

COVER STORY: Shovel Ready Sites Are Growing From The Ground Up

By **Jenny Vickers**

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In order to attract new development, a community has to be prepared for it. To get ready, many states across the U.S. are implementing site certification programs called “shovel ready”—meaning that the site is primed and ready for economic development.

While definitions vary from state to state, the term shovel ready generally refers to commercial and industrial sites that have all of the planning, zoning, surveys, title work, environmental studies, soils analysis and public infrastructure engineering completed prior to putting the site up for sale and are under the legal control of a community or other third party.

Certified shovel ready sites are in growing demand among companies and site selection consultants, and they are an increasingly popular tool for communities to attract new business and industry. By reducing the time it takes a company to begin construction of a new facility, states and local communities are able to provide valuable savings to businesses as well as job opportunities for local residents.

“Shovel-ready certification is becoming popular nationally,” said John Rhodes, a leading national site-location consultant with Moran, Stahl & Boyer of Lakewood Ranch, Florida, who worked with the State of Minnesota on its Shovel Ready Program. “The tool is successful because it increases the speed in which companies can start up operations after the site decision has been made, and limits their risk for the unknown.”

The following certification programs are helping to give several states a competitive edge by making locations more attractive to companies and site-selection consultants looking for locations for business startups, expansions or relocations.

GEORGIA IS “MARKET READY”

In the Peach State, economic development officials have chosen the term “market ready” over “shovel ready” and use a professional site selection consultant to handle the applications for their certified sites program.

Georgia’s program, called the Georgia Ready for Accelerated Development Sites Program or GRAD, has helped 30 sites in 28 different communities become GRAD certified with 7 projects locating on GRAD sites to date.

“Most states have a form of a program like this and there are various terms in use out there,” said Charlie Gatlin, Senior Advisor at Georgia Department of Economic Development (GDECD). “Some states manage their programs in-house with a committee that reviews the application, but in Georgia we have a third-party site location consultant that handles it.”

In order to become designated market ready in Georgia, a site application must meet 11 requirements including site acreage, secured property, zoning, railroad accessibility, road accessibility, utilities, wetlands and stream delineation, topographic survey, geotechnical investigations, environmental phase 1 assessment, and cultural resources and endangered species investigation.

“The GRAD mission is to complete as much due diligence as possible up front, which makes it a more competitive situation,” said Mr. Gatlin. “The whole point is to have all of the reports and engineering work done in advance.”

The GRAD program was first launched in 2008 under a public-private marketing partnership called Georgia Allies in order to enhance economic development opportunities for the state and develop a pool of available industrial sites.

Georgia Allies members include AT&T, Atlanta Gas Light, BB&T, Comcast, The Coca-Cola Company, Delta Air Lines, ECG (Electric Cities of Georgia, formerly MEAG Power), Georgia Chamber of Commerce, Georgia Department of Economic Development, Georgia Electric Membership Corporation, Georgia Lottery, Georgia Power, Norfolk Southern, Regions Bank, SunTrust Bank and Wells Fargo.

“The Allies sponsor the program, which differentiates it from other states,” said Mr. Gatlin. “Allies members are companies in Georgia that have an interest in state growth, so it makes sense for them to be interested in all regions of the state being successful.”

Along with workforce and logistics advantages, Mr. Gatlin credits the GRAD program as a strong contributor to attracting companies including Baxter International, Starbucks, and Hubei Xingfa Chemicals Group to the state.

Starbucks is investing \$172 million to open its first ever soluble plant facility in the Augusta Corporate Park, a 100-acre GRAD certified site located in Richmond County. Starbucks is the first tenant in the corporate park and will create hundreds of new direct and indirect jobs. The company plans to open its facility in January 2014.

Baxter International, an American healthcare company, is investing over \$1 billion in a new biologics manufacturing facility in Stanton Springs, a 1,620-acre GRAD certified multi-use commercial real estate development located east of Atlanta near Covington. The new facility, which will manufacture plasma-based therapies that treat chronic and life-threatening illnesses, will employ approximately 1,500 people. Construction began this year with completion of the first manufacturing buildings planned for 2015. Additional construction will continue into 2016 and the plant is anticipated to begin commercial production in 2018.

