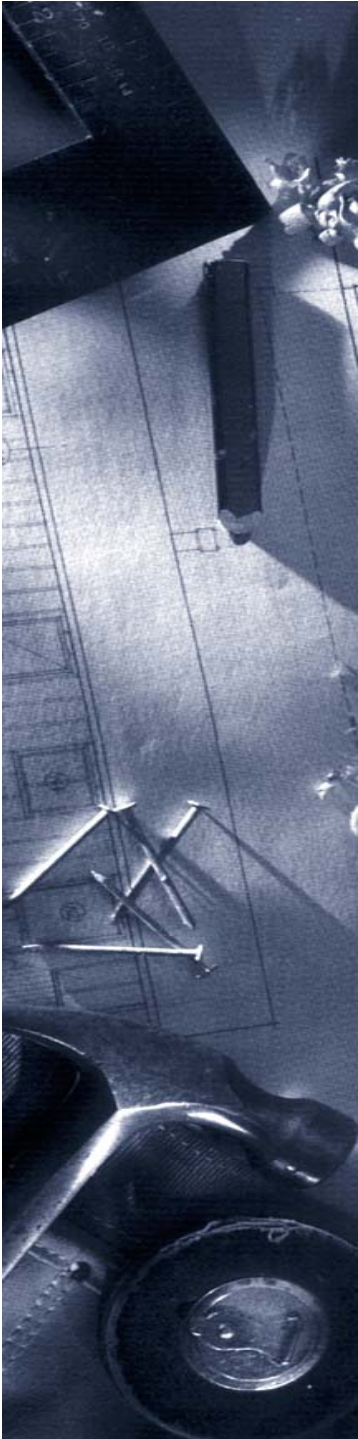




Are You Ready?

