

# **Buncombe County Economic Development Incentive Policy**

## **INDUSTRIAL DEVELOPMENT INCENTIVES AND INFRASTRUCTURE ENHANCEMENT FOR ECONOMIC DEVELOPMENT**

### Purpose

The purpose of the program is to broaden and diversify the tax base, create new job opportunities for the citizens of Buncombe County, and promote the economic growth and welfare of Buncombe County. The program is adopted with the intent of complimenting any incentive program that may be adopted by a municipality within Buncombe County or by the State of North Carolina.

### General

The County encourages and supports the development of the industrial base of the County by providing incentives for new industry and the expansion of current industries. Normally, assistance is provided through infrastructure development; however, in compliance with the North Carolina General Statutes (NCGS), such assistance may also be provided through land development, site preparation, building preparation and other means identified in NCGS 158-7.1.

### Limitation

There is no vested "right" to any assistance by anyone under this policy.

### Developer Incentive

Consideration in providing infrastructure funding or other direct assistance will be provided only upon the assurance that the pay back in increased real property ad valorem tax revenues occurs within ten (10) years. The calculations used to determine the incentive will be based on the then current year tax levy computed at 100 percent collection.

- a. Estimates of valuation of property enhancement must be based on architects estimates, contracted construction, development costs, or development contracts in hand if third parties are involved. Other forms of proving the level of financial commitment may be considered on an individual basis.
- b. Increased tax revenues beyond the initial three (3) years will enhance the project desirability but will not qualify for County funding.
- c. Incentives for speculative buildings will be awarded based on the investment schedule provided on the following page.

### Industrial Incentive

To be eligible for an incentive, the investment must be an investment that is not currently taxed in Buncombe County. The original value of the property will be deducted in calculating the real property basis. This policy is intended to support the expansion of our current industry, as well as any new industry to the area. The industry must also pay 100 percent or more of the average weekly county wage during the previous year to be eligible for an incentive. Average wage data is obtained through the North Carolina Employment Security Commission and will be the wage appropriate within the industry sector. New jobs that do not meet these criteria, but that provide health care and retirement benefits may be given consideration. The following business types (as defined by S.I.C. codes used by the State of North

Carolina) are eligible for an economic development incentive subject to funding availability: manufacturing and assembly; processing; warehousing and distribution; data and information processing, including call centers; and administrative headquarters. This policy does not provide incentives for retail, commercial or residential projects.

Incentives can be provided based on the following schedule:

<b>Initial Investment</b>	<b>Paid over</b>	<b>Grant of up to</b>
\$1.5-3.999 million	3 years	1.5% of the investment
\$4-5.999 million	4 years	1.75% of the investment
\$6-9.999 million	4 years	2% of the investment
\$10 million	up 5 years	2.5% of the investment

### Additional Bonus Incentive Programs

1. In addition to the above, a grant of \$100 per employee will be provided to employers who hire WorkFirst Family Assistance recipients into new, not replacement, jobs. The grant will be extended for each year the employee remains employed with the company, up to a maximum of 3 years.
2. The following industry types be eligible for an additional incentive of up to 10 percent above the incentive specified in the above table:
  - Technology Intensive Firms
  - Firms paying more that 125 percent of the average County weekly wage as determined with North Carolina Employment Security Commission wage data.
3. Headquarters, regional offices, and regional headquarters that create at least 40 administrative/professional level jobs will be eligible for a bonus of \$500 per employee.

### Alternative

On a case by case basis, the Board of Commissioners may opt to provide funding for infrastructure development, site work, etc. to a company at the beginning of a project, rather than through the incentive schedule. This may be done at the discretion of the Board of Commissioners and may reduce or preclude the incentive by an amount equal to the initial grant.

### Requirements

1. The project must enhance the tax base of the County
2. Conveyances of land by the County must not realize a consideration less than the value determined as fair market value.
3. A determination must be made regarding the proposed average wage.
4. A public hearing must be held in accordance with NCGS 158.7
5. County participation cannot violate the laws of the State of North Carolina.
6. Projects must be deemed not harmful to the environment according to all federal, state and local regulations.

### Compliance

All Economic Development Incentives will be formalized in a written agreement between Buncombe

County and the recipient company. The recipient company will be required to meet the following performance criteria:

- Jobs Created as announced
- Capital Investment in real property as announced
- Compliance with wage requirements
- Health Insurance Rules

Buncombe County reserves the right to audit a company to assure compliance with the Economic Development Incentive agreement. If the performance criteria is not met, or altered significantly, Buncombe County may require the Incentive to be repaid in full or in part.

To be eligible for payment of the annual Incentive, the company must have:

- Completed and occupied the building
- Be current on all taxes payable to Buncombe County
- Be current on performance criteria specified in the incentive agreement

#### Project Evaluation

Each project will be evaluated on an individual basis. Changing economic conditions and availability of funds may cause the Board of Commissioners to modify, amend, or discontinue the Economic Development Incentive program. Should the Incentive program be discontinued, the Board of Commissioners will honor any Incentive committed to before the discontinuance of the program.

Economic Development Incentives may not be transferred or otherwise conveyed to another party, unless agreed to by the Buncombe County Board of Commissioners.

Adopted December 15, 1998