



**RESOLUTION
COUNTY OF JACKSON
ECONOMIC DEVELOPMENT STRATEGIC POLICY**

WHEREAS, the Board of Commissioners and the Business & Industry Advisory Committee (BIAC) adopt this policy to strengthen the local economy and support strong economic development. The Economic Development Vision of the county is: *Jackson County encourages the expansion of economic development options that promote the well-being and growth of the business community; diversify the tax base; and offer improved opportunities for its citizens;* and

WHEREAS, this economic development plan places emphasis on two key areas: place-based development that capitalizes on our county’s existing assets and encourages creative entrepreneurship, and new business recruitment and retention; and

WHEREAS, the BIAC and the Economic Development Director have completed extensive efforts over the past year to meet with relevant stakeholders. This plan reflects the results of this community and stakeholder outreach, and defines the following programs and projects that align with the economic development vision for the county:

1. A discretionary policy, allowing the Board of Commissioners and the Business & Industry Advisory Committee to evaluate projects on a case-by-case basis and determine custom incentive packages for potential expansion and recruitment projects;
2. A statutory policy, allowing the expansion, retention, or relocation of local businesses through a set of criteria for cash incentives based on jobs created;
3. A re-evaluation of the Revolving Loan Fund (RLF) to encourage business retention and recruitment; and
4. Implementation of a Communications Plan and Marketing Strategy, with an emphasis on reaching existing local businesses as well as attracting potential relocation businesses.

WHEREAS, strong evaluation and analysis of these programs will be implemented by the Economic Development Office, with assistance from the Finance Department and oversight from the Board of Commissioners and the BIAC; and

WHEREAS Standard Performance Measurements and Reporting Criteria are to be established before the programs are launched, and a program evaluation should take place six months from the date of implementation and once per year after that. Program evaluations should review the results of existing agreements; address barriers or problems in the application and evaluation processes; consider cost-benefit analyses of incentive programs; and make necessary to changes to continually ensure efficiency, fairness, and transparency. The programs may then be revised or extended based on measurable results; and

WHEREAS, this Policy will be updated as needed to reflect the results of the program evaluations and changes in development focus areas. Updates will include the review of incentive locations to ensure equitable distribution of public funding.

NOW, THEREFORE, BE IT RESOLVED BY THE JACKSON COUNTY BOARD OF COMMISSIONERS, THAT THE FOLLOWING ECONOMIC DEVELOPMENT STRATEGIC POLICY BE ESTABLISHED.

PROGRAM ONE - ECONOMIC DEVELOPMENT INCENTIVE:

Purpose: The County encourages the expansion of economic development options that promote the well-being and growth of the business community; diversify the tax base; and offer improved opportunities for its citizens.

Objectives: This Economic Development Incentive Program (EDIP) provides a cash incentive grant to new and existing businesses based on the following criteria for economic impact. Under this incentive policy, companies may qualify for, *but are not guaranteed*, a financial incentive grant. Each applicant must provide demonstrable proof that without county support there is little to no likelihood of the job creation requirement being met, or the project being completed.

The county reserves complete discretion in determining which eligible projects warrant a financial incentive grant. The county will use criteria outlined in this document and other policy documents to accept, reject or modify the grant amount.

Program Criteria: This program allows a cash grant based on the actual value, schedule, and payment of county property taxes for a period of up to five (5) years.

The county requires the business to pay all assessed property taxes in full annually. If program criteria are met, a portion of the property tax will be returned to the business each year, according to the written agreement between the county and the company.

The job creation criteria outlined below determine eligibility. All job creation requirements are for full-time employees (FTEs), which must work a minimum of 35 hours per week. Part-time employee hours can be combined to create FTEs which meet the weekly minimum of hours. Preference will be given to those who employ a majority of full-time positions, and for those who provide at least 50 percent employer-paid health insurance and meet or exceed the county's average wage for full-time workers.

Number of Jobs	Incentive Amount	Time Frame
3-10	60%	Up to 5 years
11-24	70%	Up to 5 years
25 or more	80%	Up to 5 years

Minimum Investment Bonus: Applicants investing a minimum of \$1 million and meeting the minimum job creation criteria of at least three (3) FTEs will be eligible for a 90% property tax incentive that can be made over eight (8) years.

Existing Business Expansion and Support: The county wishes to encourage existing businesses and industries to sustain and expand the local and regional economy. Consequently, the terms and application of this policy are to result in existing businesses and industries receiving consideration for incentives that are on terms equal to or better than those available to a company considering its first location in the county.

Eligible Applicants: Eligible applicants are new and existing businesses with three (3) or more full-time employees (FTEs) located or locating within the county, including in the municipalities of Dillsboro, Sylva, and Webster. In limited cases, the county may consider applications from a public-private partnership between a non-profit entity and a private client. For the purposes of all incentive programs, a full-time employee is considered to be an employee who works 35 or more hours per week.

Application Process: The application process requires successful completion of these phases before review:

1. Completion of a preliminary Letter of Intent to Economic Development Office staff;
2. Completion of the application package, including all required supporting documents; and
3. Timely response to requests for information from the Economic Development Office.

Evaluation: Each application is considered complete when all requested materials are received by the Economic Development Office. The application will be reviewed at the regular quarterly board meeting of the Business and Industry Advisory Committee. Special exceptions may be made for time-sensitive projects. Upon completion of the review, the BIAC will execute one of the following:

1. Return the application to the applicant for clarification or the inclusion of other documents or information as requested, or
2. Deny the application based upon a determination that criteria for award has not been met or demonstrated, or
3. Forward a recommendation for the approval of the application to the Board of Commissioners for consideration.

