

## MEMORANDUM

To: R. David Laurrell, County Administrator *R. David Laurrell* 1/7 BOS

From: Mike Davidson, Economic Development Director, *JMD*

Subject: AGENDA ITEM: Progress Printing

Date: December 17, 2007 (5 minutes)

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### BACKGROUND:

Progress Printing is an established printing firm that has been in Campbell County for over 20 years. Progress Printing's last expansion was in June, 2004. On April 24, 2007, the Board of Supervisors authorized by consensus in closed session \$150,000 in local incentives. A performance agreement was required.

### DISCUSSION:

Progress will add new technology equipment of approximately \$15.82 million. This consists of a new press that will run twice as fast as anything they now have. They will also have to upgrade a binder and other assorted equipment. This equipment acquisition will allow the company to grow revenue from \$60 to \$100 million over the next five years. This expansion will take one piece of equipment off line, as they will trade it in on a newer piece. The total net new cost of equipment is anticipated to be at least \$13 million. This expansion will create an additional 10 employment positions within the next 30 months and a potential total of 25 over the next five years as sales increase the demand for printing jobs.

The Tobacco Commission awarded Progress Printing \$50,000 in TROF grant funding, and the Board of Supervisors authorized by consensus \$150,000 in local incentives, to be paid out over the course of four years. A performance agreement has been signed. The return on investment to the county is less than 2 years.

### RECOMMENDATION:

Staff recommends the Board of Supervisors approve in open session to fund the industrial incentives to Progress Printing in the amount of \$150,000 for this project and approve the attached supplemental appropriations.

## REQUEST FOR SUPPLEMENTAL APPROPRIATION

TO: County Administrator

FROM: Mike Davidson, Economic Development Director, *JMD*

DATE: December 17, 2007

The following Supplemental Appropriation is requested:

<u>Category</u>	<u>Line Item</u>	<u>Add</u>	<u>Appropriation New Total</u>
Economic Development: INDUSTRIAL INCENTIVES- PROGRESS PRNT	4-100-081500-5940	\$150,000.00	\$150,000.00

### SOURCE OF FUNDING:

Lower the General Fund Undesignated Fund Balance by \$150,000.00

### COMMENTS:

Project received consensus approval by the Board of Supervisors in closed session on April 24, 2007. Funds represent \$150,000.00 to allow for economic industrial incentives to be paid to Progress Printing.

Action by Board of Supervisors

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FROM: Mike Davidson, *JMD*  
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Economic Development INDUSTRIAL INCENTIVES- PROGRESS PRNT	4-100-081500-5940	\$50,000.00	\$200,000.00

### SOURCE OF FUNDING

Raise Tobacco-Progress Printing Revenue Line (3-100-024060-0005-083) balance by \$50,000.00.

### COMMENTS

Project authorized by consensus by the Board of Supervisors on April 24, 2007. Funds represent Tobacco Indemnification and Community Revitalization Commission Grant funds provided to Campbell County for the Progress Printing project.

### Action by Board of Supervisors