

**MINUTES OF CLOSED SESSION
CITY COUNCIL – CITY OF SANFORD
May 30, 2006**

The Sanford City Council and the Lee County Board of Commissioners met in a special-called, joint, closed session for the purpose of considering the location of an industry in the area served by the public bodies pursuant to N. C. General Statutes 143-318.11(a)(4) and to consider an inter-local agreement between Lee County and the City of Sanford. The meeting was held in Room 106, the Gordon A. Wicker Community Conference Room, Lee County Government Center at 106 Hillcrest Drive, Sanford, NC, at 9:00 A.M.

The following people were present in the closed session:

City Council:

Mayor Cornelia P. Olive	Council Member Michael Stone
Mayor Pro Tem Walter H. McNeil, Jr.	Council Member Linwood S. Mann, Sr.
Council Member Stephen Brewer	Council Member Dan Harrington
Council Member James G. Williams	City Clerk Bonnie D. White
City Manager Leonard O. Barefoot	City Attorney Susan C. Patterson
Council Member Joseph Martin	

Lee County Board of Commissioners:

Chairman Herb Hincks	Commissioner Robert Reives
Commissioner Jerry Lemmond	Commissioner Bob Brown
Commissioner Amy Stevens	Commissioner Ed Paschal
County Manager David Smitherman	County Attorney Dick Hoyle
Lee County Economic Development Director Bob Heuts	

Absent:

County Commissioner Chad Adams

Chairman Hincks called the special joint meeting to order. Commissioner Bob Brown gave the invocation. Commissioner Robert Reives made the motion to go into closed session for the purpose of considering the location of an industry in the area served by the public bodies pursuant to N. C. General Statutes 143-318.11(a)(4) and to consider an inter-local agreement between Lee County and the City of Sanford. The motion carried unanimously.

Commissioner Hincks advised that since this was a special called meeting, without attendance by all members, no other business could take place except for the sole purpose as stated in the notice. Mayor Olive stated that Council has no other business except for comments by Lee County Economic Development Director Bob Heuts.

Lee County Manager David Smitherman advised that this meeting is directly related to the recruitment of project "Hummingbird." The project is estimated to be \$1.1 billion of investment; create 550 jobs; and \$57,500 average pay per person plus benefits over the course of

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seven years. He said they should know any day whether this project will be located in Lee County.

County Manager Smitherman advised that Golden Leaf Foundation is strongly considering awarding \$15 million in grant funds for infrastructure improvements and worker training for the Hummingbird project. The purpose of these funds would be to assist in constructing a waste water treatment facility for this company. The grant will be earmarked for this purpose. Mr. Smitherman added that this is where the City comes in. It is a grant for industrial park infrastructure improvements and worker training. The County does not have \$15 million in debt for infrastructure. The County proposes that upon receipt of the Golden Leaf grant, the County will provide a payment to the City for \$5.3 million in 2007 (\$4.3 million for utility fund debt and \$1 million for IP EDA grant match) and \$3.9 million for utility fund debt in 2008; the grant would make those payments. Golden Leaf is comfortable with this set up, and the County would be the recipient of the grant funds. The City

Mr. Smitherman advised that Hummingbird is a very detailed company, and they did not like having a second party (City) involved. He told representatives from Hummingbird of the two entities coming together to execute the interlocal agreement. They did not want any decision made in open session. Mr. Smitherman stated that he needed the consensus of both governing bodies that it is a working relationship and that each will execute agreement in open session at the proper time. Mr. Smitherman advised that in reference to the agreement, Hummingbird has requested two changes to the proposed agreement. In the sixth paragraph, replace the word equivalent to appropriate and take out the words Project Hummingbird and replace them with attracting a pharmaceutical manufacturing company to the Lee County Industrial Park.

Mr. Smitherman said that all phases are to be accomplished in six years.

Mr. Heuts explained that the project will be completed in three phases; first phase will be in 2009 using 400,000 gallons of water per day; second phase an additional 400,000 gallons; third phase an additional 400,000 gallons; resulting in using 1.2 million gallons of water per day used each year from the City.

Board of Commissioner Jerry Lemmond asked what the city's usage is now with water. City Manager Leonard Barefoot replied that by the time Hummingbird gets to 1.2 million gallons of usage, the City will be in a phase of expansion. Mr. Barefoot stated that this usage will help give the City capital for expansion.

City Manager Barefoot asked Mr. Smitherman if the interlocal agreement could be ratified in separate meetings. Mr. Smitherman replied yes.

Commissioner Chairman asked for the consensus of both entities and if anyone was against the amended interlocal agreement (as outlined in the meeting) and memo written County Manager David Smitherman (Exhibit A). Both entities gave its consensus of full support for the interlocal agreement.

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County Smitherman stated that this information is to remain confidential and should not be given out.

County Commissioner Jerry Lemmond made the motion to go out of closed session and return to open session. The motion carried unanimously.

County Commissioner Jerry Lemmond made the motion to adjourn the meeting. The motion carried unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

Bonnie D. White, City Clerk