

MEMO

To: Catawba County Board of Commissioners
From: Scott Millar – Catawba County EDC
Date: June 25, 2015
Subject: Blue Bloodhound Economic Development Agreement and Resolution

Request

The Board of Commissioners consider approval of the Economic Development Agreement between the County and Blue Bloodhound, LP, the related resolution attached, and authorize the Chair to execute these along with any other needed documents.

Project Background and Company Overview

The project will facilitate the implementation of internet-based web and mobile software platforms developed by the company that will connect drivers nationwide to needed shipments. The proposed project, based in and managed in Hickory, will assist truck drivers maintain safety records, permitting deadlines, records management and other driver requirements. On the other side, the services will help them connect immediately to loads based on their current location. By eliminating the pressures of self-maintaining their regulatory file, these drivers are able to more efficiently focus on moving product across the United States. Likewise, the platforms will assist the owners of the loads with timely access to drivers, who are ready to move products with no wait times.

The proposed project will up-fit and equip space in the redeveloping Moretz Mills building at 74 8th Street, SE in Hickory, and will cause a minimum of \$400,000 new investment and create 191 new jobs by December 31, 2017. The average wage of these jobs will meet or exceed 100% of the Average Weekly Wage established for Catawba County by the North Carolina Department of Commerce's Wage Standards.

The project has considered multiple buildings in several counties in North Carolina, Virginia and South Carolina. The renovated Moretz Mill facility had unimproved space the Company considered ideal for its operation. The City of Hickory is the applicant for a State of NC Building Renovation Grant in the total amount of \$259,400 from the Rural Division of the NC Department of Commerce.

The project is a division of The Greene Group LLC, headquartered in Davidson, NC. The company has consistently been recognized as one of the Best Places to Work by the Charlotte Business Journal. The Green Group has several companies under its corporate umbrella that focus on locating top-performing C-level executives, experts in science or technology, and qualified truck drivers.

Economic Development Incentive Grant Overview and Clawbacks

The proposed incentive grant is based on a contract with obligations requiring satisfactory performance by the Company. The contract requires a minimum investment of \$400,000, and the creation of 191 new jobs at the new facility by December 31, 2017, with a requirement to not hire anyone without a minimum of a high school diploma for anyone 25 years of age or below. The average wage of these jobs will meet or exceed 100% of the Average Weekly Wage established for Catawba County by the North Carolina Department of Commerce's Wage Standards. County will provide a one-

time payment of \$800 for each of the jobs created commencing with the jobs created beginning June 24, 2015. The County will provide an additional one-time payment of \$800 for up to 21 high-wage positions created at the Hickory facility that can be documented to meet or exceed the following criteria:

- Yearly earnings (all cash payments, bonus payments, and commissions, not to include non-cash benefits) in excess of \$75,000 per year, and
- Proof of residency within the City of Hickory or within Catawba County.

In no event will the cumulative payments by County exceed One Hundred Sixty Nine Thousand, Six Hundred Dollars (\$169,600).

Like all incentives provided by the County, these incentives will be based on an economic development agreement which requires the project to meet minimum thresholds of investment (\$400,000) and job creation (191) by 2017, all of which must be maintained for a minimum of three years after the final incentive payment. Clawbacks are included in the agreement requiring repayment should the investment and job creation amounts not be met or sustained.

Recommendation

The Board of Commissioners approve the Economic Development Agreement between the County and Blue Bloodhound, the related resolution attached, and authorize the Chair to execute these along with any other needed documents.