

RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT INCENTIVE GRANT
TO PUBLIX SUPER MARKETS, INC. AND EXTENSION OF WATER AND SEWER
INFRASTRUCTURE IMPROVEMENTS

WHEREAS, on May 17, 2005, the City Council adopted New 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, NCGS Section 158-7.1 authorizes cities in North Carolina to make appropriations for economic development purposes if the governing body of the city determines that the appropriations will increase the population, taxable property, agricultural industries, employment, industrial output, or business prospects of the city;

WHEREAS, NCGS Section 158-7.1 authorizes the City to undertake specific economic development activities including the extending or providing for the extension of water and sewer lines to industrial properties or facilities;

WHEREAS, Publix Super Markets, Inc. (the Company) is evaluating an investment in new real property and new machinery and equipment on a site outside the Greensboro City limits to build a new regional distribution center that will include approximately 1.8 million square feet in refrigerated and dry goods warehouse space and potential manufacturing and office in two phases;

WHEREAS, the site where the Company will be building the new regional distribution center is located in the vicinity of Birch Creek Road also known as Tax Parcels 0117416, 0117423, and 0117426 and Burlington Road also known as Tax Parcels 0119080, 0119113, 0119081, 0117421, and 0117441 (collectively the Property);

WHEREAS, the Property is located in the City's Growth Tier 1 which requires annexation prior to the provision of City services, including water and sewer service;

WHEREAS, Phase I of the proposed project will include refrigerated regional distribution center, manufacturing facility, and administrative office is anticipated to be completed in 2023;

WHEREAS, Phase II of the proposed project will include a dry goods regional distribution center and is anticipated to be completed in 2025;

WHEREAS, the Company intends to invest up to \$400,000,000 in new capital investment at the Property;

WHEREAS, the Company intends to create 1,000 new jobs with an average annual salary of \$42,000.00, in accordance with the following schedule: 500 new jobs by December 31, 2023; 222 new jobs by December 31, 2024; and 278 new jobs by December 31, 2025;

WHEREAS, the Company intends to petition for annexation of the Property into the City limits of Greensboro upon completion of the Phase I improvements on the site;

WHEREAS, the Company has requested that the City provide for an economic development incentive grant reimbursement for the real property and equipment being acquired to build the new regional distribution center which amount of participation is projected to be between \$14,661,230.00 and \$17,722,728.00 based upon a projection of anticipated new personal and real property taxes;

WHEREAS, if approved by City Council, the Company would be reimbursed eighty percent (80%) of the incremental increase in property taxes assessed to the Property and collected by the City for a period of ten (10) years after completion of Phase I;

WHEREAS, the Company has also requested that the City provide water and sewer infrastructure for the site by extending the existing lines in Burlington Road to the Property and by extending the existing sewer lines from the existing outfall west of Knox Road to the Property;

WHEREAS, the City of Greensboro Policy for Water & Sewer Services “Outside the Corporate Limits” adopted April 3, 2012, and amended May 20, 2014, (the WSS Policy) requires that property which lies within Growth Tier 1 will be annexed into the City;

WHEREAS, the WSS Policy also allows for the possibility that water and/or sewer service may be provided to property outside Growth Tier 1 for economic development projects subject to execution of a Utility and Development Agreement and Petition for Annexation;

WHEREAS, the cost of the new water and sewer infrastructure is estimated to be \$3,000,000.00 including any required acquisition costs for easements or right-of-way;

WHEREAS, the funding source for the new water and sewer infrastructure would be the City’s Water Resources Operations budget and/or the North Carolina Industrial Development Utility Fund Grant Program;

WHEREAS, the addition of 1,000 new jobs paying an average wage of at least \$42,000.00 per year with benefits are expected to generate public benefit by positively impacting the City's ad valorem, sales, and use tax revenues in addition to increasing business prospects for the City and surrounding area,

WHEREAS, but for the approval of an Economic Development Incentive Grant of eighty percent (80%) of the actual value of the incremental increased ad valorem real and personal property taxes collected from the Property and the related water and sewer improvements by the Greensboro City Council, the Company would not choose to locate its new regional distribution center in the Greensboro area;

WHEREAS, a public hearing was held 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;

WHEREAS, it is deemed in the best interest of the City to enter into a participatory agreement with the Company to share the cost of the above mentioned improvements whereby the City shall reimburse the company for real property and machinery and equipment costs based on a portion of new anticipated taxes to be received from the new project and upon the creation of new employment.

