



**TOWN OF GRANITE QUARRY
TOWN COUNCIL
RECESSED MEETING
Continuation of September 9, 2024 Regular Meeting
Thursday, September 26, 2024
6:00 p.m.**

Call to Order

Mayor Barnhardt

1. Public Hearing

Economic Development Incentives Agreement - Amrep

A. Staff Summary

B. Public Hearing

C. Council Discussion and Decision

ACTION REQUESTED: Motion to approve the Relocation and Expansion Assistance Agreement with Amrep Manufacturing Company, LLC as presented.

Adjourn

STATE OF NORTH CAROLINA
RELOCATION AND EXPANSION ASSISTANCE AGREEMENT
COUNTY OF ROWAN

THIS RELOCATION AND EXPANSION ASSISTANCE AGREEMENT (the "Agreement") is made and entered into as of the last date of execution hereof by and between the TOWN OF GRANITE QUARRY, a North Carolina municipal corporation (the "Town"), and AMREP MANUFACTURING COMPANY, LLC (the "Company"), along with BEACON SCC LLC, a North Carolina limited liability company, the owner of the real property involved (the "Property Owner").

WHEREAS, the Company has explored the possibility of establishing a new or expanding an existing facility in Granite Quarry (the "Project"), which would increase taxable property in the Town and result in the creation of a number of jobs in the Town, but would not have a significant detrimental impact to the environment of the Town; and

WHEREAS, the Company has determined that a parcel of real property located on Summit Park Drive within Summit Corporate Center in unincorporated Rowan County, also identified as Rowan County Tax Parcel # 402C022 (such tax parcel which is to be improved and occupied as the Project being referred to herein as the "Property"), is a suitable location for the Project, which said Property the Company has leased from the Property Owner pursuant to a Qualified Lease as defined in Article VIII hereof; and

WHEREAS, the Property is located within the Town's exclusive annexation area pursuant to that Annexation Agreement executed between the Town and the City of Salisbury dated November 13, 2023, which among other provisions provides that the City of Salisbury, which is the water and sewer utility provider for such area, will not extend such utilities to new customers in such area except pursuant to the ordinances and policies of the Town; and

WHEREAS, the ordinances and policies of the Town require annexation into the Town's corporate limits in order to receive utility services; and

WHEREAS, in order to induce the Company to relocate, expand, or improve on the Property and to annex the Property into the Town, the Town is willing to provide, or cause to be provided, to the Company certain inducements, upon terms and conditions binding upon the Town as set forth herein; and

WHEREAS, prior to beginning any relocation, expansion or improvement on the Property, the Company and Town met and agreed to enter into this Agreement; and

WHEREAS, in consideration of the undertakings and agreements set forth herein, approximately \$21 million will be invested by or on behalf of the Company through a Qualified Lease in new equipment and other real property improvements on the Property, and a certain number of new jobs will be created as described herein, and the Company will further comply with certain other covenants and conditions binding upon it as set forth herein, all of which are intended to create a positive economic impact in the Town.

NOW THEREFORE, in consideration of the representations and of the mutual covenants herein contained, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company, Property Owner and the Town hereby agree as follows:

ARTICLE I: TOWN INDUCEMENTS.

The Town shall provide financial assistance to the Company through its “Relocation and Expansion Assistance Program”, as hereinafter described, with respect to the Company’s development of the Property and other related expenses as follows:

