Business Development & Interstate Competition

Insights

VISTA SITE SELECTION

Testimony

Today's testimony is meant to provide insights from my experience as a site selection consultant, economist and former state-level economic development leader that may assist in optimizing business development & interstate competition for Northwest Pennsylvania. Much of the presentation I will give revolves around the vantage point of site selection from the business point-of-view and key insights and best practices we have witnessed from States based on our firm's experience in all 50 US States, particularly as it relates to how states handle the attraction of some of our client's megaproject and larger real-estate, job creation projects. Further, my former role at the State of Ohio, and frequent dealings with states like Ohio and Indiana, allow for a more intimate knowledge of how some of the most competitive nearby states do business.

About Me

My Company

- Vista Site Selection is a 4-year-old site selection technology company.
- Vista worked on some of the largest site selection projects in the United States since its formation.
- Vista assists businesses in all industries.

About Me

- I am an economist and site selection professional.
- Previously served at the Ohio Department of Development as the Executive Director of the Ohio Tax Credit Authority
- Co-authored the State of Ohio ROI Calculator upon formation of JobsOhio

Today I will Cover…

The three most important steps in competing for business attraction:

1. **Dress Like the Industry you Want to Be**
2. **Simulate your Market Against Others**
3. **Organize Community Assets**

Step 1: Dress Like the Industry you Want to Be

Core Industry Location Drivers

✓ **Stop Hunting Sectors**

- Manufacturing and Advanced Manufacturing are not industries, they are sectors.
- Core location drivers vary within sectors.

✓ **Addressing Core Location Drivers**

- New Location Objective
- Market Orientation
- Demand Volatility

Core Industry Location Driver	Food Processing	Defense Manufacturing
Primary Objective	Minimize input and logistics costs, ensuring reliability	Secure production and specialized labor
Market Orientation	Consumer-facing	Government-facing
Demand Volatility	Usually stable, cyclical with consumer demand	Program driven, influenced by federal procurement cycles

Industry Site Drivers

✓**Addressing Industry Site Drivers**
- Supply Chain/Logistics
- Infrastructure and Utilities
- Land Use Availability

Core Industry Site Driver	Food Processing	Defense Manufacturing
Supply Chain/Logistics	Proximity to raw inputs, optimized for speed, high inbound volume	Tiered and regulated supply chains, low volume (but high value)
Infrastructure and Utilities	Heavy water, wastewater pretreatment, natural gas, cold-storage electricity loads	Lower water use, emphasis on redundant, reliable power, heavy physical security infrastructure
Land Use Availability	Large footprints, odor-discharge-traffic considerations, pushed to ag and urban fringe	Can co-exist in urban/suburban settings, sensitive to protest risk and public access

Industry Labor Drivers

✓ **Addressing Labor Drivers**

- **Supply Coverage:** Company Need vs. Available Workers
- **Growth** of Key Occupations
- **Demand Pressure:** "Supply Coverage" factoring in competition for talent.
- **Cost:** Employee cost at various percentiles.

Core Industry Location Driver	Labor Profile
Food Processing	Meat, poultry cutters, packers and packaging; lower wage rate
Defense Manufacturing	Skilled machining and engineering production; higher wage rate

Industry Sales Channels

When key industries are identified, meet them where they are:

Category	Food Manufacturing	Defense Manufacturing
Largest Show	Natural Products Expo West	Sea-Air-Space
Most Technical	IFT FIRST	DMC
Equipment-Focused	Process Expo / EATS	AeroDef / RAPID + TCT
Compliance-Focused	Food Safety Summit	DMC / AUSA
Executive Summit	American Food Manufacturing Summit	American Aerospace & Defense Summit

Step 2: Simulate your Market

Site Selection from the Corporation's Viewpoint

Corporate Site decisions follow this path:

Identify internal site factors and weight them

Gather data to analyze factors

Eliminate markets

Internally research sites

Contact local experts

Contact governments (incentives/sites)

- **Go, No Go**
  1. Workforce Availability and Cost
  2. Proximity to Heritage Sites
  3. Supply Chain Proximity
  4. Government Customer Preference
  5. Quality of Life (Company Factors)
  6. Specialized Skill Quotient
  7. Underlying Tax Climate
  8. Trade School Universities
- **Incentives**

Simulate the Corporate Exercise

Why?

- Economic developers are trained to be biased.
- Most economic developers wait until the deal is lost to learn.
- Sites are often saved for rarely occurring projects.

