

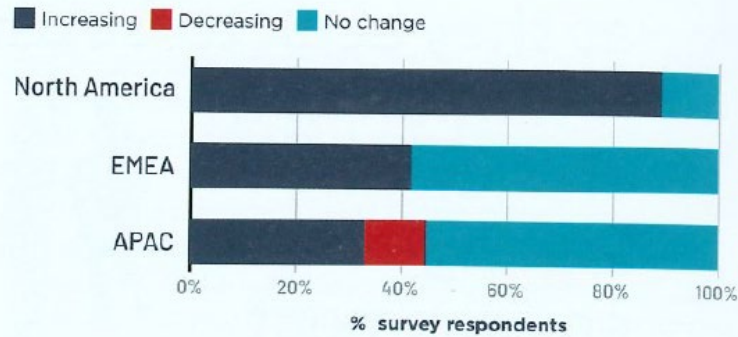
Policy and Project Trends in Economic Development

Christopher D. Lloyd, SVP and Director, Infrastructure and Economic
Development

Southern Municipal Conference - October 23, 2025

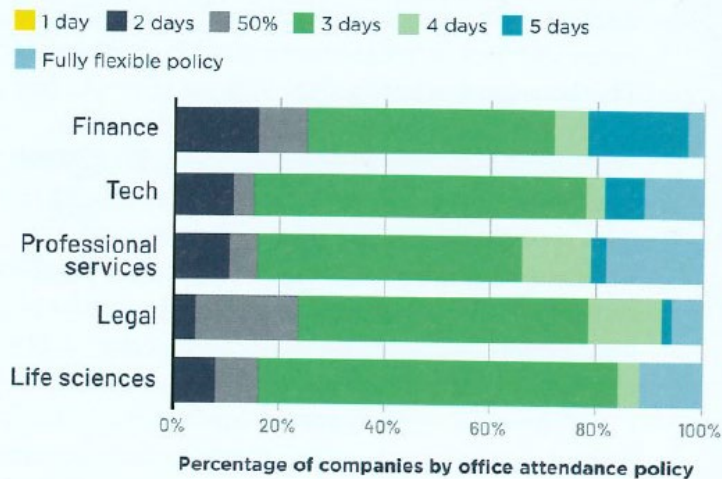
RETURN TO OFFICE IS
REAL

Do you expect to see employers increasing or decreasing office daily attendance mandates in the next 12 months?



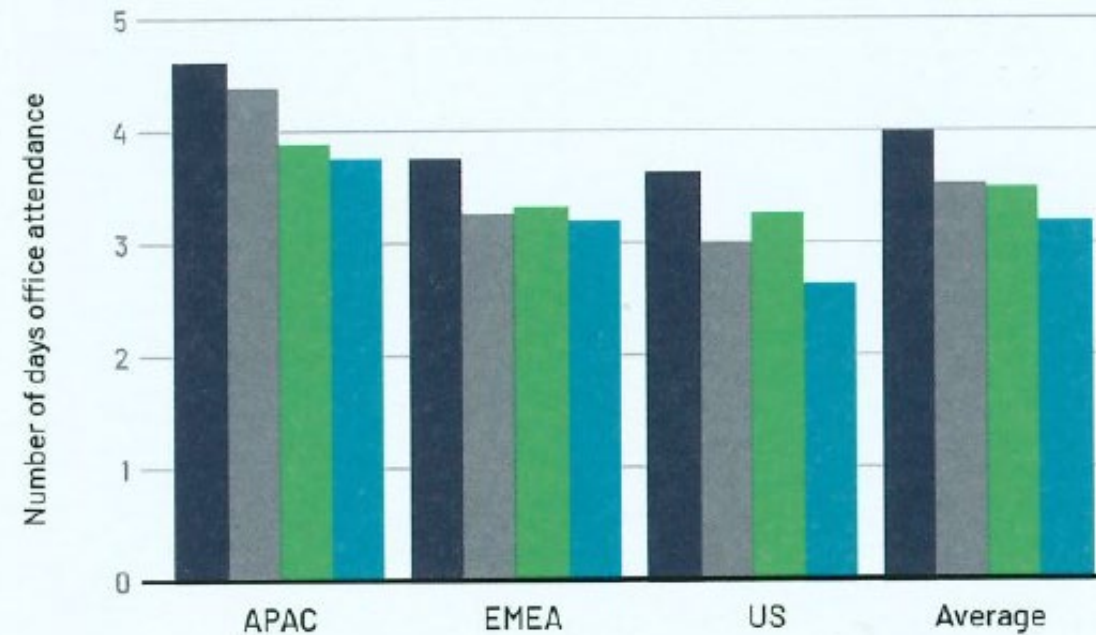
Source: Savills Research, survey of global network

