

Closed Session II (Project Lava) — February 4, 2013

At 8:15 p.m., the Board, already in closed session on another matter, began closed session on a different matter relating to the location or expansion of business in the area, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Kemp, Lanier and Haywood were present. Also present were County Manager Richard Wells; Will Massie, Assistant County Manager/Finance Officer; Ben Morgan, County Attorney; Aimee Scotton, Associate County Attorney; Cheryl Ivey, Clerk to the Board; and Bonnie Renfro, Randolph County EDC President.

Bonnie Renfro updated the Board on the Novamelt Americas project in order to explain why the public hearing that had been scheduled earlier in the evening had to be canceled. She said that the company was advised by their attorney that the provision that they be required to repay the incentive in full if they did not fully perform was problematic as it created a potential liability. They and their consultants took issue with the resolution that Associate County Attorney Aimee Scotton had drafted such that if the company had not fulfilled 100% of the performance-based requirements within the time specified in the mutually agreed upon package, which were outlined in the resolution and would also be outlined in the subsequent agreement, the company would forfeit any and all incentive payments made by the County and the City of Trinity to the Company. The Company felt that they should have to repay the County and City on a prorated basis, rather than 100% of the incentive payments. For example, if, at the end of the fourth year, the Company had created only 13 of the promised 14 new jobs, the Company would be in violation of the incentive agreement and hence would be required to repay 100% of the incentives paid by the County and the City of Trinity. The County and the City were requiring the 100% repayment because the structure of this project deviated from past projects in that the Company was receiving full incentive payments two years prior to fully performing. Since the public hearing notice was specific in the expected requirements of both the Company and the County and City of Trinity, the public hearing could not be held since the Company is now objecting to the incentive structure.

Ms. Renfro presented a new incentive plan to the Board, which follows, for the Board's consideration. She said that if the Board was in agreement with the new plan, she would present it to the Company's representatives for their consideration:

Total	2013	2014	2015	2016	2017	TOTAL
Investment	\$1.2 million	\$0.7 million		\$0.6 million	\$1.5 million	\$4,000,000
Equipment	\$1.2 million				\$1.5 million	\$2,700,000
New Jobs	2	4	1	3	1	11

Average Wage: \$45,403

Proposed Incentive: Randolph County--\$2,500; City of Trinity--\$2,500
 NC Rural Center: \$25,000 occupied building reuse grant

The consensus of the Board was to consider approval of the proposed incentive to Novamelt if the Company was agreeable. Ms. Renfro said she would report back to the Board after she spoke with Company representatives.

At 8:19 p.m., closed session ended on this topic.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Stan Haywood

Arnold Lanier

Cheryl A. Ivey, Clerk to the Board