

**County and Municipal Economic Development Discretionary Grant Guidelines:
Iredell County, Town of Mooresville, City of Statesville, Town of Troutman**

Iredell County and its municipalities, the Town of Mooresville, City of Statesville, and the Town of Troutman, have discretionary economic development grants for projects that broaden and diversify the development of new business and industry in their communities and support the expansion of existing business and industry that create and/or retain job opportunities for the citizens, promote the economic growth, and welfare of the area.

The purpose is to encourage and support the development of both new and expansion projects that develop the business and industrial base of the community. Assistance may be provided through direct grants, infrastructure development, land acquisition, building and site preparation, or other means authorized under North Carolina General Statutes.

Before the municipality will participate in any economic development project, it must be established that the increase in ad valorem taxes on real and personal property resulting from the project will, in the three (3) to five (5) years following essential completion of the project, equal or exceed the amount of funds provided by the government. The original value of the property will be deducted in calculating the real property basis. Land value is not included.

Notwithstanding other guidelines and requirements set forth below, assistance shall be limited to property developed and companies expanding or locating within the boundaries of the municipality and Iredell County.

Capital Investment Projects

Capital investment projects require the creation of jobs and an investment in buildings and equipment within the initial investment categories below which result in an increase to the municipality's and County's tax base. These investments are intended to support the expansion of current industry as well as any new industry in the municipality. 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; and administrative headquarters.

Headquarters and regional offices that create administrative, professional level jobs will be eligible for a grant of \$500 per employee. Companies that pay at least 50% of the cost of an employee's child care costs will be eligible for a grant of \$1,000 per employee. These grants shall be in addition to the capital investment incentive, but the total incentive cannot exceed the amount of increased taxes generated by the company.

The Total Economic Development Incentive awarded to a company may be adjusted at the discretion of the municipality. The total economic development incentive awarded may be divided by the Eligible Number of Years and paid on annual basis, may be paid in a lump sum, or may be paid in other installments as deemed appropriate and at the discretion of the Town.

Projects producing over \$50 Million in new or expanded investment or the creation of more than 1,000 jobs paying the County average wage may be given special consideration for additional investment participation by the municipality.

Requirements

Projects must meet one or more of the following criteria to be eligible for consideration for an incentive package:

- Capital investment of at least \$3million increased for new companies, resulting in new tax assessed value of at least \$3 million. (5-year payout)
- Capital investment of at least \$1 million for existing companies, resulting in new tax assessed value of at least \$1 million. (3-year payout)
- Full consideration will be given to companies that create quality jobs that include pay at or higher than the county's average wage (Average wage is determined by dividing total location payroll by the total number of employees)
- The project meets all environmental laws and regulations of the State of North Carolina.

Funds may be used in a manner consistent with GS 158-7.1 The parameters defining the level of the contribution will be as follows:

1. For the County the payout is equal to 75% of the increase in real and personal property tax value created by the capital investment.
2. For the Town/City the payout is equal to 80% of the increase in real and personal property tax value created by the capital investment.
3. The standard incentive for projects with capital investment of \$3 million and up is 5 years.
4. Investments of \$1.5 to \$2.9 million are eligible for incentives up to 3 years.
5. Additional years can be added to agreement based on meeting some or all of the following:
 - Wages at the county average wage (1 year additional)
 - Wages at 120% of county average wage (1 to 3 years additional)
 - Investment of more than \$25 million (1 year additional)
 - Investment of more than \$50 million (1-2 years additional)
 - Investment of more than \$100 million and/or pay more than 120% of county average wage (up to 5 years additional).

Application Process

The following procedure will be used by industry in requesting industrial development incentive awards:

1. Company must submit a letter to the EDC along with an estimate of project investment and jobs.
2. Project will be presented in Closed Session to the Council and the EDC will be given authority to present an offer of terms to the company.
3. If company accepts the terms and agrees to move forward, a public notice will be advertised and a public hearing will be held for the public to provide input and for the council to issue a final vote.
4. A majority of the council must vote in favor of the incentive.
5. Following the approval, the company and the municipality must execute an agreement to stipulate the commitment of the industry to the community.