

# THE OBSERVER NEWS ENTERPRISE

Published on *The Observer News Enterprise* (<http://www.observernewsenterprise.com>)

[Home](#) > Council approves Pierre incentives

## Council approves Pierre incentives

By *composing*

Created 01/05/2011 - 5:30pm

By Jordan-Ashley Baker

[jabaker.one@gmail.com](mailto:jabaker.one@gmail.com) <sup>[1]</sup>

Claremont City Council approved incentives aimed at the creation and retention of jobs in the city and surrounding area.

Council members unanimously accepted economic incentives with Advance Pierre Foods on Monday at Claremont's monthly council meeting.

The agreement provides tax incentives equal to 80 percent reduction in property taxes during the next five years and comes with the stipulation that Advance Pierre Foods must create and keep 500 new jobs at the company's Claremont production facility.

Pierre is also required to invest \$16.8 million in improvements or expansions to the plant prior to any city funding.

"The major incentive of this is the creation of 500 net jobs," said Claremont city attorney Robert M. Grant, who worked with Advance Pierre Foods attorneys to discuss the incentives package.

The company's Claremont production facility, located on East Main Street, currently employs 717 people. The incentive requires the company to expand its number of workers to 1,217.

Advance Pierre Foods will invest \$6 million in real property, while continuing to occupy its existing facility. The company made improvements to the facility, adding 35,000 square feet in cold-storage space and 10,000 square feet in dry-storage space.

Those expansions, according to the Catawba County website, will create an additional \$10.8 million in new personal property investment.

Every year the Advance Pierre Foods fails to meet the conditions of the incentives package, the company will lose its tax reduction for that year.

City Manager Doug Barrick told residents not to think of the incentives as a loss of city revenue.

"A lot of people say, 'You're giving that money back, so there's no net gain,' Barrick said.

Barrick advised people to think of the incentives as additional revenue for the 20 percent in property tax the city receives from Advance Pierre Foods. That 20 percent might not be available for Claremont without the appealing incentives, he said.

Furthermore, Barrick said the city will receive grant funding to offset "the property- tax kickback."

Gov. Bev Perdue announced during a March visit to Claremont that the city will receive funding through the One North Carolina Fund, which helps recruit and expand quality jobs in the state.

The city will also receive funding from the Golden Leaf Foundation to purchase equipment for Advance Pierre Foods and allow the company to lease the equipment. The city then gets money back to invest in economic development opportunities within the community.

Claremont's incentives mirror other economic incentives for Advance Pierre Foods passed in December by the Catawba County Board of Commissioners.

The county agreement with Advance Pierre Foods, like Claremont's agreement, requires the company to add 500 new jobs to the city's production facility and is based on contractual performance.

Commissioners passed an agreement with the Advance Pierre Foods on Dec. 6, giving the company a five-year, 67 percent grant.

Advance Pierre Foods creates a line of fully cooked meat and sandwich products for schools, vending machines and retail markets. The company's Claremont facility produces about 1 million sandwiches daily.

Copyright 2010 Observer News Enterprise

Claremont City Council approved incentives Monday to create 500 new jobs through Advance Pierre Foods.

CLAREMONT, NC

O-N-E Staff Writer

Observer News Enterprise

656ee282d97fced92dfd918f9bf273c8

**Copyright © 2010 The Observer News Enterprise | 309 North College Avenue | Newton, N.C. 28658 | (828) 464-0221**

All property rights for the entire contents of this publication shall be the property of The Observer News Enterprise.

No part hereof may be reproduced without prior written consent.

Site Development: Maine Web FX

**Source URL:** <http://www.observernewsenterprise.com/content/council-approves-pierre-incentives>

**Links:**

[1] <mailto:jabaker.one@gmail.com>