

# Site Selection Today

**Deane Foote, CEcD**  
**CEO of Foote Consulting Group**



# About FCG

- ▶ **Site selection, economic development, real estate, & workforce consulting company**
- ▶ Worked on many **regional site selection projects** that created over 5,000 jobs & \$1 billion in capital investment in recent years
- ▶ Completed many successful economic development plans that have created hundreds of jobs
- ▶ Deane is a Founding Board Member and former Treasurer of the **Site Selectors Guild**

# Site Selection Experience

- ▶ **Protocast - JLC - foundry in Carson City, NV**
- ▶ **Navajo Chapters Inland Port**
- ▶ **Wal-Mart Distribution Centers (DC) nation-wide**
- ▶ **MeadWestvaco - DC/port locations**
- ▶ **Sisener - Spanish renewable energy firm**
- ▶ **Prewitt Industrial Park, NM**
- ▶ **Certified Sites Programs**



# INTRODUCTION

- ▶ 3 days in your region (*2.5 actually...thanks American!*)
- ▶ 8 regional interviews
- ▶ Industrial park tours
- ▶ KSU Foundation tours
- ▶ Great meals (*i.e. Sugar Creek...YUM*), and
- ▶ ***FUN!!***

# What do locating/expanding companies want?

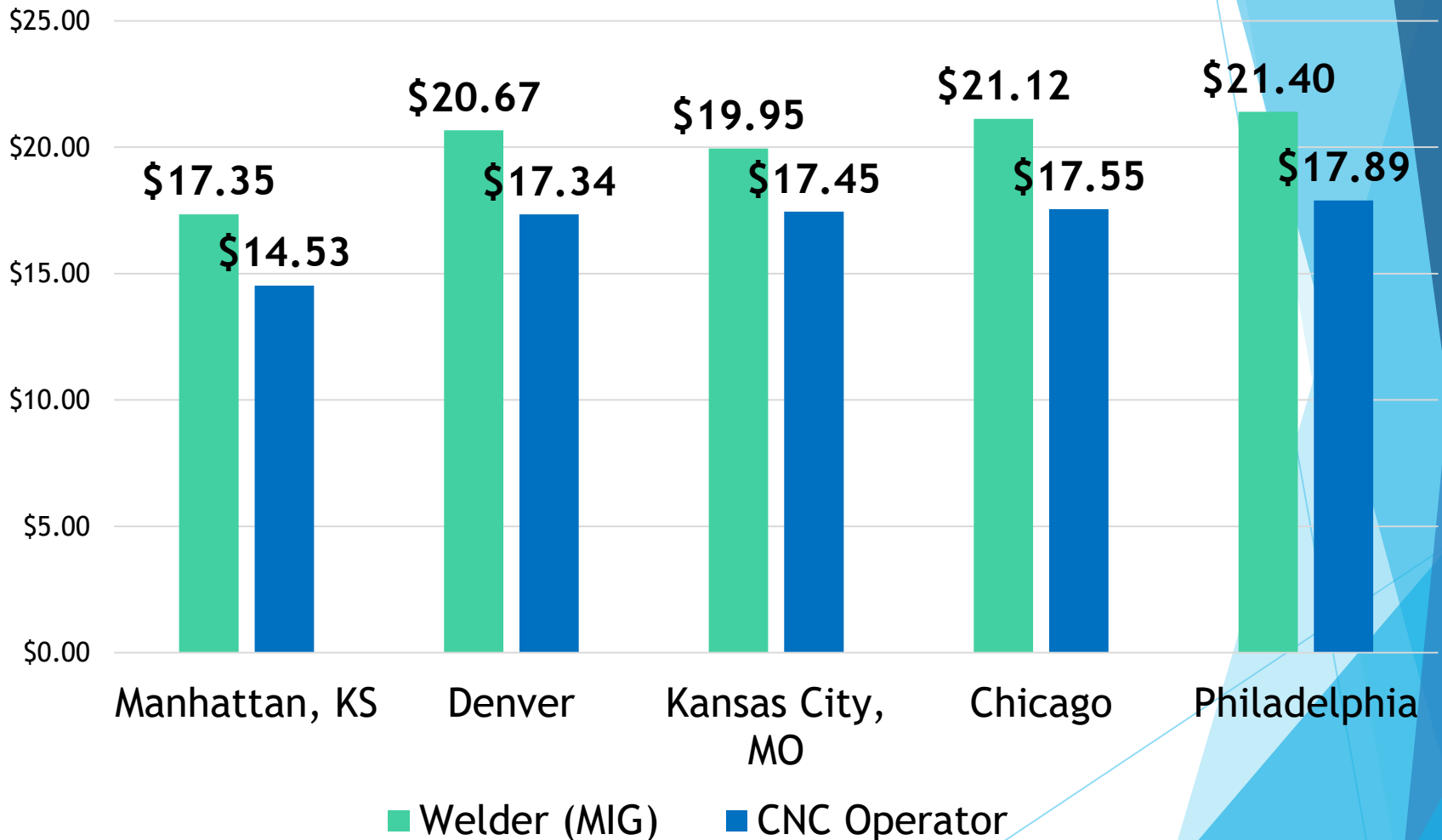
- ▶ Access to markets/freight costs
- ▶ Skilled workforce availability & quality
  - ▶ *Expanding workforce development programs (i.e. WorkReady with Work Keys)*
- ▶ Wages/salaries
- ▶ Sites/buildings
  - ▶ *Certified/Shovel Ready Sites/Buildings*
- ▶ Utilities/Infrastructure
  - ▶ Electric power costs
- ▶ Quality of life
  - ▶ Education; recreation; culture
- ▶ Incentives
  - ▶ Training; tax credits; site related; *closing funds fund*

