

Partnering for Success: the teamwork of product development


Leadership NC – Economic Development Session

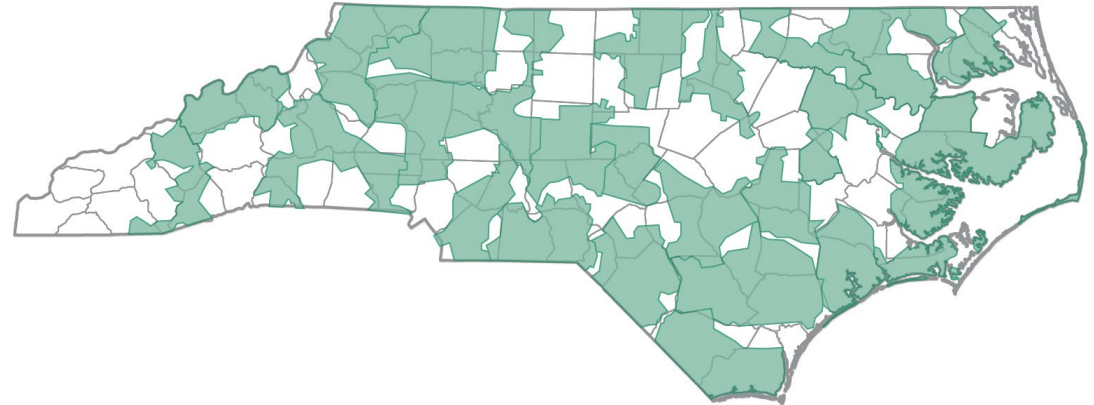
Ryan Nance, LNC class 21

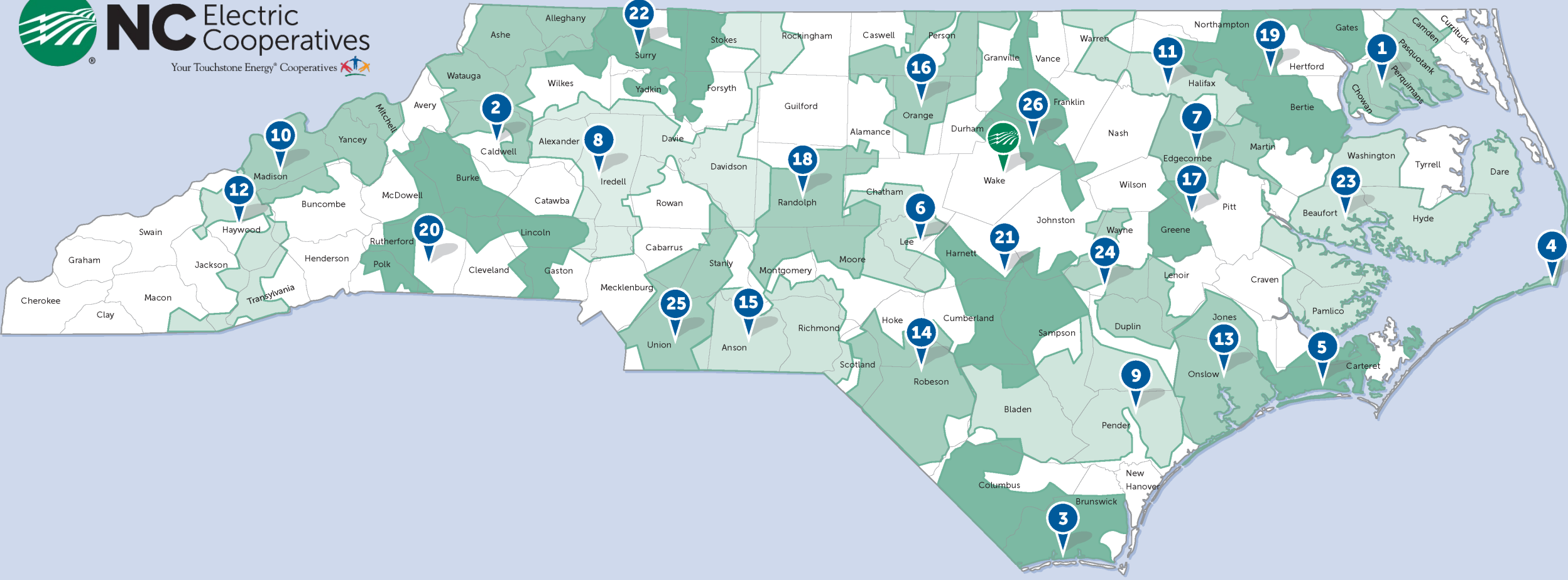
March 3, 2022



NC Electric
Cooperatives

Your Touchstone Energy® Cooperatives 





26

