



Business Incentives: Facility Retention & Expansion EDS Case Studies



\$1.4 MILLION INCENTIVE PACKAGE KEEPS PRODUCTION FACILITY OPEN IN MISSOURI

- **Project Parameters:**
 - o Areas Under Consideration: Missouri
 - o Project Location: Saint Louis, MO
 - o Type of Project: Facility Retention
 - o Capital Investment: \$0
 - o Impact on Employment: Reduction from 340 employees to 290 employees
- **Issues:**
 - o Company was considering closing a production facility in MO
 - o Needed incentives to keep the plant open, but were not going to make any capital investments or create new jobs
- **Results:**
 - o Production facility in MO remained open
 - o \$1.4 Million incentive package to retrain and train their workforce

Issues:

A consumer products manufacturing company was considering closing down one of its United States production facilities. In the wake of a declining economy and increased pressure from their major competitors, the company was forced to analyze their production and distribution systems. .

The biggest challenge facing ADP was to convince the State to offer incentives even though there was no capital investment and there was to be a reduction in headcount. The State of Missouri had limited economic development incentive programs that could be used for job retention projects. Public perception was a huge concern. The project was time sensitive, and ADP needed to secure an incentive package very quickly.

Results:

ADP negotiated a substantial incentive package for the company to retain and train approximately 75% of their existing workforce within the State of Missouri. The workforce needed training to reduce the number of job descriptions they had at the plant, as well as bring the workforce up to speed on the newest in manufacturing techniques to help improve output and reduce costs. The incentive package was one of the key deciding factors in keeping the facility open.

Incentive Package	Credit Value
Sellable Tax Credits	\$400,000
Customized Training Grant	\$50,000
Skills Development Tax Credit	\$80,000
Wage Supplementation Program	\$29,640
City Grant (Forgivable Loan)	\$150,000
Enterprise Zone Credits	\$694,500
Federal Tax Credits	\$25,000
Total	\$1,429,140

ADP NEGOTIATES \$1 MILLION INCENTIVE PACKAGE FOR AN AEROSPACE MANUFACTURER'S EXPANSION PROJECT IN NC

- **Project Parameters:**

- o Areas Under Consideration: NC, NY
- o Project Location: North Carolina (Forsyth County)
- o Type of Project: Facility Expansion
- o Capital Investment: \$8 million dollars
- o Impact on Employment: Net gain of 75 jobs

- **Issues:**

- o Aerospace manufacturing company wanted to build an R&D facility on to their existing facility in North Carolina
- o The project was on strict timelines and late in NC's fiscal year

- **Results:**

- o Met timeframe results
- o \$1 Million incentive package

Issues:

An aerospace manufacturing company was looking to establish a research and development technical manufacturing center and combine it with one of their existing facilities. The client imposed an extremely tight timeline for their facility expansion and needed an incentive package negotiated as quickly as possible. They were willing to forego securing large incentive dollars in order to expedite the process. The client's facility was located in a developed part of North Carolina, just outside of Winston-Salem. It was late in the State's fiscal year and the State of North Carolina's Economic Incentive Program funds were running low. Due to the project coming up so quickly, it would be difficult to have funds appropriated for this project before the expansion began.

Results:

The project was considered a huge success for the company as they got exactly what they were looking for with the incentive package. They received a substantial incentive package well within the time frame of their project, and they received coordination from multiple agencies within North Carolina including the State, the County, the City, Duke Power, and the Department of Transportation.

Incentive Package	Credit Value
Bill Lee Tax Credits	\$220,000
One NC Fund	\$200,000
County Grant	\$250,000
City Grant	\$48,000
Community College Grant	\$117,500
Power Grant	\$20,000
Power Rider	\$90,123
Department of Transportation	\$50,000
Total	\$995,623

