



# **The Package They Can't Wait to Open**

*Tips, Tricks and Ideas for Building Great Response Packages*

August 30, 2011

[www.GINOVUS.com](http://www.GINOVUS.com)



## ***GREAT RESPONSE PACKAGES***

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Site Selection 101

*A Brief Overview of the Process*

So, You're Invited to the Party?

*The Request for Information*

Please RSVP...

*The RFI Response*

*The Best Gift of All*

*The Gift You Want to Re-Gift*

Choosing the Right Gift

*The Comparables*

Being a VIP

*Economic Comparison by State*

*The Short List*

Party Etiquette

*The Do's & Don'ts*

The Icing on the Cake

*The Selection*

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## WHAT WE DO

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**GINOVUS** is a site selection and economic development advisory services firm. We help corporate clients navigate the process of understanding the best options to locate and/or expand their business and secure financial incentives to help offset the costs associated with growth. Once incentives are agreed upon, Ginovus works hard to ensure compliance, including regular audits of the project progress.



## SITE SELECTION 101

### ***A BRIEF OVERVIEW***

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Generally, corporate clients engage a site selection firm because:

1. Specific project need
2. No internal expertise
3. Internal human capital resources are limited
4. Desire of the company to stay focused on core business functions

Site Selector has a fiduciary role with each client to:

1. Guide them through the process
2. Share knowledge from industry experts
3. Provide analytical data and sound recommendations
4. Stay connected for the long term



## SITE SELECTION 101 ***A BRIEF OVERVIEW***

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### The Role of the Site Selection Consultant

- Stage 1 – Understand the goals of the client.  
Do they need to optimize capacity, add capacity, and/or reduce costs?
- Stage 2 – Investigate all viable options
- Stage 3 - Net the best results to offset project costs
- Stage 4 - Get the project across the finish line
- Stage 5 - Ensure incentives are realized and maximized



## SITE SELECTION 101

### ***A BRIEF OVERVIEW OF THE PROCESS***

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#### Key Goals in Defining & Selecting a Site

- Global Issues                      Political environment, business drivers, workforce, cost of doing business
- Threshold Issues                Interstate, rail, greenfield site vs. existing building
- Site Specific Issues              Land cost, control of real estate, zoning, environmental, and permitting
- Subjective Factors                Quality of life, community interest, economic development expertise, and confidence that promises will be kept



SO, YOU'RE INVITED TO THE PARTY?  
***THE REQUEST FOR INFORMATION***

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**Provided by the Site Selector**

Project Parameters  
Site and Facility Requirements  
Project Time Line  
Contact for Questions  
Submission Deadline and Format

**Requested from the State/Region/Community**

Facility and Site Information  
Employment Data  
Utility Specifications & Rates  
Business Taxes  
Impact Fees  
Incentive Programs  
Major Employers



PLEASE RSVP...  
***THE RFI RESPONSE***

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***Should be...***

Tailored to fit the objectives of the request

Concise  
Specific  
Readable  
Substantial  
Demonstrative  
Visually Appealing

***Differentiated by...***

Case Studies  
Project Approach



PLEASE RSVP...  
***THE BEST GIFT OF ALL***

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The response that meets the request

90% or more of the project criteria is met  
Multiple sites are presented in the same format  
Only information that was requested has been submitted.

Sample - Project Rainfall – 5 state search

Alabama  
Arkansas  
Kansas  
Missouri  
Tennessee

Which RFP's stood out?

Missouri and Tennessee

Why?

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PLEASE RSVP...  
***THE BEST GIFT OF ALL – EXAMPLE***

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Missouri stood out in a very positive way because...

- Community placed a phone call in advance of submission and asked questions of clarification
- Submission received 1-day in advance electronically
- Received hard copy format via overnight mail on the due date
- Presentation was neatly packaged and visually appealing
- Content followed the RFI format to the "T"
- The responses were specific
- No "fluff"





PLEASE RSVP...  
***THE BEST GIFT OF ALL – EXAMPLE***

**Project Rainfall**  
Request for Information



**IV. UTILITIES**

Electric (12 hours / 5 days a week initially, with ramp-up to 24 hours 7/days a week)

ELECTRIC REQUIREMENT	
Connected Requirement	480/3 phase, 1000 amp service
	NO HEAVY REQUIREMENTS ASSOCIATED WITH THE PROJECT

ELECTRIC DATA REQUEST	
<b>Provider</b> – Provide the following contact information for potential electric service providers: Provider name Contact name Contact phone number Email address	Cumberland Electric Membership Corporation Carl Wilson 931-645-2481 cwilson@cemc.org



