJ
- Southern NJ
- Charlotte, NC
- Columbus, OH
- Lehigh Valley, PA
- Charleston, SC
- Dillon, SC
- Greenville/Spartanburg, SC
- Memphis, TN
- Nashville, TN
- Houston, TX
- Norfolk, VA

Labor Costs

Annual costs for labor, including material handling, order filling, clerical, maintenance and selected other typical warehouse functions, are presented in Exhibit II. Costs are based on a representative mix of nonexempt job descriptions for the model 200-worker warehouse. Comparative labor costs for management staff were not included as these costs would tend not to vary as significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of annual base payroll

costs and are assumed to include all statutory benefits, pay for time not worked, and company-sponsored benefits.

Comparative Electric Power and Natural Gas Costs

Comparative annual electric power and natural gas costs are presented in Exhibit III. Annual costs reflect industrial rate schedules of the respective local electric utilities serving each area. Natural gas costs are based on an assumed monthly consumption of industrial-use gas.

Comparative Land Acquisition and Construction Costs

Exhibit IV presents comparative costs for the purchase of industrially-zoned land and the construction of new warehousing space in each of the 20 surveyed locations.

Comparative Ad Valorem and Sales Tax Costs

Exhibit V presents comparative ad valorem (property) tax costs in each of 20 surveyed distribution sites scaled to the land and building specifications of the model warehouse. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of supplies, equipment, furnishings and other taxable goods associated with the warehouse.

Comparative Shipping Costs

Transportation costs from each of the 20 surveyed sites to a designated East Coast U.S. market are detailed in Exhibit VI. Comparative costs reflect over-the-road shipments in truckload lots.

Total Annual Operating Cost Rankings

Taken from summary Exhibit I are cost rankings of the 20 surveyed warehouse locations.

TOTAL GEOGRAPHICALLY-VARIABLE OPERATING COST RANKING	
Warehouse Location	Total Annual Operating Costs
Inland Empire, CA	\$29,386,566
Los Angeles, CA	\$28,902,383
Houston, TX	\$21,043,771
Chicago, IL	\$21,038,260
Northern NJ	\$19,937,350
Southern NJ	\$18,557,013
Columbus, OH	\$18,408,177
Memphis, TN	\$18,066,690
Atlanta, GA	\$17,595,703
Mobile, AL	\$17,510,626
Lehigh Valley, PA	\$17,351,260
Louisville, KY	\$17,166,370
Nashville, TN	\$17,142,284
Jacksonville, FL	\$16,448,396
Charlotte, NC	\$16,299,580
Charleston, SC	\$16,290,374
Norfolk, VA	\$16,049,615
Greenville/Spartanburg, SC	\$15,739,906
Savannah, GA	\$15,492,178
Dillon, SC	\$15,357,480

About Boyd

Devoted exclusively to corporate mobility, The Boyd Company is recognized as one of the nation's premier authorities in comparative business cost analysis. Founded in 1975, Boyd (www.theboydcompany.com) provides independent site selection counsel to leading U.S. and overseas corporations.

COMPARATIVE OPERATING COST ANALYSIS I

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES I - EXHIBIT I									
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)									
	Mobile	Inland Empire	Los Angeles	Jacksonville	Atlanta	Savannah	Chicago	Louisville	
	AL	CA	CA	FL	GA	GA	IL	KY	
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Nonexempt Labor (2)									
Weighted Average Hourly Earnings	\$16.90	\$18.48	\$19.07	\$16.72	\$17.97	\$15.95	\$18.80	\$17.48	
Annual Base Payroll Costs	\$6,435,520	\$7,037,184	\$7,261,856	\$6,366,976	\$6,842,976	\$6,073,760	\$7,159,040	\$6,656,384	
Fringe Benefits	\$2,445,498	\$2,674,130	\$2,759,505	\$2,419,451	\$2,600,331	\$2,308,029	\$2,720,435	\$2,529,426	
Total Annual Labor Costs	\$8,881,018	\$9,711,314	\$10,021,361	\$8,786,427	\$9,443,307	\$8,381,789	\$9,879,475	\$9,185,810	
Electric Power Costs (3)	\$485,784	\$750,084	\$750,084	\$619,944	\$585,180	\$585,180	\$688,212	\$485,352	
Natural Gas Power Costs (4)	\$304,800	\$507,000	\$507,000	\$423,600	\$324,600	\$324,600	\$367,800	\$292,200	
Amortization Costs (5)	\$2,761,753	\$3,616,181	\$3,685,989	\$2,781,805	\$3,035,625	\$2,741,952	\$3,578,078	\$2,965,207	
Property and Sales Tax Costs (6)	\$887,419	\$990,191	\$946,650	\$895,720	\$1,310,771	\$820,192	\$1,994,129	\$678,608	
Shipping Costs (7)	\$4,189,852	\$13,811,796	\$12,991,299	\$2,940,900	\$2,896,220	\$2,638,465	\$4,530,566	\$3,559,193	
Total Annual Geographically-Variable Operating Costs	\$17,510,626	\$29,386,566	\$28,902,383	\$16,448,396	\$17,595,703	\$15,492,178	\$21,038,260	\$17,166,370	
NOTES:									
(1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.									
(2) See Exhibit II.									
(3) See Exhibit III.									
(4) See Exhibit III.									
(5) See Exhibit IV.									
(6) See Exhibit V.									
(7) See Exhibit VI.									

