



A Cedarwood Company



Toledo Metropolitan Area
Council of Governments

How Communities Can Become
Engaged in Business Site Selection
and End Up

ON THE SHORT LIST

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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?

TEXTRON



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

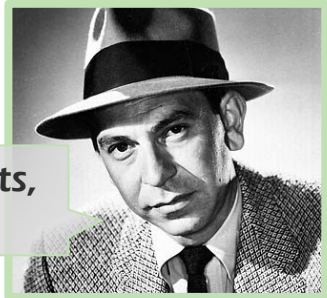
SITE SELECTION

THE PROCESS

IN ACTION

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



**"Just the facts,
ma'am."**

"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

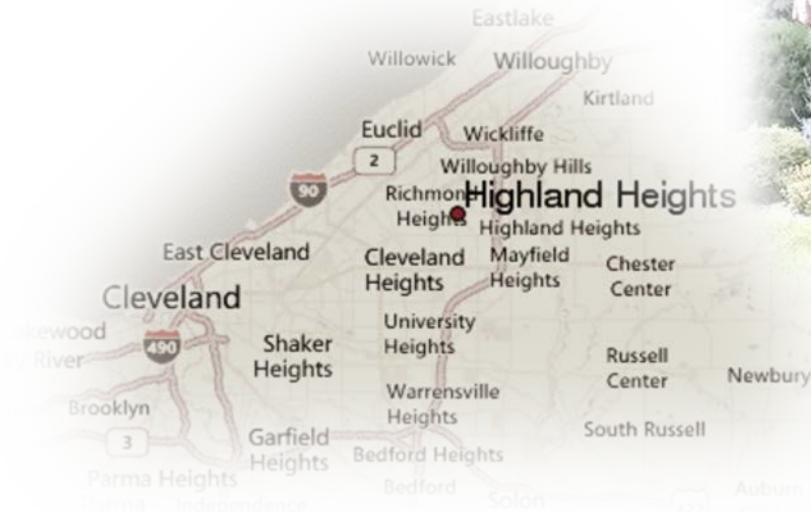


Examples of where things went wrong ...



Economic Development Committee

- Example: Highland Heights, Ohio
 - Citizens
 - Business leaders
 - Finance
 - Eight to 10 members



Features and Benefits

Feature

Benefit

- | | |
|---------------------------|-----|
| — Workforce | — ? |
| — Employer base | — ? |
| — Location | — ? |
| — Training program | — ? |
| — Bricks and mortar/sites | — ? |
| — Transportation | — ? |

Current Challenges Facing Companies

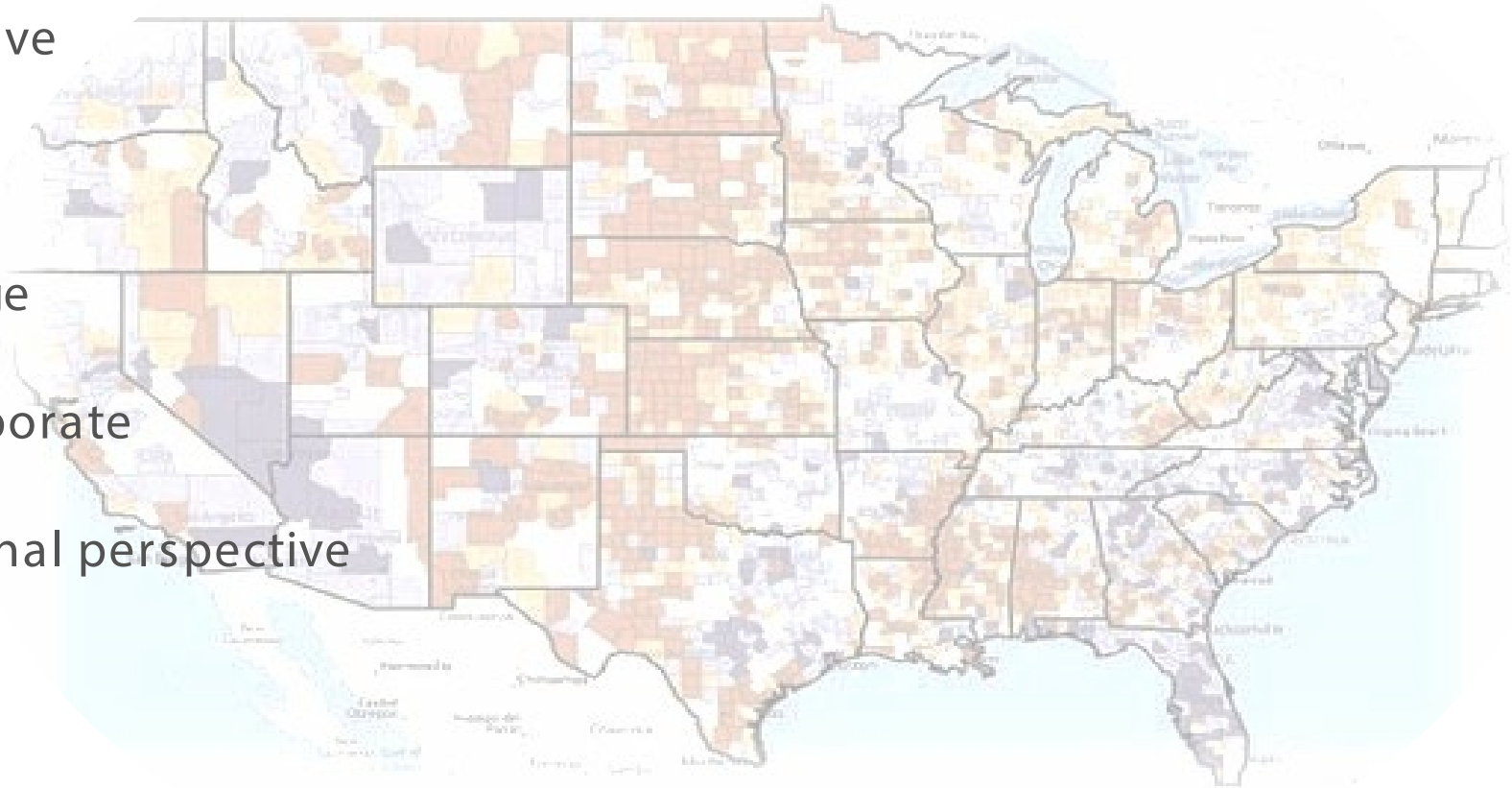
How can you help?

- Workforce
- Bricks and mortar
- Cost
- Speed to market



Learn from Other Communities

- Observe
- Visit
- Engage
- Collaborate
- Regional perspective



Site Selection Case Study



Phase One | ANALYSIS/OBJECTIVES, PROJECT CHIPS RELEVANT

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- 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

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- 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

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- Narrow legitimate locations to three or four
- Consider incentives to meet goals
 - Statutory programs
 - Negotiated incentives
 - Incentive audit and compliance

Phase Four | FACILITY DEVELOPMENT

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- 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

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- Financial analysis of alternates
- Scoring matrix
- Documentation
- Advocate
- Selection

Compensation

Phase One | Analysis/Objectives \$10,000

Phase Two | Location, Site Property Analysis \$50,000-\$75,000

Phase Three | Incentives \$TBD/hour
+ value-based success fee TBD

Phase Four | Facility Development

Option 1 | No out-of-pocket costs subject to Juniper's participation in traditional market transaction and development project fees

Option 2 | Flat fee based on percentage of project cost or on facility's square footage

Phase Five | Documentation Scoring Advocacy and Negotiation \$25,000-\$50,000



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