

Upward Mobility Bonus Incentive

Wake County Board of Commissioners
Regular Meeting
September 3, 2019



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Economic Strength Board Goal



Economic Strength

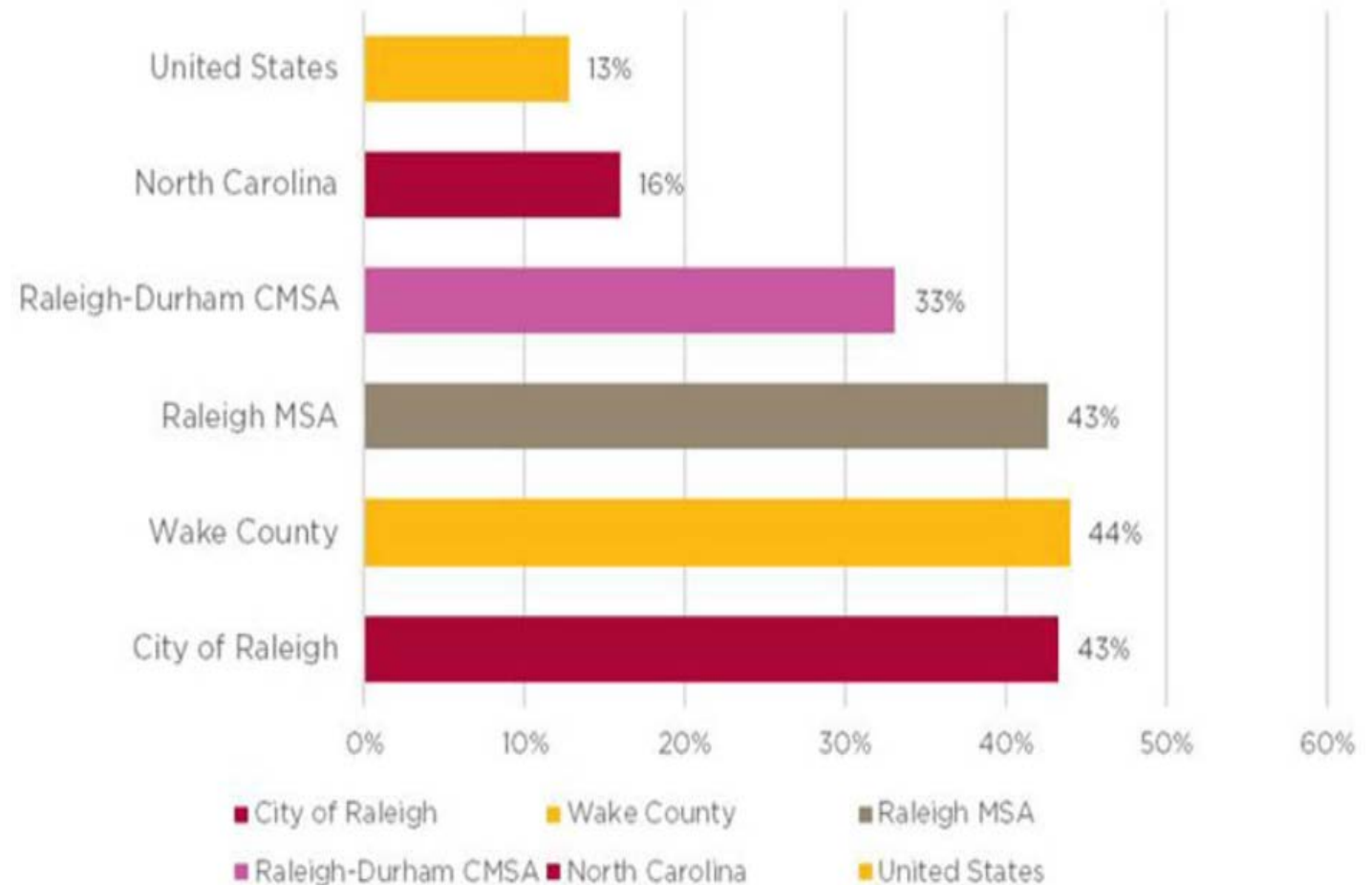
Goal: Create job opportunities for all, enhance our business-friendly environment to attract, retain and support business development and diversify the economic base.

