

Special Joint Meeting with Liberty Town Council

11/09/06

The Randolph County Board of Commissioners met in a special called joint meeting with the Liberty Town Council at 7:30 p.m. at the Liberty Town Hall, Liberty, NC., to hold a public hearing to consider entering into an economic incentives contract with Nypro, Inc.. Commissioners Holmes, Kemp, Frye, Davis, and Lanier were present. Attending from Liberty were Council members Cecil Kirkman, Tracy Whatley, Pike Johnson, Carolyn Vickrey, Keith Slusher, and Mayor John Stanley.

Chairman Holmes called the meeting to order for the County and welcomed those present.

Liberty Mayor Stanley called the meeting to order for the Town and explained the purpose of the meeting and opened the public hearing on behalf of the Town.

Chairman Holmes opened the public hearing on behalf of the County and called on Bonnie Renfro, Director of the Randolph County Economic Development Corporation, for comments.

Ms. Renfro said that Nypro, Inc., the largest custom plastic injection molding company in the world, wishes to relocate and expand its existing Graham, North Carolina facility to the Liberty shell building in Liberty, NC. She said that this project would result in at least 49 new jobs for Liberty. (Approximately 41 current employees at the Graham location will relocate to the new Liberty site.) The average wage is \$30,000 per year plus benefits. Following completion of the Liberty building, including all tenant required upgrades, it is estimated that the investment in the building will be approximately \$5 to \$6 million. It is also anticipated that the building would be expanded by around 70,000 sq. ft. within the next 2 to 3 years. New equipment investment is estimated at \$2 to \$3 million at startup, with an additional \$2 to \$3 million within 2 to 3 years. Rail access is necessary. The company is seeking all available assistance with site and development costs. Ms. Renfro stated that the Randolph County Economic Development Corporation Board of Directors voted to forego the balance due on the mortgage for the shell building.

Ms. Renfro proposed a performance-based economic incentives package of \$400,000 (\$200,000 each from the County and Town of Liberty) in no less than 5 installments. The company must obtain a letter of occupancy from the Town of Liberty.

Chairman Holmes opened the floor for comments from the public.

Jim Wilson, attorney in Liberty, asked Ms. Renfro to explain the tax credits.

Ms. Renfro explained that these were performance-based incentives, not tax credits.

Ed Cathey, Controller for Nypro, said that Nypro was very excited about the move to Liberty. He mentioned that all cases for all Blackberry phones and Dell laptops were produced at the Graham location. He thanked the Boards for their assistance.

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

Mayor Stanley closed the public hearing on behalf of the Town.

On motion of Frye, seconded by Kemp, the County Commissioners unanimously adopted a resolution of support to locate a manufacturing facility in Randolph County for the purposes of NCDOT's funding support for a rail industrial access track to serve Nypro, as follows:

WHEREAS, Nypro Inc. (hereinafter referred to as "Nypro") is considering locating a manufacturing facility at 7280 Liberty Park Avenue in Liberty, North Carolina; and

WHEREAS, Nypro Inc. proposes to invest Twenty-eight million dollars (\$28,000,000) and to employ at least fifty (50) additional persons when the company is fully operational; and

WHEREAS, Nypro's plans are consistent with local land use and state and local transportation plans; and

WHEREAS, Nypro's plans appear to conform with all applicable state and local ordinances and policies; and

WHEREAS, Randolph County is committed to working with the North Carolina Department of Transportation (hereinafter referred to as the "NCDOT") in a leadership role to make transportation improvements that address the safety needs of the public, and contractors and employees of Nypro Inc.

NOW THEREFORE, BE IT RESOLVED by the Randolph County Board of Commissioners, as follows:

Section 1. Randolph County supports the location of Nypro Inc. in the Town of Liberty and confirms that the company's plans appear to be consistent with and conform to state and local laws, plans and policies.

Section 2. Randolph County endorses the application of Nypro Inc. for financial support from the NCDOT to assist in the funding of a rail industrial access track to serve Nypro Inc.

Section 3. Randolph County commits to work with the NCDOT to make needed transportation improvements necessary to protect the safety of the public, and contractors and employees of Nypro Inc.

The Liberty Town Council adopted a similar resolution of support to locate a manufacturing facility in Randolph County for the purposes of NCDOT's funding support for a rail industrial access track to serve Nypro.

