

## City Council – Action Request Form

**Date:** June 8, 2020

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Evan Raleigh, Assistant City Manager

**Council Action Requested:**

Approve Economic Development Assistance to Purple Crow/La Tortilleria, LLC 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:**

The attached resolution authorizes the City to provide up to \$203,904 in economic development assistance to Purple Crow/La Tortilleria, LLC. The City's financial assistance will be used to reduce the company's capital outlay associated with the expansion of its current facility in Winston-Salem. The company will invest approximately \$13.3 million over a five-year period in real and tangible property.

The City's assistance is based upon an amount equal to approximately 50% of the net, new property taxes generated by the project over its first five years. It is projected that the annual property tax revenues from the project will be approximately \$73,301 for each of the project's first five years. Tax revenues received from the company's investments in machinery and equipment will range from approximately \$6,195 to \$10,325 over the term of the agreement. The recommended economic development assistance to the company will average \$40,780 per year for five years.

**Committee Action:**

<b>Committee</b>	<u>Finance 6/8/2020</u>	<b>Action</b>	<u>Approval</u>
<b>For</b>	<u>Unanimous</u>	<b>Against</b>	<u></u>

**Remarks:**

La Tortilleria/Purple Crow is a Winston-Salem-based distributor of more than 3,000 authentic Mexican snacks, meats, and dairy products from across Latin America. Since 1995, the company has based its operation in Winston-Salem and is currently located at 2900 Lowery St. Purple Crow distributes its product to wholesalers and stores all along the East Coast.

The company is currently operating at its facility at 2900 Lowery St and boasts a local workforce of 186 employees. The company is undergoing an expansion of its current facility but has encountered substantial unanticipated costs associated with the relocation of public infrastructure required to provide the expanded facility with the appropriate fire protection. Therefore, the company is seeking financial assistance to help offset these additional expenses in order to continue with its expansion.

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.

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.