

## City Council – Action Request Form

**Date:** November 7, 2022

**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:**

Resolution Approving Economic Development Assistance For Project Eleven 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 Eleven, is a manufacturer of custom-designed thermoformed packaging that primarily serves the pharmaceutical and medical device industries. The company currently operates 10 production facilities worldwide, including three in the United States, and is seeking to locate an eleventh facility to produce and distribute its flexible packaging products more effectively to its North American customers. Winston-Salem is one of several locations being considered, including other sites in North Carolina and South Carolina.

Project Eleven is seeking financial assistance to reduce its capital outlay associated with the potential Winston-Salem location, which would create 79 new jobs over the first five years at an average wage of approximately \$52,000. Taxable capital investment is expected to total \$20.1 million over the first five years of the project (\$6.7 million in building improvements and \$13.4 million in machinery and equipment).

**Committee Action:**

<b>Committee</b>	Finance 11/7/2022	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	

**Remarks:**

A representative sample of job types includes:

- Printer Operators
- Maintenance Technicians
- Quality Technicians
- Warehouse Material Handler
- Process Engineers
- Miscellaneous Positions

The attached resolution authorizes the City to provide up to \$295,907 in performance based economic development assistance to Project Eleven. 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 seven 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 November 14, 2022.