

City Council – Action Request Form

Date: April 15, 2025

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

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

Council Action Requested:

Approve Economic Development Assistance for Project Beaver 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 Beaver involves an international non-woven manufacturer that produces material for the automotive, geotextiles, and construction industries. The company has an existing facility in the Southeast and is seeking expansion to support its growing North American market. In addition to the potential development of a greenfield site Winston-Salem, the company is considering the purchase of a competitor in the Midwest.

Project Beaver is seeking financial assistance to reduce its capital outlay associated with the new facility, which would create 28 new jobs at an average wage of \$47,321. Taxable capital investment is expected to total \$31 million over the first five years of the project (\$12 million in real property and \$19 million in machinery and equipment).

A representative sample of jobs at the new facility includes machinery operators, warehouse staff, maintenance workers, and administrative staff.

Committee Action:

| | | | |
|------------------|-------------------|---------------|----------|
| Committee | Finance Committee | Action | Approval |
| | 04/15/2025 | | |

| | | | |
|------------|-----------|----------------|--|
| For | Unanimous | Against | |
|------------|-----------|----------------|--|

Remarks:

The attached resolution authorizes the City to provide up to \$291,183 in performance based economic development assistance to Project Beaver. 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. Forsyth County and the State of North Carolina are also considering financial incentives.

If approved by the Finance Committee, a public hearing would be held at the City Council meeting on April 21.