

CITY OF EDEN, N.C.

A special meeting of the City Council, City of Eden, was held on April 13, 2000 at 5:00 p.m. in the Council Chambers at 338 W. Stadium Drive. Those present for the meeting were as follows:

|                |   |
|----------------|---|
| Mayor:         | Philip K. Price   |
| Mayor Pro Tem: | John E. Grogan  |
|                | Ronald H. Reynolds  |
|                | Ronald L. Janney  |
|                | Christine H. Myott  |
|                | Garry W. Tudor  |
|                | William W. Rorrer   |
|                | C. H. Gover   |
| City Manager:  | Radford L. Thomas   |
| City Attorney: | Charles J. Nooe   |
| City Clerk:    | Kim J. Scott  |
| News Media:    | Reid Baer, <u>The Daily News</u> ; Leslie Pryor <u>The Greensboro News and Record</u> |

Others Present were: Paul Parker, Gildan Activeware; Allen Oakley and Misty Gookman, Pillowtex; Richard Beard, Development Advisors; Randy Perkins, Law Firm, Moore Van Allen; Don Moss Rockingham County Economic Development, Pete Osborne, Osborne Company

MEETING CONVENED:

Mayor Philip K. Price called the emergency meeting (according to Section 3.6c of the Eden City Charter for generally unexpected circumstances concerning industrial development that requires immediate consideration by the City Council) to order and welcomed those in attendance.

Mr. Nooe noted some last minute changes (in the Performance Agreement) on Page 5 of 15 that put in a provision that if due to forces beyond the companies control, the plant could not operate for up to 270 days, the agreement would be suspended by that term that many days, but it has a provision that then after the period of suspension ends, then the contract would be extended by the same number of days that it was suspended.

Mr. Nooe also called attention to the figure of 24 months on Page 3 of 15 Site Phase I. He stated it should read 12 months and that change is being initialed on the original.

Mayor Price read a portion of the following resolution authorizing the execution of the Gildan Activeware Performance Agreement.

NORTH CAROLINA  
ROCKINGHAM COUNTY

RESOLUTION AUTHORIZING THE EXECUTION OF GILDAN ACTIVEWEAR DISTRIBUTION, INC. PERFORMANCE AGREEMENT ENCOURAGING INDUSTRIAL INVESTMENT AND EMPLOYMENT IN ACCORDANCE WITH NORTH CAROLINA GENERAL STATUTE §158-7.1

WHEREAS, the City of Eden and Rockingham County have experienced significant job loss in recent months due to plant closings in Eden and Mayodan; and,

WHEREAS, the closing of Pluma's operations in Eden due to bankruptcy has resulted in the loss of 626 jobs; and,

WHEREAS, Gildan Activewear Distribution, Inc. has proposed to construct at least a 300,000 square foot facility by December 31, 2000, and make a capital investment and list both real and personal property with a minimum taxable value of \$9,900,000.00 in plant, machinery and equipment by April 15, 2001, and maintain that investment, subject to allowances for depreciation, through December 31, 2005. The company further proposes to create 100 full-time positions by the end of the calendar year 2001, in consideration for certain economic incentives to be granted or paid to it by the City of Eden; and

WHEREAS, a Performance Agreement has been negotiated with Gildan Activewear Distribution, Inc. ("Gildan") whereby the County and City will provide economic incentives in consideration of Gildan making certain capital investments in Eden and creating a certain number of jobs, the total amount of the incentives and the total amount of capital investment and the total number of jobs being specified in the Performance Agreement, all of which will be subject to the number of phases Gildan elects to construct; and

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WHEREAS, Gildan is obligated by the terms of the Performance Agreement to invest \$9,900,000.00 in taxable real and personal property in Eden by April 15, 2001, and, subject to depreciation, maintain said minimum investment through December 31, 2005, and Gildan is further obligated to create, fill and maintain 100 full-time positions by the end of the calendar year 2001, and maintain that minimum level through December 31, 2001; and

WHEREAS, Rockingham County agrees to pay for site preparation costs, an amount not to exceed \$243,295.80 according to the schedule of payments set forth in the Agreement; and

WHEREAS, the City of Eden agrees to pay site preparation costs, an amount not to exceed \$210,119.10 according to the schedule of payments set forth in the Performance Agreement, and pay for up to \$25,000.00 in inspection fees and to pay for up to \$5,000.00 in tap fees, all as provided for in the Performance Agreement; and