Award Determination: Eligibility to apply does not guarantee that an award will be made. Awards are determined using the criteria below for job creation impact and economic impact. Award amounts are based on these criteria and the decisions of the Board of Commissioners. This policy only addresses financial grant awards determined by property tax amounts; the county may, at its discretion, offer other kinds of incentives in addition to, or instead of, this type of financial incentive.

Written Agreement: All incentive packages will be formalized in a written contract between the county and the recipient company, which will include the agreed-upon performance criteria. Each agreement shall also include language allowing the county to pursue the repayment of all incentive funds and equivalents should the company fail to meet the obligations defined in the agreement.

Compliance: The applicant remains responsible for all required federal, state, and local permits. To be eligible for payment of the incentive, the company must have completed and occupied the building; be current on all taxes payable to Jackson County; and be current on the performance criteria specified in the incentive agreement. The company must also apply for and maintain all local, state, and federal permits in good standing for the duration of the award.

Disclaimer: The county retains the right to deny incentive assistance to any applicant; there is no “vested right” to economic incentives. Decisions are made at the discretion of the Board of Commissioners. All incentive awards must be made in accordance with the North Carolina Public Records Law and N.C. GS 158-7. County participation cannot violate the laws of the State of North Carolina and all projects must be deemed not harmful to the environment according to federal, state, and local regulations. The county may evaluate projects through oversight or through a requested audit, and may modify, amend, or discontinue the incentive should the company not meet its obligations under the agreement. Economic incentives may not be transferred or otherwise conveyed to another party unless agreed to by the Board of Commissioners.

PROGRAM TWO - DISCRETIONARY ECONOMIC INCENTIVE:

Purpose: The county encourages the expansion of economic development options that promote the well-being and growth of the business community; diversify the tax base; and offer improved opportunities for its citizens.

Evaluation Criteria: To expand economic development options, the county evaluates discretionary incentive assistance on a project-by-project basis. Evaluation criteria may be considered to include but are not limited to: the number of new jobs created, industry diversification, average wages, alignment with county and regional economic development goals, potential for future expansion of investment and employment; site-specific issues impacting public infrastructure; ratio of investment in real versus personal property assets; and amount of capital investment, among other considerations.

Under this incentive policy, companies may qualify for, but are not guaranteed, a variety of incentives, to be determined by the Board of Commissioners. Each applicant must provide demonstrable proof that without county support there is little to no likelihood of the project being located in the county, or that there is little to no likelihood that the proposed job creation and/or economic impact will take place.

The county reserves complete discretion in determining which eligible projects warrant a financial incentive grant. The county will use criteria outlined in this document and other policy documents to accept, reject or modify the grant amount.

Types of Assistance: Incentives may include a variety of offerings, including but not limited to:

- cash incentives;
- access to the County’s revolving loan fund;
- site preparation and development;
- infrastructure development, including utilities;
- deconstruction and reuse assistance;
- grant partnerships and matching funds;
- coordination of workforce development and training assistance
- favorable lease or purchase terms on county-owned sites;
- grants to subsidize water and sewer connection fees; and
- other incentive options.

Incentives will be based on a “tax-base approach,” ensuring that the cost of the incentives will match the amount of increase in the tax base within a specified timeframe.

Existing Business Expansion and Support: The county wishes to encourage existing businesses and industries to sustain and expand the local and regional economy. Consequently, the terms and application of this policy are to result in existing businesses and industries receiving consideration for incentives that are on terms equal to or better than those available to a company considering its first location in the county.

Alignment with Other Programs: This program is instituted with the intent to complement any incentive program adopted by a municipality within Jackson County or by the State of North Carolina.

Disclaimer: The county retains the right to deny incentive assistance to any applicant; there is no “vested right” to economic incentives. Decisions are made at the discretion of the Board of Commissioners. All projects must be held in accordance with the North Carolina Public Records Law and N.C. GS 158-7. County participation cannot violate the laws of the State of North Carolina and all projects must be deemed not harmful to the environment according to federal, state, and local regulations. The county may evaluate projects through oversight or through a requested audit, and may modify, amend, or discontinue the incentive should the company not meet its obligations under the agreement. Economic incentives may not be transferred or otherwise conveyed to another party unless agreed to by the Board of Commissioners.

Eligibility: The applicant must complete all required information through the Office of Economic Development in a timely manner. This information may include proof of tax base enhancement; land conveyance structures and values; proposed average wage confirmations; and other information. The applicant remains responsible for all required federal, state, and local permits. To be eligible for payment of the incentive, the company must have completed and occupied the building; be current on all taxes payable to Jackson County; and be current on the performance criteria specified in the incentive agreement. The company must also apply for and maintain all local, state, and federal permits in good standing for the duration of the award.

Written Agreement: All incentive packages will be formalized in a written contract between the county and the recipient company, which will include the agreed-upon performance criteria. If performance criteria are not met or are altered significantly, the county may require the incentive to be repaid in full or in part.

Compliance: The company must abide by all criteria specified in the agreement and provide information in a reasonable and timely manner to county personnel when requested. An audit may be requested for proof of compliance. Each agreement shall also include language allowing the county to pursue the repayment of all incentive funds and equivalents should the company fail to meet the obligations defined in the agreement.

This policy shall remain in effect until amended by the Board of Commissioners.

ADOPTED: March 05, 2015.

Attest:

Angela M. Winchester,
Clerk to Board

Brian Thomas McMahan, Chairman
Jackson County Board of Commissioners