

## **RESOLUTION ADOPTING ECONOMIC DEVELOPMENT POLICY**

WHEREAS, the Town Council finds that expenditures for economic development of industrial and commercial plants stimulate the local economy, increase the tax base, promote business, and result in the creation of jobs for the citizens of the Town of Holly Ridge; and

WHEREAS, the Town Council desires to limit the Town's expenditures to facilities which would not locate or expand in Holly Ridge without these economic incentives; and

WHEREAS, the Town may make these appropriations pursuant to N.C. Gen. Stat. § 158-7.1.

NOW, THEREFORE, THE TOWN COUNCIL FOR THE TOWN OF HOLLY RIDGE HEREBY RESOLVES:

1. The prior Resolution entitled "Town of Holly Ridge Industrial Development Incentive Grant Program for New Industries", is hereby rescinded by the adoption of this Resolution.

2. Appropriations will be considered for developers of commercial facilities and industrial facilities, facilities with a presence in or to be located in Holly Ridge which meet the new investment and new jobs thresholds. In no event will appropriations be made for residential development.

3. Appropriations shall only be considered for:

a) developers or companies which produce new capital investment of at least \$1 million in assessed valuation as determined by the tax value placed on the property by the Onslow County Tax Administrator or expansion investment of at least \$750 thousand in assessed valuation as determined by the tax value placed on the property by the Onslow County Tax Administrator. Only capital invested within five years of the date of the incentive agreement will be counted in determining the investment amount;

or

b) companies or developers of facilities which create a minimum of 30 new jobs. New jobs are defined as a net increase in the company's number of full-time employees working in Holly Ridge. A full-time employee is defined as a person who is employed by the company for at least 35 hours per week and whose wages are subject to withholding. The average wage for new jobs must equal the average wage as to each category of employee hired, as defined by the Employment Security Commission for Onslow County.

4. The Town Council is not obligated to make any appropriations for a company or developer. If an appropriation is made, the amount of the appropriation shall be determined including, but not limited to, the following factors:

- The need for the appropriation or transfer as a deciding factor for the construction of the facility or the relocation or expansion of the company in Holly Ridge
- Amount of new investment
- Number of new jobs
- Type of business relative to the tax base
- Reputation of the company
- The presence of competition for the project
- Location in the community
- Capacity of available infrastructure
- Whether or not the incentives in any given year exceed the amount of taxes collected by the Town
- Whether in the case of a company, a prior appropriation has been made to a developer of the facility

5. Notwithstanding the foregoing, in no event shall an appropriation be made to a developer or company for property which has been or is proposed to be classified as historic for purposes of *ad valorem* taxation pursuant to N.C. Gen. Stat. § 105-278.

6. The maximum appropriation which may be made for a developer of a facility and a company locating in Holly Ridge shall be 2.25% of the total new or expansion capital investment of such developer or company, as determined by the tax value placed on the property by the Onslow County Tax Administrator, less the amount of the existing tax value of the subject property. For companies which are requesting incentives due to job creation, the following guidelines shall apply:

- a) 30-100 jobs – \$750 per job;
- b) 101-500 jobs – \$1,000 per job;
- c) 501 or more jobs – \$1,500 per job.

7. The payments shall be made based on a schedule which is acceptable to the developer or company and the Town Council of up to five years from the date of signing the incentive agreement with the Town of Holly Ridge.

8. All funds appropriated or spent pursuant to this policy shall be used only for the purposes as stated in N.C.G.S. § 158-7.1 (a) or (b). The incentive agreement shall provide that the developer or company shall post the job openings with the NC Works and with the Onslow County Department of Social Services.

9. Any appropriations or transfers pursuant to this policy may only be made following a public hearing before the Town Council, which notice of such hearing shall be published at least ten days before the hearing is held. The notice shall contain the information as required by N.C.G.S. § 158-7.1(c).

10. The developer or company seeking funds pursuant to this policy must receive approval from the Town Council after a public hearing prior to undertaking construction of a new facility or facilities.

11. Developers and companies receiving funds or transfers pursuant to this policy shall enter into an incentive agreement with Holly Ridge. All incentive agreements shall be subject to performance criteria as set forth therein. If for any reason, the developer or company fails to fulfill its obligations under the agreement, it will be required to remit to the Town any funds received pursuant to the agreement and this policy.

12. If an appropriation is to be made to a developer or company, an agreement shall be entered into with the developer or company which shall contain, among other provisions, a "claw-back" provision which will require a repayment, in full, of any appropriation to the developer or company from the Town should: a company, fail to make the investment as stated in the economic development agreement, close its operations in Holly Ridge, or fail to employ the number of employees agreed to in the incentive agreement or reduce the number of employees below the number agreed to in the agreement after initially hiring the number of employees agreed to in the incentive agreement within five years of the date of the signing of the incentive agreement; or a developer closes the facility which is the subject of the appropriation or fails to make the investment as stated in the incentive agreement within five years of the date of the signing of the agreement. The agreement shall further provide that, if a company closes its operations in Holly Ridge or reduces the number of employees below the number agreed to in the incentive agreement after initially hiring the number of employees agreed to in the incentive agreement within 10 years of the date of the signing of the agreement; or if a developer closes the facility which is the subject of the appropriation within 10 years of signing of the agreement, the company and/or the developer shall repay the County any appropriation in the amount of 80% of the total appropriation to the developer and/or the company if the removal or closing during year six after the signing of the agreement, and an amount for years seven through ten of an amount which shall be equal to a declining amount of 20% per year of the total appropriation with the amount being 0% of the amount of the appropriation in year ten and thereafter.

13. The provisions of this policy do not create and are not intended to create any property interest or legal expectation by any developer or company. Additionally, this policy is not intended to limit the discretion given to the Town Council for the promotion of local economic development under applicable laws. Any assistance provided to a developer or company will be limited to the availability of funds by Holly Ridge.

This the 21<sup>st</sup> day of March, 2018.

ATTEST:

  
Anita Dingler, Mayor

  
Heather Reynolds, CMC, Town Clerk

