



Site Selection Landscape: Needs & Trends – Power, People, Policy

Danville, Pennsylvania

Jason Hickey, CEO, Hickey & Associates
December 3, 2024

About Hickey

Global Team, Dynamic Resources

We combine the largest independent site selection firm in the world, an international think tank, a foundation, and an economic development consulting practice into an integrated team.

Hickey & Associates

Site Selection

Hickey Global

Economic Development Consulting

Hickey Institute

Thought Leadership

Michael P. Hickey Foundation

Giving Back

You work in a globally connected environment; and you need a global firm – Hickey.

Shifting Trends in Industrial Location Strategy

Power, People, and Policy



Shifting Trends in Location Strategy

Where are we in 2024 . . .

For **every dollar** of U.S. gross domestic product, **at least 20% more** logistic space is needed today than before the pandemic

Every company has shifted from **'just-in-time' to 'just-in-case'**

Major geographic diversification underway from typical **'go-to'** locations; lowest FDI in a generation

More than 80% of site selection projects originating from Asia-Pacific are **now considering a Mexico site** in their Top 5 locations

Some regions in North America are going to become **flash points for workforce scarcity**

Many companies have **established alternative supply chains** in the event of global tariffs

Most of the U.S. is **running out** of power

Running out of Power

Perfect storm across power utility markets

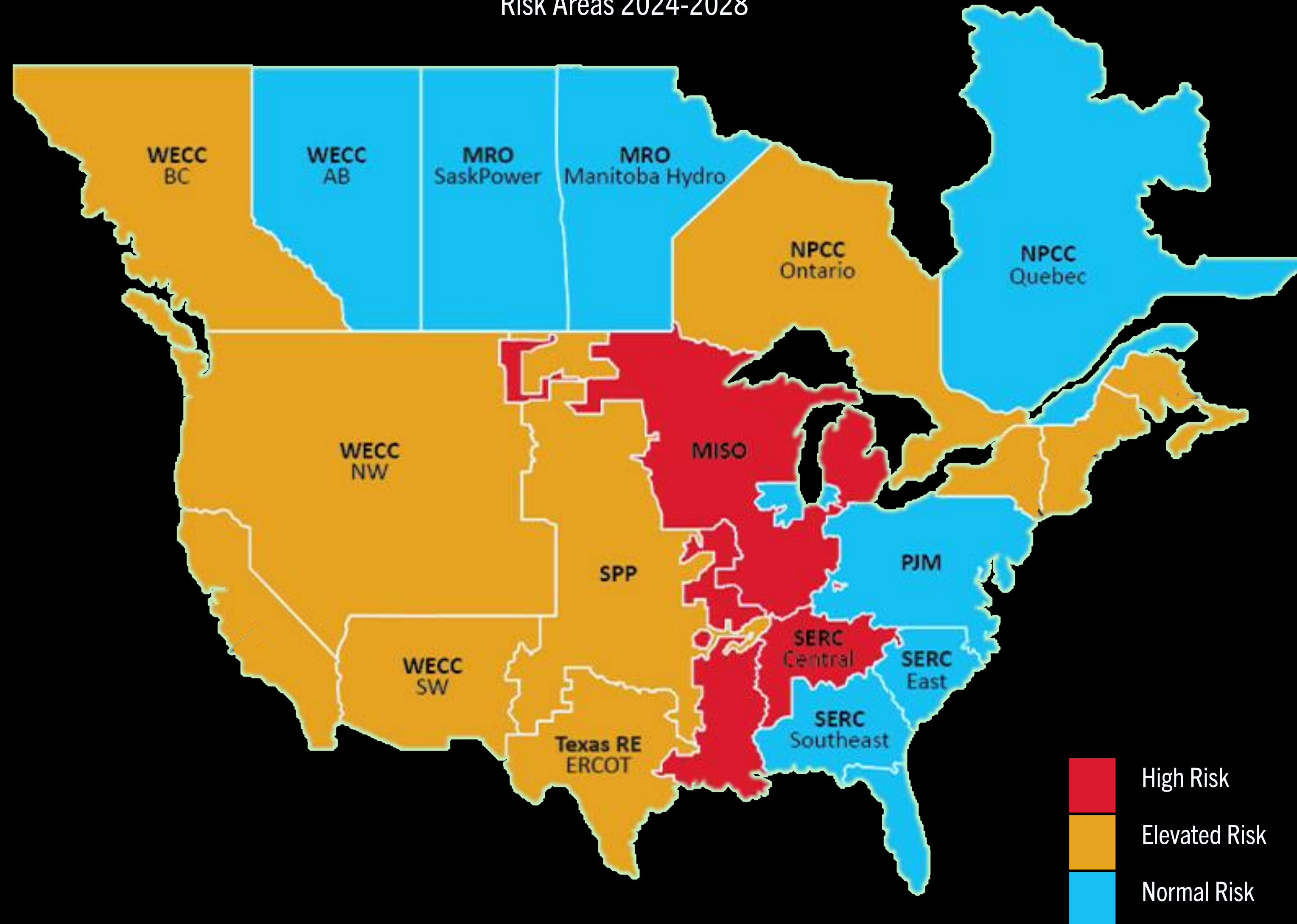
- **New demands on power capacity is unprecedented**
 - Data center growth
 - Crypto mining
 - Automation deployment
 - Advanced manufacturing industries
 - Electric vehicle charging
- **Seasonal impacts and natural disasters causing disruptions**
- **Aging infrastructure + transmission equipment supply chain issues**
- **Interconnected systems provides grid management, but also leads to over-reliance**
- **Retirement of fossil-fuel power plants**

