Site Selection Behind the Scenes and How Your Community Stacks Up

- **Shelby Zaricor,** Global Location Strategies

Site Selection Behind the Scenes

And how your community stacks up

GLS GLOBAL LOCATION STRATEGIES®

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Shelby Zaricor

Senior Consultant

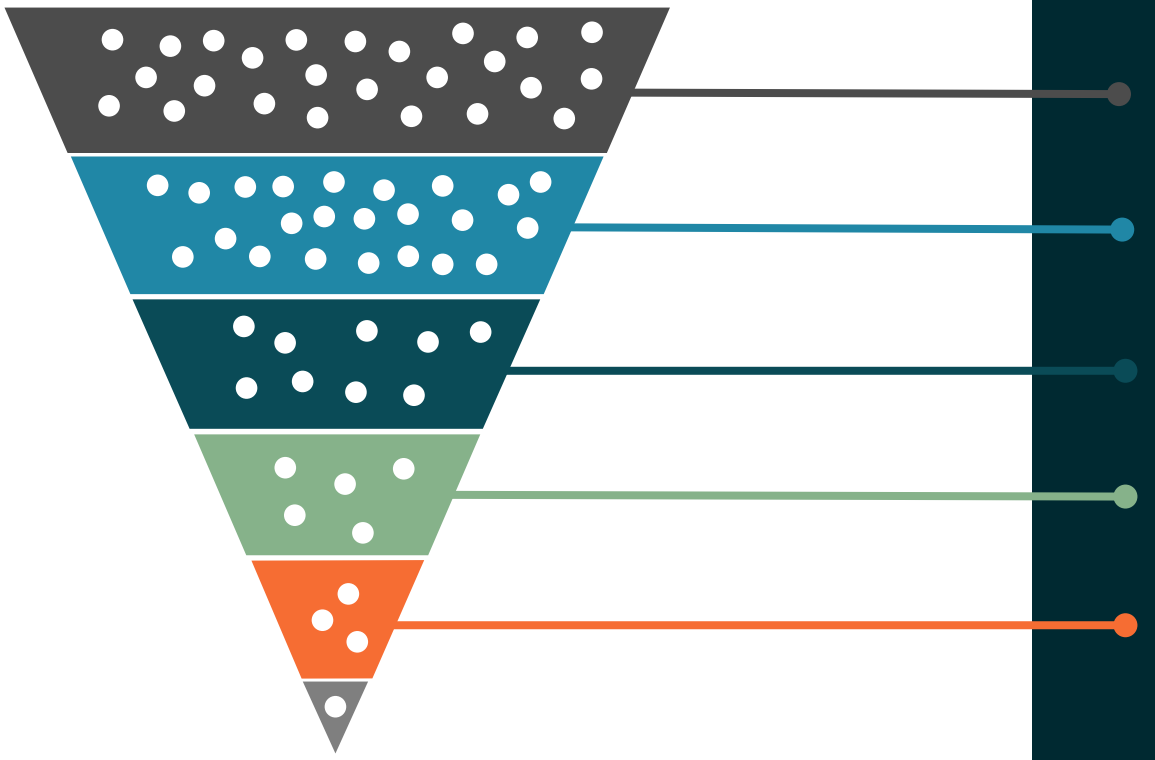
A Global Partner for **Location Strategy**

Since the 1970s, GLS has conducted location strategy, site selection, and incentive negotiations for world-class industrial and manufacturing corporations.

GLS Process of Site Selection

A peak behind the curtain

Site Selection Process

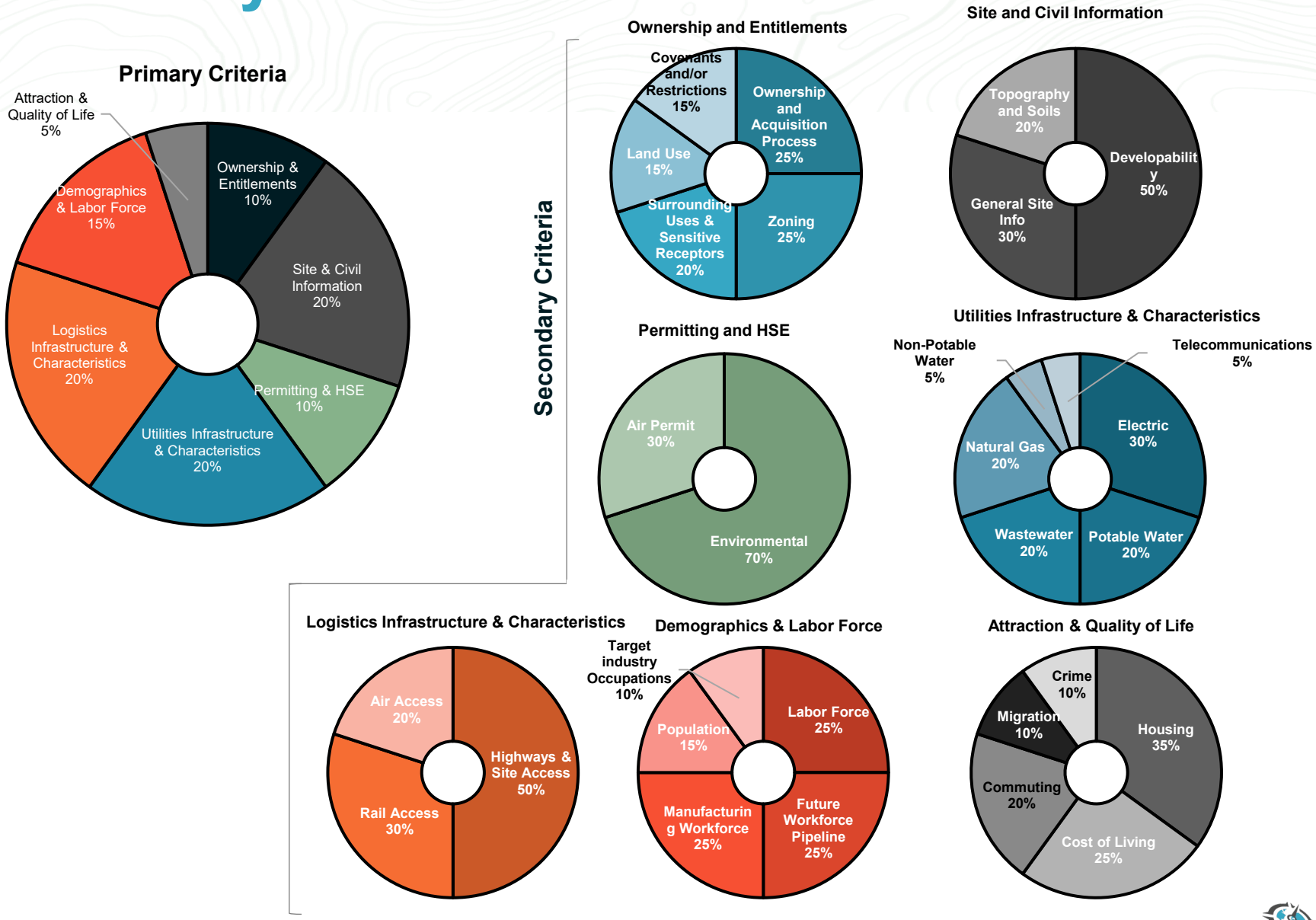


LOCATION SELECTION

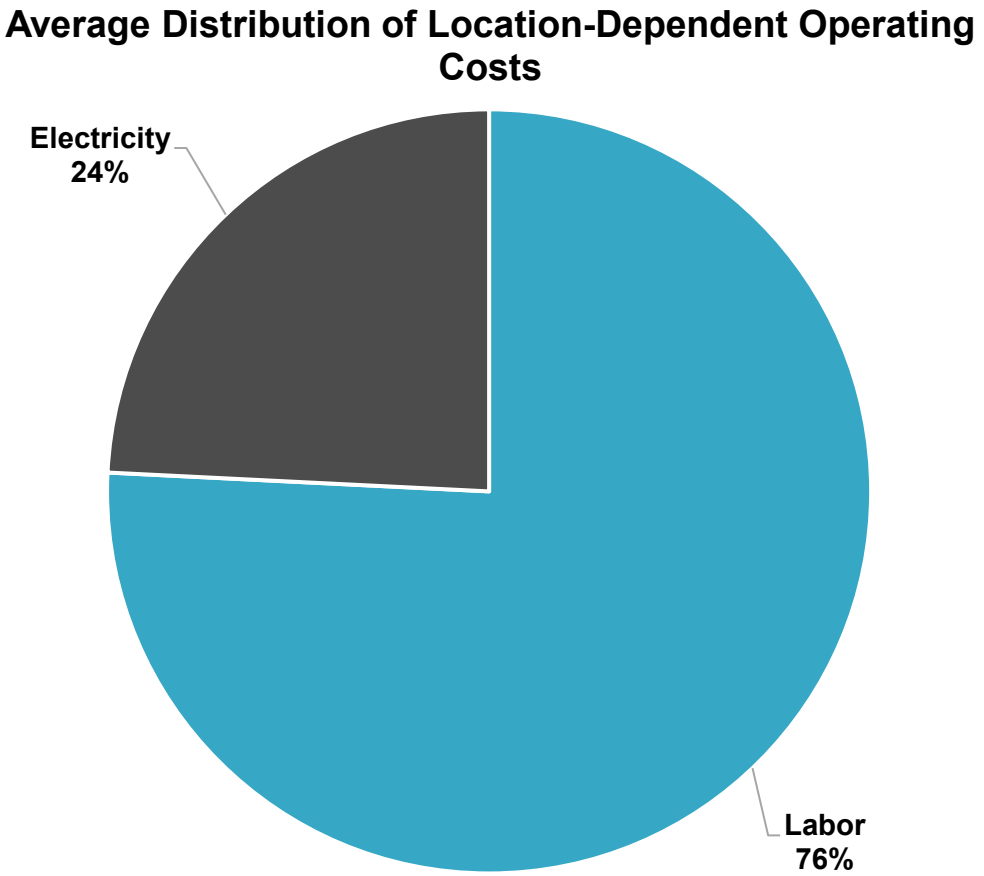
A TYPICAL GLS SITE SELECTION APPROACH

- Alignment + Project Definition
- Site Identification + Screening
- Virtual Site Visits + Desktop Evaluations
- Field Visits + Detailed Evaluations
- Incentive Negotiations + Due Diligence

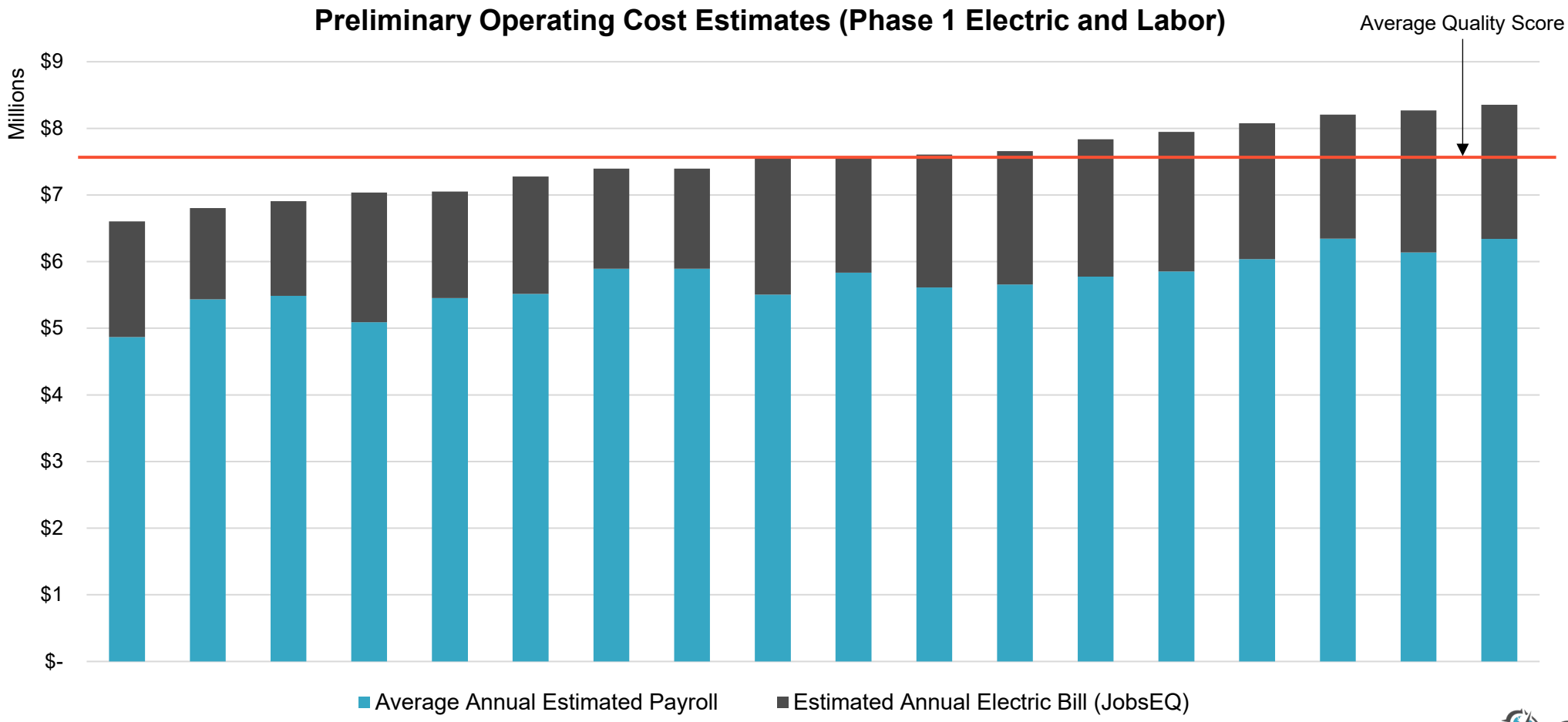
Conditional Analysis



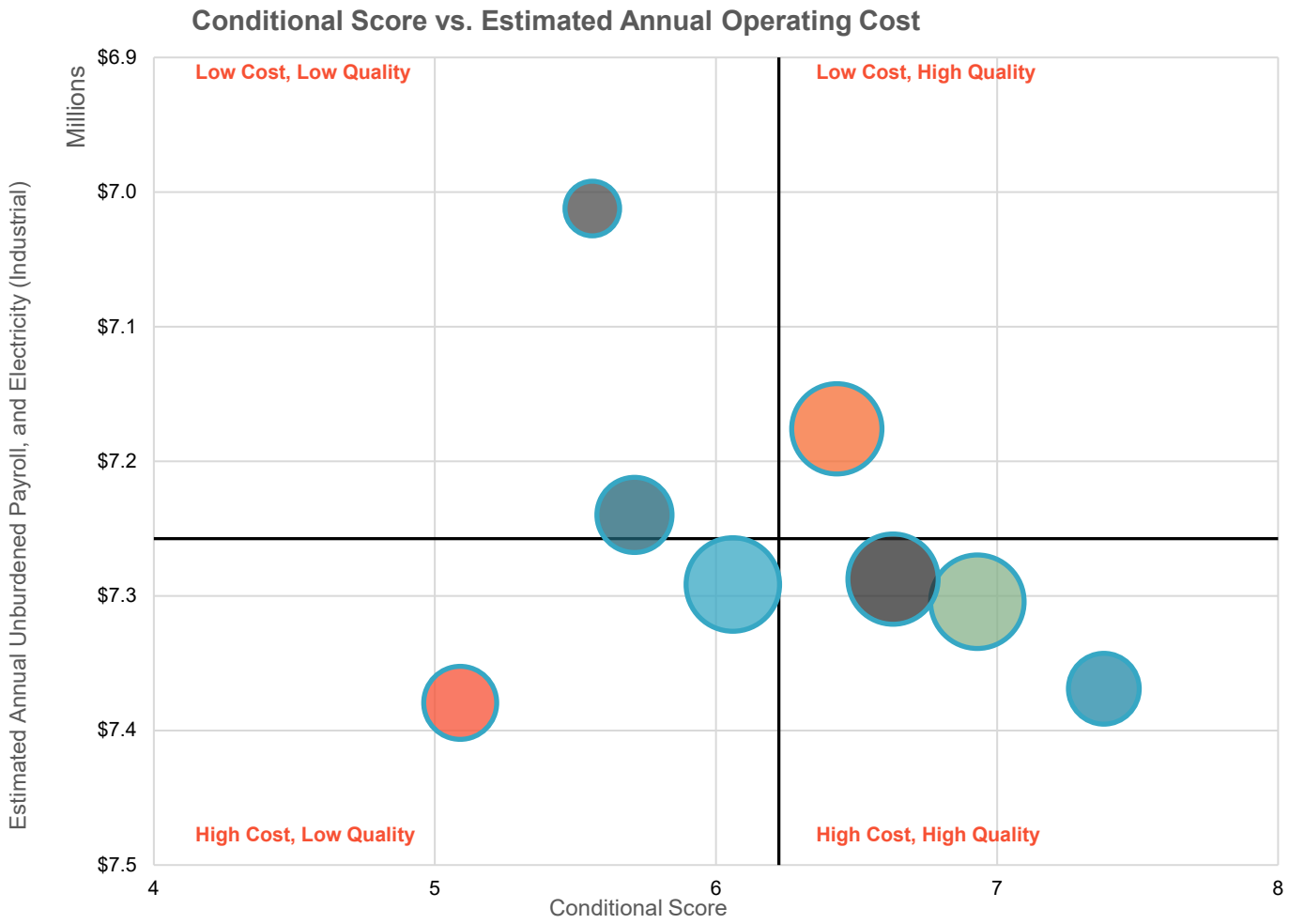
Operating Costs



Operating Costs



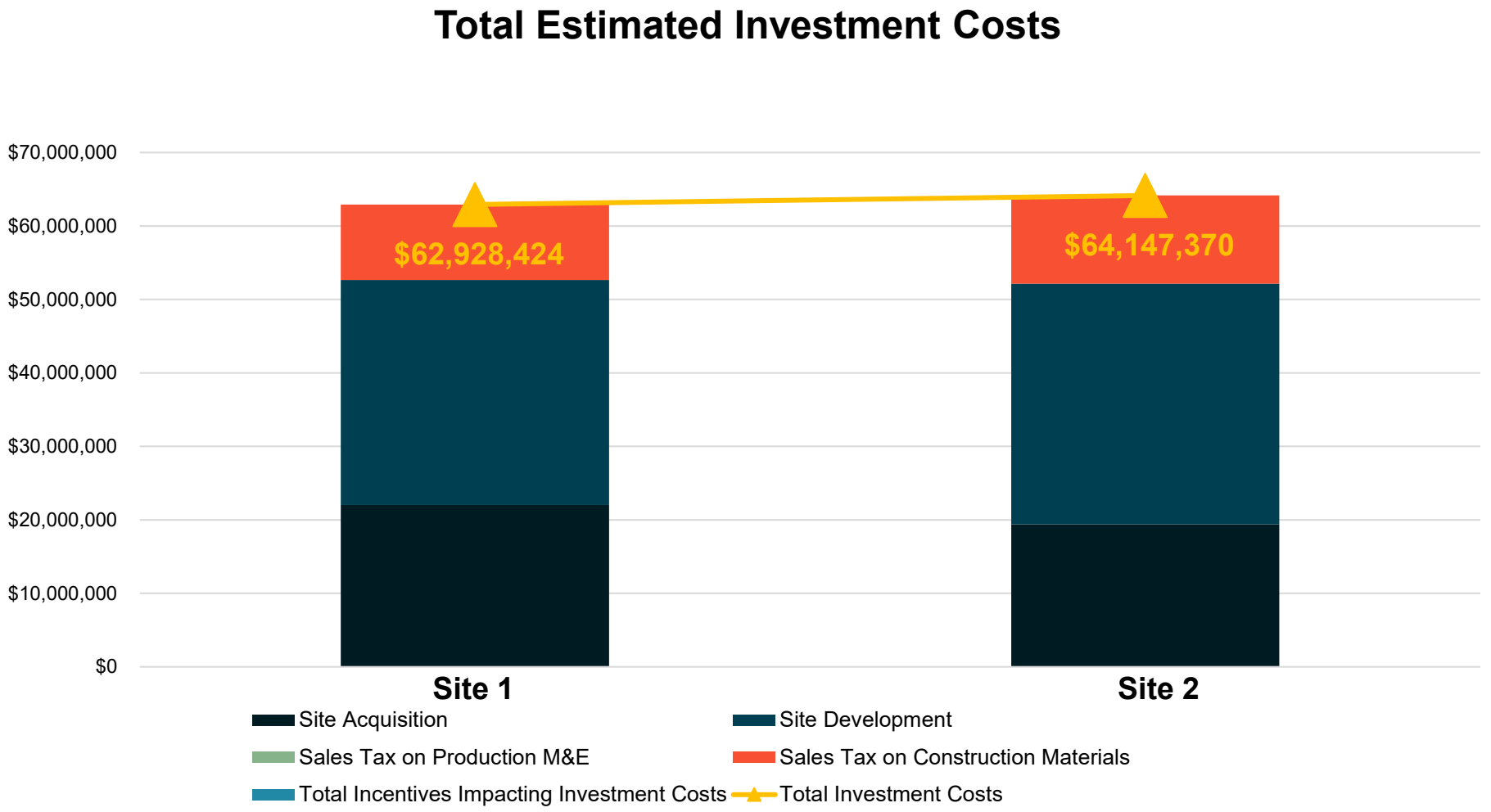
Composite Analysis Methodology



Case Study

SITE VISITS

SITE-SPECIFIC COSTS



Case Study

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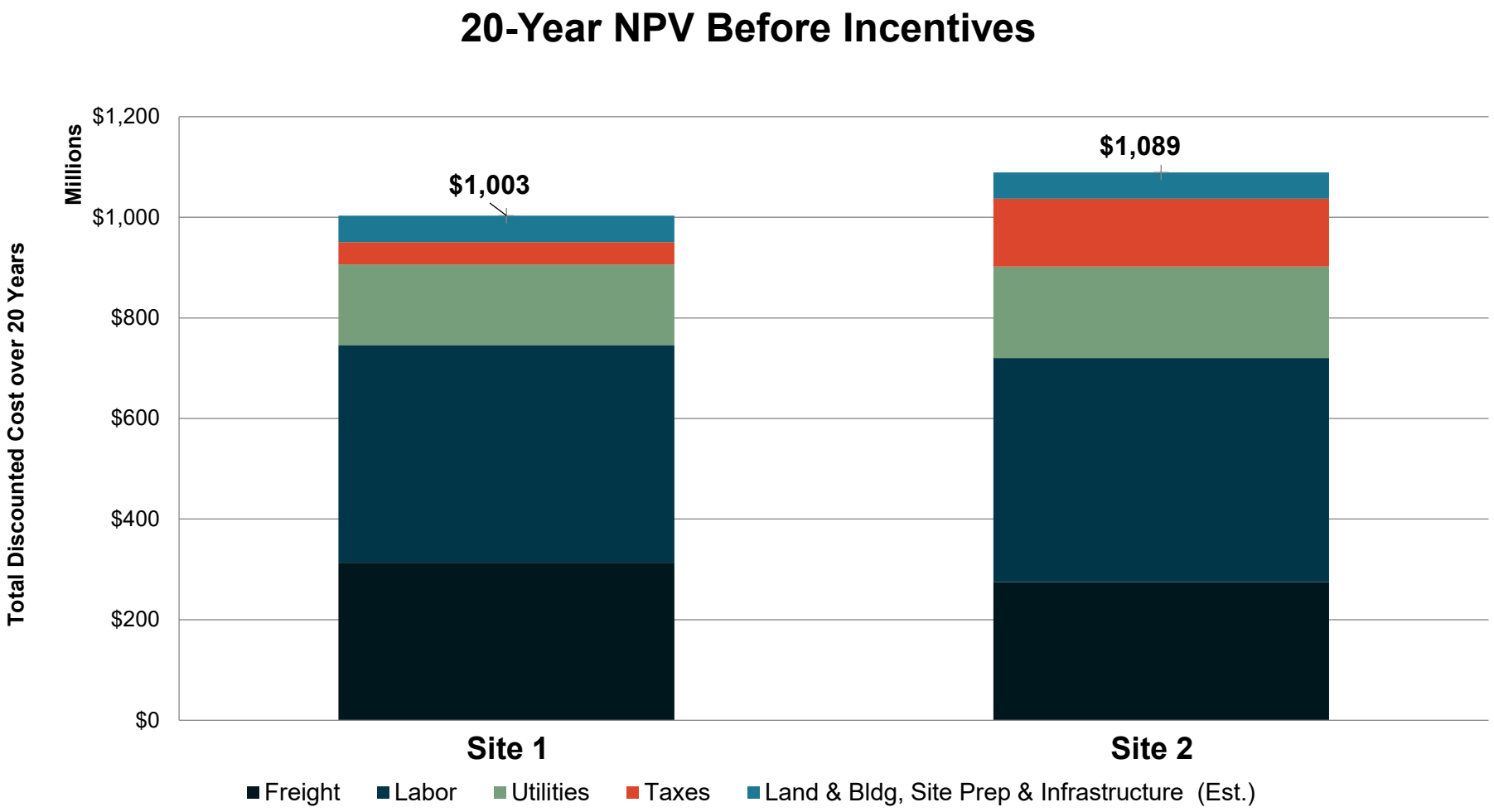


Industry Trends

How the Site Readiness Landscape is Changing

WARNING

THE FOLLOWING PRESENTATION MAY BE DISTURBING TO SOME VIEWERS.

VIEWER DISCRETION IS ADVISED.

