STATE RANKING OF BEST ECONOMIC DEVELOPMENT SITE SELECTION WEBSITE SERVICES





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STATE RANKING OF BEST ECONOMIC DEVELOPMENT SITE SELECTION WEBSITE SERVICES

S states are competing actively and aggressively to help businesses start up, expand, and relocate into their area to foster economic development. The need for and importance of business investment has grown as a result of challenging economic times across the nation and high unemployment rates. In many cases states are actively trying to recruit businesses to take these businesses from competing states.

A primary way that states are promoting themselves as attractive for business investment is by convincing the company that their location meets the unique needs of each business and that a place in their state provides a superior location advantage.

Given that businesses and consumers are performing much of their initial research online before making a buying or investment decision, state economic development agencies have responded by providing online corporate site location assistance services to enable businesses to research optimal locations. Since this goal of investment attraction is so important, and the process of assisting businesses in this process is so fundamental to state economic development activities, this study compares and ranks the online site selection analysis and assistance websites of all 50 US states based on quantitative metrics.

The four key elements of an online economic development investment attraction strategy are:

- 1. Lead generation
- 2. Community search
- 3. Property search
- 4. Location analysis

The methodology of this research project is discussed in the next section. This is then followed by further discussion of the four essential elements of the corporate site location process, state rankings, vendor review, and analysis of results.

METHODOLOGY: HOW THE STATES WERE RANKED

All of the states were ranked across the four major functional site location categories and by over 300 individual measurement variables within them. Each of these four categories had a total possible point value of 25 and an aggregate possible total of 100. Within each of the over 300 variables, the state that had the highest performance received 100% of the points possible for that variable. All other states' points were assigned as a portion of the total possible points relative to the top-performing state for that variable.

After the point totals for each of the four main categories were added up, the state with the most points in each category received 100% of the points available. So at least one state in each of these four categories received the maximum 25 points.

All of the points for the four categories were then added up, leading to the overall state ranking based on a possible perfect total of 100 points.

State rankings were then analyzed and filtered based on overall ranking, regional ranking, and ranking by size of population. The overall ranking compares all of the states. The regional ranking separates the states into four regions of the USA as divided by the economic development profession's own regional membership associations. The ranking by the state's population size uses a mathematical algorithm called "natural breaks" for dividing the states into five similarly grouped categories of very large, large, medium, small, and very small states.

Each state economic development agency was contacted, requesting that the staff provide the website address of their main website and the specific address of their site selection website service. The websites evaluated were based on the information provided by each state. Research was conducted during the month of August 2013 to gather all of the raw data for each state's website. Analysis was conducted from September 2013 to January 2014. During the time of this analysis, four states' EDAs replaced or eliminated their online site selection services. These were Florida, Minnesota, Ore-

gon, and Rhode Island. Each of these four states was reevaluated in January of 2014 and new statistics were collected for these states, which are included in this analysis. No data collection occurred after January 15, 2014. Georgia was the only state that, from one webpage, directed website users to four different site selection website services. Given that the website with the four websites listed was selected by staff during the initial phase of research, all four of the site selection websites were evaluated. The average scores for the four websites were used in the ranking. Georgia's websites ranged in quality and some would have been among the best rankings and others among the worst.

ESSENTIAL ELEMENTS OF A SUCCESSFUL ONLINE ECONOMIC DEVELOPMENT PROGRAM

1. Lead Generation

State economic development agencies are marketing their online site selection assistance services directly to companies through a number of channels. They are also making sure that they can serve their business customers in multiple online formats.

This category of analysis and measurement includes the network of online marketing initiatives that state economic development agencies (EDAs) are implementing, including marketing in corporate real estate and/or national business publications' websites, inclusion in national site selection portals, presence on related federal websites, blogs, social media, and search engine optimization. Also, some states are making their services more easily available and usable by providing their services in device-optimized ways that enable device-appropriate searching on smartphones or tablets.

Analysis:

State EDAs are using increasingly more sophisticated online marketing to help businesses find their services when it's time to consider a business location decision. Some of these methods play to the advantages of government organizations such as Search Engine Optimization (SEO), as government websites automatically have higher relevance ranking on the leading search engines. Sophisticated organizations are providing comparable experiences whether the businessperson is on their desktop, smartphone, or tablet. Also, states are growing their communication influence through social media, although there are huge disparities between the states with the most and least reach on social media platforms. In addition, states are going beyond the website locations they own to place themselves where their customers are, and doing research online through national site selection portals, corporate real estate websites, and traditional business publications' websites.