Member owned, not-for-profit
COOPERATIVES

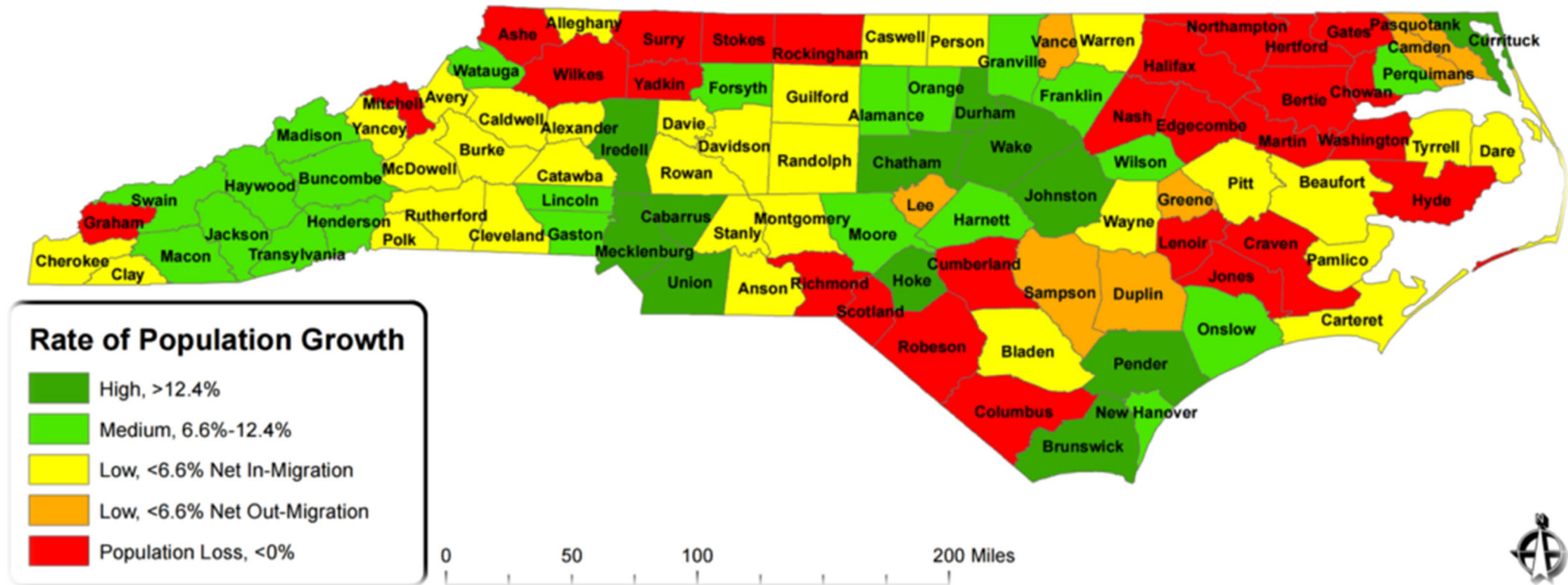
POWERING
EVERYDAY LIFE FOR
2.5 MILLION

24%
of the population

45%
of the land mass

Population decline across >30% of NC

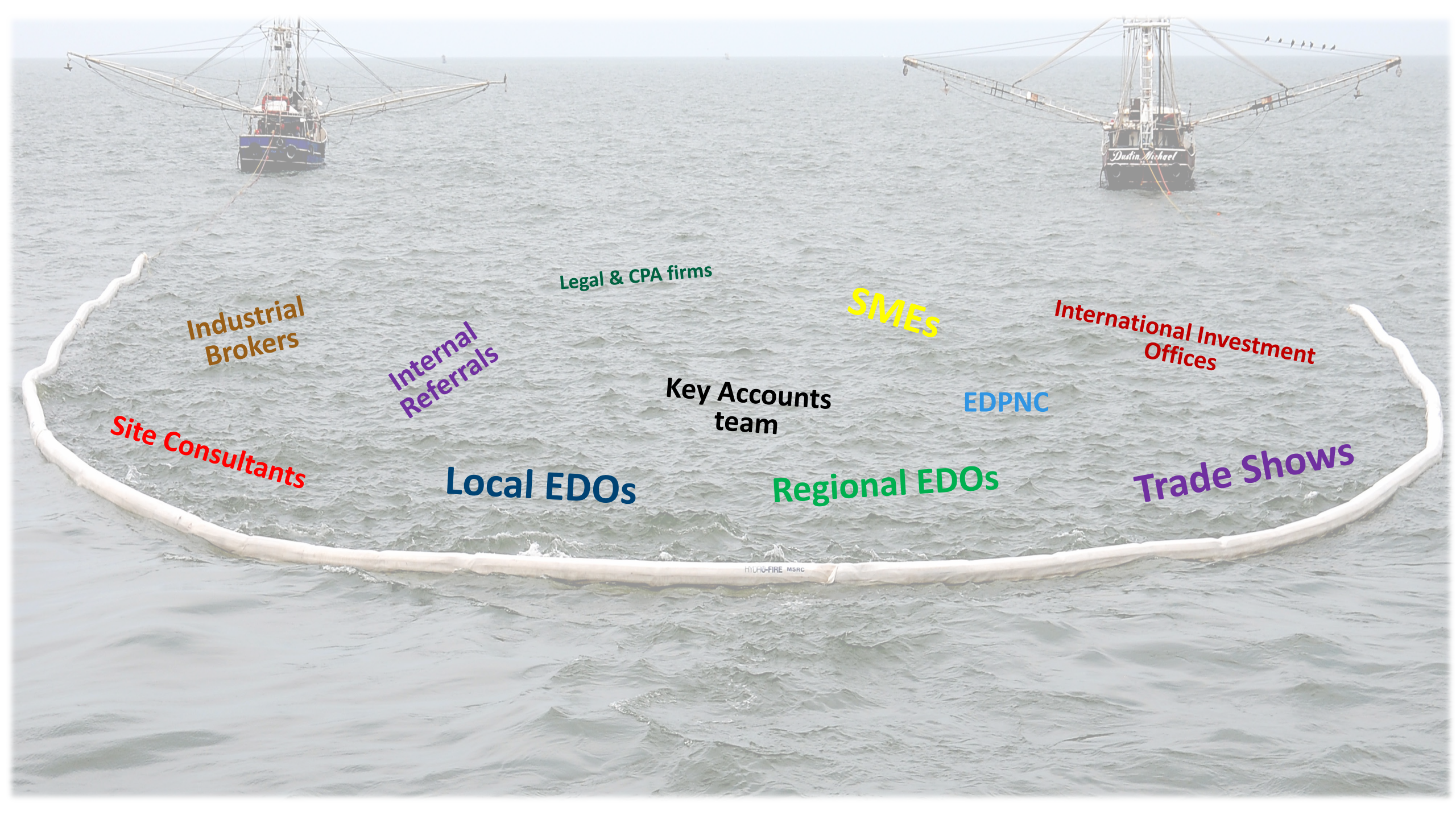
Population Growth, 2020-2030



Where public policy and free enterprise intersect...







