



Chatham County Incentive Policy

Dianne Reid
President, Chatham Economic
Development Corporation

August 15, 2014



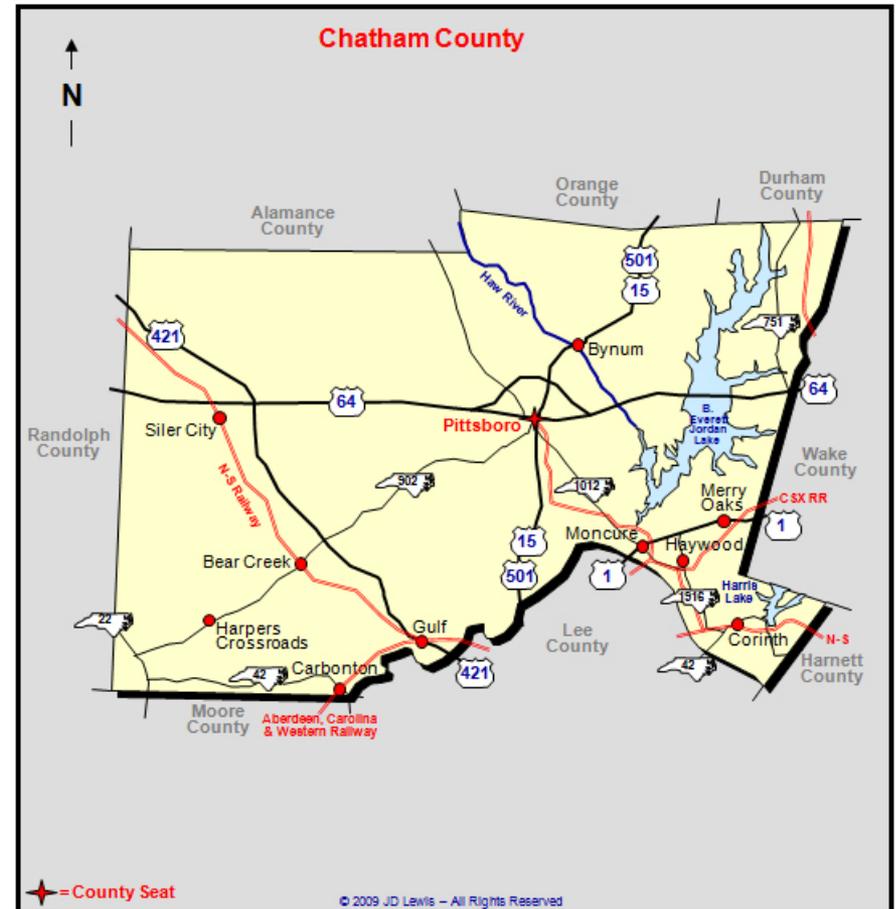
AGENDA

- Chatham County and the Need for Economic Development
 - Strategic Planning Effort
 - Incentive Policy
-



CHATHAM COUNTY PROFILE

- **Square Miles:** 709
(#20 largest of 100)
- **Population:** 63,564
(#40 largest of 100)
- **Workforce:** 34,168
(#66 largest of 100)
- **Number of Jobs:** 15,140
(#85 in jobs to workforce ratio)
- **Unemployment:** 4.5%
(June 2014)
- **Average Weekly Wage:** \$625
(State average \$710)





CHATHAM COUNTY INDUSTRIES

- **Agriculture**

- 1,100 farms, largely livestock & poultry
- Generate ~\$164M annual sales per year

