


A large, black silhouette of a power transmission tower dominates the right side of the image, extending from the bottom to the top. The tower's lattice structure is intricate, with many cross-braces and insulators. Several power lines run diagonally across the frame from the top left towards the right. The background is a solid, vibrant blue.

UTILITIES & SITE SELECTION

POWER PLAYERS

Choosing the best location for your business requires plugging into the right electrical and natural gas resources. These top spots will get you energized for success.



For businesses choosing new distribution center and warehouse locations, reliable low-cost energy is a key consideration. That's why a first step for many site selectors is identifying locations where affordable, efficient energy service is available in abundance. Here's a look at some U.S. locations attracting manufacturers and third-party logistics providers seeking affordable utility assets.

KENTUCKY'S RELIABLE RESOURCES

Kentucky may be known as the Bluegrass State, but when it comes to utility rates, the grass is always green. The state's industrial electricity rates rank sixth-lowest in the nation, and more than 20 percent lower than the national average, according to the Energy Information Administration.

Kentucky's industrial sector natural gas prices are also among the lowest in the United States, and are ranked second-lowest when compared with states in the eastern United States. Twenty-eight gas distribution companies, 49 intrastate pipeline gas companies, and 172 municipal, college, or housing authority providers supply natural gas within the state.

"Kentucky's success is about more than just low energy costs," says Mandy Lambert, commissioner of business development for the Kentucky Cabinet for Economic Development.

"The state works diligently with its partners to provide reliable and diverse energy sources. These relationships are vital to setting Kentucky apart from the competition."

The Cabinet for Economic Development is the primary state agency in Kentucky responsible for encouraging job creation and retention, as well as new investment. The Cabinet administers programs that support and promote economic development, primarily by attracting new industries to the state; assisting in the expansion of existing industries; leading a statewide support network for entrepreneurs, small-business owners, and knowledge-based startup entities; and helping communities prepare for economic development opportunities.

These assets explain why Kentucky frequently tops the list when companies are deciding where to locate. For example, in 2013, Germany-based Bilstein Group announced plans to build a \$120-million cold rolled steel plant in Bowling Green, Ky. "The Tennessee Valley Authority's reliable and low-cost energy, and Kentucky's renewable and sustainable energy, were big selling points," Lambert says.

Energy reliability and cost are equally important in site selection decisions. Both factors directly impact a company's bottom line. "Kentucky's energy manufacturers provide highly reliable power sources for some of the lowest prices in the nation," Lambert says.

Relationships also play an important role. “The Cabinet collaborates with the state’s major energy suppliers—Tennessee Valley Authority, Kentucky Utilities, Louisville Gas and Electric, Duke Energy, AEP Kentucky Power, and East Kentucky Power Cooperative—and dozens of smaller co-ops and companies throughout the state,” Lambert says. “The organizations work together to complete requests for information, coordinate site visits, and offer competitive incentive packages to prospective companies.

“Encouraging business development is a team effort, and energy is a major component,” she adds. “The Cabinet works hand-in-hand with its energy partners to provide the most attractive and business-friendly options in the country.”

NORTH CAROLINA: PICTURE PERFECT

It’s not only low energy costs that attract site selection decision-makers to North Carolina.

“Many site selectors value accessibility and a skilled workforce over energy costs,” says Brenda Daniels, economic development manager for ElectriCities of North Carolina. “North Carolina offers an abundance of quality highways, rail connectivity, and convenient access by air.

“Among the state’s communities, workforce development is a key priority,” she adds. “Most ElectriCities members maintain close partnerships with regional economic developers and the community college system to ensure the proper training is available to attract industries in new and emerging sectors.”

The accessibility of reliable energy completes the perfect picture for site selection.

“Reliability and reducing power costs are important considerations for site selectors,” Daniels says. “Public power communities have the advantage of local decision-making, so they can design a customized approach for operations that need additional security measures, such as on-site backup generators.”