Industrial Brokers

Internal Referrals

Legal & CPA firms

SMES

International Investment Offices

Site Consultants

Key Accounts team

EDPNC

Local EDOs

Regional EDOs

Trade Shows

HYUN-FIRE MSRC

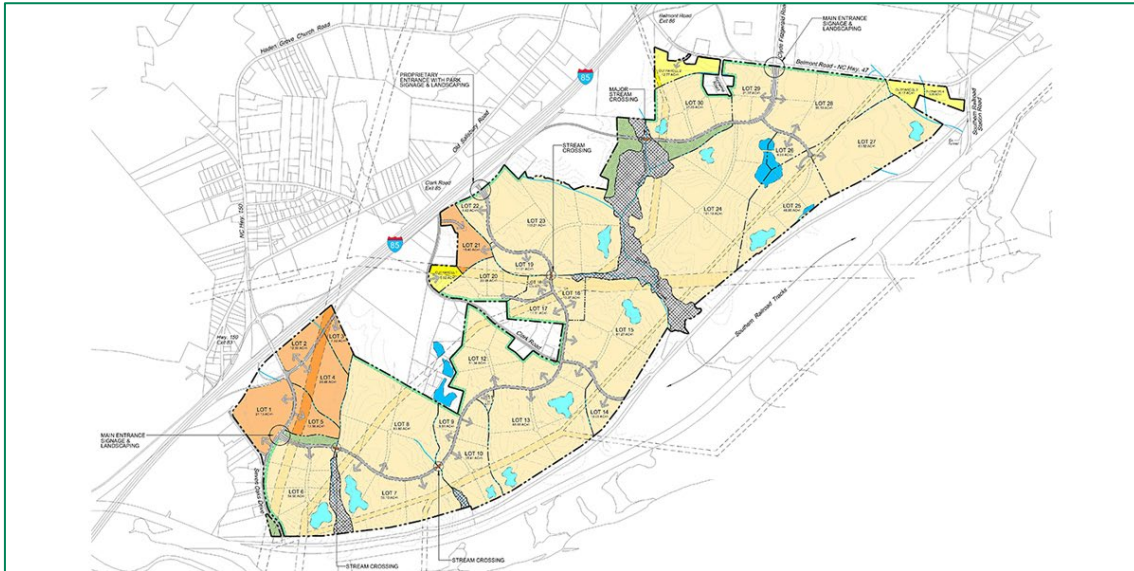




It's a process, not an event...

A marathon, not a sprint...

