

PROJECT MALINA

Germanium Wafer Solar Substrate



Competition



- **Longview, Texas** (73,000+ population)
- **Boise, Idaho** (202,000+ population)
- **Albuquerque, New Mexico** (448,000+ population)
- **Phoenix, Arizona** (1.3 million population)
- **Quapaw, Oklahoma** (less than 1000 population)

Start date March 18, 2008

Target completion date June 30, 2008

Request for Information



	PROJECT MALINA
RFI QUESTIONNAIRE - March 13, 2008	
return to: David Brandon dbrandon@siteselectiongroup.com 214-271-0595	
Please	

Category	Description	Attachment
SITE (please add lines as necessary and include any electronic attachments)		
1	Name of Site:	
2 (a)	Acres:	
2 (b)	Zoning:	
2 (c)	Asking Price Per Acre:	
3	County, State (provide web site):	
4	Within municipal limits? If yes, name of municipality (provide web site):	
UTILITIES		
5	Electric Service Available? (Y/N) Describe (include provider)	
6	Electrical Cost (per Kwh) - 1,000 KW Peak Demand and 300,000 Kwh/Month to start(include estimates with and without incentives)	
7	Electric Reliability	
8	Electric Redundancy Potential	
9	Natural Gas Available? (Y/N); Describe	
10	Process Water Available? (Y/N); Describe	
11	Industrial Wastewater Treatment Capacity Available? (Y/N); Describe	
12	Industrial Wastewater Pre-treatment Requirement	
13	Solid Waste Disposal Available? (Y/N) Describe	
Footnotes:		
Regulatory Environment		

Request for Information



13	OSHA Administration - Federal or State?		
14	EPA Delegation (Y/N)		
15	Ozone Attainment? (Y/N)		
16	PM 2.5 Attainment? (Y/N)		
17	PSD (Y/N)		
18	NPDES (Y/N)		
19	Air Quality Standards		
20	Water Quality Standards		
Footnotes:			
Support Services			
21	Industrial Gases/Liquids Available (e.g. oxygen, nitrogen, ammonium, chlorine, hydrochloric acid)		
22	Clean Room Maintenance Services Available? (Y/N)		
23 (a)	Chemical Analytical Laboratory Available? (Y/N); Describe		
23 (b)	Metallurgical Analytical Laboratory Available? (Y/N); Describe		
24	Waste Treatment/Disposal Services Available? (Y/N)		
25	Hazardous Material Management Services Available? (Y/N)		
Footnotes:			
Tax Conditions			
26	Corporate Income Tax Rate		
27	Sales Factor Weight		
28	Payroll Factor Weight		
29	Investment Factor Weight		
30	Manufacturer's Gross Receipts Tax Rate		
31	Franchise Tax Rate		
32	Unemployment Insurance (60 Workers)		
33	Workers Compensation - Codes 4829, 8742, 8810 (Premium Per \$100)		
34	Sales Tax Rate on M&E and Construction Materials		
35	Real Property Tax Total Rate		

Request for Information



35	Personal Property Tax Total		
	Rate on Manufacturing MMF		
37	Inventory Tax Rate		
38	Special District Tax Rate		
39	Fees and Assessments		
Footnotes:			
Economic Incentives			
40	Local, Type and Value:		
41	State, Type and Value:		
42	Other, Type and Value:		
Footnotes:			
Major Manufacturers (please add lines as necessary)			
43	Company Name		
44	Type of Operation		
45	Total Employment		
Footnotes:			

Request for Information



PROJECT MALINA
INCENTIVE PROCESS RESPONSE (IPR)
JUNE 19, 2008

Quality Jobs

Open to manufacturers not participating in Investment/New Job Tax Credit.

Contact: Oklahoma Department of Commerce, Richard Schwalbach, 405-815-5269
Process: **Application/Contract**

Program Overview – Quality Jobs

The business incentive gives qualifying enrolled companies quarterly cash rebates, of up to five percent of newly created taxable payroll, for 10 years. The program is targeted to manufacturers and certain service companies that project having a new payroll investment of \$2.5 million or more. A fully executed contract, with the Department of Commerce, must be in place before any new jobs can be included in the new taxable payroll.

Request for Information



PROJECT MALINA INCENTIVE PROCESS RESPONSE (IPR) JUNE 19, 2008

Investment/New Jobs Tax Credit

Open to manufacturers with a sales tax exemption permit who are not participants in the Quality Jobs incentive program.

Contact: Oklahoma Tax Commission, Michael Kaufman, 405-521-3133

Process: **Forms**

Program Overview/New Jobs Tax Credit

Investment/New Jobs Tax Credits provide growing manufacturers a significant tax credit based on either an investment in depreciable property OR on the addition of full-time-equivalent employees engaged in manufacturing, processing, or aircraft maintenance.