What

- Analyze **"Go / No-Go"** (will we be nixed right away based on a non-starter).
- List and weight **site criteria**.
- Use **incentives** and **customer service** as the decision tipping point.

➢ **Go, No Go**

1. Workforce Availability and Cost
2. Proximity to Heritage Sites
3. Supply Chain Proximity
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5. Quality of Life (Company Factors)
6. Specialized Skill Quotient
7. Underlying Tax Climate
8. Trade School Universities

➢ **Incentives**

Workforce Matrix BETA SUPPLY INTELLIGENCE

TAKE TOUR

Requirements

«

STORY * DESCRIBE YOUR FACILITY — AI WILL MATCH INDUSTRY AND ADJUST ROLES

Building a new food processing plant.

FACILITY TYPE

Food Processing

EMPLOYEES *

200

BUCKET WEIGHTS

Supply Coverage 30

Percent of your headcount need covered by available workers in each CBSA. Compares needed vs. available for each occupation role.

Growth 25

Occupation growth rate (2023→2026) × baseline employment depth. Faster-growing markets with strong baselines score higher.

Demand Pressure 20

Your headcount need vs. available workers. Inverted: less competition for talent = higher score.

Cost 25

Total payroll = sum(headcount × wage at selected percentile). Inverted: lower cost markets score higher.

Reset

Run Workforce Matrix

311900 Other Food Manufacturing
AI • 95% confidence

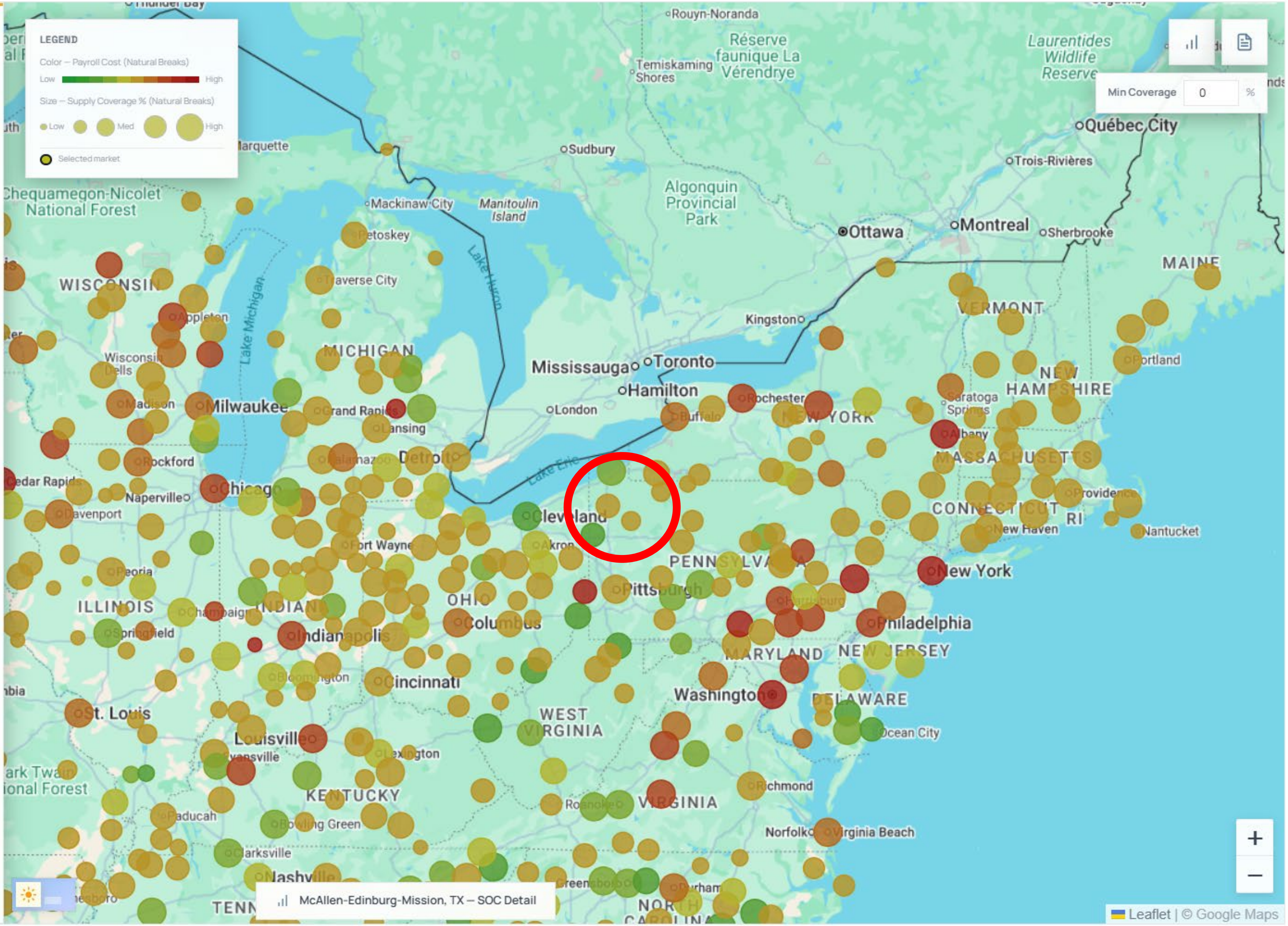
493100 Warehousing and Storage
AI • 60% confidence

