

MINUTES OF CLOSED SESSION
City Council Meeting
City of Sanford – September 7, 2010

Upon a motion duly made, seconded, and carried in the September 7, 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)&(3) to discuss matters relating to location or expansion of industries or other businesses in the area and in order to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege.

Mayor Cornelia P. Olive	Council Member Walter McNeil
Mayor Pro Tem Mike Stone	Council Member Charles Taylor
Council Member Linwood Mann, St.	Council Member James G. Williams
Council Member L. I. (Poly) Cohen	City Attorney Susan C. Patterson
Council Member Sam Gaskins	City Clerk Bonnie White
Lee County Economic Development Director Bob Heuts	
City Manager Hal Hegwer	

Mayor Olive called the meeting to order.

Item #1

Lee County Economic Development Director Bob Heuts explained that he has spoken with Terry Russell, Plant Manager for Magneti-Marelli, concerning the possible expansion of the plant and he is asking for a grant of incentives. Mr. Russell stated that Chrysler has bought Fiat and there is an opportunity for Fiat to do work for Chrysler to build three new fuel systems. This is an opportunity to turn things around for Magneti-Marelli in Sanford. In order to build the fuel systems, Magneti would have to purchase \$20 million of new equipment that would be brought in and \$1 million for renovations. If awarded, they would start capitalizing the equipment this year or early next year.

Mr. Heuts advised that they will schedule a time for the Department of Commerce to come and talk with Mr. Russell to see what the state can offer in a grant.

Mr. Heuts stated that he has not spoken with his full board yet, nor with the Lee County Board of Commissioners. He has spoken with the Lee County Economic Development Executive Committee and they recommend the five-year, 50 percent grant which the City's portion would total \$208,994.

City Manager Hegwer added that Magneti-Marelli is one of the ten highest taxpayers in Lee County. Mr. Heuts stated they pay approximately \$150,000 in taxes in Lee County.

Council Member Gaskins asked how many more people would be employed. Mr. Heuts replied 10 to 35 employees over a three-year period; 15 immediately; 11 more in 2012; and 8 more in 2013. They employ around 100 people now. They have gotten the Harley Davidson

business back. Mayor Olive asked if they will require training at Central Carolina Community College. He replied yes; a grant would be given by the state to be used for training.

Mr. Heuts advised that he will be meeting with the Lee County Board of Commissioners on September 20 unless they have a meeting earlier than that date.

Mr. Russell is going to go back to corporate and try to make a case as to why they need to build the fuel systems at Magneti in Sanford.

It was the consensus of Council to hold a public hearing for the grant agreement.

Mayor Cornelia P. Olive

City Clerk Bonnie D. White

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