

CRC Infrastructure Sub-Committee
Project Identification Template and Instructions
Baldwin County Mega-Site

Project Identification Template

I. What – Project Information/Basic Facts

1. Project Scope Purchase a 3,000-acre Site and the Bon Secour Wetland Site in Baldwin County in order to attract a major industrial client. Baldwin County has identified a location that meets the criteria to be labeled a Certified Mega-Site. A Certified Mega-Site designation allows a community to market a specific property to large industrial clients. The Baldwin County Mega-Site location (see attached map) would be one of a very small number of certified mega-sites, believed to be only seven certified by McCallum Sweeney in the US. With many of those already occupied, a Mega-Site in Bay Minette would make this area extremely attractive to large industrial businesses. Baldwin County is conducting all the necessary studies required to designate the 3,000-acre area and the Bon Secour Wetland Site as a Certified Mega-Site. Criteria for Mega-Site designation are:

- Site must be a minimum of 1,000 developable acres.
- Site must be located outside the 500-year flood plain.
- Site must be served by rail. (Preference for Class I railroad and two-rail carrier choices.)
- Site must be within 3–5 miles, via truck route, of an interstate (Interstate frontage preferred.)
- Site must have a Phase I environmental audit. (And Phase II actions should be clarified.)
- Site must have adequate access to utilities.
- Site must have geotechnical and soil assessments completed.
- Wetlands and protected species should be identified.
- Site must be located within a 25–30 miles of at least 50,000 people

2. Project duration or schedule by phase and status of any work in progress Six months will be required to secure final environmental permitting and to plan the industrial facility followed by two years of construction.

2.1. Conceptual and Feasibility Planning, Engineering, Construction Environmental, geotechnical, transportation, utility and engineering studies have been performed or are underway on the 3,000-acre site in order to obtain the Mega-Site Certification designation. One potential industrial client, HK Motors, has developed conceptual layouts for the site and is attempting to acquire funding. The site is very attractive to other industrial clients as well.

3. Estimated Cost (plus or minus 30%) \$39,000,000

3.1. Indicate level of confidence in accuracy of these estimates Very high.

II. Why – Project Description relative to Impact and Criteria

1. Identify what need, threat or opportunity that this project, study, or recommendation will address A certified Mega-Site will create 3,000 to 5,000 extremely high-paying permanent jobs and will diversify the local economy. The construction of the industrial site will produce thousands of construction jobs over the two-year construction period. Local utilities will benefit greatly by the use of their facilities by such a large industrial complex and ancillary businesses will be created to supply the industrial site. Local businesses and the housing market will also see an increase in revenue from the influx of employment and wages.
2. How does this project or recommendation address and impact the recommended evaluation criteria:
 - 2.1.1. Coastal Recovery Construction of the industrial site will create thousands of construction jobs and pump money into the local economy immediately. Small businesses will benefit from the new revenue stream and will have the opportunity to provide services to the 3,000-5,000 permanent employees expected at the industrial site as well as the ancillary businesses created from the site.
 - 2.1.2. Resiliency A Certified Mega-Site will produce new jobs which will exist regardless of coastal disasters. The permanent jobs created by the Certified Mega-Site will not be dependent upon the tourism so greatly affected by hurricanes and other disasters common to the Gulf Coast. The Certified Mega-Site will diversify the local economy providing consistent and sustainable revenue streams.
 - 2.1.3. Transformational The Certified Mega-Site industrial complex will transform the region by providing a consistent platform for job creation, job growth and ancillary business opportunities associated with the site. The industrial work force, when combined with the tourism and agricultural business of the area, will provide a stable economic diversity for the region that can withstand the effects of economic downturns and natural disasters.
 - 2.1.4. Regionalism The Certified Mega-Site industrial complex will provide regional jobs for the short and long term. The reason this location was chosen as a Certified Mega Site was its proximity to existing major transportation such as rail, highway and port facilities. Access to the site will allow growth in the regional economy as ancillary businesses that spin off of the industrial complex. In cooperation with ThyssenKrupp, an industrial corridor will develop and provide major opportunities for the Alabama State docks and rail suppliers in the area. Due to its proximity to major interstate

highways, employees and other businesses may live and work within a large radius and still have access to the site.

2.1.5. Economic Diversification The addition of 3,000 – 5,000 new, non-service, non-tourism jobs in Baldwin County will remove much of the risk that currently exists in the existing job structure. It will diversify job types as well as skill needs.

3. Project Economics The State of Alabama has completed an economic impact analysis based upon location of an automotive plant on the site. The project has the potential for a multi-billion dollar impact with the largest portion being in Mobile and Baldwin counties.

4. Identify Direct Project benefits to Coastal Alabama, including avoided costs, consequence of “No Build” alternative. This will be the only Certified Mega-Site for hundreds of miles and provide Baldwin and Mobile counties with a significant competitive advantage in major job creation efforts. High-income jobs will provide discretionary income to be spent in coastal counties year-round and help stabilize the economy in areas which are almost totally dependent on seasonal tourism dollars.

4.1. Impact on employment, job training and development, both short term and permanent The projected construction impact on the site would be \$2 billion, while the long term impact of thousands of new jobs will be tens of billions. It is anticipated that placing a company on the property will employ at least 3,000 workers. The State of Alabama has committed substantial funds for pre-employment training. Long-term training will be established by the company with assistance from federal OJT programs.

4.2. Oil spill mitigation outside of claims process Not applicable

5. Identify Indirect benefits and costs

5.1. Collateral Benefits to the objectives of Healthy Environment, Healthy Economy and Healthy Society (subjective responses allowed) Coupled with high-paying, non-service jobs, a sustainable industry not dependent on the tourism market will benefit the local economy extensively. Permanent employment will impact the housing market and local economies, which will result in a higher standard of living, better healthcare, better housing, higher tax revenues and improved public services.

5.2. Collateral Costs or impacts to the objectives of Healthy Environment, Healthy Economy and Healthy Society (subjective responses allowed) The development will meet all environmental commitments and will be developed with a “green” development strategy.

5.3. Connectivity and Linkage to other projects or initiatives: Does this project complement or compete with other projects? What other projects would be precluded if this project is

funded? This project will create new tax revenue to help fund other projects and spur the development of new industrial properties and ancillary industries. It will also justify other funds needed to build/extend the Baldwin Beach Express and a new interchange off of I-65. The portion of the Baldwin Beach Express from US 31 to I-65 will be required to provide access to the Mega-Site property.

III. Who/How - General Information

1. Name and contact information for Entity, Collaboration or Person submitting project or recommendation nomination. **Robert Ingram, President/CEO Baldwin County Economic Development Alliance, P O Box 1340, Robertsdale, AL 36567. Phone 251-752-0139 and Hon. Frank Burt, Chairman, Baldwin County Commission, 312 Court House Square, Bay Minette, AL 36507. Phone 251-937-0264.**

*1.1. Entities and communities sharing a common threat or need are encouraged to collaborate for a joint/combined project submittal to raise the profile of the issue and solution to be addressed. Also please indicate the level of community support or resistance and hurdles to collaboration. **This project has strong support of elected and economic development officials and private sector leaders in Baldwin and Mobile Counties. Support letters are on file with the County and will be provided upon request.***

2. Identify Sponsoring Entity for oversight and accountability if different from above.

2.1. Existing or to be created? The Baldwin County Commission would be the ownership and development entity.

2.1.1. If to be created, what parties or interests must be involved and what level of effort is required to do so? The State of Alabama and the Economic Development Office will be utilized to attract industry. Private engineers and contractors will be used in the development of the site.

2.2. Describe governance, organizational capacity, availability of skills, experience of sponsoring entity to implement the Project The Baldwin County Commission has substantial expertise on staff, plus will contract with BCEDA for marketing and development assistance.

2.3. Project complexity: Hurdles and barriers to project implementation, completion and sustainability. Identify regulatory issues. All due diligence is underway, including wetland, environmental, cultural, wildlife and geotechnical studies. Funding is the only barrier in developing the site and attracting an industrial client.

3. Identify any known or anticipated administrative, regulatory, or legislative action that would be required at either the local, state, or federal governmental level. None, except those related to property development (noted above) and actions necessary for the building/operational aspects of the company which will locate on the site.
4. Requested funding from Coastal Recovery Fund (CRF) \$35 million is preferred and some combination of grant money or low interest loans may be possible, depending on how quickly the economy recovers. An additional \$35 million to fund the Baldwin Beach Express construction from US 31 to I-65 would also be beneficial.
5. Identified potential funding sources other than the CRF A portion of the project could potentially be done with low-interest loan funds if it did not adversely affect the county's credit rating.
 - 5.1. Leverage or multiplier on CRF investment: matching funds, public or private Those funds are hard to determine, possibly a 20 to 30 percent match, including the infrastructure required as part of project development.
 - 5.2. Public Private Opportunities, user fees, Federal funds, private foundation grants, bonding capacity, etc. The negotiations with a private sector entity which would spend up to \$4 billion on construction of the Mega-Site and equipping a plant will almost certainly require a donation of the property by the County to attract the business.
6. Forecast of ongoing maintenance or operating costs and source of funding if not self sustaining To be provided by Baldwin County and other local governments.