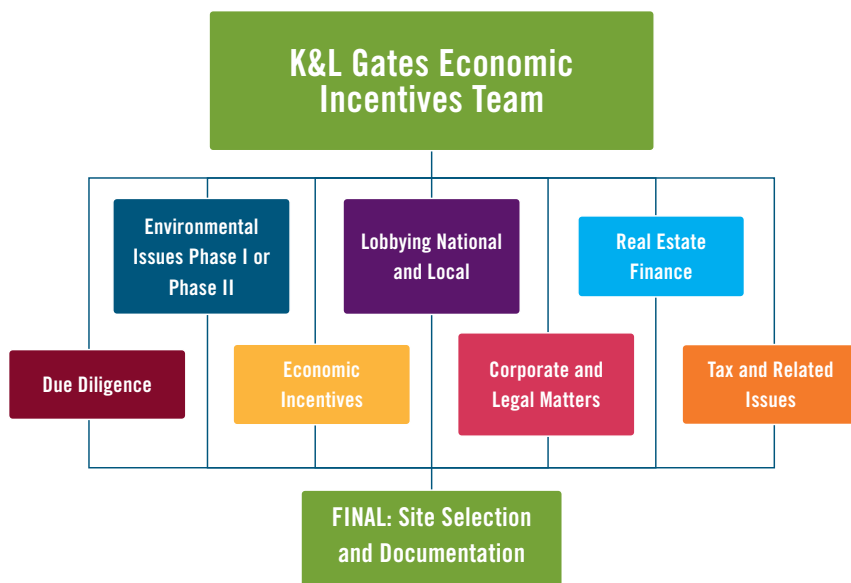


ECONOMIC INCENTIVES

Economic incentives are designed by individual municipalities and intended to stimulate the local economy by encouraging job creation, attracting new businesses or retaining existing business retention or build-out of the current business location.

Among the benefits to the jurisdiction, economic incentives increase its tax base, and result in an increase of construction capital, purchases of goods and services, increased payroll dollars for the surrounding community and revitalization of unproductive/unused public land. The increase in business also makes the community more attractive to other potential residential and economic development projects.

Jurisdictions will often submit offers in competition to each other which provides businesses the option to choose from a few different locations. A business is motivated to move to or remain in a community that offers strategic advantages similar to that of their peers and competition; a high quality of life for its employees, the lowest possible financial risk and maximum profits.



Economic Incentives

Federal, state and local governments are eager to attract new or expanded businesses in their locations and offer a variety of incentives :

- CASH GRANTS**
- COST WRITE-DOWNS**
- TAX ABATEMENTS**
- UTILITY RATE INCENTIVES**
- INFRASTRUCTURE IMPROVEMENTS**
- INFRASTRUCTURE**
- TAX CREDITS**
- TRAINING ASSISTANCE**
- LAND/SPACE**

Some of these incentives can also be blended with new market tax credits and tax-exempt or taxable bonds, as well as other creative low-cost sources of finance and guarantees.