Risk Across the North American Grid

Supply, Capacity, and Seasonal Impacts

NERC Long-Term Reliability Assessment

Risk Areas 2024-2028

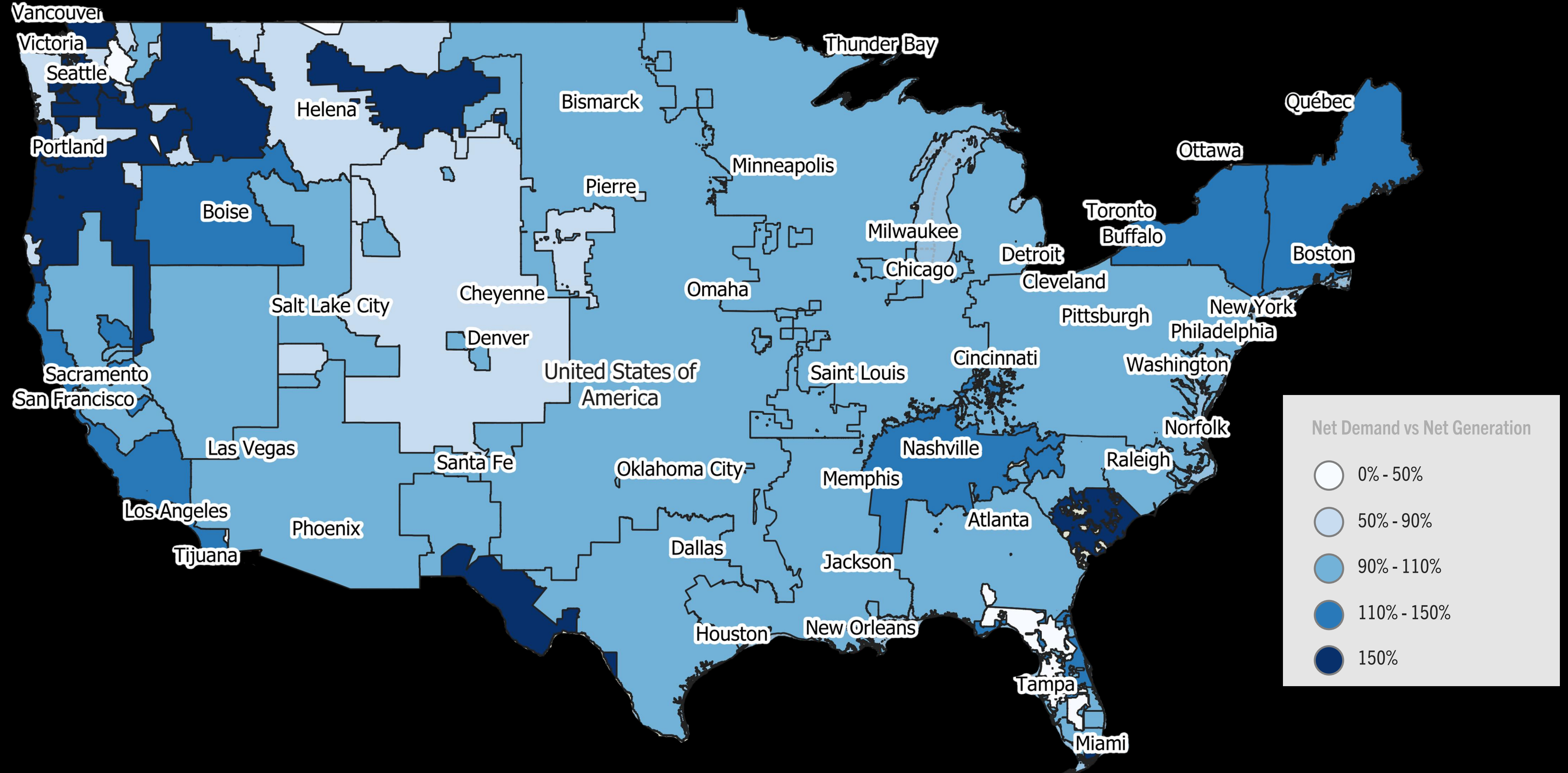


Where are we facing potential demand + capacity issues?

Identifying the markets with potential risks

Net Demand vs Net Generation

U.S. Power Regions

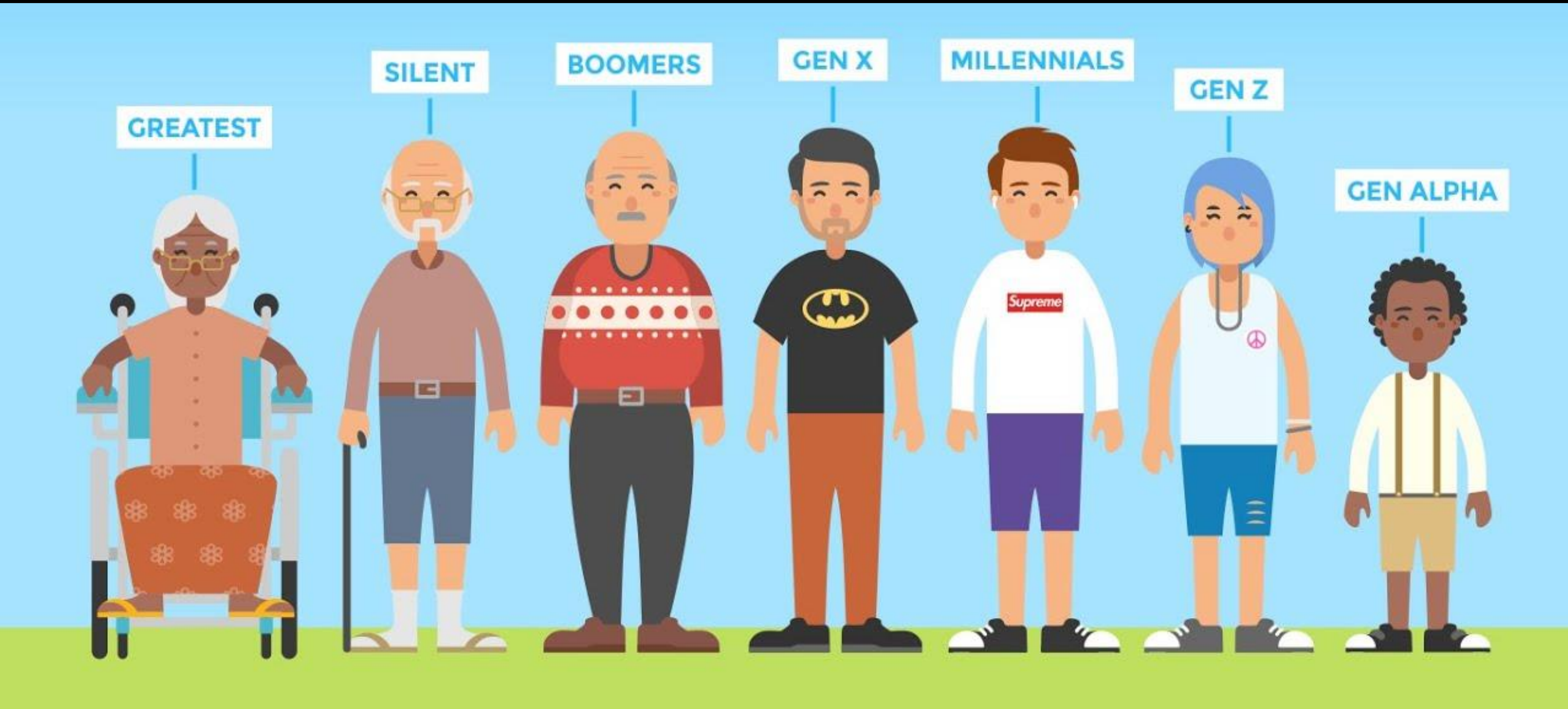


How do we address the power challenges?