- **Manufacturing**

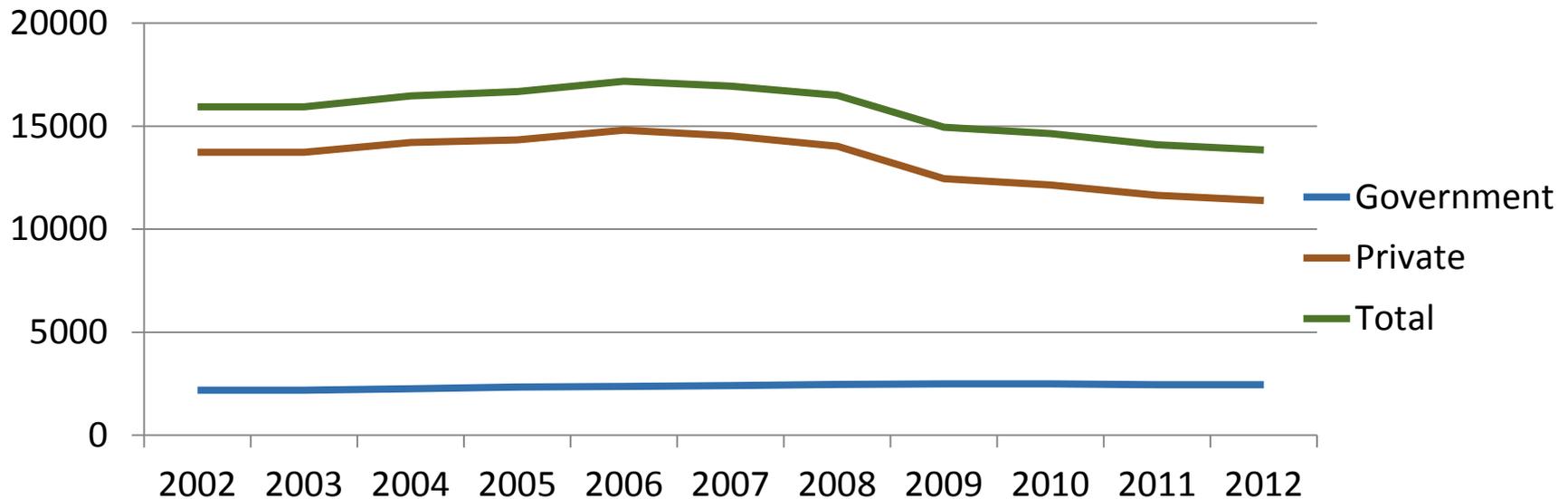
- Food manufacturing, wood products
- Declining base with loss of poultry plant

- **Other:** Wholesale, Retail, Construction, Real Estate, Health Care, Professional & Technical Services, Social Assistance



CHATHAM COUNTY PRIVATE SECTOR JOBS DECLINE

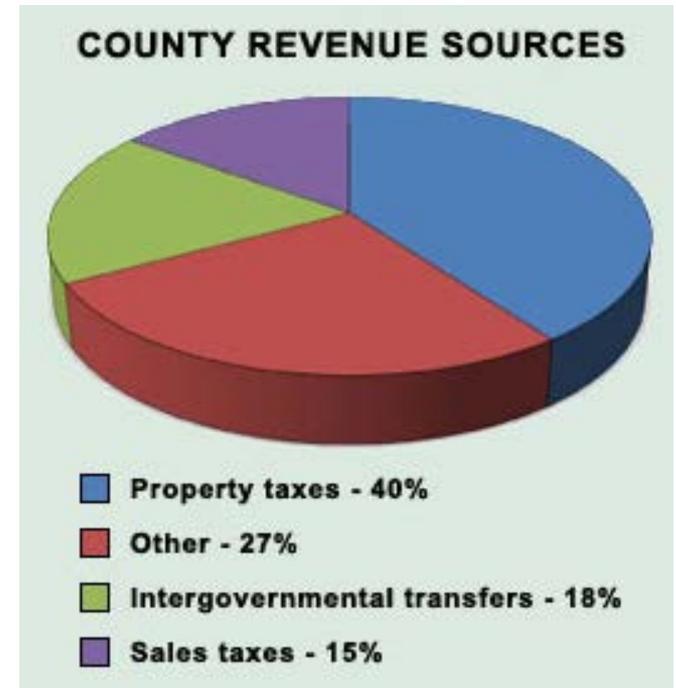
- Manufacturing = 34% of Chatham jobs in 2005
- Manufacturing jobs decline > new jobs added since 2005:





CHATHAM COUNTY IMPACT AS A BEDROOM COMMUNITY

- 55% of resident labor force commutes out of the County. Average commute is 26 minutes
- **\$0.64** of every consumer dollar is spent outside Chatham County
- **Estimated loss in Chatham sales tax revenue = \$9.2M**





