

PROJECT PROFILE

CLIENT SAVINGS: \$22 MILLION

CORPORATE HQ EXPANSION

Engagement Overview:

A Fortune 500 company was considering expansion of its corporate headquarters in anticipation of significant growth. Although the company had been located in the downtown area of this community for over 100 years, a growing international business platform put pressure on the ability of the downtown location to satisfy the company's projected space requirements.

Services:

The company originally conducted incentives negotiations with state and local officials in its home state to retain the more than 1,000 jobs the company maintained in the metro area. The company planned to build over 775,000 square feet in a corporate campus and wanted to avoid expensive and disruptive personnel relocation issues. When state officials returned with a, what company officials believed to be, sub-par offer, the company contacted outside consultants to assist with the determination of a market value for a project of this magnitude.



Consulting professionals assisted with the analysis and selection of finalist sites for this facility in the mid eastern and southern regions of the United States. Consultants contacted representatives from state, local and federal governments in addition to regional utility representatives from state, local and federal government assistance. The original offer from the state was \$3 million in grant funds to retain over 1,000 existing jobs and create 400 new jobs.

The consultant urged the company to look at alternative locations, in order to better understand the "market" for such a facility. Several locations were selected where the incentives would be attractive and they could get the personnel and air service necessary to be successful.

Competing states offered far more in incentives for this project than the original \$3 million offer from the company's home state. In fact, one area offered more than 10 times the original amount in grants and tax incentives. Once this information was presented to official in the company's home state, special legislation was passed which provides tax exemption from all taxes for up to 12 years in four special zones, including the proposed site.

Actual Client Savings:

Financial benefits from these efforts increased the original offer of \$3 million to close to \$30 million – a 1,000 percent increase. Competition between states – orchestrated by the consulting firm – benefited the company by \$27 million.