

## WAKE COUNTY

### BUSINESS DEVELOPMENT GRANT AGREEMENT

#### Tier 2 Grant Agreement

This Business Development Grant Agreement (the “Agreement”) is made and entered into as of the DATE by and between Novartis Gene Therapies, Inc, a business corporation incorporated in the state of STATE and authorized to transact business in the State of North Carolina (the “Company”) and WAKE COUNTY, North Carolina, a body politic and corporate and political subdivision of the State of North Carolina (the “County”). The County and Company may from time to time be referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

#### WITNESSETH:

WHEREAS, the Local Development Act of 1925, as amended, (Article 1 of Chapter 158 of the North Carolina General Statutes) grants counties the authority to make appropriations for the purposes of aiding and encouraging the location or expansion of certain business enterprises in the county or for other purposes which the county’s governing body finds, in its discretion, will increase the population, taxable property base and business prospects of the county; and

WHEREAS, N.C. Gen. Stat. § 158-7.1(b) lists specific economic development activities which a county may undertake, which list is not exclusive; and

WHEREAS, Wake County has adopted “Wake County Business Development Grant Policy, updated December 4, 2023, and included as Exhibit D (“County Policy”), the provisions of which govern this agreement (with modifications or waivers as determined necessary by Wake County); and

WHEREAS, in 2025, the Company began discussions with the State of North Carolina (the “State”), and thereafter with the County, to explore the possibility of expanding manufacturing operations in the County (the “Project”); and

WHEREAS, on August 18, 2025 the Board of Commissioners of the County met in closed session regarding the Company and its location possibilities and determined that (i) the Project would tend to increase the population, taxable property base and business prospects of the County, (ii) an incentive grant would encourage the Company to locate and provide jobs in the County, and (iii) it would be in the public interest to provide assistance as authorized by N.C. Gen. Stat. § 158-7.1 and approved the negotiation of a business development grant agreement for the Project; and

WHEREAS, the Company has decided to locate the Project within the County; and

WHEREAS, the Company intends to hire no fewer than 180 new employees at average wages above 110% of the County average by Dec. 31, 2029, and invest or cause to be invested no less than \$231,000,000 for tangible personal property and improvements to real estate related to the Project no later than Dec. 31, 2029.

WHEREAS, N.C. Gen. Stat. § 153A-449 authorizes the County to contract with and appropriate money to any person, association, or company in order to carry out the public purpose in which the County is authorized by law to engage; and

WHEREAS, the Board of Commissioners of the County found that the consideration the County will receive, based on prospective tax revenues to be generated over an eight-year period due to investment in the Project, will exceed the amount of the grant offered in this Agreement; and

WHEREAS, the Board of Commissioners of the County, following a public hearing on March 2, 2026 approved the execution of a business development grant (the “Grant”) to the Company for the Project on the terms of this Agreement.

NOW, THEREFORE, in consideration of the reasons recited above, and the mutual covenants and obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Definitions:

(a) Full-time Employee: A person who is employed by the Company working at least 35 hours per week, and whose wages are subject to withholding under Article 4A of Chapter 105 of the North Carolina General Statutes. The employee must be paid no less than the Wake County Living Wage Rate set by the County during the applicable Grant Year.

(b) New Employee: A full-time employee who represents a net increase in the aggregate number of employees employed by the Company in connection with the Project. Telecommuting positions where the employee performs work primarily outside of Wake County shall not be counted towards the employment requirement set forth herein.

(c) New Investment: Improvements to real estate, machinery, equipment, and other business personal property made by or on behalf of the Company for the Project. The value of the land is not included in the calculation of New Investment.

(d) New Jobs: New increase in the Company’s number of full-time Wake County employees.

(e) Wake County Living Wage Rate: A rate calculated annually by Wake County and based on the four-year average housing cost of a one-bedroom according to the U.S. Department of Housing and Urban Development’s Fair Market Rents in Raleigh, North Carolina. The formula for rate calculation is attached as Exhibit B and is incorporated by reference.

