

**WAYNE COUNTY  
INDUSTRIAL DEVELOPMENT INCENTIVE GRANT PROGRAM  
FOR NEW AND EXISTING INDUSTRIES**

I. OVERVIEW

Wayne County has adopted the following Industrial Development Incentive Grant Program for purposes of recruitment of industry and increasing economic growth. The objectives of the grant program are to expand the tax base, to provide quality jobs for Wayne County's residents, to promote economic development, and to secure the economic well-being of all citizens. The importance of sustaining and assisting with the growth of existing industries is well-documented. The diversification that comes with the addition of new industries to a county is needed to provide a broader economic base. The following paragraphs formalize the Incentive Grant Program.

II. PROGRAM PARAMETERS

The Industrial Development Incentive Grant involves a contractual agreement between Wayne County and new or existing industries for a financial incentive grant based upon the actual value of qualifying new capital investment (as determined below in Section IV) and jobs created by such new or expanding industries within the corporate boundaries of Wayne County.

Incentive grants made under this program will be identified by the applicable NAICS codes 31-33, 48-49 and 51. The project for which qualifies for incentives will be secured by a contract between the grant recipient and Wayne County. Such contract must identify the start date and completion date of the proposed project, which project shall not exceed two years in duration. The time period for a contract shall not be required to coincide with the County's fiscal year. Should conditions change such that the amount of the qualifying new capital investment is greater or less than the contracted amount, the financial incentive grants to be made hereunder will be adjusted accordingly on a pro-rata basis. Changes or additions to a project after a contract's completion date will require a separate contract. Multiple grants to one company may be granted as long as each project meets the criteria set within the Wayne County Incentive Grant Policy.

The maximum amount of the financial incentive grant will be determined in accordance with the provisions set out in Section IV and will be specified in the contract. In the event that a recipient actually makes a smaller investment than contracted for hereunder, the grant to be paid will be reduced accordingly. A qualifying (after depreciation) minimum investment of \$1,000,000 is required in order for a company to be considered for the Wayne County Incentive Grant program. The Wayne County Board of Commissioners may consider awarding an incentive grant should a company's investment fall below the minimum requirement but the job creation and wages warrant such consideration.

For purposes of the incentive grant, the new capital investment will be assessed by the Wayne County Tax Department on January 1, following the first year of completion. The financial incentive grant will be paid in five equal annual installments. The first of the annual installments will be paid 30 days after their tax payment for the then-current year has been received by Wayne County; and after the company notifies Wayne County Development Alliance their taxes have been paid, provided, however, that any annual grant installment may be delayed or withheld if the grant recipient is delinquent in the payment to Wayne County of any taxes, utility bills, or other fees owed the County.

The value of the qualifying new capital investment will be determined by the appraisers of the Wayne County Tax Department on the basis of enhancements to Wayne County's tax base. The Tax Department appraisers will consider only new investment in land, buildings, machinery, equipment, and personal property, subject to the following guidelines:

- (a) For new construction or expansion of existing construction, the amount that qualifies for consideration in calculating incentive grants will reflect only the amount by which the new construction or expansion enhances the value of the property beyond its value prior to the project, except in regard to Shell Buildings outlined in section (d).
- (b) The value of new investment in machinery, equipment, or other personal property eligible for consideration in calculating incentive grants will be limited to 70 percent of the amount of new investment in such property.
- (c) For expansions of existing industries, the value of any machinery or equipment being phased out, replaced, or retrofitted as part of the project will be deducted from the value of replacement equipment in determining the amount that qualifies for consideration in calculating incentive grants.
- (d) For Shell Buildings, the value of the property will qualify for consideration in calculating grants for the first buyer or tenant leasing for more than one year. Shell Buildings must be registered and approved by the Wayne County Development Alliance to qualify for incentives.

If a grant recipient shall close, terminate, or reduce its operation by fifty percent (50%) or more during the five-year period of the grant, all further grant payments will cease, and the Industrial Development Incentive Grant for the recipient will be null and void.

Each project will be considered in accordance with the aforesaid guidelines. The Wayne County Board of Commissioners will review these guidelines annually and make any necessary or appropriate changes. The grant program may be changed or rescinded at any time but with the understanding that contracts outstanding at the time of such termination or change will be honored in accordance with the terms of such contracts.

### III. PROJECT QUALIFICATIONS

To be considered eligible for an Industrial Development Incentive Grant, a project must meet certain basic criteria. These criteria are to be used as guidelines in project evaluations. Additional criteria may be applied to specific projects based upon the terms of the contract between the grant recipient and Wayne County.

