

CITY OF EDEN, N. C.

A special (retreat) meeting of the City Council, City of Eden, was held on Monday, March 8, 2004 at 8:30 a.m., in the Council Chambers, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	Philip K. Price
Mayor Pro Tem:	Christine H. Myott
Council Members:	Donna Turner
	Billy Vestal
	Bruce Nooe
	Jerry Epps
	C. H. Gover, Sr.
	Wayne Tuggle, Sr.
City Manager:	Brad Corcoran
City Clerk:	Kim J. Scott
News Media:	Kim Mitchell, <u>Eden Daily News</u>
Various City Department Heads:	

MEETING CONVENED:

Mayor Price called the special meeting of the City Council to order and welcomed those in attendance.

REVIEW OF CITY COUNCIL GOALS FOR FY 2004-05:

Mr. Corcoran explained that a list of goals submitted by the Mayor and City Council for the upcoming year dictated the agenda for today.

INDUSTRIAL DEVELOPMENT ISSUES – A VISION INTO THE FUTURE:

Before beginning a Power Point presentation, Mr. Corcoran thanked the following: The Partnership, Debbie Galloway, Dennis Asbury, Kelly Stultz, Bev O'Dell, Benny Sexton, Tammy Amos, Mike Dougherty, Lori Ford, Lisa Perry, and Heather Leavitt.

Mr. Corcoran presented the following information through a Power Point presentation:

Benefits of Economic Development:

- * Creation of jobs through new and expanding industry
- * Multiplier Effect – Each job created results in generation of 2.9 additional jobs to recent study completed by Piedmont Triad Council of Governments (PTCOG)
- * Creation of new investment
- * State (sales and use tax, payroll tax, corporate income tax)
- * Local (sales tax, real estate tax, business personal tax)

NCEDA - Economic Development Handbook:

"Making North Carolina's Economy Competitive"

- * Must have a product to sell when an industry is looking
 - * Existing industrial buildings
 - * Ready-Go-Sites with infrastructure in place, approvals & permits granted and site development ready to proceed
 - * Certified Industrial Site (CIS) program - Designed to ensure basic level of site readiness

Mr. Corcoran pointed out that the key to being successful is being prepared.

Site Selection:

- * Central focus - Always the prospect
- * Location and search analysis includes 3 primary steps:

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- * Define critical project drivers (ability to reduce labor costs, availability of a trained workforce, special needs – water, sewer, rail, and access to an existing customer)
- * Develop selection criteria (what that company has to have to consider an area)
- * Conduct location selection (target specific geographic areas that they are interested in that match up with the minimum requirement that they are seeking)

Top 5 Decision Making Factors for Site Selection:

- * Labor force/cost of labor
- * Transportation and access (proximity to interstates, main highways networks, airport, rail)
- * State and local incentives
- * Start-up costs and timeframes
- * Quality of Life & proximity to major markets (recreational, shopping, housing)

How to get on prospect's "radar screen":

- * Understand what the prospect's specifications are for the project
- * Match the prospect's needs with assets and resources within the community - Develop our niche
- * Provide detailed data analysis and an enticing economic development package
 - * Demographics
 - * Labor
 - * Building and site profiles
- * Incentives
- * Training resources
- * Effective web sites

Mr. Corcoran stated that statistics are showing that more companies are doing their searches on web sites.

"You never get a second chance to make a first impression":

- * Community orientation
- * Confidential interviews with local employers (meetings will be set up with other industries to come in and hear about the experiences being observed by the current industries which is part of the reason you need to have a solid retention program. You need to keep the existing industries happy because it is those existing industries who will be talking to the new industries that are considering locating here.)
- * Meetings with local resources (example: community college, financial lending institutions, etc)
- * Visit candidate sites and/or buildings

Mr. Corcoran explained that they have a very limited amount of time so when someone comes here, there needs to be a plan of action as far as what properties to show.

