

PUBLICATION

Putting Economic Development Incentives to Work for Business

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A lucrative package of tax and other incentives offered by state and local governments made it easy for a multinational manufacturer to decide where to build its new manufacturing facility. The glow of the incentives began to dim, however, as company executives grappled with how to take advantage of the incentives while keeping to a tight construction schedule. The numerous departments of state and local governments providing the incentives each had separate applications, program requirements and timelines. Just knowing whom to contact was in itself a challenge. Many incentives would be lost if specific program requirements were not met in a timely manner, and obtaining some of the incentives appeared to require a delay in the start of construction.

Baker Donelson attorneys stepped in to provide a roadmap through the incentive process for the manufacturer. Within days of learning about the company's decision to build its new facility, the attorneys traveled to the company's North American headquarters to meet with executives and learn about the plans and business objectives for the new facility. Baker Donelson attorneys also traveled to one of the company's similar manufacturing facilities in another city to learn firsthand about the operations of the facility. With this knowledge, the Baker Donelson team evaluated the incentive package to ensure that all available incentives had been offered and determined that the company was eligible for substantially more. Working with the company, the firm developed a timeline for applying for and implementing the incentives that closely matched the company's initial construction deadlines. Finally, Baker Donelson used its extensive knowledge of the workings of the state and local governments to expedite the process of negotiating and documenting the incentives.

In the end, what initially appeared to be a probable delay of several months was pared down to less than one month. The offered incentives increased, and even more significant, additional incentives were obtained. The company was quickly able to refocus its energy on breaking ground on its new manufacturing facility.