



## ECONOMIC INVESTMENT COMMITTEE PROJECT EXECUTIVE SUMMARY

**Applicant/Proposed  
Grantee**

Apple Inc. ("Apple" or the "company")

**Proposed Location**

Wake County – Tier 3

*Investment is also scheduled to occur in Catawba County (Maiden) but all of the job creation related to this project will occur in Wake County*

**New Jobs**

**3,000 over ten years (2023-32)**

Proposed minimum requirement is 2,700 (90% of target)

Minimum requirement to reach transformative threshold and enhancements is 3,000

**Retention**

**1,100**

The company reported on the date of its application 1,100 employees at various locations around the state in a variety of roles including at-home sales, retail locations and at the site of the data center in Maiden. The retention for this project would be the **greater of i)** the number of jobs the company reports as of the award date of the proposed grant or ii) 1,100 jobs, before being permitted to count any new positions as eligible for grant payments.

**Min. Avg. Wage**

**\$187,001**

Wake County 100% county average wage<sup>1</sup> (2019) is \$63,966

Proposed minimum requirement is \$168,301 (90% of target)

For years 1-3, staff recommends the minimum average wage for the purpose of compliance be \$148,355 with a proposed minimum requirement of \$133,520 (90% of target)

**Capital Investment**

**\$1,006,000,000 by December 31, 2031**

\$860 million in real property construction and/or improvements (\$552m in Wake County, \$308m in Catawba County) and \$146m in tangible personal property (\$6m in Wake, \$140m in Catawba)

Proposed minimum requirement is \$905,400,000 (90% of target)

Minimum requirement to reach transformative threshold and enhancements is \$1,000,000,000

**Company Overview**

Headquartered in Cupertino, California, Apple designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related services. Some of Apple's products include iPhone, Mac, iPad, AirPods, Apple TV, Apple Watch, HomePod, and iPod touch. Some of the services Apple offers include AppleCare, Cloud Services, Apple Arcade, Apple Music, Apple News+, Apple TV+, Apple Fitness+, Apple Pay, and Apple Card.

With a market cap of over \$2.2 trillion, Apple continues to grow across above mentioned product and service lines. Though the past year was unprecedented in almost every aspect, Apple's most recent fiscal year end reported \$274 billion in total net sales worldwide. Apple has approximately 147,000 full time employees worldwide with over 80,000 employees in the US. Apple also directly or indirectly supports more than 450,000 jobs through US based suppliers throughout all 50 states. Additionally, the iOS app economy has continued to grow over the past year for the App Store ecosystem to support more than 2.1 million jobs across the US.

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<sup>1</sup> The county average wage is calculated through 2<sup>nd</sup> Quarter 2019 weekly wage data from the Quarterly Census of Employment and Wages.

Apple continues to give back to communities around the world and support a diverse range of causes such as the California Housing Crisis, Racial equity and Justice Initiative projects, COVID-19 protective equipment and other associated resources, and many others.

### Project Overview

Apple is seeking to build a new campus to accommodate growth in the R&D and operations teams. The proposed total investment associated with this project would be \$1,000,000,000 over the next 10 years. Fully built, the campus would be over 1,000,000 square feet and house at least 3,000 employees. The new campus would run on 100 percent renewable energy, like all existing Apple facilities.

### Competition

This project is being primarily considered for North Carolina and Ohio but other states are still in play. The company reports many factors are a part of making this decision, including potential incentives, accessibility, attractable talent, real estate and building costs, and tax burden, among other things. Ohio offers lucrative incentives such as state level economic development grants, R&D specific grants, tax credits, local level job creation and growth credits and property tax abatements. The state of Ohio has no corporate income tax, no personal property tax and low sales tax rates. Apple maintains close business relationships in the state to make it a familiar state in which to do business.

### North Carolina Incentives

State Incentives (Benefit to Company)	JDIG*	TOTAL
	\$845,820,750	\$845,820,750

*\*Based on transformative project over 39 years*

Local Incentives (Value up to)	Wake County
	\$20,000,000

*The JDIG (based on total grant value to the company at \$845,820,750) exceeds seventy-five percent (75%) of the withholdings of the company for 27 of the 39 grant years (2035 – 2061) and will require a special finding by the EIC that the proposed JDIG award is necessary to secure the project. The company has stated that an award at this level is critical to North Carolina's consideration as the project location.*

### **Suggested Offer – Potential JDIG Payment Stream**

Grant Percentage **75%/100%**      Number of Years **39**

(\$millions)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-61	Total
Company	0.579	1.737	5.343	7.970	10.412	12.887	13.905	14.465	15.503	25.434	737.586	845.820750
Utility	0.193	0.579	1.781	2.657	3.471	4.296	4.635	4.822	5.168	2.826	81.954	112.380250
Total	0.772	2.316	7.124	10.627	13.883	17.183	18.540	19.286	20.670	28.260	819.540	958.201000

### **Walden – Net State Revenue Impact (assuming 75% for nine years, 100% thereafter, with first grant year being 2023)**

(\$millions)

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-61	Total
0.9909	3.1074	6.8652	22.4772	38.623	69.3306	52.6182	55.3669	57.5730	62.2174	57.8814	1,544.3333	1,971.3843

### **Walden – Total State Income Impact (change in GDP)**

(\$millions)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-61	Total
	23.41	107.43	262.69	775.11	1276.34	2117.14	1843.06	1957.53	2038.10	2184.44	2240.59	64977.24	79,803.106