

Site Selection & Incentives: How the Future Gets Built

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Executive Summary

This article demystifies the world of site selection and economic development incentives for professionals in real estate, finance, private equity, and local government. It explains how location decisions are made, how incentives are structured and negotiated, and why they matter.

Through real-world examples—renamed for confidentiality—it reveals how incentives can transform projects from concept to completion and how communities and companies can turn partnership into prosperity.

Incentives are not giveaways; they are public investments in long-term value. Site selection isn't only about cost—it's about vision, alignment, and the future we choose to build together.

The Real Strategy Behind “Where”

At some point in every project, someone asks:
“Wait... how did we decide *here*?”

Where a company grows—whether a 20-person startup or a \$100-million manufacturer—is rarely a matter of chance. It’s about alignment: between what a company needs and what a place can deliver; between ambition and infrastructure; between growth and community.

That’s site selection—strategic, data-driven, and often misunderstood. Incentives deepen that strategy. Done well, they don’t distort markets; they close gaps, share risk, and make complex projects viable.

This work shapes more than real estate. It shapes economies, careers, and the character of communities.

What Site Selection Really Is (and Why Incentives Matter)

Site selection is the art of matching a company’s operational DNA with a location’s realities—workforce, logistics, infrastructure, and culture.

The process weighs dozens of variables: labor availability, permitting timelines, utility access, speed to market, and less tangible factors such as risk tolerance and executive intuition.

Incentives enter when the math tightens. Most are **discretionary**, negotiated in real time to meet the specifics of a project. Occasionally, a project is so compelling it inspires a new program altogether.

Two partners drive the process:

- **Economic Development Organizations (EDOs)** represent cities, counties, or states seeking investment, jobs, and lasting impact.
- **Site selectors** represent companies, evaluating locations through the lens of cost, workforce, risk, and return.

The goal isn’t the biggest check; it’s the right balance—where business priorities and community goals intersect.

Why It Matters

Every corporate expansion or relocation decision reshapes a region’s future.

Will those jobs land in your community or the one next door? Will your industrial parks fill or sit idle? Will local graduates find work—or leave to find it elsewhere?

These are not policy abstractions. They determine tax revenues, school funding, and long-term opportunity.

From the company’s perspective, incentives rarely drive the decision alone—but they often decide *where* a great project lands. When both sides engage early and collaborate transparently, the result is not a transaction, but a shared investment in growth.

Incentives: A Strategic Partnership, Not a Handout

Incentives are typically performance-based, conditional, and earned over time.

Two broad categories define them:

- **Statutory** programs, clearly outlined in law, available when set criteria—jobs, payroll, or investment thresholds—are met.
- **Discretionary** programs, tailored through negotiation to reflect a project's scale and public benefit.

Used wisely, incentives level the playing field for communities facing barriers like high taxes or limited infrastructure. They also advance policy priorities—renewable energy, advanced manufacturing, workforce inclusion, and innovation.

If a company underperforms, benefits shrink or vanish. Accountability protects public trust.

When designed thoughtfully, incentives aren't free money. They're shared commitments that accelerate progress for everyone involved.

Five Projects, Five Lessons

Project Atlas – Building Manufacturing Muscle

A manufacturer planned a \$12-million, two-million-square-foot expansion creating 300 jobs. Infrastructure gaps threatened the deal until local and state partners assembled \$11 million in support through land, financing, and training grants.

Lesson: Big visions need partners willing to invest.

Project Mosaic – From Co-Working to Scale

An environmental SaaS startup grew from a single desk to 200 employees, securing \$3 million in tax credits through careful, phased planning.

Lesson: Incentives can evolve with growth—if the groundwork is laid early.

Project Driftwood – Leasing Still Counts

A professional services firm leasing downtown space earned \$1.4 million in job credits and training grants for 55 new roles.

Lesson: Ownership isn't required; value creation is.

Project Ember – Innovation in a Smaller Market

An energy-tech firm chose a smaller community that lacked infrastructure but offered creativity and vision. Officials secured \$2.6 million in aid.

Lesson: Small markets can win when they invest with intent.