More than 70 communities in North Carolina serve 500,000 residential, commercial, and industrial customers. These communities are collectively known as NC Public Power. ElectriCities formed in 1965 to protect the interests of NC Public Power communities, and to provide a unified voice on both state and federal issues.

Today, ElectriCities serves NC Public

Power communities through a range of offerings, including customer service and safety training, emergency and technical assistance, communications, government affairs, and legal services. Consolidating these services saves member communities—and, in turn, their customers—the expense of administering them locally.

ElectriCities also provides management services to the state’s two municipal power agencies—North Carolina Municipal Power Agency Number 1, and North Carolina Eastern Municipal Power Agency. Most member cities have been in the electric business for one century or longer.

“Two Prime Power Parks—in Gastonia and Albemarle—offer redundant power for sensitive operations,” Daniels says. “The Prime Power Parks are ideal for manufacturers with a critical need for continuous power supply.

“The park in Albemarle is located adjacent to the Stanly County Airport, making

“With the cost of doing business overseas rising, more companies are showing interest in returning to North Carolina, because it’s more cost-effective for their operation, including real estate, transportation, and utilities costs,” she says.

When it comes to energy concerns, reliability is a major component. “The NC Public Power communities’ reliability is superior to other providers in the region, as measured by key indices,” she says. “These communities have fewer outages annually, and the duration of the outages is shorter.”

As companies look for the ideal location, ElectriCities partners with their site-selection teams.

“ElectriCities takes an integrated approach when working with site selectors,” Daniels says. “We work with the NC Department of Commerce, regional economic development organizations, and county economic developers to offer the most competitive package possible. We also



When it comes to providing electric energy, Kentucky enjoys a competitive advantage, consistently ranking among the lowest-cost states for industrial electric power since 1990.

it an ideal location for military suppliers,” she adds. “The park in Gastonia has been very successful in the past several years as home to the U.S. operations of German, Italian, and French manufacturers.”

Daniels believes that industries returning to North Carolina from overseas are seeing the advantages of the region through a wide lens—not just its energy assets.

work with the municipal utility to offer a rate proposal customized for the company’s specific needs, which helps them manage energy costs for years to come,” she adds.

THE MIDWEST CONNECTION

For central and southern Indiana, and southeastern Illinois, a powerful selling point is the Hoosier Energy Power Network,



THINKING ABOUT RELOCATING

YOUR DISTRIBUTION OR LOGISTICS OPERATION?

If you're considering relocating or expanding your business then Hoosier Energy should be top of mind. Our searchable property data and shovel-ready sites reduce big decisions down to manageable choices that could fit on the head of a pin. You'll find the power of working with us is a lot more than the power we supply. Whether its existing facilities, a new site or community incentives, we have all the connections to positively impact your business.

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THE HUNTINGTON AREA
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a generation and transmission cooperative providing wholesale electric power and services to 18 member distribution cooperatives in the region. Based in Bloomington, Ind., Hoosier Energy operates coal, natural gas, and renewable energy plants, and delivers power through a 1,500-mile transmission network.

Geography grants the region distinct advantages. Interstate 65 traverses the heart of the Hoosier Energy service area. Interstates 75 and 57 run on the region's respective eastern and western borders, all offering a variety of routes that connect with the U.S. southern states.

The organization provides electricity to developed sites and industrial parks along the I-70, I-65, I-64, and I-74 corridors, all of which offer logistics advantages. From the cooperative's eastern boundary, trucks can reach most of the East Coast within one day. Its western boundary is just a short drive from St. Louis. Moreover, many parts of the region offer easy access to southeastern and south-central markets, such as Nashville and Memphis.

In addition to its geographical advantages, Hoosier Energy provides customers and prospective customers with detailed help, information, and resources. "We create estimates comparing our electrically served sites to sites served by other electric utilities," explains Harold Gutzwiller, Hoosier Energy's manager of key accounts and economic development.

