

# **ALEXANDER COUNTY INDUSTRIAL DEVELOPMENT INCENTIVE (IDI) GRANT PROGRAM FOR NEW AND EXISTING INDUSTRIES**

## **I. OVERVIEW**

In order to expand economic development options for Alexander County that will diversify the tax base, offer improved employment opportunities for its citizens and promote the economic growth and welfare of the business and industrial community, the Alexander County Commissioners desire to establish inducement guidelines to encourage new business location decisions within Alexander County and to assist existing industrial expansion. This Industrial Development Incentives (IDI) grant program formalizes guidelines that establish the parameters for local government economic incentives to be used to encourage existing industrial expansions and to help promote Alexander County as an excellent site choice for new industrial facility locations. This IDI grant program replaces any previously enacted policy guidelines.

## **II. PROGRAM PARAMETERS**

The IDI grant involves a contractual agreement between Alexander County and a new or existing business within the county, which would allow for a financial incentive grant based upon the actual value, schedule and payment of local property taxes. The County will require the business to "pay in full" annually total property taxes due. If the business has met specific criteria for investment, job creation, and wages paid, as outlined in a formal agreement, a portion of the property taxes paid by that industry to Alexander County would be returned to the industry in the form of a local Industrial Development Incentive Grant. The first annual installment would be paid on or about the 15th day of January of the year following the first full year of the completion of the new capital investment. The appraisers of the Alexander County Tax Department will determine the value of new capital investment.

IDI grants will be based on the increase in tax value of real property, machinery, and improvements above the base year prior to investment. No grant will be given to a company that would reduce their tax payment to an amount lower than the previous tax year. No company may transfer grant agreements or contracts without the explicit approval by the Alexander County Board of Commissioners.

Each project will be considered on an individual basis using guidelines established under the direction of the Alexander County Commissioners. The guidelines for the program shall be subject to periodic review. Changing economic conditions may cause the County to modify, amend, or even terminate the program subject to compliance with any IDI grants in effect at that time. If a need arises to change, modify, or terminate the IDI program, outstanding contracts at the time of such termination or change will be honored in accordance with the terms of such contracts.

An annual grant installment may be delayed or withheld if the grant recipient is delinquent in the payment to Alexander County of any taxes, utility bills, or other fees owed to the County.

To further promote economic development activities in Alexander County, five percent of grant payments each year will be retained by the Alexander County Economic Development Corporation and shall be used for purposes related to retention and expansion of existing industries or for recruitment of new industry.

If a grant recipient shall close, terminate, or reduce its operation by fifty percent or more during the period of the grant, all further grant payments will cease, and the Industrial Development Incentive Grant for the recipient will be null and void.

### **III. PROJECT CRITERIA**

To be considered eligible for an IDI grant, a project must meet certain criteria. These criteria are to be used as guidelines in project evaluations. Additional criteria may be applied to a specific project based upon the terms of the contract between the industry and Alexander County.

The primary factors to be considered in evaluating a project for an IDI grant are (1) New investment by the industry which increases property tax valuation (2) Number of new jobs to be created (3) Wages compared to the county average as determined by the NC Department of Commerce. Each project will be scored based on the above criteria using the scoring guidelines established with this policy.

**FOR ECONOMIC DEVELOPMENT OFFICE USE**

Company \_\_\_\_\_ Date \_\_\_\_\_

EDC Authorized Signature \_\_\_\_\_

**IDI Grant Scoring System**

(Add score totals of columns A,B,C)

A - Tax Value			B - Job Creation			C - Wages Paid		
* Increase in Tax Value	Max Points	Tax Value Score	Jobs Created	Max Points	Jobs Score	**Wages Paid	Max Points	Wages Score
Under \$500,000	1		1-10	1		Less 100% Co. Ave.	0	
\$500,000 – \$4,999,999	2		11-20	2		100% Co. Ave. \$512	2	
\$5,000,000- \$9,999,999	3		21-30	3		110% Co. Ave. \$563	3	
\$10,000,000- \$19,999,999	4		31-40	4		120% Co. Ave. \$614	4	
\$20,000,000 And Above	5		41 +	5		130% Co. Ave. \$665	5	

TAX VALUE SCORE \_\_\_\_\_ JOB CREATION SCORE \_\_\_\_\_ WAGES PAID SCORE \_\_\_\_\_

**TOTAL SCORE ALL CATEGORIES: \_\_\_\_\_**

\*Includes real property, equipment, and machinery values which are higher than the base year tax value.

\*\* Averages based on 2008 Article 3J wage scale published by NC Department of Commerce.

## **GRANT AWARD LEVELS**

### **IDI LEVEL 1 GRANT**

Minimum Score – 5

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

### **IDI LEVEL 2 GRANT**

Minimum Score – 7

- Year 1-90% property tax grant
- Year 2-80% property tax grant
- Year 3-70% property tax grant
- Year 4-60% property tax grant
- Year 5-50% property tax grant

### **IDI LEVEL 3 GRANT**

Minimum Score – 9

- Year 1-100% property tax grant
- Year 2-100% property tax grant
- Year 3-100% property tax grant
- Year 4-100% property tax grant
- Year 5-100% property tax grant

### **IDI LEVEL 4 GRANT**

Minimum Score – 11

- Year 1-100% property tax grant
- Year 2-100% property tax grant
- Year 3-100% property tax grant
- Year 4-100% property tax grant
- Year 5-100% property tax grant
- Year 6-100% property tax grant

Additional year added for each for \$10 million over \$20 million up to 8 years.

**NOTE: Five percent of each annual grant payment in all levels is retained by the EDC to promote Economic Development Activities.**