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES I - EXHIBIT II COMPARATIVE ANNUAL LABOR COSTS									
		Mobile	Inland Empire	Los Angeles	Jacksonville	Atlanta	Savannah	Chicago	Louisville
	Number of	AL	CA	CA	FL	GA	GA	IL	KY
	Workers	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Job Title									
Ambient Storage Warehouse Worker	25	\$14.24	\$15.57	\$16.07	\$14.09	\$15.14	\$13.44	\$15.84	\$14.73
Refrigerated Storage Warehouse Worker	20	\$17.09	\$18.69	\$19.29	\$16.91	\$18.17	\$16.13	\$19.01	\$17.68
Material Handler	10	\$16.73	\$18.29	\$18.88	\$16.55	\$17.78	\$15.79	\$18.61	\$17.30
Order Selector/Reach Truck	10	\$13.78	\$15.07	\$15.55	\$13.64	\$14.65	\$13.01	\$15.33	\$14.26
Light Assembly	15	\$14.97	\$16.37	\$16.89	\$14.81	\$15.92	\$14.13	\$16.65	\$15.49
Packer	17	\$13.75	\$15.04	\$15.52	\$13.61	\$14.62	\$12.98	\$15.30	\$14.23
Stock Clerk	13	\$13.53	\$14.79	\$15.27	\$13.39	\$14.38	\$12.77	\$15.05	\$14.00
Intermodal Hub Coordinator	5	\$18.93	\$20.70	\$21.36	\$18.73	\$20.13	\$17.87	\$21.06	\$19.58
Shipping & Receiving Clerk	10	\$16.75	\$18.31	\$18.90	\$16.57	\$17.81	\$15.81	\$18.63	\$17.32
Stand-Up Forklift Operator	5	\$18.76	\$20.51	\$21.17	\$18.56	\$19.94	\$17.70	\$20.86	\$19.40
Walkie/Rider Pallet Jack Operator	5	\$19.18	\$20.97	\$21.65	\$18.98	\$20.40	\$18.11	\$21.34	\$19.84
Truck Driver – Light	5	\$17.87	\$19.54	\$20.17	\$17.69	\$19.00	\$16.87	\$19.88	\$18.49
Truck Driver – Intermodal	10	\$21.05	\$23.02	\$23.76	\$20.83	\$22.38	\$19.87	\$23.42	\$21.77
Maintenance Mechanic	10	\$22.47	\$24.57	\$25.36	\$22.23	\$23.89	\$21.21	\$25.00	\$23.24
Maintenance Electrician	5	\$24.49	\$26.78	\$27.64	\$24.23	\$26.04	\$23.12	\$27.24	\$25.33
Security	5	\$16.55	\$18.10	\$18.68	\$16.38	\$17.60	\$15.62	\$18.41	\$17.12
Inventory Control Clerk	15	\$18.15	\$19.84	\$20.48	\$17.96	\$19.29	\$17.13	\$20.19	\$18.77
Traffic/Rate Analyst	5	\$22.81	\$24.94	\$25.74	\$22.57	\$24.25	\$21.53	\$25.37	\$23.59
Customer Service	8	\$17.59	\$19.23	\$19.85	\$17.40	\$18.70	\$16.60	\$19.57	\$18.19
Secretary	2	\$17.19	\$18.80	\$19.40	\$17.01	\$18.28	\$16.23	\$19.13	\$17.79
Total Nonexempt Workers	200								
Weighted Average Hourly Earnings (1)		\$16.90	\$18.48	\$19.07	\$16.72	\$17.97	\$15.95	\$18.80	\$17.48
Total Annual Base Payroll Costs (2)		\$6,435,520	\$7,037,184	\$7,261,856	\$6,366,976	\$6,842,976	\$6,073,760	\$7,159,040	\$6,656,384
Fringe Benefits (3)		\$2,445,498	\$2,674,130	\$2,759,505	\$2,419,451	\$2,600,331	\$2,308,029	\$2,720,435	\$2,529,426
Total Annual Labor Costs		\$8,881,018	\$9,711,314	\$10,021,361	\$8,786,427	\$9,443,307	\$8,381,789	\$9,879,475	\$9,185,810
NOTES:									
(1)	For mature warehouse in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources, and Boyd BizCosts® data bank placing firm in a competitive hiring position in each respective labor market. Job descriptions reflect a representative mix of key direct and indirect job functions for a hypothetical distribution warehouse employing 200 nonexempt workers.								
(2)	Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature warehouse.								
(3)	Based on an estimated 38 percent of total annual base payroll costs. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.								

