Industrial Development

Market Activity

Location Factors

Trends

Challenges Opportunities
Market Activity

DEVELOPMENT ACTIVITY (2012-2015)

BTS
- 500,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000 3,500,000 4,000,000 4,500,000

835,628
27% LEASED

3,061,628

4,005,050
United Properties’ Activity

WÜRTH GROUP

Nilfisk Advance

Perbix
Delivering Excellence in Manufacturing and Engineering

Federal Package
www.federalpackage.com

Bunzl

We make the containers that hold some of the world’s top beauty products.
NorthCross Business Park
Brooklyn Park

182,000 SF
Efficiency
300 Jobs

70,000 SF
Expansion
100 Jobs

148,000 SF
Expansion
200 Jobs
Common Themes

- Efficiency
  - Space, Operations
- Job Retention
  - Culture Challenges
- Technology / Automation
  - Impact on Design
Critical Site Selection Factors

1: Availability of Skilled Labor
2: Highway Accessibility
3: Labor Costs vs. Quality Dilemma
4: Occupancy / Construction Costs
5: Advanced ICT - Visionary Locales
6: Available Buildings
7: Lower Corporate Tax Rate Rates
8: State & Local Incentives
9: Low Union Profile
10: Energy Availability and Costs
**Trends**

**NEW RETAIL SPACE DELIVERIES (MILLION SQUARE FEET)**

![Chart showing new retail space deliveries from 2007 to 2014](chart.png)

**World e-commerce market**

E-Commerce sales are growing by more than 19% a year and will be of almost $1.4 trillion by 2015.
Trends

U.S. AVERAGE SIZE OF WAREHOUSE/DISTRIBUTION FACILITIES

PRIOR TO 2000  65,000 SF
2000 - 2006  127,500 SF
2007 TO PRESENT  181,370 SF

Made in USA
Made in China

36' CLEAR
<table>
<thead>
<tr>
<th>Challenges</th>
<th>Opportunities</th>
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<tbody>
<tr>
<td>(For MN companies)</td>
<td>(For MN cities)</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Land Availability / Zoning</td>
<td>▪ Planning / Land Use</td>
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<tr>
<td>▪ Costs</td>
<td>▪ Financial Assistance</td>
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<td>▪ Grants</td>
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<td>▪ TIF, Abatement</td>
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<td>▪ Public/Private Partnerships</td>
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<td>▪ Labor Supply / Quality</td>
<td>▪ Education Assistance</td>
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<td>▪ State / City Competition</td>
<td>▪ Do you have an incentives game plan?</td>
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<tr>
<td>▪ Infill: Site Acquisition, Demolition, Clean-Up</td>
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<tr>
<td>▪ Occupancy Costs</td>
<td>▪</td>
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<tr>
<td>▪ Rent, Maintenance, Taxes, Logistics</td>
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<tr>
<td>▪ States aggressively targeting companies</td>
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<tr>
<td>▪ Tenants</td>
<td>▪</td>
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</table>
In Closing...

- Industrial / Manufacturing – Backbone of America
- Technology / Trends → Continued Growth
- Industrial Businesses → Community Impact
  - Balance: Jobs, Income, Diversity
- Ripple Effect:
  - Business Expands → Project → Jobs → Taxes