HOW CAN SMALL TO MID-SIZED COMMUNITIES STAND OUT IN THE SITE SELECTION PROCESS?
WHO IS NEXT MOVE GROUP?
Mission Statement:

Next Move Group exists to create economic growth for small to mid-sized companies, communities, and non-profit organizations.
WHO IS NEXT MOVE GROUP?

Next Move Group Has Built an Engine Which Creates Economic Growth for Small to Mid-Sized Communities, Companies, and Non-Profit Organizations by Way of the Following 3 Services all Which Work to Support Each Other:
JOIN OUR MOVEMENT TO GROW THE AMERICAN ECONOMY

Which focuses on creating economic growth for **Small to Mid-Sized** Companies, Organizations and Communities

LEARN MORE

We are driven to create economic growth for Small to Mid-Sized Companies, Communities and Non-Profit Organizations

Because we have had enough of America's growth being slanted to the Fortune 100 Companies who get the majority of America's tax incentives

We are tired of cities like Chicago, Los Angeles and New York undervaluing its Small to Mid-Sized Companies and Non-Profit Organizations.
Our Podcast Channel

Subscribe to our podcast channel for weekly interviews focused on creating economic growth for small to mid-sized companies, communities, and non-profit organizations.
IN 2017, WE WERE HONORED BY GOLDMAN SACHS FOR OUR MISSION OF CREATING ECONOMIC GROWTH FOR SMALL TO MID-SIZED CORPORATIONS AND COMMUNITIES.
CONSULTANTS IN ST. LOUIS, NEW ORLEANS, TORONTO, AND GREENVILLE, SC
SAMPLING OF OUR SITE SELECTION CLIENTS
NEXT MOVE GROUP’S NICHE

We represent small to mid-sized manufacturers:
SAMPLING OF OUR SITE SELECTION CLIENTS:
SAMPLING OF OUR SITE SELECTION CLIENTS:

- REDGUARD MAKES BLAST RESISTANT LIVING QUARTERS FOR OIL/GAS INDUSTRY $100 MILLION/YEAR ANNUAL REVENUE
- SAMPLING OF OUR SITE SELECTION CLIENTS:
- POLYMER LOGISTICS, ISRAELI BASED
- $150 MILLION REVENUE WORLDWIDE
HYDRO-GEAR®
FORWARD MOTION THROUGH FORWARD THINKING

Ships within 1 day from the U.S

- SAMPLING OF OUR SITE SELECTION CLIENTS:
- HYDRO-GEAR MAKES MOTORS FOR LAWN MOWERS
- HQ IN ILLINOIS, $100 MILLION REVENUE
Graham Walker of Fibrebond talks about the problems with bridges around the plant.
Our Past Small to Mid-Sized Site Location Projects
(Our Average Project Creates 50-150 Jobs):

Image Industries locating cold forming operations in Clarksdale, creating 50 jobs

By Sarah Ulmer  ·  July 10, 2019

Stud welding company Image Industries is locating operations in Clarksdale. The project is a $3-million corporate investment and will create 50 jobs over the next four years.
Our Past Small to Mid-Sized Site Location Projects (Our Average Project Creates 50-150 Jobs):

Deal: Polymer Logistics to create 110 jobs, invest $4 million in Dublin

ATLANTA, May 19, 2016—Gov. Nathan Deal today announced that Polymer Logistics, a retail ready packaging company, will create 110 new jobs and invest more than $4 million in Laurens County. The company will locate its next U.S.-based logistics and distribution center in Dublin.
Our Past Small to Mid-Sized Site Location Projects
(Our Average Project Creates 50-150 Jobs):

Polymer Logistics Opens New Service Center in Portage, Indiana

November 10, 2016 05:10 PM Eastern Standard Time

PORTAGE, Ind.--(BUSINESS WIRE)--Polymer Logistics, a retail ready packaging company, held a ribbon cutting ceremony for its state-of-the-art 75,000 sq. ft. logistics and distribution center in Porter County today. Located at 6750 Daniel Burnham Dr., Portage IN, the new facility will create more than 40 new jobs.

“This facility helps us complete our nationwide network of service centers that will provide our customers with the highest level of...”

