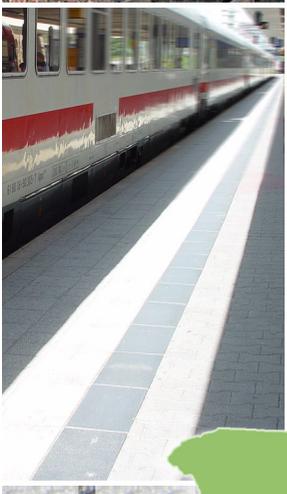


SOUTH CAROLINA MEGA SITE FEASIBILITY ANALYSIS

MARCH 2009



PREPARED FOR:
South Carolina Department of Commerce

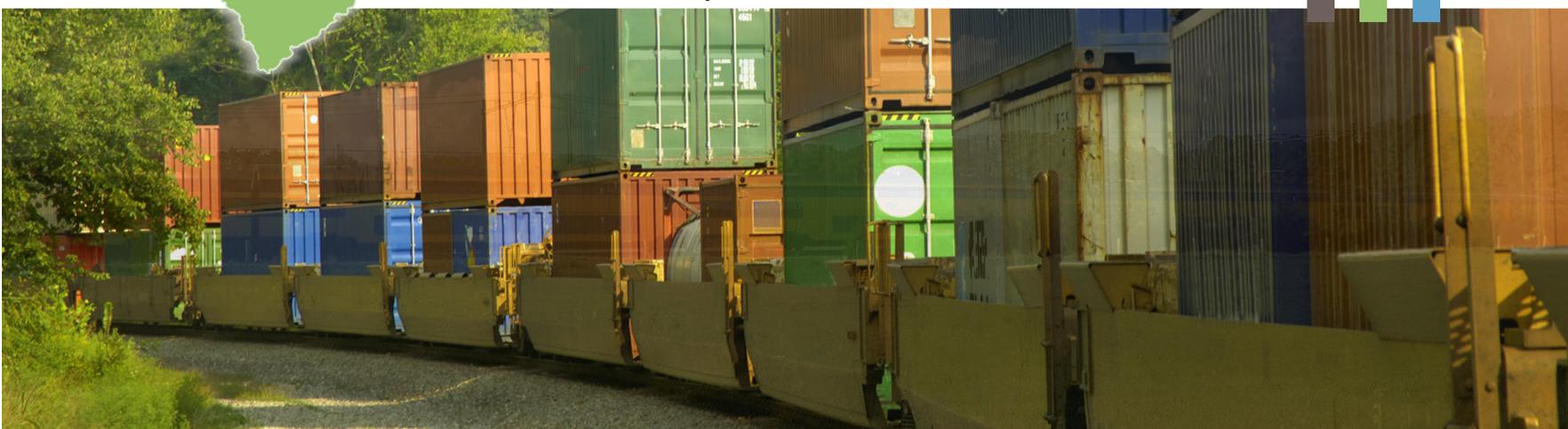


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1. Introduction

America is changing from being primarily a goods producing nation to more of a trading economy. Dramatic transformations in the global marketplace have resulted in new demands and changing requirements for industrial real estate in the United States and around the world. The globalization of companies and markets coupled with emerging new technologies continue to redefine business priorities and operations further constraining transportation networks and creating new economic opportunities and challenges. Cost factors and speed to market dynamics are critical competitiveness factors for companies today and while “lowest cost” is still important to the success of many companies the ability to innovate and optimize all of their operating factors is vital to long term success.

In this age of international trade, changes in the flow of goods; speed to market requirements, and economies of scale have resulted in larger and larger facilities and the emergence of what has become known as mega or super site projects. As the dynamics of business operations have changed so have the requirements for the site selection process. 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 mega projects is increasingly the “deal killer” for many sites as companies seek to minimize risk, reduce the unknowns, and expedite the timeline for these projects.

1.1 What is a Mega Site?

Marketing and holding a mega site requires fortitude, endurance, and commitment from the community, its elected officials, business leaders, and other key stakeholders. Attracting a mega industrial project takes time, there are only a few projects of this magnitude looking for sites each year and there are a number of mega sites located in the United States. Mega sites 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 has 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 mega project user.

The most competitive mega sites have evaluated the site development challenges and options and can provide reasonable assurances that the site can be developed to accommodate the requirements of a major industrial project within a specified time frame. Generally, the required on-site improvement costs such as site grading are provided to the mega project at no cost to the company. Developing a site grading plan to accommodate several million square feet of building and parking area can be very valuable particularly if the site topography may appear challenging to a potential mega project user. This information will provide the potential mega project with information about required cut-fill quantities to grade not only the building pad but other required facilities, availability of fill material on or near the site, and provide other information that will assure the company that the site cure can be accomplished in a timely manner.

A true mega site must be available for a prospective mega project user and that requires fortitude and commitment from the entire community. Making a commitment to develop and market a mega site means that the site is being held for a mega industrial prospect. Mega sites that are also concurrently being marketed as multi-tenant industrial parks are generally not considered by many corporate real estate advisors or site location firms. Holding and marketing a mega site requires the community to say “No” to locating industrial prospects on the mega site that do not meet the mega industrial threshold, making it very important for the community to have other property inventory that those prospects could locate on. Locating a mega industrial project on a mega site, particularly in today’s changing economic climate, will take time requiring the community and political leadership to be patient and stay the course and that is not always easy even when the community is committed to the mega site.

A mega site must be under the control of an appropriate entity that is empowered to effectively negotiate with the prospect to provide a complete package including the site and other incentives that are expected. 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. Due diligence must be completed on the site so that site conditions are well documented and any constraints or obstacles are clearly understood. The community should be prepared to insure that the necessary off-site utility and transportation infrastructure services can be extended to the site within a defined schedule along with other improvements that are required to locate a project of this magnitude.

Jim Bruce, President of BFPC, LLC, a nationally recognized facility planning and site location firm with a long list of major international corporate projects, has this view:

“A mega site is a large property (generally over 1,000 acres) designated for automotive or other appropriate large industrial users, for which certain key preparations have been completed. The site’s availability, cost, and terms of acquisition have been firmly established. Reasonable front-end studies have been done to determine the work necessary to get required services including rail, adequate roads, and utilities to the site. Assurances are in place from those who will have to provide these services that any necessary improvements can be put in place in a defined

period of time and the capital resources required will be available. The mega site itself needs to be part of an overall community desire and readiness for this type of development, with parallel preparation in other areas such as workforce.”

Mark Williams, President of Strategic Development Group, Inc. has helped to locate a number of major industrial projects including Bridgestone, Koyo Corporation USA, and Commercial Metal Corporation. According to Mr. Williams:

“Selection of mega sites for high-impact economic development projects is increasingly based on minimization of site development risk issues such as ownership control and ready access to utilities. Sites which have not verified critical site selection parameters through rigorous certification are often eliminated or simply not considered in early stages of site selection evaluation. “

1.2 A “State of Readiness”

There was a time when a general knowledge of larger acreage properties in the region and a passing relationship with the owner(s) was all the local economic developer needed to maintain an acceptable property inventory for large-scale projects. In today’s fast-paced highly competitive environment, the siting requirements of businesses have changed dramatically. “Speed to market” applies not only to the movement and production of goods; it also applies to locating and building new industrial facilities. In today’s economy, communities that want to compete for mega projects:

- Must be prepared to take the necessary steps to insure that a mega site can be transferred quickly to the industry;
- Understand the full range of permitting and regulatory requirements and the time required to secure the necessary permits. Work that can be done in advance can reduce the time required for permitting and significantly enhance the sites competitiveness. Communities must be prepared to work aggressively with the mega project staff to help secure all permits and meet regulatory requirements in a timely manner;
- Ensure that the site and infrastructure improvements to meet general mega project requirements have been carefully evaluated and that the cost and schedule required to complete these improvements can be accomplished to meet an aggressive time frame;
- Demonstrate that the building construction can be completed to meet corporate production requirements and schedules and any other incentives that are required to attract a mega user to the site can be negotiated and delivered to meet the prospects expectations; and
- Must be committed to holding and marketing the mega site for whatever period of time it takes to locate a mega industrial project on the site.

Companies want to minimize the “time to production” by eliminating as many risks and unknowns in the site selection process as possible. The speed to construction demands and the

cost of delays have focused a great deal of attention on identifying and verifying mega sites that will meet the requirements of these large-scale industrial projects. Those time and cost factors (start-up as well as life-cycle costs) are driving more and more of the site evaluation decisions in today's global environment.

Although there are no definitive national standards for mega sites or for a validation or certification process, most industrial real estate experts agree that a vetting or assessment process for sites is extremely beneficial in the site location process particularly for mega industrial projects. Several key evaluation criteria are relatively common for those states that have instituted a mega site assessment or certification process. Additional information about the criteria used among southeastern states with mega site certification programs can be found in **Section 3** of this report.

Mega sites that have completed a comprehensive property assessment can provide companies with an added dimension of “readiness” in the site process helping to reduce some of the uncertainty, risk, and time that companies fear most in the site selection process. Many certified mega sites have verified site conditions, completing a level of site due diligence that provides companies with basic information about soils and geologic conditions, environmental, and archaeological issues, as well as other constructability factors. The availability of the site is assured through ownership or long-term leases that establish the terms and conditions to expedite acquisition.

