Guilford County Economic Development Policy

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Objectives

- **Review** the rationale for updating Guilford County's Economic Development Guidelines.
- **Provide** an overview of the review process and work completed to date.
- **Present** the proposed guideline revisions.
- **Discuss** implementation considerations and timeline.
- **Receive** Board guidance on proposed policy direction.

Benchmarking and Best Practices

Guiding Principles

Fiscal stewardship

- protect public resources and ensure responsible investment of taxpayer dollars.

Transparency and accountability

- develop a clear, consistent, and accountable incentive process.

Improve competitiveness

- remain attractive for high-quality jobs and private investment.

Return on public investment

- support projects that generate long-term economic and community benefits.

Quality jobs supporting community prosperity

- incentivize and retain jobs that improve prosperity for current and future Guilford County residents.

Strategic flexibility

- allow the Board to evaluate unique or transformational opportunities on their individual merits.

Input

- Consulting from UNC School of Government
- Consulting from NC Association of County Commissioners
- Input from economic development organizations
- Benchmarking
- Performance on existing and prior economic incentive grants

Key Themes:

- ☑ Simplify where possible
- ☑ Improve consistency
- ☑ Retain flexibility
- ☑ Strengthen accountability
- ☑ Conform with N.C.G.S.

Why Now? Policy alignment and growth

Our current guidelines no longer reflect today's economic development environment in Guilford County.

- Guidelines were last discussed in 2016.
- Guilford County's competitive position and project pipeline have changed.
- Project types, capital intensity, workforce needs, and global remote-work practices have evolved.
- Fiscal pressures make consistent evaluation and measurable public benefit increasingly important.
- Alignment with framework in the strategic plan for Livability.
- Administrative practices have outgrown portions of the written guidelines.

Community Partners

Brent Christensen, President and CEO of Greensboro Chamber of Commerce

Marvin Price, Executive Vice-President, Economic Development of Greensboro Chamber of Commerce

Peter Bishop, High Point Economic Development Director

Benchmarking

School of Government evaluated policies/guidelines and identified areas for evaluation.

Dr. Jonathan Morgan
Professor of Public Administration and Government
Jonathan Q. Morgan is a professor of public administration and government at the School of Government. He teaches, advises public officials, and conducts applied research on economic development. Morgan's research has focused on industry cluster-based development, the role of local government in economic development, business incentives, development impact analysis, and innovative, homegrown approaches to job creation. Morgan directs the School's Basic Economic Development Course, which is accredited by the International Economic Development Council (IEDC).

Policy Element	Guilford County	Peer County Norm
Performance-based grants	Yes	Universal (12/12)
Grant term (3-5 yrs)	3-4 years	3-5 years typical
Wage requirements	80%+ county avg	County avg to 125%
Health insurance	Required	Near-universal
Authorizing statute reference	Not referenced	Referenced by 6 counties
Both investment and job creation thresholds	Either/or	Both required (8/12)
'But for' test or competition	Not required	Required or considered in 5 counties
Clawback provisions	Not included	In 4 county guidelines
Distressed area bonus tier	No	Formal bonus in 2 counties
Industry targeting specificity	General sectors	More specific in 5 counties
Community benefit conditions	Encouraged	Required in Durham, Wake
Workforce development linkage	Not stated	Present in 4 counties; Greenville stands out
Encourage local hiring	No, not explicitly	Present in four counties
Development impact analysis, ROI	Not currently used	Not mentioned in reviewed policies
Scoring/weighting system	Not used	Formal 7-criteria system in Chatham

Key: ✓ Aligned △ Could Strengthen ✗ Gap Identified

Revisions to Guidelines

Pillars of Guidelines

Purpose –
increase tax base
and create jobs

Level of Incentives –
% of tax value created
and # of years

Targeted Industries -
Align with GSO & HP and
growth at GTCC

Targeted Industries

The revised regulation amends targeted industries to align with GCEDA

Aerospace
Art & design
Food & Beverage
Furniture manufacturing
Innovative manufacturing
Life Sciences
Specialized business services
Supply chain & logistics

Foundation

The revised regulation cleans up areas including:

- Cited N.C.G.S. § 158-7.1 as statutory basis for providing incentives
- Documents that incentives are for investment **and** job creation
- Documents the "**but for"** determination
- Documents that all incentives are subject to performance-based claw back provisions.

These provisions provide a c**lear public record of why assistance is justified and how County funds are protected.**

Adjustments to Job Creation Standards

The revised regulation amends:

- All qualifying new jobs pay **at least 100%** of Guilford County's average annual private-sector wage, as published by the N.C. Department of Commerce. This is an increase from 80% in the current standard.

- Created jobs must be located in Guilford County, clarifying that fully remote jobs would not count towards job creation requirements.

Project Tiers

The revised regulation creates clear categories, including for expansion projects:

Catalyst	$100M+ investment ***and*** 1,000+ jobs	Reserved for projects with transformational fiscal and employment impact
New Project	$7M+ investment ***and*** 25+ jobs	Projects meeting or exceeding one but not both (jobs/investment) could qualify for a reduced maximum grant.
Expansion	$3M+ new taxable investment and retention of existing Guilford County jobs	Supports reinvestment while protecting the existing employment base.

Clarifying Incentive Calculation

The revised regulations:

- Removes the assessed value formula calculation and creates tiers based on level of investment and the number of jobs created to align with current practice.

Additional Considerations

C-PACE Program

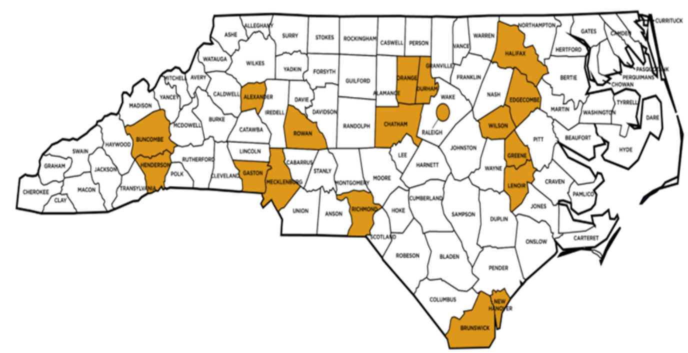
The NC C-PACE Program encourages the participation of a wide variety of capital providers that meet program requirements. Commercial Property Assessed Capital Expenditure Program

- Low-cost funding – a new, cost-effective way to help customers fund needed capital improvements or construct a new building.

- Assistance for contractors – a financing tool designed to help them sell more energy efficiency, renewable energy, water conservation, resilient, and stormwater management projects.

- Ease of use – a consistent legal structure, uniform program guidelines and standards, and a single point of contact through the EDPNC, the Program Administrator.

North Carolina C-PACE Program Participants



C-PACE Program - Adoption

1. Adopt a Resolution of Intent
2. Hold a Public Hearing
3. Adopt a final Resolution for Guilford County to join the C-PACE Program.
4. Municipalities within Guilford County may choose to adopt an adjoining resolution.

Following adoption, Guilford County staff would work with EDPNC and the NC Department of Commerce as well as our municipal partners to administer the program.

Board Feedback

Feedback

Questions or Feedback?

Next Steps

- Direct staff to bring forward a resolution of intent to support the C-PACE Resolution and direct staff to hold a public hearing before adopting a final resolution to join.
- September: consider approval of updated Guilford County Economic Incentive Grant Regulation.