On motion of Frye, seconded by Davis, the County Commissioners voted unanimously to adopt a resolution to enter into an economic development incentives contract with Nypro, Inc., as follows:

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 Town of Liberty (the "Town"), and Nypro, Inc. (the "Company") entering into an economic development incentives contract whereby the County and the Town each contribute two hundred thousand dollars (\$200,000.00) for a total payment of four hundred thousand dollars (\$400,000.00) to or for the benefit of the Company to offset the site and development costs of the location of the Company's manufacturing facilities in the Town of Liberty, 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 real and personal property associated with the project in an amount equal to or in excess of twenty-eight million dollars (\$28,000,000.00) and created a minimum of ninety (90) new and relocated jobs in the County and Town; and

WHEREAS, this economic development project will stimulate and stabilize the local economy, promote business in the County and Town, and result in the creation of a significant number of jobs in the County and Town; and

WHEREAS, the County has in its Economic Development Reserve Fund available revenues sufficient to fund this economic development project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Randolph County, this 9th day of November, 2006, as follows:

Section 1. The County is authorized to expend up to two hundred thousand dollars (\$200,000.00) of County funds for the Nypro 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 Town, and the Company must contain the following essential terms and conditions:

- a. The total payment made to or for the benefit of the Company under this contract shall not exceed four hundred thousand dollars (\$400,000.00).
- 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 Town.
- c. The contract amount will be paid in five (5) installments at a frequency not to exceed one installment per fiscal year (July 1-June 30) and tied to the 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 Town written certification that the Company has invested a sum equal to or in excess of five million dollars (\$5,000,000.00) in order to lease and upfit the real property located at 7280 Liberty Park Avenue in Liberty, North Carolina and must properly obtain from the County a Certificate of Occupancy or letter/certificate of compliance, as appropriate, certifying that said facility may be occupied or used for Factory-Industrial Occupancy in accordance with the provisions of zoning, building, and other applicable ordinances and laws of the Town of Liberty, County of Randolph and the State of North Carolina. Upon receipt of said certifications, the County and the Town shall expend a total of one hundred fourteen thousand dollars (\$114,000.00) to construct rail access track for the Company's use, fifty-percent to be paid by the County and fifty-percent to be paid by the Town.
 - ii. The Company must deliver to the County and the Town a written certification that the Company's investment in new and relocated machinery, equipment and molds equals or exceeds twenty-three million dollars (\$23,000,000.00) and must deliver to the County and the Town Employment Security Reports or equivalent certification evidencing the creation of fifty-five (55) new or relocated jobs, as provided below, in the County and the Town, said jobs having an average yearly wage of at least thirty thousand dollars (\$30,000.00). Upon receipt of said certifications, the County and the Town shall remit a total payment of seventy-one thousand five hundred dollars (\$71,500.00), fifty-percent to be paid by the County and fifty-percent to be paid by the Town.
 - iii. The Company must deliver to the County and the Town a written certification that the twenty-three million dollar (\$23,000,000.00) investment in machinery, equipment, and molds remains in use in the County and the Town. Furthermore, the Company must deliver to the County and the Town Employment Security Reports or equivalent certification evidencing the creation of an additional thirty-five (35) new or relocated jobs (for a minimum total of 90 new or relocated jobs as provided below), said jobs having an average yearly wage of at least thirty thousand dollars (\$30,000.00). Upon receipt of said certifications, the County and the Town shall remit a total payment of seventy-one thousand five hundred dollars (\$71,500.00), fifty-percent to be paid by the County and fifty-percent to be paid by the Town.
 - iv. The Company must deliver to the County and to the Town a written certification that it remains in full operation and that the twenty-three million dollar (\$23,000,000.00) investment in machinery, equipment, and molds remains in use in the County and the Town. Furthermore, the Company must deliver to the County and the Town written certification that the ninety (90) new or relocated jobs referenced above have been and are continuing to be retained. Upon receipt of said certifications, the County and the Town shall remit a total payment of seventy-one thousand five hundred dollars (\$71,500.00), fifty-percent to be paid by the County and fifty-percent to be paid by the Town.
 - v. The Company must deliver to the County and to the Town a written certification that it remains in full operation and that the twenty-three million dollar (\$23,000,000.00) investment in machinery, equipment, and molds remains in use in the County and the Town. Furthermore, the Company must deliver to the County and the Town written certification that the ninety (90) new or relocated jobs referenced above have been and are continuing to be retained. Upon receipt of said certifications, the County and the Town

shall remit a total payment of seventy-one thousand five hundred dollars (\$71,500.00), fifty-percent to be paid by the County and fifty-percent to be paid by the Town.

- d. The contract shall provide that the ninety (90) jobs required to be created by the Company may be new or relocated jobs; provided, however that no more than forty (40) of said jobs shall be relocated. At least fifty (50) of the jobs shall be newly created by this project.*
- e. The contract must provide the County and the Town with a means of recouping a portion of the contract amount if the Company's facility does not remain in full operation and retain a minimum of 90% of the ninety (90) jobs created for a period of two (2) years immediately following the date on which the final installment of the contract amount is paid to the Company.*
- f. If the Company does not remain in full operation during this two (2) year period and/or does not retain a minimum of 90% of the jobs created by the project during this two (2) 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 Town and County. Any amounts returned by the company in this manner shall be divided equally between the County and the Town.*

Section 3. *The County Manager 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.*

The Town of Liberty adopted a similar resolution to enter into an economic incentives contract with Nypro Inc.

On behalf of the Town Council, Mayor Stanley adjourned the meeting.

At 7:50 p.m., on motion of Frye, seconded by Davis, the County Commissioners unanimously voted to adjourn.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Robert B. Davis

Arnold Lanier

Cheryl Ivey, Clerk to the Board