

City Council – Action Request Form

Date: April 9, 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 Olivedale 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 Olivedale, involves an international manufacturer and distributor that has operated for almost 30 years. The company is planning to launch a new production facility along the East Coast and is considering the purchase of an existing facility in Winston-Salem. The company is also assessing sites in South Carolina and New York.

Project Olivedale is seeking financial assistance to reduce its capital outlay associated with the new facility, which would create 50 new jobs over the first five years at an average wage of approximately \$65,000. Taxable capital investment is expected to total \$5.09 million over the first five years of the project (\$1.09 million in real property and \$4 million in personal business property).

A representative sample of job types for the planned facility includes machine and equipment operators, maintenance technicians, production supervisors, logistics operators, and administration.

Committee Action:

Committee	F – 4/9/24	Action	Approval
For	3	Against	0

Remarks:

CM MacIntosh abstained

The attached resolution authorizes the City to provide up to \$68,017 in performance based economic development assistance to Project Olivedale. 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.

If approved by the Finance Committee, a public hearing would be held at the City Council meeting on April 15.