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ECONOMIC DEVELOPMENT

The following sets forth the general program parameters under which the City of Fayetteville and Cumberland County will consider a project for economic development incentives. However, nothing herein shall limit the City's or County's ability to consider alternative inducements, provided they are in compliance with NCGS § 158-7.1 or any other governing statute. The City Council Policies Committee will review this policy every one year and make necessary revisions to ensure continued alignment with the Council's priorities and strategic plan. Proposed changes as a result of the review will be provided to the Fayetteville-Cumberland Economic Development Corporation for proposal to Cumberland County.

Cumberland County and the City of Fayetteville have determined that it is in the best interests of their residents and constituents to implement an economic development program to attract and support private investment to:

- Expand the tax base;
- Redevelop economically challenged areas of the community;
- Increase employment opportunities, wages, and personal incomes;
- Improve the quality of life available to their residents; and
- Increase wealth in the community.

The ultimate objective of this work is to develop a healthy and diverse tax base able to provide the resources necessary for Cumberland County and Fayetteville to provide high quality public services consistent with their missions at a reasonable cost to their residents.

This effort will be coordinated and led by the Fayetteville-Cumberland Economic Development Corporation (FCEDC). The purpose of this document is to establish the composition and boundaries of that program.

Organization:

FCEDC will serve as the primary point of contact for economic development projects under consideration for this program throughout the process of Application, Review, and Evaluation (except as otherwise noted below). The FCEDC will manage and coordinate the receipt of application materials and when appropriate make written recommendations and/or oral presentations to the City Council and Cumberland County Commission as to the eligibility and suitability of each proposal.

The FCEDC will pre-screen applicants for preliminary eligibility and provide early notification to the offices of the City and County Managers at the point it appears a potentially qualifying project has begun its due diligence process for sites in Fayetteville and Cumberland County. All proprietary information is to be retained by the FCEDC until such point as the developer authorizes public dissemination of the subject information.

The final decision as to eligibility and suitability leading to a decision to apply any of the development incentives herein to any project rests with the City Council of the City of Fayetteville and the Cumberland County Commission.

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While the FCEDC will have primary responsibility for project review and incentive plan development, they will do so in coordination with the City and County Managers' offices and with technical support from relevant City and County subject matter experts.

Projects eligible for assistance may receive a combination of the incentives described herein dependent on the project's documented need for assistance, and the projected benefit to the community's economy and quality of life.

The FCEDC may also provide development assistance for eligible projects, including, but not limited to:

- Providing meeting space during planning, negotiation and construction process; and
- Providing project management personnel for local resource guidance, workforce development, facility assistance and government/community interface

The FCEDC is also expected to seek support for economic development projects through federal, state, and other local agencies.

Public Purpose:

All projects supported by economic development incentives recommended by FCEDC must serve a Public Purpose. The Public Purposes to be served through the application of this program will include:

- Expanding the tax base by increasing the value of taxable property;
- Increasing or retaining employment opportunities, wages, and personal incomes;
- Diversifying the economic base of the community improving economic stability;
- Redeveloping economically challenged areas of the community and removing blight in key corridors identified by one of the jurisdictions;
- Improving the quality of life available to Fayetteville and Cumberland County residents.

Economic Justification:

The FCEDC will review all requests for incentives to evaluate the type and amount of assistance requested. This will include identification of the public purpose(s) to be served by the project and must be supported by evidence that without the assistance requested the project could not be developed with the attributes and benefits necessary to serve the identified Public Purpose. This review will include an economic impact analysis forecasting the projected outcomes from a particular project, including, but not limited to, job generation, tax revenue generated, as well as the direct and indirect economic impacts in the community generated by ongoing operation of the facility. The analysis will be used in consideration of approval of the project as well as in drafting potential terms for an Economic Development Incentive Agreement. The FCEDC will provide a written recommendation to the City and County regarding the project and the requested assistance.

General Eligibility Criteria:

Projects must be:

- located within the City limits of Fayetteville (for City incentive programs) and/or Cumberland County (for all programs);
- permitted under existing zoning and land-use regulations applicable to the subject property without subsequent action by the City Council or County Commission; and subject to property tax.

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Programs:

While open to the exploration of unique or innovative public-private partnerships, at a minimum, economic development activities will focus on meeting the needs of potential projects through the following programs:

Incentive Grant Program (City & County)

Each project will be considered on a case-by-case basis in order to determine what, if any, incentives will be offered. The Incentive Grant Program provides a successful applicant a series of grants based in part upon the increased ad valorem taxes paid by the Company and subject to the following:

Incentive Grants will only be paid for completed, operational projects meeting the terms of the Economic Development Incentive Agreement (“EDIA”) and that remain in compliance with all applicable codes, regulations, and requirements including but not limited to those associated with environmental, building, zoning, property maintenance, and specific terms or standards established in the EDIA.

The Incentive Grant benefits will be determined based on multiple factors, including:

- The number of jobs created or retained
- Average wage, median wage, and wage distribution
- Investment in Real and Personal Property
- Industry and/or operational sector (i.e. technology, defense, advanced manufacturing, etc.)
- Environmental and soci-economic impacts
- Prospects for future growth and industry cluster
- Any other factors deemed relevant

The Incentive Grant will be funded by the increased real and personal property taxes collected when compared to the value prior to initiation of the proposed project. These values shall be provided by the Cumberland County Tax Administrator for each year of eligibility. In order for projects to remain eligible, all property taxes must be paid prior to any disbursement of funds. Eligible projects will receive an Incentive Grant payment in accordance with the terms set out in the EDIA.

EDIA agreements typically run between three to seven years, providing an annual grant ranging between 35-90% of the increased property tax revenue generated by the project. At no time shall the annual incentive grant exceed the new tax revenue generated.

Due to the lengthy time frame of the EDA, it is recommended that projects creating less than 15 jobs or investing less than \$1.5 million in real or personal property, meet with staff to evaluate alternative support programs.

Property Price Reduction (City & County)

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City and/or County owned property acquired and prepared for development or redevelopment may be made available for a price established by market appraisal or as authorized by N.C.G.S. 158-7.1. The purchase price may, however, be granted back to the developing entity or purchase payments forgiven based upon job creation and other Public Purposes as defined and consistent with terms established in the EDIA.