“This facility helps us complete our nationwide network of service centers that will provide our customers with the highest level of performance. We greatly appreciate the support we’ve received from the community and look forward to a successful operation here in Portage,” said Fred Heptinstall, CEO North America for Polymer Logistics.
Past Small to Mid-Sized Site Location Projects
(Our Average Project Creates 50-150 Jobs)

Cary manufacturer Duraflex expands with new building

Next Move Group Canadian Client
Sterling Packaging
Locates in Monroeville, Alabama

Alabama Governor Kay Ivey and Secretary of Commerce Greg Canfield join Jim
Hudson, President of Sterling Packaging, and his entire family as they break ground on a
new $5M packaging plant in Monroeville, Alabama, on July 31st, 2017.

Hydro-Gear to Expand Operations in Princeton

President and CEO Jim O’Connor, Jr., to announce 40 new jobs

Princeton, KY - July 31, 2017 - Alpine product to move to new location near Moscow Road, expanding operations for Garden Products.

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SAMPLING OF OUR EXECUTIVE SEARCH CLIENTS
Sampling of Executive Search Clients:

As we had success in economic development searches, economic development board members were impressed with our process and asked us to compete for other searches in their communities.

So, we grew into being a firm that focuses on doing executive searches for any entity which touches economic development: schools, city managers, etc.

We maintain our economic development mission, we only place “growth” minded people.
Sampling of Executive Search Clients:

Main Search Practices:

- Economic Development
- City/County Manager
- Development Staff
Sampling of Executive Search Clients:

Got our start in economic development searches:
Sampling of Executive Search Clients:
SAMPLING OF EXECUTIVE SEARCH CLIENTS:

Search for City Administrator

THE CITY OF NORTHPORT
NORTHPORT, ALABAMA

https://www.cityofnorthport.org/

Search Conducted By:

Next Move Group
We Are Jobs
CURRENT ONGOING SEARCHES:

- Northport, Alabama, City Manager- Pay of $150,000
- St. Charles County, Missouri Economic Development- Pay of $185,000
- Dyersburg, Tennessee, Chamber of Commerce- Pay of $115,000
- Good Shepherd School, Development Director- Pay of $85,000
Executive Searches:

We get our best candidates from referrals from people just like you, &

We get our best searches from people like you, keep us in mind for city/county manager, economic development, or any development related search.
SAMPLING OF OUR ECONOMIC DEVELOPMENT PRODUCTS CLIENTS
Our Targeted Customers:

**Economic Development Products:**
Small to mid-sized economic development organizations wanting help building aggressive economic development programs.

**Sampling of our clients:**

- **Small Sized County in Alabama**
  Service: Strategic ED Plan

- **Mid Sized Region in Kentucky**
  Service: Public Speaking at Annual Meeting

- **Mid Sized County in Missouri**
  Service: Board Training

- **Mid Sized County in Louisiana**
  Service: Board Training

- **Mid Sized County in South Carolina**
  Service: Targeted Industry Study
OUR SITE SELCTION PROCESS

John Sisson
Executive Managing Director
Site Selection / Incentives Negotiation
Greenville, South Carolina
WHAT DO WE DO?

• Build “Musts and Wants” Modeling for Location

• Search for Locations & Score Them Against Each Other

• Visit with best locations in our office

• Run Labor Analysis for Finalist Locations

• Visit finalist locations

• Run Operating Cost Pro-Formas for Each Finalist Locations
“MUSTS AND WANTS” MODELING
“MUSTS AND WANTS” MODELING

Kickoff Meeting
• Establish Macro Search Area
• Develop Project Evaluation Criteria
• Develop Project Timeline
• Obtain Data Points to Perform Logistics Analysis
• Establish “MUSTS”
• Establish “WANTS”
"MUSTS AND WANTS" MODELING

1. **Geography.** Our new facility **MUST** be located in one of these states:
   
   **Answer:**

2. **Building.** The building we buy/lease **MUST** have all of the following at a minimum:
   
   a. Sq. Ft. Answer: **50,000 min** – we currently have **55,000 with approximately 10,000 in office space**
   
   b. Ceiling Height Answer: **30’ clear**
   
   c. Bay Spacing Answer: **40’ with 20’ door as well as 20’ bay with 10’ door**
   
   d. Air-Conditioned or Not Air-Conditioned Answer: **a/c**
   
   e. Dock Door Requirements: **drive-in dock level preferred; 4 -6 doors**
   
   f. Infrastructure Answer (Example: rail siding, fire protection system, x amps of electric power, x amount of water capacity a day, etc.): **575v service (aka 600v)**

3. **Site.** How many acres must you have on the site for parking, storage, truck turnaround, etc.?
   