# Freight/Logistics: Mostly *Strengths* (Least understood factor by the ED community; could be factor #1)



# Wages: Strength

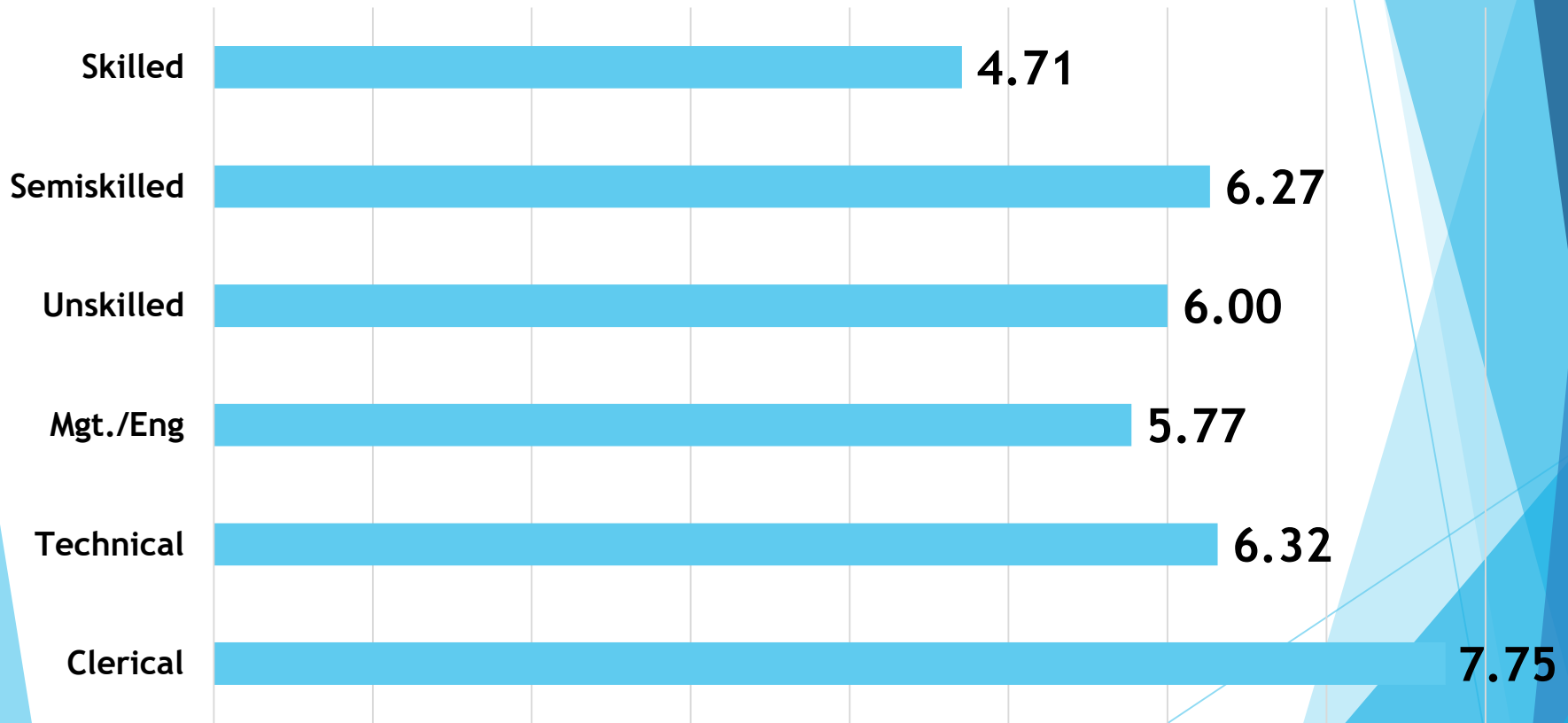
## Manhattan Pottawatomie: Manufacturing



