



AREA DEVELOPMENT

SITE AND FACILITY PLANNING

METHODS & PLANNING

When in Doubt, Ask the Expert

The relocation of a corporate facility is an unquestionably complex process that can benefit greatly from seeking the advice of experts in the field.

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RELOCATING A CORPORATE facility can be a time-consuming, exhaustive, and expensive project. Not only does this process include the identification of the ideal site or building, but it requires a detailed strategic plan to implement all of the ancillary aspects of the relocation itself once the negotiation of the transaction is complete.

Contrary to many approaches, the proper planning should begin well in advance of site identification and/or consummation of the transaction. It is imperative that all of the ancillary items relating to the relocation can be addressed in advance and incorporated into the overall relocation process. These items then become part of the relocation process and are addressed one at a time to comprise the entire time line. Companies that recognize and identify these items in advance and take the appropriate steps to address lead times, outsourcing, vendor contracts, and engaging subcontractors, will undoubtedly have greater success in coordinating a smooth transition for the relocation and decrease their odds of additional expense and business disruption.

The following will discuss some of the aspects that are typically involved in the physical relocation of a facility, as well as those items that are integral to the overall process. Project coordinators must utilize peers, staff, and vendor relationships to address each of these items.

Strategic Planning

Prior to the physical construction of the facility or its improvements, considerable planning must take place. Special power requirements for equipment; distribution lines for electric, gas, water, and other special features; as well as the flow of the office area warehouse and/or manufacturing areas of the facility to create optimal productivity must be determined. Strategic planning and programming must be complete prior to the drafting of any architectural drawings and/or commencement of any physical construction. Vendor outsourcing to professionals such as architects, space planners, industrial engineers, and real estate consultants can assist with this aspect of the process.

This stage of the process will undoubtedly determine the layout and flow of the facility and will also allow the user to accurately estimate the overall costs of the construction to be incorporated into the final transaction. This preliminary process will also unveil any issues with regards to city permits, parking, or restricted uses for the facility. Input by the city planning department or building department should be included in the process to avoid any future issues or modification to plans that may add costs to the project. Once again, the use of a space planner or architect would be highly advisable in coordinating these discussions with the city to develop any final plans for construction.

Governmental Incentives

Coordination with local municipalities and/or the economic development department as well as any county or state agencies may enhance the transaction. Many companies fail to negotiate to the fullest extent potential incentives that could be made available by economic concessions from these governmental entities. These concessions typically take the form of business or wage tax credits, employee training, and/or discounts on utilities.

“The more detail that is incorporated into the bid package the better the construction bid will be.”

Other municipalities offer industrial development bonds, which are a low-cost alternative to conventional financing for new construction. These discussions and due diligence should be completed prior to selecting the site. Negotiating with several municipalities and/or government entities simultaneously will create leverage for the user and can ultimately result in increased economic incentives.

There are specific consulting firms that negotiate these types of incentives on your behalf. They will do so either for a fixed fee, an hourly rate, or a percentage of the savings resulting from their negotiations. These consulting firms are either real estate companies, accounting firms, or specialty consulting firms. They will typically have access to general economic incentives and will negotiate with the different governmental agencies on your behalf.

Specific incentives granted may make the difference in choosing one site over the other. This is an integral portion of the relocation process and should be completed in the beginning phases of your search. Additionally, assistance from any government entities in the permitting and/or construction process will expedite the overall timelines for your relocation. Coordination with these governmental entities will also give you detailed information on labor statistics, available labor pools, transportation issues, and local amenities available to you in a particular area. These factors should all be weighed appropriately before making any final decisions.

Bid Package

It is important in negotiating any transaction to completely understand all of the costs involved. This will undoubtedly give you a better ability to negotiate the overall most advantageous transaction. The preparation of a bid package prior to the construction process will allow the landlord, contractor, or developer to specifically identify your

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