## LEE COUNTY

Committed Today for a Better Tomorrow

## RESOLUTION BY THE LEE COUNTY BOARD OF COMMISSIONERS ECONOMIC INCENTIVES GUIDELINES

**WHEREAS**, Chapter 158 of the General Statutes of North Carolina authorizes counties to engage in economic development activities; and

WHEREAS, North Carolina General Statute 153A-449 authorizes counties to contract with and appropriate money to a corporation to carry out any public purpose that a County is authorized by law to perform; and

WHEREAS, it is the sense of the Board of Commissioners for Lee County that the County should engage in activities designed to encourage economic growth in the county and that the LCEDC should be employed to undertake such activities on behalf of the County; and

WHEREAS, LCEDC, by action of its Board of Directors, has indicated its willingness to perform such activities on behalf of the County; and

**WHEREAS**, under the authority of NCGS 158-7.1, the Board of Commissioners desires to establish Economic Incentives Guidelines that comply with North Carolina Law and give the LCEDC guidelines to follow in discussing the county's economic incentive options that may attract new businesses or retain existing businesses;

NOW, THEREFORE, BE IT RESOLVED that the Lee County Board of Commissioners adopts the following Economic Incentives Policy;

- 1) No incentive will be considered for a new or existing business unless Lee County is competing with a jurisdiction outside the state of North Carolina to locate or retain that business in Lee County.
- 2) No incentive will be offered to any business or business unit of a company presently operating in another county of North Carolina for the exclusive purpose of recruiting that business or business unit to relocate to Lee County.
- 3) Economic incentives will not be offered to a prospective new business that would directly compete for market share with an existing business in Lee County if, in the opinion of the Board of Commissioners, the incentive would represent a threat to the survival of the pre-existing business. (Note - this guideline may be waived if the preexisting business has previously received an economic incentive from a public sector jurisdiction.)
- 4) The new business must create and maintain a minimum of 25 new jobs in Lee County to be considered for an incentive. The business will be required to maintain a contracted increase in the number of full-time employees for the duration of the incentive agreement period. Businesses will be required to show proof of job

- creation and be subject to random audits for verification. Existing businesses in Lee County will be required to maintain a specified number of full-time employees for the duration of the incentive agreement period.
- 5) Each job counted towards the incentive must be full-time employee, defined as a person employed at 35 hours or more a week, with a salary or wage package that includes health benefits positions that are reported monthly by the company to state Employment Security.
- 6) A new business must create at least \$20 million in new investment in the County to be considered for an incentive. An existing business must invest a minimum of \$5 million to be considered for an incentive. Under either option, the investment must be verified as taxable property under North Carolina law and verified by the Lee County Tax Office. These levels of new investment must be sustained through the period of the economic incentive agreement.
- 7) Any company receiving an incentive must commit to continue operations, without seasonal variations that cause its number of jobs to fall below required levels, for the duration of the incentive agreement period.
- 8) Economic incentives will not be paid in advance of business investment or job creation in Lee County.
- 9) The County will review requests for public infrastructure which benefit the business and the entire community as an alternative to incentives.
- 10) All incentives shall be paid pursuant to a written incentive agreement between Lee County and the recipient business. Provisions shall be included in every incentive agreement to ensure the County, pursuant to NCGS 158-7.1(h), recaptures sums appropriated or expended by the County in the event the business fails to adhere to its job creation, investment, and continuous operations agreements at any time during the contract period.
- 11) Clawback provisions may include termination of the contract, proration of future incentive cash payouts, and/or repayment of incentives already issued to a business.

**NOW BE IT FURTHER RESOLVED**, that the guidelines listed above are not intended to be entitlements for businesses to receive economic incentives from Lee County. The County reserves the right to review all proposals and recommendations for or against incentive offers by the LCEDC and to make the final decision on incentive awards on the basis of what is in the best interest for the citizens of Lee County. All economic incentives are subject to Public Hearing, to be followed by a vote of the County Commissioners, as required by law. By Board policy the County Commissioners require the vote of approval for an economic incentive agreement to occur in a meeting of the Board of Commissioners subsequent to the meeting in which the public hearing occurred.

The Board of Commissioners instructs the County Attorney to review the County's standard agreement formats for economic incentives and change them to reflect the new guidelines of the Board of Commissioners. Once a new agreement format is approved, the Board requests that the County Manager forward a copy of these guidelines and standard agreement documents to the Lee County Economic Development Corporation, the City of Sanford and the Town of Broadway.