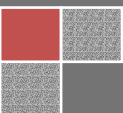




**COMPARATIVE  
METALWORKING MANUFACTURING  
COSTS**

**BizCosts®....*The Cost of Doing Business***

**BizCosts.com**  
Princeton, NJ



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## EXECUTIVE SUMMARY AND NOTES

***Introduction***

In the following **BizCosts®** analysis, major operating costs scaled to a representative metal forming and fabricating plant are presented for a series of 66 cities in the U.S. Annual costs are itemized and totaled in the full **BizCosts® Report's** summary Exhibit I and the full study ranks the cities from the highest cost to the lowest.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The full **BizCosts® Report** focuses on those key geographically-variable cost elements considered to be most pivotal to the metalworking industry site selection process. Geographically-variable operating cost differentials are current for **2010 and 2011**.

Overall costs were scaled to a hypothetical 150,000 sq. ft. metalworking manufacturing plant employing 225 workers and shipping over-the-road to a national U.S. market. The full **BizCosts® Report** is designed to provide an independent, third-party point of reference for the metalworking planner's assessment of relative operating cost levels in each of the surveyed manufacturing sites. The format of the cost exhibits will also allow the tailoring of cost data, facility specifications and shipping assumptions to reflect alternate scales of operation, staffing needs and market expectations.

The full **BizCosts® Report** has been structured to be an authoritative cost-comparison tool for a broad segment of companies engaged in metal forming and fabricating. These include custom machine shop operations providing parts fabrication, CNC machining, welding, stamping, assembly and other custom

machine shop services as well as larger scale manufacturing companies engaged in the production and machining of miscellaneous metal products, parts and accessories.

### ***Comparative Plant Locations***

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected in the full ***BizCosts® Report*** for a series of 66 production sites in the U.S. The comparative locations in the ***BizCosts®*** study all house significant concentrations of metalworking manufacturing and allied machine shop operations.

Major benchmark cost centers for the metalworking industry in Connecticut, the Carolinas, Michigan, Ohio, Indiana, Illinois, Tennessee, Alabama and the Pacific Northwest are included as are a series of other regional hubs of metalworking manufacturing and machine shop operations.

The 66 comparative locations included in the full ***BizCosts® Report*** are detailed below by region.

#### ***New England Region***

- Bridgeport/Stamford/Norwalk/Danbury, Connecticut
- Boston, Massachusetts
- Worcester/Marlborough, Massachusetts
- Springfield, Massachusetts
- Portland, Maine
- Hartford, Connecticut
- Providence, Rhode Island

#### ***Mid-Atlantic Region***

- Nassau/Suffolk, New York

- Rochester, New York
- Syracuse, New York
- Philadelphia, Pennsylvania
- Baltimore, Maryland
- Wilmington, Delaware
- Newark, New Jersey

***Southeast Region***

- Richmond, Virginia
- Greensboro/Winston-Salem, North Carolina
- Charlotte, North Carolina
- Greenville/Spartanburg, South Carolina
- Atlanta, Georgia
- Savannah, Georgia

***Florida Region***

- Jacksonville, Florida
- Orlando, Florida
- Pensacola, Florida
- Ft. Walton/Destin, Florida
- Miami, Florida
- Tampa/St. Petersburg, Florida
- Ft. Myers/Lee County, Florida

***Mid-South Region***

- Nashville, Tennessee
- Memphis, Tennessee
- Birmingham, Alabama
- Georgetown/Lexington, Kentucky
- Louisville, Kentucky

- Jackson, Mississippi

***East North Central Region***

- Cleveland, Ohio
- Toledo, Ohio
- Dayton, Ohio
- Indianapolis, Indiana
- Lafayette, Indiana
- Fort Wayne, Indiana
- Detroit, Michigan

***South Central Region***

- Houston, Texas
- San Antonio, Texas
- Dallas, Texas
- Austin, Texas
- Oklahoma City, Oklahoma
- Shreveport, Louisiana

***West North Central Region***

- Chicago, Illinois
- Rockford, Illinois
- Cedar Rapids, Iowa
- Milwaukee, Wisconsin
- Minneapolis/St. Paul, Minnesota
- Kansas City, Missouri
- St. Louis, Missouri

***Western Region***

- Phoenix/Mesa, Arizona
- Denver/Boulder, Colorado
- Salt Lake City, Utah
- Tucson, Arizona
- Seattle/Everett/Renton, Washington
- Albuquerque, New Mexico
- Portland, Oregon

***California Region***

- San Jose, California
- Los Angeles/Long Beach, California
- Bakersfield, California
- Riverside/San Bernardino, California
- San Diego, California
- Orange County, California

***Labor Costs***

Annual costs for labor, including direct and indirect production workers, are presented in the full **BizCosts® Report's** Exhibit II. Costs are based on a representative mix of 49 different nonexempt production, tooling, finishing, engineering, maintenance, material handling, and office job titles for the model plant. Comparative labor costs for management staff were not included as these costs would tend not to vary as significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked, and company-sponsored benefits.

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

Comparative annual electric power and natural gas costs are presented in the full ***BizCosts® Report's*** Exhibit III. Annual costs reflect industrial rate schedules of the respective local electric utilities serving each area. Natural gas costs are based on an assumed monthly consumption of industrial-use gas.

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

Exhibit IV in the full ***BizCosts® Report*** presents comparative costs for the purchase of industrially-zoned land and the construction of new metalworking manufacturing space in each of the surveyed U.S. locations.

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

The report's Exhibit V presents comparative ad valorem (property) tax costs in each of 66 surveyed metalworking sites scaled to the land and building specifications of the model plant. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of supplies, equipment, furnishings and other taxable goods associated with the plant.

***Comparative Shipping Costs***

Transportation costs from each of the 66 surveyed metalworking sites to a designated national U.S. market are detailed in the full ***BizCosts® Report's*** Exhibit VI. Comparative costs reflect over-the-road finished product shipments in truckload lots.

***About BizCosts® About Boyd***

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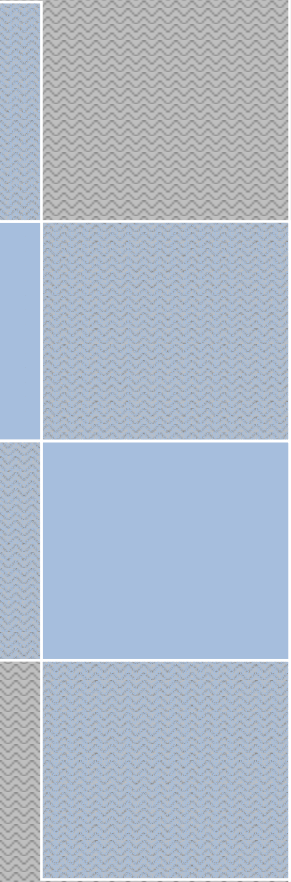
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**A COMPARATIVE METALWORKING  
MANUFACTURING COST ANALYSIS**

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