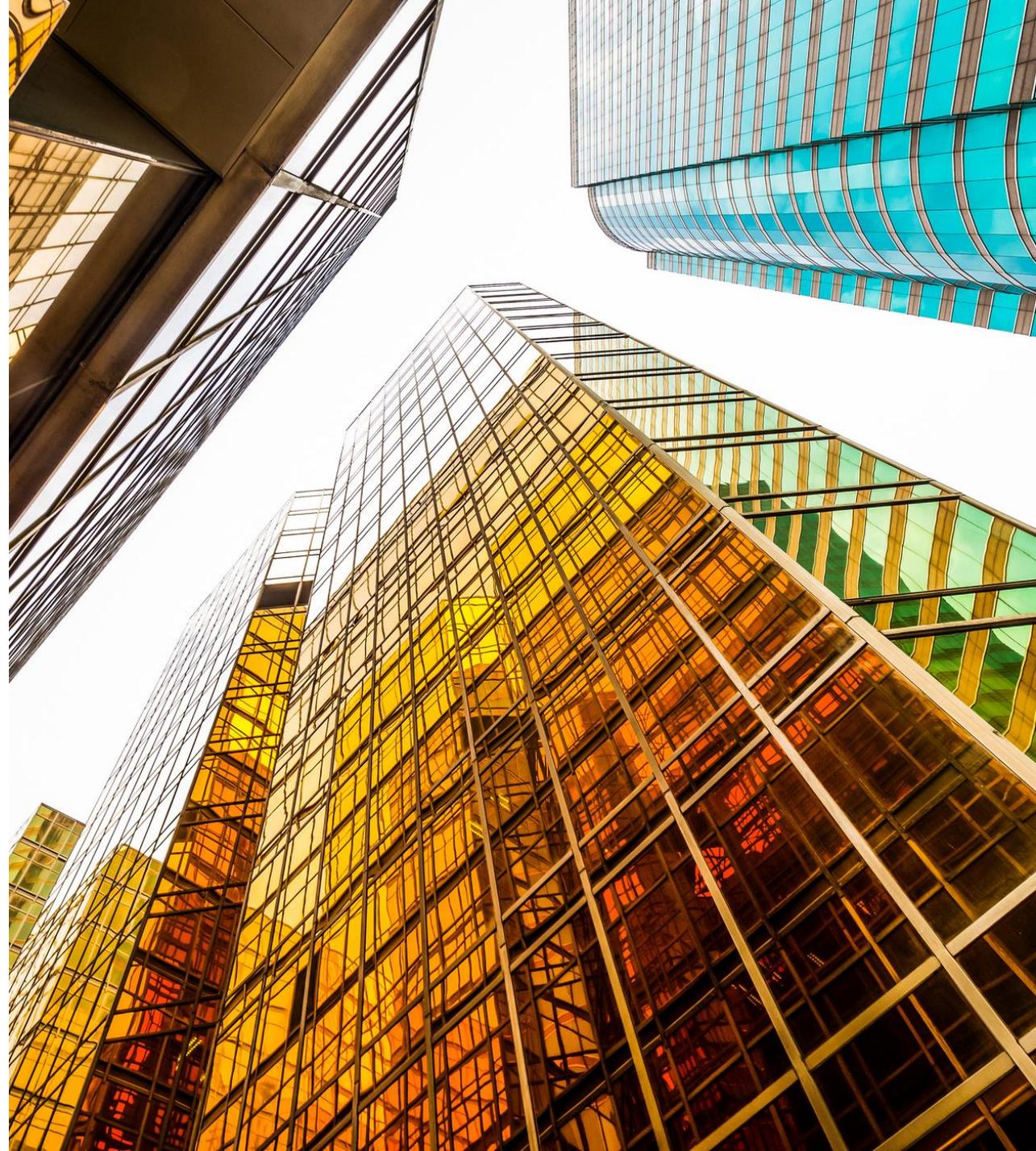


# Site Selection + Incentives

Maximizing ROI + Mitigating Risks



# Course Overview + Learning Objectives

This course shows tax practitioners how site selection and incentives strategy can strengthen their advisory work. While CPAs are not site selectors, they play a key role in recognizing when client growth may trigger valuable credits. By understanding the process, participants will learn how to connect business expansion to tax and operational savings, reduce client risk, and deliver measurable long-term value.

- + By the end of this course participants will be able to:
  - Recognize when client growth activity may trigger eligibility for credits and incentives
  - Identify major cost and risk factors in location strategy
  - Understand the categories of incentives
  - Learn how incentives are quantified and why they can matter to ROI
  - Identify when to connect clients with specialists for deeper analysis and negotiation
  - Strengthen their role as trusted advisors by raising awareness during client growth discussions

# Site Selection is More than Location



# Why Site Selection is More than Location

## Potential Consequences of Choosing the Wrong Site

- + Higher-than-expected operating costs
  - + Utilities
  - + Logistics
  - + Permitting
  - + Wages and benefits
- + Workforce
  - + Shortages
  - + Skills shortfalls
- + Missed financial support
  - + Incentives
  - + Workforce training
  - + Infrastructure grants
  - + Other
- + Regulatory Issues
  - + Zoning/land use
  - + Environmental regulations/compliance
  - + Infrastructure
  - + Industry specific regulations

# SSI Process

Data-Driven, Client Centric, Holistic



# Knowledge Check

Which of the following is least likely to be a major cost or risk factor when selecting a business location?

