

AGENDA

Catawba County Board of Commissioners Meeting
Monday, October 5, 2015, 9:30 a.m.
Workforce Development Innovation Center
Catawba Valley Community College
2601 21st Street Drive SE
Hickory, North Carolina

PLEASE NOTE THE CHANGE IN LOCATION LISTED ABOVE FOR THIS BOARD OF COMMISSIONERS MEETING. A SPECIAL MEETING IN THE FORM OF A BOARD RETREAT WILL PRECEDE AND FOLLOW THIS REGULARLY SCHEDULED MEETING OF THE BOARD OF COMMISSIONERS.

1. Call to Order.
2. Pledge of Allegiance to the Flag.
3. Invocation.
4. [Approval of the Minutes from the Board's Regular Meeting and Closed Session of September 21, 2015, and the Corrected Minutes of the Board's Regular Meeting of June 25, 2015.](#)
5. Recognition of Special Guests.
6. Public Comments.
7. [Appointments.](#)
8. Departmental Reports.
 - A. [Economic Development Corporation.](#)
Axjo America Economic Development Agreement and Resolution. Presented by Julie Pruett, Director of Business Recruitment, Economic Development Corporation.
 - B. Tax.
Report and Settlement of 2014 Tax. Presented by Tax Collector Lori Mathes.
 - C. Public Health.
Resolution of Intent to Sell or Convey Catawba County Home Health. Presented by Public Health Director Doug Urland.
9. Attorneys' Report.
10. Manager's Report.
11. Adjournment.

PERSONS WITH DISABILITIES: Individuals needing assistance should contact the County Clerk at 828-465-8990 within a reasonable time prior to the meeting. Participation in public meetings is without regard to race, creed, religion, national origin, sex, age, color, or disability.

INFOTALK/INTERNET: The Catawba County Telephone Information System will allow you to use your touch tone telephone to obtain current information on Catawba County 24 hours a day. Information is updated on a regular basis. Dial 465-8468 and INFOTALK will direct your questions with easy to understand instructions. Reach Catawba County on the Internet at <http://www.catawbacountync.gov>.

CALENDAR: The next Board of Commissioner Meeting will take place on Monday, October 19, 2015, at 7:00 p.m.

NO RECOMMENDED APPOINTMENTS

MEMO

To: Catawba County Board of Commissioners
From: Julie Pruett – Catawba County EDC
Date: October 5, 2015
Subject: Axjo America Economic Development Agreement and Resolution

Request

The Board of Commissioners approve the Economic Development Agreement between the County and Axjo America, Inc., the related resolution attached, and authorize the Chair to execute these along with any other needed documents.

Project Background and Company Overview

Axjo America, Inc. plans to up-fit and/or equip an existing manufacturing facility at 221 S. McLin Creek Road in Conover. It plans to invest a minimum of \$11,100,000 and create 14 new jobs and retain 15 existing jobs over 5 years. The average wage of all new jobs created will meet or exceed 100% of the county average wage of \$36,770 annually or \$17.68 per hour.

Axjo also considered other counties in North Carolina and South Carolina locations for this production expansion. Axjo has focused on production of plastic spool products for the cable industry in smaller sizes that have the highest volume, but over the next five years it plans to expand the product offerings to larger sizes.

Axjo America is a subsidiary of Axjo AB, a Swedish company in business since 1945 and a leading supplier of plastic spools in Europe. Axjo America located in Hickory in 2011 but since has outgrown their facility. After exhausting a search for suitable buildings in Hickory and other locations, Axjo plans to purchase a facility in Conover. It uses primarily recycled environmentally friendly materials and the latest injection molding technology to produce fiber-optic reels for spooling equipment. Over the next five years it plans on expanding into the large spool sizes, adding new injection molding machines each year.

Economic Development Incentive Grant Overview and Clawbacks

The proposed incentive grant is based on a contract with obligations requiring satisfactory performance by the Company and adhering to all NC General Statutes. The contract requires a minimum investment of \$11,100,000, the retention of 15 existing jobs, and the creation of 14 new jobs at the facility. An incentive equal to 50% of new tax receipts would be paid to Axjo America annually for 6 years after submitting proof of performance. This amount would be subject to the usual contractual commitments and would total a maximum of \$132,539 (prior to depreciation). Based on the current tax rate, payments would equal a maximum of \$8,338 Year 1, \$14,231 Year 2, \$20,125 Year 3, \$26,019 Year 4, \$31,913 Year 5 and \$31,913 year 6.

Like all incentives provided by the County, these incentives will be based on an economic development agreement which requires Axjo America to meet minimum thresholds of investment (\$11,100,000), retention of existing jobs (15), and new job creation (14) by 2020, which must be maintained for a minimum of three years following the payment of the final

incentive. All jobs will meet 100% of the county average wage at \$36,700. The agreement includes the 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.

Recommendation

The Board of Commissioners approve the Economic Development Agreement between the County and Axjo America, Inc. the related resolution attached, and authorize the Chair to execute these along with any other needed documents.

Resolution No. 2015-

Resolution Authorizing Economic Development Incentives for Axjo America, Inc.

WHEREAS, Axjo America, Inc. (herein referred to as “the Company”) requested incentives to cause a minimum investment of \$11,100,000 including the up-fit and equipping of a facility at 221 S. McLin Creek Road in Conover by December 31, 2020, the retention of 15 existing jobs and the creation and maintenance of a minimum of 14 new jobs by December 31, 2020, which must be maintained for a minimum of three years following the payment of the final incentive, with a requirement to not hire anyone without a minimum of a high school diploma for anyone 25 years of age or below, and that all jobs will meet 100% of the county average wage at \$36,770.

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

The Board of Commissioners approves a performance based grant, based on the minimum investment and maintenance of \$11,100,000, retention of 15 existing jobs and the creation and maintenance of 14 new jobs, with a maximum payment of \$8,338 Year 1, \$14,231 Year 2, \$20,125 Year 3, \$26,019 Year 4, \$31,913 Year 5 and \$31,913 year 6, (total maximum incentive of \$132,539). This grant will be used to reimburse the Companies’ expenditures as eligible under North Carolina General Statute 158-7.1. The Board of Commissioners also directs the County to execute a contract and any necessary resolutions or addenda between the Company and the County under these terms and conditions and authorizes the Chair to execute these documents.

This the _____ day of _____, 2015.

Randy Isenhower, Chair
Catawba County Board of Commissioners

Catawba County Board of Commissioners Meeting October 5, 2015





Axjo America develops and produces plastic spools for the cable industry that meet the same demand as wood in terms of load and capacity. These spool solutions optimize the performance of automatic spoolers. Spools are produced in standard sizes but can also be customized. The spools are low weight, UV-resistant and weatherproof.



- Highly Automated
- Advanced injection molding technology
- Robotic processes
- Polymer materials – recycled environmentally friendly Polypropylene has unique cold temperature properties

Axjo America located in Hickory in 2011 – They have since outgrown their existing facility. After an exhaustive search for buildings in Hickory, Axjo began searching for buildings elsewhere in Catawba and near their other larger customers in South Carolina and Georgia

Employs 15 people in Hickory

Currently produces 15 different spool sizes in Hickory and imports another 10 sizes. The expansion will allow for production of the import sizes in the US.

