

Oklahoma's Competitive Edge

AUGUST 26, 2024

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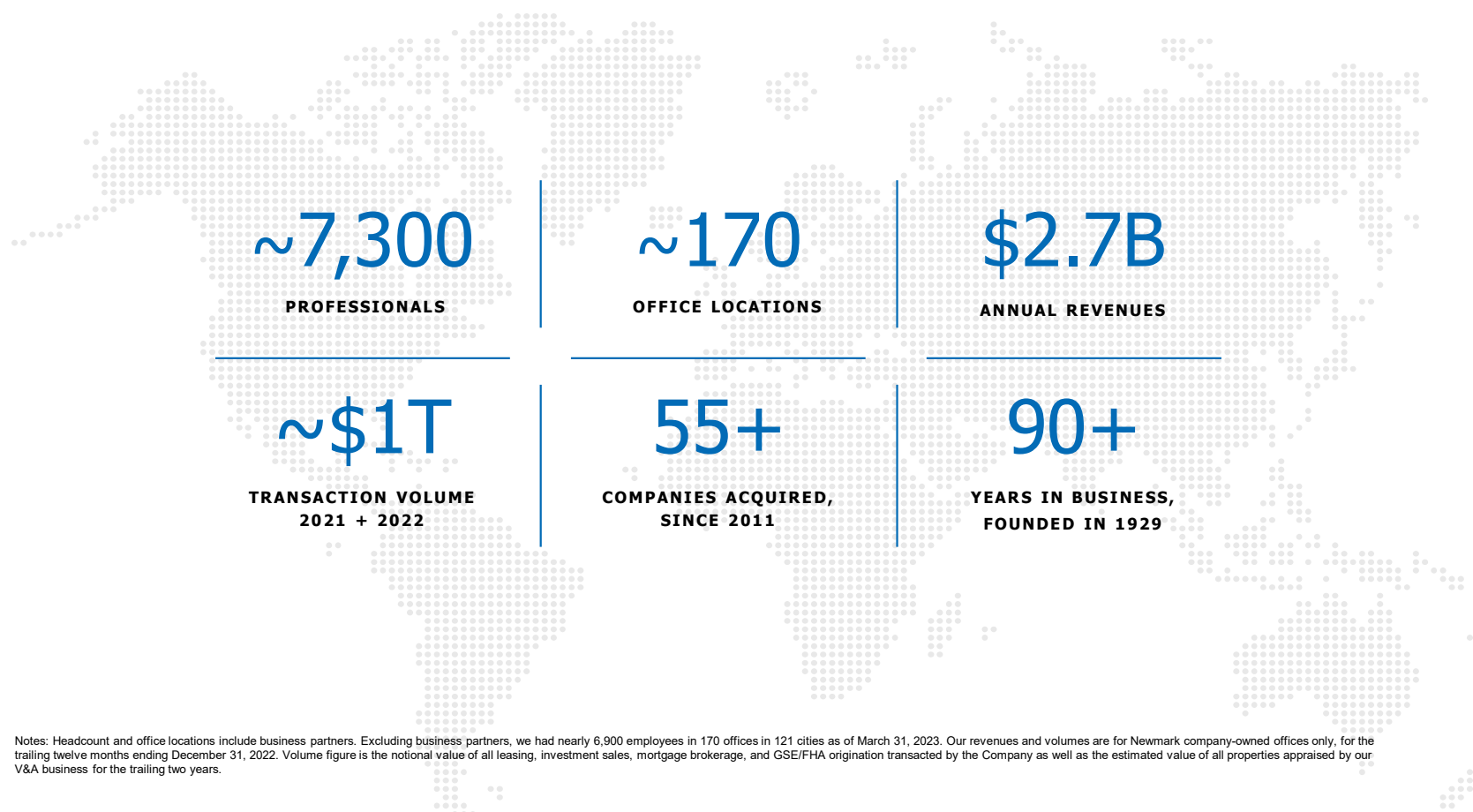


NMRK.COM

My Oklahoma Experience



Global Reach: Locally Expert, Globally Connected



Newmark Global Corporate Services creates customer-centric, strategic and innovative solutions to enhance every workplace, everywhere.