Prioritize, invest, and plan

- Businesses need to understand their true power demands in near-term and long-term
- An additional automated manufacturing line could trigger a delay to study impact to local circuit and larger capacity
- Open dialog with your utility provider about the lead time for an energy study.
- Some regions are rebuffing projects above a certain power requirement
- Communities work with their utility partners to identify capacity and transmission gaps
- Plan and develop strategies for future demand and risks to local systems

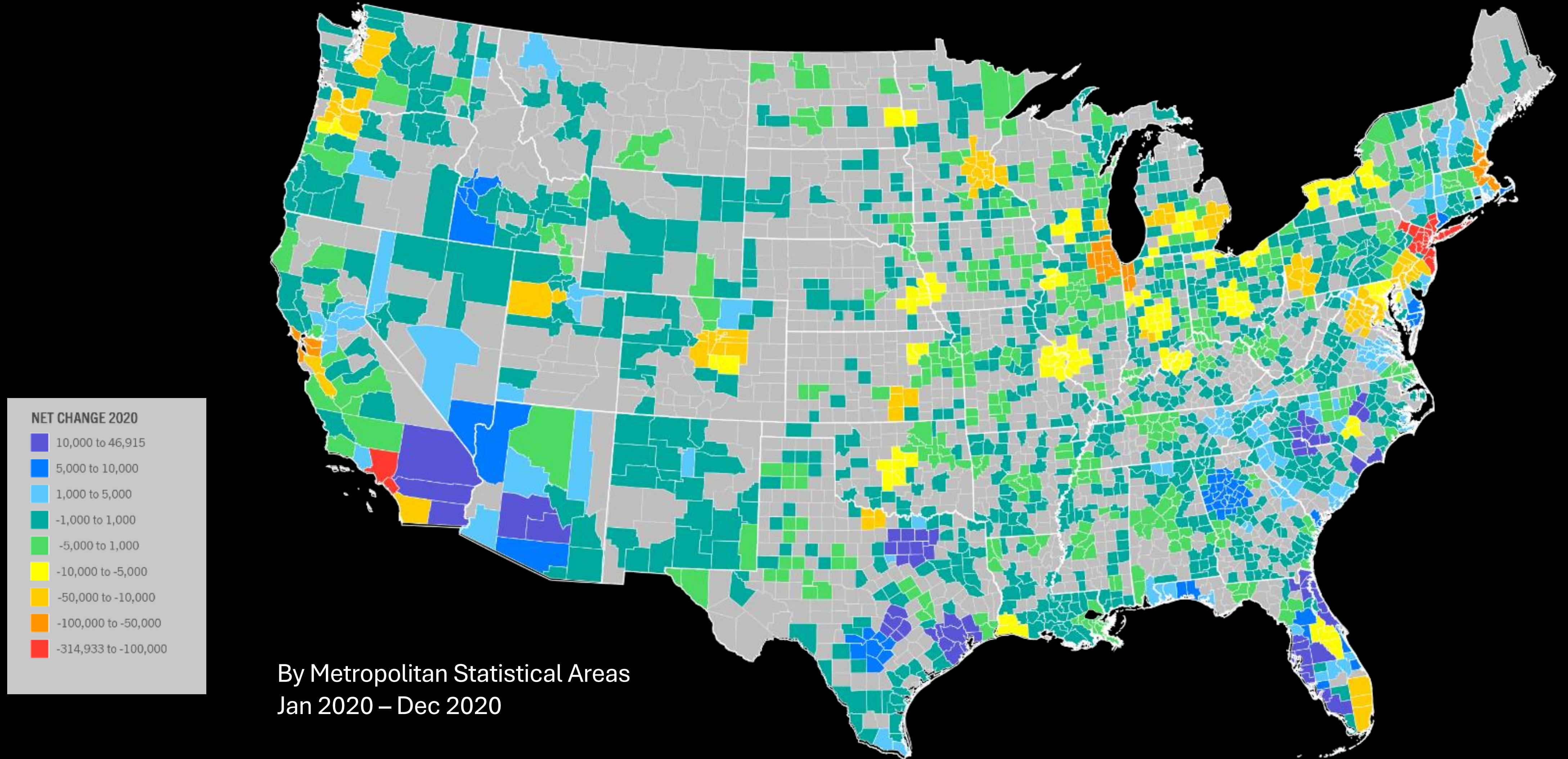
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Societal + Demographic Shifts

The Great American Migration

Movement of Americans in 2020



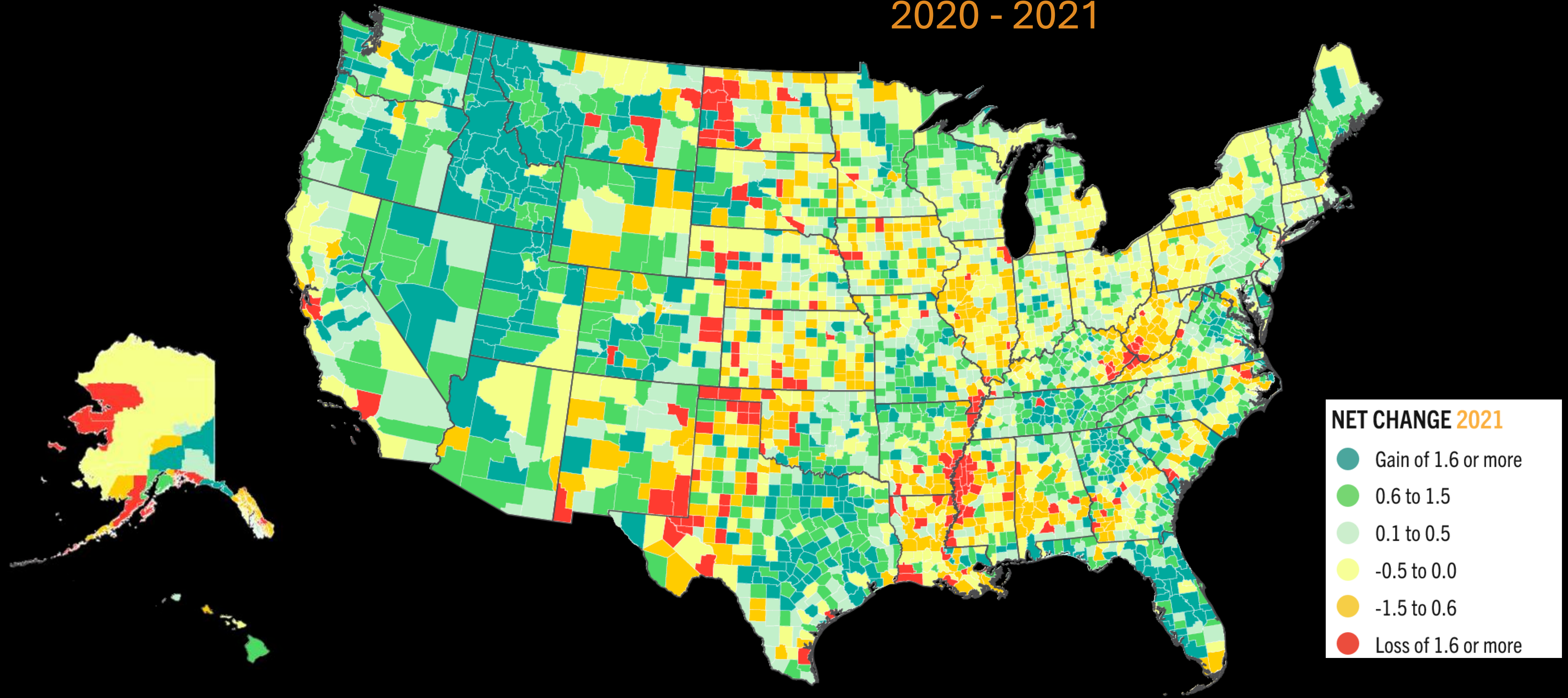
Source: US Postal Service Net-In's & Net Out's, Hickey Analytics

