

Speaker: James Blair
Navigator Consulting LLC

Expectations of the International Prospect



**NAVIGATOR
CONSULTING**

Experience
Commitment
Reliability

Site Selection
North America
ECG ED Summit
Jekyll Island
April 13, 2017



1. Who is Navigator Consulting ?
Our company | Our approach
2. Why FDI ?
3. How can EDOs help international investors?
Success factor 1: Workforce development
Success factor 2: Investment ready sites
The cherry on top: Incentives
4. Closing the cultural and technical gap between the
U.S. Community and the Foreign Direct Investor
Global Launch Certification

Our Team & Locations



Atlanta, GA (USA)



James Blair, MBA
Executive Director

- 30 years' experience in Site Selection and Economic Development
- Assisted over 175 companies locating their businesses in the USA
- Director of Georgia European Office in Brussels for 18 years
- Director of Georgia's FDI program and 6 offices worldwide
- Native English; fluent in German & French; proficient in Dutch

Düsseldorf (GERMANY)



Philip Marschall, MSc
Project Manager

- Managed numerous international site selection projects since 2013
- Experience in regional economic development in Germany
- Focus on geo-information powered analytics
- M.Sc. in Economic Geography at RWTH Aachen University
- Native German; fluent in English

Jackson, MS (USA)



Chat Phillips, BA
Senior Consultant

- Economic development experience on regional and state levels
- Experienced in locating automotive and aerospace companies in the USA
- B.A. from the University of Puget Sound (Tacoma) in Government and Economics
- Native English; proficient in Japanese



Mirko Semler, MLitt
Project Manager

- Successfully managed North American site selection projects since 2012
- Trained business and rating analyst in the telecoms industry
- Co-founder of the Playfair Consultancy Group (Scotland)
- MLitt, currently pursuing his PhD at University of St Andrews (Scotland)
- Native German; fluent in English