Demographic Collapse

Economic Woes

Increased Nationalism

Trade Wars

U.S. Drawdowns

Military Conflict

Energy Crisis

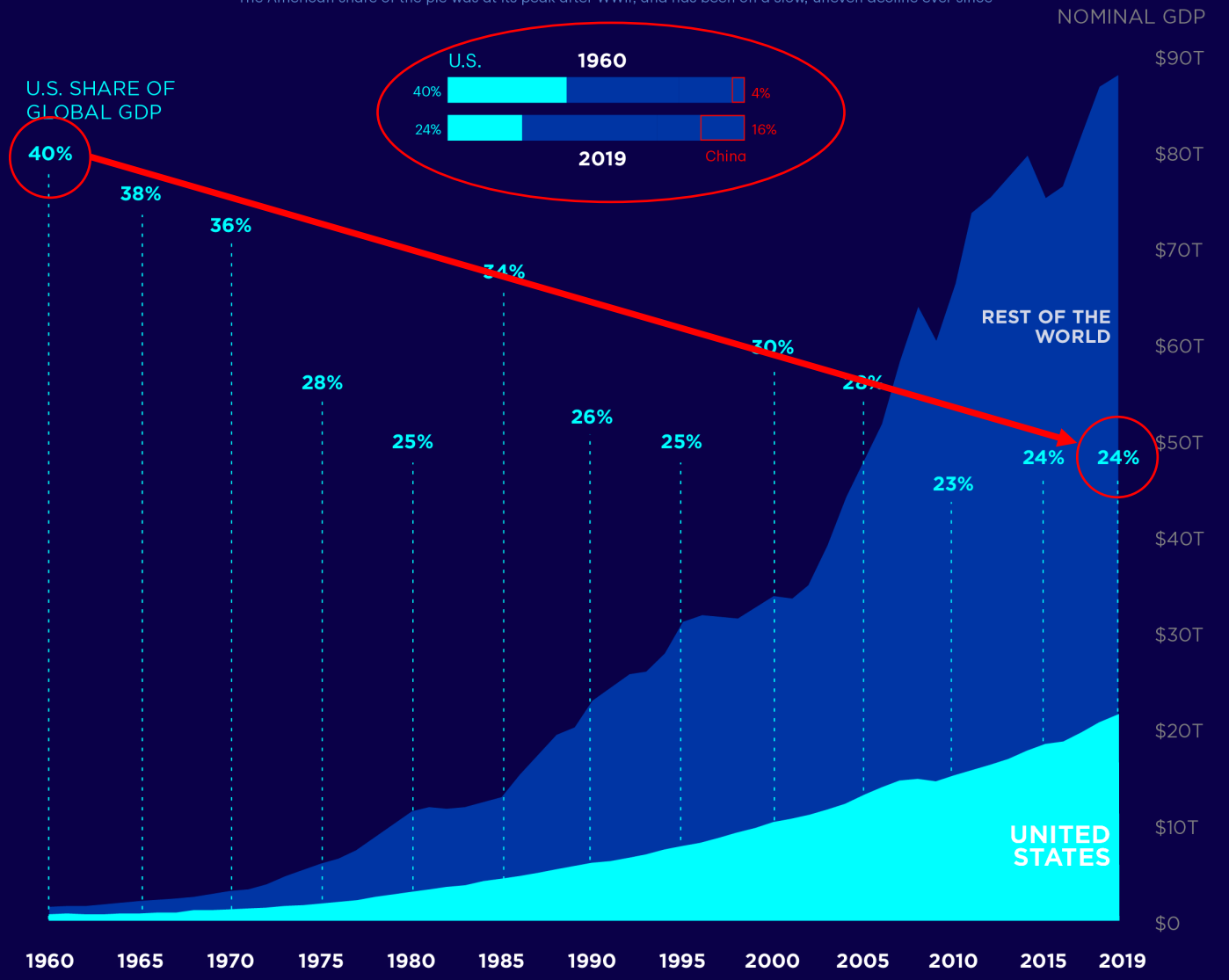
Covid-19

Climate Change

Inflation & Interest Rates

THE U.S. SHARE OF THE WORLD ECONOMY

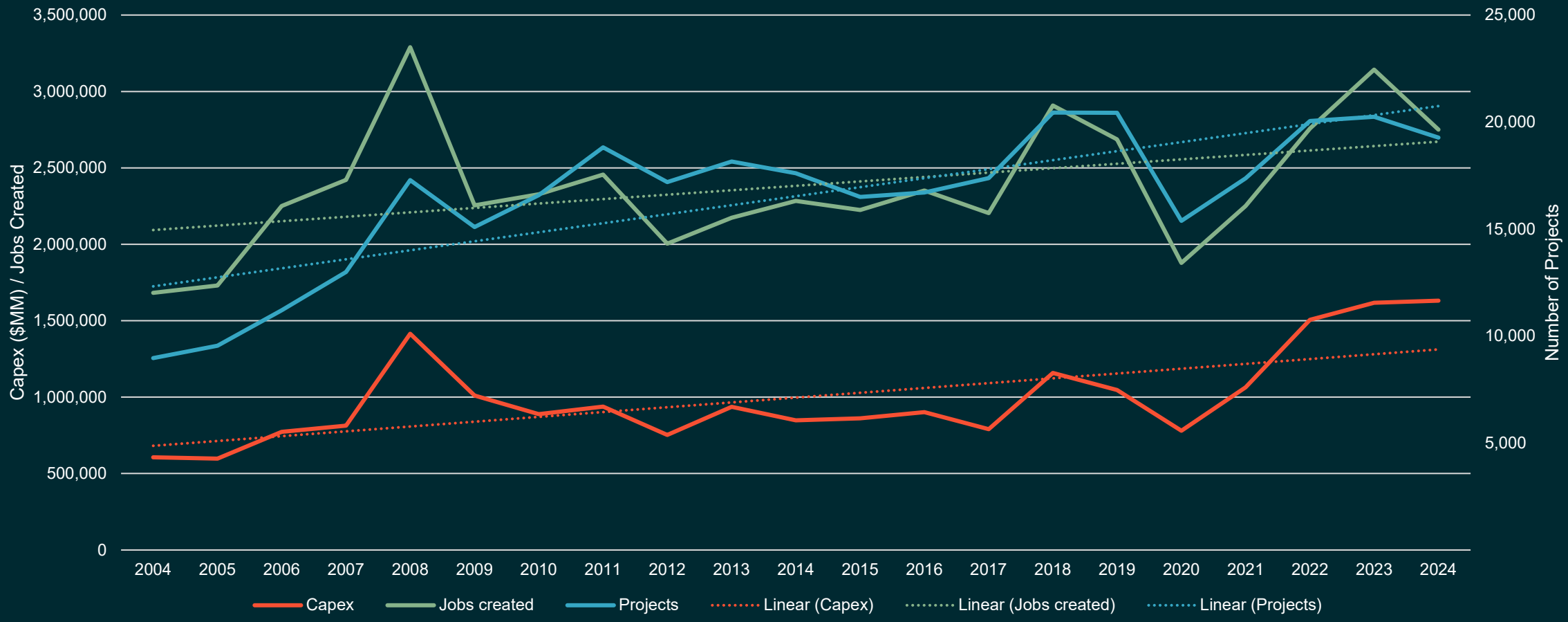
The American share of the pie was at its peak after WWII, and has been on a slow, uneven decline ever since



