

**Draft Purpose & Policy Basis for
Economic Development Impact Zone Concept Proposal**

June, 2015

Purpose

Encourage growth in specified areas on priority sites that will diversify the local economy, provide higher wage employment opportunities and support a sustainable, vibrant community. This program implements the adopted policies of the Connections 2025 Comprehensive Plan related to economic development by targeting areas that would most benefit from investment and reinvestment.

If approved, the ED Impact Zone incentive program considerations will be incorporated into the City of Greensboro Economic Development Program (Financial Assistance Guidelines).

Proposed Incentive Parameters

Annual cash incentive equal to 80% of city property taxes for a period of up to 8 years based on continued compliance with the specific conditions of the award. The incentive is broken into two geographic zones:

Incentive Zone I

This incentive zone mirrors the boundaries of the proposed Promise Zone. Projects proposed within this zone that meet two of following conditions may receive up to 8 years of incentives:

- Location within the Incentive Zone I
- Job creation at least equal to minimum requirement for full-time job
- On average, new jobs must be at least 80% of county average wage for Guilford County for the most recent year data is available

Incentive Zone II

This incentive zone extends from the boundaries of the Promise Zone between US 29 North and Interstate 85 South to include the outermost boundary of Growth Tier I of the Growth Strategy Map of the Connections 2025 Comprehensive Plan. Projects proposed within this zone that meet two of following conditions may receive up to 6 years of incentives:

- Location within Incentive Zone II
- Job creation at least equal to full-time jobs minimum requirement
- On average, new jobs must be at least 80% of county average wage for Guilford County for the most recent year data is available

Conditions and Considerations

To qualify for the proposed program, *each* of the following conditions must be met:

Location Characteristics

- Project must be located within the designated Impact Zone (see map).
- Project must be appropriately zoned for the proposed commercial, industrial, or office activity.

Job Creation

- Project must create and retain at least:
 - New Industry - 25 new full-time jobs within 36 months
 - Existing Industry Expansion - 20 new full-time jobs within 36 months
- Jobs must include employee benefits.

Investment

Expansion of existing facilities and construction of new facilities are eligible. Relocation from other areas within Greensboro may qualify if expansion at the current location is not possible.

Minimum Investment:

- New Industry Construction - \$7 Million
- New Industry Infill - \$3 Million
- Existing Industry Expansion - \$3 Million

Qualifying investments include:

- Purchase of land/reduce cost of land
- Environmental site assessment
- Site preparation
- Infrastructure installation/improvements
- Permanent building improvement
- Employee training/on-the-job training costs
- Off-set of lease costs
- Such other assistance as may be permissible under the provisions of NCGS §158-7.1 and as may be deemed prudent and advisable by the City Council

Financing

All private financing must be in place.

