



Duke Energy Workshop

RFI responses, getting noticed

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Relevant Experience

Brad is a Specialist Leader in the Chicago office of Deloitte Consulting and has more than 15 years of Facility and Location Strategy consulting experience encompassing facility expansion, redeployment and consolidation activities. He has managed facility and location strategies, conducted site selection engagements, performed site acquisition and due diligence services, utility infrastructure assessments, labor market assessments, and conducted negotiations activities as well as performing logistics optimization and community evaluations.

Brad has provided consulting services to a range of clients across numerous industries, including alternative energy, life science, consumer business and aviation. His project experience includes field due diligence in Belgium, Canada, Costa Rica, France, Germany, Iceland, Malaysia, Mexico, Netherlands, Poland, Russia, Singapore, South Korea, Taiwan, United Kingdom and the United States.

Representative Clients

Best Buy, Bridgestone, Novartis (formerly Chiron), Cintas, Galaxy Aerospace, Gap, Inc. (numerous projects), Elkem Solar, GE Aviation, Genentech, HP, J.Crew, Nestle (numerous projects), Nike, REC Silicon, Spectrum Brands (Rayovac), Rea Magnet Wire, SunPower, TVA, WilmerHale and Wrigley among others

Education

Purdue University, B.S. Civil Engineering and Construction Management

Professional Acknowledgements

Brad has published numerous articles in *Area Development* and *Chief Executive* and is a regular presenter at foreign direct investment conferences and seminars.

Why the RFI?

Providing appropriate data quickly. A project has proceeded beyond the initial screening and criteria development – but where are you in the evaluation process?

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Memorandum of Understanding (MOU)	Final negotiations, seeking specific commitments, final due diligence and project delivery	<u>Phase III:</u> You’re definitely a finalist, top 2 or 3

Responding Quickly to Reasonable Requests...

Reasonable

- Dynamic and detailed local market information
- Accurate local operating costs
- 2 page RFI sent to 15-20 candidates
- Scheduling confidential local company interviews

Unreasonable

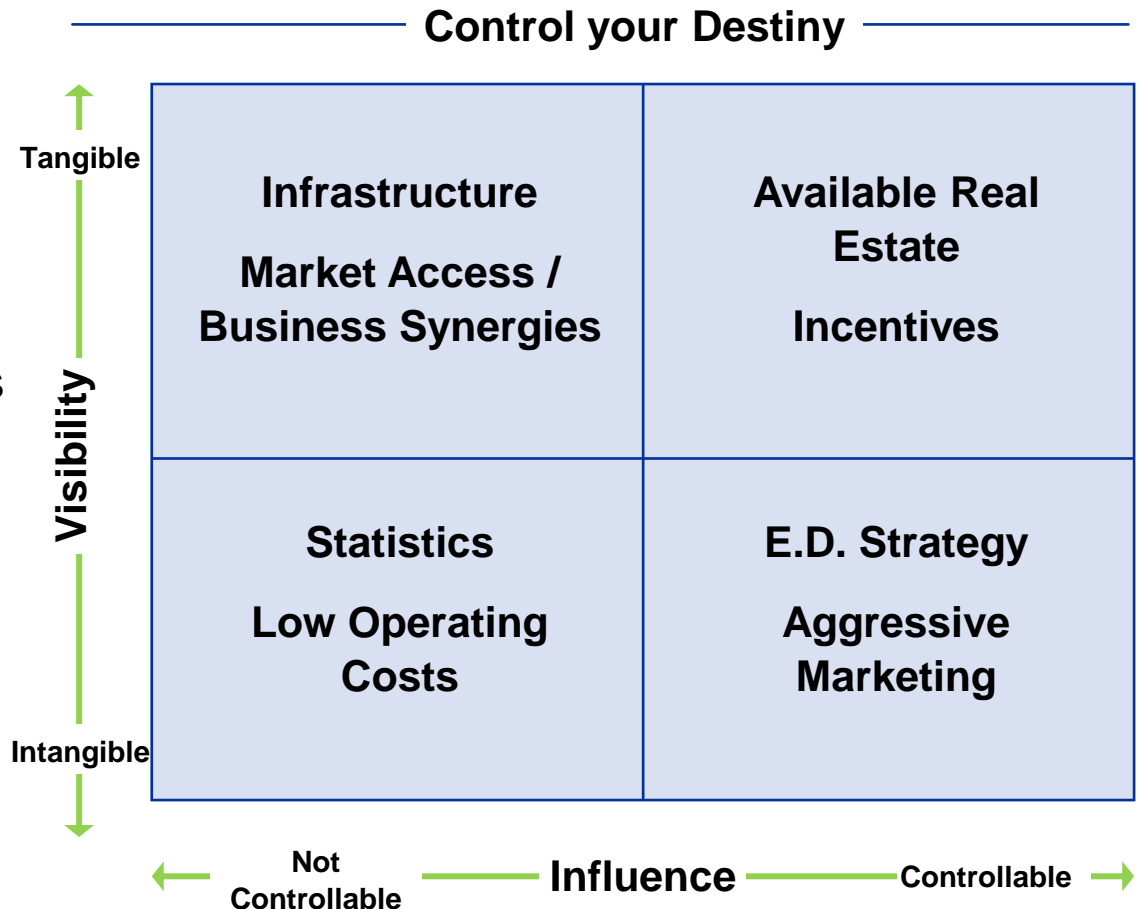
- 20 page questionnaires sent to 100 communities
- First request is a detailed incentive offer
- No feedback from consultant

