



CANUP &
ASSOCIATES

SOUTHERN AUTOMOTIVE CONFERENCE

Biloxi, MS

AUTOMOTIVE ASSEMBLY PLANTS TYPICAL SITE SELECTION CRITERIA



October 2-4, 2013

Canup & Associates Background and History

- Established in CY 2000 following a 20-year career with Fluor Corporation
- Managed, Directed or Supported over \$10 Billion in capital investments
- Assisted in the creation of over 10,000 jobs
- Expanded practice to include Project Implementation and Reverse Consulting
- Established Alliance Agreements with five additional consulting firms with proven experience; Alliance offices in Austin, Atlanta, Nashville, Jackson, and Greenville
- Principal has over thirty years experience in site selection, economic development, personnel and training, and construction management
- Diverse experience across all business sectors



Canup & Associates' Principal Representative Clients



Mercedes-Benz



NUCOR



COMMUNITY REUSE ORGANIZATION
two states, one future



Canup & Associates Reverse Consulting Projects



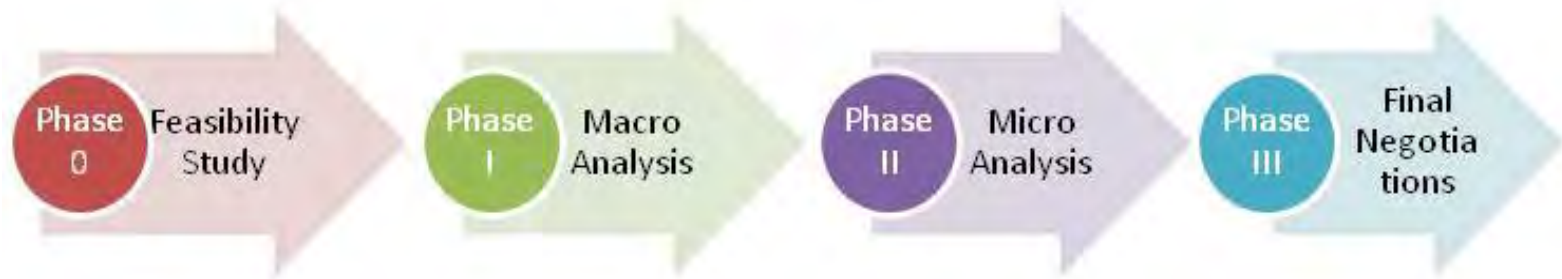
DAIMLERCHRYSLER



ThyssenKrupp

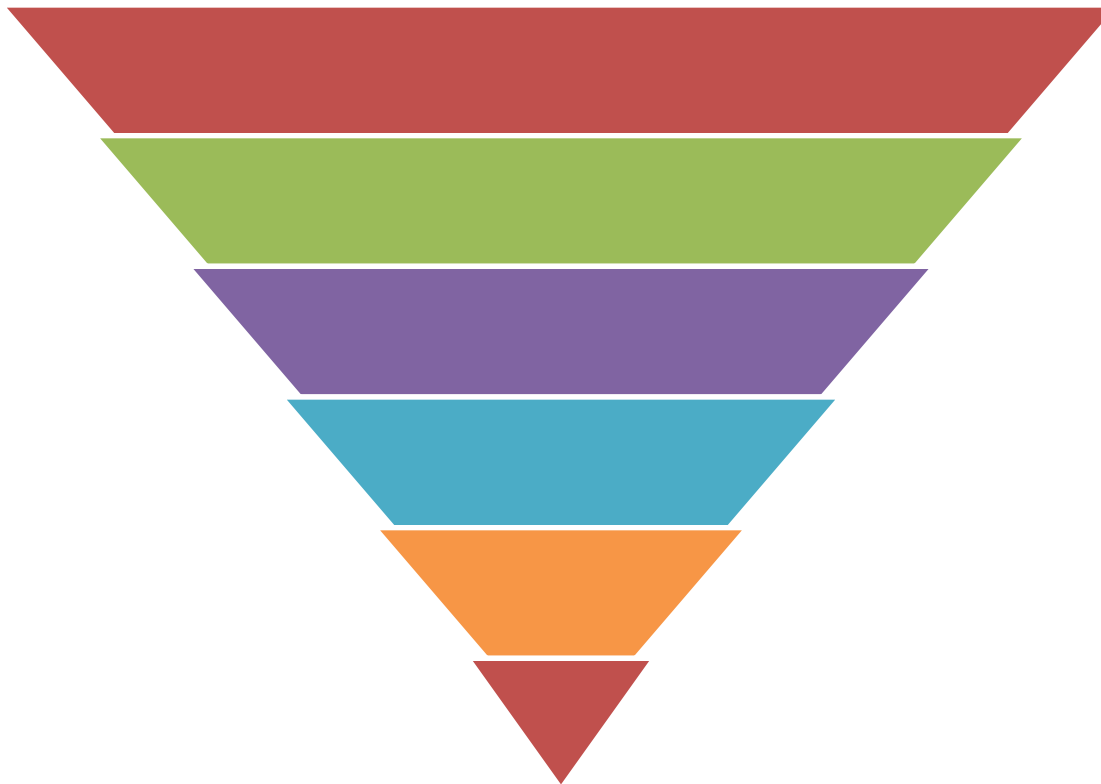


Typical Site Selection Methodology Four Phase Process



Site Selection Process

Systematic - Orderly - Detailed - Competitive



Define Criteria

Screen Alternatives

Select Short List

Due Diligence

Negotiations

Announcement

Site Selection Process Holistic Approach



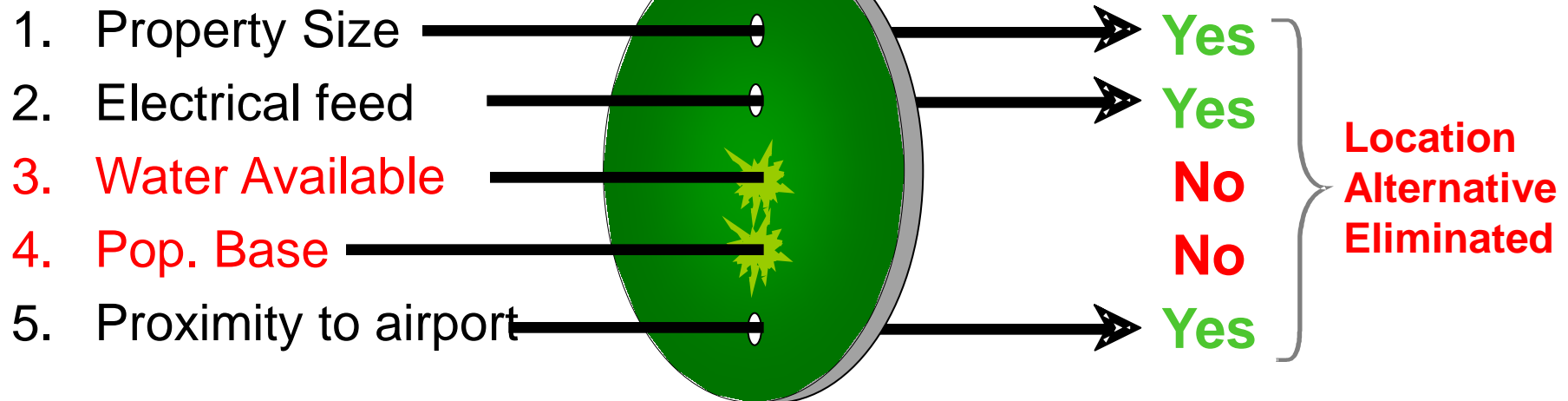
Defining Site Selection Criteria

**“Musts”
&
“Wants”**

Project “MUST” (Exclusion) Criteria

- Absolute for success
- Can not be compromised

Project “Must” Criteria



Note:

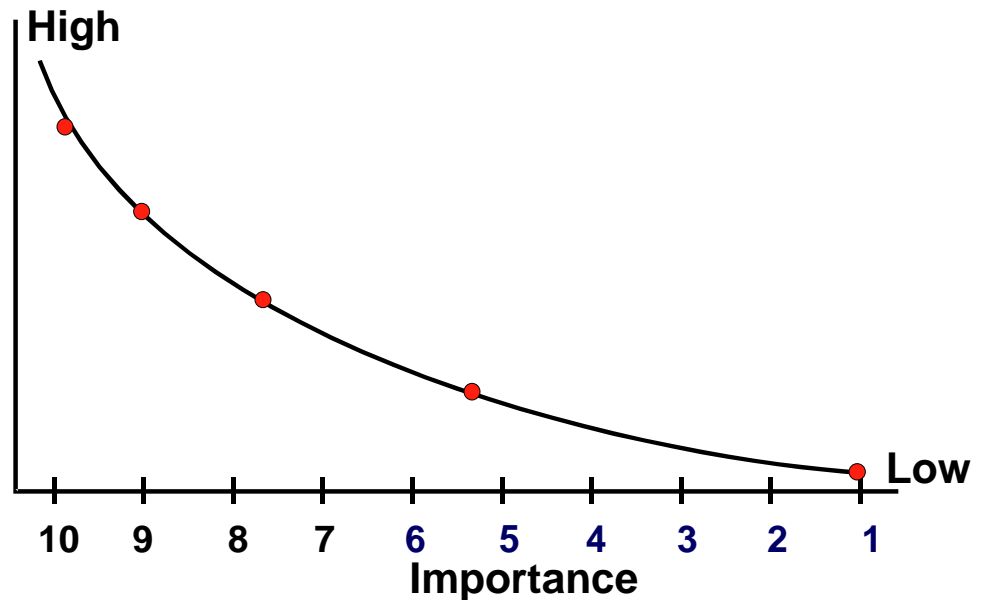
Establishing “MUST” criteria eliminates wasteful time and effort.

