

Center City Economic Development Grant Program For Industrial Sites

I. Purpose:

A. The economic welfare of the Town is directly linked to the vitality, diversity and success of its businesses and industries. The purpose of the **Center City Economic Development Program** is to stimulate development of new businesses and expansion of existing businesses. It is intended that the Town of Mount Pleasant will experience positive economic benefit associated with each project.

B. Increasing and diversifying the local property tax base are the primary intentions of the **Center City Economic Development Grant Program**, However, other factors may be considered in authorizing a grant to any specific project. These may include but are not limited to:

- The type of business for diversification of the Town's Economic base.
- The size and scope of the project based upon investment in site development, facilities, buildings, and other business infrastructure inclusive of technology.
- The diversity, quality and quantity of jobs created by a project and the availability of labor.
- The relationship between workforce development and total project investment.
- The potential for future expansion of investment and employment.
- Site specific issues impacting upon public infrastructure.
- Actions that if pursued, stimulate development in areas of the Town deemed beneficial.
- The ratio of investment in real versus personal property assets
- The environmental impact of the project.

C. Economic conditions, legal issues or other factors may cause the Town Board to modify, amend, suspend, or even terminate the Center City Economic Development Program subject to the continuance of contracted grants previously awarded and in effect at that time.

D. The Center City Economic Development Program is a key component to the Towns sustainability and economic growth. Its successful development and redevelopment is dependent upon the strength and vitality of the neighborhoods and surrounding areas that comprise the center town. The Town of Mount Pleasant is bounded by Hwy 49, Hwy 73, & Main Street. This area encompasses several older and established residential neighborhoods and 2 major transportation corridors.

II. Project Categories and Eligibility:

A. **Eligible and Ineligible Uses**- Consideration will be given to the type of development undertaken. Eligible uses will include but are not limited to- corporate headquarters, manufacturing, assembly, fabrication, processing operations, research & development, warehouse/distribution, office buildings and retail facilities. Mixed-Use projects are eligible and may include residential components. Residential dwellings are eligible only as part of a mixed-used project. The Residential component must include a minimum of two (2) contiguous units. Certain land, or property uses are ineligible for grant consideration. Uses permitted by right or conditional use in the Town Center city zoning district.

B. **Grant Categories**- In the Center City, new or renovated commercial, industrial and mixed-use developments on industrially zoned land, or along designated corridors* are eligible for a Center City

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Economic Development Grant based upon the increase in assessed real and personal property value generated by the project, as determined by the Cabarrus County Tax Assessor. Other provisions allow a one-time infrastructure grant.

* Eligible corridors within the Center City are :

Main Street

Hwy 73 / Franklin Street

Hwy 49

On existing Buildings

1. Center City Economic Development Grant

- a. Minimum capital investment of \$100,000.00
- b. Grant equivalent to 85 % of real and personal property tax paid
- c. Grant award period of three (3) consecutive years
- d. Beginning date for grant calculations is the date of useful occupancy and/or production startup.
- e. Grant amounts calculated based upon the increase in the assessed real and personal property value generated by the project, as determined by the County Tax Assessor.
- f. Grantees may be owners, or lessees, provided that lessees shall have a minimum lease term of five years (5).

2. Level 1 Infrastructure Grant

- a. One-time use
- b. Reimbursement for actual infrastructure cost
- c. Maximum grant amount of \$2,500.00
- d. Minimum capital investment of \$200,000.00 for project inside Center City
- e. Project eligible for Center City Economic Development (ED) Grant would be eligible for a Level 1 infrastructure Grant with an ED Grant.

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- f. Projects outside the Center City & Downtown may not combine a Level 1 Infrastructure Grant with an ED Grant
- g. Infrastructure grant terms may also be negotiated on a case-by-case basis.
- h. Eligible infrastructure improvements include, but are not limited to curb & gutter, streets, sidewalks, water lines, sanitary sewer lines, storm drainage facilities, fire hydrants, electric lines (includes transformers, switch gear and related facilities) and traffic signalization.

Level 2 Infrastructure Grant-

- a. One-time only
- b. Actual cost of infrastructure
- c. Maximum grant amount negotiated on a case-by-case basis with consideration given to whether the infrastructure will serve other properties and what cost recovery may be associated with them.
- d. Grantee shall donate easements, or rights -of-way required on its property.
- e. Minimum capital investment \$1 Million
- f. Level 2 infrastructure Grant may not be combined with a Center City Economic Development grant.
- g. Cost recovery must be demonstrated through ad valorem taxes generated by the project that are to be paid to the City over a period not to exceed seven years from the date of approval.
- h. Infrastructure grant terms may be negotiated on a case-by-case basis.
- i. Eligible infrastructure improvements include, but are not limited to curb and gutter, streets, sidewalks, water lines, sanitary sewer lines, storm drainage facilities, fire hydrants, electric lines (includes transformers, switch gear and related facilities), and traffic signalization.

III. Program Provisions -

A. This criteria serves as guidelines in project evaluations. They may be expanded upon or added to for a specific project and incorporated in the terms of the formalized grant award agreement. All Economic Development Grants are awarded solely at the discretion of the Town Board.

B. Each project will be considered on an individual basis using these guidelines and other directives established by the Town. These guidelines are subject to change.

C. Projects considered under these guidelines shall be viewed independently of any project previously considered, awarded or rejected by the Town.

D. All incentives are offered by the Town Board following a notice and a public hearing. The Town Council will determine the length of time each incentive will be offered.

