

**NOTICE**

**SPECIAL MEETING**

**Thursday, September 22, 2005**

**6:30 O'clock PM**

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Notice of a special meeting of the City Council of the City of Asheboro, North Carolina is hereby given. This meeting will be held on Thursday, the 22<sup>nd</sup> day of September, 2005, at 6:30 o'clock PM in the First Floor Training Room of the Randolph County Office Building, which is located at 725 McDowell Road in Asheboro, North Carolina. Said training room is located beside the Commissioners' Meeting Room.

This special meeting of the City Council will be conducted as a joint special meeting with the Randolph County Board of Commissioners for the purpose of conducting a joint public hearing on the proposed appropriation and expenditure of city and county funds for an economic development project involving StarPet, Incorporated. Once this public hearing is closed, the City Council will formally consider whether or not to enter into an economic development incentives contract with StarPet, Incorporated and the County of Randolph.

This notice is issued pursuant to a motion unanimously adopted by the City Council of the City of Asheboro in regular session on the 8<sup>th</sup> day of September, 2005.

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

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**AMENDED NOTICE OF A SPECIAL MEETING OF THE**

**ASHEBORO CITY COUNCIL**

**Thursday, September 22, 2005**

**6:30 O'clock PM**

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Notice of a special meeting of the City Council of the City of Asheboro, North Carolina is hereby given. This meeting will be held on Thursday, the 22<sup>nd</sup> day of September, 2005, at 6:30 o'clock PM in the First Floor Training Room of the Randolph County Office Building, which is located at 725 McDowell Road in Asheboro, North Carolina. Said training room is located beside the Commissioners' Meeting Room.

This special meeting of the City Council will be conducted as a joint special meeting with the Randolph County Board of Commissioners for the purpose of conducting a joint public hearing on the proposed appropriation and expenditure of city and county funds for an economic development project involving StarPet, Incorporated. Once this public hearing is concluded, the City Council will formally consider a resolution authorizing the city's entry into an economic development incentives contract with StarPet, Incorporated and the County of Randolph. Additionally, the City Council will formally consider during this meeting a resolution supporting the company's application for financial support from the North Carolina Department of Transportation for rail industrial access track.

This notice is issued at 1:00 o'clock PM on this the 20<sup>th</sup> day of September, 2005 by order of Mayor Jarrell and pursuant to the laws of the State of North Carolina and the City of Asheboro relative to the time and place of holding meetings, both regular and special, of the Asheboro City Council.

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

**SPECIAL CALLED JOINT MEETING**

**ASHEBORO CITY COUNCIL  
RANDOLPH COUNTY BOARD OF COMMISSIONERS  
Thursday, September 22, 2005, 6:30 PM  
First Floor Training Room, Randolph County Office Building  
725 McDowell Road, Asheboro, North Carolina**

Persons Present: Mayor David H. Jarrell; Council Members Talmadge Baker, Linda Carter, Nancy Hunter, John McGlohon, Archie "Mack" Priest, and David Smith; City Manager John Ogburn; City Attorney Jeff Sugg; Finance Director Debbie Juberg; and City Clerk Carol Cole. (Council Member Keith Crisco was absent.) County Commissioners Harold Holmes, Chairman; Robbie Davis, Darrell Frye, Arnold Lanier, and Phil Kemp; County Manager Frank Willis; County Attorney Alan Pugh and Associate County Attorney Aimee Scotton; Deputy Clerk to the Board Cheryl Ivey; Deputy Finance Officer Will Massie; and Public Works Director David Townsend. Bonnie Renfro, President of the Randolph County Economic Development Corporation was also present.

Commissioner Chairman Harold Holmes called the meeting to order for the County.

Mayor David Jarrell called the meeting to order for the City and stated that this joint meeting of the Asheboro City Council and the Randolph County Board of Commissioners has been called for the purpose of conducting a public hearing and then considering two resolutions pertaining to a proposed economic development project with StarPet, Incorporated. On behalf of the City of Asheboro, Mayor Jarrell opened the public hearing in order to give the public an opportunity to learn about and comment on the incentive package proposed for StarPet.

Chairman Holmes opened the public hearing on behalf of the County and called on Bonnie Renfro, President of Randolph County Economic Development Corporation, to make a presentation.

Mrs. Renfro gave a brief history of StarPet, Inc., which was first located in northern Asheboro in 1995 under the name of Tolaram Polymers to produce fiber grade polyester polymer. Changes in the textile industry marketplace resulted in the decision to diversify the operation to produce packaging grade resin. In 1999, the company became known as Tiepet and invested more than \$10 million in its Asheboro operation. During the transition from textiles to plastics and a change in ownership, the company has never had a layoff; instead it continued to invest in its workforce with training and skill development.

In 2003, the company was acquired by Indorama Polymers, an industrial group based in Thailand, to expand its global presence. The company name was changed to StarPet, Inc. and all employees were retained. The company today employs 55 workers. Since the acquisition, StarPet, Inc. has grown from a small customer base to 220 millions pounds per year. The company plans to expand production capacity up to 500 million pounds per year in the Western Hemisphere. In order to be competitive and ensure future stability, the company must increase its production to meet rising customer demand.

StarPet, Inc. is considering investing \$44 million, adding 40 new jobs, and constructing 60,000 square feet of additional building space. Key to the expansion decision is increased rail track capacity. The company uses rail for delivery of raw materials, outbound shipment of finished product, and interim storage. StarPet is the largest rail user in Randolph County and its current rail infrastructure is fully utilized for the existing operation. The company cannot expand at Asheboro without increased rail spur track capacity.

