

**FORSYTH COUNTY**  
**BOARD OF COMMISSIONERS**

**BRIEFING  
DRAFT**

MEETING DATE: AUGUST 8, 2016

AGENDA ITEM NUMBER: 2

- SUBJECT: A. PUBLIC HEARING TO CONSIDER AMENDMENTS TO AN ECONOMIC DEVELOPMENT PROJECT AND AGREEMENT WITH CATERPILLAR INC. AND RATIFYING AND AUTHORIZING EXECUTION OF AN AMENDED ECONOMIC DEVELOPMENT AGREEMENT BETWEEN CATERPILLAR INC. AND FORSYTH COUNTY, CITY OF WINSTON-SALEM, AND OTHER PARTICIPATING LOCAL PARTIES**
- B. RESOLUTION AUTHORIZING AMENDMENTS TO AN ECONOMIC DEVELOPMENT PROJECT AND AGREEMENT WITH CATERPILLAR INC. AND RATIFYING AND AUTHORIZING EXECUTION OF AN AMENDED ECONOMIC DEVELOPMENT AGREEMENT BETWEEN CATERPILLAR INC. AND FORSYTH COUNTY, CITY OF WINSTON-SALEM, AND OTHER PARTICIPATING LOCAL PARTIES**

**COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:**

**SUMMARY OF INFORMATION:**

ATTACHMENTS:  YES  NO

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
COUNTY MANAGER

**NOTICE OF PUBLIC HEARING BY FORSYTH COUNTY ON  
PROPOSED AMENDMENTS TO AN ECONOMIC DEVELOPMENT  
AGREEMENT WITH CATERPILLAR INC.**

Notice is hereby given by Forsyth County that pursuant to the provisions of N.C.G.S. 158-7.1, the Forsyth County Board of Commissioners will hold a public hearing during its Board meeting on Monday, August 8, 2016 at 4:00 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. on a proposal to amend the economic development agreement between Caterpillar Inc., City of Winston-Salem, Forsyth County, The Millennium Fund, and Forsyth County Development Corporation. The Forsyth County Board of Commissioners intends to consider amendments to an economic development incentives contract with Caterpillar Inc. dated July 1, 2011 to provide County funds in an amount not to exceed \$10,151,310 from available revenues in the General Fund, including annual economic development incentive payments up to a total of \$6,401,310 over a ten-year period, and upfront economic development incentives by the County up to the amount of \$3,750,000 to be spent toward the purchase of a 99.63 acre tract of land for the manufacturing facility or other project related expenses, which upfront amount will be recouped by the County through property tax revenues within four years. Caterpillar Inc. has substantially complied with its obligations to make a capital investment of at least \$426,000,000 within a five-year period, including manufacturing equipment capital investments of \$296,900,000 and building capital investments of \$129,100,000, and to create 392 full time or full time equivalent jobs with an average annual wage of approximately \$36,000 per year, plus benefits within a five (5) year period. Caterpillar now requests to amend the original agreement to add the operation of Progress Rail, a railway and transit system product manufacturer and subsidiary of Caterpillar Inc., to the current facility and agreement, and to redefine "Cessation of Operations" in the Agreement to mean a minimum of 50 full time or full time equivalent jobs being maintained at the facility rather than the original minimum of 196 jobs; and to extend the Annual Incentive Grant period and the 100% Incentive Reimbursement Refund provisions by five (5) additional years. The County incentive amount will not change under the proposed amendments. In the opinion of the Forsyth County Board of Commissioners, the Caterpillar Inc. and Project Rail project, as amended will stimulate the local economy, promote business, maintain manufacturing jobs in the County, increase the property tax base and the revenues therefrom, and increase business prospects of the County.

Forsyth County Board of Commissioners  
Carla Holt, Clerk to the Board