

# TOWN OF MORRISILLE ECONOMIC DEVELOPMENT INCENTIVE POLICY

## I. OVERVIEW

In order to expand economic development opportunities for the Town of Morrisville that could diversify or expand the tax base, offer improved employment opportunities for its citizens, and promote the economic growth and welfare of the business and industrial community, the Town Board of Commissioners establishes incentive guidelines to encourage new industry location decisions within the Town, as well as to assist existing business expansions.

## II. PROGRAM PARAMETERS

The Town of Morrisville Incentive Policy involves a contractual agreement between the Town and a new or existing industry that would allow for a performance-based cash grant based on the criteria established in Part III of this document. The Town will require the industry to be current in payment of any and all taxes, fees and/or charges for an incentive to be paid. The Town will require, as a part of the contractual agreement, a provision for reimbursement of any incentives to the Town if any terms of the contract are not met. Any and all guidelines in the Incentive Policy shall be subject to G.S. 158-7.1. Each project will be evaluated and negotiated on an individual basis by Town Staff using the Town of Morrisville's guidelines. Town Board of Commissioners will be kept apprised of negotiations. Any incentive proposal must be approved by the Board of Commissioners in a public meeting before it is finalized. Changing economic conditions may necessitate the Board of Commissioners to modify, amend, or even terminate the incentive policy subject to compliance with any incentives in effect at that time. All decisions are based on availability of funds.

## INCENTIVE POLICY CRITERIA & CONSIDERATIONS

- A. The opportunity to apply for the Incentive Program will be available to new and existing industries. Existing industries qualify only for that portion of expansion that represents "new" investment.
- B. In reviewing incentive requests the Town will take into consideration the following criteria:
  - Number of new jobs being created
  - Average wage rate
  - Amount of new investment in the community
  - Whether the company provides benefits to its employees
  - Whether there is State or County participation in the project
  - Eligibility for One North Carolina Funds
  - Timeframe for investment/job creation
- C. Investment for a new industry requesting an incentive should be \$10,000,000 taxable value in buildings and equipment and a minimum of 50 new jobs.
- D. Investment for an existing industry requesting an incentive should be \$5,000,000 in taxable value in building expansion/equipment and some sustainable new job creation.
- E. The project for either new or existing industries must not have been started **prior** to the request for the incentive.
- F. Creation of jobs through either new development or expansion must have a wage rate equal to or greater than the average hourly wage of all industry in the county as established quarterly by the Employment Security Commission. Jobs must be full-time (at least 35 hours per week and wages subject to withholding) and employer must offer health insurance to full-time employees and pay at least 50% of employee premium.
- G. The timeframe to meet performance criteria and for the incentive to be paid shall be no longer than eight (8) years.

- H. No incentives are being recommended for businesses that are exclusively retail at this time, but could be explored in the future if deemed necessary.
- I. A payment schedule will be outlined in the contract. Incentives will be paid after current year ad valorem taxes are paid by the requesting industry.
- J. Other criteria for consideration may include but are not limited to: site specific issues that have an impact upon local infrastructure responsibilities, site specific issues that have an impact upon other local resources such as public safety, public works, etc.
- K. The industry meeting the criteria and desiring the incentive shall submit a written request to the Town's economic development office.
- L. Upon request by an applicant industry and after taking into consideration the importance of proposed investments by an applicant industry to the local economy under the current circumstances, subject to the approval of the Town Board, the foregoing criteria may be modified and/or waived in order to qualify an applicant industry in those instances where documentation is presented by the applicant industry that a significant number of permanent jobs will be created and substantial capital investments, in addition to the initially proposed investments, are scheduled for implementation in the immediate future.
- M. The industry must enter into a binding economic development contract with the Town of Morrisville and is therefore subject to any reporting or repayment (clawback provision) requirements contained therein.
- N. The Town Board of Commissioners will hold the necessary public hearing as required under statute and approve the signing of the contract between the Town and the requesting industry.
- O. Stewardship of the natural environment, including incorporation of alternative energy technologies, use of recycled materials in construction, as well as other "green" building concepts.
- P. Innovation in design concept and plan
- Q. Consistency with and furtherance of Town planning and development objectives, such as downtown development, provision of greenways or other recreation and alternative transportation facilities as well as mixed-use.

### **III. INCENTIVES**

- A. A benchmark of one per cent (1%) of the total investment of new or expanded tax base will be used by staff to guide discussions and make recommendations to the Town Commissioners. (These funds will be budgeted in the long-range financial plan and be paid by the new or expanded tax base from an Economic Development Fund.)
- B. Other incentives could be considered in the form of infrastructure such as streets, traffic signals and/or sewer line extensions.

### **IV. CORPORATE HEADQUARTERS INCENTIVE CRITERIA**

The Town will consider a one-half percent (.5%) higher incentive to corporate headquarters if the project meets the following criteria:

- A. Corporate headquarters means the building or buildings that the principal executive officers have designated as their principal corporate, regional or divisional office in the U.S. [See North Carolina G.S. 55-1-40 (17)]. The Town requires that the corporate headquarters have at least fifty (50) or more full-time employees who are located in that building or buildings.
- B. The headquarters and/or expansion must be located within the town limits of Morrisville. If the project is an expansion, the expansion must employ fifty(50) or more new full-time employees.
- C. The project must meet all other criteria as listed in Part III of this document.
- D. Incentives will be paid after all taxes, fees and charges due the Town are paid.