- + Logistics and utility costs
- + Workforce skill shortages
- + Regulatory and permitting delays
- + Employee volunteer hours in the community

# Phase 1

Research – Criteria + Needs Assessment



# Phase 1

## Criteria + Needs Assessment

Data driven research, incorporating internal collaboration across Human Resources, Finance, Operations and Sales

- + Identify and confirm key macro and micro project criteria
- + Plan Development
- + Business goals, project drivers
- + Site criteria
- + Data, data, data

# SWOT Analysis

## Strengths

- + \$7.6 B market for air purification products
- + Low capital requirements to manufacture
- + Low volatility
- + Strong after-sales service positions company well

## Weaknesses

- + R&D costs more in US with less attractive incentives and more expensive labor and thus should remain in Canada
- + Electronic products and components are still experiencing shortages across US, driving need to stockpile



## Threats

- + Low-cost imports dominate the domestic market
- + Steel and aluminum tariffs, will drive up raw material costs
- + Weak US dollar increases raw materials costs
- + Weakening of environmental regulations in US may soften demand

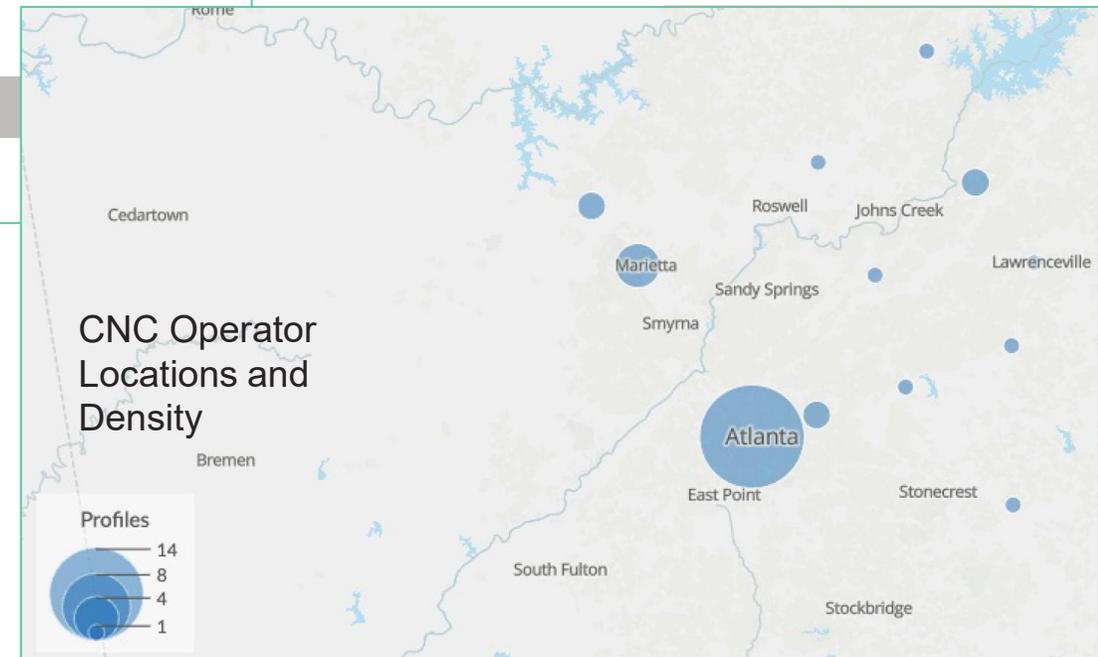
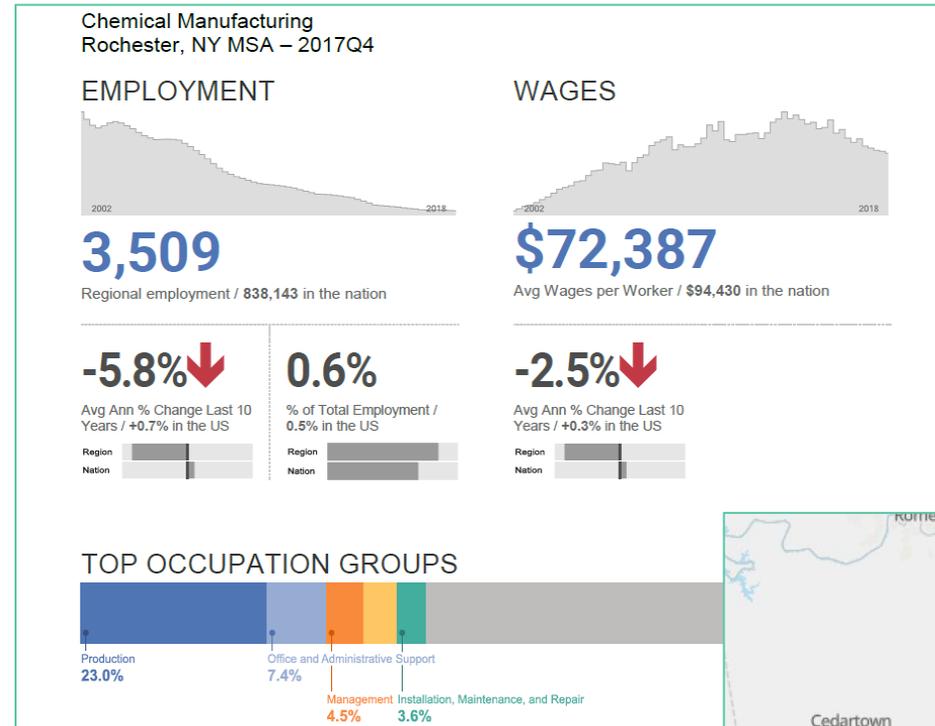
## Opportunities