- * Community windshield tour (someone will be brought in to drive around with the prospect to show them different aspects of the community)
- * Project debriefing – identify action items

City of Eden Product:

- * What is currently available to market and/or develop?
 - * Existing buildings
 - * Existing sites

City of Eden Product - Evans Warehouse I:

Roundhouse Rd. (Off of Friendly Rd.)
. Square Footage: 100,000

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- . Year Built: 1983
- . Lease Price: \$.19
- . Sales Price: Negotiable
- . Distance from Interstate: 16.1 Miles
- . Closest Highway or Interstate: US 220 (Future 1-73/74)
- . Development Zone? Yes

City of Eden Product - Evans Warehouse I:

Pros

Good size/Inexpensive
Can be used for distribution
Can be subdivided
Evans Warehouse II

Cons

Location
Older building
Owner doesn't want to sell

City of Eden Product - Evans Warehouse II:

Roundhouse Rd. (Off of Friendly Rd.)

- . Square Footage: 60,000
- . Year Built: 1983
- . Lease Price: \$.19
- . Sales Price: Negotiable
- . Distance from Interstate: 16.1 Miles
- . Closest Highway or Interstate: US 220 (Future 1-73/74)
- . Development Zone? Yes

City of Eden Product -Evans Warehouse II:

Pros

Adequate size
Inexpensive
Can be used for distribution
Can be subdivided

Cons

Location
Older building
Owner doesn't want to sell

City of Eden Product - Pillowtex I -(Former Fieldcrest Blanket Mill):

- . Square Footage: 411,531
- . Year Built: 1979 and 1981
- . Lease Price: Negotiable
- . Sales Price: Negotiable
- . Distance from Interstate: 11.9 Miles
- . Closest Highway or Interstate: US 220 (Future 1-73/74)
- . Development Zone? Yes
- . Stalking horse auction sale

City of Eden Product - Pillowtex I - (Former Fieldcrest Blanket Mill):

Pros

Large building
Attractive
Many potential uses
Can be subdivided
Located in development zone

Cons

Location/transportation access
Auction process
Sewer issues

City of Eden Product - Pillowtex II -(Former Fieldcrest Decorative Bedding Warehouse):

- . Square Footage: 525,616
- . Year Built: 1966
- . Lease Price: Negotiable
- . Sales Price: Interstate: 11.9 Miles

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- . Closest Highway or Interstate: US 220 (Future I-73/74)
- . Development Zone? Yes
- . Stalking horse auction sale

City of Eden Product - Pillowtex II - (Former Fieldcrest Decorative Bedding Warehouse):

Pros

Large building
Attractive
Many potential uses
Can be subdivided
Located in development zone

Cons

Location/transportation access
Auction process
Sewer issues

City of Eden Product - Gildan Knitting Mill:

- . Square Footage: 140,503
- . Year Built: 1992 and 1998
- . Lease Price: \$2.25
- . Sales Price: Negotiable
- . Distance from Interstate: 10.2 Miles
- . Closest Highway or Interstate: US 220 (Future I-73/74)
- . Development Zone? Yes

City of Eden Product - Gildan Knitting Mill:

Pros

Good size
Attractive
Newer facility
Located in existing industrial park
Located in development zone

Cons

Ceiling heights
Not sub dividable
Broker not really motivated at this time

Mr. Corcoran noted that Gildan has a contract to use this facility through year 2005 which is part of the reason there is not a lot of effort to move this building at the present time.

City of Eden Product - K-mart Building:

- . Square Footage: 84,000
- . Year Built: 1975 and 1986
- . Lease Price: \$2.85
- . Sales Price: \$595,000
- . Distance from Interstate: 9 Miles
- . Closest Highway or Interstate: US 220 (Future I-73/74)
- . Development Zone? No

City of Eden Product - K-mart Building:

Pros

Adequate size
Good sales price
Ceiling heights

Cons

Retail space
Zoning = limited tenants
Older building
Upfit would be tremendous

City of Eden Product - Nova Yarns Building:

- . Square Footage: 142,622
- . Year Built: 1970, 1971, 1997
- . Lease Price: \$1.95
- . Sales Price: \$1,995,000
- . Distance from Interstate: 12.9 Miles
- . Closest Highway or Interstate: US 220 (Future I-73/74)

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. Development Zone? Yes

City of Eden Product - Nova Yarns Building:

Pros

Good size with expansion capabilities
Adequate ceiling heights
Natural gas tap
Proximity of rail
Located in development zone

Cons

Location/transportation access
Higher prices
Older building
Layout – broken up

City of Eden Product - Eden Industrial Center Site:

. Acres: 12.172
. Sales Price: Negotiable
. Distance from Interstate: 10.9 Miles
. Closest Highway or Interstate: US 220 (Future 1-73/74)
. Development Zone? Yes

Mr. Corcoran noted that he and Mr. Mike Dougherty recently met with the Plan Manager of Natural Care Labs and added that Natural Care Labs was talking about an expansion which they have plenty of room to do in the back.

