

# Economic Development Work Session



October 6, 2020

# Agenda

## Session 1

- Orientation
- The City's Team
- The City's Programs
- Supportive Services
- Policy and Program Recommendations Preview

## Session 2

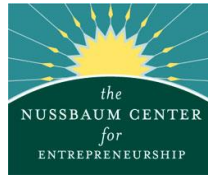
- Session 1 Recap
- FY19/20 Year in Review
- Economic Development Audit Findings
- Business Incentive Program Review
- Urban Development Investment Program Review
- Economic Development Team Review
- Workshop
- External Team Presentations Part 1

# Guiding Principles for Greensboro (circa 2012)

“Economic development consists of proactive steps to increase quality jobs, tax base, community wealth, and economic sustainability. It focuses upon employers that bring new wealth to the area. It provides the foundation for quality of life, strong public services, and self-sustaining quality development.

Economic Development is about the creation of quality jobs and local tax base through the growth of companies and organizations that serve markets beyond Greensboro. Economic development is about growing the pie, not how the pie is distributed. Full employment and good jobs foster strong communities because successful economic development triggers stronger community development.”

# The Economic Development Landscape (2020)



**Economic development in Greensboro is not a single, focused, coordinated set of programs, but rather, a network of programs from a number of agencies and entities that have common values and are actively working to advance economic development in Greensboro and its surrounding areas**



# The Economic Development Landscape (2020)



**The type of industries, businesses, and entrepreneurs  
being supported vary greatly**





# The Economic Development Landscape (2020)

**The partners involved with economic development find ways to make things work, but acknowledge that the structure for coordinating or prioritizing economic development activities in the region can be improved.**



# Long Term Goals (2020)

- 1.Create an Environment to Promote Economic Development Opportunities & Job Creation
- 2.Maintain Infrastructure and Provide Sustainable Growth Opportunities
- 3.Promote Public Safety & Reduce Crime, "Safe Community"
- 4.Exceptional Customer Service and a Diverse City Government Workforce
- 5.Ensure Fiscal Stewardship, Transparency, & Accountability

# Which City Roles Are Most Important for Successful Economic Development ?

- a) Partner
- b) Funder
- c) Regulator
- d) Facilitator
- e) Administrator
- f) Leader
- g) Other



