

The importance of transportation infrastructure and functionality in the site selection process varies across different types of firms and facilities. It is important to understand these differences to determine when and how a transportation agency can provide information and support to a community process for economic development and firm attraction. The factors typical of four different business sectors are described below.



High-tech Firm Headquarters

- Access to talented workers increasingly dictates tech firm location decisions.
- For certain tech headquarters, access to a major airport is the most important site selection criterion.
- “Sense of place” and the built environment also play into site selection, especially for tech firms. There is a trend toward locating in urban environments with multiple transportation options.
- Tech HQs with significant R&D functions are more likely to cluster in locations with similar firms.



Commercial Office Development

- Commercial offices succeed or fail based on their access to workers.
- Firms examine demographics and talent profiles of their current locations and/or the profile necessary in the future.
- Some firms examine the commute of employees and analyze the expected changes to their average travel times and complexity for various sites.
- Offices often cluster near transportation focal points including Interstate highway interchanges and public transit nodes.



Distribution & Logistics Hubs

- Distribution and logistics facilities consider the possibility of supply chain disruptions when choosing sites.
- Interstate highway access is a commonly-used site selection factor.
- Cost and time sensitivities vary by commodity type, value, and perishability.
- Supply chain reliability is a critical issue that considers transportation facility operations, congestion, and multimodal options.
- E-commerce growth is driving the emergence of smaller satellite distribution centers near the urban core instead of on the periphery, to provide quicker deliveries to a greater number of customers and businesses.
- Connectivity with air cargo services may be important when a distribution and logistics firm handles perishable goods, high-value products, just-in-time parts and supplies, and other time-sensitive deliveries.



Assembly Plants

- Because manufacturers focus on minimizing the distance products need to travel, highway proximity and quality are site selection factors for these firms.
- Many manufacturers require access to a 55-mph highway within 5 minutes (“5 to 55”).
- Labor and transportation access often dictate site selection decisions because their associated costs are higher than the cost of land in many regions.
- Manufacturers of high-value or time-sensitive products often consider the freight capacity of nearby airports in site selection decisions.
- Manufacturers focus mainly on network-level transportation constraints and total distance to/from customers and suppliers rather than first/last-mile issues.
- Manufacturers often seek sites near raw material sources and supplies that have a high transport cost-to-value ratio.

