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If you have any questions or need further information concerning Wake County incentives and services, please contact Wake County Economic Development, a program of the Greater Raleigh Chamber of Commerce.

Wake County Economic Development

PO Box 2978
800 S. Salisbury St.
Raleigh, NC 27602
919.664.7048
919.664.7099 (fax)
www.raleigh-wake.org

September 2010

Professional, Confidential Site Selection Services

The Wake County Economic Development Program of the Greater Raleigh Chamber of Commerce is a one-stop center for a full range of site location services and information. The types of services provided include:

- executive briefings and community tours
- assistance setting visitation itineraries with corporate, community, and governmental contacts
- a comprehensive inventory of available office space, industrial buildings, and sites
- statistical data and research materials
- newcomer and transferee assistance

These services are provided on a confidential basis and without cost to you. We have successfully provided these services to multi-million dollar corporations, rapidly expanding companies, and start-up firms. As economic development professionals, we understand your need for confidentiality, speed, accuracy, and objectivity.

For more information or assistance as you are conducting your site location search, contact any of the following staff members:

Wake County Economic Development Program

PO Box 2978
800 S. Salisbury St.
Raleigh, NC 27602
919.664.7048 • 919.664.7099 Fax
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Incentives Chart

Relocation incentives are offered to companies as a means of attracting new investment and jobs to a community. The use of such incentives has grown in recent years and many communities have begun to use them as a means of improving their economic base.

The best incentives we can provide are a healthy economic environment and a competitive business climate that offers you a reasonable business cost structure. These qualities have consistently ranked North Carolina, the Research Triangle area, and Wake County at the top of surveys that evaluate business climate and quality of life.

In addition, depending upon what type of investment or commitment you are making to the community, you may be eligible for additional incentives. Use the reference chart below to see which incentives you may qualify for when expanding in or relocating to Wake County.

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 One North Carolina Fund
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 • Credit for Creating Jobs

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 Public Utilities

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Job Driven Incentives

If your project involves new jobs in Wake County, you may be eligible for the following incentives. See Appendix A for additional details and contact information.

Job Development Investment Grant Program (JDIG)

The grant program allows for up to 75 percent of the state personal income taxes withheld for the new jobs that are created to be set aside in a fund, up to \$6,500 per job. In Tier 3 counties, such as Wake County, 25 percent of this amount is placed in an infrastructure fund to be used by rural communities. The remaining portion can be refunded to the company in the form of a cash grant.

One North Carolina Fund

The One North Carolina Fund provides financial assistance to those businesses or industries deemed vital to a healthy and growing state economy and that are making significant efforts to expand in North Carolina. The fund currently consists of nonrecurring appropriations made by the General Assembly, intended to be immediately available for companies seeking to undertake new expansion or locate new operations in the state. Companies receive money from the fund for the purposes of: installation or purchase of equipment; structural repairs, improvements, or renovations of existing buildings to be used for expansion; or construction of or improvements to new or existing water, sewer, gas, or electric utility distribution lines, or equipment for existing buildings.

Article 3J - Credit for Creating Jobs

Within Wake County, eligible taxpayers that create 15 full-time jobs during the taxable year may claim a \$750 credit for each new job created. The credit is taken in equal installments over four years following the year in which the jobs are created.

Investment Driven Incentives

If your project involves new investment in Wake County, you may be eligible for the following incentives. See Appendix A for additional details and contact information.

Double-Weighted Sales Factor in Corporate Income Tax

A business in North Carolina that makes significant sales outside the state would be taxed at a lesser level than a comparable business that is located elsewhere but makes significant sales within North Carolina.

Industrial Revenue Bonds

The state of North Carolina offers a revenue bond pool program through various banks for smaller bond issues. IRBs are available for manufacturing facilities only.

Municipal/County Investment Grants

Wake County and several municipalities have grant programs driven by net new investment into the community. See Appendix B for policies and contact information.

Qualified Business Investment Tax Credit Program

This program offers a credit against state tax liability, which can be as much as 25 percent of the amount invested. A Qualified Business Venture (QBV) is a business organized to engage primarily in manufacturing, processing, warehousing, wholesaling, research and development, or a service-related industry.

Article 3J - Credit for Investing in Business Property

Within Wake County, eligible taxpayers may claim a credit of 3.5 percent of the excess value (above \$2 million) of tangible personal property placed into service during the taxable year. The credit is taken in equal installments over four years.

Work Force Driven Incentives

If your project involves work force training in Wake County, you may be eligible for the following incentives. See Appendix A for additional details and contact information.

Customized Pre-Employment Job Training/Work Force Training

Wake Technical Community College provides extensive customized training for any new or expanding industry that creates new jobs. Wake Tech is the primary provider of work force training in Wake County.

Job Training Funds

Job Training Partnership Act (JTPA) funding for various U.S. Department of Labor OJT, Youth Summer Employment, and other programs is available from the Capital Area Workforce Development Board.

Screening, Testing, and Placement Services

These services are provided free of charge by the North Carolina Job Service office of the Employment Security Commission to provide you with a “job ready” work force.

..... **Research & Development Driven Incentives**

If your project involves research and development in Wake County, you may be eligible for the following incentives. See Appendix A for additional details and contact information.

North Carolina State University

North Carolina State University, the largest university in the University of North Carolina system, is a national center for research, teaching, and outreach in the sciences and technologies, in the humanities and social sciences, and in a wide range of professional programs.

Research & Development Tax Credit

Credit is based on a percentage of qualified research expenses with the highest amounts for research performed by North Carolina universities.

Businesses with qualified North Carolina research expenses are allowed a credit equal to a percentage of those expenses. The allowable credits are determined by:

- Small business (annual receipts less than \$1 million): Qualified businesses on the last day of the taxable year are allowed a credit of 3.25 percent.
- Low-tier research: For expenses for research performed in a Tier 1 county, a business is permitted a credit of 3.25 percent.
- Other research: For expenses not covered above, refer to the table below for qualified research expenses during a taxable year:

Qualified Expenses	Rate
\$0-\$50 million	1.25%
\$50 - \$200 million	2.25%
More than \$200 million	3.25%

A business with North Carolina university research expenses for the taxable year is allowed a credit equal to 20 percent of those expenses.

..... Infrastructure Driven Incentives

If your project involves infrastructure in Wake County, you may be eligible for the following incentives. See Appendix A for additional details and contact information.

Department of Transportation - Industrial Access Roads

The North Carolina Department of Transportation administers a program that provides funds for the construction of roads to provide access to new or expanded industrial facilities.

Public Utilities (Electric)

Progress Energy offers assistance to companies locating in its service territory. Included are discounted time-of-use rates and a variety of programs to evaluate and optimize energy efficiency.

Other Incentives

You also may be eligible for the following incentives. See Appendix A for additional details and contact information.

Computer Software Tax Exemptions

There are no local or state sales taxes on custom computer programs. Additionally, there is no property tax on computer software.

Interactive Digital Media Incentives

Effective Jan. 1, 2011, the interactive digital media incentives will go into effect. The incentive provides a 15 – 20 percent tax credit for compensation paid to employees and expenses paid to participating community colleges and research universities to develop interactive digital media.

Inventory and Pollution Control Exemptions

All inventories held for resale and raw materials used in production, as well as pollution control and recycling equipment, are exempt from property taxes.

North Carolina Ports Tax Credit

Both importers and exporters who use the North Carolina ports at Morehead City and Wilmington can apply and qualify for a tax credit. This tax credit can be earned on cargo wharfage and handling fees exceeding the average for the last three years inclusive of the current tax year. The excess of those fees for wharfage and handling paid directly or indirectly to the North Carolina State Ports Authority can be credited against the taxes due the state, up to 50 percent of the total tax liability for each tax year.

Renewable Energy Tax Credits

This program provides a tax credit of 35 percent of the cost of renewable energy property constructed, purchased, or leased by a taxpayer and placed into service in North Carolina during the taxable year.

SBA Loans

The Small Business Administration provides loan guarantees and other financing programs for small business as well as programs for long-term capital asset acquisition.

Small Business & Technology Development Center

The Small Business & Technology Development Center provides entrepreneurs with the knowledge, solutions, and tools to realize their dreams. SBTDC offers counseling services, dialog training to assist businesses with market research, an executive-in-residence program, a lender's conference, bid-matching services, and information on importing/exporting and funding sources.

Venture Capital Funds/Small Business Assistance

The Council for Entrepreneurial Development can provide information on financing and other programs for entrepreneurial companies.

Non-Financial Support Assets

Council for Entrepreneurial Development

The Council for Entrepreneurial Development was founded in 1984 as an outgrowth of a collaboration between the three major area universities and the Raleigh, Durham, and Chapel Hill chambers of commerce. The Council fosters a productive environment for emerging-growth companies and venture investors through programming that includes monthly meetings relevant to the promotion and support of high-growth businesses. The Council also presents an annual Venture Fair which provides selected growth companies the opportunity to present their business plans to hundreds of investors throughout the U.S. and Canada.

Joan Siefert Rose, President
PO Box 13353
Research Triangle Park, NC 27709
919.226.0469
www.cednc.org

Higher Education Based Support Programs

- MCNC
- North Carolina Biotechnology Center
- Industrial Extension Service
- Frank Hawkins Kenan Institute of Private Enterprise
- NC State University – Engineering Centers
- NC State University – Centennial Campus
- Small Business and Technology Development Center
- North Carolina Technologies Association (NCTA)
- International Trade Assistance
- Japan External Trade Organization (JETRO)
- International Trade Division

Labor - Management Relations

North Carolina is one of 22 states with a “right-to-work” law. The General Assembly has declared it to be the public policy of the state that “The right to live includes the right to work. The exercise of the right to work must be protected and maintained free from undue restraint and coercion. It is hereby declared to be the public policy of North Carolina that the right of persons to work shall not be denied or abridged on account of membership or non-membership in any labor union or labor organization or association.”

Closed shop and union shop agreements are illegal and void. An employer may not require an employee to join a union, nor may an employer require an employee to refrain from joining a union. The employer may not require an employee to pay dues to any labor organization, whether or not the employee is a member.

The membership rate in unions in North Carolina is among the lowest in the nation, at 3.1 percent (2009) of employed residents.

Supporting the positive labor-management relations in the area is a large and very effective employer association, Capital Associated Industries (CAI). CAI is a North Carolina-based employers’ association providing its members with a variety of services and resources. Those include management education, employment regulation compliance, compensation surveys, a weekly management newsletter, employee opinion surveys, government representation, communications, and much more.

