

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

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
October 10, 2022 – CLOSED SESSION

Per N.C.G.S 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, a closed session was entered into at 6:40 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice and McCall, County Manager Jaime Laughter, County Attorney Patrick Scott (via Zoom meeting software), Transylvania Economic Alliance Executive Director Burton Hodges, and Clerk to the Board Trisha Hogan.

Transylvania County Economic Alliance Executive Director Burton Hodges presented to the Board during the closed session.

Project Tag is a French manufacturing company of RFID tags and inlays. Mr. Hodges reported that he has worked extensively over the years with an RFID manufacturer in Henderson County that served as the predominant RFID manufacturer in the United States. The company was acquired in 2020 by a very vertically integrated industrial conglomerate named Avery Dennison. During that transition, the company lost a lot of its market share, much of which went into Project Tag's company.

Up until now, the company has been singularly focused on Auburn, Alabama. They do not have an existing industry in Auburn, but they are attracted to the research center at the University of Auburn that is specific to RFID manufacturing. The individual that Project Tag recruited to run the factory is a resident of Western North Carolina and reached out to Mr. Hodges about available properties in Transylvania County.

Mr. Hodges shared there is a building on the market that he has pitched aggressively to the company for a site visit. The building is located directly behind Keir Manufacturing. The building is in decent shape and is likely to cost \$5 million for improvements to make it a destination headquarters. He also intends to pitch the neighboring property which is slated to become available in the near future for potential expansion opportunities.

With the company's continued interest in Transylvania County, Mr. Hodges was certain they would qualify for the most aggressive incentive from the State in the form of a Job Development Investment Grant. The application process places value on these factors: relationships, workforce, building, and incentives. Transylvania County meets three of these but will need help on the incentives factor. Mr. Hodges shared that the State informed him there are no funds available in the Building Reuse Grant program, so it is likely the County may have to get creative with funding to help offset the cost of construction.

Transylvania County is in direct competition with Auburn, Alabama. Mr. Hodges intends to meet with the client and consultant tomorrow so he will have a better understanding of the competition level at that time. He should also gain a better understanding of the incentive level the State will offer. Mr. Hodges asked the Board to formalize a local incentive package for the company.

Mr. Hodges provided a summary of the investment Project Tag intends to make, including the job creation and the ripple effect of the RFID manufacturing business. Based on the County's incentive

policy scorecard, he offered the Board two incentive package scenarios: 1) 90% over a six-year timeframe, and 2) 90% over a nine-year timeframe.

Because the company would be locating its corporate headquarters in Transylvania County, along with the expected job creation and capital investment, the Commissioners were in consensus to offer an incentive package of 90% over a nine-year timeframe.

Mr. Hodges will update the Board about the meeting with the client and consultant tomorrow and will also notify the Board at what point they may need to lobby our legislators for State funding.

Chairman Chappell moved to leave the closed session, seconded by Commissioner Dalton and unanimously approved.

S://Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

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