



**COMPARATIVE  
ADVANCED MANUFACTURING  
OPERATING COSTS**

The Boyd Company, Inc.  
*Location Consultants*  
Princeton, NJ



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**COMPARATIVE OPERATING COST ANALYSIS:  
EXECUTIVE SUMMARY AND NOTES**

***Introduction***

In the following analysis, major operating costs scaled to a representative advanced manufacturing plant are presented for a series of 24 regions in the U.S. and Canada. Findings are summarized in Exhibit I and show total annual operating costs ranging from a high of \$42.5 million in the San Jose/Silicon Valley Region of California to a low of \$ 27.5 million in the Eastern Ontario Region of Canada.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The independent Boyd analysis focuses on those key geographically-variable cost elements considered to be most pivotal to the corporate site selection process.

Overall costs were scaled to a hypothetical 350,000 sq. ft. production facility employing 500 workers. The format of the cost exhibits will allow the tailoring of cost data and facility specifications to reflect alternate scales of operation and staffing. Geographically-variable operating cost differentials are based on the second quarter of 2016. All costs are in U.S. dollars at a current exchange rate of .7500.

***Advanced Manufacturing***

The analysis has been structured to be a relevant cost-comparison tool for a broad segment of advanced manufacturing companies engaged in such sectors as precision metalworking, engineered plastics, composites, energy, aerospace, med tech and other advanced manufacturing fields. These are sectors that increasingly integrate new innovative technologies in both products and

processes. The rate of technology adoption and the ability to use that technology to remain competitive and add value are defining measures of the advanced manufacturing sector.

***Comparative Regional Locations***

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected by Boyd for a series of 24 regions in the U.S. and Canada housing current and emerging concentrations of advanced manufacturing operations.

Regions included in the Boyd analysis demonstrate a diverse range of site selection strengths including available skillsets in advanced manufacturing, strong vocational training linkages, highly developed transportation and telecommunications networks, affordable industrial sites, regional market access, sound energy supplies and others.

The 24 comparative locations included in the Boyd analysis are detailed below alphabetically by state and province.

- Los Angeles/Southern California Region
- Oakland/East Bay California Region
- Silicon Valley California Region
- Danbury/Southern Connecticut Region
- Rockford/Northern Illinois Region
- Lafayette/Northwest Indiana Region
- Boston/Southeast Massachusetts Region
- Detroit/Southeast Michigan Region
- Rochester/Southern Minnesota Region
- Reno/Western Nevada Region
- Albany/Hudson Valley New York Region
- Buffalo/Upstate New York Region
- Greensboro/Piedmont Triad North Carolina Region
- Raleigh/Research Triangle North Carolina Region
- Cleveland/Northeast Ohio Region
- Columbus/Central Ohio Region

- Eastern Ontario Region
- Portland/Willamette Valley Oregon Region
- Charleston/Low Country South Carolina Region
- Nashville/Middle Tennessee Region
- Austin/Texas Hill Country Texas Region
- Houston/Southeast Texas Region
- Fairfax /Northern Virginia Region
- Seattle/Puget Sound Washington Region

### ***Comparative Labor Costs***

Annual costs for labor, including direct and indirect production workers, are presented in Exhibit II. Costs are based on a representative mix of 500 production, tooling, finishing, engineering, maintenance, material handling and administrative office job titles for the model plant. Comparative labor costs for management staff were not included as these costs would tend not to vary as significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked and company-sponsored benefits.

### ***Comparative Electric Power and Natural Gas Costs***

Comparative annual costs for electric power and natural gas, increasingly pivotal site selection variables in today's energy-sensitive environment, are presented in Exhibit III. Annual electric costs are based on industrial rate schedules for large power users in each of the surveyed regions.

### ***Comparative Land Acquisition and Construction Costs***

Exhibit IV presents comparative costs for the purchase of industrially-zoned land and the construction of new manufacturing facilities in each of the surveyed regions.

***Comparative Ad Valorem and Sales Tax Costs***

Exhibit V presents comparative ad valorem (property) tax costs in each of the 24 surveyed sites scaled to the land and building specifications of the model plant. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of taxable supplies furnishings and other taxable goods associated with the plant.

***Comparative Corporate Travel Costs***

Comparative annual on-site corporate travel costs in each of the 24 surveyed regions are presented in Exhibit VII. Costs include corporate traveler lodging, meals, local transportation and other business travel incidentals. Figures are indicative of local business travel cost structures expected to be incurred by management, technical support and other customer/vendor visitations to each of the 24 surveyed locations.

***Total Annual Operating Cost Rankings***

Taken from summary Exhibit I are national cost rankings of the 24 surveyed regions.

<b>TOTAL GEOGRAPHICALLY-VARIABLE OPERATING COST RANKING: NATIONAL</b>	
<b>Regions</b>	<b>Total Annual Operating Costs</b>
San Jose/Silicon Valley Region	\$42,519,717
Oakland/East Bay Region	\$41,077,394
Boston/Southeast MA Region	\$40,932,808
Los Angeles/Southern CA Region	\$39,442,794
Danbury/Southern CT Region	\$39,385,745
Seattle/Puget Sound Region	\$38,826,958
Albany/Hudson Valley Region	\$37,890,099
Fairfax/Northern VA Region	\$37,788,209
Rockford/Northern IL Region	\$37,282,778

**A COMPARATIVE OPERATING  
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**ADVANCED MANUFACTURING  
SITE SELECTION**

Detroit/Southeast MI Region	\$36,984,221
Buffalo/Upstate NY Region	\$36,547,231
Houston/Southeast TX Region	\$36,500,268
Cleveland/Northeast OH Region	\$35,569,826
Portland/Willamette Valley Region	\$34,718,557
Austin/Texas Hill Country Region	\$34,561,763
Columbus/Central OH Region	\$34,472,582
Lafayette/Northwest IN Region	\$34,187,636
Reno/Western NV Region	\$34,065,632
Rochester/Southern MN Region	\$34,003,197
Nashville/Middle TN Region	\$32,931,333
Raleigh/Research Triangle Region	\$32,922,364
Charleston/Low Country Region	\$32,455,939
Greensboro/Piedmont Triad Region	\$30,719,794
Eastern Ontario Region	\$27,514,918

***About Boyd***

Devoted exclusively to corporate mobility, The Boyd Company is recognized as the nation's premier authority in comparative business cost analysis. Founded in 1975, Boyd ([www.theboydcompany.com](http://www.theboydcompany.com)) provides independent site selection counsel to leading U.S. and overseas corporations. Advanced manufacturing clients of Boyd include the likes of Hewlett-Packard, Pratt & Whitney, APC/Schneider Electric, Altera, Philips and other *Fortune 500* and up-and-coming companies.

**COMPARATIVE OPERATING COST ANALYSIS I**



**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES I - EXHIBIT I</b>								
<b>COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY<sup>(1)</sup></b>								
	<b>Los Angeles/ Southern CA Region</b>	<b>Oakland/ East Bay Region</b>	<b>San Jose/ Silicon Valley Region</b>	<b>Danbury/ Southern CT Region</b>	<b>Rockford/ Northern IL Region</b>	<b>Lafayette/ Northwest IN Region</b>	<b>Boston/ Southeast MA Region</b>	<b>Detroit/ Southeast MI Region</b>
Nonexempt Labor (2)								
Weighted Average Hourly Earnings	\$25.19	\$25.98	\$26.38	\$25.48	\$23.66	\$22.08	\$25.83	\$24.22
Annual Base Payroll Costs	\$23,980,880	\$24,732,960	\$25,113,760	\$24,256,960	\$22,524,320	\$21,020,160	\$24,590,160	\$23,057,440
Fringe Benefits	\$8,872,926	\$9,151,195	\$9,292,091	\$8,975,075	\$8,333,998	\$7,777,459	\$9,098,359	\$8,531,253
<b>Total Annual Labor Costs</b>	<b>\$32,853,806</b>	<b>\$33,884,155</b>	<b>\$34,405,851</b>	<b>\$33,232,035</b>	<b>\$30,858,318</b>	<b>\$28,797,619</b>	<b>\$33,688,519</b>	<b>\$31,588,693</b>
Electric Power Costs (3)	\$901,512	\$1,026,660	\$1,026,660	\$789,456	\$449,064	\$520,416	\$940,800	\$537,552
Natural Gas Power Costs (4)	\$594,000	\$594,000	\$594,000	\$549,000	\$371,700	\$387,900	\$748,800	\$521,100
Amortization Costs (5)	\$3,585,230	\$3,938,703	\$4,890,738	\$3,129,625	\$2,971,423	\$2,613,788	\$3,490,044	\$2,881,092
Property and Sales Tax Costs (6)	\$1,418,020	\$1,524,206	\$1,513,579	\$1,595,053	\$2,561,771	\$1,800,103	\$1,950,686	\$1,375,403
Travel Costs (7)	\$90,226	\$109,670	\$88,889	\$90,576	\$70,502	\$67,810	\$113,959	\$80,381
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$39,442,794</b>	<b>\$41,077,394</b>	<b>\$42,519,717</b>	<b>\$39,385,745</b>	<b>\$37,282,778</b>	<b>\$34,187,636</b>	<b>\$40,932,808</b>	<b>\$36,984,221</b>
NOTES:								
(1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.								
(2) See Exhibit II.								
(3) See Exhibit III.								
(4) See Exhibit III.								
(5) See Exhibit IV.								
(6) See Exhibit V.								
(7) See Exhibit VI.								

