DevelopmentAlliance.com

Getting Started:
Putting Together the Site Selection Data Standards

By Shari Garmise, Ph.D.

What are the Data Standards?

In 1996, the Council for Urban Economic Development (CUED), in partnership with American Economic Development Council (AEDC), which have since merged into the International Economic Development Council (IEDC), formed the Site Selection Data Task Force. The Task Force, which included representatives from IEDC, the leading U.S. site selection consulting firms (PriceWaterhouseCoopers, Ernest & Young, Kenneth Leventhal, Deloitte Touche Fantus, Wadley-Donovan, and Fluor Daniels) and communities (Richmond, Cleveland, Indianapolis and the state of South Carolina), sought ways to improve the site selection process. Canadian representatives participated as advisors. Canada already had established common data for all its provinces. Later, the Economic Development Association of Canada joined the effort.

IEDC established the Task Force to examine what could be done to improve the site selection process for communities. Globalization and economic restructuring have made corporations more footloose, leading to increased relocation activity, which in turn, fueled the entry of many small site selection firms. The resulting competition has speeded up the site location process. For communities, this meant having to respond to increased questionnaires in differing formats in a faster time frame. Many communities had trouble coping with the information demands and asked for assistance navigating this confusing and increasingly complex site selection environment. IEDC responded with the launch of the Task Force.

The first decision the Task Force made was to eliminate the idea of developing a common information-gathering questionnaire, which communities initially had requested. Location consultants individualize each questionnaire to meet the specific requirements of each client. Data requests differ by industry type and facility type (e.g. branch plant versus headquarters) and the locating company's country of origin. Instead, the Task Force decided to develop a data set that a community could have ready to respond to any type of questionnaire. The data set would be comprehensive but not exhaustive, covering about 80 percent of information that is common across site selection decisions.

After years of hard work, and beta testing by both the community representatives on the

Task Force and some smaller and more rural communities, the Task Force unveiled the first version of the standards at an International Development Research Council meeting in New York in May 2000. The data set contained over 1,200 data elements organized into 25 spreadsheets. Approximately two-thirds of the data points are available from public sources such as the Census Bureau or the Bureau of Labor Statistics, while the remaining third relates to data that must be gathered locally, including available sites and buildings.

From that launch, a number of activities have moved the standards forward. IEDC implemented training courses to teach communities how to use them. Two Web sites are using the standards as a baseline for creating portals communities can use to market directly to corporate location consultants, www.developmentalliance.com and ACN.net.

Because it is so comprehensive, the data set is large, cumbersome and expensive to put together. Smaller communities with limited resources will be challenged by it.

The key to mastering the data standards is to understand that it is not necessary to put the whole thing together at once. In fact, communities that beta-tested the standards found they had much of the data, although not necessarily in the recommended format. These communities also found that putting together what they could of the standards was, in and of itself, a beneficial training exercise. Using the data standards as a teaching tool, communities learned how to gather and use data in small steps. Using small steps made it easier and less costly over time and allowed communities to progress at their own pace.

To encourage communities to follow such a phase-in approach to data collection, Developmentalliance.com worked with the Business Location Strategies Group at PriceWaterhouseCoopers to identify which data elements from the data set a community should initially collect. Communities can then complete the rest of the tables when they are able. The data elements are identified below by the table numbers used in the Data Standards. In some cases, the community should complete the full table. In others, communities only need to complete the identified portions of the table in phase 1 of the data collection process.

- Table 3: Leading Employers
- Table 4: New Companies in the Area
- Table 11: Average Salary by Selected Occupation
- Table 12: Worker's Compensation and Unemployment Insurance
- Table 13: Labor-Management Relations (Percent of workforce organized only)
- Table 15: Taxation (Real and personal property tax only)
- Table 16: Occupancy (Average costs of sites only)

- Table 17:   Utilities
- Table 21:   Quality of life (education data for the central city and selected suburban school districts section only).

Once completed, the data set only needs updating. In what follows, the paper lays out where to find the data to build up this first critical part of the data set. It may seem simpler to start with demographic and labor information, (tables one and two of the data standards) because they are the easiest data to collect. However, because they are easy to find, location professionals tend to gather this data on their own and do not require a community's help in this area. The data elements identified above, alternatively, are those that location professionals require local assistance to gather. They provide critical information to help location professionals and businesses determine the suitability of the community for their site needs. They also will help economic development professionals better understand the economic base of their communities.

