Adam Stumb

From:

Adam Stumb

Sent:

Tuesday, January 29, 2019 7:43 AM

To:

'ekm@carolinatimberworks.com'

Cc:

'craig@carolinatimberworks.com'; Todd McNeill; Cathy Barr

Subject:

Carolina Timber Works

Eric,

I wanted to follow up from our meeting this morning and to also reinforce our perspective. The County is happy to work with you in developing the property at the industrial park and hope that this goal can be achieved this year. If not, we are serious about pursuing the repayment of the incentives or the return of the property as outline in the letter from John Kilby.

Moving forward, I have outlined the steps that will need to take place:

- 1. Appear at the February 22, 2019 Board of Commissioners Meeting
- 2. Prior to the meeting, prepare a history of events from the signing of the agreement.
- 3. Prior to the meeting, prepare a project schedule with measureable goals
 - a. Prepare building plans
 - b. Acquire permits to build 60 days
 - c. Break ground at on project
 - d. And so on...
- 4. The schedule should also include a 6 month reassessment.

These steps will help the Commissioners see your progress and commitment to upholding the agreement. We looking forward to working with you on this project.

Adam Stumb, AICP, CFM

Ashe County Interim County Manager Director of Planning 150 Government Circle, Suite 2400 Jefferson, NC 28640

Office - 336-846-5501 Cell - 336-977-3074

www.ashecountygov.com

KILBY & HURLEY

Attorneys and Counselors at Law 122 North Jefferson Avenue PO Box 24 West Jefferson, North Carolina 28694-0024

John T. Kilby *
Benjamin G. Hurley, Jr.
*Also licensed in VA

Telephone 336/246-3144 Fax: 336/246-6346

January 14, 2019

Tamara DiVenere

280 Queen Street

Boone, NC 28607

Re: Ashe County/Carolina Timberworks

Tammy,

We have discussed this matter a few times with no resolution. The County now wants the matter resolved. They have instructed me that if Carolina Timberworks does not pay back the \$62,643.00 incentive or sell the land back to the County for \$46,617.00 within 30 days, I am to bring suit to resolve the matter.

I will wait to hear from you.

JTK/sm

cc: Cathy Barr



County of Ashe 150 GOVERNMENT CIRCLE SUITE 2500 Jefferson, N.C. 286411

DEPARTMENT OF ECONOMIC DEVELOPMENT Phone: 336-219-2502 Fax: 336-219-2516 pmitchell@ashencedc.com

February 22, 2007

Eric K. Morley Chris Miller Carolina Timberworks, LLC 1172 Highland Hall Road Boone NC 28607

Dear Eric and Chris:

We have met with the Board of Commissioners to discuss the Beaver Creek Industrial Park location for Timberworks, specifically Parcel Number 19227267 005. That parcel is 3.642 acres. Currently, the tax value on that particular lot is \$109,300, or \$30,010 per acre. The Commissioners, in considering offering the land at a reduced value, based that decision on the following: the value of your proposed building (\$533,000), equipment and inventory investment (\$131,027) as well as the number of jobs (11 plus two full-time subcontractors) and the payroll (approximately \$498,480 in FY07) you will bring to Ashe County. The Board of Commissioners will offer the land for Parcel 19227267 005 at \$12,800 per acre or a total cost of \$46,617.

If you have questions, please do not hesitate to contact me. We look forward to hearing from you and sincerely hope you make the decision to locate in Beaver Creek Industrial Park.

Sincerely,

Dan McMillan County Manager

Dr. Patricia Mitchell Director of Economic Development



MARCH 1, 2007

DAN MCMILLAN & PATRICIA MITCHELL COUNTY OF ASHE 150 GOVERNMENT CIRCLE, SUITE 2500 JEFFERSON, NC 28640

DEAR DAN & PAT,

WE RECEIVED YOUR FEBRUARY 22, 2007 LETTER WHEREIN YOU CONVEYED THAT YOU'D MET WITH THE BOARD OF COMMISSIONERS CONCERNING OUR PROPOSAL TO CONSTRUCT A NEW FACILITY IN ASHE COUNTY.

