

**The Development and Marketing  
of the Little Canoe Creek Property  
as an Industrial Megasite**

**Prepared for the  
Etowah County Commission  
by the  
Gadsden-Etowah County Industrial Development Authority**

## TABLE OF CONTENTS

<b><u>Subject</u></b>	<b><u>Page</u></b>
Transmittal and acknowledgments	1
Executive summary	2
Definition of a megasite	3
Status of Etowah County's Little Canoe Creek property	4
Megasites in Alabama and adjacent states	5
Other megasites in the South	7
Megasite certification advantages	11
Megasite certification requirements	12
Proposed action plan	15
Estimated costs	19
Financing methods	21
Marketing techniques	25
Marketing and the site selection process	26
<b><u>Addenda</u></b>	
Review from a legal perspective	27
Review from a civil engineering perspective	29
Review from an economic development perspective	30
Review from a site-selection consultant's perspective	31

## TRANSMITTAL AND ACKNOWLEDGMENTS

March 30, 2015

Members of the Etowah County Commission,

This report describes (1) the characteristics of megasites; (2) what companies and their consultants consider important in evaluating the suitability of a site for a megaproject; (3) what needs to be done for Etowah County's Little Canoe Creek property to meet these standards, so that marketing can begin to recruit a major new industrial employer to occupy it; and (4) ways to accomplish this work. In preparation for transmittal to you, it has been independently reviewed by the following...

**...from a legal perspective:**

Alex Leath is a partner in Bradley Arant Boult Cummings' Economic Development Practice Group in Birmingham. He worked on behalf of the State of Alabama in the site-selection and incentive negotiation process for the Mercedes project, and represented Volkswagen in its search for an assembly plant site.

**...from an engineering perspective:**

Burt Hankins and David Parker at the architecture and engineering firm Goodwyn Mills & Cawood have been working with the Etowah County Commission on the transformation of this property into an industrial megasite, and will certify the completeness of site documentation when it is assembled.

**...from an economic development perspective:**

Greg Knighton is Vice President of the Economic Development Partnership of Alabama. Among other activities, EDPA administers the state database of available industrial properties, and works with the Alabama Department of Commerce in preparing sales presentations to industrial prospects.

**...from a site-selection consultant's perspective:**

Tom Lawton in Weehawken, NJ is a corporate site-selection consultant with 47 years of experience. He has represented client companies in locating a total of \$4 billion of fixed asset investments in 26 states and 6 countries, and has taught "International Facilities Location Strategies" at Tulane University.

This report was prepared under the terms of an agreement between the County and the IDA, which the Commission approved on January 20, 2015. I look forward to continuing to work with you on this initiative.

Respectfully submitted,

Mike McCain, Executive Director  
Gadsden-Etowah County Industrial Development Authority  
One Commerce Square  
Gadsden, AL 35901

256-543-9423 (office)  
256-547-2351 (fax)  
256-393-8753 (mobile)  
[mccainm@gadsdenida.org](mailto:mccainm@gadsdenida.org)

## EXECUTIVE SUMMARY

- 1) An industrial megasite contains at least 1,000 acres under one ownership or control, accessible to an interstate highway, a main line railroad, and all utilities with sufficient capacities for a large project. It also has a square to rectangular configuration, has suitable topographic and geologic conditions, is free of environmental and other impediments, and is in a market area with a large available labor force.
- 2) The Little Canoe Creek property is the only location in Etowah County that meets, or can be improved to meet, these requirements for a megaproject.
- 3) The top priority now should be to increase the site size to a minimum of 1,000 acres. It is important (the site-selection consultant reviewer says it is essential) to acquire even more parcels to “square up” the boundaries of the site. This should be done with input from Goodwyn Mills & Cawood.
- 4) The next steps are to undertake the design work to more accurately determine the cost and time to extend the infrastructure; obtain a preliminary report on subsurface conditions; perform the remaining environmental assessments; and prepare the documentation necessary that will allow corporate decision makers and their consultants to determine that the site meets their project specifications. Fulfilling the requirements to be designated as an Alabama AdvantageSite will satisfy these needs.
- 5) There are two other reasons for the infrastructure engineering to begin soon. First, having these plans already in place reduces the overall time it will take to perform this work. Second, it will permit the computation of accurate cost estimates which are needed to perform a cost-benefit analysis, once a company expresses interest in the site and details about its project are known.
- 6) With respect to the extension of the utility infrastructure, a decision needs to be made about who will provide the water and sewer service to the site, taking into account their excess treatment capacities, distance from the site, and related considerations.
- 7) If any environmental issues are identified which would impede the construction of a large plant, either on the site or on the easements for the extension of the infrastructure, their resolution is essential and must take priority.
- 8) A variety of financing mechanisms are available to help pay for site-related costs, for the extension of infrastructure once a company commits to locate on the site, and for deal-closing incentives. Decisions need to be made about what combination of these financing tools makes the most economic sense for Etowah County to pursue, so plans can be initiated.
- 9) It is a certainty that companies and their consultants will ask for all this information. They want to be assured that the site is “shovel ready” for construction, and that the infrastructure can be made available to the site on their timetables. With this documentation in hand, effective marketing can begin in order to recruit a major new employer, as described herein.
- 10) But more important than marketing is to have a product that meets the requirements of prospective customers, and is ready for them to start using. Without this, promotion is futile.

## DEFINITION OF A MEGASITE

Wilbur Smith and Associates, an engineering, construction and consulting firm, prepared an industrial megasite feasibility analysis for the South Carolina Department of Commerce, and in it they defined a megasite as follows:

“Today, companies and site consultants must identify the optimal site, construct the facility and begin start-up operations within a very constrained schedule. The state of readiness for sites that are being considered for megaprojects is increasingly the deal killer for many sites, as companies seek to minimize risk, reduce the unknowns, and expedite the timeline for these projects.”

**“Megasites are large, readily developable sites with a minimum of 1,000 acres that have access to the critical infrastructure and skilled workforce that major industrial users require.** This does not mean that all of the required utility and transportation infrastructure is in place on the site. However, it does mean that any gaps in the utility or roadway infrastructure have been fully evaluated, a concept plan for providing the necessary infrastructure has been prepared along with a current opinion of probable cost and a schedule for completing these improvements, and a strategy for financing this construction has been developed to provide any potential mega project user with a high degree of assurance that these improvements can be completed within a defined time frame, and the cost to fund these improvements can be secured to allow construction to proceed to meet the schedule established by the megaproject user.”

“Generally, the site is provided to the mega project user at no cost and contributions to site grading, access improvements, utility upgrades, workforce training services, and other strategic incentives are usually part of a competitive mega industrial project package.”

McCallum Sweeney Consulting provides site selection assistance to companies and site certification services to communities. The following is from an interview in *Business Facilities* magazine:

**"My definition of a megasite would be a large parcel of land ready for heavy industrial development,"** says Mark Sweeney, principal and co-founder of McCallum Sweeney Consulting, based in Greenville, SC. The firm was instrumental in several high-profile automotive expansions and relocations over the last decade. **"When we look at it in terms of pure size-and there is some debate about this-we feel it's inappropriate to call it a megasite if it's less than 1,000 acres. In some cases corporations want 1,500 acres or more."**

"By 'ready' we mean three things. First, the site must be available for sale. Second, the site must be fully served by utilities. This doesn't mean that the economic developers or community must pay to lay pipes or lines to the site up front. However, they must have done the research to know a cost estimate for how much it will cost to get utilities to the site, and how long it will take the local utilities companies to get services to the site. And they must have a plan for how all of that will happen. The third criteria is that the site must be developable and free of all easements and right of way issues such as county roads going through the middle of the land, etc. So the economic developer would have to have had made sure the due diligence was done on the land, and have worked with the community to make sure there are no wetlands included on the megasite or anything like that. They would have had geo-tech and historical surveys done and mitigation plans in place.”

## STATUS OF THE LITTLE CANOE CREEK PROPERTY

A megasite contains at least 1,000 acres under one ownership or control. In order to be suitable as a location for a megaproject, an industrial megasite must also have:

- industrial zoning, or compatible land use in the surrounding area if unzoned
- proximity to an interstate highway and a main line railroad
- accessibility to adequate water, sewer, power, gas, and high-speed communications services
- suitable configuration, topographic, and subsurface conditions for the construction of a large plant
- no environmental obstacles on the site, at a location in attainment with federal air quality standards
- a large labor force within commuting distance

Situated next to the St. Clair County line, and bounded to the south by Interstate Highway 59 and to the north by a Norfolk Southern railroad main line, the land known as the Little Canoe Creek site is the only property in Etowah County that meets--or can be improved to meet--these requirements.

Test results of initial soil borings indicated that the portion of this site that was evaluated is suitable for industrial development. Environmental studies that have been performed also were favorable. Consultations with utility companies and civil engineering firms indicated that it is possible to extend infrastructure to the site, but there will be considerable time and cost issues to accomplish this.

It is not feasible to subdivide and develop this land as an industrial park to attract a large number of smaller employers over time. It will take a very large employer with substantial up-front and long-term economic benefits to justify the expected cost of the needed infrastructure. However, if such a project requires less than 1,000 acres, such as Yokohama Tire on 500 acres in Mississippi and Hankook Tire on 469 acres in Tennessee, then the remainder of the improved property can be developed into an industrial park. (This is what was proposed when part of the site was considered for an electronic bingo/entertainment complex, and the developer offered to pay for utility line extension costs.)

In the past, this site was presented to Saturn, Anheuser Busch, Honda, and Audi as a candidate location for their projects. In each instance, their consultants were concerned that adequate utility service and road access could be provided to the site by their project deadlines. They also had doubts that the large amount of acreage required could be assembled from all the different property owners in time. There were no such reservations about the sites these companies ultimately selected.

