

Duke Energy Site Readiness Program

Duke 45-acre Site Hamilton County, Florida

May 2023



Executive Summary



Executive Summary: Site & Community Report



Site Analysis



Target Industry



Workforce through Competitive Lens

Execution RFI & Site Visit

- ✓ 45 acres under public control
- ✓ Georgia & Florida main line adjacent to property
- ✓ 12MW of available electricity capacity
- ✓ All utilities adjacent to property
- Property free of FEMA Flood Zone and wetland concerns; topography favorable for development
- Food and agricultural related projects score well in both analyses and could be targets of interest. But that will be contingent on understanding the full water and wastewater story. We also highlight chemicals as a similar an option.
- For projects that may not be as sensitive to water and wastewater, smaller projects in metals, wood, plastics and related could be aligned.
- ✓ The site scores relatively well from a cost perspective.
- On the workforce side, it scores around average, but benefits from pulling in data from larger population centers in Valdosta and Lake City at a broader 40-minute drivetime.
- Overall, the site is more aligned with smaller uses from a workforce perspective.
- ✓ Site visit would have benefitted from including utility providers, but SSG understands these have been historically difficult to engage. Thank you for chasing down what you could!

- × Natural gas line easement bisects the site
- ★ Due diligence studies have not been completed

 Unknowns on water and wastewater capacity will play a significant role in determining which target industries are actually viable.

- Workforce availability and target occupational supply data is more limited at the 20-minute drivetime. As a result, it will be important to demonstrate that workers in the region will travel further for high quality industrial opportunities.
- Site discussion would have benefited from an agenda, slide deck, etc. For actual prospect visits, it would be beneficial to add a few additional elements to convey a more "ready" impression of the property.



Strategic Development Plan: Duke 45-acre site

ACTION PLAN	Timing	Comments	Investment Level	ROI Potential
Strategic Initiative 1: Enhance Site Read	diness Value Propos	sition		
1. Consider benefits of proactive annexation/rezoning	On-going	Since the property will require both annexation and rezoning, consider the benefits of proactive annexation and rezoning of the property to mitigate schedule risks for future prospects from both a permitted use and utility serviceability perspective. Anything you can do to reduce the development timeframe improves the property's competitive advantage in the marketplace.	\$	High
2. Gather cost and schedule for relocation of natural gas line	Immediate	Proactively gather engineer's cost and schedule estimates for relocation of the natural gas line, should a user want to develop the entire site. Although unlikely, this could come into play for a rail user and its better to be prepared upfront.	\$\$	Moderate
3. Engage rail provider	Immediate	Obtain a letter from Georgia Southern and Florida Railway detailing the current status of the line, and their willingness to provide service to a new customer, including engineer's cost and schedule.	\$	Low
4. Develop branding for the property	Immediate	Develop a marketing and branding strategy for the property, to include a more easily-identifiable name, as the property develops and is officially brought to market. The Duke Energy Site Readiness Program is a great time to enhance the collateral at the property.	\$	Low
Strategic Initiative 2: Due Diligence				
1. Complete due diligence studies	Immediate	Complete due diligence studies (Phase I ESA, Wetlands Delineation, Endangered Species Report, Archaeological Report, and Geotechnical Assessment) at the property. Having due diligence on-hand reduces the perception of risk and communicates to prospects that the County is serious about development.	\$\$	Moderate
Strategic Initiative 3. Utility Adequacy				
1. Further vet available natural gas capacity	Immediate	Work with natural gas provider to determine the level of service (i.e., mcf per month) available to the property.	\$	Moderate
2. Gather further details re: water and wastewater service to the site	Immediate	Ensure alignment with water and wastewater provider in responding to future data requests and RFIs, and proactively gather information on the water/wastewater treatment systems to have on-hand moving forward. Gather engineer's cost and schedule for boring under US Hwy 41 and extending the infrastructure to the site.	\$\$	Moderate
3. Engage telecom provider	Immediate	While SSG is never concerned about telecom "holding up" a project, work with the telecom provider to provide greater detail regarding cost and schedule to provide fiber service to the property.	\$	Low

Site Visuals



Duke 45-acre Site





Zev Cohen & Associates, Inc. performed a "buildability" study of the park to determine the acreage available for development and developed conceptual plans for the park accordingly.









45-ACRE SITE CP-1 - MASTER UTILITY PLAN HAMILTON COUNTY, FLORIDA











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45-ACRE SITE CP-2 - MASTER UTILITY PLAN HAMILTON COUNTY, FLORIDA





Technical Site Analysis



Site Characteristics

ECTION GROUP

Acreage	 Property is approximately 45 acres, all of which is considered developable.
Ownership	 Property consists of one tax parcel owned by Hamilton County. Price per acre has not been established.
Zoning	 Property is in the Hamilton County jurisdiction and is zoned Agricultural. A zoning change will be necessary for industrial use Rezoning will require annexation into the City of Jasper's jurisdiction, typically a 90-day process that can be done concurrently.

Recommendations

STRONG

 Since the property will require both annexation and rezoning, consider the benefits of proactive annexation and rezoning of the property to mitigate schedule risks for future prospects. Anything you can do to reduce the development timeframe improves the property's competitive advantage in the marketplace.

WEAK

Site Characteristics

SELECTION GROUP

FEMA Flood Zone & Wetlands	 Property is located in FEMA Flood Zone X – outside the 100-and 500-year flood zone. NWI imagery depicts no wetlands on-site. No wetlands delineation has been completed; however, impacts are expected to be minimal.
Topography & On-site Impediments	 Property is relatively flat, with approximately 10 ft. of elevation change across, and the acreage is generally clear of vegetation. Property is bisected by a South Georgia natural gas line easement.
Due Diligence	 Due diligence studies have not been completed at the property.

Recommendations

- Complete due diligence studies (Phase I ESA, Wetlands Delineation, Endangered Species Report, Archaeological Report, and Geotechnical Assessment) at the property. Having due diligence on-hand reduces the perception of risk and communicates to prospects that the County is serious about development.
- Proactively gather engineer's cost and schedule estimates for relocation of the natural gas line, should a user want to develop the entire site. Although unlikely, this could come into play for a rail user and its better to be prepared upfront.

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Transportation

SELECTION GROUP

Property is adjacent to US Hwy 41 (two-lane) that will provide Interstate & the primary ingress/egress route to the site. **Road Access** Property is less than four (4) miles to Interstate 75 (I-75). Georgia Southern and Florida Railway main line is adjacent to Rail the eastern boundary of the site. Property is 95 miles from the Jacksonville International **Proximity to** Airport (JAX). **Airport and Port** Property is 95 miles from the JAXPORT (Port of Jacksonville).

Recommendations

STRONG

 Obtain a letter from Georgia Southern and Florida Railway detailing the current status of the line, and their willingness to provide service to a new customer, including engineer's cost and schedule.

WEAK

Utility Availability – Electric

- Duke Energy is the electric provider to the property.
- 12.47 kV and 7.2 kV lines are on-site.
- 69 kV line is adjacent to the northern boundary of the site.
- The Jasper South Substation is adjacent to the north of the site.
- Property can accommodate up to 12 MW of electric service with no improvements and service is readily available.
- Redundant service is feasible at the property, up to 6 MW.

Recommendations

STRONG

In SSG's experience, 12 MW will cover most "bread and butter" industrial projects and is a solid base for electric service at the property, especially given its size. At a time when electric capacity is strained across the country, this asset should not be taken for granted.

WEAK

Electric

SITE SELECTION GROUP

Utility Availability – Natural Gas

along US Hwy 41.

• City of Jasper is the natural gas provider to the property.

6-inch line operating at 50 psi is adjacent to the property

capacity on the 6-inch line was requested but not provided.

