The Montrose Group, LLC

TRANSFORMING YOUR WORLD

COVID 19 BUSINESS SURVIVAL GUIDE:

FIVE CRITICAL STEPS FOR ECONOMIC SUCCESS

JUNE 2020

MONTROSE GROUP COVID 19 BUSINESS SURVIVAL GUIDE: FIVE CRITICAL STEPS FOR ECONOMIC SUCCESS

About the Montrose Group

The Montrose team brings together the nation's leading multi-disciplinary practitioners in corporate site location who have negotiated over $1.2 B in economic development incentives.

Montrose Group's Corporate Site Location Practice Driven by Multi-Disciplinary Team

Utility Economic Developer → Public Sector Economic Developer → Economic Developer Author → Public Relations Leader → Tax Incentive Lawyer → Project Finance Advisor

Dave Robinson, JD, Principal and Founder

Dave Robinson serves customers based upon 25 years of experience as an economic development executive, lobbyist, lawyer and public relations executive before the federal, state and local governments. Mr. Robinson negotiated $200 M in economic development incentives through a multi-state corporate site location process including $20 M in economic development incentives just in 2018-19, and co-authored 23 comprehensive economic development strategies, site development, and Downtown Redevelopment plans. David J. Robinson is a national economic development author with *The Energy Economy* published in August of 2015 by Palgrave-MacMillan, *Economic Development from the State & Local Perspective* in 2014 by Palgrave-MacMillan.

Nate Green, MBA, Partner and Director of Economic Development

Nate Green serves customers based upon his 21 years as a public and private sector economic development leader. Mr. Green negotiated for $1.2B in economic development incentives, including $20M in economic development incentives just in 2018-19, for public and private sector organizations as part of a corporate site location process and co-authored 23 comprehensive economic development strategies, site development, and Downtown Redevelopment plans. Mr. Green was on the start-up team for JobsOhio and has served at the Cleveland-Cuyahoga County Port Authority, Ohio Department of Development and the Pickaway Progress Partnership.

Jamie Beier Grant, Manager of Economic and Workforce Development

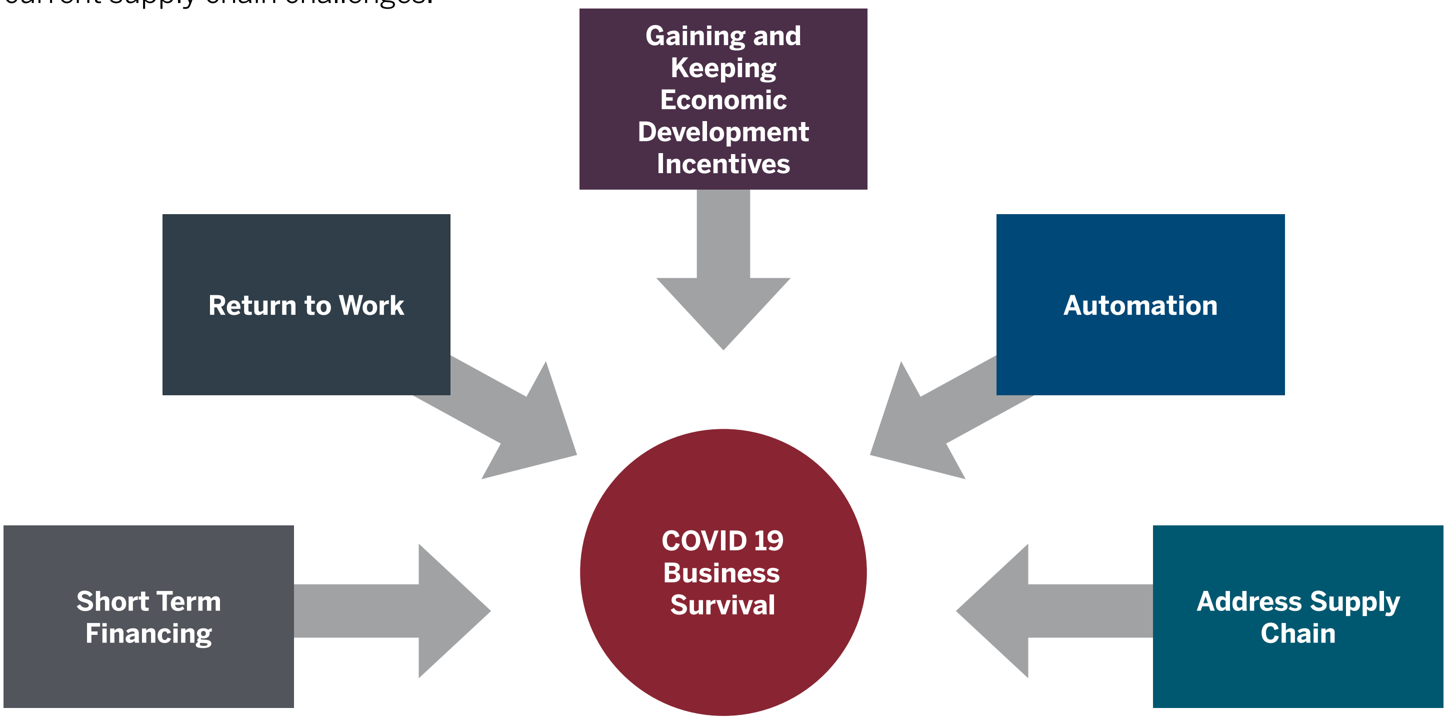
Jamie Beier Grant provides corporate site location, economic development planning, site development and workforce development services based upon her 19 years of local, regional and state economic development experience, including for the Ohio Department of Development in the International Trade Division and Economic Development Division, Northwest Ohio's Regional Growth Partnership and for 16 years as Director of the Ottawa County Improvement Corporation.

MONTROSE GROUP COVID 19 BUSINESS SURVIVAL GUIDE: FIVE CRITICAL STEPS FOR ECONOMIC SUCCESS

Table of Contents

MONTROSE GROUP COVID 19 BUSINESS SURVIVAL GUIDE EXECUTIVE SUMMARY

Amid the negative news stories, skyrocketing unemployment numbers and a myriad of webinars and videoconference calls, companies across America are working to figure out how to survive COVID 19. The Montrose Group recommends business survival strategies focused on five key steps: identify short-term financing; return to work; renegotiate existing tax incentives; implement automation strategies; and address current supply chain challenges.



The Montrose Group recommends a four-step process for COVID 19 businesses survival that includes:

- *Short Term Financing.* Companies will need to utilize a range of local, state and federal government programs recently created to provide near term financing to survive the government imposed economic slowdown.
- *Return to Work.* Companies need to push for a return to work understanding their own market needs and local and state regulations, and federal government recommendations.
- *Gaining and Keeping Economic Development Incentives.* Companies should gain or renegotiate tax incentives through a multi-state tax economic development incentive process or renegotiate for added flexibility to existing tax incentives if they will not meet job creation and capital investment goals due to *COVID 19.*
- *Automation.* No matter the industry, implementing automation strategies is an activity successful Post-COVID 19 companies will be addressing.
- *Address Supply Chain.* Companies should bring their supply chain closer to their U.S. facilities by supporting their supply chain investments in markets near company facilities through a site development process that illustrates the long-term growth potential of the market and negotiating of tax incentives to address regional cost of doing business issues.

SHORT TERM FINANCING

COVID 19 has forced millions of American businesses to seek local, state, and federal government subsidized short term financing to survive an economy pushed into recession by a series of state public health decisions. The passage of the federal Stimulus legislation has substantial changes to the U.S. Small Business Administration which should make this organization a prime stop for companies, sole proprietors, independent contractors, self-employed, tribal business, 501 (c)(3), or a 501 (c)(19) veterans organization with less than 500 employees (full time, part time or other status) seeking financing.

SBA Federal Stimulus Loan Program Summaries

SBA Stimulus Loan Program	Loan Description
Economic Injury Disaster Loans	$2M loan in working capital with no personal guarantee & $10,000 emergency grants
Paycheck Protection Program	$10M forgivable loan for payroll and select working capital
7(a) and 504 Loans	SBA pays principal and interest for six months

COVID 19 has brought the forefront how the United States financing small businesses. The passage of the federal Stimulus legislation has substantial changes to the U.S. Small Business Administration (SBA)which should make this organization a prime stop for companies, sole proprietors, independent contractors, self-employed, tribal business, 501 (c)(3), or a 501 (c)(19) veterans organization with less than 500 employees (full time, part time or other status) seeking financing. Also eligible for SBA funding are companies in the accommodation and food services sector (NAICS 72) with less than 500-employeeson a per physical location basis, and, if operating as a franchise or receive financial assistance from an approved Small Business Investment Company the normal affiliation rules do not apply. The Small Business Administration gains a substantial funding increase and has added new flexibility for its 7 (a) loan program and sees the creation of new programs to meet small businesses needs during COVID 19.

