



REQUEST FOR BOARD ACTION

ITEM NO. 2.

DATE OF MEETING: December 14, 2009

REQUESTED BY: Rick Benton, County Manager

SHORT TITLE: Public Hearing and Resolution Authorizing Terms for Development of Industrial Development Incentive Grant Agreement

BACKGROUND: The Pender County Board of Commissioners has determined that the general welfare of the County is directly benefitted by sound economic policy which promotes the growth and diversity of the tax base which creates high quality, well paying jobs. Inasmuch, the County has adopted an industrial development incentive grant program (IDI) that authorizes grants to new and existing companies who meet certain investment and job creation parameters. The purpose of the IDI is to allow the County to remain competitive in recruiting new industry and retaining expansions of existing industry in the county

The Board of Commissioners is considering entering into a performance-based industrial development incentive grant agreement with Medicia (Company) under the guidelines established in the County's Industrial Development Incentive Grant Program (IDI). Medicia is a contract manufacturing company that handles manufacturing of personal care products, OTC drug preparations and private label products. The Company intends to make significant capital investment in Pender County over the next five years. The County has determined the project meets the qualifications for an IDI grant from Pender County.

G.S. 158-7.1 provides that counties are authorized to make appropriations for the purposes of encouraging the location of manufacturing enterprises when the governing board determines it will increase the population, increase taxable property and business prospects of the county. The statute also provides that such appropriations may be approved only after a public notice and a public hearing. A public notice was published on December 2 in the Topsail Voice and Pender Post newspapers, meeting the 10 day notice requirement.

SPECIFIC ACTION REQUESTED: 1) To hold the public hearing and solicit any public comment on the proposed IDI; 2) To adopt a resolution acknowledging BOCC support for Medicia becoming a corporate citizen in Pender County, and further establishing preliminary terms for performance-based parameters to be incorporated into a proposed performance-based IDI agreement with Medicia.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.



Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board welcomes and supports Medicia's interest and efforts to invest and become a corporate citizen of Pender County; and further resolves that the following terms and parameters are approved to be incorporated into a performance-based IDI agreement between Medicia and Pender County:

1. Based on a minimum new capital investment of Ten Million Dollars (\$10,000,000), and the creation of 293 full-time W-2 jobs meeting the wage standard set forth in the County's IDI policy, Pender County agrees to provide an industrial incentive grant in the amount of One Hundred Ninety-Five Thousand (\$195,000), to be paid in annual installments over a five year period.
2. Based upon an additional new capital investment of Fifteen Million Dollars (\$15,000,000), and the creation of a total of 542 full-time W-2 jobs meeting the competitive wage standard set forth in the County's IDI policy, within the five year period established with the first investment noted above, Pender County agrees to provide an industrial incentive grant in the amount of up to an additional \$227,500, to be paid in annual installments on anniversary dates within the established five year period. The amount of the grant will be dependent upon the timing of the additional investment and job creation.
3. The incentive grant agreement will include clawback provisions that will apply in the event the Company fails to maintain jobs on which grant funds have been based.
4. The grants to the Company must be used for purposes that leave value in the community, such as employee training costs, infrastructure, improvements to real property, investment in equipment.

The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Brown ___ Blanchard ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman Date

ATTEST Date