



Chatham County, NC

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Title: Vote to approve the Authorizing Resolution by Chatham County for the North Carolina Department of Commerce Building Reuse Program for Conveyor Tech, LLC, "Project Colt"

Sponsors:

Indexes:

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Attachments: 1. Authorizing Resolution for the NC Department of Commerce Building Reuse Program - Conveyor Tech Building Reuse Project - August 2023

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------|---------|--------|
| 8/21/2023 | 1 | Board of Commissioners | adopted | Pass |

Vote to approve the Authorizing Resolution by Chatham County for the North Carolina Department of Commerce Building Reuse Program for Conveyor Tech, LLC, "Project Colt"

Introduction & Background: The NC Department of Commerce's Building Reuse (BR) Grant provides matching funds for three different types of projects and awards are based on net new job creation. The expansion of an existing industry is one project-type that falls within the BR program.

Conveyor Tech, LLC (CTI), located at 751 Church Street in Goldston, is planning to invest approximately \$1,000,000 to replace or repair the roof on a 200,00 square foot manufacturing facility, which will allow CTI to expand its operations of printing circuit boards and surface mount technology. In so doing, CTI expects to create 20 new full-time jobs in the first year following the completion of the expansion project. These new jobs will offer an average annual wage of \$52,589 which is higher than the current county average (\$48,143).

Commerce's BR program requires that a local government apply for the grant, where, in this case and if awarded, the county would enter into an agreement with Commerce. Likewise, the county would also enter into an agreement with CTI. Chatham County will be accountable to the State for the performance of job creation along with other requirements of the grant, and Gaines Oil, through its agreement with the county, will be accountable to the county for the same. If Gaines Oil does not perform, it will be the county's responsibility to repay Commerce any portion of the grant that has already been expended. As part of the agreement, the county will have the ability to secure the funds with a Deed of Trust listing Chatham County as the beneficiary in the amount of the total grant award.

The grant amount requested for this project is estimated to be between \$55,000 - \$80,000 based on recent awards for similar projects in Chatham County. A local match of 5% is required of the grant. The local match can come from any source. The Chatham Economic Development Corporation (Chatham EDC) will assume responsibility for contributing the required match for this grant.

Discussion & Analysis: The subject grant, if awarded, will support the expansion of an existing Chatham County industry, and is expected to create 20 new jobs. There is no direct cost to the county, as Chatham EDC has committed to supplying the required local match. Further, the administrative burden of the grant will not fall to the county, as Chatham EDC will be performing the reporting and other administrative requirements.

How does this relate to the Comprehensive Plan: Diversifying the county's tax base and generating more in-county jobs to reduce dependence on residential property taxes, create economic opportunities and reduce out-commuting is a stated goal of Plan Chatham. Increasing non-residential share of the tax base, increasing in-county jobs, and strengthening support for existing businesses are several identified methods to accomplish this stated goal. This project possesses elements of each of these methods.

Budgetary Impact: The proposed grant, if awarded, will have no direct cost impact but will have a budgetary impact. Since the county will be the applicant, the county will also be receiving funds from Commerce and disbursing them to the industry on a reimbursement basis. Accordingly, if awarded, a budget amendment will be presented to the Board of Commissioners on or about the same time grant contracts are presented to the Board for approval.

Recommendation/Motion: Approve the Authorizing Resolution by Chatham County for the North Carolina Department of Commerce Building Reuse Program for Conveyor Tech, LLC, "Project Colt"