

## **A RESOLUTION TO ADOPT ECONOMIC DEVELOPMENT INCENTIVES POLCY**

**WHEREAS**, DeKalb County, Georgia (the “County”) and the Development Authority of DeKalb County (“the Authority) are each authorized to conduct economic development activities under various provisions of applicable law; and

**WHEREAS**, the County intends to spur sustainable and balanced economic growth by engaging and supporting more existing businesses, implementing a proactive target industry recruitment effort, creating a supportive environment to foster start-up businesses, increasing efforts to develop international business opportunities and leveraging local, regional and statewide partners to implement these goals; and

**WHEREAS**, the Authority has worked since 1974 with partners, stakeholders and the business community at-large to spur capital investments, encourage job growth and create business sustainability within the County; and

**WHEREAS**, economic development activities increase the quality of life of County residents by increasing the availability of high-quality jobs within the county by attracting and expanding business operations within the County; and

**WHEREAS**, a comprehensive Incentives Policy for DeKalb County will ensure that any potential incentives are awarded by the County and the Authority in a fair, consistent and predictable manner which will further the goal of attracting and expanding business operations within the County; and

**WHEREAS**, the Governing Authority has previously adopted an economic development incentives policy based on the Economic Development Strategic Plan; and

**WHEREAS**, the Board of Commissioners has developed a new Economic Development Incentives Policy (“Incentives Policy”) based on an updated Strategic Plan and other studies; and

**WHEREAS**, the Board of Commissioners has thoroughly vetted the proposed Incentives Policy in its PECS Committee with input from the Authority and through the presentation process at the Board of Commissioners Committee of the Whole Meetings and provided valuable insight and suggestions for the program; and

**WHEREAS**, the Incentives Policy establishes criteria, procedures, and incentive awards to be used by the County to create and expand quality economic development activity, create and retain high quality jobs, and spur redevelopment in DeKalb County; and

**WHEREAS**, the Incentives Policy promotes redevelopment efforts by creating an environment encouraging high quality jobs and private sector investment across the County, particularly in priority areas including employment centers and commercial corridors; and

**NOW BE IT THEREFORE RESOLVED**, the County shall adopt the Incentives Policy attached to this resolution as Exhibit A and intends to implement the Incentives Policy in an Intergovernmental Agreement to be adopted separately.

**ADOPTED** by the DeKalb County Board of Commissioners, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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**STEPHEN R. BRADSHAW**  
Presiding Officer  
Board of Commissioners  
DeKalb County, Georgia

**APPROVED** by the Chief Executive Officer of DeKalb County, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
**MICHAEL L. THURMOND**  
Chief Executive Officer  
DeKalb County, Georgia

**ATTEST:**

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BARBARA H. SANDERS-NORWOOD, CCC, CMC  
Clerk to the Board of Commissioners and  
Chief Executive Officer DeKalb County, Georgia

APPROVED AS TO FORM:

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VIVIANE H. ERNSTES  
County Attorney

## DeKalb County 2020 Economic Incentives Policy

### **I. PURPOSE**

- a. It is the purpose of this policy to establish criteria, procedures, and incentive awards to be used by the County to create and expand quality economic development activity, create and retain high quality jobs, and spur appropriate redevelopment in DeKalb County.
- b. This policy will promote redevelopment efforts by creating an environment encouraging high quality jobs and private sector investment across the County, particularly in priority areas including employment centers and commercial corridors.

### **II. GOALS AND OBJECTIVES**

- a. For Business Retention, Expansion, and Recruitment, the DeKalb Economic Strategic Plan has five main goals:
  - i. Engage and support more existing businesses.
  - ii. Implement a proactive target industry recruitment effort.
  - iii. Create a supportive environment to foster start-up businesses.
  - iv. Increase efforts to develop international business opportunities.
  - v. Leverage local, regional, and statewide partners to implement action items.
- b. Within these goals, the County has expressed its priority for economic development as creating a base of employment for the community that leverages its workforce and creates an improved quality of life through high wages and career mobility. Furthermore, the County recognizes the disparity in economic development across the County and seeks to direct development into areas served by existing infrastructure as well as in areas in need of redevelopment.