- + 2.1% CAGR through 2029
- + Innovation such as smart tech for real-time AQ tracking can offer unique solutions
- + Clean Air Act and other standards continue to drive demand
- + Many new commercial projects voluntarily incorporate HEPA filtration, UV-C treatment, and bipolar ionization to improve IAQ and tenant appeal
- + Global markets with pollution challenges have more capital to seek solutions
- + New automation technologies will be costly but ultimately mitigate high US labor costs
- + Weak US dollar advantages exports

# Data Gathering - Preliminary Analysis

## Workforce Analytics

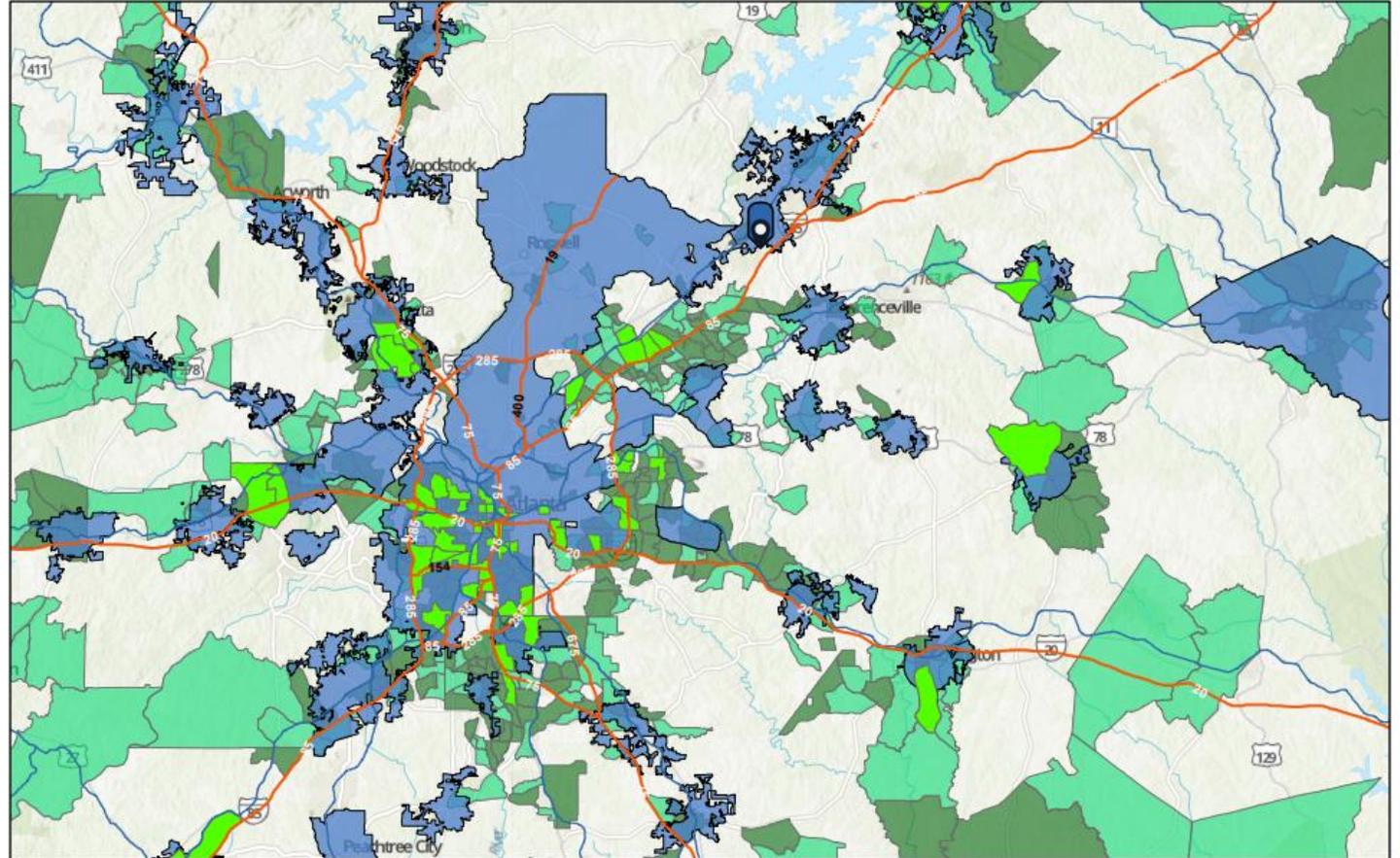
- + Median income
- + Labor supply and demand
- + Competitor analysis
- + Age
- + Education
- + Training
- + Industry wages
- + Forecast for industry employment
- + Existing skill and certification gaps
- + Industry location quotient



