

TOWN OF MATTHEWS ECONOMIC DEVELOPMENT INCENTIVE GRANT POLICY

WHEREAS, G.S. 158-7.1(a) provides that each city in the State is authorized to make appropriations for the purpose of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city will increase the population, taxable property, agricultural industries and business prospects of any city. These appropriations may be funded by the levy of property taxes pursuant to G.S. 160A-209(c)(17a) and by allocation of other revenues whose use is not otherwise restricted by law; and

WHEREAS, the Commissioners of the Town believe that granting Economic Development Incentive (EDI) grants will encourage the location and expansion of manufacturing and commercial enterprises in or near the Town, and will increase the population, taxable property, industrial and business prospects for the Town;

NOW, THEREFORE, the Commissioners of the Town do hereby adopt this EDI Grant Policy:

1. Increasing and diversifying the local property tax base, expansion of employment opportunities, improvements in wages paid, retention and expansion of existing businesses and the attraction of new businesses are the primary goals of the EDI Grants.
2. Eligible uses are taxable projects that include, but are not limited to, manufacturing, assembly, fabrication, processing operations, research & development, motorsports facilities, warehouse/distribution, or office/flex buildings. Mixed use projects are eligible provided that the real and personal property value of retail and residential components, or any other ineligible components, are not included in grant calculations. Ineligible uses include, but

are not limited to, agricultural uses, private clubs, retail facilities, residential facilities, or telecommunications towers. Grantees may be owners or lessees.

3. In determining whether or not an EDI Grant will be made, and if so the amount thereof, the following criteria, and such other criteria as the Town may deem appropriate in each individual case, will be used in making the determination:

- a) The type of facility.
- b) The effect on the environment.
- c) The size of the project based upon investment in site development, plant facilities and infrastructure.
- d) The number and type of jobs created and employee wage levels.
- e) The relationship between jobs development and total investment.
- f) Potential for future expansion and increased employment.
- g) Site specific issues that impact upon local infrastructure responsibilities.
- h) Site specific initiatives that may be pursued to stimulate other development in areas that the Town may deem of significant benefit to the community.

4. The Grants may be made in kind or in cash:

a) Grants shall be made in annual installments and the industry shall meet the following requirements:

- 1. The industry must be in continuous operation for a period of at least one calendar year prior to the Town's making the annual installment.
- 2. The industry must employ a number of employees who are paid wages equivalent to or above the average wages paid in Mecklenburg County as reported by the Employment Security Commission.

b) A Basic Grant to be considered is for 75% of new real and personal property tax generated over a four (4) year period. The minimum investment would be \$1.5 million.

- c) A Small Business Grant to be considered is for 75% of new real and personal property tax generated over a three (3) year period. The minimum investment range would be \$500,000 to \$1.5 million.
 - d) Projects of significant size or benefit may receive consideration for a longer time period and/or a different percentage.
- 5. All ad valorem taxes and other public obligations must be current.
- 6. Other Matters:
 - a) Annual installment payments of Grant may not be transferred or otherwise conveyed to another party without the specific consent of the Town.
 - b) The terms of EDI Grant will be embodied in a formal agreement between the industry and the Town.
 - c) Appropriations for economic development incentives are not made as a matter of right but are made as a privilege to the industry or business in the sole discretion of the Town Board of Commissioners. Even if the industry or business meets all the requirements, the Town is not obligated to give an incentive grant. Changes in economic conditions may necessitate the Town Board of Commissioners to modify, amend, or terminate the incentive policy, subject to compliance with any incentive agreements in effect at the time. Applications for incentive grants are evaluated and negotiated on a case by case basis.
- 7. Process:
 - a) A request for economic development incentives shall be directed to the Town Manager or his/her designee.
 - b) The Town Manager or his/her designee should request from the business, at the appropriate time, the following information (to be handled confidentially when so requested):

1. An industry, business or company profile stating the history of the company, what business it is engaged in, a current financial statement, and a statement regarding its economic and employment philosophy;
 2. Employment numbers for the immediate preceding five years, the number of jobs that will be generated by the new industry or business along with the median wage, benefits, and health insurance offered to employees;
 3. The industry's or business's water and sewer needs and the amount and type of hazardous waste or byproducts used, generated or discharged by the industry;
 4. A list of all governmental grants and/or incentives received by, applied for, to be applied for or offered to the industry or business;
 5. The amount of capital investment (facility and equipment) to be made by the industry or business;
 6. Any other information deemed appropriate by the Town Board, Town Manager or his/her designee, or Town Attorney.
- c) The Town Manager or his/her designee shall review the request and information with the Town Board and Town Attorney together with the Town Manager's recommendation thereof.
- d) The Town Manager or his/her designee shall prepare a cost-benefit analysis.
- e) After economic incentives are negotiated, but prior to being consummated by a legally-binding agreement, a public hearing shall be held in accordance with NC G.S. 158-7.1, et seq. and other

applicable law; and when no public hearing is required, then a public comment period shall be held.

- f) An agreement with the applicant shall be adopted by the Town Board.
- g) The assessed value of new investment shall be confirmed by the Mecklenburg County Tax Office and that all property taxes are paid prior to providing a grant payment.
- h) If there is a clerical or administrative difficulty or error solely caused by the Mecklenburg County Tax Office that impacts the determination of the first year value for purposes of interpreting this policy, then the Town Manager or his/her designee may recommend the adjustment of the appropriate first year calculation to ensure fair and accurate compliance with this policy.