The Montrose Group, LLC

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MONTROSE GROUP

2020 CORPORATE SITE LOCATION GUIDE

October 2020

Dear Friend

Montrose Group's 2020 Corporate Site Location Guide brings together the firm's 65 years of collective experience negotiating over $1 B in economic development incentives and land use entitlements, infrastructure finance and tax incentives for industrial, office and mixed use sites and provides up to date research on well over 300 state and local economic development incentives. We hope you enjoy our Montrose Group 2020 Corporate Site Location Guide as it provides a detailed discussion to three critical issues facing private sector companies when considering where facilities should grow, expand or locate, including:

- Land use issues such as zoning;
- Site development and infrastructure development; and
- Tax incentives.

Land use issues such as zoning are how private property rights are protected protects property rights through regulating what uses are permitted at specific sites as well as facilitates economic development through the inclusion of land into municipal jurisdiction for service delivery and takes land for slum clearance, infrastructure and, very briefly, economic development. Traditional Euclidian Zoning where uses are separated is the standard American approach to land use matters and this approach shapes the zoning process throughout the fifty states. Site development—preparing parcels of land for improvements to transform the site into its highest and best use is accomplished primarily through the use of private and public resources to build roads, water, sewer, power and other infrastructure need to prepare a site for new economic investments. All fifty states operate public finance and other programs to prepare sites for development. Tax incentives are the "icing" in the economic development law cake as, again, all fifty states and many of their local governments as well as the federal government offer a wide range of economic development incentives designed to reward high-wage job creation and capital investment. Finally, in the age of COVID 19, business must first learn to survive the current health pandemic even before they can use the tools of economic development law to growth their business.

Montrose Group, LLC provides economic development consulting services with a multi-disciplinary team of economic development professionals. Montrose Group, LLC hopes you enjoy the Montrose Group 2020 Corporate Site Location Guide. Please note the Montrose Group 2020 Corporate Site Location Guide should not be considered the provision of legal advice and those reading the guide should seek qualified counsel if they have specific issues or questions on an economic development or other matter as the Montrose Group, LLC is not a law firm.

Sincerely,

David J. Robinson

MONTROSE GROUP, LLC ECONOMIC DEVELOPMENT LAW GUIDE IN THE AGE OF COVID 19

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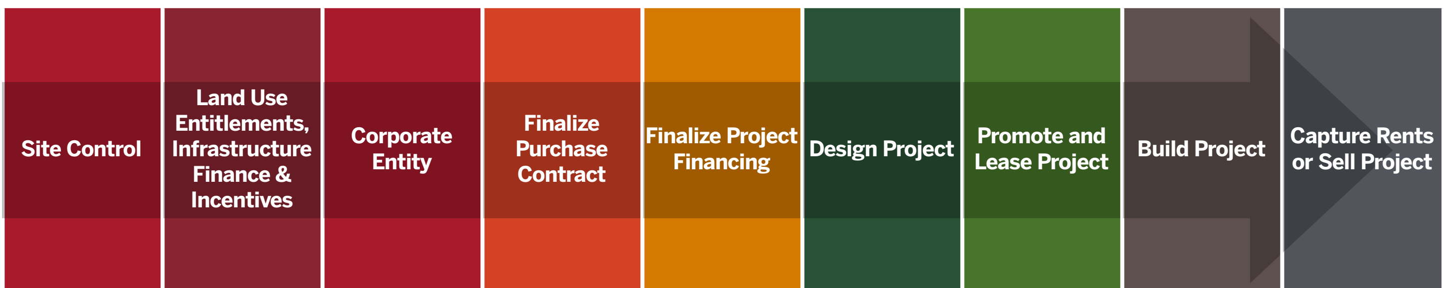
LAND USE- ZONING

No company can locate at a site with access to public infrastructure without local government permission through the land use regulation process.

Real Estate Development Process. The first step in the real estate development process is that a potential buyer gains control of the site and completes 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.[1] 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. Next, a corporate entity is formed to develop, own, and operate the property to address tax issues, limit personal liability for the developer, empower the developer to control the entity, provide a method for receiving outside equity if needed, and create an easy exit outcome for the developer. A purchase contract is then signed to memorialize the land purchase and addresses due diligence, marketability of the land title, and governmental approvals. The real estate purchase contract acts as a validation of all representations and warranties made in the contract by the seller/landowner. Developers then must finalize financing for construction debt from a commercial bank or some other financial institution.

Real Estate Development Process



The developer works on a project design, which is attractive to the targeted customer, both aesthetically and functionally, that can be built "on budget" and "on time" by professional architecture and construction firms. Beyond design, the financial success of a project is directly tied to three lease negotiation objectives. The project is leased at rents consistent with or better than the project's initial financial projections, and the lease-up of the project should occur within the timeframe set forth in the business plan. Finally, the project is leased on business and legal terms consistent with the expectations of institutional investors who ultimately invest either debt or equity into the project. Once the project is fully leased and cash is flowing, the developer can sell the project or retain full or partial ownership to gain from lease rents. Projects then are operated to maximize and stabilize the project's annual positive cash flow and enhance the long-term residual value of the project by keeping the project full of paying tenants and holding down project costs. A project's sale must be timed to maximize profit by picking the optimal time and is generally the last stage of a real estate development project.

Role of Planning and Design. 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 regarding the development of a region or community. A comprehensive plan serves not only a resource for public policy makers but also as a guide for private sector developers looking to make strategic investments at specific locations for specific purposes. Also, comprehensive plans are optional or mandatory, use text and maps, and identify problems and issues. Comprehensive plans involve research to flesh out the details of problems and issues, formulate broad goals of the city for the land in question, and identify implementation methods to achieve those goals for the geography in question. Finally, comprehensive plans create a system of evaluation of the goals and methods to determine success and provide for the ability to amend the plan.[2]

The "rational process" for developing a comprehensive plan operates on five general principles. The planning should be future-oriented by focusing on the use of future land and the local government decisions regarding zoning and capital infrastructure investments.[3] The planning process is continuous in that it is a living and breathing document that serves as a guide but evolves over time so as to not become obsolete under changing public and private sector conditions.[4] The planning is based upon a determination of the present and projected conditions with the area being planned and does not constitute a list of "dreamed of" major civic projects.[5] Finally, the planning must be fair and involve an open process for community and private sector participation and must be comprehensive and not just cover individual issues such as sanitary conditions but take a broader view of the future of the city.[6]

Municipal or county planning commissions help guide growth and development and set the framework for zoning regulation. These local government organizations could be elected or appointed officials and their focus is the development of studies, maps and plans that recommend planned uses for land based upon the physical, environmental, social, economic, and governmental characteristics, functions, services, and other aspects" of their geographic area.[7] Planning commissions are also responsible for initial review of new zoning ordinances or amendments to existing zoning ordinances.[8]

Zoning and Economic Development. State Constitutions often permit local government zoning ordinances and their state statutes outline the process by which local zoning will be implemented. As an example, Article XVIII, Section 3 of the Ohio Constitution, known as the home-rule amendment, allows municipalities to adopt a home-rule charter. This charter is the functional equivalent of a constitution and establishes in broad strokes how the municipality will be organized and how it will exercise its powers of self-governance, including planning and zoning regulation.[9] Municipalities that have such charters are not required to follow the Revised Code with respect to enacting, amending, or administering zoning ordinances. Instead, they follow the procedures set out in their charter.[10] When there is no charter or ordinance or a city's charter is silent on zoning regulation, however, the city must follow the specifics of the law as established by Ohio Revised Code Chapter 713.[11] Counties may also be permitted to regulate zoning in unicorporated areas typically known as townships. As an example, Ohio Revised Code Section 303 authorizes counties to enact zoning legislation and townships get their authority from Chapter 519.[12]

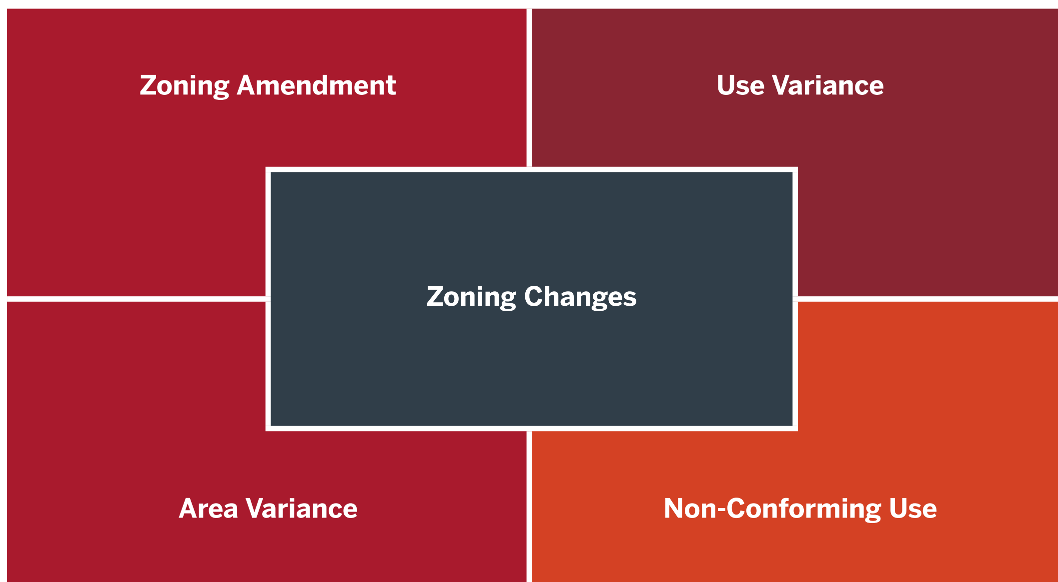
Ohio law permits townships to create zones of land uses, and regulate, consistent with their comprehensive plan, the location, height, bulk, number of stories, size of buildings and other structures, including tents, cabins, and trailer coaches, percentages of lot areas that may be occupied, set back building lines, sizes of yards, courts, and other open spaces, density of population, uses of buildings and other structures, including tents, cabins, and trailer coaches, uses of land for trade, industry, residence, recreation, or other purposes in the unincorporated territory of the county, and landscaping and architectural standards (excluding exterior building materials in the unincorporated territory of the county.[13]

Traditional Zoning. Zoning is a key component of the basic system of land use regulation. Unincorporated land and rural communities operate with less zoning authority. 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. The constitutionality of zoning regulation, as an exercise of the police power, is established by the Supreme Court in *Euclid v. Ambler Realty Corp.*[14] As a direct result of Euclid, most zoning in America creates housing subdivisions characterized by auto-dependent design and segregated land uses, resulting in massive suburban development. This conventional zoning creates neighborhoods with five key components:

- Housing subdivisions;
- Shopping centers, composed of single-use retail buildings, usually a single story with exclusive parking areas;
- Office/business parks, also single use and served by exclusive parking areas;
- Civic institutions, such as churches, schools, and libraries, generally large and separated from other uses and served by exclusive parking areas; and
- Roadways connecting these separated land uses and designed exclusively for the use of automobiles.[15]

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. The local legislative body may divide the municipality into districts of such number, shape, and area as may be best and within such districts it may regulate and restrict the erection, construction, alteration, repair or use of buildings, structures or land.[16]

Zoning Change. Economic development projects that need to change the zoning at their site can achieve that zoning change through the use of a zoning amendment, use variance, area variance or non-conforming use.



A zoning amendment is the rezoning of a parcel (s) from one zoning category to another that better permits the intended use of the land. As an example, a site that is currently zoned to permit agriculture will need to be rezoned to a manufacturing or logistics category to permit that site to be transformed into an industrial park. Many regions have created special zoning categories for industrial parks that contain a full package of zoning mandates consistent with the land use, building heights, roadway access and other issues relevant to special industries such as logistics. As an example,

Changes to the use of property can also be achieved through the variance process. A use variance is a request to deviate from current zoning requirements, and it permits the owner to use the land in a manner not otherwise permitted by the zoning ordinance.[17] Area variances are also permitted the depart from the zoning code for size and setback requirements. This type of variance is held to a lesser standard, and property owners seeking an area variance must only prove the zoning ordinance creates "practical difficulties" for the burdened parcel.[18] A variance is a specific waiver form the zoning ordinance, and standards for awarding a variance focus on whether the property owner can demonstrate that existing zoning regulations present a practical difficulty in making use of the property.[19] The process for awarding a variance is similar to that of gaining a zoning amendment. A zoning variance application must be filed and notice is provided to adjacent property owners.[20] Public hearings by a city planning or development commission or a township zoning commission prior to the final decision by the city council or township trustees are held with recommendations provided by the planning or zoning commission and the final decision resting with the city council or township trustee.[21]

A nonconforming use is a permitted use of property which would otherwise be in violation of the current zoning ordinance.[22] The use is permitted or "grandfathered in" because the landowner was using the land or building for that use before the zoning ordinance became effective. the property almost always needs to have been continuously put to the non-conforming use to gain the permit.[23] Finally, conditional use permits allow an otherwise non-permitted use of the property that the zoning code does not include.[24] Conditional use permits are usually granted at a public hearing before a political body, usually with the conclusion that the new use of the property will be in the public interest.[25]

Many successful zoning change applications start with an aggressive preapplication approach that begins with meeting the local government zoning staff and impacted community. Early completion of traffic and engineering studies pay big dividends later. Next, those seeking zoning changes obtain written service commitments for public sewer and water services, engineering approval of the legal description, and outline of the economic model and time constraint for the project. The project may then be prepared to file a zoning application. The zoning application includes a statement of compliance to the comprehensive plan applicable to the area, detailed legal descriptions of all subareas, site plans, elevations, and construction materials palette. Project drawings illustrate how the proposed development "fits in." Also, the zoning applicants provide certification of financial capability to execute the project if approved and a vicinity map showing names of neighbors.

Notice is then provided to all persons mandated by the zoning ordinance/resolution, mailed to the tax mailing or street addresses, through publication in a newspaper of general circulation or posting a sign(s) on the property. Once the zoning application is received by the zoning official, the staff reviews for accuracy and completeness and hearing is held before a regional planning commission. A written recommendation to the jurisdictions planning commission is then created, and ultimately a vote is taken on the zoning by the city council or township trustees. However, in many jurisdictions the citizens still retain the right to place a referendum on the ballot to overturn the zoning action by city council.

The zoning process in Kansas City, Missouri illustrates how the rezoning process works at the ground level.

- The Kansas City Council, upon the recommendation of the City Plan Commission, is authorized to change the zoning of any property within the city as long as the action is justified by public necessity, convenience or the general welfare;

- Request Pre-Application Conference- property owners are able to request a pre-application conference to brief the staff and gain insights on the rezoning process such as documents needed for public hearings, availability of land use plans relevant to the site with a City Planning and Development Department staff planner and are encourage to bring the address of the property in question, the property's legal description, a sketch of the area or a plat map, and the tentative plans for using or developing the land;

- Submit Application, Plans and Filing Fee- property owners are then required to submit the completed application forms to the City Planning and Development Department, along with eight copies of your preliminary plans (if required), other information suggested during the conference, and to pay a filing fee governed by the type of rezoning you request.

- Await Planner Review- a City Planning and Development staff planners will review your materials to make sure all necessary items have been furnished, schedule your case on the next available agenda before the City Plan Commission and six weeks will pass between submission of your application and the date of the City Plan Commission public hearing to permit the publishing of required legal advertisements, time to prepare and mail notices of the hearing to adjacent property owners withing 300 feet of the site and do other administrative work; and because of the limited number of cases the City Plan Commission can hear at one time;

- Public Hearing- City Planning and Development staff planners will hold a meeting at the City Plan Commission with affected residents to review your project prior to the public hearing, property owners or their representative must be present at the Plan Commission public hearing to present and explain your request, and the property owners will have an opportunity to present maps, graphs or other materials that will help explain the proposal, adjacent property owners and other interested persons also will be allowed to speak at this hearing, and following the hearing, the Plan Commission will make a recommendation to the City Council either to approve your request; approve it subject to certain conditions; or to deny it, and the property owner will be advised by letter of the commission's decision;

- City Council Planning, Zoning, and Economic Development Committee Hearing- if the City Plan Commission recommends approval of your rezoning request, the City Planning and Development staff will prepare an ordinance and forward it to the City Council, within about two weeks, the ordinance will be given a first reading before the City Council and will be referred to the council's Planning, Zoning and Economic Development Committee, about one or two weeks will pass before the committee holds a public hearing on the ordinance, and the property owner or their representative must attend, and should bring any material that would help explain their request;

- Await Committee Approval/Denial and Subsequent City Council Hearing if Approved- after hearing all sides, the City Council Planning, Zoning and Economic Development Committee will make one of the following recommendations to the full City Council: "do pass," "do not pass," "without recommendation," or "hold in committee," if the committee recommends that the ordinance be passed, the measure will be given a second and third reading on consecutive weeks and the council will vote on it at the third reading, if the City Council approves your rezoning request, or approves it with conditions, the ordinance to rezone your property becomes effective 10 days later, if at any time during the process of seeking a rezoning your request is denied by either the City Plan Commission, the City Council or the council's Planning, Zoning and Economic Development Committee, you have three options: revise the application and resubmit it at any time to the City Planning and Development Department, resubmit the same plans for the same property to the City Planning and Development Department one year later, or ask a City Council member to reintroduce the denied application;

- Submit Final Plan (if request includes Master Plan Development or Urban Redevelopment Plan)- if the property owners rezoning request included a Master Plan Development (MPD) or an Urban Redevelopment Plan (UR) they will then need to submit a final plan for administrative review, a step that must be taken before a building permit can be issued, to do this, the property owner is required to submit a completed

application form, filing fee and eight copies of your plans to the City Planning and Development Department staff, this plan must be in substantial compliance with the intent of the approved preliminary plan, an MPD plan will be scheduled in approximately three weeks for the Development Review Committee (DRC), the DRC will review the plan and will either approve, approve with conditions, deny or continue the project for additional information, the property owner or their representative must be present at the DRC meeting; a UR plan will be reviewed by the planner within approximately three weeks. during the three-week interval various city departments will review and comment on the plans; and

- Construction Permit- the City Planning and Development staff will then send copies of the approved, plans to Development Services, 5th floor, City Hall, for use in issuing a construction permit, property owner must have such a permit if the project involves any new structures or any work that physically changes structures already on the property.[26]

Challenging a Zoning Decision. Zoning is a democratic process. Even though local government officials vote to award a zoning change to site and followed all the required regulations in the process of making that change, the voters can challenge zoning amendments. Judicial review of the local government zoning decision will require the trial court to weigh the evidence in the record and whatever additional evidence is admitted pursuant to state law to determine whether a preponderance of the reliable, probative, and substantial evidence exists to support the agency's decision.[27]

No-Zoning Model. Houston, Texas is one of the few large urban cities that do not operate a traditional zoning system. Founded in the 1836, Houston moved from being a small oil town to the fourth largest city in the United States and a global energy and health-care hub. Houston is also the only major city in America that lacks a traditional zoning code. Houston does have its own land use master plan. Its master plan goes back to the early 1900s and also regularly intervenes in local land use issues by assisting with land assembly and infrastructure as most cities do. Houston also makes some efforts to regulate land use without the adoption of a formal zoning code. The Houston City Code (Chapter 42) divides the city up into two zones, urban and suburban.[28] The urban zone within the Loop 610 corridor allows for higher-density developments with smaller lot sizes and narrower streets.[29] Houston also regulates minimum lot sizes, parking requirements, setbacks, street widths, block sizes, building lines, and prevailing size requirements of the surrounding neighborhood.[30] In addition, Houston has homeowners associations that use a range of deed restrictions that manage land use through private agreements.[39] Houston has over 80 "super neighborhoods" where residents, civic groups, and businesses work together to identify a land use plan and set neighborhood priorities.[31]

INFRASTRUCTURE AND PUBLIC FINANCE

The provision of infrastructure is the most traditional public subsidy provided by local and state governments to incentivize economic development. Infrastructure is the roads, water, sewer, rail, power, and telecommunications services needed to operate any use of a property.

Infrastructure as an Economic Development Tool. Public and private sector organizations focus on developing infrastructure funding for specific economic development projects. Government provides infrastructure for economic development projects either through their direct resources or through public finance tools that pay for infrastructure over a period of time. Direct payment for the development of infrastructure uses state and local government funding from a state department of transportation and local government capital budgets. Public finance uses government guarantees and tax-exempt financing to fund public infrastructure, primarily as an incentive for private sector development.

SUPPLY CHAIN AND SITE DEVELOPMENT STRATEGIES IN THE AGE OF COVID 19

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.[32] This network includes different activities, people, entities, information, and resources.[33] The supply chain also represents the steps it takes to get the product or service from its original state to the customer.[34] Companies develop supply chains so they can reduce their costs and remain competitive in the business landscape.[35] 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

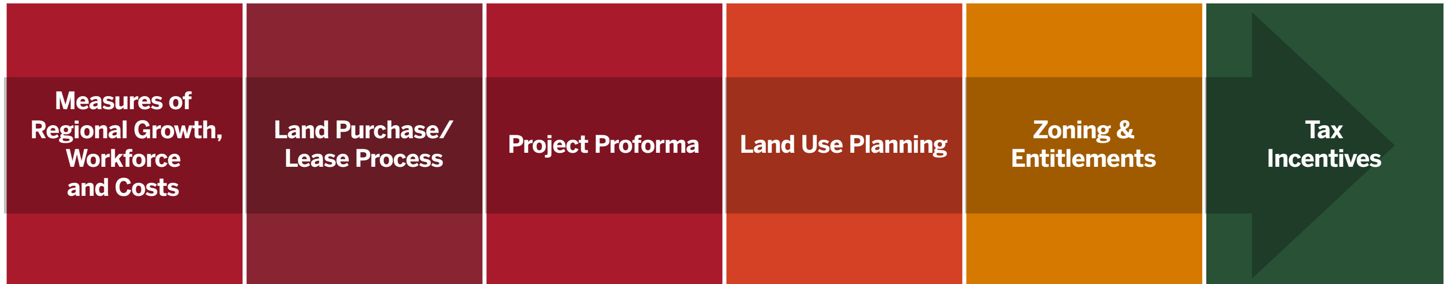
- **Accenture survey found**
  - 94% of Fortune 1000 companies are seeing supply chain disruptions from COVID-19
  - 75% of companies have had negative or strongly negative impacts on their businesses
  - 55% of companies plan to downgrade their growth outlooks (or have already done so)

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.[36]

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.

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.

State & Local Infrastructure Finance Programs. The prime sources for financing site development infrastructure finance needs are a wide array of local and state government programs that operate in all fifty states of the union.

Transportation Improvement Districts. TID is a mechanism to raise revenue for repair of roads, highways, and bridges within a defined geographic area.[37] Districts are governed by a commission whose job is to oversee financing, construction, maintenance, and repair of highways and roads. To complete these tasks, districts must capture funding, which they do by imposing taxes, tolls, or other fees.[38] Revenue raised from these taxes or fees is returned to the city or county's transportation improvement fund.[39] Although the US Department of Transportation has acknowledged these entities, no specific regulation or provision directly addresses them.[40] Therefore, the formation and regulation of TIDs occurs on the state and local government levels. In fact, at least two states (Ohio and Virginia) have legislation governing TIDs.