# Data Gathering - Preliminary Analysis

## GIS Mapping - Project Criteria

- + Population characteristics
  - Labor
    - Heat maps
    - Drive time
  - Household income
- + Incentive zones
- + Transportation access
  - Port
  - Rail
  - Air
- + Competitor density
- + Suppliers
- + Land characteristics



4/10/2025

USA Freeway System (over 1:500k)

North American Rail Network Lines - Class I Freight Railroads View

Opportunity Zones

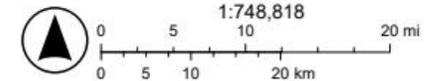
REDLG\_ineligible

New Market Tax Credit 2020

Eligible - NMTC, distressed

Eligible - NMTC, severe distress

World\_Hillshade



Esri, CGIAR, USGS, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community

Smith+Howard  
2025

# Knowledge Check

Which of the following workforce analytics factors is least likely to be part of preliminary site selection analysis?

- + Median income and industry wages
- + Labor supply and demand forecasts
- + Existing skill and certification gaps
- + Company branding and logo design

# Phase 2

Site Search



# Phase 2

## Site Search and Evaluation

- + Site search and analysis based on key project criteria
- + Shortlist evaluations and site visits
  - + Infrastructure readiness, building/land condition evaluation
  - + Environmental/regulatory due diligence
  - + Workforce due diligence and workforce development agency engagement
  - + Meetings with economic development officials and stakeholders

# Phase 2

## Preliminary Site Selection and Shortlist Development

Project Maserati				
<b>Site notes</b>	Optimal proximity to Charleston supplier; expansion acreage for 40,000 additional sq ft; price/acre high for area; awaiting Phase 1 environmental report to assess previous land usage	Significant TI required for upfits due to age and prior use; leverage due to market duration of >480 days; high distance to interstate; favorable lease terms; middling proximity to principal supplier	Price needs to be negotiated further to account for design challenges with bisecting stream; good logistics; contractor estimate imminent for scrubbing; incentive zone a plus	Not enough space for expansion; floodplain encroaches on parking area; owner not open to lease rate negotiation
<b>Status</b>	Keep	On Hold	On Hold	Eliminate
<b>Site Name</b>	South Madison Industrial Park	Branch River Park (formerly Tupperware)	Newton Industrial Park	Jonas
<b>Coordinates</b>	34.700000, -83.054545	33.729, -79.464	35.689, -81.212	35.340, -81.077
<b>Link</b>	<a href="https://youtu.be/LWW31XTFjnk">https://youtu.be/LWW31XTFjnk</a>	<a href="https://www.crex.com/properties/29554">248 Tupperware Rd, Hemingway, SC 29554   Crexi.com</a>	<a href="https://www.loopnet.com/properties/2300-Newton-Industrial-Park-Dr-Newton-NC-28658">Newton Industrial Park Dr, Newton, NC 28658 - Opportunity Zone- Industrial Park Development   LoopNet</a>	<a href="https://www.loopnet.com/properties/2369-Charles-Raper-Jones-Hwy-Stanley-NC-28164">2369 Charles Raper Jones Hwy, Stanley, NC 28164 - Industrial for Lease   LoopNet</a>
<b>Address</b>	401 Oconee Business Parkway Madison SC	248 Tupperware Rd Hemingway SC	2300 Newton Industrial Park Dr Newton NC	2369 Charles Raper Jones Hwy Stanley NC
<b>County</b>	Oconee	Williamsburg	Catawba	Gaston
<b>Acreage</b>	28.9	23.1	65.53	25.37
<b>Sq Ft</b>	163,417 production / 6,434 office	1,110,759 / can subdivide	Land: gently rolling; subdivisible	220,000
<b>Year Built/Renovated</b>	2024	1976	N/A	1987/2013
<b>Sale/Lease</b>	Sale	Lease	Sale	Lease
<b>Pricing</b>	\$63,000/acre / \$1,820,000	\$0.33/SF/MO + \$0.15 OC	\$3,991,800	\$0.38/SF/MO + \$0.11 OC
<b>Contact Information</b>	<a href="mailto:Dan.Jones@cbre.com">Dan.Jones@cbre.com</a> , (111) 555-1212	<a href="mailto:Kaley.Fisher@SCED.gov">Kaley.Fisher@SCED.gov</a>	<a href="mailto:Juan.Kin@coldwellbanker.com">Juan.Kin@coldwellbanker.com</a>	<a href="mailto:June.Lisky@cresa.com">June.Lisky@cresa.com</a>
<b>Time to Build</b>	Q2 2025	Graded and available now	3-6 months	Q1 2026
<b>Mileage to Interstate</b>	15 / I-85	41 / I-85	15 / I-40	7.8 / I-55
<b>Wetlands</b>	SW periphery stream; see report	No floodplain encroachment	Stream subdivides northeast from southwest	75 year floodplain on NE corner through parking spaces
<b>Days on Market</b>	17	485	115	184

### + Site Search & Analysis

- + Compilation of candidate sites
  - + Off market property inclusion
- + Sites vetted in multiple rounds
  - + Alignment with project criteria
  - + Geotechnical, environmental, and infrastructure feasibility data collection
- + Submission of additional materials by communities vying for project

