

NOTICE OF SPECIAL MEETING

Monday, May 5, 2003, at 3:00 O'clock PM

Notice of a special meeting of the City Council of the City of Asheboro, North Carolina, is hereby given. Said meeting will be held Monday, the 5th day of May, 2003, at 3:00 o'clock PM, in the Commissioners' Meeting Room of the Randolph County Office Building, which is located at 725 McDowell Road, Asheboro, North Carolina. This special meeting of the Asheboro City Council will be conducted as a joint special meeting with the Randolph County Board of Commissioners. Said meeting has been called in order to allow the City Council to conduct the following activities:

- (a) A public hearing will be held on the proposed appropriation and expenditure by the City Council of city funds for an economic development project involving Energizer Battery Manufacturing, Inc.;
- (b) After the above-referenced public hearing, the City Council will formally consider whether or not to enter into an economic development incentives contract with Energizer Battery Manufacturing, Inc. and the County of Randolph; and
- (c) The City Council will receive a report from Mr. Jack Marcus, an official representative of Unilever Bestfoods, Inc., on the status of the expansion of Unilever Bestfoods Inc.'s existing facilities in Asheboro as a consequence of a previously authorized economic development project that is separate and apart from the project referenced above.

All officers of the city and all other persons whomsoever are hereby given notice that such meeting will be held. This call is issued pursuant to the ordinance of the City of Asheboro relative to the time and place of holding meetings, both regular and special, of the City Council of said City.

By order of the Mayor on this the 25th day of April, 2003.

S/ Carol J. Cole
Carol J. Cole, City Clerk
City of Asheboro, North Carolina

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**SPECIAL JOINT MEETING
ASHEBORO CITY COUNCIL AND
RANDOLPH COUNTY COMMISSIONERS
COMMISSIONER' MEETING ROOM
725 McDOWELL ROAD, ASHEBORO, NC
3:00 PM, MAY 5, 2003**

A special joint meeting of the Asheboro City Council and the Randolph County Commissioners was held at 3:00 PM, May 5, 2003, at the Commissioners' Meeting Room located at 725 McDowell Road, Asheboro, NC.

The following officials were present: Mayor David Jarrell; Council Members Talmadge Baker, Linda Carter, John McGlohon, Archie Priest, David Smith and Paul Trollinger; City Manager John Ogburn; City Attorney Jeff Sugg; City Clerk Carol Cole; and Finance Director Debbie Juberg. Council Member Nancy Hunter was absent.

Randolph County Board of Commissioners Phil Kemp, Chairman, Robbie Davis, Darrell Frye, Harold Holmes, and Robbie Mason (arrived late); County Manager Frank Willis; County Attorney Aimee Scotton; and Clerk to the Board Alice Dawson.

Bonnie Renfro, President of the Randolph County Economic Development Corporation, and Melissa Foust with EDC; Skip Sant, Plant No. 1 Manager of Energizer Battery and Austin Fine, Plant No. 2 Manager of Energizer Battery; and Jack Marcus, Plant Manager of Unilever Bestfoods were also present.

A quorum thus being present for both the Asheboro City Council and the Randolph County Board of Commissioners, Chairman Phil Kemp called the meeting to order and welcomed everyone in attendance.

Mayor David Jarrell called the Asheboro City Council meeting to order and stated that the purpose of this joint meeting is to conduct a public hearing on the proposed appropriation and expenditure by the city council and county commissioners of city and county funds for an economic development project involving Energizer Battery Manufacturing, Inc. After the public hearing is held, the city council will formally consider whether or not to enter into an economic development incentives contract with Energizer Battery Manufacturing, Inc. and the County of Randolph.

Mayor Jarrell opened the public hearing on behalf of the city.

Chairman Kemp opened the public hearing on behalf of the county and called on Bonnie Renfro, President of the Randolph County Economic Development Corporation, for her presentation.

Mrs. Renfro described Energizer's proposed \$80 million expansion project, which will create 65 new jobs. Her recommendation for consideration by the city council and county commissioners is to expend public funds in the amount of \$1,270,000 in economic development incentives to be equally divided between the two governments (\$635,000 each). Payments would be made over approximately five years as various performance measures are met. The payback in new tax revenues for the city of Asheboro will be 1.59 years and 1.65 years for the county of Randolph, based on their current tax rates of \$0.50 and \$0.48 respectively.

Mrs. Renfro reviewed the terms of the Economic Development Incentives Contract, which the city and county attorneys prepared for consideration, and stated that Energizer has agreed to the terms of the proposed contract.

Chairman Kemp asked if there were any questions or comments from the public on behalf of the City and the County.

Bob Crumley, an Asheboro attorney, offered his support for the project and stated that the community should also continue to offer support for the small businesses. Mr. Crumley recommended that an addendum be added to the proposed contract stating that Randolph County persons should be hired for the project expansion. He also suggested that for every \$1 the City and County spend on the economic development project, \$.25 should be put into a small business development fund. This fund could be administered by a committee set up by the City and County and run by the Small Business Center at RCC. Mr. Crumley had questions about Energizer's annual report, and Mr. Skip Sant and Mr. Austin Fine, plant managers of Energizer, responded to his questions.

