

RESOLUTION AUTHORIZING THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT AND TO APPLY FOR STATE OF NORTH CAROLINA PROGRAMS TO AID AND ENCOURAGE THE EXPANSION BY GRASS AMERICA, INC. OF ITS MANUFACTURING CAPACITY AT ITS KERNERSVILLE LOCATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH GRASS AMERICA, INC.

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 expand its operations within the county; and

WHEREAS, Grass America, Inc., a functional movement systems manufacturer, is considering the expansion of its functional movement systems manufacturing operation in Forsyth County or Austria, through capital investments and job creation and retention; and

WHEREAS, Forsyth County is considering entering into an economic development incentives agreement with Grass America, Inc. and applying for State of North Carolina programs to aid and encourage the expansion of its functional movement systems manufacturing operation in Forsyth County, in which the County will appropriate and expend funds in a proposed amount not to exceed \$412,243 from available revenues in the General Fund over a five-year period, and in which annual County incentive amounts will not exceed 50% of the actual annual property taxes generated by the capital investments outlined herein made by Grass America, Inc. in Forsyth County and paid to the County in the prior fiscal year during the term of the proposed agreement, and based upon and contingent upon a capital investment by Grass America, Inc. of at least \$31,157,000, consisting of \$6.5 million in building capital investment and \$24,657,000 in manufacturing equipment over a two-year period in its Kernersville location, and the creation of at least 44 new full-time or full-time equivalent (FTE) jobs and the retention of 161 existing jobs in said facility in Forsyth County over a four-year period with an average wage of \$42,010 per year, plus benefits; and

WHEREAS, the Forsyth County Board of Commissioners has duly advertised and conducted a public hearing to consider whether to participate in and expend County General Funds for an economic development incentives agreement between Forsyth

County and Grass America, Inc. based on the Company's proposed expansion of its functional movement systems manufacturing operation through capital investments and job creation and retention in Forsyth County as outlined herein; and

WHEREAS, the proposed expansion of a functional movement systems by Grass America, Inc. in Forsyth County will stimulate the local economy, promote business, create and retain permanent jobs in the County, increase the property tax base and revenues therefrom, 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 Grass America, Inc. will stimulate the local economy, promote business, create and retain permanent 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 project and applying for State of North Carolina programs to aid and encourage Grass America, Inc. to expand its functional movement systems manufacturing operation in Forsyth County, and the County's appropriation and expenditure of County funds in an amount not to exceed \$412,243 from available revenues in the General Fund over a five-year period, in which annual County incentive amounts will not exceed 50% of the actual annual property taxes generated by the capital investments outlined herein made by Grass America, Inc. in Forsyth County and paid to the County in the prior fiscal year during the term of the proposed agreement, based upon and contingent upon capital investments by Grass America, Inc. of at least \$31,157,000, consisting of \$6.5 million in building capital investment and \$24,657,000 in manufacturing equipment over a two-year period in its Kernersville location, and the creation of at least 44 new full-time or FTE jobs and the retention of 161 existing jobs in said facility in Forsyth County over a four-year period with an average wage of \$42,010 per year, plus benefits, as will be more specifically set forth in an agreement between Forsyth County and Grass America, Inc.

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 Grass America, Inc. as further described herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

Adopted this the 2nd day of August 2018.

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 Thursday, August 2, 2018, at 2:00 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 and to apply for State of North Carolina programs to aid and encourage Grass America, Inc., to expand its functional movement systems manufacturing capacity at its facility located at 1202 NC Highway 66 South, Kernersville, N.C. in Forsyth County. The Forsyth County Board of Commissioners intends to consider entering into an economic development incentives contract with Grass America, Inc. in a proposed amount not to exceed the lesser of \$412,243 or 50% of property taxes paid on the new capital investment from available revenues in the County General Fund over a five-year period. This proposed economic development incentives contract is based upon and contingent upon a capital investment by Grass America, Inc. at its Kernersville location of at least \$31,157,000, consisting of \$6.5 Million in building capital improvements and \$24,657,000 in machinery and equipment, over a two-year period and the creation of 44 new full-time or full-time equivalent jobs with an average annual wage of \$42,010, plus benefits, over a four-year period and the retention of 161 existing full-time jobs and the maintenance of both the existing and the new jobs in Kernersville for a five-year period. The Board of Commissioners will also consider a proposal to apply for In the opinion of the Forsyth County Board of Commissioners, the Grass America, Inc. 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
Ashleigh M. Sloop, Clerk to the Board