

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 Circle 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 Circle, is a manufacturer of snacks products that operates production and retail facilities worldwide. The company is considering expanding operations with additional product lines at a local facility. Winston-Salem is one of several locations being considered, including other sites in North Carolina and Ohio.

Project Circle is seeking financial assistance to reduce its capital outlay associated with the potential Winston-Salem location, which would retain 37 existing positions, as well as create 180 new jobs over the first five years at an average wage of \$17 per hour. Taxable capital investment is expected to total \$5.82 million over the first five years of the project (\$2.62 million in building improvements and \$3.2 million in machinery and equipment).

A representative sample of job types includes:

- Machine Operators
- Line Packers
- Quality Technicians

Committee Action:

Committee	Finance 11/7/2022	Action	Approval
For	Unanimous	Against	

Remarks:

- Product Mixers
- Maintenance Technicians
- Sanitation Technicians
- Forklift Drivers
- Shift Supervisors

The attached resolution authorizes the City to provide up to \$156,456 in performance based economic development assistance to Project Circle. 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 (\$102,838 of the incentive), a bonus of 10% of the net, new property taxes based on the hiring of employees from within the Neighborhood Revitalization Strategy Area (\$10,283 of the incentive), and 50% of the projected sales tax revenue generated by the new jobs over its first seven years (\$43,335).

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 December 5.