

Site Selection Case Study – Manufacturing Facility



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Site Selection Case Study – Manufacturing Facility

Part 1. Intro – What is manufacturing today?

Part 2. Kaizen Process

Part 3. Incentives





Part 1:
Intro – What is manufacturing today?

VISTA SITE SELECTION

From Whence We Came



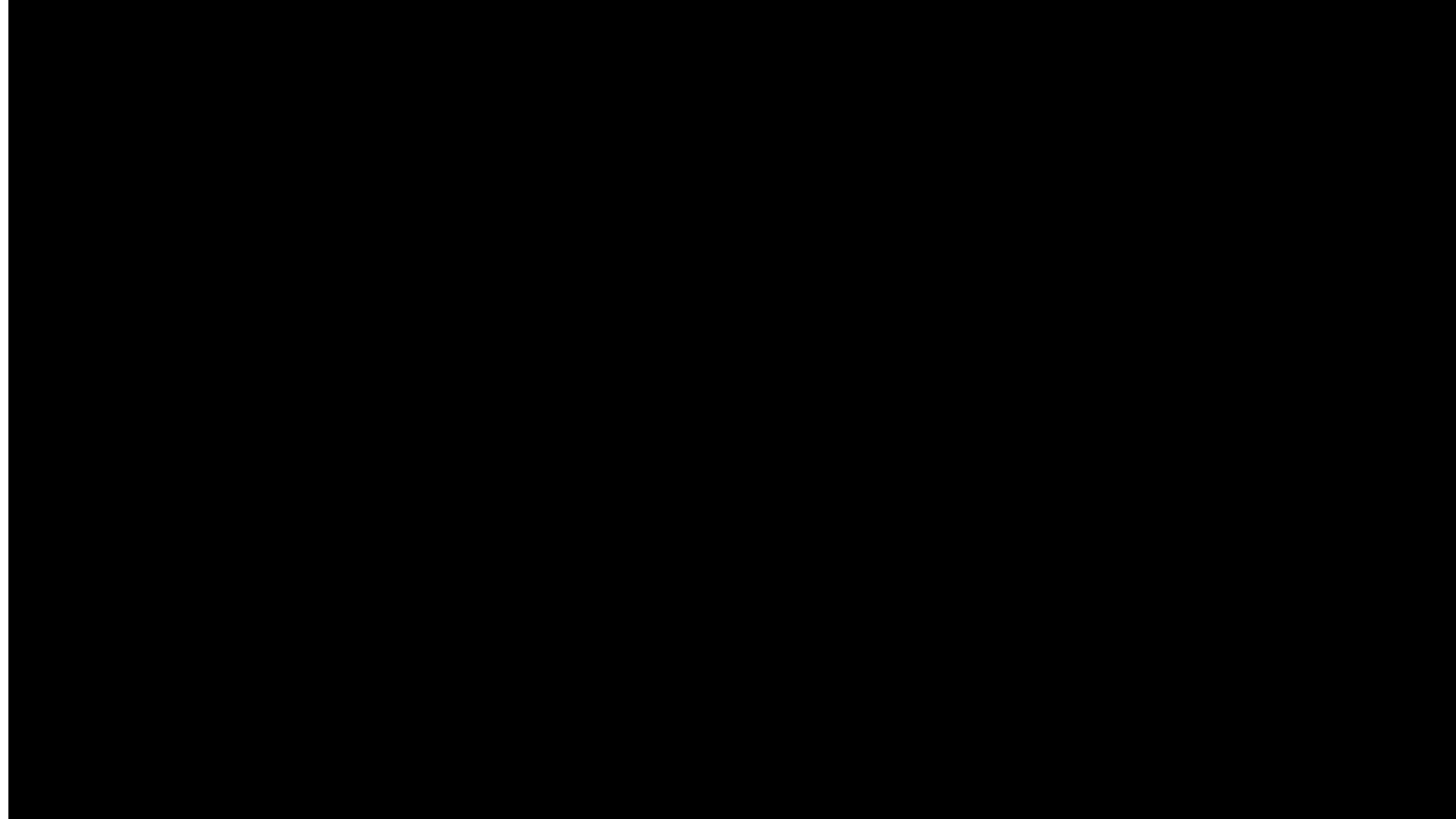
Manufacturing Back in the Day.. 😊



Manufacturing Back in the Day, Really



Where Are We Going...



Additive and Subtractive Manufacturing

Classic Subtractive Manufacturing



Modern Additive Manufacturing

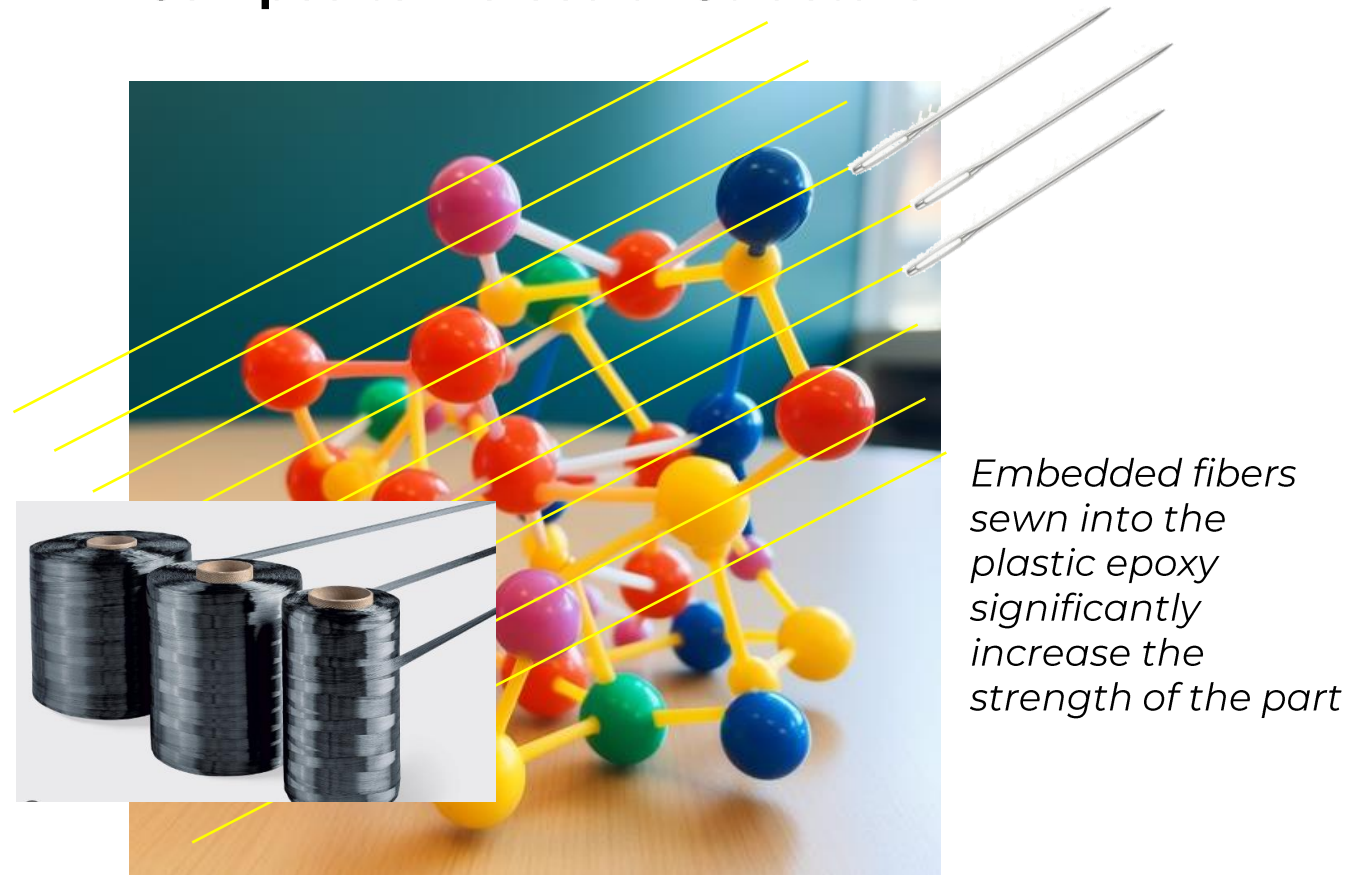


Composites Versus Plastics

Plastic Molecular Structure



Composite Molecular Structure



The Birth of Additive Manufacturing

**The Pen Plotter
1975**



**The Inkjet Printer
1990**



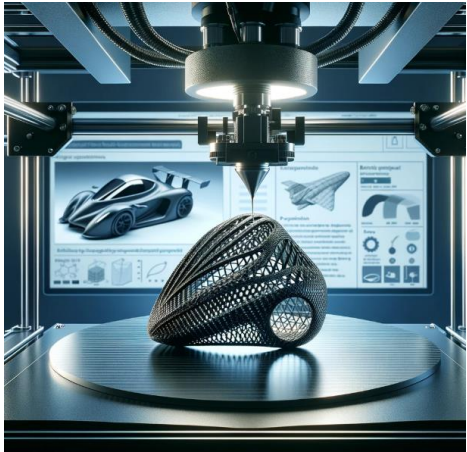
**The Plastics 3D
Printer 2005**



Metal 3D Printer 2015



**Hybrid
Composite 3D
Printer 2015**

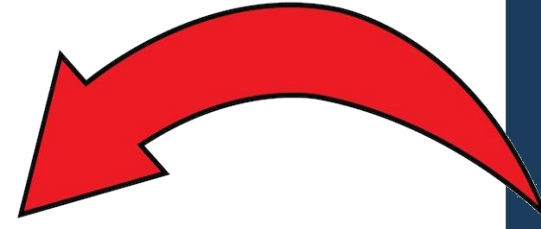


**Composite Robotic
Layup Machine 2015**



Much to do About Additive Manufacturing

- Material Jetting
- Material Extrusion
- Multi-Jet Fusion (MJF)
- Binder Jetting
- VAT Photopolymerization
- Powder Bed Fusion
- Sheet Lamination / Ultrasonic Consolidation
- Direct energy Deposition
- Robotic Composite Layup
- Wire/Tape Composite Weaving
- Robotic Sheet Metal Forming



