

Business Investment Grant

Adopted 11/17/2015

raleighecondev.org





City of Raleigh Business Investment Grant

What is the Business Investment Grant?

The Business Investment Grant (BIG) seeks to encourage the creation, retention and/or expansion of new or existing businesses and jobs within the community. The program provides grants to companies, usually based upon the amount of new ad valorem taxable investment to the city generated from the private business investment made. The BIG policy aligns with the goals and objectives of the city's 2030 Comprehensive Plan and the City of Raleigh Strategic Plan.

Criteria for Evaluating Projects

In making a recommendation for grant approval, the City's Office of Economic Development and Innovation will consider various factors, including whether there is demonstrated competition from other cities and whether the company's planned relocation or expansion enhances the economic profile of the targeted area given the company's product and market.

Business Investment Grants are subject to final approval by the full City Council. Any grant awarded is performance based and tied to job creation and new ad valorem taxable investment to the city generated from the private business investment made.

Grant recipients will be encouraged to hire residents of Raleigh and to use local small, minority and women-owned businesses when such goods or services can be obtained at competitive prices. This supports the city's Minority and Women-owned Business Enterprise initiatives.



City Council has, at its sole discretion, the ability to provide a grant to a business that is not reflected in the Business Investment Grant policy but has a positive impact to the City of Raleigh.

Eligible Business Growth Clusters

Companies from the identified business growth clusters that are relocating or expanding to or within the program's geography may be eligible for participation in the program (see Attachment I for a list of eligible business growth clusters).

Priority Areas for Economic Development

Companies locating within an adopted Priority Areas for Economic Development (see Attachment II) will be eligible for enhanced terms and amounts.

Big Box Retail Sites

Grants may also be considered for projects that convert or adaptively reuse vacant "Big Box" retail sites, whether inside or outside the development zone, provided that the planned use is consistent with adopted plans for that area.

Program Guidelines

New or Existing Business Locating Inside Priority Areas for Economic Development	
Investment (minimum)	\$20,000,000*
*New Ad Valorem Taxable Investment	Investment is broadly defined as improvements to land and/or buildings, or the purchase or lease of new equipment, or buildings constructed for the qualifying company. Where circumstances warrant, however, grant calculations may give consideration to the value of leasehold improvement(s) that will result in a higher value for the building.
Job Creation	20 new jobs
Wage Rate	Grant recipients must pay an average wage rate for all employees at the investment site equal to or greater than 100 percent of the average annual wage rate for Wake County as defined by the North Carolina Department of Commerce Finance Center.
Terms and Amounts Does not include Business Improvement District Payments	Grants last seven years and are based upon 75 percent of new ad valorem taxable investment to the city generated from the investment. Job creation and investment thresholds must be met before an annual payment occurs. Failure to maintain these levels during the grant term will result in suspension of grant payments until such time as the levels are once again met and maintained within the maximum grant period.
Compliance Provisions	Required new investment and employment standards will be set forth in a contractual agreement between the city and grantee. These standards must be maintained throughout the term of the grant in order for payments to continue. Since grant payments are only paid once the new investment and job creation thresholds are met, statutory clawback provisions are not required.

New or Existing Business Locating Outside Priority Areas for Economic Development

Investment (minimum)	\$50,000,000*
*New Ad Valorem Taxable Investment	Investment is broadly defined as improvements to land and/or buildings, or the purchase or lease of new equipment, or buildings constructed for the qualifying company. Where circumstances warrant, however, grant calculations may give consideration to the value of leasehold improvements that will result in a higher value for the building.
Job Creation	50 new jobs
Wage Rate	Grant recipients must pay an average wage rate for all employees at the investment site equal to or greater than 100 percent of the average annual wage rate for Wake County as defined by the North Carolina Department of Commerce Finance Center.
Terms and Amounts Does not include Business Improvement District payments	Grants last five years and are based upon 50 percent of new ad valorem taxable investment to the City generated from the investment. Job creation and investment thresholds must be met before an annual payment occurs. Failure to maintain these levels during the Grant term will result in suspension of Grant payments until such time as the levels are once again met and maintained within the maximum grant period.
Compliance Provisions	Required new investment and employment standards will be set forth in a contractual agreement between the city and grantee. These standards must be maintained throughout the term of the grant in order for payments to continue. Since grant payments are only paid once the new investment and job creation thresholds are met, statutory clawback provisions are not required.

