



Board of County Commissioners

2017 Topics of Interest

Economic Development

Mecklenburg Board of County Commissioners
March 28, 2017

Business Investment Program

Research the notion of reducing economic development grants, and instead, link incentives to the goals of the County and workforce development.

Two Approaches to Economic Development

- Economic Marketplace – Seek new job growth through new investment brought to community by outside corporations
- Economic Gardening – Foster the formation and growth of local businesses through support programs

Successful communities do both as an integrated system



Business Investment Program

Business Investment Program is main mechanism for economic development marketplace

- Active since 1998
- Approximately 60 grants awarded – average of about 3-4 year over life of program.

	BIPS	Total County job growth	BIP jobs	BIP share of job growth	BIP Taxable investment
2014		21,056	1,979	9.40%	\$116,200,000
2015		16,731	1,232	7.91%	\$221,100,000
2016		19,629	973	4.96%	\$100,800,000
Total		57,416	4,275	7.45%	\$438,100,000



Business Investment Program

Mecklenburg County an outlier in using only one incentive tool

Competitive Community	Incentive Types
Atlanta, GA	<ul style="list-style-type: none">• Industrial revenue bonds• Direct funding of real estate acquisitions and construction• Workforce development grants
Austin, TX	<ul style="list-style-type: none">• Property tax abatement• Utility cost rebates• Brownfield abatements and grants
Knoxville, TN	<ul style="list-style-type: none">• Infrastructure funding• Payment in lieu of tax agreements• Tax increment funding for real estate acquisition and construction
Richmond, VA	<ul style="list-style-type: none">• Discretionary fund for cash payments• Real and personal property tax abatements• Brownfield tax abatement• Workforce development grants• Revolving loan funds
South Carolina municipalities	<ul style="list-style-type: none">• Real and personal property tax abatements• Fee in lieu of tax agreements



Business Investment Program

Companies seeking to invest in Mecklenburg each have wide range of business needs and each have own priority of different needs

- Labor cost
- Skill depth
- Competition for employees
- Housing costs
- Land and building costs
- Utility availability and costs
- Proximity to markets
- Labor availability
- Education level of labor pool
- Quality of life
- Transportation infrastructure
- State tax environment
- Business Environment
- Proximity to suppliers / buyers

Incentives are the “tie breaker” between communities that meet the individual requirements of the company

However, incentives can be used as tool to advance other community goals such as workforce development



Business Investment Program

Leverage Business Investment Program to Meet County Goals

- Address economic mobility and workforce development
 - Support projects across all ranges of employment levels
 - Provide additional incentives for companies utilizing workforce development clients
- Support small business development
 - Provide additional incentives for companies for attaining minority, women and small business enterprise contracting goals



Business Investment Program

Permitting Reduction vs. BIP

Project Type	Jobs	Investment Subject to Permit Fees	BIP	Estimated Permit Fees
Manufacturing	100	\$50,000,000	\$1,650,000	\$48,500
Office	500	\$2,000,000	\$170,000	\$10,085



Construction and Business Permitting

- Mecklenburg County currently offers construction assistance programs including:
 - No fee consultation to establish optimal construction phasing plan
 - Fee based expedited permitting available
 - Collaboration with high priority economic development projects
- New program considerations
 - Existing businesses should have equitable access
 - Office projects in leased space may have minimal permitting lead time / costs



Business Investment Program

What can the county can do to entice companies to relocate or expand here that DO NOT require tax incentives. For example expedited construction assistance, streamlining and assistance of any permitting (building or otherwise)?

Focus on variables it can influence:

- Labor cost
- **Skill depth**
- Competition for employees
- **Housing costs**
- **Land and building costs**
- Utility availability and costs
- Proximity to markets
- Labor availability
- **Education level of labor pool**
- **Quality of life**
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- **Business Environment**
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Business Investment Program

Explore the creation of a subcommittee formed to investigate and interview existing and recently located businesses to discover what specifically companies might be looking for and the value it would bring.

- Variety of companies locating in Mecklenburg will have widely divergent perspectives and needs
- County is partner in Charlotte Chamber of Commerce Business First program – targets 100 high growth companies in Mecklenburg County for interviews
- Best practice is to foster roundtable associations with key business clusters to grow high potential industries

