

**City of Greensboro
Economic Development Programs
(Financial Assistance Guidelines)**

The City Council has designated economic development as a high priority on its list of local government activities and objectives. Through the City's economic development program, the hope is that our residents achieve a better life through the provision of job opportunities for those who are unemployed and better jobs for those who are under employed; that economic development will reduce the financial strains on government itself and on its taxpayers by building a stronger tax base; and that effective economic development will assist in creating buffers against economic instability by diversifying the local economy, and by building a diverse mix of businesses to help the community ride out economic cycles.

The North Carolina Supreme Court has held that economic development incentive programs meet the "public purpose" doctrine of the State Constitution. Section 158-7.1 of the North Carolina General Statutes (N.C.G.S.) is the basic authorization for incentives.

The purpose of this program is to assist in creating new full-time employment, retaining existing jobs, and increasing the tax base in the City of Greensboro. It will be accomplished by providing financial assistance to selected businesses consistent with the provisions of N.C.G.S. 158-7.1 and the guidelines established by the City Council. Alternatively, the City Council may, at its discretion and consistent with its policies, North Carolina General Statutes and Federal Law, provide infrastructure assistance (through cost sharing) to priority projects to support such developments.

Strategically, the City is most interested in targeting incentives to the following key industry clusters:

- Aviation
- Innovative Manufacturing
- Life Sciences
- Specialized Business Services
- Supply Chain and Logistics
- Other economic development cluster areas as determined to be appropriate by City Council

When considering requests for assistance, the Council may, as it deems appropriate, waive or modify eligibility requirements and/or formulas to determine the desired level of assistance. The guidelines established by the Council do not create an entitlement program, and the provision of any financial assistance is solely at the discretion of the City Council after holding a duly advertised public hearing.

GENERAL GUIDELINES FOR PARTICIPATION IN THE CITY-WIDE PROGRAM:

1. To be eligible to apply for economic development financial assistance, the project must be:
 - a. Located within the corporate limits of the City of Greensboro;
 - b. Within areas designated for annexation by the City within two (2) years from the date of commitment; or located within a Tier One area as identified and defined in the City’s Comprehensive Plan (Greensboro Connections 2025)
2. The applicant must be the principal employer of persons to be hired to fill the newly created jobs and/or principal developer of the project.
3. An applicant for economic development financial assistance for locating a new business will be determined ineligible if the applicant (or his or her legal agent) has, within six (6) months prior to the required public hearings:
 - a. Purchased a site for the project in the City of Greensboro or in Guilford County (an option or conditional contract to purchase a site or site and building will not cause ineligibility);
 - b. Leased a site or a building for the project in the City of Greensboro or in Guilford County;

GUIDELINES FOR FINANCIAL ASSISTANCE IN THE CITY-WIDE PROGRAM (AT LEAST TWO OF THE MINIMUM ELIGIBILITY CRITERIA MUST BE MET)

1. Minimum Eligibility Criteria:
 - a. New Capital Investment
 - (1) New Business – A minimum of \$7,000,000
 - (2) Existing Business Expansion – A minimum of \$3,000,000
 - (3) Businesses locating or expanding in any designated development zone, such as the Central Business District – A minimum of \$1,500,000
 - b. Job Creation
 - (1) New Business – A minimum of 25 net new jobs within 36 months
 - (2) Existing Business Expansion – A minimum of 20 net new jobs created or retained within 36 months, plus retention of currently existing jobs.
 - c. Average actual starting wage must be equal to or exceed the average weekly wage rate for Guilford County for all insured industries in the County as computed by the North Carolina ESC for the most recent period available.
2. Return on Investment from net new City property taxes within five (5) years; however the Council, as it deems appropriate, may extend the payback period as permitted by N.C.G.S. 158-7.1

3. Alternative criteria if at least two of the Minimum Eligibility Criteria are not achieved:
 - a. Location, retention, or expansion of corporate or divisional headquarters, or
 - b. Minimum 100 new, full-time jobs within 36 months,
 - c. Business must pay an average salary that meets or exceeds the Guilford County Average Wage Standard by ten percent (10 %),
 - d. Maximum assistance - \$1,000 per job
4. Alternative criteria for technology-based or advanced manufacturing businesses if at least two of the Minimum Eligibility Criteria are not achieved.
 - a. Minimum 25 new job within 36 months
 - b. Average wage for jobs created meets or exceeds the North Carolina Occupational Employment and Wage for the related technology-based business.
 - c. Maximum assistance - \$1,500 per job
5. City Council, at its discretion, may consider options to reduce minimum level of required new capital investment for for projects located within under-served areas of Greensboro, such as areas located in East Greensboro, business corridors; as well as areas that provide reinvestment opportunities and support the City's growth strategies as designated in the City's Comprehensive Plan. Such areas will be determined by the City Council.
6. Permitted uses of funds:
 - a. Purchase of land/reduce cost of land,
 - a. Environmental site assessment
 - b. Site preparation,
 - c. Infrastructure installation/improvements,
 - d. Permanent building improvement,
 - e. Employee training/on-the-job training costs,
 - f. Off-set of lease costs,
 - g. Such other assistance as may be permissible under the provisions of N.C.G.S. 158-7.1 and as may be deemed prudent and advisable by the City Council.
7. Determination of Financial Assistance: The amount of financial assistance granted will be allocated at a level not to exceed the estimated total property tax yield for five (5) tax years, occurring after the private investment has been achieved. Applicable City tax rates will be used in the calculation. Calculations will be accomplished by the Guilford County Tax Department and will be based on depreciating values if applicable. Approved financial assistance will be granted to recipients in annual installment payments equal to eighty percent (80 %) of the annual City property tax yield from the project until the maximum allocated amount has been achieved or until five (5) annual payments have occurred. Grant payments will be determined as follows:

- a. The City Council, at its discretion, may consider other public benefits for determining the level of financial assistance provided including: total numbers of jobs created, size of annual payroll, type of business receiving the assistance.

The impact of the proposed project on sales tax revenues will also be taken into account.

GENERAL GUIDELINES FOR PARTICIPATION IN THE IMPACT ZONE PROGRAM:

1. To be eligible to apply for economic development financial assistance, the project must be:
 - a. Located within areas designated as an Impact Zone area as identified and defined herein, as found in Exhibit A.
 - b. The applicant must be the principal employer of persons to be hired to fill the newly created jobs.
 - c. An applicant for economic development financial assistance for locating a new business will be determined ineligible if the applicant (or his or her legal agent) has, within six (6) months prior to the required public hearings:
 - i. Purchased a site for the project in the City of Greensboro or in Guilford County (an option or conditional contract to purchase a site or site and building will not cause ineligibility);
 - ii. Leased a site or a building for the project in the City of Greensboro or in Guilford County;

GUIDELINES FOR FINANCIAL ASSISTANCE IN THE IMPACT ZONE PROGRAM:

1. Minimum Eligibility Criteria:
 - a. New Capital Investment
 - i. New Industry Construction - \$7,000,000
 - ii. New Industry Infill - \$3,000,000
 - iii. Existing Industry Expansion - \$3,000,000
 - b. Job Creation
 - i. New Business – A minimum of 25 net new jobs within 36 months
 - ii. Existing Business Expansion – A minimum of 20 net new jobs created or retained within 36 months, plus retention of currently existing jobs.
 - c. Average actual starting wage must be equal to or exceed at least 80% of county average wage for Guilford County for all insured industries in the County as computed by the North Carolina ESC for the most recent period available.

2. Return on Investment from net new City property taxes will generally occur within eight (8) years in Incentive Zone I, and within six (6) years in Incentive Zone II; however the Council, as it deems appropriate, may extend the payback period as permitted by N.C.G.S. 158-7.1.
3. Permitted uses of funds:
 - a. Purchase of land/reduce cost of land,
 - b. Environmental site assessment
 - c. Site preparation,
 - d. Infrastructure installation/improvements,
 - e. Permanent building improvement,
 - f. Employee training/on-the-job training costs,
 - g. Off-set of lease costs,
 - h. Such other assistance as may be permissible under the provisions of N.C.G.S. 158-7.1 and as may be deemed prudent and advisable by the City Council.
4. Determination of Financial Assistance: The amount of financial assistance granted will be allocated at a level not to exceed the estimated total property tax yield for up to eight (8) tax years if located in the designated Impact Zone, occurring after the private investment has been achieved. Applicable City tax rates will be used in the calculation. Calculations will be accomplished by the Guilford County Tax Department and will be based on depreciating values if applicable. Approved financial assistance to recipients locating or expanding in the designated Impact Zone will be granted in annual installment payments equal to eighty percent (80 %) of the annual City property tax yield from the project until the maximum allocated amount has been achieved or until up to eight (8) annual payments have occurred. Grant payments will be determined as follows:
 - a. Projects located in the Impact Zone and investing at least the minimum New Capital Investment may be eligible for a grant in the amount of:
 - i. Incentive Zone I: up to 80% of the net new City property taxes generated within up to eight (8) years;
 - ii. Incentive Zone II: up to 80% of the net new City property taxes generated within up to six (6) years.

