


# How Greater Richmond, Virginia Stacks Up To The Competition

## A Nationwide Cost Comparison for Office, Logistics, and Manufacturing Operations



We know you have choices — 50 states, hundreds of regions, and thousands of communities. Numerous factors must be analyzed and balanced when deciding where to expand or relocate your business. Access to raw materials and customers, transportation, telecommunications, labor, and real estate are the critical variables and drivers. We can demonstrate that Greater Richmond, Virginia, offers many of these assets to businesses that have selected and thrived in our region.

This report provides a template for executives who must evaluate and compare the start-up and annual operating costs of a new facility. The model presents three typical operating scenarios for different business activities. Data from seven metropolitan areas across the United States are compared to Greater Richmond.

The Richmond region is not necessarily the lowest cost location for a company, nor would we want to be in that category. We offer a pro-business environment at a moderate cost with high quality labor and quality of place — and we are more than willing to compete head to head against the worthy competition.

You are encouraged to use this model based on documented, publicly available data. Also, please contact the Greater Richmond Partnership, Inc. for additional customized information on labor rates and availability, taxes, utility costs and real estate pertinent to your project.

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**grpva.com**  
Greater Richmond Partnership, Inc.

# Greater Richmond: Locations, Scenarios, Decisions

The following models represent typical operating scenarios for three different business activities. The first case provides estimates for a typical office with 50 employees occupying 10,000 square feet of office space. The second case is tailored to a logistics facility that employs 25 workers and occupies 80,000 square feet of office and warehouse space. The third scenario represents a manufacturing facility with 50 employees occupying 35,000 square feet of space.

Comparative cost information for the mid-Atlantic region is represented by Greater Richmond. The Southeast region of the United States is represented by Charlotte, N.C., Atlanta, Ga., and Jacksonville, Fla. The Northeast section of the country is depicted by Hartford, Conn., and Newark, N.J. Chicago, Ill., is the example for the Midwest. Los Angeles, Calif., is included for the West Coast.

In general, the comparative data show that Richmond's operating costs are lower than in metropolitan areas in the Northeast, the Midwest, and the West Coast and competitive with those of other southeastern locations.

Greater Richmond's commercial rental rates are among the lowest of all the sampled cities, including most of those in the Southeast.

## Greater Richmond's Business Advantages

Greater Richmond's growing **population is nearly 1.3 million**. The area is a magnet for labor, drawing workers from more than 40 localities statewide.

The **diverse economy** includes 11 *Fortune* 1000 headquarters; 21st century manufacturers; the state capital; financial and information technology services; and higher education.

Greater Richmond is **strategically located** at the mid-point of the East Coast with more than 50 percent of the nation's consumers within a 750-mile radius.

Greater Richmond offers the **cultural and recreational opportunities** of a large city with minimal traffic congestion and an average 24-minute commute.

**Operating and living costs** are lower than in larger metro areas.

Virginia is a **Right-to-Work** state with low levels of unionization and union election activity.



The serene and scenic James River flows past a vibrant Downtown Richmond and through bustling suburbs as it makes its way to the Chesapeake Bay and Atlantic Ocean.

Electric rates are extremely competitive, and in some cases, significantly lower than in similar cities. Consistently low tax rates paired with lower worker compensation and unemployment insurance costs contribute to Virginia's pro-business climate.

In addition to competitive operating

costs, the Richmond region offers a high quality of place with an affordable cost of living, a 24-minute average commute, high quality education and outstanding health care services. These factors combine to make Greater Richmond an easy destination to attract and retain top talent.



The area's **excellent quality of life** makes it easy to relocate, attract, and retain top quality professional and technical employees.

**Washington, D.C.** is only 100 miles away.

**Interstates** I-64, I-95, I-85, and I-295 converge in the metro area.

**FedEx's** district hub is located in the area.

**Rail service** is provided by CSX, Norfolk Southern and AMTRAK.

More than 100 **motor freight** companies and brokers serve the area, including specialists in heavy hauling, over dimensional loads, and liquid or dry bulk.