Nominal GDP figures are in current US$ Source: The World Bank

Global Investment Trends

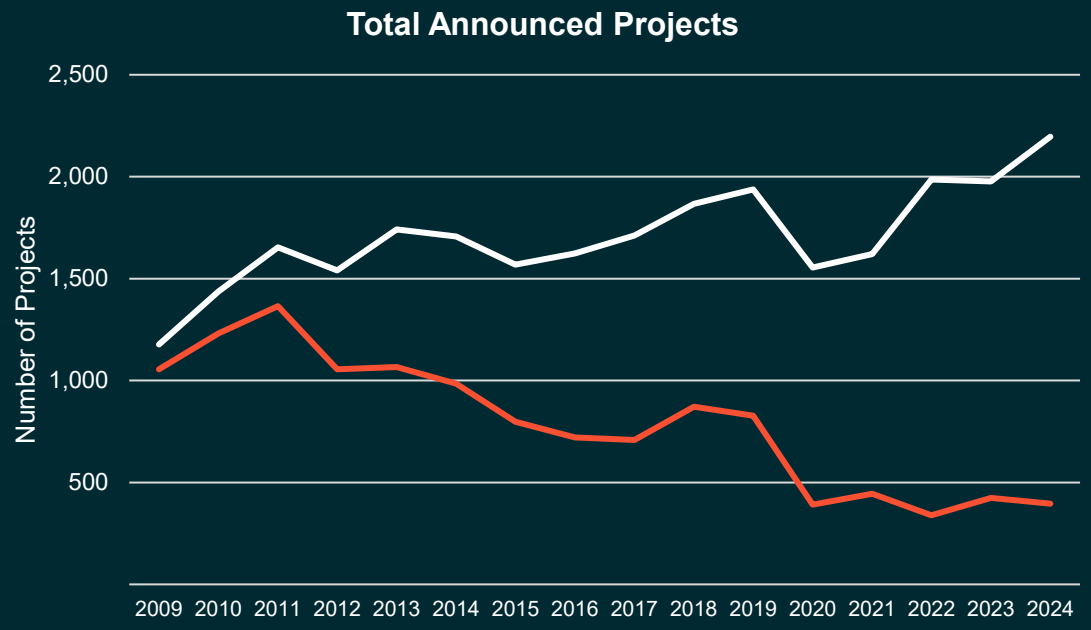
ANNOUNCED FDI PROJECTS

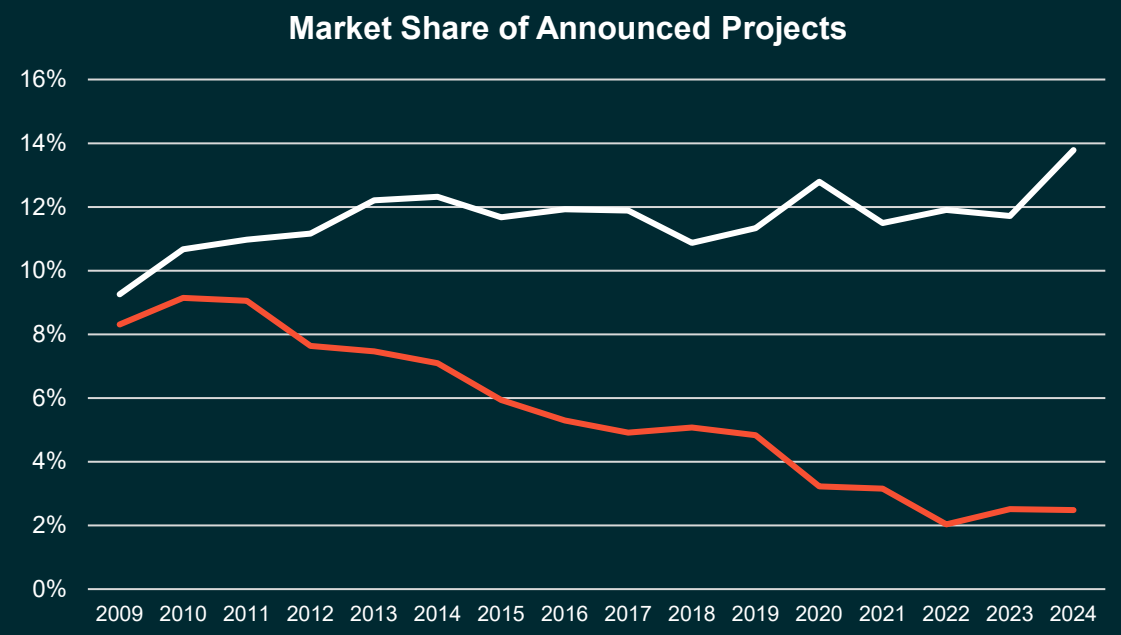


Source: FDI Markets

Global Cross-Border Trends

ANNOUNCED PROJECTS

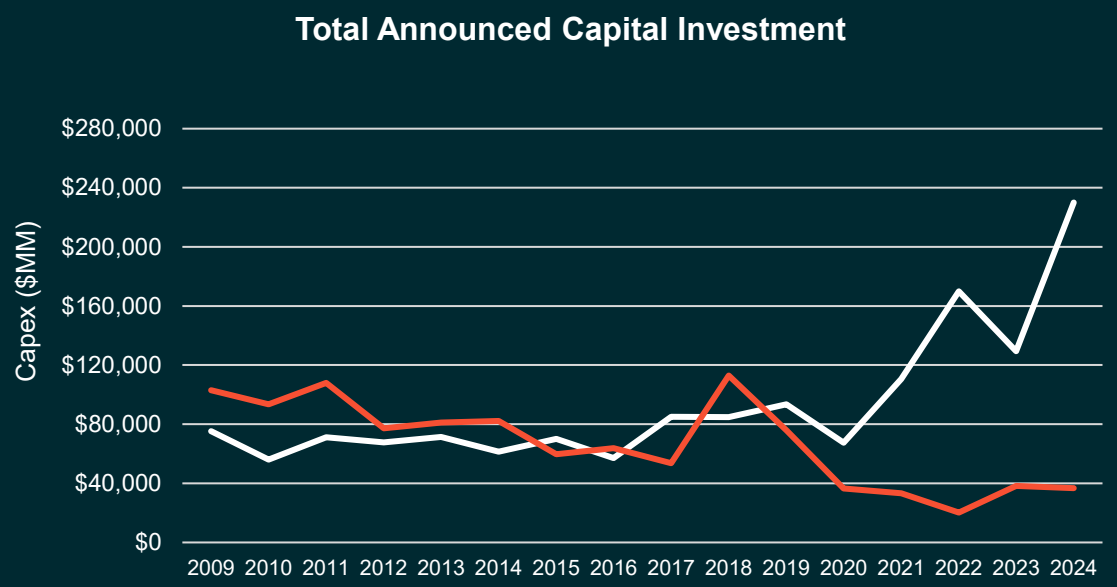


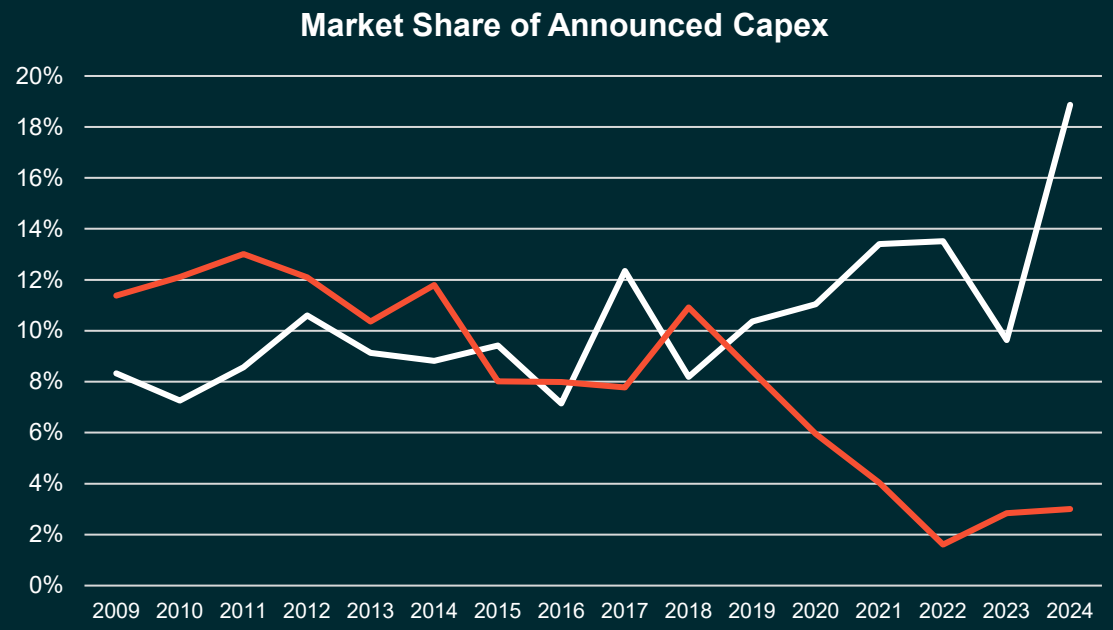


Source: FDI Markets

Global Cross-Border Trends

ANNOUNCED CAPEX

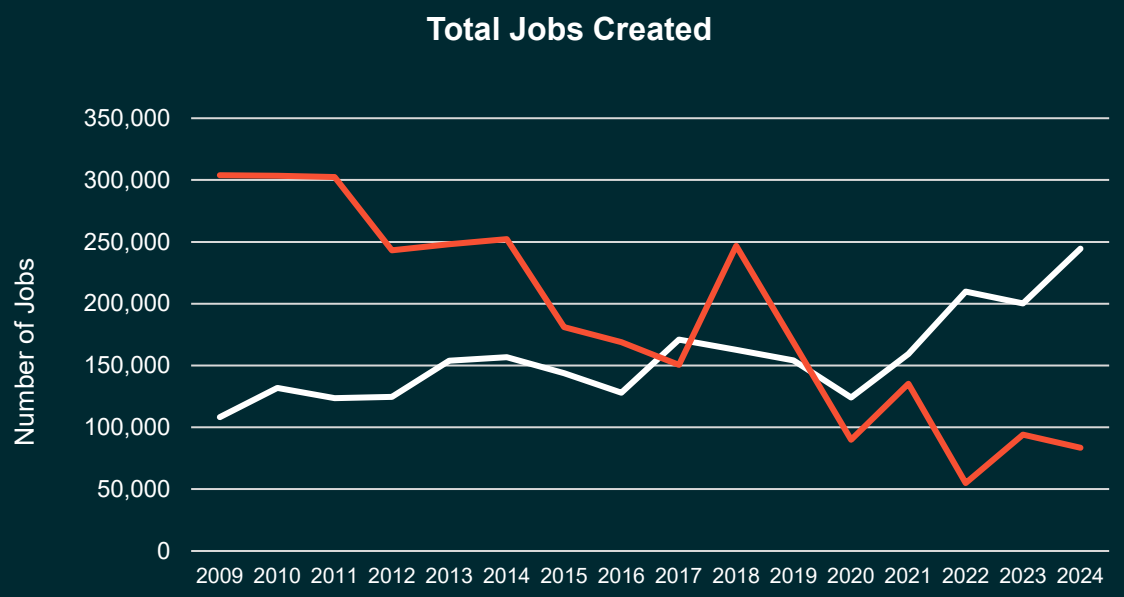


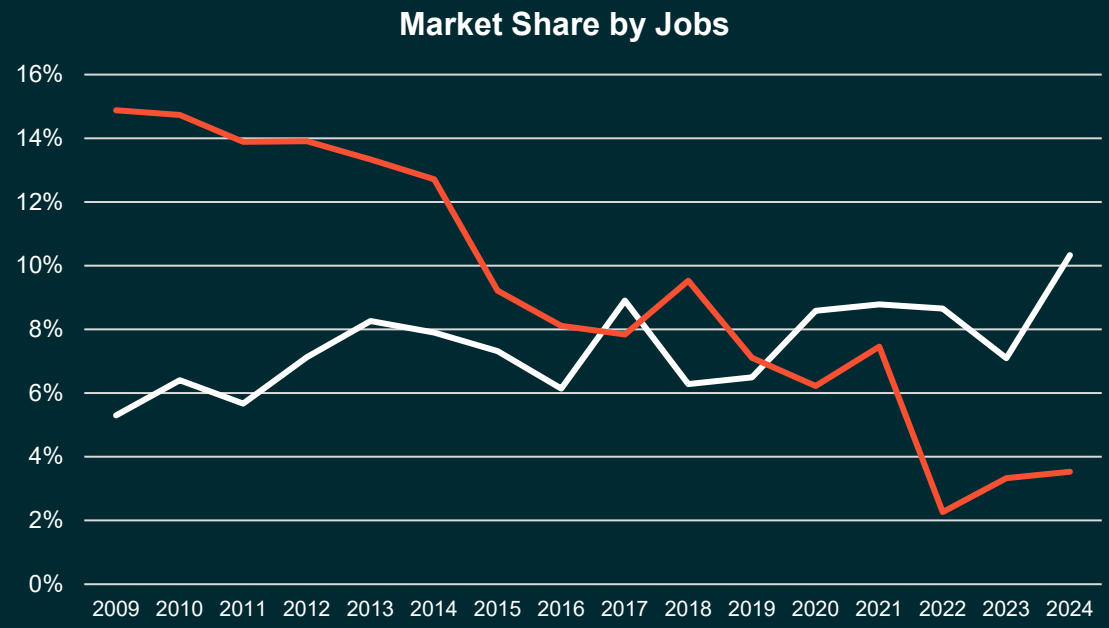


Source: FDI Markets

Global Cross-Border Trends

ANNOUNCED JOBS





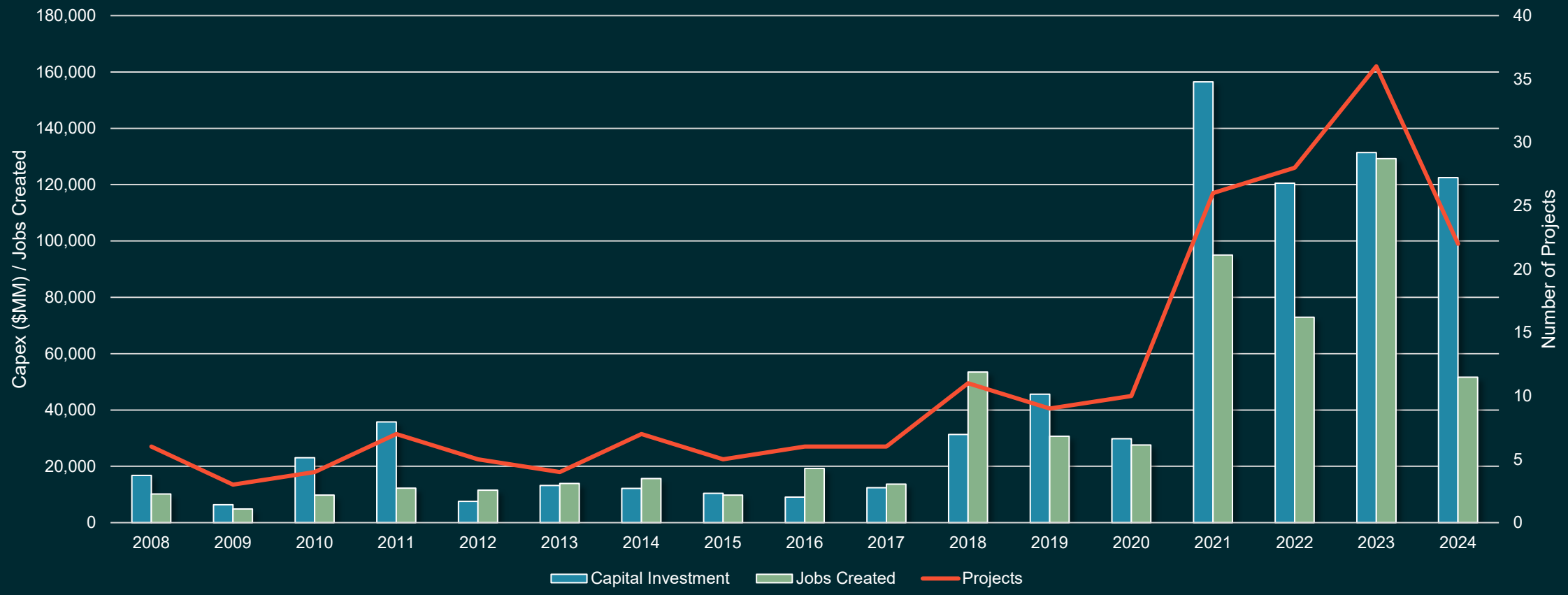
Source: FDI Markets

Project Activity

Continued Investment Strength

Mega-Project Trends

GLOBAL PROJECTS

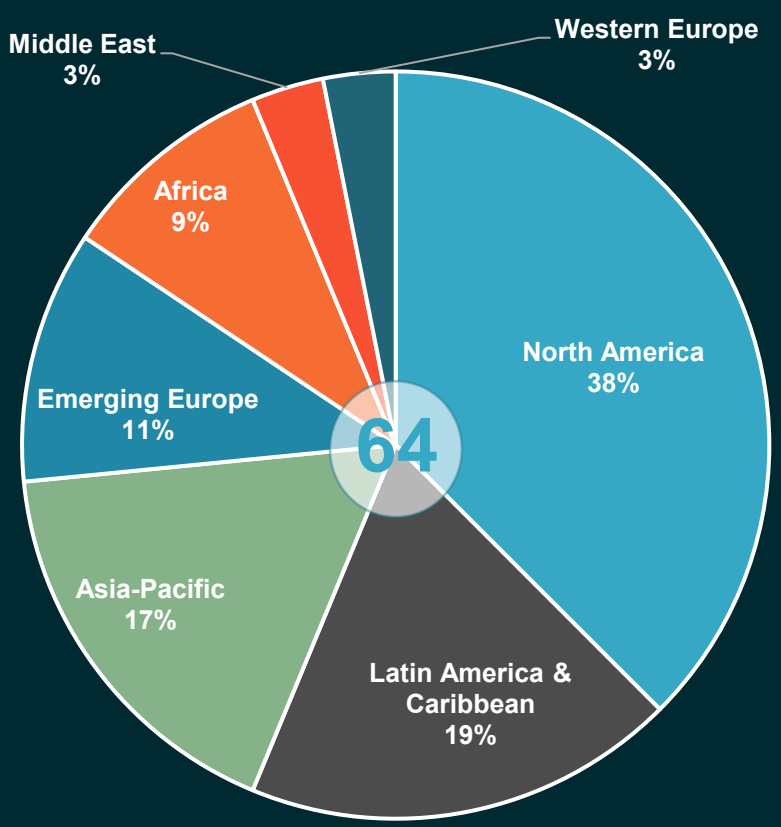


Greater than $1 billion capex and 1,000 jobs Source: FDI Markets

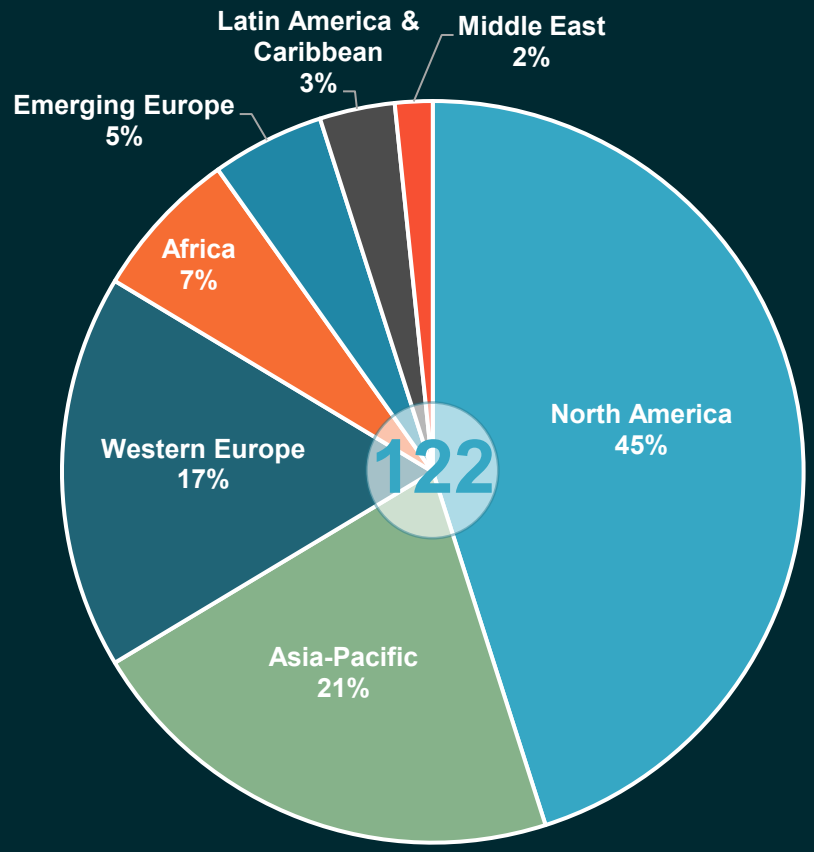
Shifting Geographic Focus

GLOBAL PROJECTS

Mega Projects 2010-2019

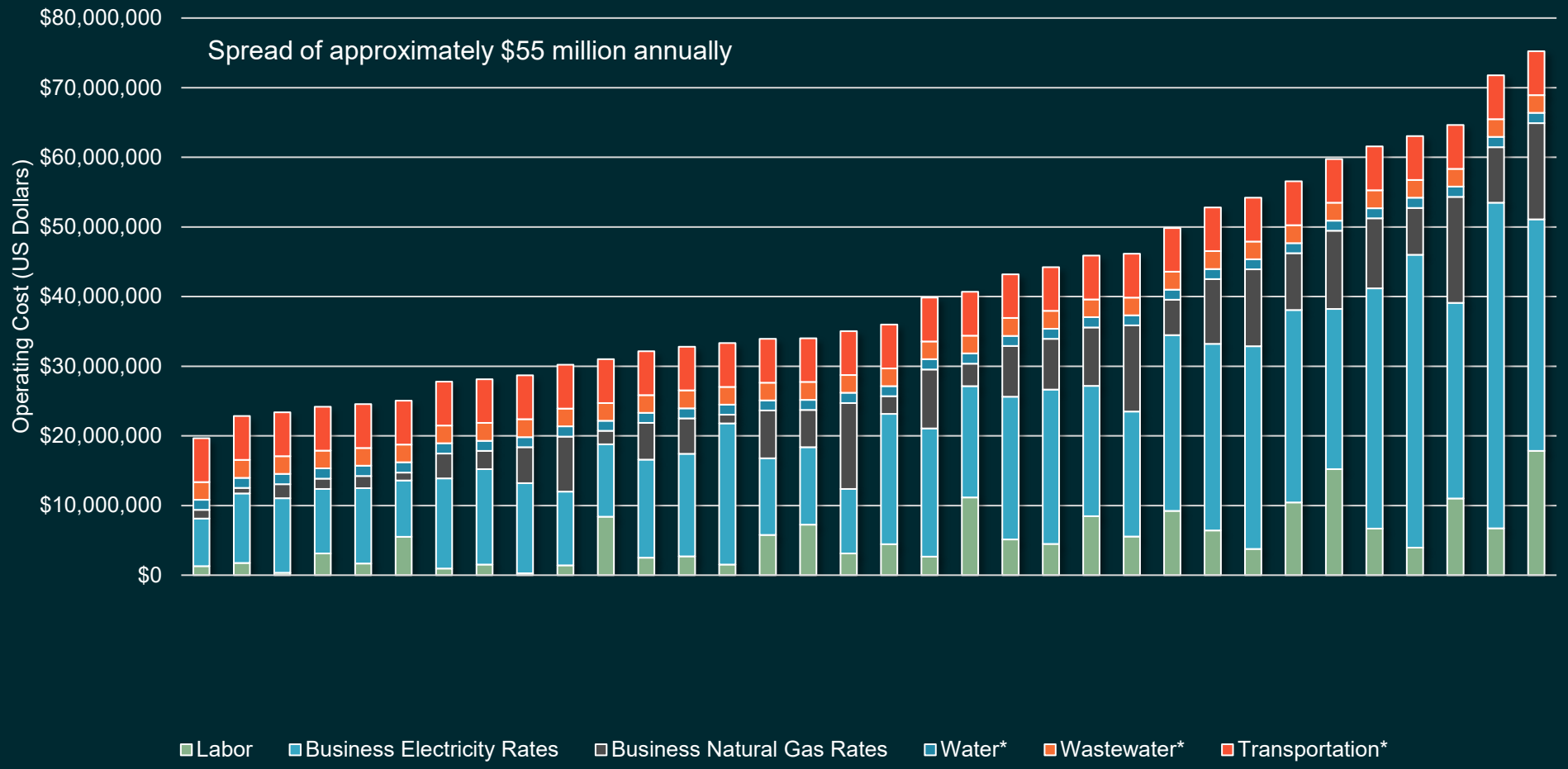


Mega Projects 2020- 2024



Greater than $1 billion capex and 1000 jobs Source: FDI Markets

Global Location Dependent Operating Costs



Manufacturing operation:

- 200 employees
- 15 MW electric demand
- 100 mcf/ hour natural gas
- 500,000 GPD water
- 500,000 GPD wastewater

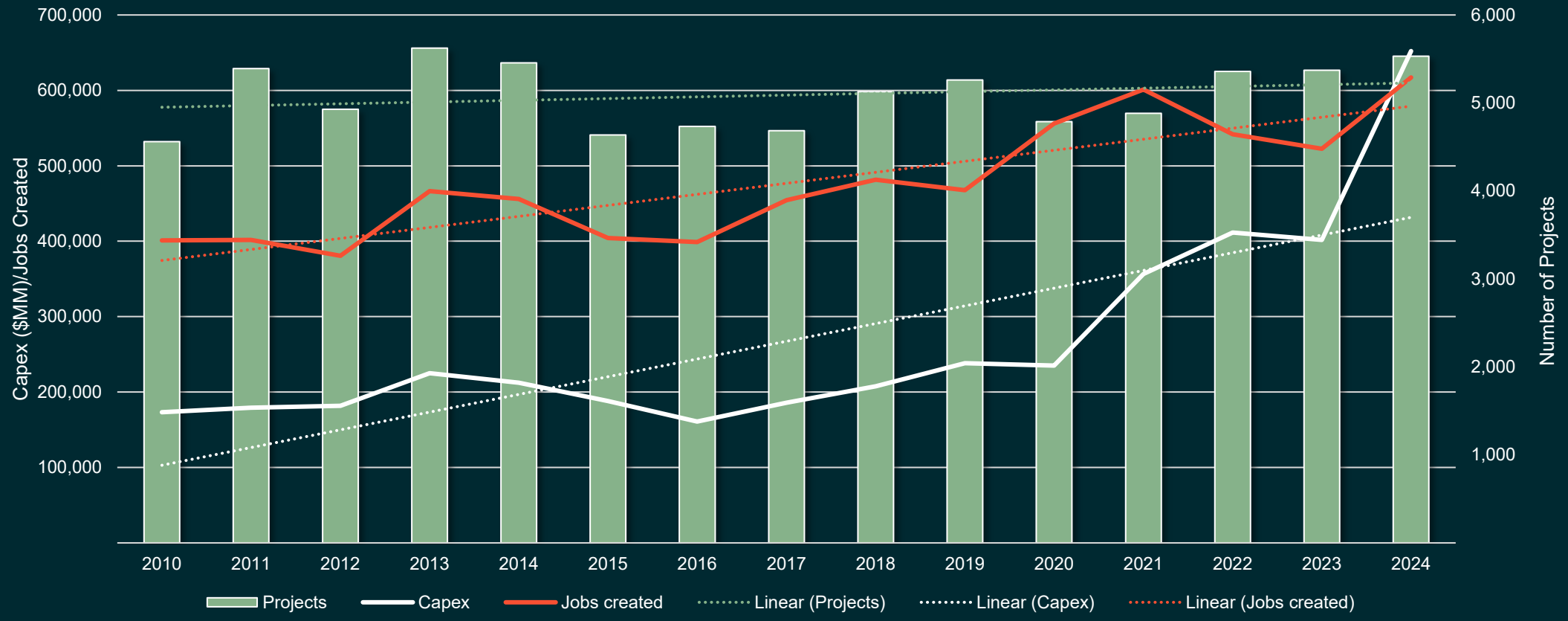
*Plug numbers based on average costs.

Source: GlobalPetrolPrices (electric and natural gas rates for business through June 2024), Take-profit.org (monthly wages)

*Plug numbers based on average costs.

U.S. Announced Projects

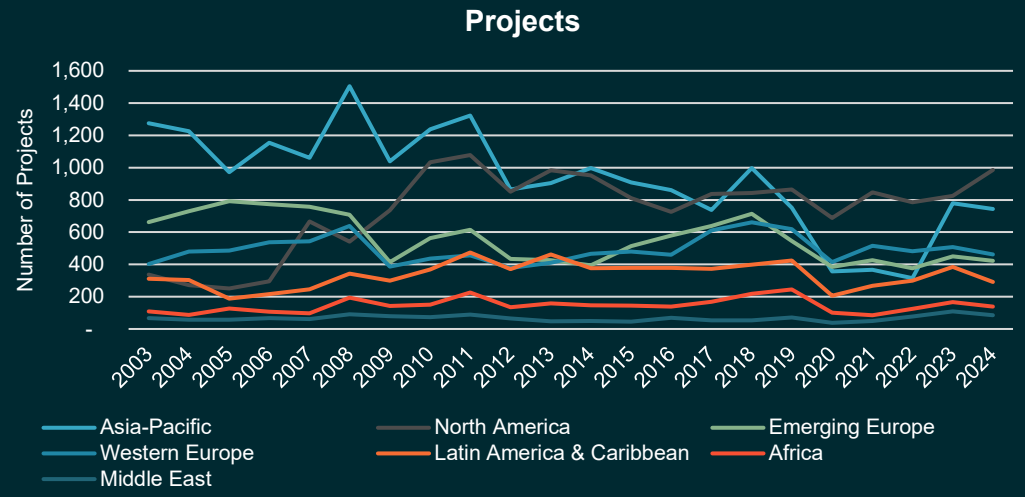
2010-2024

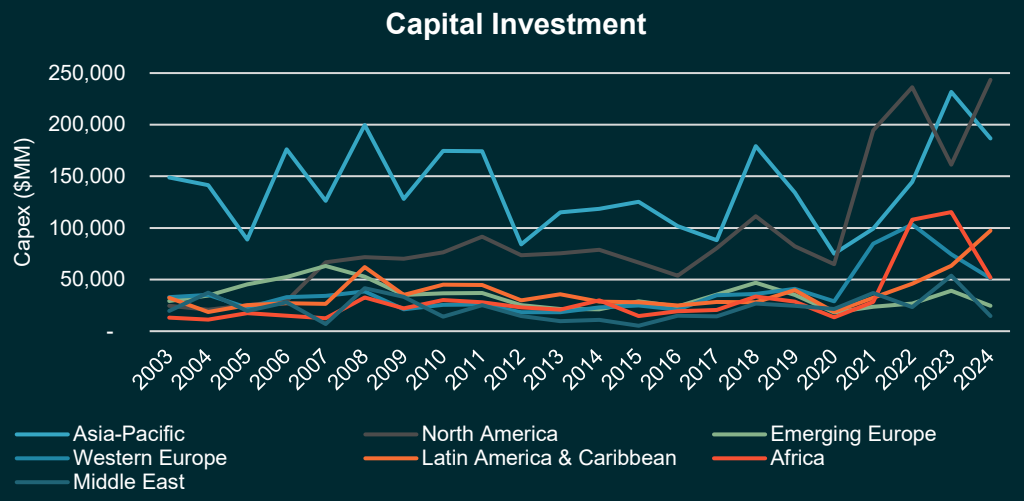


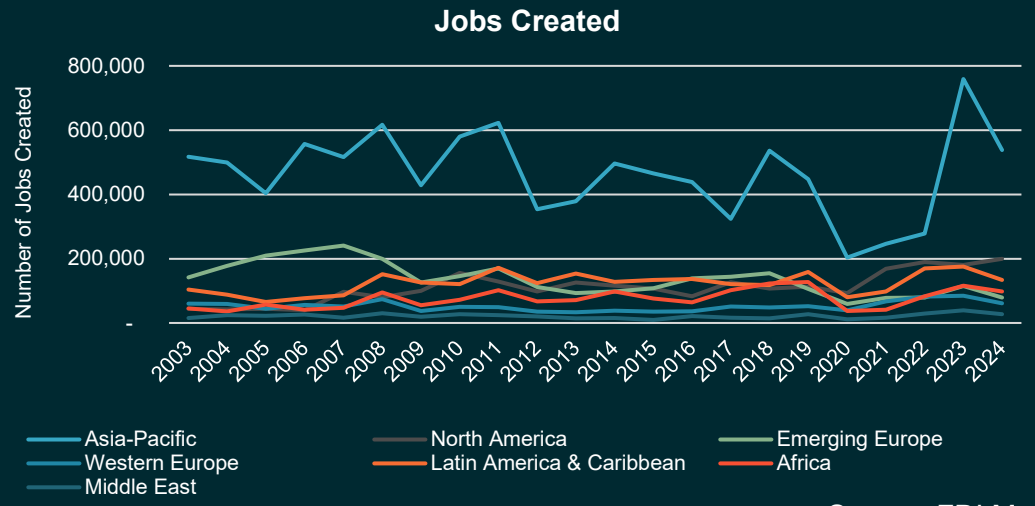
Source: FDI Markets

Projects by Destination Regions

MANUFACTURING



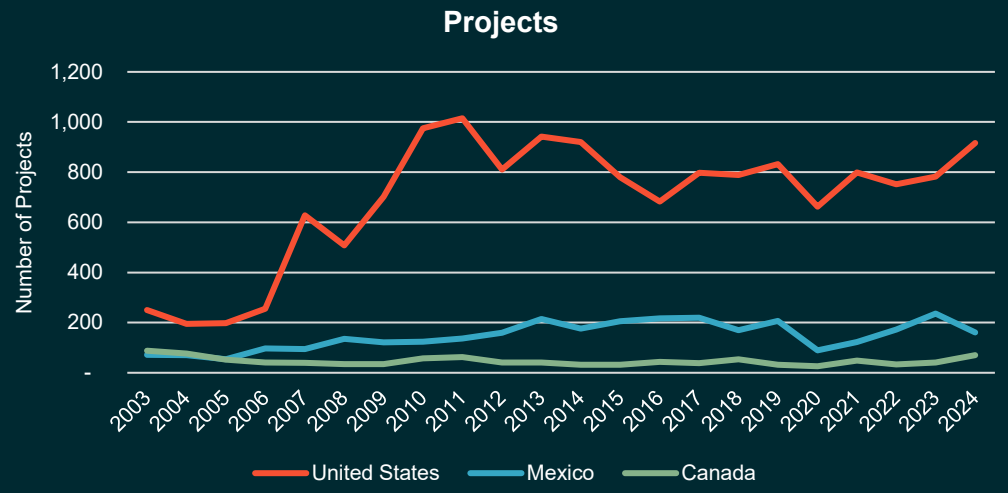


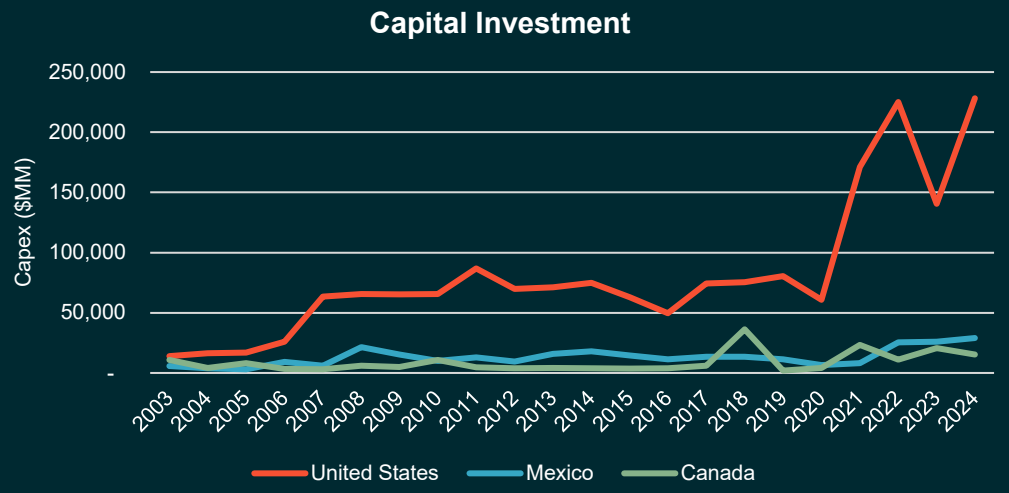


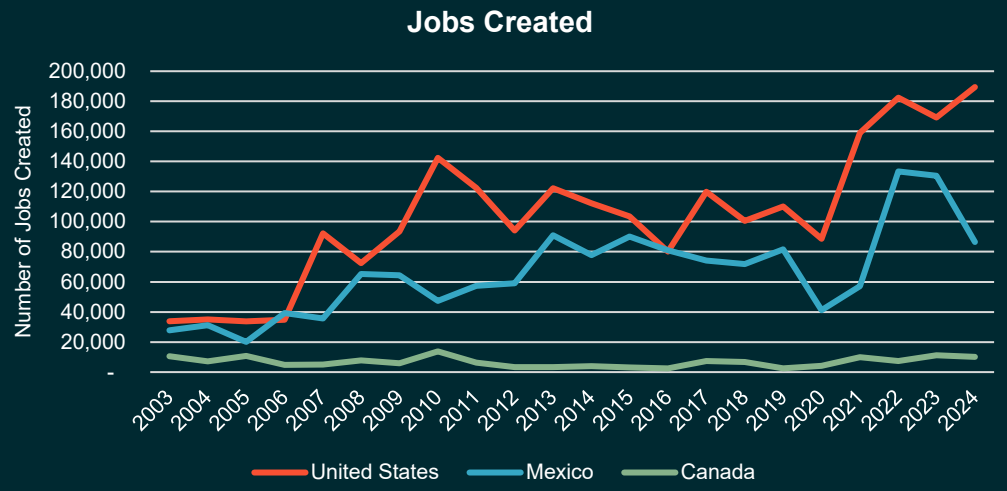
Source: FDI Markets, 2003-2024

Projects in North America

MANUFACTURING







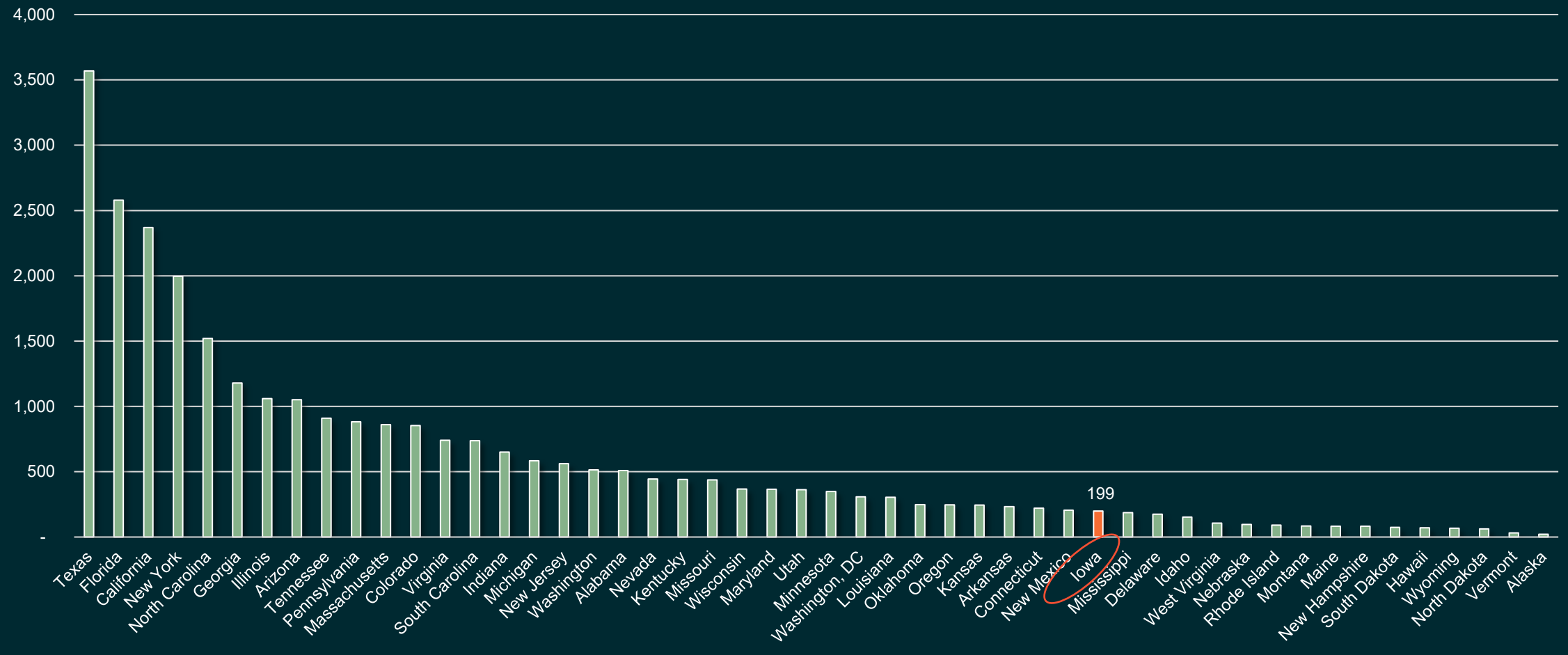
Source: FDI Markets, 2003-2024

Iowa's Announced Investment

ALL PROJECTS (JAN 2018-JULY 2024)

Iowa

- 31st in Population
- 36th in Number of Projects



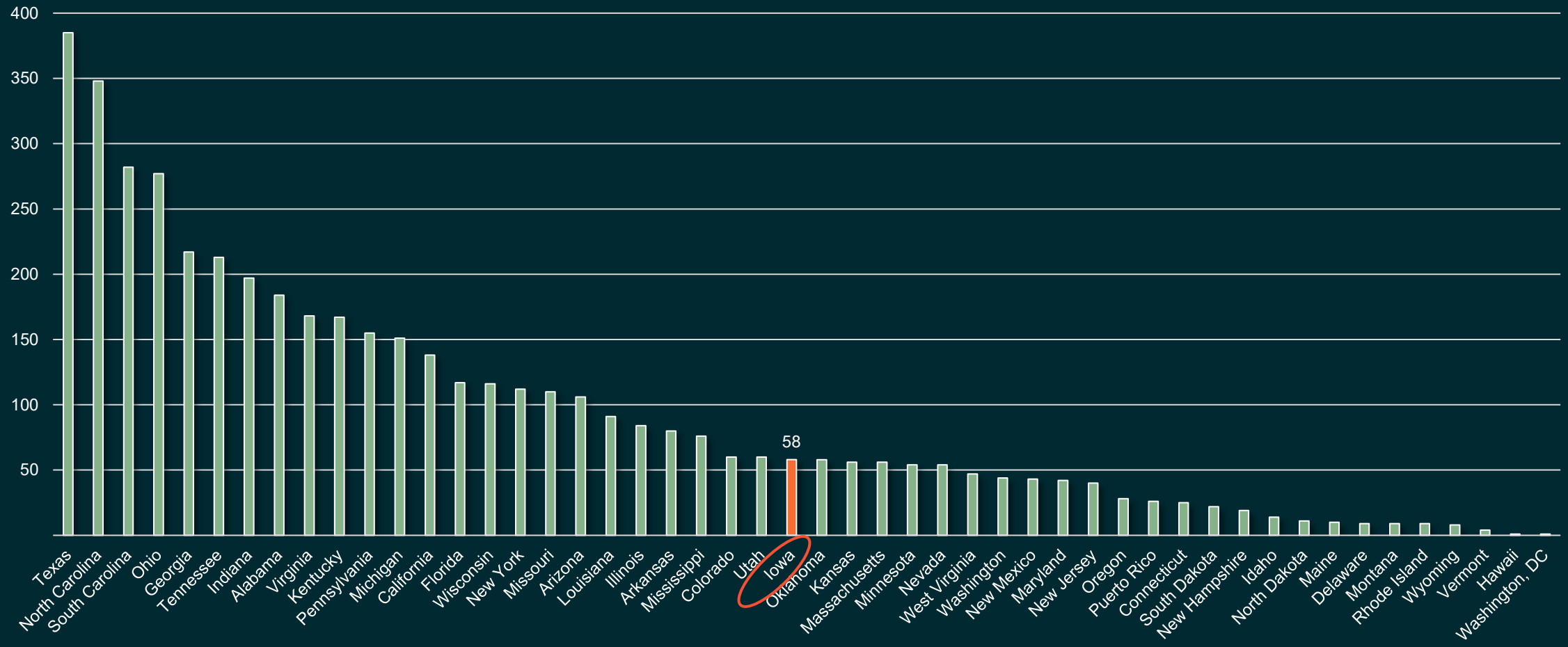
Source: FDI Markets

Iowa's Announced Investment

MANUFACTURING (JAN 2018- JULY 2024)

Iowa:

- 31st in Population
- 25th in Manufacturing Projects



Source: FDI Markets

Path to Success

What does this all mean

Challenges in Today’s Economic Development Climate

01

SITES

Dwindling inventory

High activity levels

Long lead time

02

ENERGY

Strained infrastructure capacity

Transformer delays

High demand for renewables

03

LABOR

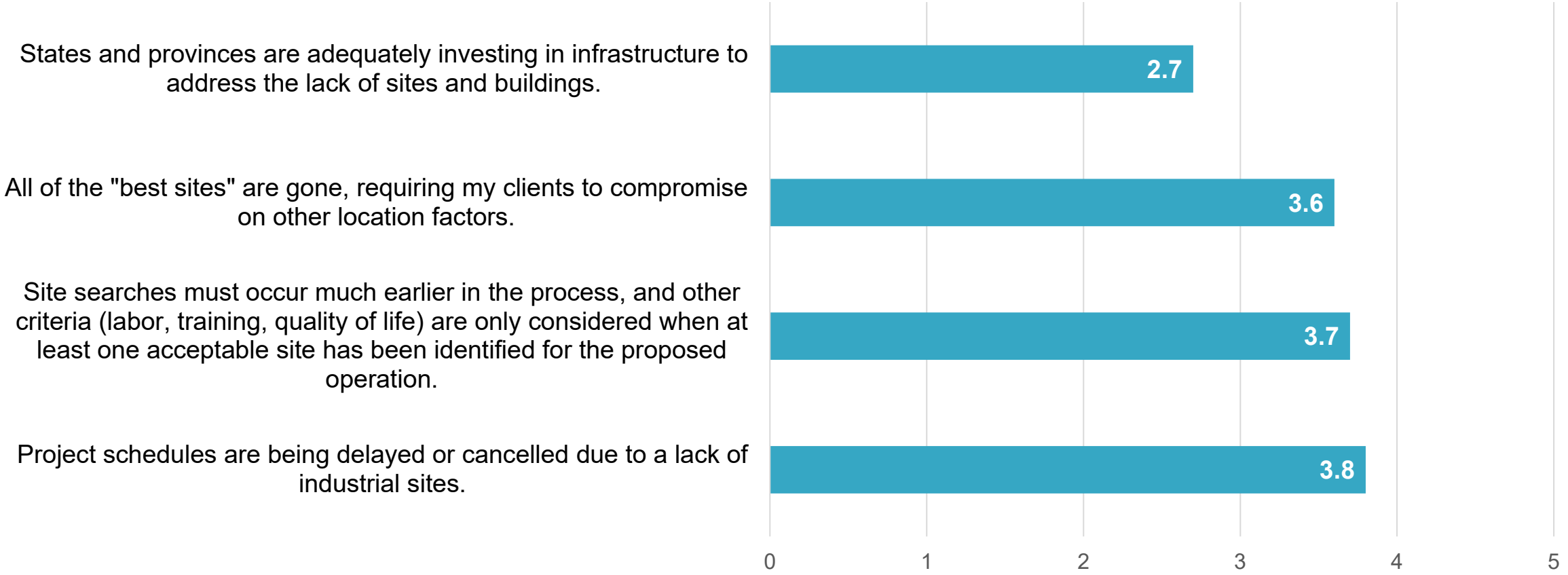
Low unemployment

Low participation

Aging workforce

Industrial Projects: Agreement with Select Statements on Real Estate, Buildings, and Sites

(1=NO IMPACT, 5=SIGNIFICANT IMPACT)



Source: State of Site Selection Report, Site Selectors Guild, September 2024

Challenges in Today’s Economic Development Climate

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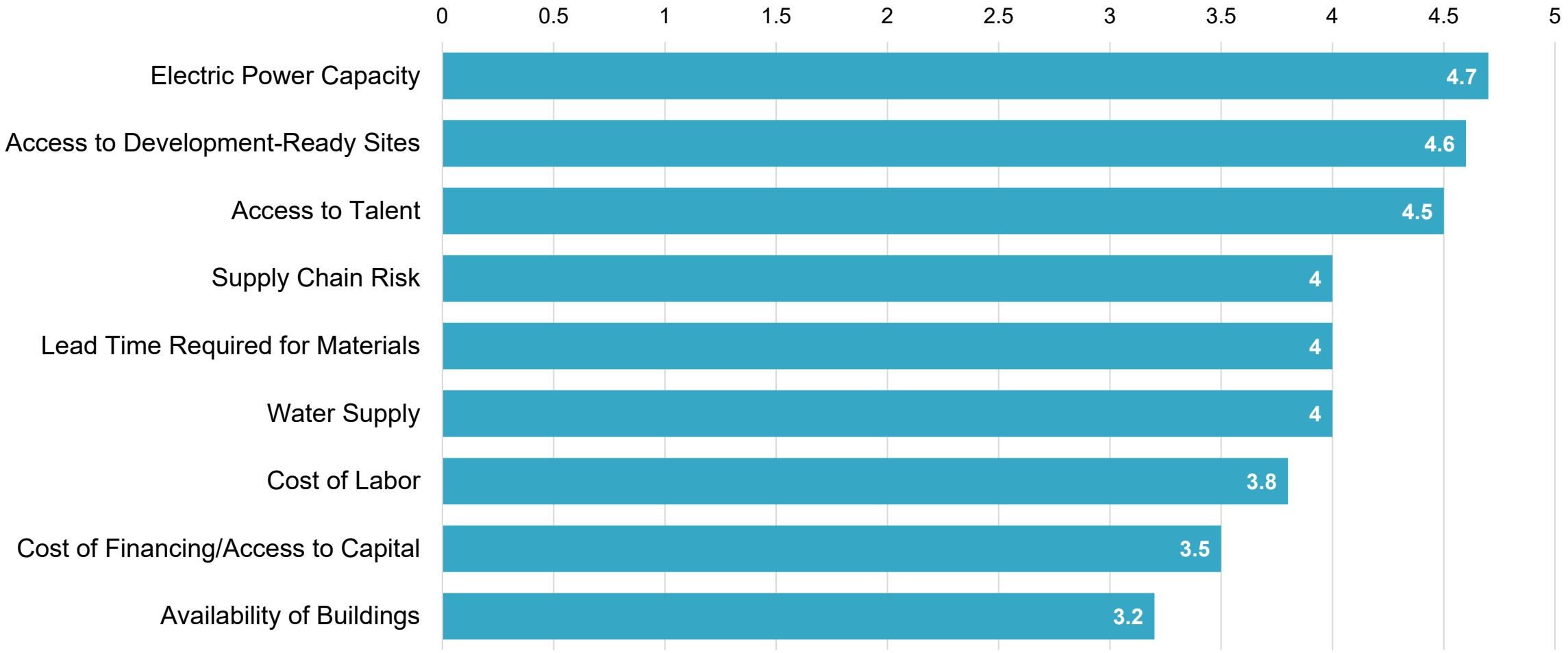
98%

of Guild members believe access to sufficient electric capacity will significantly impact the future of industrial projects.

Site Selectors Guild 2024 The State of Site Selection

Factors Most Impacting Industrial Projects

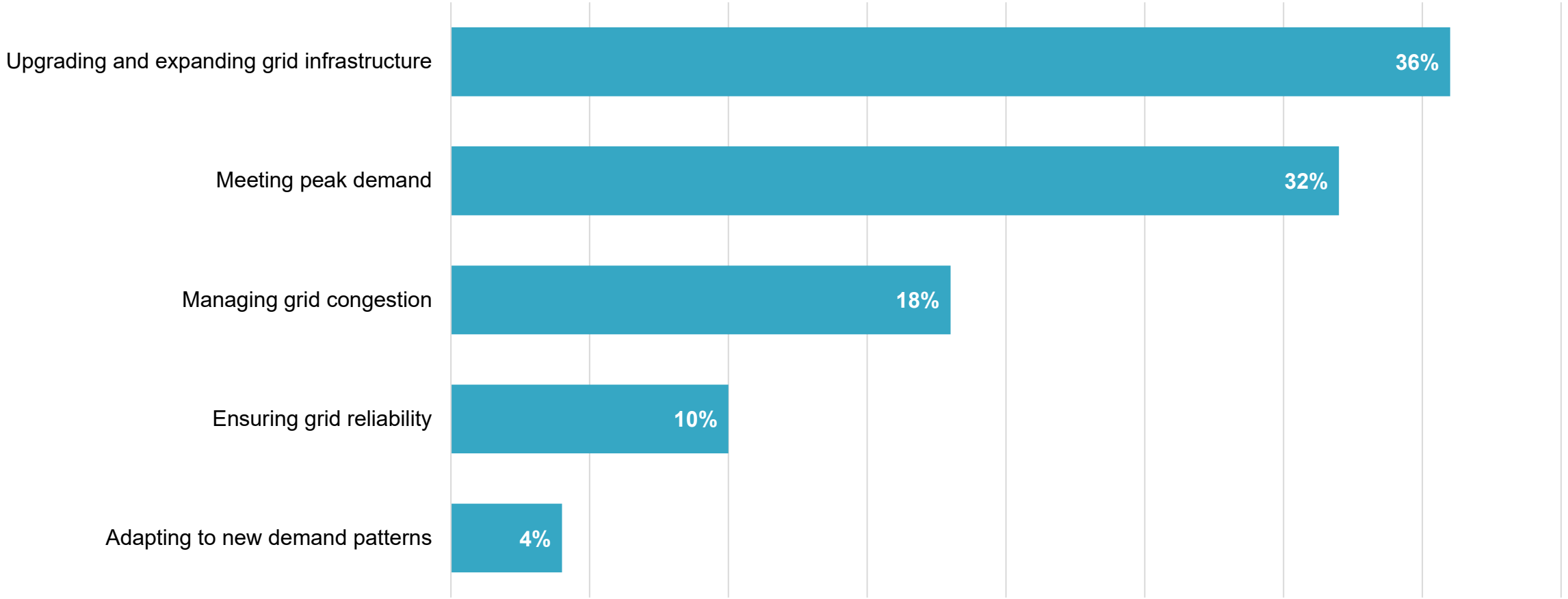
(1=NO IMPACT, 5=SIGNIFICANT IMPACT)



Site Selectors Guild 2024 The State of Site Selection

Significant Challenge for Utilities

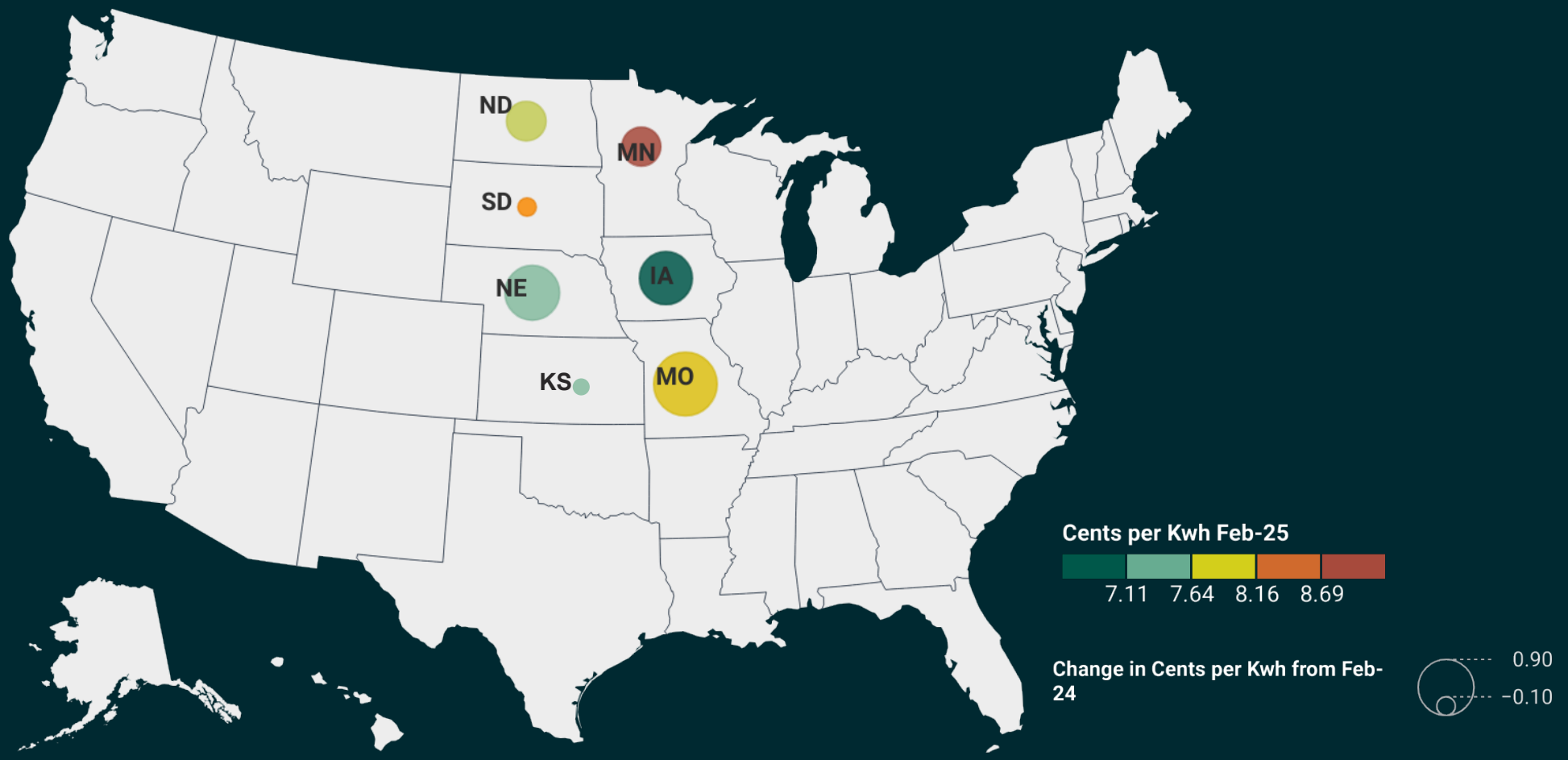
Power and utilities respondents see upgrading and expanding grid infrastructure as their biggest challenge related to rising electricity demand



Source: Deloitte 2023 Power and Utilities Industry Survey

Electric Rates Across the West North Central Region

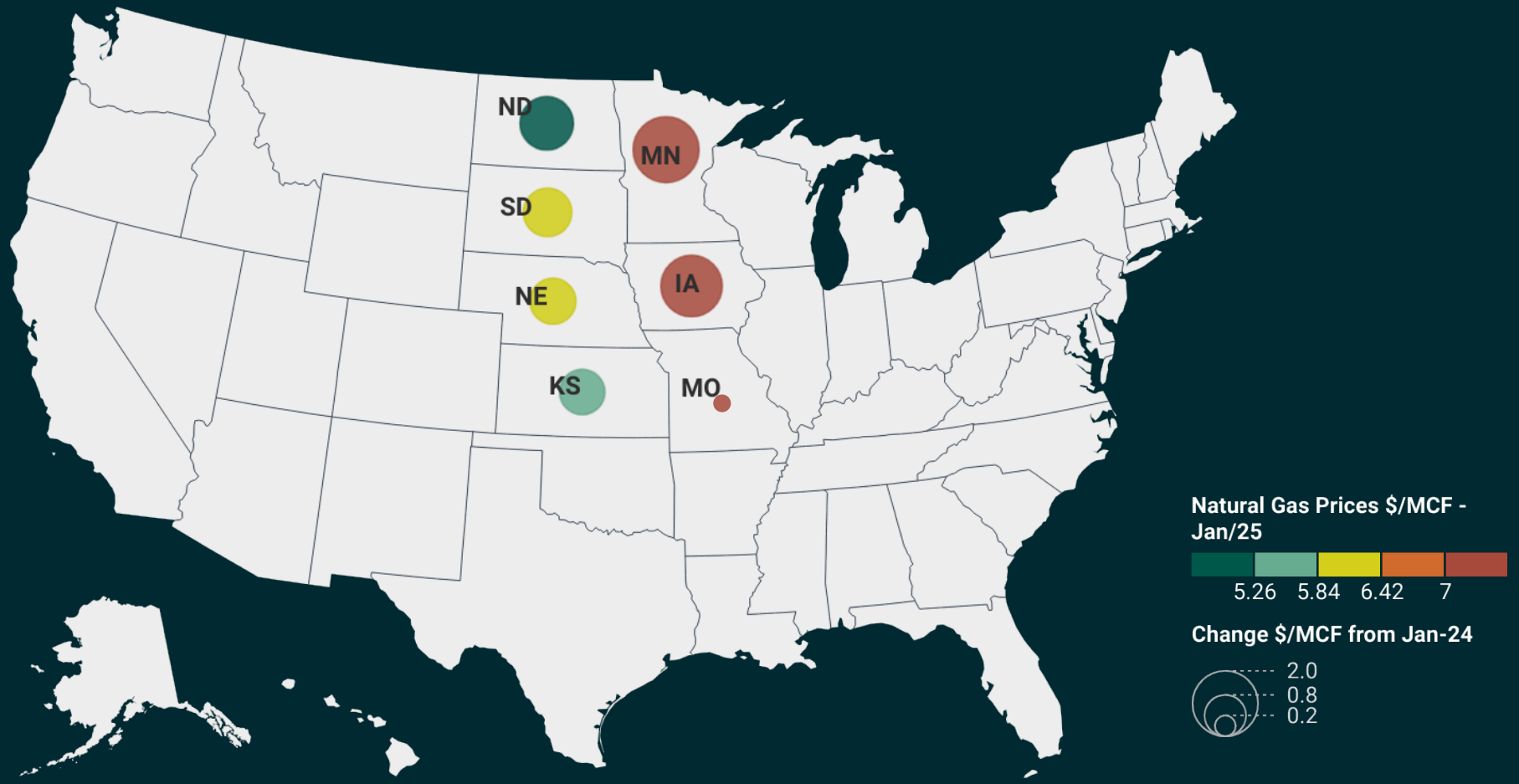
TRACKING RATE SHIFTS: FEBRUARY 2025 vs. 2024



Source: US EIA

Natural Gas Across the West North Central Region

INDUSTRIAL NATURAL GAS PRICES SHIFTS: JANUARY 2025 vs. 2024



Source: US EIA

*__Note:__ Natural gas industrial prices for Kansas in January 2025 were unavailable. The map reflects Kansas data from Nov-2024 vs. Nov-23.

