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Date: May 24, 2022
To: Greg Edds, Chairman
Cc: Aaron Church, County Manager
Carolyn Barger, Clerk to the Board
From: Scott Shelton, Vice President
Re: *Request for revised incentive terms for Red Rock Developments*

Dear Chairman Edds,

As you are aware, Red Rock Developments (Red Rock) plans to construct up to six shell buildings totaling 2.6 million square feet on Long Ferry Road. The buildings will be done over three phases and the total capital investment for this project is estimated to be approximately \$198 million.

Once completed these buildings will either be leased or sold to companies seeking to locate or expand their businesses in Rowan County. The number of new jobs created and amount of capital investment in personal property will be determined by the end users of these new buildings.

Infrastructure improvements will be necessary to serve the new buildings. These improvements include water and sewer main extensions, a new pump station, and significant improvements to Long Ferry Road. On April 4th, the Board of Commissioners approved an incentive request from Red Rock that the County reimburse the company up to \$4.2 million for these infrastructure improvements,

The incentive was approved with the stipulation that the reimbursement will be paid upon the lease or sale of substantially all the facilities and property in Phase I of the project to a third-party job creator that qualifies for Economic Development Grants under North Carolina General Statute 158-7.1. Phase I is comprised of two buildings. One will be 1.08 million square feet and the second will be 572,000 square feet.

Due to rising costs in construction materials, Red Rock has requested that the reimbursement terms of the incentive offer originally approved by the Board be amended. Red Rock now asks that reimbursement be paid upon issuance of a Certificate of Completion for the two speculative buildings contained in Phase I of the project. The company anticipates the buildings in Phase I will be completed in the second quarter of 2024.

We respectfully ask that the Board of Commissioners consider approving this request. Attached for your reference is the executive summary for the project previously submitted to the Board. Please feel free to contact me if you have any questions and thank you for considering this matter.

Yours truly,

Scott Shelton

Scott Shelton
Vice President