

CASE STUDY

LEVELING THE PLAYING FIELD FOR A MAJOR MEDICAL DEVICE MANUFACTURER



Incentives bridge the operating cost gap with domestic and international site alternatives

Background

A leading medical device manufacturer was contemplating a significant expansion to facilitate new and emerging opportunities for products that would dramatically reduce future patient risk of infection during surgical procedures. The potential project investment was substantial at \$60 million + and hundreds of jobs were on the line for several competing operating sites under the same corporate umbrella.

Providing the Solution

Several alternatives were available to the parent corporation which created a competitive project site selection evaluation of several domestic and international subsidiary location options. Economic incentive planning and procurement was an important step for leveling the playing field while establishing priority of the alternative sites.

Over a sixteen-month period, JM Tax Advocates (JMTA) worked closely with company personnel, including company leadership in HR, facility planning, and corporate finance, to investigate important details and project fundamentals which were used to negotiate a historical level incentive package. Along with

documenting important project details, JMTA created an extensive impact analysis to illustrate the substantial potential economic benefit in preparation for project presentations. After numerous meetings with state, local, and utility economic development leadership, a specific subsidiary location was ultimately successful with gaining unanimous support for historical level incentives and was then also selected by the parent company for the project investment site.

→ Secured Results = \$12,000,000

A substantial incentive package was secured which offered a property tax moratorium on the qualified project investment over twenty years, state level employment credits for future wage withholding amounts, and a utility rate discount on the company's expanded kWh. The overall economic benefit was projected at around **\$12 million**.