

Strategic Development Group, Inc.

**Current Trends in
Logistics and Advanced
Manufacturing Industries**

**Regional Economic
Summit**



Evansville, Indiana

November 21, 2008

Introduction of Strategic Development Group

Site Search
and
Negotiation
for Large
Corporations



Photo Courtesy of BAPM

Introduction of Strategic Development Group

Strategic Planning and
Marketing for Economic
Development
Organizations



Presentation Overview

- Key Site Location Criteria
- Key Site Location Trends
- Case Studies
 - 1000 person R&D facility
 - 100 person Advanced Manufacturing facility
- What's Next?

Key Site Location Criteria



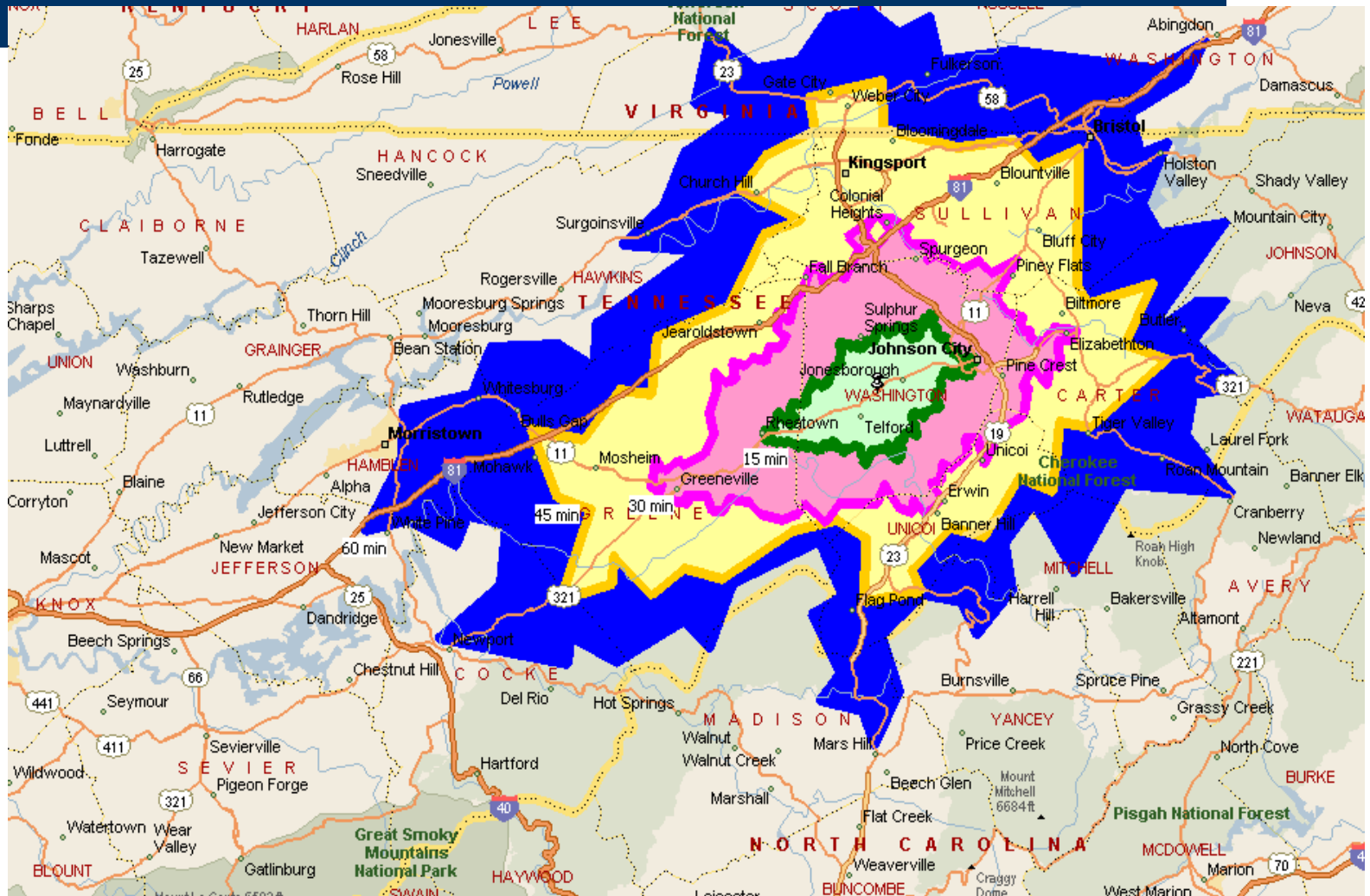
Top 10 Site Selection Factors

Ranking	Factor	2006	2005
1	Labor Costs	95.0	87.9
2	Highway Accessibility	90.9	91.4
3	Corporate Tax Rate	90.8	85.0
4	State and Local Incentives	88.6	86.0
5	Availability of Telecommunication Services	88.3	79.8
6	Tax Exemptions	86.7	83.6
7	Occupancy or Construction Costs	85.5	83.7
8	Availability of Skilled Labor	85.1	87.2
9	Energy Availability and Costs	82.4	82.8
10	Availability of High-speed Internet Access	82.1	85.7

Quality of Life Factors

Ranking	Factor	2006	2005
1	Low Crime Rate	70.8	67.8
2	Ratings of Public Schools	64.4	56.8
3	Housing Costs	63.9	60.0
4	Health Facilities	60.8	62.1
5	Housing Availability	54.4	59.3
6	Climate	48.6	46.5
7	Colleges and Universities in area	44.6	46.0
8	Recreational Opportunities	43.7	44.8
9	Cultural Opportunities	41.4	48.8