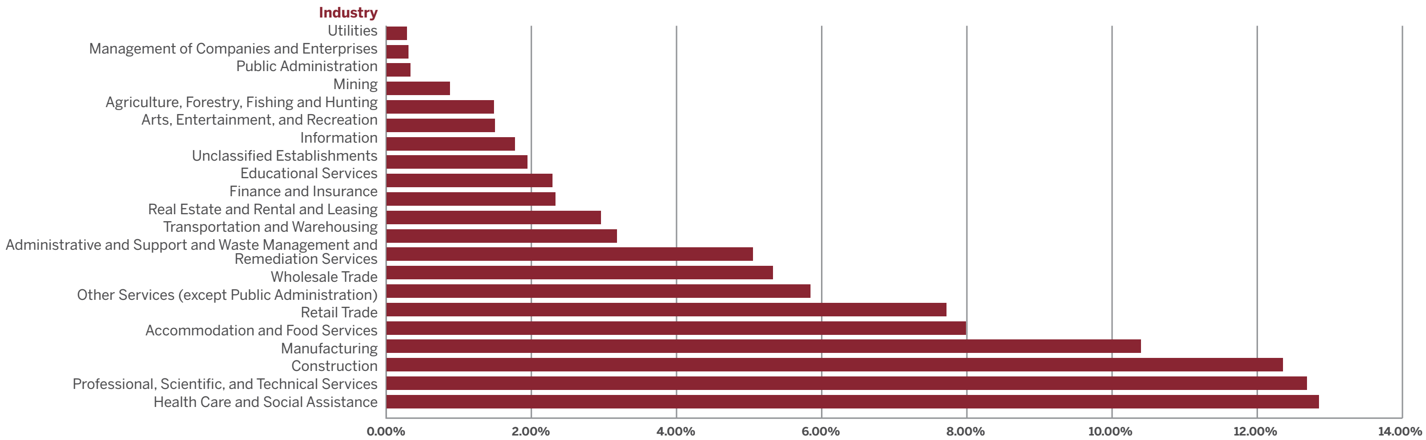
Gaining small business financing tied to COVID 19 involves first understanding what new regulatory and funding changes the federal Stimulus legislation provided. Small business owners in all U.S. states, Washington D.C., and territories were able to apply for an Economic Injury Disaster Loan advance of up to $10,000. This advance is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. This loan advance will not have to be repaid. Recipients do not have to be approved for a loan to receive the advance, but the amount of the loan advance will be deducted from total loan eligibility. SBA will begin accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on a limited basis only to provide relief to U.S. agricultural businesses. The new eligibility is made possible as a result of the latest round of funds appropriated by Congress in response to the COVID-19 pandemic. Agricultural businesses includes those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)). Only qualified agricultural businesses are eligible for the EIDL program currently.

SBA Paycheck Protection Program - Overview

- Apply through local SBA lender (e.g. bank)
- Loans of 2.5x Average Monthly Payroll – Max $10 M
- 1.0% interest
- Loan payments deferred for 6 months
- 100% loan guarantee
- Funds spent on payroll, interest, rent, & utilities are **forgiven**

The federal stimulus program also created the Paycheck Protection Program (PPP). PPPs are temporary changes to the SBA 7(a) loan program by creating a new subset of 7(a) loans called Paycheck Protection Program loans. This program provides lenders 100% loan guarantees for loans of up to $10 M per small business for payroll losses and select working capital cost, and the. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard) that includes any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of: 500 employees, or that meets the SBA industry size standard if more than 500, any accommodation and food service business that has more than one physical location and employs less than 500 per location, and sole proprietors, independent contractors, and self-employed persons. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees. This loan has a maturity of 2 years and an interest rate of 1%. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. The overall current average PPP loan size is at $113,000 with over 21% of the PPP loans between $350,000-$1,000,000 according to a June 6, 2020 Treasury Department report. The chart below illustrates the industries leading in the collection of PPP loans again as of June 6, 2020.

PPP Loans Granted as of 6/6/20 by Industry



The federal stimulus package provides billions in funding for the U.S. Treasury Department to backstop through its Exchange Stabilization Fund of the Federal Reserve Bank being used to support large companies. The Federal Reserve has announced that it is establishing a Main Street Lending Program to support lending to small and medium-sized businesses that were in sound financial condition before the onset of the COVID-19 pandemic. The Federal Reserve Bank of Boston has set up a special purpose vehicle to purchase participations in loans originated by eligible lenders. Lenders will retain a percentage of the loans. U.S. businesses may be eligible for loans if they meet either of the following conditions: (1) the business has 15,000 employees or fewer; or (2) the business had 2019 revenues of $5 billion or less. Loans issued under the Program would have a five year maturity, deferral of principal payments for two years, and deferral of interest payments for one year. Eligible lenders may originate new loans (under MSNLF and MSPLF) or increase the size of (or "upsize") existing loans (under MSELF) made to eligible businesses. Main Street loans are full-recourse loans and are not forgivable. Under section 4003(d)(3) of the CARES Act, the principal amount of a Main Street loan cannot be reduced through loan forgiveness.

Federal Reserve Main Street Lending Program

- Federal Reserve Board expands scope and eligibility of Main Street Lending Program to help credit flow to small and medium-sized businesses in sound financial condition pre-COVID 19
- U.S. Treasury allocated $75 B from CARES Act stimulus funding
- Creates third loan option, lowering minimum loan sizes for certain loans to $500,000
- Lenders retain 15% share on loans that when added to existing debt do not exceed 6 times a borrower's income
- Businesses with up to 15,000 employees or up to $5 B in annual revenue are now eligible

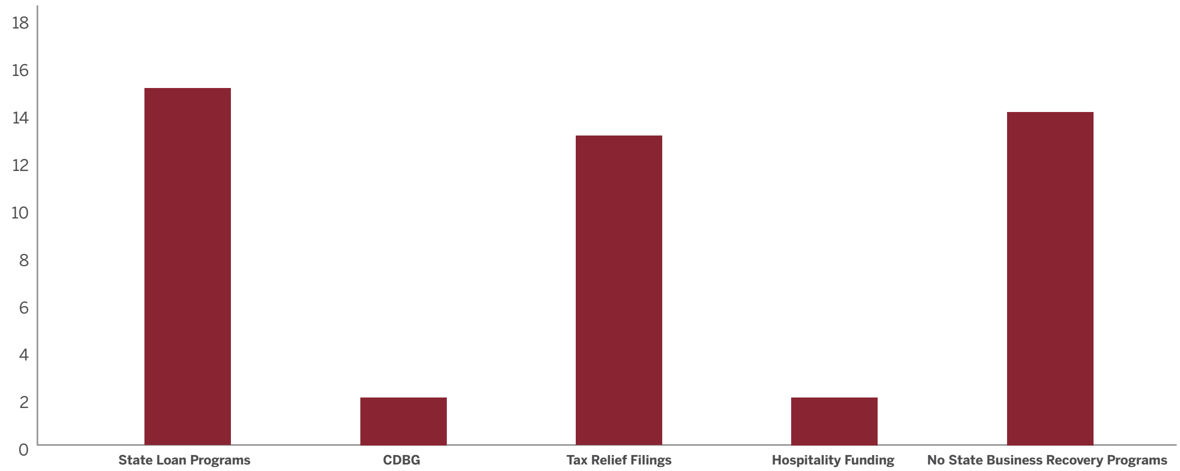
The program will operate through three facilities: Main Street New Loan Facility (MSNLF), the Main Street Priority Loan Facility (MSPLF), and the Main Street Expanded Loan Facility (MSELF). All three facilities use the same Eligible Lender and Eligible Borrower criteria, and have many of the same features, including the same maturity, interest rate, deferral of principal for two years, deferral of interest for one year, and ability of the borrower to prepay without penalty. Other features of the loans extended in connection with each facility differ. The loan types also differ in how they interact with the Eligible Borrower's existing outstanding debt, including with respect to the level of pre-crisis indebtedness an Eligible Borrower may have incurred.

- **MSNLF:** Eligible Lenders extend new five-year term loans to Eligible Borrowers ranging in size from $250,000 to $35 million. The maximum size of a loan made in connection with the MSNLF cannot, when added to the Eligible Borrower's existing outstanding and undrawn available debt, exceed four times the Eligible Borrower's adjusted 2019 earnings before interest, taxes, depreciation, and amortization (EBITDA). The loans must not be, at the time of origination or at any time during the term of the Eligible Loan, contractually subordinated in terms of priority to any of the Eligible Borrower's other loans or debt instruments.
- **MSPLF:** Eligible Lenders extend new five-year term loans to Eligible Borrowers ranging in size from $250,000 to $50 million. The maximum size of a loan made in connection with the MSPLF cannot, when added to the Eligible Borrower's existing outstanding and undrawn available debt, exceed six times the Eligible Borrower's adjusted 2019 EBITDA. At the time of origination and at all times thereafter, the Eligible Loan must be senior to or pari passu with, in terms of priority and security, the Eligible Borrower's other loans or debt instruments, other than mortgage debt. Eligible Borrowers may, at the time of origination of the loan, refinance existing debt owed by the Eligible Borrower to a lender that is not the Eligible Lender.
- **MSELF:** Eligible Lenders increase (or "upsize") an Eligible Borrower's existing term loan or revolving credit facility. The upsized tranche is a five-year term loan ranging in size from $10 million to $300 million. The maximum size of a loan made in connection with the MSELF cannot, when added to the Eligible Borrower's existing outstanding and undrawn available debt, exceed six times the Eligible Borrower's adjusted 2019 EBITDA. At the time of upsizing and at all times thereafter, the upsized tranche must be senior to or pari passu with, in terms of priority and security, the Eligible Borrower's other loans or debt instruments, other than mortgage debt.

Local Revolving Loan Fund programs (RLFs) can play a dynamic role in supporting small business financing needs, especially serving in the gap financing or equity gap aspects of an overall lending structure. The structural benefit of Revolving Loan Funds is the creation of a self-replenishing pot of money for use on future mission-driven small business, entrepreneurial and economic development priorities. More importantly, billions in federal stimulus funding can support the development of RLFs through state and federal grants of Community Development Block Grant, U.S. Department of Agriculture, and other programs.

State government leaders are working actively with the federal government and economic development leaders to support the survival and growth of local employers during COVID 19. The programs offered by state governments include providing direct financing to businesses, primarily small businesses, impacted by COVID 19, utilizing federal funding through the Community Development Block Grant program in unique ways to support small businesses impacted by COVID 19, adding flexibility to tax filings for small business owners, and several states provided specific relief for the hospitality industry hit so hard by COVID 19.

