



8TH Annual Economic Development Incentives Conference

Presented by

VORYS

 **VISTA SITE SELECTION**

Speaker Info

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Private Incentives Practitioners' Roundtable

**Outsiders' Perspectives on Best and Worst
Practices for Public Economic Development
Practitioners**

Best Practices – Not Focused on Development

- ▶ Responsiveness/timeliness
- ▶ Clarity
- ▶ One voice (and manage if not possible)
- ▶ Do what you say you're going to do
- ▶ Document key items in writing
- ▶ Active listening
- ▶ Open-mindedness/flexibility
- ▶ Sportsmanship



Best Practices – Development-Focused

- ▶ Understand the business's needs (and communicate your needs)
- ▶ Focus on the full package
 - Play to strengths
 - Address weaknesses directly – no surprises
- ▶ Know your sites
- ▶ Know your data, especially labor data



Best Practices – Development-Focused (cont'd)

- ▶ Hire good lawyers (which can be internal) and engage them early
- ▶ Communicate clearly regarding conditions for incentives
- ▶ Ensure availability of shovel-ready sites
 - Zoning
 - Infrastructure
 - Environmental
 - Cooperative owner

Manage the Lawyers' Heartburn



- Missing technical details = risks and costs
- Agreements matter, especially when the politics change
- Pretend the current individuals might accept new jobs or retire
- Putting it clearly in writing = fewer chances for misunderstandings
- One size may not fit all
- Read the statutes (which often change), not just the websites

Case Study #1

- ▶ Managing expectations:
 - Clear and concise
 - Alignment
- ▶ Background:
 - Client and jurisdiction finalize agreement prior to formal approvals



Case Study #1

Case Study #1 Solution

- ▶ Managing expectations
 - Problem- interpretation of incentive agreement
 - Solution- approved term sheet between client and jurisdiction
 - Result – everyone happy!!



Case Study #2

- ▶ Opened Mindedness:
 - Flexibility
 - Creativity and collaboration
- ▶ Background:
 - Project did not move forward as a result of lack of project scope and needs



Case Study #2

Case Study #2 Solution

- ▶ Opened Mindedness:
 - Problem- not understanding needs of project
 - Solution- listening and providing solutions
 - Result – Win-Win!!