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES I - EXHIBIT II</b>									
<b>COMPARATIVE ANNUAL LABOR COSTS</b>									
		<b>Los Angeles/ Southern CA</b>	<b>Oakland/ East Bay</b>	<b>San Jose/ Silicon Valley</b>	<b>Danbury/ Southern CT</b>	<b>Rockford/ Northern IL</b>	<b>Lafayette/ Northwest IN</b>	<b>Boston/ Southeast MA</b>	<b>Detroit/ Southeast MI</b>
<b>Job Title</b>	<b>Number of Workers</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>
<b>Production &amp; Maintenance Group</b>									
Apprentice	7	\$15.87	\$16.37	\$16.62	\$16.05	\$14.91	\$13.91	\$16.27	\$15.26
General Production Helper	75	\$16.45	\$16.97	\$17.23	\$16.64	\$15.46	\$14.42	\$16.87	\$15.82
CNC Operator	30	\$30.23	\$31.18	\$31.65	\$30.57	\$28.39	\$26.49	\$30.99	\$29.05
CNC Programmer	5	\$38.97	\$40.20	\$40.81	\$39.42	\$36.61	\$34.16	\$39.95	\$37.46
Lathe Operator	15	\$28.59	\$29.49	\$29.94	\$28.92	\$26.86	\$25.06	\$29.31	\$27.48
Grinding Machine Operator (Metal/Plastics)	12	\$23.96	\$24.71	\$25.09	\$24.24	\$22.51	\$21.00	\$24.56	\$23.03
Drilling Mach. Operator (Metal/Plastics)	12	\$22.23	\$22.93	\$23.28	\$22.49	\$20.88	\$19.49	\$22.79	\$21.37
Punch Press Operator (Metal/Plastics)	6	\$23.10	\$23.83	\$24.19	\$23.37	\$21.70	\$20.25	\$23.68	\$22.21
Press Brake Operator & Setup	5	\$24.54	\$25.31	\$25.70	\$24.83	\$23.05	\$21.51	\$25.16	\$23.59
Mach. Tool Cutting Operator	20	\$28.59	\$29.49	\$29.94	\$28.92	\$26.86	\$25.06	\$29.31	\$27.48
Stamping Press Operator & Setup	16	\$23.38	\$24.11	\$24.48	\$23.65	\$21.96	\$20.49	\$23.97	\$22.47
Welder, Solderer & Brazier	4	\$32.06	\$33.07	\$33.57	\$32.43	\$30.11	\$28.10	\$32.87	\$30.82
Welder Operator	5	\$28.46	\$29.35	\$29.80	\$28.79	\$26.73	\$24.94	\$29.17	\$27.36
Laser/Plasma Cutting Operator & Setup	5	\$33.54	\$34.59	\$35.12	\$33.93	\$31.50	\$29.40	\$34.38	\$32.24
Maintenance Mechanic	3	\$25.00	\$25.79	\$26.18	\$25.29	\$23.48	\$21.91	\$25.63	\$24.03
<b>Tooling and Finishing</b>									
Tool & Die Maker	5	\$40.38	\$41.65	\$42.28	\$40.84	\$37.93	\$35.39	\$41.39	\$38.81
Model/Pattern Maker	5	\$38.64	\$39.85	\$40.46	\$39.08	\$36.29	\$33.87	\$39.61	\$37.14
Machinist	75	\$25.69	\$26.50	\$26.90	\$25.99	\$24.13	\$22.52	\$26.34	\$24.69
Tool Crib Attendant	5	\$39.95	\$41.20	\$41.83	\$40.41	\$37.52	\$35.01	\$40.95	\$38.40
Plater	5	\$38.91	\$40.13	\$40.74	\$39.35	\$36.54	\$34.10	\$39.88	\$37.40
Painter	4	\$24.54	\$25.31	\$25.70	\$24.83	\$23.05	\$21.51	\$25.16	\$23.59
Parts Cleaner	3	\$23.67	\$24.42	\$24.79	\$23.95	\$22.24	\$20.75	\$24.27	\$22.76
Heat Treat/Annealing/Brazing	5	\$30.63	\$31.59	\$32.07	\$30.98	\$28.77	\$26.84	\$31.40	\$29.44
Assembly/Fabricator Hand	50	\$22.36	\$23.06	\$23.41	\$22.61	\$21.00	\$19.59	\$22.92	\$21.49
Assembly Machine Operator	35	\$21.46	\$22.13	\$22.47	\$21.71	\$20.16	\$18.81	\$22.00	\$20.63
<b>Engineering and Quality Control</b>									
Industrial Engineer I	5	\$41.00	\$42.29	\$42.93	\$41.47	\$38.51	\$35.93	\$42.03	\$39.41
Industrial Engineer II	3	\$54.74	\$56.46	\$57.32	\$55.37	\$51.42	\$47.98	\$56.12	\$52.62
Electrical Engineer I	3	\$42.44	\$43.77	\$44.44	\$42.93	\$39.86	\$37.20	\$43.51	\$40.80
Electrical Engineer II	1	\$57.37	\$59.17	\$60.07	\$58.03	\$53.88	\$50.28	\$58.81	\$55.14
Mechanical Engineer I	2	\$42.15	\$43.48	\$44.14	\$42.64	\$39.59	\$36.95	\$43.21	\$40.52
Mechanical Engineer II	1	\$55.33	\$57.07	\$57.94	\$55.97	\$51.97	\$48.50	\$56.72	\$53.19
Inspector	5	\$38.12	\$39.32	\$39.92	\$38.56	\$35.81	\$33.41	\$39.08	\$36.65
ISO/QS Lead Auditor	1	\$58.52	\$60.36	\$61.28	\$59.20	\$54.97	\$51.29	\$59.99	\$56.26