Current State COVID 19 Business Support Programs Survey

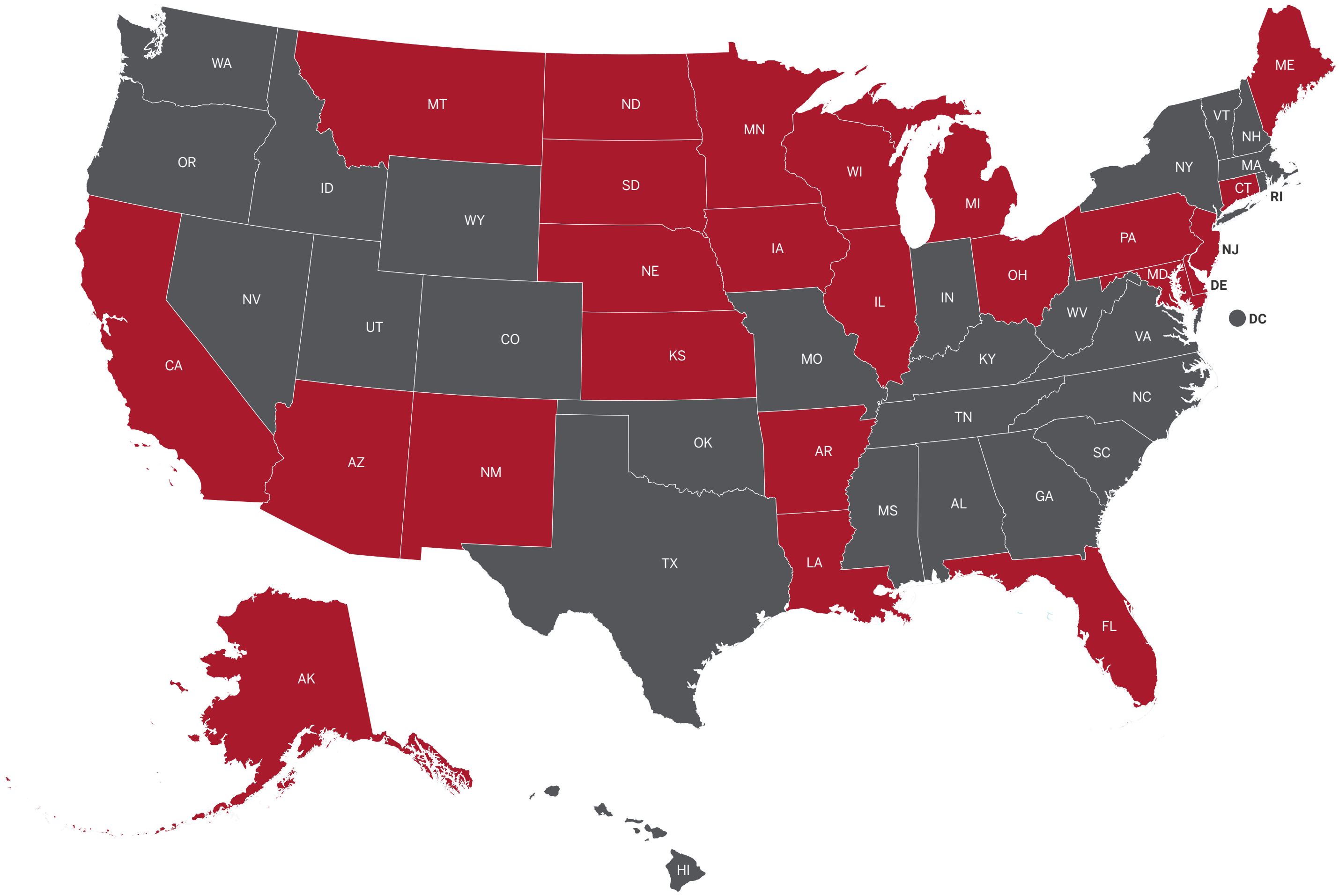


27 states are offering state government backed financing for companies impacted by COVID 19 as outlined in the map below. Ohio's aggressive effort to help companies survive COVID 19 with a variety of financing programs is worthy of note and is listed below:

- JobsOhio is offering a program for businesses with a current JobsOhio's existing loan only that offers a payment deferment (no interest and no principal payments) for the next six months to fifty companies who are eligible, with over 9,500 employees around Ohio.
- JobsOhio is offering a program for existing JobsOhio client businesses only that expands allowable expenses and near-term relaxed compliance audit allowing expenses such as work from home technology and equipment and services to implement guidance associated with COVID-19.
- JobsOhio is offering a program for existing JobsOhio client businesses only to provide forgivable, six-month interest-free loan to companies who would use the loan to retain their workforce.
- JobsOhio is planning a program for small business in Ohio's small communities in partnership with 2 Ohio community banks to support their existing loan portfolio with JobsOhio investing up to $50 M in loan guarantees.
- JobsOhio is planning to invest up to $50 M of reserve funds to backstop Ohio's Port Authorities, and they anticipate this investment will result in over $250 M of additional Port Authority investment activity across Ohio.
- JobsOhio launched a Personal Protective Equipment and medical supply program to purchase $250M in PPEs.

A description of the state COVID 19 business finance programs can be found at www.montrosegroupllc.com.

States with COVID 19 Business Finance Programs



No matter where the money comes from, the Montrose Group advocates for small business financing through a quick four step process.

Business Plan Review. First, a company's business plan from a strategy and financial standpoint is reviewed to understand its basic market fundamentals and how the company achieves is sustainable competitive advantage. The business plan review includes:

- Review of business strategy and financial analysis of company's existing business plan;
- Review of annual financial reports to identify cost and revenue centers; and
- Identification of business development strategies to identify company's ideal customer.

Financing Options. Following the review of a company's business plan, next financing options are reviewed that best fit the short and long term needs of the organization. The majority of small businesses are eligible for SBA and other government loan programs, but the SBA program excludes companies in the gambling, lending, life insurance, religious teaching, primarily political and lobbying activities, oil wildcatting, mining, mortgage servicing, real estate development, bail bond, pawn or private clubs industries. Steps in the review of financing options include:

- Determining the size of the company and industry focus;
- Understanding the company's financial needs such as whether they are for working capital or fixed assets; and
- Mapping out private banking options as well as state and federal government program options and comparing the financing sizes and the cost of capital.

Financing Applications. Whether the financing is from a private or public source, a small business is going to need to file an application to request the financing. A list of documents and materials will be needed to file this application that includes:

- Business financial statements to include three years of annual profit & loss statements, year-end balance sheet including a debt schedule, reconciliation of net worth, interim balance sheet, interim profit & loss statements, projected financial statements that include month to month cash flow projections, for at least a one-year period;
- Business certificated and/or license;
- Loan application history;
- Income tax returns for the previous three years;
- Resumes for each principal in the company;
- Business overview and history including an explanation of why the SBA loan is needed and how it will help the business; and
- Business facility lease.

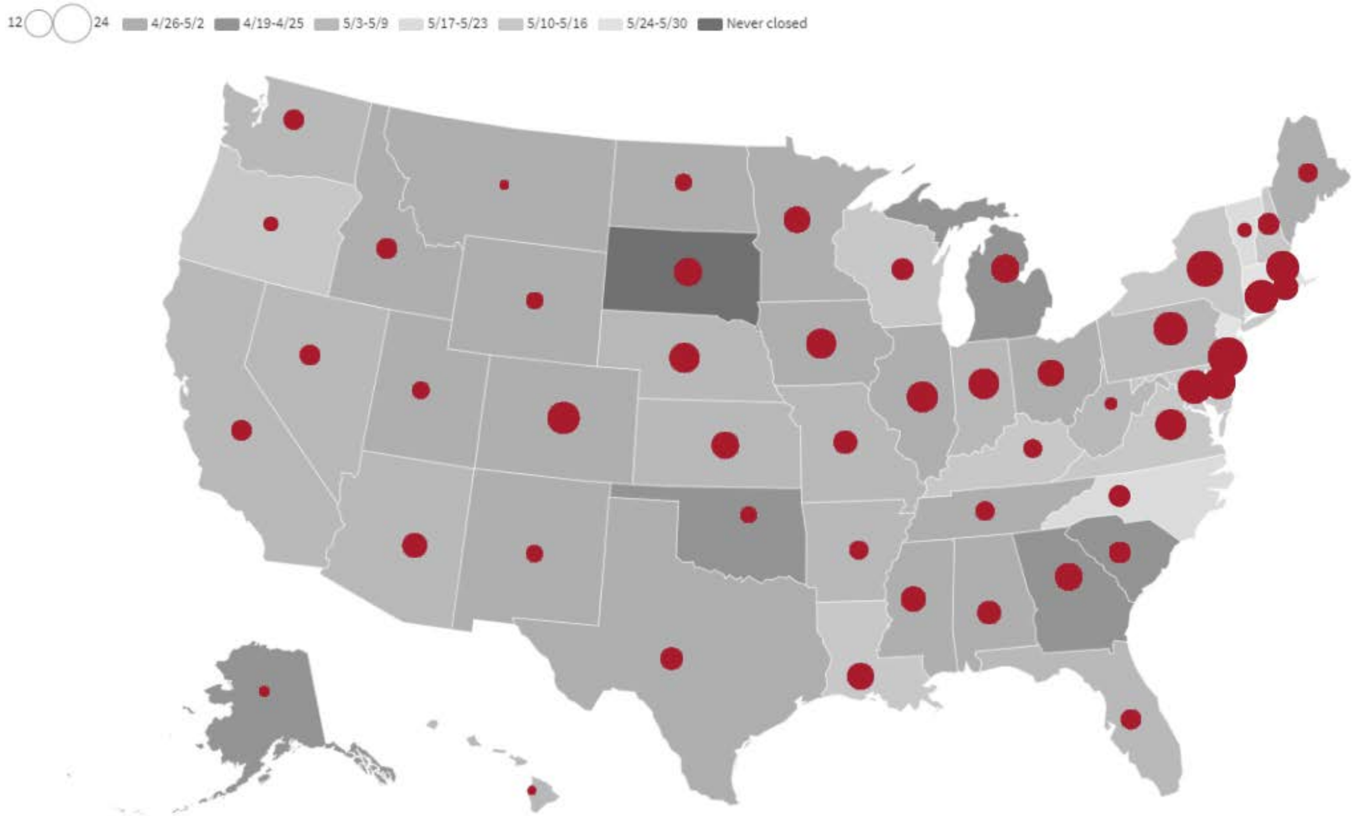
Financing Advocacy. Finally, COVID 19 will flood both private and public sources of small business financing with applications. Firms like the Montrose Group will become not just business advisors but advocates with those financing sources to push for quick financing for the small businesses impacted by COVID 19 and, often, in need of this financing to have a business left when the current public health scare subsides.

RETURNING TO WORK

45 states ordered some form of a “stay in place” order and mandated closures of many types of businesses that have high-customer and worker contact and millions of restaurants, schools, restaurants, bars, salons, barbers, adult day support, vocational habilitation services in a congregate setting, older adult day care services and senior centers, child care services, entertainment, recreation, gymnasiums and other businesses were ordered closed throughout the United States. Three months into the invasion of COVID 19 into the United States, governors are beginning to lift the business closures most often in a gradual process. The map below from Governing magazine offers a graphic snapshot of the current state of returning to work regulations promoted by the 45 state governors that order work from home for a large portion of their population due to COVID 19.

