

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

Monday, March 20, 2017

6:00 P.M.

Notice is hereby given of a special meeting of the City Council of the City of Asheboro that is to be held on Monday, the 20th day of March, 2017, at 6:00 p.m. **This meeting will be held as a joint meeting with the Randolph County Board of Commissioners in the 1909 Randolph County Historic Courthouse Meeting Room, 145-C Worth Street, Asheboro, North Carolina 27203.**

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, in accordance with Section 158-7.1 of the North Carolina General Statutes, for an economic development project with MAS US Holdings, Inc., a new company to be formed by MAS Capital (Private) Limited. After the public hearing, the respective governing boards will consider resolutions authorizing the county and city to enter into an economic development incentives contract with the company.

In addition to the public hearing and any action that may be taken on the economic development project with MAS US Holdings, Inc., the city council will receive a project update from the President of the Randolph County Economic Development Corporation, Bonnie Renfro, and may schedule a public hearing to be held in April 2017 on the question of a separate economic development project with a different company.

This notice is issued on the 15th day of March, 2017.

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

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**SPECIAL MEETING
ASHEBORO CITY COUNCIL
RANDOLPH COUNTY BOARD OF COMMISSIONERS
1909 RANDOLPH COUNTY HISTORIC COURTHOUSE MEETING ROOM
145-C WORTH STREET, ASHEBORO, NORTH CAROLINA
MONDAY, MARCH 20, 2017
6:00 p.m.**

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

- David H. Smith) – Mayor Presiding

- Clark R. Bell)
- Edward J. Burks)
- Walker B. Moffitt) – Council Members Present
- Jane H. Redding)
- Katie L. Snuggs)
- Charles A. Swiers)

- Linda H. Carter) – Council Member Absent

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

In addition to the above-referenced city officials and staff members, the following members of the Randolph County Board of Commissioners were present: Chairman David Allen, Vice-Chairman Darrell Frye, Stan Haywood, Kenny Kidd, and Maxton McDowell. The following county staff members were also

present: Hal Johnson, County Manager; Amanda Varner, Clerk to the Board; Dana Crisco, Deputy Clerk to the Board; Will Massie, Finance Officer; Ben Morgan, County Attorney; and Aimee Scotton, Associate County Attorney.

Subsequent to the Randolph County Board of Commissioners' Chairman David Allen calling the special joint meeting to order for the county, Mayor Smith called the meeting to order for the City Council and opened the public hearing on behalf of the Asheboro City Council in order to consider the economic incentives package proposed for MAS US Holdings, Inc. Similarly, Chairman David Allen joined in opening the public hearing on behalf of the county.

Ms. Bonnie Renfro, President of the Randolph County Economic Development Corporation (RCEDC) reported that MAS Capital, a private company headquartered in Sri Lanka, is considering a major acquisition and expansion in Asheboro and Randolph County. This project will result in new job creation, job retention, and new capital investment in one of the community's legacy industry sectors. MAS Capital is one of the largest and most recognized design to delivery solution providers in apparel and textile manufacturing. The company produces garments including sportswear, intimate wear, and swimwear. It has strong strategic partnerships with brands including, but not limited to, Nike, Victoria's Secret, Polo Ralph Lauren, L Brands, and Columbia.

MAS Capital is considering the acquisition and expansion of the manufacturing assets of Acme McCrary Corporation, which is a more than 100 year old privately owned textile company, headquartered in Asheboro. MAS Capital will form a new subsidiary company, MAS US Holdings, Inc. to acquire, expand, and operate the business. Acme McCrary Corporation will continue to own real estate assets including those in downtown Asheboro and the primary manufacturing building on Pritchard Street.

The project will allow MAS to serve its North American customer base from a domestic location and will foster partnerships with well-known local and international companies in the apparel manufacturing industry. The company will focus on continuous performance improvements requiring ongoing professional training in management, operations, lean manufacturing, process, and product innovation. This competitive project could mean broad benefits for continued growth in Asheboro and Randolph County.