2. Project Location: The project includes leasing and upfitting the facility located at the address below to expand the Company’s manufacturing operations:

2000 Science Drive  
Morrisville, NC 27560

3. Real Estate New Investments and Machinery, Equipment, Furniture and Fixture Acquisition. The Company shall purchase and/or make or cause to be made New Investments at the site chosen for the Project in Wake County, North Carolina, (the “Property”) and shall, upon request of the Tax Administrator, produce documentation for New Investments which have been made to the Property and receipts showing proof of acquisitions of machinery, equipment, furniture and fixtures by the Company for use at the site of the Project; provided the value of New Investments is equal to the increase of the tax base and not the actual cost of the documented New Investments. New Investments made to the real estate not attributable to the Company’s investment shall not be counted towards the value of New Investments for the purpose of this Agreement. The Property shall be improved in accordance with the following:

(a) All construction undertaken, or caused to be undertaken, shall be or has been designed, constructed, and completed in accordance with applicable standards established by federal, State, local, and County regulations and laws; and

(b) The County shall not be responsible for any aspect of the design or construction of the premises.

4. Performance by the Company. This Agreement and the expenditure of County funds under this Agreement is expressly contingent upon the Company achieving the performance requirements during each “Grant Year” and over the “Grant Period” as defined herein. For purposes of this Agreement, the “Grant Year” is defined as each calendar year (January-December) the Company meets performance requirements within the time periods set forth below, which shall be measured consecutively beginning in the first calendar year of qualification through the eighth (8<sup>th</sup>) calendar year. The “Grant Period” shall be defined as eight consecutive calendar years to be measured from the first Grant Year as defined above. The specified performance requirements and payment terms for the Grant are set forth in further detail as follows:

(a) New Investment in Real Estate Improvements and Tangible Personal Property. The Company shall make, or cause to be made, New Investments to real estate and for acquisitions of tangible personal property (collectively, the “Investments”) in the County in connection with the Project which shall result in an increased assessed tax value of the Investments totaling at least \$100,000,000 on or before Dec. 31, 2029 (i.e., improvements to be assessed as of January 1, 2030 or a prior taxable lien date). The existing value of real estate and tangible personal property prior to constructing New Investments shall not be counted towards the calculation of the New Investment. For purposes of calculating the New Investment, any New Investment captured after the January 1, 2026 lien date shall be counted toward the New Investment.

(b) Employment. The Company shall employ in Wake County a minimum of 100 new full-time employees by December 31, 2029. The average annual wages for the new employees shall be no less than \$121,000 which the Parties agree is at least 110% of the 2025 average annual wage for the County as determined by the North Carolina Department of Commerce’s Finance Center.

The Company shall maintain a level of employment equivalent to or greater than the required number of New Employees for all years of the Grant Period. Telecommuting positions where the employee performs work primarily outside of Wake County shall not be counted towards the employment requirement set forth in this section.

The Parties agree that for purposes of calculating the “annual wage” of an employee of the Company “wage” shall have the meaning it has for purposes of the North Carolina Department of Commerce’s Finance Center’s calculation of “average annual wage” and that such meaning is the gross wage subject to reporting to the Division of Employment Security of the North Carolina Department of Commerce.

The Company agrees to include residents of the County in recruiting for such job positions.

(c) Living Wage Standard. The Company agrees that all new full-time employees shall receive no less annually than, the Wake County Living Wage Rate set by the County during the applicable Grant Year throughout the Grant Period in order to be counted toward the new employee threshold described in Section 3(b). For example, the 2030 Grant Year performance will be evaluated using the Living Wage set by the County in July 2030.

The Wake County Living Wage Rate is calculated annually by the County and is based on the four-year average housing cost of a One Bedroom according to the U.S. Department of Housing and Urban Development's (HUD) Fair Market Rents in the Raleigh Metropolitan Statistical Area (MSA). The rate is set on July 1st each year.