### + Shortlist Development

- + Evaluation of longlist
  - + Infrastructure and utilities assessment
  - + Community and workforce analysis
  - + Tax structures, etc.
- + Shortlist development/comparison analysis

# Phase 3

Site Visits



# Phase 3

## Site Visits and Community Tours

- + Plan and execute tours of sites and communities Evaluate key site attributes, including infrastructure readiness, utility capacity, and necessary upgrades
- + Site due diligence
- + Assess business climate
- + Meet with economic development agencies to discuss workforce training programs, business-friendly policies, and growth strategies
- + Engage with local business leaders to gain peer insights into the business environment and community support.
- + Assess community quality of life and culture
- + Including housing options, educational facilities, healthcare services, and recreational amenities
- + Plan and execute tours of shortlisted sites and communities with company's executives



# Phase 4

## Incentive Negotiations



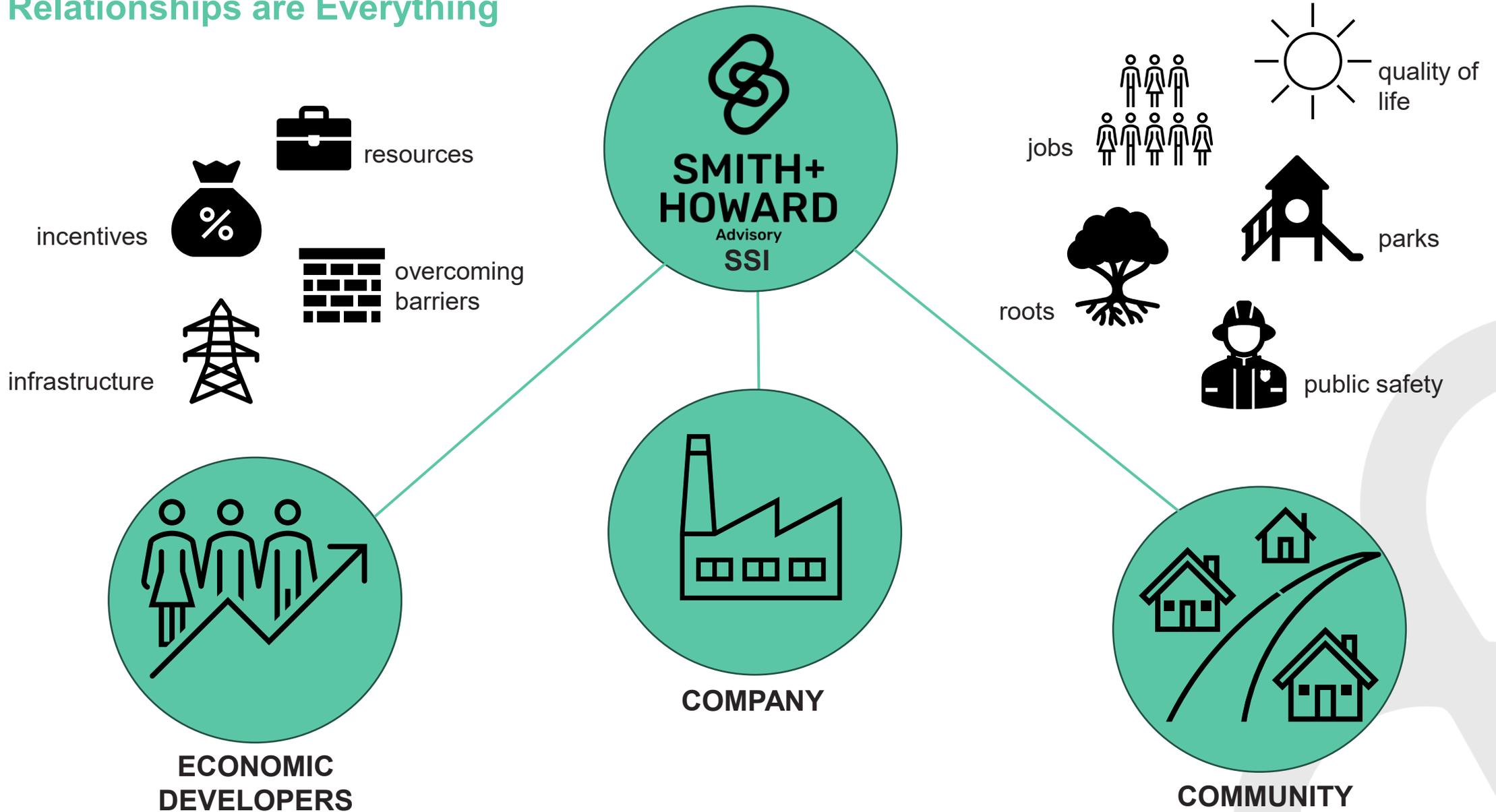
# Phase 4

## Incentive Negotiations

- + Strategic Incentive Solicitation
  - + Timing is critical
  - + Jobs + investment
  - + Economic impact analysis
- + Negotiations
  - + Review and analyze incentive MOUs, identifying gaps or ambiguous terms
  - + Meetings with economic development officials to optimize incentive values, performance terms, etc.