OHIO TID

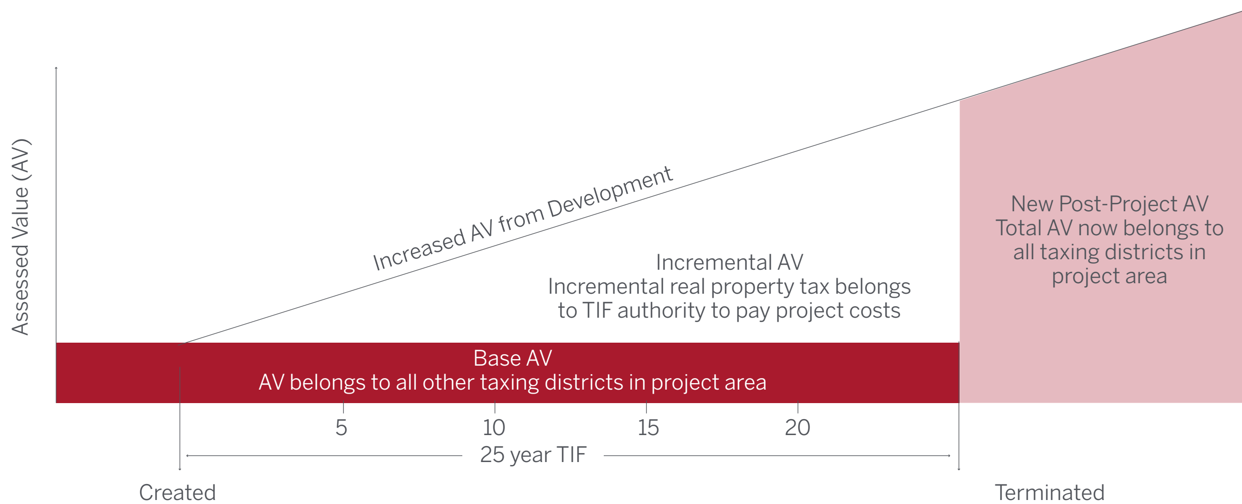
In Ohio, TIDs are created by a board of county commissioners. The TID board consists of members appointed by the board of county commissioners, legislative authority of the most and second most populous municipal corporations in the district, the board of township trustees, the county engineer, and the legislative authority of any township or municipal corporation that cannot otherwise appoint a member and is within the geographic area covered by the district.[41] Each district is charged with financing, construction, maintenance, and repair of road and highway projects.[42] Ohio TIDs raise revenue for projects by levying special assessments and issuing bonds if it finds that the resulting improvement is beneficial to the general public.[43] If levying assessments, the district cannot exceed 10 percent of the assessable value of the lot or parcel of the land being assessed, and all proceeds raised by the TIDs shall be applied to road or highway projects.[44]

Tax Increment Financing. TIF is the most popular tool for local governments to finance public improvements within their districts or areas. TIFs started in California in the 1950s, and today, the District of Columbia and all of the states, other than Arizona, have adopted some form of TIF program.[45] Local government pays for public improvements and infrastructure by capturing the future tax increments from the project's area under a TIF.[46] The local government issues bonds to finance the project, and the bonds are paid for later through the increase in taxable property value the improved area receives.[47] This increase in taxable property value is the "tax increment," and it goes directly toward repaying the debt incurred by the local government on the issued bonds.[48] TIF does not require an increase in taxes or a new tax levy; thus, it is a politically favorable option. However, TIF is criticized for being a tool that pushes low-income residents out of neighborhoods or for financing questionable "public infrastructure," particularly when private businesses receive the direct benefits of the infrastructure.[49] Despite this criticism, the use of TIFs by local governments and states is increasing, and the infrastructure it is being used to finance is broadening in range.

TIFs must provide an assured level of tax gains to provide the funding needed for the infrastructure planned. The crux of a TIF is the actual financing mechanism itself. Once a TIF project or district is approved, the local government can start collecting certain taxes from the project area. Generally, property taxes are the type collected, but a few states allow for other taxes, like sales taxes, to be included in the collection.[50] The taxes are then placed in a special fund, which reimburses the principal and the interest of the issued bonds.[51] Once the value of the property increases, the gain in the taxable value goes to the local government to repay the debt incurred by the issued bonds. Thus, if the process works as planned, the project is self-sustaining and provides a benefit to the community without any new or increased taxes.

A TIF is enacted by ordinance or declaration of the local governing body, but only after certain procedural requirements have been met.[52] Some states do not allow TIF for projects until the local government completes a lengthy and involved process.[53] Other states have minimal "hurdles," leaving the local government discretion and flexibility in using TIF for projects. Key elements of TIF statutes are establishment of authority, needs assessment, redevelopment planning, plan adoption, project finance, monitoring, and termination.[54] TIFs are used in primarily two different ways: to finance development projects or to finance development of an entire area.[55] Typically, the municipality or a committee creates a plan outlining the district or project that will use a TIF. The TIF plan explains the infrastructure and improvements planned, purposes for the infrastructure, and improvements and how other statutory requirements will be met.[56]

TIF ASSESSED VALUE (AV) OVER PROJECT LIFE



Source: National Association of Realtors

Most states require the local government to show that the proposed development area is "blighted" or somehow economically depressed.[57] The definition of blight varies between states, but typically a blighted area involves structures, land, and businesses that are in such a damaged or poor state that they damage or threaten the entire municipality or county.[58] Some states allow areas that are commercially or residentially deficient to benefit from TIF projects as well.[59] A few states allow almost any TIF projects that the local government deems beneficial to the public or to economic development.[60] Besides having to work toward certain purposes, a project plan must be financially and economically sound. For a project to be worth a government's efforts and costs, the local government must ensure a tax increment will result from the plan. Also, a project plan must show that the planned infrastructure and improvements are economically feasible and cost-effective. Many states require the local government to prove that the proposed development area will not naturally regenerate itself or that private development cannot improve the area alone without the government's aid.[61] All of these additional requirements restrict a local government's freedom in funding projects, but they are necessary defenses against abuse of TIF.

States require public input or review from other interested parties before TIF legislation may be enacted.[62] A local government notifies the public and holds a public hearing about proposed TIF projects.[63] At these hearings, any individual can state reasons for or against the project. While this ensures public involvement, very rarely is public approval needed for TIF. Instead, the hearings merely serve as a way for a community to express itself. Sometimes, the relevant school board or tax authority is also given a role in the TIF approval process. School districts can make recommendations to the municipality, and a small number of states do not allow a TIF ordinance to go forward without school board or tax authority permission.[64] Because a significant amount of taxes could be taken from these entities, some states give the entities a legitimate mechanism to approve or object to the plan.[65] As previously mentioned, TIFs are being used with greater frequency and for more purposes than it was originally established.

TIF bonds are permitted to fund project costs and "public infrastructure." What constitutes a public infrastructure varies greatly from state to state. Public infrastructures is defined as improvements to land, streets, water lines, sewer facilities, buildings, bridges, highways, pedestrian walkways, storm drainage, traffic-related instruments, landscaping, schools, and parking structures.[66] More expansive jurisdictions allow for the funding of commercial, industrial, and residential structures.[67] Further, the use of eminent domain to acquire land is permitted in most TIF projects. As to project costs, they typically encompass all necessary and incidental costs of a development project such as the costs of issuing obligations, relocating displaced persons, organizational costs, and professional services fees.[68]

State Infrastructure Financing Programs. Nearly all the states in the union offer at least one infrastructure finance program to spur economic development investments.

STATE INFRASTRUCTURE FINANCING PROGRAMS

Alabama's Industrial Access Program funds non-retail projects creating new investment and jobs with a project that needs new access must be on public right-of-way, allow normal public use, and comply with state standards for usage of funds, the project must acquire a local sponsor responsible for the project, and funding may not exceed the estimate cost of the project.

Alabama's permits local jurisdictions to implement Tax Increment Financing in a defined geographic zone that captures the future growth of property taxes that are used to pay for the original improvements made to support subsequent development and other public infrastructure improvements.

Alaska Tax Increment Financing allows cities to use a portion of property taxes generated within the district to invest in the district's infrastructure, providing further incentive for private investment.

Arizona Water Infrastructure Finance Authority provides low-cost financing and incentives for water and wastewater infrastructure projects designed to ensure safe, reliable drinking water and property wastewater treatment and the Greater Arizona Development Authority lowers the cost of financing and accelerates project development for public facilities owned and operated by political subdivisions.

Arkansas Tax Increment Financing allows a city making public improvements in a defined geographic TIF zone to capture the future growth of property taxes in that zone for the development of public infrastructure tied to that site, and the length of a TIF may not exceed 25 years.

California Infrastructure State Revolving Fund Program provides financing to public agencies and non-profit corporations for a variety of infrastructure and economic development projects excluding for housing, is available in amounts ranging from $50,000 to $25 M with loan terms for a maximum of up to 30 years, provides funding to cities, counties, special districts, and nonprofit corporations for projects including city streets, drainage, water supply, port facilities, as well as industrial, utility, and commercial projects, offers cost-effective, below-market interest rates, online assistance, no competitive ranking of applications, and does not require matching funds (the loan may serve as a matching fund for other financings), and loans may cover costs for any part of construction, cost of machinery, working capital, rights of way.

California Tax Increment Financing allowing its local government jurisdictions to use increased property tax revenue to pay for needed improvements within a specified area, recent developments have discarded the old model, school districts can no longer agree to allocate its share of the property tax value to the TIF district as cities can only allocate their share, with three different tools that have taken the place of traditional TIF programming: Enhanced Infrastructure Financing District provides broad authority to local agencies to use TIF for projects involving infrastructure projects, Community Revitalization and Investment Authorities authorize TIF to be used in combination with powers of former redevelopment agencies to revitalize poorer neighborhoods, and Annexation Development Plan authorizes TIF-like programs to be used to improve roads, sewers or water infrastructures in conjunction with annexing a disadvantaged, unincorporated community.

Colorado Advanced Industries Collaborative Infrastructure Grant provides up to $500,000 in infrastructure funding for aerospace, advanced manufacturing, bioscience, electronics, energy, and information tech projects having a broad, industry-wide impact and should significantly impact one or more of these industries, collaborate with multiple industry partners, include matching funds of 2:1 (non-State funding to State funding), and originate or partner with a nonprofit, and the preferences are for well-defined projects with significant impacts on multiple industries, a focus on production or R&D, sustainability, and demonstration of the project's non-duplicative nature among other factors.

Colorado Tax Increment Financing districts are economic tools used to promote development by urban renewal authorities and downtown development authorities that allow cities to use a portion of the new property taxes generated within the district to invest in the district's infrastructure, providing further incentive for private investment for new and existing businesses for not longer than 25 years.

Connecticut's Urban Act Grant Program offers economically distressed communities grants for municipalities, nonprofits, and eligible for-profit entities to promote conservation, development, and improvement via transportation, housing, recreation, public safety, and wastewater projects.

Delaware's Transportation Infrastructure Investment Fund provides transportation infrastructure funding for a project with at least one public endorser, support expanded employment, and will be reimbursed for construction costs related to maintenance, extension, or enhancement of highways, roads, bridges, intermodal transit systems, and commercial ports/airports.

Delaware permits its municipalities to use Tax Increment Financing for residential, commercial, industrial, and mixed-use project types subject to prior approval by the City/County and local school board to specify an area within which additional property taxes above a certain threshold are applied to a fund dedicated to paying for local projects (water supplies, sewers, drainage, land acquisition, etc.) supporting economic development.

Florida's Job Growth Grant Fund funds infrastructure for up to $40 M for projects focusing on initiatives attracting businesses and creating jobs, and, while matching funds are not required, community investment is important and should be included in the proposal.

Florida Tax Increment Financing captures the future growth in value of real property in a district, those funds are deposited into a Community Redevelopment Act trust fund for use in redevelopment projects only within the CRA district, TIF may not last longer than 20 years, a CRA needs to focus on blighted areas up to 80% of a city, and funds can be used for publicly owned infrastructure, public parking structures, rehabilitation of existing buildings, affordable housing, and private site improvements, a feasibility study must be approved and the local entity must approve the TIF district before implementation.

Georgia's Transportation Infrastructure Bank provides grants and low-interest loans to provide financing for highly competitive transportation projects enhancing mobility while driving economic development in Georgia communities, eligible applicants include local, regional, and state government entities in Georgia including CID's, and projects must be fuel-tax eligible and costs may include preliminary engineering, right of way, and construction costs.

Georgia allows its local governments to form Tax Allocation Districts that captures increases in property tax revenues driven by new investment in the TAD to be allocated to pay for infrastructure costs or certain private development costs therein, primarily done via issuance of tax allocation district bonds, and approval must be obtained from all government tax authorities within the district.

Hawaii Tax Increment Financing allows cities to capture a portion of property tax growth generated within a locally designated district to invest in the district's infrastructure for retention or expansion projects.

Idaho Revenue Allocation Area allow cities to use a portion of property taxes increased generated within the district to invest in the district's public infrastructure, eligible costs include land acquisition, site preparation, construction of infrastructure, payment of principal and interest on tax increment bonds issued by the municipality, and other capital costs within the district, and property may be sold or leased by the authority within the urban renewal zone at its fair market value, permitted for business retention.

Idaho’s Community Development Block Grants that permits local cities with a population of 50,000 or less may receive up to $500,000 in grants to support public infrastructure improvements spurring business development; Rural Community Block Grants permits local cities with a population of 25,000 or less may receive up to $350,000 in grants to finance public infrastructure improvements supporting growth, and Gem Grants that permits local cities with a population of 10,000 or less may receive up to $50,000 in grants to finance public infrastructure improvements (communities must provide a minimum of 20% matching funds either cash or in-kind).

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

Indiana Tax Increment Financing permits townships, municipalities, and counties to finance infrastructure improvements within a dedicated zone, implemented by formation of a local redevelopment commission and passage of a resolution, a TIF pauses the taxable worth of real property within a specified area and

redirects tax payments over this amount (derived from increases in real property value) to a separate fund financing public improvements within the specified area.

Iowa's Revitalize Iowa's Sound Economy Program (RISE) allows counties and incorporated cities to apply for funding related to infrastructure improvements promoting economic development, limited to industrial, manufacturing, warehousing, and professional office developments (with some exceptions), and the program targets value-adding activities which feed revenue into local economies maximizing construction and improvement of roads and streets.

Iowa Tax Increment Financing freezes the tax base for properties located within a specified zone, property taxes levied against the frozen base continue to provide revenue to local tax authorities, property taxes levied against any increased property values within the zone are redirected to the taxing authority created by the TIF financing improvements in the zone until the TIF ends.

Kansas Tax Increment Financing uses the increases in real estate tax revenues and local sales tax revenues to retire the bonds sold to finance eligible redevelopment project costs or to reimburse the developer on a pay-as-you-go basis, focuses on non-retail projects, monies raised through TIF may be used for eligible redevelopment project costs approved by cities such as for site preparation, infrastructure, parking, and land acquisition within the TIF district.

Kentucky KIA Loan Program is a financial assistance mechanism encourage the development of basic infrastructure needs in Kentucky communities for basic water, sewer, solid waste facilities, and other infrastructure needs necessary for economic growth, two revolving loan funds A & F as well as Fund B and C with each fund dedicated for a different purpose, has a different interest rate, term of years, and amount of available funding.

Kentucky Tax Increment Financing earmarks future property tax gains resulting from the development for public infrastructure in a defined district, local government enacts the program and are subject to a maximum term of 20 or 30 years.

Louisiana Tax Increment Financing permit local governments to use future tax revenues to pay for public infrastructure at a defined site until the debt is exhausted.

Maine's Public Infrastructure Grant Program provides gap-financing for local infrastructure projects as part of a community development strategy leading to future investment, eligible activities include construction, acquisition, reconstruction, installation, and other public projects which have acquired a cash match of at least 25 % (other non-CDBG grants) of the total, possible grant award.

Maine Tax Increment Financing permits municipalities, plantations, and unorganized areas to leverage new values in property Taxes within a defined zone to pay for public/private projects for a period up to 30 years and property tax revenues above a threshold are redirected to pay for the TIF-designated projects.

Maryland's Advantage Maryland or the Maryland Economic Development Assistance Authority and Fund is a flexible, broad-based program utilizing a combination of fund grants, loans, and other investment initiatives to support economic development initiatives including infrastructure support, projects must be within priority funding areas and eligible industry sectors to qualify and a local sponsor may be required, major economic development projects may be eligible for up to $10 M in loan funding, municipalities may receive up to $5 M in loans or $2 M in loans and grants to support expanding businesses.

Massachusetts' MassWorks Infrastructure Program provides grants for public infrastructure projects, projects should support and accelerate housing production, private development, and create jobs throughout the Commonwealth, proceeding in rounds, the program places emphasis on the production of multi-family housing in walkable, mixed-use districts resulting in immediate job creation and development within weak and distressed areas.

Michigan Tax Increment Financing permits municipalities to capture future property tax to finance public infrastructure in a municipally designated TIF district creating a base value of property within the zone, taxable value above this base value is redirected to pay for infrastructure improvements and can be used for water resource improvement, job creation, commercial corridors, historic preservation, and many other qualified projects.

Minnesota's Greater Minnesota Public Infrastructure Grant Program provides grants to cities or counties outside the seven-county metro area for projects including wastewater collection, streets, and utility extensions, local match required of at least 50 % of project capital costs, applicants will be awarded 50% of eligible costs not exceeding $2 M in two years for one or more projects.

Mississippi Community Development Block Grant -- Economic Development Program is a federally funded program providing funding for public infrastructure, company must partner with a locality and commit to making a capital investment and create jobs (51 % of which must be available to low- and moderate-income individuals), typical industries eligible may include manufacturers, warehouses, and R&D facilities among others, and infrastructure funded includes drainage systems, water, sewer, roads, bridges, and other public buildings.

Mississippi Tax Increment Financing permits local governments to use future tax revenues to pay for current public infrastructure in a defined district.

Mississippi Development Infrastructure Program provides grants to municipalities and counties to finance public infrastructure projects promoting economic growth, usage of funds must be directly related to the construction, renovation, and expansion of industry and local governments must apply for DIP funding based upon the needs of a project, eligible industries include manufacturers, distributors, telecom processing centers, corporate headquarters, and R&D facilities, DIP funds may be used to construct, renovate, and expand publicly owned infrastructure such as roads, bridges, water, sewer, and land improvements.

Mississippi Capital Improvement Revolving Loan Program provides loans to municipalities and counties financing public infrastructure improvements to assist with business location and expansion projects with a maximum CAP loan term of 20 years, the interest rate for tax-exempt activities is 2%, and 3% for taxable activities, and the typical projects may include fire protection, land improvements, brownfield remediation, access road creation, drainage improvements, and many others affecting manufacturing, warehousing, distributing, and other businesses

Missouri State Supplemental Tax Increment Financing facilitates the redevelopment of blighted areas by providing essential public infrastructure financing, redevelopment project must be in an area designated as blighted, located in an enterprise zone, empowerment zone, urban core area, or CBD, contain at least one building of 50 years of age or older, and the area must have experienced general decline in property taxes over the last 20 years, municipalities may apply for the program when local TIF financing leaves a gap for a redevelopment project, underlying local TIF must dedicate at least 50% of the amount of the new, local sales tax revenue and 100% of the amount of new real property tax revenue created by the project while the state TIF is sought, an applicant may be approved to receive up to 50% of the net new sales tax revenue generated in the area or up to 50% of the increase in state income tax revenue but not both, state TIF may be awarded for up to 15 years and may be used for public works improvements.

Missouri Local Tax Increment Financing permits a portion of local property and sales taxes to assist in funding the redevelopment of certain designated areas within a community in districts that are classified as blighted, conservation, or economic development, pays professional service studies, land surveys, land acquisition, demolition, rehabilitation, and building infrastructure such as streets, sewers, parking, lighting, and relocation of business occupants, assumes that property and/or local sales taxes will increase in the designated area after redevelopment and a portion of the increase in collected taxes, up to 23 years, may be allocated to help pay project costs.

Missouri Infrastructure Development Opportunities Commission Program authorizes the Missouri Development Finance Board to provide local political subdivisions, including public sewer and water districts, with long-term, 3% interest rate loans, loan dollar amounts are between $25,000 and $150,000 and are intended to help rural communities and districts therein struggling to finance infrastructure projects, and loans are offered to partially fund infrastructure improvements prioritizing water, sewer, and safety issues.

Montana Department of Natural Resources and Conservation administers a wide range of grants and loans to assist Montana cities and towns, conservation districts, and private landowners in managing natural resources at the local level, and the Department of Transportation offers grant and funding programs to help provide transportation to the rural, public.

Montana Tax Increment Financing districts allow cities to use a portion of property taxes generated within the district to invest in the district's infrastructure, providing further incentive for private investment, may be

used for land acquisition, demolition and removal, relocation, infrastructure, and other uses, when private investments within a TIF district lead to higher property values, the resulting increase in property tax revenue is reinvested within the district funding further improvements promoting private investment and job creation, and TIFs might also be used to retain businesses as well as to attract new entities.

Nebraska Economic Opportunity Program is a rapid response initiative directed by the Nebraska Department of Transportation to attract and sustain growth by making local grants for strategic transportation improvements creating business in the state, projects must show a clear need that the improvement will generate economic prosperity by create high-quality, private sector jobs paying above the median wage for the region, public entities are eligible to apply and must provide matching funds equal to at least 25% of the total transportation project cost, and a benefitting business must be identified to the Department of Transportation and provide credible evidence of development plans for the site served by the project.

Nebraska Tax Increment Financing permits the creation of TIF districts in blighted or near-blighted areas, freezes the property tax valuation for the life of the district, as value within the district increases with development, tax revenue collected above the frozen value is captured by the TIF-initiating district and allocated to paying for development projects within the TIF district, Nebraska does not base a TIF upon economic development projects but upon slum and blight.

Nebraska Site and Building Development Fund finances land and building acquisition, building construction, infrastructure development and improvements, and other approved costs, typical awards are expected to be between $250,000 and $500,000 in the form of grants or zero-interest loans, requires matching funds of at least an amount equal to 100% of the assistance provided, ultimate award varies upon capacity of the applicant and development team to complete the project and whether the project will locate a company to the site/building, the type of industry, and investment thresholds.

Nevada Division of Environmental Protection offers loan and grant programs to assist drinking water, wastewater, storm water, and nonpoint source water systems, and the Office of Science, Innovation, and Technology can offer grants on a case-by-case basis for broadband infrastructure development.

Nevada Tax Increment Financing allow cities to use a portion of property taxes generated within the district to invest in the district's infrastructure, providing further incentive for private investment, may be used for land acquisition, demolition and removal, relocation, infrastructure, and other uses, resulting increase in property tax revenue is reinvested within the district funding further improvements promoting private investment and job creation, and have a maximum duration of 45 years for Redevelopment Areas and 30 years for Tax Increment Finance Areas.

New Hampshire's Department of Environmental Services offers loans for clean drinking water and groundwater storage via its Revolving Fund Loan and may offer grants to local entities pursuing watershed assistance, water-quality planning, and other water-resource protections.

New Hampshire Tax Increment Financing captures the future growth of taxes in a defined zone for its public infrastructure needs based upon the approval of the local government.

New Mexico Tax Increment Financing districts allow cities to use a portion of property taxes generated within the district to invest in the district's infrastructure, providing further incentive for private investment to pay for land acquisition, demolition and removal, relocation, infrastructure, and other uses.

New York's Economic Transformation Program authorizes the Empire State Development Corporation to implement a $32 M program for the purposes of promoting economic development within specific communities, eligible applicants include businesses, municipalities, and other economic development organizations for projects involving site and infrastructure development, real estate acquisition, and construction-related planning and design, and preference will be given to projects involving development initiatives intended to create or retain jobs in a specified Economic Transformation Area.

North Carolina’s Department of Commerce Rural Division provides Economic Infrastructure Grants in designated counties based upon a tiered system with economically disadvantaged counties gaining more resources, a Utility Account cash-grant program providing incentives for projects locating in its most distressed counties, a Rail Industrial Access Incentive Program provides infrastructure grants associated with rail related projects, and the state uses its Community Development Block Grant Program to provide

funding directly to local municipal or county governments for projects spurring job creation and retention through infrastructure development.

North Carolina Project Development Financing allows local governments to borrow money to fund public improvements like transit stations, schools, and public parking within a designated area while attracting private investment, the debt incurred by the funding of the public improvement is both secured and repaid from additional property tax revenue over time considering an area's new development.

North Dakota Infrastructure Loan Fund is a loan program administered by the state-owned bank, provides loans to local, political subdivisions for repair, replacement, and new infrastructure projects, communities must first access other state or federal funding options, utilize BND loans as gap-funding when the full project cost cannot otherwise be met, and loan amounts may not exceed $15 M at a fixed interest rate of 2.00% for water, sewer, and transportation infrastructure.

Ohio Roadwork Development Grants (629) are reimbursable awards to local governments, port authorities, and companies to support business expansion and job-attraction via public infrastructure improvements, funds are available for projects involving manufacturing, high-tech, corporate headquarters, and distribution activity and may cover engineering, design costs, actual construction of roadways and/or utility improvements, projects must typically create jobs, are often provided to local jurisdictions, and require local participation.

Ohio Tax Increment Financing permits townships, municipalities, and counties to finance infrastructure improvements and, limitedly, residential rehabilitation associated with new development to pauses the taxable worth of real property within a specified area and redirects tax payments over this amount (derived from increases in real property value) to a separate fund financing the public infrastructure.

