

CHAPEL HILL

ECONOMIC DEVELOPMENT INCENTIVES GUIDELINES

CHAPEL HILL, NC

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Vision Statement



Economic Development Strategy

Vision Statement



MISSION: Support opportunities to put Chapel Hill's people to work, and create economic prosperity for all, now and in the future.

TARGETS: Output of UNC Life Sciences, Applied Sciences, Technology and startup businesses



Economic Development Strategy

▶ CHAPEL HILL



**Facilitating
Zoning
Compliance
and
Inspection
permits**



**Marketing to
change
regional
perspectives**



**Marketing
to Brokers
and
Developers**



**Marketing
to
residents**



**Telling our
story to
the nation**



**Facilitating
development
interests**



**Facilitating
Community
interest of
Town
properties**



**Sponsoring
regional
events**



**Marketing
available
properties**



**Meeting with
entrepreneurs
and small
businesses**



**Business
retention
events**



**Meeting
with site
selection
consultants
and
businesses**



**Responding
to request for
information**



**Social
media
marketing**

Chapel Hill Economic Development Initiatives

Some of what we do...

The consideration of Incentives comes after discussion and evaluation, not as an initial conversation.

All Incentives are/will be structured as performance agreements.

Any considered Incentives, even with Incentive Guidelines, require the approval of Council

Proposed
Incentive
Guidelines

Goals:

- ➔ Create quality jobs
- ➔ Strengthen the economy and build community prosperity
- ➔ Sustain a high quality of life
- ➔ Promote stewardship of the Community's resources
- ➔ Maintain and develop affordable, quality housing opportunities
- ➔ Promote comprehensive opportunities for education, skills development and lifelong learning

Proposed Incentive Guidelines

Town goals

Targets:

Chapel Hill has targeted these types of businesses:

- ➔ Research and development,
- ➔ Applied Sciences,
- ➔ Technology, and
- ➔ Start-ups / entrepreneurial activities

Proposed Incentive Guidelines

Town considering targets
and framework

We continue to have conversations with Orange County to consider incentive participation on a case-by-case basis.

These proposed guidelines were presented to the Council Committee November 2017 and February 2018 as Town Guidelines.

Proposed Incentive Guidelines

Four types of Incentives:

1. Development ,
2. New Capital Investment,
3. Job Creation, and/or
4. Location, Retention or Expansion of targeted businesses

Proposed
Incentive
Guidelines

Development Incentives:

Development Incentives are about creating spaces to host businesses in the future. They also may be incented based on tax base impact while preserving a revenue stream for local governments. [Preservation of 50% of new tax base created.]

Proposed Incentive Guidelines

Incentives

Job Creation and Investment Incentives:

- ➔ Minimum of \$2.5 million capital investment
- ➔ New or expanding businesses
- ➔ Jobs – minimum of 20 net new local jobs
- ➔ Incentive base on total number of jobs:

\$3,000 per job	100
\$2,000 per job	75
\$1,000 per job	50
\$ 750 per job	20

Proposed Incentive Guidelines

Job Creation

Job Creation and Investment Incentives:

(1) New Business — A minimum of 20 net new local jobs within 36 months

(2) Existing Business Expansion — A minimum of 20 net new local jobs created or retained within 36 months, plus retention of currently existing jobs.*

* New jobs must be retained for a minimum of 2 years beyond the incentive period

Proposed Incentive Guidelines

Job creation and
Investment

Location, retention or expansion of targeted businesses:

Location, retention, or expansion of targeted office users including but not limited to technology-based businesses, advanced manufacturing or start-up business. (Type of business, number of employees, square feet occupancy may all be used to determine eligibility of this category.)

Proposed Incentive Guidelines

The goal of the Incentives Guidelines is to be able to compete for companies and jobs when needed.

It is not the first tool called upon, but rather on a “*If, but for*” to create the best economic development possible.

Proposed Incentive Guidelines

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QUESTIONS?

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