

City Council – Action Request Form

Date: August 15, 2023

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 Project Crystal Ball 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 Crystal Ball, is a biotechnology company currently headquartered in Winston-Salem. The company is considering expansion of its current office/laboratory footprint to build capacity in anticipation of its product's regulatory approval. The project would add approximately 53,000 square feet for current/future staffing and process development labs. Winston-Salem is one of several locations being considered for the expansion, including other sites in North Carolina.

Project Crystal Ball is seeking financial assistance to reduce its capital outlay associated with the expansion in Winston-Salem, which would create 50 new jobs over the first five years. Taxable capital investment is expected to total \$21 million over the first five years of the project (\$15 million in building improvements and \$6 million in personal business property).

The attached resolution authorizes the City to provide up to \$310,141 in performance based economic development assistance to Project Crystal Ball. 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 five years.

Committee Action:

Committee	<u>FC 8/15/2023</u>	Action	<u>Approval</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

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 September 5.