



# Leveraging Infrastructure as an Economic Development Tool

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1. Economic Development Overview
2. Site Certification – Courtney
3. Financial Considerations – Matt
4. INDOT Site Selection and Next Level Roads - Pam



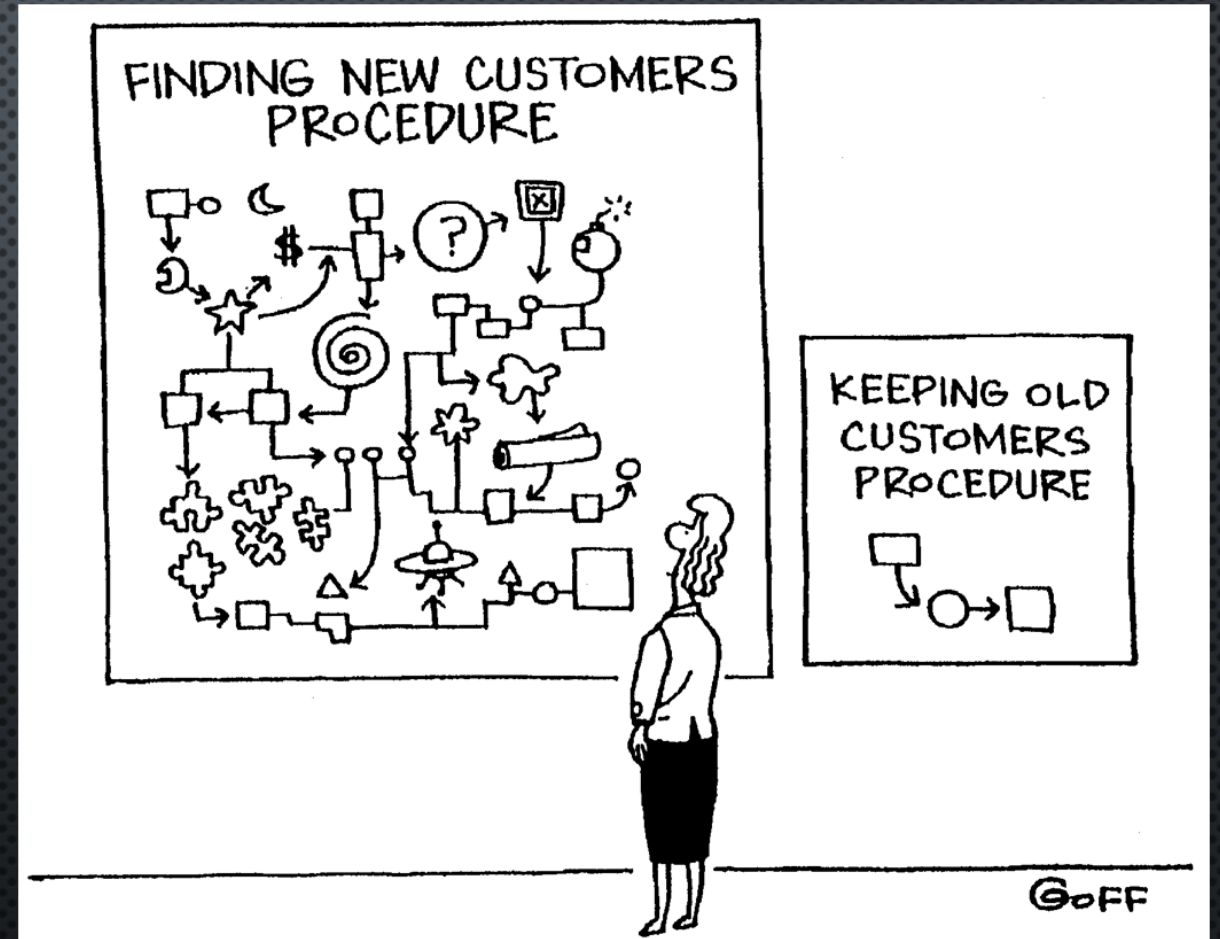
# Economic Development





“ Depending on which study you believe, and what industry you’re in, acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one.”