PLEASE RSVP...  
***THE BEST GIFT OF ALL – EXAMPLE***

ELECTRIC DATA REQUEST	
<b>Current Service</b> – Describe the electric infrastructure currently available to the site including: Capacity, size, and location of closest line Capacity, size, and location of closest substation	12kV, 336 ACSR west of building 12kV, 10MVA, north on Hypoint N. Blvd.
<b>Service Fees</b> – Indicate any one-time or usage fees including: Infrastructure improvements Deposit fees Connection fee Consumption charge Taxes Other (please describe)	Infrastructure Improvements: none Deposit fee: 2 months estimated bill Connection Fee: none. Consumption Charge: 0.069/kwh State and local tax 7.6%
<b>Bill Estimate</b> – Provide a total estimated monthly electric bill including the service fees listed above (show all calculations)	1000 A service @ 480 V Assume 50% Load $(500A*480V*/3)/1000=415.69kW$ — customer class: Power Service \$20.00 Service Availability Charge \$8.50 /kW Demand Charge \$0.069/kWh Energy Charge Initial 12 hours/ 5days per week Demand Charge: 415.69 $kW*\$8.50/kW=\$3,533.37$ Energy Charge: $415.69kW*12\text{ hours}*5\text{ days}*4\text{ weeks/month}*\$0.069/kWh =$ \$6,883.83



PLEASE RSVP...  
***THE GIFT YOU WANT TO RE-GIFT***

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Tennessee stood out, ***not*** in a good way because...

- A number of submissions did not meet the project criteria
- Each site submitted was presented in a different format
- Quality of materials provided was poor/unreadable
- Information provided for subject matter that was not requested

Example:

Request for wage rates for specific job classifications – received 9-page narrative overview generated from employer interviews

Request for specific utility rates with provision of demand and usage information – received average industrial rates



PLEASE RSVP...  
***THE GIFT YOU WANT TO RE-GIFT - EXAMPLE***

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## Project Rainfall

Request for Information

### IV. UTILITIES

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ELECTRIC REQUIREMENT	
Connected Requirement	480/3 phase, 1000 amp service
	NO HEAVY REQUIREMENTS ASSOCIATED WITH THE PROJECT

  

ELECTRIC DATA REQUEST	
<b>Provider</b> – Provide the following contact information for potential electric service providers: Provider name Contact name Contact phone number Email address	Rolla Municipal Utilities Vickie Cason, P.E. 573/364-1572 <a href="mailto:vcason@rollamunicipalutilities.org">vcason@rollamunicipalutilities.org</a>



PLEASE RSVP...  
***THE GIFT YOU WANT TO RE-GIFT - EXAMPLE***

ELECTRIC DATA REQUEST	
<b>Current Service</b> – Describe the electric infrastructure currently available to the site including: Capacity, size, and location of closest line Capacity, size, and location of closest substation	Electrical Service will be provided by Cumberland Electric Membership Corp. The service will be built out as needed. CEMC has two substations located in the north portion of the Business Park that will serve the area.
<b>Service Fees</b> – Indicate any one-time or usage fees including: Infrastructure improvements Deposit fees Connection fee Consumption charge Taxes Other (please describe)	Panattoni will address these items.
<b>Bill Estimate</b> – Provide a total estimated monthly electric bill including the service fees listed above (show all calculations)	Need monthly quantities and load factors to calculate
<b>Largest Users</b> – List the largest electric users in the area.	Bridgestone Metalpha, Robert Bosch LLC



## CHOOSING THE RIGHT GIFT ***THE COMPARABLES***

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Once **all** of the data is collected, it is the site consultants role to:

Review  
Understand  
Extract  
Clarify  
Compare  
Request  
Analyze  
Display

Most site selectors have standard comparative tools they use to compare sites - often times the desired view is being driven by the corporate client not the consultant.



