



City of Kings Mountain, North Carolina

OFFICIAL POLICY # 2023-01

Dated: May 30, 2023

POLICY TITLE: The Granting of Economic Development Financial Incentives

POLICY:

Preamble: The City of Kings Mountain is strongly committed to supporting and maintaining a vibrant, sustainable local and regional economy where our citizens have ready access to high-quality, well-paying, and life affirming employment. As a reflection of this commitment, we will consistently be proactive in efforts at retaining, expanding, and recruiting quality jobs and investment into our community. With a particular emphasis on recruiting and supporting advanced manufacturing, research and development, value-added processing, and arts, entertainment and cultural enrichment, we will be highly flexible, creative, responsive, and adaptive when it comes to meeting the specific and objectively quantified needs of business and industry looking to locate or expand in Kings Mountain.

“But For”: With this said, the City of Kings Mountain will also follow the long-established and responsible primary tenet of Economic Development Incentive Policy in that we shall only entertain and grant publicly-financed economic development financial Incentives when it can be clearly and quantifiably shown that, “but-for” the granting of such incentive by the City, the project and/or investment cannot or will not occur in the City; or, it cannot or will not occur in the manner and magnitude desired by the City and otherwise would not meet such desired circumstances.

Flexibility: Once the City engages in the competitive review and evaluation of an economic development retention, expansion, or recruitment project; and further determines that there exists a quantifiable need for a financial incentive that meets the so-called “but-for” test, then we want to maintain the earlier-described goals for creativity, responsiveness and adaptability in each negotiation we might pursue. To achieve this, we will maintain full and complete “flexibility”; that is, we don’t wish to have diminished, or strengthened our hand in negotiations by having first indicated any pre-established or pre-agreed-to thresholds or criteria for granting of incentives, nor do we wish to limit, in advance, our choice of specific tools or incentives available for use, or the limits to be placed on them. Instead, we will evaluate each and every situation on a case-by-case basis and will negotiate incentives that will look to achieve the highest possible return on investment (ROI) to the City; will structure same in the manner least burdensome to the City and its tax-payers and rate-payers; will seek to have the incentive awardee meet clear benchmarks for investment and/or jobs in exchange for the award; and, will contractually require “claw-backs” or incentive reductions or terminations in the event that the Awardee fails to meet the agreed-upon benchmarks.

Incentive Agreement: Since each possible economic development financial incentive will be the product of individual, case-by-case negotiation between possible awardees and City economic development staff, no actual incentive will be finalized or awarded unless and until all of the terms of the granting of the incentive are memorialized in a contractual document (“incentive Agreement”) agreed to by the parties and formally adopted by resolution of the Kings Mountain City Council.

Economic Development Tools and Incentives: The City of Kings Mountain maintains the right to utilize and pursue an exhaustive list of possible economic development tools and/or incentives so long as they meet the goals in this policy and remain in compliance with the ordinances, laws, and statutes of the City of Kings Mountain, the State of North Carolina, and the United States. The List of tools and/or approaches the City may employ could include, but not be limited to:

- The abatement, partial abatement, or deferral of property, sales, or occupancy taxes through the use of “payment-in-lieu-of-taxes” agreements.
- Tax increment financing, or synthetic or hybrid versions of tax increment financing.
- Outright grants.
- Loans with varying, discounted terms.
- The rebate of utility rates or fees.
- The waiver, exemption, deferral, or moratorium of or on certain fees or portions of fees.
- The public payment of or financing for elements of public infrastructure.
- The granting of credits against system development and/or tap fees in exchange for the construction and dedication of elements of system infrastructure.
- The transfer, sale or lease of public property at below-market rate, or without charge.
- Assistance from City staff and/or using City resources (in-kind”)
- Sponsorships.

Adopted this 30th day of May, 2023.

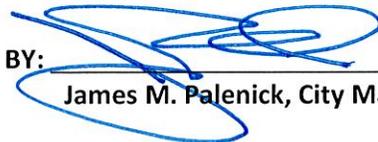
City of Kings Mountain, North Carolina

ATTEST:



Karen A. Tucker, City Clerk

BY:



James M. Palenick, City Manager