

FROM DIRT TO DEAL-READY

The New Economics of Certified Sites

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This white paper presents a validation-first framework for certified site development that allows resource-constrained EDOs to compete for transformational projects through strategic site selection, intelligence asymmetry, and creative financing—without trying to match \$50M megasite budgets.

EXECUTIVE SUMMARY

- Market context analysis establishing why certified sites have become table stakes in the post-CHIPS Act, IRA, and AI infrastructure boom era
- Financial framework including ROI modeling, tiered investment structures, and creative financing mechanisms that make certification feasible for mid-sized budgets
- Competitive positioning strategies showing how smaller EDOs can compete against deep-pocketed states through strategic site selection and targeted improvements
- Implementation roadmap detailing a proprietary four-phase validation methodology from site identification through certification
- Case study integration with anonymized real-world examples demonstrating outcomes, lessons learned, and dual-sided expertise

OPENING: THE CERTIFICATION PARADOX

By my count, Indiana has 47 certified sites. Only 11 can deliver 20+ MW of power within 24 months. None can realistically support a 100 MW data center without 4–6 years of utility infrastructure investment.

This is the certification paradox facing economic development organizations across the Midwest: the label "certified site" has become a basic requirement for competing in RFPs, yet most certified sites fail rigorous due diligence on at least two critical dimensions—power delivery, environmental clearance, workforce availability, or logistics infrastructure.

I've seen this pattern repeatedly over 15 years and \$8 billion in advised investments. EDO directors invest \$2M–\$5M to achieve certification, create beautiful marketing collateral, and then watch their sites get eliminated in Round 2 when corporate advisors run fatal flaw analyses that reveal transformer lead times stretching 42 months, Phase I assessments that never progressed to Phase II validation, or workforce models assuming 60-minute commute sheds that projects won't accept.

Meanwhile, states like Georgia, Tennessee, and Texas are investing \$50M–\$100M per megasite, and the competitive intensity for transformational projects has never been higher. The CHIPS Act, Inflation Reduction Act, and AI infrastructure boom have normalized billion-dollar investments with zero tolerance for site risk.

The answer isn't to give up or mimic the megasite strategy at 1/20th the scale. The answer is to reframe certification from a binary checkbox to a strategic investment decision—with measurable ROI, phased pathways, and intelligence asymmetry that beats brute-force spending.

SECTION 1 — THE NEW TABLE STAKES: WHY THE GAME HAS CHANGED

The Mega-Project Proliferation

The project landscape has fundamentally shifted in the past 36 months. What used to be exceptional—a \$500M manufacturing investment or a 100 MW data center—is now the baseline for transformational economic development.

The CHIPS Act authorized \$52 billion for semiconductor manufacturing. The Inflation Reduction Act triggered \$270 billion in clean energy and EV investments. The AI infrastructure boom is driving hyperscale data center development at unprecedented scale—400 MW average project sizes with 16–24 month timelines to shovel-ready and 4–6 year total development cycles.

These projects have zero tolerance for site risk. A semiconductor fab investing \$3 billion needs guaranteed power delivery, clean environmental, workforce certainty, and political alignment on day one. A 200 MW data center can't wait 4 years for substation upgrades. An EV battery plant employing 1,200 workers needs housing absorption capacity validated before groundbreaking.

The bar for "deal-ready" has risen dramatically. Projects that once tolerated 12–18 month infrastructure build-outs now expect shovel-ready sites with utility capacity letters dated within 90 days and Phase II environmental assessments complete.

The Utility Infrastructure Crisis

This is the fatal flaw I see most often, and it's getting worse, not better.

Transformer lead times are running 36–48 months for units over 100 MVA. Substation capacity is maxed out in growth corridors across the Midwest. Interconnection queues are backed up with renewable energy projects and data centers competing for the same transmission capacity.

I maintain a utility infrastructure dashboard tracking transformer lead times, substation capacity, circuit headroom, dual-feed availability, and interconnection queues across the Midwest and Southeast. The data is sobering:

Of the 127 "certified" industrial sites I've evaluated in the past 18 months, 68% could not deliver their claimed power capacity within the project timeline.

Utility capacity letters from 2022 are worthless in 2026. Substation headroom calculations that don't account for queued projects are fiction. This is why my certified sites

engagements start with utility validation—not as a checkbox item in month 5, but as the primary feasibility determinant in week 1. If you can't deliver power, nothing else matters.

