

**SPECIAL JOINT MEETING
ASHEBORO CITY COUNCIL
RANDOLPH COUNTY BOARD OF COMMISSIONERS
FRIDAY, MARCH 25, 2022, NOON
CITY OF ASHEBORO PUBLIC WORKS FACILITY
1312 NORTH FAYETTEVILLE STREET, ASHEBORO, NORTH CAROLINA**

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

David H. Smith) – Mayor Presiding

Clark R. Bell)
Kelly L. Heath)
William N. McCaskill) – City Council Members Present
Walker B. Moffitt)
Jane H. Redding)
Charles A. Swiers)

Edward J. Burks) – City 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
Tammy M. Williams, CMC, Deputy City Clerk

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, and Commissioner Kenny Kidd. The following county staff members were also present: Will Massie, Assistant County Manager/Finance Officer; Dana Crisco, Clerk to the Board; Sarah Pack, Deputy Clerk to the Board; and Aimee Scotton, Associate County Attorney.

Mayor Smith called the meeting to order at 12:04 p.m. for the city, and Chairman Frye called the meeting to order for the Randolph County Board of Commissioners. Chairman Frye and Mayor Smith then opened, for their respective governing boards, a public hearing on the question of entering into an economic development project, which has previously been referred to as Project Jetson, with Technimark LLC.

The first speaker during the public hearing was Mr. Kevin Franklin, who is the president of the Randolph County Economic Development Corporation (“RCEDC”). Mr. Franklin reported that Technimark LLC is contemplating an expansion of its existing operations in Asheboro and Randolph County. This project remains competitive with other locations, and an incentive offer will factor into Technimark’s consideration of Asheboro and Randolph County as the location for its expansion project.

According to Mr. Franklin, Technimark is a full-service solutions provider to users of plastic products. The company started out in 1983 as a small industrial molder in Asheboro and today is one of the largest independent injection molders in the world. In the United States, Technimark has sites in North Carolina, West Virginia, Pennsylvania, and Texas. Internationally, the company has four sites in Mexico, three in Europe, and one in China. The company has experienced growth in its core target markets and is considering an expansion.

Asheboro is Technimark’s global headquarters, where the company operates a large campus composed of 7 manufacturing buildings and a number of warehouses totaling over one million square feet. The company is Randolph County’s largest private employer, the largest

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injection molder headquartered in the southeastern United States, and a top 10 injection molder in North America.

If Asheboro is chosen for the expansion project, Technimark will retain 1,435 current jobs and create 220 new jobs; the average annual wage of the new jobs would be \$44,290, exceeding Randolph County's current private sector average wage of \$40,522. The company is contemplating the purchase of a building in Asheboro. Technimark's total investment for the project would be \$62 million dollars, including \$54 million in machinery and equipment.

The RCEDC is proposing a total local incentive package of \$950,000 to be paid in five annual installments. This incentive package would be equally divided between the City of Asheboro and Randolph County.

Additionally, and specific to the City of Asheboro, Technimark is contemplating construction of a new rail spur to serve the property under consideration for purchase, and the company is eligible for a \$250,000 rail grant from the North Carolina Railroad Company's NCRR Invests Program. If Technimark decides to proceed with expansion plans in Asheboro and formally requests funding through the NCRR Invests Program, the city would have to serve as the applicant under this specific program. Separate agreements between the railroad, the company, and the city would have to be executed in order to utilize funding through the NCRR Invests Program.

Mr. Franklin expressed the RCEDC's belief that the Technimark expansion project would be an exceptional economic development project for the city and county that would produce an increase in the value of a manufacturing building, generate significant investment in new machinery and equipment, and result in the creation of 220 quality new jobs. Therefore, the RCEDC submitted a request for the city and county governing boards to approve resolutions offering a total of \$950,000 in local incentives to encourage company decision-makers to expand in Asheboro. Furthermore, the RCEDC also requested approval by the city council of a resolution authorizing the city to participate in the NCRR Invests Program in order to obtain eligibility for rail spur grant funding.

At the conclusion of his presentation, Mr. Franklin read a statement from Fred Richey, who is the vice president of corporate development for Technimark. Mr. Richey was unable to attend the joint meeting, but he expressed in his letter the company's need for the governing boards' support of the proposed economic development project.

After Mr. Franklin concluded his comments and answered questions from the elected officials, Mayor Smith invited, on behalf of the city and county governing boards, questions and comments from the public. The only person who asked to be heard was Mr. Jeff Marotto, who is a resident in the Asheboro area.