A new food processing plant's primary staffing needs align with food manufacturing (311900), with secondary warehousing operations (493100) for inventory management of inputs and outputs.

Adjusted: Adjusted staffing to prioritize core food processing roles (batchmakers, packaging operators, food scientists, inspectors, machinery maintenance) while eliminating retail/service positions irrelevant to industrial food processing operations.

Headcount: 200 requested • 200 assigned

VISTA SITE SELECTION



Workforce Matrix BETA SUPPLY INTELLIGENCE

TAKE TOUR

Requirements

STORY * *DESCRIBE YOUR FACILITY — AI WILL MATCH INDUSTRY AND ADJUST ROLES*

Building a new defense manufacturing plant.

FACILITY TYPE

Manufacturing Plant

EMPLOYEES *

200

BUCKET WEIGHTS

Supply Coverage 30

Percent of your headcount need covered by available workers in each CBSA. Compares needed vs. available for each occupation role.

Growth 25

Occupation growth rate (2023→2026) × baseline employment depth. Faster-growing markets with strong baselines score higher.

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Total payroll = sum(headcount × wage at selected percentile). Inverted: lower cost markets score higher.

Reset | Run Workforce Matrix

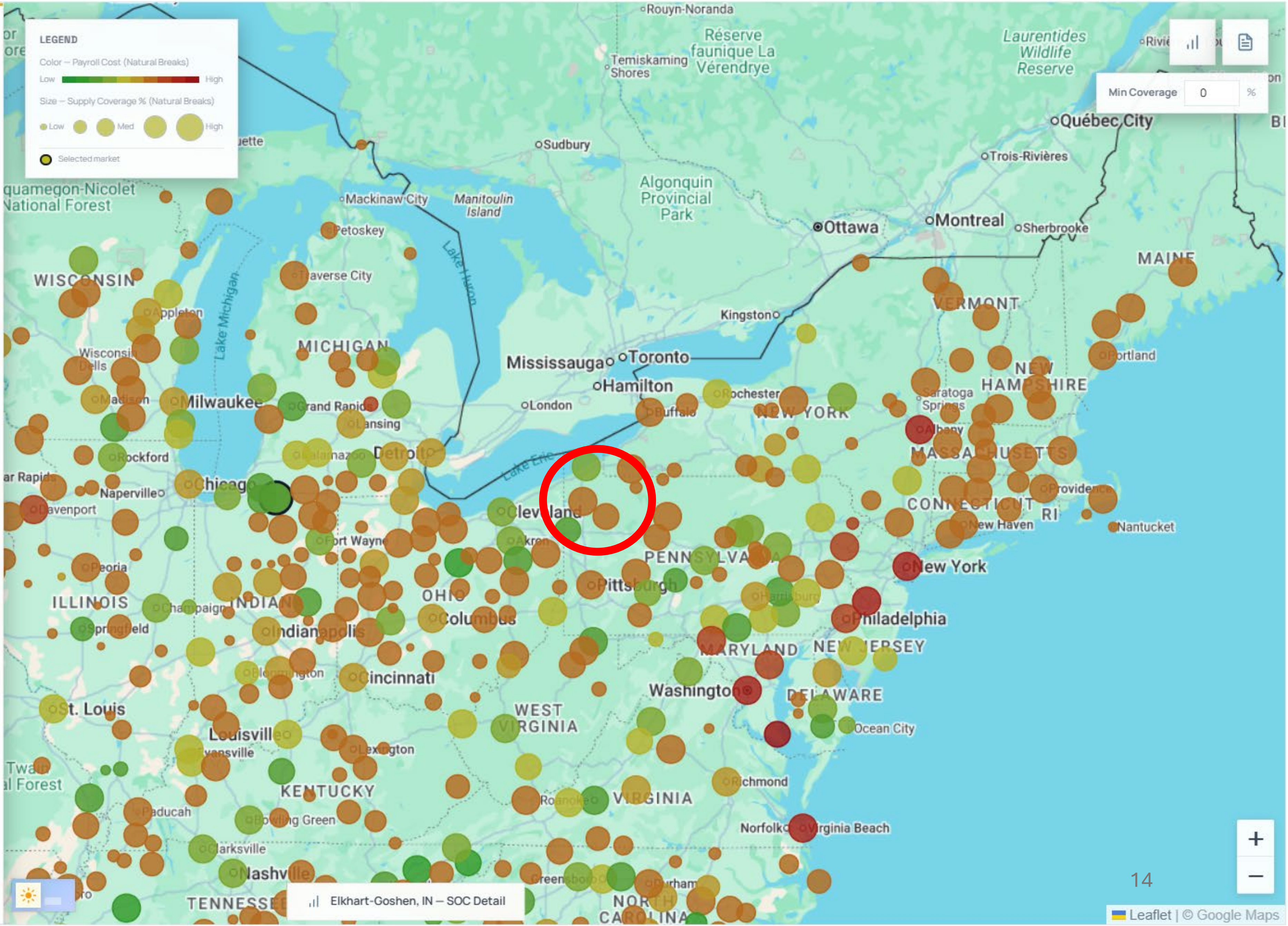
336400 Aerospace Product and Parts Manufacturing
AI • 95% confidence