Metallurgy / Material Science Advances

Eliminate Heat Treat Requirements

Eliminate Vacuum Requirements

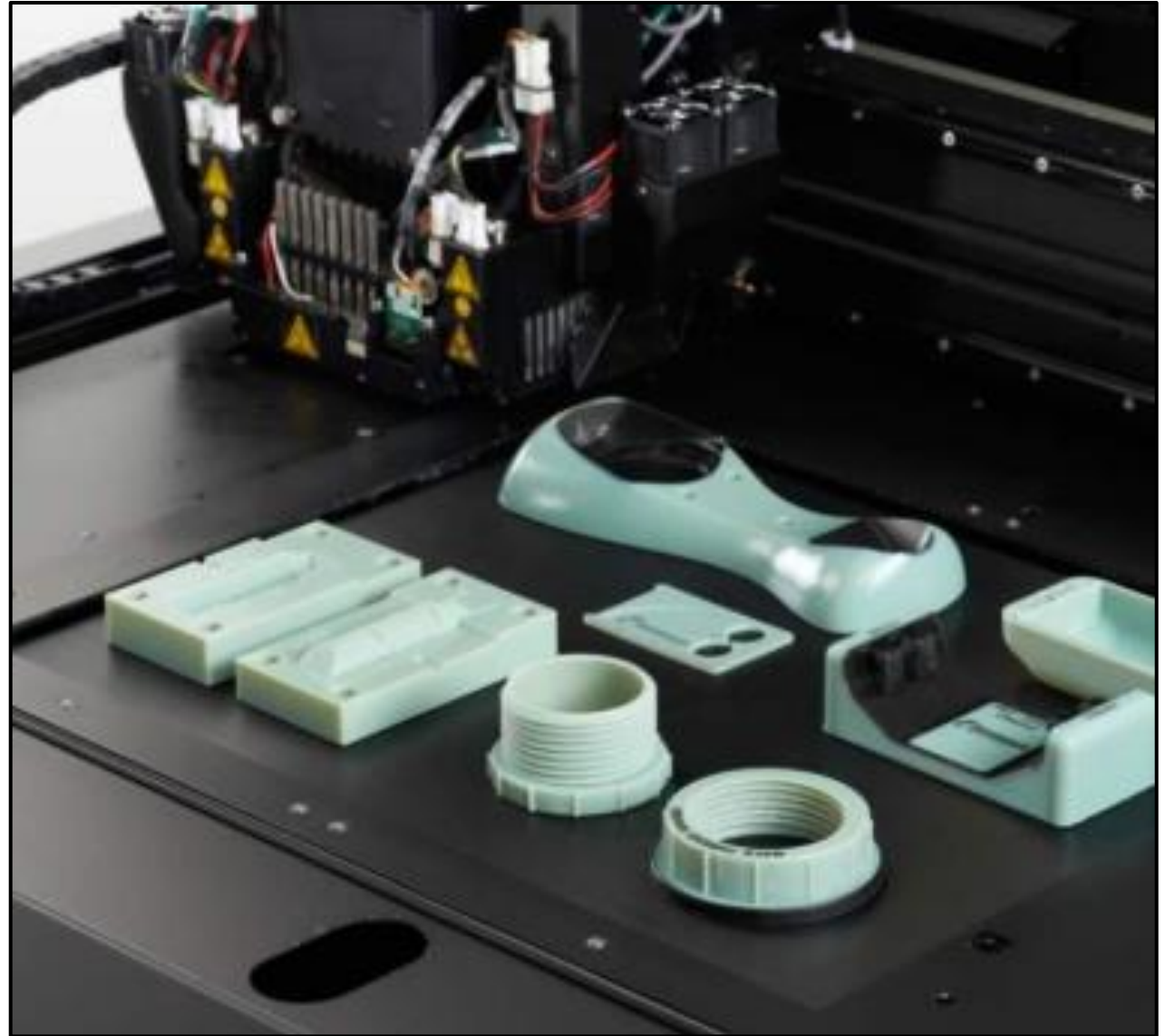
Eliminate Post-Forming Machining/Finishing

Improve Parts' Structural Strength

Print to Higher Tolerances

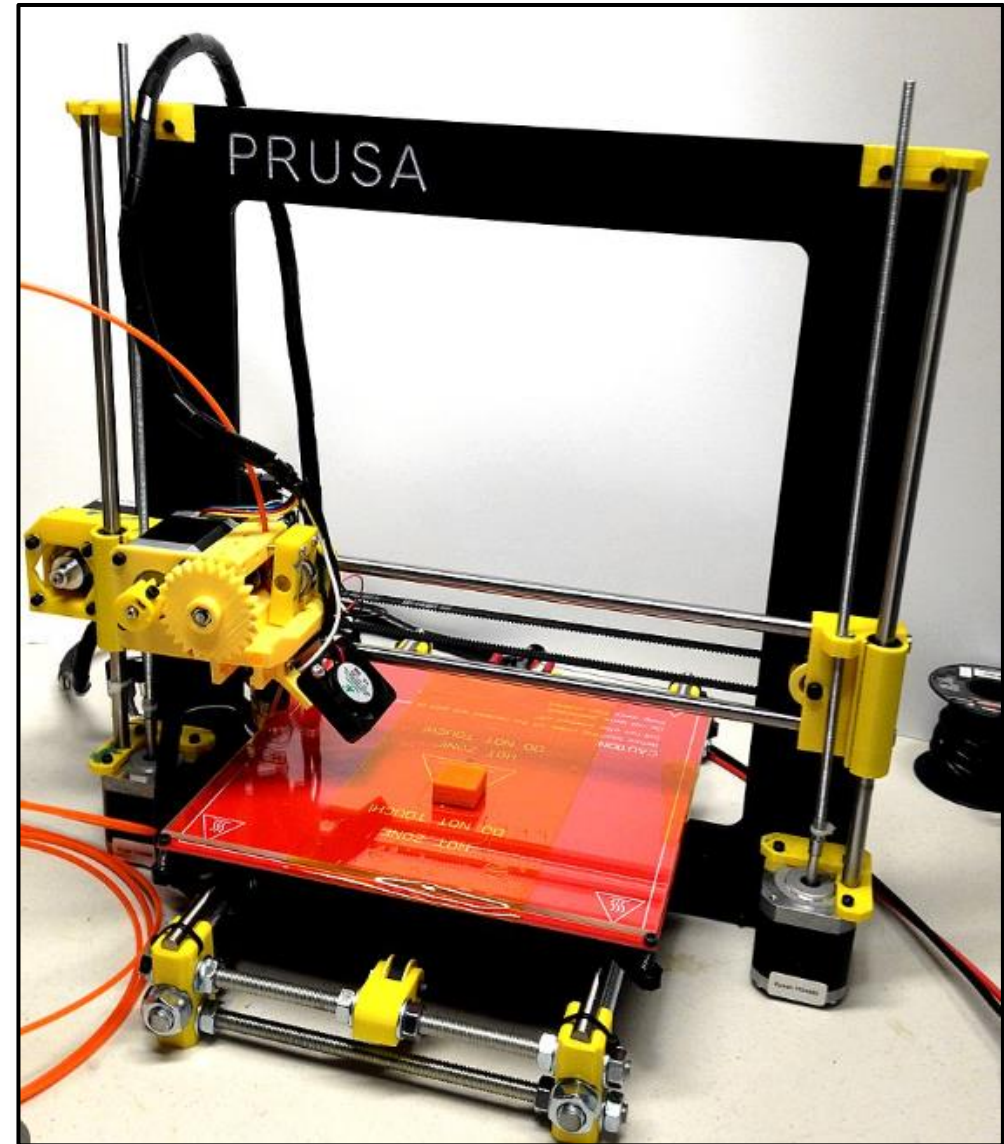
Material Jetting

- ▶ Push liquid plastic through a nozzle and cure it with UV light.



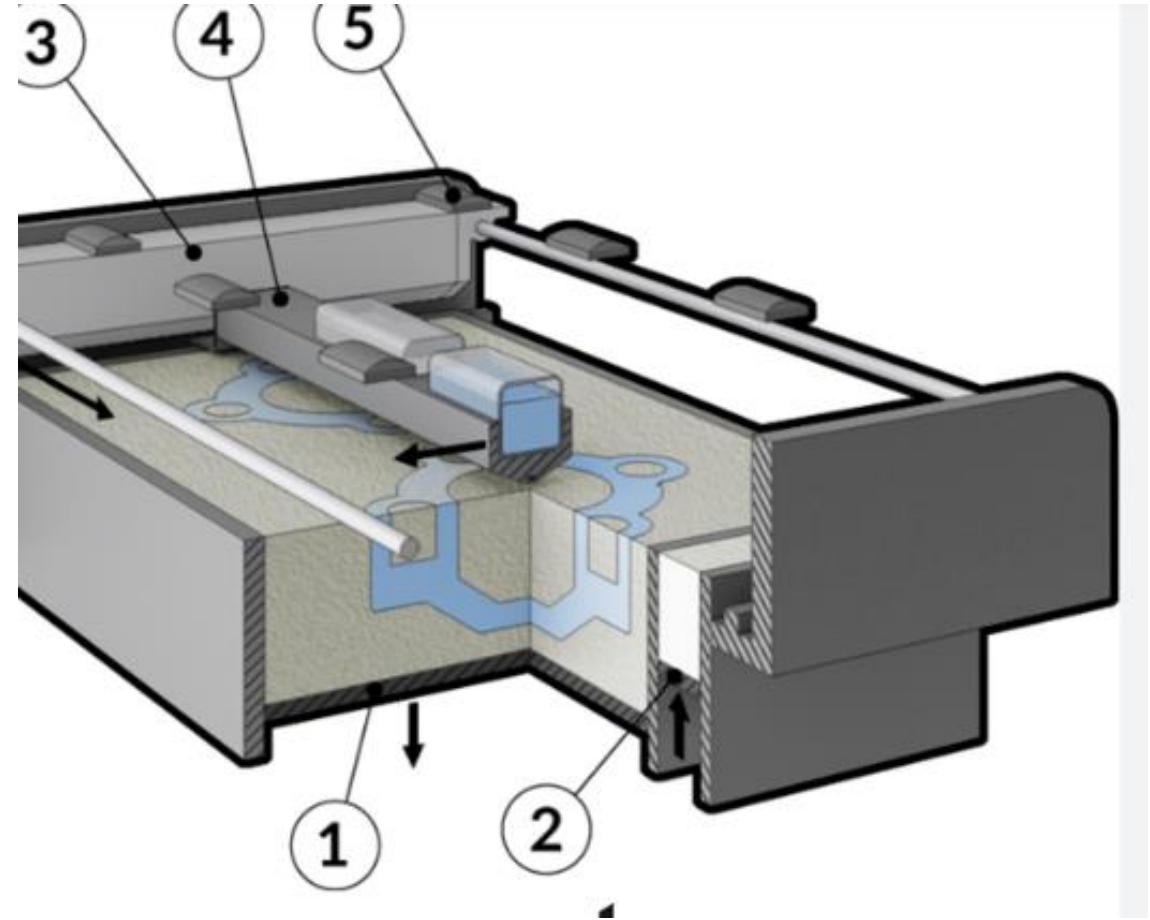
Material Extrusion

- ▶ Push plastic cable through a nozzle and melt it with heat.



Multi-Jet Polymer Fusion (MJF)

- ▶ A binding agent (glue) is sprayed onto a bed of nylon powder through multiple jets.

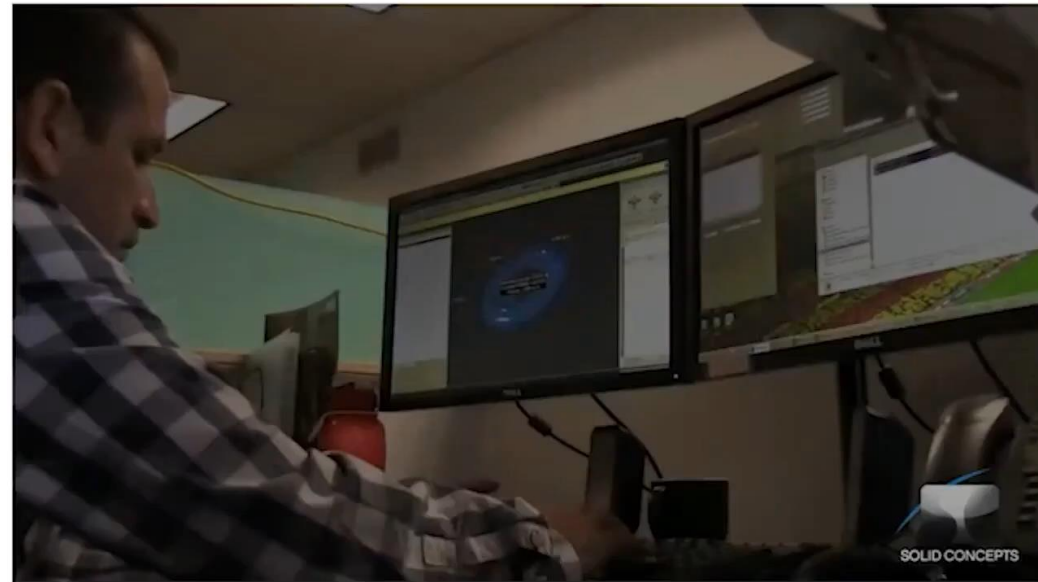


VAT Polymerization

- ▶ Now we move from a spray jet to a liquid polymer tank and curing with a laser.

