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

Wake County Economic Development
PO Box 2978
800 S. Salisbury Street
Raleigh, NC 27602
919.664.7048 • 919.664.7099 Fax
www.raleigh-wake.org

August 2007

... 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 Street
Raleigh, NC 27602
919.664.7048 • 919.664.7099 Fax
www.raleigh-wake.org

Kenneth M. Atkins, CEcD
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(919) 664-7041
katkins@raleighchamber.org

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Assistant Executive Director
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ctucker@raleighchamber.org

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Director, Raleigh Economic Development
City of Raleigh
(919) 664-7049
acole@raleighchamber.org

James Sauls
Project Manager
(919) 664-7042
jsauls@raleighchamber.org

Wayne Watkins
Project Manager
(919) 664-7043
wwatkins@raleighchamber.org

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jgaston@raleighchamber.org

Tanya Blalock
Executive Assistant
(919) 664-7048
tblalock@raleighchamber.org

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 to you 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
Article 3J Tax Credits
- Credit for Creating Jobs

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Department of Transportation
Public Utilities

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Industrial Revenue Bonds
Municipal/County Investment Grants
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Computer Software Tax Exemptions
Inventory & Pollution Control Exemptions
NC Ports Tax Credit
SBA Loans
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R&D Tax Credit

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% 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 4 and 5” counties, such as Wake County, 25% 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 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. 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. IRB's 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% 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% of the excess value (above \$2,000,000) of tangible personal property placed into service during the taxable year. The credit is taken in equal installments over four years.

Workforce Driven Incentives

If your project involves workforce 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/Workforce 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 workforce 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” workforce.

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%.
- Low-tier research: For expenses for research performed in a Tier 1, 2 or 3 county, a business is permitted a credit of 3%.
- 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%
\$50 - \$200 million	2%
More than \$200 million	3%

A business with North Carolina university research expenses for the taxable year is allowed a credit equal to 15% 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 their 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.

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% of the total tax liability for each tax year.

Renewable Energy Tax Credits

This program provides a tax credit of 35% 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 MCI Small Business Resource Center or 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 US and Canada.

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 21 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 3.9% (2004) of employed residents.

Supporting the positive labor-management relations in the area is a large and very effective employer association, Capital Associated Industries (CAI). Capital Associated Industries 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

The RDU International Airport Authority has invested over \$500 million in airport improvements in recent years. 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 - Detailed Descriptions of Incentives

(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
- Advanced Communications Technologies
- Environmental Technologies
- Advanced Materials
- International Technology Transfer and Trade
- Pre-College Education

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. Workforce 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. Over one million square feet of space is complete in 12 buildings. Twelve additional buildings, including an executive hotel and conference center, are under construction or in design for completion in the next three years. A futuristic fixed guideway transportation system will link Centennial Campus with NC State's adjacent main campus. Recreational facilities will 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.

Contact Information:

David Winwood, PhD, Associate Vice Chancellor for Technology Development and Innovation
Centennial Campus Development Office
North Carolina State University
1005 Capability Drive
Suite 229, Research Building III
Box 7005
Raleigh, North Carolina 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.

Customized Pre-Employment Job Training

Wake Technical Community College provides extensive customized training for new or expanding industries that create 12 or more new production jobs. The following services are provided to your company at no cost:

- Selection and training of instructors
- Payment of instructor wages for the duration of the training program
- Lease and operation of a temporary training facility
- Training arts and materials
- Reimbursement of instructor travel expenses
- Standard equipment required for training

In addition, an extensive array of curriculum vocational training programs is available.

Contact Information:

Wayne Loots, Business and Industry Services
Wake Technical Community College
9101 Fayetteville Road
Raleigh, NC 27603
(919) 363-1013
www.wake.tec.nc.us

Cleveland Lewis, Regional Customized Training Director
NC Community College System
200 W. Jones Street
Raleigh, NC 27603-1379
(919) 807-7184 • (919) 807-7169 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 depends on the number of jobs created.

