

**Item Title:** Public Hearing and Consideration of Business Development Grant Agreement for Collectis, Inc.

**Specific Action Requested:**

**That the Board of Commissioners holds a public hearing and approves a Business Development Grant Agreement with Collectis Inc., 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. The Board of Commissioners must hold a public hearing and approve the agreement.

**Background:** On March 7, 2019, Collectis, Inc. announced it will establish its first North American immunotherapy manufacturing facility in Wake County and create 200 new jobs with an average salary of \$100,823 by the end of 2023 and an estimated \$68.6 million in new investment. Founded in 1999, Collectis Inc. is a French biopharmaceutical company. Headquartered in Paris, France, the company is a leader in research-focused biotechnology with combined strengths in biopharmaceuticals and diagnostics.

Collectis develops immuno-oncology products, referred to as Universal Chimeric Antigen Receptor T-Cells (UCARTs), which are engineered to treat the largest number of patients with a particular cancer type. In 2015, the company established its North America headquarters in New York City.

Partners in this project:

- NC Department of Commerce JDIG program
- Wake County Economic Development
- City of Raleigh
- North Carolina Community College System
- Capital Area Workforce Development Board

**Board Goal:** This action supports Objective ES1: Support Wake County Economic Development's efforts to bring targeted jobs and businesses to Wake County.

**Fiscal Impact:** The County agrees to an economic development grant of 35% of new tax growth over 5 years totaling an estimated \$785,925. The first annual reimbursement is expected to be requested in FY 2023. Funding has been incorporated in the development of the FY 2020-26 County Capital CIP.

### **Additional Information:**

On October 31, 2018, 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.

Collectis, Inc. qualifies for a grant consistent with Tier 4 of the Wake County Business Development Grant Policy. In order to receive grant payment from the County, in each Grant Year, Collectis, Inc. must meet performance criteria as outlined in the County's agreement. These performance criteria include:

1. Completed New investment (> \$50 million)
2. New job creation (at least 50 new jobs with average wages of 120% of Wake County's average wage)
3. Payment in full of Wake County property taxes for all previous and current years in which taxes are owed
4. Qualification for JDIG payment

Based on the draft contract, Collectis, Inc would receive their first grant payment upon submittal of appropriate documentation to the Wake County Revenue Collector. The first payments would likely be for tax year 2022 when the new investment exceeds \$68.6 million 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 Revenue Director. The draft contract with Collectis, Inc is developed similar to prior Business Development Grant Agreements that provide a grant for projects in Tier 4.

TAX YEAR	TOTAL NEW ASSESSED VALUE  (Estimate)	WAKE COUNTY TAX  0.006544 (May change)	INCENTIVE PERCENTAGE	GRANT AMOUNT  (Estimate)
-				
1	\$ 68,627,767	\$ 449,100	35%	\$ 157,185
2	\$ 68,627,767	\$ 449,100	35%	\$ 157,185
3	\$ 68,627,767	\$ 449,100	35%	\$ 157,185
4	\$ 68,627,767	\$ 449,100	35%	\$ 157,185
5	\$ 68,627,767	\$ 449,100	35%	\$ 157,185
Total		\$ 2,245,500		\$ 785,925

Collectis, Inc. was awarded a \$1.99 million grant from the State of North Carolina and an incentive from the municipality in which the company locates.

### **Attachments:**

1. Presentation
2. Draft Business Development Grant Agreement
3. Wake County Business Development Grant Policy (Amended October 1, 2018)