

Unsealed by the Board of Commissioners on 02/12/2024.

**MINUTES**  
**TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS**  
**June 24, 2019 – CLOSED SESSION**

Closed Session #1

Pursuant to NC General Statute § 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, closed session was entered into at 9:20 p.m. Present were Chairman Hawkins, Commissioners Cathey, Chappell, Guice and Lemel, County Manager Jaime Laughter, County Attorney Misti Bass, Transylvania Economic Alliance Executive Director Josh Hallingse, and Clerk to the Board Trisha Hogan.

Transylvania Economic Alliance Executive Director Josh Hallingse informed the Board of a potential economic development project that is seeking incentive grants. In accordance with statutes, any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in open session. Mr. Hallingse brought this information forth to Commissioners to seek guidance and consensus to continue negotiations.

*Project Farm*

Project Farm is an existing business located in Transylvania County. The company has been in operation in the County since 2003. The company has sustained several years of steady growth through renovations and retrofits to its existing facility. Project Farm is now exploring a business expansion plan that will increase its employment headcount significantly, if implemented. The new jobs will coincide with major investment in their facility. Project Farm estimates a new taxable investment of \$5.5 million (\$3.5 million in real property and \$2 million in business personal property) will double the size of their facility.

The company currently employs 30 full-time employees. With the expansion, they intend to add 38 full-time positions over a 5-year period at an average annual wage of \$67,105, which is more than double the current average annual wage in Transylvania County, plus fringe benefits that include +50% of health insurance premiums and a retirement plan.

Per Transylvania County's Economic Development Incentive Policy Points Scorecard, Project Farm scored 90 out of 100 points.

Mr. Hallingse created a matrix that offered a potential breakdown of real and business personal property taxes. Based on his estimates, Project Farm would qualify for a local grant back of taxes over a 5-year period at the 80% threshold in the amount of \$103,660. This was calculated at the current year's property tax rate. The figures would change, if awarded, based on the new property tax rate passed by the Board during the open session earlier in the meeting.

For the benefit of the new Commissioners on the Board, staff explained that the County's incentive policy does not provide for tax abatement, but rather a grant back of a percentage of taxes paid by the business once they have met the requirements of the agreement. Grant funds are paid out yearly over a period of time as outlined in the agreement, not as a lump sum.

Mr. Hallingse reported the company has not applied for a NC Building Reuse Grant. It has yet to be determined if the project meets the eligibility requirements. These funds are valued at \$12,500 per new job created, up to \$500,000, and require a 5% local match that must be paid before State funds are expended. The company intends to apply for funding through the One NC Fund which is the equivalent of a local incentive grant.

The company may explore a second expansion phase in the future that would be more significant. They believe the first phase expansion will meet their current needs.

Mr. Hallingse reported the company as being a good corporate citizen. The company is currently evaluating opportunities that include local expansion or partnerships with outside firms. Should they choose to expand elsewhere, the current jobs and any future jobs would be at risk. The return on the County's investment in this project is high due to the additional tax revenue realized and well-paying jobs created for our citizens.

Following discussion, Commissioners were in consensus with Mr. Hallingse's recommendations for a potential incentive package.

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Mike Hawkins, Chair  
Transylvania County Board of Commissioners

ATTEST:

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Trisha M. Hogan, Clerk to the Board