

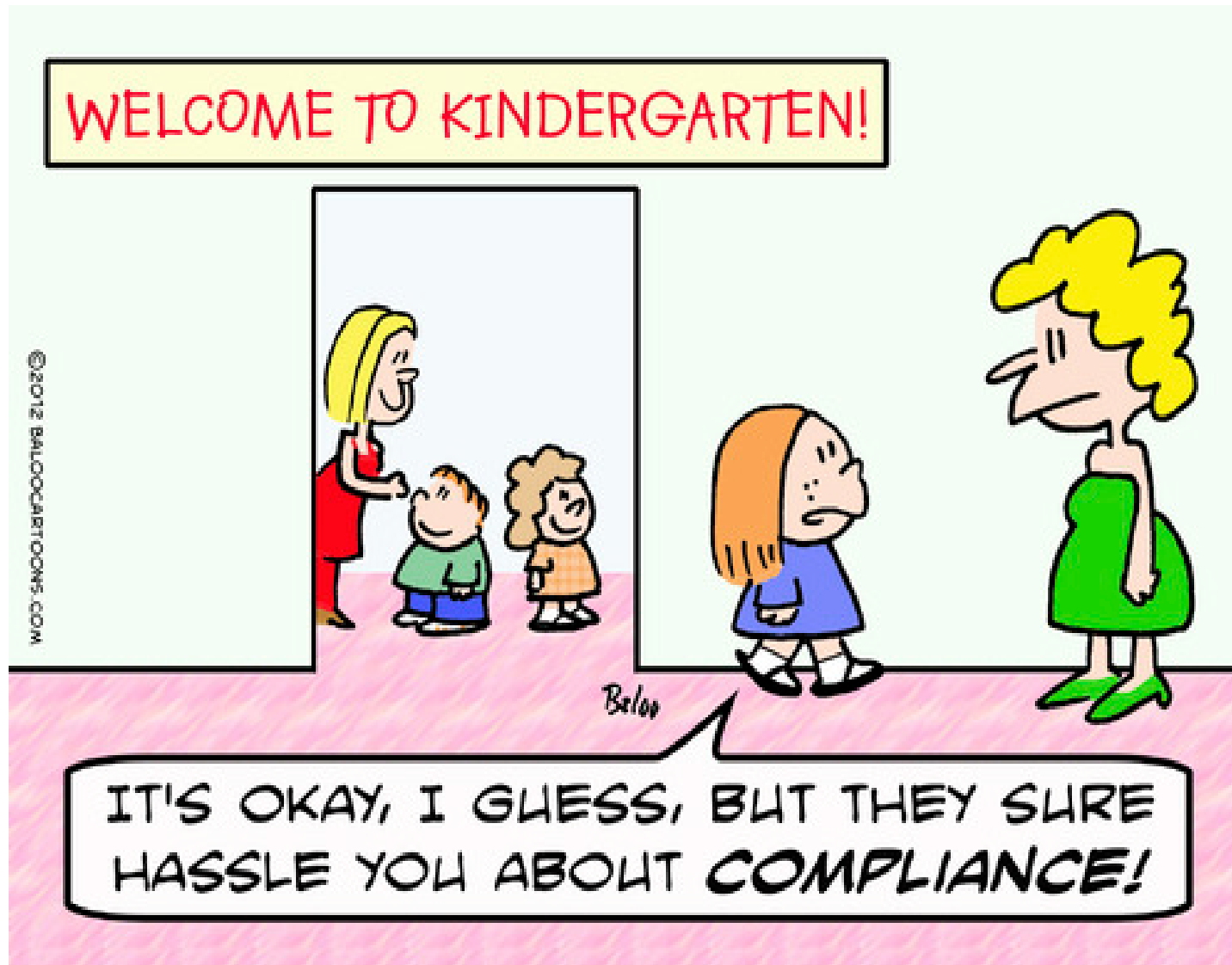
A man in a dark suit and tie is looking down at a tablet held by a woman with curly hair. They are both smiling and appear to be in a professional setting. The background is slightly blurred, showing what might be a modern office or conference room.