Data pertaining to level of service to the property and

Natural Gas

Recommendations

STRONG

- Work with natural gas provider to determine the level of service (i.e., mcf per month) available to the property.
- Consider the benefits of proactive annexation into the City of Jasper to secure utility serviceability and reduce development timeline for future prospects.

WEAK



Utility Availability – Water

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Water Line	 City of Jasper is the water provider to the property 12-inch line is adjacent to the property along US Hwy 41. Excess capacity of the 12-inch line is 600,000 gpd. Extension of the line to site will require boring under the highway.
Water System	 City of Jasper provides water treatment plant capacity to the property. Capacities of the City of Jasper water treatment system were requested but not provided.

Recommendations

STRONG

- Gaps and/or unknowns in the submission can be detrimental to rural communities. Ensure alignment with water provider in responding to future data requests and RFIs, and proactively gather information on the water treatment system to have on-hand moving forward.
- Gather engineer's cost and schedule for boring under US Hwy 41 and extending the water line.
- Consider the benefits of proactive annexation into the City of Jasper to secure utility serviceability and reduce development timeline for future prospects.

WEAK

Utility Availability – Wastewater

Wastewater Line	 City of Jasper provides wastewater service to the property. 10-inch force main is adjacent to the property along US Hwy 41. Excess capacity of the 10-inch force main is 600,000 gpd. Extension of the line to site will require boring under the highway. Excess capacity of the pump station was requested but not provided.
Wastewater System	 City of Jasper provides wastewater treatment plant capacity to the property. Capacities of the City of Jasper wastewater treatment system were requested but not provided.

E SELECTION GROUP

Recommendations

- Gaps and/or unknowns in the submission can be detrimental to rural communities. Ensure alignment with wastewater provider in responding to future data requests and RFIs, and proactively gather information on the wastewater treatment system to have onhand moving forward.
- Gather engineer's cost and schedule for boring under US Hwy 41 and extending the force main.
- Consider the benefits of proactive annexation into the City of Jasper to secure utility serviceability and reduce development timeline for future prospects.

WEAK

STRONG

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Utility Availability – Telecom

Telecom

E SELECTION GROUP

- Windstream is the telecom provider to the property.
- Underground fiber is available to the property.
- Estimated cost to provide service to the property is expected to be minimal. Schedule for providing service is unknown.

Recommendations

STRONG

 While SSG is never concerned about telecom "holding up" a project, work with the telecom provider to provide greater detail regarding cost and schedule to provide fiber service to the property.

WEAK

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Master Planning

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Master Conceptual Plan	 Master Conceptual Plan been created by Zev Cohen. Plans depict building sizes for both multi- and single-user concepts.
Annexation & Rezoning	 As mentioned previously in the report, City of Jasper and Hamilton County should work collaboratively to explore benefits of proactive annexation of the property into the City of Jasper. If proceeding with annexation, consider the benefits of concurrent rezoning to allow for industrial uses.
Property Signage & Branding	 Development of property branding and monument signage would help create an identity for the property.

Recommendations

STRONG

 Develop a marketing and branding strategy for the property, to include a more easilyidentifiable name, as the property develops and is officially brought to market. The Duke Energy Site Readiness Program is a great time to enhance the collateral at the property.

WEAK

Competitive Assessment: Cost & Workforce

How would a company look at the community?



Using Analyses to Prioritize Opportunities & Site Investment

	Technical Site Analysis	Technical review of the strengths and weaknesses of the target site.	 <u>1. Technical Site Analysis</u> Strengths and weaknesses of the site from a technical perspective – site developability, access, utilities, etc.
\bigcirc	Competitive Assessment: Cost & Workforce	Industries or project profiles (e.g. size) that the community has a strong value proposition for compared to other competitor locations in the region.	 2. Competitive Assessment Which types of projects is the community competitive for compared to other locations? Cost Analysis: Does the community/site have a cost-focused value proposition? Workforce Analysis: Does the community/site have a workforce-focused value proposition? If so, is it based on foverable cumply or demand metrice?
	Growing Industries & Market Activity	Industries that have grown and are projected to grow at the national and regional levels.	3. Quantitative Target Industry Analysis
(\$)	Enhance the Wage & Tax Base	Industries that have high wages (absolute and relative) and a higher impact on the regional economy (ROI).	 Which specific industry clusters best meet strategic goals of the community?
	Align with Workforce Base	Industries that align with the community's current and future workforce base.	 Data is helpful to narrow in on attractive and attainable industries, but community goals are a critical part too.
	Diversify the Economic Base	Industries that offer further market diversification.	
			 Strategic Recommendations Based on the analyses above, what strategic site investments make the most sense to maximize success and ROI? What industries and project profiles make sense for the site?



Summary of Workforce & Cost Benchmarking

Objective:

- **Summary**: Through SSG's corporate lens, evaluate the target site on both <u>qualitative</u> (i.e. workforce) factors but also estimated <u>operating costs</u>. This is the same type of evaluation SSG would conduct if it were analyzing a site for a corporate user.
- <u>Project Profile Industry &</u> <u>Size</u>: Evaluate each site compared across different types of industry requirements and different types of project sizes (e.g. a small, medium, and largescale project).
- <u>Comparison Markets</u>: Evaluate each site against others in this round of the Duke Site Readiness Program. For further context, we also include sites from the previous year of the program.



Operating Cost Analysis

- The objective of this portion of the analysis is to gauge the approximate operating cost for different types
 of projects across the comparison markets. SSG does this on a 10-year, nominal basis. This is driven by
 parameters like <u>wage/salary</u>, <u>benefits</u>, <u>utilities</u>, <u>property/sales tax</u>, <u>land/construction costs</u> and <u>fixed</u>
 <u>capital costs</u>.
- Please note that this analysis does not take into account logistics costs, which are typically a very large driver in the industrial site selection process. However, each project's logistics requirements vary so much, it is virtually impossible to estimate in an exercise like this.



Qualitative/Workforce Analysis

- The flip side of the analysis is measuring factors that are critical to a project's requirements, but do not
 necessarily have an associated direct cost. Namely, that's focused on workforce considerations. While
 each project is different, SSG measures a community's workforce based on four categories: workforce
 demographics, target occupational supply, target occupational demand (competition), and organized
 labor. We typically measure these factors at a 20- and 40-minute drivetime around target sites.
- This analysis does NOT include workforce training & education considerations. While there is data to evaluate communities on those factors (e.g. degree completions), SSG finds that data can be misleading. We believe in measuring training and education qualitatively.

Combined to See the Value Proposition

• We then compare the results of the cost analysis and the qualitative analysis to see where the community's relative and overall value proposition lies. This combined analysis is intended to further inform the strategic direction for the site and community overall. No community has a perfect value proposition (low costs and high quality) across all potential industries, so we encourage reviewing this analysis in a relative sense. That is, which types of projects are relatively more or less attractive.

Comparison Sites



Selecting Comparison Sites for Context

The map at left shows the comparison locations used for the cost and qualitative/workforce analysis in this phase of the report.

Again, we benchmark each site against others in this round of the Duke Site Readiness program sites as shown in blue.

We also benchmark against sites from the 2022 Duke Site Readiness Program as shown in orange.