Vat Photopolymerization Printing Process

NETZSCH

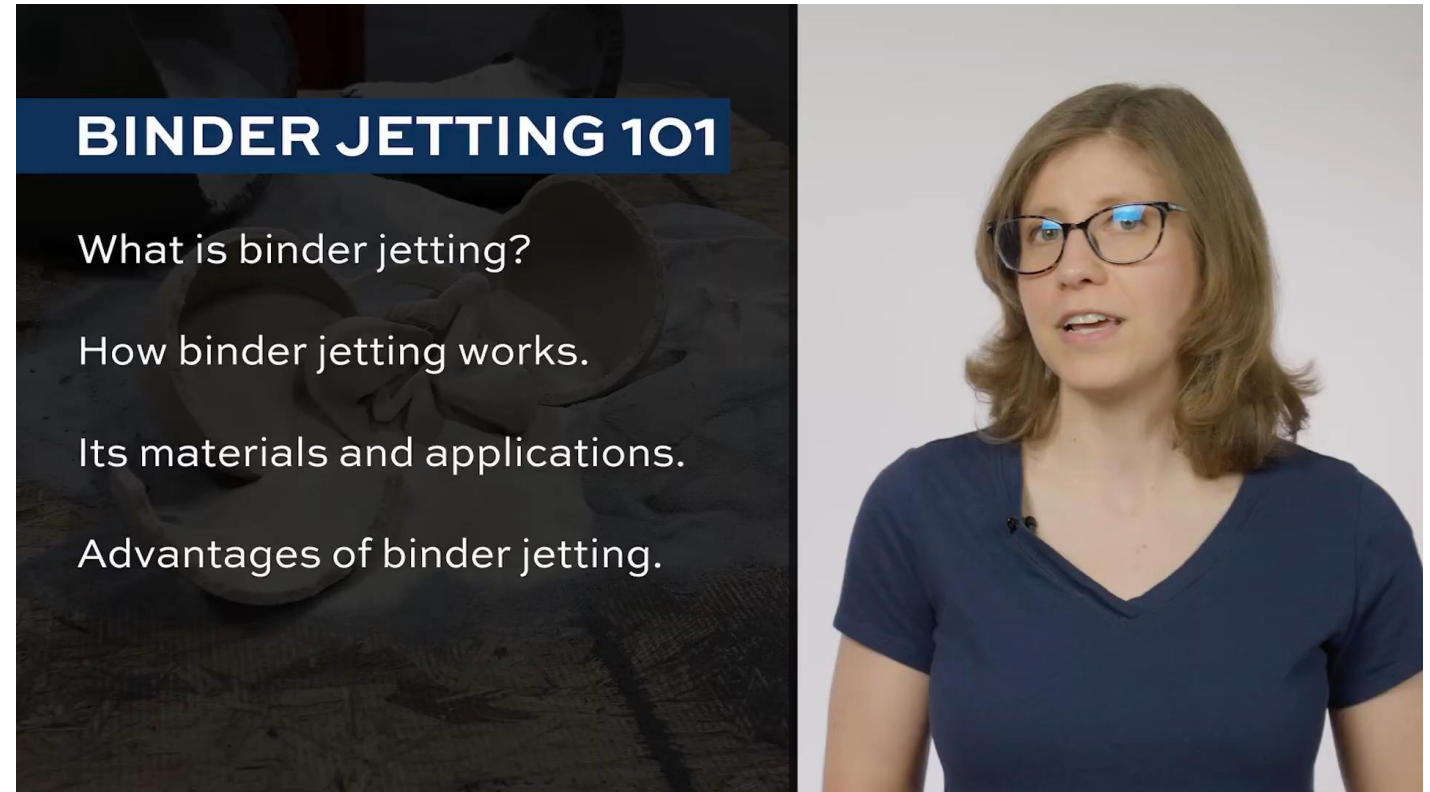


Courtesy of Solid Concepts, now: Stratasys

Additive Manufacturing Technologies | Analyzing & Testing

Binder Jetting

- ▶ Binder Jetting replaces the nylon plastic with powdered metals and ceramics using a binding agent.



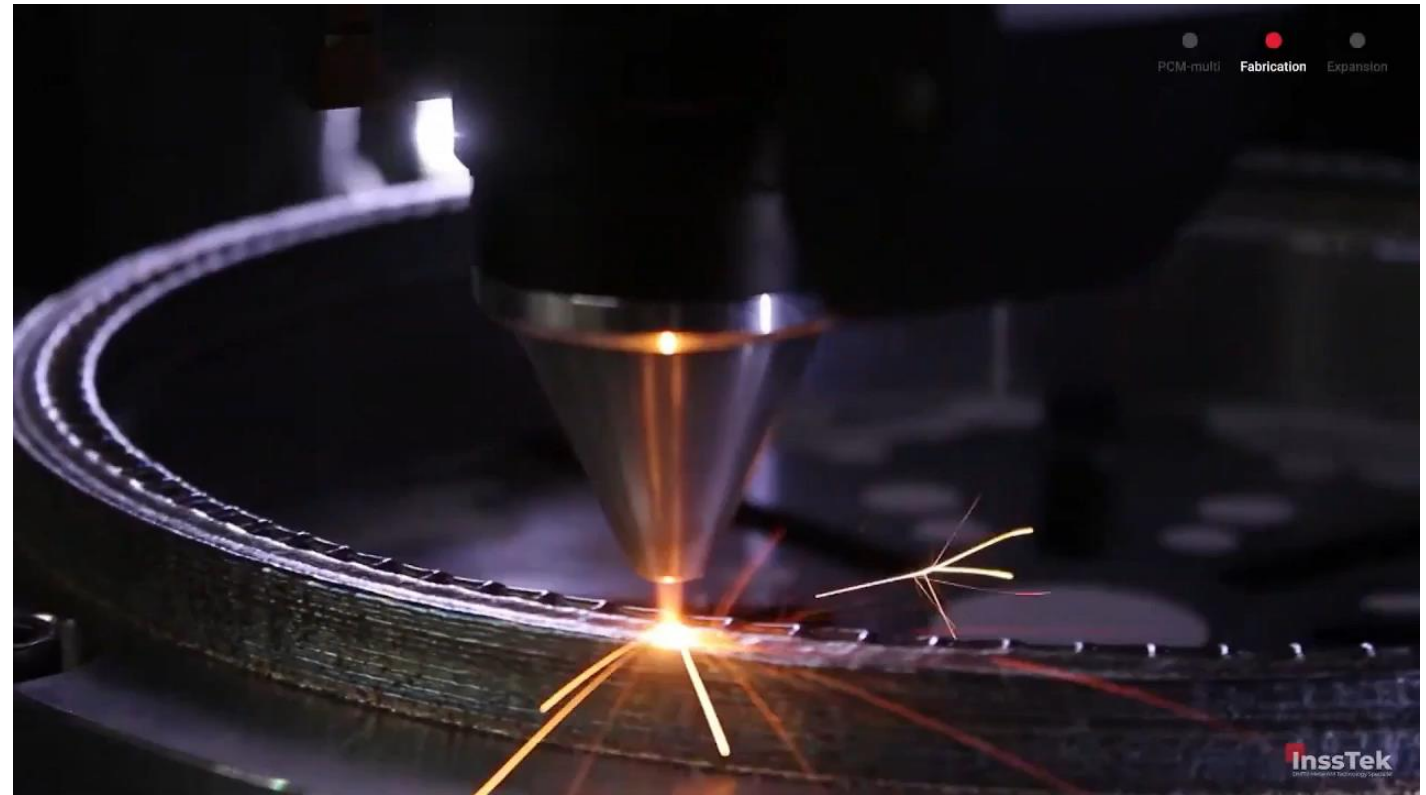
Power Bed Fusion

- ▶ Now the powder bed of metal is bound using an electron beam (essentially welding the powder together).



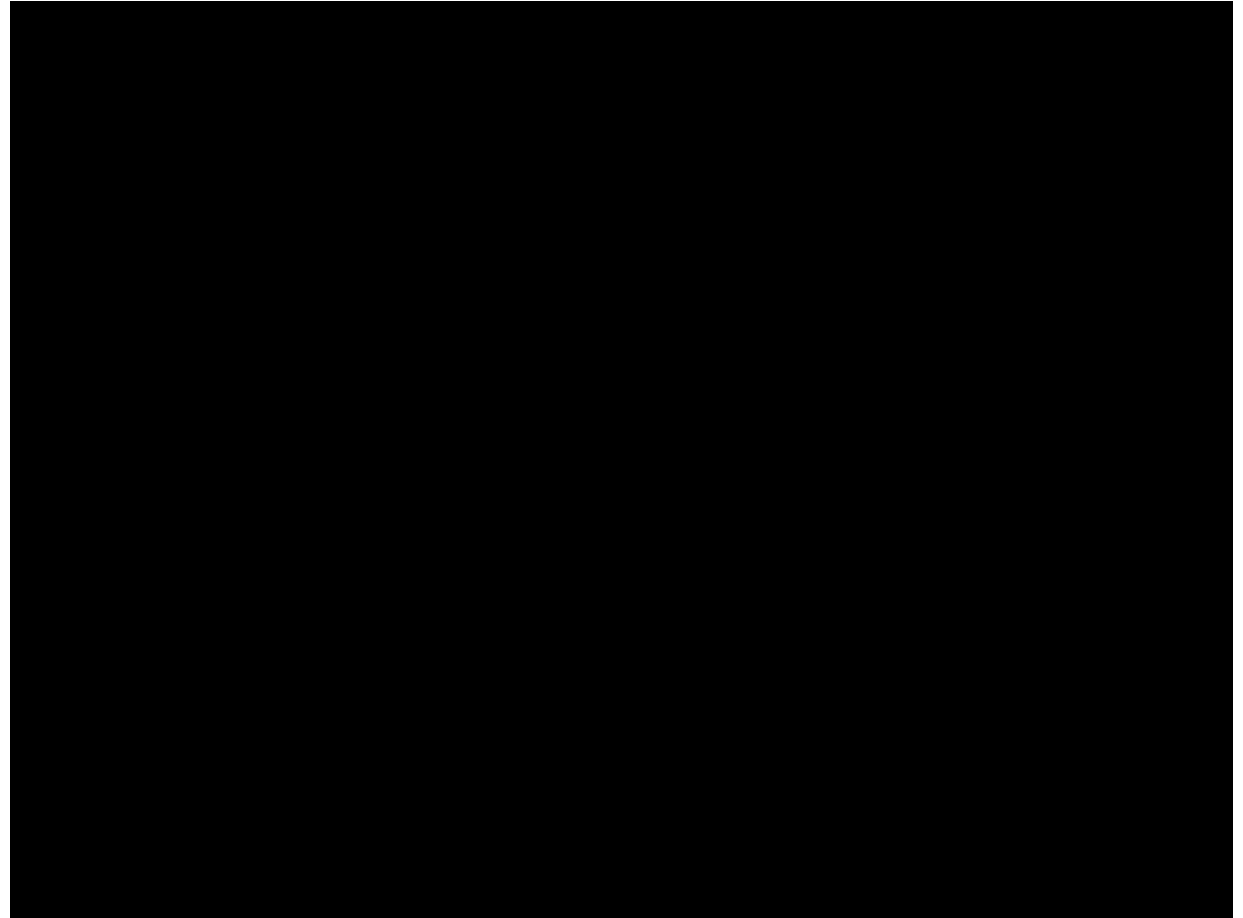
Direct Energy Deposition

- ▶ Now we eliminate the powder and use an electronic beam with welding wire.



