

Closed Session I (Project Big Box) — March 11, 2013

At 8:23 p.m., the Board convened closed session on a matter relating to the location or expansion of business in the area, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Kemp, Lanier and Haywood were present. Also present were County Manager Richard Wells; Will Massie, Assistant County Manager/Finance Officer; Ben Morgan, County Attorney; Aimee Scotton, Associate County Attorney; Cheryl Ivey, Clerk to the Board; Public Works Director Paxton Arthurs; and Bonnie Renfro, Randolph County EDC President.

Bonnie Renfro said that United Furniture Industries plans to develop a 1,000,000 square ft. facility for manufacturing and distribution of upholstered seating. Three quarters of the building will be used for distribution and the remaining quarter for manufacturing. The project will replace a leased distribution center in Forsyth County and provide room for expansion. It will be a Class A, high cube and cross-dock facility. The company is seeking a 100-acre rail-served site with good highway access, and will require industrial utilities. In Randolph County, the company is considering two sites proximate to its existing plant on Old Glenola Road: Edgar Road (preferred site) and Hill site on Tom Hill Road.

Investment: \$25-\$40 Million, consisting of mostly building and very little equipment

Jobs: 175-225 new, 145 retained (currently at Trinity American Complex)

Average wage: \$10-\$18/hr., skill dependent, piece work; some management positions

Wage rate based compensation

Benefits include health insurance: 80% employer-paid

Timetable: Decision: Spring 2013

Operational: October 2014

The company currently employs 1,053 in North Carolina, as follows:

Glenola	421
Lexington	449
Trinity American Complex (TAC)	145
Union Cross	38

The company leases space at TAC and would continue to occupy that site if project is located in Randolph County. A site in Davidson County is also under consideration along with sites in several Midwestern states.

The City of Archdale is currently pursuing three grants totaling \$2,040,000 to extend sewer to TAC site. The City has already committed to \$200,000 in matching funds and has expended \$60,000 to date for engineering and grant preparation.

The company is seeking incentives to offset cost of land acquisition in the form of a performance based grant over time (period to be determined).

Ms. Renfro presented the following, based on current tax rates for Randolph County and Archdale:

<b><u>Investment*</u></b>	<b><u>New Tax Revenues</u></b>	<b><u>County/City Incentive Ratio</u></b>	<b><u>Over</u></b>
\$27,500,000	\$701,786	50%	6 years
\$32,250,000	\$864,120	50%	6 years
\$37,500,000	\$964,586	50%	6 years

\*Assumes that capital investment occurs in Year 1 of project

\*Job creation would occur within first 12-18 months.

The company is focused on a grant that reimburses them for land cost. They have been offered an incentive in Davidson County that reimburses them for land (free site) over a certain period of years. The cost for land (in Davidson) is estimated at \$2 million.

In Randolph County, cost estimates for land acquisition range from \$3.2 to \$3.4 million for land of 160-190 acres.

Following discussion, the Board was agreeable in providing some type of performance-based incentive package for assistance in land acquisition to the company; however, the Board felt that the incentive amount should be more equitably split (rather than 50/50) between the County and City due to the difference in property tax rates.

Closed Session on this topic ended at 8:49 pm.

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J. Harold Holmes, Chairman

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Darrell L. Frye

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Phil Kemp

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Stan Haywood

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Arnold Lanier

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Cheryl A. Ivey, Clerk to the Board