

Remarks of Loren Hill, High Point EDC president

High Point City Council public hearing for Crown Mark *October 3, 2016*

I'm Loren Hill, President of the High Point Economic Development Corporation. Tonight our office is pleased to bring you a project in one of our city's focus industry sectors – furniture.

Crown Mark is considering an expansion here in High Point. The company was started in 1983 and has its corporate offices in Houston, Texas. 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 Drive and a 100,000-square foot distribution facility that it leases at 4193 Eagle Hill Drive.
- The company has two other distribution centers – in California and Texas.

The company is considering purchasing land at 720 Gallimore Dairy Road.

- Currently, that 30-acre site is just outside the High Point city limits.
- On September 27, the High Point Planning & Zoning Commission voted unanimously to approve the annexation and zoning of this property.
- We anticipate that Crown Mark's annexation and zoning case will come before the City Council on November 7.

If the company picks High Point for this expansion:

- Crown Mark would add \$11.7 million to the tax base by constructing a 250,000-sq. ft. distribution center on Gallimore Dairy Road, which the company would own.
- In addition, the company would create 10 new jobs, with an average wage of \$50,000 – the jobs to be added include warehouse staff, order processing personnel, and managers.
- An out-of-state location is our competition for this project.

Not under consideration this evening – but for your information -- the company could also construct an additional 100,000-150,000 square feet of flex space on the property in a second phase.

The City Council is being asked to consider a request from Crown Mark to authorize performance-based incentives for this expansion.

- 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 High Point EDC staff recommends that the City Council authorize these performance-based incentives.

We expect that the company will make its location decision soon after the November 7 annexation / zoning public hearing. If High Point is chosen, construction of the new building would begin next year.

I'm pleased now to introduce Joseph Ngo, owner and vice president of Crown Mark, who will tell you more about his company and this exciting project.