City of Eden Product - Eden Industrial Center Site:

Pros

Location/transportation access
Located in existing industrial park
Located in development zone
Availability of rail
Topography
Already owned
Close proximity of utilities

Cons

Small – could limit growth
Subsurface geotechnical analysis
needs to be completed prior to
development

Mr. Corcoran noted that there has been a limited amount of soil boring work done on this site and it would probably be worthwhile to do a little more exploration.

City of Eden Product - New Street Site:

. Acres: 10.58
. Sales Price: \$5,000 per acre
. Distance from Interstate: 11 Miles
. Closest Highway or Interstate: US 220 (Future 1-73/74)
. Development Zone? Yes

City of Eden Product - New Street Site:

Pros

Could work for commercial use
Flat
Close proximity of utilities

Cons

Small for industrial type use
Location/transportation access

City of Eden Product - French Farm Site:

. Acres: 240
. Sales Price: \$10,000 per acre
. Distance from Interstate: 12.3 Miles
. Closest Highway or Interstate: US 220 (Future 1-73/74)
. Development Zone? Yes

City of Eden Product - French Farm Site:

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Pros

Beautiful location/transportation
Flat
Proximity of rail
Natural gas tap
Location in development zone
Close proximity of utilities

Cons

Location/transportation access
Road extension into property
estimated to be expensive
Extension of utilities into park
estimated to be expensive
Rock potential
No option despite on-going
marketing efforts

City of Eden Product Nelson Farm Site:

- . Acres: 87.22
- . Sales Price: \$10,500 per acre
- . Distance from Interstate: 10.9 Miles
- . Closest Highway or Interstate: US 220 (Future 1-73/74)
- . Development Zone? Yes

City of Eden Product - Nelson Farm Site:

Pros

Good size property
Proximity of rail
Location/transportation access
four lane Meadow Rd. frontage
Significant preliminary engineering
work has been completed
Potential for phased development
Close proximity of utilities
Located in development zone

Cons

Asking price is costly for
undeveloped land

City of Eden Product - Pillowtex Sites (Hopkins Lumber Properties):

- . Acres Site 1: 85.4
- . Acres Site 2: 133.9
- . Acres Site 3: 194.4
- . Sales Price Site 1: \$4,500 per acre
- . Sales Price Site 2: \$4,500 per acre
- . Sales Price Site 3: \$5,000 per acre
- . Distance from Interstate: 11.9 Miles
- . Closest Highway or Interstate: US 220 (Future I-73/74)
- . Development Zone? Partially

City of Eden Product – Pillowtex Sites (Hopkins Lumber Properties):

Pros

Good size property
Partially located in development zone
Close proximity of utilities
Close proximity to electrical substation

Cons

Location/transportation access
Odd shaped property
Part of site located in flood plain
State road expansion costs

City of Eden Product - Webster Brick Site -Berry Hill Rd.:

- . Acres: 50
- . Sales Price: \$10,000 per acre
- . Distance from Interstate: 13.5 Miles
- . Closest Highway or Interstate: US 220 (Future 1-73/74)
- . Development Zone? No

City of Eden Product - Webster Brick Site

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Pros

Rail served
Good size to market to individual client

Cons

Location/transportation access
Asking price is costly for undeveloped land
Steel frame structure remains onsite from brick manufacturing facility

City of Eden Product - Whitt Site:

- . Acres: 362 +/- - of which 204+/- is developable
- . Sales Price: \$3,000 per acre
(Adjusted every 3 years according to Consumer Price Index)
- . Distance from Interstate: 10 Miles
- . Closest Highway or Interstate: US 220 (Future 1-73/74)
- . Development Zone? No

