

Winning the War On Economic Development and Incentives

IEDC Fall Conference – ED Talks

Christopher D. Lloyd

September 18, 2017















**END
CORPORATE
WELFARE**

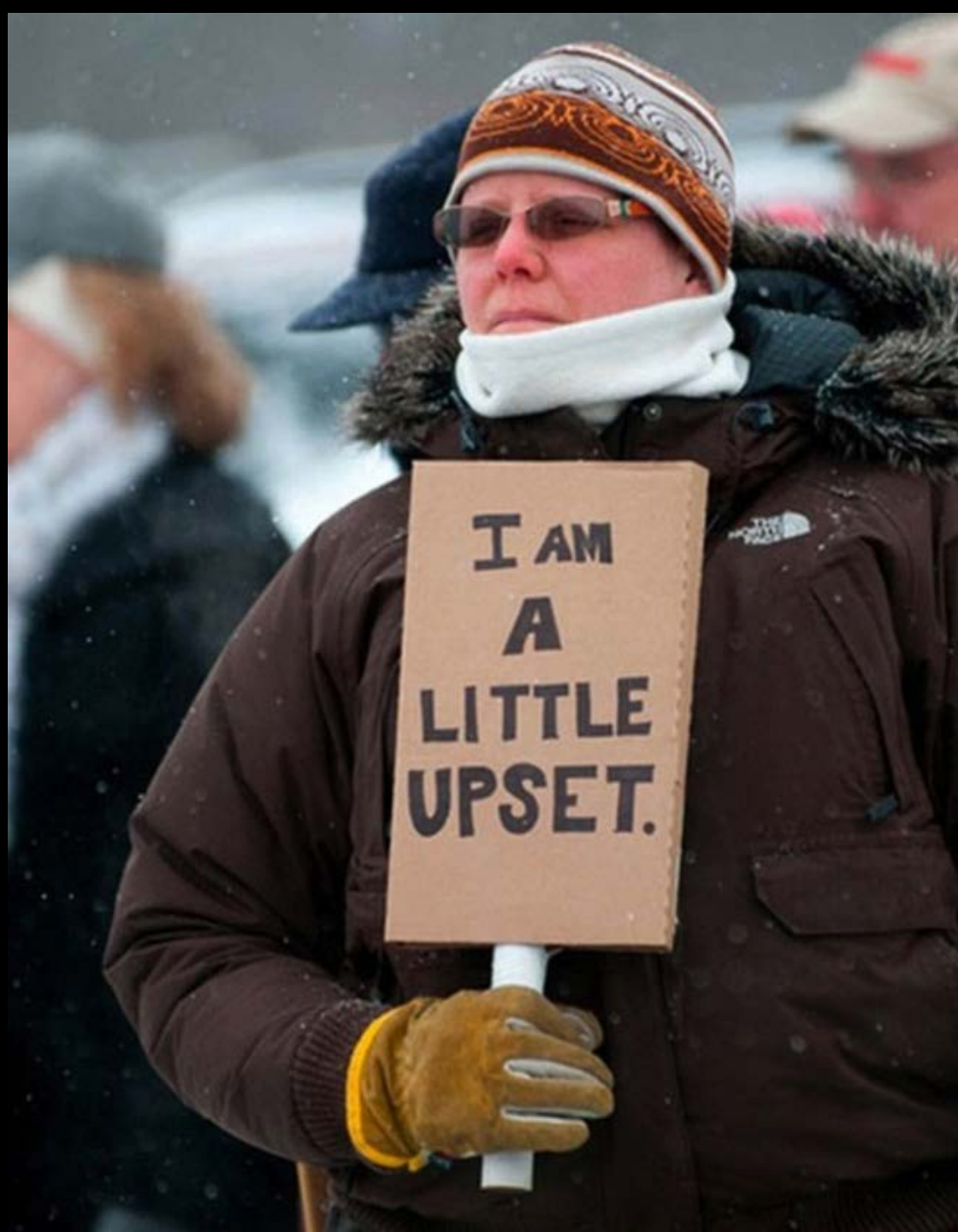


TAX PAYER FUNDED

NO

SUMNER INDUSTRIAL PARK
PreserveSumnerCounty.com
#HistoryNotIndustry

EXIT
REALTY PARTNERS
Independently owned and operated
1-723-3300



**I AM
A
LITTLE
UPSET.**

Actual Newspaper Headlines

“Illinois official calls incentives a form of cronyism”