Axjo America is a subsidiary of Axjo AB, a Swedish owned company in business since 1945 and a leading supplier of plastic spools in Europe.



- Considering purchase and renovation of 143,268 square foot building located at 221 S. McLin Creek Road in Conover
- Invest \$11.1M, retain 15 existing jobs and create 14 new jobs over 5 years
- Average pay for all jobs will meet or exceed the County average wage of \$36,991 or \$17.78/hr

- Performance Based Incentive: Based on an economic development agreement with clawbacks should Axjo America fail to meet minimum contractual thresholds
- Agrees to adhere to requirements of Education Matters
- 50% of new property taxes generated for 6 years with retention of 15 existing jobs, the minimum creation of 14 jobs and \$11,100,000 investment; proposal nets equal amount of incentive to County
 - Year 1 \$ 8,338
 - Year 2 \$ 14,231
 - Year 3 \$ 20,125
 - Year 4 \$ 26,019
 - Year 5 \$ 31,913
 - Year 6 \$ 31,913Total maximum incentive \$132,539
- City of Conover will consider a like incentive tonight

Prepared by:
Debra Bechtel, Attorney
Catawba County
PO Box 389, Newton, NC 28658

STATE OF NORTH CAROLINA

**CATAWBA COUNTY AND AXJO AMERICA, INC.
ECONOMIC DEVELOPMENT AGREEMENT**

COUNTY OF CATAWBA

This **JOINT ECONOMIC DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this ___day of ____, 2015, by and between **Catawba County** (the "County"), a North Carolina body politic, having a mailing address of **Post Office Box 389, Newton, NC, 28658**, and **AXJO AMERICA, INC** ("AXJO AMERICA" or "Company"), a North Carolina corporation qualified to do business in the State of North Carolina, having a mailing address of 1245 26th Street SE, Hickory, NC 28602.

WITNESSETH:

WHEREAS, North Carolina General Statute (NCGS) 158-7.1(a) authorizes County to make appropriations for the purpose of aiding and encouraging the location of business enterprises and industrial and commercial plants in or near its boundaries and AXJO AMERICA is engaged in manufacturing plastic spools for the cable industry within the meaning of NCGS 158-7.1; and

WHEREAS, AXJO AMERICA intends to equip and up-fit a manufacturing facility ("Improvements") at 221 S. McLin Creek Road, Conover, NC, Parcel ID # 374112966500 (the "Property"), at a cost of not less than Eleven Million One Hundred Thousand Dollars (**\$11,100,000**) and intends to create a minimum of fourteen (14) new jobs at the facility and retain fifteen (15) permanent jobs, with the improvements to be made and new jobs to be created between August 1, 2015 and December 31, 2020 (the "Improvement Period"); and

WHEREAS, AXJO AMERICA expects to be a community-oriented company and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of their employees and the greater community as a whole; and to consider participation in the Catawba EDC's corporate Committee of 100 501(c)(3) non-profit sponsorship; and

WHEREAS, AXJO AMERICA is encouraged, to the reasonable extent possible, to purchase local services and supplies, such as, but not limited to, locally produced products, local hotel, motel and hospitality services, local building and construction services, and other products and services;

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION I – AXJO AMERICA, INC.

1. On or before November 30, 2015 AXJO AMERICA shall:
 - 1.1 Deliver to County a certificate confirming that AXJO AMERICA has acquired, or has caused to be acquired, the real Property on which it intends to install the Improvements that will result in the creation, maintenance and future availability of a minimum of 14 new jobs prior to December 31, 2020, and that the overall average weekly wage will equal or exceed the 100% Average Weekly Wage established for Catawba County by the North Carolina Department of Commerce's Wage Standards for each year that County pays AXJO AMERICA the economic development incentive provided for herein. AXJO AMERICA affirms understanding of, and agrees to comply with, the Calendar of Responsibilities as outlined in Exhibit "A". Such certificate shall be in the form or substantially in the form of the certificate attached to this Agreement as Exhibit "A". It is understood and agreed the 14 new jobs referred to above means additional new jobs over and above the 15 existing jobs employed by AXJO AMERICA on August 1, 2015.
 - 1.2 Provide an Opinion of Counsel for AXJO AMERICA, in form and substance reasonably satisfactory to County, that this Agreement has been duly authorized, executed and delivered by AXJO AMERICA; and
 - 1.3 Provide an Opinion of Counsel for AXJO AMERICA, in form and substance reasonably satisfactory to County, stating that this Agreement is binding upon and enforceable against AXJO AMERICA, in North Carolina, in accordance with its terms.

2. In order to induce County to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, AXJO AMERICA represents and warrants that, as of the execution date hereof:
 - 2.1 AXJO AMERICA is a North Carolina corporation qualified to do business in the State of North Carolina, has a place of business within the State of North Carolina, and is in good standing and authorized to do business in the State of North Carolina;
 - 2.2 AXJO AMERICA has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted and has the corporate power and authority to execute and perform this Agreement;
 - 2.3 The undersigned representative of AXJO AMERICA has the right, authority and duty to execute this Agreement in the name and on behalf of AXJO AMERICA;
 - 2.4 This Agreement (i) is the valid and binding instrument and agreement of AXJO AMERICA, enforceable against AXJO AMERICA in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on AXJO AMERICA, the charter documents or operating agreement of AXJO

AMERICA or any provision of any indenture, agreement or other instrument to which AXJO AMERICA is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which AXJO AMERICA is a party;

- 2.5 There is no suit, claim, action or litigation pending, or to the knowledge of AXJO AMERICA threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein;
 - 2.6 There is no impediment to the use of the Property for the purposes contemplated by this Agreement.
 - 2.7 AXJO AMERICA is not engaged in a business that would be exempt from property taxes.
3. AXJO AMERICA shall make or cause to be made investments to the Property and Improvements during the Improvement Period. Cumulative expenditures will meet or exceed Eleven Million One Hundred Thousand Dollars (**\$11,100,000**) by December 31, 2020, all of which will qualify and result in additional value for ad valorem tax purposes as determined by the Catawba County Tax Office, and AXJO AMERICA further agrees to maintain in place, in good condition (ordinary wear and tear excepted), said Improvements for three years after the final incentive payment.
 4. In addition to the 15 existing jobs employed by AXJO AMERICA on August 1, 2015, AXJO AMERICA shall create a minimum of 14 new jobs at the Property in Conover by December 31, 2020 and maintain or make available these jobs in place until three years after the final incentive payment. A job is defined as employment that provides 1600 hours or more of work in any 12 month period.

