

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

Tuesday, May 3, 2011

5:00 P.M.

Notice is hereby given of a special meeting of the City Council of the City of Asheboro that is to be held on Tuesday, the 3rd day of May, 2011, at 5:00 p.m. This meeting will be held as a joint meeting with the Randolph County Board of Commissioners in the Randolph County Office Building Meeting Room, First Floor, 725 McDowell Road, Asheboro, North Carolina 27205.

This special joint meeting has been called for the purpose of conducting a joint public hearing on the proposed appropriation and expenditure of county and city funds for an economic development project with Technimark LLC. After the public hearing, the respective governing boards will consider resolutions authorizing an economic development incentives contract between Technimark LLC, the County of Randolph, and the City of Asheboro.

All officers of the city and all other persons whomsoever are hereby given notice of the above-described special meeting. This notice is issued on this 18th day of April, 2011.

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

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**SPECIAL MEETING
ASHEBORO CITY COUNCIL
RANDOLPH COUNTY COMMISSIONERS
RANDOLPH COUNTY OFFICE BUILDING MEETING ROOM, FIRST FLOOR
RANDOLPH COUNTY BUILDING
725 McDOWELL ROAD, ASHEBORO, NORTH CAROLINA
TUESDAY, MAY 3, 2011
5:00 P.M.**

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

- David H. Smith) – Mayor Presiding

- Talmadge S. Baker)
- Clark R. Bell)
- Edward J. Burks)
- Linda H. Carter) – Council Members Present
- Stuart B. Fountain)
- Michael W. Hunter)
- Walker B. Moffitt)

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

In addition to the members of the Randolph County Board of Commissioners, certain county staff members were present during this meeting. A listing of the county officials in attendance is available from the clerk to the Randolph County Board of Commissioners.

Subsequent to Randolph County Board of Commissioners Chairman Harold Holmes calling the special joint meeting to order and welcoming everyone in attendance, Mayor Smith called the meeting to order for the City Council and opened the public hearing on behalf of the Asheboro City Council in order to give the public an opportunity to learn about and comment on the economic development incentives package proposed for Technimark, LLC. Similarly, Chairman Holmes opened a public hearing on behalf of the County.

Ms. Bonnie Renfro, President of the Randolph County Economic Development Corporation, reported that Technimark, LLC, which is located in north Asheboro, is one of the largest plastic injection molders in the United States and operates two divisions, packaging and manufacturing. The company is experiencing more than 60% growth in revenues projected for the next year and is considering a plan to centralize its research and development services at its Asheboro headquarters. This project would result in approximately 30 new jobs with an average yearly wage of approximately \$60,625.00 and \$20,000,000.00 in capital investment.

Ms. Renfro recommended that the City of Asheboro and the County of Randolph provide \$30,000.00 each, to be paid over a period of four (4) years to assist Technimark, LLC with the expansion. This economic development assistance package is to be disbursed in accordance with performance requirements prescribed by a proposed economic development incentives contract. In order to implement this project, Ms. Renfro recommended that the City of Asheboro and the County of Randolph adopt a resolution authorizing the City and County to enter into an economic development incentives contract with Technimark, LLC to assist the company with this expansion and job creation project that will benefit Asheboro.

Mr. Robert Burkhart, Chief Financial Officer and Manager for Technimark, LLC, presented comments in support of the economic development incentives package.

No comments were offered in opposition to the proposed project.

There being no further comments, Mayor Smith closed the public hearing on behalf of the City Council, and Chairman Holmes closed the public hearing on behalf of the county.

Upon motion by Mr. Baker and seconded by Mr. Bell, Council voted unanimously to adopt the following resolution.

17 RES 5-19

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, immediately prior to voting on the adoption of this resolution, the Asheboro City Council held a joint public hearing with the Randolph County Board of Commissioners 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 Technimark LLC (the "Company") approving an economic development incentives package whereby the County and the City each contribute up to thirty thousand and no/100 dollars (\$30,000.00) for a total payment of up to sixty thousand and no/100 dollars (\$60,000.00) to the Company to offset the costs of the Company's expansion in the City of Asheboro, Randolph County, North Carolina, said incentives to be granted pursuant to an economic development incentives contract with terms and conditions prescribed by Section 2 of this resolution; and