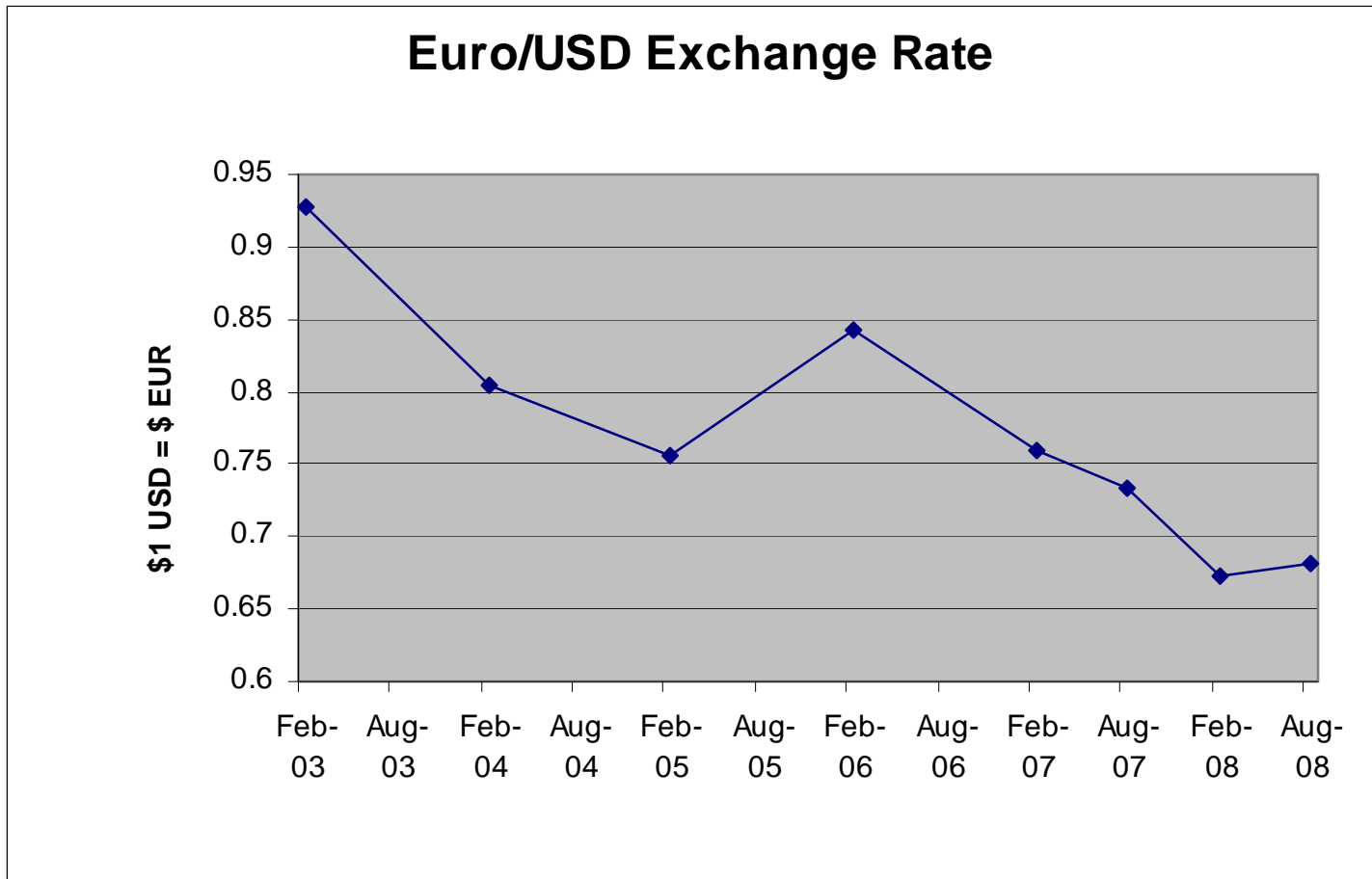
Drive Time Rings



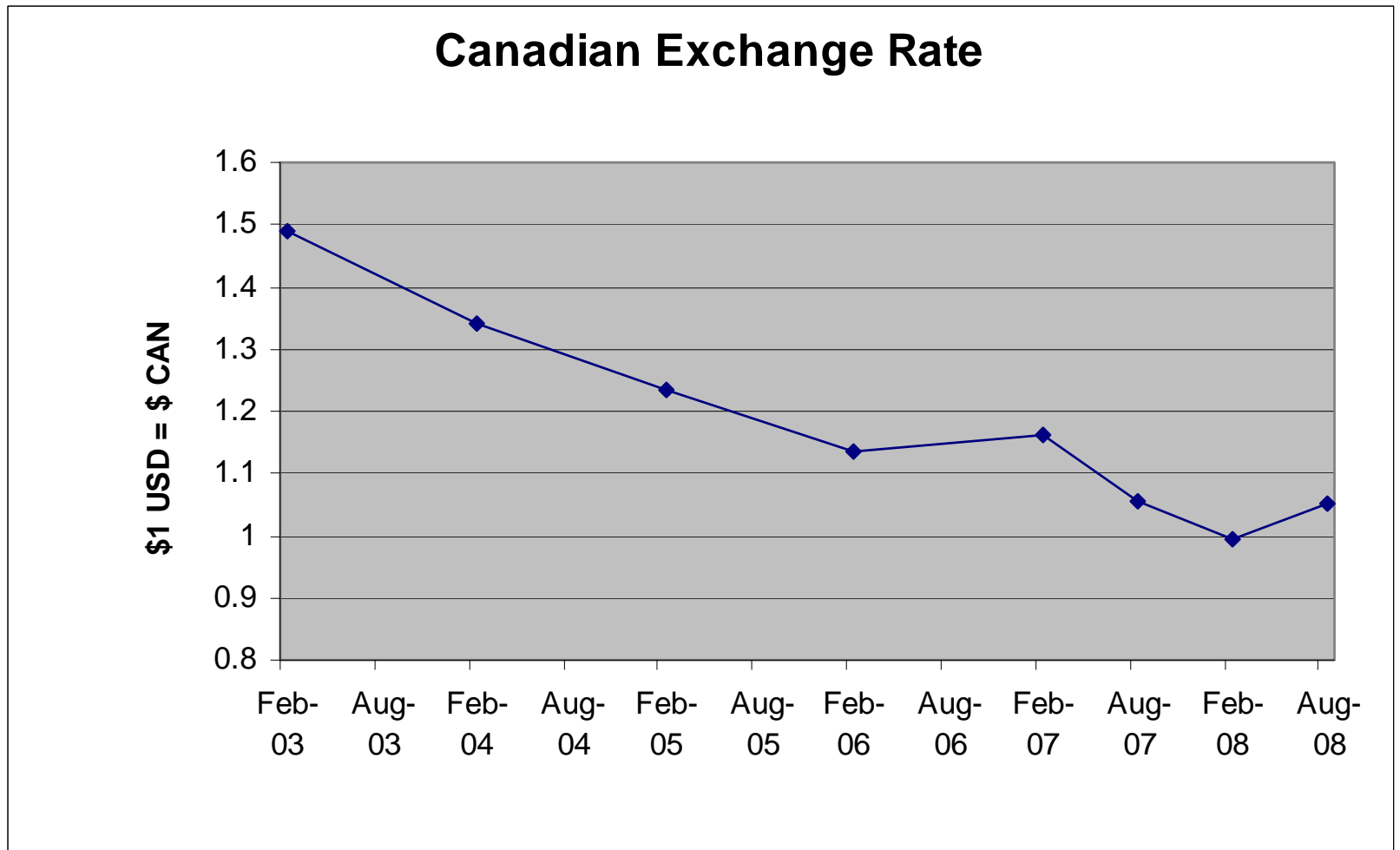
Other Key Site Location Factors

- Risk
 - Time
 - Environmental
 - Political
- Near term and long term project costs
- Currency fluctuations