During her presentation, Ms. Renfro reported that MAS US Holdings, Inc. has requested the consideration of economic assistance and incentives from the city, county, and state of North Carolina to offset costs during the initial phases of establishing a new operation. The company is considering new capital investment of approximately \$20 million over the next four (4) years in both real and personal property in Asheboro in order to create new manufacturing capacity, offices, and an innovation center.

The project will retain Acme McCrary's existing jobs based in Asheboro in addition to creating approximately 133 new jobs over a period of four (4) years. The annual wages for the new jobs will vary by position but will average approximately \$30,637. Additionally, the company will offer health care benefits, paying at least 50% of the premium, consistent with North Carolina's requirement for economic incentives. In addition to new jobs, the project is expected to generate new tax revenues totaling more than \$300,000 each for Asheboro and Randolph County over a period of four (4) years. The revenue is based on the proposed taxable capital investment for the project.

Ms. Renfro recommended that the City of Asheboro and the County of Randolph each provide \$150,000.00 for a combined total of \$300,000.00 in no less than four (4) annual installments to assist MAS US Holdings 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 resolutions authorizing the City and County to enter into an economic incentives contract with MAS US Holdings, Inc.

Mr. Garret Perdue, a representative for MAS US Holdings, presented comments in support of the economic incentives package.

When it became apparent that no other speakers wanted to be heard during the public hearing, Chairman Allen inquired of the Board of Commissioners as to what action the Board Members would like to take. After discussing the value of the investment in job creation, the Board of Commissioners adopted a resolution that followed Ms. Renfro's recommendation.

Subsequently, upon motion by Mr. Bell and seconded by Mr. Burks, Council voted unanimously to adopt the following resolution. Council Members Bell, Burks, Moffitt, Redding, Snuggs, and Swiers voted in favor of the motion.

RESOLUTION NUMBER 08 RES 3-17

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

A RESOLUTION AUTHORIZING AN ECONOMIC DEVELOPMENT INCENTIVES CONTRACT WITH THE COUNTY OF RANDOLPH AND MAS US HOLDINGS, INC.

WHEREAS, Section 158-7.1 of the North Carolina General Statutes authorizes the City of Asheboro (the "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 City Council of the City of Asheboro, North Carolina and the Board of Commissioners of Randolph County held a joint public hearing, on March 20, 2017, to consider whether to participate in an economic development project that will result in the City, the County of Randolph (the "County"), and MAS US Holdings, Inc., and all related entities, (the "Company") approving an economic development incentives package whereby the City and the County each contribute up to \$150,000 for a total expenditure of up to \$300,000 to or on behalf of the Company to offset costs associated with the Company's acquisition and expansion of the manufacturing and distribution operations of the Acme-McCrary Corporation in the City of Asheboro, Randolph County, North Carolina; and

WHEREAS, the said incentives shall be granted pursuant to an economic development incentives contract as provided in Section 3 of this Resolution, said contract to be inclusive of the local match requirements for any and all state grants awarded to the project; 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 and equipment associated with the project in an amount equal to or in excess of \$19,954,757 and created a minimum of 133 new full-time jobs in the City and County; and

WHEREAS, this economic development project will stimulate and stabilize the local economy, promote business in the City and County, and will result in the creation of a significant number of jobs in the City and County; 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 as follows:

Section 1. The City is authorized to expend up to \$150,000 of City funds for the MAS economic development project.

Section 2. Of the appropriation outlined in Section 1 above, a portion will be used, in combination with equal contributions from the County, as one-half of the required local match(es) for any state grants awarded to the project.

Section 3. The remaining appropriation outlined in Section 1 above will be paid to or on behalf of the Company pursuant to a performance-based incentives contract. 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 City, the County, and the Company must contain the following essential terms and conditions:

- a. The total payment to or on behalf of the Company under this contract shall not exceed \$300,000.
- b. Fifty-percent of the contract amount will be paid by the City, and the other fifty-percent of the contract amount will be paid by the County.
- c. The amount will be paid over a period of four years to coincide with the Company's satisfactory completion of certain performance requirements. The said performance requirements include, but are not limited to, the following requirements:
 - i. The Company must deliver to the City and County written certification that the actual value of new investment by the Company in real and personal property and equipment in connection with this project equals or exceeds \$19,954,757. The written certification of the actual value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro; and