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

That in accordance with the City's 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 Company for up to \$400,000,000.00 of new capital investment and the creation of 1,000 new jobs is hereby approved, and the City Manager and City Clerk are hereby authorized to execute, on behalf of the City of Greensboro, the proper agreement including but not limited to the following requirements:

- (1) The Company shall invest at least \$400,000,000 in the Property on or before December 31, 2024.
- (2) The Company shall submit all building and site plans to the City's Development Services Division for review regardless of whether the Property has been annexed into the corporate limits of the City of Greensboro at the time of submission of said plans to the appropriate jurisdiction with regulatory authority over the site, including plans submitted to the State of North Carolina.
- (3) The Company shall create 1,000 new jobs with an average annual salary of \$42,000 in accordance with the following expected hiring schedule: 500 new jobs by December 31, 2023; 222 new jobs by December 31, 2024; and 278 new jobs by December 31, 2025;
- (4) The new jobs shall be retained until receipt of the final incentive payment (the Job Retention Period).
- (5) The Company shall submit a petition for annexation and original zoning on or before August 31, 2022, or within 30 days of a temporary or final certificate of occupancy being granted for the building to be constructed as part of Phase I, whichever date is earlier.
- (6) The City cannot guarantee when or if the petition for annexation will be approved by the current or a future City Council.
- (7) The Phase I economic development incentive grant shall be paid after the Property has been annexed into the City limits of Greensboro, 500 of the 1,000 new jobs have been created, investment of at least \$300,000,000.00, and all has been confirmed by the City.
- (8) The Phase II economic development incentive grant shall be paid after the Property has been annexed into the City limits of Greensboro, 500 additional of the 1,000 new jobs have been created, the expansion project is complete, and all has been confirmed by the City.

- (9) The economic development incentive grant may be adjusted by the City Manager on an annual basis subject to the appropriate budget ordinance amendment if the City's portion of the property taxes assessed to and collected from the Property exceed the projected amounts.
- (10) If the Property is not annexed into the City limits of Greensboro, then the City shall not be obligated to pay any of the economic development incentive grant.
- (11) The Company's development of the Property and design and construction of improvements thereon shall not be subject to the City's Minority/Women's Business Enterprise Program (M/WBE Program) with respect to economic development project M/WBE subcontracting goals because the development and improvements will occur prior to the provision of the economic development incentive grant by the City and may occur prior to annexation of the Property into the corporate limits of the City of Greensboro; however, the Company will make reasonable good faith efforts to the extent it is reasonably practicable to utilize minority-owned and women-owned businesses, which have been certified to participate in the City's M/WBE program, for design and construction of the Company's development and improvements.
- (12) The City will design and construct or reimburse the Company in an estimated amount of \$3,000,000.00 for public water and sewer infrastructure costs, involving extension of water and sewer lines, and including necessary land or easement acquisition, in accordance with §2-91, Infrastructure Reimbursement Agreements, of the City's Code of Ordinances which includes compliance with the City's M/WBE Program for design and construction of water and sewer infrastructure.
- (13) If the Property has not annexed into the corporate limits of the City of Greensboro, the Company shall execute and record the City's Utility and Development Agreement and Petition for Annexation, signed by the then current property owner, prior to the execution of the grant reimbursement and participatory agreement.
- (14) If the property is annexed into the corporate limits of the City of Greensboro prior to connection to the City's water or sewer systems, then the City will waive the system development fees and frontage fees. Connection is defined as the date when the meter is set. If a petition to have the property annexed into the corporate limits of the City of Greensboro is not filed before twelve (12) months following the time of connection to the City's water and/or sewer systems, then the Company shall pay system development fees and frontage fees. The system development fees are estimated to be \$197,220.00. The linear footage or frontage fees are estimated to be \$315,448.00.
- (15) The Company shall pay the City's standard rates for water and sewer service as apply to properties which are located outside the City's territorial and jurisdictional limits until such time as the Property is annexed into the City's corporate limits.
- (16) If the Company fails to make the required investment, fails to create 1,000 new jobs, or fails to retain those jobs for the Job Retention Period, then the City may "clawback" the economic development incentive grant by withholding one or more annual payments for each Phase of the project.
- (17) If the Company fails to select Greensboro for its new facility, or fails to complete either phase of the Project, then the Company shall reimburse the City for all expenditures made in furtherance of the design and construction of the water and sewer improvements, including but not limited to acquisition or condemnation costs for any necessary easements, rights-of-way, or other real property.