Opex Parameters for Each Type of Project



Key Parameters for Operating Cost Analyses

	Advanced Manufacturing	Light Manufacturing	Metals & Plastics	Aerospace	Automotive	Food	Advanced Food	Biotech	Chemicals	Wood/ Materials	Distribution	Electronics	Paper/ Packaging	Textiles	Engineering (R&D)
<u>Headcount</u>	200	200	200	200	200	200	200	200	200	200	200	200	200	200	100
<u>Capex</u>															
M&E	\$100,000,000	\$25,000,000	\$50,000,000	\$100,000,000	\$100,000,000	\$35,000,000	\$150,000,000	\$250,000,000	\$100,000,000	\$25,000,000	\$25,000,000	\$75,000,000	\$50,000,000	\$50,000,000	\$10,000,000
Square Footage	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	500,000	150,000	150,000	150,000	35,000
Cost/SF	\$200	\$100	\$150	\$250	\$250	\$250	\$400	\$350	\$300	\$150	\$125	\$200	\$175	\$150	\$500
Acreage	25	25	25	25	25	25	25	25	25	25	50	50	50	50	5
<u>Utilities</u>															
Electric (kwh)	750,000	500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	500,000	300,000	750,000	750,000	600,000	100,000
Gas (mcf)	5,000	1,000	2,500	5,000	5,000	10,000	10,000	10,000	15,000	1,000	1,000	1,000	5,000	1,000	1,000
Water (kgal)	500	250	500	1,000	1,000	2,500	2,500	2,500	2,500	250	250	1,000	3,000	2,000	100
Wastewater (kgal)	500	250	500	1,000	1,000	2,500	2,500	2,500	2,500	250	250	1,000	3,000	2,000	100

Adjustments for Different Sized Projects

	Small Project	Medium Project	Large Project
Headcount Values	50% of Values Above	Values Above	200% of Values Above
Capex / Utilities / Land Requirements	50% of Values Above	Values Above	400% of Values Above

- The chart above shows the working assumptions for headcount, capex/real estate, and utilities in the cost model.
- The chart at left shows how we change assumptions for different size projects a small project, a medium one, and a large one.
- Based on project experience and the changing nature of requirements (especially on the industrial side), for a large project we increase the capex/utilities/real estate requirements at a higher rate compared to workforce requirements. In other words, large projects are becoming much more capital and utility intensive.

Operating Cost Assumptions & Sources



Data Point	Sources / Notes
Workforce: Wages & E	Benefits
Wages & Salaries	 Weighted model using data from three sources: Lightcast, ERI, and Job Postings (via Lightcast) 3% wage inflation and 5% headcount growth annually
Benefits	 Employee +1 health insurance at 85% coverage 7% health insurance inflation SUTA Workers Comp Estimate +10% for additional benefits/retirement/bonuses Federal Payroll Taxes
Utilities	
Utilities	 Electric: rates as provided by Duke and assumed to be the same for all sites. Gas: rates as provided in RFI, or state-level EIA data (typically assume the same or similar rates as underlying commodity costs will drive rate). Water & Wastewater: rates as provided in RFI, or primary research (e.g. reviewing community rate sheets) All assumed at 3% annual price growth and 5% annual consumption growth
Taxes	
Taxes	 Property Taxes: effective rates as provided in RFI or as researched by SSG for rates not provided by communities. We assume updated 6% assessment ratio. Sales Taxes: Primary research on sales tax rates Does not include any applicably inventory tax, state corporate income tax Rates assumed to escalate at 1.5% annually Assume 15-year depreciation on M&E

Data Point	Sources / Notes
Real Estate & Capital	
Land	 Cost: Cost per acre as indicated in RFI. For comparison properties, primary research or best estimate Assume 3% annual increase in value of land for taxing purposes
Building	 Cost per square foot based on scenario – in general, more advanced facilities will have higher cost/square foot No adjustment based on nearest market for RSMeans construction cost index – SSG typically does this when we're comparing markets across diverse geography, but given that all sites are in FL, we exclude. Assume 3% annual increase in value of building for taxing purposes
Capital (M&E)	 Fixed amount for purposes of estimating personal property tax
Not Included in the An	alysis
Logistics	 Does not include any estimated logistics costs which can play a significant role in a site/community's value proposition. Inbound and outbound logistics are far too unique to each requirement to attempt to model in the abstract.
Site Prep	 Not included in analysis but meant to show a placeholder on what level of investment would it take to get a site competitive, and how would that impact comparison with other sites.

Critical assumptions in red!

Operating Cost Analysis: Advanced Manufacturing (Medium)



	Total Costs			Operating Cos	ts			Capital Costs				
Name	Total	Abs. Diff	% Diff	Wages & Salaries	Benefits	Utilities	Property & Sales Tax	Logistics	Land Cost	Site Prep	Building	Capital (M&E)
Marion County Airport Property	\$404,257,116	\$0	0.0%	\$160,171,538	\$75,804,062	\$22,028,171	\$13,753,344	TBD	\$2,500,000	TBD	\$30,000,000	\$100,000,000
Avon Park	\$406,621,322	\$2,364,206	0.6%	\$163,361,481	\$76,407,280	\$21,685,011	\$13,292,550	TBD	\$1,875,000	TBD	\$30,000,000	\$100,000,000
Duke 45-acre Site	\$407,912,443	\$3,655,327	0.9%	\$160,027,525	\$75,776,829	\$21,960,546	\$19,772,543	TBD	\$375,000	TBD	\$30,000,000	\$100,000,000
Nutrien White Springs Site	\$407,912,443	\$3,655,327	0.9%	\$160,027,525	\$75,776,829	\$21,960,546	\$19,772,543	TBD	\$375,000	TBD	\$30,000,000	\$100,000,000
Apalachicola	\$408,295,918	\$4,038,802	1.0%	\$161,967,799	\$76,143,735	\$22,411,601	\$17,147,783	TBD	\$625,000	TBD	\$30,000,000	\$100,000,000
Monarch Ranch	\$409,665,259	\$5,408,143	1.3%	\$166,274,890	\$76,958,206	\$20,755,979	\$13,176,184	TBD	\$2,500,000	TBD	\$30,000,000	\$100,000,000
Sebring Airport	\$409,900,214	\$5,643,098	1.4%	\$163,361,481	\$76,407,280	\$21,633,361	\$17,248,091	TBD	\$1,250,000	TBD	\$30,000,000	\$100,000,000
Lake Placid	\$410,302,416	\$6,045,300	1.5%	\$163,361,481	\$76,407,280	\$22,150,729	\$17,132,927	TBD	\$1,250,000	TBD	\$30,000,000	\$100,000,000
Marlene O'Toole Industrial Park	\$411,252,599	\$6,995,483	1.7%	\$166,274,890	\$76,958,206	\$22,343,319	\$13,176,184	TBD	\$2,500,000	TBD	\$30,000,000	\$100,000,000
Ocala	\$412,490,166	\$8,233,050	2.0%	\$161,468,387	\$76,049,296	\$22,300,424	\$20,172,060	TBD	\$2,500,000	TBD	\$30,000,000	\$100,000,000
Cemex Site	\$414,112,927	\$9,855,811	2.4%	\$165,109,570	\$76,737,844	\$21,982,650	\$19,032,862	TBD	\$1,250,000	TBD	\$30,000,000	\$100,000,000
MTI Site	\$416,639,112	\$12,381,996	3.1%	\$163,951,152	\$76,518,787	\$21,313,545	\$20,121,427	TBD	\$4,734,200	TBD	\$30,000,000	\$100,000,000
Perry Citrus Grove	\$418,040,597	\$13,783,481	3.4%	\$165,715,163	\$76,852,362	\$21,804,212	\$23,423,035	TBD	\$245,825	TBD	\$30,000,000	\$100,000,000
Hunt Brothers Site	\$425,704,635	\$21,447,519	5.3%	\$169,853,230	\$77,634,870	\$22,512,929	\$23,203,606	TBD	\$2,500,000	TBD	\$30,000,000	\$100,000,000
Archer Site	\$426,909,723	\$22,652,607	5.6%	\$166,387,815	\$76,979,560	\$22,121,840	\$30,158,008	TBD	\$1,262,500	TBD	\$30,000,000	\$100,000,000

Reading the Table

- <u>Reading the Table</u>: Each cell is highlighted, with those in green indicating more favorable (lower) costs in each category, and those in red indicating higher costs within each category.
- **Sorted Lowest to Highest Cost**: To show cost differentials (both in absolute and percentage terms), each site is shown relative to the lowest cost one.
- Site Prep & Logistics = Blank: Again, we show these categories as "TBD" to remind the reader that that these can be critical cost considerations, but they are difficult to estimate here.

