

City of Eden, NC

The special meeting of City Council, City of Eden, was held on August 29, 2002 at 4:00 p.m. in Council Chambers, 308 East Stadium Drive. Those present for the meeting was as follows:

Mayor :		Philip Price
Mayor Pro Tem:		John Grogan
Council Members:		Jerry Epps
		C. H. Gover
	(Absent)	Christine Myott
		Ronald H. Reynolds
		Garry Tudor
		Billy Vestal
City Manager:		Brad Corcoran
City Attorney:	(Absent)	Tom Medlin
City Clerk:		Kim Scott
Deputy City Clerk:		Sheralene Thompson
Representatives of News Media:		Steve Lawson, <u>Eden Daily News</u>

Also in attendance were Don Moss (President) and Tommy Flynt (Vice President) of the Rockingham County Partnership for Economic & Tourism Development, as well as Richard Beard of Developmental Advisors.

MEETING CONVENED:

Mayor Price called the meeting to order explaining that this was a special called meeting for public discussion of an appropriation from the General Fund for an economic development prospect.

PUBLIC HEARING:

Public hearing called to consider the approval of an appropriation from the General Fund in an amount not to exceed \$96,000 for rebuilding, renovation, and other improvements to aid and encourage the location of Natural Care Labs, Inc. in Eden; and to consider the appropriation from the General Fund in an amount not to exceed \$50,000 to fund the cost of closing out the Eden Shell Building. In addition, to pay for building inspection fees not to exceed \$5,000; tap fee and connection charges not to exceed \$4,000.

Council Member Grogan inquired if the City Attorney needed to be present since the Council was discussing a contractual item.

Mr. Don Moss explained that the City Attorney had received copies of the contract and had been in contact with Mr. Moss and the County Attorney and had advised for one or two editorial changes, no structural changes, and those changes had been made before proceeding with the public hearing of the County Commissioners.

Council Member Reynolds inquired if the City Attorney had made contact with the City Manager to which Mr. Corcoran replied that he had.

Mr. Moss explained that Natural Care Labs, Inc. had proposed to purchase the Eden Shell Building, 84,000 sq. ft. He advised that the company was proposing 46 new jobs by the end of the calendar year 2003. He stated that the company was proposing a net new investment in machinery equipment, building and up fit in \$3 million by the end of calendar year 2003. He stated that each Council Member had been given an economic analysis which had been presented to the County Commissioners at their public hearing for the creation of 46 new jobs to the local economy. He advised that based on the multipliers given by the Piedmont Triad Partnership, Denny Whiteheart, the head of research, the project would result in the creation of 67 indirect new jobs and would create a new annual income for the community of \$1.1 million dollars in payroll. He stated that the total annual, if included with the other multipliers, change in wages in the county would be \$2.5 million. Mr. Moss stated that if the multipliers for sales tax revenue for the whole county, and not Eden or the County in particular, increase in local property tax revenue applicable to Eden, and the direct increase in local property tax revenue by the

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company, there would be a total annual increase of \$96,000 with an approximate ten year projection of \$1 million in increased revenue to the community. Mr. Moss introduced Mr. Richard Beard of Development Advisors and Mr. Philip DeRissi from the company.

Mr. Beard, Development Advisors, stated that he was happy to be in attendance with Natural Care Labs, Inc. He said that the project had been looking in the Martinsville/Henry County area, as well as Rockingham County and some other locations. He stated that if this had been an incentive only type project, it would be in Martinsville today wrapping it up. He said that the decision was not made based on incentives only, although the assistance considered by the City Council and by Rockingham County and the state of North Carolina had certainly put a positive light on the clients decision to locate in Eden. He stated that the company also saw more benefit from a long term prospective than some of the other locations. Mr. Beard stated that he knew the shell building had been available for some time. He said that this was an example of "build it and they will come", adding that unfortunately, it took a long time for them to come. He explained that had the shell building not been in place, the company probably would not have considered Eden because of the short time frame. He stated that the company was excited about the location in Eden. Mr. Beard introduced Mr. Philip DeRissi, the facility manager for Natural Care Labs, Inc.

Mr. DeRissi advised that he would be the facilities manager for Natural Care Labs, Inc. in Eden. He explained that the company was a personal care products manufacturer. He stated they would be making mouthwash, hand cream, and shampoo. He said that the company had looked all over Rockingham County, Henry County, and pretty much all over the southeastern part of the United States. He stated that Eden seemed to offer the company the opportunity to grow along with the community. He stated that there were excellent city and county services, as well as excellent educational services in the county. Mr. DeRissi said that it just seemed like to place to grow with the company. He stated that in taking that into consideration, along with the nice looking shell building in Eden, the company decided that Eden would be the place for them. He thanked those in attendance for all the help given to them, as well as all the future help they would give, advising them that the company was just happy to be coming to Eden.

Mayor Price said that they extended the hand of welcome to him and his company and he thanked the company for choosing Eden, stating that he looked forward to being a very close partner with the company.

Mayor Price called the public hearing and asked if anyone would like to speak for or against the proposal. As no one spoke, he declared the public hearing closed.

Mayor Price explained that the second part of the performance agreement was as follows:

Consideration of a performance agreement between the City of Eden and Natural Care Labs, Inc.

A motion was made by Council Member Grogan seconded by Council Member Epps for approval (of the Performance Agreement).

Council Member Tudor stated that he had a question and it was one that he had been asked by citizens and he did not know how to answer. He stated that he, like the other Council Members, was thrilled that Natural Care Labs, Inc. wanted to come to Eden and Rockingham County. He questioned that as Eden was so close to the Virginia state line, when entering into these agreements and giving incentives to companies, could there be any guarantee that Eden citizens and Rockingham County citizens would be employed. Council Member Tudor advised that he did not know if it was legal to do that, however, there were so many citizens asking him that question who were looking for jobs.