ERI, 3rd quarter, 2018, 1 yr. median wage

# Labor Availability: *Strength & Weakness* (*Office/Service better, but hard to recruit outside*)

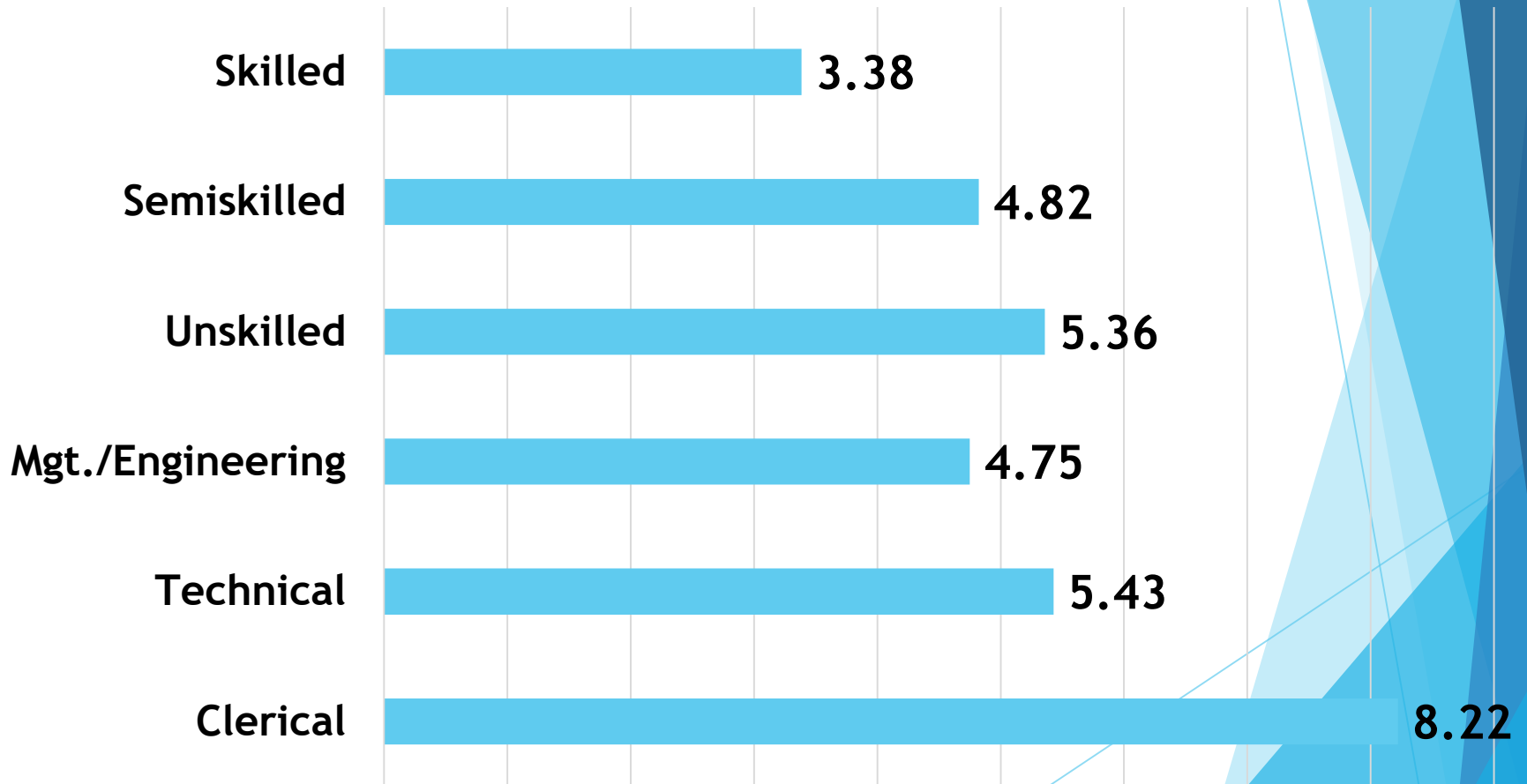
## Manhattan Pottawatomie Office/Service





