



Legislation Details (With Text)

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Title: Resolution Authorizing an Economic Development Incentive to Pactiv LLC in an Amount Not to Exceed \$167,739

Sponsors:

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Attachments: 1. Pactiv LLC SOS.pdf, 2. 19-490 Pactiv Resolution.pdf

Date	Ver.	Action By	Action	Result
7/16/2019	1	City Council	adopt	Pass

Resolution Authorizing an Economic Development Incentive to Pactiv LLC in an Amount Not to Exceed \$167,739

Council Priority: Create an Environment to Promote Economic Development Opportunities and Job Creation

Department: Planning
Council District: 5

Public Hearing: July 16, 2019
Advertising Date/By: July 3, 2019, Peacemaker

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Contact 2 and Phone: Kimberly Sowell, 373-7753

PURPOSE:

The City of Greensboro has been requested to consider an economic development incentive grant in an amount not to exceed \$167,739 for Pactiv LLC. The grant is for the purposes of purchasing new machinery and equipment, and creating new jobs.

BACKGROUND:

Pactiv LLC is an innovative and market leading manufacturer of disposable food packaging, serving a multitude of markets. The company has over 50 plants in the United States, Canada, and Mexico and employs a total of 12,000 people. The company currently employs 131 people at an existing location in Greensboro. Pactiv LLC is evaluating an investment in new machinery and equipment for expansion of manufacturing operations at an existing facility located at 520 Radar Road in Greensboro. The company is also considering another existing facility in Arkansas. Both facilities have been determined as operationally and logistically well

-positioned to serve their existing and future customer base. The new investment will consist of approximately \$13,000,000 in personal property machinery and equipment and creation of up to 25 new jobs with an average wage of \$48,200 per year and additional benefits. The project is expected to generate public benefit to the City of Greensboro by positively impacting ad valorem and sales tax revenues in addition to increasing business prospects for the City and surrounding area. In accordance with the City's new M/WBE Program Plan, this project is not subject to the Plan as there is no new construction associated with the company's proposed expansion. The company plans to acquire specialized equipment and machinery which is not available from local vendors.

BUDGET IMPACT:

Three installments of \$55,913 for a total of \$167,739 to be paid to the company in three consecutive installments after the new jobs are created and the investment is confirmed. The company expects to create 25 new jobs on or before December 31, 2020. The incentive will expire if the new jobs are not created and the investment is not made by December 31, 2020.

RECOMMENDATION / ACTION REQUESTED:

It is recommended that the City Council approve the request for an economic development grant and authorize the City Manager and City Clerk to execute a performance agreement between the City of Greensboro and Pactiv LLC.