- 1) The “Relocation and Expansion Assistance Program” will be provided as a “Relocation and Expansion Incentive Grant” (“Grant”) to assist the Company with construction, equipment, and other capital improvements in Granite Quarry. The Grant will specifically apply to the Property and all real property improvements and personal property installed and used at the Property (“Facility”) within the term of this Agreement.
- 2) The amount of the Grant will be computed using the following steps:
 - a) Real Property Valuation.
 - i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of the Property, excluding personal property.
 - ii) Subtract from the value determined in (i) above the assessed tax value of the Property as of January 1, 2024, and prior to the investments made by the Company in improving the Property, which shall be the baseline real property valuation. The annual result of this computation shall be defined as the “New Real Property Value” for the real property.
 - b) Personal Property Valuation.
 - i) For each tax year that the Grant is applicable (subject to the limitations below), determine the actual assessed tax value of all personal property, excluding inventory, supplies and rolling stock, located at and used at the Property.
 - ii) Subtract from the value determined in (i) above the assessed tax value of the personal property, excluding inventory, supplies and rolling stock, located at and used at the Property as of January 1, 2024, which shall be the baseline personal property valuation. The annual result of this computation shall be defined as the “New Personal Property Value”.
 - c) Town Property Tax Determination. The sum of the New Real Property Value and the New Personal Property Value for each applicable year shall be the “New Property Value” of the Project for such year. Multiply the New Property Value by the Town tax rate applicable for that tax year to determine the amount of total real and personal property taxes (“Total Tax Assessment”) applicable to the Project for that year.
 - d) Grant Amount Determination. Multiply the Total Tax Assessment by 45% (0.45) to determine the “Grant Value” applicable to that tax year.

- 3) The Grant Value will be reimbursed to the Company by the Town within sixty (60) days after request and provision of all required documentation by the Company. Payment may be requested by the Company no sooner than February 1 and no later than June 30 of the Fiscal Year in which the taxes are paid by the Company. The Company must provide all the certifications as set forth elsewhere in this Agreement, by otherwise in full compliance with this Agreement, and have fully paid all real and personal property taxes due to the Town for which reimbursement is being requested.
- 4) Tax amounts due on property discovered by the tax assessor through its customary audit procedures and not listed by the Company shall not be eligible for reimbursement.
- 5) "Fiscal Year" as used in this Agreement means the Town's fiscal year beginning July 1 and ending June 30.

ARTICLE II: SCHEDULE OF IMPROVEMENTS.

- 1) The Company has determined that the Property is a suitable site for location of its Facility and shall acquire all local permits, zoning approvals, and required state and federal permits, if applicable, and that it is appropriate to voluntarily request the annexation of the Property into the corporate limits of the Town.
- 2) The Company shall receive the Grant for five separate Fiscal Years ("Grant Term"), beginning the Fiscal Year in which the Project receives its final Certificate of Occupancy or substantially commences its planned operations, whichever is earlier, and continuing for four (4) consecutive Fiscal Years thereafter.
- 3) Any subsequent qualifying expansion of the Facility by the Company may be eligible (provided the Relocation and Expansion Assistance Program is still in effect) for consideration as a separate Grant under the Relocation and Expansion Assistance Program then in effect, each for a separate Grant Term.

ARTICLE III: EMPLOYMENT.

- 1) The Company projects that it will create 170 Full Time Equivalent ("FTEs") with this Project by December 31, 2028. A FTE position requires at least 1,600 hours of work per year and is provided standard company benefits.
- 2) In each Fiscal Year (FY) that the company requests the disbursement of Grant funds, the Company shall certify that the following employment goals have been met, prior to receiving payment:

<u>Town Fiscal Year (FY)</u>	<u>Number of FTEs (in aggregate)</u>
FY 26-27	66
FY 27-28	111
FY 28-29	148
FY 29-30	170
FY 30-31	170.

- 3) The Company shall certify annual progress towards the employment of the required number of FTEs to the Town on or before June 30, 2026 and each subsequent year of the Grant Term. Such certification shall include a copy of the Company's "Employers Quarterly Tax and Wage Report" (Form NCU1 101 filed with the NC Employment Security Commission) for the quarter a) ending on or immediately preceding the date of the annual request and b) the number of FTEs as of that same date. If the NCU1 101 is discontinued or modified, a successor form performing a comparable function must be submitted. The Company shall also provide copies of its One NC Grant reporting to the Town when they have been submitted to the State, and copies of the materials it provides to Rowan County for the similar grant which is being provided to the Company by the County.
- 4) Should the Company fail to certify its annual employment numbers by June 30 of any given year, the Town may in its discretion allow the Company a 30-day cure period to file and certify this particular report.
- 5) If the Company does not meet the above employment goals, the Town will reduce the annual Grant payment on a pro-rata basis until such time as the Company meets the employment goals. Pro-rata reduction shall be computed based on the percentage of the goal not met for the given year.