ON BEHALF OF ALL OF US AT CAROLINA TIMBERWORKS, WE WOULD LIKE TO THANK YOU BOTH-AND THE BOARD OF COMMISSIONERS-FOR YOUR SUPPORT, ASSISTANCE, AND BELIEF IN OUR COMPANY. WE GENVINELY APPRECIATE ALL OF YOUR EFFORTS ON OUR BEHALF-AND WE PROMISE YOU WE WILL TRY VERY HARD TO BECOME ONE OF ASHE COUNTY'S BEST SMALL BUSINESSES.

PAT HAP MENTIONED THAT THE NEXT STEP WAS FOR US TO WRITE A LETTER OF ACCEPTANCE, AND THEREFORE, PLEASE CONSIDER THIS LETTER AS FORMAL ACCEPTANCE OF THE BOARD OF COMMISSIONERS OFFER AS OUTLINED IN YOUR LETTER OF FEBRUARY 22, 2007,

PLEASE LET US KNOW WHAT THE NEXT STEP IS-AND HOW WE MAY ASSIST.

SINCERELY,

Charlophes Miller Extimal

CHRIS MILLER ERICK, MORLEY



INCENTIVE RECAPTURE AGREEMENT

WITNESSETH:

That whereas ASHE COUNTY (1st Party) owns a certain parcel of land containing 3.643 acres located in the Beaver Creek Industrial Park, which land is intended to be used for economic development purposes, and;

Whereas the second Party, **CAROLINA TIMBERWORKS**, **LLC** desires to acquire said property for the purpose of constructing a facility to manufacture post and beam construction units, which business is expected to employ up to 13 employees and require the building of a new manufacturing facility which will result in the increase in jobs, payroll, and ad valorem taxes all of which would be a direct benefit to the County, and:

Whereas, the County is willing to sell the property referred to here and above, which is valued at \$109,260, for the price of \$46,617, thereby, creating an economic development incentive to the Company in the amount of \$62,643. This incentive, however, is conditioned on the Company meeting its anticipated goals and staying in business for a period of at least five (5) years and in the event they fail to do so the County will be entitled to recover its Economic Development Incentive monies on a pro rata basis as set forth hereinafter.

It is therefore agreed between the parties that if the second party purchases the property at the agreed upon reduced purchase price and thereafter builds a manufacturing facility on the property and employs 13 employees at an agreed upon wage rate, but thereafter fails to meet the anticipated goals of length of ownership and business operation the County will be repaid its incentive price reduction as follows:

1. If the Company owns the land and is in business as anticipated for a minimum of five (5) years, there shall be no repayment due the County.

2. If the Company owns the land and stays in business for at least four (4) but less than five (5) years, the Company will pay back to the County 20 percent of the incentive monies.

3. In the event the Company owns the land and stays in business for at least three (3) but less than four (4) years, the company will pay back to the County 40 percent of the incentive monies.

4. In the event the Company owns the property and stays in business for at least two (2) years but less than three (3) years, they will pay back to the County 60 percent of the incentive monies.

5. In the event the Company owns the property and stays in business for one (1) year but less than two (2) years, the Company will pay back to the County 80 percent of the incentive monies.

6. That this agreement is contingent and is computed on the assumption that the

subject property will appraise at no less than \$12,800 per acre.

The time period for determining the Company's compliance and recapture schedule shall commence at such time as the company has completed its manufacturing facility and begun operations as anticipated.

This agreement entered into this the date and year as first above written.

Dan McMillan, County Manager of Ashe

Richard Blackburn, Chairman

Ashe County Board of Commissioners

Chris Miller, Carolina Timberworks, LLC

Eric K. Morley, Carolina Timberworks, LLC





JUNE 25, 2007

PAT MITCHELL, DAN MCMILLAN & THE BOARD OF COMMISSIONERS COUNTY OF ASHE
150 GOVERNMENT CIRCLE, SUITE 2500
JEFFERSON, NC 28640

