

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COUNTY COMMISSIONERS HELD AT THE FOUNDATION AT ISOTHERMAL COMMUNITY COLLEGE ON SEPTEMBER 19, 2011 AT 4:00 P.M.**

**PRESENT: CHAIRMAN WILLIAM ECKLER  
VICE CHAIRMAN JULIUS OWENS  
SUSAN CROWE  
EDDIE HOLLAND**

**ABSENT: ROGER RICHARD**

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**INVOCATION**

Rev. Kevin Rohm of Crestview Baptist Church in Forest City offered the invocation. Forest City Town Commissioner Steve Holland led the Pledge of Allegiance.

**CALL TO ORDER**

Rutherford County Commission Chairman William Eckler called the Rutherford County Commissioners to order. Forest City Mayor Dennis Tarleton called the Forest City Commissioners to order.

**PUBLIC HEARING/ECONOMIC DEVELOPMENT AGREEMENT/HORSEHEAD CORPORATION/RESOLUTION**

Chairman Eckler explained the process for the public hearing which had been scheduled to hear comments on the proposals to offer local development appropriations under N.C.G.S. 158-7.1 to a Delaware corporation. There would be a single public hearing. Anyone speaking would be addressing both the County Commission and the Town Commission.

Commissioner Crowe made a motion to open the public hearing. The motion was seconded by Vice Chairman Owens, and the vote of approval was unanimous.

The Forest City Town Council then opened their public hearing.

Economic Development Commission Director Tom Johnson told those present that Governor Beverly Perdue had just announced that Horsehead Corporation would locate in Rutherford County. This is the single largest manufacturing announcement in the history of Rutherford County with a \$300,000,000 investment and 250 jobs which will pay an average wage in excess of \$41,000 per year which is considerably higher than the county average of about \$29,000. Horsehead Corporation is the largest zinc producer in the United States. Mr. Johnson pointed out that Horsehead's location in Rutherford County is contingent upon the approval of certain documents by the Commissions following the public hearing.

Forest City Finance Director Scott Webber said the town is pleased to partner with Rutherford County in helping to bring the new industry into Rutherford County. He explained the role being played by the town in the project.

Mr. Ali Alavi, Vice President of Horsehead Corporation, said he hoped for a long and fruitful relationship with the town and the county. He explained that the Rutherford County site will be the location of the company's new zinc metal production process. It will be state of the art and environmentally friendly. A bridge on Hicks Grove Road near the location of the plant is scheduled to be replaced and the detour and new configuration of the road are designed to be more convenient for the community.

Chairman of the Economic Development Commission, Terry Hines, spoke in favor of the project and the opportunity it offers for Rutherford County.

Dr. Myra Johnson, President of Isothermal Community College, stated that this project offers hope for students who are seeking employment.

Mr. Dave Bixler, CEO of Rutherford Regional Medical Center, thanked the leadership of the town and county. He said this will help recruit needed health care personnel.

Mr. John Condrey thanked EDC Director Tom Johnson for his role in securing the project.

Mr. Mike Gavin, Director of Community Relations at ICC and a member of the EDC, urged the Commissions to support the incentive packages as this represents the rebuilding of the economy in Rutherford County.

Ms. Sally Leshar thanked the Commissioners and Tom Johnson and asked that the project be supported.

Mr. Keven McCammon also thanked those who had worked on bringing the company to Rutherford County. He cited the advantages of long term and great paying jobs and asked that the Boards support putting Rutherford County citizens back to work.

Representative Mike Hager thanked the Horsehead Company for choosing Rutherford County.

Chairman Eckler reported that no written input had been received for the public hearing.

Mr. Clyde Keller also thanked the Boards for the work in bringing this company to Rutherford County.

When no one else wished to speak, Commissioner Crowe made a motion to close the public hearing. There was a second by Vice Chairman Owens and a unanimous vote of approval.

The Town Commissioners of Forest City closed their public hearing.

