WHY SITES LOSE ON THE FIRST PASS

How a site team cuts two hundred sites to twelve before anyone calls, and what an EDO can fix before the next search starts

WHITE PAPER | NOVEMBER 18, 2026

Devin Hillsdon-Smith

Founder & Principal Consultant | Hyphen Strategies, LLC

Most industrial sites do not lose at the incentive table. They lose weeks earlier, in a desktop review the community never sees, against a list of pass/fail tests nobody wrote down for them. This white paper describes how that first pass actually works, why a site that is strong on paper is so often cut in the first five minutes, and which of the reasons are fixable by the county itself, at what cost and on what timeline. It is written for EDO leadership, boards and site-readiness committees, and the utility and state partners whose letters decide more first passes than any brochure.

EXECUTIVE SUMMARY

- A diagnostic — the Binder Test — for finding out whether your best site survives a first pass before a buyer runs one on it
- How the first pass actually works: weeks of analyst work now compressed into an afternoon, run on public data and whatever documents you have already put in front of the market
- Five ways a strong site dies in five minutes — the email power path, the unwritten water, the willing seller, the pad that isn't, and the room you weren't in — and the single habit underneath all five
- Why fatal flaws don't average, and why asking whether a site is “good” is the wrong question until you have said good for whom
- An evidence standard borrowed from the buyer's side of the table: documents count, promises don't, and evidence expires
- A priced fix list — what each common gap costs to close in 2026, how long it takes, and which ones a county can fund without waiting on anyone

OPENING: THE BINDER TEST

Pull the response you sent on the last RFI that mattered. Not the cover letter and not the incentive summary. The site sheet for the one property you most wanted them to pick.

Now read it the way a site team reads it on a first pass. Ignore every adjective. For each line that a buyer would treat as a threshold — power, water, wastewater, acreage, zoning, control of the land — ask one question: is there a document behind this sentence, dated inside the last year, that I could attach in the next twenty-four hours?

If the answer is no, the sentence did not make your case. It made theirs.

A word on the title, because it is a claim. I am not arguing that incentives, relationships or the quality of a site visit do not matter. They matter enormously, at the stage where they apply. The argument is narrower and, I think, more useful: a large share of the sites a community markets never reach that stage, and the reasons they don't are knowable, specific, and in many cases cheaper to fix than the incentive package the community was prepared to offer.

Every prior paper in this series has worked one piece of this. **The Interconnection Wall** argued for the written load-serving answer. **From Dirt to Deal-Ready** argued for real diligence over a certification plaque. **The Target List Is Not the Deliverable** argued for screening on what a region can physically serve. **Why Deals Die on Fridays** was about the

people using that information in the last seventy-two hours. This paper goes back to the beginning of the search, to the part the community never sees.

Start with what that part looks like now, because it has changed.

SECTION 1 — HOW THE FIRST PASS ACTUALLY WORKS

A corporate search starts wide and narrows fast. A long list of communities and sites is assembled from public data, broker inventory and prior work. Each candidate is checked against a short list of requirements the project cannot live without. Survivors are scored against everything else. A handful get an RFI, fewer get a visit, and by the time a community knows a project exists, most of the decisions that matter have been made.



Figure 1. The first pass, schematically. Stage counts are illustrative; the shape is not.

Two things about this process have always been true. The first is speed. A 2019 piece in **Area Development** on RFI matchmaking described the familiar outcome bluntly: the effort, anguish and long hours that go into a response binder can buy a three- to five-minute review before the site is dismissed. The second is silence. The community that was cut almost never learns it was in the running, let alone which line item ended it.

One thing is new, and I wrote about it in **Area Development** this summer. AI tools now do the analyst work that used to take two weeks in an afternoon, drawing on sources well beyond the structured databases site selectors have always used — utility pricing history, environmental compliance files, permitting timelines, and city council minutes, which are public record in virtually every jurisdiction. The practical consequence is that communities

are now scored and eliminated before an RFI is drafted, before anyone has had a chance to make a case.

The first pass used to happen after you answered the phone. Increasingly it happens before the phone rings, on whatever is already public about you.

