

Item Title: Public Hearing and Consideration of a Business Development Grant Agreement for Novartis Gene Therapies, Inc.

Specific Action Requested:

That the Board of Commissioners holds a public hearing and approves a Business Development Grant Agreement with Novartis Gene Therapies, Inc. 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: Novartis Gene Therapies, until 2020 known as AveXis, is a biotechnology company that develops treatments for rare neurological genetic disorders. The Company currently has pharmaceutical manufacturing and research and development operations in Durham County.

On November 19, 2025, the Company announced plans for significant expansion of its operations in Durham, and new expansion into Wake County (Morrisville). The combined expansion includes over \$770 million in new investment and the creation of 700 new jobs by the end of 2030. The plans for Morrisville include planned investment of \$231 million and creation of at least 100 new jobs at Pathway Triangle located along McCrimmon Parkway.

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 50% of new tax revenue generated each year for a period of eight years. The company also plans to participate in the Upward Mobility Bonus program for an additional 5% of new tax revenue each year it qualifies for the standard grant over the grant period.

The total grant, including the Upward Mobility Bonus, is estimated to be \$2.3 million over the eight-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 August 18, 2025 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.

To receive payment from the County, the company must meet performance criteria outlined in the proposed agreement including:

1. Investments that result in at least \$100 million in additional assessed property tax valuation by December 31, 2029.
2. Creation of 100 net new full-time Wake County jobs by December 31, 2030
3. New jobs must pay an average annual salary of \$121,000
4. Full payment of Wake County Property taxes for all previous and current years in which taxes are owed.
5. Documented policies and practices to qualify and receive the 5% Upward Mobility Bonus.

Upward Mobility Bonus

The Company has also agreed to participate in the County's Upward Mobility Bonus program to receive an additional grant of 5% of new tax revenue generated by the project throughout the term of the grant. To qualify each year, the company will submit documentation to the County demonstrating that it does the following:

- Prohibits discrimination in employment practices consistent with the County's Nondiscrimination Ordinance.
- Offers health insurance at a level generally considered affordable.
- Provides paid leave that accommodates vacation, sick, bereavement, and parental leave; and

Offers 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.

Estimated Payments

Based on the proposed agreement, the first payment is expected to be made in late 2030 or early 2031 assuming the investment and corresponding hiring goals are met. The first payment could be earlier if the company meets its investment and hiring goals faster than anticipated.

The following chart is for illustration purposes only. The actual business development grant annual amount will be based on new annual assessed valuations as determined by the Wake County Tax Administrator.

Business Development Grant & Upward Mobility Bonus *Estimate*						
Year	Total New Assessed Value	Wake County Tax	Incentive %	Business Development Grant Estimate	Upward Mobility Bonus	Total Estimate
1	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
2	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
3	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
4	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
5	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
6	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
7	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
8	\$100,000,000	\$517,100	50%	\$258,550	\$25,855	\$284,405
Total				\$2,068,400	\$206,840	\$2,275,240

Other Participation

The State of North Carolina is participating in the project through the Job Development and Investment Grant (JDIG) program. The JDIG grant includes potential reimbursement to the company of up to \$7.5 million over 12 years for the combined Durham and Morrisville expansion, provided the company meets all performance requirements set by the state.

The Morrisville Town Council approved an incentive for the Company on November 25, 2025 estimated at \$2.3 million to be paid over an eight-year period.

Attachments:

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