CITY OF HIGH POINT
AGENDA ITEM

Title: **Incentive Policies**

From: Sandy Dunbeck , Director
High Point Economic Development

Meeting Date: January 18, 2022

Public hearing: No

Advertising Date: N/A

Attachments: Incentive policies

Advertised by: N/A

PURPOSE:
The High Point City Council is asked to adopt a new targeted Downtown Incentive Policy and a modification to the Office and Industrial Incentive Policy.

PROJECT & BACKGROUND:

BUDGET IMPACT:
The source of funding to support these policies would be the City's Economic Development Incentive Fund, which is funded by general and electric revenues.

RECOMMENDATION / ACTION REQUESTED:
The High Point Economic Development staff recommends that City Council:
Adopt a Downtown Incentive Policy
Modify the existing Office and Industrial policy to include building upfit incentives.

contact the High Point Economic Development Corporation at hpedc@highpointnc.gov or 336-883-3116.

CITY OF HIGH POINT

Office / Industrial and Building Upfit Incentives Policy

2022

For additional information on this policy and other assistance that can be provided,

Purpose: The City of High Point may provide financial incentives to office / industrial companies seeking to expand or locate in the city, whose projects will increase the municipal tax base and create quality, head-of-household jobs.			
LOCATION *(see map on Page 2)*	**For an existing High Point company:** amount of capital investment that increases the City tax base – needed to qualify for incentives	**For a company new to High Point:** amount of capital investment that increases the City tax base – needed to qualify for incentives	**Minimum average wage of newly-created jobs**
North High Point	$1,000,000	$10,000,000	100% of annual county wage
South High Point	$500,000	$2,000,000	75% of annual county wage
Targeted neighborhoods (Macedonia, West End, Washington St., East Green Dr., Five Points, GTCC / S. Main St.) or **Underutilized, obsolete industrial buildings in South High Point** (where redevelopment of the site is expected to stabilize declining property values or stimulate additional reinvestment in the surrounding area)	$100,000	$250,000	60% of annual county wage

1. The capital investment qualifier may be waived as a consideration for a targeted industry, corporate/division headquarters, research and development or emerging growth industries; or for a pioneering development anticipated to spur significant additional investment in a desired location.
2. An up to $75,000 building upfit grant can be authorized for office/industrial or commercial buildings undergoing significant improvements which increased the buildings tax value by more than 25%. Applicants may receive this incentive of up to 50% of total upfit expenditures not to exceed $75,000 to make internal capital improvements for better use, new use or adaptive use of the structure.
3. Any company located in the city limits of the City of High Point – which accepts financial incentives authorized by the High Point City Council – shall use a High Point address publicly and officially and refer to itself publicly and officially as a High Point business. In those areas of the City of High Point that do not have a High Point street address assigned by the US Postal Service, the use of a High Point-addressed post office box address shall meet the address requirement. This provision does not prevent the company from using its US Postal Service-assigned street address for deliveries and other site-specific uses.
4. To employ as many High Point citizens as possible, companies receiving incentives which hire more than 30 employees within a 12-month period shall hold one or more job fairs in central High Point. Companies hiring fewer employees in that time frame are strongly encouraged to hold job fairs in High Point.
5. Companies receiving incentives are strongly encouraged to use construction contractors/subcontractors based in High Point and/or the Piedmont Triad region.

6. Authorized financial incentives are: 1) subject to a performance agreement containing benchmarks the company must meet; and 2) may be paid in installments.
7. A company being eligible for financial incentives does not guarantee that it will receive the incentives: any such incentives are granted only after a public hearing before the High Point City Council and an affirmative vote in support.
8. At its discretion, the High Point City Council may grant incentives that vary from this policy.
9. This "office / industrial and building upfit" policy may at City Council's discretion, be used by itself for a project or in combination with other incentives policies the City might adopt.

CITY OF HIGH POINT
JOB CREATION
INCENTIVES POLICY[1]

Adopted 7-21-2011

For additional information on this policy and other assistance that can be provided, contact the High Point Economic Development Corporation at hpedc@highpointnc.gov or 336-883-3116.