Challenges in Today’s Economic Development Climate

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Aging workforce

1. INCREASED DEATH RATES

Elevated post Covid-19

2. AGING BABY BOOMERS

Entering years of increased retirement and mortality

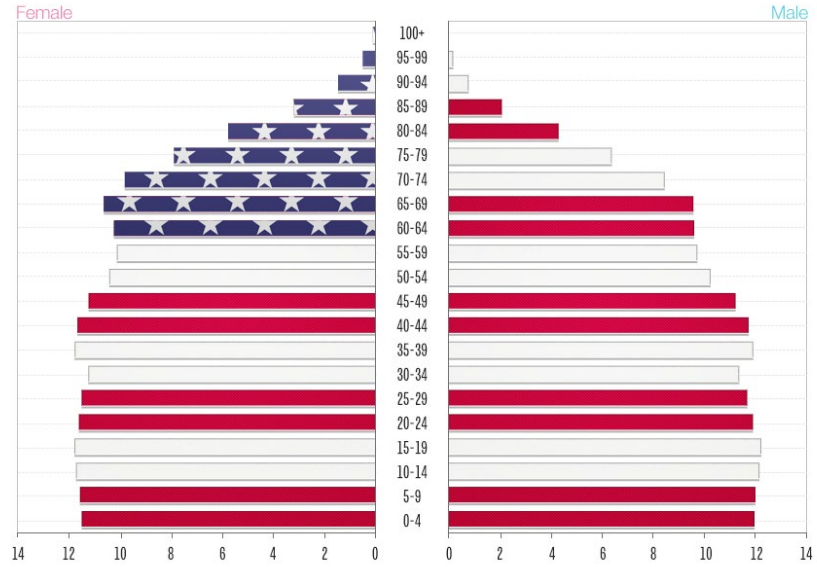
3. LOWER BIRTHRATES

Birthrates below 2.1 replacement rate

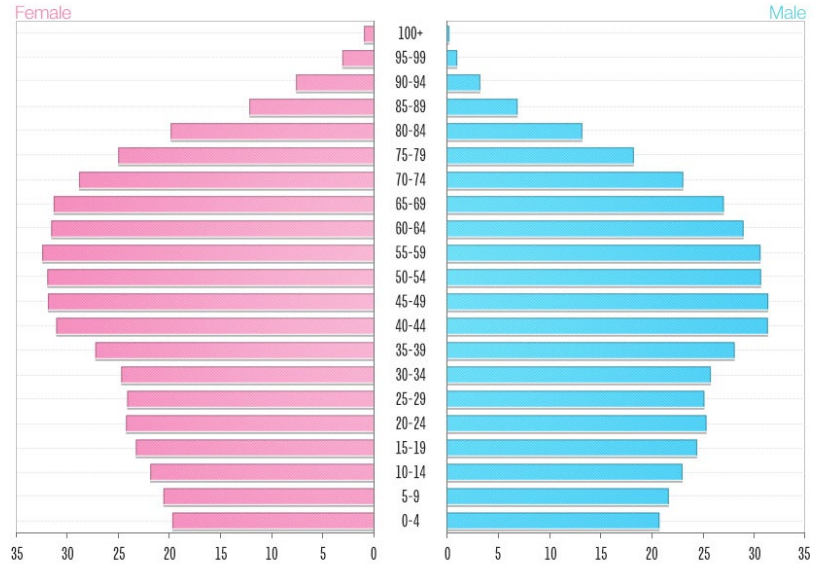
4. INTERNATIONAL IMMIGRATION

Lower than historic norms

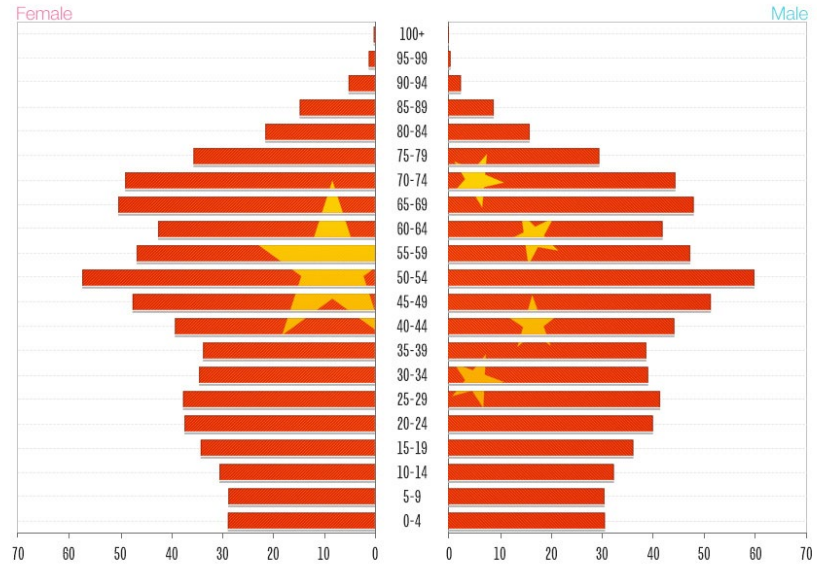
UNITED STATES DEMOGRAPHY: 2030



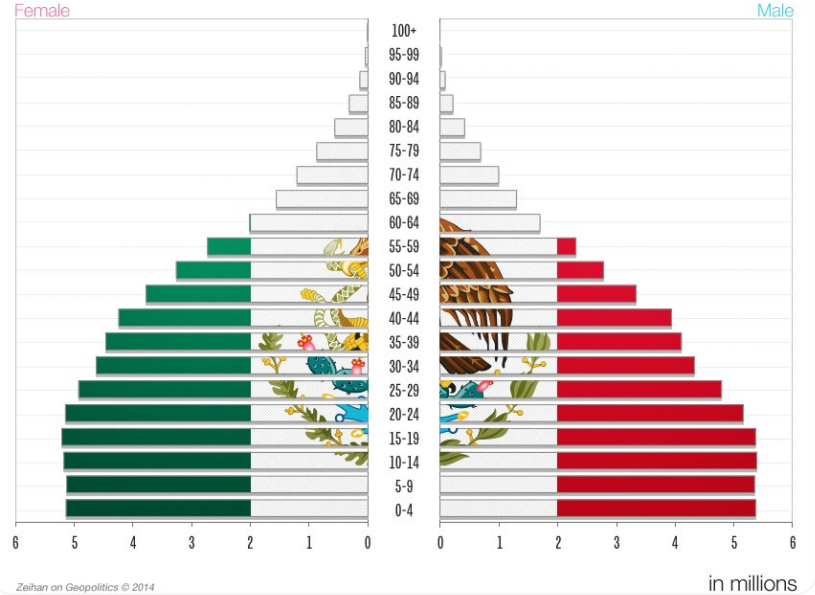
DEVELOPED WORLD DEMOGRAPHY WITHOUT U.S.: 2030



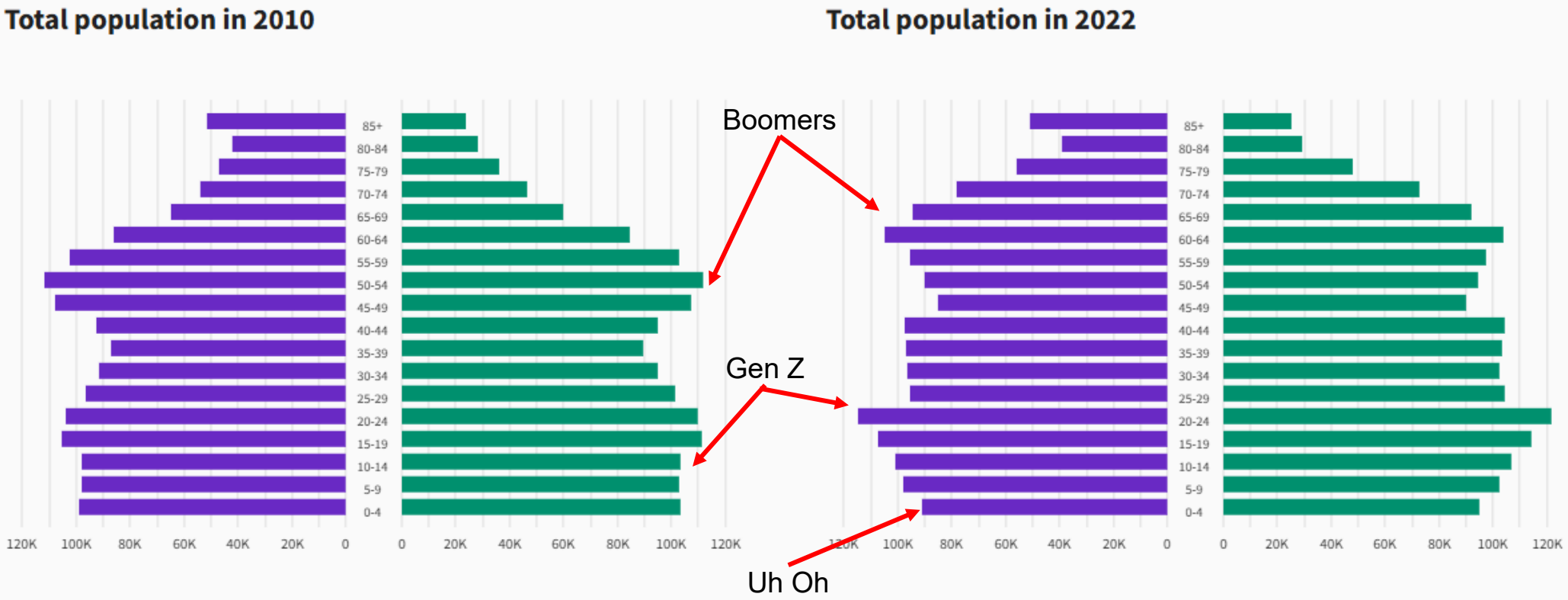
CHINA DEMOGRAPHY: 2040



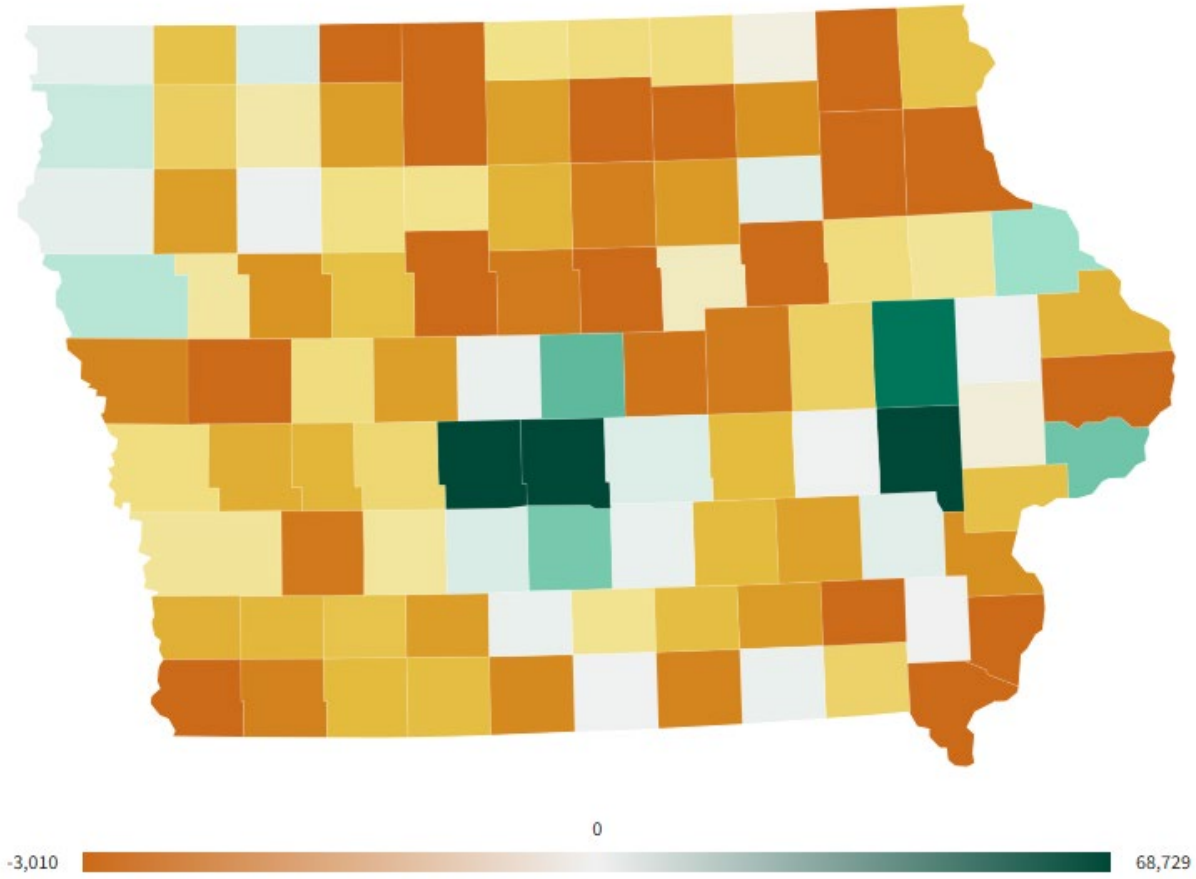
MEXICO DEMOGRAPHY: 2015



Iowa


Total population in 2010
Total population in 2022
Boomers
Gen Z
Uh Oh
85+
80-84
75-79
70-74
65-69
60-64
55-59
50-54
45-49
40-44
35-39
30-34
25-29
20-24
15-19
10-14
5-9
0-4
120K
100K
80K
60K
40K
20K
0
0
20K
40K
60K
80K
100K
120K

Iowa

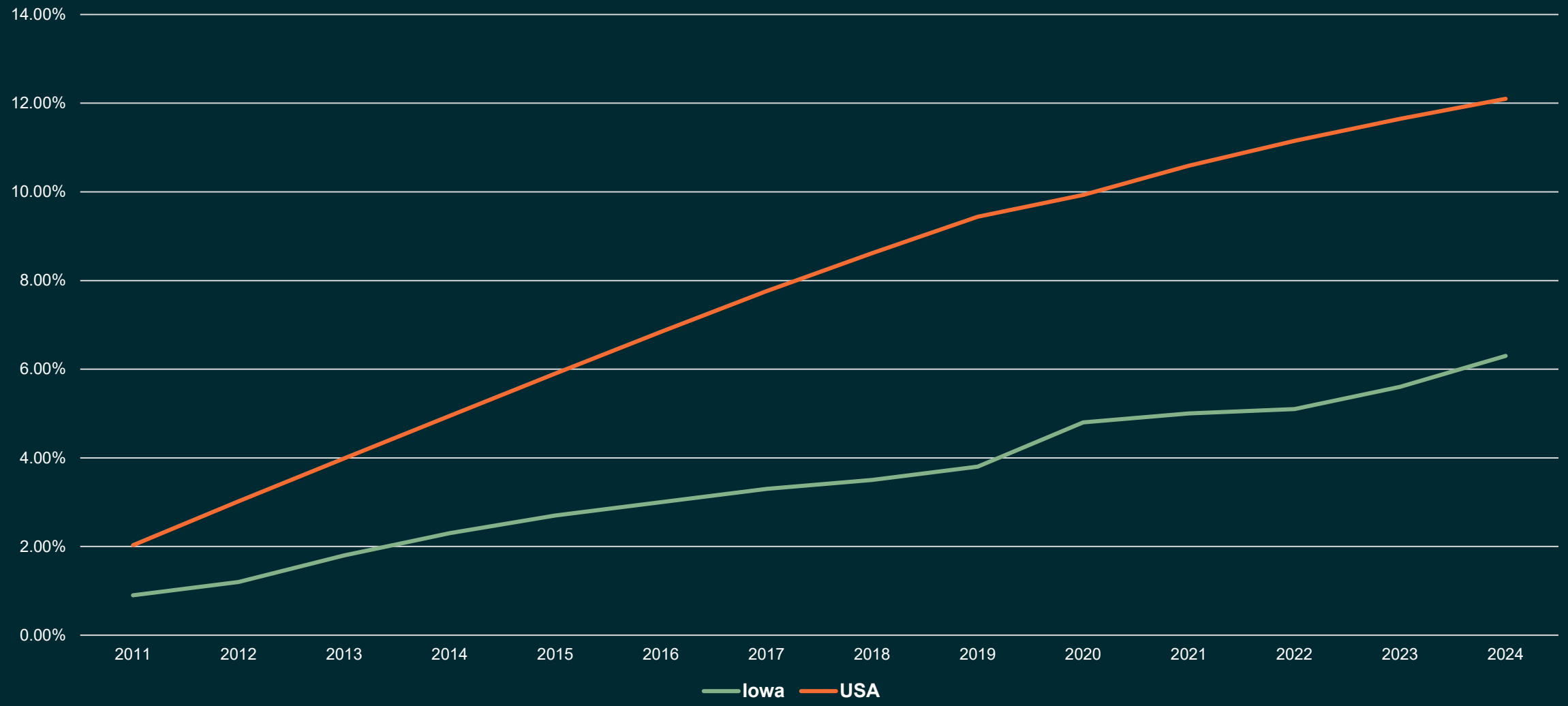


Demographics

How Do Iowa's MSAs Stack Up?

Category	Iowa MSAs	Iowa	USA
Population Annual Average Growth	0.8%	0.4%	0.6%
Median Age	36.9	38.6	38.7
Labor Force Participation Rate (civilian population 16 years and over)	68.5%	66.5%	63.3%
Prime-Age Labor Force Participation Rate (civilian population 25-54)	87.6%	87.3%	83.0%
Unemployment Rate	3.8%	3.6%	5.2%
Aging Population (Over 65 Years)	15.6%	17.8%	16.8%

Iowa Population Cumulative Growth



Source: World Population Review

Path to Success

Know who to target

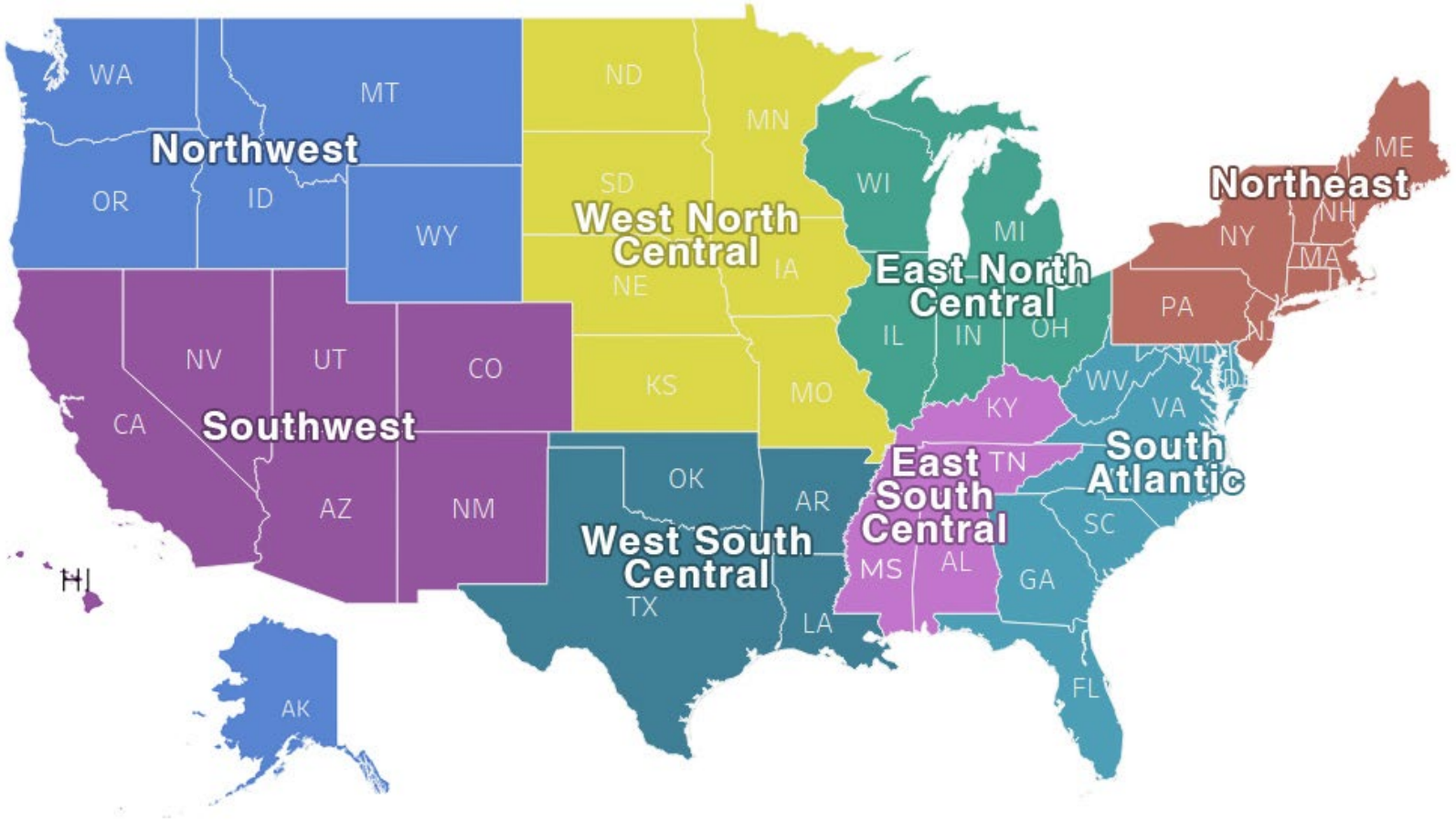
GLS Insights

LOCATION BENCHMARKING REPORTS

How does Iowa stack up in:

- Food Manufacturing
- Primary Metal Manufacturing

GLSInsights.com



To produce our GLS Insights rankings, we combine data from more than a dozen public and private data providers to analyze over 100 criteria in categories including demographics, workforce, logistics infrastructure, industry ecosystem, education, attraction and quality of life, regulatory environment, and operating costs.

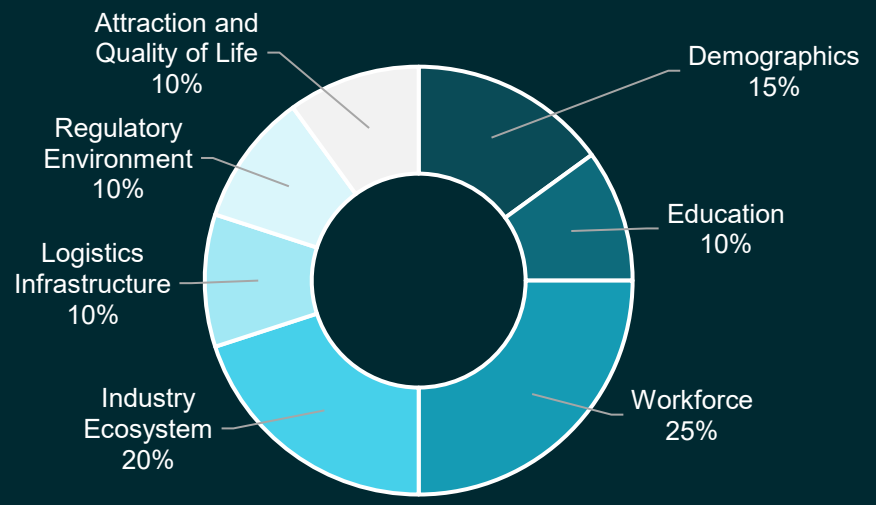
Food Manufacturing

GLS Insights

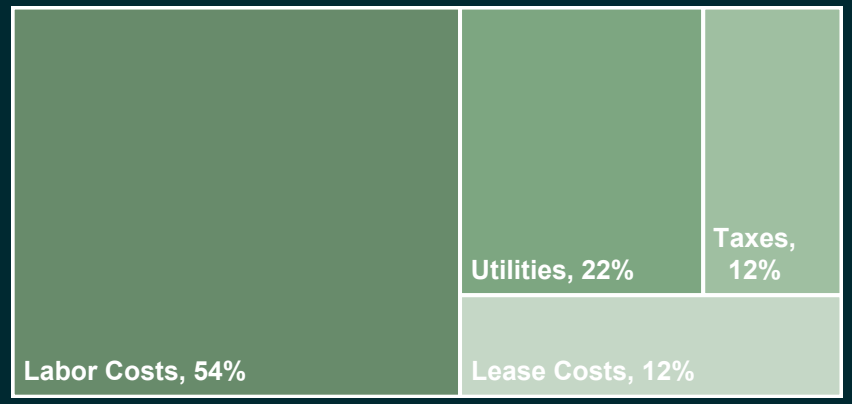
Food Manufacturing Project Profile

REAL ESTATE	**250K SF** Building	**30** Acres
INITIAL INVESTMENT + EMPLOYMENT	**$100MM** Capital Investment	**150** Employees
FINANCIALS	**$250MM** Revenue	**7% Earnings** Before Taxes
UTILITY DEMANDS	**5 MW** Electric Load Factor 0.70	**25 MCFPH** Natural Gas
	200K GPD Water	**150K GPD** Wastewater

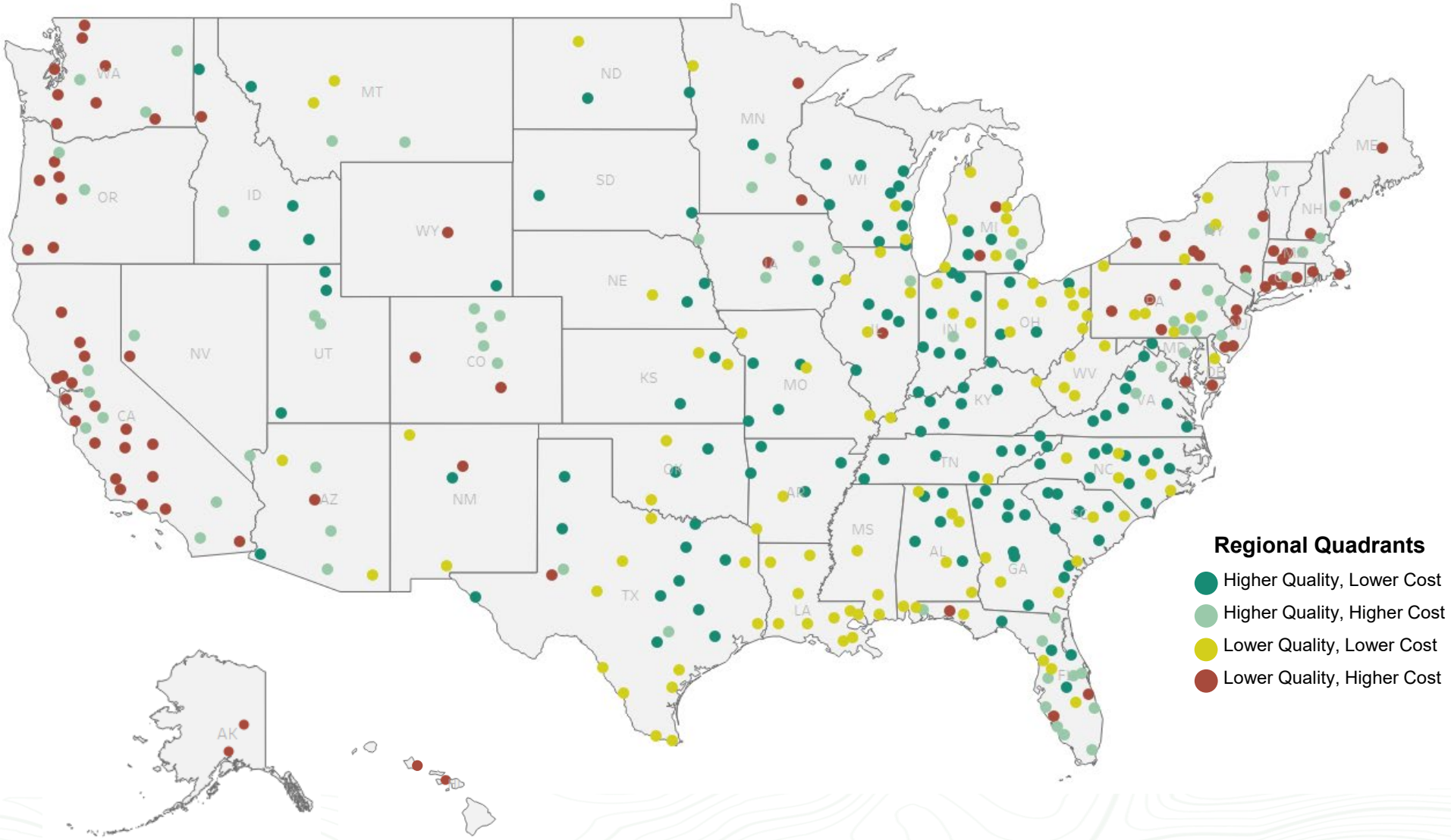
Primary Categories and Weights



Location-Dependent Operating Cost Distribution



Composite Model National Quadrant Map



West North Central Region

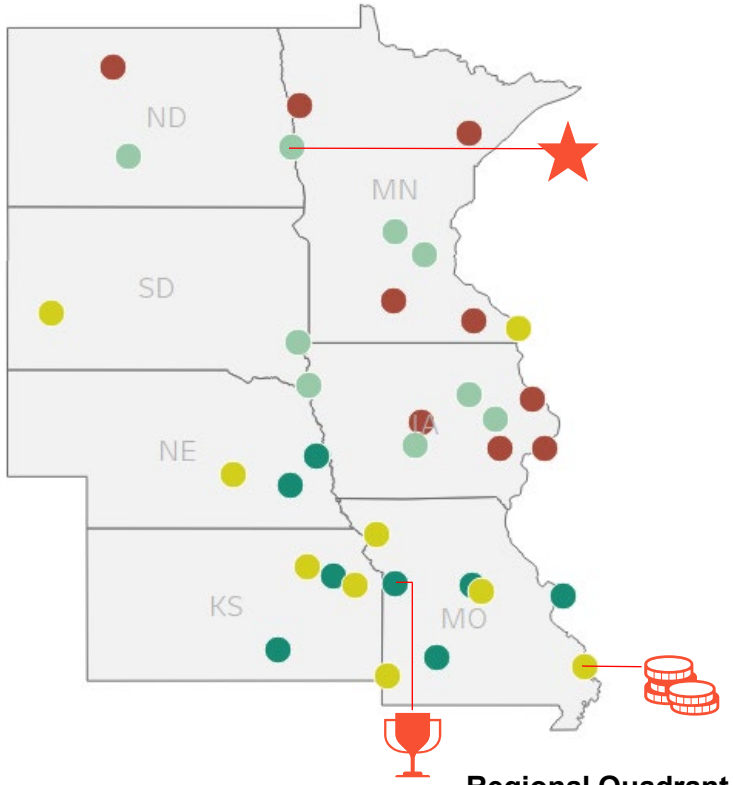
BEST PLACES FOR FOOD MANUFACTURING

TOP PERFORMING
Kansas City, MO-KS

HIGHEST QUALITY
Fargo, ND-MN

LOWEST COST
Cape Girardeau, MO-IL

2025 Regional Ranking	Metro	Metro Size	2025 Score	Regional Quality Ranking	Regional Cost Ranking	2025 National Ranking
1	Kansas City, MO-KS	Large	87.73	3	12	6
2	Fargo, ND-MN	Small	84.47	1	20	15
3	Sioux Falls, SD-MN*	Medium	84.10	2	19	18
4	Omaha, NE-IA*	Medium	83.90	5	13	19
T5	Springfield, MO	Medium	82.97	9	6	T25
T5	Wichita, KS	Medium	82.97	6	10	T25
8	Des Moines-West Des Moines, IA	Medium	74.90	4	30	T64
12	Sioux City, IA-NE-SD	Small	68.53	8	27	100
16	Waterloo-Cedar Falls, IA	Small	60.67	14	26	141
21	Cedar Rapids, IA	Medium	53.77	15	34	176
24	Dubuque, IA	Small	48.97	18	31	195
27	Iowa City, IA	Small	46.83	23	25	206
29	Davenport-Moline-Rock Island, IA-IL	Medium	43.97	26	22	220
31	Ames, IA	Small	38.03	25	32	255



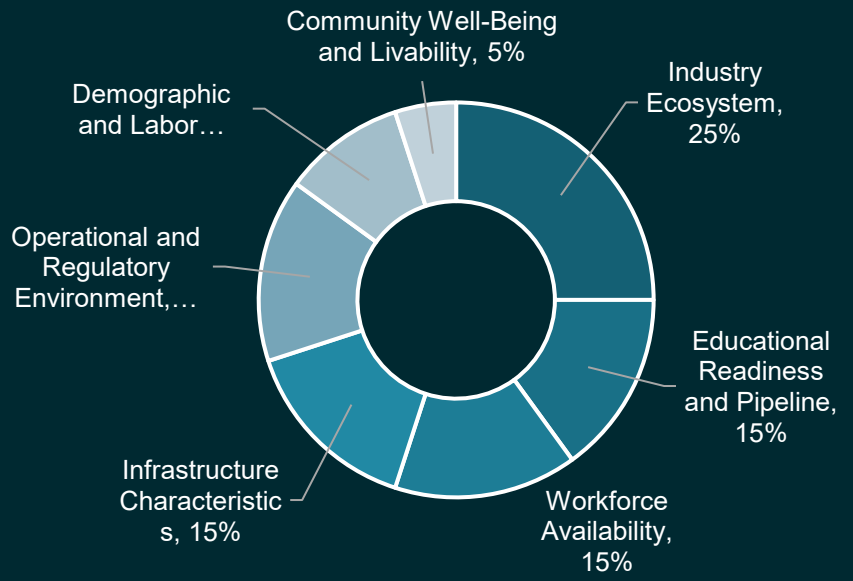
Primary Metals

GLS Insights

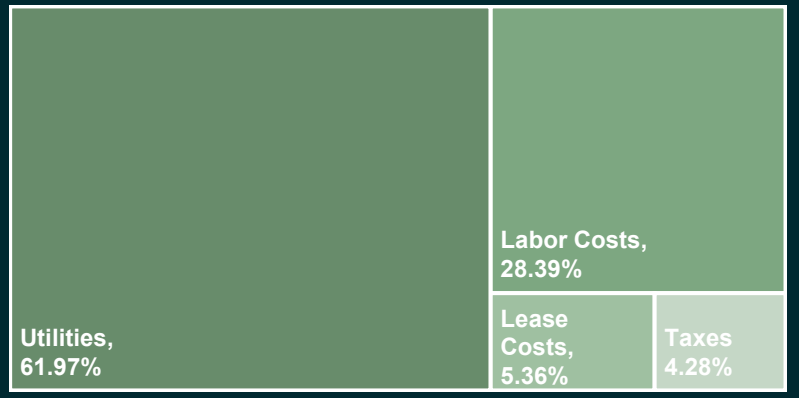
Primary Metal Manufacturing Project Profile

