



Inclusive Prosperity in Wake County

Best Practice Research

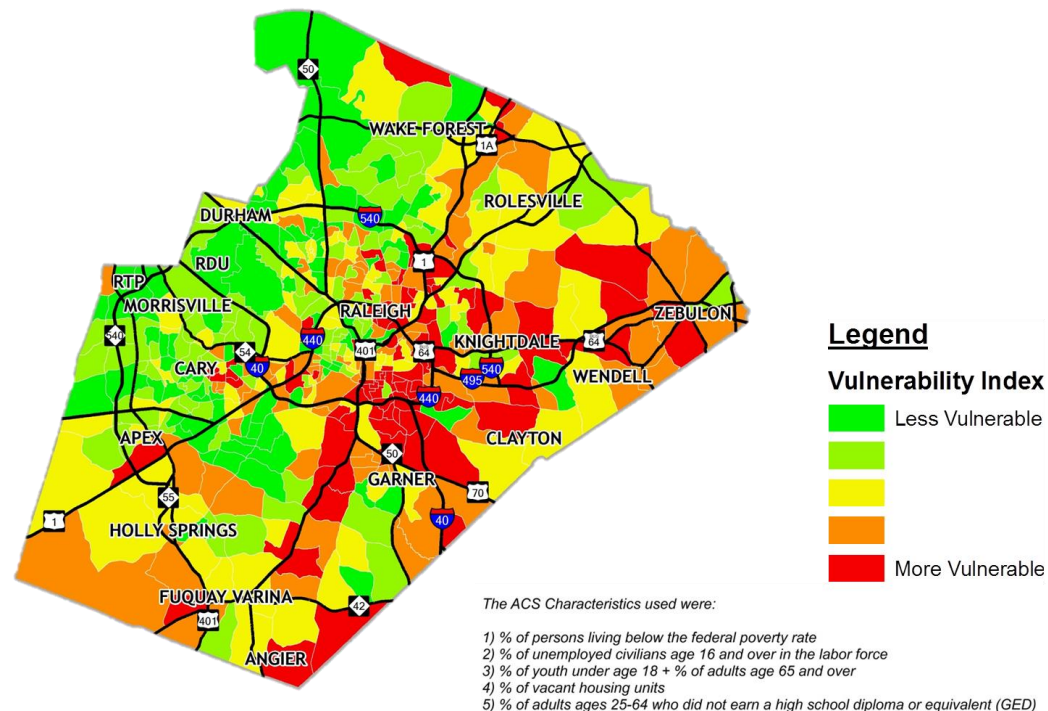
Michael Hogan, Dana Schoewe, and Sara Lawrence

Outline

1. Background and Research Approach
 - Literature review
2. Idea Generation
3. Inclusive Prosperity in Practice
4. Ideas for Wake County to Consider
 - Inclusion in outreach, process, and policy
 - Investing in targeted growth areas
 - Supporting entrepreneurs
 - Developing the workforce
 - Granting incentives for inclusive business practice
5. Conclusions and Next Steps

Background

- As Wake County continues to grow in terms of population and wealth, there are areas within the county that are not experiencing the benefits of this growth.
- Wake County Economic Development and the County Commissioners have identified portions of the county as targeted areas for growth
 - They include urban, suburban, and rural tracts in the county.
- Its targeted communities are defined by an index of poverty, unemployment, demographics, housing, and education.



Source: Wake County Economic Development

Purpose of this Research

- Observing that benefits of growth are not experienced evenly across Wake County, WCED wants to proactively understand how to promote inclusive economic prosperity in targeted areas of the county that are lagging in income, education, and employment.
- The purpose of this research is to review the ideas and best practices being implemented by other cities and counties similar to Wake County, so that the county commissioners and others can consider next steps for solutions.
- For this research, RTI focused on identifying ideas and practices that were pragmatic and applicable to Wake County's current economy and demographics.

Research Approach

RTI International pursued 4 steps to help WCED understand best practice in targeting economic opportunity in vulnerable communities

1. Comprehensive literature review
 - Reviewed 90+ academic, policy, and technical reports
2. Idea mapping for best practices
 - From literature, identified 100+ ideas & programs for consideration
3. Identified cities for best practices outreach
 - Focused on innovative strategies in cities, counties, and regions similar to Wake County
4. Conducted 8 in-depth interviews with practitioners
 - Focused on details, conditions, and lessons



RTI is an independent, nonprofit institute headquartered in Research Triangle Park that provides research, development, and technical services to government and commercial clients worldwide. Our mission is to improve the human condition by turning knowledge into practice.

1. Literature Review

We reviewed over 90 articles and reports from academic research, think tanks, newspapers, and magazines to explore the most up-to-date research and practice in the field of inclusive economic development in targeted growth areas. We identified several themes from the literature:

- As economic growth concentrates in urban areas in the 21st century, economic developers face more urgency to address issues of inclusion and equity.
- There is no one size fits all model to development in targeted growth areas.
- Inclusive growth means different things to different people. It includes elements of housing, health, transportation, job access, education, environment, and others.
- Authors question the value of large-scale cultural projects such as stadiums, arts centers, convention centers, and other taxpayer funded developments as tools for inclusive growth

Effective tools for inclusivity identified in literature include:

- Resources for local small businesses including entrepreneurial capital
- Incentive policies that include provisions for quality jobs
- Strengthening local firms and clusters, providing resources for exporting industries, and identifying opportunities to strengthen local supply chains
- Place-based economic development: linking jobs, transportation, housing, and local infrastructure

1. Literature Review

- RTI identified several reports as particularly useful to practitioners in Wake County:



REPORT

Remaking economic development: The markets and civics of continuous growth and prosperity

Amy Liu · Monday, February 29, 2016

Inclusive urbanization: Can the 2030 Agenda be delivered without it?

Gordon McGranahan

Institute of Development Studies, University of Sussex, Brighton, BN1 9RE, UK; e-mail: G.McGranahan@ids.ac.uk

Greater Access to Capital Is Needed to Unleash the Local Economic Development Potential of Minority-Owned Businesses

Timothy Bates¹ and Alicia Robb²

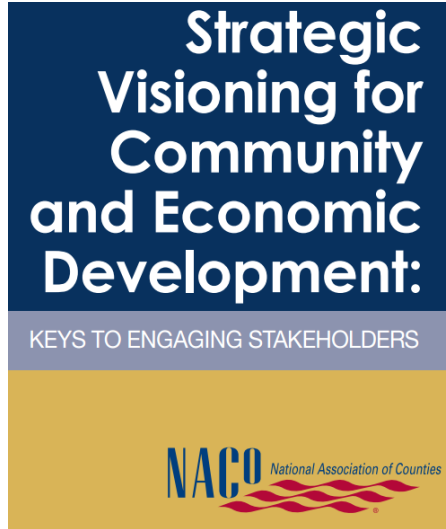
Economic Development Quarterly
XX(X) 1–10
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DOI: 10.1177/0891242413477188
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SAGE

Planning — December 2011

Turning Brownfields into Parks

With the grass comes another kind of green, as these areas bring economic development to their edges.

