

City of High Point

*Municipal Office Building
211 South Hamilton Street
High Point, NC 27261*



Minutes

Thursday, October 16, 2014

8:30 AM

Council Chambers

City Council

*James C. Davis, Mayor Pro Tem
Foster L. Douglas, Jason P. Ewing,
Jeffrey J. Golden, Judith P. Mendenhall,
Britt W. Moore, Rebecca R. Smothers,
Jay W. Wagner*

ROLL CALL, PRAYER, AND PLEDGE OF ALLEGIANCE

Present 6 - Council Member Jason Ewing, Council Member Judy Mendenhall, Council Member Rebecca Smothers, Council Member Jay Wagner, Council Member Britt Moore, and Mayor James Davis

Absent 2 - Council Member Foster Douglas, and Council Member Jeffrey Golden

REGULAR AGENDA ITEMS[140323](#)**Thomas Built Buses Expansion Project - Performance Based Incentives Public****Hearing**

Thursday, October 16th at 8:30 a.m. is the date and time established for City Council to consider authorizing performance based incentives for an expansion of Thomas Built Buses at its 713 W. Fairfield Road location (the building splits the High Point/Guilford County and Archdale/Randolph County border).

Attachments: [EDC - Thomas Bus Incentives](#)

[TBB -- remarks to city council at public hearing](#)

Mayor Davis opened the public hearing and asked Loren Hill, President, High Point Economic Development Corporation, to share his remarks regarding the incentives that Thomas Built Buses is seeking. [Mr. Hill's written remarks will be attached in Legistar as a permanent part of these proceedings].

Thomas Built Buses is considering expanding its facility at 713 West Fairfield Road (the building sits on the border with part of it being in High Point (Guilford County) and part in Archdale (Randolph County). If the company chooses High Point for this project, it will result in 236 full-time jobs to be added in 2015, as well as an increase in the local tax base of about \$6.5 million for High Point and Guilford County and approximately \$4 million for Archdale and Randolph County. Mr. Hill then provided a brief history of the company and pointed out Thomas Built Buses is High Point's largest manufacturing employer and the City's 5th largest employer overall.

He asked for Council's consideration of authorizing up to \$188,800 in performance-based financial incentives for this expansion project and noted that any such incentives would be subject to the company meeting benchmarks spelled out in a performance agreement, in order to receive installments of the incentives. The Guilford County Board of Commissioners will hold its public hearing tonight to consider up to \$118,000 in performance-based incentives. The Archdale City Council and the Randolph County Board of Commissioners met Tuesday night (October 14th) and voted to authorize performance-based incentives for this project. It is anticipated that Thomas Built Buses will make its location decision by December 1st.

Following Mr. Hill's presentation, he introduced two company officials: Cindy Albert, State Relations Manager with the Daimler office in Washington, DC and

Christopher Roadhouse, Vice President and Chief Financial Officer for Thomas Built Buses here in High Point.

Transcript of Comments

Cindy Albert: Good morning. I'm Cindy Albert, State Relations Manager with Daimler's Washington, D.C. Office. Daimler, as you probably already know is the maker of Mercedes-Benz passenger cars, Freightliner and Western Star trucks, Thomas Built school buses, Sprinter vans, and the Smart car. I'm delighted to be here this morning with Mr. Redhouse, who we will together provide you more information on our company and the proposed project. I'll begin with telling you a little more about Daimler's overall presence in North Carolina and then Mr. Redhouse will provide more specific information on Thomas Built Buses and the project.

