

City Council – Action Request Form

Date: October 10, 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:

Approve Economic Development Assistance for Project Bluefin 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 Bluefin, is a manufacturer of motors for primary industrial uses with ventilation systems. The applications range from providing ventilation to food storage, cold storage, clean rooms (hospitals), schools, governmental buildings, data centers, and agricultural systems. The company is looking to expand North American production to reduce their reliance on its parent company located in Germany. This proposed facility would serve as the company's North American headquarters, as well as the main production and distribution facility. Winston-Salem is one of several locations being considered for the expansion. The company has reviewed sites in North Carolina, as well as South Carolina and Tennessee.

Project Bluefin is seeking financial assistance to reduce its capital outlay associated with the potential relocation to Winston-Salem, which would include 200 current employees, as well as an additional 300 jobs over the first 5 years at an average wage of approximately \$60,000. Taxable capital investment is expected to total \$50.5 million over the first five years of the project (\$4.5 million in building improvements and \$46 million in machinery and equipment).

Committee Action:

Committee	Finance 10/10/22	Action	Approval
For	Unanimous	Against	

Remarks:

The company's existing workforce is 32.5% female and 67.5% male. Of the current employees, 39.3% are minority (including 26.2% African-American) and 50% are Caucasian (the balance unidentified).

A representative sample of job types associated with the expansion includes:

- Laborers (~150 positions)
- Machinists (~28)
- Logistics (~16)
- Engineers (~17)
- Finance/HR/IT (~15)
- Purchasing (~14)
- Miscellaneous Positions

The attached resolution authorizes the City to provide up to \$632,947 in performance based economic development assistance to Project Bluefin. 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 seven years.

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 expanded 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 November 1.