An Insider’s View on Site Selection

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Economic Development 101

- Projects now develop in months, not years
- Sites must be ready to go immediately
- Cash is king in incentives
- Long-term costs matter
- The Internet has transformed the site selection process
- Solutions not sales
- Companies want a “place” not just a site
Getting On The Radar

• Communities must build awareness among decision makers
• Communities must develop a sense of place
• Communities must be responsive
• Communities must have a vision for the future
• Economic development must be a daily exercise
How Does the Process Start?

• Companies use internal staff and external consultants to analyze product trends, customer growth patterns, logistics
• Technical feasibility (pre-engineering) of the facility commences to determine facility parameters
• Company approves a rough capital outlay plan
• Key decision makers – CFO, “internal owner,” real estate team
Starting the Site Search

• Company uses data to narrow search to certain regions/states/metro areas
• Analyze transportation access, legal structures, tax and regulatory issues
• Downselect happens before you ever even know there is a project
Researching Potential Sites

- Site search narrowed to 6-10 geographic locations
- Site consultants and internal team start researching YOU – demographic information, wages, workforce availability, taxes, site inventory, and employer profile
Your Phone Rings

• By this time, we have probably narrowed the search to 4-6 specific metro areas across several states
• We have a rough feel for your area, your sites, cost of doing business, and the general policy/incentives climate
• Issue an RFI to targeted communities and states to get next round of information
# Potential Sites – The Long List

## Project Luke - Summary of Sites

<table>
<thead>
<tr>
<th>Photo</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Site Name</th>
<th>Site Size</th>
<th>Cost per Acre</th>
<th>Ownership</th>
<th>Zoning</th>
<th>Topography</th>
<th>Distance to Interstate</th>
<th>Value</th>
<th>Value Availability (MDP)</th>
<th>Value Cost</th>
<th>Sewage</th>
<th>Sewage Capacity</th>
<th>Sewage Cost</th>
<th>Cost Per Acre</th>
<th>Cost Per Acre</th>
<th>Air Quality Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Site 1 - Shortlisted Sites" /></td>
<td>Georgia</td>
<td>Douglas</td>
<td>Douglas</td>
<td>Gateway Regional Industrial Park</td>
<td>25 acres</td>
<td>$8,500</td>
<td>County owned</td>
<td>Light Industrial</td>
<td>Flat, 160'x160'</td>
<td>5.5 miles</td>
<td>2</td>
<td>24</td>
<td>$4,000 per acre</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>1</td>
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<tr>
<td><img src="image2.png" alt="Site 2 - Shortlisted Sites" /></td>
<td>Florida</td>
<td>Pinellas</td>
<td>Pinellas</td>
<td>St. Petersburg Corporate Park</td>
<td>25 acres</td>
<td>$5,000</td>
<td>County owned</td>
<td>Heavy Industrial</td>
<td>Flat, 160'x160'</td>
<td>5.5 miles</td>
<td>2</td>
<td>24</td>
<td>$4,000 per acre</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>1</td>
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<tr>
<td><img src="image3.png" alt="Site 3 - Shortlisted Sites" /></td>
<td>North Carolina</td>
<td>York</td>
<td>York</td>
<td>York Corporate Park</td>
<td>65 acres</td>
<td>$5,500</td>
<td>County owned</td>
<td>Industrial</td>
<td>Flat, 160'x160'</td>
<td>5.5 miles</td>
<td>2</td>
<td>24</td>
<td>$4,000 per acre</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>1</td>
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<tr>
<td><img src="image4.png" alt="Site 4 - Shortlisted Sites" /></td>
<td>South Carolina</td>
<td>Richland</td>
<td>Richland</td>
<td>Columbia Corporate Center</td>
<td>25 acres</td>
<td>$5,500</td>
<td>County owned</td>
<td>Industrial</td>
<td>Flat, 160'x160'</td>
<td>5.5 miles</td>
<td>2</td>
<td>24</td>
<td>$4,000 per acre</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>5</td>
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<td>$1,000,000</td>
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<tr>
<td><img src="image5.png" alt="Site 5 - Shortlisted Sites" /></td>
<td>Georgia</td>
<td>Cobb</td>
<td>Cobb</td>
<td>Marietta Corporate Center</td>
<td>25 acres</td>
<td>$5,500</td>
<td>County owned</td>
<td>Industrial</td>
<td>Flat, 160'x160'</td>
<td>5.5 miles</td>
<td>2</td>
<td>24</td>
<td>$4,000 per acre</td>
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<td>10</td>
<td>$1,000,000</td>
<td>5</td>
<td>10</td>
<td>$1,000,000</td>
<td>1</td>
</tr>
</tbody>
</table>
Roles People Play - Private