- The Duke 45-Acre site scores favorably from an overall cost perspective for a mid-size Advanced Manufacturing project.
- This is driven by favorable wages/salaries, benefits, and estimated land cost.
- Please note, because a land cost was not provided, best estimate of markets comps was used.

Operating Cost Analysis: Advanced Manufacturing (Small)



	Total Costs			Operating Cos	ts		Capital Costs					
Name	Total	Abs. Diff	% Diff	Wages & Salaries	Benefits	Utilities	Property & Sales Tax	Logistics	Land Cost	Site Prep	Building	Capital (M&E)
Marion County Airport Property	\$202,128,558	\$0	0.0%	\$80,085,769	\$37,902,031	\$11,014,086	\$6,876,672	TBD	\$1,250,000	TBD	\$15,000,000	\$50,000,000
Avon Park	\$203,310,661	\$1,182,103	0.6%	\$81,680,740	\$38,203,640	\$10,842,505	\$6,646,275	TBD	\$937,500	TBD	\$15,000,000	\$50,000,000
Duke 45-acre Site	\$203,956,222	\$1,827,664	0.9%	\$80,013,762	\$37,888,415	\$10,980,273	\$9,886,272	TBD	\$187,500	TBD	\$15,000,000	\$50,000,000
Nutrien White Springs Site	\$203,956,222	\$1,827,664	0.9%	\$80,013,762	\$37,888,415	\$10,980,273	\$9,886,272	TBD	\$187,500	TBD	\$15,000,000	\$50,000,000
Apalachicola	\$204,147,959	\$2,019,401	1.0%	\$80,983,900	\$38,071,868	\$11,205,800	\$8,573,891	TBD	\$312,500	TBD	\$15,000,000	\$50,000,000
Monarch Ranch	\$204,832,630	\$2,704,072	1.3%	\$83,137,445	\$38,479,103	\$10,377,990	\$6,588,092	TBD	\$1,250,000	TBD	\$15,000,000	\$50,000,000
Sebring Airport	\$204,950,107	\$2,821,549	1.4%	\$81,680,740	\$38,203,640	\$10,816,681	\$8,624,046	TBD	\$625,000	TBD	\$15,000,000	\$50,000,000
Lake Placid	\$205,151,208	\$3,022,650	1.5%	\$81,680,740	\$38,203,640	\$11,075,364	\$8,566,463	TBD	\$625,000	TBD	\$15,000,000	\$50,000,000
Marlene O'Toole Industrial Park	\$205,626,299	\$3,497,741	1.7%	\$83,137,445	\$38,479,103	\$11,171,659	\$6,588,092	TBD	\$1,250,000	TBD	\$15,000,000	\$50,000,000
Ocala	\$206,245,083	\$4,116,525	2.0%	\$80,734,193	\$38,024,648	\$11,150,212	\$10,086,030	TBD	\$1,250,000	TBD	\$15,000,000	\$50,000,000
Cemex Site	\$207,056,463	\$4,927,905	2.4%	\$82,554,785	\$38,368,922	\$10,991,325	\$9,516,431	TBD	\$625,000	TBD	\$15,000,000	\$50,000,000
MTI Site	\$208,319,556	\$6,190,998	3.1%	\$81,975,576	\$38,259,394	\$10,656,773	\$10,060,714	TBD	\$2,367,100	TBD	\$15,000,000	\$50,000,000
Perry Citrus Grove	\$209,020,299	\$6,891,741	3.4%	\$82,857,581	\$38,426,181	\$10,902,106	\$11,711,518	TBD	\$122,913	TBD	\$15,000,000	\$50,000,000
Hunt Brothers Site	\$212,852,318	\$10,723,760	5.3%	\$84,926,615	\$38,817,435	\$11,256,465	\$11,601,803	TBD	\$1,250,000	TBD	\$15,000,000	\$50,000,000
Archer Site	\$213,454,861	\$11,326,303	5.6%	\$83,193,907	\$38,489,780	\$11,060,920	\$15,079,004	TBD	\$631,250	TBD	\$15,000,000	\$50,000,000

Reading the Table

- <u>Reading the Table</u>: Each cell is highlighted, with those in green indicating more favorable (lower) costs in each category, and those in red indicating higher costs within each category.
- **Sorted Lowest to Highest Cost**: To show cost differentials (both in absolute and percentage terms), each site is shown relative to the lowest cost one.
- Site Prep & Logistics = Blank: Again, we show these categories as "TBD" to remind the reader that that these can be critical cost considerations, but they are difficult to estimate here.

- For a smaller project, we discount all project parameters proportionally to one another (e.g. discount headcount by 50%, capex by 50%, etc.).
- The site still scores about the same.

Operating Cost Analysis: Advanced Manufacturing (Large)



	Total Costs			Operating Cos	sts				Capital Costs			
Name	Total	Abs. Diff	% Diff	Wages & Salaries	Benefits	Utilities	Property & Sales Tax	Logistics	Land Cost	Site Prep	Building	Capital (M&E)
Marion County Airport Property	\$1,145,077,262	\$0	0.0%	\$320,343,077	\$151,608,125	\$88,112,685	\$55,013,375	TBD	\$10,000,000	TBD	\$120,000,000	\$400,000,000
Avon Park	\$1,146,947,766	\$1,870,504	0.2%	\$326,722,962	\$152,814,561	\$86,740,043	\$53,170,201	TBD	\$7,500,000	TBD	\$120,000,000	\$400,000,000
Duke 45-acre Site	\$1,160,041,065	\$14,963,803	1.3%	\$320,055,049	\$151,553,659	\$87,842,183	\$79,090,173	TBD	\$1,500,000	TBD	\$120,000,000	\$400,000,000
Nutrien White Springs Site	\$1,160,041,065	\$14,963,803	1.3%	\$320,055,049	\$151,553,659	\$87,842,183	\$79,090,173	TBD	\$1,500,000	TBD	\$120,000,000	\$400,000,000
Apalachicola	\$1,156,960,602	\$11,883,340	1.0%	\$323,935,599	\$152,287,470	\$89,646,403	\$68,591,130	TBD	\$2,500,000	TBD	\$120,000,000	\$400,000,000
Monarch Ranch	\$1,152,194,845	\$7,117,583	0.6%	\$332,549,780	\$153,916,412	\$83,023,917	\$52,704,736	TBD	\$10,000,000	TBD	\$120,000,000	\$400,000,000
Sebring Airport	\$1,160,063,334	\$14,986,072	1.3%	\$326,722,962	\$152,814,561	\$86,533,446	\$68,992,366	TBD	\$5,000,000	TBD	\$120,000,000	\$400,000,000
Lake Placid	\$1,161,672,143	\$16,594,881	1.4%	\$326,722,962	\$152,814,561	\$88,602,914	\$68,531,706	TBD	\$5,000,000	TBD	\$120,000,000	\$400,000,000
Marlene O'Toole Industrial Park	\$1,158,544,203	\$13,466,941	1.2%	\$332,549,780	\$153,916,412	\$89,373,275	\$52,704,736	TBD	\$10,000,000	TBD	\$120,000,000	\$400,000,000
Ocala	\$1,174,925,299	\$29,848,037	2.6%	\$322,936,774	\$152,098,593	\$89,201,695	\$80,688,238	TBD	\$10,000,000	TBD	\$120,000,000	\$400,000,000
Cemex Site	\$1,172,756,878	\$27,679,617	2.4%	\$330,219,141	\$153,475,688	\$87,930,600	\$76,131,450	TBD	\$5,000,000	TBD	\$120,000,000	\$400,000,000
MTI Site	\$1,185,616,569	\$40,539,307	3.5%	\$327,902,305	\$153,037,575	\$85,254,181	\$80,485,709	TBD	\$18,936,800	TBD	\$120,000,000	\$400,000,000
Perry Citrus Grove	\$1,187,027,339	\$41,950,077	3.7%	\$331,430,326	\$153,704,723	\$87,216,849	\$93,692,140	TBD	\$983,300	TBD	\$120,000,000	\$400,000,000
Hunt Brothers Site	\$1,207,842,340	\$62,765,079	5.5%	\$339,706,460	\$155,269,740	\$90,051,717	\$92,814,422	TBD	\$10,000,000	TBD	\$120,000,000	\$400,000,000
Archer Site	\$1,220,904,141	\$75,826,880	6.6%	\$332,775,629	\$153,959,120	\$88,487,360	\$120,632,032	TBD	\$5,050,000	TBD	\$120,000,000	\$400,000,000

