



Mount Pleasant Site Qualification Review

Executive Summary Report – December 2020



An **AEP** Company

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Introduction

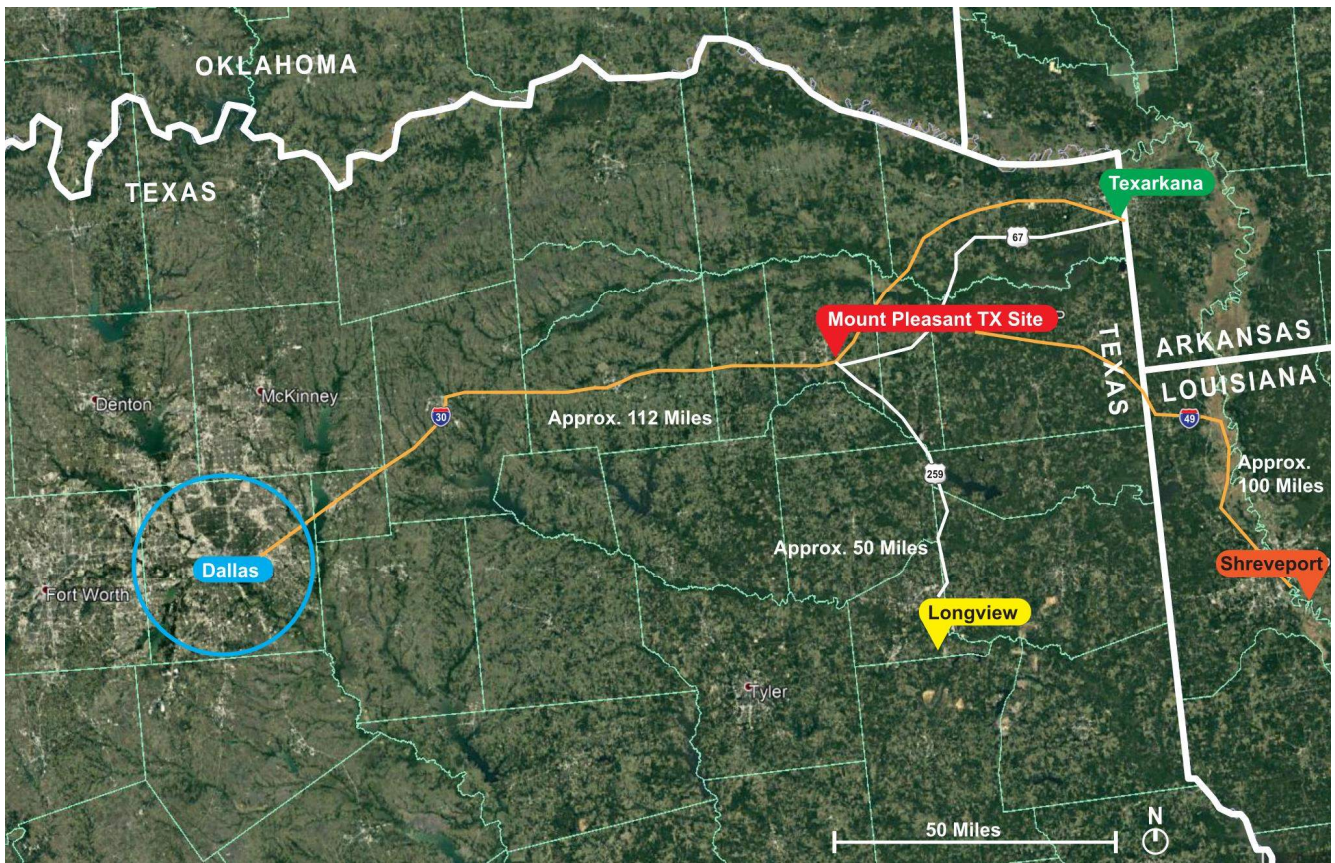
This site evaluation report was prepared for American Electric Power (AEP)'s Quality Sites Program. The program's objective is to identify, improve and increase the awareness of key industrial sites within AEP's service territory that offer strong potential for development.

Clayco, a leading industrial real estate, architecture, engineering, design-build and construction firm (one of the largest industrial developers in the US) is the primary consultant authoring this report. Leveraging their industrial construction and site selection knowledge, this report is written using a culmination of their independent review of the site's attributes and an assessment on the preparedness and marketability of the site. The review process included a desktop review of an in-depth site survey and supporting documentation, and an assessment of the site and community during a meeting and tour with AEP and local economic development officials.

This analysis is intended to provide AEP, Southwestern Electric Power Company (SWEPCO), and its economic development partners with a holistic, independent assessment of the competitiveness of the site and its surrounding community. It includes documentation of the site's characteristics, a SWOT analysis, an evaluation of the due diligence activities completed, and recommended specific actions that could be conducted that would make the site more competitive for targeted industrial projects.

Executive Summary

The site shown below, known as Mount Pleasant Business Park, is a mostly empty property within an industrial area of Mount Pleasant, Texas. Located along Interstate I-30 in the northeastern corner of Texas, the site is approximately 120 miles east of Dallas, TX and 100 miles northwest of Shreveport, LA. The property is currently owned by the Mount Pleasant Economic Development Corporation (MPEDC). MPEDC and the power utility (AEP/SWEPCO), are interested in finding out how best to develop and market the site more effectively. Developing the site will help complement the activities, support the surrounding community and will contribute to broader economic development goals of the city and region.



