

**RESOLUTION ADOPTING THE
CITY OF NEWNAN, GEORGIA
ECONOMIC DEVELOPMENT INCENTIVE POLICY**

Purpose

WHEREAS, the City Council of the City of Newnan desires to provide incentives for the retention and/or expansion of businesses located within the City of Newnan and to encourage the establishment of new businesses within the City without committing the City to provide economic incentives in any instance, nor restrict the City from providing additional economic incentives in a specific instance as determined by the City in the exercise of its sole discretion; and

WHEREAS, the City desires to adopt a policy containing specific criteria, guidelines and procedures necessary to administer the economic development incentives effectively and fairly.

NOW, THEREFORE, BE IT RESOLVED and it is hereby resolved by the Authority of same that the City of Newnan Economic Development Incentive Policy be and is hereby adopted to read as follows:

Eligibility Requirements and Criteria

The City of Newnan, at its sole discretion, may provide certain economic development assistance or incentives to attract, retain, or expand businesses located or to be located within the corporate limits of the City that are consistent with the following requirements and criteria:

1. Achieve City goals, described below, as may be established and revised by the City of Newnan from time to time;
2. Result in the location, expansion or retention of a business within the City;
3. Demonstrate the financial and management capability to implement and sustain the business;

4. Create ten (10) or more full-time positions working at a business located within the City; and
5. Provide new capital investment equal to or in excess of \$1.0 million for a business relocating or expanding in the City. Note: Capital investment must be in personal and/or real property improvements. For purposes of this policy, “capital improvements” means property improvements that either will enhance the property value or will increase the useful life of the property.

In addition, the City Council may determine by resolution that a specific business will bring extraordinary benefit to the City consistent with this policy due to its magnitude, significance to the community or aesthetic quality.

City Goals

The City of Newnan is committed to targeting redevelopment opportunities that diversify its economic base and continue to provide for the fiscal health of the community while respecting the environment and unique community atmosphere. The following economic goals and strategies are considered City goals as a part of this policy:

1. Attract and retain a variety of employment opportunities for Newnan residents;
2. Encourage and support a high level of diverse, quality business, with an emphasis on nurturing businesses that contribute to the City’s sales and property tax base so that needed infrastructure, physical amenities, services and expansion of such services are provided; and
3. Sustain the long-term economic well-being of the City and its citizens through redevelopment and revitalization efforts.

Available Incentives

The City offers a variety of incentives and assistance options for qualifying businesses. The specific type of incentive or assistance will depend upon the needs of the business as well as the benefits created by the proposed business. Incentives available for qualifying businesses are:

1. Expedited Permitting Process. The City may expedite the permitting process required for business location or expansion.
2. Waiver of Permit Fees. The City may waive all building permit fees associated with the business relocation/expansion including all fees associated with property improvements and plan review.
3. Bond Financing/Property Tax Reductions. The City may, utilizing the Development Authority of the City of Newnan and/or the Downtown Development Authority of the City of Newnan, support the issuance of revenue bonds to assist the project and provide property tax reductions.
4. Waiver of Occupational Taxes. The City may waive applicable occupational taxes assessed pursuant to Chapter 6, Article 1, Section 6-34, Code of Ordinances (Occupation Tax).

Submittal Requirements

All submittals requesting incentives must provide the following information:

1. Documentation indicating how the request meets the criteria set forth in this policy;
2. Amount of applicant's investment in the project;
3. Level of incentive requested;
4. Detailed business or development pro forma; and
5. Proof of applicant's financial stability or business plan.

Evaluation

Each request for incentives will be evaluated by City staff on an individual basis taking into consideration the following factors:

1. Revenue benefit to the City;
2. Level of circumstances with the property characteristics that create challenges to development;
3. Number and quality of jobs created;
4. Strength of public benefit to the City;
5. Ability of the project to spur additional economic development in the City;
6. Impact of the proposed development on existing businesses within the City;
7. Level of applicant's financial strength; and
8. Level of compliance with any design guidelines as described in the City's zoning ordinance.

City staff will provide a written recommendation of full, partial, or no incentive to the City Council based upon their review of the application and the applicant's consistency with the criteria described in this policy. Prior to action by the City Council on the application, the City shall advertise a public hearing in accordance with applicable provisions of Georgia law.

Written Agreement Required

All economic development incentives approved by City Council will be formalized in a written agreement between the City of Newnan and the recipient business, approved by City Council. The written agreement will include, without limitation, the following:

1. A timetable and list of the kinds of improvements that the project will include and conditions to assure that the project meets or exceeds the City's requirements;
2. A complete description of the location of the proposed project;
3. A list of the kinds and amounts of property values, revenues, incomes or other public benefits that the proposed project will provide;
4. A provision establishing the duration of the agreement;
5. A provision identifying the incentives to be given and the method for calculating such incentives;
6. A provision providing a tangible means for measuring whether the applicant and other responsible parties have met their obligations under the agreement;
7. A provision providing for access to and authorizing inspection of the property and applicant's pertinent business records by City representatives in order to determine compliance with the agreement;
8. A provision for cancellation of the agreement and incentives if the project is determined not to be in compliance with the agreement;
9. A provision for recapturing the value of City incentives if the applicant does not comply with its duties and obligations under the terms of the agreement;
10. Provisions relating to administration, delinquent taxes, reporting requirements and indemnification;
11. A provision that the agreement may be amended by the parties to the agreement by using the same procedure for approval as is required for entering into the agreement; and

12. Such other provisions as the City Council shall deem appropriate.

Compliance

In accordance with provisions of the written agreement, the recipient business will be required to meet the following performance criteria:

1. Create jobs as agreed;
2. Make capital investment in real and/or personal property as agreed;
3. Comply with all applicable governmental laws, rules and regulations; and
4. Comply with any other terms and conditions imposed by the written agreement.