State’s Phased Re-Opening Plans by Start Date

(plus percentage of tests that are positive for the coronavirus)



Sources: Various media outlets and governors' websites for reopening plans, the COVID Tracking Project for testing results • Have an update for this map? Email Ben Miller at bmiller@erepublic.com. COVID-19 case numbers last updated on 5/28. Note: States are declared as "re-opening" once the governor has set a date for large swaths of business to re-open.

Indiana offers a Back on Track Indiana plan that illustrates how states are approaching the return to work which balances legitimate public health concerns with important economic development priorities as represented by the table below.

BACK ON TRACK INDIANA PLAN EXPLAINED

KEY

- CLOSED/VIRTUAL ONLY
- ESSENTIAL ONLY
- 75% CAPACITY
- FULLY OPEN WITH SOCIAL DISTANCING
- PICKUP AND DELIVERY ONLY
- 50% CAPACITY
- OPEN WITH RESTRICTIONS

	STAGE 1: March 24 - May 4	STAGE 2: May 4 - 23	STAGE 3: May 24 - June 13	STAGE 4: June 14 - July 3	STAGE 5: July 4 and Beyond
Social Gatherings	10 People or Fewer	25 People or Fewer	100 People or Fewer	250 People or Fewer	250+ People Permitted
Facial Coverings	Recommended	Recommended	Recommended	Optional	Optional
Government Offices	Closed to the Public	Limited Public Access	Limited Public Access	FULLY OPEN WITH SOCIAL DISTANCING	FULLY OPEN WITH SOCIAL DISTANCING
Manufacturing, Industrial	ESSENTIAL ONLY	OPEN WITH RESTRICTIONS	OPEN WITH RESTRICTIONS	FULLY OPEN WITH SOCIAL DISTANCING	FULLY OPEN WITH SOCIAL DISTANCING
Office Settings	ESSENTIAL ONLY	Remote Work Encouraged	Remote Work Encouraged	FULLY OPEN WITH SOCIAL DISTANCING	FULLY OPEN WITH SOCIAL DISTANCING
Retail	PICKUP AND DELIVERY ONLY	50% CAPACITY	75% CAPACITY	FULLY OPEN WITH SOCIAL DISTANCING	FULLY OPEN WITH SOCIAL DISTANCING
Restaurants	PICKUP AND DELIVERY ONLY	50% CAPACITY May 11th	50% CAPACITY	75% CAPACITY	FULLY OPEN WITH SOCIAL DISTANCING
Bars and Clubs	CLOSED/VIRTUAL ONLY	CLOSED/VIRTUAL ONLY	CLOSED/VIRTUAL ONLY	50% CAPACITY	FULLY OPEN WITH SOCIAL DISTANCING
Gyms	CLOSED/VIRTUAL ONLY	CLOSED/VIRTUAL ONLY	OPEN WITH RESTRICTIONS	OPEN WITH RESTRICTIONS	FULLY OPEN WITH SOCIAL DISTANCING
Personal Services	CLOSED/VIRTUAL ONLY	OPEN WITH RESTRICTIONS May 11th*	OPEN WITH RESTRICTIONS	OPEN WITH RESTRICTIONS	FULLY OPEN WITH SOCIAL DISTANCING
Entertainment and Tourism	CLOSED/VIRTUAL ONLY	CLOSED/VIRTUAL ONLY	CLOSED/VIRTUAL ONLY	50% CAPACITY	FULLY OPEN WITH SOCIAL DISTANCING
Religious Services		Services May Convene Following Guidelines Starting May 8th	Services May Convene Following Guidelines	Services May Convene Following Guidelines	FULLY OPEN WITH SOCIAL DISTANCING

Note: This roadmap is subject to change based on CDC guidance and other new information. Local governments may impose more restrictive guidelines. Stage 2 will begin on May 11 for Lake and Marion counties and May 18 for Cass County.

*Visit **backontrack.in.gov** for more information and guidelines for reopening Indiana and industry specific guidance for face coverings, etc.

BACK ON TRACK INDIANA

#BackOnTrack | **backontrack.in.gov**

This piece was created on May 4, 2020. If you see different information published on a more recent date, please use the most current recommendations.

No matter government regulations, companies that have reduced capacity or closed operations due to COVID 19 must decide when and whether they will return employees to work. Companies should consider the depth of the market disruption, length of the market disruption, and the shape of a market recovery. Data points relevant for an analysis of the depth of a company's' market disruption include a review of the company's preparation of workplace for employees return in a COVID 19 environment, whether they had COVID 19 cases at company and where these cases were, what their customer market demand is and what the impact of on-going public health regulations.

Company Factors Impacting the Return to Work

- **Depth of Market Disruption**
  - Preparation of workplace
  - COVID 19 cases at company
  - Location of company COVID 19 cases
  - Customer market demand
  - Impact of on-going public health regulations
- **Length of Market Disruption**
  - Increase or decline of COVID 19 cases
  - Hospital preparedness
  - Availability of therapies
  - Late customer payments
  - Access to capital
- **Shape of Market Recovery**
  - Integration of data driven public health policy with private sector economic activation
  - Availability of rapid testing technology for health care providers and companies
  - Re-establishment of consumer confidence

From a length of market disruption analysis, companies should consider whether their facility location is on the increase or decline of COVID 19 cases, what is the state of local hospital preparedness, the availability of therapies, if they have late customer payments, and what is their access to capital like. The COVID 19, new normal is virus infection rates in a state, region and company site all matter and the chart above that outlines how individual states are surviving against the virus impact business survival and return to work decisions. Finally, companies should look to the shape of market recovery by integrating a data driven public health policy with private sector economic activation, determining if there is the availability of rapid testing technology for health care providers and companies and a strong system in place for contact tracing of the infected, and, most importantly, is there a re-establishment of consumer confidence.

GAINING AND KEEPING ECONOMIC DEVELOPMENT TAX INCENTIVES

COVID 19 may help or hurt a company's prospects for growth in 2020. Companies gaining in business should focus on negotiating economic development incentives to address regional cost of doing business factors as well as to keep a competitive edge. Companies harmed by COVID 19 will need to renegotiate existing economic development incentives to adjust to new near-term realities while preserving existing tax incentive agreements that can support future growth. As the table below illustrates, there will be winners and losers among different industry groups from COVID 19.

Post-COVID 19 Industry Winners	Post-COVID 19 Industry Losers
• Data Centers • Domestic Supply Chain • Reshoring Projects • Logistics & E-Commerce • Medical Products	• Traditional brick & mortar retail • Airlines • Events • Hospitality

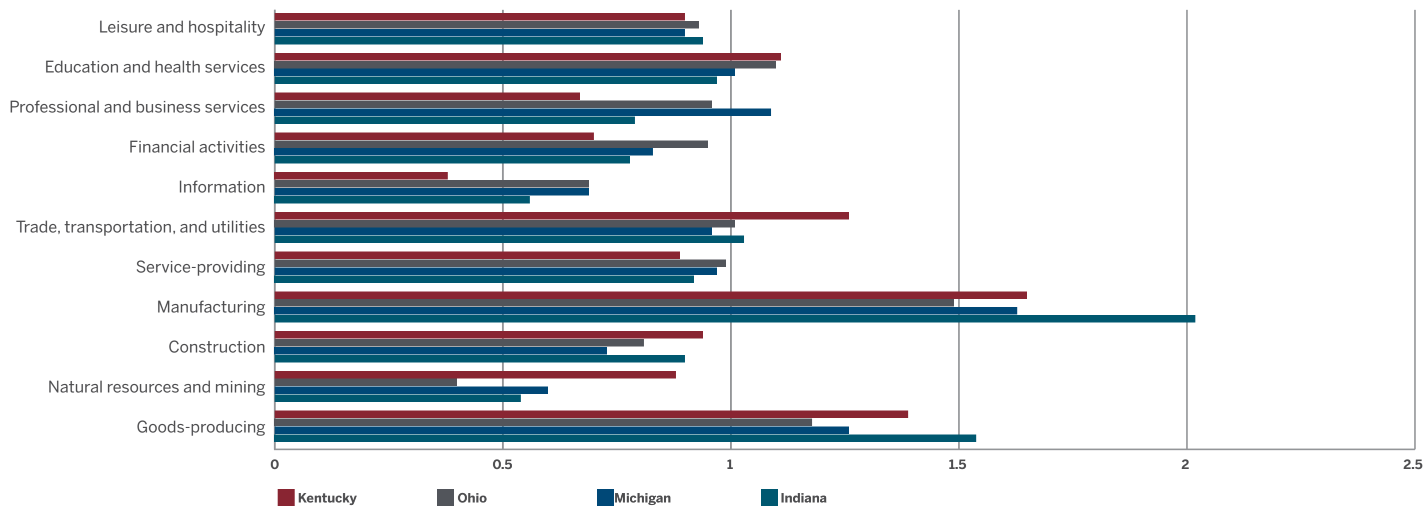
No matter whether a company wins or loses due to COVID 19, economic development incentives need to be addressed. Princeton Economics estimates that state and local governments invest about $30 B dollars in economic development incentives annually.[1] According to the Council of State Taxation, businesses paid more than $781 B in state and local taxes in FY18, an increase of 6.1% from FY17.[2] Thus, while economic development incentives at times catch media headlines they still constitute a very small percentage of the tax revenues state and local governments captures for companies.

Economic development incentives are generated through a multi-state economic development incentive negotiating process where different markets and incentives are compared against it each and a site is ultimately chosen. Companies negotiating a multi-state economic development incentive package must answer several questions in the affirmative about regions under consideration:

- Is the regional economy growing?
- Do companies in common industries exist in the region?
- Are there available and affordable skilled workers in the region?
- Does the cost of doing business in a region?
- What economic development incentives can address regional cost of doing business factors?