Societal + Demographic Shifts

The Great American Migration

Movement of Americans

2020 - 2021



Source: US Postal Service Net-In's & Net Out's, Hickey Analytics

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Identifying the Optimal + Challenged Talent Pools

Hickey Workforce Longevity Model Workforce Growth vs Unemployment Rates



Source: Hickey Analytics, U.S. Census Bureau, U.S. Bureau of Labor Statistics, U.S. Federal Reserve

Shifting Trends in Location Strategy

Getting People Back in the Workforce:

- Availability and affordability of childcare
- Access to reliable transportation
- Spousal employment
- Employment for youngest cohort
- 'Clean' vs 'dirty' manufacturing
- Access to affordable pathways to upskill their job
- Most important – Stop the braindrain

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Providing childcare



Clarksville

MONTGOMERY COUNTY, TN
INDUSTRIAL DEVELOPMENT BOARD®

18 ACRE

CHILDCARE FACILITY

LOCATED IN THE INDUSTRIAL PARK

800

CHILDCARE SLOTS

Full-Time

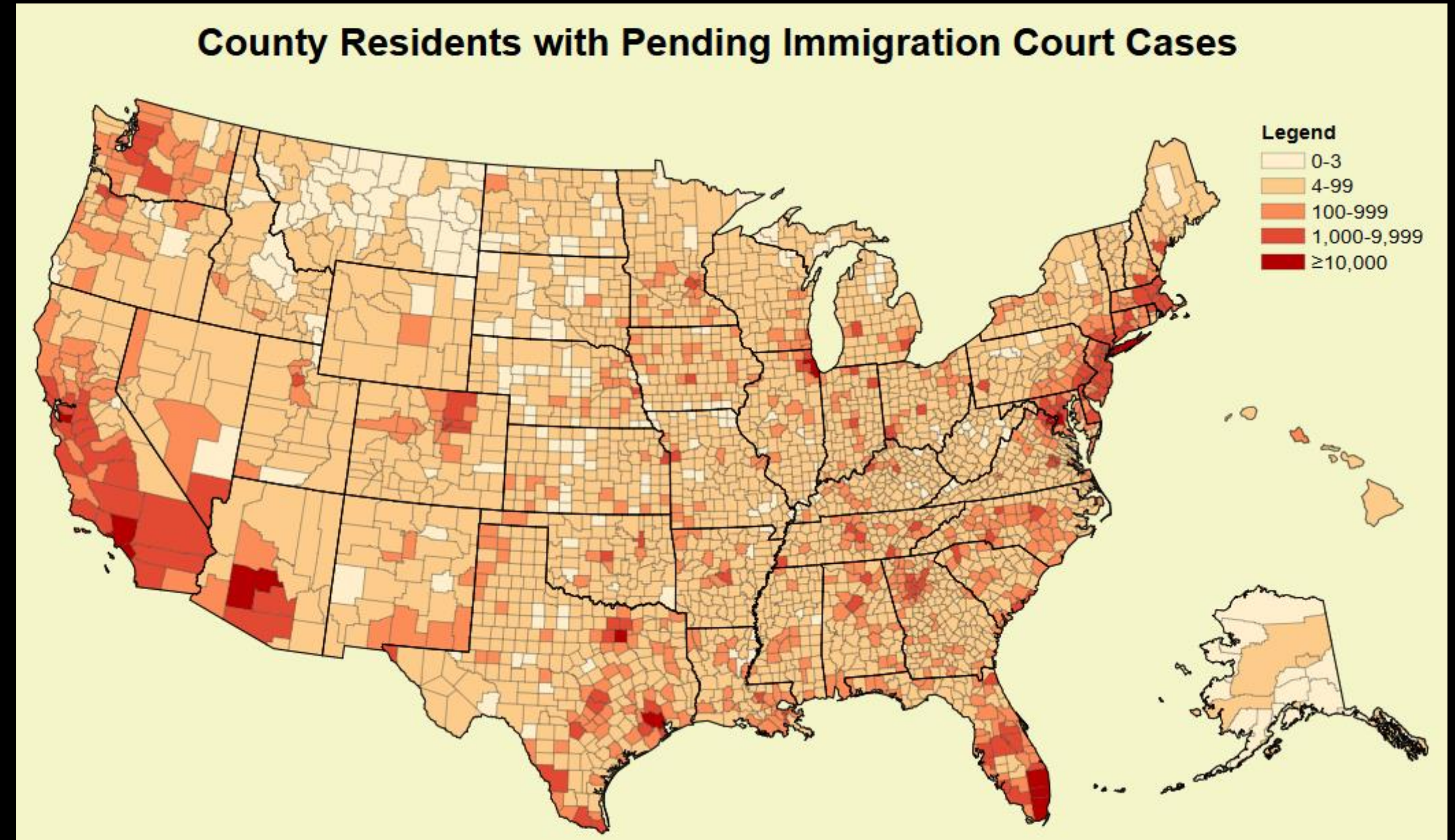
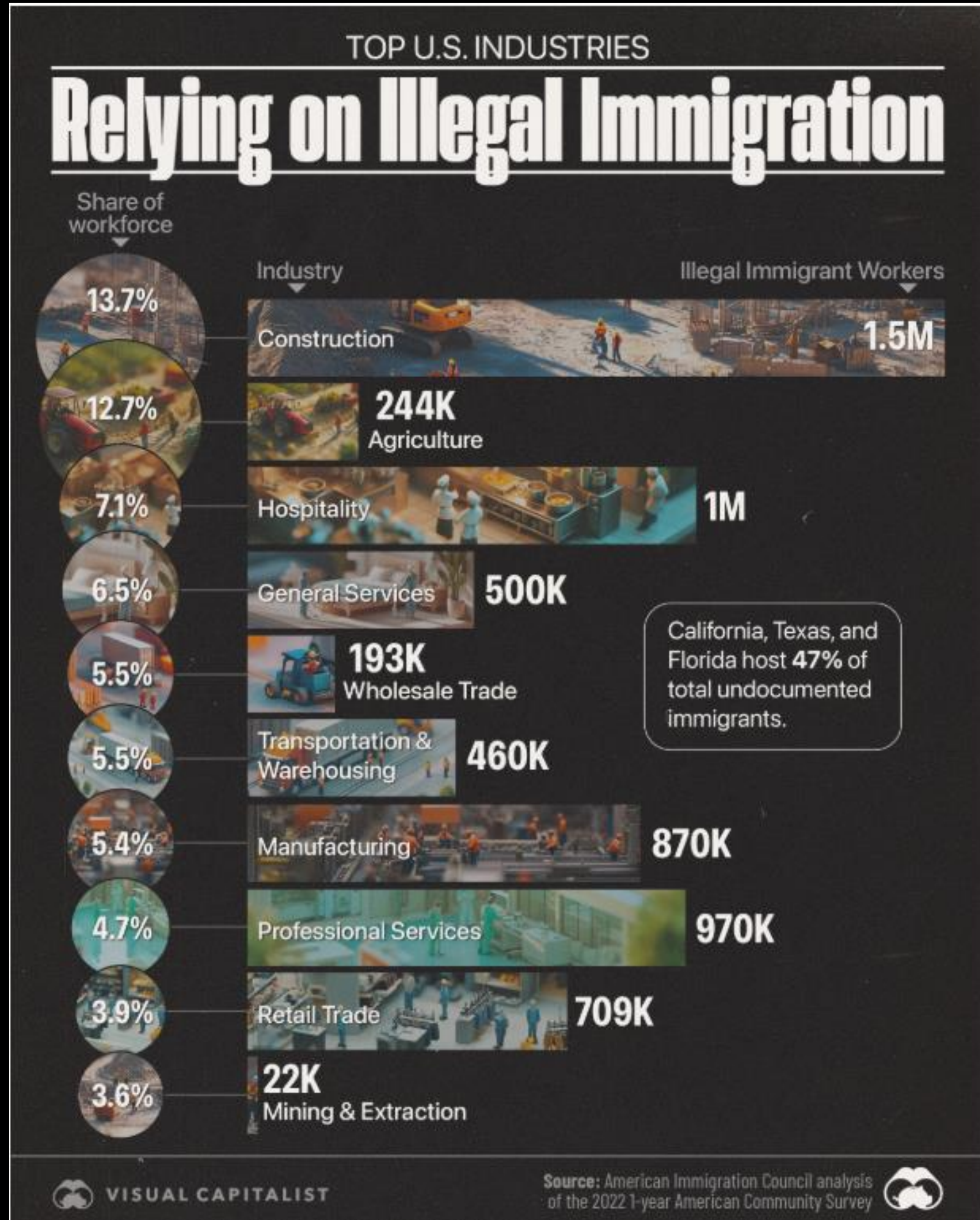
400

DEDICATED SLOTS

For Park Employees +
Active-Duty Military

Shifting Trends in Location Strategy

Possible Mass Deportations and Workforce Shortages



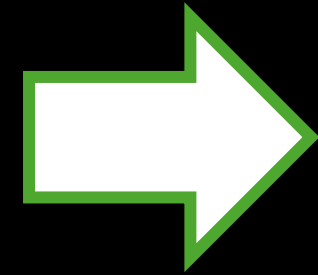
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Impact of Incentives

