

# Production, Distribution & Repair (PDR)

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What are PDR activities?



New Columbia Distillers LLC in Ivy City



The new Capital Area Food Bank warehouse and distribution center at 4900 Puerto Rico Ave NE



Goodyear Auto Service Center on Bladensburg Road NE

## ○ PRODUCTION

## ○ DISTRIBUTION

## ○ REPAIR

Other examples of large Ward 5 PDR businesses

- DCPS Warehouse
- Sanitary Grocery Company
- FedEx
- USPS Processing and Distribution Center
- Florida Avenue Market
- Fort Myers Asphalt Plants
- Ocean Pro/Pro Fish

## Key Takeaways

- PDR jobs pay (on average) **\$5-\$7** an hour more than service sector jobs
- Entry level PDR jobs are **low-barriers to entry** and allow for **career advancement**
- Many existing facilities are obsolete and don't meet current market needs for flex-space
- Recent rent decline makes DC more competitive with surrounding counties and opens opportunities to capture larger share of PDR industry
- Low rents and lack of "credit tenants" constrain private investment because of financial gap in development costs
- Municipal/Government anchors create public-private partnership opportunities
- Diverse industrial user base with potential for emerging industries (e.g. food, media and tech, arts, sustainable)

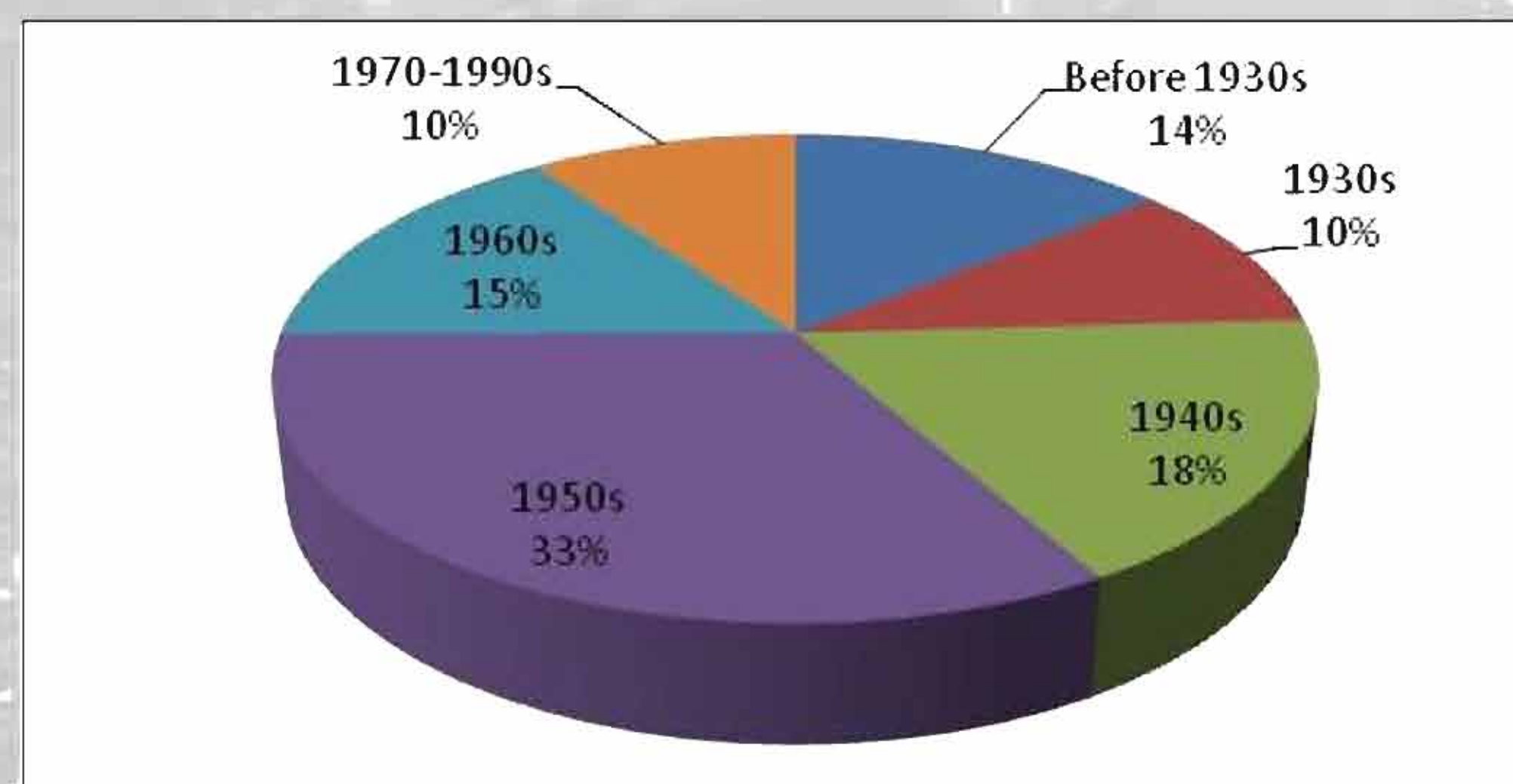


# Space Needs and Competitive Position

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## Ward 5 Industrial Property by Year Built

**90%** of Ward 5 existing building stock is over **40** years old



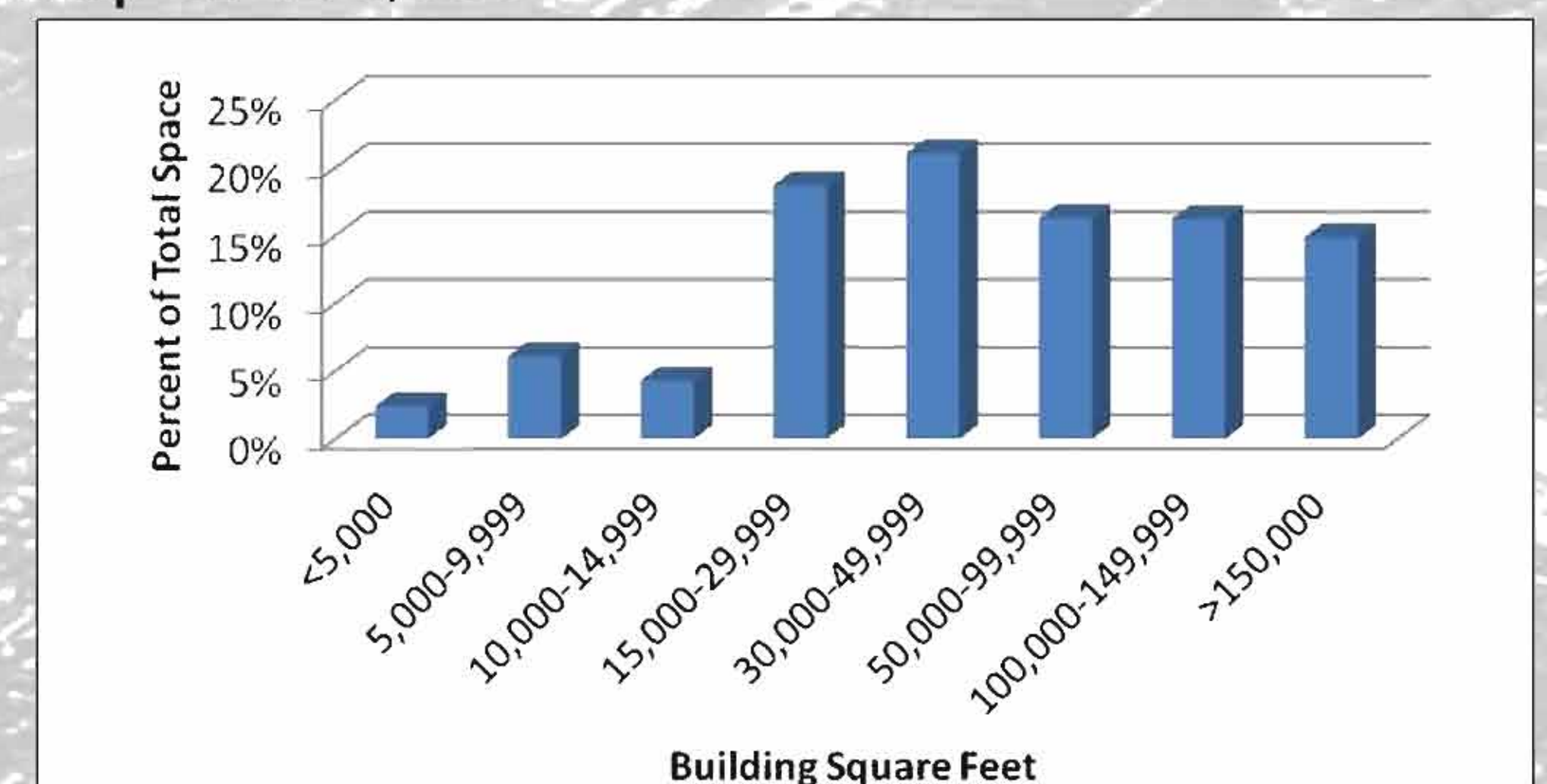
Source: CoStar; Partners for Economic Solutions, 2013.

