

CITY OF
WILMINGTON



**BUSINESS DEVELOPMENT
INVESTMENT POLICY
&
FILM INVESTMENT POLICY**



TABLE OF CONTENTS

PREAMBLE _____

POLICY PRINCIPLES _____

SECTION A: BUSINESS DEVELOPMENT INVESTMENT
SECTION B: FILM INVESTMENT

PROGRAM PARAMETERS _____

SECTION A: BUSINESS DEVELOPMENT INVESTMENT
SECTION B: FILM INVESTMENT

MINIMUM PROJECT QUALIFICATIONS _____

SECTION A: BUSINESS DEVELOPMENT INVESTMENT
SECTION B: FILM INVESTMENT

EXCLUSIONARY FACTORS _____

SECTION A: BUSINESS DEVELOPMENT INVESTMENT
SECTION B: FILM INVESTMENT

GRANT CONSIDERATION PROCEDURE _____

SECTION A: BUSINESS DEVELOPMENT INVESTMENT
SECTION B: FILM INVESTMENT

CONCLUSION _____



PREAMBLE

CITY OF WILMINGTON BUSINESS DEVELOPMENT INVESTMENT AND FILM INVESTMENT (POLICY)

THE CITY OF WILMINGTON (THE "CITY") CITY COUNCIL (THE "COUNCIL"), HAS DETERMINED THAT THE GENERAL WELFARE OF THE RESIDENTS OF THE CITY IS DIRECTLY BENEFITED BY FIDUCIALLY SOUND ECONOMIC DEVELOPMENT POLICIES, WHICH PROMOTE GROWTH AND DIVERSITY OF THE TAX BASE AND RESULT IN THE CREATION OF MORE HIGH QUALITY, WELL PAYING JOBS. PURSUANT TO ITS RULING IN MAREADY V. THE CITY OF WINSTON SALEM ET. AL. THE NORTH CAROLINA SUPREME COURT HAS MADE CLEAR THAT THE EXPENDITURE OF PUBLIC FUNDS TO PROMOTE ECONOMIC DEVELOPMENT IS DEEMED TO BE ACCEPTABLE FOR THESE LEGITIMATE PUBLIC PURPOSES.

THE CURRENT COMPETITIVE ENVIRONMENT AMONG STATES WHICH REGULARLY COMPETE WITH NORTH CAROLINA, AND COUNTIES AND MUNICIPALITIES WHICH REGULARLY COMPETE WITH THE CITY, IN INDUSTRIAL DEVELOPMENT PROJECTS, DICTATES THAT THE CITY MUST ADOPT AN BUSINESS DEVELOPMENT AND INVESTMENT POLICY (BDIP) AND FILM INVESTMENT POLICY (FIP) WHICH IS CONSERVATIVE AND FIDUCIALLY SOUND, IN ORDER TO REMAIN COMPETITIVE IN RECRUITING NEW INDUSTRY AND RETAINING EXPANSIONS OF EXISTING INDUSTRIES CURRENTLY LOCATED IN THE CITY. THE CITY IS ALSO CONCERNED WITH THE UNDEREMPLOYMENT OF ITS CITIZENS AND THE LACK OF EMPLOYMENT OPPORTUNITIES FOR ITS POOR, LESS EDUCATED AND LOW SKILLED CITIZENS AND CITIZENS LOCATED IN THE INNER CITY. IN ADDITION, THE CITY BELIEVES THAT AN INCREASE IN THE INDUSTRIAL SECTOR WOULD PROVIDE A BETTER OVERALL BALANCE TO BOTH THE TAX BASE AND THE ECONOMIC ENVIRONMENT IN THE CITY. FOR THESE REASONS, THE COUNCIL HEREBY ESTABLISHES BDIP GUIDELINES TO ENCOURAGE NEW INDUSTRIES TO LOCATE AND EXISTING INDUSTRIES TO EXPAND WITHIN THE CITY. THESE ARE GUIDELINES ONLY. EACH NEW PROJECT OR EXPANSION OF AN EXISTING INDUSTRY WILL BE CONSIDERED ON A CASE-BY-CASE BASIS. THE COUNCIL TAKES THIS ACTION IN ADOPTING THESE GUIDELINES PURSUANT TO AUTHORITY GRANTED BY THE N. C. GEN. STAT. 157-7.1, AS INTERPRETED BY THE NORTH CAROLINA SUPREME COURT IN MAREADY.

