

FORSYTH COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: JUNE 9, 2014

AGENDA ITEM NUMBER: 3-A&B

SUBJECT: A. PUBLIC HEARING TO CONSIDER THE EXPENDITURE OF COUNTY GENERAL FUNDS AND ONE NORTH CAROLINA FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE RELOCATION AND EXPANSION BY UNITED FURNITURE INDUSTRIES NC, LLC OF A FURNITURE AND UPHOLSTERY MANUFACTURING, DISTRIBUTION, AND STORAGE OPERATION IN FORSYTH COUNTY AND EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH UNITED FURNITURE INDUSTRIES NC, LLC 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 AND ONE NORTH CAROLINA FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE RELOCATION AND EXPANSION BY UNITED FURNITURE INDUSTRIES NC, LLC OF A FURNITURE AND UPHOLSTERY MANUFACTURING, DISTRIBUTION, AND STORAGE OPERATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH UNITED FURNITURE INDUSTRIES NC, LLC 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:

ATTACHMENTS: YES NO

SIGNATURE: _____ DATE: _____
COUNTY MANAGER

RESOLUTION AUTHORIZING THE EXPENDITURE OF COUNTY GENERAL FUNDS AND ONE NORTH CAROLINA FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE RELOCATION AND EXPANSION BY UNITED FURNITURE INDUSTRIES NC, LLC OF A FURNITURE AND UPHOLSTERY MANUFACTURING, DISTRIBUTION, AND STORAGE OPERATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH UNITED FURNITURE INDUSTRIES NC, LLC 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 establish new equipment refurbishing/manufacturing operations within the county; and

WHEREAS, United Furniture Industries NC, LLC, is considering the relocation and expansion of its furniture and upholstery manufacturing, distribution, and storage operation by leasing an 850,000 square foot facility located at 401 W. Hanes Mill Road in Forsyth County, creating and maintaining new jobs, relocating and retaining existing jobs, and making a capital investment in the leased facility in Forsyth County, N.C.; and

WHEREAS, Forsyth County is considering entering into an economic development incentives agreement with United Furniture Industries NC, LLC to aid and encourage the relocation and expansion of its furniture and upholstery manufacturing, distribution, and storage operation in Forsyth County in which the County will appropriate and expend funds in a proposed amount not to exceed \$150,000 from available revenues in the General Fund over a seven-year period, based upon and contingent upon a capital investment by United Furniture Industries NC, LLC of at least \$5.8 Million in up-fits to the facility on Hanes Mill Road within three years, the creation and maintenance within three years of 200 new, full-time or full-time equivalent (FTE) jobs with an average wage of \$28,420 per year, plus benefits, in the said facility in Forsyth County, the relocation and retention of 47 existing jobs, and maintenance of all jobs for a seven-year period; and

WHEREAS, the Board of Commissioners of Forsyth County has duly advertised and conducted a public hearing to consider whether to participate in an economic development incentives agreement with United Furniture Industries NC, LLC based on the Company's proposal to relocate and expand its manufacturing, distribution, and storage operation, make capital investments, create and maintain new jobs, and retain existing 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 \$150,000 as matching funds under a State grant, which may be allocated to the City of Winston-Salem, on behalf of Forsyth County, to aid and encourage United Furniture Industries NC, LLC to relocate and expand its manufacturing, distribution, and storage operation in Forsyth County by creating and maintaining 200 new full-time jobs, retaining 47 existing jobs, and making a new capital investment of at least \$5.8 Million in up-fits to the facility in Forsyth County to be leased by the Company as more specifically outlined herein; and

WHEREAS, the proposed relocation and expansion of a manufacturing, distribution, and storage operation by United Furniture Industries NC, LLC in Forsyth County will stimulate the local economy, promote business, create new jobs and retain existing 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 United Furniture Industries NC, LLC will stimulate the local economy, promote business, create new and retain existing 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 United Furniture Industries NC, LLC with the relocation and expansion of a furniture and upholstery manufacturing, distribution, and storage operation in Forsyth County, and the County's appropriation and expenditure of County funds in an amount not to exceed \$150,000 from available revenues in the General Fund, and matching One North Carolina Funds in an amount not to exceed \$150,000, both over a seven-year period based upon and contingent upon a capital investment by United Furniture Industries NC, LLC of at least \$5.8 Million within three years in up-fits to the manufacturing, distribution, and storage facility in Forsyth County, the creation within three years of 200 new full-time or FTE jobs at the said facility with an average wage of \$28,420 per year, plus benefits, the retention of 47 existing jobs, and maintenance of all jobs for a seven-year period as will be more specifically set forth in an agreement between Forsyth County and United Furniture Industries NC, LLC.

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 United Furniture Industries NC, LLC 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, where applicable, and approval as to form and legality by the County Attorney.

Adopted this the 9th day of June 2014.

NOTICE OF PUBLIC HEARING

Notice is hereby given by Forsyth County that, pursuant to the provisions of N.C.G.S. 158-7.1, the Forsyth County Board of Commissioners will hold a public hearing during its Board meeting on Monday, June 9, 2014, at 6:00 p.m. in the Commissioners' Meeting Room on the Fifth Floor of the Forsyth County Government Center located at 201 N. Chestnut Street, Winston-Salem, N.C. on a proposal to appropriate and expend County funds for an economic development project to aid and encourage United Furniture Industries NC, LLC to relocate and expand its furniture and upholstery manufacturing, distribution, and storage operation in Forsyth County. The Forsyth County Board of Commissioners intends to consider entering into an economic development incentives contract with United Furniture Industries NC, LLC in a proposed amount not to exceed \$150,000 from available revenues in the County General Fund over a seven-year period. This proposed economic development incentives contract will be based upon and contingent upon a capital investment by United Furniture Industries NC, LLC of at least \$5.8 Million within three years in up-fits to an 850,000 square foot facility located at 401 W. Hanes Mill Road to be leased by the Company, the creation within three years of 200 new full-time or full-time equivalent jobs with an average wage of \$28,420 per year, plus benefits, the relocation and retention of 47 existing jobs and maintenance of all jobs for a seven-year period. The Board of Commissioners will also consider a proposal to appropriate and expend up to \$150,000 of One North Carolina Funds from the State of North Carolina, Department of Commerce, which may be allocated to Forsyth County to assist United Furniture Industries NC, LLC with the proposed project described above. The County funds could be used to match the One North Carolina funds from the State. In the opinion of the Forsyth County Board of Commissioners, the United Furniture Industries NC, LLC project will stimulate the local economy, promote business, create new jobs, retain existing jobs, increase the property tax base and revenues therefrom, and increase business prospects of the County.

Forsyth County Board of Commissioners
Carla Holt, Clerk to the Board