Key economic measures of states illustrate the size, scale, diversity, and scope of regional economies that make some states more attractive than others to companies considering a corporate site location. How markets compare with GDP growth rates is an important measure as is the growth in Personal Income both of which indicate the region is in a state of economic growth or decline. Most importantly, measures of how COVID 19 infections are progressing in a region impact economic investment decisions by companies. Companies will also be attracted to regions with a common group of industries. A location quotient is an indicator of the economic concentration of a certain industry in a state, region, county, or city compared to a base economy, such as a state or nation with an LQ greater than 1 indicates a concentration of that industry in the area and indicates an industry that is export oriented that feeds the retail trade and food services sectors. The table below illustrates industry strengths in the Midwest based upon a location quotient analysis.

State Location Quotient Comparison



Source: US Bureau of Labor Statistics

Reviewing demographic data is another important data point for companies considering an economic expansion. Regions with an increasing population base and a group of younger workers illustrate growing communities. Homeownership rates and home value illustrate stability in a community but also whether it is affordable to buy a home in a community. The percentage of citizens over 25 with a college degree illustrates the likelihood the region can attract high-wage financial services, insurance, health care, high-tech, professional service, and other advanced services white collar jobs. Finally, measures of income and poverty rates illustrate the overall economic strength of the community. Utilizing a demographic benchmark comparison, the Midwest illustrates weak population growth, lower college graduation rates, higher poverty rates, but lower home values and income rates which illustrates a more affordable cost of doing business for companies considering an economic expansion.

State Demographic Benchmark State Comparison

People	Indiana	Michigan	Kentucky	Ohio	U.S.
Population Gains 2010-16	2.3%	0.4%	2.2%	0.7%	4.7%
Persons over 65	14.6	15.8	15.5	15.9	14.9
Homeownership Rate	69.0	71.0	66.8	66.3	63.9
Median Home Value	$124,200	$122,400	$126,100	$129,900	$178,600
Bachelor's degree	24.1%	26.9%	22.7%	26.1%	29.8%
Median Household Income	$49,255	$49,576	$44,811	$49,429	$53,889
Poverty Rate	14.5%	15.8%	18.5%	14.8%	13.5%

Source: U.S. Census Bureau

With the retirement of the Baby Boom generation and the invasion of the Millennial generation, companies considering an economic expansion need to consider whether the region connected to their customer has available skilled workers. Nearly every region analyzed confirms that skilled workers in growing industries are very challenging to come by. Advanced training for high-wage jobs is a basic requirement. Thus, measuring the success of a region's effort to retain and attract workers in specific occupations is critical.

The quality of a region's infrastructure and transportation system impacts the successful operation of a company in a region. Measures of infrastructure and transportation include a review of major highways, transit and airport systems that impact the ability to do business. Regional traffic congestion is one way to measure the availability of the infrastructure necessary to keep up with the existing and planned growth. Traffic congestion and the availability of mass transit impact the location of economic development projects within regions. Companies considering fast growing, large regions like Phoenix, Houston or Dallas-Fort Worth or established mega cities like New York, Chicago or Los Angeles need to consider where their workers will live as traffic congestion dictates where they will work. Direct flight access is also an important infrastructure measure for companies considering growth opportunities in a community.

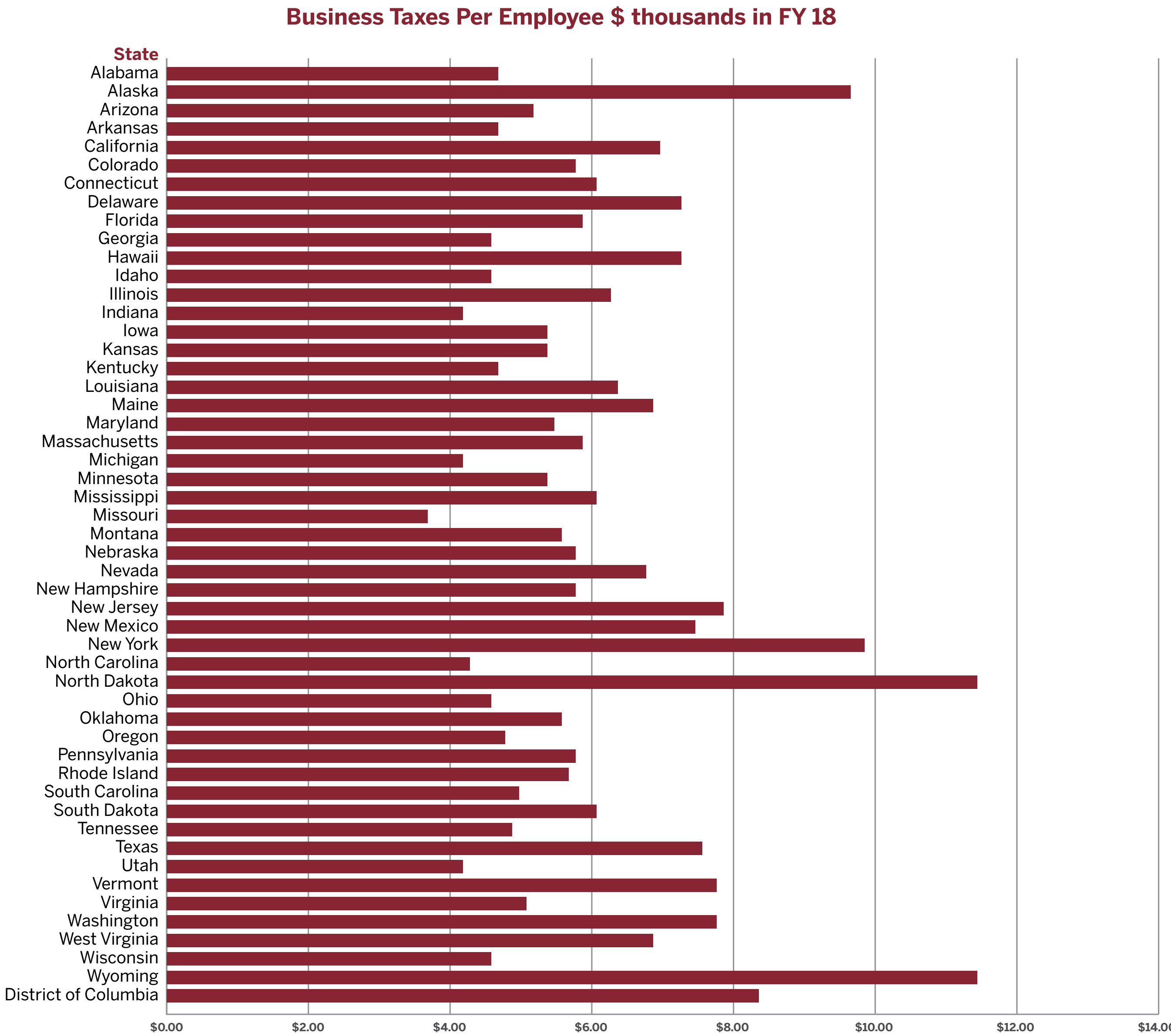
The cost of a community impacts the attractiveness of that market for economic activity. Community cost metrics start with the largest cost for most companies—worker wages, but also include utilities, facility rent or construction, infrastructure and home and living costs for workers. Employee wage rates for a given industry have a substantial impact on the cost of doing business in a given market. A comparison listed in the chart below illustrates how worker wage rates are compared for regions under consideration for a tax incentive project in need of information technology workers.

Regional Benchmarking IT Worker Wages

Occupation code	Tampa	Indianapolis	Louisville	Detroit	Raleigh	Columbus
Computer and Mathematical Occupations	$76,910	$77,600	$73,130	$82,950	$89,210	$88,700
Computer Systems Analysts	$80,660	$85,510		$86,370	$92,620	$92,040
Information Security Analysts	$83,740	$81,280	$84,360	$94,920	$105,770	$87,950
Computer Programmers	$79,660	$78,390	$75,170	$73,790	$88,260	$73,910
Software Developers, Applications	$91,650	$87,600	$80,740	$94,820	$98,680	$105,930
Software Developers, Systems Software	$95,170	$84,280	$89,590	$89,180	$107,450	$102,550
Web Developers	$64,870	$61,880	$67,590	$69,360	$75,850	$64,170
Database Administrators	$87,200	$79,500	$81,040	$89,730	$95,530	$89,370
Network and Computer Systems Administrators	$78,790	$79,380	$72,150	$83,200	$91,730	$79,190
Computer Network Architects	$88,080	$90,180	$84,800	$107,660	$106,250	$101,000
Computer User Support Specialists	$50,250	$49,320	$45,730	$52,810	$57,220	$50,450
Computer Network Support Specialists	$64,950	$65,090	$56,570	$60,010	$74,160	$71,040
Computer Occupations, All Other	$83,040	$81,090	$87,540	$80,020	$81,380	$85,260
Actuaries	$114,790	$103,750		$108,880		$97,630
Mathematicians				$83,270		
Operations Research Analysts	$71,380	$69,260	$76,480	$87,940	$75,360	$84,460
Statisticians	$83,840	$67,990	$83,810	$89,170	$112,750	$91,660

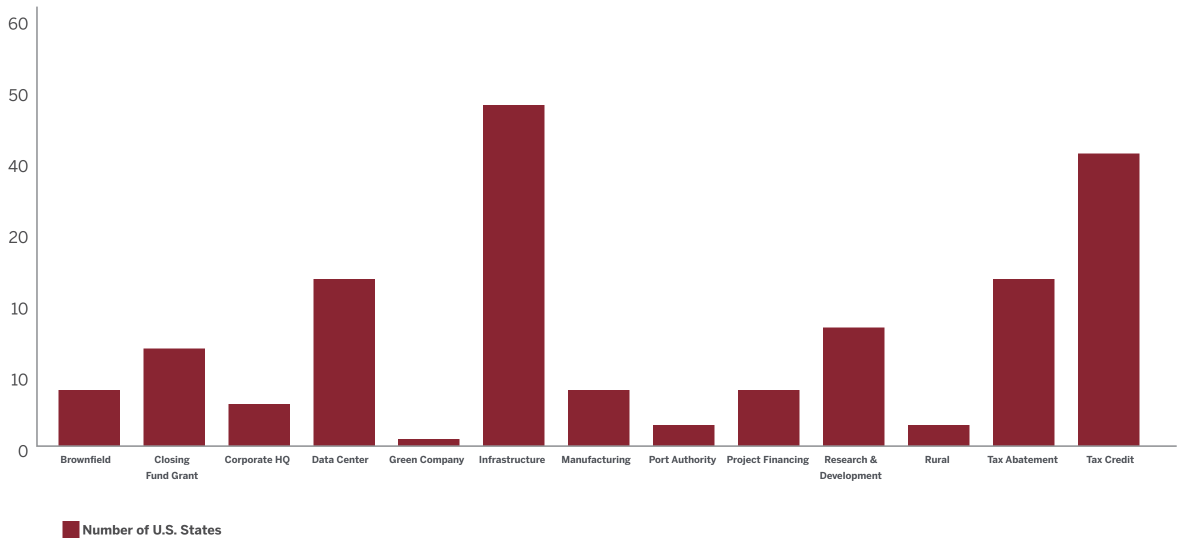
Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics

Taxes by the state and local government are a critical component of measuring the cost of doing business in a region. The chart below outlines a fifty-state comparison of the business burden carried from state and local taxes on a per employee basis as measured by the Council of State Taxation from FY 2018 data. However, the specific taxes a company will pay at a site is the most important analysis that a supply chain partner needs to understand as that is a critical cost of doing business the local and state government can directly impact through tax incentives.



