

FORSYTH COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: JUNE 26, 2017

AGENDA ITEM NUMBER: 2-A,B

- SUBJECT: A. PUBLIC HEARING TO CONSIDER THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE LOCATION AND EXPANSION BY HPFABRICS, INC. OF A SUEDE FABRICS PRODUCTION OPERATION IN FORSYTH COUNTY AND EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH HPFABRICS, INC. AND NECESSARY AGREEMENTS WITH THE CITY OF WINSTON-SALEM AND THE STATE OF NORTH CAROLINA RELATING TO ONE NORTH CAROLINA FUNDS
- B. RESOLUTION AUTHORIZING THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE LOCATION AND EXPANSION BY HPFABRICS, INC. OF A SUEDE FABRICS PRODUCTION OPERATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH HPFABRICS, INC. AND NECESSARY AGREEMENTS WITH THE CITY OF WINSTON-SALEM AND THE STATE OF NORTH CAROLINA RELATING TO ONE NORTH CAROLINA FUNDS

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION: See Attached

ATTACHMENTS: YES NO

SIGNATURE: _____

COUNTY MANAGER

DATE: _____

June 21, 2017

**RESOLUTION AUTHORIZING THE EXPENDITURE OF
COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT
PROJECT TO AID AND ENCOURAGE THE LOCATION AND EXPANSION BY
HPFABRICS, INC. OF A SUEDE FABRICS PRODUCTION OPERATION IN
FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC
DEVELOPMENT AGREEMENT WITH HPFABRICS, INC. AND NECESSARY
AGREEMENTS WITH THE CITY OF WINSTON-SALEM AND THE STATE OF
NORTH CAROLINA RELATING TO ONE NORTH CAROLINA FUNDS**

WHEREAS, North Carolina General Statute 158-7.1 authorizes counties to undertake an economic development project by extending assistance to a company in order to aid and encourage the company to locate and expand operations within the county; and

WHEREAS, HPFABRICS, INC., is considering the location and expansion of its suede fabrics production operation to a facility purchased by the Company located at 3821 Kimwell Drive, Winston-Salem in Forsyth County, creating and maintaining new jobs, and making a capital investment in the facility in Forsyth County, N.C.; and

WHEREAS, Forsyth County is considering entering into an economic development incentives agreement with HPFABRICS, INC. to aid and encourage the location and expansion of its suede fabrics production operation in Forsyth County in which the County will appropriate and expend funds in a proposed amount not to exceed \$125,000 from available revenues in the County General Fund over a five-year period, based upon and contingent upon a capital investment by HPFABRICS, INC. of at least \$3,850,000 in the facility over a five-year period, consisting of building upfits of \$100,000 and machinery and equipment investments of \$3,750,000, the creation within four years of 390 new, full-time or full-time equivalent (FTE) jobs with an average wage of \$30,310 per year in the said facility in Forsyth County, and maintenance of all jobs during the term of the agreement; and

WHEREAS, the Forsyth County Board of Commissioners has duly advertised and conducted a public hearing to consider whether to participate in an economic development incentives agreement with HPFABRICS, INC. based on the Company's proposal to locate and expand its suede fabrics production operation, make capital investments, and create and maintain new jobs in Forsyth County as outlined herein; and

WHEREAS, the State of North Carolina, Department of Commerce, proposes to make available One North Carolina Funds in the amount of \$250,000 and the incentives proposed by the City and County in the respective amounts of \$125,000 will constitute matching funds to aid and encourage HPFABRICS, INC. to locate and expand its suede fabrics production operation in Forsyth County by creating and maintaining 390 new full-time jobs and making a new capital investment of at least \$3,850,000 in upfits and machinery and equipment to the facility in Forsyth County purchased by the Company as more specifically outlined herein; and

WHEREAS, the proposed location and expansion of a suede fabrics production operation by HPFABRICS, INC. in Forsyth County will stimulate the local economy, promote business, create new jobs in the County, increase the property tax base and revenues, and increase business prospects of the County.

NOW THEREFORE, BE IT RESOLVED that the Forsyth County Board of Commissioners, after duly advertised public hearing held, finds that the proposed economic development incentives agreement as outlined herein with HPFABRICS, INC. will stimulate the local economy, promote business, create new jobs in the County, increase the property tax base and revenues therefrom, and increase business prospects of the County.

BE IT FURTHER RESOLVED that the Forsyth County Board of Commissioners hereby approves and authorizes Forsyth County's participation in an economic development incentives agreement to aid and encourage HPFABRICS, INC. with the location and expansion of a suede fabrics production operation in Forsyth County, and the County's appropriation and expenditure of County funds in an amount not to exceed \$125,000 from available revenues in the County General Fund over a five-year period, based upon and contingent upon a capital investment by HPFABRICS, INC. of at least \$3,850,000 over a five-year period consisting of building upfits of \$100,000 and machinery and equipment of \$3,750,000 to a facility purchased in Forsyth County, the creation within four years of 390 new, full-time or FTE jobs at the said facility with an average wage of \$30,310 per year, and maintenance of all jobs during the term of the agreement as will be more specifically set forth in an agreement between Forsyth County and HPFABRICS, INC.; Forsyth County incentive funds will be combined with incentive funds from the City of Winston-Salem in an amount not to exceed \$125,000, to match One North Carolina Funds in the amount of \$250,000.

BE IT FURTHER RESOLVED by the Forsyth County Board of Commissioners that the Chairman or the County Manager and the Clerk to the Board are hereby authorized to execute, on behalf of Forsyth County, the necessary documents for Forsyth County to participate in an economic development incentives agreement with HPFABRICS, INC., as further described herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer, where applicable, and approval as to form and legality by the County Attorney.

BE IT FURTHER RESOLVED by the Forsyth County Board of Commissioners that the Chairman or the County Manager and the Clerk to the Board are hereby authorized to execute, on behalf of Forsyth County, the necessary documents for Forsyth County to participate in an economic development matching funds incentive agreement with the State of North Carolina, Department of Commerce, through the City of Winston-Salem as lead entity for the use of One North Carolina Funds as further described herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

Adopted this the 26th day of June 2017.