Office attendance mandates by sector



Source: Savills Research using company announcements.

Office attendance by generation



Source: Savills Research

Office Projects: Agreement with Statements on Office Space

(1 = don't agree, 5 = completely agree)

Class B and C space is no longer relevant or marketable.

5.0

Due to a demand for quality space and place, Tier 1 metros are viewed more favorably for office projects compared to Tier II or III metros.

4.0

Office projects will be smaller, have less of an economic impact, and will receive a smaller share of incentives for the immediate future.

3.0

The quality of place is rising in importance
when locating office projects.

5.0

The availability of housing (at all levels) has
impacted where my clients will locate their
facilities.

4.0

Manmade hazards, such as crime and
terrorism, are impacting where my clients
will locate their facilities.

4.0

Winning Strategies

- Convert, redevelop, or demolish older office buildings – tax incentives/TIF, flexible zoning, accelerated permitting
- Reassess parking requirements
- Be prepared for the fiscal downside and upsides when property reassessments occur
- Investments in quality of life/quality of place MATTER
- Develop a strategy to enhance development of workforce housing

UNCERTAINTY IS THE NEW
REALITY

The Top Factors Impacting the Site Selection Industry During 2025







News

Jon Stewart expressed dismay at the BEAD Program's funding allocation process for states while talking with Ezra Klein, a New York Times columnist.

By: Brad Randall, [Broadband Communities](#)



Executive Orders

- Executive Order 14264 –
Maintaining Acceptable Water
Pressure in Showerheads

“I like to take a nice shower to take care of my beautiful hair,” President Donald Trump said upon signing the order. “I stand under the shower for 15 minutes until it gets wet. It comes out drip, drip, drip. It’s ridiculous.”



Executive Orders with Economic Development Opportunities

- Executive Order 14179 – Removing Barriers to American Leadership in Artificial Intelligence
- Executive Order 14278 – Preparing Americans for High-Paying Skilled Trade Jobs of the Future – expand apprenticeships and streamline/align federal workforce training programs
- Executive Order 14269 – Restoring America’s Maritime Dominance – invest in maritime industrial base and block Chinese shipping
- Executive Order 14255 – Establishing the United States Investment Accelerator – orders federal agencies to speed permits for economic development projects valued at over \$1 billion
- Executive Order 14307 – Unleashing American Drone Dominance – promote domestic UAV and eVTOL production and reduce regulatory barriers
- Executive Order 14304 – Leading the World in Supersonic Flight – regulatory reform and increased R&D investment
- Executive Order 14302 – Reinvigorating the Nuclear Industrial Base – regulatory reform, workforce investment, and accelerate plant construction

Winning Strategies

- Become a beacon of stability – streamline and fast track permitting and approval processes, fiscal prudence
- Monitor federal notices for PPP opportunities stemming from EOs
- Optimize FTZ/freeport exemptions/bonded warehouses to mitigate tariff impacts
- Engage with state and federal partners on how to benefit from the “new order”
- Host seminars/workshops on OBBBA, executive orders so your business community can benefit from pro-growth policies

CAPITAL INVESTMENT IS BOOMING

Eli Lilly to make weight-loss pill in new \$6.5 billion Texas plant

By Patrick Wingrove

September 23, 2025 5:57 PM EDT · Updated September 23, 2025



24/7 Live

BUSINESS

JetZero to build manufacturing facility in NC, create more than 14K jobs; investment of \$4.7B