The key requirements for a mega site are ultimately driven by the specific demands and requirements of the mega project industries, specifically those targeted industries for a particular region. However there are a number of mega site characteristics that are fairly common across the board:

- Large contiguous property in excess of 1,000 acres;
- Utility availability, capacity, and redundancy to support large industrial operations;
- Constructability conditions that are suitable for heavy industrial users;
- Transportation and freight transportation infrastructure to optimize raw materials and finished goods movement, as well as workforce access;
- Committed local leadership with a track record of “making it happen” and being able to get things done expeditiously; and
- Workforce and community attributes that can support the demands of a major employer.

This mega site assessment is focused on those sites that would meet the requirements and demands of a near-term project for a **major single-user industrial facility** such as an automotive manufacturing plant, a steel fabrication operation, or a semiconductor facility. Each of the sites submitted as a part of this mega site evaluation have many positive attributes. Some of the sites that do not meet the “state of readiness” test for a mega site today, may want to continue to pursue that objective in the future, however it is important to recognize that holding and marketing a mega site often requires time and patience and it is critical to have other industrial property inventory that prospects that do not meet the mega-project requirements could locate on. Some of the sites that were submitted for evaluation may be best suited for multi-tenant industrial parks and can still play a vital role in the economic development of their region in that manner.



Companies and their representatives drive the site selection process for mega projects. They want to move through the initial evaluation as quickly as possible and often will do their initial site evaluation using information available on-line remaining as low-key as possible. The availability of quantifiable site and community information allows these companies to carefully consider sites that meet their criteria and develop a “short list” of sites to consider further. When there are unknowns or questions about conditions on your site, issues about the site ownership, concerns about infrastructure, or lack of pertinent information about the community it is often easier to eliminate the site from consideration rather than “go dig” for the information. Making it easy for mega-industrial projects to find clear and concise information about available mega sites is as important as having the information available

1.3 South Carolina Mega Site Evaluation Criteria and Process

Although there are no nationally recognized mega site standards, it is the expectations and demands of industries that ultimately define the characteristics of mega sites that will be most competitive. To develop the mega site evaluation criteria for South Carolina, Wilbur Smith Associates assessed the common attributes of those mega sites that have been successfully marketed to major industrial projects in the last few years, reviewed current research and trends for mega projects, talked with several nationally recognized site consultants and the South Carolina Department of Commerce, and considered the characteristics of competing sites in the southeast.

The mega site evaluation criteria developed for purposes of this assessment focused on the demands and requirements of a mega industrial user requiring significant acreage to accommodate a single user operation. For example, Toyota Motor Manufacturing North America generally requires that sites they consider have a minimum of 1,500 acres, access to dual rail service, excellent highway access, utility infrastructure to support a large-scale manufacturing operation including water, wastewater, natural gas, and dual feed power, and adequate property to provide a buffer zone between the plant and residential areas. At the Georgetown, Kentucky Toyota Plant select areas of the buffer zone have been released over time for development of non-automotive businesses.

Mega sites should accommodate the development of “heavier” industrial facilities with appropriate load bearing soils and sub-surface conditions. Site conditions that will require deeper foundations, piles, engineered fill, or additional work to construct heavy industrial buildings will add to the time and cost for construction. In cases where the soils, sub-surface conditions, or other environmental constraints will likely increase the costs and the time required to “cure” the site for a mega industrial user, communities should consider incentives or other suitable strategies to mitigate these costs and reduce the additional construction time that may be required to address these site issues.

The most competitive mega sites will require minimal site grading to accommodate a significant building footprint of 1 million square feet or more. The cost to prepare a conceptual site grading plan and schedule can pay off in a big way helping prospective mega-industrial prospects to visualize how the site could be developed and have some concept of site grading costs. Environmental issues such as wetlands or streams are red flags for site consultants and industrial real estate experts, but those concerns can be reduced if these features have been identified and mitigation options developed in advance with assurances that the mitigation strategies can be put in place quickly within a reasonable budget.

The site must be within reasonable proximity to a skilled and available workforce and it is important to document the training and educational resources that are readily available within reasonable proximity of the site. Community attributes continue to be important as well. In the 2008 Corporate Site Selection survey, corporate respondents identified low crime rate, housing costs and availability, health care facilities, and rating of public schools as the most important “quality-of-life” factors.

While sites with these characteristics can’t be found on every corner, there are a number of very competitive mega sites in the United States. Companies locating mega projects generate a significant number of direct new jobs and tax base and they expect the site and required infrastructure to be provided to their project at no cost to the company. A business investing over a billion dollars in new plant and equipment and creating several thousand jobs will not pay millions of dollars to acquire a site and extend utilities; there are too many other quality sites around the world that will gladly give the company a very attractive site where the required infrastructure is in place or can be constructed to meet the company’s schedule.

Wilbur Smith Associates evaluated the proposed South Carolina mega sites based on the following factors:

- Total acreage over 1,000 acres with a minimum developable site of 500 acres for a single mega-project user
- Property currently controlled through ownership or long term option with a sufficient remaining term to allow project evaluation and acquisition to be completed
- 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
- 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
- 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
- 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 environment studies
- Proper zoning in place
- Available workforce in excess of 50,000 within 30 miles of site

2. Existing and Potential Mega Sites

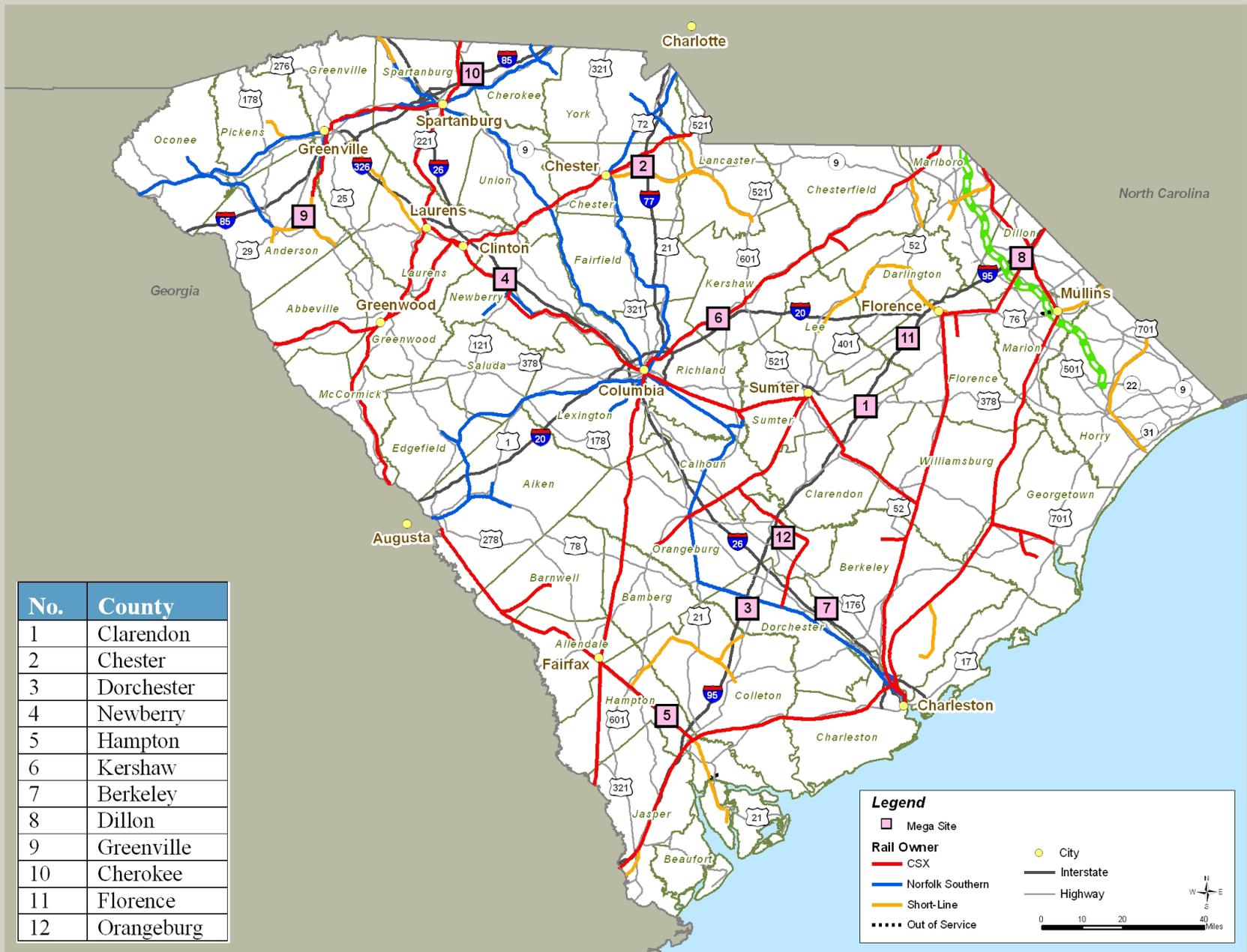
To identify potential mega sites in South Carolina County Administrators, Economic Developers, Regional Power Boards, and other organizations were requested to submit potential “mega sites” from their respective communities. Additional sites for evaluation were added during the course of study, as a result of Department of Commerce press releases and other general publicity about the study. Eighteen sites were identified as potential mega sites and ultimately detailed surveys and documentation were submitted for twelve sites by, or on behalf of, County Economic Development agencies. A site evaluation survey questionnaire, shown in **Appendix A**, was sent out with 12 being returned for evaluation as a potential mega site. The 12 are listed in **Exhibit 2-1**. Their locations are shown in **Exhibit 2-2**.