Source: Clayco/Google Earth

Mount Pleasant is located approximately 120 miles east of downtown Dallas, TX and 100 miles northwest of Shreveport, LA.

Mount Pleasant Business Park Site



Source: Clayco/Google Earth

Mount Pleasant Business Park at a Glance

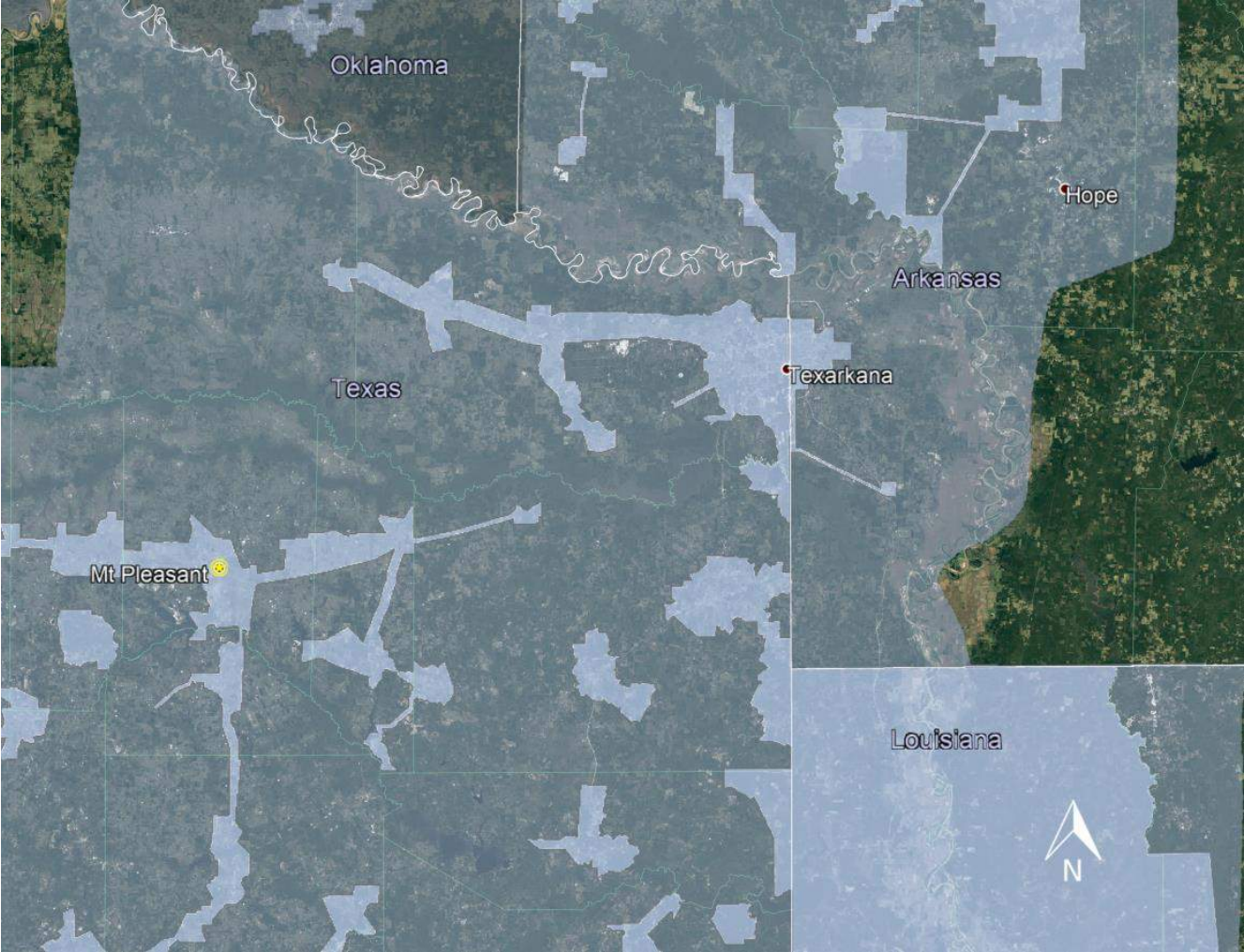
- Larger, gently sloping and mostly undeveloped site
 - 218 acres total, 110 +/- developable due to topography
- Although large, site is irregularly shaped
- Developable portions of site are non-contiguous
 - Portions range in size from 80 +/- acres to 1 +/- acres
- Light Industrial Zoning, no use restrictions except federally unlawful activities
- Highly visible site from adjacent Interstate 30; 42,000+ vehicles go by every day
- The site is for sale (by one owner) and divisible (\$35,000/acre)
- Site is part/makes up an industrial park
- Site is accessible from one main road, Enterprise Road to Commerce Drive
- Some wetlands and natural features that limit developable portions – Hayes Creek runs along western/southern edge
- Existing on-site:
 - Central/Southern: 40,000 SF spec building, paved road for access
 - West side: Hayes Creek
 - East side: wetlands/ponds
 - Site is primarily used for agricultural uses, aside from the spec building
- Neighboring sites:
 - Within the central/southern portion of the site is a separately owned industrial property - PDI Plastics
 - Surrounding the site is a mix of residential, agricultural, commerce and industrial uses
 - Downtown Mount Pleasant lies mostly to the west and south of the site

Mount Pleasant Business Park Topography



Source: GIS/Google Earth




For Reference: AEP/SWEPCO Territory Map







Source: Clayco/AEP/Google Earth

Site Evaluation Summary




Below is a summary of categories assessed for the site by Clayco, indicating strengths the site offers, areas that need improvement, or areas that may in fact pose inherent constraints to the site. More detail on each Category can be found in the Appendix.














































