

REQUEST FOR BOARD ACTION

HENDERSON COUNTY  
BOARD OF COMMISSIONERS

**PUBLIC HEARING  
TO CONSIDER ACTION IN THE NATURE OF  
ECONOMIC DEVELOPMENT UNDER G.S. 158-7.1  
(INTERLOCAL WITH CITY OF HENDERSONVILLE;  
JOINT AGREEMENT WITH HENDERSONVILLE AND  
ECONOMIC INVESTMENT FUND OF HENDERSON COUNTY)  
November 18, 2020, at 9:30 a.m.**

SUMMARY:

A public hearing has been scheduled on November 18, 2020, at 9:30 a.m., regarding proposed action in the nature of economic development under N.C. Gen. Stat. §158-7.1. An advertisement of this public hearing was published in the *Hendersonville Lightning* on November 4, 2020. According to the advertisement, this hearing concerns the following:

Two proposed complementary agreements, the first an interlocal agreement, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes, with the City of Hendersonville, and the second a three party agreement with the City of Hendersonville and the Economic Investment Fund of Henderson County, Inc. (the "EIF", a North Carolina non-profit corporation). The purpose of the proposed agreements would be to provide financing for the purchase, by EIF, of certain real estate to be used as an industrial park, consisting of +/- 41.46 acres located between Crest Road and Commercial Blvd, having the following REIDs: 9967047, 9967049, 202522 (less +/- 0.97 acres), 9966235, 9966236, 9966237, and 202520. It is the intent of the Board of Commissioners to approve these agreements at the close of the public hearing. The property will be subjected by the EIF to restrictive covenants to restrict the property to uses that are consistent with the County's economic development policies and guidelines.

The terms of the agreements would include a net investment by the County of approximately \$470,000 as a loan to the EIF (as well as a like investment by the City of Hendersonville) to be used to purchase real estate to be used for location of industry. The EIF would borrow approximately \$1,170,000 from each of the City of Hendersonville and Henderson County (a total of \$2,340,000), would impose restrictive covenants on the property and subdivide it as an industrial subdivision, and then convey a portion of the real estate to the developer of the site for the Project Wheel company, and repay the County and the City the amounts loaned to the EIF except for the approximate loan amount noted above (\$470,000 each). Both the County and the City would then jointly hold a first lien deed of trust on the real estate securing the remaining balance of the

sums loaned to the EIF, at a fair market value rate of interest. Release of the acreage from the lien of the deed of trust would be made in exchange for payment of a release fee of \$64,500 per acre but only if the acreage is sold by the EIF to entities that would qualify for economic development incentives under The County's Economic Assistance Guidelines.

The second agreement, an interlocal agreement, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes, with the City of Hendersonville, would set out the parties' obligations to provide financing for the purchase as set out above.

As these proposed agreements are in the nature of economic development under N.C. Gen. Stat. §158-7.1, the funds provided would be general property tax revenue. The public benefit from this transaction would be the employment and investment noted, above. In addition, the resulting transaction would make the remaining land obtained by the EIF (after the conveyance to the developer of the site for the Project Wheel corporation) increase in taxable value.

At the conclusion of the public hearing, the Board may choose to take action, delay action to a subsequent meeting, or take no action.