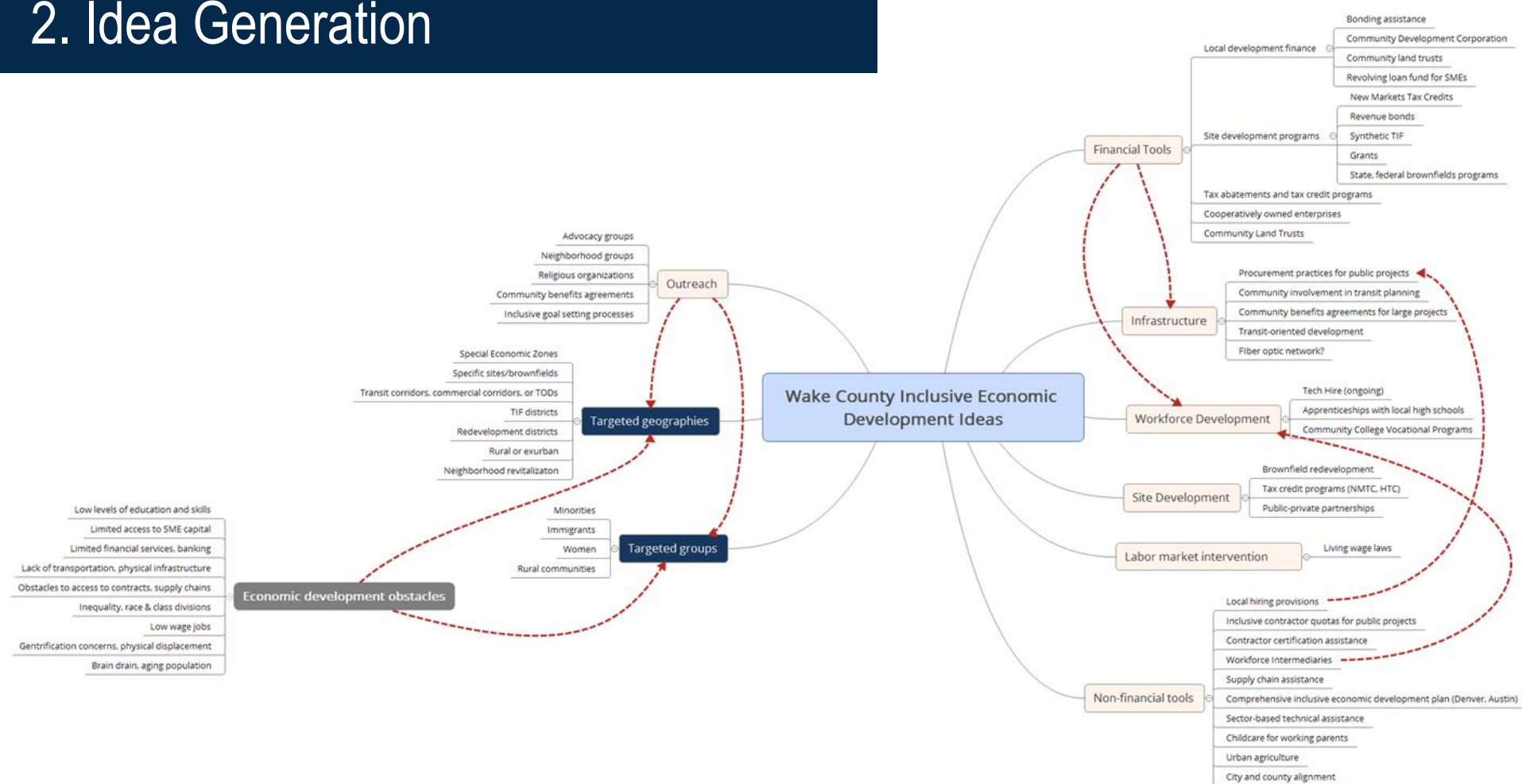
By Peter Harnik and Ryan Donahue



2. Idea Generation

- RTI gathered ideas from academic literature and city and county economic development programs focused on inclusive prosperity and targeted growth in vulnerable communities.
- We organized them into a mind map (located on following slide)
 - In order to generate categories of best practices for inclusive economic prosperity, we organized ideas presented in the literature review into “tools”
 - We also mapped out the areas or individuals these tools can target to foster more inclusivity
 - The main categories of economic development tools available to a county government include: financial tools, infrastructure, workforce development, site development, labor market intervention, and miscellaneous non-financial tools

2. Idea Generation



3. Identifying Cities and Policies for Best Practice Research

- From 90+ articles and 150+ economic development initiatives at the city and county level, RTI narrowed its focus to 7 cities/counties and 5 thematic areas to consider for further research into best practices.
 - Focused on regions with similar characteristics to Wake County and programs that were realistic in the Wake County context.
- Interviews focused on process of creating policies, program specific questions, and questions about administration and management.
 - The following slides outline best practice research in further detail.

3. Inclusive Prosperity in Practice

City or County	Program or Policy of Interest
Austin, TX	Comprehensive economic development policy that includes tax credits, job training, entrepreneurial support, and layered growth policies
Dallas, TX	Nearly 30 years of experience in managing financial tools for entrepreneurs in low-income neighborhoods of the city and surrounding county
Denver/Jefferson County, CO*	Prioritizing the local food industry and supply chain as a way to strengthen economic growth in underrepresented neighborhoods
Charlotte/Mecklenburg County, NC	Recent adjustments to the city & county's incentive policies to attract employers to targeted geographies and communities
Albuquerque, NM	Process of outreach and creation of trust among community led organizations
San Diego County, CA	Coordination of multiple workforce development agencies to link residents with job training and employment across the county
Hennepin County, MN (Minneapolis)	Coordination of multi-jurisdictional economic development activity to bolster entrepreneurship, transit, & workforce development in low-income areas

*City and county are one entity.