## Ward 5 Industrial Buildings

Most industrial buildings are greater than 15,000 square feet and range in size up to 150,000

Retail Examples for Scale

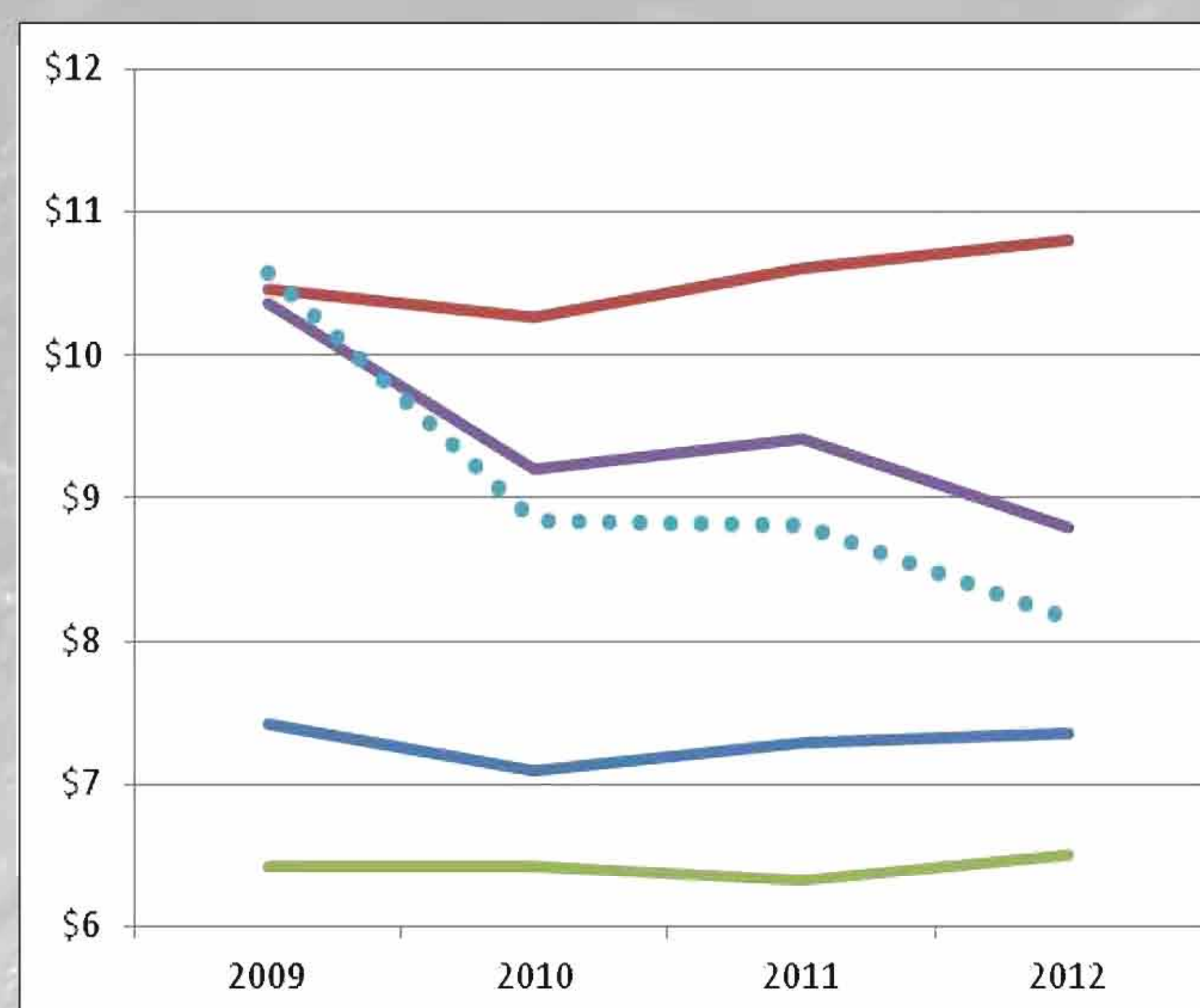
Applebee's – 5,000 sf  
CVS Pharmacy – 15,000 sf  
Giant – 50,000 sf  
Home Depot – 100,000 sf  
Costco – 145,000 sf



