

BUSINESS INCENTIVES PRACTICE

MAJOR INCENTIVE PROGRAMS WASHINGTON

A Cushman & Wakefield Global Business Consulting Publication



2015

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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

WASHINGTON’S RECENTLY AWARDED INCENTIVES (USD M)

COMPANY	INVESTMENT	JOB	INCENTIVES
Boeing	\$10,000.0	8,500	\$8,700.0
Darigold	\$22.0	25	\$6.0
McGregor Company	\$10.0	10	\$0.7
Foods in Season	\$0.5	10	\$1.9
Caterpillar Logistics Services	\$46.5	140	\$1.1
Alticor	\$31.8	28	\$1.3
Demand Energy	\$3.4	49	\$0.4
HCL Technologies	\$4.0	400	\$0.2
Farwest Steel	\$45.0	125	\$38.0
Sapa Profiles	\$8.0	100	\$0.8
Cattle Producers of Washington	\$0.4	50	\$1.2
Nu Element	\$1.2	3	\$0.3

OVERVIEW OF MAJOR WASHINGTON INCENTIVE PROGRAMS

HIGH TECHNOLOGY BUSINESS & OCCUPATION TAX CREDIT

The High Technology Business and Occupation Tax Credit targets industries such as advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology. Companies operating in those target industries are eligible to receive an annual credit of up to \$2 million for qualified research and development expenditures. Persons claiming the credit must file an annual survey due by April 30th of the year following any year in which credit is taken.

SALES AND USE TAX EXEMPTION FOR MANUFACTURING MACHINERY & EQUIPMENT

The Sales and Use Tax Exemption is available to manufacturers and processors for hire performing manufacturing and research and development. The program exempts sales and use tax on machinery and equipment used directly in data centers, manufacturing, research operations, in generating electricity using fuel cells, wind, solar or landfill gas energy, and for the labor and services necessary to install such equipment.

DATA CENTER SALES AND USE TAX EXEMPTION

The Data Center Tax Exemption is available to owners of an eligible data center with a combined square footage of at least 100,000 square feet and tenants of the owner of an eligible data center located in a rural county. To qualify the data center must have a building permit to construct, renovate, or expand the data center issued between:

- April 1, 2010 – June 30, 2011 or;
- April 1, 2012 – June 30, 2015.

The program provides a sales/use tax exemption on purchases of eligible server equipment and labor and services to install server equipment in an eligible data center, and also purchases of eligible power infrastructure, and labor and services to construct, install, repair, alter, or improve eligible power infrastructure.

WASHINGTON CUSTOMIZED EMPLOYMENT TRAINING

The state provides for a revolving loan fund that provides up front training costs and provides a 50% B&O Tax credit to businesses relocating or expanding in the state.

WAREHOUSE TAX INCENTIVE

Wholesalers, retail distribution centers, third-party warehouse; 200,000 sq ft or greater or grain elevator with at least 1 million bushels storage capacity are exempt 100% of state sales tax associated with construction of qualifying structures.

Washington shows an average deal value of **\$2.59 million** with **72 new jobs** created per deal

OTHER WASHINGTON INCENTIVE PROGRAMS

- Aerospace Credit
- Alternatives to Field Burning B&O Credit
- Aluminum Smelter Credit
- Bad Debt Tax Credit
- Commute Trip Reduction Credit
- CSP Relief for Sourcing Credit
- Destination Sourcing Tax Credit
- Hazardous Substance
- Hospitals Safe Patient Handling Credit
- International Services Credit
- Main Street Credit
- Motion Picture Competitiveness Programs
- Multiple Activities Tax Credit
- Public Utility Tax Credit for Billing Discounts
- Renewable Energy System Cost Recovery Credit
- Small Business B&O Tax Credit
- Syrup Tax Credit
- Tobacco Products/Cigar Tax Credit

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