# We are your Impartial Negotiators

Relationships are Everything



# Project Impact

## Economic Impact Analysis

+ Uses input-output model, criteria, and multipliers recognized by Bureau of Economic Analysis

+ Based on

- Tax rates
- Wages
- Property acquisition
- Construction
- Utilities
- Revenue
- Equipment
- Inflation
- Depreciation

	Five Year Economic Impact on Greenlee County			
	Construction		Operations	
Effects	Jobs	Earnings	Jobs	Earnings
Direct	52	\$4,084,403	50	\$14,416,725
Induced	12	\$806,483	12	\$3,776,375
Indirect	10	\$696,143	6	\$1,840,445
<b>Total</b>	<b>74</b>	<b>\$5,497,029</b>	<b>68</b>	<b>\$20,033,545</b>

# Project Impact

## Projected financial impact

- + Targeted RFP tailored to finalist communities
- + Project background and differentiation
- + Site specifications
- + Project impact
  - Direct Output
  - Direct Earnings
  - Direct Jobs
  - Indirect/Induced Output
  - Indirect/Induced Earnings
  - Indirect/Induced Jobs
  - Tax Impact to County, City
- + Project Needs
  - Workforce
  - Infrastructure
  - Zoning/Permitting
  - Capital Assistance



### Tax Impact to State and Community

Total Property and Sales Tax Impact: \$964,600  
Estimated State Income Tax Impact: \$5.05 Million

Direct and indirect tax revenue, generated through property, sales, and income taxes, as well as up to 118 employees over the next five years.

Schools: \$273,100  
Tax revenue contributions to city and county schools.  
Property Taxes: \$399,700  
Direct tax revenue to the city and county.  
Property Tax: \$59,200  
State tax contributions from facility upgrades.  
County Sales Tax: \$396,200  
Sales tax revenue generated from company operations.  
Resident Income Tax: \$81,200  
Additional state sales tax contributions.  
State Income Tax: \$5.05 Million  
Expected state income tax revenue from direct and indirect job creation.

In addition to project viable, several challenges and needs must be addressed. Rising construction costs, labor shortages, and infrastructure requirements make this expansion significantly more complex. The primary focus is securing cost-effective solutions, including incentives and support to offset rising operational expenses.

In addition to maximizing applicable incentive programs, it is critical for the State of South Carolina, Oconee County, Westminster, and key infrastructure providers to collaborate on solutions, which

include development and training assistance to upskill workers for advanced machining and manufacturing roles. Support for workforce recruitment and relocation, partnership with workforce agencies and veteran hiring programs. Incentives to offset operational costs, utility cost reductions, reduced lease rates, permitting assistance and fast-tracking approvals, expedited permitting for facility retrofits and upgrades. Capital assistance for facility expansion, \$5M needed for critical infrastructure and equipment investments. Infrastructure support and funding, utility line extensions, road improvements, and parking lot expansions. Incentives for potential HQ relocation, and local tax incentives for moving corporate offices. Availability of warehouse space at competitive lease rates



### Project Velocity Impact and Needs Assessment

Presented to South Carolina Department of Economic Development  
and Oconee County Chamber  
January 21st, 2022

#### Summary

This document outlines the anticipated positive economic impact Project Velocity will have on the community, the necessary steps to bring this project to fruition, and how incentives can serve as a catalyst for development. Smith + Howard SSI (S+H SSI) utilizes a scientifically sound input-output model, along with criteria and multipliers recognized by the Bureau of Labor Statistics (2011), to calculate the indirect economic output, in addition to the direct effects of this site expansion project.

In brief, Velocity Auto Parts plans to retain **83 existing employees** and create **425 new jobs** by expanding its current facility and adding new production lines over the next three years. The estimated average wage will range between \$45,000 - \$53,000 for production workers (direct labor) and \$61,000 - \$118,000 for technical, supervisory, and managerial staff (indirect labor). The company plans to invest **\$5.5 million in new machinery and equipment**, alongside an additional **\$1.3 million in facility upgrades** over the next three years. This is in addition to the \$4 million already invested into retrofitting the facility for production. The impact numbers presented relate solely to this project and do not include the broader economic benefits of associated automotive industry growth.

ELS and Velocity Auto Parts would like to express appreciation to the State of South Carolina, Oconee County, and the City of Westminster for the discussions thus far. Reviewing these figures will highlight the positive economic impact of this project, which aligns with the region's manufacturing growth strategies and target industry initiatives. We believe this represents a strong case for robust state and local support.

#### Annual Economic Impact (5-Year Period): \$539.2 Million & 750 Jobs

- Direct Output: \$274.4 Million
  - Increased annual output over five years.
- Direct Earnings: \$32.8 Million
  - Direct increase in annual wages paid by the company in Westminster.
- Direct New Jobs: 85 Jobs Annually (425 Total)
  - New jobs created by the company over the next five years.
- Direct Retained Jobs: 83 Jobs
  - Jobs retained at the Westminster facility.
- Indirect/Induced Output: \$59.9 Million
  - Indirect economic activity generated by expanded operations.
- Indirect/Induced Earnings: \$10.8 Million
  - Additional annual wages generated in Westminster due to expanded operations.
- Indirect/Induced Jobs: 672 Jobs (plus 31 temporary construction jobs)
  - New supply chain and support industry jobs
  - Temporary construction jobs from facility upgrades and equipment installation.

<sup>1</sup> Bess, R. & O'Connell, Z. (2011). Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II Multipliers. Presented at the 50th Southern Regional Science Association Conference, New Orleans, LA.

