

# BEAUFORT COUNTY COMMITTEE OF 100 IMPRESSIONS PROJECT North Carolina Brownfields Program

## Investment Description

Impressions Marketing Group currently has a production and distribution facility in Washington North Carolina. They are located in the old Hamilton Beach facility, which is currently owned by the City of Washington. The manufacturing facility has 387,000 square feet. The Beaufort County Committee of 100 plans to purchase the building from the City of Washington and upfit the facility for the company. The company would then lease the building from the Committee of 100 at fair market value. The total project is estimated to cost \$4,750,000. This urgent project is of critical importance. Without the upfit, the company will be forced to abandon the facility and relocate their entire Beaufort County operation to their Lorton, Virginia plant. The company also plans to purchase \$3,200,000 in equipment over the next three years.

The \$4,750,000 project cost includes \$1,000,000 for building purchase, \$3,700,000 for building upfit and \$50,000 for soft costs. This project will retain 160 jobs and lead to the creation of 120 new jobs. The average weekly wage at Impressions is \$612 per week. The company also pays 50% of the health benefits for their employees.

The existing building is approximately 45 years old and need of urgent repair. These problems contribute to the site being underused. The City of Washington currently owns the building and will sell it to the Beaufort County Committee of 100 for \$1,000,000. The City of Washington has little experience owning and maintaining industrial buildings. They currently have no borrowing capacity and five of their six enterprise funds lost money last year.

The building has serious problems, especially the sprinkler system. The City of Washington's Fire Marshall, Jasper Hardison, has notified Impressions that the deficiency of the sprinkler system makes the building out of compliance. His letter dated April 20, 2007 states that Impressions has until May 31, 2007 to submit a plan of action to correct all sprinkler system violations or they will be in direct violation of the Certificate of Occupancy. This could result in the denial of occupancy essentially shutting down the facility. The current HVAC system and the roof are in need of replacement. There is substandard lighting in the manufacturing area. The current offices are substandard and not presentable to customers. There are mold and mildew issues and the area is in need of general maintenance and painting. The parking lot has asphalt problems including holes and cracks. This upfit will cost approximately \$3,700,000.

Impressions is a manufacturing company that combines the design, value engineering, fabrication consolidation, delivery and installation of retail store fixtures and decor elements. Their expertise in decor fabrication includes screen printing, digital printing, dimensional lettering and working in any medium and material. They produce

quality fixtures for companies throughout the United States. Their customers include many of the nation's top ten retailers and include decor and fixture product to well over 15,000 stores and 130 million square feet. The factory is equipped with the most modern CNC and robotic equipment and is UL approved.

The company currently has 162 employees and expects to increase their workforce by another 120 jobs over the next three years. The company will invest approximately \$3,200,000 in equipment over the next three years.

As mentioned earlier, Impressions is now located in the former Hamilton Beach plant. Hamilton Beach employed 1,500 people until they moved their operation to Mexico. Impressions moved into the building in 2000. This facility must be immediately upfit or Beaufort County risks Impression moving their entire production/distribution facility out of the State to their other production/distribution facility in Virginia.

During the last 20 years Beaufort County lost many manufacturing firms due to NAFTA and increased global competition. These lost industries represented over 4,700 total jobs. Over 3,000 of these jobs were held by Beaufort County residents. Beaufort County is actively trying to not only retain the remaining jobs and stop the out migration of these jobs, but also to recruit new industries to the area. This project is very time sensitive as it will either keep an existing manufacturer in Beaufort County or cause them to move their entire operation out of the State.

Beaufort County, located in rural eastern North Carolina, is a 2007 North Carolina designated Tier One County and a 21<sup>st</sup> Century Community. According to the 2000 Census, Beaufort County had a 19.5% poverty rate, compared to 12.5% for the state of North Carolina. The per-capita income for Beaufort County was \$16,722, only 82% of the state per-capita income of \$20,307. The 2006 unemployment rate for Beaufort County of 5.9% is substantially higher than the State average of 4.8% and the National average of 4.6%. This project will affect Beaufort County where the renovated building will be located and the surrounding counties of Craven, Martin, Hyde, Pamlico and Pitt.

### **Expected Outcomes**

This project will allow the Beaufort County Committee of 100 to upfit a 387,000 square foot manufacturing facility to continue to serve an existing industrial client, thereby effectively stopping the relocation of the industry out of state. The impact of the project will be the retention of 162 jobs and creation of 120 new jobs. Progress will be evaluated by the amount of private investment the company invests and the number of jobs retained and created. The long term impact will be an upfitted/updated 387,000 square foot manufacturing facility in Beaufort County being leased to an industry that will employ 282 people.

This building will be owned and maintained by an economic development non-profit rather than the City of Washington. The Beaufort County Committee of 100 has experience owning and maintaining industrial buildings that the City of Washington, the current owner, does not. The approximate \$3,200,000 of private investment by the company in equipment will also increase the tax base for the County. Additionally, the Beaufort County Committee of 100 will invest \$1,000,000 to purchase the facility and another \$3,750,000 to upfit the building.