NEWS > RETAIL & FINANCIAL

Kroger breaks ground on first Ocado warehouse

Case Study #3: Communication and Stakeholder Management

- ▶ The Challenge
- ▶ The Opportunity
- ▶ Takeaways

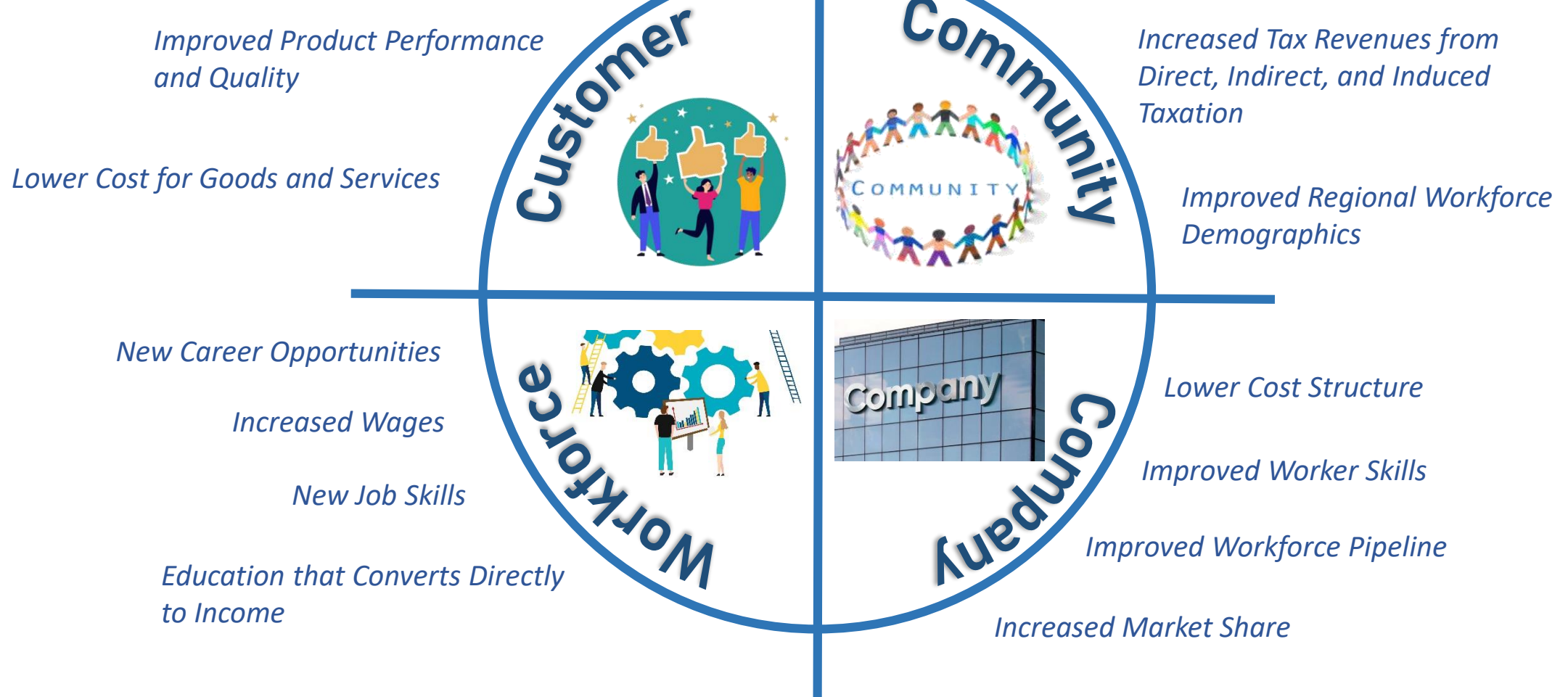
In Business Pursuits, the Ducks and Eagles Principle

