

## SITE SELECTION PROCESS

PHASE	Business Plan	Review	Negotiation	Select Site – Finalize Deal
INTRO	<p>As companies embark upon the site selection process, it is imperative the right teams are engaged and the business plan is created with input from all stakeholders. The business plan is the foundation and the roadmap for the site selection process.</p>	<p>Once the business plan is finalized, the next steps are reviewing the requirements and identifying the communities. Contact with the state and local economic development organizations begins. This is the lengthiest phase where you are gathering data on communities and real estate. The goal is to narrow down the selection to at least the top 2 states.</p>	<p>In the negotiation phase, the due diligence should be near completion on the real estate and on the respective communities. When the decision is narrowed to at least 2 states, the negotiations start to materialize into incentive offer letters. At the end of this phase, the company should have enough information to make an informed site selection decision.</p>	<p>Once the final site has been selected, there are a series of steps to complete to ensure the final deal is not jeopardized. Companies normally accept any incentive offers and receive final approval from the state and local jurisdictions prior to any real estate closing or public announcement. Remember that in order to realize most incentives, there are also annual compliance reporting requirements, so ensure you have identified internal stakeholders to follow through.</p>
STEPS	<ol style="list-style-type: none"> <li>1. Identify internal stakeholders</li> <li>2. Develop business requirements</li> <li>3. Determine real estate needs – lease vs. buy</li> </ol>	<ol style="list-style-type: none"> <li>1. Review requirements &amp; identify communities</li> <li>2. Start due diligence on real estate</li> <li>3. Contact States for additional information (i.e. RFI)</li> <li>4. Develop financial model – identify costs &amp; incentives</li> </ol>	<ol style="list-style-type: none"> <li>1. Narrow to <b>at least 2</b> states &amp; sites</li> <li>2. Finalize due diligence on real estate/sites</li> <li>3. Negotiate incentives with State &amp; Local Governments</li> </ol>	<ol style="list-style-type: none"> <li>1. Accept incentive offers &amp; finalize agreements</li> <li>2. Finalize real estate deal</li> <li>3. Identify incentive compliance owners</li> </ol>

<b>GUIDANCE</b>	<p>Tips:</p> <ul style="list-style-type: none"> <li>Identify project requirements with internal stakeholders to ensure all business factors are considered in the site selection process.</li> </ul> <p>Checklist of Factors:</p> <ul style="list-style-type: none"> <li>✓ Stakeholders</li> <li>✓ Timeline</li> <li>✓ Labor</li> <li>✓ Suppliers</li> <li>✓ Transportation</li> <li>✓ Utilities</li> <li>✓ Real Estate</li> <li>✓ Taxes/Incentives</li> <li>✓ Regulatory Environment</li> </ul>	<p>Useful Templates:</p> <ul style="list-style-type: none"> <li>Jobs &amp; Investment Schedule</li> <li><u>IEDC Data Standards</u> – template to gather community data</li> <li>State Economic Development Contacts/Site Locator Tool</li> </ul> <p>Tips:</p> <ul style="list-style-type: none"> <li>Non-disclosure agreements are recommended before disclosing project details to states.</li> <li>Research incentives on the State and Local economic development agency’s website(s).</li> </ul>	<p>Tips:</p> <ul style="list-style-type: none"> <li>States compete against each other for business recruitment daily and offer a variety of incentives. Incentives are typically tax credits and grants.</li> <li>Local incentives normally come in property tax incentives and grants to offset infrastructure costs.</li> <li>When reviewing real estate, take into account infrastructure requirements (utilities, environmental, roads, traffic signals, etc.) and timing</li> </ul>	<p>Tips:</p> <ul style="list-style-type: none"> <li>All states have a “But-For” clause for incentives – remember to finalize acceptance of incentives prior to the public announcement or real estate closing</li> <li>Identify incentive compliance owners within company to ensure benefits are realized after the facility is operational</li> </ul>
<b>WHITE PAPERS</b>	<ul style="list-style-type: none"> <li><i>Site Selection - How to Start the Process</i></li> <li><i>Site Selection - Choosing the Best Location</i></li> <li><u><i>Competitive Alternatives 2016</i></u></li> </ul>	<ul style="list-style-type: none"> <li><i>Legal Aspects of Reshoring &amp; Site Selection</i></li> <li><i>Engaging State &amp; Local Economic Development Agencies</i></li> <li><u><i>Location Matters 2015 – The State Tax Costs of Doing Business</i></u></li> </ul>	<ul style="list-style-type: none"> <li><i>Overview of the Types of Incentives</i></li> <li><u><i>Let’s Make a Deal: Understanding the Opportunities in Discretionary Incentives</i></u></li> <li><u><i>Why Location Matters to Manufacturers in Lessening the Tax Bite</i></u></li> </ul>	<ul style="list-style-type: none"> <li><i>The Compliance Phase – Redeeming and Maintaining Incentives</i></li> </ul>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>USEFUL LINKS</b></p>	<ul style="list-style-type: none"> <li>• <a href="#"><u>U.S. Small Business Administration</u></a></li> <li>• <a href="#"><u>ThomasNet</u></a> - suppliers</li> <li>• <a href="#"><u>U.S. Bureau of Labor Statistics (BLS)</u></a> – labor/workforce</li> <li>• <a href="#"><u>U.S. Census Bureau</u></a> - demographics</li> <li>• <a href="#"><u>Area Development Magazine</u></a></li> <li>• <a href="#"><u>Site Selection Magazine</u></a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#"><u>International Economic Development Council (IEDC)</u></a> – ED Reference Guide</li> <li>• <a href="#"><u>LoopNet</u></a> – commercial real estate listings</li> <li>• <a href="#"><u>Google Earth</u></a> – mapping tool</li> <li>• <a href="#"><u>Reshoring Initiative</u></a> – <a href="#"><u>Total Cost Estimator</u></a> tool</li> <li>• <a href="#"><u>US Cluster Mapping Tool</u></a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#"><u>Tax Foundation</u></a> - <a href="#"><u>Effective State &amp; Local Tax Rates for Manufacturing</u></a></li> <li>• <a href="#"><u>CCH Group</u></a> – Tax Research</li> <li>• <a href="#"><u>Thomson Reuters</u></a> – RIA Tax</li> <li>• <a href="#"><u>State Incentives Chart</u></a> – <a href="#"><u>Site Selection</u></a> magazine</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#"><u>State Department of Revenue Websites</u></a> – AICPA</li> <li>• <a href="#"><u>Database of State Incentives for Renewables &amp; Efficiency</u></a></li> <li>• <a href="#"><u>IRS</u></a> – <a href="#"><u>Federal credits &amp; deductions for businesses</u></a></li> </ul>
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