Mr. Marotto inquired of Mr. Franklin as to the potential impact on existing jobs if the company does not choose the city and county for the contemplated expansion project. In response, Mr. Franklin stated that he does not know of a direct tie between the security of existing jobs and the proposed expansion project.

No one in attendance at the public hearing asked to speak in opposition to the proposed economic development project. When no one asked to speak after Mr. Marotto, Chairman Frye and Mayor Smith closed the public hearing and moved to the action items on the meeting agenda.

A resolution authorizing the county's participation in the economic development project was acted upon first. After the county commissioners voted unanimously to adopt their resolution in support of the project and approving contractual terms consistent with the RCEDC proposal, the city council considered two resolutions pertaining to the City of Asheboro.

CITY COUNCIL ACTION ITEM 1

With regard to a potential local economic development incentives contract between the city, the county, and Technimark, Council Member Bell moved, and Council Member Redding seconded the motion, to adopt the following resolution by reference. Council Members Bell, Heath, McCaskill, Moffitt, Redding, and Swiers voted aye. There were no dissenting votes. Consequently, the following resolution was approved unanimously.

RESOLUTION NUMBER 08 RES 3-22

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

**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, on March 25, 2022, the City Council of the City of Asheboro 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 Technimark LLC, and all related entities, (the “Company”) approving an economic development incentives package whereby the City and the County each contribute up to four hundred seventy-five thousand dollars (\$475,000.00) for a total expenditure of up to nine hundred fifty thousand dollars (\$950,000.00) to or on behalf of the Company to offset the costs of the Company’s expansion of its production facility in the City of Asheboro, Randolph County, North Carolina; and

WHEREAS, the incentives described herein shall be granted pursuant to an economic development incentives contract as provided in Section 2 of this Resolution, the authorized contract shall be inclusive of the local match requirements for any and all grant funding awarded to the project; and

WHEREAS, upon the completion by the Company of the proposed 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 sixty-two million dollars (\$62,000,000.00), maintained one thousand four hundred thirty-five (1,435) currently existing jobs, and created a minimum of two hundred twenty (220) new full-time 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 as follows:

Section 1. The City is hereby authorized to expend up to four hundred seventy-five thousand dollars (\$475,000.00) of City funds for the Technimark economic development project.

Section 2. The expenditures authorized in Section 1 above will be paid to the Company pursuant to a performance-based incentives 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 City, the County, 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 not exceed nine hundred fifty thousand dollars (\$950,000.00).
- 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 equal installments over a period of five (5) years to coincide with the Company’s satisfactory completion of certain performance requirements. These performance requirements include, but are not limited to, the following:

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- (i) The Company must deliver to the City and the County written certification that the actual value of new investment by the Company in real and personal property and equipment in connection with this project equals or exceeds twelve million dollars (\$12,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the retention of one thousand four hundred thirty-five (1,435) existing jobs and the creation of six (6) new full-time jobs located in the City of Asheboro, Randolph County. The written certification of the actual value of the new investment shall further certify that the listed new investment is located within the corporate limits of the City of Asheboro, Randolph County; and
- (ii) The Company must deliver to the City and the County written certification that the actual value of new investment by the Company in personal property and equipment in connection with this project equals or exceeds an additional eleven million dollars (\$11,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the creation of an additional forty-seven (47) new full-time jobs located in the City of Asheboro, Randolph County. The written certification of the actual value of the new investment shall further certify that the listed new investment is located within the corporate limits of the City of Asheboro, Randolph County. Additionally, the Company must provide written certification that the Company has not reduced its level of operations in the City and the County since the date 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 City and the County if the Company fails to maintain the entirety of retained and newly-created jobs referenced in Paragraph (i) above; and
- (iii) The Company must deliver to the City and the County written certification that the actual value of new investment by the Company in personal property and equipment in connection with this project equals or exceeds an additional thirteen million dollars (\$13,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the creation of an additional fifty-five (55) new full-time jobs located in the City of Asheboro, Randolph County. The written certification of the actual value of the new investment shall further certify that the listed new investment is located within the corporate limits of the City of Asheboro, Randolph County. Additionally, the Company must provide written certification that the Company has not reduced its level of operations in the City and the County since the date 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 City and the County if the Company fails to maintain the entirety of retained and newly-created jobs referenced in Paragraph (ii) above; and
- (iv) The Company must deliver to the City and the County written certification that the actual value of new investment by the Company in personal property and equipment in connection with this project equals or exceeds an additional thirteen million dollars (\$13,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the creation of an additional fifty-seven (57) new full-time jobs located in the City of Asheboro, Randolph County. The written certification of the actual value of the new investment shall further certify that the listed new investment is located within the corporate limits of the City of Asheboro, Randolph County. Additionally, the Company must provide written certification that the Company has not reduced its level of operations in the City and the County since the date 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 City and the County if the Company fails to maintain the entirety of retained and newly-created jobs referenced in Paragraph (iii) above; and
- (v) The Company must deliver to the City and the County written certification that the actual value of new investment by the Company in personal property

