

FORSYTH COUNTY
BOARD OF COMMISSIONERS

MEETING DATE: APRIL 27, 2015 AGENDA ITEM NUMBER: 1-A&B

- SUBJECT:**
- A. PUBLIC HEARING TO CONSIDER THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE HERBALIFE, LTD TO EXPAND THE EXISTING MANUFACTURING AND DISTRIBUTION OPERATION IN FORSYTH COUNTY AND AUTHORIZE EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH HERBALIFE, LTD**

 - B. RESOLUTION AUTHORIZING THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE HERBALIFE, LTD TO EXPAND THE EXISTING MANUFACTURING AND DISTRIBUTION OPERATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH HERBALIFE, LTD**

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION:

See attached

ATTACHMENTS: YES NO

SIGNATURE: _____ DATE: _____
COUNTY MANAGER

**RESOLUTION AUTHORIZING THE EXPENDITURE OF
COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT
PROJECT TO AID AND ENCOURAGE HERBALIFE, LTD TO EXPAND THE
EXISTING MANUFACTURING AND DISTRIBUTION OPERATION IN
FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC
DEVELOPMENT AGREEMENT WITH HERBALIFE, LTD**

WHEREAS, North Carolina General Statute 158-7.1 authorizes counties to undertake an economic development project by extending assistance to a company in order to aid and encourage the company to expand its operations within the county; and

WHEREAS, Herbalife, LTD, a global nutrition company, is considering the expansion of its existing manufacturing and distribution operation in Forsyth County, and the relocation of its global Corporate Information Services group and additional back office functions in Forsyth County through the creation of additional jobs and additional capital investments; and

WHEREAS, Forsyth County is considering entering into an economic development incentives agreement with Herbalife, LTD to aid and encourage the expansion of the existing manufacturing and distribution operation in Forsyth County in which the County will appropriate and expend County funds in a proposed amount not to exceed \$150,000 from available revenues in its General Fund over a four-year period, based upon and contingent upon additional capital investments by Herbalife, LTD of at least \$1,170,000 in new manufacturing equipment and \$2,340,000 in facility improvements in Forsyth County over a four-year period, and the creation of at least 300 additional new full-time or full-time equivalent (FTE) jobs over a four-year period in the said facility in Forsyth County with an average wage between \$59,000 and \$63,000 per year, plus benefits; and

WHEREAS, the Board of Commissioners of Forsyth County has duly advertised and conducted a public hearing to consider whether to participate in and expend County General Funds for an economic development incentives agreement between Forsyth County and Herbalife, LTD based on the Company's proposed expansion of its manufacturing and distribution operation in Forsyth County through additional capital investments and additional job creation in Forsyth County as outlined herein; and

WHEREAS, the proposed expansion of the existing manufacturing and distribution operation by Herbalife, LTD in Forsyth County will stimulate the local economy, promote business, create permanent jobs in the County, increase the property tax base and revenues therefrom, and increase business prospects of the County.

NOW, THEREFORE, BE IT RESOLVED that the Forsyth County Board of Commissioners, after duly advertised public hearing held, finds that the proposed economic development incentives agreement as outlined herein between Forsyth County and Herbalife, LTD will stimulate the local economy, promote business, create

permanent jobs in the County, increase the property tax base and revenues therefrom, and increase business prospects of the County.

BE IT FURTHER RESOLVED that the Forsyth County Board of Commissioners hereby approves and authorizes Forsyth County's participation in an economic development incentives project to aid and encourage Herbalife, LTD to expand its existing manufacturing and distribution operation in Forsyth County, and the County's appropriation and expenditure of County funds in an amount not to exceed \$150,000 from available revenues in its General Fund over a four-year period, based upon and contingent upon additional capital investments by Herbalife, LTD of at least \$1,170,000 in new manufacturing equipment and \$2,340,000 in facility improvements in Forsyth County over a four-year period, and the creation of at least 300 additional new full-time or FTE jobs over a four-year period in the said facility in Forsyth County with an average wage between \$59,000 and \$63,000 per year, plus benefits, as will be more specifically set forth in an agreement between Forsyth County and Herbalife, LTD.

BE IT FURTHER RESOLVED by the Forsyth County Board of Commissioners that the Chairman or the County Manager and the Clerk to the Board are hereby authorized to execute, on behalf of Forsyth County, the necessary documents for Forsyth County to participate in an economic development incentives agreement with Herbalife, LTD as further described herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

Adopted this the 27th day of April 2015.

NOTICE OF PUBLIC HEARING

Notice is hereby given by Forsyth County that, pursuant to the provisions of N.C.G.S. 158-7.1, and other applicable law, the Forsyth County Board of Commissioners will hold a public hearing on Monday, April 27, 2015 at 6:00 p.m. in the Commissioners' Meeting Room on the Fifth Floor of the Forsyth County Government Center located at 201 N. Chestnut Street, Winston-Salem, N.C. to consider a proposal to appropriate and expend County funds from the County's General Fund for an economic development project to aid and encourage Herbalife, LTD, a global nutrition company, to expand its existing manufacturing and distribution facility in Forsyth County and relocate its global Corporate Information Services group and additional back office functions to Forsyth County. The Forsyth County Board of Commissioners intends to consider entering into another economic development incentives agreement with Herbalife, LTD to provide additional incentives up to a total of \$150,000 in County economic development incentives payable in annual installments over a four-year period to be used for reimbursement of expenses related to the business expansion project. This proposed economic development incentives agreement is based upon and contingent upon additional capital investments by Herbalife, LTD of at least \$1,170,000 in new manufacturing equipment and \$2,340,000 in facility improvements over a four-year period and the creation of at least 300 additional new full-time or full-time equivalent jobs over a four-year period with an average annual wage between \$59,000 and \$63,000, plus benefits. The City of Winston-Salem will also provide the Company \$150,000 in additional economic development incentives. In the opinion of the Forsyth County Board of Commissioners, the proposed Herbalife, LTD project will stimulate the local economy, promote business, create new jobs, increase the property tax base and revenues, and increase business prospects of the County.

Forsyth County
Carla Holt, Clerk to the Board