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES I - EXHIBIT II</b>									
<b>COMPARATIVE ANNUAL LABOR COSTS</b>									
		<b>Los Angeles/ Southern CA</b>	<b>Oakland/ East Bay</b>	<b>San Jose/ Silicon Valley</b>	<b>Danbury/ Southern CT</b>	<b>Rockford/ Northern IL</b>	<b>Lafayette/ Northwest IN</b>	<b>Boston/ Southeast MA</b>	<b>Detroit/ Southeast MI</b>
	<b>Number of Workers</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>
<b>Material Handling &amp; Transportation</b>									
Stock & Freight Mover	5	\$24.26	\$25.02	\$25.40	\$24.54	\$22.78	\$21.26	\$24.87	\$23.32
Machine Feeder & Offbearer	4	\$20.22	\$20.85	\$21.17	\$20.45	\$18.99	\$17.72	\$20.73	\$19.43
Packer & Packager, Hand	15	\$23.38	\$24.11	\$24.48	\$23.65	\$21.96	\$20.49	\$23.97	\$22.47
Industrial Truck Operator	5	\$26.85	\$27.70	\$28.12	\$27.16	\$25.22	\$23.54	\$27.53	\$25.81
Truck Driver, Tractor Trailer	5	\$31.98	\$32.99	\$33.49	\$32.35	\$30.04	\$28.03	\$32.79	\$30.74
Truck Driver, Light	2	\$20.72	\$21.37	\$21.70	\$20.96	\$19.46	\$18.16	\$21.24	\$19.92
<b>Office &amp; Clerical</b>									
Receptionist & Information Clerk	2	\$16.93	\$17.46	\$17.73	\$17.13	\$15.90	\$14.84	\$17.36	\$16.28
Bill & Account Collector	2	\$20.04	\$20.67	\$20.98	\$20.27	\$18.82	\$17.56	\$20.54	\$19.26
Accounting Clerk	5	\$23.58	\$24.32	\$24.69	\$23.85	\$22.15	\$20.67	\$24.17	\$22.67
Customer Service Representative	4	\$20.48	\$21.12	\$21.44	\$20.71	\$19.23	\$17.95	\$20.99	\$19.68
HR Assistant	2	\$25.13	\$25.92	\$26.31	\$25.42	\$23.60	\$22.02	\$25.76	\$24.15
Production Planning Clerk/Expeditor	3	\$32.38	\$33.40	\$33.91	\$32.76	\$30.42	\$28.38	\$33.20	\$31.13
Shipping & Receiving Clerk	5	\$23.38	\$24.11	\$24.48	\$23.65	\$21.96	\$20.49	\$23.97	\$22.47
Stock Clerk & Order Filler	3	\$23.67	\$24.42	\$24.79	\$23.95	\$22.24	\$20.75	\$24.27	\$22.76
Executive Secretary	1	\$25.57	\$26.38	\$26.78	\$25.87	\$24.02	\$22.41	\$26.22	\$24.58
Secretary	4	\$18.34	\$18.91	\$19.20	\$18.55	\$17.22	\$16.07	\$18.80	\$17.63
<b>Total Workers</b>	<b>500</b>								
Weighted Average Hourly Earnings (1)		\$25.19	\$25.98	\$26.38	\$25.48	\$23.66	\$22.08	\$25.83	\$24.22
Total Annual Base Payroll Costs (2)		\$23,980,880	\$24,732,960	\$25,113,760	\$24,256,960	\$22,524,320	\$21,020,160	\$24,590,160	\$23,057,440
Fringe Benefits (3)		\$8,872,926	\$9,151,195	\$9,292,091	\$8,975,075	\$8,333,998	\$7,777,459	\$9,098,359	\$8,531,253
<b>Total Annual Labor Costs</b>		<b>\$32,853,806</b>	<b>\$33,884,155</b>	<b>\$34,405,851</b>	<b>\$33,232,035</b>	<b>\$30,858,318</b>	<b>\$28,797,619</b>	<b>\$33,688,519</b>	<b>\$31,588,693</b>
<b>NOTES:</b>									
(1) For mature plant in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources, and 2016 BizCosts® data bank placing firm in an upper quartile hiring position in each respective labor market. Job descriptions reflect a representative mix of key direct and indirect job functions for a hypothetical advanced manufacturing plant employing 500 workers.									
(2) Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature plant.									
(3) Based on an estimated 37 percent of total annual base payroll costs. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.									

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES I - EXHIBIT III</b>					
<b>ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS</b>					
<b>Location</b>	<b>Electric Utility Company</b>	<b>Annual Electric Power Cost (1)</b>	<b>Annual Cost Per kWh (cents)</b>	<b>Annual Natural Gas Cost (2)</b>	<b>Total Annual Electric Power and Natural Gas Costs</b>
Los Angeles/Southern CA Region	Southern California Edison	\$901,512	11.56	\$594,000	<b>\$1,495,512</b>
Oakland/East Bay Region	Pacific Gas and Electric	\$1,026,660	13.16	\$594,000	<b>\$1,620,660</b>
San Jose/Silicon Valley Region	Pacific Gas and Electric	\$1,026,660	13.16	\$594,000	<b>\$1,620,660</b>
Danbury/Southern CT Region	Connecticut Light and Power	\$789,456	10.12	\$549,000	<b>\$1,338,456</b>
Rockford/Northern IL Region	Commonwealth Edison	\$449,064	5.76	\$371,700	<b>\$820,764</b>
Lafayette/Northwest IN Region	Duke Energy	\$520,416	6.67	\$387,900	<b>\$908,316</b>
Boston/Southeast MA Region	Boston Edison Company	\$940,800	12.06	\$748,800	<b>\$1,689,600</b>
Detroit/Southeast MI Region	Detroit Edison Company	\$537,552	6.89	\$521,100	<b>\$1,058,652</b>
<b>NOTES:</b>					
(1) Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.					
(2) Annual costs reflect an assumed monthly use of 75,000 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.					

**A COMPARATIVE OPERATING  
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**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES I - EXHIBIT IV</b>									
<b>PLANT CONSTRUCTION AND AMORTIZATION COSTS</b>									
	<b>Los Angeles/ Southern CA Region</b>	<b>Oakland/ East Bay Region</b>	<b>San Jose/ Silicon Valley Region</b>	<b>Danbury/ Southern CT Region</b>	<b>Rockford/ Northern IL Region</b>	<b>Lafayette/ Northwest IN Region</b>	<b>Boston/ Southeast MA Region</b>	<b>Detroit/ Southeast MI Region</b>	
Site Acquisition: No. of Acres	50	50	50	50	50	50	50	50	50
Cost per Acre (1)	\$325,000	\$383,500	\$685,500	\$157,500	\$109,500	\$87,500	\$177,500	\$77,500	
Site Improvement Cost (2)	--	--	--	--	--	--	--	--	--
Total Land Cost	\$16,250,000	\$19,175,000	\$34,275,000	\$7,875,000	\$5,475,000	\$4,375,000	\$8,875,000	\$3,875,000	
Construction Cost (3)	\$31,759,310	\$35,046,495	\$36,678,221	\$32,127,190	\$31,746,849	\$26,561,523	\$37,461,449	\$31,759,310	
Machinery and Equipment	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	
Total Project Investment	\$63,009,310	\$69,221,495	\$85,953,221	\$55,002,190	\$52,221,849	\$45,936,523	\$61,336,449	\$50,634,310	
Project Amortization									
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	
<b>Total Annual Amortization Cost</b>	<b>\$3,585,230</b>	<b>\$3,938,703</b>	<b>\$4,890,738</b>	<b>\$3,129,625</b>	<b>\$2,971,423</b>	<b>\$2,613,788</b>	<b>\$3,490,044</b>	<b>\$2,881,092</b>	
NOTES:									
(1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.									
(2) Land preparation costs limited to normal grading and held constant for purposes of analysis.									
(3) Based on construction of fully equipped 350,000 sq. ft. industrial building. Geographic differentials in building costs are based on BizCosts® construction cost index data for the second quarter of 2016.									
(4) Assumes 25-year level amortization payments at 3.0 percent.									

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES I - EXHIBIT V AD VALOREM AND SALES TAX COSTS</b>								
	<b>Los Angeles/ Southern CA Region</b>	<b>Oakland/ East Bay Region</b>	<b>San Jose/ Silicon Valley Region</b>	<b>Danbury/ Southern CT Region</b>	<b>Rockford/ Northern IL Region</b>	<b>Lafayette/ Northwest IN Region</b>	<b>Boston/ Southeast MA Region</b>	<b>Detroit/ Southeast MI Region</b>
Real Property Tax Cost								
Land Cost (1)	\$16,250,000	\$19,175,000	\$34,275,000	\$7,875,000	\$5,475,000	\$4,375,000	\$8,875,000	\$3,875,000
Building Cost (2)	\$31,759,310	\$35,046,495	\$36,678,221	\$32,127,190	\$31,746,849	\$26,561,523	\$37,461,449	\$31,759,310
Total	\$48,009,310	\$54,221,495	\$70,953,221	\$40,002,190	\$37,221,849	\$30,936,523	\$46,336,449	\$35,634,310
Effective Tax Rate	\$10.79	\$10.59	\$9.00	\$24.00	\$46.66	\$35.56	\$28.61	\$21.76
Real Property Tax Cost (3)	\$518,020	\$574,206	\$638,579	\$960,053	\$1,736,771	\$1,100,103	\$1,325,686	\$775,403
Sales Tax Cost								
Taxable Goods Purchases	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Sales Tax Rate (Percent)	9.00	9.50	8.75	6.35	8.25	7.00	6.25	6.00
Total Annual Sales Tax Cost (4)	\$900,000	\$950,000	\$875,000	\$635,000	\$825,000	\$700,000	\$625,000	\$600,000
<b>Total Annual Ad Valorem and Sales Tax Costs</b>	<b>\$1,418,020</b>	<b>\$1,524,206</b>	<b>\$1,513,579</b>	<b>\$1,595,053</b>	<b>\$2,561,771</b>	<b>\$1,800,103</b>	<b>\$1,950,686</b>	<b>\$1,375,403</b>
NOTES:								
(1) See Exhibit IV.								
(2) See Exhibit IV.								
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed city.								
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, and various other taxable goods. No rate concessions or incentives are assumed.								

