

**Item Title:** Public Hearing and Consideration of Business Development Grant Agreement for Blue Force Technologies

**Specific Action Requested:**

**That the Board of Commissioners holds a public hearing and approves a Business Development Grant Agreement with Blue Force Technologies subject to the terms and conditions acceptable to the County Attorney.**

**Item Summary:**

**Purpose:** Pursuant to State law, counties are authorized to expend funds for purposes of locating industrial and commercial facilities in the County. This action holds the required hearing before consideration of the agreement.

**Background:** Blue Force Technologies is an industry leader in design and manufacture of airframes and component for small aircraft and spacecraft. The expansion will be a new aircraft integration facility. The new facility will provide space, infrastructure, and personnel to integrate, test and deliver the Fury aircraft. Blue Force Technologies will create over 125 new jobs with an average salary of \$81,000 and an estimated \$3,000,000 in new investment. They qualify for an economic development tier for targeted growth areas.

**Board Goal:** This action supports Economic Strength Goal 3: Support economic development efforts to bring diverse jobs, talent, businesses, and visitors to Wake County.

**Fiscal Impact:** The County agrees to an economic development grant of 35% of new tax growth over five years totaling an estimated \$31,500. Funds would be generated from property tax base growth, and the incentive would be budgeted and paid back to Blue Force Technologies through the Economic Development element within the County Capital Fund.

**Additional Information:**

On May 2, 2022, 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.

Blue Force Technologies qualifies for the targeted growth area tier of the Wake County Business Development Grant Policy. In order to receive grant payment from the County, in each Grant Year, Blue Force Technologies must meet performance criteria as outlined in the County's agreement. These performance criteria include:

1. Complete new investment (>\$3,000,000)

2. New job creation (at least 125 new jobs with wage minimum of Wake County's Living Wage)
3. Payment in full of Wake County Property taxes for all previous and current years in which taxes are owed

Based on the draft contract, Blue Force Technologies would receive their first grant payment upon submittal of appropriate documentation to the Wake County Tax Administrator. The first payments would likely be for tax year 2023 when the new investment exceeds \$3,000,000 and all other terms of the agreement are met. 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.

<u>Tax Year</u>	<b>TOTAL NEW ASSESSED VALUE (Estimate)</b>	<b>WAKE COUNTY TAX .006000 (May change)</b>	<b>INCENTIVE PERCENTAGE</b>	<b>GRANT AMOUNT (Estimate)</b>
1	\$3,000,000	\$18,000	35%	\$6,300
2	\$3,000,000	\$18,000	35%	\$6,300
3	\$3,000,000	\$18,000	35%	\$6,300
4	\$3,000,000	\$18,000	35%	\$6,300
5	\$3,000,000	\$18,000	35%	\$6,300
<b>Total</b>				<b>\$31,500</b>

Blue Force Technologies was also awarded a \$350,000 grant from the Town of Wake Forest.

Partners in this economic development incentive include:

- Town of Wake Forest

**Attachments:**

1. Presentation
2. Wake County /Blue Force Technologies Business Development Grant Agreement
3. Wake County Business Development Grant Policy (Amended September 3, 2019)