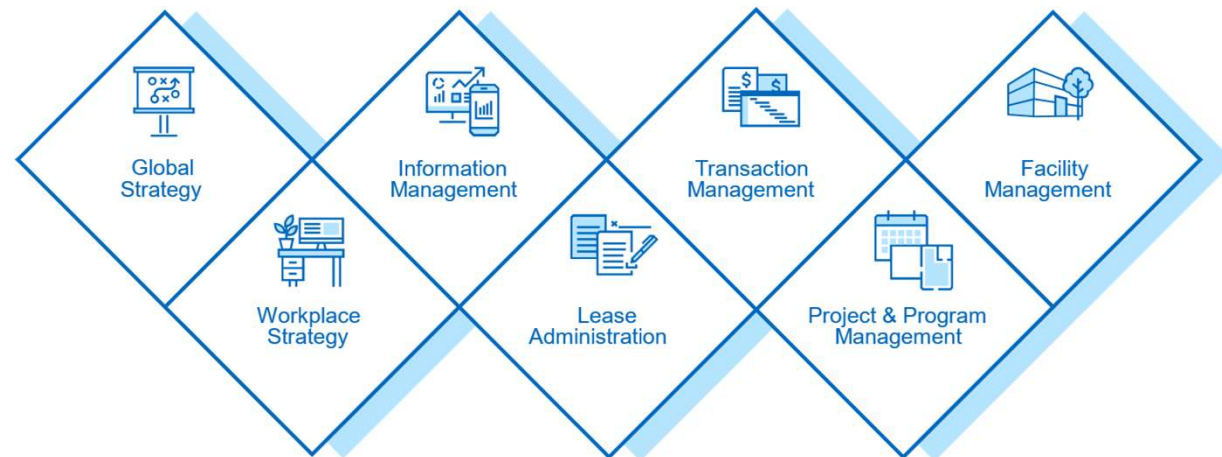
We do that by combining insight with industry-leading data and technology to solve even the most complex problems.

Newmark GCS brings **transparency, long-term partnership** and **thought leadership** to each relationship, with a relentless pursuit of improvement and innovation globally.

What is Global Corporate Services?

We offer a full range of occupier required services, delivered as individual engagements or as integrated solutions.

SUITE OF SERVICES



SUPPORTED BY A ROBUST PLATFORM



Supply Chain



Environmental, Health & Safety



Continuous Improvement



Governance



Risk Management

Global Strategy

What We Do: We are management consultants who help companies determine **what** facilities they need, **where** they are needed, and **how** those facilities' operating conditions should be organized geographically, functionally, and socially while **optimizing** costs to the business.



Location Strategy and Site Selection

- Corporate location strategy and site selection
- Relocation, expansion and consolidation feasibility
- Community and site due diligence
- Workforce and labor analytics
- Supply chain optimization
- Land and asset development strategies



Footprint Optimization

- Market entry / exit feasibility
- Location benchmarking and enterprise cost assessment
- Stay vs. go analysis
- M&A due diligence and facility integration
- Geographic implications for ESG, energy, and sustainability



Geopolitical Strategy

- Political risk tracking and reporting
- Business location and operational assessment
- Risk strategy and management
- Regulatory assessment strategy



Economic Incentives Advisory

- Program research and feasibility
- Negotiation and optimization strategy
- Compliance management
- Portfolio-wide incentives evaluation



Economic Development Consulting

- Economic development strategy
- Competitiveness benchmarking
- Asset-based community development
- Target industry analyses
- Stakeholder engagement
- Workforce and talent development
- International development and FDI attraction
- Industrial site identification and assessment

