

**Special Joint Meeting – 9/22/05**  
**Randolph County Board of Commissioners**  
**Randleman Board of Aldermen**

The Randolph County Board of Commissioners met in a special called joint meeting with the Randleman Board of Aldermen at 7:00 p.m. in the Training Room, County Office Building, 725 McDowell Road, Asheboro, NC to hold a public hearing to consider entering into an economic incentives contract with The Timken Company. Commissioners Holmes, Kemp, Frye, Davis, and Lanier were present. Randleman Board of Aldermen members present were Tony Lowe, Cletus Lilly, Mayor B. Moore, Bud Talley, J.C. Leonard, and Melissa Blalock.

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

Randleman Mayor Bruce Moore called the meeting to order for the City and explained the purpose of the 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, Director of the Randolph County Economic Development Corporation, for comments.

Ms. Renfro said that The Timken Company has invested \$140 million in their Randleman operation with the initial investment in 1992 and subsequent expansions in the late 1990s and over the last year. Currently Timken employs 230 employees with an aggregate payroll of \$11.6 million and average hourly wage of \$16.40. Timken is requesting assistance to help offset the costs of expansion for construction, equipment, and increased production at the Randleman location, which would include an investment of \$23 million in real and personal property and the creation of 50 new jobs. The company would add approximately 50,000 square feet to the existing 150,000 square foot facility.

Ms. Renfro proposes a performance-based economic incentives package consisting of \$200,000 each from Randolph County and the City of Randleman. Based on current City and County tax rates and the company's planned investment of \$23,000,000 the City of Randleman can expect an average of approximately \$98,000 in new tax revenues from The Timken Company on an annual basis over the first 4 years of the project and the County can expect approximately \$100,000 in new tax revenues on an annual basis.

Chairman Holmes opened the floor for comments from the public.

**Mike Karaman**, General Manager of The Timken Company, thanked the Boards for their assistance. He said this expansion will have a positive impact on their growth.

Mayor Moore closed the public hearing on behalf of the City.

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

The Randleman Board of Aldermen adopted a resolution to enter into an economic incentives contract with Timken.

*On motion of Frye, seconded by Lanier, the County Commissioners voted unanimously to adopt a resolution to enter into an economic development incentives contract with The Timken Company, 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 Randleman (the "City"), and The Timken Company (the "Company") entering into an economic development incentives contract whereby the County and the City each contribute two hundred thousand dollars (\$200,000.00) for a total payment of four hundred thousand dollars (\$400,000.00) to the Company to offset the site and development costs of the expansion of the Company's existing facilities in the City of Randleman, 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-three million dollars (\$23,000,000.00) and created a minimum of fifty (50) new 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 22<sup>nd</sup> day of September, 2005, as follows:*

*Section 1. The County is authorized to expend up to two hundred thousand dollars (\$200,000.00) of County funds for the Timken 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. The total payment made to 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 City.*
- c. The contract amount will be paid in four (4) equal 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 properly obtain from the City a Certificate of Occupancy or letter/certificate of compliance, as appropriate, certifying that the 50,000 square foot expansion 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 Randleman, and the State of North Carolina; and*
  - ii. The Company must deliver to the County and the City Employment Security Reports evidencing the creation of fifty (50) new full-time jobs; and*
  - iii. The Company must deliver to the County and to the City a written certification that the cumulative new value/investment in real and personal property of the project equals or exceeds the sum twenty-three million dollars (\$23,000,000.00); and*
  - iv. The Company must deliver to the County and to the City a written certification that the average wages per hour for the fifty (50) new jobs referenced above equals or exceeds 110% of the average weekly wage for Randolph County in 2005, five hundred ninety-one dollars (\$591.00) per week or fourteen dollars and seventy-seven cents (\$14.77) per hour.*
- 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 two (2) years immediately following the date on which the final installment of the contract amount is paid to the Company.*

- e. *If the Company does not remain in full operation 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 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.*

On behalf of the Board of Aldermen, Mayor Moore adjourned the meeting.

At 7:15 p.m., on behalf of the County Commissioners, Chairman Holmes adjourned the meeting.

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J. Harold Holmes, Chairman

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Darrell L. Frye

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Phil Kemp

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Robert B. Davis

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Arnold Lanier

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Cheryl Ivey, Deputy Clerk to the Board