

City Council – Action Request Form

Date: November 18, 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 HanesBrands, Inc. 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:

HanesBrands, Inc. (HBI) recently announced that it will be moving its global headquarters to downtown Winston-Salem in 2025. The current headquarters at Oak Summit has been sold to Carolina University for the expansion of its campus. HBI will relocate approximately 500 employees to 121,000 square feet on multiple floors of the Park Building at 101 N. Cherry Street. In addition to an expected annual payroll of \$40 million, the company will invest or cause to be invested \$6 million in upfits to its new headquarters. The project will stimulate the local economy; promote businesses, especially those downtown; and ensure HBI remains a viable part of the Winston-Salem economy.

Prior to the announcement, city officials had informal discussions with HBI about potential workforce retention incentives. The attached resolution authorizes the City to provide up to \$208,050 (up to \$41,610 annually for five years) in performance based economic development assistance to the company, which is 50% of the estimated sales tax revenue that will be generated by the company's payroll.

Committee Action:

Committee	Committee of the Whole 11/18/2024	Action	Approval
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For	Unanimous	Against	
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Remarks:

In return, HBI agrees to:

- Provide continuing employment for 500 employees for at least five (5) years, and where possible, create additional jobs.
- Keep its headquarters in downtown Winston-Salem.
- Continue operating in Winston-Salem for a minimum of seven (7) years.
- Invest or cause to be invested \$6 million in upfits to the company headquarters.
- Maintain a minimum payroll of \$40 million.

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.

If approved by the Committee of the Whole, a public hearing would be held at the City Council meeting on November 18.