

City of Greensboro
Economic Development Incentive Program
(Financial Assistance Guidelines)

The City Council has designated a long-term goal to “Create an Environment to Promote Economic Development Opportunities and Job Creation”. The purpose of this program is to assist in achievement of this goal and to aid in raising Greensboro’s per capita median household income by 15% by 2025. It will be accomplished by providing financial assistance to select businesses that create new full-time employment, retain existing jobs, and increase the tax base of the City of Greensboro. Any financial assistance provided will be consistent with the guidelines established by the City Council and the provisions of the North Carolina General Statutes (N.C.G.S.) Section 158-7.1 that is the basic authorization for incentives. 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.

All requests for assistance must meet a necessity “but for” determination indicating that unless City assistance is provided, the company would not locate or expand in Greensboro.

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

- Advanced Manufacturing
- Arts & Design
- Aviation
- Furniture
- Life Science
- Specialized Business Services
- Supply Chain and Logistics

When considering requests for assistance, the Council may, as it deems appropriate, target additional industry clusters and waive or modify eligibility requirements and formulas used to determine maximum assistance as long as the prospective payback is consistent with the provisions of N.C.G.S. 158-7.1. 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.

City staff in collaboration with the City’s economic development partners (e.g., Greensboro Chamber of Commerce Economic Development, Guilford County, North Carolina Department of Commerce) will collect from the applicant all pertinent details of the project necessary to determine eligibility for financial assistance, to conduct the due diligence related to ascertaining the full extent of the project’s impacts and financial health of the applicant, and to identify the company’s capacity to deliver on the job creation and capital investment projected.

GUIDELINES FOR PARTICIPATION IN THE PROGRAM

1. To be eligible to apply for economic development financial assistance the project must be located:
 - a. Within the corporate limits of the City of Greensboro, or
 - b. Within a Growth Tier One area as identified in the City's Comprehensive Plan (GSO2040) and agreement to apply for annexation by the City within two (2) years from the date of an executed contract.
2. To be eligible to apply for enhanced economic development financial assistance the project must also be located within areas designated as an Impact Zone area as identified and defined in Exhibit A.
3. 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.
4. An applicant 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), or
 - b. Leased a site or a building for the project in the City of Greensboro or in Guilford County
5. Retail and housing projects are not eligible for assistance under this program

GUIDELINES FOR FINANCIAL ASSISTANCE

1. Minimum Eligibility Criteria (At least two of the minimum eligibility criteria must be met)
 - a. New Capital Investment – A minimum of \$7,000,000
 - b. Job Creation – A minimum of 25 net new jobs paying at least \$15.00 per hour within three (3) years, plus retention of currently existing jobs
 - c. Average Starting Wage – For the most recent period available the average wage for net new jobs meets or exceeds:
 - i. 100% of the current North Carolina ESC Guilford County Average Wage standard for all insured industries (80% for Impact Zone projects), or
 - ii. 100% of the current North Carolina Occupational Employment and Wage Estimates Annual Mean Wage index for the related industry (80% for Impact Zone projects)

2. Jobs-based Alternative Eligibility Criteria (If at least two of the minimum eligibility criteria are not met)
 - a. Location, retention, or expansion of corporate or divisional headquarters, or
 - b. Minimum 100 new, full-time jobs within three (3) years, or
 - c. Net new jobs will be paid an average salary that meets or exceeds the current Guilford County Average standard index by 10%
3. Return on Investment from net new City property taxes may not extend longer than a maximum of 10 years as permitted by N.C.G.S. 158-7.1
4. 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.
5. Determination of Financial Assistance: The amount of financial assistance awarded will be determined based on the location of the project, the projected tax value of the investment, the total number of net new jobs paying at least \$15.00 per hour to be created within three (3) years of issuance of a certificate of occupancy, and additional economic and fiscal benefits derived from the project ascertained from cost benefit analyses.
 - a. The City Council will make all determinations regarding financial assistance;
 - b. Calculations of the projected tax value of investments will be accomplished by the Guilford County Tax Department using applicable City tax rates and will be based on depreciating values when applicable;
 - c. Businesses qualifying under the Jobs-Based Alternative Eligibility Criteria may be eligible for an amount up to \$1,000 per job for all new jobs that pay at least \$15.00 per hour;
 - d. Businesses qualifying under the Jobs-Based Alternative Eligibility Criteria may be eligible for an amount up to \$1,500 per job for all new jobs that pay at least \$15.00 per hour when the average salary of net new jobs meets or exceeds the current Guilford County Average Wage standard by 25%;
 - e. Businesses qualifying under the Jobs-Based Alternative Eligibility Criteria may be eligible for an amount up to \$2,000 per job for all new jobs that pay at least \$15.00 per hour when the average salary of net

new jobs meets or exceeds the current Guilford County Average Wage standard by 50%;

