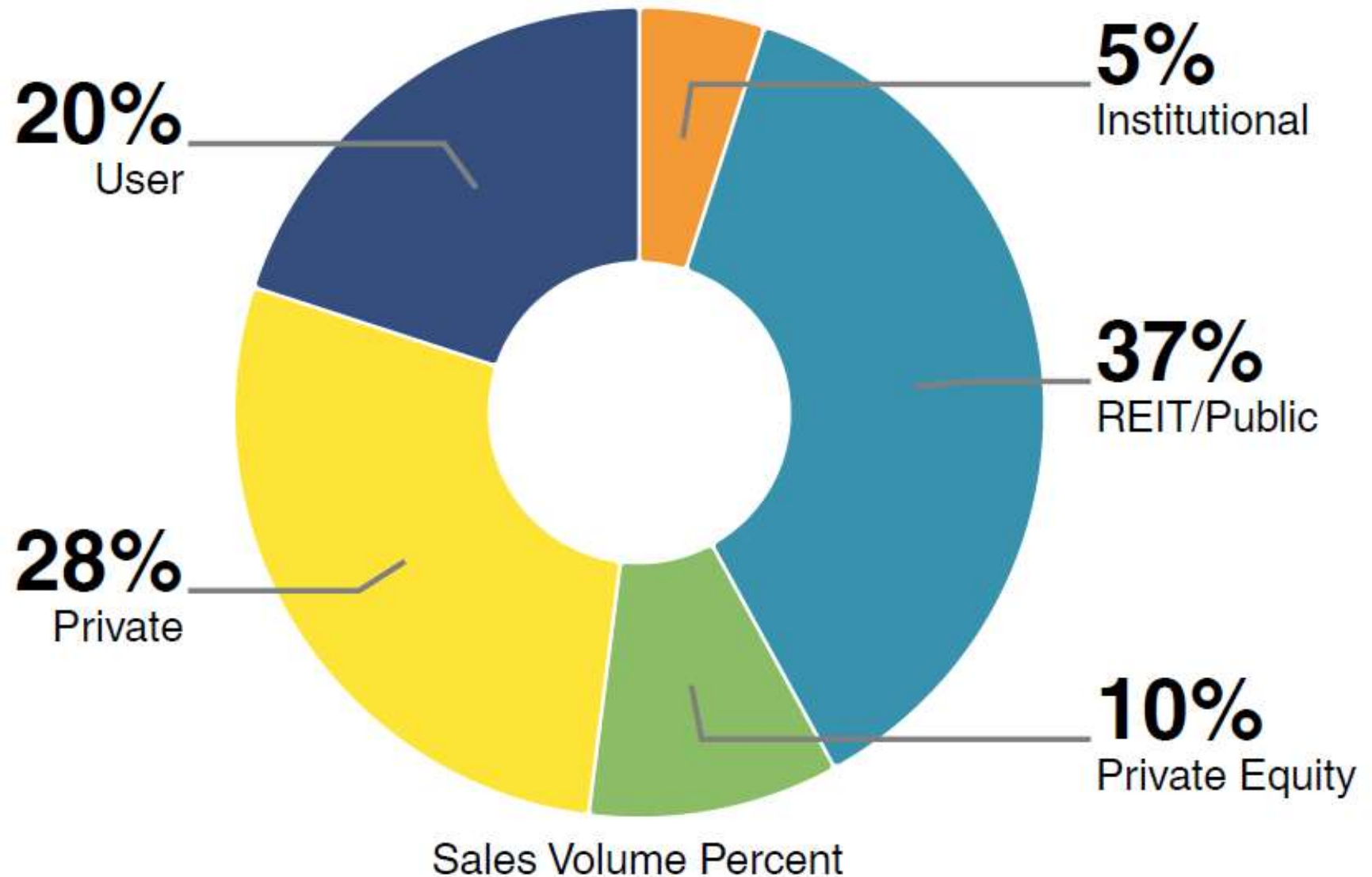
