

**Town of Weaverville
Economic Development Incentive Policy**

**INDUSTRIAL DEVELOPMENT INCENTIVES AND INFRASTRUCTURE
ENHANCEMENT FOR ECONOMIC DEVELOPMENT**

Purpose

The purpose of the program is to broaden and diversify the tax base, create new job opportunities for the citizens of Weaverville, and promote the economic growth and welfare of the Town of Weaverville. The program is adopted with the intent of complimenting any incentive program that may be adopted by Buncombe County and/or by the State of North Carolina.

General

The Town encourages and supports the development of the industrial base of the Town by providing incentives for both new industry and the expansion of current industries. Normally, assistance is provided through infrastructure development; however, in compliance with the North Carolina General Statutes (NCGS), such assistance may also be provided through land development, site preparation, building preparation and other means identified in NCGS 158-7.1.

Limitation

There is no vested "right" to any assistance by anyone under this policy. Before the Town will participate in any industrial development project, it must be established that the increase in ad valorem taxes on real and personal property resulting from the project will, in the three (3) to five (5) years following essential completion of the project, equal or exceed the amount of funds provided by the Town. The original value of the property will be deducted in calculating the real property basis.

Developer Incentive

Consideration in providing infrastructure funding or other direct assistance will be provided only upon the assurance that the pay back in increased real property ad valorem tax revenues occurs within three (3) to five (5) years. The calculations used to determine the incentive will be based on the current year tax levy computed at 100 percent collection.

- a. Estimates of valuation of property enhancement must be based on architects estimates, contracted construction, development costs, or development contracts in hand if third parties are involved. Other forms of proving the level of financial commitment may be considered on an individual basis.
- b. Increased tax revenues beyond the initial three (3) to five (5) years will enhance the project desirability but will not qualify for Town funding.
- c. Incentives for speculative buildings will be awarded based on the investment schedule provided on the following page.

Industry Incentive

To be eligible for an incentive, the investment must be an investment that is not currently taxed in Weaverville. This policy is intended to support the expansion of our current industry as well as any new industry to the area. The following business types (as defined by S.I.C. codes used by the State of North Carolina) are eligible for an economic development incentive subject to funding availability: manufacturing and assembly; processing; warehousing and distribution; data and information processing, including call centers; and administrative headquarters. This policy does not provide incentives for retail, commercial or residential projects. Incentives will be provided based on the following schedule:

Initial Investment Between ¹		Maximum Economic Development Incentive % ²	Eligible Number of Years ³
\$1,500,000	\$3,999,999	75%	3
\$4,000,000	\$5,999,999	75%	4
\$6,000,000	\$9,999,999	85%	4
\$10,000,000	Up	85%	5

The Total Economic Development Incentive awarded to a company may be adjusted at the discretion of the Town Council. The total economic development incentive awarded may be divided by the Eligible Number of Years and paid on annual basis, may be paid in a lump sum, or may be paid in other installments as deemed appropriate and at the discretion of the Town of Weaverville.

Alternative

On a case-by-case basis, the Town Council may opt to provide funding for infrastructure development, site work, etc. to a company at the beginning of a project, rather than through the incentive schedule. This may be done at the discretion of the Town Council and may reduce or preclude the incentive by an amount equal to the initial grant.

Requirements

1. The project must enhance the tax base of the Town as outlined in the incentives sections above.
2. Conveyances of land by the Town must not realize a consideration less than the value determined as fair market value.
3. A determination must be made regarding the proposed average wage.

¹ The initial investment includes the company's investment for buildings and equipment.

² The annual tax amount will be determined on the Total Adjusted Investment. An annual incentive is computed by multiplying the Annual Tax Amount by the applicable Maximum Economic Development Incentive percentage.

³ The annual incentive is multiplied by the Eligible number of years to compute the total Maximum Economic Development Incentive.

4. To qualify for the job incentive portion of the incentive, the company must provide and pay for at least 50% of the cost of employee health insurance for new jobs created.
5. A public hearing must be held in accordance with NCGS 158-7.
6. Town participation cannot violate the laws of the State of North Carolina.

Projects must be deemed not harmful to the environment according to all federal, state and local regulations.

Compliance

All Economic Development Incentives will be formalized in a written letter agreement between the Town of Weaverville and the recipient company. The recipient company will be required to meet the following performance criteria:

- . Jobs created within the timeframe and at the salary levels agreed to;
- . Capital investment in real property within the time frame agreed to; and
- . Compliance with wage requirements.

The Town of Weaverville reserves the right to audit a company to assure compliance with the Economic Development Incentive agreement. If the performance criteria is not met or is altered significantly, Town of Weaverville may require the incentive to be repaid in full or in part.

To be eligible for payment of the incentive, the company must have:

- . Completed and occupied the building;
- . Be current on all taxes payable to the Town of Weaverville; and
- . Be current on performance criteria specified in the incentive agreement.

Project Evaluation

Each project will be evaluated on an individual basis. Changing economic conditions and availability of funds may cause the Town Council to modify, amend, or discontinue the Economic Development Incentive program. Should the incentive program be discontinued, the Town Council will honor any incentive committed to before the discontinuance of the program.

Economic Development Incentives may not be transferred or otherwise conveyed to another party, unless agreed to by the Town of Weaverville Council.