Macro- Analysis

Business Environment



Holistic Decision-Making



Site Quality & Operating Costs

Micro- Analysis

Our Experience



Tire Manufacturing
\$530 million CAPEX
1,000 jobs
LaGrange, GA



Automotive – Headliners
\$75 million CAPEX
400 employees
Norwalk, OH



Aerospace
\$265 million CAPEX
150 employees
Long Beach, CA



Automotive – Chassis Columns
\$65 million CAPEX
200 employees
Hartwell, GA



Automotive – Die-casting
\$215 million CAPEX
400 employees
Hendersonville, NC



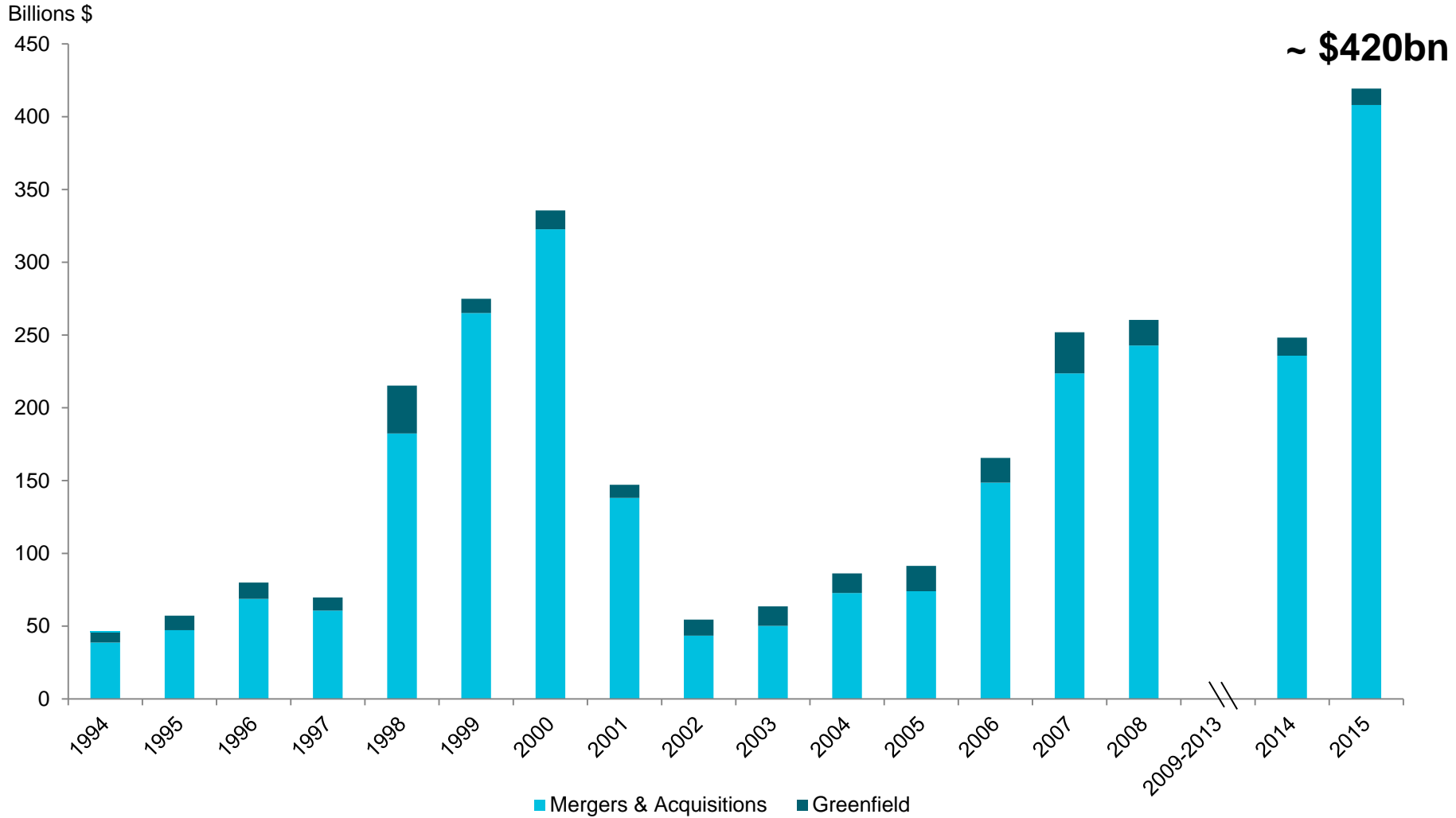
Additive Manufacturing
\$15 million CAPEX
20 employees
Kennesaw, GA