Contact Information:

Delbert Roddenberry, Secondary Roads Program Manager
NC Department of Transportation
1 South Wilmington Street
PO Box 25201
Raleigh, NC 27611
(919) 733-3250 • (919) 715-2899 Fax
www.doh.dot.state.nc.us

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.

Contact Information:

Gregory Radford
NC Department of Revenue
501 N Wilmington Street
PO Box 25000
Raleigh, NC 27640
(919) 733-8510 • (919) 715-3793 Fax
www.dor.state.nc.us

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.

Contact Information:

John D. Kasarda, Director
Kenan Flagler Business School
UNC-Chapel Hill
McColl Building, CB #3490
Chapel Hill, NC 27599-3490
(919) 962-8201 • (919) 962-8202 Fax
www.bschool.unc.edu

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.

Contact Information:

Terry Hemlinger, Executive Director
North Carolina State University
College of Engineering
Suite 1600
Research IV
Box 7902
Raleigh, NC 27695
(919) 515-2358 • (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. IRB's 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 NC 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.

Contact Information:

North Carolina Department of Commerce
Peter Cunningham, Director
301 North Wilmington Street
Education Building, 4th Floor
4320 Mail Service Center
Raleigh, NC 27699-4320
(919) 733-7193 • (919) 733-0110 Fax
www.exportnc.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.

Japan External Trade Organization (JETRO)

Since its establishment in 1958, the Japan External Trade Organization (JETRO) has helped support Japan's economic growth through the promotion of international trade. While JETRO's basic mission has remained the same over the years, the focus of its activity has shifted 180 degrees, from helping to advance Japanese exports in the 1960s and 1970s to its current emphasis on expanding Japan's import trade.

Contact Information:

Sumio Shibata
NC Department of Commerce
301 North Wilmington Street
Education Building, 4th Floor
PO Box 29571
Raleigh, NC 27626-0571
(919) 733-7193 • (919) 733-0110 Fax
www.exportnc.com

Job Development Grant Program (JDIG)

Effective January 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 State Department of Commerce's web site at www.investnc.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% 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 4 and 5" counties, such as Wake County, 25% 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.

Contact Information:

Regina Croomes, Director
Capital Area Workforce Development Board
PO Box 550
Raleigh, NC 27602
(919) 856-6040 • (919) 856-6038 Fax
www.joblinkcc.com/capitalarea

Labor - Management Relations

North Carolina is one of 21 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 3.9% (2004) of employed residents.

Supporting the positive labor-management relations in the area is a large and very effective employer association, Capital Associated Industries (CAI). Capital Associated Industries 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.

Contact Information:

Capital Associated Industries, Inc.
2900 Highwoods Boulevard
Raleigh, NC 27604
(919) 878-9222 • (919) 872-6599 Fax
www.capital.org

MCNC

MCNC, based in RTP, is a non-profit 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.

Contact Information:

David Rizzo, President & CEO
MCNC
3021 Cornwallis Road
PO Box 12889
RTP, NC 27709
(919) 248-1800 • (919) 248-1455 Fax
www.mcnc.org

North Carolina Biotechnology Center

A private, non-profit 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.

Contact Information:

Norris Tolson
President & CEO
NC Biotechnology Center
15 T.W. Alexander Drive
PO Box 13547
RTP, NC 27709
(919) 541-9366 • (919) 990-9544 Fax
www.ncbiotech.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% of the total tax liability for each tax year.

Contact Information:

Thomas Eager, CEO
NC Ports Authority
2202 Burnett Boulevard
PO Box 9002
Wilmington, NC 28402-9002
(800) 334-0682 • (910) 343-6225 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:

- Applied Energy Research Laboratory
- Advanced Electronic Materials Processing
- Analytical instrumentation Facility
- Center for Advanced Computing and Communications
- Center for Engineering Applications of Radioisotopes
- Center for Nuclear Power Plant Structures, Equipment and Piping
- Center for Robotics and Intelligent Machines
- Center for Research in Scientific Computation
- 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
- North Carolina Ergonomic Resource Center
- NC Solar Center
- Pollution Prevention Research Center
- Power Semiconductor Research Center
- Precision Engineering Center
- Transportation Materials Research Center

Contact Information:

John G. Gilligan, Vice Chancellor for Research and Graduate Studies
Office of Research & Graduate Programs
North Carolina State University
113-C Page Hall
Box 7901
Raleigh, NC 27695-7901
(919) 515-3939 • (919) 515-7951 Fax
www.ncsu.edu/research/vc.html

North Carolina Technologies Association (NCTA)

A statewide non-profit, non-partisan organization that promotes the electronics, telecommunications and software industries within the state as well as nationally and internationally. NCTA also supports the industry in areas such as communications infrastructure, workforce preparedness, entrepreneurial growth and networking/partnering opportunities.