   **Answer:** we currently sit on **4 acres ... parking approximately 50 spots**

4. **Community Characteristics.** What are your “MUSTS” in a community? Population? Proximity to metro areas? Proximity to certain support businesses? Proximity or lack of proximity to a competitor? Provide bullet points of all the “MUSTS” you must have in a community:
   
   **Answer:** closest to major routes for ground shipping via transport

5. **Labor.** Describe in paragraph form the type of laborer you need and the challenges you face in finding them in your current location?
   
   **Answer:** we are a unionized shop currently – no need if we can have a better labour deal. For HVAC DEPOT we require skilled sheet metal journeymen and apprentices. For the FAB of our custom equipment, Labourers must have knowledge of sheet metal fab and be able to work directly from DRAWINGS. With this division we would also require electricians and Refrigeration Mechanics to install refrigeration piping, compressors, condensers etc.

6. **Just-In-Time Suppliers.** Do you have any "Just-In-Time" Suppliers which you must be located in close proximity to? If so, detail those suppliers so we can screen locations based on such

<table>
<thead>
<tr>
<th>Subject</th>
<th>Want</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor</td>
<td>Thickness? We have very heavy machinery so the thicker the better – currently 8”</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Floor Drains?</td>
<td>5</td>
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<tr>
<td></td>
<td>Load Bearing Capacity (PSI)</td>
<td>?</td>
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<tr>
<td>Rail Siding</td>
<td>Length?</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Covered?</td>
<td>n/a</td>
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<tr>
<td>Roof</td>
<td>Height? 30’</td>
<td>9</td>
</tr>
<tr>
<td>Bay Spacing</td>
<td>Currently have 10,000 - require 5,000</td>
<td>8</td>
</tr>
<tr>
<td>Manufacturing sq. ft.</td>
<td>Currently 45,000 – this is required</td>
<td>8</td>
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<tr>
<td>Warehouse sq. ft.</td>
<td>10,000 min</td>
<td>8</td>
</tr>
<tr>
<td>Future ability to expand</td>
<td>YES</td>
<td>7</td>
</tr>
<tr>
<td>Crane Infrastructure</td>
<td>Number, type, capacity? Currently have 4 overhead with 10ton capacity</td>
<td>8</td>
</tr>
<tr>
<td>Dock Doors</td>
<td>Currently have 4 – this is a minimum requirement</td>
<td>8</td>
</tr>
</tbody>
</table>
SEARCH FOR LOCATIONS AND SCORE THEM AGAINST EACH OTHER
SCORE SITES AGAINST EACH OTHER

Send Customized RFIs to Locations Under Consideration

Building Specifications

3. Name of Building? Address? Latitude, Longitude?
   Answer:

4. Owner of Building?
   Answer:

5. Asking sales/lease price?
   Answer:

6. Previous Use of Building?
   Answer:

7. Sq. Ft. (Breakdown office sq. ft., manufacturing sq. ft., lab space, etc.)?
   Answer:

Incentives

56. Briefly summarize the following incentives which could be available for a 100 job commitment:
   - Cash, Grants, Reduced or Delayed Cost of Real Estate, Forgivable Loans, etc.:
     - Deal Closing Cash (how can it be used):
       - Answer:
     - Workforce Training Cash:
       - State/Local On-The-Job Training Cash:
         - Answer:
       - Train the Trainer Cash:
         - Answer:
       - Pay Costs of our Trainers Cash for Set Number of Hours:
         - Answer:
       - Cash for our new hires to travel to train in another facility:
         - Answer:
       - Other training cash:
         - Answer:
     - Building/Site Cash:
       - Cash to Offset Improvements to Building:

9. Insert floor plan of manufacturing/warehouse area, including width and length of the manufacturing/warehouse area and each column, with dimensions in feet in the answer space to this question (if image is too big, shrink it and make it fit in the space below in this word document):
   Answer:

10. Describe any infrastructure currently within the manufacturing/warehouse area of the building such as: contents of boiler room and electrical room, piping, air compressors, etc.
    Answer:
In our kickoff process, we build a weighted scoring system to score communities based on what you want. This is an example of a recent project in which we scored 153 communities for a client.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
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<th>G</th>
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<th>K</th>
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<tbody>
<tr>
<td>2</td>
<td>Project:</td>
<td>COLD</td>
<td>Site:</td>
<td>commerce park</td>
<td>Total Score:</td>
<td>313.6</td>
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<td>Scoring Criteria</td>
<td>Overall Wt Factor</td>
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<td>5</td>
<td>1.) Business Costs (Recurring)</td>
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<td>a. Power Cost</td>
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<td>5.9</td>
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<td>7</td>
<td>b. Workers' Comp Insurance Rate</td>
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<td>c. Labor Cost - Private Employee</td>
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<td>d. Unemployment Insurance Rate</td>
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<td>e. Property Tax Rates</td>
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<td>11</td>
<td>f. Incentive Tax Rates</td>
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<td>12</td>
<td>g. State Corporate Income Tax Rate</td>
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<td>2.) Incentives</td>
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<td>14</td>
<td>a. Money to Move Equipment</td>
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<td>15</td>
<td>b. Eventually Own Building</td>
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<td>16</td>
<td>c. Relocation Assistance for Employees</td>
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<td>17</td>
<td>d. Other startup costs, installation fees, permits fees, fees</td>
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<td>18</td>
<td>e. Property Tax Abatements</td>
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<td>19</td>
<td>f. State Corporate Income Tax Credits</td>
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<td>3.) Workforce</td>
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<td>21</td>
<td>a. Skilled Labor</td>
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<td>b. Trained Laborial/Workers</td>
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<td>23</td>
<td>c. Relevant Training Programs (goal achieved)</td>
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<td>24</td>
<td>d. Vocational Technical support to new and expanding</td>
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<td>4.) Support Services</td>
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<td>6.0</td>
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<td>26</td>
<td>a. Drivers</td>
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<td>b. Cleaners</td>
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<td>28</td>
<td>c. Skilled Craft Labor</td>
<td>10</td>
<td>6</td>
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</tbody>
</table>
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<table>
<thead>
<tr>
<th>Project: Cold</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumulative Score</strong></td>
</tr>
<tr>
<td><strong>Business Costs</strong></td>
</tr>
<tr>
<td><strong>Incentives</strong></td>
</tr>
<tr>
<td><strong>Workforce</strong></td>
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<tr>
<td><strong>Support Services</strong></td>
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<tr>
<td><strong>Building</strong></td>
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<tr>
<td><strong>Geography</strong></td>
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<tr>
<td><strong>Transportation</strong></td>
</tr>
</tbody>
</table>
VISIT WITH BEST LOCATIONS IN OUR OFFICE
VISIT WITH BEST LOCATIONS IN OUR OFFICE

We bring communities to New Orleans, or St. Louis

New Orleans Office, 1615 Poydras Street,
Suite 500

Monday, June 12th
- 5 pm, Project Chess arrives picked up by Next Move Group at airport
- 7 pm, Dinner with Project Chess and Next Move Group at Emeril’s, 800 Tchoupitoulas
- After Dinner, Blues/Jazz Clubs on Frenchmen Street

Tuesday, June 13th
- 8 am, Continental Breakfast at Office, 1615 Poydras, Suite 500
- 8:30 am-10:00 am STATE OF GEORGIA PITCH
- 10:00 am-11:30 am STATE OF TENNESSEE PITCH
- 11:30 am-1:00 pm Lunch at Lukes
- 1:00 pm-2:30 pm STATE OF SOUTH CAROLINA PITCH
- 2:30-4:00 pm STATE OF ALABAMA PITCH
- 4:00-5:30 pm STATE OF FLORIDA PITCH
- 7:00 pm Dinner at Commander’s Palace, 1403 Washington Avenue
- After Dinner, Uptown New Orleans
RUN LABOR ANALYSIS FOR FINAL LOCATIONS
LABOR

