

## City Council – Action Request Form

**Date:** May 10, 2021

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

**From:** Ben Rowe, Assistant City Manager  
Ken Millett, Director of Business Inclusion & Advancement

**Council Action Requested:**

Resolution Approving Financial Assistance to Project Blue Wave 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:**

An economic development project, code named Project Blue Wave, is a leading global supplier of value-added, recyclable metal and glass packaging solutions for the world’s leading brands. Project Blue Wave operates eight aluminum can and can-end manufacturing facilities across the United States. The largest of these is the current Winston-Salem operation that boasts six production lines and approximately 243 full-time employees. The company’s local workforce is 12.3% African-American and 86% Caucasian with approximately 17% of employees residing within the corporate limits of Winston-Salem.

Project Blue Wave is considering a significant expansion of its operations and is seeking financial assistance to reduce its capital outlay associated with the potential expansion in Winston-Salem. The company proposes the addition of two new high-speed can manufacturing lines, the creation of 94 new jobs in the first year at an average wage of at least 130% of the Forsyth County average, and a taxable capital investment totaling \$195.5 million over the first two years of the life of the project (\$5.5 million in building improvements and \$190 million in machinery and equipment).

**Committee Action:**

<b>Committee</b>	Finance 5/10/2021	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	

**Remarks:**

The Winston-Salem facility is one of several locations being considered for the expansion. The company has reviewed both greenfield and brownfield sites for the expansion in North Carolina, South Carolina, and Georgia.

A representative sample of job types associated with the expansion includes:

- Maintainers
- Palletizer Operators
- Industrial Truck Operators
- Quality Control
- Chemical Process Engineers
- Electricians
- Machinists
- Millwrights
- Salaried Positions

The attached resolution authorizes the City to provide up to \$2,406,260 in performance-based economic development assistance to Project Blue Wave. The City's assistance is based upon an amount equal to approximately 50% of the net, new property taxes and 65% of the net, new sales taxes generated by the project over its first five years. It is projected that the annual property tax revenues from the building improvements would be approximately \$35,057 for each of its first five years. Annual tax revenues received from the company's investments in machinery and equipment would range from approximately \$778,355 to approximately \$1,044,996 over the term of the agreement.

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 for the expanded facility, machinery, and equipment. Subsequent payments would be made annually thereafter on or about July 1.

North Carolina General Statute 158-7.1 authorizes cities to make appropriations for economic development purposes. The project is also 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 is being considered by Forsyth County and the State of North Carolina.

If approved by the Finance Committee, a public hearing would be held at the City Council meeting on May 17, 2021.