All of the data and information submitted for each of the sites were evaluated based upon the criteria outlined in **Section 1.3**. In addition to the information submitted for each site, additional evaluations were conducted on several of the sites to assess the potential for extending rail service to the site and an estimated cost for constructing those improvements was developed. In cases where information on certain sites was not available or was not provided that is noted in the individual site profiles below.

Exhibit 2-1: List of Candidate South Carolina Mega Sites

No.	Site Tax ID	County
1	#273-00-02-006-000	Clarendon
2	#115-00-00-018-000	Chester
3	Dorchester County Site	Dorchester
4	#279-1	Newberry
5	#185-00-00-001	Hampton
6	#323-00-00-011	Kershaw
7	#157-00-00-003	Berkeley
8	#80-02	Dillon
9	#224-00-003-012	Greenville
10	#029-00-00-032	Cherokee
11	#00037-04-061	Florence
12	#0322-00-01-001.000	Orangeburg

Exhibit 2-2: Candidate South Carolina Mega Site Locations



At the present time none of the sites submitted for consideration in this mega site feasibility analysis meet the mega site “State of Readiness” requirements for a mega site. That is not to say that there are no mega sites in South Carolina, quite the contrary, but additional action steps are needed by some of these sites to ensure that the State of South Carolina has an inventory of highly competitive mega sites for the future. Several of the sites that were submitted in this process have been developed for and are currently being marketed as multi-tenant industrial parks and in those cases additional local evaluation is needed to determine if the site will be held as a mega site or continue to be marketed as a multi-tenant industrial park, an important component of the economic development inventory in the state. Finally, some of the sites that were submitted need to conduct additional site due diligence before making conclusive decisions about the sites highest and best use.

Three sites were determined to have characteristics that could potentially provide very competitive mega sites for South Carolina in the future. These sites are:

- Site 2: #115-00-00-018-000 in Chester County
- Site 8: #80-02 in Dillon County
- Site 6: #323-00-00-001 in Kershaw County

Each of these sites appears to exceed 1,000 acres and has existing rail and highway access or the potential to extend this transportation infrastructure to the site at a reasonable cost and has existing water and wastewater utilities to provide a reasonable level of service to many mega industrial projects. In each case the issues that precluded these sites from inclusion in the current list of mega sites are resolvable and these communities are encouraged to pursue designation for these sites as mega sites in the future.

Several additional sites were submitted that could meet the mega site requirements in the future however, additional due diligence and further evaluation must be completed to allow for a detailed site assessment on these properties. Several of the sites submitted may be more readily developed as multi-tenant properties and could contribute significantly to job creation and attraction of private investment in their communities.

2.1 Site 1: #273-00-02-006-000, Clarendon County

Site Conclusion: The lack of rail infrastructure to this site and the cost to extend rail to this site, which will exceed \$32,000,000, as well as the time required to extend this infrastructure to the site precludes this site from being considered by a major industrial user as a mega site. The absence of rail does not preclude the site from being considered for other important industrial and business development opportunities that can bring significant employment and new investment to the region. The I-95 corridor and the proximity of this site to significant population areas to the north and also to the south into Florida may offer opportunities for both high value manufacturing and logistics related development. This property is competitively priced and the availability of water and wastewater utilities services and the ability to expand the capacity of these services in a cost effective manner is an important attribute for future development.

Site Summary: The site does not meet the definition of a mega site due to the absence of rail and the significant cost required to extend the rail infrastructure to this property would be cost prohibitive. The availability of rail is required by mega industrial users. A study was prepared previously evaluating several options for rail access to this site. With each of the alternatives identified there were significant costs and environmental obstacles associated with extending the rail infrastructure to this location. As a part of this study a current cost to extend rail to this site was prepared indicating costs in excess of \$32 million, consistent with the previous study.

While the site does not meet the requirements for a mega site, this property offers ready access to an outstanding highway transportation network, the utility issues have been evaluated and required upgrades and costs have been developed, and the available workforce and community attributes would be attractive to a range of business and industrial sectors. Control of this property has been clearly established and pricing is very competitive. Some additional foundation work may be required in certain areas of the site but are not necessary throughout the entire property. Additional evaluation of the costs and schedule for extending natural gas infrastructure to the site should be further evaluated to assure the availability of this important infrastructure to the site.

2.2 Site 2: #115-00-00-018-000 Chester County

Site Conclusion: This site does not meet the definition of a mega site at this time. Although this site has a number of important attributes for an industrial user there are two significant obstacles that will affect the marketability of this site for a mega industrial prospect, the price established for the sale of the property and the site topography that will likely require a significant investment to cure the site in order to meet the requirements of a large scale industrial development.

Site Summary: The potential for dual rail service via L&C Railway linking this site to both CSXT and NS and the proximity to both Charlotte and Columbia markets are important features of this property. The site is owned by a single entity and although pricing is negotiable based upon the rail traffic generated by the industrial user, the current pricing of the property is not competitive for a mega industrial project as these companies expect the site to be provided for a project of this magnitude at little or no cost.

Detailed information about site conditions and constructability is available although information about the quantity of cut-fill was not provided beyond a rough grading concept and schedule for a core development parcel. Additional evaluation of the site cut-fill requirements and availability of on-site fill material will help to reduce concerns that a mega-industrial user would have about the potential site cure costs. In addition to clarifying the site cure costs and a schedule for completing general site improvements it may be prudent to consider other incentives or strategies that could help to off-set some portion of the site development costs or reduce the time that would be required to cure the site improving the “state of readiness” for this site.

Detailed permitting information and a schedule for securing permits has been developed for this site. Expansion of the existing wastewater treatment system is currently underway and evaluation of additional capacity has been assessed to provide assurances that additional capacity can be provided. There is an excellent highway network in place providing high quality transportation infrastructure to this site. Workforce and community attributes would meet the demands and requirements of most industrial or business prospects.

2.3 Site 3: Dorchester County

Site Conclusion: This site does not meet the requirements for a mega site at this time. The property control has not been established to date and the cost to extend rail services to this site is estimated currently at \$16 million, which is cost prohibitive. Further assessment of the water and wastewater utilities required to serve a major industrial user at this site is needed and a concept and schedule for constructing the proposed interchange on I-95 along with an estimated cost and financing strategy should be developed. While this property is strategically located within the Charleston metro area and is taking steps to expand the utilities services for this property the cost to provide rail service to the site is prohibitive to the development of this site as a mega site.

Site Summary: This site is not served by rail, a key requirement of mega sites, and the estimated cost to extend rail service is \$16 million. Property control on this site has not been established, which is also a critical requirement for consideration as a mega site.

Additional site grading information should be developed to provide detailed information about the proposed 413 acre core development area, which appears to require a substantial amount of cut/fill in order to support the development of a large scale user. Existing soil conditions may also require the use of deep foundations to support heavy industrial loads, which will add to the cost and time of construction. Owners may want to consider incentives and other strategies that might help to mitigate the additional site cure costs and reduce the construction time frames. Development of a concept plan for the anticipated utility improvements including estimated costs, estimated timeframe for construction, and a strategy for financing these utility improvements would be beneficial for potential industrial or logistics and distribution prospects. A concept plan and opinion of probable cost for the proposed interchange on I-95 should be developed and a strategy developed for financing these roadway improvements should be determined.

Given the significant cost to extend rail to the site and the potential for deep foundation requirements and wetlands, this site may be more appropriate for development as a multi-tenant business or industrial park or for logistics and distribution facilities. Strategic site development could minimize site grading requirements and provide for stormwater management systems in keeping with “Green” design requirements that would optimize the developable acreage within the site. Given the significant volume of goods that move by truck only, there are significant opportunities for development of this property that could move forward without rail access should it be determined that the cost for extending rail to the site is not economically feasible.

2.4 Site 4: #279-1 Newberry County

Site Conclusion: Although this site does not meet the requirements of a mega site at the present time, the information provided suggests that some additional due diligence of this site might be warranted in order to determine if the site could be designated as a mega site or other significant industrial or business facility in the future. A “fatal flaws” approach to this due diligence might be appropriate to minimize the cost of this assessment.

Site Summary: This site does not meet the requirements for a mega site, property control has not been secured and pricing has not been established. Given the rolling topography on the site an evaluation of potential site grading requirements could provide important information about grading costs and the time required to complete these site improvements. Further evaluation of soils and geo-technical condition would be warranted if the site grading costs are not unreasonable. Ultimately a phase I environmental assessment would be required before the site could be considered as a mega site and evaluation of water and wastewater infrastructure and treatment capacities with improvements and costs should be prepared. This location offers access to an excellent highway transportation network. Further evaluation of the capacity of the available rail line should be conducted to determine costs to provide appropriate rail services within this site. Workforce and community attributes could meet the requirements of many mega projects.

2.5 Site 5: #185-00-00-001 Hampton County

Site Conclusion: This site does not meet the requirements for a mega site at this time. Pricing for this property and terms and conditions for its sale have not been established. At this time information is not available to evaluate soils and geotechnical conditions on the site, or potential environmental issues.

Site Summary: A partnership is currently being developed that will vest control of this site in the Southern Carolina Regional Alliance. Information to quantify site conditions, including soils and geotechnical study, environmental assessment, and cultural and historic resources, must be developed in order to assess the attributes of this property and determine if the requirements for a mega site could be achieved. A concept has been developed to provide the necessary wastewater treatment improvements needed to support a large-scale industrial project. Additional evaluation of water system and treatment capacity should be conducted to determine if improvements or expansion of the system is needed to meet the needs of a mega-industrial user. The necessary transportation improvements required for a mega project should be assessed and a concept plan and cost estimate developed providing a construction schedule and strategy to finance the required improvements. Although rail is adjacent to the site, further evaluation of the system capacity and costs to extend rail service into the site should be evaluated. A rail access plan with estimated costs should be developed. Development of a concept plan and cost estimate to extend appropriate highway access to serve this site should be developed and a strategy to finance these infrastructure costs should be developed.