Reasonable Data Requests Include...

- Local labor market size and recent changes
 - New locations, expansions, downsizings, closings
- Local skills market and training capabilities
 - Wage and Benefits surveys
- Site/Real Estate detail
 - Specs, maps, costs, surroundings, regulations
- Utilities detail
 - Capacity, quality, cost
- Property tax rates specific to sites
 - General business services and living conditions overview
- General incentives types and policy

What are the 'Hooks' That Draw Prospects to Communities?

- Past successes
- Favorable infrastructure
- Available real estate
- Favorable statistics
- Low operating costs
- Incentives
- Strong E.D. strategies, targets
- Aggressive marketing
- Market access / business synergies



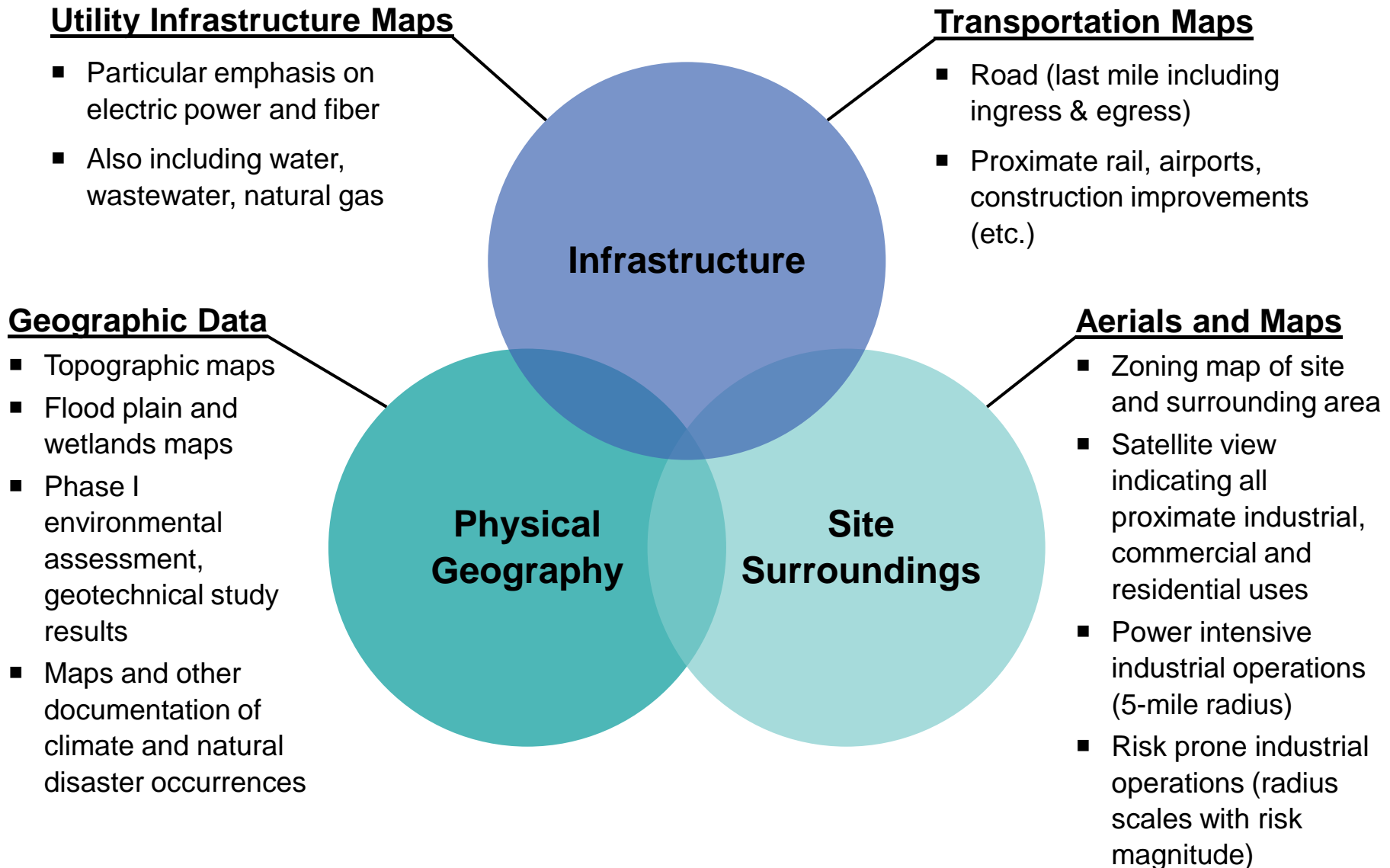
Winning Strategies...