Hubei Xingfa Chemicals Group, a leading phosphate and fine chemical products producer, recently announced it is opening its U.S. headquarters and manufacturing plant in Effingham County. The plant will be located on an 83-acre GRAD site in the Effingham County Industrial Park. The company is creating 50 jobs and will export its products to North American markets through the nearby port of Savannah, the fourth-largest and fastest-growing container port in the U.S.



Ready for Development in Georgia (Photo: Georgia.org).

“Clearly there have been numerous large corporate brands who have benefited from our GRAD program,” said Robert Payne, Director of Account Management for the GDECD. “By clearing a lot of the hurdles towards site selection we streamline the process. And it’s working.”

MINNESOTA IS GETTING READY TO DIG SOME NEW GROWTH

In September 2012, German agricultural machinery manufacturer Geringhoff Worldwide announced plans to invest over \$20 million in a new manufacturing facility in St. Cloud, Minnesota. This is the first U.S. based operation for Geringhoff and will create 100 jobs in the first phase of the expansion, with significantly more jobs anticipated in the near future.

Geringhoff will be located in St. Cloud’s Airport Industrial Park, an area certified as “Shovel Ready” under the Minnesota Department of Employment and Economic Development (DEED) Shovel Ready Site Certification Program.



Aerial View of the Pine City Technology Park in Pine City, MN (Photo: Nathan Johnson, City Planner).

“Obtaining the Shovel Ready designation better positions the city of Becker [a St. Cloud community] to attract new business partners to our community,” said Mayor Jerome Kleis. “More and more companies are looking for sites where they can start construction as quickly as possible. The Shovel Ready Program gives the city of Becker an overwhelming advantage when it comes to competing with other states for new investments and new jobs. It’s a vital economic development tool that we can put in our toolbox.”

Geringhoff is a 130 year old company, based in Ahlen, Germany. It is known for its harvesting equipment, particularly its innovative corn

harvesting “headers”, the attachments at the front of a combine. One of the header designs is 45 feet wide. Geringhoff purchased an 110,000-square-foot building in the industrial park with extra shovel-ready space for possible future expansions. The company investigated nine separate regions in North America and visited more than 40 factories before choosing St. Cloud.

“St. Cloud will be our foundation to create an even larger presence across North America as we introduce a significant number of new products which are currently under development,” said Geringhoff CEO Daniel Hansmeier.

Since the Shovel Ready Program began in 2009, it has helped to draw projects like Geringhoff and many others to the region. Development sites in 15 Minnesota communities have received certification to date. Most recently, the program certified three new sites including the 70-acre Becker Industrial Rail Park, the 100-plus acre Pine City Technology Park, and Stewartville’s Schumann Business Park.

“What we have found is that many of the communities have most of the information required for the certification already assembled and just need to have it put together in a useable and easily accessible format,” said Jim Gromberg, Metro Area Business Development Representative for the Minnesota DEED. “This is especially true with the sites that are owned by local government units as they have generally completed the environmental review which then ends environmental liability for future users and property owners. The program allows for reduced risk for the end users and allows for all parties to understand their liabilities as the project moves forward.”

With new developments underway and six new site applications under review, Gromberg expects the certification program to continue to grow.

“We expect that this growth will continue into the future as the available existing building inventory shrinks and there is a greater need for vacant sites for new development,” said Gromberg.

OPEN FOR BUSINESS IN INDIANA

The goal of Indiana’s Shovel Ready Program is to expedite the business location process by making the sites more attractive to companies and site-selection consultants who are looking to locate or expand their business.

“A community that develops a site to be certified Indiana Shovel Ready demonstrates to the world that they are open for business.” said Geoff Schomacker, director of project development for the Indiana Office of Community and Rural Affairs (OCRA).

