

Item Title: Update of Wake County Business Development Policy

Specific Action Requested:

That the Board of Commissioners approves the updated Wake County Business Development Policy to include a Vulnerable Communities Tier.

Item Summary:

Purpose: The Board of Commissioners approves economic development policies to increase growth in vulnerable communities.

Background: The Board of Commissioners has consistently supported policies to encourage business development in areas of the county that have not seen the growth other areas have experienced. Staff propose a new economic development tier to attract private investment in areas of the county that have not shared in levels of growth experienced throughout the county as a whole.

The County adopted a Business Investment Grant policy in 2005 and amended in 2013 and 2016. The policy objective is to support the development of an economic environment that attracts or encourages new investment, creates new jobs and results in a diverse tax base. Wake County Economic Development and County staff conducted a review of benchmark communities, best practices and our community's needs and developed updated investment, job and grant levels to enhance the attraction of new and expanded investments in Wake County. The Board of Commissioners received an update on the proposed policy at the April 9 Board Work Session.

The new tier has a lower investment threshold of \$2 million and a new lower jobs minimum of 20. Currently, the lowest investment and jobs thresholds are in the "State Match Tier" at \$5 million and 25 jobs respectively.

Board Goal: This action supports numerous Board Goals, but specifically implements ES3.1 "Consider multi-criteria policy for economic development incentives to include work with vulnerable communities" and initiatives ES1.1, ES2.1, SEV2.2.

Fiscal Impact: Impacts to the budget are not currently calculable. Any budgetary impacts will be calculated on a project basis, each approved by the Board of Commissioners.

Additional Information:

The proposed policy amendment develops a new tier to encourage growth in areas identified as vulnerable communities by Wake County. The Wake County Community Vulnerabilities Index contains the following socioeconomic and demographic variables:

- Unemployment: Defined as the county population age 16 and over who are unemployed in the civilian labor force;
- Age Dependency: The population under the age of 18 and over the age of 64 combined;
- Low Educational Attainment: The population of ages 25 and over who have less than a high school diploma;
- Housing Vacancy: The total number of vacant or unoccupied housing units in a block group; and
- Below Poverty Level: The population living below the federal poverty threshold in Wake County.

Staff practice will be to focus the use of this new tier in More Vulnerable County areas, as identified in the Vulnerability Assessment Index. The Board of Commissioners will continue to approve all Business Development Grant awards.

Vulnerable Communities

New or existing companies may be eligible for a Business Development Grant when locating or expanding in a designated Targeted Growth Area/Vulnerable Community when investment and job creation thresholds exceed the minimum outlined below.

	Investment Minimum	Jobs Minimum	Avg. Salary Minimum	Incentive Percentage	Max Years
Targeted Growth Area/Vulnerable Communities	\$2 million	20	Wake County Living Wage	35% new tax growth	5 years

Attachments:

1. Presentation
2. Draft Policy