FOR THE PURPOSES OF THESE GUIDELINES, INDUSTRIAL DEVELOPMENT PROJECTS SHALL BE CONSTRUED BROADLY CONSISTENT WITH G.S. 158-7.1 AND SHALL INCLUDE BUT NOT BE LIMITED TO MANUFACTURING, ASSEMBLY, FABRICATION, PROCESSING, WAREHOUSING, RESEARCH AND DEVELOPMENT, OFFICE USE OR SIMILAR INDUSTRIAL OR COMMERCIAL PURPOSES. TIER I AND TIER II REDEVELOPMENT AREAS AS DEFINED IN THE FUTURE LAND USE PLAN MAY BE PROVIDED SPECIAL CONSIDERATION AND PREFERENCE ON A CASE-BY-CASE BASIS FOR BUSINESS INVESTMENT.



POLICY PRINCIPLES
SECTION A:

BUSINESS DEVELOPMENT POLICY

THESE BUSINESS DEVELOPMENT INVESTMENT POLICIES AND FILM INVESTMENT POLICY ARE BASED UPON, AND ANY BDIP ARRANGEMENT WITH A NEW OR EXISTING COMPANY MUST BE IN COMPLIANCE WITH FIDUCIALLY SOUND PUBLIC POLICY PRINCIPLES, WHICH AT A MINIMUM INCLUDE:

- ANY BUSINESS DEVELOPMENT INVESTMENT GRANTS MUST PROVIDE THE CITY A HIGH RETURN ON INVESTMENT, TAKING INTO ACCOUNT TAX REVENUES OF THE INDUSTRIAL PROJECT OVER A TEN-YEAR PERIOD FROM THE DATE OF THE START-UP PROJECT. N.C. GEN. STAT. 158-7.1 (D2)
- ANY BUSINESS DEVELOPMENT INVESTMENT MUST BE PRECEDED BY AN AGREEMENT WITH THE COMPANY INVOLVED, BINDING IT TO MINIMUM LEVELS OF CAPITAL INVESTMENT AND QUALITY OF JOB CREATION, AND PROVIDING FOR PENALTIES AND/OR REDUCTIONS IN AMOUNTS OF FORWARD FUNDED GRANTS, IN THE EVENT THAT IT FAILS TO MEET THESE MINIMUM REQUIRED LEVELS. N.C. GEN. STAT. 158-7.1 (D2)(2).
- INVESTMENTS OF CITY FUNDS BY WAY OF IIP BUSINESS DEVELOPMENT INVESTMENT GRANTS SHALL BE IN ITEMS WHICH LEAVE VALUE IN THE CITY IN THE EVENT OF A CURTAILMENT OR CLOSURE OF THE OPERATIONS WITHIN THE INDUSTRIAL FACILITY, SUCH AS SITE ACQUISITION, SITE PREPARATION, INTERNAL INFRASTRUCTURE, JOB TRAINING, ETC.
- THE BEDROCK OF THE CITY'S ECONOMY IS THE BUSINESSES AND INDUSTRIES ALREADY LOCATED IN THE CITY. CONSEQUENTLY, THE TERMS AND APPLICATION OF THE BDIP POLICY ARE TO RESULT IN EXISTING INDUSTRIES RECEIVING CONSIDERATION FOR GRANTS THAT IS ON TERMS EQUAL TO OR BETTER THAN THOSE AVAILABLE TO A COMPANY CONSIDERING LOCATING ITS FIRST FACILITY IN THE CITY.