4. Ideas to Consider

RTI identified 5 broad categories with specific recommendations for the county government to encourage inclusive economic growth in Wake County.



Inclusion in outreach, process, and policy



Investing in targeted growth areas



Supporting local entrepreneurs



Developing the workforce



Granting incentives for inclusive business practice

Inclusion in Outreach, Process, and Policy





What is inclusion in outreach, process and policy?

This approach focuses gathering input from underrepresented communities and acting on needs that are identified by those communities, so they are not left out of city and county planning and policy-making processes.

It involves using qualitative methods (data) and quantitative methods (listening, outreach, community meetings, working groups) to identify strategies for inclusive prosperity.

How is it inclusive?

- Leveraging existing social institutions to gather data about community needs (Albuquerque)
- Hosting planning meetings at untraditional hours and in underrepresented community centers (Albuquerque)
- Providing translation services for non-English speakers to participate in city or county planning processes (Albuquerque)
- Identifying with and collaborating with existing resources for local small businesses, and workforce development organizations.

Highlight: Mecklenburg County, NC



- In 2014, the Mecklenburg County Commissioners and County Manager identified a need for a comprehensive economic development policy with 5 program areas, 3 of which directly address inclusion and poverty alleviation.
- As of 2016, Mecklenburg Co. is in the process of designing its program, including:
 - Bringing together working groups of municipal economic developers
 - Identifying specific small business needs through a data-driven approach
 - Coordinating with existing workforce development assets to define specific roles
 - Incorporating groups in vulnerable neighborhoods that have been left out of the discussion, including minority chambers of commerce, consortia of grassroots organizations
 - Defining targeted growth areas systematically at the county level



This systematic approach that unifies piecemeal policies in targeted neighborhoods and industrial areas could help Wake County experience economic growth that is more even.

Highlight: Albuquerque, NM



Over the last year, the mayor's office and local leaders in Albuquerque have led an outreach process to identify the needs of small businesses in the city and region. Their strategies include:

- Identify individuals and families living in cycles of poverty, excluded from certain sectors of the economy
- Reach out to communities through existing social institutions: nonprofits, micro lenders, libraries, community centers, churches.
- Hold small group listening sessions.
- Hold meetings at nontraditional hours (evenings, weekends) and provide translators when needed.
- Listen and respond to local small business needs using existing resources, particularly libraries and local institutions.



As a result of its outreach, Albuquerque has streamlined its small business processes, added more multilingual staff, and translated small business documents for diverse groups of entrepreneurs.

Course of Action for Wake County Outreach, Process, and Policy



- Form an inventory of publicly-funded and private non-profit groups that have ongoing inclusive economic development efforts in Wake County
 - Categorize efforts by best practice ideas, level of funding
 - Inventory registered Community Development Financial Institutions (CDFIs) and Community Development Entities (CDEs) that are certified to disburse New Markets Tax Credits (NMTCs)
- Create multilayered maps of target areas for inclusive economic development, that include demographic, economic, site, transit, and land use data, to identify:
 - Parcels for priority site development
 - NMTC-eligible areas to share with CDEs
 - Food deserts according to the USDA definition* (may be eligible for financing from Healthy Food Financing Initiative)
- Meet with neighborhood leaders from churches, neighborhood groups, and municipalities to confirm or modify data-driven map findings

Considerations for Wake County



- The county can lead in program design, as well as offer a “carrot” to municipalities to participate in inclusive growth processes
 - Interviews reveal that there is no single course of action, there is a grey area between the role of city and county in efforts to encourage inclusive prosperity. Therefore, Wake County can navigate its own course of action.
- Program design is a long process and requires participation from multiple stakeholders who may have not been at the table in the past.
- Public outreach and participation can require significant staff resources.

Investing in Targeted Growth Areas





What is a targeted growth area?

Defines a specific place or sector for priority investment due to strong evidence of underinvestment and connection with underrepresented communities. These strategies can be place-based or sector-based and are often layered to increase impact.

Defining sector-based targeted growth areas:

1. Sectors that make up a large part of the economy
2. Sectors that employ a majority of low-wage or minority workers
3. Industries that fulfill unmet demand in the local supply chain
4. Industries with growth potential and will hire local workers technical education provided by workforce development centers

Defining place-based targeted growth areas:

1. Census tracts with commercial or industrial zoning
2. Underutilized or vacant properties
3. Parcels with a dollar per sq. ft. value below a threshold
4. Proximity to transit: within a geographic radius of transit stops
5. Within or adjacent to census tracts that fall below the county's median income, or with high poverty rates

Highlight: Denver, CO



The **Denver Food Plan** is a sector-based approach to inclusive economic development. Food is a large contributor to the Denver economy, with 1 in 10 workers employed in food services. Components of the plan include:

- FRESH program maps food deserts and assists grocers in expansion
- Ongoing meetings in to engage food desert communities about their needs
- Ongoing meetings with industry leaders in 11 different areas of the food supply chain
- Healthy food challenge: RFP out for food-related startups in low-income communities, offering up to \$250,000 grant or \$1 million loan
- The Food Policy Council, which advocates for policy changes to increase food access in vulnerable communities



Outcomes: Food zoning ordinances have been passed, several food microenterprises in food deserts have received funding and are operating.

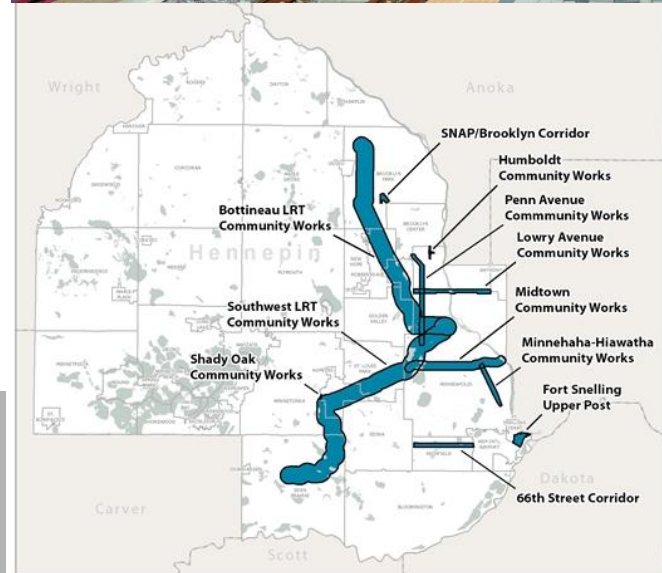
Highlight: Hennepin County, MN



Hennepin County has focused on a transit-oriented infrastructure approach called “Community Works” to expand inclusive economic development efforts.