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- E. Estimated real and personal property tax base created by a project, business spin-offs, as well as other factors will be used in determining whether a project merits consideration.
- F. Projects receiving grants shall meet high quality building design standards and incorporate exit strategies so that buildings can accommodate multiple uses without significant structural changes in order to sustain their value to the community when the initial use of the facilities changes.
- G. The beginning date of the grant award period shall be flexible in order to accommodate construction and production start-up time, but shall be completed no later than seven years after the date of the Town Board votes to approve the grant. An extension to these limits may be granted, based upon specific project related issues, but is not guaranteed or required. Grant agreements shall terminate seven years after the date of the Town Board vote to approve the grant, upon issuance of the final grant payment by the Town, whichever occurs first. After such termination, grant agreements will be null and void, and the parties to the agreement will have no other obligations from one to the other thereafter, except as specifically noted in agreement.
- H. Prior to approval of a grant request, calculations of the estimated project grant award shall be based upon estimates of anticipated new property tax revenues the Town could expect to receive from a specific project, excluding revenues generated by a Municipal Service District or special assessment. Following approval of a grant request and completion of the respective project as evidenced by the issuance of a Certificate of Occupancy by the Cabarrus County Building Inspections Office and useful occupancy of the new facilities, the amount of the annual grant award shall be based upon the increase in value determined by the Cabarrus County Tax Assessor. Unreported, or underreported assets discovered after the payment of taxes shall not be eligible for inclusion in the annual grant award for the respective year.
- I. The annual grant award due to the Grantee shall be requested by the Grantee following payment of Ad Valorem Taxes on the approved finished project and will be paid by the Town, on or before April 15 each year during the grant period, subject to the projects dates of useful occupancy following issuance of a Certificate of Occupancy by the Cabarrus County Building Inspections office. In no case shall an annual grant payment be issued unless the new, or expanded business is in operation. Failure on the part of the Grantee to request all grant payments from the Town prior to the expiration of the grant agreement period shall result in the forfeiture of the remaining grant payments.
- J. During the grant award period, the grantee shall remain current with all real and personal property taxes assessed, along with other fees, taxes, utility bills or other assessments levied by the grantors to remain eligible for the grant. The Grantee shall be in compliance with all Town codes and ordinances. The result in termination of the grant award.
- K. Grants are not transferable and may not be otherwise conveyed to another party without the specific consent of the Grantors.

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L. Grantees are required to maintain and provide evidence that the average wages paid meet or exceed the existing average wage rate for positions of similar employment within the local workforce during the grant period.

M. The Grantee shall provide detailed reports to the Town during the grant period to ensure compliance with the terms, conditions and other specific requirements of the grant award agreement. Such information shall remain confidential. Failure of the Grantee to provide required documentation shall cause termination of the grant.

N. The Grantee shall provide documentation in support of the fact that the Towns Economics Development Grant Program is an important factor in its decision to locate or expand facilities in the Town of Mount Pleasant.

O. It is hereby declared to be the intent of the Town of Mount Pleasant that the provisions of this program shall be severable. If any provision is declared invalid by a court of competent jurisdiction, it is hereby declared to be the legislative intent which are expressly stated in the decision to be invalid; such decision shall not affect, impair or nullify this program as a whole or any other part thereof, but the rest of the program shall continue in full force and effect.

IV. Grant Approval Procedure:

A. Grant Request- Prior to initiating a project for which a grant application is proposed, the grant applicant shall submit a request for a grant to the Economic Development & Projects/ Events Coordinator which shall state that the Towns Economic Development Program is an important factor in its decision to locate or expand facilities in the Town of Mount Pleasant.

B. Acceptance- Town Board shall consider acceptance of the grant request. If it is accepted, the applicant may proceed to the next step.

C. Public Hearing- Town Board shall conduct a public hearing on the Development Grant application to inform the public of the incentive grant request and invite comments. The Town shall have a notice published of the public hearing at least 10 days before the hearing is held. The notice shall describe the project, and Town Board intentions to consider approval of the Development Grant request.

D. Offer of Contract- The Town Board shall approve grants by offering the applicant a contract. Offers not accepted are deemed rejected by the applicant. Unless otherwise adopted and approved by the Town Board, incentives are offered for 90 days from the date of approval of the specific offer of an incentive grant by the Town Board. Acceptance is the execution of a development grant contract between the Town and the applicant.

E. Construction- Construction according to approved plans shall be required.

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F. Assessment- The value of the subject property following the completion of construction and issuance of a Certificate of Occupancy by the Cabarrus County Building Inspections office shall be established by the Cabarrus County Tax Assessor. The actual increase in post-construction assessed value over pre-construction assessed value shall equal, or exceed the estimated increase specified in the contract. Failure to meet, or exceed the minimum investment requirement for an economic development grant shall render the grant null and void. In the event that the actual increase meets, or exceeds the minimum investment requirement, but fails to meet the estimated increase specified in the contract, the grant amount shall be reduced in accordance with the actual increase. In the event that the actual increase exceeds the estimated increase and qualifies for a higher level grant, the grant amount will be adjusted accordingly without further action by the Town Board.

G. Reduction and Recapture of Incentives- Each economic development agreement entered into between a private enterprise and the Town shall clearly state their respective responsibilities under the agreement. Each agreement shall contain provisions regarding remedies for a breach of those responsibilities on the part of the private enterprise. These provisions shall include a provision requiring the recapture of sums appropriated or expended by the Town upon the occurrence of events specified in the agreement. Events that would require the Town to recapture funds would include a lower capital investment than specified in the agreement, or failing to maintain operations a specified level for a period of time specified in the agreement.

H. Town Council reserves the right to reject any grant application.

I. Any information obtained by the Town in connection with an incentive grant request is subject to laws regarding disclosure of public records set forth in NCGS Chapter 132 and subject to laws regarding the protection of trade secrets set forth in Article 24 of NCGS Chapter 66.

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