

**NOTICE OF A SPECIAL MEETING OF THE  
CITY COUNCIL OF THE CITY OF ASHEBORO**

**Tuesday, November 16, 2010**

**6:00 P.M.**

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Notice is hereby given of a special meeting of the City Council of the City of Asheboro that is to be held on Tuesday, the 16<sup>th</sup> day of November, 2010, at 6:00 p.m. This meeting will be held as a joint meeting with the Randolph County Board of Commissioners in the Commissioners' Meeting Room at the Randolph County Office Building, 725 McDowell Road, Asheboro, North Carolina 27205.

This special joint meeting has been called for the purpose of conducting a joint public hearing on the proposed appropriation and expenditure of county and city funds for an economic development project with Malt-O-Meal Company. After the public hearing, the respective governing boards will consider resolutions authorizing an economic development incentives contract between Malt-O-Meal Company, the County of Randolph, and the City of Asheboro.

All officers of the city and all other persons whomsoever are hereby given notice of the above-described special meeting. This notice is issued on this 11<sup>th</sup> day of November, 2010.

s/ David H. Smith  
David H. Smith, Mayor  
City of Asheboro, North Carolina

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**SPECIAL MEETING  
ASHEBORO CITY COUNCIL  
RANDOLPH COUNTY COMMISSIONERS  
RANDOLPH COUNTY BOARD OF COMMISSIONERS' MEETING ROOM  
RANDOLPH COUNTY OFFICE BUILDING  
725 McDOWELL ROAD, ASHEBORO, NORTH CAROLINA  
TUESDAY, NOVEMBER 16, 2010  
6:00 p.m.**

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This being the time and place for a joint special meeting of the City Council and the Randolph County Board of Commissioners, a meeting was held with the following officials and members present:

David H. Smith            ) – Mayor Presiding  
  
Talmadge S. Baker        )  
Clark R. Bell             )  
Edward J. Burks         ) – Council Members Present  
Stuart B. Fountain       )  
Michael W. Hunter        )  
  
Linda H. Carter           )  
Walker B. Moffitt         ) – Council Members Absent

John N. Ogburn, III, City Manager  
Holly H. Doerr, CMC, City Clerk/Senior Legal Assistant  
Deborah P. Reaves, Finance Director  
Jeffrey C. Sugg, City Attorney

In addition to the members of the Randolph County Board of Commissioners, certain county staff members were present during this meeting. A listing of the county officials in attendance is available from the clerk to the Randolph County Board of Commissioners.

Subsequent to Randolph County Board of Commissioners Chairman Harold Holmes calling the special joint meeting to order, Mayor Smith opened the public hearing on behalf of the Asheboro City Council in order to give the public an opportunity to learn about and comment on the economic development incentives package proposed for Malt-O-Meal Company. Similarly, Chairman Holmes opened a public hearing on behalf of the County.

Ms. Bonnie Renfro, President of the Randolph County Economic Development Corporation, reported that Malt-O-Meal Company, a Minnesota corporation, is considering a major expansion of its Asheboro manufacturing operation in the former Unilever plant located in north Asheboro at 2525 Bank Street. This location is the company's third production facility and the first in the Eastern United States. The company is considering an investment of \$136,000,000.00 to expand the cereal production facility, construct a new warehouse, and add state of the art production machinery and equipment. This project would result in approximately 80 new jobs within approximately two (2) to three (3) years, paying an average weekly wage of approximately \$663.00.

Ms. Renfro recommended that the City of Asheboro and the County of Randolph provide \$1,580,000.00 each to assist Malt-O-Meal with the expansion. This economic development assistance package is to be disbursed in accordance with performance requirements prescribed by a proposed economic development incentives contract. In order to implement this project, Ms. Renfro recommended that the City of Asheboro and the County of Randolph adopt a resolution authorizing the City and County to enter into an economic development incentives contract with Malt-O-Meal Company for its expansion of the Asheboro manufacturing facility.