2.6 Site 6: #323-00-00-011 Kershaw County

Site Conclusion: Although this site does not meet the requirements of a mega site at this time, further evaluation of the site is strongly recommended. Based upon the available data, this site could become an outstanding mega site and further information is needed to complete a full evaluation of the site for future consideration.

Site Summary: While this site does not meet the required “State of Readiness” for a mega site at the present time, this site could eventually be developed as a very competitive mega site in South Carolina. Existing information on the soils and geotechnical conditions at the site and the Phase I environmental assessment indicate very few areas of concern. Soil conditions are excellent with little or no additional foundation requirements, the existing utility infrastructure at the site is very good, and the available highway and rail transportation infrastructure appears to meet the requirements of most mega industrial users.

Consideration should be given to securing historic and cultural resource clearances for this property prior to finalizing any property transactions. Property control has not been secured, and as a result pricing for the site is not available. Additional information about site grading and potential costs will be important for mega-industrial users and should be developed for this site. The existing utility infrastructure is excellent, the available highway network and transportation infrastructure is very good, and CSXT rail is adjacent to the site. Further evaluation of the potential building conflicts with natural gas line should be resolved prior to option or purchase. The proximity of this site to existing freight networks will be attractive to large-scale industrial users. Workforce and community attributes could meet requirements of many mega projects.

2.7 Site 7: #157-00-00-003 Berkeley County

Site Conclusion: This site does not meet the requirements for a mega site at this time. The pricing for this property is not to be competitive for a mega-industrial user. Rail is not currently available to the site and the cost to extend this service is \$11.6 million. Further evaluation of the soils, geotechnical conditions, and wetlands will provide information to determine if the conditions on the site can cost effectively support a large scale industrial user.

Site Summary: Property control for this site has been established in letter of commitment, the terms and conditions have not been specifically defined at this time. Soils and geotechnical report to be completed 2/28/09. National Wetlands Inventory indicates that there are a number of wetlands present and further evaluation to determine the presence of jurisdictional wetlands and other water features on the site will be needed. A Phase I environmental assessment will be completed by 2/28/09. The water distribution system serving this site will require upgrades and an evaluation of system and costs for improvement should be developed. A concept plan should be developed to define improvements to the transportation system to provide appropriate access and costs estimates and construction schedule should be developed along with a strategy to finance the necessary improvements. Costs to extend rail to the site were provided and updated

cost estimates for the rail extension were developed. Workforce and community attributes could meet requirements of many mega projects in the future.

2.8 Site 8: #80-02 Dillon County

Site Conclusion: This site does not meet the requirements of a mega site at this time. A portion of the site is currently being marketed as a multi-tenant industrial park and one tenant, Harbor Freight Tools has already located a distribution center in the park. Approximately 25 percent of the proposed site is south of highway 423 and can not be effectively considered a contiguous property for a mega-industrial user. A marketable mega-site should be defined and a determination should be made as to whether this property is to be marketed as a mega site and thus unavailable for marketing as a multi-tenant industrial property or are the region's economic interests better served by considering this site for a large-scale multi-tenant business or industrial park.

Site Summary: Required improvements to the rail infrastructure can be completed for a reasonable cost to serve this property and other utilities require only nominal improvements to meet the general requirements of large-scale business prospects. This property is currently controlled through two separate options that do not expire until 2014 and 2018 respectively providing adequate time to market the property for a mega-user.. Given the location of one distribution center, additional evaluation might be warranted to determine if additional distribution and logistics businesses could be attracted to the site.

The soils and geotechnical documentation and the Phase I environmental assessment do not indicate significant concerns, however care should be taken during any grading operations to control moisture content of surface soils. Excellent utility infrastructure is available to the site requiring no additional improvements at this time. The existing highway network can support a mega project with nominal improvements including turn lanes. CSXT mainline is adjacent to the site. Workforce and community attributes could meet requirements of many mega projects.

2.9 Site 9: #224-00-003-012 Greenville County

Site Conclusion: This site does not meet the requirements of a mega site. Pricing for the property and terms and conditions for a sale were not available as the site is held under a confidential option and terms and conditions are protected by a confidentiality agreement. Information about soils and geotechnical conditions at the site were not provided and a phase I environmental assessment was not available.

Site Summary: The existing water and wastewater utilities are not adequate to meet the general requirements for a large-scale industrial project. A concept plan for extending appropriate utility infrastructure to the site should be developed along with an estimated cost and construction schedule. A strategy should be developed to finance the cost of these utility improvements in order for the site to be evaluated as a potential mega site in the future. The transportation infrastructure is not adequate and concept plans should be developed to provide adequate roadway access to the site. Estimated costs and construction schedules for these roadway

improvements should also be developed along with a plan to finance the cost of these improvements. Dual rail service is available at the site. Property control is covered by confidential option documents and protected by confidentiality agreement. Therefore the property control issues can not be ascertained.

2.10 Site 10: #029-00-00-032 Cherokee County

Site Conclusion: This site does not meet the requirements of a mega site at this time. The property is not under the control of an entity empowered to negotiate with a mega-industrial user. Rail is not currently available to the site and the cost to extend the rail is estimated at \$7.3 - \$8 million. A portion of the property has been sold as part of a multi-tenant industrial park and currently approximately fifty percent of the proposed site is being marketing as a multi-tenant industrial park.

Site Summary: Although 70 percent of this property is controlled by a single owner, there are a number of other parcels that are owned by others. Absent an option or other documents, this property can not be marketed to a mega industrial user without significant risk. Detailed soils and geotechnical study should be secured along with a phase I environmental assessment and appropriate evaluations of both historic and cultural resources to determine if there are impediments to future development on this site. Additional clarification regarding utility upgrades required to meet the general requirements of a mega industrial project should be developed if this site is to be considered as a mega site in the future. Costs and construction schedule for the proposed transportation improvements should be secured and a financing strategy developed to fund these improvements. Two alternatives concepts were developed to extend rail to this site. The cost for this extension may be prohibitive and additional consideration should be given to the schedule required to complete such construction. Workforce and community attributes could meet requirements of many mega projects.

2.11 Site 11: #00037-04-061 Florence County

Site Conclusion: This site does not meet the requirements of a mega site at this time. An earlier study determined that extension of rail to this site was not economically practical. Lack of rail eliminates this site as a competitive site for a mega industrial user. Additional evaluation of the historic and cultural resources identified on this site could impede large scale development on some portions of this site.

Site Summary: Although this property is owned by a single owner terms, conditions for the sale of this property have not been established at the present time. Soils and geotechnical assessments have been completed indicating that some site improvements could be required to accommodate medium to heavy industrial users on this site. An environmental assessment has been prepared and does not indicate any significant areas of concern. There are several historic properties and cultural resources on this site and an intensive survey of 900 acres is recommended. Several structures have been recommended for inclusion on the National Register of Historic Places. It is not clear if development of this site could proceed avoiding

these historical and cultural resources. Additional evaluation to clarify options would be very beneficial.

An evaluation of the required utility upgrades and associated costs was provided. A financing strategy should be developed to insure that the funds for these improvements would be available when needed. A conceptual plan outlining improvements to transportation network along with the cost for these improvements was provided. Earlier study states that extension of rail to this site is not economically practical. If this is a final determination, consideration should be given to utilizing this site for purposes other than a mega site as rail is a primary requirement for mega projects.

A significant amount of analysis has been conducted on this site providing potential prospects with valuable data on site conditions and features. A plan to develop the site as a multi-tenant business park has been developed and would provide larger acreage tracts and has the potential to be further subdivided to provide parcels to meet the requirements of a range of business and industrial users. The proximity of this site to a significant population base and workforce as well as the availability of outstanding educational and training resources within 30 miles of the site make this location an attractive location for a range of business and industrial users. Workforce and community attributes could meet requirements of many mega projects.

2.12 Site 12: #0322-00-01-001.000 Orangeburg County

Site Conclusion: Although this site does not meet the requirements of a mega site at the present time, further evaluation of the site for a mega industrial user is recommended. This site is being developed as a logistics and distribution park and the site will eventually include logistics services, warehouses, rail facilities, truck and rail distribution/warehouse buildings, ancillary support facilities, an intermodal yard, and related mixed development. This site is served by a branch line of CSXT and resolution of the rail service issues must be resolved prior to marketing this property to a mega industrial user.

Mitigation of jurisdictional wetlands on the site could impact the development of a mega industrial user on this property. It is recommended that these wetland issues be discussed with the appropriate regulatory agencies so that assurances can be provided to any potential mega industrial user considering this site.

Extensive planning and due diligence has been completed in support of this development strategy and the property owner has plans to proceed with Phase I construction to develop a 135 acre multi-tenant logistics and distribution operation to be completed by 2012. In the interim time period, once the utility and transportation infrastructure concept plans and the financing strategies for constructing this infrastructure are available for potential mega industrial prospects and assurances concerning the jurisdictional wetlands can be provided, this property could be marketed as a mega site.