Global Annual Economic Incentives

\$60+
BILLION

Pre-COVID



\$2+
TRILLION

Post-COVID

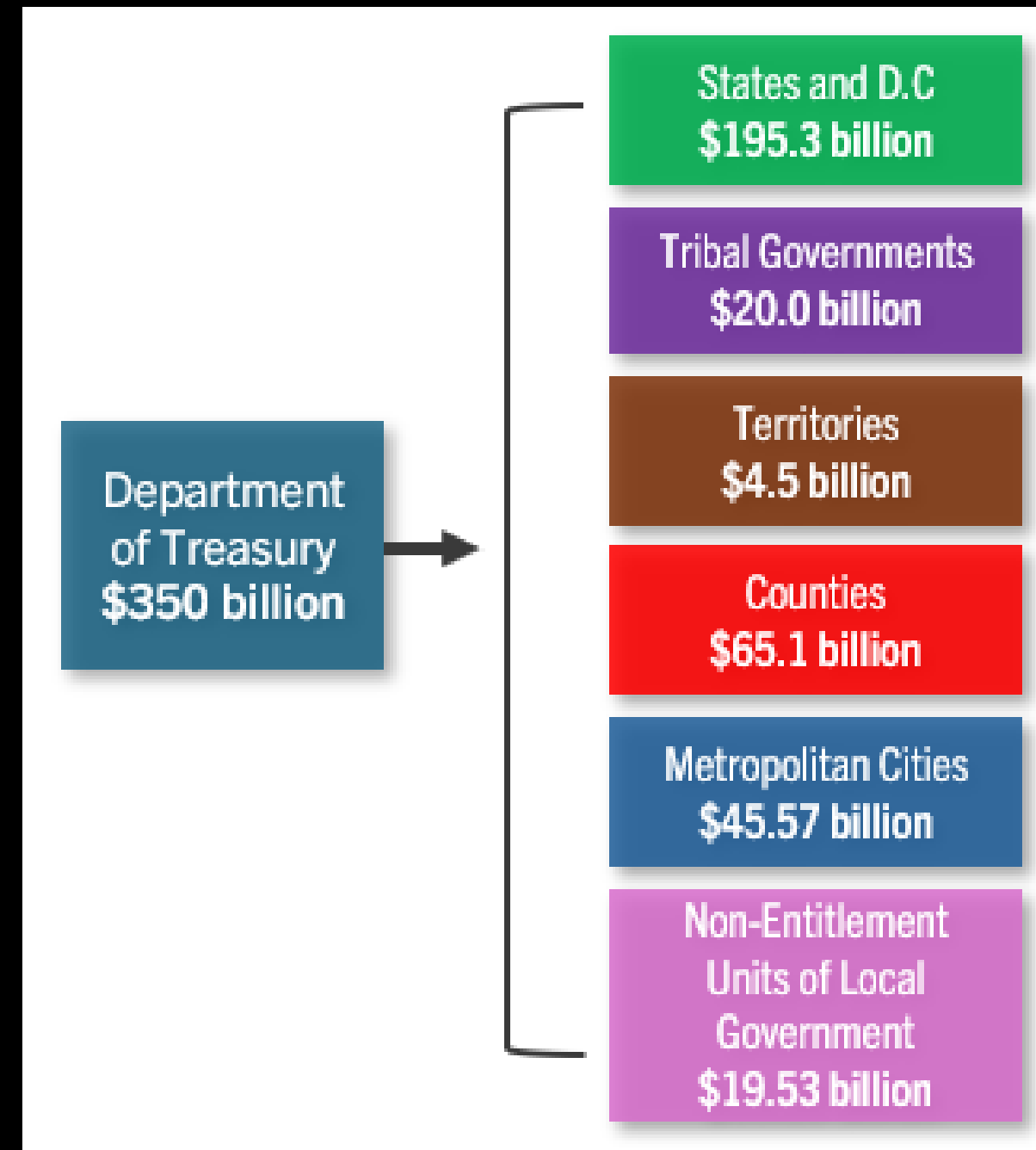


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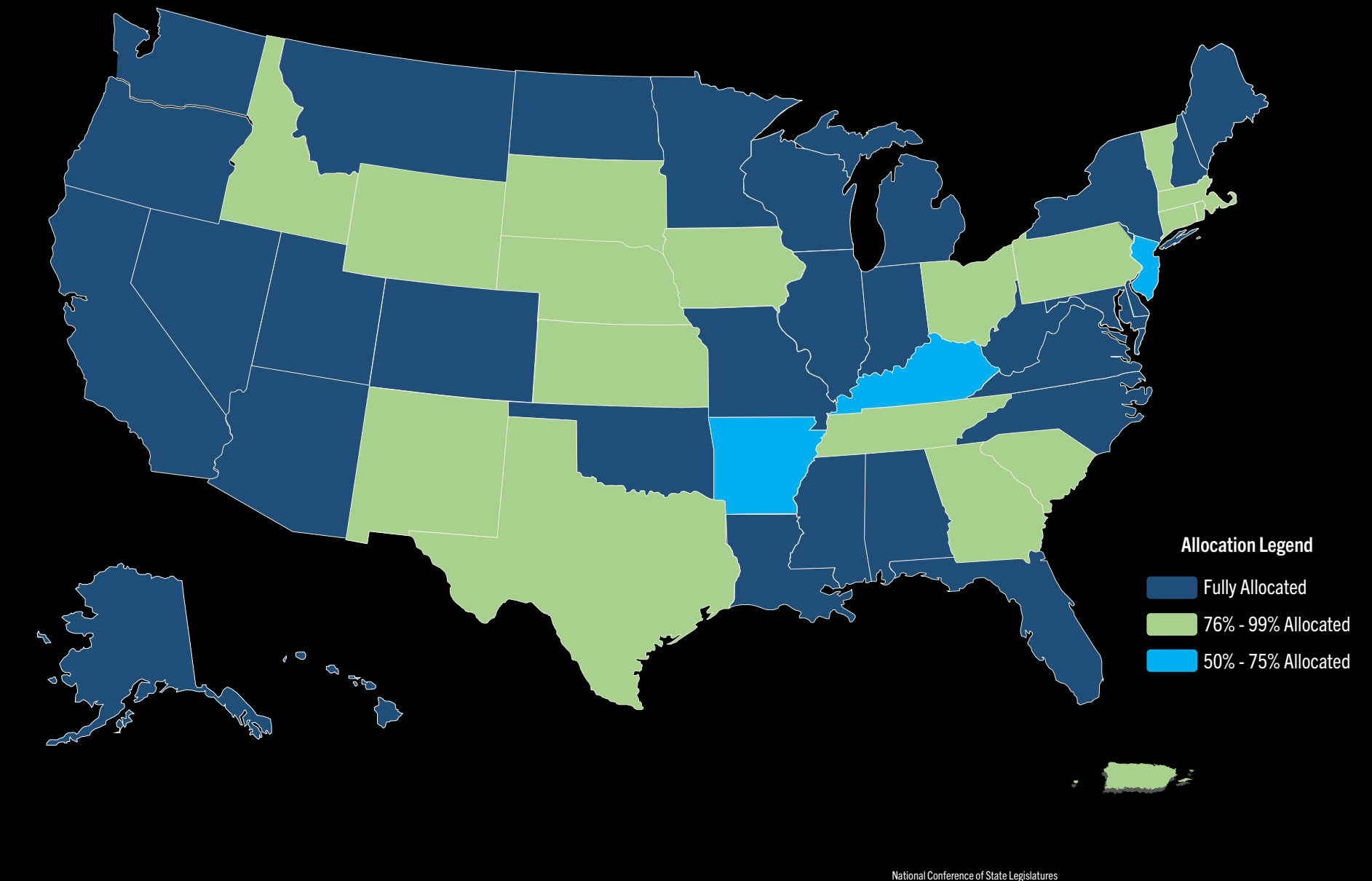
Federal Funding Fiscal Cliff Coming

- Unprecedented federal funding provided for COVID recovery, relief, and economic stimulus are expiring at end of 2024
- Many states and communities leveraged these funds to support businesses through incentives, site / infrastructure investments, and workforce development
- Examples include California Competes Grants and Florida Job Growth Grants

ARPA State and Local Coronavirus Recovery Fund Funding Allocations through 2024



ARPA State and Local Coronavirus Recovery Fund Remaining Allocations



Shifting Trends in Location Strategy

Incentives and Government Aid

- CHIPS Act match funding **required many states** to setup 'closing funds'
- Additional funds to utilize from EDA and CDBG assistance
- More **organized workforce training** around specific ecosystems
- Incentives for **retention of existing industry** to allow for greater competition for internal investments
- Higher wage thresholds that do not qualify some warehouse distribution jobs