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES I - EXHIBIT VI</b>			
<b>COMPARATIVE ON SITE TRAVEL COSTS</b>			
<b>Location</b>	<b>Per Diem Cost (1)</b>	<b>Annual Travel Days (2)</b>	<b>Total Annual Corporate Travel Cost</b>
Los Angeles/Southern CA Region	\$375.94	240	<b>\$90,226</b>
Oakland/East Bay Region	\$456.96	240	<b>\$109,670</b>
San Jose/Silicon Valley Region	\$370.37	240	<b>\$88,889</b>
Danbury/Southern CT Region	\$377.40	240	<b>\$90,576</b>
Rockford/Northern IL Region	\$293.76	240	<b>\$70,502</b>
Lafayette/Northwest IN Region	\$282.54	240	<b>\$67,810</b>
Boston/Southeast MA Region	\$474.83	240	<b>\$113,959</b>
Detroit/Southeast MI Region	\$334.92	240	<b>\$80,381</b>
<b>NOTES:</b>			
(1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit and other incidentals based on second quarter 2016 BizCosts® data.			
(2) Based on an average of 20 billable per diem travel days per month at each of the destination locations.			

**COMPARATIVE OPERATING COST ANALYSIS II**



**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES II - EXHIBIT I</b>								
<b>COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY<sup>(1)</sup></b>								
	<b>Rochester/ Southern MN Region</b>	<b>Reno/ Western NV Region</b>	<b>Albany/ Hudson Valley Region</b>	<b>Buffalo/ Upstate NY Region</b>	<b>Greensboro/ Piedmont Triad Region</b>	<b>Raleigh/ Research Triangle Region</b>	<b>Cleveland/ Northeast OH Region</b>	<b>Columbus Central OH Region</b>
Nonexempt Labor (2)								
Weighted Average Hourly Earnings	\$21.47	\$22.24	\$24.98	\$23.66	\$20.29	\$21.92	\$23.06	\$22.34
Annual Base Payroll Costs	\$20,439,440	\$21,172,480	\$23,780,960	\$22,524,320	\$19,316,080	\$20,867,840	\$21,953,120	\$21,267,680
Fringe Benefits	\$7,562,593	\$7,833,818	\$8,798,955	\$8,333,998	\$7,146,950	\$7,721,101	\$8,122,654	\$7,869,042
<b>Total Annual Labor Costs</b>	<b>\$28,002,033</b>	<b>\$29,006,298</b>	<b>\$32,579,915</b>	<b>\$30,858,318</b>	<b>\$26,463,030</b>	<b>\$28,588,941</b>	<b>\$30,075,774</b>	<b>\$29,136,722</b>
Electric Power Costs (3)	\$549,504	\$591,156	\$414,036	\$414,036	\$457,548	\$457,548	\$581,676	\$653,736
Natural Gas Power Costs (4)	\$387,900	\$586,800	\$584,100	\$584,100	\$472,500	\$472,500	\$477,900	\$477,900
Amortization Costs (5)	\$2,904,551	\$2,674,314	\$2,710,739	\$2,768,818	\$2,285,353	\$2,372,391	\$2,781,812	\$2,652,578
Property and Sales Tax Costs (6)	\$2,085,270	\$1,134,603	\$1,525,596	\$1,851,509	\$972,694	\$959,025	\$1,578,103	\$1,477,220
Travel Costs (7)	\$73,939	\$72,461	\$75,713	\$70,450	\$68,669	\$71,959	\$74,561	\$74,426
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$34,003,197</b>	<b>\$34,065,632</b>	<b>\$37,890,099</b>	<b>\$36,547,231</b>	<b>\$30,719,794</b>	<b>\$32,922,364</b>	<b>\$35,569,826</b>	<b>\$34,472,582</b>
NOTES:								
(1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.								
(2) See Exhibit II.								
(3) See Exhibit III.								
(4) See Exhibit III.								
(5) See Exhibit IV.								
(6) See Exhibit V.								
(7) See Exhibit VI.								

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES II - EXHIBIT II</b>									
<b>COMPARATIVE ANNUAL LABOR COSTS</b>									
		<b>Rochester/ Southern MN Region</b>	<b>Reno/ Western NV Region</b>	<b>Albany/ Hudson Valley Region</b>	<b>Buffalo/ Upstate NY Region</b>	<b>Greensboro/ Piedmont Triad Region</b>	<b>Raleigh/ Research Triangle Region</b>	<b>Cleveland/ Northeast OH Region</b>	<b>Columbus Central OH Region</b>
<b>Job Title</b>	<b>Number of Workers</b>								
<b>Production &amp; Maintenance Group</b>									
Apprentice	7	\$13.53	\$14.01	\$15.74	\$14.91	\$12.78	\$13.81	\$14.53	\$14.08
General Production Helper	75	\$14.03	\$14.52	\$16.32	\$15.46	\$13.25	\$14.32	\$15.06	\$14.59
CNC Operator	30	\$25.76	\$26.68	\$29.97	\$28.39	\$24.34	\$26.30	\$27.66	\$26.81
CNC Programmer	5	\$33.22	\$34.40	\$38.65	\$36.61	\$31.38	\$33.91	\$35.67	\$34.57
Lathe Operator	15	\$24.37	\$25.24	\$28.35	\$26.86	\$23.02	\$24.88	\$26.17	\$25.36
Grinding Machine Operator (Metal/Plastics)	12	\$20.42	\$21.15	\$23.76	\$22.51	\$19.29	\$20.85	\$21.93	\$21.25
Drilling Mach. Operator (Metal/Plastics)	12	\$18.95	\$19.63	\$22.05	\$20.88	\$17.90	\$19.35	\$20.35	\$19.72
Punch Press Operator (Metal/Plastics)	6	\$19.69	\$20.39	\$22.91	\$21.70	\$18.60	\$20.10	\$21.14	\$20.49
Press Brake Operator & Setup	5	\$20.92	\$21.67	\$24.34	\$23.05	\$19.76	\$21.36	\$22.46	\$21.77
Mach. Tool Cutting Operator	20	\$24.37	\$25.24	\$28.35	\$26.86	\$23.02	\$24.88	\$26.17	\$25.36
Stamping Press Operator & Setup	16	\$19.93	\$20.64	\$23.18	\$21.96	\$18.83	\$20.34	\$21.40	\$20.73
Welder, Solderer & Brazier	4	\$27.33	\$28.30	\$31.79	\$30.11	\$25.82	\$27.90	\$29.34	\$28.43
Welder Operator	5	\$24.26	\$25.12	\$28.22	\$26.73	\$22.92	\$24.76	\$26.05	\$25.24
Laser/Plasma Cutting Operator & Setup	5	\$28.59	\$29.61	\$33.26	\$31.50	\$27.01	\$29.18	\$30.69	\$29.75
Maintenance Mechanic	3	\$21.31	\$22.07	\$24.79	\$23.48	\$20.13	\$21.76	\$22.88	\$22.17
<b>Tooling and Finishing</b>									
Tool & Die Maker	5	\$34.42	\$35.64	\$40.04	\$37.93	\$32.51	\$35.13	\$36.95	\$35.81
Model/Pattern Maker	5	\$32.93	\$34.11	\$38.32	\$36.29	\$31.11	\$33.62	\$35.36	\$34.27
Machinist	75	\$21.90	\$22.68	\$25.47	\$24.13	\$20.69	\$22.35	\$23.51	\$22.78
Tool Crib Attendant	5	\$34.05	\$35.26	\$39.61	\$37.52	\$32.17	\$34.76	\$36.56	\$35.43
Plater	5	\$33.16	\$34.34	\$38.58	\$36.54	\$31.33	\$33.85	\$35.61	\$34.51
Painter	4	\$20.92	\$21.67	\$24.34	\$23.05	\$19.76	\$21.36	\$22.46	\$21.77
Parts Cleaner	3	\$20.18	\$20.90	\$23.48	\$22.24	\$19.06	\$20.60	\$21.67	\$21.00
Heat Treat/Annealing/Brazing	5	\$26.10	\$27.04	\$30.37	\$28.77	\$24.66	\$26.65	\$28.03	\$27.16
Assembly/Fabricator Hand	50	\$19.06	\$19.73	\$22.17	\$21.00	\$18.00	\$19.45	\$20.46	\$19.83
Assembly Machine Operator	35	\$18.29	\$18.94	\$21.28	\$20.16	\$17.28	\$18.67	\$19.64	\$19.03
<b>Engineering and Quality Control</b>									
Industrial Engineer I	5	\$34.95	\$36.19	\$40.65	\$38.51	\$33.01	\$35.67	\$37.52	\$36.36
Industrial Engineer II	3	\$46.66	\$48.32	\$54.28	\$51.42	\$44.08	\$47.63	\$50.10	\$48.55
Electrical Engineer I	3	\$36.17	\$37.46	\$42.08	\$39.86	\$34.17	\$36.93	\$38.84	\$37.64
Electrical Engineer II	1	\$48.90	\$50.64	\$56.89	\$53.88	\$46.19	\$49.92	\$52.50	\$50.88
Mechanical Engineer I	2	\$35.93	\$37.21	\$41.80	\$39.59	\$33.94	\$36.68	\$38.58	\$37.39
Mechanical Engineer II	1	\$47.16	\$48.84	\$54.87	\$51.97	\$44.56	\$48.15	\$50.64	\$49.08
Inspector	5	\$32.49	\$33.65	\$37.80	\$35.81	\$30.70	\$33.17	\$34.89	\$33.81
ISO/QS Lead Auditor	1	\$49.88	\$51.66	\$58.03	\$54.97	\$47.12	\$50.92	\$53.56	\$51.90