Value of the Euro



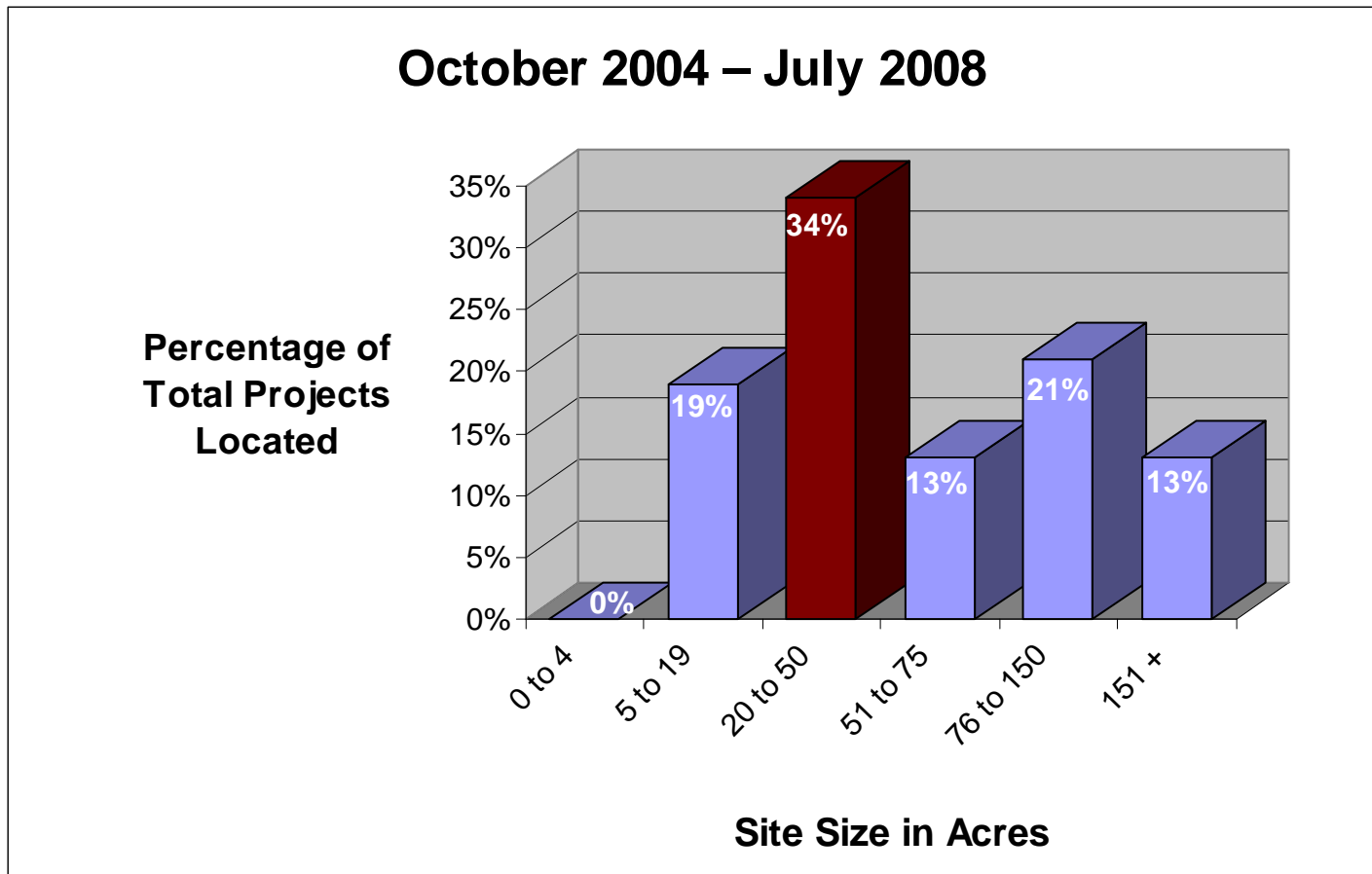
Value of the Canadian Dollar



Other Key Site Location Factors

- Site Readiness
 - Site control
 - Zoning
 - Legal aspects
 - Water/wastewater
 - Gas/electric
 - Environmental due diligence
 - Site buffer
 - Transportation