Since then, Etowah County has purchased more than 850 acres of this property, and is working to option (and ultimately buy) additional acreage to meet the size and configuration needs of most megaprojects. The Etowah County Commission is to be commended for doing so. **This should be the top priority now.**

**The next step is to complete the engineering and other plans needed to document its suitability to corporate decision-makers as a location for their projects. This also will enable more accurate estimates to be made about what the ultimate site development costs are, and reduces the overall time it will take to perform this work. With this information in hand, effective marketing can begin.**

Once a company expresses interest in the site and specifics about its project are known, a cost-benefit analysis can be performed. If it is favorable, arrangements can be finalized with the state, utility companies, and others about the extension of infrastructure and related needs to close a deal.

## MEGASITES IN ALABAMA AND ADJACENT STATES

Following are examples of megasites in other Alabama cities and in neighboring states against which the Little Canoe Creek site will be competing, as well as projects which located on megasites in each state.

### ALABAMA MEGASITES

#### Available

Bay Minette	3,009 acres	Designated as an Alabama AdvantageSite by EDPA, and certified as a megasite by McCallum Sweeney Consulting
Childersburg	2,195 acres	
Athens	2,010 acres	
Calera	1,540 acres	Designated as an Alabama AdvantageSite by EDPA

#### Occupied

Among the incentives offered to Mercedes, the Tuscaloosa County Commission agreed to purchase the 1,000-acre site in Vance for \$5.3 million and turn it over to the company for \$100. Site preparation cost another \$12.4 million, and water and sewer line extensions to the site cost \$11 million.

Honda was given a prepared, 1,350-acre site in Lincoln for its assembly plant, plus other incentives. Because of its regional impact, five counties (including Etowah) and a number of cities (including Gadsden) provided funds to further help reduce project costs. Today, more than 800 Etowah County residents work there.

ThyssenKrupp (now ArcelorMittal/Nippon Steel) chose a 3,500-acre site near Mobile for a new steel plant. Mobile County's portion of the overall incentive package was \$70 million.

Hyundai chose a 1,600-acre site in Montgomery for its new assembly plant. Among other incentives, the company was given the \$34 million site free of charge. Local government also spent \$21 million to provide industrial water and wastewater service.

### TENNESSEE MEGASITES

#### Available

Memphis	1,720 acres	Certified by McCallum Sweeney Consulting
Jamestown	1,241 acres	
Clarksville	1,187 acres	Certified by McCallum Sweeney Consulting

#### Occupied

GM selected a 2,100-acre site in Spring Hill as the location for its Saturn plant. Approximately 7 million square feet of vehicle assembly and support buildings have since been constructed on this site.

Volkswagen's assembly plant in Chattanooga was constructed on a 1,340-acre site. An adjacent 900 acres are reserved for VW's future expansions, and another 300 adjacent acres are dedicated for first-tier suppliers. Among other incentives, local government paid for the land, provided the infrastructure, and gave it to the company. Certified as a megasite by McCallum Sweeney Consulting in 2005, this site was runner-up for the Toyota project that went to Mississippi in 2007.

## MISSISSIPPI MEGASITES

### Available

Tishomingo	3,500 acres	
Holly Springs	2,600 acres	
Tunica	2,221 acres	
Columbus	1,800 acres	Certified by McCallum Sweeney Consulting

### Occupied

Toyota selected a 1,700-acre site near Tupelo for a new assembly plant. Among the incentives offered to the company were free land and utility line extensions, costing local government a reported \$60 million.

Nissan chose a 1,034-acre site in Canton for a new assembly plant. The overall incentive package for the company included land acquisition for \$36 million, site preparation for \$56 million, and road improvements worth \$23 million.

## GEORGIA MEGASITES

### Available

Midway West	2,900 acres	Pre-qualified by Georgia Power as shovel-ready
Augusta	1,794 acres	
Savannah	1,556 acres	
Hogansville	1,300 acres	

### Occupied

Kia built a new assembly plant on a 2,259-acre site in West Point. The State of Georgia bought the land for \$37.5 million, spent \$24.8 million on site preparation, and gave the site to the company. The Georgia Department of Transportation constructed new access roads at a cost of \$30 million, with much of that funding coming from federal sources. Local government and utilities provided about \$21 million in other infrastructure improvements, including water, sewer, gas, and electric power.

## FLORIDA MEGASITES

### Available

Cambellton	2,240 acres	
Callahan	1,814 acres	Certified by McCallum Sweeney Consulting
Jacksonville	1,500 acres	Certified by McCallum Sweeney Consulting
Orlando	1,325 acres	

### Occupied

CSX chose a 1,248-acre site in Winter Haven for its integrated logistics center, locating on 318 acres and optioning 930 adjacent acres for its expansion and related operations. To provide cost-reduction incentives, local government approved its inclusion in an enterprise zone.



## OTHER MEGASITES IN THE SOUTH

Following is an article that appeared in the Winter, 2012 edition of *Southern Business and Development* magazine, citing the editorial staff's favorite megasites in the South. These are additional sites against which the Little Canoe Creek megasite could be competing. Important points are highlighted in yellow.

**Most of these sites are already served by all utilities, in addition to having interstate highway and main line railroad access, and most are independently certified as being ready to present to prospects.**

### **Glendale Megasite, Hardin County, Ky.**

The 1,551-acre, CSX-Certified Glendale Megasite is no stranger to high-profile site selection searches. Strategically located in central Kentucky, just 47 miles south of Louisville along Interstate 65, the Glendale Megasite has been a finalist in several large-scale manufacturing developments.

One of three certified megasites in Kentucky, Glendale boasts an array of benefits, including a location that's within a day's drive of more than 67 percent of the U.S. population. Additionally, its proximity to the Louisville International Airport, UPS Worldport, Elizabethtown Regional Airport (with a 6,000 foot runway), as well as a bordering CSX main rail line, makes it ideal for meeting logistical needs. Industrial-sized utilities, including water, sewer, natural gas, electricity and telecommunication services are also available at the site.

Known for its strong work ethic, Hardin County's highly skilled, motivated and productive workforce is a major asset to potential employers. The site pulls from a large civilian labor force within a 60-minute drive. Additionally, the Elizabethtown Community and Technical College is located within six miles, offering state-of-the-art training facilities and training partnerships with local industries. A strong local economy contributes to the affordable housing choices, while the area's cultural events and recreational opportunities make it a desirable place to live year around.

### **Mid Atlantic Logistics Center, Brunswick County, N.C.**

The Mid Atlantic Logistics Center and the International Logistics Park, located near the port of Wilmington, N.C., offers over 2,200 acres of industrial zoned land with sewer, water, natural gas, fiber, and CSXT rail adjacent to the site. Four-lane US 74/76 connects the parks with the Wilmington port and I-95. The county has one of the lowest tax rates in North Carolina with competitive incentives. A Foreign Trade Zone will soon be established over the parks and they are within the Port Enhancement Zone, which offers additional incentives.

With 14,000 people looking for work in the Wilmington region, an industry will have no problem finding qualified workers that could be trained at the Work Force Training Center located just 4 miles away. Customized training is offered at no cost to an industry.

Brunswick County is located between Wilmington and Myrtle Beach, which offers some of the best quality of life you will find on the east coast. Over 35 golf courses, six resort beaches and numerous attractions serve the county, and public education exceeds state standards.

The Mid Atlantic Logistics Center and the International Logistics Park offer an industry most everything one can envision for a quality location decision. "Come Work Where You Play"!

### **Carolinas I-95 Mega Site, Dillon County, S.C.**

As the name implies, the Carolinas I-95 Mega Site is a 1,920-acre park with direct access to Interstate 95. In addition to highway access, this site will meet just about every manufacturer's or distribution center's transportation needs. The site is just five miles from Dillon County airport, less than 30 miles from Florence Regional airport, just over an hour's drive from the Ports of Georgetown and Wilmington, and just over two hour's drive from the Port of Charleston.

The Carolinas I-95 Mega Site is a South Carolina Certified site, meaning that substantial wetlands, environmental, geotechnical, and archaeological studies have been performed. All utilities, including rail, are in place, and if needed, the site can be expanded in excess of 2,500 acres.

This park is located in the heart of South Carolina's lush NESA region -- named for the North Eastern Strategic Alliance, the regional economic development organization representing the nine counties in South Carolina's northeast corner.

The region boasts a top quality, ready, willing, and able workforce, a business friendly environment in a right to work state, and a community committed to doing what it takes to bring jobs to the region and help companies thrive.

### **The I-95 Megasite, Clarendon and Sumter Counties, S.C.**

With a 50-mile workforce some 200,000 workers strong, the I-95 Megasite can fill the labor needs of any large manufacturer. The regional labor shed encompasses the growing cities of Manning, Sumter and Florence, S.C., with a population of more than a quarter-million residents. This motivated workforce is highly-trained, and is backed up by South Carolina's award-winning technical training program, "readySC," a program that can train workers on specific new job tasks at little or no cost to the company.

Located on the most traveled corridor along the eastern seaboard, the I-95 Megasite along the Clarendon-Sumter County line was conceived and designed with a massive manufacturer in mind. At 1,400 acres, with another 1,400 acres adjacent and available, the site is big enough to handle even the largest projects, and it's specifically certified to state standards as an automotive manufacturing site. The I-95 Megasite features nearly two miles of I-95 frontage, and is just an hour and a half from the Ports of Charleston, making it a natural location for manufacturers looking for a low-cost access to international markets.

The I-95 Megasite also represents the best in regional cooperation as it is managed by a 4-way partnership between Clarendon, Sumter, Lee and Williamsburg Counties.

### **West Kentucky Megasite, Graves County, Ky.**

The 2,130-acre West Kentucky Megasite is one of the largest industrial sites in the South and one of three certified megasites in Kentucky. The site has been certified by McCallum Sweeney and is served by two electric power companies, providing some of the lowest industrial power rates in the nation with quality reliable service.

Two-thirds of the U.S. population is within a day's drive of the site, making it a prime location for large-scale manufacturers that need easy access to U.S. suppliers. Served by five Class I railroads, the West Kentucky Megasite is located on a limited access four-lane highway 10 miles from I-24 and I-69/Parkway.