- CFO – what will be the long term cost? How do I fit this into the budget?
- CEO/facility manager – where do I want to live? Is this a desirable community?
- Real estate manager – what is a good looking site?
- Process director – How do I develop the most product at the least cost and get it to the customer as quickly and cheaply as possible?
- HR – Is the workforce available and trainable?
- Consultant – How do I balance all these competing interests?
Roles People Play - Public

- Local economic developer – site specific information, incentives (be specific), and the guide through the local approval process
- Regional economic development organization – market awareness of community, coordinating localities, quality of life
- State economic development office – incentives, coordinate state approvals, site location assistance
- Elected officials – strong underlying business climate, close the deal, cut the ribbon
Do’s and Don’ts in RFI Responses

- Do answer every question completely
- Do give us options
- Do emphasize speed to market

- Don’t sell me white elephants
- Don’t give me stale information
- Be discrete
Making the Short List

- From the RFI, we will downselect again to 3 specific areas and several specific sites
- May ask for a preliminary site tour (often confidential)
- We start another round of intense research on you – reading the newspaper, research on other economic development deals, talking to friends in the industry who are in your area
- Our technical and financial feasibility process advances to a far more detailed phase
The Short-List

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Labor</td>
<td></td>
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<tr>
<td>Proximity to Shaded Labor</td>
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<tr>
<td>Community Profile</td>
<td>3</td>
</tr>
<tr>
<td>Workforce Depth</td>
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<tr>
<td>Proximity to Sandy Run</td>
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<tr>
<td>Union</td>
<td>6</td>
</tr>
<tr>
<td>Labor Laws</td>
<td>6</td>
</tr>
<tr>
<td>Community Services</td>
<td>3</td>
</tr>
<tr>
<td>Residential Appeal</td>
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<tr>
<td>Proximity to Airport</td>
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<tr>
<td>Subtotal for Labor</td>
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</table>

<table>
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<th>Logistics</th>
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<tbody>
<tr>
<td>Public Transportation</td>
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</tr>
<tr>
<td>Area Traffic Congestion</td>
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</tr>
<tr>
<td>Truck Access from Highway to Plant</td>
<td>3</td>
</tr>
<tr>
<td>Proximity to Interstate</td>
<td>2</td>
</tr>
<tr>
<td>Proximity to Airport</td>
<td>1</td>
</tr>
<tr>
<td>Subtotal for Logistics</td>
<td>76</td>
</tr>
</tbody>
</table>

| Total | 194 |

KINZER Real Estate Services
The RFP

- Shortlisted sites get an extremely detailed RFP where we want information on zoning/covenants, site studies, utility costs, incentives, workforce data, environmental reports – and we want it fast (2-4 weeks)
- We then crunch the numbers and rank the sites
- Company reveals identity (if not already known) and spends 1-2 days knowing finalist communities
The Site Visit

• Get in the room other major employers, higher education leaders, community advocates
• Give us some private time to interview existing employers
• Give us a feel for the community – the “quality of life” tour
• Recognize that everyone is an ambassador for your community
Closing the Deal

• Maintain confidentiality
• Be open and honest about the good and the bad of your community
• Help us understand the approval process
• Put forward your best and final offer in reaction to a constantly changing set of circumstances
What Happens If You Lose?

• Ask for an exit interview from the company
• Learn how you made it to the short list and develop a marketing plan around themes
• Deploy a team to act on results of the exit interview
• Remain in contact with the company – if you made the short list once, you may again in the future