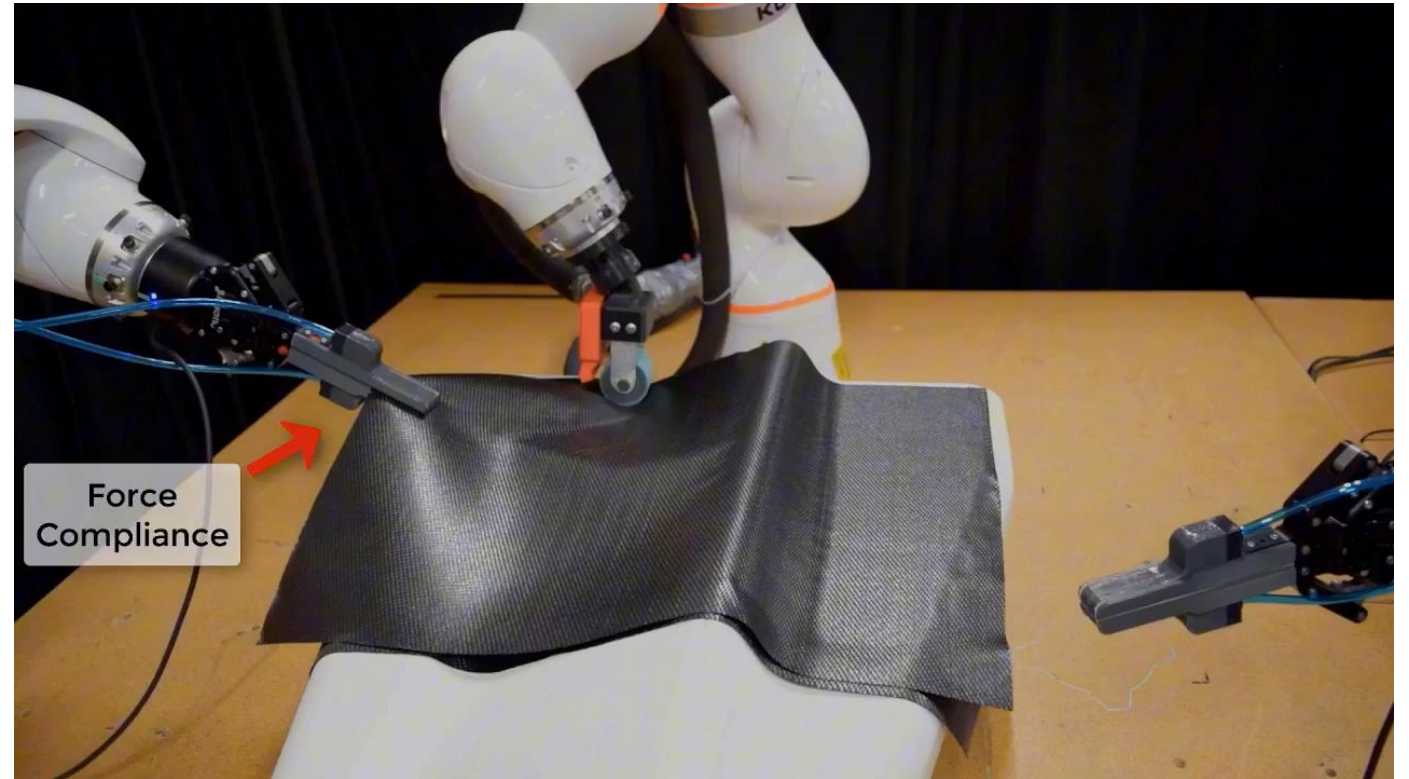
Sheet Lamination / Ultrasonic Consolidation

- ▶ Now we are moving from welding wire to metal tapes and binding with ultrasonic welding rather than an electronic beam.



Robotic Composite Layup

- ▶ Now we are moving from metal to much stronger polymer composites and replacing expensive hand lay-up with robotics.



Wire and Tape Composite Weaving

- ▶ Now we are going to get away from layup entirely, and weave the composites from thread on a robotic composite weaving machine.



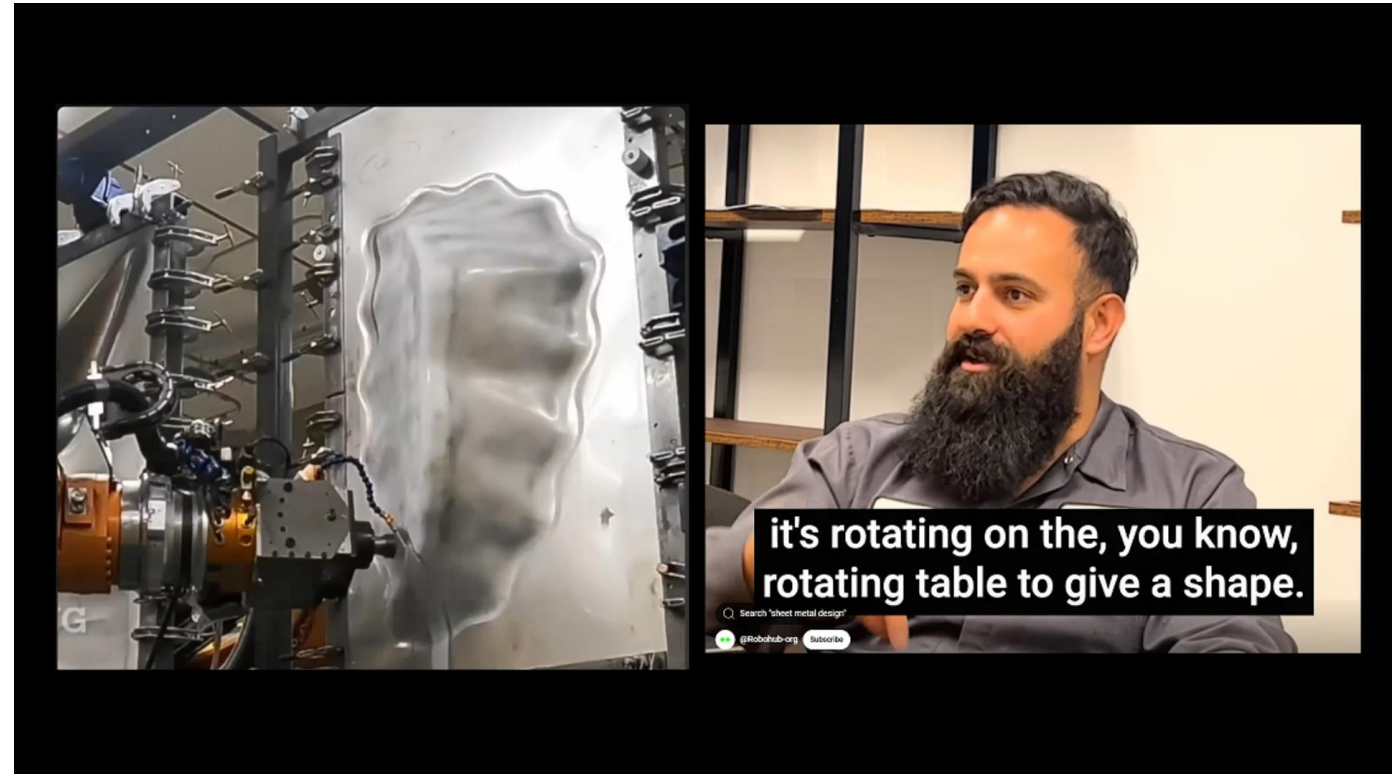
Complex Robotic Subtractive Machining

- ▶ There still is a place for subtractive manufacturing in certain materials, albeit robotic. Here stone is being sculpted.



Robotic Sheet Metal Forming

- ▶ Lastly, lets look at robotic blacksmithing, or sheet metal forming.



Manufacturing: Economic Impacts

Sector (alphabetical)	Sales Multiplier	Jobs Multiplier	Total Earnings	GDP Multiplier
Accommodation and Food Services	3.9	1.9	3.8	3.8
Administrative and Waste Management/Remediation Services	4.1	3.3	3.2	4.1
Agriculture, Forestry, Fishing and Hunting	3.7	1.8	2.6	3.1
Arts, Entertainment, and Recreation	4.0	3.1	4.1	4.1
Construction	3.8	3.4	3.0	4.1
Educational Services	4.1	1.5	2.5	3.8
Finance and Insurance	3.9	6.7	4.2	4.3
Health Care and Social Assistance	3.9	2.4	2.4	3.6
Information	3.8	8.8	6.0	3.8
Management of Companies and Enterprises	4.0	5.3	2.2	3.5
Manufacturing	3.7	8.4	6.1	5.6
Mining, Quarrying, and Oil and Gas Extraction	3.5	7.7	5.6	3.3
Other Services (except Public Administration)	3.6	2.1	2.6	3.8
Professional, Scientific, and Technical Services	3.9	3.4	2.5	3.3
Public Administration (not covered in economic census)	3.9	6.8	4.9	6.0
Real Estate and Rental and Leasing	4.1	13.4	9.5	5.1
Retail Trade	3.8	2.7	4.0	3.5
Transportation and Warehousing	4.0	5.9	4.3	4.3
Utilities	3.4	13.9	6.1	2.8
Wholesale Trade	3.9	7.2	5.1	3.9

Manufacturing: Economic Impacts

Manufacturing Industry (sorted by top sales multipliers)	Sales Multiplier	Jobs Multiplier	Earnings Multiplier	GDP Multiplier
Cheese Manufacturing	4.9	21.6	17.6	14.7
Meat Processed from Carcasses	4.8	12.3	11.6	13.8
Animal (except Poultry) Slaughtering	4.8	11.9	11.6	13.8
Rendering and Meat Byproduct Processing	4.8	15.3	11.6	13.7
Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing	4.7	12.9	6.9	9.6
Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing	4.7	12.5	6.9	9.5
Creamery Butter Manufacturing	4.7	16.0	12.2	12.2
Fluid Milk Manufacturing	4.7	16.0	12.2	12.2
Ice Cream and Frozen Dessert Manufacturing	4.7	7.1	7.4	9.0
Poultry Processing	4.7	7.3	8.3	8.9
Motor Home Manufacturing	4.6	5.9	5.8	10.1
Stationery Product Manufacturing	4.5	6.5	6.1	8.3
Dry, Condensed, and Evaporated Dairy Product Manufacturing	4.5	24.8	16.7	8.3
Soybean and Other Oilseed Processing	4.4	89.2	58.9	21.3
Commercial Bakeries	4.4	4.3	4.7	6.4
Frozen Cakes, Pies, and Other Pastries Manufacturing	4.4	4.5	4.7	6.4
Retail Bakeries	4.4	2.2	4.7	6.4
Malt Manufacturing	4.3	16.6	12.2	10.9
Rice Milling	4.3	13.5	12.2	10.9
Flour Milling	4.3	17.7	12.2	10.9

Evolution of Processes, Supply Chains, Technology

- **Big Data and AI**

- The global AI in manufacturing market is estimated to reach USD 20.8 billion by 2028 from USD 3.2 billion in 2023, growing at a CAGR of 45.6% between 2023 to 2028. according to Markets and Markets research.
- Over 50% of manufacturers are expected to integrate AI-powered quality control and predictive maintenance systems by 2025.
- AI-driven automation could reduce operational costs by 20-30% while increasing production output by 10-15%.