Jeff Troan
Vista Site Selection

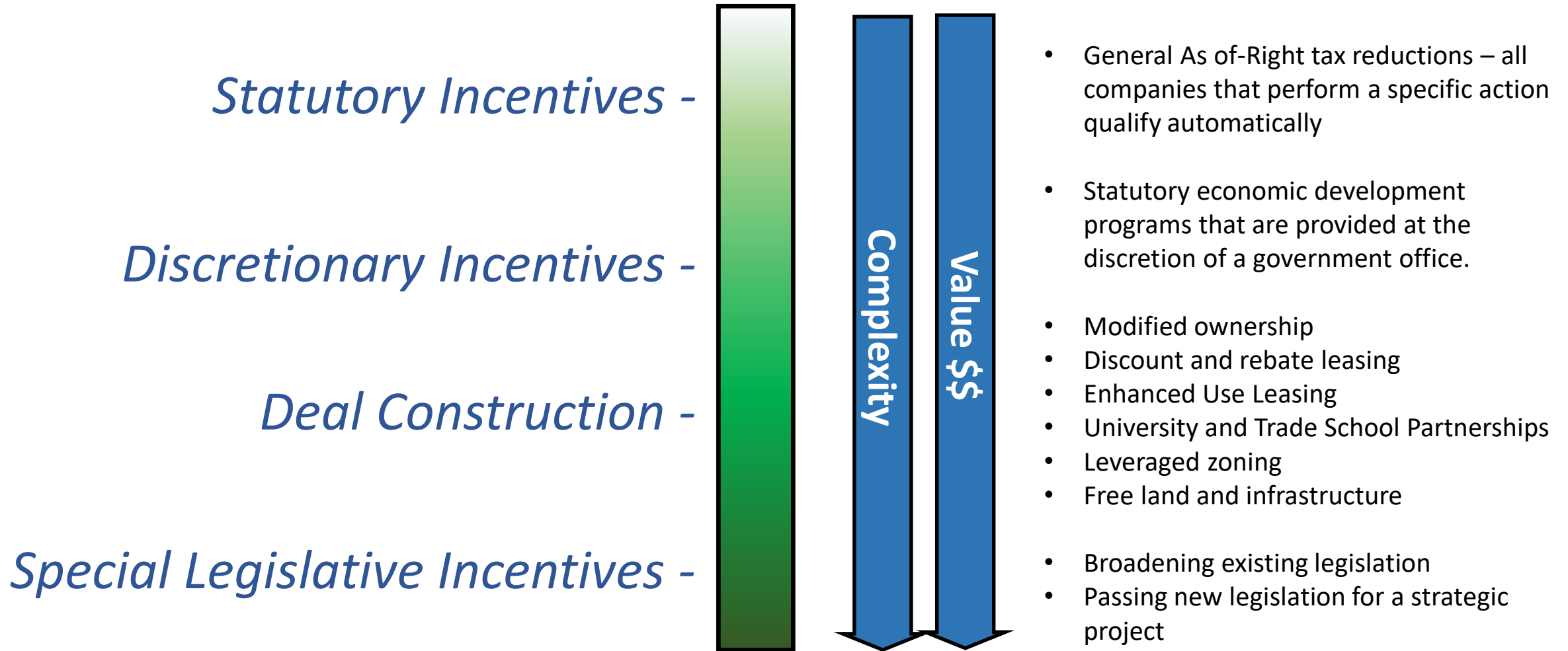


The Win⁴

Targeting Agreements that have Positive Outcomes for All Parties



Don't Limit Yourself to Explicit Incentives



Lockheed Martin King of Prussia Facility

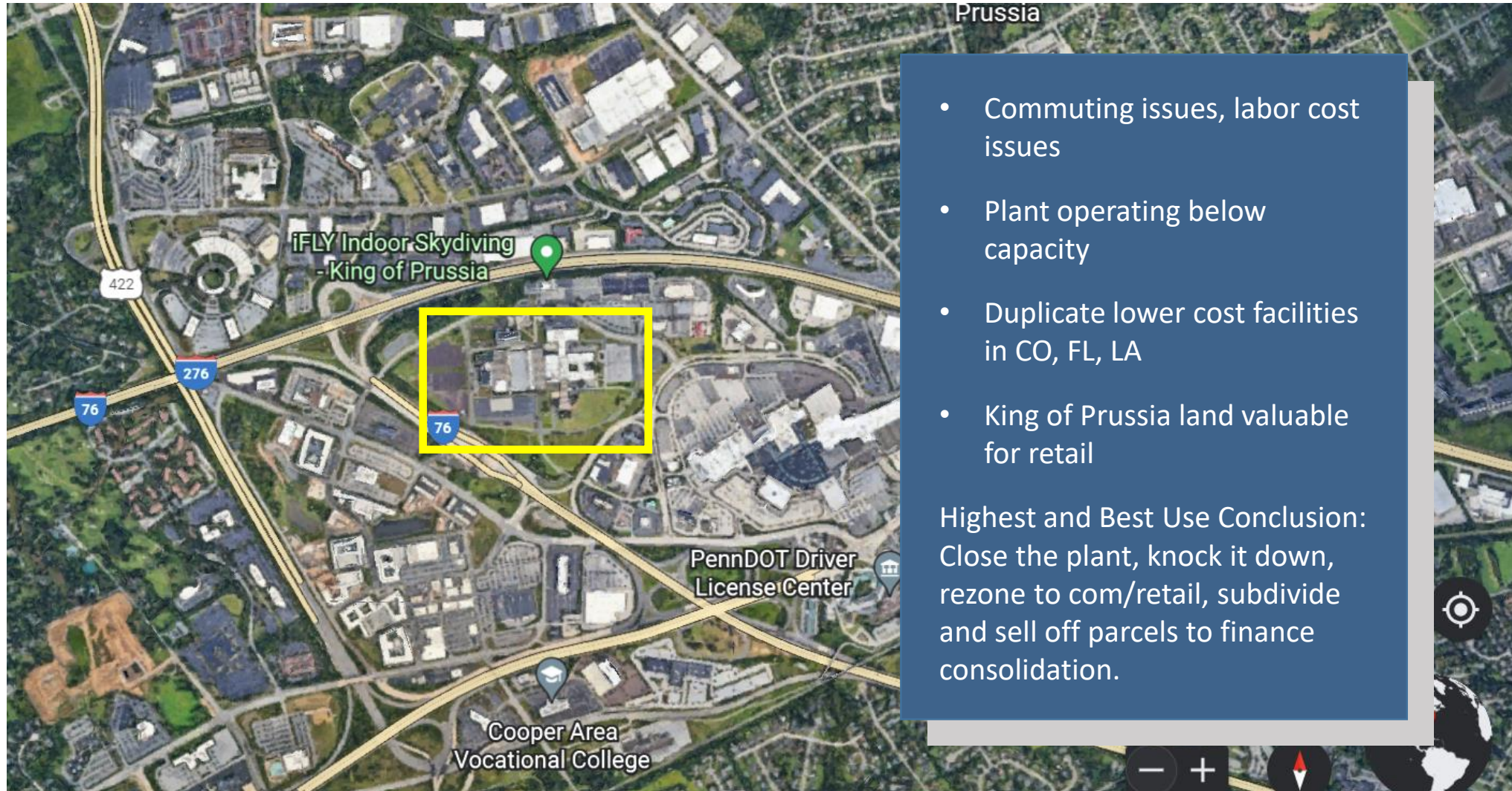
1960 – Rural Farmland on the PA Turnpike (~0.8msf)



