



Wood-Based Site Selection Essentials

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MADE IN
ALABAMA

- **Alabama Department of Commerce**
- **Mission: Official economic development agency for Alabama**
- **Responsibilities**
 - **Recruitment and Retention**
 - **International Trade**
 - **Workforce Development**
 - **Small Business Advocacy**
 - **Film Office**
 - **Governmental Relations and Marketing**





WHY WOOD-BASED ECONOMIC DEVELOPMENT?

Utilizes a renewable and sustainable resource

Job creation in rural communities

Facilitates economic contribution within a large industrial supply chain

Top industrial sector in most southern state economies

Future growth opportunities

WOOD-BASED ECONOMIC DEVELOPMENT FOOTPRINT IN THE 13 SOUTHERN STATES SUM REGION

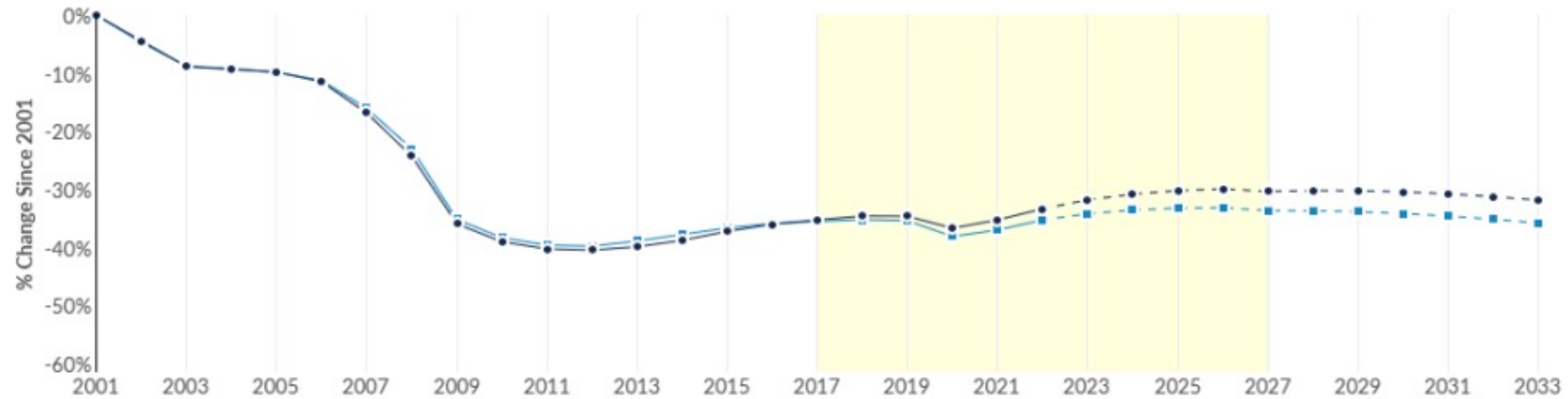
Executive Summary

<p>18,860</p> <p>Payrolled Business Locations</p> <p>Payrolled business locations increased by 1,103 over the last 5 years.</p>	<p>523,047</p> <p>Jobs</p> <p>Jobs increased by 15,122 over the last 5 years. Projected to increase by 23,401 over the next 5 years.</p>	<p>1.18</p> <p>Concentration</p> <p>Regional job concentration is 1.18 times the national job concentration.</p>	<p>\$71.9K</p> <p>Earnings Per Job</p> <p>Regional earnings per job are \$2.1K below the national earnings per job of \$74.1K.</p>
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Source: AIDT, Lightcast, Q4 2023 (NAICS 113, 321, 322, 337)

WOOD-BASED ECONOMIC DEVELOPMENT FOOTPRINT IN THE 13 SOUTHERN STATES SUM REGION

Regional Trends



Region	2017 Jobs	2022 Jobs	2027 Jobs	Change	2017-2022 Growth %	2022-2027 Growth %
● Southern Group of State Foresters	507,925	523,047	546,447	38,522	3.0%	4.5%
■ Nation	1,289,976	1,295,383	1,327,659	37,683	0.4%	2.5%

Source: AIDT, Lightcast, Q4 2023 (NAICS 113, 321, 322, 337)

ECONOMIC DEVELOPMENT SITE SELECTION

SIMPLE
EQUATION

SUPPLY
(Timberland
Resources)



DEMAND
(Forest
Industry)