No Local Income Taxes

There are no local income taxes levied by city and county governments in North Carolina.

Raleigh-Durham International Airport

Located five miles east of Research Triangle Park in Wake County, the Raleigh-Durham International Airport (RDU) provides efficient and cost-effective travel options for the Raleigh-Durham area.

Appendix A - Details of Incentives/Industry Resources

(in alphabetical order)

Centennial Campus - North Carolina State University

The Centennial Campus of North Carolina State University, a 1,300-acre research park adjacent to NC State's main campus in Raleigh, is quickly emerging as the Research Triangle's fastest growing development. There is no other campus or research park like it in the country. Centennial Campus is a "technopolis" of corporate, government, and academic R&D facilities and business incubators, with an exciting town center, executive conference center and hotel, upscale housing and recreational amenities, all clustered around a central lake. The unique master plan guiding its growth builds on R&D neighborhoods with multidisciplinary themes:

- Biotechnology
- Smart Systems and Information Technology
- Green Energy Grid Technology
- Advanced Materials & Nanotechnology
- International Technology Transfer and Trade
- Innovative Education and Environmental Health

The major feature of Centennial Campus is the intensive partnership among industry, government, and university residents. Corporate and government resident partners are given full University Affiliate Status. This facilitates research partnerships in a broad spectrum of scientific, technological, and scholarly endeavors, as well as access to university facilities and equipment. Work force partnerships provide just-in-time research faculty, graduate students, and interns for corporate project teams. The leading-edge technology environment supports training partnerships and teleconferences among corporate and government sites, as well as universities throughout the country.

Corporate and government organizations can choose to lease office and lab space in multi-tenant buildings, or may build facilities to suit their needs. Because the campus is constantly growing, companies can start small and later expand on site.

Centennial Campus is now home to dozens of large and small companies, government agencies, and NC State centers of excellence. More than 3 million square feet of space is complete in 32 buildings. Three additional buildings, including a library, animal center, and chancellor's residence are under construction. A futuristic fixed guideway transportation system will link Centennial Campus with NC State's adjacent main campus. Recreational facilities include an 18-hole championship golf course, miles of jogging and biking trails, and a fitness center. All facilities are supported by a forward-looking infrastructure of telecommunications highways, roads, parking, storm water system, sanitary sewers, and water supply planning. The campus has mixed-use zoning.

Leah Burton, Partnership Developer
 Centennial Campus Partnership Office
 North Carolina State University
 Box 7005
 Raleigh, NC 27695-7005
 919.515.7036 • 919.515.1390 Fax
www.centennial.ncsu.edu

Computer Software Tax Exemptions

There are no local or state sales taxes on custom computer programs. Additionally, there is no property tax on computer software.

Interactive Digital Media Incentives

Effective Jan. 1, 2011, the interactive digital media incentives will go into effect. The incentive provides a 15 – 20 percent tax credit for compensation paid to employees and expenses paid to participating community colleges and research universities to develop interactive digital media.

Customized Pre-Employment Job Training

The North Carolina Community College System (NCCCS) has served work force training/skill set enhancement needs of business and industry in the state since 1958. Customized training program initiatives are delivered through the 58 constituent institutions spread across the state. The geographic distribution of the 58 colleges and numerous satellite campuses provides education and training opportunities for almost all North Carolina residents within a 30-minute drive of their homes.

Businesses eligible for customized training support include manufacturing operations, business services including customer support, financial services, technology intensive operations including computer manufacturing and software development firms, warehousing and distribution centers, air courier services, headquarters operations, and civil service providers supporting U.S. military operations within North Carolina. Companies within the above named sectors are eligible for customized training support when meeting any two of the following criteria:

- The business is making an appreciable capital investment.
- The business is deploying new technology.
- The business is creating jobs, expanding an existing work force, or enhancing the productivity and profitability of its operations within the state.
- The skills of the workers will be enhanced by customized training assistance.

Program resources may support training assessment, instructional design and materials, instructional costs, and training delivery for personnel involved in the direct production of goods and services. Production and technology support positions are also eligible for training support. Training delivery can be provided by community college full or part-time faculty, third party contractors, and by company subject matter experts whose employers will be reimbursed for the time invested in training. The program can also support travel and lodging expenses for trainers and the provision of temporary training facilities via lease arrangements.

Instructional delivery can be provided at clients' facilities, at the colleges, or in facilities leased specifically for customized training projects. College customized training directors and system office staff work directly with clients to create an instructional design that is highly targeted and responsive to stated needs. Funding for the program is provided through annual appropriations from the NC General Assembly. Project duration can range from a few months up to three years. Client companies, colleges, and system office staff frequently work together on sequential projects that, in some cases, have resulted in ongoing support over extended periods of time.

Wayne Loots, Business and Industry Division, Dean
Wake Technical Community College
9101 Fayetteville Road
Raleigh, NC 27603
919.335.1001
www.waketech.edu

Jim Whitley, Regional Customized Training Director
NC Community College System—Research Triangle Region
PO Box 777
Louisburg, NC 27549
252.738.3627 • 919.496.6604 Fax
www.ncccs.cc.nc.us

Department of Transportation - Industrial Access Roads

The North Carolina Department of Transportation administers a program that provides funds for the construction of roads to provide access to new or expanded industrial facilities. The Board of Transportation's adopted policy states that "the number of employees and truck traffic will be the primary justification for assistance with road improvements" from this fund. Levels and scope of project support depend on the number of jobs created.

Delbert Roddenberry, Secondary Roads Program Manager
NC Department of Transportation
1 S. Wilmington St.
1535 Mail Service Center
Raleigh, NC 27699-1535
919.733.3250 • 919.715.2899 Fax
www.ncdot.org



Double-Weighted Sales Factor in Corporate Income Tax

If a corporation does business in North Carolina and in one or more other states, North Carolina taxes a fraction of the corporation's income based on the amount of sales, payroll, and property it maintains within North Carolina. In the double-weighted sales factor calculation, the payroll factor, the property factor, and twice the sales factor are added and then divided by four. Thus, a business in North Carolina that makes significant sales outside the state would be taxed at a lesser level than a comparable business that is located elsewhere but makes significant sales within North Carolina.

NC Department of Revenue
 4701 Atlantic Ave., Suite 118
 PO Box 58787
 Raleigh, NC 27604
 877.252.3052
 www.dornc.com

Frank Hawkins Kenan Institute of Private Enterprise

The Frank Hawkins Kenan Institute of Private Enterprise, an affiliate of the Kenan-Flagler Business School, encourages cooperation among business, academia, and government to foster private-sector development and to utilize the private sector to serve the public interest in the United States and worldwide. The Kenan Institute develops innovative public-private and private-private partnerships that build the capacity of people, business, and communities to prosper in market-based environments. These programs are anchored in research that provides the basis for replicating and extending these outreach programs nationally and internationally.

John D. Kasarda, Director
 Kenan Flagler Business School
 UNC-Chapel Hill
 CB #3440
 Chapel Hill, NC 27599-3440
 919.962.3891 • 919.962.8202 Fax
 www.kenan-flagler.unc.edu/ki

Higher Education Based Support Programs

The Research Triangle area has been widely known for the numerous research support programs for business and industry available through the many colleges and universities located here. In particular, North Carolina State University (Raleigh), Duke University (Durham), and the University of North Carolina at Chapel Hill have numerous centers, institutes, and other public-private arrangements involving private sector affiliates.

Industrial Extension Service

In 1955, the North Carolina General Assembly established the Industrial Extension Service (IES), the first in the nation, at NC State University's College of Engineering. IES provides technical and industrial management assistance, conducts applied research, advocates industrial use of technology and modern management practices, as well as conducts education programs for business, industry, entrepreneurs, engineers, and local governments. As an affiliate of the North Carolina Alliance for Competitive Technologies (NC ACTs), IES partners with other state service providers to offer more comprehensive services. Major service categories include: Manufacturing Engineering and Management, Plastics Processing, Furniture Manufacturing, Metalworking, Hosiery Manufacturing, Construction, Energy Systems, Environment, Safety, and Distance Education.

Terry Hemlinger-Ratcliff, Executive Director
 North Carolina State University
 909 Capability Drive
 Suite 1600
 Research IV
 Box 7902
 Raleigh, NC 27695
 919.515.3891 • 919.515.6159 Fax
 www.ies.ncsu.edu

Industrial Revenue Bonds

The state of North Carolina offers a revenue bond pool program through various banks for smaller bond issues. IRBs are available for manufacturing facilities only.

International Trade Assistance

An extensive network of programs designed to increase exports by local industries is in place. These include the World Trade Center North Carolina, the Japan External Trade Organization, and the International Trade Division of the North Carolina Department of Commerce.

International Trade Division

The mission of the North Carolina International Trade Division, as the state's lead organization for exports, is to foster the growth of exports for small and medium-sized manufacturers and service companies with a proven domestic product and a willingness to commit the time, personnel, and finances necessary to participate in a global market.

North Carolina Department of Commerce
Jean Davis, Director
301 N. Wilmington St.
4301 Mail Service Center
Raleigh, NC 27699-4301
919.715.5746 • 919.733.0110 Fax
www.nccommerce.com

Inventory and Pollution Control Exemptions

All inventories held for resale and raw materials used in production, as well as pollution control and recycling equipment, are exempt from property taxes.

Job Development Grant Program (JDIG)

Effective Jan. 1, 2003, the state of North Carolina implemented a Job Development Grant Program for major investment/job creation projects considering the state. Guidelines for the program are available on the North Carolina Department of Commerce's website at www.nccommerce.com.

There will be only 25 projects funded annually at a total of \$15 million per year. The program is highly discretionary. A five-person review panel—composed of the Secretary of Commerce, Secretary of Revenue, Director of the Office of State Budget and Management, an appointee of the Speaker of the House, and an appointee of the President Pro Tempore of the Senate—will review applications and determine projects to be funded. Three of the five must vote approval. Given these requirements, it is anticipated that only major projects, with significant job creation and investment potential will be considered. The only limitations relative to the type of project are that no retail establishments or sports facilities are eligible.

The grant program allows for up to 75 percent of the state personal income taxes withheld for the new jobs that are created to be set aside in a fund, up to \$6,500 per job. In Tier 3 counties, such as Wake County, 25 percent of this amount is placed in an infrastructure fund to be used by rural communities. The remaining portion can be refunded to the company in the form of a cash grant. This grant could be in effect for up to 12 years. Again, the five-person review panel will determine both the percentage to be provided and the length of time that the grant will be applied on a case-by-case basis.

