Chatham County Resolution for a Revised Economic Development Incentives Parity 10-09

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

10-20 2 Partial 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 Employer-Owned Company 3 200+ 20 Total Possible Points 10 Total Possible Points 20 Level of Capital Investment Points Wage Level of New Jobs Points Under \$500,000 1 Less than County Average 0 \$500,000 \$1 Less than County Average 1 Greater than County Average, But Less than State \$5,000,000 \$1 Average 1 Greater than County Average, But Less than State \$5,000,000 \$24,999,999 5 County Average 4 \$55,000,000 \$24,999,999 10 Average 8 \$25,000,000 \$24,999,999 15 State Average 8 \$25,000,000 and Above 20 Above the State Average 10 Total Possible Points 20 Total Possible Points 10 Number of Existing County Residents Hired Points Environmental Impact Points 10 Number of Existing County Residents Hired Points Environmental Impact Points 10 Number of Existing County Residents Hired Points Environmental Impact Points 10 Total Possible Points 15	Number of New Jobs	Points	Quality of New Jobs	Points	
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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