CASE STUDIES

Case Study #1 – The client, a manufacturing company, required a site with a long configuration and direct access to a deep-water dock for cost-efficient delivery of essential raw materials. The local port authority had land to sell, but not enough to accommodate the planned facility; the Division of State Lands owned adjoining property, but under state law could not sell it to a private company. The economic development team structured a transaction in which the port authority purchased property from the Division of State Lands and sold the combined parcel to the local redevelopment agency. The agency funded the purchase with TIF financing, “wrote down” the land and transferred it to the client at nominal cost.

Case Study #2 – A manufacturer wanted to build a $125 million plant. The development team negotiated an incentive package that included a commitment by the state to provide tax-free bonding for the total project cost, which would result in substantial savings for the client company. Federal law, however, sets a limit of $10 million on the amount of tax-free private activity bonding available to such projects, unless they qualify as exempt facilities such as airports, docks or solid-waste disposal facilities. Based on the content of the client’s product, the project team, working with bond counsel and underwriters, was able to establish that the plant could be considered a solid-waste disposal facility, qualified for tax-free bonding without limitation.

Case Study # 3 -- A manufacturing company with an aging facility faced the choice of rebuilding its production lines at their current site or moving to a new greenfield site in an adjacent state where substantial incentives were available. Although the plant’s home state had no retention or other significant incentive programs for which the building project would qualify, the project team recognized the value of retaining the client’s current employee base and community support. Working with state and local officials, the consulting team crafted a competitive package of incentives that enabled the client to remain at its current site.

Case Study # 4 -- A manufacturing company was considering locating a plant in a state that offered two separate grant/loan programs, each consisting of a $500,000 grant and a $500,000 loan. Because of the project’s financial structure, the company could not utilize the loans, and the grants could not be conferred separately from the loans. In a win-win solution, the economic development team arranged for the company to borrow and immediately repay the loan money – leaving the client with $1 million in grants.

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