

# 2020 Site Selector Focus Group Highlights

Site selectors are consultants who work with expanding companies to identify locations that best meet their clients' growth needs. Understanding the role site selectors play in making recommendations for projects is critical to successfully growing Utah's economy. In fact, site selectors figured prominently in nearly one-third of the expansion projects in which EDCUtah has worked over the past decade. EDCUtah continually studies the site selector community in order to identify best practices for promoting Utah and to effectively demonstrate the State's strengths.



An interview with  
four visiting site  
selectors.

During the 2020 Sundance Film Festival, EDCUtah invited four national site selectors to come to Utah to learn more about our business climate, labor force, quality of life, and everything that makes Utah great. At the end of their trip, EDCUtah asked the site selectors about their previous perceptions of Utah, what they learned about Utah on this trip, how their perceptions of the state changed while here, and how likely they are to recommend Utah as a possible location for one of their clients.

### What they didn't know about Utah

Most site selectors have a general idea what Utah has to offer—some even know it well. But others are still getting to know the state. Our group of site selectors generally understood Utah to be a good place to do business, but a few learnings stood out to them (in their words):

- Language capabilities
- Prevalence of “compassionate conservatism”
- Strength of the financial services industry
- Growth in, and focus on, the life sciences industry
- Hard-working labor force

Whether it was learning of Goldman Sachs’ massive presence in Salt Lake, or admiring Utah’s position on refugees, our four site selectors walked away from the state understanding more about who Utah is. Perhaps what surprised them most was Utah’s “compassionate conservatism,” as one site selector put it.

*“On the surface, you think Utah’s a deep red state, and super conservative. But it’s that message of fiscal conservative and common sense conservatism without the social battles you see being waged in some other places, plus all kinds*

*of social fabric that comes with that, and the family structure. It’s like classic conservatism. It’s conservative in a, ‘We’re going to be fiscally sound and we’re going to plan for the future,’ which resonates with a lot of people.”*

### Economic development trends

Our four site selectors unanimously agreed on the major issue facing every location across the country: workforce. When asked about the challenges of talent recruitment, employee retention, and most specifically, attracting a company to Utah’s market, site selectors indicated it is no longer all about costs. Just a few years ago being the cost leader with “decent labor availability” was all it took to get shortlisted, but today it is much more about culture.

*“Obviously workforce is an issue everywhere, but there are so many things intermixed that make up why workforce is such an issue. What I see from my companies is much more thoughtful decisions because they are such long-term decisions. It’s just not enough anymore to show workforce data and to be the low-cost leader, from a market perspective. It’s really moving more towards making a decision on culture. Where can we really find a home that’s culturally going to be a*



### 2020 Sundance Site Selectors

- Connor Wisdorf, T3 Advisors
- Ann Petersen, Atlas Insights
- Chris Schwinden, Site Selection Group
- John Longshore, Global Logistical Strategies

*fit of a company, attract the kinds of people who are going to be successful at this facility or at the company, and again, for 20 or 30 years? It’s so much more people-focused, and therefore I think it has become so much more community, and place-making, like where is our home going to be?”*

### Incentives, workforce, and disruption

It comes as no surprise that when asked which incentive programs are best in the country, the answer was “cash.”

*“Everybody wants it. Cash is the most flexible. It’s an above-the-line incentive. It has the most impact because typically it comes*

**Louisiana Economic Development FastStart was highlighted as a successful model for a custom training incentive. FastStart is a workforce development program in which the organization crafts unique programs that ensure high-quality, flexible workers are prepared on day one and beyond.**

*in the first few years of operations when a facility needs it the most because they're ramping up. Their depreciation is at the highest, they're making huge investments over the first two or three years. So to me, cash is not innovative, but it makes the biggest impact. I really do think that we are primed right now for a really big shift in the mechanisms for incentives because projects are changing. The ways that employers use talent, the way they staff facilities, the way that we're building facilities is different."*

Another site selector highlights the ways in which projects have changed over time and that incentives should evolve to meet the needs of modernized project processes and business models.

*"Projects are changing. The investment is changing. Incentives are going to have to change, because right now, if you look at how incentives have evolved over the years, it used to just be that investment tax credits were really the only incentive that was around. They were nonrefundable. You filed a form, everybody got them. The next big thing was cash and locals putting in property tax dollars. Then it was the withholding rebates and that was, I think, really the last kind of big innovative thing that happened in the industry. And that was 10 years ago."*

**The site selectors shared insights with Northern Utah economic development professionals at Venture X in Farmington.**

In addition to cash, site selectors indicate that customized in-kind training is a win-win.

*"...because then you're not just dumping cash into a company that they can train for their specific process. You're dumping public resources into something that's creating a public good, that's getting more of a training to work for us. That stuff's going to have to be super flexible. It's going to have to change, it's going to have to be able to serve the needs of the population and employers. It's going to have to be a public good, not just producing some type of programmer language for one company. And that's a really unsatisfying answer that gets down to how you design education policy."*

While higher education is important, it was also highlighted that K-12 is critical.

*"There are so many states that only focus on higher-level ed. And by that time it's too late. And I think the issue with sort of playing around with caps, you've seen it in other states, is that I don't think you're going to feel the effects immediately. And it's probably going to be in a different election cycle. So, I mean, I think anyone who puts that legislation through can be like, 'Look, we're still seeing the same amount of success.' But I do think you would feel it, but just not immediately. I mean, Utah to me is sort of a moderate incentive state anyway. I mean, it's not the best, it's not the worst. And so I think to play around with your programs too much anymore, talking incentives only, would not be favorable."*

Economic trends and workforce tightening can lead to changes in incentive policies and philosophies. One site selector cautions that incentive changes made based on economic success may lead to incentives that favor only portions of the population.