What is being tested on that pass has also narrowed. In the Site Selectors Guild's 2026 member survey, as reported by Bisnow in October, 79 percent of consultants named electric power as a top factor in location decisions, and more than half said a lack of power was a leading reason to remove a site from consideration altogether. Twenty-two percent named community opposition as a top reason to drop a location from a short list. The Guild's own phrasing of that last point is worth reading twice: opposition can eliminate locations before a project is public and before a community ever knows it was in the running.

So the first pass is fast, silent, increasingly automated, and dominated by a small number of threshold questions. That combination produces a very specific set of failures.

SECTION 2 — FIVE WAYS A SITE DIES IN FIVE MINUTES

Five patterns. If you have marketed sites for any length of time you have seen all five, and if you are honest you have shipped at least three of them in a binder with your name on the cover. I have.

One more thing before the list. The first pass is not one screen. It is a different screen for every kind of buyer, because every kind of buyer has different things it cannot live without. A food processor will forgive a long drive to the interstate before it forgives a wastewater plant at capacity. A cold-chain operator is the reverse. The five failures below show up across almost every archetype, but which one ends a given search depends on who is searching.

None of these is a failure of effort. Each is the predictable result of a community describing its sites in the language of marketing to a reader who is applying the language of elimination. The useful question when one shows up is not who dropped the ball. It is what document was missing.

The Email Power Path

What it looks like. “Ample power available.” A utility account manager's email from eighteen months ago saying the substation “should be able to support” a large load. No system impact study, no will-serve letter, no energization date.

What it costs. For any power-intensive archetype, the site is out before anything else is read. A hyperscale data center team, for example, is looking for a written path to its full load inside a defined window. An email is not a path.

Why it happens. The written answer costs real money in utility study fees and takes most of a year, and nobody budgets for it until a project asks. By then the project has moved on.

The Unwritten Water

What it looks like. A municipal system described as having "excess capacity," with no capacity letter, no stated headroom in million gallons per day, and no answer on whether the treatment plant accepts high-strength industrial effluent.

What it costs. Food processing, life sciences and anything with a cooling load are screened on water and wastewater before they are screened on almost anything else. A site that is probably fine and a site that has documented headroom are not scored the same way.

Why it happens. The utility knows the answer and has never been asked to write it down for a hypothetical customer. The letter itself is inexpensive and fast. Nobody owns asking for it.

The Willing Seller

What it looks like. "The owner is willing to sell." No option, no listing agreement, no LOI, no price or price range. Sometimes three owners, one of whom has not been asked.

What it costs. A site team cannot put a property in front of a capital committee if nobody can say who will sign, at what price, on what timeline. Willingness is not control.

Why it happens. Options feel like a commitment the EDO is not authorized to make, and the owner is understandably reluctant to tie up land for a project that may never come. The result is a site that exists in the marketing and not in the transaction.

The Pad That Isn't

What it looks like. "Shovel-ready" on the cover. No Phase I environmental site assessment, no geotechnical report, no wetlands delineation, no boundary survey, and in some cases a corner of the pad sitting in a mapped floodplain.

What it costs. A buyer racing a construction schedule reads "no due diligence" as months of unknowns, and a floodplain on the pad as a reason to move the pad or move on. Most move on.

Why it happens. Diligence is a real check written before there is a customer, and certification programs have taught a generation of communities that the plaque is the finish line. It is the starting line.

The Room You Weren't In

What it looks like. A contested rezoning on a different project eighteen months ago. A moratorium discussion that never passed but is in the minutes. A neighbor group with a website.

What it costs. This is the one the Guild's survey flags directly, and it is the one most likely to be found by an AI-assisted screen rather than by a phone call. It does not have to be about the current project to be counted against it.

Why it happens. Communities treat opposition as a project-specific event. Buyers treat it as a pattern and price it as risk.

Five failures, one habit underneath all of them: describing a site in sentences when the reader is testing it against documents.

SECTION 3 — FATAL FLAWS DON'T AVERAGE

The second idea a community has to absorb is about method, and it connects directly to the last paper in this series. A competent site search uses two different tools at two different stages. Early on, it runs **eliminators**: pass/fail tests on the handful of things the project cannot live without. Only the survivors are run through a **weighted score**, in which a strong position on one factor can carry a weaker position on another.

