Chatham County, NC

Legislation Details (With Text)

File #:	19-3007 **Version:** 1		
Type:	Contract	**Status:**	Passed
File created:	3/7/2019	**In control:**	Economic Development
On agenda:	3/18/2019	**Final action:**	3/18/2019
Title:	Vote on a request to approve the incentive agreement with EG-Gilero and authorize the County Manager to execute the agreement.		
Sponsors:			
Indexes:	Comp Plan Goal 3: Promote a compact growth pattern by developing in and near existing towns, communities, and in designated, well planned, walkable, mixed use centers., Comp Plan Goal 4: Diversify the tax base and generate more high-quality, in-county jobs to reduce dependence on residential property taxes, create economic opportunity and reduce out-commuting.		
Code sections:			
Attachments:	1. Signed by Gilero - Chatham County Incentive Agreement		

Date	Ver.	Action By	Action	Result
3/18/2019	1	Board of Commissioners	approved	Pass

Vote on a request to approve the incentive agreement with EG-Gilero and authorize the County Manager to execute the agreement.

Action Requested: Vote on a request to approve the incentive agreement with EG-Gileo and authorize the County Manager to execute the agreement.

Introduction & Background: EG-Gilero closed on a property at 158 Credle Street in Pittsboro, an industrial building that has been vacant for 5+ years. EG-Gilero plans to renovate, upgrade and open the facility as a medical device manufacturing facility. The company is proposing to invest $3.9 million in the property and machinery and equipment. The company plans to hire 60 employees with an average wage above Chatham County's current average wage.

Discussion & Analysis: NC GS 158-7.1 permits Chatham County to appropriate and expend County funds for economic development purposes. Following the guidelines of the Chatham County economic development incentive policy (adopted by the Chatham County Board of Commissioners on February 1, 2010), the proposed project meets the qualifications for a Level 1 incentive.

How does this relate to the Comprehensive Plan: This promotes development in an existing town and diversifies the tax base and generates new jobs for residents.

Budgetary Impact: The net budgetary impact would be positive due to the incentive grant representing only a portion of the taxes to be paid. There will be a positive impact on the property tax value with new investment.

Recommendation: The recommended incentive is Level 1, outlined below. This level of financial incentive would provide a grant equal to the percentage of annual property taxes paid each year for a five-year period. Taxes must be paid and other performance requirements met before the incentive grant can be release.

Year 1 - 70%
Year 2 - 60%
Year 3 - 50%
Year 4 - 40%
Year 5 - 30%