Frequency of Industrial Locations by Site Size for Greenfield Sites in an Adjacent Region (As a Percentage of Total Locations)



Key Site Location Trends



Key Site Location Trends

- Automotive slowing
- Alternative energy development
- Logistics
- Growth of selective industries

Governor Phil Bredesen



Key Location Factors for Selected Case Studies



R&D Center for North and South America

- Project Criteria:
 - 1000 jobs
 - Approximate salary: \$70,000 per job

R&D Center for North and South America

- Quality of Life – Retention
 - Walking trails
 - Crime rate
 - Restaurants
- Education System
- Cost of Living
- Direct Flights

R&D Center for North and South America

- Short and Long Term Costs
- University Presence
- Community Desire
- Urban Location

Advanced Manufacturing Center

- Project Criteria:
 - 100 jobs
 - Approximate salary: \$50,000 per job

Advanced Manufacturing Center

- Rural Location
- Low Crime Rate
- Labor Draw
- Non-union
- Education System

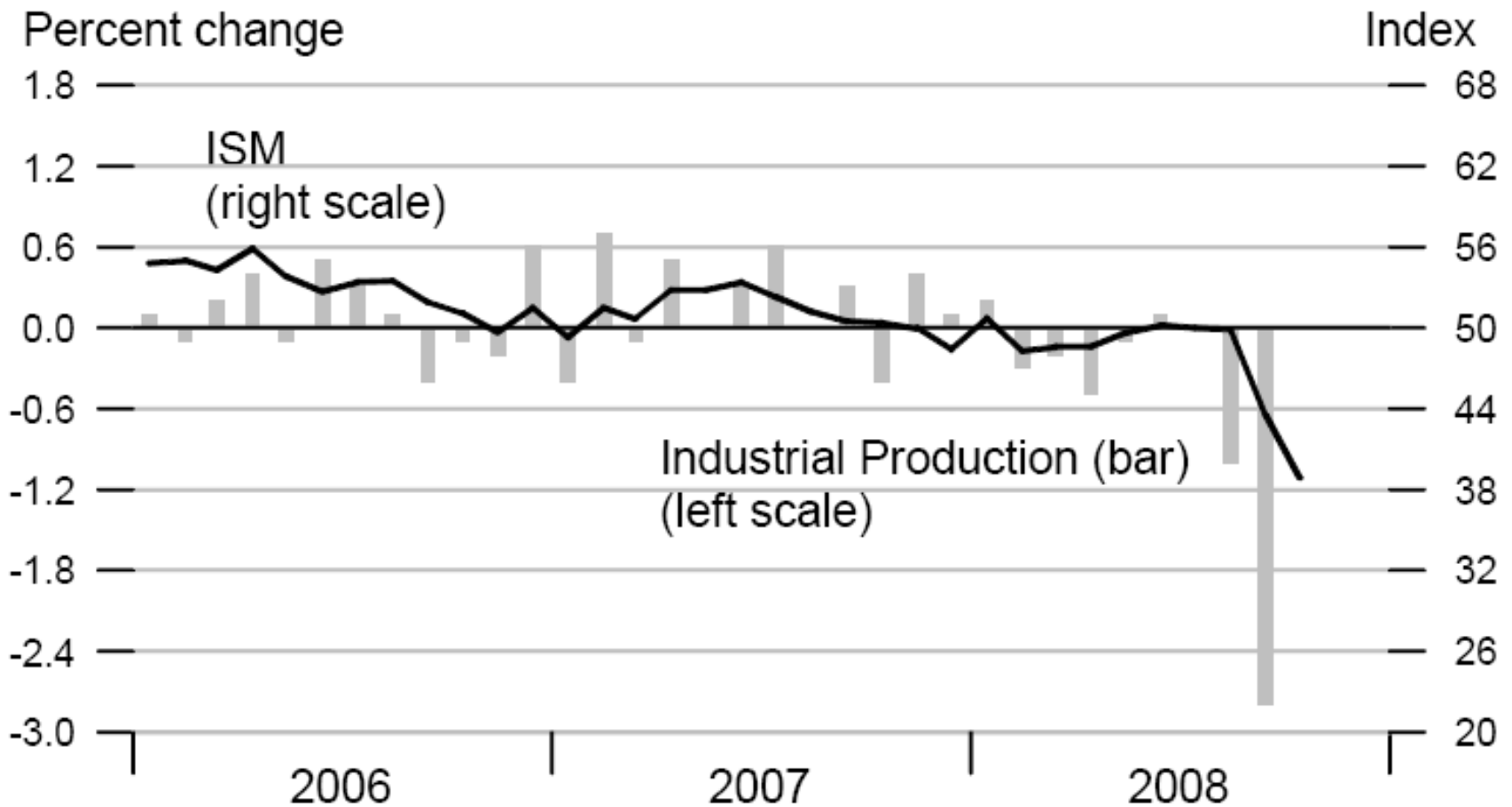
Advanced Manufacturing Center

- SAT and ACT Scores
- Proximity to Medical Care
- Short and Long Term Costs
- Proximity to Customers

