

June 20, 2002 Special Meeting

The Randolph County Board of Commissioners met in special session at 7:00 p.m. in the Archdale Public Library, Highway 311, Archdale, NC. Commissioners Kemp, Frye, Davis, Holmes, and Mason were present. (Commissioner Mason came in where so noted in these minutes.) The purpose of the meeting was to hold a joint public hearing with the Archdale City Council concerning a proposal to enter into an economic development incentives contract with Thomas Built Buses of High point.

Chairman Kemp called the meeting to order and welcomed those present. He announced that at the conclusion of this meeting, the County Commissioners would recess and then go into closed session to discuss other possible economic development projects. He said the Board would take no action following this closed session.

Archdale Mayor Bert Stone explained the purpose of the meeting and opened the public hearing on behalf of the City.

Chairman Kemp opened the public hearing on behalf of the County and called on Bonnie Renfro, President of the Randolph County Economic Development Corporation, to make a presentation.

Ms. Renfro distributed a project summary fact sheet. Thomas Built Buses, with 1,460 full-time employees (292 of which are from Randolph County), is one of the Piedmont Triad's largest manufacturing employers. They are proposing to invest \$39.7 million to construct a 250,000-square-foot facility on 85 acres at their pre-delivery inspection facility in northwestern Randolph County. Approximately half of the facility will be built in the City of Archdale/Randolph County and half in the City of High Point/Guilford County. Construction should be completed in early 2004. The facility will include \$13 million in bus assembly technology capable of producing 8,000-10,000 school buses per year. This expansion will generate 178 new positions. Pay for new employees will begin at a training rate of \$10.84 per hour and, with experience, will top out at \$18.21 per hour. Associated with this expansion will be state road improvements funded by the NC Department of Transportation. The State of North Carolina, which was competing with the State of South Carolina for the project, has proposed an investment package of \$14,180,500. The value of South Carolina's package is said to have been \$34 million. Guilford County and the City of High Point are also participating in the project. Randolph County's share of the investment package is \$500,000, to be paid in equal installments of \$125,000 over four years. The City of Archdale's share of the investment package is \$250,000, to be paid in equal installments of \$62,500 over four years. The company proposes to invest \$18 million in the City of Archdale and Randolph County to construct and equip half of the project. Randolph County will realize \$86,400 in new tax revenues per year at the current tax rate and will recoup its investment in 5.78 years. The City of Archdale will receive \$41,400 in new tax revenues each year at the current tax rate and will recoup its investment in 6.03 years. Thomas Built Buses' positive impact to the community, region, and state is significant. Its payroll and benefit package in the Piedmont Triad constitutes \$91.5 million annually. Suppliers to Thomas Built Buses in our region number approximately 303, with an estimated employment of 3,000. Industry standards tell us that every new job at Thomas Built Buses results in the creation of 4.65 additional jobs. By these measures, they indirectly support 5,984 jobs in our regional economy and \$94.9 million in indirect income dollars. Thomas Built Buses has an excellent record of corporate citizenship. Its management and employees are actively involved in the community and support worthy endeavors such as the United Way.

Chairman Kemp invited questions and comments from the public.

Commissioner Mason entered the meeting during the following presentation and was present for the duration of the meeting.

John Thomas, President of Thomas Built, made a presentation using overlays. He first gave a brief history of the company. It began as a streetcar manufacturer in 1916 under the name of Perley A. Thomas Car Works. They began making school buses in 1936. They were purchased by Freightliner in 1998. Their corporate headquarters are in High Point. They have an annual payroll here of \$91,000,000. They use 575 North Carolina supplies, 303 of which are in the Triad. Mr. Thomas gave a preview of the type of bus to be manufactured in the proposed new facility and showed the preliminary plant design. They would begin construction in October 2002, have the facility finished by October 2003, and have the full product on-line by March 2004. Mr. Thomas then discussed the impact of this investment: retain 1460 jobs; hire 178 new employees; invest \$39.7 million in new facility and equipment; indirect employment impact (Triad-350, NC-100); gross regional product (Triad-\$25 million, NC-\$8 million); personal income (Triad-\$18 million, NC-\$6 million).

Jerry Tillman, Archdale, commended the County Commissioners and City Council for their cooperation and forward thinking on this project and told them they are doing the right thing.

Paul Guthrie, Trinity, said Thomas Built Buses is important to this community, and he thanked the boards for supporting this project.

John McCormick, Trinity, said keeping this company will help the community and that they cannot afford to lose any more jobs in the area.

Chairman Kemp closed the public hearing on behalf of the County.

Mayor Stone closed the public hearing on behalf of the City.

On motion of Dorsett, seconded by Warlick, the City Council unanimously adopted a resolution to enter into an economic development incentives contract with Thomas Built Buses.

