

MINUTES OF CLOSED SESSION
Law & Finance Committee of the City Council
City of Sanford - May 27, 2009

Upon a motion duly made, seconded, and carried in the May 27, 2009, open session of the Law and Finance Committee of the City Council, the Council went into closed session in accordance with N.C.G.S. 143-318.11(a)(4) to discuss matters relating to the location and expansion of industries or other business in the area served by the public body. The following people were present in the closed session:

Law and Finance Committee:

Mayor Pro Tem Joseph Martin	Council Member Walter H. McNeil, Jr.
Council Member Charles Taylor	City Manager Hal Hegwer
Council Member Steve Brewer	City Attorney Susan C. Patterson
Council Member Mike Stone	City Clerk Bonnie White
Council Member James G. Williams	
Lee County Economic Development Director Bob Heuts	

Absent:

Mayor Cornelia P. Olive
Council Member Linwood S. Mann, Jr.

Mayor Pro Tem Martin called the meeting to order.

Lee County Economic Development Director Bob Heuts informed Council that Score Energy contacted the EDC and the NC Department of Commerce about a potential investment they are considering. They are considering an expansion of their jet turbine rebuilding and services building. They refurbish gas turbines to generate energy.

Score Energy moved to Sanford in 2006 and leased the former Decator Mold building on Tramway Road. They purchased that building in 2007.

Score Energy began their operation with four employees and they currently employ ten now. They are working with the local high schools and Central Carolina Community College for apprentices and currently employ two. These two apprentices earn a salary and attend school. Upon graduation, these apprentices will be hired full time.

Score Energy is a privately owned Scottish Company with its headquarters in Aberdeenshire, Scotland. Its businesses include gas turbine overhaul and repair, fuel system engine testing and worldwide field service support in 30 different locations. It has been in business for over 25 years.

Score is proposing to build an 18,000 square-foot building on their lot on Tramway Road in order to expand their ability to overhaul the Rolls Royce 211, Allison and GG4 engines. The investment is anticipated to be approximately \$2.5 million; \$1 million in the building and \$1.5 million in equipment. Tax revenues to the City would be approximately \$57,000 and the County would be approximately \$76,000. The EDC recommends a grant equal to a 50 percent reduction in taxes over a 5-year period. The City's incentives would total \$28,366 and the County's

incentives would total \$38,681, giving a total incentive package of approximately \$67,000. Our competition is Calgary, Canada, Scotland, and Venezuela.

On April 22, 2009, the EDC met in closed session and discussed the issue. The EDC voted unanimously that the County and City fund this incentive at five years at 50 percent of revenue derived from the new investment. The company meets all the criteria set forth in the guidelines.

Mr. Heuts advised that they would employ between ten and twenty employees after expansion.

It was a unanimous consensus of the Council for Mr. Heuts to hold a public hearing for the proposed incentive package to Score Energy.

Council Member James Williams made the motion to go out of closed session and return to regular session. Seconded by Council Member Steve Brewer, the motion carried unanimously.

Respectfully submitted,

Joseph E. Martin, Mayor Pro Tem

Bonnie D. White, City Clerk

Law and Finance Committee Meeting
Closed Session
May 27, 2009