Defense manufacturing plants are specifically classified under Aerospace Product and Parts Manufacturing (336400), which encompasses military aircraft, missiles, and defense-related equipment production — the core staffing pattern for a new defense manufacturing facility.

Adjusted: Removed aerospace-specific roles (aerospace engineers, aircraft mechanics, avionics technicians) that are irrelevant to a general defense manufacturing plant, and redistributed shares to emphasize core manufacturing competencies: machinists, quality inspectors, CNC operators, mechanical engineers, and supervisory/planning roles essential for a new plant startup.

Headcount: 200 requested • 200 assigned

VISTA SITE SELECTION



Step 3: Organize Your Assets

What are the Assets?

- Dedicated Resources
  - Incentive Programs
  - Research Capacity
  - Customer Service
  - Sales Approach

- Coordination with Local Governments

- Sites and Value Proposition Response to Industry Site Factors

Dedicated Resources

- Ohio directed the $700m it was receiving in State liquor profits and dedicated it to the formation of JobsOhio.
  - Since the State has witnessed a **$3.5 billion increase in annual payroll taxes** (a 39% increase).
  - Its private-non profit status allows it to be **exempt from public records laws**.
  - Its increased capital created
    1. **larger pool of incentives**,
    2. **The ability to pay its employees private-sector salaries**,
    3. **Modern office facilities**,
    4. **The ability to spend on technology, research and professional services and**
    5. **Incentives not bound by statute (flexibility)**