More than 3.5 million passengers and about 115 million pounds of cargo are handled at **Richmond International Airport (RIC)** each year. RIC is served by eight passenger airlines and four dedicated air cargo airlines.

The **Port of Richmond** is Central Virginia's multi-modal freight and distribution center serving waterborne, rail, and truck shippers and offering 64 Express barge service to the Port of Virginia.

The **Port of Virginia** at Hampton Roads is within 100 miles, with more than 75 international shipping lines and more than 3,000 sailings annually.

# Greater Richmond: Business Parks



## Office

1. Arboretum Office Park
2. Boulders Office Park
3. Innsbrook Corporate Center
4. Paragon Place
5. Park at Stony Point

## Mixed Use

6. Ashland Business Park
7. Atlee Station
8. Downtown Richmond
9. Northlake Business Park
10. Rocketts Landing
11. Scotts Addition
12. Watkins Centre
13. West Broad Village
14. Windsor Park

## Industrial

15. Chesterfield Industrial Airpark
16. Eastport Business Center
17. Fairgrounds Distribution Center
18. Hanover Industrial Air Park
19. Highwoods Distribution Center
20. James River Industrial Center
21. Meadowville Technology Park
22. Ruffin Mill Industrial Park
23. The Enterchange at Walthall
24. White Oak Technology Park

## Assistance Available from the Partnership

The Greater Richmond Partnership, Inc. is a publicly and privately funded regional economic development organization representing the counties of Chesterfield, Hanover, and Henrico and the City of Richmond, Virginia. The Partnership provides site location assistance to domestic and foreign companies planning new or expanded facilities. Services are provided with no cost to the company and with complete confidentiality.

**Site location assistance** includes real estate information and customized community and business information. When company officials visit the

area, the Partnership will structure an itinerary including a community orientation; review of appropriate sites and buildings; and meetings with government leaders and providers of legal, financial, and other support services.

**Information and research support** are provided throughout the site selection process. Partnership staff can assist with basic market research and with referrals to university and private research providers for more advanced research. The Partnership also can assist with hiring key personnel.

**Relocation services** for company employees are available in cooperation with the Greater Richmond Chamber and local businesses. The Partnership can also coordinate public relations services, including press releases, ground breaking ceremonies, ribbon cuttings and facility dedication ceremonies.

**Ongoing support for local companies** includes the Business First program as well as the Richmond-JobNet website and other workforce programs.



# Scenario 1: Fifty-Person Office

	Richmond, VA	Hartford, CT	Newark, NJ	Charlotte, NC
<b>Real Estate</b>				
Rent, Average Annual Asking (\$/SF)	\$17.90	\$19.11	\$24.89	\$21.02
Annual Cost - 10,000 SF Office	\$179,000	\$191,100	\$248,900	\$210,200
Commercial Electric Rates (cents/kWh)	¢8.33	¢17.01	¢14.94	¢6.89
<b>Salaries</b>				
<b>Average Salaries per Major Occupational Group</b>				
Management Occupations	\$108,350	\$108,870	\$133,070	\$114,450
Business and Financial Operations Occupations	\$64,750	\$72,460	\$76,170	\$67,200
Office and Administrative Support Occupations	\$33,530	\$38,520	\$37,050	\$33,670
<b>Average Salaries per Occupation Title</b>				
Chief Executives	\$198,730	\$192,740	\$187,590	\$192,280
General and Operations Managers	\$113,690	\$130,180	\$166,600	\$132,760
Human Resources Managers	\$109,270	\$106,720	\$137,090	\$122,170
Human Resources Assistants	\$36,960	\$44,560	\$40,970	\$35,950
Receptionists	\$26,190	\$31,770	\$28,500	\$26,330
Executive Secretaries	\$43,480	\$49,430	\$57,070	\$42,390
Computer Support Specialists	\$47,930	\$63,910	\$54,550	\$52,330
Database Administrators	\$80,730	\$72,910	\$84,080	\$79,270
Financial Analysts	\$82,410	\$74,860	\$86,030	\$75,160
Sales Representatives	\$56,390	\$66,660	\$76,920	\$55,460
Accountants and Auditors	\$66,360	\$72,290	\$84,600	\$69,530
Claims Adjusters	\$57,700	\$63,360	\$71,210	\$60,790
Purchasing Agents	\$62,340	\$65,280	\$69,010	\$57,140