- **Energy**

- There is a lack of available power to meet demand, creating a larger need for creative energy solutions.

- **Sustainability**

- Industrial users are implementing more sustainable processes

- **Risk**

- Geopolitical risks are factored into supply chain decisions



Part 2: Kaizen Process

 VISTA SITE SELECTION

Kaizen Process

Project team includes all affected parties

Decisions are collaborative (sign-up sheet)

Team lead functions as a facilitator of discussion and tie breaker (consultant provides logistics support)

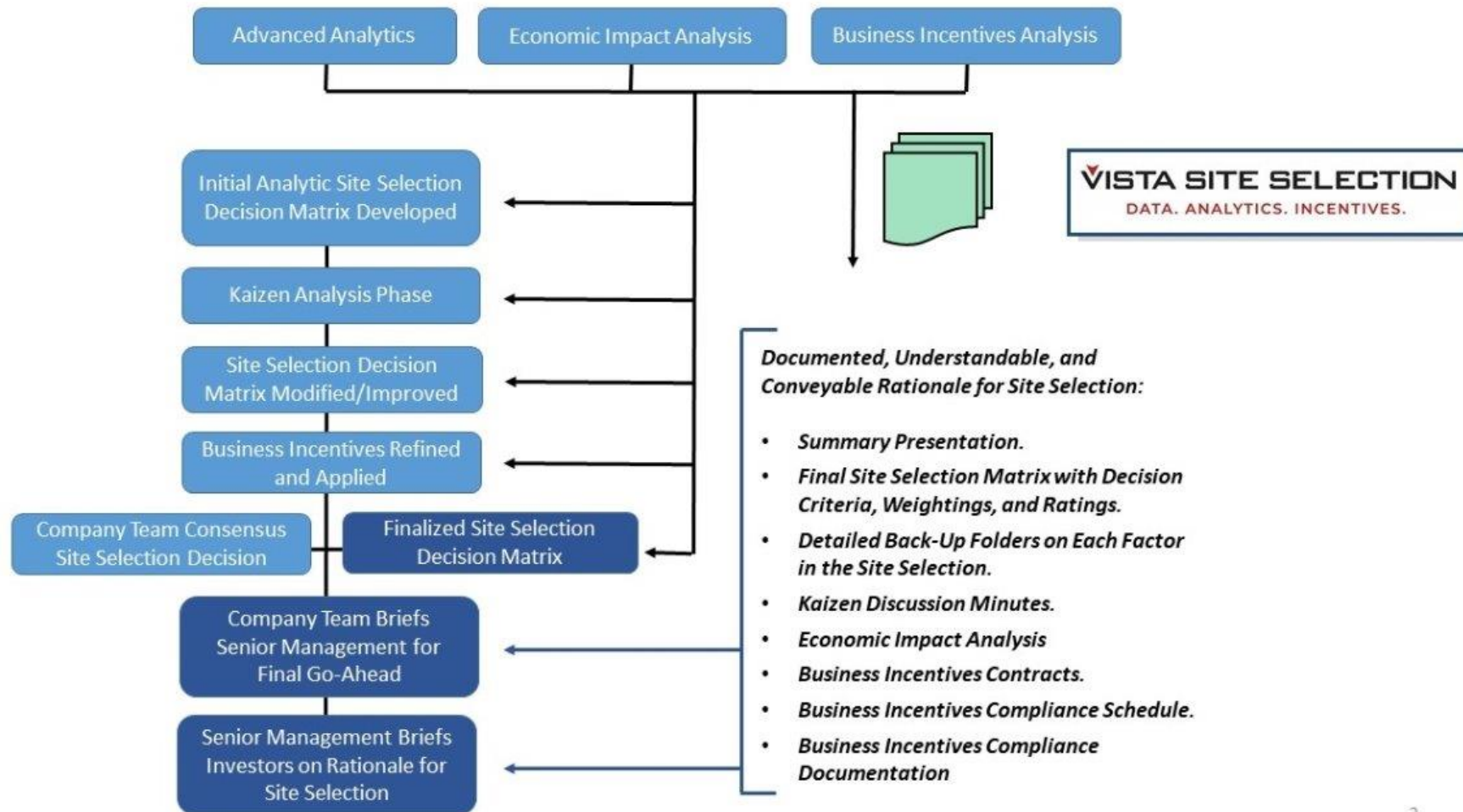
Process under review is dissected by the team to identify waste, inconsistency and imbalance

Small changes are made incrementally

Cumulative impact of small changes is an optimized process

Kaizen blitz is a series of scheduled team meetings where the project team incrementally improves the process under review

Adapting the Kaizen Process for Site Selection



2

Analytic Site Selection on the Rise

Corner office management, oversight boards, and investors have come to realize that site selection drives the big three cost factors: labor, benefits, and physical plant.

Oversight boards and investors want to know, **“WHY THERE?”**

Bad proposal siting = Wasted overhead and resources

Bad Siting breeds a slow painful bleed to extinction

TQM = Analytic justification required

Site Selection Teams need to be able to explain a complex site decision

Site Selection Matrix Sample

Project Name Analytic Site Selection Matrix: 500+ Jobs		Prospective Sites			
Digital Factors (GO/NOGO)		State A	State B	State C	State D
Climate Resiliency	NA	GO	GO	GO	NO GO
Federal / State Permitting (Ex. Air Permit)	NA	GO	GO	GO	GO
Right to Work	NA	NO GO	GO	GO	GO
Industry - specific considerations (Ex. Air Density Ratio)	NA	GO	GO	GO	GO
Analog Factors (Relative Scale 1 - 100)		State A	State B	State C	State D
Labor Availability (inc. clearances)	25%	95	100	90	90
Quality of Life	5%	90	95	100	90
Labor Cost	12%	90	100	90	90
Existing Infrastructure (CAPEX Requirements)	10%	100	90	85	85
Workforce Development	5%	92	100	95	90
Transportation Infrastructure	10%	100	90	85	85
Customer Preference	5%	100	90	95	85
Strength of University/Trade School System	8%	95	90	100	90
Utility Infrastructure	10%	100	95	85	95
Supply Chain Synergy	10%	100	90	90	85
Composite Site Score Before Incentives	100%	96	95	90	89
Impact of Business Incentives		State A	State B	State C	State D
Cash Grants					
Payroll Subsidies					
Sales & Use Tax Relief					
Property Tax Relief					
Corporate Income Tax Credits					
Free/Discounted Land					
Other					
Composite Site Score After Incentives		0	0	0	0

Labor Availability

► Trends

- Labor Force Participation lowest since 1977
 - Participation of men have decreased from 87% in 1950 to 68% today
- Labor productivity is down (efficient hours of labor force)
- Unemployment for college grads is creeping up, while unemployment for those with no college experience is creeping down.
- Nearly 60% of manufacturing occupations are hard to find
 - Unemployment for repair, installation and maintenance occupations is under 3% (9%) and production occupations is under 4% (51%).
- Staffing patterns are becoming industry-nuanced, leading to "just-in-time" occupational certifications.
- Advanced data allows for better commuter predictability and area assessment
- Trend toward skills transferability (poaching from other industries)

► Data

- BLS (occupational statistics, i.e. wages, jobs, lqs)
- Indeed (job postings)
- State JFS, IPEDS, UDE (talent pipeline, talent production)
- placer.ai

Labor Cost

► Trends

- Production worker wages are up 4%, the highest rate of increase since 1980.
- Employment costs for manufacturing are up 46% since 2010 (49% if you are making aircrafts), growing at a rate that matches the growth of high-salaried office jobs.
 - Manufacturing employment cost growth the prior 10 years ('02-'10) = 28%
- Lack of availability has required more costs to employers in investing in workforce partnerships.
- Commuting cost outlay (to the worker) has allowed for more precise commuter estimates of sites.
- Co-locating by adequately-priced, proximate housing.

► Data

- BLS (occupational statistics, i.e. wages, compensation)
- Indeed (job postings, salary)
- American Community Survey, Zillow, CoStar (housing)
- Co-Star, Database USA (mapping competitors)

Workforce Development



Workforce Development

A workforce demographics assessment needs to be done prior to site selection to determine deficiencies.

The training program should begin immediately after site selection, not six-months after you've finished the plant.

- ▶ *The best incentives package available has no value to a company if they cannot hire.*
- ▶ *The US workforce is not the best in the world, that title would likely go to the South Koreans.*
- ▶ *The K-12 System does not provide job skills for most Americans.*
- ▶ *Many of the entry level jobs for high school graduates have been replaced by robotics or can be done by a skilled operator during process time.*

A 4-Phased Training Process

Phase One – Dedication and Mechanical Aptitude
3-4 weeks evening sessions.

- Dedication – Will they show up?
- Mechanical Aptitude – Tasks defined by the company?

- Small public sector funded training center.
- Recruiting, evaluation, and course execution paid for by public sector.
- Recruits may receive a stipend.

Phase Two – General Skills
3-18 Months.

- Teach skillsets that relate to final job skills in ancillary jobs codes.

- Preemployment.
- Usually provided by the post K12 education sector.
- Paid for by the public sector.

Phase Three – Job Specific Skills
1-3 Months.

- Teach job specific processes on company production equipment using shop-queen or scrap hardware.

- Post Employment.
- Done in a company training center.
- Curriculum written by company employees.
- Have to be choosy with states to get public sector funding.

Phase Four – On-The-Job Training
2-6 Months.

- Trainee works on production hardware and equipment overseen by experienced worker.

- Post Employment.
- Often underestimated in cost.
- Have to be choosy with states to get public sector funding.

Quality of Life

► Trends

- Housing match-making – employers are spending more time analyzing housing prices and Cost of Living indices.
- Quality of complementary uses (amenities)
 - On average, the restaurant industry in a typical county realize \$14 in revenue per square foot of manufacturing development and nearly \$47 in revenue per square foot during the construction period. That is enough to support the opening of 4-5 new restaurants.
 - Visitor journey data (to and from the plant) indicate employees from manufacturing plants most frequently visit, restaurants, coffee shops, retail and convenience.
- Commute times are playing a major role in the cost of competitive labor, as larger-scale manufacturers continue to emerge.
- Family size of employee and other factors can help set wage rate approaches.