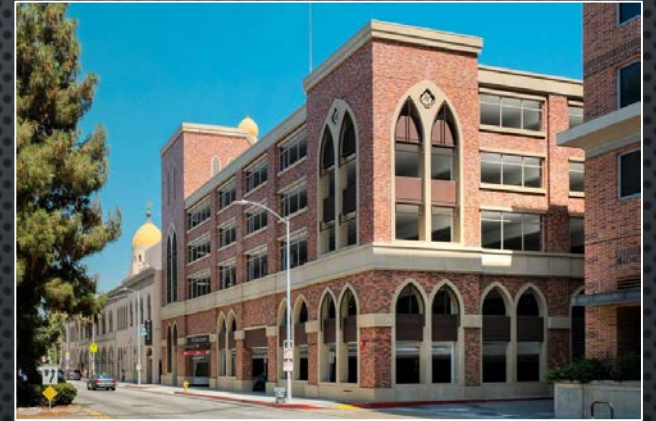
Harvard Business Review, “The Value of Keeping the Right Customers”, Amy Gallo





# Infrastructure <sup>AS</sup> ~~and~~ Economic Development?

- Master Planning
- Roads
- Bridges
- Utilities
- Parking
- Parks
- Trails





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# What Does Infrastructure Have to do with Workforce?

Site selection decisions are primarily based on workforce and product.

The current economy is robust with record low unemployment. But to even get in the game to promote a community's workforce, cultural amenities, and other assets, it must first have a 'product.'



## Why Should I Care About “Product”?

**Key component in site selection for the next company relocation or expansion is *SITE* and *BUILDING READINESS*.**

What does this mean? Undertake a comprehensive due diligence process that is consistent with the process a potential user would employ. Identify any issues related to:

- Site conditions
- Required infrastructure
- Entitlements

Then, address the issues OR develop a concrete plan to do so.





# How do I get my targeted site ready for (re)development?

Conduct a rigorous, independent third party analysis of the subject property and an honest evaluation of its readiness for development or occupancy.

*Options:* basic due diligence and site certification.





## Site Certification Designation

Any issues that would prevent normal development of the property should be satisfactorily addressed, or a concrete plan should be adopted to do so, along with identifying a source for necessary funding.

A credible program includes an ongoing review and re-certification process to ensure that any changes in land conditions, zoning, adjoining land uses, etc., don't negatively impact the original certification.



# What is the ROI on Site Certification?

**ROI for both communities and the end user!**

Can significantly shorten the development timeline once site is selected.

Important marketing tool separating a site from others under consideration.

**SPEED TO MARKET!!!**





## Critical Factor...

Gaining a meaningful site certification designation ***requires significant cooperation between many parties***, including private land owners, economic development officials, governmental representatives, elected officials and state agencies.

This proactive partnership among various stakeholders is a clear signal to site selectors and corporate decision makers that the community is united, organized and serious about attracting economic growth and partnering with new employers.





# A Confident Approach: Yorktown, Indiana





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# The Local Funding "Toolbox"

- **LOCAL INCOME TAX (LIT)**
  - COUNTIES
  - CITIES/TOWNS
- **PROPERTY TAX**
  - CITIES/TOWNS
- **TAX INCREMENT (TIF) REVENUE**
  - COUNTIES
  - CITIES/TOWNS
- **WHEEL TAX/EXCISE SURTAX**
  - COUNTIES
  - CITIES/TOWNS (OVER 5,000 POPULATION)



- **STATE DISTRIBUTIONS**
  - COUNTIES
  - CITIES/TOWNS



- **LIT**

- CERTIFIED SHARES OR ECONOMIC DEVELOPMENT DISTRIBUTIONS

- **PROPERTY TAXES**

- Not AVAILABLE FOR COUNTY PROJECTS

- EXCEPTIONS FOR BRIDGE RELATED FUNDS

- CITY/TOWN GENERAL, CUMULATIVE, OR MVH FUNDS

- **TIF**

- EXISTING ALLOCATION AREA VERSUS CAPTURING NEW DEVELOPMENT

- GEOGRAPHIC RESTRICTIONS

- **WHEEL TAX**

- REQUIRES AN INDOT-APPROVED TRANSPORTATION ASSET MANAGEMENT PLAN

- CANNOT ISSUE BONDS PAYABLE FROM MUNICIPAL WHEEL TAX



- **DIRECT DISTRIBUTIONS TO COUNTIES, CITIES AND TOWNS**
  - **LOCAL ROAD & STREET**
    - EXCLUSIVELY USED FOR ENGINEERING, LAND ACQUISITION, CONSTRUCTION, RESTORATION, RESURFACING OR REHABILITATION
  - **MOTOR VEHICLE HIGHWAY**
    - 50% OF THE STATE DISTRIBUTION MUST BE UTILIZED FOR CONSTRUCTION, RECONSTRUCTION OR MAINTENANCE