A five-year tax credit on the greater of 1% per year of investment in qualified new depreciable property or a credit of \$500 per year per new job, doubled in an Enterprise Zone. Other incentives under this option include:

- Sales Tax Refunds on construction materials for certain manufacturers and aircraft maintenance repair facilities; on purchases of computers, data processing equipment, telecommunications equipment for certain aircraft facilities; and for purchases of computer services and data processing equipment for qualified computer services or research and development companies.
- Income Tax Exemptions/Credits for hazardous waste recycling reuse or source reduction; for CNG conversion; and for insurance premiums.

For more information contact the Oklahoma Tax Commission at (405) 521-3133 or helpmaster@oktax.state.ok.us.

For forms, visit www.oktax.state.ok.us.

Downloads: Investment/New Jobs Credit

- Form 506 Oklahoma Resident Individual Income Tax
- Form 511 Oklahoma Corporate Income Tax
- Form 512 Manufacturers who hold a manufacturer's sales tax exemption

Request for Information



PROJECT MALINA INCENTIVE PROCESS RESPONSE (IPR) JUNE 19, 2008

Sales & Use Tax Reimbursement (Construction Materials)

Contact: Oklahoma Tax Commission, Michael Kaufman, 405-521-3133

Process: **Forms**

Program Overview

For more information contact the Oklahoma Tax Commission at (405) 521-3133 or otmaster@tax.ok.gov. For forms, visit www.oktax.state.ok.us. Oklahoma refunds sales taxes paid on construction materials for certain new or expanding manufacturing facilities, including:

- Facilities with construction costs exceeding \$5 million that creates 100 new manufacturing jobs and are maintained for a minimum of 36 months. Construction costs include building and construction costs and engineering and architectural fees, but not legal fees.
- Facilities with construction costs exceeding \$10 million, and with combined total costs of material, construction and machinery exceeding \$50 million, which add 75 new employees who are retained for 36 months.
- Facilities with construction costs exceeding Three Hundred Million Dollars (\$300,000,000.00) which maintain an employment level of a least 1,750 full time equivalent employees.
- Qualified new or expanding aircraft maintenance and overhaul facilities that create 250 or more jobs, with construction costs totaling at least \$5 million. [68 O.S. 1357(17)]

These construction exemptions are unique not only because they are refunds, but also because they allow contractors or subcontractors that have previously entered into a written contractual relationship with the manufacturer, or a qualified aircraft maintenance facility operator, to make refundable purchases on behalf of manufacturers. The manufacturer may use invoices made out in the contractors' names for proof when applying for sales tax refunds. Generally refundable purchases do not include machinery and equipment. Warehousing/Distribution for manufacturers, structures or land used for packaging, re-packaging, labeling or assembly for distributing products that are at least 70% made in Oklahoma, but at an off-site, in-state manufacturing facility or facilities are also deemed manufacturing facilities for purposes of these sales tax refunds.

Request for Information



**PROJECT MALINA
INCENTIVE PROCESS RESPONSE (IPR)
JUNE 19, 2008**

Sales Tax Exemption

- Machinery & Equipment
- Goods Consumed in Manufacturing
- Energy Used in Manufacturing

Contact: Oklahoma Tax Commission, Michael Kaufman, 405-521-3133

Process: **Forms/Permit**

Program Overview

Oklahoma has a comprehensive sales tax exemption for manufacturers who obtain a **Manufacturer's Sales Tax Exemption Permit from the Oklahoma Tax Commission**. The permit must be renewed every three years. This permit must be presented to the vendor, and a claim for exemption made at or before the time of purchase, to relieve the vendor of the liability for collecting sales tax. The exemptions cover purchases of machinery and equipment, energy and tangible personal property used in design, development and manufacturing.

Request for Information



PROJECT MALINA INCENTIVE PROCESS RESPONSE (IPR) JUNE 19, 2008

Training for Industry Program

Contact: Career Tech, Scott Smith, 405-815-5110

Process: **Contract**

Program Overview

Based on the projection of 60 new advanced manufacturing jobs with an average annual wage of \$35,000, our initial estimate is that our cash outlay for start-up and expansion training and services would total approximately \$72,000. Of course, this is an estimate only and could increase or decrease, depending upon your specific training needs. Because of our ability to leverage the considerable resources of our system, we are confident that the *value* of this training would be in excess of \$216,000, if it were purchased from private sector resources. Remember, TIP is a performance-based incentive, meaning that the funds become available after the previously agreed upon training occurs. The average training incentive is \$1,200 per job.

Request for Information



PROJECT MALINA INCENTIVE PROCESS RESPONSE (IPR) JUNE 19, 2008

Accelerated Depreciation

Contact: Oklahoma Department of Commerce, Jim Igarta, 405-815-5241

Process: **Form:** www.irs.gov

Program Overview - Indian Lands Tax Credit Expired Dec. 31, 2007

The American Indian Lands Tax Credit expired at midnight on Dec. 31, 2007. Congress has not extended the credit for fiscal 2008. If credit enacted for 2008, the depreciation schedule of the investment is for a shorter recovery period of approximately 40% for nonresidential property. The tax credit is 20% of increased wages over those paid to qualified individuals in 1993, including health insurance premiums paid by the employer. Wages of individuals eligible for the employment tax credit may not exceed \$30,000 indexed after 1993, and the credit is applicable to new wages of up to \$20,000 for years 1994 through 2007. The indexed wage level for 2007 is \$45,000.

