

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

MEETING DATE: MONDAY, APRIL 17, 2023

MEETING TIME: 5:00 P.M.

LOCATION: 1909 RANDOLPH COUNTY HISTORIC
COURTHOUSE MEETING ROOM,
145-C WORTH STREET,
ASHEBORO, NORTH CAROLINA 27203

The City of Asheboro (the City) and the County of Randolph (the County) jointly propose to appropriate City and County funds for an economic development project pursuant to Section 158-7.1 of the North Carolina General Statutes. A company to be named at the public hearing described below is considering an expansion of the company’s existing operations. To aid in this development activity, the City and County are considering incentive payments totaling up to \$420,000.00, fifty percent (50%) from the City and fifty percent (50%) from the County, to be paid to or on behalf of the company over a 5-year period. In return for these economic development incentive payments, the company must create a total of 178 new full-time jobs and invest \$43,000,000.00 in personal property, machinery, and equipment at company facilities in the City and County.

During a special joint meeting of the Randolph County Board of Commissioners and the Asheboro City Council, which will begin at 5:00 p.m. on Monday, April 17, 2023, a joint public hearing on the proposal to appropriate funds for the above-described economic development project will be held in the 1909 Randolph County Historic Courthouse Meeting Room, 145-C Worth Street, Asheboro, North Carolina 27203. All interested persons are invited to attend and present their views. After the public hearing, the governing boards will consider acting on the proposal(s).

This special meeting notice has been issued on the 12th day of April, 2023.

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

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**SPECIAL JOINT MEETING
ASHEBORO CITY COUNCIL
RANDOLPH COUNTY BOARD OF COMMISSIONERS
MONDAY, APRIL 17, 2023
1909 RANDOLPH COUNTY HISTORIC COURTHOUSE MEETING ROOM
145-C WORTH STREET, ASHEBORO, NORTH CAROLINA**

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

David H. Smith) – Mayor Presiding

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

John N. Ogburn, III, City Manager
Holly H. Doerr, CMC, NCCMC, City Clerk/Paralegal
Jeffrey C. Sugg, City Attorney

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, Commissioner Hope Haywood, Commissioner Kenny Kidd, and Commissioner Maxton McDowell. The following county staff members were also present: Hal Johnson, County Manager; Will Massie, Assistant County Manager/Finance Officer; Dana Crisco, Clerk to the Board; Jenny Parks, Deputy Clerk to the Board; Ben Morgan, County Attorney; and Aimee Scotton, Associate County Attorney.

Subsequent to Chairman Frye calling the meeting to order for the Randolph County Board of Commissioners, Mayor Smith called the meeting to order for the city and opened the public hearing on behalf of the Asheboro City Council. The public hearing was opened in order to consider the economic incentives package proposed for Energizer Manufacturing, Inc.

During the public hearing, Mr. Kevin Franklin, who is the President of the Randolph County Economic Development Corporation (RCEDC), reported that Energizer Manufacturing, Inc. is considering an expansion with new job creation within Asheboro and Randolph County.

The company has been producing alkaline batteries in Asheboro, North Carolina for decades and has been a legacy employer within the community. Energizer batteries are a well-recognized household brand. Energizer Manufacturing, LLC is reviewing its production and packaging operations and considering the transfer of several production and packaging lines to Energizer's two (2) facilities in Asheboro. The transfer would begin in 2023 and implemented over the following three (3) years.

The investment associated with this project totals \$43,000,000.00 in real and personal property. With this project, a minimum of 178 new full-time jobs with the above-average wage of approximately \$54,000, will be created in Asheboro and Randolph County.

During his presentation, Mr. Franklin reported that an economic incentives package is proposed and recommended whereby the County and the City each contribute up to \$420,000 paid in five (5) annual installments. The proposed incentive amount is equivalent to fifty percent (50%) of the anticipated new tax revenue generated by the new investment over a five-year period. Energizer Manufacturing, Inc. is also eligible for a One NC grant through the North Carolina Department of Commerce.