Legend	
	Score of 3: Good
	Score of 2: Room for Improvement
	Score of 1: Poor

Indicator	Category	Comments	Recommendations (if applicable)
	Site Overview	Approximately half of the site is not developable due to natural occurring features; irregular shape/existing neighbors will require thoughtful planning	Reconfigure/Parcel the site into smaller segments and develop outside of floodplain/wetlands/easements
	Civil Infrastructure	All major infrastructure is located on site or adjacent, several of which have additional capacity	Portions of the site will require regrading to ensure built levels are above floodplain, with engineered drainage
	Transport Infrastructure	Great highway visibility and access; rail nearby; air, river, port access are within 120 miles (Shreveport, LA; Dallas/Fort Worth, TX; Little Rock, AR)	Expand as required/possible to support site development/'targets'
	Environmental Issues and Concerns	No major issues aside from wetlands and adjacent industrial neighbors	Develop outside of wetlands/floodplain

Industry Suitability Summary

Mount Pleasant’s economy historically has been agriculture/livestock, coal/electric production, and wood products manufacturing, but as of late is benefitting from its micropolitan area, niche manufacturing/fabricating opportunities, food processing capabilities, and entrepreneurial nature of the community. This combined with its location along an interstate, position Mount Pleasant Business Park to benefit from the continued evolution of the US economy - new ways of ordering, producing, distributing, delivering, and otherwise trading in goods. Recent studies for prospective organizations have highlighted some of the benefits the site can offer to their market, but other markets should not be ruled out, especially given the size and configuration of the site. For example, the workforce is ready to receive advanced manufacturing, both with existing industries, but also with potentially new supply chain opportunities (such as tire manufacturing for the trailer industry or pre-packaged goods from the food processing companies). In addition, opportunities for new markets, not yet residing in Mount Pleasant, but supported by national and global economic changes could lend itself for key targets (such as Data Centers or Cloud Services, Distribution or Logistics Centers, etc.) Below is a summary of markets, indicating potential targets for the Mount Pleasant Business Park site.

Legend	
	Score of 3: High/ Supports well/Suitable
	Score of 2: Medium/ Potential to support/ Somewhat suitable
	Score of 1: Low/ Does not support/ Not suitable

Site Overview	Existing Presence	Potential Future Presence	Industry	Additional Comments
			Advanced Manufacturing (use of innovative technology to improve products or processes)	Specialized industries already exist in the market and workforce is prepared to receive (training center nearby to support)
			Manufacturing (more traditional method of production)	Industries already exist in this market and workforce is prepared to receive (training center nearby to support)
			Cold Storage/Food/Beverage	Growing market in the US; industries exist in the market; abundance of water supply; great highway access (specifically interstate borders the site)
			Distribution/Warehouse/E-commerce	Growing market in the US; abundance of transportation options nearby (specifically highway borders the site and rail nearby)
			Aerospace	Workforce is ready to receive and/or could be trained
			Call Centers/Back Office	Workforce is ready to receive and/or could be trained; bilingual region
			Technology	Could be similar to Advanced Manufacturing; workforce training required (some programs in place)
			IT-Related (Data Centers, Cyber Security, Cloud Services)	Growing market in the US; mild climate; workforce training required
			Office/Commercial/Corporate	Potential support for community businesses (highway provides easy access & visibility)
			Hospitality/Tourism	Possible hospitality with highway exposure and proximity to/from other larger cities
			Education	Potential for trade/tech training, but given population and existing facilities, likely not needed in the near future
			Renewable Energy (e.g. solar, wind, etc.)	Not a likely candidate given site size and existing infrastructure investment; recent East Texas investments and prospecting exists
			Residential	Not a likely candidate given proximity to industrial surroundings
			Retail (e.g. Gas Station, Food Service)	Not a likely candidate given business park nature of site
			R&D	Likely a narrower market and would depend on specialty

Target Market indicators take into consideration workforce availability/transferability, site attributes, growing or declining industry trends, economic factors, and education/training programs.

Site Planning & Development Recommendations

Mount Pleasant's primary potential is based on the fact that the site is shovel ready, with great highway visibility between large metropolitan cities. The Mount Pleasant Economic Development Corporation has invested in most of the infrastructure needed for development of the site, along with proposed road improvements for future development. The site's location along Interstate 30, places the site between Dallas/Fort Worth (one of the fastest growing metropolitan cities in the US to the west), Texarkana and Little Rock, AR to the east with connections onward to Memphis and Nashville (5 and 8 hour drives respectively). The large piece of land is competitively priced, serviced by good road/civil infrastructure and public/emergency services. It does not appear to have any significant environmental issues, although there are some constraints from naturally occurring features. There are few neighbors, and there is government and community support for new industrial development.

That said, the site does have a few drawbacks to contend with. For example, the developable portion of the site is much smaller than the property boundary implies and will need to be planned in a way that addresses the potential for flooding/avoids existing wetlands. In addition, there appears to be a fair amount of competition: an abundance of available land in the vicinity/ throughout the state, some of which may be even more affordable and better located in terms of certain inputs or other infrastructure (e.g. existing industrial parks, port facilities, rail access, etc.).

