

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

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

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WHEREAS, BORGWARNER TURBO SYSTEMS LLC, a Delaware limited liability company (f/k/a "BorgWarner Turbo Systems Inc.") authorized to do business and doing business in the State of North Carolina (hereinafter sometimes "BW"), is a global technology leader in propulsion systems, and is developing leading propulsion system technologies for combustion, hybrid, and electric vehicles that improve fuel economy, emissions and performance.

WHEREAS, BW facilities are located across the globe in order to provide local support of its diverse customer base, and the Buncombe County plant focuses on the production and development of vehicle turbo and emissions systems (the "Project");

WHEREAS, the current BW facility in Buncombe County (the "Facility") employs approximately 500 persons and the BW plant in Henderson County has approximately 200 employees;

WHEREAS, BW is seeking to consolidate operations from nationwide facilities into the Buncombe County facility as part of global restructuring efforts;

WHEREAS, the first phase of this consolidation involves the investment of \$62.25 Million in capital improvements and machinery at the Project site and will include the retention of existing jobs within the Buncombe Facility and the addition of approximately 100 employees from other U.S. locations (including the Henderson Facility) as well as organic business growth;

WHEREAS, BW will pay these employees an average of \$24.85 per hour and will provide employee health insurance costs;

WHEREAS, BW has requested that the County provide economic development incentives to induce it to make these capital investments for the Project and for the retention of these full time project related jobs at the Facility;

WHEREAS, BW informed the County that if the County did not promise such economic development incentives, then BW may not complete the Project;

WHEREAS, in exchange for the capital investment and improvements to real property as well as new machinery and equipment having a total property tax value (before depreciation) of at least \$62.25 Million and the expansion and retention of 600 full time project related jobs as described above at the Facility, the County proposed to pay BW grants in the total cumulative amount of \$460,000 to be paid in annual installments with final payment at the completion of the project on or after December 2026;

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 BW with the N.C. Employment Security Commission as to unemployment compensation taxes;

WHEREAS, the cumulative tax revenues resulting from the capital investment and machinery, equipment and other business personal property to be located at the Facility will bring as consideration over the next five years estimated at approximately \$885,000;

WHEREAS, BW's expansion Project, 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 BW and those new employees, which will provide further economic benefits to the County and local businesses;

WHEREAS, this Board hereby determines that this level of investment and jobs creation enhances the County's property tax base and increase the County's property tax revenues as it will increase the County population, taxable property, employment, industrial output and the overall business prospects of the County;

WHEREAS, pursuant to the provisions of North Carolina General Statutes §158-7.1, this Board of Commissioners deems it desirable and in the best interests of the County and its businesses and residents to offer certain economic development incentives to BW and to enter into an Economic Development Agreement ("EDA") with BW; and

WHEREAS, this Board of Commissioners has organized and approved the holding of a public hearing, at the Board's March 2, 2021 regular meeting, to discuss and approve these economic development incentives to BW 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. The Recitals set forth above, along with the definitions of certain terms, are incorporated herein by reference as if fully restated.
2. 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 Four Hundred Sixty Thousand Six Hundred and No/100 (\$460,000.00) to be paid over a period of six (6) years, such amounts and payment schedule being more specifically described in the EDA attached to this Resolution as Exhibit A.
3. That this Board finds and determines that such appropriation and BW's investment for the expansion of its operations as described above increases the County's property tax base and increases the County's property tax revenues.
4. To implement these incentives, the Board of Commissioners hereby ratifies and approves the attached Economic Development 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 by that Agreement.
5. 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.

6. 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.
7. 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.
8. This Resolution is effective upon its adoption.

This the \_\_\_\_ of March, 2021.

ATTEST

BOARD OF COMMISSIONERS FOR THE  
COUNTY OF BUNCOMBE

\_\_\_\_\_  
Lamar Joyner, Clerk

By: \_\_\_\_\_  
Brownie Newman, Chairman

APPROVED AS TO FORM

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

Exhibit A

See attached Economic Development Agreement