	Location *(see map on Page 2)*	Minimum number of jobs that must be created [2]	Minimum average wage of all newly-created jobs	Possible incentive per job created
Companies creating fulltime permanent jobs with benefits in High Point	If located in North High Point	50	100% of annual county wage [3]	up to $1,000
			90-99% of annual county wage	up to $900
			80-89% of annual county wage	up to $800
	If located in South High Point	25	100% of annual county wage	up to $1,000
			90-99% of annual county wage	up to $900
			80-89% of annual county wage	up to $800
			70-79% of annual county wage	up to $700
			60-69% of annual county wage	up to $600

1. This policy is in effect when the unemployment rate in the county where the project locates meets or exceeds 4.5%, as determined by the N.C. Employment Security Commission.
2. Jobs relocating to High Point from anywhere in the counties into which High Point extends will not be considered as "jobs created."
3. The "average county wage" shall be determined from the most current data provided by the NC Dept. of Commerce.
4. This policy shall be used by itself for a project, rather than in combination with other incentives policies the City might adopt.
5. Any company located in the city limits of the City of High Point – which accepts financial incentives authorized by the High Point City Council – shall use a High Point address publicly and officially and refer to itself publicly and officially as a High Point business. In those areas of the City of High Point that do not have a High Point street address assigned by the US Postal Service, the use of a High Point-addressed post office box address shall meet the address requirement. This provision does not prevent the company from using its US Postal Service-assigned street address for deliveries and other site-specific uses.
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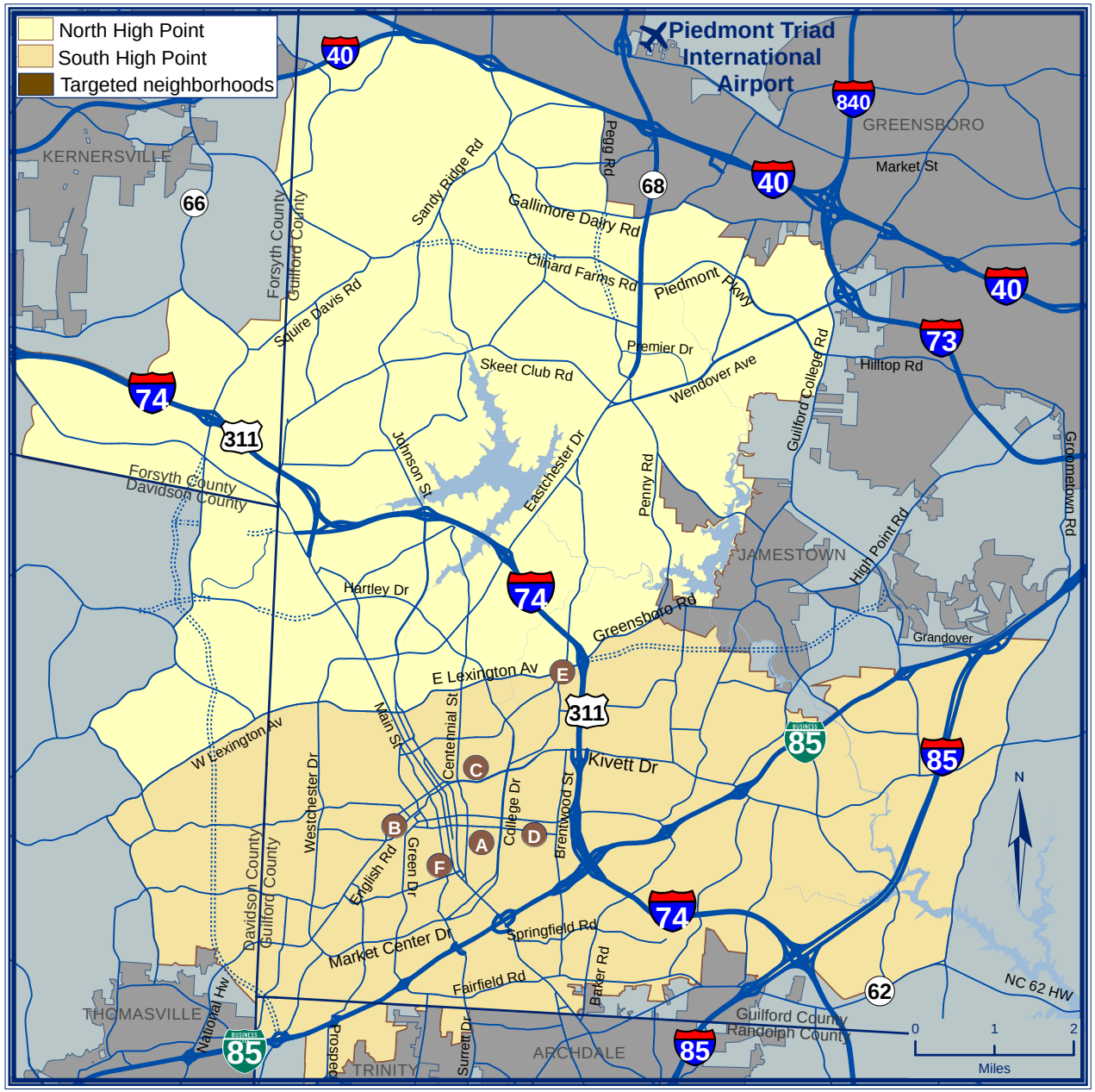
9. A company being eligible for financial incentives does not guarantee that it will receive the incentives: any such incentives are granted only after a public hearing before the High Point City Council and an affirmative vote in support.
10. At its discretion, the High Point City Council may grant incentives that vary from this policy.