ARTICLE IV: TERMINATION OF GRANT AGREEMENT AND REQUIRED REPAYMENT OF GRANT FUNDS UPON ANNOUNCED TERMINATION OF OPERATIONS OR MAJORITY REDUCTION IN WORKFORCE.

- 1) The assistance provided by Granite Quarry, through the Relocation and Expansion Assistance Program, represents a substantial commitment of public resources. Companies that participate in this program are expected to maintain and continue operations beyond the end of the Grant Term.
- 2) Should the Company cease operations or eliminate or relocate outside of the Town the majority of its workforce (51% reduction or more within a twelve (12) month span), the Company will be in breach of this Agreement and agrees to repay all Grant funds paid to it by the Town applicable to the most recent three (3) Fiscal Years prior to the cessation or reduction, including the year of the cessation or reduction if applicable.
- 3) Repayment of Grant funds is not required if the cessation or elimination occurs more than three (3) years after the last Grant payment by the Town to the Company.
- 4) The Company shall make payment to the Town within one hundred and twenty (120) days of such announcement or event. The Town may use any and all legal recourse to pursue restitution from the Company and/or its successors.

ARTICLE V: RELOCATION AND ASSISTANCE GRANT ADDITIONAL TERMS AND CONDITIONS.

As further consideration for the granting of certain relocation and assistance grants to the Company by the Town, the Company further agrees and covenants as follows:

- 1) The Company shall abide by the Federal Immigration and Control Act of 1986 and all subsequent amendments thereto (collectively the "Act"). To that end, the Company shall provide to Granite Quarry an annual certification, as of the time the Company first claims the Grant and each year it

claims an installment of the Grant, that the Company has implemented measures necessary to be in compliance with the Act and does not knowingly employ any unauthorized alien at the Facility. If the Company fails to implement measures necessary to be in compliance with the Act or knowingly employs an unauthorized alien at the Facility, and if upon learning of such event, fails to cure such matter within sixty (60) days from learning of such, then the Grant shall expire and the Company may not take any remaining installment of the Grant and

- 2) The covenants and agreements of the Town herein are subject to and conditioned upon the Company and Property Owner applying for voluntary annexation into the corporate limits of the Town. The Company and Property Owner agree to submit a voluntary annexation petition to the Town requesting that the Property be annexed into the Town limits, at the same time that this Agreement is submitted to the Town, and to pay all fees, provide all documentation, and in general to do all things necessary or desirable to comply with and pursue to completion the voluntary annexation procedures of the Town. Company and Property Owner agree that annexation is reasonable in connection with this Agreement and the benefits being extended by the Town to them hereunder, and that the same is consistent with and proper pursuant to law, Town ordinances, and the agreements to which the Town is a party regarding the extension of utilities within areas subject to annexation by the Town.

ARTICLE VI: REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY AND PROPERTY OWNER.

The Company and the Property Owner represent, warrant and covenant to the Town as of the date of this Agreement and of the dates of any and all Grant payment requests that:

- 1) Standing. Each of them is a company duly organized and existing and in good standing under the laws of the State of North Carolina.
- 2) Authority. Each of them has the corporate power and authority to own and/or lease its properties and assets, to carry on its business as it is now being conducted and to execute and perform this Agreement.
- 3) Enforceability. This Agreement is the legal, valid and binding agreement of each of them enforceable against them in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal laws, in effect from time to time, which affect the enforcement of creditors' rights generally.
- 4) No Violations. This Agreement does not violate the charter documents or bylaws of either of them or any provisions of any indenture, agreement or other instrument to which they are a party.
- 5) No Conflicts. This Agreement does not conflict with, result in a breach of or constitute an event of default under (or an event which, with notice or lapse of time, or both, would constitute an event of default under) any indenture, agreement or other instrument to which either of them is a party.
- 6) Certifications. The Company shall be solely responsible for providing certifications of expenditures and jobs to the appropriate Town officer at the time of requesting each Grant payment.