Non-Woven Textiles
\$80 million CAPEX
145 employees
Perry, GA

10 Projects worked in two years with over
\$1.3 Billion in Capital Investment and over
2,300 Jobs created

FDI by Type ~ \$420 billion in 2015

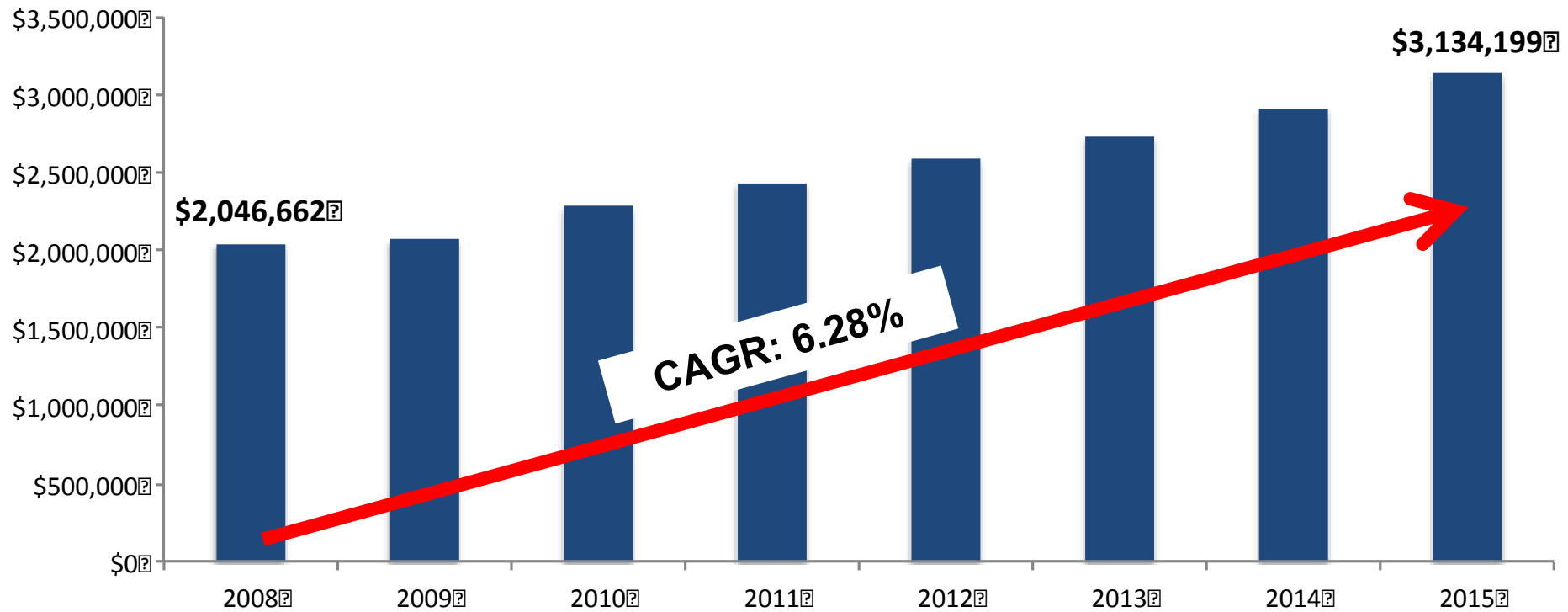


