Franklin County
NORTH CAROLINA
A Research Triangle Region Community

Board of County Commissioners
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RESOLUTION ESTABLISHING THE FRANKLIN COUNTY ECONOMIC DEVELOPMENT INCENTIVE POLICY

WHEREAS, the Franklin County Board of Commissioners considers the expenditure of public funds for the promotion of local economic development serves a public purpose, and

WHEREAS, the Franklin County Board of Commissioners considers the promotion of local economic development assists in the creation of a more stable economy by providing displaced workers with continuing employment opportunities, attracting better paying and more highly skilled jobs, diversifying the local economy and creating a broader tax base from which Franklin County can draw funding of other programs that benefit the general health, safety, and welfare of the citizens, and

WHEREAS, the Franklin County Board of Commissioners views the promotion of local economic development as an investment in the future of Franklin County.

NOW, THEREFORE BE IT RESOLVED that the Franklin County Board of Commissioners hereby establishes the following provisions of the Franklin County Economic Development Investment Fund:

1. The Franklin County Board of Commissioners may establish a special fund in the Annual Operating Budget to make appropriations and transfers to aid and encourage the location or expansion of industrial or business enterprises described in this policy.

a) Any appropriations or transfers made to a business enterprise may be funded by levy of property taxes pursuant to North Carolina General Statues 153A – 149 and 158-7.1 and by allocations of other revenues whose uses are not otherwise restricted by law.

b) Any appropriations or transfers made to an industrial or business enterprise are to be used in accordance with General Statues 158-7.1. The total amount of any appropriations or transfers made to an enterprise may be three per cent (3%) of the ad valorem tax value of the new or expansion capital investment of such enterprise unless otherwise determined by the Franklin County Board of Commissioners.

c) Any appropriations or transfers made to an industrial enterprise or business will be considered for approval by the Franklin County Board of Commissioners after a public hearing. Franklin County will publish notice of such public hearing at least ten (10) days before the hearing is held. Such notice will describe the proposal to make appropriations or transfers to an industrial enterprise, the Board's intention to approve such appropriations or transfers, and such information needed to reasonably describe the proposal.

d) The Company must certify that without the incentives provided by the Franklin County Board of Commissioners, it would not site this project in Franklin County.

2. Economic Development investment funds may be provided to industrial or business enterprises relocating or expanding operations in Franklin County provided that such enterprises are directly involved in the expansion of the County's primary economic base. Such enterprises include, but are not limited to, retail or commercial businesses, manufacturing, assembly, fabrication, processing, research and development, or similar industrial purposes.

3. The Franklin County Board of Commissioners is not obligated to make any appropriations for a company. If an appropriation is made, the County shall consider the following factors:

a) Amount and type of investment made and identified on the Franklin County tax records.
b) Number and type of new jobs.
c) Number and type of retained jobs.
d) Amount and type of health care benefits provided by the company.
e) Type of business relative to the tax base.
f) Reputation and financial history of the company.
g) Presence of competition for the project.
h) Location of new business.

4. Should an appropriation be made, the County shall specify in the contract all conditions which must be met by the company in order to receive the incentives to include the time table for commencement and completion of the project.

5. If the project is not completed within agreed upon time period, the Company may request a modification to the Agreement by providing written documentation of the circumstances preventing the completion. The parties agree that any decision to allow such modification shall be at the sole discretion of the Franklin County Economic Development Commission and the Franklin County Board of Commissioners.

6. Incentive payments may be made by the following method as determined by the Franklin County Board of Commissioners:

A cash grant paid in up to four (4) payments over a four (4) year period based on the depreciated tax base for those years plus any additional investments made during the four (4) years. However, cash grant can never exceed the original incentive approved by the Franklin County Board of Commissioners.

7. Incentive calculations and eligibility are based on the following:

a) Incentive calculations:
For company to remain eligible for incentives, the total tax valuation of applicable year must always exceed the total base year tax valuation. Incentives will be paid based on current year tax valuation minus base year valuation multiplied by (.0075).

b) The sum of the incentive payments to the company during the term specified in the contract may never exceed the total amount of the incentive offered by the Franklin County Board of Commissioners as stated in the contract.

c) Payments are made only after the Company has paid the taxes for the applicable year.

d) Job Creation/ Retention requirements:

1. To remain eligible for the incentive, Company must create or retain agreed upon number of jobs for at least four (4) years after initiation of contract.

2. If Company fails to meet the job creation/retention requirement for the applicable year, Company incentive will be reduced by the percentage (%) of the shortfall of the required goal for the jobs for that year. Ex. Company agrees to create four (4) jobs in year one (1) of contract. Company only creates two (2) jobs. Company then receives only 50% of the amount of the eligible incentive for that year.

3. Company must provide verification of job creation/retention to Franklin County Economic Development Commission office by supplying copies of the North Carolina Department of Commerce -Division of Workforce Solutions form NCUI 101 on an annual basis and for the base year. If proper documentation is not presented, Company will be in default for the applicable year and will not receive incentive payment for that year.

4. If Company fails to maintain agreed upon number of new or retained jobs for the period of up to four (4) years from initiation of contract, Franklin County has the obligation per General Statute 158-7.1.(h), to demand repayment of appropriate percentage of incentive amount associated with jobs. Ex. If agreement requires creation of 4 jobs per year for 4 years and Company has only 12 jobs still on payroll at the end of the four (4) years - final year of incentive payment, Company must reimburse Franklin County 25% of total incentive payment received.

8. The actual amount of the appropriation and the timing of the appropriation will be determined by the aforementioned criteria. The appropriation amount shall not exceed three percent (3%) of the investment in land (net increase), equipment, machinery or building as identified on the Franklin County tax records provided all conditions of the agreement have been met, including job creation and/or retention.

9. The enterprise seeking to qualify for the Economic Development appropriation will provide Franklin County with written information which includes the following information:

a) Estimated value of the facility or facilities being constructed.

b) Estimated value of the equipment to be installed.

c) Estimated costs of the design and construction of any activity related to preparing land for industrial use if such activity is being proposed to be included in the appropriation evaluation.

d) Explanation of what product or service the facility or facilities will be producing or providing.

e) Estimated number of jobs created, or retained, and corresponding salaries expected to be paid for such jobs. Existing industry must provide the Division of Workforce Solutions form NCUI 101 for job retention.

f) Estimated schedule for completion of project.

g) Estimated schedule for the start of production or operations.

h) Preliminary site plan of the proposed development with an attached vicinity map.

10. The statements contained in this document are guidelines and are not intended to limit the discretion given to the Franklin County Board of Commissioners for the promotion of local economic development under North Carolina General Statute 158-7.1 and other applicable laws.

11. Any assistance will be limited to the availability of funds by Franklin County, which determination of availability shall be made by the Board at the time of the request for appropriations.

THE COUNTY OF FRANKLIN

(County Seal)

By: _____

E. Shane Mitchell, Chairman
Franklin County Board of Commissioners

ATTEST:

_____
Clerk to the Board
Franklin County

DATE: May 7, 2012