### **III. SUMMARY**

- a. Decide DeKalb will administer the Economic Development program, accept applications and serve as the liaison for all projects in interactions with the relevant DeKalb County departments.
- b. A committee consisting of the Chief Operating Officer, directors, or the designees, of Planning, Finance, Watershed Management, Community Development, Public Works, other departments, as necessary, and Decide DeKalb, makes decision on County incentives and makes a recommendation to Decide DeKalb on tax abatements and development bonds based upon an evaluation matrix. The committee shall be called the Economic Development Incentives Committee. If the Board of Commissioners adds a financial advisor, they may be added to this committee.
- c. Businesses awarded financial incentives would enter into a performance agreement and Decide DeKalb would perform an annual review to ensure the terms of the incentives are being met; modifications may be made to the agreement including reduction or claw-back of an incentive based on those reviews.

IV. **DEFINITIONS (FOR PURPOSES OF THIS POLICY ONLY, NON-TRANSFERRABLE)**

- a. *Capital improvements* shall mean property improvements that will enhance property values or will increase the useful life of the property, excluding landscaping.
- b. *Community Benefits Agreement* shall mean a formal agreement between the applicant and Decide DeKalb where the applicant offers community level improvements as a contribution of the project to support public incentives of the private development. For example:
  - i. The extent that a Project is a “seed project,” furthering additional development;
  - ii. The extent that the Project is expected to have “multiplier” effects, fostering further economic development;
  - iii. Whether the Project is strategically located, for example in an Opportunity Zone, a Livable Communities Initiative area, a designated development corridor, a blighted area, or a census tract eligible for New Markets Tax Credits; and,
  - iv. See Appendix C page3 “Further Community Benefits.”
- c. *County* shall mean DeKalb County, Georgia.
- d. *Economic Development Goals* shall mean those goals set forth in the 2019 Economic Development Strategic Plan.
- e. *Economic Development Incentive Committee* shall mean the committee consisting of the Chief Operating Officer and the Directors, or their designees, of the following County Departments: Planning, Finance, Watershed Management, Community Development, Public Works, other departments, as necessary, and Decide DeKalb.
- f. *Existing Business* shall have operated a business in the County for a period of not less than one year prior to the request for incentives. Home-based businesses are not eligible for incentives.
- g. *High Quality Jobs* shall mean full-time jobs that pay an above average wage within the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area and/or include training to support career mobility.
- h. *Large Business* shall mean a business that has more than 500 employees.
- i. *Medium Business* shall mean a business with at least 100 employees but no more than 500 employees.
- j. *New Business* shall mean a business that has no current business operations in the County. A business that formerly operated in the County may be eligible so long as there is a period of two years between the time of its closure or disinvestment and the request for incentives. Former businesses must have been in good standing with the County upon the cessation of their former operations.
- k. *Project* shall mean a development project, expansion, retention, or attraction of a business to DeKalb County.
- l. *Small Business* shall mean a business with fewer than 100 employees.
- m. *Targeted/Priority Areas* shall mean those areas identified in the 2019 Economic Development Strategic Plan as employment centers, commercial corridors, state or federal opportunity zones. The County reserves the right to amend the Targeted Areas as it deems appropriate.

V. **GENERAL ELIGIBILITY FOR INCENTIVES**

- a. The Project/Business must meet the following general criteria:
  - i. Furthers County economic development goals as described in the 2019 Strategic Economic Development Plan;
  - ii. Results in the location, expansion or retention of high-quality jobs within the County;
  - iii. Provides new capital investment for a business location or expansion in the County. Capital investment must be new construction, an addition to an existing facility, or capital improvements;
  - iv. Consistent with existing local and regional planning efforts; and,
  - v. Must be up to date on all business licenses, property taxes, fees and water bills and have no outstanding code violations.