Vice Chairman Owens made a motion to approve the "Resolution Authorizing the County to Pay Economic Development Incentives and to Sign Economic Development Agreement: which would, among other things, authorize the County: (i) to enter into the economic development agreement with Horsehead to provide the incentives that have been proposed;. (ii) to enter into the agreements which are attached to or referenced in the economic development agreement; and (iii) to take all actions necessary to implement the actions and grants required by the Economic Development Agreement." The motion was seconded by Commissioner Holland. The Board voted unanimously in favor.

**RESOLUTION**  
**BOARD OF COMMISSIONERS, RUTHERFORD COUNTY**

*Authorizing County to Pay Economic Development Incentives and to Sign Economic  
Development Agreement*

**WHEREAS**, Horsehead Corporation ("**Company**") may construct on land in Rutherford County ("**County**") a zinc reclamation facility ("**Facility**"), and would acquire and install production equipment in the Facility ("**Project**");

**WHEREAS**, if the Company moves forward with the Project and signs an economic development agreement ("**EDA**") with the County, the Company will commit to make expenditures to build the Facility and to acquire and install machinery, equipment other property at the Facility, the total amount of which will be at least \$340 million dollars;

**WHEREAS**, the Company's would create and maintain at least 240 full-time jobs at the Facility to operate it;

**WHEREAS**, the average wage that the Company would pay to the persons holding those 240 full-time jobs at the Facility would be \$41,037 per year, which is higher than the County's average wage;

**WHEREAS**, the Company has requested that the County provide economic development incentives to induce the Company to build the Facility, to make capital investments at the Facility, and to create and maintain the jobs at the Facility;

**WHEREAS**, the Company has informed the County that if the County does not provide those economic development incentives, the Company will not locate the Project in the County;

**WHEREAS**, under the EDA, the Company would agree to refund to the County a portion of the economic development incentive cash grants it receives (and incur a reduction in its grants) if it does not make at least a \$340 million investment in property as part of the Project, and create at least 240 full time jobs at the Facility, or if it does maintain an average of at least 240 full employees at the Facility through December 31, 2022;

**WHEREAS**, if the Company constructs the Facility, it is expected to create an estimated 250 construction jobs during a 30-month construction period and, additionally could produce more revenues for local businesses, and the County as the Company would agree to use reasonable efforts to use local companies based in the County as it deems appropriate;

**WHEREAS**, the Company's location of the Project in the County would enhance the County's property tax base and increase the County's property tax revenues;

**WHEREAS**, the employment of 240 full-time persons at the Facility would create jobs for the area and provide a positive impact for the County; and

**WHEREAS**, the Board of Commissioners deems its desirable and in the best interests of County and its businesses and residents to offer certain economic development incentives to the Company and to enter into an EDA with the Company.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Rutherford County, North Carolina, as follows:

1. The Board of Commissioners approves appropriating and spending from the County's general fund amounts to make annual cash grants to the Company, for a term of up to 10 years, equal to a percentage of the *ad valorem* real and personal property taxes the Company pays to the County each year ranging from 100% to 10%, such amount being more specifically described in the draft EDA attached to this Resolution as **Exhibit A**.

2. The Board of Commissioners approves the County undertaking certain actions more specifically described in the draft EDA attached to this Resolution as **Exhibit A** to assist the Company with the Project, including the following: (1) taking a temporary construction easement from the Company of certain land comprising part of the Facility to allow the County to construct a rail line that will allow the Company to move material from the main rail line to the Facility and attempting to obtain grants of up to \$2,321,000 to assist in paying the cost of constructing that rail line (with the Company paying the balance of the costs); (2) leasing that rail line to the Company free of charge and eventually transferring title to the rail line to the Company free of charge; (3) attempting to obtain grants of up to \$2,700,000 to assist in paying the costs of constructing a new road and a bridge near the Facility; (4) applying for a grant from Duke Energy of \$250,000 to provide additional support for the infrastructure and site preparation needs of the Facility; (5) attempting to obtain grants up to \$1,000,000 to assist the Town of Forest City in paying the costs of constructing a raw water intake and storage and sanitary sewer improvements; and (6) making a loan to the Company of up to \$500,000 for rail infrastructure and site preparation costs for the Facility, with the Company being required to repay that amount over a five-year period. The Board of Commissioners also authorizes the County to use all grant funds in support of the Project as permitted by the applicable granting agency or entity.