SECTION II – COUNTY

5. On or before November 30, 2015 County shall deliver to AXJO AMERICA an Opinion of Counsel for County, in form and substance reasonably satisfactory to AXJO AMERICA, that this Agreement has been duly authorized, executed and delivered by County; and stating that this Agreement complies with the terms and requirements of NCGS 158-7.1(a) and is binding upon and enforceable against County with its terms; and evidence in the form of a Resolution or Resolutions, or official minutes, which County duly adopted authorizing the economic development incentives set forth in this Agreement.
6. In order to induce AXJO AMERICA to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, County represents and warrants that, to the best of County's knowledge that, as of the execution date hereof:

- a. 3.1 County is a North Carolina body politic corporate in nature and existing under North Carolina law;
 - b. 3.2 County has the power and authority to carry on its business as now being conducted and has the power and authority to execute and perform this Agreement;
 - c. 3.3 The undersigned authorized representative of County has the right, authority and duty to execute this Agreement in the name and on behalf of County;
 - d. 3.4 This Agreement (i) is the valid and binding instrument and agreement of County, enforceable against County in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on County, the charter documents of County or any provision of any indenture, agreement or other instrument to which County is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which County is a party; and
 - e. 3.5 There is no suit, claim, action or litigation pending, or to the knowledge of County threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein.
7. Payment of Economic Development Incentives for Real and Personal Investments and for Job Creation in accordance with this Agreement shall be made as follows:
- a. County will provide annual payments equal to 50% of the ad valorem taxes associated with the additional value (exclusive of rolling stock) as paid to County for a six year period, commencing with the taxes payable for the tax values on January 1, 2016, and January 1 of the succeeding five years for investments made pursuant to paragraph 4 above with maximum payments as reflected in the chart below.
 - b. In no event will the cumulative payments by County exceed One Hundred Thirty-two Thousand Five Hundred Thirty-nine Dollars (\$132,539).

Grant Year	Maximum Payment By County by Year
1	\$ 8,338
2	\$ 14,231
3	\$ 20,125
4	\$ 26,019
5	\$ 31,913
6	\$ 31,913
Total	\$132,539

- c. Said amounts shall be payable annually, beginning in 2017 (Grant Year 1) payable through 2022.

- d. Upon payment of ad valorem taxes by Company to County for each of 2017 through 2022 and certification by Company in the form or substantially in the form of the certificate attached hereto as Exhibit B, of Improvements made, proof of payment of taxes, verification that Company has created and maintained jobs as agreed herein, County will, within sixty (60) days, pay to Company an Economic Development Incentive payment the amount of which is calculated by multiplying by .50 times the total ad valorem tax revenue received by County attributable to the value of the Improvements made by Company pursuant to this Agreement in excess of the assessed tax value on the site and AXJO AMERICA's personal property values as of January 1, 2015. This same process will be followed by County and Company in each of the immediately following five (5) years.
- e. Company shall furnish to County on or before March 5th of each calendar year, following and corresponding to the previous July 1st when taxes are billed, the certifications required by this Section 7 and proof of payment of all applicable taxes. If requested, Company shall provide County, at County's expense, independent certification as to such expenditures and number of existing jobs.

SECTION III - OTHER

- 8. Force Majeure. Notwithstanding the provisions of Paragraph 9, in the event AXJO AMERICA is unable to meet the requirements of this agreement as a result of (i) an event of force majeure, including but not limited to fires, explosions, acts of God, acts of public enemy, insurrections, riots, terrorism, embargoes, labor disputes, including strikes, lockouts and job actions, or boycotts; (ii) the inability to obtain the governmental permits or approvals (including zoning) necessary for the acquisition of the land or undertaking and operating the Improvements after a good faith effort to obtain same has been made; (iii) shortages of materials or energy; (iv) changes in laws; or (v) other causes beyond the control of and arising without the fault or negligence of AXJO AMERICA; then, in such event, the Improvement Period shall be extended for a period equal to the delay caused by any of the foregoing events so long as AXJO AMERICA shall (a) have furnished County on a timely basis, upon the occurrence of such event, a notice thereof, and (b) take all commercially reasonable steps necessary to relieve the effect of such event and to resume completion of the Improvements. In accord with the foregoing, should the AXJO AMERICA be unable to meet the requirements as described above as a result of a force majeure, the obligation of the County to pay as provided in Section II above, shall be suspended until such time as the AXJO AMERICA is relieved from the effect of an event of force majeure and resumes completion of the improvements.
- 9. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
 - a. If AXJO AMERICA, except in the event of force majeure, shall commit a material breach of a material obligation hereunder (including without

limitation, the obligation to meet the investment goals, maintain a minimum of 15 permanent jobs as of August 1, 2015 and, in addition, the creation of a minimum of 14 jobs as set forth herein) and such breach shall continue for a period of sixty (60) or more days following receipt of written notice from County;

- b. If AXJO AMERICA fails to timely file Exhibit A, or Exhibit B on or before March 5 of each year, following and corresponding to the previous July 1st when taxes are billed, and any qualifying incentive would be due to AXJO AMERICA, this shall be deemed a breach of the Agreement and notwithstanding paragraph 10 below, the sole remedy will be that County will not owe AXJO AMERICA any incentive that may have otherwise been due had those filings properly been made when due.
- c. If any material representation, warranty or other statement of fact contained in this Agreement or in any final writing, certificate, report or statement furnished by AXJO AMERICA to County in connection with the transaction described in this Agreement, shall, to AXJO AMERICA' knowledge, to be false or misleading in any material respect at the time given;
- d. If AXJO AMERICA shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of themselves or of the whole or any substantial part of their property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state;
- e. If County, except in the event of force majeure, fails to pay AXJO AMERICA when such payment is due or is otherwise unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of an emergency manager, receiver, trustee, liquidator or conservator or any similar entity; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or North Carolina;
- f. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of AXJO AMERICA or of the whole or any substantial part of their properties, or approves a petition filed against AXJO AMERICA seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of AXJO AMERICA or of the whole or any substantial part of their properties;

United States mail, certified mail, return receipt requested, postage prepaid, or (ii) deposited with a national overnight courier service that retains receipts for its deliveries, properly addressed as follows:

Catawba County: Catawba County
Attn: Tom Lundy, County Manager
PO Box 389
Newton, NC, 28658

Copy to: County Attorney
Attn: Debra Bechtel, County Attorney
PO Box 389
Newton, NC, 28658

AXJO AMERICA: AXJO AMERICA, INC.
Attn: Dan Shelander, Managing Director
1245 26th St. SE
Hickory, NC 28602

County or AXJO AMERICA may, by notice given to the other, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

14. This Agreement shall inure to the benefit of, and is binding upon, County and AXJO AMERICA and their respective successors and assigns. However, neither this Agreement, nor any rights, privileges, nor claims created by this Agreement may be transferred by AXJO AMERICA without the prior, written approval of County, which approval will not be unreasonably withheld.
15. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties.
16. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement.
17. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.
18. Controlling Law and Venue. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina; venue of any action shall be in the general courts of justice in Catawba County, or if in Federal court in the Western District of North Carolina.