PROJECT MALINA INCENTIVE PROCESS RESPONSE (IPR) JUNE 19, 2008

Additional information request -

Work Opportunity Tax Credit (WOTC)

This is a federal program which is administered by IRS

Industrial Revenue Bond (IRB) financing

Request for Information



Empowerment Zone

Quapaw is located in an Enterprise Zone

New Product Development Income Tax Exemption

Oklahoma Tax Commission administers via company tax filings (no forms or application)

Re: 68 O.S. § 2359 (D) and 74 O.S. § 5064.7

R & D Tax Credits

Oklahoma Tax Commission administers via company tax filings (no forms or application) it is a Limited state tax credit

Re: 68 O.S. § 54001-54006

Gas Usage Tax Credit

Oklahoma Tax Commission administers via company tax filings (no forms or application)

Re: 68 O.S. § 2357 (C)

Recycling, Reuse & Source Reduction Incentive

Application through DEQ <http://www.dan.state.ok.us/csdnew/r2/application.pdf>

Re: 27A§. Section 2-11-303

CDBG Funding for Infrastructure via Quapaw City for sewer upgrade

The CDBG-EDIF program is a partial grant/loan program that provides public infrastructure financing to help communities grow jobs, and enable new business startups and expansions of existing businesses. The program achieves its national objective by funding projects in which at least 51% of the new jobs created are made available to low and moderate income individuals.

Typical projects include basic infrastructure to a new or expanding business, including water, wastewater, industrial access roads, and construction or rehabilitation of publicly owned buildings. The community may request \$10,000 per job created. The first \$100,000 is in the form of a grant and the next \$400,000 is in the form of a zero percent loan.

Request for Information



Private Activity Bond Allocation

For more information contact the state Bond Advisor's Office at (405) 602-3100. Visit www.okbonds.state.ok.us for additional details. Private Activity Bonds that render interest payments that are federally tax-exempt, in accordance with the Internal Revenue Code, must receive an allocation from the state Bond Advisor's Office. Public Issuers in Oklahoma may issue approximately \$304 million in Private Activity Bonds each year.

Rural Economic Development Loan Program

For more information, contact the Oklahoma Department of Agriculture at (405) 521-3864. Banks and savings and loan associations may pledge between three to ten million dollars (\$3,000,000-\$10,000,000) to the Rural Economic Development Revolving Loan fund within the state Treasury. The Program's review board and the Secretary of Agriculture manage and approve use of the fund in conjunction with participating financial institutions. Loans are at below market interest rates set by the lender. Credits may offset the amount of any Oklahoma tax liability resulting to the lender as a result of the loan transaction. Privilege tax credits are for 5% of new payroll resulting from the loan.

Request for Information



Project Malina Quapaw, Oklahoma Advanced Manufacturing Facility												
INCENTIVES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	TOTAL
Quality Jobs Program												
Sales & Use Tax Reimbursement on Construction Materials												
Real Property Tax Exemption												
Personal Property Tax Exemption												
Sales Tax Exemption - M&E												
Sales Tax Exemption - Goods Consumed in Mfg												
Sales Tax Exemption Energy Savings												
Freeport Inventory Tax Exemption												
CSBG- Infrastructure Grant												
Ottawa County Development Grant												
Accelerated Depreciation												
Native American Credit												
Training For Industries Program												
Employee Recruiting Savings												
Net Economic Benefit Summary												
TOTAL SAVINGS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Incentive Awards by Jurisdiction	
State Incentive Awards	
Quality Jobs Program	_____
Sales & Use Tax Reimbursement on Construction Materials	_____
5yr 100% Real & Personal Property Tax Abatement	_____
Sales Tax Exemptions - M&E, Inputs, Energy	_____
Freeport Inventory Tax Exemption	_____
Training For Industry Savings	_____
Employee Recruiting Savings	_____
CSBG- Infrastructure Grant	_____
Federal Incentive Awards	
Accelerated Depreciation	_____
Native American Tax Credit	_____
County Incentive Awards	
Ottawa County Economic Development Grant	_____
Total Incentive Package	

Potential Program Benefits?



- IRB Financing – Private Activity Bond for the construction of the new facility
- WOTC
- Empowerment Zone
- New Product Development Income Tax Exemption
- R&D Tax Credits
- Gas Usage Tax Credit
- Recycling, Reuse & Source Reduction Incentive
- CDBG Funding for Infrastructure

UMICORE

Germanium Wafer Solar Substrate