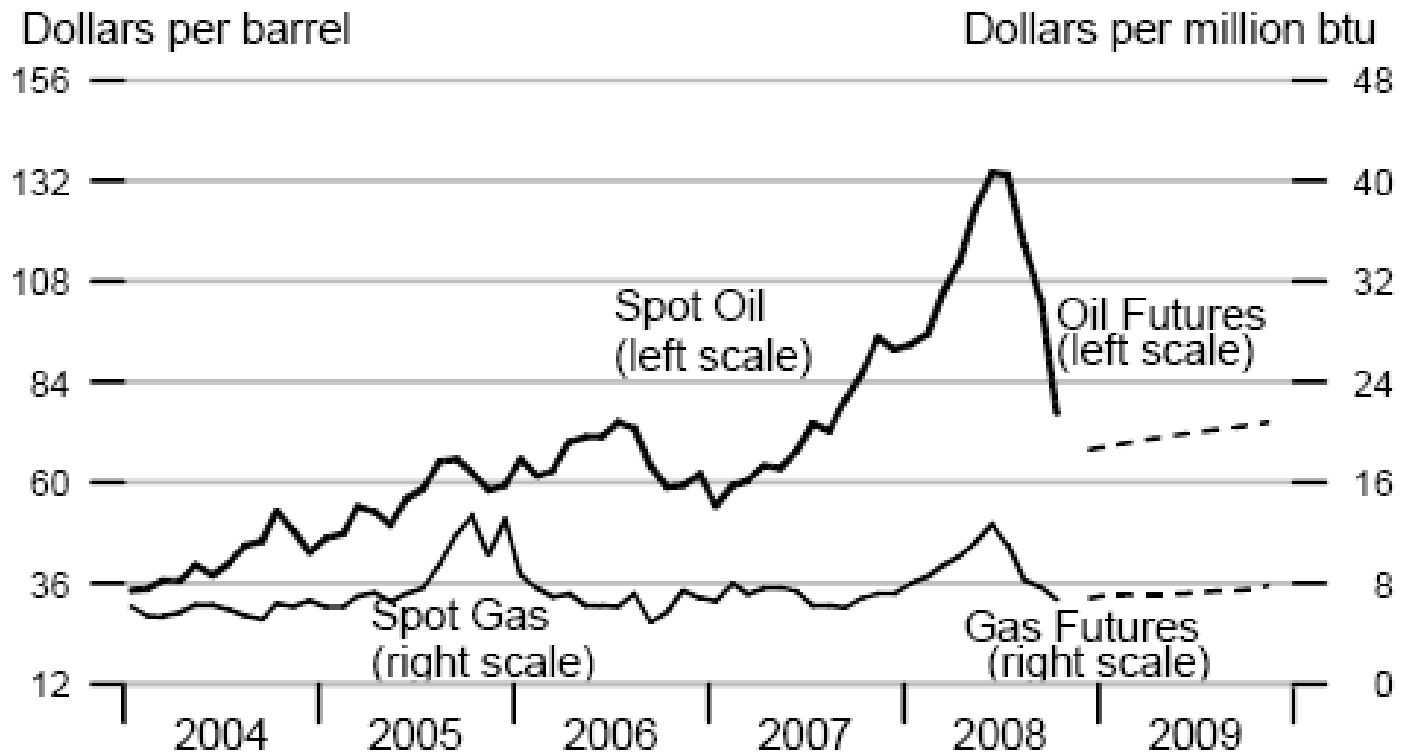
What's Next?