Reading the Table

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- **Sorted Lowest to Highest Cost**: To show cost differentials (both in absolute and percentage terms), each site is shown relative to the lowest cost one.
- Site Prep & Logistics = Blank: Again, we show these categories as "TBD" to remind the reader that that these can be critical cost considerations, but they are difficult to estimate here.

- But for a larger project, where we increase the level of capex (machinery & equipment/acreage) more than headcount, the Duke 45-Acre Site does not score as well.
- Further, this analysis favors markets with lower tax rates, as they tend to benefit more from increased capital investment.

Workforce Analysis: Summary of Categories & Weights



Category	Weight	Description of Variables	Analysis Favors
Workforce Demographics (20 Minutes)	15.0%	<u>General</u> labor force and demographic indicators, including: Population, Labor Force, Population Growth, Labor Force Participation	 Large, growing workforce. Lower median age. Income levels (dependent on project category).
Workforce Demographics (40 Minutes)	20.0%	Rate, Unemployment Rate, Age, and Income. Additional workforce participation metrics. Includes current and 5-year projection data.	 Education levels (dependent on project category). Strong labor force participation. Higher unemployment/slack.
Occupational Supply (20 Minutes)	15.0%	Specific <u>supply</u> factors for occupational clusters critical to clients needs:	 Areas with higher sheer presence, concentration, and projected growth of target clusters. In general, larger headcount projects put more emphasis on sheer presence of target clusters, while smaller projects put more emphasis on
Occupational Supply (40 Minutes)	20.0%	Presence/Concentration/Projected Growth of Key Occupational Clusters	 concentration of those clusters. Key occupational clusters will vary based on each mock project type. For example, a food project will put more emphasis on food-related occupational clusters, while a metals project will put more emphasis on clusters that have welders, machinists, and similar.
Occupational Demand (20 Minutes)	7.5%	Specific <u>demand</u> factors for occupational clusters critical to requirements (based on job postings data).	 Markets with less demand/competition for the occupational clusters noted above.
Occupational Demand (40 Minutes)	12.5%	*20-minute data can have more variance, as data cuts at county level – as a result, we weight it lower.	 Typically, there are tradeoffs between markets with favorable supply vs. demand.
Union Climate	10.0%	Unionization Rates, Recent Filings and Attempts, Organized Labor Threat Score, Right To Work Status	 Right to work states. Low organized union presence and recent organization attempts.

Reading the Table

- <u>Description</u>: The categories, weights, and descriptions listed show the factors used to score each candidate location.
- Drive Time: Demographic and occupational data is based on drive-times for each proxy site.
 We use a 20-minute and 40-minute drive time around each site.
- <u>Non-Cost Items</u>: The variables here focus on topics that are difficult to assign a direct cost to (e.g. workforce availability, union presence, etc.). As a result, this analysis does not include items already accounted for in the operating cost comparison (e.g. wage rates, utility rates, etc.).
- Education & Workforce Training
 Ecosystem: While data can be used to quantitively evaluate workforce training (e.g. completions), SSG believes the qualitative storytelling behind a community's workforce training value proposition to be much more important. As a result, we do not measure that here.

Occupational Cluster Weights for Each Type of Project



Occupational Cluster Weights for Different Types of Projects

	Advanced Mfg.	Light Mfg.	Metals & Plastics	Aerospace	Automotive	Food	Advanced Food	Biotech	Chemicals	Wood & Materials	Distribution	Electronics	Paper& Packaging	Textiles	Engineering (R&D)
Occupational Clusters															
Advanced Production	20%	5%	30%	20%	35%		10%					10%	10%	10%	5%
Aerospace Production				40%											5%
Biotech							20%	60%							
Engineering Techs	15%	5%	10%	10%	15%	10%	15%	10%	10%	5%	10%	10%	10%	10%	30%
Engineering	15%	5%	15%	15%	15%	15%	20%	10%	10%	5%		10%	10%	10%	50%
Food Production						50%	20%								
Industrial Maintenance	20%	15%	10%	5%	15%	15%	10%	10%	10%	10%	10%	10%	10%	10%	
IT								5%							
Logistics	10%	40%	5%	5%	10%	10%	5%	5%	10%	20%	80%	10%	10%	10%	
Metals & Plastics Production	20%	30%	30%	5%	10%										10%
Chemicals									60%						
Wood										60%					
Electronics												50%			
Paper/Packaging													50%		
Textiles														50%	

Prioritizing Different Metrics for Different Sized Projects

	Small Project	Medium Project	Large Project	N
Absolute Presence (sheer count of workers)	20%	45%	70%	
Concentration (specialization of market)	70%	45%	20%	
Projected Growth	10%	10%	10%	



- Smaller projects favor places with favorable concentration of key skill sets, but sheer size of markets and absolute occupational presence is less important.
- Larger projects favor places with more favorable sheer presence of key skill sets, as they simply need a larger pool to draw workers from.