800+

CLIENTS ACROSS
MULTIPLE INDUSTRIES

15

AVERAGE YEARS OF
CONSULTANT EXPERIENCE







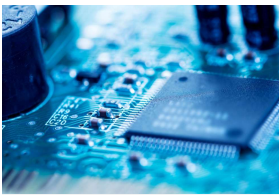





10-30%

OPERATING COST SAVINGS
ACROSS ALL ENGAGEMENTS

\$15B+

IN ECONOMIC
INCENTIVES NEGOTIATED

Clients Across Multiple Industries and Asset Types

Office				
	Headquarters	Shared Services & BPO	Software & Technology	Financial Services
Industrial				
	Advanced Manufacturing	Automotive & EV Value Chain	Semiconductor	Food & Beverage
Specialty				
	Life Science & Biotech	Data Centers & Mission Critical	Distribution & E-Commerce	Land & Asset Strategies

Problems We Help Solve

- Site selection & community due diligence
- Large manufacturing location optimization
- Expansion & consolidation feasibility
- Total cost of operations & occupancy analysis
- Labor market & talent / workforce assessment
- Headquarters location strategy
- BPO & shared services location decisions
- Geopolitical risk strategy & management
- Cost mitigation through incentive negotiations
- FDI / market entry initiatives
- “Stay versus go” location feasibility
- Global footprint optimization & assessment
- Benchmarking studies
- Economic development strategic planning

Site Selection is about Elimination

A PROCESS OF ELIMINATION

Filter 1: Fatal Flaws

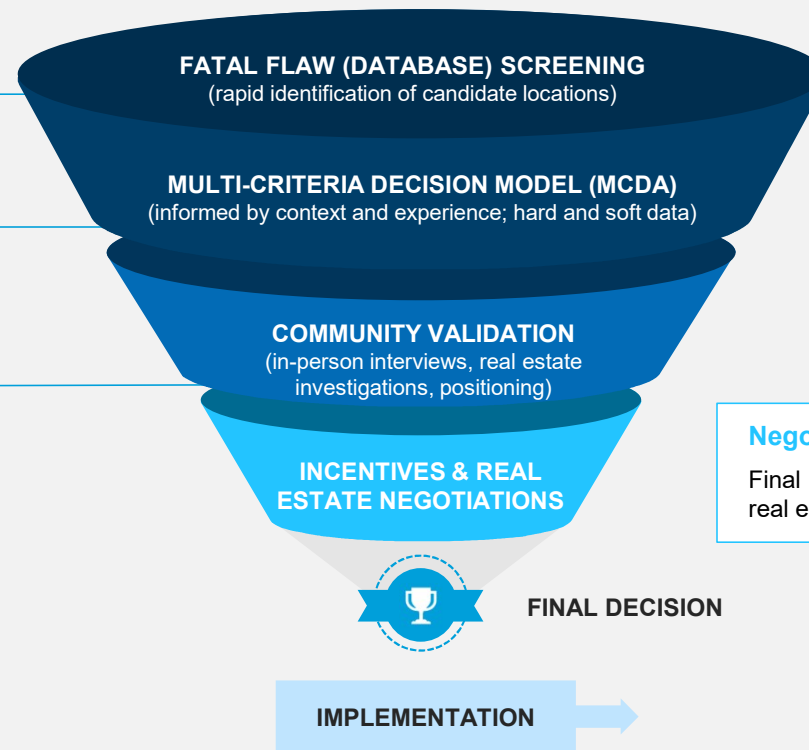
Screen out locations with fatal flaws, e.g. locations with insufficient alignment

Filter 2: Serious Flaws

Rule out locations with serious flaws, e.g. locations with key attributes but inadequate infrastructure (physical, talent)

Filter 3: Controllable Flaws

Consider locations that meet all critical criteria but have manageable issues – flaws that can be remedied or mitigated through negotiations with government officials



Negotiation:

Final negotiations of incentives, real estate, development agreements

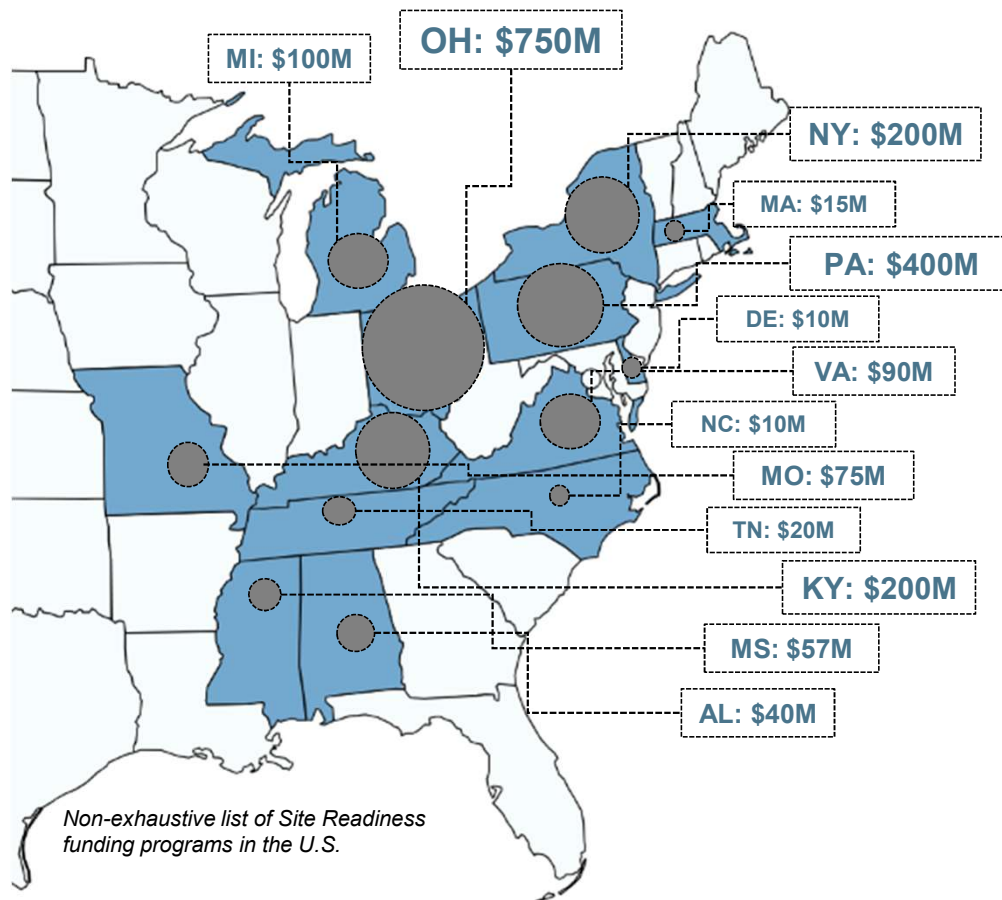
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Top Items Impacting Site Selection



Demand for Shovel Ready Sites

A growing number of jurisdictions in the U.S. are investing on sites readiness



In 2022, Oklahoma set aside \$780M to improve infrastructure across the state. In 2023, the Oklahoma SITES program offered \$29.9M to help with industrial sites.

A number of States have introduced funding for site readiness in the past few years. The goal is to make sites "shovel ready," meaning they are fully prepared for immediate development, with all zoning, permitting, and environmental assessments completed. This reduces the risk and time for companies looking to build or expand their operations.

The funding usually comes from the State government and is provided to local communities to invest on sites they have control over (option or fully-owned). Funding is typically used for infrastructure improvements, site clearing and advanced due diligence studies. For States with larger funds, **the financial assistance for one site can range from \$10,000 to well over \$10M.**