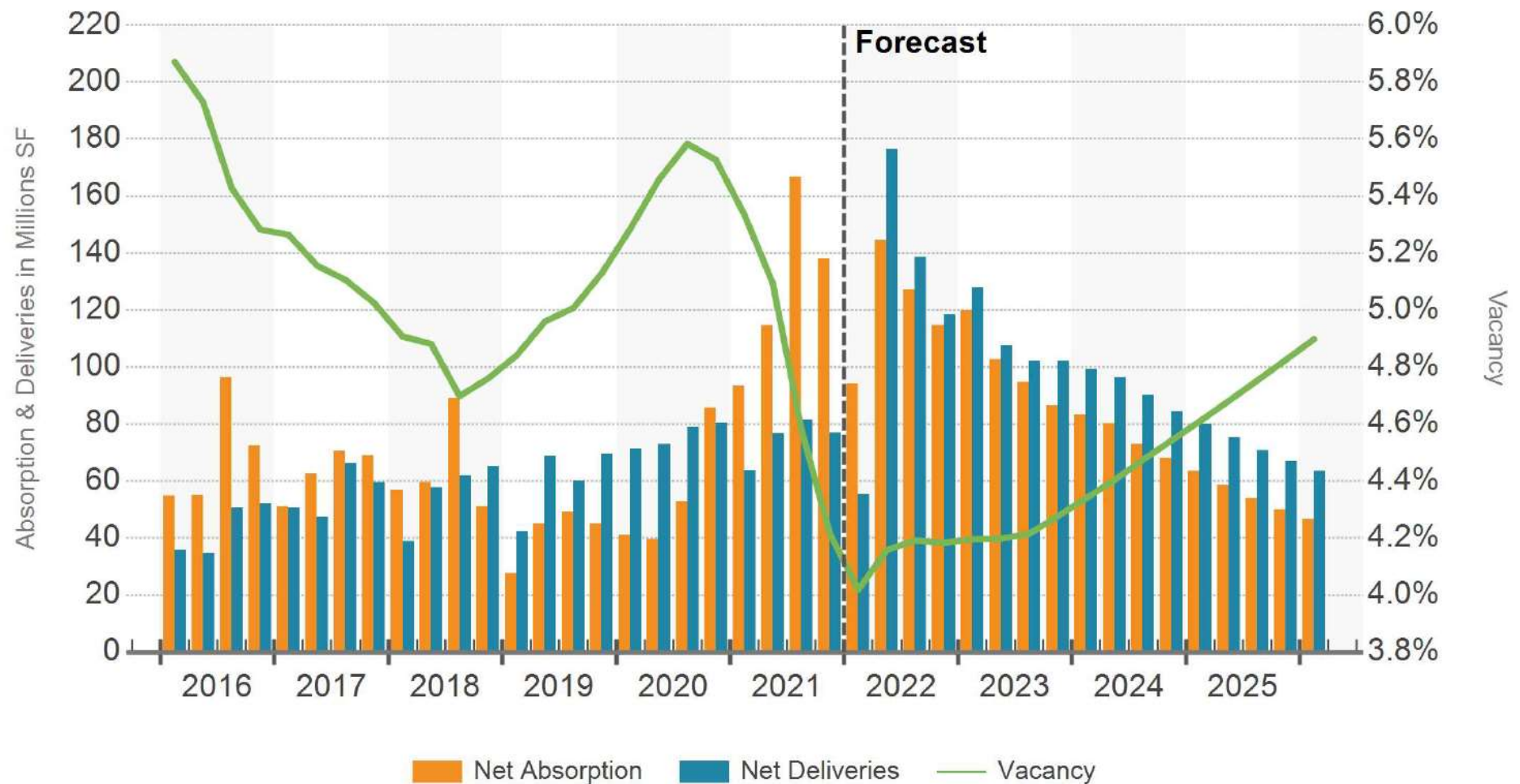


