

Unsealed by the Board of Commissioners on 11/13/2023.

**MINUTES  
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS  
December 13, 2021 – CLOSED SESSION**

Per N.C.G.S. § 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, a closed session was entered at 7:57 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice and McCall, County Manager Jaime Laughter, County Attorney Patrick Scott, Interim Transylvania Economic Alliance Executive Director Sam Powers, Transylvania Economic Alliance Board Chair Amber Webb, Josh Carpenter with the Economic Development Partnership of North Carolina, and Clerk to the Board Trisha Hogan.

Closed Session #1 – Project Defense

Representatives from the Transylvania Economic Alliance (Alliance) and the Economic Development Partnership of North Carolina (EDPNC) updated the Board of Commissioners on Project Defense, a manufacturing company, and sought consideration of a proposed performance-based incentive grant.

Project Defense is a defense contractor. The fields of defense and aerospace are a growth cluster for this region. Project Defense is a veteran-owned business that has operations in Henderson County and is committed to expanding in Transylvania County. The company is exploring an opportunity to purchase a building to expand its operations. Project Defense would ideally like to utilize the existing building in the short/mid-term and then look to construct additional square footage on the lot to accommodate expansion.

The previous Alliance Director brought this project forth for the Board's consideration, but since then the company's circumstances have changed. Due to factors beyond their control – pandemic, labor shortages, and supply chain issues – Project Defense lowered the number of employees they initially planned to hire from 11 to five. The company intends to hire 11 employees eventually, but due to the issues mentioned, they do not feel comfortable with this projection. They intend to make a capital investment in equipment totaling \$365,000.

The Alliance and EDPNC have been working with Project Defense on a potential Building Reuse Grant through the NC Department of Commerce that would help with some of the up-fit costs. An incentive grant from Transylvania County would help provide the matching portion of the Building Reuse Grant. Both agencies affirmed Project Defense's commitment to expanding in Transylvania County, but at an initial lower level than they originally anticipated.

While the County's Incentive Policy's qualifying categories normally start with earning 60 points, the Board can make exceptions to the policy. Project Defense initially scored 60 points before making the modifications to the job creation figures. Previously, the company qualified for a grant back of taxes paid over a two-to-four-year period at a range of 50% to 70% of new tax revenue. The Board had agreed to 60% for three years and due to their support of business expansion and job growth in Transylvania County, the Board offered the same incentive grant as they had previously at 60% over three years.

The next step would be to take the offer back to the company which would allow them to proceed with their Building Reuse Grant with the NC Department of Commerce. Before final approval, the Board of Commissioners would need to hold a public hearing outlining the details of the incentive grant and justifying the reason for making an exception to the policy by citing the current labor shortages and other economic issues.

ATTEST:

S://Jason R. Chappell, Chairman  
Transylvania County Board of Commissioners

S://Trisha M. Hogan, Clerk to the Board

12/13/2021