3. To implement the above described incentives and assistance and the Company's associated refund obligations for the cash grants, the Board of Commissioners hereby approves the attached EDA and authorizes the Chair of the Board of Commissioners and the County Manager (or either of them) to execute that EDA on the County's behalf and to take all actions necessary to implement the actions and grants required by that EDA. The Board of Commissioners also authorizes the Chair of the Board of Commissioners and the County Manager (or either of them), before executing the attached EDA, to negotiate and approve changes to that EDA's language that do not increase the amounts of the cash grants the County is required to pay the Company, or decrease the amount the Company is required to refund to the County, under the EDA.

This 19th day of September, 2011.

The Town Commissioners of Forest City also approved certain resolutions and agreements pertaining to the project.

<b>BUDGET AMENDMENTS/HORSEHEAD CORPORATION</b>
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Rutherford County Finance Director Paula Roach presented and reviewed budget amendments pertaining to the Horsehead Project.

Commissioner Crowe moved the approval of the budget amendments. Following a second by Vice Chairman Owens, the vote of approval was unanimous.

	<b>Expense</b>	<b>Revenue</b>
CDBG - Raw Water	\$ 72,950	
CDBG - Water Tank	\$ 473,900	
CDBG - Sanitary Sewer	\$ 432,150	
CDBG - Rail Turnout/Passing Track/Siding	\$ 21,000	
CDBG Economic Development Grant		\$ 1,000,000
Duke Grant - Site Prep Expenditures	\$ 250,000	
Duke Grant		\$ 250,000
Utility Fund - Rail Turnout/Passing Track/Siding	\$ 500,000	
Utility Fund Economic Development Grant		\$ 500,000
DOT Rail Funds - Rail Turnout (work performed by CSX)	\$ 300,000	
DOT Rail Funds Grant		\$ 300,000
Rural Center - Rail Turnout/Passing Track/Siding	\$ 500,000	
Rural Center Grant		\$ 500,000
NC DOT - Rail Turnout/Passing Track/Siding	\$ 1,000,000	
NC DOT Grant		\$ 1,000,000
Rail Turnout/Passing Track/Siding - County Loan to Chrysalis	\$ 25,000	
Site Prep, 58 acres and Construction- County Loan to Chrysalis	\$ 467,774	
General Fund Balance Appropriated		\$ 492,774
*Loan to be repaid to the County over five years		
DOT Industrial Access Grant - Bridge and Road Construction	\$ 200,000	
DOT Industrial Access Grant		\$ 200,000
Golden Leaf Grant - Bridge and Road Construction	\$ 1,500,000	
Grant Administration (IPDC) - Golden Leaf Grant	\$ 7,226	

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	<b>Expense</b>	<b>Revenue</b>
Golden Leaf Grant		\$ 1,500,000
General Fund Balance Appropriated		\$ 7,226
ARC - Bridge and Road Construction	\$ 1,000,000	
ARC Grant		\$ 1,000,000
Professional Fees - Legal	\$ 150,000	
General Fund Balance Appropriated		\$ 150,000
<b>Totals</b>	<b>\$ 6,900,000</b>	<b>\$ 6,900,000</b>
Total General Fund Balance Appropriated		\$ 650,000

**ADJOURNMENT**

A motion was made by Commissioner Crowe to adjourn the meeting. This motion was seconded by Vice Chairman Owens and unanimously approved.

4:48 P.M. - Adjourned.

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Chairman, Board of Commissioners

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Vice Chairman, Board of Commissioners

Attest:

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Clerk, Board of Commissioners