Source: CoStar; Partners for Economic Solutions, 2013.

## DC and Regional Rents Trends

- DC **rents** are **declining** to fill space - **22 % drop**
- Steady decline in Ward 5 rents, **reducing gap** between Ward 5 and Prince George's
- \$1.65 average rent gap in 2012 between Ward 5 and Prince George
- Industrial Firms Pay Premium to be in DC

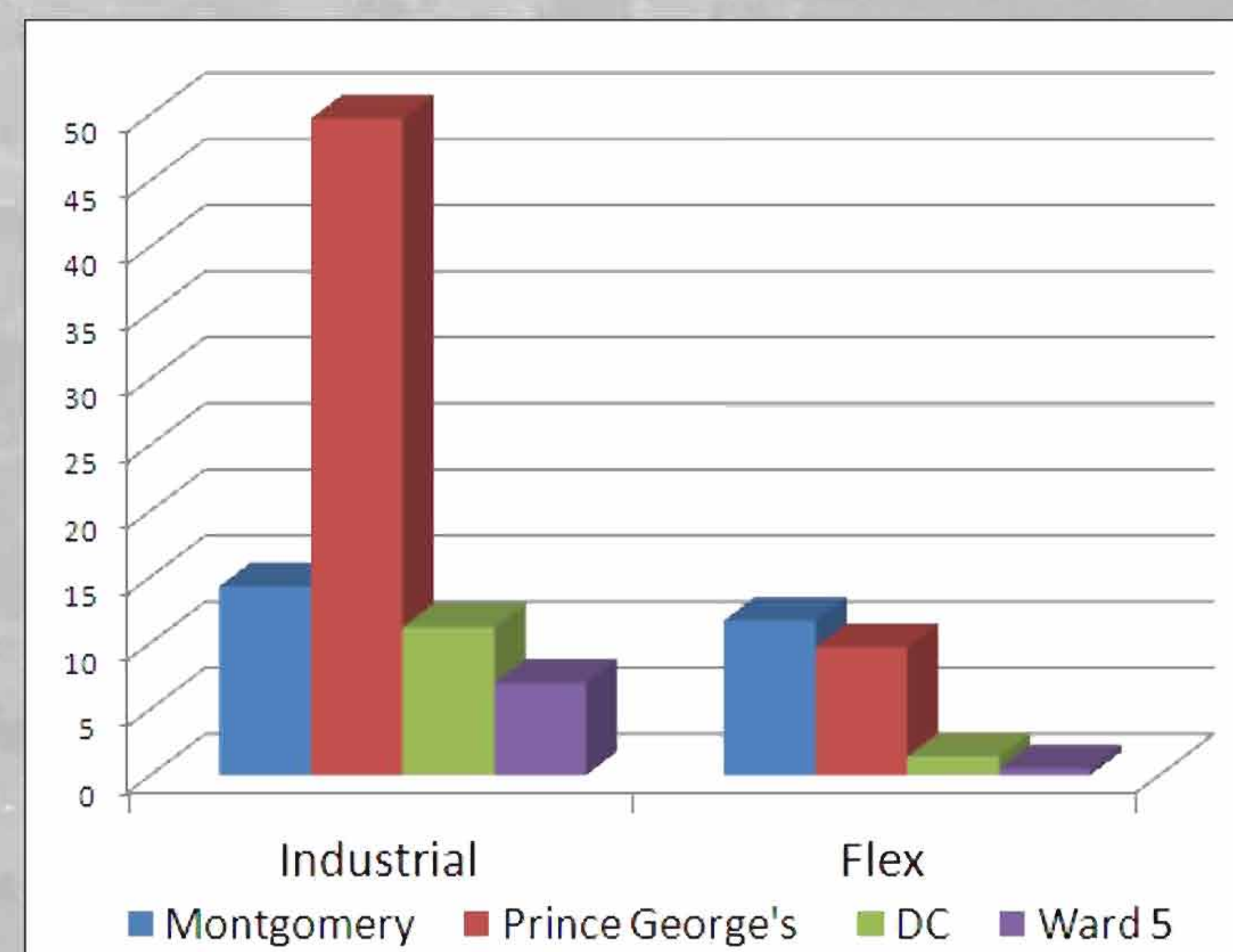


Source: CoStar; Partners for Economic Solutions, 2013.



## Types of Industrial Space

- **Two** main **categories** for industrial space are: (traditional) "industrial" and "flex"
- Prince George's County far outstrips DC supply
- Ward 5 has more than **50%** of DC supply, with higher proportion of industrial space
- Montgomery County's Flex Product Reflects Biotech/R&D Space



Source: CoStar; Partners for Economic Solutions, 2013.