# Incentives Continuum

## Training Incentives

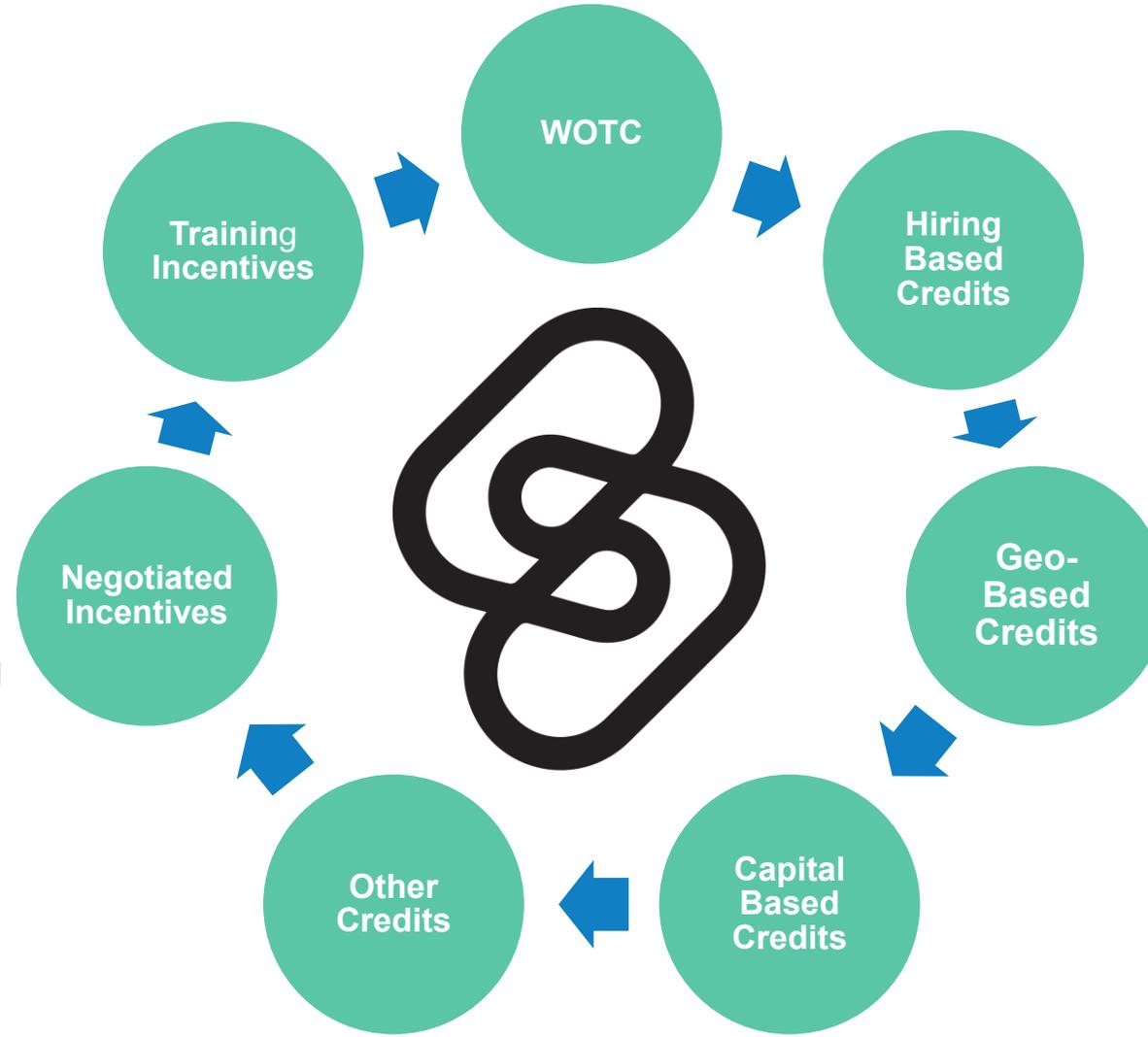
- + Grants
- + Credits

## Negotiated Incentives

- + Cash Grants
- + Tax Incentives
- + Abatements
- + Special Exemptions
- + Expedited Permitting

## Other Credits

- + R&D Tax Credits
- + S&U Tax Studies
- + Cost Segregation
- + Energy Incentives



## Hiring Credits

- + Targeted Jobs – WOTC
- + Net Increase in Jobs

## Geo Credits

- + Zone Based
- + Tier Based

## Capital Credits

- + Expensed Items
- + New Investment

## Financing

- + Industrial Revenue Bonds
- + Low-Cost Loans

# Knowledge Check

Which of the following is least likely to be a major cost or risk factor when selecting a business location?

- + Logistics and utility costs
- + Workforce skill shortages
- + Regulatory and permitting delays
- + Employee volunteer hours in the community

# Knowledge Check

Which of the following client actions is most likely to trigger eligibility for state or local incentives?