(d) Upward Mobility Bonus. After qualifying for this Grant, the Company is eligible for a Business Development Grant bonus of five percent (5%) of additional tax growth in any Grant Year in addition to the qualifying grant if the Company meets the following conditions in the qualifying Grant Year:

The Company demonstrates that it meets ALL of the following conditions:

- Prohibits discrimination against applicants and employees in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment on the basis of race, natural hair or hairstyles, ethnicity, creed, color, sex, pregnancy, marital or familial status, sexual orientation, gender identity or expression, national origin or ancestry, National Guard or veteran status, religious belief or non-belief, age, or disability.
- Offers health insurance to employees and dependents at a level generally considered affordable.
- Leave policies accommodate vacation, sick, bereavement, and parental leave.

The company demonstrates that it provides other programs that reduce barriers to employment and economic mobility, including at least two of the following:

- Program(s) that offset costs to employees associated with childcare.
- Program(s) that offset costs to employees associated with transportation.

1. Program(s) that offset costs to employees associated with tuition or related educational expenses that increase employee skills and opportunities for advancement.
  - Second chance hiring practices, including removal of prior conviction checkoffs.

(e) Use. The Investments shall be made to accommodate the Company's Morrisville expansion.

(f) Payment of Taxes by Company. The County must receive confirmation from Wake County Tax Administration that the Company has paid, in full, the annual ad valorem taxes based on the increased value resulting from Investments in the Project. If the Company is leasing the space for the Project, the County must receive confirmation from Wake County Tax Administration that the annual ad valorem taxes for the leased space have been paid in full.

5. Documentation from the Company. In connection with each request for reimbursement, the Company shall deliver to the County Manager a performance letter in substantially the form of the attached Exhibit A (the "Performance Letter"), certifying that (1) the Company has taken the actions and met the requirements described in Section 4(a) and (b) of this Agreement as of the date of the Performance Letter. If the Company does not meet all of the conditions required to be certified in the Performance Letter, the Company shall not qualify for a Grant payment from Wake County for that calendar year. Upon the request of the County Manager, the Company shall present to the County such evidence as may be reasonably requested to confirm the facts in the Performance Letter. To the full extent allowed by law, such requested evidence shall be kept confidential by the County and shall remain the property of the Company to be returned after the County's review.

The Company shall attest to meeting the requirements of Section 4(d) for the prior calendar year to receive the Upward Mobility Bonus. If the Company does not fulfill the requirements of Section 4(d), the Company remains eligible for the underlying Business Development Grant. The Company is ineligible for the Upward Mobility Bonus in any year that the Company is ineligible for the underlying Business Development Grant.

It is agreed that the County, through its auditors, shall have the right upon reasonable notice and during normal business hours, to inspect and audit the Company's records pertaining to the value of the Investments made with respect to the Project. All records revealed by the Company to the County's auditors shall remain confidential and may be used by the County only for audit purposes to the full extent allowed by law.

The Company acknowledges that it has been informed by the County that the County is required by law, upon request, to disclose "Public Records" as that term is defined by N.C. Gen. Stat. §132-1. Notwithstanding the immediately preceding sentence, the County acknowledges that some or all of the information made available by the Company to the County pursuant to this Agreement may be exempt from disclosure as a "Public Record" pursuant to N.C. Gen. Stat. §§ 132-1.2 and/or 132-6(d), and that all such information may be proprietary. Some or all of the information made available to the County pursuant to this Agreement may be designated by the

Company as confidential and as a trade secret at the time of disclosure to the County. The County, to the fullest extent allowed by state law, will hold such designated information as confidential. The County shall, if it receives a request for disclosure of any such information, notify the Company of such request so that the Company may defend any claims or disputes arising from efforts of others to cause such trade secrets to be disclosed as a Public Record, and the County shall refrain from making any such disclosures unless or until it (i) receives the Company's written permission to do so; or (ii) is compelled to do so by the final order of a court of competent jurisdiction. The Company shall have the right to direct any litigation of such dispute and shall indemnify the County for any legal fees and expenses incurred by the County in opposing such request for disclosure. The Company acknowledges that the County has met the disclosure requirements set forth in N.C. Gen. Stat. § 132-1.11(b)

6. Annual Report Required. As a material condition of receiving the Grant, the Company must complete and submit to the County Manager the Annual Report included in Exhibit C by March 1 each year following execution of this agreement. The Annual Report can be submitted in conjunction with the Performance Letter once the Company begins requesting reimbursement. Failure to submit the Annual Report may result in a reduction of term or amount of award in the County's sole discretion. The Baseline and Annual Job Certification Report referenced in Section 6(a) below is a material component of the Annual Report.