City of Eden Product - Whitt Site:

Pros

Location/transportation access
Expansion capabilities
Significant amount of preliminary engineering has been completed
Sewer line located on Hwy. 87 sized to accept effluent from industrial waste

Cons

Large amount of undeveloped acres
Enormous cost
Proximity to utilities
Located in Dan River wetland
Perennial stream located on property
Unanswered questions = Additional cost

Eden Prospect Activity:

- *No. of visits to Eden in 2003:
 - * 10 (Already matched this in 2004, but some of this has to do with stalking horse auction at former Pillowtex sites)
- *Source of visits
 - * Web
 - * Department of Commerce
 - * Direct contacts
- *Why was Eden eliminated? (Mr. Corcoran explained that Heather Leavitt received comments that Eden was too far north, not located off of a major interstate, our highways access points were poor, and we were not close enough to the Greensboro airport. She informed Mr. Corcoran that a lot of industries have a 30 minute threshold in terms of wanting to be that close to an airport.)
- *What are they looking for? (Mr. Corcoran stated when they come here, they look for labor force, is it available, is it trained, the cost, access to highways, available infrastructure, is it in place, what type of incentives. (Inaudible). . .land and newer facilities.)

Mr. Corcoran noted that in talking with an economic developer in Henry County, Virginia, he learned that Virginia deals in cash while North Carolina deals in (tax) credit. He noted that Virginia was so aggressive that they would give upfront cash as well as tax credit.

*Who are we competing with?

Piedmont Triad Product:

- * 11,700,188 square feet of total available space
- * 37,271 total available acres
- * Rockingham County has 595,444 sq. ft. of available space and 2,526 available acres
- * Greensboro has 4,589,222 sq. ft. of available space and 22,408 available acres
(NOTE: Industrial only – does not include office space)

Pittsylvania and Henry County Virginia Product:

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- * Pittsylvania County (Danville)
- * 1,261,727 sq. ft. of total available space
- * 2,778 total available acres
- * 4 industrial parks
- * Henry County (Martinsville)
- * 3,108,213 sq. ft. of total available space
- * 418 total available acres
- * 1 industrial park

Mr. Corcoran then showed a map of the Piedmont Triad and Virginia Product Map.

Unique Products to Develop:

- * What unique products can Eden develop to add value to the community and set itself apart from the competition?
 - * Expansion?
 - * Industrial Park?
 - * Shell Building?
 - * Virtual Shell Building program?
 - * Ready-Go-Site?

Expansion of Existing Industries?

- * Statistics reveal that 85%-90% of all new jobs come from existing industries and employers within a certain market area.
- * An effective existing industry retention/expansion/appreciation program is vital.
- * The Partnership has not filled the existing industry staff position.

Industrial Park?

- * Discussions began in 1998
- * Study conducted by Development Advisors, Stimmel Associates & The Partnership
- * Eight sites examined – Whitt Site top recommendation based upon cursory review
- * City Council voted to proceed with Whitt Site in September 2000 during strong economic period.
- * Plan developed to engineer, design, permit and construct park in three phases.
What has been done on the park to this point?

Mr. Corcoran then reviewed the following tables prepared by Stimmel Associates:

Phase 1 Timetable -November 17, 2003 Stimmel Associates

Onsite/Offsite Components	% Complete	Target Completion Date
Mass Grading & Erosion Control – Onsite	90%	February/March 2004
Stormwater Management – Onsite	50%	February/March 2004
Street Plan & Profiles (including Water Distribution, Storm Drainage, and the Sewer Collector for Lots 1&2 – Onsite)	90%	February/March 2004
“Off-Street” Sewer Collector – Onsite	95%	February/March 2004
Pump Station & Force main – Onsite	20%	February/March 2004
“No Rise Study” for the Culvert Crossing on the Tributary to the Dan River - Onsite	50%	February/March 2004
Dan River Bore – Offsite	0%	February/March 2004
Matrimony Creek Sewer Outfall Extension – Offsite	0%	February/March 2004

