

Business Development Grant Policy Recommendations

Board of Commissioners Work Session

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Agenda

- **Review Policy Objectives**
- **Recap Recent Committee Discussions**
- **Review Proposed Recommendations**
- **Board Consideration & Next Steps**

Wake County's Policy

- Well documented, transparent, and easy to access
- Articulates clear goals and objectives
- Performance-based

Stated Policy Goals:

- Attract/encourage new investment
- Create new jobs
- Diversify the tax base
- Promote economic mobility and sustainable business practices

Recent Committee Discussions

August 18, 2025

- Overview of current policy and legal context
- Staff previewed potential changes

March 23, 2026

- Staff presented recommended updates, including:
 - Adjustments to wage thresholds
 - Reduction of project tiers and state match minimums
 - Creation of a transformational project tier
 - Job-based incentive pay structure for Headquarters projects
- Committee advanced to full board consideration at work session



Proposed Changes

Adjust Wage Thresholds

Category	Current	Proposed
Standard Tiers	110%	100%

Proposed Text Change: Replace Living Wage Floor with the thresholds above, plus below:

*“Commissioners may consider offering grants to companies that **do not** meet the wage threshold”* if they can document **at least one** of the below items:

- 1. Qualification for the Upward Mobility Bonus
- 2. Qualification for a municipal incentive
- 3. Employer promotes economic mobility

Rationale

- Wage inflation occurring rapidly
- Flexibility to consider more projects with jobs having low barriers to entry
- Early career positions are competitive with market and provide economic mobility pathways

Wake Living Wage:	\$50,690
Wake Average Wage:	\$80,616
NC Average Wage:	\$70,672
110% of Wake Average:	\$88,678

2018 Wake	2022 Wake	2026 Wake
\$56,245	\$68,317	\$80,616

Reduce Number of Project Tiers

Proposed: Reduce Standard Tiers from 5 to 3

Tier	Investment Minimum	Jobs Minimum	Salary Minimum*	Incentive Percentage	Max Years
1 (Super Jobs)	\$50 Million	250	200%	50%	8
Tier 2 (New Tier 1)	\$100 Million	50	100%	50%	8
Tier 3	\$75 Million	50	110%	42.5%	5
Tier 4 (New Tier 2)	\$50 Million	50	100%	35%	5
Tier 5 (New Tier 3)	\$25 Million	50	100%	30%	5

*Reflects new, proposed average min. salary

- Easy to explain and follow
- Additional Tiers not needed given flexibility in other policy updates

Establish Transformational Project Tier

- County has given special consideration to transformative projects
 - **Amgen Phase II:** \$800 Million
 - **Fujifilm I and II:** > \$1 Billion
 - **Genentech:** >\$700 Million+
- Trend in projects with large, strategic investments
- Flexibility allows for negotiation to encourage major project investments

NEW: Transformational Project Tier

Investment Min.	Jobs Min.	Average Salary Min.	Incentive %	Max Years
<i>\$500 Million</i>	<i>100</i>	<i>100%</i>	<i>TBD</i>	<i>10</i>

Decrease State Match Minimum

- State incentives require local participation
- Trend in office projects entering new office space, with considerable jobs, but lower investment
- Small County grants unlock much larger job-based state grants

State Participation Tier

	Investment Minimum	Jobs Minimum	Avg. Salary	Incentive %	Max Years
Current	\$5 Million	25	100%	35%	5
<i>Proposed</i>	<i>\$2 Million</i>	25	100%	35%	3