(a) Baseline and Annual Job Certification Required. Upon execution of this agreement, the Company shall submit to the County the Annual Job Certification Report included in Exhibit E detailing the baseline number of full-time employees in Wake County at the project location. If there are no full-time employees at the project location, the form should be submitted with a note that there are no full-time employees at the project location.

On or before March 1 of each year following execution of this agreement, the Company shall submit an updated Annual Job Certification Report detailing the number of jobs at the project location. The Baseline and Annual Reports should be submitted electronically to the County Manager.

The Company shall submit the following accompanying documentation with the Baseline and Annual Jobs Certification Reports:

- Quarterly Wage and Tax Reports submitted to the State of North Carolina (Form NCUI 101) from the prior calendar year.

7. Payment of Grant.

(a) Upon the terms and conditions herein, the County agrees to partially reimburse the Company for the Investments that the Company makes or causes to be made in the Project to provide an incentive to the Company to make or cause such Investments and create such jobs within the County. A cash grant will be paid to the Company in an amount equal to a percentage of the additional County property tax revenue attributable to the assessed value of the Investments, as determined by the County tax assessor as more specifically set forth in Section 7(c). County property tax-exempt investments shall not count towards Investments for the purpose of this Section.

(b) Once the Company has met the performance requirements set forth in Section 4 of this Agreement for the Grant Year in question and the Company has submitted the required documentation under Section 5, the Company shall be eligible to receive the Grant payments described in this Agreement. The Grant payments shall begin in the year after the taxable property base of the Investments attributable to the Project as determined by the County Tax Administrator first exceeds \$195,400,000 provided the job requirements for that year are also met. For clarity, the first payment is expected to be based on the Company's performance for calendar year 2030, assuming the requirements are met, but could be earlier depending on the timing of the applicable Investments. The exact date of payments during each Grant Year shall be at the discretion of the County but in any event shall be made during the period from January 1st through March 31<sup>st</sup> that immediately follow the County's receipt of the Company's Performance Letter.

For example, if the Company's Investment prior to December 31, 2029 is assessed by the County in 2030 at a value equal to or exceeding \$100,000,000, Company has paid or caused to be paid the *ad valorem* tax on Investment by January 6, 2031, and the Company has met the 2029 employment requirements, as set forth in Paragraph 4(b), the Company's first Grant Year will be 2029. The Company's Performance Letter for that year will be due by March 1, 2031 (as described below), and the County will issue payment to the Company no later than March 31, 2031.

(c) The amount of the Grant payments to be paid by the County to the Company shall be fifty (50%) of the additional County ad valorem tax revenue attributable to the assessed value of the Improvements as defined in Section 4(a) of this Agreement as of January 1 of the preceding calendar year, as verified by the County Manager. The Grant payments shall be paid for each Grant Year for a period of eight (8) consecutive years (the "Grant Period"). In no event shall the grant amount paid by the County for any Grant Year exceed the amount of ad valorem taxes actually paid in the preceding year for Improvements in connection with the Project. The Parties agree that any payment of ad valorem tax made before January 6 following the due date of the tax shall be deemed to have been paid in the year the tax was due.

(d) Grant payments are to be made directly to the Company consistent with information provided by the Company in the County's vendor management system (as the same may be updated from time to time by the Company).

(e) As a material condition of receiving the Grant, the Company must submit the Performance Letter required by Section 5 by March 1 of the year following the calendar year for which the Grant is requested. As a material condition of receiving the Grant, the Company must also submit the Annual Report required by Section 6. **Failure to submit the Performance Letter and Annual Report by March 1 shall disqualify the Company from receiving the Grant for the previous calendar year, and the County shall have no obligation to the Company for any reimbursement based on performance or payment in the previous calendar year.** The March 1 deadline may be extended for cause only with the advance consent of the Board of Commissioners.