JOBS

Timber Markets



BONUS



Rural Community Development

WOOD-BASED SITE SELECTION ESSENTIALS

Industrial property / sites

Forest inventory analysis / data

Existing industry locations

One-stop economic development recruitment team

Workforce development programs

State / community strategic plans



Georgia-Pacific Completes \$100-Million Lumber Production Facility In Talladega, Alabama, 2018

INDUSTRIAL PROPERTY & SITES



Checklist

- Utility Confirmation
- Environmental Assessment
- Geotechnical
- Cultural/Historical Assessment
- Ownership/Price
- Transportation Access
- Demographics/Workforce
- Other parameters

Without vetted industrial properties/sites,
you have nothing to sell!

FOREST INVENTORY ANALYSIS

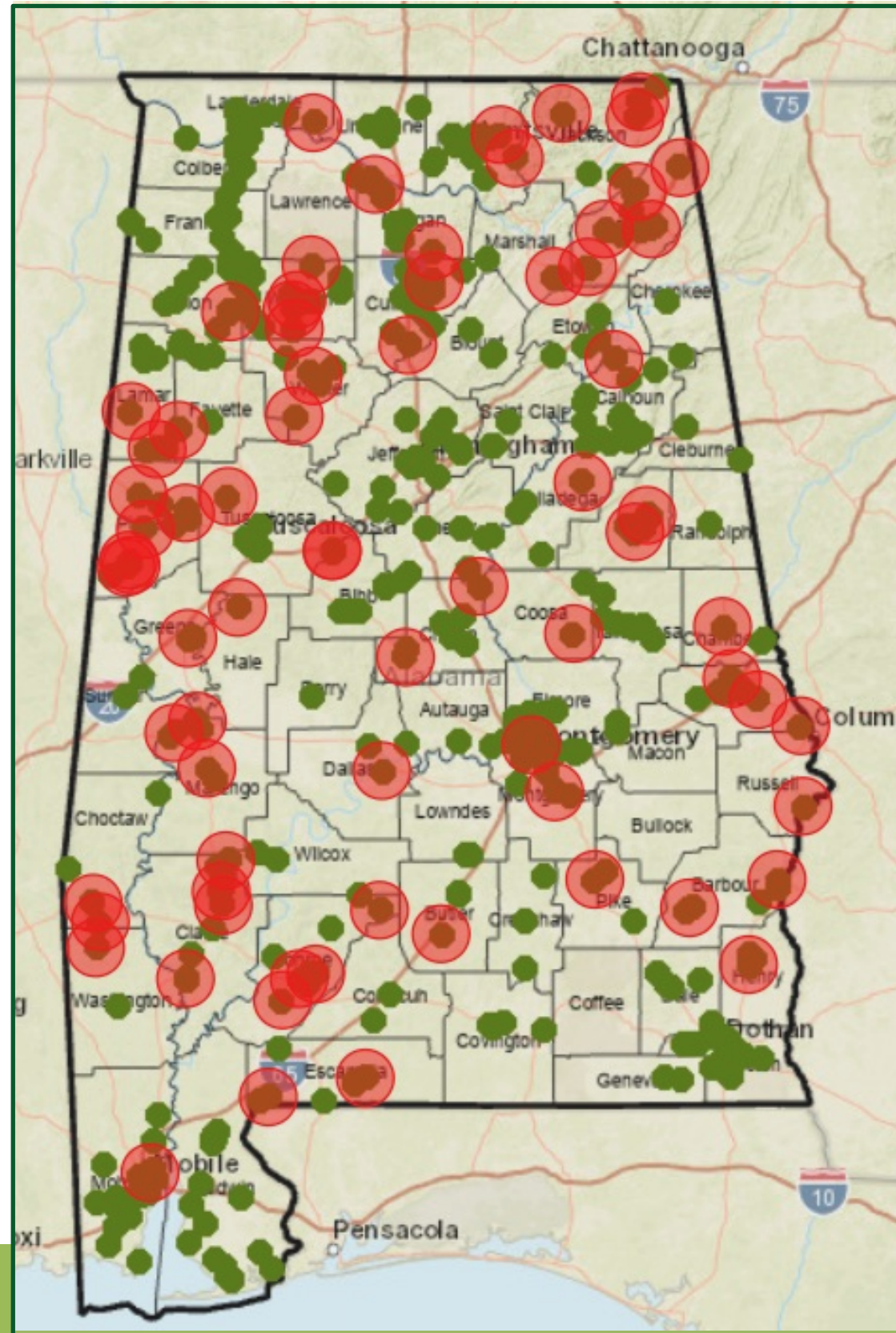


Forest Inventory Analysis (FIA)