Oklahoma Quick Action Closing Fund allows the Governor discretion to approve infrastructure grants in support of projects creating jobs paying wages greater than the average county wage where jobs are created and the expenditure of funds must be a likely determining factor in locating or retaining a high-impact business location to the State.

Oklahoma Tax Increment Financing permits cities to use a portion of property taxes generated within the district to invest in the district's infrastructure, providing further incentive for private investment to support job retention and attraction.

Oklahoma may award grants of up to $1,000,000 to local communities to assist new business locations or expansions for projects with companies paying at least 110% of the average county wage for all new jobs and at least 51% of new jobs must be made available to low- and moderate-income persons, and the State also offers industrial access road assistance designed to aid local industrial development efforts by funding access facilities connecting a specific industry or industry area to the state or local road system.

Oregon Regional Infrastructure Fund provides grants and loans to local governments for projects supporting regional and community economic development, a Grant & Loan Review Committee makes the final determination of project and award amounts and is comprised of diverse members from across the State, any city, county, or other local authority is eligible for the program, an eligible project supports growth, addresses a regional priority, supports job creation and retention, does not rely upon continuing subsidies, and is ready for implementation upon approval, and, after internal review, the committee will make final recommendations and enter contract with the local government for a final amount in grant or loan.

Oregon Tax Increment Financing allow cities with populations greater than 50,000 to use a portion of property taxes generated within the district to invest in the district's infrastructure for job retention and attraction.

Pennsylvania's Infrastructure and Facilities Improvement Program offers grants to issuers of debt to assist payment of debt service, eligible entities may include authorities issuing debt for Tax Increment Financing, redevelopment authorities, municipal entities, and the Pennsylvania Economic Development Financing Authority, and, depending on the project and the amount of debt issued, grants range from $200,000 a year for 10 years to $1 M per year for 20 years.

Rhode Island's Infrastructure Bank leverages a limited capital, revolving loan fund, offers financing options for infrastructure projects including water and wastewater, road and bridge, and brownfield remediation.

Rhode Island's Tax Increment Financing offers municipalities infrastructure financing by rebating a portion of the new state tax revenue generated by an economic development project, projects must first demonstrate

a "gap" in its financing before a local entity may approve a TIF, tax revenue rebates may not exceed 30% of the total project cost or 75% of incremental revenue generated.

South Carolina Rural Infrastructure Fund provides financing for qualified rural counties infrastructure needs related to an economic development project, and the Economic Development Set-Aside Program assists companies in locating or expanding in South Carolina through funding local governments for road, water/sewer infrastructure and site improvements related to job creation or expansion.

South Carolina Tax Increment Financing allows a municipality to incur debt for the redevelopment of an underserved or stressed area and use additional property tax revenue generated by the redevelopment to pay off that incurred debt.

South Dakota Local Infrastructure Improvement Program provides grants to local economic development corporations, tribal governments, municipalities, counties, or other political subdivision to construct or reconstruct public infrastructure associated with economic development projects.

South Dakota Tax Increment Financing permits municipalities or counties to create TIF districts into one of four areas: local, industrial, economic development, and affordable housing, these TIF district classification are a function of the state-aid to education formula and determines how a given TIF district impacts school funding in the State, a local designation may be used to make public infrastructure improvements for various reasons so long as the project is generally for the benefit of the local government creating the district as opposed to regional or statewide benefit.

Tennessee Fast Track Infrastructure Program makes discretionary grants available to local governing bodies for public infrastructure improvements, grants must be for specific projects benefiting one or more companies creating jobs or making capital investments and must include a local match based on a community's ability to pay, eligible projects include those affecting rail, public roadways, ports, airports, as well as water, sewer, and gas, eligibility for and the amount of all Fasttrack grants are determined by the number of full-time jobs, amount of company investment, location of the project (at-risk counties 35% premium and distressed counties 50% premium), average wage of new jobs, and other factors.

Tennessee permits its local governing bodies including cities and counties to engage in Tax Increment Financing to capture increases in property value affecting tax liability are used to recover the cost of TIF improvements over time until the debt is exhausted for economic development projects.

Texas Capital Fund provides infrastructure funding for rural, non-entitlement areas generally defined as cities with fewer than 50,000 residents or counties with less than 200,000 residents, with minimum and maximum awards of $50,000 and $1,500,000 respectively and may not exceed 50% of the total project cost. .

Texas Capital Fund Infrastructure Development Program provides funding for public infrastructure (water, sewer, roads, etc.) needed to assist a business which commits to create and/or retain permanent jobs primarily for low and moderate-income persons

Texas' Tax Increment Financing allows cities to use a portion of property taxes generated within the district to invest in the district's infrastructure, providing further incentive for private investment, may be used for land acquisition, demolition and removal, relocation, infrastructure, and other uses, and carry no maximum duration and terminate when project costs are paid in full.

Utah High Cost Infrastructure Tax Credit provides a company expanding or creating new, industrial, mining, manufacturing, or agricultural activity, generate new state revenue directly attributed to new infrastructure, and are comprised of at least 10 % of investment, funding for energy delivery systems, water delivery systems, road improvements, railroads and natural resource development a non-refundable tax credit of 30% of qualifying infrastructure-related state revenue during a tax period, and the total tax credit authorized for a project will be 50% of the cost of the investment.

Utah Tax Increment Financing allows local redevelopment agencies to incentivize economic development project by capturing the growth in property taxes generated within the district to invest in the district's infrastructure such as land acquisition, demolition and removal, relocation, infrastructure, and other uses, local government approval required, earmark tax revenue growth for community development programs and usually lasting for 10-15 years.

Vermont's Tax Increment Financing authorizes municipalities to create a TIF district to capture the future growth of tax revenue, voters must then authorize municipal bonds or other debt to finance construction or improvement of public infrastructure to serve the TIF District, as the infrastructure is built and improved, the private sector follows with investments in new and renovated buildings, while the infrastructure debt is being repaid, the entire Original Taxable Value, or base level of annual property taxes generated within the District goes to the Education Fund, for Districts created and approved by VEPC after 2017, up to 70% of the increased property tax revenue is retained by the municipality to finance infrastructure debt. A minimum of 30% of the increased revenue is sent to the Education Fund, after 20 years, the grand list value of the properties within the TIF District are substantially increased because the infrastructure investment supports and enables increased private sector investment, and from that point forward, the base and the entire increase in property tax revenue are paid to the Education Fund in perpetuity.

Virginia Economic Development Access Program is a state-funded incentive to assist localities in providing adequate road access to new and expanding manufacturing and processing companies, research and development facilities, distribution centers, and other businesses with at least 51% of the company's revenue generated from outside Virginia, projects must be affiliated with a basic employer and the site must not have adequate access to a publicly maintained road, and the maximum EDA award for an access road is $500,000 and the business must work with a local entity to apply.

Virginia cities, counties, and towns may offer Tax Increment Financing by creating special taxing districts, allocating a portion of the revenue from property taxes in those districts to finance construction of improvements which include purchase price of any project acquired by the locality or the cost of acquiring all of the capital stock of the corporation owning the project and the amount to be paid to discharge any obligations in order to vest title to the project or any part of it in the locality, the cost of improvements, property or equipment, the cost of construction or reconstruction, the cost of all labor, materials, machinery and equipment, the cost of all land, property, rights, easements and franchises acquired, financing charges, interest before and during construction and for up to one year after completion of construction, start-up costs and operating capital, the cost of plans and specifications, surveys and estimates of cost and of revenues, the cost of engineering, legal and other professional services, expenses incident to determining the feasibility or practicability of the project, payments by a locality of its share of the cost of any multi-jurisdictional project, administrative expense, any amounts to be deposited to reserve or replacement funds, and other expenses as may be necessary or incident to the financing of the project. Any obligation or expense incurred by the locality in connection with any of the foregoing items of cost may be regarded as a part of the cost and reimbursed to the locality out of the proceeds of bonds issued to finance the project, the local governing body must adopt an ordinance designating the TIF area and use excess revenues to pay off debt incurred to fund public improvements which in turn induce growth.

Virginia Transportation Partnership Opportunity Fund is awarded at the discretion of the Governor in the form of grants, revolving loans, or other methods to a local government. Funds may be used for any transportation project or any facility within Virginia and the Governor is authorized to award grants up to $5 M as well as interest-free loans up to $30 M, to be eligible, the applicant must be a local government or agency, the project must address a local transportation need, and either retain jobs or meet economic development criteria, funding may be used for any transportation project within the Commonwealth, and the State also offers rail industrial access program funding for industrial/commercial projects developing Virginia's economy.

Washington Community Economic Revitalization Board provides local communities with funding to support public infrastructure driving growth and expansion in the economy, eligible projects can include domestic and industrial water, storm water, wastewater, public buildings, telecoms, and port facilities, the Board may award planning grants of up to $50,000 with a 25% cash match required of total project cost; the project must be ready to proceed within four months of approval and be completed in two years and may also award up to $2 M in loan maximum for construction costs as well as up to $300,000 in subsidy or 50% of the total request, whichever is lesser (subject to requirements).

Washington's Community Revitalization Financing permits local jurisdictions creating an "increment area" to finance public improvements using increased, local property taxes and are calculated on a 75% basis on any increase in assessed value, Local Infrastructure Financing Tool permits local financing of infrastructure projects whereby sales and use as well as local property taxes are used in increments to pay for public infrastructure improvements (can be used to match a limited amount of a state contribution), a Hospital Benefit Zone Financing Program which does not include property taxes but captures the growth of sales and

use taxes are used as the increment in the zone, and Local Revitalization Financing and Local Infrastructure Project Area Financing are also available to accomplish similar aims with certain revenue streams and restrictions.

West Virginia's Infrastructure and Jobs Development Council awards funds to be used by private companies, public utilities, and county development authorities for infrastructure improvements which support economic development initiatives, and the West Virginia Economic Development Authority offers both direct and indirect loan programs which may be used for the acquisition of land or buildings and Industrial Revenue Bonds to provide more customized financing.

West Virginia Tax Increment Financing allows its local jurisdictions to utilize to enhance urban renewal, after freezing the tax base for properties located within a specified zone, property taxes levied against the frozen base continue to provide revenue to local tax authorities, property taxes levied against any increased property values within the zone are redirected to the taxing authority created by the TIF financing improvements in the zone until the TIF ends.

Wisconsin's Department of Transportation's State Infrastructure Bank Program is a revolving loan program available to communities to preserve, promote, and encourage economic development via efficiency and safety in public transportation initiatives, SIB loans carry lower than market rate interest, longer payback periods, and may be used in conjunction with other programs or to finance a project entirely, counties, cities, villages, and towns may apply on a first come, first serve basis for projects improving access to nearby industrial sites, or improvements to and construction of roads and bridges.

Wisconsin Tax Increment Financing permits a local government to define a Tax Increment District (TID), the entity identifies projects to encourage desired development, as property values rise, the municipality uses the property tax above a frozen base to pay for the identified public improvement projects until the project costs are paid and the TID is closed.

Wyoming Business Ready Community Grant and Loan Program provides financing for publicly owned infrastructure that serves the needs of business and promotes economic development within Wyoming communities, cities, town, counties, and joint power boards as well as Indian tribes are eligible to apply for funding stimulating growth at the local level, eligible grant and loan activities include infrastructure for water, sewer, streets, telecommunications, airports, rights of way, land, industrial parks, education and workforce training facilities, and other costs, and the typical maximum award is around $3 M.

Utility Infrastructure Programs. Utilities, electric and natural gas companies in particular, play an important role in developing infrastructure for economic development sites. Utility site development strategies focus on providing site development funding for planning or the actual investment of infrastructure at a site, site certification tied to specific industries to help recruit those companies and the investment of costs energy infrastructure needed to make a site "light up" with job creation and capital investment. Several examples of successful utility infrastructure programs are outlined below.

South Carolina Power Team.

- Established a $36M Site Readiness Fund, which matches local funds to advance sites and buildings across South Carolina to make them market-ready;
- Commissioned Project Pioneer, a statewide comprehensive labor study for South Carolina conducted by Texas-based Site Selection Group;
- Revised website by adding a new area dedicated to the labor study and its findings.

American Electric Power.

- Offered Quality Sites Certification Program
- Certified 19 counties as "Aero Ready" for aerospace industry based on workforce study promoting skill transfer from mining to aerospace
- Committed to invest $24 B through 2021 to rebuild and enhance aging infrastructure, add advanced technologies to the energy system and create a more reliable and resilient grid

Louisville Gas and Electric.

- Provided over $1.2 M in economic development rider credits to participants
- Continued a long-term investment strategy of zero-interest loans to support the development of industrial land in two KY communities totaling over $500,000
- Investing $2.2 B in its electric and natural gas network by installing intelligent control equipment to enhance distribution system restoration and improve service;

TVA.

- Improved the three initiatives that comprise Product Development: the TVA Megasites Program, the InvestPrep™ Program and New Legacy Sites
- Provided nearly $524 M in tax equivalent payments in the eight states where it sells electricity or owns assets, and directly to 146 local governments where it owns power facilities

Joint Economic Development Districts. When an economic development project is located in a township but needs services that can only be provide by a municipality and additional infrastructure is needed to make the project happen, many states have a method for the township and city to work together to make economic development happen. Ohio offers the use of Joint Economic Development Districts. These special purpose districts are created by a contract between a combination of municipal corporations and townships to allow for the levying of a district-wide income tax and the provision of municipal services in unincorporated areas. A JEDD is structured so the contracting parties must be contiguous to at least one other contracting party, the impacted territory must be within territory of one or more of the contracting parties and may not include existing residential areas or areas zoned for residential use unless it is part of a mixed-use development, development planned around a JEDD Plan in a defined geographic region. Key elements of the service agreement between the parties to the JEDD include:

Income Tax Sharing

Planned Investments

Development Plan

Board Formation

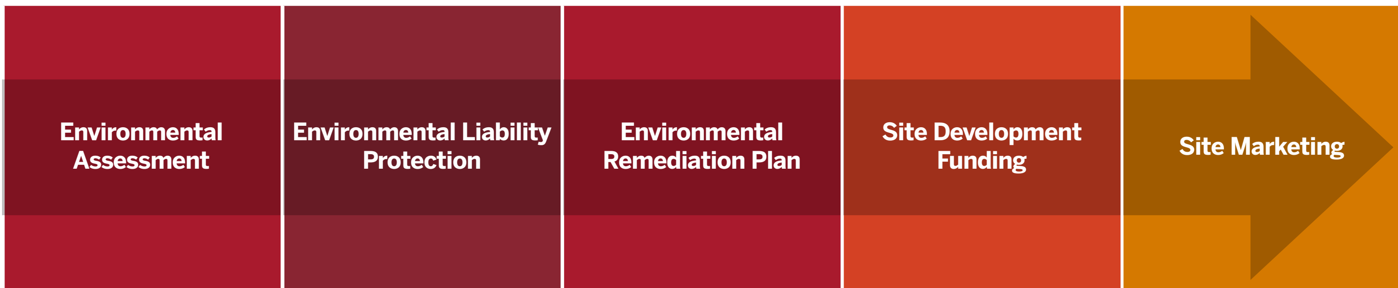
Public input is critical to the formation of a JEDD as the sharing of JEDD plan and agreement must be accomplished through a public hearing but ultimately a JEDD is formed based upon a EDD petition from property owners that then triggers local government legislation, and a JEDD contract executed by the parties. Ten days after legislative approval, notice of JEDD formation sent to business or property owners within the proposed JEDD that did not sign the petition to form the JEDD. The township trustees must determine whether to submit the question of creating the JEDD to voters.

JEDDs are government by a board consisting of contracting parties with one person representing all municipalities, one person representing all townships, a business owner, representative for workers in JEDD, and the Chair is selected by Board. JEDDs have specific powers that include the ability to levy an income tax within the JEDD at a rate not higher than the highest rate being levied by a municipality that is a contracting party but the JEDD must tax employees and businesses within the JEDD on the same basis and cannot tax only the employees within its territory. JEDDs make infrastructure and other investments in the JEDD, can make zoning and other land-use regulations, building codes, permanent public improvements, limit and control annexation of unincorporated territory within the JEDD, limit property tax abatements and other tax incentives within the JEDD, other powers provided by the contract and all the powers of a municipality and township.

JEDDs play a critical role in providing infrastructure spending for economic development projects as they allow for the collection of income taxes at a site—creating a new government revenue source for this purpose. JEDDs also often gain the support for economic development projects from townships who see the project as an opportunity to develop a new revenue flow to provide services in the JEDD area.

Brownfield Redevelopment. Brownfield sites are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Cleaning up and reinvesting in these properties takes development pressures off of undeveloped, open land, and both improves and protects the environment. The U.S. Environmental Protection Agency estimates there are more than 450,000 Brownfield sites in the United States. Many of these sites are primed for economic development as they are located with existing infrastructure and connected to long-established workforce pipelines that greenfield sites lack. As outlined below, Montrose Group recommends a multi-step process to redevelop Brownfield sites that involves cleaning up the site through a method approved by regulators, gaining environmental liability protection, capturing special funding available for Brownfield redevelopment and marketing the site.

Montrose Group Brownfield Redevelopment Process



Brownfield Tax Incentive Programs. At least eight states offer economic development incentives to address Brownfield remediation issues.

- Alabama's Brownfield Development Tax Abatement Act gives cities and counties the ability to abate the following: Non-educational city and county sales and use taxes; Non-educational state, city and county property taxes – up to 20 years; and Mortgage and recording taxes.
- Florida offers a number of tax incentives for Brownfield properties including: $2,500 Job Bonus Refund for each new job created in a brownfield area by an eligible business, highly attractive business locations with existing infrastructure, voluntary cleanup tax credits, cleanup liability protection, low-interest loans for assessment and cleanup, increased State Loan Guarantee can improve lending opportunities, and expedited Permitting for Brownfield projects
- Kentucky offers a Brownfield property tax abatement for qualified parties a three year exemption from the local ad valoreum property tax following the issuance of a no-further-remediation letter, and the state ad valorem property tax rate will be reduced from 31.5 cents per $100 of assessed value to 1.5 cents per $100 of assessed value with qualified parties receiving up to $150,000 worth of income tax credits for expenditures made to meet the requirements of the cabinet-approved cleanup, the allowable credit for any taxable year is a maximum of 25 % of the credit authorized, and the credit may be carried forward for 10 successive years following the issuance of a no further remediation letter.
- Michigan's Department of Environmental Quality Brownfield Redevelopment Program provides grant and loan funding up to $1 M in grants or loans in funding for environmental assessment, clean-up, exposure risk, eligible projects must have a committed developer, anticipated, private investment, new job-creation in the community, and result in an increase in tax revenue but sites lacking a developer may be eligible for loans offered at 1.5% interest with a 15-year payback period.
- Missouri's Brownfield Remediation Program provides a company who did not caused the Brownfield hazard, be accepted into the 'Voluntary Cleanup Program", and creates jobs could be awarded the Remediation Tax Credit for up to 100% of the cost to remediate the project property/. 75% of the credits will be released upon adequate proof of payment costs and the remaining 25% will be issued when a clean letter has been issued by DNR.
- New Jersey's Economic Development Authority offers brownfield redevelopment projects funding through the Economic Redevelopment and Growth Program can fund an incentive grant of up to 75% of the annual incremental State Tax and/or Local Tax revenue for development projects in Planning Area 1 (Metropolitan), Planning Area 2 (Suburban) or a center designated under the State Development and Redevelopment Plan;
- New York's brownfield tax credits include a remediated brownfield credit for real property taxes, available to sites accepted into the BCP prior to July 1, 2015, environmental remediation insurance credit, available to sites accepted into the BCP prior to July 1, 2015 brownfield redevelopment tax credit, available to sites accepted into the BCP for the following time periods: prior to June 23, 2008 on or after June 23, 2008, but prior to July 1, 2015 on or after July 1, 2015
- Ohio offers Brownfield liability protection through a Voluntary Action Program that can result in liability protection for uses with "clean-hands" as well as a 100% property tax abatement that is central to redeveloping the sit, and the JobsOhio Revitalization Loan & Grant Program is an important tool to provide financing for remediation and redevelopment of Brownfield sites.

Downtown Redevelopment Districts. Redeveloping historic structures can be a key element to an economic development strategy. Historic preservation increases land values and enhances the regional economy. Historic Preservation helped create more than 2 million jobs and $90 billion in investment. Rehab construction creates 50 percent more jobs than new build construction. Historic preservation is a tool local communities can choose to revive neighborhoods, enhance environmental quality and reduce infrastructure costs by promoting development in existing areas rather than sprawling out. It is estimated that historic preservation projects save

50-80 percent in infrastructure costs compared to new suburban development. A 2011 Economic Impact Study of the Ohio Historic Tax Preservation Tax Credit illustrated strong benefits of the program for the Buckeye state. The study showed for every $1 million in tax credit allocated by the state $8 million of construction spending and 80 construction jobs are created. More importantly, $32 million in total economic impact is created by this $1 million in state investment.

The redevelopment of historic structures is creating an economic boom in urban, rural and suburban communities across the United States. In part, this historic building renaissance is driven by a new market- Millennials. The movement of Millennials to the urban core is bringing new light to the economic benefits of historic preservation. There are 77M Millennials between ages of 18-36 and they constitute the largest generation in American—just surpassing the Baby Boomers. Regions attracting Millennials gain workers and consumers that are major drivers of the American economy. However, attracting Millennials is not easy as their wants and needs differ from older generations-- 62% of Millennials want to live in mixed-use development, 40% of Millennials want to live in Urban NOT Suburban areas, 2/3 of Millennials are renters, Millennials own fewer cars as they aspire to live in a mixed use, pedestrian friendly environment. Fortunately for urban, rural and suburban communities, the older, established Central Business Districts often dominated by historic structures are primed to attract Millennials as they are designed before the car dominated America's development patterns

Municipalities must create a DRD Economic Development plan to outline the strategy for promoting creating high-wage jobs at the site. Montrose Group recommends a DRD economic development planning approach as outlined below that focuses on defining the economic market and costs for the site to redevelopment and then how the DRD program and other historic preservation programs can be used to redevelop the site.

Montrose Group DRD Economic Development Plan Model

LEARN	LISTEN	DO
• Identify area historic structures • Research potential project ideas around historic structures including potential for innovation districts in the DRD based upon a community economic development SWOT analysis • Define one or more DRD's up to 10 acres in a municipality • Determine speed and availability of broadband service in identified DRD • Identify costs of project including historic and non-historic building rehab and infrastructure • Develop funding models to address various costs through DRD PILOTs, redevelopment charges and other resources • Outline local government process for creating DRD	• One on one interviews • Focus groups • Surveys • Public meetings	• Recommend a land use and site development plan to determine the building, operational and infrastructure costs and the zoning for specific sites within the DRD • Recommend DRD tax incentive and redevelopment charges that will cover the building, operational and infrastructure costs; • Industry market research and marketing plan for the DRD • DRD PILOTs and redevelopment charge agreements • Identify additional sources of public and private revenue derived from long and short range planning of community goals • DRD Building, Operational & Infrastructure Costs • DRD Funding from PILOTs, Redevelopment Charges & Other Public and Private Sources

A DRD economic development plan should focus on the creation of high-wage jobs through the creation of walkable, high-quality Central Business Districts focused on white collar service, high-tech, arts, entertainment and accommodation jobs. As the chart below illustrates, numerous strategies exist to incentivize and finance Downtown redevelopment.

The DRD revenue generation model is the centerpiece to any historic preservation redevelopment strategy. It is based upon understanding the required building investment, how that investment will increase in the building value which in turn creates an increase in the site's property tax. In Ohio, 70% of the new property tax created can flow to a DRD which can then decide where to uses the funds exempted from the property tax base. DRDs operate very similar to TIFs in Ohio. DRD tax exemptions or "abatements" are used to create Payments in Lieu of Taxes but does not permit diversion of property taxes from community mental health, seniors, county hospital, alcohol/drug addiction, mental health, library, children, zoo, park, joint recreation, public assistance, health & social and general health district services and facilities. When forming a DRD, it is important to understand what existing TIF, Enterprise Zone or CRA tax abatements exist as they capture future property tax gains and complicate the use of a DRD. A community must often decide whether they want to use a DRD or another local economic development program.