► Data

- Zillow, CoStar, American Community Survey (housing, population growth)
- US Bureau of Economic Analysis (i.e. regional price parities, cost indexes, etc.)
- MIT Cost of Living Index
- Placer.ai
- CoStar – mapping surrounding uses and amenities
- IMPLAN (economic impact to surrounding area and reverse-area fit)

Infrastructure

▶ Trends

- Proximity / access to highways, airports, rail
- Multiple highway options
- Proximity to and direct access to workforce
- Local infrastructure availability and cost
- Multi-model

▶ Data

- Data for infrastructure planning
- Highly localized
- State Department of Transportation

Sites

► Trends

- Site / Shovel Ready
- Ability to provide site information / answer follow-up questions in a timely manner
- Understanding adequate coverage of available site databases
- Real Estate Availability and Cost
- Size/Type of property
- Examples of specific needs for manufacturing facilities
 - Building Height
 - Access/Ability/Cost of Dual Power
 - Waste Stream

► Data

- CoStar
- State-level Site Databases

Utilities

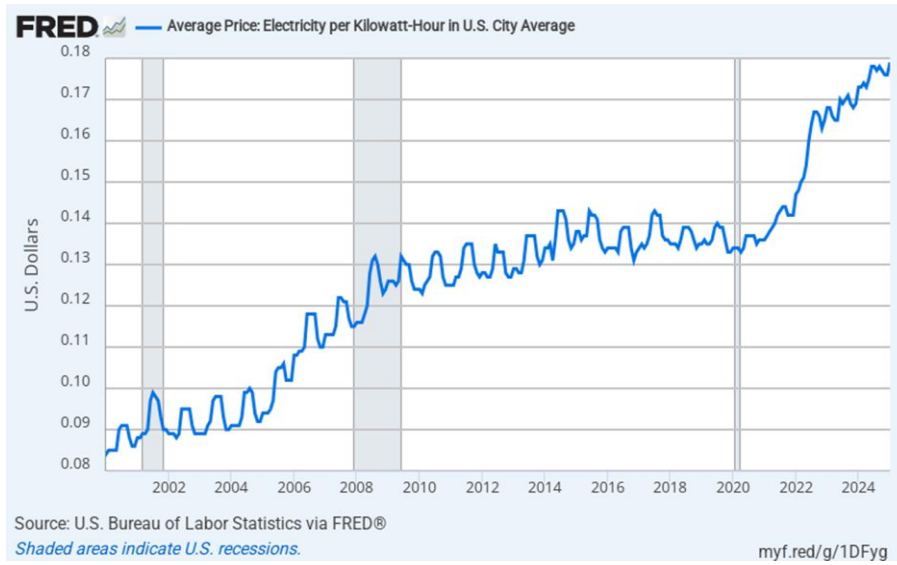
► Trends

- **Demand** - Overall growth is driven by AI demand, data center growth and proliferation of EVs
 - There is currently 102 million in data center square footage in the United States and over 4 million in data centers under construction over the last two years. Since 2000, the inventory of data center buildings has increased by 149% and the square footage by 276%, while the vacancy rate has decreased from 9.3% to 7.4%.
 - Data Centers have witnessed a spike in growth coming out of the pandemic. Since the pandemic (2020-2024) the national inventory of data center square footage has increased by 24%, exceeding the five-year pre-pandemic period rate of 18.6%
- **Technology** - AI and machine learning can be key in new efficiency measures (electricity, water and gas). This includes analysis of infrastructure quality and need to refresh infrastructure.
- **Pricing** - Rising prices create affordability challenges
- **Risk** - Cyber security risks remain with interconnected utility systems while natural disasters are driving regulatory discussions to derisk systems and utility shareholders
- **Sustainability** – Water conservation through reuse and recycling

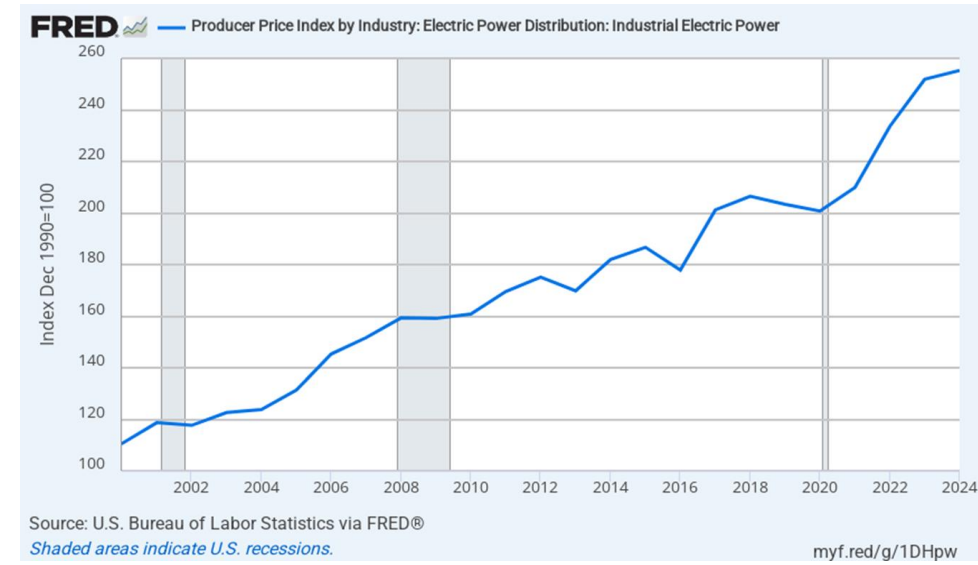
► Data

- USDE, UEIA (Electric, Alternative Energy)
- USGS, UEPA (Water)
- US Climate Resilience Toolkit

Electricity Pricing



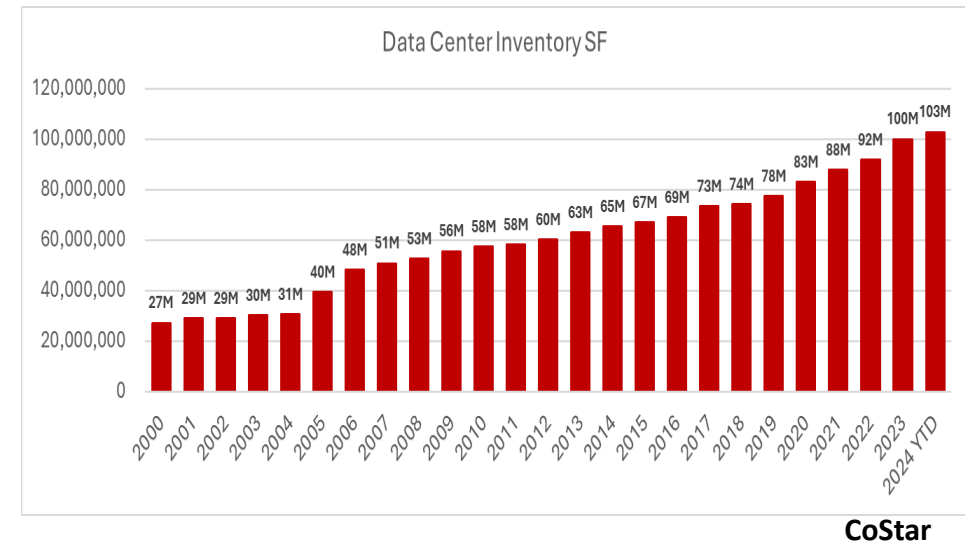
Industrial Electric Power Distribution Costs



Construction Spending in Increasing our Water Supply



Data Center Inventory



Supply Chain Synergy

► Trends

- How co-location is assessed – using BEA regional requirements data to understand supply chain potential as a %.
 - For instance, Glass Manufacturing: in Arizona 62% of goods and services that Glass and Glass Product manufacturing requires to operate are provided within the state, in Rhode Island that number is 40%.
- Predictive supplier labor availability – occupational labor crunches are driving employers to envision if enough labor exists to support is supply chain in addition to its operations (mitigates supplier poaching).
- Customer success potential. Understanding the difference between an area's business, institutional, household demand for products and services.
- Supplier Campus (trend) vs. Area Considerations
 - Has an infrastructure fund been established
 - How supportive are State DOTs and County Public Works

► Data

- American Community Survey/Census (housing, population growth)
- US Bureau of Economic Analysis (Regional Economic Accounts)
- IMPLAN (commodity data, social accounts)
- Local incentives databases, taxing district and public finance district research

Customer Preference

- ▶ In general, who wants me and how badly do they want my industry?
- ▶ Regulatory requirements and the ease of permitting.
- ▶ In Government Aerospace – How many congressional districts can I cover with facilities, subcontracts, and vendors?



Industry-specific Considerations

► Trends

- Growth Trends (jobs)
 - Fastest Growing Manufacturing ('22-'25) - Guided Missile and Space Vehicles (35%), Battery Manufacturing (34%), Bottled Water Manufacturing (27%), Compost Manufacturing (27%), Carbon and Graphite Product Manufacturing (27%)
 - ▶ Fastest Growing Overall = Solar Electric Generation (104%), Taxi Service (56%)
 - Fastest Declining Manufacturing ('22-'25) - Apparel Knitting Mills (-26%), Photographic Film, Paper, Plate and Chemical Manufacturing (-24%), Motor Home Manufacturing (-23%), Blind and Shade Manufacturing (-23%) and Electronic Computer Manufacturing (-21%)
 - ▶ Fastest Declining Overall = Mortgage and Nonmortgage Loan Brokers (-32%)
- Labor Behavior – industrial industries across the board are having larger issues with labor availability and unfamiliar cost increases.
- Automation trends continue.
- Community and Political Fit – state and local governments are becoming increasingly analytical and sophisticated in what they "want" (i.e. "targeted industries")
- Proximity to Suppliers and Customers – classified products may need closer proximity.

► Data

- US Bureau of Labor Statistics
- US Bureau of Economic Analysis (Regional Economic Accounts)
- IMPLAN (commodity data, social accounts)

Automation

Detailed Occupation	US Jobs	% of Manuf. Jobs
Miscellaneous Assemblers and Fabricators	1,489,800	8.60%
First-Line Supervisors of Production and Operating Workers	698,661	3.80%
Laborers and Freight, Stock, and Material Movers, Hand	3,109,029	3.20%
Inspectors, Testers, Sorters, Samplers, and Weighers	600,244	3.00%
Packaging and Filling Machine Operators and Tenders	392,288	2.30%
Welders, Cutters, Solderers, and Brazers	447,046	2.20%
General and Operations Managers	3,790,150	2.00%

SOC	High-Level Occupation	Automation Index
35-0000	Food Preparation and Serving Related Occupations	125.4
47-0000	Construction and Extraction Occupations	122.8
37-0000	Building and Grounds Cleaning and Maintenance Occupations	122.5
51-0000	Production Occupations	113.6
53-0000	Transportation and Material Moving Occupations	110.9
45-0000	Farming, Fishing, and Forestry Occupations	109.7
49-0000	Installation, Maintenance, and Repair Occupations	108.7
33-0000	Protective Service Occupations	99.1
43-0000	Office and Administrative Support Occupations	98.4
39-0000	Personal Care and Service Occupations	96.9
31-0000	Healthcare Support Occupations	95.0
41-0000	Sales and Related Occupations	94.7
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	89.9
13-0000	Business and Financial Operations Occupations	89.4
29-0000	Healthcare Practitioners and Technical Occupations	88.3
17-0000	Architecture and Engineering Occupations	86.9
25-0000	Educational Instruction and Library Occupations	85.9
11-0000	Management Occupations	84.6
19-0000	Life, Physical, and Social Science Occupations	84.5
23-0000	Legal Occupations	83.9
15-0000	Computer and Mathematical Occupations	83.3
21-0000	Community and Social Service Occupations	82.4
99-0000	Unclassified Occupation	N/A
55-0000	Military-only occupations	N/A

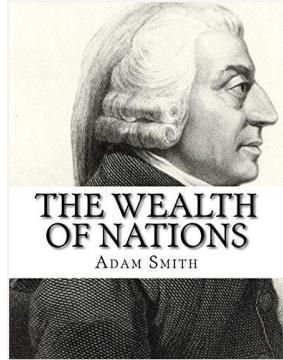


Part 3: Incentives

 **VISTA SITE SELECTION**

Business Incentives

Why are Business Incentives a Necessity of Good Site Selection?



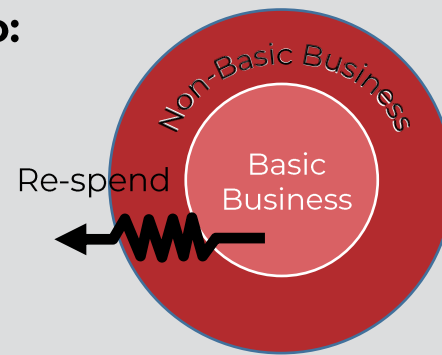
Capitalism creates market efficiencies by moving the means of production of any given good or service to those producers and regions that are most efficient.