For further information, contact the Wake County Economic Development staff or the NC Department of Commerce Finance Center at 919.733.3735.

Job Training Funds

Job Training Partnership Act (JTPA) funding for various U.S. Department of Labor OJT, Youth Summer Employment, and other programs is available from the Capital Area Workforce Development Board.

Pat Sturdivant, Executive Director
Capital Area Workforce Development Board
2321 Crabtree Blvd., Suite 200
PO Box 550
Raleigh, NC 27602
919.856.6040 • 919.856.6038 Fax
www.capitalareawfdb.com

Labor - Management Relations

North Carolina is one of 22 states with a “right-to-work” law. The General Assembly has declared it to be the public policy of the state that “the right to live includes the right to work. The exercise of the right to work must be protected and maintained free from undue restraint and coercion. It is hereby declared to be the public policy of North Carolina that the right of persons to work shall not be denied or abridged on account of membership or non-membership in any labor union or labor organization or association.” Closed shop and union shop agreements are illegal and void. An employer may not require an employee to join a union, nor may an employer require an employee to refrain from joining a union. The employer may not require an employee to pay dues to any labor organization, whether or not the employee is a member. The membership rate in unions in North Carolina is among the lowest in the nation, at 3.1 percent (2009) of employed residents.

Supporting the positive labor-management relations in the area is a large and very effective employer association, Capital Associated Industries (CAI). CAI is a North Carolina-based employers’ association providing its members with a variety of services and resources. Those include management education, employment regulation compliance, compensation surveys, a weekly management newsletter, employee opinion surveys, government representation, communications, and much more.

Bruce Clarke, President & CEO
 Capital Associated Industries, Inc.
 2900 Highwoods Blvd.
 Raleigh, NC 27604
 919.878.9222 • 919.872.6599 Fax
 www.capital.org

MCNC

MCNC, based in RTP, is a nonprofit corporation created to promote innovation and drive economic development in North Carolina through three organizations—MCNC Grid Computing and Networking Services, MCNC Research and Development, and NC IDEA.

Joe Freddoso, President & CEO
 MCNC
 3021 E. Cornwallis Road
 PO Box 12889
 RTP, NC 27709
 919.248.1900 • 919.248.1455 Fax
 www.mcnc.org

NCBIO

NCBIO is North Carolina’s state-level affiliate of the national Biotechnology Industry Organization. Together, the two groups advocate federal, state, and local public policies designed to help the bioscience industry fulfill its extraordinary promise as a source of economic opportunity and improved quality of life. NCBIO serves the third largest state biotechnology cluster in the nation, comprising more than 150 companies and 18,000 employees.

Sam Taylor, President
 PO Box 14354
 Research Triangle Park, NC 27709
 919.281.8960
 www.ncbioscience.org

North Carolina Biotechnology Center

A private, nonprofit corporation established in 1981 as the United States’ first statewide initiative in biotechnology. The center’s primary focus is to strengthen the biotechnology research capabilities of the state’s universities; assist biotechnology business development; educate the public about the science, issues, and application of biotechnology; encourage collaborations among the state’s universities, industry, and government; and strengthen North Carolina’s national and international leadership in biotechnology.

Mike Wilkins, Senior Vice President, Statewide Operations and Economic Development
 NC Biotechnology Center
 15 TW Alexander Drive
 PO Box 13547
 RTP, NC 27709
 919.541.9366 • 919.990.9544 Fax
 www.ncbiotech.org

Centers of Innovation

Within the North Carolina Biotechnology Center there are four initial Centers of Innovation. The purpose of these centers is to enhance efforts already under way across the state to align academic and industrial resources in biotechnology-dependent industries ideally suited for North Carolina's economic expansion.

Ibiliti

Ibiliti has an exclusive focus on North Carolina's advanced medical technologies sector—which includes companies developing medical devices, diagnostics, medical imaging, and health care software. Ibiliti is a nonprofit organization that is committed to building and expanding a network of intellectual, human, and financial resources that advanced medical technology companies can tap into in order to quickly and successfully navigate the commercialization and development process.

Cynthia L. Clark, President
PO Box 110392
Research Triangle Park, NC 27709
919.782.1991
www.ibiliti-nc.com

Marine Biotechnology Center of Innovation

The Marine Biotechnology Center of Innovation will serve as the focal point of North Carolina's Marine Biotechnology to the world. The intent of this center is to bring together marine biotechnologically based services and innovation, create markets where none exist, and contribute to the educational, economic, and social development of the state of North Carolina and its residents through marine biotechnology.

Steve Fontana
15 TW Alexander Drive
Research Triangle Park, NC 27709
919.541.9366
www.ncbiotech.org

Center of Innovation for Nanobiotechnology

The North Carolina Center of Innovation for Nanobiotechnology (COIN) will foster collaboration among universities statewide to create a "one-stop" resource for industry-academic interactions in nanobiotechnology in North Carolina. It will develop industrial involvement models that can be applied by this and other Centers of Innovation. COIN envisions positioning itself to provide a variety of resources in the area of nanobiotechnology—from facilitating collaborations among universities and industry to technology asset management to assisting with the educational goals of local, regional, and state economic developers and government agencies.

Brooks Adams, Executive Director and President
PO Box 110392
Research Triangle Park, NC 27709
919.782.1991
www.nc-coin.org

Drug Discovery Center of Innovation

The goal of the Drug Discovery Center of Innovation (DDCOI) is to be a primary enabler for discovering and developing new candidate drugs for disease, serving as a key bridge between industry and academia to translate discoveries into effective medicines. The DDCOI will provide the opportunity for academicians and bio/pharmaceutical companies to utilize the DDCOI to outsource their early stage drug discovery and development work and to access a business intelligence portal to gain information on new drug discovery targets and technologies.

John Didsbury, President and CEO
6 Davis Drive
Research Triangle Park, NC 27709
919.281.2471
www.nc-coin.org

North Carolina Ports Tax Credit

Both importers and exporters who use the North Carolina ports at Morehead City and Wilmington can apply and qualify for a tax credit. This tax credit can be earned on cargo wharfage and handling fees exceeding the average for the last three years inclusive of the current tax year. The excess of those fees for wharfage and handling paid directly or indirectly to the North Carolina State Ports Authority can be credited against the taxes due the state, up to 50 percent of the total tax liability for each tax year.

Thomas Eager, CEO
 NC Ports Authority
 2202 Burnett Blvd.
 PO Box 9002
 Wilmington, NC 28402-9002
 800.334.0682 • 910.763.6440 Fax
 www.ncports.com

North Carolina State University - Engineering Centers

The directors of 20 research institutes, centers, and laboratories report to the Dean of Research and Graduate Programs through the associate dean. These activities provide extensive opportunities for the College of Engineering to transfer knowledge and technology to the public and include governmental agencies as well as industry. Examples of engineering programs offered through NCSU Engineering Centers include:

- Advanced Electronic Materials Processing
- Analytical Instrumentation Facility
- Applied Energy Research Laboratory
- Center for Advanced Computing and Communications
- Center for Engineering Applications of Radioisotopes
- Center for Nuclear Power Plant Structures, Equipment and Piping
- Center for Research in Scientific Computation
- Center for Robotics and Intelligent Machines
- Center for Sound and Vibration
- Center for Transportation and the Environment
- Center for Transportation Engineering Studies
- Electrical Power Research Center
- Furniture Manufacturing & Management Center
- Integrated Manufacturing Systems Engineering Institute
- Kenan Center for the Utilization of CO2 in Manufacturing and Technology
- Mars Mission Research Center
- Materials Research Center
- Minerals Research Laboratory
- NC Solar Center
- North Carolina Ergonomic Resource Center
- Pollution Prevention Research Center
- Power Semiconductor Research Center
- Precision Engineering Center
- Transportation Materials Research Center

Terri L. Lomax, Vice Chancellor, Research and Graduate Studies
 Office of Research & Graduate Programs
 North Carolina State University
 103 Holladay Hall
 Box 7003
 Raleigh, NC 27695-7003
 919.515.2117 • 919.515.7521 Fax
 www.ncsu.edu/research

North Carolina Technologies Association (NCTA)

NCTA is the premier statewide leadership organization that represents the North Carolina technology industry. The membership consists of top-tier leaders among both technology companies and companies that utilize technology including professional service firms, community organizations, educational institutions, and government agencies. NCTA helps its members grow regionally and compete globally by actively connecting business decision makers, educating government officials on issues relevant to the technology industry, and providing invaluable educational and executive networking events.

Brooks Raiford, President & CEO
NCTA
4020 Westchase Blvd., Suite 350
Raleigh, NC 27607
919.856.0393 • 919.856.0396 Fax
www.nctechnology.org

One North Carolina Fund

The One North Carolina Fund was created in 1993 to help North Carolina achieve its stated goal of economic growth through uniform regional prosperity. The fund helps the state achieve this goal by recruiting and expanding quality jobs in high value-added, knowledge-driven industries, and by providing “financial assistance to those businesses or industries deemed by the governor to be vital to a healthy and growing state economy and that are making significant efforts to expand in North Carolina.”

The fund currently consists of nonrecurring appropriations made by the General Assembly, intended to be immediately available for companies seeking to undertake new expansion or locate new operations in the state. The immediacy of the fund allows the governor to distribute grants on an “as-needed” basis, which ensures the fund’s flexible application and speedy distribution.

Companies receive money from the fund for the purposes of:

- Installation or purchase of equipment
- Structural repairs, improvements, or renovations of existing buildings to be used for expansion
- Construction of or improvements to new or existing water, sewer, gas or electric utility distribution lines, or equipment for existing buildings

For a company to be considered for a grant from the fund:

- The company must agree to meet the weighted hourly average wage test as required for the William Lee Act (Senate Bill 115 § 105-129.4)
- Local units of government (city or county) must have agreed to provide matching financial assistance to the company

The following factors determine fund allocation, with special consideration given to companies that locate or expand in areas that have experienced sudden and severe economic disruptions:

- Economic impact of project, including costs and benefits to the state
- Strategic importance of the project to the state, region, or locality
- Quality of jobs
- Quality of industry and project
- Environmental impact of project
- Project must be competitive with another state or country

Applications are accepted subject to availability of funds. After the application has been completed and reviewed, the governor will convey the commitment to the company. The jobs must be created and company must meet all criteria set out in the performance agreement before disbursement is made.

