

**NOTICE OF A SPECIAL MEETING OF THE  
CITY COUNCIL OF THE CITY OF ASHEBORO**

**MEETING DATE:** TUESDAY, OCTOBER 20, 2020

**MEETING TIME:** 6:00 PM

**LOCATION:** CITY OF ASHEBORO  
PUBLIC WORKS FACILITY,  
1312 NORTH FAYETTEVILLE STREET,  
ASHEBORO, NORTH CAROLINA 27203

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The County of Randolph (“County”) and the City of Asheboro (“City”) jointly propose to appropriate and expend County and City funds for two economic development projects pursuant to Section 158-7.1 of the North Carolina General Statutes. These projects are described as follows:

**PROJECT 1**

The Randolph County Board of Commissioners and the Asheboro City Council intend to consider entering into an economic development incentives contract with an unnamed company (“Company 1”). Under the proposed arrangement, the City will apply for a building reuse grant from the North Carolina Department of Commerce, Rural Development Division, for One Hundred Thousand Dollars (\$100,000). If approved, the building reuse grant requires a local match of five percent (5%) or Five Thousand Dollars (\$5,000). The County and the City are considering incentive payments totaling up to Four Hundred Fifty-Five Thousand Dollars (\$455,000), fifty percent (50%) from the County and fifty percent (50%) from the City, to be paid to Company 1 over a 5-year period. This is the total amount proposed to be paid to or on behalf of Company 1 and includes the local match requirements from the aforementioned grant. These payments will be conditioned on Company 1 satisfying certain performance requirements. In return for these economic development incentive payments, Company 1 must create a total of eleven (11) new full-time jobs and invest up to Seventeen Million Four Hundred Thousand Dollars (\$17,400,000) in real and personal property at its facility located within the City and County. The County and City will fund these payments with available revenues in their respective General Funds. The governing boards for the County and the City believe this project will stimulate and stabilize the local economy and result in the creation of a significant number of new, permanent jobs in Asheboro and Randolph County.

**PROJECT 2**

The Randolph County Board of Commissioners and the Asheboro City Council intend to consider entering into an economic development incentives contract with an unnamed company (“Company 2”). Under the proposed arrangement, the City will apply for a building reuse grant from the North Carolina Department of Commerce, Rural Development Division, for One Hundred Thousand Dollars (\$100,000). If approved, the building reuse grant requires a local match of five percent (5%) or Five Thousand Dollars (\$5,000). The County and the City are considering incentive payments totaling up to Thirty-Six Thousand Five Hundred Thirty-Two Dollars (\$36,532), fifty percent (50%) from the County and fifty percent (50%) from the City, to be paid to Company 2 over a 5-year period. This is the total amount proposed to be paid to or on behalf of Company 2 and includes the local match requirements from the aforementioned grant. These payments will be conditioned on Company 2 satisfying certain performance requirements. In return for these economic development incentive payments, Company 2 must create a total of fourteen (14) new full-time jobs and invest, over and above the purchase price for the building, up to One Million Five Hundred Eighty-Two Thousand Dollars (\$1,582,000) in real and personal property at its facility located within the City and County. The County and City will fund these payments with available revenues in their respective General Funds. The governing boards for the County and the City believe this project will stimulate and stabilize the local economy and result in the creation of a significant number of new, permanent jobs in Asheboro and Randolph County.

**During a special joint meeting of the two governing boards that will begin at 6:00 p.m. on October 20, 2020, the County and City will hold joint public hearings on the proposals to appropriate and expend funds for the above-described economic**

**development projects. The special joint meeting will be held in the main conference room at the City of Asheboro Public Works Facility, 1312 North Fayetteville Street, Asheboro, North Carolina. All interested persons are invited to attend and present their views.**

This special meeting notice is issued on the 15<sup>th</sup> day of October, 2020.