Site Summary: This property is owned by a single entity who is actively engaged in the initial planning and due diligence efforts to develop this site as a major logistics and distribution facility. An agreement between the property owner and Orangeburg County Development

Commission allows this property to be marketed for a single mega industrial user prior to the initiation of construction of Phase I improvements. Karst topography is present within the site and additional evaluation of areas for potential future sinkhole development may warrant additional study to insure that significant industrial buildings can be strategically located on the site and avoid the areas of most concern.

Property control is clearly established and pricing has been developed for a mega industrial user. While the pricing may not be competitive given the generally expected incentive package for a mega project, the property is held by a single owner with the ability to negotiate competitive pricing for this property. Detailed information about soils and geotechnical conditions have been completed as well as a Phase I environmental assessment and a cultural resources survey report. The 404 permits have been submitted for the entire site. Further stormwater management plans and jurisdictional wetland issues will need to be resolved. A detailed timeline for permitting has been developed. Clearing and grading work for Phase I of the project development is scheduled to begin in 2009 with completion in early 2010.

3. Comparative Analysis of Mega Sites in the Southeastern U.S.

The process for evaluating and identifying mega or super sites varies significantly from state to state. Some states conduct detailed assessments prior to classifying sites as a *mega or super* site and others provide basically a listing of real estate sites on a searchable database. A number of states in the southeast have developed *mega site* programs, establishing a range of site attributes and qualification requirements. Within some states there are multiple site listings and certification programs that have been implemented by power companies, local communities, and even state wide organizations. Where this occurs it creates confusion for the businesses that certification programs were originally designed to help.

There are no definitive national criteria for mega sites but most industrial real estate experts and site consultants agree that instituting specific site requirements and a vetting or certification process helps to speed up the site evaluation process for companies and provides them with some basic assurances that the site could be developed. The key criteria that are relatively common for those states that have instituted a more comprehensive mega site review process include:

- Property ownership or control is vested in a single entity with clear acquisition terms and conditions in place to facilitate quick property acquisition
- Initial environmental studies have been completed, including phase I environmental assessment, geotechnical and soil studies that support industrial construction on the site, archeological and historic review completed, delineation of wetlands and streams prepared, and any required permitting is defined and schedules for securing all permits is available
- Required on-site and off-site infrastructure improvements have been evaluated to determine required upgrades, costs for improvements, construction timetable for completion, and how the upgrades will be financed. The available treatment plant capacities have been reviewed and system improvements that would be required have been evaluated by the utility authorities
- Transportation system improvements for road and rail have been evaluated and basic concept plan developed to define costs, schedules, and financing requirements for the improvements

The comparative evaluation that follows provides information about the mega site criteria used by other southeastern states and the process used to qualify these sites. A matrix of mega sites along with available site features has been developed to compare the South Carolina mega sites with sites identified in other Southeastern states to further assess various competitiveness factors. The sites included in this comparison are listed in **Exhibit 3-1** and their locations illustrated in **Exhibit 3-2**. The comparison matrix is shown in **Exhibit 3-3**.

Exhibit 3-1: Potential Mega Sites in Southeastern United States

ID	Site Name	City	State
1	#80-02, Dillon County	-	SC
2	#115-00-00-018-000, Chester County	-	SC
3	#323-00-00-001, Kershaw County	-	SC
4	Limestone County I-65 Mega Site	Athens	AL
5	Creola Mobile @I-65	Creola	AL
6	Sewell Mega Site	Huntsville	AL
7	Black Creek Mega Site	Winfield	AL
8	Marion Railport Industrial Park and Super Site	Marion	AR
9	Helena Harbor	Helena	AR
10	Saline County I-530 Mega Site	Hensley	AR
11	Westlake Mega Site	Jacksonville	FL
12	Woodstock Mega Site	Jacksonville	FL
13	Cecil Commerce Center Mega Site	Jacksonville	FL
14	Augusta Corp. Park	Augusta	GA
15	Savannah Mega Site	Savannah	GA
16	Bridgeport Park	Atlanta	GA
17	Hopkinsville Mega Site	Hopkinsville	KY
18	Marshall-Calvert City Mega Site	Calvert City	KY
19	Purchase Area Regional Industrial Site	Mayfield	KY
20	Elkton Mega Site	Elkton	KY
21	Glendale Mega Site	Hardin	KY
22	Pointe Sunshine Mega Site	Donaldsonville	LA
23	Franklin Farm Mega Site	Monroe	LA
24	Zachary Taylor Mega Site	Kentwood	LA
25	Gaddis Farms Industrial Property	Bolton	MS
26	Grenada I-55 Mega Site	Grenada	MS
27	Tunica Metro Mega Site	Tunica	MS
28	Laurinburg-Maxton Mega Site	Laurinburg	NC
29	GIPH Site	Winton	NC
30	Kingsboro-Rose Mega Site	Rocky Mnt	NC
31	Nash County Mega Site	Whitakers	NC
32	Memphis I-40 Advantage Mega site	Stanton	TN
33	Morganton Peninsula Site	Vonore	TN
34	West Tennessee Mega Site	Bells	TN

Exhibit 3-2: Potential Mega Site Locations in Southeastern United States

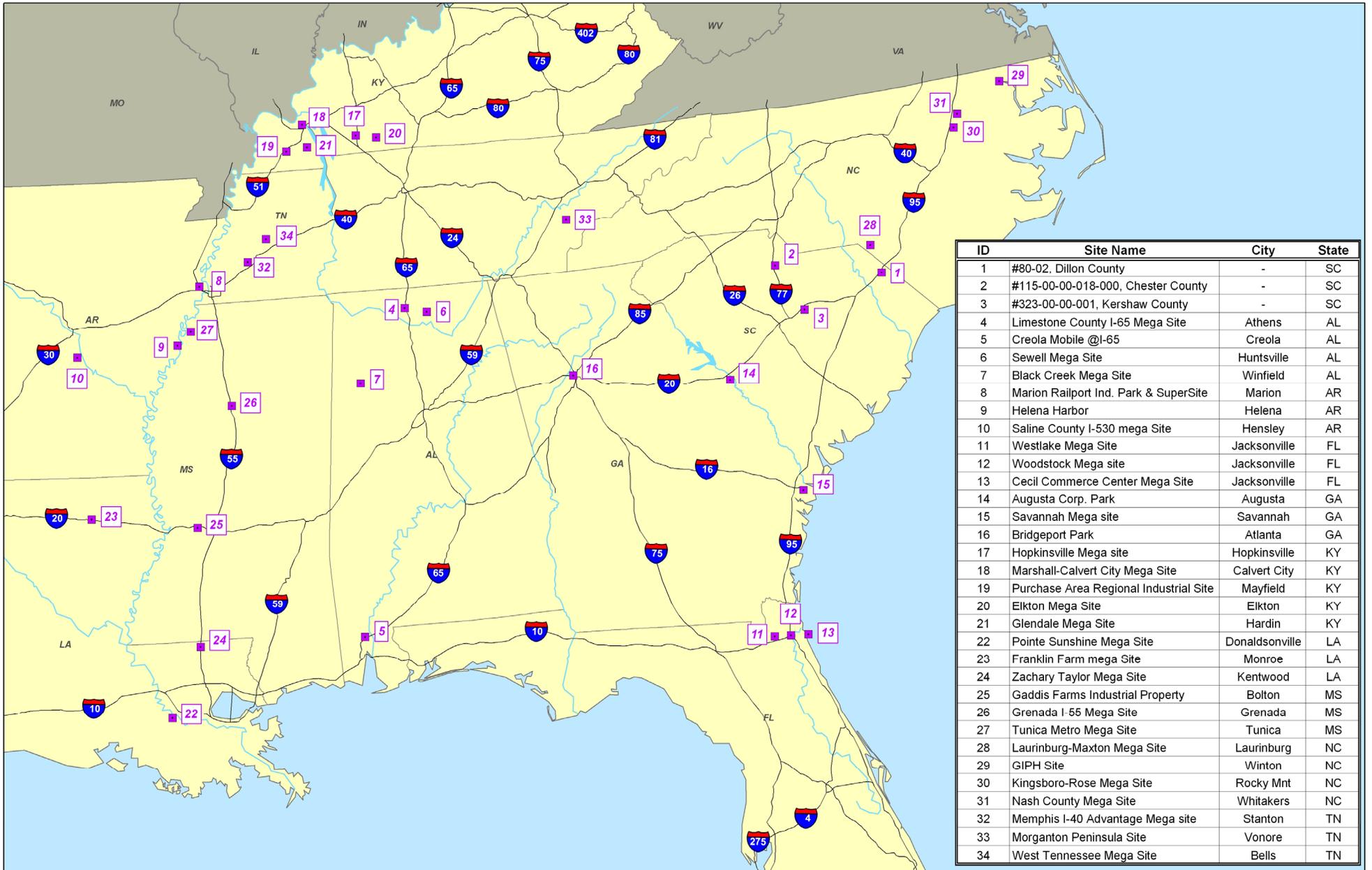


Exhibit 3-3: Comparison Matrix of Potential Mega Sites in the Southeastern United States