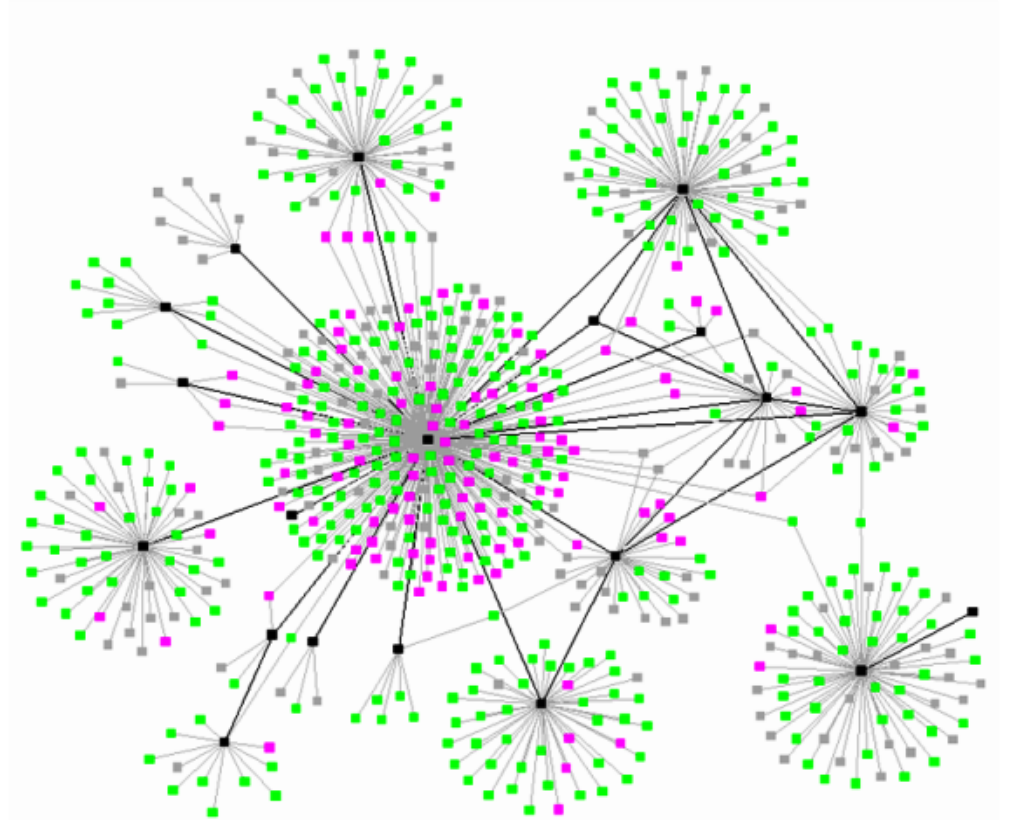
2003 land acquisition...



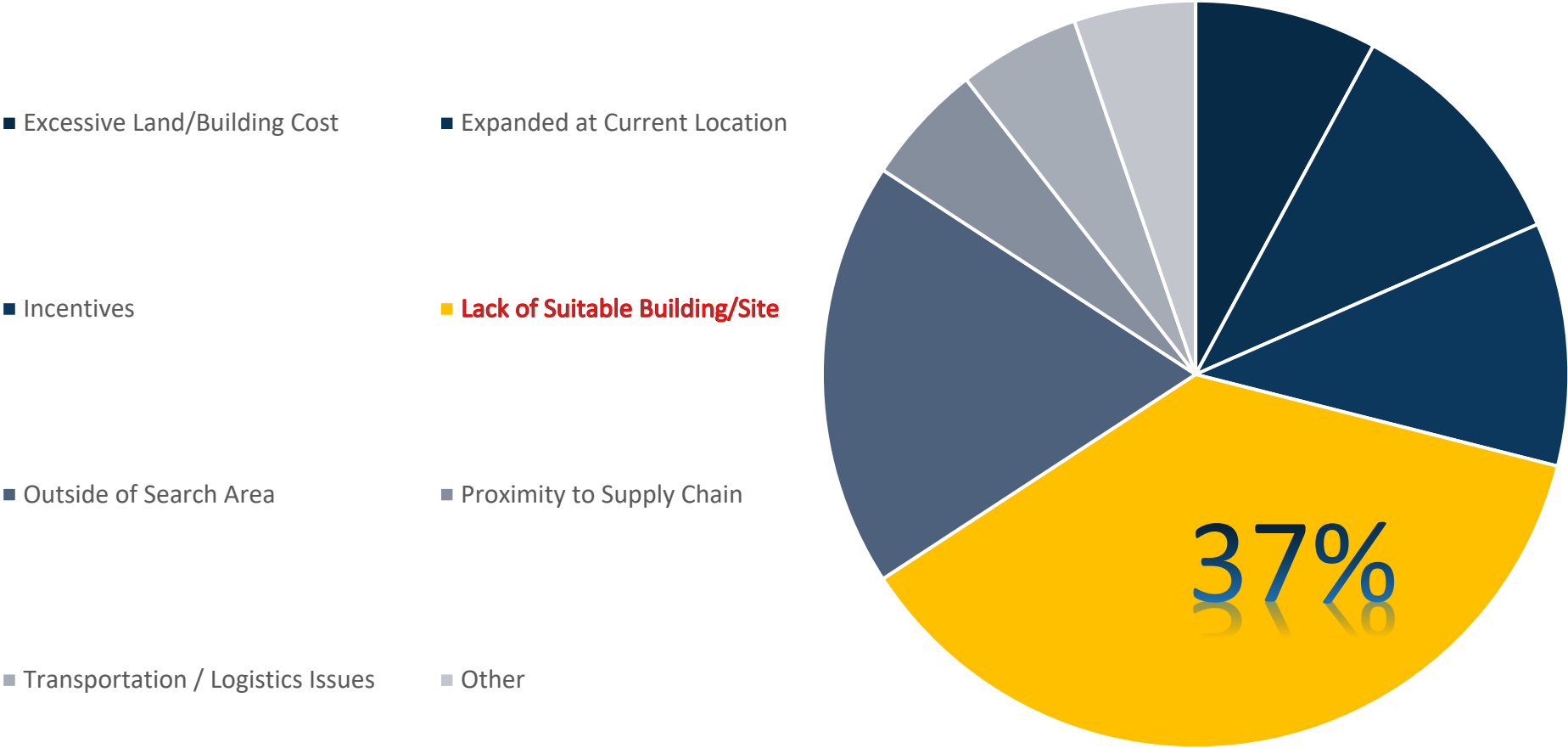
2020: operational start of **\$1 billion** plant ramping up to **800 employees** by 2027...