Factors to be considered shall include but not be limited to the following:

--the size of the project based upon investment in site development, plant facilities, and infrastructure;

--the number and type of jobs created and the anticipated hourly wages to be paid;

--potential for future expansion and increased employment;

--site specific initiatives that may be pursued to stimulate other development in areas that Wayne County may deem of significant benefit to the community.

#### IV. APPLICATION OF THE GRANT PROGRAM

1. **Level I Grant (65%)** -- for qualifying new capital investment by new or expanding industries in an amount from \$1,000,000 to \$4,999,999.

The annual grant to be paid will be computed by multiplying the dollar amount of the investment (as determined by the appraisers of the Wayne County Tax Department) by the current general county tax rate times 65%.

Example: \$1,000,000 (qualifying investment) x 66.5% or .00665 (current general county tax rate) = \$6,650 x 65% (Level I grant) = \$4,322.50 per year x 5 years = \$21,612.50 (Total Grant)

100% of appraised value of real property plus 70% (average depreciation factor over 5 years) of appraised value of personal property (machinery & equipment, furniture & fixtures, computers) times the current general county tax rate times 65% (Level I).

2. **Level II Grant (75%)** -- for qualifying new capital investment by new or expanding industries in an amount from \$5,000,000 to \$9,999,999.

The annual grant to be paid will be computed by multiplying the dollar amount of the investment (as determined by the appraisers of the Wayne County Tax Department) by the current general county tax rate times 75%.

Example: \$5,000,000 (qualifying investment) x 66.5% or .00665 (current general county tax rate) = \$33,250 x 75% (Level II grant) = \$24,937.50 per year x 5 years = \$124,687.50 (Total Grant)

100% of appraised value of real property plus 70% (average depreciation factor over 5 years) of appraised value of personal property (machinery & equipment, furniture & fixtures, computers) times the current general county tax rate times 75% (Level II).

3. **Level III Grant (85%)** -- for qualifying new capital investment by new or expanding industries in an amount of \$10,000,000 to \$24,999,999.

The annual grant to be paid will be computed by multiplying the dollar amount of the investment (as determined by the appraisers of the Wayne County Tax Department) by the current general county tax rate times 85%

Example: \$10,000,000 (qualifying investment) x 66.5% or .00665 (current general county tax rate) = \$66,500 x 85% (Level III grant) = \$56,525 per year x 5 years = \$282,625 (Total Grant)

100% of appraised value of real property plus 70% (average depreciation factor over 5 years) of appraised value of personal property (machinery & equipment, furniture & fixtures, computers) times the current general county tax rate times 85% (Level III).

4. **Level IV Grant (95%)** –for qualifying new capital investment by new or expanding industries in an amount of \$25,000,000 or more. This grant level may qualify for additional incentives such as but not limited to waiver of permitting fees, capacity development or tap fees, reduced land price, land clearing or preparation, etc. The additional incentives would

come as a recommendation from a committee consisting of the county manager, a county commissioner, WCDA board chairman and WCDA president.

The annual grant to be paid will be computed by multiplying the dollar amount of the investment (as determined by the appraisers of the Wayne County Tax Department) by the current general county tax rate times 95%

Example: \$25,000,000 (qualifying investment) x 66.5% or .00665 (current general county tax rate) = \$166,250 x 95% (Level IV grant) = \$157,937.50 per year x 5 years = \$789,687.50 (Total Grant)

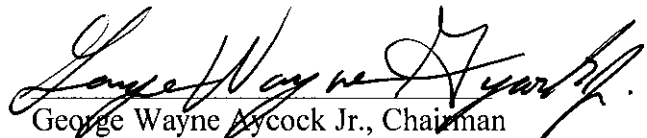
100% of appraised value of real property plus 70% (average depreciation factor over 5 years) of appraised value of personal property (machinery & equipment, furniture & fixtures, computers) times the current general county tax rate times 95% (Level III).

V. PUBLIC HEARING


Upon receipt of a grant application, and prior to approval of such application, the Wayne County Board of Commissioners shall hold a public hearing after due advertisement in accordance with the provisions of N. C. G. S. 158-7.1.

Approved and adopted at a regular meeting of the Wayne County Board of Commissioners on the 18<sup>th</sup> day of August, 2015.



  
George Wayne Aycock Jr., Chairman  
Wayne County Board of Commissioners

ATTEST:

  
Marcia R. Wilson, Clerk to the Board