

RESOLUTION

POLICY ON PUBLICLY FUNDED DEVELOPMENT INCENTIVES

AND INTRA-REGIONAL COMPETITION

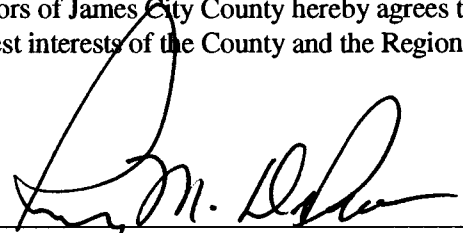
WHEREAS, the Hampton Roads Mayors and Chairs Caucus of the Hampton Roads Planning District Commission has proposed a regional Policy on Publicly Funded Development Incentives and Intra-Regional Competition; and

WHEREAS, the Region's economic development professionals did, on April 12, 1995, consider, revise, and endorse said Policy; and

WHEREAS, the Caucus has asked the governing bodies of each city and county in the Hampton Roads region to consider and take action on said Policy.

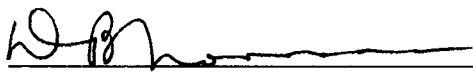
NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby endorses the Policy on Publicly Funded Development Incentives and Intra-Regional Competition.

BE IT FURTHER RESOLVED that the Board of Supervisors of James City County hereby agrees to use said Policy as a guideline when it is in the best interests of the County and the Region to do so.



Perry M. DePue
Chairman, Board of Supervisors

ATTEST:



David B. Norman
Clerk to the Board

<u>SUPERVISOR</u>	<u>VOTE</u>
SISK	AYE
EDWARDS	AYE
MAGOON	AYE
TAYLOR	AYE
DEPUE	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 5th day of June, 1995.

Compet.res

**HAMPTON ROADS
PUBLIC POLICY ON PUBLICLY-FUNDED DEVELOPMENT INCENTIVES
AND INTRA-REGIONAL COMPETITION**

This policy recognizes that the various municipalities of a region, while involved in competition for economic development, also share a mutual interest in managing that competition in ways that foster the region's growth without unfairly affecting the economic interests of each other, their taxpayers, or the competitors of parties favored by the use of publicly-funded incentives. In this policy, "neighboring municipalities" means not just contiguous cities and counties but all these joined with each other in the common regional economy. In order to further regional cooperation, revenue sharing is a concept which the economic development officials believe needs to be immediately pursued.

1. A municipality's publicly-funded development incentives should be governed by policy, and development incentives should be distributed on the basis of public policy criteria.
2. Incentives should be as limited as possible in amount, extent, and duration. Incentives in the form of accelerated infrastructure enhancements or other normal public services are preferable to direct subsidies.
3. The benefits to taxpayers and the community at large of providing incentives should outweigh the disadvantages to the recipient's competitors and other third parties whose interests may be affected.
4. Incentives provided to recruit businesses into the regional economy from outside may also be made available to a municipality's local firms if the investment is for an expansion that will result in comparable substantial additions to the economy and tax base. Routine growth should not be subsidized. Incentives may also be provided as part of a municipality's retention program.
5. When a municipality within the regional economy competes with metropolitan regions elsewhere in the country to attract new businesses from outside the region, this process sometimes involves competition with neighboring municipalities for the same prospect. In the absence of a cost/benefit sharing compact among the neighboring municipalities, differences in incentive offers are acceptable. However, municipalities should make their best offers independent of one another and avoid a "bidding war" with their neighboring localities.

6. Since each municipality develops some prospects on its own, neighboring municipalities will not intervene in each other's recruitment activities unless the prospect itself initiates direct contacts. When such contacts occur, they should be disclosed to any other neighboring cities involved with that prospect (but without obligation to disclose bidding terms). A community that becomes aware of a prospect being worked by another, and wishes to be considered also, may advise its interest to the other but not intervene until the originating community clears it. Alternatively, opportunities may be sought in such situations to replace internal competition with combined incentive packages and benefits-sharing compacts among the participating cities.
7. A municipality which is not successful with a prospect will refer the prospect to neighboring cities or counties.
8. Municipalities will not solicit the relocation of businesses from neighboring municipalities. When a local business expresses interest in relocation to a neighboring municipality, the Development Director will ask permission to disclose the contact to the municipality where the business is currently located in order to permit a retention effort.
9. Municipalities will not authorize real estate brokers or other intermediaries to represent to prospects that publicly-funded incentives are generally available or to negotiate incentives on their behalf without prior approval of the municipality in specific cases.