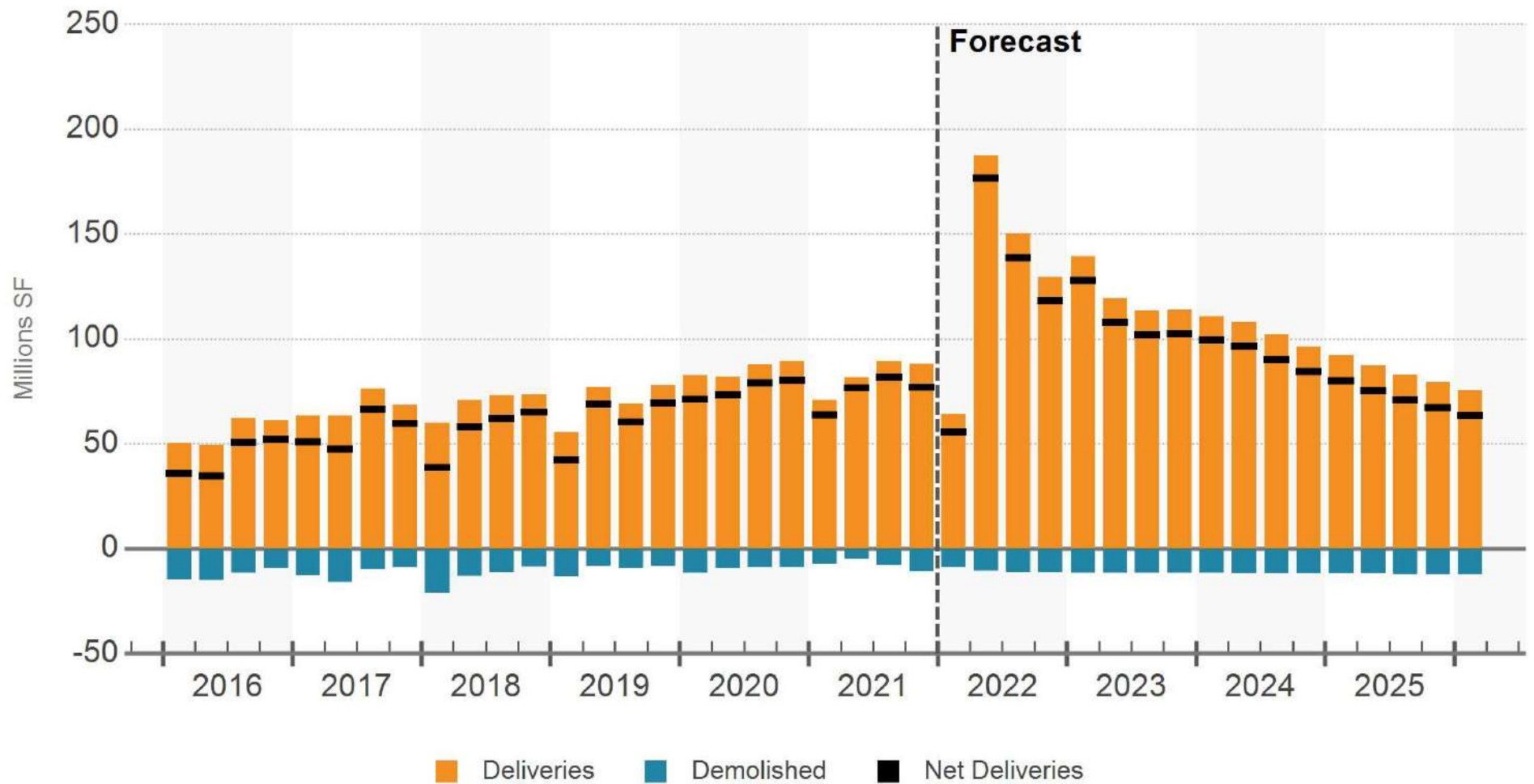
SALES VALUE BY BUYER TYPE: CENTRAL PA



ABSORPTIONS, DELIVERIES & VACANCIES: USA



UNDER CONSTRUCTION: USA



WHAT IS ECONOMIC DEVELOPMENT ?

Economic development is defined as the expansion of capacities that contribute to the advancement of society through the realization of individuals', firms' and communities' potential. Economic Development is the creation of wealth from which community benefits are realized. **It is more than a jobs program, it's an investment in growing your economy and enhancing the prosperity and quality of life for all residents.**

HOW SHOULD ECONOMIC DEVELOPMENT BE MEASURED

- ▶ Per Capita Income (PCI):
- ▶ Per Capita Consumption (PCC):
- ▶ Physical Quality Life Index (PQLI) and Human Development Index (HDI):
- ▶ Industrial progress
- ▶ Capital formation
- ▶ Job Growth
- ▶ Capital Investment
- ▶ **Vibrant Economy Index (VEI): 6 Measurables (Team NEO)**

SITE SELECTION DECISION PROCESS AND ECONOMIC DEVELOPMENT

*“Being Ready When
Opportunity Knocks” !*



SITE SELECTION DECISION PROCESS: “SAME AS IT EVER WAS”

The background of the slide is a collage of four images showing various industrial and commercial sites. Top left: A large industrial facility with multiple buildings and a parking lot. Top right: A modern commercial building with large glass windows. Bottom left: A large, flat industrial site with a river or canal in the foreground. Bottom right: A long, low industrial building with a flat roof.