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/s/David H. Smith  
David H. Smith, Mayor  
City of Asheboro, North Carolina

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**SPECIAL JOINT MEETING  
ASHEBORO CITY COUNCIL  
RANDOLPH COUNTY BOARD OF COMMISSIONERS  
TUESDAY, OCTOBER 20, 2020  
1312 NORTH FAYETTEVILLE STREET, ASHEBORO, NORTH CAROLINA**

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This being the time and place for a special joint meeting of the Asheboro City Council with the Randolph County Board of Commissioners, a meeting was held with the following elected city officials and city management team members present:

- David H. Smith ) – Mayor Presiding
  
- Clark R. Bell )
- Edward J. Burks )
- Walker B. Moffitt )
- Jane H. Redding ) – Council Members Present
- Katie L. Snuggs )
- Charles A. Swiers )
  
- Linda H. Carter ) – Council Member Absent

John N. Ogburn, III, City Manager  
Holly H. Doerr, CMC, NCCMC, City Clerk/Paralegal  
Deborah P. Reaves, Finance Director  
Jeffrey C. Sugg, City Attorney

In addition to the above-listed officials and staff members for the City of Asheboro, the following members of the Randolph County Board of Commissioners were present: Chairman Darrell Frye, Vice-Chairman David Allen, Commissioner Hope Haywood, Commissioner Kenny Kidd, and Commissioner Maxton McDowell. The following county staff members were also present: Hal Johnson, County Manager; Will Massie, Assistant County Manager/Finance Officer; Dana Crisco, Clerk to the Board; Sarah Pack, Deputy Clerk to the Board; Ben Morgan, County Attorney; and Aimee Scotton, Associate County Attorney.

Subsequent to Mayor Smith calling the special joint meeting to order for the city, Chairman Darrell Frye called the meeting to order for the Randolph County board of Commissioners.

**ECONOMIC DEVELOPMENT MATTERS**

**(a) Project Avocado**

Mayor Smith opened the public hearing on behalf of the Asheboro City Council and the Randolph County Board of Commissioners in order to consider the economic incentives package proposed for StarPet Inc.

During the public hearing, Mr. Kevin Franklin, who is the President of the Randolph County Economic Development Corporation (RCEDC), reported that StarPet Inc. is considering an expansion with new job creation within Asheboro and Randolph County.

The company is engaged in polyethylene terephthalate (PET) resins manufacturing. The expansion project involves retrofitting the existing manufacturing facility to introduce post-consumer PET flake into the company's existing process and produce mechanically and chemically recycled PET resin.

The investment associated with this project totals \$17,400,000.00 in real and personal property. With this project, a minimum of eleven (11) new full-time jobs with above-average wages will be created in Asheboro and Randolph County.

During his presentation, Mr. Franklin reported that an economic incentives package is proposed and recommended whereby the County and the City each contribute up to \$227,500.00 for a total expenditure of up to \$455,000.00 to the company to offset the costs of the expansion. These incentives are inclusive of the local match requirement for a Building Reuse Grant from the North Carolina Department of Commerce. The City of Asheboro will serve as the grant applicant.

After no one from the public wanted to be heard during the public hearing, Chairman Frye inquired of the Board of Commissions as to what action the Board Members would like to take. After some discussion, the Board of Commissioners adopted a resolution that followed Mr. Franklin's recommendation.

Subsequently, upon motion by Council Member Bell and seconded by Council Member Moffitt, the Council voted unanimously to adopt the following city resolution by reference. Council Members Bell, Burks, Moffitt, Redding, Snuggs, and Swiers voted in favor of the motion.

**RESOLUTION NUMBER 26 RES 10-20**

**CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA**

**RESOLUTION AUTHORIZING THE CITY OF ASHEBORO TO ENTER INTO AN  
ECONOMIC DEVELOPMENT INCENTIVES  
CONTRACT WITH STARPET INC.**

**WHEREAS**, Section 158-7.1 of the North Carolina General Statutes authorizes a city to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the city; and

**WHEREAS**, the City Council of the City of Asheboro has held a public hearing to consider whether to participate in an economic development project that will result in the County of Randolph (the "County"), the City of Asheboro (the "City"), and StarPet Inc. (the "Company") approving an economic development incentives package whereby the County and the City each contribute up to Two Hundred Twenty-Seven Thousand Five Hundred Dollars (\$227,500) for a total expenditure of up to Four Hundred Fifty-Five Thousand Dollars (\$455,000) to the Company to offset the costs of the Company's expansion in the City of Asheboro, Randolph County, North Carolina, these incentives are to be granted pursuant to