- The county purchased 2.5 acres around LRT stops in order to slow gentrification and crowd out private investment for local benefit
- County has a new infrastructure fund financed by county taxes, with an RFP for expanding businesses with infrastructure needs.
- Have funds devoted to corridor redevelopment addressing safety needs at key intersections and greenway development around LRT stops.

Property values have increased 17% more in Community Works program areas than in surrounding communities, benefiting local residents.



Highlight: Mecklenburg County, NC



- For businesses that meet certain job quality and investment criteria, the city (Charlotte) and county (Mecklenburg) offer up to 50% abatement of new tax increments.
- That number can rise as high as 90% for businesses that locate and invest in specific zones, as defined by the city and county definitions

Layered Approach: Charlotte

1. Parcels with commercial or industrial zoning
2. Per sq. ft. value below a threshold (ex. 70% of county average)
3. Proximity to transit: Within $\frac{1}{4}$ mile radius of transit stops
4. Within or adjacent to census tracts that fall below the county's median income

Course of Action: Investing in Targeted Growth Areas



- Create a list of criteria to systematically define targeted growth areas (e.g. at the parcel level using zoning, land value, land use, transit, and socioeconomic data)
- Document successful examples of existing businesses in proposed targeted growth areas and talk to business owners about their experience.
- Map local value chains in targeted industries to identify gaps that local businesses in vulnerable neighborhoods can fill.
- Incorporate a tax incentive for businesses that locate and invest in parcels within targeted growth areas (see: Mecklenburg County's recent economic development plan)
- Purchase land around future transit stops (as aligned with the Wake County transportation plan) to prevent rapid gentrification and preserve lower property values, with potential for affordable housing (see: Hennepin County)
- Review the National Sustainability Director's Food Plan Implementation Guide to develop a strategy to address food desert issues (see: Denver). San Francisco, Seattle, Denver, and other city economic development departments have used this guide to create food plans.
- Use Community Development Entities (CDEs) to apply for NMTCs to leverage private funding for commercial development.

Considerations for Wake County



- The county can coordinate with municipalities that have existing targeted growth zones (Raleigh) and better define target parcels and corridors
 - Reviewing the proposed Wake County Transit Plan, encourage targeted growth around public transportation nodes.
 - Target redevelopment of brownfield parcels/sites in Wake County, especially those on the National Priorities List (NPL) that pose health hazards
- Constantly maintain updated maps and data with geodatabases, as demographics shift over time
- Prioritize specific sectors of focus, as cities and counties have revealed that too many sectors can weaken their efforts.

Supporting Entrepreneurs





Supporting Entrepreneurs: What is it?

City and county economic development practitioners work directly with entrepreneurs and independent entrepreneurial support organizations to provide and facilitate:

- Access to small business loans via loan guarantees, revolving loan funds, or Community Development Finance Institutions
- Access to professional consulting services, including accounting, business plan advice, legal advice for things such as intellectual property issues
- Engagement with the entrepreneurial community to host meetups, workshops, and events to connect entrepreneurs with mentoring, markets, access to capital, and other resources.

How is it inclusive?

- Provides avenues for collaboration between existing entrepreneurial assets in the county and individuals interested in starting traditional SMEs in low-income communities.

Highlight: Hennepin County, MN



The Metropolitan Consortium of Community Developers (MCCD) is a registered CDFI in the state of Minnesota that works with 7 county clients and various municipalities within those counties to consult with entrepreneurs in low-income areas. MCCD's role in inclusive economic development

- MCCD charges flat fee to cities/counties for place-based entrepreneurial support
- Expert business consultants do travel to do consulting *in* vulnerable communities and consult entrepreneurs for as long as they need, reducing financial pressure
- Provides guarantees so entrepreneurs can access bank funding.
- Provides a complementary service to city or county economic development, targets underserved areas that are hard to reach for city/county clients
- MCCD also disburses city program funds for cities that don't have resources/staff to allocate them appropriately

MCCD has assisted over 650 entrepreneurs, who on average have created local businesses in low-income communities that have hired 5 more local employees, paying an average wage of \$15/hour.



Highlight: Dallas, TX



The Southern Dallas Development Corporation provides 4 lines of **financing for small businesses and entrepreneurs:**

- Community development loan fund (up to \$300K, only in federally designated census tracts)
- Southern Dallas Small Business Program (up to \$250K)
- Southern Dallas Development Fund (up to \$250K)
- Dallas Business Finance Corporation (Up to \$2M, depending on SBA requirements)



The SDDC is financially self-sustaining, and has leveraged over \$100M in private investment. It has assisted over 500 businesses and created over 4,000 jobs. It is part of a broad growth strategy for Southern Dallas.

Highlight: Detroit, MI BizGrid



Center for Community Based Enterprise

Supports and connects entrepreneurs, community institutions, and resources to develop sustainable, community-based enterprises (CBEs).

ADDRESS: 4605 Cass Ave., Ste. #201
Detroit, MI 48201

PHONE: (313) 433-5063

URL: c2be.org

EMAIL: info@c2be.org



Central Detroit Christian Community Development Corporation

Faith-based organization in central Detroit that hosts ProsperUS classes, provides ad-hoc marketing and sales advice, and referral services.

ADDRESS: 8840 3rd Ave.
Detroit, MI 48202

PHONE: (313) 872-0064

URL: centraldetroitchristian.org

EMAIL: kvanam@cdccdc.org



D2D—Detroit's Local Procurement Initiative

Connects Detroit companies with local suppliers through local procurement and supply chain opportunities to build a community of strong businesses and economic success.

ADDRESS: 500 Griswold St., Ste. #2200
Detroit, MI 48226

PHONE: (313) 963-2940

URL: d2dbusiness.org

EMAIL: d2d@d2db.org



Detroit Creative Corridor Center (dccc)

Strengthens Detroit's creative economy by providing creative businesses and designers with education, exposure, connections to resources, and advocating policies to advance the creative economy.

ADDRESS: 488 W. Milwaukee Ave.
Detroit, MI 48202

PHONE: (313) 664-1478

URL: detroitcc3.com

EMAIL: info@detroitcc3.com



Detroit Development Fund

Provides capital and technical assistance to entrepreneurs and small businesses who can't get resources from traditional lenders.

