

**TOWN OF GIBSONVILLE  
ECONOMIC DEVELOPMENT INCENTIVE POLICY**

**I. OVERVIEW**

In order to expand economic development options for the Town of Gibsonville that could diversity or expand the tax base, offer improved employment opportunities for its citizens, and promote the economic growth and welfare of the business and industrial community, the Board of Aldermen has established inducement guidelines to encourage new industry and business location decisions within the Town, as well as to assist existing industrial or business expansions.

**II. PROGRAM PARAMETERS**

The Gibsonville Economic Development Incentive Policy provides guidelines for any prospective incentive agreement between the Town of Gibsonville and a new or existing industry or business that would allow for a financial incentive based on criteria established in Part III of this document. The Town will require the industry or business to be current in payment of any and all taxes, fees and/or charges for an incentive to be paid. The Town will require, as a part of any contractual agreement, a provision for reimbursement of any incentives to the Town if any terms of the contract are not met. Any and all guidelines in the Economic Development Incentive Policy shall be subject to G.S. 158-7.1. Each project will be evaluated and negotiated on an individual basis by Town staff using the Town of Gibsonville's guidelines. The Board of Aldermen shall make the final approval of offered incentives. Changing economic conditions may necessitate the Board of Aldermen to modify, amend, or even terminate the incentive policy subject to compliance with any incentives in effect at that time. All decisions are based on availability of funds.

**III. INCENTIVE POLICY CRITERIA**

- A. Incentives will be available to new and existing industries and businesses. Existing industries and businesses qualify only for that portion of expansion that represents "new" investment.
- B. Investment for a new industry requesting an incentive should be \$1,000,000 in new taxable value in buildings and/or equipment.
- C. Investment for an existing industry requesting an incentive should be \$500,000 in new taxable value in building expansion and/or equipment.
- D. Investment for a new or existing business requesting an incentive should be \$250,000 in new taxable value in buildings and/or equipment.

- E. The project for either new or existing industry or business must not have been started **prior** to the request for the incentive.
- F. Creation of jobs through either new development or expansion must have a wage rate **equal to or greater than** the median hourly wage/salary for the county where the greatest population resides, which is currently Guilford County.
- G. The payout period for any and all incentives shall be no longer than five (5) years.
- H. Incentives will be paid after current year ad valorem taxes are paid by the requesting industry or business.
- I. Other criteria for consideration may include but are not limited to: site specific issues that have an impact upon local infrastructure responsibilities, site specific issues that have an impact upon other local resources such as public safety, public works, etc.
- J. The industry or business meeting the criteria and desiring the incentive shall apply in writing.
- K. Upon request by an applicant industry or business and after taking into consideration the importance of proposed investments by an applicant industry or business to the local economy under the current circumstances, subject to the approval of the Board of Aldermen, the foregoing criteria may be modified and/or waived in order to qualify an applicant industry or business in those instances where documentation is presented by the applicant industry or business that a significant number of sustainable jobs will be created and substantial capital investments, in addition to the initially proposed investments, are scheduled for implementation in the immediate future, subject to compliance with North Carolina General Statutes.
- L. Any and all incentives granted hereunder must result in a net positive tax revenue over the 10 year payback period.
- M. The industry or business must enter into a binding economic development contract with the Town of Gibsonville and is therefore subject to any reporting or repayment (clawback provision) requirements contained therein.
- N. The Board of Aldermen will hold the necessary public hearings as required under statute and approve the signing of the contract between the Town and the requesting industry of business.

#### **IV. INCENTIVES**

- A. Grant award of up to \$1,000 per new full-time job (35 hours per week or more) and \$500 per new part-time job (20 – 34 hours per week) per year over a five year period.
- B. Incentives up to 90 percent of the additional tax revenue created by the new investment for up to five years.
- C. Other incentives could be in the form of infrastructure such as streets; environmental testing/site mitigation; clearing, grading and erosion control measures; water and/or sewer line extensions, and expedited review and approval process.

D. Maximum award of \$150,000 per industry or business over a five year period.

Notwithstanding the program parameters and minimum standards set forth, the Board of Aldermen may, in its sole discretion, offer an economic incentive to a new or expanding industry or business, when in the Board's judgment, the best interest of the Town and its residents will be served. The Board may take into account the local unemployment rate at the time the assistance is solicited, the productive reuse of existing facilities, and/or general economic conditions in the area. Grant assistance may be measured by jobs created, investment in building and equipment or by a combination thereof. Where the offer is predicated on job creation, assistance may not exceed \$1,000 per new full-time job (35 hours per week or more) and \$500 per new part-time job (20 – 34 hours per week). In any event, grant assistance must be recouped from ad valorem taxes generated by the project within not to exceed ten years.

## V. ELIGIBILITY

Business, as used herein, shall mean any art, profession, or commercial enterprise that employs labor and/or capital in furtherance of commerce beneficial to the Town's general population.

To be eligible for economic development incentives, the industry or business must:

1. Provide substantially non-residential capital investment.
2. Be taxable.
3. Create jobs.
4. Invest within Gibsonville's corporate limits or volunteer to be annexed.

