

MINUTES OF CLOSED SESSION
City Council Meeting
City of Sanford – November 2, 2010

Upon a motion duly made, seconded, and carried in the November 2, 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) and (5) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body and to instruct the public body staff or negotiating agents concerning the position to be taken in negotiating the price or other material terms of a contract or proposed contract for the acquisition of real property.

Present:

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

Absent:

Mayor Pro Tem Mike Stone

Item #1

Lee County Economic Development Director Bob Heuts explained that Brian O’Neal from Coty approached him approximately six to eight months ago seeking financial assistance on a possible expansion of Coty. Coty operates from its one million square-foot plant, producing a variety of fragrances such as Calvin Klein, Vera Wang, Jennifer Lopez and others. They presently employ 800 full-time employees and 700 seasonal employees. They have good benefits such as a 401K plan and retirement program. Their wages and benefits average over \$66 million each year.

Mr. Heuts advised that Coty shut the doors on its plant in Rocky Point that produces cosmetics, nail lacquers, etc. Mr. O’Neal and he met with the Department of Commerce and they see an opportunity to take the business from Coty’s plant in Rocky Point near Wilmington and bring it to Sanford. Coty has three options. They could send the business to a third party, Top Line, as a contractor; they could take those lines to New Jersey to make those products for Coty; and they could let the work come to Lee County. If the business comes to Lee County, it would create an additional 140 jobs with approximately \$12 million in expansion and upgrades.

The Lee County Economic Development Corporation Executive Committee discussed the issue and recommends a 50 percent incentive based on taxes paid over a five-year period. Mr. O’Neal is trying to make a case to bring the business to Sanford. If the incentive is approved and they bring the business to Sanford, it would cost the County approximately \$166,000 (\$33,000 per year) over a five-year period and the City \$120,000 (\$24,000 per year) over a five-year period.

Mr. Heuts asked Council to hold a public hearing on November 16, 2010. Council Member Sam Gaskins made the motion to hold a public hearing on November 16, 2010, at 7 P.M. Seconded by Council Member L. I. "Poly" Cohen, the motion carried unanimously.

Mayor Cornelia P. Olive

City Clerk Bonnie D. White