ADDRESS: 277 Gratiot Ave., #200
Detroit, MI 48226

PHONE: (313) 784-9547

URL: detroiddevelopmentfund.com

EMAIL: vthakur@detroiddevelopmentfund.com



Detroit Economic Growth Corporation (DEGC)

Detroit's leading economic development agency providing assistance with small business development, business attraction, real estate, financial incentives and connections to resources in Detroit.

ADDRESS: 500 Griswold St., Ste. #2200
Detroit, MI 48226

PHONE: (313) 963-2940

URL: degc.org

EMAIL: contact@degc.org



Detroit Employment Solutions Corporation

Administers employee wage incentives, provides skills testing, recruiting and screening assistance, and employee training via MichiganWorks!

ADDRESS: 440 E. Congress St., 4th Floor
Detroit, MI 48226

PHONE: (313) 664-5566

URL: descmiworks.com

EMAIL: bus@detemppool.org



Detroit Health Department

Provides public health services, including local permitting and inspections for businesses in the food industry.

ADDRESS: 3245 E. Jefferson Ave., Ste. #100
Detroit, MI 48207

PHONE: (313) 876-4000

URL: detroitmi.gov/health

EMAIL: dhealth@detroitmi.gov



Funding

The Funding tab features organizations that can help you raise capital for your business. There are different types of financial resources including grants, loans, micro-loans, and crowd-funding resources. Financial resources vary by organization, and by stage. See the notes below to determine if you're ready for funding.

ORGANIZATION	IDEA	STARTUP	EXISTING BUSINESS
ACCESS Growth Center	✓	✓	✓
Blackstone LaunchPad: Wayne State University	✓	✓	
Detroit Development Fund		✓	✓
Detroit Economic Growth Corporation (DEGC)		✓	✓
Detroit SOUP	✓		
Eastern Market Corporation			✓
Goldman Sachs 10,000 Small Businesses			✓
Great Lakes WBC		✓	✓
Hatch Detroit		✓	
Invest Detroit		✓	✓
Invest Michigan		✓	
ioby	✓		
Kiva.org	✓	✓	✓
Local Initiatives Support Corporation		✓	✓

ORGANIZATION	IDEA	STARTUP	EXISTING BUSINESS
Michigan Economic Development Corporation			✓
Michigan Women's Foundation	✓	✓	✓
Midtown Detroit, Inc.		✓	✓
Motor City Match		✓	✓
NextEnergy		✓	✓
Opportunity Resource Fund		✓	✓
Patronicity	✓	✓	✓
ProsperUS Detroit		✓	✓
Sidewalk Ventures	✓		✓
TechStars Mobility		✓	
TechTown Detroit		✓	✓
U.S. Small Business Administration			✓

Here are some things that you need to consider before you apply for funding:

- You have a business plan
- You have the proper licenses for your industry
- Your business has sales
- You know your credit score
- You have filed at least 3 years of personal or business taxes
- You understand your customer base
- You have a space for your business, with a signed lease, letter of intent, or deed
- You have cost estimates and understand the financial need for your project

The Detroit BizGrid outlines organizations that offer services to local businesses, and includes an online directory and infographic to highlight services for businesses at every stage. This increases access to startup resources for low-resource entrepreneurs.

Course of Action: Entrepreneurial Support



- Map and inventory existing small business patterns and assets in the county
- Engage existing actors and identify tools that can help entrepreneurs starting businesses in underrepresented communities (see: Hennepin County's partnership with the non-profit MCCD as a useful model)
- Engage with minority entrepreneurs and minority chambers of commerce to identify ways to better incorporate small business owners with the larger entrepreneurial community
 - Create a brochure or directory (see: Detroit BizGrid) to increase entrepreneurs' awareness of funding and support services
- Use the county library system to hold workshops to improve access to services for small business owners
- Understand models of co-op business and identify private co-op development groups to discuss possibility of community co-ops (see: Denver Re:vision)
- Explore the possibility of opening a small business revolving loan fund (see Orange County Small Business Loan Program)

Considerations for Wake County



- Wake County has existing entrepreneurial assets and support services including HQ Raleigh, NC State, and others, but it is unclear the level to which they are engaged in vulnerable communities.
- Many cities have found comprehensive inventories of entrepreneurial support services and “no wrong door” approach to be helpful in reaching small business owners in vulnerable communities.
- Setting up a loan fund is a more risky, resource intensive process and it can be difficult to find the initial capital
 - Funds require a certified financial entity to administer, with multiple layers of federal CDFI and CDE requirements and reporting
 - To start a revolving loan fund, have to be familiar with SBA and CDBG federal guidelines and procedures

Developing the Workforce





What is workforce development?

- Job training in practical skills like programming and finance
- Apprenticeships: partnering students at local educational institutions with private firms
- STEM education advocacy
- Scholarship programs for local community colleges
- Increasing business ownership via cooperatively owned enterprises in order to enhance the community and give local residents business experience, without the full liability of a traditional startup

How is it inclusive?

- It enhances the skills of low-resource individuals so they can access higher paying jobs.
- It can begin to break down multi-generational poverty and improve social mobility

Highlight: Denver, CO



Re:vision is a private non-profit working in tandem with the Denver Food Plan. It was founded with the mission of inclusivity in marginalized neighborhoods; it provides a **sector-based approach to workforce development**, training residents of low-income, food desert communities **urban agriculture and farming skills**.

- Re:vision identified Westwood neighborhood in Denver, an 81% Latino community, high poverty census tract, and a food desert to develop a co-op and urban farm to employ over 30 local residents.
- The urban farm on co-op site will double as a workforce development center focused on agriculture skills
- Re:vision employs locals to be “promotoras” or people that teach urban farming skills to their neighbors for a fee
- Re:vision has jumpstarted several urban farms and greenhouses that employee refugees, minorities, and sell produce at farmers markets.

The Re:vision model has led to a skilled agriculture workforce in vulnerable communities, as well as increased access to healthy food in areas that were previously food deserts.



