



ROCKY MOUNT
CITY MANAGER'S OFFICE
THE CENTER OF IT ALL
City Council Agenda

Date: September 10, 2021

To: The Honorable Mayor and City Council

Subject: Project "Fusion 2"

Summary of Requested Action: It is recommended that the City Council adopt the resolution authorizing the submission of an application for funding assistance to the N.C. Department of Commerce for the expansion of Project "Fusion 2" manufacturing plant in Rocky Mount.

Department Requesting Action: Department of Community & Business Development

Budgetary Impact: The company is planning to invest \$8,645,000 in renovation and upfit of the manufacturing plant and add 73 new jobs.

City Manager's Recommendation: *Recommend Approval. R. H. Hancey 9/20/21*

MEMORANDUM



ROCKY MOUNT
COMMUNITY AND BUSINESS DEVELOPMENT
THE CENTER OF IT ALL

To: Rochelle Small-Toney, City Manager
From: Peter Varney, Interim Director of the Department of Community and Business Development
Re: Project “Fusion 2”
Date: September 10, 2021

A local manufacturing company has made plans to expand its manufacturing and distribution operation resulting from a recent acquisition of two smaller production companies in the same line of business. The company was incorporated in 1908 and is publicly traded. It has several divisions located in other states. The company has 108 employees at the Rocky Mount location.

The company is planning to spend approximately \$8,645,000 to upfit the manufacturing space and plans to hire an additional 73 employees.

The company has applied for funding assistance in the amount of \$300,000 from the Rural Building Re-Use and Infrastructure Program offered by the N.C. Department of Commerce (NCDOC). Under the Building Re-Use Program, the NCDOC would grant funds to the City of Rocky Mount to loan to the company on the promise of the creation of 73 new jobs. If the company fails to deliver the promised new jobs, the City is obligated to recover the funding from the defaulted loan and reimburse the NCDOC.

The application for funding provides as follows:

NCDOC	\$300,000
“Fusion 2”	\$8,645,000
Carolinas Gateway Partnership	<u>\$15,000</u>
	\$8,960,000

It is recommended that the City Council adopt the attached resolution authorizing submission of the grant application and authorize the City Manager to execute any additional documents pertaining to this application.

AUTHORIZING RESOLUTION BY THE CITY OF ROCKY MOUNT

for the

North Carolina Department of Commerce

Building Reuse Program

“Project Fusion 2 Building Reuse”

WHEREAS, The North Carolina General Assembly has authorized funds to stimulate economic development and job creation in distressed areas through constructing critical water and wastewater facilities, addressing technology needs, renovating vacant buildings, and implementing research and demonstration projects, and

WHEREAS, the City has need for and intends to assist in the renovation of a vacant building in a project described as the "Project Fusion 2 Building Reuse"; and

WHEREAS, the City intends to request funding assistance from the North Carolina Department of Commerce from its Building Reuse Program for the project. The business plans to open a manufacturing facility in Rocky Mount to purchase molds, equipment and install infrastructure to support the company's growth in polymer concrete and fiberglass products. Proposed renovations will provide production increase for additional demand for the product. It will bolster the growth strategy while expanding the company ability to serve customers with reliability, quality, and efficiency. There is capacity within a number of facilities within the United States to handle this growth plans. The company can also acquire existing businesses to handle the growth plans. Structural repairs, improvements, or renovations to existing building to be used for expansion are estimated to be in excess of \$1,500,000, and new equipment to be installed at the facility is estimated to cost \$7 million. The project will create 73 new jobs.

NOW THEREFORE BE IT RESOLVED, BY THE ROCKY MOUNT CITY COUNCIL:

That the City is in full support of the application and the project, if funding is received, and

That the City and the Carolinas Gateway Partnership will arrange for a local cash match of 5% of the grant amount to be used for planning and grant administration, and

That the City has substantially complied or will substantially comply with all State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto, and that Rochelle D. Small-Toney, City Manager, is authorized to execute any additional documents pertaining to the grant application as requested by the North Carolina Department of Commerce.

Adopted this the 27th day of September 2021 in Rocky Mount, North Carolina.

C. Saunders Roberson, Jr., Mayor

ATTEST:

Pamela O. Casey, Clerk

(Seal)