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES I - EXHIBIT III					
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS					
Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas Costs
Mobile, AL	Alabama Power	\$485,784	6.23	\$304,800	\$790,584
Inland Empire, CA	Southern California Edison	\$750,084	9.62	\$507,000	\$1,257,084
Los Angeles, CA	Southern California Edison	\$750,084	9.62	\$507,000	\$1,257,084
Jacksonville, FL	Jacksonville Electric Authority	\$619,944	7.95	\$423,600	\$1,043,544
Atlanta, GA	Georgia Power Company	\$585,180	7.50	\$324,600	\$909,780
Savannah, GA	Georgia Power Company	\$585,180	7.50	\$324,600	\$909,780
Chicago, IL	Commonwealth Edison Company	\$688,212	8.82	\$367,800	\$1,056,012
Louisville, KY	Louisville Gas & Electric Company	\$485,352	6.22	\$292,200	\$777,552
NOTES:					
(1) Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.					
(2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES I - EXHIBIT IV									
WAREHOUSE CONSTRUCTION AND AMORTIZATION COSTS									
	Mobile	Inland Empire	Los Angeles	Jacksonville	Atlanta	Savannah	Chicago	Louisville	
	AL	CA	CA	FL	GA	GA	IL	KY	
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Site Acquisition: No. of Acres	30	30	30	30	30	30	30	30	30
Cost per Acre (1)	\$62,500	\$267,500	\$309,500	\$68,500	\$117,500	\$63,500	\$184,500	\$70,500	
Site Improvement Cost (2)	--	--	--	--	--	--	--	--	
Total Land Cost	\$1,875,000	\$8,025,000	\$9,285,000	\$2,055,000	\$3,525,000	\$1,905,000	\$5,535,000	\$2,115,000	
Construction Cost (3)	\$26,661,956	\$35,528,276	\$35,495,118	\$26,834,376	\$29,825,183	\$26,283,960	\$37,348,622	\$29,997,602	
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	
Total Project Investment	\$48,536,956	\$63,553,276	\$64,780,118	\$48,889,376	\$53,350,183	\$48,188,960	\$62,883,622	\$52,112,602	
Project Amortization									
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	
Total Annual Amortization Cost	\$2,761,753	\$3,616,181	\$3,685,989	\$2,781,805	\$3,035,625	\$2,741,952	\$3,578,078	\$2,965,207	
NOTES:									
(1)	Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.								
(2)	Land preparation costs limited to normal grading and held constant for purposes of analysis.								
(3)	Based on construction of fully equipped 750,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.								
(4)	Assumes 25-year level amortization payments at 3.0 percent.								

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES I - EXHIBIT V									
AD VALOREM AND SALES TAX COSTS									
	Mobile	Inland Empire	Los Angeles	Jacksonville	Atlanta	Savannah	Chicago	Louisville	
	AL	CA	CA	FL	GA	GA	IL	KY	
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Real Property Tax Cost									
Land Cost (1)	\$1,875,000	\$8,025,000	\$9,285,000	\$2,055,000	\$3,525,000	\$1,905,000	\$5,535,000	\$2,115,000	
Building Cost (2)	\$26,661,956	\$35,528,276	\$35,495,118	\$26,834,376	\$29,825,183	\$26,283,960	\$37,348,622	\$29,997,602	
Total	\$28,536,956	\$43,553,276	\$44,780,118	\$28,889,376	\$33,350,183	\$28,188,960	\$42,883,622	\$32,112,602	
Effective Tax Rate	\$12.70	\$12.69	\$11.37	\$18.89	\$25.96	\$16.68	\$34.55	\$11.79	
Real Property Tax Cost (3)	\$362,419	\$552,691	\$509,150	\$545,720	\$865,771	\$470,192	\$1,481,629	\$378,608	
Sales Tax Cost									
Taxable Goods Purchases	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Sales Tax Rate (Percent)	10.50	8.75	8.75	7.00	8.90	7.00	10.25	6.00	
Total Annual Sales Tax Cost (4)	\$525,000	\$437,500	\$437,500	\$350,000	\$445,000	\$350,000	\$512,500	\$300,000	
Total Annual Ad Valorem and Sales Tax Costs	\$887,419	\$990,191	\$946,650	\$895,720	\$1,310,771	\$820,192	\$1,994,129	\$678,608	
NOTES:									
(1) See Exhibit IV.									
(2) See Exhibit IV.									
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire and special assessment districts within each surveyed metropolitan									
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.									