Business incentives

are an economic adjustment tool to “level the playing field” for existing and new local producers in targeted industry sectors.

Communities Target Industry Sectors to:

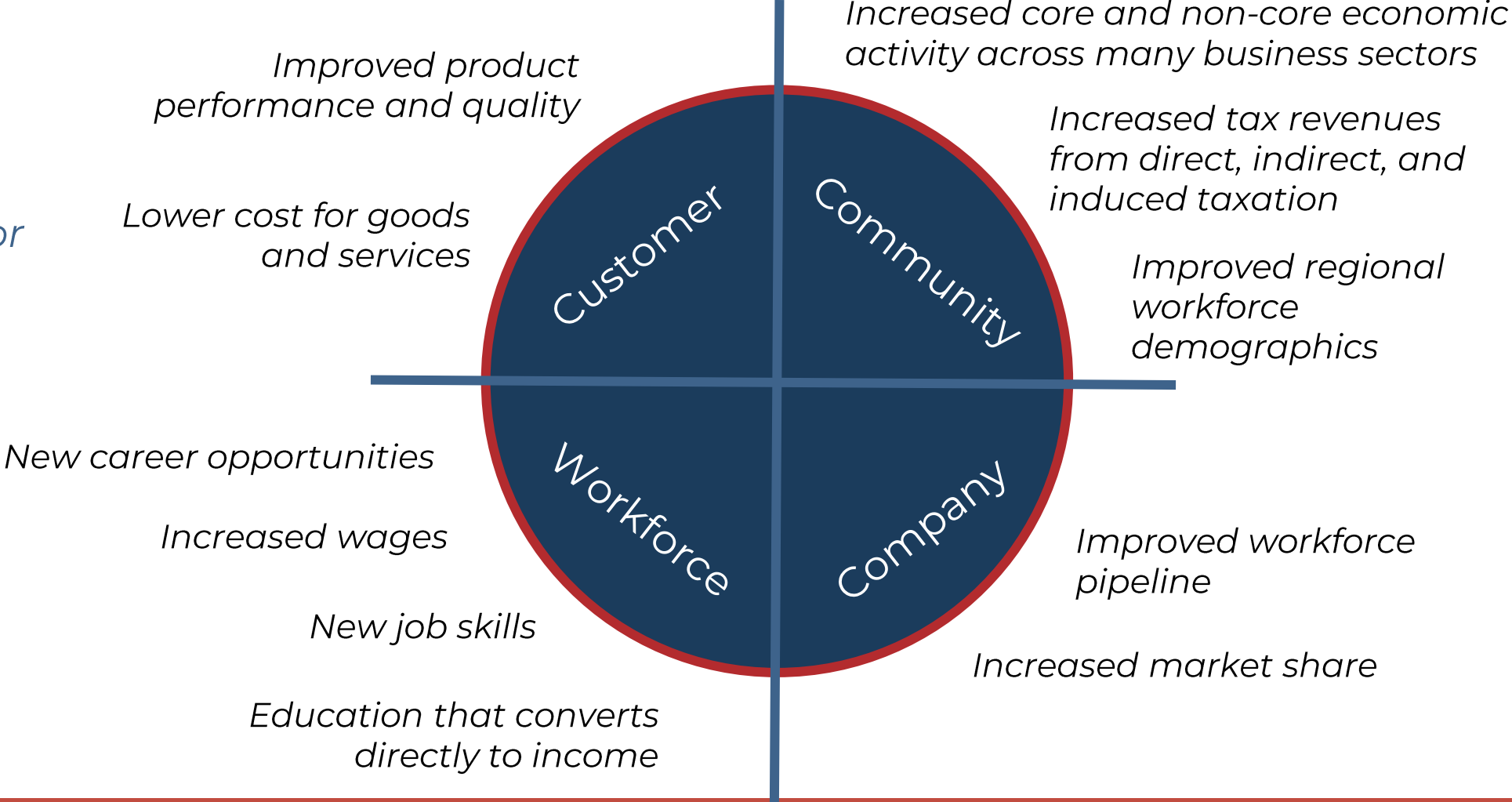
- Encourage economic growth
- Maximize direct/indirect/induced taxation
- Expand employment opportunities
- Provide for constituents' needs



Underlying tax policies, labor demographics, infrastructure availability, and other economic factors create production inefficiencies.

Business Incentives

The Win^4 - Targeting Agreements that have Positive Outcomes for All Parties



Business Incentives

**Address
Client Company Needs
and Values**



**Address
Community Economic
Shortfalls and
Weaknesses**

Incentives Categories

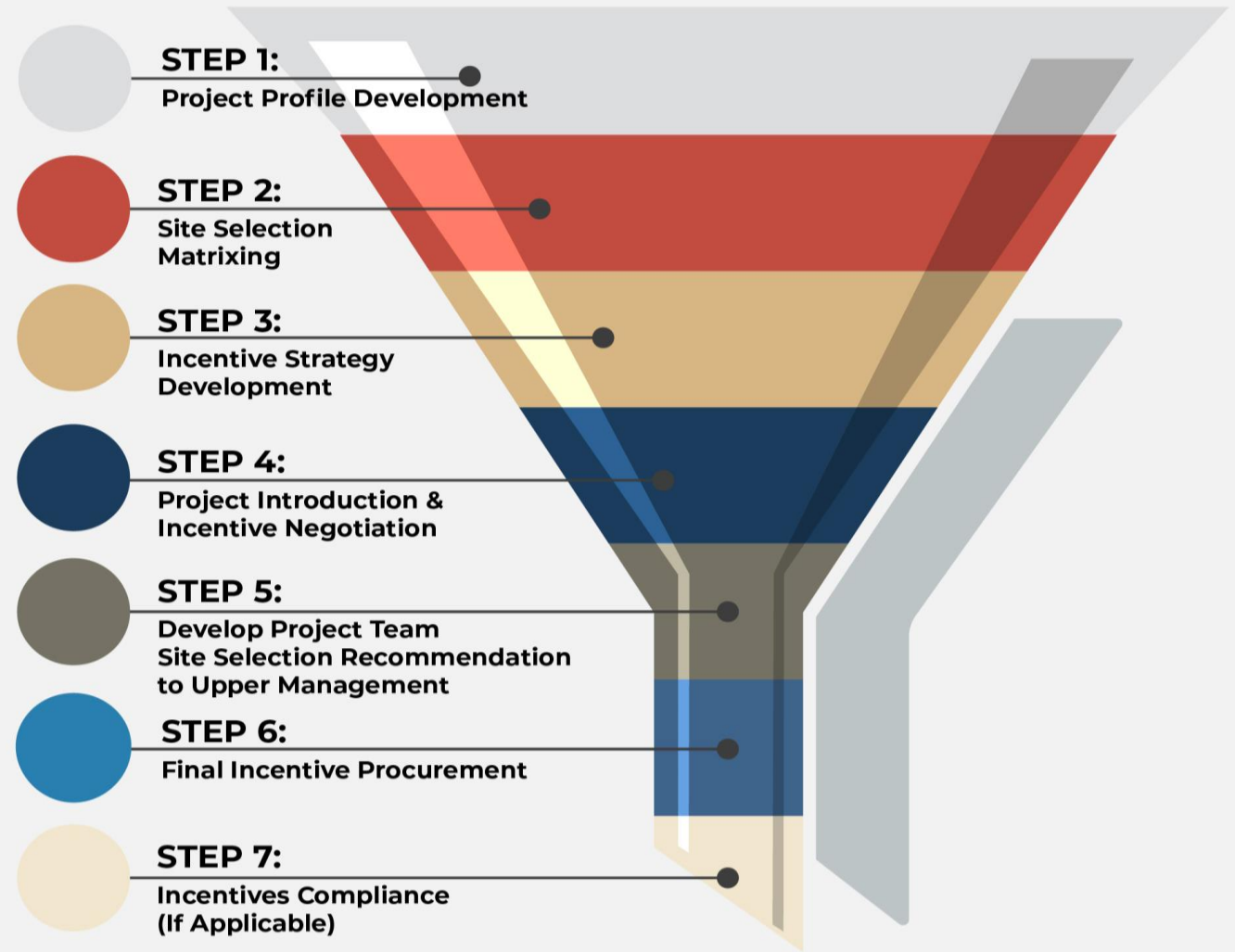
- *Statutory*
- *Discretionary*
- *Transaction Construction*
- *Special Legislative*

Incentives Types (sample of types, not comprehensive)

- *Ad Valorem Tax (Abate/Exempt/Valuate)*
- *Transaction Tax (Abate/Exempt/Valuate)*
- *Income Tax (Abate/Exempt/Valuate)*
- *Payroll Tax Abatements and Rebates*
- *Free/Discount Land and/or Infrastructure*
- *Cash Grants*
- *Federal Special Use Programs*
- *Carbon Zero Incentives*
- *Brownfields Incentives*
- *Discount Financing*
- *Discount and Rebate Leases*
- *Enhanced Use Leasing*
- *Leveraged Zoning*
- *Workforce Development Programs*
- *Workforce Pipelining Agreements*
- *Payroll Training Subsidies*
- *Utilities Discounts*
- *Offsite Infrastructure Improvements*
- *Legislative Adjustments*
- *Special Legislation*

Procurement Process

Incentive Procurement Process



Project Profile Development and Site Selection Matrixing

Project Profile

- Number of jobs to be created
- Broad position categories
- Weighted average annual wage
- Capital investment
- Timeline

Additional Information to Gather:

- Brief company overview presentation
- Project summary
- Description/photographs of product to be manufactured (as applicable) or services provided
- Company's charitable involvement

Project Name Analytic Site Selection Matrix: 500+ Jobs		Prospective Sites			
Digital Factors (GO/NOGO)	Weight	State A	State B	State C	State D
Climate Resiliency	NA	GO	GO	GO	NO GO
Federal / State Permitting (Ex. Air Permit)	NA	GO	GO	GO	GO
Right to Work	NA	NO GO	GO	GO	GO
Industry - specific considerations (Ex. Air Density Ratio)	NA	GO	GO	GO	GO
Analog Factors (Relative Scale 1 - 100)	100%	State A	State B	State C	State D
Labor Availability (inc. clearances)	25%	95	100	90	90
Quality of Life	5%	90	95	100	90
Labor Cost	12%	90	100	90	90
Existing Infrastructure (CAPEX Requirements)	10%	100	90	85	85
Workforce Development	5%	92	100	95	90
Transportation Infrastructure	10%	100	90	85	85
Customer Preference	5%	100	90	95	85
Strength of University/Trade School System	8%	95	90	100	90
Utility Infrastructure	10%	100	95	85	95
Supply Chain Synergy	10%	100	90	90	85
Composite Site Score Before Incentives	100%	96	95	90	89
Impact of Business Incentives		State A	State B	State C	State D
Cash Grants					
Payroll Subsidies					
Sales & Use Tax Relief					
Property Tax Relief					
Corporate Income Tax Credits					
Free/Discounted Land					
Other					
Composite Site Score After Incentives		0	0	0	0

Strategy, Project Introduction & Negotiation

Strategy Development

- Develop an incentive strategy early in the process & identify the desired project outcome (i.e. access to talent, building consolidation, etc.)