Prepared for
Women in Economic Development Forum
Chicago 2016

Adding Post-Contract Value: Improving the ROI for Your Community and the Client

Jane Vancil

GOOD MORNING



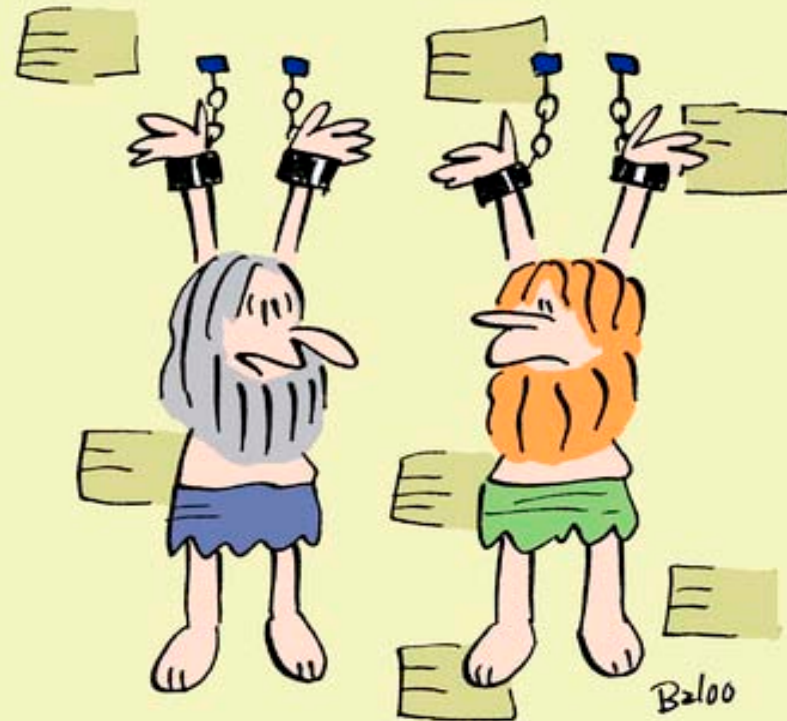
IT'S NOT TOO LATE



OR, IS IT?



"I'VE BEEN HERE SO LONG I
DON'T REMEMBER WHAT I DID,
BUT IT HAD SOMETHING TO
DO WITH NON-COMPLIANCE."



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1. Understanding the Challenges
2. Post-Contract Considerations
3. How You Can Help
4. Saving a Project
5. Return on Investment – All Parties
6. Wrap Up

- Gathering and Memorializing Information
 - Legal Entities
 - Locations
 - Base Jobs
 - Fixed Assets

- Helping the Company Maximize the ROI
 - Can Multiple Legal Entities be a Party to the Contract?
 - Will a Phased-Approach to Meeting Commitments Return More Value?

- Communicating Agreement Requirements
 - Critical for Phased Projects
- Timeline of due dates
- Finalizing Base Metrics
 - Headcount
 - Capital Investment

2. Post-Contract Considerations

After The Contract is Signed



- Negotiators Rarely Do Compliance
- Communication Often Breaks Down
- Set up the Project for Success



When Commitments Are Not Met



Jeopardy to:

- Project Completion
- ROI to Government
- Taxpayer Support for Incentives

3. How You Can Help

Create a Checklist for the Company

- Headcount Questions
- In-State Purchases
- Reporting Periods and Due Dates

Checklist



Economic Development Incentive Company Checklist							
How does the Program treat Part Time Jobs?		Related Legal Entity #1	Related Legal Entity #2	Related Legal Entity #3	Related Legal Entity #4	Related Legal Entity #5	
Will operate at the Project Location?		yes or no	yes or no	yes or no	yes or no	yes or no	
Operates in the Project State?		yes or no	yes or no	yes or no	yes or no	yes or no	
For all "yes" answers above:							
Number of jobs physically worked at the project Location							
Number of jobs physically worked in the project State							
Will be a party to the Contract?		yes or no	yes or no	yes or no	yes or no	yes or no	
Base Jobs - Project Location							
Base Jobs - Project State							
Net New Jobs - Project Location							
Note: Do Not Include Remote Workers in any Job Total							
Project Information							
Capital Investment							
Estimated In-State Machinery & Equipment Purchases							
Estimated In-State Construction Purchases							
Reporting		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Reporting Period		(ex. 7/1/2013 to 12/31/2013)	(ex. 1/1/2014 to 12/31/2014)	(ex. 1/1/2015 to 12/31/2015)	(ex. 1/1/2016 to 12/31/2016)	(ex. 1/1/2017 to 12/31/2017)	(ex. 1/1/2018 to 6/30/2018)
Due Dates							
Capital Investment							
Headcount							

Maximize Results



- Create Projects that Incentivize as Many Jobs as Possible
- Include Related Companies as Contract Parties
- Project Phased-Approach

Phased-Approach Projects



- Allows for Intermittent Goal Achievement
- Reduces Clawback Exposure
- Improves Company Confidence
- Encourages Companies to Stretch Goals

4. Saving a Project

- Is the Company Meeting the Construction Estimates?
- Deadline
- Investment

Annual Review of Net New Jobs



- Number
- Average Wage
- Is the Project on Track?

Extend or Renegotiate



- Extend Deadline for Adding Jobs
- Extend Deadline for Meeting CapEx
- Renegotiate the Contract

- Periodic Contact – especially important for smaller ED offices
- Offer Referral Contacts when appropriate

5. Return on Investment – All Parties

- Established Prior to Contract
- Incentives are Awarded Based on this ROI
- Projects Need These Incentives to be Successful

- Expected
- Incentives Defended to Taxpayers with
Promise of ROI – Not Always an Easy Sell

Bringing it Home



- Communication and Interaction
- A Little Effort Can Make All the Difference
- Opportunities for Successor Projects

Compliance!

- Unremitted Reports
- Incomplete Reports
- Inability to Track Project Progress

6. Wrap Up

Project Success Depends Upon



- Open Communication
- Meeting Commitments
- Complete and Timely Reporting

Thank You.

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