- + Launching a new website
- + Adding 50 full-time jobs
- + Hosting a client appreciation event
- + Updating marketing materials

# Georgia - Top 3 Incentives

- + Investment Tax Credit: 1%–8% of qualified investment  $\geq$ \$50k
- + Job Tax Credit: \$1,250–\$4,000 per job, for 5 yrs
- + Quality Jobs Tax Credit – Up to \$5,000 per job for 5 yrs
- + Retraining Tax Credit: Up to \$1,250 per employee/yr



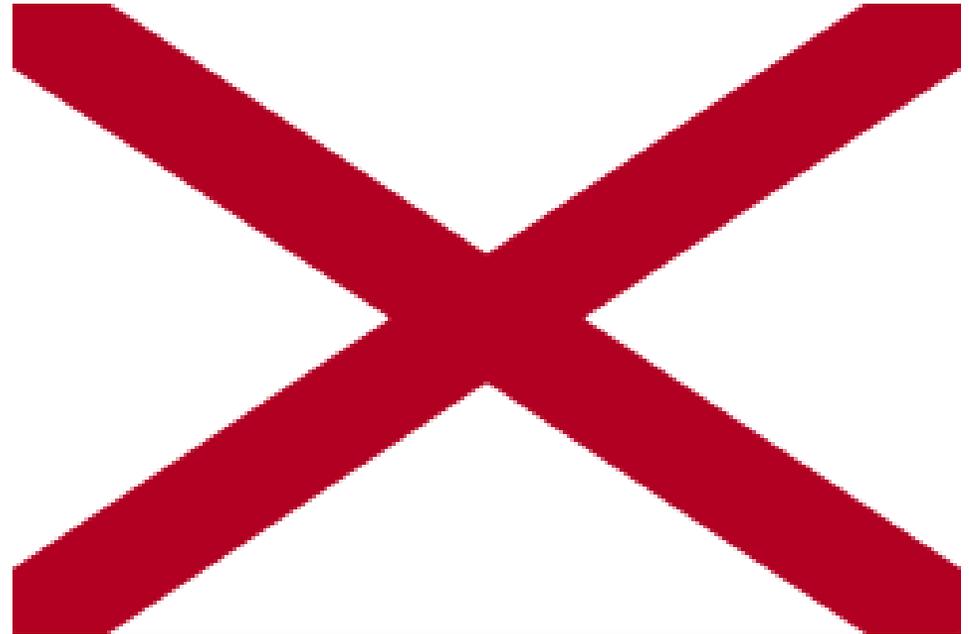
# Tennessee - Top 3 Incentives

- + Job Tax Credit: \$4,500/job, offsetting franchise & excise tax
- + Enhanced/Super Job Credits: Extra \$4,500 or up to \$5,000/job for large projects
- + FastTrack Job Training: Reimbursement of eligible training costs



# Alabama - Top 3 Incentives

- + Investment Credit: 1.5% annually, up to 10 yrs (15 yrs in targeted counties)
- + Jobs Credit: 3% - 4% of payroll rebates for 10 yrs
- + Small Business Job Credit: \$1,000 per new job, after 12 months



# Knowledge Check

Which of the following best represents the three common categories of state business incentives?

- + Investment, jobs, training
- + Marketing, real estate, utilities
- + Finance, HR, legal
- + Advertising, technology, insurance

# Phase 5 – Final Selection

- + Final evaluation
- + Lease/purchase negotiations
- + Incentive acceptance
- + Public announcement strategy

# Phase 5

Finalist Selection



# Phase 5

## Finalization of Site Selection & Incentive Acceptance

- + Decision making
- + Outstanding concerns
- + Lease/purchase negotiations
- + Notification to winning community
- + Incentive acceptance
- + Public relations

# Case Studies



# Agricultural Machinery Manufacturer

Client: Agricultural Machinery Manufacturer

## Overview:

Agricultural machinery manufacturer considering expansion in place or relocating next to parts servicing operation in another state

## Project Details:

- 172 new jobs
- \$50 M in CapEx

## Scope:

- Regional location strategy for existing and proposed facility including cost modeling, market analysis, and community labor analysis
- Evaluation of partnership opportunity with leading agricultural technology academic department
- Real estate and incentive negotiation with economic impact analysis

## Tangible Value:

- Property Tax Abatement (\$2.5 M)
- Infrastructure Grants (land improvement, permit fees) (\$1.5M)
- Job Tax Credits (\$2M)
- Tax Credit and Exemption (\$680,000)

Total Value: Approximately \$6,700,000

# Food + Beverage Manufacturer

Client: National Food Manufacturer

## Overview:

PE-backed producer of fresh meals intended to support healthy consumer lifestyles



## Project Details:

- 300 new jobs
- \$35 M in CapEx
- Multifacility expansion across 4 states



## Scope:

- Regional location strategy for existing facilities including cost modeling, market analysis, and community labor analysis
- Company acquisition realignment assessment with logistical analysis
- Real estate and incentive negotiation with economic impact analysis
- Implementation



## Tangible Value:

- Property Tax Abatements
- Sales Tax Rebates and Exemptions
- Infrastructure (Road, Water, Sewer, Electric) Grants
- Cash Grants
- Training Grant
- Equipment Grant

Total Value: \$14,000,000

40% ROI

# Knowledge Check

How Can CPAs most strengthen their role as trusted advisors during client growth discussions?

- + By monitoring client real estate site visits to ensure alignment with workforce needs
- + By recognizing when growth may trigger incentives and connecting clients with specialists
- + By advising clients directly on lease and purchase negotiations for facilities
- + By finding & providing information on permitting and zoning

Thank you!