WHEREAS, upon the completion by the Company of this expansion project, the Company will have generated new value/investment in personal property associated with the project in an amount equal to or in excess of twenty million and no/100 dollars (\$20,000,000.00) and created a minimum of thirty (30) 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 3rd day of May, 2011, as follows:

Section 1. The City is authorized to expend up to thirty thousand and no/100 dollars (\$30,000.00) of City funds for the Technimark 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 sixty thousand and no/100 dollars (\$60,000.00).
- 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 four (4) installments in amounts as detailed below at a frequency not to exceed one installment per fiscal year (July 1 – June 30). The initial installment payment shall be made no sooner than July 1, 2011, and the final installment payment shall not be made later than December 31, 2015. The obligation of the City to make any installment payments specified herein shall be conditioned upon the satisfactory completion by the Company of certain performance requirements, including but not limited to, the following:
 - i. The Company must deliver to the County and the City written certification that the actual value of new investment by the Company in personal property in connection with this project equals or exceeds two million and no/100 dollars (\$2,000,000.00). The written certification of the actual value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of six (6) new full-time jobs having an average annual wage that meets or exceeds sixty thousand eight hundred thirty-three and no/100 dollars (\$60,833.00). Upon receipt of said certifications, the County and the City shall remit a total payment of fifteen thousand and no/100 dollars (\$15,000.00), fifty-percent (50%) to be paid by the County and fifty-percent (50%) to be paid by the City; and
 - ii. The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in personal property in connection with this project equals or exceeds seven million five hundred thousand and no/100 dollars (\$7,500,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of an additional ten (10) new full-time jobs having an average annual wage that meets or exceeds sixty thousand five hundred and no/100 dollars (\$60,500.00). Additionally, the Company must deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the immediately preceding installment payment. By way of illustration and without limitation, the Company shall be deemed to have reduced its level of operations in the County and the City if the Company fails to maintain the entirety of the newly created jobs referenced in Paragraph (i) above. Upon receipt of said certifications, the County and the City shall remit a total payment of fifteen thousand and no/100 dollars (\$15,000.00), fifty-percent (50%) to be paid by the County and fifty-percent (50%) to be paid by the City; and
 - iii. The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in personal property in connection with this project equals or exceeds thirteen million and no/100 dollars (\$13,000,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of an additional seven (7) new full-time jobs having an average annual wage that meets or exceeds sixty thousand seven hundred fourteen and no/100 dollars (\$60,714.00). Additionally, the Company must deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the immediately preceding installment payment. By way of illustration and without limitation, the Company shall be deemed to have reduced its level of operations in the County and the City if the Company fails to maintain the entirety of the newly created jobs referenced in Paragraphs (i) and (ii) above. Upon receipt of said certifications, the County and the City shall remit a total payment of fifteen thousand and no/100 dollars (\$15,000.00), fifty-percent (50%) to be paid by the County and fifty-percent (50%) to be paid by the City; and
 - iv. The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in personal

property in connection with this project equals or exceeds twenty million and no/100 dollars (\$20,000,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of an additional seven (7) new full-time jobs having an average annual wage that meets or exceeds sixty-three thousand five hundred seventy-one and no/100 dollars (\$63,571.00). Additionally, the Company must deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the immediately preceding installment payment. By way of illustration and without limitation, the Company shall be deemed to have reduced its level of operations in the County and the City if the Company fails to maintain the entirety of newly created jobs referenced in Paragraphs (i), (ii) and (iii) above. Upon receipt of said certifications, the County and the City shall remit a total payment of fifteen thousand and no/100 dollars (\$15,000.00), fifty-percent (50%) to be paid by the County and fifty-percent (50%) to be paid by the City.

- 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, 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 five (5) year period, a portion of the incentive money must be returned. The amount to be returned shall decrease by a pro-rated amount for each year that the company remains in the County and City. 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 as well as any other documents, including by way of illustration and not limitation One North Carolina Fund documents, necessary for the implementation of this 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, City Clerk
City of Asheboro, North Carolina

Immediately prior to the adjournment of this joint meeting, Chairman Holmes extended an invitation on behalf of the County Commissioners for the City Council to utilize the restored 1909 Randolph County Historic Courthouse Meeting Room when needed. Mayor Smith thanked the Commissioners for the gracious invitation.

There being no further business, the meeting was adjourned at 5:25 p.m.

s/ Holly H. Doerr
Holly H. Doerr, CMC, City Clerk

s/ David H. Smith
David H. Smith, Mayor