

Resolution #: _____

RESOLUTION AUTHORIZING BUNCOMBE COUNTY TO PAY AN ECONOMIC DEVELOPMENT INCENTIVE, TO SIGN ECONOMIC DEVELOPMENT AGREEMENT, AND TO ENTER INTO A LEASE AGREEMENT AND A PURCHASE AND SALE AGREEMENT

- WHEREAS, Wicked Weed Brewing, LLC, a North Carolina limited liability company (hereinafter sometimes "Wicked Weed"), is a local micro-brewery currently located at 91 Biltmore Avenue in Asheville; and
- WHEREAS, Wicked Weed plans to expand its brewing operations and area sales distributions through development, construction, and equipping of a new state of the art brewery in Buncombe County; and
- WHEREAS, Wicked Weed currently has approximately 130 full-time employees in Buncombe County and promises to add at least an additional 75 full-time jobs over a period of four (4) years beginning in 2014; and
- WHEREAS, the Wicked Weed project promises to bring new capital investments of at least Six Million Five Hundred Thousand and No/100 Dollars (\$6,500,000.00) and the new 75 new full-time jobs will pay an average annual wage of \$32,000 excluding benefits, and these wages are higher than the County's average wage in the industry of \$24,150; and
- WHEREAS, Wicked Weed has requested that the County provide economic development incentives to induce it to make these capital investments for this expansion project and for the creation of these new full time jobs in the County; and
- WHEREAS, Wicked Weed informed the County that if the County did not promise such economic development incentives, then Wicked Weed may not complete this expansion; and
- WHEREAS, in exchange for the capital investment in new construction and new machinery and equipment having a property tax value (before depreciation) of at least Six Million Five Hundred Thousand and No/100 Dollars (\$6,500,000.00) and the creation of 75 new full time jobs as described above, the County proposes to pay to Wicked Weed a grant in the amount of Seventy-Four Thousand Nine Hundred Twenty-Five and No/100 (\$74,925.00) Dollars to be paid in one lump sum on or before February 28, 2019 and to enter into an Agreement for Lease of Real Property and a Purchase and Sale Agreement whereby County agrees to sell to Wicked Weed and Wicked Weed agrees to buy from County real property

located at 145 Jacob Holm Way, Candler, North Carolina and as shown on the records of the Buncombe County Tax Office as PIN: 9617-73-4279; and

WHEREAS, the building located on the property is currently an unfinished spec building with no flooring and no utilities; and

WHEREAS, the Lease is planned for a term to extend not later than December 31, 2017 for sums totaling \$160,001; and the County has determined that such rental is competitive with current fair market value for rental of similar industrial buildings in similar condition given Wicked Weed's plans to invest approximately \$800,000 in real property improvements on the site; and

WHEREAS, the Purchase and Sale Agreement calls for the County to convey all its right, title and interests in and to the real property for the sum of \$1,300,000 at any time prior to December 31, 2017; and the county has determined that, in its current condition, such sales price is competitive with the current fair market price range of \$32-\$58 per square foot; and

WHEREAS, confirmations of the capital investment and improvements will be determined by the Buncombe County Tax Department and jobs and wages will be confirmed by the figures shown on filings by Wicked Weed with the N.C. Employment Security Commission as to unemployment compensation taxes; and

WHEREAS, the creation of these new jobs will have a total labor impact for the area of more than \$8,000,000 per year; and

WHEREAS, the new machinery, equipment and other business personal property in the facility will bring in additional consideration through local annual tax revenues of approximately \$250,000 in business personal property taxes over the next ten (10) years in addition to at least \$12,500 per year in real property taxes; and

WHEREAS, the expansion of Wicked Weed, in addition to bringing the jobs described above, will produce revenue for local businesses and the County due to the employment of individuals and the spending by Wicked Weed, and those new employees, which will provide further economic benefits to the County and local businesses; and

WHEREAS, the investments by Wicked Weed for the project enhances the County's property tax base and increase the County's property tax revenues; and

WHEREAS, pursuant to the provisions of North Carolina General Statutes §158-7.1, this Board of Commissioners deems its desirable and in the best interests of the County and its businesses and residents to offer certain economic development

incentives to Wicked Weed and to enter into an Incentive Agreement with Wicked Weed; and

WHEREAS, this Board of Commissioners has organized and approved the holding of a public hearing, at the Board's September 16, 2014 regular meeting, to discuss and approve these economic development incentives to Wicked Weed and authorize the entering into of an EDA.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Buncombe County, North Carolina, as follows:

1. Based on the foregoing, this Board has determined that the probable hourly average wage that will be paid to the persons holding the 75 new full-time jobs for Wicked Weed Brewing will be \$32,000 per year, which is higher than the County's median average wage.
2. Based on the foregoing, this Board has determined that the consideration described above that the County will receive through the Agreement for Lease of Real Property and the Purchase and Sale Agreement is greater than the fair market value of the interests it will lease and convey for the property.
3. This Board approves appropriating and spending from the County's general fund amounts to make a grant in the amount of Seventy-Four Thousand Nine Hundred Twenty-Five and No/100 (\$74,925.00) Dollars to be paid in one lump sum on or before February 28, 2019, as more specifically described in the draft Incentive Agreement attached to this Resolution as Exhibit A.
4. This Board hereby approves leasing the property to Wicked Weed on the terms and conditions set forth in the draft Agreement for Lease of Real Property attached to this Resolution as Exhibit B.
5. This Board hereby approves the sale of the property on the terms and conditions set forth in the draft Purchase and Sale Agreement attached to this Resolution as Exhibit C.
6. To implement these incentives this Board hereby ratifies and approves the attached Incentive Agreement, Agreement for Lease of Real Property, and Purchase and Sale Agreement and authorizes the Chairman of the Board of Commissioners and the County Manager, or either of them, to take all actions necessary to implement the actions and grants required.
7. That by and with the consent of County Legal Services, the Chairman and County Manager, or either of them, are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which

they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by this Resolution, except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way, of the specific provisions of this Resolution.

- 8. All acts and doings of officers, employees and agents of the County, whether taken prior to, on, or after the date of this Resolution, that are in conformity with and in the furtherance of the purposes and intents of this Resolution as described above shall be, and the same hereby are, in all respects ratified, approved and confirmed.
- 9. Any prior resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.
- 10. This Resolution is effective upon its adoption.

This the ____ of September, 2014.

ATTEST

BOARD OF COMMISSIONERS FOR THE
COUNTY OF BUNCOMBE

Kathy Hughes, Clerk

By: _____
David Gantt, Chairman

APPROVED AS TO FORM

County Attorney