TABLE 3:   LEADING EMPLOYERS

This table requests specific information on a number of a community's leading employers. The number of employers a community should list varies by community size. A community with less than 100,000 residents should list 10 employers while one with over a million residents should furnish 25. Communities should include large hospitals, public agencies such as city or county government or local schools, telephone companies and large universities on the list. The table asks for the following information for each company:

- name
- location by city and county
- main product or service
- main function (headquarters, regional office, back office, distribution center, branch manufacturing plant, branch assembly plant or R&D Center)
- industrial classification code, either the two digit Standard Industrial Classification (SIC) code (1987 version) or the newer code from the North American Industrial Classification System (NAICS)
- number of employees
- percent of union workers internal to the firm.

Communities should provide this information for the community as a whole (the leading employers across economic sectors) and then by each of the following sectors: manufacturing; distribution; finance, insurance, real estate (FIRE); and back offices across sectors.

Communities can find data on leading employers through the sources listed below. Contact and Web site information for national sources are found in the appendix.

Local Sources
- Local directories
- Local surveys of employers
- Records collected by economic development agencies including past business retention and expansion visits or telephone calls to companies, unions, and/or employer associations

National Sources and Publications
- The Dun & Bradstreet Guide to Business Reference Directories
- The Gale Business Resources
- Info USA provides the *American Big Business Directory* and the *American Manufacturers Directory*. Info USA also provides State directories.
- Polk City Directories are available for 1,100 U.S. communities.
- Standard & Poor's COMPUSTAT North America
- Wards Directory of Public and Private Companies.

Specific data on company function and union affiliation can be gathered using:
- Past business retention and expansion visits or telephone calls to companies, unions, and/or employer associations
- National Labor Relations Board (union election results)

TABLE 4:   NEW COMPANIES IN THE AREA

A company interested in relocating to a community wants to know how many new companies there are in the area, how many expanded and how many downsized during the last five years. This data shows general trends indicating possible competitors and suppliers, and draws a picture of the communities' business and economic conditions, which is of great utility to economic development professionals whether or not a location professional comes calling. The table requests the same type of descriptive information requested in Table 3 as well as additional information on the year of establishment and employment numbers before and after the expansion or downsizing. Communities should be prepared to break down the data according to new, expanding and downsizing companies. The size of the community will determine what size companies (determined by number of employees) need to be tracked. Communities with a population less than a million should collect information on companies with 50 or more employees. Communities with over one million residents should identify all companies with over 100 employees.

Communities can collect this data from:

Local Sources
- Records of local economic development organizations
- Press clippings
- Contacts with local real estate brokers
- Calls to and surveys of companies

National Sources and Publications (same as Table 3)
- Additional information on plant closures can be gleaned from the Worker Adjustment Reemployment Notifications (WARN) maintained by state labor or employment agencies

TABLE 11: AVERAGE SALARY BY SELECTED OCCUPATION

To gather this information, communities may have to conduct their own local private sector wage survey or contract out the work out to obtain average salaries of selected occupations. If the community chooses to undertake the survey, the information requested in this table should be used to design the survey. Communities need to collect average weighted salary by hire-in rate, and the average salary and median salary of selected positions in professional, clerical and technical occupations. Information on the number of surveyed firms, the number of employees, average hire-in, minimum and weighted average and median salary and average maximum salary should be gathered to populate this table, as well as the average work week in hours and the turnover rates. Below is the list of occupations for which communities needs to gather data.

Professional
- Accountant
- Engineer
- Management Trainee
- Programmer/Analyst
- Web Site Designer (Web master)

Retail
- Hospitality Clerk
- Retail Store Clerk
- Stock Room Clerk

Clerical
- Accounting Clerk
- Customer Service Representative
- Date Entry Clerk
- Executive Secretary
- Receptionist
- Telesales Representative

Unskilled

- General Laborer
- Hand Packer
- Light Assembly
- Material Handler
- Warehouse Person

Semi-skilled
- Fork Lift Operator
- Machine Operator
- Machine Maintenance
- Machinist
- Tool & Die
- Welder

Technical
- Electronic Technician
- Medical/laboratory Technician
- Network Technician
- Computer Numerical Control (CNC) Machine Programmer

As well as surveying local businesses for this information, there are several public and private agencies that provide employment compensation and benefits reports and job descriptions.