The West Kentucky region has a long tradition of manufacturing employment and has a skilled labor pool of more than 65,000 workers in industrial-related occupations. Production skills in the region include assembly, chemical, metal working and food processing. Customized workforce training is also available through the West Kentucky Community and Technical College's Emerging Technology Center and Murray State University.

### **South Alabama Megasite, Baldwin County, Ala.**

Many of today's mega-size manufacturing projects require megasites of 1,000 or more acres. Certified megasites, with all due diligence complete, are rare. Sites with access to both North-South and East-West interstates, a major international port, two commercial airports and world-class beaches are even rarer.

There may be only one with over 3,000 acres, potential dual electric service, large water and wastewater capacity, served by the CSX railroad, AIDT, a nationally recognized job training system, and with close proximity to the Port of Mobile.

The McCallum Sweeney certified site is located in Baldwin County, Ala., sits 45 miles north of the Gulf of Mexico (the same distance from the Gulf as Houston, Tex.), has an elevation of over 260 feet, and offers everything a huge manufacturer needs. Baldwin County has a regional population of over 1 million people and world-class quality of life. The site sits adjacent to I-65, is 32 miles from the Port of Mobile, within 60 miles of two commercial airports and lies 23 miles north of I-10.

### **Crawford Diamond Megasite, Callahan, Fla.**

This new-to-market location boasts rare dual Class 1 rail frontage on-site, providing access to both CSX and Norfolk Southern main rail lines. It is within about 17 miles of major north-south and east-west Interstate highways I-95 and I-10, on the four-lane, median divided U.S. Highway 301 (currently under construction). This 1,800-acre, flexible megasite, with extensive logistical solutions, can accommodate a broad range of large-scale industrial projects within an eight-hour drive of 45 million people.

Located 16 miles northwest of Jacksonville, Fla., the megasite has been approved for up to 10.5 million square feet of industrial land use, which can include manufacturing, assembly, warehousing and distribution, and be used as an intermodal inland port or logistics center. The site is within 20 miles of two deep-water ports and four marine terminals and only 12 miles from Jacksonville International Airport. The site is currently being certified by McCallum Sweeney.

### **I-24 Megasite, Hopkinsville, Ky.**

The I-24 Megasite in Hopkinsville-Christian County, Ky. contains 2,100 acres of prime property adjacent to Interstate 24, only 55 miles from Nashville. A certified automotive megasite by McCallum Sweeney, the property is located in the center of the U.S. automotive marketplace and within a day's drive of 75 percent of the U.S. population. The availability of a well-trained workforce, a well maintained Interstate transportation system, and an excellent utility infrastructure system makes the I-24 Megasite a prime location for growth in the automotive industry.

There are 476,841 people in a 40-mile radius of this site, many including the skilled soldiers and family members at Fort Campbell. Kentucky boasts a highly desirable business climate, ranking 8th in the nation for New and Expanding Industry Activity in 2011 by Site Selection Magazine.

### **Mid-Atlantic Advanced Manufacturing Center (MAMaC megasite), Emporia, Va.**

The 1,545-acre MAMaC site is the only McCallum Sweeney certified megasite in Va., N.C., and Md. The Development Team includes CSX, Virginia Port Authority, Virginia Manufacturer's Association, Mid-Atlantic Broadband Cooperative, Old Dominion Electric Cooperative, and Southside Virginia Community College. The MAMaC site is a regional economic development initiative of Greensville County, the City of Emporia and Brunswick County with funding support from the Virginia Tobacco Commission.

The site has direct frontage on I-95 (over 7,000 feet) and convenient access to I-85 and features CSX mainline rail access. It is located 90 minutes to Virginia's port -- the only East Coast port that can handle "post-Panamax" ships -- and less than 25 miles from the NC Center for Automotive Research (NCCAR).

### **The Conder Megasite, Kershaw County, S.C.**

The Conder Megasite, located on Interstate 20 within 32 miles of South Carolina's capital market of Columbia, features 1,468 acres in Kershaw County. Three other Interstates -- I-77, I-26 and I-95 -- are located within a 30-minute drive or less from the site. Conder has easy on-off Interstate access as well as access to world markets through the Port of Charleston, located only 124 miles away.

The Conder Megasite also has all utilities on site including CSX rail. The ideal mix of supportive government, low tax rates and competitive incentive packages make the site one of the most competitive in the South. Add an abundant labor shed of over 500,000 that the Columbia MSA offers, along with a nationally recognized workforce training program with "readySC," and you will discover that the Conder Megasite is well prepared for the next "Big Kahuna" that lands in the South.

## MEGASITE CERTIFICATION ADVANTAGES

The following excerpts of articles in these economic development periodicals illustrate why it is so important for a megasite to be certified, or to meet all the requirements for certification. **If a site does not meet these standards, it will not be competitive.**

### **Site Selection magazine, January 2014:**

*“For OEMs such as VW and Toyota, says Adams, certification has become part of the lexicon. They’ll ask if the site is certified. It’s now an expectation that the site should be certified or at least studied to certification standards. This saves time and money and reduces risks for investing companies.”*

### **Southern Business and Development magazine, Winter 2010:**

*“A certified industrial site is considered one that has been thoroughly analyzed and documented by a third party engineering firm to determine acreage, archaeological, availability, boundary, cultural, endangered species, environmental, geotechnical, land use, ownership, topography, transportation, utility and wetland issues. It is also considered to be ‘shovel ready’ for acquisition and development.”*

### **Area Development magazine, August-September 2008:**

*“According to William A. Fredrick, president of GrowthTech LLC, a site location consulting firm in Springfield, New Jersey, *The key standard for qualifying as a megasite is being certified - which means an expert third party, usually an experienced site selection firm, has carefully evaluated the site for a number of critical features. These features generally include clear ownership title, size and configuration of the site, utility availability, transportation availability, favorable environmental assessment, engineering studies, delineation of wetlands, topography data and maps, and quoted price.*”*

### **Business Facilities magazine, February 2007:**

*“The certification of a megasite is the key to the kingdom for site selector Dennis Cuneo, partner at law firm Arent Fox and the man who has led the site selection team for Toyota Motor Manufacturing North America for the past decade.”*

*“There is almost always a huge time constraint on us when we are choosing to build a new facility, so when I’ve been told that we need to be up and running within three years, it means not only that we must choose a site quickly, but the site must be ready to build on,” says Cuneo. “We don’t have time to do a lot of remediation.”*

*“What it comes down to is that not only is ‘location, location, location’ important when choosing a site (especially for such huge projects), but that time is also of the essence. I estimate that choosing a certified megasite shaves six to 12 months off the selection and building process. It gives me a degree of certainty that I can start production on time.”*

***“Certification takes a site that wouldn’t even be looked at sometimes and it puts it at least in the running for the first list of sites to be looked at...it allows for us to move quickly and to remain anonymous at the beginning stages of the site search, especially if a community puts their certified sites on the Web.”***

## MEGASITE CERTIFICATION REQUIREMENTS

Here are the minimum requirements of the following consulting firms to certify a site as being ready to present to industrial prospects.

### McCallum Sweeney Consulting

#### Requirement

Total acreage: 1,000+ acres

Minimum contiguous developable acreage: 800+ acres

Highway access: 5 miles

Rail required: Yes

Electric power: 30 MW demand, service redundancy from 2 substations

Natural gas: 50,000 MCF per month

Water: 1,200,000 GPD

Sewer: 1,000,000 GPD

Site mitigation:

#### Timetable

Immediately

Immediately

12 months

12 months

12 months

12 months

12 months

12 months

6 months

If the required utility, highway and rail infrastructure is not in place at the site, then plans, cost, and timetable information to extend the infrastructure must be available.

**Required documentation:** MSC will not accept documentation that is older than what is shown below. The entire property being considered for certification must be included in the documentation. All concurrence letters (Army Corps of Engineers, U.S. Fish and Wildlife, etc.) must also be provided.

#### Documents

Geotechnical Assessment

Phase I Environmental Site Assessment

Wetlands Delineation

Threatened and Endangered Species Survey

Archaeological and Historical Investigation

Boundary Survey

Title Search

#### Maximum age

15 years

5 years

5 years

5 years

5 years

5 years

5 years

**Other required information:** Location map, aerial photo, USGS quadrangle map, transportation map, wetlands inventory map, flood zone map, zoning map.

### CDM Smith, Inc.

**Size:** Total acreage over 1,000 acres with a minimum developable site of 500 acres for a single mega-project user.

**Ownership:** Property currently controlled through ownership or long term option with a sufficient remaining term to allow project evaluation and acquisition to be completed.

**Cost:** Pricing for property acquisition is established in a legal and binding document setting a price that will be competitive for attracting a mega industrial user.

**Utilities:** Adequate utility infrastructure at the site (water, sewer, natural gas, and electric) or evidence of a concept plan to upgrade utilities including schedule for construction, cost for improvements, and a clear financing plan for the improvements acknowledged by service provider, local government, or regional entity.

**Transportation:** Adequate transportation infrastructure at the site or evidence of a concept plan to upgrade highway access and/or rail access, including a schedule for construction, cost for improvements, and a clear financing plan for the improvements acknowledged by local government or regional entity.

**Environmental:** Site environmental conditions documented including a Phase I environmental assessment, cultural and archaeological review, soils and geo-technical study, floodway and wetlands delineated, and other pertinent environmental studies.

**Zoning:** Proper zoning in place.

**Labor market:** Available workforce in excess of 50,000 within 30 miles of site.

### **Barber Business Advisors/Hamman Consulting Group**

**Property Ownership & Control:** (the following pertains to all sites, not just megasites)

- Must demonstrate ownership/control of the site or have expressed permission to offer the site for sale or lease for industrial/commercial purposes.
- Site is marketable for a minimum of three years for industrial/commercial purposes.
- Site has an established price and related terms of sale or lease.

**Site Characteristics:**

- The site is reasonably rectangular.
- Zoning for the site clearly permits industrial land uses or, where no zoning exists, an industrial use compatible with the existing land uses in the vicinity.
- The site is accessible at minimum by a two-lane, paved public roadway.
- The appropriate unit(s) of local government supports the site for industrial use.