- State Forestry Agencies
- U.S. Forest Service
- Independent Forestry Consultants

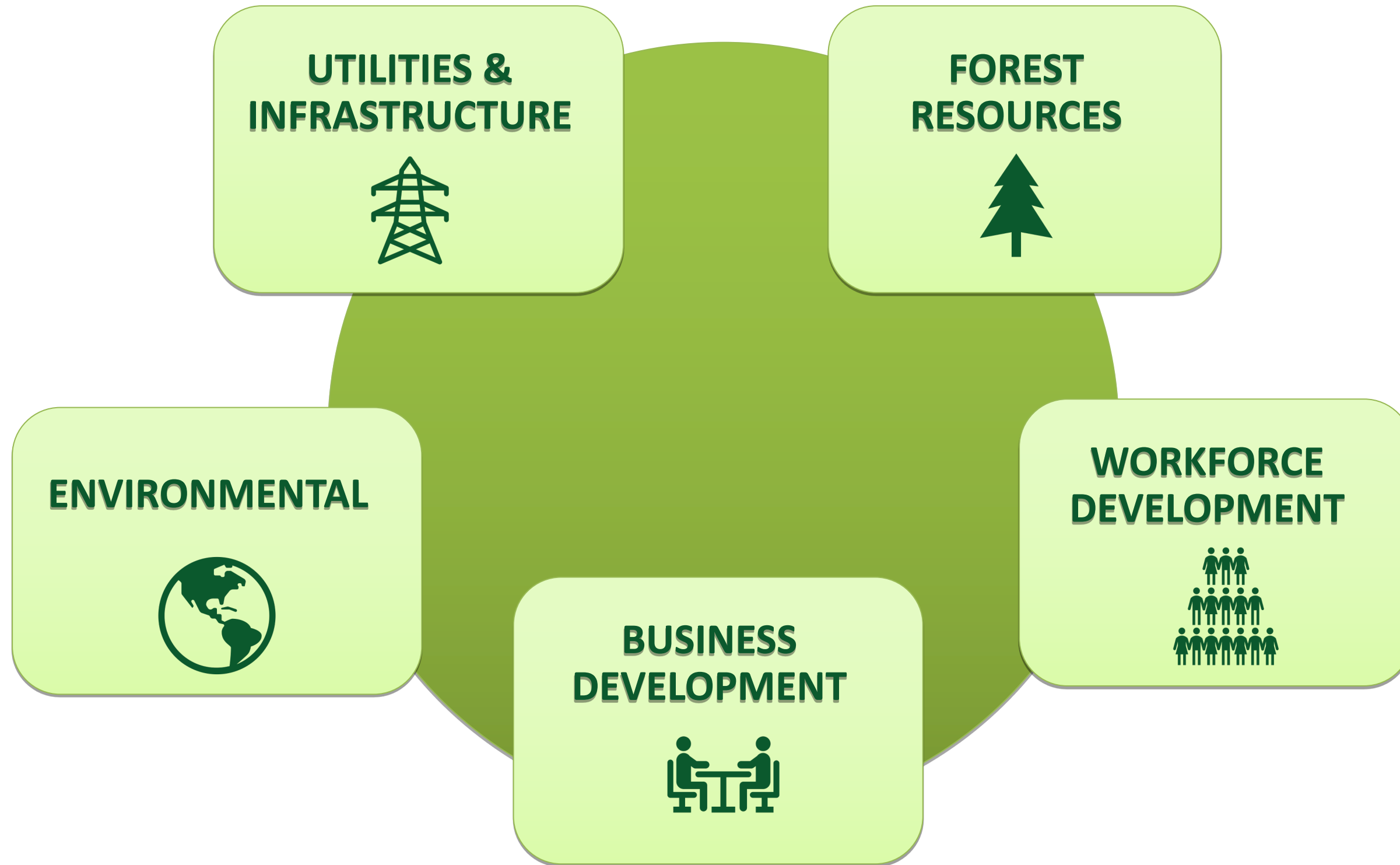
- Does your area have adequate wood resources?
- Are timberland sources private or public?
- How fresh is your data?
- What is their long-term growth to drain ratios?
- What are the optimum marketable species?
- What tonnage is required by the client?