- f. The amount of financial assistance granted will be allocated at a level not to exceed the estimated total property tax yield for a maximum of ten (10) tax years, occurring after the private investment has been achieved. Approved financial assistance will be granted to recipients in annual installment payments equal to a set percentage of eighty percent (80%) or less of the annual City property tax yield from the project until the maximum allocated amount has been achieved or until a maximum of ten (10) annual payments have occurred. Grant payments will be determined as follows:
 - i. Eligible projects with New Capital Investment less than \$7,000,000 may be eligible for an amount up to 40% of net new City property taxes generated within up to six (6) years;
 - ii. Eligible projects with New Capital Investment between \$7,000,000 and \$24,999,999 may be eligible for an amount up to 80% of net new City property taxes generated within up to six (6) years;
 - iii. Eligible projects with New Capital Investment between \$25,000,000 and \$99,999,999 may be eligible for an amount up to 80% of net new City property taxes generated within up to seven (7) years;
 - iv. Eligible projects with New Capital Investment between \$100,000,000 and \$499,999,999 may be eligible for an amount up to 80% of net new City property taxes generated within up to eight (8) years;
 - v. Eligible projects with New Capital Investment of \$500,000,000 or greater may be eligible for an amount up to 80% of net new City property taxes generated within up to nine (9) years;
 - vi. Eligible projects locating in Impact Zone I with either New Capital Investment of at least \$7,000,000 or creation of at least 25 net new jobs may be eligible for an amount up to 80% of the net new City property taxes generated within up to eight (8) years;
 - vii. Eligible projects locating in Impact Zone II with New Capital Investment of at least \$7,000,000 or creation of at least 25 net new jobs may be eligible for an amount up to 80% of net new City property taxes generated within up to six (6) years.

LEGAL AND ADMINSTRATIVE REQUIREMENTS

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 be required to:
 - a. Enter into a binding performance based agreement signed by both parties within a maximum of six (6) months from the date of the public hearing. If the agreement is not signed by the applicant within the six (6) months the applicant may be required to re-apply.
 - b. Post new job openings with the North Carolina Works Career Center.
 - c. Provide investment related Requests for Proposals (RFP) to the City's Minority and Women's Business Enterprise (M/WBE) Office for notification to minority vendors of bid opportunities.
 - d. Adhere to the City's M/WBE program plan and requirements as it relates to economic development projects.
 - i. The Company must provide a detailed scope of work for all project related construction activity to the M/WBE Office. The project will be evaluated through a goal setting process administered by the City's Goal Setting Committee (GSC). The GSC establishes individual MBE and WBE subcontracting expenditure goals based upon industry categories, certified vendor availability, and project specific characteristics.
 - ii. The Company must conduct Minimum Acts of Good Faith Efforts in fulfillment of its MBE and WBE subcontracting expenditure goals.
 - iii. The Company must submit an Economic Incentive M/WBE Compliance Report quarterly during project construction verifying expenditures with certified M/WBE firms towards the total MBE and WBE subcontracting expenditure goals.
 - iv. The M/WBE Office shall provide ongoing counsel to the Company for adherence to the program plan.
3. Any company/business that fails to meet the terms and conditions of the agreement will be subject to contractual clawback provisions and will be required to repay some or all of the financial assistance received from the City of Greensboro. The formula for computing any pro rata repayment for failure to meet job creation and/or investment obligations shall be based on the job creation and the investment as equally proportionate shares of the incentive grant and would be subject to recalculation based on the terms defined in Section 5. Determination of Financial Assistance. The formula for computing any pro rata repayment for failure to meet MBE and WBE subcontracting expenditure goals shall be in the amount equal to the monetary value of the expenditure goal that is unmet.
4. 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 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.

- 5. As part of the agreement the City will, at a minimum require the following contractual compliance information be submitted to the City annually after the first request for incentive payments is received until the requirements of the contract are satisfied.
 - 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 wage requirements 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.
- 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.

Amended the 16th day of February, 2021.

Exhibit A