FILM INCENTIVE POLICY

- ANY FILM INVESTMENT GRANTS MUST PROVIDE THE CITY A RETURN ON INVESTMENT, TAKING INTO ACCOUNT TAX REVENUES OF THE FILM PROJECT OVER A TEN-YEAR PERIOD FROM THE DATE OF THE START-UP PROJECT. PROJECTS THAT HAVE LONG-TERM IMPLICATIONS WILL BE GIVEN INCENTIVE PRIORITY. THE TEN-YEAR PERIOD OF ASSESSMENT CANNOT BE APPLIED TO MOST FILM PROJECTS. A WAIVER OF LONG-TERM TAX REVENUE REQUIREMENT MAY BE PROVIDED FOR NEW AND FIRST TIME PROJECT APPLICATIONS. N.C. GEN. STAT. 158-7.1 (D2).
- ANY FILM INVESTMENT MUST BE PRECEDED BY AN AGREEMENT WITH THE COMPANY INVOLVED, BINDING IT TO MINIMUM LEVELS OF EXPENDITURE OR CAPITAL INVESTMENT AND QUALITY OF JOB CREATION, AND PROVIDING FOR PENALTIES AND/OR REDUCTIONS IN AMOUNTS OF FORWARD FUNDED GRANTS, IN THE EVENT THAT IT FAILS TO MEET THESE MINIMUM REQUIRED LEVELS. N.C. GEN. STAT. 158-7.1 (D2)(2).
- INVESTMENTS OF CITY FUNDS BY WAY OF FILM INVESTMENT GRANTS SHALL BE IN ITEMS THAT TAKE ADVANTAGE OF AND LEAVE VALUE IN THE CITY SUCH AS THE TALENT AND CAPABILITY OF THE PERSONNEL, AND RETENTION OF VENDORS & THE FILM INDUSTRY IN WILMINGTON.
- THE BEDROCK OF THE CITY'S ECONOMY IS THE BUSINESSES AND INDUSTRIES ALREADY LOCATED IN THE CITY. CONSEQUENTLY, THE TERMS AND APPLICATION OF THE FIP ARE TO RESULT IN EXISTING INDUSTRIES RECEIVING CONSIDERATION FOR GRANTS THAT IS ON TERMS EQUAL TO OR BETTER THAN THOSE AVAILABLE TO A COMPANY CONSIDERING LOCATING ITS FIRST FACILITY IN THE CITY.

BDIP PROGRAM PARAMETERS

EACH PROJECT WILL BE CONSIDERED ON A PROJECT-BY-PROJECT BASIS, USING THESE GUIDELINES ESTABLISHED BY THE COUNCIL. THESE GUIDELINES SHALL BE SUBJECT TO PERIODIC REVIEW AND MAY BE MODIFIED, AMENDED OR TERMINATED, DUE TO CHANGED ECONOMIC OR COMPETITIVE CONSIDERATION. IN THE EVENT OF ANY MODIFICATION, AMENDMENT OR TERMINATION, BUSINESS DEVELOPMENT INVESTMENT GRANTS TO WHICH THE CITY PREVIOUSLY COMMITTED WILL NOT BE AFFECTED.

IN DETERMINING WHETHER TO MAKE A BDIP GRANT TO A PROJECT, AND IF SO, THE AMOUNT OF SUCH GRANT, THE COUNCIL WILL CONSIDER, AMONG OTHER RELEVANT FACTORS, THE FOLLOWING MATTERS:

- A.) THE TOTAL CAPITAL INVESTMENT IN THE PROJECT INCLUDING SITE ACQUISITION, SITE IMPROVEMENT, BUILDING COST AND EQUIPMENT.
- B.) THE NUMBER, TYPE AND QUALITY OF JOBS CREATED.
- C.) WAGE LEVELS FOR JOBS CREATED BY THE PROJECT.
- D.) THE POTENTIAL FOR FUTURE EXPANSIONS AND INCREASED EMPLOYMENT.
- E.) SITE SPECIFIC ISSUES THAT IMPACT POSITIVELY ON PUBLIC INFRASTRUCTURE EXPANSIONS THAT WILL STIMULATE DEVELOPMENT IN AREAS OF THE CITY, THEREBY BENEFITING OVERALL COMMUNITY DEVELOPMENT.
- F.) CAPACITY OF THE INFRASTRUCTURE TO SUPPORT THE PROJECT.
- G.) PROXIMITY OF COMPANY SITE TO PUBLIC TRANSPORTATION, OR TO AREAS OF THE CITY IN WHICH THERE EXISTS POCKETS OF UNEMPLOYED OR UNDEREMPLOYED CITIZENS.
- H.) A DETERMINATION THAT THE PROVISIONS OF GRANTS UNDER THIS BDIP PROGRAM ARE COMPETITIVELY NECESSARY IN ORDER FOR THE NEW OR EXPANDED FACILITY TO LOCATE WITHIN THE CITY.
- I.) OTHER FACTORS DEEMED RELEVANT BY THE COUNCIL IN ITS DISCRETION.

FIP PROGRAM PARAMETERS

EACH PROJECT WILL BE CONSIDERED ON A PROJECT-BY-PROJECT BASIS, USING THESE GUIDELINES ESTABLISHED BY THE COUNCIL. THESE GUIDELINES SHALL BE SUBJECT TO PERIODIC REVIEW AND MAY BE MODIFIED, AMENDED OR TERMINATED, DUE TO CHANGED ECONOMIC OR COMPETITIVE CONSIDERATION. IN THE EVENT OF ANY MODIFICATION, AMENDMENT OR TERMINATION, FIP GRANTS FILM INCENTIVE POLICY TO WHICH THE CITY PREVIOUSLY COMMITTED WILL NOT BE AFFECTED.

IN DETERMINING WHETHER TO MAKE AN FIP GRANT TO A PROJECT, AND IF SO, THE AMOUNT OF SUCH GRANT, THE COUNCIL WILL CONSIDER, AMONG OTHER RELEVANT FACTORS, THE FOLLOWING MATTERS:

- A.) THE TOTAL ANTICIPATED LOCAL EXPENDITURES OR CAPITAL INVESTMENT IN THE PROJECT INCLUDING SITE ACQUISITION, SITE IMPROVEMENT, BUILDING COST AND EQUIPMENT.
- B.) THE NUMBER, TYPE AND QUALITY OF JOBS CREATED.
- C.) WAGE LEVELS FOR JOBS CREATED BY THE PROJECT.
- D.) THE POTENTIAL FOR FUTURE EXPANSIONS AND INCREASED EMPLOYMENT.
- E.) MUST BE DETERMINED THAT THE PROVISION OF GRANTS UNDER THIS FILM INCENTIVE PROGRAM IS COMPETITIVELY NECESSARY IN ORDER FOR THE NEW OR EXPANDED FACILITY TO LOCATE WITHIN THE CITY.
- F.) OTHER FACTORS DEEMED RELEVANT BY THE CITY IN ITS DISCRETION.
- G.) RELATED RELEVANT INCENTIVES OFFERED BY THE STATE.



MINIMUM PROJECT QUALIFICATIONS
SECTION A:

MINIMUM PROJECT QUALIFICATIONS BDIP

IN ORDER TO QUALIFY FOR CONSIDERATION FOR A BDIP GRANT FROM THE CITY, THE PROJECT MUST MEET CERTAIN MINIMUM THRESHOLD REQUIREMENTS. MEETING THESE THRESHOLD REQUIREMENTS DOES NOT INDICATE THAT THE PROJECT WILL NECESSARILY RECEIVE AN BDIP GRANT, AND IF SO, THE AMOUNT OF SUCH GRANT, INASMUCH AS THE COUNCIL RESERVES SOLE DISCRETION IN THIS REGARD ON A PROJECT-BY-PROJECT BASIS. THE MINIMUM PROJECT QUALIFICATIONS ARE AS FOLLOWS:

- THE MINIMUM LEVEL OF CAPITAL INVESTMENT FOR NEW PROJECTS IN THE CITY IS \$5,000,000.
- THE MINIMUM LEVEL OF NEW JOBS THAT MUST BE CREATED FOR A NEW PROJECT IS 75.
- THE WAGE LEVELS OF THE JOBS CREATED MUST EQUAL AT LEAST 100% OF THE AVERAGE WAGE PAID FOR COMPARABLE JOBS IN NEW HANOVER COUNTY.
- THE PROJECT MUST INVOLVE A FACILITY TO BE USED FOR MANUFACTURING, DISTRIBUTION, CORPORATE OR DIVISIONAL HEADQUARTERS, RESEARCH AND DEVELOPMENT, MATERIAL PRODUCT SERVICE OR SIMILAR INDUSTRIAL OR COMMERCIAL PURPOSES.

