



### Chatham County Incentive Policy

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### AGENDA

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

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### 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)



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### 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

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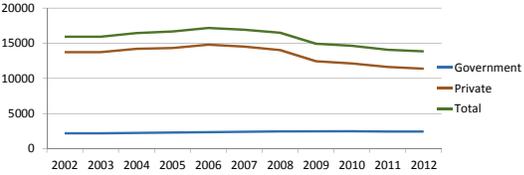
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### CHATHAM COUNTY PRIVATE SECTOR JOBS DECLINE

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



Year	Government	Private	Total
2002	2,500	12,000	14,500
2003	2,500	13,000	15,500
2004	2,500	14,000	16,500
2005	2,500	15,000	17,500
2006	2,500	14,000	16,500
2007	2,500	13,000	15,500
2008	2,500	12,000	14,500
2009	2,500	11,000	13,500
2010	2,500	10,500	13,000
2011	2,500	10,000	12,500
2012	2,500	9,500	12,000

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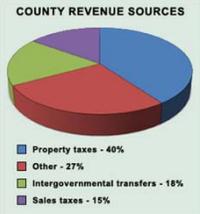
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### CHATHAM COUNTY IMPACT AS A BEDROOM COMMUNITY

- 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



Source	Percentage
Property taxes	40%
Other	27%
Intergovernmental transfers	18%
Sales taxes	15%

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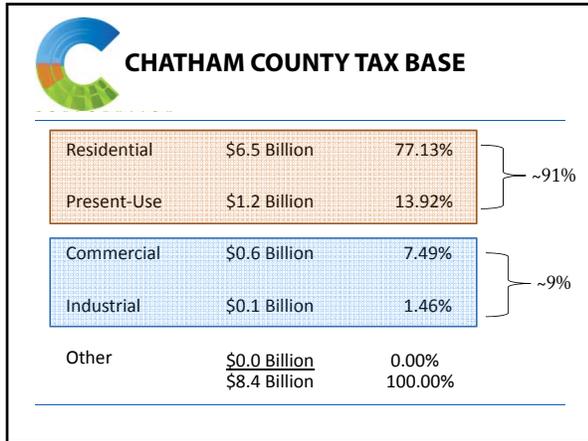
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COST OF COMMUNITY SERVICES STUDY (2007)	
Residential	\$1 : \$1.14
Commercial	\$1 : \$0.33
Farmland	\$1 : \$0.58

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**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.

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**STRATEGIC PLAN, 2007-08**

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**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

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**REVISED INCENTIVE POLICY**

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

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**REVISED INCENTIVE POLICY**

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

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**REVISED INCENTIVE POLICY**

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<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
<b>Total Possible Points</b>	<b>10</b>

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**REVISED INCENTIVE POLICY**

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<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
<b>Total Possible Points</b>	<b>10</b>

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**REVISED INCENTIVE POLICY**

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<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
<b>Total Possible Points</b>	<b>10</b>

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### REVISED INCENTIVE POLICY

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<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
<b>Total Possible Points</b>	<b>20</b>

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### REVISED INCENTIVE POLICY

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<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
<b>Total Possible Points</b>	<b>15</b>

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### REVISED INCENTIVE POLICY

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<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
<b>Total Possible Points</b>	<b>15</b>

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## REVISED INCENTIVE POLICY

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

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## REVISED INCENTIVE POLICY

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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

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## CONTACT INFORMATION

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