Stewart Dickinson, Director
NC Department of Commerce – Finance Center
4318 Mail Service Center
Raleigh, NC 27699-4318
919.733.5297
www.nccommerce.com

Public Utilities (Electric) - Services and Economic Development Incentives

Progress Energy offers assistance to companies locating in their service territory. Included are discounted time-of-use rates and a variety of programs to evaluate and optimize energy efficiency.

An Economic Development Rider (Rider ED-1) incentive is available to companies meeting the following requirements:

- Using a minimum of 1,000 kW of new load for a contract term of five years minimum
- Making either (1) a minimum of \$400,000 investment and an increase in new jobs or (2) adding 75 new jobs
- Discounts demand charges for a five-year period

In addition, an Economic Development Rider was announced in December 2002 and revised in 2004 which provides additional benefit to companies considering an existing facility in Wake County. Under this program, businesses that move into a vacant property previously served by Progress Energy are eligible for a 25 percent discount on electricity used during their first year of occupancy. The building occupied must have been vacant for a minimum of 60 days and the business must be adding 500 kW or more. If the company adds 1,000 kW or more, they are eligible for a 50 percent discount.

The business must either employ 35 FTEs or make a capital investment of \$200,000 and add FTEs. The operational date must be no later than six months after the service is initiated and the program requires a five-year contract.

Marty Clayton, Community Relations Manager
 Progress Energy
 411 Fayetteville St.
 PO Box 1551, OHS-12A3
 Raleigh, NC 27602
 919.546.5250
 www.progress-energy.com

Qualified Business Investment Tax Credit Program

This program, administered by the Secretary of State’s office, offers investors in certain types of North Carolina businesses a credit against state tax liability, which can be as much as 25 percent of the amount invested. In order for the investor to be eligible for the credit, his investment must be made in a business registered with the Department of the Secretary of State as a “Qualified Business Venture”, “Qualified Grantee Business”, or a “Qualified Licensee Business.” A Qualified Business Venture (QBV) is a business organized to engage primarily in manufacturing, processing, warehousing, wholesaling, research and development, or a service-related industry. To be eligible for registration as a QBV, the business cannot have generated more than \$5 million in gross revenues as of its last fiscal year. A Qualified Grantee Business (QGB) is a business which, during the three years prior to registration as a QGB, has received a grant or other funding from one of the following agencies: the Technological Development Authority; North Carolina First Flight Inc.; the North Carolina Biotechnology Center; the Microelectronics Center of North Carolina; or the Federal Small Business Innovation Research Program. A Qualified Licensee Business (QLB) is a business that has been certified by a constituent institution of the University of North Carolina or a research university as currently performing under a licensing agreement with the institution or university for the purpose of commercializing technology developed at the institution or university.

David Massey
 Department of the Secretary of State
 Securities Division
 PO Box 29622
 Raleigh, NC 27626-0622
 919.733.3924 • 919.821.0818 Fax
 www.secretary.state.nc.us

Raleigh-Durham International Airport

Located five miles east of Research Triangle Park in Wake County, the Raleigh-Durham International Airport (RDU) provides efficient and cost-effective travel options for the Raleigh-Durham area. RDU is served by 12 major airline carriers and 20 regional airlines with more than 400 arrivals and departures daily. Non-stop weekday flights to international destinations include London, Toronto, and Cancun.

John Brantley, Director
 Raleigh-Durham International Airport Authority
 2400 W. Terminal Blvd.
 PO Box 80001
 RDU Airport, NC 27623
 919.840.7700 • 919.840.0175 Fax
 www.rdu.com

Research & Development Tax Credit

Credit is based on a percentage of qualified research expenses with the highest amounts for research performed by North Carolina universities.

Businesses with qualified North Carolina research expenses are allowed a credit equal to a percentage of those expenses. The allowable credits are determined by:

- Small business (annual receipts less than \$1 million): Qualified businesses on the last day of the taxable year are allowed a credit of 3.25 percent.
- Low-tier research: For expenses for research performed in a Tier 1, 2, or 3 county, a business is permitted a credit of 3.25 percent.
- Other research: For expenses not covered above, refer to the table below for qualified research expenses during a taxable year:

Qualified Expenses	Rate
\$0-\$50 million	1.25%
\$50 - \$200 million	2.25%
More than \$200 million	3.25%

A business with North Carolina university research expenses for the taxable year is allowed a credit equal to 20 percent of those expenses.

North Carolina University Research Expenses

Such expenses are any amount the taxpayer paid to a research university for qualified research performed in North Carolina or basic research performed in the state. A taxpayer that has North Carolina university research expenses for the taxable year is allowed a credit equal to 20 percent of the expenses. In essence, this applies to instances where the company has contracted for sponsored research with a qualified North Carolina institution of higher education—i.e. a constituent institution of the University of North Carolina or meets other criteria spelled out in the law (listed in the official report on “A Classification of Institutions of Higher Education” of The Carnegie Foundation for the Advancement of Teaching).

Note that this last item has particular relevance to those companies that have a relationship with or are located on the Centennial Campus of North Carolina State University located in Raleigh.

Screening, Testing, and Placement Services

These services are provided free of charge by the North Carolina Job Service office of the Employment Security Commission to provide you with a “job ready” work force. The ESC provides a wide range of services to assist you with screening potential employees, testing them for specific job requirements, and placing them in your workplace. Note that employees placed by ESC who are let go within 100 days are not charged against the company’s Unemployment Insurance (UI) account.

Manfred Emmrich, Director of Employment Service
 ESC Job Service Raleigh Office
 700 Wade Ave.
 PO Box 27227
 Raleigh, NC 27611
 919.212.3849 • 919.250.4007 Fax
 www.ncesc.com

The Hamner Institutes for Health Sciences

For more than 30 years, scientists at The Hamner Institutes for Health Sciences have conducted preeminent research in environmental health sciences and chemical risk assessment. Built upon an integrated systems-biology platform, The Hamner has broadened its mission to include translational research in biotechnology and pharmaceutical safety, metabolic disorders, respiratory disease, oncology, and drug delivery.

William F. Greenlee, President and CEO
 6 Davis Drive
 Research Triangle Park, NC 27709
 919.558.1200
 www.thehamner.org



Small Business and Technology Development Center (SBTDC)

The SBTDC supports economic development in the region and state by providing technical assistance in the start-up, successful operation, and expansion of small businesses. It also facilitates technology development and transfer within the state's small business community. The SBTDC is a joint venture between the University of North Carolina's 16 constituent institutions and is partially funded by the U.S. Small Business Administration. Special emphasis is placed on federal government procurement, international business development, and product and technology innovation.

Mike Seibert, Regional Director
5 W. Hargett St., Suite 600
Raleigh, NC 27601
919.715.7373 • 919.715.7777 Fax
www.sbtcdc.org

Article 3J Tax Credits

Article 3J Tax Credits offer several types of tax credits to eligible taxpayers that undertake qualifying initiatives. These credits may be used to offset up to 50 percent of the taxpayer's state income and/or franchise tax liability, and unused credits may be carried forward for up to five years.

Note: Article 3J Tax Credits should not be confused with William S. Lee Tax Credits. Article 3J is not a revision of the Lee Act; it replaces it. In general, William S. Lee Credits are repealed for business activities that occur on or after Jan. 1, 2007 and Article 3J Credits take effect for taxable years beginning on or after Jan. 1, 2007.

Article 3J offers credits for:

- Creating jobs – Within Wake County, eligible taxpayers that create 15 full-time jobs during the taxable year may claim a \$750 credit for each new job created. The credit is taken in equal installments over four years following the year in which the jobs are created.
- Investing in business property – Within Wake county, eligible taxpayers may claim a credit of 3.5 percent of the excess value (above \$2 million) of tangible personal property placed into service during the taxable year. The credit is taken in equal installments over four years.
- Investment in real property – Companies located in a Tier One County that invest at least \$10 million in real property within a three-year period and create at least 200 new jobs within two years are allowed a credit equal to 30 percent of the eligible investment.

Appendix B – Local Incentives Policies

Community Infrastructure/Incentive Programs

Wake County has 12 municipalities—Apex, Cary, Fuquay-Varina, Garner, Holly Springs, Knightdale, Morrisville, Raleigh, Rolesville, Wake Forest, Wendell, and Zebulon. A few of these have formal incentives policies which you will find in the following appendix. The other towns handle incentive questions on a case-by-case basis. For additional information, please contact Wake County Economic Development.

Ken Atkins, Executive Director
Wake County Economic Development
800 S. Salisbury St.
Raleigh, NC 27601
919.664.7041
katkins@raleighchamber.org

Wake County Business Investment Grant Policy

The policy objective of Wake County's Business Investment Grant 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. A Company may be eligible for a Business Investment Grant if they meet both a New Investment Threshold and New Jobs Threshold. Special consideration may be given to 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 investment grant for new investments, that exceed \$100,000,000 in 2004 dollars. For each subsequent year, the amount of new investment will be increased by CPI and rounded to the nearest million dollars. 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 \$100,000,000 in assessed valuation, as determined by the Wake County Revenue Department. Existing Wake County businesses may be eligible for a business investment grant for new investments, that exceed \$50,000,000 in 2004 dollars, provided that existing taxable assessed valuation exceeds \$75,000,000 in the year the grant agreement is approved. Only the value of the new investment will be used to calculate the amount of the incentive grant.

New Jobs Threshold

New or existing companies are eligible for a business investment grant when the investment threshold is met and at least 50 new jobs are created. New jobs are defined as a net 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 for 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. (In 2004, the average wage was \$605 per week; 120% would be \$726 per week.)

The company must also agree to provide health insurance in at least the minimum amount required for tax credits under the William S. Lee Act, as it existed on the date of the approval of the policy. Under these provisions, a company must provide health insurance for full-time positions and pay a minimum of 50% of the premiums.

Policy Guidelines

1. Business Investment 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 Incentive Grant, including:
 - Type of business, relative to current tax base
 - Types of new jobs
 - Reputation of company
 - The presence of competition for the project
3. The amount of the grant payment to be paid by the County shall be up to 2.25% assessed value of the new investment paid over a period of up to eight years. 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 Department 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 assumes it will be a partner with the municipality in providing a possible Business Incentive Grant.
6. These policy guidelines are not retroactive to any project, which has been announced prior to the adoption of these policy guidelines with the exception of Credit Suisse First Boston.
7. All grant agreements are subject to performance criteria that will be outlined in detail in the Business Investment Grant contract between the company and the County. In the event that a company fails to meet any of the provisions of the contract, the County may adjust the amount of the grant to the company or withdraw the grant entirely.

