

City Council – Action Request Form

Date: September 9, 2019

To: The Mayor, Mayor Pro Tempore and Members of City Council

From: Evan Raleigh, Assistant City Manager

Council Action Requested:

Approve Economic Development Assistance to Project Scout Pursuant to N.C.G.S. 158-7.1.

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Retain and Recruit Employers

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The attached resolution authorizes the City to provide up to \$266,506 in economic development assistance to Project Scout to be distributed over a seven-year period. The City's financial assistance will be used to help offset the company's capital outlay associated with the upfit of space at the company's prospective new location in Winston-Salem. It is anticipated that the company or its landlord will invest approximately \$7 million in capital to upfit its new location and invest approximately \$6 million in new personal property.

The City's financial assistance is based upon an amount equal to approximately 65% of the net, new personal property and sales tax revenue generated by the project over its first seven years of operation. It is projected that the property and sales tax revenue generated by the project over its first seven years of operation will be approximately \$410,009. Pursuant to the City's economic development program guidelines, the company may also be eligible to receive an additional \$1,500 bonus incentive payment (up to a maximum of an additional 10% of the total incentive payment) for each qualified low-to-moderate-income individual hired and retained for at least six months that lives within the Neighborhood Revitalization Strategy Area (NRSA) or other low-to-moderate-income persons living outside of the NRSA with similar barriers to

Committee Action:

Committee	Finance 9/9/2019	Action	Approval
For	Unanimous	Against	

Remarks:

employment such as a criminal record in an effort to aid the company in achieving the 10% Community Development Employment Allowance.

Project Scout is a privately-held company that provides ownership data management, analytics and advisory services to public and private companies. It employs approximately 1,500 employees across multiple North American locations and has annual revenues of over \$350 million.

Project Scout will involve the establishment of back office operations to support its business. The facility will house positions in back office and customer support operations, IT, legal, finance, and HR. The project will create 367-444 new jobs over its first three years of operation, with an average wage of approximately \$39,000, in the selected community. Project Scout is also estimating that approximately 400 temporary employees would be located at the new facility to support its cyclical project requirements.

If approved, the first annual incentive payment would be made on or about July 1 following the first full year's property tax payment by the company and would be calculated based upon the number of qualifying jobs created or relocated, under this agreement. Each subsequent payment would be made based upon the company achieving the capital investment and job creation benchmarks as specified in the agreement.

The project is consistent with the City's public policy justification to stimulate the local economy through the creation of new jobs and investment. In addition to the City's assistance, financial assistance for the project is also being considered by Forsyth County and the State of North Carolina. The attached resolution authorizes the City to serve as a pass-through for any State funds that are provided for this project.