REAL ESTATE	**350K SF** Building; **500** Acres
INITIAL INVESTMENT + EMPLOYMENT	**$300MM** Capital Investment; **200** Employees
FINANCIALS	**$200MM** Revenue; **10% Earnings** Before Taxes
UTILITY DEMANDS	**45 MW** Electric Load Factor 0.90; **50 MCFh** Natural Gas; **250K GPD** Water; **200K GPD** Wastewater

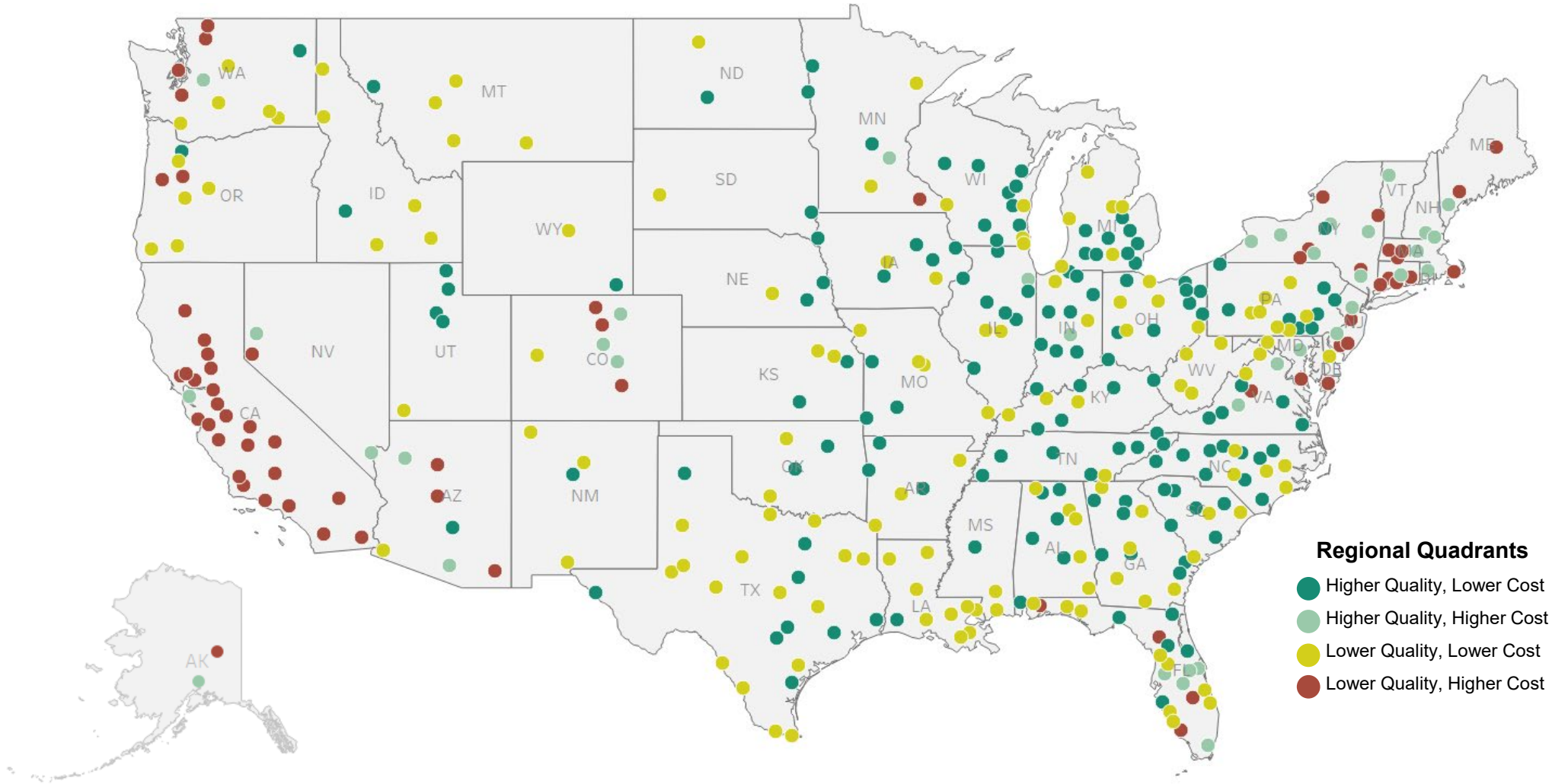
Primary Categories and Weights



Location-Dependent Operating Cost Distribution



Composite Model National Quadrant Map



West North Central Region

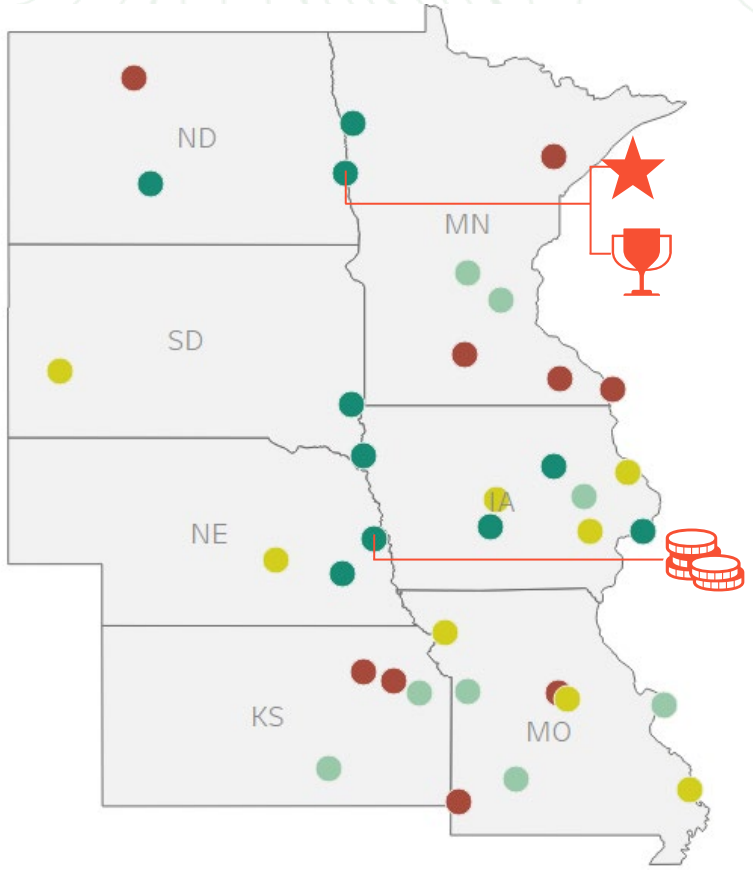
BEST PLACES FOR PRIMARY METAL MANUFACTURING

TOP PERFORMING
Fargo, ND-MN

HIGHEST QUALITY
Fargo, ND-MN

LOWEST COST
Omaha, NE-IA

2025 Regional Ranking	Metro	2025 Score	2025 Regional Quality Ranking	2025 Regional Cost Ranking	2025 National Ranking
1	Fargo, ND-MN	85.17			16
2	Des Moines-West Des Moines, IA	80.30	8	4	34
3	Cedar Rapids, IA	79.37	2	20	40
4	Davenport-Moline-Rock Island, IA-IL	77.40	9	5	48
5	Omaha, NE-IA	77.17	11	1	52
10	Sioux City, IA-NE-SD	69.63	14	10	93
12	Waterloo-Cedar Falls, IA	67.43	16	3	107
18	Dubuque, IA	56.10	20	16	163
22	Iowa City, IA	47.80	26	2	203
26	Ames, IA	36.50	29	15	273



Regional Quadrant

- Higher Quality, Lower Cost
- Higher Quality, Higher Cost
- Lower Quality, Lower Cost
- Lower Quality, Higher Cost

Now What?

- **Knowledge is Power.**
  Know what your data says.
- **Harness Community Insights.**
  Gather the data that only you can access.
- **Tell Your Story.**
  Empower site selectors with your unique narrative.

Case Study

Project Green Wave

Project Green Wave

Key Project Drivers

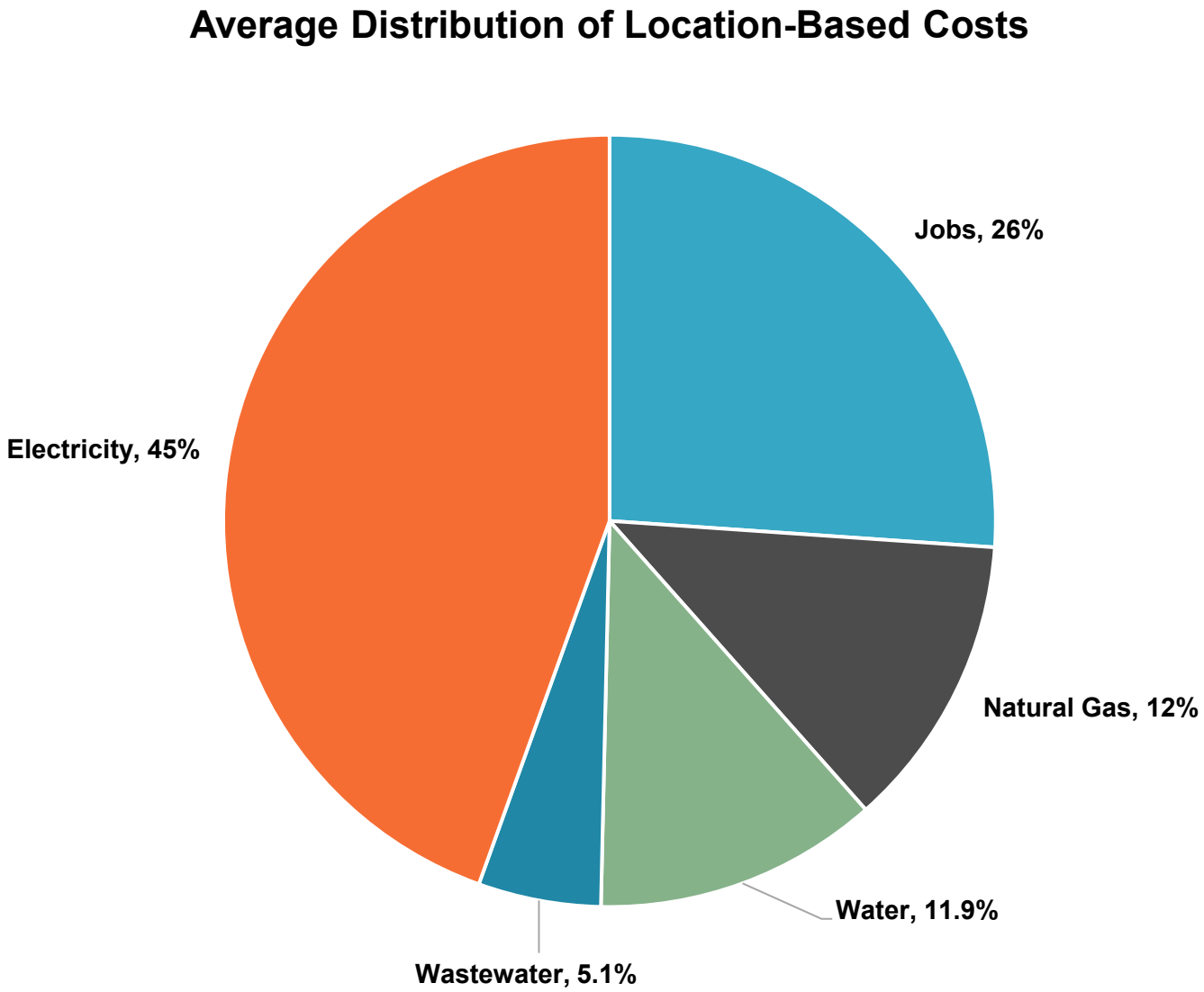
- Capital-Intensive
  - > $1 MM invested per job created.
- Availability of greenfield site for industrial uses.
- Access to interstate highway and direct rail or intermodal/transload facility.

Requirements	Cumulative
Capital Investment	$300+ MM
Direct Employment	70-100 Jobs
Site Size Required	30+ acres
Zoning	Industrial
Electrical Operating Load	14-27 MW
Electrical Load Factor	55-60%
Natural Gas	27-54 MCF/h
Water	792,000 GPD – 1.56 MGD
Sewer	224,000 GPD – 449,000 GPD
Interstate/Highway	Less than 25 miles preferred for truck traffic.
Rail	Rail is ideal but not required.
Intermodal/Transload	If direct rail service is not available, proximity to an intermodal/transload facility is preferred.

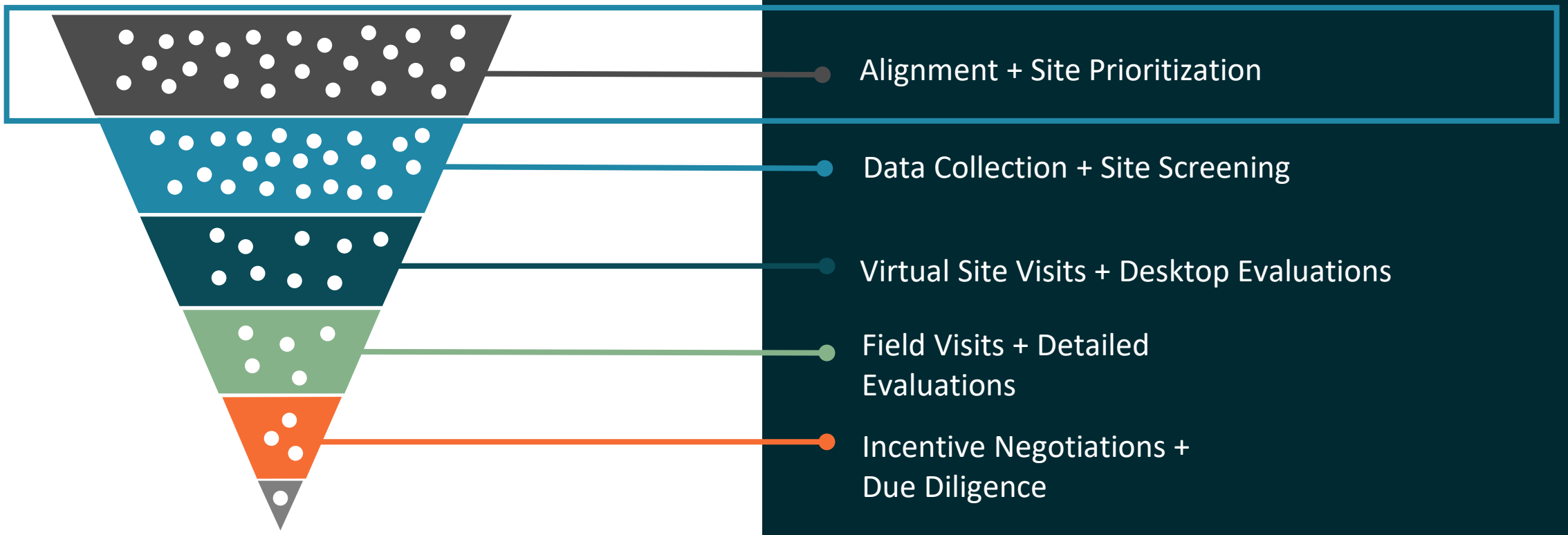
Project Green Wave

Annual Cost Impacts

- 1 cent per KWh ≈ $1.42 MM
- $1 per mcf ≈ $473.0K
- $1 per hour Wage ≈ $208.0K
- $1 per 1000 Gallons water ≈ $569.4K



Site Selection Process



POJECT GREEN WAVE

SITE SELECTION APPROACH

Alignment + Site Prioritization

Data Collection + Site Screening

Virtual Site Visits + Desktop Evaluations

Field Visits + Detailed Evaluations

Incentive Negotiations + Due Diligence

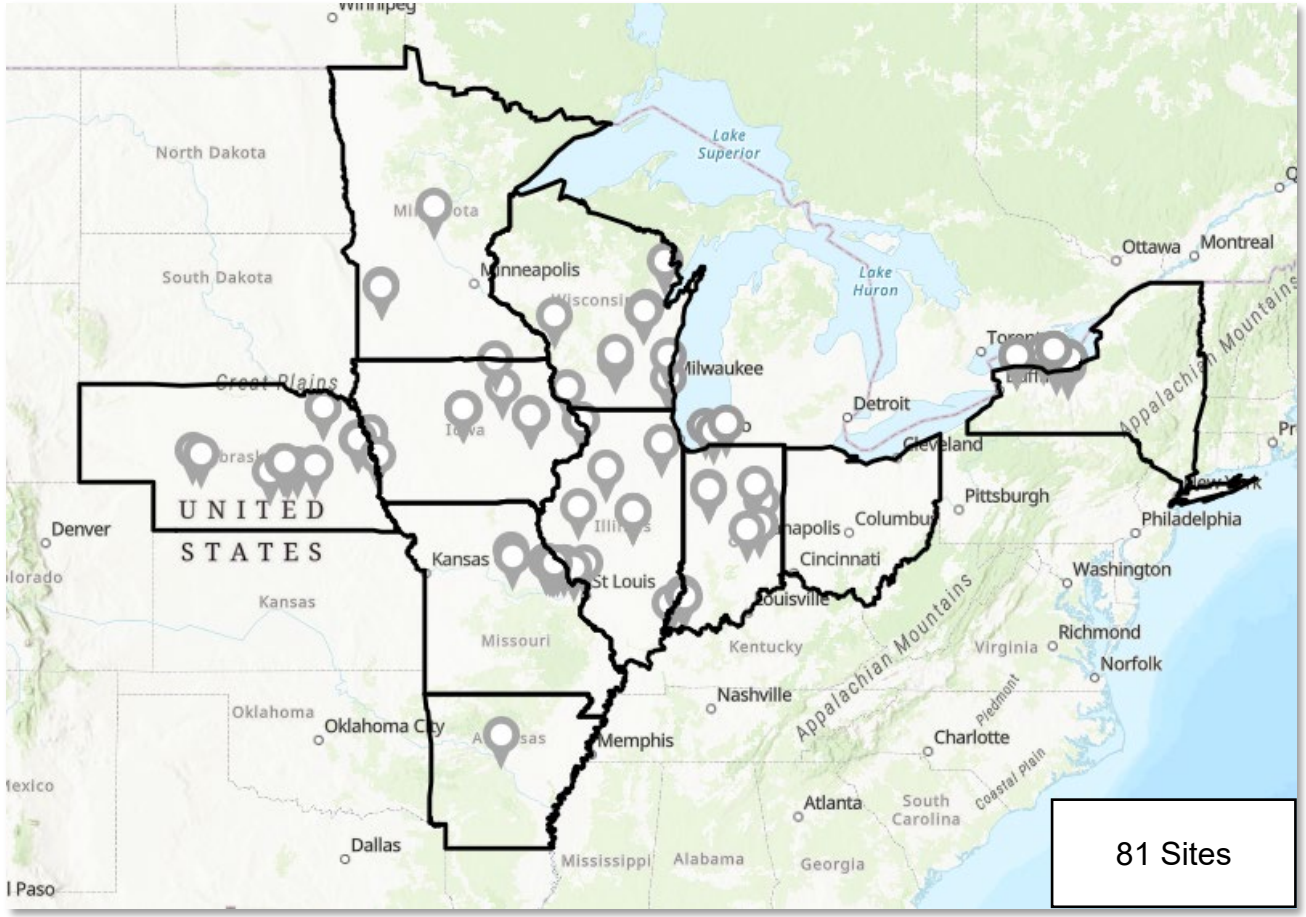
Search Region

Preliminary Screening Drivers:

- Competitive electric, natural gas, and water rates.
- Access to a source of dextrose.
- Availability of skilled labor.

Search Region:

- 10 States
- 81 Sites Identified



Arkansas: 1

Iowa: 7

Illinois: 7

Indiana: 15

Minnesota: 4

Missouri: 11

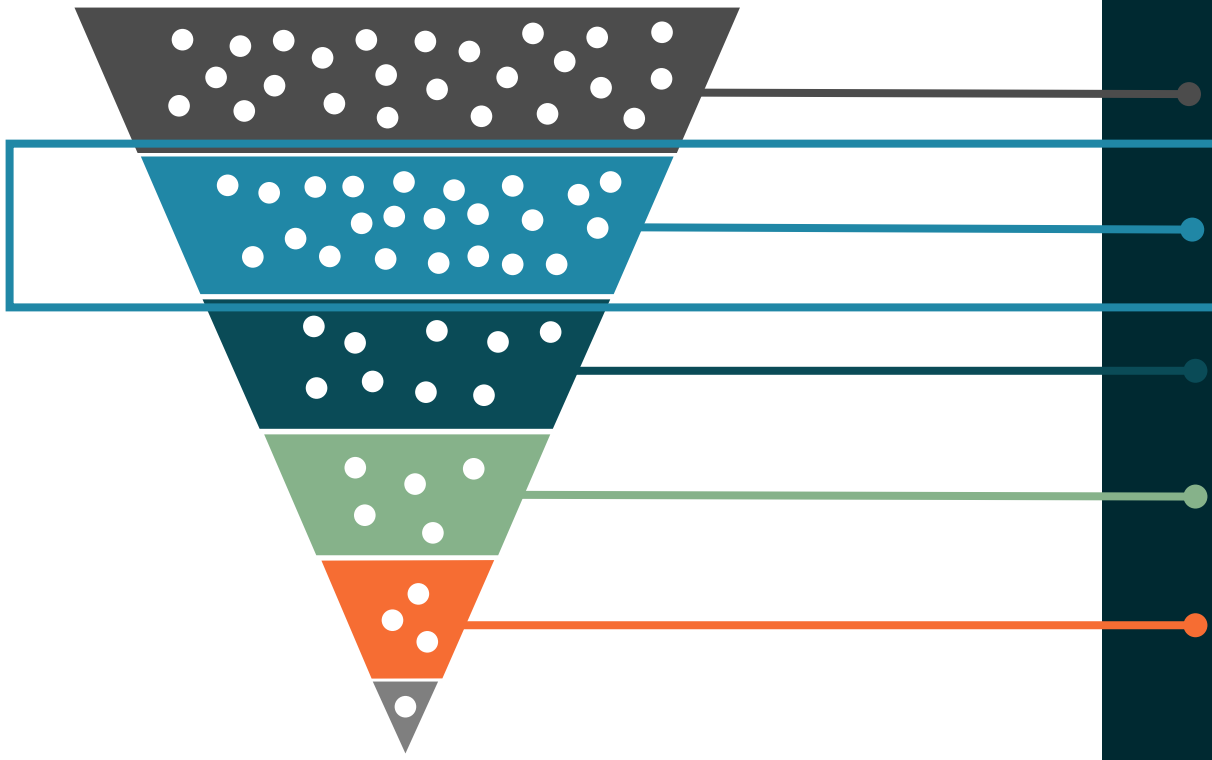
Nebraska: 13

New York: 6

Ohio: 0

Wisconsin:16

Site Selection Process



LOCATION SELECTION

A TYPICAL GLS SITE SELECTION APPROACH

- Alignment + Site Prioritization
- Data Collection + Site Screening
- Virtual Site Visits + Desktop Evaluations
- Field Visits + Detailed Evaluations
- Incentive Negotiations + Due Diligence

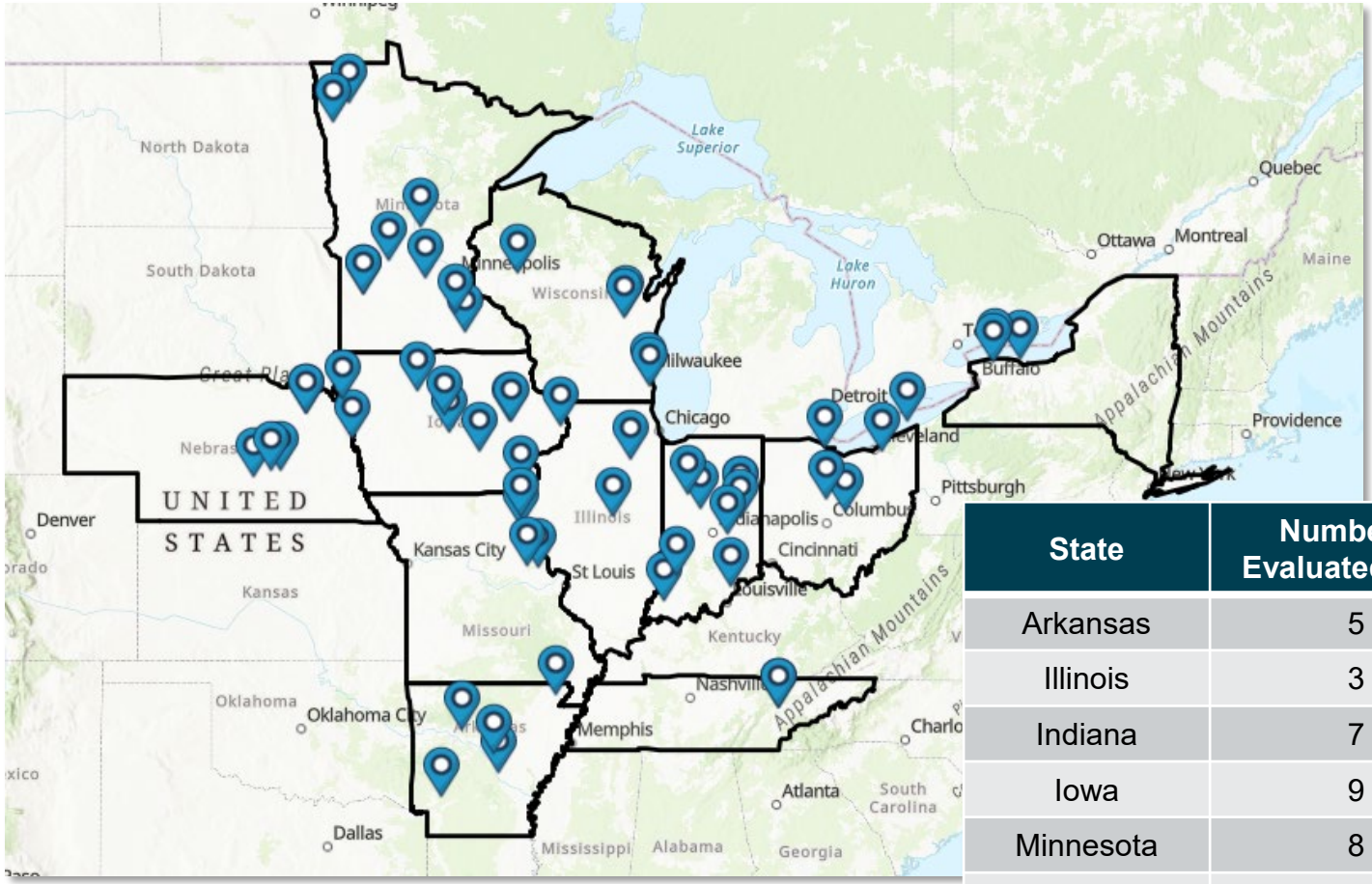
Search Region

Preliminary Screening Drivers:

- Access to a source of dextrose including potential co-location opportunities
- Access to interstate or high-quality highway transportation
- Positive business climate
- Developability characteristics (site size, wetlands, floodplain, proximity to sensitive receptors, etc.)