2. Community Search

The first phase of the corporate site location process is the evaluation, analysis, and selection of the correct community to meet the business needs of the company. This is a critical part of the process because the next phases of decision-making are built upon this inital analysis of location. After the "Situation Assessment" of a business location project for its corporate clients, KPMG Global Location and Expansion Services refers to their next step in their process, which includes the search for potential community locations, as "Location Screening".

The Community Search phase involves seeking a location such as a metro, county, or city that meets the specific requirements of the business. These usually include analysis of and filtering locations based on issues related to the demographics, labor force, access to transportation and logistical advantages, cost-related factors, consumers, community amenities, industry suitability, and the presence of business competitors, suppliers, and customers. The state websites were measured and ranked based on the quality and ability to provide these services.

Analysis:

Considering the primary and essential importance of finding the right community location in a state for a business in the overall site selection process, it is concerning that 40% of states provide no service to assist in this process at all. Consequently, states without this search functionality offer no way to search for specific communities that match a business' needs based on demographic, business, and geographic characteristics. The states that do provide this assistance make the process of finding the optimal location in their state easier.

3. Property Search

After finding a suitable community or communities to potentially locate a business, the company must find an actual location for them to operate. State EDAs enable businesses to more rapidly find a specific location to open by providing a searchable database of properties that can typically be filtered by sites, buildings, property type, building characteristics, size, cost, and incentives. Property reports can include detailed information, multi-media, and contact resources for a business interested in the property.

Analysis:

Most states had a searchable database of properties and, compared to the wider performance gaps in other categories of comparison, performed relatively well in this comparison. Only seven states did not provide this service to businesses. Of the states that had a searchable database, there were varying levels of the quantity of variables that could be searched on and the ease of use of searching for properties.

4. Location Analysis

The saying goes that the three most important elements of real estate are "location, location, location," and that certainly is the case for analyzing the business viability of a specific location within a city. Although a metro, county, or city may have the overall characteristics a business is looking for, if the needed elements aren't all at or nearby the specific location the business will locate, it can be a bad match. For example, having railroad access in the county isn't the same as having railroad access directly from the property. Having a great customer or employee base on one side of the metro-region that is 30 miles away from the potential business location won't work if customers or employees typically only travel 15 miles for work or to get services. If being near a concentration of businesses in a specific industry is essential, then they actually have to be nearby and not just within the political boundary of the municipality.

Some state EDAs help companies understand the specific characteristics of a potential business site by making that address the center of the location analysis. They also enable the business to custom-define the distance of their analysis around the unique location. This also addresses the reality that political boundaries often have no relationship to labor sheds or geographic business markets that companies operate within. Property specific data provided at business-defined distances of miles or drive-time around the potential business location can include data for demographics, labor, consumer spending and segmentation, wages, housing, income, businesses, industries, and industry clusters.

Analysis:

There was a wide disparity between the high and low performing states for this measurement. The high scoring states had more data, more data categories, and detailed information for the data variables provided. They also had greater ability for website visitors to customize the data analysis. The highest ranked states had deep integration of the data reports, with visualization of the data by geography on interactive maps. This was especially the case with the ability to search, filter, and visualize industries by business sector on interactive maps. There was also disparity related to the user interface and usability of some of the reports. Higher performing states had the data integrated directly into their website that was produced quickly and could be modified easily, while lower-performing websites produced static reports in separate documents or reports that were less easy to access as pop-ups. However, 10% of the states provided none of this type of location-specific information at all.

