

Committee of the Whole
8/12/2024 City Council – Action Request Form

Date: August 12, 2024

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

From: Ben Rowe, Assistant City Manager
 Ken Millett, Economic Development Director

Council Action Requested:

Approve Economic Development Assistance for Project Kohlrabi 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 Kohlrabi, involves a fresh produce distributor that provides global distribution, supply chain, and freight solutions. The company serves local growers, importers, retailers, food service, schools, prisons, and restaurants by moving large volumes of produce for growers and farmers. The company is seeking and additional cold storage facility for its warehousing and distribution operations. In addition to Winston-Salem, the company is assessing sites in North Carolina and South Carolina.

Project Kohlrabi is seeking financial assistance to reduce its capital outlay associated with the new facility, which would relocate 140 positions and create 165 new jobs, resulting in a total of 305 new jobs to Winston-Salem over the first three years at an average wage of \$51,369. Taxable capital investment is expected to total \$6.25 million over the first three years of the project (\$3.75 million in real property and \$2.5 million in machinery and equipment).

A representative sample of job types for the planned facility includes delivery drivers, warehouse staff, operations management, order selectors, and procurement.

Committee Action:

Committee	Committee of the Whole 8/12/2024	Action	Approval
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For	Unanimous	Against	
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Remarks:

The attached resolution authorizes the City to provide up to \$86,550 in performance based economic development assistance to Project Kohlrabi. The City's assistance is based upon an amount equal to 50% of the net, new property taxes expected to be generated over its first five years.

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 facility, machinery, equipment, and business personal property. 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 consistent with the City's public policy justification to stimulate the local economy through the creation of new jobs and investment. Financial assistance is also 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 September 3.