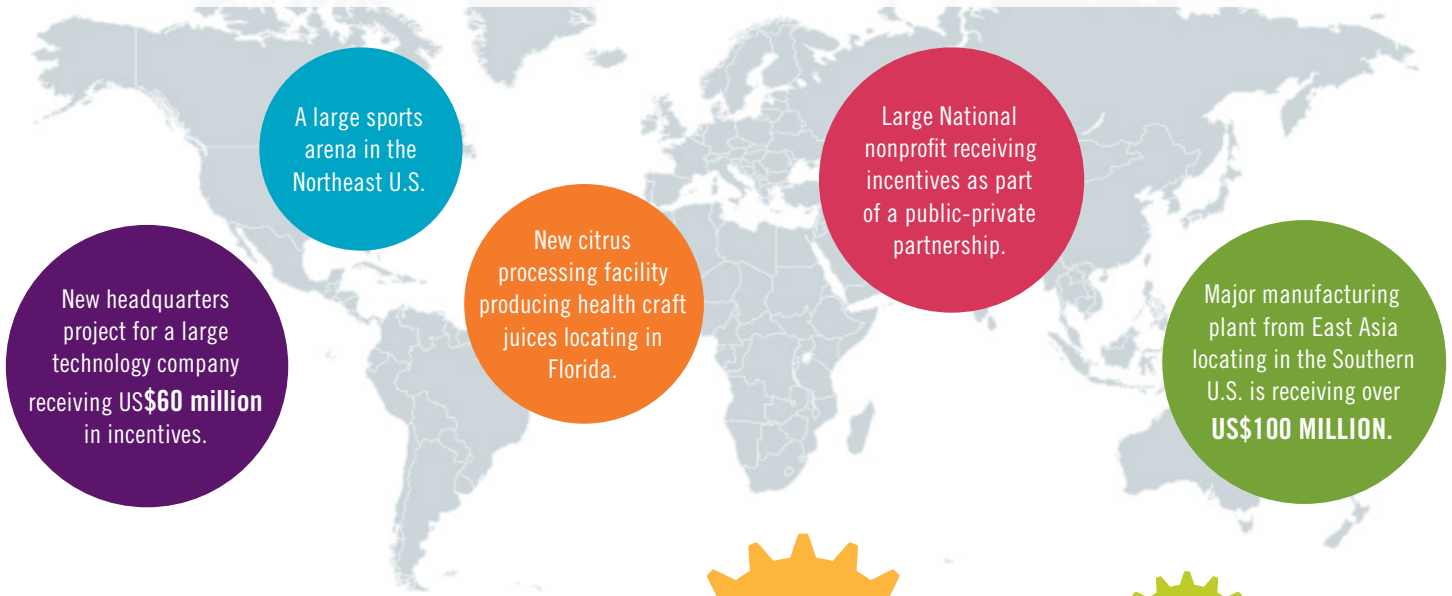
Incentives Project Examples

- Manufacturing plants
- Retail space
- Headquarters buildings
- Warehouse
- Mixed use projects
- Healthcare centers
- Office buildings
- Hotel Projects
- Technology companies
- Sports arena complexes
- Broadcasting facilities
- Entertainment facilities and venues
- Data Centers



Team Experience

Members of our team have assisted many business in successfully obtaining incentives including:



How do you reduce the Real Estate and finance costs associated with your project?

The K&L Gates Team will show you how!

The Economic Incentives Team will use our time-tested methods to evaluate and garner the best economic benefits available for your project. We will help you structure an economic package which benefits your company whether you are considering retention, national or international expansion, national or international relocation, or build-out of your current location. Our team members have vast experience to provide you with services at all phases of your project from tax to environmental law to lobbying.



PHASE 1: Analysis

- Intake project facts
- Analyze financial information
- Explain and advise on tax implications for business and project
- Identify and evaluate other potential issues
- Strategize and structure project based on analysis
- Draft request for proposal (RFP) based on findings

PHASE 2: Request for Proposal

- Distribute RFP to jurisdictions
- Meetings with jurisdiction key officials
- Evaluate need for lobby efforts on a federal level
- Create comparison matrix of incentive offers
- Identify potential project obstacles and optional solutions

PHASE 3: Negotiations

- Review proposals with key business personnel
- Highlight project impact
- Negotiate incentive offers with jurisdictions
- Evaluate "clawbacks"
- Clearly identify performance-based parameters
- Due diligence on real estate/environmental issues

PHASE 4: Finalization

- Make final site selection.
- Review tax analysis and ramifications to the company.
- Finalize necessary documentation and/or legislation if necessary.
- Complete final approval process.

PHASE 5: Real Estate Services

- Lease or purchase agreement drafting
- Debt and equity structure

Public Finance

K&L Gates is one of the leading bond counsel firms in the United States, and its work in last year as bond counsel included \$3.242 billion in publicly sold bonds.

The public finance practice focuses on public policy, legislative counseling, real estate transactions, tax exempt bonds, public/private partnerships (PPP), including projects blending low income housing tax credits and tax exempt bonds. Our attorneys advise hundreds of cities, towns, counties, states, state agencies, ports, public utilities, wastewater and transit agencies, school districts, colleges and universities, fire districts, irrigation districts, 501(c)(3) organizations and other public entities in bond issuances and other finance transactions. After serving as counsel in billions of dollars of financings, we understand how to achieve our clients' financial objectives while respecting the needs and concerns of communities.



Our Award-Winning “Track Record” for Economic Incentives

Our economic incentives practice has broad experience working with federal, state and local officials to identify and negotiate a full range of incentives, including well-known incentives typically available in various jurisdictions as well as exploring incentives that are not regularly offered by the jurisdiction and also is adept at discovering incentives which are not always evident.

Our goal is to customize a tailor-made financial incentive package for each client that is specific to the corporation's future goals. **Our clients have successfully received from US\$2.5 million to over US\$100 million in incentives through innovative strategies which may include changes legislation, regulation and rulings.** It is this “track record” that demonstrates our proven ability to successfully navigate the complex structure of economic incentives.

Our team member's project for The Advisory Board Company won the Washington Business Journal's “Game Changer of the Year Award” in 2016.



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K&L Gates comprises approximately 2,000 lawyers globally who practice in fully integrated offices located on five continents. The firm represents leading multinational corporations, growth and middle-market companies, capital markets participants and entrepreneurs in every major industry group as well as public sector entities, educational institutions, philanthropic organizations and individuals. For more information about K&L Gates or its locations, practices and registrations, visit klgates.com.

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