RECRUITING COMPANIES TO MISSOURI – A LOOK BEHIND THE SCENES

2014 MEDC Annual Conference

What is economic development?
Our team – Administration

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President and CEO

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Our value proposition

- A source of new investment deals for which Missouri communities can compete
- A supporting resource to partners on deals that they have “sourced”
- A partner in cooperative marketing activities including advertising, events, and decision-maker outreach
Missouri’s Business Advantages

Missouri at a glance: Our business advantages

- Mid-continent location supported by robust, multi-modal transportation infrastructure network
- Hardworking, educated, and skilled workforce
- Low taxes
- Diverse, stable and predictable economy
- Extensive Quality Education system
- Competitive labor costs
Missouri’s transportation network

Missouri ranks in top ten of the U.S. for...

- Pro-business state Pollina Corporate Real Estate, 2013
- Regulatory environment Forbes, 2013
- Low corporate tax index Tax Foundation, 2014
- Low unemployment insurance tax index Tax Foundation, 2014
- Low property tax index Tax Foundation, 2014
- Low diesel and gas tax Small Business and Entrepreneurship Council, 2014
- Top infrastructure and transportation CNBC, 2013
- Higher education degree output US Chamber of Commerce
- Growth of technology-related jobs TechAmerica Foundation, 2013
Missouri’s competitive business climate

- #1 fastest-growing state in the nation for technology job growth for two years running Dice.com
- #1 in the North West Central Region for the expansions and job creation in 2013. Site Selection Magazine 2013 Governor Cup awards
- Missouri is the most improved state for business in the Country, moving from 31 to 22 CEO magazine
- Missouri is a recipient of 2014 Golden Shovel award – recognized as a top state to attract high-value investment projects Area Development magazine

Missouri’s competitive business climate

- Leader in Certified Work Ready Communities
- Missouri is among the top performing states participating in the State Trade and Export Promotion Grant Program (STEP)
- Missouri ranked as the top state for banking in 2014 Moneyrates.com
- Missouri is one of only five states that have a AAA rating from S&P for 47 or more years. Missouri has maintained an AAA bond rating from all three agencies since 1989.
How does site selection work?

The site selection process

- Company identifies need to add new capacity or consolidate/relocate existing capacity
- Company initiates search for new location
- Company contacts state/regional/local EDOs
- EDOs submit location proposals to company
- Company screens and visits communities to develop a short list of favorites
- Company negotiates incentives and finalizes site-selection
What matters to companies?

Typical site selection project types

- **Market-driven**
  - E.g. Distribution centers, automotive suppliers

- **Talent-driven**
  - E.g. Information technology, biotech, R&D

- **Cost-driven**
  - E.g. Manufacturing, food-processing, data centers
### What matters to companies?

<table>
<thead>
<tr>
<th>Factor</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td>Availability of skilled labor</td>
<td>2nd (tie)</td>
<td>3rd</td>
<td>1st</td>
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<tr>
<td>Highway accessibility</td>
<td>1st</td>
<td>2nd (tie)</td>
<td>2nd</td>
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<tr>
<td>Labor costs</td>
<td>2nd (tie)</td>
<td>1st</td>
<td>3rd</td>
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<tr>
<td>Real estate costs</td>
<td>5th (tie)</td>
<td>5th</td>
<td>4th</td>
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<tr>
<td>Available ICT services</td>
<td>13th</td>
<td>4th</td>
<td>5th</td>
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Source: Area Development 28th Annual Corporate Survey (2014)

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<tr>
<td>Available existing buildings</td>
<td>15th</td>
<td>8th</td>
<td>6th</td>
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<tr>
<td>Corporate tax rate</td>
<td>4th</td>
<td>7th</td>
<td>7th</td>
</tr>
<tr>
<td>State &amp; local incentives</td>
<td>5th (tied)</td>
<td>13th (tied)</td>
<td>8th</td>
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<tr>
<td>Labor climate</td>
<td>10th</td>
<td>10th</td>
<td>9th</td>
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<td>Energy availability &amp; costs</td>
<td>7th</td>
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Case Studies

How did these deals come in? What were these companies looking for? What were the key decision factors? Where did Missouri excel and where can we improve?
Q&A

Clint O’Neal
VP – Business Recruitment

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VP – Business Recruitment

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