- Workforce Analysis
- For each finalist location, we run detailed labor reports to quantify the quantity and cost of the labor in each area.
RUN OPERATING COST PRO-FORMAS FOR EACH FINALIST LOCATION
## OPERATING COST PRO-FORMAS

### Project Cold Pro Forma Expense Modeling

<table>
<thead>
<tr>
<th>Description</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WACC</strong></td>
<td>10%</td>
<td></td>
<td></td>
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<tr>
<td><strong>Net of PV</strong></td>
<td>$17,883,867.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Less: Costs, Yr 0</strong></td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IIRP</strong></td>
<td>$17,883,867.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IRR</strong></td>
<td>num!</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ESTIMATED CASH INFLOW (REVENUE)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>One-Time Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mortgage Expenses</strong></td>
<td>xxxx</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Incentives to Offset Mortgage</strong></td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost of Labor</strong></td>
<td>$1,837,434.52</td>
<td>$1,837,434.52</td>
<td>$1,837,434.52</td>
</tr>
<tr>
<td><strong>Cost of Shipping</strong></td>
<td>tbd</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Real Property Taxes</strong></td>
<td>$27,073.00</td>
<td>$27,073.00</td>
<td>$27,073.00</td>
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<tr>
<td><strong>Incentives to Offset Real Property Taxes</strong></td>
<td>$18,143.33</td>
<td>$18,143.33</td>
<td>$18,143.33</td>
</tr>
<tr>
<td><strong>Personal Property Taxes</strong></td>
<td>$1,779.50</td>
<td>$1,779.50</td>
<td>$1,779.50</td>
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<tr>
<td><strong>Personal Income Taxes</strong></td>
<td>$6,000.00</td>
<td>$6,000.00</td>
<td>$6,000.00</td>
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<tr>
<td><strong>Tax on Distributions</strong></td>
<td>$25,119.19</td>
<td>$25,119.19</td>
<td>$25,119.19</td>
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<tr>
<td><strong>Electric Power</strong></td>
<td>$47,031.38</td>
<td>$47,031.38</td>
<td>$47,031.38</td>
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<tr>
<td><strong>Real/Mortgage Payments</strong></td>
<td>$144,244.08</td>
<td>$144,244.08</td>
<td>$144,244.08</td>
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<tr>
<td><strong>Worker's Comp</strong></td>
<td>$24,000.00</td>
<td>$24,000.00</td>
<td>$24,000.00</td>
</tr>
<tr>
<td><strong>Unemployment Insurance</strong></td>
<td>$10,000.00</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
</tr>
<tr>
<td><strong>CASH OUTFLOW (COSTS)</strong></td>
<td>$1,876,814.57</td>
<td>$1,876,814.57</td>
<td>$1,876,814.57</td>
</tr>
<tr>
<td><strong>NET CASH FLOW</strong></td>
<td>-$1,876,814.57</td>
<td>-$1,876,814.57</td>
<td>-$1,876,814.57</td>
</tr>
<tr>
<td><strong>Projected Equity in Building</strong></td>
<td>$1,800,000.00</td>
<td>$1,800,000.00</td>
<td>$1,800,000.00</td>
</tr>
<tr>
<td><strong>Other Incentives</strong></td>
<td></td>
<td></td>
<td></td>
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</table>
## OPERATING COST PRO-FORMAS