Over the past 35 years, Daimler Trucks, North America, a wholly-owned subsidiary of Daimler North America Corporation, has built and maintained a significant presence in North Carolina. From the opening of the Freightliner plant in Mt. Holly in 1979, Daimler Trucks North America's presence in North Carolina has grown to include four major facilities. In addition to the Mt. Holly plant, Daimler trucks chose Cleveland, North Carolina as the home of its largest Freightliner plant and its Thomas Built Bus plant currently under consideration for expansion has been located right here in Randolph County and High Point since 1916. Daimler Trucks also has a components production and a logistics facility in Gastonia. Altogether, last year, Daimler's presence accounted for the employment of more than 5,600 people, over \$60,000,000 in state taxes and more than \$345,000,000 in wages, contributing an excess of \$400,000,000 to the North Carolina economy. When you take into consideration the Tier 1 and Tier 2 suppliers that Thomas Built has a relationship with, as well as its expansive dealership network and service providers located in North Carolina, that economic impact increases exponentially. Daimler is proud to call North Carolina home to some of its largest manufacturing facilities. More than 25% of Daimler's total workforce in the United States is located here in North Carolina. We have more employees in North Carolina than in any other states. We're committed to maintaining our presence here in North Carolina, and hope to build on that presence as opportunities and market conditions allow. We appreciate the Council's consideration of the request before you to help us meet our future goals and objectives. The incentives requested, if approved, will ensure that all production related to this proposed expansion is kept here in North Carolina at the Thomas Built Plant.

We all have a vested interest in the success of manufacturing in the region and investments on this scale in a business this size really serves as public/private partnerships to underscore our respective commitments to that success. We very much appreciate your time and consideration and respectfully ask that you vote in favor of this incentives request. And now, I will turn it over to Mr. Redhouse.

Mayor Davis: Thank you, Ms. Albert. Does anyone have any questions for Ms. Albert before she sits down?

Council Member Smothers: Just a comment, if I may. That was an excellent overview of the company.

Cindy Albert: Thank you.

Council Member Smothers: No, thank you. I don't think we've ever had that profile before and it was particularly impressive, the presence in North Carolina and the contribution to the economy here.

Cindy Albert: Thank you. We're proud to be here.

Council Member Smothers: Thank you for loving North Carolina.

Chris Roadhouse: Good morning, Mr. Mayor and members of the Council. My name is Christopher Redhouse. I'm a Vice President and CFO at Thomas Bus. I'm new to the Triad and to Thomas Bus. I've been here one year with my family, but I have eighteen years with Daimler throughout the U.S. and Mexico, and am very happy to be here to be part of this exciting growth story.

As Loren and Cindy have so eloquently mentioned and more or less stolen all of my thunder, Thomas Built Buses has a proud history in High Point in Guilford County. Founded in 1916, we're coming up on celebrating our 100 year anniversary of school bus manufacturing in the region. Thomas Built Buses manufactures a full line of driver-friendly school bus, activity bus, commercial and specialty buses. Because of our commitment, passion and heritage of reliability and safety, TBB is reaching new highs in market share and manufacturing volumes and we find ourselves in need of investment of both capacity and skilled labor. With Daimler's broad manufacturing footprint in the U.S. and Mexico, we have the option to shift work to other plants, or expand locally. With the various statistics already presented showcasing our regional economic impact, I hope you'll agree with me that Thomas has demonstrated a deep commitment to and a very positive impact on the community. The opening remarks from Loren provided a good overview of the project, but please allow me to give you some additional details.

A planned investment of \$11.8 million includes the latest technology and painting equipment, welding cells, materials handling and forming, robotic handling and installation and a new training center adjacent to our facility. The hiring of 236 new positions is to include skilled positions for welders, painters, material handlers, assembly techs and quality inspectors. To put this in context of High Point and Guilford County, currently 30% of our workforce resides in Guilford County and I would expect a similar share of the new jobs going to residents of Guilford County. Also mentioned earlier as our estimate, that \$6.5 of the total \$11.8 million investment is on the Guilford County side of the line. Hiring and investment will commence immediately upon finalization of the incentives discussions and our project plan. We very much appreciate your time and consideration and now I'll do my best to answer

any questions that you may have.

Mayor Davis: Thank you, Mr. Redhouse. Does anyone on Council have any questions or questions for Mr. Redhouse?

Council Member Moore: I've got a couple of comments. And thank everybody; it was an impressive overview of the company. People who know me, Mr. Redhouse you don't, and Cindy obviously doesn't from D.C., I've been screaming about manufacturing and the loss of it for a long, long time. If you pay attention to the things that you're providing, there are things that we gave up through some years. So it's exciting to see those come back, but it proves the power of manufacturing as Cindy said, the spillover that it creates with secondary suppliers and on and on and on. I've known the Thomas group for a very long, long time and I find it interesting that in 2014, the incentives game is in play. I think it's unfortunate, but I understand the game and I'm certainly proud of Thomas and this city and what they've done here. Thank you.