Focused on and ready for cluster targets...

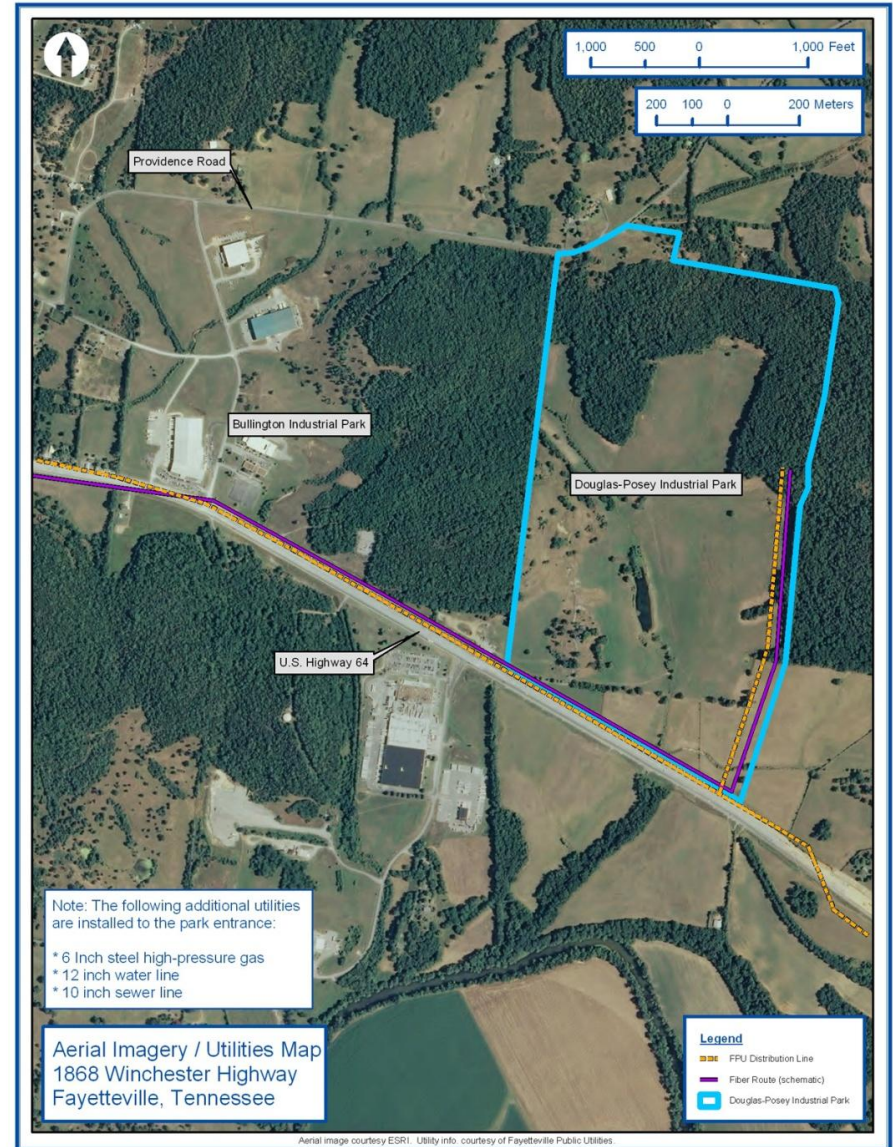
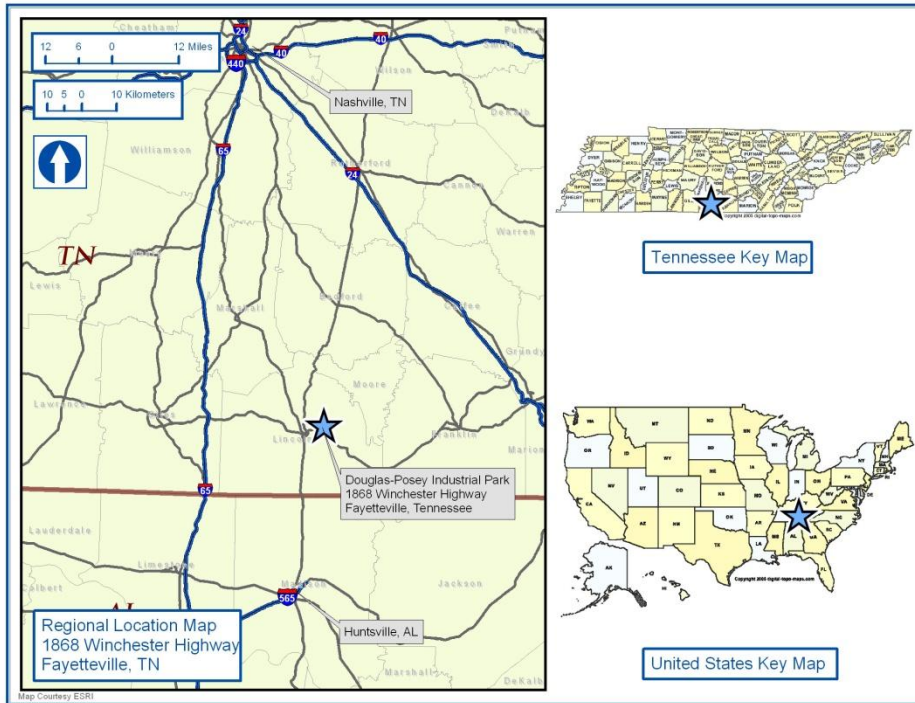
- Strategy and plans that meet target industry requirements
 - Labor market development
 - Utility infrastructure, capacity, and cost
 - Sites/space
 - Incentives

... but stay flexible enough to respond to a variety of industries and operations