Competitive Intensity and Compressed Timelines

Every state is chasing the same 20–30 transformational projects. Site selection timelines have compressed—9–12 months for core industrial projects, 16–24 months for giga-scale investments—which means sites need to be truly ready when RFPs hit.

I'm seeing RFPs with 30–45 day response windows requiring utility commitment letters, Phase II environmental assessments, workforce/housing feasibility studies, and preliminary site plans. EDOs that need 90 days to pull this together don't make the long list.

The Sophistication of Due Diligence

Corporate site selectors and advisors are running multi-layer validation that most EDO-led certifications don't anticipate:

- GIS fatal flaw analysis: Overlaying EPA ACRES contamination data, FEMA flood zones, wetlands inventories, PFAS risk mapping, soil contamination records, and endangered species habitats.
- Primary-source utility validation: Not accepting capacity letters at face value. Requesting single-line diagrams, transformer nameplate ratings, circuit load data, and substation expansion timelines.
- Environmental regulatory scrubs: Checking for NFA letters on remediated sites, reviewing state voluntary cleanup program status, validating environmental insurance.
- Workforce and housing feasibility modeling: Running commute-shed analyses at 15, 30, and 45-minute drive times.

Brochure-level certification doesn't survive this level of diligence. EDOs that haven't validated their sites to this standard are bringing a knife to a gunfight.

SECTION 2 — THE ECONOMICS OF CERTIFICATION: WHAT IT REALLY COSTS AND WHAT IT'S WORTH

2A: True Cost of Deal-Ready Certification

The following tiers represent realistic investment ranges based on target project profile—reflecting what it actually takes to create a site that survives rigorous due diligence.

TIER 1 — Light Industrial / Logistics

Target: 100–200 jobs | \$50M–\$100M CapEx | 2–5 MW power | Investment: \$1.5M–\$3M | Timeline: 12–18 months

This tier works for distribution centers, food processing, light assembly manufacturing, or regional logistics hubs.

TIER 2 — Advanced Manufacturing

Target: 200–400 jobs | \$200M–\$500M CapEx | 10–25 MW power | Investment: \$5M–\$12M | Timeline: 18–30 months

The sweet spot for transformational projects in mid-sized markets—EV components, advanced materials, food processing at scale, precision manufacturing.

TIER 3 — Mega-Projects

Target: 500+ jobs | \$1B+ CapEx | 50–100+ MW power | Investment: \$15M–\$40M | Timeline: 30–48 months

For semiconductor fabs, hyperscale data centers, gigafactories—state-level priorities. Power delivery dominates both timeline and budget.

2B: ROI Modeling and Payback Scenarios

Scenario: \$8M investment in a Tier 2 certified site that lands a \$350M advanced manufacturing project.

ROI: \$8M investment generates \$102M in tax revenue over 20 years = 12.75x return. Even at a 5% discount rate, NPV exceeds \$60M on \$8M invested.

Industry data suggests 25–35% of certified sites attract a project within five years. My Indiana and Midwest experience is closer to 35–40%—because we validate sites to a higher standard.

2C: Creative Financing Structures for Resource-Constrained EDOs

The '\$50M megasite budget' problem is real. Most Indiana EDOs have \$2M–\$5M available. The following strategies make certification feasible within those constraints.

Strategy 1: Phased Development with Trigger Points

Invest strategically in fatal flaw elimination and reserve the right to complete infrastructure when a project is imminent.

- Phase 1 (\$2M–\$3M): Land option, Phase II ESA, utility capacity reservation letters, preliminary engineering, entitlement
- Phase 2 trigger (60–90 days at short list): Utility extensions, substation upgrades, site grading, road improvements

Strategy 2: Utility Partnership Models

Utility-funded infrastructure with load commitment: Utility invests \$3M–\$6M in substation upgrades; EDO guarantees minimum load.

Strategy 3: P3 Structures with Private Developers

Land development partnership: Developer funds horizontal infrastructure (\$4M–\$6M); EDO contributes land and entitlement support.

Strategy 4: Grant Stacking and Blended Financing

A typical Tier 2 site can secure 30–50% of hard costs through grants when structured correctly.

- CDBG Public Infrastructure: Up to \$1.5M
- EDA Public Works Grants: Up to \$3M (50% match required)
- IEDC Infrastructure Grants: \$500K–\$2M
- READI 2.0: \$5M–\$15M (regional partnership required)

Strategy 5: TIF Districts and Tax Increment Financing

TIF captures future tax increment to finance current infrastructure. Best paired with state grant funding covering 40–50% of upfront costs.