# Leveraging Your Local Road Dollars

- **PAY-AS-YOU GO FUNDING OF PROJECTS**
- **BUILDING BALANCES FOR MAJOR EXPENDITURES**
- **BOND ISSUES**
  - REVENUE BONDS UTILIZING LIT, TIF, MVH OR LRS
  - PROPERTY TAX SUPPORTED BONDS
  - UTILIZING MULTIPLE REVENUE SOURCES
  - PROHIBITIONS ON PLEDGING MUNICIPAL WHEEL TAX REVENUES TO DEBT
- **DEVELOP A PROJECT PLAN:**
  - TO EVALUATE DIFFERENT FUNDING OPTIONS
  - TO IDENTIFY HOW THE PROJECT "FITS IN" WITH OVERALL NEEDS
  - TO UNDERSTAND HOW FUNDING THE PROJECT WILL AFFECT YOUR OVERALL FINANCIAL POSITION





# Combining Local Funds with Other Sources

- IT IS COMMON TO USE LOCALLY AVAILABLE FUNDS AS "MATCHING" FUNDS WITH STATE AND FEDERAL PROGRAMS
- MATCHING CAN BE ACCOMPLISHED THROUGH THE USE OF CASH OR BOND PROCEEDS, DEPENDING ON THE PROGRAM





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# Pam Fisher, CEcD

Director of Economic Development, INDOT







- ECONOMIC DEVELOPMENT OVERVIEW
- SITE SELECTION
- NEXT LEVEL ROADS



1. SAFE & SECURE TRAVEL
2. SYSTEM PRESERVATION
3. ECONOMIC COMPETITIVENESS & QUALITY OF LIFE
4. MULTI-MODAL MOBILITY
5. ENVIRONMENTAL RESPONSIBILITIES
6. NEW TECHNOLOGY & ADVANCEMENTS





## ECONOMIC DEVELOPMENT IS A TEAM SPORT

- COLLECTIVELY, WE NEED TO UNDERSTAND WHAT TARGETED BUSINESS SECTORS NEED FROM US:
  - GOVERNMENT
    - INVESTING IN INFRASTRUCTURE, INCENTIVIZING BEHAVIOR, TECHNICAL EXPERTISE, REGULATORY CERTAINTY, WORKFORCE
  - UNIVERSITIES
    - R&D & TECHNOLOGY TRANSFER
  - UTILITY INDUSTRY
    - ELECTRIC VEHICLE INFRASTRUCTURE SUPPORT





# Industrial Site Selection Factors Ranked

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**1. HIGHWAY ACCESSIBILITY**

**2. AVAILABILITY OF SKILLED LABOR**

**3. LABOR COSTS**

**4. OCCUPANCY & CONSTRUCTION COSTS**

**5. STATE & LOCAL INCENTIVES**

**6. CORPORATE TAX RATE**

**7. TAX EXEMPTIONS**

**8. ENERGY AVAILABILITY & COSTS**

**9. PROXIMITY TO MAJOR MARKETS**

**10. QUALITY OF LIFE**

Source: Area Development's "31st Annual Survey of Corporate Executives"  
[www.areadevelopment.com](http://www.areadevelopment.com)





## 1. HIGHWAY ACCESSIBILITY

## 2. AVAILABILITY OF SKILLED LABOR

## 3. LABOR COSTS

## OTHER TAKEAWAYS:

- QUALITY OF LIFE IS CRITICAL TO TALENT ATTRACTION
- STATE & LOCAL INCENTIVES & ENVIRONMENTAL REGULATION ARE NOT RANKED IN TOP THREE



# Site Selection Request for Proposal





- TRANSPORTATION INFRASTRUCTURE
- RECRUITING & TRAINING
- TAX CREDITS / EXEMPTIONS/ABATEMENTS
- DISCRETIONARY GRANT FUNDING
- PERMITTING & INSPECTIONS
- WATER / SEWER INFRASTRUCTURE
- UTILITY COSTS



- DATA IS INPUT INTO CLIENT MATRIX
- ITEMS ARE WEIGHTED ACCORDING TO CLIENT NEEDS & PRIORITIES
- THE CLIENT'S GOAL IS TO REDUCE NUMBER OF COMMUNITIES UNDER CONSIDERATION FOR PROJECT
- HOW DOES YOUR COMMUNITY/REGION/STATE/COUNTRY STAY IN THE RACE?