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and equipment in connection with this project equals or exceeds an additional thirteen million dollars (\$13,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the creation of an additional fifty-five (55) new full-time jobs located in the City of Asheboro, Randolph County. The written certification of the actual value of the new investment shall further certify that the listed new investment is located within the corporate limits of the City of Asheboro, Randolph County. Additionally, the Company must provide written certification that the Company has not reduced its level of operations in the City and the County since the date 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 City and the County if the Company fails to maintain the entirety of retained and newly-created jobs referenced in Paragraph (iv) above.

- 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 facilities 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 City and the County.

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 the provisions 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 in open session during a special meeting held on March 25, 2022.

/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

CITY COUNCIL ACTION ITEM 2

With regard to the potential participation of the city in the NCRR Invests Program, Council Member Bell moved, and Council Member Heath seconded the motion, to adopt the following resolution by reference. Council Members Bell, Heath, McCaskill, Moffitt, Redding, and Swiers voted aye. There were no dissenting votes. Consequently, the following resolution was approved unanimously.

RESOLUTION NUMBER 09 RES 03-22

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

**RESOLUTION ACCEPTING THE BASIC TERMS FOR A NORTH CAROLINA
RAILROAD COMPANY INVESTMENT AGREEMENT
IN CONNECTION WITH THE PROJECT JETSON
ECONOMIC DEVELOPMENT PROJECT**

WHEREAS, the Asheboro City Council (the “Council”) has previously indicated its desire to assist in economic development efforts within the corporate limits of the City of Asheboro (the “City”); and

WHEREAS, Section 158-7.1 of the North Carolina General Statutes authorizes the 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, on March 25, 2022, the Council held a public hearing to consider whether to participate in an economic development project (identified as “Project Jetson”) to assist in offsetting the costs of Technimark LLC, and all related entities, (collectively, the “Company”) expanding the Company’s production facilities in the City of Asheboro, Randolph County, North Carolina; and

WHEREAS, in connection with the potential construction and utilization of new on-site spur track at the Company’s facilities in the Central Piedmont Industrial Park, which is located within the corporate limits of the City, the North Carolina Railroad Company (“NCR”) has expressed a willingness to invest through the NCR Invests Program up to two hundred fifty thousand dollars (\$250,000.00) in Project Jetson; and

WHEREAS, this potential investment by NCR is not possible unless the City accepts the basic terms proposed by NCR in the term sheet attached to this Resolution as EXHIBIT 1, which is hereby incorporated into this Resolution by reference as if copied fully herein; and

WHEREAS, the Council has concluded that, if successfully implemented, Project Jetson will stimulate and stabilize the local economy, promote business in the City, and result in the creation of a significant number of jobs in the City; and

WHEREAS, the Council has concluded that the basic terms found in the attached term sheet are acceptable; and

WHEREAS, the City has in its General Fund available revenues sufficient to fund the City’s obligations under Project Jetson, specifically including the potential monetary exposure associated with the repayment obligation stated in the attached term sheet.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that the City of Asheboro accepts the terms of the North Carolina Railroad Company’s proposed investment, contingent upon the Company identified herein choosing to establish a new manufacturing facility in Asheboro, North Carolina (Project Jetson); and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that the City’s elected and appointed officials are authorized to execute and deliver any legal instruments required to fully participate in the above-described NCR Invests Program so long as such instruments are compatible with and conform to the entirety of the resolutions and ordinances adopted by the Council in connection with Project Jetson, specifically including without limitation any legal instruments, outside of the Definitive Project Investment Agreement prescribed by NCR, jointly drafted by City and Company officials for the purpose of addressing the Company’s obligation to the City in the event any repayment obligations are triggered for the City under the terms of the NCR Invests Program.

This Resolution was adopted by the Asheboro City Council in open session during a special meeting held on March 25, 2022.

/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

[EXHIBIT 1 referenced in the immediately preceding resolution is on file and available for inspection in the city clerk's office.]

With the adoption of the resolution pertaining to the city's potential participation in the NCRR Invests Program, no further business was brought before either governing board.

There being no further business, the meeting was adjourned at 12:29 p.m.

Tammy M. Williams, CMC,
Deputy City Clerk

David H. Smith,
Mayor