ID	Site Name	City	State	Site Control	Total Acres	Price per Acre	Proximity to Interstate (mi.)	Proximity to Major Highway (mi.)	Site Access E=Excellent F=Fair, P=Poor	Distance to Transportation (mi.)			Topography
										Class I Rail	Short Line Rail	Comm. Airport	
1	#80-02, Dillon County	-	SC	Optioned	2,008		Adjacent	Adjacent	F	1.5	N/A	28	Level
2	#115-00-0018-000, Chester County	-	SC	Private	1,152		Adjacent	Adjacent	E	12	On Site	15	Gentle Sloping
3	#323-00-001, Kershaw County	-	SC	N/A	1,400	N/A	2 miles	Adjacent	E	Adjacent	N/A	45	Level
4	Limestone County I-65 Mega Site	Athens	AL	Public	2,010	\$39,200	6	7	E	0.5		14	Level
5	Creola Mobile @I-65	Creola	AL	N/A	1,800	\$13,000	1	3	P	3		20	Level
6	Sewell Mega Site	Huntsville	AL	Public	1,322	\$25,000	3	8	P	< 1		4	Slight Rolling
7	Black Creek Mega Site	Winfield	AL	N/A	1,800	\$10,000	Adjacent in Future	Adjacent	F	On Site		70	Rolling
8	Marion Railport Industrial Park and SuperSite	Marion	AR	Private	2,100		3	3	F	< 1		16	Level
9	Helena Harbor	Helena	AR	Public	4,000	\$10,000	45	3	P	3		24	Level
10	Saline County I-530 mega Site	Hensley	AR	Public	2,045	\$8,000	2	2	F	3		15	Level
11	Westlake Mega Site	Jacksonville	FL	Private	4,600		3	Adjacent	F	2		11.5	Level
12	Woodstock Mega Site	Jacksonville	FL	Private	1,515		Adjacent	Adjacent	F	On Site		47	Level
13	Cecil Commerce Center Mega Site	Jacksonville	FL	Public	1,300		Adjacent	< 1	F	Adjacent			Level
14	Augusta Corp. Park	Augusta	GA	Public	1,794	\$5,000-\$25,000	9	< 1	F	Adjacent		7	Level to Rolling
15	Savannah Mega Site	Savannah	GA	Public	1,560		1.2	< 1	F	4	Adjacent	4	Level
16	Bridgeport Park	Atlanta	GA	Private	1,414		1	1	F	Adjacent		31	Gently Rolling
17	Hopkinsville Mega Site	Hopkinsville	KY	Optioned	2,100	\$18,000	Adjacent	Adjacent	F	Adjacent		55	Gently Rolling
18	Marshall-Calvert City Mega Site	Calvert City	KY	Optioned	1,854	\$20,000	11	< 1	P		Adjacent	28	Gently Rolling
19	Purchase Area Regional Industrial Site	Mayfield	KY	Public	2,141	\$15,000-\$25,000	9	< 1	F		Adjacent	22	Gently Rolling
20	Elkton Mega Site	Elkton	KY	Optioned	1,500	\$20,000	25	< 1	P	N/A		75	Gently Rolling
21	Glendale Mega Site	Hardin	KY	Public	1,551		Adjacent	5	P		Adjacent	46	Gently Rolling
22	Pointe Sunshine Mega Site	Donaldsonville	LA	Private	1,000		8	< 1	P	1			Level
23	Franklin Farm	Monroe	LA	Public	1,440		2		F	On Site			Level

South Carolina Mega Site Feasibility Analysis

ID	Site Name	City	State	Site Control	Total Acres	Price per Acre	Proximity to Interstate (mi.)	Proximity to Major Highway (mi.)	Site Access E=Excellent F=Fair, P=Poor	Distance to Transportation (mi.)			Topography
										Class I Rail	Short Line Rail	Comm. Airport	
	Mega Site												
24	Zachary Taylor Mega Site	Kentwood	LA	Optioned	2,900		Adjacent		E		< 1	60	Level
25	Gaddis Farms Industrial Property	Bolton	MS	N/A	2,072		0.5	0.5	E	Adjacent		22	Level
26	Grenada I-55 Mega Site	Grenada	MS	N/A	1,175	\$6,000	Adjacent	20	P		Adjacent	90	Gently Sloping
27	Tunica Metro Mega Site	Tunica	MS	N/A	2,221	\$20,000	2.5	Adjacent	F	Adjacent		22	Level
28	Laurinburg-Maxton Mega Site	Laurinburg	NC	Pubic	2,000	\$8,000	22	< 1	F	On Site		On Site	Level
29	GIPH Site	Winton	NC	Pubic	1,700	\$6,000	5	< 1	P		On Site		Level
30	Kingsboro-Rose Mega Site	Rocky Mount	NC	Pubic	1,307	\$18,000	10	< 1	F	Adjacent		60	Level
31	Nash County Mega Site	Whitakers	NC	Public	1,688	\$12,000	0.2	4	P	4		75	Level
32	Memphis I-40 Advantage Mega Site	Stanton	TN	Public	1,720		Adjacent	Adjacent	F	2		50	Rolling to Rough
33	Morganton Peninsula Site	Vonore	TN	Public	1,960		18	Adjacent	P	On Site		19.5	Rolling to Rough
34	West Tennessee Mega Site	Bells	TN	Public	1,600		11	Adjacent	F	Adjacent		15	Level

ID	Site Name	Available Reports (Y/N)		Reported Labor Force	Labor Radius	Utility Availability to Site or Distance to Utility								Zoning Classification
		Soils/Geotech	Environmental			Water	Size	Sewer	Size	Natural Gas	Size	Electric Power	DSL	
1	#80-02, Dillon County	Y	Y	303,121	30 mi.	Y	12"	Y	10"	Y	4"	Y	Y	N/A
2	#115-00-00-018-000, Chester County	Y	Y	186,415	30 mi.	200 ft.	24"	Adj.	8"	0.1 mi.		Y	Y	Industrial
3	#323-00-00-001, Kershaw County	Y	Y	327,000	30 mi.	Y	16"	At site	8"	Y	multi	Y	Y	Ind.
4	Limestone County I-65 Mega Site		Y	279,914	30 mi.	Y	12"	Y	12"	Y	8"	Y	Y	
5	Creola Mobile @I-65	N/A	N/A	417,096	4 Co.	Off Site		in 2009		Off Site		Y		Agriculture
6	Sewell Mega Site		Y	289,216	30 mi.	Y	12"	Y	24"	< 1 mile		Y	Y	Agriculture
7	Black Creek Mega Site	N/A	N/A	91,750	30 mi.	Y	6"	Y	8"	Y	6"	Y	Y	None
8	Marion Railport Industrial Park and Super Site	Y	Y	854,550	30 mi.	Y	12"	Y	15"	Off Site		Y	Y	Light Industrial
9	Helena Harbor			33,875	5 Co.	Y	16"			Y	10"	Y		None
10	Saline County I-530 mega Site	Y	Y	349,525	7 Co.	Y		Y		Y		Y	Y	Industrial
11	Westlake Mega Site			685,783	6 Co.	Y	18"	Y	18"	Y	4"	Y	Y	Light Industrial

South Carolina Mega Site Feasibility Analysis

ID	Site Name	Available Reports (Y/N)		Reported Labor Force	Labor Radius	Utility Availability to Site or Distance to Utility								Zoning Classification
		Soils/Geotech	Environmental			Water	Size	Sewer	Size	Natural Gas	Size	Electric Power	DSL	
12	Woodstock Mega Site			685,784	6 Co.	3.0 mi.		3.0 mi.		Y	6"	Y	Y	Agricultural
13	Cecil Commerce Center Mega Site	Y	Y	685,783	6 Co.									
14	Augusta Corp. Park			257,493	City	Y	14"	Y	15"	Y	8"	Y	Y	Heavy Industrial
15	Savannah Mega Site			179,294	City	Y	8"	Y	6"	Y	4"	Y	N/A	PUD
16	Bridgeport Park			95,340	10 mi.	Y	12"	N		Y	6"	Y	N/A	Agricultural
17	Hopkinsville Mega Site	Y	Y	19,764	60 mi.	Y	12"	Y	12"	Y	6"	Y	Y	None
18	Marshall-Calvert City Mega Site			11,841	60 mi.	Y	6"	Y	12"	Y	6"	Y	Y	None
19	Purchase Area Regional Industrial Site			11,488	60 mi.	Y	8"	N		1.0 mi.	8"	Y	Y	None
20	Elkton Mega Site			22,034	60 mi.	Y	6"	N		Y	3"	Y	Y	None
21	Glendale Mega Site			31,771	60 mi.	Y	8"	Y	42"	0.5 mi.	16"	Y	Y	Industrial
22	Pointe Sunshine Mega Site	Y	Y	1,293,056	75 mi.	0.5 mi.				Y	20"	< 1.0 mi.		
23	Franklin Farm Mega Site	Y	Y	280,062	75 mi.	Y				Y	30"	Y	Y	
24	Zachary Taylor Mega Site			670,472	60 mi.					On Site				
25	Gaddis Farms Industrial Property	N/A		291,690	8 Co.	Y		N		Y		Y	N/A	Agricultural
26	Grenada I-55 Mega Site		Y	35,861	30 mi.	0.5 mi.	10"	0.5 mi.	10"	Y	30"	3.0 mi.	N/A	Industrial
27	Tunica Metro Mega Site	Y	Y	119,420	9 Co.	Y	12"	Y	8"	Y	4"	Y	Y	Heavy Industrial
28	Laurinburg-Maxton Mega Site			151,245	5 Co.	Y	8'	Y	15"	Y	4"	Y		Industrial
29	GIPH Site			64,730	6 Co.	Y	8"	Y	8"	Y		Y	Y	Heavy Industrial
30	Kingsboro-Rose Mega Site	Y	Y	225,922	6 Co.	Y	8"	Y	10"	Y	6"	Y		M-3/AR-30
31	Nash County Mega Site			686,006	8 Co.	Off-site		Off-site		Off-site		Off-site	Off-site	A-1,GC
32	Memphis I-40 Advantage Mega Site	Y	Y	198,306	30 mi.	Y		Y		Y	30"	Y		None
33	Morganton Peninsula Site			288,368	30 mi.	Adj.	12"	1.1 mi.	12"	Y	12"	Y	N/A	None
34	West Tennessee Mega Site		Y	118,573	30 mi.	Y		Y		Y	36"	Y		Industrial

3.1 State of Alabama

Alabama has developed the *AdvantageSite* program to encourage communities to complete due diligence on sites that are included in its certified sites program. The creation of this program was driven by the need for more detailed information that would allow companies to evaluate sites quicker. Sites must be submitted by local economic development entities and the site must be available to be marketed by the *AdvantageSite* program for a minimum of two years.

