

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

NOTICE OF PUBLIC HEARING
ON REAL PROPERTY INTERESTS AND APPROPRIATIONS
UNDER NCGS § 158-7.1

Notice is hereby given that the Board of Commissioners of Buncombe County will hold a public hearing at a special meeting of the Board beginning at 4:30 p.m. on Tuesday, May 14, 2013, in the Commissioners' Chambers, Room 326, County Administration Building, located at 200 College Street in Asheville, North Carolina, on a proposal to acquire, improve and exchange Facility "B" for Facility "A" and then the County will lease Facility "A" to Project X in order that Project X will commit to locate in Buncombe County. The County plans to acquire property for Facility "B" for the sum of \$1,075,000. The estimated costs to perform site due diligence investigation, site preparation and construction of an approximately 20,000 sq. ft. building is approximately \$3,500,000, and, upon acceptance by transferee, exchange Facility "B" for Facility "A." The fair market value of Facility "B" at time of exchange will be approximately \$4,907,750. The proposed exchange will be made by general warranty deeds conveying fee simple title subject only to typical exceptions whereby County will become the owner of the real property at Facility "A" and the County will convey all of its interests in Facility "B." The stated consideration for the property exchange will be a nominal fee and the Board will take into account the prospective tax revenues from improvements to the properties as well as machinery, equipment and other business personal property to be located in Buncombe County which, over the next ten years, is estimated to be \$5,616,686.95. The Board intends to approve these transactions.

In accordance with Project X plans and requirements, County will construct a 125,000 sq. ft. facility [Facility "A"], with the intent of leasing the same to Project X in order to locate a business there to manufacture components for customers in a particular market that will have long term worldwide impacts. The current value of the property at Facility "A" is \$1,550,000, and the estimated costs to perform site due diligence investigation, site preparation and new construction is approximately \$10,600,000. The fair market value of Facility "A" at time of lease will be approximately \$11,354,700. If this project is approved by all parties, Project X will lease Facility "A" from the County and then locate the project in Buncombe County. Project X is expected to commit to make investments in the County to make improvements to Facility "A", and make expenditures to acquire and install machinery, equipment and other property at Facility "A" which may increase the tax value as determined by the Buncombe County Tax Department, regardless of the funding sources for said property, in the amount of \$126,000,000. The cost of the construction of the improvements to Facility "A" will be recovered through a lease by and between County and Project X for Project X's use of the premises of Facility "A" for an initial term of at least fifteen (15) years (with renewal options) at an annual base rent of \$4.64 per sq. ft. The Board intends to approve these transactions.

Buncombe County and Project X shall enter into an economic development agreement that will clearly state their respective responsibilities under the agreement containing provisions regarding remedies for a breach requiring the recapture of sums appropriated or expended by the County upon the occurrence of events specified in the agreement. Events that would

require the city or county to recapture funds would include the creation of fewer jobs than specified in the agreement, a lower capital investment than specified in the agreement, and failing to maintain operations at a specified level for a period of time specified in the agreement. Project X's expanded operations in Buncombe County at the levels of employment indicated would further the economic interests of the County in numerous ways, including through the following specific benefits: (a) by creating a substantial number of new full time jobs with an average wage greater than the median wage in the County; (b) by enhancing the County's property tax base and increasing the County's property tax revenues; and (c) by locating in the County a manufacturing facility. In addition to holding the public hearing, the Board intends to take action during the meeting in connection with these matters and may approve the making of cash grants and may approve final negotiations of an economic development agreement with Project X.

David Gantt, Chairman
Board of Commissioners, Buncombe County

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