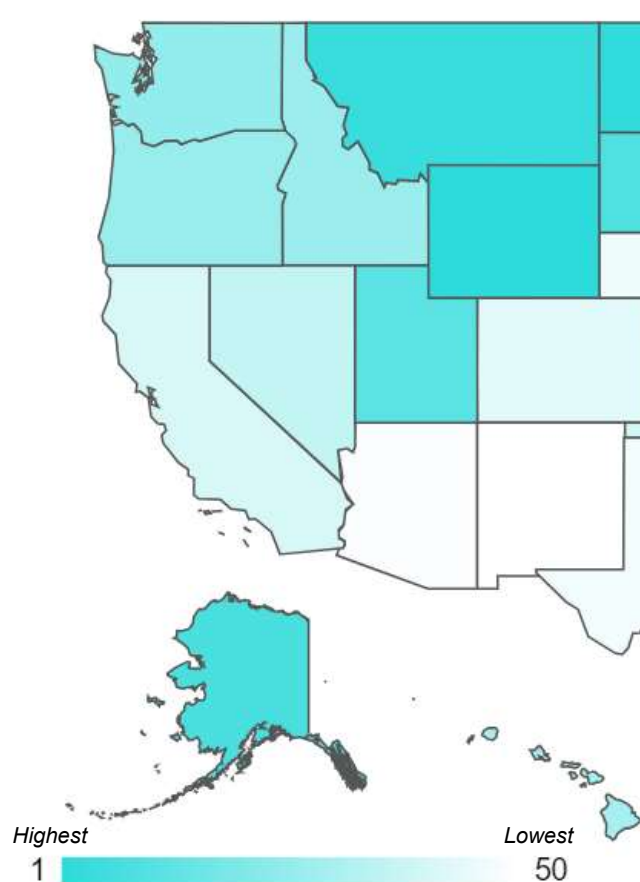
Other stakeholders such as electricity providers and rail operators can also have similar – but smaller – envelope to fund site development.

In most if not all cases, initial work must be done by the local community before hoping to receive funding assistance from the State. Control on the site, initial due diligence studies in progress or completed, and an economic development strategy of the community are elements that would be looked at before funding is granted.

2024: Total Energy Costs by State

Includes costs of electricity, natural gas, motor fuel, and heating oil

Oklahoma is in the 10 lowest cost states but ranks 4th highest in Electricity Consumption per Consumer and 4th lowest in Motor Fuel Price.



- Not just about cost. It is about availability and capacity.
- Timing to build infrastructure is getting further and further out with most power companies quoting 24-36 months and hundreds of millions of dollars needed to construct.
- As distribution centers automate, they will also require larger power loads.

Source: WalletHub, Energy Costs by State (2024), July 1, 2024

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2024 State Incentives Climate

