

**City of Winston-Salem**  
**Community & Business Development Department**  
**Target Area Business Assistance Program**

The Target Area Business Assistance program is designed to provide incentives to encourage businesses to locate within distressed areas of the city and to create job opportunities. The resulting revitalization will in turn increase the tax base within these areas of the city.

**CRITERIA FOR PROJECT TO QUALIFY**

A project must meet these minimum qualifications:

1. The company must demonstrate that city funds are necessary for the company to move into or expand within the target area.
2. The company must create or retain at least four (4) permanent jobs.
3. The company must invest at least two dollars of private funds for every one dollar of city funds requested.

**ELIGIBLE USES OF FUNDS**

- Site or facility improvements
- Structural improvements
- Facade or signage improvements that meet design guidelines for area (if any)
- Purchase of capital equipment

**DETERMINATION OF ASSISTANCE**

All assistance must be approved by the City Council following a public hearing. The assistance may be provided as a loan or grant, which is determined on a case-by-case basis. If a loan is to be used, the city's Small Business Loan Committee will review requests and make a recommendation to the City Council for consideration. The maximum assistance for any project is \$50,000.

## **ASSISTANCE BASED ON JOB CREATION**

- \$2,000 for each permanent job created or retained paying over \$8.00/hour.
- \$1,500 for each permanent job created or retained paying less than \$8.00/ hour, but greater than \$1.00/hour above the minimum wage.
- An additional \$500 credit for each job filled by a resident of the Neighborhood Revitalization Strategy Area (NRSA).
- Jobs must be created within 24 months of award and remain in place a minimum of 72 months.

## **ASSISTANCE BASED ON TAX BASE INVESTMENT**

- An amount equal to the new annual city property tax revenue generated by the company's new investment, multiplied by 12.

## **IMPORTANT NEED DETERMINATION AND ASSISTANCE TYPE FACTORS**

A comparison of available alternate locations must be performed to determine the desirability of target area site and whether public assistance is needed to make the target area site competitive. This cost comparison should quantify such costs as land, occupancy, labor, utilities, etc. Other environmental factors may include the availability of public transportation, road access, and accessibility to market, crime rates, ecological issues and general appearance of area.

In addition, an analysis of the company's financial position is needed to qualify what gap (if any) needs to be filled by public financial assistance for the relocation or expansion. Financial calculations such as debt-to-equity ratios and return on investment will be reviewed by staff in formulating a recommendation to the City Council.

## **OTHER CRITERIA**

The recipient must enter into a binding agreement with the city to ensure that the required tax base and jobs are created. If these justifications are not realized, the company must repay a pro rata portion of the funds to the city. Non-conforming uses in a target area are not eligible to participate in program.

For more information, contact the Community and Business Development Department at (336) 747-7474.