Program Guidelines (continued)

State Matching Grant Job Development Investment Grant (JDIG)*	
Job Creation (minimum)	50**
Wage Rate	Grant recipients must pay an average wage rate for all employees at the investment site equal to or greater than 100 percent of the average annual wage rate for Wake County as defined by the North Carolina Department of Commerce Finance Center.
Grant Amount	Up to \$1,250 per new job created or amount granted via BIG.
Terms and Conditions	Grants are based on new jobs created. Payments are made in five equal installments. Payments are made once the minimum new jobs are created.
Compliance Provisions	Failure to maintain these levels during the grant term will result in suspension of grant payments until such time as the levels are once again met and maintained within the maximum grant period.

*As part of Session Law 2015-259, a local government is required to have participated in recruitment and offered incentives in a manner appropriate to the project

**Minimum jobs required by Session Law 2015-259

Headquarters Project**

Investment (minimum)	\$10,000,000*
*New Ad Valorem Taxable Investment	Investment is broadly defined as improvements to land and/or buildings, or the purchase or lease of new equipment, or buildings constructed for the qualifying company. Where circumstances warrant, however, grant calculations may give consideration to the value of leasehold improvements that will result in a higher value for the building.
Job Creation	50 new jobs
Wage Rate	Grant recipients must pay an average wage rate for all employees at the investment site equal to or greater than 100 percent of the average annual wage rate for Wake County as defined by the North Carolina Department of Commerce Finance Center.
Terms and Amounts Does not include Business Improvement District payments	Grants last seven years and are based upon 75 percent of new ad valorem taxable investment to the city generated from the investment. Job creation and investment thresholds must be met before an annual payment occurs. Failure to maintain these levels during the grant term will result in suspension of grant payments until such time as the levels are once again met and maintained within the maximum grant period.
Compliance Provisions	Required new investment and employment standards will be set forth in a contractual agreement between the city and grantee. These standards must be maintained throughout the term of the grant in order for payments to continue. Since grant payments are only paid once the new investment and job creation thresholds are met, statutory clawback provisions are not required.

** Headquarters are defined as a corporate, regional, or divisional HQ of a United States or international business having the following functions: strategic planning, corporate communications, tax, legal, marketing, finance, human resources, information technology, and procurement.

Eligible Business Growth Clusters

Manufacturing

- Automotive/Transportation Equipment
- Energy
- Medical Devices
- Plastics
- Metalworking
- Industrial Machinery
- Defense and National Security
- Aerospace
- Consumer Products and Food Processing
- Research and Development Facilities

Headquarters

- Corporate, Divisional and Regional

Transportation

- Truck Transportation
- Support activities for Transportation
- Warehousing and Storage
- Distribution

Financial Services and Insurance

- Financial Investment and Related Activities
- Credit Intermediation and Related Activities
- Insurance Carriers and Related Activities
- Funds, Trusts and Other Financial Vehicles

Professional Services

- Professional and Technical Services
- Back Office Operations



Information Technology (IT)

- Software Development
- Hardware
- Applications
- Analytics

Design and Creative Industries

- Architecture
- Art and Design (Animation, Interactive Media, Fashion and www Fibers)
- Graphic Design and Industrial Design