19. The term of this Agreement shall commence on the date of execution and expire upon payment by County of all payments due to AXJO AMERICA and AXJO AMERICA fulfilling all of its requirements including real and personal property investments and the creation and maintenance of jobs, unless earlier terminated as provided herein.
20. Both AXJO AMERICA and County acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by Counsel for both AXJO AMERICA and County. As such, the doctrine of construction against the drafter shall have no application to this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

Catawba County,
A North Carolina Body Politic

Attest:
(SEAL)

By: _____ **(Seal)**
Randy Isenhower, Chair
Catawba County Board of Commissioners

Clerk

AXJO AMERICA, INC.

By: _____ **(Seal)**
Dan Shelander
Managing Director

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

I, _____ a Notary Public of said county and state, certify that Barbara E. Morris personally came before me this day and acknowledged that she is County Clerk of the Catawba County Board of Commissioners, a body politic corporate in nature, and that by authority duly given and as the act of the body politic the foregoing instrument was signed in its name by its Chair, sealed with its body politic seal, and attested by herself as County Clerk.

Witness my hand and seal this _____ day of _____, 2015.

[Seal]

Notary Public

My commission expires: _____

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

I, _____ a Notary Public of said County and State, do certify that Dan Shelander, Managing Director of, AXJO AMERICA, INC. personally appeared before me this day and acknowledged on behalf of AXJO AMERICA, INC. the voluntary due execution of the foregoing document, all for the purposes therein expressed.

Witness my hand and seal this _____ day of _____, 2015.

[Seal]

Notary Public

My commission expires: _____

This document has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

_____ Finance Director

Approved as to form on behalf of Catawba County only:

_____ Debra Bechtel, County Attorney

EXHIBIT A
Joint Economic Development Agreement
Between Catawba County and AXJO AMERICA, INC.

CERTIFICATE

TO: Catawba County

This Certificate is delivered pursuant to Paragraph 1.1 and Paragraph 9 of the Joint Economic Development Agreement (the "Agreement"), dated _____, 2015, between Catawba County ("County") and AXJO AMERICA, INC. ("AXJO AMERICA"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

I, _____, do hereby certify, for and on behalf of AXJO AMERICA, that:

- (a) AXJO AMERICA has, or has caused to be, acquired the real property necessary for the construction of the Facility and the Improvements; and
- (b) AXJO AMERICA will create, maintain and make available a minimum of 14 new net jobs (in addition to the 15 jobs as of August 1, 2015) prior to December 31, 2020 and the overall average weekly wage will equal or exceed the 100% Average Weekly Wage established for Catawba County by the North Carolina Department of Commerce's Wage Standards for each year that County pays AXJO AMERICA the economic development incentive provided for herein.; and
- (c) AXJO AMERICA agrees to comply with the Calendar of Responsibilities listed below.

Calendar of Responsibilities:

- By January 5: AXJO AMERICA make payment to County according to Tax Listing filed by January 31st of the previous year unless extension is requested and approved for April 15th. Any extension request must be filed by January 31st.
- By March 5: AXJO AMERICA must provide Exhibit A and Exhibit B and, supporting documents and proof of payment and/or compliance as required within Agreement.
- By April 15: AXJO AMERICA must provide Real/Personal Property Tax listings to Catawba County Tax Office.
- By April 22: Catawba County Tax Office to provide Tax Listing on Specified Accounts.*

*Note: This is not a company responsibility.

Dated at Catawba County, North Carolina, this _____ day of _____, 201__.

AXJO AMERICA, INC.

BY: _____

TITLE: _____

EXHIBIT B
Joint Economic Development Agreement
Between Catawba County and AXJO AMERICA, INC.

CERTIFICATE

TO: Catawba County

This Certificate is delivered pursuant to Paragraph 7 and Paragraph 9 of the Joint Economic Development Agreement (“the “Agreement”) dated _____, 2015, between Catawba County (“County”) and AXJO AMERICA, INC. (“AXJO AMERICA”). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

AXJO AMERICA does hereby certify that:

- (a) The following improvements were made during the 20__ Calendar Year: _____
_____;
- (b) The following jobs were created during the 20__ Calendar Year: _____ (please attach the most recent quarterly Form NCUI 101);
- (c) The average wage of all of those employed at the _____ Conover facility during the 20__ Calendar Year is as follows: (Wage Forms Total Payroll divided by number of employees) _____;
- (d) Total cumulative personal property valuation installed at the _____ facility during the 20__ Calendar Year _____; and
- (e) Proof of taxes paid is attached to this certificate.

Dated at Catawba County, North Carolina, this ____ day of _____, 20__.

AXJO AMERICA, INC.

BY: _____

TITLE: _____

Attachments (required):

Current Year Catawba County personal and real property Tax Listing information as reported to Catawba County Tax Office, Most recent quarterly Form NCUI 101, Proof of taxes paid in full and documentation as required by (f).

Calendar of Responsibilities:

By January 5: AXJO AMERICA makes payment to County according to Tax Listing filed by January 31st of the previous year unless extension is requested and approved for April 15th. Any extension request must be filed by January 31st.

By March 5: AXJO AMERICA must provide Exhibit B proof of payment of taxes and supporting documentation as required the Agreement and this Exhibit B.

**Joint Economic Development Agreement
Between Catawba County and AXJO AMERICA, INC.**

By April 15: AXJO AMERICA must provide Real/Personal Property Tax listings to Catawba County Tax Office.

By April 22: County Tax Office to provide Tax Listing on Specified Accounts.*

*Note: This is not a Company responsibility.

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Lori Mathes, Tax Collector

DATE: October 5, 2015

IN RE: REPORT AND SETTLEMENT OF 2014 TAX

REQUEST

The Tax Collector is asking for approval of the Fiscal Report and Settlement of 2014 taxes for Fiscal Year July 1, 2014 to June 30, 2015.

BACKGROUND

As required by GS 105-352, and GS 105-373, the Tax Collector is required to make an annual settlement for all taxes in the hands of the Tax Collector for collection.

RECOMMENDATION

This Fiscal Report and Settlement of 2014 taxes are approved as shown on the attached report.

FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015

CATAWBA COUNTY 2014 TAX YEAR

REAL ESTATE / PERSONAL PROPERTY TAXES – COUNTY AND FIRE DISTRICTS

ADJUSTED LEVY as of 6/30/2015	-----	86,324,453
BALANCE OF A/R as of 6/30/2015	-----	1,876,331
COLLECTIONS as of 6/30/2015	-----	84,448,122
PERCENTAGE COLLECTED AS OF 6/30/2015	-----	97.83%

I, Lori Mathes, do hereby affirm that this is a true and accurate report concerning the tax levy of Catawba County, North Carolina, for Fiscal Year 2014/2015, 2014 tax year.