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES II - EXHIBIT II COMPARATIVE ANNUAL LABOR COSTS</b>									
		Rochester/ Southern MN Region	Reno/ Western NV Region	Albany/ Hudson Valley Region	Buffalo/ Upstate NY Region	Greensboro/ Piedmont Triad Region	Raleigh/ Research Triangle Region	Cleveland/ Northeast OH Region	Columbus Central OH Region
	Number of Workers								
<b>Material Handling &amp; Transportation</b>									
Stock & Freight Mover	5	\$20.68	\$21.41	\$24.05	\$22.78	\$19.53	\$21.11	\$22.20	\$21.51
Machine Feeder & Offbearer	4	\$17.23	\$17.85	\$20.05	\$18.99	\$16.28	\$17.59	\$18.50	\$17.93
Packer & Packager, Hand	15	\$19.93	\$20.64	\$23.18	\$21.96	\$18.83	\$20.34	\$21.40	\$20.73
Industrial Truck Operator	5	\$22.89	\$23.71	\$26.63	\$25.22	\$21.62	\$23.37	\$24.58	\$23.82
Truck Driver, Tractor Trailer	5	\$27.26	\$28.23	\$31.72	\$30.04	\$25.75	\$27.83	\$29.27	\$28.37
Truck Driver, Light	2	\$17.66	\$18.29	\$20.55	\$19.46	\$16.69	\$18.03	\$18.97	\$18.38
<b>Office &amp; Clerical</b>									
Receptionist & Information Clerk	2	\$14.43	\$14.95	\$16.79	\$15.90	\$13.63	\$14.73	\$15.50	\$15.02
Bill & Account Collector	2	\$17.08	\$17.69	\$19.87	\$18.82	\$16.13	\$17.43	\$18.34	\$17.77
Accounting Clerk	5	\$20.10	\$20.81	\$23.38	\$22.15	\$18.99	\$20.52	\$21.58	\$20.91
Customer Service Representative	4	\$17.45	\$18.07	\$20.30	\$19.23	\$16.49	\$17.82	\$18.74	\$18.16
HR Assistant	2	\$21.42	\$22.18	\$24.92	\$23.60	\$20.23	\$21.86	\$22.99	\$22.28
Production Planning Clerk/Expeditor	3	\$27.60	\$28.59	\$32.11	\$30.42	\$26.08	\$28.18	\$29.64	\$28.72
Shipping & Receiving Clerk	5	\$19.93	\$20.64	\$23.18	\$21.96	\$18.83	\$20.34	\$21.40	\$20.73
Stock Clerk & Order Filler	3	\$20.18	\$20.90	\$23.48	\$22.24	\$19.06	\$20.60	\$21.67	\$21.00
Executive Secretary	1	\$21.80	\$22.58	\$25.36	\$24.02	\$20.59	\$22.25	\$23.41	\$22.68
Secretary	4	\$15.63	\$16.19	\$18.18	\$17.22	\$14.76	\$15.96	\$16.78	\$16.26
<b>Total Workers</b>	<b>500</b>								
Weighted Average Hourly Earnings (1)		\$21.47	\$22.24	\$24.98	\$23.66	\$20.29	\$21.92	\$23.06	\$22.34
Total Annual Base Payroll Costs (2)		\$20,439,440	\$21,172,480	\$23,780,960	\$22,524,320	\$19,316,080	\$20,867,840	\$21,953,120	\$21,267,680
Fringe Benefits (3)		\$7,562,593	\$7,833,818	\$8,798,955	\$8,333,998	\$7,146,950	\$7,721,101	\$8,122,654	\$7,869,042
<b>Total Annual Labor Costs</b>		<b>\$28,002,033</b>	<b>\$29,006,298</b>	<b>\$32,579,915</b>	<b>\$30,858,318</b>	<b>\$26,463,030</b>	<b>\$28,588,941</b>	<b>\$30,075,774</b>	<b>\$29,136,722</b>
<b>NOTES:</b>									
(1) For mature plant in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources, and 2016 BizCosts® data bank placing firm in an upper quartile hiring position in each respective labor market. Job descriptions reflect a representative mix of key direct and indirect job functions for a hypothetical advanced manufacturing plant employing 500 workers.									
(2) Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature plant.									
(3) Based on an estimated 37 percent of total annual base payroll costs. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.									

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES II - EXHIBIT III</b>					
<b>ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS</b>					
	<b>Electric Utility Company</b>	<b>Annual Electric Power Cost (1)</b>	<b>Annual Cost Per kWh (cents)</b>	<b>Annual Natural Gas Cost (2)</b>	<b>Total Annual Electric Power and Natural Gas Costs</b>
Rochester/Southern MN Region	Rochester Public Utilities	\$549,504	7.04	\$387,900	<b>\$937,404</b>
Reno/Western NV Region	Nevada Energy	\$591,156	7.58	\$586,800	<b>\$1,177,956</b>
Albany/Hudson Valley Region	Niagara Mohawk	\$414,036	5.31	\$584,100	<b>\$998,136</b>
Buffalo/Upstate NY Region	Niagara Mohawk	\$414,036	5.31	\$584,100	<b>\$998,136</b>
Greensboro/Piedmont Triad Region	Duke Energy	\$457,548	5.87	\$472,500	<b>\$930,048</b>
Raleigh/Research Triangle Region	Duke Energy	\$457,548	5.87	\$472,500	<b>\$930,048</b>
Cleveland/Northeast OH Region	Cleveland Electric Illuminating	\$581,676	7.46	\$477,900	<b>\$1,059,576</b>
Columbus/Central OH Region	AEP-Columbus Southern Power	\$653,736	8.38	\$477,900	<b>\$1,131,636</b>
<b>NOTES:</b>					
(1) Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.					
(2) Annual costs reflect an assumed monthly use of 75,000 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.					

