

**CITY COUNCIL SPECIAL MEETING
300 WEST CROWELL STREET
MONROE, NORTH CAROLINA 28112
OCTOBER 18, 2023– 11:00 A.M.**

AGENDA

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1. Level II Economic Development Incentive Grant to SXCW Properties II, LLC
 - A. Public Hearing
 - B. Action

2. Sale of 15.11+/- Acres (Tract L1) Located in Monroe Corporate Center to SXCW Properties II, LLC
 - A. Public Hearing
 - B. Action



STAFF REPORT

TO: City Council

VIA: Mark Watson, City Manager

DATE: October 18, 2023

FROM: R. Christopher Platé, Executive Director, MUCEDC

PREPARED BY: Rachael Holzman, New Opportunities Manager, MUCEDC

SUBJECT: Request Level II Economic Development Incentive Grant to SXCW Properties II, LLC

SUMMARY STATEMENT

City Council is requested to consider the award of a Level II Economic Development Incentive Grant to SXCW Properties II, LLC in an amount not to exceed \$171,000 over a five-year period.

REVIEW

Our office began discussions with SXCW Properties II, LLC (Project BEAR) in January 2023.

The project under consideration is a \$9,000,000 investment in land, a new minimum of 50,000 square foot specialty distribution and corporate headquarters facility, and the purchase and installation of related production equipment for the relocation of SXCW Properties II, LLC, to the Monroe Corporate Center. The company is currently headquartered in Matthews, North Carolina, and has been operating premium car wash locations in the Carolinas and Virginia since December 2012. They currently employ more than 20 people per location, providing amazing customer service and car washing experiences.

This project is in competition with another site located in South Carolina. If Monroe is selected, the project could involve land purchase, new construction, and equipment purchase and installation of \$9,000,000 within the Monroe Corporate Center. The project is anticipated to create at least 10 new employees.

Monroe-Union County Economic Development Commission staff has reviewed the details of the project and recommended the award of a Level II Economic Development Incentive Grant in an amount not to exceed \$171,000 paid over a five-year period as an inducement to lure the potential investment. Given the projected capital investment, a Level II Economic Development Incentive Grant would be in an amount not to exceed \$171,000 to be paid in five (5) annual payments beginning in FY 2026 based upon appraised value each year as appraised by the Union County Tax Administration office. This grant is based on the company's projected total investment of \$9,000,000 in new equipment and building(s) over the grant period, but not less than \$3,000,000. Considering its projected investment in the City of Monroe, the current tax rate, and assuming a consistent assessed value with no depreciation, the company would pay estimated ad valorem taxes on the new taxable investment of \$226,125 over the grant period. Actual tax revenue to the City will be based on the assessed value of the investment each year, depending upon the depreciation schedule and timing of the investments.

Staff has reviewed the details of the project and conducted a cost-benefit analysis that shows the project has a 1.61 to 1.0 ratio for the term of the grant and a 6.51 to 1.0 ratio for the life of the project.

RECOMMENDATION

It is the recommendation of the Monroe-Union County Economic Development Commission staff that Monroe City Council award a Level II Economic Development Incentive Grant to SXCW Properties II, LLC, in an amount not to exceed \$171,000.

The recommended actions before City Council are as follows:

Approval Action:

Motion to adopt Resolution Awarding Incentive Agreement, authorizing Staff to negotiate an Economic Development Incentive Grant Agreement and authorizing the Mayor to execute the same on under the terms stated above and pursuant to the City of Monroe Economic Development Incentive Grant Policy.

Denial Action:

Motion to deny grant.