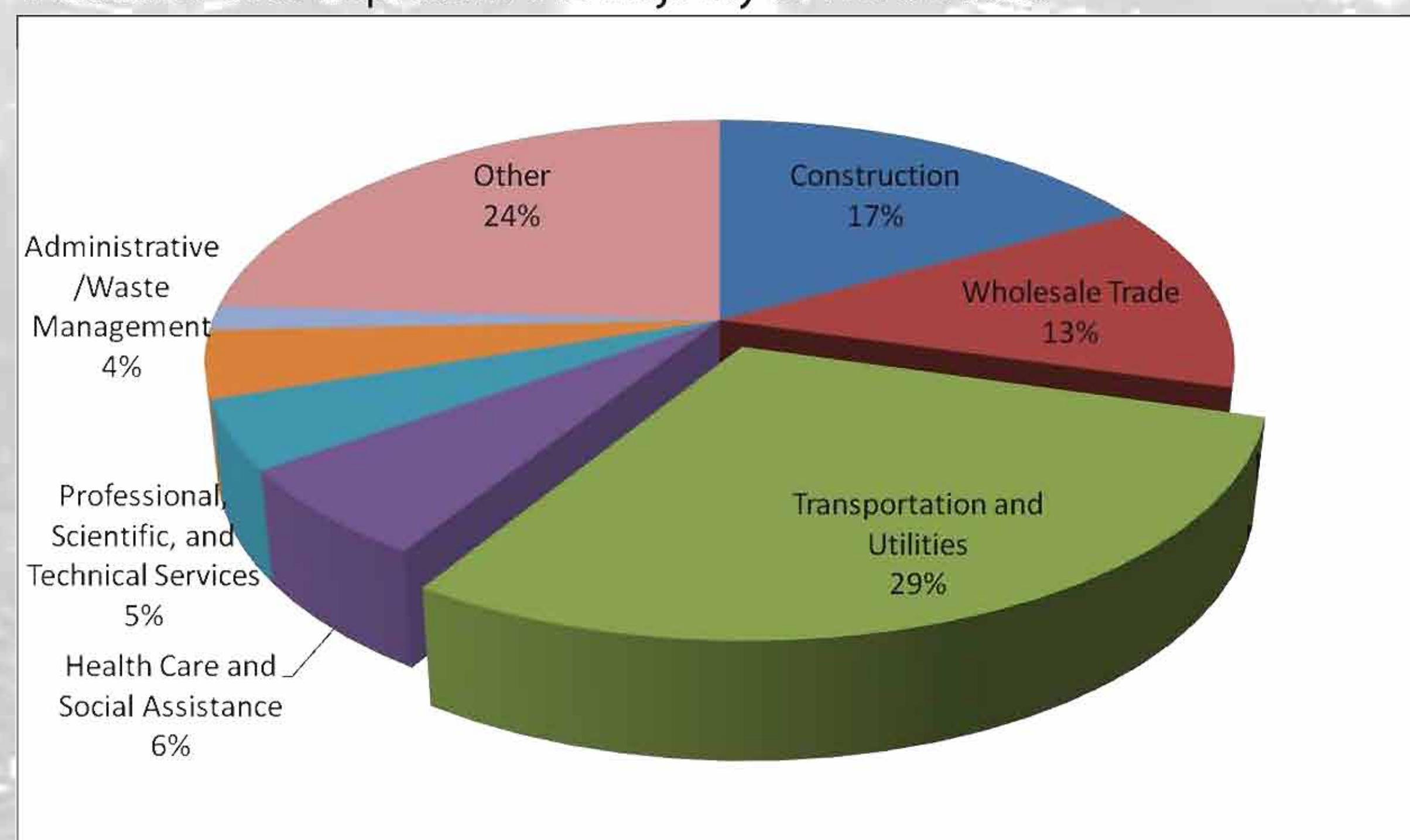


# Production, Distribution & Repair Jobs

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## Production, Distribution & Repair Jobs