Source: U.S. Bureau of Economic Analysis, 2016

Total FDI Growth in the USA 2008 - 2015



Foreign Direct Investment in the U.S. (in m\$) - All Industries



Source: U.S. Bureau of Economic Analysis, 2016

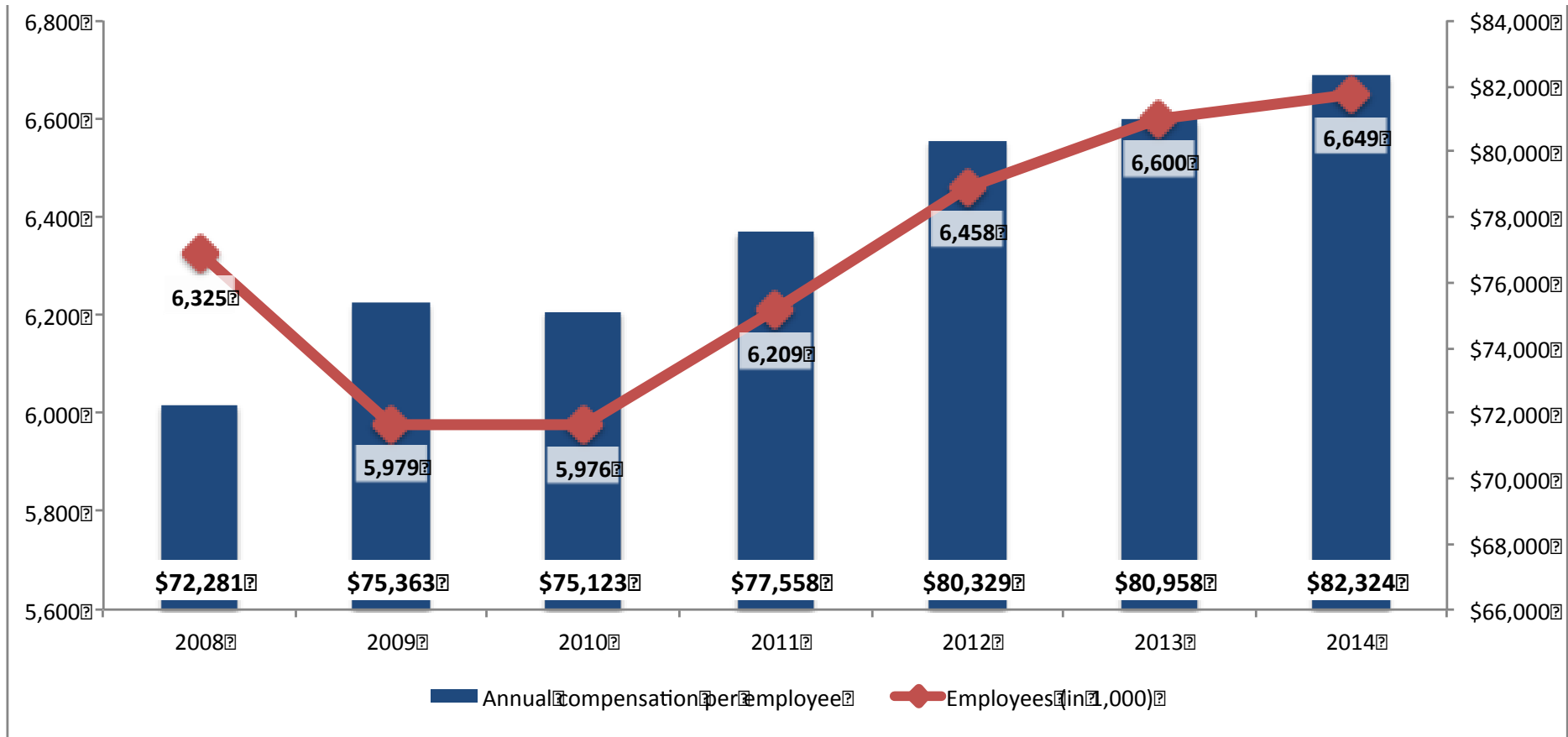
FDI by Region (in \$million)