Shifting Trends in Location Strategy

Community Engagement



Shifting Trends in Location Strategy

More Community Engagement

- More **community engagement** for infrastructure and development
- Citizens interested in who comprises company ownership
- **Environmental and social impact** awareness
- Companies adding risk mitigation factors to the decision process of sites

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Nearshoring: Mexico – America's #1 Trading Partner

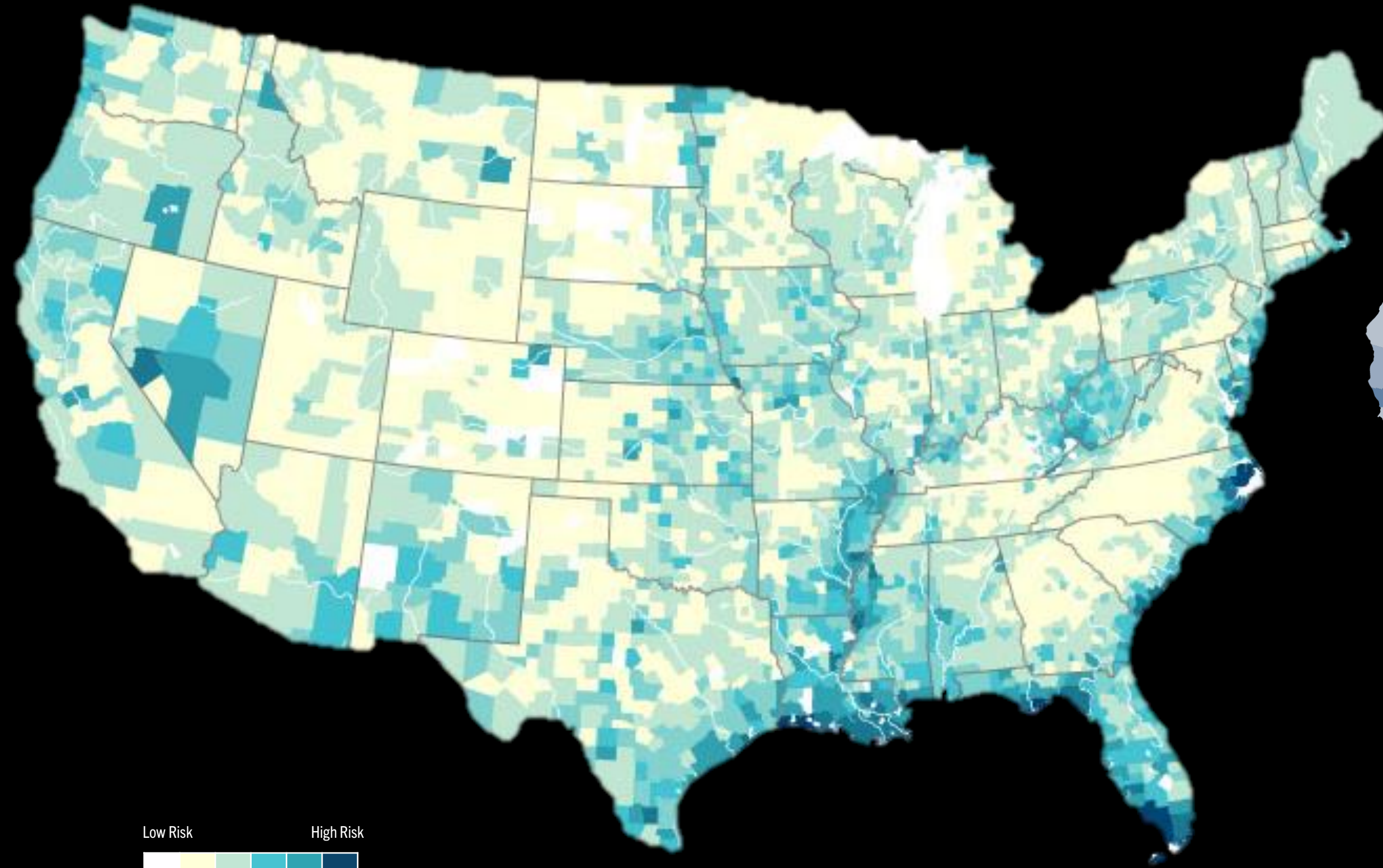
Volume of Goods Traded with United States (In USD)



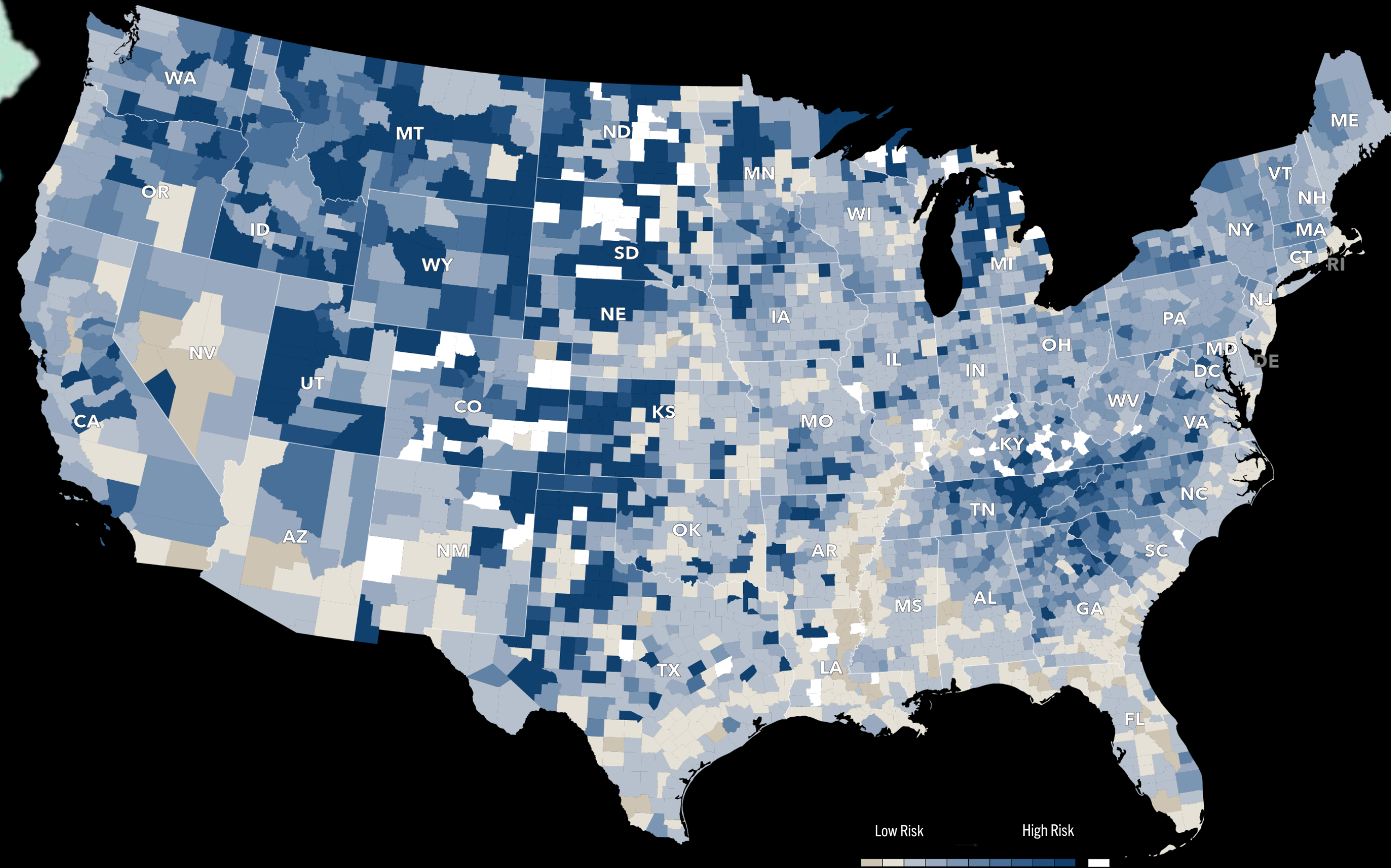
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Climate Risk – Navigating Outdated Flood Maps