Attachment: Resolution R-2023-71

**RESOLUTION OF MONROE CITY COUNCIL
TO AWARD LEVEL II ECONOMIC DEVELOPMENT INCENTIVE GRANT TO
SXCW PROPERTIES II, LLC
R-2023-71**

WHEREAS, the City of Monroe has adopted an Economic Development Grant Program, hereinafter “Program”; and,

WHEREAS, SXCW Properties II, LLC has duly applied for a Level II Economic Development Incentive Grant under said program; and,

WHEREAS, a public hearing was conducted by the City Council on October 18, 2023, at which hearing testimony was given by Monroe-Union County Economic Development Commission Executive Director Chris Platé and a company representative; and,

WHEREAS, the proposed investment for this project is anticipated to be approximately \$9,000,000: and,

WHEREAS, the City Council makes the following findings with respect to said application:

1. All facilities, if Monroe is the selected location, are proposed to be built and/or improved by the applicant on property currently within the corporate limits of the City of Monroe.
2. The applicant will be the principal employer of persons with respect to the grant application under the Program.
3. The applicant is a specialty distribution and corporate headquarters business, which will have a minimum new investment of \$3,000,000 in new taxable land, building, and equipment, which qualifies them for an economic development incentive grant.
4. No other grant from the Program has been awarded to the applicant for this project.
5. The applicant is not in the retail or construction trade.
6. That the applicant meets all other applicable requirements of the Grant Program set forth by the City Council.

WHEREAS, based on the above findings and other documentation in the file, the City Council concludes that the applicant qualifies for a Level II Grant under the Program for an amount not to exceed One Hundred Seventy-One Thousand Dollars (\$171,000.00) paid over a five-year grant period, beginning in Fiscal Year 2026. With qualification for the grant established and the economic benefits accrued to the City in the form of new employment, increased tax base, and increased City utility revenues, the grant application should be approved subject to compliance with the Program and subject to appropriation; and,

WHEREAS, the City of Monroe anticipates entering into an Economic Incentive Grant Agreement with SXCW Properties II, LLC, if Monroe is the selected location and pursuant to the City of Monroe Economic Development Incentive Grant Policy.

NOW THEREFORE BE IT RESOLVED THAT the grant application of SXCW Properties II, LLC, for a Level II Grant be approved subject to compliance with the requirements and provisions of the Program and subject to appropriation. Staff is hereby authorized to negotiate the Economic Development Incentive Grant Agreement and the Mayor is hereby authorized to execute on behalf of the City the Economic Development Incentive Grant Agreement with SXCW Properties II, LLC, under the terms stated above and pursuant to the City of Monroe Economic Development Incentive Grant Policy.

Adopted this 18th day of October, 2023.

Attest:

Marion L. Holloway Jr., Mayor

Bridgette H. Robinson, City Clerk



STAFF REPORT

TO: City Council

VIA: Mark Watson, City Manager

DATE: October 18, 2023

FROM: R. Christopher Platé, Executive Director, MUCEDC

PREPARED BY: Rachael Holzman, New Opportunities Manager, MUCEDC

SUBJECT: Request City Council Consider Sale of Tract L1, which is 15.11+/- acres of land, to SXCW Properties II, LLC

SUMMARY STATEMENT

City Council is requested to consider the sale of Tract L1 (15.11+/- acres) to SXCW Properties II, LLC, (Project BEAR) for \$628,550.

REVIEW

Our office has had long-standing discussions with SXCW Properties II, LLC (Project BEAR) regarding their interest in purchasing Tract L1, which is 15.11+/- acres in the Monroe Corporate Center. The company operates in premiere car wash facilities and requires a new specialized distribution center and corporate headquarters.

If Monroe is the selected location for this expansion, the project would include capital investment totaling up to \$9,000,000.

The Monroe-Union County Economic Development Commission staff has reviewed the details of the project and conducted a cost-benefit analysis that shows the project has a 1.61 to 1.0 ratio for the term of the grant and a 6.51 to 1.0 ratio for the life of the project.

RECOMMENDATION

It is the recommendation of the Monroe-Union County Economic Development Commission staff that Council accept the consideration for the sale to be \$628,550 cash from SXCW Properties II, LLC (Project BEAR) for the purchase of Tract L1 in the Monroe Corporate Center.

The recommended actions before City Council are as follows:

Approval Action:

Motion to adopt Resolution Authorizing Acceptance of Purchase & Sale Agreement of Real Property, authorizing Staff to negotiate a Purchase & Sale Agreement and authorizing the Mayor to execute the same on behalf of the City.