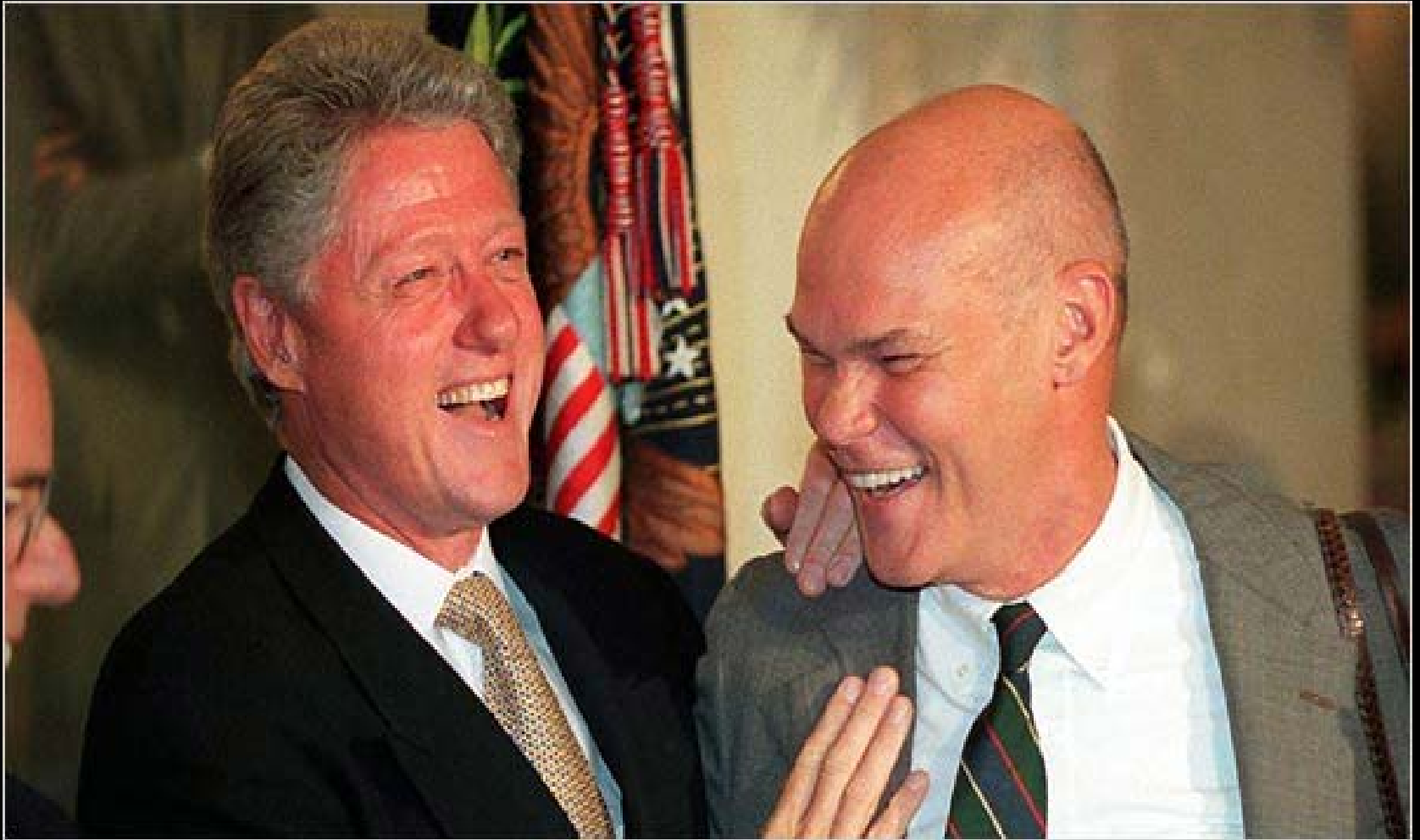
“Incentives: PBS vs. GE”

“Florida program gives \$423,000 incentive to cocaine dealer”











