

TOWN OF SILER CITY

Economic Development Incentive Policy

WHEREAS, the Town of Siler City Board of Commissioners feels that it is in the best interests of the citizens of Siler City to provide economic development incentive grants to new and expanding businesses and industries within the Town of Siler City's Corporate Limits pursuant to authority granted by N.C.G.S. 158-7.1 as interpreted by the North Carolina Supreme Court in Maready v. City of Winston-Salem, 342 N.C. 708 (1996);

WHEREAS, economic development incentive grants to new and expanding businesses and industries are based on expanding and/or protecting the property tax base and job creation and protection as determined by the Siler City Board of Commissioners; and

NOW THEREFORE, the Siler City Board of Commissioners hereby establishes the following Economic Development Incentive Plan:

1. There is no right or entitlement to economic development incentive grants. All such grants shall be made at the discretion of the Siler City Board of Commissioners.
2. The business or industry seeking an economic development incentive grant must first submit a letter to the Town Manager requesting an economic development incentive grant. The written statement must include the following:
 - a. Estimated property tax value increase;
 - b. Explanation of what products or services will be produced at the facility;
 - c. Number of jobs to be created or saved, the average weekly wage to be paid, and benefits to be provided for these jobs;
 - d. Estimated schedule for completion of construction (if applicable); and
 - e. A preliminary site plan of the proposed facility (new facilities only).
3. New businesses and industries shall submit certification that the company would not make the investment in Siler City without the Town's assistance.
4. As to new facilities, development projects must not have started construction prior to Town Board consideration of the economic development incentive grant.
5. At a time agreeable to business or industry given its confidentiality concerns, a public notice and a public hearing regarding the proposed grant will be given/held.
6. The business or industry must enter into a binding joint economic development agreement with the Town including being subject to any reporting or repayment (claw back provision) requirements contained herein.
7. The business or industry will provide periodic verification of its compliance with the requirements to which it has agreed.

8. New or expanding business or industries may qualify to receive an economic development incentive grant based upon the actual value, schedule, and payment of local property taxes for a period of up to five years.

9. The Town will require the business or industry to "pay in full" annual total property taxes due, and remain current on other payments owed to the Town (e.g., water, sewer, solid waste, development fees, etc.). If property taxes are not paid prior to January 5th or if other payments are not paid by due dates, then the economic development agreement is voidable in the discretion of the Board of Commissioners.

10. If the business or industry meets the specific criteria as outlined in a formal agreement, then an amount determined by multiplying the property tax payment paid by the business or industry by the percentage figure derived from the "Investment and Job Creation Chart" (see below) may be granted to the business or industry for five consecutive tax years in the form of an economic development incentive grant; however, the Town may award cash grants based on other criteria so long as the incentive is consistent with 158-7.1, on a case-by-case basis in the discretion of the Board of Commissioners.

Investment and Job Creation Chart

New or Expansion Amount	0 – 39 Jobs	40 – 74 Jobs	75 – 99 Jobs	100 + Jobs
\$500,000 - \$2,499,999.99	55%	60%	65%	70%
\$2,500,000 - \$7,499,999.99	60%	65%	70%	75%
\$7,500,000 +	65%	70%	75%	80%

* Investment dollar amount shall be determined by the increase in assessed value of real property.

* Number of jobs shall be determined by counting each employee that averages 100% and above the average weekly wage for Chatham County during a calendar year.

* Average weekly wage for Chatham County provided by the State of North Carolina.

* Average weekly wage for employees of the business or industry shall be determined by the payroll data of the business of industry.

11. A business or industry shall be defined as any company that engages in manufacturing, assembling, fabricating, processing, warehousing, distributing, data processing, or is engaged in software development, central administration, telecommunication, research and development, biotechnology, information technology, corporate headquarters, or any other business or industry as allowed by N.C.G.S. 158-7.1 at the discretion of the Town Board of Commissioners.

12. Retail space or general commercial facilities shall be excluded from the definition of business or industry.

13. The Siler City Board of Commissioners reserves the right to consider each project individually, and to adjust the incentive based on current conditions or circumstances.

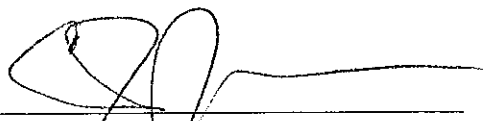
NOW THEREFORE BE IT RESOLVED that this amended Economic Development Incentive Policy may be offered to new and expanding industries and businesses within the Siler City Corporate Limits that meet the above qualifications and are willing to sign an incentive agreement which describes the responsibilities and obligations of all parties.

In a motion made by Commissioner Sam Adams, and seconded by Commissioner Larry Cheek, the amended Town of Siler City Economic Development Incentive Policy was adopted by the following vote of 7-0.


Ayes: Commissioner Sam Adams, Commissioner Cindy Bray, Commissioner Helen Buckner, Commissioner Larry Cheek, Mayor Pro Tem John Grimes, Commissioner Patricia Perry, and Commissioner Tony Siler.

Nays: None.

Adopted on the 6th day of June, 2011.



Charles J. Johnson, Mayor



The seal is circular with a dotted border. The text "THE TOWN OF SILER CITY" is written along the top inner edge, "SEAL" is in the center, and "NORTH CAROLINA" is written along the bottom inner edge.

Attest:



Karen C. Alman, Town Clerk

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