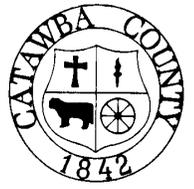




**BOARD OF COMMISSIONERS MEETING
MONDAY, JULY 20, 2015, 7 P.M.
ROBERT E. HIBBITTS MEETING ROOM
1924 COURTHOUSE, NEWTON, N.C.**



The Board entered into an Economic Development Agreement between Carolina Nonwovens LLC and Catawba County. Carolina Nonwovens LLC intends to construct, up-fit and/or equip a new 100,000 square foot pre-cast concrete manufacturing facility at 1106 JW Abernathy Plant Road in Maiden. It plans to invest a minimum of \$13 million and create 62 new jobs over 3 years (35 job positions will move from Lincoln County). All jobs will meet 92% of the county average wage at \$33,978. 31 jobs will meet or exceed \$36,991. The State is requiring them to meet 90% of the county average wage.

Carolina Nonwovens considered multiple buildings and sites in Lincoln County and a site in Blacksburg, South Carolina to place this project. The site in Maiden has a graded pad with utilities in place and due diligence has been completed. Since there were few existing building options available to Carolina Nonwovens, they chose the Maiden site because a facility can be constructed on this specific site which will meet their aggressive timeline of beginning operations by the end of 2015. Carolina Nonwovens is growing and expanding due to a diversified basis for its products in markets such as automotive and appliances. Since 2012 it has acquired contracts with automotive suppliers and appliance companies causing a need to double its square footage capacity.

National Spinning Company, parent company of Carolina Nonwovens since 2012, was founded in 1921 and is currently an employee-owned manufacturer. Carolina Nonwovens develops and produces thermo-bonded nonwovens for acoustical insulation for the automotive and appliance industries, thermal and acoustical insulation for the building industry, and foam replacements for the institutional and juvenile bedding market. National Spinning Company operates two spinning facilities, one dyeing plant, one fiber-blending facility, one distribution center, the Carolina Nonwovens facility, and offices throughout North Carolina, New York and Central America. It sells yarn products worldwide and non-woven products domestically.

The proposed incentive grant is based on a contract with obligations requiring satisfactory performance by the company and adhering to all North Carolina general statutes. The contract requires a minimum investment of \$13 million and the creation of 62 new jobs at the new facility. An incentive of 50% of new tax receipts would be paid to Carolina Nonwovens annually for 5 years after submitting proof of performance. This amount would be subject to the County's usual contractual commitments and would total a maximum of \$185,438 (prior to depreciation). Based on the current tax rate, payments would equal a maximum of \$35,938 in Year 1 and \$37,375 in Years 2-5.

As with all incentives provided by the County, these incentives will be based on an economic development agreement which requires Carolina Nonwovens to meet minimum thresholds of investment (\$13 million) and job creation (62) by 2017, which must be maintained for a minimum of three years following payment of the final incentive and the further requirement to not hire anyone 25 years of age or below without a minimum of a high school diploma. Clawbacks are included in the agreement requiring repayment should the investment and job creation amounts not be met or sustained.

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