REGION	2013	2014	2015	% Total FDI in 2015
Europe	\$1,901,471	\$1,983,202	\$2,162,845	69 %
Asia/Pacific	\$ 483,304	\$ 535,454	\$ 564,411	18 %
Canada	\$ 222,989	\$ 257,142	\$ 268,972	9 %
Latin America	\$ 100,482	\$ 119,962	\$ 118,796	4 %
Middle East	\$ 17,944	\$ 16,691	\$ 18,468	1 %
Africa	\$ 1,635	\$ 853	\$ 707	0 %
TOTAL FDI			\$ 3,134,199	100 %

Source: U.S. Bureau of Economic Analysis, 2016

Jobs and Wages from FDI



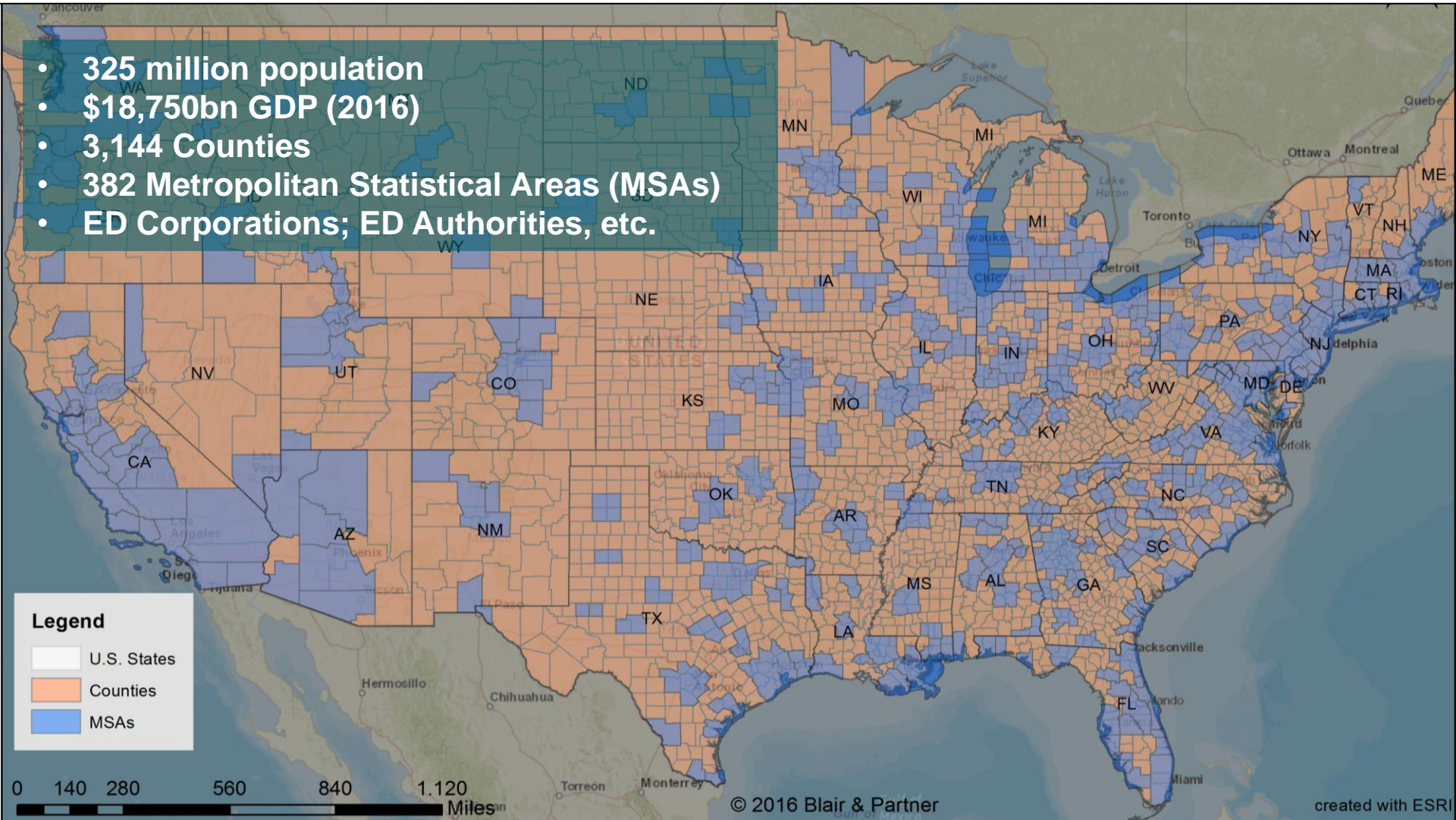
Source: U.S. Bureau of Economic Analysis, 2016