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

**SERIES I - EXHIBIT VI
OUTBOUND SHIPPING COSTS (1)**

	Annual	Mobile	Inland Empire	Los Angeles	Jacksonville	Atlanta	Savannah	Chicago	Louisville
Market Region	Shipments	AL	CA	CA	FL	GA	GA	IL	KY
Destination	(1,000 lbs.)	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Boston, MA	7,800	\$887,981	\$1,880,978	\$1,861,093	\$714,610	\$680,433	\$635,071	\$610,215	\$602,137
New York, NY	7,800	\$755,312	\$1,800,134	\$1,734,762	\$581,693	\$548,199	\$499,916	\$509,921	\$458,904
Washington, DC	7,800	\$600,583	\$1,742,965	\$1,658,019	\$441,691	\$396,577	\$359,853	\$452,690	\$375,698
Philadelphia, PA	7,800	\$687,268	\$1,664,731	\$1,684,615	\$525,083	\$483,449	\$443,680	\$471,643	\$417,581
Charlotte, NC	7,800	\$355,689	\$1,633,598	\$1,497,947	\$238,618	\$151,684	\$156,779	\$485,748	\$294,109
Atlanta, GA	7,800	\$204,068	\$1,487,445	\$1,351,794	\$215,004	\$9,321	\$154,542	\$457,972	\$261,423
Jacksonville, FL	7,800	\$251,170	\$1,702,325	\$1,503,229	\$9,321	\$215,004	\$86,996	\$672,914	\$476,365
Miami, FL	7,800	\$447,781	\$1,899,620	\$1,699,840	\$214,880	\$411,553	\$301,628	\$869,463	\$672,976
Totals	62,400	\$4,189,852	\$13,811,796	\$12,991,299	\$2,940,900	\$2,896,220	\$2,638,465	\$4,530,566	\$3,559,193

NOTES:

(1) Annual charges reflect truckload lots of 30,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$2.39 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates and operating rights. Presented locations reflect a hypothetical U.S. East Coast market region. Destination locations each receive five truckload shipments per week.

COMPARATIVE OPERATING COST ANALYSIS II

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES II - EXHIBIT I								
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)								
	Northern NJ Metro Area	Southern NJ Metro Area	Charlotte NC Metro Area	Columbus OH Metro Area	Lehigh Valley PA Metro Area	Charleston SC Metro Area	Dillon SC Metro Area	
Nonexempt Labor (2)								
Weighted Average Hourly Earnings	\$20.32	\$19.30	\$18.17	\$18.24	\$17.47	\$16.14	\$15.71	
Annual Base Payroll Costs	\$7,737,856	\$7,349,440	\$6,919,136	\$6,945,792	\$6,652,576	\$6,146,112	\$5,982,368	
Fringe Benefits	\$2,940,385	\$2,792,787	\$2,629,272	\$2,639,401	\$2,527,979	\$2,335,523	\$2,273,300	
Total Annual Labor Costs	\$10,678,241	\$10,142,227	\$9,548,408	\$9,585,193	\$9,180,555	\$8,481,635	\$8,255,668	
Electric Power Costs (3)	\$601,104	\$601,104	\$473,580	\$629,604	\$495,444	\$588,624	\$508,728	
Natural Gas Power Costs (4)	\$476,400	\$476,400	\$401,400	\$320,400	\$472,800	\$372,000	\$372,000	
Amortization Costs (5)	\$3,863,944	\$3,620,440	\$2,730,210	\$3,058,067	\$3,293,811	\$2,706,312	\$2,608,902	
Property and Sales Tax Costs (6)	\$1,636,320	\$1,278,406	\$736,627	\$1,630,299	\$1,340,776	\$1,475,686	\$1,281,249	
Shipping Costs (7)	\$2,681,341	\$2,438,436	\$2,409,355	\$3,184,614	\$2,567,874	\$2,666,117	\$2,330,933	
Total Annual Geographically-Variable Operating Costs	\$19,937,350	\$18,557,013	\$16,299,580	\$18,408,177	\$17,351,260	\$16,290,374	\$15,357,480	
NOTES:								
(1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.								
(2) See Exhibit II.								
(3) See Exhibit III.								
(4) See Exhibit III.								
(5) See Exhibit IV.								
(6) See Exhibit V.								
(7) See Exhibit VI.								