**Utility Status:**

- Public water and wastewater: Documentation of status. (Where service is not at the site, preliminary plans, cost estimates, and timelines are required.)
- Electric Power: Documentation of status.
- Natural Gas: Documentation of status.
- Telecommunications: Documentation regarding the location, extent and quality of service.

**Environmental & Geotechnical Due Diligence:**

- Environmental Phase 1 Site Assessment (ASTM International Guidelines).
- Preliminary Wetlands Assessment.
- Preliminary Geotechnical Exploration.
- Information concerning endangered species, archeological findings or sites with historical concerns.

(This firm presented a proposal to the County Commission in 2014 for its site certification services.)

## **Economic Development Partnership of Alabama**

An application to EDPA for a site to be designated as an “Alabama AdvantageSite” must contain the elements listed below. Approval is conditional upon meeting these requirements, as evaluated by an independent review team. This is a documentation verification process for all sites, not just megasites.

**Site location:** Address, location coordinates, description, tax jurisdiction, location maps.

**Ownership, control and transaction terms:** Owners, option terms (if any), guarantee of availability, cost, liens, easements, mineral rights, deed, title report, right-of-way map.

**Site description:** Size, topography, road access, description of improvements, aerial photos of site, tax map showing landowners of site and vicinity, boundary survey, flood zone map, USGS quad map, engineer’s estimate of site preparation costs.

**Land use, planning and zoning:** Description of site and surrounding land use, zoning regulations, covenants, height restrictions, applicable building codes, aerial photo of area surrounding the site.

**Site access and transportation:** Description and maps of access road and route to interstate highway, load limits, access to rail, airport(s) and air service details, navigable waterway details.

**Environmental:** Phase I environmental assessment report, Phase II report if applicable, wetlands delineation and any mitigation actions, air quality attainment status, endangered species and critical habitats report, cultural and historic resources report.

**Utilities:** (1) water service provider, distance to service, size of line, pressure, average and peak use, excess treatment capacity; (2) sewer provider, distance to service, size of line, gravity or force main, average and peak use, excess treatment capacity; (3) natural gas service provider, distance to service, size of line, pressure; (4) electric power service provider, distance to transmission and distribution lines, voltages; (5) telecommunications service provider, services available, redundancy, distance to service and to points of presence; (6) maps and letters from service providers documenting all of the above, as well as plans, cost estimates and timelines to provide these services if not present at the site.

**Other essential services:** Descriptions of police, fire and emergency medical services; fire insurance rating; waste disposal services.

This is not a quick or easy undertaking. The IDA’s application to EDPA for a site in the Airport Industrial Park to be designated as an AdvantageSite was more than two inches thick.

**Although this is not a site certification process, achieving an AdvantageSite designation for the Little Canoe Creek Megasite would satisfy the desire of some companies for a site to have been independently “certified” as being ready, without the Etowah County Commission having to pay an outside consulting firm a large fee for such a service.**

Also, the Etowah County Commission entered into an agreement with Goodwyn Mills & Cawood in 2014 to certify the completeness of the documentation needed to present the site to industries, which will provide corroboration.



## PROPOSED ACTION PLAN

### #1: Purchase additional land

**Task:** Continue efforts to option additional property to increase the size to at least 1,000 acres and make the site configuration more rectangular in shape, and purchase it as soon as possible. (Income from the eventual sale of the site cannot be expected. Officials of companies evaluating locational options for a megaproject invariably require that “shovel ready” sites be provided free of charge.)

**Reasons:** Having temporary control over a site via option agreements vs. owning it outright is risky. At the end of the option periods, some property owners could choose not to renew their options, or increase their prices to unacceptable levels. This would put the development of the entire site at risk. Buying and land banking this property, as Etowah County officials are doing, eliminates this concern.

Hyundai’s selection of a site for its assembly plant is an example. Kentucky and Alabama were the two finalist locations remaining under consideration. The owner of a parcel of the Kentucky site refused to sell. Eminent domain proceedings would have taken too long, delaying the project, so that state was eliminated and Alabama won.

Option agreements for the Alabama site specified that all landowners would be paid the same if the options to purchase were exercised. One owner of a critical parcel required a much higher purchase price in order to obtain his option agreement. After the land was bought for Hyundai, the other property owners sued and the court ordered that they also be paid this higher amount, costing local government an additional \$3.45 million.

A related issue with respect to land purchases is the need to buy and develop offsite wetlands (or purchase sufficient credits from a mitigation bank) to offset the development of any jurisdictional wetlands on the megasite which would impede construction. This would be required in the permit approval process, and necessitates the involvement of Goodwyn Mills & Cawood.

Regarding size and configuration, a megasite by definition contains at least 1,000 acres. A square to rectangular shape gives companies more flexibility in siting the footprint of their new facility on the property, and in planning for future expansions. Odd configurations are not desirable.

### #2: Perform geotechnical due diligence

**Task:** Have a geotechnical report prepared when the megasite is completely assembled. This will require a minimum of 100 soil borings at least 20 feet deep, and their analysis, to get a preliminary indication of subsurface conditions. (When a project’s construction specifications are known, and the new facility’s conceptual footprint on the site is chosen, many more borings will be needed.)

**Reason:** Companies and their consultants will want to know about the plasticity index and bearing pressure of the soils, as this affects construction costs. They also want documentation about the potential of sinkholes, the height of the water table, and the depth to bedrock, because any such problems would impede the site preparation and construction timetable, as well as add to project costs.

### # 3: Complete environmental due diligence

**Task:** The Etowah County Commission already has had much of this work performed by Goodwyn Mills & Cawood. When the megasite has been assembled in its entirety, the following environmental studies must be available on all the acreage, and concurrence letters from the U.S. Fish & Wildlife Service, Alabama Historical Commission, and the U.S. Army Corps of Engineers must be in hand:

- Phase I environmental site assessment to ASTM standards
- Threatened and endangered species survey
- Archaeological, cultural and historic resources survey
- Wetlands survey and delineation

**Reason:** Site grading and preparation for construction cannot take place if:

- any Recognized Environmental Conditions are present
- threatened or endangered species, or their critical habitats, would be affected
- archeological, cultural, and/or historic artifacts would be disrupted
- jurisdictional wetlands would be disturbed (unless a permit to do so is obtained, a lengthy process)

If any such problems are found to exist, resolving them must take top priority. Companies and their site-selection consultants will want guarantees that these issues won't present any problems, and that construction can take place immediately.

### #4: Prepare site documentation

**Task:** When the site is completely assembled, have Goodwyn Mills & Cawood prepare the following:

- aerial photo showing site boundaries and acreage, as well as proximity to roads and rail
- boundary survey with dimensions, showing easements and rights-of-way
- topographic map with two-foot-interval contour lines, showing any non-mitigated wetlands (this can be combined with the boundary survey)
- USGS quadrangle map depicting the site
- FEMA flood zone map showing the location of the site
- vicinity map and aerial photo depicting the site in relation to the surrounding region

**Reason:** In addition to the geotechnical analysis, environmental studies and concurrence letters, companies will ask for the above information to evaluate the suitability of the property for their projects. They also will want documentation about the infrastructure, as explained in items 6-11.

### #5: Finish new access road

**Task:** Complete the work that is under way on a new access road from U.S. Highway 11 into the property. (It is not essential to pave it at this time.)

**Reason:** The current access is insufficient to accommodate tractor trailer loads. Improving it is not a good option, as County Commissioners concluded, because it passes through a non-compatible residential area.

### **#6: Determine the cost and time to provide four-lane highway access to I-59**

**Task:** Prove to prospective purchasers that adequate access to Interstate 59 can be provided from the site, on a timetable that is congruent with their start-up schedule. Based on consultations with the Alabama Department of Transportation and Goodwyn Mills & Cawood, the most cost-effective and timely solution is to four-lane U.S. Highway 11 from the Steele interchange to the new access road into the megasite. The construction of a new interchange at this location is not considered to be economically feasible.

This engineering work should commence now. When plans are complete, bids can be obtained to find out how much this road construction will cost, and how long it will take to complete. Also, having the engineering plans already finished reduces the overall time it will take to provide this access.

Related issues are obtaining the right of way for this work, as well as performing the required environmental assessments and obtaining the permits to initiate construction. Because any problems encountered could significantly affect the construction timetable, this also should begin promptly. (As an example, the four-laning of Airport Road was delayed for months because of a federal requirement to prove that an endangered plant species was not present, and this could only be ascertained during its short growing season.)

**Reason:** The present two-lane highway is not sufficient to handle the large amount of truck and vehicle traffic of a megaproject. Site-selection decision-makers will want evidence that four-lane access to I-59 will be available when they need it.

### **#7: Obtain design for a railroad spur track**

**Task:** Contact Norfolk Southern's Industrial Development Department to show how a spur track into the site can be configured from the adjacent main line. They will prepare a track profile based on the site's topography and their rail curvature, grade and other requirements, free of charge. With this information, construction cost and time estimates can be solicited from contractors.

**Reason:** Companies will ask for cost and timetable estimates for their new plant to be served by rail.

### **#8: Confirm the time to serve the site with electric power**

**Task:** Consult with Alabama Power Company to more specifically determine the timetable to meet a typical megaproject's demand requirements of at least 30MW, which will require extending new service to the site from a 115kV transmission line. A related issue is that the 46kV line traversing the site may need to be relocated. Ascertain what (if any) contributions in aid of construction might be required for both of these tasks to be accomplished.

**Reason:** Any company will want assurance that the amount of power required for its project can be made available when needed, and that the existing line can be moved so as not to interfere with the construction of its new facility.

### **#9: Confirm the time to serve the site with natural gas**

**Task:** A typical megaproject requires 50,000 MCF per month. Find out the costs (if any) and timetables to serve the site with this quantity. The Boaz Gas Board already has service on the site, and Alabama Gas Corporation has a distribution line on U.S. Highway 11.

