

NOTICE OF A SPECIAL MEETING
CITY COUNCIL OF THE CITY OF ASHEBORO
THURSDAY, AUGUST 23, 2018
7:00 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 Thursday, the 23rd day of August, 2018. This meeting will begin at 7:00 p.m. in the council chamber on the second floor of Asheboro City Hall, 146 North Church Street, Asheboro, North Carolina 27203.

During the meeting, a public hearing will be held on the proposed appropriation and expenditure of city funds, in accordance with Section 158-7.1 of the North Carolina General Statutes, for an economic development project with PEMMCO Manufacturing, Inc. After the public hearing, the city council will consider adopting a resolution authorizing the city to pursue an economic development project with the corporation, specifically including submitting an application for grant funding, which will include a required local funding match, to the North Carolina Department of Commerce, Rural Development Division.

All interested persons are invited to attend and present their views.

This notice is issued on the 9th day of August, 2018.

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

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SPECIAL MEETING
ASHEBORO CITY COUNCIL
CITY COUNCIL CHAMBER, MUNICIPAL BUILDING
THURSDAY, AUGUST 23, 2018
7:00 p.m.

This being the time and place for a special meeting of the Asheboro City council, a meeting was held with the following elected officials and city management team members present:

Walker B. Moffitt) – Mayor Pro Tempore Presiding

Clark R. Bell)
Edward J. Burks)
Linda H. Carter) – Council Members Present
Jane H. Redding)
Katie L. Snuggs)
Charles A. Swiers)

David H. Smith) – Mayor Absent

John N. Ogburn, III, City Manager
Holly H. Doerr, CMC, NCCMC, City Clerk/Paralegal
Trevor L. Nuttall, Community Development Director
Deborah P. Reaves, Finance Director
Jeffrey C. Sugg, City Attorney

Mayor Pro Tempore Moffitt called the meeting to order and opened a public hearing on a proposed economic development project with PEMMCO Manufacturing, Inc.

During the public hearing, Mr. Kevin Franklin, who is the Vice President of the Randolph County Economic Development Corporation, reported that PEMMCO Manufacturing, Inc. (PEMMCO), a precision machining company in Asheboro, is considering an expansion and new job creation within Asheboro and Randolph County. Originally established as a job shop, PEMMCO has transitioned to a production shop with parts volumes ranging from 50 parts per year up to 70,000 parts per year. The consistent growth of the company and the potential of additional large projects have necessitated expansion plans.

PEMMCO plans to add approximately 15,000 square feet to its existing building, growing the production area by 30%. The company is committed to an investment of not less than \$650,000 for the expansion

project, with \$600,000 for real property and \$50,000 for machinery and equipment. Additionally, the project will result in the creation of 20 new full-time jobs and the retention of the current 86 positions. The new positions will pay an average annual wage of \$36,800, with the company paying 85% of its employee healthcare premiums.

During his presentation, Mr. Franklin reported that PEMMCO is eligible for a Building Reuse Grant from the North Carolina Department of Commerce in the amount of \$250,000 (\$12,500 per job) to assist with the expansion expenses. The City of Asheboro would serve as the grant applicant since the program requires the applicant to be a unit of local government. The grant program also requires a 5% local government cash match which would total \$12,500 based on the \$250,000 grant request. The Randolph County Economic Development Corporation will formally request that the County of Randolph participate in providing an equal share of the match, \$6,250.00 per unit of government. The submission deadline for the grant application is August 30, 2018.

Mr. Franklin recommended that the City Council of the City of Asheboro adopt a resolution authorizing and supporting the submission of a building reuse grant application as part of an economic development project with PEMMCO Manufacturing, Inc.

Mr. Rick Powell, President of PEMMCO Manufacturing, Inc. presented comments in support of the economic development project. After no other speakers wanted to be heard during the public hearing, Mayor Pro Tempore Moffitt asked the Council Members as to what action the Council would like to take. After discussion, the Council Members concurred with Mr. Franklin's recommendation.

Upon motion by Mr. Bell and seconded by Ms. Carter, the Council voted unanimously to adopt the following resolution.

RESOLUTION NUMBER 19 RES 8-18

CITY COUNCIL OF THE CITY OF ASHEBORO, NORTH CAROLINA

RESOLUTION AUTHORIZING AND SUPPORTING THE SUBMISSION OF A BUILDING REUSE GRANT APPLICATION AS PART OF AN ECONOMIC DEVELOPMENT PROJECT WITH PEMMCO MANUFACTURING, INC.

WHEREAS, the North Carolina Department of Commerce administers grants and loans to units of local government such as the City of Asheboro (the "City") to support economic development activity that will lead to the creation of new, full-time jobs; and

WHEREAS, PEMMCO Manufacturing, Inc. ("PEMMCO") is a precision machining company located at 631 Veterans Loop Road in Asheboro; and

WHEREAS, due to consistent growth and the potential for additional large projects, PEMMCO has developed expansion plans for its precision machine shop; and

WHEREAS, PEMMCO is proposing to invest not less than \$650,000 (\$600,000 for real property and \$50,000 in machinery and equipment) for the expansion project; and

WHEREAS, in addition to retaining 86 positions, PEMMCO is committed to creating in Asheboro 20 new full-time jobs with an average wage of \$36,800; and

WHEREAS, in light of PEMMCO's stated commitment to job creation, the City's professional staff has joined with the Randolph County Economic Development Corporation to recommend that the municipal corporation submit an application for Building Reuse Grant funding in the amount of \$250,000; and

WHEREAS, on August 23, 2018, the Asheboro City Council conducted a properly advertised public hearing on the question of whether to enter into the above-described economic development project; and

WHEREAS, after considering the information presented during the public hearing, the governing board concurred with the recommendation to submit an application for Building Reuse Grant funding.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Asheboro that the governing board supports the job creation associated with PEMMCO's proposed expansion project; and

BE IT FURTHER RESOLVED by the City Council of the City of Asheboro that the governing board believes that, in addition to job retention and creation, the City's participation in the proposed economic development project will increase the population, the taxable property base, and business prospects in the City; and

