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**Chapel Hill Town Council**  
**March 4, 2020**

CHAPEL HILL

OPEN2.BIZ

## **RECOMMENDATION:**

Council opening the public hearing, receive public input and close the public hearing. Consider authorizing the Town Manager to sign the Incentive agreement to provide an incentive to Well Dot, Inc.

# Vivacious downtown



**ADD PEOPLE -  
Private office workers with reasonable wages to  
support downtown businesses....**



## **BACKGROUND:**

- May 2019 -Inquired about possibility of opening in Chapel Hill (also considered Durham and Boston, MA)
- May 2019 -Town reaches out to County and State to get them involved in the Incentive ask
- July 2019 – Council considered potential incentive to match State Incentive
- September 2019 – State authorizes consideration of Incentives
- November 2019 – Gov. Cooper announces Well location in Chapel Hill

Supplemental Materials for  
Chapel Hill Economic Incentive Application  
May 2019

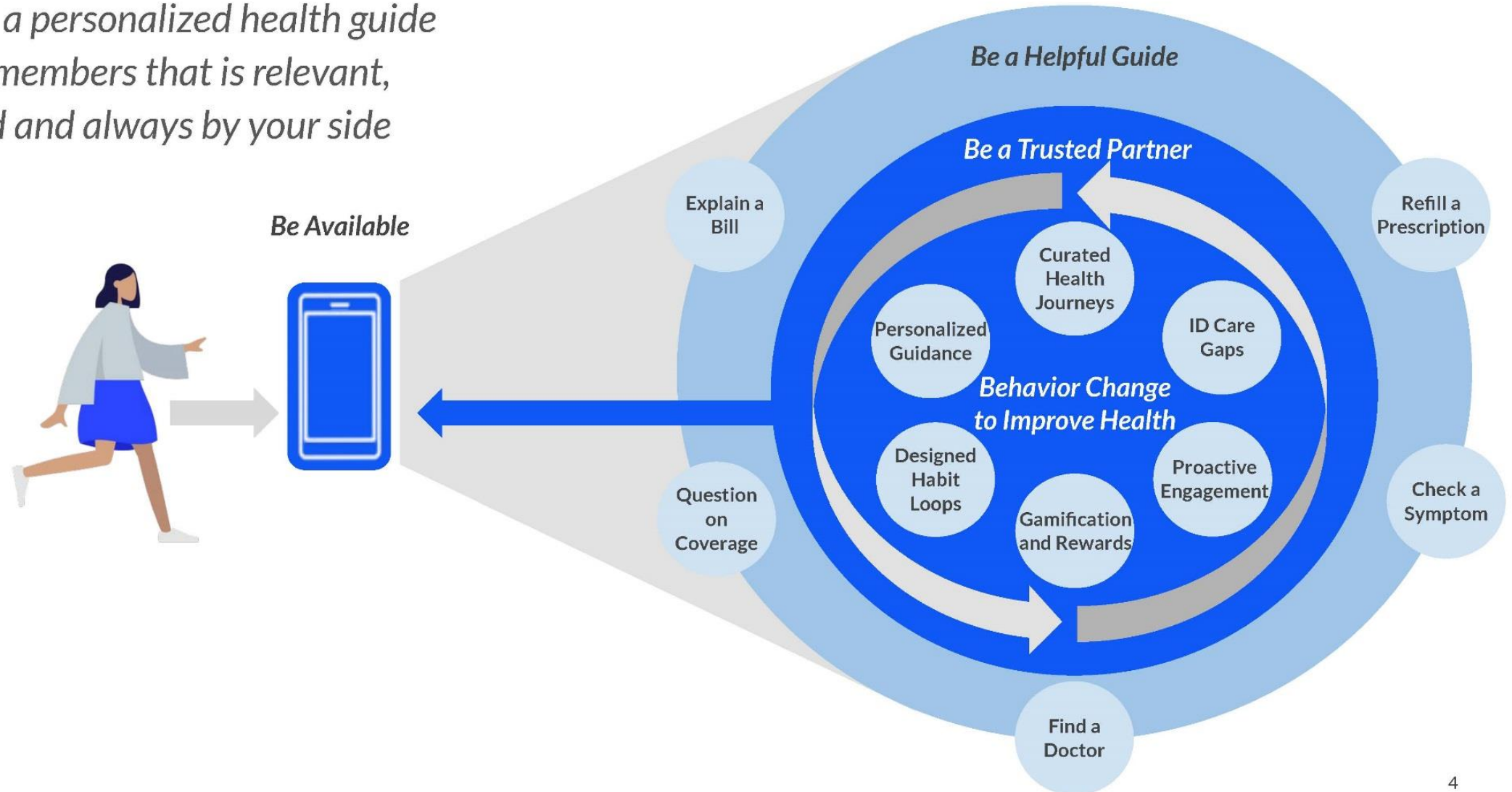


Reimagining Engagement.  
Improving Health.  
Reducing Cost.



# Solution Overview

*Well is a personalized health guide for all members that is relevant, trusted and always by your side*





## **Location announcement**



# Jobs and Investment



**Original Incentive Application  
Job growth projections changed after their  
initial application.**

## Current Job Growth Projections:

**2021 – 74**

**2022 – 110**

**2023 – 132**

**2024 – 80**

**2025 – 4**

**TOTAL – 400** (Averaging \$75,000 year)

## Incentive Application

- New Capital Investment Scenario:** A minimum of \$2.5m in new capital investment is required for eligibility.

Phased Capital Investment						
	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Real Property	\$600,000	\$900,000	\$300,000			\$1,800,000
Tangible Personal Property	\$100,000	\$350,000	\$250,000			\$700,000