**Reason:** Companies need to know their gas requirements can be met at this location, and having two service options is better than one.

### **#10: Determine the cost and time to serve the site with water and sewer**

**Task:** A typical megaproject will have water supply and wastewater discharge requirements of 1 million gallons per day, and company officials will likely want to see that the water and wastewater treatment plants have excess capacities of three times this amount.

In conjunction with Goodwyn Mills & Cawood or Jones Blair Waldrup & Tucker, formal discussions should be initiated now with utility providers in the region about their ability to meet these needs. Important cost and time considerations are the distance to extend these services to the site, topography (affecting the need for pumping stations) and potential easement issues, which will impact the choice of water and sewer service providers.

Once these decisions are made, engineering work should begin immediately. Accurate estimates of the cost and time to provide water and sewer service at the site cannot be determined without such engineering plans. Just as important, having the engineering plans already finished reduces the overall time it takes to provide these services to the site.

The process to acquire right-of-way and to obtain environmental permits should begin concurrently, because any problems encountered (such as endangered species, historic artifacts or wetlands obstructions) could detrimentally affect the time it takes to extend water and sewer service to the site.

**Reason:** Any company will require strong evidence that water supply and wastewater disposal services meeting their requirements can be provided to the site by its project deadline.

### **#11: Confirm the availability of high-speed Internet transmission services**

**Task:** Fiber lines are on U.S. Highway 11. Contact AT&T and Comcast, both Tier One providers, to determine the cost (if any) and the timetable to extend their service to the site.

**Reason:** Companies today require high-speed Internet transmission service to upload and download engineering drawings and other data-intensive files.

## ESTIMATED COSTS

There are four different kinds of costs:

### 1) Site-related costs

The up-front costs to buy additional land, and to pay for the work necessary to prove that this site can meet the requirements of a megaproject. As described in the preceding section, this information is needed to market the site and to prepare company-specific sales presentations.

- **Purchase additional land:** The cost to purchase an additional 150 acres is estimated to be \$450,000. This will result in the minimum size needed to be considered a megasite. However, it is important to “square up” the boundaries of the site as much as possible, so it may be necessary to acquire even more parcels. Because of potential environmental and related issues, Goodwyn Mills & Cawood should be involved in this process.
- **Perform geotechnical due diligence:** Goodwyn Mills & Cawood and CDG Engineers estimate the cost to have 100 soil borings and a geotechnical report prepared on the site will be \$40,000.
- **Complete environmental due diligence:** Goodwyn Mills & Cawood estimates the cost to obtain the remaining studies and concurrence letters from regulatory authorities will be \$14,000. This does not include the cost of any remediation or mitigation; such expenses can only be determined when the environmental studies are completed.
- **Prepare site documentation:** The cost for Goodwyn Mills & Cawood to prepare these documents is estimated to be \$10,000.
- **Finish new access road:** The Etowah County Commission has already made arrangements to pay for this work.
- **Determine the cost and time to provide four-lane highway access to I-59:** Engineering plans need to be prepared to obtain these numbers. The cost to perform the surveys, geotechnical assessments, and basic design engineering is conditional upon an agreement being reached with ALDOT as to the route. The cost to acquire the needed right of way and to pay for associated environmental studies will be extra.
- **Obtain design for a railroad spur track:** Norfolk Southern will perform the engineering at its expense. These plans can then be used to obtain estimates of the construction cost and timetable. A megaproject will be large rail user, and Norfolk Southern will provide a rebate to the company for each railcar used, so the addition of a switch and construction of a spur track into the site should not require a local financial contribution.
- **Confirm the time to serve the site with electric power:** The IDA will obtain this information from Alabama Power Company.
- **Confirm the time to serve the site with natural gas:** The IDA will obtain this information from the Boaz Gas Board and Alabama Gas Corporation.

- **Determine the cost and time to serve the site with water and sewer:** The first step is for the County Commission to choose who will supply the water and sewer service to the site, based on their excess treatment capacities, distance to the site from the water and wastewater treatment plants, the need for pumping stations due to topography, and related considerations. This should be done with consulting engineering assistance.

Once these decisions are made, the next step is to have the engineering plans prepared to extend this infrastructure to the site. In part, the amount of the fee to prepare these plans will be affected by the choice of water and sewer service providers and their distance from the site. In addition, there will be the costs to obtain easements and to pay for associated environmental studies, which also will be affected by the choice of the service providers.

- **Confirm the availability of high-speed Internet transmission services:** AT&T and Comcast will pay for the extension of service to the site if revenues from a customer contract are sufficient. The IDA will obtain this information.

## 2) Infrastructure improvement costs

The eventual costs to provide highway and utility infrastructure to the site to meet the requirements of a megaproject. These costs can't be known for certain until the engineering plans are completed, which will enable accurate numbers to be obtained.

## 3) Marketing costs

The IDA's function is to market local advantages (including prepared sites and available buildings) to prospective new industries, as well as to help existing manufacturers expand. Some indicators of the IDA's qualifications to do so are:

- *Site Selection* magazine named the IDA as one of the top development groups in the U.S.
- *Business Facilities* magazine chose the IDA as a recipient of its Economic Development Achievement Award of Special Merit.
- *Economic Development Tomorrow* cited the IDA as a model of professional practice.
- IDA program successes constitute a chapter in *Plant Closures and Community Recovery*.
- Office innovations at the IDA are a case study in *Computer Applications in Economic Development*.
- The IDA's recruitment techniques were highlighted in *Marketing Cities in the 1980's and Beyond*.

## 4) Deal-closing costs

The costs of providing other incentives to help induce a company to locate a megaproject on this site. For example, the Limestone County Commission pledged \$1 million to help reduce project costs for the new Polaris plant locating there. The Madison County Commission committed \$3 million towards the purchase of the former Chrysler Electronics plant and its conveyance to Remington free of charge. And, as Commissioners know, Etowah County provided \$1 million for incentives in a multi-county cooperative effort to recruit Honda.

## FINANCING METHODS

Following are ways to (1) pay for the up-front costs to buy more land, as well as perform environmental and geotechnical assessments, have engineering plans drafted, and prepare site documentation, which are needed to market the site; (2) pay for the extension of infrastructure, once a company commits to locate on the site; and (3) provide additional incentives to help close a deal with a major new employer.

### **County funding**

Options are:

- Continue on a “pay as you go” basis, when money is available.
- Borrow the money and pay it back over a period of time.
- Investigate revenue sources with our state legislative delegation.

As an example of how one Alabama county acquired its megasite, the Baldwin County Commission planned to exercise options to purchase 3,000 acres on Interstate 65 in Bay Minette, by floating a 30-year bond issue for \$25 million. In the end, the County Commission obtained a short-term loan from a local bank to buy the land, and is repaying it by borrowing from its Oil and Gas Trust Fund, using cash from a BP settlement, and monetizing reserve funds in its landfill operation. This resulted in a lower interest cost for the county, and required enabling state legislation.

### **Cooperative funding**

Capital Improvement Cooperative Districts can be formed by two or more counties, municipalities, certain types of public authorities, or some combination thereof, for the purpose of encouraging and facilitating cooperative efforts by public entities to provide projects for their own use and for the use and benefit of their citizens and users. Cooperative improvement districts have the power to undertake any project that any of the entities forming the district have the power to undertake. They can:

- Issue bonds payable from the revenues of the district, and the bonds may be secured by guarantees, letters of credit, or other credit enhancement.
- Acquire, receive, and take, by purchase, gift, lease, or otherwise (including the power of eminent domain) and to hold property of every description.
- Plan, establish, develop, acquire, purchase, lease, construct, reconstruct, enlarge, improve, maintain, equip, and operate a project or projects or any part or combination of any thereof, whether located in one or more counties or municipalities, and to acquire franchises and easements deemed necessary or desirable in connection therewith.
- Make, enter into, and execute such licenses, contracts, agreements, leases, and other instruments and to take such other actions as may be necessary or convenient to accomplish any purpose for which the district was organized or to exercise any power expressly granted.

The property and income of a capital improvement cooperative district, all bonds issued by the district, the income and profits from such bonds, conveyances by or to the district, and leases, mortgages, and deeds of trust by or to the district, are exempt from all state and local taxes.

## **Grants and loans**

Money from the following federal and state sources can help pay for the Little Canoe Creek property's infrastructure improvement costs. The grant programs require that a company be committed to locating on a site in order for an application to be considered.

**Federal grants:** Federal grants for infrastructure improvement, such as those from the Economic Development Administration of the U.S. Department of Commerce and the Appalachian Regional Commission, can pay for a portion of eligible project costs. Federal matching funds for highway construction may also be available.

**State grants:** State grants are available to help pay for site infrastructure improvements and project-related costs for new and expanding industries:

- Industrial Access Road grants, administered by the Alabama Department of Transportation, are for construction, construction engineering, and inspection on a public right of way. Grants are not retroactive; any construction work performed, or any contracts advertised or let prior to approval, won't be eligible for reimbursement. The Etowah County Commission would be responsible for all preliminary engineering, right-of-way acquisition and utility relocation costs.
- Community Development Block Grants for the extension of water and sewer service to industrial sites are administered by the Alabama Department of Economic and Community Affairs.
- Site preparation grants from the State Industrial Development Authority can be obtained when an eligible company has committed to locate a qualifying project on a publicly owned site.
- Discretionary grants from the Capital Improvement Trust Fund have most often been used to help reduce a company's project costs (and thereby make Alabama more competitive with other states) rather than to help pay for local costs of site acquisition and improvement.

The state considers discretionary grants, and proposes legislation to provide significant incentives for major projects, on a case-by-case basis, based on the expected economic consequences. At the time of this writing, the Governor is proposing new incentives for consideration by the House and Senate.

**State loans:** The Alabama Department of Environmental Management has low-interest loan programs to finance infrastructure improvements. The interest rate is less than the prevailing municipal bond rate; it is fixed, with a 20-year payback; and loan repayment does not begin until construction is completed.