On motion of Frye, seconded by Davis, the County Commissioners unanimously adopted the following resolution:

***RESOLUTION AUTHORIZING THE COUNTY OF RANDOLPH TO ENTER
INTO AN ECONOMIC DEVELOPMENT INCENTIVES CONTRACT***

WHEREAS, Section 158-7.1 of the North Carolina General Statutes authorizes a county to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the county; and

WHEREAS, the Board of Commissioners of Randolph County has held a public hearing to consider whether to participate in an economic development project that will result in the County of Randolph (the "County"), the City of Archdale (the "City"), and Thomas Built Buses, Inc. (the "Company") entering into an economic development incentives contract whereby the County will contribute five hundred thousand dollars (\$500,000.00) and the City will contribute two hundred fifty thousand dollars (\$250,000.00) for a total payment of seven hundred fifty thousand dollars (\$750,000)

over a period of four years to the Company to offset the site and development costs of the expansion of the Company's existing facilities into the City of Archdale, Randolph County, North Carolina; and

WHEREAS, upon the completion by the Company of this expansion project, the Company will have generated new value/investment in real and personal property associated with the project of approximately eighteen million dollars (\$18,000,000.00) in the City and County and will have created a minimum of 100 new jobs in the area; and

WHEREAS, this economic development project will stimulate and stabilize the local economy, promote business in the County and City, and result in the creation/maintenance of a significant number of jobs in the County and City; and

WHEREAS, the County has in its General Fund available revenues sufficient to fund this economic development project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Randolph County, this 20th day of June, 2002, as follows:

Section 1. The County is authorized to expend up to five hundred thousand dollars (\$500,000.00) of County funds for the Thomas Built Buses, Inc. economic development project and shall enter into an economic incentives contract setting out the terms of this expenditure.

Section 2. In addition to the standard terms found in contracts that the County routinely executes in the ordinary course of business, the economic incentives contract entered into by and between the County, the City, and the Company must contain the following essential terms and conditions:

- a) The total of payments made to the Company by the County under this contract shall not exceed five hundred thousand dollars (\$500,000.00).
- b) The contract amount will be paid in installments over a period of four years. Each installment payment shall be contingent upon the Company's completion of certain performance requirements (consistent with the Company's predicted level of investment). The precise timing of these payments and their respective performance requirements are matters for negotiation in the creation of the incentives contract. However, at a minimum, the performance requirements shall include the following:
 - i. Upon completion of the expansion project, the Company must properly obtain from the appropriate governing authority a Certificate of Occupancy or letter/certificate of compliance as appropriate, certifying that the building(s) or land affected by the expansion project may be occupied or used in accordance with the provisions of zoning, building, and other applicable ordinances and laws of the City, the County, and the State of North Carolina; and
 - ii. The Company must deliver to the County and the City a written certification that the actual new value/investment in real and personal property of the project equals or exceeds the sum of eighteen million dollars (\$18,000,000.00); and
 - iii. Such other performance requirements as are deemed necessary to protect the County's and City's investments.
- c) The contract must provide the County and the City with a means of recouping a portion of the contract amount if the Company's facility, as expanded, does not remain in full operation for a minimum of ten (10) years immediately following the date on which the first installment of the contract amount is paid to the Company.
- d) If the Company does not remain in full operation during this ten (10) year period, a portion of the incentive money must be returned. The amount to be returned shall decrease on a pro-rated amount for each year that the Company remains in the City and County. Any amounts returned by the Company in this manner shall be prorated between the City and the County based on their respective levels of investment.

Section 3. The County's incentive payments are predicated upon new value/investment by the Company in the City and County reaching an amount that equals or exceeds eighteen million dollars (\$18,000,000.00). In the event that the new value/investment of this project in the City and County is less than the projected eighteen million dollars (\$18,000,000.00), then the County's incentive payments will be reduced by a proportional amount.

Section 4. The County Attorney and the County Staff Attorney are hereby authorized to negotiate on behalf of the County of Randolph a contract in accordance with Sections 2 and 3 of this resolution.

Section 5. The Chairman of the Board of Commissioners is hereby authorized to execute on behalf of the County of Randolph the contract drafted pursuant to Section 4 of this resolution and any other documents necessary for the implementation of this economic development project.

The Board commended Ms. Renfro for her work on this project.

On motion of Blackwell, seconded by Dorsett, the Archdale City Council voted unanimously to adjourn.

Chairman Kemp recessed the meeting of the County Commissioners.

On motion of Frye, seconded by Davis, the Board voted unanimously to go into closed session to discuss matters relating to the location or expansion of business in the area served by this body, pursuant to NCGS 143-318.11(a)(4).

The Board returned to open session at 8:25 p.m. and adjourned without taking any action from the closed session.

Phil Kemp, Chairman

Darrell L. Frye

J. Harold Holmes

Robert B. Davis

Robert O. Mason

Alice D. Dawson, Clerk to the Board