

## 2023 SelectUSA Investment Summit

**Topic: Site Selection** 



#### **Today's Discussion**

- Site Selection Process / Plan
- Timeline
- Site Selection Participants / Resources
- Labor Considerations
- Supply Chain / Logistics / Compliance
- Site / Building and Permitting
- Capital (\$)
- Cultural Considerations
- Incentives
- Tips for Successful Interactions



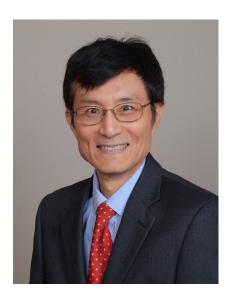
### **Speakers**



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# Importance of Site Selection Process Why do we need it?

- The U.S. market is one of the largest with many variables.
- Pitfalls:
  - Paralysis by analysis
  - > Prioritization
- Resource Identification:
  - > Private Resources
  - > Governmental Resources





#### **Site Selection Process**

#### Phase I

Location Strategy & Site Screening

#### Phase II

Community/Property Selection

#### Phase III

Property Due Diligence and Incentives Negotiation

- Project Mobilization and Location Criteria Validation
- Logistics Optimization Analysis/Strategy
- Capital
- Labor
- Site Search and Screening
- Preliminary Operating Costs/Conditions Screening
- High level utility review
- Recommendations of Shortlist Sites

- In-Market Field Investigation and Evaluation
- Solicitation of Initial Incentive Offers
- Consensus Around Preferred and Alternate Locations
- In-depth utility analysis of capacity, reliability, timing, operational costs and capital cost

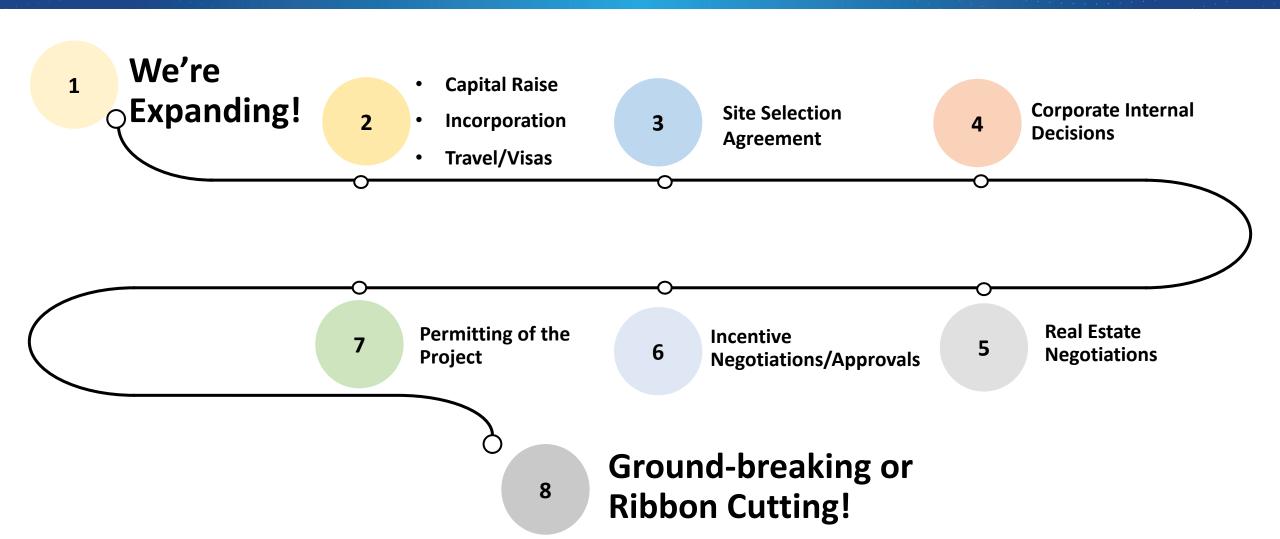
- Property Due Diligence Activities and Documentation
- Negotiation of Economic Development Incentives
- Incentives Approvals and Documentation
- Project Implementation
- Negotiation of utility capital cost, rate incentives

Results: Short-List Finalists (5-7 Candidate Locations) Results: Prioritized List of Finalist Sites

Results: Final Site Decision(s)
Ready for Acquisition &
Construction



# Site Selection FDI Timeline (12-18 Months or Longer)





#### Potential Participants/Resources

- Select USA
- FDI Associations
- Site Selection Consultants
- Economic Developers (State, Regional, Counties and Cities)
- Engineers
- Corporate Real Estate Firms
- Construction Companies
- Attorneys





#### **Labor Considerations**



**Availability** 



**Skill Sets** 



Wages



Demographic Trends



**Training Programs** and Facilities



## Supply Chain, Logistics and Compliance

- How can you be prepared?
- Examples of foreign companies' expansion to the U.S. market
  - Supply Chain & Logistics Example: metal casting & fabrication company from Asia
  - Compliance & Regulatory Example: A vegetable meat company from Africa (FDA, USDA, HS code, shelf life, duty & tariff)





**Topography** 



### Site / Building Evaluation

Layout

**Stormwater Regulations** 

**Environmental** 

**Permitting** 

**Easements** 

**Rail Service** 

**Impediments** 

**Port Access** 

Wetlands

Covenants

**Due Diligence** 

**Utilities** 

**Endangered Species** 

**Surrounding Land Uses** 

**Natural Gas** 

**Road Access** 

Geotechnical

**Price** 

**Foreign Trade Zones** 

**Impediments** 

**Electric Infrastructure** 

**Archaeological & Historical** 

**Height Restrictions** 

Water Availability

**Non-Attainment Areas** 

**Property Taxes** 

**Sewer Service** 

**Telecommunications** 

**Transportation** 

**Setback Requirements** 

Zoning

**Ownership/Control** 

**Airport Proximity** 





### Permitting



Required permits vary by type of project and location



Approval agencies may include entities at multiple levels

Federal, state, local



Permitting
timelines may
impact your
project schedule
and should be
investigated



### Geographical/Cultural Considerations







#### **Capital & Finance \$**

- How does "Geography (Location)" affect to your capital/financial plan?
  - Spending (Cash burn rate)
  - Fund raising (Access to Capital)
  - Other factors affecting your financial decision: logistics (nearby water ways, rail ways, highways, airports)
  - ➤ An example: high tech electronic supply company fr from Asia (3.2x)





#### **Incentives**

- Two types of incentives
  - Statutory (qualify if requirements are met)
  - Discretionary (negotiated)
- Multiple entities may offer incentives
  - > Federal, state, local, utility providers, others
- Negotiating and securing discretionary incentives takes time
  - > To be eligible, process must occur before a location decision



### **Tips for Success**

- What advice can we give you on Site Selection?
  - > The U.S.A. is a very fair market.
  - Successful Interactions throughout the process
  - Stay on the consistent path for the goal
  - > Get help: professionals and mentors
  - > 5 factors for Site Selection:
    - ✓ Market access (quick & easy to customers, suppliers, distributors)
    - ✓ Talent density (employees & customers)
    - ✓ Incentives (financial & taxes, etc.)
    - ✓ Compliance, Environmental, Competition
    - ✓ Long term economic growth forecast



#### **Your Turn**

## **QUESTIONS?**

