

Chapter 3: Community and Economic Development

ARTICLE I

Use of Incentives for Industrial Development

(Adopted September 7, 2000)

Section 1.0

Purpose

The animating purpose of the Economic Development Incentive Policy and Procedure shall be to enhance the ability of Isle of Wight County to foster and stimulate economic development in the County by inducing new businesses to locate in the County, and existing businesses to remain in the County or to expand their operations. All uses of incentive funds shall be in keeping with this Policy and Procedures and may inure only incidentally to the benefit of private interests.

Section 1.1

Criteria for Incentive Funds

The Director of Economic Development, acting on behalf of the Authority, shall determine for recommendation to the Isle of Wight County Board of Supervisors and the Industrial Development Authority of Isle of Wight County the need to provide incentive funds to a specific business. Such determination shall be made based on the following criteria:

a. For a business that is statistically classified by the Office of Management and Budget as being engaged in one or more activities covered by the following list of Standard Industrial Classifications (SIC);

Agriculture, forestry and fishing (011-0971).

Construction (1521-1799).

Manufacturing (2011-4013).

Transportation, communications, electric, gas and sanitary services (4011-4971).

Wholesale trade (5012-5199).

The net amount of direct tax revenues returned to the County by the business to which incentive funds are provided will exceed the amount of incentive funds so provided no later than thirty-six (36) months from the date on which the business commences operations at a new or renovated facility; and

1. For every one dollar (\$1.00) in incentive funds provided, the business to which such funds are provided will spend twenty dollars (\$20.00) or more in new capital investment including real estate, buildings, machinery and tools, and furniture and fixtures; and/or

2. Every one thousand dollars (\$1,000.00) in incentive funds will yield at least one (1) new "full-time equivalent" employment opportunity in the business to which such funds are provided.

b. For a business that is statistically classified by the Office of Management and Budget as being engaged in one or more activities covered by the following list of Standard Industrial Classifications (SIC);

Communications Equipment Manufacturing (3661, 3663, 3669)

Product Assembly and Testing (357, 361, 362, 3695, 381, 382, 384)

Engineering, Research and Management Services (8711, 8731, 8741, 8742)

Production Machinery and Equipment (3531-3537, 3561-3569, 3592-3594, 3596, 3599)

Wholesale Packaging and Distribution (5113, 5136, 5141, 5142, 5172, 5180, 5192)

The net amount of direct tax revenues returned to the County by the business to which incentive funds are

provided will exceed the amount of incentive funds so provided no later than sixty (60) months from the date on which the business commences operations at a new or renovated facility; and

1. For every one dollar (\$1.00) in incentive funds provided, the business to which such funds are provided will spend twenty dollars (\$20.00) or more in new capital investment including real estate, buildings, machinery and tools, and furniture and fixtures; and/or

2. Every one thousand dollars (\$1,000.00) in incentive funds will yield at least one (1) new "full-time equivalent" employment opportunity in the business to which such funds are provided.

c. For a business that pays an average annual wage in excess of the average annual wage in Isle of Wight County (\$32,386 in 1998) and creates a base of at least twenty-five (25) new "full-time equivalent" employment opportunities;

1. Every five thousand dollars (\$5,000) in incentive funds will yield at least one (1) new "full-time equivalent" employment opportunity above the base of twenty-five (25) when the average annual wage (exclusive of the five (5) highest and five (5) lowest salaries) exceeds 150% of the County average; or

2. Every ten thousand dollars (\$10,000) in incentive funds will yield at least one (1) new "full-time equivalent" employment opportunity above the base of twenty-five (25) when the average annual wage (exclusive of the five (5) highest and five (5) lowest salaries) exceeds 200% of the County average; or

3. Every twenty thousand dollars (\$20,000) in incentive funds will yield at least one (1) new "full-time equivalent" employment opportunity above the base of twenty-five (25) when the average annual wage (exclusive of the five (5) highest and five (5) lowest salaries) exceeds 250% of the County average.

Section 1.2

Communication

The Director of Economic Development, acting on behalf of the Authority, shall be empowered to communicate the provisions of this policy to a specific business that meets all the criteria contained in this policy and procedure during negotiations with the business and prior to consultation with the Board of Supervisors. The Board of Supervisors shall be apprised of all formal communications of this policy to an eligible business.

If the Director of Economic Development, acting on behalf of the Authority, determines the need to provide incentive funds to a specific business, but the criteria set forth in Section 1.1 have not been met, the Director shall obtain specific approval from the Board of Supervisors, prior to its approval of the provision of incentive funds to such business and prior to any offer being communicated to the business that is not within the criteria set forth in Section 1.1.

Section 1.3

Findings

Based upon the recommendation of the Director of Economic Development, the Authority and the Board of Supervisors, shall either approve or disapprove the proposed provision of incentive funds to the business; provided, however, that prior to approval, the Authority must make the following findings:

a. That the animating purpose of the proposed provision of incentive funds to the business is to serve the public purpose of promoting economic development that results in economic growth having a significant, positive impact on the local tax base and quality of life, creating employment opportunities for citizens, increasing the tax base and diversifying the mix of industry located in the County, and that the expenditure of such funds will only incidentally inure to the benefit of private interests, if at all; and

b. That the proposed provision of incentive funds to the business is in furtherance of the purposes for which the Authority was created.

Section 1.4

Resolution of Approval

Approval by the Authority of the provision of incentive funds to a specific business shall be in the form of a resolution which shall include the following information:

- a.** The name, location, and nature of the business to which the funds will be provided;
- b.** The amount of the funds that will be provided;
- c.** The purpose or purposes for which the funds will be provided.
- d.** A statement that the criteria set forth in Section 1.1 of this Policy and Procedure have been met; or, in the alternative, that the Board of Supervisors has specifically approved the provision of incentive funds to the business pursuant to Section 1.2 and
- e.** A statement that the findings set forth in Section 1.3 of this policy and procedure have been made by the Authority.

Section 1.5

Submission of Documents

Once the provision of incentive funds to a business has been approved, the funds shall only be provided to the business upon the submission of documents as shall be required by the Authority and outlined in a performance contract negotiated between the Authority and the business that shall address, at a minimum, the following considerations:

- a.** The new capital investment including real estate, buildings, machinery and tools, and furniture and fixtures that will be made by the company; and
- b.** The number of new "full-time equivalent" positions that will be created by the company; and
- c.** A provision for the recapture of incentive funds if the stated investment and employment fail to materialize within five (5) years from the date of the funds having been provided to the business.