Given the site's size, configuration, and infrastructure, it is worth exploring how the site could be developed. The diagrams on the following pages [Exhibit A & B] illustrate how the site could be parceled and configured to support a greater range of uses, while incorporating site concepts recently developed by MPEDC. This exercise takes into consideration the known information about the site (property lines, access points, floodplains, wetlands, existing uses, etc.), while suggesting reasonable development opportunities. This isn't to suggest that anything actually be implemented prior to any potential buyer or tenant; rather the goal would be to simply show how portions of the site could be configured for companies with needs for smaller or larger amounts of land. Since "Typical" industrial sites vary considerably in size depending on type of use, type of building, location, etc., demonstrating flexibility at Mount Pleasant Business Park will be critical.

Recommendations

Based on the findings and analysis of the site, our team makes the following recommendations (options):

Produce a preliminary master plan on one or more of the parcels: this would coincide with Exhibit A/B shown on the next pages. This level of detail would illustrate not only how the large site could be divided into smaller parcels, but also how the site would function in the future (e.g. access points, number of buildings, adjacencies, etc.). In addition, a masterplan showing specific building sizes/layouts brings the large site manageable scale. This would assist with marketing the site more easily, by visibly seeing buildings on the site, and demonstrating inherent flexibility for a wider range of players who may not be interested in the site as a whole.

Site preparation and remediation: any site cleanup that can be conducted in advance and prepares the site for development will make the site more marketable over others in the area. For example, the Phase I Environmental report indicates solid waste accumulation along Hayes Creek. These would need to be removed (in accordance with local, state, and federal regulations) prior to any development.

Further study of the site: consult with the city, state, utilities, or professional services to determine best routes, timing and costs associated with extending infrastructure, road improvements, traffic assessments, etc. needed; consult with appropriate wetland and flood plain authorities to determine options/best route to mitigate and develop storm water detention strategies.

Generate new marketing materials: Select portions of this report to include in marketing materials, in addition to size and adjacencies. Leveraging the due diligence already conducted will help communicate a more comprehensive understanding of the area and the potential of the site, while illustrating speed to market.

Lead a targeted marketing effort: This may include further study on specific industries based on historical or recent economic development; engaging with existing or newly proposed industrial uses in the area about their own investment/expansion plans (if any), and their supply chain inputs/outputs so that complementary activities could be explored; engaging with developers who may be interested in this site for more speculative occupants (e.g. flex space for smaller businesses that support the functions already in the area, be they manufacturing, food-processing, or logistics-related)

Immediate Next Steps

What would Clayco do in this situation?

Develop a **preliminary master plan** for all 6 sites identified on Exhibits – keep an overall site plan with master plan details, along with a more detailed/enlarged plan for each of the six sites. The package of master plans can then be used to progress the site in several directions: The first of which is to create **marketing materials** and **lead a targeted marketing effort** to spark conversation and interest in the market; the second is to **further study the site** by consulting with appropriate authorities and professional services to determine routing, timing and costs associated with extending infrastructure to the parcels and associated road improvements that would be required once the parcels were fully operational; and the third is to **prepare the site** for development.

Mount Pleasant Business Park

EXHIBIT A

Site 1: 80 acres +/-

- Great exposure to Interstate 30
- Access to Outer Road & Industrial Road
- Provides an option for Mega Site @ 1M to 2M sf in the Business Park
- Access to Water, Sewer, Gas, Electric on site
- Avoids most of the existing constraints: floodplain, wetlands, easements, etc.

Site 2: 11 acres +/-

- Great exposure to Interstate 30
- Requires access of Outer Road to Commerce Drive
- Provides an option for Mega Site @ 1M to 2M sf in the Business Park
- Access to Sewer, Electric on site
- Access to Water and Gas is nearby
- Provides option for 1 to 4 buildings

Site 3: 1.5 acres +/-

- Good access to Interstate 30
- Access to Sewer, Electric on site
- Access to Water and Gas is nearby
- Provides option for 1 building



Site 4: 5 acres +/-

- Good access to Interstate 30
- Access to Sewer, Electric, Gas, and Water on site
- Provides option for 1 building

Site 5: 4 acres +/-

- Good access to Interstate 30
- Access to Sewer, Electric, Gas, and Water on site
- Provides option for 1 building

Site 6: 15 acres +/-

- Good access to Interstate 30
- Access to Sewer, Electric, Gas, and Water on site
- Provides option for 1 to 2 buildings

Mount Pleasant Business Park

EXHIBIT B

Site 1: 80 acres +/-

- Access to Overhead Power Line North-South through sites
- Access to Water line on site along Commerce Drive and Service road connection
- Access to Sewer line on site and along Commerce Drive
- Access to Natural Gas along Commerce Drive

Site 2: 11 acres +/-

- Access to Overhead Power Line along west of site
- Access to Sewer line north and west of site

Site 3: 1.5 acres +/-

- Access to Overhead Power Line south of site
- Access to Sewer line along west of site



Site 4: 5 acres +/-

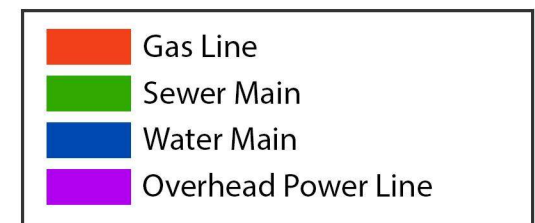
- Access to Overhead Power Line along south of site
- Access to Water line along east of site and along Commerce Drive
- Access to Sewer line along Commerce Drive
- Access to Natural Gas along east of site

Site 5: 4 acres +/-

- Access to Overhead Power Line along south of site
- Access to Water line along west of site and along Commerce Drive
- Access to Sewer line along Commerce Drive
- Access to Natural Gas along west of site

Site 6: 15 acres +/-

- Access to Overhead Power Line along north of site
- Access to Water line along west of site
- Access to Sewer line along south of site
- Access to Natural Gas along east of site





Mount Pleasant Business Park
500k BTS - Option 2



Building 1	496,000 SF
Car Parking	337



ALLIANCE
ARCHITECTS

Appendix

Site SWOT Analysis

On the next page is a SWOT Analysis conducted for the Mount Pleasant Business Park site by Clayco/LJC. The analysis is meant to be a comprehensive assessment of the many factors that influence the potential development of the site and acknowledges both the strengths as well as issues that may need to be addressed. It is not meant for marketing purposes, rather an honest valuation.

