



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 4/2/2019

Public Hearings

Department: Economic Development

Presenter(s):

Timothy Love, Buncombe County

Sam Cocca, Linamar

Contact(s): Timothy Love

Subject: Linamar Consolidated and Modified Economic Development Agreement (EDA)

Brief Summary:

In 2011, Linamar announced its plans, and the Board of Commissioners approved, an Economic Development Agreement (EDA), to induce investment and job creation at the former Skyland Volvo Plant located at 2169 Hendersonville Road. Additionally, in 2014, Linamar requested, and the Board approved, an additional EDA to induce the further expansion of the facility in Buncombe County. The combined EDAs committed Linamar to \$315M in capital investment and 800 jobs by 2021.

Due to economic and industrial conditions outside its control, Linamar has not met all of its commitment targets to date. As a result, the County deferred a \$1.5M incentive payment in FY18 and began discussions with Linamar to adapt the existing EDAs. Through adaptation and reorganization of its business model, Linamar has secured business commitments to enable it to meet its commitments. In order to complete this reorganization, Linamar has asked for additional time to meet its investment and jobs commitments and the County is willing to do so in exchange for extending the timeline for further incentive payments and combining the 2011 EDA and the 2014 EDA into a new Consolidated and Modified Economic Development Agreement.

This agreement requires that Linamar meet all of its original commitments and does not award any new economic development incentives. Staff believe that this agreement establishes performance milestones that minimize County financial risk while continuing to support job growth for an employer projected to create 500 jobs over the next five years.

If approved, Linamar will only receive the incentives stated in this Consolidated Agreement and will not also receive the incentives stated in the 2011 EDA and the 2014 EDA. Additionally, prior to any future incentive grant disbursements, Buncombe County staff will review investment and job documentation provided by Linamar. The purpose of this review is to maximize the use of public funds by validating expenses associated with the \$315 million investment and verifying the creation of 800 jobs in Buncombe County.

Recommended Motion & Requested Action:

Board motion to approve the Resolution Authorizing a Consolidated and Modified Economic Development Incentive.

County Manager's comments and Recommendation:

Staff recommend that the Board approve the Resolution authorizing the Consolidated and Modified Economic Development Incentive.