Denial Action:

Motion to deny.

Attachment: Resolution R-2023-72

**RESOLUTION TO APPROVE SALE OF TRACT OF LAND IN
MONROE CORPORATE CENTER TO
SXCW PROPERTIES II, LLC
R-2023-72**

THAT WHEREAS, the City has heretofore purchased real property on Corporate Center Drive and Phil Hargett Court pursuant to N.C.G.S. 158-7.1(d) for the purpose of facilitating economic development; and,

WHEREAS, SXCW PROPERTIES II, LLC has requested the purchase of 15.11(+/-) acres of the said property hereinafter described for a project that will stimulate and stabilize the local economy in the City; and,

WHEREAS, the City has determined the fee simple interest in 15.11 (+/-) acres subject to reserved easements and to the Corporate Center Protective Covenants and Restrictions to be valued at \$628,550; and,

WHEREAS, the negotiated purchase price is \$628,550, and the consideration for the sale is \$628,550 in cash; and,

WHEREAS, the proposed investment for this project is anticipated to be up to \$9,000,000 with new job creation of a minimum of 10 positions paying an average wage of \$22.00 per hour; and,

WHEREAS, the Council approved a Level II Economic Development Incentive for this project on October 18, 2023, by Resolution R-2023-72.

NOW, THEREFORE, BE IT RESOLVED that pursuant to N.C.G.S. 158-7.1(d), the City Council approves the sale of the land hereinafter described in the Monroe Corporate Center.

Description: Being all that certain tract or parcel of land lying and situated in the City of Monroe Township, Union County, North Carolina, and being more particularly described as follows:

Beginning at an iron found on the northerly margin of the right of way of Phil Hargett Court near its intersection with Corporate Center Drive. Thence running with the northerly margin of the right of way of Phil Hargett Court, N 70-15-45 W a distance of 450.75' to an iron set; Thence terminating from said right of way of Phil Hargett Court and running N 22-21-32 E a distance of 931.73' to an iron set in the southerly line of the CCBCC Operations, LLC property as recorded in Deed Book 3658 at Page 288 in the Union County, NC Register of Deeds Office. Thence running with the line of the CCBCC Operations, LLC property, S 74-27-29 E a distance of 766.65' to an iron found and continuing N 79-52-09 E a distance of 112.53' to an iron set; Thence running S 10-34-27 E a distance of 318.67' to an iron set on the northwesterly margin of the right of way of Corporate Center Drive. Thence running with the northwesterly margin of the right of way of Corporate Center Drive the following four (four) calls: 1. Thence S 79-25-33 W a distance of

430.70' to an iron found; 2. Thence along a curve to the LEFT, having a radius of 430.15' and arc length of 448.11' and having a chord bearing of S 49-34-54 W and a chord distance of 428.12'; 3. Thence S 19-44-15 W a distance of 149.06' to an iron found; 4. Thence along a curve to the RIGHT, having a radius of 30.00' an arc length of 47.12' and a chord bearing of S 64-44-15 W and a chord distance of 42.43' to the point of beginning.

Said described parcel contains 15.11 Acres, more or less, subject to any and all easements, reservations, restrictions, and conveyances of record.

The interest to be conveyed is fee simple subject to utility easements as might be located and/or reserved on the subject premises, the City of Monroe sewer line easement, a general utility easement 15 feet in width running along the western perimeter, a general utility easement 30 feet in width running along the remaining perimeter of the subject tract, and to the Declaration of Protective Covenants and Restrictions which are available for public inspection at the office of Monroe-Union Economic Development Commission and are recorded at Union County Public Registry.

BE IT FURTHER RESOLVED that Staff is hereby authorized to develop the Purchase and Sale Agreement, and the Mayor is hereby authorized to execute the same on behalf of the City of Monroe.

Adopted this 18th day of October, 2023.

Attest:

Marion L. Holloway Jr., Mayor

Bridgette H. Robinson, City Clerk