Project “WANTS” (Suitability) Criteria

- Important, but not absolute
- Willing to concede in one area to gain in another
- Measurable

Project “Want” Criteria

1. Labor Quality
2. Operating Cost
3. Investment Cost
4. Transportation
5. Quality of Life



Assigning values to wants:

- Establishes importance of one criteria over another
- Enables evaluation and processing of large quantities of information and data
- Sharpens the visibility of important criteria

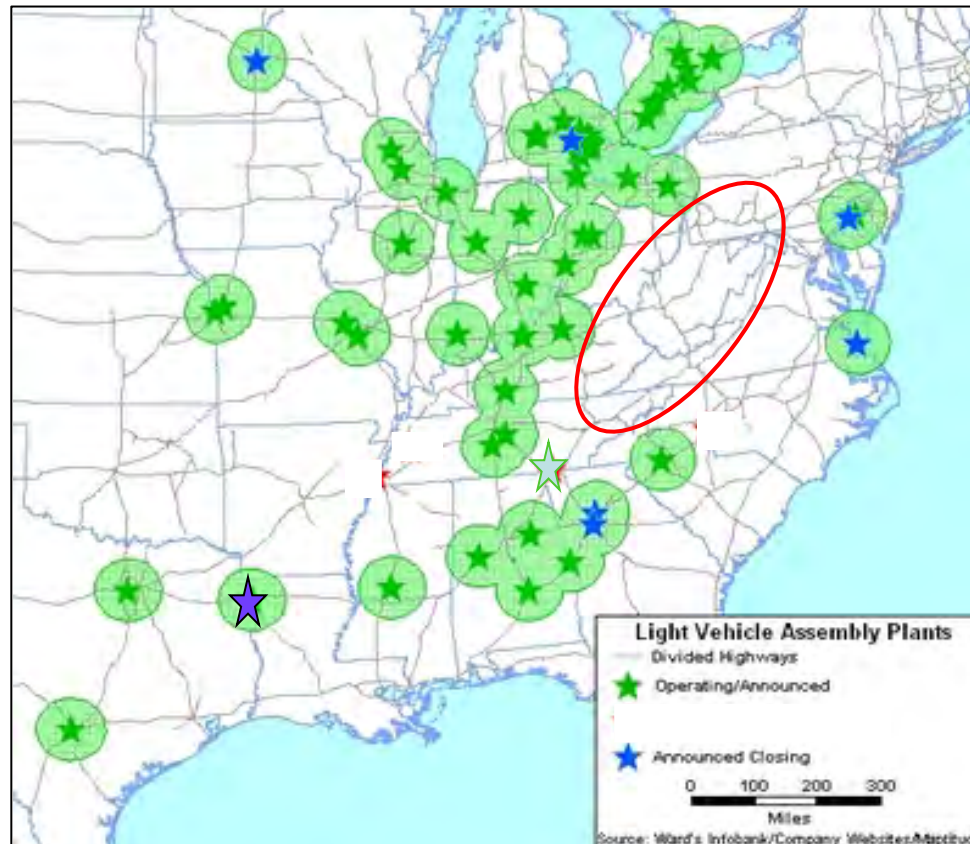
TYPICAL “ MUST” CRITERIA



- **Competitor Avoidance**
- **Air Quality Status**
- **Natural Disaster Avoidance**
- **Proximity to Interstate**
- **Proximity to Rail**
- **Size, Configuration & Topo**
- **Utilities**

