

Economic Development Incentive Program Guidelines



March 4, 2021

Implementation of Incentives Program Recommendations

- ✓ Formally review guidelines in collaboration with the Chamber of Commerce every two years for appropriateness.
 - Sets a regular occurrence to respond to market changes and evaluate past performance
- Align incentive agreements with Guilford County and High Point on joint projects.
 - Streamlines incentive process for client and conserves staff resources
- Utilize impact modeling software to evaluate the direct, indirect, and induced impacts of a project.
 - Provides additional information to include in the evaluation for incentives

Implementation of Incentives Program Recommendations

- ✓ Create incentive support tiers with options for increasing levels of support tied to higher levels of investment and job creation.
 - Provides an agreed upon framework from which the Chamber of Commerce may initiate incentive negotiations with interested companies
- ✓ Institute a \$15 minimum wage requirement for all jobs being incentivized.
 - Demonstrates the City of Greensboro intends to only use public funds that go to support job creation providing a wage equal to or greater than the minimum pay of City of Greensboro employees
- ✓ Link wage requirements to industry sector rather than the Guilford County average wage.
 - Provides an evaluation metric within the related industry applying for incentives rather than across all industries.

Additional Improvements Made to Guidelines

- Restructured language to be clearer, more concise, and to reflect current City Council goals
- Synced investment and job creation requirements for existing and new industry
- Linked jobs-based financial assistance awards to average salary rather than industry
- Added a requirement that new job openings be posted with the City's Workforce Development Department's NCWorks Career Centers

Additional Improvements Made to Guidelines

- Added a requirement not specified in the MWBE program plan that all investment RFPs be provided to the MWBE office for notification to minority vendors of bid opportunities
- Inserted more detailed language of what constitutes adherence to the existing MWBE program plan requirement
- Inserted the clawback formula from the MWBE program plan for failure to meet MBE and WBE subcontracting expenditure goals
- Updated Impact Zone maps based on new demographic data and the adopted GSO2040 plan

Draft Guidelines for Hiring

- Businesses shall be eligible for an additional \$250 incentive per job for each new hire that the business can verify was hired by application through the City's Workforce Development Department's NCWorks Career Centers
- Businesses shall be eligible for an additional \$250 incentive per job for each new hire that the business can verify was hired and retained for at least six months who listed a permanent address located in a designated Impact Zone at the time of job application
- Additional per job incentives shall not cumulatively exceed 10% of the total dollar value of the incentive awarded to any business
- Businesses receiving incentives shall in collaboration with the City's Workforce Development Department hold one or more job fairs in strategic locations within the City of Greensboro for each 12 month phase of new employee hiring

Sample Calculation

GSO Inc. receives an incentive for \$500,000 and creates 250 jobs.
50 of the hires are from Impact Zones and 50 hires are from NCWorks.

$$(50 \times \$250) + (50 \times \$250) = \text{Bonus incentive of } \$25,000$$

Draft Guidelines for Local Expansions

Amendment to Section 5: Determination of Financial Assistance

- Eligible projects with a corporate or divisional headquarters that is located in Guilford County may be eligible for an additional 10% of the net new City property taxes generated on top of the listed percentage amounts determined by the project's New Capital Investment and defined in subsections I-V of section F.