Early 2000s – Downtown King of Prussia PA (~1.4msf)



Lockheed Martin King of Prussia Facility



- Commuting issues, labor cost issues
- Plant operating below capacity
- Duplicate lower cost facilities in CO, FL, LA
- King of Prussia land valuable for retail

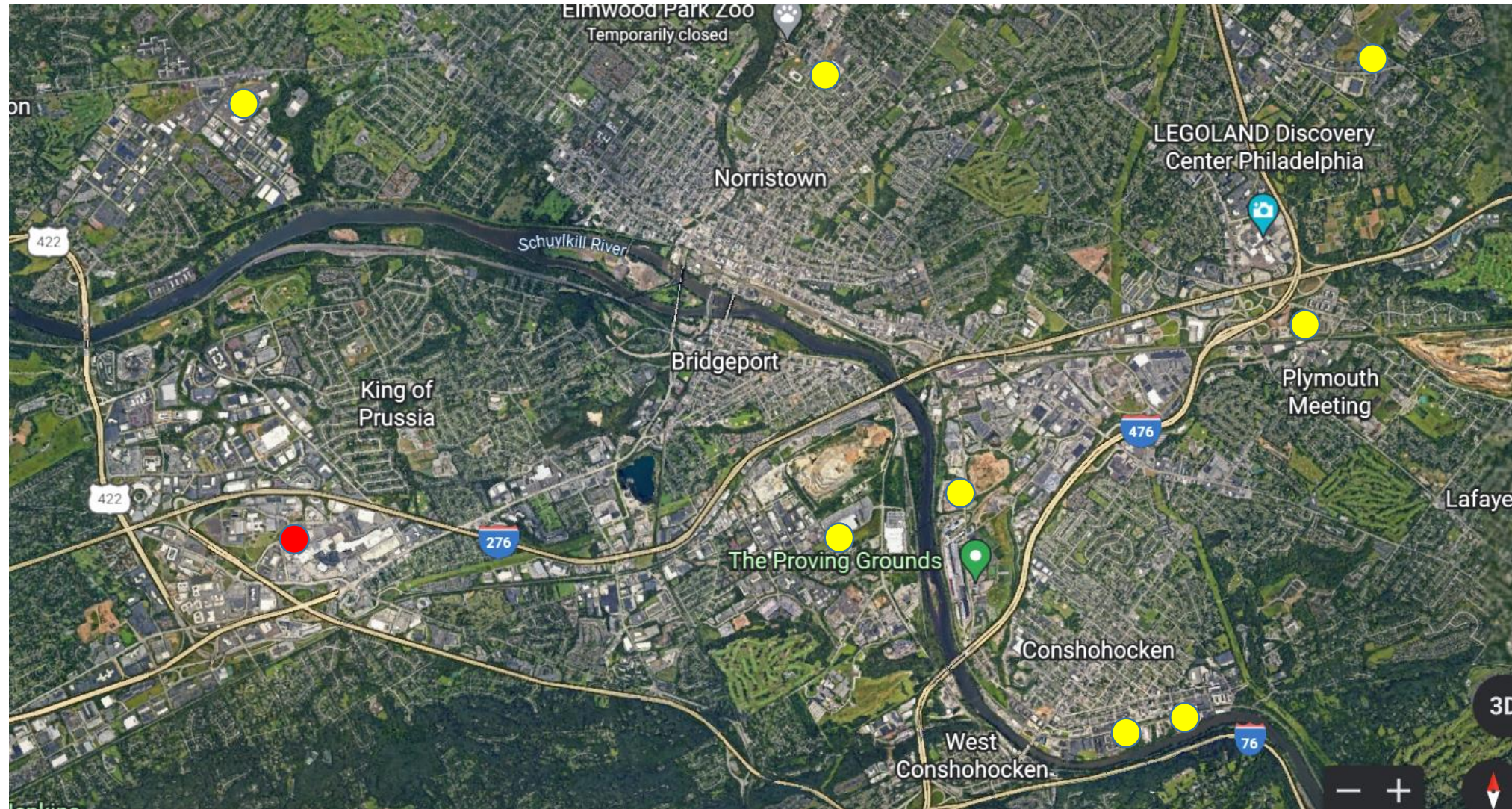
Highest and Best Use Conclusion:
Close the plant, knock it down,
rezone to com/retail, subdivide
and sell off parcels to finance
consolidation.