Mr. Jack Marcus, former Plant Manager of Unilever, Mr. Chris Neugent, President of Malt-O-Meal Company, Ms. Laura Wilson, Chairman of the Randolph County Economic Development Corporation and a Malt-O-Meal Company employee at the Asheboro facility presented comments in support of the economic development incentives package.

There being no further comments, Mayor Smith closed the public hearing on behalf of the City Council, and Chairman Holmes closed the public hearing on behalf of the county.

Upon motion by Dr. Fountain and seconded by Mr. Baker, Council voted unanimously to adopt the following resolution.

**54 RES 11-10**

**RESOLUTION AUTHORIZING THE CITY OF ASHEBORO TO ENTER INTO AN ECONOMIC DEVELOPMENT INCENTIVES CONTRACT**

**WHEREAS**, Section 158-7.1 of the North Carolina General Statutes authorizes a city 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 city; and

**WHEREAS**, the Asheboro City Council 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 Malt-O-Meal Company (the "Company") approving an economic development incentives package whereby the County and the City each contribute up to one million five hundred eighty thousand dollars (\$1,580,000) for a total payment of up to three million one hundred sixty thousand and no/100 dollars (\$3,160,000) to or for the benefit of the Company to offset the costs of expanding the food manufacturing plant located at 2525 Bank Street in the City of Asheboro, Randolph County, North Carolina, said incentives to be granted pursuant to an economic development incentives contract drafted in accordance with this resolution; 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 one hundred thirty-six million dollars (\$136,000,000.00) and created a minimum of eighty (80) new full-time 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 City has in its General Fund available revenues sufficient to fund this economic development project;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Asheboro, this 16<sup>th</sup> day of November, 2010, as follows:

**Section 1.** The City is authorized to expend up to one million five hundred eighty thousand dollars (\$1,580,000.00) of City funds for this Malt-O-Meal economic development project.

**Section 2.** In addition to the standard terms found in contracts that the City 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 three million one hundred sixty thousand and no/100 dollars (\$3,160,000.00).
- 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 eight (8) equal installments at a frequency not to exceed one installment per fiscal year (July 1-June 30). The obligation of the City to make the installment payments specified herein shall be conditioned upon the satisfactory completion by the Company of certain performance requirements to be set out in detail in the economic development incentives contract but shall include, at a minimum, the following:
  - i. The Company must deliver to the City and the County written certification that the Company has invested a sum equal to or in excess of one hundred thirty-six million dollars (\$136,000,000) in expanding the existing facility located at 2525 Bank Street in Asheboro, North Carolina; and
  - ii. The Company must provide to the County and the City Employment Security Reports evidencing the creation of eighty (80) new full-time jobs.
- d. The contract must provide the County and the City with a means of recouping a portion of the contract amount if the Company fails to maintain its level of operations in the County and City at the same level that existed at the time of the eighth and final installment payment for a period of five (5) years immediately following the date on which the said final installment of the contract amount is paid to the Company.
- 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 City Attorney is hereby authorized to negotiate and draft a comprehensive economic development incentives contract with the County and the Company consistent with this resolution and previous economic development contracts concerning the Company. Said contract shall be presented to the governing boards of the County and the City for final approval.

This resolution was adopted by the Asheboro City Council in open session during a special meeting held on November 16, 2010.

s/ David H. Smith  
David H. Smith, Mayor  
City of Asheboro, North Carolina

ATTEST:

s/ Holly H. Doerr  
Holly H. Doerr, City Clerk  
City of Asheboro, North Carolina

Immediately prior to the adoption by the City Council of this resolution, the Board of Commissioners adopted a companion resolution of the Board authorizing the County to enter into an economic development incentives contract with Malt-O-Meal Company and the City.

Before the meeting adjourned, Mr. Ogburn noted that the City of Asheboro has submitted an application form (Local Government Development Form) in order to facilitate the ability of Malt-O-Meal Company to receive state economic development funding from the One North Carolina Fund.

There being no further business, the meeting of the Asheboro City Council was adjourned at 6:27 p.m.

s/ Holly H. Doerr  
Holly H. Doerr, CMC, City Clerk

s/ David H. Smith  
David H. Smith, Mayor