FOR A PROJECT TO BE CONSIDERED BY THE COUNCIL FOR A BDIP GRANT, IT MUST MEET ALL OF THE ABOVE MINIMUM PROJECT QUALIFICATIONS. ADDITIONAL QUALIFICATIONS MAY BE REQUIRED BY THE COUNCIL AT ITS DISCRETION ON A PROJECT-BY-PROJECT BASIS. BIOTECH, PHARMACEUTICAL, DOWNTOWN OR CORPORATE HEADQUARTERS AND THOSE BUSINESS SECTORS IDENTIFIED IN THE ECONOMIC DEVELOPMENT ACTION PLAN SHALL HAVE SPECIAL CONSIDERATION ON A PROJECT-BY-PROJECT BASIS.



MINIMUM PROJECT QUALIFICATIONS
SECTION B:

MINIMUM PROJECT QUALIFICATIONS FIP

IN ORDER TO QUALIFY FOR CONSIDERATION FOR A FILM INVESTMENT FROM THE CITY, THE PROJECT MUST MEET CERTAIN MINIMUM THRESHOLD REQUIREMENTS. MEETING THESE THRESHOLD REQUIREMENTS DOES NOT INDICATE THAT THE PROJECT WILL NECESSARILY RECEIVE AN FIP GRANT, AND IF SO, THE AMOUNT OF SUCH GRANT, INASMUCH AS THE COUNCIL RESERVES SOLE DISCRETION IN THIS REGARD ON A PROJECT-BY-PROJECT BASIS. THE MINIMUM PROJECT QUALIFICATIONS ARE AS FOLLOWS:

- THE MINIMUM LEVEL OF EXPENDITURES OR CAPITAL INVESTMENT FOR NEW PROJECTS LOCATING IN THE INNER CITY IS (SEE MAP OF 1945 CITY LIMITS) \$2,500,000; AND \$1,000,000 IS THE MINIMUM LEVEL FOR A PROJECT WHICH IS AN EXPANSION OF AN EXISTING FACILITY IN THE CITY.
- THE MINIMUM LEVEL OF NEW JOBS THAT MUST BE CREATED FOR A NEW PROJECT IS 75, OR 125 OVER THREE YEARS, FOR PROJECTS LOCATED IN THE CITY; FOR PROJECTS LOCATED IN THE INNER CITY (MAP ATTACHED), THE MINIMUM LEVEL OF NEW JOBS CREATED IS 25. EXPANSION OF EXISTING FACILITIES MUST RESULT IN THE CREATION OF AT LEAST 25 JOBS.
- THE WAGE LEVELS OF THE JOBS CREATED MUST EQUAL AT LEAST 100% OF THE AVERAGE WAGE PAID FOR COMPARABLE JOBS IN NEW HANOVER COUNTY.
- PREFERENCE WILL BE GIVEN TO A POTENTIAL SERIES VERSUS A ONE-TIME MOVIE PROJECT.

FOR A PROJECT TO BE CONSIDERED BY THE COUNCIL FOR A FILM INVESTMENT GRANT, IT MUST MEET ALL OF THE ABOVE MINIMUM PROJECT QUALIFICATIONS. ADDITIONAL QUALIFICATIONS MAY BE REQUIRED BY THE COUNCIL AT ITS DISCRETION ON A PROJECT-BY-PROJECT BASIS.