Defining the economic prospects, workforce capabilities and cost of doing business in multiple regions is the first step for companies considering an economic expansion. To address regional cost of doing business factors, all fifty states offer some form of economic development incentives. As the chart below outlines, infrastructure incentives are provided by all the states in the union except New Jersey where tax incentives have become a challenging political topic. State economic development tax credits follow closely behind infrastructure program as the second most popular tax incentive program in the nation with efforts to attract data centers and using general tax abatements tying for third.

Local and State Economic Development Incentive Programs



Tax credits are tools private developers, investors and individual companies use to reduce tax burdens in exchange for economic growth. Tax credits may be either refundable or non refundable. A refundable tax credit, a moderate form of negative income tax, can reduce the tax owed below zero and result in a net payment to the taxpayer beyond its own payment into the tax system. A non refundable tax credit cannot reduce the tax owed below 0; thus, taxpayers do not receive a refund exceeding their payments into the tax system. Most state economic development tax credits are triggered by high-wage, non-retail job creation and some level of capital investment. These tax credits in most cases are competitively awarded as there is a limited amount of state government funding available to support them. Thus, higher job growth, higher wage and larger capital investments from companies attractive for investment are given priority for these tax credits.

To attract new businesses and encourage the expansion of existing businesses, state and local governments also may offer tax abatements as an economic development incentive. Tax abatements temporarily decrease the amount of taxes a business owes. While this tax incentive has a general effect on property taxes, the means employed by state and local governments to achieve this effect varies from program to program.[3] Enterprise Zones are the most common tax abatement program. These programs offer real and personal tax incentives to businesses that expand or locate within designated "Enterprise Zones." First, the locality must designate an area as an Enterprise Zone. Enterprise Zone designation is based upon an areas poverty and unemployment rate. However, state law may not limit which municipality may use the Enterprise Zone program; thus, Enterprise Zones are as prevalent in wealthy suburban communities as they are in the poor, inner city neighborhoods. This goes against the original intent of the Enterprise Zone program. Once designated, businesses that wish to build or expand in Enterprise Zones can apply for the program's abatement. Generally, the tax incentive permits the local government to offer a full or partial exemption of the real or personal property values attributable to the new development.

States offer outright grants for companies in exchange for the retention and creation of an agreed upon number of jobs and capital investment. A recent trend is the use of "closing funds" as the dominant form of economic development incentives. States moved to streamline their economic development incentives and focus on the creation of a large fund that makes cash awards to companies through major corporate site location projects. Low or no interest government sponsored loans or other project financing programs are an attractive alternative to bank or other private sector financing for a planned economic development expansion. Companies with growth potential face new challenges to gain the financing needed to move to the next level and eight states offer some form of a project financing program to attract economic development as outlined below. Port authorities are governmental agencies with few of the restrictions placed on governments. Ports do not need a body of water or an airport to operate. Port authorities operate across the United States and provide services akin to a public bank providing a range of public finance tools critical to economic development projects. Three states have tax incentives designed to support the operation of local port authorities that include Alabama, Georgia and Virginia. Arkansas, Ohio and Wyoming also authorize port authorities to provide what is a sales tax exemption for the construction material in economic development projects that can produce substantial economic development savings.

Along with corporate headquarters, manufacturing jobs with their high-wages and long supply chain that can provide a multiplier effect for the jobs have long been sought by economic development leaders across the nation. While nearly every general state tax credit can be used for manufacturing firms, eight states as listed below also have tax credits designed specifically for manufacturing firm. Research and development and technology related jobs are another major focus for economic development leaders. Technology based Economic Development initiatives are attractive because they create high wage "multiplier" jobs with companies in the growth mode for the Information Age economy. Research and development, particularly focused on the recruitment of corporate research and development centers, is an economic development prize and seventeen states, as listed at www.montrosegroupllc.com, offer economic development incentives focused on gaining research and development centers. Many of these state programs are focused on the retention and attraction of major corporate research and development centers.

A couple states have specific tax incentives focused on the recruitment of technology companies. The Florida Capital Investment Tax Credit (CITC) is designed to attract and grow capital-intensive industries in Florida such as silicon technology and solar panel manufacturing. The Massachusetts' Life Sciences Tax Incentive Program is designed to expand life-sciences-related employment opportunities, promote health-related innovations, and stimulate research and development, commercialization, and manufacturing in the life-sciences sector in Massachusetts. Eligible companies must do business in the State, employ at least ten permanent FTEs, commit to hiring at least ten additional employees over four years, and file a State tax return. Data Centers are another prime economic development opportunity. 24 states offer tax incentives to recruit data centers. Most state data center tax credit programs provide tax exemptions for equipment purchases tied to the data center development—often sales and use tax exemptions. Brownfields offer another special economic development opportunity. 450,000 Brownfields exist in the United States.[4] The redevelopment of Brownfield sites create economic development opportunities and promote the concept of building within the existing regional footprint without sprawling further out. Brownfields are waiting for redevelopment and many are in highly sought-after locations surrounded by infrastructure and customers and eight states offer Brownfield tax incentive programs to support their redevelopment.

Not all companies will leave 2020 with job gains anticipate when the year started. Companies with existing economic development incentive agreements in place need to make sure they are going to be able to comply with their existing tax incentive agreements. Companies may be under the false impression that tax incentives are free money… they are not. The award of tax incentives always requires the company receiving this public benefit to enter into an agreement with the local or state government or private sector economic development corporation making the award. Most economic development agreements will require the company to make specific job and capital investment commitments. From a public policy standpoint, the award of government subsidies through an economic development tax incentive is generally regarded as a trade for jobs and capital investment. That trade is committed to legally by the company and the local and state government through economic development agreements.

THERE IS NO SUCH THING AS FREE MONEY WITH TAX INCENTIVES

Black Swan events like COVID 19 are a major disruption to job creation and capital investment plans even for successful companies. COVID 19 will disrupt the job creation and capital investment plans that companies have committed to in a binding local and/or state economic development incentive agreement. However, well-crafted economic development incentive agreements may have a way to address a COVID 19 based disruption to a company's job creation and capital investment without harming the company even further.

Many economic development agreements contain a "Market Conditions and Other Factors" provision that gives the government or economic development organization partner the ability to keep the incentive agreement in place if the company does not meet its economic development commitments due to factors outside of their control. "Market Condition" clauses have their roots in the common law legal concept known as Force Majeure. Force Majeure gives the ability of parties to a contract to be excused from their obligations when certain circumstances arise beyond the party's control making performance inadvisable, commercially impracticable, illegal, or impossible. Force Majeure is triggered through a contract provision that list the extreme events such as epidemics or pandemics, along with war, terrorist attacks, "acts of God," famine, strikes, and fire in the list of events excusing overall performance or delay in performance.

Economic development incentive agreements may give the local and state economic development officials the ability to relieve the company impacted by dramatic events outside of their control from the job creation and capital investment commitments. This flexibility is critical as many economic development incentive agreements permit local and state governments to "claw back" tax incentives previously awarded or terminate the tax incentive agreement even though the company may well pick up economic production following the dramatic event. Local and state government officials deciding whether to avoid tax incentive penalties for a company under a Market Condition or Force Majeure clause may ask a couple key questions:

- Does the company believe it will survive the event and recover following the event?
- Is there another company to implement the economic commitments of the company; and
- What is the impact of any federal, state, or local regulatory requirements imposed on company or their project?

COVID 19 will drive many successful companies to appear unsuccessful in 2020 and those companies need to renegotiate existing economic development incentives to survive the year.

AUTOMATION

COVID 19 should dramatically push companies wishing to survive to automate whatever process they can. Automation is the technique of making an apparatus, a process, or a system operate automatically and can further be defined as the creation and application of technology to monitor and control the production and delivery of products and services.[5] Recent economic analysis of automation is often tied to "machine learning" or Artificial Intelligence and machine robotics. Artificial intelligence is the study and design of intelligent agents where an intelligent agent is a system that perceives its environment and takes actions which maximizes its chances of success.[6] Artificial intelligence involves a machine mimicking "cognitive" functions that humans associate with other human minds, such as problem solving. Artificial Intelligence has been defined in a number of ways, including: systems that think like humans (e.g., cognitive architectures and neural networks); systems that act like humans (e.g., pass the Turing test via natural language processing; knowledge representation, automated reasoning, and learning); systems that think rationally (e.g., logic solvers, inference, and optimization); and systems that act rationally (e.g., intelligent software agents and embodied robots that achieve goals via perception, planning, reasoning, learning, communicating, decision-making, and acting).[7]

Robots and the field of robotics are often tied to the automation of the manufacturing industry and its production process. A robot is defined as a machine capable of moving independently (as by walking or rolling on wheels) and performing complex actions (such as grasping and moving objects) that could be capable of independent thought but is primarily focused on repetitive tasks like work on an assembly line.[8] The use of robots is growing across the world. In 2013, there were an estimated 1.2 million robots in use and this number grew to 1.5 million in 2014 and is projected to increase to about 1.9 million in 2017.[9] Japan has the largest number with 306,700, followed by North America (237,400), China (182,300), South Korea (175,600), and Germany (175,200).[10] Overall, robotics is expected to rise from a $15 B industry sector now to $67 B by 2025.[11]

The impact of robots on manufacturing may pale in comparison to how 3-D or Additive Printing impacts what used to be the heart of the American economy. 3-D Printing is a way for software to send design plans to specialty printers and have those devices make exact copies of those goods or products.[12] The ability to print highly durable material impacts product manufacturing and delivery and dramatically reduce the cost and workers required for assembling products in a manufacturing setting.