The Community Reaction

NO

- ▶ The community saw the empty parking lots and was proactive in approaching the company about its plans for the site.
- ▶ The township zoning authority indicated that there was no opportunity for a change in zoning for more commercial/retail if Lockheed Martin was leaving town.
- ▶ Township's arguments were valid – the existing road system couldn't handle the current retail zoning in the area, let alone an increase without:
 - Widened, improved access roads throughout the community
 - Updated PA Turnpike access
 - A new major bridge providing new egress/ingress to the community

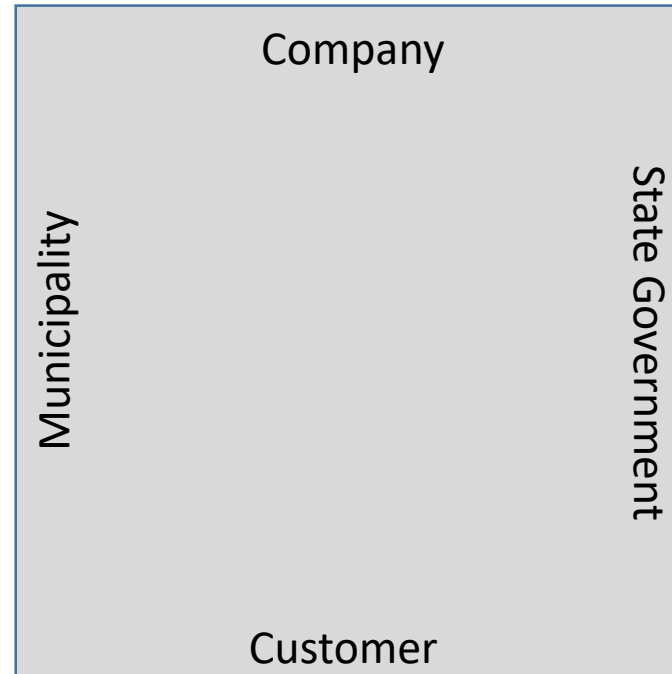
The Lockheed Martin IS&GS Factor



The Parties

- **Has** high paying white collar jobs
- **Needs** to consolidate to lower cost
- **Needs** funds to consolidate
- **Needs** better business solution