<table>
<thead>
<tr>
<th>SIC Code</th>
<th>Description</th>
<th>Number</th>
<th>Comment</th>
<th>New Numbers</th>
<th>2080 hours/year rate</th>
<th>Labor Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-3051</td>
<td>Industrial Production Manager</td>
<td>1</td>
<td></td>
<td>2</td>
<td>$40.22</td>
<td>$167,307.96</td>
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<tr>
<td>13-1023</td>
<td>Purchasing Agents, Except Wt</td>
<td>2</td>
<td></td>
<td>1</td>
<td>$24.03</td>
<td>$49,973.05</td>
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<tr>
<td>13-2031</td>
<td>Budget Analysts</td>
<td>1</td>
<td>Blytheville and Newpc</td>
<td>1</td>
<td>29.18</td>
<td>$60,694.40</td>
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<tr>
<td>17-2071</td>
<td>Electrical Engineers</td>
<td>1</td>
<td></td>
<td>1</td>
<td>$32.62</td>
<td>$67,855.62</td>
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<tr>
<td>17-2141</td>
<td>Mechanical Engineers</td>
<td>1</td>
<td></td>
<td>1</td>
<td>$36.35</td>
<td>$75,613.23</td>
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<tr>
<td>43-3031</td>
<td>Bookkeeping, Accounting, and</td>
<td>2</td>
<td></td>
<td>3</td>
<td>$16.85</td>
<td>$105,171.45</td>
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<tr>
<td>43-4051</td>
<td>Customer Service Representa</td>
<td>2</td>
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<td>2</td>
<td>$13.61</td>
<td>$56,606.09</td>
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<tr>
<td>43-5071</td>
<td>Shipping, Receiving, and Trafi</td>
<td>2</td>
<td></td>
<td>2</td>
<td>$13.97</td>
<td>$58,101.12</td>
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<tr>
<td>51-1011</td>
<td>First-Line Supervisors of Prod</td>
<td>1</td>
<td></td>
<td>1</td>
<td>$20.90</td>
<td>$43,470.79</td>
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<tr>
<td>51-2092</td>
<td>Team Assemblers</td>
<td>5</td>
<td></td>
<td>7</td>
<td>$12.66</td>
<td>$184,398.26</td>
</tr>
<tr>
<td>51-4012</td>
<td>Computer Numerically Controll</td>
<td>1</td>
<td>CNC Supervisor paid a</td>
<td>1</td>
<td>$26.91</td>
<td>$55,972.80</td>
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<tr>
<td>51-4012</td>
<td>Computer Numerically Controll</td>
<td>14</td>
<td>Newport- National Me</td>
<td>19</td>
<td>$20.02</td>
<td>$791,190.40</td>
</tr>
<tr>
<td>51-4031</td>
<td>Cutting, Punching, and Press</td>
<td>10</td>
<td></td>
<td>8</td>
<td>$15.35</td>
<td>$255,424.00</td>
</tr>
<tr>
<td>51-9061</td>
<td>Inspectors, Testers, Sorters,</td>
<td>1</td>
<td></td>
<td>1</td>
<td>$13.99</td>
<td>$29,099.20</td>
</tr>
</tbody>
</table>

**Total:** 44

**Total:** 50

**Total Labor Cost:** $2,000,878.36

**Total Labor Cost:** $2,189,199.22
<table>
<thead>
<tr>
<th>Proposed Location</th>
<th>Net Present Value (NPV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>(17,883,867.25)</td>
</tr>
<tr>
<td>$</td>
<td>(19,702,436.61)</td>
</tr>
<tr>
<td>$</td>
<td>(20,032,919.39)</td>
</tr>
<tr>
<td>$</td>
<td>(20,426,991.61)</td>
</tr>
<tr>
<td>$</td>
<td>(21,020,902.17)</td>
</tr>
<tr>
<td>$</td>
<td>(21,092,444.89)</td>
</tr>
<tr>
<td>$</td>
<td>(21,282,130)</td>
</tr>
<tr>
<td>$</td>
<td>(21,588,500.21)</td>
</tr>
<tr>
<td>$</td>
<td>(22,060,426.88)</td>
</tr>
<tr>
<td>$</td>
<td>(22,708,326.05)</td>
</tr>
</tbody>
</table>
DEATH BY A THOUSAND CUTS

Modeling of Small Costs Which Add Up to Hurting Your Profitability:
- Inventory Tax
- Business Privilege Tax
- Utility Taxes
- Workers Compensation Tax
- Unemployment Insurance Tax
- Payroll Tax
- Property Tax
- Sales Tax
- Excise Tax
- Gross Receipts Tax
- Etc.
CONDUCT RISK ANALYSIS
RISK ANALYSIS

- Risk Analysis
- We perform a weighted Risk Analysis on each finalist location

<table>
<thead>
<tr>
<th>% Weight</th>
<th>Category</th>
<th>Risk</th>
<th>Probability</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>Workforce</td>
<td>Proximity of large unionized plants within 30 miles including Mexico</td>
<td>Medium</td>
<td>9</td>
</tr>
<tr>
<td>40%</td>
<td>General Location &amp; Business Climate</td>
<td>Community's aggressive incentives offerings may bring in other manufacturers to compete against for labor</td>
<td>Low</td>
<td>7</td>
</tr>
<tr>
<td>30%</td>
<td>Site</td>
<td>As this is the first building in the industrial park, the property's value will likely not increase until other industries locate nearby</td>
<td>Low</td>
<td>5</td>
</tr>
</tbody>
</table>
CLOSE DEAL/MANAGE INCENTIVES
Next Move Group Canadian Client
Sterling Packaging
Locates in Monroeville, Alabama
HOW CAN YOU AFFECT THE SITE SELECTION PROCESS?
How can you affect the site selection process?