Project Introduction

- If working with a consultant, may initially introduce project anonymously
 - Develop Request for Information (RFI) to deploy to economic development teams
- Company representatives should meet with economic development officials
 - Prepare presentation to highlight the company, the project, identify specific project needs, request for a financial partnership through incentives
 - Work with state and local economic development representatives to identify need and priorities of the community
 - Charitable organizations/contributions

Project Negotiations

- Research past incentive awards and statutory guidance to determine available incentives in each location under consideration
- Share any project challenges or constraints



Recommendation to Upper Management

Making a Complex Site Selection Decision

Explainable:

Breaks the complex decision down into its component factors, weighting each factor, and providing a relative merit rating by factor by site.

Advanced analytics, formal research, and company team interaction back up each factor.

Site Selection Team Lead briefs Senior Management on Site Selection Recommendation.

Final Site Selection Matrix

Kaizen Sign-off Consensus all Functions

Data Folder for each Site Selection Factor on the Matrix

Direct, Indirect, and Induced Taxation Estimates

Business Incentives Risk/Reward Summary

Initial Construction Estimates

Advanced Analytics Analysis for Each Factor

Economic Impact Analysis

Incentives: Compliance Schedule; Contracts; and Reporting Documentation.

Minutes of Discussion for Company Kaizen Meetings

Final Incentive Procurement

Final Approval(s)

- **Most incentives will require approval by the state and/or local government agency awarding the incentives.**
 - Approvals may occur in one or multiple meetings
 - Confirm which meetings are public
 - Company should work with government relations/public relations team to develop a communication strategy prior to any public meetings
 - Company attendance may be recommended at the approval meeting(s)



Performance Agreement(s)

- Incentive awards are typically memorialized via a performance agreement between the company and awarding agency
- Each incentive program will likely have a separate agreement
- Agreement(s) will outline company performance commitments as well as the process to receive incentives

Realizing the Benefits: Incentive Compliance Phase

- **It is estimated that approximately 50% of all incentives awarded in the United States are unrealized*.**
 - *Creation of a comprehensive workplan & assigning responsibilities to key stakeholders is essential to ensuring the awarded incentives are realized.*
- **Implementation workplan should detail:**
 - Summary of incentive package
 - Explanation of metrics each program will evaluate (i.e. FTE's vs. employee count, etc.)
 - Action items required to realize incentives
 - Key reporting deadlines
 - Identification of key team members:
 - HR
 - Real estate
 - Government relations
 - Tax/Finance
 - Legal
 - Operations/Facility leadership

*Based on multiple reports and studies, published by various sources.

State New Job Program

Program Summary
 The State has awarded a payroll rebate to Company for this project. Company will receive a rebate of 2% of payroll attributed to the new jobs annually over a 10-year period. This benefit requires achieving the commitments outlined in the agreement and summarized herein.

Action Items & Reporting Requirements

- **Due Jan. 30, April 30, July 30, Oct. 30** – Company to submit quarterly report to State for payroll rebate

Disbursement Procedures

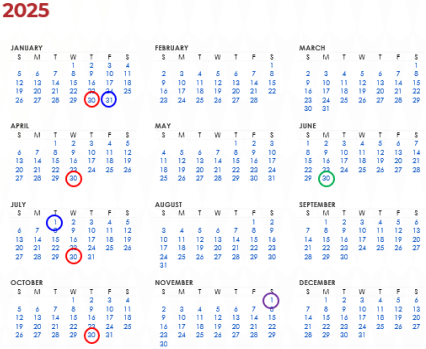
Upon receipt of Company's request, the State will review and provide disbursement through EFT to account provided by company. Disbursement will occur 15 days after receipt of Company's request.

Summary of Benefits

COMPANY has been awarded incentives through the following programs for this project. Incentives are projected to be earned over a 10-year period and total value to be earned is estimated below.

Incentive Program	Benefit Type	Estimated Value over 10 Years
State Job Program	Payroll Rebate	\$4,500,000
Local Property Tax Relief	Property Abatement	
State Cash Grant Program	Cash Grant	
State Sales & Use Tax Exemption	Sales & Use Tax Exemption	

Calendar of Action Items & Reporting Requirements 2025



- 2025 Action Items**
- Payroll Rebate
 - Property Tax Abatement
 - Cash Grant
 - Sales & Use Tax Exemption
- Jan. 30 – Quarterly Report
 Jan. 31 – Semi-annual Report
 April 30 – Quarterly Report
 July 30 – Quarterly Report
 Oct. 30 – Quarterly Report
 June 30 – Annual Report
 July 1 – Semi-annual Report
 Nov. 1 – Annual Report

Realizing the Benefits: Incentive Compliance Phase

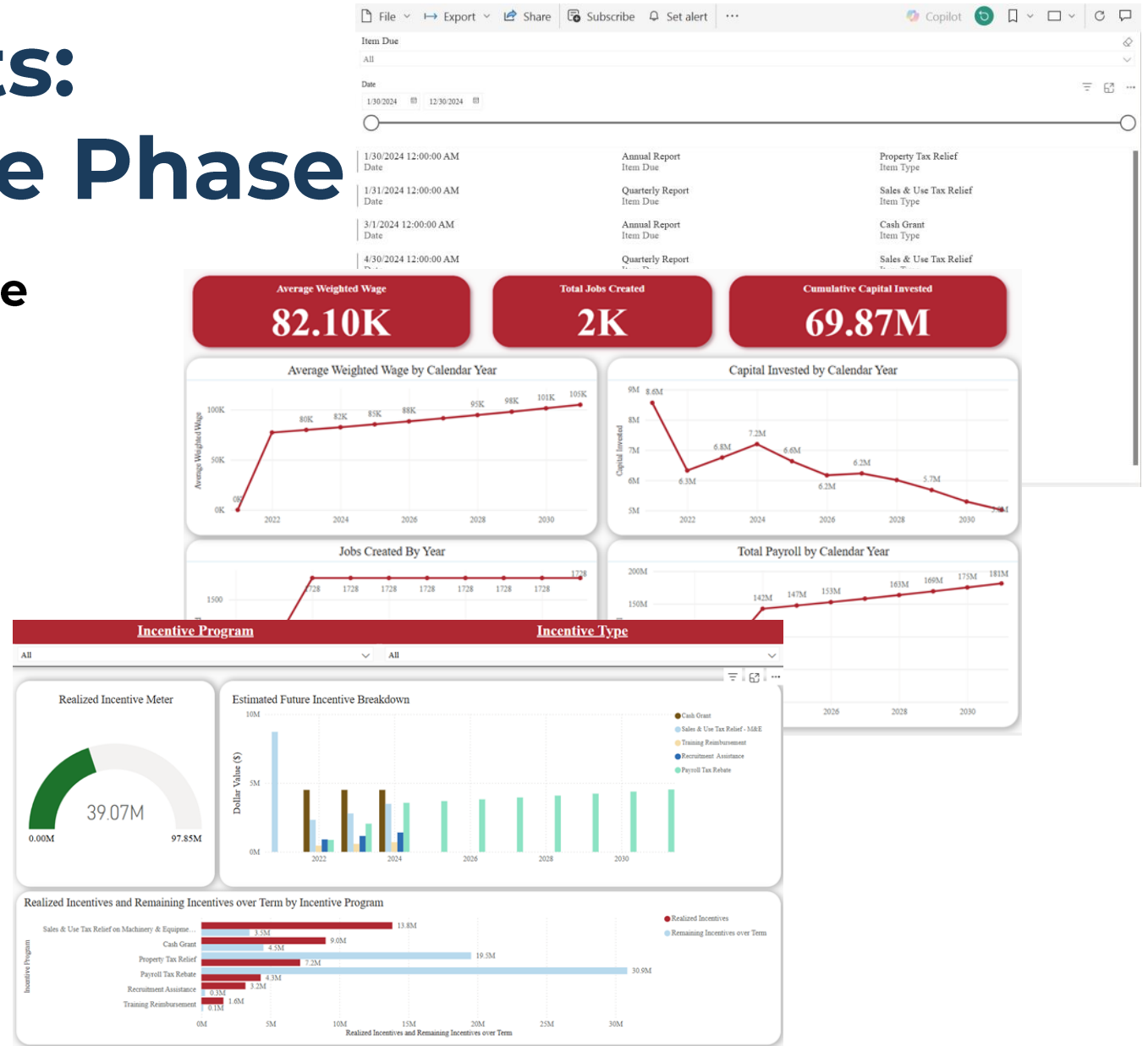
A company with an awarded incentive package should ensure to track and maintain the following during the compliance process:

- Track benefits received by program
- Note key reporting dates and action items required
- Document actual achievements against performance commitments (i.e. jobs created, capital invested, etc.)
- Maintain copies of filed reports and back up workpapers for record keeping purposes
- Periodically update implementation workplan with tasks completed and/or incentive program guideline changes
- Retain records through maintenance period after incentive term expiration

Realizing the Benefits: Incentive Compliance Phase

Vista’s proprietary compliance software tool, “Navigator” addresses the following:

- Summarizes incentive package awarded
- Serves as an abbreviated implementation plan
- Tracks benefits received & project achievements related to jobs, wages, investment
- Action item calendar
- Repository for incentive related documentation – reports, applications, workpapers



Risk Factors & Mitigation Strategies During Compliance

Risk Factor	Mitigation Strategy
<p>Assigning only one individual full responsibility for incentive compliance</p>	<ul style="list-style-type: none"> • Assign action item responsibilities to multiple individuals/stakeholders - This promotes consistency if there is employee turnover; and/or • Outsource compliance to a qualified 3rd party
<p>Difficulty understanding how performance is measured per program, program complexity & time commitment required to complete the reports</p>	<ul style="list-style-type: none"> • Creation of comprehensive implementation workplan & thorough review of each agreement/program guidelines to determine how to properly report achievements
<p>Failure to:</p> <ul style="list-style-type: none"> • Timely submit reports; • Complete all incentive reports; • Track benefits & achievements • Periodically measure performance before deadlines; • Understand incentive program/reporting changes 	<ul style="list-style-type: none"> • Develop an action item calendar and assign roles to multiple team members; • Use the implementation plan to understand all reports due; • Proactively measure progress against commitment with sufficient time to correct deficits • Remain in contact with state and local economic development representatives to stay apprised of program/reporting changes

Appendix

Data Analytics in Site Selection

The Initial Site Selection Matrix

		Multiple Site Options
Digital factors	% of total site selection decision	<ul style="list-style-type: none">• Breaks down a complex site selection decision into manageable sublevel decisions.• Organizes the site selection discussions.• Applies Greek mathematic logic to quantify the decision, while still allowing for qualitative analysis.• Allows the 3P Site Selection Team to identify, weight, and understand each factor's contribution to the site selection.• Becomes the core document in a 3P or Kaizen blitz of meetings for the company site selection team (builds consensus solutions).• Organizes analytic data and analysis by sublevel factor.• Provides a roadmap for explaining the site selection to upper management, boards, and investors.
Analog factors		

Data Analytics in Site Selection

The Initial Site Selection Matrix

		Multiple Site Options
Digital factors	% of total site selection decision	Relative Rating Between Sites
Analog factors		<ul style="list-style-type: none">• Workforce Availability• Workforce Cost• Ability to Transfer Workers• Supply Chain Considerations• Available Infrastructure• Utility Availability/Cost• Real Estate Availability/Cost• Etcetera, Etcetera... <p>Business Incentives applied to repair site deficiencies and optimize the site's underlying business climate.</p>



Advanced Analytic Capability combine multiple databases to provide a detailed decision on each factor for each site, backing the site score.

GO/NO GOs

- Weather
- Federal / State Permitting
 - Example: Air Permit
- Right to Work
- Industry-specific Considerations
 - Air Density Ratio

Thank you!