Emerging Technologies and Industries

- Clean Technology
- Alternative Energy
- Film and Video Production Facilities

Biotechnology and Pharmaceuticals

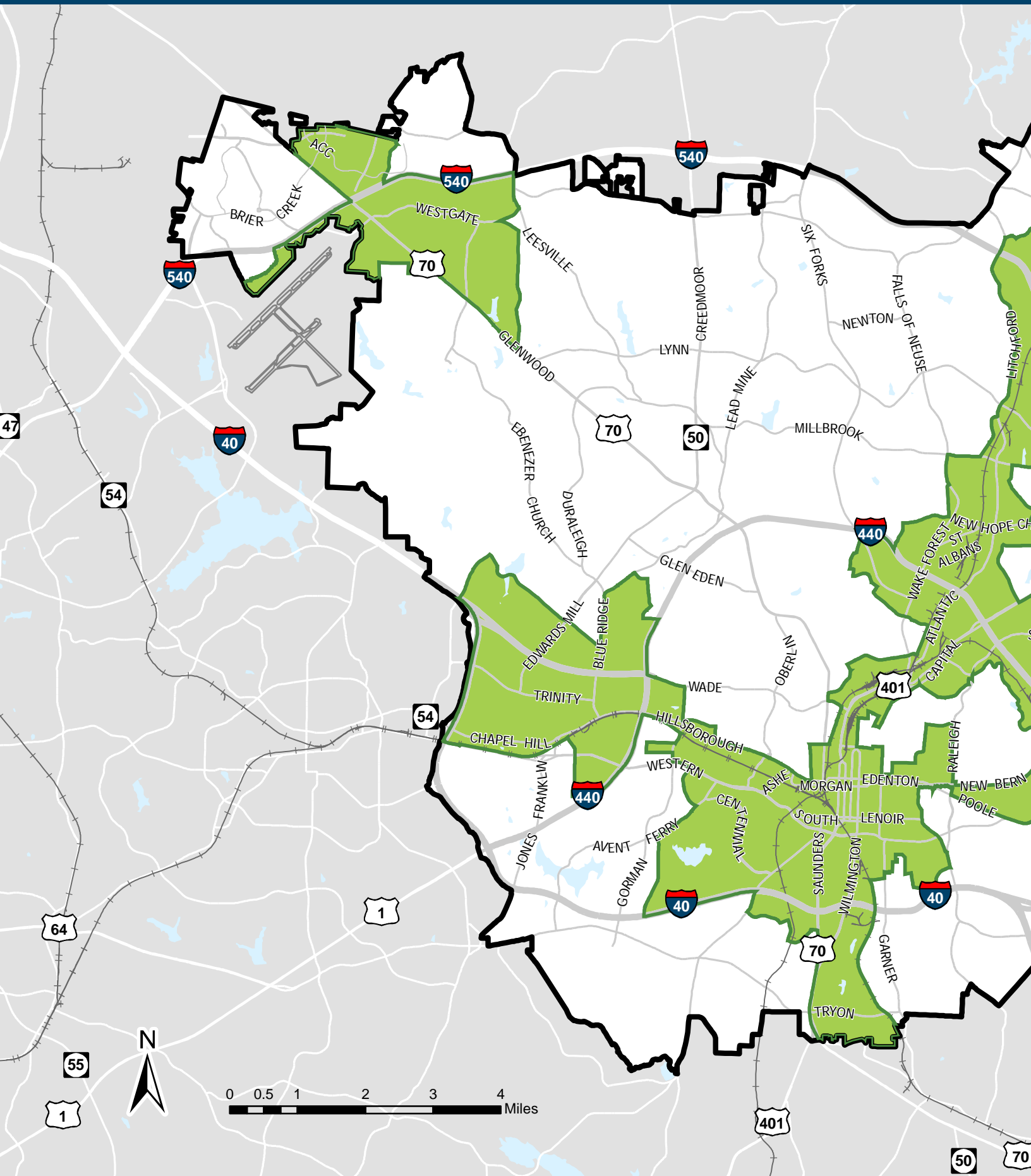
- Research and Development
- Manufacturing
- Agriculture
- Contract Research Organization (CRO) and Others as Identified by the N.C. Biotechnology Center

