

# PROJECT PROFILE

## REFUNDABLE CREDITS: \$1,734,874

### SMART GRID ENGINEERING CENTER

#### **Engagement Overview:**

RSH was engaged by a privately-held engineering company to negotiate incentives associated with an expansion project of an existing engineering office facility to accommodate the establishment of a Smart Grid engineering center in the Upper Midwest. The company had previously created over one hundred high paying engineering jobs without receiving any incentives or training assistance from state or local governments.

#### **Property Overview:**

The Smart Grid Engineering Center involved the creation of 90 new, high-paying engineering jobs to plan and manage the installation of smart grid infrastructure as part of the Stimulus program of the federal government. Approximately 25,000 square feet of office space is to be leased and \$2.7 million of personal property is projected to be purchased over a 7 year build-out program.



#### **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 \$200,000 to as high as \$5.7 million in state and local assistance. 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. In order to qualify for the state incentive, the local government was required to offer property tax abatements on new personal property and leasehold improvements necessary to support this expansion project. 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 \$1,576,885 in refundable state tax credits, as well as \$157,989 in real and personal property tax abatements over a ten year period for a total savings of \$1,734,874 or \$19,276 per new job.