COMPETITOR AVOIDANCE

60 MILE RADIUS FROM EXISTING ASSEMBLY PLANTS

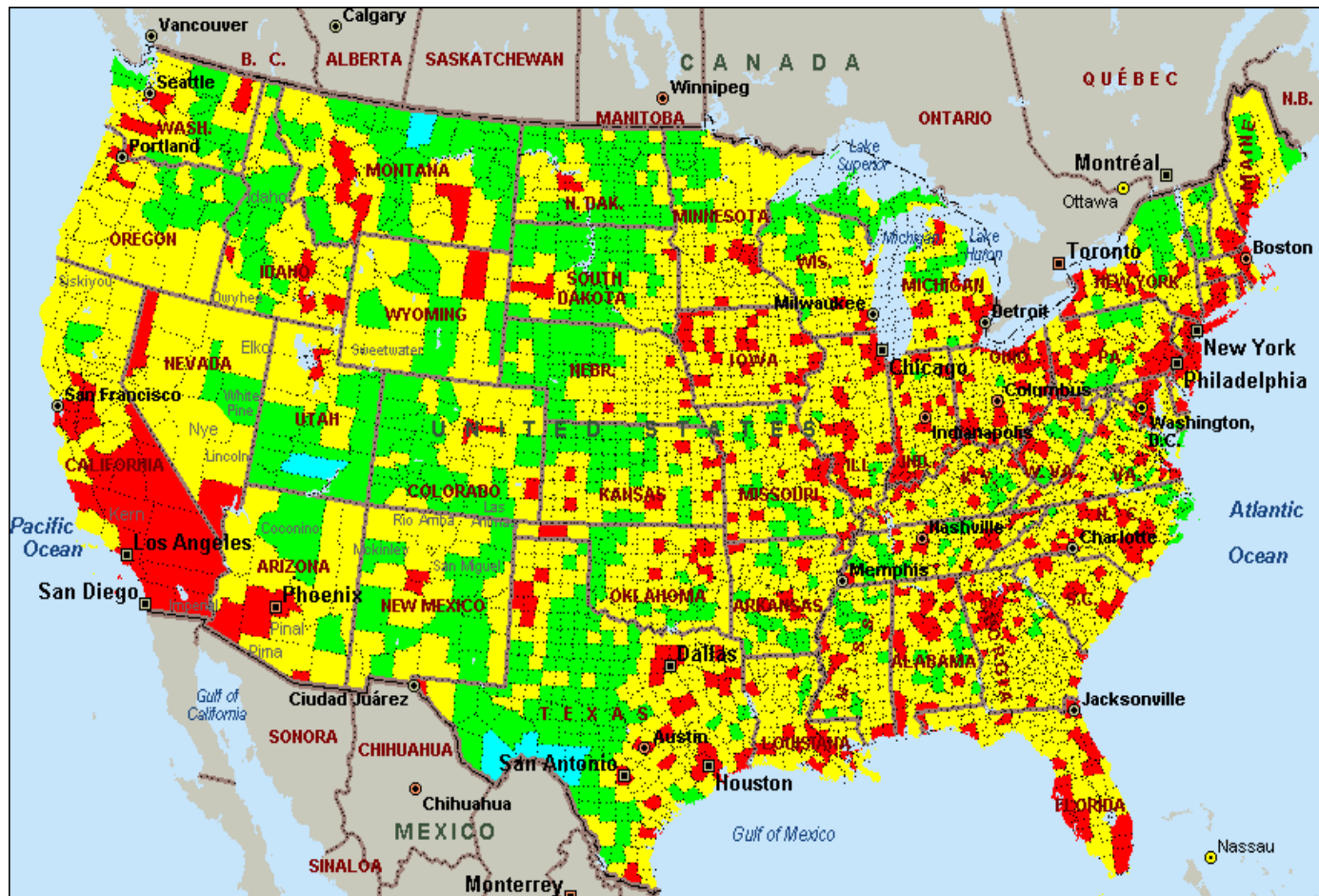


HURRICANE RISK ASSESSMENT



