

City Council – Action Request Form

Date: February 14, 2023

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 Oyster 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 Oyster, is a manufacturer of specialty textiles serving a variety of industries with capabilities including woven and non-woven fabrics, 3D weaving, and coating and lamination. The company currently has over 260 employees across locations in four states. It is acquiring another company which will create the need for additional manufacturing operations. The company is evaluating locations in Winston-Salem and another state in the northeastern United States.

Project Oyster is seeking financial assistance to reduce its capital outlay associated with the potential Winston-Salem location that would create 59 new jobs over the first five years at an average wage of approximately \$64,000. Taxable capital investment is expected to total approximately \$41.71 million over the first five years of the project (\$18.05 million in building improvements and \$23.66 million in machinery and equipment).

A representative sample of job types includes:

- Machine operators (~38)
- Management (~8)

Committee Action:

Committee _____	Action _____
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For _____	Against _____
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Remarks: _____

- Technical positions (~5)
- Professional positions (~4)
- Clerical positions (~2)
- Sales positions (~2).

The attached resolution authorizes the City to provide up to \$554,908 in performance based economic development assistance to Project Oyster. The City's assistance is based upon an amount equal to approximately 50% of the net, new property taxes expected to be generated by the project 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 new 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 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 March 6.