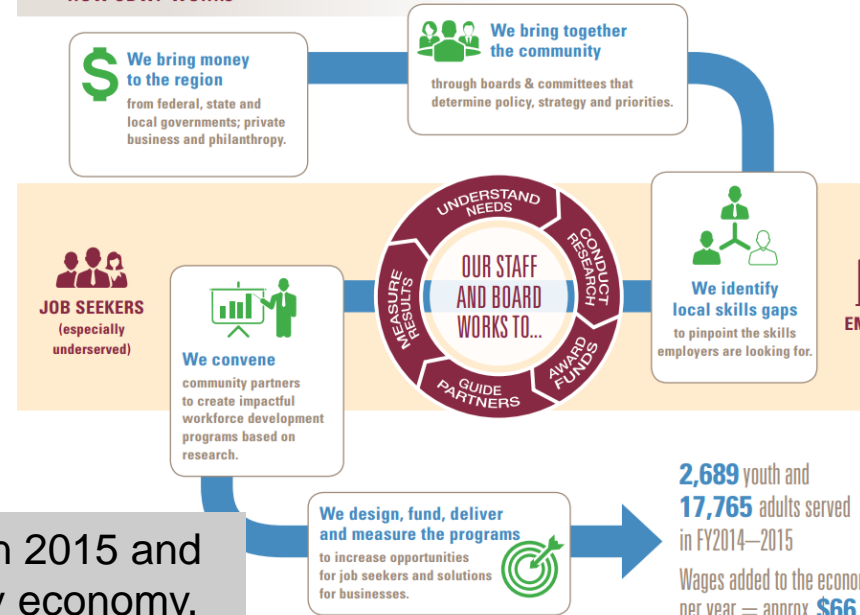
Workforce Development in San Diego County, CA

- San Diego Workforce Partnership created to administer federal and state funding in San Diego County
 - Majority from U.S. Department of Labor via Workforce Innovation & Opportunity Act
- 22 partners including city and county
- Fund a network of 12 job centers in county
- Leverage institutional partners to publish reports on skills gap
 - Identified 5 sectors where there is a shortage of skilled workers in order to target training in job centers

SDWP assisted almost 20,000 adults in finding a job in 2015 and added \$66.2 million in wages to the San Diego County economy.



HOW SDWP WORKS



Course of Action: Workforce Development



- Survey major employers to find out skill needs (see: San Diego County Workforce Partnership)
- Identify 4-5 sectors to target in terms of skills training based on employer feedback (see: Denver's Re:Vision and SDWP)
 - Ensure local workforce training centers and any workforce partnerships are aware and promoting priority sectors (see: SDWP)
- Encourage municipalities without workforce training centers to leverage institutional spaces, such as religious institutions or community centers, to host workforce trainings
- Look into private employer-funded scholarships or apprentice sponsorships that align with identified key sectors
- Consider the possibility of a long-term, broad workforce coalition at the county level with community colleges, universities, employers, workforce development centers, private groups, etc. (see: SDWP)

Considerations for Wake County



- Awareness of federal acts, like the WIOA, can be ways of tapping into additional resources for workforce training investments beyond the county level.
- Cities have found that better collaboration between city and county government can further workforce development efforts
 - City and county matched funding can increase the impacts of workforce programs (see: Hennepin County and Minneapolis and the MCCD “Open to Business” model)
- Private employers with apprenticeships sponsoring high students can address emerging skills gaps in the economy by proactively training workers to align employers’ future needs with local residents’ skills
- However, it can be logistically difficult to align cities and counties in a regional partnership organization

Granting Incentives for Inclusive Business Practice





What are incentives for Inclusive Business Practice?

Incentives include a mix of tax abatements, infrastructure development, workforce programs, grants, and/or fee reductions for specific high-impact businesses in the county. They encourage business relocation and expansion in a competitive national market for investment.

- Cities and counties generally have wage and investment thresholds for receiving incentives, that prioritize quality jobs and large investments.
 - Wake County has high thresholds for wages to be eligible for incentives: Companies must pay at least 120% of the area's median income.

How is it inclusive?

Inclusive incentive granting targets investment in neighborhoods or businesses that have limited access to financial resources.

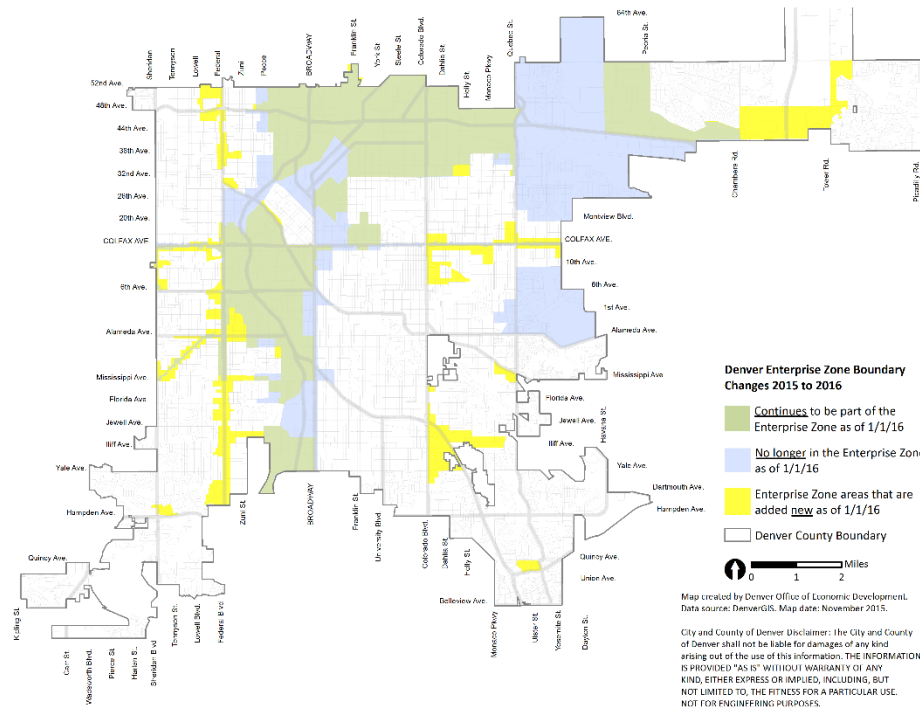
Highlight: Denver, CO



- State tax credit incentive program administered by Denver Office of Economic Development
 - EZ defined areas by low per capita income averages and high unemployment rates
 - Up to 10 different tax credits available for locating business in EZ
- Online certification expedites process for businesses
- Over 7000 businesses in EZs
 - Example beneficiaries:



Outcome: More investment in vulnerable areas and over \$8.2 million in tax liabilities saved by businesses annually.



Highlight: Austin, TX

- For large business relocation, Austin economic development offers business incentives on a sliding scale, using an evaluation rubric of job quality, job training, targeted hiring, diversity, advancement and promotion, transportation, geographic location, and others.
- For small business, it offers a comprehensive guide of existing programs which include fee rebates, mezzanine financing, grants, and other nonfinancial tools.