Council Member Smothers: I think there was a very critical time in the Thomas history with Daimler as well, back in the early 2000s....I don't know. Randy you weren't here then and I wasn't on Council then, but there was a major decision made as to whether you all would stay here and it took the collaborative effort of Archdale (Randolph County), High Point (Guilford County), and I believe that was probably the largest incentive investment that this city made. It was a tremendous commitment to the company and to our commitment that you stay here. So I have one question about your produce lines....are you all developing a hybrid?

Chris Roadhouse: Yes. You may have seen one driving around town with a green bumper and a large hybrid sticker on the side. Right now we offer this product in diesel, which is the main fuel of choice, but also CNG or compressed natural gas, or propane gas. So, the propane and CNG are the alternative fuels we're calling hybrid line.

Council Member Smothers: Now, will that be in commercial-type buses?

Chris Roadhouse: Commercial as well as school. They're both....the commercial is essentially the same product, but not painted yellow and used for a variety of transportation. The hybrid alternatives will be available in both.

Council Member Mendenhall: Of course, I'm excited because it happens to be in my ward, where a lot of my folks need the jobs. So that proximity is great for Ward 3, as well as all of High Point.

Mayor Davis: Any additional comments or questions for Mr. Redhouse?

Council Member Ewing: I'll piggyback on something that Judy just said. I spoke with a number of the business owners surrounding your plant in the area that talk of great

times a decade ago when you had a lot more employees that would eat lunch there and patronize some of those facilities. So I think an extra 236 bodies in that area is potential customers, and is certainly of benefit to a lot of those businesses.

Council Member Smothers: **Mr. Mayor, I move that the Council authorize the city manager to execute a performance agreement with the company containing appropriate benchmarks for the company to achieve and schedule for payment of such assistance up to \$188,000.**

Council Member Mendenhall: Second.

Mayor Davis: We have a motion and a second.

Loren Hill: Mr. Mayor, there are others in the audience that may want to speak.

Mayor Davis: Do we need to do that and close the public hearing before we....

Council Member Smothers: Well you need to go ahead and let them speak, but they can speak to the motion and whether or not they are for it or against it.

Mayor Davis: Okay, does anyone else here wish to speak in favor or in opposition? If so, please come up and please state your name and address for the record.

John Crawford: My name is John Crawford. I live at 1112 English Court in Trinity, North Carolina, Randolph County....well Archdale, actually is where I pay my taxes.

I've been employed with Thomas Built Bus for 19.5 years and this coming February it will be 20 years. I'm very proud to work with Thomas Built Bus. It has helped raise my two daughters, put one of my daughters through college at UNC-G. Anyway, I want to speak on behalf and I hope you approve the incentives. I did speak at my City Council and the Randolph County meeting on Tuesday night. As y'all know, they did pass it and I hope you will consider passing it here too. I just want to let you know that we're very fortunate to have Daimler Trucks North America to be a parent company of us. They have invested a lot of money in Thomas Built Bus and make our facility a lot safer and build a lot better product. Without them, we probably wouldn't be where we are today. They have been a great influence for us whether you realize that or not. I hope you do realize that.

Some things that we do at Thomas Built Bus,...it's great that the employees and the employer and our government officials can work together to improve our community altogether. The jobs at Thomas Built Bus are middle class jobs. They're not your Walmart jobs. Your fast food jobs, where you have to have subsidies from the government to provide for your family. We have great benefits. We can have times off to spend with our kids and our spouses. We make decent money that helps us put our kids through college and provide some of the things they need, as well as some of the things that they want. Manufacturing....if you look around High Point, I was born in

Thomasville, as you all know, without the furniture industry, we have no manufacturing any more. The hosiery mills have gone. Everything has moved overseas for whatever reason. Thomas Built Bus has been here almost 100 years. We should be very proud of that, to know that they want to be here, that they want to invest here, they want to hire local people. As you know, as we make more money, what do we do? We usually spend more money. You all made some great comments. It's great sitting in the audience and listen to y'all speak. How we support small businesses, we have to have manufacturing here. If we do not have manufacturing, it's hard to support small businesses because if you don't have money, it's hard to go out to eat and spend that little extra money to support small businesses. It's great to hear that y'all recognize that.