This is the 24 day of September 2015

Lori Mathes

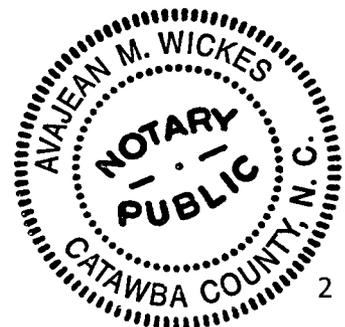
Lori Mathes
Tax Collector, Catawba County

NORTH CAROLINA, CATAWBA COUNTY

I, AvaJean M. Wickes, Notary Public, do hereby certify that Lori Mathes personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and official seal, this the 24 day of September, 2015

Notary Public: AvaJean M. Wickes
My Commission Expires: 3/22/2019



COLLECTIONS FROM OTHER SOURCES

Real and Personal Property Taxes

Collected 2014---County and Fire Districts	84,448,122.78
Prior Years 1999-2013 Principal - County & Fire	2,032,959.58
Interest-----2014 and Prior Years	562,004.57

Vehicle Tax

Collected 2014---County and Fire Districts <i>County Collections</i>	3,896.43
Collected 2014---County and Fire Districts <i>State Collections</i>	6,550,847.62
Prior Years 1999-2013 - County and Fire Districts	499,181.19
Interest on Vehicle Tax - 2014 and Prior Years	132,965.18

Prepaid Tax Distribution on 2015 County Tax-REPP	87,071.87
Prepaid Tax Distribution on 2015 County Tax-RMV	90.31
NSF Check Charges	3,557.57
Garnishment & Attachment Fees	26,096.31
Privilege Licenses	20,950.05
Gross Receipts Tax (Tax on Rental Vehicles)	72,618.58
Gross Receipts Tax (Tax on Heavy Equipment)	12,876.72
Fees for Deed and Map Copies	4,857.20
Foreclosure & Legal Fees	17,664.69

***Municipal Collection Charges**

Cities Fees - REPP	163,760.16
Cities Fees of 1 1/2% on Auto Tax Collected	4,630.15

***MUNICIPAL COLLECTION CHARGES FOR REPP**

Brookford	319	bills	4.00	1,276.00
Catawba	631	bills	4.00	2,524.00
Claremont	3	bills	3.64	10.92
Claremont	1146	bills	4.00	4,584.00
Conover	1	bills	3.64	3.64
Conover	5234	bills	4.00	20,936.00
Hickory	14	bills	3.64	50.96
Hickory	21531	bills	4.00	86,124.00
Longview	3	bills	3.64	10.92
Longview	2560	bills	4.00	10,240.00
Maiden	1	bills	3.64	3.64
Maiden	2283	bills	4.00	9,132.00
Newton	22	bills	3.64	80.08
Newton	7196	bills	4.00	28,784.00
	<u>40944</u>			<u>163,760.16</u>
Totals				

- \$3.64 represents the cost of collection from 01/01/2014 -6/30/2014
- \$4.00 represents the cost of collection from 07/01/2014-12/31/2014

2014 COLLECTIONS INFORMATION BY CITY AND TOWN
Real Estate and Personal Property

	LEVY	COLLECTED	OUTSTANDING BALANCE	PERCENT
BROOKFORD	95,803	84,956	10,847	88.68%
CATAWBA TOWN	296,463	282,776	13,687	95.38%
CLAREMONT	1,780,716	1,773,775	6,941	99.61%
CONOVER	4,399,754	4,333,982	65,772	98.51%
HICKORY	21,459,616	21,026,839	432,777	97.98%
LONGVIEW	987,186	946,275	40,911	95.86%
MAIDEN	5,264,341	5,216,761	47,580	99.10%
NEWTON	4,984,681	4,849,366	135,315	97.29%

Vehicle Collections

	PRINCIPAL	INTEREST	TOTAL
CLAREMONT	0	0	0
CONOVER	45	3	48
HICKORY	637	26	663
HICKORY CITY TAG FEES	50	0	50
MAIDEN	106	2	108
NEWTON	104	8	112

STATUS OF COLLECTIONS PERCENTAGE AS OF JUNE 30, 2015

Fiscal year 07/01/2013 thru 06/30/2014

Tax Year 2013

Adjusted Levy	84,449,668
Collections	83,334,607
Outstanding Balance (Real Estate & Personal Property)	1,115,061
Percentage Collected	98.68%

Fiscal year 07/01/2012 thru 06/30/2013

Tax Year 2012

Adjusted Levy	82,891,835
Collections	82,033,356
Outstanding Balance (Real Estate & Personal Property)	858,479
Percentage Collected	98.96%

As of 6/30/2015 99.25 % of the 2011 levy was collected

As of 6/30/2015 99.41 % of the 2010 levy was collected

As of 6/30/2015 99.55 % of the 2009 levy was collected

RIOR YEARS COLLECTION RESULTS

FISCAL YEAR	TAX YEAR	LEVY	PERCENTAGE COLLECTED
1979/80	1979	11,062,367	91.92%
1980/81	1980	11,723,000	97.01%
1981/82	1981	12,341,738	97.98%
1982/83	1982	12,769,270	98.85%
1983/84	1983	14,364,144	99.43%
1984/85	1984	15,016,524	99.46%
1985/86	1985	15,023,711	99.30%
1986/87	1986	17,970,927	99.12%
1987/88	1987	17,385,223	99.31%
1988/89	1988	17,812,972	99.35%
1989/90	1989	21,676,434	99.34%
1990/91	1990	22,611,620	99.19%
1991/92	1991	27,682,982	99.30%
1992/93	1992	28,240,644	99.20%
1993/94	1993	28,280,279	99.64%
1994/95	1994	29,570,920	99.61%
1995/96	1995	33,664,697	99.61%
1996/97	1996	34,868,643	99.57%
1997/98	1997	37,850,343	99.50%
1998/99	1998	39,189,655	98.98%
1999/00	1999	47,323,073	98.76%
2000/01	2000	49,092,961	98.53%
2001/02	2001	51,214,653	98.52%
2002/03	2002	53,182,726	98.47%
2003/04	2003	57,179,727	98.30%
2004/05	2004	57,597,987	98.24%
2005/06	2005	59,926,161	98.14%
2006/07	2006	61,893,002	98.04%
2007/08	2007	74,971,643	97.92%
2008/09	2008	77,832,429	97.34%
2009/10	2009	78,921,143	97.30%
2010/11	2010	79,384,478	97.27%
2011/12	2011	80,525,105	96.98%
2012/13	2012	83,053,706	96.95%
2013/14	2013	84,484,169	97.34%
2014/15	2014	86,324,453	97.83%



Tax Collector's Settlement Report

October 05, 2015

Tax Levy

FY July 1, 2014 – June 30, 2015

Real Estate / Personal Property Taxes
(excluding motor vehicles)