Demographic Alignment for Each Type of Project



Demographic Weights for Different Types of Projects

	Advanced Mfg.	Light Mfg.	Metals & Plastics	Aerospace	Automotive	Food	Advanced Food	Biotech	Chemicals	Wood & Materials	Distribution	Electronics	Paper& Packaging	Textiles	Engineering (R&D)
Labor Scalability	<u>45.0%</u>	<u>45.0%</u>	<u>45.0%</u>	<u>45.0%</u>	<u>45.0%</u>	<u>45.0%</u>	<u>40.0%</u>	<u>40.0%</u>	<u>40.0%</u>	<u>45.0%</u>	<u>55.0%</u>	<u>45.0%</u>	<u>45.0%</u>	<u>45.0%</u>	<u>40.0%</u>
Population	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Labor Force Population	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	10.0%	15.0%	10.0%	15.0%	20.0%	15.0%	15.0%	15.0%	10.0%
Population Growth (Projected 5 Years)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Labor Force Participation	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Unemployment Rate - 12 Month Avg (County)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%	5.0%	5.0%	10.0%	5.0%	5.0%	5.0%	5.0%
Age	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	7.5%	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>7.5%</u>
% Age Under 18	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
% Age 18-24	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
% Age 25-34	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
% Age 35-44	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
% Age 45-54	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
% Age 55+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Median Age	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>
% Household Income less than \$15,000	0.0%	1.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	1.0%	0.0%	1.0%	1.0%	1.0%	0.0%
% Household Income \$15,000 to \$24,999	1.0%	2.5%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	2.5%	0.0%	2.5%	2.5%	2.5%	0.0%
% Household Income \$25,000 to \$34,999	2.5%	3.0%	1.0%	1.0%	1.0%	3.0%	1.0%	1.0%	1.0%	3.0%	1.0%	3.0%	3.0%	3.0%	0.0%
% Household Income \$35,000 to \$49,999	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	1.0%
% Household Income \$50,000 to \$74,999	2.5%	1.0%	3.0%	3.0%	3.0%	1.0%	3.0%	3.0%	3.0%	1.0%	3.0%	1.0%	1.0%	1.0%	2.5%
% Household Income \$75,000 to \$99,999	1.0%	0.0%	2.5%	2.5%	2.5%	0.0%	2.5%	2.5%	2.5%	0.0%	2.5%	0.0%	0.0%	0.0%	3.0%
% Household Income \$100,000 to \$124,999	0.0%	0.0%	1.0%	1.0%	1.0%	0.0%	1.0%	1.0%	1.0%	0.0%	1.0%	0.0%	0.0%	0.0%	2.5%
% Household Income \$125,000 to \$149,999	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Educational Attainment	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>12.5%</u>	<u>12.5%</u>	<u>12.5%</u>	<u>10.0%</u>	<u>5.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>12.5%</u>
% Less than High School Graduates	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	2.0%	0.0%
% High School Graduates (or GED)	2.5%	2.5%	2.5%	2.5%	2.5%	4.0%	2.5%	0.0%	2.5%	2.5%	2.5%	2.5%	2.5%	4.0%	0.0%
% Some College, no degree	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%
% Associate's Degree	5.0%	5.0%	5.0%	5.0%	5.0%	1.0%	5.0%	2.5%	5.0%	5.0%	0.0%	5.0%	5.0%	1.0%	2.5%
% Bachelor's Degree	2.5%	2.5%	2.5%	2.5%	2.5%	1.0%	5.0%	7.5%	5.0%	2.5%	0.0%	2.5%	2.5%	1.0%	5.0%
% Post Bachelor's Degree	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%

• Similar general requirements across projects (e.g. sheer population access, labor force participation)

 But higher skill requirements are likely to focus on higher educational attainment levels and associated income levels.



Workforce Analysis: Advanced Manufacturing (Medium)



		WEIGHT	15.0%	20.0%	15.0%	20.0%	7.5%	12.5%	10.0%
Site Name	State	Total Score	Workforce Demographics (20 Mins)	Workforce Demographics (40 Mins)	Occupational Supply (20 Mins)	Occupational Supply (40 Mins)	Occupational Demand (20 Mins)	Occupational Demand (40 Mins)	Union Climate
Ocala	FL	123%	124%	127%	142%	132%	78%	86%	148%
Marlene O'Toole Industrial Park	FL	112%	116%	129%	100%	118%	109%	85%	115%
Cemex Site	FL	107%	97%	109%	111%	98%	122%	91%	136%
Archer Site	FL	106%	116%	114%	107%	100%	79%	74%	147%
Monarch Ranch	FL	106%	108%	119%	88%	100%	115%	94%	122%
Hunt Brothers Site	FL	105%	115%	135%	104%	114%	45%	48%	129%
Marion County Airport Property	FL	100%	88%	101%	84%	108%	94%	96%	134%
Duke 45-acre Site	FL	99%	83%	87%	88%	105%	112%	115%	121%
Nutrien White Springs Site	FL	98%	81%	87%	88%	105%	110%	116%	121%
Lake Placid	FL	97%	95%	85%	92%	79%	111%	128%	119%
Perry Citrus Grove	FL	97%	82%	70%	121%	107%	100%	118%	86%
Sebring Airport	FL	96%	85%	84%	93%	80%	112%	132%	118%
Avon Park	FL	93%	107%	98%	87%	87%	82%	67%	120%
MTI Site	FL	89%	81%	67%	89%	82%	112%	115%	112%
Apalachicola	FL	89%	76%	68%	76%	69%	138%	140%	112%

SELECTION GROUP

Reading the Table

- <u>Scoring</u>: A score of 100 in any category represents the average of the group. Each cell is also highlighted, with those in green indicating a more favorable score, and those in red indicating a less favorable score within each category.
- Example Project: This is an example of the results for a midsize, Advanced Manufacturing project. SSG ran this same analysis for all mock projects, but we do not show them herein for brevity.

- The Duke 45-Acre Site scores about average from a workforce perspective for a mid-size manufacturing project.
- Its workforce demographics scores are low.
- Its occupational supply score is low at the 20-minute drivetime but improves at the 40-minute drivetime as it pulls in data from nearby Valdosta and Lake City. Its occupational demand (measure of competition) scores look favorable at both the 20 & 40-minute drivetimes.

Workforce Analysis: Advanced Manufacturing (Small)



		WEIGHT	15.0%	20.0%	15.0%	20.0%	7.5%	12.5%	10.0%
Site Name	State	Total Score	Workforce Demographics (20 Mins)	Workforce Demographics (40 Mins)	Occupational Supply (20 Mins)	Occupational Supply (40 Mins)	Occupational Demand (20 Mins)	Occupational Demand (40 Mins)	Union Climate
Ocala	FL	117%	124%	127%	122%	115%	78%	86%	148%
Marlene O'Toole Industrial Park	FL	108%	116%	129%	95%	102%	109%	85%	115%
Cemex Site	FL	106%	97%	109%	111%	93%	122%	91%	136%
Archer Site	FL	102%	116%	114%	96%	86%	79%	74%	147%
Monarch Ranch	FL	104%	108%	119%	87%	91%	115%	94%	122%
Hunt Brothers Site	FL	102%	115%	135%	98%	105%	45%	48%	129%
Marion County Airport Property	FL	99%	88%	101%	85%	104%	94%	96%	134%
Duke 45-acre Site	FL	102%	83%	87%	93%	115%	112%	115%	121%
Nutrien White Springs Site	FL	101%	81%	87%	93%	114%	110%	116%	121%
Lake Placid	FL	98%	95%	85%	95%	83%	111%	128%	119%
Perry Citrus Grove	FL	105%	82%	70%	144%	131%	100%	118%	86%
Sebring Airport	FL	99%	85%	84%	101%	86%	112%	132%	118%
Avon Park	FL	93%	107%	98%	87%	89%	82%	67%	120%
MTI Site	FL	92%	81%	67%	94%	94%	112%	115%	112%
Apalachicola	FL	90%	76%	68%	73%	73%	138%	140%	112%

Reading the Table

- <u>Scoring</u>: A score of 100 in any category represents the average of the group. Each cell is also highlighted, with those in green indicating a more favorable score, and those in red indicating a less favorable score within each category.
- Example Project: This is an example of the results for a midsize, Advanced Manufacturing project. SSG ran this same analysis for all mock projects, but we do not show them herein for brevity.

- When we put more weight on the <u>concentration</u> of key skill sets rather than the absolute presence, its occupational supply scores improve slightly.
- As a result, its overall score also improves slightly (still scores about average).