Some of the things that we do do in the community. As you all may know, Thomas Built Buses has kind of adopted Oak Hill Elementary. They are not used to, well in the past, they have not been performing well. We go there and read to the students and help out during field day and stuff like that. We partnership with the community. Also, y'all know United Way. The employees support United Way and also the employer matches contributions to that to help out those that are less fortunate than we are. If we get 236 more people employed, that's more opportunities to give more to the community. Also, the Red Cross, we do blood drives and everything. We do partnership and work very hard with the community and try to help in any way that we can. Even though I do not live in Guilford County or in High Point, I shop a lot in High Point. I live right in Archdale, probably about a mile and a half from the county line. Usually when me and my wife and family go out to eat and spend money, we usually come to High Point more times than not.

Also, the hybrid bus that Ms. Smothers mentioned, usually we're involved in the Holiday Festival Parade and we usually do have the hybrid bus in the parade. I will make sure that we have that bus in the parade this year instead of the red, white and blue, so everybody can see the hybrid bus that we do have.

Female workers....I jotted down some notes this time that I didn't have the other day, so I could be a little better prepared. I'm pretty sure everybody in here knows somebody that works for Thomas Built Bus-it's a hard job, very physical jobs. I have seen some people work through break time that did the job and left. Some people that went to college and worked for summer help and saw the money they could make and quit college and stayed. All kinds of people do different things. With updating the machinery to up our capacity, we're also making our jobs easier where we can hire more people who may not have been able to physically do those jobs in the past. So we're able to probably hire more females. Females need jobs, just like males do to raise their families just like we do. Me being male, that is. That gives them the opportunity to do the jobs and make some of the same money that I earn. That's all I have to say. Thank you very much for your consideration. I hope y'all have a great morning and thank you for giving me the time to speak.

Mayor Davis: Thank you, Mr. Crawford. Any questions?

Council Member Moore: Can I make a comment? First of all, I've got a question. Are you available to be hired for a campaign manager? [laughter]

John Crawford: I hope so. One day I will run for the Randolph County School Board. I am also president of my local union. I hope y'all don't think bad about that. I know sometimes unions are frowned upon, but we're after the same thing that everybody else wants. We want everybody to be treated fairly. I would like to run for the School Board. I have realized how much politics do affect our lives every day and that's the reason I'm here before you speaking to y'all as a citizen.

Council Member Moore: And if you ever want to know why furniture and textiles really left, we'll have lunch and I'll tell you.

Council Member Mendenhall: We don't often have people from the audience speak at public hearings who are as articulate as you are. Thank you.

John Crawford: Thank you, Ms. Mendenhall.

Mayor Davis: Anyone else here that wishes to speak in favor or in opposition? Hearing none, I'll now close the public hearing. We have a motion and a second on the floor to authorize the city manager to execute a performance agreement with the company containing benchmarks for the company to achieve and the schedule for payments of such financial assistance of up to \$188,800.00. Any additional comments?

Council Member Ewing: If I could just make one more comment. About four years ago I went through Leadership High Point. Our class had the opportunity to tour Thomas Built Buses and it is an amazing facility and to see all the employees working in all their areas, it's just amazing. I'm hopeful that as you move forward with this over the next year, maybe our EDC could meet there sometime next year and we can see some of the improvements.

Mayor Davis: Thank you, Councilman Ewing. Any additional comments or questions? [none] All in favor, say Aye.

Mayor Davis, Council Members Smothers, Moore, Mendenhall, Wagner, and Ewing: Aye.

Mayor Davis: Nay? [none] Motion carried by a 6-0 vote. [Council Members Golden and Douglas were absent]

[end of transcript]

Authorized the city manager to execute a performance agreement with the company containing appropriate benchmarks for the company to achieve and schedule for payment of such assistance up to \$188,000.

A motion was made by Council Member Smothers, seconded by Council Member Mendenhall, that this Miscellaneous Item be approved. The motion PASSED by an unanimous vote.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 8:56 a.m. upon motion duly made and seconded.

Respectfully Submitted,

James C. Davis, Mayor

Attest:

Lisa B. Vierling, MMC
City Clerk