STRENGTHS

- Large, gently sloping land with few existing buildings or improvements
- Existing relevant utilities/civil infrastructure (power, gas, water, wastewater, telecommunications); with remaining capacity
- No apparent major environmental issues
- Located along major interstate (I-30); Hwy 271 connects to neighboring regional towns (Paris, Pittsburg, Tyler/Longview)
- Central location; relative proximity to larger markets in all directions and along major trucking routes
- In part of a region that is growing, low cost, and business-friendly
- Abundance of competitively-priced energy (Industrial electric rates approximately 30% below national average (EIA))
- Abundance of water, reserve and excess capacity
- Existing public/emergency services
- Humid subtropical climate (hot and humid summers, and cold to mild winters)
- Supportive community
- Flexible zoning and approval process
- Affordable purchase price (\$35k/acre)
- In a certified Opportunity Zone
- In a qualified New Markets Tax Credit zone
- Several incentives from local & state level (See Appendix)
- Several due diligence studies have already been completed (See Appendix – Information Sources)

WEAKNESSES

- Boundary line implies a larger site than is actually developable
- Portion of site has a creek/wetlands/flood plain running through it and is a low-lying area subject to flooding;
- All planning/engineering will need to consider solutions for flooding and wetlands on the site
- Modes of transportation other than road will require elevated logistics (air, rail, & water)
- Although can draw workforce from surrounding area, population of Mount Pleasant is 32,000

OPPORTUNITIES

- 'Micropolitan' community (90,000+ regional population)
- Educational institutions – Industrial training facility & Community College in Mount Pleasant, University of Texas and Texas A&M satellite campuses nearby
- Entrepreneurial community – large employers, family-owned business, access to capital in Mount Pleasant
- Potential up/downstream with existing industrial investments (Trailer & Equipment manufacturing, Food processing)
- 35% of Mount Pleasant workforce in manufacturing
- Little existing speculative development
- City is planning to grow/invest in the vicinity of the site – Anderson Towne Development, potential rail expansion
- Proximity to fast-growing Dallas/Fort Worth area




THREATS












- Abundance of competing sites in the region
- Adjacent states with strong incentives, and/or larger end-market populations, skilled labor, etc.
- Broader external factors (short-term):
 - Trade war and immigration politics
 - COVID-19 Pandemic
- Broader external factors (longer-term):
 - Decline of oil/gas economy (and associated industries) as shift to renewables and electrification
 - Relatively static growth in energy use (in US and developed economies) generally due to reduced industrial/manufacturing (much of which has shifted abroad as result of globalization), shift toward advanced manufacturing (which uses technologies that tend to be less energy-intensive), and factors such as only modest population growth, increased efficiency, changing behaviors, etc.
 - Growing environmental awareness and policy restrictions (may affect certain kinds of industry, including petrochemicals and their derivatives)

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Detailed Site Evaluation Checklist

A consolidated checklist of each category is provided on the following pages with indicators, comments, and recommendations to address any deficiencies or lack of information.

Legend	
	Score of 3: Good
	Score of 2: Room for Improvement
	Score of 1: Poor

Indicator	Topic	Comments	Recommendations (if applicable)
Site Overview:			
	Site Size	218 acres, approximately 110 non-contiguous developable acres	
	Configuration	Irregular shape site with dense overgrowth in some areas with a large portion of the site in flood plain	Look for ways to divide the site into smaller pieces, while maximizing developable acreage
	Zoning	Part of the Mount Pleasant Business District (currently zoned as light industrial) in City of Mount Pleasant; there are no zoning changes necessary for the intended usage. The surrounding property to the South is zoned light industrial and Unincorporated to the East	
	Topography	Moderately sloped from the Northwest to the Southwest, with total elevation change of 38 +/- feet (386 feet +/- to 348 +/-); Hayes Creek, controlled by MPEDC, City of Mount Pleasant, sits just to the Western edge and wraps to the Southern edge; a large portion of the site along Hayes Creek is in a floodplain FEMA Floodway Zone A (approximately 26 +/- acres)	Divide the site into smaller parcels to help avoid the low lying areas
	Geotechnical	Soil is silty sand strata with varying amounts of clay; soil types include moderate to high corrosion potential and some with very slow infiltration rates; water wells were not located directly on the property however 74 were located within a one-mile radius; Wetlands Delineation report determined extreme saturation beyond "normal circumstances."	Areas may be modified to reshape the site
	Height Restrictions	There are no known height restrictions on the site	
	Existing Uses	Currently unused with prior agriculture use, including use as a permanent pasture prior to purchase by MPEDC in 2005; one commercial/industrial property exists on the parcel to the south side of Commerce Drive	
	Adjacent Uses	To the North - undeveloped land and single-family residences; to the South - multiple commercial and industrial businesses; to the East - single family residential homes, commercial, and industrial businesses; to the West - single family homes, multi-family home parks, and commercial and industrial businesses.	
	Land Ownership (Price)	Property is owned by MPEDC and priced at \$35,000 /acre; Platted by "block" and parcels can be customized; It is unknown at this time if the site owner has current ownership of the mineral rights.	
	Site Certification	The site is located within a certified Opportunity Zone	
	Other Constraints	There is an AEP-SWEPCO Transmission line that crosses the Southern portion of the site which includes an easement of 75' from either side of the line (excludes parking lots), along with other utility/property easements owned by IDC and City of Mount Pleasant as shown on the site survey.	development will need to take into considerations

