How Communities Can Become Engaged in Business Site Selection and End Up ON THE SHORT LIST

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October 16, 2015
HOW CAN COMMUNITIES BE READY WHEN OPPORTUNITY KNOCKS?

Can somebody get that please?
SITE LOCATION DECISION PROCESS

A systematic, time-tested approach to helping companies resolve business location challenges.
Has the Site Selection Process/Industry Changed?
Site Selection Process

PHASE 1  Define the Objectives – Foundations of Search

• Preparation of baseline information questionnaire

• Client completes questionnaire
  – Profile of any existing locations
  – Operational needs of the new facility

• Location criteria defined/weighted

• Finalization of information/criteria
Site Selection Process

PHASE 2 | Location Filtering

- Desktop research and outreach to EDO agencies
- Systematic elimination of areas within the defined search region
- Basic criteria (e.g., minimum population size) introduced early on
- Longlist (7-8) of promising contenders emerges
- Additional research conducted on each area’s operational fit
- Longlist ranked/scored
- Shortlist (often three areas) recommended
Site Selection Process

PHASE 3 | Location Selection

- Field-based evaluation, including:
  - Employer interviews, site/building tours, GIS mapping, and other empirical research
  - Seeking a match, then ranked-scored, among:
    - Demand/supply
    - Quality/stability
    - Cost
    - Unionization

- Best submarkets targeted
- Several sites/buildings shortlisted
- Recommendations tendered
  - Best location
  - Shortlist sites/buildings
  - Most viable alternatives
    - Locations
    - Sites/buildings
Site Selection Process

PHASE 4 | Site Selection

• Assist client’s real estate team to assess shortlisted sites on:
  – Access
  – Taxes
  – Utilities

• Under final incentives negotiations
  – Working closely with client’s real estate team and other internal players (e.g., tax, legal, corporate affairs)
  – Best/final offers received
  – Multi-year savings refined
  – Finalization and documentation of details

• Recommend and support
What’s Important to Site Selectors (and, therefore, their clients)?

- Access to accurate data
- Clarity
- Efficiency and timeliness
- Updated website that is ED leaning
- Single point of contact, who has the answers or can get them quickly
- Facts vs. sales pitch

“All Hands on Deck”

- Schools
- Fire and safety
- Parks and recreation
- Finance
- Human resources from other companies
- Labor (if on board)
- Elected officials
- Real estate developers and owners
Everyone on the Same Page

- Share data
- Communicate with each other
- Rehearse story

Examples of where things went wrong ...
Economic Development Committee

• Example: Highland Heights, Ohio
  – Citizens
  – Business leaders
  – Finance
  – Eight to 10 members
## Features and Benefits

<table>
<thead>
<tr>
<th>Feature</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce</td>
<td>?</td>
</tr>
<tr>
<td>Employer base</td>
<td>?</td>
</tr>
<tr>
<td>Location</td>
<td>?</td>
</tr>
<tr>
<td>Training program</td>
<td>?</td>
</tr>
<tr>
<td>Bricks and mortar/sites</td>
<td>?</td>
</tr>
<tr>
<td>Transportation</td>
<td>?</td>
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</tbody>
</table>
Current Challenges Facing Companies

How can you help?

- Workforce
- Bricks and mortar
- Cost
- Speed to market
Learn from Other Communities

- Observe
- Visit
- Engage
- Collaborate
- Regional perspective
Site Selection Case Study

Project Chips
Phase One | ANALYSIS/OBJECTIVES, PROJECT CHIPS RELEVANT

• Project scope development
  – Goals and objectives
  – Expectations
  – Responsibilities
  – Time lines
  – Budgets
  – Confirm expectations multiple XXX

• Product production and distribution facility analysis
  – East-coast focus (so they said)
  – Location consideration criteria
    (cost, markets served, distribution, workforce, etc.)

• Supply chain analysis
  – With Project Chips logistics group, develop criteria matching
    site location and optimize supply chain linkages
Phase Two | SITE SELECTION AND PROPERTY ANALYSIS

• Cost analysis
  – Transportation
  – Labor (human capital)
  – Labor environment
  – Utilities
  – Business taxes
  – Real estate property tax
  – Cost of real estate
  – Other variable costs

• Workforce
• Transportation analysis/assessment
• Utility service and cost assessment
• Site and/or existing building studies
• Local community assessment
• Quality of life assessment
Phase Three | INCENTIVE PROCESS/NEGOTIATIONS

- Narrow legitimate locations to three or four
- Consider incentives to meet goals
  - Statutory programs
  - Negotiated incentives
  - Incentive audit and compliance
Phase Four | FACILITY DEVELOPMENT

• Extensive real estate market survey
• Identify service providers – “built-to-suit”
• Request for proposal (RFP)
  – Solicit responses
  – Analyze/choose provider
  – Cost and timing
Phase Five | SELECTION PROCESS

• Financial analysis of alternates
• Scoring matrix
• Documentation
• Advocate
• Selection
## Compensation

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase One</td>
<td>Analysis/Objectives</td>
<td>$10,000</td>
</tr>
<tr>
<td>Phase Two</td>
<td>Location, Site Property Analysis</td>
<td>$50,000-$75,000</td>
</tr>
<tr>
<td>Phase Three</td>
<td>Incentives</td>
<td>$TBD/hour + value-based success fee TBD</td>
</tr>
<tr>
<td>Phase Four</td>
<td>Facility Development</td>
<td></td>
</tr>
<tr>
<td>Option 1</td>
<td>No out-of-pocket costs subject to Juniper’s participation in traditional market transaction and development project fees</td>
<td></td>
</tr>
<tr>
<td>Option 2</td>
<td>Flat fee based on percentage of project cost or on facility’s square footage</td>
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<tr>
<td>Phase Five</td>
<td>Documentation Scoring Advocacy and Negotiation</td>
<td>$25,000-$50,000</td>
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</table>
What Is Site Selection? (OR NOT)

**IS**
- A client-driven process
- Milestones are critical
- Both science and art
- CEO/leadership-influenced
- Sensitive to “speed-to-market” demands
- Workforce, cost of doing business-driven
- A process where lines are blurred between site selectors and commercial real estate service providers – don’t ignore local brokers

**IS NOT**
- Mystical or spiritual
- (though some practitioners would have you believe so)
- About incentives alone