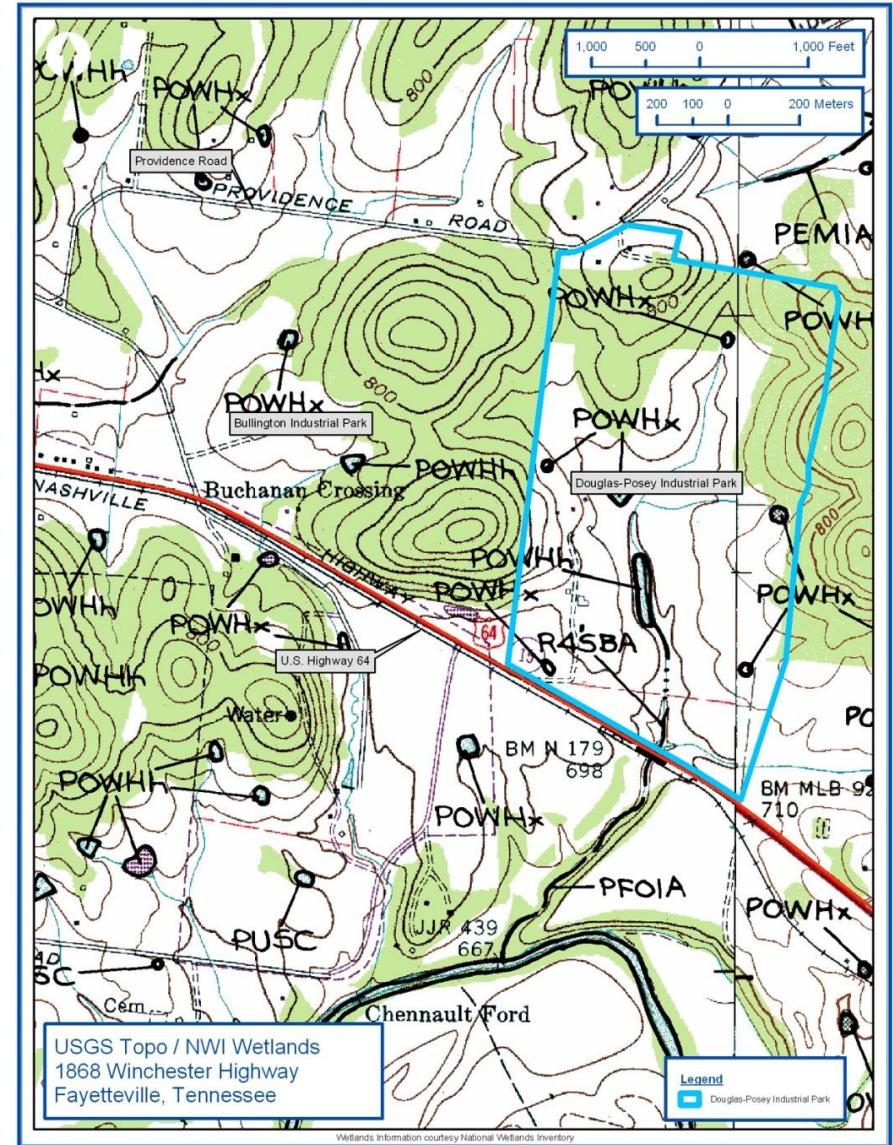
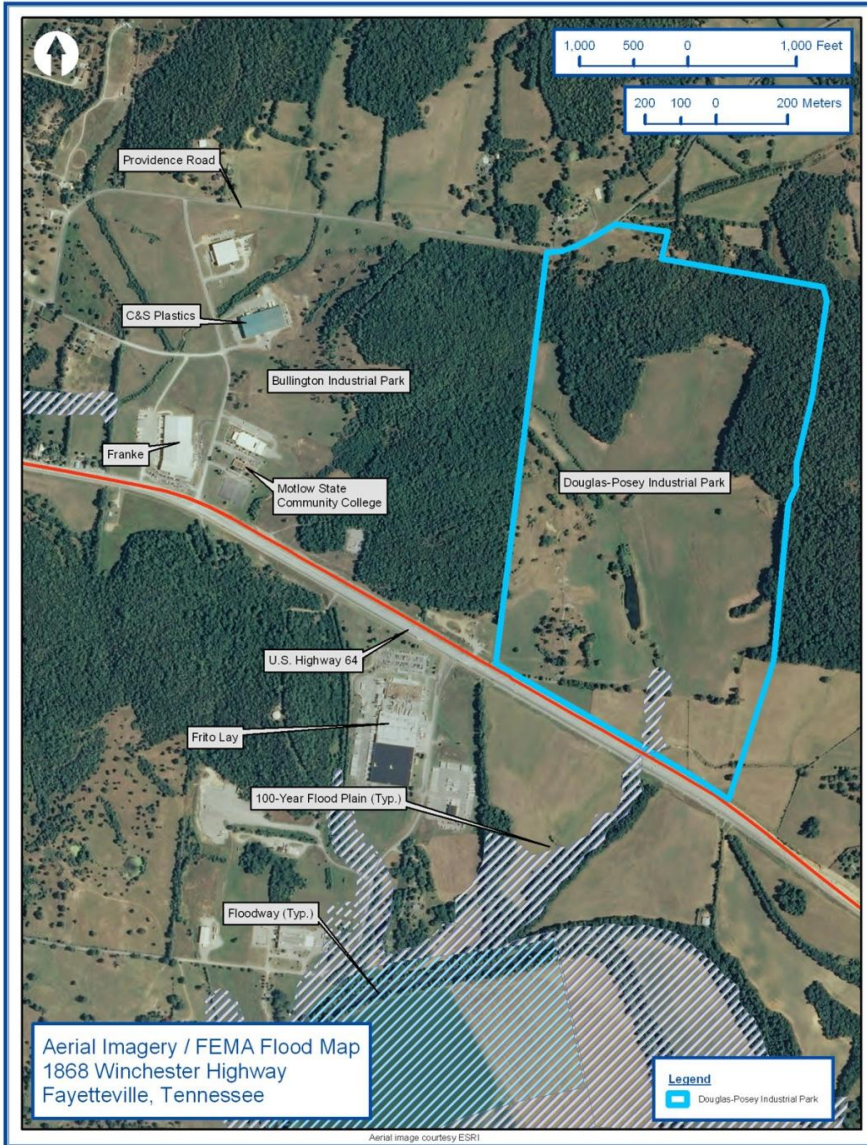
Prepare materials targeting these priorities