DEAR PAT, DAN & MEMBERS OF THE BOARD OF COMMISSIONERS,

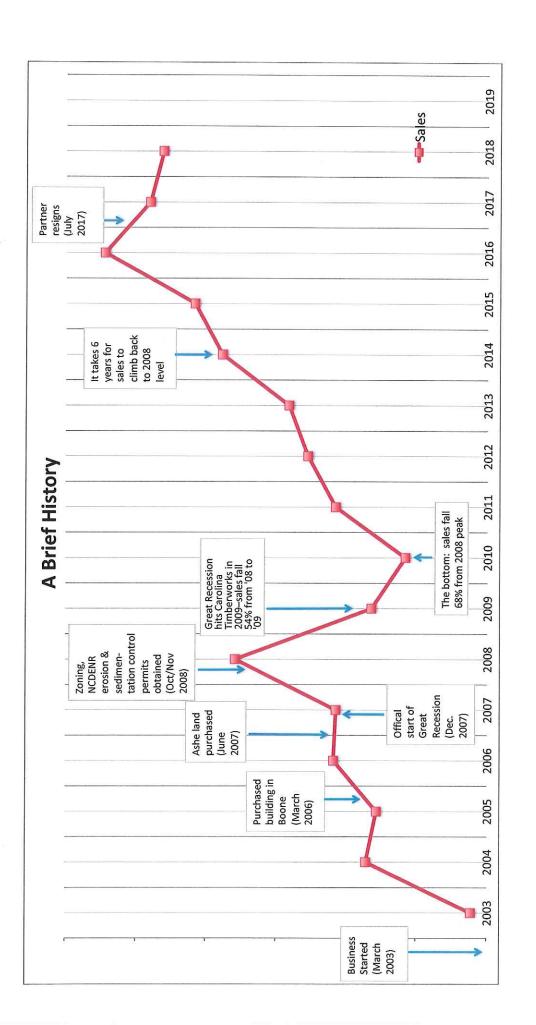
WE WANTED TO TAKE A MOMENT OF YOUR TIME TO DO SOMETHING WE TOO OFTEN FORGET TO DO-NAMELY, TO SAY THANK YOU. WE SINCERELY APPRECIATE THE HELP AND SUPPORT YOU'VE GIVEN OUR SMALL COMPANY, AND WE WILL WORK VERY HARD TO MAKE A POSITIVE CONTRIBUTION TO ASHE COUNTY.

MOST OF ALL, THANK YOU FOR HELPING US, FOR BELIEVING IN US, AND FOR MAKING OUR MOVE TO ASHE COUNTY POSSIBLE. WE WON'T EVER FORGET WHAT YOU'VE MADE POSSIBLE, AND WILL DO OUR VERY BEST TO MAKE YOUR DECISION ONE THAT YOU LOOK BACK ON FAVORABLY A FEW YEARS FROM NOW.

SINCERELY,

CHRIS MILLER

ERICK, MORLEY



Employment, Carolina Timberworks

(as of February 2019)

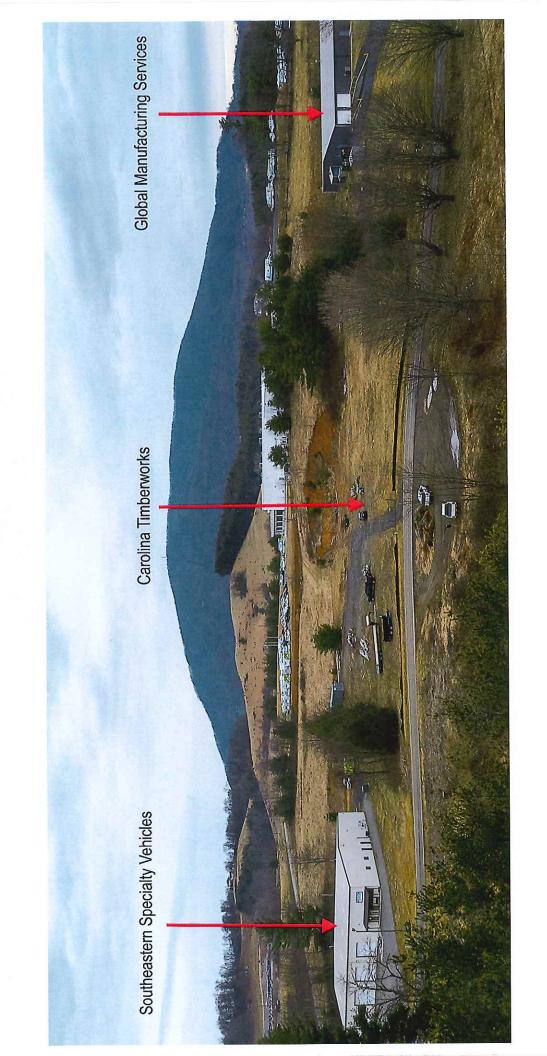
lotai empioyees	15
Total full-time employees	13
Total part-time employees	2
Overhead employees	7
Full-time	6
Part-time	1
Direct labor employees*	8
Full-time	7
Part-time	1