The City reserves the right to audit a business to assure compliance with the written agreement. If the performance criteria is not met or is altered significantly, the City may require the incentive to be repaid in full or in part, as provided in the written agreement.

Discontinuance of Incentives

Changing economic conditions and availability of funds may cause the City Council to modify, amend, or discontinue the economic development incentives at any time. Should the incentives be discontinued, the City Council will honor any incentive to which it committed before the discontinuance of the incentives. Economic development incentives may not be transferred or otherwise conveyed to any other party, unless agreed to by the City Council.

ADOPTED in open session, regularly assembled, this ____ day of _____, 2012.

ATTEST:

L. Keith Brady, Mayor

Della Hill, City Clerk

Cynthia E. Jenkins, Mayor Pro-Tem

Reviewed:

C. Bradford Sears, Jr., City Attorney

George M. Alexander, Councilmember

Cleatus Phillips, City Manager

Rhodes Shell, Councilmember

Ray DuBose, Councilmember

Clayton Hicks, Councilmember

Robert W. Coggin, Councilmember

MEMORANDUM

Amendment to Economic Development Incentive Policy

The City of Newnan, through the Business Development Department, has an opportunity to initiate an action strategy designed to mitigate existing challenges while simultaneously taking advantage of current and future opportunities.

A successful business development strategy will incorporate and build upon current developments, while concurrently attending to future opportunities. In addition, this strategy must create a sense of collective responsibility among all stakeholder groups – public and private.

The City of Newnan Economic Development Incentives Policy, as adopted in September 2012, targets redevelopment opportunities that diversify the economic base. The following incentives and assistance options are available for qualifying businesses under the aforementioned policy: expedited permitting, waiver of permit fees, bond financing and property tax reductions, and waiver of occupational taxes.

In adopting the Amendment to the existing Economic Development Incentive Policy, the Mayor & City Council have considered the following:

1. Developing a superior business recruitment strategy that engages local, regional, statewide and national stakeholders and targets high-quality sustainable development that supports a diversified tax base should require a minimum amount of private investment, a minimum number of net new jobs being created and the identification of specific industry types.

Project lead management systems that identify prospects and engage them in a conversation about Newnan's value proposition as a location for investment requires that certain staff members have an understanding of agreed-upon incentives, which can be utilized while negotiating the location of a potential project.

Most commonly, communities across the State of Georgia are utilizing the issuance of Industrial Revenue Bonds (IRB) or a "bonds for title" program to incent the location of major projects.

This financing mechanism allows a local jurisdiction to propose property tax reductions on real and personal property. Typical property tax reductions include a percentage reduction on specific property over a specified amount of time. Property tax reductions shall not continue in perpetuity.

Ensuring that the City is well-coordinated and able to respond efficiently to the needs of a prospect requires effective communication between core groups: The City of Newnan, Local Government Authorities, State and Regional Project Managers, Property Owners, the Brokerage Community, Business Community and Business Development Partners.

The following represents a tiered structure that incorporates private investment, job creation and industry focus:

1. Project Description/Type
 - a. **Investment:** \$1 Million - \$10 Million Real and/or Personal
 - b. **Job Creation:** 11 - 25 Net New Jobs
 - c. **Industries:** Logistics & Transportation, Food Processing, Contact Centers, Arts, Tourism, Entertainment
 - d. **Incentive Package:** 50% reduction in ad valorem property taxes on real property for 5 years

2. Project Description/Type
 - a. **Investment:** \$11 Million - \$20 Million Real and/or Personal
 - b. **Job Creation:** 26 - 50 Net New Jobs
 - c. **Industries:** Manufacturing, Data Centers, Aerospace, Automotive, Defense, Energy & Environment
 - d. **Incentive Package:** 50% reduction in ad valorem property taxes on real property for 10 years; 50% reduction in ad valorem taxes on personal property for 5 years

3. Project Description/Type
 - a. **Investment:** >\$20Million Real and/or Personal
 - b. **Job Creation:** >50 Net New Jobs
 - c. **Industries:** Life Sciences, Information Technology, Corporate Headquarters
 - d. **Incentive Package:** 50% reduction in ad valorem taxes on real property for 10 years; NO ad valorem taxes on real property for first 3 years; 50% reduction in ad valorem property taxes on personal property

The amendment to the existing Economic Development Incentives Policy will allow for the successful promotion and management of specific new project development incentives.