

# Site Selection Process

N.C. Economic Development Board

March 11, 2010

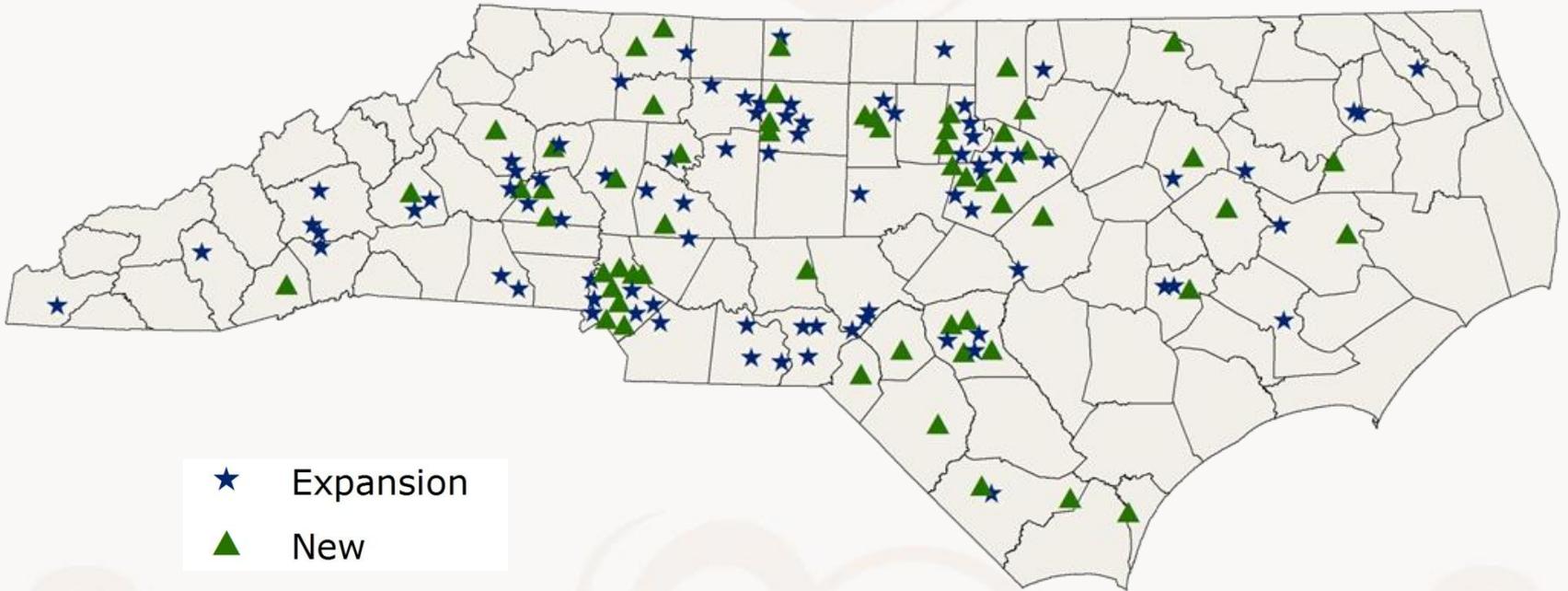
T H R I V E

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*in* **NORTH  
CAROLINA**

# 2009 Announcements

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THRIVE  
in NORTH  
CAROLINA

# Largest Announcements by Jobs

Company	New/Exp	# of Jobs	Primary Activity	County
NACA	Expansion	2,014	Service/Sales	Mecklenburg
Zenta	Expansion	1,002	Service/Sales	Mecklenburg
Electroloux	New	738	HQ Relocation	Mecklenburg
Cree	Expansion	575	Manufacturing	Durham
ACS	Expansion	465	Service/Sales	Wake
IEM	New	430	HQ Relocation	Durham
Fiserve	New	419	Service/Sales	Catawba
EMC Corp	Expansion	397	Service/Sales	Wake
North American Aerodynamics	Expansion	375	Manufacturing	Person
Continental Teves	Expansion	338	Manufacturing	Henderson

# Largest Announcements by Investment

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Company	New/Exp	Investment	Primary Activity	County
Apple	New	\$1,000,000,000	Service/Sales	Catawba
EMC Corp	Exp	\$280,000,000	Service/Sales	Wake
Talecris Biotherapeutics	Exp	\$269,000,000	Manufacturing	Johnston
Cree	Exp	\$130,000,000	Manufacturing	Durham
Fibrowatt	New	\$100,000,000	Manufacturing	Montgomery
SAS Institute	New	\$70,000,000	R&D	Wake
DuPont	Exp	\$57,000,000	Manufacturing	Bladen
Electrolux Home Products	Exp	\$55,400,000	Manufacturing	Lenoir
Weyerhaeuser Co.	Exp	\$53,000,000	Manufacturing	Craven
Clear Path Recycling	Exp	\$49,373,000	Manufacturing	Cumberland

