

2023 Site Selector Focus Group Highlights

Site selectors are consultants who work with expanding companies to identify locations that best meet their clients' growth needs. In fact, site selectors figured prominently in nearly one-third of the expansion projects in which EDCUtah has worked over the past decade. EDCUtah continually studies the site selector community in order to identify best practices for promoting Utah and to effectively demonstrate the State's strengths.

During the 2023 Sundance Film Festival, EDCUtah invited four national site selectors to come to Utah to learn more about our business climate, labor force, quality of life, and everything that makes Utah great. At the end of their trip, EDCUtah asked the site selectors about their experience in Utah, what they learned about the state on this trip, major site selection trends, and how EDCUtah, partners, and the state can better compete to be the top location of choice for their clients.

What they didn't know about Utah

Most site selectors have a good idea what Utah has to offer—some even know it well. But others are still getting to know the state. Our group of site selectors generally understood Utah to be a good place to do business, but a few learnings stood out to them:

- Language capabilities
- Diversity, equity, and inclusion (DEI) support
- Cooperation and collaboration
- Labor force participation rate
- Project process effectiveness

“Learning about the support for diversity, equity, and inclusion goes against the stereotypes of what people think about Utah,” said one site selector. “I worked on a project where the perception was that diversity was going to be an issue coming to Utah. I was surprised at how good the DEI initiatives are in Utah. Utah could do a better job projecting that information outward.”

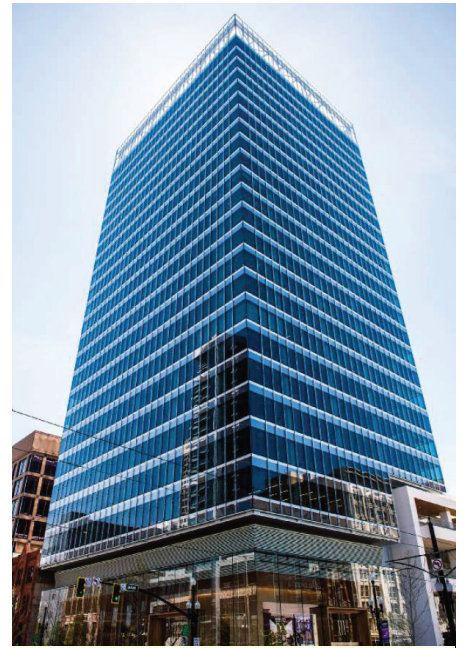
Another site selector highlighted the importance of getting to meet with Utah's businesses. “One of the best things about this trip for me was talking to businesses that are already here. We met with Goldman Sachs and other EDCUtah

investors and businesses in the community and heard about their experiences. Everyone from EDCUtah is focused on the great things about the state, but having external people validate that goes a really long way for site selectors and companies considering relocating here.”

Economic development trends

What matters most in economic development? “Depends on the industry,” one site selector said. “On the industrial side, sites and utility needs. One of the things that's really critical in this era of blockbuster industrial development and really large projects that have huge power requirements, is if you've investigated the viability of the site from a power perspective and what is the runway to ramp to 100 megawatts. Have you investigated what you can get to from a perspective of how much power can serve that site, in what time period, and what the menu of options to offset that footprint from a renewable standpoint is? This sorts out the winners and losers.”

As costs have increased, many companies are now looking for more affordable sites. Site selectors indicated that hearing from communities across the state is advantageous in this regard



2023 Sundance Site Selectors

- Sarah White, *Global Location Strategies*
- Shannon O'Hare, *Cushman & Wakefield*
- Gray Swoope, *VisionFirst Advisors*
- Annie Baxter, *CBRE*

because they are not always looking at “downtown areas.” Understanding where industries tend to cluster and where you can find labor, real estate, and land is critical.

A DEI focus was cited as having origins in “office space” projects, but that now we are seeing it come up as an important component of manufacturing projects as well.

Where Utah excels, and how it can be more competitive

With Utah's growing population and increasing economies of scale, it is on the map for projects that would not have considered the state in the past. Given this growth, we asked the site selectors how Utah can better position itself as it

“I was asked whether there had been any surprises on this trip—one was the diversity initiatives in Utah, I wasn’t aware of those. Also that there are so many languages spoken in Utah, I would have never thought about that. This helps go against the stereotypes about Utah and people’s misperceptions about the state.”

becomes a larger market and what they see as some of Utah’s struggles.

One site selector pointed to Utah’s quality workforce, illustrating Utah’s position as an already-competitive location for economic development. “Your participation rate in the labor force is among the highest in the nation. I’m thrilled if I see a labor force participation rate in the low 60s. When you can start a conversation by saying ‘68% of our workforce’—it’s higher than the national average and not many people can say that. This matters because it is the talent pipeline—where you’re going to get your workers.”

Another site selector indicated that “the culture of Utah is people who want to be working.”