VI. **APPLICATION AND EVALUATION PROCESS**

- a. All requests for incentives must be made in writing to Decide DeKalb using the DeKalb County Incentive Application Form prior to payment of any fees the applicant wants reduced or waived, and prior to construction of any water/sewer infrastructure for which applicant plans to request matching funds.
- b. A business seeking a financial incentive must use a standardized, independent Economic Impact Assessment to support that there will be a net positive return for the County for the project.
  - i. Applicant must provide their pro-forma and rate of return to identify the financial gap and the need for an incentive.
- c. **POLICY ADMINISTRATION**
  - i. Financial Incentives Review and Projects requesting Development Bonds or Tax Abatement: The Economic Development Incentive Committee (“Committee”) will review all financial incentive applications. This Committee makes a determination for County financial incentives and a recommendation to Decide DeKalb on tax abatements and development bonds based upon an evaluation matrix.
  - ii. Non-Financial Incentives Review: Directors of affected County departments will review incentives and determine eligible incentives and recommend to the Committee.
- d. **APPLICATION EVALUATION**
  - i. The Committee shall use the Incentives Evaluation Matrix as part of the review to comprehensively review projects (Appendices A and B, attached) and consider the DeKalb Development Authority “Policy Guidelines for Property Tax Incentives” attached Appendix C.
  - ii. The Committee will review applications and consider the type, number and amount of incentives comprehensively and award is based upon need and the level of economic and community benefit provided by the project.
  - iii. Includes a community benefits agreement – a formal agreement between the applicant and Decide DeKalb where the applicant offers community level improvements as a contribution of the project to support public incentives of private development.

- iv. Decisions and recommendations from the Committee shall be in writing.
- v. Decide DeKalb will notify applicants in writing of final decisions of the Committee.

e. **ECONOMIC IMPACT ANALYSIS**

- i. For projects requesting financial incentives, applicants must provide an Economic Impact Analysis, which will address at a minimum, the direct cost to the County, the benefit to the County, indirect benefit to the County and a benefit to cost analysis.
- ii. *Direct Costs.* Any identified direct cost should be included in the analysis. Examples of these types of costs include installation and assumed annual liability of County infrastructure to the proposed site, and costs of providing County general services such as public works and safety (fire and law enforcement). Any fee abatements, reductions, etc., will also be considered in the Economic Impact Analysis.
- iii. *Benefit to the County.* Direct benefits include wages/salaries/benefits paid to employees, any taxes collected (property, sales, transient occupancy and use) franchise fees, and purchases of products/services from local vendors. Other direct benefits may include the value of excess infrastructure capacity that will facilitate future development in a target area of the County.
- iv. *Indirect Benefit to the County.* Indirect benefits inuring to the benefit of the County that are induced by the investment and hiring by the proposed applicant/project and represent changes in other employment, income or outputs. Other induced benefits will be evaluated and the totality of these indirect benefits shall represent the “multiplier effect” of the new economic activity proposed.
- v. *Benefit to Cost Analysis.* A desired Benefit-to-Cost (BTC) ratio should be at least 1.25:1. The Committee reserves the right to reduce the BTC threshold should appropriate safeguards and surety be deemed satisfied, thereby mitigating the risks of any deviation.

**VII. PERFORMANCE AGREEMENT AND ANNUAL REVIEW OF COMPLIANCE**

- a. Businesses awarded incentives would enter into a performance agreement and Decide DeKalb would perform an annual review to ensure the terms of the incentives are being met; modifications may be made to the agreement including reduction or claw back of an incentive based on those reviews.
- b. Upon approval of financial incentives, Decide DeKalb Staff and Legal will develop a Performance Agreement that will incorporate the following obligations and terms:
  - i. A complete description of the location of the proposed project;
  - ii. Real and personal property investment with phasing, if applicable;
  - iii. Number and types of positions created;
  - iv. Wages for positions created;
  - v. Employee benefits for positions created;
  - vi. Anticipated tax revenue;
  - vii. Community Benefits Agreement;
  - viii. Timetable for complying with the criteria;
  - ix. The duration of the agreement;

