

Minutes

Randolph County Commissioners

April 1, 2002 - Special Meeting

The Randolph County Board of Commissioners met in special session at 3:00 p.m. in the Commissioners Meeting Room, County Office Building, 725 McDowell Road, Asheboro, NC. Commissioners Kemp, Frye, Davis, Holmes, and Mason were present. The purpose of the meeting was to hold a joint public hearing with the Asheboro City Council concerning a proposal to enter into an economic development incentives contract with Unilever Bestfoods of Asheboro.

Chairman Kemp called the meeting to order and welcomed those present.

Asheboro Mayor David Jarrell explained the purpose of the meeting and opened the public hearing on behalf of the City.

Chairman Kemp opened the public hearing on behalf of the County and called on Bonnie Renfro, Director of the Randolph County Economic Development Corporation, to make a presentation.

Ms. Renfro distributed a fact sheet on Unilever Bestfoods and a summary of the proposed contract terms and provisions between the County, Asheboro, and Unilever. Bestfoods Knorr first located a manufacturing operation in northern Asheboro in 1988, producing a full line of dry soups and sauces. The operation has been very successful and today the company employs 130 workers in a state-of-the-art facility. In 2000, Bestfoods was acquired by Unilever.

Ms. Renfro stated that the proposal is for the County and the City to offer Unilever a total cash incentive of \$125,000 each in exchange for the company's choosing to remain in Asheboro and expand its current facility. This funding would be paid in a single installment contingent on the company's satisfying the following performance requirements: a \$5,500,000 expansion of real and personal property and the creation of a minimum of 55 new permanent jobs. Under the terms of the proposed contract, the County would recoup its investment, through ad valorem taxes, in 4.73 years; Asheboro, in 5.05 years. Based on the current City and County tax rate and the company's planned investment of \$5,500,000, the City can expect approximately \$24,750 in new tax revenues from Unilever annually, and the County can expect approximately \$26,400 annually.

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

Jack Marcus, 313 Dublin Road, Asheboro, stated that he has been Plant Manager for Unilever's Asheboro site since 1991. He made a slide presentation detailing global product information for Unilever as well as specific information on the Asheboro plant. The Asheboro facility has 147,000 square feet, makes 200 products, and has a payroll of \$8 million. He said the expansion project should be completed by the second quarter of 2003, with 27,000 additional

square feet, 10 packaging machines, and one mixer. Payroll for the 55 new jobs will equate to \$2.5 million.

Charles Allen identified himself as Randolph County Economic Development Corporation Chairman, President of Allen Precision Instruments, Randolph Community College Foundation President, and a member of the Randleman Zoning Board. He said government today is facing unparalleled challenges and that we must be creative and innovative to meet the needs of existing industries. He said that a significant part of his business comes from Unilever, and the loss of Unilever could mean the loss of some of his employees.

Jim Culberson, retired from First National Bank, stated that his concern is for quality jobs and diversity and that he can think of no better company to provide these needs than Unilever.

No one else came forward to speak. Mayor Jarrell closed the public hearing for the City.

Chairman Kemp closed the public hearing for the County.

On motion of Councilman Baker, seconded by Councilman Carter, the Asheboro City Council unanimously voted to adopt a resolution to enter into an economic development incentives contract with Unilever Bestfoods.

On motion of Commissioner Frye, seconded by Commissioner Davis, the Randolph County Board of Commissioners unanimously voted to adopt a resolution to enter into an economic development incentives contract with Unilever Bestfoods, 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 City of Asheboro (the "City"), and Unilever Bestfoods (the "Company") entering into an economic development incentives contract whereby the County and the City each contribute one hundred and twenty-five thousand dollars (\$125,000.00) for a total payment of two hundred and fifty thousand dollars (\$250,000.00) to the Company to offset the site and development costs of the expansion of the Company's existing facilities in the City of Asheboro, 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 five million and five hundred thousand dollars (\$5,500,000.00) and created a minimum of fifty-five new permanent 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 1st day of April, 2002, as follows:

Section 1. The County is authorized to expend up to one hundred and twenty-five thousand dollars (\$125,000.00) of County funds for the Unilever Bestfoods 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. a. The total payment made to the "Company" under this contract shall not exceed two hundred and fifty thousand dollars (\$250,000.00).
- b. 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. c. The contract amount will be paid in a single installment upon the completion by the Company of the following performance requirements:
 - i. i. Upon completion of the expansion project, the Company must properly obtain from the City a Certificate of Occupancy or letter/certificate of compliance, as appropriate, certifying that the building(s) or land affected by the expansion project 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 City of Asheboro and the State of North Carolina; and
 - ii. ii. The Company must deliver to the County and to the City a written certification that the actual new value/investment in real and personal property of the project equals or exceeds the sum of five million and five hundred thousand dollars (\$5,500,000.00); and
 - iii. iii. The Company must deliver to the County and to the City Employment Security Reports evidencing the creation of fifty-five (55) new permanent jobs.
- d. 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 for a period of five (5) years immediately following the date on which the single installment of the contract amount is paid to the Company.
- e. 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 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.

Mayor Jarrell adjourned the meeting for the City.

Chairman Kemp adjourned the meeting for the County.

Phil Kemp, Chairman

Darrell L. Frye

J. Harold Holmes

Robert B. Davis

Robert O. Mason

Alice D. Dawson, Clerk to the Board