# Scenario 2: Twenty-Five Person Distribution Center

	Richmond, VA	Hartford, CT	Newark, NJ	Charlotte, NC
<b>Real Estate</b>				
Rent, Average Annual Asking (\$/SF)	\$3.82	\$4.75	\$6.25	\$3.17
Annual Cost - 80,000 SF Distribution Facility	\$305,600	\$380,000	\$500,000	\$253,600
Commercial Electric Rates (cents/kWh)	¢8.33	¢17.01	¢14.94	¢6.89
<b>Salaries</b>				
<b>Average Salaries per Major Occupational Group</b>				
Transportation and Material Moving Occupations	\$31,760	\$32,590	\$34,290	\$32,600
<b>Average Salaries per Occupation Title</b>				
Transportation, Storage, and Distribution Managers	\$85,700	\$82,900	\$104,820	\$81,550
First-Line Supervisors of Laborers	\$43,840	\$55,290	\$51,100	\$41,870
First-Line Supervisors of Vehicle Operators	\$56,180	\$62,200	\$59,300	\$52,740
Driver/Sales Workers	\$30,260	\$25,710	\$24,220	\$26,090
Laborers	\$25,520	\$27,650	\$28,530	\$25,610
Packers	\$18,800	\$25,960	\$22,170	\$20,520
Conveyor Operators	\$31,110	\$42,240	\$35,890	\$24,910
Receptionists	\$26,190	\$31,770	\$28,500	\$26,330



Innsbrook in Henrico County is an award winning, 875-acre office complex built around a series of lakes and walking trails.



Northlake Business Park in Hanover County is located just off Interstate 95 and can accommodate office, service and industrial uses.

Atlanta, GA	Jacksonville, FL	Chicago, IL	Los Angeles, CA	
\$20.06	\$17.56	\$26.84	\$31.49	<b>Real Estate</b>
\$200,600	\$175,600	\$268,400	\$314,900	Rent, Average Annual Asking (\$/SF)
¢8.78	¢9.25	¢10.10	¢14.41	Annual Cost - 10,000 SF Office
				Commercial Electric Rates (cents/kWh)
				<b>Salaries</b>
				<b>Average Salaries per Major Occupational Group</b>
\$109,230	\$105,390	\$106,390	\$121,360	Management Occupations
\$73,160	\$59,610	\$69,690	\$73,010	Business and Financial Operations Occupations
\$34,290	\$31,910	\$35,480	\$36,840	Office and Administrative Support Occupations
				<b>Average Salaries per Occupation Title</b>
\$183,770	\$179,810	\$173,630	\$213,860	Chief Executives
\$109,030	\$98,640	\$120,310	\$131,540	General and Operations Managers
\$113,910	\$96,200	\$108,060	\$121,290	Human Resources Managers
\$38,720	\$35,120	\$40,250	\$42,630	Human Resources Assistants
\$26,360	\$25,670	\$27,560	\$28,380	Receptionists
\$44,710	\$39,990	\$47,050	\$49,530	Executive Secretaries
\$48,480	\$42,880	\$53,570	\$52,320	Computer Support Specialists
\$80,070	\$70,170	\$79,450	\$89,340	Database Administrators
\$77,580	\$60,340	\$82,680	\$97,890	Financial Analysts
\$53,380	\$56,260	\$68,430	\$61,900	Sales Representatives
\$72,410	\$62,280	\$73,550	\$72,430	Accountants and Auditors
\$60,250	\$59,580	\$61,460	\$64,650	Claims Adjusters
\$59,520	\$58,170	\$60,010	\$62,820	Purchasing Agents