DRDs also permit the use of a redevelopment charge where the owner of parcel and municipality enter into agreement providing for municipal redevelopment charge on property in addition to the payments in lieu of taxes. These can be charges of a fixed dollar or various amount based upon assessed valuation, revenues or profits of the business, the charges runs with the land, and the funds are used in same manner as Payments in Lieu of Taxes.

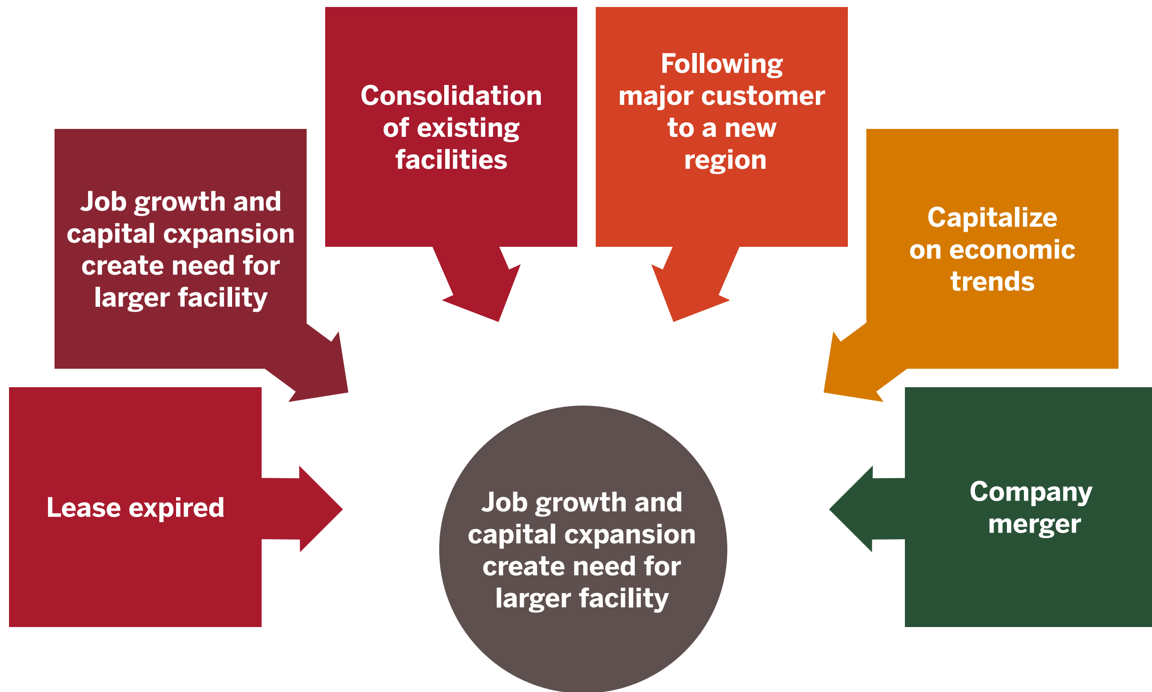
The DRD Municipal Ordinance must include a description of the area included in the district, number of years the DRD will exist, an economic development plan, confirmation the territory of a DRD contain at least one historic building, authorize the designation of an innovation district within a new or existing DRD if the district includes an area equipped with a high-speed broadband network capable of download speeds of at least 100 gigabits per second, establish a DRD special fund for the deposit and dispersal of service payments and redevelopment charges, and, and create a mechanism for the municipal corporation to file a DRD an annual report to the Development Services Agency (DSA) on the progress of DRD projects and services and the expenditure of money from the district's special fund. DRDs require a public hearing where the municipal corporation to hold a public hearing on the proposed DRD ordinance and give notice of the hearing to each property owner in the district.

ECONOMIC DEVELOPMENT INCENTIVES

Tax policy is a prime building block economic development strategy. How much and what type of local, state, and federal taxes companies and their employees are charged is the highest-profile economic development policy issue. According to Princeton Economics, state and local governments spend at least $30 B a year on business tax incentives, and about a quarter of all business tax incentives are channelled to a very small collection of firms opening offices in new locations—less than .01% of firms opening in new locations in 2014—in the form of firm-specific subsidies (i.e., subsidies offered exclusively to a single company, like those offered to Amazon, in an attempt to draw it to a specific locality).[79] The local, state, and federal governments use a range of tax credits, abatements, and programs to incentivize economic development.

Anatomy of a Corporate Site Location Project. Few company decisions matter as much as where to locate a facility. The corporate site location process whereby a company decides where to grow jobs and make a capital investment positions a company for future growth, tests the brand, and impacts the retention and recruitment of their most valuable resource—their people. The corporate site location process is best operated in a confidential nature as long as possible. Very few corporate site location projects take the Amazon HQ2 approach with public RFPs. Instead, to protect the brand of the company and manage communication with employees about a potential move, corporate site location projects operate in a confidential process until final governmental approvals mandate a public discussion. The corporate site location process is data driven based upon macroeconomic, industry, workforce, infrastructure and the cost of doing business research. Of course, tax incentives help level the playing field but incentives are the "icing and not the cake" when it comes to corporate site location decisions.

Specific triggers exist that tell a company they should undertake a corporate site location process. These triggers may include the end of a real estate lease, growth needs for people or equipment beyond their current facilities' capabilities, the decay of their existing facility due to age or damage, the consolidation of existing facilities to develop a more efficient operation, a growth opportunity in a new region tied to an existing customer, a merger of companies, or a company seeking to capitalize on an economic trend.

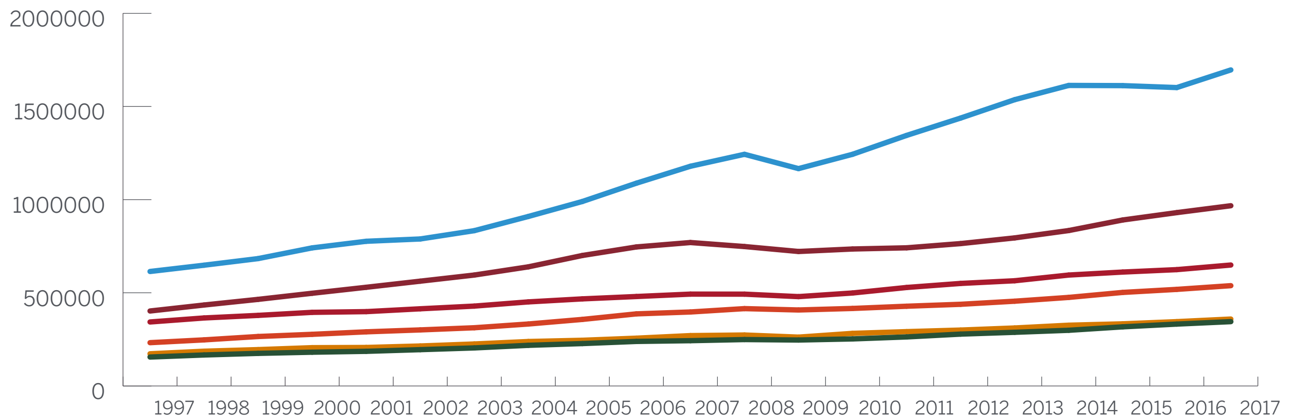


The corporate site location process begins with listening to define the project to learn about the industry and number of jobs, payroll and capital investment planned by a company or project site all leading to the creation of a larger potential state and regional target list for the company's location. A recent corporate site location project in which our firm acted as a corporate site location consultant involved the creation of 500 jobs, primarily computer software engineers, paying $100,000 in the highly sought after fin-tech marketplace for a booming start-up company. The fin-tech company is actually a start-up who reached a $1 B value because they are transforming the auto insurance marketplace with mobile phone base application and service model.

Corporate Site Location Process

Next, market research begins to understand the economic analysis of growth, industry cluster, labor shed, transportation, infrastructure, and supply chain of an industry, company and region and potential real state options. Using this same fin-tech example, the macroeconomic analysis of the U.S. encouraged a focus on a site in the United States and hio, Texas, Florida, North Carolina, Tennessee and Indiana were chosen based upon the strategic location near the company's existing location but also their profile in the fin-tech sector. The economic growth of these states was compared to measure the vitality of the state through a long-term review of Gross Domestic Product growth.

State GDP Growth (in millions) 1997-2017 Benchmark Comparison

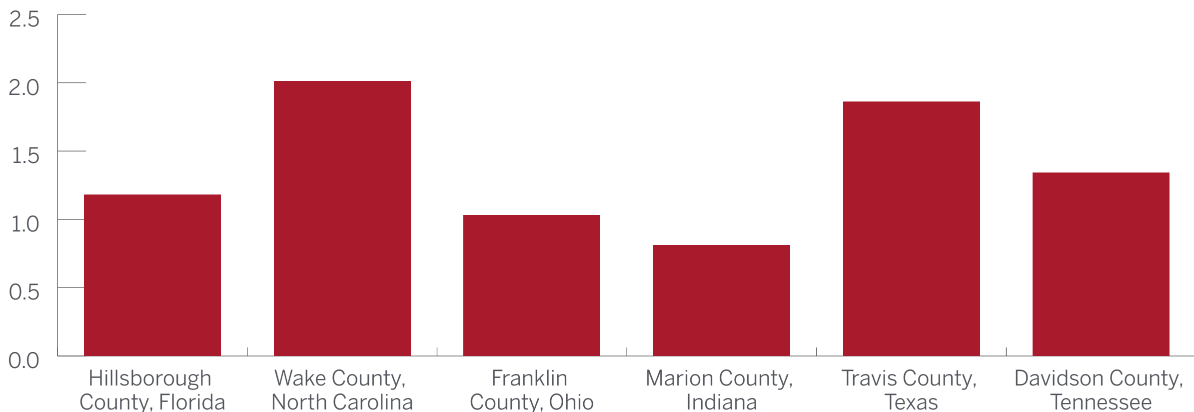


Source: St. Louis Federal Reserve Bank

As the graph above illustrates, the economic growth of Texas and Florida surpass benchmark competitors as they do in population growth and most other economic and demographic measures.

Measuring a state's macroeconomic growth is just the start of the data dive for a corporate site location project. For companies seeking a large pool of skilled workers, large to mid-sized urban markets are often targets for future economic growth. These communities offer an opportunity for economic growth with a skilled and more affordable workforce. An important measure for these regions is their concentration in the company's industry. An industry cluster analysis provides a snapshot of what industry strengths a region has and further illustrates what industries are likely to succeed in a region as like industries tend to locate near each other for workforce and other economic benefits. A location quotient is a method of measuring the industries that are a strength of a region and that are growing. A location quotient above 1.0 indicates economic strength of that industry in a particular region. As the chart below illustrates, Raleigh's Wake County and Austin's Travis County are clear leaders in the Information category of federal government Bureau of Labor Statistics.

County IT Location Quotient Comparison

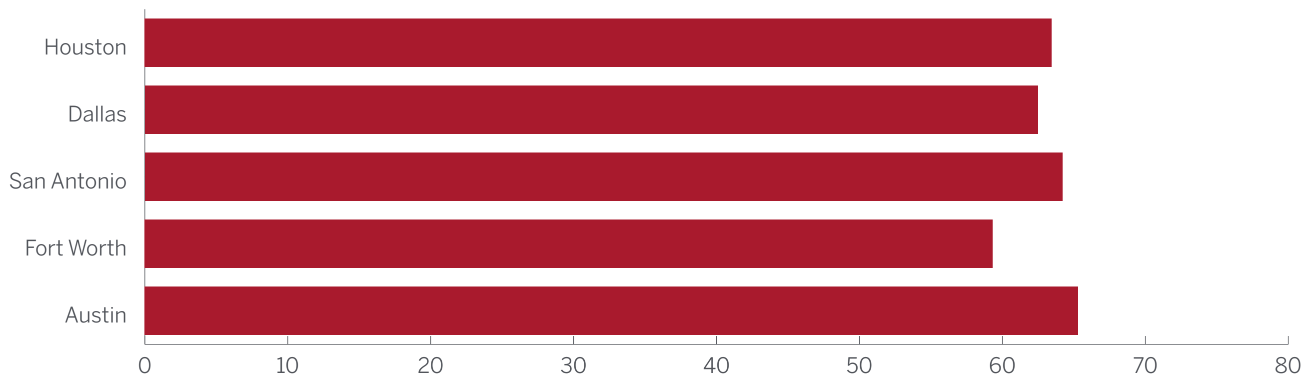


Source: U.S. Bureau of Labor Statistics

However, for the purposes of the fin-tech project, Indianapolis' Marion County would be eliminated from consideration due to their weak IT job score while Tampa, Columbus and Nashville with an above average level of information jobs would continue on with tech heavy Raleigh and Austin.

Measuring existing economic and industry strength is important but research related to a corporate site location analysis also needs to examine how future economic trends will impact a region's attractiveness for a company to locate. One such future economic trend worthy of attention is the impact automation on a company and region. Our firm created the Montrose Automation Index to measure the job and wage impact of automation. The Montrose Automation Index is relatively simply- a region's occupations are researched from U.S. Department of Labor data to determine their occupations and the wages they pay. Those region's occupations are then compared to the over 600 occupations that Professors Carl Benedikt Frey, and and Michael A. Osborne of Oxford University's outlined in their landmark study, *The Future of Employment: How Susceptible are Jobs to Computerisation?*, September 17, 2013 to determine how many of those jobs are at risk from automation. The higher the Montrose Automation Index the closer that community will be winning in the Age of Automation. As the chart below outlines, tech center Austin in Texas will fair the best compared to other major cities in Texas as an example.

Texas Major City Automation Index



Generally, regions with a large presence of Science, Technology, Engineering and Math (STEM) workers fair better under the Montrose Automation Index; thus research indicates none of the target regions would be eliminated due to concerns about automation.

Demographic data is also researched to understand the larger population and income trends of potential sites. Demographic factors such as population size and growth, homeownership rates, median family incomes, level of education and poverty rates all impact the long-term economic vitality of a region.

Regional State Demographic Benchmark Comparison

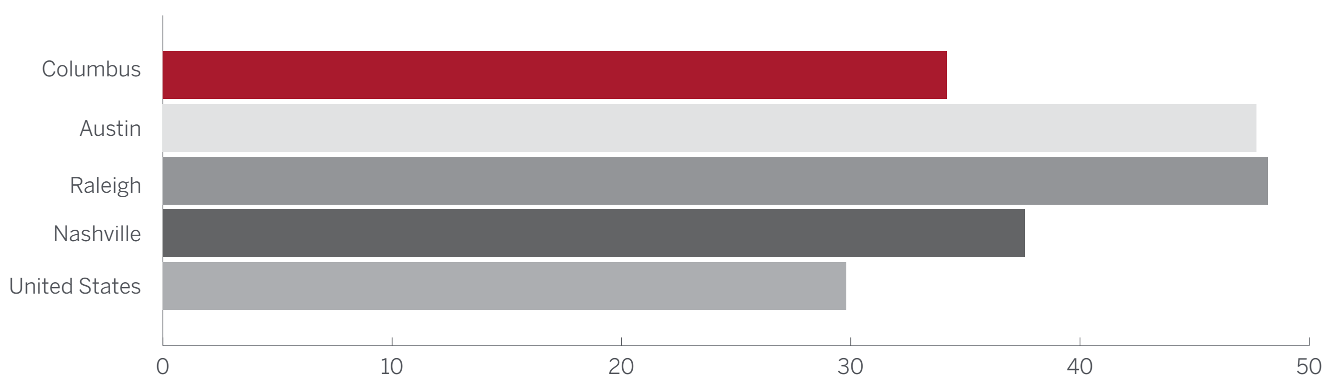
Fact	Raleigh	Columbus	Austin	Nashville-Davidson	Tampa	U.S.
Population	464,758	879,170	950,715	667,560	385,430	325,719,178
Population Growth 2010-17	15.00%	11.40%	18.50%	10.60%	14.8%	5.50%
Homeownership Rate	51.10%	45.00%	45.30%	53.50%	48.4%	63.60%
Median Household Income	$58,641	$47,156	$60,939	$49,891	$45,874	$55,322
Bachelor's Degree	49.20%	34.80%	47.70%	37.60%	35.5%	30.30%
Poverty Rate	14.90%	21.20%	16.70%	18.00%	21.2%	12.30%

Source: U.S. Census Bureau

The demographic data for the remaining target cities all illustrate growing and stable urban regions in the United States. However, the demographic data also illustrates the small urban population base of Tampa which is of concern in this case to a fin-tech startup company seeking more of an urban environment attractive to Millennial workers; thus, the demographic data would eliminate Tampa from the search.

Workforce data is critical to a company's decision to locate or grow in a region. With the retirement of the Baby Boom generation regions everywhere are struggling to find the answer to the workforce development puzzle. The level of college educated workers at a region under consideration is very relevant to companies in the advanced services/white collar and high-tech industries. As the table below illustrates, other than Indianapolis, all the target cities for our fin-tech case study have college graduation rates well above the national average. This data is more impressive considering this data is for the major cities in question as the MSA would have higher graduation rates than just the region's large city.

Regional Comparison of College Degree Population



Source: U.S. Census Data

Also, the volume and costs of that skilled workforce also can have a "leveling" impact that benefits regions with less growth in a given sector. The table below illustrates these point as Austin, Raleigh and Columbus pay higher wages for workers in the broad Computer and Mathematical Occupations.

Regional Benchmarking Software Developers for Applications Worker Wages & Jobs

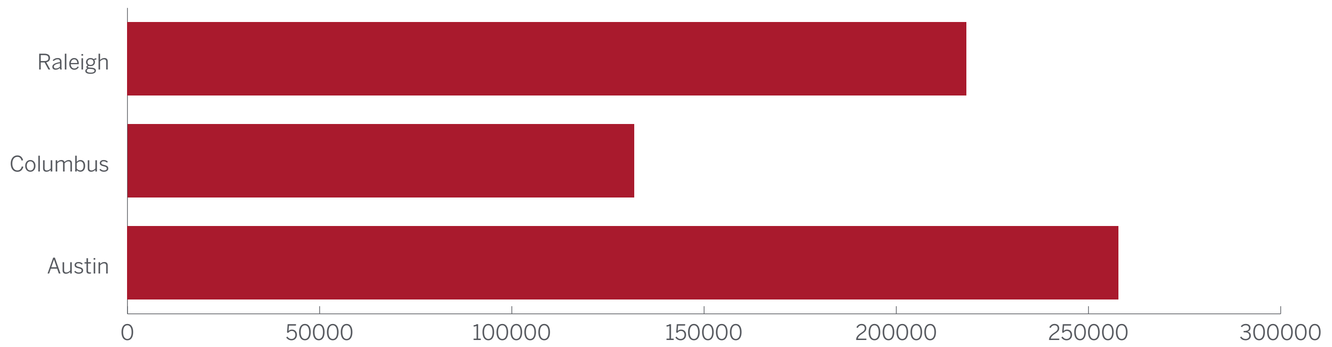
Occupation code	Raleigh	Austin	Columbus	Nashville
Software Developers, Applications Average Wage	$100,960	$105,430	$107,770	$94,130
Software Developers, Applications Jobs	8,520	13,680	12,000	3,070

Source: U.S. Bureau of Labor Statistics

The volume of software developers for applications in Nashville would eliminate Music City from consideration but would keep Raleigh, Austin and Columbus in the hunt for the project.

Finally, a cost of doing business analysis provides an economic measure of the wage rates, construction, real estate, and tax structure of multiple regions and states that determines quality of life measures for the region.

Median Home Value



Austin has added 50,000 people a year for a decade—that is 500,000 people and the result has been explosive growth. While the region is a tech giant, the results of this growth, as illustrated by the very high cost of housing caused the fin-tech company in question to remove it from the list of consideration.

What is taxed and tax rates are also measured as a cost of doing business factor. Below the chart illustrates a high-level tax comparison for Raleigh and Columbus and illustrates a lower state tax rate at the state of Ohio compared with North Carolina but a higher tax rate at the local government level in the Buckeye State.

Raleigh v. Columbus Tax Comparison

Tax	Raleigh	Columbus
State Corporate Income Tax	3%	None
State Corporate Franchise Tax	$1.50 per $1,000	.29 on gross receipts
State Personal Income Tax	Flat 4.59%	1.980% up to 4.997%
Municipal Income Tax	None	2.5%
County Sales Tax	7.25%	7.50%
Property Tax	.861%	2.029%

The cost of real estate also matters. The explosive growth rate of the Raleigh market has general office average asking rents at $23.12 a square foot compared to Columbus' lower rate of $18.76 providing some level of cost of doing business balance for Ohio.

Finally, following all that research, the project will go "public" in a sense that a confidential project introduction for companies and public introduction for local communities to select regions and states. In some cases for complex projects and sites, the project letter maybe turned into a Request for Proposal. Contact with the regional and state economic development leaders will follow with reviewing the incentive offer letters and site and incentive negotiations with a smaller group of communities—usually no more than 3. Negotiating the incentives involves research of past incentive awards, development of applications, negotiations of incentives, advocacy for incentive awards of the final list of regions and states and final negotiation of real estate terms. Finally, following the negotiations of the economic development incentive and real estate contracts, local and state governments

will approve of the incentives through an ordinance or other means—this is the truly public process where the name of the company and often company leaders appear in public at announcements and public meetings. An important aspect of the corporate site location process is the completion of annual incentive reports. The development of regular incentive reports required for most local, state and federal government awards following the award of tax incentives.

FEDERAL ECONOMIC DEVELOPMENT TAX CREDITS AND PROGRAMS

On the federal level, tax credits and program funding are used to enhance economic growth.

Federal Public Works and Economic Development Investments. EDA public works grants fund infrastructure related to company attraction and expansion. The program supports locally developed projects that encourage long-term economic self-sufficiency and global competitiveness.[71] These investments support redevelopment of Brownfield and business/industrial development. Public works and economic development program supports infrastructure for industrial park, port, and Brownfield development.[72]

Opportunity Zone. Federal tax reform legislation established the opportunity zone program and the US Treasury based upon recommendations of state Governors certified 8700 opportunity zones. Taxpayers who invest their capital gains for ten years will not pay any capital gains taxes on that investment and can defer a smaller percentage they would have to pay in their original capital gain event. States also support Opportunity Zone investments. The state of Ohio created the state Opportunity Zone Investment Credit and the Ohio Qualified Opportunity Fund. The Ohio opportunity zone investment credit is a non-refundable credit that allows a taxpayer to invest capital gains in a qualified opportunity fund. The credit shall equal 10 percent of the taxpayer's investment in a qualified opportunity fund in the taxable year of the investment. The Ohio Development Services Agency Director cannot issue more than $50 million in Ohio Opportunity Zone Tax Credits over the biennium. This serves as a cap on how many credits can be issued, cannot issue credits to a single applicant that would exceed $1 million over the biennium, and a credit cannot be issued for a project that also has been issued a small business investment certificate or InvestOhio.

Federal New Market Tax Credits. Federal New Market Tax Credits provide a funding source for projects located in federally designated low-income areas. The Federal New Markets Tax Credit provides a 39% Federal Tax Credit Over 7 Years and $1M Ohio Tax Credit paired with Federal Credit for real estate investments in poor communities through complex transactions involving retail, office, and manufacturing projects. New Market Tax Credit projects involve the gaining of an allocation of the federally awarded tax credit from an awardee of the credit. The challenge for use of this program is the demand for projects far exceeds the availability of New Market Tax Credits.