PATRICK T. FALLON/BLOOMBERG/GETTY

**UNEMPLOYMENT
INSURANCE AGENCY**
FOL Problem Resolution Office

Claims Entrance

339

U.S. DEPT. OF LABOR



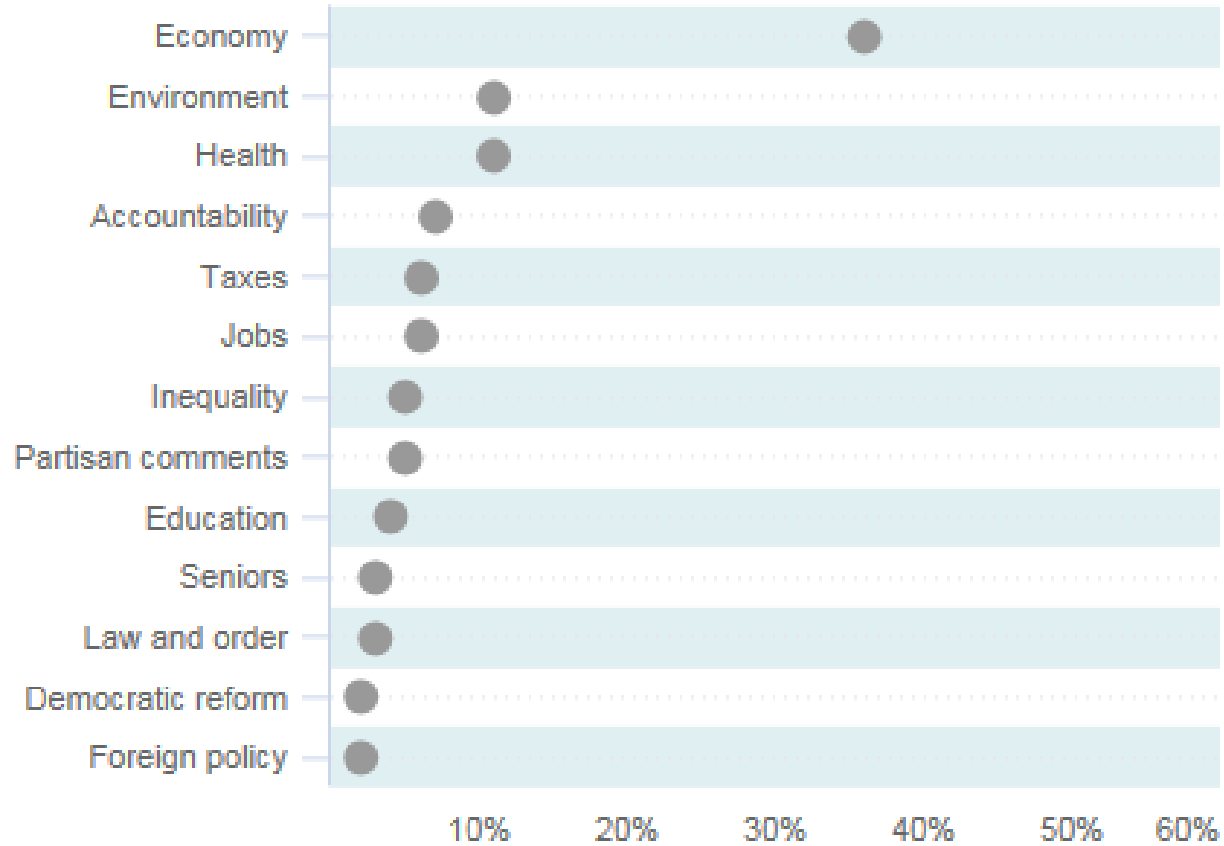
Overall

Age

Party

Gender

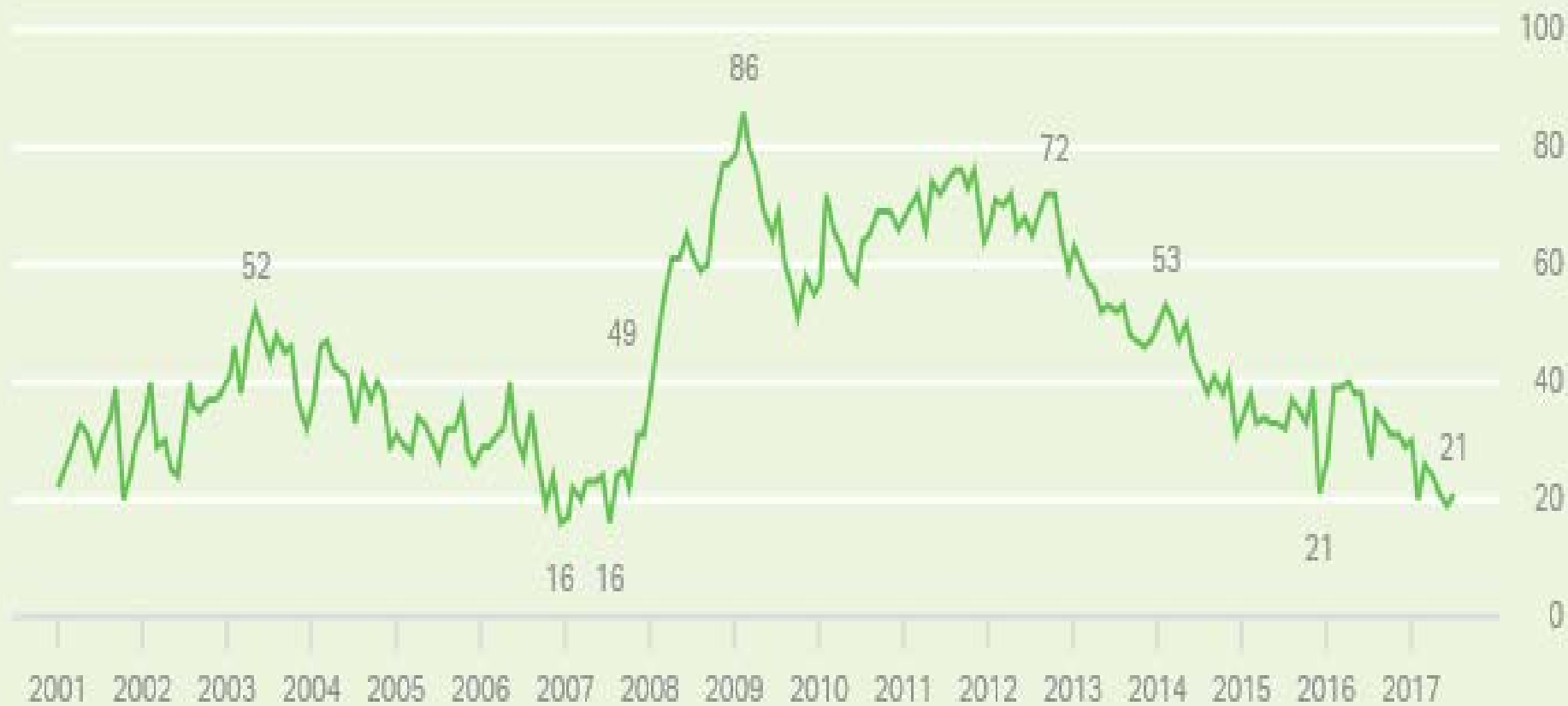
● Overall Results



Source: Vote Compass | [Download the Data](#)