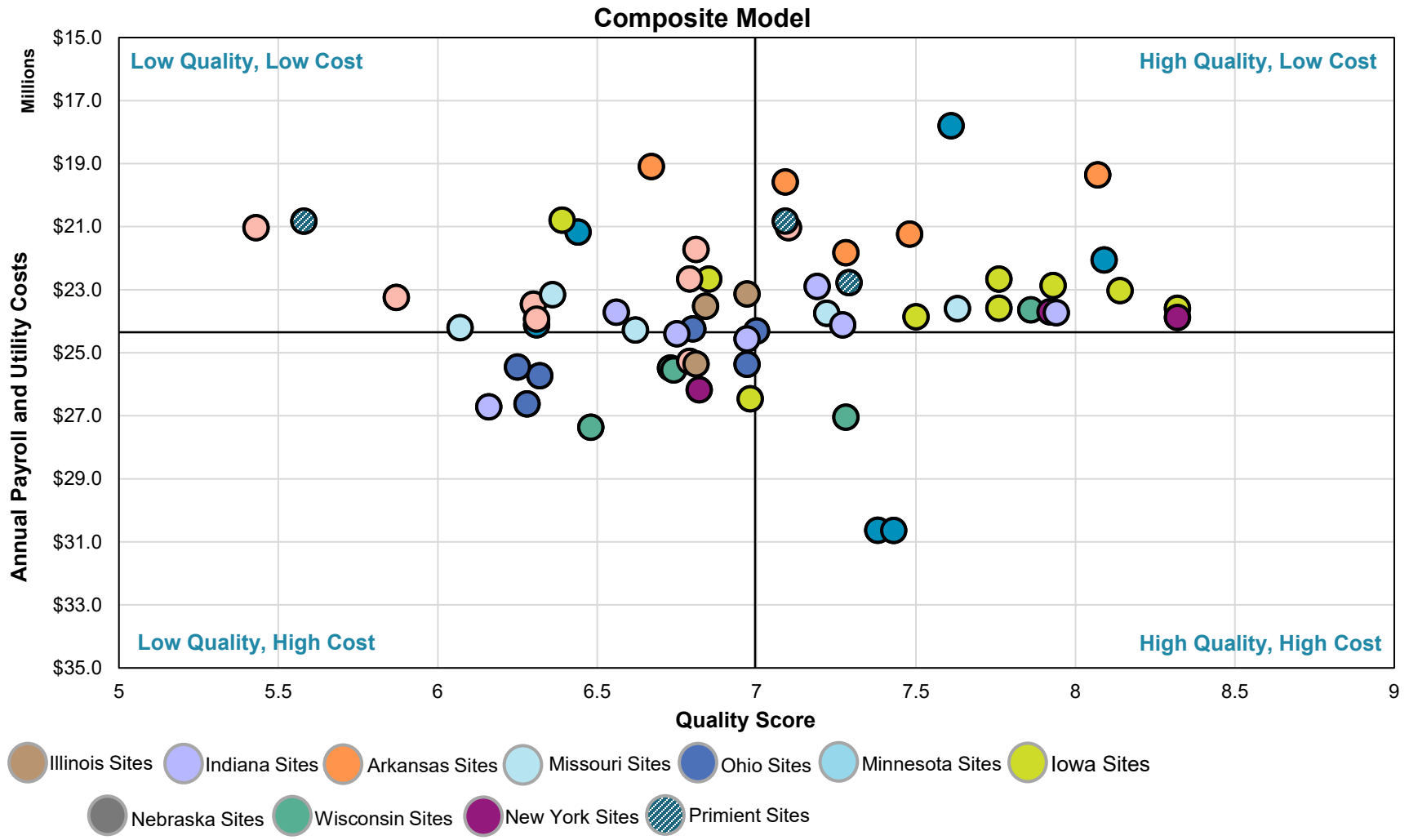
Search Region:

- 10 States
- 117 Sites Submitted
- 60 Sites Retained (3 Co-location Sites)

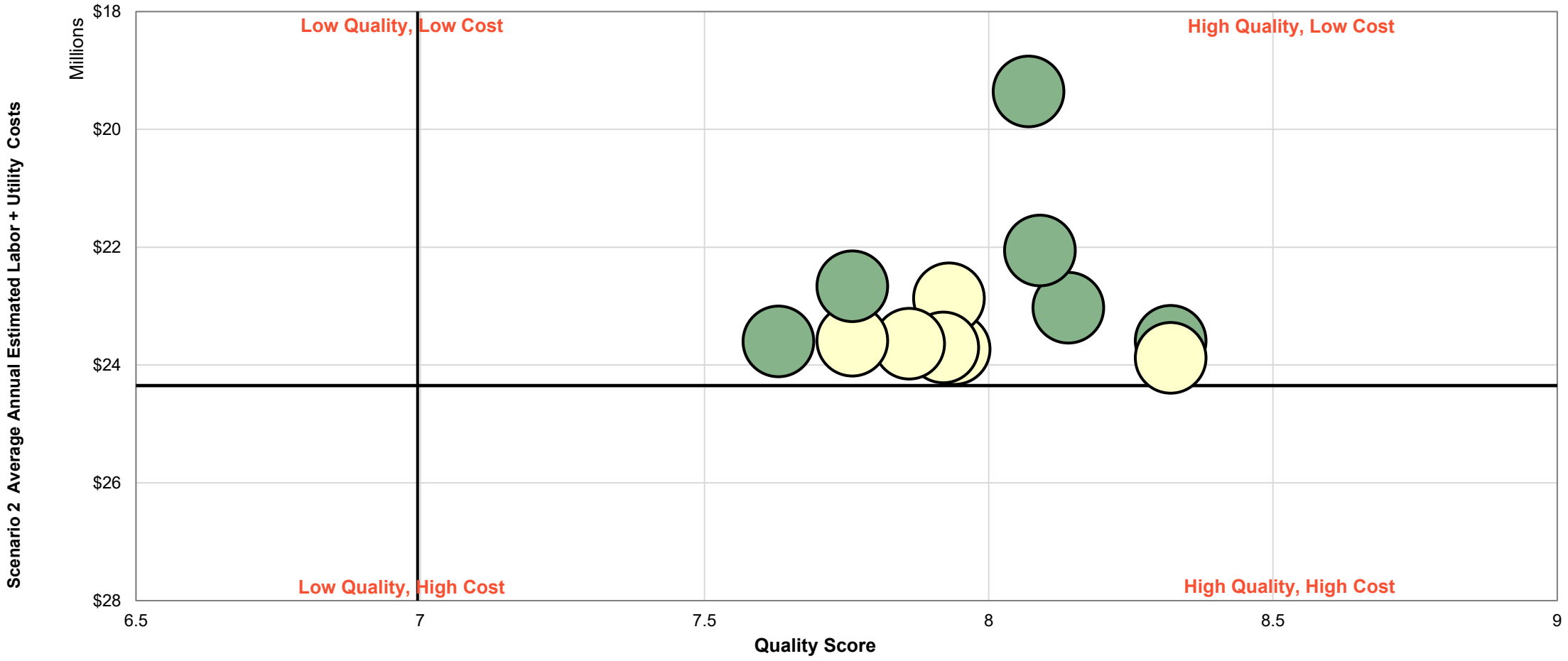


State	Number of Evaluated Sites
Arkansas	5
Illinois	3
Indiana	7
Iowa	9
Minnesota	8
Missouri	5
Nebraska	6
New York	3
Ohio	6
Wisconsin	5
Primient	3
Total	**60**

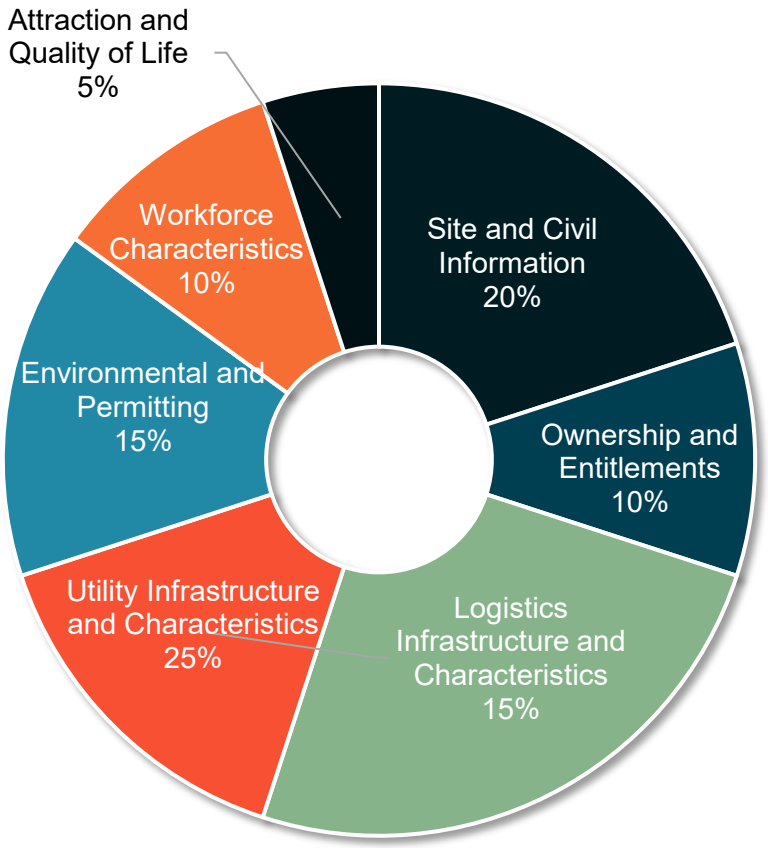
Case Study


Composite Model
Low Quality, Low Cost
High Quality, Low Cost
Low Quality, High Cost
High Quality, High Cost
Millions
Annual Payroll and Utility Costs
$15.0
$17.0
$19.0
$21.0
$23.0
$25.0
$27.0
$29.0
$31.0
$33.0
$35.0
5
5.5
6
6.5
7
7.5
8
8.5
9
Quality Score
Illinois Sites
Indiana Sites
Arkansas Sites
Missouri Sites
Ohio Sites
Minnesota Sites
Iowa Sites
Nebraska Sites
Wisconsin Sites
New York Sites
Primient Sites

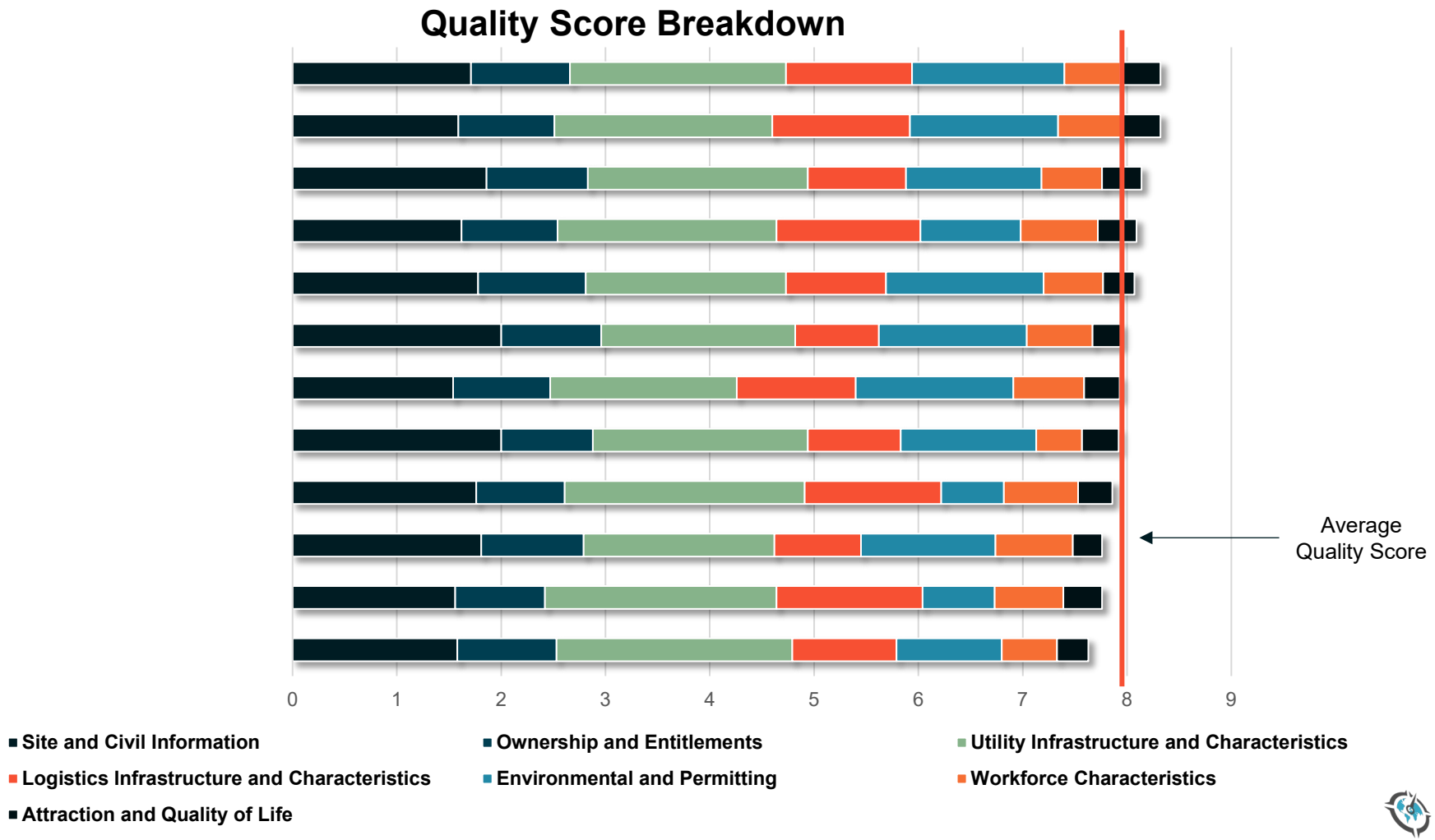
Case Study


Low Quality, Low Cost
High Quality, Low Cost
Low Quality, High Cost
High Quality, High Cost
Millions
$18
$20
$22
$24
$26
$28
Scenario 2 Average Annual Estimated Labor + Utility Costs
6.5
7
7.5
8
8.5
9
Quality Score
Recommendation: Advance
Recommendation: Marginal

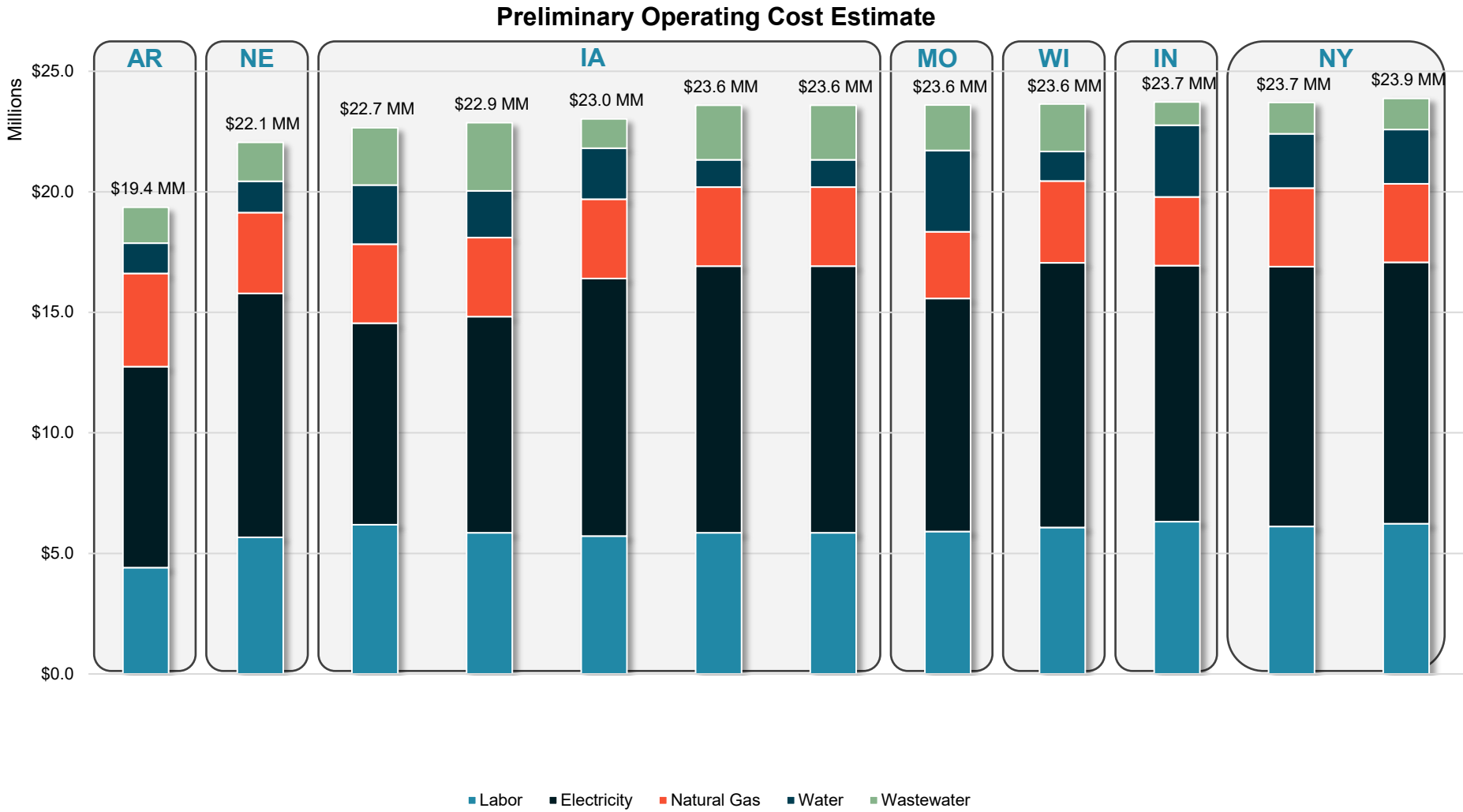
Case Study


Attraction and Quality of Life 5%
Site and Civil Information 20%
Ownership and Entitlements 10%
Logistics Infrastructure and Characteristics 15%
Utility Infrastructure and Characteristics 25%
Environmental and Permitting 15%
Workforce Characteristics 10%

Case Study

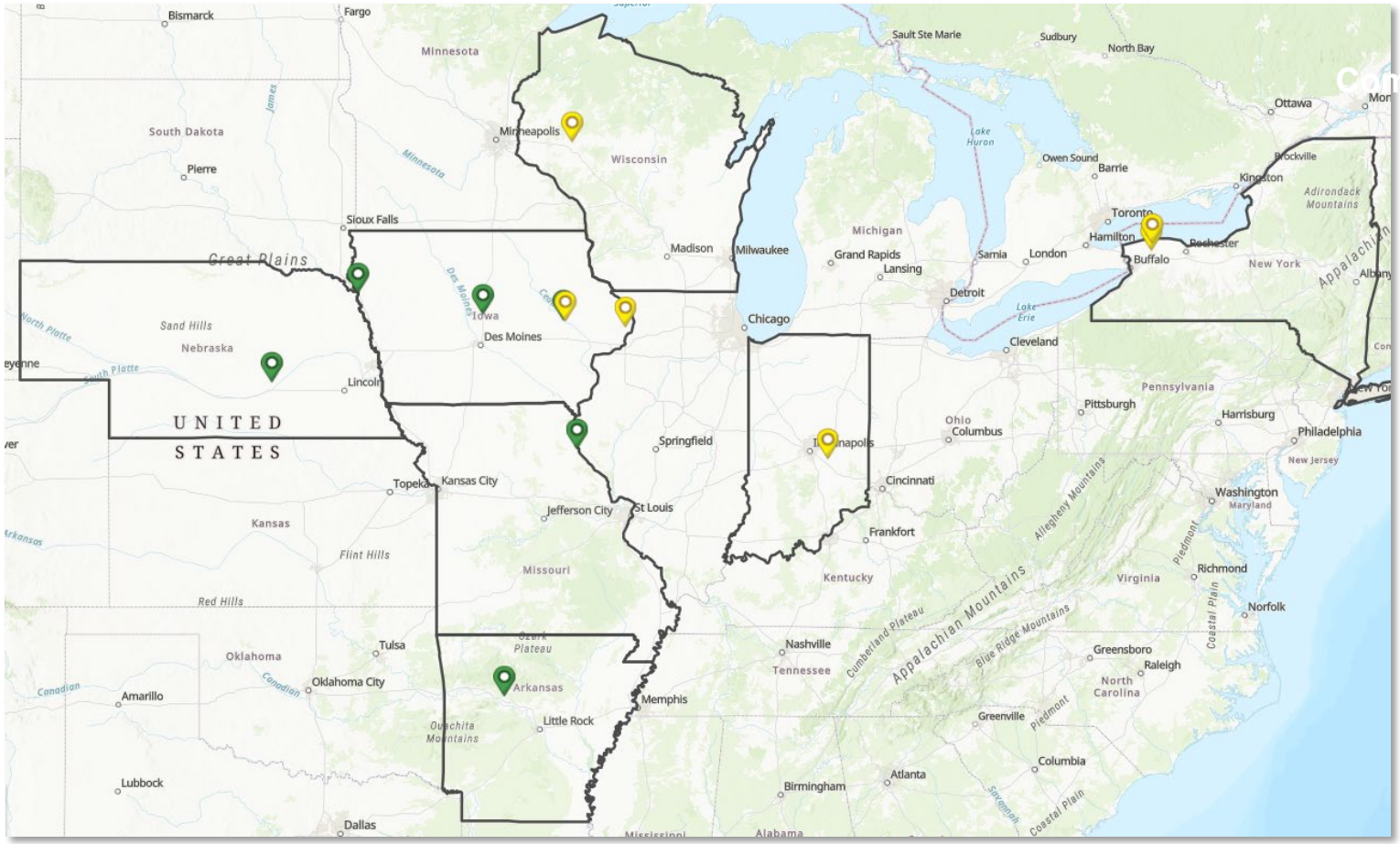

Quality Score Breakdown
0
1
2
3
4
5
6
7
8
9
Average Quality Score
Site and Civil Information
Ownership and Entitlements
Utility Infrastructure and Characteristics
Logistics Infrastructure and Characteristics
Environmental and Permitting
Workforce Characteristics
Attraction and Quality of Life

Case Study


Preliminary Operating Cost Estimate
Millions
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
AR
NE
IA
MO
WI
IN
NY
$19.4 MM
$22.1 MM
$22.7 MM
$22.9 MM
$23.0 MM
$23.6 MM
$23.6 MM
$23.6 MM
$23.6 MM
$23.7 MM
$23.7 MM
$23.9 MM
Labor
Electricity
Natural Gas
Water
Wastewater