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES II - EXHIBIT II COMPARATIVE ANNUAL LABOR COSTS									
		Northern NJ	Southern NJ	Charlotte NC	Columbus OH	Lehigh Valley PA	Charleston SC	Dillon SC	
	Number of Workers	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	
Job Title									
Ambient Storage Warehouse Worker	25	\$17.12	\$16.26	\$15.31	\$15.37	\$14.72	\$13.60	\$13.24	
Refrigerated Storage Warehouse Worker	20	\$20.55	\$19.52	\$18.38	\$18.45	\$17.67	\$16.32	\$15.89	
Material Handler	10	\$20.11	\$19.10	\$17.98	\$18.05	\$17.29	\$15.97	\$15.55	
Order Selector/Reach Truck	10	\$16.57	\$15.74	\$14.82	\$14.88	\$14.25	\$13.16	\$12.82	
Light Assembly	15	\$18.00	\$17.09	\$16.10	\$16.16	\$15.48	\$14.30	\$13.92	
Packer	17	\$16.53	\$15.70	\$14.79	\$14.84	\$14.22	\$13.13	\$12.79	
Stock Clerk	13	\$16.27	\$15.45	\$14.55	\$14.60	\$13.99	\$12.92	\$12.58	
Intermodal Hub Coordinator	5	\$22.76	\$21.61	\$20.35	\$20.43	\$19.57	\$18.08	\$17.60	
Shipping & Receiving Clerk	10	\$20.13	\$19.12	\$18.01	\$18.08	\$17.31	\$15.99	\$15.57	
Stand-Up Forklift Operator	5	\$22.55	\$21.42	\$20.17	\$20.25	\$19.39	\$17.91	\$17.44	
Walkie/Rider Pallet Jack Operator	5	\$23.06	\$21.90	\$20.62	\$20.71	\$19.83	\$18.32	\$17.84	
Truck Driver – Light	5	\$21.49	\$20.41	\$19.22	\$19.29	\$18.48	\$17.07	\$16.62	
Truck Driver – Intermodal	10	\$25.31	\$24.04	\$22.63	\$22.72	\$21.76	\$20.10	\$19.57	
Maintenance Mechanic	10	\$27.02	\$25.66	\$24.16	\$24.25	\$23.23	\$21.46	\$20.89	
Maintenance Electrician	5	\$29.44	\$27.97	\$26.33	\$26.43	\$25.32	\$23.39	\$22.77	
Security	5	\$19.90	\$18.90	\$17.80	\$17.87	\$17.11	\$15.81	\$15.39	
Inventory Control Clerk	15	\$21.82	\$20.72	\$19.51	\$19.59	\$18.76	\$17.33	\$16.87	
Traffic/Rate Analyst	5	\$27.42	\$26.04	\$24.52	\$24.62	\$23.58	\$21.78	\$21.20	
Customer Service	8	\$21.15	\$20.08	\$18.91	\$18.99	\$18.18	\$16.80	\$16.35	
Secretary	2	\$20.67	\$19.63	\$18.49	\$18.56	\$17.77	\$16.42	\$15.99	
Total Nonexempt Workers	200								
Weighted Average Hourly Earnings (1)		\$20.32	\$19.30	\$18.17	\$18.24	\$17.47	\$16.14	\$15.71	
Total Annual Base Payroll Costs (2)		\$7,737,856	\$7,349,440	\$6,919,136	\$6,945,792	\$6,652,576	\$6,146,112	\$5,982,368	
Fringe Benefits (3)		\$2,940,385	\$2,792,787	\$2,629,272	\$2,639,401	\$2,527,979	\$2,335,523	\$2,273,300	
Total Annual Labor Costs		\$10,678,241	\$10,142,227	\$9,548,408	\$9,585,193	\$9,180,555	\$8,481,635	\$8,255,668	
NOTES:									
(1)	For mature warehouse in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources, and Boyd BizCosts® data bank placing firm in a competitive hiring position in each respective labor market. Job descriptions reflect a representative mix of key direct and indirect job functions for a hypothetical distribution warehouse employing 200 nonexempt workers.								
(2)	Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature warehouse.								
(3)	Based on an estimated 38 percent of total annual base payroll costs. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.								

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES II - EXHIBIT III					
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS					
					Total Annual
Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Electric Power and Natural Gas Costs
Northern, NJ	PSE&G	\$601,104	7.71	\$476,400	\$1,077,504
Southern, NJ	PSE&G	\$601,104	7.71	\$476,400	\$1,077,504
Charlotte, NC	Duke Energy Carolinas	\$473,580	6.07	\$401,400	\$874,980
Columbus, OH	AEP-Columbus Southern Power	\$629,604	8.07	\$320,400	\$950,004
Lehigh Valley, PA	PPL Electric Utilities Corporation	\$495,444	6.35	\$472,800	\$968,244
Charleston, SC	South Carolina Electric & Gas Company	\$588,624	7.55	\$372,000	\$960,624
Dillon, SC	Duke Energy Progress	\$508,728	7.55	\$372,000	\$880,728
NOTES:					
(1)	Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.				
(2)	Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.				