Targeted Clusters

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

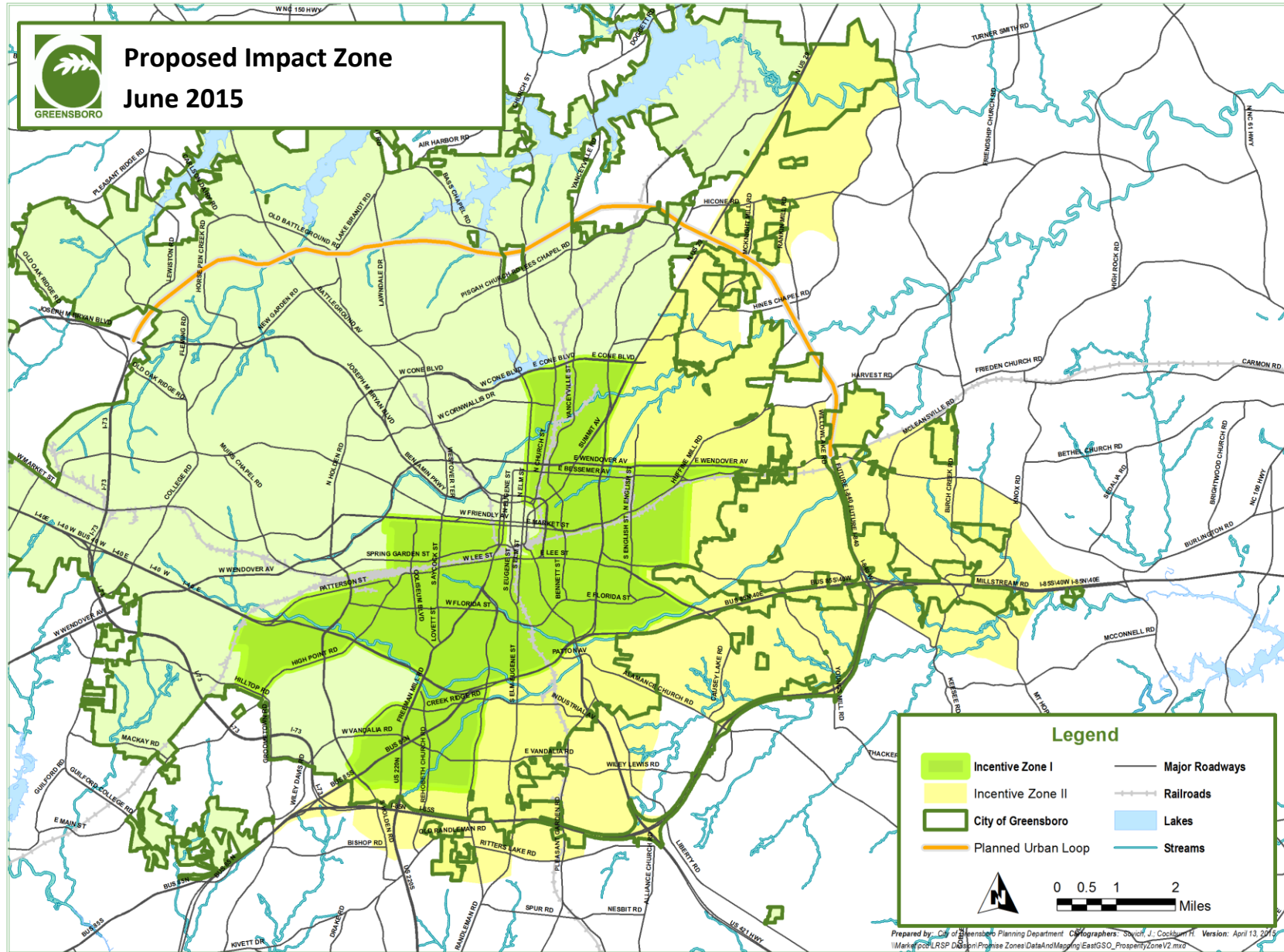
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|---|--|
| • Automotive Parts | • Bio-technology/Medical |
| • Aviation Maintenance | Devices/Pharmaceutical |
| • Finance and Insurance | • Information Technology Software and |
| • Transportation/Logistics/Distribution | Computer Services |
| • Printing and Publishing | • Advanced Manufacturing or Technology-Based |
| • Chemicals/Plastics | • Corporate or Division Headquarters |

Reporting

Any approved projects would require the development and execution of a performance based incentive agreement between the City and the developer. Compliance reporting must be completed annually to receive the incentive. Based on performance, pro-rating of the incentive may occur.



Proposed Impact Zone June 2015



Comparison, City of Greensboro and Incentive Zone I

	City of Greensboro	Zone I	Difference
Poverty Rate	18.8%	41.2%	23.3% above City
Population	279,639	73,984	26% of City
Unemployment	7.1%	18.4%	11.3% above City
Vacancy Rate	3.8% (County)	8.83%	5.03% above County
2011-13 Violent/Serious Crime Rate (per 1,000)	53.61	69.94	23.33% above City

Comparison, City of Greensboro and Incentive Zone II

	City of Greensboro	Zone II	Difference
Poverty Rate	18.8%	15.89%	2.94% below City
Population	279,639	44,428	15% of City
Unemployment	7.1%	10.36%	3.26% above City
Vacancy Rate	3.8% (County)	5.9%	2.1% above County
2011-13 Violent/Serious Crime Rate (per 1,000)	53.61	75.7	29.18% above City