(f) In the event that all Grant requirements outlined in Section 4 of this Agreement are not met by Company for any year of the Grant Period, or the required documentation outlined in Section 5 is not submitted by Company for the year in time to allow payment by March 31 of the following year, then the County shall have no responsibility for all or any part of Grant for the non-qualifying Grant Year, and Company or its Affiliates shall have no interest in or entitlement to Grant for that Grant Year. No cure periods shall be allowed for the purpose of qualification in any Grant Year.

8. Recapture

To ensure that the public benefits from this incentive will be secured, it is a requirement that all or part of this economic development incentive will be returned or forfeited if the Company does not fulfill its obligations under N.C.G.S. Ch 158 *et seq*, this Agreement, or both. Therefore, the parties agree to each of the following provisions:

(a) In the event that all Grant requirements outlined in Section 4 of this Agreement are not met by Company for any year of the Grant Period, or the required documentation outlined in Section 5 is not submitted by Company by March 1 of the following year, then the County shall have no responsibility for all or any part of Grant funding for the non-qualifying Grant Year, and Company or its Affiliates shall have no interest in or entitlement to Grant funding for that Grant Year. No cure periods shall be allowed for the purpose of qualification in any Grant Year.

(b) In the event that Company fails to qualify for the Grant in more than 50% of the Years of the Grant Period, the County shall be entitled to recapture from the Company 50% of the actual amount of the reimbursement made by the County to the Company in each of the qualifying Grant Years.

9. State and Local Incentives. This Agreement is expressly contingent on the Company's ability to qualify for funds from the State of North Carolina's part of the JDIG program for Project Titan, provided that such compliance does not conflict with or reduce the Company's obligations to meet the County jobs target under this Agreement. Compliance with JDIG shall not excuse the Company from satisfying the County jobs target, and the County retains sole authority to determine whether the jobs target has been met. The Company shall not qualify for County Grant payments in any years of the Grant Period in the event that in such year the Company does not qualify for the JDIG program monies for Project Titan. This contingency only applies in those years when funds are available to the Company from the JDIG program.

The Company affirms that both Wake County and the Town of Morrisville have participated in recruitment and offered incentives in a manner appropriate to the project.

10. Amendments to Agreement. This Agreement may be modified or amended only with the mutual written consent of the Parties.

11. Parties. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their heirs and successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

12. Entire Agreement. This Agreement contains the entire agreement of the Parties and there are no other representations, inducements, or other provisions other than those expressed in this writing. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. All changes, additions, or deletions to this Agreement must be in writing and signed by all Parties.

It is specifically understood and agreed that the Company will be subject to applicable County ordinances, policies, procedures, and other regulations.

13. Governing Law. The Parties agree that this Agreement is to be controlled by the laws of the State of North Carolina.

14. Jurisdiction and Venue. Any controversy or claim arising out of this Agreement shall be settled by an action initiated in the appropriate division of the General Court of Justice in Wake County, North Carolina.

15. Termination. Except as otherwise provided herein, this Agreement shall terminate on December 31st of the last year in which the County makes Grant payments to the Company under this Agreement. The County may also terminate this Agreement immediately upon written notice if the Company fails to meet any material obligation, milestone, reporting obligation, or performance metric required under this Agreement; provides false, misleading, or incomplete information materially relevant to the County's decision to provide incentives, or becomes insolvent, subject to bankruptcy, or ceases operations. Termination shall not relieve the Company of any repayment obligations under this Agreement. All rights and remedies of the County, including recovery of such amounts, shall survive termination.

16. Assignment. With the consent of the County, which shall not be unreasonably withheld, the Company may assign all or part of its rights, benefits, and/or obligations under this Agreement to one or more Affiliates designated by the Company; provided that no such assignments shall relieve the Company of its obligations or Company specific performance requirements under this Agreement which are a condition of County Grant funding. For the purpose of this section, an Affiliate means the Company or any other entity that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. As a requirement of any assignment of this Agreement, the Manager must receive satisfactory documentation that 1) the Assignee is engaged in the same business as set forth on the Grant application; 2) no such assignments shall relieve the Company of its obligations or Company specific performance requirements under this Agreement which are a condition of County Grant funding; 3) the grant agreement entered by and between the Company and the Town of Morrisville by which performance under this Agreement is measured is contemporaneously assigned to the same entity; and 4) the Assignee is a domestic corporation entity such that administration of the Grant terms would not be impeded. The Board of Commissioners in its sole reasonable discretion may grant assignments upon the terms and conditions set forth herein and any additional conditions deemed equitable to accomplish the objectives of the Agreement. The approval of any