- x. Identification of the incentives to be given;
  - xi. Responsibility of applicant to secure, and maintain all applicable licenses and permits;
  - xii. Timeline and content for required compliance reports;
  - xiii. Compliance with all applicable local, state, and federal codes, laws and regulations;
  - xiv. A rescission clause if the project is determined not to be in compliance with the agreement;
  - xv. A claw-back clause for recapturing the value of the County incentive if the applicant does not comply with its duties and obligations under the terms of the agreement;
  - xvi. A provision that the agreement may be amended by the parties to the agreement by using the same procedures for approval as is required for entering into the agreement;
  - xvii. Agreement the business shall not relocate outside DeKalb County for five years after the term of incentives;
  - xviii. Indemnity and hold-harmless provisions that are germane to incentive agreements; and,
  - xix. Any other provisions as the Economic Development Incentive Committee shall have deemed appropriate.
- c. In the event an applicant acknowledges that they will not meet the prescribed impact levels in the time allotted in the Performance Agreement, the applicant may request an extension on this time frame by submitting a letter to Decide DeKalb detailing:
- i. The reason they have failed to meet the impact levels established;
  - ii. Time of extension requested; and
  - iii. A plan to meet the impact levels established in that time frame.
- d. Decide DeKalb can, but shall not be required to grant an extension of performance time, as follows:
- i. Upon presentation of evidence that:
    - 1. the project delays were out of the control of the applicant;
    - 2. there has been substantial progress made towards reaching impact requirements; and/or
    - 3. applicant has shown a good faith effort in reaching the requirements.
  - ii. Extensions shall only be granted once, for no more than one year, as determined by the specific circumstances after review by Decide DeKalb as to how much time will be needed to complete the project.
- e. Decide DeKalb shall provide a report regarding incentives granted each quarter.

#### VIII. **TRANSFER OF OWNERSHIP OR USE**

- a. Incentives granted by the County may be transferred as a result of a change in the majority ownership of the business after a review of any material changes by Decide DeKalb to determine if the incentive is still justified.
- b. If there is a material change to the obligations and terms of the Performance Agreement the transferee shall file a new application, along with a renewal fee, for the County's consideration of modifying the performance agreement.

**IX. AMENDMENTS/TERMINATION OF POLICY**

- a. The Board of Commissioners may amend or terminate the policy. Should the policy be amended or terminated, the County will honor any valid performance agreement for its duration.

**X. INCENTIVES THAT COULD BE PROVIDED BY THE COUNTY**

- a. **County Incentives available to Medium and Large Business Expansion, Retention and Attraction**

Incentives for these businesses support projects that create high-quality job opportunities, sizeable governmental revenues, that may be located in priority areas, and contribute to the overall economic and community well-being.

<b>Incentive</b>	<b>Eligibility</b>	<b>Detail</b>	<b>Organization/Department</b>
<b>Non-Financial Tools</b>			
DeKalb County Government			
Expedited Permitting	Projects investing at least \$10m or creating at least 10 new jobs paying at least the Atlanta-Sandy Springs MSA average wage for each position.	Single point of contact and accelerated reviews of plans and permits.	DeKalb County Planning & Sustainability
Density Bonus Parking Reduction	Projects locating within ¼ mile of transit, offering affordable housing within ¼ mile of transit.	See Zoning District Regulations	DeKalb County Planning & Sustainability
Transportation Improvements	Projects investing at least \$10m or creating at least 20 new jobs paying at least the Atlanta-Sandy Springs MSA average wage for each position.	Shared cost of Infrastructure improvements as identified by traffic/pedestrian study.	DeKalb County Public Works
Water and Sewer Infrastructure	N/A	Reimbursement of excess capacity for other potential users	DeKalb County Watershed Management
Support Letters	N/A	The County may provide letters of	DeKalb County Departments as applicable