The goal is to provide companies seeking to locate in the region with highly targeted numbers. "These estimates are site-specific," Gutzwiller says. "We do not generalize cost estimates; we consider a multitude of factors when determining electric cost for specific industries at specific locations."

As important as cost is, it is by no means the only factor companies consider when determining where to locate within the



Economic developers for Electricities of North Carolina work with municipal personnel to provide services that facilitate new and expanding industry development.

United States—or even, for that matter, whether to come home to the United States from overseas.

"Electric costs are rarely the primary factor in the decision-making process," Gutzwiller says. "But, when a company narrows its field of desirable sites, we can demonstrate our ability to be a low-cost electric provider through many tariff options."

As in other parts of the country, utility reliability is key. "We provide exceptional reliability from our generation facilities to distribution cooperative member/owners at the substation level," he says.

Hoosier Energy is a Touchstone Energy Cooperative—one member of a nationwide alliance of electric co-ops providing high standards of service according to four core values: integrity, accountability, innovation, and community commitment.

Community commitment circles back to Hoosier Energy's site-specific focus, which includes highly developed relationships between member/owners and the appropriate government entities in the areas they serve.

"Hoosier Energy's member systems normally work directly with companies to provide the best tariff options available based on each company's needs," Gutzwiller explains. "We have a great relationship with our local and state governments, and we work with them regularly to provide relevant information to prospects and consultants."

ASSET-RICH WEST VIRGINIA

In Huntington, W.Va., electricity, water, and gas are plentiful, and natural gas costs and industrial electric rates are ranked eighth-lowest in the United States.

"West Virginia is the largest producer of oil and natural gas east of the Mississippi River," notes Gary Walton, president and CEO of the Huntington Area Development Council (HADCO). "Natural gas is produced in 49 out of West Virginia's 55 counties via about 48,000 active wells throughout the state, and it costs 25 percent less than the national average."

Allegheny Power, an Allegheny Energy company, maintains 4,845 miles of main line serving 229,984 customers. "Allegheny Power ranks 33rd in the nation for oil production, and 11th for natural gas production via an open access system offering transportation and sales services, both firm and interruptible," Walton says.

Appalachian Power, a unit of American Electric Power (AEP), serves West Virginia, Virginia, and Tennessee. John Smolak, economic development director for Appalachian Power, cites three distinct advantages for customers: reliability, capacity, and competitiveness.

"Recently, the Public Service Commission of West Virginia approved a significant operation and maintenance expense for tree trimming along distribution lines to improve reliability on



ROGER, KENTUCKY LOBSTER, YOU ARE CLEARED FOR TAKEOFF.

If you dined on fresh lobster last night, chances are, it originated in Kentucky. That's because Clearwater Fine Foods chose to locate its seafood distribution center just a few miles down the road from the UPS world air hub at Louisville International Airport. Turns out, shipping out of Kentucky is actually quicker and more reliable than it is from the coasts. So claw your way to greater competitiveness. **Let Kentucky add value to your supply chain.**



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Kentucky
UNBRIDLED SPIRIT

Cabinet for Economic Development

Appalachian Power circuits,” Smolak says. “Furthermore, the AEP system boasts tremendous generation capacity to deal with any type of industrial growth, including data centers and distribution centers.”

Keeping AEP’s rates highly competitive is an ongoing effort. “The Public Service Commission of West Virginia and HADCO have worked cooperatively toward this goal,” he says.

These statewide advantages provide an ideal foundation for HADCO, whose mission is to attract new employers to Cabell and Wayne counties, retain existing employers, and help all employers expand their businesses. “HADCO creates jobs by enhancing the area’s business climate, facilitating continued area growth, diversifying the local economy, expanding the tax base, and enhancing employment opportunities for residents,” Walton says.