Cary

The Town of Cary does not have a formal policy with respect to incentives and views each project on an individual basis. Decisions regarding the granting of financial incentives rest with the Town Council. Capital investment and the number and quality of jobs created are the prime criteria Cary's Town Council considers in the granting of any financial incentives.

Fuquay-Varina

Preamble

The Town of Fuquay-Varina wishes, when necessary, to promote economic development by assisting in the location and expansion of industry and business in the Town. The Town desires such industry and business that will provide new employment opportunities and enhance the overall quality of life.

Appropriations for Economic Development

A. Economic development assistance may be in the form of appropriation of funds, Town services, or some other appropriate form. Appropriations made under these principles shall only be for industry and business that locates or expands within the Town limits of Fuquay-Varina or an area to be annexed by the Town. Industry and business, as used herein, shall mean any art, profession, business or commercial enterprise that employs labor and/or capital in furtherance of commerce beneficial to the Town's general population and which poses little or no environmental threat to its employees or the community at large.

B. Appropriations for economic development are not made as a matter of right but are made as a privilege to the industry or business in the sole discretion of the Town Board. Appropriation of funds, services or some other form are always subject to the availability of the same.

C. Appropriations must be for a public purpose and made pursuant to N.C.G.S. § 158-7.1, et seq., and all applicable laws.

D. Appropriations may only be made when a written contractual agreement with the industry or business addresses, to the satisfaction of the Town Board, the following items:

- 1) That the industry or business will locate within the Town limits or an area to be annexed into the Town;
- 2) That the industry or business will build or expand its proposed facility within a time specified;
- 3) That the industry or business will exist and operate its facility at a stated employment capacity for a time specified;
- 4) That the industry or business will identify the size, type and cost of its capital investment (of a proposed facility and equipment), the anticipated uses therefore, the number of employees to be hired, the number of work shifts and the term of such employment;
- 5) That the remuneration paid to employees shall be equal to or greater than the median wage then existing in Wake County as computed by the Department of Commerce;
- 6) That the Town will recoup all appropriations within 36 months from the beginning date of operation. Recoupment shall mean town tax revenue generated by the industry equal to the appropriation of funds, services or other form;
- 7) That the industry or business will adopt an internal policy whereby it will be (i) a "community involved" industry or business and (ii) will encourage its employees to reside in Fuquay-Varina and to become involved in community organizations and programs;
- 8) That the industry or business repay the Town for appropriations upon default of any contractual obligation.

Administration of Principles

A. Request for economic development assistance shall be directed to the Town Manager. The Town Manager should request from the industry or business, at the appropriate time, the following information (to be handled confidentially when so requested):

- 1) An industry, business or company profile stating the history of the company, what business it is engaged in, a current financial statement, and a statement regarding its economic and employment philosophy;
- 2) Employment numbers for the immediate preceding five years, the number of jobs that will be generated by the new industry or business along with the median wage, benefits and health insurance offered to employees;

- 3) The industry's or business' water and sewer needs and the amount and type of hazardous waste or by-products used, generated or discharged by the industry;
- 4) A list of all governmental grants and/or incentives received by, applied for, to be applied for or offered to the industry or business;
- 5) The amount of capital investment (facility and equipment) to be made by the industry or business;
- 6) Any other information deemed appropriate by the Town Board, Town Manager or Town Attorney.

B. The Town Manager shall review the request and information with the Town Board and Town Attorney together with the Manager's recommendation thereof.

Public Hearings/Comments

After economic incentives are negotiated, but prior to being consummated by contract, a public hearing shall be held in accordance with N.C.G.S. § 158-7.1, et seq. and other applicable law; and when no public hearing is required, then a public comment period shall be held.

Garner

Purpose

The purpose of this policy is to enhance the Town of Garner's Economic Development program specifically by authorizing the Board of Aldermen to make appropriations to aid and encourage new industrial, manufacturing, warehousing, distribution, flex-space, office facility or park locations, mixed-use retail and expansions of existing industrial projects for Garner.

These types of non-residential developments offer new employment opportunities for the citizens of Garner, broaden the tax base, shift the tax burden from residential customers, and directly move the Town toward its goal of a 50% residential and 50% non-residential tax base split.

Disclaimer

Appropriations for economic development are not made as a matter of right but are made as a privilege to the industry or business in the sole discretion of the Town Board. Even if the industry or business meets all the requirements, the Town is not obligated to give an incentive. Changes in economic conditions may necessitate the Board of Aldermen to modify, amend, or even terminate the incentive policy, subject to compliance with any incentive agreements in effect at the time. This policy will be reviewed for possible updates at least every two years. Requests for incentives are evaluated and negotiated on a case by case basis.

Coverage

Incentives will be available to new and existing industries. Existing industries qualify only for that portion of expansion that represents "new" investment. These policy guidelines are not retroactive to any project which has been announced prior to the adoption of these policy guidelines.

This policy shall apply to all lands within the corporate limits of Garner or properties that qualify for annexation under North Carolina General Statutes, unless otherwise determined by the Board of Aldermen.

New Investment Threshold

Eligibility: Non-residential projects which have a new investment in building and/or equipment (exclusive of land) of \$10 million or greater as recorded on Wake County Revenue Department tax roll and which provides at least \$1100 of tax base per gallon of sewer allocated are eligible.

The threshold for expansion projects (exclusive of land) is \$8 million or greater as it goes on the tax books for investment of building and /or equipment.

A different threshold applies to Retail/Mixed use as defined in that section below.

Policy Guidelines

The project for either new or existing industries must not have been announced prior to the application for the incentive.

The industry or business shall build or expand its proposed facility within the time specified.

In the event that a company fails to meet any of the provisions of the contract, the Town may adjust the amount of the grant to the company or withdraw the grant entirely. Repayment (clawback) provision applies and could affect the status of incentive funds granted by other agencies that require matching funds.

Incentives

Basis: the actual tax value of the building and equipment as recorded on the Wake County Revenue Department tax roll will be used to calculate the maximum incentive amount. This number may be different from the total project cost often discussed in preliminary meetings, a number that often includes site work, land and other costs to the developer but which are not taxable.

Maximum Incentive Amount: One percent (1%) of the total investment of new or expanded actual tax value of the building and equipment shall equal the maximum incentive amount. The 1% will be applied to the value of the project as presented on the first tax bill after completion of the project, unless negotiated otherwise. This reimbursement will begin at 95% of that new property tax revenue the first year; 85% the second year and 75% for all subsequent years until the maximum incentive amount is met or 5 years, whichever comes first.

The base year shall be the tax year preceding the start of the new project or expansion, or as agreed upon in the contract.

If there is a clerical or administrative difficulty or error solely caused by the Wake County Tax Assessor's Office that impacts the determination of the first year value for purposes of interpreting this policy, then the Town Manager, in conjunction with the Incentives Committee, may recommend the adjustment of the appropriate first year calculation to ensure fair and accurate compliance with this policy.

In very specific projects that meet One NC or Wake County incentive thresholds, the Board of Aldermen has the option of increasing the percentage amounts and payout periods to match these grants. Upon request of the State of North Carolina or Wake County, the Town Manager will evaluate and review the request for thoroughness and compatibility with the Town's economic development goals as outlined below in the Review section. The Town Manager will present this recommendation to the Board of Aldermen for formal consideration.

Corporate Headquarters Incentive Criteria

The town will provide a one-half percent (.5%) additional incentive to corporate headquarters if the project meets the following criteria:

Corporate headquarters means the building or buildings that the principal executive officers have designated as their principal office [see North Carolina G.S. 55-1-40 (17)]. The Town requires that the corporate headquarters have at least fifty (50) or more full-time employees who are located in the building or buildings. If the project is an expansion, the expansion must employ a minimum of fifty (50) additional full-time employees. The wage must be greater than the median wage for Wake County. The jobs shall be retained at the approved level for as long as incentives are received.

The project must meet all other pertinent criteria.

Retail/Mixed Use Criteria

Large shopping centers and malls (not strip centers) will be considered for incentives if they meet the other criteria and adhere to a set of design requirements and amenities to be included in the agreement.

The project shall adhere to a substantial number of the Smart Growth Principles as established by the Smart Growth Network (www.smartgrowth.org). See Appendix 1 for a complete list of the ten principles and additional details about the Smart Growth Network.

The incentive may be reduced if all requirements and amenities are not met. Shopping center and mall developments must have a mixed use component as defined by the Town of Garner.

Retail/Mixed Use projects shall be of a large size and shall be construed as an economic catalyst type project likely to encourage and promote other types of positive development for the Town of Garner. These incentives are intended for major developments (those that exceed a minimum investment threshold of \$50,000,000 and exceed 50 acres in size). These major development projects may be offered incentives by the Town in such dollar amount, which may exceed the maximum incentive amount of this Policy, and under such terms and conditions, including modification of any of the terms, criteria, and requirements of this Incentive Policy, as deemed appropriate by the Town of Garner Board of Aldermen to maximize the Town's economic development goals and carry forth the overall goals and services that are the Town's responsibility.

Retail/Mixed Use development must be consistent with the design guidelines for regional centers in the Town of Garner Comprehensive Growth Plan. The development should be in an area designated as a regional center by the Comprehensive Growth Plan. The layout shall accommodate a walkable core that is very pedestrian friendly. The architecture should be rich and detailed, and blend with the surrounding area. Vertical scale with mixed use office/residential will be given higher consideration. The Town may require a phasing plan for large scale, multi-year projects. Prior to approving the incentive package, the design guidelines for retail/mixed use shall be approved by the Town of Garner.

The project must provide a minimum of \$1100 of tax base per gallon of sewer allocated. The project must meet all other relevant criteria contained in this document.

Targeted Incentive Bonus for Cafeteria and/or Bookstores as a part of a qualifying Retail/Mixed Use development. The community has expressed strong interest and desire for specific retail and restaurant facilities that are presently absent from the Garner trade area. In recognition of this desire, the Town is willing to increase the maximum retail/mixed use incentive amount for each of the following facilities that are included in an otherwise eligible major retail/mixed use project: fullservice cafeteria with a minimum of 210 seats and/or retail bookstore/bookseller with cafe/snack bar with a minimum of 18,750 square feet.

