

Critical Site Location Factors for Automotive Suppliers Serving Original Equipment Makers in the Central and Southern United States

Nexsen Pruet

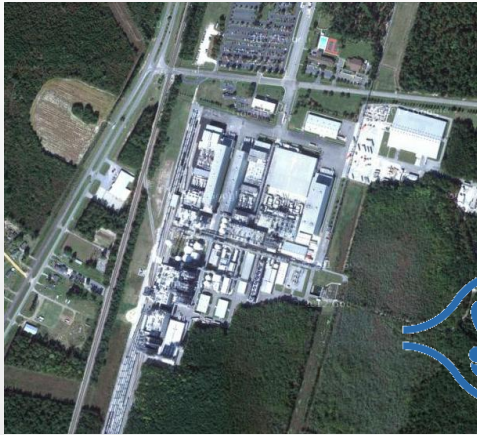
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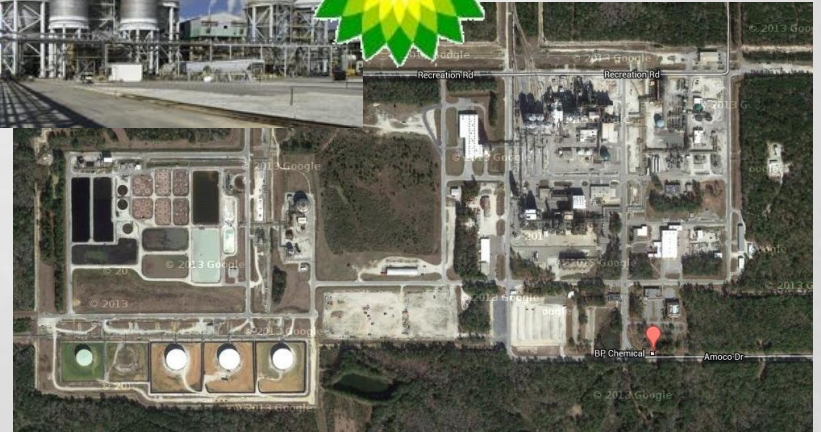
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SPECIAL REPORT