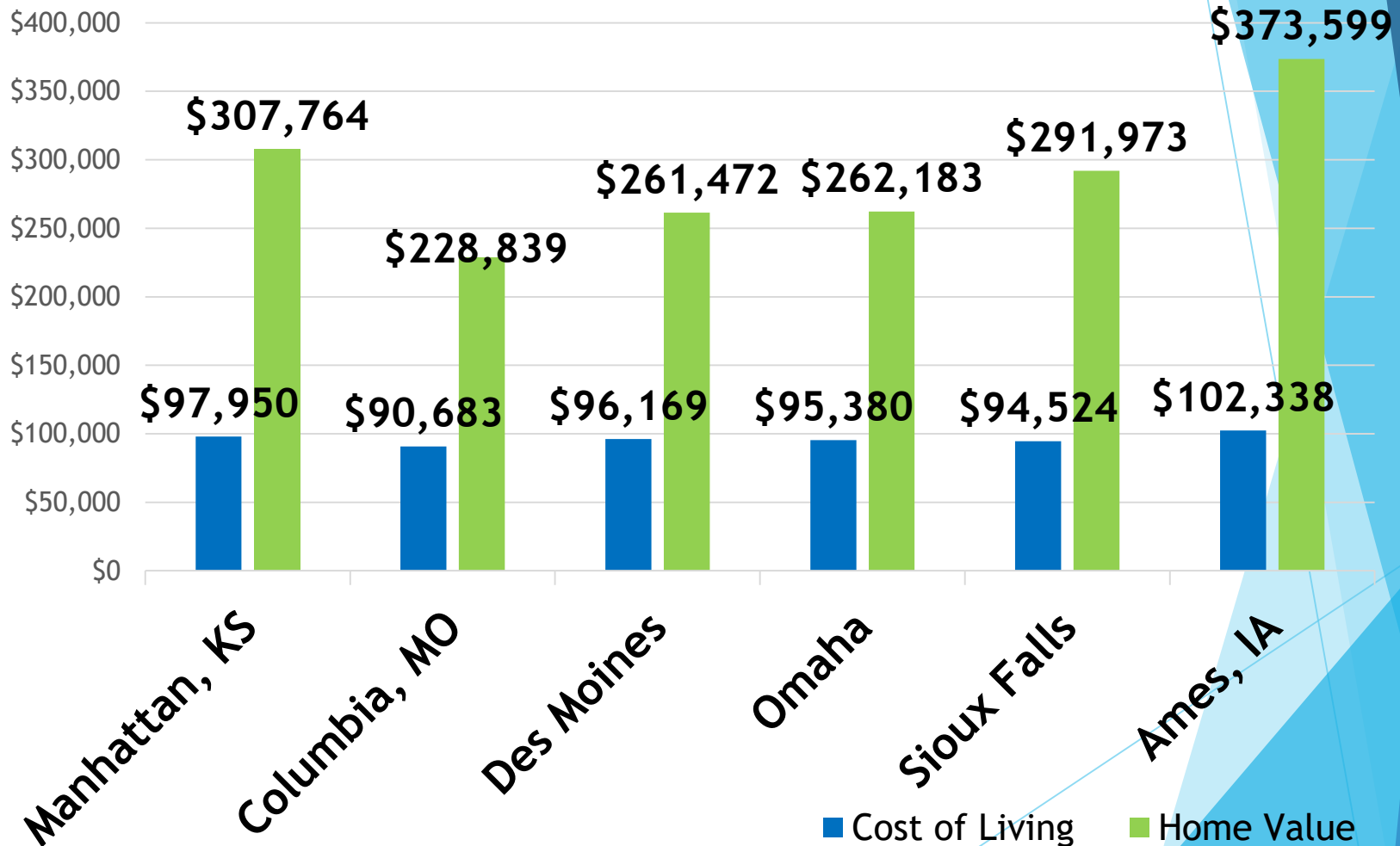
# Manufacturing Labor Availability: *Need new methods in training*