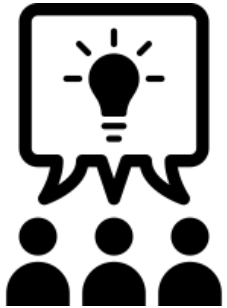
Complex Administrative Divisions

Towns, Cities, Counties, States, Regions



- 325 million population
- \$18,750bn GDP (2016)
- 3,144 Counties
- 382 Metropolitan Statistical Areas (MSAs)
- ED Corporations; ED Authorities, etc.





Workforce Training

- Trained technical staff
- Ability to attract specialists
- Reduced company costs



Investment-Ready Sites

- Quality real estate options
- Reduced real estate-related risks
- Speed-to-market
- Reduced company costs



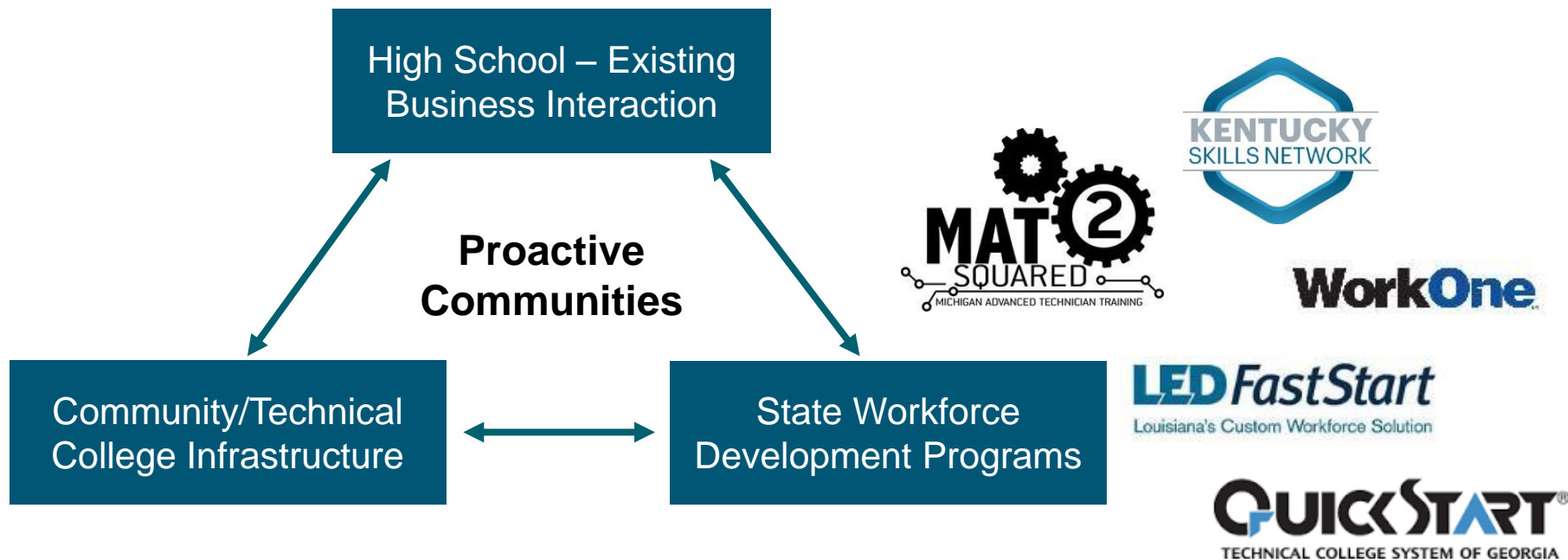
Incentives & Taxes

- Reduced company start-up costs
- Property taxes? Utility costs? Logistics?
- Business tax environment

Success Factor 1 – Workforce Training



- Availability of skilled labor is consistently ranked # 1 criteria for a successful business location
- Challenge: German “dual system” ≠ U.S. technical training



Success Factor 2 – Investment-Ready Sites



GERMANY

- Designated industry zones
- 100% utilities in place
- Limited greenfield sites
- Environmental impact study



Proposed Site

USA

- Zoning? Utilities?
- Geotechnical Survey?
- Wetlands Delineation?
- Phase I ESA?
- Cultural Survey?



Success Factor 2 – Investment-Ready Sites (cont'd)



- State programs for site certification
 - => **Challenge**: Limited number, mostly larger sites
- Independent consultants
 - => **Challenge**: Cost-burden for communities
- Lack of **thorough site due diligence** creates unknowns & risks for potential investor companies:
 - Timeline and project implementation
 - Increased site development and construction cost
 - Exposure to environmental issues and litigation

Success Factor 3 – Incentives & Taxes



- Statutory vs. Discretionary Incentives
- CAPEX, jobs and wage levels impact the community and region
- Design a Tax & Incentive program that benefits your Community!

Federal	State	Community
<ul style="list-style-type: none"> • New Market Tax Credits (financing) • Industrial Revenue Bonds (financing) • Community Development Block Program (grants) • Veterans' Employment & Training Service (VETS) • Work Opportunity Tax Credits WOTC (hiring disabled persons) • Regional Commission Grants (grants), e.g. the Appalachian Regional Commission ARC • Foreign Trade Zones FTZ's (delayed customs charges) • EB5 Visa Program (immigration) 	<ul style="list-style-type: none"> • Jobs Tax Credits (tax credit) • Corporate Tax Credits (R&D) • Investment Tax Credits (existing manufacturers) • Sales & Use Tax Exemption (production machinery) • Sales & Use Tax Exemption (utilities – electricity, natural gas, water) • Sales & Use Tax Exemption (building materials) • Property Tax Exemption (freeport) • Payroll Tax Jobs Incentives (grant) • Work Force Training (service/grant) • Governor's Closing Fund (grant) 	<ul style="list-style-type: none"> • Property tax abatement • Industrial sites at reduced cost (grants) • Shell building or existing building at reduced lease rate (grants) • Waive construction permitting fees (exempt fees) • Waive utility hook-up fees (exempt fees) • Grants for utility connections (water, sewer, gas) • Community grants based on job creation (grants) • Grants for technical work force training • Free temporary office space

“Global Launch Certification”

Reducing Risks for Foreign Direct Investors



- Creating a Win-Win:
 - Helping communities prepare for FDI investment
 - Providing investors **transparency** to overcome trust barriers
- Training & Assessment by Trusted FDI Experts:
 - ✓ Training EDOs on **intercultural aspects**
 - ✓ The Art and Science of the RFI
 - ✓ Review of local demographics and workforce
 - ✓ Assessment of workforce training infrastructure
 - ✓ Real estate **due diligence**
- Identifying FDI qualified communities
- Valuing strong local leadership and governance



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Thank you for your time and attention!

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