Holistic Economic Development Elements


- Business retention and expansion
- Community-building to compete
- **Infrastructure and site readiness**
- Recruitment and marketing
- Entrepreneurship
- Technology and innovation
- Talent development
- Mobility, diversity, & inclusion
- Advocacy



Lack of suitable buildings or sites continues to be the #1 reason NC loses recruitment deals.



Staying Ahead of Trends and Challenges...

- 
- The “good dirt” has already been developed...so much success!
 - Industrial vacancies are at an all-time low...”white hot” market
 - Larger-scale operations (power, water, gas); infrastructure needs
 - Other states are stepping in with major investments (VA \$150m)



COMPETITIVE ADVANTAGE

Community & Economic
Development Programs

Ready Sites...

- Draw more **investment** from more sources (federal, private, etc.)
- Reduce uncertainty – whether local citizens or business prospects
- Are **marketed** by multiple partners
- Attract businesses that create **quality** jobs and help drive regional prosperity

Investment Sources

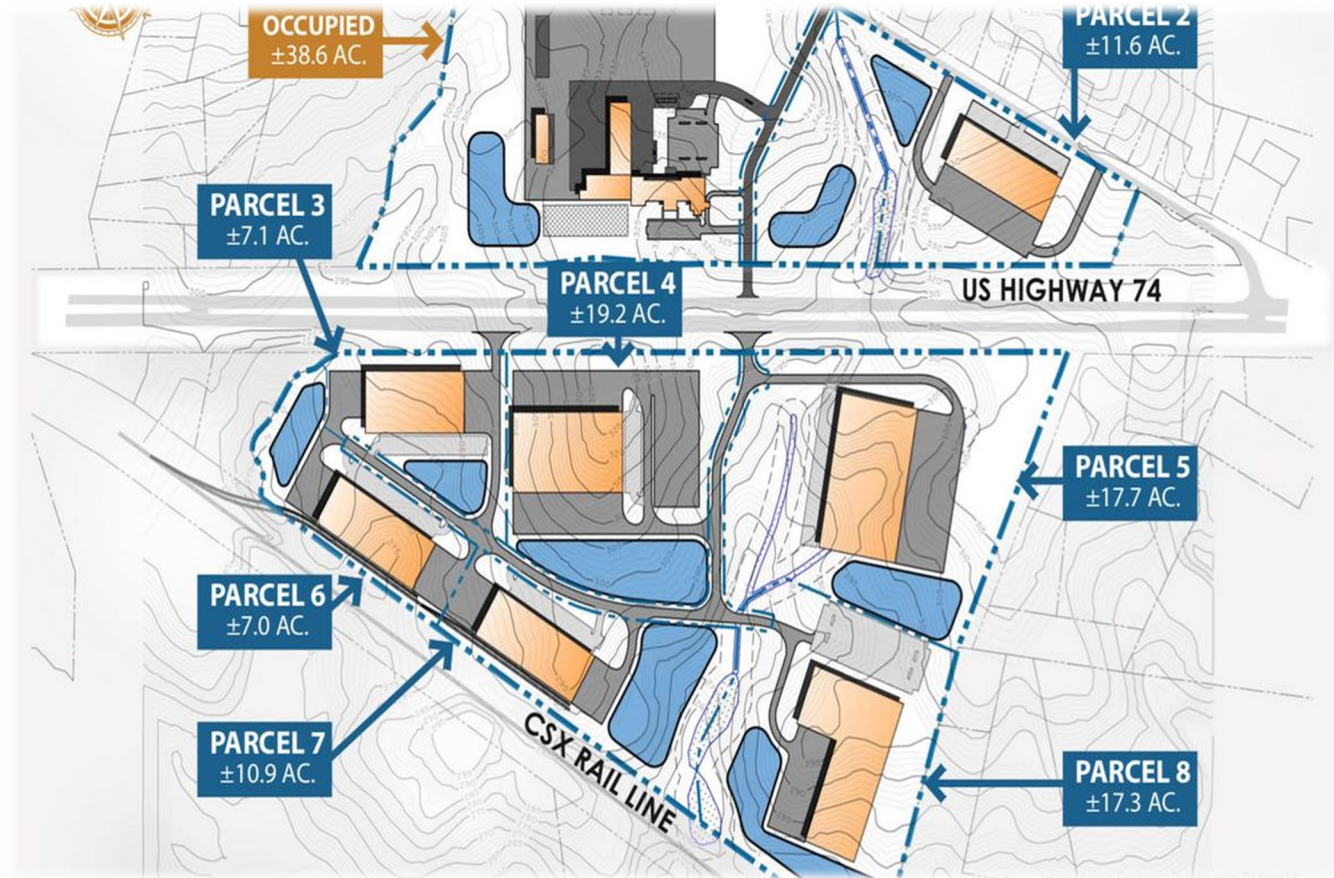


Marketing Partners




Process of a Ready Site Program


1. Eligibility
2. Application
3. Approval
4. Certification
5. Program Match
6. Recertification




Local ED – Site Information

- Contact Information
 - Site Name
 - Address
 - Parcel Identification Number(s)
 - Total Acres
 - Sales price per acre
 - Stand-alone or business park
 - Zoning classification
 - If not industrial, comp. plan alignment
 - List permitted uses in the zoning classification
 - Owner(s) contact information
 - If not publicly owned, optioned?
 - Are there any structures on the site? if so describe.
 - Indicate if any of the following being performed on the site:
 - Phase 1 ESA, Date & Report
 - Phase II ESA, Date & Report
 - Geotechnical Study , Date & Report
 - Boundary Survey, Date & Plan / ALTA
 - 1' Topography Survey, Date, & Plan
 - Wetland Identification, Determination, or Del. w/ Map, Report & Date
 - Army Corps of Engineer Status Letter & Date
 - Archeological and Historical Structures Rev. (SHPO), Date & Report
 - Rare and Endangered Species Review , Date & Report
 - Site Plan (preliminary, conceptual, etc.)
 - Development Cost Estimates (if available)
 - Eng. Plans completed for infrastructure extension (as necessary)
 - Previous certifications completed
 - Describe any easements, rights-of-way, or judgments
 - If the site is in any special economic development zone(s), list the zones(s)
 - Describe any height restrictions on the site
 - Describe any noise restrictions on the site
 - City / County property tax rate
 - List any specialized training, certificate, or curriculum programs unique to this com. college
 - Describe local workforce training programs available to new and expanding industry
 - Entity committed to pay the 25% cost match
 - Attachments to Upload for supporting documentation
 - # of Parcels / # of Owners
 - Special tax districts applicable to the site
- 


Additional – Sites Input

- Unique Property ID Assigned
 - Level Assigned
 - Total Developable Acres
 - Largest Contiguous Acreage
 - Largest Building Footprint
 - Total Buildout Potential
 - Yield SF/Acre
 - Summary of slope on-site with acreage by slope bins
 - Summary of wetlands on-site with acreage
 - Summary of waterbodies on-site with acreage
 - Summary of streams on-site with linear feet
 - Summary of rivers on-site with acreage
 - Summary of floodplains on-site with acreage
 - Summary of karst features on-site with acreage
 - Summary of wetlands on-site with acreage
 - Generate maps including all the above
 - Attainment or nonattainment area?
 - Foreign Trade Zone
 - Access Road Name
 - Nearest interstate
 - Nearest four-lane highway
 - Distance (miles) to interstate
 - Distance (miles) to four-lane highway
 - Is the access road up to NC DOT industrial access road standards?
 - Closest commercial airport
 - Distance (miles and minutes) to closest commercial airport
 - Estimated Order-of-Magnitude Costs for Sewer Extension (if necessary)
 - Estimated Order-of-Magnitude Costs for Water Extension (if necessary)
 - Estimated Order-of-Magnitude Costs for Road Extension (if necessary)
 - Review & Verification of currency, accuracy and applicability of all reports completed on-site
 - Phase 1 ESA, Date & Report
 - Phase II ESA, Date & Report
 - Geotechnical Study , Date & Report
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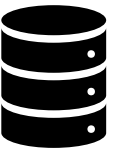
Workforce Input

- City population
 - County population
 - County labor force
 - Current 30-mile radius labor force
 - Total employed in the county
 - County unemployment rate
 - Current average weekly wage
 - Current average weekly manufacturing wage
 - List public school system(s)
 - List private K-12 schools:
 - List community college(s)
 - Percent of Population 25+ High School Graduates
 - Percent of Population 25+ College Graduates
 - List colleges and universities within a 50-mile
- 


Wet Utility Providers

- Water service provider
 - Distance to water service
 - Capacity of water system
 - Excess capacity of water system
 - Size of water main
 - Site-specific capacity
 - Nearby Tank
 - Capacity of nearby Tank
 - Wastewater service provider
 - Distance to wastewater service
 - Capacity of wastewater system
 - Excess capacity of wastewater system
 - Size of wastewater main
 - Type of wastewater main
 - Site-specific capacity
 - Contact Information
- 


Assimilate All Data Into Master Database Facilitating Analysis and Output Into ANY Desired Format




Electrical Co-Op Providers

- Electric service provider(s)
 - Customer Choice?
 - Distance to electric service
 - If not at the site, cost to extend service
 - Voltage available to the site
 - Dual feed availability
 - Distance to substation
 - Min. Power threshold within a specified timeframe
 - Contact Information
- 