request meeting the requirements for assignment pursuant to this Section 16 shall not be unreasonably withheld, conditioned, or delayed by the Board of Commissioners. Notwithstanding anything to the contrary in this paragraph, the County may, in its sole discretion, allow the Company to assign the grant in other circumstances that may arise which meet the County's approval.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

ATTEST:

WAKE COUNTY

\_\_\_\_\_  
Yvonne Gilyard  
Clerk to the Board

By: \_\_\_\_\_  
Donald W. Mial  
Chairman, Board of Commissions

Approved as to Form:

\_\_\_\_\_  
Roger Askew  
Interim Wake County Attorney

Novartis Gene Therapies, Inc.

By: \_\_\_\_\_

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Wake County Finance Officer

\_\_\_\_\_

The person responsible for monitoring the contract performance requirements is Michael James.

Department Head Initials:

\_\_\_\_\_

**Exhibit A**

[Company Letterhead]

[date]

County Manager  
Wake County  
P. O. Box 550  
Raleigh, NC 27602

**Business Development Grant Agreement dated [        ],: Performance Letter**

Dear Sir/Madam:

Section 3 of the Business Development Grant Agreement between Wake County and Company, dated [\_\_\_\_\_] , 2025 (the “Agreement”) requires the Company to deliver a Performance Letter to the County Manager in connection with each request for reimbursement for the Investments that the Company makes or causes to be made in the Project described in the Agreement.

(Terms used in this letter have the meanings that such terms have in the Agreement.) The Company hereby certifies that:

1. The Company made or caused to be made new investments to real estate and for acquisitions of tangible personal property in the County in connection with the Project totaling at least \$100,000,000 on or before DATE in accordance with Section 2(a) of the Agreement;
2. The ad valorem taxes attributable to the project have been paid in full to the County for tax year \_\_\_\_\_;
3. As of December 31, [20\_\_], the Company employed [ ] new employees, in accordance with Section 4(b) of the Agreement;
4. The Company has maintained employment of [ ] new employees since December 31, [20\_\_];
5. The Investments for which this request is made have been completed; and

The Company respectfully requests reimbursement in the amount of \$\_\_\_\_\_, the amount determined by the County Tax Administrator in accordance with Section 4 of the Agreement.

Sincerely yours,

[name] [title]

## **Exhibit B**

### **Wake County Living Wage Standard**

The Wake County Living Wage rate is based on the four-year average housing cost of a One-Bedroom according to the United States Department of Housing and Urban Development's (HUD) Fair Market Rents in the Raleigh Metropolitan Statistical Area. On January 1 of each year, the County's current Living Wage Rate is compared to the calculated rate to determine if an adjustment is needed. The Board of Commissioners sets the rate on July 1<sup>st</sup> each year through adoption of the annual budget ordinances.

#### **Calculation Details**

The formula used by Wake County to set the rate is included below, along with the sample calculation used to determine the rate most recently set and adopted by the Board of Commissioners (July 1, 2024). The Fair Market Rates can be accessed on the HUD website at this link: <https://www.huduser.gov/portal/datasets/fmr.html>

<b>HUD Fair Market Housing Rate Raleigh, NC MSA: 1 Bedroom</b>					
<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
\$1,466	\$1,250	\$1,073	\$1,053	\$1,022	\$949

#### **Annualized Calculation**

**Step 1:** Calculate the four-year average for a one-bedroom using the HUD data.

*2024 Example:* The most recent four-year average available for the period was 2021-2024. The average for the period is **\$1,210.50**.

**Step 2:** Calculate the amount of monthly income required so that no more than 30% of gross monthly income is required for housing.