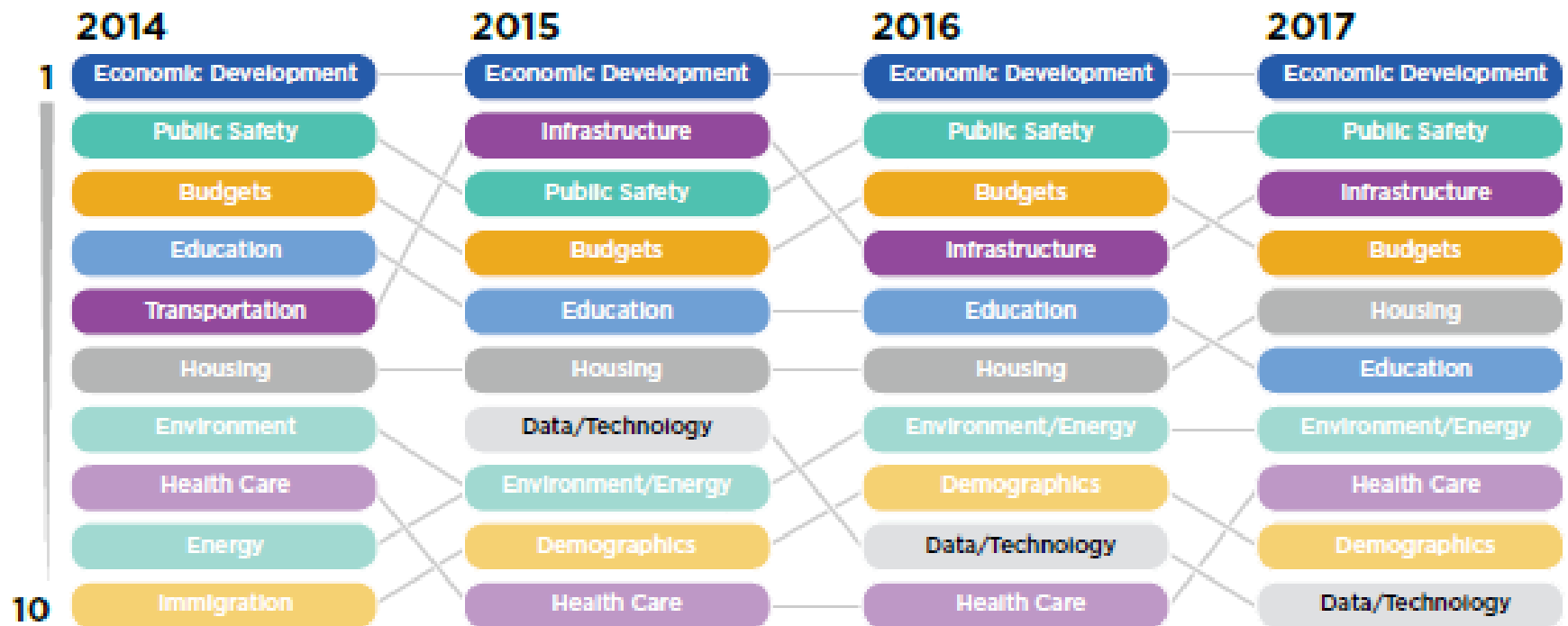
Percentage of Americans Mentioning Economic Issues as the Nation's Most Important Problem

■ % Mentioning



State of the Cities 2017

Top 10 issues over the last four years





ECONOMIC INCENTIVES POLL

JANUARY 1, 2014

Bay
NEWS



Do you agree or disagree with government giving incentives like tax breaks to attract businesses to move here?

Tampa Bay
Times

66%



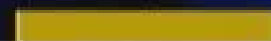
AGREE

28%



DISAGREE

6%



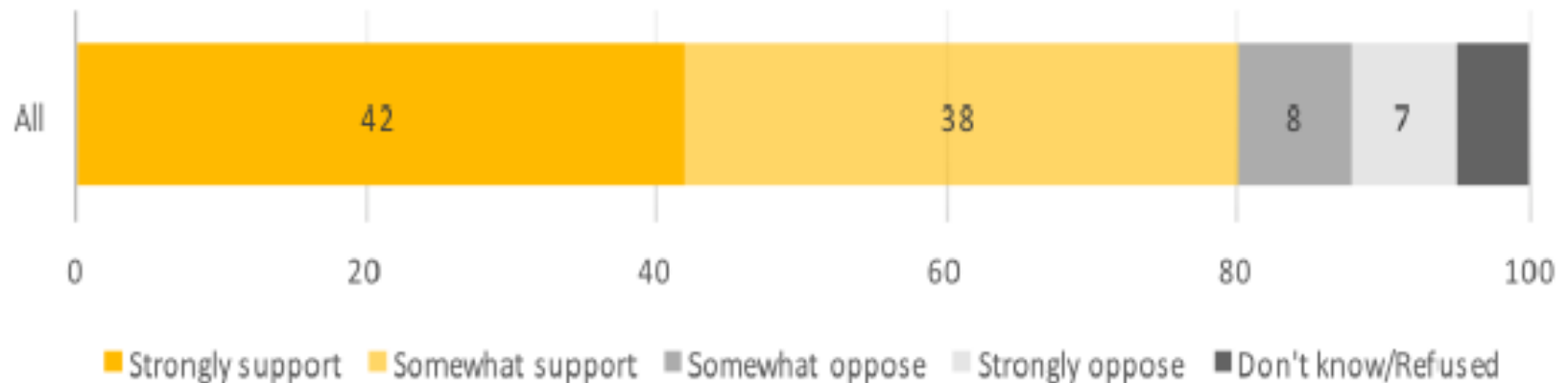
NOT SURE

Margin
of Error
+/-3.9%

TAMPA BAY
AM 820 NEWS
GOTTA KNOW NOW

Support for Tax Breaks and Incentives?

