

Business Development Grant Policy Recommendations

Growth, Sustainability, & Economic
Development Committee

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Agenda

- **Review Policy Objectives**
- **Recap August 2025 Policy Overview w/ Committee**
- **Review Proposed Updates**
- **Board Consideration, Discussion, & 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

August 2025 Committee Overview

Staff reviewed the current policy, including:

- Legal Context and Philosophy
- Overview of Policy Categories and Tiers
- Upward Mobility Bonus
- Policy Guidelines

And Previewed Potential Changes Including:

- Transformative Project Tiers
- Proposal to Address HQ Incentive Structure

Proposed Changes for Consideration

- Wage Threshold Modifications
- Reduced Number of Standard Project Tiers
- Establishment of a Transformational Project Tier
- Lower Investment Thresholds for State Match and HQ Policy Tiers
- Consider Job-Based Payment Structure for HQ projects



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:*

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
Proposed	\$2 Million	25	100%	35%	3

Adjust HQ Policy Tier Structure

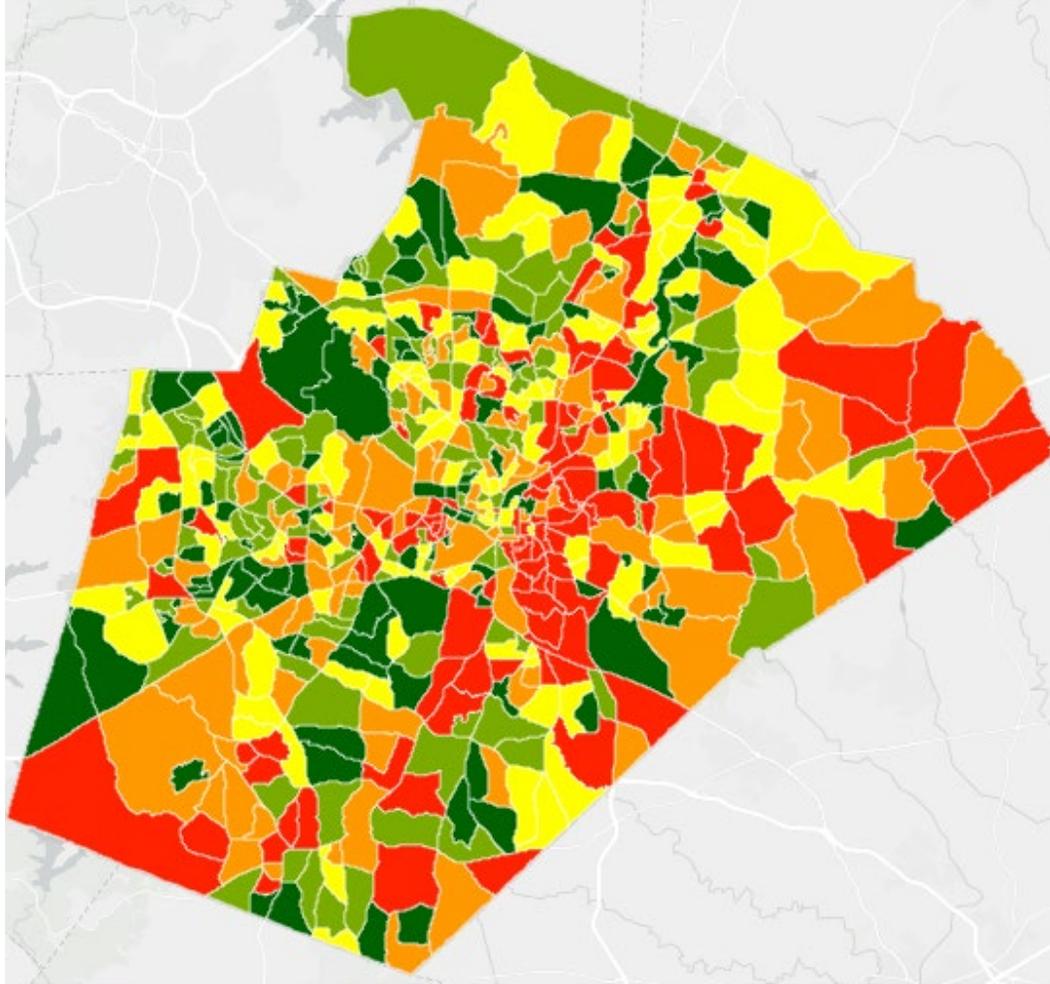
- Primary Benefit of HQs = Jobs
- Most are office projects with minimal investment for upfit and equipment
- Under current policy, grants are based on tax valuations, typically so small as to not be meaningful to the company:
 - Example: \$5M project payout at current tax rate is just over \$45K (~9k/year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

*Combined percentage of population under 18 or 65 and older

Targeted Growth Area

- No proposed policy changes today
- Policy does not define Targeted Growth Area geography
- Currently use Census Block Groups, which occasionally results in unintended consequences
- Staff is evaluating how “areas” are defined for a potential future change

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%	<i>3</i>
Headquarters	<i>\$2 Million</i>	35	120%	<i>\$1,000/Job</i>	<i>3</i>
Targeted Growth	\$2 Million	20	Living Wage	35%	5

Bold Italics = Change from Current Policy

Next Steps

- **Address/Incorporate Committee Feedback**
- **Return to Committee OR Work Session**
 - Next Committee meeting: August 17, 2026
 - Next available Work Session: June 8, 2026
- **Final Step: Regular Meeting Vote to Adopt**



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