Notes:

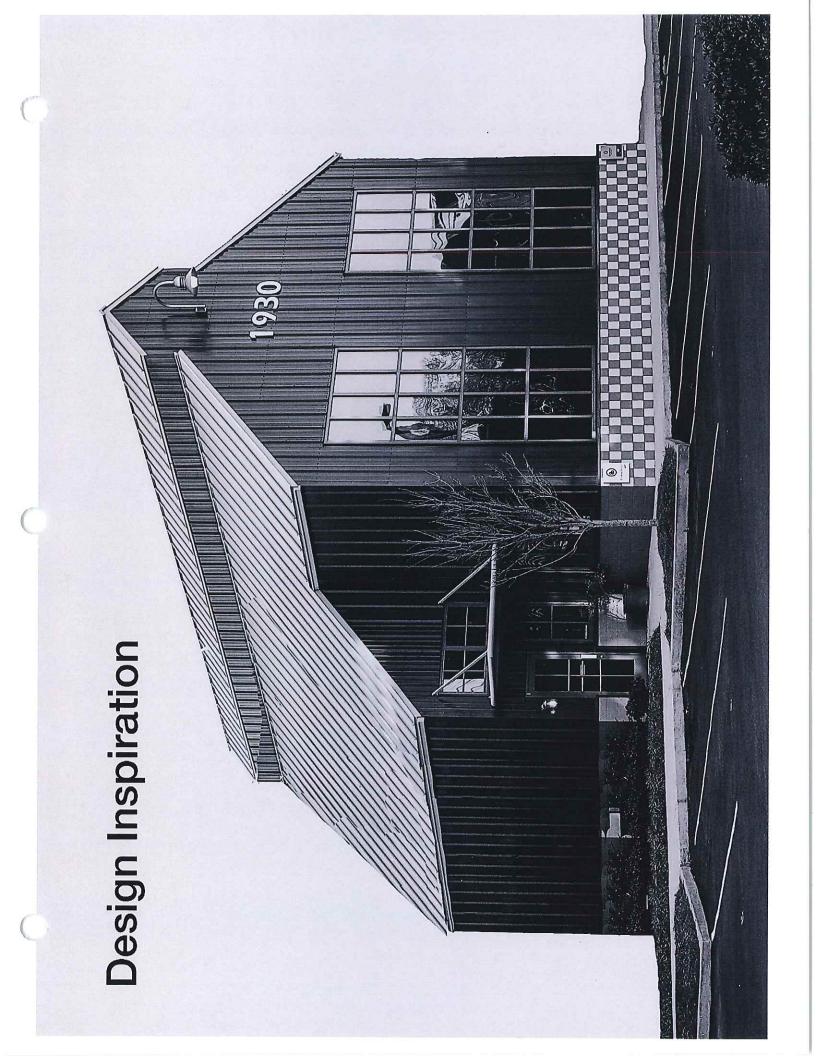
- -11 employees currently live in Ashe county
- -No independent subcontractors-everyone is an employee
- -Company matches 3% of pay for Simple IRA retirement plan
- -Company pays 50% of cost of health insurance
- -Company pays cost of federal and state unemployment insurance
- -Company pays 7.65% of total wages for Social Security and Medicare
- -Company reimburses mileage at current IRS rate (.58/mile in 2019)
- -Company pays overtime (time and a half) to hourly employees
- -Company pays for Timber Framers Guild membership
- -Company pays half the cost of hand tools for shop employees
- -Company pays for 100% of the cost of personal protective safety equipment
- -Company pays per diem to employees while traveling
- -Company pays full hourly wages during travel (and overtime if applicable)
- -Company pays logo-branded clothing
- -Company pays carpooling bonus
- -Total 2019 est. wages & salaries = \$836,013.04
- -Total 2019 est. Simple IRA and health ins. benefits = \$40,904.36