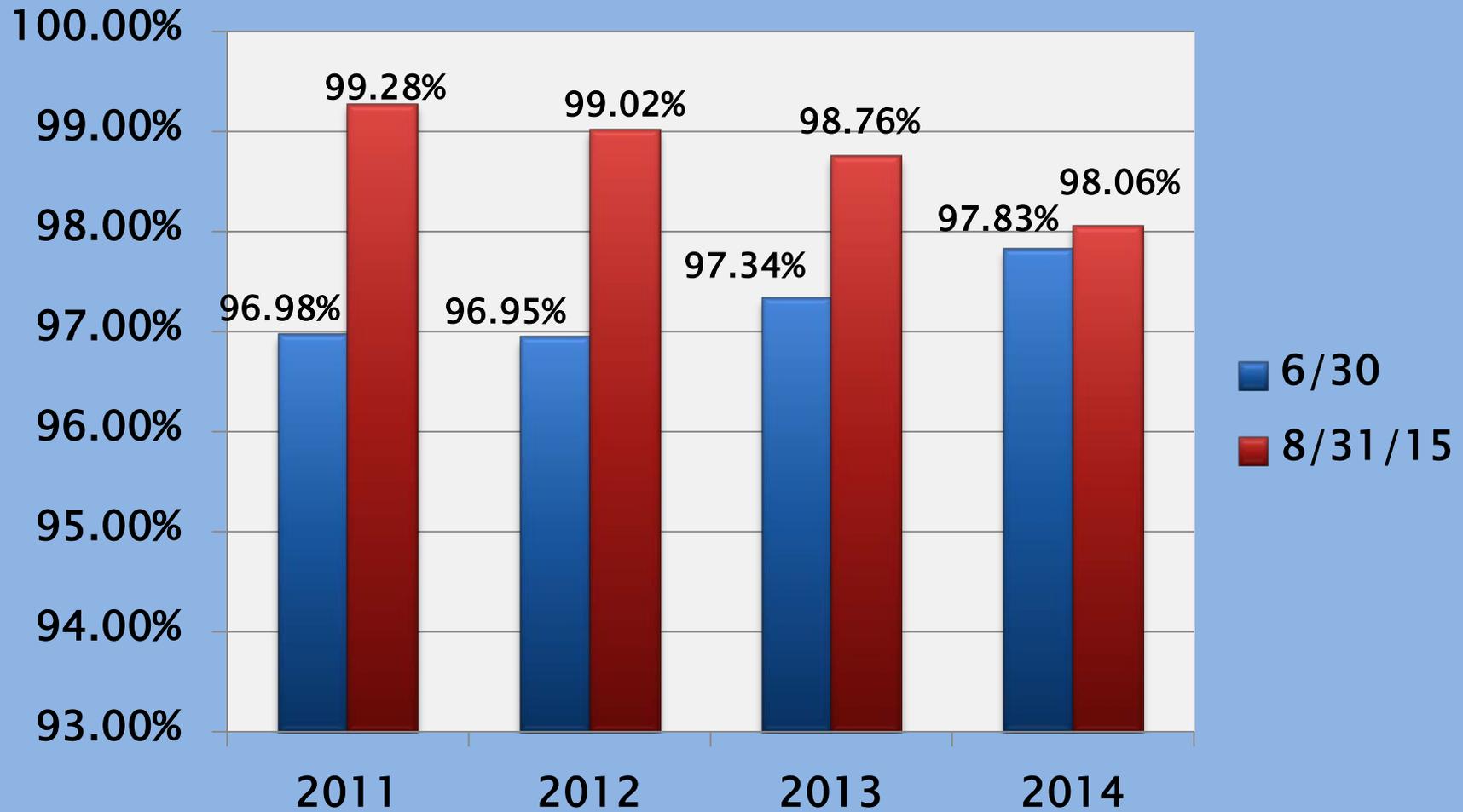
Adjusted Levy as of 06/30/2015 \$86,324,453

Balance of A/R as of 06/30/2015 \$ 1,876,331

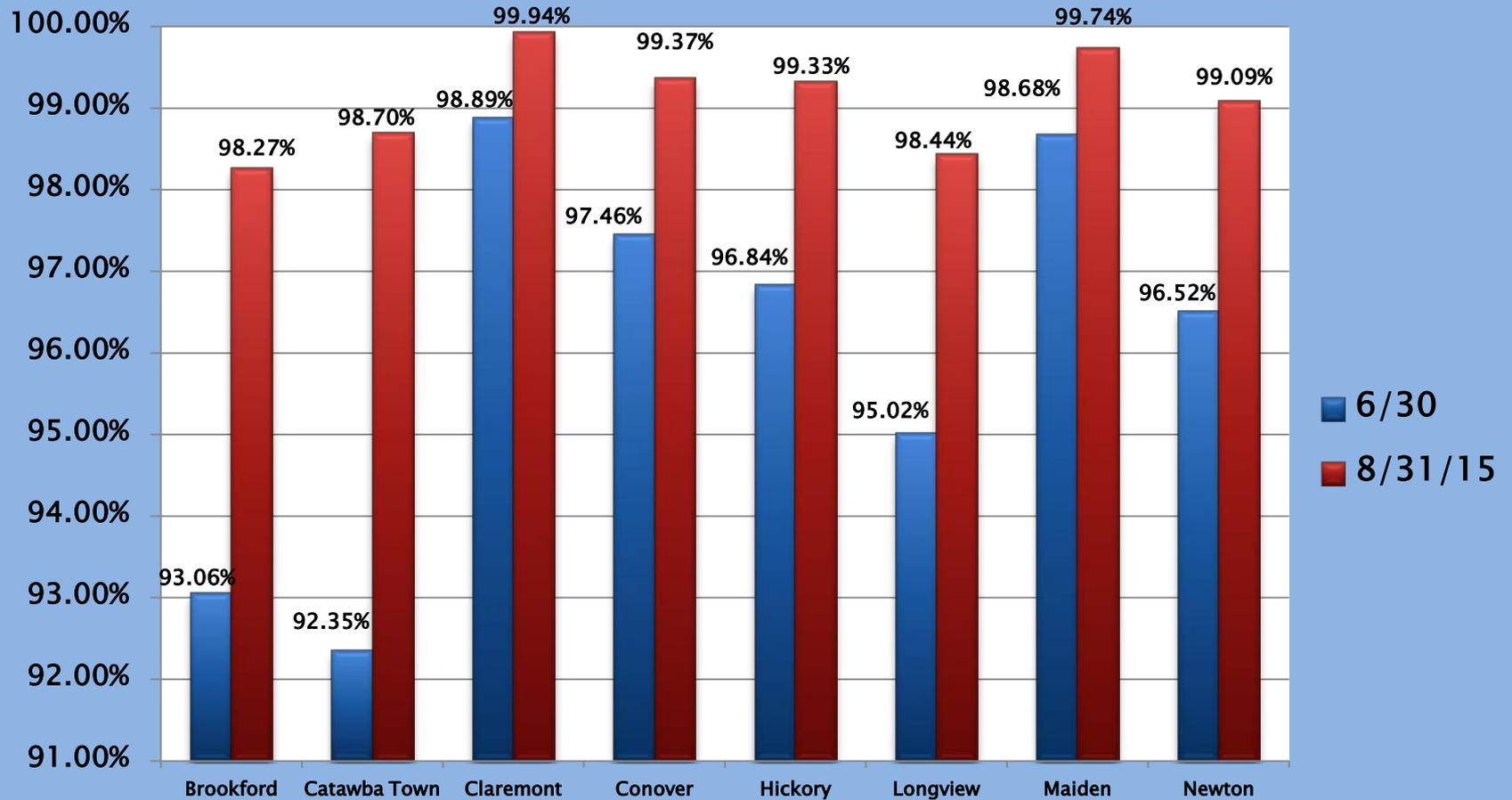
Collections as of 06/30/2015 \$84,448,122