Workforce Analysis: Advanced Manufacturing (Large)



		WEIGHT	15.0%	20.0%	15.0%	20.0%	7.5%	12.5%	10.0%
Site Name	State	Total Score	Workforce Demographics (20 Mins)	Workforce Demographics (40 Mins)	Occupational Supply (20 Mins)	Occupational Supply (40 Mins)	Occupational Demand (20 Mins)	Occupational Demand (40 Mins)	Union Climate
Ocala	FL	129%	124%	127%	163%	148%	78%	86%	148%
Marlene O'Toole Industrial Park	FL	116%	116%	129%	105%	133%	109%	85%	115%
Cemex Site	FL	108%	97%	109%	111%	104%	122%	91%	136%
Archer Site	FL	111%	116%	114%	119%	114%	79%	74%	147%
Monarch Ranch	FL	108%	108%	119%	90%	110%	115%	94%	122%
Hunt Brothers Site	FL	107%	115%	135%	109%	123%	45%	48%	129%
Marion County Airport Property	FL	101%	88%	101%	82%	113%	94%	96%	134%
Duke 45-acre Site	FL	96%	83%	87%	82%	95%	112%	115%	121%
Nutrien White Springs Site	FL	96%	81%	87%	83%	95%	110%	116%	121%
Lake Placid	FL	96%	95%	85%	88%	75%	111%	128%	119%
Perry Citrus Grove	FL	89%	82%	70%	99%	83%	100%	118%	86%
Sebring Airport	FL	94%	85%	84%	86%	73%	112%	132%	118%
Avon Park	FL	92%	107%	98%	87%	85%	82%	67%	120%
MTI Site	FL	86%	81%	67%	85%	70%	112%	115%	112%
Apalachicola	FL	89%	76%	68%	79%	65%	138%	140%	112%

Reading the Table

- <u>Scoring</u>: A score of 100 in any category represents the average of the group. Each cell is also highlighted, with those in green indicating a more favorable score, and those in red indicating a less favorable score within each category.
- Example Project: This is an example of the results for a midsize, Advanced Manufacturing project. SSG ran this same analysis for all mock projects, but we do not show them herein for brevity.

Summary of Results

 For a larger project, we increase the importance of <u>sheer presence</u> of workers. Thus, the site's overall score decreases slightly.

Costs vs. Workforce: Advanced Manufacturing (Medium) :...



Reading the Graphic

- This graphic combines the results of the cost analysis (Y axis), qualitative analysis (X axis).
- Each dot shows the tradeoff for each comparison site.
- Markets to the bottom right have a more favorable combination of cost and quality. Those to the top left have a less favorable balance.

Summary of Results

 Overall, the Duke 45-Acre site scores out a as a value option for mid-size Advanced Manufacturing project – lower cost profile but slightly below average workforce alignment.

Costs vs. Workforce: Advanced Manufacturing (Small)







Costs vs. Workforce: Advanced Manufacturing (Large)





Costs vs. Workforce: All Medium Projects





value proposition.

Costs vs. Workforce: All Small Projects





Costs vs. Workforce: All Large Projects





Quantitative Target Industry Analysis

What Industries Make Sense for the <u>Community</u>?



Methodology: Combining Broader and More Specific Clusters

- In the previous section, we use <u>general</u> sectors to effectively score the community for different mock projects.
- In this section, we break those general sectors into specific clusters to identify more precise targets. In other words, we differentiate between types of projects within broader industries.
 - For example, in the previous section we broadly refer to "Food projects" and in this section we further differentiate between types of food projects- e.g., a food processing project vs. a livestock processing one.
- This section utilizes the Cluster framework and associated NAICS definitions developed by the <u>U.S. Cluster Mapping project</u> from the Harvard Cluster Mapping project.
- Using more specific clusters here allows us to accurately measure things like project activity and potential economic impact to the community.
- We include a crosswalk between those general sectors we use in the previous section and how they align with more specific clusters used in this section.
- In short, combining these two analyses allows us to take a slightly different view of the data to see generally what types of projects make more or less sense to target. In SSG's view, this is just as much "art" and experience as it is "science."

General Sector (Competitive Assessment)	Specific Cluster (Target Industry Model)					
Advanced Manufacturing	Production Technology and Heavy Machinery					
	Trailers, Motor Homes, and Appliances					
Aerospace	Aerospace Vehicles and Defense					
Automotivo	Automotive					
Automotive	Vulcanized and Fired Materials					
Piotoch	Biopharmaceuticals					
Biotech	Medical Devices					
	Downstream Chemical Products					
Chemicals	Environmental Services					
	Upstream Chemical Products					
	Distribution and Electronic Commerce					
Distribution	Transportation and Logistics					
	Water Transportation					
	Information Technology and Analytical Instruments					
Electronics	Lighting and Electrical Equipment					
Engineering (R&D)	Education and Knowledge Creation					
	Agricultural Inputs and Services					
Food/Advanced Food	Food Processing and Manufacturing					
	Livestock Processing					
Links Manufa atomina	Communications Equipment and Services					
	Recreational and Small Electronic Goods					
	Downstream Metal Products					
Matala (Dia atia a	Metalworking Technology					
Metals/Plastics	Plastics					
	Upstream Metal Manufacturing					
	Paper and Packaging					
Paper/Packaging	Printing Services					
Taytilaa	Apparel					
Textiles	Textile Manufacturing					
	Construction Products and Services					
Wood (Meteriala	Forestry					
	Furniture					
	Wood Products					



Building the Quantitative Target Industry Model



Growing Industries & Market Activity	_25.0%
U.S. Growth - Historic - Absolute	5.0%
U.S. Growth - Historic - Percentage	10.0%
U.S. Growth - Projected - Absolute	5.0%
U.S. Growth - Projected - Percentage	10.0%
Regional Growth - Historic - Absolute	5.0%
Regional Growth - Historic - Percentage	10.0%
Regional Growth - Projected - Absolute	5.0%
Regional Growth - Projected - Percentage	10.0%
Absolute Cluster Size (used as a filter)	0.0%
Count of Projects - Last Year (2022)	13.3%
Sum of Jobs - Last Year (2022)	13.3%
Sum of Capex - Last Year (2022)	13.3%
Enhance the Wage & Tax Base	30.0%
J.S. Wage Level - Overall	10.0%
Regional Wage Level - Overall	10.0%
J.S. Wage Level - Target Wage Level (1)	10.0%
Regional Wage Level - Target Wage Level (1)	10.0%
Fotal Sales Multiplier (State)	20.0%
Fotal Jobs Multiplier (State)	20.0%
Total Earnings Multiplier (State)	20.0%
Align with Workforce Base(2)	40.0%
Occupational Alignment - Absolute	25.0%
Occupational Alignment - Concentration	50.0%
Regional Completions (2 hours - Bach+)	10.0%
Regional Completions (2 hours - <bach)< td=""><td>5.0%</td></bach)<>	5.0%
Local Completions	10.0%
Diversify the Industrial Base (3)	5.0%
Absolute Cluster Size	20.0%
Concentration	80.0%

Weights & Variables

The graphic here shows the specific weights used in the target industry analysis, along with additional commentary on particularly important points.

- 1. <u>Wage & Tax Base Target Wages</u>: This criteria allows SSG and the community to select a target wage level that most aligns with their overall objectives and the characteristics for the community. Raising this threshold will favor industries with higher paying jobs (but may be unrealistic for the community). And on the contrary, lowering this threshold will favor industries with lower paying jobs, that may be more accessible, but less desirable. In general, we use the average county wage by industry for this analysis.
- 2. <u>Complementary/Workforce Alignment</u>: Site Selection Group uses national staffing patterns for each industry cluster to identify the most common occupations present in each cluster. SSG then calculates the presence and concentration of those occupations within a 40-minute drive time of the site. In short, this identifies the types of industries that align well with the region's current workforce. SSG makes similar estimates using higher education completion data, to identify which occupations align well with the types of educational completions (defined by CIP codes) coming out of local and regional educational institutions.
- **3.** <u>Diversify</u>: These measures are inverted, that is, they reward industries that have no or minimal presence in an area. These measures temper focusing on industries that already have a significant presence in the region.



