

SPRING/SUMMER 2014
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THE MAGAZINE OF THE
Muncie-Delaware County, Indiana
Economic Development Alliance

ALLIANCE

INSIDE: **MAKING PROGRESS**

Why one of Muncie's
LARGEST employers
chose Delaware County

**The No. 1 feature every
site selector wants**

**A DEVICE TO CHANGE
HYBRID VEHICLES**

HOW
GETTING
INVOLVED
INFLUENCES
DECISIONS



What every business wants:

One of the nation's top site selectors shares the winning features of every community

Q What kind of information do you need from a company to start the site selection process?

A A company identifies their musts and wants, so they tell us exactly what they need to make their location or expansion profitable. And then we assign each one of those items a ranking so that we can weight them during the location process. We rank those that they say they must have to make that operation successful a higher ranking, and the wants a somewhat lower ranking.

Q What are some examples of musts versus wants?

A It would be different for each project and company, but obviously for most locations, it's labor, and the type of labor skills that the company needs will usually be a must. The kind of site or building they need, whether it's a greenfield site for them to build on or an existing facility, and the criteria of that building – would be a must.

A want might be where a company says it would be helpful if we were near a four-year institution that provided this kind of curriculum so that they could draw from those graduates. That might be more of a want than a must. A want may also be that they need to be near a commercial airport that provides particular air service to a specific city. That could also be a must depending on the nature of the project and the company. The point being each project and company's musts and wants are unique and different.



THE EXPERT:

Jay Garner has been working in the area of economic development for more than 30 years and is a leading consultant in the field of site selection. As the founder and president of Garner Economics, LLC, he and his firm assist clients with site locations and economic development strategies on three different continents. Garner says he's a fan of Muncie and Delaware County, which have been on his company's radar since the mid-2000s.

Q What is the No. 1 feature that a business usually looks for in a community?

A Consistently, labor availability is key. And when I say labor availability, it means skilled labor within the classifications that the companies are looking for. There's a magazine called "Area Development" and they do a survey annually, and they ask companies large and small what's important to them in the site selection process. And they separate them into two categories, the business categories and the quality of life categories. Under quality of life, public safety (lack of crime) is number one and health care facilities is number two. In the business categories, most everything is related to cost – the cost of doing business in Community A versus Community B. So things like tax rates, transportation costs, labor costs and occupancy costs are all key considerations.

Q How long does the site selection process usually take?

A I've been doing this for 33 years. When I started, as a local practitioner, it would normally take about 18 months to two years from start to finish. Now it's anywhere between six and nine months, sometimes longer, sometimes shorter, because of speed to market and the need for the company to get operational and make a profit. I suspect that there is no average but what I've seen is typically it takes about a year from start to the announcement.

Q What research tools do you use to narrow down sites to regions, states or communities?

A We rely a lot on different communities to provide tools as it relates to available sites and buildings. But I have a full-time economist so we capture all of the economic and labor data ourselves. What we do ask the local community to provide is anything that's local and unique that we aren't able to capture from federal or state database sources.

That might be, for example, if there's a plant closure, we wouldn't know that unless it came from the community and a plant closure means that there would be employees available with certain skill sets. So a lot of companies would want to try and take advantage of that because a skilled workforce is so important in the selection process.

Q How important are incentives to companies in the decision process?

A You'll typically hear people say that incentives are what's used at the end to make the deal happen. But I disagree. I think that a lot of companies are asking "What kinds of incentives do we expect?" on the upfront side.

They're asking that when they start the process, because they know what their competition is getting, in many instances, and so they want to be on a level playing field with their competition. If it's a large capital investment or labor intensive project, then in many instances the incentives are more important than not.

Now, incentives won't make a bad site good. So you can't buy your way into a project if the site just doesn't work.

Q What assets can a small community typically offer over a large city?

A The benefit of a smaller community is you're dealing with a smaller footprint. You're typically dealing with government and business climates that are more conducive to growth rather than bureaucratic. This is not always the case, but it is often, because smaller communities are typically hungrier for economic activity.

But you still have to have the same amenities as large communities. I'm working with one community now in Texas that has no hospital or clinic.

That's a hindrance to economic opportunity if you don't have that type of quality of life, quality of place amenity that most take for granted.

Q Are there particular assets that Indiana is known for?

A Indiana has really come on strong. Ever since you passed right-to-work legislation, it really opened the eyes of a number of people. That was significant.

Your technical school component, Ivy Tech, is really excellent. It's why companies like Toyota and Nestle expand in Indiana.

So Indiana is really a proactive, aggressive state as it relates to economic development activity. And the local economic development practitioners that represent the counties are really good at what they do.

I have always said that you market yourself regionally and you sell yourself locally. And the local practitioners do a really good job of selling themselves locally.

Q What makes the Muncie-Delaware Co. Economic Development Alliance successful in working with site selectors?

A They do a good job of keeping me informed of what's going on in Muncie and they respond to my information requests timely and precisely. **A**