Percentage Collected as of 06/30/2015 = 97.83%

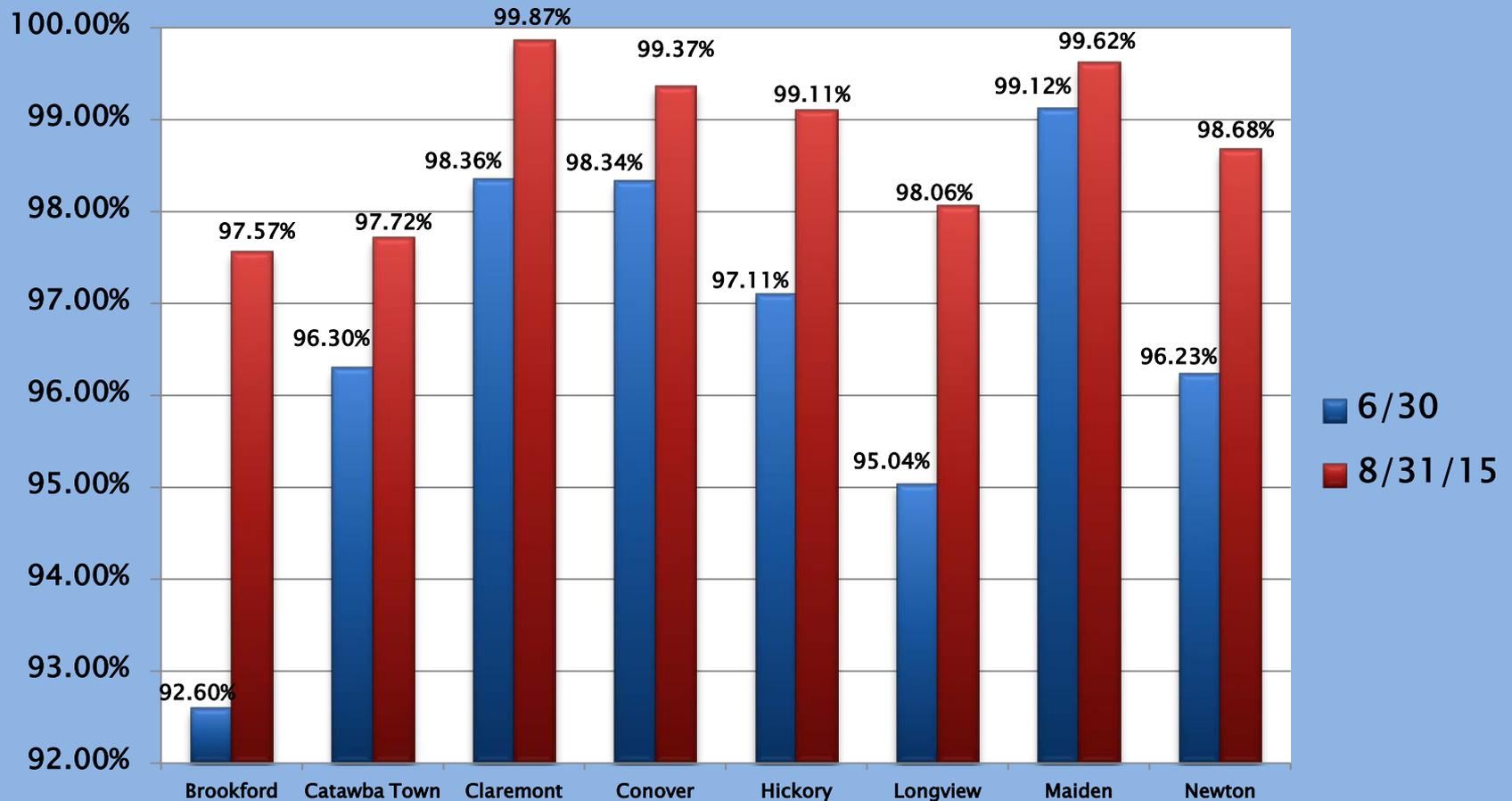
Prior Years Update–Catawba County



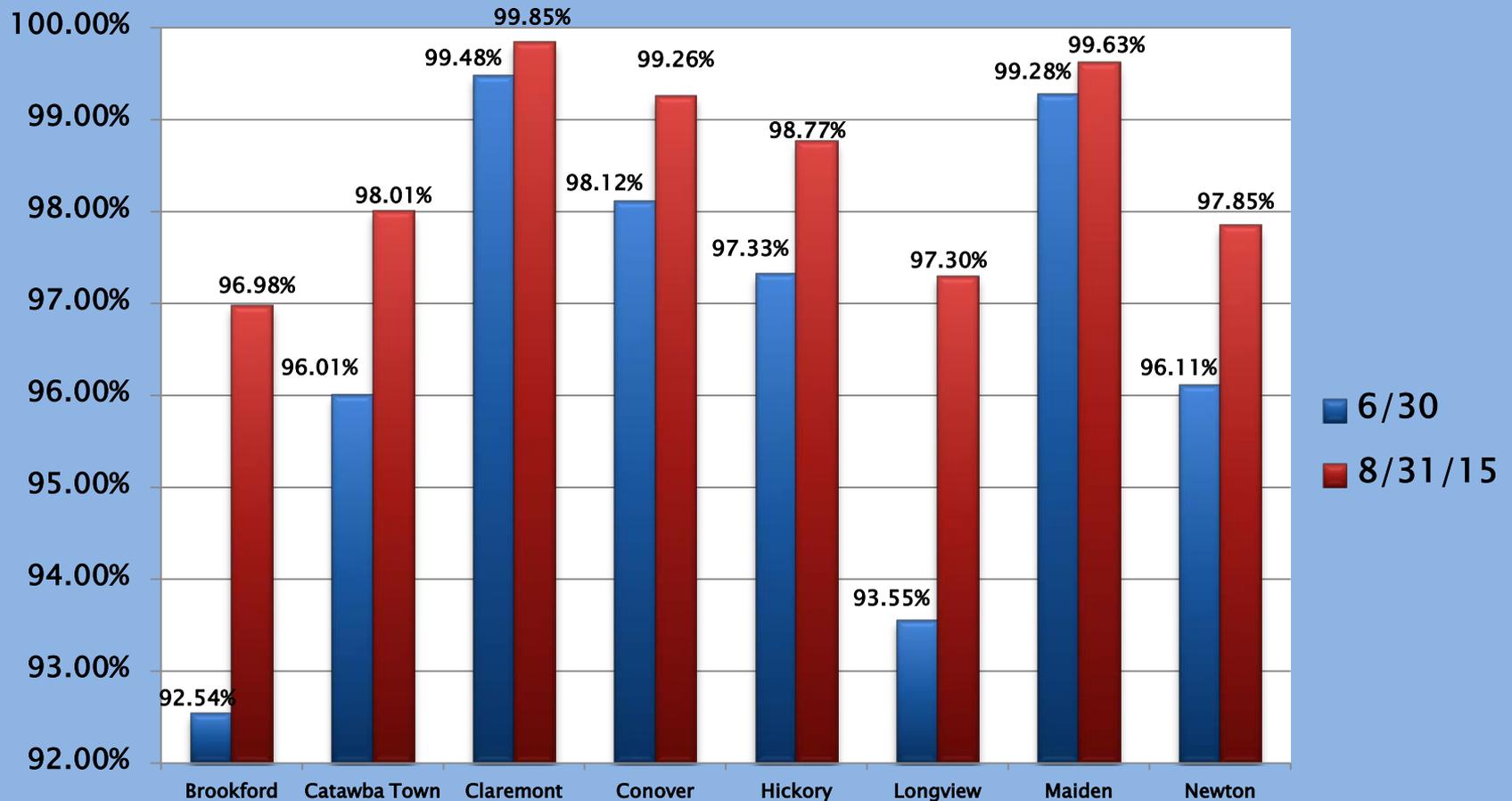
Prior Year Update- 2011 Municipalities



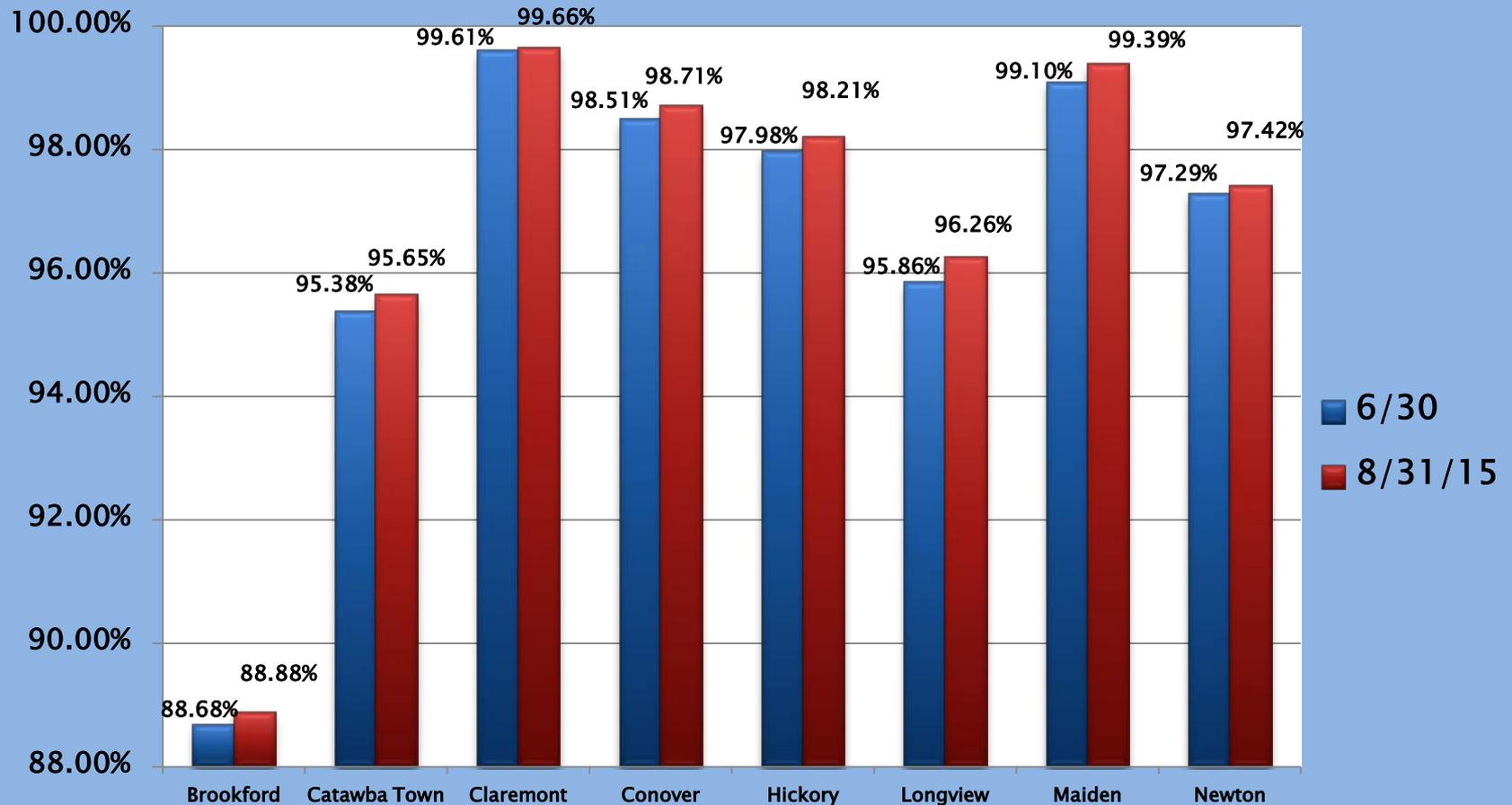
Prior Year Update- 2012 Municipalities



Prior Year Update- 2013 Municipalities



Prior Year Update– 2014 Municipalities



Tax Foreclosure Information

FY July 1, 2014 – June 30, 2015

- ▶ 33 Foreclosures initiated netting \$173,434
- ▶ 14 Foreclosures went to sale
 - Resulting in \$84,660
 - 19 entered into payment arrangements with County
 - Resulting in \$88,774



MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Doug Urland, Catawba County Health Director

DATE: October 5, 2015

SUBJECT: Resolution of Intent to Sell or Convey Catawba County Home Health

REQUEST

The Board of Commissioners is requested to approve the attached Resolution of Intent to Sell or Convey Catawba County Home Health, pursuant to North Carolina General Statute 131E-13, for the purpose of declaring its intent to sell or convey Catawba County Home Health.

BACKGROUND