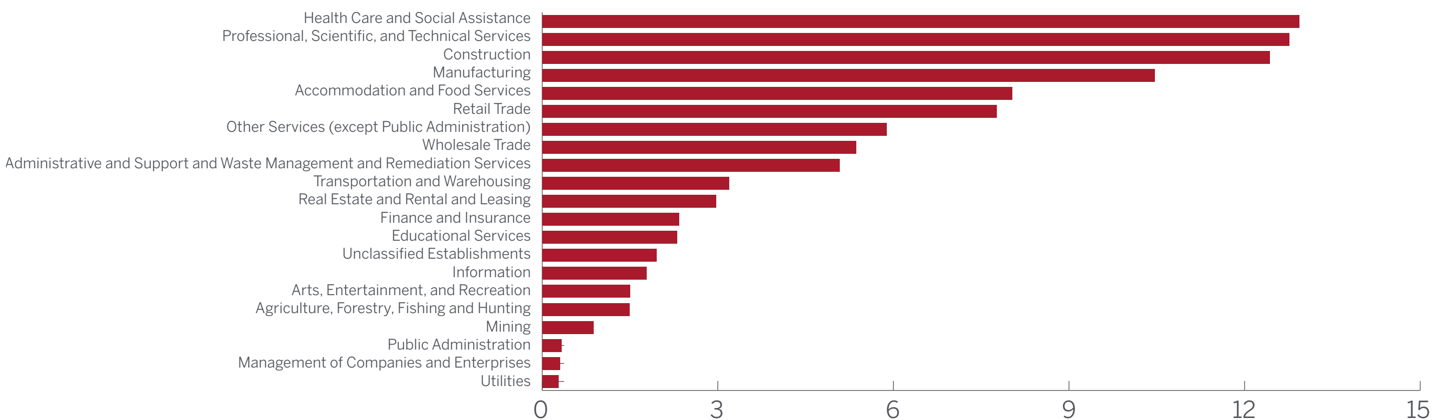
COVID 19 Short Term Financing. COVID 19 has forced millions of American businesses to seek local, state, and federal government subsidized short term financing to survive an economy pushed into recession by a series of state public health decisions. The passage of the federal Stimulus legislation has 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
Municipal Income Tax	2.5%

The chart below illustrates the industry's 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. 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

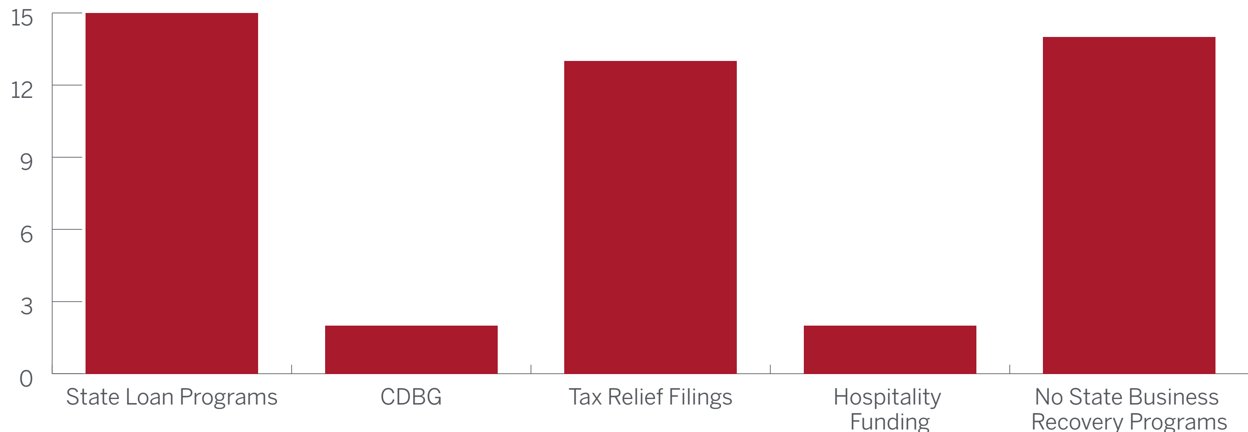
- Federal Reserve Board expands scope and eligibility of Main Street Lending Program to help credit flow to small and medium-sized businesses in sound financial condition pre-COVID 19
- U.S. Treasury allocated $75 B from CARES Act stimulus funding
- Creates third loan option, lowering minimum loan sizes 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

Revolving Loan Funds. 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.

COVID 19 State 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.

State and Local Tax Incentives. State and local governments offer a wide array of economic development incentive programs that impact the cost competitiveness of a region that includes tax credits, tax abatements, grants, and project financing tools. Tax credits may be triggered by job creation, industry focus or company type.

State Tax Credits. 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. States offer a variety of tax credits to businesses in different sectors as forms of economic development incentives to encourage job creation and capital investment and a sample of state economic development tax credits is listed below.

State Economic Development Tax Credits. The major of state economic development tax credits are triggered by private sector job creation in targeted, high-wage industries that provide an economic multiplier unlike retail, health care and other industries that simply follow population.

State Economic Development Tax Credits

Alabama offers a one-time, non-refundable, non-transferable tax credit of up to $1,000 for each new job created by small businesses located in Alabama.

Alabama Jobs Act Jobs Credit is a discretionary program allowing an eligible company a cash rebate of up to 3% annually of the previous year's payroll (not including fringe benefits) for eligible employees in Alabama for up to ten years.

Alabama's Growing Alabama Credit provides incentives to Alabama taxpayers making contributions to Economic Development Organizations (EDO) for qualifying projects.

Alabama's Jobs Act Investment Credit is a discretionary program allowing an eligible company to receive a credit of up to 1.5% annually of the qualified capital investment in a qualifying project for up to 10 years (projects in a target or jumpstart county may receive the credit for 15 years).

Arizona Qualified Facility Tax Credit Program offers a refundable income tax credit equal to the lesser of: (1) 10% of the qualifying capital investment, or (2) $20,000 per net new job at the facility, or (3) $30,000,000 per taxpayer per year for manufacturing or corporate HQs.

Arizona Quality Jobs Tax Credit offers up to $9,000 in state income or premium tax credits spread over a three-year period for each net, net quality job ($3,000 per year) based upon a capital investment and creating net new, high-wages jobs.

Arkansas Advantage Arkansas Credit is a state income tax credit employer may receive for job creation based upon the payroll of new, full-time, permanent employees hired because of a project.

Arkansas' ArkPlus Credit is a state income tax credit program providing credits of 10% of the total investment in a new location or expansion project and is discretionary.

California Competes Tax Credit is a non-refundable, non-transferable corporate income tax credit available to businesses coming to California or growing in the State.

California New Employment Credit is available to employers who hire qualified, full-time employees, paying wages for work performed by an employee in a designated geographic area.

Colorado Job Growth Incentive Tax Credit is an eight-year, performance-based, job creation incentive supporting multi-state or county relocation and expansion projects.

Colorado's Transferable Tax Credit Program allows companies that make major capital investments to transfer certain tax credits that are earned in the course of making that investment, i.e. companies may sell certain income tax credits that normally are not transferable and could not be used unless the company had a state income tax liability.

Connecticut Urban/Industrial Site Reinvestment Tax Credit provides corporate tax credits to companies seeking to revitalize urban and industrial sites creating significant numbers of jobs and capital investment.

Delaware New Economy Jobs Tax Credit is refundable and designed to spur job growth in Delaware by applying the credit amount against various state taxes.

Delaware's Encouraging Development, Growth & Expansion Grant is a matching program offering access to capital to support business viability and sustainability costs

Delaware's New Business Facility Corporate Income Tax Credit is designed to encourage startup investment in new business facilities with a non-refundable credit applied towards corporate or personal income taxes capped at 50% of total liability within a given year.

Florida's Qualified Target Industry Tax Refund) provides applicants creating jobs in Florida a tax refund of $3,000 per full-time job or $6,000 per job in specified, rural counties.

Georgia's Investment Tax Credit is available to existing manufacturing or communications companies depending on the tier status of the county in which the investment is made.

Georgia's Job Tax Credit Program in exchange for creating new jobs in a specific industry sector such as manufacturing, distribution, and data processing, non-refundable tax credits ranging from $1,250 to $4,000 per year may be available for each, new job created for up to five years.

Georgia's Mega Project Tax Credit is designed to reduce a company's payroll withholding liability and incentivize larger projects creating a significant number of jobs for companies hiring at least 1,800 new, full-time employees and either invest a minimum of $450 M or have an annual payroll of $150 M.

Georgia's Quality Jobs Tax Credit provides a tax credit to companies creating at least 50 high-paying jobs paying at least 10% above the average wage of the county in which the jobs are created.

Idaho businesses are eligible for a 3% investment tax credit on all new tangible property with a 14-year carryover or a two-year exemption from all taxes on personal property, personal property tax exemption on the first $100,000 of personal property such as equipment and furnishings, a 5% tax credit on qualified research expenses, and energy conservation rebates through efficient energy use up to $100,000 per site.

Idaho's Business Advantage Program are tax credits available to businesses investing at least $500,000 in new facilities while creating at least 10 new jobs paying $40,000 providing enhanced investment tax credit of 3.75% up to $750,000 or 62.5% of corporate income tax liability in any one year, a new jobs tax credit ranging from $1,500-$3,000 for new jobs paying $24.04/hr, or a 2.5% real property improvement corporate income tax credit up to $125,000 in any one year with a 25% rebate on sales tax paid on construction materials for new facilities.

Idaho's Tax Reimbursement Incentive is a post-performance based credit available to businesses adding or bringing jobs to the State; the incentive creates a maximum credit of 30% on income, payroll, and sales taxes for up to 15 years for companies creating 20 new jobs in rural areas and at least 50 in urban centers.

Illinois Growing Economy Tax Credit Program provides annual, non-refundable, income tax credits to businesses supporting job creation equal to 50% of the income tax withholdings of new jobs created in Illinois (up to 75% if located within an underserved census area) employer eligibility depends upon its number of world-wide employees.

Illinois High Impact Business Program supports tax credits for companies with a minimum investment of $12 M and create 500 FTE's, or $30 M of investment with a retention of 1,500 FTEs.

Indiana Economic Development for a Growing Economy Tax Credit provides a refundable credit is calculated as a %age of increased tax liability generated from new job creation and applied to corporate income taxes.

Iowa High Quality Jobs Program offers businesses creating high-wage jobs a range of forgivable and non-forgivable loans, tax credits, exemptions, and refunds to offset costs of locating, expanding, or modernizing facilities in Iowa.

Kansas Business and Job Development Credit provides a tax credit equal to $100 for each qualified employee or $100 for each $100,000 in qualified investment limited to 50% of the tax on the qualified business facility income tax based upon the development of jobs and a capital investment.

Kansas' Promoting Employment Across Kansas Act is a discretionary tax-credit program up to ten years, the company may retain or be refunded 95% of the entity's state withholding tax for PEAK-eligible employees if they create at least ten jobs in metropolitan counties or five in non-metropolitan counties with benefits.

Kentucky Business Investment Program provides up to 100% of corporate income or limited liability entity tax credit for new and existing agribusinesses, regional and national headquarters, manufacturing companies, energy companies, and other businesses which locate or expand operations in Kentucky arising from the project as well as a wage assessment up to 4% of taxable wages for each employee.

Kentucky's Small Business Tax Credit Program allows small businesses a non-refundable tax credit equals between $3,500 and $25,000 per year which hired one new job in the last year paying 150% of the federal minimum wage and invest $5,000 or more in qualifying equipment carried forward for five years.

Louisiana Quality Jobs Rebate Program provides up to a 6% cash rebate and state sales tax rebate to companies engaged in a designated industry, have at least 50%. of its annual sales out-of-state or be in a parish within the lowest 25% of parishes based on income and meet certain job and payroll threshold.

Louisiana Enterprise Zone Program provides an income and franchise tax credits for businesses creating at least five full-time jobs and hiring at least 50% of those new jobs from four targets groups may receive a one-time $2,500 job tax credit per new job created and a 4% rebate of sales and use taxes paid on qualifying materials.

Louisiana's Competitive Projects Payroll Incentive Program provides an incentive rebate of up to 15 % of a participating company generating at least 50% of its sales from out-of-state buyers, demonstrate net new jobs and payroll within the state through the project, and offer health benefits plans to employees.

Maine Employment Tax Increment Financing Program refunds between 30%-80% of the state withholding taxes paid by the business for up to ten years based upon the company locating in an underserved market.

Maine's Pine Tree Development Program allows biotech., aquaculture, advanced manufacturing, and IT businesses the chance to reduce or eliminate state tax liability for up to ten years.

Maryland Job Creation Tax Credit provides an income tax credit of $3,000 to a business creating new, full-time jobs statewide and may provide up to $5,000 per new job if located within a designated revitalization area capped at $4 M in tax credits per calendar year, a business must create 60 new jobs statewide, 25 jobs within a priority funding area, or 10 jobs in other, specified counties paying 120% of the state's minimum wage.

Maryland's One Maryland Tax Credit provides $1 M in tax credits for businesses creating 10-24 jobs, $2.5 M to those creating 25-49 jobs, and a maximum of $5 M to those creating at least 50 qualified positions located in a Tier 1 county for a project costing $500,000 and creating jobs paying 120% of Maryland's state minimum wage.

Massachusetts Economic Development Incentive Program Credit is a tax credit against taxpayers' income or corporate excise tax liabilities for an amount up to 10% of the cost of the qualifying property purchased up to 40% and may receive credits up to $5,000 per job created.

Michigan Business Development Program provides grants, loans, and other assistance to a business located in the State, creating 50 new jobs (25 new jobs if in a county with a population less than 90,000), and support capped at $10,000,000.

Minnesota Greater Minnesota Job Expansion Program provides non-retail or service businesses creating 2 FTEs or 10% of current employees paying high wages in Minnesota with sales tax refunds not to exceed $2M annually or $10 M over seven years.

Mississippi's Jobs Tax Credit reduces manufacturers, wholesalers, processors, R&D facilities, and distributors' income tax liability for jobs within a Tier I (20 jobs gains a 2.5% payroll credit), II (15 jobs receives a 5% payroll credit), or III (10 jobs receives a 10% payroll credit) per job in the county and are capped at 50% of a business's income tax liability, and be carried forward for five years.

Missouri Works Program offers a mix of retention in state withholding tax for new jobs and/or state tax credits, which are refundable, transferable, and saleable based upon a %age of the payroll associate with new jobs and are not provided until the company meets minimum job, wage, and healthcare insurance thresholds for businesses creating at least two, full-time jobs and pay between 80% and 140% of the average, county wage dependent upon the location and size of the project.

Montana's Empowerment Zone Credit allows an employer capped at $500 for year 1, $1000 for year 2 and $1500 for year 3 in the State having less than 10% of the business from retail sales of tangible personal property not manufactured on site are eligible for the credit for a business increasing employment within the zone for new FTEs with benefits.

Nebraska Advantage Act organized into six tiers dependent upon location, business investment, number of

jobs created, and business sector, a business may qualify for a comprehensive suite of incentives including credits on investment, sliding scale job credits based upon the average wage of new jobs created, sales tax refunds, and other property tax exemptions.

Nebraska's Advantage Microenterprise Tax Credit provides a 20% refundable tax credit capped at $10,000 to micro businesses on increased compensation for employees or increased investment in targeted communities.

Nevada Catalyst Fund is a discretionary program offering post-performance transferable tax credits to support business attraction and expansion for projects with significant capital investment and job creation, significant return on investment, and possess strong local support.

New Hampshire Economic Revitalization Zone is a tax credit program designed to offer a short-term business non-refundable, non-transferable tax credits for projects improving infrastructure and creating jobs in qualified municipalities in designated zones and the tax credit may not exceed a maximum of $40,000 per year by a taxpayer or $240,000 over five years.

New Jersey's Grow New Jersey Program offers targeted businesses creating or retaining 10 tech jobs or 25 non-tech jobs a transferable tax credits measured by the number of jobs against corporate income and insurance premium taxes if a business locates within a Garden State Growth Zone.

New Mexico High Wage Jobs Tax Credit is a refundable tax credit of 8.5% of the wages and benefits paid for each new job created up to $12,750 per job for high-wage, FTE jobs paying at least $40,000/year in a community with a population of less than 60,000 or paying $60,000/year in a community of 60,000 or more.

New York City's Relocation and Employment Assistance Program offers business income tax credits to firms relocating to areas above 96th Street in Manhattan or to another borough outside of Manhattan for a maximum annual credit of $3,000 for twelve years per employee.

New York Excelsior Jobs Program offers four fully refundable program credits if the entity meets job and investment thresholds for each program: Excelsior Jobs Tax Credit provides a credit of 6.85% of wages per net new job, Excelsior Investment Tax Credit provides 2% of qualified investments, Excelsior Research and Development Tax Credit provides a credit of 50% of the Federal Research and Development credit for up to 6% of expenditures in New York, and Excelsior Real Property Tax Credit provides a credit to regionally significant projects in underserved communities.

North Dakota Corporate Income Tax Exemption allows corporations qualifying as a primary sector business to pay $0 in corporate income taxes for the first five years of business in North Dakota.

Ohio Job Creation Tax Credit is an annual, refundable credit applied towards a company's Commercial Activity Tax (CAT) liability as a % of newly created payroll in the state for creation of $660,000 in new payroll paying 150% of federal minimum wage.

Oklahoma Quality Jobs Incentive Program provides a 10-year cash incentive up to 5% of new payrolls for companies paying high-wage and creating $2.5 M in new, annual payrolls within three years, offer health insurance to employees, and some companies must attain 75% out-of-state sales.

Oklahoma's Small Employer Quality Jobs Program provides quarterly incentive payments to businesses with 500 or fewer employees as much as 5% of new, taxable payroll for up to seven years for companies with qualifying payrolls must be attributable to annual salaries at least 110% of the average county wage where the jobs are located; companies must also attain 35% out-of-state sales during the first two years in the program and 60% thereafter.

Oregon Business Expansion Program provides a forgivable loan, the cash-based incentive is equivalent to the estimated increase in income tax revenue for new hiring for a "traded" company like manufacturing must plan to hire 50 or more full-time employees (or equivalent) in the State in addition to the, at least, 150 employees the entity has overall paying 150% or higher than the state or county average wage, whichever is less, or 130% if hired to work outside a metropolitan area.

Oregon Investment Advantage Program is targeted to specified counties by awarding entities with an up-to-

10-year corporate income tax holiday for companies creating five jobs, paying 100% of current county wage with operations that are the first of their kind anywhere in Oregon for that company and the operations of the business do not compete with local, existing businesses.

Pennsylvania Tax Credit for New Jobs offers a non-refundable credit available to businesses agreeing to create 25 new jobs or expanding existing workforce by 20% within three years with 25% of the credits must go to businesses with fewer than 100 employees, and any eligible business may receive $1,000-per-job tax credit used to offset various business tax liabilities associated with the new jobs.

Rhode Island's Qualified Jobs Incentive Tax Credit offers biomed., IT, data analytics, defense and shipbuilding businesses an annual, redeemable tax credits for up to 10 years for at least 10 jobs being created with the first 500 jobs approved under the program will receive the maximum credit available, credits may equal up to a maximum of $7,500 per job per year.

South Carolina Job Tax Credit offers companies relocating or establishing a corporate headquarters or a manufacturing, distribution, processing, service-related, and research/development business in state a non-refundable tax credit eliminating up to 50% of tax liability for a credit ranging from $1,500 to $25,000.

South Carolina's Corporate Income Tax Moratorium offers companies in distressed counties a up to a 10-year moratorium and 15-year moratorium if company is creating 200 jobs to eliminate their state, corporate income tax liability for up to ten to 15 years. To qualify, at least 90% of a company's total investment in the State must be in a county where the unemployment rate is twice the state average.

Tennessee Job Tax Credit offers non-refundable and non-transferable tax credit equal to $4,500 per job and can offset up to 50% of a business entity's franchise and excise tax liability in a calendar year and may be carried forward for 15 years for a business to create a minimum of 25 new jobs during a 36-month period and invest at least $500,000 in a qualified business enterprise.

Tennessee's Enhanced Job Tax Credit provides an Enhanced Job Tax Credit to offset up to 100% of its Franchise and Excise Tax in a calendar year for up to a $4,500 credit, a business must create 25 new jobs within 36 months in a Tier 2 zone, 20 new jobs within 60 months in a Tier 3 zone, and 10 new jobs within 60 months in a Tier 4 zone.

Utah State Job Creation Tax Credit or Economic Development Tax Increment Financing Tax Credit is a post-performance, refundable credit which may rebate up to 30% of new state revenues (sales, corporate, and withholding Maines paid to the State) over the life of the project (usually 5-10 years) for companies seeking relocation to the State or expansion in Utah for businesses creating 50 jobs in urban counties paying at least 110% of the county wage of location.

Utah's Enterprise Zone Tax Credit Program is an incremental tax credit program up to $750 for each new job up to a maximum of 30 full time paying above county average wage-credits and an additional $500 credit if the new position pays at least 125% of the average county monthly wage for the specific industry may be claimed by eligible businesses locating or expanding in enterprise zones in Utah.

Vermont Employment Growth Incentive is a discretionary program designed to encourage business recruitment, growth, and expansion by offering performance-based cash incentives for job and payroll creation and capital investment occurring before the incentive.

Virginia Major Business Facility Job Credit offers an income tax credit equal to $1,000 per new job created in excess of a qualifying threshold amount in a county for businesses who create 51 new jobs in a tier 1 zone and at least 26 in a tier 2 zone.

Washington Multiple Activities Tax Credit offers companies a tax credit so that the Business and Occupancy Tax is paid only once for the same product for aerospace, high tech., smelting, forestry, and biomass businesses with statewide activities. Credits are subject to restrictions by industry.

West Virginia's Economic Opportunity Credit offers companies creating at least 20 new jobs within a specified time limit or at least 10 jobs in the case of a qualified small business a tax credit up to 80% of the employer's corporate net income and personal income tax so a company may offset up to 100% of its corporate net income tax or personal income tax if the requisite number of jobs pays an annual median wage higher than the state's average non-farm wage.

Wisconsin Business Development Tax Credit Program offers a refundable tax credits to reduce the eligible businesses' income tax liability for job creation equal up to 10% of annual wages paid to employees earning at least 150% of the federal minimum wage, may cover up to 50% of eligible job training costs, up to 3% of capital investment in business personal property (5% in real property), and up to 10%. of annual wages for positions created or retained at corporate headquarters.

Tech Company Economic Development Incentives. The Virginia Green Job Creation Tax Credit incentivizes the development of green, high-paying jobs in Virginia. The credit equals $500 per job and is applied against Virginia individual or corporate income tax for each new, green job that pays an annual salary of at least $50,000. The job must be considered a "green job", require a minimum of 35 hours per week, provide fringe benefits, and direct primary work activity to renewable/alternative energies.

Rural Markets Tax Incentives. Recognizing the challenge of developing in rural communities, several states focus tax incentives on rural markets, including:

- New Mexico's Rural Jobs Tax Credit Program is a non-refundable credit program applied to Maines due on state, gross receipts, corporate income, or personal income taxes designed to spur job growth in any county other than Los Alamos County, certain municipalities like Albuquerque, Rio Rancho, Farmington, Las Cruces, Roswell, and Santa Fe, as well as 10-mile zones around those select municipalities for manufacturers making a product in the State, non-retail service companies exporting a substantial percentage of services out of the State (50% or more in revenue), or companies in certain green industries.
- Utah Rural Economic Development Incentive Grant is a program designed for businesses creating new, high-paying jobs in rural Utah counties whether remote, online, or physically located in that county paying for each new position between $4,000 and $6,000 based upon the employee's location and wage.
- Washington Rural County/CEZ Business and Occupation Tax Credit Program is available to manufacturers, labs, and commercial testing facilities locating in a rural county or within a CEZ creating new employment or increase in-state employment by 15% paying a tax credit equal to $2,000 per position with annual wages/benefits of $40,000 or less and $4,000 with annual wages/benefits greater than $40,000.

Corporate HQ Tax Incentives. Many states created targeted tax credit programs geared toward the retention and recruitment of corporate headquarters locations.

State Corporate Headquarters Tax Credits

Indiana's Headquarters Relocation Tax Credit offers a tax credit for company HQs that covers up to 50% for relocation costs such as moving costs and related expenses, purchases of new or replacement equipment, capital investment costs, property assembly and development costs including such as the purchase, lease or construction of buildings and land, infrastructure improvements, site development costs.

Maine's Major Business Headquarters Expansion Program (MBHQ) provides a tax credit against the total tax due for 2% of its qualified investment in the State not exceeding $16,000,000 if a company locates its principal facility from which it conducts national/global business in Maine, employ at least 5,000 individuals worldwide (25% in Maine), have business locations in at least three other states/nations, and intent to make an investment of at least $35,000,000.

Mississippi's National or Regional Headquarters Relocation Tax Credit offers companies bringing at least 20 jobs transferring or relocating their national or regional HQ an income tax credit equal to their actual relocation costs.