Applications for retail/mixed use incentives will be evaluated and rated by the Town’s Incentive Committee as selected by the Town Manager. The Committee will thoroughly review and analyze applications and will carefully apply the aforementioned criteria, requirements, goals, and stipulations mentioned throughout this policy document. that are deemed important to the Town. These elements will serve as a guideline for the staff analysis and the Committee may recommend modifying any of the terms, criteria, and requirements of this incentive policy, including exceeding the maximum incentive amount of this incentive policy, to maximize the town’s economic development goals and carry forth the overall goals and services that are the town’s responsibility. Upon completion of the Committee’s review and analysis, the town manager will transmit the recommendation to the Board of Aldermen for their consideration in accordance with North Carolina law.

Other Provisions

Time Period: The payback period for any and all incentives, except retail/mixed use, shall be no longer than five years. Payback for retail/mixed use will be negotiated but in no case longer than 10 years.

Redundancy: It is intended that only one incentive will be given per parcel and/or per project. The Board at its discretion reserves the right to deny an incentive to any business if an incentive is already being paid to them or another entity for that same parcel and/or project.

The Town of Garner will require that the assessed value of new investment to be confirmed by the Wake County Revenue Department and proof that all property taxes and fees are paid prior to providing an incentive payment.

Application

A request for economic development incentives shall be directed to the Garner town manager. Applications may be obtained through the town manager’s office. Applications are to be completed in their entirety. The Town of Garner understands that some information may need to be held confidential; however, we reserve the right to obtain the necessary information before making a recommendation.

Among other things, industry or business is to provide information on:

- Amount of capital investment.
- Employment numbers from past years.
- New job projections and if new or relocating (from where?).
- Water and sewer needs.
- Type of business activity and any hazardous waste or by-products used, generated, or discharged.

Review

The Incentive Committee, comprised of town employees appointed by the town manager, shall review the request and information on an individual basis using the Town of Garner guidelines. The town Manager shall present the Incentive Committee recommendation to the Board of Aldermen.

In reviewing requests, among the things the Town will consider are:

- Amount of new investment in the community.
- Number and type of new jobs being created.
- Average wage rate.
- Level of state or county participation.
- Timeframe for investment/job creation.
- Potential for expansion.
- Reputation of the company.
- The presence of competition for the project.

- Impact on the quality of life for Garner citizens.
- Corporate headquarters.
- Past record of community involvement.
- Amenities provided by mixed use retail (not strip center).

The Incentive Committee may recommend full, partial, or no incentive based upon its review of the application and the applicant's consistency with the criteria described in this policy. The Board of Aldermen may authorize full, partial, or no incentive after receiving the staff recommendation.

Community Involvement

It is expected that any entity that receives public funds by way of an incentive, will be involved in the community or local non profits, either actively or financially. The entity shall become a member of the Garner Chamber of Commerce for at least as long as the incentive payments are being granted. The industry will encourage its employees to become involved in community organizations and programs.

Companies receiving incentives are strongly encouraged to hold job fairs in Garner to employ as many Garner citizens as possible to fulfill their employment needs.

Public Hearing

After economic development incentives are negotiated, but prior to being consummated by contract, a public hearing shall be held in accordance with NCGS § 158-7.1 et seq. and other applicable laws. At its discretion, the Town Board may authorize that a public comment period be held when no public hearing is required.

Payment

Incentives will be paid after all taxes, fees and charges due the Town are paid. Documentation of taxes paid and request for reimbursement shall be presented to the Town prior to May 1st of each year.

The industry must enter into a binding incentive contract with the Town of Garner and is therefore subject to any reporting or repayment requirements contained within.

Knightdale

I. OVERVIEW

In order to expand economic development opportunities for the town of Knightdale, it is the policy of the Town to stimulate economic activity and to create and maintain sustainable jobs for the citizens of the Town in strategically important industries.

The Town of Knightdale will make those necessary and reasonable efforts to advance the Town's goal of achieving a 60% residential and 40% non-residential tax base distribution, and the purpose of this Economic Development Policy & Development Grant Program is to stimulate economic activity and to create new jobs in the Town of Knightdale.

This Policy will promote the general welfare and confer, as its primary purpose and effect, benefits on citizens throughout the Town and Wake County through the creation of new jobs, an enlargement of the overall tax base, an expansion and diversification of the Town's industrial base, and an increase in revenue to the Town, the county, and the State of North Carolina.

The Town of Knightdale announces this Economic Development Policy and enacts the following Development Incentives Program:

Coverage

Grants will be available to new and existing industries, including new industrial, manufacturing, warehousing, distribution, flex-space, office parks, and expansions of existing industrial projects in the Town of Knightdale. Existing industries qualify only for that portion of expansion that represents "new" investment. These policy guidelines are not retroactive to any project which has been announced prior to the adoption of these policy guidelines.

This policy shall apply to all lands within the corporate limits of Knightdale or properties that qualify for annexation under North Carolina General Statutes, unless otherwise determined by the Town Council. Requests for grants are evaluated and negotiated on a case by case basis.



Grants

Basis: the actual tax value of the building and equipment as recorded on the Wake County Revenue Department tax roll will be used to calculate the maximum grant amount. This number may be different from the total project cost often discussed in preliminary meetings, a number that often includes site work, land and other costs to the developer but which are not taxable.

Maximum Grant Amount: One percent (1%) of the total investment of new or expanded actual tax value of the building and equipment shall equal the maximum grant amount. The 1% will be applied to the value of the project as presented on the first tax bill that is based on a complete 12 month period for the new value, after completion of the project, unless negotiated otherwise. This reimbursement will begin at 95% of that new property tax revenue the first year; 85% the second year and 75% for all subsequent years until the maximum incentive amount is met or 5 years, whichever comes first.

The base year shall be the tax year preceding the start of the new project or expansion, or as agreed upon in the contract. If there is a clerical or administrative difficulty or error solely caused by the Wake County Tax Assessor’s Office that impacts the determination of the first year value for purposes of interpreting this policy, then the Town Manager may recommend the adjustment of the appropriate first year calculation to ensure fair and accurate compliance with this policy.

Minimum Investment: Five million dollars (\$5,000,000) of new, taxable buildings and equipment is the minimum to qualify for grants described in this policy.

Corporate Headquarters Incentive Criteria

The Town will provide a one-half percent (.5%) additional grant to corporate headquarters if the project meets the following criteria:

Corporate headquarters means the building or buildings that the principal executive officers have designated as their principal office [see North Carolina G.S. 55-1-40 (17)]. The Town requires that the corporate headquarters have at least fifty (50) or more full-time employees who are located in the building or buildings. If the project is an expansion, the expansion must employ a minimum of fifty (50) additional full-time employees. The wage must be greater than the median wage for Wake County. The jobs shall be retained at the approved level for as long as grants are received. The project must meet all other criteria described above.

Tax Increment Financing

In certain rare cases Tax Increment Financing (TIF) may be a desired incentive offered to finance infrastructure that is part of a major new development project. Generally, a project must meet the requirements of the Wake County Project Development Financing Policy (originally adopted 4-16-07) in order to receive consideration for TIF from the Knightdale Town Council.

Public Hearing

The Town Council will advertise and conduct a public hearing as required by G.S.158-7.1(a) prior to approving any grant authorized by this Policy. All grants approved under this policy will be in the form of a contract approved by the Town Council, Town Attorney and Finance Officer.

Indemnity

All grant agreements approved by the Knightdale Town Council shall indemnify and hold harmless the Town of Knightdale from legal challenges to the agreement.

Additional Performance Requirements

Grant agreements may include additional performance requirements of the grant recipient.

Morrisville

I. OVERVIEW

In order to expand economic development opportunities for the Town of Morrisville that could diversify or expand the tax base, offer improved employment opportunities for its citizens, and promote the economic growth and welfare of the business and industrial community, the Town Board of Commissioners establishes incentive guidelines to encourage new industry location decisions within the Town, as well as to assist existing business expansions.

II. PROGRAM PARAMETERS

The Town of Morrisville Incentive Policy involves a contractual agreement between the Town and a new or existing industry that would allow for a performance-based cash grant based on the criteria established in Part III of this document. The Town will require the industry to be current in payment of any and all taxes, fees and/or charges for an incentive to be paid. The Town will require, as a part of the contractual agreement, a provision for reimbursement of any incentives to the Town if any terms of the contract are not met. Any and all guidelines in the Incentive Policy shall

be subject to G.S. 158-7.1. Each project will be evaluated and negotiated on an individual basis by Town Staff using the Town of Morrisville's guidelines. Town Board of Commissioners will be kept apprised of negotiations. Any incentive proposal must be approved by the Board of Commissioners in a public meeting before it is finalized. Changing economic conditions may necessitate the Board of Commissioners to modify, amend, or even terminate the incentive policy subject to compliance with any incentives in effect at that time. All decisions are based on availability of funds.

INCENTIVE POLICY CRITERIA & CONSIDERATIONS

A. The opportunity to apply for the Incentive Program will be available to new and existing industries. Existing industries qualify only for that portion of expansion that represents "new" investment.

B. In reviewing incentive requests the Town will take into consideration the following criteria:

- Number of new jobs being created
- Average wage rate
- Amount of new investment in the community
- Whether the company provides benefits to its employees
- Whether there is State or County participation in the project
- Eligibility for One North Carolina Funds
- Timeframe for investment/job creation

C. Investment for a new industry requesting an incentive should be \$10,000,000 taxable value in buildings and equipment and a minimum of 50 new jobs.

D. Investment for an existing industry requesting an incentive should be \$5,000,000 in taxable value in building expansion/equipment and some sustainable new job creation.

E. The project for either new or existing industries must not have been started prior to the request for the incentive.

F. Creation of jobs through either new development or expansion must have a wage rate equal to or greater than the average hourly wage of all industry in the county as established quarterly by the Employment Security Commission. Jobs must be full-time (at least 35 hours per week and wages subject to withholding) and employer must offer health insurance to full-time employees and pay at least 50% of employee premium.

G. The timeframe to meet performance criteria and for the incentive to be paid shall be no longer than eight (8) years.

H. No incentives are being recommended for businesses that are exclusively retail at this time, but could be explored in the future if deemed necessary.

I. A payment schedule will be outlined in the contract. Incentives will be paid after current year ad valorem taxes are paid by the requesting industry.

J. Other criteria for consideration may include but are not limited to: site specific issues that have an impact upon local infrastructure responsibilities, site specific issues that have an impact upon other local resources such as public safety, public works, etc.