## **Tax increment financing**

The *Major 21st Century Manufacturing Zone Act* authorizes the creation of tax increment financing districts for a number of industries: automotive, aviation, medical, pharmaceutical, semiconductor, computer, electronics, energy conservation, cyber technology and biomedical, if they invest at least \$100 million on a site larger than 250 contiguous acres.

For such projects, this new legislation permits counties and cities to borrow money or otherwise allocate funds to purchase land, improve roads, add water and sewer lines and construct manufacturing facilities.



It is the incremental increase of the value of the property that results in higher ad valorem tax revenues, and these additional tax revenues are used to repay the bonds to finance infrastructure improvements.

**Therefore, before any improvements are made which would increase the assessed value, the Etowah County Commission should pass a resolution to establish the Little Canoe Creek site and the surrounding area as a Major 21st Century Manufacturing Zone.**

As a specific example of how tax increment financing works, Huntsville's primary incentive to recruit Polaris is free use of the 505-acre site on which the new plant is being constructed. Huntsville is creating a special tax increment finance district around the plant, which will include adjacent farmland that could be developed in the future.

Huntsville is borrowing the \$14.6 million needed to buy the plant site. The loan will be repaid over 20 years from the expected growth in property taxes, as land within the tax district is converted from farming to uses that have a higher assessed value.

### **Financing with public money**

Amendment 772 to the Alabama Constitution allows counties and cities in the state to buy land for industrial development and improve it, as well as offer grants, loans and other incentives with public money. The full text is reproduced below.

(a) The governing body of any county, and the governing body of any municipality located therein, for which a local constitutional amendment has not been adopted authorizing any of the following, shall have full and continuing power to do any of the following:

(1) Use public funds to purchase, lease, or otherwise acquire real property, buildings, plants, factories, facilities, machinery, and equipment of any kind, or to utilize the properties heretofore purchased or otherwise acquired, and improve and develop the properties for use as sites for industry of any kind or as industrial park projects, including, but not limited to, grading and the construction of roads, drainage, sewers, sewage and waste disposal systems, parking areas, and utilities to serve the sites or projects.

(2) Lease, sell, grant, exchange, or otherwise convey, on terms approved by the governing body of the county or the municipality, as applicable, all or any part of any real property, buildings, plants, factories, facilities, machinery, and equipment of any kind or industrial park project to any individual, firm, corporation, or other business entity, public or private, including any industrial development board or other public corporation or authority heretofore or hereafter created by the county or the municipality, for the purpose of constructing, developing, equipping, and operating industrial, commercial, research, or service facilities of any kind.

(3) Lend its credit to or grant public funds and things of value in aid of or to any individual, firm, corporation, or other business entity, public or private, for the purpose of promoting the economic and industrial development of the county or the municipality.

(4) Become indebted and issue bonds, warrants which may be payable from funds to be realized in future years, notes, or other obligations, or evidences of indebtedness to a principal amount not exceeding 50 percent of the assessed value of taxable property therein as determined for state taxation, in order to secure funds for the purchase, construction, lease, or acquisition of any of the property described in subdivision (1) or to be used in furtherance of any of the other powers or authorities granted in this amendment. The obligations or evidences of indebtedness may be issued upon the full faith and credit of the county or any municipality or may be limited as to the source of their payment.

The recital in any bonds, warrants, notes, or other obligations or evidences of indebtedness that they were issued pursuant to this amendment or that they were issued to provide funds to be used in furtherance of any power or authority herein authorized shall be conclusive, and no purchaser or holder thereof need inquire further. The bonds, warrants, notes, or other obligations or evidences of indebtedness issued hereunder shall not be considered an indebtedness of the county or any municipality for the purpose of determining the borrowing capacity of the county or municipality under this Constitution.

(b) In carrying out the purpose of this amendment, neither the county nor any municipality located therein shall be subject to Section 93 or 94 of this Constitution. Each public corporation heretofore created by the county or by any municipality located therein, including specifically any industrial development board incorporated under Article 4 of Chapter 54 of Title 11 of the Code of Alabama 1975, and any industrial development authority incorporated or reincorporated under Chapter 92A of Title 11 of the Code of Alabama 1975, and the Shoals Economic Development Authority enacted under Act No. 95-512, 1995 Regular Session, are validated and the powers granted to the board or authority under its respective enabling legislation are validated notwithstanding any other provision of law or of this Constitution. The powers granted by this amendment may be exercised as an alternative to, or cumulative with, and in no way restrictive of, powers otherwise granted by law to the county, or to any municipality, or to any agency, board, or authority created pursuant to the laws of this state.

(c) Neither the county nor any municipality located therein shall lend its credit to or grant any public funds or thing of value to or in aid of any private entity under the authority of this amendment unless prior thereto both of the following are satisfied:

(1) The action proposed to be taken by the county or municipality is approved at a public meeting of the governing body of the county or municipality, as the case may be, by a resolution containing a determination by the governing body that the expenditure of public funds for the purpose specified will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

(2) At least seven days prior to the public meeting, a notice is published in the newspaper having the largest circulation in the county or municipality, as the case may be, describing in reasonable detail the action proposed to be taken, a description of the public benefits sought to be achieved by the action, and identifying each individual, firm, corporation, or other business entity to whom or for whose benefit the county or the municipality proposes to lend its credit or grant public funds or thing of value.

For purposes of the foregoing, any sale, lease, or other disposition of property for a price equal to the fair market value thereof shall not constitute the lending of credit or a grant of public funds or thing of value in aid of a private entity.

Nothing in this amendment shall authorize the county commission to own or operate a cable television system.

(d) This amendment shall have prospective application only. Any local constitutional amendments previously adopted and any local law enacted pursuant to such amendment shall remain in full force and effect.

In addition to the required public notice and resolution requirements, the Etowah County Commission should have a validation hearing in circuit court. This is a process where the county would basically “sue itself” to confirm the legality of what is being proposed. A favorable ruling by the judge gives elected officials and businesses the confidence that the transaction is legally valid and binding.

**If this approach is pursued, it’s essential that a comprehensive cost-benefit analysis first be performed by an independent economist. It is just as essential that a formal project agreement be structured in such a way as to protect public money, and explainable in a way that residents can easily understand.**

## MARKETING TECHNIQUES

The IDA will create a separate section on the IDA website ([www.gadsdenida.org](http://www.gadsdenida.org)) about this property, which will include a location map, a link to this report, and periodic updates on the site's development progress. The IDA also will post progress reports on Facebook, LinkedIn, and other social media, and will assist the Commission as needed in providing these updates to conventional print and broadcast news media.

Formal marketing initiatives can begin once the megasite is completely assembled; engineering plans, environmental due diligence, and related investigations are completed; and the site is "shovel ready" with relevant documentation in hand. Among other actions, the IDA will:

- 1) Provide information to show companies and their consultants that:
  - this site meets their project requirements,
  - construction can begin immediately,
  - the necessary infrastructure can be made available within their project time lines, and that engineering and financing plans to do so are in place.
- 2) Apply for special recognition of the County's megasite as an Alabama AdvantageSite on the state database of available industrial property. (Applying for this designation is a lengthy process. The IDA has already added information about the Little Canoe Creek property in this database, and will continue to update and maintain it.)
- 3) Continue making personal contact with prospect referral entities, to ensure their familiarity with this site and its availability. This includes, but is not limited to:
  - Alabama Department of Commerce
  - Economic Development Partnership of Alabama
  - Economic Development Department of Alabama Power Company
  - Industrial Development Department of Norfolk Southern
  - Corporate site-selection consultants
  - National industrial real estate firms
- 4) Conduct on-the-ground familiarization tours with representatives of the above referral sources.
- 5) Distribute promotional materials at relevant industry trade shows.
- 6) Initiate a direct mail marketing campaign to generate prospect interest and inquiries.
- 7) Draft and submit articles about its development and availability to economic development periodicals read by corporate site-selection decision-makers and their consultants, and use copies of resulting stories as attachments in prospect correspondence.
- 8) Prepare and deliver specialized sales presentations for individual companies, in person, in writing, and via electronic methods.
- 9) Compile follow-up presentations to answer specific questions, and transmit additional information that is requested. (This almost always requires responding within 24 hours.)

## MARKETING AND THE SITE SELECTION PROCESS

Site development and marketing must take into account how companies undertake the process of selecting a location for a new project. In reality, this is more of a site *elimination* process.

Initially, most companies look at a broad geographic area consisting of several states. Current and future markets, and supply chain management, are fundamental at this point. Companies want to optimize their access to existing and potential customers and suppliers, so freight costs, transit time, and proximity issues are key concerns. Some will also look at places outside the U.S. due to market and operating cost considerations, as well as to avoid duties on imported parts and exported products. Ultimately, their purpose is to minimize their total landed cost and to maximize their expected return on invested capital.

After determining other locational requirements (such as an available building or site, workforce skills and availability, training programs, transportation infrastructure, utility reliability and costs, tax costs, support services, and business climate) they contact state development agencies and/or power company economic development departments to solicit information about localities which potentially meet their needs. Many will hire a site-selection consulting firm to perform these tasks for them. Projects are code-named to assure confidentiality. These Requests for Information are then transmitted to communities which meet a project's evaluation criteria to get their responses.

Companies and their consultants also perform their own screening of candidate locations via the Internet, without communities knowing it. They research facts and figures on state and local websites, as well as government databases. Their main task at this stage is to narrow down the large number of location options to a more manageable number. It is not unheard of for a community to be eliminated from consideration solely because the desired information could not quickly and easily be obtained.

Therefore, the most important local marketing initiatives are to:

- keep up-to-date information about sites and buildings on the state database of available property
- maintain a website that contains a great deal of relevant data, both in breadth and in depth
- stay in contact with the state department of commerce and others about local advantages
- have detailed "product" information readily at hand, enabling fast and complete responses to RFIs

**But more important than marketing is to have a product that customers will want to buy, available and ready to use when they want it, at a competitive price. Without this, promotion is futile.**

Product advantages such as excellent schools, first-class technical training programs, favorable labor climate, good transportation network, excess utility capacities, low operating costs, the availability of manufacturing services, government support, and an appealing quality of life will be scrutinized by every company seeking a new location. Deficiencies in any of these can cause a location to be cut.