By Mark Williams

Critical
SITE LOCATION FACTORS
for
AUTOMOTIVE SUPPLIERS

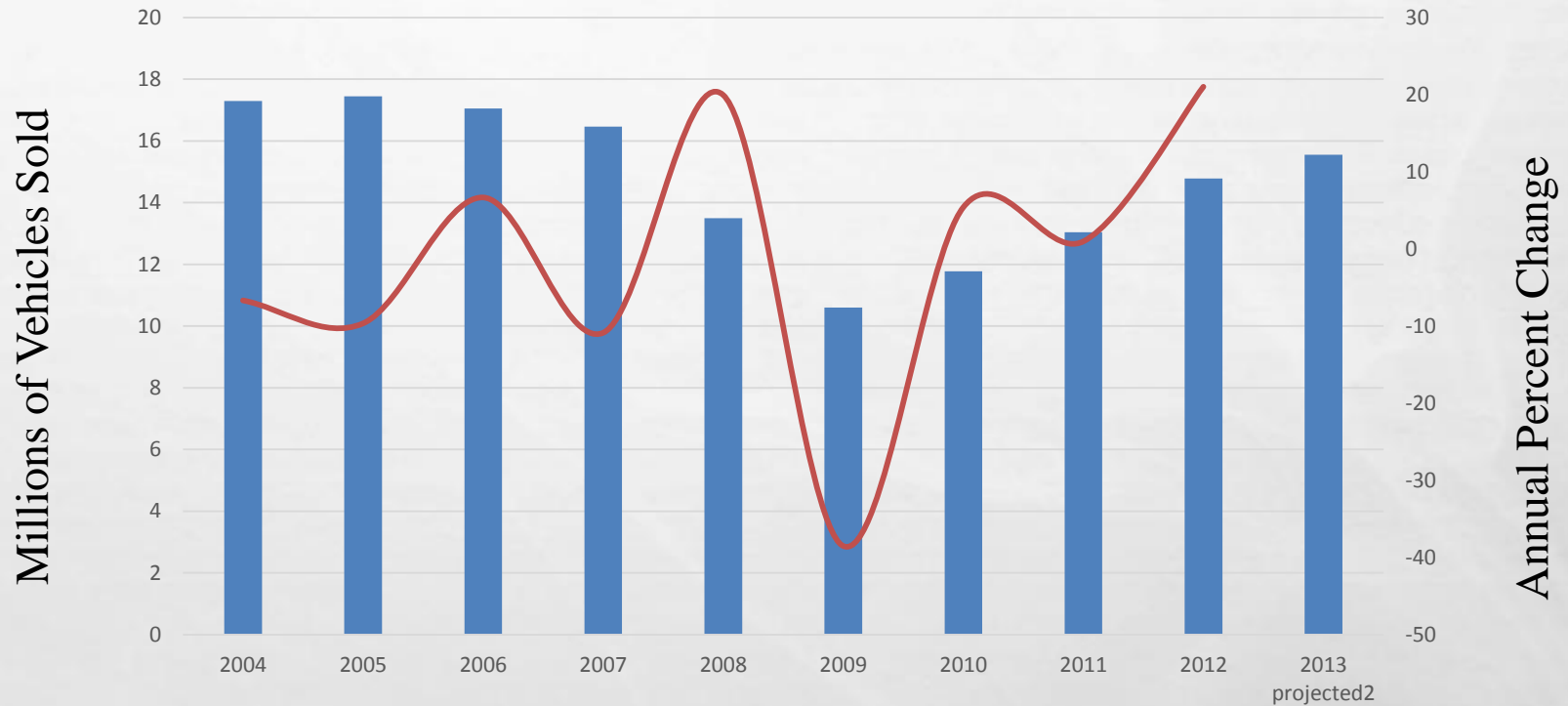
Significant site location opportunities exist for OEM, supplier expansions and new locations in the Central and Southern U.S. that can realize operational and financial goals.



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Vehicles Sold 2004 – March 2013