Adjust HQ Policy Tier Structure

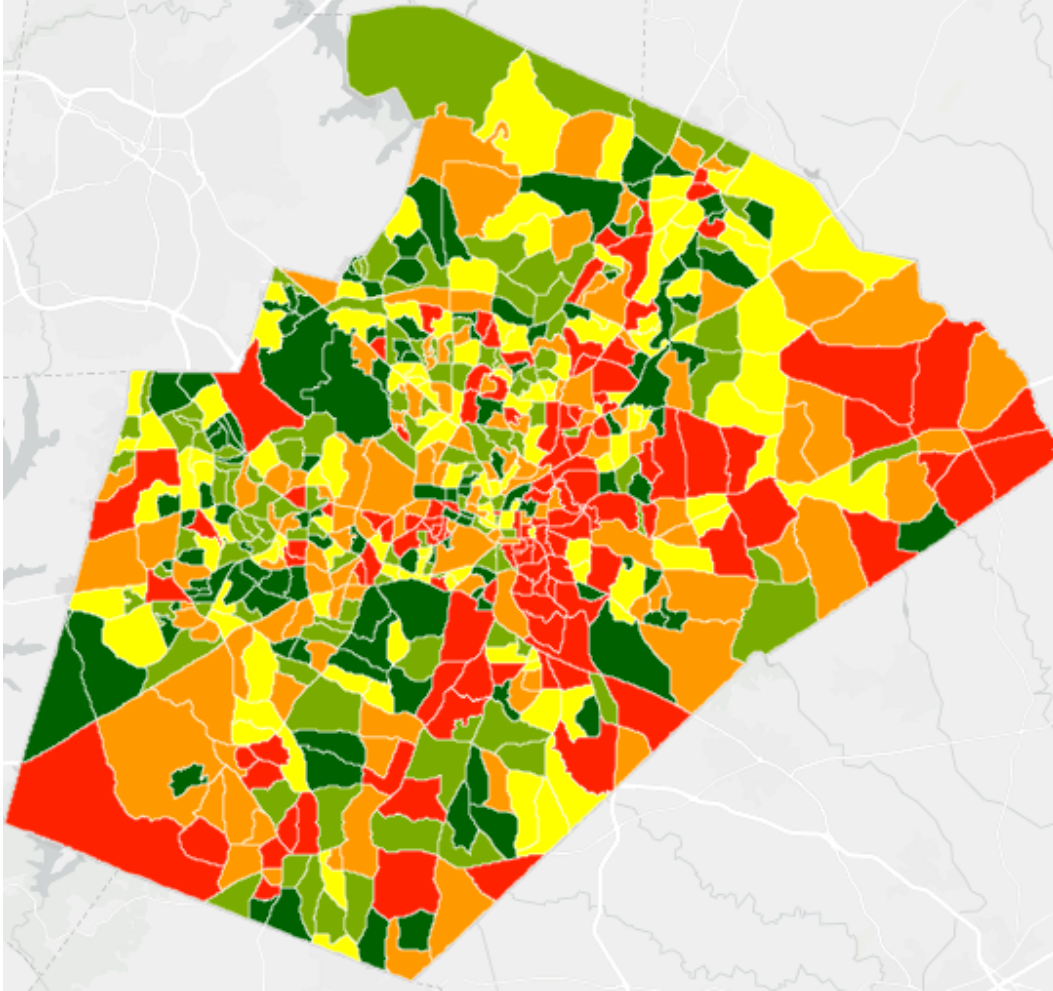
- Primary Benefit of HQs = **Jobs**
- Most are office projects with minimal investment for upfit and equipment
- Under current policy, grants are based on tax valuations, typically so small as to not be meaningful to the company:
 - Example: \$5M project payout at current tax rate is just over \$45K (~9k/year for 5 years) assuming current tax rate

Headquarters Tier

	Investment Minimum	Jobs Minimum	Avg. Salary	Incentive Payout	Max Years
Current	\$5 Million	35	120%	35%	5
Proposed	\$2 Million	35	120%	\$1,000/Job	3

- Increase competitiveness for HQ recruitments through meaningful incentives
- Retain higher wage threshold for HQ Tier to reflect C-Suite type roles

Targeted Growth Areas



Based on Wake County Community Vulnerabilities Index, which uses Census Block Groups and American Community Survey Data. Uses the following variables:

- **Unemployment Rate**
- **Age Dependency Ratio***
- **Educational Attainment**
- **Housing Vacancy**
- **Poverty Rate**

Red (Most Vulnerable) and **Orange** (Vulnerable) have been used to qualify projects in this policy category

Retitle to **Priority Growth Areas**

Policy Summary with Proposed Changes

Policy Category/Tier	Investment Minimum	Jobs Minimum	Salary Minimum*	Incentive Payout	Max Years
Tier 1	\$100 Million	50	100%	50%	8
Tier 2	\$50 Million	50	100%	35%	5
Tier 3	\$25 Million	50	100%	30%	5
<i>Transformational Project</i>	<i>\$500 Million</i>	<i>100</i>	<i>100%</i>	<i>TBD</i>	<i>10</i>
State Participation	<i>\$2 Million</i>	25	100%	35%	3
Headquarters	<i>\$2 Million</i>	35	120%	<i>\$1,000/Job</i>	3
<i>Priority</i> Growth Area	\$2 Million	20	Living Wage	35%	5

Bold Italics = Change from Current Policy

Next Steps

August 17: Board considers adoption of policy updates, if ready



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