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES II - EXHIBIT IV</b>								
<b>PLANT CONSTRUCTION AND AMORTIZATION COSTS</b>								
	<b>Rochester/ Southern MN Region</b>	<b>Reno/ Western NV Region</b>	<b>Albany/ Hudson Valley Region</b>	<b>Buffalo/ Upstate NY Region</b>	<b>Greensboro/ Piedmont Triad Region</b>	<b>Raleigh/ Research Triang Region</b>	<b>Cleveland/ Northeast OH Region</b>	<b>Columbus Central OH Region</b>
Site Acquisition: No. of Acres	50	50	50	50	50	50	50	50
Cost per Acre (1)	\$82,500	\$56,500	\$78,500	\$64,500	\$57,500	\$87,500	\$71,500	\$68,500
Site Improvement Cost (2)	--	--	--	--	--	--	--	--
Total Land Cost	\$4,125,000	\$2,825,000	\$3,925,000	\$3,225,000	\$2,875,000	\$4,375,000	\$3,575,000	\$3,425,000
Construction Cost (3)	\$31,921,592	\$29,175,250	\$28,715,400	\$30,436,129	\$22,289,369	\$22,319,036	\$30,314,492	\$28,193,248
Machinery and Equipment	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Total Project Investment	\$51,046,592	\$47,000,250	\$47,640,400	\$48,661,129	\$40,164,369	\$41,694,036	\$48,889,492	\$46,618,248
Project Amortization								
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569
<b>Total Annual Amortization Cost</b>	<b>\$2,904,551</b>	<b>\$2,674,314</b>	<b>\$2,710,739</b>	<b>\$2,768,818</b>	<b>\$2,285,353</b>	<b>\$2,372,391</b>	<b>\$2,781,812</b>	<b>\$2,652,578</b>
NOTES:								
(1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.								
(2) Land preparation costs limited to normal grading and held constant for purposes of analysis.								
(3) Based on construction of fully equipped 350,000 sq. ft. industrial building. Geographic differentials in building costs are based on BizCosts® construction cost index data for the second quarter of								
(4) Assumes 25-year level amortization payments at 3.0 percent.								

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES II - EXHIBIT V</b>									
<b>AD VALOREM AND SALES TAX COSTS</b>									
	<b>Rochester/ Southern MN Region</b>	<b>Reno/ Western NV Region</b>	<b>Albany/ Hudson Valley Region</b>	<b>Buffalo/ Upstate NY Region</b>	<b>Greensboro/ Piedmont Triad Region</b>	<b>Raleigh/ Research Triangle Region</b>	<b>Cleveland/ Northeast OH Region</b>	<b>Columbus Central OH Region</b>	
Real Property Tax Cost									
Land Cost (1)	\$4,125,000	\$2,825,000	\$3,925,000	\$3,225,000	\$2,875,000	\$4,375,000	\$3,575,000	\$3,425,000	
Building Cost (2)	\$31,921,592	\$29,175,250	\$28,715,400	\$30,436,129	\$22,289,369	\$22,319,036	\$30,314,492	\$28,193,248	
Total	\$36,046,592	\$32,000,250	\$32,640,400	\$33,661,129	\$25,164,369	\$26,694,036	\$33,889,492	\$31,618,248	
Effective Tax Rate	\$36.71	\$11.30	\$22.23	\$29.01	\$11.83	\$10.64	\$22.96	\$23.00	
Real Property Tax Cost (3)	\$1,323,270	\$361,603	\$725,596	\$976,509	\$297,694	\$284,025	\$778,103	\$727,220	
Sales Tax Cost									
Taxable Goods Purchases	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	
Sales Tax Rate (Percent)	7.62	7.73	8.00	8.75	6.75	6.75	8.00	7.50	
Total Annual Sales Tax Cost (4)	\$762,000	\$773,000	\$800,000	\$875,000	\$675,000	\$675,000	\$800,000	\$750,000	
<b>Total Annual Ad Valorem and Sales Tax Costs</b>	<b>\$2,085,270</b>	<b>\$1,134,603</b>	<b>\$1,525,596</b>	<b>\$1,851,509</b>	<b>\$972,694</b>	<b>\$959,025</b>	<b>\$1,578,103</b>	<b>\$1,477,220</b>	
NOTES:									
(1) See Exhibit IV.									
(2) See Exhibit IV.									
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed city.									
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, and various other taxable goods. No rate concessions or incentives are assumed.									

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES II - EXHIBIT VI</b>			
<b>COMPARATIVE ON SITE TRAVEL COSTS</b>			
<b>Location</b>	<b>Per Diem Cost (1)</b>	<b>Annual Travel Days (2)</b>	<b>Total Annual Corporate Travel Cost</b>
Rochester/Southern MN Region	\$308.08	240	<b>\$73,939</b>
Reno/Western NV Region	\$301.92	240	<b>\$72,461</b>
Albany/Hudson Valley Region	\$315.47	240	<b>\$75,713</b>
Buffalo/Upstate NY Region	\$293.54	240	<b>\$70,450</b>
Greensboro/Piedmont Triad Region	\$286.12	240	<b>\$68,669</b>
Raleigh/Research Triangle Region	\$299.83	240	<b>\$71,959</b>
Cleveland/Northeast OH Region	\$310.67	240	<b>\$74,561</b>
Columbus/Central OH Region	\$310.11	240	<b>\$74,426</b>
<b>NOTES:</b>			
(1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit and other incidentals based on second quarter 2016 BizCosts® data.			
(2) Based on an average of 20 billable per diem travel days per month at each of the destination locations.			

**COMPARATIVE OPERATING COST ANALYSIS III**



**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

**SERIES III - EXHIBIT I  
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY<sup>(1)</sup>**

	<b>Eastern Ontario Region</b>	<b>Portland/ Willamette Valley Region</b>	<b>Charleston/ Low Country Region</b>	<b>Nashville/ Middle TN Region</b>	<b>Austin/ Texas Hill Country Region</b>	<b>Houston/ Southeast TX Region</b>	<b>Fairfax/ Northern VA Region</b>	<b>Seattle Puget Sound Region</b>
Nonexempt Labor (2)								
Weighted Average Hourly Earnings	\$19.07	\$22.98	\$21.05	\$21.55	\$22.92	\$24.22	\$25.30	\$25.22
Annual Base Payroll Costs	\$18,154,640	\$21,876,960	\$20,039,600	\$20,515,600	\$21,819,840	\$23,057,440	\$24,085,600	\$24,009,440
Fringe Benefits	\$3,449,382	\$8,094,475	\$7,414,652	\$7,590,772	\$8,073,341	\$8,531,253	\$8,911,672	\$8,883,493
<b>Total Annual Labor Costs</b>	<b>\$21,604,022</b>	<b>\$29,971,435</b>	<b>\$27,454,252</b>	<b>\$28,106,372</b>	<b>\$29,893,181</b>	<b>\$31,588,693</b>	<b>\$32,997,272</b>	<b>\$32,892,933</b>
Electric Power Costs (3)	\$517,428	\$572,340	\$617,232	\$481,608	\$457,224	\$457,224	\$438,132	\$583,224
Natural Gas Power Costs (4)	\$439,218	\$495,000	\$435,600	\$406,800	\$216,000	\$216,000	\$407,700	\$657,900
Amortization Costs (5)	\$2,775,298	\$3,019,208	\$2,345,901	\$2,492,263	\$2,425,377	\$2,542,317	\$2,803,415	\$3,026,586
Property and Sales Tax Costs (6)	\$2,553,053	\$579,298	\$1,527,220	\$1,364,212	\$1,484,138	\$1,609,454	\$1,048,241	\$1,571,061
Travel Costs (7)	\$65,117	\$81,276	\$75,734	\$80,078	\$85,843	\$86,580	\$93,449	\$95,254
<b>Total Annual Geographically-Variable Operating Costs</b>	<b>\$27,514,918</b>	<b>\$34,718,557</b>	<b>\$32,455,939</b>	<b>\$32,931,333</b>	<b>\$34,561,763</b>	<b>\$36,500,268</b>	<b>\$37,788,209</b>	<b>\$38,826,958</b>

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit III.
- (5) See Exhibit IV.
- (6) See Exhibit V.
- (7) See Exhibit VI.

