

# BUSINESS INCENTIVES PRACTICE

## MAJOR INCENTIVE PROGRAMS DELAWARE

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### BUSINESS INCENTIVES PRACTICE

The Business Incentives Practice (“BIP”) strategically assists companies through the process of securing optimal incentive packages for projects considering an expansion, consolidation, or relocation. BIP leverages a project’s unique strengths and benefits to identify, negotiate, and implement all feasible economic development or government incentives (“Incentives”) opportunities. Moreover, BIP provides ongoing support and administration for a project to address any issues that may arise. By engaging BIP to work in parallel to the site selection team, businesses can have assurance that the optimal level of Incentives is secured and realized.

#### SERVICES

BIP’s mission is to develop a strategy that enhances business performance, while reducing a project’s up-front capital and ongoing operational costs through the procurement of Incentives. Many businesses are not aware they may be entitled to Incentives benefits for certain expansion, consolidation, and relocation activities. BIP identifies said opportunities through a multifaceted methodology that begins with careful analysis of project-specific data. The process continues with a detailed due diligence on all aspects of site-specific Incentives opportunities and concludes with the negotiation, implementation, and administration of Incentives.

#### RESULTS

BIP has successfully secured Incentives packages for a broad range of clients globally. The BIP team maintains a robust incentives database and along with its vast experience it facilitates the best possible results for a project. Since its inception, BIP professionals have negotiated in excess of \$3.0 billion in savings for its clients.



### KEY PROJECT TYPES

BIP enables its clients to identify, negotiate, and quantify the myriad of incentives available through the federal, state, and municipal governments, as well as utilities service providers. BIP clients represent all industry sectors, ranging in size from Fortune 100 corporations to private owners, occupiers and developers. Almost any type of corporate location initiative can benefit from the use of C&W’s Business Incentives Practice:

- Corporate Headquarters Facilities
- Manufacturing Facilities
- R&D Centers
- Warehouse and Distribution Facilities
- Call Centers
- Data Centers
- Back-Office Centers
- Mixed-Use Developments

### DELAWARE’S RECENTLY AWARDED INCENTIVES (USD M)

COMPANY	INVESTMENT	JOBS	INCENTIVES
Uzin Utz	\$9.5	23	\$0.4
Springleaf Financial Services	\$0.6	235	\$0.8
GE Aviation	\$27.0	70	\$1.1
Atlantis Industries	\$2.5	20	\$0.0
Kraft Foods	\$10.0	29	\$0.5
FoxFire Printing and Packaging	\$8.6	38	\$1.3
DuPont	\$30.0	35	\$0.9
Amazon	\$90.0	849	\$7.5
Citigroup	\$16.5	200	\$0.4
Johnson Controls	\$60.0	67	\$2.5
DuPont	\$50.0	75	\$1.6
Mountaire Farms	\$34.5	31	\$0.8

## OVERVIEW OF MAJOR DELAWARE INCENTIVE PROGRAMS

### DELAWARE STRATEGIC FUND

The Delaware Strategic Fund represents the primary funding source used by DEDO to provide low-interest loans and grants to businesses located or looking to relocate to the State of Delaware. Through the Strategic Fund, a business can gain access to capital to help grow its workforce, augment working capital, acquire new machinery and equipment, and assist with relocation costs. Customized financing is designed to meet job creation, expansion and relocation needs. Businesses that demonstrate the potential to create employment opportunities for Delawareans are eligible to apply.

### CORPORATE INCOME TAX CREDITS

Businesses within targeted industries qualify for corporate income tax credits of \$400 for each new employee and \$400 for each new \$100,000 investment. Firms within targeted industries who also locate in a targeted area qualify for \$650 for each new employee and \$650 for each new \$100,000 investment. Firms must invest a minimum of \$200,000 and create a minimum of five new positions.

### RESEARCH AND DEVELOPMENT TAX CREDITS

Businesses within targeted industries qualify for corporate income tax credits of \$400 for each new employee and \$400 for each new \$100,000 investment. Firms within targeted industries who also locate in a targeted area qualify for \$650 for each new employee and \$650 for each new \$100,000 investment. Firms must invest a minimum of \$200,000 and create a minimum of five new positions.

### NEW ECONOMY JOBS PROGRAM

The New Economy Jobs Program is designed to provide an innovative tool to bring high-wage jobs to Delaware and make the state more competitive. The legislation provides businesses up to a 65% rebate on withholding taxes. To qualify, an employer must add at least 50 net new jobs for new Delaware taxpayers with each having an annual salary of at least \$100,000.

### PUBLIC UTILITY TAX REBATES

Firms meeting the criteria for targeted industry tax credits are eligible for a rebate of 50% of the public utilities tax imposed on new or increased consumption of gas and electricity for five years. The public utilities tax rate is 4.25%. The utility tax on the consumption of electric by licensed manufacturers and food or agribusiness processors is reduced from 4.25% to 2%. Additionally, electric consumed in the manufacturing of automobiles is exempt from the utility tax.

Delaware shows an average deal value of **\$2.23 million** with **121 new jobs** created per deal

## OTHER DELAWARE INCENTIVE PROGRAMS

- Brownfield Assistance Program
- Delaware Capital Access Program
- Delaware Rural Irrigation Program
- Small Business Innovation Research
- Renewable Energy Facilities Revolving Fund
- Delaware Technical Innovation Program
- State Small Business Credit Initiative
- National Emergency Grants
- Alternative Investment Credit for Telecommunications Services and Banking
- Gross Receipts Tax Credit
- Business Finder's Fee Tax Credit
- Tax-Exempt Bond Financing
- Job Creation Tax Credit
- Clean Energy Technology Device Manufacturer's Tax Credit
- Veteran's Opportunity Tax Credit
- Sussex County Business Incentive Program
- Workforce Training Grant
- Blue Collar Training Grant

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