US Air Quality Grade book, Jan 2012

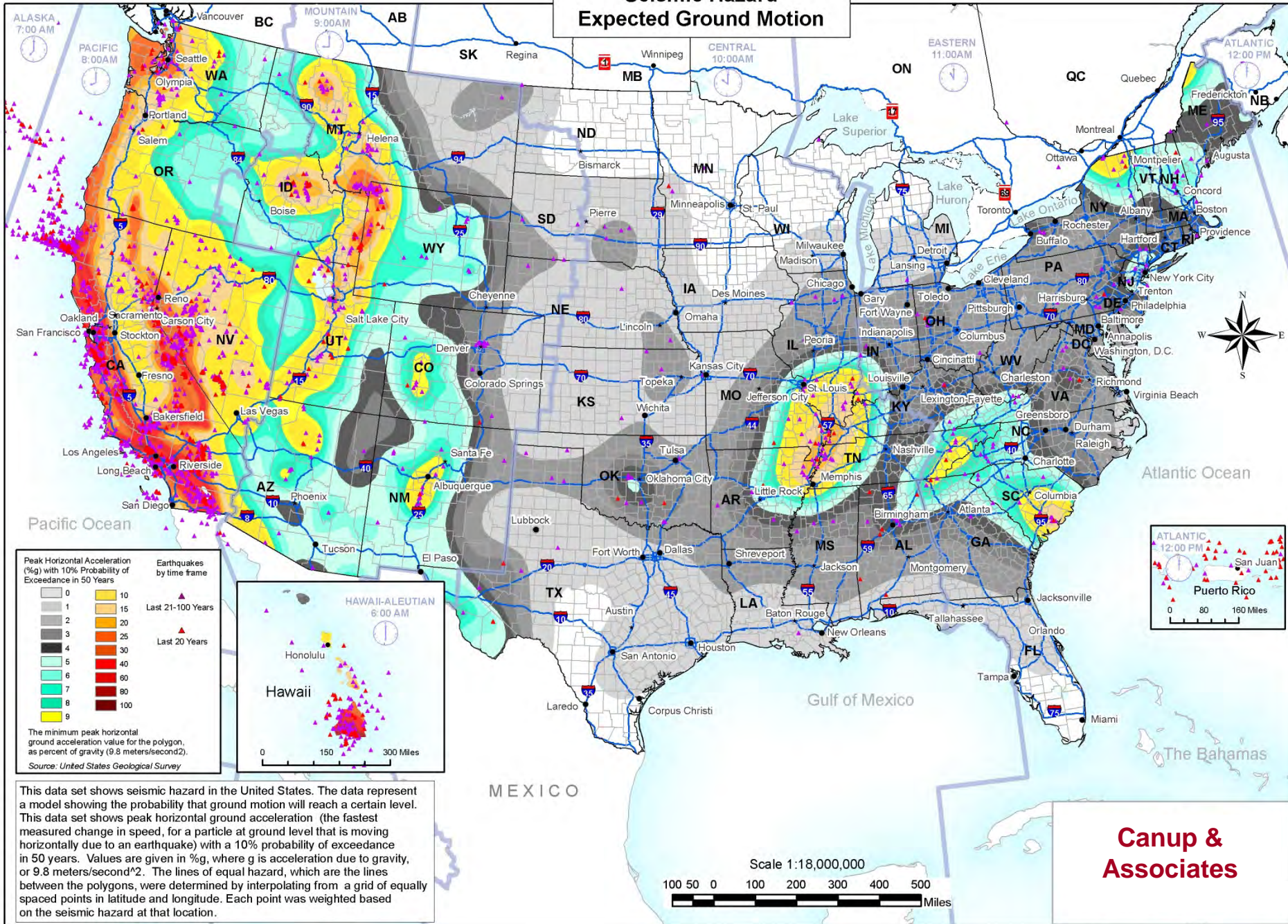
EPA's AIRData at <http://www.epa.gov/air/data/>