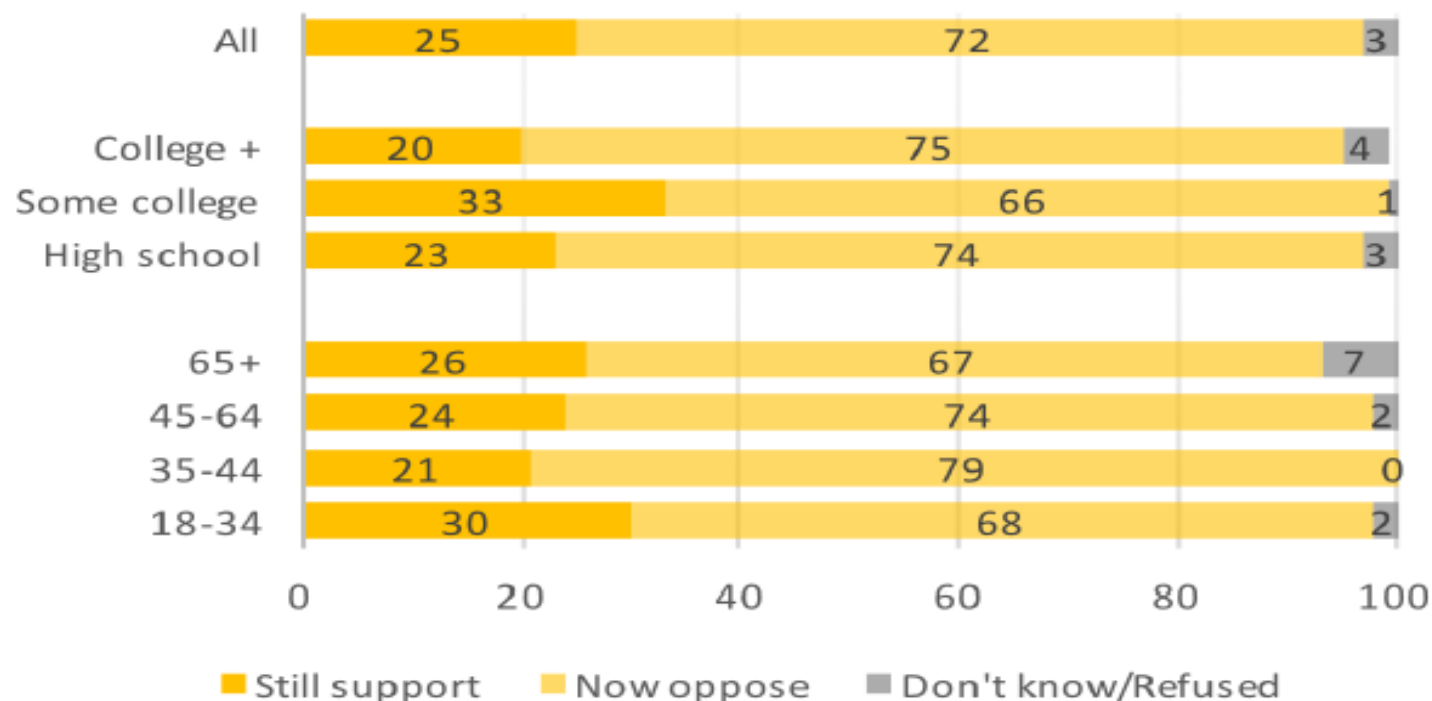
Overall, do you support or oppose the state government offering tax breaks or other incentives to companies that agree to expand or relocate their business operations to Virginia? Do you (support/oppose) strongly or somewhat?