Case Study

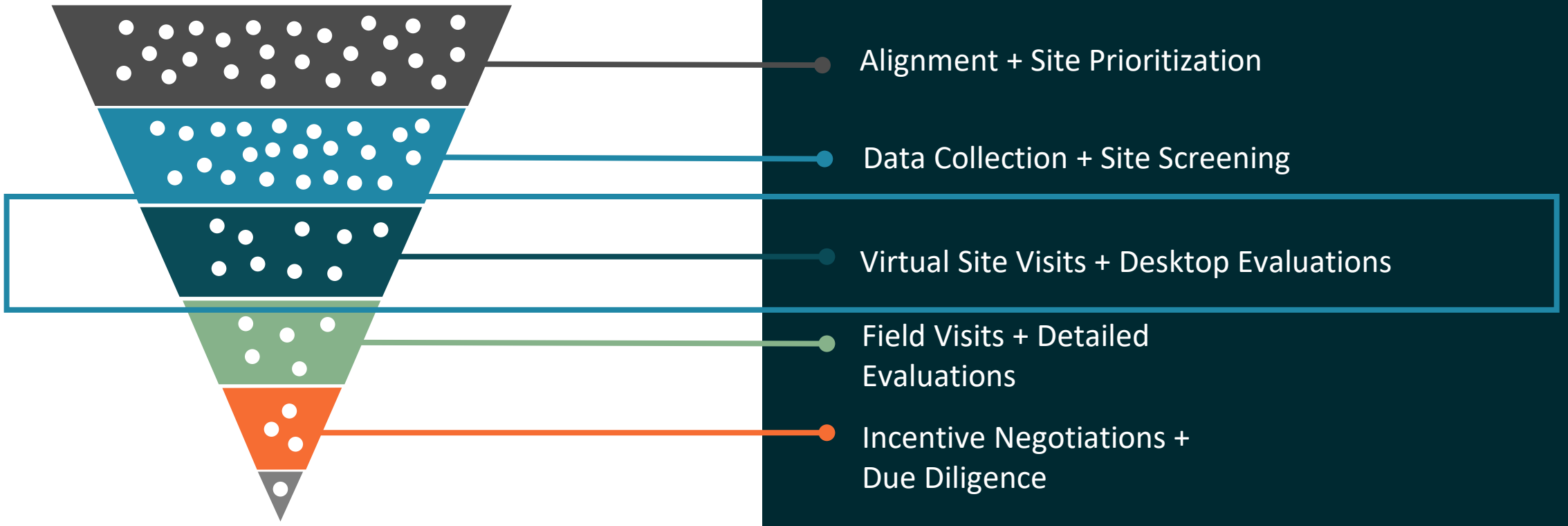
PHASE 02 DATA COLLECTION
SITE SCREENING



Recommended Site to Advance

Recommended Marginal Site

Site Selection Process

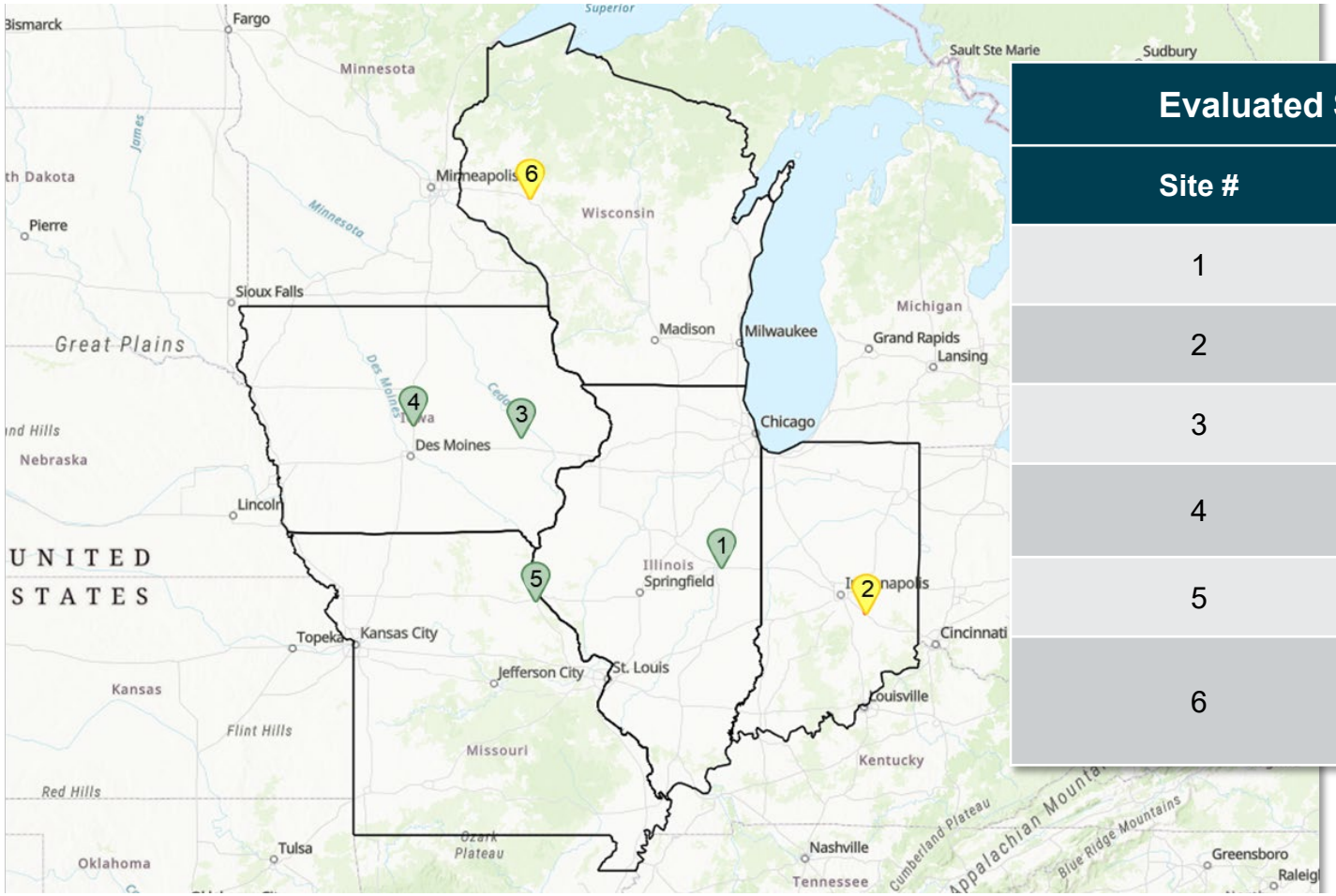


A TYPICAL GLS SITE SELECTION APPROACH

- Alignment + Site Prioritization
- Data Collection + Site Screening
- Virtual Site Visits + Desktop Evaluations
- Field Visits + Detailed Evaluations
- Incentive Negotiations + Due Diligence

Case Study

PHASE 03 VIRTUAL SITE VISITS
DESKTOP EVALUATIONS



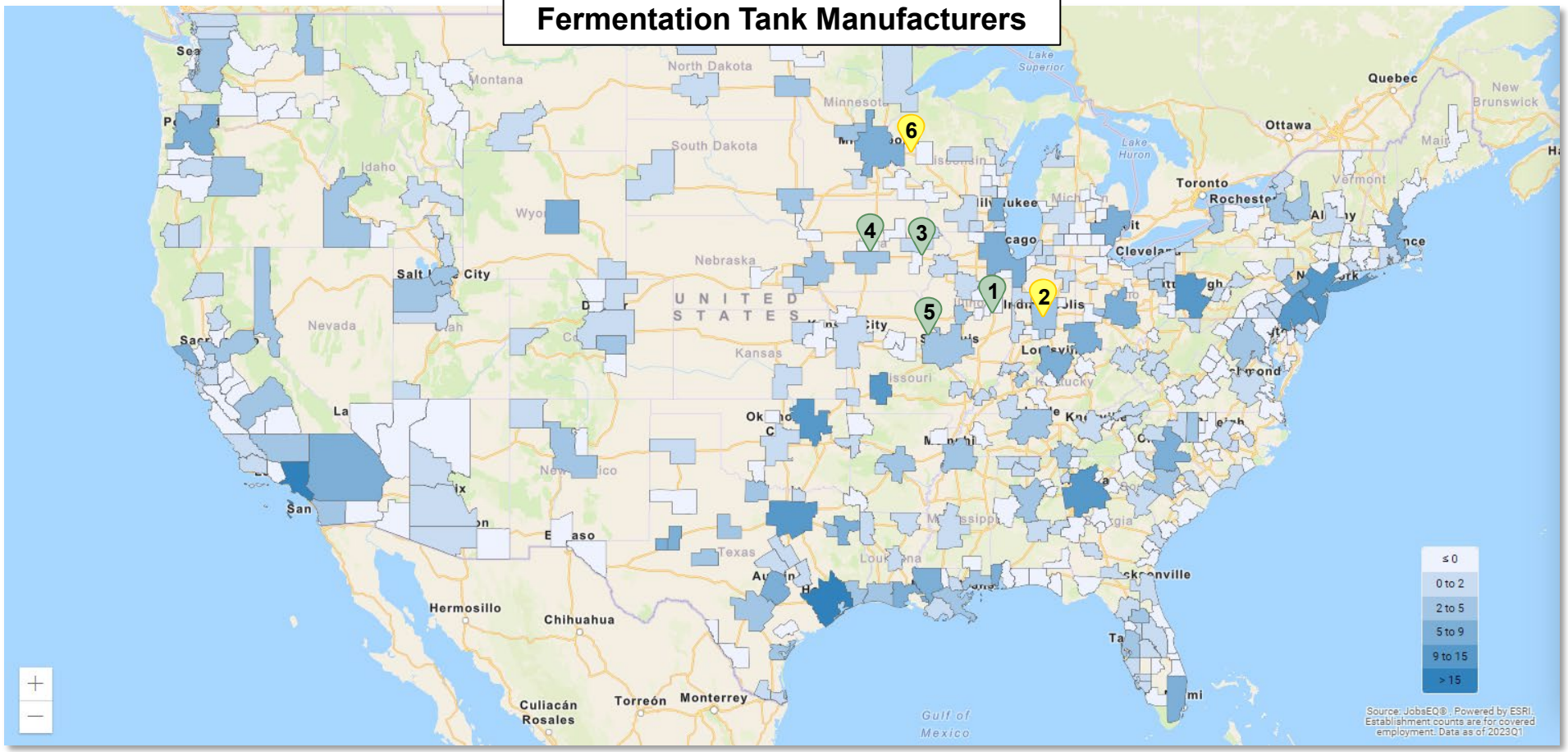
Evaluated Sites for Phase 03	
Site #	**State**
1	IL
2	IN
3	IA
4	IA
5	MO
6	WI

Advance Marginal

Case Study

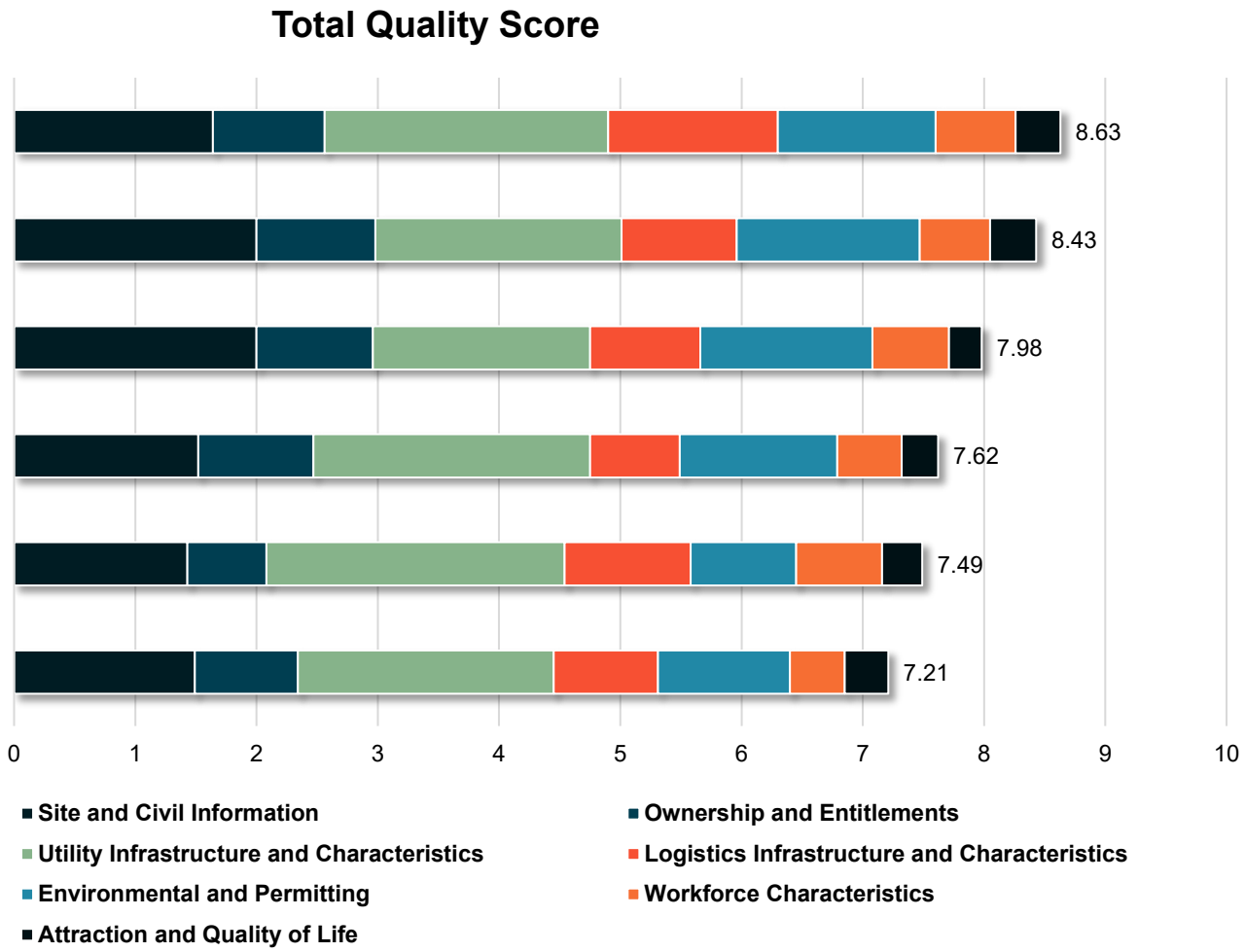
PHASE 03 VIRTUAL SITE VISITS
DESKTOP EVALUATIONS

Fermentation Tank Manufacturers

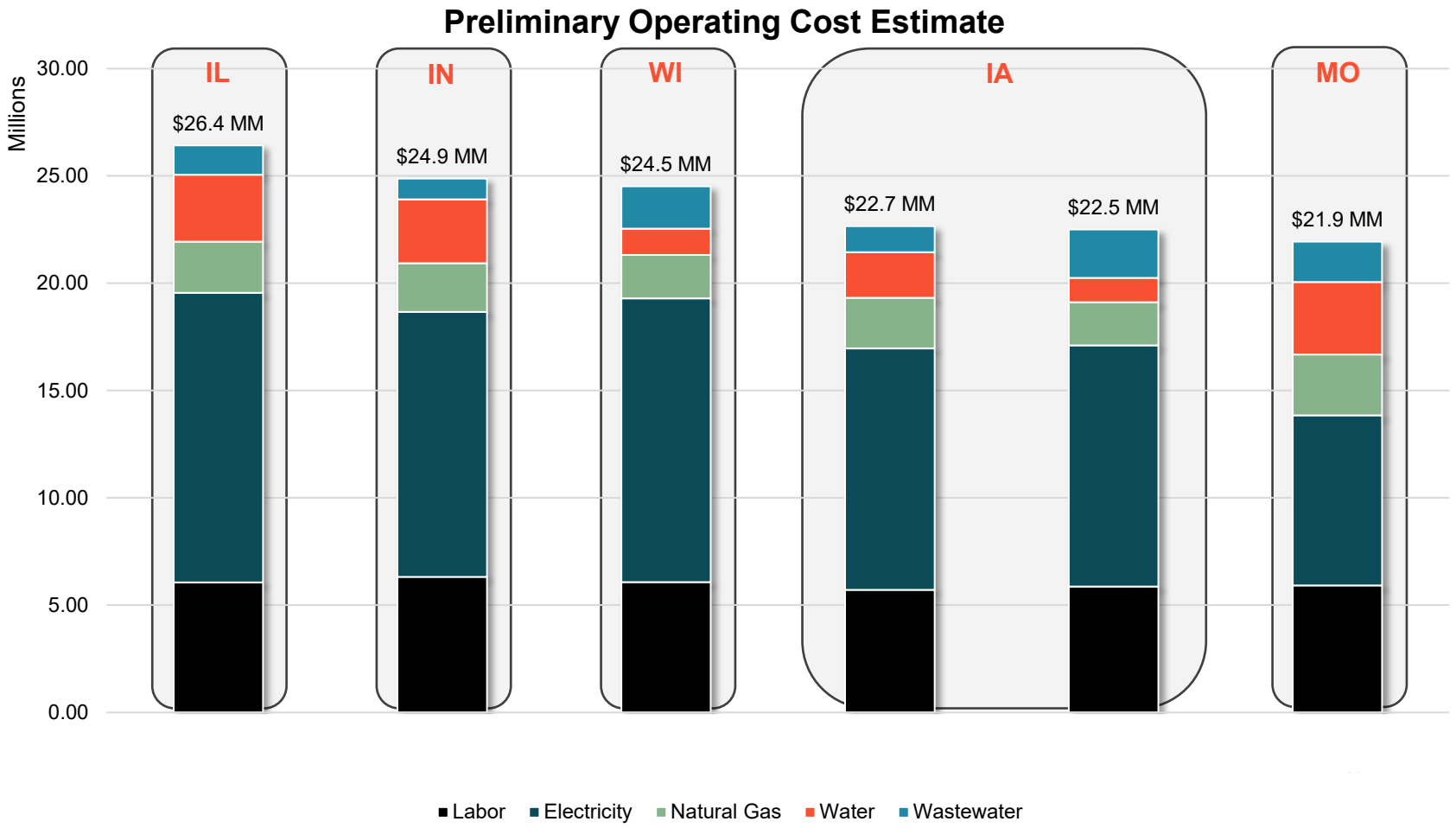


Case Study

PHASE 03 VIRTUAL SITE VISITS
DESKTOP EVALUATIONS



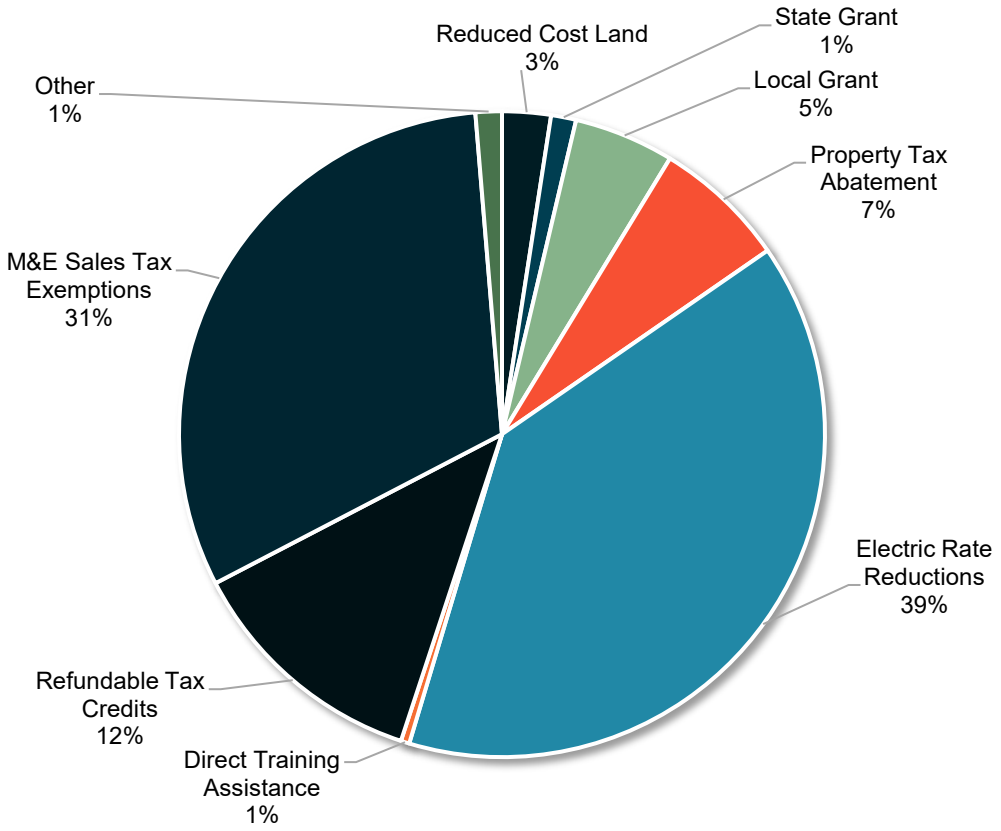
Case Study


Preliminary Operating Cost Estimate
Millions
30.00
25.00
20.00
15.00
10.00
5.00
0.00
IL
$26.4 MM
IN
$24.9 MM
WI
$24.5 MM
IA
$22.7 MM
$22.5 MM
MO
$21.9 MM
Labor
Electricity
Natural Gas
Water
Wastewater

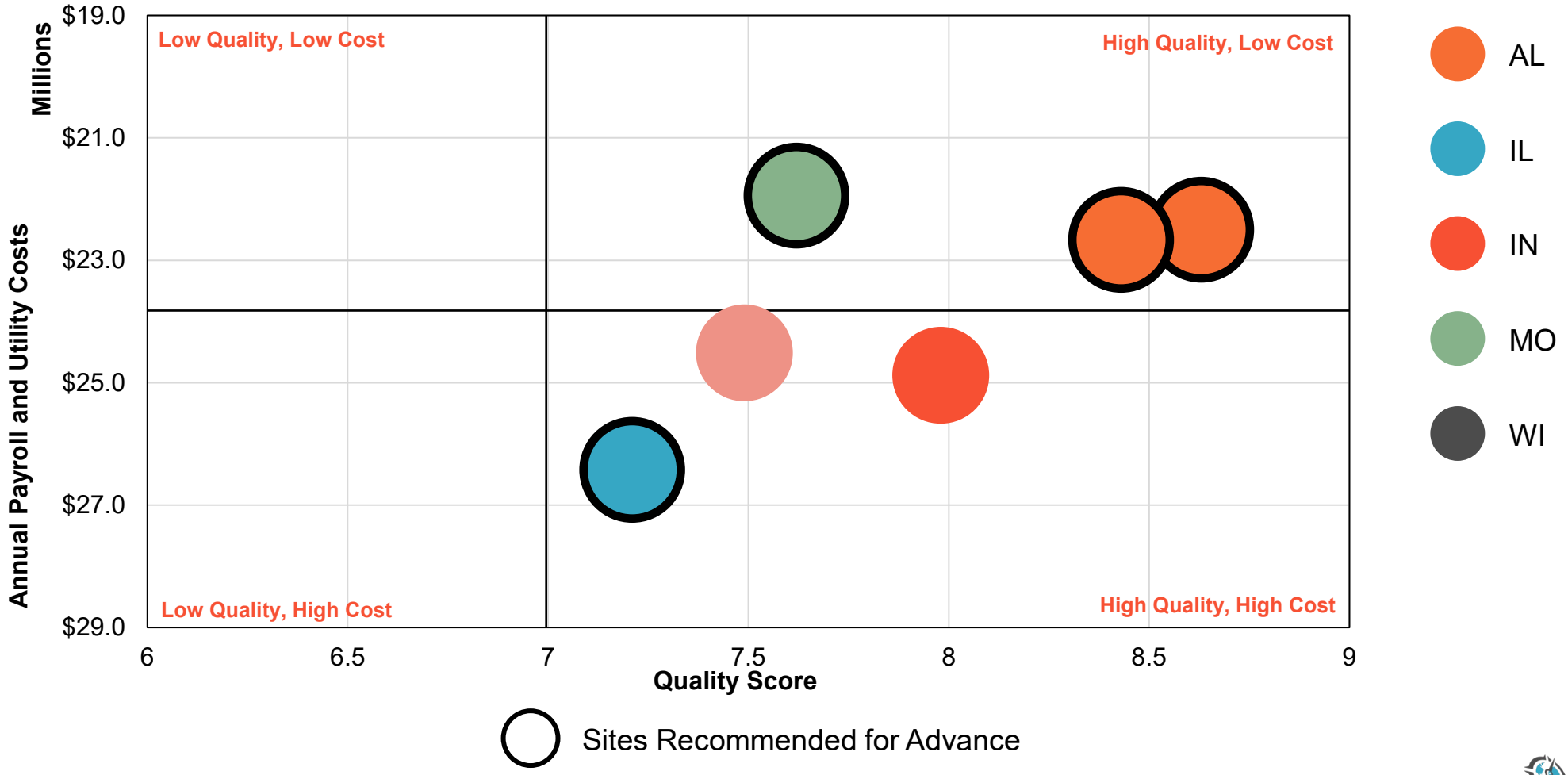
Case Study

PHASE 03 VIRTUAL SITE VISITS
DESKTOP EVALUATIONS

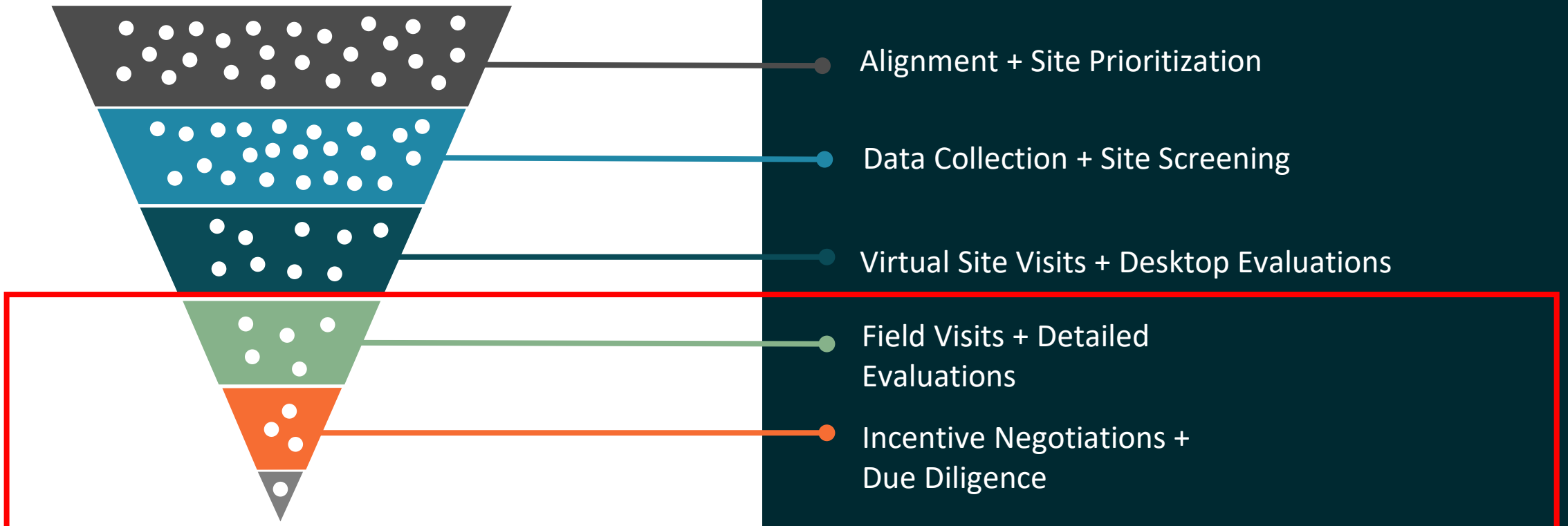
Average Distribution of Estimated Direct Financial Incentives



Case Study


Annual Payroll and Utility Costs
Millions
$19.0
$21.0
$23.0
$25.0
$27.0
$29.0
Low Quality, Low Cost
High Quality, Low Cost
Low Quality, High Cost
High Quality, High Cost
6
6.5
7
7.5
8
8.5
9
Quality Score
AL
IL
IN
MO
WI
Sites Recommended for Advance

Site Selection Process



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