

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

Monday, October 6, 2014

6:00 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 Monday, the 6th day of October, 2014, at 6:00 p.m. This meeting will be held as a joint meeting with the Randolph County Board of Commissioners in the 1909 Randolph County Historic Courthouse Meeting Room, 145-C Worth Street, Asheboro, North Carolina 27203.

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, in accordance with Section 158-7.1 of the North Carolina General Statutes, for economic development projects with Technimark LLC. After the public hearing, the respective governing boards will consider resolutions authorizing the county and city to enter into an economic development incentives contract with the company.

This notice is issued on the 2nd day of October, 2014, in accordance with the laws and ordinances of the State of North Carolina and the City of Asheboro.

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

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**SPECIAL MEETING
ASHEBORO CITY COUNCIL
RANDOLPH COUNTY BOARD OF COMMISSIONERS
1909 RANDOLPH COUNTY HISTORIC COURTHOUSE MEETING ROOM
145-C WORTH STREET, ASHEBORO, NORTH CAROLINA
MONDAY, OCTOBER 6, 2014
6:00 p.m.**

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

- David H. Smith) – Mayor Presiding

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

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-referenced city officials and staff members, the following members of the Randolph County Board of Commissioners were present: Darrell Frye, Stan Haywood, Chairman Harold Holmes, Phil Kemp, and Arnold Lanier. The following county staff members were also present: Richard Wells, County Manager; Amanda Varner, Clerk to the Board; Dana Crisco, Deputy Clerk to the Board; Will Massie, Finance Officer; Ben Morgan, County Attorney; and Aimee Scotton, Associate County Attorney.

Subsequent to Randolph County Board of Commissioners' Chairman Harold Holmes calling the special joint meeting to order for the county, 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 consider the economic

incentives package proposed for Technimark LLC. Similarly, Chairman Holmes joined in opening the public hearing on behalf of the county.

Ms. Bonnie Renfro, President of the Randolph County Economic Development Corporation (RCEDC), reported that Technimark, headquartered in north Asheboro, is considering a major expansion and new job creation in Asheboro and Randolph County. Technimark is a private company with twelve (12) global manufacturing sites in Asheboro, Mexico, Germany, and China. The company is one of the largest plastic injection molders in the U.S. and sells into three (3) major market segments, consumer packaging technical specialties and proprietary products.

One of Technimark's unique proprietary products is the recycling and compounding of plastic materials for re-use in injection molding facilities or for sale in the market. The company set up this facility initially to prevent customers of their proprietary products from throwing some single-use packages into landfills. The company has received numerous awards for sustainability and quality product and service from their customers and industry, including recognition by Wal-Mart as the supplier with the most significant contribution to sustainability and by Proctor and Gamble as a Supplier of Excellence for six (6) years in a row.

Additionally, Technimark has secured additional business from existing customers and gained significant new contracts, requiring additional production capacity. Over the past several months, the company has considered various locations for new U.S. production capacity including Asheboro and locations in five (5) states in the Midwest and Mid-Atlantic U.S.

During her presentation, Ms. Renfro reported that Technimark has requested consideration of economic assistance and incentives from the city, county, and State of North Carolina to offset costs during the initial phases of establishing a new operation. The company is considering construction of a new rail served manufacturing facility located at 537 West Central Avenue in Asheboro that would provide expanded molding capacity to meet client demand. The project would expand the 600,000 square feet of current owned and leased space in Randolph County. Over the next five (5) years, the company and its related parties would invest \$46 million in both real and personal property to create new manufacturing and related distribution.

Currently, Technimark employs 981 employees at its five (5) manufacturing facilities and corporate offices located in Asheboro. The company also employs approximately 170 contract workers at entry level production jobs. This expansion project would result in the creation of 224 new jobs over a five (5) year period, which would make Technimark the largest manufacturing employer in Asheboro and Randolph County. Average wages for the new jobs will exceed Randolph County's average weekly wage standard. The company also offers a full benefit package valued at 25% of wages.

Ms. Renfro recommended that the City of Asheboro and the County of Randolph each provide \$500,000.00 for combined total of \$1,000,000.00 in no less than six (6) annual installments to assist Technimark 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 resolutions authorizing the City and County to enter into an economic incentives contract with Technimark.

Mr. Fred Ritchie, Corporate Vice President for Technimark, presented comments in support of the economic incentives package. Ms. Janet Pate expressed comments and concerns that questioned the value of expending public funds on the proposed project.

When it became apparent that no other speakers wanted to be heard during the public hearing, Chairman Holmes inquired of the Board of Commissioners as to what action the Board Members would like to take. After discussing the value of the investment in job creation, the Board of Commissioners adopted a resolution that followed Ms. Renfro's recommendation.

