

RESOLUTION # _____

**RESOLUTION AUTHORIZING THE COUNTY TO PAY ECONOMIC DEVELOPMENT
INCENTIVES AND TO SIGN ECONOMIC DEVELOPMENT AGREEMENT**

WHEREAS, Linamar North Carolina, Inc. ("**Company**") may lease from, and subsequently purchase from, Buncombe County ("**County**") the existing manufacturing facility the County owns, commonly known as the Volvo facility, located at 2169 Hendersonville Road in Asheville, North Carolina and the associated real estate ("**Facility**"), with the intent of locating a business there initially to manufacture components for customers in the commercial heavy-duty engine market and the large off-highway truck market ("**Project**");

WHEREAS, if the Company moves forward with the Project and signs an economic development agreement ("**EDA**") with the County, the Company will commit to make expenditures to buy and improve the Facility, make expenditures to acquire and install machinery, equipment, and other property at the Facility, and may direct its customers to locate certain personal property at the Facility, the total amount of which will be at least \$125 million dollars;

WHEREAS, the Company's location of the Project at the Facility would create at least 400 full-time jobs at the Facility;

WHEREAS, the average wage that would be paid to the persons holding those 400 full-time jobs at the Facility would be approximately \$19.50 per hour (approximately \$39,000 per year), which is higher than the County's average wage;

WHEREAS, the Company has requested that the County provide economic development incentives to induce the Company to make the capital investment at the Facility and for the creation of the jobs at the Facility;

WHEREAS, the Company has informed the County that if the County does not provide those economic development incentives, the Company will not locate the Project at the Facility;

WHEREAS, under the EDA, the Company would agree to refund to the County a portion of the economic development incentive grants it receives if, by December 31, 2020 (which could be extended under certain circumstances), the Company does not invest or cause to be invested at least \$125 million at the Facility or if at least 400 full-time persons have not been employed at the Facility;

WHEREAS, the Company's location of the Project at the Facility would, in addition to bringing the jobs described above, produce revenue for local businesses and the County due to the employment of individuals and the spending of the Company and those new employees, which will expand the economic impact to the County and local businesses;

WHEREAS, the Company's investment at the Facility would substantially enhance the County's property tax base and increase the County's property tax revenues;

WHEREAS, the employment of 400 full-time persons at the Facility would create jobs for the area and provide a positive impact for the County;

WHEREAS, the Board of Commissioners deems its desirable and in the best interests of County and its businesses and residents to offer certain economic development incentives to the Company and to enter into an EDA with the Company.

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

1. The Board of Commissioners approves appropriating and spending from the County's general fund amounts to make cash grants totaling \$10,000,000 over a period beginning in 2011 and continuing through 2014, such amounts and payment schedule being more specifically described in the draft EDA attached to this Resolution as Exhibit A ("**Economic Development Agreement**").

2. To implement these incentives and the Company's associated refund obligations for failure to meet the minimum capital investment and job creation requirements, the Board of Commissioners hereby approves the Economic Development Agreement and authorizes the Chairman of the Board of Commissioners and the County Manager (or either of them) to execute that Economic Development Agreement on the County's behalf and to take all actions necessary to implement the actions and grants required by that Agreement. The Board of Commissioners also authorizes the Chairman of the Board of Commissioners and the County Manager (or either of them), before executing the Economic Development Agreement, to negotiate and approve changes to that Economic Development Agreement's language that do not increase the amounts of the cash grants the County is required to pay the Company, or decrease the amount the Company is required to refund to the County, under the Agreement.

This the ____ day of July, 2011.

ATTEST

BOARD OF COMMISSIONERS FOR THE
COUNTY OF BUNCOMBE

Kathy Hughes, Clerk

By: _____
David Gantt, Chairman

APPROVED AS TO FORM

Michael C. Frue, County Attorney

Exhibit A

See attached draft Economic Development Agreement