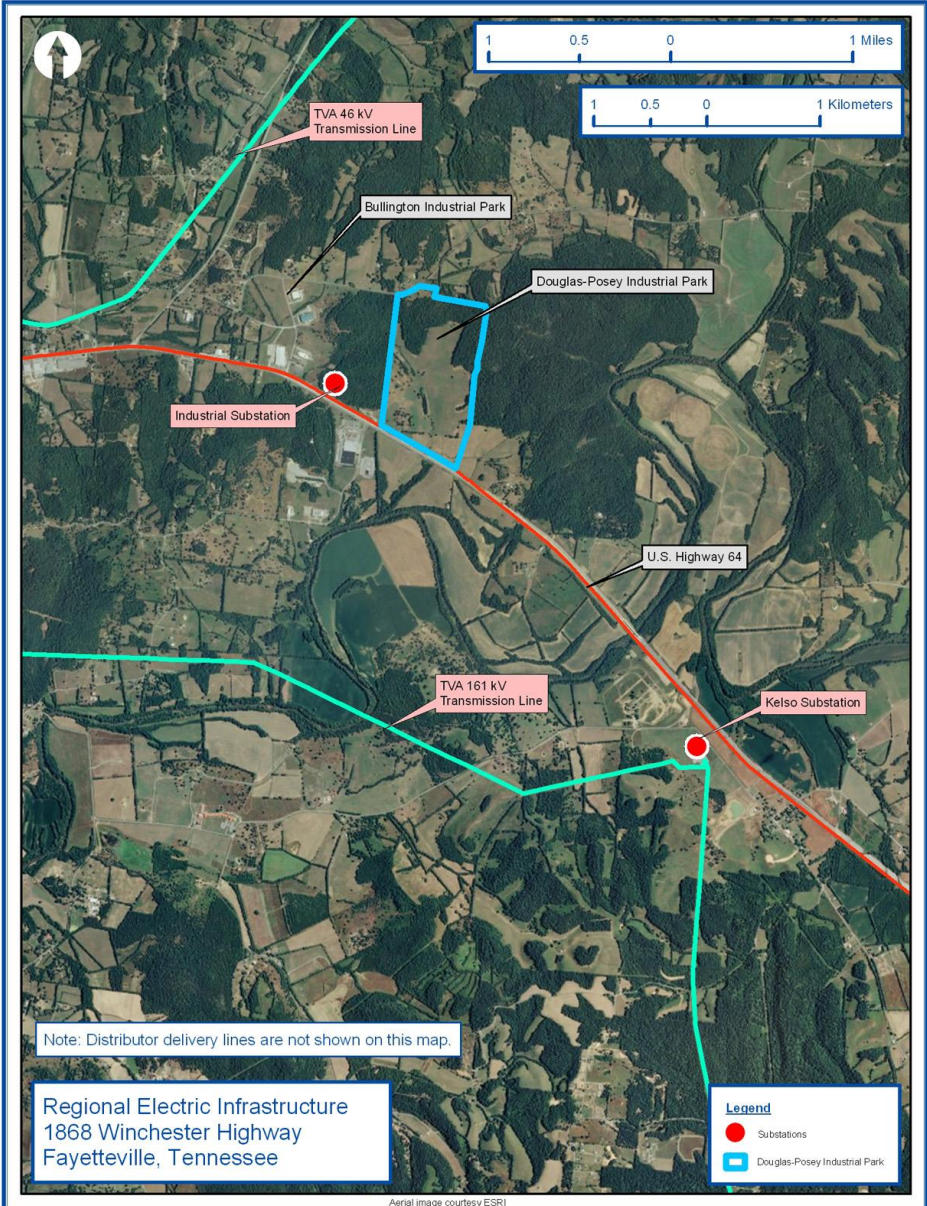
Example Location and Other Utilities Maps