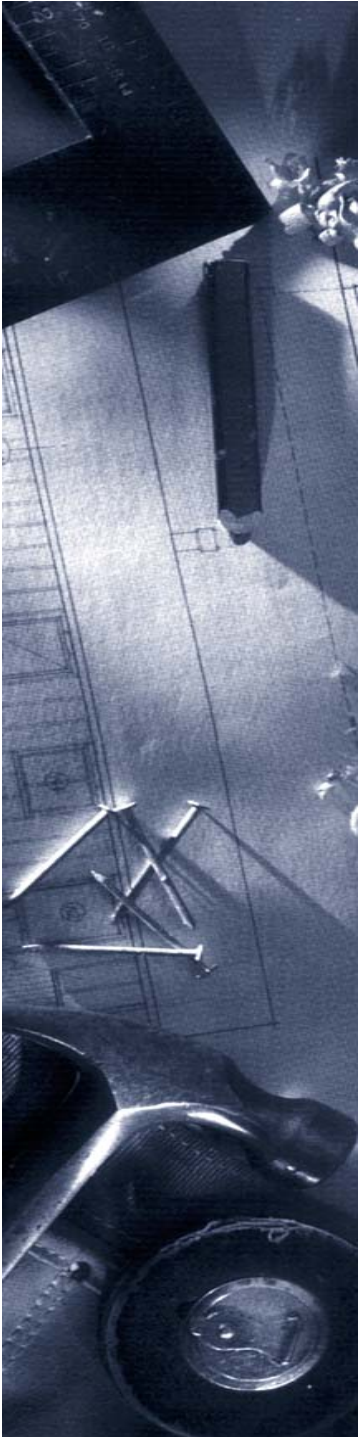
May 13, 2005

kpmg



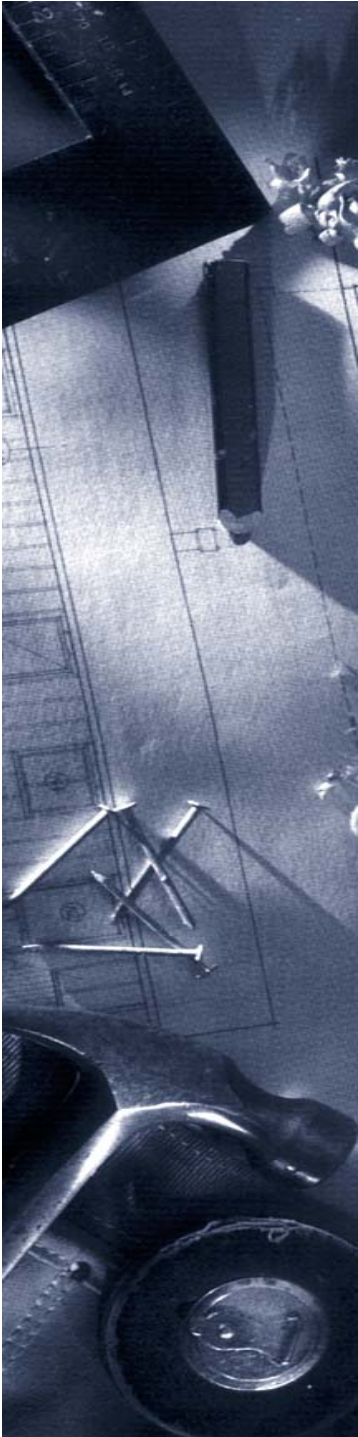
Site Selection Consultants

- Site Consultants are looking for communities that:
 - **Know their community, their industries and their employers!**
 - **Maintain accurate and up-to-date information (and a comprehensive website)**
 - **Designate a primary point of contact**
 - **Follow up in a timely manner**
 - **Ensure that decision makers are available**
 - **Don't discount the “warm and fuzzies”**



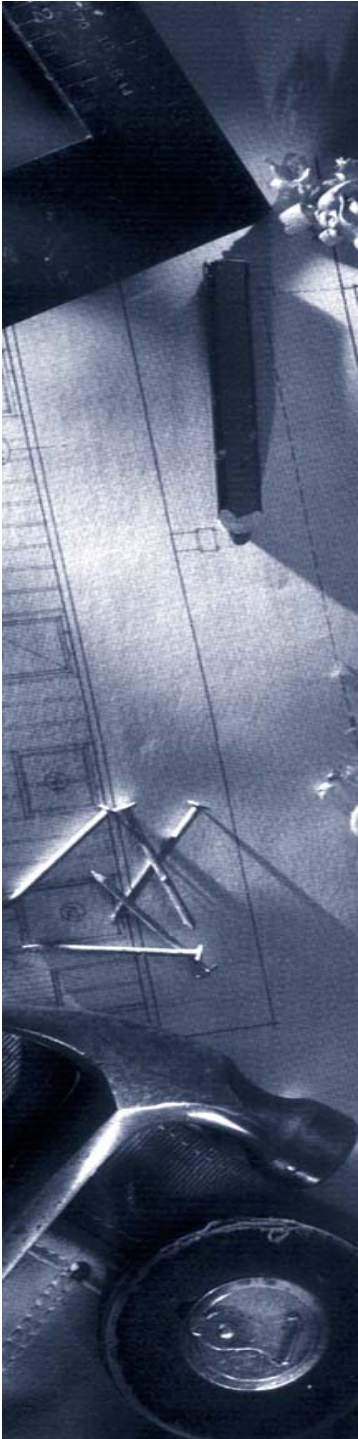
Know Your Community!

- Understand your labor market
 - Quantity, Quality, and Cost
- Stay current on the sites that are available
 - Be familiar with real estate and utility costs
 - Know the exact location
- Know your major employers and industries
 - What are your major industries and who are your major employers?
- Relate what attributes your community has that make it a good fit for the prospect
 - Location/Transportation
 - Other related industries/suppliers