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES III - EXHIBIT II COMPARATIVE ANNUAL LABOR COSTS</b>									
		<b>Eastern</b>	<b>Portland/</b>	<b>Charleston/</b>	<b>Nashville/</b>	<b>Austin/</b>	<b>Houston/</b>	<b>Fairfax/</b>	<b>Seattle</b>
	<b>Number of</b>	<b>Ontario</b>	<b>Willamette Valley</b>	<b>Low Country</b>	<b>Middle TN</b>	<b>Texas Hill Country</b>	<b>Southeast TX</b>	<b>Northern VA</b>	<b>Puget Sound</b>
<b>Job Title</b>	<b>Workers</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>	<b>Region</b>
<b>Production &amp; Maintenance Group</b>									
Apprentice	7	\$12.02	\$14.48	\$13.26	\$13.58	\$14.44	\$15.26	\$15.94	\$15.89
General Production Helper	75	\$12.46	\$15.01	\$13.75	\$14.08	\$14.97	\$15.82	\$16.52	\$16.47
CNC Operator	30	\$22.88	\$27.57	\$25.26	\$25.86	\$27.50	\$29.05	\$30.35	\$30.26
CNC Programmer	5	\$29.51	\$35.55	\$32.57	\$33.34	\$35.46	\$37.46	\$39.14	\$39.01
Lathe Operator	15	\$21.65	\$26.08	\$23.89	\$24.46	\$26.02	\$27.48	\$28.71	\$28.62
Grinding Machine Operator (Metal/Plastics)	12	\$18.14	\$21.85	\$20.02	\$20.50	\$21.80	\$23.03	\$24.06	\$23.99
Drilling Mach. Operator (Metal/Plastics)	12	\$16.83	\$20.28	\$18.58	\$19.02	\$20.23	\$21.37	\$22.33	\$22.26
Punch Press Operator (Metal/Plastics)	6	\$17.49	\$21.07	\$19.30	\$19.76	\$21.02	\$22.21	\$23.20	\$23.13
Press Brake Operator & Setup	5	\$18.58	\$22.38	\$20.51	\$21.00	\$22.33	\$23.59	\$24.65	\$24.57
Mach. Tool Cutting Operator	20	\$21.65	\$26.08	\$23.89	\$24.46	\$26.02	\$27.48	\$28.71	\$28.62
Stamping Press Operator & Setup	16	\$17.70	\$21.32	\$19.54	\$20.00	\$21.27	\$22.47	\$23.48	\$23.40
Welder, Solderer & Brazier	4	\$24.27	\$29.24	\$26.79	\$27.43	\$29.17	\$30.82	\$32.19	\$32.09
Welder Operator	5	\$21.55	\$25.96	\$23.78	\$24.35	\$25.90	\$27.36	\$28.58	\$28.49
Laser/Plasma Cutting Operator & Setup	5	\$25.39	\$30.59	\$28.03	\$28.69	\$30.52	\$32.24	\$33.68	\$33.57
Maintenance Mechanic	3	\$18.93	\$22.80	\$20.89	\$21.39	\$22.75	\$24.03	\$25.11	\$25.03
<b>Tooling and Finishing</b>									
Tool & Die Maker	5	\$30.57	\$36.83	\$33.74	\$34.54	\$36.74	\$38.81	\$40.55	\$40.42
Model/Pattern Maker	5	\$29.25	\$35.24	\$32.29	\$33.06	\$35.16	\$37.14	\$38.80	\$38.68
Machinist	75	\$19.45	\$23.43	\$21.47	\$21.98	\$23.38	\$24.69	\$25.80	\$25.72
Tool Crib Attendant	5	\$30.24	\$36.43	\$33.38	\$34.18	\$36.35	\$38.40	\$40.11	\$39.99
Plater	5	\$29.46	\$35.48	\$32.51	\$33.28	\$35.40	\$37.40	\$39.07	\$38.95
Painter	4	\$18.58	\$22.38	\$20.51	\$21.00	\$22.33	\$23.59	\$24.65	\$24.57
Parts Cleaner	3	\$17.92	\$21.59	\$19.78	\$20.25	\$21.54	\$22.76	\$23.77	\$23.70
Heat Treat/Annealing/Brazing	5	\$23.19	\$27.93	\$25.59	\$26.20	\$27.87	\$29.44	\$30.76	\$30.66
Assembly/Fabricator Hand	50	\$16.93	\$20.39	\$18.68	\$19.13	\$20.34	\$21.49	\$22.45	\$22.38
Assembly Machine Operator	35	\$16.25	\$19.57	\$17.93	\$18.36	\$19.53	\$20.63	\$21.55	\$21.48
<b>Engineering and Quality Control</b>									
Industrial Engineer I	5	\$31.04	\$37.39	\$34.26	\$35.07	\$37.31	\$39.41	\$41.17	\$41.04
Industrial Engineer II	3	\$41.44	\$49.93	\$45.74	\$46.83	\$49.81	\$52.62	\$54.97	\$54.80
Electrical Engineer I	3	\$32.13	\$38.71	\$35.46	\$36.31	\$38.62	\$40.80	\$42.62	\$42.48
Electrical Engineer II	1	\$43.43	\$52.32	\$47.94	\$49.08	\$52.20	\$55.14	\$57.61	\$57.43
Mechanical Engineer I	2	\$31.91	\$38.45	\$35.22	\$36.06	\$38.36	\$40.52	\$42.33	\$42.20
Mechanical Engineer II	1	\$41.89	\$50.47	\$46.24	\$47.34	\$50.35	\$53.19	\$55.56	\$55.39
Inspector	5	\$28.86	\$34.77	\$31.86	\$32.61	\$34.69	\$36.65	\$38.28	\$38.16
ISO/QS Lead Auditor	1	\$44.31	\$53.37	\$48.90	\$50.07	\$53.25	\$56.26	\$58.77	\$58.58

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

**SERIES III - EXHIBIT II  
COMPARATIVE ANNUAL LABOR COSTS**

		Eastern	Portland/	Charleston/	Nashville/	Austin/	Houston/	Fairfax/	Seattle
	Number of	Ontario	Willamette Valley	Low Country	Middle TN	Texas Hill Country	Southeast TX	Northern VA	Puget Sound
	Workers	Region	Region	Region	Region	Region	Region	Region	Region
<b>Material Handling &amp; Transportation</b>									
Stock & Freight Mover	5	\$18.36	\$22.12	\$20.27	\$20.75	\$22.07	\$23.32	\$24.36	\$24.28
Machine Feeder & Offbearer	4	\$15.31	\$18.44	\$16.89	\$17.30	\$18.40	\$19.43	\$20.30	\$20.24
Packer & Packager, Hand	15	\$17.70	\$21.32	\$19.54	\$20.00	\$21.27	\$22.47	\$23.48	\$23.40
Industrial Truck Operator	5	\$20.33	\$24.49	\$22.44	\$22.97	\$24.44	\$25.81	\$26.97	\$26.88
Truck Driver, Tractor Trailer	5	\$24.21	\$29.17	\$26.73	\$27.36	\$29.10	\$30.74	\$32.12	\$32.02
Truck Driver, Light	2	\$15.69	\$18.90	\$17.32	\$17.73	\$18.86	\$19.92	\$20.81	\$20.75
<b>Office &amp; Clerical</b>									
Receptionist & Information Clerk	2	\$12.82	\$15.44	\$14.15	\$14.49	\$15.41	\$16.28	\$17.00	\$16.95
Bill & Account Collector	2	\$15.17	\$18.27	\$16.74	\$17.14	\$18.23	\$19.26	\$20.12	\$20.06
Accounting Clerk	5	\$17.85	\$21.50	\$19.70	\$20.17	\$21.46	\$22.67	\$23.68	\$23.60
Customer Service Representative	4	\$15.50	\$18.67	\$17.11	\$17.52	\$18.63	\$19.68	\$20.56	\$20.50
HR Assistant	2	\$19.02	\$22.92	\$21.00	\$21.50	\$22.86	\$24.15	\$25.23	\$25.15
Production Planning Clerk/Expeditor	3	\$24.52	\$29.54	\$27.06	\$27.70	\$29.47	\$31.13	\$32.52	\$32.42
Shipping & Receiving Clerk	5	\$17.70	\$21.32	\$19.54	\$20.00	\$21.27	\$22.47	\$23.48	\$23.40
Stock Clerk & Order Filler	3	\$17.92	\$21.59	\$19.78	\$20.25	\$21.54	\$22.76	\$23.77	\$23.70
Executive Secretary	1	\$19.36	\$23.33	\$21.37	\$21.88	\$23.27	\$24.58	\$25.68	\$25.60
Secretary	4	\$13.88	\$16.72	\$15.32	\$15.69	\$16.68	\$17.63	\$18.41	\$18.36
<b>Total Workers</b>	<b>500</b>								
Weighted Average Hourly Earnings (1)		\$19.07	\$22.98	\$21.05	\$21.55	\$22.92	\$24.22	\$25.30	\$25.22
Total Annual Base Payroll Costs (2)		\$18,154,640	\$21,876,960	\$20,039,600	\$20,515,600	\$21,819,840	\$23,057,440	\$24,085,600	\$24,009,440
Fringe Benefits (3)		\$3,449,382	\$8,094,475	\$7,414,652	\$7,590,772	\$8,073,341	\$8,531,253	\$8,911,672	\$8,883,493
<b>Total Annual Labor Costs</b>		<b>\$21,604,022</b>	<b>\$29,971,435</b>	<b>\$27,454,252</b>	<b>\$28,106,372</b>	<b>\$29,893,181</b>	<b>\$31,588,693</b>	<b>\$32,997,272</b>	<b>\$32,892,933</b>
NOTES:									
(1) For mature plant in third year of operation based on current wage rates and fringe benefits. Wage rates reflect Boyd field research, industry sources, and 2016 BizCosts® data bank placing firm in an upper quartile hiring position in each respective labor market. Job descriptions reflect a representative mix of key direct and indirect job functions for a hypothetical advanced manufacturing plant employing 500 workers.									
(2) Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature plant.									
(3) Based on an estimated 37 percent of total annual base payroll costs for U.S. locations. Eastern Ontario assumes a rate of 19 percent. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.									