# FY 20/21 City Team

## Primary Programmatic Activities

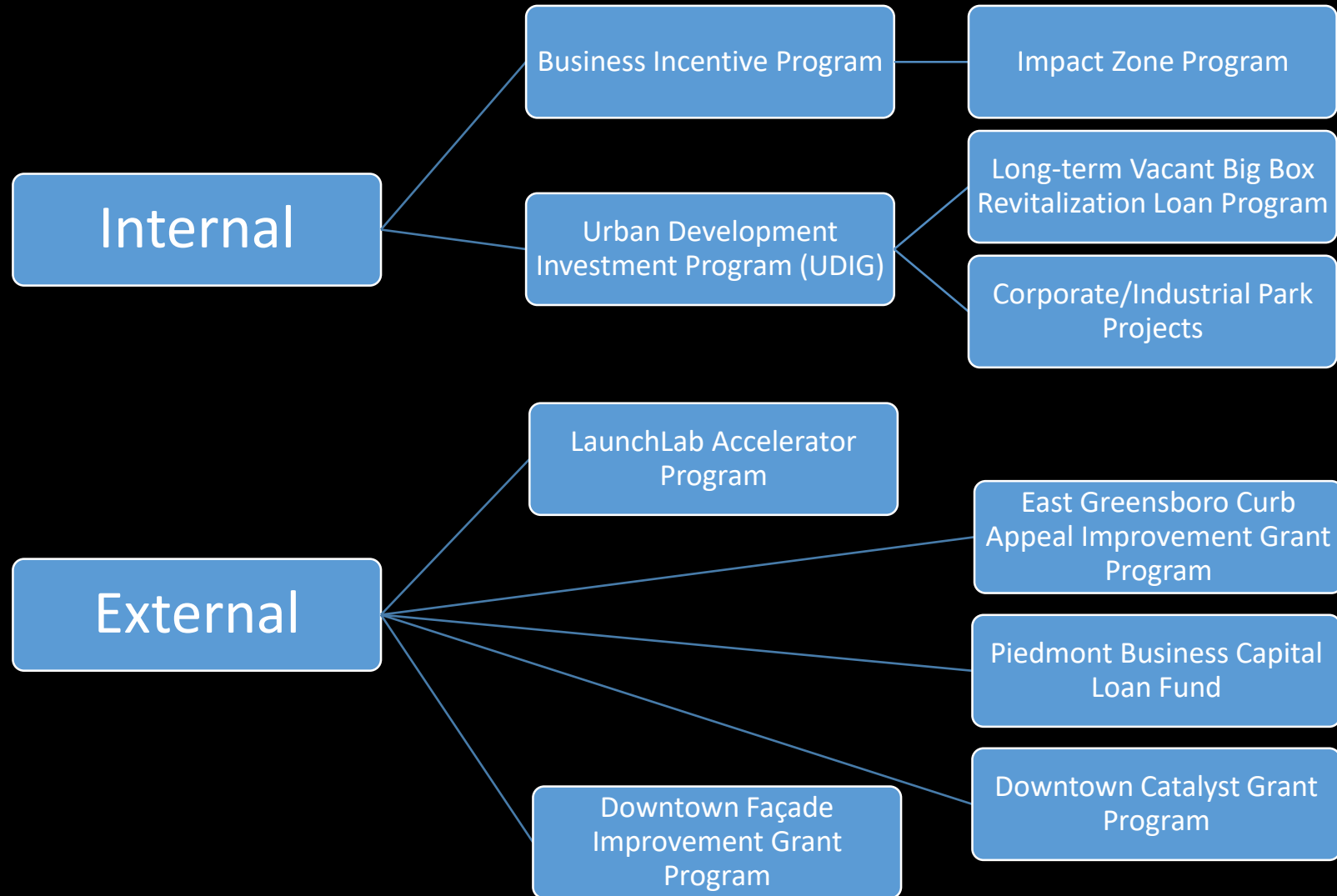
- Economic Development Management and Planning
- Urban Development/Site Readiness Management and Planning
- Business Support
- Partner Assistance and Engagement
- Incentive Management



## Outsourced Programmatic Activities

- Industry Recruitment and Expansion
- Entrepreneur Training
- Urban Development Plan for East Greensboro Implementation
- Marketing and Branding
- Small Business Lending
- Downtown Initiatives Implementation
- Business Improvement District Management

# FY 20/21 Tax Payer Funded Economic Development Support Programs



# FY 20/21 Team Investment

Team Member	Direct Allocation
City of Greensboro Economic Development Division	\$207,206
Chamber of Commerce	\$230,500
Guilford County Economic Development Alliance	\$50,000
Piedmont Business Capital	\$400,000
East Greensboro Now	\$75,000
Downtown Greensboro, Inc.	\$75,000 (\$1,052,366 Business Improvement District contract not included)
<b>Total</b>	<b>\$1,037,706</b>

# FY 20/21 Program Investment

Program	Budgeted Expense
Business Incentive Program	\$676,571 (Council approved % of new taxes paid by award recipients)
Urban Development Investment Program	\$0
<b>Total</b>	<b>\$676,571</b>

# FY 20/21 Projected Incentive Payments

Company	Projected Payment
Oakley Capital, LLC	\$12,500
Self Help Ventures Fund	\$100,000
HAECO Americas	\$80,000
Centric Brands, Inc.	\$142,000
Qorvo, Inc.	\$108,856
Syngenta	\$173,015
The Fresh Market	\$60,200
<b>Total</b>	<b>\$676,571</b>