WHEREAS, the City agrees to convey to Gildan 36 acres of land with a value of \$360,000.00 as additional consideration for Gildan's obligations to make capital investments and create jobs as provided for in the Performance Agreement; and

WHEREAS, the Performance Agreement provides for additional economic incentives to be paid to Gildan if it elects to construct a proposed Phase II for Gildan to made certain additional minimum capital investments and create an additional 100 years on the term and conditions set forth in the Performance Agreement. Gildan shall pay the City of Eden \$180,000.00 if it does not commence and complete Phase II according to the terms of the Performance Agreement; and

WHEREAS, Gildan has agreed that the average wage for the entire facility, set forth in Section 1.C of the Performance Agreement, to be paid shall be an average weekly wage that is at or above the median average weekly wage rate as determined by the Employment Security Commission for Rockingham County. The data used to determine the average weekly wage for annual compliance shall be the most recent period for which the data is available; and

WHEREAS, the said appropriations by the County and the City will increase business prospects within and strengthen the local economies of the City of Eden and Rockingham County; and,

WHEREAS, the terms and conditions of the Performance Agreement have been reviewed by the City Council of the City of Eden and by the Rockingham County Board of Commissioners and found to be acceptable and in accordance with the requirements of North Carolina General Statutes Section 158-7.1; and,

WHEREAS, the City of Eden desires to authorize the Mayor and the City Clerk to execute the Performance Agreement on behalf of the City of Eden; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EDEN THAT:

The Mayor and the City Clerk of the City of Eden are authorized and directed on behalf of the City Council to execute the attached Performance Agreement with Gildan Activewear Distribution, Inc. for job creation and job maintenance as authorized by and in accordance with North Carolina General Statutes § 158-7.1.

ADOPTED, this the 18th day of April, 2000.

ATTEST:

s/Philip K. Price  
Philip K. Price, Mayor

s/Kim J. Scott  
Kim J. Scott, City Clerk

A motion was made by Council Member Rorrer seconded by Council Member Reynolds to approve the above resolution (with the noted changed in the Performance Agreement) All Council Members voted in favor of this motion.

CLOSED SESSION:

A motion was made by Council Member Rorrer seconded by Council Member Gover to go into a closed session for the discussion of real property (according to GS 143-318.11(a)(5)). All Council Members voted in favor of this motion.

OPEN SESSION:

A motion was made by Council Member Gover seconded by Council Member Janney to return to open session. All Council Members voted in favor of this motion.

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Minutes of the March 13, 2000 meeting of the City Council, City of Eden, N.C. continued:

CLOSED SESSION:

A motion was made by Council Member Gover seconded by Council Member Reynolds for a closed session for discussion of economic development. All Council Members voted in favor of this motion.

OPEN SESSION:

A motion was made by Council Member Gover seconded by Council Member Janney to return to open session. All Council Members voted in favor of this motion.

PERFORMANCE AGREEMENT WITH GILDAN ACTIVEWARE:

Mr. Nooe suggested that the Performance Agreement be approved subject to the 24 months in Section I-B Site (Phase I) on Page 3 being changed from 24 months to 12 months.

A motion was made by Council Member Janney seconded by Council Member Rorrer to approve the Performance Agreement subject to the correction on Page 3 of 15 from 24 to 12 months (as suggested by Mr. Nooe). All Council Members voted in favor of this motion.

Mr. Allen Oakley stated that he came on behalf of Pillowtex to relay to the Council that they have decided to lift the deed restrictions on the property and to agree with the motion that the land be split between the park use and business use. He added on behalf of Pillowtex he presented a check in the amount of \$100,000 to Mayor Price that Pillowtex will donate to the City of Eden for the development of the city park.

Mayor Price stated on behalf of the community he wanted to thank Pillowtex for their participation and for the contribution to the city park. He added that he also appreciated the corporate citizenship of Pillowtex in the community and for their contributions in the past as it was very important to the formation and to the continued success of the community.

ADJOURNMENT:

A motion was made by Council Member Grogan seconded by Council Member Janney to adjourn. All Council Members voted in favor of this motion.

Respectfully submitted,

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Kim J. Scott  
City Clerk

ATTEST:

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Philip K. Price  
Mayor