

Economic Development Assistance Guidelines

The following guidelines are adopted to promote diversified economic development, encourage growth in the property tax base, improve recruitment of business and industry, enhance job creation, and to continue Henderson County's ability to function as a local center of commerce and industry. All economic development assistance is offered at the discretion of the Henderson County Board of Commissioners ("the Board").

1) General

- a) The companies that seek economic development assistance must first submit a letter requesting such assistance and a completed economic development grant application. The letter must demonstrate that a project is under consideration ("the project"), that Henderson County is being considered as a possible site for the project (but that other sites are under consideration as well), that no final approval of the project has been made, and that without County assistance, Henderson County would be at a relative competitive disadvantage in obtaining the project.
- b) Projects must neither have started construction nor been publicly announced prior to consideration of the application.
- c) Economic development incentive grants must comply with the N.C. Gen. Stat. §158-7.1 and other applicable general statutes.
- d) The company must enter into a binding economic development and incentives agreement with the County ("the agreement").
- e) The recipient must demonstrate compliance with all program criteria prior to receiving assistance.
- f) Leased properties may qualify if the applicant will enter into a binding lease that exceeds the length of the period for which grant payments will be made under the agreement.
- g) Economic development assistance under these guidelines is limited to new businesses and existing businesses undertaking expansions.
 - i) Assistance under these guidelines will not be awarded to existing businesses contemplating shifting locations within the County.
 - ii) An exception may be provided to this provision for business retention activities as described in paragraph 4), below.
- h) There is no right or entitlement to economic development assistance. All such assistance is made at the discretion of the Board.

- i) All statements herein are guidelines and are not intended to limit the discretion of the Board under N.C. Gen. Stat. §158-7.1 and other applicable laws.
- 2) Projects:
 - a) The County may consider providing economic development grants for industrial projects that meet the following criteria:
 - i) Net minimum increase capital investment of \$1,500,000 or more measured by an increase in the property tax assessment;
 - ii) The project must create full-time jobs that pay wages at or above the median industrial wage for Henderson County as listed annually by the North Carolina Department of Commerce Finance Center, and provide health insurance and other benefits at a level commensurate with Henderson County industry.
 - iii) Economic development grants for industries may be made in annual payments for up to six (6) years to projects that meet these criteria. The size of the annual grant will be determined as stated below.
 - iv) Industrial projects include corporate headquarters and research and development facilities that qualify under the requirements of Article 3J of Chapter 105 of the North Carolina General Statutes.
 - b) The County may consider providing economic development grants to non-industrial projects that meet the following criteria:
 - i) The project must create new employment that pays wages at or above the median industrial wage for Henderson County as listed annually by the North Carolina Department of Commerce Finance Center, and provide health insurance and other benefits at a level commensurate with Henderson County industry.
 - ii) The projects must increase the assessed value of real property by no less than \$1,500,000.
 - iii) Non-industrial economic development grants may be made in annual payments for up to five (5) years to projects that meet these criteria. The size of the annual grant will be determined as stated below.
 - iv) Non-industrial projects include professional offices, health care services, back office operations, but exclude residential projects. The following uses are not eligible for non-industrial economic development grants: cemeteries, golf courses, public utility uses, resource recovery facilities, adult uses, private clubs, agricultural uses, abattoirs, mining, landfills, retail uses, personal services uses and telecommunications towers. Mixed-use projects are eligible,

but any residential element must have its portion of the investment subtracted from the calculations of tax value. The residential portion of the project may be eligible for other grants for the creation of opportunities for home ownership.

- 3) Grants: Project grants are generally made in annual payments in an amount and for a period as determined in this policy. No payment may be made until the applicant demonstrates compliance with all terms of the agreement. Should any applicant fail to comply with conditions agreed to in the incentives agreement, the applicant shall refund all incentive payments to the County.
- a) Average grant length, up to the maximum lengths stated in paragraphs 2)a)iii) and 2)b)iii), shall be four (4) years for industrial projects, and three (3) years for non-industrial projects.
- b) Grant amounts for each project are determined in the discretion of the Board. However, it is intended that average grant amounts for projects will vary directly with the number of jobs created or retained directly as a result of the project, on the following schedule:

<u>Jobs Created or Retained</u>	<u>Maximum Annual Incentive Payment</u>
1-25	70% of the each year's property taxes generated as a result of the project for which the incentives are granted, limited to the period for which incentives are granted
25-50	80% of the each year's property taxes generated as a result of the project for which the incentives are granted, limited to the period for which incentives are granted
50-75	90% of the each year's property taxes generated as a result of the project for which the incentives are granted, limited to the period for which incentives are granted
75-150	100% of the each year's property taxes generated as a result of the project for which the incentives are granted, limited to the period for which incentives are granted
Over 150	120% of the each year's property taxes generated as a result of the project for which the incentives are granted, limited to the period for which incentives are granted

- 4) Business Retention Incentives. The County may consider providing incentives to retain business and industry under certain conditions. The intent of these incentives is to provide a tool for the County to retain significant tax base and employment in the event of a critical and potentially catastrophic business or industrial closing. Grants cannot be used to subsidize or artificially sustain businesses and industries when job losses or closings appear inevitable. Grants or loan funds under this

program are intended to benefit the County, its employees and citizens by increasing worker education, worker and company productivity and long-term industry competitiveness on a global basis. These incentives may not be used to protect companies from local business competition.

- a) Retention incentives may be used for the following purposes:
 - i) Employee training.
 - ii) Improving public infrastructure.
 - iii) Modernization of plant or equipment.
- b) Funding may be provided in the form of a loan or annual grants.
- c) Conditions of approval include commitment to maintain or increase levels of employment and tax base throughout the period agreed to in the incentives agreement.
- d) The recipient must agree to participate in public information programs about all modernization and employee training efforts in order to share information concerning successes in making local industries more competitive in the global economy.

Adopted this the 18th day of July, 2007.

HENDERSON COUNTY BOARD OF COMMISSIONERS

By: _____

WILLIAM MOYER, Chairman

Attest:

Elizabeth W. Corn
Secretary to the Board