		support for regional, state and federal incentive and grant programs.	
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<b>Financial Tools</b>			
DeKalb County Government			
Business Occupation Tax Reductions	Projects investing at least \$5m or creating at least 10 new jobs paying at least the Atlanta-Sandy Springs MSA average wage for each position.	Business occupation taxes capped at \$1,000 for a period of 1 to 5 years	DeKalb County Planning & Sustainability
Building Permit Fee	Projects investing at least \$10m or creating at least 10 new jobs paying at least the Atlanta-Sandy Springs MSA average wage for each position.	General Contractor fees discounted 50% to 100%	DeKalb County Planning & Sustainability
Sewer Fee Reduction	Projects investing at least \$5m or creating at least 10 new jobs paying at least the Atlanta-Sandy Springs MSA average wage for each position.	For high demand water usage and low sewage usage, sewer fee discount of up to 50% for a period of 1 to 5 years.	DeKalb Watershed
Sewer/Water Fee Reduction	Projects investing at least \$5m or creating at least 10 new jobs paying at least the Atlanta-Sandy Springs MSA average wage for each position.	Water/Sewer fee discount between 10% to 20% for a period of 1 to 5 years	DeKalb Watershed
HUD Section 108 financing	Projects investing at least \$5m or creating at least 10 new jobs paying at least the Atlanta-Sandy Springs MSA average	Further detail on regulations and requirements available through HUD	DeKalb Community Development

	wage for each position.		
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**b. County Incentives available to Small Business and Entrepreneurship Incentives**

This incentive aims to support small businesses and entrepreneurs.

<b>Incentive</b>	<b>Eligibility</b>	<b>Detail</b>	<b>Organization/Department</b>
<b>Non-Financial Tools</b>			
DeKalb County Government			
Coordination with other agencies	Eligible small businesses must have been operating for less than 3 years, created at least 3 full-time jobs with wages at least Atlanta-Sandy Springs MSA average wage for that industry sector, and offer healthcare to all full-time employees.	N/A	Appropriate County Department
Letters of support for grant applications	Eligible small businesses must have been operating for less than 3 years, created at least 3 full-time jobs with wages at least Atlanta-Sandy Springs MSA average wage for that industry sector, and offer healthcare to all full-time employees.	The County may provide letters of support for regional, state and federal incentive and grant programs.	Appropriate County Department

Financial Tools			
DeKalb County Government			
Business Occupation Tax Reductions	Projects offering 120% of Atlanta-Sandy Springs MSA average wage for the industry and/or located in a priority area.	Discount of up to 50% off business occupation tax for a period of 1 to 3 years.	DeKalb County Planning & Sustainability
Building and Land Development Permit Reductions	Projects investing at least \$1m or creating at least 10 new jobs paying at least the 120% of the Atlanta-Sandy Springs MSA average wage for each position.	General Contractor fees discounted up to 50%.	DeKalb County Planning & Sustainability

Note: All financial incentives must be in accordance with state, federal, and local laws.

#### **XI. INCENTIVES THAT COULD BE PROVIDED BY DECIDE DEKALB**

Incentive	Eligibility	Detail	Organization/Department
Non-Financial Tools			
Decide DeKalb			
Providing Data	N/A	Decide DeKalb, with the assistance of local utilities and other sources, may provide market, labor force and real estate data.	Decide DeKalb
Coordination with other agencies	Eligible small businesses must have been operating for less than 3 years, created at least 3 full-time jobs with wages at least Atlanta-	N/A	Decide DeKalb

	Sandy Springs MSA average wage for that industry sector, and offer healthcare to all full-time employees.		
Coordination with the University of Georgia Small Business Development Center	Checking with consultant	N/A	Decide DeKalb
Other assistance as needed		Includes coordination with state and federal agencies to apply for financial incentives on developers' behalves	Decide DeKalb
<b>Financial Tools</b>			
Property Tax Abatement and Bond Financing	As determined by the Committee	Decide DeKalb would offer financial incentives such as property tax reductions and taxable or tax-exempt bonds for financing projects utilizing a matrix in the evaluation process	Decide DeKalb upon recommendation of the Economic Development Incentive Committee