



## ***Economic Development Incentive Policy***

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### **Purpose**

Transylvania County encourages and supports new business development and the expansion of its business base through retention, recruitment and entrepreneurial endeavors. The incentive grant program is designed to promote *significant capital investment and job creation* in Transylvania County. Goals of the incentive program include:

- Diversifying the local business and manufacturing base by encouraging existing businesses to reinvest and to help attract new business to the County
- Supporting new business that provides a complimentary element to the existing local economy
- Increasing the ad valorem tax base
- Increasing quality employment opportunities within Transylvania County

Incentive grants are offered over a period of time and vary in amount. The amount of a grant is dependent upon the amount of investment, job creation, wages, whether existing business or new, whether it is a headquarters, and if the business is complementary to existing businesses. Other factors such as industry sector, long-term growth potential, and indirect economic impact may be considered.

Additional non-cash based incentives and support could include grant writing support, business concierge service through the Transylvania Partnership for Economic Development, employee screening and assessment support from Blue Ridge Community College, employee training, and other programs to support workforce development and streamlined development.

## Incentive Grant Eligibility

- Businesses applying for grants must make a net new taxable investment in Transylvania County. Taxable investment includes real and personal property (i.e., machinery and equipment). The current value of real and personal property will be deducted to calculate net new investment. New equipment will be depreciated on a standard schedule to calculate taxable investment. The minimum net new taxable investment shall be at least \$250,000 over the grant period.
- Businesses accepting this incentive grant shall create at least five (5) full-time new jobs, defined as 35 hours or more per week, within the agreed upon grant period. Employees classified as temporary do not qualify.
- For new companies locating and existing businesses expanding in Transylvania County the average wage of the new jobs must be at or greater than the average county wage.
- Businesses receiving incentive grants must pay at least 50% of the cost of employee healthcare coverage and must not have had any notice of noncompliance with any local, state, or federal OSHA or environmental regulations within two years.
- Businesses seeking grants shall provide a North Carolina Project Summary Form, as developed by the NC Department of Commerce, to aid in determining eligibility and scoring.

### Definitions

- A corporate headquarters is defined as a corporate, subsidiary, or regional managing office, as defined by NAICS in United States industry 551114, that is responsible for strategic or organizational planning and decision making for the business on an international, national, or multistate regional basis.
- An existing business is defined as a company that has a physical presence in Transylvania County, paid local property taxes, and had at least one full-time employee for at least one year in Transylvania County.
- A business is defined as complementary to the existing business base if there is a customer or supplier relationship between the new business and an existing business and/or if the company is in an existing business cluster.

Eligibility does not guarantee the offer of an incentive grant. All grants are approved on a case by case basis and require a public hearing meeting North Carolina General Statute 158-7.1. Businesses accepting an incentive grant shall be required to execute a

performance agreement that specifies the grant’s terms and conditions and compliance requirements.

### ***Incentive Points Scorecard***

<b>New Jobs in County</b>	<b>Total</b>	<b>Points</b>
5-10	20	
11-25	25	
26 or above	30	

*Total Possible* **30**

<b>Level of Capital Investment</b>	<b>Total</b>	<b>Points</b>
Under \$500,000	20	
\$500,000-\$2,999,999	30	
\$3,000,000-\$6,999,999	40	
\$7,000,000 and above	50	

*Total Possible* **50**

<b>Industry Cluster/Business Type</b>	<b>Total</b>	<b>Points</b>
Complimentary to Existing Business	5	
Company Headquarters	5	
Expansion of Existing Business	10	

*Total Possible* **20**

**Total Score**

### ***Qualifying Categories***

<b>Minimum Score</b>	<b>Year Range</b>	<b>% of New Tax Revenue</b>
<b>60</b>	2-4	50-70%
<b>70</b>	2-5	70-85%
<b>80</b>	2-6	80-90%