

**Item Title:** Public Hearing and Consideration of Business Development Grant Agreement for Invitae Corporation

**Specific Action Requested:**

**That the Board of Commissioners approves a Business Development Grant Agreement with Invitae Corporation, 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. Counties must hold a public hearing before approving business development grant agreements.

**Background:** On April 20, 2021, Invitae Corporation announced it will construct a genetics testing facility in Wake County and create 374 new jobs with an average salary of \$91,176 and an estimated \$114,600,000 in new investment. By harnessing the power of genetics and technology, Invitae has made medical genetics testing affordable and accessible for everyone, improving healthcare for billions of people. Invitae has helped improve care for hundreds of thousands of patients and their providers by driving down the cost of reliable, comprehensive, and actionable genetic testing.

Invitae's platform provides genetic information for use throughout medicine. Invitae has assembled a team of experts, including board-certified geneticists, licensed genetic counselors, and experts in bioinformatics, engineering, artificial intelligence, and commercial development, among other disciplines.

Partners in this agreement include:

- North Carolina Department of Commerce
- Economic Development Partnership of N.C.
- North Carolina Community College System\
- North Carolina Biotechnology Center
- Research Triangle Foundation
- North Carolina Central University
- North Carolina State University
- Wake Tech
- Capital Area Workforce Development Board
- Town of Morrisville
- Wake County Economic Development
- Triangle Diversity Equity and Inclusivity Alliance

Board Goal: This action supports Economic Strength Goal 3: Support economic development efforts to bring diverse jobs, talent, businesses, and visitors to Wake County.

Fiscal Impact: The County agrees to an economic development grant of 50% of new tax growth over 8 years totaling an estimated \$2,750,400 based on a \$114,600,000 appraised value of investment. Funds would be generated from property tax base growth, and the incentive would be budgeted and paid back to Invitae through the Economic Development element within the County Capital Fund.

**Additional Information:**

On February 15, 2021, 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.

Invitae Corporation qualifies for a grant consistent with a Tier 2 Grant of the Wake County Business Development Grant Policy. In order to receive grant payment from the County, in each Grant Year, Invitae Corporation., must meet performance criteria as outlined in the County's agreement. These performance criteria include:

1. Completed New investment (> \$114,600,000)
2. New job creation (at least 374 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, Invitae Corporation would receive their first grant payment upon submittal of appropriate documentation to the Wake County Tax Administrator. The first payments would likely be for tax year 2022 when the new investment exceeds \$114,600,000 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 Tax Administrator.

### Wake County Tier 2 Business Investment Grant

<u>Tax Year</u>	<b>TOTAL NEW ASSESSED VALUE</b> <i>(Estimate)</i>	<b>WAKE COUNTY TAX</b> <i>0.0060 (May change)</i>	<b>INCENTIVE PERCENTAGE</b>	<b>GRANT AMOUNT</b> <i>(Estimate)</i>
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1	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
2	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
3	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
4	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
5	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
6	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
7	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
8	\$ 114,600,000	\$ 687,600	50%	\$ 343,800
Total		\$ 5,500,800		\$ 2,750,400

Invitae Corporation was awarded a \$6,700,000 grant from the State of North Carolina and an incentives package from the Town of Morrisville.

#### **Attachments:**

1. Presentation from May 17 2021 BOC Meeting