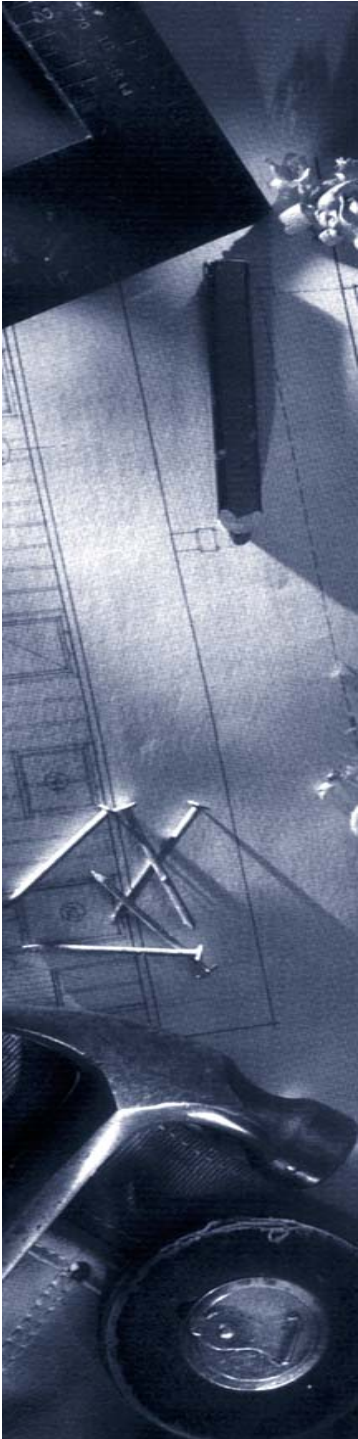
Information

- **Maintaining accurate, up-to-date information is critical!**
- **Don't discount the value of an easy to find, user friendly website that contains valuable information!**
 - **Labor**
 - Quantity
 - Quality
 - Direct and indirect costs
 - **State and Local Taxes**
 - Income taxes
 - Payroll taxes
 - Property taxes
 - Sales and Use taxes
 - **Transportation**
 - Distance to major highway
 - Distance to major airport
 - **Market and Demographic Conditions**
 - Crime
 - Schools
 - Cost of Living
 - Population and Income Trend



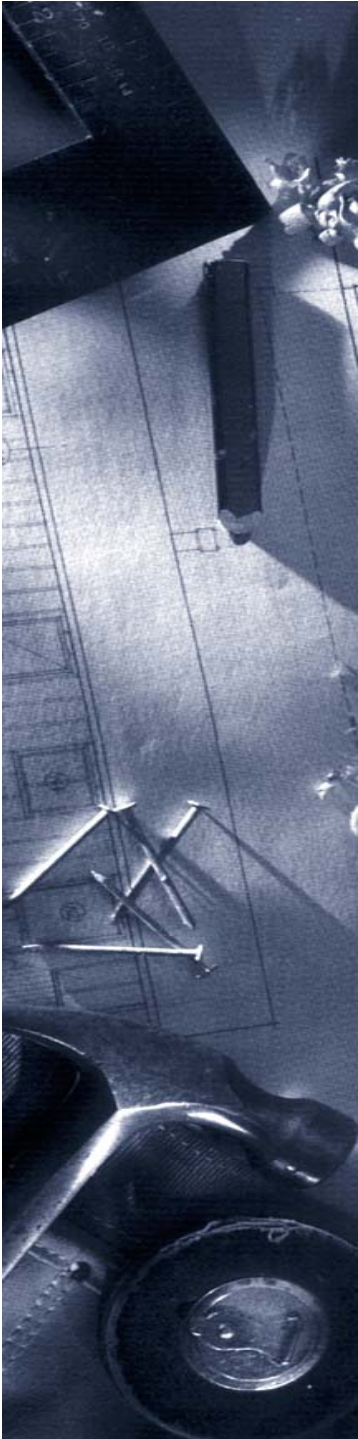
Be Responsive

- Designate a primary point of contact that is:
 - **knowledgeable about the community**
 - **professional**
 - **unafraid to ask questions to fully understand the project**
 - **in contact with other decision makers**
 - **familiar with and understands the goals of the community**
 - **interested in winning the project!**



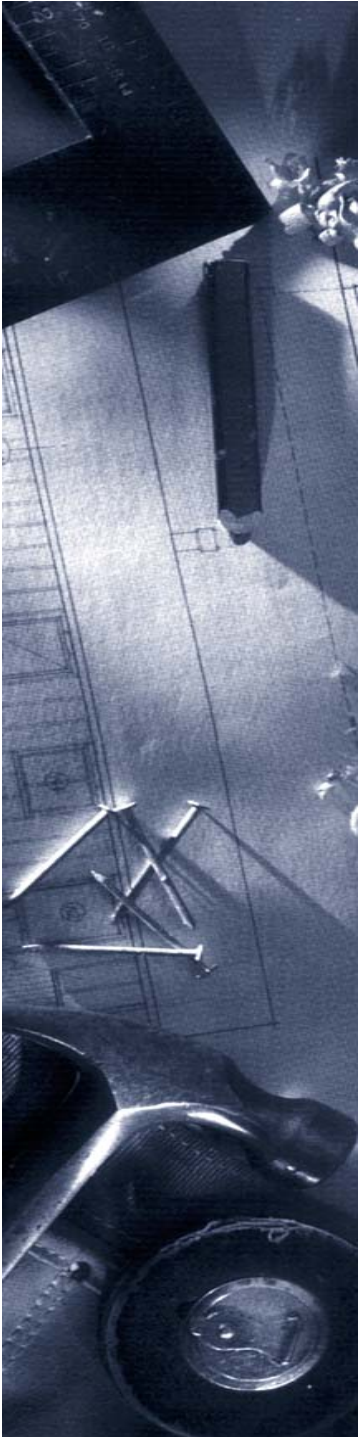
Stay on Schedule

- Time constraints can be overwhelming, but **TIMING** is critical
- Return calls daily
- Provide information requested in a timely manner (yes, even if we need it tomorrow)
- Adhere to the schedule
- Meet commitments you have made