APPLICATION PROCEDURE FOR BOTH PROGRAMS IS THE SAME:

1. Applicants, on his or her corporate letterhead stationary, shall submit a written request for economic development assistance to the City Manager, City of Greensboro. The letter request should, at a minimum, address the following:
 - a. The general nature of the business or the manufacturing, industrial, or commercial process to be located on the site;
 - b. Site location;

- c. Value of the capital investment: real estate, plant, and equipment to be located at the site.
 - d. The number, type and wages of jobs to be created (after one, two, three, four, five years of facility operation);
 - e. Projected daily use of water and anticipated quantity and quality of wastewater.
 - f. Corporate vision for the project and demonstrated results of being a good corporate citizen, particularly, examples based on experience in other communities.
 - g. Diversity (Composition of workforce)
2. Included in the written application request and during the public hearing, the applicant shall disclose the company's efforts (success or failure) to obtain financial assistance from Guilford County to include the dollar amount and its intended use. Additionally, the applicant shall disclose its efforts (success or failure) to obtain financial incentives from the State of North Carolina under the provisions of the William S. Lee Quality Jobs and Expansion Act of 1996, the Economic Opportunity Act of 1998, the Job Development Investment Program adopted in 2002 or any other State of North Carolina economic development incentive program.

CITY REVIEW PROCESS FOR BOTH PROGRAMS IS THE SAME:

1. The Economic Development & Business Support (EDBS) Manager is the direct representative of the City Manager and serves as the focal point for city economic development activities. The City's Economic Development Team (EDT) is responsive to the EDBS Manager; the team is comprised of the departments of Engineering & Inspections, Field Operations, Planning, Transportation, Water Resources, Fire, Police, Neighborhood Development, Parks & Recreation, Office of Workforce Development, Finance, Minority, Women Business Enterprise.
2. Letters of application received by the City Manager are passed to the EDBS Manager for review to determine eligibility, impacts on community infrastructure, environment (air, water, wastewater), land-use, and to make appropriate recommendations. The applicant company will be required to provide necessary information to the city staff in order to accomplish the review.
3. Concurrently, City staff and the City's economic development partners (i.e., Greensboro Partnership Economic Development, Guilford County, NC Department of Commerce) will accomplish the necessary due diligence through economic benefit analysis to ascertain a realistic assessment of the value of the incentive provided in relation to the economic and fiscal benefits derived from the project. City staff will also review the financial health of the applicant to ascertain long term viability. It will also help to identify the company's capacity to deliver on the job creation and capital investment projected.

Additionally, city staff will determine land ownership or lease commitments in coordination with appropriate County Offices (Register of Deeds, Planning).

LEGAL AND ADMINISTRATIVE REQUIREMENTS FOR BOTH PROGRAMS ARE THE SAME:

1. Any company/business approved by City Council to receive economic development assistance from the City of Greensboro will be required to enter into a binding performance-based incentive agreement (contract) with the City committing to the terms and conditions of the investment and job creation.
2. Applicants receiving City Council approval for economic development financial assistance will have a maximum of ninety (90) days from the date of Council approval to enter into a binding performance based agreement signed by both parties. If the agreement is not signed by the applicant within the ninety (90) day period, the applicant may be required to re-apply.
3. The performance based incentive agreement may become null and void if the following situations occur:
 - a. The company has not within six (6) months after the public hearing, submitted site or building plans to the City of Greensboro or Guilford County, or provided proof of purchases of equipment for the facility to be built, renovated, or
 - b. The company has not, within eighteen (18) months after the public hearing, received from the City or County a temporary or final certificate of occupancy (or approved equipment installation permits), and
 - c. The company has not, within twenty-four (24) months of the public hearing, notified the City of Greensboro in writing to explain or justify delays in the required actions in (a) and (b) above.

Formal notice to the company of termination of the agreement will occur only upon authorization of the City Manager of the City of Greensboro.

4. As part of the agreement the City will, at a minimum require the following information to be included in an annual performance letter to the City:
 - a. Completion or progress updates on the new plant facility or expansion.
 - b. Incremental number of new employees hired for new jobs created.
 - c. Assurance of payment of wages meeting or exceeding Guilford County average wage as stated in the agreement with the City.
 - d. Payment of new taxes for the year's listing of taxes for the new plant, equipment other improvements.
 - e. Adherence to City's Minority, Women Business Enterprise program plan and requirements.

5. The City Council may establish an “Economic Development Investment Fund” (EDIF) for funding incentives for approved projects or use any other City funds designated for economic development purposes. The EDIF would be particularly useful to provide a competitive advantage for top priority projects that meet the City’s economic development objectives, but which require an extra financial incentive to make happen. All economic development financial assistance by the City is subject to the availability of funds. The decision to invest or not to invest shall be at the sole discretion of the Greensboro City Council, based upon its determination of economic benefits to be derived. In circumstances determined to be justified and appropriate, the City Council may vary from these guidelines, regardless of whether or not an applicant meets the above enumerated conditions or criteria.

6. These guidelines should be reviewed for appropriateness every two (2) years beginning March 1, 2007.

Adopted the 6th day of December, 1994.
Amended the 25th day of June 1996.
Amended the 15th day of February, 2000.
Amended the 17th day of May, 2005.
Amended the 21st day of July, 2015.

EXHIBIT A