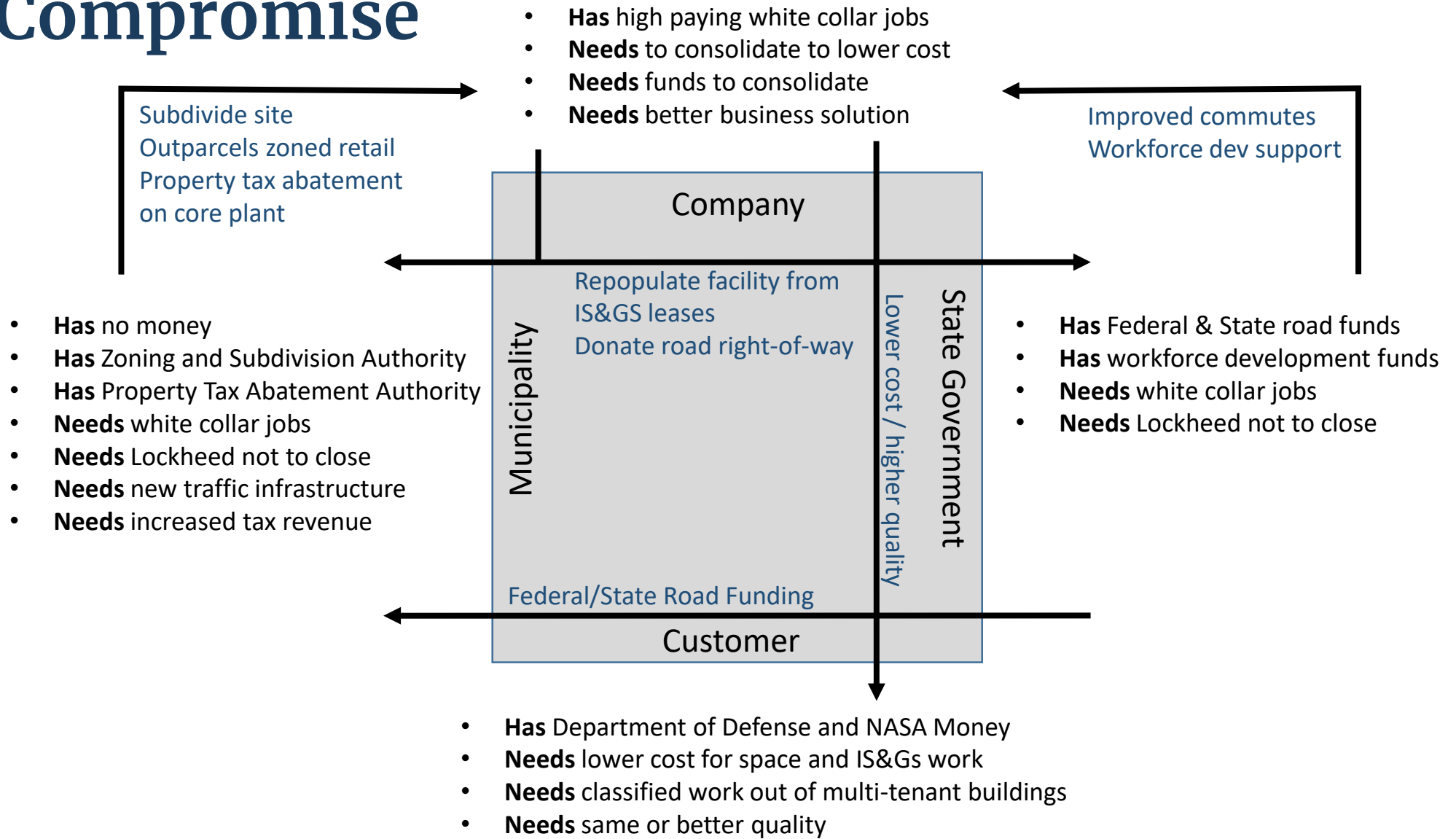
- **Has** no money
- **Has** Zoning and Subdivision Authority
- **Has** Property Tax Abatement Authority
- **Needs** white collar jobs
- **Needs** Lockheed not to close
- **Needs** new traffic infrastructure
- **Needs** increased tax revenue



