



## Downtown Thomasville Economic Development Tax Incentive Program

November 22, 2019

The district was created in 2012 to incentivize the development or redevelopment of downtown properties under N.C.G.S. 160A-535. Davidson County approved a matching grant that provides the same tax incentive for properties within the MSD area. The County grant must be submitted to the Davidson County Manager for approval. Attached is a map of the properties included in the MSD area. The majority of the properties are zoned commercial, office, or industrial.

With the establishment of the MSD, the City Council created a tax incentive to help the revitalization of downtown. Simply put, a grant may be applied for when a building is renovated, or constructed, that contributes to an increase in the tax value of a property. The grant is equal to the increased taxes of the property due to the investment and resulting increase in the tax value. The grant can run up to five consecutive years after renovations or construction is complete, but must be applied for each year after payment of all taxes. The before renovation/construction and after renovation/construction value of the real property (land and building) as assessed by the Davidson County Tax Department are utilized as the basis of determining value.

When construction is complete, Davidson County will provide an updated tax assessment that includes the increased value, and will generate the City of Thomasville and Davidson County tax bill. The property owner will pay the taxes, and then the City of Thomasville and Davidson County will grant the property owner a sum equal to the difference between the total amount paid and the amount that would have been paid with the original tax value before renovation or construction.

The following example illustrates the MSD Tax incentive Grant.

Current Thomasville City Tax Rate = \$0.60 per \$100 of real property value

Current Davidson County Tax Rate = \$0.54 per \$100 of real property value

**Combined City/County Tax Rate = \$1.14 per \$100 of real property value**

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Vacant land or vacant building = \$50,000 tax value

$50,000/100 \times 1.14 = \$570$  Annual City/County combined taxes due

Newly developed land or renovated building - \$500,000

$500,000/100 \times 1.14 = \$5,700$  Annual City/County combined taxes due

The property owner pays \$5,700 annually in City/County taxes. Each year, the property owner will be granted **\$5,130 (\$5,700 - \$570)**. At the end of the five-year incentive period, the total amount of the grant would be **\$25,650**.

A grant contract is required to be signed between the property owner and the City and County respectively. Grant proceeds are only dispersed after proof a tax payment is provided. The property owner is **not** eligible for an incentive grant on the Thomasville City School taxes, currently set at \$0.20 per \$100 of real property value.

We encourage any potential developer to reach out City staff to discuss their project. There may be other state and federal grant programs available dependent upon the type of development and whether the property is within a historic district or Federal Opportunity Zone. Contact Michael Brandt, Assistant City Manager at [Michael.Brandt@thomasville-nc.gov](mailto:Michael.Brandt@thomasville-nc.gov) or (336) 475-5599.