Catawba County owns Catawba County Home Health. In order to consider selling Home Health the Board of Commissioners must first adopt a Resolution declaring its intent to sell. The resolution is attached. Approximately twenty potential purchasers were identified. Five expressed interest. Once a buyer has been identified, the intent is to negotiate the terms of a sale. Pursuant to statute, a public hearing on the Resolution of Intent to Sell or Convey Catawba County Home Health has been duly advertised for November 2, 2105.

RECOMMENDATION

Staff recommends the Board of Commissioners approve the attached Resolution.

Resolution 2015-_____
Resolution of Intent to Sell Catawba County Home Health
Pursuant to NCGS § 131E-13

WHEREAS, Catawba County has decided to sell Catawba County Home Health.

NOW, THEREFORE, BE IT RESOLVED by the Catawba County Board of Commissioners, as follows:

1. Catawba County intends to sell Catawba County Home Health.
2. The County Manager, or his designee, is hereby directed to review proposals submitted by potential buyers.
3. The Board of Commissioners shall conduct a public hearing on this Resolution of Intent on November 2, 2015.
4. Notice of this proposed action and notice of the public hearing was duly published in the *Hickory Daily Record* on September 25, 2015.

This the 5th day of October, 2015.

C. Randall Isenhower, Chair
Catawba County Board of Commissioners