## CHOOSING THE RIGHT GIFT *THE COMPARABLES*

### SITE 1

### SITE 2

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL		Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL	
<b>Land Cost 1</b>														
Cost	2,450,250	0	0	0	0	<b>2,450,250</b>		4,356,000	0	0	0	0	<b>4,356,000</b>	
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>	
<b>Net Cost</b>	2,450,250	0	0	0	0	<b>2,450,250</b>		4,356,000	0	0	0	0	<b>4,356,000</b>	
<b>Real Property Investment 2</b>														
Cost	13,500,000	0	0	0	0	<b>13,500,000</b>		13,500,000	0	0	0	0	<b>13,500,000</b>	
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>	
<b>Net Cost</b>	13,500,000	0	0	0	0	<b>13,500,000</b>		0	0	0	0	0	<b>13,500,000</b>	
<b>Personal Property Investment 3</b>														
Cost	7,350,000	0	0	0	0	<b>7,350,000</b>		7,350,000	0	0	0	0	<b>7,350,000</b>	
Incentive (1)	0	0	0	0	0	<b>0</b>		40,000	35,000	30,000	20,000	10,000	<b>135,000</b>	
Cost Avoidance (2)	450,188	0	0	0	0	<b>450,188</b>		450,188	0	0	0	0	<b>450,188</b>	
Cost Avoidance (3)	40,000	0	0	0	0	<b>40,000</b>		40,000	0	0	0	0	<b>40,000</b>	
<b>Net Cost</b>	6,859,812	0	0	0	0	<b>6,859,812</b>		6,819,812	0	0	0	0	<b>6,724,812</b>	
<b>Development /Impact Fees 4</b>														
Cost	3,036,306	0	0	0	0	<b>3,036,306</b>		1,357,224	0	0	0	0	<b>1,357,224</b>	
Incentive	1,614,883	0	0	0	0	<b>1,614,883</b>		345,880	0	0	0	0	<b>345,880</b>	
<b>Net Cost</b>	1,421,423	0	0	0	0	<b>1,421,423</b>		1,011,344	0	0	0	0	<b>1,011,344</b>	



## CHOOSING THE RIGHT GIFT *THE COMPARABLES*

### SITE 1

### SITE 2

Bond Assessment 5													
Cost	1,423,535					<b>1,423,535</b>		30,340	30,947	31,566	32,197	32,841	<b>157,891</b>
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	1,423,535	0	0	0	0	<b>1,423,535</b>		30,340	30,947	31,566	32,197	32,841	<b>157,891</b>
Real Estate Taxes 6													
Cost	162,000	162,000	162,000	162,000	162,000	<b>810,000</b>		162,000	162,000	162,000	162,000	162,000	<b>810,000</b>
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	162,000	162,000	162,000	162,000	162,000	<b>810,000</b>		162,000	162,000	162,000	162,000	162,000	<b>810,000</b>
Personal Property Taxes 7													
Cost	88,200	88,200	88,200	88,200	88,200	<b>441,000</b>		88,200	88,200	88,200	88,200	88,200	<b>441,000</b>
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	88,200	88,200	88,200	88,200	88,200	<b>441,000</b>		88,200	88,200	88,200	88,200	88,200	<b>441,000</b>
Electricity 8													
Cost	556,278	567,404	578,752	590,327	602,133	<b>2,894,893</b>		450,718	459,732	468,927	478,306	487,872	<b>2,345,555</b>
Incentive	375,657	0	0	0	0	<b>375,657</b>		150,000	0	0	0	0	<b>150,000</b>
Cost Avoidance	15,000	15,000	15,000	15,000	15,000	<b>75,000</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	165,621	552,404	563,752	575,327	587,133	<b>2,444,236</b>		300,718	459,732	468,927	478,306	487,872	<b>2,195,555</b>
Gas 9													
Cost	11,000	11,330	11,670	12,020	12,381	<b>58,400</b>		11,000	11,330	11,670	12,020	12,381	<b>58,400</b>
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	11,000	11,330	11,670	12,020	12,381	<b>58,400</b>		11,000	11,330	11,670	12,020	12,381	<b>58,400</b>



## CHOOSING THE RIGHT GIFT ***THE COMPARABLES***

### **SITE 1**

### **SITE 2**

Water/Sewer 10													
Cost	25,207	25,207	49,098	49,098	49,098	<b>197,708</b>		37,236	38,353	39,504	40,689	41,909	<b>197,691</b>
Cost Avoidance						<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	25,207	25,207	49,098	49,098	49,098	<b>197,708</b>		37,236	38,353	39,504	40,689	41,909	<b>197,691</b>
Hiring Credit 11													
Cost	812,760	1,307,904	1,334,062	1,360,743	1,387,958	<b>6,203,428</b>		812,760	1,307,904	1,334,062	1,360,743	1,387,958	<b>6,203,428</b>
Incentive	124,800	177,216	163,738	163,738	163,738	<b>793,230</b>		124,800	177,216	163,738	163,738	163,738	<b>793,230</b>
<b>Net Cost</b>	687,960	1,130,688	1,170,324	1,197,005	1,224,220	<b>5,410,198</b>		687,960	1,130,688	1,170,324	1,197,005	1,224,220	<b>5,410,198</b>
Employment Training Panel 12													
Cost	122,350	73,410	0	0	0	<b>195,760</b>		122,350	73,410	0	0	0	<b>195,760</b>
Incentive	54,000	32,400	0	0	0	<b>86,400</b>		54,000	32,400	0	0	0	<b>86,400</b>
<b>Net Cost</b>	68,350	41,010	0	0	0	<b>109,360</b>		68,350	41,010	0	0	0	<b>109,360</b>
Utility Use Tax 13													
Cost	0	0	0	0	0	<b>0</b>		11,268	11,493	11,723	11,958	12,197	<b>58,639</b>
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	0	0	0	0	0	<b>0</b>		11,268	11,493	11,723	11,958	12,197	<b>58,639</b>



