



Greensboro City Council

December 8, 2015

A Greensboro Company

Growing from a restaurant - to a beer manufacturing company - into a BRAND

EARLY
1990s



1998



2004



TOMORROW



1996



2002



2006



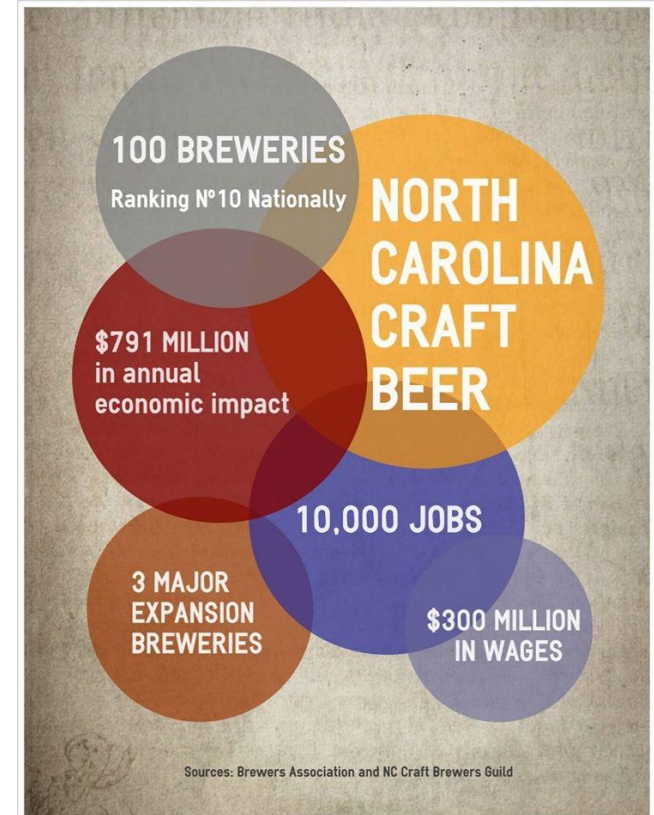
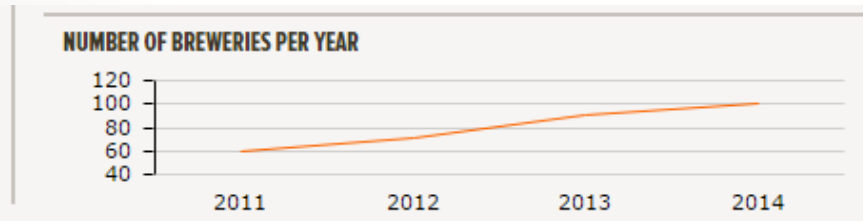
Continually Investing in
Production Capacity:

- 2009 - \$2.5 million
- 2014 - \$835,000



Craft Brewing Business

- More than 3,000 craft brewers across the US
- Craft brew scene in NC is growing
- Natty Greene's Brewing Company is 3rd largest home grown brewer in NC



A Growing Company

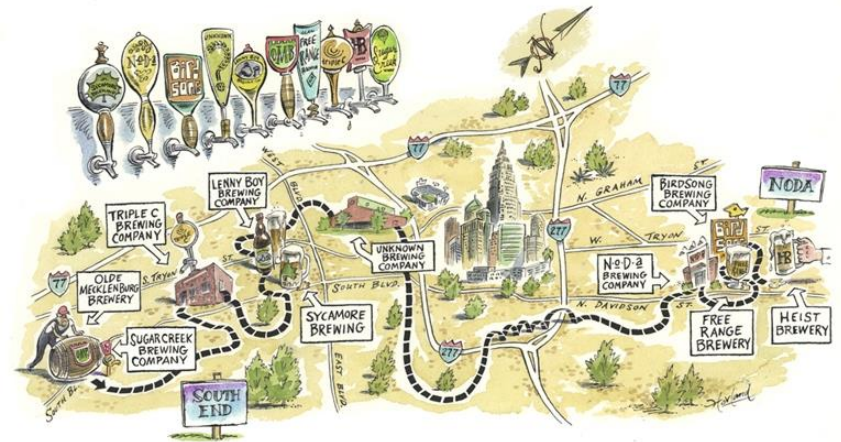
- Expansion project is being considered for growing barrel capacity and regional footprint
- Focus on Revolution Mill / Olympic Mill
- **Incentives request ONLY for production facility**
- Capital Investment - \$14.25 M
 - \$6.75 Real Property in new production facility
 - \$7.50 Personal Property in machinery & equipment
- New Production Jobs – 27
- Average Salary - \$40,000
- Competition - Danville, VA and Charlotte, NC



Competitive Project

Danville, VA

Charlotte, NC



Plans for Growth

- Project will add to Revolution Mill's development
- Downtown restaurant to remain at its current location
- Plans for a restaurant at Revolution Mill
 - Additional employees – 45 – 60
- Company will employ over 200 after planned expansions
- Natty Greene's has worked with the Brewing program at Rockingham Community College
- Partnering with GTCC & Workforce Development Board for expansion needs



Giving Back

- A part of the Greensboro fabric – hosting and partnering for community & philanthropy
 - National Folk Festival Sponsor
 - Supporting arcBARKS
 - Humane Society of the Piedmont
 - One of the Greensboro Grasshoppers biggest and long-time sponsors
 - Thirsty Thursday and Natty's Hill
 - Greensboro Urban Ministry
 - NWNC Foodbank
 - Toys for Tots – local chapter



Building Community

- Natty Greene's Brewing Company currently employs 146
 - 33% of Natty Greene's workforce is made up of minority
 - This includes Asian, African American, Decline to Specify, Hispanic/Latino, and Two or More Races
 - 67% is Caucasian
- Natty Greene's is committed to seeking and sourcing well-qualified diversity suppliers
- Continue essential role in building Greensboro's craft brewery scene
- Creating a **destination location** for growing footprint
- A permanent home for continual growth and achieving dreams of building the company
- This will be a great development for Greensboro and East Greensboro



Vision for the Future



Natty Greene's— Economic Development Incentive Request



Tuesday, December 8, 2015
Kathi Dubel - Manager
Economic Development & Business Support

Incentive Request and Criteria

- **Requesting incentives to assist with \$14.25 Million in capital costs and hiring of at least 27 new employees**
- **Meets the minimum criteria in 3 of the 3 requirements of the Economic Incentive Guidelines and is in targeted clusters –Innovative Manufacturing and Supply Chain and Logistics**
- **Impact Zone (Incentive Zone 1 – 80% for 8 yrs) Investment based incentive of \$387,500 paid out over 8 years (\$48,438 /yr)**
- **Performance-based agreement with claw-back provision**
- **M/WBE compliance**



Incentive Criteria Details

	Natty Greene's Figures	City of Greensboro Incentive Guidelines	
New Jobs:	27 Production Jobs	25 Jobs	✓
Average Salary:	\$40,000	\$34,865*	✓
Investment:	\$14.25 Million	\$3 Million	✓

* Impact Zone average salary is 80% of Guilford County wage



Expected Return on Investment

- **Incremental increase in ad valorem tax revenue of**
 - \$464,722 over a 8 year period
 - \$596,517 over a 10 year period
 - \$1,070,182 over a 20 year period
- **Grant will be recaptured through property and incremental sales/use taxes in 12 years**

Recommendation

Consider A Performance-Based Incentive

- **\$387,500 incentive grant paid out over eight consecutive years after the full investment has been made and ad valorem taxes paid**

AND

- **New jobs have been created based on the hiring schedule provided**
- **Execution of Performance-Based ED Incentive Grant Agreement**