K. The industry meeting the criteria and desiring the incentive shall submit a written request to the Town's economic development office.

L. Upon request by an applicant industry and after taking into consideration the importance of proposed investments by an applicant industry to the local economy under the current circumstances, subject to the approval of the Town Board, the foregoing criteria may be modified and/or waived in order to qualify an applicant industry in those instances where documentation is presented by the applicant industry that a significant number of permanent jobs will be created and substantial capital investments, in addition to the initially proposed investments, are scheduled for implementation in the immediate future.

M. The industry must enter into a binding economic development contract with the Town of Morrisville and is therefore subject to any reporting or repayment (clawback provision) requirements contained therein.

N. The Town Board of Commissioners will hold the necessary public hearing as required under statute and approve the signing of the contract between the Town and the requesting industry.

O. Stewardship of the natural environment, including incorporation of alternative energy technologies, use of recycled materials in construction, as well as other "green" building concepts.



P. Innovation in design concept and plan

Q. Consistency with and furtherance of Town planning and development objectives, such as downtown development, provision of greenways or other recreation and alternative transportation facilities as well as mixed-use.

III. INCENTIVES

A benchmark of one percent (1%) of the total investment of new or expanded tax base will be used by staff to guide discussions and make recommendations to the Town Commissioners. (These funds will be budgeted in the long-range financial plan and be paid by the new or expanded tax base from an Economic Development Fund.)

Other incentives could be considered in the form of infrastructure such as streets, traffic signals and/or sewer line extensions.

IV. CORPORATE HEADQUARTERS INCENTIVE CRITERIA

The Town will consider a one-half percent (.5%) higher incentive to corporate headquarters if the project meets the following criteria:

Corporate headquarters means the building or buildings that the principal executive officers have designated as their principal corporate, regional or divisional office in the U.S. [See North Carolina G.S. 55-1-40 (17)]. The Town requires that the corporate headquarters have at least fifty (50) or more full-time employees who are located in that building or buildings.

The headquarters and/or expansion must be located within the town limits of Morrisville. If the project is an expansion, the expansion must employ fifty (50) or more new full-time employees.

The project must meet all other criteria as listed in Part III of this document.

Incentives will be paid after all taxes, fees and charges due the Town are paid..

Raleigh

The City of Raleigh considers incentives on a case by case basis. The City Council decides on incentives for a project based on job growth, investment, and the merits of the individual project.

Wendell

I. OBJECTIVES

The purpose of this Economic Development Incentive Policy for New and Expanding Businesses is to enhance the Town of Wendell’s ability to attract new industrial and commercial development and to encourage expansion of existing businesses within the town’s existing or proposed corporate limits. This policy has been developed to promote the general economic development goals outlined in the Town of Wendell Comprehensive Plan, adopted in April, 2007, which included 1) diversifying and increasing the town tax base, 2) creating a diverse workforce, and 3) increasing downtown and in-town retail and dining options “to make Wendell a self-sustaining community – a place where people can both live and work.”

This policy authorizes the Town of Wendell Board of Commissioners to make direct grant appropriations from town tax revenues and to provide development incentives to encourage industrial and office park development and commercial/mixed use/service industry and business investment in Wendell. Individual incentives are outlined in Section III of this policy.

II. POLICY STATEMENTS

A. Disclaimer: Appropriations from town funds and related development incentives to promote economic development are not made as a matter of right but are made as a privilege to the industry or business at the sole discretion of the Town of Wendell Board of Commissioners. Even if the applicant industry or business meets all the eligibility requirements outlined in Section III, the town is not obligated to provide an incentive package. As outlined in Section V of this policy, all proposed economic incentive applications from new and existing industries and businesses will be carefully evaluated by the town staff prior to submittal of each completed incentive application and a written staff recommendation to the Board of Commissioners for final evaluation. Each proposed new industry/business development or industry/business expansion will be reviewed to ensure consistency with the land use objectives and development goals defined in the Town of Wendell Comprehensive Plan, and with regard to proposed water and sewer allocations. Also, changes in economic conditions may necessitate action by the Board of Commissioners to modify, amend, or even rescind this incentive policy, subject to compliance with any incentive agreements in effect at the time of rescission.

B. Geographic Eligibility: This policy shall apply to all lands within the current corporate limits of Wendell or properties that qualify for annexation under North Carolina General Statutes. Actual economic development incentive grants will not be made to businesses until annexation procedures are complete and the new investment can be formally assessed and taxed by Wake County on behalf of the Town of Wendell.

C. Legally-Binding Commitment: Each industry or business that receives an economic development incentive grant under the terms of this policy shall be required to execute a legally-binding agreement with the Town of Wendell that outlines the amount and terms of the grant, the specific investment amount and job creation goals (if applicable) guaranteed by the grantee, and all other agreed terms and conditions including land use incentives offered by the town or qualitative evaluation factors (site improvements, higher wage structure, employee benefits, etc.) proposed by the grantee.

D. Investment Calculation: The Wake County Revenue Department will determine the value of new investment utilized to determine threshold eligibility and grant amounts under the terms of this policy. The investment value shall be the initial ad valorem tax assessment of the new buildings and equipment. The value of land, site work, inventory, and rolling stock including automobiles, trucks, tractors, trailers, or other licensed vehicles shall not qualify for purposes of the investment calculation.

E. Job Creation: "New jobs" shall be defined as new full-time employees (minimum 35 hours per week and subject to withholding) required to fill positions in the new or expanded business in Wendell. Employee transfers (except transfers from other locations in the state of North Carolina) will qualify as "new jobs" under the terms of this policy. Where the job creation threshold applies in Section III of this policy, grantees must maintain an average wage rate that is at least 100% of the average wage rate for Wake County as determined by the NC Commerce Finance Center and underwrite at least 50% of the health insurance premiums for all new full-time employees. In general, businesses will be required to create new jobs in proportion to the percentage of their total incentive grant requested to date, with grant payments deferred or reduced when annual job creation goals are not met (see Section VI).

F. Grant Payments: The initial grant payment made under the terms of the legally-binding agreement prescribed by this policy will not be paid until all fees and charges due to the town for development activity are paid, and proof is received from the Wake County Revenue Department that county and town taxes have been paid for the year of the initial tax assessment that includes the new investment value utilized to calculate the base grant amount. Requests for reimbursement of town taxes (grant payments) shall be presented to the town prior to March 31st following the previous year's tax assessment.

G. Grant Adjustments: The town and the grantee may elect to negotiate a "base grant" based on the initial amount (first taxable year) of the proposed investment and adjust the grant amount and performance period upward over time as additional building improvements/equipment are added at the new/expanded business site. However, the total grant amount received by any individual grantee under the terms of this policy shall not exceed the maximum award specified in Section III, below.

I. Confidentiality: Financial information, employment profiles, site plans, etc., submitted to the Town of Wendell for the town's review and consideration of applications for economic development incentives will be kept strictly confidential. Review of required submittals and the actual application for incentive funds shall be limited to designated representatives of the town staff and the Town of Wendell Board of Commissioners. No information related to an application for incentive funds will be made available for public review unless disclosure is approved in writing by the Town Manager and the designated representative of the business making application to the town for incentive funds, unless such disclosure is otherwise required by North Carolina statute.

III. ECONOMIC DEVELOPMENT INCENTIVES

A. New Industries/Office Parks

Eligible Applicants: Eligible applicants for New Industry/Office Park grants include new manufacturing facilities; warehousing, distribution, and transportation facilities; and service industries (including office park facilities). New retail businesses are eligible for assistance under the Small Business incentive (see Section III.C).

Investment Threshold: In order to receive consideration for an economic development incentive grant from the Town of Wendell, New Industries/Office Parks must propose a new investment in building and/or equipment (exclusive of land) of five million dollars (\$5 million) or greater as calculated in Section II.D, above.

Job Creation Threshold: All New Industries/Office Parks must propose to create at least twenty (20) new jobs (defined in Section II.E) during the performance period defined in the legally-binding agreement between the grantee and the Town of Wendell.

Incentive Amounts: New Industries/Office Parks meeting the investment/job threshold requirements outlined above will be considered for an incentive grant equivalent to 75% of the Town of Wendell local property tax assessment on the new investment for each year over a total five-year period. For each additional \$5 million in investment, applicants



will be considered for incremental increases of 5% in tax assessment deductions, up to a maximum grant amount of 95% of the local tax assessment for each year over a total five-year period (minimum \$25 million investment).

Examples: A threshold grant for a \$5 million New Industry/Office Park investment would be calculated as $(\$5,000,000/100 \times 0.49)$, or $\$24,500$ per year $\times 75\% = \$18,375 \times 5$ years = $\$91,875$. A maximum grant for a \$50 million New Industry/Office Park investment would be calculated as $(\$50,000,000/100 \times 0.49)$, or $\$245,000$ per year $\times 95\% = \$232,750 \times 5$ years = $\$1,163,750$.

B. Industry/Office Park Expansions

Eligible Applicants: Eligible applicants for Industry/Office Park Expansion grants include existing manufacturing facilities; warehousing, distribution, and transportation facilities; and service industries (including office park facilities). Existing retail businesses are eligible for expansion assistance under the Small Business incentive (see Section III.C).

Investment Threshold: In order to receive consideration for an economic development incentive grant from the Town of Wendell, Industry/Office Park Expansions must propose a new investment in building and/or equipment (exclusive of land) of one million dollars (\$1 million) or greater as calculated in Section II.D, above.

Job Creation Threshold: All Industry/Office Park Expansions must propose to create at least five (5) new jobs (defined in Section II.E) during the performance period defined in the legally-binding agreement between the grantee and the Town of Wendell.

Incentive Amounts: Eligible Industry/Office Park Expansions meeting the investment/job threshold requirements outlined above will be considered for an incentive grant equivalent to 75% of the Town of Wendell local property tax assessment on the new investment for each year over a total five-year period. For each additional \$1 million in investment, applicants will be considered for incremental increases of 5% in tax assessment deductions, up to a maximum grant amount of 95% of the local tax assessment for each year over a total five-year period (minimum \$5 million investment).

Examples: A threshold grant for a \$1 million Industry/Office Park Expansion would be calculated as $(\$1,000,000/100 \times 0.49)$, or $\$4,900$ per year $\times 75\% = \$3,675 \times 5$ years = $\$18,375$. A maximum grant for a \$10 million Industry/Office Park Expansion would be calculated as $(\$10,000,000/100 \times 0.49)$, or $\$49,000$ per year $\times 95\% = \$46,550 \times 5$ years = $\$232,750$.

