



Closing the Deal in Rural Economic Development:

Overcoming Challenges through Partnerships in Richmond County



Background

- **September 2009**: Rexam announced the closing of its plastic injection molding facility in Hamlet, costing 200 jobs.
- Rexam's closing and pricing decisions were made in the UK, its roots were in Pennsylvania, relocated operations there because of PA state incentives
- 255,000 square building constructed in 1982

The Development Process

- Immediate interest in the building communicated through a realtor/broker
- CONFIDENTIALITY was stressed
- **October 2009**: Conversations began between Plastek and Richmond County

Who is Plastek?

- Based in Erie PA
- Closely held, family owned
- Operations in US, Brazil, and UK, over 2,000 employees
- Leading manufacturer of plastic packages
- Own 80% of deodorant stick package market

Negotiations and Challenges

- **October 2009**: Plastek and Rexam begin negotiating building price
- Lack of CONFIDENTIALITY threatens the deal as misinformation is spread about discussions.
- **December 2009**: Richmond County leadership and Plastek begin serious negotiations
- **January 2010**: Plastek presents expectations for incentives package, including training grants and tax credits.
- Expectations are based on incentives offered and expected in PA

Overcoming Challenges with Partners

- Governor Perdue
- NC Department of Commerce
- March 2010: Secretary Crisco visits Plastek facility in Brazil
- State of North Carolina support and investment
 - \$1.98 million from JDIG funds
 - \$250,000 from One NC funds
 - \$750,000 from a Building Reuse Grant

Overcoming Challenges with Partners

- Richmond County
 - 60% property tax grant for 5 years, as much as \$462,000
- Progress Energy
 - 5 year Economic Development Rider, as much as \$300,000
- Richmond Community College and the NC Community College System
 - \$49,996 in program development, \$183,138 in training costs over 3 years

Challenges We Overcame

- Lack of confidentiality and discretion in the county
- Incentive packages from other states
- The company's need to maintain and promote their culture
- Proving to the company we had a motivated and trainable workforce
- Extensive train-the-trainer needs in home facility

The End Result

- **April 2010:** Plastek announces they will open in Hamlet with 250 employees, making a \$19 million investment in Richmond County.
- **Today:** The investments made by our partners are paying huge dividends for the county, the company, their employees, and our entire community. Plastek has committed to create a “World Class Manufacturing” factory second to none in the world.
- **Tomorrow:** The success and exposure of Plastek’s decision has created hope, optimism, and generated new interest in Richmond County, thanks to our many partnerships.