

THE POWER OF POWER

Companies searching for just the right spot to locate their manufacturing plants, warehouses, and other facilities rank energy high on their list of priorities.

Logistics professionals manage the flow of products between the point of origin and the point of consumption. The journey from Point A to Point Z involves challenges and opportunities all along the way. Coping with all of that requires — quite literally — a lot of energy.

As energy resources evolve and grow, so do the costs associated with them. Accordingly, savvy logistics professionals understand that an effective logistics plan begins where the product begins. And that means identifying the ideal environment for low-cost, effective utilities.

After analyzing all the ramifications, several sites light up the list: Joplin, Mo.; central and southern Indiana and southeastern Illinois; and North Carolina.

Joplin: Plugging Into Reliability and Cost

The availability of low-cost and reliable utilities figured prominently in Ohio-based Owens Corning's decision to open a new manufacturing facility in Joplin, Mo., according to Rob O'Brian, president of the Joplin Area Chamber of Commerce. The building and remodeling company's nearly \$90-million project is expected to create more than 100 jobs.

"Owens Corning found Joplin to be the ideal site for favorable utility and transportation costs, and workforce and facility quality," O'Brian says, adding that energy reliability is a key factor in the region's strengths. "We have a number of power plants, and they all work hard to stay compliant with energy guidelines and regulations so they are viable for the long haul."

Owens Corning's move also speaks to Missouri's overall vitality, according to Missouri Governor Jay Nixon. "Owens Corning's decision is a testament to our strong manufacturing sector, which has seen tremendous growth over the past few years," Nixon said when making the announcement. "While some states are losing manufacturers to other countries, we are attracting new companies and selling more Missouri-made products around the globe."

Another key factor is the strength of the partnerships that exist among Joplin-area government and business organizations, including its utility suppliers. "Three local governments, the regional planning organization, Empire District Electric, the Carl Junction schools, the State of Missouri, the owner of the facility, and other property owners in the area, and many others, worked diligently with Owens Corning to make this move happen," O'Brian says.

The region's economic development efforts are promoted through the Joplin Regional Partnership, which provides site-selection assistance, incentive and business tax information, key contacts in business and local governments, demographic and economic data, and other services.

The organization works closely with site selectors to determine the precise location that is most advantageous for new facilities. "If site selectors provide their estimated energy use—or better yet, an existing bill—we can do an in-depth analysis of what their utility costs would be in Joplin," O'Brian says.

"Every operation is different," he adds. "Electricity is a key component, but the company might be a heavy gas or water user, too. As a regional economic development group, we have the opportunity to look at utility costs across different communities. One particular site might work better than another, depending on the balance of electric, gas, and water use."

The Joplin region features a mix of investor-owned, city-owned, and rural electric cooperatives. Empire District Electric Company, based in Joplin, is an investor-owned utility serving about 10,000 square miles of territory in southwestern Missouri, southeastern

Kansas, northeastern Oklahoma, and northwestern Arkansas.

Empire has worked to steadily increase its generation capacity and broaden its array of energy sources. In addition to wind-energy capabilities, Empire also added gas-fired power plants to provide supplementary capacity during peak demand periods, and collaborated with several other utilities to construct clean coal plants. Those investments have boosted capacity and increased service reliability in Empire's territory.

Missouri Gas Energy, the natural gas utility that serves Joplin, has also increased its capacity. The company has provided natural gas service to the Kansas City metropolitan area and western Missouri for nearly 150 years.

The region's energy advantage is especially strong. "Joplin is located at the edge of many natural gas fields, so we have plenty of capacity," O'Brian says. "And the major industrial parks have a large electric and gas capacity in general."

The region's utilities work closely with facilities to help keep costs down. "For many utilities, it is more cost effective to work with companies to improve energy efficiency than it is to build a new power plant," he notes.

Indiana, Illinois: Supplying the Whole Package

A new financial incentive contributes to the numerous reasons the region served by the Hoosier Energy Power Network—central and southern Indiana and southeastern Illinois—is on the "must-see" list for site selectors looking for the most advantageous utility rates and services.

Disasters Happen! How you handle them is what matters.

On May 22nd, an EF-5 tornado devastated nearly 1/3 of Joplin, Missouri
7,000 homes were destroyed

More than 500 businesses were leveled and 5,000 jobs were lost

107 miles of city streets were filled with 3 million cubic yards of debris

(That's enough debris to fill a football field end zone to end zone nearly as high as the Empire State Building)

Eleven public school facilities, including the high school, and one private school were lost

Before dawn on May 23rd, all streets were opened one lane for emergency services

Before midnight on May 24th all lanes were cleared

On May 26th the Business Recovery Center opened to help impacted businesses

More than 400 businesses have reopened their doors with more reopening every day

3,500 of the employees who "lost" their job remain on the payroll

All 3 million cubic yards of debris was removed by August 7th as scheduled

Schools started on time in temporary facilities that are the model for schools of tomorrow



For More Information

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This recovery would not have been possible without our Regional Partners
and help from all across the United States and the world.

Thanks to this CAN DO attitude, the Joplin region is still open for business and stronger than ever.

Your business can benefit from this CAN DO spirit.

Contact us today.


The Joplin Region: Central. Connected. More Than Capable!

LOGISTICS. LOGISTICS. LOGISTICS.


(HAVE WE GOT LOCATIONS FOR YOU.)



If you're considering relocating or expanding your logistics operation, we offer what may be the most logical solution. A searchable database of shovel-ready sites or existing facilities. It goes without saying that Hoosier Energy has everything to meet your power requirements but we also have resources to help you find the perfect address. And beyond that we are able to identify community incentives on your behalf. We guess you could say it makes a lot of sense. Logical even. Mr. Spock would be proud.

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“We find that promoting our region works best by selling the whole package,” says Harold Gutzwiller, Hoosier Energy’s manager of key accounts and economic development. That “whole package” includes Hoosier Energy itself, which recently introduced an Economic Development Rider (EDR) providing a five-year discount on electricity costs for qualified new or expanding businesses.

“Hoosier Energy has now fully engaged the use of our EDR, and started applying it to the benefit of clients,” Gutzwiller says. “This EDR offers a 20-percent discount on the first-year electricity bill, and phases out over five years, allowing new businesses and expansions to enjoy one of the best incentives that produces results in the bottom line.”

Businesses benefiting from the EDR program cover a wide area. The Hoosier Energy Power Network, a generation and transmission cooperative, provides wholesale electric power and services to 18 member distribution cooperatives in the region. Based in Bloomington, Ind., Hoosier Energy operates coal, natural gas, and renewable energy plants and delivers power through a 1,500-mile transmission network.

The location of the Hoosier Energy region gives it a powerful logistics edge. Interstate 65 runs through the heart of the service area. Interstates 75 and 57 run on the region’s respective eastern and western borders, all offering a variety of routes that connect with U.S. southern states.

The cooperative’s eastern boundary allows one-day delivery to most of the East Coast. Its western boundary is a short drive from St. Louis. Many parts of the region feature easy access to south-eastern and south-central markets such as Nashville and Memphis.

Hoosier Energy’s new EDR is part of a toolkit of benefits the region is marketing to energy-conscious businesses across the country. “We now work with local communities to meet site selectors and business prospects in markets throughout the United States,” Gutzwiller says. “That enables clients to directly hear and question the communities regarding sites and incentives.”

He cites other key elements in the region’s package of advantages, including Indiana’s strong pro-business environment—which he calls “best in the Midwest”—and Hoosier Energy’s partnerships with communities throughout the service area, which have their own programs tailored to encourage business growth.

The combination of benefits drives impressive results.

“We observed a strong period of growth in our region, as documented by 2014’s huge jump in new business investment and jobs, among the best years we’ve seen since the 1980s,” Gutzwiller says.

Hoosier Energy is helping to power that growth through its own initiatives and investment. “Hoosier Energy and its member systems invested in a sound transmission and distribution system with a high number of redundant substations and transmission facilities to give industrial and commercial customers the reliability they want,” Gutzwiller says. “And our high creditworthiness enables us



Hoosier Energy constructed its new 80,000-square-foot headquarters, a LEED Gold building, in Bloomington, Ind., in 2014.

to finance our capital investment at the lowest cost achievable.”

The power network also works to keep costs in check. “Hoosier Energy works closely with state and local officials to understand and meet the energy needs of any form of economic growth our local distribution cooperatives serve,” Gutzwiller says. “We recognize that each project is unique, so we communicate early in the search process—before the site selection is even finalized—to make sure that our facilities are adequate to serve, and to determine what new investment we may need to provide for the project.

“We discuss the different rate options, and how we can tailor-fit the client’s operations with our rates to provide the lowest-cost power,” he adds. “We also try to anticipate how to add local infrastructure and incentive opportunities to keep facility costs low for the client, and how to apply our EDR to maximize savings.”

North Carolina: Electric With Clout

A local perspective is vital when determining which power package works best. “Public power communities have the advantage of local decision-making, so they can design a customized approach for operations that need additional security measures, such as on-site backup generators,” says Brenda Daniels, manager of economic development for ElectricCities of North Carolina.

“Additionally, local officials can use on-site generation and other tools to lower power costs for industrial customers,” she adds.

ElectricCities serves NC Public Power communities through a wide range of services, including customer service and safety training, emergency and technical assistance, communications, government affairs, and legal services. ElectricCities also provides management services to the state’s two municipal power agencies—North Carolina Municipal Power Agency Number 1 and North Carolina Eastern Municipal Power Agency. Most member cities have been in the electric business for one century or longer.

This long experience has translated into an impressive record of reliability. “We’re fortunate that the reliability of NC Public Power communities is superior to other providers in the region, as measured by key reliability indices,” Daniels says. “Our communities not only have fewer outages annually, but the duration of the

outage is also shorter. We find superior reliability to be an important consideration for site selectors.”

The region served by ElectriCities has the advantage of two Prime Power Parks, one in Gastonia and one in Albemarle, offering redundant power for sensitive operations.

“The Prime Power Parks are ideal for manufacturers with a critical need for continuous power supply,” Daniels says. “The park in Albemarle is located adjacent to the Stanly County Airport, making it an ideal location for military suppliers. The Gaston Technology Park has enjoyed great success over the past few years, and is home to the U.S. operations of German, Italian, and French manufacturing companies.”

The region offers a range of options for manufacturers, including a megasite near Rocky Mount, which numerous global manufacturers are investigating for expansion into North Carolina.

It is little wonder that North Carolina has become a magnet for manufacturers. Conditions in the region make it a logistics leader.

“North Carolina has an abundance of quality highways, rail access, and convenient access by air,” Daniels says. “Among our communities, workforce development is a key priority. Most of our members have close partnerships with regional economic developers and the community college system to ensure the proper training is available to attract industries in new and emerging sectors.”

These advantages have drawn U.S. companies to “come home” to North Carolina after forays overseas.

“We have seen industries return to North Carolina, but not necessarily due to energy costs only,” Daniels says. “With the rising

costs of doing business overseas, we see more companies show interest in returning to North Carolina because it’s more cost effective for their operation across the board, including real estate, transportation, and utilities costs.

“We also see interest in our state’s quality workforce,” she adds. “North Carolina has a strong tradition of furniture manufacturing, with many skilled workers available for all phases of production. Several companies in this industry have returned to North Carolina.”

ElectriCities works closely with companies seeking to locate or relocate to the region. “North Carolina takes an integrated approach to working with site selectors,” Daniels says. “We work with the North Carolina Department of Commerce, including the newly formed public-private partnership, regional economic development organization, and county economic developers to offer the most competitive package possible.

“ElectriCities works with the municipal utility to offer a rate proposal customized to a company’s specific needs,” she adds. “We find this front-end work to understand

the customer’s individual needs helps them manage energy costs for years to come.”

In 2015, ElectriCities launched Smart Sites (S²), a new shovel-ready site qualification program designed to support economic development opportunities in member communities. A final review is being completed, and marketing selected sites will begin soon.

Putting energy into considering utilities as a key factor in site selection helps logistics professionals shine. ■



NORTH CAROLINA IS A GREAT PLACE TO DO BUSINESS!

In fact, *Site Selection* magazine ranked North Carolina 2nd in its annual Top Business Climate survey for 2013. So if you're looking at North Carolina, let ElectriCities' Economic Development team illuminate the way. We represent more than 70 public power communities across the state. To help serve you better, contact Brenda Daniels, Manager of Economic Development at 800.768.7697, ext. 6363 or bdaniels@electricities.org for more information.

<p>CONCORD</p> <p>International Crossing Business Park Location (Under Construction) Building size: 277,253 s.f. Build-to-suit office space Ceiling height: 32' clear height Sprinkler: ESFR Sprinkler System Dock doors: 70 dock doors with 10 knock-outs Trailer: Storage onsite Depth: 240' Column spacing: 45' typical Doors: Two drive-in</p> 	<p>KINSTON</p> <p>Highway 70 West Industrial Park Location: 2010 Smithfield Way, Kinston, NC 28504 Building size: 40,000 s.f. expandable to 160,000 s.f. Year built: 2009 Acreage: 9 acres with additional 8 acres available Ceiling height: 30 feet Dock doors: 2 dock-high, 1 drive-in Flooring: 10 mil vapor barrier</p> 
<p>CONCORD</p> <p>Concord Airport Business Park Location: 7055 Northwinds Dr., Concord, NC 28027 Building size: 150,000 s.f. Year built: under construction Ceiling height: 32 feet clear Dock doors: 20-30 side loading Flooring: 6 inch concrete Adjacent to Concord Regional Airport</p> 	<p>CONCORD</p> <p>International Business Park Location: 4541 Enterprise Dr., Concord, NC 28027 Building size: 88,527 s.f. expandable up to 141,000 s.f. Year built: 2011 Acreage: 12.8 acres Ceiling height: 28 feet Dock doors: 4</p> 
<p>CONCORD</p> <p>Concord Airport Business Park Location: 7035 Northwinds Dr., Concord, NC 28027 Building size: 400,000 s.f. Year built: under construction Ceiling height: 36 feet Dock doors: 40-80 side loading Flooring: 6 inch concrete Adjacent to Concord Regional Airport</p> 	<p>SHELBY</p> <p>Foothills Commerce Center Location: 1001 Partnership Drive Shelby NC 28152 Building size: 100,000 s.f. expandable to 200,000 s.f. Year built: 2013 Ceiling height: 30 feet Rail: .56 miles Walls: Structural precast concrete 100% ESFR</p> 