

Resolution #: \_\_\_\_\_

RESOLUTION AUTHORIZING BUNCOMBE COUNTY TO PAY ECONOMIC DEVELOPMENT INCENTIVES AND TO SIGN ECONOMIC DEVELOPMENT AGREEMENT

---

- WHEREAS, Linamar North Carolina, Inc., a North Carolina corporation (“Linamar”), is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives;
- WHEREAS, County and Linamar previously entered into an Economic Development Agreement dated August 23, 2011 [the "2011 EDA"] related to the acquisition and installation of manufacturing equipment at the facility located at 2169 Hendersonville Road in Asheville, North Carolina and containing approximately 65.37 acres ["Facility"];
- WHEREAS, through the 2011 EDA, Linamar agreed to invest at least \$125 million in equipment, improvements and facilities to be located at the Facility and to employ at least 400 persons by December 31, 2020; and the County will have paid a net to Linamar of \$6,800,000 through the 2011 EDA and separate agreement with the city of Asheville;
- WHEREAS, the County and Linamar entered into a second Economic Development Agreement dated August 31, 2012 (the “2012 EDA”) relating to Linamar’s planned expansion of its investment, employment and operations at the Facility. Linamar has not started that planned expansion, and the County has not yet paid Linamar any grants under the 2012 EDA;
- WHEREAS, Linamar now proposes a larger expansion of investment, employment and operations at the Facility than was outlined in the 2012 EDA, and Linamar expects to invest at least \$190 million at the Facility, including new equipment and building upgrades, and to create at least 400 new jobs at an average compensation of at least \$39,000 per year excluding benefits, and these wages are higher than the County's average wage of \$35,256 per year;
- WHEREAS, Linamar has requested that the County provide a higher level of economic development incentives to induce it to make these expanded capital investments and for the creation of these new full time jobs in the County;
- WHEREAS, pursuant to a proposed amended and restated economic development agreement (the “2014 EDA”) with the County, which would replace the 2012 EDA, Linamar proposes to make the additional investment of \$190 million dollars for machinery, equipment, and other property at the Facility and to create the additional 400 jobs at the Facility as described above. In exchange, Linamar has requested that the County provide economic development incentives up to a maximum amount of \$9,000,000 to induce Linamar to make this capital investment at the Facility and to create these jobs at the Facility. Linamar would only receive the incentives stated in the 2014 EDA and would not also receive the incentives stated in the 2012 EDA;

WHEREAS, Linamar has informed the County that if the County does not agree to provide such economic development incentives, then Linamar will not proceed with the larger expansion;

WHEREAS, in addition to bringing the investment and jobs described above, the expansion by Linamar of the company's operation of the expanded Facility would further the economic interests of the County in numerous ways, including enhancing the County's property tax base and increasing the County's property tax revenues; and the employment of an additional 400 full-time persons at the Facility would create many other jobs for residents of the County and provide a positive economic impact for the County and surrounding area;

WHEREAS, this Board of Commissioners has organized and approved the holding of a public hearing, at the Board's November 18, 2014 regular meeting, to discuss and approve these economic development incentives to Linamar and authorize the entering into of the 2014 EDA; and

WHEREAS, this Board of Commissioners deems it to be desirable and in the best interests of the County and its businesses and residents to offer the requested economic development incentives to Linamar and to enter into the 2014 EDA with Linamar.

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

1. This Board of Commissioners approves appropriating and spending from the County's general fund amounts to make cash grants in the total cumulative amount of Nine Million and No/100 dollars (\$9,000,000.00) to be paid over a period of six (6) years in equal installments of \$1,500,000.00 each beginning in December 2015 and continuing through December 2020 (which period could be extended under certain circumstances), such amounts and payment schedule being more specifically described in the 2014 EDA attached to this Resolution as Exhibit A.

2. To implement these incentives and Linamar's associated refund obligations for failure to meet the minimum capital investment and job creation requirements described in the 2014 EDA, the Board of Commissioners hereby approves the 2014 EDA and authorizes the Chairman of the Board of Commissioners and the County Manager, or either of them, to execute, deliver and perform that 2014 EDA on the County's behalf and to take all actions necessary to implement the actions and grants required by the 2014 EDA. The Board of Commissioners also authorizes the Chairman of the Board of Commissioners and the County Manager, or either of them, before executing the 2014 EDA, to negotiate and approve changes to the 2014 EDA's language that do not increase the amounts of the cash grants the County is required to pay Linamar, or decrease the amount Linamar is required to refund to the County, under the Agreement.

3. The 2014 EDA supersedes and replaces the 2012 EDA

4. 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.

5. 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.

6. This Resolution is effective upon its adoption.

This the 18th of November, 2014.

ATTEST

BOARD OF COMMISSIONERS FOR THE  
COUNTY OF BUNCOMBE

\_\_\_\_\_  
Kathy Hughes, Clerk

By: \_\_\_\_\_  
David Gantt, Chairman

APPROVED AS TO FORM

\_\_\_\_\_  
County Attorney

Exhibit A

See attached 2014 Economic Development Agreement