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**Special Meeting**

the local match requirement of a North Carolina Building Reuse Grant and an economic development incentives contract entered into pursuant to Section 3 of this Resolution; and

**WHEREAS**, upon the completion by the Company of this expansion project, the Company will have generated new value/investment in real and personal property and equipment associated with the project in an amount up to Seventeen Million Four Hundred Thousand Dollars (\$17,400,000) and created a minimum of eleven (11) new full-time jobs in the County and City; and

**WHEREAS**, this economic development project will stimulate and stabilize the local economy, promote business in the County and City, and result in the creation of a significant number of jobs in the County and City; and

**WHEREAS**, the City has in its General Fund available revenues sufficient to fund this economic development project.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Asheboro, this the 20<sup>th</sup> day of October, 2020, as follows:

**Section 1.** The City is authorized to expend up to Two Hundred Twenty-Seven Thousand Five Hundred Dollars (\$227,500) of City funds for the StarPet economic development project.

**Section 2.** Of the appropriation outlined in Section 1 above, Two Thousand Five Hundred Dollars (\$2,500) will be used, in combination with an equal contribution from the County, as one-half of the required local match of Five Thousand Dollars (\$5,000) for the building reuse grant from the North Carolina Department of Commerce, Rural Development Division, for the benefit of the Company. The City will serve as the grant applicant.

**Section 3.** The remaining amount of up to Two Hundred Twenty-Five Thousand Dollars (\$225,000) of the appropriation outlined in Section 1 above will be paid to or on behalf of the Company pursuant to a performance-based incentive contract. In addition to the standard terms found in contracts that the City routinely executes in the ordinary course of business, the economic development incentives contract entered into by and between the County, the City, and the Company must contain the following essential terms and conditions:

- a. The total payment made to or on behalf of the Company under this contract shall be determined based upon the value of the equipment and facilities subject to local property tax. The project is heavily focused on recycling, and equipment and facilities dedicated solely to recycling are exempt from local property taxes in North Carolina. The payments made to the Company pursuant to this contract shall be an amount equal to fifty percent (50%) of the anticipated tax revenue generated by the project over a 5-year period as determined by an audit performed by the North Carolina Department of Environmental Quality. The total payment made by the County and the City to the Company under this contract shall not exceed Four Hundred Fifty Thousand Dollars (\$450,000).
- b. Fifty percent (50%) of the total contract amount will be paid by the County, and the other fifty percent (50%) of the total contract amount will be paid by the City.
- c. Payments made pursuant to the contract shall not begin until the Company has met certain performance requirements. These performance requirements include, but are not limited to, the following:
  - i. The Company must provide Employment Security Reports to the County and the City evidencing the creation of eleven (11) new full-time jobs; and

- ii. The Company must deliver to the County and the City an audit conducted by the North Carolina Department of Environmental Quality detailing the equipment and facilities subject to local property tax.

The contract amount will be paid based upon the formula stated in paragraph (a) over a period of five (5) years beginning upon the receipt by the County and City of both the Employment Security Reports and the audit referenced above.

- d. The contract must provide the County and the City with a means of recouping a portion of the contract amount if the Company's facilities, as expanded, do not remain in full operation, maintaining the newly created jobs referenced above, for a period of five (5) years immediately following the date on which the final installment of the contract amount is paid to the Company.
- e. If the Company does not remain in full operation during this 5-year period, a portion of the incentive money must be returned. The amount to be returned shall decrease on a pro-rated basis for each year of the 5-year period that the Company remains in full operation in the City and County. Any amounts returned by the Company in this manner shall be divided equally between the County and the City.

**Section 4.** The Mayor of the City of Asheboro is hereby authorized to execute on behalf of the City a contract drafted in accordance with Section 3 of this Resolution and any other documents necessary for the implementation of the above-described economic development project.