Natural Gas Providers

- Natural gas provider
 - Distance to natural gas service
 - If not at the site, cost to extend service
 - Size of gas line serving the site
 - Pressure of line service the site
 - Contact Information
- 

Telcomm Providers

- Telecommunications service provider
 - Distance to telecommunications service
 - If not at the site, cost to extend service
 - Telecommunications services available at the site
 - Timeframe to provide service
 - Contact Information
- 

Local ED – Site Information

Additional Sites Input

Workforce Input

Electric Providers

Natural Gas Providers

Wet Utility Providers

Telcomm Providers

Assimilate All Data Into Master Database Facilitating Analysis and Output Into ANY Desired Format

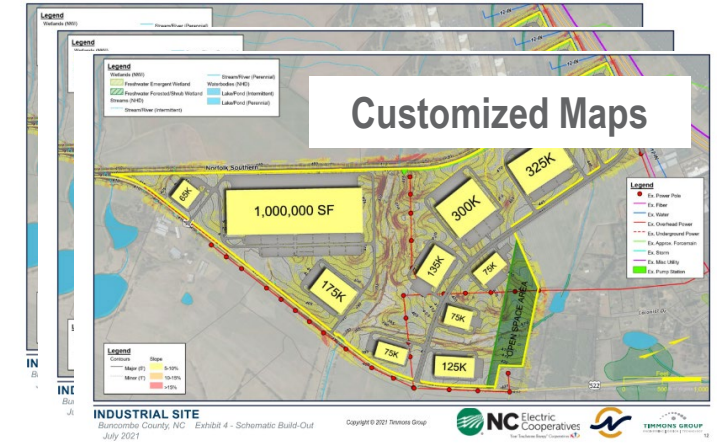
Master Database



GIS Database Integration



Customized Maps



GIS Calculations Added to the Master Database

ROI Analysis

Site Developability Score

NORTH CAROLINA TIER ASSESSMENT REPORT INDUSTRIAL SITE
Burcombe County, North Carolina

Standardized Reports

July 2021

Contact Information

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John Smith, Director of Economic Development (252) 456-7890
Blake Hall, P.E., P.L.A., Principal (919) 896-4932

Logos for NC Electric Cooperatives and TIMMONS GROUP

Custom Form Filling with Database Info

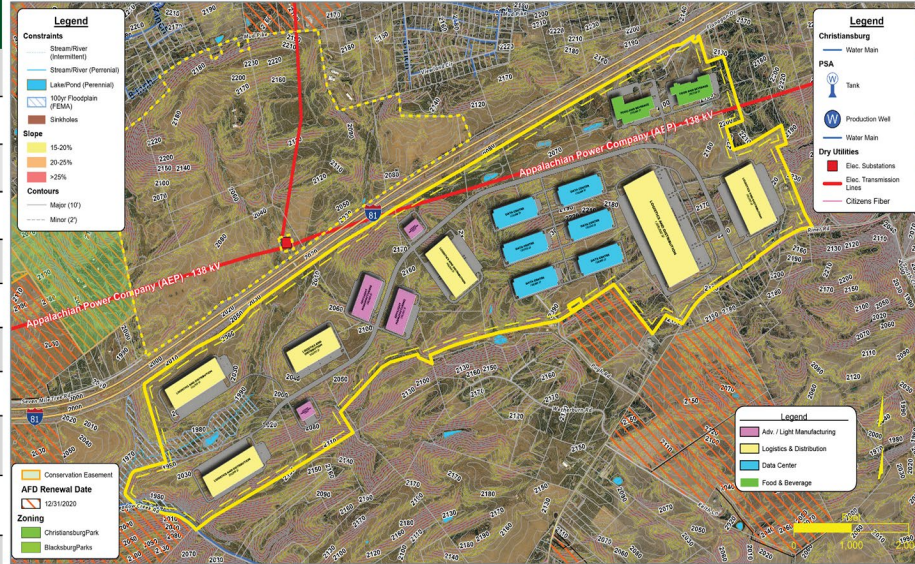
Database Report Generation for Locality / Providers

Potential Costs		Potential Investment	
Estimated Property Purchase Price (per Acre)	\$5,438,400 (\$10,245)	Potential Investment Yield	\$860,000,000
Due Diligence Investigations (Tier 3)	\$428,000	Real Estate Annual Tax Revenue	\$3,061,600
Water & Sewer Improvements (Tier 4)	\$1,039,000	M&T Annual Tax Revenue	\$4,695,600
Transportation Improvements (Tier 4/5)	\$3,708,000	Total Potential Annual Tax Revenue	\$7,757,200
On-Site Road / Utilities (Tier 5)	\$15,300,000	Potential ROI	14.6%
*"Pad Ready" Development (Tier 5)	\$27,387,500		
Total "Order of Magnitude" Costs (Tier 5)	\$53,300,900		
Total Costs per Acre (Tier 5)	\$100,400		

