



Legislation Details (With Text)

File #: 17-450 **Version:** 1 **Name:**
Type: Public Hearing (Public & Legislative) **Status:** Agenda Ready
File created: 9/21/2017 **In control:** City Council Regular Meeting
On agenda: 10/9/2017 **Final action:**
Title: Public Hearing hearing to consider an economic development incentive for Project Virtual.
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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TO: Mayor and Members of City Council
THRU: Jay Reinstein, Assistant City Manager
FROM: Victor Sharpe, AICP, Economic & Community Development Director
Robert M. Van Geons, CEcD
DATE: October 9, 2017
RE:
Public hearing to consider an economic development incentive for Project Virtual
COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:
Goal 2: Diverse and Viable Economy

Executive Summary:

A public hearing is being held to consider an economic development incentive package for Project Virtual, an existing company located in the City of Fayetteville that specializes in customer computer programming services. If successful in completing this expansion effort, the proposed project would create 75 new jobs, with an average salary of approximately \$58,400. The City is being requested to provide a local incentive grant, not to exceed \$37,500. The grant would be paid on a pro-rata basis, as jobs are created.

Background:

Project Virtual is expected to (1) create a significant investment in real estate and equipment, in excess of \$600,000 (2) retain 53 existing jobs, and (3) create up to 75 new jobs in Fayetteville. The City will recover the cost and the public will benefit through future property and business taxes, stimulation of the economy, promotion of business and the creation of jobs in the city.

On September 11, 2017, City Council also considered an economic development incentive for this project in the amount of \$9,275 as a local match for a \$185,000 grant through the NC Building Reuse Program.

On October 2, 2017, Cumberland County held a public hearing and approved an equal amount (\$37,500) as an economic development incentive for the project. If approved, funds from the City and County would be eligible to qualify as “matching funds” for discretionary grants from the State of North Carolina. As required, public notice for this hearing has been published.

Issues/Analysis:

None

Budget Impact:

As part of an incentive agreement, the Company would be required to create the jobs prior to receiving the grant. Over the life of the grant, the City would expend \$37,500.

Options:

Approve an economic development incentive in the amount of \$37,500 in support of Project Virtual.

Do not approve an economic development incentive in the amount of \$37,500 in support of Project Virtual and provide additional direction to staff.

Recommended Action:

Approve economic development incentive in the amount of \$37,500 in support of Project Virtual.

Attachments:

None