- Objective ES3: Develop economic development strategies and tools that encourage socially responsible business practices, environmental stewardship, affordable housing, high quality of life and return on investments that produce societal benefits
- ES3.1: Explore a multi-criteria policy for economic development incentives to include work with vulnerable communities.

Economic Growth

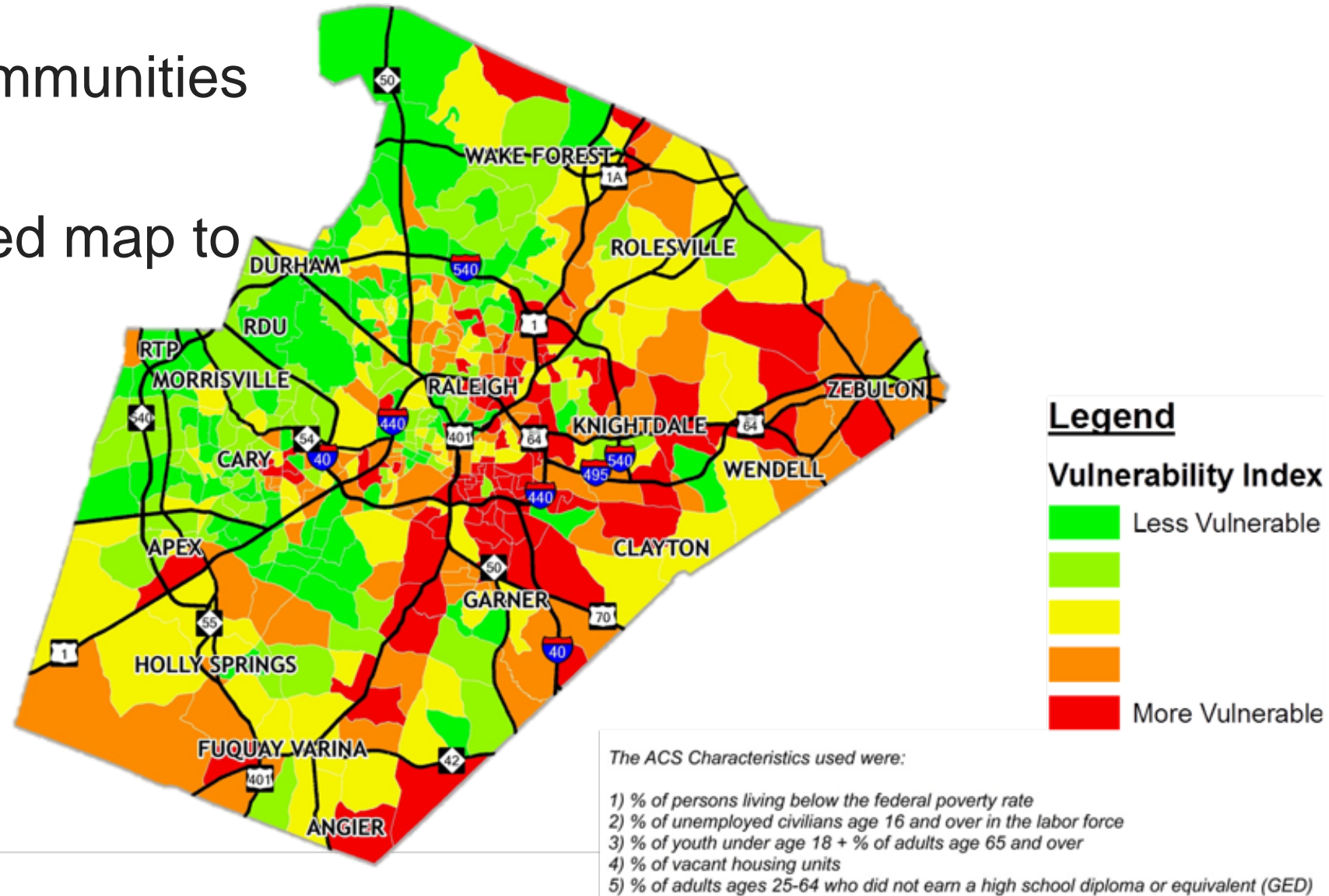
- Wake County has continued exponential growth
- Great place to live ranked nationally
- High wage job creation
- Although, some people are left behind, 45,000 households earn \$25,000 annually

