

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

Summary spreadsheet 10-14-11 jj.xlsx - Microsoft Excel

Project Luke

Summary of Sites

Photo	State	County	City	Site Name	Site Size	Cost per acre	Ownership	Zoning	Topography	Distance to Interstate	Water	Water Availability (mgd)	Water Cost	Sewage	Sewage Capacity (mgd)	Sewage Cost	Gas Capacity	Air Quality Status	Notes
Shortlisted Sites																			
	GA	Statesboro-Bulloch	Statesboro	Gateway Regional Industrial Park	350 acres	\$30,000	County owned	Light industrial	Sandy soil gentle slope	5 miles to I-16 (1 stop light)	12"	7.4	\$4.70 per 1000	8"	10	\$4.70 per 1000	6"-60 psi	Attainment	Not GRAD Certified
	GA	Richmond	Augusta	Augusta Corporate Park	75+ acres	\$5,000	Local govt owned	Heavy industrial	Flat site shown	9 miles to I-520 (4 stop lights)	14"	16	\$2.68 for over 3,000	15"	16	\$2.93 per 1,000 gal	8"	Non-Attainment	GRAD Certified
	NC	Alamance	Burlington	Whites Kennel 125	125 acres	\$35,000		I-1A	Over 100' of grade change	14 miles to I-40	12"	1-	\$4.56 per 1000 until site is annexed into Burlington, then reduced 50%	8"	3	\$7.14 per 1000 until site is annexed into city of Burlington, then drops 50%	4"		
	NC	Wilson	Wilson	Wilson Corporate Park	up to 75 acres	\$35,000	Owned by non-profit with economic development mission (Wilson County Properties, Inc.)	I-2 (General Industrial)	Generally flat (no more than 10' of elevation change)	2 miles to I-95	12"	2	\$3.52 per 1000	12-15"	15	\$6.90 per 1000	4" at 45 psig (already being upgraded to 75 psig by early 2012)		Existing park with 2 pharmaceutical companies at entrance
	SC	Colleton	Valerboro	Colleton County Commerce Center	260 acres	\$30,000	County owned		Flat (5' of grade change)	1 mile to I-95	12"	1 mgd immediately available, can get 1.5 mgd with minor piping improvements	\$1.11 per 1000	10"	1 allocated, have access to a total of 4 mgd	\$3.90 per 1000	8"		Site Certified
	SC	Laurens	Laurens	Clinton Park Corporate Center	150 acres	\$12,000	City of Clinton	M (Manufacturing)	Over 100' of grade change	15 miles to I-26 (1 stop light)	12"	2.9 access available	Around \$72,000 per month (based on 1 million gpd)	10"	Need infrastructure improvements to provide 1 mgd.	\$236,809 per month (based on 1 mgd)	Less than 1 mile from property. Will take 45 days to connect.		
Alternative Sites																			
	GA	Bryan	Pembroke	Interstate Center	836 acres	\$35,000	Local government	Industrial	flat to gently rolling	Adjacent to I-16	12"	0.7	\$5.84 per 1000	8"	0.4	\$5.84 per 1000 gal	6"-60 psi	Attainment	GRAD Certified

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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

Microsoft Excel - Luke Qualitative 12-13-11 shortlist.xlsx

Luke Site Selection Qualitative Analysis- Shortlist 12.13.11 **KINZER**
Real Estate Services

Site Name	Sandy Run	Gateway Reg Ind Park	Augusta Corporate Park	International Drive	Pee Dee	White Hawk	Wilson Corporate Park	
County	Calhoun	Statesboro-Bulloch	Richmond	Richmond	Colleton	Colleton	Wilson	
State	South Carolina	Georgia	Georgia	Georgia	South Carolina	South Carolina	North Carolina	
Weight								
Category Weight	(1-5)	Rating* Score	Rating* Score	Rating* Score	Rating* Score	Rating* Score	Rating* Score	
35	A Labor							
	Proximity to Skilled Labor	5 2 10	3 15	5 25	5 25	3 15	3 15	4 20
	Community Profile	3 2 6	4 12	5 15	5 15	3 9	3 9	4 12
	Workforce Depth	5 3 15	3 15	5 25	5 25	4 20	4 20	5 25
	Proximity to Sandy Run	4 5 20	3 12	4 16	4 16	4 16	4 16	3 12
	Union	5 5 25	5 25	5 25	5 25	5 25	5 25	5 25
	Labor Laws	5 5 25	5 25	5 25	5 25	5 25	5 25	5 25
	Community Services	3 2 6	2 6	4 12	4 12	4 12	4 12	3 9
	Residential Appeal	4 2 8	3 12	4 16	4 16	3 12	3 12	3 12
	Proximity to Airport	1 3 3	3 3	5 5	5 5	3 3	3 3	3 3
	Subtotal for Labor	118 67%	125 71%	164 94%	164 94%	137 78%	137 78%	143 82%
18	B Logistics							
	Public Transportation	1 1 1	1 1	1 1	1 1	1 1	1 1	1 1
	Port Access	5 5 25	3 15	4 20	4 20	5 25	5 25	2 10
	Area Traffic Congestion	1 5 5	4 4	4 4	4 4	5 5	5 5	4 4
	Truck Access from Highway to Plant	3 5 15	3 9	2 6	2 6	5 15	2 6	4 12
	Proximity to Interstate	3 5 15	2 6	2 6	2 6	5 15	4 12	5 15
	Proximity to Airport	1 3 3	3 3	5 5	5 5	3 3	3 3	3 3
	Proximity to 3PL Distribution Centers	4 3 12	2 8	4 16	4 16	4 16	4 16	4 16
	Subtotal for Logistics	76 84%	46 51%	58 64%	58 64%	80 89%	68 76%	61 68%

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
- 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

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