Industrial Uses Represent the Majority of Ward 5 Jobs



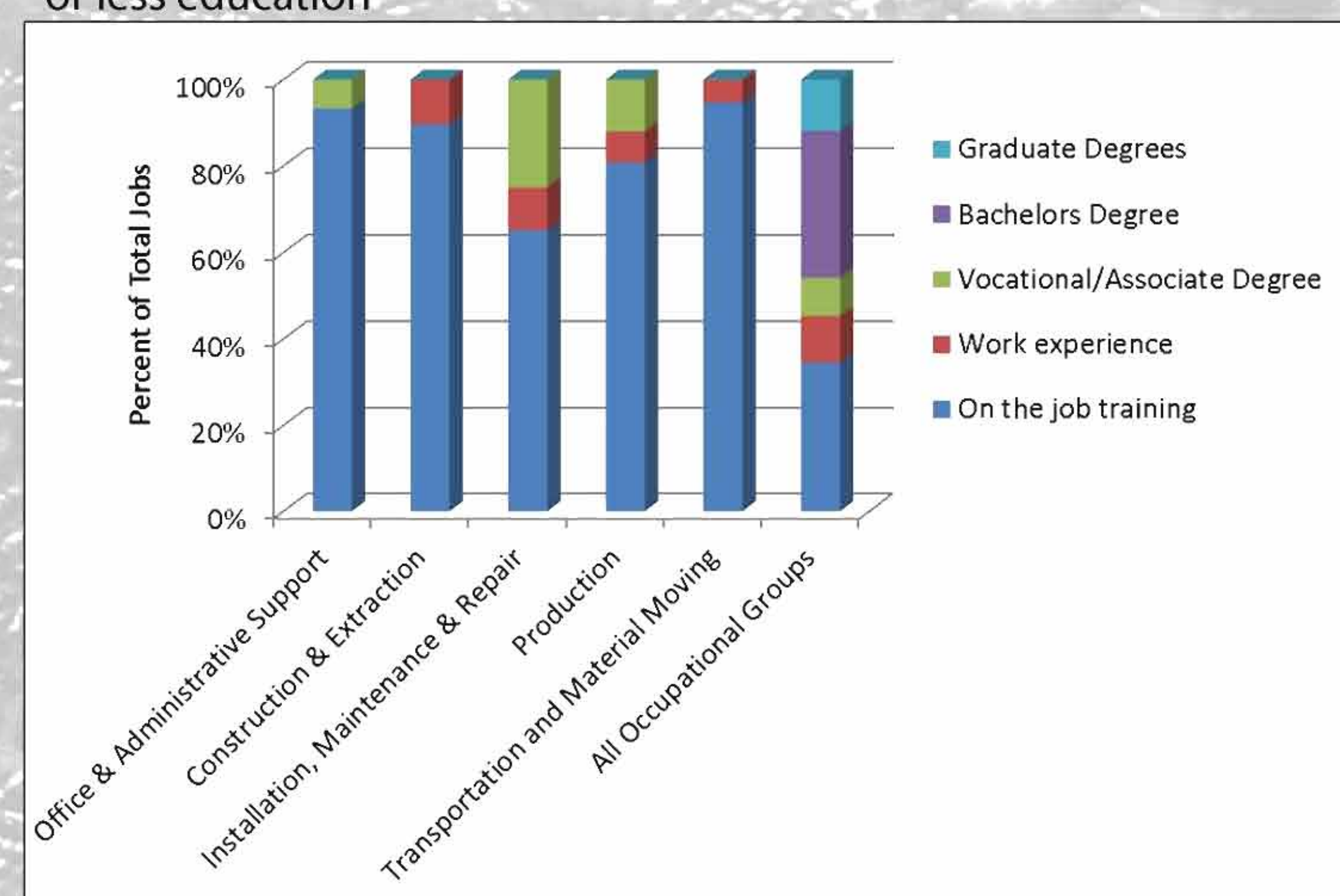
Source: DC Department of Employment Services, ESRI; Partners for Economic Solutions, 2013.