Companies and their consultants usually perform these investigations with an evaluation matrix, where many items are prioritized, quantified or rated, and compared. When locational options are further narrowed to a few finalists, cost-reduction incentives become an important factor in the final decision.

**However, companies locate on a site or in a building that meets their needs. If a suitable site or building is not available, or one can't be provided within their time frames, then all the other local advantages become irrelevant, and a community won't even be considered as a project location.**

## REVIEW FROM A LEGAL PERSPECTIVE

**From:** Leath, Alex [mailto:aleath@babbc.com]  
**Sent:** Wednesday, March 25, 2015 4:03 PM  
**To:** Mike McCain  
**Cc:** Leath, Alex  
**Subject:** ABL Review of Little Canoe Creek Megasite Report

Mike –

As you requested, I have reviewed “The Development and Marketing of the Little Canoe Creek Property as an Industrial Megasite” report that you are preparing to submit to the Etowah County Commission from a legal perspective. Not surprisingly, you have done a good job in preparing the report. My review did not reveal any areas of the report that are in need of substantial revision from a legal viewpoint.

I do want to point out one additional financing avenue that could be employed to finance the acquisition and improvement of the proposed megasite. That option is the creation of a multi-jurisdictional industrial development authority under Alabama Code Sections 11-92A-1 through 11-92A-23.

This law allows up to 5 contiguous counties (and the municipalities located therein) to join together to establish an “Industrial Development Authority”. The IDA could be formed for the purpose of issuing bonds to finance the costs of acquiring and improving the proposed megasite property. The advantage of the IDA structure is that the cumulative financial strength of the participating governments can be harnessed in support of the IDA bond issue. In many ways, the IDA structure is similar to the Capital Improvement Cooperative District structure you discuss on page 21 of the report. However, a particularly conservative bond lawyer may have a little problem with the purpose language in the Improvement District law as being intended for more public improvements (roads, sewers, water systems, athletic complexes) than an industrial megasite likely to be given to a private company as part of an incentive package. Clearly, when coupled with Amendment 772 (which you discuss on page 23 of the report), the development of an industrial megasite to be given to a private company as part of an inducement package is a permissible purpose under the IDA law.

The acquisition and development of the Honda site in Lincoln is an excellent example of this approach. A total of 5 counties and 11 cities joined together in the creation of the East Central Alabama Industrial Development Authority. The Authority issued bonds to fund a portion of the costs of improving the site on which Honda was to build its current assembly facility. The bonds were backed by a Funding Agreement entered into by each of the participating governments. The ECAIDA enabled governments whose communities benefitted from Honda’s presence in Lincoln to join together to accomplish something they could not have done individually using a legal structure which enabled the issuance of bonds at an attractive cost.

I will be happy to discuss any aspect of the report further should you desire. Thanks for the opportunity to be of service.

Regards,

Alex



---

**Alex B. Leath**  
*Partner*

---

**Phone** 205-521-8899

**Cell** 205-329-3131

**Fax** 205-488-6899

**Email** [aleath@babbc.com](mailto:aleath@babbc.com)

---

#### **NOTE FROM MIKE McCAIN:**

This financing method is a good one, and I had overlooked it. In my opinion, it is best utilized to pay for infrastructure extension and other deal-closing expenses, rather than for land acquisition and related up-front costs.

Any participating county or municipal governments will want to know what benefits they will receive for their investments, and this can't be ascertained until a company expresses interest in the site, details about its project are divulged, and a cost-benefit analysis is performed.

## REVIEW FROM AN ENGINEERING PERSPECTIVE

**From:** Burt Hankins [mailto:burt.hankins@gmcnetwork.com]  
**Sent:** Friday, March 06, 2015 1:56 PM  
**To:** Mike McCain  
**Cc:** David Parker  
**Subject:** Canoe Creek Site

Mike,

As you requested, we have reviewed the attached report for the Etowah County Commission from a Civil Engineering view point. Please be advised we concur with the report as written. Thank you for the opportunity to comment.

Burt Hankins PE, PLS  
Executive Vice President - Engineering  
Tel 205.879.4462  
Fax 205.879.4493  
Direct 205.949.3914  
Cell 205.657.0325

[Burt.Hankins@gmcnetwork.com](mailto:Burt.Hankins@gmcnetwork.com)

2701 1st Avenue South  
Suite 100  
Birmingham, AL 35233

GOODWYN | MILLS | CAWOOD  
GMCNETWORK.COM

## REVIEW FROM AN ECONOMIC DEVELOPMENT PERSPECTIVE

**From:** Greg Knighton [mailto:gknighton@edpa.org]  
**Sent:** Tuesday, March 17, 2015 3:14 PM  
**To:** Mike McCain  
**Cc:** Steve Sewell; Tammy Radmard  
**Subject:** Little Canoe Creek Development and Marketing Plan

Dear Mike,

I, along with a team of colleagues at EDPA (copied), have reviewed your development and marketing plan for the Little Canoe Creek Property to ensure accuracy from an economic development perspective. We believe it accurately depicts what prospects and their consultants are looking for in a megasite, and what process they undertake in selecting a location for a megaproject.

We look forward to seeing the progress on the Little Canoe Creek Property.

Best regards,  
Greg

-----

Greg Knighton | Vice President  
Economic Development **Partnership** of Alabama  
**phone** 205.943.4710 | [gknighton@edpa.org](mailto:gknighton@edpa.org)  
[www.edpa.org](http://www.edpa.org)



## REVIEW FROM A SITE-SELECTION CONSULTANT'S PERSPECTIVE

(NOTE: Some points which merit attention are highlighted in yellow.)

**From:** tomlawton10@aol.com [mailto:tomlawton10@aol.com]

**Sent:** Monday, March 09, 2015 4:43 PM

**To:** Mike McCain

**Subject:** Review and Issues Report of The Development and Marketing of the Little Canoe Creek Property as an Industrial Megasite

Dear Mike --

The Development and Marketing of the Little Canoe Creek Property as an Industrial Megasite has been reviewed, analyzed, and evaluated from the perspective of Thomas Lawton as a 47-year corporate site-selection consultant representing international client companies in locating a total of over \$4 billion of fixed asset investments in 26 states, 6 countries, and taught "International Facilities Location Strategies" at Tulane University A.B. Freeman Graduate School of Business.

The development plan was reviewed for its accuracies, comprehensiveness, and accounting for the corporate facilities location and investment decision-making process and execution as seen through the corporate site-seeking and their site-selection consultant's eyes and mindsets governing their actions, priorities and exigencies.

The development plan report is divided into 2 parts: the first part, a review of the plan's accuracy and accounting of requisite considerations in the process of ensuring the best possible investment-grade and fast-track megasite development for large user corporate site-seeking investors; and the second part, an overview of specific issues needing to be addressed for the Little Canoe Creek site based on corporate client site search location final-cut contenders and actual location successes across the country.

### **REVIEW**

Overall, the plan is a good one, well laid out within the right framework of the sequencing of considerations; knowing the most important megasite development factors; aligning priorities; setting the core actions necessary for implementation; determining the interdependent timing, cost and financing moving parts; and executing the whos, wheres, whats and hows of bringing the audience in direct contact with the ready megasite, all flowing orderly from start to finish.

Aside from the Page 1 transmittal and acknowledging of experts to review the plan and the Page 26 review acknowledgments by the legal, engineering, site-selection consultant, and overall industrial development experts from each of their perspectives, the plan reviews consist of 11 subjects between.

The first is Definition of a Megasite in which a couple are provided by Wilbur Smith and Associates and the other by McCallum Sweeney Consulting, both good selections with the latter being the best one. This reviewer's definition would be: The purpose of megasite certification is to expedite the fast-track location, decision making, ramp-up construction timeframe and startup of new facility operations for corporate site-seeking investors. Site certification, "shovel ready", "ready to go", "supersite", "megasite" -- whatever the moniker -- has become increasingly competitive, more locations are doing it and, as a result, corporate site-seeking investors and their location consultants expect fast-track startups that need to be achieved to rapidly ramp up their ever-increasing competitive market needs.

The second is the Status of Etowah County's Little Canoe Creek Property. The site comprises just under 1,000 acres controlled by one ownership -- Etowah County -- and planned to be squared off at its north end with the optioning of additional land which will bring the land area to over 1,000 acres, ideally all under one and the same ownership as it should be to preclude having the inevitable and time-consuming unlikelihood of successfully assembling too many parcels at the right price from some also unwilling sellers; rail lies adjacent on the west side, Interstate Highway 59 on the east side albeit the interchanges being located about 4 miles south and 6 or 7 miles north, and 2-lane U.S. Highway 11 nearly a mile west; electric power lines bisect the site, natural gas and fiber optic telecommunication lines follow U.S. Highway 11, and water and sewer lines available from more distant extension points.

Some of this bodes well, but as cited in the plan also produces time and cost issues, and also must be added the recognition of unwelcome infrastructural juxtapositions in need of relocation, strategic positioning considerations and determination of the feasibility of enhancement capability.

The third and fourth are Megasites in Alabama and Adjacent States followed by Other Megasites in the South, sections that bolster the necessity to challenge and compete and demonstrate the consistency of their characteristics. The examples cited in the development plan -- 32 of which this reviewer has been in the areas of 22 of them -- are mostly excellent ones. **Most can be characterized as good to excellent labor market areas, the common denominator for all but a few of them, also all comprising over 1,000 acres** and, except for a few, being situated along or very proximate to an interstate highway. One website, "Southern Megasites" lists 80 megasites in 13 Southern states including Alabama and all but 5 are over 1,000 acres.