Private Data Collection Agencies
- Abbott, Langer & Associates (www.abbott-langer.com)
- Economic Research Institute (ERI), Salary Assessor
- ERRIS
- Hewitt Associates
- Reggio & Associates
- Watson Wyatt Worldwide Compensation Reports

Public Agencies
- Bureau of Labor Statistics (BLS) *Occupational Compensation Survey* (for an estimated 95 metro areas]
- U.S. Department of Labor
- State Departments of Labor

TABLE 12: WORKERS' COMPENSATION AND UNEMPLOYMENT

Workers' compensation data should include information on maximum weekly benefits, the average costs for all manufacturing (weighted per $100 payroll) the average rate for office workers and the costs for unemployment insurance including the taxable base and the percentage rates. Data to populate this table is available from a local survey, the same sources used for table 11 and a few additional sources below :

Public Sources
- State Workers Compensation Board

Private Sources
- Actuarial and Technical Solutions
- NCCI - National Council of Compensation Insurance

TABLE 13: LABOR-MANAGEMENT RELATIONS (PERCENT OF WORKFORCE ORGANIZED)

Generally, consultants and companies considering a location will want to know the degree to which the work force is organized into unions and how active the unions are. If a community decides to set up a local tracking system of union activity, the type of data that needs to be tracked includes the frequency of union elections and strikes over the last five years and what companies and/or branches were affected. Data should also identify the total and the average results of the elections and duration of strikes.

For this first phase of data collection, however, communities only need to gather three variables: the percentage of the total workforce organized, the percentage of the manufacturing workforce organized and whether or not the community is located in a right-to-work state.

The number of workers organized can be collected through:

Local Sources
- Undertake a Census of Local Employers
- Local tracking by calling local businesses and unions

National Sources
- National Labor Relations Board (NLRB) (for union elections and decertification, plus strike activity)
- Union Election File (up to six months ago)
- U.S. and State Departments of Labor
- The George Meany Center for Labor Studies

TABLE 15:   TAXATION (REAL AND PERSONAL PROPERTY TAX ONLY)

Taxes and tax exemptions still play an important role in a company's location decision since tax rates have an impact on a company's bottom line. Some information such as Income Tax/Franchise Tax rate, since they are state taxes and can determine the geographical area of the location search, may be collected directly by location professionals.

Ultimately, communities will want to provide very detailed information (the rate and

the base for city and non-city residents) on all types of taxes (federal, state, local) and tax-related issues affecting employers and employees. To complete the data collection for phase one only requires that communities finish the two sections of the table that deal with real and personal property tax rates. Communities should furnish millage rates for a series of different locations such as the city, county, school and special districts and the effective rate per $100.

Information on taxes can be gathered from:

Public Sources
- U.S. and State Departments of Revenue
- Local Tax Assessors

Private Sources
- Prentice Hall's Legal and Financial Services
- Accounting Firms

TABLE 16:   OCCUPANCY/SUPPLY (AVERAGE COST OF SITES)

For site selection, communities are requested to provide information on actual site options. For this initial data collection stage, communities should fill out only the following sections of table 16:

- The average cost per acre for fully developed sites for industrial space,
- The average cost per acre for fully developed sites for office space,
- The average asking rents (gross rent per square foot) for class A, B, and C offices in the Central Business District (CBD) and warehouse and industrial space inside the CBD, and
- The percentage of vacancy rates for class A, B, and C offices outside the Central Business District (CBD) and warehouse and industrial space outside the CBD.

Communities can gather this data from:

Local Sources
- Local Real Estate and Industrial Office Brokers
- National Brokers with a local presence
- Local Developers
- Local Real Estate Associations

National Sources
- National Real Estate Associations and Firms (produce reports of varying depth and breadth)
- Society of Industrial and Office Realtors (SIOR)
- Building Owners and Managers Association (BOMA)
- Cushman & Wakefield's statistical data on occupancy.