SITE LOCATION DECISION PROCESS

**A systematic, time-tested
approach to helping
companies resolve business
location challenges.**

THE DECISION PROCESS

Profit-Driven

- Investment for the purpose of return. **Business is in business to make a profit.** The process must ensure that the broad perspective of the enterprise is addressed.

Deadline-Driven

- Both the site selection process and **the project must meet deadlines.**

Competitive

- Companies have **multiple location options.** The process is one of elimination until the optimal site is found.

Comprehensive

- A complex decision **involving analytical and subjective analyses**, it must take into account critical aspects that are important to the entire organization.

MISTAKES TO AVOID IN THE SITE SELECTION PROCESS

- 1. Unprepared site selection team.** An effective team will possess core competencies in the areas of human resources, cost accounting, logistics, tax, engineering, construction, and in some cases, environmental issues. Neglecting to assemble the right mix of stakeholders and experts early in the process increases the risks of project delays and poor location selection.
- 2. Lack of executive consensus.** Many teams make the mistake of only sharing the final results of the analysis with their executive leadership, which can lead to the original assumptions, rationale, methodology, and solution being challenged. Including corporate leadership early on and throughout the process helps promote buy-in and understanding of the long and highly analytical process of most site searches.
- 3. Incorrect search area.** Site selection usually begins with a general region of interest due to transportation issues, human capital needs, or other market dynamics. Problems will arise and valuable time will be lost if this geography isn't carefully validated with the new facility's overall operating objectives and criteria.
- 4. Narrowing the search area too rapidly.** After the search area is determined, companies are often tempted to quickly eliminate large chunks of geography to accelerate the process. Whole states or countries might be eliminated that, with some analytical consideration, could have been favorable alternatives. This can be avoided by correctly prioritizing the project's critical location factors—those aspects of the desired solution that can be quantified and measured.