This program certifies sites ranging upward from a minimum of 25 developable acres. Currently there are eighteen sites with over 1,000 acres listed on the Economic Development Partnership of Alabama website; however none of these sites have been certified through the *AdvantageSite* program. Sites must be served by an existing 2-lane public roadway, water and wastewater should be available to the site, and where service is not at the site, the plans, cost of construction, and construction schedule must be provided. Communities must complete a phase I environmental site assessment, wetlands assessment, preliminary geotechnical evaluation, and archeological and historical site evaluations.

Communities submit an initial application that is designed to help assess whether the site could meet the minimum criteria. After review of the initial application communities are requested to submit a very detailed questionnaire that is vetted by a designated review team. Sites that meet all of the criteria are inspected by members of the review team and the *AdvantageSite* designation is awarded to sites that meet the requirements of both the documentation and site inspection. The site is designated for a period of two years and site designations must be renewed at the close of the two-year period.

In addition to the *AdvantageSite* certification program, a portion of north Alabama is within the Tennessee Valley Authority (TVA) service area. TVA also has a mega site program and has certified a site in Limestone County, Alabama. Additional information about the TVA mega site program is included under Tennessee in **Section 3.9**.

3.2 State of Arkansas

The Entergy Arkansas *Select Site* program has certified 14 sites ranging in size from 60 acres to 2,045 acres. Most of the sites included in the *Select Site* program are less than 100 acres with the exception of two larger sites in Saline County, one site consisting of 700 acres and a second site located on I-530 with 2,045 acres. The Entergy *Select Site* program requires each site to meet specific criteria requiring site sponsors to provide information about site grading and clearing costs, a phase I environmental study, geotechnical and soils reports, screening for wetlands, appropriate zoning must be in place on the site, permitting issues must be evaluated and schedules established for securing these permits, and site mapping must be provided.

The *Select Site* program was driven by the requirements of site location decisions and the speed required to effectively compete for large industrial projects. Mega sites are a minimum of 1,500 acres and must be clearly reserved for large industrial developments. Communities must

complete the required site assessment prior to the site being included on the “Arkansas *Select Site*” program.

3.3 State of Florida

Although the State of Florida does not have a mega site program, several cities and businesses within the state have created their own mega or super site program. CSX Transportation has developed a site evaluation program within its service area to designate large acreage sites served by CSXT that could meet the criteria of major industrial projects. Sites that qualify under the CSXT program must be controlled by the representing entity, required due diligence must be completed, and in addition to rail access, the site must be adjacent to an interstate or major road corridor and provide utility infrastructure to the site.

The Central Florida Development Council has develop a Certified Site program for properties in its region that requires written commitment of a firm price and terms and conditions for selling or leasing the property, satisfactory completion of a Phase I environmental assessment, a geotechnical study that assesses the feasibility for construction on the site, a survey of the site showing location and size of all utilities, and zoning information.

3.4 State of Georgia

The *Guaranteed Ready for Accelerated Development (GRAD)* program was developed by Georgia Allies to Enhance Economic Development Opportunities for the State of Georgia. Driven by the speed with which site location decisions are made today, the GRAD program was developed to insure the availability of a pool of industrial sites that had been evaluated locally and validated by a professional third party. Sites are submitted by a local community or economic development organization and Georgia Allies review the information and selects sites for further evaluation. These sites are certified as having a “high level of readiness for industrial development”.

The GRAD program certifies sites in excess of 50 acres and there is not a special mega site certification at this time. The property must be under the control of an appropriate organization (local government, economic development organization, etc.) through either ownership of a secure option and the purchase price or terms for determining a price along with the terms and conditions must be covered in a legally binding document. Industrial zoning is required for those communities with zoning. For communities without zoning control, an alternative mode of assurance is required regarding industrial development of the site, such as protective covenants or binding commitment from the local government.

Rail access is required including supporting documentation from the railroad serving the site establishing the requirements of constructing a spur track to the site including any technical obstacles and financial issues. If improved roadway access is required an engineer’s review is required to establish all permitting and construction issues and evidence of coordination with GDOT related to public highway access is required. GRAD sites have a detailed profile of existing and planned infrastructure including water, wastewater, electrical distribution, natural

gas, and communications services that includes internal site requirements and off-site capacity. For each utility internal and external improvements are defined including the feasibility, cost, and schedule for any construction. GRAD sites have wetland and stream delineations in place, detailed topographic data available, soils and geotechnical studies have been completed along with phase I environmental assessment and cultural, historic, and endangered species evaluations.

3.5 State of Kentucky

The State of Kentucky has established “Shovel-Ready” sites. For sites to be listed on the Primary Industrial Park database, site map specific requirements have been established. Requirements or publication on the database and map include:

- Utility infrastructure and treatment capacity must meet defined requirements for site proximity and available capacity
- For those sites with unresolved environmental issues a “No Further Action” letter or equivalent must be provided. If environmental or geotechnical reports are available they must be provided and communities are encouraged to prepare these reports
- Site must have access from an existing road or legal easement
- Electrical service provider must be identified
- Communities without zoning should provide information to support that the site is in an area conducive to industrial or business development. Protective covenants are encouraged. Communities with zoning must be zoned for industrial or mixed use.
- Site should be outside of the 100-year flood plain
- Property control/ownership should be vested in the local economic development organization
- Sites that are privately owned must provide authorization to be included in the database
- Natural gas, rail, and truck highway access, and telecommunications are desirable but not required for publication

Portions of Kentucky are within the TVA service area and two mega sites in or adjacent to Kentucky have been certified through the TVA mega site program. The Clarksville-Montgomery County mega site was recently sold to Dow Corning and Hemlock Semiconductor for a semiconductor facility that will support the solar industry. The I-24 mega site is available and is currently marketed on the TVA website.

3.6 State of Louisiana

The State of Louisiana has not established a mega site certification program at this time, however Louisiana Economic Development is promoting a “ready-for-development” mega site on its web

site and Entergy Louisiana has established a mega site certification program and is marketing four Louisiana “mega sites.” At least two communities within the state have hired a consultant to “certify” mega sites in their communities.

The Entergy Louisiana mega sites must provide information on:

- Site topography
- Flood zones
- Suitability Analysis
- Wetlands data
- Zoning
- Soils study
- Transportation network
- Population and workforce
- Mapping

The Pointe Sunshine site has been certified by Entergy Louisiana and a certified mega site program created by Peake Consulting. Peake Consulting has certified this site as a “Certified deep water port industrial site”.

3.7 State of Mississippi

The Tennessee Valley Authority service area includes part of North Mississippi. Three mega sites have been certified in Mississippi under the TVA program. All three of the sites have now been sold including the Tupelo site where the Blue Springs Toyota plant is under construction and two sites in Columbus, Mississippi where SeverCorp has built a major steel fabrication plant.

Entergy Mississippi provides a searchable database on their website that currently lists 10 sites of over 1,000 acres. Entergy Mississippi has not initiated their certified “*Select Sites*” program in Mississippi at this time. The State of Mississippi Development Authority lists 19 sites of over 1,000 acres on the “Advanced Search” database. The Tunica Super Site boasts 2,221 acres on I-69. The site is privately owned, but the county holds an option on the property and development of the site will be jointly financed through a partnership between the county and the property owner.

3.8 State of North Carolina

The State of North Carolina has a certified site program. Only one “mega site” with over 1,000 has been certified. Duke Energy hosts a website of “Featured Industrial Sites” with two sites over 1,000 acres. North Carolina’s Northeast Commission markets three “mega sites” ranging from 1,700 acres up to 5,915 acres. The Carolina Gateway Partnership markets the Kingsboro-Rose Mega Site and the Mid-Atlantic Industrial Center also known as the Nash County Mega Site.

The North Carolina Certified Sites program established a pre-qualification process to evaluate sites insuring that they are “client-ready” and present locations where development can begin immediately. Communities must submit a detailed site profile and a site inspection conducted by a third-party consulting firm and professional engineers. Certified Sites must address: property ownership/control, public utilities availability, demographics of the region, detailed analysis of development costs, provide a site development plan including estimated costs, phase I environmental audit, utilities access and timeline for service, letter of support from local governments, and sales price documentation.

3.9 State of Tennessee

The Tennessee Valley Authority (TVA) began developing their mega site program in 2004. The program was instituted within the TVA service area, including Tennessee and portions of Mississippi, Alabama, Kentucky, and North Carolina. The process requires communities to prepare an initial site certification document providing information about the site, pricing, property control, previous uses of the site, existing structures, topography, wetlands and bodies of water, soils and geotechnical information, site access and transportation network, and zoning. Communities applying for a mega site certification must also participate in several activities including a “mock” site evaluation that requires them to prepare a detailed proposal package for a “confidential mega-project”.