South Carolina's Corporate Headquarters Credit offers a 20% non-refundable tax credit based upon the value of the actual portion of the facility dedicated to the headquarters of the operation or for 20% of the first five years of direct lease costs may be available applied against either corporate income tax or the license fee and may eliminate corporate income tax for as long as ten years from the year earned if the company creates a minimum of 40 full-time jobs at a headquarters or working in research and development, classify 20 of these jobs as staff employees, and serve as a true corporate headquarters, and businesses may receive an enhanced credit in creating 75 jobs with an average compensation more than two times the state per capita income.

Tennessee's Super Job Tax Credit is a $5,000 per job tax credit for either (a) companies making a capital investment of $100 M or more and creating a minimum of 100 new jobs paying at least 100% of Tennessee's average occupational wage or (b) companies establishing or expanding a regional, national or international

headquarters with a capital investment of $10 M or more and creating 100 HQ jobs paying at least 150% of Tennessee's average occupational wage.

West Virginia's Corporate Headquarters Credit offers a non-refundable credit offsetting up to 100% of business and occupation, corporate net income, and personal income tax liability for a period of up to 13 years when the business creates 15 new jobs in the State within the first year of relocation.

State Manufacturing Tax Incentives. 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, several states as listed below also have tax credits designed specifically for manufacturing firm.

STATE MANUFACTURING TAX INCENTIVES

Louisiana Industrial Tax Exemption program offers up to 80% property tax abatement for up to ten years on a manufacturer's new investment, and sales tax exemptions on manufacturing machinery, equipment, and business utilities.

Mississippi Manufacturing Investment Tax Credit provides a 5 % tax credit not to exceed $1,000,000 and may offset up to 50% of a business's income tax liability for entities operating a manufacturing facility for two or more years investing $1,000,000 or more in buildings or equipment.

Montana New or Expanded Industry Credit provides a tax credit equal to 1% of total wages paid to new employees for the first three years after initiation or expansion of operations but cannot be carried forward or backward and is for manufacturing companies increasing total, full-time employment by at least 30% in the State.

New Mexico Investment Tax Credit for Manufacturers is a non-refundable credit against gross receipts, compensating, or withholding taxes equal to 5.125% of the value of qualified equipment for every $500,000 in equipment, 1 employee must be added up to $30 M and for amounts exceeding $30 M, 1 employee must be added for each $1 M of equipment.

Oklahoma Investment / New Jobs Tax Credit Package provides a choice of a tax credit based upon investment or new employees, the five-year credit is on the greater of 1% per year of investment in new, depreciable property, or $500 per new job based upon a company investing a minimum of $50,000, the number of employees must not decrease, and qualified property includes all machinery, fixtures, buildings, and improvements to buildings on a year-to-year basis, and the credit may double to 2% of investment or $1,000 per job if a business locates in an Enterprise Zone or if the amount exceeds $40 M.

Pennsylvania's Manufacturing Tax Credit Program (MTC) provides tax credits to taxpayers increasing their annual payroll by at least $1,000,000 via the creation of new full-time equivalents, and the credits are awarded equal to 5% of the taxpayer's increase in taxable payroll at $1,000,000 above a predetermined base year amount.

South Carolina Investment Tax Credit allows manufacturers locating or expanding in South Carolina a one-time credit against that company's corporate income tax of up to 2.5% of a company's investment in new production equipment.

West Virginia High-Tech Manufacturing Credit provides companies investing in computers, peripheral equipment, electronic components, and semiconductors creating at least 20 new jobs within one year after the initial investment is made and may receive a tax credit offsetting 100% of the corporate income / personal income tax for 20 years.

Research & Development Tax Incentives. Research and development, particularly focused on the recruitment of corporate research and development centers, is an economic development prize and several states, as listed below, offer economic development incentives focused on gaining research and development centers.

STATE RESEARCH AND DEVELOPMENT TAX INCENTIVES

Arizona R&D Tax Incentive provides a refundable equal to 24% of the first $2.5 M in qualifying expenses plus 15% of the qualifying expenses more than $2.5 M equal to 10% of the basic research payment that constitute excess expenses for the tax year over the base amount and nonrefundable tax credits for companies with fewer than 150 full-time employees a partial refund of up to 75% of the excess credit amount.

Arkansas provides R&D Tax Credit Programs for new and existing businesses operating in certain sectors conducting "in-house" research may receive state tax credits at the discretion of the State equal to 20% of research expenditures exceeding a baseline amount established over a preceding five-year period and may be used to offset 100% of a company's annual income tax liability, targeted businesses may receive credits up to 33% of the qualified research and development expenditures incurred over a five-year period, and companies engaging in R&D in an area of strategic value may receive credits equal to 33% of qualified research expenditures at a maximum amount of $50,000.

California Research and Development Tax Credit provides companies who qualify with non-refundable corporate income tax credits for R&D expenses experienced in the business worth up to 15% of expenses, plus 24% of the basic research expenses experienced outside the organization, and unused credits can be carried forward until exhausted based upon the federal research credit.

Colorado Enterprise Zone Program offers businesses locating in an Enterprise Zone the potential for any of the following non-refundable corporate income tax credits: Investment Tax Credit of 3% on personal property, Job Training Credit worth up to 12% of eligible training costs, New Employee Credit of $1,100 per net new employee (further stipulations by sector), Employer Sponsored Health Insurance of $1,000 per net new employee, Research and Development Tax Credits of 3% on expenditures, Vacant Commercial Building Rehabilitation Credit of 25% on rehab, Commercial Vehicle Investment Tax Credits for investment in commercial trucks, truck tractors, tractors, or semitrailers, and associated parts registered in CO and based and used in an EZ may earn the taxpayer a 1.5% credit, and Contribution Projects to encourage community participation and public-private partnerships to revitalize EZs focused on job creation/retention and business expansion may earn a 25% state income tax credit, and companies locating in an Enhanced Rural Enterprise Zone may receive even larger credits to aid rural, economically distressed, areas.

Connecticut Accumulated R&D Tax Credit Expansion Program allows eligible employers who employ more than ten people with more than $500,000 of Connecticut R&D tax credits on a balance sheet without the ability to utilize them within a two-year window and plans for expansion generating at least 50 new jobs in the State with capital expenditures of $5 M or more.

Iowa R&D Tax Credit is available based upon total amount of research expenses, the company's gross receipts, and a fixed base %age for wages paid to employees performing manufacturing product research.

Louisiana Research and Development Tax Credit provides up to a 30% tax credit on qualified research expenditures with no cap and no minimum requirement.

Massachusetts Research Credit covers wages paid to research employees and a portion paid to contractors and supplies up to the first $25,000 in excise tax due plus 75% of any excise tax due more than $25,000 but the credits may not reduce a taxpayer's liability below $456.

Nebraska Advantage Research and Development Credit offers a refundable tax credit for qualified research and development activities undertaken by a business entity for 21 years, and the credit is equal to 15 % of the federal credit allowed.

New Hampshire Research and Development Tax Credit is applied against business taxes due within five taxable periods and equals the lesser of either 10% of the organization's qualified manufacturing research/development expenditures (usually wages) or $50,000, and credits are first applied to the Business Profits Tax and remainder against the Business Enterprise Tax.

New Mexico Technology Jobs Tax Credit Program provides a tax credit equal to four % of qualified expenditures and an additional four % credit toward income tax liability by raising its in-state payroll $75,000 for every $1 M in qualified expenditures claimed, and it doubles for expenditures in facilities located in rural New Mexico.

Ohio's JobsOhio Research and Development Center Grant facilitates the creation of corporate R&D centers in Ohio to support the development and commercialization of emerging technologies and products.

Ohio's Research and Development Investment Grant and Loan Fund provides grant and loan financing ranging from $500,000 to $5 M for projects primarily engaging in R&D activity.

South Carolina Research and Development Tax Credit offers a credit equal to 5% of an entity's qualified research expenses defined by the Internal Revenue Code, the credit may not exceed 50% of the company's remaining tax liability, and unused credits may be carried forward for ten years.

Texas Sales Tax Exemption or Franchise Tax Credit for Qualified Research for a person engaged in qualified research can claim either a sales and use tax exemption on depreciable, tangible, personal property used for qualified research or a franchise tax credit based on qualified research expenses, and the amount of the credit is 5% of the difference between the qualified research expense incurred in Texas; it cannot exceed 50% of franchise tax liability.

Utah Research Activities Credits offers companies a credit on 5 % of qualified expenses for increasing research activities in Utah above a base amount, 5 % of certain payments made to a qualified organization increasing basic research in Utah above a base amount, and 7.5 % of qualified research expenses for the current taxable year.

Vermont State R&D Tax Credit is a refundable credit applied to state and federal tax liabilities to offset costs spent performing qualifying research up to 27% of the corresponding federal credits and may be carried over as far as ten years.

Virginia Major Research and Development Tax Credit offers companies incurring $5 M in qualified research and development expenses during a calendar year an income tax credit equal to 10% of the difference between this year's qualifying expenses and 50% of the average amount of the qualifying expenses for the three previous years, and if a business does not have previous expenses in at least one of the prior three, the amount of the credits equals 5% of the current year's expenses but the total amount of the credit claimed cannot be greater than 75% of total tax liability, may be carried forward for ten years, and is capped at $20 M in total credit allocation.

Virginia Research and Development Tax Credit offers companies a refundable credit incurring $5 M or less in qualified research and development expenses in a calendar year, up to 15% of the first $300,000 in qualified expenses or 20% of the first $300,000 in expenses if conducted in conjunction with a Virginia college or university but the credit is capped at $7 M statewide.

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. Available for up to twenty years, the credit is operable against the business' corporate income tax up to 5% of the eligible capital costs associated with the project. Eligible capital costs include construction, installation, and any other expense incurred from the beginning of construction to commencement of operations. Businesses must make an investment of at least $25 M to qualify for the credit and up to $100 M to obtain it in full. Also, 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 Center Tax Incentives. Data Centers are another prime economic development opportunity. The global Data Center market is estimated to reach revenues of around $174 B by 2023, growing at a CAGR of approximately 4% during the forecast period.[73] States offer a range of tax incentives to recruit data centers as listed below.

STATE DATA CENTER TAX INCENTIVES

Alabama's offers up to 30 years of tax breaks for data centers investing $400 M and creating at least 20 jobs with an average annual compensation of $40,000.

Arizona's Computer Data Center Exemption provides Transaction Privilege Tax and Use Tax exemptions at the state, county, and local levels on qualifying purchases of CDC Equipment for 20 years and the capital investment must exceed $25 M (or $50 M in some counties) to be eligible for the exemption.

Georgia offers a sales tax exemption for equipment in data centers investing at least $15 M annually.

Illinois' Data Center Investment Program provides new and existing, carbon neutral data centers making an aggregate investment of $250 M over a 60-month period with exemptions from state and local taxes (and a 20% credit towards wages paid for construction workers in underserved areas), and eligible centers must create at least 20 full-time equivalents in aggregate and meet or exceed compensation totaling 120% of the median wage paid to FTEs in the county where the center is located.

Indiana's Data Center Gross Retail and Use Tax Exemption provides an exemption to the sales and use tax on purchases of data center equipment for a period no longer than 25 years for data investments less than $750 M, purchases totaling more than $750 M may qualify for an extended exemption of up to 50 years, and local entities may offer exemptions to personal property taxes to centers investing $25 M in real and personal property at a qualified facility.

Iowa offers sales tax breaks to data centers investing as little as $1 M, with larger incentives for projects topping $200 M. It also has no property tax on equipment.

Kentucky offers a sales tax refund for computer system equipment for data centers investing at least $100 M.

Minnesota's Data Center Sales Tax Incentive offers sales tax exemptions to companies building data or network operations centers of at least 25,000 square feet while investing at least $30 M within 48 months. Eligible projects may receive sales tax exemptions for up to 20 years on computers, servers, energy equipment and use, and pay no personal property tax.

Missouri's Data Center Sales Tax Exemption Program offers new data centers creating at least 10 new, full-time jobs, paying average wages 150% of the county average wage, investing $25 M in new investment within 36 months up to 15 years of state and local sales tax exemptions, and existing data centers may also be eligible for a ten-year exemption if creating at least five, new, full-time jobs within 24 months, paying 150% of the county average way, and investing $5 M within a year.

Montana's Qualified Data Centers do not receive a tax abatement but Qualified Data Centers to be classified as Class Seventeen property with a taxable valuation rate of 0.9% of market value.

Nebraska offers several tiers of sales and property tax breaks to data centers, starting with those that invest at least $3 M and employ at least 30 people, or invest at least $37 M while holding employment steady.

Nevada's Data Center Tax Abatement offers a company and co-located tenants who intend to local or expand a data center a Personal property tax abatement of 75% of the tax due for 10 or 20 years or Sales and use tax abatement reducing the rate to 2% for 10 or 20 years and, for the 10-year abatement, the company must create 10 full-time jobs, pay at least 100% of the statewide average wage, and invest $25 M in capital expenditures (increases to 50 full-time jobs, and $100 M in capital expenditures for the 20 year abatement), maintain business in the State for ten years, register pursuant to Nevada law, offer medical insurance paying at least 65% of the plan premium, and assurances that 50% or more of all workers engaged in construction of the data center are Nevada residents.

North Carolina's Data Centers Sales & Use Tax Program provides three sales and use tax exemptions for the purchase of certain items at qualifying data centers, eligible internet data centers, and other data centers that permits a qualifying data center may receive an exemption on purchases of electricity if at least $75 M of investment has occurred; at least $250 M in investment if an internet datacenter, and computer software may be exempted from sales and use tax if software is sold to an eligible data center.

Ohio's Data Center Tax Abatement provides a sales-tax exemption rate and term that allow for partial or full sales tax exemption on the purchase of eligible data center equipment. Projects must meet minimum investment and payroll thresholds to be eligible.

Oklahoma provides a sales tax exemption for equipment bought by businesses engaged in computer services or data processing, so long as most of the revenue comes from out-of-state sales.

Oregon has no sales tax and companies can receive property tax exemptions in local enterprise zones such as in Hillsborough.

Pennsylvania's Computer Data Center Equipment Incentive Program provides a tax refund for sales and use tax paid on qualified computer data center equipment utilized within a facility certified to participate in the program by the Pennsylvania Department of Revenue. Total refund for the program may not exceed $5 M.

South Carolina offers a sales tax exemption on computer equipment and electricity used in data centers that invest at least $50 M and employ at least 25 people in well-paying jobs.

Tennessee offers sales tax breaks on computer equipment and electricity for data centers that invest at least $250 M.

Texas' Data Center Tax Exemption - Data Center projects involving at least 100,000 sq. ft. resulting in the creation of at least 20 qualified jobs and a capital investment of at least $200 M over a 5-year period can qualify for a 100% exemption on sales and use tax

Virginia offers a sales tax exemption for data center equipment to those data centers that qualify by meeting both a capital investment and employment threshold.

Washington has a sales tax exemption for data center equipment in certain rural or developing areas of the state.

West Virginia qualifying data centers can receive both a sales tax exemption and a property tax abatement on equipment.

Wyoming's Managed Data Center Cost Reduction Grant is a part of the Business Ready Community Grant and Loan Program whose primary purpose is to incentive growth and expansion of data centers, the program reimburses data centers for broadband and electrical costs, and, while the maximum grant award is $2.25 M over a three-year period, the actual amount is based upon minimum match required and the wage paid to employees by the operator.

State & Local Tax Abatements. To attract new businesses and encourage the expansion of existing businesses, state and local governments offer tax abatements as an economic development incentive.[74]

STATE ECONOMIC DEVELOPMENT TAX ABATEMENT

Alabama Enterprise Zone Program offers businesses locating within a zone may be eligible to receive a maximum credit of up to $2,500 per new, permanent employee or may be eligible for discretionary sales and use, income, and business privilege tax exemptions for up to five years, and the credit amount is calculated based upon number of jobs created and increment formula, capital investment levels, and employee training costs.

Colorado also offers many sales and use tax exemptions for the purchase of manufacturing machinery, tools, and parts, and dependent upon business sector and certain requirements, a company may receive either a refund or an outright exemption.

Connecticut municipalities can offer freeze the property assessment for a specified parcel as well as for improvements made to it for a specified period, abatements may run for seven years given a $3 M in improvements, for two years given a $500,000 investment, or for another period defined by ordinance for both real estate and manufacturing machinery and/or equipment based on a sliding scale and total level of investment.

Connecticut offers sales and use tax relief on the purchase of tangible personal property for businesses creating jobs, modernizing facilities, and contributing to a targeted industry cluster may be eligible, and additional levels of real and personal property tax exemptions may be available machinery, commercial motor vehicles, and property related to manufacturing.

Hawaii Enterprise Zone Partnership offers businesses up to a 100% exemption from the General Excise Tax, an 80% non-refundable State income tax credit for the first year (decreases 10% each year for six years), and an additional non-refundable tax credit equal to 80% of annual Unemployment Insurance premiums for the first year (decreases 10% per year for six years), and county incentives if the company is in an EZ location and derives at least half of its annual gross income from a specified activity.

Illinois Enterprise Zone Program awards a mix of state and local tax incentives for reductions in a retailers' occupation tax, state utility tax, and purchases on personal property used in manufacturing process and local incentives such as Cook County industrial property EZs receives special consideration under the Class 6b – Industrial Program and is generally assessed at 25 percent of market value in the absence of any incentives.

Indiana Community Revitalization Enhancement District Tax Credit provides a non-refundable tax credit equal to the qualified investment made by the taxpayer multiplied by 25% and applied to the taxpayer's state or local tax liability for acquisition costs, engineering fees, construction management/demolition costs, and other hard costs for redevelopment/rehabilitation within a CRED district.

Kansas counties or cities may approve a property tax exemption for economic development purposes for up to 10 years for real or personal property must be exclusively used for manufacturing, conducting R&D, or used for storing goods traded in interstate commerce for companies with new business or with expansion creating new employment.

Maryland's Advantage Maryland or the Maryland Economic Development Assistance Authority and Fund is a flexible, broad-based program utilizing a combination of fund grants, loans, and other investment initiatives to support economic development.

Michigan Commercial Rehabilitation Exemption offers an incentive for commercial business or a multi-family residential facility with five or more units where the value of improvements must be at least 10% of the true cash value of the property at the start of the rehabilitation for up to a 10-year term, and a local entity must first establish a Commercial Rehabilitation District by resolution and create a district composed of property owners within the area.

Minnesota law authorizes political subdivisions to grant property tax abatements for economic development purposes for common property tax abatements for creating or retaining jobs, constructing public facilities or infrastructure, and the abatements may not exceed 15 years and 10% of the net tax capacity of the subdivision or $200,000 (whichever is larger).

Mississippi local governing authorities may grant a property tax exemption for up to ten years on real and tangible personal property being used in the state for all local property taxes except school district taxes and applies to manufacturing, warehousing, and R&D.

Montana new or expanding industries approved by the local government may receive a reduced tax valuation on the property value increase caused by improvements or modernization if a business that starts operations or invests a minimum of $125,000 worth of qualifying improvements or modernized processes and they may receive partial property tax abatement for up to 9 years based on an increase in taxable value caused by improvements but the benefit is 50% reduced on the increased taxable value for the first five years, with a 10% lower reduction every year thereafter.

Nevada offers companies paying 100% or more of the State or County wide average wage may qualify for a personal property tax abatement of 50% of the tax due for ten years, sales and use tax abatement reducing the rate to 2% for two years for a new company and 4.6% for two years for an existing, expanding company, and a Modified Business Tax abatement of 50% for four years, companies paying 85% to 99% of the lesser of the State or County wide average wage may qualify for: personal property tax abatement of 25% of the tax due for ten years, sales and use tax abatement reducing the rate to 4.6% for two years, and Modified Business Tax abatement of 25% for four years, and, in either case, the company must also offer medical insurance and pay at least 65% of the plan's premium cost and one of the following: make a capital investment (exact amount dependent upon the location) and create a number of primary jobs (exact amount dependent upon the location), and companies should maintain business in Nevada for five years, register pursuant to Nevada law, and generate more than 50% of revenue from the project from outside the State.

New Hampshire's Coos County Job Creation Tax Credit was created by the New Hampshire legislature to grants businesses credits against business taxes paid for each full-time, year-round, new job created in Coos County for which actual wages exceed 150% of the state minimum wage, and the Department of Resources and Economic Development awards credits of either $750 or $1,000 for each qualified employee on the employer’s payroll for at least 90 days prior to its being claimed, and credits are claimed against Business Profits taxes first with any remaining credits applied against the Business Enterprise Tax.

New Jersey Urban Enterprise Zone Program’s 32 EUZ zones located within 37 cities, several tax incentive benefits are available to businesses including: sales tax exemptions for purchase of specific items, corporation business tax credits for businesses hiring new employees, partial sales tax exemptions to sellers of most tangible, personal property within the zone, unemployment insurance tax benefits, and sales and use tax exemptions for the purchase of natural gas and electricity used by a manufacturer within a zone.

North Carolina may exempt machinery, equipment, electricity, fuel and natural gas, raw materials from its sales and use tax and does not levy a property tax on inventories owned by contractors, manufacturers, and merchants.

North Dakota cities may designate a zone within their boundaries, allowing a business there to qualify for state income tax exemptions, credits, and local property tax abatements for up to five years.

Ohio Enterprise Zone Program permits local governments to provide real and personal property tax exemptions to businesses within designated enterprise zones tied to company job creation and a substantial capital investment with cities and counties able to award abatements up to 75% without school board approval.

Ohio Community Reinvestment Area program is administered by municipal and county government that provides real property tax exemptions for property owners who renovate existing or construct new buildings, and those CRAs created before 1994 do not need school board approval for up to a 100% abatement.

Oregon Business Investment Program is available statewide for projects approved of by local governments or in a Strategic Investment Zone developed by "traded-sector" businesses, such as manufacturing firms with exceptional capital outlays for technology and research, large dollar investments in employees, well-

trained workforces, major impacts on the economy, and low impacts on public services per dollar invested, by exempting a portion of threshold capital investment, $100M in urban and $25M elsewhere, from property taxes for up to a 15 year term.

Oregon Enterprise Zone Program's 74 E Zones designated by local governments award new building structures, structural modifications, newly installed machinery but not land or previously used property for companies that increase full-time employment inside the Zone by the greater of one new job or 10%, have no concurrent job loss outside the Zone, maintain minimum employment during the exemption, and engage in job-training as well as conform to any local conditions total exemption from property tax normally assess on a new plant and equipment for non-retail businesses' location or expansion for a period of three to five consecutive years.

Pennsylvania Local Economic Revitalization Tax Assistance Program (LERTA) allows local taxing authorities to provide real property tax exemptions (10-year exemption) applied to the value of the new construction and the value of the real property improvement for projects involving new construction or which result in improvement to industrial or commercial business property located within a LERTA Zone and approval is required from all local taxing authorities including school districts.

South Carolina Five-Year Property Tax Abatement allows manufacturers and distribution/corporate headquarters facilities investing $50,000 or more creating 75 new jobs in one year may receive a five-year property tax abatement from county operating taxes which is an offset of up to 20% to 50% of the total millage in a county and does not include the school portion of the local millage, the abatement may not be combined with property placed under a Fee-in-Lieu agreement, the state also offers local property tax exemptions for rehabilitating abandoned textile mills, other abandoned buildings, and does not levy property tax on inventories, tangible property, and pollution control equipment.

South Carolina Fee-In-Lieu of Property Taxes (FILOT) is a discretionary program available for companies making substantial capital investments to negotiate lower assessment ratios and stabilize millage rates with a home county for up to 30 years, the long-term savings of the FILOT is based on actual investments and dependent on both the assessment and millage rates of the home county, a county may negotiate with a company for a FILOT agreement given capital investment of $2.5 M or more over a five-year period, a company may include both real and person property under its FILOT agreement, though property previously on tax rolls within the state is not eligible, under a FILOT, payments to local governments are significantly reduced through the negotiation of a lower assessment rate and a locked-in millage rate for up to 30 years on the property subject to the new agreement

Tennessee offers sales and use tax exemptions for the manufacturing industry (sales of industrial machinery and utilities), corporate headquarters, warehouse, and distribution facilities, call centers, data centers, and for research and development facilities.

Texas Enterprise Zone Program is a state sale and use tax refund program in destressed Enterprise Zones designated by local communities, the exact benefit amount is calculated based on the company's planned capital investment and job creation and/or retention at the qualified business site.

Texas offers a Sales and Use Tax Exemption for taxpayers who manufacture, fabricate, or process tangible property for sale and the Freeport Exemption for property tax exemptions for types of goods detained in the State for 175 days or less.

