

The Smithfield Town Council met in special session on Monday, May 10, 2021 at 11:00 am in the gymnasium of the Smithfield Recreation and Aquatics Center. Mayor M. Andy Moore presided.

Note: This was a special joint meeting with the Johnston County Board of Commissioner

Councilmen Present:

John A. Dunn, Mayor Pro-Tem
 David Stevens, District 2
 Dr. David Barbour, District 4
 Stephen Rabil, At-Large
 Roger Wood, At-Large

Councilmen Absent

Marlon Lee, District 1
 Travis Scott, District 3

Administrative Staff Present

Michael Scott, Town Manager
 Tim Kerigan, Human Resources/PIO
 Shannan Parrish, Town Clerk

Also Present

Bob Spence, Town Attorney

WELCOME

Mayor Moore welcomed dignitaries in attendance.

CALL TO ORDER

Mayor Moore called the meeting to order at 11:01 am. Mayor Moore stated this was a historic day in the Town of Smithfield and Johnston County. With the addition of an Amazon facility to the Town, it would have an immediate impact on job creation and growth. He expressed his appreciation to everyone who assisted in this endeavor. He welcomed Amazon to the Smithfield Community.

INVOCATION

The invocation was given by Councilman Barbour followed by the Pledge of Allegiance.

PUBLIC HEARING

Mayor Moore opened the public hearing at approximately 11:07am

Johnston County Economic Development Director Chris Johnson informed the members of the Town Council and the Johnston County Board of Commissioner that this economic development package would have an impact for generation. This company could move the Town of Smithfield to the forefront of growth and opportunity, which the Town has not seen since companies like Sylvania, Burlington Mills and Field Crest Mills were in business. Mr. Johnson explained that with the \$100 million investment, Amazon would create 500 jobs with salaries of \$15 per hour and an excellent benefits package. This economic development incentive grant comes at no risk to the taxpayers of Smithfield of Johnston County. The incentives come from the company's investment. The grant equates to a percentage of taxes Amazon will pay on its \$100 million investment. If benchmarks outlined in the agreement are not met, no incentives will be paid. During the grant period, Amazon will be the second largest taxpayer in the Town of Smithfield. And during this grant period, the Town of Smithfield will review \$1.4 million in tax revenue. In five years, Amazon will be the largest taxpayer in the Town of Smithfield. Mr. Johnson stated the West Smithfield Business Park will be voluntarily annexed into the Town of Smithfield and before the facility is completed, the Samet Corporation will already have invested \$2 million. This project has been vetted and approved by the Johnston County Economic Development Committee and an economic development impact study has been completed by Dr. Michael Walden of North Carolina State University. Mr. Johnson requested the Town Council to consider approving the economic development incentive package for Amazon.

Sam Blatt Amazon's Economic Development Manager expressed his appreciation to the Town Council and the Johnston County Board of Commissioners. He stated Amazon was making a large investment in the community, but they also wanted to be community partners.

Jennifer Slusser Johnston County Attorney addressed the Town Council and the Johnston County Board of Commissioners on the proposed economic development incentive package. Ms. Slusser explained that in order to be able to offer economic development incentives, the company must have a capital investment of real and personal property. The company must also be able to create jobs. The investment of real and personal property is proposed to be completed by December 31, 2022. The company will create 500 new jobs by December 31, 2023. She further explained that this was a highly competitive project with many potential sites. Ms. Slusser stated an economic impact analysis had been conducted by Dr. Michael Walden of North Carolina State University. He concluded that Amazon would have a \$97 million output to the Johnston County economy. She stated that all the grants proposed under the agreement would never be more than the property taxes paid by Amazon. Amazon would have to make the capital investment and create the jobs before any grant funds were paid by the Town or the County. The grant incentive percentage are as follows:

Real Property		Personal Property	
Tax Year	Grant %	Tax Year	Grant %
Year 1	90%	Year 1	50%
Year 2	90%	Year 2	50%
Year 3	90%	Year 3	50%
Year 4	80%	Year 4	50%
Year 5	70%	Year 5	50%
Year 6	60%	Year 6	0%
Year 7	50%	Year 7	0%

Ms. Slusser explained the first grant payment would be made in 2024. She stated the draft agreement before the boards was almost complete. She stated the revisions were not materially or formally inconsistent with the draft agreement.

Town Attorney Bob Spence stated this incentive plan was consistent with the NC General Statute. The incentives are in the form of tax rebates based on real and personal property and job creation. Mr. Spence stated this project created a substantial investment.

Mayor Moore asked if there was anyone in attendance that wished to speak on the matter.

David Johnson of 39 Sassafras Lane Clayton, NC welcomed Amazon to the community. He stated this was great opportunity for the county and the town. He requested the Town and the County to be just as eager to assist existing business owners with their needs and problems as they arise in the community.

Dr. David Johnson of 166 McLemore Road stated that as the President of Johnston Community College, the college was ready to support Amazon and its needs. He welcomed Amazon to the community.

Councilman Barbour stated the new Amazon facility would be located in District 4 which he represents. He stated the community was excited and eager to welcome Amazon. He expressed his appreciation to Amazon for investing in the Town.

Mayor Moore closed the Public Hearing at approximately 11:32 am

Mayor Pro- Tem Dunn made a motion, seconded by Councilman Barbour, to approve Resolution No. 679 (07-2021) authorizing incentives for economic development. Unanimously approved.

**TOWN OF SMITHFIELD
RESOLUTION NO. 679 (07-2021)
AUTHORIZING INCENTIVES FOR ECONOMIC DEVELOPMENT**

WHEREAS, AMAZON.COM SERVICES LLC ("the Company") proposes to locate a new multi-purpose warehouse/distribution facility (the "Facility") on the parcel located at or near the Town of Smithfield in Johnston County, North Carolina more particularly described as being all of that 169.674 acre, Tract 1 and that 23.353 acre Tract 2 shown on a Recombination Plat for Samet Corporation by RWK, PA recorded 4/28/2021 in Plat Book 93, Page 241 of the Johnston County Registry ("the Project Site"); and

WHEREAS, the Company will locate the Facility on the Project Site and, in connection therewith, construct or cause to be constructed and up-fit improvements comprising the Facility and install or cause to be installed on the Project Site industrial machinery, equipment, and other real and personal property improvements subject to ad valorem taxation by Johnston County and the Town of Smithfield, by including construction and expansion of new buildings and other real property improvements, as well as installation of new manufacturing equipment at the Facility; and

WHEREAS, an economic impact review containing a fiscal analysis of the proposed Expansion prepared for the Johnston County Economic Development Commission in May 2021 indicates that at full buildout the proposed project would result in a substantial increase in direct property tax revenues for the County and Town and the direct and indirect creation of a substantial number of new jobs; and

WHEREAS, North Carolina General Statute 158.7.1(a) authorizes the Town to make appropriations to aid and encourage the location of manufacturing enterprises, industrial and commercial facilities within the Town and other purposes which will increase the population, taxable property, employment, industrial output or business prospects of the Town; and

WHEREAS, the Council has determined that granting incentives (the Incentives) to the Company in exchange for the commitment of the Company to locate and operate the Facility at the Project Site in Johnston County would be beneficial to the Town's efforts to increase economic opportunities for its residents, its population, *ad valorem* tax revenues and sales tax revenues, and enhance and improve business prospects in general, including the creation of a substantial number of jobs; and

WHEREAS, the Council has received and reviewed a proposed Economic Development Agreement between the Town and the Company providing for the Town's granting the Incentives to the Company in consideration of the Company's commitments set forth there (the Agreement), and a copy of which is attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, the Council has, pursuant to the notice and hearing requirements of North Carolina General Statute 158-7.1, held a public hearing to consider whether to grant the Incentives in exchange for the commitment of the Company to locate and operate the Facility at the Project Site in Smithfield.

Whereas, the Company has agreed to petition to annex the Project Site into the corporate limits of the Town of Smithfield by satellite annexation and consent to the same until annexed as all terms of the Agreement are subject to a condition precedent of the annexation.

NOW, THEREFORE, the Council:

1. Determines and concludes (a) that granting the Incentives in exchange for the commitment of the Company to proceed with the development and buildout of the Facility at the Project Site in the Town would be beneficial to the Town's efforts to increase overall economic opportunities for, and improve the general welfare of, its residents and increase *ad valorem* tax revenues, sales tax revenues and business prospects in general and result in the creation of a substantial number of new jobs in the County and Town, and (b) that the benefits described above accruing to the Town will outweigh the cost of the Incentives granted hereunder, creating a net public benefit; and
2. In consideration of the undertakings of the Company set forth in the Agreement and the benefits derived by the Town as described above, the Town's grant of Incentives to the Company as set forth in the Agreement is hereby approved, and the Town Manager, subject to compliance with any pre-audit requirements under the Local Government Budget and Fiscal Control Act, is hereby authorized to enter into and execute the Agreement on behalf of the Town in the form set forth on Exhibit A or with revisions as the Town Manager, in consultation with the Town Attorney, shall find to be not materially inconsistent with the form of the Agreement attached hereto and the intent and purpose thereof.
3. The Agreement shall be construed as a continuing contract in accordance with North Carolina General Statutes 153A-13 subject to the condition precedent that Company petitions to annex the Project Site into the corporate limits of the Town of Smithfield by satellite annexation and consent to the same until annexed as all terms of the Agreement are subject to a condition precedent of the annexation.

Mayor Moore recognized former Councilmembers Emery Ashley, Perry Harris and Susan Lassiter,

Mayor Moore stated Smithfield was severely impacted when the tobacco and textile industries faced economic hardship and devastation. Industries that shaped the Town had to close their doors and people left the community to find other jobs. This facility will create immediate much needed job opportunity for residents of all skill levels at a competitive wage. He expressed his appreciation to private partners, state partners, county partners, the landowners, Chris Johnson, Tim Kerigan, Michael Scott and countless others that made this day a reality. Mayor Moore stated Smithfield was fortunate to have an outstanding institute of higher learning such as Johnston Community College, which stands ready to provide any specific training. The college has a long-standing record of producing graduates who possess the necessary skills to make a positive impact on employers on day one. He again welcomed Amazon to the Town of Smithfield.

Adjourn

Being no further business, Mayor Moore adjourned the meeting at approximately 11:42 am.

ATTEST:


Shannan L. Parrish, Town Clerk




M. Andy Moore, Mayor