

Item Title: Public Hearing and Consideration of a Business Development Grant Agreement for Weatherby Locums, Inc.

Specific Action Requested:

That the Board of Commissioners holds a public hearing and approves a Business Development Grant Agreement with Weatherby Locums, Inc., including any related corporate entity, subject to the terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: State law authorizes counties to make appropriations for economic development purposes determined by the governing body to increase population, tax base, employment, and overall business prospects for the County. Wake County's Business Development Grant policy governs County appropriations for economic development incentives paid to companies expanding or locating in Wake County, including specific requirements for investment and job creation. Per statute, the governing board must hold a public hearing prior to making appropriations for economic development.

Background: Weatherby is a subsidiary of CHG Healthcare that provides staffing solutions for physicians in rural areas. Weatherby works with medical practices, hospitals, and healthcare facilities to coordinate and execute short-term contracts for healthcare professionals to cover for temporary absences for training, vacation, or medical leave.

On October 8, 2024, the company announced plans to expand in Raleigh and create 148 new jobs with average salaries exceeding \$200,000 annually. The expansion includes a planned \$7.3 million investment into office space at 4000 Center at North Hills. Most of the new jobs planned for the Raleigh office are in sales.

Strategic Plan: This action supports Inclusive Prosperity Goal 2: By 2029, four out of five residents asked will say they have employment opportunities that are available and right for their needs.

Fiscal Impact: The County agrees to a Business Development Grant of 35% of new tax revenue generated for five years starting in the year the first performance targets are met. The Company also plans to qualify for the Upward Mobility Bonus, which is an additional 5% of new tax revenue generated over the five-year period. The grant, including the Upward Mobility Bonus, is estimated to be \$75,000 total over the five years. Appropriations sufficient to meet the County's obligations under the terms of the agreement will be incorporated in the annual budget ordinance.

Additional Information:

On August 19, 2024, the Wake County Board of Commissioners met in closed session and authorized the County Manager to negotiate a business development grant agreement for the project.

In order to receive payment from the County, the company must meet the minimum performance criteria outlined in the proposed agreement including:

1. Complete new investment (minimum of \$7,300,000 by December 31, 2025)
2. New job creation with average salaries of at least \$206,407 annually:
 - a. 23 cumulative new employees by 2025
 - b. 50 cumulative new employees by 2026
 - c. 77 cumulative new employees by 2027
 - d. 108 cumulative new employees by 2028
 - e. 140 cumulative new employees by 2029
3. Payment of Wake County Property taxes for all previous and current years in which taxes are owed.

Upward Mobility Bonus

The Company also qualifies for the Upward Mobility Bonus under the County’s Business Development Grant Policy. The Company meets all required components below:

- Prohibits discrimination against applicants and employees through robust non-discrimination policies.
- Offers health insurance to employees and dependents at a level generally considered affordable.
- Provides leave to employees covering vacation, sick, bereavement, and parental leave.

The Company also provides the following additional benefits to qualify for the bonus:

- Matching contributions to dependent flexible spending accounts that allow employees to use tax-free dollars to pay for dependent care services including daycare, preschool, before and after school care, and emergency childcare.
- Reimbursement for tuition, books, and course materials for employees pursuing additional education and training.

Business Development Grant & Upward Mobility Bonus Estimate						
Year	Total New Assessed Value	Wake County Tax	Incentive %	Business Development Grant Estimate	Upward Mobility Bonus	Total Estimate
1	\$7,300,000	\$37,486	35%	\$ 13,120	\$ 1,874	\$ 14,994
2	\$7,300,000	\$37,486	35%	\$ 13,120	\$ 1,874	\$ 14,994
3	\$7,300,000	\$37,486	35%	\$ 13,120	\$ 1,874	\$ 14,994
4	\$7,300,000	\$37,486	35%	\$ 13,120	\$ 1,874	\$ 14,994
5	\$7,300,000	\$37,486	35%	\$ 13,120	\$ 1,874	\$ 14,994
Total				\$ 65,600	\$ 9,371	\$ 74,971

State and Municipal Participation

The State of North Carolina's Economic Investment Committee approved a Job Development and Investment Grant (JDIG) for the project on October 8, 2024. The state incentive, which is based on a formula that accounts for the new tax revenues generated by the new jobs and the capital investment, is authorized for up to \$1.8 million over a 12-year period. The Raleigh City Council is scheduled to vote on an incentive for the project on November 6, 2024.

Attachments:

1. Presentation
2. Business Development Grant Agreement
3. Wake County Business Development Grant Policy (Amended December 4, 2023)