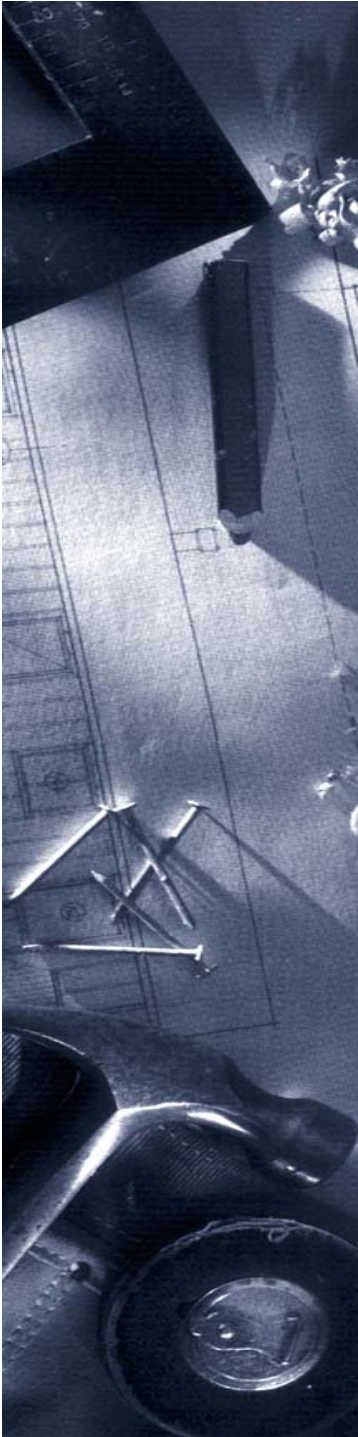
Decision Makers

- **Develop a long-term plan prior to marketing your community**
- **Don't discount the importance of incentives**
- **Define criteria that assist in determining how you will participate in economic development projects**
 - Is investment a priority?
 - Are jobs a priority?
 - Does every project get the same deal?
 - Is there anything creative you can do?
- **Economic development is dynamic – stay current on new initiatives**
- **Meet commitments and time schedules**



The Role of Incentives

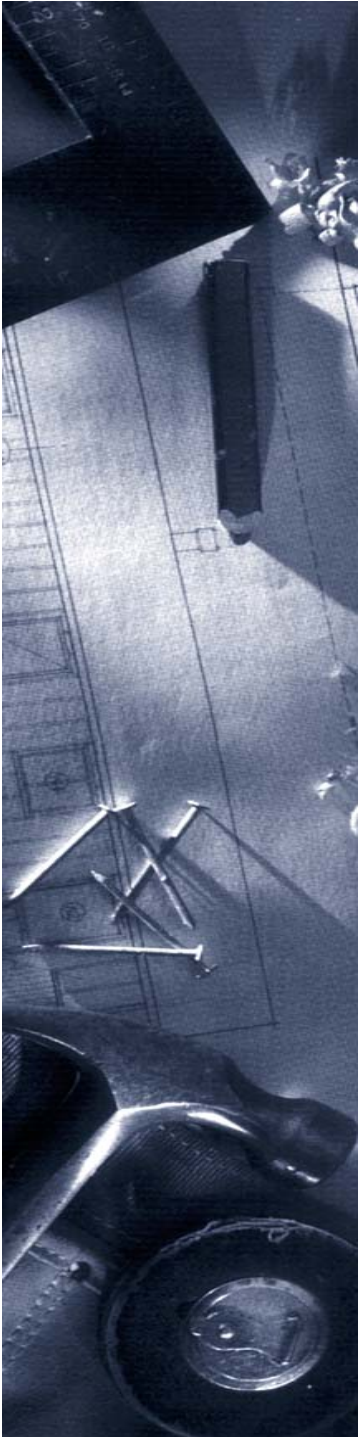
- **State and local taxes and incentives are, and will continue, to be on the list of selection criteria**
- **Highly publicized incentive packages across the country, and a recovering economy, result in:**
 - **Growing companies seeking out the “best deal” to be cost competitive**
 - **State and local communities becoming more aggressive in structuring creative incentive packages or “specially negotiated” incentives**
- **Incentives can be a deal-maker or tie-breaker!!**
- **Remember - incentives can never make a bad site good, but they can make a good site better.**