## Education Requirements by Occupation (DC)

- Industrial users provide **jobs for high school graduates**

- Ward 5 unemployment rate as of July 2013 was 12.1% (Source: DOES – Office of Labor Market Research and Information)

- Almost half (47%) of Ward 5 population has high school diploma or less education



Source: DC Department of Employment Services, PES, 2013.

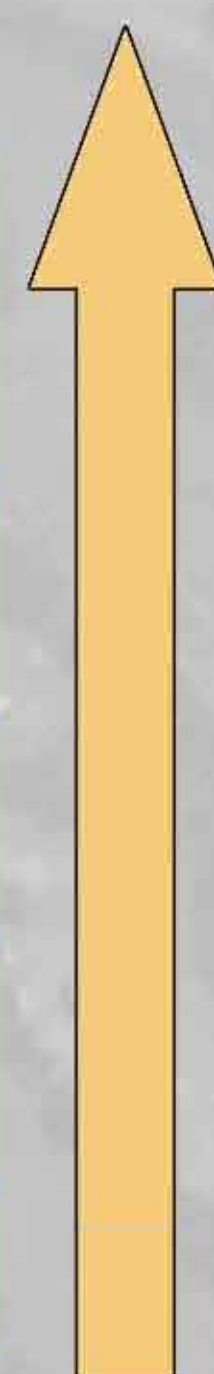
## Career Opportunities

Provide Entry Level Workers with Career Ladder

- PDR jobs offer on-the-job training

- Opportunities for advancement, competitive pay and a living wage

Example DC Jobs	Average Annual Wage
Supervisors of Transportation and Material-Moving Machine and Vehicle Operators	\$64,770
First-Line Supervisors of Helpers, Laborers and Material Movers	\$48,230
Industrial Truck and Tractor Operators	\$41,530
Laborers and Freight, Stock and Material Movers	\$33,100
Packers and Packagers	\$20,690



Source: Bureau of Labor Statistics, PES, 2013

## Wages by Industry (DC)

Production, Distribution & Repair jobs pay better wages

Production, Distribution & Repair Industries	Average Annual Wage
Construction	\$64,000
Wholesale - Non-Durable	\$65,800
Transportation/Warehousing	
Transportation-Truck	\$51,000
Warehousing	\$37,000
Non-Production, Distribution & Repair Industries	
Retail	\$37,000

Source: Bureau of Labor Statistics, PES, 2013