Manhattan Pottawatomie Blue Collar



# Cost of Living: *Some Weaknesses*

## Manhattan Cost of Living vs. Competing Cities



2,182 sq. ft. home, family of 4, own 2 cars, \$100,000 yearly income

# Sites/Buildings: *Strength & Weakness*

## *(We want Certified Sites!)*

- ▶ Certification needs assistance from a site selection professional

### Sample Criteria (from the Arizona Program)

- ▶ 10 or more developable acres
- ▶ Property boundary survey
- ▶ Willing seller with set asking price
- ▶ All utilities at the site (or within 500 feet)
- ▶ Proven alignment with a local city, town or county and letter of commitment from this body
- ▶ No environmental liabilities (Phase I ESA; assured water supply; endangered species reviews; geotechnical report; air quality designation)
- ▶ Outside known flood-prone areas or remediation complete
- ▶ Permitting process, timeline, and fees clearly documented
- ▶ Public, dedicated road access
- ▶ Industrial/office (no retail) zoning or expedited rezoning plan
- ▶ Site physically toured and a report from a site selector's viewpoint.

# Some National Growth Sectors

## ▶ Data Centers

- Fastest growing industry - \$15B annually in US; \$40B globally
- Servers grown from 2.6 million to 11.6 million (past 10 years)

## ▶ Aerospace/Defense Security Systems

- Drones; border-related

## ▶ Software Development

- Cyber security; apps/mobile devices; very high speed computing

## ▶ Healthcare and Medical Devices

- Health services, medical supplies, and device manufacturing

## • Food Processing

- ▶ Organic/gluten free product needs

## ▶ Warehouse/Distribution (DC)

- Online retail (i.e. Amazon) has exploded!