# Supportive Services

- Development Services
- Engineering
- Water Resources
- Transportation
- Planning
- M/WBE
- Public Safety
- Libraries
- Neighborhood Development
- Workforce Development



# Project Origination

## Project Sources

- Economic Development Partnership of North Carolina
- Greensboro Chamber of Commerce
- Site Consultants
- Company Inquiry
- City Council

## What Companies Consider

- Workforce
- Business Climate & Tax Structure
- Infrastructure
- Real Estate
- Quality of Life
- Incentives

# Incentives Management

## **Incentive Project Evaluation & Due Diligence**

- Incremental property tax impact calculated
- Public hearing held

## **Approved Incentive Management**

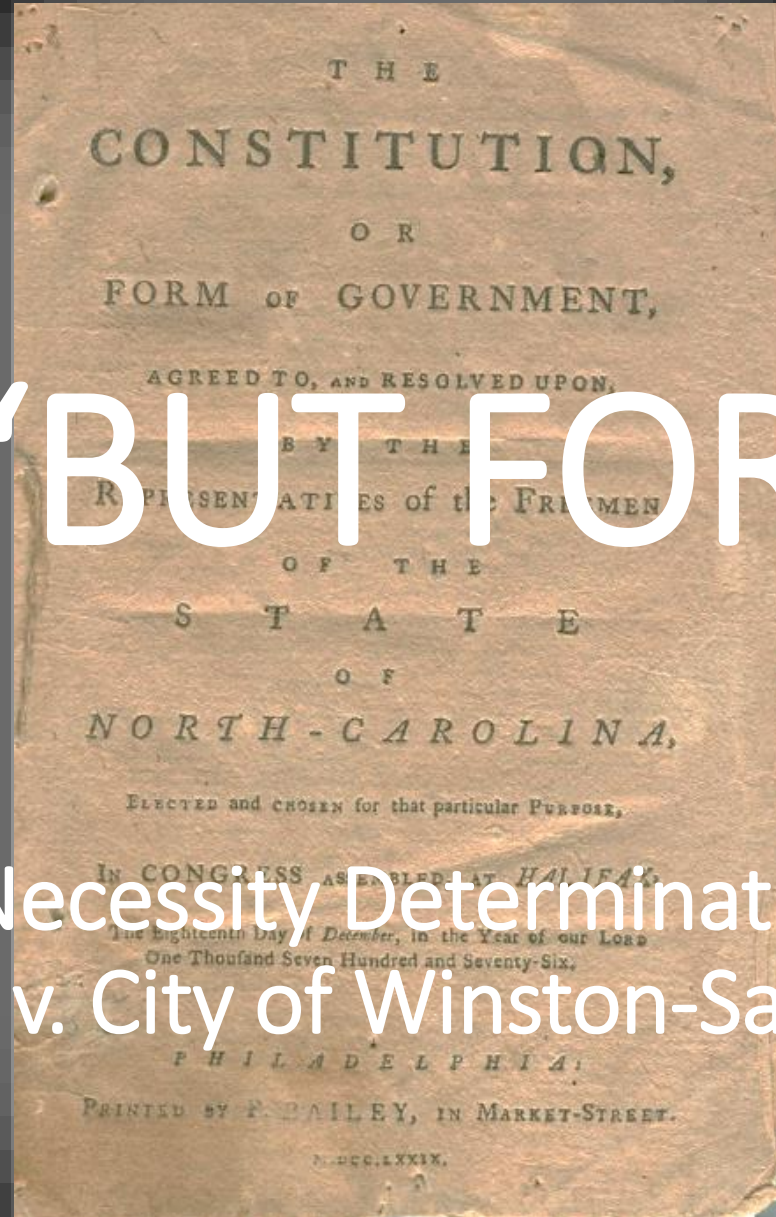
- Contracts are performance based with clawback provisions
- Annual compliance is conducted

