

Site Selection Today

Prepared by:



About FCG

- Site selection, economic development, real estate, & workforce consulting company
- Worked on site selection projects that created over 5,000 jobs & \$1 billion in capital investment in recent years
- Completed many successful economic development plans that have created hundreds of jobs
- Deane Foote is a Founding Board Member and former Treasurer of the **Site Selectors Guild**.

Site Selection Experience

- Inland port siting
- Wal-Mart Distribution Centers (DC) nation-wide
- MeadWestvaco – DC/port locations
- Sisener – Spanish renewable energy firm
- Coca-Cola – Distribution
- Country Fresh – Food processing plants
- AmeriCredit Financial Center
- **Certified Sites Programs**



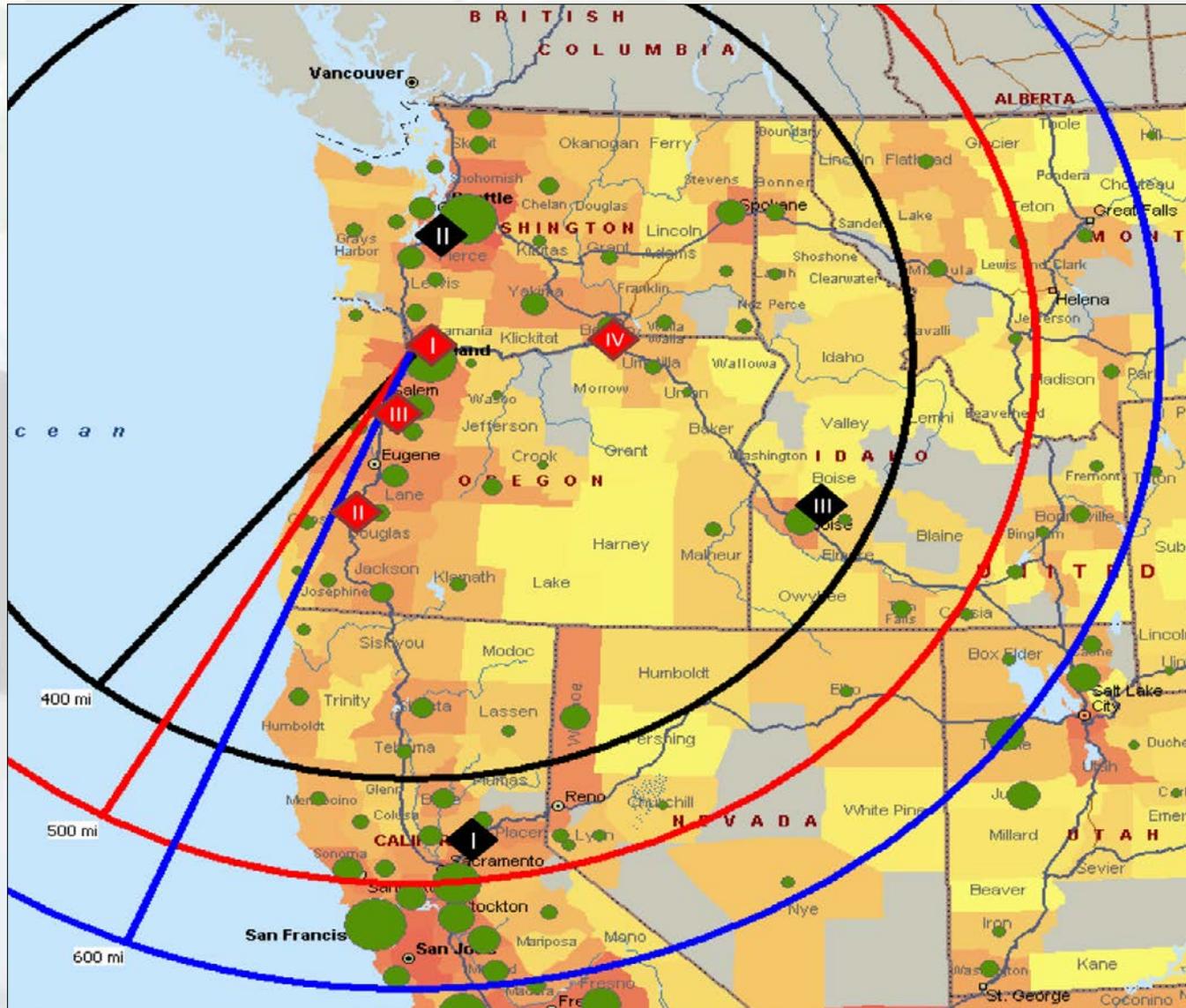
What do locating/expanding companies look for?