Atlanta, GA	Jacksonville, FL	Chicago, IL	Los Angeles, CA	
\$3.17	\$4.14	\$4.17	\$6.48	<b>Real Estate</b>
\$253,600	\$331,200	\$333,600	\$518,400	Rent, Average Annual Asking (\$/SF)
¢8.78	¢9.25	¢10.10	¢14.41	Annual Cost - 80,000 SF Distribution Facility
				Commercial Electric Rates (cents/kWh)
				<b>Salaries</b>
				<b>Average Salaries per Major Occupational Group</b>
\$33,880	\$33,260	\$34,240	\$32,310	Transportation and Material Moving Occupations
				<b>Average Salaries per Occupation Title</b>
\$87,720	\$96,190	\$82,640	\$90,130	Transportation, Storage, and Distribution Managers
\$46,190	\$42,160	\$50,950	\$46,710	First-Line Supervisors of Laborers
\$52,810	\$58,120	\$57,180	\$58,330	First-Line Supervisors of Vehicle Operators
\$26,060	\$24,870	\$32,310	\$28,060	Driver/Sales Workers
\$25,860	\$26,330	\$26,040	\$25,770	Laborers
\$22,420	\$20,930	\$22,450	\$21,050	Packers
\$31,720	\$34,350	\$34,970	\$31,990	Conveyor Operators
\$26,360	\$25,670	\$27,560	\$28,380	Receptionists



James River Logistics Center at 812,000 square feet is representative of the distribution facilities found in Chesterfield County and the region.

# Scenario 3: Fifty-Person Manufacturing Facility

	Richmond, VA	Hartford, CT	Newark, NJ	Charlotte, NC
<b>Real Estate</b>				
Rent, Average Annual Asking (\$/SF)	\$3.82	\$4.75	\$6.25	\$3.17
Annual Cost - 35,000 SF Manufacturing Facility	\$133,700	\$166,250	\$218,750	\$110,950
Industrial Electric Rates (cents/kWh)	¢6.55	¢14.34	¢13.64	¢5.40
<b>Salaries</b>				
<b>Average Salaries per Major Occupational Group</b>				
Production Occupations	\$33,310	\$39,840	\$35,610	\$33,320
<b>Average Salaries per Occupation Title</b>				
Managers	\$101,540	\$108,500	n/a	\$112,990
First-Line Supervisors of Production Workers	\$56,650	\$64,500	\$61,400	\$55,790
Production Workers	\$25,890	\$28,820	\$33,060	\$35,310
Inspectors and Testers	\$35,690	\$43,630	\$36,650	\$33,610
Machinists	\$40,580	\$44,610	\$44,610	\$37,940
Electronic Equipment Assemblers	\$30,540	\$28,370	\$31,260	\$37,040
Tool and Die Makers	\$35,420	\$52,260	\$49,020	\$44,100
Welders	\$37,840	\$41,790	\$42,090	\$36,520
Executive Secretaries	\$43,480	\$49,430	\$57,070	\$42,390
Mechanical Engineers	\$75,820	\$77,740	\$81,540	\$79,810
Industrial Engineers	\$78,710	\$77,110	\$87,220	\$73,820

## Quality of Place Factors

	Richmond, VA	Hartford, CT	Newark, NJ	Charlotte, NC
Cost of Living Index	102.5	125.3	132.8	93.0
Annual Traffic Delay per Traveler (hours)	19	24	42	26
Optimism Ranking	1	5	7	2
Overall Fitness Index Ranking	12	7	30	36

## Business Climate Factors

	Richmond, VA	Hartford, CT	Newark, NJ	Charlotte, NC
Percent of Workers Who are Union Members	4.5%	8.4%	12.3%	1.8%
Right-to-Work Law	Yes	No	No	Yes
<b>Worker's Compensation (per \$100 of payroll)</b>				
Office/Clerical	\$0.23	\$0.42	\$0.43	\$0.50
Manufacturing	\$2.09	\$4.99	\$4.82	\$3.37
Average Unemployment Tax per Employee	\$150	\$513	\$695	\$341
Average Annual Cost Paid by Employers for Health Premiums for Family Coverage	\$8,830	\$10,553	\$10,615	\$9,151
Building Cost Index	85.3	109.1	112.7	76.5



Blueprint Automation specializes in secondary case-packing, vision-guided robotics and total line integration from its location in the Appomattox Industrial Center.



