

GENERAL ACCOUNT OF A CLOSED SESSION

**Asheboro City Council
Council Chamber, Municipal Building
Thursday, September 11, 2014**

Upon the unanimous adoption of a motion to go into closed session in order to discuss matters relating to the location or expansion of industries or other businesses in the City of Asheboro, a closed session was conducted under the authority of Section 143-318.11(a)(4) of the North Carolina General Statutes with the following elected city officials and city staff members present:

David H. Smith) – Mayor Presiding

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

Michael W. Hunter) – Council Member Absent

John N. Ogburn, III, City Manager
Holly H. Doerr, CMC, NCCMC, City Clerk/Paralegal
Trevor L. Nuttall, Community Development Director
Michael L. Leonard, P.E., City Engineer
Deborah P. Reaves, Finance Director
Jeffrey C. Sugg, City Attorney

Ms. Bonnie Renfro, President of the Randolph County Economic Development Corporation (RCEDC), discussed with the Council two (2) projects that are candidates for economic development incentives from the city:

- (1) Technimark, under the project name "Kick-off," is considering a two-phase expansion to meet increased customer demand and create new manufacturing and distribution capacity for new projects. Phase One includes the construction of a new 10,000 square foot addition, while Phase Two includes the construction of a new facility on a nearby rail served site. During her presentation, Ms. Renfro emphasized that a rail-served facility is essential for the company, but other competitive locations include Greensboro and four (4) Midwest states.

This project would include an approximately \$46,000,000 investment in real property and equipment/personal property over a period of five (5) years and would create approximately 224 jobs with an average wage of \$ 31,000 per year. The projected tax revenue is approximately \$2.1 million over six (6) years. The RCEDC is recommending an incentive package of \$1 million over 6 years from the County of Randolph and from the City of Asheboro (50% from each local government).

After discussing the proposal, the Council Members reached the consensus opinion that the RCEDC proposal was appropriate and should be communicated to the company. If the company is interested in pursuing the project, Ms. Renfro will consult with the county and city managers about scheduling a joint public hearing of the Randolph County Board of Commissioners will be

held in order to give final consideration to the entry of the county and city into an economic development incentives contract with the company.

- (2) InSite Consulting LLC has been consulting with RCEDC on behalf of a confidential client regarding a potential economic development project under the name, "Tiger." The client is a private family owned global company seeking an 80 acre rail served site in an industrial park area for a highly automated plastics manufacturing project.

The client is considering the former Goodyear site for its growing company. The expansion project would consist of two (2) phases that would stretch over 10 years and would include the construction of a 300,000 square feet building with a planned 100,000 square feet additional expansion.

The project would include an approximately \$43,500,000 investment during Phase 1, and an approximately \$14,000,000 investment during Phase 2, while creating approximately 175 manufacturing jobs during Phase 1 with an average wage of \$20/hour. Additionally, the company would transfer 50 salaried positions with an average annual salary of \$70,000. During Phase 2 of the project, the company would create approximately 150 jobs.

Based on utilizing half of the projected revenues as the basis for calculation, a possible total incentive to be paid pursuant to an economic development incentives contract over 10 years by the county and city would be \$2,962,640. The city's half of this incentive proposal would be \$1,481,320.

During a discussion, Council Members reached a consensus opinion that the recommendations from RCEDC are proposals that should be pursued. Ms. Renfro will inform the county and city managers if and when a public hearing is needed to consider contractually offering an economic development incentive package for this project.

Having reached a consensus on these issues and upon motion by Mr. Baker and seconded by Mr. Bell, Council unanimously approved ending the closed session and returning to open session. Council Members Baker, Bell, Burks, Carter, Moffitt, and Swiers voted in favor of the motion.

/s/Holly H. Doerr

Holly H. Doerr, CMC, NCCMC, City Clerk

/s/David H. Smith

David H. Smith, Mayor