The organization markets the assets of the greater Huntington area to business prospects looking to relocate or expand. HADCO also partners with site selectors to help them find just the right spot. “We maintain listings of available business



To help attract new employers, HADCO maintains listings of available business facilities in Cabell and Wayne Counties, W. Va. It also develops business parks, and constructs and manages industrial buildings to accommodate business growth.

sites and buildings in the area,” Walton says. “We also develop business parks, and manage available industrial buildings to accommodate business growth.”

HADCO operates a \$10-million loan pool from area banks to finance new projects, and acts as a broker for state, federal, and local financing, and job training loans and grants to assist new and expanding businesses.

JOINED TOGETHER IN JOPLIN

In the Joplin Region of Missouri and Kansas, partnerships power success.

Comprised of 10 communities and five counties in southwest Missouri and southeast Kansas, the Joplin Region accesses affordable, safe, and reliable utility service via the Empire District Electric Company, Missouri American Water Company, Missouri Gas Energy, and other utility companies.

Promoting economic development efforts throughout the region falls to the Joplin Regional Partnership, which provides site-selection assistance, incentive and business tax information, key contacts

Disasters Happen! How you handle them is what matters.

On May 22nd, an EF-5 tornado devastated nearly 1/3 of Joplin, Missouri
7,000 homes were destroyed

More than 500 businesses were leveled and 5,000 jobs were lost

107 miles of city streets were filled with 3 million cubic yards of debris

(That's enough debris to fill a football field end zone to end zone nearly as high as the Empire State Building)

Eleven public school facilities, including the high school, and one private school were lost

Before dawn on May 23rd, all streets were opened one lane for emergency services

Before midnight on May 24th all lanes were cleared

On May 26th the Business Recovery Center opened to help impacted businesses

More than 400 businesses have reopened their doors with more reopening every day

3,500 of the employees who “lost” their job remain on the payroll

All 3 million cubic yards of debris was removed by August 7th as scheduled

Schools started on time in temporary facilities that are the model for schools of tomorrow



For More Information

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www.JoplinRegionalPartnership.com

This recovery would not have been possible without our Regional Partners
and help from all across the United States and the world.

Thanks to this CAN DO attitude, the Joplin region is still open for business and stronger than ever.

Your business can benefit from this CAN DO spirit.

Contact us today.

The Joplin Region: Central. Connected. More Than Capable!

in business and local government, demographic and economic data, and other services.

"Through this unique partnership, site selectors have access to information about multiple locations throughout our area that meet their specifications," says Rob O'Brian, president, Joplin Area Chamber of Commerce. "This information reduces the number of inquiries a site selector has to make, and facilitates the selection process for companies looking to move, expand, or begin operations."

Empire District Electric, an investor-owned utility, is headquartered in Joplin. The company serves about 10,000 square miles of territory in southwestern Missouri, southeastern Kansas, northeastern Oklahoma, and north-eastern Arkansas.

Over the years, Empire has worked to increase its generation capacity, and broaden its array of energy sources. In addition to wind-energy capabilities, Empire added gas-fired power plants to provide supplementary capacity during peak demand periods, and collaborates

with other utilities to construct clean coal plants. Those investments boosted capacity and increased service reliability in Empire's territory.

Missouri Gas Energy, the natural gas utility that serves Joplin, also has increased its capacity. Missouri Gas Energy has provided natural gas service to the Kansas City metropolitan area and western Missouri for nearly 150 years.



NORTH CAROLINA IS A GREAT PLACE TO DO BUSINESS!

In fact, *Site Selection* magazine ranked North Carolina 2nd in its annual Top Business Climate survey for 2013. So if you're looking at North Carolina, let Electricities' Economic Development team illuminate the way. We represent more than 70 public power communities across the state. To help serve you better, contact Brenda Daniels, Manager of Economic Development at 800.768.7697, ext. 6363 or bdaniels@electricities.org for more information.