- **Skilled workforce availability & quality**
- **Wages/salaries**
- **Access to market/freight costs**
- **Sites/buildings**
 - *Certified/Shovel Ready Sites/Buildings*
- **Utilities/Infrastructure**
- **Quality of life**
 - Education; recreation; culture
- **Incentives**
 - Training; tax credits; site related; *closing fund*

Document Your Labor Skills

- Data on availability, quality & cost is essential
- ***Where are your skills commuting to each day?***
- Documenting this could be valuable information for locating/expanding companies
- **Fact – workers want to be closer to home!**

Freight/Logistics: This is the least understood factor by the ED community – could be factor #1



Companies want “Certified” Sites/Buildings

- **“Certified” sites/buildings** can make the difference between a successful location and an *also ran* – ***an essential part of site selection today!***
- Site selectors want to see the *cream of the crop*, now!
- *Certified means your site is ready to go now, not in 6 months.*
- **Arizona has one of nation’s newer programs!**

Some National Growth Sectors

- **Oil/Gas/Renewable Energy**
 - Shale oil and natural gas are driving growth as never before
 - Almost 3x growth in renewables (2008-2018)
- **Data Centers/Management**
 - Fastest growing industry – \$15B annually in US; \$40B globally
 - Servers grown from 2.6 million to 11.6 million (past 10 years)
- **Defense Security Systems**
 - UAV; *border-related...but sequestration is here!*
- **Software Development**
 - Cyber security; apps/mobile devices; very high speed computing
- **Healthcare and Medical Devices**
 - Health services, medical supplies, and device manufacturing
- **Biotechnology and Life Sciences**
 - Gene and stem cell research
- **Warehouse/Distribution (DC)**
 - Online retail (i.e. Amazon) has exploded!

Data Centers/Management

Key Site Selection Factors:

- **Geographic diversity & disaster avoidance**
- **Electric power cost**
- **State corporate income tax rates**
- **State and local sales taxes**
 - Levied on millions of dollars worth of servers
 - Low rates and/or abatement or rebate on sales taxes are important
- **Personal property taxes on equipment**
- **Utility infrastructure**
 - Electric power grid
 - Transmission fed power
 - Onsite substation
 - Fiber availability & bandwidth
 - Water for cooling
- ***Certified ready to go sites***
 - 25 acre minimum could allow proper security buffer
- **Speed to occupancy and state/community readiness.**



Warehouse/Distribution (DC)

Key Site Selection Factors:

- Access to market/transportation/freight costs
 - Access to intermodal freight terminals and ports growing in importance
- Labor costs/availability
 - Key positions: material handlers, forklift drivers, and truck drivers
- Electric power (costs/reliability)
- Access to Interstate/4-lane highways (5 to 55)
 - Closer to interchange due to fuel costs.
- Large *Certified* sites (50 to 250 acres) or large buildings
- Rail service for select operations
- Incentives/Training/Retail sales tax policies
- Good labor/management relations.



How do you meet companies/site selectors?

- **Site Selectors Guild Conferences**
 - Philadelphia, PA; Oct 26-28 (*sign-up: 5/11*)
 - Nashville, TN; Feb, 2016
- **CoreNet – LA – Oct 18-20**
- **International Asset Management Conference (IAMC) - Palm Desert, CA; April 25-29**
- **Target trade shows**

What can you do to help?

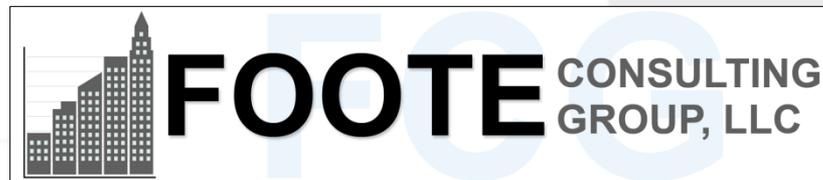
- **Work regionally with your EDOs**
- **Support multi-year ED funding**



Questions?

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