

BUSINESS INCENTIVES PRACTICE

MAJOR INCENTIVE PROGRAMS OKLAHOMA

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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

OKLAHOMA’S RECENTLY AWARDED INCENTIVES (USD M)

COMPANY	JOBS	INCENTIVES
Dorada Poultry	450	6.78
Array Technology	50	1.92
Sutherland Global Services	105	1.12
Calyx Energy	40	2.24
Love’s Travel Stops & Stores	516	13.66
Audubon Field Solutions	93	4.72
Arc Masters International	50	0.52
Samson Exploration	40	1.96
River Bend Industries	101	1.79
D&L Manufacturing	100	2.45
Smith & Nephew	106	1.5
Crosscom National	230	3.84

OVERVIEW OF MAJOR OKLAHOMA INCENTIVE PROGRAMS

QUALITY JOBS PROGRAM (QJP)

QJP gives qualifying enrolled businesses quarterly cash rebates, of up to 5% of newly created taxable payroll, for up to 10 years. A qualified company must achieve \$2.5 million or more in new annualized payroll, for new fulltime employees, during any four consecutive quarters in its first 12 quarters in the program. Lower payroll thresholds apply for certain industries or for projects locating in certain locations within the state. If the payroll threshold is not achieved, payments cease. Payments received to date, however, do not have to be paid back to the State.

The new jobs must be located within the state of Oklahoma. All businesses must offer basic health insurance coverage to all employees working 30 hours or more per week, whose pay is included in the payroll figures for qualification. Employees must pay no more than 50% of the premium cost and access to the health insurance coverage must be made available within 180 days of employment.

Minimum average wage requirements, based on the Average County Wage where the jobs are located, apply. 80% of employees, whose pay is included in the new payroll, must work at least 30 hours per week. While a business has three years to ramp up to the \$2.5 million payroll threshold, it must meet the average wage requirement quarter by quarter. New jobs and wages are tracked beginning with the first quarter after the business enters the program.

The Oklahoma Tax Commission is the primary contact for submitting benefit claims under the contract. Once a contract is returned to the Department of Commerce it is forwarded to the Tax Commission to set up a reimbursement account in order to monitor jobs, payroll and pay qualifying claims. The business contact stated on the contract will be proactively contacted regarding reporting arrangements. Claims are made quarterly for three years. If threshold is achieved, the claims may extend for an additional 7 years.

Businesses receiving QJP benefits may be eligible for the five-year ad valorem tax exemptions; however, businesses may not utilize the new jobs or investment tax credit, sales tax exemptions for construction, and certain additional tax credits and exemptions.

21ST CENTURY QUALITY JOBS

Oklahoma's 21st Century Quality Jobs offers incentives to businesses with a highly skilled, knowledge-based workforce. For qualifying companies, this unique incentive would pay businesses cash back, up to 10 percent of payroll, for up to ten years for the creation of 10 jobs with high average wage of \$94,000 annually or higher, depending on county.

Oklahoma shows an average deal value of \$3.42 million with 156 new jobs created per deal

TRAINING FOR INDUSTRY (TIP) PROGRAM

TIP provides customized training for new and expanding business and industry. Training is designed to meet specific needs of a business. TIP is administered by the Oklahoma Department of Career and Technology Education and delivered through its statewide network of 54 technology sites.

TIP training has included job-specific technical skills, computer skills, ISO, QS and other quality management skills, supervisory skills, and interpersonal skills such as communications, team building, and problem solving. TIP covers instructors, materials, curriculum, supplies, facilities, and other necessary training resources at no cost to qualified businesses; however, employees' wages during training are not covered under this program.

TIP benefits include recruiting and screening services as well as pre-employment training. Once pre-employment training is complete a business may select candidates best-suited for its needs.

OTHER OKLAHOMA INCENTIVE PROGRAMS

- Small Employer Quality Jobs Program
- Foreign Trade Zones
- Freeport Inventory Benefits
- Oklahoma Quick Action Closing Fund
- State Small Business Credit Initiative
- Oklahoma Quality Events Program
- Oklahoma's Community Economic Development Pooled Finance
- CDBG/EDIF
- Oklahoma Film Act
- Oklahoma Capital Access Program
- Investment/New Jobs Tax Credit
- Ad Valorem Tax Exemptions
- Alternative Energy Sources Tax Credits
- Sales Tax Refunds on Construction Materials
- Manufacturer's Sales Tax Exemption
- Sales/Income Tax Credit for Tourism Attraction Projects

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