

Halifax County Job Creation Incentive Policy for High Impact/High Return Commercial/Retail Projects

Halifax County is in an Enterprise Tier One Area and among the most economically distressed counties in North Carolina. It is widely accepted that large retail and commercial development not only creates jobs and investment, but stimulates additional supporting commercial/retail development. In order to expand economic development options for Halifax County that will expand the tax base, offer improved employment opportunities for its citizens and promote the economic growth and welfare of the business community, the Halifax County Board of Commissioners has established an incentive grant program that will encourage large scale commercial/retail project owners and developers to commit to sites in Halifax County for future projects.

For the purposes of this Policy, eligible retail/commercial development shall be explicitly defined as follows:

- Commercial development via retail development shall be defined as a privately owned business establishment with the intent of realizing a profit from the sale of goods to the general public and meets the minimum project qualifications described in Section II.
- Commercial development shall be defined as a privately owned business establishment with the intent of realizing a profit from the sale of services to the general public and shall meet the minimum project qualifications described in Section II.

I. Program Parameters

Incentive grants authorized by the Halifax County Board of Commissioners under this program shall involve a written contractual agreement between the County and a new or existing business enterprise. The agreement will provide for financial incentives based on minimum levels of investment and job creation. Each project will be considered on an individual basis using guidelines established under the direction of the Halifax County Board of Commissioners. The Halifax County Board of Commissioners is not obligated to make any grants under this program. Changing economic conditions may cause the County to modify, amend, or even terminate the program subject to any pending agreements.

Items for consideration in authorizing an incentive grant may include:

- The size of the project based on investment in site development, infrastructure and facilities
- The quantity and quality of employment opportunities
- The type of commercial/retail activities the project will generate
- The potential the project provides for additional development in Halifax County

- Site specific issues that may impact local infrastructure responsibilities
- Other issues that may require consideration by the County for a specific project
- Positive or negative impacts, such as impacts on existing businesses, industries, and commercial entities, etc.

An economic impact study must be completed for the project and provided to Halifax County prior to consideration of incentives. The economic impact study must be prepared by a reputable third party such as the UNC Center for Competitive Economies, East Carolina University, UNC-Greensboro Bryan School of Business, or a reputable (licensed or certified) private concern. The cost of the economic impact study will be paid by the company or developer requesting incentives under this policy.

II. Project Qualifications

In order to be considered eligible for an incentive grant, a commercial/retail project shall meet the following minimum criteria. These criteria shall be used as a guideline in project evaluations. Additional criteria may be applied to a specific project based upon the terms of the agreement between the County and the developer.

- A. Minimum Number of Jobs: The total number of jobs to be created by the company must be significant to Halifax County. The average wage of the jobs at the proposed Halifax County location must be consistent with the requirements set forth in the overall policy.
- B. Minimum Private Investment: \$10 million in taxable investment within 24 months of startup.
- C. Incentive Grant funds must be used by the company for one or a combination of the following activities: 1) Building construction; 2) Infrastructure; 3) Equipment purchase; and/or 4) Land purchase.

III. Process for Consideration

The following procedures will be used in considering a project for a commercial/retail incentive grant:

- Any Economic Development Grant considered must provide Halifax County a high return on investment, taking into account tax revenues of the project over a five-year period from the date of start-up of the project (NCGS 158-7.1(d2)).
- A committee of the Halifax County Economic Development Board, with the input of the Roanoke Valley Chamber of Commerce, Halifax County Tourism Development Authority, and a representative of the town or city in which the project will be located, will discuss potential incentive levels with the company and review the terms of any such grant agreement with the company. Such discussions are negotiations only, inasmuch as the Halifax County Board of Commissioners has the sole authority and discretion to approve such grants. It must be competitively necessary in the judgment of the Committee to provide

such incentives in order to induce the project to locate or expand in Halifax County.

- Committee would make recommendation to the Halifax County Economic Development Commission Board.
- The Halifax County Economic Development Commission Board, at a regular or special meeting of the Board, may approve the recommendations of the Committee and make a formal request for incentives on behalf of the company for consideration by the Halifax County Board of Commissioners.
- With the recommendation and input from the Halifax County Economic Development Commission, the Halifax County Board of Commissioners will make the final decision regarding the approval of the terms of the grant agreement.
- At a time agreeable to the company, given its confidentiality concerns, a public notice will be published and a public hearing will be held regarding the proposed grant in accordance with the requirements of NCGS 158-7.1.
- A written agreement will be executed which contractually binds the company to meet the investment and job creation commitments to receive the grant and the County to make the approved incentive grant. Said written agreement will require the company to be bound to minimum levels of investment and job creation and provide for penalties and or/reductions in amounts of forward funded grants, in the event the company fails to meet the minimum required levels (NCGS 158-7.1(d2)(2)).
- The company will provide written verification of its compliance with the job creation and investment commitments to which it has agreed annually.

IV. Exclusionary Factors

Even though a project may meet all of the above minimum qualifications, it will not be considered for an incentive grant if any of the following factors apply:

- The expansion of the project would, for any reason, result in a net reduction of the ad valorem property tax valuation of all facilities in the County owned by the company, or its parent, subsidiary or affiliated companies.
- The company or a parent, subsidiary or affiliated company is not current in all ad valorem tax payments to Halifax County.
- The company originally receiving the grant assigns it to another company, unless the Board of Commissioners has consented to such assignment in writing.
- Upon review of assets, liabilities and equity positions, the company exhibits an unsatisfactory financial picture.

V. Disclaimer

All retail/commercial projects will be considered on an individual basis and by adopting these guidelines, the Halifax County Board of Commissioners is not obligated to offer or make any incentive grant to any company or project.

Adopted this 2nd day of April 2007.