TABLE 17:   UTILITIES

Communities will usually be asked to provide data on the availability, capacity and the costs of utilities; and more specific information for all available utilities such as water/sewer, electric power, natural gas and telecommunications, including points of presence of long distance carriers.

For this initial collection stage, companies need to provide only the following data:
- the cost per 1000 gallons of water treatment and of sewer treatment
- the commercial high load factors for electric power for large, 50 percent load factor and 500kw and 180,000kw.

Communities must interview local service providers to gather this information. For electric power, there are additional sources that might help to populate the full table.

National Sources for Electric Power Data
- Edison Electric Institute
- American Public Power Association
- *Plants, Sites & Parks* magazine
- Electric Power Research Institute

TABLE 21:   QUALITY OF LIFE

Many factors influence the quality of life: climate; crime rates; the housing market; health care; education and the religious, sports, and recreational and cultural facilities available in the community.

Within this table, the key data points a community should start with for phase 1 are the education statistics. Specifically, location professionals want to know the ACT and SAT scores for the central city and selected suburban school districts. Once these are completed, the community should then move to fill in the following data:

- Cost of living index (U.S. = 100)
- Average cost of a four bedroom single family home
- Crime rate (metro or county)
- Climate
  + Average daily temperature and humidity
    - July
    - January
  + Number of days sunny/partly sunny
  + Number of heating and cooling degree days
  + Average annual snowfall
  + Average annual rainfall

Below are available sources to help fill out the various components of quality of life data. As with all the data discussed in this paper, some will have to be collected

through local interviews.

Education Data Sources
- U.S. and State Departments of Education
- SAT scores, College Board Online
  (www.collegeboard.org/sat/cbsenior/html/statOOC.html)
- ACT stats (www.act.org)
- Survey of each district
- Local interviews

Climate
- U.S. Weather Service
- *Places Related Almanac*
- National Oceanographic Administration
- *Money* Magazine
- American Chamber of Commerce Research Associations (ACCRA)
- Conway Data (www.conway.com)

Housing
- Local Brokers
- Multiple Listing Service
- Local Realtors
- National Homebuilders Association

Crime
- FBI, including Web based resources such as Crime in the United States
- Local police

Why use the standards…

Communities have questioned the value of the standards. Not only is the data set extensive, they fear that they will lose control of their marketing message, as the data set, when fully completed, bares all a community's strengths and weaknesses to any onlooker. Economic development professionals prefer to choose the data that make them look good. And those communities fortunate enough to be popular location sites argue that they have no need of the data standards.

While many of these arguments are compelling, they are deceptive.

If we look examine in depth how the site selection process is changing, the use of data standards starts to make good sense. With the advent of the Internet, location consultants find a good proportion of what they need online and through private providers before they contact communities for information, which is why phase 1 of the data collection process presented here stresses local data

collection. This is information that is more difficult for location professionals to access. So for economic development professionals looking to control their data message to craft an attractive community profile, most of that control has already been lost to Internet and private database technologies. In fact, the implementation of standards returns that control to communities; this way everyone involved in the location process knows the data being collected and the picture it portrays. Communities can then build a marketing campaign that complements the data and compensates for the problems they might reveal.

As for the cost and time of developing the data set, it is not necessary to put the whole thing together at once. In fact, communities of varying sizes that beta-tested the standards found they had much of the data, although not necessarily in the recommended format. As noted above, they learned how to gather and use data in small steps, making it easier and less costly as communities move forward.

And for those communities that remain attractive to relocating businesses and see no need for standards, in a relentlessly competitive climate, maintaining that competitive position will require benchmarking their strengths and weaknesses vis-a-vis their competitors. Standards allow communities direct comparability, helping them monitor and understand their competitive strengths and weaknesses. For example, Tables 11 and 12, which a community completes in phase one, ask for information on average pay and benefits in industry and by job types. Businesses that recruit labor from national labor markets would be aided by this information. As another example, communities can better understand their industrial clusters by benchmarking their efforts with communities with an existing strength in that industry. Or for those looking to convince policy-makers or elected officials of the effectiveness of certain initiatives or the need for certain investments, pointing to competitive communities can make a convincing case.

Notably, the Site Selection Data Task Force recognized that the Data Set would have much wider applicability and usage than just the site selection process. The data help communities better understand their local economy. They can use it to chart economic and industrial changes, identify emerging jobs and the training and education needs for them, and provide information for strategic planning, program evaluation, marketing, retention, and advocacy to local officials and other relevant parties.