^{*}we are currently recruiting one additional shop employee









URPER LEVEL DESIGN LOFTS STORACE LOWER LEVEL-OFFICES 80, TIMBERZ TRUSSES @ 10' O.C. SPACING ZODE MONTOR! かとれて DACION SUL MANUFACTURING SPACE 48X80 TIMBERNORKS フイン ANIONAC @2013

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	Carolina Timberworks' New				Carolina-lin	HDBRWORKS-INBW-	Shop-Ashe-Cou	mty-Industrial-Rai	X.				
-	Shop - Ashe County Industrial Park											>	
2	General Conditions		Ceneral-Condition	18									
60	Finalize architectural plans	Finalize arc	Finalize architectural plans	1									1
4	Complete cost estimate (including bids in writing)	complete cost estimate (including bids	(including bids in	in writing)									
ro	Engineering (footings, building)	Engineerin	Engineering (footings, building)	(gui									
9	Commissioners	Board of Commissioners meeting	s meeting										
7	Financing finalized			Financing finalized	pezi								
80	Apply for Permits			Angel	Apportor-Permits								
თ	Town of West Jefferson zoning permit			own of West Jet	Town of West Jefferson zoning permit	1							
9	Ashe County building permit			Ashe County	unty building permit		E)						
1	NCDOT street & driveway zoning permit		Ž	DOT street & d	ICDOT street & driveway poning permit	mit							
12	Miscellaneous permits			Miscellane	Miscellaneous permits								
13	Site Work					Site-Work							
14	Groundbreaking ceremony			Groun	Groundbreaking ceremony	Ŋ							
15	Grading					Grading							
16	Install underground utilities					Install underground utilities	nd utilities						
17	Gravel					Gravel	Tel Tel						1
18	Foundation						- roundation						
19	Excavate for slab foundation					Excavate fo	cavate for slab foundation	c					
20	Steel in footers					Ste	Steel in footers						

			Feb 19	_	Mar 19	6	Apr 19	6	May 19	တ	Jun 19		Jul 19	Ar	Aug 19	Sept 19	19	Oct 19		Nov 19	Dec 19	19
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77	Stub up for plumbing, floor drains, & electrical									, w	Stub up for plumbing foor drains, & electrical	lumbing	foor drain	is, & elec	trical							
22	Plumbing/electrical sub-slab inspection										Plumpi	Plumping/electrical sub-slab inspection	alsub-si	adsui qu	ction							
23	Gravel												Gravel									
24	Termite treatment											Ţē.	mite trea	ment								
25	Insulation & vapor barrier											Insula	Insulation & vapor barrier	oor barrie	<u>_</u>							
56	Foundation inspection (steel, insulation)										<u> </u>	oundation	inspecti	on (steel,	Foundation inspection (steel, insulation	-						
27	Place concrete												Place	Place concrete								
78	Backfill and cure slab for 7 days											ď	okfill and	cure sla	Backfill and cure slab for 7 days	ε _ν						
59	Framing															C-Eramining-C						
30	Frame walls														Frame walls	alls						
31	Frame roof														Fra	Frame roof						
32	Frame interior offices														Frar	rame interior offices	offices					
33	Framing inspection															Framing	Framing inspection	C				
34	Dry In																Augur A	P				
35	Install roof decking															Install	nstall roof decking	king				
36	Install metal roofing															S	Install metal roofing	roofing				
37	Install exterior doors & windows															Instal	exterio	exterior doors & windows	swopu			
88	Install interior office windows (tempered, acoustic if affordable)	- 113-11													Install inter	rior office	windows	tempered	i, acoustic	Install interior office windows (tempered, acoustic if affordable)		
39	Exterior Finishes																n A	Exterior Fires	Seu			
40	Install exterior siding																Install	nstall exterior siding	ding			
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42	Utility Rough-Ins									Utility Hough-Ins	S.	
43	Rough-in plumbing									Rough-in plumbing	6	
4	Rough-in plumbing inspection		I.						S.	Rough-in plumbing inspection	inspection	
45	Rough-in sprinker									Rough-in sprinker	10	
46	Rough-in electrical									Rough-in electrical	cal	
47	Rough-in electrical inspection								α	Rough-in electrical inspection	il inspection	
48	Rough-in HVAC									Rough-in HVAC	0	
49	Rough-in HVAC inspection								α.	Rough-in HVAG inspection	spection	
50	Rough-in communication -							Rou	gh-in communic	ation - phone ca	Rough-in communication - phone cable, alarm, cameras	as
51	Interior Finishes										Interior-Finishes	D
52	Insulation										thsuration	
53	Place wall insulation									Place wall insulation	nsulation	
54	Place ceiling insulation									Place cei	Place ceiling insulation	
55	Insulation inspection									nsula	nsulation inspection	
56	Drywall & Paneling									Δ	Drywadi & Falleling	
22	Install offices & bathrooms drywall									Install	Install offices & bathrooms drywall	ıs drywall
28	Install ceiling wood paneling									Install o	Install ceiling wood paneling	6
59	Install wall wood paneling									Ē	MOOK	Jeling
09	Paint										- Kalling	
61	Paint office, bathrooms, finish shop paneling walls									Paint office	Paint office, bathrooms, finish shop paneling wal	n shop paneling v
62	Paint exterior trim, timber elements, wood soffits, entry							ď.	aint exterior trim,	timberelements	Paint exterior trim, timber elements, wood soffits, entry	<u> </u>
63	Cabinets & Trim											
	Install bathroom cabinets										Install bathroom cabinets	apinets