Virginia Enterprise Zone-Job Creation Grant program provides grants to businesses creating high-wage, full-time permanent positions with health benefits in a designated zone within the State with annual cash grant up to $800 per job may be provided for up to five years.

Wisconsin Enterprise Zone Program awards refundable tax credits up to 7% of annual wages for newly created jobs, up to 100% of job-training costs, up to 10% for capital expenditures, and up to 1% of supply chain expenses for up to 12 years to eligible companies for job creation, job retention, capital investment, and training to reduce state income tax liability or provide a refund in locally designated EZs designated on a case-by-case basis.

State Economic Development Grants. 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.

STATE ECONOMIC DEVELOPMENT CLOSING FUNDS

Arkansas' Create Rebate Program provides an annual cash payment to a company based upon annual payroll for new, full-time, permanent employees and is offered at the discretion of the Arkansas Economic Development Corporation. The rebate requires a minimum payroll of new, full-time permanent employees depending on the tier of location, and a minimum payroll of $2,000,000 within 24 months of an agreement. The rebate incentive may also be awarded to a tech-based company with a minimum payroll of $250,000 paying an average wage 175% of the state or county average hourly wage, whichever is lesser. The payment amount equals 5% of the company's annual payroll for new full-time employment.

Colorado's Strategic Fund Incentive supports and encourages job growth by providing cash incentives to companies creating net new jobs for one year. In general, a business may receive funding consideration if the project creates net, net full-time jobs in the State for one year. Additionally, companies must receive a strong level of local matching funds (1:1 strongly preferred), the project must have potential spinoff, must headquarter in Colorado, make significant capital investments ($100,000 per employee), come with inter-state competition, etc. Total cash incentives are awarded based upon the location of the job creation and the annual average wage relative to country of origin ranging from $3,000 to $6,500 per net, net job.

Hawaii's Governor's Strategic Reserve Fund (SRF) is a discretionary tool funded by lottery dollars (typically as a forgivable loan) used for projects impacting economic development. Traditionally, projects considered for SRF-funding are brought forward by regional development officers, put through an extensive vetting process, and ultimately approved by the Governor for either job creation/retention or capacity-building projects. Job creation/retention projects tie the ultimate award directly to job numbers. Projects in this category must meet project timelines, hiring-source agreements, and will undergo financial review/evaluation for return on investment. Projects focused on capacity-building projects need not have direct job creation benchmarks but must meet deliverables outlined by agreement. Both incentive categories are subject to public benefit components and tied to loan forgiveness. While varying by businesses and community need, companies must also need benefits to the public including job recruitment to underserved populations, adoption of diversity and inclusion planning, contributions to local nonprofits and more.

Montana's Big Sky Economic Development Trust Fund (BSTF) Program provides state funds to promote long-term, stable, economic growth in Montana with financial assistance for either: (1) Economic Development Job Creation Projects - Applicants may be eligible for up to $5,000 for each net, new job created (not in high poverty county; required 1:1 match) or up to $7,500 per each net, new job created in a high poverty county (1:2 50% match). Funding is provided to local or tribal governments. (2) Planning Grant Projects are awarded to Certified Regional Development Corporations (CRDC's), tribal, or local governments to support economic development and planning activities. In general, the Department awards up to $1 for every $1 in documents matching funds up to a total of $25,000.

North Carolina's Job Development Investment Grant (JDIG) is a performance-based, discretionary incentive program providing cash grants directly to new and expanding companies aiming to offset the cost of locating or expanding a facility in the State. The amount of the grant is based upon a %age of the personal income tax withholdings associated with development of new jobs. Amount of the ultimate award is calculated by weighing several factors to determine potential value including: (1) project location, (2) number of jobs, and (3) the average wage. Grant payments are disbursed annually over a term of years for up to 12 years. Projects designated at "high-yield" can receive a grant worth up to 90% of personal income tax withholdings for up to 20 years if it creates investment of $500 M while creating 1,750 jobs. For "transformative projects" investing at least $1 billion and creating at least 3,000 jobs, a 90% grant may extend to 30 years.

North Carolina's One North Carolina Fund (OneNC) is a discretionary, cash-grant program which allows the Governor to respond quickly to attract job-creation projects to the State. Administered by the North Carolina Department of Commerce, awards are based on the number of jobs created, level of investment, location, economic impact, and importance to the State. OneNC requires that a local government provide matching funds depending upon its county-tier designation.

Ohio's JobsOhio Economic Development Grant exists to promote economic development, business expansion and job creation by providing funding for eligible projects in the state of Ohio.

Oklahoma's 21st Century Quality Jobs Program awards incentives to businesses with highly skilled,

knowledge-based workforces attracting high-growth industries and sector to Oklahoma. The program provides cash payments to companies creating at least ten, full-time jobs at an annual wage typically 300% of the average county wage, reduces out-of-state sales requirements from 75% to 50% but maintains healthcare requirements. The program maximizes eligible incentives increasing the cash incentive to 10% of payroll to be paid in cash on a quarterly basis.

South Carolina's Job Development Credit is a discretionary, performance-based incentive which rebates a portion of a new employees' withholding Maines which can be used to address the specific needs of individual companies on a case-by-case basis. Job Development Credits are cash payments made to a firm based on the location of the facility and hourly wages paid. The payment ranges from 2% to 5% of the location's payroll and a company may receive such payments for up to 15 years and payments may be used to offset the cost of rents, investments in fixed assets such as land, buildings, and infrastructure. To qualify, a company must create a minimum of ten, new, full-time jobs with benefits, and payment of a $4,000 application fee.

South Dakota's Jobs Grant Program is a discretionary program available to assist companies in offsetting the upfront costs associated with relocating or expanding operations and/or upgrading equipment in the State. The Program allows project owners to receive grants for new or expanded facilities with project costs less than $20,000,000 or for equipment upgrades costing less than $2,000,000.

South Dakota's Reinvestment Payment Program is a discretionary program overseen by the Board of Economic Development reserved for highly competitive projects. The Payment Program provides reinvestment payments to projects more than $20,000,000 or for equipment upgrades more than $2,000,000. Awards are intended for projects which would not have occurred without the reinvestment payment. Projects focus on education, housing, infrastructure, local economic development efforts, and large and small project needs.

Tennessee's Fasttrack Economic Development Fund is designed to offset the cost to companies expanding or relocating business operations to Tennessee. Grants are made to local governing bodies and then reimbursed to companies offsetting the retrofitting of buildings, acquiring real property, relocation of equipment, and other expenditures not covered under other Fast Track programs. This program is used in exceptional cases where the impact of the company on a community is significant. Awards are evaluated on a case-by-case basis as all other Fast Track programs.

Texas' Enterprise Fund (TEF) awards final-state, "deal-closing" grants to companies considering a new project for which one Texas site is competing with other out-of-state sites. The fund serves as a financial incentive for those companies whose projects would contribute significant capital investment and create new jobs in the State. The incentive is designed as a cash grant and is calculated according to a uniform analytical model for each applicant in consideration of number of jobs, timeline, and capital investment. Additionally, projected job creation must exceed 75 full-time jobs in urban areas and 25 in rural areas, total average wage must meet or exceed the county, it must be supported by local jurisdictions, and the company must operate in an advanced industry.

Virginia discretionary incentives provides grants to businesses from the Agriculture & Forestry Industries Development Fund, the Major Eligible Employer Grant Program, the Virginia Economic Development Incentive, the Commonwealth's Development Opportunity Fund, and the Virginia Investment Performance Grant, Virginia Collaborative Economic Development Performance Grant provides grants to localities entering regional collaborative economic development programs to encourage location and expansion of companies in their region, and Virginia Enterprise Zone- Real Property Investment Grant provides grants to investors undertaking rehabilitation, expansion, or new construction projects within the boundaries of a specific zone with the threshold is $100,000 for rehabilitation or expansion projects and $500,000 for new construction projects.

Utah's Industrial Assistance Fund (IAF) is a post-performance, discretionary grant for the creation of high-paying jobs in the State. To be eligible, a company must create new, high-paying jobs in Utah - at least 50 jobs in urban counties - paying at least 110% of the urban or rural county average wage. The project must obtain a commitment from local governments to provide local incentives, enter into an incentive agreement with the Governor's Office of Economic Development specifying performance milestones, demonstrate company stability and profitability, and competition with other locations.

Washington's Governor's Strategic Reserve Fund (GSRF) is a discretionary job creation and retention incentive which may be used for Workforce Development Incentive purposes or to prevent the closure of a business or facility, to prevent the relocation of a business or facility outside the State, or to recruit a business or facility to the State.

State Project Financing. 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.

STATE PROJECT FINANCING PROGRAMS

Kansas awards grants to cities or counties to provide gap-financing for private businesses which create or retain permanent jobs, some repayment is required for all economic development categories, grants are made to cities and counties which then, in turn, loan funds to developing businesses, repaid funds are returned to the state revolving loan fund and may be used for infrastructure projects on a similar loan/grant basis, funding is capped at $35,000 per job created or retained with a maximum of $750,000 and a requirement for matching funds.

Missouri Business Use Incentives for Large-Scale Development Program provides low-interest loans to qualified borrowers through the issuance of tax-exempt revenue bonds for large economic development projects that may then be eligible for refundable tax credits generated through the financing program for a company engaged in manufacturing, processing, assembly, research and development, agriculture, or interstate commerce investing at least $15 M and creating at least 100 new jobs at the project facility within three years, and, if the project is an office industry such as a regional headquarters, $10 M must be invested and a minimum of 500 jobs created.

New Jersey Economic Redevelopment Growth Program helps developers close a demonstrated financing gap for commercial projects who may receive a reimbursement of up to 20% of total project cost (subject to additional grant funding); mixed-use projects may qualify for up to 100% of the parking component and up to 40% of total, non-parking, project costs, projects may be subject to verification of a gap in financing, the net result must lead to a benefit for the State, and the project must be in a qualifying economic development incentive area.

Ohio's JobsOhio Growth Fund provides capital for expansion projects to companies that have limited access to funding from conventional, private sources of financing, and JobsOhio will consider loans to companies that are in the growth, established or expansion stage and that have generated revenue through a proven business plan.

Pennsylvania First Program is a comprehensive funding tool used to facilitate investment and job creation with the Commonwealth that includes grants, loans, and loan guarantees and may utilized by eligible businesses, municipalities, and local development authorities for costs related to machinery, job training, infrastructure, and site preparation, and projects must offer substantial economic impact either for the state or the region in question, contain a private match, and create/preserve jobs.

South Dakota Revolving Economic Development and Initiative Fund is available to start-up firms, businesses expanding or relocating to the State, as well as to economic development corporations that provides low-interest loan provides up to 45% of a project's total cost and requires a 10% minimum equity contribution and may be used for permanent financing for the purchase of land, construction, acquisition, renovation as well as for equipment with interest rates are fixed at 2% including a 10-to-20-year amortization based upon the assets financing, with a balloon payment due after five years, and job creation is a factor in determining the ultimate loan amount and the project must meet certain wage and benefit requirements.

South Dakota MicroLOAN Program offers low-interest loans for up to as $1,000 and as much as $100,000 made in conjunction with lead leaders - a bank, credit union, or another approved lender and the loan comes with a 3% fixed interest rate with a 10-year term depending on the size of the loan.

Texas Product Development and Small Business Incubator Fund offers long-term, asset-backed loans to product development companies and small business incubators with a preference given for semiconductors, nanotechnology, biotech., and biomedicine, and loans generally range from $1 M - $5 M based upon the discretion of the staff and board of the program and exist for a term of 15 or 20 years depending on the type of project.

Port Authority Financing. Port authorities are governmental agencies with few of the restrictions placed on governments. 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.

STATE PORT AUTHORITY TAX INCENTIVES

Alabama Port Credit is a non-refundable, non-transferable credit incentivizing businesses to utilize Alabama's port facilities with a one-time credit can equal up to $50 per twenty-foot-equivalent, $3 per net ton of bulk cargo, or $0.04 per net kilogram for air-cargo, the credit may be carried forward for five years and may be applied against Alabama income tax liability, and to be eligible, the port user must engage in manufacturing, warehousing, or distribution, ship more than 10 TEU's, 75 net tons, or 15,000 kg of air cargo, and increase shipping volume of its cargo by more than 105% over the prior year.

Georgia's Port Tax Credit is a bonus which may be used in combination with the Job Tax Credit or the Investment Tax Credit if the company meets the requirements for one of those programs and increases imports and exports through the Georgia port by 10% over the previous base year, the base year port traffic must be at least 75 net tons, 5 containers, or 10 twenty-foot equivalent units, the credit may be used to offset up to 50% of the company's corporate income tax liability and may be carried forward for ten years, and he bonus is valued at an additional $1,250 per job per year up to five years used in conjunction with the Job Tax Credits.

Virginia's Port Volume Increase Tax Credit is designed to incentive manufacturing, distribution, agriculture, and other companies using Virginia's port facilities for a company increasing Virginia port usage by 5% in a single, calendar year are eligible for a credit in the amount of $50 per 20-foot equivalent unit, it is applied to TEUs more than base year cargo. (75 net short tons of non-containerized cargo, 10 loaded TEUs, etc.), and a company may only receive up to $250,000 applied to a company's corporate income tax.

Virginia International Trade Facility Tax Credit is designed to allow for either capital investment in an international trade facility or increasing jobs related to such a facility that shows at least 5% increase in shipments through the Virginia Port Authority, and the amount of the credit is equal to $3,500 per new, qualified, full-time employees which results from increased trade or 2% of qualified investment expenses made by the taxpayer to facilitate increased trade.

Virginia Port of Virginia Economic and Infrastructure Development Grant provides a maximum grant allowable per qualified company of $500,000 with a maximum state-wide total of $5 M, the applicants must create at least 25 new, full-time jobs, engage in maritime commerce, and participate in a specific economic sector, and businesses may qualify for a second round.

Arkansas Tax Back Program provides sales and use tax refunds based upon the purchase of building materials and taxable machinery/equipment to qualified businesses meeting investment and job creation thresholds based upon the tier of the project location and award of local tax incentives but the refund of sales and use Taxes shall not include those paid for education; the refund is thus 5.5%.

Ohio port authorities can provide financing lease structures for projects which could result in the exemption of state sales taxes on construction materials that typically covers 50% of the costs of the construction budget.

Wyoming also offers manufacturing sales tax exemptions, data center sales tax exemptions (for centers with $5 M investment in capital infrastructure, $2 M in center equipment purchases or at $50 M in capital infrastructure, HVAC).

Many states also authorize port authorities to provide what is a sales tax exemption for the construction material in economic development projects including the states below:

- Arkansas Tax Back Program provides sales and use tax refunds based upon the purchase of building materials and taxable machinery/equipment to qualified businesses meeting investment and job creation thresholds based upon the tier of the project location. The applicant must either sign a job creation agreement or have signed an Advantage Arkansas or Create Rebate agreement within the previous 48 months and obtain an endorsement resolution from a local governing authority authorizing the refund of its local Maines. The refund of sales and use Maines shall not include those paid for education; the refund is thus 5.5%. The State also exempts machinery and equipment used directly in manufacturing from its sales and use tax entirely.
- Ohio offers a construction material sales tax exemption. Port Authorities can provide financing lease structures for projects which could result in the exemption of state sales taxes on construction materials. Typically, 50% of the costs of a building are labor which is not subject to sales taxes. The remaining half of the costs would represent construction materials. Of the 88 Ohio counties, 53 have 7.25% sales tax rates; 16 have 6.75%; 13 have 7%; 3 have 6.5%; 2 have 7.5% and 1 has 8% tax rate. Port Authorities also participate in projects involving capital leases.
- Wyoming also offers manufacturing sales tax exemptions, data center sales tax exemptions (for centers with $5 M investment in capital infrastructure, $2 M in center equipment purchases or at $50 M in capital infrastructure, HVAC). Personal property in transit in interstate commerce in the State are exempt from property tax. Pollution-control equipment is also exempt.

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	• Traditional brick & mortar retail
• Domestic Supply Chain	• Airlines
• Reshoring Projects	• Events
• Logistics & E-Commerce	• Hospitality
• Medical Products	

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.[75] 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.[76] 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.

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?

Addressing incentive agreement indemnification provisions up front in economic development incentives is an important step to protect companies against negative impacts of COVID 19. Indemnification provisions generally operate to protect one party against the other party's actions or failures to act that lead to a loss claimed by a third party. Many economic development incentive agreements contain one-way indemnification provisions, requiring the incentive recipient to indemnify and hold harmless the public entity against any possible risk and for any liability that could befall the public entity because of the economic development project. When negotiating indemnification provisions between private parties, private companies seeking economic development incentives will likely seek a mutual indemnification clause-- if either party acts in a way that causes the other party to face a claim by a third party, the acting party will be responsible for any losses it causes to its counterparty. By having the same terms apply to both parties, reasonable limitations and protections can be negotiated since they operate both directions. However, public entities may not agree to mutually indemnify, and will take the position that they cannot do so under state law as the potential loss cannot be defined and acted by the required legislative body. However, even if the government cannot agree to an indemnification clause these provisions can be limited to wanton, willful or intentional misconduct by the governmental entity. Some local governments may agree to a limitation for any liability resulting from the sole negligence or fault of the City, or if due to the joint or concurrent fault of the City and the Developer, then the indemnity will be apportioned. Finally, companies will likely seek to limit the indemnification clause to a breach of the actual incentive agreement, claims out of the actual incentive agreement only, or applied to only their wanton, willful or intentional misconduct.

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.

Harrison Township Project Economic Development Law Case Study. Rickenbacker Global Logistics Park is an economic success story developed through a substantial Public-Private-Partnership. A former Air Force base in Columbus, Ohio—named for WWI fighter ace and Columbus native Captain Eddie Rickenbacker—is the site of Rickenbacker Global Logistics Park, a public-private partnership between the Columbus Regional Airport Authority, Capitol Square, and Duke Realty.[77] The park is capable of handling 28 million square feet of development and features great highway access, the largest dedicated cargo airport in the world, and is encompassed entirely by Foreign Trade Zone 138.[78] The rail intermodal terminal for Norfolk Southern is located right in the park, and is a component of the Heartland Corridor Project, providing direct, double-stack, next-day rail service to and from the port of Norfolk, Virginia.[79]

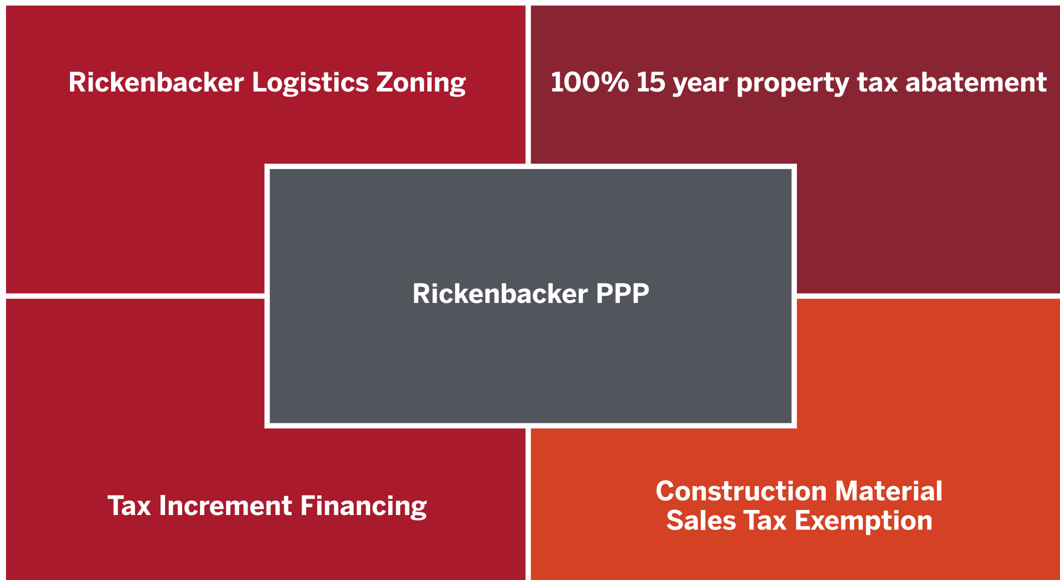
Rickenbacker in 1994

Rickenbacker in 2016

According to a recent economic impact study conducted by the Columbus Regional Airport Authority, Rickenbacker Intermodal has created 75 M square feet of warehouse and distribution space, over 18,000 jobs, nearly $900 M in payroll with an average wage of $57,100 producing an annual income tax of over $29 M, and annual sales tax of over $120 M. In the region, the Rickenbacker development is part of the 83,000 logistics and 73,000 manufacturing jobs that has led the economic growth in Central Ohio that last 25 years. Government revenues in Pickaway County, just south of the Rickenbacker Global Logistics Park have increased dramatically based upon spillover development often tied to the park.

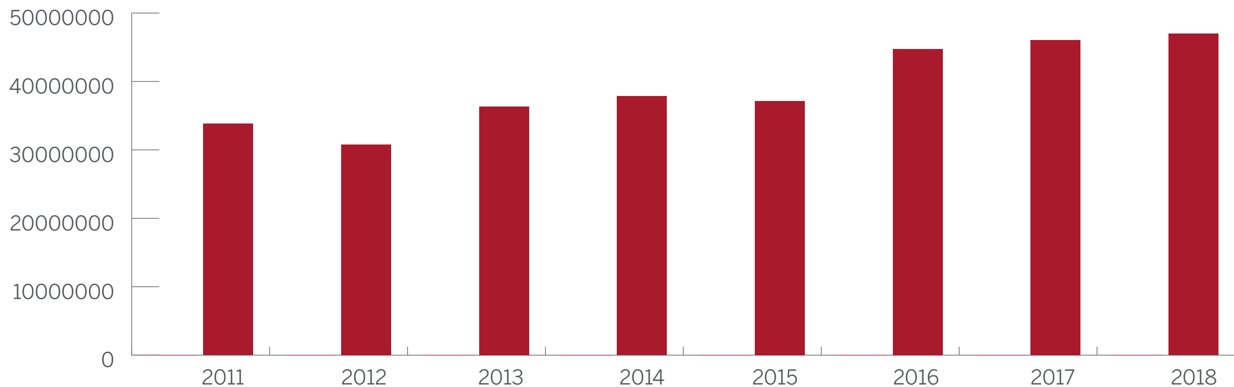
This logistics and manufacturing growth has been driven by the creation of a Public-Private-Partnership model that provides

- specific zoning designed to be flexible and friendly to new industrial and logistics building;
- a 100% 15-year property tax abatement to the developer to make the site cost competitive;
- a TIF to provide infrastructure funding if a CRA is utilized as the tax abatement tool or provides direct payments to the school district as compensation for the tax abatement;
- a JEDD to provide revenue for the township, city and developer to support the site with infrastructure such as public water, sewer and road services if the land is in a township; and
- a Construction material sales tax exemption to reduce the cost of construction to the developer and a fees to the Columbus-Franklin County Finance Authority and Pickaway County Commissioners.



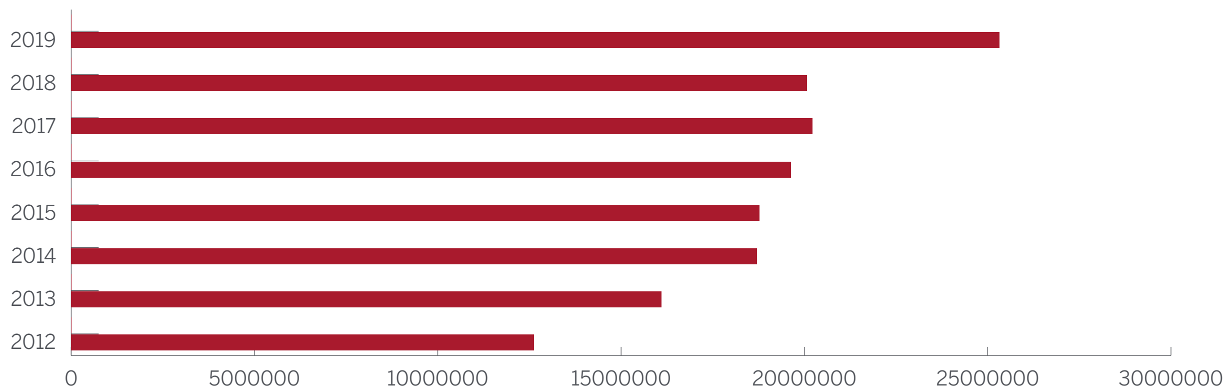
The PPP, while reducing the tax burden on economic investment, has actually produced a revenue windfall for the local communities. As the table below illustrates, rural Pickaway County just south of the Rickenbacker Global Logistics Park is bucking the trend of economic challenges for what in the past was a rural Appalachian community. Tax revenues are up and poverty rates are down.