For the standards to be adopted, the corporate location consultants and the communities using them must get behind it. Providing the initial data for community profiles on the Web, such as for Developmentalliance.com, is a productive way to begin.

The economic development business is data driven, and not just for business attraction. This is economic development in today's world. The standards present

a coordinated, predictable way for communities to meet it.

CONTACT INFORMATION FOR DATA SOURCES

Abbott, Langer and Associates
548 First Street
Crete, IL 60417
Telephone: 708.672.4200
Web Site: www.abbott-langer.com

Actuarial and Technical Solutions
3555 Veterans Highway
Ronkonkoma, NY 11779
Telephone: 631.471.8655
Web Site: www.actuarialsolutions.com

American Chamber of Researchers Association (ACCRA)
P.O. Box 407
Arlington, Virginia 22210
Telephone: 703.522.4980
Web Site: www.accra.org

American Public Power Association
2301 M Street, NW
Washington, D.C. 200376
Web Site: www.appanet.org

Building Owners and Managers Association (BOMA)
1201 New York Avenue, NW, Ste 300
Washington, DC 20005
Telephone: 202.408.2662
Web Site: www.boma.org

Claritas Data Services
5375 Mira Sorrento Place, Suite 400
San Diego, CA 92121
Telephone: 800.234.5973
Web Site: www.claritas.com

Conway Data, Inc.
35 Technology Parkway, Suite 150
Norcross, GA 30092
Telephone: 770.446.6996
Web Site: www.sitenet.com

Cushman & Wakefield,
51 West 52nd Street
New York, NY 10019
212.814.7500
Web Site: www.cushmanwakefield.com

Dun & Bradstreet Guide to Business Reference Directories
D&B Corporate Headquarters
One Diamond Hill Road
Murray Hill, NJ 07974-1218
Phone: 908.665.5000
Customer Service Telephone:
800.234.3867
Web Site: www.dnb.com

Economic Research Institute
16770 NE 79th Street, Suite 104
Redmond, WA 98052
Telephone: 800.627.3697
Fax: 800.753.4415
Email: info@erieri.com
Web Site: www.erieri.com

Edison Electric Institute
701 Pennsylvania, NW
Washington, D.C. 20004
Telephone: 202.508.5000
Web Site: www.eei.org

Equifax
Telephone: 888.202.4025
Web Site: www.equifax.com

Electric Power Research Institute (EPRI)
EPRI Center for Energy End User Data
3010 LBJ Freeway, Suite 200
Dallas, TX 75324
Telephone: 800.766.3774
Web Site: www.epri.com

ERISS
12127 Kirkham Road
Poway County, CA 92064

Telephone: 800.491.3747
Web Site: www.eriss.com

Federal Bureau of Investigation (FBI)
Criminal Justice Information Services
Division
Uniform Crime Reports
1000 Custer Hollow Road
Clarksburg, West Virginia 26306
Telephone: 304.625.2823
Web Site: www.fbi.gov

Gale Business Resources
Gale Research Directory of Databases
The Gale Group
P.O. Box 9187
Farmington Hill, MI 48333
Telephone: 800.877.4253
Fax: 800.414.5043
Email: galeord@galegroup.com
Web Site: www.galegroup.com

George Meany Center for Labor Studies
10000 New Hampshire Avenue
Silver Spring, MD 20903
Telephone: 301.431.6400
Fax: 301.431.5411
Email: info@georgemeany.org
Web Site: www.georgemeany.org

Harris InfoSource
Harris Manufacturers & Manufacturers
Database
2057 East Aurora Road
Twinsburg, OH 44087
Telephone: 800.888.5900
Fax: 800.643.5997
Web Site: www.harrisinfo.com

Hewlitt Associates, LLC
100 Half Day Road
Lincolnshire, IL 60069
Telephone: 847.295.5000

Web Site:
http://was.hewitt.com/hewitt/index.htm

info USA
5711 S. 86th Circle
PO Box 27347
Omaha, NE 68127
Telephone: 800.321.0869
Web Site: www.infousa.com