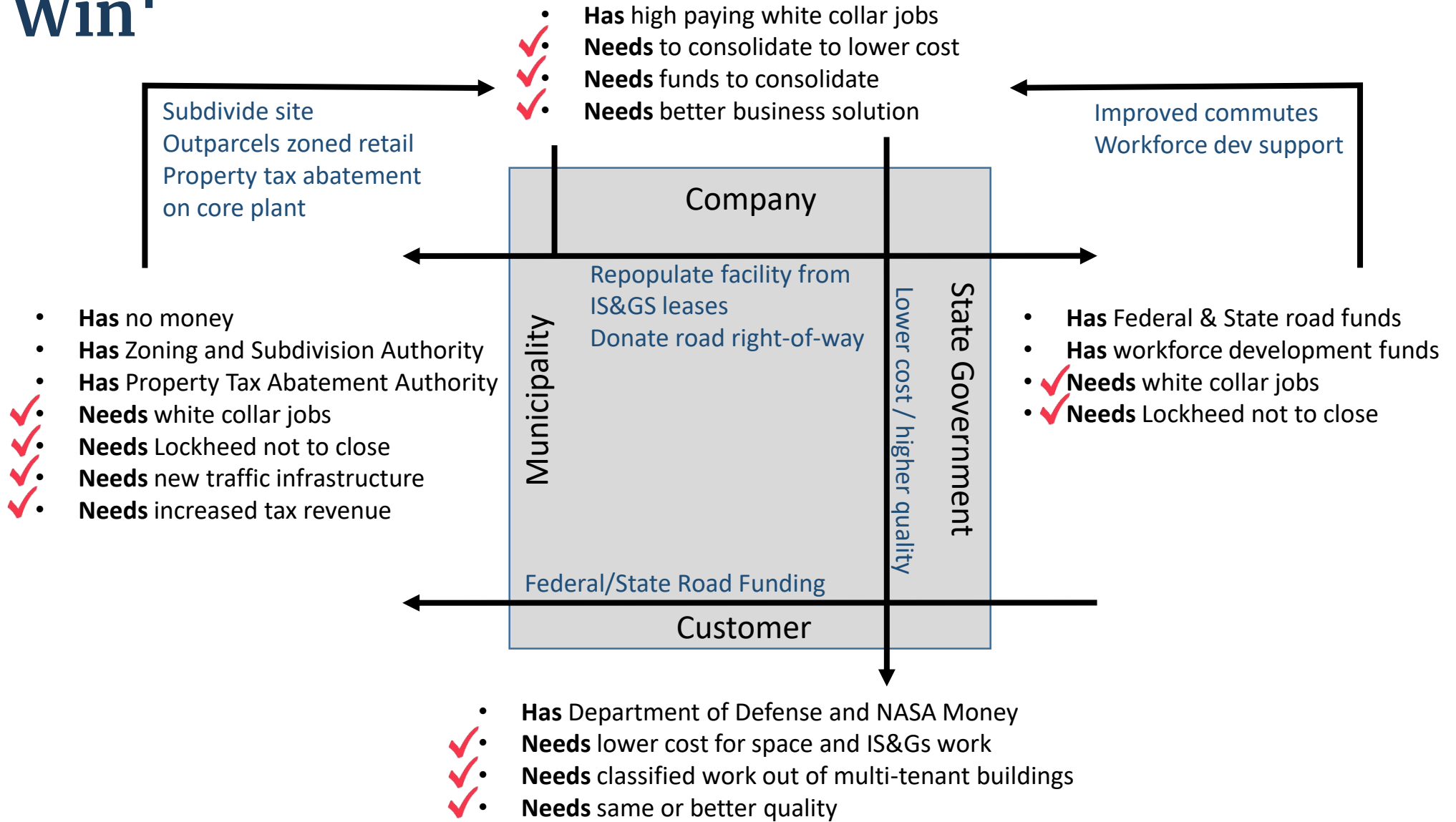
- **Has** Federal & State road funds
- **Has** workforce development funds
- **Needs** white collar jobs
- **Needs** Lockheed not to close