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65	Install trim in offices										Install trim in office	ices
99	Finish Plumbing										F nistration	D D
29	Finish plumbing										Hinish plumbing	D
89	Connect to town water & septic									ŏ	onnect to town wat	er & septic
69	Finsh plumbing inspection										Finsh plumbing inspection	inspection
2	Finish Electrical										Mish-crecingal	
7	Complete office circuits to service panel									Comple	Complete office circuits to service	o service panel
72	Complete shop to service									Compl	Complete shop to service pane	e panel
23	Finish electrical inspection										Finish electrical inspection	inspection
74	Complete communications wiring - phone, cable, alarm, cameras									Complete comm	Complete communications wing phone, cable, ala	phone, cable, a
75	Finish HVAC											
9/	Complete office - zone 1 HVAC										Complete office	Zone HVAC
1	Complete shop - zone 2 HVAC										Complete shop-zone 2	zone 2 HVAC
78	HVAC inspection										HVAC	HVAQinspection
62	Hardwood flooring, Tile and Appliances										Hardwood good games and Applications	
08	Install engineered pre-finished wood flooring in offices									install engineered		D
81	Install appliances										Install appliances	Sapues
82	Landscaping and Grounds Work										i	
83	Final grade											D 0
84	Entry gate										J	
85	Seed											naac a
98	Gutters											utters

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87	Final gravel touchup																		Finalgra	Final gravel touchup	dnı
88	Planting begins (Gesche)																		Planting begins (Gesche)	egiins (G	esche)
+	Mulch																			Mulch	
1	Fence																			Fence	-
 	Install signage																		<u> </u>	nstall signage	age
-	Final Acceptance																			nd Acceptance	0
	Complete final inspecation for certificate of occupancy																Complete	Complete final inspecation or certificate of o	oecation f	r certific	ate of o
	Cleanup for occupancy																	Clear	Cleanup for occupancy	cupancy	
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	Complete punch list items																	පි	Complete punch list items	inch list i	ems
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	Activity Name	Start Date	Feb	Mar	Apr	May	unf	InC	Aug	Sept	Oct	Nov	Dec	Jan
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2														
3 Boa	Board of Commissioners meeting	2/18/19												-
Per Ash	Permits submitted with fee to Ashe County Building Dept.	4/23/19												
5 Gro	Groundbreaking ceremony	5/15/19												
6 Slak	Slab concrete poured	7/29/19	19											
6 m Cor	6 months from Feb. 18 Board of Commisioners meeting	8/19/19												
8 Buil	Building dried in	10/3/19												
\oM €	Move in	12/11/19												
			Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan