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Site selection depends on location, numbers, workers, CEO quirks

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By David Guo, Pittsburgh Post-Gazette

Welcome to Dyersburg, Tenn., Gateway to Middle America, within a day's drive of 76 percent of U.S. major markets.

And Siouxland, tri-state gateway to South Dakota, Iowa and Nebraska. Or Akron, Ohio, the resurgent Rubber Capital of the World that's within 50 minutes of 27 universities and colleges.

And let's not forget Memphis, Tenn., home of the world's busiest cargo airport 14 years running, the nation's third-busiest rail hub and its fourth-busiest inland port behind ...

Pittsburgh, favorite-son gateway and resurgent steel capital that's within 500 miles of 63 percent of the nation's industrial output and, sorry, Memphis, America's third-busiest inland port.

Like an online parade of billboards, some of last year's top economic development organizations, including the Pittsburgh Regional Alliance, strut their stuff at www.siteselection.com for all to see.

Their prime targets include the behind-the-scenes specialists who help CEOs decide who ought to get those new workers, office parks and taxes.

With all the bluster that can make each region sound better than the next, what's a picky site selector to do?

If you're Susan Arledge, the first things to tune out are the promotional videos, the ones David Brandon of the Dallas-based Site Selection Group said look best when erased.

"None of us have ever seen an economic development CD," said Ms. Arledge, CEO of Arledge Partners, also of Dallas, whose clients have included everybody from American Airlines to FTD florists. "The videos, they're a waste of money. People biking through the local park -- it doesn't influence any of us."

After a while, wide-angle glossies of one gateway after another begin to look the same, the panel of 10 site selectors hinted at a developers expo Wednesday co-sponsored by the Pittsburgh Regional Alliance and the National Association of Industrial and Office Properties.

"Quality of life is never on the matrix, because every city has it," said Ms. Arledge. "I'm not going to take a company to a drug-infested area. By the time we're short-listing 20 to 25 sites, quality of life is not a factor. It's a given."

"Quality of life is very subjective," said Jay Garner of Competitive Strategies Group, of Atlanta. "What communities need to focus on is quality of place," to him a more measurable factor that includes factors such as the educational core. Along with a quality work force, he said, that's one of Pittsburgh's prime assets, anyway.

Nearly 200 real estate and planning professionals were on hand at the Regional Learning Alliance in Cranberry Woods. Tell us, moderator Bill Flanagan of the Allegheny Conference told the panel, what our strengths and weaknesses are. Not every site selector agreed about everything -- a few said quality of life did matter, for instance -- but on some points a consensus emerged.

Work force quality? Check.

Location? Check.

Government incentives? A piddling fraction of what they are in such states as South Carolina.

Education? Check, but with an asterisk marking the need for more vo-tech training.

Mr. Brandon, the site expert, said Pittsburgh was not alone in mass-preaching the four-year college route to those who might be better served honing more trade-specific skills.

"The reality is we're not all cut out to do that. There's not a demand in the marketplace for that many history grads," said Mr. Brandon, who guided Amazon.com in its recent decision to build a 1,200-employee fulfillment center in Hazleton, Luzerne County, instead of choosing finalists such as Wilmington, Del.; Elizabethtown, N.J.; or Elkton, Md.

When the site-selector punch list got to airport access, a roomful of nods greeted Tony Greco, a Westinghouse Electric Co. senior vice president, who wondered whatever happened to the "International" in Pittsburgh International Airport.

Mr. Greco's keynote speech focused on Westinghouse's relocation to Cranberry Woods, the need for welders as well as engineers and the prospect of building on the energy industry's growth here.

Despite their best attempts to quantify, catalog and rank, however, panelists said decisions could occasionally hang on a CEO's love of a particular golf course as much as the wrap of tax-increment financing.

Mr. Garner related how he has had a hard time convincing the head of a food-processing plant in Pennsylvania that basing a choice on how close it is to his favorite hunting camp was unwise.

Plenty of deer, he told the client, but not enough workers.

Hearing Mr. Greco's walk-through of what led Westinghouse to Cranberry, Ms. Arledge saw somewhat of a parallel. To her, Westinghouse had an emotional tie to its hometown that outplayed what the numbers said alone.

"The secret to the site selection process is identifying early on the biases of the CEO," she said. "It's very, very important, and it's there. It's always there."

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