/s/David H. Smith  
David H. Smith, Mayor  
City of Asheboro, North Carolina

ATTEST:

/s/Holly H. Doerr  
Holly H. Doerr, CMC, NCCMC, City Clerk  
City of Asheboro, North Carolina

**(b) Project Systems**

Chairman Frye opened the public hearing on behalf of the Randolph County Board of Commissioners and the Asheboro City Council in order to consider an economic incentives package for Sedia Systems, Inc.

Sedia Systems, Inc. is considering a consolidation and expansion of its manufacturing operations within Asheboro and Randolph County. The company is engaged in providing high end auditorium seating.

During her presentation, Ms. Crystal Gettys, who is the Business Recruitment Director for the RCEDC, reported that the company is committed to an investment of approximately \$1,582,000.00 in real and personal property and equipment. Additionally, the project will result in the creation of fourteen (14) new full-time jobs in the County and City.

Ms. Gettys recommended that the County and City approve an economic development incentives package whereby the County and the City each contribute up to \$18,266.00 for a total expenditure of up to \$36,532.00 to or on behalf of the Company to offset the costs of the Company's acquisition and expansion of manufacturing and distribution operations.

After no one from the public asked to be heard during the public hearing, Mayor Smith inquired of the Asheboro City Council as to what action they would like to take.

Upon motion by Council Member Bell and seconded by Council Member Burks, the Council voted unanimously to adopt the following resolution by reference. Council Members Bell, Burks, Moffitt, Redding, Snuggs, and Swiers voted in favor of the motion.

**RESOLUTION NUMBER 27 RES 10-20**

**CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA**

**RESOLUTION AUTHORIZING THE CITY OF ASHEBORO TO ENTER INTO AN ECONOMIC DEVELOPMENT INCENTIVES CONTRACT WITH SEDIA SYSTEMS, INC.**

**WHEREAS**, Section 158-7.1 of the North Carolina General Statutes authorizes a city to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the city; and

**WHEREAS**, the City Council of the City of Asheboro has held a public hearing to consider whether to participate in an economic development project that will result in the County of Randolph (the "County"), the City of Asheboro (the "City"), and Sedia Systems, Inc. (the "Company") approving an economic development incentives package whereby the County and the City each contribute up to Eighteen Thousand Two Hundred Sixty-Six Dollars (\$18,266) for a total expenditure of up to Thirty-Six Thousand Five Hundred Thirty-Two Dollars (\$36,532) to or on behalf of the Company to offset the costs of the Company's acquisition and expansion of manufacturing and distribution operations in the City of Asheboro, Randolph County, North Carolina; and

**WHEREAS**, the incentives provided as part of the above-described economic development incentives package are inclusive of both the local match requirements for any state grants awarded to the project and any payments granted pursuant to an economic development incentives contract drafted in accordance with Section 3 of this Resolution; and

**WHEREAS**, upon the completion by the Company of this project, the Company will have generated, above and beyond the purchase price of a building, new value/investment in real and personal property and equipment associated with the project in an amount equal to or in excess of One Million Five Hundred Eighty-Two Thousand Dollars (\$1,582,000) and created a minimum of fourteen (14) new full-time jobs in the County and City; and

**WHEREAS**, this economic development project will stimulate and stabilize the local economy, promote business in the County and City, and result in the creation of a significant number of jobs in the County and City; and

**WHEREAS**, the City has in its General Fund available revenues sufficient to fund this economic development project.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Asheboro, this the 20<sup>th</sup> day of October, 2020, as follows:

**Section 1.** The City is authorized to expend up to Eighteen Thousand Two Hundred Sixty-Six Dollars (\$18,266) of City funds for the Sedia Systems economic development project.

**Section 2.** Of the appropriation outlined in Section 1 above, Two Thousand Five Hundred Dollars (\$2,500) will be used, in combination with an equal contribution from the County, as one-half of the required local match of Five Thousand Dollars (\$5,000) for the building reuse grant from the North Carolina Department of Commerce, Rural Development Division.

**Section 3.** The remaining appropriation outlined in Section 1 above will be paid to or on behalf of the Company pursuant to a performance-based incentives contract. In