## CHOOSING THE RIGHT GIFT *THE COMPARABLES*

### SITE 1

### SITE 2

Common Area Maintenance 14													
Cost	0	0	0	0	0	<b>0</b>		24,272	25,000	25,750	26,523	27,318	<b>128,863</b>
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	0	0	0	0	0	<b>0</b>		24,272	25,000	25,750	26,523	27,318	<b>128,863</b>
Property Insurance													
Cost	150,000	154,500	159,135	163,909	168,826	<b>796,370</b>		0	0	0	0	0	<b>0</b>
Incentive	0	0	0	0	0	<b>0</b>		0	0	0	0	0	<b>0</b>
<b>Net Cost</b>	150,000	154,500	159,135	163,909	168,826	<b>796,370</b>		0	0	0	0	0	<b>0</b>

**Phase I Project Parameters 202,269 square feet**

**40 New Jobs by 2015**

**\$13,500,000 real property investment**

**\$7.35M personal property investment**

Phase I - Site 1 TOTAL	
Costs and Operating Expenses	\$39,357,651
<b>Cost Avoidance</b>	<b>\$565,188</b>
<b>Incentives</b>	<b>\$2,870,000</b>
Net Costs	\$35,922,293
Phase I - Site 2 TOTAL	
Costs and Operating Expenses	\$37,160,450
<b>Cost Avoidance</b>	<b>\$490,188</b>
<b>Incentives</b>	<b>\$1,510,510</b>
Net Costs	\$35,159,752



## BEING A VIP

### ***ECONOMIC COMPARISON BY SITE***

	Site #1	Site #2	Site #3	Site #4
<b>UTILITIES</b>				
<b>Energy Costs</b>				
- Industrial (15 MW Demand and 130 Million kWh per Year)	\$0.061/kWh	\$0.051/kWh	\$0.050/kWh	\$0.057/kWh
<b>Water Rate</b>				
- 2 million gallons/month usage	\$6,000.00	\$6,940.00	\$6,800.00	\$5,390.91
- 4 million gallons/month usage	\$12,000.00	\$13,880.00	\$13,600.00	\$13,272.82
<b>Sanitary Sewer Discharge</b>				
- 400,000 gallons/month	\$1,600.00	\$839.00	\$800.00	\$886.37
- 800,000 gallons/month	\$3,200.00	\$1,678.00	\$1,600.00	\$1,771.96
<b>REAL ESTATE</b>				
<b>Permitting</b>				
Process Building Permits/Approve Site Plan (Days)	60	60	60	75
<b>Construction Productivity</b>				
Lost Construction Days	0	3	2	0
Construction Cost Index (Industrial/Commercial Facilities)	125.50	146.10	149.20	137.90
<b>Cost</b>				



BEING A VIP  
***THE SHORT LIST***

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Be prepared for the site visit with a view toward  
*putting a bow on the package*

Collaboration

Partnerships

Employers

Resources

Culture

Confidence



## PARTY ETIQUETTE

### ***THE DO'S & DON'TS***

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#### **DON'T**

- ✓ Compromise confidentiality
- ✓ Commit to things that can't be done
- ✓ Think length of the response equals quality of presentation

#### **DO**

- ✓ Ascertain whether the project is a viable project or is your market being used as a comparison
- ✓ Score well on the confidence index. i.e. the prospect and site consultant have confidence that your community will deliver on commitments
- ✓ Be creative with respect to the use of economic development incentive tools



THE ICING ON THE CAKE  
***THE SELECTION***

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**Project Success –  
the company chooses your community!**

**The Site Consultant has a positive  
experience and recommends your  
community to other clients!**



**THANK YOU**

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## Contact Information

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