By [Michael Perchick](#)
Thursday, June 12, 2025



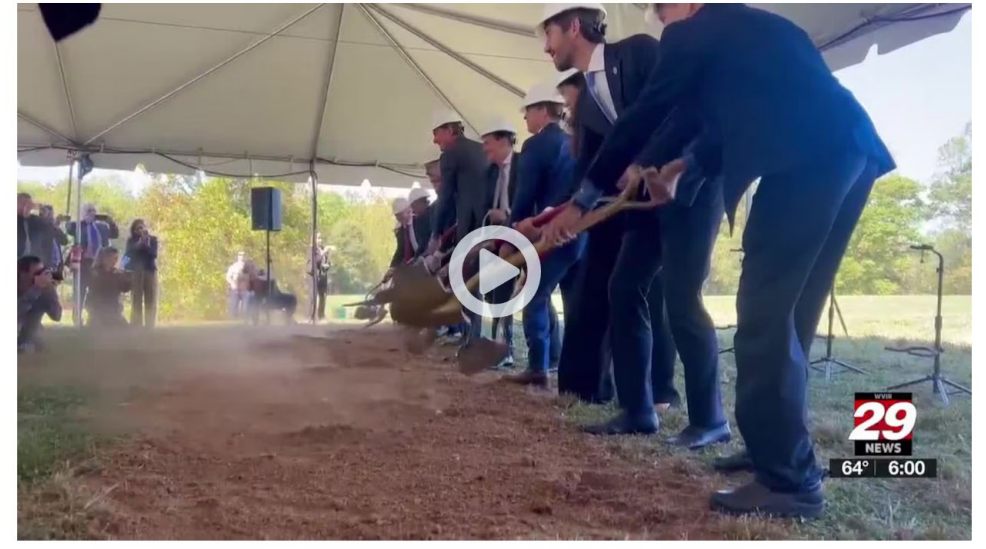
3 hours ago - News

TSMC eyes more Arizona land to grow semiconductor "gigafab"

Jessica Boehm



AstraZeneca announces \$4.5 billion pharmaceutical plant in Albemarle County



Company's largest facility worldwide will bring 600 permanent jobs to Route 29 corridor

OHIO CAPITAL JOURNAL

UNCATEGORIZED

Gov. DeWine lands biggest jobs deal in Ohio history with defense company Anduril's new plant

It's not clear yet how much officials promised the company in incentives

BY: **NICK EVANS** - JANUARY 16, 2025 5:25 PM



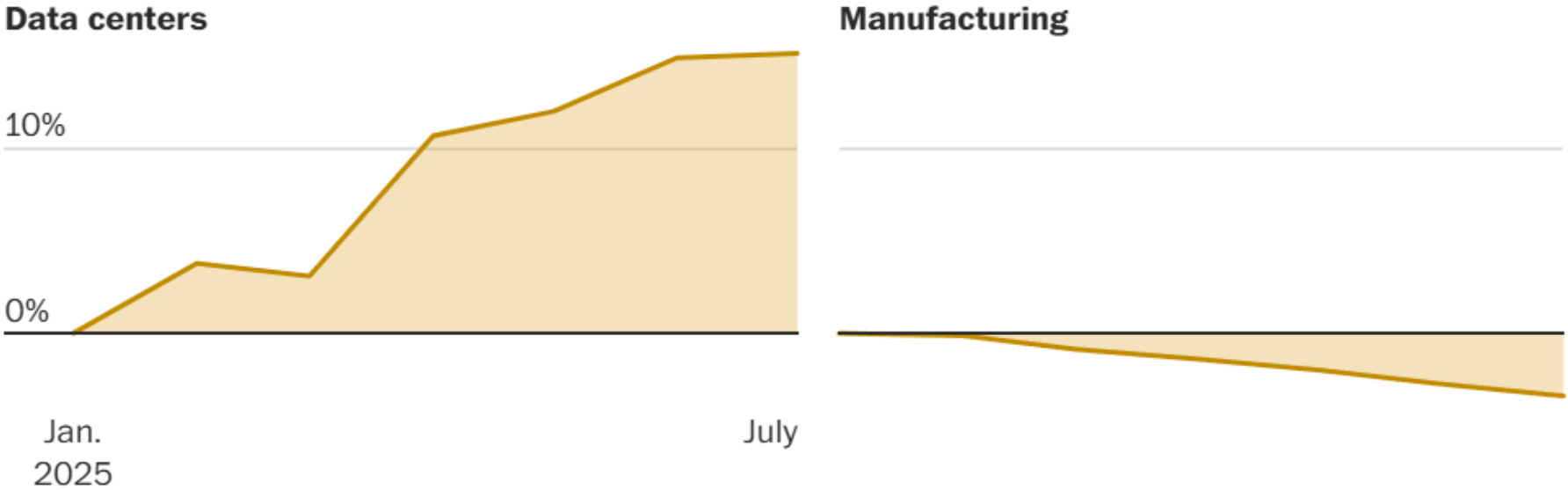


Taxes – Pro-Growth Provisions

- Immediate expensing of capital investment, even for real property through 2029
- Increase R&D deductions
- Enhanced deductibility of corporate debt
- Opportunity Zone enhancements (with special emphasis on rural America)

Investment rushes into data centers and away from factories

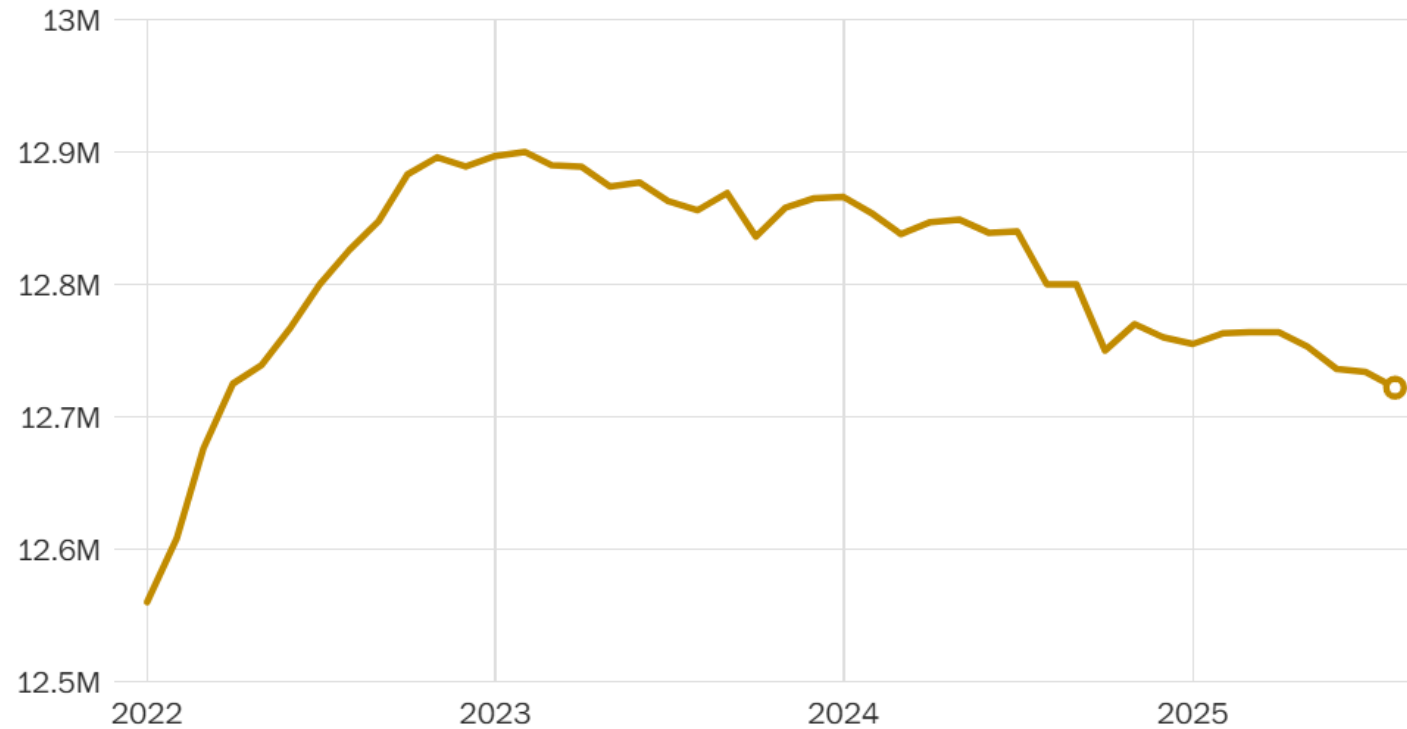
Cumulative % change in investment since Jan 2025