CITY OF AUSTIN
Small Business Incentives Guide



Highlight: Mecklenburg County, NC



Approximately 3 years ago, Mecklenburg Co. & Charlotte realigned their criteria for incentive granting, moving from evaluating proposals by % of county average wage to average wage compared to the area average by SOC. This threshold change allowed for county incentives to go to manufacturers who offered quality jobs to individuals with a high school or technical education.

Incentive granting	Charlotte City	Mecklenburg County
Criteria for incentive granting	<ol style="list-style-type: none">1. Job count2. Minimum investment requirement3. Average wage per job compared to area median for SOC (standard occupation code)	
Incentives granted	Up to 50% deduction in net new city tax increments	Up to 50% deduction in net new county tax increments
Incentives in special economic zones	Up to 90% deduction in net new city tax increments	Up to 90% deduction in net new city tax increments

Incentive Granting Thresholds

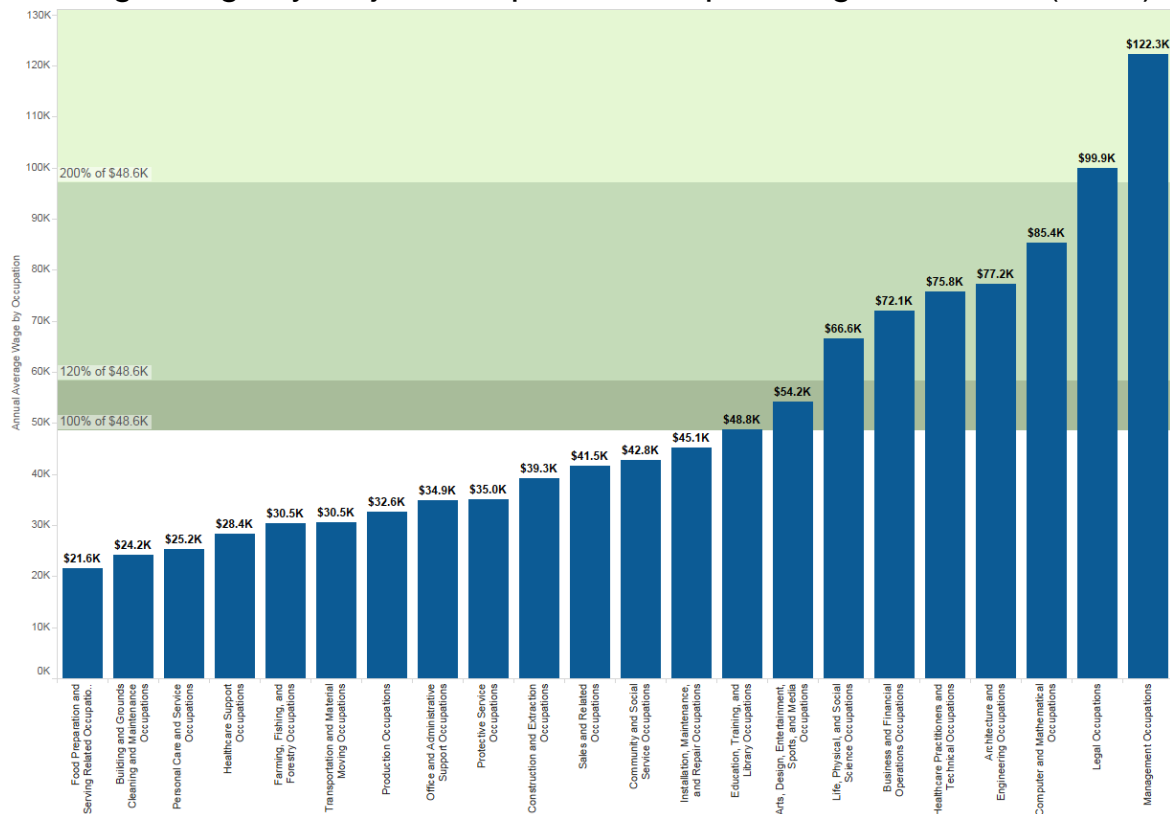


Under current policy, Wake County Economic Development incentives target high-wage, high skilled occupations: legal, management, computer, healthcare, business & finance, and sciences. (>120% or >200% of average income)

Potential employers of lower-skilled workers, including healthcare support, manufacturing, transportation, construction, sales, and administrative support fall below the threshold due to Wake County's high average income level (\$48,590 as of 2015)

Source: *BLS Occupation Employment Statistics, Raleigh NC MSA, 2015*

Average Wage by Major Occupation Group: Raleigh, NC MSA (2015)



Course of Action: Incentive Granting



- Develop a comprehensive guide of small business incentives at the municipal, county and state level (see: Austin, TX)
- Evaluate thresholds for incentive eligibility by analyzing average wages by SOC codes for target industries (e.g. healthcare, manufacturing)
- Develop a rubric for a sliding incentive program that provides a scale of tax abatements based on a series of business characteristics. A multi-layered incentive program incentivizes investment by providing tax reductions on a sliding scale for:
 - Job quality and amount invested
 - Location in designated commercial districts or enterprise zones defined by the county
 - Workforce development, particularly through apprenticeships
 - Other provisions, including local sourcing, sustainable supply chains, etc.
- Layer a prospective incentive program for businesses with further incentives for locating on particular sites identified by the county as priorities for targeted growth (see: Mecklenburg County).
- Consider availability of state tax credits for enterprise zone program or similar location-based incentives (see: Denver EZs)

Considerations for Wake County



- It is important to strike the right balance using wage thresholds for incentives. Thresholds that are too high limit employment opportunities that can benefit job seekers from vulnerable communities. Incentives thresholds that are too low attract low-quality jobs.
 - Economic developers interviewed pointed out that a high county average wage limited their ability to recruit businesses that would employ people from vulnerable communities.
 - Evaluating county incentive thresholds by SOC average wage (rather than county average wage) increases the opportunity to recruit companies that hire less highly skilled workers in quality jobs. (e.g. manufacturing)
 - If thresholds are too loose or poorly designed, they can end up incentivizing low-wage employers.
- A multi-layered system for evaluation and incentive granting requires more time and resources and, if made too complicated, could be viewed as an obstacle for business.