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES II - EXHIBIT IV							
WAREHOUSE CONSTRUCTION AND AMORTIZATION COSTS							
	Northern	Southern	Charlotte	Columbus	Lehigh Valley	Charleston	Dillon
	NJ	NJ	NC	OH	PA	SC	SC
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Site Acquisition: No. of Acres	30	30	30	30	30	30	30
Cost per Acre (1)	\$318,500	\$258,500	\$79,500	\$74,500	\$148,500	\$65,500	\$25,500
Site Improvement Cost (2)	--	--	--	--	--	--	--
Total Land Cost	\$9,555,000	\$7,755,000	\$2,385,000	\$2,235,000	\$4,455,000	\$1,965,000	\$765,000
Construction Cost (3)	\$38,352,633	\$35,873,113	\$25,597,600	\$31,509,585	\$33,432,720	\$25,597,600	\$25,085,648
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Total Project Investment	\$67,907,633	\$63,628,113	\$47,982,600	\$53,744,585	\$57,887,720	\$47,562,600	\$45,850,648
Project Amortization							
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569
Total Annual Amortization Cost	\$3,863,944	\$3,620,440	\$2,730,210	\$3,058,067	\$3,293,811	\$2,706,312	\$2,608,902
NOTES:							
(1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.							
(2) Land preparation costs limited to normal grading and held constant for purposes of analysis.							
(3) Based on construction of fully equipped 750,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.							
(4) Assumes 25-year level amortization payments at 3.0 percent.							

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES II - EXHIBIT V								
AD VALOREM AND SALES TAX COSTS								
	Northern NJ Metro Area	Southern NJ Metro Area	Charlotte NC Metro Area	Columbus OH Metro Area	Lehigh Valley PA Metro Area	Charleston SC Metro Area	Dillon SC Metro Area	
Real Property Tax Cost								
Land Cost (1)	\$9,555,000	\$7,755,000	\$2,385,000	\$2,235,000	\$4,455,000	\$1,965,000	\$765,000	
Building Cost (2)	\$38,352,633	\$35,873,113	\$25,597,600	\$31,509,585	\$33,432,720	\$25,597,600	\$25,085,648	
Total	\$47,907,633	\$43,628,113	\$27,982,600	\$33,744,585	\$37,887,720	\$27,562,600	\$25,850,648	
Effective Tax Rate	\$26.85	\$21.28	\$13.37	\$37.20	\$27.47	\$38.12	\$34.09	
Real Property Tax Cost (3)	\$1,286,320	\$928,406	\$374,127	\$1,255,299	\$1,040,776	\$1,050,686	\$881,249	
Sales Tax Cost								
Taxable Goods Purchases	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
Sales Tax Rate (Percent)	7.00	7.00	7.25	7.5	6.00	8.50	8.00	
Total Annual Sales Tax Cost (4)	\$350,000	\$350,000	\$362,500	\$375,000	\$300,000	\$425,000	\$400,000	
Total Annual Ad Valorem and Sales Tax Costs	\$1,636,320	\$1,278,406	\$736,627	\$1,630,299	\$1,340,776	\$1,475,686	\$1,281,249	
NOTES:								
(1) See Exhibit IV.								
(2) See Exhibit IV.								
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire and special assessment districts within each surveyed metropolitan								
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.								

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

**SERIES II - EXHIBIT VI
OUTBOUND SHIPPING COSTS (1)**

	Annual Shipments (1,000 lbs.)	Northern NJ Metro Area	Southern NJ Metro Area	Charlotte NC Metro Area	Columbus OH Metro Area	Lehigh Valley PA Metro Area	Charleston SC Metro Area	Dillon SC Metro Area
Boston, MA	7,800	\$139,815	\$187,663	\$521,976	\$474,128	\$190,770	\$603,379	\$504,577
New York, NY	7,800	\$12,428	\$54,062	\$453,187	\$333,257	\$57,977	\$473,072	\$373,896
Washington, DC	7,800	\$143,233	\$91,719	\$246,820	\$246,634	\$112,660	\$333,070	\$233,833
Philadelphia, PA	7,800	\$54,683	\$6,214	\$334,935	\$291,437	\$37,905	\$416,959	\$317,535
Charlotte, NC	7,800	\$402,170	\$336,302	\$9,321	\$265,959	\$347,860	\$129,811	\$71,150
Atlanta, GA	7,800	\$548,261	\$485,748	\$151,373	\$352,707	\$493,889	\$198,289	\$197,854
Jacksonville, FL	7,800	\$582,625	\$531,048	\$238,556	\$502,526	\$556,091	\$148,453	\$208,728
Miami, FL	7,800	\$798,126	\$745,680	\$453,187	\$717,966	\$770,722	\$363,084	\$423,360
Totals	54,600	\$2,681,341	\$2,438,436	\$2,409,355	\$3,184,614	\$2,567,874	\$2,666,117	\$2,330,933

NOTES:

(1) Annual charges reflect truckload lots of 30,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$2.39 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates and operating rights. Presented locations reflect a hypothetical U.S. East Coast market region. Destination locations each receive five truckload shipments per week.