Strategy 6: Regional Collaboration and Cost Sharing

Three-county model: Each county contributes \$2M = \$6M total pool. Develop two Tier 2 sites in different geographies. Revenue sharing formula.

SECTION 3 — COMPETING AGAINST DEEPER POCKETS: STRATEGIC POSITIONING OVER BRUTE FORCE

I've seen \$5M Indiana sites win against \$40M Georgia megasites because the Indiana site was better matched to the project profile and had the three things that actually matter validated and ready.

3A: The Site Selection Hierarchy of Needs

Based on evaluating 200+ sites across \$8B in advised investments, projects eliminate sites in this order:

- 1. Power Delivery — 30–35% of Eliminations: The #1 fatal flaw
- 2. Environmental Clearance — 25–30% of Eliminations: Phase II with clean results or NFA letter
- 3. Workforce and Housing Availability — 20–25% of Eliminations
- 4. Logistics and Supply Chain Access — 10–15% of Eliminations
- 5. Site Control and Entitlement — 5–10% of Eliminations
- 6. Incentives — 5% of Eliminations, 30% of Final Negotiations

A \$15M incentive package on a \$300M project (5% of CapEx) is competitive. A \$25M package on a \$1B project (2.5% of CapEx) is weak. Structure over scale.

Strategic Budget Allocation: Invest 60–70% in the Top Three Fatal Flaw Categories

Recommended allocation for a \$5M–\$8M certified site budget:

- Power delivery validation and infrastructure: \$2.5M–\$3.5M (40–45%)
- Environmental Phase II and clearance: \$800K–\$1.2M (15%)
- Workforce/housing feasibility and partnerships: \$400K–\$800K (10%)

3B: The 'Good Enough' Site Strategy

Perfect is the enemy of good in site selection. 'Good enough' beats 'perfect' because 'perfect' usually means 'not ready when we need it.'

3C: Intelligence Asymmetry as Competitive Advantage

Proprietary data and rigorous validation are the differentiators that beat bigger budgets.

- Intelligence Advantage #1: Real-Time Utility Infrastructure Data
- Intelligence Advantage #2: Environmental Risk Mapping Beyond Phase I
- Intelligence Advantage #3: Workforce and Housing Modeling

A \$200K investment in proper validation beats a \$2M investment in the wrong site.

SECTION 4 — IMPLEMENTATION ROADMAP: FROM STRATEGY TO SHOVEL-READY

The following phased approach is refined from 15 years and \$8B in advised investments.

PHASE 1: STRATEGIC ASSESSMENT

Timeline: 6–8 weeks | Investment: \$25K–\$40K

- Target Industry and Project Profile Definition
- Regional Site Inventory and Fatal Flaw Screening
- Utility Capacity Assessment and Power Delivery Timeline Validation
- Workforce and Housing Baseline Analysis
- Preliminary Financial Modeling
- Go/No-Go Decision Point

PHASE 2: SITE ACQUISITION AND VALIDATION

Timeline: 5–7 months | Investment: \$650K–\$1.8M

- Site Control (option agreement recommended)
- Phase I Environmental Site Assessment (ASTM E1527-21)
- Phase II Environmental Site Assessment
- Geotechnical Investigation
- Topographic and Boundary Survey
- Utility Coordination and Capacity Reservation
- Preliminary Engineering and Site Plan

PHASE 3: ENTITLEMENT AND INFRASTRUCTURE DESIGN

Timeline: 6–9 months | Investment: \$300K–\$800K

- Zoning Approval and Comprehensive Plan Amendment
- Wetlands Delineation and Section 404 Permit (if applicable)
- Stormwater Management Plan and Permit
- Traffic Impact Study and State/Local Approval
- Utility Extension Design and Cost Estimates
- Community Engagement and Political Alignment
- Certification Application

Recommendation for most EDOs: Stop at Phase 3 unless you have a project in hand. Phase 3 achieves 'shovel-ready with trigger' status at \$1.5M–\$3M total instead of \$5M–\$12M full build-out.

PHASE 4: INFRASTRUCTURE CONSTRUCTION

Timeline: 12–18 months | Investment: \$3M–\$12M

The optional trigger phase—deferred until a project is imminent.