# Site Elimination Process

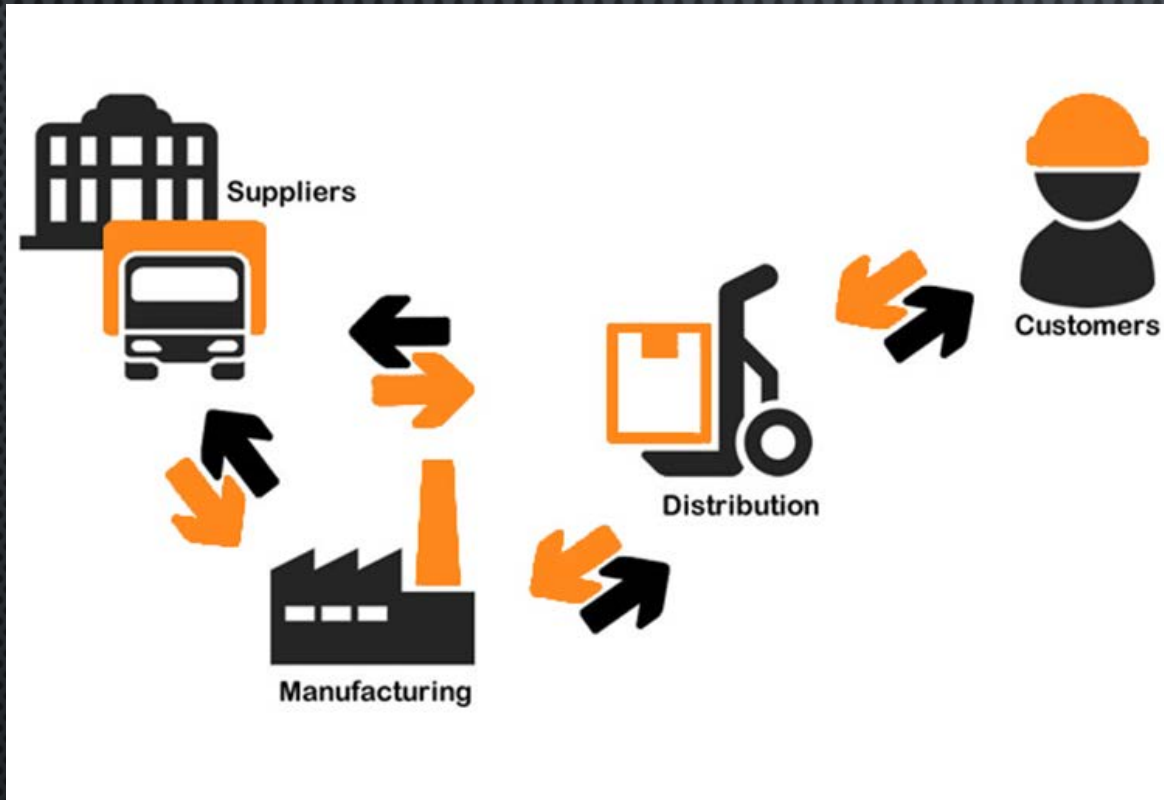
	Site A	Site B	Site C
Transportation Costs	\$X/mile	\$X/mile	\$X/mile
Labor Costs	$\frac{\text{wages+benefits}}{\text{\# of employees}}$	$\frac{\text{wages+benefits}}{\text{\# of employees}}$	$\frac{\text{wages+benefits}}{\text{\# of employees}}$
Energy Costs	\$0.XX/kwh	\$0.XX/kwh	\$0.XX/kwh
Capital Expenses (Land & Building)	Land = \$XX Building = \$XX	Land = \$XX Building = \$XX	Land = \$XX Building = \$XX
	\$XX	\$XXX	\$XXXX