In September, the program helped to make a new designation in Goshen’s Waterford Commons Business Park in Indianapolis.

“We’re pleased to make this designation because it shows that Goshen is committed to welcoming new business,” said Matt Crouch, manager of OCRA’s Shovel-Ready Program. “Attracting new business is one way Goshen can emphasize a pro-growth business climate in the community.”

To be declared Shovel Ready in Indiana, a site must have a base level of defined boundaries with a clear title, established price, demonstration of executive level local government support, defined utility capacity, and provided documentation such as Phase I environmental assessment and wetland delineation.

The Shovel Ready designation for Waterford Commons demonstrates that the business park is primed and ready for economic development.

“Waterford Commons Business Park LLC is pleased to be receiving the Shovel Ready designation from the State of Indiana,” said Greg Hoogenboom of Hoogenboom-Nofziger Corporation. “The proposed 220 acre planned unit development will be an asset to the city of Goshen and Elkhart County.”

OCRA works closely with Indiana’s Fast Access Site Team (FAST) which is comprised of multiple state agencies, including the Indiana Economic Development Corporation (IEDC), Indiana Department of Environmental Management (IDEM), Indiana Department of Transportation (INDOT), and the Indiana Department of Natural Resources (DNR), to certify Shovel Ready sites.

“IEDC’s partnership with OCRA will better equip communities with the resources they need to realize the impact of the Shovel Ready program and accelerate the process of attracting new investment and jobs for Hoosiers,” said Eric Doden, president of the IEDC. “We are pleased to solidify our partnership with OCRA to help prepare the way for economic development.”



Indiana Lt. Gov. Sue Ellspermann with local officials announcing the certification of a site in Sheridan, IN as the state's first Shovel Ready Siler designation. (Photo: Windu.com).

The program also has two additional tiers of readiness. Shovel Ready Silver certified sites means that its documentation is less than one year old and has proper zoning and infrastructure built to the property. Gold expands beyond Silver by being less than five miles from a two-lane highway, has seismic data, soil borings, a minimum of 20 acres, and has no environmental concerns.

“Indiana cities and towns can take a big step towards encouraging development with the Shovel Ready designation,” said Lt. Governor Sue Ellspermann. “They’ve demonstrated their investment into growing local business, and opened the door to attracting interested companies.”

OCRA has eight Community Liaisons who live and work in their district throughout the state. Communities should contact their local OCRA Community Liaison to find out more details, evaluation readiness and apply.

IOWA STARTS WITH MEGA SITES

Iowa’s program is one of the newest out there and is still under development. The Iowa Economic Development Authority (EDA) is currently working with McCallum Sweeney to build the program.

“We started with a Mega Site category and have been working with several locations around the state for the better part of a year to take them through the process,” said Tina Hoffman, Marketing and Communications Director for the Iowa EDA. “We are now hopeful that by December 2013, we’ll have some of those sites that are officially certified and ready to market.”

Its Mega Site program is defined as sites with 250+ acres. Just last month, the EDA launched its Large Site Program that will apply for sites with 50-249 contiguous acres and industrial parks with 100+ acres with one site \geq 50 acres. Applications for that round of certification will open in Jan. 2014.



The University of Iowa Research Park located in the city of Coralville (Photo: The University of Iowa).

Iowa, also known as the American Heartland, is an attractive location to businesses due to its central location, low cost of doing business, and a skilled and educated workforce. The state also has a large pool of available sites that are ready and primed for development. To help promote these sites, the state has developed several shovel ready certification programs so that companies can “dig right in” and get to business.

Shovel Ready Iowa, the very first program to be established in the state, was developed from 2008 to 2010 by the Iowa City Area Development Group (ICAD Group) and its regional and state partners in seven Eastern Iowa/Southeastern

Iowa counties. ICAD worked with Austin Consulting and Foote Consulting Group (The Austin Team) to develop the program.