# 2009 vs. 2008

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Projects Assigned		2 %	(439 v. 432)
Projects Announced		7 %	(149 v. 139)
Jobs Announced		14 %	(19,490 v. 16,709)
Investment Announced		44 %	(\$ 5.1 B v. \$ 2.9 B)

# 2010 Outlook

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Projects Assigned	90 vs. 86
Projects Announced	15 vs. 15
Jobs Announced	2,317 vs. 1,183
Investment Announced	\$244M vs. 209M

# Business & Industry Division

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- Lead Department's business recruitment and expansion efforts
- Statewide and regional developers work closely with other public and private development organizations
- Depend on assistance from many other Commerce divisions – CFC, PRSP, Legal, Workforce Development
- Offer comprehensive facility location services from initial contact through site location to future growth and expansion

# Facility Location Services

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- **Site Selection** – building and site recommendations; community evaluation; statewide network of allies
- **Research and Analysis** – state and local tax considerations; business cost analysis; state-to-state comparisons; legal aspects
- **Human Resources** – labor market data; identification of qualified workforce; current employer interviews; customized training
- **Infrastructure** – market access; utility services; environmental permitting assistance; recycling consultation
- **Incentives** – statutory (tax credits) and discretionary programs (One NC and JDIG); infrastructure programs

# Simplified Site Selection Process

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**Step 1 – Project Assignment**

**Step 2 – Needs Analysis**

**Step 3 – Follow-up Response**

**Step 4 – Client Visit**

**Step 5 – Making the Cut**

**Step 6 – Final Negotiations**

**Step 7 – Decision**

**Step 8 – Aftercare**

# Step 1 – Project Assignment

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- Top project sources include:
  - Local/county developer (31%)
  - Direct call from company to Client Services Manager or developer (26%)
  - Site selection consultant (20%)
  - Regional partnership (8%)
- Of 432 projects assigned in 2009 – 41% were expansions and 59% were new to NC
- Developer obtains basic information about project

# Step 2 – Needs Analysis

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- Understand drivers
  - Building/site
  - Location
  - Workforce
  - Incentives
  - Existing Resources
- Companies/consultants increasingly focused on areas of interest

# Step 3 – Follow Up Response

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- Customize response as much as possible
  - Mail comprehensive notebook
  - Email specific components
  - Develop PowerPoint presentation
  - Provide building and/or site information
  - Respond to RFP
- Statewide perspective of resources
- Competing against criteria

# Step 4 – Client Visit

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- Competing against other sites
- One of most important stages
- Carefully schedule visits to maximize time
- Role of local developers and community leaders pivotal
- Role of allies and partners
- Begin building team of those that can add value

# Step 5 – Making the Cut

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- Site selection really site elimination
- Keep as many NC communities in mix as possible
- Clients can make repeat visits to state
- Consultants bringing this step forward
- Creativity begins to play role

# Step 6 – Final Negotiations

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- All finalist locations are acceptable
- Working to reduce risk
- Address final issues and distinguish yourself
- Final incentive proposals completed
- Senior leadership important
- Last chance to influence final decision

# Step 7 – Decision

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- Usually not the end of the process of state
- Definitely not the end of process for local communities
- Track reasons projects 'dead' or 'lost'

# Site Selection Summary

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- Totally unique process each time
- No one way to approach
- Client-driven process – work to make state, communities competitive – must respond to client
- Customized approach – listen to needs of company
- Be prepared to adapt, change with project
- Steps often repeat
- Get to the next stage and keep NC in the mix
- Ultimate goal is job creation and investment in NC

# Customer Satisfaction Survey

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- Instituted customer satisfaction survey in 2010
- Highest percentage of factors ranked 'very important' include:
  - Transportation infrastructure
  - Low union profile/right-to-work state
  - Labor costs
  - Availability of skilled labor
  - Proximity to major markets

# Step 8 – Aftercare

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- Location or expansion not the end of the story
- Dedicated to establishing long term relationships with companies
- More than 1,200 company interactions in 2009
- In addition to site selection services, provide connections to productivity/efficiency resources, developing new markets, infrastructure needs, etc.

# Top Referrals and Challenges

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- Top partner referrals include:
  - NC Community Colleges
  - NC Military Business Center
  - Department of Environment & Natural Resources
  - International Trade Division
  - NC Ports Authority
  - Department of Transportation
- Top challenges include:
  - Market conditions
  - Recruiting, screening and training workers
  - State/national economy

# 2010 B&I Sales Goals

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Leads Assigned: **540**

Projects Assigned: **420**

Projects Announced: **150**

Jobs Announced: **17,200**

Jobs Retained: **860**

Investment Announced: **\$3.7 billion**

Tax Base Saved: **\$346 million**

Account Interactions: **1,750**