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Detailed Site Evaluation Checklist

Civil Infrastructure:			
✓	Power	Both transmission and distribution lines are serviced by AEP-SWEPCO; 3 Phase-12,470 volt lines delivered directly to the site with the nearest servicing substation approximately 4,500 ft. from the site (maps available)	
✓	Water	Water service provided via 12" line with a capacity of 1,000 to 1,500 gallons per minute; City of Mount Pleasant is the water provider and Mount Pleasant Treatment Facility is just 1 mile from the site; water system capacity is 15 MGD, average utilization is 8 MGD with peak at 10 MGD; excess of 5 MGD was added in 2013.	
✓	Sewer/Wastewater	Sewer lines currently on the site are 12" with a line capacity of 1 million gallons per day; City of Mount Pleasant is the provider with the Mount Pleasant Waste Treatment Facility servicing the site and just 5 miles away; the sewer system has a permitted capacity of 3 MGD, average utilization of 2.2 MGD, and an excess capacity of 0.75 MGD; there are no identified upgrades to capacity or systems at the time of assessment.	
!	Storm Drainage	Storm water flow is routed to flow to the Southwest towards Hayes Creek; several other low lands are located to South and subject to hold surface water, as well as 2 ponds to Northeast and another on the Southeast portion of site	Portions of the site will require regrading to ensure built levels are above floodplain, with engineered drainage
✓	Gas	4" lines with designed pressure of 60 psi service the site, with the main located on the south side of Enterprise Blvd; Service provided by CenterPoint Gas (transmission) & CenterPoint Natural Gas (distribution). The 4" main installation was designed to serve The Mount Pleasant Business Park; there were no known usage issues or bottlenecks determined at the time of the 2013 assessment but each prospect would be looked at based on load and pressure requirements.	
✓	Telecommunications	The current provider with service on the site is ATT & Suddenlink with DSL, copper, fiber, and coax	
✓	Emergency Services	The site is just 1 mile from Titus Regional Medical Center, a 165 bed hospital with 3 ambulances and Medevac service by helicopter with an estimated response time to the site of less than 5 minutes; the closest fire station is Mount Pleasant FD #2 is less than 1 mile; Within 2.5 miles of the site is the Mount Pleasant Police Department with an estimated response time of 5 minutes to the site.	

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Detailed Site Evaluation Checklist

Transport Infrastructure:			
✓	Road/Highway	<p>Site is immediately adjacent to Interstate 30 (E/W access) and within 1.5 miles of US 271 (N/S access); 60 miles to the South is access to Interstate 20; within 115 miles is Interstate 35 (N/S access).</p> <p>No congestion or safety concerns. The access to the site is not controlled by a traffic signal. Site is accessed via one road, off Enterprise Blvd to Commerce Drive. It is good to note that the Overpass over the Interstate is two lanes but designed to carry four lanes with the exits being one lane exits. Industrial Drive is a four lane state road. There are not any anticipated off-site road access improvements necessary. In route to the site, there is one bridge, Box Culvert, with an 80,000 lb. weight limit and zero height restrictions</p>	
✓	Public Transit	There is no public transit within Mount Pleasant; likely not an issue for workforce given vehicle-centric area	
!	Rail	The site is not served by rail directly, however, Union Pacific operates within Mount Pleasant, approximately 2 miles south of the Business Park	
!	River	The site does not have river access; however, Shreveport, LA provides access to Red River, which is navigable for vessels from Shreveport to the Mississippi River. Shreveport is approximately 100 miles southeast of the Business Park.	
!	Port	Barges Port in Shreveport, LA is the closest port; Houston, TX is the closest deep water port approximately 255 miles South of the site with 45 ft. deep channel and turning basins of 250 ft. and 1,000 ft. The Houston port has barging, general cargo, containerized, and storage facilities available. The port is serviced by Interstate 45 and Interstate 10 to Highway 146. Port Terminal Rail Association serves both sides of the Ship Channel and connects to three Class 1 rail carriers- Union Pacific, Kansas City Southern, and BNSF.	
✓	Airport	<p>Site is within 60 miles (1-hour travel time) of Texarkana Regional Airport- servicing passengers via American Eagle, with two daily non-stops to U.S. cities, no International destinations. This commercial airport has two runways, with the longest being 6,600 feet.</p> <p>Dallas/Fort Worth International Airport is located approximately 140 miles (2-hour travel time).</p> <p>Just 7 miles to the South of the site is the Mount Pleasant Regional Airport, a general aviation airport, with one 6,000 foot runway and full instrument landing capabilities. Mount Pleasant Regional is open 24 hours and has only closed one day in the prior three year period of the site assessment (2010-2013) due to inclement weather.</p>	
!	Intermodal Terminal(s)	Mount Pleasant is not an intermodal terminal; Mount Pleasant is an easy drive to Dallas-Fort Metroplex, Shreveport, and Little Rock	
✓	General Capacity	No apparent deficiencies for those served to/near the site	
!	Other	The site is not in a Foreign Trade Zone	
✓	Other Constraints	None known at this time	