Contact Information:

Noah Garrett, Director of Communications
NCTA
225 Hillsborough Street, Suite 160
Raleigh, NC 27601
(919) 856-0393 • (919) 856-0396 Fax
www.nc-tech.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.

Contact Information:

Stewart Dickinson
NC Department of Commerce – Finance Center
4318 Mail Service Center
Raleigh, NC 27699-4318
(919) 715-6560
sdickinson@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 10 years
- 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% 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% discount.

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

Contact Information:

Pat Gilliard, Business Development Executive
Progress Energy
411 Fayetteville Street Mall
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% 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" or a "Qualified Grantee 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.

Contact Information:

David Massey
Department of the Secretary of State
Securities Division
300 North Salisbury Street
Raleigh, NC 27603-5909
(919) 733-3924 • (919) 821-0818 Fax
www.state.nc.us/secstate

Raleigh-Durham International Airport

The RDU International Airport Authority has invested over \$100 million in airport improvements in recent years. 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 nine major airline carriers and twelve commuter airlines with a total of over 500 arrivals and departures daily. Non-stop weekday flights to international destinations include London, Toronto, and the Bahamas. RDU is currently undergoing a major expansion as Terminal C is being demolished and rebuilt into a state-of-the-art facility. The new terminal is set to open in 2009.

Contact Information:

John Brantley, Director
Raleigh-Durham International Airport Authority
1000 Trade Drive
PO Box 80001
RDU Airport, NC 27623
(919) 840-2100 • (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%.
- Low-tier research: For expenses for research performed in a Tier 1, 2 or 3 county, a business is permitted a credit of 3%.
- 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%
\$50 - \$200 million	2%
More than \$200 million	3%

A business with North Carolina university research expenses for the taxable year is allowed a credit equal to 15% 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 fifteen percent (15%) 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” workforce. 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.

Contact Information:

Gene Norton, Director
ESC Job Service Raleigh Office
700 Wade Avenue
PO Box 27227
Raleigh, NC 27611
(919) 733-3941 • (919) 733-1254 Fax
www.ncesc.com

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 sixteen constituent institutions and is partially funded by the US Small Business Administration. Special emphasis is placed on federal government procurement, international business development and product and technology innovation.

Contact Information:

Scott R. Daugherty
5 West Hargett Street, Suite 600
Raleigh, NC 27601
(919) 715-7272 • (919) 715-0508 Fax
www.sbtfdc.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% 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 January 1, 2007 and Article 3J Credits take effect for taxable years beginning on or after January 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 4 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% of the excess value (above \$2,000,000) of tangible personal property placed into service during the taxable year. The credit is taken in equal installments over 4 years.

World Trade Center North Carolina

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Contact Information:

Doug Aitkin
10900 World Trade Boulevard, Suite 202
Raleigh, NC 27617
(919) 281-2740 • (919) 281-2741 Fax
daitkin@researchtriangle.org
www.wtcnc.org

Appendix B – Local Incentives Policies

Community Infrastructure/Incentive Programs

Wake County has twelve 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 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.

Contact Information:

Ken Atkins
Wake County Economic Development
800 S. Salisbury Street
Raleigh, NC 27601
(919) 664-7041
katkins@the-chamber.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 companies may be eligible for a Business Investment Grant for new investments, which 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, which 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 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.) Existing Companies are eligible for a Business Investment Grant when the investment threshold is met, the company currently employs at least 250 full-time employees, and at least 50 new jobs are created. The average wage for the new and existing jobs must pay 120% of the average wage for Wake County, as defined by the North Carolina Department of Commerce Finance Center.