A B C D F

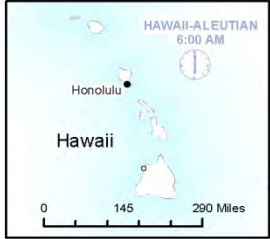
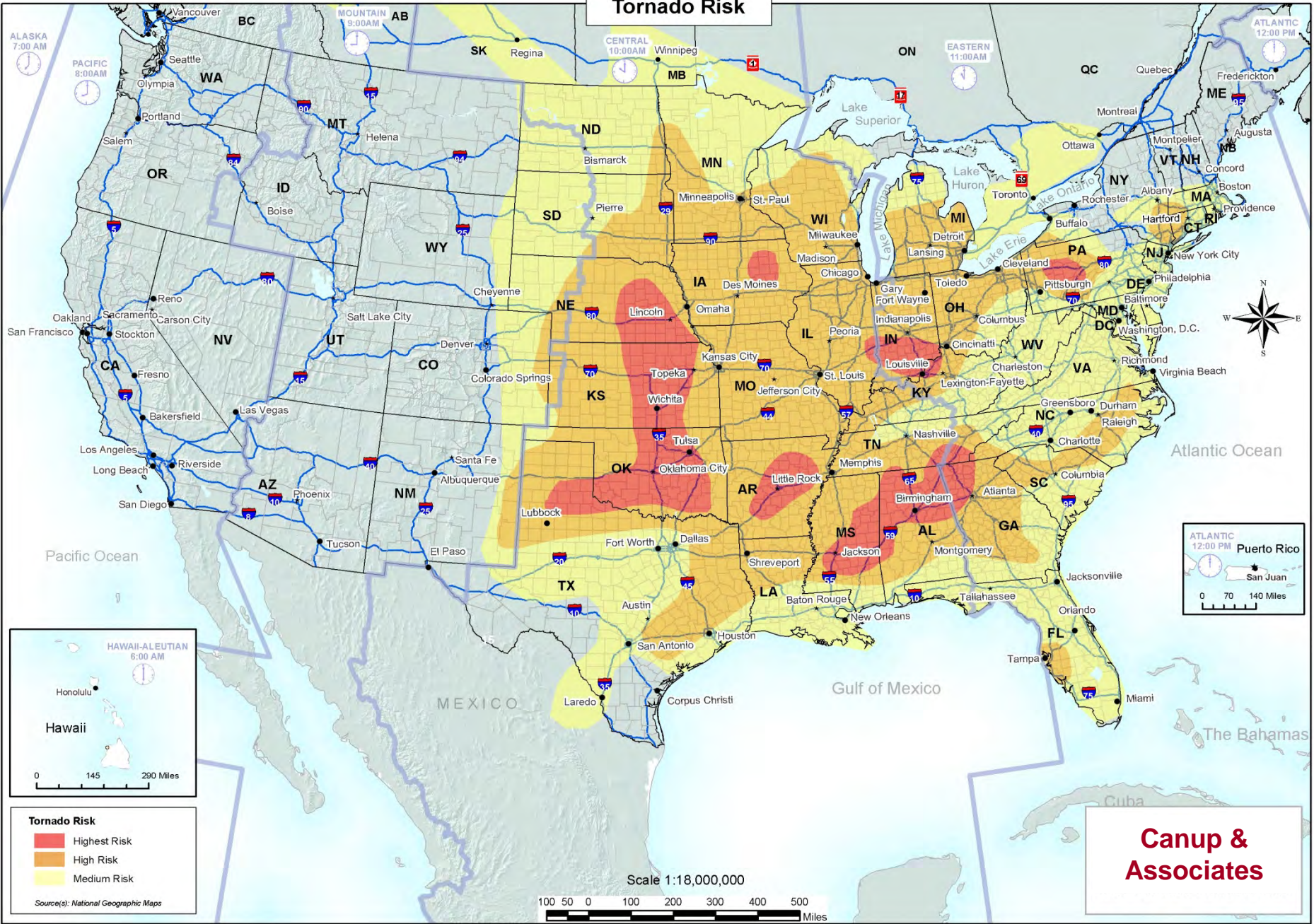
A = Best/Cleanest in the US; F = Worst/Dirtiest in the US.

Seismic Hazard Expected Ground Motion



This data set shows seismic hazard in the United States. The data represent a model showing the probability that ground motion will reach a certain level. This data set shows peak horizontal ground acceleration (the fastest measured change in speed, for a particle at ground level that is moving horizontally due to an earthquake) with a 10% probability of exceedance in 50 years. Values are given in %g, where g is acceleration due to gravity, or 9.8 meters/second². The lines of equal hazard, which are the lines between the polygons, were determined by interpolating from a grid of equally spaced points in latitude and longitude. Each point was weighted based on the seismic hazard at that location.