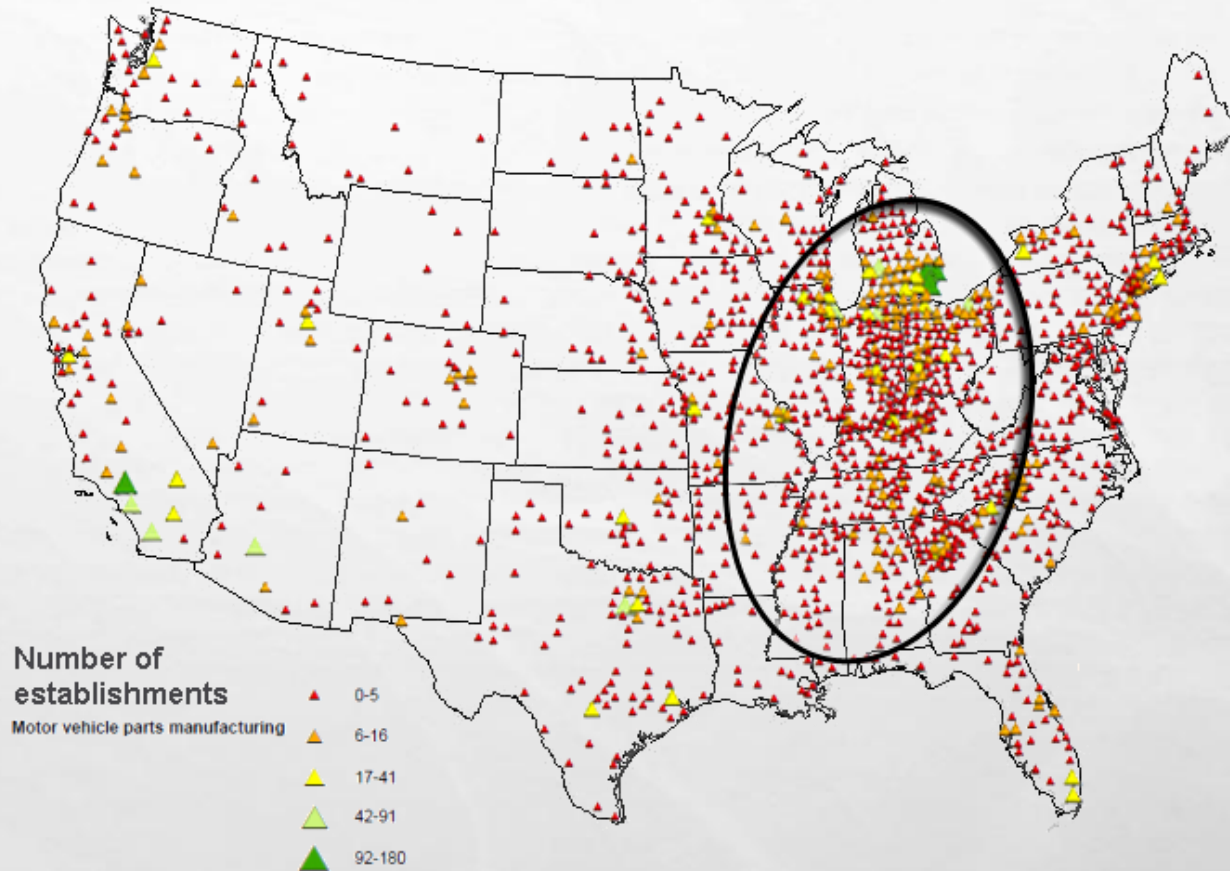
Source: Bureau of Economic Analysis



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Motor Vehicle Parts Manufacturing Establishments by County - 2010



Source: U.S. Bureau of Labor Statistics



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Top Ten States for OEM Locations and Supplier Jobs in 2012

State	OEM Locations	Supplier Companies	Supplier Jobs
Michigan	Chrysler, Ford, GM	1,139	102,624
Ohio	Chrysler, Ford, Honda	585	89,423
Indiana	GM, Subaru, Honda, Toyota	430	79,651
Tennessee	Nissan, GM, VW	254	48,248
Kentucky	GM, Ford, Toyota	159	41,097
Illinois	Mitsubishi, Ford, Chrysler	381	37,087
Alabama	Honda, Mercedes, Hyundai	162	30,566
Texas	GM, Toyota	675	29,422
North Carolina	none	262	25,843
South Carolina	BMW, Mercedes	175	24,569

Sources: HIS – The Economic Impact of the Motor Vehicle Parts Manufacturing Industry on the United States 2013, Alliance of Automobile Manufacturers – State Facts



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Recently Announced OEM Expansions

Company	Product	Location	Number of New Jobs
BMW	X4	Spartanburg, SC	300
Chrysler	Transmissions	Tipton & Kokomo, IN	1250
Chrysler	Transmissions	Perrysberg, OH	n/a
Ford	Engines	Cleveland, OH	450
General Motors	Cadillac	Lansing, MI	200
General Motors	Chevy, Buick	Kansas City, MO	0
Honda	Acura, Accord	Marysville, OH	0 (100 Transfer)
Honda	Civic	Greensburg, IN	300
Toyota	Lexus	Georgetown, KY	750
Toyota	Highlander	Princeton, IN	400
Subaru	Impreza	Lafayette, IN	900
Mercedes	GL, M, R, C	Vance, AL	500
Hyundai	Elanta, Sonata	Montgomery, AL	877
		Total New Jobs:	5,927