Automation is having a major impact on retail. The growth in e-commerce matched by the evolution of robot technology are making major changes in the retail industry. The retail industry employs roughly 16 M Americans and nearly half of these retail workers are at risk of losing their jobs to robots and other automation technology.[13] Retail Cashier will suffer the most job losses from this industry that covers one in ten American workers. As an example, Wendy's recently purchased a 1000 kiosks that are replacing workers taking and processing food orders in their restaurants and the pay-off for this investment is only expected to take three years.

The financial services industry will also see major changes spurred on by automation and the advances of Artificial Intelligence. McKinsey estimates the 25% of the current jobs in the American insurance market will be gone in 10 years.[14] Insurance positions in operations and administrative support are especially likely to be consolidated or replaced but jobs in information technology and operations will see declines as well in the insurance industry.[15] However, new positions will be created as the insurance industry goes digital from a customer service standpoint and also benefits from the use of Artificial Intelligence for repetitive back-office jobs now performed by humans.[16] The impact of automation on the insurance industry illustrates that "white collar" as well as "blue collar" jobs are at risk.

Similar predictions of job losses and productivity increases are seen in the banking industry with the growth of digital banking and spread of 400,000 ATMs across the United States.[17] The banking industry is leading the way in automation of back office functions. As an example, JPMorgan Chase created a Contract Intelligence platform to analyze legal documents and extract important data points and clauses to replace the manual review of 12,000 annual commercial credit agreements normally requiring an estimated 360,000 hours now done in seconds.[18] Wells Fargo created a virtual assistance launched through a Facebook application to assist customers with resetting account user names and passwords.[19] Bank of America has seen their mobile banking customer base gain from 12 M in 2012 to 22 M in 2016 and they created a mobile banking virtual assistant, named Erica, to assist mobile banking customers with a range of operational and financial needs.[20]

Health care, a growing sector of the American economy, will of course be impacted by automation. McKinsey estimates that about 36 % of the health care industry has the technical potential for automation but only 30% of a registered nurse's daily activities could be automated, compared with 13 percent of a dental hygienist's daily activities.[21] Not all the industry news related to automation is bad for workers and customers. Health care is a prime example. Walter Reed Medical Center is using Artificial Intelligence to better predict medical complications and improve treatment of severe combat wounds, leading to better patient outcomes, faster healing, and lower costs.[22] Data analytics tools are predicting complications to enable preventive treatment to reduce hospital-acquired infections at Johns Hopkins University.[23] The current transition to electronic health records, predictive analysis of health data may play a key role across many health domains like precision medicine and cancer research.[24]

Artificial Intelligence is expected to dramatically transform the transportation industry. Smart Traffic management applications are reducing wait times, energy use, and emissions by as much as 25 % in some places.[25] Smart Traffic systems help cities leverage the type of responsive dispatching and routing used by ride-hailing services, and linking it with scheduling and tracking software for public transportation to provide just-in-time access to public transportation that can often be faster, cheaper and, in many cases, more accessible to the public.[26] AT&T's network serves as the fiber backbone for the operation of Smart City applications across the U.S. where communities build a sensor network often located on utility poles or streetlights that monitor and provide public service, traffic, safety and utility monitoring services.

Again, COVID 19 is going to speed up the automation trend already underway. The industrial marketing firm Thomas reports in a survey of more than 1,000 North American manufacturing and industrial suppliers to determine how they have been affected by the global pandemic as well as trends in the space that will continue to shape the industrial sector post-pandemic.[27] The survey finding shows that one in four U.S. manufacturers are considering expanding industrial automation due to COVID-19, and an additional 20% report they already have systems in place.[28]

Accenture's Industry X.0 subsidiary offers interesting insight into how companies can launch a digital initiative that brings the world of automation together with connected devices. The Industry X.0 approach brings to companies connected products with product and service design and development, including hardware and embedded software, guided by Agile experts. Next, they utilize digital engineering to develop customer-centric, data-driven engineering and product lifecycle management, powered by digital twin technology. Finally, they look to digital operations with shop floor-to-top floor integration with MES, MOM, connected worker, 3D printing and AI-powered production.

SUPPLY CHAIN STRATEGIES

COVID 19 has illustrated the challenges created by a global supply chain for thousands of American companies. A supply chain is a network between a company and its suppliers to produce and distribute a specific product to the final buyer.[29] This network includes different activities, people, entities, information, and resources.[30] The supply chain also represents the steps it takes to get the product or service from its original state to the customer.[31] Companies develop supply chains so they can reduce their costs and remain competitive in the business landscape.[32]

Supply chain management is the key to many companies' economic success. As noted by the graphic below, an Accenture survey of companies found major disruption of the supply chain created by COVID 19 that is generating negative economic results from companies that in many cases were not forced to close due to government regulation.

COVID 19 Supply Chain Opportunities

- **Accenture survey found**
  - 94% of Fortune 1000 companies are seeing supply chain disruptions from COVID-19
  - 75% of companies have had negative or strongly negative impacts on their businesses
  - 55% of companies plan to downgrade their growth outlooks (or have already done so)

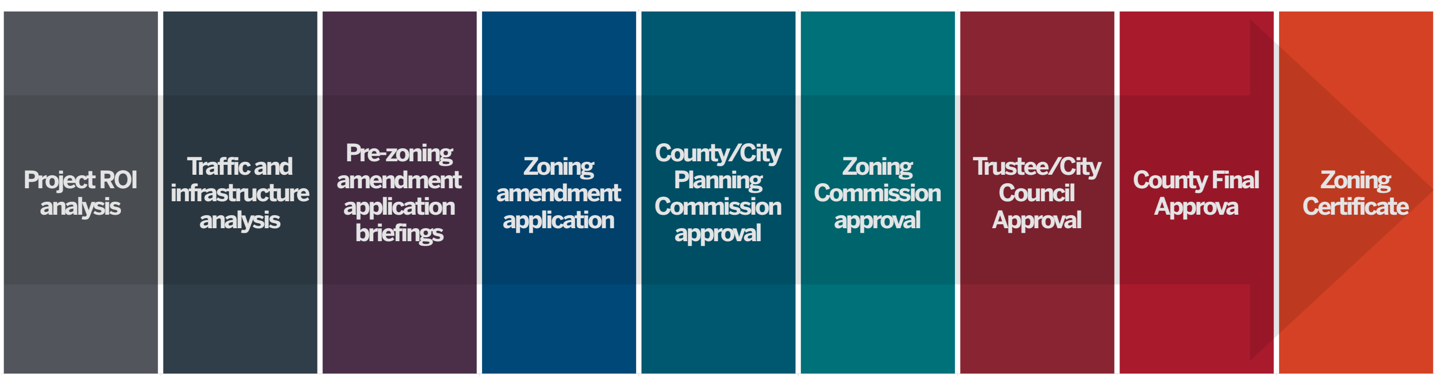
Again, the survey by Thomas of over 1000 North American manufacturers found that 64% of manufacturers report they are likely to bring manufacturing production and sourcing back to North America — a 10% increase from the same sentiment reported in the March 2020 survey.[33]

Companies with a supply chain impacted by COVID 19 should focus on contracting their supply chain closer to U.S. domestic facilities to address these short term and long-term economic challenges. Companies considering a supply chain location contraction near domestic U.S. sites need to educate their supply chain on the regional site development process and opportunity for economic development incentives as many of these facilities will be new investments. The decision to move the supply chain closer to domestic production facilities needs to make financial sense and utilizing an effective site development process can make that happen. The site development process for a company's supply chain partner involves measuring the region's potential for economic growth, availability of skilled workers and cost of doing business, negotiating the land purchase/lease process, developing a project pro-forma, negotiating the land use land use entitlements such as zoning, and negotiations of tax incentives. The first step in the site development process is to understand the region's potential for economic growth, availability of a skilled workforce and the costs of doing business as compared to other regions and states of equal business value. Measures of economic growth will center on a comparison of GDP growth, personal income, COVID 19 infections, demographic measures such as population growth, poverty rates, median home values and other measures that define the equity of a region for a wide range of potential workers. Cost of doing business measures should also be created to better understand the wages key workers will require, the costs of real estate, taxes, utilities and other major cost factors for competing regions.

Supply Chain Site Development Process

Once the region survives the economic, workforce and cost of doing business comparison, a company's supply chain partner needs to move to negotiate local real estate options. If the company wishes to purchase a site, before they gain control of the site, the company needs to complete due diligence on the site such as confirming the zoning, determining if environmental contamination exists, if the title of the land is marketable, and if the project has tax incentives.[34] Prior to final land purchase, the potential buyer needs to gain all the necessary governmental approvals such as zoning, tax incentives, and Brownfield remediation protection. With buying, building or renting, a company considering a site for an economic development project needs a pro forma to determine whether the project makes or loses money and what economic development incentives can address potential project costs to make the site more attractive for investment. The pro forma is based upon both expenses and revenues. The development cost budget addresses the expenses of the project and includes all the costs directly related to a project. Hard costs are those expenses directly incurred in connection with the construction of the building, tenant space and other site improvements. They include the contractor, legal, engineer, appraiser, insurer and developer and commercial realtor fees and the cost of all labor and materials provided to the project. Financing and utility charges, impact fees, marketing and operating costs are also included. A contingency reserve is needed to cover any unexpected costs incurred during the development process.