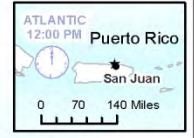
Tornado Risk



Tornado Risk

- Highest Risk
- High Risk
- Medium Risk

Source(s): National Geographic Maps

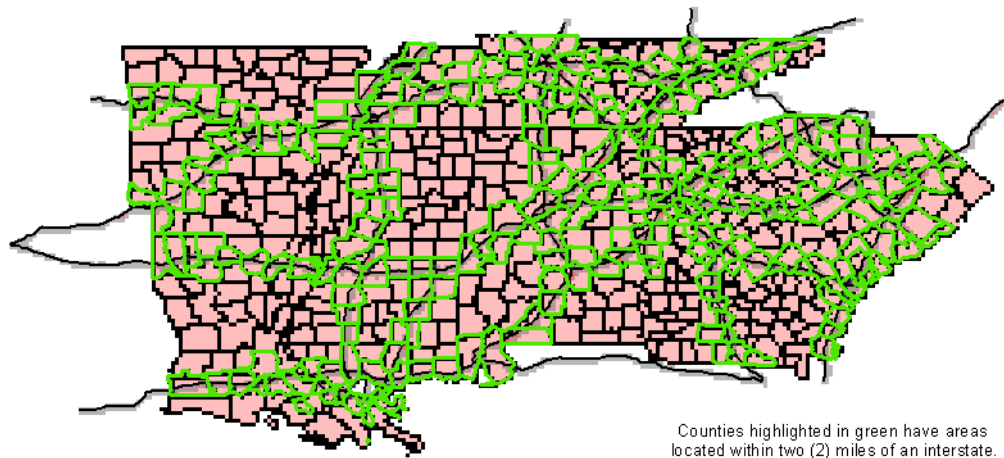


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Screening – within 10 Miles of an Interstate

Proximity to Interstates



Counties highlighted in green have areas located within two (2) miles of an interstate.

Legend

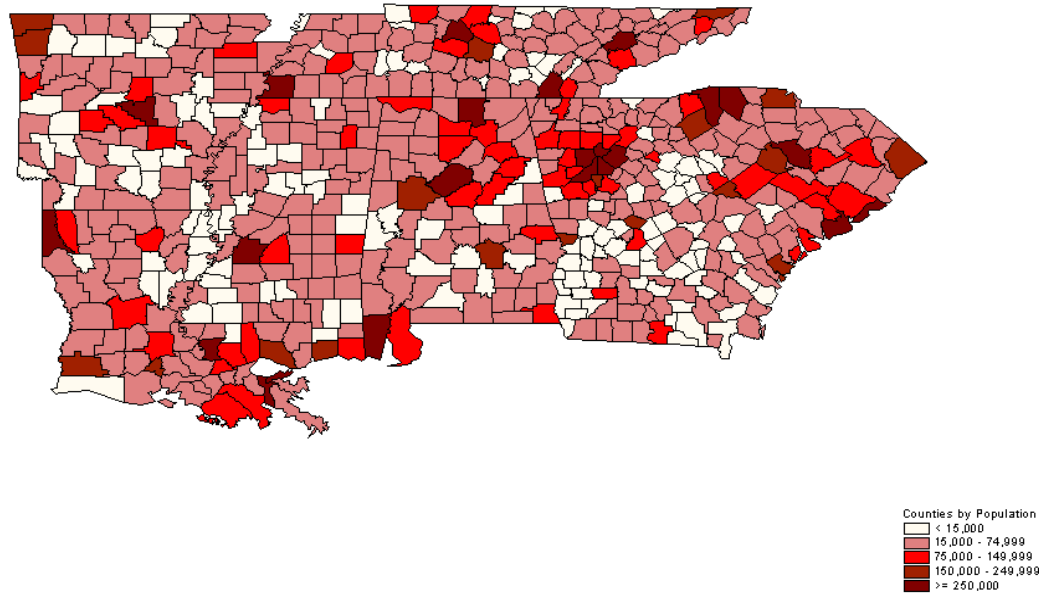
- Interstates
- Counties



Data Source: Environmental Systems Research Institute (ESRI)