Remember, your goal is always to not get eliminated.

- 3 main ways to affect the process
  - Product
  - Labor
  - Incentives
HOW CAN YOU AFFECT THE SITE SELECTION PROCESS?

BUILDINGS & SITES
Developing good sites is the cornerstone of good public sector policy in economic development

• Key factors to consider:
  • Must have control of property
  • Doing diligence to ensure the site is good (geotechnical reports), what will it cost to develop the site?
  • Running industrial grade utilities to the site
  • etc
Just because a site may look developable, doesn't mean that it is. Rail on a site does not always mean it can be served by rail. Just because it's flat, doesn't mean you can build on it. Some key factors before investing in a site is understanding Flood Plain, Geotech, Environmental, Rail Availability (if applicable) etc. Investigating these issues prior to purchasing or sinking money into property, while moderately costly (couple hundred-thousand dollars), could save millions on the back end. Always educate your public officials to help them understand and determine site viability.
Available buildings attract more prospects than sites by a 3-1 ratio.
HOW CAN YOU AFFECT THE SITE SELECTION PROCESS?

LABOR
LABOR IS BECOMING A VERY SERIOUS PROBLEM NATIONWIDE

I’m freaking dead serious.
LABOR IS BECOMING A VERY SERIOUS PROBLEM NATIONWIDE

Employers paying $16/hour + can expect to draw labor from within the blue circle.

Employers paying less than $16/hour can expect to draw labor from within the red circle.

Note, while employers paying less than $16/hour will pull from a smaller radius, the population within this radius is still 1.1 million people making it a very strong labor shed area even for the lower paying companies.
LABOR IS BECOMING A VERY SERIOUS PROBLEM NATIONWIDE

There are literally towns running out of labor.

It's common, no matter where I am in America, to hear people will work for 2 weeks and then just simply not show up again.
LABOR IS BECOMING A VERY SERIOUS PROBLEM NATIONWIDE

MERCEDES-BENZ TUSCALOOSA PLANT
LABOR IS BECOMING A VERY SERIOUS PROBLEM NATIONWIDE

- If you can show a clear plan you have to do 3 things for companies, you will rise above your competition in workforce:
  - A plan to recruit applicants
  - A plan to screen applicants
  - A plan to train employees

Think of all your programs, and simplify them by putting them into one of these 3 buckets, remove the alphabet soup and explain how you do these 3 things.
HOW CAN YOU AFFECT THE SITE SELECTION PROCESS?

INCENTIVES
Most all site selection decisions are based on an operating cost pro forma.

• Typically, you can’t affect the revenue side of the pro forma, nor the shipping costs of a pro forma as these are based on where the company’s customers are located

• Your best use of incentives are to offset ongoing operating costs for a company
  • Payroll related incentives
  • Utility rate discounts
  • Cost of real estate
  • Property tax relief
  • Corporate income tax relief
  • Borrowing money at interest rates lower than traditional financing
USING FINANCIAL INCENTIVES TO CLOSE DEALS, CREATIVE EXAMPLES

• Payroll Rebate (4% for 10 years, sometimes more)

• EDOs offsetting overhead for a manufacturer for first few years when most manufacturers lose money
  • Free rent
  • Reduced electric rate
  • Financing machinery
  • Moving expense money
<table>
<thead>
<tr>
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<tr>
<td>$</td>
<td>(22,708,326.05)</td>
</tr>
</tbody>
</table>
Remember, most all manufacturers lose money the first year they start an operation, no matter if it's Toyota or Airbus or Williams Sausage. If you can help them offset overhead costs in years 1-2 you will have a tremendous advantage over your competition.
FOLLOW US