

**MINUTES OF CLOSED SESSION
CITY COUNCIL – CITY OF SANFORD
July 12, 2006**

Upon a motion duly made, seconded, and carried in the July 12, 2006, open session of the Law and Finance Committee meeting, the Council went into closed session in accordance with N.C.G.S. 143-318.11(a), to discuss matters relating to expansion of industry.

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 Joseph Martin
Council Member James G. Williams	City Clerk Bonnie D. White
City Manager Leonard O. Barefoot	City Attorney Susan C. Patterson
City Engineer Vic Czar	

Absent:

Council Member Dan Harrington

Mayor Olive called the closed session meeting to order.

City Engineer Vic Czar informed Council that the City has an opportunity to receive a grant for a company that is expanding in the Jonesboro area on Wilson Road. The company is System Plast. System Plast makes parts for conveyors used in the bottling industry. The expansion will enable the company to hire 150 people over three years.

The Rural Economic Development Center, Inc., has made available a grant in the amount of \$500,000 for expansion of industries based on the number of jobs created. The criteria for the grant is it must create 50 jobs, and the City would have a local match of \$500,000. With the project, the City could line approximately three miles of sewer lines in the Jonesboro area; replace the generator at Gaster's Creek Lift Station; and increase the wetwell at Gaster's Creek Lift Station. The City at some time has got to make these repairs, and there is \$3 million in the budget for sewer rehab. The company has to guarantee the 50 jobs. There is a stipulation that any jobs less than 50 will have to be paid back at \$10,000 per job. The company does not want to guarantee the amount of jobs; the City would have to pay this money back. The Rural Economic Development Center, Inc. would count the number of jobs eighteen months after completion of the project. System Plast is willing to move forward with this project. Mr. Czar added that the City would get the benefit out of this grant.

Mr. Czar stated that according to Jane Haber, with the Lee County Economic Development Department, the company would invest \$3.25 million in the expansion.

Mr. Czar advised that staff has a consultant, Skip Green, that is helping them with the grant. Mr. Green has done all the work and pointed the Rural Center in the City's direction.

Closed Session
July 12, 2006

Mr. Green will charge the City \$3,500 if the City gets the grant. If the City does not get the grant, Mr. Green will not charge the City.

On July 25, the Rural Center will be meeting, and the City will be asked to submit an application.

It was the consensus of Council to move forward with the grant. The City will pay back the money for the number of jobs created less than 50.

Council Member Joseph Martin made the motion to go out of closed session and back into regular session. Seconded by Council Member Steve Brewer, the motion carried unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

Bonnie D. White, City Clerk