Source: [U.S. Census Bureau and Haver](#)

U.S. manufacturing sector has been losing jobs for years

Total U.S. manufacturing employment



Source: [U.S. Bureau of Labor Statistics](#)

AARON GREGG / THE WASHINGTON POST

Winning Strategies

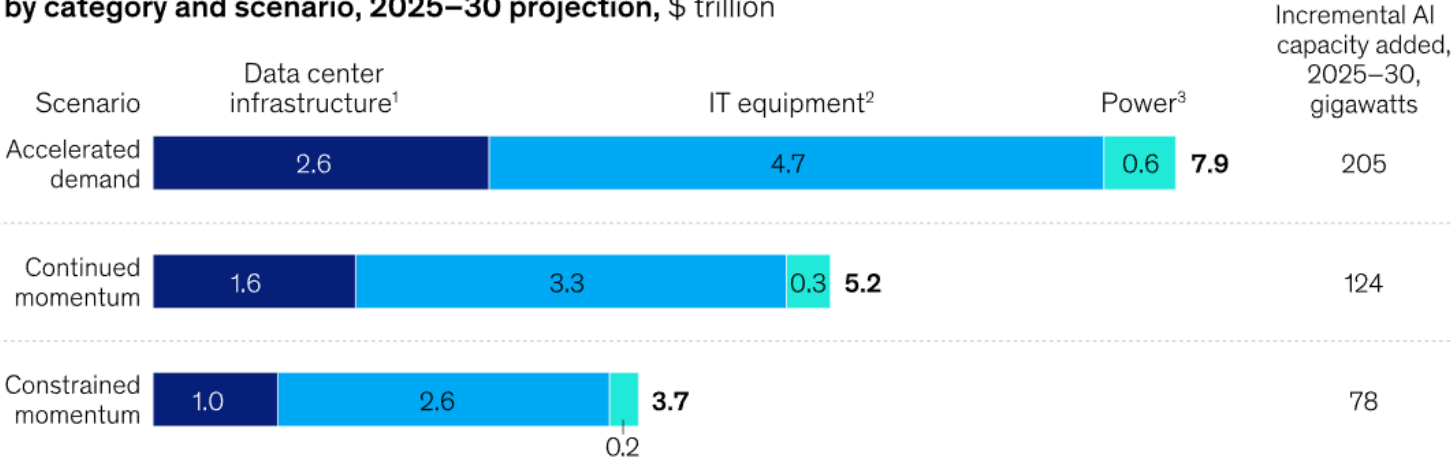
- Regulatory streamlining and fast track permitting
- Invest in shovel ready site development
- Ensure you have the inspection staff on board with capabilities to approve these projects
- Have a program that courts business retention/expansion, not just attraction
- Assess current utility capabilities and what enhancements may be necessary
- Advance identification of ROW corridors (and acquire if possible)
- Review how you tax capital assets to ensure that structure does not disincentivize capital investment
- Invest in developing talent pipeline to fill new jobs

AND DATA CENTERS/AI
ARE DRIVING THAT BOOM



Capital investments to support AI-related data center capacity demand could range from about \$3 trillion to \$8 trillion by 2030.