Example Flood Plains and Topographic / Wetlands Maps



Example Electric Utility Map



What do you need to prepare

The Infrastructure ‘Hook’

- Interstate highway
- Airport proximity
- Training facilities
- Strong utilities
- Maps, maps, maps

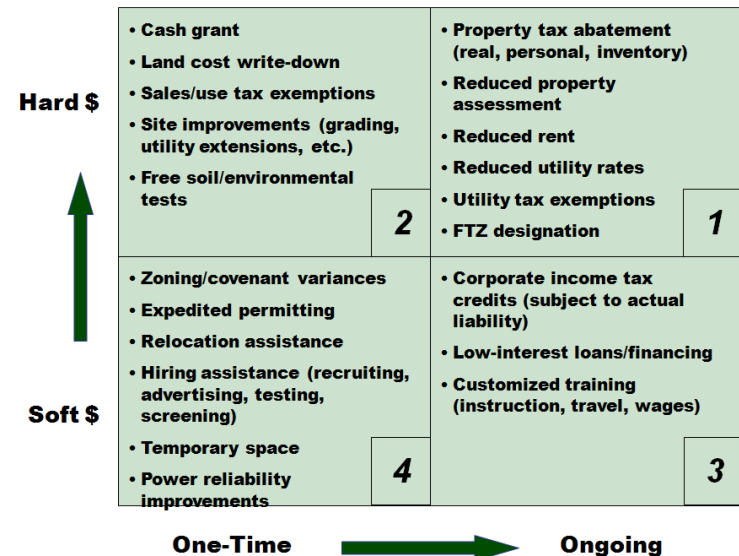
The Statistical ‘Hooks’

- Unemployment
- Average wages
- Steady population growth
- Tranquil labor relations
- Skill presence
- Educational attainment
- Maps, maps, maps

The Real Estate / Available Building ‘Hook’

- Typically a minimum of 20 acres / 100k SF
- 25’ clear height
- Expandable by xx%
- Compatible surrounding uses
- Good road/highway access
- Maps, maps, maps

The Incentive ‘Hooks’



...Winning Strategies...

Ready-to-go, publically-controlled sites and infrastructure

- Target cluster business park
- Owned or controlled
- Fully tested and engineered and all data available
- Zoning and CCRs in place, with some flexibility for special cases
- Site incentive policy in place (below market cost)

...Winning Strategies...

- Targeted incentives can be introduced, but do not need to be quantified. Of concern at this point is, do the programs provide...
 - ...true cost offsets?
 - ...are they flexible?
- Have they been researched and customized to the needs of the industry or operation
 - Example: long-term, systemic training programs, grants and subsidies designed to provide the industry with a steady stream of skilled employees at all levels

...Winning Strategies...

- The intent of an RFI is to collect local data that can not be otherwise accessed
 - Consultancies have numerous databases to compare general statistics and cost trends, this information is less valuable and is typically not the major intent of an RFI
 - Focus on local conditions (ie. major employers, industry presence, local wage surveys, local property tax rates, available real estate, utility rates, other local costs, if any)
- Provide a cover letter, highlight the 3 key strengths of your response
 - Tell me what you are going to tell me in the RFI response
 - Not everyone will be able to review every word of your response, draw out the most important information clearly
- Be aware of changing technology
 - Maps and infrastructure details should all be electronically available
 - Have responses available on secure FTP sites
 - Be prepared to submit RFI responses on a web-based portal
- Remember, no one knows your community like you do

To Get Noticed and Stay Competitive...

Establish your 'Hooks'

Focus on your targets

Have prepared materials to support local conditions

Respond quickly

Stay positive!

Questions?

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