- Electrical infrastructure (12–24 month timeline, transformer lead times dominate)
- Natural gas, water and wastewater, telecommunications
- Road access and intersection improvements
- Site grading and stormwater infrastructure
- Rail spur (if applicable)

SECTION 5 — CASE STUDIES AND LESSONS LEARNED

CASE STUDY 1: Mid-Size Indiana County — Validation Saves \$3M in Wasted Investment

Client: County EDO, population 85K, manufacturing heritage, pursuing advanced manufacturing projects.

The county had invested \$1.8M in a 'certified' 220-acre site over 3 years but kept losing deals in final rounds.

Discovery

- Power delivery: Substation had 12 MW available today, but two queued projects would consume 18 MW
- Environmental risk: Phase I was desktop-only with no Phase II validation
- Workforce and housing: Only 140 workers with relevant skills within 30 minutes (project needed 250–300)

Solution and Outcome

Recommended the county redirect to an alternative 180-acre site with better power and workforce access.

Alternative site certified in 14 months. Landed a \$280M automotive components project 8 months later—320 jobs, \$29M annual payroll, \$3.2M annual tax revenue.

Key Lesson: Validation rigor matters more than the certification label. The \$180K strategic assessment saved \$3M–\$5M in avoided costs. ROI: 16x+.

CASE STUDY 2: Three-County Regional Partnership — Competing for Data Centers

Client: Three-county regional partnership, Northeast Indiana, combined population 180K.

Structured an interlocal agreement with revenue sharing, identified a 420-acre site, and negotiated a \$12M utility co-investment.

Site certified at Tier 3 for hyperscale data centers (150 MW, dual-feed). Made short list for two 100+ MW data center projects within 9 months.

Key Lesson: Regional collaboration and utility partnership can unlock opportunities impossible for individual EDOs.

CASE STUDY 3: Small City — Phased Development on Limited Budget

Client: City of 28K population, only \$1.5M available for site development.

Phase 1 investment of \$480K got the city on 4 RFP short lists in 12 months. A \$140M plastics manufacturing project selected the site as finalist.

Total local investment: \$1.44M. 20-year tax revenue: \$54M. ROI: 37x.

Key Lesson: The 90-day trigger strategy worked because agreements were pre-negotiated.

CASE STUDY 4: Brownfield Redevelopment — Creative Financing Turns Liability into Asset

Client: 285-acre former automotive parts plant, vacant 8 years, with significant contamination.

Stacked EPA grants, Indiana grants, developer equity, and tax credits to reduce cleanup cost from \$4.3M gross to \$1.075M net.

Site certified in 24 months. Landed a \$220M EV battery components plant—380 jobs, \$32M annual payroll, \$86M in 20-year tax revenue. City net investment: \$400K. ROI: 215x.

Key Lesson: Brownfield sites can outcompete greenfield sites when financing is structured creatively.

CONCLUSION

The economics of certified site development have fundamentally changed. The CHIPS Act, IRA, and AI infrastructure boom have created unprecedented opportunity, but they've also raised the bar for what 'deal-ready' means.

The New Model Requires Five Shifts:

- Validation rigor over marketing polish. Phase II ESAs, engineering-level utility validation, workforce/housing modeling aren't optional.
- Strategic site selection over brute-force spending. A \$5M site that delivers guaranteed power beats a \$20M megasite that fails on power delivery timeline.
- Intelligence asymmetry as competitive advantage. Real-time utility data and environmental risk mapping surface fatal flaws before RFP submission.
- Creative financing over waiting for full budget. Phased development, utility partnerships, P3 structures, grant stacking, TIF financing.
- Portfolio approach over single-site betting. Certifying 3–4 sites across different tiers, with 25–40% expected conversion rates.

The opportunity is real. I've advised \$8B in investments over 15 years, and I've never seen a more favorable environment for transformational economic development projects.

The EDOs that will win are those that validate sites to engineering standards before marketing them, invest strategically in fatal flaw elimination, structure creative financing, build utility partnerships, and use intelligence to outcompete larger competitors.

The projects are out there. The question is whether your sites are truly ready for them.

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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.

Devin serves on the board of directors of the Indiana Economic Development Association (IEDA) and other nonprofit organizations. He is a licensed real estate broker and attorney with deep expertise in utility infrastructure analysis, environmental due diligence, and economic development finance.

Hyphen Strategies specializes in corporate site selection (\$50M–\$3B+ projects), certified sites programs, regional utilities studies, data center advisory, and affordable/workforce housing development for economic development organizations and growing companies.