Global data center total capital expenditures driven by AI, by category and scenario, 2025–30 projection, \$ trillion



Note: Figures may not sum to totals, because of rounding.
¹Excludes IT services and software (eg, operating system, data center infrastructure management), since they require relatively low capex compared with other components.
²Includes server, storage, and network infrastructure. IT capex also accounts for replacing AI accelerators every 4 years.
³Assumes \$2.2 billion–\$3.2 billion/gigawatt (including power generation and transmission cost) to account for a range of power generation scenarios (eg, fully powered by gas, a combination of gas power and storage, and solar) and regional cost differences. Distribution cost is neglected, as most AI centers are expected to be >50 megawatt scale and connected to a transmission grid.
Source: McKinsey Data Center Capex TAM Model; McKinsey Data Center Demand Model

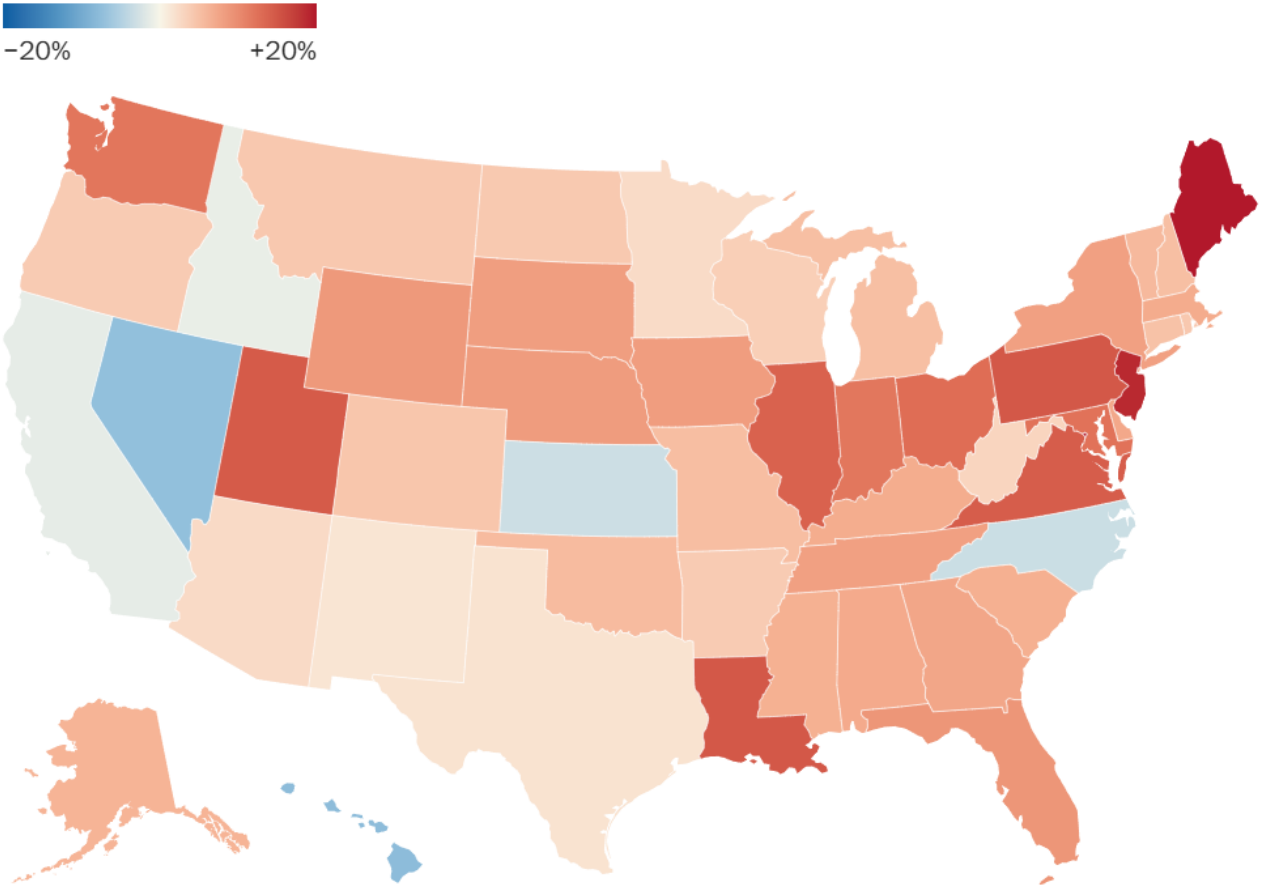
Winning Strategies

- Determine whether your community wants data centers
- Develop a data center development strategy that includes land use/noise/taxation/sustainability provisions
- Assess the capabilities of your utility system to handle data center needs
- Identify how data center generated tax revenues will be used by the community to meet public needs

