

Closed Session IV – August 1, 2005

At 5:55 p.m. the Board, already in closed session on another matter, began discussion on a different 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).

Bonnie Renfro said that Starpet, Inc. manufactures PET resins at its Asheboro plant. The company has multiple operations in Thailand and is building a new plant in Lithuania. Since Indorama acquired Starpet in 2004, the Asheboro plant has expanded capacity with a \$4.5 million investment to expand production from 80,000 tons per year to 116,000 tons per year. They added 10 new jobs in the expansion and began commercial production in May 2005.

Starpet is considering a second major expansion—60,000 sq. ft. (\$44 million investment) that would provide 40-50 new jobs and would triple production capacity. The competitive alternative is the construction of a new plant in Montreal, Canada near a key supplier. Ms. Renfro said that the key to the Asheboro selection is increased rail track capacity. The current site will support up to 3.5 more spur tracks, which doubles current on-site rail capacity. Expansion would increase usage from 3,000 rail cars per year to 5,000 rail cars per year. No rezoning or watershed waiver will be required to support this expansion. However, cooperation from Norfolk Southern Railroad for rail upgrades is essential.

Starpet is requesting assistance with the \$750,000-\$1,000,000 cost to construct the required rail. Ms. Renfro recommends a performance-based incentives plan of \$250,000 each from the County and City of Asheboro to assist with the following incentives package:

Rail Access Fund	\$ 124,000 (Would require a resolution of support from the County Commissioners)
One NC Fund	\$ 50,000
City of Asheboro	\$ 250,000
Randolph County	\$ 250,000
Progress Energy	<u>\$ 50,000</u>
	\$ 750,000

Upon consensus, the Board directed Ms. Renfro to offer this incentives package to Starpet contingent upon Asheboro's joint participation.

At 6:05 p.m., on motion of Frye, seconded by Davis, the Board voted unanimously to resume open session.

J. Harold Holmes, Chairman

Darrell L. Frye, Vice Chairman

Phil Kemp

Robert B. Davis

Arnold Lanier

Cheryl A. Ivey, Deputy Clerk to the Board

Approved: September 6, 2005

Unsealed: January 9, 2006