

May 3, 2011-- Special Joint Meeting & Public Hearing  
With Asheboro City Council

The Randolph County Board of Commissioners met in special joint session with the Asheboro City Council at 5:00 p.m. in the Randolph County Office Building Meeting Room. Commissioners Holmes, Frye, Kemp, Lanier and Haywood were present, as well as County Manager Richard Wells; Finance Officer Will Massie; County Attorney Ben Morgan; Cheryl Ivey, Clerk to the Board and Amanda Varner, Deputy Clerk to the Board. City of Asheboro attendees were Councilmen Stuart Fountain, Mike Hunter, Clark Bell, Eddie Burks, Linda Carter, Talmadge Baker, and Walker Moffitt; Mayor David Smith; John Ogburn, City Manager; Holly Doer, Clerk to the Council; City Attorney Jeff Sugg; and Finance Officer Debbie Reaves. Economic Development representatives present were Bonnie Renfro, EDC President; and Harry Lane, Existing Industries Coordinator; and Laura Wilson, EDC Board Chair.

At 5:00 p.m, Chairman Holmes called the meeting to order for the County.

Mayor David Smith called the meeting to order on behalf of the City and opened the public hearing for the City.

Chairman Holmes opened the public hearing on behalf of the County.

**Bonnie Renfro**, EDC President, presented information about Technimark, a private company headquartered in north Asheboro, with 10 global operations in Asheboro, Mexico, Germany and China. The company is one of the 25 largest plastic injection molders in the US and operates two divisions, packaging and manufacturing. She said that Technimark is considering an expansion and new job creation in Asheboro and Randolph County and is seeking economic incentives from the City and County.

The company's core services are plastic injection molding, sub-assembly, and decoration. These are supported by a Technology/RD group that has 25 team members involved in product development, industrial design, engineering and tool building services. Customers, many of which are Fortune 500 companies, are very diverse and represent a wide array of markets, including Wal-Mart, Proctor & Gamble, Este Lauder and Black & Decker. This technology-based company has received numerous awards for sustainability and quality product and service from their customers and industry. 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. They set up this facility initially to prevent customers of their proprietary products from throwing some single-use packages into landfills.

Wellmark, a sister company of Technimark, operates a dedicated recycling facility for size reduction, sorting, separation and washing. This is combined with a full-service compounding operation that can tailor-make the recycled materials to the exact specifications required for use in high-end applications.

Technimark has secured additional business from existing customers and gained significant new contracts, requiring additional production capacity. Within their global footprint

on three continents, they have multiple opportunities and inquiries to grow with its customers globally and in other regions of the U.S. Over the last few months, the company has considered various locations for new production capacity, including the state of Missouri, adjacent to a new customer's location. At the same time, the company is evaluating growth in its research and development and technical support division, considering alternatives that include centralizing this function in Asheboro versus a decentralized alternative across its global facilities. It is this in-house, full-service product development capability that gives Technimark a competitive edge and the ability to explore creative strategies and technologies to enter new markets and which are also transferable to other applications. This multi-faceted project could mean broad benefits for continued growth in Asheboro and Randolph County.

Technimark has requested consideration of economic assistance and incentives from the City of Asheboro, Randolph County and State of North Carolina during the initial phases of establishing a new operation. Already, the EDC has worked with its partners to support this growth through new rail capacity, worker training support from Randolph Community College, and grant support from NC DENR to expand the recycling operation at sister company, Wellmark.

Over the next two to three years, Technimark's Asheboro facilities project increasing the current total of its 88 North Carolina molding presses to 100 or more. The cost of presses and the related robot and automation technology is projected to be an investment of over \$20,000,000, with a focus on reduced use of plastics through thin-wall technologies, and decreased use of energy through use of energy efficient equipment. The manufacturing execution strategy requires highly skilled and motivated technical staff and manufacturing teams. Current employment at the four Asheboro manufacturing facilities and corporate offices totals 639, with an average wage rate of \$19.64 per hour. Current business projections require increasing the number of employees by 100 jobs or more, added over the next three to four years. Finally, Technimark would commit to expand and centralize its technology center and research and development division in Asheboro. That would lead to 30 new technical and professional positions being added to the Asheboro payroll over the next three to four years. As mentioned, capital equipment investments in Randolph County from Technimark and its customers will total over \$20,000,000 over this same time period. Using conservative estimates, the new tax revenues generated by this investment will total over \$315,000 over the first four years of the project. At the appropriate time, the company's expected employment growth and capital investments will push them to expend beyond the current 600,000+ square feet of owned and leased space in Randolph County. At this time, however, exact square footage growth and timing is unknown, since the company plans to focus on leveraging existing square feet as far as possible.