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES III - EXHIBIT III</b>					
<b>ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS</b>					
	<b>Electric Utility Company</b>	<b>Annual Electric Power Cost (1)</b>	<b>Annual Cost Per kWh (cents)</b>	<b>Annual Natural Gas Cost (2)</b>	<b>Total Annual Electric Power and Natural Gas Costs</b>
Eastern Ontario Region	Hydro One	\$517,428	6.63	\$439,218	<b>\$956,646</b>
Portland/Willamette Valley Region	Portland General Electric	\$572,340	7.34	\$495,000	<b>\$1,067,340</b>
Charleston/Low Country Region	South Carolina Electric & Gas	\$617,232	7.91	\$435,600	<b>\$1,052,832</b>
Nashville/Middle TN Region	Nashville Electric	\$481,608	6.17	\$406,800	<b>\$888,408</b>
Austin/Texas Hill Country Region	Entergy Energy	\$457,224	5.86	\$216,000	<b>\$673,224</b>
Houston/Southeast TX Region	Entergy Energy	\$457,224	5.86	\$216,000	<b>\$673,224</b>
Fairfax/Northern VA Region	Dominion Virginia Power	\$438,132	5.62	\$407,700	<b>\$845,832</b>
Seattle/Puget Sound Region	Puget Sound Energy	\$583,224	7.48	\$657,900	<b>\$1,241,124</b>
NOTES:					
(1) Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.					
(2) Annual costs reflect an assumed monthly use of 75,000 therms of natural gas. Gas prices are based on latest monthly state and regional averages for industrial-use gas.					

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES III - EXHIBIT IV</b>									
<b>PLANT CONSTRUCTION AND AMORTIZATION COSTS</b>									
	<b>Eastern Ontario Region</b>	<b>Portland/ Willamette Valley Region</b>	<b>Charleston/ Low Country Region</b>	<b>Nashville/ Middle TN Region</b>	<b>Austin/ Texas Hill Country Region</b>	<b>Houston/ Southeast TX Region</b>	<b>Fairfax/ Northern VA Region</b>	<b>Seattle Puget Sound Region</b>	
Site Acquisition: No. of Acres	50	50	50	50	50	50	50	50	
Cost per Acre (1)	\$45,500	\$144,500	\$66,500	\$59,500	\$81,500	\$76,500	\$153,500	\$146,500	
Site Improvement Cost (2)	--	--	--	--	--	--	--	--	
Total Land Cost	\$2,275,000	\$7,225,000	\$3,325,000	\$2,975,000	\$4,075,000	\$3,825,000	\$7,675,000	\$7,325,000	
Construction Cost (3)	\$31,500,000	\$30,836,644	\$22,903,491	\$25,825,762	\$23,550,247	\$25,855,431	\$26,594,157	\$30,866,311	
Machinery and Equipment	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	
Total Project Investment	\$48,775,000	\$53,061,644	\$41,228,491	\$43,800,762	\$42,625,247	\$44,680,431	\$49,269,157	\$53,191,311	
Project Amortization									
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569	
<b>Total Annual Amortization Cost</b>	<b>\$2,775,298</b>	<b>\$3,019,208</b>	<b>\$2,345,901</b>	<b>\$2,492,263</b>	<b>\$2,425,377</b>	<b>\$2,542,317</b>	<b>\$2,803,415</b>	<b>\$3,026,586</b>	
NOTES:									
(1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.									
(2) Land preparation costs limited to normal grading and held constant for purposes of analysis.									
(3) Based on construction of fully equipped 350,000 sq. ft. industrial building. Geographic differentials in building costs are based on BizCosts® construction cost index data for the second quarter of 2016.									
(4) Assumes 25-year level amortization payments at 3.0 percent.									

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES III - EXHIBIT V AD VALOREM AND SALES TAX COSTS</b>								
	<b>Eastern Ontario Region</b>	<b>Portland/ Willamette Valley Region</b>	<b>Charleston/ Low Country Region</b>	<b>Nashville/ Middle TN Region</b>	<b>Austin/ Texas Hill Country Region</b>	<b>Houston/ Southeast TX Region</b>	<b>Fairfax/ Northern VA Region</b>	<b>Seattle Puget Sound Region</b>
Real Property Tax Cost								
Land Cost (1)	\$2,275,000	\$7,225,000	\$3,325,000	\$2,975,000	\$4,075,000	\$3,825,000	\$7,675,000	\$7,325,000
Building Cost (2)	\$31,500,000	\$30,836,644	\$22,903,491	\$25,825,762	\$23,550,247	\$25,855,431	\$26,594,157	\$30,866,311
Total	\$33,775,000	\$38,061,644	\$26,228,491	\$28,800,762	\$27,625,247	\$29,680,431	\$34,269,157	\$38,191,311
Effective Tax Rate	\$37.10	\$15.22	\$25.82	\$15.25	\$23.86	\$26.43	\$13.08	\$16.00
Real Property Tax Cost (3)	\$1,253,053	\$579,298	\$677,220	\$439,212	\$659,138	\$784,454	\$448,241	\$611,061
Sales Tax Cost								
Taxable Goods Purchases	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Sales Tax Rate (Percent)	13.00	0.00	8.50	9.25	8.25	8.25	6.00	9.60
Total Annual Sales Tax Cost (4)	\$1,300,000	\$0	\$850,000	\$925,000	\$825,000	\$825,000	\$600,000	\$960,000
<b>Total Annual Ad Valorem and Sales Tax Costs</b>	<b>\$2,553,053</b>	<b>\$579,298</b>	<b>\$1,527,220</b>	<b>\$1,364,212</b>	<b>\$1,484,138</b>	<b>\$1,609,454</b>	<b>\$1,048,241</b>	<b>\$1,571,061</b>
NOTES:								
(1) See Exhibit IV.								
(2) See Exhibit IV.								
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed city.								
(4) Based on prevailing local, state and provincial sales tax levies on taxable purchases of supplies, furnishings, and various other taxable goods. No rate concessions or incentives are assumed.								

**A COMPARATIVE OPERATING  
COST ANALYSIS**

**ADVANCED MANUFACTURING  
SITE SELECTION**

<b>SERIES III - EXHIBIT VI</b>			
<b>COMPARATIVE ON SITE TRAVEL COSTS</b>			
<b>Location</b>	<b>Per Diem Cost (1)</b>	<b>Annual Travel Days (2)</b>	<b>Total Annual Corporate Travel Cost</b>
Eastern Ontario Region	\$271.32	240	<b>\$65,117</b>
Portland/Willamette Valley Region	\$338.65	240	<b>\$81,276</b>
Charleston/Low Country Region	\$315.56	240	<b>\$75,734</b>
Nashville/Middle TN Region	\$333.66	240	<b>\$80,078</b>
Austin/Texas Hill Country Region	\$357.68	240	<b>\$85,843</b>
Houston/Southeast TX Region	\$360.75	240	<b>\$86,580</b>
Fairfax/Northern VA Region	\$389.37	240	<b>\$93,449</b>
Seattle/Puget Sound Region	\$396.89	240	<b>\$95,254</b>
NOTES:			
(1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit and other incidentals based on second quarter 2016 BizCosts® data.			
(2) Based on an average of 20 billable per diem travel days per month at each of the destination locations.			

