

Town of Southern Pines



Economic Development Incentive Grants Guidelines

Purpose:

The Town of Southern Pines desires to attract and help grow businesses that will provide quality jobs to the citizens of Southern Pines 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 Town of Southern Pines' Town Council will require the following criteria to be met, as detailed in a Performance Agreement to be executed by the Town and the Business:

1. Locate a new business within the town limits or a portion of the extraterritorial jurisdiction (ETJ) of Southern Pines that would be annexed as part of the proposed development; or
2. Expand an existing business within the town limits of Southern Pines; and
3. Exclude Restaurants and Retail businesses; and
4. Create and maintain throughout the term of the contract, as defined below, a minimum of 10 net new full time jobs with employee benefits; 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 Equivalents (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 Moore County's average wage as most recently calculated and published by the N.C. Department of Commerce.

5. Agree to a minimum investment amount; and
6. Agree to claw-back 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 claw-back provision will recapture all or part of the grant funds; and
12. The full-time jobs must be maintained throughout the duration of the grant term; and
13. Agree to additional criteria as may be determined by the Town.

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.

Claw-back 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 claw-back provision(s), may accept reasonable assurances 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 assurances, 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 payments 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.

Disclaimer:

These Guidelines in no way limits the authority and discretion of the Town of Southern Pines' Town Council to require different criteria or to offer reduced or additional economic development incentive grants.