Key inputs are weighted, calculated & ranked per each site





# CAV Economic Development Opportunities



- **HARDWARE**

- BATTERIES, ELECTRIC MOTORS, SEMI-CONDUCTOR CHIPS, CAMERAS, RADAR, LASER, LIDAR & OTHER SENSORS

- **SOFTWARE**

- COMMUNITIES WITH TECH TALENT WILL ATTRACT NEW ECONOMIC OPPORTUNITIES

Area Development "The Automotive Industry: On The Eve Of Disruption" (2017)



- TRANSPORTATION COSTS ARE A TOP-3 SITE SELECTION FACTOR
- ECONOMIC DEVELOPMENT IS A TEAM SPORT
- CLIENT DETERMINES WEIGHTING OF SITE SELECTION CRITERIA
- INDIANA'S CAV SUPPLY CHAIN POSITIONS IT FOR SUCCESS
- LEVERAGE GOVERNMENT-UNIVERSITY PARTNERSHIPS



# Next Level Roads Indiana



## Legend

- 20 Year Major Mobility
- 2016 Community Crossings
- LPA Projects

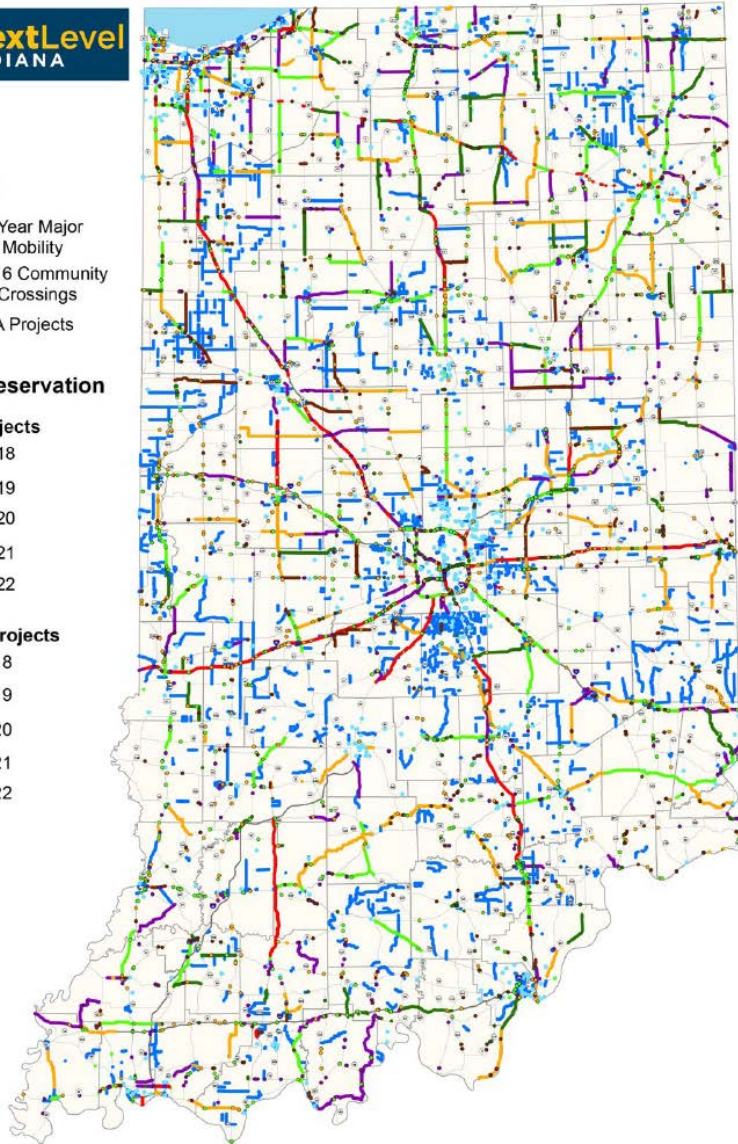
## 5 Year Preservation

### Bridge Projects

- 2018
- 2019
- 2020
- 2021
- 2022

### Roadway Projects

- 2018
- 2019
- 2020
- 2021
- 2022



5-year investment total: \$5,112,851,378

- ELEVATE INDIANA'S ECONOMIC COMPETITIVENESS AND QUALITY OF LIFE FOR ALL HOOSIERS
- \$30B OVER THE NEXT 20 YEARS IN ROADWAY INFRASTRUCTURE INVESTMENTS
- INCLUDES \$342M ANNUALLY TO HELP CITIES, TOWNS, AND COUNTIES FOR LOCAL ROADWAY PROJECTS (COMMUNITY CROSSINGS PROGRAM)
- PRESERVATION OF EXISTING STATE AND LOCAL ROADWAY INFRASTRUCTURE
- FINISH MAJOR PROJECTS OVER THE 20-YEAR PERIOD