Mrs. Renfro reported that StarPet is requesting financial assistance with rail infrastructure to double its current rail track capacity. The estimated cost of the track construction is \$900,000. This will add 3.5 additional rail tracks totaling approximately 2200 feet. The State of North Carolina is considering assistance with rail construction costs through a grant from the North Carolina Department of Transportation for \$124,000 and a grant from the One North Carolina Fund in the amount of \$75,000.

Mrs. Renfro recommended that the City of Asheboro and the County of Randolph provide a total of \$250,000 each to assist StarPet, Inc. with rail construction costs associated with the project for the related expansion at its location on Pineview Road. The requirements that StarPet, Inc. will have to meet will be outlined in an economic incentives agreement with the City and County.

Mrs. Renfro also recommended that both the City of Asheboro and County of Randolph adopt resolutions of support for the location by StarPet, Incorporated of a manufacturing facility in Asheboro, North Carolina and resolutions authorizing the City and County to enter into an economic development incentives contract with StarPet, Inc.

Chairman Holmes invited questions and comments from the public on behalf of the City and the County.

Mr. Greg Russell, a small business owner of Garco, asked that incentives for small business owners to be looked into.

Mr. Kim Markham, owner of a recycling business, stated that he does business with StarPet, Inc. and was supportive of the incentives package.

Mr. Jerry Sykes stated that he was against using taxpayers' money to fund any incentives for businesses.

There being no further comments, Mayor Jarrell and Chairman Holmes closed the public hearing on behalf of the City and County, respectively.

Upon motion by Mrs. Carter and seconded by Mr. Baker, council voted unanimously to adopt the following resolution of support for the location by StarPet, Inc. of a manufacturing facility in Asheboro, North Carolina. (The county voted likewise.)

56 RES 9-05

**RESOLUTION OF SUPPORT FOR THE LOCATION BY STARPET, INCORPORATED OF  
A MANUFACTURING FACILITY IN ASHEBORO, NORTH CAROLINA**

WHEREAS, StarPet, Incorporated (hereinafter referred to as "StarPet") is considering locating a manufacturing facility at 801 Pineview Road in Asheboro, North Carolina; and

WHEREAS, StarPet proposes to invest forty-four million dollars (\$44,000,000.00) and to employ at least forty (40) additional persons when the company is fully operational; and

WHEREAS, StarPet's plans are consistent with local land use and state and local transportation plans; and

WHEREAS, StarPet's plans appear to conform with all applicable state and local ordinances and policies; and

WHEREAS, the City of Asheboro is committed to working with the North Carolina Department of Transportation (hereinafter referred to as the "NCDOT") in a leadership role to make transportation improvements that address the safety needs of the public, and contractors and employees of StarPet.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro, North Carolina, on this the 22<sup>nd</sup> day of September, 2005, as follows:

Section 1. The City of Asheboro supports the location of StarPet in the City of Asheboro and confirms that the company's plans appear to be consistent with and conform to state and local laws, plans and policies.

Section 2. The City of Asheboro endorses the application of StarPet for financial support from the NCDOT to assist in the funding of a rail industrial access track to serve StarPet.

Section 3. The City of Asheboro commits to work with the NCDOT to make needed transportation improvements necessary to protect the safety of the public, and contractors and employees of StarPet Inc.

S/ David H. Jarrell  
David H. Jarrell, Mayor

ATTEST:

S/ Carol J. Cole  
Carol J. Cole, CMC, City Clerk

Upon motion by Mr. McGlohon and seconded by Mr. Baker, council voted unanimously to adopt the following resolution authorizing the City of Asheboro to enter into an economic development incentives contract with StarPet, Inc. (The county voted likewise.)

57 RES 9-05

**RESOLUTION AUTHORIZING THE CITY OF ASHEBORO 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 Asheboro City Council has held a public hearing to consider whether to participate in an economic development project that will result in the City of Asheboro (the "City"), the County of Randolph (the "County"), and StarPet, Incorporated (the "Company") entering into an economic development incentives contract whereby the County and the City each contribute two hundred fifty thousand dollars (\$250,000.00) for a total payment of five hundred thousand dollars (\$500,000.00) to the Company to offset the rail track construction 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 forty-four million dollars (\$44,000,000.00) and created a minimum of forty (40) new jobs in the City and County; and

WHEREAS, this economic development project will stimulate and stabilize the local economy, promote business in the City and County, and result in the creation of a significant number of jobs in the City and County; 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 22<sup>nd</sup> day of September, 2005, as follows:

Section 1. The City is authorized to expend up to two hundred fifty thousand dollars (\$250,000.00) of City funds for the StarPet 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 City, the County, 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 five hundred thousand dollars (\$500,000.00).
- b. Fifty-percent of the contract amount will be paid by the City, and the other fifty-percent of the contract amount will be paid by the County.
- c. The contract amount will be paid in two (2) installments at a frequency not to exceed one installment per fiscal year (July 1-June 30) and shall be 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 60,000 square foot expansion 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 City and County a written certification that the actual new value/investment in real and personal property of the project equals or exceeds the sum of forty-four million dollars (\$44,000,000.00); and
  - ii. The Company must deliver to the City and the County Employment Security Reports evidencing the creation of forty (40) new full-time jobs with certification of an average weekly wage equal to or exceeding seven hundred seventy-five dollars (\$775.00) per week.

- d. The contract must provide the City and the County with a means of recouping a portion of the contract amount if the Company's facility, as expanded, does not remain in full operation, maintaining the newly created jobs referenced above, 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 City and the County.

Section 3. The Mayor and City Clerk are 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

ATTEST:

S/ Carol J. Cole  
Carol J. Cole, CMC, City Clerk

There being no further business, Mayor Jarrell adjourned the meeting at 7:00 PM. Chairman Holmes did likewise.

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Carol J. Cole, CMC, City Clerk

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David H. Jarrell, Mayor

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