

- Client:** ArcelorMittal
- Project:** Site selection and incentive negotiation for a steel processing facility
- Finalist Sites:** Jeffersonville, IN; Memphis, TN; Decatur, AL
- Objective:** Identify the optimal location for a 500,000 sq. ft., \$200 million galvanizing plant to process automotive exposed steel, supplying assembly plants in the Southeast.

Site selection objectives included:

- Low operating costs
- Rail served site
- Excellent access to interstate highway
- Very close proximity to inland river port with heavy-lift cranes
- Access to large supplies of industrial gasses
- Non-union operating environment
- Highly skilled labor
- Excellent proximity to automotive assembly plants and steel service centers

- Challenges:** ArcelorMittal's operating and site selection requirements were complex. Transportation costs for steel are very high, mandating the need to find rail-served sites at or near a river port with the material handling infrastructure to accommodate sixty ton coils.

Industrial gas suppliers, heavy-haul roads and high capacity electrical infrastructure had to be in-place to relieve ArcelorMittal of the expense of funding these improvements for the galvanizing facility.

- Solution:** The complex site selection requirements for the project were easily met with the WISERsm site selection optimization model. The model was used to identify all rail-served inland-ports with infrastructure for handling steel coils, in close proximity to air separation plants to supply industrial gasses, in communities with attractive labor union profiles and close proximity to the interstate system.

WISERsm was employed to further stratify these options based on operating costs, labor quality, and customer proximity.

- Value Added:** The three finalist options for the project were in different states, with different rail suppliers, port operators and power providers, thereby exerting maximum leverage in negotiating development costs, operating costs and incentives. The total incentive package in excess of \$20 million included road and rail construction, port infrastructure improvements, construction of electricity infrastructure to serve the load, sales and property tax abatements, and financial support for employee recruiting, screening and training.

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