KPMG Survey

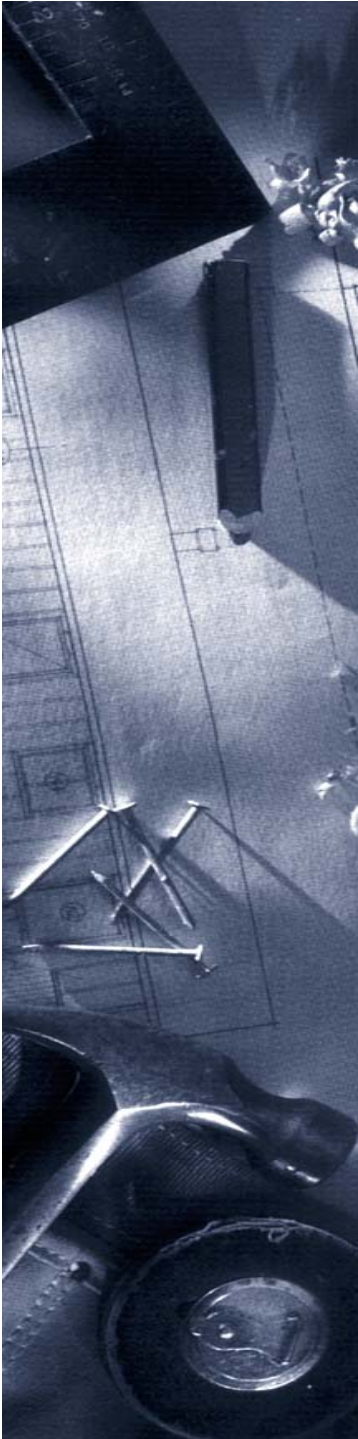
205 Corporate Tax and Real Estate Professionals surveyed on tax credit and incentive usage and effects on real estate business decisions:

63% said their companies increased use of incentives and tax credits in the last five years



KPMG Incentive and Credit Survey

- **Most firms across all industries have increased their use of incentives and credits over the last five years.**
- **A survey of tax directors in the last two years shows:**
 - Job creation tax credits (64%)
 - Sales tax exemptions (63%)
 - Property tax abatement (52%)
 - Enterprise zone tax credits (51%)
 - Job training/retraining benefits (51%)
- **At the federal level, research (39%), and worker /welfare to work (33%) are the most used credits by tax directors.**