On behalf of Energizer Manufacturing, Inc., Ms. Allyson Azar presented comments in support of the economic development project. After no one else from the public wanted to be heard during the public hearing, Chairman Frye inquired of the Board of Commissioners as to what action the Board Members would like to take. After some discussion, the Board of Commissioners adopted a resolution that followed Mr. Franklin's recommendations.

Subsequently, upon motion by Council Member Bell and seconded by Council Member Moffitt, the council voted unanimously to adopt/approve the following resolution by reference. Council Members Bell, Burks, Heath, McCaskill, Moffitt, Redding, and Swiers voted in favor of the motion. There were no dissenting votes.

RESOLUTION NUMBER 12 RES 4-23

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, 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 Energizer Manufacturing, Inc. (the Company) approving an economic development incentives package whereby the City and the County each contribute up to Two Hundred Ten Thousand and No Hundredths Dollars (\$210,000.00) for a total expenditure of up to Four Hundred Twenty Thousand and No Hundredths Dollars (\$420,000.00) to the Company to offset the costs of the Company's expansion 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 personal property, machinery, and equipment associated with the project in an amount equal to or in excess of Forty-Three Million and No Hundredths Dollars (\$43,000,000.00) and created a minimum of one hundred seventy-eight (178) new full-time jobs in the City and the County; and

WHEREAS, this economic development project will stimulate and stabilize the local economy, promote business in the City and the County, and result in the creation of a significant number of jobs in the City and the 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 authorized to expend up to Two Hundred Ten Thousand and No Hundredths Dollars (\$210,000.00) of City funds for the Energizer economic development project.

Section 2. The appropriation outlined in Section 1 above will be paid to or on behalf of the Company pursuant to a performance-based incentive contract, said contract to be inclusive of the local match requirements for any and all grant funding awarded to the project. 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 essential terms and conditions listed below.

- (a) The total payment made to or on behalf of the Company under this contract shall not exceed Four Hundred Twenty Thousand and No Hundredths Dollars (\$420,000.00).
- (b) Fifty-percent (50%) of the total contract amount will be paid by the City, and the other fifty-percent (50%) of the total contract amount will be paid by the County.
- (c) Payments made pursuant to the contract shall not begin until the Company has met certain performance requirements. These performance requirements include, but are not limited to, the following:
 - (i) 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, machinery, and equipment in connection with this project equals or exceeds Ten Million and No Hundredths Dollars (\$10,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the retention of four hundred eleven (411) full-time jobs and the creation of eleven (11) 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 said 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 additional new investment by the Company in personal property, machinery, and equipment in connection with this project equals or exceeds Thirteen Million and No Hundredths Dollars (\$13,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the creation of an additional seventy-four (74) 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 said 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 the 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, machinery, and equipment in connection with this project equals or exceeds an additional Ten Million and No Hundredths Dollars (\$10,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the creation of an additional fifty-nine (59) 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 said 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 the jobs referenced in Paragraphs (i) and (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, machinery, and equipment in connection with this project equals or exceeds an additional Ten Million and No Hundredths Dollars (\$10,000,000.00) and must provide Employment Security Reports to the City and the County evidencing the creation of an additional thirty-four (34) 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 said 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 jobs referenced in Paragraphs (i), (ii), and (iii) above; and
- (v) 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 jobs referenced in Paragraphs (i), (ii), (iii), and (iv) above. Furthermore, the Company shall provide documentation certifying that the average annual wages of the one hundred seventy-eight (178) newly-created jobs is equal to or greater than Fifty-Four Thousand and No Hundredths Dollars (\$54,000.00).

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 the above-referenced performance requirements.

- (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, as expanded, do not remain in full operation, maintaining the retained and 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 said 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 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 in open session during a special meeting held on the 17th day of April, 2023.

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

ATTEST:

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

After there was no further business to discuss, the meeting was adjourned at 5:14 p.m.

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

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