2001-2018 Job Growth Comparison



Vulnerable Communities

- Map of vulnerable communities created
- Staff and partners used map to overlay data sets
 - Past projects
 - Current projects
 - Developable tracts



Targeted Growth Area Tier

- Commissioners amended Wake County Business Development Grant Policy on October 1, 2018

Vulnerable Communities

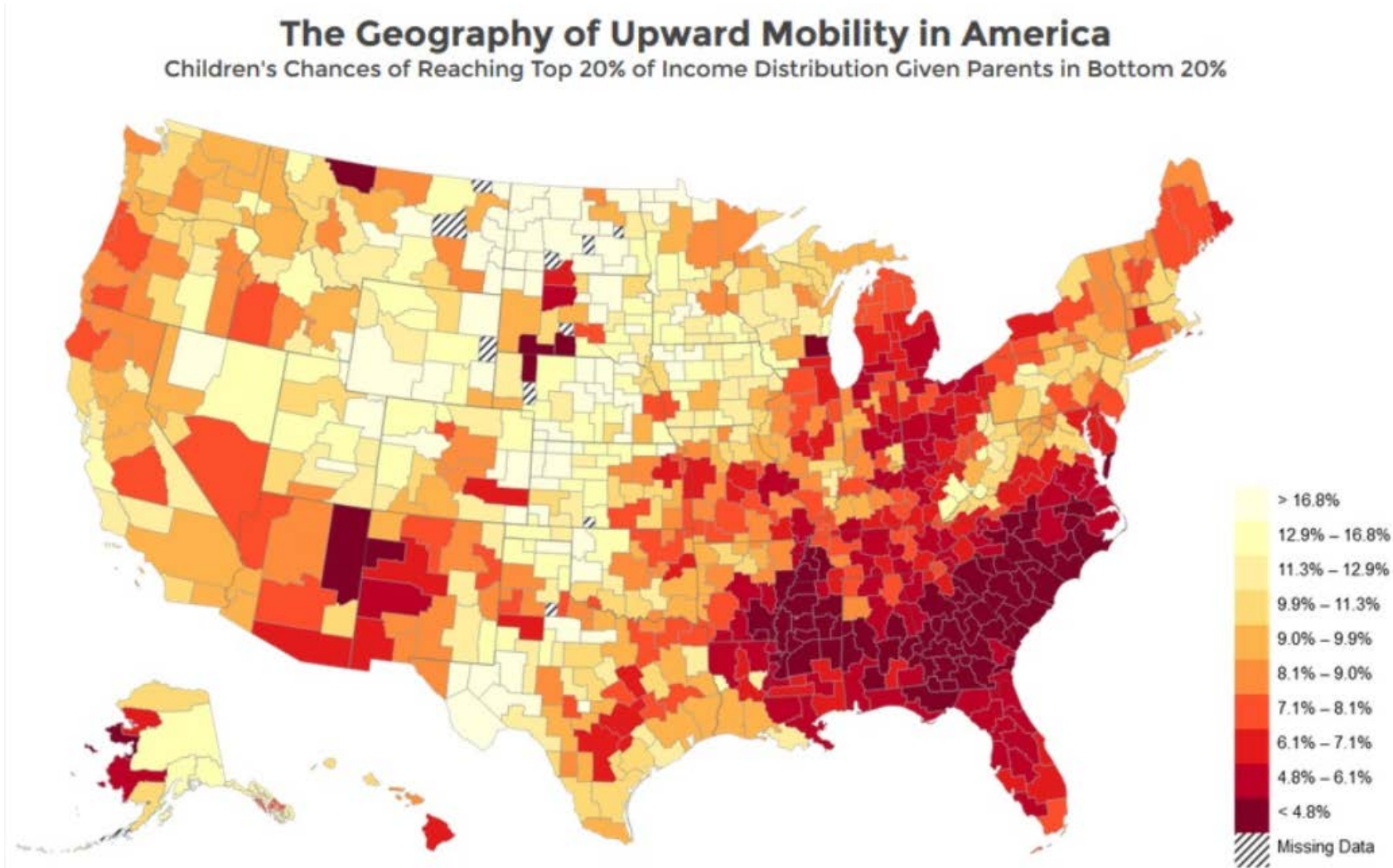
New or existing companies may be eligible for a Business Development Grant when locating or expanding in a designated Targeted Growth Area/Vulnerable Community when investment and job creation thresholds exceed the minimum outlined below.