This site-selection consultant located 3 industrial facilities in the Hardin County, KY Glendale Megasite area, mainly because of its exceptionally attractive labor market conditions. The same is true with respect to locating a production facility in the Smithtown, TN area, over 30 miles from an interstate highway, because of its very good labor market. The Other Megasites in the South section show the local and county consortium cooperation for 2 megasites in southern Virginia and just east of Columbia, SC that tie together with the development plan's cooperative funding in the Financing Methods section.

**The fifth, Megasite Certification chronicles well the value of certification** -- expectation, readiness, the core megasite features it represents, and the importance of time being of the essence and facilitating the capability of moving quickly during the location search and selection -- in premier trade magazines.

**The sixth, Megasite Certification Requirements from 3 consulting firms and EDPA are solid** as they input specific technical, timeframe and supporting documents age limitations to the title meaning. A few adjustments and comments, however, should be considered.

In the McCallum Sweeny Consulting requirements, to the electric power "redundancy from 2 substations" should be added: 2 independent substation feeds. In the Barber Business Advisors/Hamman Consulting Group requirements in the first bullet under Environmental & Geotechnical Due Diligence, "Environmental Phase I Site Assessment (ASTM International Guidelines)", minimum would be appropriate to add given the Little Canoe Creek property location.

For the EDPA application, "height restrictions" should receive some attention for verification in view of the Gadsden Regional Airport about 2 miles east although airport obstruction path slope ratio data indicates allowable height levels far in excess of the industrial buildings and water towers that would be located on-site. Aerial photography though shows the nearest industrial building and water tower only

about one-half mile east of Steele Station Road and I-59 Interchange 174, several miles south and down range from the end of the main north-south runway and the 2 airport industrial parks buildings located north and east of the main runway. Also in the EDPA application Environmental section where it states "Phase I environmental assessment report, Phase II report if applicable," the feasibility of its being applicable should be considered in view of the Camp Sibert history and boundaries having enveloped the Little Canoe Creek property.

The seventh, Proposed Action Plan is very well stated and covered for all 11 calls for action. A few comments weighing on the side of caution and for providing greater prospect attraction are warranted.

In #3 Complete Environmental Due Diligence, a 5th bullet might be added under Task: Camp Sibert complete remediation verification, this even in light of recognizing that the greatest chemical and toxic weapons firing was east of I-59 while the Little Canoe Creek property lies on the west side of I-59, approximately 2 miles separating the worst weapons firing site and range from the proposed megasite; there's no not being too careful with this in view of the heavy investments at stake.

In #6, in view of the confluence of numerous ingress-egress issues of having to cross railroad tracks, moving hundreds if not more truckloads daily through residential areas, and having to present prospects a megasite adjacent to I-59 without any physically visible connection to it may warrant the feasibility of an interchange opposite the southeast quadrant of the megasite where the I-59 split north-south lanes do not widen as much. Notwithstanding at least one very high cost estimate for a cloverleaf interchange, locating the interchange a little further south from the I-59 wide split might reduce the cost somewhat albeit still in the estimated millions. It would be worth considering the feasibility of an interchange even with the 4-laning of the otherwise main access road, U.S. Highway 11, which does not resolve the railroad crossings (duplicated at State Highway 77 to access I-59 and also duplicated in accessing the Steele Station Road I-59 interchange to the south), daily truck movements through residential areas, and a somewhat diminished attraction of I-59 without prospects having a visible access connection to it. Some participation from the State Industrial Access Road grant funds or incentive programs might be possible avenues for financial participation in accomplishing this objective.

In #7, Obtain Design for a Railroad Spur Track, the spur needs to be kept close to the main line at the northern periphery of the megasite, otherwise the queuing of truck and employee car traffic, particularly when combined with potential railroad crossings, will cause burdensome car and truck traffic congestion.

In #8, Confirm the Time (and Cost) to Serve the Site with Electric Power, the bisecting electric power lines need to be relocated to the periphery of the megasite, line capacity increased, and dual redundant service from 2 independent substations should be made available if it all feasible in terms of extension distances, time, and cost.

The eighth, Estimated Costs, this reviewer concurs with all the cost factors cited with some additional comments.

Among the 1) Site-Related Costs, the railroad spur track, its location planned to be left to the prospective user(s) with the Norfolk Southern providing per car rebates, still should be located close to and paralleling the main line at the north end of the megasite in order to keep truck and employee traffic out of harm's way of each other and to keep large area sites opened up instead of bifurcating them with the spur(s) routed through the middle and eastern ends of the property.

Electric power cost inputs should include relocation of the existing lines also more toward the property's periphery, upgrade of line capacity, and provision of dual redundant power from the 2 closest independent substations and additional timeframe for extension(s). Water and wastewater service costs should also include the cost of 2 independent sources of water, but if there is only one, then **the cost of a water tank adjacent to or on-site needs inclusion.**

The ninth, Financing Methods, offer a good range of resources, particularly cooperative or consortium funding from multiple municipalities, counties and some public authorities formed as Capital Improvement Cooperative Districts which are permitted under Amendment 772 of the Alabama Constitution cited under Financing with Public Money in this development plan. This type of financing is cited in the Other Megasites in the South fourth subject as used for 2 megasites in South Carolina and Virginia. Other alternative financing mechanisms might be long-term leases of controlled sites and city and county bankers providing low interest or no interest loans. The latter was done for Van Wert and Van Wert County, OH for a "Supersite" where city and county bankers entered with a short deadline to cover the city's shortfall gap balance totaling nearly \$600,000 of \$5 million in matching funds with the Ohio Department of Economic Development (DoED) for the 1,595-acre site's improvements and otherwise without the gap closure the state DoED would have withdrawn their matching funds.

**The tenth and eleventh subjects, Marketing Techniques then Marketing and the Site Selection Process, are concurred with completely. Moreover, the plan's citing of the site location process being an "elimination process", maximizing company returns on invested capital (translated from maximizing operating cost savings), and without a suitable site or building a community's otherwise outstanding advantages "become irrelevant" to the extent of not being considered a viable project location candidate, are indeed the precepts of the process.**

## **ISSUES**

**The plan is very well prepared. That said, there are some daunting issues that this reviewer would be remiss in not identifying in the name of being constructive in making the Little Canoe Creek property a successful megasite development:**

**Ingress-Egress: The megasite has main line railroad tracks that have to be crossed by trucks and employee cars to access now 2-lane, but being widened to 4-lane U.S. Highway 11, yet complicated further by traffic traveling north to reach State Highway 77 east to I-59 Interchange 181 have to cross the same tracks again not to mention traversing some residential areas, same scenario for traffic traveling south on U.S. Highway 11 to access I-59 Interchange 174 also having to traverse some residential areas in Steele. Any access road east from the site to avoid crossing the railroad tracks has to traverse residential areas of Attalla in order to reach 2-lane Pleasant Valley Road east to either Steele Station Road or U.S. 411 east to State Highway 77 north to I-59 Interchange 181 or Interchange 182 via I-759 north or take Steele Station Road straight south to I-59 Interchange 174. Widening the U.S. 11 to four lanes is fine, but it doesn't resolve the real ingress-egress issues hanging over the site. This situation is exacerbated by having to show corporate prospects a megasite area where the visible I-59 along the east side of the property has no physically visible connection to an interchange which accentuates the access-ingress-egress issue. U.S. 11 north has no direct I-59 connect until Exit 188. Despite the cost involved with constructing an interchange just south of the southeast quadrant of the megasite, given the millions to be poured into developing everything else to make a megasite of this property, the incremental cost and timing aspects should be considered and the feasibility determined.**

Power lines bisect the site and, therefore, will most likely interfere with large user property parcel sizes and building specifications, thus compelling relocation of these power lines, but also the capacity of the lines have to be increased, and most large users will more likely than not need redundant dual feeds from 2 independent substations necessitating additional cost and timing of this upgrade.

The 37,000-acre Camp Sibert World War II chemicals and toxic munitions base, regarded by some as one of the worst contaminated military bases at the time, yet not found to be a Brownfield nor Superfund site, closed long ago. Its boundaries enveloped the megasite boundaries of today and although the worst contaminated site and range was located east of I-59 and The Phase I Environmental Assessment of the megasite west of I-59 passed muster, no large investment user will take the potential risk lightly, treating it as a "you can't be too careful" situation. The question becomes has there been 100% remediation in the megasite area and, therefore, a Phase II Environmental Assessment may be needed or requested for the entire megasite; this has been a location project issue where hazardous materials once spilled and might still be suspected, large users carry high value inventory and their insurers will have strict requirements.

The irregular, L-shaped site, expected to be squared off with the optioning or purchase of additional land at the north end is requisite. Without squaring off the site, the property is just another site as it would not have enough flexibility for large users. The plan accounts for this in the Proposed Action Plan, #1: Purchase Additional Land, but it cannot be stressed enough that the additional controlled land to accomplish this is a megasite prerequisite.

The Gadsden Regional Airport is only about 2 miles northeast of the megasite which appears to be out of harm's way of any inhibitive building height constrictions based on obstruction area approach and takeoff slopes for the main north-south runway. That said, verification should be made as aerial photos show wide open spaces south of the main runway until near I-59 Interchange 174 on Steele Station Road and the 2 Gadsden Regional Airport industrial parks are situated at the east and north sides of the airport, not south or west of the airport main runway.

Changes in state incentives apparently have marginalized the value of the state enterprise zones in favor of other incentive reforms, but the addition of a Foreign Trade Sub-Zone linked to the nearest FTZ in Birmingham could expand the marketing audience for the proposed megasite.

In closing, the Plan spells out the right steps forward to megasite development, but it will not be without resolve of the aforementioned issues overhang, especially: the access-ingress-egress, electric power, environmental, and site configuration ones; substantial timeframes for ready-to-go completion; and added costs to an already projected heavy investment venture.

Please call me if you have any questions and thank you for making me a part of the launch of this major development for Gadsden and Etowah County.

Yours truly,

TOM LAWTON

Office Tel.: (201) 863-8385

Cell Tel.: (201) 424-4554

E-Mail: [tomlawton10@aol.com](mailto:tomlawton10@aol.com)