

Town of Carthage

Economic Development Incentive Grants Guidelines

Purpose:

The Town of Carthage desires to attract and help grow businesses that will provide quality jobs to the citizens of Carthage and improve the overall economic strength of the Town. To further these goals, the Town provides the following Economic Development Incentive Grants Guidelines to businesses looking to relocate to or expand within the Town.

Required Criteria:

In selecting projects that will receive economic development incentive grants, the Carthage Board of Commissioners will require the following criteria to be met, as detailed in a Performance Agreement to be executed the Town and the Business:

1. Locate a new business within the Town; or
2. Expand an existing business within the Town; and
3. Exclude restaurants and retail businesses; and
4. Create and maintain throughout the term of the contract, as defined below, a minimum of ten (10) net new full time jobs with employee benefits within the Town; and

Full time employment: Full time employment is a person working at least 35 hours a week, whose wages are subject to withholding and who is employed in a permanent position. Part time, full time equivalent (FTE) positions, or contract and consulting jobs are not eligible.

Employee Benefits: Employee benefits means the company will provide at least 50% employer paid health insurance for all full time positions.

Wage Requirements: New jobs will meet or exceed the County's average wage (i.e. the average wage of all full time workers employed during the taxable year must meet or exceed the County's applicable wage standard).

5. Agree to a minimum investment amount; and
6. Agree to clawback provisions; and
7. The company must not have received any significant environmental violations with the North Carolina Department of Environment and Natural Resources within the prior five years; and
8. The project will not have a negative environmental impact within the Town; and
9. The company must not have received any "willful" or "failure to abate" serious OSHA violations at the establishment within the prior three years; and
10. The company must not have any overdue taxes; and

11. The company must agree to maintain operations at the project site for at least 150% of the term of the grant; if the business fails to remain at the site for the required term, a clawback provision will recapture all or part of the grant funds; and
12. The full time jobs must be maintained throughout the duration of the contract terms; and
13. Agree to additional criteria as may be determined by the Town and identified in the Performance Agreement.

Guidelines:

If a project meets the required criteria, the Town will consider providing an economic development incentive grant in the amount of the percentage of the prior year's ad valorem taxes paid to the Town as follows:

For projects in an amount less than Three Million Dollars (\$3,000,000.00):

- Year 1 80%
- Year 2 70%
- Year 3 60%
- Year 4 50%
- Year 5 40%

For projects in an amount of Three Million Dollars (\$3,000,000.00) or greater:

- Year 1 90%
- Year 2 80%
- Year 3 70%
- Year 4 60%
- Year 5 50%
- Year 6 40%
- Year 7 30%

All ad valorem taxes for the prior year must be paid prior to each annual payment of the economic development incentive grant.

Clawback Provisions:

If at any point in time during the economic development incentive grant the project fails to meet the required criteria, then the Town will withhold all future economic development incentive grant payments and may require the repayment of all previous payments made to the business.

The Town, in deciding whether or not to immediately enforce a clawback provision(s), may accept reasonable assurance from the business that a specific year's failure to meet the

required criteria will not be repeated in subsequent years. If the Town accepts such reasonable assurance, the Town will withhold that year's economic development incentive grant payment. If at the end of the subsequent year the required criteria are met, then the economic development incentive grant payment will resume. However, if the required criteria are not met, all future economic development incentive grant payments will be withheld and the Town may require the repayment of all previous economic development incentive grant payments made to the business.

Application Process and Timeline:

Businesses interested in applying for the Economic Development Incentive Grant must complete and submit an application to the Town Manager's office. Any Economic Development Incentive Grant must be approved by the Town Board. Upon Board approval of the grant, the Town and the Business will execute a Performance Agreement.

Disclaimer:

These Guidelines in no way limits the authority and discretion of the Town of Carthage Board of Commissioners to require different criteria or to offer different or additional economic development incentive grants.