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.

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

A project must meet the following Minimum Thresholds for Assistance: \$1.5 million dollar initial investment in building and equipment (not land or site work); generates \$300 of additional tax base per gallon of sewer per day generated by the project; creates 50 new jobs with an annual payroll between \$500,000 and \$1,000,000

Incentive Calculation once thresholds are met: Actual tax value of building and equipment will be used to calculate the maximum incentive amount --- 100% of new tax revenue from the building and equipment for three years equals the maximum incentive amount. This estimated tax revenue is calculated (since actual tax value not available) by taking the development estimate of building and equipment multiplied by 50% multiplied by the tax rate. The use of the incentive dollars is in accordance with state law while cash payments will be accomplished as a reimbursement of a percentage of the new tax revenue each year for a term agreed to by all parties.

Knightdale

The Town of Knightdale may provide local property tax relief for projects which increase the Town's property tax base and create new jobs. The average salary of the jobs created must be at or above the Wake County average income.

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 per cent (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.

Wendell

The economic well-being of downtown Wendell is largely determined by the condition of its buildings. The maintenance, upgrading and preservation of Wendell’s downtown Business District is crucial to the continued livelihood of Wendell. The Economic Development Committee would like to encourage businesses to participate in this program.

Goal: “The goal of this project is to encourage building system upgrades to as many downtown properties as possible. The Town of Wendell has a unique downtown character which needs to be protected and maintained. Providing leadership and assistance in improving the structural integrity and safety of the properties by this Business Incentive Grant Program is a worthy project of this Town.”

The following is an outline of the Business Incentive Grant Program developed by the Town of Wendell for the continued effort of downtown revitalization.

PURPOSE

1. Promote building system upgrades in downtown Wendell.
2. Attract new business to the downtown.
3. Preserve the unique historic character of downtown Wendell.
4. Encourage the use of quality material in the renovation of downtown property.

ELIGIBILITY

1. Any tenant or property owner in downtown.
2. A tenant must have the owner’s written permission attached to the application.
3. The grant will be administered on a first come basis.
4. The program budget will only allow one grant per location per fiscal year.
5. If a property owner owns more than one building in downtown Wendell, he or she will only be eligible for one grant per fiscal year unless funds are available.

GUIDELINES

1. Renovation must conform to the Town of Wendell Zoning Ordinance and North Carolina State Building Code.
2. Funds may only be used to finance interior building upgrades.
3. Grants shall not be used for façade purposes.

CRITERIA

1. The grant amount may not exceed \$1,000 per fiscal year.
2. Total expenditures of the project by the property owner or tenant must be a minimum of \$1,000.
3. The grant will not exceed 50% of the improvement cost up to a maximum of \$1,000.
4. Plans must be consistent with the original or historic character of the building.

APPLICATION PROCESS

1. Applications will be accepted from July 1 of the fiscal year through December 31st.

(The application deadline may be extended at the discretion of the Economic Development Committee).

2. The applicant shall return the completed application and return it to the Wendell Chamber of Commerce. Included with the application shall be design plans and owner permission.
3. The applicant shall meet with the Executive Director of the Chamber of Commerce to discuss the application.
4. All applications will be presented to the Economic Development Committee. The applicant(s) shall meet with the Economic Development Committee to review the renovation plans.
5. The Executive Director of the Chamber of Commerce will then notify the applicant as to whether the project is accepted as described, accepted with conditions, or rejected.

6. A contract agreement must be signed prior to the beginning of work. The parties in the agreement will be the applicant and the Economic Development Committee.

7. Projects shall be completed within six (6) months of contract agreement date and/or before the end of the fiscal year.

8. Upon project completion, copies of all paid statements of the total project cost must be sent to the Executive Director. The work will be inspected and the statements will be reviewed. After the work is reviewed, a check may be requested. Work must be completed in accordance with the signed agreement for payment to occur.

9. Applications should be mailed or delivered to the Wendell Chamber of Commerce, Attn: Economic Development Committee, PO Box 562, 115 N. Pine Street, Wendell, NC 27591.

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.