Pickaway County Revenue Collections



Source: State of Ohio Auditor Annual Reports

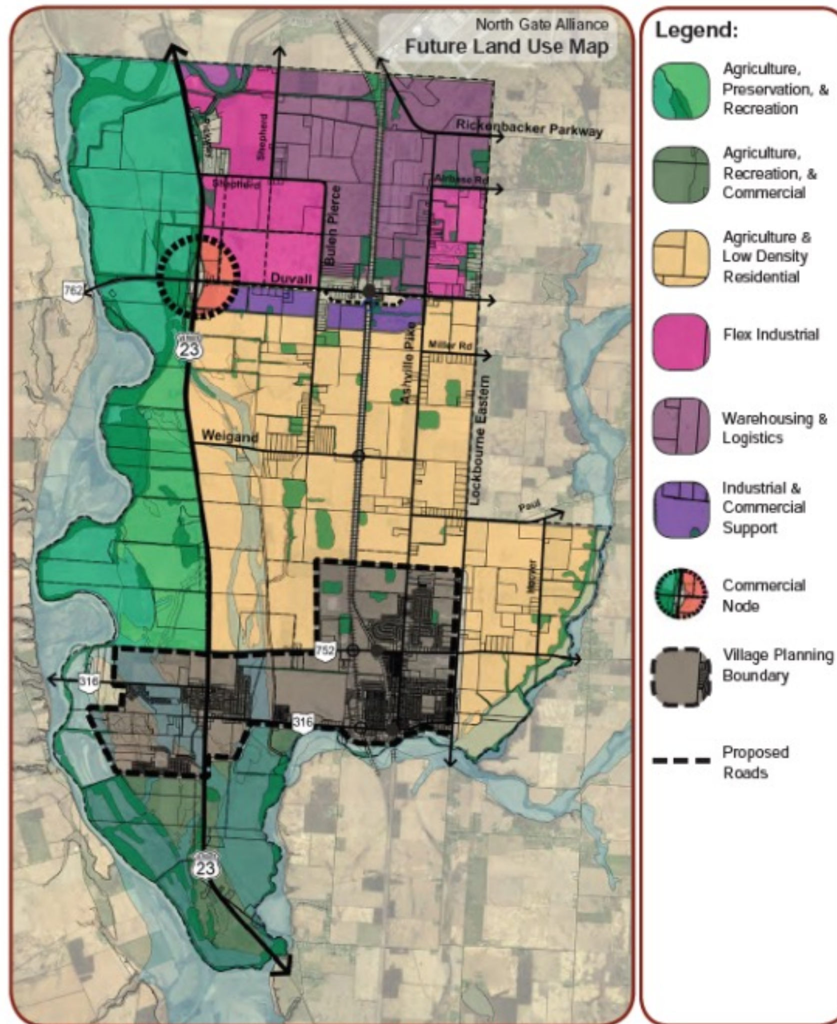
This revenue windfall is even more dramatic for many of the impacted school districts near the Rickenbacker Global Logistics Park. The Teays Valley Local School District that serves northern Pickaway County has substantial tax revenue as Pickaway County has gained $1.9B in industrial capital investment producing over 3000 jobs. This growth is in part because the local school district enacted an income tax to diversity their revenue stream but property tax growth has occurred as well.



Source: State of Ohio Auditor, Annual Reports

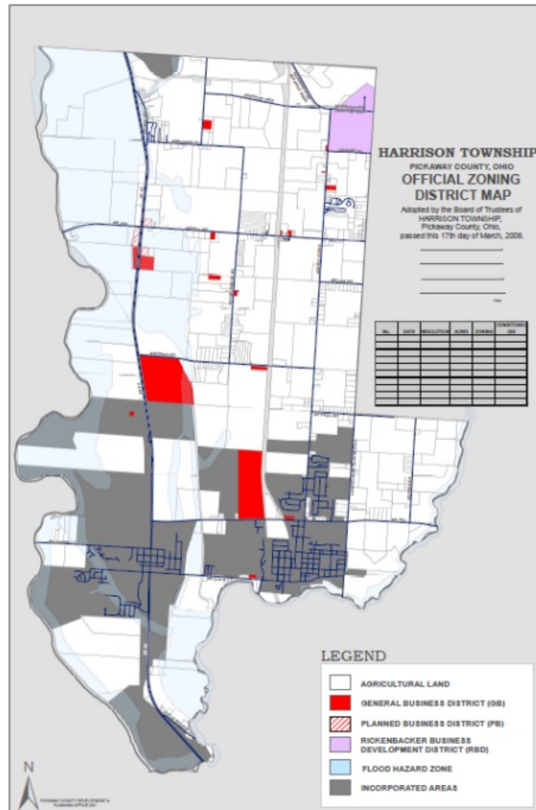
As the chart above illustrates, Teays Valley Local School District revenue has doubled as the county has grown with industrial and logistics investments—even with property tax abatements in place to spur investment. Imagine the long-term revenue numbers for the schools, township, cities and county when the tax abatements roll off in fifteen years. The Rickenbacker Global Logistics Park PPP illustrates how thoughtful zoning, infrastructure finance and economic development incentives can produce an economic windfall but also substantial tax revenue for local communities.

Seeing this economic growth and cluster of logistics and manufacturing skilled labor, Bluebell Development (name changed of actual developer) secured 122 acres in Harrison Township, Pickaway County with the hopes of developing several large industrial buildings. The land in question was zoned agriculture and would need a zoning amendment, infrastructure finance and tax incentives to be marketable as adjacent to the highly successful Rickenbacker Global Logistics Center in Southern Franklin County as the site of the former Rickenbacker Air Force Base in Central Ohio. The planned Bluebell Development project would create over 1000 jobs in nearly 2,000,000 square feet of industrial space and produce substantial tax revenues for the City of Columbus, Harrison Township and Pickaway County through the operation of an Joint Economic Development Agreement that captures income tax generated at the site. Several challenges for the developer and their counsel existed for the site. First, this development was not in the Rickenbacker Global Logistics Park but was outside the fence and the land in question did not have the zoning, tax abatement, and infrastructure needed to develop it. However, local business and elected officials supporting the growth and a JEDD was in place to support growth at this site. However, the PPP needed to transform this site from a corn field into a major job centers was going to be a complex task.



Source: North Gate Alliance Land Use Plan, 2013.

Harrison Township was part of a comprehensive land use project in 2013.[80] This land use plan was a joint effort between Pickaway County, villages of Ashville and South Bloomfield and Harrison Township to map out future investments in housing, retail and industrial developments.[81] A clear consensus from the master planning process based upon input from public officials, industry and the public, was warehousing and logistics and flex industrial was the preferred land use for the land in Harrison Township north of Duval Road.[82] This land was closely connected to the Rickenbacker Global Logistics Park and primed for the industrial development that had been occurring north and west of this land connected to the former Rickenbacker Air Force Base.[83] More importantly, the development proposed by Bluebell Development was on land that this land use master plan recommended for a zoning change to permit industrial and logistics uses.



Harrison Township, Pickaway County, Ohio established a Zoning Resolution pursuant to Chapter 519 of the Ohio Revised Code

> to promote and protect the public health, safety, and general welfare by the following: regulating the use of land areas and the construction, restoration and/or alteration of buildings and uses therein; restricting the area dimensions of land, yards and open spaces so as to secure adequate light, air and safety from fire and other dangers; controlling the bulk, height, density, and location of buildings; protecting and preserving existing natural resources; and assuring the orderly growth and development of lands. [84]

As illustrated by the zoning map above, the Harrison Township, Pickaway County, Ohio Zoning Resolution outlines specific zoning districts that are permitted that includes: Farm Residential; Rural Residential; Suburban Residential; General Business District; Planned Business District; Rickenbacker Business District; Planned Unit Development; Special Use District; and Flood Plain Overlay.[85]

Of particular interest to industrial developer and manufacturing and logistics companies is the zoning category of the Rickenbacker Business District. Portions of Harrison Township are within existing JEDD and are subject to unique business development opportunities related to the Rickenbacker Global Logistics Park.[86] These areas are also subject to specific stringent design guidelines and development standards, enforced by a Rickenbacker Global Logistics Park Association through a separate Design Review Board (DRB).[87] The RBD District is specifically designed for the specific needs of these areas, and the purpose of the RBD District is to encourage industrial, commercial and business growth within these areas while addressing potential impacts of such development on adjacent and proximate Harrison Township residents.[88]
The Harrison Township Zoning Resolution defines permitted uses for the Rickenbacker Business District to include:

- Warehousing, storage, and distribution facilities, including truck and transfer terminals;
- Light manufacturing, fabrication, processing, assembling, packaging, or treatment of goods, materials, and products;
- Administrative offices as ancillary to the above uses; and
- Freestanding office uses.[89]

The Harrison Township Zoning Resolution also establishes express conditional uses that will require specific approval of the DRB such as retail stores, restaurants, including fast food with or without drive-through facilities, gasoline sales and convenience stations, car rental establishments, hotels, exterior trailer and container storage facilities, exterior material storage, day care facilities, automobile and truck repair, and truck washing facilities.[90] The zoning resolution also established clear development standards, and that prior to any zoning certificate being issued in the RBD District, the applicant shall provide evidence that approval has been obtained by the DRB and that a record copy of the Final Development Plan, as approved by the DRB, has been provided to the Zoning Inspector.[91]

The Harrison Township, Pickaway County, Ohio Zoning Resolution provides the following process for amending their zoning resolution.

- Amendments to the Harrison Township Zoning Resolution are permitted and may be initiated by referral of a proposed amendment to the Township Zoning Commission by Board of Township Trustees, the adoption of a motion by the Township Zoning Commission submitting the proposed amendment to the Board of Township Trustees or the filing of an application by at least one owner or lessee of property, or his/her designated agent, within the area proposed or affected by the amendment.[92]
- The application for amendment needs to be submitted by the applicant to the Zoning Inspector and contain, at a minimum, the name, address, and phone number of the applicant, proposed amendment to the text or legal description of the property affected, present use and district, proposed use and district, a map drawn to scale showing property lines, streets, existing and proposed zoning, and such other items as the Zoning Inspector may require, a list of all property owners within the 500 feet, contiguous to, and directly across the street from the parcel(s) proposed to be rezoned and their address, a statement as to how the proposed amendment will impact adjacent and proximate properties, and any other information as may be requested by the Zoning Inspector to determine conformance with, and provide for enforcement of this Zoning Resolution.[93]
- Upon receipt of the application and required fee, the Zoning Inspector reviews it for completeness, and transmits it to the Harrison Township Zoning Commission and the Pickaway County Planning Commission for review. The Pickaway County Planning Commission reviews the zoning amendment and makes a recommendation for its acceptance or denial after a public hearing.[94]
- Next, the Harrison Township Zoning Commission holds a hearing and makes a recommendation for the Harrison Township Trustees for acceptance or denial.[95]
- Finally, the Harrison Township Trustees hold a zoning hearing not less than 20 nor more than 40 days from and make the final decision for acceptance or denial and, if the Zoning Commission does not support the zoning amendment, the vote of the township trustees must be unanimous in support of the zoning amendment for the change to occur. Proper public notice to the public through newspaper advertisements and adjacent property owners must be provided for all hearings.[96]
- In reviewing the proposed amendment and arriving at its decision, the Township Trustees need to consider the following factors:
  - Compatibility of the proposed amendment with the zoning and use of adjacent land, and with any land use or comprehensive plans adopted by the Township;
  - The effect of the adoption of the proposed amendment on motor vehicle access, traffic flow, storm drainage and/or public infrastructure in the area; and
  - The effect of the adoption of the proposed amendment upon the public health, safety and general welfare of the adjacent properties and other residents of the Township.[97]

The Harrison Township Zoning Resolution follows Ohio law and outlines the Referendum process that voters must follow to attempt to overturn a zoning change.

- Zoning amendments adopted by the Harrison Township Trustees are effective 30 days after the date of adoption, unless within that timeframe there is presented to the Township Trustees a petition, signed by a number of qualified voters residing in the unincorporated area of the Township or part thereof included in the zoning plan equal to 8% of the total vote cast for all candidates for Governor in such area at the most recent election in which a Governor was elected;
- The petition must request the Township Trustees to submit the proposed amendment to the electors of such area, for approval or rejection, at the next primary or general election; and
- No amendment for which such referendum vote has been requested shall be put into effect unless a majority of the votes cast on the issue is in favor of the amendment upon certification by the Board of Elections that the amendment has been approved by the voters, it shall take effect immediately.[98]

As the zoning process was underway, counsel for Bluebell Development, began negotiating a tax incentive package for the site. The tax incentives sought was a 100% 15-year Ohio Community Reinvestment Area (CRA) tax abatement for the sight. The Ohio CRA Area program is an economic development tool administered by municipal and county government that provides real property tax exemptions for property owners who renovate existing or construct new buildings including for housing and industrial uses.[99] CRAs are areas of land in which property owners can receive tax incentives for investing in real property improvements.[100] The program is delineated into two distinct categories, those created prior to July 1994 ("pre-1994") and those created after the law changes went into effect after July 1994.[101] Pre-1994s can have a 100% property tax abatement for new investments but the districts can only be amended twice.

The land Bluebell had an option to purchase was not in a Pre-1994 CRA; thus, counsel had to negotiate a Post-1994 CRA with Pickaway County, as the land was in the township, and negotiate a compensation agreement with the school district. Schools in Ohio receive about 60% of the local property tax. After multiple rounds of discussions, counsel for Bluebell negotiated a 100% CRA property tax abatement for the real property at the site and a compensation agreement for the schools districts at the site that provided a Payment in Lieu of Taxes (PILOT) to the schools annually following the investment on the property through a 15 year Tax Increment Financing (TIF) agreement that Bluebell would pay into based upon increases in the property taxes. The compensation for the school district during the 15 years of the tax abatement and TIF would constitute about 1/3 of what they would gain had the investment happened without the tax abatement. Of course, the investment would not have happened without the tax abatement, and the school district has gained substantial revenue based upon the growth of industrial and logistics projects and their adoption of not just a property tax but also a local income tax as permitted by Ohio law.

Addressing site and public infrastructure costs were a major impediment to developing the Bluebell Development site in Harrison Township. Unlike an urban infill site with infrastructure in place, the Harrison Township site was farmland not prepared for large scale industrial development. Roads, water, sewer, and power investments would need to be made. The reality is the costs for most of these on-site investments would have to be borne by Bluebell Development. However, to generate income tax revenue for the Joint Economic Development District members, Harrison Township and City of Columbus, Ohio, the Bluebell Development planned 122 acre development in Northern Pickaway County, Ohio agreed to be annexed from Harrison Township into the Northern Pickaway County-Columbus Joint Economic Development District (JEDD). An agreement was drafted and accepted by both Bluebell Development and the Board of the Northern Pickaway County JEDD. This permitted the JEDD to collect 2.5% in income tax from all employees and companies and devote those resources to infrastructure and other needs in the JEDD. Bluebell Development was able to be reimbursed for public infrastructure investments from future JEDD revenues to incentivize their investment in public infrastructure connected to the site. Other public infrastructure funding could be available from the state of Ohio through their 629 Roadwork Program when an end user with high-wage jobs in a targeted industry.

As construction plans neared, the zoning amendment was filed with the Zoning Inspector, the Pickaway County Planning Commission supported the zoning amendment request, the Harrison Township Zoning Commission opposed the zoning amendment based upon negative feedback from neighbors but the Township Trustees by a unanimous vote to support the zoning amendment as consistent with the land use plan for the site and the overall tax revenue that would be generated by the proposed development that would substantially improve the quality of life of the residents as a whole in Harrison Township.

Also, as construction plans neared for the building of speculative buildings at the site by Bluebell Development, a sales tax exemption covering roughly 45% of the projects construction costs (estimated value of construction materials value) was granted by the Columbus-Franklin County Finance Authority as they were permitted to do as an Ohio port authority. Both the Columbus-Franklin County Finance Authority and Pickaway County who had to approve of the use of the sales tax exemption program gained up front fees from the developer based upon a set percentage of the sales tax savings.

Gaining water and sewer infrastructure at the site was also a challenge. The City of Columbus Public Utilities Department provide a “Will Serve” letter committing to providing water and sewer service to the site but an easement through an adjacent property owner at the site was needed. The easement was negotiated and the water and drainage issues solved after much discussion with both the City of Columbus and adjoining property owners.

Building 1 Bluebell Development, Harrison Township, Pickaway County, Ohio

In the Harrison Township case study, no referendum or legal challenge was filed to appeal the decision of the Harrison Township Trustees, a zoning certificate was awarded and Bluebell formed an limited liability company for the development and closed on the property. Bluebell Development moved forward and constructed three large scale industrial buildings. Building 1 pictured above is over 1 M square feet, Building 2 is over 500,000 square feet, and Building 3 with over 350,000 square feet. Nearly all of the industrial space has been leased producing over 1000 jobs for the region including an Amazon, MTD Consumer Group, ODW Limestone DC, and Plantation Products as fast as the buildings could be constructed. These jobs and others at the development were supported by the use of the state Ohio's Job Creation Tax Credit and infrastructure funding from the state of Ohio's 629 Roadwork Program and JobsOhio Workforce Development Program grants. The Harrison Township project illustrated the value of a thoughtful land use master plan to makes smart economic decisions, public officials willing to follow that plan, local and state economic development incentives that provide the tools needed to make the site competitive and a developer that is patient and advocates who define the return on investment for the entire community.

In conclusion, three guiding principles shaped all incentive agreement negotiations.

1. **Incentive tied to investment.** It is important to note that the agreements negotiated for Bluebell Development, other than the construction materials sales tax exemption which required an up-front fee, never required the tax incentive to begin for either the community or the developer until the capital investment committed begin. Bluebell Development involved the construction of three speculative industrial buildings but most developers do not make speculative construction investments. This creates an incentive for the public and private sector to encourage the successful implementation of the agreements. The developer was required to memorialize in the incentive agreements the jobs and capital investments that hoped to make for the project but as they received not public funding until the investments were made the actual mandate job creation and capital investment requirements placed on the developer were minimal. However, the reality is without the jobs and capital investments, the economic development incentives did not flow to the developer.

2. **Everyone wins.** The design of the PPP was structured so the developer was positioned to market and gain profitable end users at the site. However, all levels of local and state government would also gain substantially more in tax revenues than the developer would in tax incentives. The approach implemented by the developer's legal counsel ensured that an ROI would be clear for the school districts, township, city, county, and state of Ohio. The tax revenue data at the macro level for Pickaway County and Teays Valley Local School District illustrates how this approach is working to the benefit of taxpayers. However, counsel for the developer created a tax revenue analysis tied in particular to how much TIF revenue would

be created for the school district to illustrate the planned incentive growth and revenue estimates were memorialized into actual guarantees of funding for the schools when the actual capital investment was made by the developer. The township gained access to income tax revenue which under Ohio law they cannot unless part of a JEDD, and the city gain not just more income tax revenue but additional customers for their water and sewer service. The county gained a fee for their participation in the construction material sales tax exemption and the continued growth in property and sales tax that industrial and logistics development spurs are the workers and retail follow growth. Finally, the state of Ohio that operates off of sales, income and property taxes gained substantially from 1000 private jobs being added to the state.

3. **Prepared for the future.** The incentive agreements were also structured to be prepared for future activity at the site. The incentive agreements ensured the developer has the right to transfer ownership of the property but needs to get approval from the local government to transfer the incentives. This protects both the developer and the local government to ensure the job producing vision of the original developer is aligned with the new developer's perspective. All incentive agreements need to be prepared and plan for the project to be financed. Most developers do not have a checking account big enough to pay for a $100,000,000 industrial building to be constructed. That process needs to be outlined as well and often the transfer of ownership interest agreement between the original developer and the local government is included as an attachment in the incentive agreements. In the age of COVID 19, Force Majeure and limits on the governments standard indemnification agreements become more relevant. The implementation of the incentive agreements needs to always be kept in mind when drafting what seems to be obscure provisions.

The Harrison Township Case Study illustrates the important role a PPP can play in the economic development process when the public and private sector partners come together focused on high-wage job creation and capital investment.

ENDNOTES

1. 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.
2. See generally the City of Indianapolis-Marion County Comprehensive Plan, retrieved from http://www.indy.gov/eGov/City/DMD/Planning/Services/Land/Pages/comp_plan.aspx.
3. See generally http://rational-planning-model.co.tv/#Verify_Define_and_Detail_the_problem.
4. Ibid.
5. Ibid.
6. Ibid.
7. See Ohio Attorney General Economic Development Manual, 2017.
8. Ibid.
9. See Ohio Attorney General's Economic Development Manual, 2017.
10. Ibid.
11. Ibid.
12. Ibid.
13. Ibid.
14. *Euclid v. Ambler Realty Corp.,* 272 U.S. 375 (1926).
15. Andres Duany, Elizabeth Plater–Zyberk, and Jeff Speck, Suburban Nation: *The Rise of Sprawl and the Decline of the American Dream* (Union Square West, NY: North Point Press, 2000), 5–7.
16. Zoning Guide (Washington, DC, U.S. Department of Commerce, rev. ed. 1926, §1–§2).
17. https://realestate.findlaw.com/land-use-laws/zoning-changes-variances-and-more.html#:~:text=A%20variance%20is%20a%20request,requirements%20of%20the%20zoning%20ordinance.
18. See Ohio Attorney General's Economic Development Manual, 2017.
19. https://realestate.findlaw.com/land-use-laws/zoning-changes-variances-and-more.html#:~:text=A%20variance%20is%20a%20request,requirements%20of%20the%20zoning%20ordinance.
20. Ibid.
21. Ibid.

22. Ibid.
23. Ibid.
24. Ibid.
25. Ibid.
26. https://www.kcmo.gov/city-hall/departments/city-planning-development/how-to-request-approval-of-a-rezoning
27. See Dudukovich v. Lorain Metro. Hous. Auth., 58 Ohio St.2d 202, 207, 389 N.E.2d 1113 (1979)
28. See Chapter 42, Houston City Code (2013).
29. Ibid.
30. Ibid.
31. Ibid.
32. Ibid at pp. 38–39.
33. https://www.investopedia.com/terms/s/supplychain.asp
34. Ibid.
35. Ibid.
36. Ibid.
37. Ibid.
38. 70C AM. JUR. 2d Special or Local Assessments § 22 (2008).
39. See e.g., Ohio Rev. Code § 5540.031; Va. Code Ann. § 33.1–415.
40. Ibid.
41. See Transportation Infrastructure Finance and Innovation Act (TIFIA) of 1998.
42. Ibid.
43. Ohio Rev. Code § 5540.02.
44. See Ibid. at Ohio Rev. Code §5540.031; Ibid. at §5540.06.
45. Ibid.
46. See generally Gary L. Sullivan, Steve A. Johnson, and Dennis L. Soden, "Tax Increment Financing (TIF) Best Practices Study," *University of Texas at El Paso*, September 2002.
47. See Rose Naccarato, "Tax Increment Financing, Opportunities and Concerns," *Staff Research Brief, Tennessee Agency on Intergovernmental Relations*, March 2007.
48. *How TIF Works: Basic Mechanics, Minnesota House of Representatives*, House Research, http://www.house.leg.state.mn.us/hrd/issinfo/tifmech.htm.
49. Ibid.
50. See Kent D. Redfield, "Trickle Down from the Rising Tide—TIFs and Urban Development Policy in Illinois," *PRAGmatics* (Summer 2002) 3–5.
51. Ibid.
52. I bid.
53. *How TIF Works: Basic Mechanics (Minnesota* House of Representatives, House Research Memo), retrieved from http://www.house.leg.state.mn.us/hrd/issinfo/tifmech.htm.
54. See Craig L. Johnson, *Tax Increment Financing (TIF) Report* (Washington, DC: National Association of Realtors, November 2002).
55. Ibid.
56. Ibid.
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