Zoning Process



No company can locate at a site without local government permission through the land use regulation process. Local government manages design, growth and development typically through a comprehensive plan that can serve as a legally binding document that sets the overall goals, objectives and policies to guide the local legislative body's decision making in regarding to the development of a region or community. Zoning is a key component of the basic system of land use regulation. Unincorporated land and rural communities operate with less zoning authorwity. Thus, these communities have few powers to regulate land use through the zoning process. Traditional zoning divides land within a jurisdiction into districts, or zones, with varying restrictions on uses that may be established and conducted in the different zones and standards (such as size and location of buildings, yard areas and intensity) such uses must meet. Zoning regulations provide for orderly growth, generally in furtherance of comprehensive plans, limit the interaction of incompatible uses, and protect the public health, safety, and welfare.

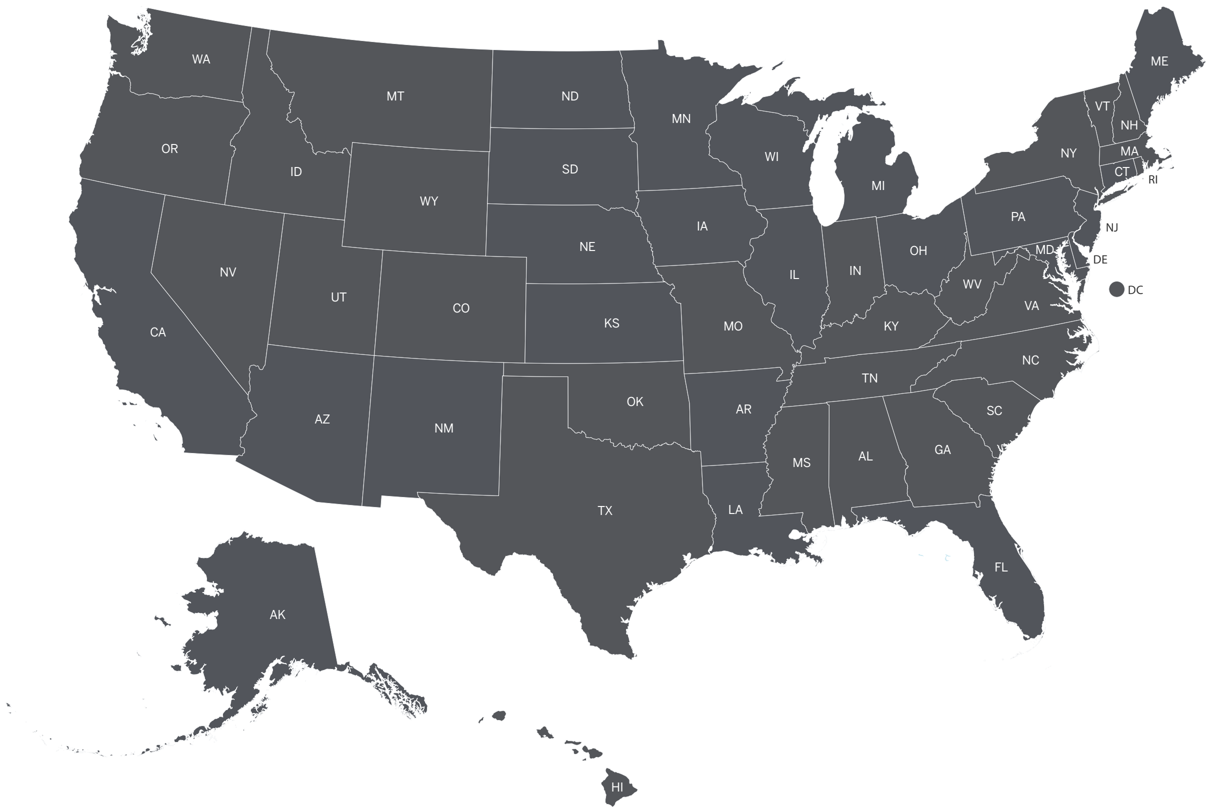
Working in conjunction with the negotiations of local and state incentives and land use regulations, supply chain partner projects may also involve the negotiations of local, state and federal financing to prepare a site for development. Federal funding can be a source of financing for public infrastructure associated with economic development projects creating jobs and making capital investments. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, provides the Economic Development Administration (EDA) with $1.5 B for economic development assistance programs that help communities prevent, prepare for, and respond to the impacts of coronavirus. EDA has determined that all communities throughout the United States are eligible for CARES Act funding, the EDA created an approximate tenfold increase in the funding ceiling for EAA awards, taking the ceiling up to a maximum of $30 M for projects, but public works infrastructure funding from the EDA will still likely require a company end user to gain funding.

TIF Example

Step	Description	Value
Base Value	Market value of real property prior to TIF	$1,000,000
New Value	New market value after TIF and investment	$11,000,000
Growth in Market Value	Base Value minus New Value	$10,000,000
Assessed Value	35% of new market value	$3,500,000
Annual Tax Increment/PILOT	Assessed value times tax rate on an annual basis	$262,500

Local and state governments are the central provider of site development infrastructure used by the companies during a corporate site location project. Forty-nine states with New Jersey being the lone holdout offer infrastructure finance programs implemented at the local or state level tied to economic development projects. Tax Increment Financing (TIF) is the prime local public finance program that can support site-based infrastructure development. While TIF program rules vary by state, they all primarily operate to capture future property tax gains created by a capital investment in a defined district. That increment or growth in the property tax is captured over a period of time and the funding is spent on legislatively defined uses. In most states, that defined TIF funding use is limited to public infrastructure within a statutorily defined district. Some states permit the TIF funding to used for more than public infrastructure, and Illinois offers an interesting example of such as program. Illinois Tax Increment Financing captures future property tax growth in a defined district for the redevelopment of substandard, obsolete, or vacant buildings, financing general public infrastructure improvements, including streets, sewer, water in declining areas, cleaning up polluted areas, administration of a TIF redevelopment project, property acquisition, rehabilitation or renovation of existing public or private buildings, construction of public works or improvements, job training, relocation, financing costs, including interest assistance, studies, surveys and plans, marketing sites within the TIF, professional services, such as architectural, engineering, legal and financial planning, and demolition and site preparation.

Other economic development incentives such as the tax credits, tax abatements, grants or loans discussed earlier are prime opportunities for a company's supply chain considering an economic investment in the United States.



Visit the Montrose Group 50 State Economic Development Incentives Guide at www.montrosegroupllc.com

As the map above that links to the Montrose Group Economic Development Incentive Guide indicates, well over 600 local and state economic development incentive programs operate in all fifty states. Most of these programs are triggered by high-wage job creation and capital investment and are competitively awarded through a multi-state corporate site location process. These programs offer tax credits, tax abatements, grants and loans to generally non-retail companies considering the state for an economic retention, expansion or attraction project.

CONCLUSION

COVID 19 is a temporary condition from a public health and economic standpoint. Companies that take a smart and aggressive approach to surviving COVID 19 are likely to come out of this unprecedented health crisis stronger and prepared for greater success the long-term. Business must recognize the long-term economic trends that COVID 19 is accelerating. The automation of business processes in manufacturing, logistics, health care, and professional services to drive down employee head count are likely to increase dramatically. The growth of e-commerce as the means of consumer retail purchasing will grow even faster causing a continued explosion of distribution and fulfillment centers driving the industrial real estate market. Industries such as Personal Protective Equipment, pharmaceuticals, food processing and other "essential" products and services are likely to be driven away from global locations and shifted to domestic production in the United States. All these outside factors impact business survival in the Age of COVID 19. These economic trends could create or threaten business opportunities, drive up or down real estate costs or create new sites for redevelopment that were once thriving shopping malls. America will survive COVID 19. The question is will your business be one of the survivors or not?

ENDNOTES

[1] https://economics.princeton.edu/2020/01/06/new-data-on-state-and-local-business-tax-incentives-across-the-u-s/
[2] https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-studies-articles-reports/fy18-state-and-local-business-tax-burden-study.pdf
[3] Ian Pulsipher, *Evaluating Enterprise Zones*, (Washington, D.C., National Conference of State Legislatures, Feb. 26, 2008) retrieved from http://www.ncsl.org/programs/econ/evalentzones.htm.
[4] https://archive.epa.gov/pesticides/region4/landrevitalization/web/html/brownfieldsites.html
[5] https://www.isa.org/about-isa/what-is-automation/
[6] https://www.sciencedaily.com/terms/artificial_intelligence.htm
[7] Stuart Russell and Peter Norvig, Artificial Intelligence: A Modern Approach (3rd Edition) (Essex, England: Pearson, 2009).
[8] https://www.merriam-webster.com/dictionary/robot
[9] Alison Sander and Meldon Wolfgang. "The Rise of Robotics." The Boston Consulting Group, August 27, 2014. https://www.bcgperspectives.com/content/articles/business_unit_strategy_innovation_rise_of_robotics/.
[10] RBC Global Asset Management, "Global Megatrends: Automation in Emerging Markets," 2014.
[11] Sander and Wolfgang.
[12] https://www.brookings.edu/wp-content/uploads/2016/06/robotwork.pdf
[13] "Retail Automation: Stranded Workers? Opportunities and risks for labor and automation," Capestone Capital Group, May 18, 2017.
[15] https://www.mckinsey.com/industries/financial-services/our-insights/automating-the-insurance-industry
[16] Ibid.
[17] Ibid.
[18] https://www2.deloitte.com/us/en/pages/financial-services/articles/automation-in-the-banking-industry.html
[19] https://www.techemergence.com/ai-in-banking-analysis/
[20] Ibid.
[21] Ibid.
[22] https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/where-machines-could-replace-humans-and-where-they-cant-yet
[23] https://obamawhitehouse.archives.gov/sites/default/files/whitehouse_files/microsites/ostp/NSTC/preparing_for_the_future_of_ai.pdf
[24] Ibid.
[25] Ibid.
[26] Ibid.
[27] Ibid.
[28] https://www.coatingsworld.com/contents/view_market-research/2020-05-11/one-in-four-us-manufacturers-considering-automating-due-to-covid-19-thomas-survey/
[29] Ibid.
[30] https://www.investopedia.com/terms/s/supplychain.asp
[31] Ibid.
[32] Ibid.
[33] Ibid.
[34] Ibid.
[35] The Ten Steps to Real Estate Purchase discussion comes in large part from Ohio State University Law Professor Rick Daley's class material developed for his real estate development class.