



Legislation Text

File #: 20-0065, **Version:** 1

Item:

Public Hearing to Consider Allocating Economic Development Funds to Eli Lilly and Company (15min)

Date of BOCC Meeting: February 10, 2020

Request for Board Action:

The Board is requested to hold a public hearing to consider allocating a total of \$2,550,000 in Economic Development funds to Eli Lilly and Company and authorize the Manager to enter into preliminary negotiations and execute an agreement with the Company. Eli Lilly and Company, a global healthcare and biopharmaceutical company, will bring a new state-of-the-art pharmaceutical manufacturing facility to Durham County to help produce and develop medicines for people with serious illnesses, creating 462 jobs and investing \$440 million.

Eli Lilly, with headquarters in Indianapolis, Indiana, has a long heritage in discovering and making medicines. Established in 1876, today Eli Lilly is attacking some of the world's most serious and debilitating chronic health issues such as diabetes, cancer, autoimmune conditions, chronic pain, and Alzheimer's disease, all among the world's leading causes of death or disability. The new manufacturing site will be an advanced facility that produces parenteral or injectable products and delivery devices.

With approval of the award, the Company has agreed to make reasonable efforts to participate in several workforce partnerships that include engagements with Durham Public Schools Career and Technical Education, Durham Tech BioWorks Advisory Committee, NC Works Career Center, Durham Public Library's STEAM Center and North Carolina Central's BRITE Center among others. Please find additional project details including a full list of partnerships, terms and project attributes in the briefing sheet attached to the agenda item.

Eli Lilly'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 January 21, 2020. Over the course of the 12-year term of this grant, the project is estimated to grow the state's economy by \$4.1 billion. Using a formula that takes into account the new tax revenues generated by the 462 new jobs, the JDIG agreement authorizes the potential reimbursement to the company of up to \$8,689,500, spread over 12 years. 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 \$2,550,000 in Economic Development Investment funds to Eli Lilly subject to performance goals being met by the Company 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: Andrew 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 \$2,550,00 in Economic Development funds to Eli Lilly and Company and authorize the Manager to enter into preliminary negotiations and execute an agreement with the Company.

County Manager: _____