

MINUTES OF CLOSED SESSION
City Council Meeting
City of Sanford – May 18, 2010

Upon a motion duly made, seconded, and carried in the May 18, 2010, 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 P. Olive	Council Member Walter McNeil
Mayor Pro Tem Mike Stone	Council Member Charles Taylor
Council Member L. I. (Poly) Cohen	City Attorney Susan C. Patterson
Council Member Sam Gaskins	City Clerk Bonnie White
Council Member James G. Williams	City Manager Hal Hegwer

Absent:

Council Member Linwood Mann, Sr.

Item #3

Lee County Economic Development Director Bob Heuts explained that the Economic Development Board met and discussed three projects, two of which are located within the City.

The third project that was brought before the EDC was from Caterpillar (Attachment). Caterpillar is looking at the possibility of constructing a new facility on the 100 acres they own in the Industrial Park. They want to move the fabrication facility from Mexico to Sanford where they will consolidate their logistics facility into that building. It would be a 270,000 square-foot building that would have to be built on their property. They are looking at the cost of the building versus leasing space in South Carolina. There is a 470,000 square-foot, state-of-the-art building on I-95 in South Carolina and it would meet their needs for a long time.

Mr. Heuts said that when Caterpillar came to the EDC, they asked the EDC to help them with the preconstruction grading; a state-of-the-art training package for the required needed workforce; and paving of Clyde Rhyne Drive extension to their plant. They are trying to keep their costs down to a minimum. It will cost approximately \$900,000 for preconstruction grading and they are asking for this up front. Caterpillar is asking for a 25 percent match they can get from the Department of Commerce for paving the Clyde Rhyne Road extension. Central Carolina Community College is going to apply for a grant from Golden Leaf to be able to purchase the equipment from Robotic Welding to train individuals for operation and maintenance of equipment.

The new investment will be approximately \$30 million, generating \$180,000 per year for the first five years. There will be 322 new jobs created and we would be keeping 100 jobs that already exist. The average salary would be around \$38,000. We can apply for a grant up to \$1.5 million for paving that existing road and build a training center. CCCC will apply for the \$420,000 from Golden Leaf for specialized training equipment for the community college.

The problem is this facility is not located within the City limits. Mr. Heuts advised that Lee County Manager John Crumpton would like to see if the City would help with participation of the grant. It would be very difficult to write a check for \$900,000, in terms of cash flow. City Manager Hal Hegwer explained that he just heard about this today and that Caterpillar is requesting \$300,000 up front. Mr. Hegwer said that he could do some checking to see if we could possibly loan Lee County or EDC the money; it is something he can explore.

Council Member McNeil suggested satellite annexation.

Mr. Heuts added that an impact analysis was done and the dollars would be substantial.

It was the consensus of Council to have Mr. Hegwer to explore some ways to see what the City could come up with in terms of helping the County financially.

With no further business to come before the Council, the meeting was adjourned on motion by Mayor Pro Tem Mike Stone. Council Member Sam Gaskins seconded the motion and it carried unanimously.

Mayor Cornelia P. Olive

City Clerk Bonnie D. White

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