Atlanta, GA	Jacksonville, FL	Chicago, IL	Los Angeles, CA	
\$3.17	\$4.14	\$4.17	\$6.48	<b>Real Estate</b>
\$110,950	\$144,900	\$145,950	\$226,800	Rent, Average Annual Asking (\$/SF)
¢6.16	¢8.52	¢6.79	¢10.28	Annual Cost - 35,000 SF Manufacturing Facility
				Industrial Electric Rates (cents/kWh)
				<b>Salaries</b>
\$31,400	\$33,180	\$35,000	\$31,480	<b>Average Salaries per Major Occupational Group</b>
				Production Occupations
\$106,910	\$96,100	\$99,400	\$128,280	<b>Average Salaries per Occupation Title</b>
\$52,240	\$54,010	\$62,620	\$56,200	Managers
\$24,790	\$22,570	\$31,040	\$32,290	First-Line Supervisors of Production Workers
\$33,280	\$35,500	\$37,080	\$36,730	Production Workers
\$39,130	\$40,880	\$39,620	\$37,520	Inspectors and Testers
\$34,980	\$32,270	\$29,870	\$29,420	Machinists
\$44,480	\$47,680	\$52,450	\$48,210	Electronic Equipment Assemblers
\$34,530	\$36,360	\$37,690	\$36,910	Tool and Die Makers
\$44,710	\$39,990	\$47,050	\$49,530	Welders
\$77,440	\$69,590	\$78,810	\$87,340	Executive Secretaries
\$79,450	\$68,470	\$71,570	\$87,370	Mechanical Engineers
				Industrial Engineers

Atlanta, GA	Jacksonville, FL	Chicago, IL	Los Angeles, CA	
95.2	94.0	115.3	133.5	Cost of Living Index
44	26	70	63	Annual Traffic Delay per Traveler (hours)
3	8	6	4	Optimism Ranking
18	31	28	41	Overall Fitness Index Ranking

Atlanta, GA	Jacksonville, FL	Chicago, IL	Los Angeles, CA	
2.4%	3.3%	10.2%	9.0%	Percent of Workers Who are Union Members
Yes	Yes	No	No	Right-to-Work Law
\$0.36	\$0.32	\$0.37	\$0.89	<b>Worker's Compensation (per \$100 of payroll)</b>
\$3.79	\$3.21	\$5.03	\$5.97	Office/Clerical
\$179	\$157	\$392	\$330	Manufacturing
\$9,195	\$8,637	\$10,312	\$9,148	Average Unemployment Tax per Employee
88.1	85.2	117.2	107.2	Average Annual Cost Paid by Employers for Health Premiums for Family Coverage
				Building Cost Index



Aspen Paper Products opened its East Coast manufacturing facility in 2008 in the City of Richmond.



Virginia Commonwealth University Health System (Medical College of Virginia Hospitals and Physicians) provides residents with state-of-the-art care in more than 200 specialty areas.

**Contact Us**

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**Salary data** is from the U.S. Department of Labor's Bureau of Labor Statistics, May 2010 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, www.bls.gov. This data was published in June 2011.

**Office rental rates** represent the average annual asking rent per square foot and include all classes of office property. Rates for all metro areas except Hartford are from Jones Lang LaSalle, Office Statistics, 1Q 2011, www.joneslanglasalle.com. Rates for Hartford are from CB Richard Ellis, MarketView Office, 1Q 2011, www.cbre.com. Data for Newark is based on Northern New Jersey.

**Distribution and manufacturing rental rates** represent the average annual asking rent per square foot, quoted on a net basis. Rates for Richmond, Newark, Jacksonville, Hartford, and Los Angeles are from CB Richard Ellis, MarketView Industrial, 1Q 2011, www.cbre.com. Rates for Atlanta, Charlotte, and Chicago are from Jones Lang LaSalle, Industrial Outlook, 1Q 2011, www.joneslanglasalle.com. Data for Newark is based on Northern New Jersey.

