

Unsealed by the Board of Commissioners on 11/13/2023.

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
January 9, 2018 – CLOSED SESSION

Pursuant to NCGS 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 11:40 a.m. Present were Chairman Chapman, Commissioners Chappell and Hawkins (Commissioner Phillips had to leave for a previously scheduled appointment prior to the closed session), County Manager Jaime Laughter, County Attorney Misti Bass, Transylvania Economic Alliance Executive Director Josh Hallingse and Clerk to the Board Trisha Hogan. The meeting was held in the Arthur C. Wilson, Jr. Conference Room.

Project Heartwood

Transylvania Economic Alliance Executive Director Josh Hallingse informed Commissioners about a potential economic development project and asked them to consider applying the County's incentive policy.

Project Heartwood is a prospective business group considering an expansion into the Transylvania County market. Entry into the community would coincide with the purchase of a +/- 3-acre site within the City of Brevard. The purchase would result in the construction and opening of a new branded hotel with 70-90 rooms. The project team for Project Heartwood has examined the market and considered multiple sites both in Transylvania County and in other parts of Western North Carolina and Upstate South Carolina. Following a successful acquisition and rezoning of the property, the new business would begin an extensive construction process that will result in the investment of \$8 million+ in real and business personal property. The purchase and opening of this business will result in the creation of 11 new full-time jobs with an average wage equal to Transylvania County's current average wage of \$33,124 plus fringe benefits.

Project Heartwood is in the process of completing its due diligence phase and expects to make a decision in the winter of 2018, with construction beginning in the spring. Project Heartwood scored 80 out of 100 points on the County's incentive policy scorecard. Although the level of job creation is not robust, the level of investment of \$8 million+ is expected to contribute \$41,592 in new tax revenue.

Commissioners discussed incentive scenarios. Of note were that Commissioners have set precedent for offering incentives for hotels with their recent approval of an incentive grant for the Greystone Inn, that hotels generate occupancy tax which the Transylvania County Tourism Development Authority uses to market the County to outside markets, and that the Transylvania County Tourism Development Authority, Board of Commissioners and others have acknowledged the need for hotel rooms to accommodate visitors to Transylvania County. It was therefore the consensus of the Board to offer an incentive policy, based on the level of investment, of three years at 60%, equating to a grant back of taxes of \$74,865.60 if all performance levels are achieved.

Project Mushroom

Mr. Hallingse informed Commissioners about a project to assist an existing business and asked them to consider applying the County's incentive policy to meet the match requirements for grant funding opportunities. He noted that this is a complicated project and continues to evolve.

Project Mushroom is an existing manufacturing business considering an expansion of their headquarters facility located in unincorporated Transylvania County. Due to the growing nature of the facility and the

type of business functions being performed onsite, the business has encountered an issue which has required examination into the accessibility of public sewer. The business currently handles sewer needs through a combination of an onsite septic system and trucking industrial waste to wastewater treatment facilities in Transylvania, Henderson and Buncombe Counties. Hauling industrial waste as a standard practice is expensive and is not sustainable.

Due to the complexities of these efforts, combined with the NC Department of Natural Resources (NCDENR) regulatory actions, the industry is working to develop and design a more sustainable approach to handling their wastewater. The preferred option by both the industry and NCDENR includes the design and development of an onsite pretreatment system and connecting to the Town of Rosman's wastewater treatment facility, which is suitable due to location and topography. The Town of Rosman has been cooperating with the Alliance and engineers and is interested in this project. The Alliance has engaged an engineer to assist in the creation of a pre-engineering report (PER) which examined this issue in great detail. The conclusion of the PER is the construction of a gravity/force sewer main along Old US 64 (estimated 3.5 miles) at a cost of approximately \$1.8 million. The design ensures no negative impact to the Town of Rosman's system and will accommodate future growth.

The Alliance is exploring the availability of grants to assist with this project; however, there will be a requirement for a local match of at least 25% of the total project costs, or \$450,000. The Alliance is most encouraged by the Industrial Development Fund which provides funding for utility development in rural communities. The pre-application proposals require an acknowledgement of support and a willingness to commit matching funds by the local government entity.

If public sewer service were made available, the company feels confident that job creation and investment would follow. The company will retain its current employment of 73 jobs and expects to add 25 more new full-time jobs at an average wage of \$46,678.32. Furthermore, the company intends to make an additional capital investment on its campus of \$12.5 million. There is a risk that the company could relocate to where there are available utilities.

The company scored 95 out of 100 points on the County's incentive policy scorecard. This score is significant because it indicates the company is an existing business with its headquarters located here, and involves plans for job retention and creation, business expansion and capital investment.

There were no objections from Commissioners for the Alliance to continue moving forward with this work and seeking grant opportunities. Commissioners requested information on the costs of connecting to public water utilities as well. They expressed that this project, if it comes to fruition, would help more than Project Mushroom and would allow existing and future businesses and residents to connect to public utilities and open up opportunities for the Town of Rosman to serve more customers. This project is not only important to Project Mushroom, but to the general development of the community.

Chairman Chapman moved to leave closed session, seconded by Commissioner Chappell and unanimously carried.

S://Larry L. Chapman, Chairman
Transylvania County Board of Commissioners

ATTEST:

S://Trisha M. Hogan, Clerk to the Board