Council Member Grogan asked if he (Council Member Tudor) were an employer, making an investment, who would he hire to which Council Member Tudor replied he would assume they would hire the most qualified people they would find.

Mr. Moss stated that Mr. Grogan was right, adding that goes from who the company purchases their supplies from, office, etc. He said that it was a free economy, a free

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market society, and those people with the skills that were applicable to the particular jobs at hand were the people that would be considered most readily. He stated that his suggestion for a response to the citizens was that if they felt like their skills were not as marketable as they should be because of being employed in one vocation for a long period of time, there was an excellent community college in the county. He stated that the community college had trained people for almost forty years. He said that same group would be the ones who would train people for this facility. He explained that they were working with the school system to identify where the workforce development skills were lacking with some of the individuals who had been displaced in the county, as well as what they could do to enhance workforce development. He stated that had been a key emphasis from the Governor on down to the local economic development effort. Mr. Moss said that it was the top item identified as something needed to work on in the 21st Century Initiative held last February. He said that while there were no guarantees, there were no guarantees in working for an existing company that a citizen of Eden or Rockingham County would get a job there either.

Council Member Tudor reiterated that he had been asked that question by citizens and of course, they were thrilled to have Natural Care Labs, Inc. want to come to Eden. He stated that he would hope that if there were two equally qualified employees, with one living in Virginia and one in Eden or Rockingham County, the local citizen would have preference at being employed.

Mr. DeRissi stated that they understood that people who worked and lived in the same community were happier people than people who had to drive 20, 30, or more miles to get to work. He said that he could say from personal experience that he was a lot happier when he lived where he worked. He stated that they expected to hire 100% of all the people, or at least the first wave of individuals hired and probably all individuals hired, through the training program at Rockingham Community College. He said they really did not expect to see people coming from out of state attending those classes. He said they expected at least 90% of those in the classes to be from the local area and the company expected to hire from those classes.

Council Member Grogan explained that he did not mean to be so short, but that people forgot a lot of times that this was a capitalistic society. He stated that the number one reason anyone was in business was to make a profit.

Council Member Gover asked for clarification on Paragraph B on Page 4 (of the Performance Agreement). He stated that Mr. Moss had been talking about 2003 but this had said 2004. He explained that his had been when Mr. Moss was giving the breakdown on the wages and employment, etc.

Mr. Moss said that he apologized and that there was a separation, just for clarification. He stated that the investment was to be completed by the end of 2003, according to the public hearing notice. He stated that employment qualification was 2004, January 1st. He stated that investment qualification was the end of calendar year 2003. He stated that in essence there was a one day difference.

Mr. Beard stated that when they did an analysis, they were interested in the available workforce in the community. He said that he knew the City was in a tough situation with a lot of these projects because the City was dealing with unemployment and there was 12,14,15% unemployment just up the road. He noted that he encouraged his clients to stick with the local workforce. He stated that there were no guarantees but in today's environment, there were so many people looking for jobs it was a lot easier to fill the positions within the community than around 4 years ago when unemployment rates in some areas were much lower. He stated that when he was in Greensboro in economic development, when selling the labor force, he was selling Rockingham County and even up in Martinsville, because Greensboro had 1½ % unemployment. He said that they weren't doing that today but were trying to sell their 6% unemployment locally. He stated that it was a very valid concern and hopefully Council Member Tudor had gotten an answer to take to the citizens.

Council Member Gover stated that on the motion, if they could add that the City Attorney would have the final say if he had a question or two.

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Mayor Price advised that he understood that he had talked with the County Attorney and had mentioned everything was ironed out.

Mr. Moss stated that if Council Member Gover wanted one last review by the attorney, there shouldn't be any problem.

Action on the motion was as follows: All Council Members voted in favor of this motion. The motion carried.

ADDITION TO AGENDA:

Consideration to move from Stage IV Severe Mandatory Conservation to Stage III Moderate Mandatory Conservation.

A motion was made by Council Member Vestal seconded by Council Member Gover to add the above item to the agenda. All Council Members voted in favor of this motion. The motion carried.

Mr. Corcoran explained that the Water and Sewer Committee had met on August 28, 2002. He stated they had a special meeting to discuss the on-going drought situation. He said they had been looking at some alternatives for both the short and long term. He stated that one of the things discussed was that with the recent rains, along with the installation of the supplemental pumps, the City felt it was now in a position to roll back from Stage IV Severe Mandatory Conservation to Stage III Moderate Mandatory Conservation. He explained that it was the recommendation of the committee, as well as the staff.

Council Member Vestal added the City's problem was not a water problem, but basically a mechanical problem of getting the water out of the river. He explained that there was plenty of water but the City's pumps were just not set up to get the water out.

Council Member Tudor stated that he had a citizen call him the previous night with a concern that the City might not have water for new industry. He explained that he had answered the very same thing to the citizen ... that the City had plenty of water but just needed to get the pipes bent so the screens could get to it.

Mayor Price added that this could not be talked about without a special salute to the city staff and the people they brought in to take a look at the situation. He stated that they had done an excellent job of rising to the occasion and working extra hours to use their expertise and bring extra people in.

A motion was made by Council Member Tudor seconded by Council Member Grogan to approve the request. All Council Members voted in favor of this motion. The motion carried.

ADJOURNMENT:

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

Respectfully submitted:

Kim J. Scott
City Clerk

ATTEST:

Philip K. Price
Mayor