

City of High Point

*Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260*



Meeting Agenda

Thursday, November 21, 2019

3:30 PM

**Center for Advanced Manufacturing, GTCC
6012 W. Gate City Blvd., Greensboro, NC 27407
Special Called Meeting of City Council**

*Jay W. Wagner, Mayor
Jason P. Ewing, Mayor Pro Tem
Jeffrey J. Golden, S. Wesley Hudson,
Victor A. Jones, Britt W. Moore,
Monica L. Peters, Donald A. Scarborough, Christopher Williams*

CALL TO ORDER

PRESENTATION OF ITEMS

[2019-516](#)

Public Hearing

The High Point and Greensboro city councils will hold an unprecedented joint public hearing to consider authorizing performance-based incentives from each of the cities. Such incentives would apply if a Guilford County location is chosen-regardless of whether the project would land in High Point or Greensboro.

The High Point EDC staff recommends that the City Council:

- authorize up to \$301,000 in performance-based incentives for the Fresh Market corporate project; and
- authorize the City Manager to execute a performance agreement with the company containing benchmarks for the company to achieve and a schedule for the payment of such financial incentives.

Attachments: [3rd version Agenda Prep Form -- 11-21-2019 Fresh Market with legal notice](#)

ADJOURNMENT

Greensboro City Council

Agenda Memo Report

for the

November 21, 2019 Joint
Meeting between the

Greensboro City Council & the
High Point City Council



City of Greensboro

Melvin Municipal Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Memo Report

File Number: ID 19-0778

Agenda Date: 11/21/2019

Status: Agenda Ready

In Control: City Council

File Type: Resolution

Agenda Number: 1.

Resolution Authorizing an Economic Development Incentive to The Fresh Market, Inc. in an Amount Not Exceeding \$301,000

Department: Executive

Council District: N/A

Council Priority: Create an Environment to Promote Economic Development Opportunities and Job Creation

Public Hearing: November 21, 2019

Advertising Date/By: November 10, 2019

Contact 1 and Phone: David Parrish, 373-2002

Contact 2 and Phone: Kimberly Sowell, 373-2002

PURPOSE:

The City of Greensboro has been requested to consider an economic development incentive grant in an amount not to exceed \$301,000, for the creation of 53 new jobs and retention of 248 positions for a total headquarters facility at an average annual wage of \$86,000, for The Fresh Market, Inc. The grant is for the purposes of real property improvements, purchasing new equipment, and creating jobs.

BACKGROUND:

The Fresh Market is a national specialty grocery retail chain with over 159 store locations in 22 states across the Mid-Atlantic, Midwest and Southeast. The Company has more than 10,000 employees across its entire footprint, with 1,335 employees and 21 retail locations in North Carolina.

The Company opened its first store in Greensboro in 1982, and now has 248 headquarters employees, based in North Carolina. The Company was acquired by Apollo Global Management, LLC in 2016, which is supporting a strategy of increased growth and operational efficiency.

The Fresh Market, Inc. is evaluating the optimal new location for a consolidated headquarters in a single facility to promote collaboration and productivity, and with room to accommodate future growth. The company is considering Greensboro, NC and other states to locate their corporate headquarters.

The project will entail new investment of at least \$2,000,000 in real property improvements and new equipment

as well as creating 53 new jobs and maintaining the 248 current jobs in Greensboro. The project is expected to generate public benefit to the City of Greensboro by positively impacting the sale tax revenues, increasing taxable property and employment, in addition to increasing business prospects for the City and surrounding area.

BUDGET IMPACT:

A total of up to \$301,000 or \$1,000 per new and retained job, to be paid to the company in five consecutive installments of up to \$60,200 a year. The incentive will expire if the 53 new jobs are not created by December 31, 2024. No payment will be made until after July 1, 2020 and the adoption of the City's FY2020/2021 annual budget.

RECOMMENDATION / ACTION REQUESTED:

In accordance with the City's economic development guidelines and N.C.G.S § 158-7.1, it is recommended that the City Council hold a public hearing and approve the request for an economic development grant and authorize the City Manager to execute a performance agreement between the City of Greensboro and The Fresh Market, Inc. in an amount not to exceed \$301,000, or \$1,000 per job, to be paid in five consecutive installments of \$60,200 each over five (5) years. The agreement will have a claw-back provision that requires the existing 248 jobs and the new jobs be retained for a 10 year period (the Job Retention Period). The company must create 53 new jobs and invested at least \$2,000,000 in capital investment on or before December 31, 2024. The project will be subject to the City's Minority/Women's Business Enterprise Plan.