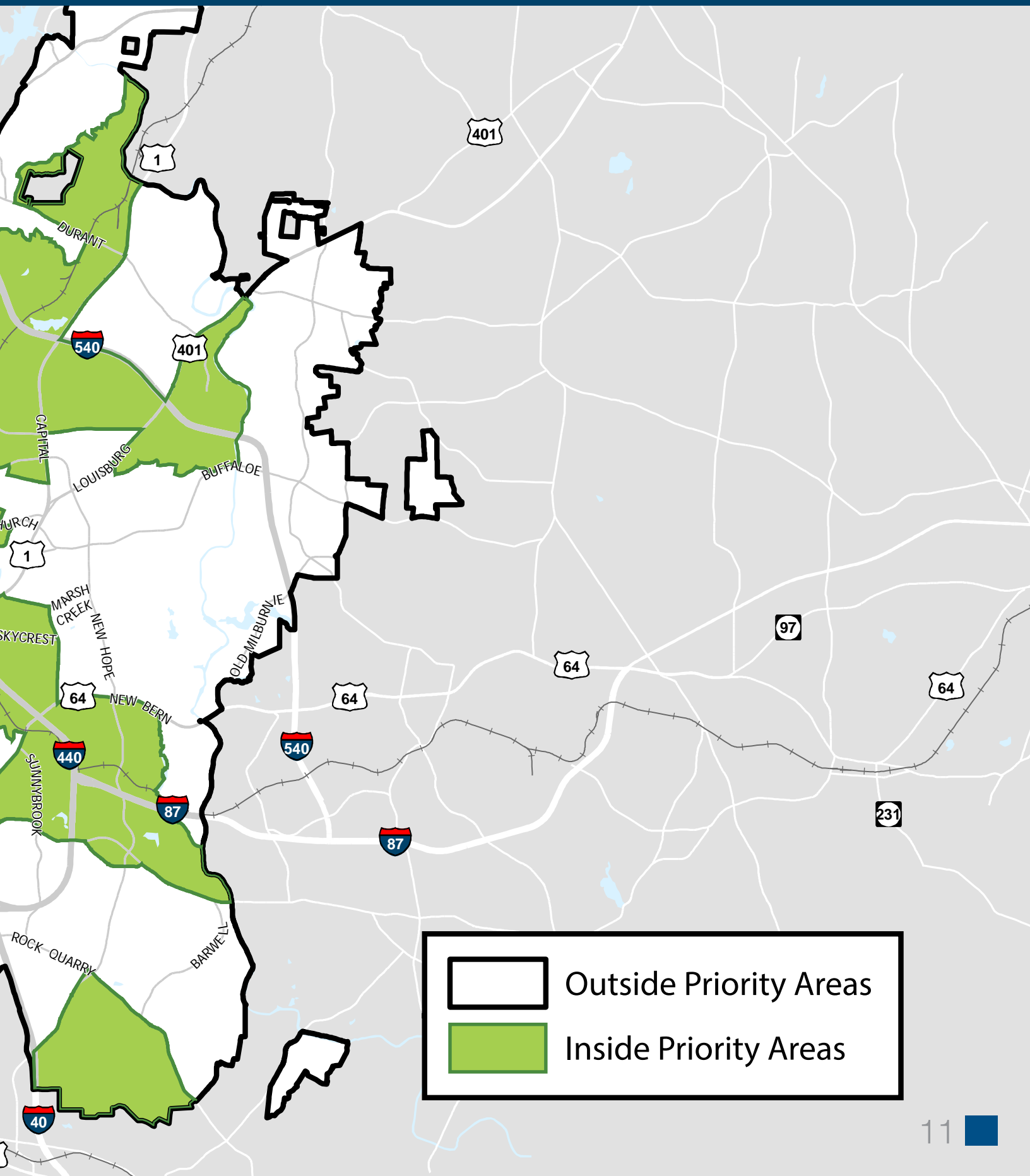
Related Clusters

- Industries That Create Synergy with Programs of Focus at Local Colleges and Universities.



Priority Areas for Economic Development







raleighecondev.org

RALEIGH
Economic Development