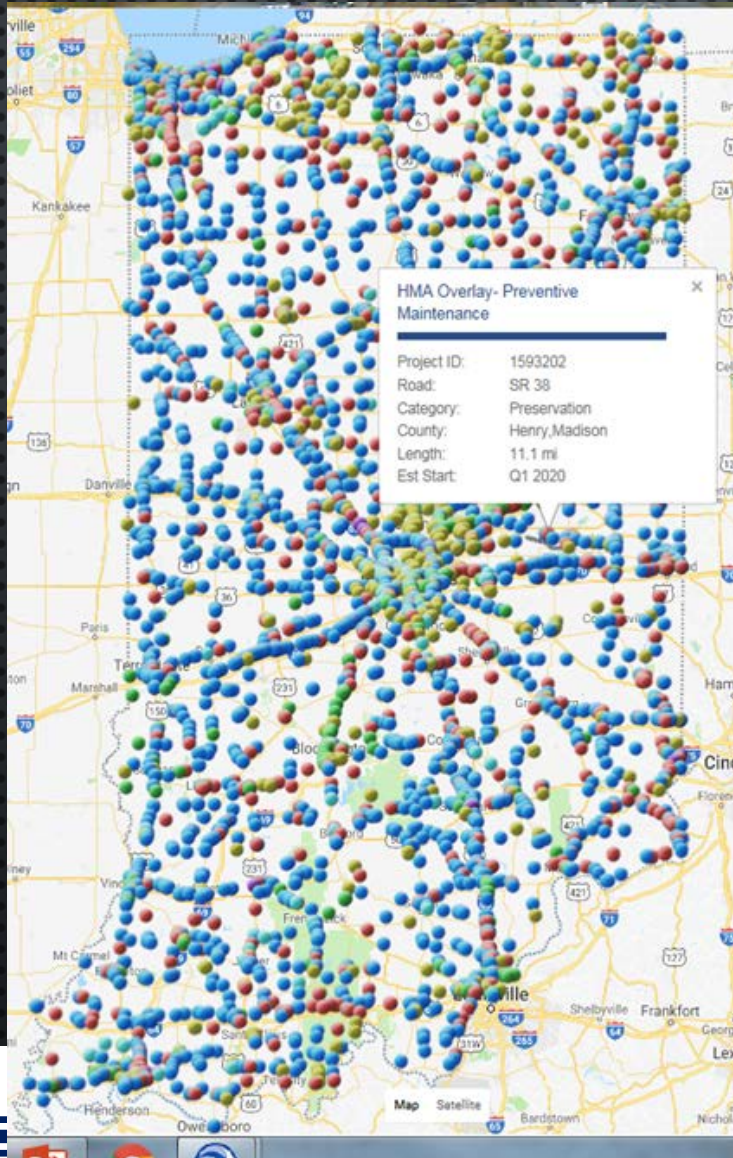




# Next Level Roads

