

City of Roanoke Rapids

City of Roanoke Rapids Job Creation Incentive Policy for Commercial/Retail Projects

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

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

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

I. Program Parameters

Incentive grants authorized by the Roanoke Rapids City Council under this program shall involve a written contractual agreement between the City 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 Roanoke Rapids City Council. The Roanoke Rapids City Council is not obligated to make any grants under this program. Changing economic conditions may cause the City to modify, amend, or even terminate the program subject to any pending agreements.

Items for consideration in authorizing an incentive grant may include, but not be limited to:

- 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 stimulating additional development in Roanoke Rapids.
- The impact on tourism visitation and market attraction to Roanoke Rapids.
- Generation of direct, indirect and induced visitor expenditures.
- The ability of the project to remain profitable beyond incentive grant payments.
- Project feasibility and economic impact studies.
- Site specific issues that may impact local infrastructure responsibilities.
- Other issues that may require consideration by the City for a specific project.
- Positive or negative impact on existing businesses, industries, and commercial entities.

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 on the terms of the agreement between the City and the developer.

- A. Minimum Number of Jobs: The total number of jobs to be created by the company must be significant to Roanoke Rapids. The average wage of the jobs at the proposed city location must be consistent with the average wage for the sector represented by the project.
- B. Minimum Private Investment: \$10 million in taxable investment within 24 months of startup.
- C. Incentive Grant funds shall be used by the company for one or a combination of the following activities: 1) Building construction; Infrastructure; 2) Equipment purchase; 3) Land purchase.
- D. The project must be located within the city limits of the City of Roanoke Rapids.

III. Process for Consideration

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

- The developer must provide the Roanoke Rapids City Council with a feasibility report outlining the proposed project, including but not limited to type and quantity of job creation, wage levels, level of investment, description of proposed facilities, public utility and infrastructure demand and facility needs, projected tax generation (property, sales, occupancy, etc.), and economic impact.
- The developer must also provide to the Roanoke Rapids City Council a public economic impact study 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 private concern. The cost of the economic impact study will be paid by the company or developer requesting incentives under this policy.
- Any Economic Development Incentive Grant considered must provide the City of Roanoke Rapids a high return on investment, taking into account tax and other municipal revenues generated by the project over a five-year period from the date of startup of the project. All projects must comply with NCGS 158-7.1 and other law where applicable.
- The Roanoke Rapids City Manager and other City representatives as necessary will negotiate potential incentive levels with the company and review the terms of any such agreement with the company. Such discussions are negotiations only, inasmuch as the Roanoke Rapids City Council has the sole authority and discretion to approve such grants. It must be competitively necessary in the judgment of the City to provide such incentives in order to induce the project to locate or expand in Halifax County.
- The Roanoke Rapids City Manager will make a recommendation to the City Council, and the Roanoke Rapids City Council will make a formal decision regarding the approval of the terms of the grant agreement.
- Public notice requirements will be followed for the proposed grant in accordance with the requirements of NCGS 158-7.1.
- A written agreement will be executed which contractually binds the City to make the approved incentive grant and the company to meet investment, job creation, economic impact and other commitments to receive the grant. Said written agreement will require the company to be bound to minimum levels of investment, job creation, economic impact and other commitments, and will provide for penalties and/or reductions in amounts of forwarded funded grants, in the event the company fails to meet the minimum required levels.

- The company will provide written verification of its compliance with the job creation, investment, and economic impact commitments to which it has agreed.

IV. Exclusionary Factors

Even though a project might 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 City 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 the City.
- The company originally receiving the grant assigns it to another company, unless the Roanoke Rapids City Council 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 commercial/retail projects will be considered on an individual basis and by adopting these guidelines, the Roanoke Rapids City Council is not obligated to offer or make any incentive grant to any company or project.

Adopted by the Roanoke Rapids City Council on the 10th day of July, 2007.