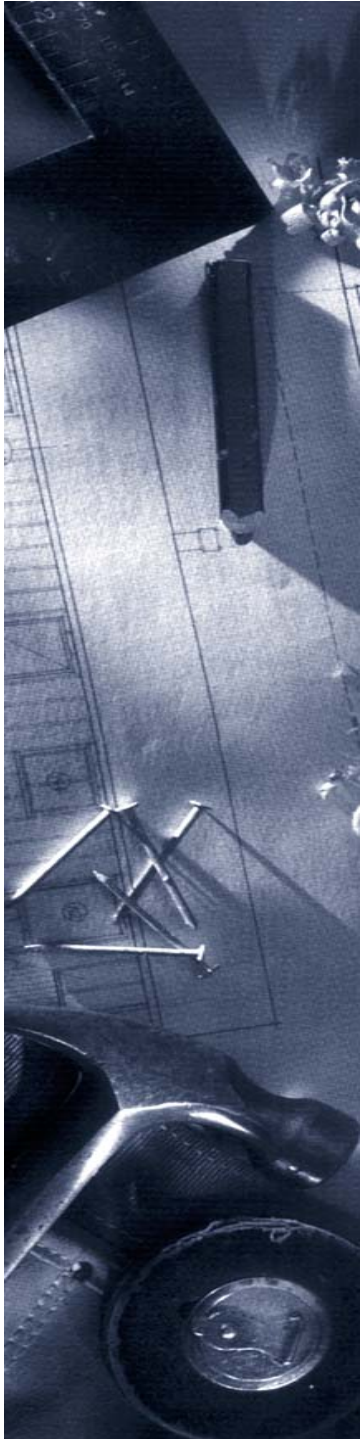


Importance of Incentives/Tax Credits In Business Decisions

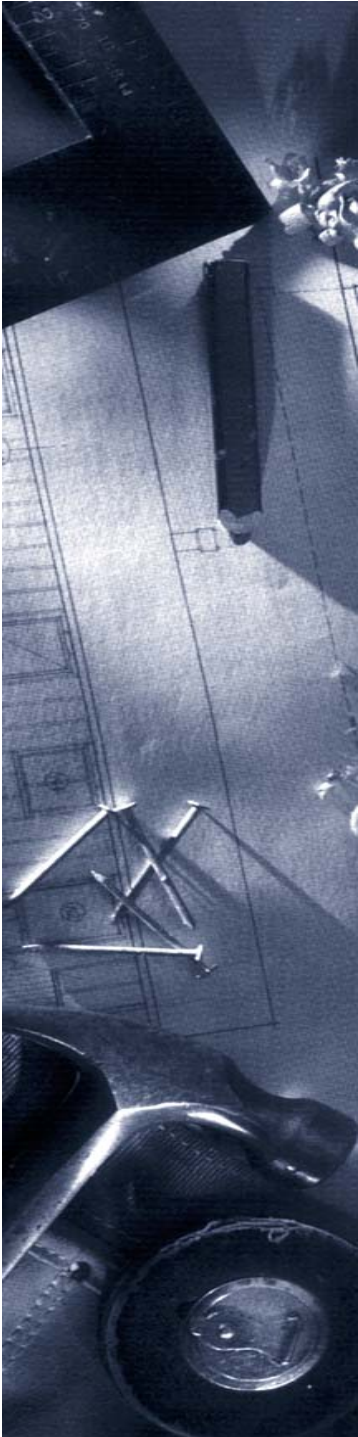
Incentives/credits are most significant in the following corporate decisions

(% saying extremely or very important)

- | | |
|--------------------------------|-----|
| ■ Making capital expenditures | 35% |
| ■ Real estate | 30% |
| ■ Mergers/acquisitions | 30% |
| ■ Business expansion decisions | 28% |
| ■ Business relocation | 27% |
| ■ Job creation | 24% |

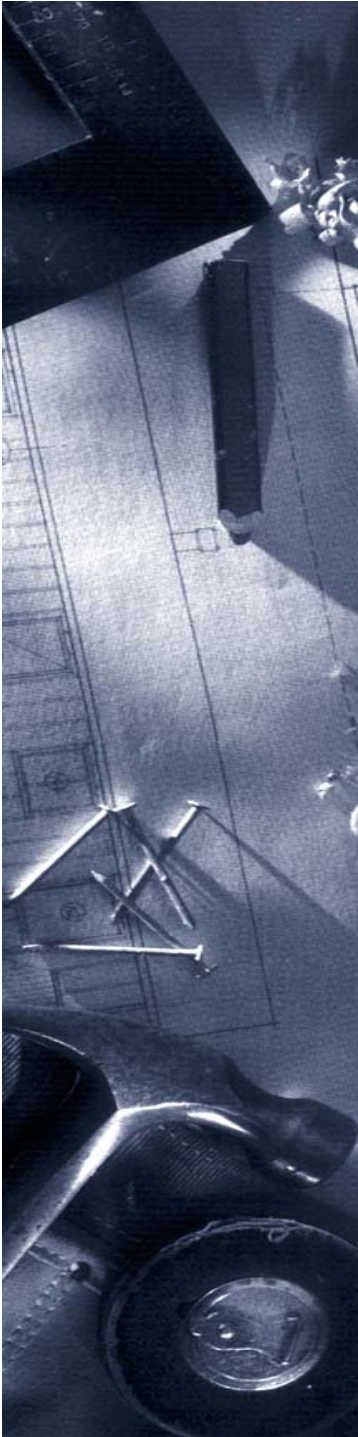


**- General Rule -
Incentives don't drive corporate
decisions, except when all sites are
equal.**



Achieving Success

- Remember that a cooperative environment is crucial
- Knowledge of what is available and assembling talented, experienced participants leads to more educated decisions
- In *Area Development's* 2004 Corporate Survey, the five most important site selection factors were:
 - Labor Costs
 - Highway Accessibility
 - Availability of Skilled Labor
 - State and Local Incentives
 - Energy Availability and Costs



“Warm and Fuzzies”

- **Prospects like to feel “wanted” – before, during and after site selection**
- **Internal disagreements are easily recognized**
- **Ensure the prospect would be welcome in the community**
- **Stay in touch after the project!**
 - **If you win the project, don’t forget about the prospect now that they are a member of your community**
 - **Win or lose, a consultants experience in your community may bring them back again**