RANKING OF STATE SITE SELECTION WEBSITE SERVICES

RANK	STATE	LEAD GENERATION	COMMUNITY SITE SELECTION	PROPERTY SEARCH	LOCATION ANALYSIS	TOTAL SCORE
1	Indiana	25.00	25.00	19.89	24.96	94.85
2	Michigan	20.80	25.00	23.23	22.64	91.67
3	Wisconsin	18.20	25.00	25.00	23.13	91.33
4	Idaho	22.63	24.44	19.86	22.45	89.39
5	New York	17.98	25.00	21.50	23.79	88.27
6	Connecticut	18.91	25.00	20.70	22.41	87.03
7	Pennsylvania	16.85	25.00	21.22	22.50	85.56
8	Oklahoma	18.70	25.00	18.91	22.27	84.89
9	New Jersey	16.68	25.00	18.18	25.00	84.86
10	Oregon	18.05	24.44	18.84	21.63	82.96
11	Massachusetts	16.97	25.00	17.72	22.95	82.64
12	Alaska	18.35	24.44	14.76	24.77	82.33
13	Arizona	17.15	25.00	15.11	22.42	79.68
14	Wyoming	17.47	24.44	14.70	22.63	79.25
15	Texas	20.66	24.44	0.00	24.97	70.07
16	Georgia (Avg.)*	9.88	15.67	15.51	13.90	54.97
17	Maryland	20.41	0.00	15.63	10.75	46.79
18	New Mexico	13.26	6.39	18.21	7.70	45.57
19	North Carolina	14.97	2.64	17.76	10.17	45.53
20	Nebraska	16.66	0.00	17.22	9.70	43.58
21	Tennessee	15.43	1.11	12.94	12.82	42.31
22	lowa	12.37	2.36	17.31	10.16	42.20
23	Illinois	10.20	0.00	21.95	10.04	42.18
24	Nevada	15.87	3.19	11.79	10.98	41.83
25	Minnesota	10.16	0.83	19.93	10.61	41.53

^{*} Georgia was the only state that, from one webpage, directed website users to four different site selection website services. All four websites were evaluated and the average of the four websites was used for the ranking.

RANK	STATE	LEAD GENERATION	COMMUNITY SITE SELECTION	PROPERTY SEARCH	LOCATION ANALYSIS	TOTAL SCORE
26	Rhode Island	9.98	1.11	15.83	13.75	40.66
27	Missouri	9.32	0.83	20.89	9.52	40.56
28	Colorado	10.58	1.11	14.12	13.74	39.55
29	Virginia	12.23	10.09	12.24	4.14	38.69
30	Kansas	10.68	0.83	16.86	10.08	38.45
31	Kentucky	7.93	3.75	12.62	14.12	38.42
32	Ohio	9.60	0.00	15.63	11.38	36.61
33	Mississippi	9.50	0.00	16.26	9.34	35.11
34	Montana	3.23	0.00	9.92	17.47	30.62
35	North Dakota	6.08	14.71	3.66	2.43	26.87
36	South Dakota	7.97	1.11	12.26	5.23	26.57
37	Louisiana	7.08	0.00	13.28	5.92	26.28
38	South Carolina	9.41	0.00	12.79	0.24	22.44
39	Florida	11.78	0.00	0.00	6.82	18.61
40	Utah	9.69	0.00	6.63	0.97	17.29
41	Arkansas	0.14	0.00	11.22	5.33	16.69
42	Alabama	4.11	0.00	10.72	0.97	15.79
43	Vermont	8.86	0.00	6.57	0.00	15.43
44	West Virginia	7.24	0.00	6.34	0.74	14.33
45	Washington	11.36	0.00	0.00	0.00	11.36
46	New Hampshire	11.13	0.00	0.00	0.00	11.13
47	California	4.60	0.00	1.96	2.33	8.89
48	Delaware	7.27	0.00	0.00	0.00	7.27
49	Maine	4.61	0.00	0.00	1.10	5.70
50	Hawaii	4.63	0.00	0.00	0.00	4.63

RANKING BY REGION

Midwest

RANK	STATE	TOTAL SCORE
1	Indiana	94.85
2	Michigan	91.67
3	Wisconsin	91.33
4	Nebraska	43.58
5	lowa	42.20

Northeast

RANK	STATE	TOTAL SCORE
1	New York	88.27
2	Connecticut	87.03
3	Pennsylvania	85.56
4	New Jersey	84.86
5	Massachusetts	82.64

South

RANK	STATE	TOTAL SCORE
1	Oklahoma	84.89
2	Texas	70.07
3	Georgia (Avg.)	54.97
4	North Carolina	45.53
5	Tennessee	42.31

West

RANK	STATE	TOTAL SCORE
1	Idaho	89.39
2	Oregon	82.96
3	Alaska	82.33
4	Arizona	79.68
5	Wyoming	79.25

RANKINGS BY SIZE OF STATE POPULATION

Very large

RANK	STATE	TOTAL SCORE	2013 CENSUS ESTIMATE
1	New York	88.27	19,651,127
2	Texas	70.07	26,448,193
3	Illinois	42.18	12,882,135
4	Florida	18.61	19,552,860
5	California	8.89	38,332,521

