

MINUTES OF CLOSED SESSION
City Council Meeting
City of Sanford – October 20, 2009

Upon a motion duly made, seconded, and carried in the October 20, 2009, open session of the of the City Council meeting, 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 or expansion of industries or other businesses in the area served by the public body.

Mayor Cornelia Olive	Council Member James G. Williams
Mayor Pro Tem Joseph Martin	Council Member Walter H. McNeil, Jr.
Council Member Linwood Mann	City Manager Hal Hegwer
Council Member Steve Brewer	Council Member Mike Stone
City Clerk Bonnie White	John Daniels – Treasurer of LCEDC
Lee County Economic Development Director (LCEDC) Bob Heuts	

Absent:

Council Member Charles Taylor
City Attorney Susan C. Patterson

Item #2

Lee County Economic Development Director Bob Heuts informed Council that John Maness, Executive V.P. of Manufacturing with Frontier Spinning, met with him and told him that Frontier Spinning is interested in doing a \$10 million project. They want to take out all the old equipment in the first building and replace it with new equipment. The new equipment would be much more efficient and more productive. The present equipment is not competitive and productive. There are 96 employees working in the plant now and they work 30 hours. Adding another \$10 million of investment will create approximately 30 more jobs. There will be \$1.5 million in real estate improvements. Mayor Pro Tem Martin stated that Frontier Spinning is the second largest spinning operation in the United States.

John Maness is working with One North Carolina Fund about incentives. Frontier will submit a profile of the company which will show a history of what the company is doing. They outline how many people they hire, what type of positions, capital plans, etc.

Mr. Heuts added that he asked Dr. Jim Kleckley with East Carolina University (in the Economic Department) to do an economic impact study analysis. He forwards Dr. Kleckley the information on the amount of real estate improvements and machinery investment. Dr. Kleckley puts these numbers into a program and it will tell you the additional impact that the project will have on the region. The impact study showed it would be a good investment.

If we grant them incentives over a five-year period at 50 percent, the City's incentives would amount to approximately \$104,382; the County's incentives would total \$212,000 (Exhibit A)

City Manager Hal Hegwer advised Council that from July 2008 to July 2009, the City received \$540,000 in water and sewer revenues from Frontier Spinning. He wanted Council to be informed that if Frontier Spinning, Parkdale, and Hanesbrand would leave, the City would lose \$1 million in water and sewer revenues.

It was the consensus of Council to hold a public hearing to grant Frontier Spinning incentives.

Council Member Walter McNeil, Jr. made the motion to go out of closed session and return to regular session. Seconded by Council Member Mike Stone, the motion carried unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

Bonnie D. White, City Clerk