## **Sources of Funds**

- Incremental tax increase
- General Fund
- Voter-approved bonds

“BUT FOR”

Necessity Determination  
Maready v. City of Winston-Salem (1996)



# Business Incentive Program Guidelines

- Adopted by City Council in 1994. Last amended in 2015
- At least 2 out of 3 minimum criteria must be met:
  - 1) Net new jobs: 25 (new business) and 20 (existing business)
  - 2) Investment: \$7,000,000 (new business) and \$3,000,000 (existing business).
  - 3) Wages: new jobs meet or exceed the average Guilford County wage (\$49,002)
- Standard incentive term is 3 to 5 years
- Incentives of up to 80% of new City property tax paid
- Targeted Industry Clusters
  - Aerospace, Specialized Business Services, Life Sciences, Innovative Manufacturing, Supply Chain & Logistics, Furniture Design & Manufacturing, Art & Design
- Retail projects are not eligible for consideration

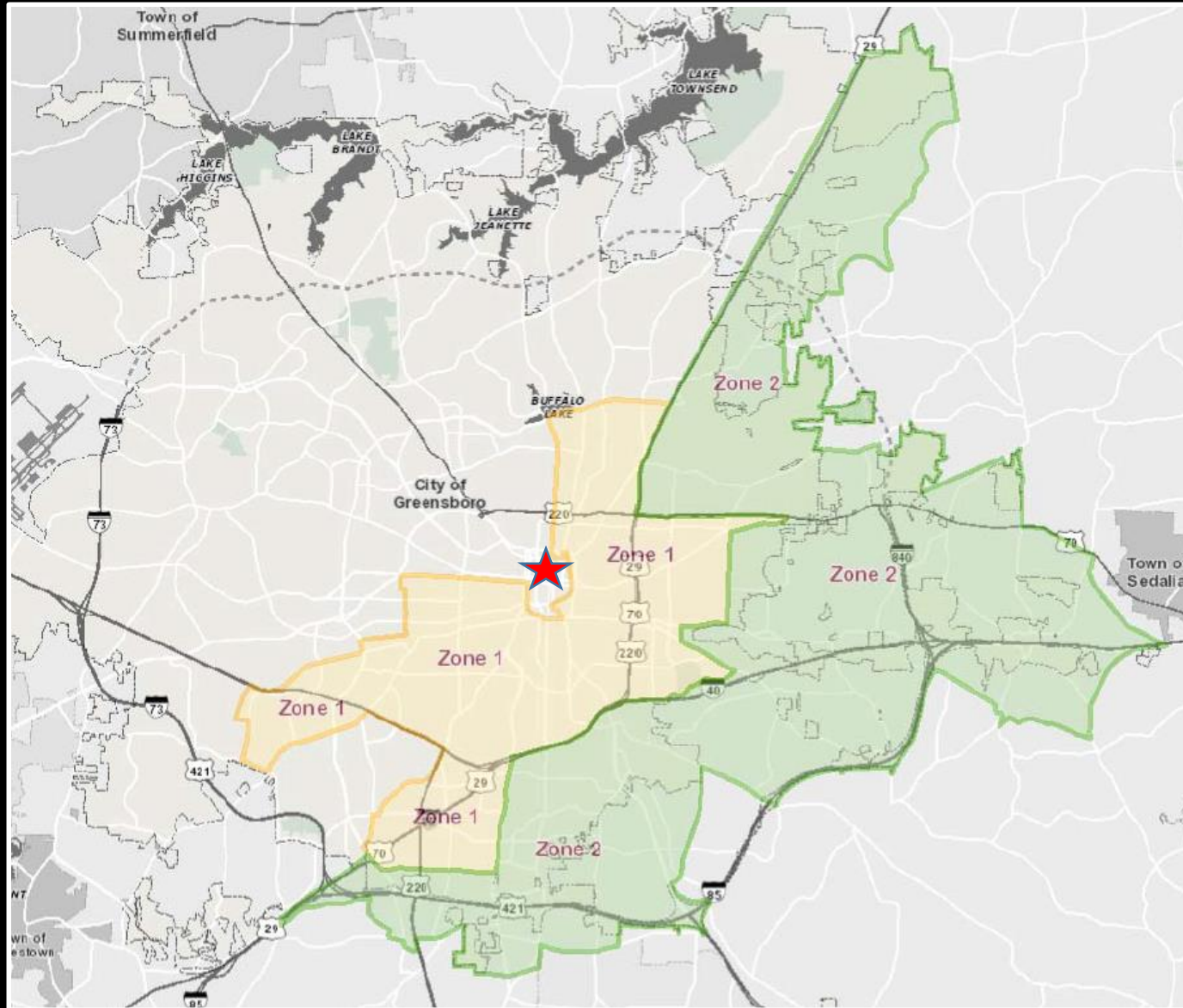
# Business Incentive Program Guidelines

## Alternative Qualifications:

- Allows up to \$1,000 per job for projects creating high-quality corporate or division headquarters jobs with a reduced capital investment
- Allows up to \$1,500 per job for technology-based or advanced manufacturing businesses
- Reduced average wage requirements (80% of County average wage) and increased maximum incentive term for projects located in **Impact Zones**
  - Zone 1: 8 years
  - Zone 2: 6 years



# Impact Zones (adopted 2015)



# Urban Development Investment Guidelines



- Provides a consistent framework for evaluating requests for public participation in private **real estate development and redevelopment projects**.
- Builds on vision for intensification of development within the Central Business District and Reinvestment Corridors & Areas – Connections 2025 Comprehensive Plan.
- Identifies if there is a public benefit and need for public support (“But For”) through a project review, financial gap assessment, and return on investment analysis.