Utah has always boasted an amazing outdoor recreation scene with activities for all times of the year, but quantifying these assets and comparing them to other communities can be difficult. A major trend in site selection is the desire to collect data identifying which locations have a high quality of life. “Quality of life plays into the labor conversation from a long-term perspective,” one site selector pointed out. “I had a client who was just letting engineers determine where they could make a project work, and HR was struggling to determine how to get people to move to the areas the engineers chose. Quality of life is

linked with how well you can get people to want to work at your facility and remain in that area and not move on to somewhere else because they don’t want to live there. Some businesses struggle to recruit for one of their locations, so they try to ensure their next location is not anything like that.”

So how can Utah prove its high quality of life? “It’s difficult to validate. Stories of the transplants who are staying here is a good start. Quality of life is hard to compare apples to apples. We look at crime rates, quality of schools, etc., but that’s not very comprehensive.”

When asked how Utah is doing overall with regard to economic development, the responses were unanimously positive.

One site selector said “You’re at the

top. I like your process, I like how your team works, and I think the last few days has been a great example you’re probably overlooking. You had a transition of a CEO, where your outgoing CEO’s last day was Thursday, and your new CEO started on Friday to meet with us, and your team is working seamlessly. You couldn’t have shown any better process that shows the stability of the organization.”

Utah’s ability to work together and collaborate continues to be a theme heard year over year from site selectors. “Having everyone in the room—we can all say this—we’ve been in places where it’s so obvious how dysfunctional it is; we can read body language—they are all in the same room saying they work together but you can tell they don’t. It’s obvious here that you do.”

Perhaps the strongest advice regarding Utah’s competitiveness was: “Stay out of the news. Which, Utah does a great job of.” Site selectors indicate that some businesses may not want to move to a state whose lawmakers take a





strong stance on controversial social issues that may conflict with company culture or goals. “Try to avoid being really vocal on a stance that will stick out in the mind of a project.”

Incentives

Incentives are a must-have to win big projects. The site selectors talked about ways incentives are changing nationally and what Utah can be thinking about as it looks to its own goals with incentives programs.

“Incentives in Utah—and across the board, really—do not favor projects with low jobs and high capital expenditures, but that is where the industry is going and would also be a good fit for a lot of Utah communities,” indicated one site selector. “Finding an incentive solution for those projects at the state level would put Utah ahead of the game as far as incentives. Everybody knows that Utah’s incentives aren’t going to be the biggest dollar amount, but finding a solution would benefit small communities and align with the future of industrial projects. While the State may not get a lot of

direct revenue from those types of projects, if you’re a company investing 30 to 50 million dollars of machinery into a facility, that’s roots in that community. And when you’re looking for an expansion, you’re going to look back at that community. It may still be smaller job counts, but likely higher skilled, and higher wages.”

Final Thoughts

For four days these site selectors traveled and visited different areas of the state, met with business and government leaders, learned about Utah’s competitive advantages, and experienced Utah’s hospitality. Topics discussed over the course of these four days covered the

spectrum. Site selectors appreciate flexibility and understanding when projects don’t go the way they were meant to. They cited the importance of workforce development incentives and the broader applicability of those incentives when flexibility is allowed. They said the prominence of The Church of Jesus Christ of Latter-day Saints can cause some “outsiders” to wonder if they will fit in, and emphasized the need to better tell Utah’s story of welcoming and belonging efforts.

All four site selectors expressed how impressed they were with Utah, with the businesses they met, the public officials, and seemingly every encounter they had on their trip.

Through extensive and time-consuming research, EDCUtah has learned that simply getting site selectors to set foot in the state increases the likelihood they will recommend Utah to their clients. After yet another successful visit to Utah, four more site selectors are out there promoting our great state.



The takeaways to attracting new companies:

- Continue efforts in DEI initiatives—they are being noticed.
 - Ensure sites are development-ready.
 - Better tell the story of quality of life—beyond outdoor assets.
 - Continue to collaborate and share Utah business stories.
 - Support incentives for high capital investment, low jobs.
 - Avoid radical policies and stay out of the news.
-

Some of Our Favorite Site Selector Quotes:

“My takeaway from this weekend is: ***doesn't everyone want to move here?***”

“The local businesses validated all the great things that were said on the sales side with the ***power of what it looks like in practice.***”

“The culture of Utah is ***people who want to be working.***”

“***You're at the top.*** I like your process, I like how your team works ... You couldn't have shown any better process that shows the stability of the organization”

“***I was surprised at how good the DEI initiatives are in Utah.*** Utah could do a better job projecting that information outward.”

“I was impressed that you had three people who had worked in New York and one who had worked all over the world and all said the same thing: ***they came here, their families transitioned here, and they really like Utah.*** I find it to be really unusual that people in the financial services industry from New York would say that. I would have never thought that.”

Want to know more? Ask us.



Scott Cuthbertson
President & CEO
scuthbertson@edcutah.org
(801) 328-8857



Erin Farr
Vice President of
Business Development
efarr@edcutah.org
(801) 323-4243

EDCUtah  ECONOMIC DEVELOPMENT
CORPORATION OF UTAH

201 South Main Street, Suite 425, Salt Lake City, UT 84111 | edcutah.org