Communities tend to market as though the second tool were the only one. They lead with strengths — the labor shed, the incentive package, the quality of life — on the reasonable assumption that strengths add up. On a first pass they do not add up. They do not get read. A site with a great workforce and no written power path is not a seven out of ten. For a power-intensive project, it is a zero, and nothing on the next page changes that.

Site selection isn't a GPA. A single failed eliminator ends the conversation for that buyer, however good the rest of the transcript is.

The thresholds are not mysterious. Here are a few, as written in the rubrics we use:

- **Hyperscale data center:** a will-serve letter, completed system impact study or written capacity statement for at least 100 MW, with energization inside 48 months. Verbal assurances do not pass.
- **Advanced manufacturing:** a labor force of at least 40,000 within 45 minutes, with a manufacturing location quotient of 1.0 or better, for a default 400-job project.
- **Food and beverage processing:** at least 1 MGD of wastewater headroom at a plant that accepts high-strength effluent, or a documented pretreatment path.

- **Life sciences manufacturing:** a building pad at least 1,000 feet from active freight mainlines and heavy industry.
- **Energetics:** at least 500 contiguous controllable acres, with room for the explosive-safety arcs inside the property line.

Even among the survivors, the scoring is not neutral. Weights follow the buyer. In our hyperscale data center rubric, speed to power alone carries 25 of 100 points; in the advanced manufacturing rubric, the same 25 points go to labor quality and availability, and power reliability carries 10. A community that knows its strongest factor can predict, fairly accurately, which buyers will rank it highly and which will not, and that is a far better use of a marketing budget than a general-purpose brochure.

Good for Whom

Which leads to the most common question communities ask about a site, and the least useful one: is it a good site? The honest answer is always “for what?” The same parcel can clear every eliminator for one buyer and fail the first test for another, because each buyer brings different thresholds and different weights.

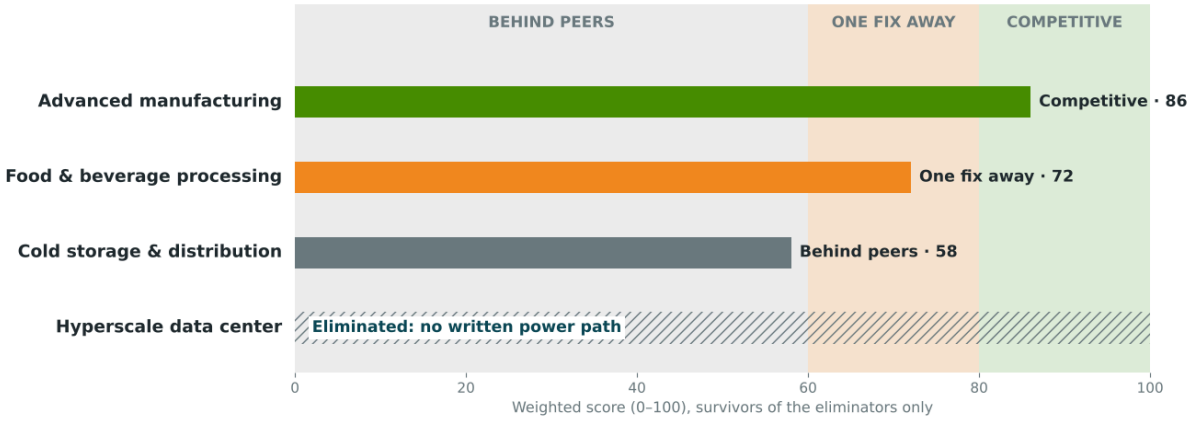


Figure 2. One illustrative 180-acre site, scored against four buyer archetypes. Scores are hypothetical; the pattern is typical.

Read the figure as a marketing decision, not a grade. That parcel is not a weak site. It is a strong manufacturing site that has been marketed to everyone, including the one buyer guaranteed to cut it. Every RFI answered for an archetype the site cannot serve costs staff time, and costs a little credibility with the consultant who has to read it.

SECTION 4 — DOCUMENTS COUNT, PROMISES DON'T

If eliminators are the method, documents are the currency. The most useful thing a community can do is adopt the buyer's evidence standard for itself, before a buyer applies it.

Three rules carry most of the weight.

A statement with no document behind it does not count toward a pass. Not from the EDO, not from the mayor, not from a utility account manager on a friendly call. If a threshold matters, the evidence has to exist on paper and be attachable.

If a fact cannot be confirmed, say so and say when it will be. A first-pass reviewer would much rather read "will-serve letter requested, expected in March" than an unsupported "yes." The first is a fact about your process. The second is a guess about the utility's.

Evidence expires. A capacity statement from two years ago describes a grid that no longer exists, because someone else's project has since taken the headroom. Local news, meeting minutes and regulatory status move faster still.

> **The twelve-month rule.** Treat any utility or agency record older than twelve months, or past its own stated expiry, as stale. Treat local scans — minutes, news, moratorium trackers — as stale after ninety days, and re-run them within thirty days of any submission. Treat regulatory status as stale after thirty days. These are planning conventions, not legal standards, but they track how quickly the underlying facts actually change, and they give a staff a calendar instead of a scramble. The cheapest moment to refresh a letter is before anyone has asked for it.

The Evidence Shelf

In practice this means keeping, for every marketed site, a short shelf of documents that a first-pass reviewer can have the same day they ask. For most industrial archetypes the shelf is the same eight items:

- **Power:** a will-serve letter, completed system impact study, or written capacity statement naming the megawatts and the energization date
- **Water:** a utility capacity letter stating available supply in MGD
- **Wastewater:** stated plant headroom in MGD, and whether the plant accepts high-strength industrial effluent
- **Environmental:** a current Phase I ESA and a wetlands delineation
- **Ground:** a geotechnical report and an ALTA boundary survey
- **Control:** an option, listing or LOI with a disclosed price or price range, covering every parcel
- **Zoning:** the current designation and, if a change is needed, the defined path and its timeline

- **Community record:** an honest summary of recent approvals and recent opposition, because the buyer will find both anyway

None of these is exotic. Most counties have at least half of them for their best site. Very few have all eight, current, for every site they market, and the gap between those two states is most of the gap between being marketed and being shortlisted.

What this rules out. "Ample" anything. "Shovel-ready" without the reports. Capacity figures with no date and no author. And the habit of answering a threshold question with a paragraph instead of an attachment.

SECTION 5 — WHAT TO FIX FIRST

Everything above points at a fix list, and the good news is that the most common gaps are neither exotic nor, in most cases, expensive relative to what communities already spend chasing projects. The figures below are 2026 planning ranges drawn from public benchmarks; they are not engineering estimates, and any figure marked as an estimate has no published benchmark and should be confirmed before anyone budgets against it.

Fix What You Can Fix Alone

Commission the due diligence package. Phase I ESA, geotechnical report, wetlands delineation and ALTA survey typically run $75,000 to $250,000 per site and take two to four months. This is the single fix that touches the most archetypes at once, because nearly every rubric scores site readiness.

Get control of the land. An EDO-held option typically costs $50 to $150 per acre per year and can be executed in one to three months. It turns "willing seller" into a price, a counterparty and a date.

Ask for the water letter. A utility capacity letter, or a closed-loop design commitment, typically takes two to six months and costs anywhere from nothing to $50,000 in study work — an estimate, since no public benchmark exists. It is the cheapest eliminator to clear on the list.

Document the power path. A system impact study and will-serve letter typically cost $100,000 to $300,000 in utility study fees and take nine to fourteen months. It is the most expensive item a county can do on its own, and for any power-intensive buyer it is the one that matters most.

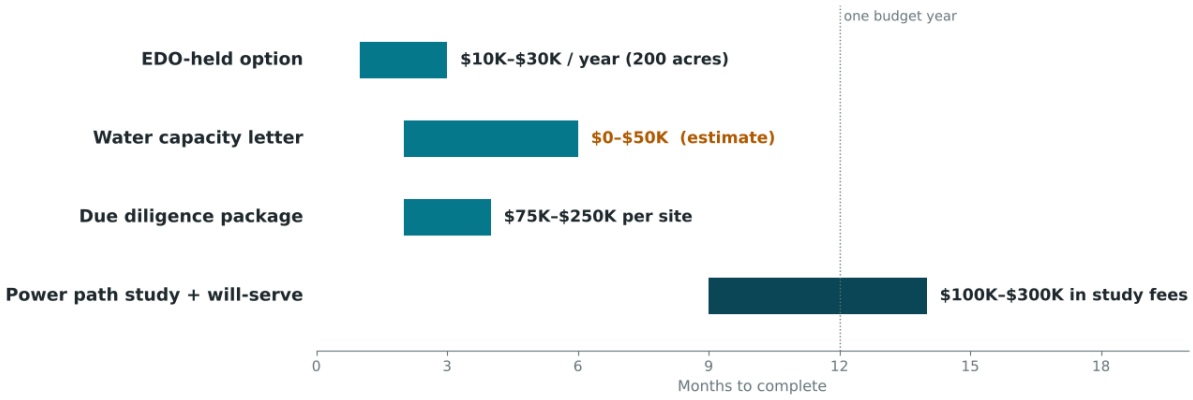


Figure 3. Fixes a county can fund on its own: typical timelines, with 2026 planning cost bands. Option cost shown for a 200-acre site for one year.

Make the Utility and State Ask With Evidence

Some gaps are not the county's to close. A second independent power feed typically runs $0.9 million to $1.7 million per mile overhead and eighteen to thirty-six months. On-site wastewater pretreatment runs roughly $12 million per MGD of capacity, twelve to twenty-four months. A utility large-load tariff takes nine to eighteen months of regulatory work. The county's job on these is not to fund them. It is to arrive at the utility or the state with the evidence that says which sites, which buyers and how many lost projects the gap represents. A capital request with that behind it is a different document from one without it.

Stop Marketing to Everyone

The last fix costs nothing. Decide, site by site, which buyers the site can actually serve, and stop answering RFIs for the rest. It frees staff time for the projects you can win, and it builds a reputation with consultants that is worth more than any single response: the community whose submissions always clear the first pass.

Readiness Is a Reputation

Read that list again from the consultant's side of the table. Every item on it removes a reason to cut you, and removes it before the search starts. That explains something the industry already observes: a small number of communities get included in searches they would not obviously win, because a consultant has learned that their site sheets are true. We call that relationships. A more precise description is that their documents are current.

The harder version of the same point deserves saying out loud. A meaningful share of what our industry calls site marketing is difficult to distinguish from optimism. “Power available” written by someone who has not asked the utility is not a lie, but it is not a fact either, and the consultant reading it has learned to treat it as neither. Every unsupported sentence on a site sheet spends a little of the credibility of every true sentence next to it. I don't think the

answer is to market less confidently. It is to make sure the confidence has paper behind it, and to say plainly where it doesn't yet.

A site sheet a consultant can trust is worth more than one that sounds better, and unlike most advantages in this business it is available to the smallest county in the state.

SECTION 6 — THREE SCENARIOS

The three scenarios below are constructed models, not client engagements. They are assembled from the patterns described in this paper, with figures set at realistic values for organizations of this size. Every number in them is hypothetical. The shapes are not — I have watched each of these play out on real searches, from both sides of the table.

Scenario 1: The Site With Everything but a Letter

Profile: County EDO, five staff. A 220-acre greenfield site near a 345 kV line, marketed for data centers and advanced manufacturing for three years. Strong labor shed, approved industrial zoning, and an incentive framework the board was proud of.

Discovery

- The site had been submitted for four data center RFIs and advanced on none. No consultant had said why
- The site sheet described power as “available at scale” and cited a utility email from two years earlier. No study had been requested and no will-serve letter existed
- A review against a hyperscale rubric failed the site on the power-path eliminator before any other factor was considered. Against an advanced manufacturing rubric, the same site scored competitively
- The county had budgeted more for its most recent incentive offer than a system impact study would have cost

Solution and Outcome

The county funded the utility study, received a written capacity statement with an energization date, and rewrote its site sheet to lead with the letter. It also stopped submitting the site for data center searches until the letter was in hand, and redirected that effort toward manufacturing RFIs, where the site had been competitive all along.

The site was never weak. It was being sent to the one buyer guaranteed to cut it, with the one document that buyer needed missing.

Key Lesson: For power-intensive buyers, the written power path is not one factor among many. It is the gate. Fund the letter before the incentive.

Scenario 2: The 300 Acres Nobody Controlled

Profile: Regional EDO, three counties, seven staff. A 300-acre assemblage across three owners, marketed for heavy industry and battery manufacturing.

Discovery

- Two of the three owners had told the EDO informally that they would sell. The third had not been asked
- The site reached a site visit once. The consultant's first question on the visit was who would sign, and at what price. Nobody could answer
- No option, listing or LOI existed for any of the three parcels, and the EDO board had never discussed whether it could hold one

Solution and Outcome

The board adopted a policy allowing the EDO to hold options on priority sites, funded a one-year option on the two willing parcels, and opened a structured conversation with the third owner. Within a year the assemblage could be presented with a counterparty, a price range and a closing timeline. The option cost a small fraction of a single trip to a trade show.

A willing seller is a mood. An option is a fact, and the first pass only reads facts.

Key Lesson: Site control is the cheapest eliminator to clear and the most commonly missed. If the board cannot authorize an option, the site is not on the market.

Scenario 3: The County That Marketed to Everyone

Profile: County EDO, three staff. Four industrial sites ranging from 40 to 160 acres. Responded to every RFI the state forwarded, typically twenty or more a year.

Discovery

- Over two years the county reached a short list twice. Staff estimated that RFI responses consumed more than a third of their working time
- Scored against a full set of buyer archetypes, most of the county's submissions had gone to projects its sites could not serve on acreage, power or rail alone
- Two of the four sites scored competitively for the same two archetypes — food processing and cold storage — which the county had never targeted specifically

Solution and Outcome

The county narrowed its response policy to the archetypes each site could actually serve, used the time it saved to commission due diligence on its two strongest sites, and rewrote its marketing materials around the buyers those sites fit. It answered fewer RFIs the following year and advanced further on more of them.

Answering every RFI felt like effort. It was mostly a way of being told no, slowly, by people who never explained why.

Key Lesson: Fit beats volume. A site sheet sent to the wrong buyer costs more than staff time — it teaches a consultant to skim your next one.

CONCLUSION

Economic development has spent twenty years getting better at telling a site's story: better maps, better websites, better certification programs, better incentive packages. The first pass does not read stories. It reads thresholds, and it reads documents, and it now reads them faster than ever and before anyone has called. A community that wants to win more projects does not need a louder pitch. It needs fewer reasons to be cut.

The New Model Requires Four Shifts:

- **Market against thresholds, not adjectives.** For every site, know which eliminators each target buyer will run and whether the site passes them on paper today.
- **Adopt the buyer's evidence standard first.** Documents count, promises don't, and evidence expires. Put the refresh dates on a calendar.
- **Fund the fixes before the incentives.** A due diligence package, an option, a capacity letter or a power study will often reopen more projects than another point of abatement.
- **Choose the buyers each site can serve.** A site is only good for someone. Decide who, and stop spending credibility on everyone else.

The hard part of site readiness was never the brochure. It is that the decision gets made before the brochure is read, on evidence we could have produced and didn't.

Run the Binder Test on your best site. Then run it on the one you are about to submit.

ABOUT THE AUTHOR

Devin Hillsdon-Smith | Founder & Principal | Hyphen Strategies, LLC

devin@hyphenstrategiesllc.com | hyphenstrategiesllc.com

Devin Hillsdon-Smith is the founder and principal consultant of Hyphen Strategies, LLC, a boutique site selection and economic development advisory firm. With 15+ years of experience spanning public sector economic development and private sector site selection, Devin has advised over $8 billion in corporate investments across North America.

The argument in this paper is drawn from both sides of it. Devin has written the site sheets that got cut without explanation, and has run the first-pass screens that cut them. He serves on the board of directors of the Indiana Economic Development Association and other nonprofit organizations, and is a licensed attorney and real estate broker.

Hyphen Strategies specializes in corporate site selection ($50M–$3B+ projects), certified sites programs, regional utilities studies, data center advisory, and incentive negotiation support for economic development organizations and growing companies. The firm's SiteLens assessment applies the method in this paper to a county's own sites: every site run against thirteen buyer archetypes, and every gap priced.

The County Readiness Snapshot — a one-page read of what a site team sees about your county from public data alone — takes about a day to prepare. If you would like one for your county, ask and I will send it. No engagement attached.