



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2024-751

Agenda Item# H.1.

Agenda Date: 11/4/2024. **Department:** Economic Development
Meeting Type: Council Meeting **Category:** Public Hearing Agenda

Title: 2024-751 Resolution Authorizing an Economic Development Incentive to Project Electro in an Amount not to Exceed \$2,410,711

Council Priority: Place an 'x' in the box.

- | | |
|--|--|
| <input type="checkbox"/> Safest City | <input checked="" type="checkbox"/> Most Skilled Workforce |
| <input checked="" type="checkbox"/> Easiest Place to Do Business | <input type="checkbox"/> Most Connected City |
| <input type="checkbox"/> Youth Sports Capital | <input type="checkbox"/> Hub of Recreation and Entertainment |
| <input type="checkbox"/> Abundance of Attainable Housing | <input type="checkbox"/> Other/Admin <u>Briefly Explain 3 word maximum</u> |

Council District: 5

Public Hearing: Yes

Advertising Date/By: 10/24/2024 by City Clerk

Contact 1 and Phone: Chris Wilson, Ext 2002

Contact 2 and Phone: Marshall Yandle, Ext 2434

PURPOSE:

The City of Greensboro has been requested to consider an economic development incentive grant in an amount not to exceed \$2,410,711 to Project Electro, considering an existing Greensboro site in District 5 for a facility expansion in addition to other options within the United States. The incentive grant is for the purposes of making real property improvements, purchasing new equipment and machinery, and creating jobs.

BACKGROUND:

Project Electro is a global manufacturing company with a facility in Greensboro where it currently employs approximately 70 full-time, North Carolina residents. Project Electro is considering the Greensboro facility for an expansion of its production capacity. If the proposed project moves forward the company plans to invest \$305,000,000 and create 109 new jobs.

The average wage for the new full-time positions will be approximately \$64,908 with additional benefits and no new jobs will pay below \$18.75 per hour. The project is expected to generate public benefit to the City of Greensboro by positively impacting the property and sales tax revenues in addition to increasing business prospects for the City and surrounding area. This

Vision Statement: "A Community with Endless Economic Opportunities and Exceptional Quality of Life."

project would be subject to the City's Minority/Women Business Enterprise Program Plan as it applies to Economic Development Project M/WBE Subcontracting Goals.

BUDGET IMPACT:

Annual installments to be paid to the company after the new jobs are created and the investment is confirmed. The company expects to create 109 new jobs on or before December 31, 2027. The incentive grant will expire if the new jobs are not created, and the investment is not made on or before December 31, 2027. The company is also eligible for an additional \$250 incentive per job for any new employee whose permanent address is located in an Impact Zone or who is hired through NCWorks Career Centers.

ACCOUNT NUMBER:

101-02-0205001.5933

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council, in accordance with the City's economic development guidelines and N.C.G.S § 158-7.1, hold a public hearing and approve the request for an economic development grant and authorize the City Manager to execute a performance agreement between the City of Greensboro and the company, in an amount not to exceed \$2,410,711 to be paid in annual installments. The agreement will have a claw-back provision that requires the new jobs be maintained for a certain period of time and capital investment be made as per the incentive grant agreement.