- 7) Lease. The lease under which the Property Owner has leased the Property to the Company is and will continue to be a bona fide Qualified Lease (as defined herein) by which Company is solely responsible for all ad valorem taxes applicable to the Property.
- 8) Individual Representations, Warranties and Covenants. It is understood that the foregoing representations, warranties and covenants are made by each of Company and Property Owner individually and not on behalf of the other and that neither of them is certifying, guaranteeing or agreeing to perform, as applicable, the representations, warranties and covenants made by the other.

ARTICLE VII: REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE TOWN.

The Town represents, warrants and covenants to the Company as of the date of this Agreement that:

- 1) The Town (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement; (b) by proper action it has duly authorized the execution and delivery of this Agreement; and (c) it is not in default under any provisions of this Agreement.
- 2) The Town has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the Town's legal, valid, and binding obligation, enforceable in accordance with its terms.
- 3) There is no litigation or proceeding pending or threatened against the Town or affecting it which would adversely affect the validity of this Agreement.
- 4) The Town is not in default under any provision of State law which would affect its existence or its powers.
- 5) To the best of the Town's knowledge, no officer or official of the Town has any interest (financial, employment, or other) in the Company or the transactions contemplated by this Agreement.
- 6) With respect to this Agreement, the Town has complied fully with all requirements of N.C. General Statute 158-7.1 *et seq.*
- 7) Upon the voluntary annexation of the Property into the corporate limits of the Town, the Town shall cause water and sewer capacity to be allocated to the Project and permit water and sewer service to be extended to the Property (solely at Company's expense) pursuant to the Town's authority and the agreements regarding the same to which the Town is a party.

ARTICLE VIII: GENERAL PROVISIONS.

- 1) Qualified Lease. "Qualified Lease" means a lease of improved real estate where the tenant under the lease is obligated to pay all ad valorem real property taxes in addition to rent, so that the tenant in effect is the sole obligor to pay such taxes.

- 2) Assignment. This Agreement shall not be assignable by either party without the prior written consent of the other party, except that Company may assign this Agreement to a parent, subsidiary or affiliate as a part of any corporate restructuring.
- 3) Entire Agreement. This Agreement, and its attachments, constitute the entire agreement of the parties, and may not be contradicted by any prior or contemporaneous communications of any kind. This Agreement may only be modified by a written instrument that is signed by an authorized representative of each party.
- 4) Breach. In the event of a breach of this Agreement, the non-breaching party shall provide written notice of the breach to the breaching party, and the party in breach shall have thirty (30) days from the date of notice of the breach to cure its performance under this Agreement.
- 5) Waiver. Nothing in this Agreement shall constitute a waiver of any rights that the Company may have to appeal or otherwise contest any listing, appraisal or assessment that the Town may make relative to the Project.
- 6) Force Majeure. Any delay in the performance of any duties or obligations of either party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the lesser of (a) the period of such delay or (b) 24 months, provided that such delay has been caused by or is the result of any acts of God; acts of the public enemy; insurrections; riots; embargoes; labor disputes, including strikes, lockouts, job actions, or boycotts; shortages of materials or energy; fires; explosions; floods; changes in laws governing international trades; or other unforeseeable causes beyond the control and without the fault or negligence of the Delayed Party. The Delayed Party shall give prompt notice to the other party of such cause, and shall take whatever reasonable steps are necessary to relieve of such cause as promptly as possible. No such event shall excuse the payment of any sums due and payable hereunder on the due date thereof except any payment due upon the occurrence of any act or event for which delayed performance is excused as provided above.
- 7) Notices. All notices required or allowed by this Agreement shall be delivered in person, by overnight courier service (such as Federal Express), by certified mail, return receipt requested, postage prepaid (with a copy also sent via email, which shall not constitute notice), addressed to the party or person to whom notice is to be given at the following addresses:

Town (In person):	Granite Quarry Town Manager 143 N. Salisbury Avenue Granite Quarry, NC 28146 Phone: (704) 279-5596 townmanager@granitequarrync.gov
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Delivered to Town:	Granite Quarry Town Manager PO Box 351 Granite Quarry, NC 28072 Phone: (704) 279-5596
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With Copy (which does not constitute notice to):

Zachary M. Moretz
Moretz Law Group, PA
Post Office Box 446
Concord, North Carolina 28026
zac@moretzlaw.com

