MINUTES OF JOINT MEETING WITH SANFORD AREA GROWTH ALLIANCE, LEE COUNTY COMMISSIONERS, TOWN OF BROADWAY COMMISSIONERS, AND SANFORD CITY COUNCIL
Wednesday, October 12, 2016 – 6:30 PM
McSwain Extension Education and Agriculture Center
2420 Tramway Road, Sanford, NC

The Sanford City Council, Lee County Board of Commissioners, and Town of Broadway Commissioners, met with members of the Sanford Area Growth Alliance (SAGA) Board of Directors and staff at the McSwain Education and Agriculture Center, located at 2420 Tramway Road, Sanford, North Carolina, on Wednesday, October 12, 2016, at 6:30 PM.

City:
Mayor T. Chet Mann
Mayor Pro Tem Sam Gaskins
Council Member Rebecca Wyhof
Council Member James Williams
Council Member Byron Buckels
Council Member Jimmy Haire
Council Member Norman Charles Post III
City Manager Hal Hegwer
City Attorney Susan Patterson
City Finance Director Beth Kelly
City Clerk Bonnie Davis

Broadway:
Broadway Town Manager Dustin Kornegay
Mayor Don Andrews
Town Commissioner Janet Harrington
Town Commissioner Tommy Beal

Facilitator
Lee Anne Nance

County:
County Commissioner Amy Dalrymple
County Commissioner Ricky Frazier
County Commissioner Tim Sloan
County Commissioner Kirk Smith
County Commissioner Andre Knecht
County Commissioner Doc Oldham
County Clerk Gaynell Lee

SAGA
Economic Development Director Bob Joyce
SAGA Executive Director Joy Thrash
Kirk Bradley
Donnie Oldham
Carter Keller
Scott Hadley
Charlie Welborn
Kim Sutton – (Red Wolf)
David Foushee
Carol Carlson
Jerry Maxwell
Crystal McIver

Mayor Chet Mann called the meeting to order for the City of Sanford. Facilitator Lee Anne Nance noted that she would ask three questions tonight regarding economic development and would ask each member to answer yes or no. It would not be a binding vote, but as an indication of commitment to SAGA and direction for our future.

Question 1 – Should the public sector – the City of Sanford, the Town of Broadway and Lee County Government continue to fund the Sanford Area Growth Alliances' economic development efforts after the current fundraising campaign is complete? All members present of the City Council answered yes; all members present of the Town of Broadway answered yes; Commissioners Andre Knecht and Kirk Smith answered no from the Lee County Commissioners. All SAGA members answered yes.

SAGA member Kim Sutton said the public contributions are important to keep this momentum going. Mr. Bradley added that 60 percent is privately funded. There will be another capital campaign; however, he did not feel that the private sector could continue to fund it like they have in the past.

SAGA President Donnie Oldham noted that they wanted an economic development group robust enough to get it going; 98 percent of his business is not done in Lee County but he pays taxes in Lee County.

Facilitator Lee Anne Nance stated that Harnett County has invested $1.3 million in their economic development program; they have adopted a five-year plan.

Sanford City Council Member Williams felt that the governmental entities should be the economic recruiters. We should be looking to recruit even though SAGA is the lead. The governmental entities are responsible for making it work.

SAGA Director Joy Thrash noted that if the budget does not grow, then staff cannot be compensated for the work they are doing and they are stuck in their marketing efforts now.

Lee County Commissioner Kirk Smith said yes, to paying the dues and belonging to the organization and no to incentives; he felt the public is paying dues to be part of it now.

<u>Question 2 – Should Lee County and the City of Sanford commit to provide the funding required to certify Central Carolina Enterprise Park as shovel ready and to market the property</u>?
The Sanford City Council members were unanimous that we should provide funding for the park. The Town of Broadway members present were unanimous to provide funding. All members of the Lee County Board of Commissioners present agreed, except for Lee County Commissioners Kirk Smith and Andre Knecht, who replied no. All SAGA members were unanimous that the County and City should commit to provide funding for the park.

Facilitator Lee Anne Nance noted that the City will extend water and sewer to the park at a cost of $4.5 million; Lee County is running broadband at a cost of $300,000; and County is to pay for signage estimated at $375,000 and intersection improvements.

SAGA Board Member Kirk Bradley noted that this park is the best example of public/private partnership. Once the site has water and sewer, it will be shovel ready. Sanford City Manager Hal Hegwer noted that it will take six to nine months to have water and sewer installed. Sanford Mayor Mann added that job creation is what this is all about and North Carolina will win an automobile plant if site is ready. Wilson spent city money to buy their industrial park.

SAGA Board Member Carter Keller expressed that the signage into the entrance of the park should be done now and not later as this is marketing the property.

SAGA Board Member Donnie Oldham asked if the Lee County Commissioners have decided that they will provide the signage into the park. Lee County Chairperson Amy Dalrymple replied that they did not take a vote on it. The County received $800,000 from the City for a lift station of

which the money would be used to run broadband to the site which cost $375,000. The County asked for a cost of the signage and they received a figure. She felt there would be no conflict to pay for the signage.

SAGA Board Member Donnie Oldham asked if Mr. Bradley needs to submit something to Lee County in order for the signage issue to be voted on by the Lee County Commissioners. Mrs. Dalrymple replied no, unless the numbers have changed. Joy Thrash stated that the bid has now expired and they will have to go out and get them refreshed.

Question #3 = Should the county and city provide economic development incentives to attract industry and to assist with industry expansion?
The Sanford City Council members present were unanimous to provide incentives to attract industries. The Town of Broadway members present were unanimous to provide funding. All members of the Lee County Board of Commissioners present agreed, except for Kirk Smith and Andre Knecht, who replied no. SAGA Board members were unanimous that the City and County should provide incentives.

Lee County Commissioner Doc Oldham noted that we need to look at what South Carolina has done to us in the last five years by offering incentives.

Lee County Commissioner Tim Sloan stated that in the beginning, he was against incentives; however, after listening and studying the issue, he is for the incentives. When a major company comes in, the vendors/suppliers will come in and locate within 35 minutes of the company. If companies do not come, you have nothing. He encouraged everyone to take time to listen as we need to make this county grow.

SAGA Executive Director Joy Thrash stated that when industries are looking to locate here they ask what are the incentives for them to move here. If you cannot provide incentives, you are off the table. We are competing for expansion. An industry has to meet certain requirements to qualify for incentives.

Lee County Commissioner Kirk Smith felt that they already receive incentives such as fire, police, water and sewer. He noted that we have one of the highest tax rates in the state.

SAGA Board Member Kirk Bradley stated that if we do not offer incentives, we will not be in the game as other communities. The police, fire, etc., are foundational items. We will not grow the economy if we do not have incentives. We are competing with Virginia and Tennessee; we have to grow our tax base; it is something we have to accept.

SAGA Director Donnie Oldham commented that our rate is high because it is costing us more than our tax base can support. You have to get businesses here and incentives are the only way we can do it.

Facilitator Lee Anne Nance stated that staff will be writing up a report of what happened at the meeting tonight and what to do moving forward.

Sanford Mayor Pro Tem Gaskins made the motion to adjourn the meeting. Seconded by Council Member Wyhof, the meeting was adjourned.

Adjournment

The meeting ended at 8:45 p.m.

Respectfully Submitted,

T. Chet Mann, Mayor

ATTEST:

Bonnie Davis, City Clerk