Layering Programs and Policies



Layering Programs and Policies



- Layering programs and policies can be very effective. There are natural overlaps between policies, such as overlaying business recruitment incentives with targeted growth areas.
- We describe two examples from cities that showcase how layering approaches can work.
 - Austin, TX and Denver, CO have comprehensive economic development strategies that use multiple tools to encourage inclusive prosperity.

Multi-Layered Approach: Denver, CO



Denver is tackling inclusive economic development with a comprehensive strategic plan focused on growth and equity in the food supply chain. It includes:

- Healthy Food Challenge offers loans/grants to food-related entrepreneurs in low-income neighborhoods, and partners with local finance institutes (RMMFI and Mi Casa)
- City-wide food plan maps food deserts and holds community meetings in food desert areas
- Enterprise Zones offer tax credits to businesses that locate in targeted growth areas
- Small business loans and in-kind resources, using Federal SBA guidelines
- Growth focused on food supply chain development to address local health issues
- Transit-oriented development with continued light rail expansion



FRESH FOOD RETAIL



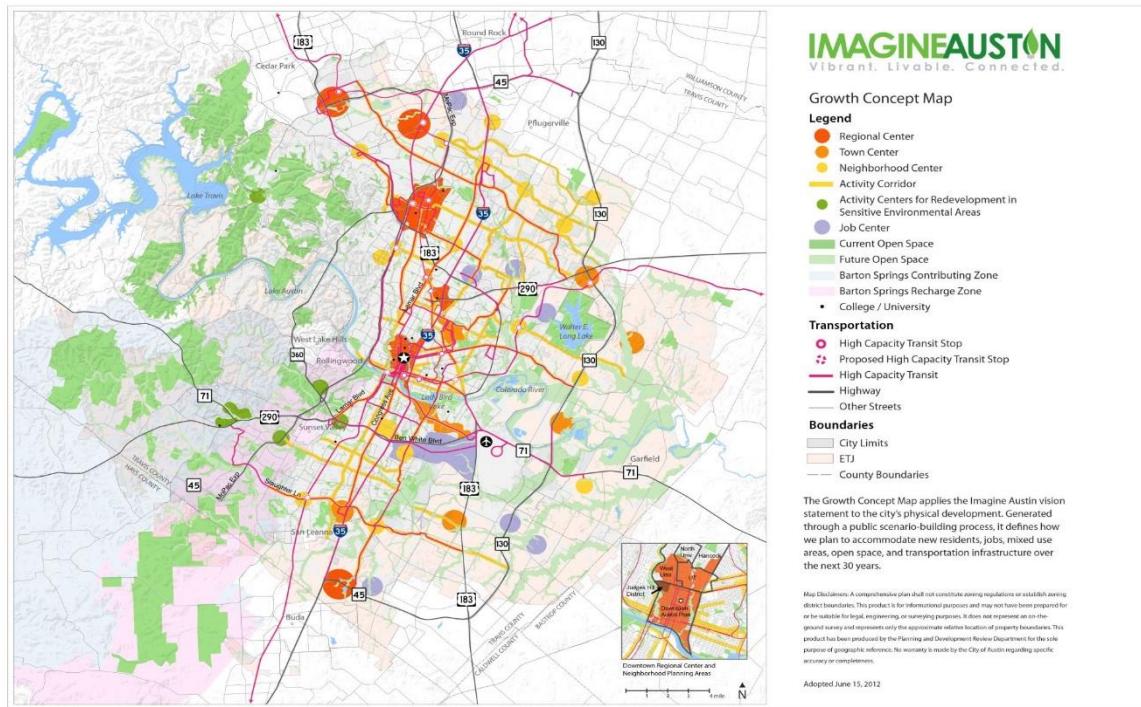
Multi-Layered Approach: Austin, TX



Austin is tackling economic development with a comprehensive strategic plan focused on growth and equity. It includes:

- Workforce development, re-skilling, and K-12 education (Einstein Challenge)
- Business incentives on a sliding scale, using an evaluation rubric of job quality, job training, targeted hiring, diversity, advancement and promotion, transportation, geographic location, and others.
- Enterprise Zones
- Small business loans and in-kind resources, using Federal SBA guidelines
- Growth focused on supply chain development and trade
- Strong merchants' associations (Soul-y)
- Transit-oriented development










Conclusions and Next Steps

Course of Action

- Using the resources available to the County Commissioners and Economic Development, create a comprehensive inventory of existing programs, policies, and private sector resources available for inclusive economic development in the county.
 - Reach out to community organizations
 - Collaborate with private sector and municipal partners
 - Use data to map trends and assets
- Layer programs and policies around outreach, targeted growth areas, small business support, workforce development, and incentive granting.
- Identify short-term, medium-term, and long-term goals (see the following slide)

Proposed Course of Action

	Short term	Medium Term	Long term
	<ul style="list-style-type: none"> Identify and inventory local community organizations Gather quantitative and qualitative data 	<ul style="list-style-type: none"> Review maps for targeted growth with community organizations 	<ul style="list-style-type: none"> Ongoing communication and outreach with community organizations
	<ul style="list-style-type: none"> Define criteria and map targeted growth areas Identify supply chain and industry targets 	<ul style="list-style-type: none"> Learn from successful existing businesses in targeted growth areas 	<ul style="list-style-type: none"> Layer geographic areas with relocation incentives Encourage growth around future transit hubs
	<ul style="list-style-type: none"> Inventory entrepreneurial assets Engage with existing SMEs and support organizations 	<ul style="list-style-type: none"> Create a directory of SME resources Hold workshops with SMEs 	<ul style="list-style-type: none"> Create a SME revolving loan fund
	<ul style="list-style-type: none"> Survey employers Engage with existing workforce assets 	<ul style="list-style-type: none"> Identify target sectors for workforce development 	<ul style="list-style-type: none"> Create a workforce development coalition
	<ul style="list-style-type: none"> Create guide of available state, county, and municipal incentives Explore wage thresholds by SOC code 	<ul style="list-style-type: none"> Develop multi-criteria rubric for relocation incentives 	<ul style="list-style-type: none"> Layer relocation incentives with site incentives

Considerations for Wake County

- The county has many existing assets and resources that are working on elements of inclusive growth. The County Commissioners and Economic Development can play a role as coordinator and facilitator.
- From best practice research, the role of county government is not well-defined in economic development, and Wake County has flexibility in how to design and implement programs.
- Inclusive growth programs require dedicated resources from the county.
- Revising relocation incentives requires a balance between maintaining high job quality thresholds and supporting jobs that provide economic opportunity to lower-skilled workers.