HSC-Dow Corning recently purchased the 1,215-acre Clarksville-Montgomery County Mega Site and will invest \$1.2 billion in a plant to build semiconductors for the solar technology industry. Earlier in 2008, Volkswagen of America announced its decision to produce cars on the Enterprise South Mega Site, a 1,350 acre site owned by the City of Chattanooga and Hamilton County. VW will invest \$1 billion and create 2,000 direct jobs to the region. Announcements like these and others in Mississippi have attracted significant attention and generate increasing interest in mega sites.

The TVA mega site certification document requires the following information:

1. Total contiguous acres of the proposed site
2. Number of developable acres
3. Number of parcels
4. Proposed site configuration/shape including any out parcels or site development limitations
5. Is the proposed site in an industrial park setting?
6. Property pricing
7. Is the property currently controlled by an option?
8. Option expiration date
9. Option holders
10. Number of landowners
11. Current property owners
12. Chronology of parcels’ previous use
13. Structures on the site

14. Topographic elevations and relief
15. Describe area with wetlands, creeks, or other bodies of water
16. Jurisdictional control of bodies of water or wetlands
17. Easements and rights-of-way on the site
18. Soil conditions
19. Rate site's ingress/egress
20. Roads providing access to the site
21. Traffic control at the site
22. Current zoning and required rezoning issues

4. Summary

The success of mega site programs throughout the Southeast is based in part on a coordinated community/regional resource and a strong working relationship with the state economic development entities. The “State of Readiness” is critical, and those who will ultimately participate in “face-to-face” meetings for a mega project should take the time to be “trained” and not presume that they know what companies with projects of this magnitude want to hear. Advanced planning and preparation for these meetings, just like the efforts required to be in a “State of Readiness”, are very important.

States with multiple mega site programs are confusing to many site consultants. Consistent information about site conditions and constructability similar to those provided in the South Carolina Certified Sites Program is critical to businesses and consultants evaluating mega sites. It is important to demonstrate that the site sponsors and the communities behind them are credible, can maintain a sense of confidentiality about a project, are capable of being a partner in moving a project forward, and can work cooperatively with others to help make a project happen. A “State of Readiness” demonstrates an understanding of the issues and challenges projects face and it shows an ability to be results oriented.

Appendix A: Mega Site Evaluation Questionnaire



A. Site Location

Site Name:

Site Location: Street:

City:

County Tax ID #:

Please attach a general written description of the site including site characteristics, a site map, a regional map showing roads providing site access, and other site features.

B. Site Information

B.1. Priority Size, Zoning

Please provide specific data, information, maps, aerial photographs, and other appropriate materials to respond to the request for information below.

- Total contiguous acres in the proposed site.
- Total contiguous developable acres within the site.
- Total number of parcels in the proposed site.
- Total cleared acreage within the site.
- Attach a map showing the site and highlight other available out parcels adjacent to the site.



- Describe the land uses surrounding the site.
- Current zoning and allowable uses for the property surrounding the site.
- Will a zoning change be required in order for this site to be used as a mega site and if rezoning is required, outline the anticipated timeframe for completing this rezoning?

B.2. Property Control

- Property is owned or controlled by purchase option or other means by a local economic development entity or local government at the present time.

_____ yes
_____ no
_____ terms if applicable

- Attach a copy of the deed or purchase option with submittal.
- Provide names, address, and other relevant information for all current property owners, including public or economic development agency ownership of this site.
- If the property is controlled through an option, when will local economic development entity or local government purchase this property? Are the funds for this acquisition currently available? If not, when will the funds be available to complete site acquisition?
- If the property is subject to any restrictions, liens, easements, rights-of-way, or other encumbrances, describe each in detail and provide copies of all related documents in an attachment to this questionnaire.



- Provide a title report and/or chronology of previous property owners and describe previous and current property uses for this site (note deletion of text here).
- How many structures are on this site currently and are any of these structures occupied?
- Provide the following information about the price of this property: the total price of the entire site, the price per acre, the assessed and appraised values of the property, any terms and conditions affecting the price of the property.
- How does the community propose to finance the acquisition of this property and how will price this property to a potential mega site user?
- Provide the current millage rate for this site and a breakdown of all local taxes that this site would be subject to.

B.3. Site Characteristics and Environmental Information

- Describe the site topography and provide a topo map along with information describing site grading or other site improvements that would be required to accommodate a mega industrial or logistics user (attach additional pages as needed).
- Outline anticipated timeframe for completing the site grading and improvements described above including permitting.
- Provide a map showing wetlands, floodways, floodplains, and blue-line streams, creeks, etc. within this site.



- Identify agencies with jurisdictional control of these waters and provide a list of permits you anticipate will be required to develop this site and timeframe generally required to secure each of these permits.
- Are there sub-surface conditions that might affect the development of this property as a mega site and if so, what are those conditions?
- Submit a copy of soils and geotechnical report if one has been completed. If this information is not available, when do you anticipate such a report being completed?
- Have any environmental studies, environmental audits, or other environmental assessments been completed on this site? Provide copies of available reports.
- Are there any archaeological sites present on the proposed mega site and has an archaeological review or study been prepared? Provide copies if available.
- Are any historic structures on the site and has the SC State Historic Preservation Office provided a clearance letter on the site?
- Are there any existing air quality issues that would impact the development of this site as a mega site? If so describe.
- Discuss the site development issues, opportunities, and development barriers that you anticipate with the acquisition and development of this site.

C. Site Infrastructure

C.1. Wastewater Infrastructure System

- Name, address, contact name, and telephone number of owner/operator of the collection and treatment systems serving this site.



- Distance to closest wastewater collection line.
- Size of closest wastewater collection lines.
- Is this a force main or gravity flow line?
- If a force main line would serve this site, provide capacity of all lift stations between the site and the treatment plant.
- Type of wastewater treatment process for this site.
- Permitted capacity of wastewater treatment plant serving this site.
- Available treatment capacity at the treatment plant serving this site.
- Describe treatment plant expansion plans anticipated in the next 5 years.
- Describe existing wastewater collection or treatment system constraints.
- In collaboration with the site utility provider, submit an attachment describing the improvements required to serve this proposed mega site and a strategy for covering the costs associated with these improvements.

C.2. Water Infrastructure System

- Name, address, contact name, and telephone number of owner/operator of the distribution and treatment systems serving this site.



- Describe the existing or proposed water lines serving this site including pipe diameter, distance from the site, pressure in PSI, and provide a map showing the existing water lines serving or in proximity to this site.
- What is the raw water source for the water system serving this site?
- Describe existing water distribution or treatment system constraints.
- Design capacity of water treatment plant serving this site.
- Current usage at the water treatment plant serving this site.
- Describe treatment plant expansion plans for the next 5 years.
- Provide a map showing the location of existing elevated water storage tanks serving this site and describe the tank volume(s), overflow elevations, trunk line from the tanks, distance to the site, and diameter of line(s).
- Provide the name and address of the closest emergency fire service that would serve this site.
- Describe the existing or projected fire flow characteristics available for this site.

C.3. Electrical Infrastructure

- Name, address, contact name, and telephone number of owner/operator of the electrical distributor and power generator serving this site.
- Distance to closest available 3-phase electrical service.



- Describe the capacity and distance of local electric distribution lines and substations.
- Describe the capacity and distance of electric supplier lines and substations.
- Describe the proposed electric power grid and services that are available or will be extended to the site.
- Is it possible to provide dual electric feed to this site and if so, please discuss how that would be accomplished

C.4. Natural Gas Infrastructure

- Name, address, contact name, and telephone number of owner/operator of the local natural gas distributor and the owner of the major transmission lines serving this site.
- Describe the how natural gas will be supplied to this site including line size, distance, and other upgrades if required.

C.5. Telecommunication

- Name, address, contact name, and telephone number of local telephone service provider(s).
- Is ISDN available to the site?
- Location of the closest central office.
- Internet service provider(s) and location of closest central office.



- Is high speed broadband service (e.g. fiber optic) available and if so, where is it located in relation to the site?

D. Transportation Network

- Is the site within one mile of an interstate interchange or limited access four-lane highway, if so, which one(s)? Describe the transportation network within 5 miles of the site.
- Describe the existing road network serving the site including the road names, number of lanes, level of service, current traffic count, most recent safety audit, current condition of the road, distances to the site, and other roadway features.
- Are new access roads planned to serve this site and if so, describe the planned corridor, timeframe for construction, and when funds would be available to begin construction? Are other road improvements planned that would impact the site and are they funded?
- Where is the closest Class I rail line and what is the distance from the site to this line? Have any access studies been performed? If so, please furnish a copy.
- Where is the closest short line rail line that could provide service to this site?
- What rail services do you propose for this site and which rail provider would provide this service?
- What is the closest port and what is the distance from the site to this port by highway and rail?
- What is the closest commercial service airport and what is the roadway distance from the site to this airport?



- What is the closest general aviation airport, what is the length of the runway, and the roadway distance from the site to this airport?

E. Workforce Characteristics and Regional Population

- What is the population within 30 miles of this site?
- What is the projected population growth of the county by 2015?
- Describe the available workforce within 30 miles of the site.
- Describe the educational attainment of the workforce within 30 miles of the site
- Describe the education and training resources available within 30 miles of the site.
- Are there industrial or business facilities that have opened or closed within 30 miles of this site within the last 2 years and if so, what facilities?

Please provide the following information for the person completing this questionnaire in the event that additional information or clarification is required:

Name: _____

Address: _____

Phone: _____

Email Address: _____