CHEAP POWER IS DEAD*

Electricity prices have risen in most states since last year

Change in electricity price to ultimate customers, July 2025 vs July 2024



Note: Includes residential, commercial and other electricity users.

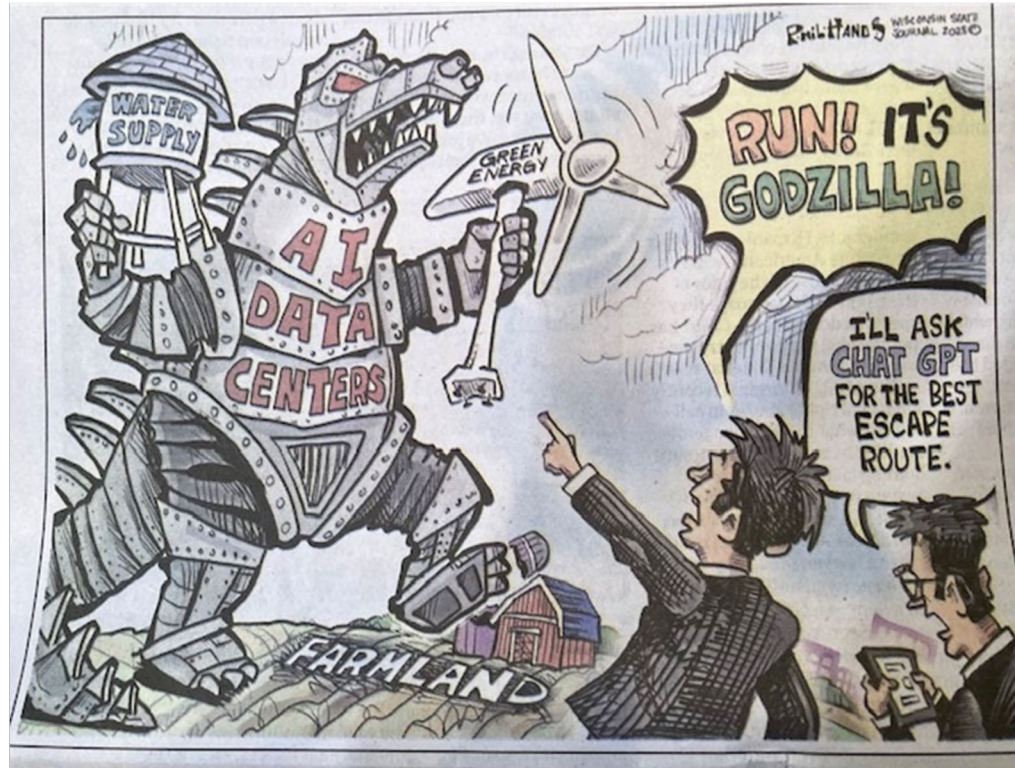
Source: EIA



Winning Strategies

- Assess which new energy sources are a good fit for your community and build consensus
- Designate “energy ready” sites
- Regulatory streamlining and fast track permitting
- Review tax treatment of facilities and how you can incentivize
- Foster educational partnerships to build the energy workforce
- Support university R&D collaborations

NIMBYISM IS
EVERYWHERE





Winning Strategies

- Educate, educate, educate
- Engage with the public early and often
- Identify political champions for growth/economic development
- Polling of community to test sentiment, messages
- Thoughtfully plan where you want development to occur (or not occur)
- Identify uses of revenue to be generated by new development

Questions or Comments?