

County endorses company's request for \$4 million in state money

WHAT IS AN INDUSTRIAL REVENUE BOND?

These tax-exempt bonds are available through the N.C.

Department of Commerce for building, equipment, land or other capital investments between \$2 million and \$10 million. The bonds are a type of loan with interest rates in the 1.5 percent range.

They also are called industrial development bonds, IDBs, IRBs and qualified small issue bonds. Requirements for obtaining industrial revenue bonds

- Company must be at least 75 percent manufacturing.
- A letter of credit from a bank, rated investment grade or higher. Most often, the bank supplying the letter of credit will place the bonds and may purchase them.
- Environmental approval from the N.C. Department of Environment and Natural Resources
- The company must certify that in building the facility, it is not abandoning another facility.
- The company must create or retain a number of jobs with the size of financing (one job for every \$250,000 in financing)

SOURCE: www.nccommerce.com

■ Von Drehle expansion plans could add thousands to tax base.

BY DEE HENRY

dhenry@hickoryrecord.com

NEWTON

The Catawba County Board of Commissioners put its stamp of approval on a Maiden company's request for \$4 million in Industrial Revenue Bonds through the N.C. Department of Commerce.

The county is not financially responsible for the issuance of the bonds, but its approval is necessary for the state to release the requested money.

"There is no financial responsibility on Catawba County's part. It is simply the granting agent," said Nathan Huret, existing industry coordinator for the Catawba County Economic Development Corp.

While the county holds no financial responsibility, it may benefit from a \$21,000 increase in its tax revenue, officials said.

Von Drehle Corp., a manufacturer of paper towels, tissues and dispensers for corporate customers,

has requested \$4 million for a planned expansion of its 220,000-square-foot plant in Maiden. The expansion would include a new high-speed, single wrap tissue line requiring new equipment predicted to double the current equipment's productive capacity, according to the EDC.

The company would add 15 new employees over the next three years, hired at \$14 per hour to be a machine operator or packer, according to officials.

The board unanimously approved the application following a required public hearing during which no one spoke.

In other action, the board approved acceptance of \$3 million through the American Recovery and Reinvestment Act of 2009 to be used in funding the Blackburn-Plateau Water Loop.

Half of the money is a principal forgiveness loan, the other half a zero-interest 20-year loan. Final approval of the loan was received Monday from the state.

"There are 230 homes that could connect to the line," said David

DETAILS

WHAT: Blackburn-Plateau Water Supply Loop

\$3.6 MILLION: Projected cost

\$3 MILLION: Loan amount

BENEFITS: More county residents with access to county water

- Improved hydraulics with the southern portion of the city of Hickory's water system
- Backup supply for Maiden
- Improved and increased fire protection (Propst Crossroad and Maiden fire districts)

Weldon, Emergency Services director. He added the prospect of a new fire station connected to the Propst Fire Department could be a result of the loan.

Commissioner Dan Hunsucker asked how many of the residents in the area had expressed interest in hooking up to the new line.

"We haven't sent out a questionnaire yet," Weldon said. "That's the next step."

Receiving the loan moves the project up from the Fiscal Year 2014-15 budget.