

BUSINESS INCENTIVES PRACTICE

MAJOR INCENTIVE PROGRAMS OREGON

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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

OREGON’S RECENTLY AWARDED INCENTIVES (USD M)

COMPANY	INVESTMENT	JOBS	INCENTIVES
ConAgra Foods	\$200.0	100	\$0.4
Cascade Tissue Group	\$30.0	29	\$0.1
APEL Extrusions	\$12.0	30	\$0.2
Daimler Trucks North America	\$150.0	400	\$38.5
Pelican Brewing	\$1.4	20	\$0.2
ConAgra Foods Lamb Weston	\$200.0	100	\$0.4
Nike	\$150.0	500	\$5.0
Genentech USA	\$433.0	324	\$3.8
Georgia-Pacific	\$317.0	57	\$1.8
Intel	\$770.0	450	\$9.2
Oregon Resources Corporation	\$73.0	75	\$0.7
First Call Resolution	\$0.8	70	\$0.1

OVERVIEW OF MAJOR OREGON INCENTIVE PROGRAMS

STRATEGIC INVESTMENT PROGRAM (SIP)

The Strategic Investment Program (SIP) exempts a portion of large capital investments from property taxes. The program is available statewide for projects developed by "traded-sector" businesses, most often used for manufacturing firms. "Traded sector" is defined in Oregon law as "industries in which member firms sell their goods or services into markets for which national or international competition exists."

Companies making an investment in excess of \$25- \$100 million in urban areas are eligible to receive real property tax abatements. Qualifying companies must pay an annual service fee equal to 25% of the abated taxes or up to \$500,000 in rural areas and \$2,000,000 in urban areas. There are no location restrictions for this program which has a maximum duration of 15 years.

THE OREGON INVESTMENT ADVANTAGE

The Oregon Investment Advantage programs helps businesses start or locate in most Oregon counties with a multi-year income tax holiday. Companies setting up operations in an eligible county can be certified at least eight times to annually deduct or subtract taxable income related to those operations, potentially eliminating any state business income tax liability for that period, which begins at least 24 months after the commencement of new operations. General company eligibility requirements include:

- The creation of at least five (5) new full-time, year-round jobs that receive minimum level of compensation;
- Facility operations need to be the first of their kind in Oregon for that company; and,
- Facility operations cannot compete with local economy.

RESEARCH TAX CREDITS

The state has the discretionary authority to provide qualifying companies with a corporate income tax credit for qualified research and basic research conducted each year in Oregon. The award is equal to a 5% income tax credit for in-state research activities. A short-form application is available for grants of up to \$50,000.

OTHER OREGON INCENTIVE PROGRAMS

- Enterprise Zone Property Tax Abatement
- Dependent Care Tax Credit
- Electronic Commerce
- Oregon Business Expansion Program
- Film & Video Incentives

Oregon shows an average deal value of \$4.81 million with 107 new jobs created per deal

- Renewable Energy Development Grant
- Biomass Producer Tax Credit
- Energy Conservation Tax Credit

For more information, contact:

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