

Caswell County

Economic Development Incentive Policy

The Caswell County Economic Development Incentive Policy provides a framework for evaluating economic development projects including, but not limited to, establishment of new businesses in the County and expansions of existing businesses. By utilizing a point system to grade each development project, the number of points that a project scores shall be used to determine the value of the financial incentive grant that the County may award to that specific project.

The monetary value of each financial incentive grant shall be directly determined by the amount of investment by the company, jobs created, wage levels, and business characteristics. All companies need to be considering other business locations outside of the state of North Carolina as a part of their search process. The grant is determined by the projects score, as detailed below. Grant awards are only made after the company has paid its annual County (and county if applicable) property tax and utility bills or other fees owed the County.

Under this incentive policy, companies may qualify for, but are not guaranteed, a financial incentive grant. The County reserves complete discretion in determining which eligible projects warrant a financial incentive grant. The County will use criteria outlined in this document and other policy documents to accept, reject or modify the grant amount.

This policy only addresses one form of incentive that the County may offer: financial grant awards determined by property tax amounts. The County may, at its discretion, offer other kinds of incentives to companies in addition to, or instead of, this type of financial incentive. The total value of incentives, cash and otherwise, will not exceed the amounts in this policy unless approved by the County.

Payment Process: For purposes of any incentive grant, the all eligibility factors shall be assessed by Caswell County on January 1 following the first full year of project completion. Financial incentive grants will be paid in agreed upon annual installments. The first of the annual installments will be paid 30 days after the tax payment for the then-current year has been received by Caswell County (if located within the County) and after the entity notifies the County of and establishes its compliance with all of the terms and conditions of such incentive grant. Notwithstanding the foregoing, any annual grant installment may be delayed or withheld if the grant recipient is delinquent in the payment to the County of any taxes, utility bills, or other fees owed the County.

JOBS		POINTS
Number of Jobs Created	1-9	18
	10-19	20
	20-29	22
	35 & above	24
	Maximum Points	24
Wage Level of New Jobs	100% of County Average or Greater	10
	Greater than County Average but less than State Average	12
	State Average or Greater	16
	Maximum Points	16
Quality of New Jobs	Total Employer Paid Health Insurance	5
	Partial Employer Paid Health Insurance	3
	Retirement Benefits	2
	Paid Vacation	2
	Educational Benefits	2
	Maximum Points	11
CAPITAL INVESTMENT		POINTS
Amount of Capital Investment	under \$100,000	17
	\$100,001-\$250,000	21
	\$250,001-\$500,000	23
	Above \$500,000	27
	Maximum Points	27
BUSINESS CHARACTERISTICS		POINTS
Company Headquarters Located in County		7
Minority/Woman/Veteran/Disabled Owned Business		5
Building Reuse		5
Existing Business		5

Category	Maximum Number of Points
Jobs	51
Capital Investment	27
Business Characteristics	22
TOTAL POINTS	100

Number of Points Needed for Incentive Level

Total Points	Incentive Level
40-49	1
50-59	2
60-69	3
70-79	4
80 & Above	5

Incentive Award as a Percentage of Property Tax (Only Improvements Eligible)

Year	Level 1	Level 2	Level 3	Level 4	Level 5
1	70%	75%	80%	90%	90%
2	60%	65%	70%	80%	80%
3	50%	55%	60%	70%	75%
4	40%	45%	50%	60%	70%
5	30%	35%	40%	50%	60%

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Definitions and Standards

Number of Jobs Created

- Each business agrees to create a specific number of “new jobs”.
- Definition: unless otherwise specified, “new jobs” are new, permanent employment positions held by full-time employee.
 - A “new job” is new only if it is created after the County approves the incentive agreement.
 - To be considered permanent, a “new job” must be retained for at least the period of the incentive agreement.
 - Full-time employees work at least 35 hours/week, year-round.
 - Part-time positions may be combined into full-time equivalent positions in order to qualify for points, as long as the part-time positions are retained for at least the period of the incentive agreement.
 - The number of full-time equivalent positions shall be calculated by adding the number of part-time hours per each newly created job and dividing by 40. Part-time positions must require employees to work at least 20 hours/week.
 - Permanent, seasonal positions can be combined into full-time equivalent positions using a 12/12 computation (e.g. a six-month position would equate to 6/12 of a year-round full-time position; it could be combined to with another six-month position to equal a full time position).
 - So long as an incentivized company creates a new job as defined by the agreement between the County and the company, the company may replace the employee filling such position at its discretion.
- For the purposes of this policy, temporary employees may be eligible, at the discretion of the County, to fill new jobs.
- If company has pre-existing jobs in the County created prior to the date of its agreement with the County, it must retain these jobs in addition to creating new jobs for the period of the incentive agreement.

- *Monitoring data sources:* The County shall use and the company shall grant the County access to any and all North Carolina Department of Commerce Division of Employment Security's Employer's Quarterly Tax and Wage Reports (NCUI 101), company payroll records and/or other documentation which the County may request.

Wage Level of New Jobs

- Applies to average wage, excluding benefits, for all new jobs.
- Align with Bureau of Labor Statistics average weekly wage in Caswell County and NC for most recent quarter available (to obtain latest wage information, visit <http://www.bls.gov/cew/#databases>, click the Series Reports link at the bottom of the page and plug in the numbers above).
- *Monitoring data sources:* The County shall utilize the North Carolina Department of Commerce Division of Employment Security's Employer's Quarterly Tax and Wage Report (NCUI 101). The County shall also utilize company documentation.

Quality of Jobs

- *Monitoring data sources:* The County shall use and the company shall grant the County access to company benefit documentation (including but not limited to employees' W-2s for health insurance.)

Level of Capital Investment

- Increase in ad valorem tax value of real or personal property located in Caswell County and owned directly by the company. Baseline is assessed tax value prior to agreement. Assessed value both before and after agreement to be determined by County Tax Assessor.
- Capital investment made before the County Commission approves the incentive agreement does not qualify and the County will not consider it during the application process.
- Capital investment includes real property, new machinery, equipment and other items taxed as business personal property. New machinery and equipment must not be currently taxed in the County and must not be installed to replace existing business personal property in the County. Capital investment in the incentivized project must be subject to County property taxes from installation and/or construction for the full term of the incentive agreement.

- *Monitoring data sources:* The County shall utilize tax records.

Minority/Woman/Veteran/Disabled Owned Business

- Definition: A business enterprise in which 51% or more of the business is owned, operated and controlled by citizens or permanent resident aliens who are women, ethnic/racial minorities, veterans, or persons with mental or physical disabilities.
- *Monitoring data sources:* The County shall use and the company shall grant the County access to company records, as well as MWBE certification (for online record of certification, visit mwbe.com/dir/directory.htm), DBE certification (for online record of certification, visit: <https://partner.ncdot.gov/VendorDirectory/default.html>) or NCHUB certification.

Company Headquarters Located in the County

- Company headquarters must be located within physical boundaries of Caswell County to earn points.
- Headquarters have been defined variously as the company's principle place of business, center of operations or "the actual center of direction, control and coordination, i.e., the 'nerve center,'" of the company.
- *Monitoring data sources:* Does not require monitoring.

Building Re-use

- Company reuses a vacant building, defined as vacant with no business operations for six months or more.
- *Monitoring data sources:* Does not require monitoring.

Existing Business

- Company is an existing business that has been in operation in Caswell County for at least six months.
- Company needs to be considering relocating the business outside of the state of North Carolina as a part of their expansion process.
- *Monitoring data sources:* Does not require monitoring.