



Village of Pinehurst, North Carolina Economic Development Incentive Grant Guidelines

Purpose:

The Village of Pinehurst (the "Village") desires to attract and help grow businesses that will provide quality jobs to the residents of the Village of Pinehurst and improve the overall economic strength of the Village. To further these goals, the Village provides the following Economic Development Incentive Grant Guidelines to a business (the "Business") looking to relocate to or expand within the Village of Pinehurst corporate limits.

Required Criteria:

In selecting projects that receive an Economic Development Incentive Grant, the Pinehurst Village Council requires the following criteria be met, as detailed in a Performance Agreement to be executed by the Village and the Business:

1. Locate a new for profit business within the Village limits; or
2. Expand an existing for profit business within the Village limits; and
3. Create and maintain throughout the term of the contract, as defined below, a minimum of 10 net new full time jobs with employee benefits that meet the wage requirements:

Full-time employment: Full-time employment is a person working at least 35 hours a week, whose wages are subject to withholding and who is employed in a permanent position. Part-time, Full-time Equivalent (FTE) positions, or contract and consulting jobs are not eligible.

Employee benefits: The Business will provide at least 50% employer-paid health insurance premiums for all full-time positions.

Wage Requirements: The average wage of all new full-time workers employed during the taxable year must meet or exceed Moore County's average wage standard, as determined by the North Carolina Department of Commerce annually.

4. Agree to a minimum investment amount; and
5. Agree to clawback provisions; and
6. The Business must not have received any significant environmental violations with the North Carolina Department of Environmental and Natural Resources within the prior five years; and
7. The project will not have a negative environmental impact within the Village; and

8. The Business must not have received any “willful” or “failure to abate” serious OSHA violations within the prior three years; and
9. The Business must not have any overdue taxes; and
10. The Business must agree to maintain operations at the project site for at least 150% of the term of the grant; if the business fails to remain at the site for the required term, a clawback provision will recapture all or part of the Economic Development Incentive Grant funds; and
11. The full-time jobs created must be maintained throughout the duration of the contract term; and
12. Agree to additional criteria as may be determined by the Village and identified in the Performance Agreement.

Incentive Grant Award Process:

If a project meets the required criteria, the Village will consider providing an Economic Development Incentive Grant in the amount of the percentage of the prior year’s ad valorem taxes paid to the Village. The Business must pay all ad valorem taxes for the prior year and provide the Village with documentation of payment before the Village will provide the Economic Development Incentive Grant payment.

Economic Development Incentive Grant payments are made as follows:

For projects in an amount less than Three Million Dollars (\$3,000,000):

Year 1	80% of Village taxes paid
Year 2	70% of Village taxes paid
Year 3	60% of Village taxes paid
Year 4	50% of Village taxes paid
Year 5	40% of Village taxes paid

For projects in the amount of Three Million Dollars (\$3,000,000) or greater:

Year 1	90% of Village taxes paid
Year 2	80% of Village taxes paid
Year 3	70% of Village taxes paid
Year 4	60% of Village taxes paid
Year 5	50% of Village taxes paid
Year 6	40% of Village taxes paid
Year 7	30% of Village taxes paid

Prior to the payment of any Economic Development Incentive Grant, the Village and the Business will execute a Performance Agreement that identifies the terms, conditions, and requirements of the grant.

Clawback Provisions:

If at any point during the Economic Development Incentive Grant the project fails to meet the required criteria, the Village will withhold all future Economic Development Incentive Grant payments and may require the repayment of all previous payments made to the Business.

The Village, in deciding whether or not to immediately enforce a clawback provision(s), may accept reasonable assurances from the Business that a specific year's failure to meet the required criteria will not be repeated in subsequent years. If the Village accepts such reasonable assurances, the Village will withhold that year's Economic Development Incentive Grant payment. If at the end of the subsequent year the required criteria are met, the Economic Development Incentive Grant payments will resume. However, if the required criteria are not met, all future Economic Development Incentive Grant payments will be withheld and the Village may require the repayment of all previous Economic Development Incentive Grant payments made to the Business.

Application Process and Timeline:

Businesses interested in applying for the Economic Development Incentive Grant must complete and submit an application to the Village Manager's Office. Any Economic Development Incentive Grant must be approved by the Village Council. Upon Council approval of the grant, the Village and the Business will execute a Performance Agreement.

Disclaimer:

These guidelines in no way limits the authority and discretion of the Village of Pinehurst Council to require different criteria or to offer different or additional economic development incentives.