

Item Title: Public Hearing and Consideration of a Business Development Grant Agreement for Jewelers Mutual Insurance Company

Specific Action Requested:

That the Board of Commissioners holds a public hearing and approves a Business Development Grant Agreement with Jewelers Mutual Insurance Company, SI. 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: Jewelers Mutual (JM) is a jewelry insurance company headquartered in Neenah, Wisconsin and has been in business for more than 110 years. On August 13, 2024, JM announced plans to locate their United States Innovation Hub in Raleigh in new office space at 4000 Center at North Hills. The company is planning to invest \$5.85 million in the space and create 200 new jobs with average salaries exceeding \$150,000 annually. Job categories include software engineers, data scientists, data analysts, administrative staff, and senior leadership positions.

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 grant is estimated to be \$53,000 total over the five-year grant period.

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 March 18, 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, JM must meet the minimum performance criteria outlined in the proposed agreement including:

1. Complete new investment (minimum of \$5,850,000 by December 31, 2025)
2. New job creation with average salaries of at least \$111,732 annually:
 - a. 23 cumulative new employees by 2025
 - b. 66 cumulative new employees by 2026
 - c. 113 cumulative new employees by 2027
 - d. 149 cumulative new employees by 2028
 - e. 180 cumulative new employees by 2029
3. Payment of Wake County Property taxes for all previous and current years in which taxes are owed.

Tax Year	Total New Assessed Value (Estimate)	Wake County Tax .005135 (May change)	Incentive Percentage	Grant Amount (Estimate)
1	\$ 5,850,000	\$ 30,040	35%	\$ 10,514
2	\$ 5,850,000	\$ 30,040	35%	\$ 10,514
3	\$ 5,850,000	\$ 30,040	35%	\$ 10,514
4	\$ 5,850,000	\$ 30,040	35%	\$ 10,514
5	\$ 5,850,000	\$ 30,040	35%	\$ 10,514
Total				\$ 52,570

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 August 13, 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 \$2.4 million. The Raleigh City Council is scheduled to vote on an incentive for the project on September 3, 2024.

Attachments:

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