Source: Multiple local news sources

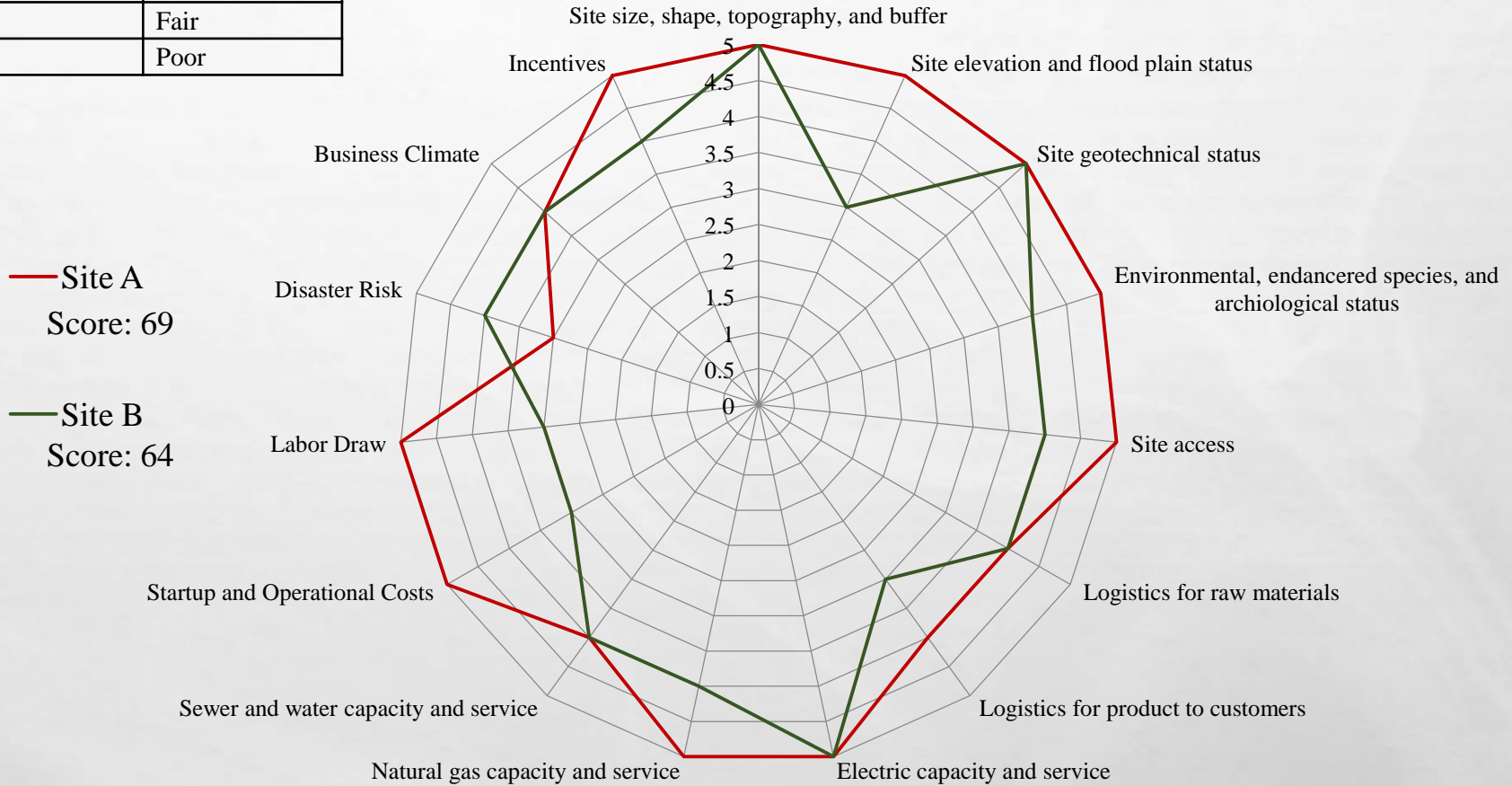


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Sample Site Comparison Rating

5	Excellent
4	Good
3	Average
2	Fair
1	Poor



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Incentive Considerations

- Large incentive packages may not generate the best net cost scenario
- Some incentives may have minimal value
- Net present value analysis of costs and incentives is critical
- Multiple rounds of incentive negotiation generates the highest value
- Agreements and incentive follow-up are critical



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Firestone

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Strategic Development Group, Inc. is a privately owned professional consulting firm offering expert site location, negotiation and economic development services. The firm's client base consists of large multinational and US-based companies as well as state, regional and local economic development organizations. This base of private sector / government clients provides synergistic benefits to each client group. The firm's headquarters is located in Columbia, South Carolina and conducts business throughout the United States.

Strategic Development Group operates under principles of ethical practice while delivering expert advice that creates profound value for its clients in a timely and cost effective manner.

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