

Resolution of the Board of commissioners of the Town of Oakboro Authorizing Economic Development Incentives

Background. In order to induce Charlotte Pipe and Foundry Company (the “**Company**”) to make a significant capital investment in Stanly County, a political subdivision of the State of North Carolina (“the **County**”), by constructing a new foundry in the County (“**Facility**”), a portion of which would be in the Town of Oakboro, a political subdivision of the State of North Carolina (the “**Town**”), and to create a substantial number of new jobs at the Facility, the Company requested that the Town provide certain economic development incentives to the Company.

As stated in a proposed economic development agreement (“**EDA**”) by and among the Company, the County, and the Town, a copy of which is attached to this Resolution as **Exhibit A**, the Company proposes to (a) invest at least \$325,000,000 in the County, a portion of which would be in the Town, and (b) employ at least 400 persons at the Facility at an annual average salary of \$80,000, which is higher than the median average wage for all insured industries in the County.

The Company’s proposed investment in the Facility will substantially enhance the property tax base of the Town, increase the Town’s property tax revenues, and substantially increase employment in the Town. The Board of Commissioners of the Town (“**Board of Commissioners**”) has determined that it is desirable and in the best interests of the Town and the businesses and residents in the Town to offer certain economic development incentives to the Company in order to induce the Company to construct and operate the Facility in the County, a portion of which would be in the Town, and to authorize Town officials to enter into an economic development agreement with the Company substantially in the form of the EDA.

Resolution. Therefore, the Board of Commissioners hereby resolves as follows:

The Board of Commissioners hereby approves and adopts the following:

- The Board of Commissioners approves appropriating and spending from the Town’s general fund amounts to make cash grants to the Company over a 20-year period totaling 80% of the total property taxes the Company pays, excluding property taxes on the ad valorem property tax value of the real property the Company and its subsidiaries owned in the Town as of January 1, 2020, such amounts and the payment schedule for them being more specifically described in the EDA.
- The Board of Commissioners approves appropriating and spending from the Town’s general fund to construct a new elevated water tank to support the Company’s operations and the Town’s water supply system, as described in more detail in the EDA, with the Town’s costs to be reimbursed by a grant from the Golden Leaf Foundation.

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- The Board of Commissioners approves appropriating and spending from the Town's general fund up to \$5,600,000 to extend water and sewer lines and service to the Facility site to support the Company's manufacturing operations and other areas near the Facility, as described in more detail in the EDA, with a substantial portion of the Town's costs to be reimbursed by one or more grants from the North Carolina Department of Commerce.
- To implement this incentives and the Company's associated refund obligations for failure to meet the minimum capital investment and job creation requirements, the Board of Commissioners hereby adopts and approves the EDA and authorizes the Mayor, any member of the Board of Commissioners, and the Town Administrator, before executing the EDA, to negotiate and approve changes to EDA that do not increase the amounts of the cash grants the Town is required to pay the Company, or decrease the amount the Company is required to refund the Town, under the EDA.

Effective as of this the 5th day of May, 2020.

ATTEST

TOWN OF OAKBORO BOARD OF
COMMISSIONERS

Patti W. Efird
Patti W. Efird, Town Clerk

Michael S. Efird
MICHAEL S. EFIRD Commissioner

APPROVED AS TO FORM

Albert M. Benschoff
Albert M. Benschoff, Town Attorney

SEAL