Internal Revenue Service
Customer Liason Office
Washington, DC 20233-0300
Fax: 202.874.0964
Web Site:
www.irs.gov/tax_stats/index.html

National Association of Home Builders (NAHB)
1201 15th Street, NW
Washington, D.C. 20005
Telephone:800.368.5242 or 202.266.8200
within the Washington, D.C. Metro area
Web Site: www.nahb.org

National Council of Compensation Insurance (NCCI)
901 Peninsula Corporate Circle
Boca Raton, FL 33487
Telephone: 800.NCCI.123
Web Site: www.ncci.com

National Labor Relations Board (NLRB)
National Labor Relations Board
1099 14th Street
Washington, D.C. 20570-0001
Telephone: 202.273.1991
Web Site: www.nlrb.gov

Plants, Sites and Parks

PO Box 2754
High Point, NC 27261
Telephone: 336.605.1099
Web Site: www.bizsites.com

Polk City Directories
Telephone: 1-800-ASK-POLK (275-7655)
Web Site: www.citydirectory.com

Prentice Hall Business Publishing
Telephone: 800.947.7700
Web Site: www.prenhall.com

Reggio and Associates, Inc.
Telephone: 708.246.0222
Web Site: www.regioassociates.com

Society of Industrial and Office Realtors (SIOR)
700 11th, NW, Suite 510
 Washington, D.C. 20001
Telephone: 202.737.1150
Web Site: www.sior.com

Standard & Poor's COMPUSTAT North America
Standard & Poor's Institutional Market Services
7400 South Alton Court
Englewood, CO 80112
Telephone: 800.525.8640
Web Site: www.compustat.com

Thomas Register of American Manufacturers
Thomas Publishing Company
Thomas Register Circulation Dept.
5 Penn Plaza, New York, NY 1000
Telephone: 212.290.7277
Fax: 212.290.7365
Web Site: www.thomasregister.com
Email: info@thomaspublishing.com

U.S. Bureau of Labor Statistics (BLS)
Division of Info Services
2 Massachusetts Avenue, NE, Rm 2860

Washington, DC
Telephone: 202.691.5200
Email: www.bls.gov
Regional Office Web Site:
www.bls.gov/regnhome.htm

U.S. Census Bureau
Washington, DC
Telephone: 301.457.4608
Email: pio@census.gov
Web Site: www.census.gov

U.S. County Business Patterns
U.S. Census Bureau, EPCD
County Business Patterns
Washington, DC
Telephone: 301.457.2580
Email: cbp@census.gov
Web Site:
www.census.gov/epcd/cbp/view/cbpview.html

U.S. State Data Centers
4700 Silver Hill Road
Suitland, MD 20674
FOB-3/3612
Telephone: 301.457.1305
Web Site: www.census.gov/sdc/www/

U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202-0498
1-800-USA-LEARN
Email: CustomerService@inet.ed.gov
Web Site: www.ed.gov follow the path:
Research and Statistics/Statistical Data and Surveys/Post-secondary Surveys to access the surveys

U.S. Department of Labor

202 Constitution Avenue, NW, Rm S-1032   Silver Spring, MD 20910
Washington, D.C. 20202   Web Site: www.nws.noaa.gov
Telephone: 202.693.4650
Web site: www.dol.gov

U.S. State Workers' Compensation Board
Web Site:
www.comp.state.nc.us/ncic/pages/all50.htm

U.S. National Weather Service
1325 East-West Highway
Ward's 1999 Directory of Public and Private Companies
Purchasing Information:
The Gale Group
P.O. Box 9187
Farmington Hill, MI 48333
Telephone: 800.877.4253
Fax: 800.414.5043
Email: galeord@galegroup.com
Web Site: www.galegroup.com

Watson Wyatt Worldwide
6707 Democracy Boulevard, Suite 800
Bethesda, MD 20817-1129
Telephone: 301.581.4600
Fax: 301.581.4688
Web Site: www.watsonwyatt.com

Woods & Poole
1794 Columbia Road, NW Suite 4
Washington, DC 20009-2808
Telephone: 800.786.1915
Fax: 202.332.6466
Web Site: www.woodsandpoole.com

This article was prepared for the International Economic Development Council by Shari Garmise, Ph.D., a senior consultant to the IEDC based in Washington, D.C.