Draft

Detailed Site Evaluation Checklist

Environment Issues and Concerns:			
✓	Previous Environmental Studies	Previous studies have been completed - Phase I Environmental Review, Geotechnical Assessment, Wetlands Delineation, Endangered Species, and Archaeological/historical.	
!	Pollution on-site	There is no evidence of recognized environmental conditions or concerns; Several areas along Hayes Creek contain solid waste accumulation	Waste accumulation should be removed and disposed of or recycled in accordance with local, state, and federal regulations
✓	Pollution nearby	There is no evidence of potential hazardous or environmental risks nearby to the property	
✓	Hazmat buffers	N/A- No hazardous materials known in vicinity of site	
!	Sensitive bodies of water (e.g. rivers, creeks, wetlands, etc.)	18% of project site potentially involves jurisdictional wetlands or other waters of the US (maps available); The silty clay soil associated with Hayes Creek floodplain is frequently flooded and involves the largest percentage of wetlands delineated within the site boundaries	Consult with all appropriate jurisdictions prior to development
✓	Sensitive populations	US Fish and Wildlife Service does not indicate that critical habitat for endangered/threatened species is located within the site	
✓	Strict regulations	Appears to be flexible/business-friendly environment, adjacent to other industry uses	
✓	Community opposition	There does not appear to be opposition	This would need to be confirmed with specific 'targets'

Incentives and Investment

Incentives range from city to state to federal level and play an important role in successful development. In the case of Mount Pleasant, the Mount Pleasant Economic Development Corporation and the state provide several incentives and overall investment support which are designed to promote economic development. The following are a few indicators and opportunities to highlight.

A more macro view:

The global economy continues to grow and advance – in population, global trade opportunities, food production, science and technology, manufacturing capabilities - to name a few, and in support of these changing economies, there will continue to be a need for industrial development. In some cases, due to policy, technology, and changing economics, there may be “re-shoring” of certain types of industry that had previously been shifted abroad and in other cases, some products simply need to be made closer to inputs or end markets. More nationally, the economy continues to shift away from traditional sectors (such as natural resource extraction, agriculture, and industry) toward services, trade/logistics, and the “information economy”. New technologies are also causing major disruptions from the traditional industry, in addition to policy, climate change, and job creation targets. Simultaneously, the methods in which products and materials are transferred or transported are also changing. For instance, in the US, river and rail have declined in importance relative to trucking for most manufactured goods, which coincides with the nation becoming more urban. There have been broad population shifts to the south and west, and to coastal areas in general, as global trade has grown in importance.

From a micro level:

Over time, these changes too have benefited the Mount Pleasant community and economic activities in the region have evolved and adapted to support these changing dynamics. The community has been able to grow in population and expand its education offerings to meet market needs, while maintaining a low cost of living and small-town, historic community environment.

Just to the west, the Dallas/Fort Worth (DFW) area has been growing exponentially in almost all aspects of the economy as well. The industrial market specifically, is on trend to close out 2020 as a record-breaking year for new industrial construction and leasing, despite the current pandemic climate. Although this could be an opposition for Mount Pleasant, it also provides unique opportunities. There is no question that the Mount Pleasant site will have to compete with an abundance of other industrial sites in the region - some with similar attributes, some with larger or more regularly shaped acreage, and some that are part of more established industrial parks or intermodal facilities. However, with only a 2-hour drive from Mount Pleasant to the DFW metropolitan area, there several advantages - large market proximity (hundreds of thousands of people within 100 miles), less expensive and shovel ready land, less competition, and likely a more tailored investment experience from project initiation to doors open.

In recent months, Mount Pleasant specifically has seen major investments and interest from third parties, which illustrate the benefits Mount Pleasant has to offer.

An article mentioned in Global Trade Magazine: “Located in Titus County, Mount Pleasant has a population of 32,000. Thanks to its proximity to major transportation routes, the community owes much of its success to the transportation industry as well as the people working behind the scenes to ensure that sector’s success.

Also known for its timber and poultry industries, Mount Pleasant is currently working to expand its workforce repertoire through a partnership between the Mount Pleasant Economic Development Corp. and the local community college system. Called the Manufacturing Technology Training Center, this workforce education program trains students in entrepreneurial skills that will help ensure Mount Pleasant remains a leader in Texas business for years to come.”

Recent Development: Emersons Commercial Real Estate in partnership with the City, recently announced the development of a 117-acre mixed-use property - Anderson Towne Crossing. The development will redevelop/re-purpose an underutilized City-owned lake (former City water supply) & leverage a high-traffic location along Interstate 30 & Highway 271 to bring new commercial & housing opportunities to Mount Pleasant, TX. Specifically, Atwoods opened a 64,000 SF facility in November 2020.