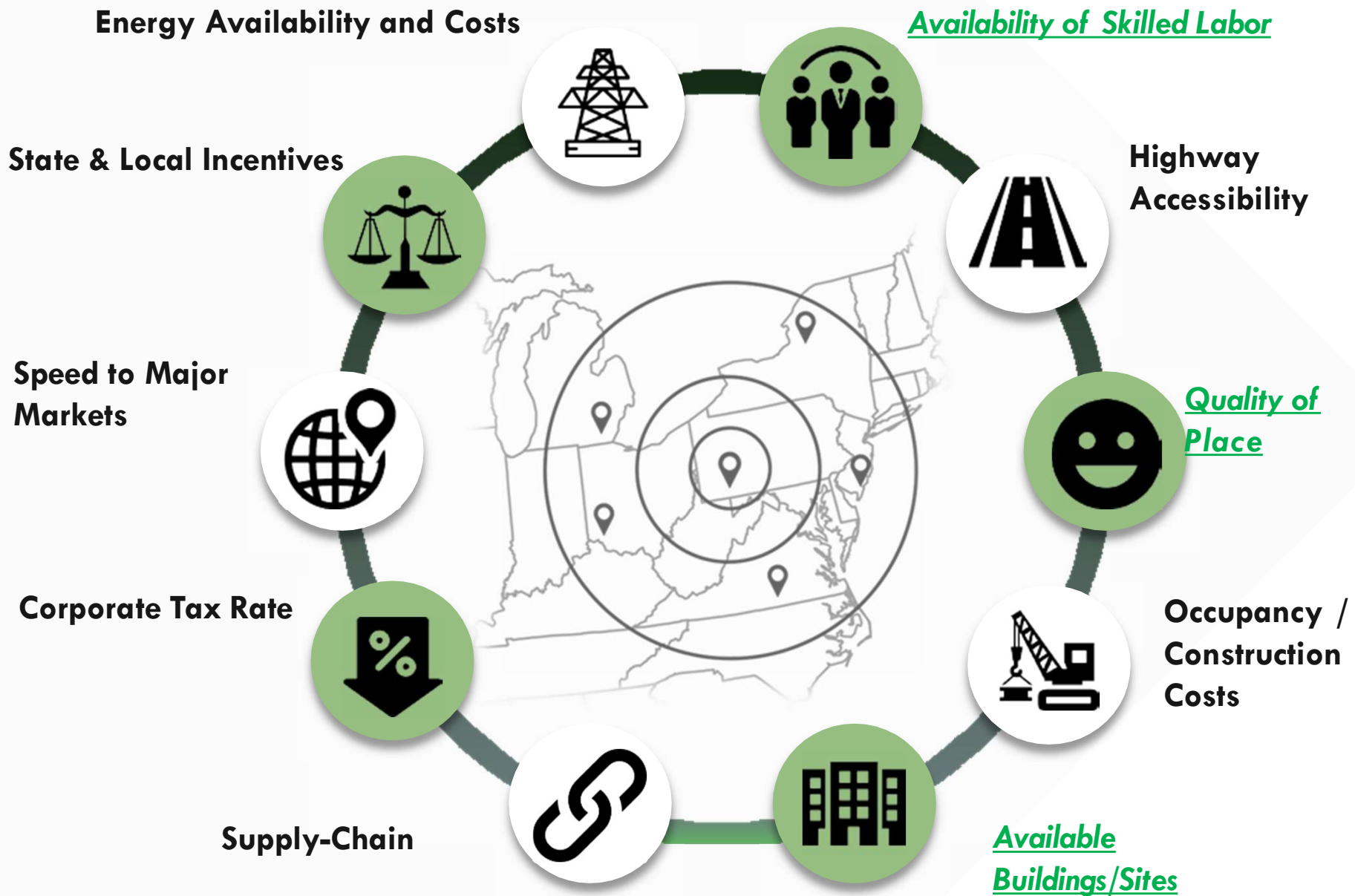
MISTAKES TO AVOID IN THE SITE SELECTION PROCESS

- 5. Failure to consider community trends.** No location exists in a vacuum: Towns, counties, states, and regions are in a dynamic state of evolution that affects most aspects of business operations. Labor and real estate markets, utility services, political factors, community image, and demographic characteristics can and do change from year to year. Evaluation of statistics is important, but datasets don't capture the dynamics and context behind the numbers.
- 6. Incomplete labor market analysis.** Unemployment and average hourly earnings statistics, the "usual suspects" in any labor study, are only general indicators of workforce availability and cost. But the market for employees in any area is affected by dozens of other factors that should be quantified and interpreted during the site selection process.
- 7. Failure to consider community trends.** No location exists in a vacuum: Towns, counties, states, and regions are in a dynamic state of evolution that affects most aspects of business operations. Labor and real estate markets, utility services, political factors, community image, and demographic characteristics can and do change from year to year. Evaluation of statistics is important, but datasets don't capture the dynamics and context behind the numbers.
- 8. Poor or absent technical site review.** Every year, projects experience unforeseen circumstances, such as adverse geotechnical conditions, floodplain issues, and various permitting hurdles that could have been avoided. It's crucial to understand and measure environmental risk, timing, obstacles to development, and geographically variable construction costs.

