

Wake County Business Development Grant Policy

Approved January 3, 2005
Amended October 17, 2005
Amended April 1, 2013
Amended May 2, 2016

Policy Objective

Support the development of an economic environment that attracts or encourages new investment, creates new jobs, and results in a diverse tax base.

Eligible Projects

A company ("economic development projects") may be eligible for a Business Development Grant if they meet both a new investment threshold and new jobs threshold. Special consideration may be provided for corporate, regional, or divisional headquarters projects for Fortune 500 companies and large international companies.

New Investment Threshold

New or existing companies may be eligible for a Business Development Grant for new investments, which exceed the minimum thresholds as outlined below. New investment is defined as "improvements to real estate, machinery, equipment, and other business personal property." The value of land is not included in the calculation of new investment. New investment must exceed the minimum threshold in assessed valuation, as determined by the Wake County Revenue Administrator.

New Jobs Threshold

New or existing companies may be eligible for a Business Development Grant when the investment threshold is met and new jobs are created as outlined below. New jobs are defined as a new increase in the company's number of full-time Wake County employees. A full-time employee is defined as a person who is employed by the company working at least 35 hours per week, and whose wages are subject to withholding. The average wage for new jobs must pay 120% of the average wage for Wake County, as defined by the North Carolina Department of Commerce Finance Center. When a NC Department of Commerce (NCDOC) grant is part of the overall incentive package, the number of new jobs and salary levels required by the county will be the same as the NCDOC requirements unless the company qualifies for special consideration under the Tier 1 or "super jobs provision" of this policy. In that case, at least 250 jobs must be created at 200% of the average wage for Wake County, as defined by the North Carolina Department of Commerce Finance Center. Salary and employment documentation provided to the NCDOC, North Carolina Employer's Tax and Wage Reports, or other information as determined by the Wake County Finance Department will serve as Wake County documentation of job creation and a NCDOC determination of non-performance will also be considered as non-performance for Wake County.

Thresholds

	Investment Minimum	Jobs Minimum	Avg. Salary Minimum	Incentive Percentage	Max Years
Tier 1 (Super Jobs)	\$50 million	250	200%	50% new tax growth	8 years
Tier 2	\$100 million	50	120%	50% new tax growth	8 years
Tier 3	\$75 million	50	120%	42.5% new tax growth	5 years
Tier 4	\$50 million	50	120%	35% new tax growth	5 years
Tier 5	\$25 million	50	120%	30% new tax growth	5 years

State Match

New or existing companies may be eligible for a Business Development Grant when the state incentive requires local government participation and when the investment and jobs thresholds exceed the minimum as outlined below.

	Investment Minimum	Jobs Minimum	Avg. Salary Minimum	Incentive Percentage	Max Years
State Match	\$5 million	25	100%	35% new tax growth	5 years

Policy Guidelines

1. Business Development Grants will be considered for companies meeting the new investment and new job thresholds. The Board of Commissioners is not obligated to make any grants.
2. All projects will be considered on a case-by-case basis. The County will consider a number of factors (in addition to level of new investment and number of new jobs) when determining approval of a Business Development Grant, including:
 - a. Type of business, relative to current tax base
 - b. Types of new jobs
 - c. Reputation of company
 - d. The presence of competition for the projects
3. The amount of the grant payment to be paid by the County shall be consistent with the investment and jobs minimum as established in the grant agreement. In no event shall the grant amount exceed the amount of ad valorem taxes paid by the company on the new investment in that calendar year.
4. The county will require that the assessed value of new investment is confirmed by the Wake County Revenue Administrator and that all property taxes are paid prior to providing a grant payment.
5. For projects/companies considering locating (or expanding) in one of the municipalities within Wake County, the county's participation in a Business Development Grant is contingent on participation by the municipality.
6. All grant agreements are subject to performance criteria that will be outlined in detail in a Business Development Grant contract between the company and the County approved in an open meeting of the Wake County Commissioners. The contract will outline that grant payments are contingent on achievement of performance criteria during each year of the grant.
7. Funding for approved grant agreements will be planned for as part of the County Community Improvement Plan (CIP).