0 95 190 380 Miles

Population by County

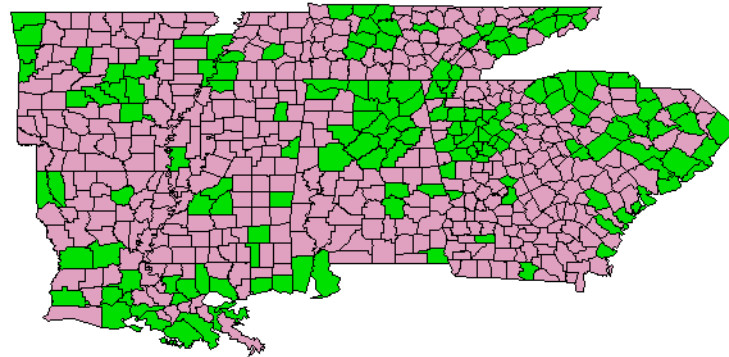


Data Source: 2000 Census, US Census Bureau

Results Based on Population

Qualifying Counties

Using Population Qualifier



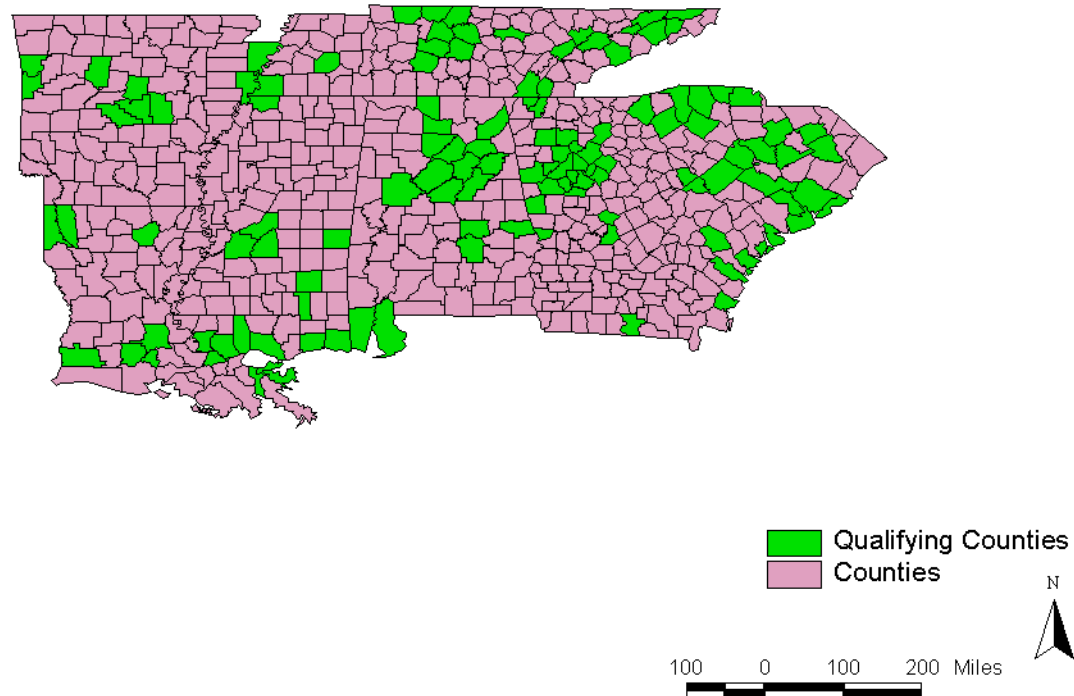
■ Qualifying Counties based on Population
■ Counties



Population plus Interstate Screen

Qualifying Counties

Using Population & Proximity to Interstate Qualifiers



Site Specific “MUST” Criteria

- **Size**
- **Configuration**
- **Topography**
- **Proximity to Rail**
- **Proximity to Interstate**
- **Utility Services** (water, sewer, gas, electrical, telecommunications)
- **Environmental Phase I and Phase II** (if necessary)
- **Geotechnical** (constructability)
- **Permitting (process and timeline)**



Site Specific “MUST” Criteria

- **Size:** >1500 ac or 607 ha
- **Configuration:** rectangular 2 x 1 length to width
- **Topography:** 3% to 5% slope +/-
- **Proximity to Rail:** adjacent to property
- **Proximity to Interstate:** frontage preferred
- **Utility Services:** per project specifications
(water, sewer, gas, electrical, telecommunications)
- **Environmental Phase I & II:** clean or acceptable mitigation
- **Geotechnical:** per project specifications
- **Permitting:** <90 days

C&A Site Selection Process

Short-Listed Communities Risk Analysis

Project XYZ Risk Analysis

Community/Risk		Probability	Impact	Mitigation
Community A				
1	Small staff in local permitting office may cause delays in construction schedule	Medium	High	Have county add additional reviewers and inspectors to their staff
2	Incentive approval process may require public identity prior to desired date	High	Medium	Delay public hearings until after target date for public disclosure on project plans
3	Wetland mitigation may delay start of construction	Medium	High	Require detailed plan and schedule from local reps to demonstrate ability to meet schedule
Community B				
1	Ingress/Egress plans may not be approved by DOT	Low	High	Require written approval for plans prior to final decision date
2	Tight labor supply may impact ability to recruit and train within ramp up schedule	High	High	Initiate hiring, training and ramp up two months ahead of current schedule
3	Tight labor supply may impact ability to hire within targeted wage rates	Medium	Medium	Target wage rate is 15% above existing average manuf wage rates in the region
Community C				
1	Site configuration limits direction of desired expansion	Medium	High	Obtain approval from client manufacturing engineering dept for modification to plan
2	Number of existing land owners may impede gaining property option w/l schedule	Medium	High	County has had options to purchase in place with all land owners in the past; require action by a date certain for further consideration



Questions & Answers

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