The average annual wage for the 30 new research and product development jobs would be \$60,625, not including benefits. This project would bring new high-wage professional jobs to our community with increased annual income over \$1.8 million.

Ms. Renfro asked the City and County to consider the following:

That the City of Asheboro and Randolph County authorize all appropriate resolutions and document preparation to enter into an economic development incentives contract with Technimark Inc., as permitted by North Carolina General Statute Section 158-7.1

That the City of Asheboro and County of Randolph provide to Technimark a total of \$60,000 to assist the company with costs associated with the expansion project, with the City and County sharing equally in the funding assistance at \$30,000.

The funding will be paid in no less than four annual installments contingent on the company meeting job creation and investment performance requirements. Those requirements would be formalized in an economic incentives agreement.

The company would agree to remain in operation in Randolph County for five years following the date of the final installment of the incentive payment. If the company does not remain in full operation, a portion of the incentive money must be returned to the City and County.

**Robert Burkhart**, Technimark CEO, spoke in support of this request, saying that the company is ready to start this multi-faceted project. He said that while not all customer contracts have been finalized, he is confident that Technimark will secure them. Mr. Burkhart answered questions from the boards. He also thanked the County and City for consideration of these incentives.

Mayor Smith closed the public hearing for the City.

Chairman Holmes closed the public hearing for the County.

#### **Adoption of Resolution by County Approving Incentive Request**

*On motion of Frye, seconded by Kemp, the Board voted unanimously to approve the adoption of a resolution to enter into an economic incentives contract with Technimark and the City of Asheboro and to authorize legal staff to draft a contract and to authorize the Chairman to sign the contract, as follows:*

#### ***RESOLUTION AUTHORIZING THE COUNTY OF RANDOLPH TO ENTER INTO AN ECONOMIC DEVELOPMENT INCENTIVES CONTRACT***

**WHEREAS**, Section 158-7.1 of the North Carolina General Statutes authorizes a county 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 county; and

**WHEREAS**, the Board of Commissioners of Randolph County has held a public hearing 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 dollars (\$30,000.00) for a total payment of up to sixty thousand 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 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 personal property associated with the project in an amount equal to or in excess of twenty million 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 County has in its General Fund available revenues sufficient to fund this economic development project;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Randolph County, this 3<sup>rd</sup> day of May, 2011, as follows:

**Section 1.** The County is authorized to expend up to thirty thousand dollars (\$30,000.00) of County funds for the Technimark economic development project.

**Section 2.** In addition to the standard terms found in contracts that the County 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 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 County 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 to be paid by the County and fifty-percent 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 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 to be paid by the County and fifty-percent 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 newly created jobs referenced in Paragraph (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 to be paid by the County and fifty-percent 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 Paragraph (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 to be paid by the County and fifty-percent 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 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 Chairman of the Randolph County Board of Commissioners is hereby authorized to execute on behalf of the County of Randolph a contract drafted in accordance with Section 2 of this resolution and any other documents necessary for the implementation of this economic development project.*

### **City of Asheboro Approval of Incentive Request**

The City of Asheboro also voted unanimously to approve the incentive request.

**Invitation to City by County to Use New Historic Courthouse Meeting Room**

Chairman Holmes, on behalf of the Randolph County Board of Commissioners, invited the Asheboro City Council to hold their council meetings in the newly renovated Historic Courthouse Meeting Room on Worth Street. He said that he hopes the Council views the renovation of this historic landmark as another step in the beautification and revitalization of downtown Asheboro.

**Adjournment**

At 5:28 p.m., there being no further business, the meeting adjourned.

\_\_\_\_\_  
J. Harold Holmes, Chairman

\_\_\_\_\_  
Darrell L. Frye

\_\_\_\_\_  
Phil Kemp

\_\_\_\_\_  
Arnold Lanier

\_\_\_\_\_  
Stan Haywood

\_\_\_\_\_  
Cheryl A. Ivey, Clerk to the Board