Source: 2017 Summer Public Policy Poll, VCU's Office for Public Policy Outreach, L. Douglas Wilder School of Government and Public Affairs

Support for Different Options (Asked of those who support)

If financial incentives might be provided up front to companies that eventually decide not to bring their business to Virginia, would you still support the state offering these incentives, or would you now oppose it?



Source: 2017 Summer Public Policy Poll, VCU's Office for Public Policy Outreach, L. Douglas Wilder School of Government and Public Affairs













Horry County/MBREDC Economic Development Incentives Program

Purpose

In order to shorten the time it takes to respond to Requests for Information (RFI) from companies and consultants and to empower the Horry County economic development team to discuss incentives with some degree of certainty and make decisions pertaining to the economic development of the county, we respectfully request that Horry County Council delegate authority to the Myrtle Beach Economic Development Corporation (MBREDC) to negotiate the following county incentives subject to final approval by Horry County Council. These incentives apply to new projects locating to the County as well as existing industry expansions.

Method

Before a company is provided incentives to locate or expand in Horry County, MBREDC should:

1. Demonstrate that the incentives are necessary to close the project
2. Demonstrate that the company being recruited complies with the MBREDC goal of sustainable, economic diversity within Horry County
3. Demonstrate that the company is committed to long-term investment, stewardship and job creation well beyond the incentive period
4. Develop suitable claw-back provisions that will protect the taxpayer's investment
5. Demonstrate the positive net economic impact of the project vs. public incentives
6. For statutory incentives (i.e. FILOT), obtain approval from Horry County Council on all final packages; For closing fund incentives, obtain County Administrator approval.

Please note that the maximum parameters agreed to herein do not indicate that maximum incentives will be offered to all projects. MBREDC staff will use discretion based on the company's conservative job creation and capital investment numbers to determine the level of incentives. The MBREDC reserves the right to ask for case by case consideration from the County Administrator and subject to approval by Horry County Council should a quality company be interested in locating in the county and require additional incentives beyond what is listed herein.

Fee in Lieu of Property Taxes (FILOT)

The MBREDC has the authority to offer a FILOT to companies that meet the criteria set forth annually by the South Carolina Department of Revenue in their publication, *South Carolina Tax Incentives for Economic Development*. Any FILOT will be applied to new investment or expanding real and personal property only and will not include existing property currently on the Horry County tax digest. The following performance table will apply:

FILOT	Minimum Criteria
6%; Maximum 20 Year	Minimum \$4-\$6 MM capital investment, 25 jobs-99 jobs
6%; Maximum 30 Year	Minimum \$6.1 MM capital investment, 100 jobs, 115% County Avg Wage as of April 15, 2011

Super and Enhanced Investment Fees

The MBREDC has the authority to offer of a Super or Enhanced Investment Fee to companies that meet or exceed the minimum criteria set forth annually by the South Carolina Department of Revenue in their publication, *South Carolina Tax Incentives for Economic Development*. As of 2011, the statutory minimum requirement for this incentive was \$150 million investment and 125 new jobs. This incentive reduces the company's property tax assessment to 4% for up to 40 years. Any Special Source Revenue Credits (SSRC) offered in addition to a Super or Enhanced Investment Fee will be evaluated and preliminarily approved by the county administrator prior to being offered.

Special Source Revenue Credit (SSRC)

The MBREDC will have the authority to offer a SSRC based on the performance-based schedule below.

SSRC	Minimum Criteria	Maximum Length
10%	\$5 MM investment, 25 jobs	10 Years
20%	\$5 MM investment, 50 jobs	10 Years
25%	\$5 MM investment, 50 jobs, 100% of Existing County Average Wage Rate as of April 15, 2011	15 Years
40%	\$5 MM investment, 100 jobs, 100% of Existing County Average Wage Rate as of April 15, 2011	15 Years
50%	\$15 MM investment, 100 jobs, 100% of Existing County Average Wage Rate as of April 15, 2011	15 Years
75%	\$50 MM investment, 150 jobs, 115% of Existing County Average Wage Rate as of April 15, 2011	30 Years
90%	\$100 MM investment, 300 jobs, 115% of Existing County Average Wage Rate as of April 15, 2011	30 Years



Return

On

Investment





Questions or Comments?

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