To Company:

Richard Sedory
General Counsel
Wastequip LLC
6525 Carnegie Blvd, Suite 300
Charlotte, NC 28211
Phone: (980) 987-7602 (x 27609)
rsedory@wastequip.com

To Property Owner:

Beacon SCC, LLC
3600 South Boulevard, Suite 250
Charlotte, NC 28209
Attn: Pete Kidwell
Phone: (704) 926-1404
kidwell@beacondevelopment.com

Notice shall be deemed to have been given with respect to overnight carrier or certified mail, one (1) day after deposit with such carrier. The addresses may be changed by giving written notice as provided herein: provided, however, that unless and until such written notice is actually received, the last address stated herein shall be deemed to continue in effect for all purposes hereunder.

SIGNATURES ARE ON THE FOLLOWING TWO (2) PAGES.

IN WITNESS WHEREOF, the Town, the Company and the Property Owner have caused this Agreement to be executed by persons duly authorized by proper authority intending to be legally bound hereby.

COMPANY:

AMREP MANUFACTURING COMPANY, LLC

By: [Signature]
Printed name: RICHARD SEPORA
Title: GENERAL COUNSEL
Date: 9/19/2024

ATTEST:

By: [Signature]
Printed name: Savana Fuchs
Title: Executive Assistant

PROPERTY OWNER JOINS IN THIS AGREEMENT FOR THE LIMITED PURPOSES OF (1) CONSENTING, AS LANDLORD UNDER THE QUALIFIED LEASE, TO TENANT ENTERING INTO AND PERFORMING ITS OBLIGATIONS UNDER THIS AGREEMENT AND TO RECEIVING THE GRANT PAYMENTS CONTEMPLATED HEREIN, AND (2) PROVIDING THE COVENANTS, REPRESENTATIONS AND WARRANTIES WHICH ARE APPLICABLE SOLELY TO IT HEREUNDER AND DOES NOT JOIN IN OR PROVIDE ANY OF THE AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS OF ANY OTHER PARTY:

BEACON SCC LLC

By: Beacon SCC Partners LLC, its Manager

By: Beacon GP LLC, its Manager

By: _____
Peter J. Kidwell, Manager

Date: _____, 2024

ATTEST:

By: _____
Jon L. Morris, a manager of Beacon GP LLC,
the manager of Beacon SCC Partners LLC,
the manager of Beacon SCC LLC

IN WITNESS WHEREOF, the Town, the Company and the Property Owner have caused this Agreement to be executed by persons duly authorized by proper authority intending to be legally bound hereby.

COMPANY:

AMREP MANUFACTURING COMPANY, LLC

By: _____
Printed name: _____
Title: _____
Date: _____

ATTEST:

By: _____
Printed name: _____
Title: _____

PROPERTY OWNER JOINS IN THIS AGREEMENT FOR THE LIMITED PURPOSES OF (1) CONSENTING, AS LANDLORD UNDER THE QUALIFIED LEASE, TO TENANT ENTERING INTO AND PERFORMING ITS OBLIGATIONS UNDER THIS AGREEMENT AND TO RECEIVING THE GRANT PAYMENTS CONTEMPLATED HEREIN, AND (2) PROVIDING THE COVENANTS, REPRESENTATIONS AND WARRANTIES WHICH ARE APPLICABLE SOLELY TO IT HEREUNDER AND DOES NOT JOIN IN OR PROVIDE ANY OF THE AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS OF ANY OTHER PARTY:

BEACON SCC LLC

By: Beacon SCC Partners LLC, its Manager

By: Beacon GP LLC, its Manager

By: Peter J. Kidwell
Peter J. Kidwell, Manager

Date: September 18th, 2024

ATTEST:

By: [Signature]
Jon L. Morris, a manager of Beacon GP LLC,
the manager of Beacon SCC Partners LLC,
the manager of Beacon SCC LLC

TOWN OF GRANITE QUARRY

By: _____
Brittany H. Barnhardt, Mayor

Date: _____

ATTEST:

Aubrey Smith, Town Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

By: _____
Shelly Shockley, Finance Director