CITY OF HIGH POINT AGENDA ITEM



Title: Public hearing for Fresh Market project

From: High Point EDC President Loren Hill
Executive Vice President Sandy Dunbeck

Meeting Date: November 21, 2019

Public hearing: yes

Advertising Date: November 9, 2019

Attachments: legal notice

Advertised by: High Point EDC

PURPOSE:

The High Point City Council has received a request from The Fresh Market, Inc., to authorize up to \$301,000 in performance-based incentives for a project in Guilford County.

BACKGROUND:

The Fresh Market is a national specialty grocery retail chain with almost 160 locations in 22 states across the mid-Atlantic, midwestern, and southeastern United States.

- Its corporate offices are currently in two Greensboro buildings.
- The company has more than 10,000 employees across its entire footprint – with 1,335 employees and 21 retail locations in North Carolina.
- The Company was acquired by Apollo Global Management, LLC, in 2016, which is supporting a strategy of increased growth and operational efficiency.
- The Fresh Market is evaluating the optimal new location for a consolidated headquarters in a single facility to promote collaboration and productivity – and with room to accommodate future growth.
- Locations in High Point and Greensboro among others have risen to the top in the company's search. If the company picks a location in Guilford County for this project, The Fresh Market would:
 - retain 248 positions and add 53 jobs with a combined average wage of \$86,000; and
 - spend at least \$2 million in real property and new equipment.
- The High Point and Greensboro city councils will hold an unprecedented joint public hearing to consider authorizing performance-based incentives from each of the cities. Such incentives would apply if a Guilford County location is chosen – regardless of whether the project would land in High Point or Greensboro.
- The County of Guilford is also considering authorizing performance-based incentives for this project.

BUDGET IMPACT:

If the company meets the benchmarks outlined in its performance agreement, it could receive up to \$301,000 in total, paid in installments. The source of that funding would be the City's Economic Development Incentive Fund, which is funded by general and electric revenues.

RECOMMENDATION / ACTION REQUESTED:

The High Point EDC staff recommends that the City Council:

- authorize up to \$301,000 in performance-based incentives for the Fresh Market corporate project; and
- authorize the City Manager to execute a performance agreement with the company containing benchmarks for the company to achieve and a schedule for the payment of such financial incentives.

Pursuant to N.C. General Statute 158-7.1, notice is hereby given that a public hearing will be held by the High Point City Council on Thursday, November 21, 2019, at 3:30 p.m. at the Center for Advanced Manufacturing, Guilford Technical Community College, 6012 West Gate City Boulevard, Greensboro, NC, for the purpose of receiving public input on a funding request from a company considering a Guilford County location. The company proposes creating 53 new jobs and retaining 248 positions at an average wage of \$86,000. The company would also invest at least \$2 million in real property and new equipment. The High Point City Council will consider authorizing up to \$301,000. The source of funding would be the Economic Development Incentive Fund, which is funded by general and electric revenues. The City would be authorized to provide this financial assistance upon the company's investment and job creation – pursuant to an incentive performance agreement containing benchmarks and schedule for the payment of such financial assistance. For further information, please call 336-883-3116.

Nov. 9, 2019

RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT INCENTIVE TO THE
FRESH MARKET, INC. IN AN AMOUNT NOT EXCEEDING \$301,000

WHEREAS, on May 17, 2005, the City Council adopted Economic Development Guidelines whereby the City may participate financially in the development of certain private improvements to promote economic development in accordance with the Guidelines and NCGS Section 158-7.1;

WHEREAS, The Fresh Market, Inc. (the Company) is considering Greensboro in addition to other cities located in the United States for the location of a new headquarters;

WHEREAS, the Company is considering a new office location within the corporate limits of Greensboro;

WHEREAS, the Company has requested that the City provide for an economic development incentive grant based in the amount of \$1,000 per job for the creation of 53 new jobs in Greensboro on or before December 31, 2024 and retention of 248 existing jobs;

WHEREAS, it is further anticipated that the Company and the property owner will invest nearly \$2,000,000 dollars in equipment and the up-fit of an existing building in downtown Greensboro;

WHEREAS, but for the City's grant, the Company will not locate in Greensboro;

WHEREAS, the addition of 53 new jobs and the retention of 248 existing jobs are expected to generate public benefit to the City of Greensboro by positively impacting the sales tax revenues, increasing taxable property and employment, in addition to increasing business prospects for the City and surrounding area, the City Council will commit to an Economic Development Incentive Grant of up to \$301,000 and not to exceed \$1,000 per job if the company chooses to locate in the City of Greensboro;

WHEREAS, the project will be subject to the City's Minority/Women's Business Enterprise Program;

WHEREAS, a public hearing was held on November 21, 2019, in accordance with N.C.G.S. 158-7.1 setting out the particulars of the request and the public benefits to be derived from said improvements; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO;

- (1) That in accordance with the City's New Economic Development Incentive Guidelines, and pursuant to N.C.G.S. 158-7.1, a grant reimbursement and participatory agreement between the City of Greensboro and The Fresh Market, Inc. for the creation of up to 53 new jobs and retention of 248 existing jobs, with a combined average annual wage of \$86,000, in an amount not to exceed \$1,000 per job is hereby approved.
- (2) The City Manager is hereby authorized to execute, on behalf of the City of Greensboro, the proper agreement.

- (3) The grant shall be paid in five consecutive installments not to exceed \$60,200 per year and \$301,000 in total. The 248 existing jobs shall be retained for a period of 10 years (the Job Retention Period). The 53 new jobs shall be retained from the date of creation through the expiration of the Job Retention Period.
- (4) The incentive will expire if the jobs are not created by December 31, 2024.

From: [Loren Hill](#)
Subject: three local governments authorize incentives for Fresh Market project
Date: Thursday, November 21, 2019 9:25:33 PM
Attachments: [Agenda Prep Form -- 11-21-2019, Fresh Market with legal notice.pdf](#)
[image004.png](#)

HIGH POINT ECONOMIC DEVELOPMENT CORPORATION

To:

- Elected officials
- High Point EDC board members/liaisons
- Guilford County Economic Development Alliance officials
- Other High Point-Greensboro allies

What a day it has been for communities in Guilford County working together.

For The Fresh Market project, the High Point and Greensboro city councils held an unprecedented joint public hearing to consider authorizing performance-based incentives from each of the cities. Such incentives would apply if a Guilford County location is chosen – regardless of whether the project would land in High Point or Greensboro.

The project includes the retention of 248 positions, the creation of 53 jobs, and the investment of least \$2 million in real property and new equipment (background info on the project can be found on the attached form).

A location in High Point and two locations in Greensboro had become the North Carolina finalists for the project. The company announced at today's public hearings that a downtown Greensboro building has risen to the top.

- At its evening meeting tonight, the Guilford County Board of Commissioners authorized up to \$106,000 in incentives, by a vote of 8-1.
- This afternoon at the special joint High Point and Greensboro public hearing, each city considered authorizing up to \$301,000. The

Greensboro Council approved the authorization on a vote of 7-0, and the High Point Council authorized incentives on a vote of 5-1.

The company is expected to make its final decision soon.

I've been asked by a Greensboro official to share the comments I made as I introduced the project at the two cities' public hearing. Here are the bullet points I used for those remarks:

- This joint public hearing of the High Point and Greensboro city councils is unprecedented.
 - Working projects together like this is a result of the excellent relationship that has developed among the organizations belonging to the Guilford County Economic Development Alliance – the City of Greensboro, the City of High Point, the County of Guilford, the Greensboro Chamber of Commerce, and the High Point EDC.
 - We are celebrating the four-year anniversary of the creation of the GCEDA this week.
- At a Guilford County Economic Development Alliance closed session a few months ago, representatives from the two cities agreed that this project is so important that performance-based incentives would apply from each city – regardless of whether the project would land in High Point or Greensboro.
- In Indianapolis in October, I attended the annual conference of the International Economic Development Council.
 - At one of the sessions, a panel of site selection consultants was asked what “new” or innovative things they were seeing from communities across the U.S.
 - One of the consultants for this project was on the panel. When it was her turn, without mentioning the location or project by name – and not knowing I was in the audience – she talked about one of her projects for which two cities were working together on a project, willing to support the company regardless of which building in the county might be chosen.

- She asked her colleagues on the panel if any had heard of anything like this type of cross-border collaboration anywhere in the U.S. ... and none had.
- So not only is this an unprecedented joint public hearing for our two cities, it is certainly a fairly unique approach for any two communities anywhere.

Best regards,
Loren

LOREN HILL



HIGH POINT ECONOMIC DEVELOPMENT CORPORATION
President

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This important occasion reminds us of our joint commitment to prosperity and growth in our communities. To that extent, each municipal entity will be entertaining a decision to commit local public dollars to this exciting project.

As with any economic endeavor, this agreement will serve to benefit all parties involved. Keeping that in mind, the City of High Point seeks to maximize the benefit to our community as we move forward to finalize this agreement.

- The City of High Point asks that Fresh Market (FM) contribute to the High Point Food Alliance to serve the individuals and families in High Point. The amount and frequency of these contributions will be finalized in upcoming discussions.
- FM will use hotels and businesses in HP as they have needs associated with business operations. Specific terms of this provision will be finalized in future discussions.
- FM will have some sort of minimal, branded “presence” in HP, perhaps associated with the area currently being developed around the mixed-use stadium. Location and size of this presence will be finalized in upcoming discussions.

We are confident that these provisions will help High Point residents more fully benefit from this project while fulfilling our stated objective of supporting economic development in Guilford County. We look forward to the completion of this arrangement and future economic partnerships in our region.