

Closed Session I B – February 7, 2005

At 5:40 p.m. the Board, already in closed session on another matter, began discussion on another matter 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, Frye, Davis, Kemp and Lanier were present. Also present were Frank Willis, County Manager; County Attorney Alan Pugh; Cheryl Ivey, Deputy Clerk to the Board; Bonnie Renfro and Melissa Foust from Randolph County Economic Development Corporation (EDC); and David Townsend, III, Public Works Director.

Bonnie Renfro said that The Timken Company is implementing a strategic business plan to relocate production from Canton, Ohio to operations in the Southeast. The company will proceed with the addition of 3 new heat treat furnaces (\$2.2 Million investment) in the Randleman facility. In addition, the company has approved capital expenditures to increase bearing manufacturing capacity (grind finishing line) for \$4.5 Million. She said that Randleman is the company's preferred location but they are also considering the Tiger River, SC bearing plant. South Carolina is a much larger manufacturing plant than Randleman. The company has initiated a request for assistance with the State of South Carolina. The project, if approved at Randleman, would increase production capacity from 190,000 bearings to 240,000 bearings per year.

Ms. Renfro proposed an economic incentives package grant at \$50,000 from each local government to be paid over three years:

	<b>Investment</b>	<b>Over</b>	<b>Returns</b>	<b>Payback</b>
<b>Randolph County</b>	\$4.2 million	3 years	\$51,240	2.93 years
<b>Randleman</b>	\$4.2 million	3 years	\$52,264	2.86 years

Ms. Renfro said that she planned to meet with the Randleman Board of Alderman the following night.

It was the consensus of the Board to wait and see what, if anything, the City of Randleman is willing to contribute and then this Board will consider a match. However, the Board is hesitant to expend funds due to 1) there is no new real property investment, 2) the projected initial \$100,000,000 investment has not been realized and 3) it may set a bad precedent for future requests of this nature. The Board directed Ms. Renfro to contact the County Manager and Chairman Holmes on Wednesday following the Randleman meeting.

Closed session on this topic ended at 5:45 p.m.

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J. Harold Holmes, Chairman

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Darrell L. Frye, Vice Chairman

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Phil Kemp

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Robert B. Davis

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Arnold Lanier

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Cheryl A. Ivey, Deputy Clerk to the Board

Approved: March 1, 2005

Unsealed: June 6, 2005