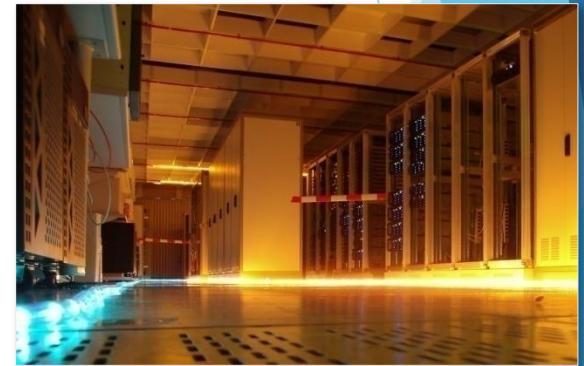
## ▶ Oil/Gas/Renewable Energy

- Almost 3x growth in renewables in the last 10 years

# Data Centers

## Key Site Selection Factors:

- ▶ **Geographic diversity & disaster avoidance**
- ▶ **Electric power cost**
- ▶ **State corporate income tax rates**
- ▶ **State and local sales taxes**
  - ▶ Levied on millions of dollars worth of servers
  - ▶ Low rates and/or abatement or rebate on sales taxes are important
- ▶ **Personal property taxes on equipment**
- ▶ **Utility infrastructure**
  - ▶ Electric power grid
  - ▶ Transmission fed power
  - ▶ Onsite substation
  - ▶ Fiber availability & bandwidth
  - ▶ Water for cooling
- ▶ ***Certified* ready to go sites**
  - ▶ 25 acre minimum could allow proper security buffer
- ▶ **Speed to occupancy and state/community readiness.**



# Food Processing

## Key Site Selection Factors:

- ▶ **Access to markets & raw materials/transportation costs**
- ▶ **Available unskilled/skilled labor**
  - ▶ Key positions: machine operators; food technicians; maintenance mechanics; and warehouse workers
- ▶ **Adequate labor costs**
- ▶ **Excess water and sanitary sewer capacities**
- ▶ **Attractive electric power costs/good reliability**
- ▶ **Fully improved industrial sites/specialized buildings**
- ▶ **Incentives**
  - ▶ Equipment tax exemptions (large capital investment)
  - ▶ Infrastructure/site readiness
  - ▶ Training
- ▶ **Good highway access**
- ▶ **Rail service may be needed**
- ▶ **Good labor/management relations**

# Cyber-Security Systems

## Key Site Selection Factors:

- ▶ Excellent available skills (IT Techs, programmers, etc.)
- ▶ Access to university
- ▶ High level security clearances
- ▶ Research capabilities and network
- ▶ Class A secured leased office space
  - ▶ Mass transit near by
- ▶ Reliable power
- ▶ Research and development tax credits
- ▶ Excellent quality of life
- ▶ Air service access and dependability
- ▶ Cost of living and relocation affordability
- ▶ Excellent business climate, positive community attitude



# Warehouse/Distribution (DC)

## Key Site Selection Factors:

- ▶ **Access to market/transportation/freight costs**
  - ▶ Access to intermodal freight terminals and ports growing in importance
- ▶ **Labor costs/availability**
  - ▶ Key positions: material handlers, forklift drivers, and truck drivers
- ▶ **Electric power (costs/reliability)**
- ▶ **Access to Interstate/4-lane highways (5 to 55)**
  - ▶ Closer to interchange due to fuel costs.
- ▶ **Large *Certified* sites (50 to 250 acres) or large buildings**
- ▶ **Rail service for select operations**
- ▶ **Incentives/Training/Retail sales tax policies**
- ▶ **Good labor/management relations**





# Manhattan Region:

## *Strength and Weakness*

### Markets/Freight Costs: Strengths (Some Weaknesses)

- ▶ Good proximity to I-70, major east-west Interstate
- ▶ Good proximity to Port of Kansas City: the second-largest rail hub and third-largest trucking hub in the country
- ▶ No identifiable intermodal or potential (discussions in Wamego)
- ▶ Good access off Highway 18 & Highway & Highway 177, very good access in Junction City
- ▶ Wamego- St. Marys: weakness from access on Highway 99 (*which will be improved*)
- ▶ Some distance from intermodal facilities and markets of Kansas City.

# Workforce and Talent Recruitment: *Some Strengths, Some Weaknesses*

- ▶ Pottawatomie County: Certified WorkReady by ACT, all students taking Work Keys (eliminates dozens of hours of site selectors time and clients' money). *It also means the county has a plan.*
- ▶ Riley County: weakness
- ▶ Geary County: almost WorkReady
- ▶ Blue Collar workforce: weakness, no plan to expand training
- ▶ White Collar: some weaknesses in recruiting talent, issues in spousal employment, diversity and housing.