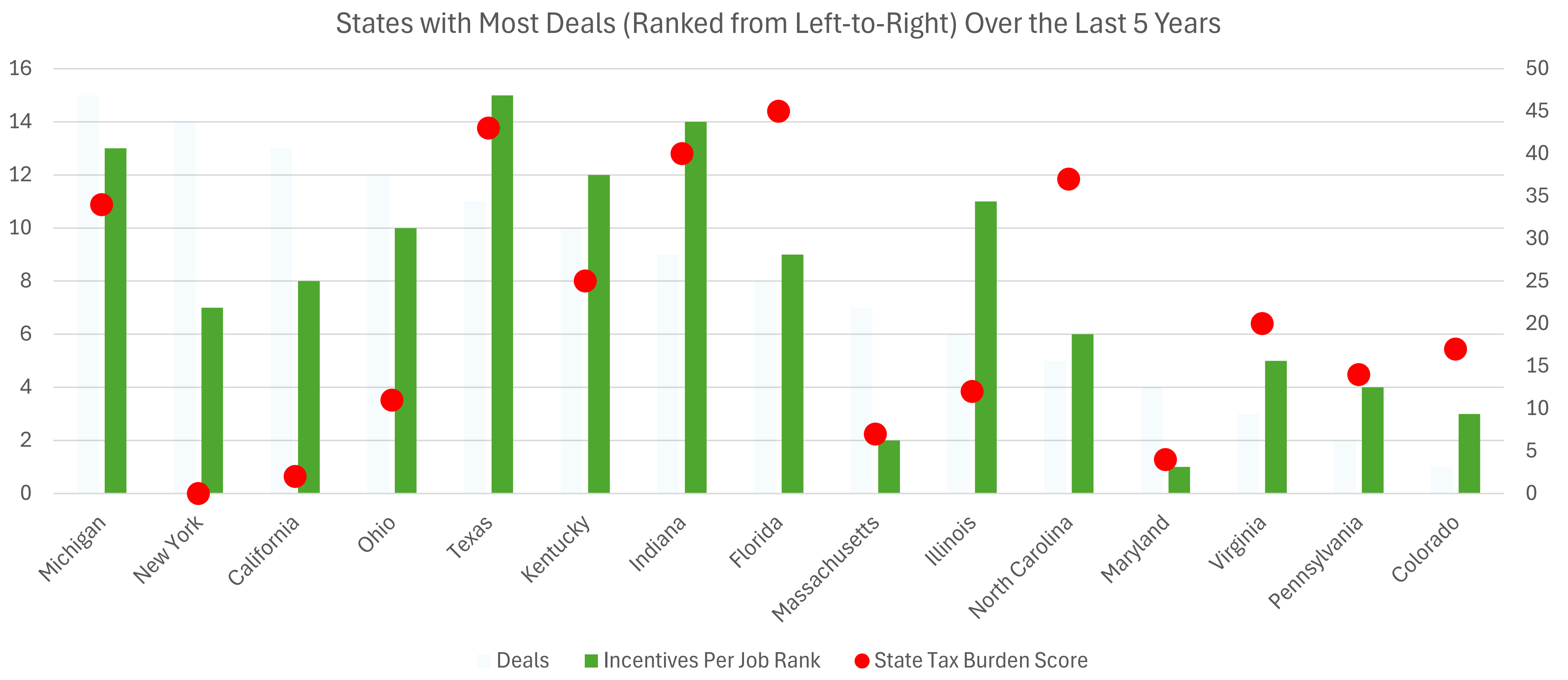
Ranking Category	Ohio's Rank
Largest dedicated **development fund**	**#1–#2**
Largest annual discretionary deployment	**~#4**
Most flexible, off-budget structure	**#1**
Predictability of funding	**#1**
Per-capita development funding	**Top 3**

Incentive Programs

What “winning” states are doing with incentives:

1) **Megaproject Legislation –** the codified ability to provide jobs credits and abatements for 30 years for $1b or 1,000 job projects.
2) **Refundable Jobs-based Tax Credits –** companies can use credits regardless of tax liability, treating them similar to annual grants (Ohio, Indiana, North Carolina, South Carolina, Alabama, Louisiana, Mississippi spend over $100m annually).
3) **Full, 15+ year Property Tax Abatements, or Tax-exempt Property –** abatements that include some form of school participation.
4) **Large-scale Site Infrastructure Grant Programs** – programs to assist with large-scale infrastructure assistance ($20 million or more).
5) **Flexible Grants –** grants for M&E, Workforce and Infrastructure that can be used with flexible disbursement conditions and terms.

State by State Comparison: Deals, Incentives/Job, Tax Burden



Coordination with State and Local Governments

A lack of cohesion between State and Local Governments Can Kill a Deal

- **What does Coordination Look like:**
  1. **Local education of state and county incentives (including the ability to negotiate with each-other's programs)**
  2. **Common goals related to socialization of incentives and solutions**
  3. **Coordination of key parties through one channel (utilities, airport authorities, workforce institutions/higher ed, etc.)**

Addressing Key Site Selection Factors

- **Go, No Go**

1. Workforce Availability and Cost
2. Proximity to Heritage Sites
3. Supply Chain Proximity
4. Government Customer Preference
5. Quality of Life (Company Factors)
6. Specialized Skill Quotient
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- **Incentives**

In addressing key factors, three keys are:

1. The metrics are competitive.
2. The community is agile enough to solve the shortfall (ie turning around a workforce certification program).
3. The community can pay for the site factor shortfall through incentives.

Delivering Sites

1. **Site readiness programs can be good and bad.**
2. **Clearly label use-cases to target industries.**
3. **The target audience should be brokers, site selectors and consultants first, corporations second.**
4. **Transparency on costs, entitlements and speed to market**
5. **Spec-build the "first" building if attracting megaprojects to de-risk project ramp-up.**