

RESOLUTION #

**RESOLUTION AUTHORIZING THE COUNTY TO LEASE AND SELL
FACILITY TO COMPANY AND TO ENTER INTO A LEASE AGREEMENT
AND A PURCHASE AND SALE AGREEMENT**

- WHEREAS, Linamar North Carolina, Inc. ("**Company**") may want to lease 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, as more particularly described on Exhibit A ("**Facility**"), and then buy the Facility from the County, 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**"); and
- WHEREAS, if the Company leases and then purchases the Facility from the County and locates the Project there, it is expected to create 400 full-time jobs in the County; and
- WHEREAS, the Board of County Commissioners has determined that the probable hourly average wage that would be paid to the persons holding those 400 full-time jobs at the Facility would be \$19.50 (approximately \$39,000 per year), which is higher than the County's median average wage; and
- WHEREAS, the Company would commit to make expenditures to buy and improve the Facility, make expenditures to acquire and install machinery, equipment 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; and
- WHEREAS, the Company has informed the County that if the County does not lease the Facility to the Company, and then sell the Facility to the Company thereafter, the Company will not locate the Project in the County; and
- 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; and
- 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; and
- WHEREAS, the employment of 400 full-time persons at the Facility would create a substantial number of jobs in the County and provide a positive impact for the County; and

WHEREAS, the County has determined that the sale of the Facility to the Company and its resulting location of the Project at the Facility will stimulate the local economy and will promote business in the County; and

WHEREAS, the County has determined that the value of the lease of the Facility from August 1, 2011 to January 15, 2012 is \$548,461.88, and that the value of the Facility is \$7 million (the price that the County paid to purchase the Facility in June, 2011) for a collective value of \$7,548,461.88 for the interests to be leased and conveyed; and

WHEREAS, as consideration for the lease and the sale of the Facility, the County will receive a total consideration consisting of \$8,000,001 in cash from the Company, \$2,200,000 from the City of Asheville pursuant to an interlocal agreement, projected property tax revenue of \$2,424,493 over the next 10-year period, and projected sales and use tax revenue of \$1,404,248 over the next 10-year period; and

WHEREAS, the consideration described above that the County will receive is greater than the fair market value of the interests it will lease and convey in the Facility; and

WHEREAS, the Board of Commissioners deems its desirable and in the best interests of the County and its businesses and residents to lease the Facility to the Company, to subsequently sell the Facility to the Company, and to enter into both a Lease and a Purchase and Sale Agreement with the Company, all in accordance with the terms and conditions described below.

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

(1) Based on the foregoing, the Board of Commissioners hereby approves leasing the Facility to the Company on the terms and conditions set forth in the draft Lease attached to this Resolution as Exhibit B ("**Lease**")

(2) Based on the foregoing, the Board of Commissioners hereby approves the sale of the Facility on the terms and conditions set forth in the draft Purchase and Sale Agreement attached to this Resolution as Exhibit C ("**PSA**").

(3) To implement these Resolutions, the Board of Commissioners hereby authorizes the Chairman of the Board of Commissioners and the County Manager (or either of them) to execute the Lease and the PSA 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 Lease and the PSA, to negotiate and approve changes to the language of those documents that do not decrease the purchase price or the lease payment the Company is required to pay the County.

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

Legal Description of Facility

BEING all those tracts of land containing a total of 65.21 acres, more or less, in Buncombe County, North Carolina, more particularly described as follows:

TRACT I:

BEING all of that property conveyed by CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, to VME AMERICAS, INC., a corporation, by Deed recorded March 5, 1992, in Book 1686, Page 105, Buncombe County Registry (PIN 9644-87-4957).

TRACT II:

BEING all of that property conveyed by CLARK EQUIPMENT COMPANY, a Delaware corporation, to THE VME AMERICAS, INC., a Delaware corporation, by North Carolina Non-Warranty Deed recorded May 20, 1994, in Book 1799, Page 300, Buncombe County Registry (PIN 9644-98-7146).

TRACT III:

BEING all of that property conveyed by LLOYD MARTIN COLLINSWORTH, TRUSTEE OF THE COLLINSWORTH FAMILY TRUST, ESTABLISHED MAY 25, 1989 to VOLVO CONSTRUCTION EQUIPMENT NORTH AMERICA, INC. by North Carolina General Warranty Deed recorded February 23, 1996, in Book 1893, Page 746, Buncombe County Registry (PIN 9644-89-7195).

TRACT IV:

BEING all of that first parcel conveyed by CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, to VOLVO CONSTRUCTION EQUIPMENT NORTH AMERICA, INC., a corporation, by Deed recorded May 9, 1997, in Book 1963, Page 34, Buncombe County Registry (PIN 9644-89-7101).

TRACT V:

BEING all of that second parcel conveyed by CAROLINA POWER & LIGHT COMPANY, a North Carolina public service corporation, to VOLVO CONSTRUCTION EQUIPMENT NORTH AMERICA, INC., a corporation, by Deed recorded May 9, 1997, in Book 1963, Page 34, Buncombe County Registry (PIN 9644-97-6333).

TRACT VI:

BEING all of that property conveyed by MARY FUNDERUD, unmarried, to VOLVO

CONSTRUCTION EQUIPMENT NORTH AMERICA, INC. by North Carolina General Warranty Deed recorded August 20, 1999, in Book 2153, Page 883, Buncombe County Registry (PIN 9644-99-1143).

BEING the same property shown on a survey entitled, "ALTA/ACSM Land Title Survey of Volvo Construction Equipment North America, LLC" by Ed Holmes and Associates Land Surveyors, PA and dated June 15, 2011 and bearing drawing number D11-038.

Exhibit B

See attached draft Lease

Exhibit C

See attached draft Purchase and Sale Agreement