**OVERVIEW**

Washington County believes it is in the best interest of the county to provide economic development incentives that stimulate new and expanding businesses. The County is committed to broadening its tax base by diversifying its land uses. This will allow industries to create new jobs and investment in the county. As the community experiences accelerated growth, the County expects to recruit quality, high-end services and amenities that benefit the residents, businesses, and visitors of Washington County.

The consideration and size of any assistance will be based on several factors. These include the location and size of the site, the amount of capital investment in the project, and the number of new jobs created. The Town reserves the right to offer funding assistance in the form of a statutory development agreement and in accordance with Urban Redevelopment Laws.

Soft costs associated with projects (legal, engineering/architect, administrative fees) do not qualify for assistance.

**ELIGIBLE APPLICANTS**

Eligible Applicants must be private, for-profit businesses located within Washington County and within the targeted industry groups (1). The business must be able to demonstrate a net increase in real property values will be achieved because of the project. The applicant must be the owner of record of real property and/or the business fixtures and equipment.

A business seeking incentive assistance must complete an application, and if approved, enter into a performance contract Incentive Agreement or Development Agreement with the County, fulfill all annual benchmarks/milestone requirements of the contract and be current on all tax and utility liabilities owed to the County and other government entities. The applicant must demonstrate within

their application that without receiving incentive assistance, the Applicant would not make the investment within Washington County. Projects already underway or completed at the time of

application does not qualify for Town incentive assistance.

Incentive assistance may be used for economic development initiatives intended to create or

retain jobs that increase business activity within the County. Applicants with a

project located outside of the County limits may not apply for funding.

**FORMS OF FUNDING**

Washington County reserves the right to consider all forms of economic development assistance and/or

appropriations as determined and authorized by G.S. 158-7.1. The County may also consider property tax reductions for qualifying improvements made to properties that are designated in a special class of property under state law. This plan does not include any exemptions of any kind.

**ELIGIBLE FUNDING USES AND EXPENSES**

County funding assistance may be used to acquire or reduce the cost of real property and/or

improvements; create or improve public infrastructure such as sidewalks, roads, water/sewer utility lines; acquire or upgrade existing machinery and equipment. The County investment in public roadways and infrastructure will be publicly owned.

All eligible projects must produce a net public benefit to the community. Applicants must demonstrate their project will produce a substantial number of jobs, increase the County tax base, and diversify the local economy by creating significant economic impact to the local community.

1. **Industry-Specific Incentives:**

**Targeted Industry Recruitment:** Incentives tailored to attract businesses in specific industries identified as priorities for economic development.

Recruitment of New Manufacturing Facilities

Expansion of Existing Manufacturing Facilities

Creation of a New Industrial Park

Commercial/Retail Development Infrastructure Investment

Downtown Rehabilitation/Renovation Development

**Tax Incentives:**

* + **Property Tax Rebate:** Local government may offer temporary reductions on property taxes for qualifying businesses or projects. Must include a capital investment by potential company.
	+ **Job Development Investment Grants (JDIG):** Performance-based incentive that provides a cash incentive (percentage of property tax) to be reclaimed by new and expanding businesses based on the number of jobs created.

Number of Jobs Created

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| New or Expansion Amount | 5-9 | 10-14 | 15-24 | 25-49 | 50-74 | 75+ |
| $200,000 - $299,000 | 10% | 15% | 20% | 25% | 30% | 35% |
| $300,000 - $499,000 | 15% | 20% | 25% | 30% | 35% | 40% |
| $500,000 - $2,999,999 | 20% | 25% | 30% | 35% | 40% | 45% |
| $3 Million - $10 Million | 25% | 30% | 35% | 40% | 45% | 50% |
| > $10 Million | 30% | 35% | 40% | 45% | 50% | 55% |

New or expanding businesses and industries may qualify to receive a financial incentive grant based upon the actual value, schedule, and payment of local property taxes for up to five consecutive tax years. Each project will be evaluated to assess the quality and quantity of jobs created.

\*Contingency\*

The County reserves the right to withhold the financial incentive package if, after evaluation, the application is not in the best interest of the county. The county will require the business or industry to "pay in full" the annual total property taxes due. If the business or industry has met specific criteria as outlined in a formal agreement, a portion of the property taxes paid by the business or industry to the county each year for up to five consecutive years would be returned to the business each year in the form of a local economic development incentive grant.

1. **Utility Rate Discounts:**
	* **Utility Rate Incentives:** Reduced rates for water, electricity, or other utilities for qualifying businesses at 20% discount per utility for the first year of operation.
2. **Infrastructure Tax Incentives:**
	* **Infrastructure Development Grants:** Grants are provided to support the development or improvement of infrastructure, such as roads, utilities, and other facilities necessary for business operations.
3. **Training Assistance:**
	* **Customized Training Programs:** Provide space for training programs. Assistance with the development and implementation of training programs for new and existing employees.
	* **Employee Recruitment:** Assistance with hiring and qualifying new workers. Pre-employment services, facility use for job fair(s) and on-site hiring events, connections to employee training.
4. **Local Regulatory Flexibility:**
	* **“Red Tape” Reduction:** Clarifying and streamlining rules to ease the burden of local government regulations on new business.
	* **Expedited Permitting:** Streamlined permitting processes to accelerate the development timeline for qualifying projects.
5. **Area-Specific Incentives:**
	* **Enterprise Zone Programs:** Companies planning to operate in areas designated with minimal economic activity may be eligible for special incentives, including tax credits and other benefits to encourage area development.
6. **Small business and Entrepreneurs**

**Existing Small Business Owners:**

Must have a registered business in Washington County for at least one year.

Employ fewer than 50 employees.

Demonstrate the need for financial assistance to expand operations, improve infrastructure, or hire additional staff.

**Potential Entrepreneurs:**

Must be residents of Washington County.

Present a viable business plan with clear objectives, market analysis, and financial projections.

Demonstrate the potential for job creation and economic impact within the county.

**Financial Assistance:**

* **Grants:** Up to $5,000 for existing small businesses to cover costs related to expansion, infrastructure improvements, equipment purchases, and marketing.
* **Low-Interest Loans:** Up to $10,000 for entrepreneurs to start new businesses. Loans will have a fixed interest rate of 3% with flexible repayment terms up to 3 years.
* **Micro-Grants:** Up to $2,000 for specific needs such as workforce training, certification, or small-scale renovations for both existing businesses and new startups.

**Support Services:**

* **Business Development Workshops:** Free workshops on business planning, financial management, marketing strategies, and digital transformation.
* **Mentorship Program:** Pairing small business owners and entrepreneurs with experienced business mentors for guidance and support.
* **Networking Events:** Regular events to connect small business owners and entrepreneurs with local business leaders, investors, and service providers.

**Technical Assistance:**

* **One-on-One Consulting:** Access to business consultants for personalized advice on business growth, financial planning, and operational efficiency.
* **Resource Center:** Access to a centralized resource center providing information on permits, licenses, grants, and other business-related resources.

**Marketing and Promotion:**

* **Local Business Directory:** Inclusion in a county-wide business directory distributed to residents and visitors.
* **Promotion Campaigns:** County-sponsored marketing campaigns highlighting local small businesses and success stories to boost visibility and customer base.

\*Eligible applicants will be invited to submit a full application, including a detailed business plan, financial statements (for existing businesses), and a proposal outlining the intended use of funds.