

Closed Session I (Project Big Box) — April 8, 2013

At 7:49 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 updated the Board on the United Furniture Industries project, in which the company plans to develop a 1,000,000 sq. 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 consolidate from a leased distribution center in Forsyth County and provide expansion room. 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 revised incentives plan, based on current tax rates for Randolph County and Archdale and with a more equitable split between Archdale and the County, as follows:

Investment	Archdale Revenues	Randolph County Revenues	60%/Archdale	60%/County	Time
\$25 M	\$435,000	\$879,000	\$261,000	\$527,400	6 years
\$30 M	\$522,000	\$1,054,800	\$313,200	\$632,880	6 years
\$35 M	\$609,000	\$1,230,600	\$365,400	\$738,360	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 period of 10 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 with Ms. Renfro pursuing an agreement with the Company in accordance with the information she provided at this meeting since the County would realize a positive return from the beginning.

Closed Session on this topic ended at 8:12 pm.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Stan Haywood

Arnold Lanier

Cheryl A. Ivey, Clerk to the Board