Project Lumen – Precision Matters

A life-sciences company nearly lost eligibility by pulling permits too early on a \$14-million lab build. Timely intervention preserved \$1 million in credits.

Lesson: Sequence is strategy.

Project	Jobs	CapEx	Incentives	\$/Job	% CapEx
Atlas	309	\$12.5M	\$11.2M	\$36K	89%
Mosaic	226	\$2.4M	\$3.25M	\$14K	135%
Driftwood	55	\$1M	\$1.4M	\$25K	171%
Ember	259	\$41.8M	\$2.6M	\$10K	5%
Lumen	36	\$13.9M	\$960K	\$27K	7%

All names and figures anonymized and rounded. Incentives are earned over time through compliance and performance.

The Process, Simplified

1. **Define the Project.**

Know your audience. Clarity is power. Before outreach, define scope: jobs, capital, timing, and non-negotiables such as workforce skill, energy needs, and geography.

2. **Go Quiet.**

Assign an alias—"Project Indigo," "Project Phoenix"—and issue concise RFPs to qualified communities. Incentives don't lead; they follow. They're the tiebreaker once fundamentals align.

3. **Negotiate Early.**

Leverage fades once a site is chosen. Negotiate in parallel. Favor flexibility and realism over raw dollar value—smaller, simpler programs often yield smoother results.

4. **Align and Execute.**

City and state applications must match commitments exactly—jobs, wages, timelines. Each agreement is a contract requiring precise review.

5. **Manage Compliance.**

Winning incentives is only the start. Companies must verify performance annually, often for a decade or more. Compliance should be built into daily operations, not handled retroactively.

Handled well, this process transforms incentives from short-term boosts into long-term partnerships.

Avoidable Missteps

1. **Announcing Too Soon**

Once a site is public, discretionary programs close. Negotiate before you commit.

2. **Assuming “We Can Handle It”**

Internal teams are skilled but may lack policy fluency or continuity. Incentive management demands specialization.

3. **Believing You’re Too Small**

Communities value growth trajectories, not just scale. Twenty new jobs can move the needle.

4. **Ignoring Compliance**

These are contracts. Missed filings or targets can trigger clawbacks. Build tracking systems early.

5. **Overlooking Incentives in M&A**

Unverified agreements can become hidden liabilities. Review them during due diligence and re-engage the state before closing.

Each of these errors is preventable—with foresight, timing, and the right guidance.

Incentives as Long-Term Investment

Incentives are temporary by design—a bridge between potential and payoff. Communities trade near-term tax relief for future revenue, job growth, and stability.

Most agreements span a decade or more. Companies ramp up hiring while communities strengthen infrastructure and services. Everyone gains as payroll circulates and local spending rises.

When structured responsibly, incentives are fiscal strategy, not generosity. They spread investment risk and share reward. Communities that never invest risk stagnation; those that invest wisely create momentum.

The best deals are built on shared confidence: a company that delivers, and a community that believes in the return.

Conclusion: Alignment Builds the Future

Site selection is not just about geography. Incentives are not just about money. Both are also about alignment—between vision and place, private risk and public reward.

The most successful projects begin with clarity, collaboration, and respect for timing. The most successful communities offer not just land or tax relief but leadership, workforce, and a clear sense of who they are becoming.

When that alignment happens, growth feels less like chance and more like purpose.

In the end, this work isn’t just about where a company locates. It’s about how the future gets built—and who builds it.

Personal Note

After two decades in this field, I still believe in the power of the right match. When a company finds its place—and that place invests back—the result is more than a transaction. It's a partnership that transforms both.

It's not easy work. It's complex, often unseen, and rarely perfect. But when it works, it changes lives.

That's why I keep doing it. Not because it's my job—because it's my purpose.

Epilogue: The Future of Site Selection

The next decade will test everything we know about growth.

Power demand for data centers, broadband for rural economies, AI infrastructure, remote-work readiness—these are the new site-selection metrics. Demographics are shifting: aging populations, fewer births, and rising care demands are redefining workforce planning.

Quality of life, sustainability, and belonging now rank beside logistics and cost. Communities that embrace these human factors will lead.

Location still matters. Now, it's about choosing the conditions for the future we want to build—deliberately and together.

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