Large

RANK	STATE	TOTAL SCORE	2013 CENSUS ESTIMATE
1	Michigan	91.67	9,895,622
2	Pennsylvania	85.56	12,773,801
3	New Jersey	84.86	8,899,339
4	Georgia (Avg.)	54.97	9,992,167
5	North Carolina	45.53	9,848,060

Medium

RANK	STATE	TOTAL SCORE	2013 CENSUS ESTIMATE
1	Indiana	94.85	6,570,902
2	Wisconsin	91.33	5,742,713
3	Massachusetts	82.64	6,692,824
4	Arizona	79.68	6,626,624
5	Maryland	46.79	5,928,814

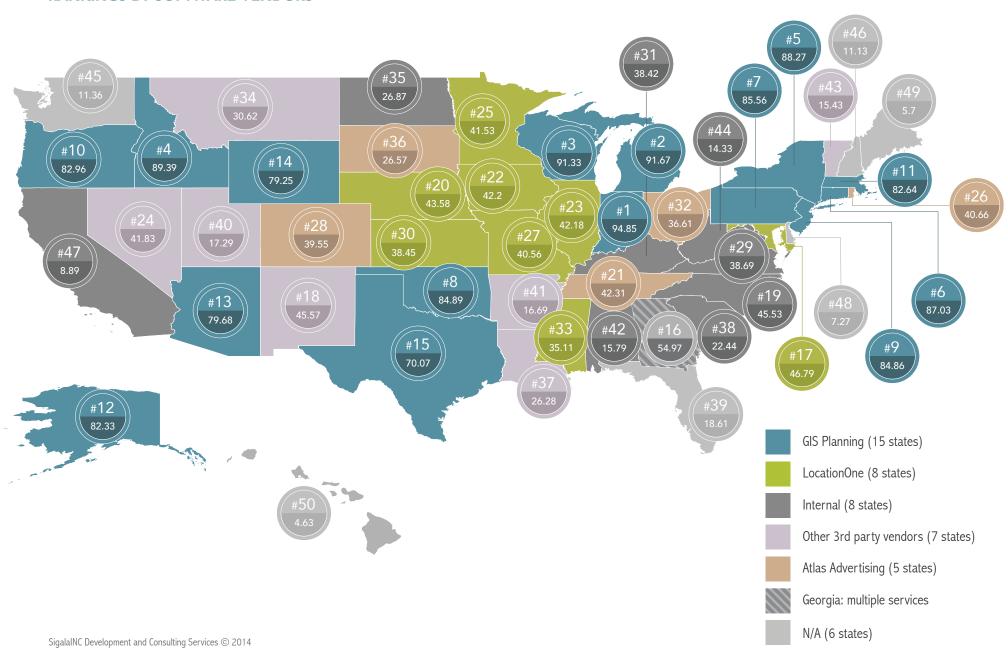
Small

RANK	STATE	TOTAL SCORE	2013 CENSUS ESTIMATE
1	Connecticut	87.03	3,596,080
2	Oklahoma	84.89	3,850,568
3	Oregon	82.96	3,930,065
4	lowa	42.20	3,090,416
5	Nevada	41.83	2,790,136

Very small

RANK	STATE	TOTAL SCORE	2013 CENSUS ESTIMATE
1	Idaho	89.39	1,612,136
2	Alaska	82.33	735,132
3	Wyoming	79.25	582,658
4	New Mexico	45.57	2,085,287
5	Nebraska	43.58	1,868,516

RANKINGS BY SOFTWARE VENDORS



RANKING BY THE FOUR MAIN CATEGORIES

State rankings for the four main categories of analysis are broken down in the following tables. Each category has a maximum score of 25 points.

Lead Generation

These five top scoring state websites all offered a variety of well-developed initiatives to drive traffic back to their sites, including search engine optimization, social media, national portals, and other factors.

RANK	STATE	LEAD GENERATION SCORE
1	Indiana	25.00
2	Idaho	22.63
3	Michigan	20.80
4	Texas	20.66
5	Maryland	20.41

Community Search

Ten states tied for first place due to their use of the same community search software tool from the same vendor (GIS Planning).