## VI. REQUIREMENTS AND MEASURES

All economic development incentives offered by the Town of Gibsonville will be based on the industry or business meeting specific measurable objectives. Requirements and performance measures will be considered individually for each agreement, and be documented in a legally-binding agreement between the industry or business and the Town. The agreement may include the following kinds of provisions:

**Employment and wage standards:** Requirements may be based on the number of new employees and their compensation. The Town of Gibsonville may require a minimum number of new full-time employees to be added and maintained over a specific period of time. A full-time employee is defined as a person who is employed by the company for at least 35 hours per week, whose wages are subject to withholding, and works within

Gibsonville. The median wage/salary for the new employees must equal or exceed the median for the county where the greatest population resides.

**Investment standards:** Requirements may be based on the cumulative amount of capital investment over a specified period time.

**Community involvement:** The industry or business will encourage its employees to become involved in community organizations and programs. Companies receiving incentives are strongly encouraged to hold job fairs in Gibsonville to employ as many Gibsonville citizens as possible to fulfill their employment needs.

**Performance monitoring:** The Town Manager shall receive annual performance reports from industries or businesses provided with incentives during the performance period included in the legally-binding agreement. Performance reports shall include all objective data used by the Town Manager to determine the amount of the grant award, including number and type of new jobs, wage and benefit structure, cumulative amount of investment to date, description of actual improvements (buildings and equipment), and water and sewer usage.

**Indemnity:** Any proposed agreement must include a requirement to indemnify the Town of Gibsonville.

**Voluntary annexation:** The agreement may include a requirement for the applicant to seek voluntary annexation into Gibsonville.

**Claw-back provisions:** The agreement shall require that the applicant refund and forfeit monetary incentives if performance standards are not met.

## **VII. POLICY GUIDELINES**

The Town of Gibsonville will consider all applications for economic development incentives on a case-by-case basis. Evaluation of applications will be based on a number of factors including but not limited to:

- Type of industry or business, relative to current tax base
- Types of new jobs
- Reputation and financial vitality of the company
- The presence of competition for the project
- Whether the company provides benefits to its employees
- Job training incentives

- Potential for expansion
- Impact on the quality life for Gibsonville citizens
- Green technology/environmental impact
- Whether incentives are already being paid to the company for the same parcel or project

Financial information, employment profiles, site plans, etc. submitted to the Town of Gibsonville for the Town's review and consideration of applications for economic development incentives will be kept strictly confidential, subject to North Carolina General Statutes. Review of required submittals and the actual application for the incentive funds shall be limited to designated representatives of the Town staff and Town of Gibsonville Board of Aldermen. No information related to an application for incentive funds will be made available for public review unless disclosure is approved in writing by the Town Manager and designated representative of the industry or business making application to the Town for incentive funds, unless such disclosure is otherwise required by North Carolina General Statutes.

These policy guidelines are not retroactive to any project which has been announced prior to adoption of these policy guidelines. These guidelines are in effect until such time as amended by the Gibsonville Board of Aldermen.

## **VIII. DISCLAIMER**

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 Gibsonville Board of Aldermen. Even if the industry or business meets all the requirements, the Town is not obligated to give an incentive. Changes in economic conditions may necessitate the Gibsonville Board of Aldermen to modify, amend, or even terminate the incentive policy, subject to compliance with any incentive agreements in effect at the time. Applications for incentives are evaluated and negotiated on a case-by-case basis.

## **IX. PROCESS**

This section defines the process for administering economic development incentives.

1. A request for economic development incentives shall be directed to the Town Manager.
2. The Town Manager may request from the industry or business, at the appropriate time, the following information (to be handled confidentially when so requested):

- a. 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;
  - b. 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;
  - c. 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;
  - d. A list of all governmental grants and/or incentives received by, applied for, to be applied for or offered to the industry or business;
  - e. The amount of capital investment (facility and equipment) to be made by the industry or business;
  - f. Any other information deemed appropriate by the Board of Aldermen, Town Manager, or Town Attorney;
  - g. Voluntary petition for annexation, if the improvement is not within the Town of Gibsonville corporate limits.
3. The Town Manager shall review the request and information with the Board of Aldermen and Town Attorney together with the Manager's recommendation thereof.
  4. The Town Manager shall prepare a cost-benefit analysis.
  5. After economic incentives are negotiated, but prior to being consummated by a legally-binding agreement, a public hearing shall be held in accordance with N.C.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.
  6. Any contractual agreement with the applicant shall be adopted by the Board of Aldermen.
  7. The assessed value of new investment shall be confirmed by the Alamance or Guilford County Tax Department and that all property taxes are paid prior to providing a grant payment.
  8. If there is a clerical or administrative difficulty or error solely caused by the Alamance or Guilford County Tax Assessor's Office that impacts the determination of the first year value for purposes of interpreting this policy, then the Town Manager may recommend the adjustment of the appropriate first year calculation to ensure fair and accurate compliance with this policy.