

**MINUTES OF THE JOINT MEETING OF THE RUTHERFORD COUNTY BOARD OF COMMISSIONERS AND THE FOREST CITY TOWN COMMISSION HELD AT THE RUTHERFORD COUNTY BOARD OF EDUCATION ADMINISTRATIVE BUILDING IN FOREST CITY, NORTH CAROLINA ON JULY 13, 2012 AT 11:00 A.M.**

**PRESENT: CHAIRMAN JULIUS OWENS  
VICE CHAIRMAN WILLIAM ECKLER  
EDDIE HOLLAND  
ROGER RICHARD**

**ABSENT: SUSAN CROWE**

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**CALL TO ORDER**

Chairman Owens called the meeting to order, and Mayor Tarleton called the meeting of the Forest City Town Council to order.

**PUBLIC HEARING**

Chairman Owens opened the public hearing to hear comments regarding the granting of industrial development grants to a new manufacturing operation pursuant to North Carolina General Statute 158-7.1 in the amount of \$142,600 or more depending upon the amounts of capital investments and jobs created in the first 7 years of the operation of the renovated facility in Rutherford County.

Mayor Tarleton also opened the public hearing for the Forest City Town Commissioners.

Chairman Owens explained the public hearing process for the economic incentives to Project P-Squared.

Mary Taylor of the Economic Development Commission told those present that Project P-Squared is a rapidly growing food production company which is based in California and looking for an east-based operation. The company will purchase, renovate, and occupy an existing building inside the city limits of Forest City. This capital improvement investment will total approximately \$3,000,000, and approximately \$6,000,000 in new production equipment will be installed. There will be 305 jobs at an average wage of \$31,676 (excluding benefits) created by the end of 2015.

Ms. Taylor continued advising that the Town of Forest City and Rutherford County will provide performance based industrial development grants for seven years based on new real and personal property investments in the following percentages:

Years 1 and 2	90%
Years 3 and 4	80%
Years 5 and 6	70%

Year 7

60%

Rutherford County agrees to proceed with a North Carolina Rural Center Building Reuse and Restoration Grant application and will provide the required 5% local cash match. The Town of Forest City agrees to proceed with a Community Development Block Grant application for Building Reuse and Redevelopment with the cash 1:1 local cash match to be provided by the company. Also, the Town of Forest City agrees to expedite the approval of all plan review and issuance of local permits of which it has control. In addition, the town will waive all local permit and inspection fees of which it issues.

Town of Forest City Manager John Condrey presented comments from the town regarding the location of the new business within the town limits of Forest City. The town will provide water, wastewater, and electric services to the facility. He also elaborated on the economic development incentives negotiated by the town with the company.

There were no others who wished to speak.

Vice Chairman Eckler moved that the public hearing be closed. The motion was seconded by Commissioner Holland and unanimously approved.

11:12 A.M. - Public Hearing Closed

The Town Commission of Forest City closed their public hearing.

Vice Chairman Eckler moved approval of the "Resolution Authorizing the County to Pay Economic Development Incentives and the Manager to Execute Economic Development Agreements." There was a second to the motion by Commissioner Holland, and a unanimous vote of approval.

**RESOLUTION**  
**BOARD OF COMMISSIONERS, RUTHERFORD COUNTY**

*Authorizing the County to Pay Economic Development Incentives and the Manager to Execute Economic Development Agreements*

**WHEREAS**, Project P-Squared ("**Company**") proposes to locate in Rutherford County ("**County**") a foods processing facility ("**Facility**"), acquire an existing facility, make necessary renovations and improvements, and install production equipment in the Facility ("**Project**"); and

**WHEREAS**, the Company proposes to make capital investments in plant and equipment and create and maintain at least 305 full-time jobs at the Facility to operate it; and

**WHEREAS**, the Company has requested that the County provide economic development incentives; and

**WHEREAS**, the County has determined that the Company qualifies for certain local economic development incentives; and

**WHEREAS**, the Company's location of the Project and the proposed capital improvements in the County would enhance the County's property tax base and increase the County's property tax revenues; and

**WHEREAS**, the employment of 305 full time persons at the Facility would create jobs for the area and provide a positive impact for the County; and

**WHEREAS**, the Board of Commissioners deems it desirable and in the best interest of the County and its businesses and residents to offer certain economic development incentives to the Company and to authorize the County Manager to execute the necessary documents required to enter into an Economic Development Agreement (EDA) with the Company.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Rutherford County, North Carolina, as follows:

1. The Board of Commissioners approves appropriating and spending from the County's general fund amounts to make annual cash grants to the Company, for a term of up to 7 years, equal to a percentage of the *ad valorem* personal and real property taxes the Company pays to the County each year. The Company shall only be eligible for the Personal and Real Property Tax Grants if it makes the tangible personal and real property capital investments as contemplated hereby, and pays all Ad Valorem taxes. Subject to the foregoing, the grants shall be calculated and paid as follows:
  - a. The percentage applied to new real and personal property Ad Valorem property taxes paid shall be: Year 1 and 2, 90%; Year 3 and 4 80%; Year 5 and 6 70%; Year 7 60%.
2. The County agrees to proceed with a Rural Center application for Building Reuse & Restoration in the amount of \$480,000 with the five percent (5%) local cash match to be provided by the County. Any obligation incurred by the County in connection with the grant will be secured by a personal guarantee and/or a letter of credit from the Company or another mutually agreeable arrangement between the County and Company.
3. To implement the above described incentives and assistance, the Board of Commissioners hereby authorizes the County Manager to execute the Economic Development Agreement (EDA) on the County's behalf and to take all actions necessary to implement the actions and grants required by that EDA. The Board of Commissioners also authorizes the County Manager, before executing the EDA, to negotiate and approve changes to the EDA's language that do not increase the amounts of the cash grants the County is required to pay the Company, and that includes appropriate provisions for refunds from the Company, under the EDA.

Approved this 13<sup>th</sup> day of July, 2012.

The Town Commission of Forest City then unanimously approved a resolution which included three parts:

1. Proceed with an economic development incentive grant of approximately seven years.
2. Pursue an application for a Community Development Block Grant.
3. Expedite the approval and issuance of local permits with a waiver of all inspection fees.

<b>ADJOURNMENT</b>
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The Board voted unanimously to adjourn the meeting after a motion was made by Vice Chairman Eckler. Commissioner Richard seconded the motion. The Board voted unanimously in favor.

11:15 A.M. - Adjourned.

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Chairman, Board of Commissioners

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Vice Chairman, Board of Commissioners

Attest:

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Clerk, Board of Commissioners