The purpose of the program is to provide consistent standards regarding the availability and development potential of commercial and industrial sites. The goal is to ensure that developers, property owners, cities, utilities and state partners understand and utilize the criteria and standards developed in this program to create an inventory of pre-qualified, speculative sites ready for immediate development by end-users.

To date, the program has certified three sites in Iowa’s Creative Corridor, a seven county region home to a bustling pool of creators and innovators, including the Iowa City Industrial Park and Wind Energy Supply Chain Campus, the University of Iowa Research Park, and Tipton Business Park. Communities interested in

applying to the program should contact Mark Nolte at the ICAD Group at (319) 354-3939.

Economic development officials in Sioux City, an economic hot spot located in the western part of the state, are working to promote its shovel ready sites through the Siouxland Initiative, an economic arm of the Sioux City Chamber of Commerce.

The Siouxland Initiative contracted CH2M Hill, a nationally recognized firm involved in helping new and expanding firms find building sites, to help develop its certification program. Since the program began, CH2M has helped to certify an 80-acre site in a 500-acre Roth Industrial Park in South Sioux City, a 250-acre Bridgeport West Business Park in Sioux City and a 160-acre Flynn Business Park in North Sioux City. These certified sites are helping give an economic boost to surrounding communities and generating interests for more companies to come to the region.

The program requires that the designated sites go through a rigorous checkles to ensure they have all the necessary infrastructure, zoning and other characteristics needed for development. Community stakeholders are required to pull together resources, prepare for and host a site visit by CH2M Hill and answer extensive questions about the specifics of each site before approval. To find out more, contact the Siouxland Initiative at 800-228-7903.

The Iowa Economic Development Authority (IEDA), the public arm of the Iowa Partnership for Economic Progress, is in the process of developing its certification program. Right now, the IEDA is working with site selection firm McCallum Sweeney to build its program.



160-acre Flynn Business Park located in North Sioux City, IA (Photo: Absoluteds.com).

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TENNESSEE’S PIONEERING SITE-CERTIFICATION PROGRAM

Last year, the Tennessee Department of Economic and Community Development (ECD) launched the Select Tennessee Certified Sites Program, a new, statewide endeavor that assesses, certifies and promotes available sites for relocations and expansions. Since the site selection industry does not have a universally agreed upon set of criteria for a first-rate site, Tennessee entrusted two consulting firms and its economic development officers to create a menu of rigorous benchmarks which sites must meet in order to qualify as certified.

There are now 22 Select Tennessee Certified Sites available in 16 different counties across the state. The Select Tennessee program accepts applications twice a year. The TN ECD recently announced 11 Select Tennessee Certified Sites, including the Bridges Site in the Benton County Industrial Park; Bristol Business Park, Sullivan County; Dyersburg Rail Site; Gallatin Industrial Center; I-40 Advantage Industrial Park Site;

Jones Road Site in the Roane Regional Business and Technology Park; Lake County Industrial Site at Cates Landing; Milan Commercial Complex; Partnership Park II in Bristol; Sandstone Village Site: Madison County; and Clarksville-Montgomery County Corporate Business Park South.

ECD has partnered with Austin Consulting and The Foote Consulting Group to administer the program.

TN CERTIFIED SITES PROGRAM

Tennessee has launched a statewide program that assesses, certifies and promotes available sites, confirming the following attributes:

- ◆ 20 or more developable acres
- ◆ A confirmed asking price from a willing seller
- ◆ Documented acreage outside known flood-prone areas
- ◆ Property boundary survey and topographic maps completed
- ◆ Truck quality road access
- ◆ All utilities at the site or a formal plan to extend to the site
- ◆ Current zoning in place or an expedited rezoning plan
- ◆ Documented permitting process, timeline and fees
- ◆ Free of environmental liabilities or with a mitigation plan in hand
- ◆ Detailed report of comprehensive site information
- ◆ Certification by two professional site selection consulting firms—
Austin Consulting and Foote Consulting ◆

“Tennessee continues to regularly compete on a global scale as the best place to do business. We understand that winning new business is a competitive endeavor, where Select Tennessee Certified Sites have a great advantage when it comes to landing the next big economic development project,” ECD Commissioner Bill Hagerty said.

“Having an attractive site, that’s already been certified to international standards by world-class leading site selection firms Austin Consulting and The Foote

Consulting Group minimizes risk and assures companies looking to locate or expand here [that] their site will be operational in the shortest possible timeframe,” he added.

The program acknowledges that companies looking to expand or relocate their operations often eliminate less prepared sites and addresses this issue by ensuring sites meet a specific standard. Among the qualifications needed to become certified, a site must have at least 20 developable acres, proper zoning in place to allow for ease of development, all utilities at the site or a formal plan to extend to the site, and truck quality road access.

“Each of these sites have been carefully evaluated in order to minimize development risks to potential end users,” Austin Consulting Location Consultant Brandon Talbert said. “The required documentation allows companies to make an informed and timely decision because the site has already been subjected to a comprehensive due diligence process.”

“Expanding companies and site selectors alike want to see sites that are ready to go right now and often do not have the time to go through a lengthy review process”, Foote Consulting Group, LLC President and CEO, Deane C. Foote said. “The Select Tennessee Certified Sites program assures these companies and site selectors that they are seeing some of the very best sites in the nation, the “cream of the crop”, all ready to go now! The result will be more successful project locations, more jobs and more capital investment for Tennessee.”

Applications are due for the next round by January 17, 2014; however, interested communities must begin the formal application process by sending in their letter of intent. The letter of intent can be sent in by email to [Select.Tennessee@tn.gov](mailto>Select.Tennessee@tn.gov) at any time. Communities interested in applying to the Certified Sites program can visit www.SelectTennessee.com.

When the program was launched last year, Kendrick Curtis, Technical Program Director of the ECD, explained its goals in an interview with *Business Facilities*.

“The program is designed to be an industry standard for site preparedness. Each aspect has its own purpose and meaning,” he said. “For example, it is important that the technical studies and surveys—environmental site assessments, wetland delineation, geotechnical studies—be prepared in order for the prospect to feel confident that they have a clear picture of the environmental condition of the site.”

Curtis continued, “Infrastructure to serve the site (whether roads or utilities) must be directly available or be able to be improved/extended in a short timeframe. A clear path to acquiring or leasing the property must be identified and documented. Similarly, information about the site such as its zoning, surrounding land uses, previous uses, and proximity to the flood plain are all information important to establishing and communicating the character and condition of the site to a prospect.”

Tennessee has long been a popular business destination thanks to its rural and urban site preparedness. Curtis said the Select Tennessee Certified Sites Program will help all state communities. “The program is not designed to favor sites in one setting over sites in another. The focus is to establish a level of site preparedness necessary for corporate investment,” he said. “Locations in urban areas may have more sites that are at or close to this level. However, many rural sites will also be able to achieve this certification and be competitive with sites in this and other certification programs. It is important to recognize the value that the level of preparedness offers and to understand that this has benefits to both urban and rural areas alike.”

The ECD began looking intently at developing a site certification program in August 2011. Select Tennessee was officially launched the week of June 18, 2012 and is intended to be an ongoing program. In the short time since the program was launched, 14 communities with sites they would like to certify have sent letters of intent. The ECD expects these and others to be included in the first round of application acceptance and review later this summer and into the fall. Part of the value of becoming a Select Tennessee Certified Site is in the marketing of the program. The SelectTennessee.com website is the first step for marketing the certified sites to consultants and business leaders. The information gathered in the certification process will provide a full picture of available sites in Tennessee.

Kingsley Brock, Assistant Commissioner of Business Development at the ECD told BF, “Tennessee’s state government has demonstrated a real commitment to the issues that matter to business. Our state is on the cutting edge of public education reform and tort reform. We also have one of the best balance sheets in the country with a very low debt burden. As a state, Tennessee is a solid partner.”

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