EXCLUSIONARY FACTORS SECTION A:

EXCLUSIONARY FACTORS BDIP

EVEN THOUGH A PROJECT MIGHT MEET ALL OF THE ABOVE MINIMUM PROJECT QUALIFICATIONS, IT WILL NOT BE CONSIDERED BY THE COUNCIL FOR AN BDIP GRANT IF ANY OF THE FOLLOWING FACTORS APPLY:

- THE EXPANSION PROJECT WOULD, FOR ANY REASON, RESULT IN A NET REDUCTION OF THE AD VALOREM TAX VALUATION OF ALL FACILITIES IN THE CITY OWNED BY THE COMPANY, ITS PARENT, SUBSIDIARY, OR AFFILIATED COMPANIES.
- A BDIP INCENTIVE GRANT WILL NOT BE MADE IF THAT COMPANY, A PARENT, SUBSIDIARY, OR AN AFFILIATED COMPANY IS NOT CURRENT IN ALL AD VALOREM TAX PAYMENTS TO THE LOCAL GOVERNMENTS.
- NO PRIOR COMMITMENT TO A BDIP INCENTIVE GRANT SHALL BE BINDING IF THE COMPANY ORIGINALLY RECEIVING THE GRANT ASSIGNS IT TO ANOTHER COMPANY, UNLESS COUNCIL HAS CONSENTED TO SUCH ASSIGNMENT IN WRITING.
- THE FINANCIAL CONDITION OF THE COMPANY RECEIVING THE GRANT MUST NOT BE SUCH THAT THE ABILITY OF THE COMPANY TO MEET ITS OBLIGATION IS IN DOUBT.
- THE PROJECT WOULD HAVE A DETRIMENTAL EFFECT ON THE ENVIRONMENT, ON THE TRAVEL AND TOURISM INDUSTRY, OR THE GENERAL QUALITY OF LIFE.

USE OF GRANT FUNDS

BDIP GRANTS UNDER THESE GUIDELINES MAY BE MADE AT THE TIME OF THE ANNOUNCEMENT THAT THE PROJECT IS LOCATING IN THE CITY, OR IN INSTALLMENTS TO BE PAID IN THE FUTURE. SUCH GRANTS MAY BE USED FOR ONE OR MORE OF THE FOLLOWING PURPOSES, DEPENDING UPON THE TERMS APPROVED BY THE COUNCIL:

- 1.) SITE ACQUISITION.
- 2.) SITE PREPARATION.
- 3.) INTERNAL SITE INFRASTRUCTURE.
- 4.) OTHER IMPROVEMENTS TO THE SITE.
- 5.) JOB TRAINING COSTS NOT OTHERWISE REIMBURSED BY GRANTS FROM THE COMMUNITY COLLEGE SYSTEM OR TAX CREDITS PURSUANT TO THE STATE STATUTE.
- 6.) OTHER PURPOSES THAT LEAVE VALUE IN THE COMMUNITY AS DETERMINED BY THE COUNCIL ON A PROJECT-BY-PROJECT BASIS.



EXCLUSIONARY FACTORS
SECTION B:

EXCLUSIONARY FACTORS FIP

EVEN THOUGH A PROJECT MIGHT MEET ALL OF THE ABOVE MINIMUM PROJECT QUALIFICATIONS, IT WILL NOT BE CONSIDERED BY THE COUNCIL FOR AN FILM INVESTMENT GRANT IF ANY OF THE FOLLOWING FACTORS APPLY:

- NO PRIOR COMMITMENT TO A FILM INVESTMENT SHALL BE BINDING IF THE COMPANY ORIGINALLY RECEIVING THE GRANT ASSIGNS IT TO ANOTHER COMPANY, UNLESS COUNCIL HAS CONSENTED TO SUCH ASSIGNMENT IN WRITING.
- THE FINANCIAL CONDITION OF THE COMPANY RECEIVING THE GRANT MUST NOT BE SUCH THAT THE ABILITY OF THE COMPANY TO MEET ITS OBLIGATION IS IN DOUBT.
- THE PROJECT WOULD HAVE A DETRIMENTAL EFFECT ON THE ENVIRONMENT, ON THE TRAVEL AND TOURISM INDUSTRY, OR THE GENERAL QUALITY OF LIFE.