Model Results: Duke 45-Acre Site

Specific Cluster (Target Industry Model)	General Sector (Comparative Assessment)	Total Score	Industry Growth	Wage & Tax Base	Workforce Alignment	Diversify
Food Processing and Manufacturing	Food/Advanced Food	72.0%	82.8%	77.1%	67.1%	27.6%
Biopharmaceuticals	Biotech	68.9 %	59.3%	79.9%	62.7%	100.0%
Downstream Chemical Products	Chemicals	68.4%	65.4%	62.0%	77.4%	50.8%
Construction Products and Services	Wood/Materials	66.4%	66.3%	65.5%	70.7%	39.2%
Distribution and Electronic Commerce	Distribution	65.1 %	85.6%	58.1%	62.3%	27.2%
Environmental Services	Chemicals	64.9 %	59.4%	63.8%	72.3%	40.4%
Upstream Chemical Products	Chemicals	64.3%	52.1%	67.3%	77.4%	2.0%
Transportation and Logistics	Distribution	64. 1%	67.4%	66.3%	64.9%	28.0%
Wood Products	Wood/Materials	59.5%	59.9%	57.8%	66.8%	9.6%
Vulcanized and Fired Materials	Automotove	58.5%	51.6%	54.6%	70.8%	18.0%
Downstream Metal Products	Metals/Plastics	57.4 %	59.0%	55.5%	62.2%	22.0%
Upstream Metal Manufacturing	Metals/Plastics	56.5%	51.9%	70.0%	49.2%	56.8%
Plastics	Metals/Plastics	55.7%	58.1%	56.2%	59.3%	12.4%
Paper and Packaging	Paper/Packaging	54.9%	43.4%	65.5%	59.4%	13.2%
Water Transportation	Distribution	54.9%	64.0%	60.7%	48.4%	26.4%
Agricultural Inputs and Services	Food/Advanced Food	54.5%	37.3%	39.1%	82.9%	5.2%
Recreational and Small Electronic Goods	Light Manufacturing	54.2%	69.4%	56.2%	47.1%	22.4%
Lighting and Electrical Equipment	Electronics	54 .1%	73.1%	59.1%	41.6%	30.0%
Forestry	Wood/Materials	54.1%	27.6%	48.8%	80.6%	6.4%
Production Technology and Heavy Machinery	Advanced Manufacturing	53.1%	56.9%	60.5%	45.5%	50.4%
Automotive	Automotive	52.8 %	75.8%	62.1%	30.3%	63.2%
Livestock Processing	Food/Advanced Food	52.2%	36.9%	49.3%	69.9%	4.0%
Metalworking Technology	Metals/Plastics	52.1%	47.1%	57.9%	51.7%	46.0%
Aerospace Vehicles and Defense	Aerospace	50.0%	61.0%	63.4%	36.5%	22.0%
Communications Equipment and Services	Light Manufacturing	48.8%	56.5%	71.5%	25.0%	63.6%
Education and Knowledge Creation	Engineering	47.9 %	64.4%	43.1%	40.4%	55.2%
Information Technology and Analytical Instruments	Electronics	46.7%	73.0%	56.5%	19.7%	73.6%
Trailers, Motor Homes, and Appliances	Advanced Manufacturing	46.4%	37.7%	63.1%	34.4%	86.0%
Furniture	Wood/Materials	46.3%	50.4%	46.0%	47.4%	19.2%
Textile Manufacturing	Textiles	46.3%	38.1%	45.4%	52.4%	43.2%
Medical Devices	Biotech	43.1%	37.7%	55.8%	32.3%	79.6%
Printing Services	Paper/Packaging	39.8%	19.7%	45.9%	47.1%	44.8%
Apparel	Textiles	35.5%	14.8%	36.1%	42.2%	82.0%

The table at left shows the results of the quantitative target industry analysis.

The first column shows the specific cluster of interest from the target industry analysis, followed by the general sector that SSG uses in the workforce & cost comparison. We use these jointly to help identify which industries are aligned with the community's wants but are also realistic.

SSG highlights key clusters here that may be best aligned with the community's overall value proposition. We do not simply select the highest scoring clusters but use the results to prioritize and also understand the inherent strengths and weaknesses of the community and site to attract and retain those industries. Targets of interest include:

Broad Clusters of interest include:

- Food and Agriculture
- Small-Scale Chemical Operations
- Wood, Metals, Plastics Smaller Operations

On the next page, SSG combines our view of the Comparative Assessment and these Quantitative Target Industry Results to make recommendations on what clusters and/or types of projects may yield the best results.



Target Recommendations: Competitive Assessment + Target Industry



Food and Agriculture

- These related industries score very favorably in both the competitive assessment and the target industry analysis. On the latter, there's simply a lot of activity in the food space right now.
- Geographic positioning is attractive to be able to serve consumer markets along the Gulf Coast and up and down growing Florida population centers.
- **Strategic Site Focus**: Food projects are oftentimes driven by utilities. While not as food projects need significant gas, water, and wastewater, a large number do. As a result, fully understanding the site's value proposition from a utility standpoint is especially important for competing for these types of opportunities.



Wood, Metals, Plastics – Smaller Operations

- We group a number of generally related industries in this section namely, focusing on small scale "traditional" manufacturing projects where a 40-acre site with very good electrical availability would be attractive.
- These projects tend to be less sensitive to water and wastewater, so could be a reasonably alternative to the ones above.
- They generally score favorably in both the target industry analysis and the competitive assessment.
- **Strategic Site Focus**: These projects are generally less utility sensitive and as a result the site, as we see it today, could be more aligned.



Small-Scale Chemical Operations

- Chemicals is another industry that score well on both the competitive assessment and in the target industry analysis.
- We do not foresee an especially "heavy" operation locating here, but rather a lighter, or smaller one.
- **Strategic Site Focus**: Very similar to the comments on food at left, these operations are very sensitive to utility access (probably even more so than food). Again, understanding the whole story on utility access here will determine whether this is a viable target.

RFI & Site Visit Feedback



RFI Feedback

SELECTION GROUP

Responsiveness/ Communication	Submission did not include all the necessary elements for site evaluation; however, community was proactive in discussing the challenges of gathering information.
Organization/ Ease Of Reference	Files were not labeled appropriately, and somewhat difficult to navigate.
Graphic Content	Maps/visuals would benefit from an update and refresh as property completes site readiness process. Zev Cohen visuals will be a tremendous asset!
RFI/Excel Form	RFI was completed and included responses from most utility providers.
Thoroughness	Utility questionnaires would have benefitted from greater detail.
Overall Submission	Overall, an acceptable submission, but a few areas of improvement to bolster the effort. Tighten the gaps and future responses will benefit.

Recommendations

STRONG

 Consider a more methodical file name/numbering system to make files easier to navigate and orient. Attention to detail in the submission helps create a crisp digital impression of the property and helps you remain in the site selection funnel. This is more important for rural markets, and it will help Hamilton County in controlling the narrative and perception.

WEAK

CHALLENGE

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Site Visit Feedback

Overview Presentation	Site discussion would have benefited from an agenda, slide deck, etc. For actual prospect visits, it would be beneficial to add a few additional elements to convey a more "ready" impression of the property.
Economic Development Team	Site visit would have benefitted from including utility providers, but SSG understands these have been historically difficult to engage.
Overall Visit	Opportunity exists to enhance the prospect experience and incorporate additional stakeholders and a more formal presentation to introduce the property.

Recommendations

STRONG

 Use the momentum and lessons learned from the Duke Energy Site Readiness Program as an opportunity to refine the pitch and gain alignment from the broader economic development stakeholder group within Hamilton County. Internal buy-in is often one of the hardest parts, but makes a huge difference when prospects come to town.

WEAK

ELECTION GROUP



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