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How Vance County expects to attract \$50M in investment: Local incentives

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Two separate manufacturing firms have pledged a combined investment of nearly \$50 million in Vance County – but only if commissioners incentivize their site plans.

The companies – Ardagh Glass and Vescom America – both have sites in the county, employing a more than 300 people combined.

But both firms could, according to the county, take their investments and their jobs elsewhere.



Stuart Litvin, director of Henderson-Vance Economic Development Commission, at the Economic Summit, Research Triangle Region-North, on March 24, 2016, in Henderson.

Stuart Litvin, director of the Henderson-Vance County Economic Development Commission, says the county was told the companies have excess capacity at facilities outside of the state.

But Adagh in particular has been in Vance County in one form or another for years, Litvin explains, adding that the county plans to be aggressive in its suit to maintain the firm, and is discussing the possibility of a matching One North Carolina Grant from the state at its May meeting.

"They are one of the – if not the highest paid employer in Vance County," he says. "So, to retain those jobs, it's very important to us."

But the move is also about recruiting other employers to Vance, he says.

"We want to have a reputation here in Vance County that we work closely with our existing industries to maintain them and help them expand here, and we take that seriously," he says. "For any prospect that's looking in Vance County, we want to assure them that when they do get here we don't forget about them. We're here as a partner."

And that, he says, is why the county voted to approve two separate incentives packages, enticing the companies to stay in North Carolina.

Ardagh Glass

Ardagh Glass, an Irish firm that manufactures glass and metal packaging, plans to invest \$42 million at its Vance County site, a move that means rebuilding glass furnaces and installing costly environmental equipment. The project is expected to retain a minimum of 259 local jobs, according to the county. Those jobs have an average wage of about \$65,000 per year. To lure the company's investment, the county voted Monday to provide annual incentive grant payments that will total more than \$954,000.

In order to get the full amount of grant money from the county, the company has to retain the full time jobs and make at least \$42 million in taxable improvements to its facility by the end of 2020.

If it doesn't meet those targets, it could have to pay back some of those grant funds.

Vescom America

Vescom America, the U.S. subsidiary of a Dutch manufacturer of wall coverings and upholstery, notified the county that it plans to invest at least \$2.5 million in warehouse and office space at the site, as well as \$4 million in equipment installation as it implements a new printer and a laminator/embosser. The move would mean 20,000 square feet of warehouse space and 10,000 square feet of office space, a project that, according to the county, would have a taxable value of at least \$6.5 million. And it would keep the company's U.S. headquarters in Vance County, maintaining 62 local jobs with an average salary of about \$45,000 a year. In return for the investment, the county voted Monday to grant the company up to \$225,000 in local incentives. To get the cash, the company would have to meet job and taxable investment targets, and could have to pay back some of the grant funds if it fails to meet those goals.

Lauren K. Ohnesorge

Staff Writer

Triangle Business Journal