# Sites and Buildings: *Strength/Weakness*

- ▶ **Manhattan Business Park:**
  - ▶ Good maps, good infrastructure, all utilities curb and gutters, good lot sizes, excellent pricing, great access to highways
  - ▶ Issues: need to expand park, no services (several miles from town)
  - ▶ Need to have one **large site** for a major user or distribution center

# Sites and Buildings: *Strength/Weakness*

- ▶ **Kansas State University Research Park**
  - ▶ State of the art, perfect for high end users, research and development operations. Buildings are first class.
  - ▶ Well-connected, well-staffed, KBED is a major plus with its integration with the university and the community. Bringing in Pottawatomie County will benefit all.
  - ▶ One of the finest laid plans in the country for university research park
  - ▶ Major issue: price per square foot is comparable with large cities

# Sites and Buildings: *Strength/Weakness*

- ▶ Wamego Industrial Park
  - ▶ On Highway 24, near services, good mix of agriculture related companies, priced well.
  - ▶ Large lot of 27 acres needs a plan. Utilities/road need to be extended 100 feet.
  - ▶ Stormwater issues, maybe divide into lots
  - ▶ Mapping issues on Zoom Prospector- need to show the setbacks, utilities, dimensions on the web.
  - ▶ Invest in a new property in Wamego near future by pass. *Think about using rail.*

# Sites and Buildings: *Strength/Weakness*

- ▶ Sandy Hook Industrial Park
  - ▶ Well designed, well laid out, good drainage system, priced well
  - ▶ Good location near city and services
  - ▶ Equidistance between Manhattan and Wamego, can be used in marketing.
  - ▶ Small lots, need new future industrial park/site in St. Marys
  - ▶ Needs better mapping on Zoom Prospector

# Sites and Buildings: *Strength/Weakness*

- ▶ Other Privately Owned Sites
  - ▶ Excel Road West- great site, great access off Highway 24 and population. Good information on web but need more details on Zoom Prospector. Also need pricing.
  - ▶ Excel Road East- another great site, great access, population close. Perfect for commercial-office mix, possibly apartments. Need better maps, better information on web.
  - ▶ Others- privately owned, some have issues with water line size, others lack pricing information

# Quality of Life: *Strength*

- ▶ Cooperation & partnering is fantastic!
- ▶ Manhattan, Wamego and St. Marys parks and recreation all look great
- ▶ All communities look well planned, some congestion on Highway 18, downtown Wamego and St. Marys. (Wamego congestion could get eliminated with by pass)
- ▶ Major university allows for cultural and sports activities to be top notch.
- ▶ Housing availability and affordability an issue. Excellent additions like Bluemont Apartments, North Ridge Apartments in Wamego. Opportunities for Aggieville.
- ▶ Schools: important that bonds have passed all school districts in the last few years. A major positive.



# Incentives and Training: *Some Strengths, Mostly Weaknesses*

- ▶ Kansas is a middle of the table tax state: #28
- ▶ Incentives: HPIP and PEAK are good for high wage earning companies. Old KIT program was great.
  - ▶ Manhattan- good incentive program on paper, could use loan pool. Great past work in TIF and now CID.
  - ▶ Wamego- good utility tax credit St. Marys- no incentives

Kansas should enhance training funds and technical/community college funding for training. Look at other models.

# Where do you meet companies/site selectors?

## Conferences 2019

### ▶ **Site Selectors Guild**

- ▶ Salt Lake City - March 18-20 - *SOLD OUT*
- ▶ Dallas - September 9-11
- ▶ *Atlanta - March, 2020*

### ▶ **CoreNet**

- ▶ Anaheim - Oct 20-22

### ▶ **International Asset Management Conference (IAMC)**

- ▶ Santa Barbara, CA - May 4-8
- ▶ Boise, ID - Sept 12-16

### ▶ **Target industry trade shows**

# Questions?

*For more information, contact:*

**Mr. Deane Foote, CEcD**



**(480) 399-4854**

**deane@footeconsulting.com**

**www.footeconsulting.com**