COMPARATIVE OPERATING COST ANALYSIS III

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES III - EXHIBIT I						
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)						
	Greenville/Spartanburg	Memphis	Nashville	Houston	Norfolk	
	SC	TN	TN	TX	VA	
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	
Nonexempt Labor (2)						
Weighted Average Hourly Earnings	\$15.98	\$16.65	\$17.06	\$18.59	\$17.87	
Annual Base Payroll Costs	\$6,085,184	\$6,340,320	\$6,496,448	\$7,079,072	\$6,804,896	
Fringe Benefits	\$2,312,370	\$2,409,322	\$2,468,650	\$2,690,047	\$2,585,860	
Total Annual Labor Costs	\$8,397,554	\$8,749,642	\$8,965,098	\$9,769,119	\$9,390,756	
Electric Power Costs (3)	\$482,112	\$501,024	\$477,168	\$448,200	\$414,156	
Natural Gas Power Costs (4)	\$372,000	\$351,600	\$351,600	\$230,400	\$306,600	
Amortization Costs (5)	\$2,650,779	\$2,876,417	\$2,909,218	\$2,935,003	\$2,827,328	
Property and Sales Tax Costs (6)	\$1,242,496	\$1,202,167	\$951,219	\$1,247,206	\$688,931	
Shipping Costs (7)	\$2,594,965	\$4,385,840	\$3,487,981	\$6,413,843	\$2,421,844	
Total Annual Geographically-Variable Operating Costs	\$15,739,906	\$18,066,690	\$17,142,284	\$21,043,771	\$16,049,615	
NOTES:						
(1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.						
(2) See Exhibit II.						
(3) See Exhibit III.						
(4) See Exhibit III.						
(5) See Exhibit IV.						
(6) See Exhibit V.						
(7) See Exhibit VI.						

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES III - EXHIBIT II COMPARATIVE ANNUAL LABOR COSTS						
		Greenville/Spartanburg SC	Memphis TN	Nashville TN	Houston TX	Norfolk VA
	Number of Workers	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Job Title						
Ambient Storage Warehouse Worker	25	\$13.46	\$14.03	\$14.37	\$15.66	\$15.06
Refrigerated Storage Warehouse Worker	20	\$16.16	\$16.84	\$17.25	\$18.80	\$18.08
Material Handler	10	\$15.81	\$16.48	\$16.88	\$18.39	\$17.69
Order Selector/Reach Truck	10	\$13.03	\$13.58	\$13.91	\$15.16	\$14.58
Light Assembly	15	\$14.15	\$14.75	\$15.11	\$16.46	\$15.83
Packer	17	\$13.00	\$13.55	\$13.88	\$15.12	\$14.54
Stock Clerk	13	\$12.79	\$13.33	\$13.65	\$14.88	\$14.31
Intermodal Hub Coordinator	5	\$17.89	\$18.65	\$19.10	\$20.82	\$20.02
Shipping & Receiving Clerk	10	\$15.83	\$16.50	\$16.90	\$18.42	\$17.71
Stand-Up Forklift Operator	5	\$17.73	\$18.48	\$18.93	\$20.63	\$19.84
Walkie/Rider Pallet Jack Operator	5	\$18.13	\$18.90	\$19.36	\$21.10	\$20.29
Truck Driver – Light	5	\$16.89	\$17.61	\$18.04	\$19.66	\$18.90
Truck Driver – Intermodal	10	\$19.90	\$20.74	\$21.24	\$23.15	\$22.26
Maintenance Mechanic	10	\$21.24	\$22.14	\$22.68	\$24.71	\$23.77
Maintenance Electrician	5	\$23.15	\$24.13	\$24.71	\$26.93	\$25.90
Security	5	\$15.65	\$16.31	\$16.71	\$18.20	\$17.51
Inventory Control Clerk	15	\$17.15	\$17.88	\$18.31	\$19.96	\$19.19
Traffic/Rate Analyst	5	\$21.56	\$22.47	\$23.01	\$25.08	\$24.12
Customer Service	8	\$16.63	\$17.33	\$17.75	\$19.34	\$18.60
Secretary	2	\$16.25	\$16.94	\$17.35	\$18.91	\$18.18
Total Nonexempt Workers	200					
Weighted Average Hourly Earnings (1)		\$15.98	\$16.65	\$17.06	\$18.59	\$17.87
Total Annual Base Payroll Costs (2)		\$6,085,184	\$6,340,320	\$6,496,448	\$7,079,072	\$6,804,896
Fringe Benefits (3)		\$2,312,370	\$2,409,322	\$2,468,650	\$2,690,047	\$2,585,860
Total Annual Labor Costs		\$8,397,554	\$8,749,642	\$8,965,098	\$9,769,119	\$9,390,756
NOTES:						
(1) For mature warehouse in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources, and Boyd BizCosts® data bank placing firm in a competitive hiring position in each respective labor market. Job descriptions reflect a representative mix of key direct and indirect job functions for a hypothetical distribution warehouse employing 200 nonexempt workers.						
(2) Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature warehouse.						
(3) Based on an estimated 38 percent of total annual base payroll costs. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.						