USE OF GRANT FUNDS

FILM INVESTMENT GRANTS UNDER THESE GUIDELINES MAY BE MADE AT THE TIME OF THE ANNOUNCEMENT THAT THE PROJECT IS LOCATING IN THE CITY, OR IN INSTALLMENTS TO BE PAID IN THE FUTURE. SUCH GRANTS MAY BE USED FOR ONE OR MORE OF THE FOLLOWING PURPOSES, DEPENDING UPON THE TERMS APPROVED BY THE COUNCIL:

1. PAYROLL
2. JOB CREATION
3. SITE ACQUISITION
4. SITE PREPARATION.
5. INTERNAL SITE INFRASTRUCTURE.
6. OTHER IMPROVEMENTS TO THE SITE.
7. JOB TRAINING COSTS NOT OTHERWISE REIMBURSED BY GRANTS FROM THE COMMUNITY COLLEGE SYSTEM OR TAX CREDITS PURSUANT TO THE STATE STATUTE.
8. OTHER PURPOSES THAT LEAVE VALUE IN THE COMMUNITY AS DETERMINED BY THE COUNCIL ON A PROJECT-BY-PROJECT BASIS.

WILMINGTON

North Carolina

PROCEDURE FOR GRANT CONSIDERATION

SECTION A:

PROCEDURE FOR GRANT CONSIDERATION BDIP

THE FOLLOWING PROCEDURE WILL BE UTILIZED IN CONSIDERING A PROJECT FOR A BDIP GRANT:

- THE COMPANY WILL NEGOTIATE THE TERMS OF SUCH GRANT AGREEMENT WITH THE EXECUTIVE DIRECTOR OF WILMINGTON INDUSTRIAL DEVELOPMENT, INC., AND THE CITY MANAGER. SUCH DISCUSSIONS ARE NEGOTIATIONS ONLY, INASMUCH AS THE COUNCIL HAS THE SOLE DISCRETION AND AUTHORITY TO FINALLY AGREE TO SUCH GRANTS.
- THE CITY WILL BE ENTITLED TO A FULL FINANCIAL REVIEW OF THE COMPANY, WHICH WILL BE KEPT IN STRICT CONFIDENCE, UNDER PROCEDURES TO BE AGREED UPON BY THE COMPANY AND CITY.
- AT A TIME AGREEABLE TO THE COMPANY, GIVEN ITS CONFIDENTIALITY CONCERNS, A PUBLIC NOTICE AND PUBLIC HEARING REGARDING THE PROPOSED GRANT WILL BE GIVEN IN ACCORDANCE WITH N.C. GEN. STAT. 158-7.1.
- THE COUNCIL WILL MAKE A DECISION AS TO WHETHER TO APPROVE THE TERMS OF THE GRANT AGREEMENT.
- A BDIP GRANT AGREEMENT WILL BE EXECUTED WHICH CONTRACTUALLY BINDS THE CITY TO MAKE THE GRANTS, AND THE COMPANY TO MEET THE CAPITAL INVESTMENT, JOB CREATION AND WAGE LEVEL REQUIREMENTS, TO WHICH THEY MUTUALLY AGREED.
- THE COMPANY WILL PROVIDE VERIFICATION OF ITS COMPLIANCE WITH THE REQUIREMENTS TO WHICH IT HAS AGREED. EMPLOYMENT VERIFICATION SHALL CONSIST OF THE COMPANY SUBMITTING TO THE CITY A COPY OF THE EMPLOYMENT SECURITY COMMISSION FORM 101 USED TO PERIODICALLY VERIFY EMPLOYMENT AND THE CALCULATION OF UNEMPLOYMENT TAXES. THE COMPANY AND CITY SHALL MEET ANNUALLY DURING EACH YEAR THE AGREEMENT IS IN FORCE TO ASSESS EMPLOYMENT AND INVESTMENT GOALS.

