



National Tax Credits & Incentives, LLC

A Fresh Approach to Credits & Incentives Consulting

A Case Study

Prepared by National Tax Credits and Incentives, LLC (a member of the Thomas & Thorngren family)
For Our Clients and Friends

The Client

As a result of increased sales of their standard and custom-designed furniture pieces in the US and internationally, this mid-sized, environmentally-friendly manufacturer needs to expand. With a single location in the southern US, the company plans to build a new plant at or near the existing plant and at least one additional location in the Midwest.

The Challenge

Client contacts NTCI regarding expansion of existing location. The southern expansion could potentially occur in one of two states. The expansion includes substantial green, environmentally friendly initiatives to increase operational effectiveness and also reduce the environmental foot print of operation. Client is very interested in cash or other incentives or financing that can make the expansion possible.

The Strategy

Client is unsure where to expand and if the financial costs of the project or financing will be approved by the board of directors. NTCI quickly assembles a full analysis of all state and local incentives in multiple jurisdictions and assigns a value to each incentive. Additionally, NTCI gathers listings and mapping coordinates and details regarding multiple existing land sites or manufacturing facilities that could meet the clients needs. NTCI's research confirms the existence of several programs designed to offset or reduce the cost of green initiatives. NTCI further provides multiple financing arrangements from bond issuances to low interest loans to help finance the project should the company choose to do so. In a face-to-face meeting, NTCI provides full analysis of each state and the associated costs and incentives that would be included in a potential expansion.

The Results

Client quickly sees the "big picture" of the costs of operating in a state, the benefits or incentives of operating in a state, and where the client should focus real estate search. Client knows the optimum state, counties, cities, and job ready sites for incentives. Client also understands true cost of expansion after incentives. Client also is informed of several financing arrangements including industrial revenue bonds that can completely or partially finance the business expansion. The net investment for the project was approximately \$2,500,000 and the potential incentives for the state and locality of choice totaled \$1,050,000 or 42% of total costs.