Industrial Production and ISM Index

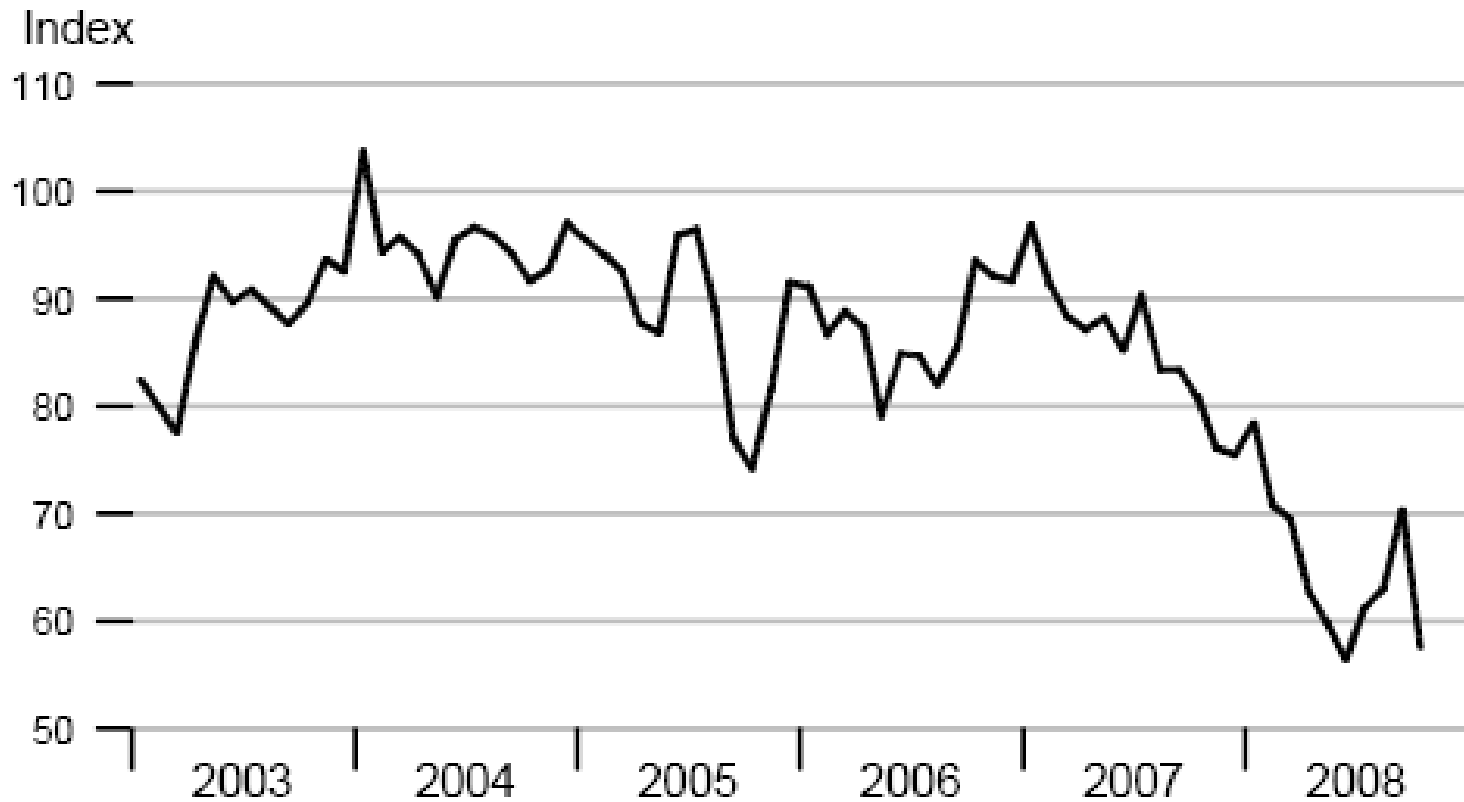


Oil & Natural Gas Prices: Spot and Futures



Note: Futures prices as of 10/31/2008.

Consumer Sentiment (U. of Michigan)