*"I caution any state, who has had a lot of success, to sort of start pulling back. Because, first of all,*





Lunch with our visiting site selectors during the Sundance Film Festival.

*that mindset, if you can do that, probably brings a lot more success than people realize.”*

### Final Thoughts

All four site selectors expressed how impressed they were with Utah, with the businesses they met, the public officials, and seemingly every encounter they had on their trip.

Speaking broadly about their Utah experience, one site selector said: *“This was, I think, the most useful but also one of the most fun events I’ve ever done because Friday was super useful, to see the overall pitch for the state. Not every day you get to meet with someone running the Goldman Sachs office and that kind of name and cachet of making the pitch of why a place. And then seeing communities, seeing some of the property, doing all the stuff that you actually should be doing on these things.”*

Another indicated: *“It was unique. I mean, who else has Sundance? Come on!”*

Through extensive and time-consuming research EDCUtah has learned that simply getting site selectors to set foot in the state increases the likelihood they will recommend Utah to their clients. After a successful visit to Utah, four more site selectors are out there promoting our great state.

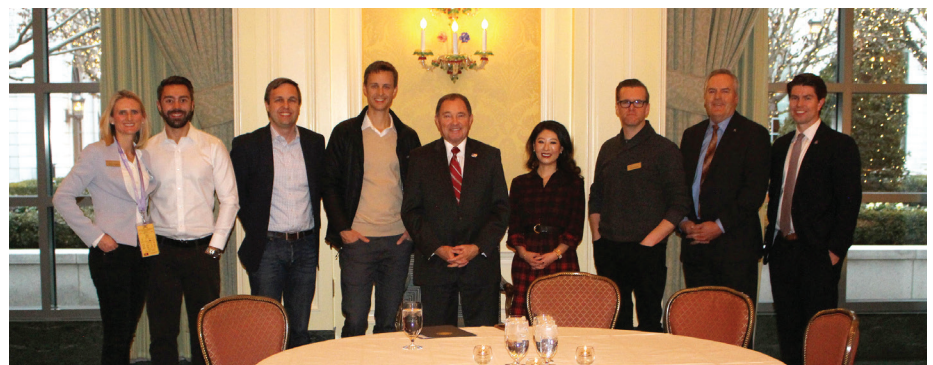
*the economy is not always going to be what it is now. And I also think, once you start tightening down incentives, and you’re only incenting that top echelon of jobs and projects and workforce, you’re sort of ignoring opportunities that really benefit all the people in the state. So states that have had a lot of success are like, ‘Well, we want bigger and better. We want more and more and more.’ But then there’s a whole sector of the population that’s not going to have a \$150,000 job, right? So we need opportunities for everyone. And I think the incentives in a state should reflect that.”*

### Rural Utah

EDCUtah’s mission is to bring quality jobs and capital investment to the state of Utah. This includes helping local businesses expand, and it includes supporting economic development in the entire state—not just the Wasatch Front. Because so many companies chose to move to, or expand to, the Wasatch Front, EDCUtah sought insight regarding how to better support job growth in rural communities. Site selectors were

also asked to share any successful rural programs they had seen nationwide.

*“So I think, first of all, [rural communities] need to take a regional approach, and pool resources and funding to go after projects. And then, I mean, there has to be just an overall realization that it’s likely one of those individual communities is not going to land the deal. It’s going to be the other one, but that what’s good for the region is good for everyone in that region. So I think it’s sort of that mindset that rural communities have to take. But that’s a hard thing to swallow, that you may never actually win a project. It’s probably going to be this other community that wins. But that is a win for you as well. And selling that message, and I think just having*



Site selectors and EDCUtah staff meet with Governor Gary Herbert.

### The takeaways to attracting new companies:

- Maintain our welcoming culture and fiscal responsibility.
  - Invest in talent and education.
  - Avoid radical changes in the state's incentive strategy.
  - Help rural communities collaborate.
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### Our Favorite Site Selector Quotes:

"It's so beautiful. It's beautiful, it's clean, and **it's somewhere I want to come back to.**"

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"I know **it's not a BS marketing pitch** to say that Utah has a hard-working, ethical labor force."

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"One thing I loved about this trip is that either purposefully or just it happened because it's the truth, y'all hit again and again and again: young and educated, young and educated, young and educated and growing. And that's what we always talk to the communities, instead of saying trying to be all things to all people, tell your two-bullet story. And you guys just do it really well. **But you also have a substance behind it. It resonates because it's true.**"

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"Obviously we can't steer a client's decision. We can't put our own bias on a data-driven decision. Immediately when I sit down with a client, and I understand what their goals are for a project, I already have sort of a short list in my mind of where I think they're going to end up. **And I think, really, this weekend just really drove that home, that there are a lot of really great things about this market that I may have missed before.**"

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**"The thing that I was really interested in was the focus on developing life science and making sure that there are locations and actual properties for these companies as they're spinning out of the schools, to start to grow and keep them in Utah.** I think it's a great story, and something that you should continue sending around the country for people like us on the life science side, because I wasn't as aware of sort of the homegrown aspect."

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**"I wasn't aware of the refugee story here,** and broadcasting that message as being sort of a safe haven, or something like, 'We're really trying to attract these people into our state and into our cities,' would go a long way, I think, in obviously achieving diversity goals, but then also making other people aware of what you're trying to work toward."

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**"I mean, Salt Lake's always on our list,** especially when we're thinking about corporate headquarters, relocations, or expansions. And it's the diversity piece, a lot of times that challenges clients. And I think, even just going back to that refugee piece that I learned, it's going to be really important in sharing with a lot of our clients, and say, **'This is something that really sets Utah apart from a lot of other states that you'll be considering. Certainly different than Texas and different places in the South.'**"

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# Like to know more? Ask us.



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