**Commercial and industrial electric rates** are from the *Edison Electric Institute's Typical Bills and Average Rates Report*, Winter 2011. Richmond, Jacksonville, and Los Angeles rates reflect the state average, since the respective electric providers were not included in the source.

**Annual traffic delay per traveler** data is from the Texas Transportation Institute's "2010 Annual Urban Mobility Report", http://mobility.tamu.edu.

**Cost of living** data is from the "ACCRA Cost of Living Index", 2011 First Quarter, published May 2011. The national average is 100.

**Building costs** data is from *RSMMeans Building Construction Cost Data, 2011*, 69th Annual Edition, and reflects City Cost Indexes where the national average is 100.

**Tax rates** are from the Tax Foundation, "2011 State Business Tax Climate Index," October 2010 and state and local web pages.

**Optimism rankings** are based on the Gallup-Healthways Well-Being Index. The data, published March 15, 2011, reflects 2010 numbers. The source provides the percentage of Americans who say the city or area where they live is getting better as a place to live as follows: Richmond – 60.8%; Hartford – 55.9%; Newark – 50.2%; Charlotte – 60.3%; Atlanta – 56.3%; Jacksonville – 48.7%; Chicago – 55.0%; Los Angeles – 56.1%. For the purposes of this brochure, the metropolitan areas were ranked 1 through 8 (with 1 being best) in order to provide easier comparison.

**Overall fitness index rankings** are from the American College of Sports Medicine, "ASCM American Fitness Index", 2011. The study ranks the health and community fitness status of the 50 largest metropolitan areas in the United States.

**Union membership** data is from the *Union Membership and Earnings Data Book*, 2011 Edition. The data reflects the percentage of private sector workers who are union members within each metropolitan area.

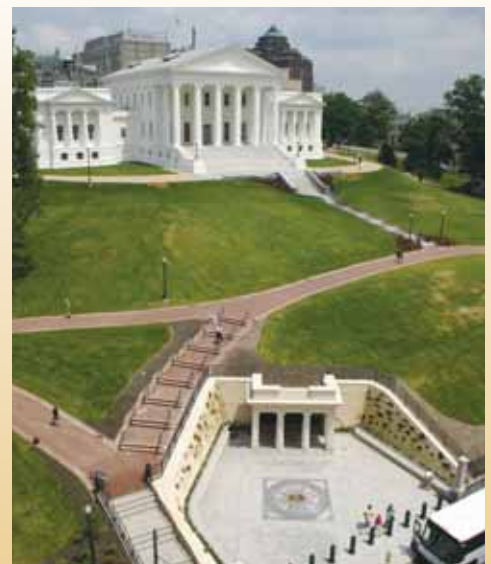
**Right-to-work, worker's compensation, and health premiums** data is from the Virginia Economic Development Partnership's Ally Information Exchange, available online at www.virginiaallies.org. All data is presented at the state level. The average health premiums data reflects the average contribution made by employers for family health premiums for 2009. Right-to-work data is from 2011. Worker's compensation data reflects the net insurance costs per \$100 of payroll for both manufacturing and office/clerical operations in 2009.

**The average unemployment tax** per employee is from the United States Department of Labor, Employment and Training Administration, "Average Employer Contribution Rates, By State, CY 2010."

**Greater Richmond's Pro-Business Commitment**

	Corporate Income Tax	Sales Tax	Personal Income Tax
Richmond, VA	6.0%	5.0%	2.0% to 5.75%
Hartford, CT	7.5%	6.0%	3.0% to 6.5%
Newark, NJ	9.36%	7.0%	1.4% to 8.97%
Charlotte, NC	6.9%	8.25%	6.0% to 7.75%
Atlanta, GA	6.0%	7.0% or 8.0%	1.0% to 6.0%
Jacksonville, FL	5.5%	7.0%	0%
Chicago, IL	7.3%	9.75%	3.0%
Los Angeles, CA	8.84%	9.75%	1.25% to 10.55%

Notes:  
Atlanta sales tax is 7% in Fulton County and 8% in the city of Atlanta.  
Los Angeles corporate income tax is 1.5% for S corporations.



The Virginia State Capitol Building – at the center of Greater Richmond's Working Capital.