



# Shell of Its Future Self

A speculative building by definition brings risk before reward. It's also a great conversation starter.

A spec project built to attract target industries can turn into an easy target for criticism if it sits too long. Without the right timing and matchmaking, an idea that looked sharp on the whiteboard can morph into a white elephant.

In Henry County, Indiana, just north of I-70 and halfway between Indianapolis and the Ohio state line, a spec building attracted the attention of an economic development professional looking for his own good match.

"I was initially attracted to apply for the economic development job in part because of the shell building," says Corey Murphy, president, New Castle Henry County Economic Development Corporation. "It represented a community taking measured risk to be serious about business attraction and development."

The shell was under construction when Murphy arrived on the job in January 2013, with a ribbon cutting taking place later that year.

"I remember Eric Canada of Blane Canada stating that it is difficult to sell out of an empty wagon," Murphy says. "The presence of the shell building allowed us to submit on projects and host site visits that we otherwise would've been left on the sidelines. No product equals no project."

The building got its share of looks, but no takers. Projects landed in the area, including Boar's Head Provisions investing nearby in 2014.

The building sat for a few years. Then a few more.

"Everyone expected the spec building to sell long before it actually sold," says Shannon Thom, CEO at Henry County REMC, one of 18 member electric cooperatives in central and southern Indiana and southeastern Illinois that are served by power generation and transmission cooperative

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Hoosier Energy. "In working with Corey, we knew that if it did sell, we would not be able to pursue many of the opportunities that may come available."

Henry County REMC, founded in 1936, services Henry and parts of six other counties, and has partnered on industrial park and site development in various areas.

"We have short-term and long-term objectives to make improvements that will accommodate development," Thom says. "We developed the infrastructure to provide primary service and standby service for TS Tech Corporation in 2007 and we developed the infrastructure to provide service to Boar's Head Provisions in 2014. Both of these provided us with the opportunity to look down the road and make preparations for future development in the industrial park. Additionally, we partnered with a local broadband provider to allow them to install conduits for fiber connectivity along with our underground infrastructure."

In working with Boar's Head, he says, "we



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discussed how we could meet their needs for immediate and future phases of their projects. In addition to meeting their electrical needs, we also provide support and encouragement to local elected officials when approval is needed for things like planning commission approval or zoning approval or tax abatement. Hoosier Energy helped to strengthen our offering by providing a competitive industrial rate, an economic development rider and the required expertise to make substation upgrades that were needed to support the additional load.”

### Best of Both Worlds

One day, Boar's Head came calling again. The company looked at the spec building, but wanted to build on a greenfield site. So it built right next door. It seemed to be another case of a near-miss — until the meat products company kept growing. At first the company was approved for a tax abatement to build directly next door to its existing facility. But then the Boar's Head team saw that occupying the shell building would mean a much faster ramp-up to production. This summer, the company cemented an agreement (pending local approvals) with builder Runnebohm Construction to move into the six-year-old spec facility.

Vindication is sweet. Job creation and productivity from a major employer are sweeter.

“The most recent site search data for Indiana confirms the market prefers existing buildings over sites,” Murphy says. “Having product is our marketing strategy.” That said, he gives credence to site certification programs too, which are also focused on speed. “Site certification programs are very helpful because they give you the answers necessary to respond to the client's questions at a moment's notice,” he says.

“Having both options at your disposal is best for having the ability to attract new opportunities,” says Thom. “Many times these companies are looking for a quicker means of getting their product to market. A spec building gives them that ability. Other times these companies want something very specific, and having that certified site is the best option.

Having both has advantages.”

A search in August for industrial buildings and sites at Hoosier Energy's *hoosiersites.com* website yielded a shell building in Batesville served by Southeastern Indiana REMC; a proposed build-to-suit at Greenwood Business Center (served by Johnson County REMC) and dozens of other possibilities.

Now the push is on to have product available with ceiling heights of at least 32 ft. with all utilities on site, says Murphy. That sort of product, along with an award-winning comprehensive plan, is helping the area showcase

itself as part of a bid to win a Stellar Community designation and funding from the state's Office of Community & Rural Affairs. The program works with self-selected regions on their vision for community and economic development, promotes local and regional partnerships and assists in implementing innovative solutions to challenges facing Indiana's rural communities.

“We are working closely with the Stellar Safe and Welcome group for Henry County, New Castle and Knightstown,” says Thom of the bid. “We are providing opinions, information, time and financial support as we can. Everyone realizes that they can't just focus on their project or corner of the community. They are putting their best foot forward by working together for the common good. The Stellar Community designation would mean great things are in store for Henry County, New Castle and Knightstown.”

Putting the best foot forward means having the courage to step out in the first place and then remain resolute, sort of like Murphy and the EDC did over the past six years.

“Corey's approach to addressing this issue with some of those who grew restless was that the shell building was doing its job,” says Thom. “It was attracting leads. He was able to submit information for requests that came from site selectors, and if it sold, he would not have been able to do that.

“I believe this is the reason,” Thom says, “why many are quick to ask when and where we will be building another one.” ▼



Shannon Thom, CEO,  
Henry County REMC

This Investment Profile was prepared under the auspices of Hoosier Energy. For more information, visit [www.hoosiersites.com](http://www.hoosiersites.com), or contact Harold Gutzwiller at (812) 876-0294.