*2024 Example:*  $\$1,210.50/0.3 = \mathbf{\$4,035}$  monthly gross income required

**Step 5:** Annualize the Wake County Living Wage Rate

*2024 Example:*  $\mathbf{\$4,035}$  monthly income X 12 = **\$48,420 annually**.

**Step 6:** Divide by 2,080 to determine hourly rate (40 hours week X 52 Weeks/Year = 2,080 hours)

*2024 Example:*  $\$48,420/2,080 = \$23.28/\text{hour}$ .

**Step 7:** Allow for a credit of \$1.50 per hour if health insurance is provided to the employee at an affordable rate:

*2024 Example:*  $\$23.28/\text{Hour} - \$1.50 \text{ Credit} = \mathbf{\$21.78/\text{hour}}$ .

**Exhibit C**

**Annual Report  
Wake County Business Development Grants**

**1. Please confirm or update the primary Company contact for this agreement. If the contact has changed, please include updated contact information below.**

- No change
- Updated contact

**2. Does the Company still expect to meet the performance requirements and seek incentives pursuant to this agreement?**

- Yes, within the timeline in the agreement
- Yes, earlier (Specify)
- No, Company does not expect to meet requirements
- Company is no longer seeking incentive under this agreement for reason other than performance (Specify)

<b>Updated Contact Information</b>	
<b>Name:</b>	
<b>Title:</b>	
<b>Email:</b>	
<b>Phone Number:</b>	

## Exhibit D

# Wake County Business Development Grant Policy

Updated December 4, 2023

### **Policy Objective**

Support the development of an economic environment that attracts or encourages new investment, creates new jobs, results in a diverse tax base, promotes economic mobility, and supports sustainable business practices.

### **Eligible Projects**

An existing or new company (“economic development projects”) may be eligible for a Business Development Grant if they meet a new investment threshold, a new jobs threshold, and wage requirements detailed in this policy. Special consideration may be provided for Fortune 500 companies and large international companies.

### **Living Wage Standard**

No company shall receive a Business Development Grant for a project that includes jobs with wage rates below the Wake County Living Wage Rate or equivalent. The Wake County Living Wage Rate will be calculated annually by the County and based on the four-year average housing cost of a One Bedroom according to the U.S. Department of Housing and Urban Development’s (HUD) Fair Market Rents in the Raleigh MSA. The rate will be set on July 1st each year.

### **New Investment Threshold**

New or existing companies may be eligible for a Business Development Grant for new investments, which exceed the minimum thresholds as outlined below. New investment is defined as “improvements to real estate, machinery, equipment, and other business personal property.” The value of land is not included in the calculation of new investment. New investment must exceed the minimum threshold in assessed valuation, as determined by the Wake County Tax Administrator.

### **New Jobs Threshold**

New or existing companies may be eligible for a Business Development Grant when the investment threshold is met, and new jobs are created as outlined below. New jobs are defined as a new increase in the company’s number of full-time Wake County employees. A full-time employee is defined as a person who is employed by the company working at least 35 hours per week, and whose wages are subject to withholding under Article 4A of Chapter 105 of the North Carolina General Statutes. Salary and employment documentation provided to the NC Department of Commerce, North Carolina Employer’s Tax and Wage Reports, or other information as determined by the Wake County Finance Department will serve as Wake County documentation of job creation.

### **Thresholds**

	<b>Investment Minimum</b>	<b>Jobs Minimum</b>	<b>Avg. Salary Minimum</b>	<b>Incentive Percentage</b>	<b>Max Years</b>
<b>Tier 1 (Super Jobs)</b>	\$50 million	250	200%	50% new tax growth	8 years
<b>Tier 2</b>	\$100 million	50	110%	50% new tax growth	8 years
<b>Tier 3</b>	\$75 million	50	110%	42.5% new tax growth	5 years
<b>Tier 4</b>	\$50 million	50	110%	35% new tax growth	5 years

<b>Tier 5</b>	\$25 million	50	110%	30% new tax growth	5 years
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**State Participation**

New or existing companies may be eligible for a Business Development Grant when the state incentive requires local government participation and when the investment and jobs thresholds meet or exceed the minimum as outlined below.

