

Economic Development Insight

Business Attraction

“We need jobs.” This is a frequent response, when Greene County residents are asked their opinion about community and economic development. When asked to clarify what they mean by that, most of the time they are thinking about a company relocating here.

Factory work and high-tech jobs still pay higher wages and provide more benefits than other sectors of the economy so, residents would like to see most of Greene County’s attraction efforts focus on these sectors.

Attracting high-tech companies is one of the reasons why Greene County has partnered with Daviess and Martin counties to form the WestGate@Crane Technology Park.

As for the manufacturing industry, contrary to popular belief, it still accounts for almost 12 percent of the nation's gross domestic product, according to the National Association of Manufacturers. There are more than 300,000 manufacturing companies located in the U.S. and they employ more than 13 million people. Further, in the past year, 34 percent of manufacturing companies expanded their operations, while 13 percent had contracted.

Area Development magazine, one of the leading site and facilities location publications in the country, recently conducted its 22nd annual survey of corporate executives. The six things manufacturing executives want the most are highway accessibility; low labor cost; cheap and available energy; skilled labor; low construction costs and available land.

Increased productivity is a necessity for the future of American manufacturing, although it is not likely to mean increased employment. In many ways, factories are the new farms. They require lots of capital and technology but not nearly as many people as they used to. (The creation by a relocating company of 50 jobs is considered to be a big deal.) In addition, obsolete plants will continue to shut down or retool. All these factors mean that there will be great opportunity to recruit and retain manufacturing companies.

Historically, factories have clustered in metro areas, but as land prices, crime and congestion increase so does the opportunity for more rural areas to compete. What’s important is to be realistic about what we've got, and to differentiate ourselves in ways that are important to manufacturing executives.

Annually, throughout the U.S. about 400 companies (from all sectors) relocate their business or expand their operations to include a secondary location. Of these, approximately 80% are seeking a building with minimum specifications on things like size, ceiling height, number of loading docks, parking, etc. The remaining 20%, only about 80 businesses per year, want to build a new facility. For all ‘relocators’, there are other relevant site factors, including quality of site, proximity and capacity of utilities, transportation accessibility, i.e. interstate, rail, airport or sea.

The first decision a company executive, or their site selection consultant, makes is in which state, or states, the new location needs to be. This is usually tied to where the company’s primary market is. This has become even more a crucial issue with the recent continued hikes in the price of oil and its impact at the gas pumps.

In general, Greene County is close to the center point of the U.S. population, so is well-positioned. But a company that manufactures heaters would not be as likely to locate in the Southwestern states as it would in one of the Northern states.

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Then, the site selector will access via the internet the various building and sites databases that are in regions within the selected states. This is why GCEDC collaborates with all the available regional economic development partners. I like to call it “coop-etition.” We have to cooperate with one another so that, collectively, we can attract site selectors to our region.

Once the region is “on their radar,” the site selector will begin researching the individual economic development organization (EDO) websites. As the EDO website is such an essential marketing tool, GCEDC staff continually spends time ensuring that it presents the best image of Greene County as a wonderful place to work, live and play.

GCEDC being able to promote more and better quality buildings and sites, increases Greene County’s ability to compete effectively in the business attraction arena. So, if you have, or even simply know of, a property (commercial, industrial, larger tract of land suitable for development) that is available for sale or lease, and it’s not on our website already, please help our efforts by sending us the details.

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