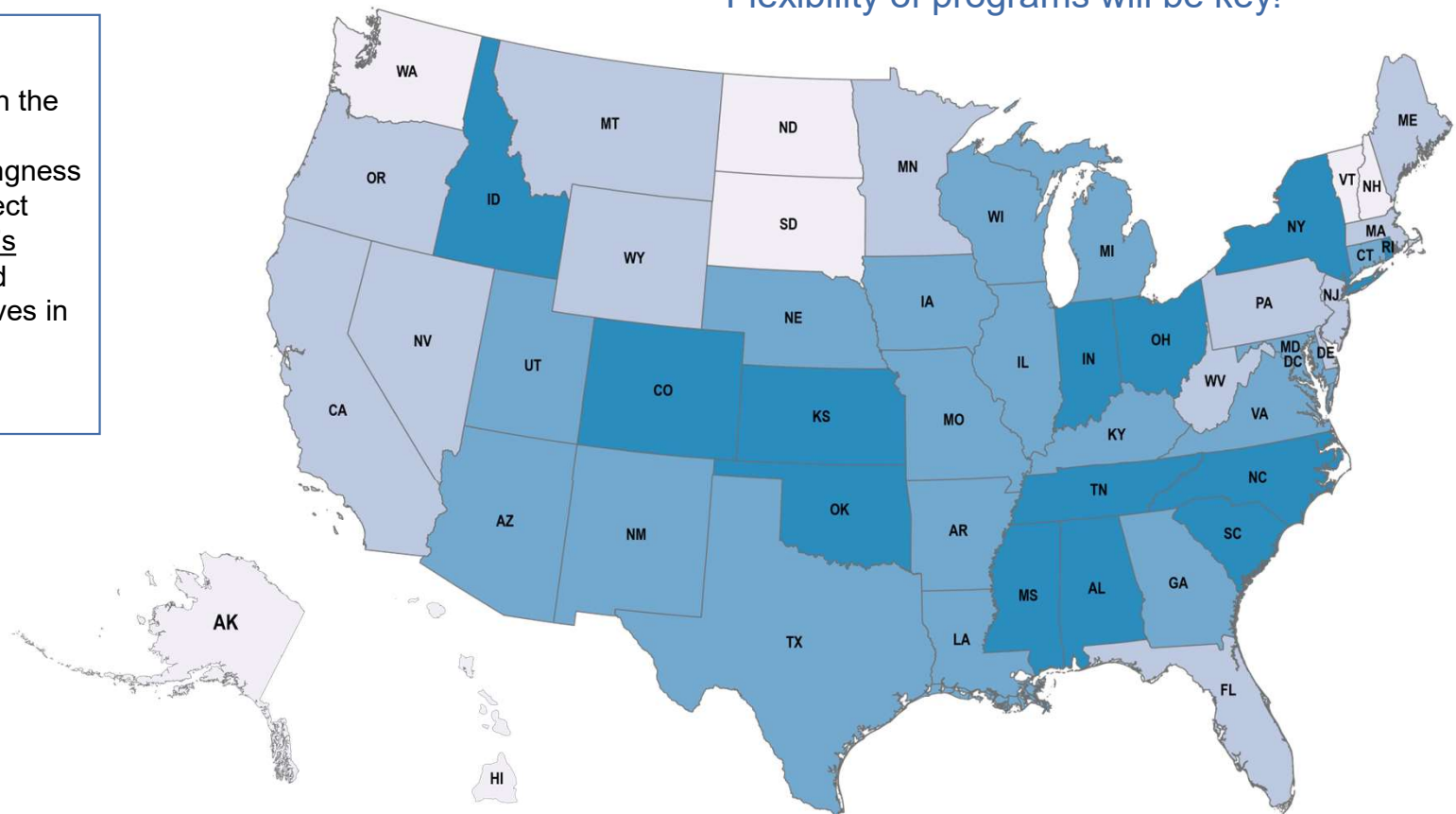
Methodology

These scores are based on the general level of incentives support available, the willingness of incentives support, project experience, and Newmark's experience negotiating and securing economic incentives in these states.

Flexibility of programs will be key!