- **Has** Department of Defense and NASA Money
- **Needs** lower cost for space and IS&Gs work
- **Needs** classified work out of multi-tenant buildings
- **Needs** same or better quality

The Compromise



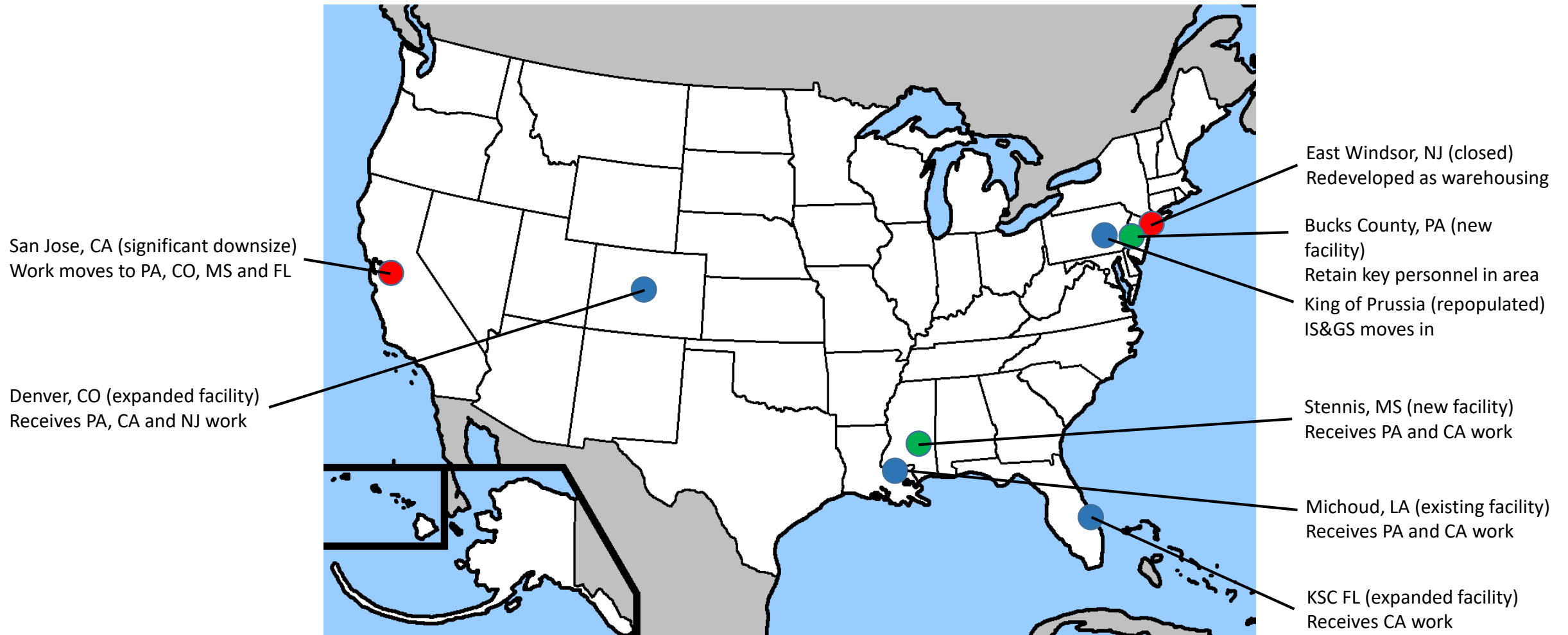
The Win⁴



Outparcel Sales Fund the Building



Total Space Systems Consolidation



Questions?

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Thank You



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