



Legislation Details (With Text)

File #: 17-476 **Version:** 1 **Name:**
Type: Consent **Status:** Agenda Ready
File created: 10/2/2017 **In control:** City Council Regular Meeting
On agenda: 10/9/2017 **Final action:**
Title: Request to set a Public Hearing for October 23, 2017 to consider an economic development incentive for Project Nano.
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, Fayetteville Cumberland County
Economic Development Corporation
DATE: October 9, 2017
RE:
Call for a Public Hearing to be held on October 23, 2017
COUNCIL DISTRICT(S):
All Districts

Relationship To Strategic Plan:

Goal 2: Diverse and Viable Economy

Executive Summary:

This request is to set a public hearing to consider an economic development incentive for Project Nano 2 (also referred to by the company as More Cowbell). If we are successful in completing this recruitment effort, the proposed project would create 140 new full-time jobs, with an average salary of approximately \$32,371. The Company is also in talks with Cumberland County and the State of NC regarding potential discretionary, infrastructure, training, and incentive grants, to support this project.

The local incentive grant being requested includes:

- A seven (7) year incentive grant, equal to 75% of the new Real and Personal Property taxes paid to the City. This grant would be subject to a performance based, incentive agreement. To receive the proposed incentives, the company would be required to meet performance benchmarks, including documenting the creation of 140 jobs.
- Reimburse the Company 25% of their building permit fees to be paid after completion of construction.

Background:

In addition to requesting assistance from the City, the Fayetteville Cumberland Economic Development Corporation (FCEDC) is working with Cumberland County, NCDOT, the Community College System and the State of North Carolina to secure support for this 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. Once the public hearing is set, under the guidance of City staff, an appropriate public notice will be posted.

Issues/Analysis:

The proposed project would create:

- 140 Full-time employees - Average Wage - \$32,371/ approx. \$15.56 hour.
- Employees would be eligible for a comprehensive benefits package.
- It is projected that 100% would be new hires.
- The company would invest approximately \$44.6 million in a new building, equipment, and site improvements.

Budget Impact:

As part of an incentive agreement, 140 jobs would have to be created and maintained in Fayetteville for the duration of the incentive agreement. Over 10 years, the company would pay approximately \$2.1 million in taxes and receive approximately \$1.1 million in incentive grants. We project the City’s reimbursement of 25% of Building Inspections fees would amount to approximately \$100,000. Over 10 years, the project would generate approximately \$1.3 million in fees & tax revenue. This would be in addition to the economic benefits associated with the construction, full time jobs and ongoing operations.

Options:

Approve date of October 23, 2017 to hold a public hearing to consider economic development incentives for Project Nano 2.

Do not approve date of October 23, 2017 to hold a public hearing to consider economic development incentives for Project Nano 2 and provide additional direction to staff.

Recommended Action:

Approve date of October 23, 2017 to hold a public hearing to consider economic development incentives for Project Nano 2.

Attachments:

None