Item	Weight	Score	Notes
3.1 Power Availability	7%	5.0	3.1 - Upgrade Plan for Bridging & Long Term Power within 12-18 mos
3.2 Power Capacity	2%	5	Problems
4 Wet Utility Capacity	10%	4	4 - Est. of Max > 200' w/ No or Minor System Upgrades Anticipated
5 Natural Gas Availability	9%	4	5 - Able to Supply Med. Inc. Sizer in 12-24 mos
6 Fiber / Telecom Availability	9%	4	6 - One Fiber Provider Can Service in 4-6 months
7 Environmental, Geographic and Geological	15%	12.5	Total
7.1 Potential (Review of pre-1990)	2%	4	7.1 - 100% Wetlands Coverage (Shw. Area)
7.2 Geology	9%	3.3	7.2 - Moderate Potential Risk of Seismic Concerns
7.3 Floodplain	2%	2	7.3 - Zone 2 (500 Year Floodplain Study) Exceeds Anticipated
8 Topography	10%	10	8 - 10 - <10% of Dev. Area Contains Challenging Slope
9 Site Build-out Potential / Yield	10%	4.1	9 - 6,000 SF / AC
10 Additional Considerations	10%	4	10 - Minor Negative Impact
Total Points	100%	70.0	

ROI Analysis for a Site & Comparison Table – SAMPLE OUTPUT

Category	Info
GIS Size (ac)	770 ac
Parcels	13
Property Owners	8
Zoning	A1
Dev Acres (%)	600 ac / (78%)
Build-out	4,700,000 SF
Largest	1,000,000 SF
Yield	6,100 SF/AC
Water	250K+ GPD / 12 in / 1.0+ mi
Sewer	100-250K GPD / 6 in FM / 1.0+ mi
Power	138 kV / 0.0 mi / 100 MW
Fiber	SHNTL (3-6 mth) CITZ (<3 mth) SEG (<3 mth)



Potential Costs	
Estimated Property Purchase Price (per Acre)	\$2,298,000 (\$10,780)
Due Diligence Investigations (Tier 3)	\$558,000
Water & Sewer Improvements (Tier 4)	\$6,946,000
Transportation Improvements (Tier 4/5)	\$3,022,000
On-Site Road / Utilities (Tier 5)	\$5,900,000
“Pad Ready” Development (Tier 5)	\$4,762,500
Total “Order of Magnitude” Costs (Tier 5)	\$24,486,500
Total Costs per Acre (Tier 5)	\$113,600

Potential Investment	
Potential Investment Yield	\$1,880,000,000
Real Estate Annual Tax Revenue	\$6,692,800
M&T Annual Tax Revenue	\$6,264,800
Total Potential Annual Tax Revenue	\$12,958,000
Potential ROI	19.4%

Sample Study Output Includes:

- Infrastructure & Site Development Costs
- Potential Build-out Scenarios
- Potential ROI Scenarios
- Ranking / Stratification of Top Sites for Region

Site Name	Acres	Build-out SF (Yield)	Total Potential Invest. (Per AC)	Pot. Annual Tax Revenue	Bonding Capacity 20 yr / 30 yr @ 4%	Potential ROI	Est. Jobs Created *	Dev'ility Score	Prel. Site Ranking
Site 1	559	3,350,000 (5,990)	\$1,340,000,000 (\$2,395,500)	\$12,086,800	\$170 M / \$215 M	20.0%	2,510	82.0	1
Site 2	152	960,000 (6,320)	\$384,000,000 (\$2,529,200)	\$3,463,680	\$47.0 M / \$60.0 M	17.5%	720	81.0	2
Site 3	679	3,675,000 (5,410)	\$1,470,000,000 (\$2,164,300)	\$13,259,400	\$179 M / \$227 M	17.3%	2,760	80.0	3
Site 4	780	4,850,000 (6,220)	\$1,940,000,000 (\$2,487,200)	\$17,498,800	\$234 M / \$297 M	15.6%	3,640	78.0	4
Site 5	113	625,000 (5,540)	\$250,000,000 (\$2,215,100)	\$2,255,000	\$29.8 M / \$37.7 M	14.9%	470	75.0	5
Site 6	552	2,110,000 (3,820)	\$844,000,000 (\$1,528,800)	\$7,612,880	\$104 M / \$135 M	14.0%	1,580	70.0	6
Site 7	148	485,000 (3,280)	\$194,000,000 (\$1,310,500)	\$1,749,880	\$23.6 M / \$30.0 M	10.7%	360	68.0	7
Site 8	112	385,000 (3,440)	\$154,000,000 (\$1,374,500)	\$1,389,080	\$18.6 M / \$23.6 M	9.3%	290	63.0	8
Site 9	141	435,000 (3,080)	\$174,000,000 (\$1,233,300)	\$1,569,480	\$21.1 M / \$26.7 M	6.3%	330	63.0	9
Site 10	388	2,200,000 (5,670)	\$2,640,000,000 (\$6,806,900)	\$12,566,400	\$171 M / \$217 M	26.3%	440	78.4	DATA CENTER



Good luck!