Mr. Jim Culberson, a retired bank president of First National Bank, stated that he is proud of the support in the community and diversity is an asset for us. He supports the Energizer project.

In response to Mr. Crumley's comments about community support for the small businesses, Mrs. Renfro reported that EDC reserves one-third of resources to meet the needs of existing businesses and supports small businesses everyday in her job.

Mr. Jack Marcus, plant manager of Unilever Bestfoods, stated his support for the Energizer project.

There being no further comments nor opposition from the public, Mayor Jarrell closed the public hearing on behalf of the city, and Chairman Kemp closed the public hearing on behalf of the county.

Upon motion by Mr. Baker and seconded by Mr. Trollinger, the city council voted unanimously to adopt the following Resolution Authorizing the City of Asheboro to Enter Into an Economic Development Incentives Contract, by reference. (The county commissioners also adopted a resolution to enter into an economic development incentives contract.)

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 Energizer Battery Manufacturing, Incorporated (the "Company") entering into an economic development incentives contract whereby the County and the City each contribute six hundred thirty-five thousand dollars (\$635,000.00) for a total payment of one million two hundred seventy thousand dollars (\$1,270,000.00) to the Company to offset the site and development costs of the expansion of the Company's existing facilities in the City of Asheboro, Randolph County, North Carolina; 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 associated with the project in an amount equal to or in excess of eighty million dollars (\$80,000,000.00) and created a minimum of sixty-five (65) new 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 5th day of May, 2003, as follows:

Section 1. The City is authorized to expend up to six hundred thirty-five thousand dollars (\$635,000.00) of City funds for the Energizer Battery economic development project.

Section 2. 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 the "Company" under this contract shall not exceed one million two hundred seventy thousand dollars (\$1,270,000.00).
- b. Fifty-percent of the contract amount will be paid by the County, and the other fifty-percent of the contract amount will be paid by the City.
- c. The contract amount will be paid in five (5) installments at a frequency not to exceed one installment per fiscal year (July 1-June 30) and tied to the completion by the Company of certain performance requirements, including but not limited to, the following:
 - i. The Company must properly obtain from the City a Certificate of Occupancy or letter/certificate of compliance, as appropriate, certifying that the 94,000 square foot expansion at Asheboro I may be occupied or used for Factory-Industrial Occupancy in accordance with the provisions of zoning, building, and other applicable ordinances and laws of the City of Asheboro and the State of North Carolina, and the Company must deliver to the County and the City a written certification that the actual new value/investment in real and personal property of the project equals or exceeds the sum of twenty million dollars (\$20,000,000.00); and
 - ii. The Company must deliver to the County and to the City a written certification that the cumulative new value/investment in real and personal property of the project equals or exceeds the sum of thirty five million dollars (\$35,000,000.00), and the Company must deliver to the County and the City Employment Security Reports evidencing the creation of fifteen (15) new jobs (full-time or leased); and

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- iii. The Company must deliver to the County and to the City a written certification that the cumulative new value/investment in real and personal property of the project equals or exceeds the sum of fifty million dollars (\$50,000,000.00), and the Company must deliver to the County and the City Employment Security Reports evidencing the creation of an additional twenty-five (25) new jobs (full-time or leased); and
- iv. The Company must deliver to the County and to the City a written certification that the cumulative new value/investment in real and personal property of the project equals or exceeds the sum of sixty-five million dollars (\$65,000,000.00), and the Company must deliver to the

County and the City Employment Security Reports evidencing the creation of an additional twenty-five (25) new jobs (full-time or leased); and

- v. The Company must deliver to the County and to the City a written certification that the cumulative new value/investment in real and personal property of the project equals or exceeds the sum of eighty million dollars (\$80,000,000.00).
- 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 facility, as expanded, does not remain in full operation for a period of two (2) 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 two (2) year period, a portion of the incentive money must be returned. The amount to be returned shall decrease on a pro-rated amount for each year that the company remains 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 3. The Mayor of the City of Asheboro is hereby authorized to execute on behalf of the City of Asheboro a contract drafted in accordance with Section 2 of this resolution and any other documents necessary for the implementation of this economic development project.

S/ David H. Jarrell
David H. Jarrell, Mayor
City of Asheboro, North Carolina

ATTEST:

S/ Carol J. Cole
Carol J. Cole, City Clerk
City of Asheboro

Chairman Kemp called on Jack Marcus, plant manager of Unilever Bestfoods, for a report on a completed economic development project.

Mr. Jack Marcus reported that Unilever Bestfoods was a recipient of an incentives award last year. He gave a progress report and showed a picture of the 1988 plant before expansion and a picture of the plant today, with its new building, machinery and signs. The contract for the expansion went to a local contractor, J. H. Allen, Inc.

There being no further business, Mayor Jarrell adjourned the meeting of the city council, and Chairman Kemp adjourned the meeting of the county commissioners at 4:05 PM.

Carol J. Cole, CMC, City Clerk

David H. Jarrell, Mayor