

March 23, 2022



PARTNERSHIP for ECONOMIC DEVELOPMENT
SALISBURY, NC

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ECONOMIC
IMPACT
SUMMARY

SUMMARY OF PROPOSED LOCATION OF
GENERAL RV IN ROWAN COUNTY



March 23, 2022

The Honorable Gregory C. Edds
Rowan County Board of Commissioners
130 West Innes Street
Salisbury, NC 28144

Re: Summary of Proposed Location of General RV in Rowan County

Dear Chairman Edds and County Commissioners:

On behalf of your Economic Development Council, please allow me to present to you this summary of the proposed location of General RV in Rowan County.

We are optimistic that, with your support, this project will reach a successful conclusion, creating new employment and expanding the nonresidential tax base in Rowan County. This document addresses the primary drivers and impacts of the project and is designed to provide you the information necessary to consider their request for assistance.

We sincerely hope that you find this document a useful resource as you consider this matter. We have expended substantial efforts to gather the most relevant information possible regarding the potential impacts this project could have on our County and its citizens.

In the preparation of this document, we have strived to utilize factual data and realistic projections. It is our intent that this document serves as a resource as you deliberate potential actions.

Please do not hesitate to contact our office with any questions you may have regarding this matter. We look forward to your feedback.

Sincerely,



Scott Shelton
Vice President

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1. Project Description

About The Company

Originally established in 1966 as General Trailer & Boat Manufacturing and Distribution, Michigan-based General RV is considered one of the nation's premier recreational vehicle dealers. The company currently operates fourteen dealerships over seven states.



The Proposed Project

General RV is seeking a site along the I-85 corridor for a new facility in the southeastern United States. The company has identified property owned by the County as a site of interest.

The 40.24-acre site, identified as Parcel 401 108, is located at the end of East Ritchie Road behind Koontz Elementary School.

The company is offering \$2,900,000 for the property. An appraisal was recently completed on the property by the Lancaster Company in Concord who estimated its market value to be \$1,950,000.



If acquired, General RV plans to open a large recreational vehicle dealership and service center on the property. The company would create 150 full-time jobs over the next three years as part of this project. These new jobs would include positions in a variety of fields such as mechanics, sales, finance, and administration. According to the company, the average annual salary for these 150 positions is expected to be \$65,000.

General RV would also invest approximately \$25 million into the project through the construction of a new facility and the installation of equipment. The company estimates that the facility would be completed within 30 months of acquiring the property.

2. Regulatory Approval Process

Zoned appropriately for the proposed use, there does not appear to be any regulatory barriers to this project moving forward. The company will work with Rowan County staff to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

3. Requested Assistance

General RV is not seeking any incentives from the County for this project. They only ask that the County sell the property to them for their offered price of \$2,900,000.

Normally, requests to purchase County-owned property are subject to the upset bid process. Based on the potential impact of this project, the Rowan EDC requests that the Board of Commissioners consider conveyance of this property for economic development purposes utilizing North Carolina General Statute 158-7.1(d) which eliminates the upset bid process requirement and allows for private negotiation.

4. County Revenue Projections

Property Tax

Representatives from General RV estimate that, once the property is acquired, the facility should be completed in approximately 30 months.

The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of .6575
- Total taxable investment is \$25 million
- \$23.5 million of the total investment will be in real property improvements
- \$1.5 million of the total investment will be in equipment
- Depreciation for business personal property was estimated using the State of North Carolina's 2022 Depreciation Schedule J
- Ten-year lifespans were assumed for all business personal property depreciation
- Although additional investment in the project through the replacement of outdated equipment is expected over the next ten years, those numbers are not available and could not be used in this model.

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures.

Incorporating the above framework, it is projected that the County will collect \$1,605,779 in total property tax revenue over a ten-year period.

Sales Tax

By its third year in operation, General RV projects that the new facility will generate \$10 million in annual sales in areas such as parts, labor, service, and warranties which will lead to increased sales tax revenue for Rowan County.

