

FORSYTH COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: JANUARY 25, 2016 AGENDA ITEM NUMBER: 3-A&B

- SUBJECT: A. PUBLIC HEARING TO CONSIDER THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE EXPANSION BY KAILO SERVICES, LC OF AN INFORMATION TECHNOLOGY SERVICES OPERATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH KAILO SERVICES, LC**
- B. RESOLUTION AUTHORIZING THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE EXPANSION BY KAILO SERVICES, LC OF AN INFORMATION TECHNOLOGY SERVICES OPERATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH KAILO SERVICES, LC**

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION:

ATTACHMENTS: YES NO

SIGNATURE: _____ DATE: _____
COUNTY MANAGER

RESOLUTION AUTHORIZING THE EXPENDITURE OF COUNTY GENERAL FUNDS FOR AN ECONOMIC DEVELOPMENT PROJECT TO AID AND ENCOURAGE THE EXPANSION BY KAILO SERVICES, LC OF AN INFORMATION TECHNOLOGY SERVICES OPERATION IN FORSYTH COUNTY AND AUTHORIZING EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH KAILO SERVICES, LC

WHEREAS, North Carolina General Statute 158-7.1 authorizes counties to undertake an economic development project by extending assistance to a company in order to aid and encourage the company to expand its information technology services operation within the county; and

WHEREAS, Kailo Services, LC is considering the expansion of its information technology services operation by leasing additional square footage located in Winston Tower at 301 N. Main Street in Forsyth County, creating and maintaining new jobs, retaining existing jobs, and making a capital investment in the leased facility in Forsyth County, N.C.; and

WHEREAS, Forsyth County is considering entering into an economic development incentives agreement with Kailo Services, LC to aid and encourage the expansion of its information technology services operation in Forsyth County in which the County will appropriate and expend funds in a proposed amount not to exceed \$42,900 from available revenues in the General Fund over a five-year period, based upon and contingent upon a capital investment by Kailo Services, LC of at least \$1,075,000 in up-fits to the facility in Winston Tower within five years, the creation and maintenance within five years of 251 new, full-time or full-time equivalent (FTE) jobs with an average wage of \$39,500 per year, plus benefits including insurance, in the Winston Tower facility in Forsyth County, the retention of 50 existing jobs, and maintenance of all jobs for a ten-year period; and

WHEREAS, the Forsyth County Board of Commissioners has duly advertised and conducted a public hearing to consider whether to participate in an economic development incentives agreement with Kailo Services, LC based on the Company's proposal to expand its information technology services operation by making capital investments, creating and maintaining new jobs, and retaining existing jobs in Forsyth County as outlined herein; and

WHEREAS, the Forsyth County Board of Commissioners will take into consideration that the requested economic development incentive funds will be leveraged by other economic development funds already identified by the State and other local government(s) as authorized by the Forsyth County Economic Development Program Business Assistance Guidelines as revised; and

WHEREAS, the proposed expansion of an information technology services operation by Kailo Services, LC in Forsyth County will stimulate the local economy, promote business, create new jobs and retain existing jobs in the County, increase the property tax base and revenues, and increase business prospects of the County.

NOW, THEREFORE, BE IT RESOLVED that the Forsyth County Board of Commissioners, after duly advertised public hearing held, finds that the proposed economic development incentives agreement as outlined herein with Kailo Services, LC will stimulate the local economy, promote business, create new and retain existing jobs in the County,

increase the property tax base and revenues therefrom, and increase business prospects of the County.

BE IT FURTHER RESOLVED that the Forsyth County Board of Commissioners has taken into consideration that the requested economic development incentive funds will be leveraged by other economic development funds already identified by the State and other local government(s) as authorized by the Forsyth County Economic Development Program Business Assistance Guidelines as revised.

BE IT FURTHER RESOLVED that the Forsyth County Board of Commissioners hereby approves and authorizes Forsyth County's participation in an economic development incentives agreement to aid and encourage Kailo Services, LC with the expansion of an information technology services operation in Forsyth County, and the County's appropriation and expenditure of County funds in an amount not to exceed \$42,900 from available revenues in the General Fund, over a five-year period based upon and contingent upon a capital investment by Kailo Services, LC of at least \$1,075,000 within five years in up-fits to the leased facility in Forsyth County, the creation within five years of 251 new full-time or FTE jobs at the said facility with an average wage of \$39,500 per year, plus benefits including insurance, the retention of 50 existing jobs, and maintenance of all jobs for a ten-year period as will be more specifically set forth in an agreement between Forsyth County and Kailo Services, LC.

BE IT FURTHER RESOLVED by the Forsyth County Board of Commissioners that the Chairman or the County Manager and the Clerk to the Board are hereby authorized to execute, on behalf of Forsyth County, the necessary documents for Forsyth County to participate in an economic development incentives agreement with Kailo Services, LC as further described herein, subject to a pre-audit certificate thereon by the County Chief Financial Officer, where applicable, and approval as to form and legality by the County Attorney.

Adopted this the 25th day of January 2016.

NOTICE OF PUBLIC HEARING

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, January 25, 2016, at 6:00 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 appropriate and expend County funds for an economic development project to aid and encourage a corporation, to be registered with the N.C. Secretary of State's Office as Kailo, LLC, to expand its information technology services operation in Forsyth County. The Forsyth County Board of Commissioners intends to consider entering into an economic development incentives contract with Kailo, LLC to provide incentives in a proposed amount not to exceed \$42,900 from available revenues in the County General Fund over a five-year period. This proposed economic development incentives contract will be based upon and contingent upon a capital investment by Kailo, LLC of at least \$1,075,000 within five years in up-fits to office space being leased by the Company, the creation within five years of 251 new full-time or full-time equivalent jobs with an average wage of \$39,500 per year (plus benefits, including health insurance), the retention of 50 existing jobs, and maintenance of all jobs for a ten-year period. The Board of Commissioners will take into consideration that the requested economic development incentive funds will be leveraged by economic development funds already identified by the State and other local government(s) as authorized by the Forsyth County Economic Development Program Business Assistance Guidelines as revised. In the opinion of the Forsyth County Board of Commissioners, the Kailo, LLC project will stimulate the local economy, promote business, create new jobs, retain existing jobs, increase the property tax base and revenues therefrom, and increase business prospects of the County.

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