RANK	STATE	COMMUNITY SITE SELECTION SCORE
1	Arizona	25.00
1	Connecticut	25.00
1	Indiana	25.00
1	Massachusetts	25.00
1	Michigan	25.00
1	Oklahoma	25.00
1	Pennsylvania	25.00
1	New Jersey	25.00
1	New York	25.00
1	Wisconsin	25.00

Property Search

High property search scores were determined for each state site selection website by ease of use, the variety of search variables, customized search tools, property availability, and dynamic mapping.

RANK	STATE	PROPERTY SEARCH SCORE
1	Wisconsin	25.00
2	Michigan	23.23
3	Illinois	21.95
4	New York	21.50
5	Pennsylvania	21.22

Location Analysis

The high scoring states had more data, more data categories, and detailed information for the data variables provided. They also had greater ability for website visitors to customize the data analysis. The highest ranked states had deep integration of the data reports with visualization of the data by geography on interactive maps, as well as the ability to search, filter and visualize industries by business sector on interactive maps. Integrated reporting functionality was scored higher than static reports.

RANK	STATE	LOCATION ANALYSIS SCORE
1	New Jersey	25.00
2	Texas	24.97
3	Indiana	24.96
4	Alaska	24.77
5	New York	23.79

WEBSITE ADDRESS LOCATIONS

RANK	STATE	ORGANIZATION NAME	SITE SELECTION WEBSITE
1	Indiana	Indiana Economic Development Corporation	http://bit.ly/1hpkd97
2	Michigan	Michigan Economic Development Corporation	http://bit.ly/1kRZY9z
3	Wisconsin	Wisconsin Economic Development Corporation	http://bit.ly/OlaB73
4	Idaho	State of Idaho Department of Commerce	http://bit.ly/1isLuu1
5	New York	Empire State Development	http://bit.ly/1hpkuJi
6	Connecticut	Connecticut Economic Resource Center	http://bit.ly/1nvkJKp
7	Pennsylvania	Pennsylvania Department of Community and Economic Development	http://bit.ly/1gwIDB0
8	Oklahoma	Oklahoma Department of Commerce	http://bit.ly/NkDi2V
9	New Jersey	Choose New Jersey	http://bit.ly/1gqVtLz
10	Oregon	Business Oregon	http://bit.ly/1czpxnr
11	Massachusetts	Massachusetts Alliance for Economic Development	http://bit.ly/1iMxg4R
12	Alaska	Anchorage Economic Development Corporation	http://bit.ly/1gqVEX3
13	Arizona	Arizona Commerce Authority	http://bit.ly/1qJ1MTw
14	Wyoming	Wyoming Business Council	http://bit.ly/1fBfE9f
15	Texas	Texas Economic Development Division within the Office of the Governor	http://bit.ly/1isLXfV
16	Georgia (Avg.)	Georgia Department of Economic Development	http://bit.ly/1ehaTp7
17	Maryland	Maryland Department of Business and Economic Development	http://bit.ly/1maloPG
18	New Mexico	New Mexico Partnership	http://bit.ly/1iSOULb
19	North Carolina	North Carolina Department of Commerce	http://bit.ly/1ibxR1L
20	Nebraska	Nebraska Department of Economic Development	http://bit.ly/1qJ28tp
21	Tennessee	Tennessee Department of Economic and Community Development	http://bit.ly/1kyWyWR
22	lowa	lowa Department of Economic Development	http://bit.ly/1eHloOh
23	Illinois	Illinois Department of Commerce and Economic Opportunity	http://bit.ly/1iSDRel
24	Nevada	Nevada Governor's Office of Economic Development	http://bit.ly/1gwmzFj
25	Minnesota	Minnesota Department of Employment and Economic Development	http://bit.ly/1gqWLpV