<b>Total Investment</b>	<b>\$700,000</b>	<b>\$1,250,000</b>	<b>\$550,000</b>			<b>\$2,500,000</b>

- Job Creation Scenarios:** A minimum of 20 net new jobs must be created for eligibility. Jobs must be retained for a minimum of 2 years beyond the incentive period.

New Jobs by Year						
	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Full Time Employees	52	206	145	-	-	403
Part Time Employees	-	-	-	-	-	-
<b>Total</b>	52	206	145	-	-	403

**Average Full Time Salary (not including benefits):** \$75,000 (Year 3)

**Percentage of Employees to be located at Chapel Hill Facility:** Targeting all 400 in one location.



# Incentive

- \$900,000 total package
- \$450,000 is a cash grant after two years of employment reporting
- \$450,000 is a parking credit used in \$56,000 increments annually over the eight years.
- Award based on Incentive Guidelines

# Incentive

<b>Well Dot Inc.</b>									
Number year	1	2	3	4	5	6	7	8	
<u>Year *</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u>
Jobs	74	110	132	80	4				400
Eligible Award			\$210,752	\$313,280	\$375,936	\$227,840	\$11,392		\$899,968
TOTAL			\$210,752	\$313,280	\$375,936	\$227,840	\$11,392		
Cash			\$74,997.33	\$74,997.33	\$74,997.33	\$74,997.33	\$74,997.33	\$74,997.33	\$449,984
Parking Credit (In kind)	\$56,248	\$56,248	\$56,248	\$56,248	\$56,248	\$56,248	\$56,248	\$56,248	\$449,984
TOTAL AWARD	\$56,248	\$56,248	\$131,245	\$131,245	\$131,245	\$131,245	\$131,245	\$131,245	\$899,968
<b>* Years equal to Town's Fiscal years (July 1 - June 30)</b>									
<b>Credits and cash payments will be reconciled after second year of reporting</b>									

Cash award is delayed for a period of two years to insure sustained employment



This is an “if but for” incentive meaning that Chapel Hill would not have been selected as a competitive location without incentives.

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*Questions?*

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