

PROJECT PROFILE

REFUNDABLE CREDITS: \$2,446,600*

MEDICAL TESTING LABORATORY

Engagement Overview:

RSH was engaged by a medical testing lab to negotiate incentives associated with an expansion project of an existing medical office facility. The company had previously held a ground breaking ceremony and had announced its intention to locate in the state. Prior to this ground breaking ceremony, the company had not requested incentives from state or local government officials.

Property Overview:

This medical testing laboratory expansion was a \$13 million project which would be used to build a 51,000 square foot which would employ up to 300 scientists and researchers.



Incentives Negotiation Process:

The RSH Group consultants prepared a summary of the project and an economic impact statement of the benefits associated with the project. Then they prepared a confidential prospectus of the proposed project which was sent to other states and areas where the project could have been relocated to without impacting business operations. When the responses came in, the offers ranged from a low of \$800,000 to as high as \$4.5 million in assistance, including one offer of a free building. The RSH Group took these results to state and local officials in the state where the company was located and asked them to prepare a counter-offer in order to retain this company in the state. State policies required that the company be considering other states or communities outside the state to qualify for state assistance programs. By conducting a due diligence analysis of available incentives elsewhere, the company became qualified to utilize these programs to off-set the cost of building a new expansion and hiring new personnel.

Results:

The RSH Group work resulted in the award of \$1,996,600 in refundable state tax credits, as well as \$450,000 in property tax abatements over a ten year period for a total savings of \$2,446,600 or 19 percent of construction costs.