	<b>Investment Minimum</b>	<b>Jobs Minimum</b>	<b>Avg. Salary Minimum</b>	<b>Incentive Percentage</b>	<b>Max Years</b>
<b>State Participation</b>	\$5 million	25	100%	35% new tax growth	5 years

**Targeted Growth Areas**

New or existing companies may be eligible for a Business Development Grant when locating or expanding in a designated Targeted Growth Area when investment and job creation thresholds meet or exceed the minimum outlined below.

	<b>Investment Minimum</b>	<b>Jobs Minimum</b>	<b>Avg. Salary Minimum</b>	<b>Incentive Percentage</b>	<b>Max Years</b>
<b>Targeted Growth Area</b>	\$2 million	20	Wake County Living Wage	35% new tax growth	5 years

**Headquarters**

New or existing headquarters may be eligible for a Business Development Grant when the investment, jobs, and salary thresholds meet or exceed the minimums below. For the purposes of this policy, a headquarters is defined as a corporate or national headquarters. Regional headquarters serving as a company’s headquarters for a multi-national region are also eligible. Wake County Economic Development will assess the headquarters status and qualifications.

	<b>Investment Minimum</b>	<b>Jobs Minimum</b>	<b>Avg. Salary Minimum</b>	<b>Incentive Percentage</b>	<b>Max Years</b>
<b>Headquarters</b>	\$5 million	35	120% County Average Wage	35% new tax growth	5 years

## **Upward Mobility Bonus**

## **5% additional of new tax growth**

After qualifying for a Business Development Grant under Wake County policy, new or existing companies may be eligible for a Business Development Grant Bonus of 5% of additional new tax revenue growth attributable to the project when meeting conditions outlined below. The bonus is intended to encourage business practices that reduce barriers to employment and economic mobility, not inconsistent with NCGS 143-162.6.

The company meets all following conditions:

- Prohibits discrimination against applicants and employees in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment on the basis of race, natural hair or hairstyles, ethnicity, creed, color, sex, pregnancy, marital or familial status, sexual orientation, gender identity or expression, national origin or ancestry, National Guard or veteran status, religious belief or non-belief, age, or disability.
- Offers health insurance to employees and dependents at a level generally considered affordable.
- Leave policies accommodate vacation, sick, bereavement, and parental leave.

The company provides other programs that reduce barriers to employment and economic mobility, including at least two of the following:

- Program(s) that offset costs to employees associated with childcare.
- Program(s) that offset costs to employees associated with transportation.
- Program(s) that offset costs to employees associated with tuition or related educational expenses that increase employee skills and opportunities for advancement.
- Second chance hiring practices, including removal of prior conviction checkoffs.

## **Policy Guidelines**

1. Business Development Grants will be considered for companies meeting the new investment and new job thresholds. The Board of Commissioners is not obligated to make any grants.
2. All projects will be considered on a case-by-case basis. The County will consider several factors (in addition to level of new investment and number of new jobs) when determining approval of a Business Development Grant, including:
  - a. Type of business, relative to current tax base
  - b. Types of new jobs
  - c. Reputation of company
  - d. The presence of competition for the projects
  - e. Business practices, such as employee benefits offered, wellness and health benefits, leave policies, community involvement practices, or other innovative programs to support economic mobility and employee health and wellbeing.
  - f. Business practices, such as LEED certification, WELL Building Standard, or other sustainability initiatives.
3. The amount of the grant payment to be paid by the County shall be consistent with the investment and jobs minimum as established in the grant agreement. In no event shall the grant amount exceed the amount of ad valorem taxes paid by the company on the new investment in that calendar year.
4. The County will require that the assessed value of new investment is confirmed by the Wake County Tax Administrator and that all property taxes are paid prior to providing a grant payment.

5. For projects/companies considering locating (or expanding) in one of the municipalities within Wake County, the County's participation in a Business Development Grant is contingent on participation by the municipality.
6. All grant agreements are subject to performance criteria that will be outlined in detail in a Business Development Grant contract between the company and the County approved in an open meeting of the Wake County Commissioners. The contract will outline that grant payments are contingent on achievement of performance criteria during each year of the grant.

