



Incentive Policy Updates

Michael James, Assistant County Manager

Michael Hayley, Wake County Economic Development

Ashley Cagle, Wake County Economic Development

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@wakegov    

wake.gov

Today

Recap ES Committee Recommendations & Discussion

- Living Wage Standard
- Business Practice Guidelines
- Upward Mobility Bonus Updates

Continue discussion on:

- HQ Tier
- Wage Thresholds

Living Wage Standard

Recommendation

- Establishes Wake County Living Wage as the minimum required for ***all*** jobs in a project across all tiers of the policy
- Wage calculated and updated annually
- Utilize the same calculation for County employees
- Current Wake County Living Wage: **\$43,971**
 - \$40,851 after health insurance credit (County employee standard)

Business Practice Guidelines

Recommendation

Add factors to policy guidelines:

NEW: Business practices, including employee benefits, wellness and health benefits, leave policies, and community involvement.

NEW: Business practices, including LEED Certification, WELL Building Standard, and other sustainability initiatives.

Application of Business Guidelines

Guidelines include factors the board considers in determining whether to offer an incentive. They do not determine eligibility, or impact incentive amounts.

Application will work as it does now, but with new factors:

- WCED collects information through updated intake forms
- Information is shared with BOC in closed session prior to offer decisions
- Potential Examples:
 - Company's planned investment includes constructing a LEED Certified building
 - Company is progressing towards a goal of being carbon neutral by 2050
 - Company donates a percentage of sales to nonprofits that mentor and serve justice involved individuals

Upward Mobility Bonus

Recommendation

Meet all 3:

- Prohibit discrimination (Align language with the County's Nondiscrimination Ordinance)
- Provide health insurance at an affordable level
- Leave policies accommodate vacation, sick, bereavement, parental, and community involvement.

Plus 2 of the following:

- Offset costs to employees associated with childcare.
- Offset costs to employees associated with transportation.
- Demonstrate second chance hiring practices, including removal of prior conviction checkoffs.
- Offset costs to employees associated with tuition or similar educational expenses.

Headquarters Tier

Recommendation

- Establish new HQ Tier:
 - Defined as *corporate, regional, or divisional* headquarters
 - WCED would evaluate HQ status

HQ Tier

Investment	Jobs Minimum	Avg. Salary Min	Incentive %	Max Years
\$2 million	25	120% County Avg.	35% new tax	5

Wage Thresholds

Discussion

Current requirement is 120% of the County average wage, except in:

- State Participation
- Targeted Growth Area tiers

NC Average Wage: **\$62,648**

Wake Average Wage: **\$72,743**

120% of Wake Average: **\$87,292**

Does the BOC want to consider any modifications to the wage threshold?

% of Wake County Avg.	2023 Equivalent (\$)	Notes
60%	\$43,971*	-Wake County Living Wage -Targeted Growth Area Min. Avg.
100%	\$72,743	State Participation Min. Avg.
105%	\$76,380	<i>Reference Only</i>
110%	\$80,017	
115%	\$83,654	
120%	\$87,292	Standard Tier Min. Avg.
200%	\$145,486	Super Jobs Tier Min. Avg.

*Note: Rate for regular County employees is \$40,851 (accounts for health insurance benefits)

Wage Thresholds: Average or Median?

- **Average** is the typical standard used
 - The State of NC:
 - Calculates and publishes the average Wake County wage, which is the basis for Wake County's policy thresholds.
 - Uses the average to qualify their projects.
 - For State participation projects, the County aligns its wage performance targets and compliance evaluation with the State's.

Wage Thresholds: Competition

- **WCED hired consultant to review policies including:**
 - Atlanta, Austin, Charlotte, Dallas, Nashville, Orlando, Richmond, Tampa
- **Common structures**
 - 100% of average local wage
 - Area living wage
 - Prevailing wage for relevant industry is also used
- **Are wage thresholds impacting location decisions?**
 - Wake has won several projects that were not eligible using the 120% standard, but were eligible under the State match or Targeted Growth Area tiers
 - Unable to track companies that don't start the process because of wage thresholds

Next Steps

Is the board ready to vote on policy changes?

Next step would be:

Dec 6: Board Vote



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