	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

Community Development Impacts

- Focusing economic development in certain areas of the county may increase demographic trends
- Areas of the county will see positive impacts of location of major employers
- How can the county influence health and wealth of residents?

Lack of Upward Mobility in the Southeast



Lack of Upward Mobility in NC

- Region continues to grow
- Economic benefit not being enjoyed by everyone
- If you are born poor, high probability you stay poor

FIGURE VI: Upward Mobility vs. Job Growth in the 50 Largest CZs



Wake County Upward Mobility Resources

FY 2020 Wake County Adopted Budget

• Housing	\$22.9 million
• Behavioral Health	\$30.5 million
• K-12 Education	\$516 million
• Human Services	\$158 million
○ Social Services & Economic Self Sufficiency (\$54 million)	
• Capital Area Workforce Development	\$5.8 million
• Wake Technical Community College	\$24.6 million
• Economic Development Capital	\$5 million
FY 2020 Total	\$762.8 million

Increasing Upward Mobility

- Employee compensation packages
- Increase community involvement
- Provide for holistic wellness care
- Wealth generation policies
- Family friendly work environments
- Second chance community practices
- An equal pay community



Wake County Employee Benefits

- Employees receive a minimum salary of Wake County Living Wage
- Health insurance provided to employees and offered to spouses and dependents
- Prohibits discrimination against applicants and employees in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment on the basis of race, color, religion, sex (including pregnancy and wages), national origin, age, disability, genetics, veteran status, sexual orientation, gender identity or expression, family status, or political affiliation
- Second chance hiring practices, including removal of prior conviction checkoffs

Wake County Employee Benefits

- Minimum of forty hours of bereavement leave for employees
- Minimum of eight weeks of parental leave for employees
- Minimum of sixteen hours of volunteer leave annually for employees
- Opportunities for improvement of health and wellness of employees

Upward Mobility Bonus

Upward Mobility Bonus

5% additional of new tax growth

After qualifying for a Business Development Grant under Wake County policy, new or existing companies may be eligible for a Business Development Grant Bonus when locating or expanding in Wake County and meeting the following conditions:

- Employees receive a minimum salary of Wake County Living Wage
- Health insurance provided to employees and offered to spouses and dependents
- Prohibits discrimination against applicants and employees in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment on the basis of race, color, religion, sex (including pregnancy and wages), national origin, age, disability, genetics, veteran status, sexual orientation, gender identity or expression, family status, or political affiliation
- Demonstrate second chance hiring practices, including removal of prior conviction checkoffs
- Provide a minimum of forty hours of bereavement leave for employees
- Provide a minimum of eight weeks of parental leave for employees
- Provide a minimum of sixteen hours of volunteer leave annually for employees
- Provide opportunities for improvement of health and wellness of employees

Upward Mobility Bonus

- Must qualify for an existing Wake County economic development incentive
- Companies are not required to offer any of the employment benefits
- Purely a voluntary program to receive an additional 5% reimbursement of paid property taxes
- Local match is not required on the bonus percentage
- Verification through current incentive certification and audit process

Next Steps

Immediate Action

- Recommend Business Development Grant Policy amendment at the September 3rd Board meeting

Long Term

- Partner with Wake County Economic Development on best practice study
 - Existing contract with WCED and RTI
 - Best practices in other counties/regions
 - Determine efficacy and impact of policy changes





Questions?