

Special Called Joint Meeting
3:00 p.m.—August 2, 2004

The Randolph County Board of Commissioners met in a special called joint meeting with the Asheboro City Council at 3:00 p.m. in the Training Room, County Office Building, 725 McDowell Road, Asheboro, NC to discuss matters relating to the location or expansion of business in the area served by the Board, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Kemp, Frye, Davis and Mason were present. City Council members present were Talmadge Baker, Linda Carter, Keith Crisco, Nancy Hunter, David Smith, Archie Priest, John McGlohon, and Mayor David Jarrell. Also present representing the City were City Manager John Ogburn; Carol Cole, City Clerk; and City Attorney Jeff Sugg. Also present representing the County were Alice Dawson, Clerk to the Board; Cheryl Ivey, Deputy Clerk to the Board, County Manager Frank Willis; County Attorney Aimee Scotton; and Deputy Finance Officer Will Massie. Representing the Randolph County Economic Development Corporation (EDC) were Bonnie Renfro, Melissa Foust, and EDC Board Members Dick Heckman and Neil Griffin.

Commissioner Chairman Holmes called the meeting to order for the County.

Mayor Jarrell called the meeting to order for the City and explained the purpose of the joint meeting and opened the public hearing on behalf of the City.

Chairman Holmes opened the public hearing on behalf of the County and called on Bonnie Renfro, EDC President, for comments.

Ms. Renfro stated that Technimark, Inc. first located a manufacturing operation in northern Asheboro in 1983 as a custom injection molder of plastics products. Over the years, the operation has been very successful and today the company employs 1,040 workers with 9 plants located in North Carolina and Mexico. The company operates 5 plants in Asheboro, employing approximately 355 workers, and has grown to three divisions serving a variety of markets including packaging products, electronics, automotive, power tools, consumer products, furniture, textiles, and proprietary products. Over the years, the company has consistently invested in technology to automate the plants and in training to enhance the skills of its workforce. In 1990, Technimark became part of the Klaussner group of companies and has since grown very quickly. Today, Technimark is the largest injection molder in the Southeast and one of the premier molders in the U.S. The company's three divisions produce diversified, specialty, and packaging products. In 1999, they opened a new development center in Asheboro to support research and development. Technimark's combination of quality product and service, cutting edge manufacturing technology, and customer focus has positioned the company for growth. That same combination has allowed them to succeed in a very competitive global environment. The Asheboro operation is being considered for a significant expansion that will bring new investment and quality jobs to our community. Technimark is also considering expansion of existing operations at a site in Fayetteville, North Carolina. The location decision is contingent in part on the opportunity to realize savings with upfront costs associated with the expansion.

Technimark is considering the investment of \$36.5 million and the creation of 79 new jobs. The investment would more than double the company's current investment in all of their Asheboro operations and increase their local workforce by more than 22 percent. The company would construct a new 31,000 square foot manufacturing facility for the project. Ms. Renfro asked for the two Boards' consideration of the following:

1. The County of Randolph and the City of Asheboro enter into an economic development incentives contract with Technimark Inc., as permitted by North Carolina General Statute

Section 158-7.1 such that the County of Randolph provide a total of \$315,000 and the City of Asheboro provide a total of \$315,000, sharing equally in the funding assistance.

2. The County of Randolph and the City of Asheboro provide to Technimark a total of \$630,000 to assist the company with costs associated with the construction of a new facility and subsequent investment in machinery and equipment for the related expansion in the Central Piedmont Industrial Park in northern Asheboro.
3. The funding will be paid in no less than four installments contingent on the company's satisfaction of specific performance requirements for investment and job creation and retention. Those requirements will be formalized in an economic incentives agreement.
4. That agreement will include among other things that during the economic development project, the Company must obtain from the City of Asheboro a Certificate of Occupancy or a letter/certificate of compliance certifying that the building or land affected by this project may be used or occupied for Factory/Industrial Occupancy.
5. The Company must deliver to the County and the City written certification that the actual new value of investment in real and personal property of the project equals or exceeds the sum of \$36,500,000.
6. The Company must deliver to the County and the City reports evidencing the creation of a minimum of 79 new permanent jobs.

The investment and job creation will occur within the first three years of the project at approximately one-third of the performance during each year. Based on the current city and county tax rates, and the company's planned investment of \$36,500,000, the City of Asheboro can expect an average of approximately \$100,000 in new tax revenues from Technimark on an annual basis over the first eight years of the project. The County of Randolph can expect approximately \$91,250 in new tax revenues on an annual basis. This is in addition to the more than \$138,500 in current annual tax revenues received by the City of Asheboro and by the County of Randolph. Based solely on new tax revenues, this will result in an incentive payback to the County of 3.2 years and a payback to the City of 2.9 years. Equally important, the expansion of Technimark will create 79 quality jobs for local residents, adding \$2 million annually in new payroll dollars to our community.

Technimark has an excellent track record of community support, quality jobs, and a growing business. When the EDC completed its Target Industry Study last year, plastics was a key target. As an industry sector, plastics companies are supplanting other materials as their use spreads slowly and surely to new applications such as medical, construction and packaging. Despite cost fluctuations and challenges, plastics have managed to sustain above-average growth over the past decade.

Robert Burkhart, Chief Financial Officer for Technimark, commended the EDC staff and thanked both boards for this opportunity. He said that Technimark is interested in developing untapped talent in Randolph County with the help of RCC and other local resources in order to provide very highly skilled technical jobs.

Chairman Holmes invited questions and comments from the public on behalf of the City and the County.

Hearing none, Mayor Jarrell closed the public hearing for the City.

Chairman Holmes closed the public hearing for the County.

Chairman Holmes called for a motion to go into closed session on behalf of the County. *On motion of Mason, seconded by Frye, the Board of Commissioners voted unanimously to go into closed session to discuss matters relating to the location or expansion of business in the area served by this body, pursuant to N.C.G.S. 143-318.11(a)(4).*

Mayor Jarrell called for and received a motion to go into closed session for the City.

At 3:50 p.m., the Board and Council returned to open session.

On motion of Frye, seconded by Kemp, the Board of Commissioners voted unanimously to enter into an economic incentives package with Technimark, Inc., as presented, and authorized the County Attorney to prepare the contract.

Mayor Jarrell called for and received a motion to enter into an economic incentives package with Technimark, Inc.

On behalf of the City Council, Mayor Jarrell adjourned the meeting.

On behalf of the County Commissioners, Chairman Holmes adjourned the meeting.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Robert O. Mason

Robert B. Davis

Cheryl A. Ivey, Deputy Clerk to the Board