FEMA Flood Risk Map



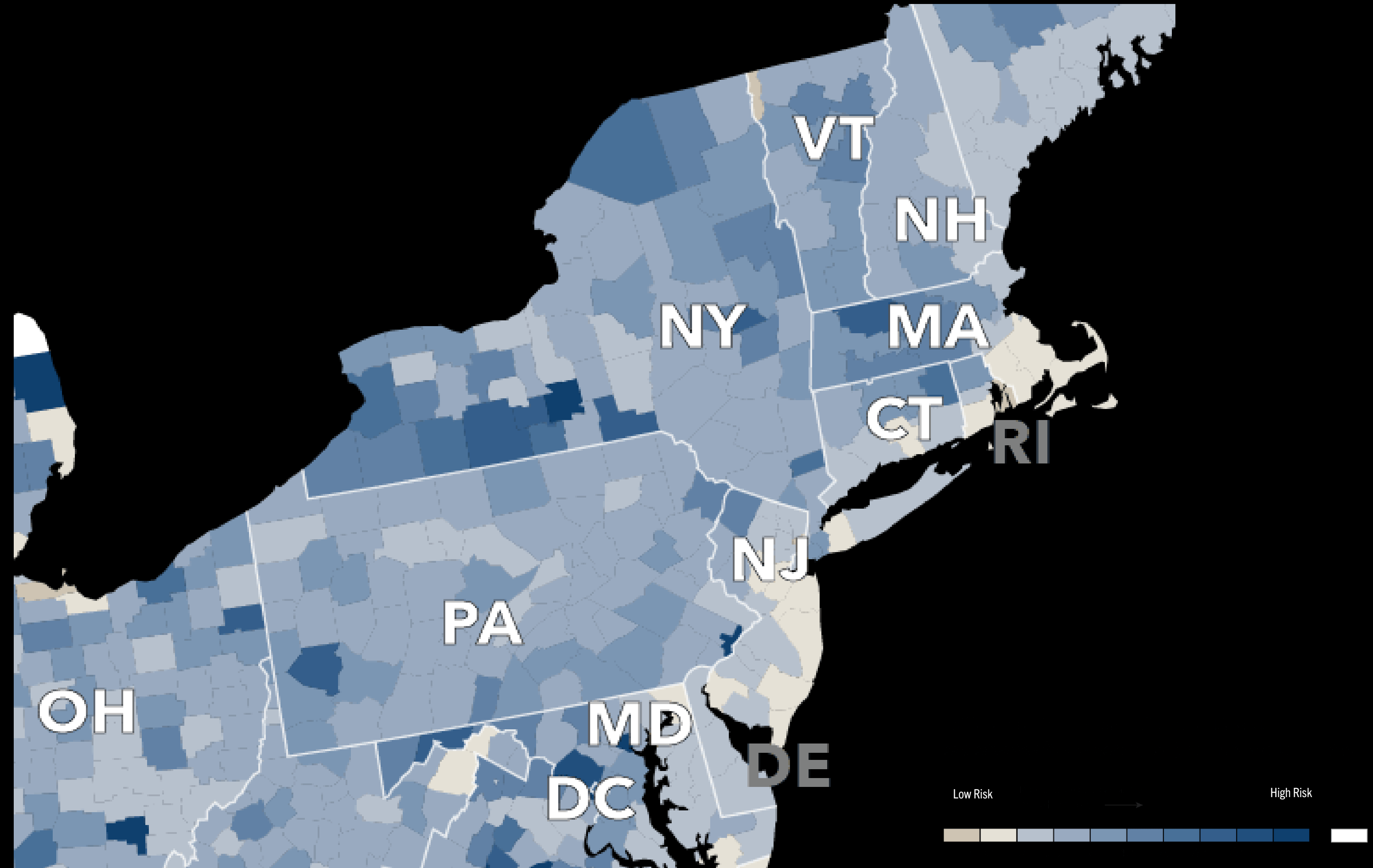
First Street FSF Map – Risk



Shifting Trends in Location Strategy

Climate Risk – Navigating Outdated Flood Maps

First Street FSF Map – Risk Differential



Shifting Trends in Location Strategy

Why is ESG a driving factor in the business world?

83%

of **CONSUMERS** think
COMPANIES should be
ACTIVELY SHAPING
ESG PRACTICES

90%

of **S&P 500**
COMPANIES currently
PUBLISH
ESG REPORTS

86%

of **EMPLOYEES** PREFER
to **SUPPORT / WORK**
for **COMPANIES** CARING
about SAME ISSUES

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ESG as a Driving Factor

Industrial Project



Office Project



Shifting Trends in Location Strategy

New Dynamic for Businesses + Communities

- Understanding + assessing a dynamic workforce environment
- Evaluating incentives in business strategy, location decisions
- Navigating community engagement
- More robust assessment of power requirements to mitigate risk
- Communities need to be ESG Data Ready

Q&A





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