EXISTING FOREST INDUSTRY MILL LOCATIONS



- Where is your existing industry located?
- Who are the resource competitors?
- Are there new mills coming online?
- How does a new company affect fiber availability?
- Is another location better suited for a new company?

ONE-STOP RECRUITMENT TEAM



WORKFORCE DEVELOPMENT PROGRAMS



- Pre-employment screenings and training programs
- University, community college and trade school support
- Private / non-profit entities

STATE / COMMUNITY STRATEGIC PLANS



OTHER IMPORTANT ESSENTIALS

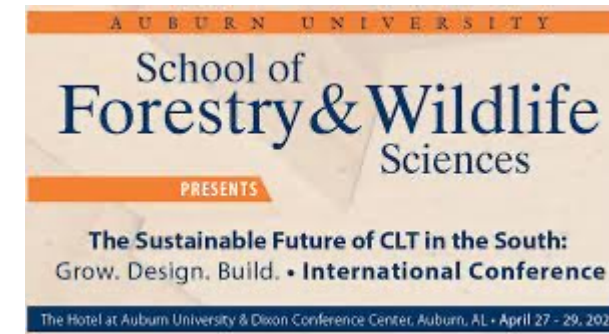


- Timely and accurate information response
- One “quarterback” for the economic development team
- Expedited permitting process
- Maintain confidentiality
- Patience

IDENTIFICATION OF WOOD-BASED PROSPECTS

- Existing industry
- Industrial research & business intelligence
- Local economic development organizations
- Site selection consultants
- Direct company contacts
- Utility partners
- Marketing events
- Other

Tradeshows/Conferences



INTERNATIONAL
WOODWORKING
FAIR® ATLANTA



EXISTING WOOD-BASED INDUSTRY OPERATIONS ARE EXTREMELY IMPORTANT

- Already located in the community
- Majority of job and capital investment announcements
- All essentials for expansion are in place
- Must provide partnership and support for long-term viability and growth



WOOD IS GOOD!