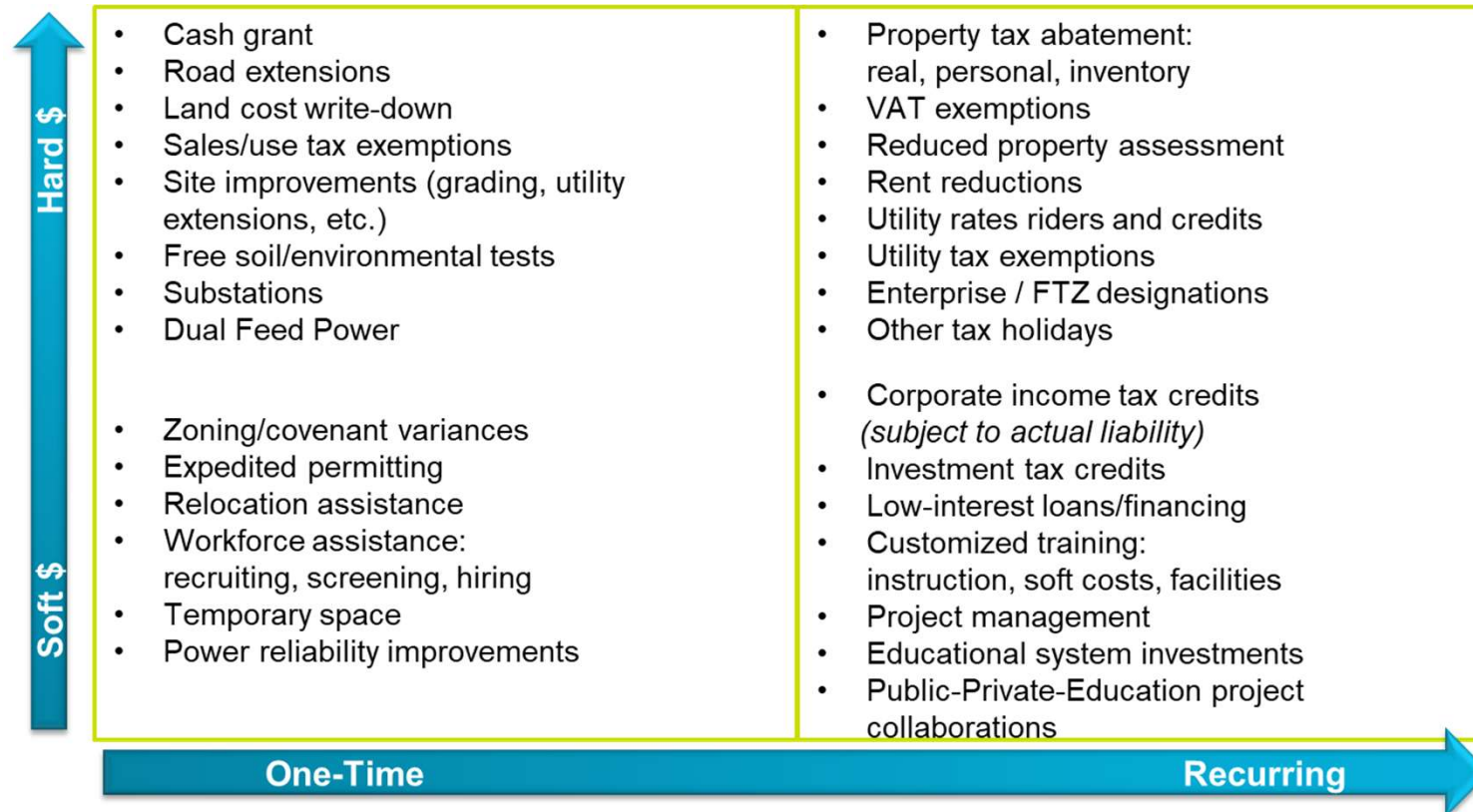
Incentive Climate

- 9 = Best Climate
- 7
- 5
- 3
- 1 = Worst Climate



Incentives Types

Clients want meaningful one-time and recurring cost mitigation with a focus on key programs that meet their situational and business case needs.



Geopolitical Risk Growing in Consideration



#2 Issue Affecting Real Estate:

GEOPOLITICAL RISK

Most of this century has been a relatively stable political, economic and social climate.

The past several years – pre-dating COVID but accelerated by it – threw this order into doubt.

Understanding geopolitical risks is a way to **thrive amidst change**, helping us mitigate challenges and open new opportunities.

CHINA ECONOMY

Trade tensions seen hanging over U.S. firms' caution over China

ECONOMY | U.S. ECONOMY

Is the Fed Done Raising Rates?

Four factors to watch as officials consider pausing interest-rate increases

The ripple effects of Russia's war in Ukraine continue to change the world

February 22, 2023 · 5:00 AM ET

By Scott Neuman, Alyson Hurt

Electric cars are the new solar: people will underestimate how quickly they will take off

Electric car sales are rising much more quickly than people – and industry analysts – expected.

