

**Chatham County Resolution for a Revised Economic Development Incentive Policy** Res. #2010-09

**Whereas**, the Chatham County Board of Commissioners and the Chatham County Economic Development Corporation believe that it is in the best interest for Chatham County to provide economic development incentives to new and expanding businesses and industries within Chatham County; and

**Whereas**, any economic development incentives offered to new and expanding businesses and industries should be consistent with the strategic plan for economic development in the County as determined by the Board of Commissioners and the Chatham County Economic Development Corporation; and

**Whereas**, the Center for Competitive Economies, located within the UNC Kenan Institute for Private Enterprise, has developed an economic incentive model that takes into account multiple strategic factors in determining whether companies are eligible to apply for a financial incentive grant (shown in Attachment A, Chatham County Incentive Policy); and

**Whereas**, the proposed model does not represent a guaranteed or entitlement economic development incentive, but a starting point for determining eligibility, and

**Whereas**, Chatham County and the Chatham County Economic Development Corporation will continue to utilize qualitative criteria outlined in the incentive policy and other policy documents to approve, reject, and/or modify the incentive grant amount, and

**Whereas**, the Chatham County Board of Commissioners and the Chatham County Economic Development Corporation hereby establish the following revised Economic Development Incentive Plan: New or expanding businesses or industries may qualify to receive a financial incentive grant based upon scoring in the Incentive Grant Policy and upon the actual value, schedule, and payment of local property taxes for a period of up to five years. The County will require the business or industry to pay in full annually the total property taxes due. If the business or industry has met specific criteria as outlined in a formal agreement, a portion of the property taxes paid by that business or industry to the County each year for five consecutive tax years would be returned to the industry in the form of a local economic development incentive grant. In determining whether to offer an incentive grant, preference shall be given to businesses engaged in manufacturing, wholesale trade, transportation and warehousing, information, finance and insurance and other service industries as defined in the North American Industry Classification System issued by the Office of Management and Budget. On new projects, a certification by the company would be obtained that without a grant based on the Chatham County Incentive Policy, the company would not site its project in Chatham County; and

**Whereas**, the Chatham County Board of Commissioners and the Chatham County Economic Development Corporation reserve the right to consider each project individually and to adjust the incentive package based on current conditions or circumstances; and

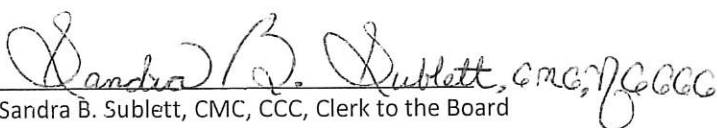
**Whereas**, the Chatham county Economic Development Corporation will make recommendations to the Chatham County Board of Commissioners at a Public Hearing.

**Now Therefore, Be It Resolved** by the Board of Commissioners of Chatham County, North Carolina, that this Economic Development Incentive Policy may be offered to new and expanding businesses and industries within Chatham County that meet the above qualifications and are willing to sign an incentive agreement which describes the responsibilities and obligations of all parties.

Adopted this the 1st day of February, 2010.

  
Sally Kost, Chair

ATTEST:

  
Sandra B. Sublett, CMC, CCC, Clerk to the Board  
Chatham County Board of Commissioners

## CHATHAM COUNTY INCENTIVE POLICY

Number of New Jobs		Points	Quality of New Jobs		Points
10-20	2		Partial Employer Paid Health Insurance		1
21-50	5		Entire Employer Paid Health Insurance		3
51-75	7		Retirement Benefits		2
76-100	9		Profit Sharing		2
101-150	12		Employer Paid Vacation		2
150-200	15		Employee-Owned Company		3
200+	20			<b>Total Possible Points</b>	10
<b>Total Possible Points</b>		20			

Level of Capital Investment		Points	Wage Level of New Jobs		Points
Under \$500,000	1		Less than County Average		0
\$500,000 - \$4,999,999	5		County Average		1
\$5,000,000 - \$14,999,999	10		Greater than County Average, But Less than State Average		4
\$15,000,000 - \$24,999,999	15		State Average		8
\$25,000,000 and Above	20		Above the State Average		10
<b>Total Possible Points</b>		20	<b>Total Possible Points</b>		10

Number of Existing County Residents Hired		Points	Environmental Impact		Points
10-20	1		Reuse of Existing Building		4
21-50	3		Location in Downtown Area		3
51-75	5		Location in Existing Industrial Area, not Central Carolina Business Campus		3
76-100	7		Location in Central Carolina Business Campus		5
101-200	9		Location in LEED Certified Building		4
200+	10		Other sustainable features (recycling, water reuse, etc.)		4
<b>Total Possible Points</b>		10	<b>Total Possible Points</b>		15

Industry Cluster/Business Type		Points
Presence in Identified Attraction Industry Cluster		6
Presence in Identified Retention Industry Cluster		3
Company Headquarters		6
Verified Supply-Chain/Sourcing Relationship with Existing Chatham County		3
<b>Total Possible Points</b>		15

This model approximates the following weights out of a 100 possible points:

Category	Points Possible
Jobs (Number, Quality, Wages, Hiring Residents)	50 points
Capital Investment	20 points
Environmental Impact	15 points
Industry Cluster/Business Type	15 points

The allocation in the model represents the desire and need for quality jobs in Chatham County, while balancing the local governments' need for additional capital investment (and associated property tax revenue), desire to preserve/protect the natural environment by focusing development to certain designated areas, and interest in targeting identified industry clusters. Depending on their score, new companies and existing company expansions are eligible to qualify for, but not guaranteed, a financial incentive grant based on the percentages of annual property taxes paid for each year for a five year period as outlined below. The County and Chatham County EDC will continue to utilize qualitative criteria outlined in this document and other policy documents to approve, reject, and/or modify the grant amount.

Year	Level 1	Level 2	Level 3	Level 4	Level 5
1	70%	75%	80%	90%	90%
2	60%	65%	70%	80%	80%
3	50%	55%	60%	70%	75%
4	40%	45%	50%	60%	75%
5	30%	35%	40%	50%	60%
Minimum Score	50	60	70	80	90