WILMINGTON

North Carolina

PROCEDURE FOR GRANT CONSIDERATION

SECTION B:

PROCEDURE FOR GRANT CONSIDERATION

THE FOLLOWING PROCEDURE WILL BE UTILIZED IN CONSIDERING A PROJECT FOR A FILM INCENTIVE GRANT:

- THE COMPANY WILL NEGOTIATE THE TERMS OF SUCH GRANT AGREEMENT WITH THE EXECUTIVE DIRECTOR OF WILMINGTON FILM COMMISSION, AND CITY MANAGER. THE CITY WILL MAKE AN ANNUAL ALLOTMENT IN THE BUDGET FOR FILM INCENTIVES. THE TOTAL AMOUNT OF INCENTIVES MAY NOT EXCEED THE BUDGETED AMOUNT. SUCH DISCUSSIONS ARE NEGOTIATIONS ONLY, INASMUCH AS THE COUNCIL HAS THE SOLE DISCRETION AND AUTHORITY TO FINALLY AGREE TO SUCH GRANTS.
- AT A TIME AGREEABLE TO THE COMPANY, GIVEN ITS CONFIDENTIALITY CONCERNS, A PUBLIC NOTICE AND PUBLIC HEARING REGARDING THE PROPOSED GRANT WILL BE GIVEN/HELD IN ACCORDANCE WITH THE REQUIREMENTS OF N.C. GEN. STAT. 158-7.1
- THE CITY WILL BE ENTITLED TO A FULL FINANCIAL REVIEW OF THE COMPANY, WHICH WILL BE KEPT IN STRICT CONFIDENCE, UNDER PROCEDURES TO BE AGREED UPON BY THE COMPANY AND CITY.
- THE COUNCIL WILL MAKE A DECISION AS TO WHETHER TO APPROVE THE TERMS OF THE GRANT AGREEMENT.
- A FILM INCENTIVE GRANT AGREEMENT WILL BE EXECUTED WHICH CONTRACTUALLY BINDS THE CITY TO MAKE THE GRANTS, AND THE COMPANY TO MEET THE EXPENDITURE, CAPITAL INVESTMENT, JOB CREATION AND WAGE LEVEL REQUIREMENTS, TO WHICH THEY MUTUALLY AGREED.
- THE COMPANY WILL PROVIDE VERIFICATION OF ITS COMPLIANCE WITH THE REQUIREMENTS TO WHICH IT HAS AGREED. EMPLOYMENT VERIFICATION SHALL CONSIST OF THE COMPANY SUBMITTING TO THE CITY A COPY OF THE EMPLOYMENT SECURITY COMMISSION FORM 101 USED TO PERIODICALLY VERIFY EMPLOYMENT AND THE CALCULATION OF UNEMPLOYMENT TAXES. THE FILM COMPANY AND CITY SHALL MEET ANNUALLY EACH YEAR THE AGREEMENT IS IN FORCE TO ASSESS EMPLOYMENT AND INVESTMENT GOALS. FILM PROJECTS SHORTER THAN A YEAR SHALL HAVE A PROJECT ASSESSMENT MEETING SCHEDULED TO FINALIZE GRANT DISBURSEMENT.



CONCLUSION

ALL BDIP AND FIP GRANTS SHALL BE CONSIDERED ON A PROJECT-BY-PROJECT BASIS AND BY ADOPTING THESE GUIDELINES; THE COUNCIL IS NOT OBLIGATED TO MAKE ANY GRANTS. IN CONSIDERING WHETHER TO PROVIDE BDIP GRANTS FOR A PROJECT AND IF SO HOW MUCH, THE COUNCIL WILL TAKE INTO ACCOUNT GRANTS MADE BY WILMINGTON INDUSTRIAL DEVELOPMENT, INC. AND THE STATE OF NORTH CAROLINA. THESE GUIDELINES ARE NOT RETROACTIVE TO ANY PROJECT THAT HAS BEEN ANNOUNCED PRIOR TO THE ADOPTION OF THESE GUIDELINES. THESE GUIDELINES ARE EFFECTIVE AS OF SEPTEMBER 21, 1999 AND REVISED