Subsequently, upon motion by Mr. Bell and seconded by Ms. Carter, Council voted unanimously to adopt the following resolution.

RESOLUTION NUMBER 35 RES 10-14

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT INCENTIVES CONTRACT WITH THE COUNTY OF RANDOLPH AND TECHNIMARK, LLC

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 held a public hearing on October 6, 2014, 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 five hundred thousand and no hundredths dollars (\$500,000.00) for a total payment of up to one million and no hundredths dollars (\$1,000,000.00) 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 entered into pursuant to 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 real and personal property and equipment associated with the project in an amount equal to or in excess of forty-six million and no hundredths dollars (\$46,000,000.00), a minimum of six million and no hundredths dollars (\$6,000,000.00) of said investment to be made in new value in real property, and created a minimum of two hundred twenty-four (224) 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, North Carolina as follows:

Section 1. The City is hereby authorized to expend up to five hundred thousand and no hundredths dollars (\$500,000.00) 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 one million and no hundredths dollars (\$1,000,000.00).
- b. Fifty-percent (50%) of the contract amount will be paid by the County, and the other fifty-percent (50%) of the contract amount will be paid by the City.
- c. The contract amount will be paid in six (6) 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 January 1, 2015, and the final installment payment shall not be made later than December 31, 2022. 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. Along with investments by the Company itself, these performance requirements may be satisfied with investments in real and personal property for which legal title is held by the Company’s related business entities and customers so long as such property is part of the expansion of operations contemplated by the economic development project that gave rise to the proposed contract and so long as any and all such real and personal property is domiciled within the City of Asheboro, Randolph County, North Carolina. The said performance requirements include, but are 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 real and personal property in connection with this project equals or exceeds eleven million and no hundredths dollars (\$11,000,000.00). 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 eighty-eight (88) new full-time jobs. Upon receipt of said certifications, the County and the City shall remit a total payment of one hundred sixty thousand and no hundredths dollars (\$160,000.00), 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 real and personal property in connection with this project equals or exceeds eighteen million and no hundredths dollars (\$18,000,000.00). 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 thirty-six (36) new

full-time jobs. 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 Paragraph (i) above. Upon receipt of the required certifications, the County and the City shall remit a total payment of one hundred sixty thousand and no hundredths dollars (\$160,000.00), 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 real and personal property in connection with this project equals or exceeds twenty-five million and no hundredths dollars (\$25,000,000.00). 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 thirty-seven (37) new full-time jobs. 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 installment payment referenced in Paragraph (ii) above. Upon receipt of the required certification, the County and the City shall remit a total payment of one hundred sixty thousand and no hundredths dollars (\$160,000.00), fifty-percent (50%) to be paid by the County and fifty-percent (50%) to be paid by the City.
- (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 real and personal property in connection with this project equals or exceeds thirty-two million and no hundredths dollars (\$32,000,000.00). 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 thirty-two (32) new full-time jobs. 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 installment payment referenced in Paragraph (iii) above. Upon receipt of the required certification, the County and the City shall remit a total payment of one hundred sixty thousand and no hundredths dollars (\$160,000.00), fifty-percent (50%) to be paid by the County and fifty-percent (50%) to be paid by the City.
- (v) 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 real and personal property in connection with this project equals or exceeds thirty-nine million and no hundredths dollars (\$39,000,000.00). 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 thirty-one (31) new full-time jobs. 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 installment payment referenced in Paragraph (iv) above. Upon receipt of the required certification, the County and the City shall remit a total payment of one hundred sixty thousand and no hundredths dollars (\$160,000.00), fifty-percent (50%) to be paid by the County and fifty-percent (50%) to be paid by the City.
- (vi) 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 real and personal property in connection with this project equals or exceeds forty-six million and no hundredths dollars (\$46,000,000.00). 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. The Company must also 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 installment payment referenced in Paragraph (v) above. Upon receipt of the required certification, the County and the City shall remit a total payment of two hundred thousand and no

hundredths dollars (\$200,000.00), 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 facilities, as expanded, do not remain in full operation, maintaining the newly created jobs referenced above, for a period of six (6) 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 six (6) 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 North Carolina municipal corporation, a contract drafted in accordance with Section 2 of this Resolution and any other documents necessary for the implementation of this economic development project.

This Resolution was adopted by the Asheboro City Council during a duly called and advertised special meeting held on the 6th day of October, 2014.

/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

There being no further business, the meeting of the Asheboro City Council was adjourned at 6:20 p.m.

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

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