Mount Pleasant:

MPEDC is a corporation founded under the Texas Type A Law. With funds of almost \$1 Million annually, the organization coordinates City and State incentives, acquires land for industrial use, and develops infrastructure for the properties. The following incentives are examples of what is available, although not limited to, and are dependent on the end user:

- Opportunity Zone
- New Market Tax Credits
- Local:
 - Tax Abatement (based on company’s investment in land, building and equipment)
 - Grants (cash incentives) for relocation, building construction, purchase of equipment and training employees
 - Revolving Loan Fund for small businesses
 - Low interest loans for Industry
 - Industrial Park Properties – free land opportunities
 - Non-monetary assistance through EDC
- State:
 - The Freeport Exemption
 - Texas Enterprise Project Designation
 - Texas Enterprise Fund
 - Texas Workforce Skills Development Fund
 - Capital Fund Grants & Loans

More information on incentives for Mount Pleasant can also be found here:

<https://mpedc.org/available-incentives/>

Information Sources

Several studies have been conducted by different consultants over the past few years and summarize most of the key technical issues with the site. This effort seeks to review those findings in terms of completeness and quality of information. Although Mount Pleasant was able to provide many of the studies mentioned, Clayco researched additional resources not provided to help round out the report.

	INFORMATION	SOURCE	DATE	BY
1	Site & Community Questionnaire	80, AER Site Evaluation & Certification Program	2013	MOUNT PLEASANT
2	Boundary Maps- MP Business Park	Titus County Appraisal District, BIS Consulting	September 2013; October 2013	MOUNT PLEASANT
3	Site Boundary Map	MP Economic Development Corp (MPEDC)	Unknown	MOUNT PLEASANT
4	Aerial Photography with Site Boundaries	Unknown	Unknown	MOUNT PLEASANT
5	7.5 USGS Map	USGS	Unknown	MOUNT PLEASANT
6	General Transportation Map (50 Mile Radius)	Tactician Corp	2013	MOUNT PLEASANT
7	Letter from Owner RE: Property & Pricing	MPEDC	October 2013	MOUNT PLEASANT
8	Deeds	City of Mount Pleasant	December 2006; March 17, 2005; March 2005	MOUNT PLEASANT
9	Tax Parcel- Boundary Maps-MP Business Park & McCollum Sweeney	Titus County Appraisal District, BIS Consulting	September 2012	MOUNT PLEASANT
10	Business Park Plat	Stanger Surveying	Unknown	MOUNT PLEASANT
11	Title Insurance (Daniel McCall, Berry Merchant,	Stuart Title Company	February 2005; March 2005 March 1922 & 1982	MOUNT PLEASANT
12	Business Park Plat with Easements	Stanger Surveying	Unknown	MOUNT PLEASANT
13	Business Park Covenants	City of Mount Pleasant	July-August 2007	MOUNT PLEASANT
14	FEMA Flood Map	FEMA	Unknown	MOUNT PLEASANT
15	Phase 1 Site Assessment- MP Business Park	SRP Environmental, LLC	May 2014	MOUNT PLEASANT
16	Wetlands	SRP Environmental, LLC Jurisdictional Letter; U.S. Fish & Wildlife Service Wetlands Inventory; Envir-Rowe Services Wetlands Delineation	October 2014; December 2014; May 2014	MOUNT PLEASANT
17	Endangered Species List	Arlington Ecological Services; U.S. Fish & Wildlife Service	Unknown; October 2014	MOUNT PLEASANT
18	Historic Preservation Review & Amendment Letter	Texas Historical Commission	October 2014; August 2014	MOUNT PLEASANT
19	County Soil Survey & Geotechnical Investigation	U.S. Department of Agriculture Soil Map; Apex Geoscience Geotechnical Investigation; Apex Geoscience Preliminary Geotech Evaluation	1987; November 2011; December 2013	MOUNT PLEASANT
20	Topographic Survey	City of Mount Pleasant	August 2011	MOUNT PLEASANT
21	Building Pad- Estimate, Schedule, & Site Visual	Alliance Architects	October 2014; November 2014	MOUNT PLEASANT
22	Zoning- Classification Map & Code	Classification Map Source (Unknown) '87 Code, Zoning Ordinance, Art. II	Unknown	MOUNT PLEASANT
23	Business Park Aerial Map – Routes to Interstate	Unknown	Unknown	MOUNT PLEASANT
24	Infrastructure Map	MPEDC	Unknown	MOUNT PLEASANT
25	Electric- Service Availability, Costs, Schedule	AEP Statement of Service Availability; SWEPCO Engineering Relocation Scope of Work; AEP Transmission Relocation Scope of Work	December 2011; Unknown; March 2014	MOUNT PLEASANT

	INFORMATION	SOURCE	DATE	BY
26	Natural Gas- Service Availability	CenterPoint Energy	December 2011	MOUNT PLEASANT
27	Water- Service Availability	City of Mount Pleasant	November 2013	MOUNT PLEASANT
28	Water & Wastewater Service	KSA Engineers (infrastructure capacity); City of Mount Pleasant (sewer service); KSA Engineers (sanitary sewer relocation)	November 2013; October 2013; April 2014	MOUNT PLEASANT
29	Telecommunications- Service Availability	ATT	December 2011	MOUNT PLEASANT
30	Workforce	EMSI	December 2020	MOUNT PLEASANT
31	Recent News/Headlines	MPEDC, Global Trade Magazine, Dallas Innovates, Bisnow	Oct. 2020, Nov. 2019, Sept. 2020	CLAYCO

Note: as this report has been researched and compiled, three macro-level events have occurred that have the potential to affect prospects for the site. The first is the coronavirus pandemic which has caused reverberations through the global economy and which has substantially reduced demand for nearly everything other than basic necessities; air traffic has been negatively impacted except for cargo. It is assumed to be temporary, lasting a few months or perhaps a year, with varying impacts depending on the nature of how governments and people respond. The second is a dispute between Saudi Arabia and Russia over managing the supply (and thus prices) of oil, which has resulted in significant disruptions to the domestic energy market. The third is the presidential election. Policies and practices may change as a result.