**Project Glacier Executive Summary**

**Business Initiative**

Our client, a beverage co-manufacturer and co-packer, is expanding into the eastern half of the United States. Products include coffees and teas, branching into juices, soft drinks, and potentially alcoholic beverages. Five critical location factors were identified:

1. Minimize upfront cost of start up
2. Minimize utility and property tax costs as a share of total operating costs
3. Enable access to population centers where corporate customers are located
4. Optimize logistics and transportation
5. Balance cost of labor against the need to recruit a qualified workforce

**Approach**

Two properties, located in Frederick County, VA (Winchester) and Halifax County, VA (So. Boston) were compared using multiple factors. Electronic data resources included mapping tools, the Bureau of Labor Statistics, Claritas PRIZM, the US Census, the Department of Labor, academic research databases, and federal, state, and local economic development authority sites. Variables assessed for influence on the critical location factors were sorted into eight major groups: workforce, demographics, available incentives, taxes, utility costs, proximity to optimal markets, real estate costs, and logistics and transportation. Variables were evaluated for the weights of their contributions to the subsequent recommendation.

**Major Findings**

While the potential workforce of the Winchester site is more numerous, the corresponding workforce in and around South Boston earns slightly lower customary wages and manufacturing is the third most common career field in the area. A ready-made workforce would diminish the need for universal training.

The Winchester site is better situated to access the affluent markets (Washington, DC; Philadelphia; Baltimore) to whom corporate customers will sell upscale ready-to-drink (RTD) products. In addition, the Winchester site is closer to a major highway, an international airport, and a major (inland) port. However, South Boston is also convenient to major population centers and trucking logistics costs are lower, minimizing a major cost of operations.

Real estate terms for both properties are comparable to similar properties currently available for lease or for sale. Lease terms and real estate property taxes are more favorable for the South Boston site. Utility costs and personal property taxes are lower for the South Boston site.

The Winchester site is located in a Technology Zone but not eligible for any of the incentives the distinction entails. In contrast, the South Boston site is situated in an Enterprise Zone, an Opportunity Zone, and a HUBZone. As a result, the value of the incentive package for South Boston exceeds that of the Winchester site by over $1.7 million. Additionally, the South Boston site’s qualification as a HUBZone small business makes it eligible for select government contracts.

**Recommendation**

To meet project goals, the South Boston site should be NNN leased for five years.