

City Council – Action Request Form

Date: February 6, 2018

To: The City Manager

From: Derwick L. Paige, Assistant City Manager

Council Action Requested:

Approve Economic Development Assistance to The Clearing House.

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 \$147,834 economic development assistance to The Clearing House (TCH). The City financial assistance will be used to reduce the company’s capital outlay associated with a proposed expansion project in Winston-Salem. The company will invest approximately \$25 million including leasehold improvements, equipment, and software. They will also create up to 50 new jobs with an average wage of \$98,361 plus benefits. The company currently employs approximately 175 people at its Winston-Salem facility. Approximately, 22% of these employees live in Winston-Salem and another 18% live in Forsyth County. The company also is committed to diversity as 21% of their current workforce is African American and 36% of the total workforce are minorities. In addition, 32% of the workforce is female.

The City’s assistance is based upon an amount equal to approximately 50% of the net, new property tax generated by the project over its first five years. It is projected that the annual property tax revenues from the project will range from approximately \$16,342 to \$100,918 over the first five years. The recommended economic development assistance ranges from \$8,171 to \$50,459 over the same period.

Committee Action:

Committee	Finance 2/12/2018	Action	Approval
For	Unanimous	Against	

Remarks:

The Clearing House is a banking association and payments company. They operate a payment system at the core of the banking industry. The payment company was founded in 1853 by America's largest commercial banks. In addition to its operations in Winston-Salem, the company also has operations in New York that could be expanded. Financial incentives will play an important role in determining their expansion plans.

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 software and equipment. Subsequent payments would be made annually thereafter on or about July 1.

As part of their commitment to the community, the company will hold a job fair in the community as well as meet with Winston-Salem State University representatives about possible partnership opportunities.

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.