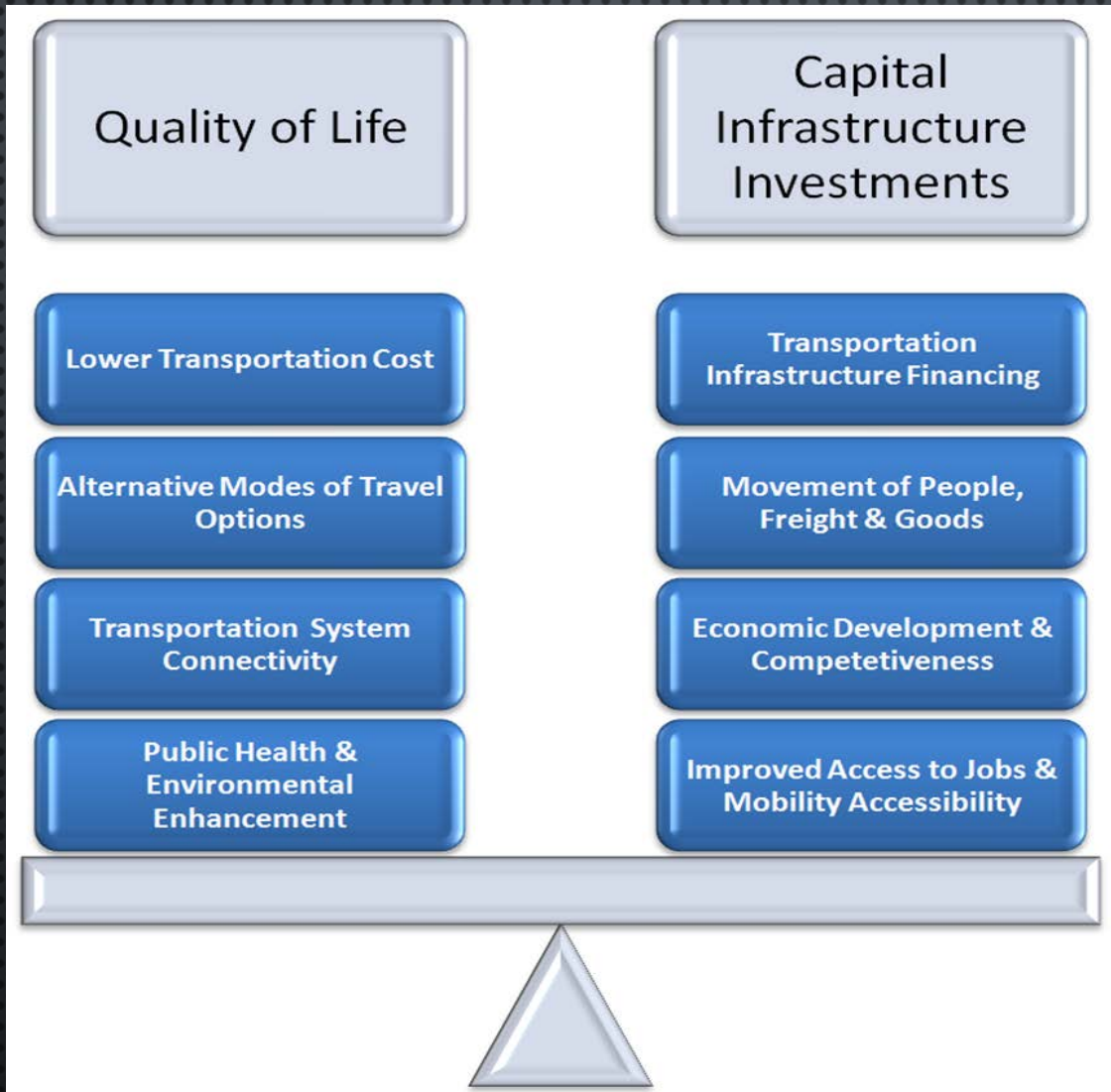
FILTER PROJECTS BY:

- DISTRICT
- STATUS
- PROGRAM
- COMMUNITY CROSSINGS





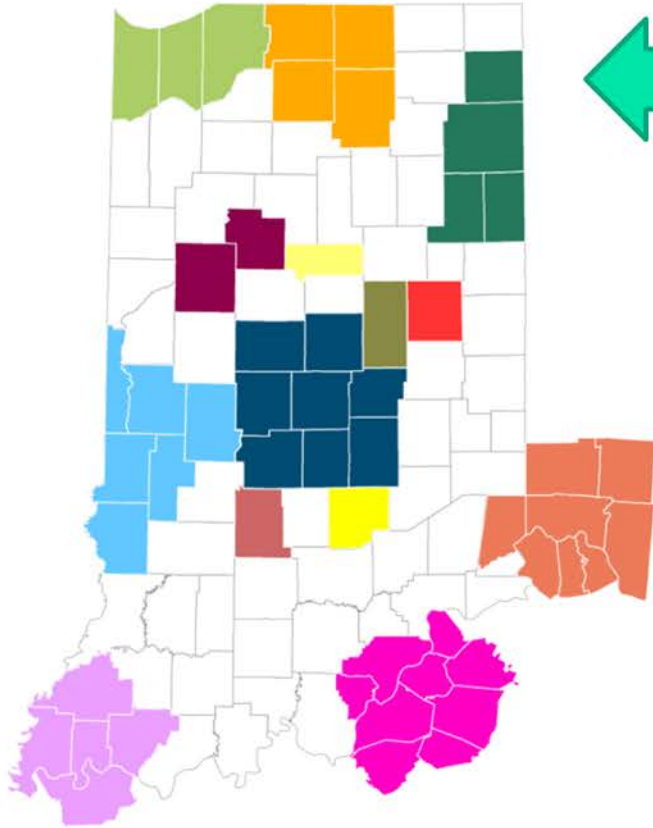
# Planning is a Balancing Act



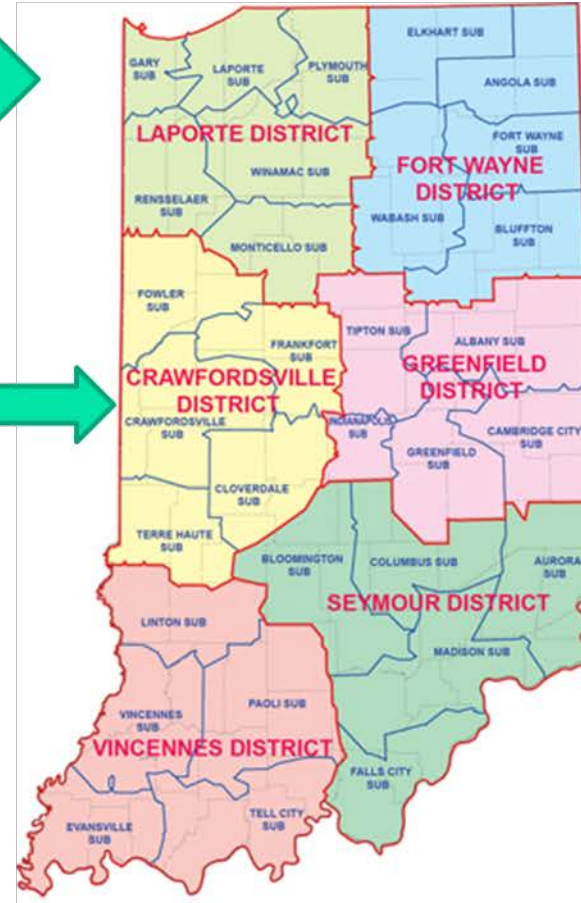


# Getting Involved: INDOT State Facilities

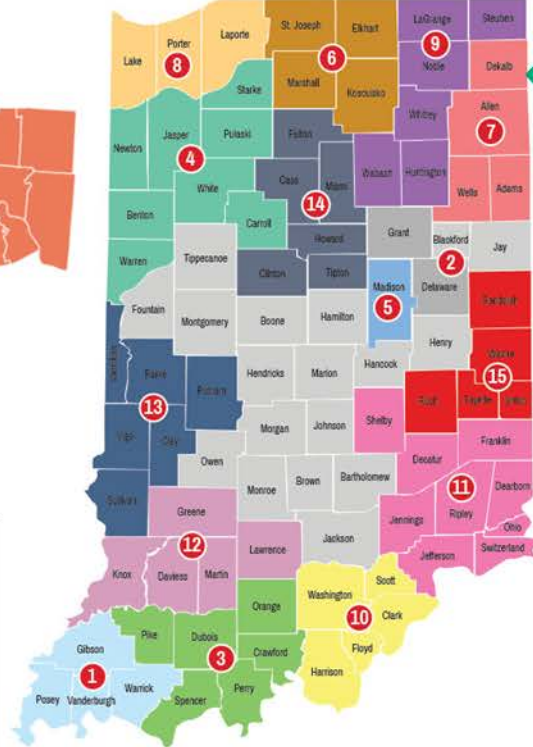
## MPO Regions



## INDOT District



## RPO Regions





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Questions?