# Urban Development Investment Guidelines

- Adopted by City Council in 2006. Last amended in 2015
- Developer must share financial data & projections on the project
- At least 1 new job must be created for every \$50,000 of public investment
- Program criteria for:
  - Downtown (Minimum new investment of \$1.5M)
  - Reinvestment areas and corridors (Minimum new investment of \$500,000)
  - Corporate/Industrial parks
  - Long-term vacant “big boxes”

## **Funds may be used for:**

1. Infrastructure upgrades
2. Provision of off-street parking
3. Site preparation
4. Purchase of land/reduce cost of land
4. Streetscape improvements
5. Environmental site assessment
6. Affordable housing assistance

# Urban Development Investment Projects

Project Name	Date Approved by Council	Amount Awarded
Center Pointe Building	5/11/2006	\$1,100,000
Deep Roots building	1/17/2012	\$100,000
Southeastern Building	1/15/2013	\$278,687
Roses Big Box	1/15/2013	\$850,000
Charles Aris Building	6/18/2013	\$100,000
Morehead Foundry Multiplex	3/3/2015	\$375,000
Lewis Street Buildings	11/17/2015	\$150,000
Revolution Mill	12/8/2015	\$1,000,000
Cascade Saloon Building	4/5/2016	\$300,000
Cadillac Service Garage Building	7/19/2016	\$200,000
Piggly Wiggly Big Box	6/16/2020	\$750,000
Bourbon Bowl Building	7/2/2020	\$80,000



# Before and After

Cadillac Service Garage



Cascade Saloon



Roses Big Box





# Before and After

Lewis Street



Revolution Mill



# Policy and Program Recommendations Preview

- Evaluate proposed revisions to existing program guidelines to ensure they align with the goals of the GSO2040 Comprehensive Plan and City Council's current strategic goals and economic development priorities.
- Dedicate consistent and adequate funding streams for the economic development activities, programs, and partners that City Council identifies as core to the City's economic development function.
- Adopt and fund an Infill Development Program as prescribed in the implementation strategies of the GSO2040 Comprehensive Plan.