

CITY OF HIGH POINT

AGENDA ITEM



Title: Public hearing for Crown Mark expansion project

From: Loren Hill and Sandy Dunbeck
High Point Economic Development Corp.

Meeting Date: October 3, 2016

Advertising Date: September 23, 2016

Public hearing: yes

Advertised by: High Point EDC

Attachments: legal notice

PURPOSE:

- City Council will consider a request from Crown Mark to authorize up to \$181,000 in performance-based incentives for the company's expansion. The company would add \$11.7 million to the tax base and add 10 new jobs, with an average wage of \$50,000.

BACKGROUND:

- Crown Mark was started in 1983. The company specializes in residential furniture and accessories – for bedrooms, dining rooms, living rooms, and home offices.
- The company currently has 37 employees at its two High Point locations – a showroom at 204 East Green Street and a 100,000-square foot distribution facility that it leases at 4193 Eagle Hill Drive.
 - The company's corporate offices are in Houston, Texas, where it also has a distribution center.
 - The company's third distribution center is in Pomona, California.
- The company is considering purchasing land at 720 Gallimore Dairy Road and constructing a 250,000-sq. ft. distribution center, which it would own. The company could also construct an additional 100,000-square feet of flex space on the property in a second phase (the amount of the proposed incentive does not reflect the Phase 2 possibility).
- The High Point Planning & Zoning Commission is considering the annexation and zoning of this property on September 27, 2016 – and those cases could then come before the City Council on November 7, 2016.
- High Point and an out-of-state location are under consideration for this project.

BUDGET IMPACT:

- If the company meets all of the benchmarks outlined in a performance agreement, it could receive up to \$181,000 in installment payments over a three-year period. The source of that funding would be the City's Economic Development Incentive Fund, which is funded by general and electric revenues.

RECOMMENDATION / ACTION REQUESTED:

- The High Point EDC staff recommends that the City Council authorize up to \$181,000 in performance-based incentives for the Crown Mark expansion project at 720 Gallimore Dairy Road.
- The City Council authorizes the City Manager to execute a performance agreement with the company, containing benchmarks for the company to achieve and a schedule for the payment of such financial assistance.

Pursuant to N.C. General Statute 158-7.1, notice is hereby given that a public hearing will be held by the High Point City Council on Monday, October 3, 2016, at 5:30 p.m. in the Council Chambers, High Point Municipal Building, 211 S. Hamilton Street, High Point, NC, for the purpose of receiving public input on a funding request for a company which expects to expand at 720 Gallimore Dairy Road. The company proposes to add \$11.7 million to the local tax base and create 10 full-time jobs. The High Point City Council will consider authorizing up to \$181,000. The source of funding would be the Economic Development Incentive Fund, which is funded by general and electric revenues. The City would be authorized to provide this financial assistance upon the company's construction of a new building and job creation – pursuant to an incentive performance agreement containing benchmarks and schedule for the payment of such financial assistance. For further information, please call 336-883-3116.