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES III - EXHIBIT III					
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS					
Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas Costs
Greenville/Spartanburg, SC	Duke Energy Carolinas	\$482,112	6.18	\$372,000	\$854,112
Memphis, TN	Memphis Light, Gas & Water Divisor	\$501,024	6.42	\$351,600	\$852,624
Nashville, TN	Nashville Electric Service	\$477,168	6.12	\$351,600	\$828,768
Houston, TX	CenterPoint Energy Houston Electric	\$448,200	5.75	\$230,400	\$678,600
Norfolk, VA	Dominion Virginia Power	\$414,156	5.31	\$306,600	\$720,756
NOTES:					
(1) Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.					
(2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.					

SERIES III - EXHIBIT IV					
WAREHOUSE CONSTRUCTION AND AMORTIZATION COSTS					
	Greenville/Spartanburg SC Metro Area	Memphis TN Metro Area	Nashville TN Metro Area	Houston TX Metro Area	Norfolk VA Metro Area
Site Acquisition: No. of Acres	30	30	30	30	30
Cost per Acre (1)	\$41,500	\$57,500	\$75,500	\$89,500	\$74,500
Site Improvement Cost (2)	--	--	--	--	--
Total Land Cost	\$1,245,000	\$1,725,000	\$2,265,000	\$2,685,000	\$2,235,000
Construction Cost (3)	\$25,341,623	\$28,827,142	\$28,863,615	\$28,896,773	\$27,454,421
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Total Project Investment	\$46,586,623	\$50,552,142	\$51,128,615	\$51,581,773	\$49,689,421
Project Amortization					
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569
Total Annual Amortization Cost	\$2,650,779	\$2,876,417	\$2,909,218	\$2,935,003	\$2,827,328
NOTES:					
(1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.					
(2) Land preparation costs limited to normal grading and held constant for purposes of analysis.					
(3) Based on construction of fully equipped 750,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.					
(4) Assumes 25-year level amortization payments at 3.0 percent.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**DISTRIBUTION WAREHOUSING
SITE SELECTION**

SERIES III - EXHIBIT V					
AD VALOREM AND SALES TAX COSTS					
	Greenville/Spartanburg	Memphis	Nashville	Houston	Norfolk
	SC	TN	TN	TX	VA
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Real Property Tax Cost					
Land Cost (1)	\$1,245,000	\$1,725,000	\$2,265,000	\$2,685,000	\$2,235,000
Building Cost (2)	\$25,341,623	\$28,827,142	\$28,863,615	\$28,896,773	\$27,454,421
Total	\$26,586,623	\$30,552,142	\$31,128,615	\$31,581,773	\$29,689,421
Effective Tax Rate	\$35.45	\$24.21	\$15.70	\$26.43	\$13.10
Real Property Tax Cost (3)	\$942,496	\$739,667	\$488,719	\$834,706	\$388,931
Sales Tax Cost					
Taxable Goods Purchases	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Sales Tax Rate (Percent)	6.00	9.25	9.25	8.25	6.00
Total Annual Sales Tax Cost (4)	\$300,000	\$462,500	\$462,500	\$412,500	\$300,000
Total Annual Ad Valorem and Sales Tax Costs	\$1,242,496	\$1,202,167	\$951,219	\$1,247,206	\$688,931
NOTES:					
(1) See Exhibit IV.					
(2) See Exhibit IV.					
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire and special assessment districts within each surveyed					
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.					

SERIES III - EXHIBIT VI						
OUTBOUND SHIPPING COSTS (1)						
	Annual	Greenville/Spartanburg	Memphis	Nashville	Houston	Norfolk
Market Region	Shipments	SC	TN	TN	TX	VA
Destination	(1,000 lbs.)	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Boston, MA	7,800	\$581,630	\$814,034	\$682,919	\$1,143,997	\$358,548
New York, NY	7,800	\$459,712	\$680,371	\$550,560	\$1,014,249	\$223,269
Washington, DC	7,800	\$308,152	\$543,476	\$413,604	\$877,293	\$119,992
Philadelphia, PA	7,800	\$395,210	\$630,721	\$499,606	\$961,306	\$171,506
Charlotte, NC	7,800	\$63,196	\$383,466	\$253,593	\$644,703	\$201,520
Atlanta, GA	7,800	\$90,227	\$235,821	\$153,734	\$493,143	\$370,168
Jacksonville, FL	7,800	\$241,103	\$450,701	\$368,677	\$541,302	\$381,105
Miami, FL	7,800	\$455,735	\$647,250	\$565,288	\$737,850	\$595,736
Totals	54,600	\$2,594,965	\$4,385,840	\$3,487,981	\$6,413,843	\$2,421,844

NOTES:

(1) Annual charges reflect truckload lots of 30,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$2.39 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates and operating rights. Presented locations reflect a hypothetical U.S. East Coast market region. Destination locations each receive five truckload shipments per week.