City of High Point Incentives Map



March 2011

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HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY™

Targeted neighborhoods

- A Macedonia
- B West End
- C Washington Street
- D East Green Drive
- E Five Points
- F GTCC / S. Main Street

Prepared by
High Point Economic Development Corporation
P.O. Box 230, 211 S. Hamilton Street
High Point, NC 27261
www.highpointedc.com

CITY OF HIGH POINT
Targeted Downtown
INCENTIVES POLICY

2022

For additional information on this policy and other assistance that can be provided, contact the High Point Economic Development Corporation at hpedc@highpointnc.gov or 336-883-3116.

Section 1 Policy Adopted

The City of High Point adopts this Targeted Downtown Incentives Policy for the purposes and reasons stated below. This policy is in effect from the date of its adoption by the High Point City Council, for companies applying for consideration until June 30, 2023.

Section 2 Policy Statement

Section 2.1 Relationship with Other Economic Development Policies

The City of High Point has previously adopted job creation and capital investment policies for the recruitment and expansion of new and existing office, industrial, manufacturing, warehouse and logistics businesses for the purposes of expanding the city's tax base, generating tax revenue and increasing jobs. For a particular project, this Targeted Downtown Policy may be utilized in addition to the other economic development policies.

Section 2.2 Purpose and Background

The City of High Point wishes to increase employment opportunities and continue the redevelopment of the Downtown area. This Policy is adopted to lower the barriers for businesses leasing space to enter the downtown market by lowering entry costs and providing inducements.

Section 3 Targeted Downtown Districts

Section 3.1 Geographic Limitation

This policy applies to new construction or Major Renovation of real property for office, retail, restaurant, and similar commercial development and leasing development and leasing located in the Downtown Municipal Service District as it exists on the day of the adoption of this policy. The term Major Renovation shall mean a renovation of the real property which constitutes an increase in value in an amount at least 25 % greater than the Guilford County tax value of the real property and improvements prior to renovation.

Section 4 Types of Incentives

Section 4.1 Rent Assistance

Applicants may receive a cash grant to assist in payment of rents for up to four years.

- In Year 1, the cash grant could be up to 45% of market rate rents.
- In Year 2, the cash grant could be up to 35% of the previously determined market rate.
- In Year 3, the cash grant could be up to 25% of the previously determined market rate.
- In Year 4, the cash grant could be up to 15% of the previously determined market rate.
- The High Point Economic Development staff, after consulting with local real estate representatives, will determine the market rental rate.

Section 4.2 Job Creation

The City already has a separate job-creation incentives policy. For projects in this targeted district, the minimum number of jobs created shall be at least 10. The incentive amount per job could be up to $3,000/job.

Section 5 Application Process

Section 5.1 Intent

It is the city's intent that the application and decision-making process shall be simple, flexible and contain minimal steps.

Section 5.2 Conference with EDC staff

All applications shall be initiated through a meeting with the EDC staff who shall provide forms, as necessary, to assist in the transmittal of information from the applicant to the City Council.

Section 5.3 Presentation to the City Council

The application shall be presented to City Council as soon as practical and consistent with all applicable laws regarding notice and open meetings. The High Point Economic Development staff will recommend to the City Council the proposed dollars amounts that any project in this targeted area may qualify for under this and other City economic development incentives policies.

Section 6 Source of Incentive Funds

Section 6.1 Funding Sources

In its discretion, the city may elect to fund incentives from its general fund, electric fund or any other source allowed by law.

Section 7 Process

Section 7.1 Payment Process

The city manager or his designee shall develop a system and publish guidelines for incentive payments that requires proof of expenditures described in the application.

Section 7.2 Performance Agreement

Applicants receiving funds shall enter into a Performance Agreement with the city that includes reporting requirements and performance benchmarks.

Section 7.3 Coordination with Other Policies

This policy may, at City Council's discretion, be used by itself for a project or in combination with other incentives policies the City has.

Section 7.4 Eligibility and Council Approval

A company being eligible for financial incentives does not guarantee that it will receive the incentives: any such incentives are granted only after a public hearing before the High Point City Council and an affirmative vote in support.

Downtown Municipal Service District

(bounded generally by Hamilton Street to the east;
Ray Avenue, North Elm and Westwood Avenue to the north,
Lindsay Street and Oak Street to the west;
and Green Drive to the south)