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| <p>CONCORD</p> <p>International Business Park</p> <p>Location: 4541 Enterprise Dr., Concord, NC 28027</p> <p>Building size: 88,527 s.f. expandable up to 141,000 s.f.</p> <p>Year built: 2011</p> <p>Acres: 12.8 acres</p> <p>Ceiling height: 28 feet</p> <p>Dock doors: 4</p>  | <p>MONROE</p> <p>Monroe Corporate Center</p> <p>Location: 447 Goldmine Rd., Monroe, NC 28110</p> <p>Building size: 102,000 s.f.</p> <p>Year built: 2013</p> <p>Ceiling height: 30 feet clear</p> <p>Dock doors: 4 dock-high, 1 drive-in</p> <p>Flooring: Stone</p>  |
| <p>KINSTON</p> <p>Highway 70 West Industrial Park</p> <p>Location: 2010 Smithfield Way, Kinston, NC 28504</p> <p>Building size: 40,000 s.f. expandable to 160,000 s.f.</p> <p>Year built: 2009</p> <p>Acres: 9 acres with additional 8 acres available</p> <p>Ceiling height: 30 feet</p> <p>Dock doors: 2 dock-high, 1 drive-in</p> <p>Flooring: 10 mil vapor barrier</p>  | <p>SHELBY</p> <p>Foothills Commerce Center</p> <p>Location: 1001 Partnership Drive, Shelby NC 28152</p> <p>Building size: 100,000 s.f. expandable to 200,000 s.f.</p> <p>Year built: 2013</p> <p>Ceiling height: 30 feet</p> <p>Rail: .56 miles</p> <p>Walls: Structural precast concrete</p> <p>100% ESFR</p>  |
| <p>CONCORD</p> <p>Concord Airport Business Park</p> <p>Location: 7055 Northwinds Dr., Concord, NC 28027</p> <p>Building size: 150,000 s.f.</p> <p>Year built: under construction</p> <p>Ceiling height: 32 feet clear</p> <p>Dock doors: 20-30 side loading</p> <p>Flooring: 6 inch concrete</p> <p>Adjacent to Concord Regional Airport</p>  | <p>CONCORD</p> <p>Concord Airport Business Park</p> <p>Location: 7035 Northwinds Dr., Concord, NC 28027</p> <p>Building size: 400,000 s.f.</p> <p>Year built: under construction</p> <p>Ceiling height: 36 feet</p> <p>Dock doors: 40-80 side loading</p> <p>Flooring: 6 inch concrete</p> <p>Adjacent to Concord Regional Airport</p>  |

The proximity of southwest Missouri and southeast Kansas's central U.S. location makes the region an ideal location. It is home to companies such as General Mills, Leggett & Platt, Owens Corning, Atec Steel Fabrication, Butterball, Schreiber Foods, and Thorco Industries.

The city of Joplin is the hub of the region's market area, which contains nearly 250,000 people. The overall market

reach within 60 miles of Joplin is more than 700,000 people.

"The Joplin Region is located near the population center of the United States, and is situated nearly equidistant between Los Angeles and New York, as well as the Mexican and Canadian borders," says O'Brian.

"Our region's central location is well served by highway transportation routes," he adds.

An excellent highway system that includes Interstate 44 (east-west) as well as interstate-grade US Hwy 71 (I-49 in 2012) and US Hwy 69 (north-south) creates connections to every region in the country, as well as to Mexico and Canada.

Three Class I railroads and two regional shortline railroads also are important parts of the transportation system. These rail lines provide direct access to major ports on the Gulf of Mexico and Pacific Ocean. In addition, the Joplin Regional Airport, and three other airports within 60 to 90 minutes drive time, provide commercial and cargo air service to markets throughout the world.

That kind of infrastructure plays a vital role in connecting manufacturing and distributing facilities to global markets. As companies look to site new facilities, they can charge utilities providers with helping them find productive and profitable locations. ■

For information on featuring your region in an Economic Development Supplement, contact James O. Armstrong at 314-984-9007 or jim@inboundlogistics.com.