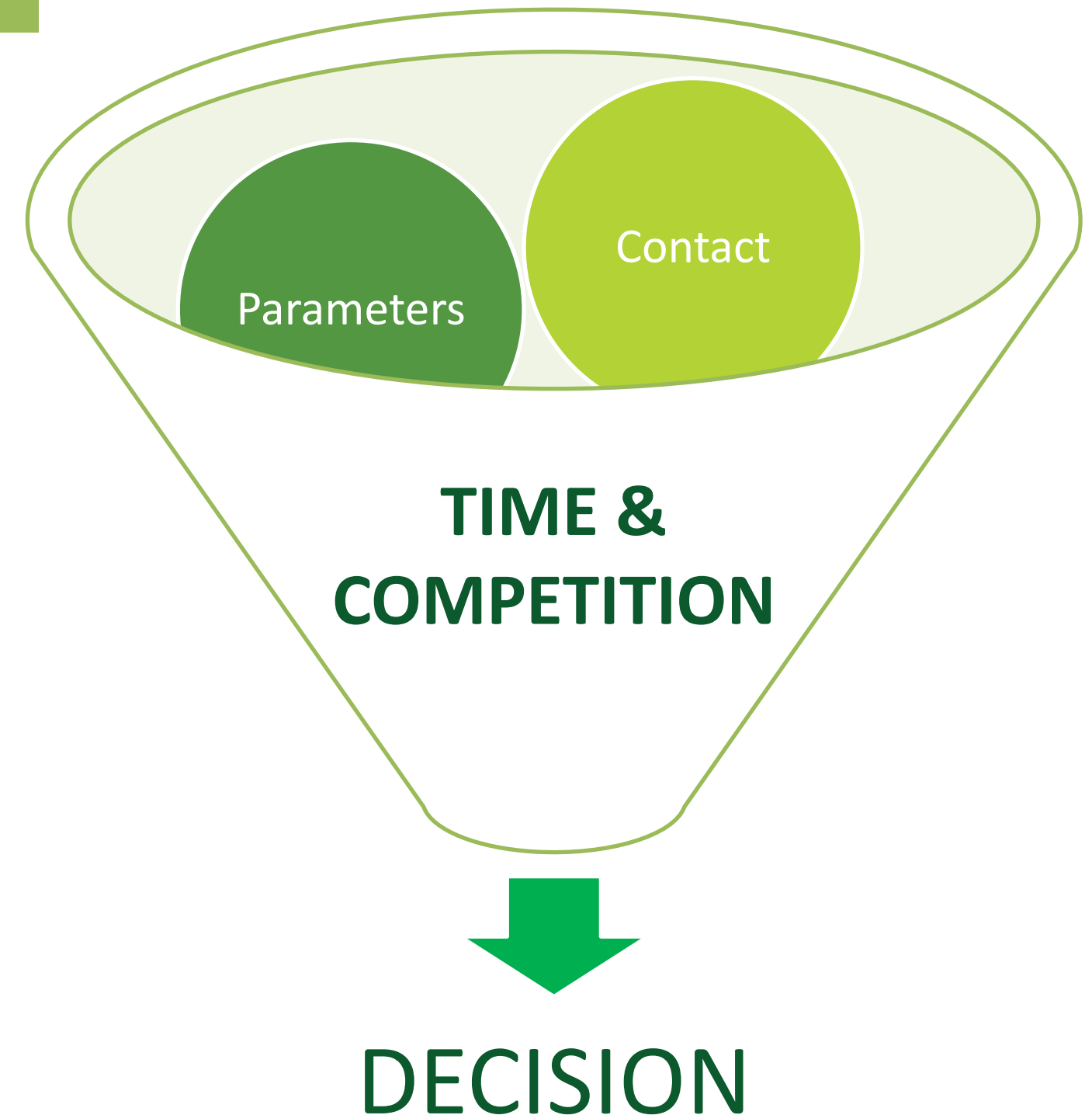
SAMPLING OF CURRENT WOOD-BASED INDUSTRIAL ACTIVITY & GEOGRAPHICAL ORIGIN

- Southern Yellow Pine & Hardwood Sawmills
- Engineered Wood Panels
- Biochar Mills
- Kitchen Cabinet Manufacturing
- Pellet Mills
- Bioenergy/Green Transportation Fuels
- Engineered Wood Product Operations (OSB, Glulam)
- Stave/Cooperage Mills
- Cross Tie Mills
- Plywood Mills
- Others....



POTENTIAL PROJECT TIMELINE

- Contact from company representative or site selection consultant
- Define project parameters (RFI or RFP)
- Analyze resource/raw materials of potential sites
- Use client parameters to identify industrial sites
- Identify incentives and assistance
- Perform site visits with local meetings
- Identify the preferred site
- Local ED assumes project lead
- Community engagement
- Project agreements in place
- Project announcement



MACROECONOMIC FACTORS AFFECTING FOREST INDUSTRY MARKETS



**HOUSING
TRENDS/STARTS**



MORTGAGE RATES



UNEMPLOYMENT RATE



DOLLAR VALUE



**GEOPOLITICAL
ISSUES**



**OTHER:
PANDEMIC ISSUES
NATURAL DISASTERS
CLIMATIC ISSUES**



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THANK YOU

The background of the slide is a photograph of a forest. On the left side, there is a large stack of cut logs, stacked neatly. A dirt path leads from the foreground into the distance, flanked by tall, thin trees. The sky is overcast.

HOW A COMMUNITY DEVELOPS A BUSINESS GROWTH STRATEGY

THE FRAMEWORK TO DEVELOP A FOREST PRODUCTS GROWTH STRATEGY

A Community's Business Growth Strategy

1. Determine Growth Targets

2. Develop specific strategies to pursue growth targets.

- Innovation/ Entrepreneurship
- Existing Business Retention & Expansion
- Business Attraction

3. Develop infrastructure to support targeted growth.

- Human Infrastructure
- Physical Infrastructure
- Financial/Support Infrastructure

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Forest Products Targets

- Lumber Mills
- Engineered Wood Products
- Wood Flooring
- Furniture
- Wood Recycling
- Wood Chips
- Woodworking
- Wood-Related R&D

- Innovation/Entrepreneurship –
 - Wood-Related R&D; Lumber Mills; Wood Recycling
- Business Retention & Expansion –
 - Depends on existing industry mix
- Business Attraction –
 - Value chain of existing companies; growth companies that match regional strengths – raw material strengths/market access

- Human Infrastructure –
 - Production workers; foresters; pre-employment training programs
- Physical Infrastructure –
 - Road network; raw material supply; production sites; rail network; water systems; utilities
- Financial/Support Infrastructure –
 - Incentive programs; tax structures; finance options