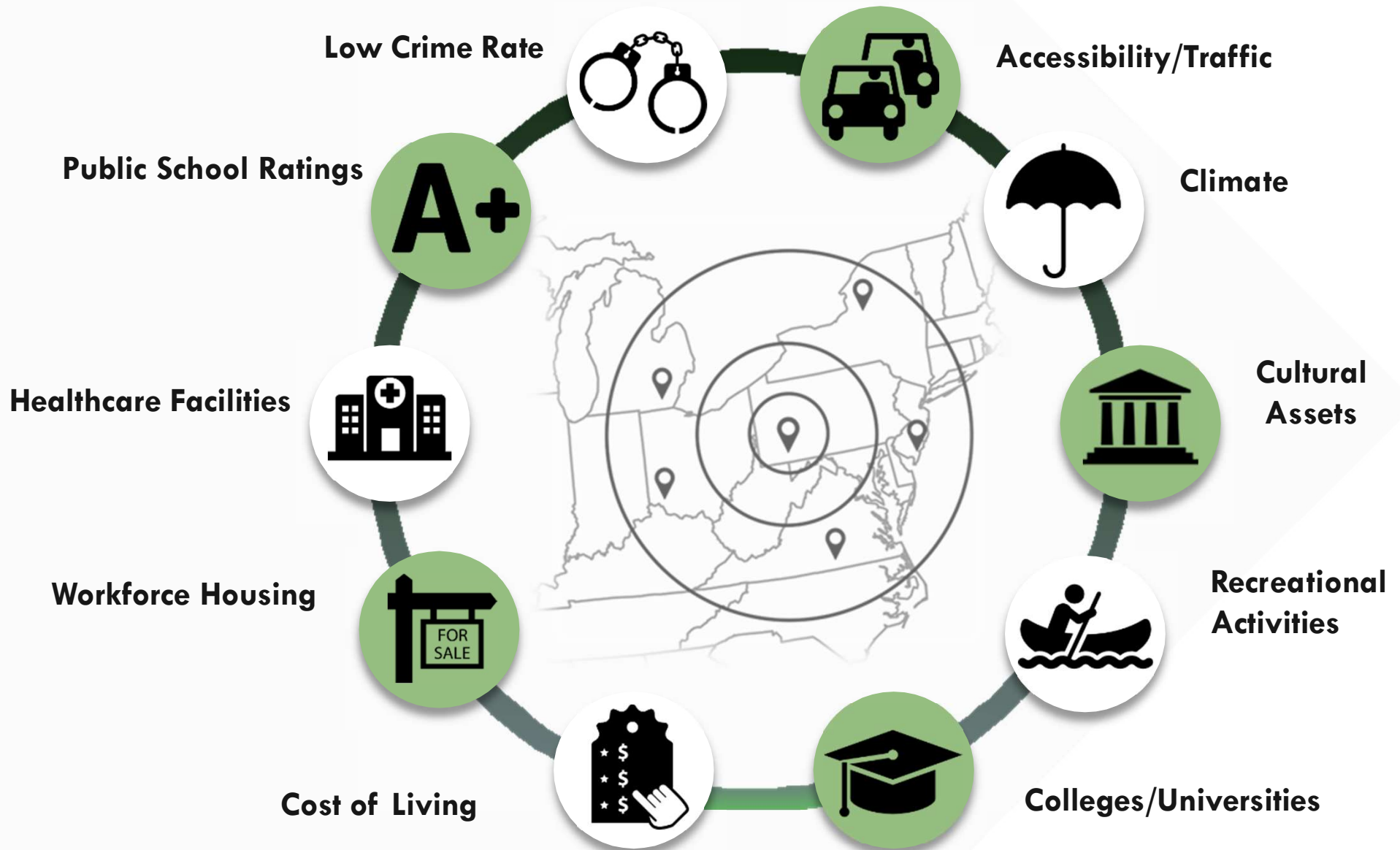
MISTAKES TO AVOID IN THE SITE SELECTION PROCESS

- 9. Breach of confidentiality.** Project confidentiality protects owners from unwanted attention and distractions, both external and internal, that can influence the outcome of the study. Management may be sensitive to premature, out-of-context leaks that can reach Wall Street, competitors, land speculators, and employees. This means that the site selection team must take precautions to not reveal the corporate identity or nature of the business to third parties who may not have the firm's best interests in mind.
- 10. Failure to capture negotiable incentives.** The state and local economic development community is in the business of attracting and retaining jobs and investment. Nearly every jurisdiction has some variation of legislated incentives that are available to any qualified business locating in the area. Often overlooked or underachieved are discretionary incentives that could be available.
- 11. Acceptance of overvalued incentives.** The negotiation strategy must account for the specific needs of both the operation and the corporation itself. A common mistake is to negotiate and accept state corporate income tax credits that appear to offer annual savings of millions of dollars while later analysis reveals that the firm will owe no such tax in the first place.
- 12. Poor implementation of incentives.** Once the deal is signed and the announcement is made, there's still work to be done. The implementation and transition team must not forget the effort expended and agreements struck during negotiations. Many state and local incentives will require "care and feeding" to ensure that all available benefits are captured.

SITE SELECTION FACTORS



QUALITY OF PLACE



WHAT SITE CONSULTANTS NEED FROM EDOs

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

ED IS A “TEAM SPORT”

- ▶ Schools
- ▶ Fire and safety
- ▶ Parks and recreation
- ▶ Finance (banks, lenders, port authorities)
- ▶ Corporate Leadership
- ▶ Labor
- ▶ Elected officials
- ▶ Real estate community
- ▶ **Collaborate**
- ▶ **Have a Team Strategy**



“A Rising Tide Lifts All Boats”

VESTIAN

PLACE OF AUTHENTICITY...DIFFERENT !!

- ▶ Live, Work, Play-ed Out.
 - Important concept by virtue, but the slogan is overdone.



- ▶ *"A great slogan can help people to remember your company, but it needs to be connected to your brand message."* – The Placemaking Group

EXAMPLES

Keep Austin Weird is the slogan adopted by the Austin Independent Business Alliance to promote small businesses in Austin, Texas.





THANK YOU!

QUESTIONS?

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