



## Legislation Text

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**File #:** 19-0375, **Version:** 1

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**Item:**

**Public Hearing to Consider Allocating Economic Development Funds to Merck (20min)**

**Date of BOCC Meeting:** August 12, 2019

**Request for Board Action:**

The Board is requested to hold a public hearing to consider allocating a total of \$3,000,000 in Economic Development funds to Merck. A leading global biopharmaceutical company, Merck will invest more than \$650 million at its Durham plant and create 391 new jobs with an average wage of \$73,382.

Merck discovers and develops medicines and vaccines for many of the world's most challenging diseases. The company operates in more than 140 countries and stays at the forefront of research to advance the prevention and treatment of diseases that threaten people and communities around the world.

As part of this project, Merck will build a new production facility at its Maurice R. Hillman Center for Vaccine Manufacturing in Durham. This substantial project will enable the company to meet growing demand for GARDASIL and GARDASIL 9 recombinant human papillomavirus (HPV) vaccine, which is used to prevent several cancers associated with HPV. The company's GARDASIL 9 vaccine helps prevent nine strains of HPV, including two HPV types that cause an estimated 70% of cervical cancers. Merck's project to expand its North Carolina facilities includes plans to design, build, and win qualification from the FDA for a new 225,000 square foot manufacturing facility at its Durham location to produce active ingredient for the vaccine.

With approval of the award, Merck has agreed to make reasonable effort to make the following workforce development partnership engagements: Work with the NC Works Center Durham, Durham Technical Community College's BioWorks Advisory Committee and similar local organizations to recruit local talent by posting job openings with NC Works, holding a job fair with NC Works and communicating employment opportunities to DTCC's BioWorks Advisory Committee; To work with Durham Technical Community College and Durham Public Schools Career and Technical Education to help prepare students for employment opportunities and ensure that a robust workforce is available to accommodate an expanding economy by offering paid summer internships and jobs, educational sessions with students to include Guest Speaking and Career Conversations, hosting teachers over the summer or Career Readiness Expo participation, hosting students to include Job Shadowing and the Scholars-At-Work-Program, collaborating with North Carolina Central University's BRITE Center and serving as a Durham Public Schools Career and Technical Education Advisor; And, to deploy their corporate diversity purchasing practices consistent with the company's policy, including making reasonable effort to participate in minority purchasing trade events and training sessions for companies.

Merck's project in North Carolina will be facilitated, in part, by a Job Development Investment Grant (JDIG) approved by the state's Economic Investment Committee on July 25<sup>th</sup>. Over the course of the 12-year term of this grant, the project is estimated to grow the state's economy by \$3.1 billion. To date, Merck has invested more than \$1.6 billion at their Durham site. Durham County payments only occur following performance verification that the company has met its incremental job creation, investment and criteria targets.

Staff is recommending that the County provide \$3,000,000 in Economic Development Investment funds subject to certain performance goals being met by Merck, related to timing and amount of investment, employment creation and maintenance of the created jobs as well as partnership engagement criteria.

This public hearing has been advertised as required by law.

**Alignment with Strategic Plan:** This item aligns with Goal 4: Environmental Stewardship and Community Prosperity to promote and support the community and economic vitality for all residents.

**Resource Persons:** Andy Miracle, Economic Development Officer; Jay Gibson, General Manager Goal 4.

**County Manager's Recommendation:** The County Manager recommends that the Board hold a public hearing to consider allocating a total of \$3,000,000 in Economic Development Investment funds to Merck that will invest a minimum of \$650 million and create 391 jobs.

County Manager: \_\_\_\_\_