General RV (10-yr property tax revenue projection)

	Year 1	Year 2	Year 3	Year 4	Year 5
Real Property Investment	\$23,500,000	\$23,500,000	\$23,500,000	\$23,500,000	\$23,500,000
<i>Current Real Property Tax Rate</i>	0.6575%	0.6575%	0.6575%	0.6575%	0.6575%
Real Property Tax Revenue	\$154,513	\$154,513	\$154,513	\$154,513	\$154,513
Personal Property - Machinery & Equipment	\$1,500,000	\$1,350,000	\$1,410,000	\$1,245,000	\$1,095,000
<i>Current Personal Property Tax Rate</i>	0.6575%	0.6575%	0.6575%	0.6575%	0.6575%
Personal Property Tax Revenue*	\$9,863	\$8,876	\$9,271	\$8,186	\$7,200
Total Net County Revenue (Real & Personal)	\$164,375	\$163,389	\$163,783	\$162,698	\$161,712

	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Sum.
Real Property Investment	\$23,500,000	\$23,500,000	\$23,500,000	\$23,500,000	\$23,500,000	
<i>Current Real Property Tax Rate</i>	0.6575%	0.6575%	0.6575%	0.6575%	0.6575%	
Real Property Tax Revenue	\$154,513	\$154,513	\$154,513	\$154,513	\$154,513	\$1,545,125
Personal Property - Machinery & Equipment	\$930,000	\$750,000	\$570,000	\$375,000	\$0	
<i>Current Personal Property Tax Rate</i>	0.6575%	0.6575%	0.6575%	0.6575%	0.6575%	
Personal Property Tax Revenue*	\$6,115	\$4,931	\$3,748	\$2,466	\$0	\$60,654
Total Net County Revenue (Real & Personal)	\$160,627	\$159,444	\$158,260	\$156,978	\$154,513	\$1,605,779

5. Additional Project Impact

The proposed project will directly create new jobs and expand the local tax base, and the preceding sections have attempted to evaluate these direct investments. However, the impact of the proposed investment will resonate beyond the site boundaries and company employees. When the unemployed find opportunity, or citizens advance in their career, that personal economic growth is felt throughout the community. Additionally, the company, with increased operations, procures additional services and increases its engagement in the local economy.

Utilizing Jobs EQ software and incorporating information provided by the company, we have estimated the project's additional impact on our community. Jobs EQ is an economic impact assessment software system developed by Chmura (www.chmura.com).

This analysis was conducted to report economic impact results within Rowan County only. As should be expected with estimates of any type, applied outcomes will certainly vary from the model's projections.

RESULTS – 150 FULL-TIME JOBS

- Jobs EQ projects that the 150 full-time jobs created by General RV will lead to the creation of an additional 66 indirect* and induced jobs** in Rowan County.
- These 66 indirect and induced jobs will generate \$4,029,689 in annual employee wages and benefits.
- The additional impacts of the General RV dealership will also include the generation of \$10,942,351 in annual gross revenue for the companies creating these 66 indirect and induced jobs.

General RV estimates that 10,000 of their customers will spend an average of 6 hours in Rowan County while visiting their facility. The Rowan County Tourism Development Authority estimates that these 10,000 visitors will result in approximately \$740,000 of visitor spending in our community.

**Indirect jobs are ones created by companies supplying goods and services to a new or newly expanded industry.*

***Induced jobs are ones created when new employees from the new industry spend their wages at local establishments; for example, a new manufacturing plant may increase business at a nearby restaurant, leading to increased sales at the restaurant causing it to hire more employees.*

6. Closing

This project appears to have a lengthy list of benefits and no apparent liabilities. If Rowan County were chosen, General RV would create a total of 150 new full-time jobs, as well as add \$25 million to the County's tax base. The project would also generate approximately \$1.6 million of new property tax revenue for the County over a ten-year period. Rowan County would also benefit from increased sales tax revenue and visitor spending as a result of the project.

In addition to the creation of 150 new jobs by the company, General RV's new dealership would lead to the creation of 66 indirect and induced jobs in Rowan County according to a Jobs EQ software projection.

On behalf of your Economic Development Council, we look forward to providing you any additional information requested, or meeting with you personally to discuss these findings in detail. We hope that you have found this information useful as you consider this matter.

7. Property Description

ROWAN COUNTY
Geographic Information System
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