RANK	STATE	ORGANIZATION NAME	SITE SELECTION WEBSITE
26	Rhode Island	Rhode Island Economic Development Corporation	http://bit.ly/1od9KCi
27	Missouri	Missouri Department of Economic Development	http://on.mo.gov/XfTf0m
28	Colorado	Colorado Office of Economic Development and International Trade	http://bit.ly/1fBg7s6
29	Virginia	YesVirginia	http://bit.ly/1iby3xU
30	Kansas	Kansas Department of Commerce	http://bit.ly/1kT6asF
31	Kentucky	Kentucky Cabinet for Economic Development	http://bit.ly/1gCQA2D
32	Ohio	JobsOhio	http://bit.ly/1dbeHEU
33	Mississippi	Mississippi Development Authority	http://bit.ly/1uLQl8X
34	Montana	Montana West Economic Development	http://bit.ly/1d4FeZV
35	North Dakota	North Dakota Department of Commerce	http://1.usa.gov/NkEDqu
36	South Dakota	South Dakota Governor's Office of Economic Development	http://bit.ly/1nvmhnE
37	Louisiana	Louisiana Economic Development	http://bit.ly/1dbf0Q4
38	South Carolina	South Carolina Department of Commerce	http://bit.ly/1kV89SJ
39	Florida	Enterprise Florida	n/a
40	Utah	Economic Development Corporation Utah	http://bit.ly/1p0VhrA
41	Arkansas	Arkansas Economic Development Commission	http://bit.ly/1hpmdOM
42	Alabama	Economic Development Partnership Alabama	http://bit.ly/1osOmMy
43	Vermont	Vermont Agency of Commerce & Community Development	http://bit.ly/1gwn7et
44	West Virginia	West Virginia Department of Commerce	http://bit.ly/1nvmzLd
45	Washington	Washington Department of Commerce	http://bit.ly/Old8hy
46	New Hampshire	New Hampshire Department of Resources and Economic Development	n/a
47	California	California Go Biz	http://bit.ly/1p0Vv1N
48	Delaware	Delaware Economic Development Office	n/a
49	Maine	Maine and Company	http://bit.ly/1iS2b52
50	Hawaii	State of Hawaii Dept of Business, Economic Development & Tourism	n/a

All of the above URLs were functional as of January 2014. Links that are non-functional after the time of writing may be due to subsequent changes in service providers, technical problems, or redesign.

Due to the long length of actual EDA website URLs, they were shortened using a URL shortening service. By entering in these URLs you will be directed to the original EDA website services URLs.

OTHER KEY OBSERVATIONS

Many of the key results of this ranking are analyzed in other places in this report. However there were some additional quantitative and qualitative observations that emerged through the research and analysis of this ranking of the states.

EDA staff doesn't know their own services

During the initial period of research, economic development staff were contacted for the Internet address of their site selection assistance services. On several occasions, staff said that their state websites did not provide any such services. To validate whether a state did or did not have these services, each website was visited to try to find any services. In some cases the states actually did provide these online services, even though EDA state staff indicated they were not available. It seems that there are communication problems internal to state EDAs where their own staff do not know their own programs or services.

Outsourcing

In general, the highest ranked states outsourced their site selection assistance and analysis websites to private companies that specialize in providing these services. The lower performing states tended to offer no comprehensive service or built a system internally. There were some exceptions to this trend, such as North Carolina, which built their own service and is ranked #19, and Virginia, which also built an internal service and is ranked #29. It's notable that the top ranked states all used GIS Planning's ZoomProspector software. Other third-party vendors' services and internally-built systems were used by some of the states found in the middle and bottom of the rankings.

States are not always the best source of site selection analysis information

Although local economic development agencies may have good information at the metro, county, or city level for site selection analysis, utility companies that are involved in economic development may have the most comprehensive statewide data relevant to site selection analysis and evaluation on their websites. In the case of Georgia, 3 of the 4 site selection services available on the state's website are

provided by Georgia-based utility companies and all of their websites outranked the state's own site selection assistance service.

Varying data quality

On some of the states' websites, the data provided related to communities was out of date or no date was included at all. On one website, the data was listed as being from 2004. Another problem was that frequently data did not have a description of the source of the data, which will likely confuse businesses using the website or make them suspicious of the data and how current it is. On several of the websites, states had multiple reports that just repeated the same demographic information in each of the reports, perhaps in an attempt to make it look like the state had more data. The best websites had more and detailed data that was easy to access, customize, and visualize.

Mobility

Business people are frequently traveling and accessing information on the go with mobile devices such as smartphones and tablets. Some of the state websites were extremely difficult to use because they were not designed for mobile devices, or the websites simply squeezed all the information that might be visible on a large desktop monitor onto the small space of a smartphone screen. The highest quality state site selection analysis services provided a mobile version with features optimized with a different design for use on smart phones and tablets. Trends indicate that increasingly people will access information through mobile Internet devices, and this trend will impact the value of these state website services (Mary Meeker & Liang Wu, 2013 Internet Trends).