CHATHAM COUNTY TAX BASE

Residential	\$6.5 Billion	77.13%	} ~91%
Present-Use	\$1.2 Billion	13.92%	
Commercial	\$0.6 Billion	7.49%	} ~9%
Industrial	\$0.1 Billion	1.46%	
Other	<u>\$0.0 Billion</u>	0.00%	
	<u>\$8.4 Billion</u>	100.00%	



COST OF COMMUNITY SERVICES STUDY (2007)

Residential	\$1 : \$1.14
Commercial	\$1 : \$0.33
Farmland	\$1 : \$0.58



STRATEGIC PLAN, 2007-08

Chatham County's strategic location between the Triad and Research Triangle regions positions it as the preferred location for emerging-growth companies. However, the County's historic ad hoc economic development and planning approaches have limited its ability to capitalize on this geographic advantage.

The plan, developed after extensive public outreach, provides the County with a policy-driven approach to economic development built on three focus areas: attraction, retention, and entrepreneurship.



STRATEGIC PLAN, 2007-08

Attraction

Target established businesses located outside the county and encourage them to move into Chatham

Retention and Expansion

Support established businesses within Chatham County, to maintain existing jobs and help firms grow

Entrepreneurship

Help small businesses locate resources and support, including technical and marketing assistance and financing sources



REVISED INCENTIVE POLICY

Old policy looked only at jobs and investment and was only applicable to new businesses

New policy open to new and expanding businesses and includes 7 factors:

- * Number of jobs
 - * Wages
 - * Local residents hired
 - * Industry cluster/business type
 - * Quality of jobs
 - * Investment
 - * Environmental impact
-



REVISED INCENTIVE POLICY

<u>Number of Jobs</u>			<u>Points</u>
New	Retained	Total	
		10-20	2
		21-50	5
		51-75	7
		76-100	9
		101-150	12
		151-200	15
		201+	20
Total Possible Points			20



REVISED INCENTIVE POLICY

<u>Quality of Jobs</u>	<u>Points</u>
Partial employer paid health insurance	1
Entire employer paid health insurance	3
Retirement benefits	2
Profit sharing	2
Employer paid vacation	2
Employee-owned company	3
Total Possible Points	10



REVISED INCENTIVE POLICY

<u>Wage Level of Jobs</u>	<u>Points</u>
Less than county average	0
County average	1
> County average but < state average	4
State average	8
Above state average	10
Total Possible Points	10



REVISED INCENTIVE POLICY

<u>Number of Co. Residents Hired</u>	<u>Points</u>
10-20	1
21-50	3
51-75	5
76-100	7
101-200	9
201+	10
Total Possible Points	10



REVISED INCENTIVE POLICY

<u>Capital Investment</u>	<u>Points</u>
Under \$500,000	1
\$500,000-\$4,999,999	5
\$5,000,000-14,999,999	10
\$15,000,000-24,999,999	15
\$25,000,000 and above	20
Total Possible Points	20



REVISED INCENTIVE POLICY

<u>Environmental Impact</u>	<u>Points</u>
Reuse of existing building	4
Location in downtown area	3
Location in existing industrial area	3
Location in Central Carolina Business Campus	5
Location in LEED certified building	4
Other sustainable features (recycling, water reuse, etc.)	4
Total Possible Points	15



REVISED INCENTIVE POLICY

<u>Industry Cluster/Business Type</u>	<u>Points</u>
In identified attraction cluster	6
In identified retention cluster	3
Company headquarters	6
Verified supply-chain/sourcing relationship with co. business	3
Total Possible Points	15



REVISED INCENTIVE POLICY

<u>Category</u>	<u>Points Possible</u>
Jobs (Number, Quality, Wages, Residency)	50 points
Capital Investment	20 points
Environmental Impact	15 points
Industry Cluster/Business Type	15 points



REVISED INCENTIVE POLICY

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%	75%
5	30%	35%	40%	50%	60%
Minimum Score	50	60	70	80	90



CONTACT INFORMATION

CHATHAM EDC
ECONOMIC DEVELOPMENT CORPORATION

P.O. Box 1627
964 East St.
Pittsboro, NC 27312
919.542.8274
info@chathamedc.org

GET THE NEWSLETTER

SIGN UP

CONNECT WITH US

www.chathamedc.org

**Sign up for our newsletter
and stay in touch with
social media**

Dianne Reid
President, Chatham Economic
Development Corporation
dreid@chathamedc.org
919-542-8274