Source: Federal Reserve Bank of St. Louis

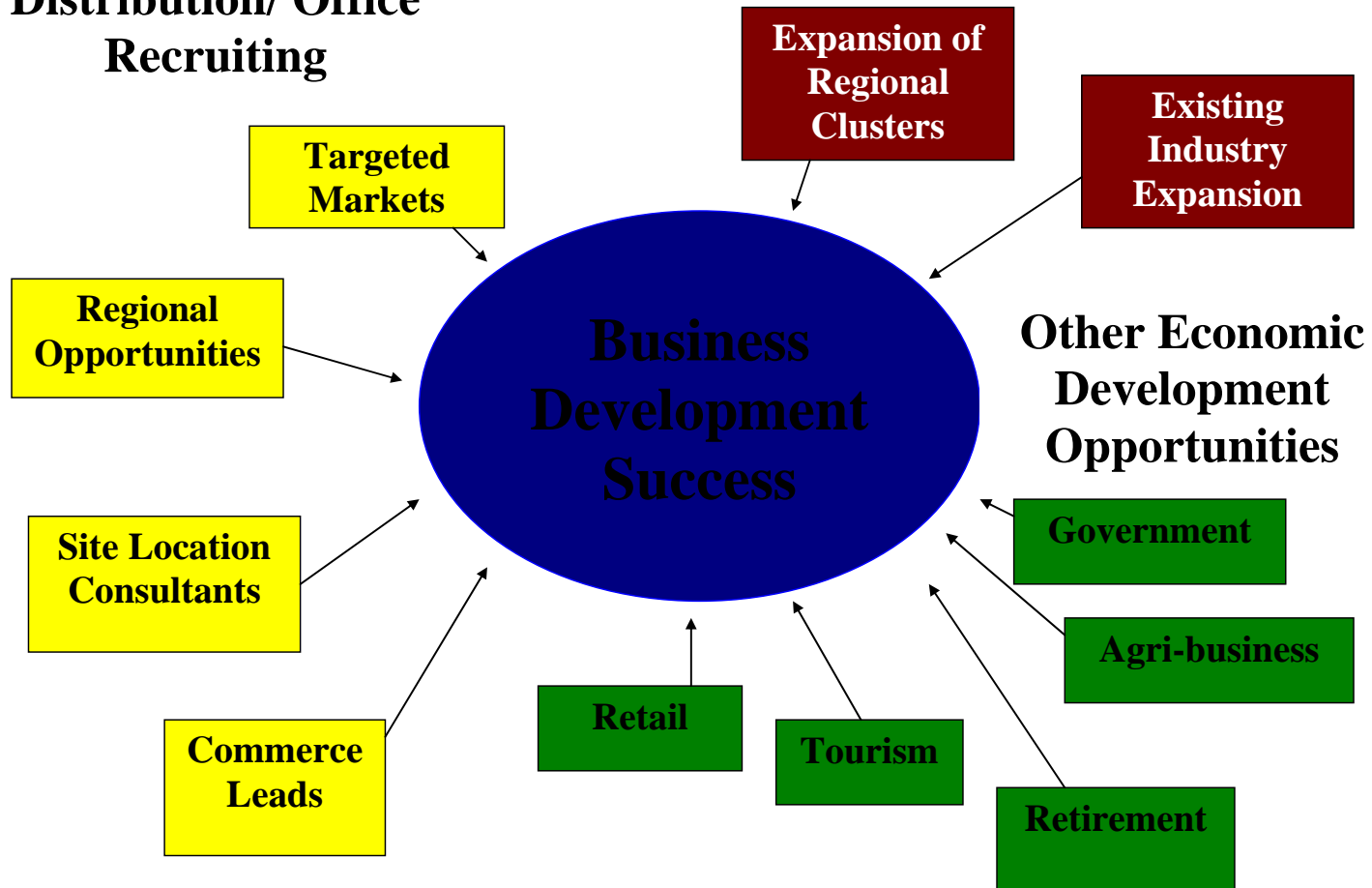
China is in Economic Training



Successful Marketing Strategies

**Industrial/
Distribution/ Office
Recruiting**

Existing Industry/ Expansion



STRATEGIC DEVELOPMENT GROUP, INC.

Business Philosophy Corporate Services Economic Development Services President

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For South Carolina Companies

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Strategic Development Group, Inc. is a privately owned professional consulting firm offering expert site location, negotiation and economic development services. The firm's client base consists of large multinational and US-based

Courtesy of Foster, Saad & Co.



Strategic Development Group, Inc. headquarters located in Columbia, SC

companies as well as state, regional and local economic development organizations. This base of private sector / government clients provides synergistic benefits to each client group. The firm's headquarters is located in Columbia, South

Carolina and conducts business throughout the United States.

Strategic Development Group operates under principles of ethical practice while delivering expert advice that creates profound value for its clients in a timely and cost effective manner.

Clients We've Helped...



BMW Manufacturing Corp.

"During my tenure as Governor, I worked on numerous corporate location projects with Strategic Development Group's President, Mark Williams. These projects resulted in over \$3 billion investment from US and foreign corporations.

In my view Mr. Williams is one of the nation's foremost site location and economic development experts. He understands the complexities of working with the public and private sector and consistently creates significant value for his clients while operating the