C. Small Business incentives

Eligible Applicants: Eligible applicants for Small Business grants include new or existing restaurants, retail establishments, lodging facilities, service establishments (including smaller-scale, compatible office park facilities), and mixed-use development located in the existing or proposed corporate limits of the Town of Wendell.

Investment Threshold: In order to receive consideration for an economic development incentive grant from the Town of Wendell, Small Business applicants must propose a new investment in building and/or equipment (exclusive of land) of one hundred thousand dollars (\$100,000) or greater as calculated in Section II.D, above.

Job Creation Threshold: There is no job creation threshold for Small Business grants.

Incentive Amounts: Small Businesses meeting the investment threshold requirement outlined above will be considered for an incentive grant equivalent to 75% of the Town of Wendell local property tax assessment on the new investment for each year over a total five-year period. For each additional \$100,000 in investment, applicants will be considered for incremental increases of 5% in tax assessment deductions, up to a maximum grant amount of 95% of the local tax assessment for each year over a total five-year period (minimum \$500,000 investment).

Examples: A threshold grant for a \$100,000 Small Business investment project would be calculated as $(\$100,000/100 \times 0.49)$, or $\$490$ per year $\times 75\% = \$367 \times 5$ years = $\$1,835$. A maximum grant for a \$1.5 million Small Business investment project would be calculated as $(\$1,500,000/100 \times 0.49)$, or $\$7,350$ per year $\times 95\% = \$6,982 \times 5$ years = $\$34,910$.

D. Non-Financial Incentives

The Town of Wendell may elect to offer potential economic development incentive grantees an incentive "package" including non-financial incentives or marginal increases in the incentive grant defined in Section III to encourage investment. Factors considered in this decision will include the proposed development's consistency with the stated objectives of the Town of Wendell Comprehensive Plan and the investor's provision of additional benefits above and beyond the actual increase in the local tax base. Qualitative factors to be considered in the award of additional incentives are outlined in Section V.B. Examples of non-financial incentives include reductions in parking requirements, density bonuses, property donation, and technical assistance with the preparation of other incentive grant applications. The town may also consider delay of annexation as an incentive to attract a new business eligible for an incentive grant as defined in Section III. In some cases, delay of annexation may be more attractive to a new investor than a local tax incentive.

IV. APPLICATION PROCESS

A request for an economic development incentive grant shall be directed to the Town Manager. Applications may be obtained through the Town Manager's office. Applications are to be completed in their entirety. Strict confidentiality will be maintained during the application/evaluation process (see Section I). The Town Manager reserves the right to obtain information necessary to properly evaluate the application before delivering the completed application with a written recommendation to the Board of Commissioners. Requested information will include, but not necessarily be limited to, the following:

- Type of business activity and any hazardous waste or by-products used, generated, or discharged
- Proposed site location/site plan
- Site survey and legal description of the property/documentation of ownership
- Pre-investment Wake County tax valuation
- Basic business plan for feasibility assessment
- Financial statements
- Total amount of capital investment (including land, inventory, etc., although not included in calculation of grant amount)
- Existing employment profile (expansions/relocations)
- New job projections/local job projections
- Wage structure and benefits
- Water and sewer needs
- Transportation/access needs

If the applicant is working on a concurrent application for a state or Wake County incentive or grant, the Town Manager will request portions of required information from county or state agency representatives working on each concurrent application to help maintain confidentiality and reduce the administrative burden on the applicant business.

V. EVALUATION AND AWARD OF INCENTIVE

A. Initial Review: The Town Manager will review the initial application and verify that the applicant meets the eligibility/threshold requirements outlined in Section III, and will then confer with the applicant and request additional information until the application is substantially complete.

B. Staff Review: The Town Manager will distribute the completed application to appropriate staff personnel to properly ascertain the impact of the proposed business investment on the town's land use standards and infrastructure. In reviewing a grant request, the Town Manager and staff personnel will consider the following factors:

- Amount of new investment in the community
- Number and type of new jobs being created vs. job transfers (relocation)
- Number of new jobs to be filled by existing town residents
- Job training incentives
- Wage structure
- Employee benefits offered
- Amount of state and/or Wake County incentives
- Timeframe for investment/job creation
- Potential for expansion
- Business plan and financial history of the company



- Presence of competition for the project
- Impact on the quality of life for Wendell citizens
- Past record of community involvement and proposed community involvement
- Compatibility of proposed development with the Town Comprehensive Plan
- Increase in marginal tax base vs. increase in marginal water and sewer usage
- Impact on traffic flow/access limitations
- Green technology/environmental impact

C. Review By Elected Officials: Following a final review session with the town staff, the Town Manager will provide a written recommendation of full, partial, or no incentive to the Town of Wendell Board of Commissioners based upon staff review of the application and the applicant’s consistency with the criteria described in this policy. The Town Manager may also recommend a grant award in excess of the investment formula award calculated in accordance with Section III of this policy if the project is deemed deserving based upon consideration of the qualitative factors outlined above. The Town Manager will refer each completed incentive application and his written recommendation to the Town of Wendell Board of Commissioners, who will in turn review each application in closed and/or open session as deemed appropriate and make a final decision of incentive award by majority vote. The contents of all applications for Town of Wendell economic development incentives are to remain confidential until a final decision of award has been made by the Board of Commissioners and until disclosure is approved in writing by the Town Manager and the designated representative of the business making application to the town for incentive funds, unless such disclosure is otherwise required by North Carolina statute (see Section II.I).

D. Public Hearing: Prior to approval of an economic development incentive grant, the Town of Wendell Board of Commissioners shall advertise a public comment period and a public hearing shall be advertised and held in accordance with NCGS 158-7.1 et seq. and other applicable laws.

VI. PERFORMANCE AND MONITORING

A. General Performance Standards: Each industry or business that receives an economic development grant under the terms of this policy shall build or expand its proposed facility and meet investment and job creation goals within the time specified in the legally-binding grant agreement executed by the Town of Wendell and the grantee following approval of an incentive grant. In the event that a grantee fails to meet any of the provisions of the grant agreement, including qualitative proposals such as an enhanced wage structure or employee benefits that influenced determination of the grant amount or the evaluation process, the town may adjust the amount of the grant to the company, defer grant payments, or withdraw the grant entirely. In general, penalties will be assessed pro rata in accordance with any reduced number of jobs or amount of investment outlined in the grantee’s original application for an economic incentive grant.

B. Monitoring: The Town Manager will request annual performance reports from businesses provided with incentive grants during the performance period included in the legally-binding agreement. Performance reports will include all objective data utilized by the Town Manager to determine the amount of the grant award, including number and type of new jobs, wage and benefit structure, cumulative amount of investment to date, description of actual improvements (buildings and equipment), and water and sewer usage.

Zebulon

Policy Objective

The objective of this policy is to support the development of an economic environment that attracts or encourages new investment, creates new jobs, and results in a healthy and diverse tax base.

Eligible Projects

An industrial company may be eligible for a Business Investment Grant if they meet both the New Investment Threshold and the New Jobs Threshold as described below.

New Investment Threshold

New or existing industrial companies may be eligible for a business investment grant for new investments which exceed \$10,000,000. New investment is defined as improvements to real estate, machinery, equipment and other business property located within the corporate limits of Zebulon or properties that qualify for annexation under North Carolina General Statutes. The value of the land is not included in the calculation of new investment. New investment must exceed \$10,000,000 in assessed value as determined by the Wake County Revenue Department.

New Jobs Threshold

New or existing industrial companies are eligible for a business investment grant when the investment threshold is met and at least 50 jobs are created. Jobs are defined as a net increase in the company's number of full-time personnel employed at a facility located within the Town of Zebulon corporate limits. A full-time employee is defined as a person who is employed by the company for at least 35 hours per week and whose wages are subject to withholding. The average wage for the new jobs must pay at least the average wage for Wake County by occupation as provided by the Employment Security Commission of North Carolina.

The company must also agree to provide health insurance in at least the minimum amount required for tax credits under the Williams S. Lee Act, as it exists on the date of the approval of this policy. Under these provisions, a company must provide health insurance for full-time positions and pay a minimum of 50 percent of the premiums.

Policy Guidelines

1. All business investment grants will be considered for industries meeting the new investment and new job thresholds. The Board of Commissioners is not obligated to provide an incentive package to any company.
2. All projects will be considered on a case-by-case basis. The Town will consider a number of factors in addition to the items previously mentioned when determining consideration and approval of a business incentive grant, including, but not limited to:
 - Types of new jobs created
 - Potential for expansion
 - Reputation of the company
 - The presence of competition for the project
 - Water and sewer capacity needs of the company
 - Impact of project on quality of life for Zebulon citizens

Any information relevant to the project may be requested by the Town from the corporation to evaluate the merits of a request, including financial balance sheets and pro forma statements.

3. The amount of the grant to be paid or incentive to be provided by the Town shall not exceed 1.50 percent of the assessed value of the new investment, and shall be paid over a period of up to five years. In no event shall the grant amount of any single year exceed the amount of ad valorem taxes paid by the company on the new investment in that calendar year.
4. The actual amount of the grant payments or incentives provided may be different from the total project costs discussed by the Town and the corporation. Agreements will be written based on estimates provided by the company. However, actual assessed value will differ from investment costs since investment costs include site work and other corporation-borne costs not used in determining assessed value. Also estimated costs do not factor in the effects of depreciation on assessed value.
5. Expenditure of public funds under this policy is not authorized without a legally binding agreement approved by the Board of Commissioners and signed by all parties. Such an agreement will require:
 - that the assessed value of the new investment be confirmed by the Wake County Revenue Department and that all property taxes are paid prior to providing a grant payment;
 - that the required number of jobs for each calendar year that the grant is in effect be confirmed by the North Carolina Employment Security Commission prior to providing a grant payment; and
 - provisions for a payback schedule of some or all public funds authorized for this project upon default of the terms of the policy by the corporation.
6. All grant agreements may be subject to other performance criteria that will be outlined in the business investment contract between the company and the Town. In the event that a company fails to meet any of the provisions of the contract, the Town may adjust the amount of the grant to the company or withdraw the grant entirely.
7. These policy guidelines are not retroactive to any project which has been announced prior to the adoption of these policy guidelines. These guidelines are in effect until such time as amended by the Board of Commissioners.