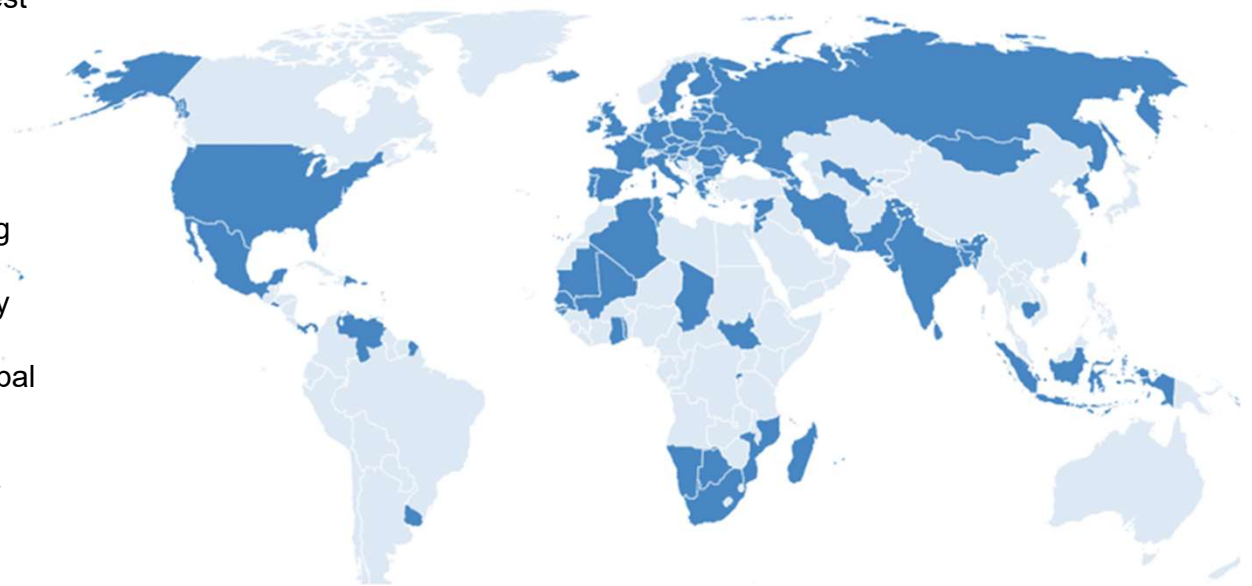
Interest rates... inflation... FDI... overseas markets... energy... government policies... geopolitics covers them all

2024: The Ultimate Election Year Around the World

National elections are expected in at least 64 countries and the European Union - all together represent almost half the globe

- With 183 active conflicts in 2023, the intensity and duration of conflicts worldwide are at their highest levels since before the end of the Cold War.
- Peace and security began declining in 2016 but have eroded sharply since 2020..
- Revitalizing trade will be crucial to strengthening the economic outlook ahead and boosting livelihoods. However, the International Monetary Fund has raised alarms about the possibility of global fragmentation, which could decrease global GDP by 7%.
- Revamping of trade agreements is surely in our future impacting supply chains.

Countries Where National Elections are Expected in 2024



Source: Time Magazine, Elections Around the World, December 28, 2023

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Oklahoma's Competitive Edge



2nd Place Isn't 1st Loser – Their Loss is Someone's Gain; Find the SOMEONE

"IT'S A HUGE LOSS OF OPPORTUNITY," PANASONIC STRAYS AWAY FROM OKLAHOMA A SECOND TIME

Panasonic has turned down a second multi-million dollar deal to open a battery plant in Oklahoma. This marks the third company to stray away from the state, as lawmakers work to figure out why Oklahoma can't land these large deals.

Friday, December 22nd 2023, 7:00 pm

By: [Haley Weger](#)

Being Runner Up has gotten the attention of site selectors and other companies to learn more about the advantages of Oklahoma.

How has this impacted how you are telling the Oklahoma story?

Volkswagen picks Canada over Oklahoma for electric vehicle battery factory

[Chris Casteel](#) Oklahoman

Published 11:54 a.m. CT March 13, 2023 | Updated 3:32 p.m. CT March 13, 2023

Perception is Reality – Now is the Time to Change Perceptions

2028 Olympic Site

George Kaiser Family Foundation

World Class Universities

Cutting Edge Workforce Training

**R&D Centers in Technology, Life
Science, Aerospace and Defense**

Low Cost of Living

Stunning Landscapes

Growing Film Industry

No Longer a Flyover State!



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How Can Oklahoma Remain Competitive?

Focus on Being Nimble and Loud

- Messaging – Take advantage of all of the data and information you pulled together for Tesla, Panasonic and Volkswagen to create the competitive message to take directly to the industry and site selectors
- Change Perceptions – Oklahoma has so much to offer but needs better PR and Marketing efforts
- Site Readiness Efforts – Available sites with infrastructure especially power and water
- Unique Labor Force – Availability of military and indigenous populations make you unique
- Strong Incentives – Interesting new incentives for large investment and one of the few states that incentivizes relocating residents
- Consistent Economic Development Leadership – This business is about relationships. Great at the local level but has been difficult at the State level



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