



City of Gastonia

Economic Development - Investment Grant Program

Availability

The following investment grant program is available within the City of Gastonia exclusively.

Purpose

The Gaston County Board of Commissioners and the Mayor and City Council for the City of Gastonia have supported economic development for more than twenty years with an emphasis on tax base development, employer diversification and job creation. The City and County have recognized the need to provide programs and financial support to strengthen and diversify the City and County's economy. Tax base development is a key concern for overall fiscal health. It is essential not only to attract new investment but also to encourage existing businesses to expand and reinvest in their Gastonia operations. The Gastonia Investment Grant Program is intended to provide an inducement for new businesses to locate in the City of Gastonia and encourage existing businesses to expand.

Grant Program Guidelines

The program provides grants to companies investing within the City of Gastonia, initiated by an application with the City of Gastonia. The company must be current with all taxes and other payments required by Gaston County and the City of Gastonia and must pay their taxes in full each year based on the actual tax value of the property or investment. If the company meets all of the criteria in the application, a grant equivalent to a portion of the applicant's ad valorem property taxes will be awarded. The amount of the grant is based on a sliding scale.

Investment Grants will be based on the increased tax value of all real property, machinery, and improvements above the base year prior to investment. No grant will be given to a company such that the net effect, when factoring in the company's tax payment less the receipt of said grant, is that the company's tax payment for the year in which the grant is received is less than the company's tax payment for the previous tax year.

Purchases of any existing Gaston County facility or equipment will not qualify for the program. New construction and equipment not previously subject to Gaston County taxes is eligible. The City of Gastonia may modify or eliminate the program subject to meeting all existing and outstanding grant obligations in effect at the time. No company may transfer contracts for grant agreements within the City of Gastonia without explicit approval by the Gastonia City Council.

Definitions

For the purpose of this document, the following definitions shall apply.

Additional Benefit

- If the company is a City of Gastonia utility customer and the aggregate utility payments are at least \$1,000,000 in the grant year, the annual percentage reimbursement rate shall increase by 5 percentage points over percentages shown in this document.

Companies in the following North American Industry Classification System (NAICS) are eligible for the grants:

<u>Category of Business</u>	<u>NAICS Code</u>
Manufacturing	31-33
Warehousing	493
Data Processing	51821
Retail	44-45
Research & Development	5417
Office (as defined herein)	multiple

Industrial Grant 1

All investment in real property, new machinery and equipment over \$1,000,000 would be eligible for a grant equivalent to the following percentage of the City ad valorem property tax payment in the applicable grant year:

BASE GRANT
Year 1 – 90%
Year 2 – 80%
Year 3 – 70%
Year 4 – 60%
Year 5 – 50%

Industrial Grant 2

All investment in real property, new machinery and equipment over \$15,000,000 would be eligible for a grant equivalent to the following percentage of the City ad valorem property tax payment in the applicable grant year:

BASE GRANT
Year 1 – 90%
Year 2 – 80%
Year 3 – 70%
Year 4 - 60%
Year 5 - 50%
Year 6 – 40%
Year 7 – 30%
Year 8 – 20%
Year 9 – 10%

Industrial Grant 3

All investment in real property, new machinery and equipment over \$30,000,000 would be eligible for a grant equivalent to the following percentage of the City ad valorem property tax payment in the applicable grant year:

BASE GRANT
Year 1 – 90%
Year 2 – 85%
Year 3 – 80%
Year 4 - 75%
Year 5 - 70%
Year 6 – 65%
Year 7 – 60%
Year 8 – 55%
Year 9 – 50%
Year 10 – 45%

Industrial Grant 4

All investment in real property, new machinery and equipment over \$50,000,000 would be eligible for a grant equivalent to the following percentage of the City ad valorem property tax payment in the applicable grant year:

BASE GRANT
Year 1 – 85%
Year 2 – 85%
Year 3 – 85%
Year 4 - 85%
Year 5 - 85%
Year 6 – 70%
Year 7 – 70%
Year 8 – 70%
Year 9 – 70%
Year 10 – 70%

Retail Grant

Retail investments meeting the following criteria qualify for a grant. Said grant will be equivalent to the percentage of the City ad valorem property tax payment in the applicable grant year (percentages noted below).

- Investment of \$10,000,000 or more in real property, machinery and/or equipment.

BASE GRANT
Year 1 50%
Year 2 50%
Year 3 50%
Year 4 50%
Year 5 50%

Non-Medical, Professional, or General Office Grant

Incentive grants for investments of \$5,000,000 or more in real property and/or furniture, fixtures, and equipment must meet the following criteria. Said grant will be equivalent to the percentage of the City ad valorem property tax payment in the applicable grant year (percentages noted below).

- Must occur within City’s designated “Development Incentive Area”.

BASE GRANT	
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%

Incentive grants for investments of \$10,000,000 or more in real property and/or furniture, fixtures, and equipment must meet the following criteria. Said grant will be equivalent to the percentage of the City ad valorem property tax payment in the applicable grant year (percentages noted below).

- Must occur within City’s designated “Development Incentive Area”.

BASE GRANT	
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%
Year 6	50%
Year 7	50%

Pasour Mountain Tract Incentive Grant: Data Processing/Data Center, Research & Development, Manufacturing or Warehousing

Incentives for investments of \$100,000,000 or more in real property and/or furniture, fixtures, and equipment must meet the following criteria. Said grant will be equivalent to the percentage of the City ad valorem property tax payment in the applicable grant year (percentages noted below).

- Must occur exclusively within the City owned Pasour Mountain (685 acre) tract.

BASE GRANT
Year 1 – 90%
Year 2 – 90%
Year 3 – 90%
Year 4 - 90%
Year 5 - 90%
Year 6 – 80%
Year 7 – 80%
Year 8 – 80%
Year 9 – 80%
Year 10 – 80%