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Soil Borings for Sewer Outfall – Offsite	0%	February/March 2004
Wetlands & Stream Delineation for Sewer Outfall- Offsite	0%	February/March 2004
Survey Sewer Outfall	0%	January 2004

Phase I Timetable November 17, 2003 – Stimmel Associates:

Permit	Time	Permit Expiration
Erosion Control	2 Months	3 Years to Begin Work
Water System Extension	2 Months	2 Years to Begin Work
Sewer System	3 Months	No Expiration
Pump Station & Force Main	4 Months	No Expiration
Stormwater Management	2 Months	No Expiration
Driveway Permitting	1 Month	90 Days to Begin Work
Utilities Encroachment	2 Months	90 Days to Begin Work
Stream/Wetland Permitting	404 & 401 Permits are issued for onsite imparts	

Industrial Park?

- * Exclusive right and option to purchase agreement
- * March 18, 2002 – March 18, 2017
- * Purchase Price = \$3,000 per acre
- * Price adjusted every 3 years based on CPI

Mr. Corcoran explained that on March 18, 2005 that \$3,000 per acre would no longer be valid.

- * Minimum purchase = \$100,000
- * Six month timber rights clause

Mr. Corcoran explained that the timber rights clause basically says they have the right to timber for six months before the city can get access to the property once the option is exercised.

Industrial Park?

- * Approximately \$166,430 has been spent on the park to date by the City and County.
- * In 2002, the Partnership estimated a total cost of \$10,500,000 for all three phases of development (204 acres of developable land or \$51,471 per developable acre.)
- * First right of refusal options to purchase up to an additional 1,337 acres is already in place in the event the first three phases of development were successful.

Industrial Park?

- * Phase I initially involved 64+/- acres of developable land, but has now been reduced to 51.96+/- acres due to flood plain/wetland issues.

Mr. Corcoran noted that the road has now been moved further over to the right coming immediately parallel to the sandpit and comes across the wetland issues, and there was the area that before was going to be part of the developable acreage. Stimmel and Associates have taken that and said basically that 12 areas was unusable. Mr. Corcoran explained that now they have gone from 64+/- acres to 51.96.

- * Conservative cost estimate to development Phase I (all 51.96 acres per Mr. Corcoran) is \$5,699,679 or \$109,116 per developable acre.

Questions to be Answered:

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- * Access?
- * Water?
- * Wetlands?
- * Satellite Annexation – Yes or No?
- * Zoning?
- * Where to get the money?

Questions to be Answered:

* **Access?**

- * Will NCDOT require a payment to purchase an access? If so, how much?
- * Would the payment, if required, be based on an appraisal of all land under option or land purchased for the initial development?
- * Swamp land adjacent to entrance and wetlands on site preclude putting entrance elsewhere
- * NCDOT has indicated they will not fund construction of entrance.

* **Water?**

- * Who will supply water – City of Eden or Dan River Water, Inc.? (Legal Issues)
- * Experts have stated existing 8” line is insufficient and we will need to install a new 12” line

* **Wetlands?**

- * Dan River flood plain encroachment approval still needs to be obtained = time/money.
- * 350,000 cubic yards of fill will be required for Lot 1 & 2, and to build the storm water pond. The pump station site and access road will have to be filled as well.
- * Final approval would be required from Rockingham County on flood plain encroachment issues.

* **Satellite annexation – Yes or No?**

- * Makes no sense to spend millions of taxpayer dollars and then leave the park outside the city limits.
- * If satellite annexation is not pursued, a comprehensive revenue sharing agreement between the City and County should be executed.

* **Zoning?**

- * Due to the park’s proximity in relation to the City’s raw water intake, zoning and land use regulations would need to be administered by the City.
- * Satellite annexation or inclusion in the City’s ETJ.

* **Where to get the money?**

- * County and City have agreed to split costs.
- * Competition for grant money is very tight – no guarantees – very difficult environment.
- * Limited financial resources coupled with desire to maintain current taxes and rates + number of infrastructure projects needing immediate attention + costs already known combined with incomplete information on all remaining costs = A very problematic situation!

Reidsville Industrial Park:

- * Park development initiated in 1998
- * 316+/- acres, of which 257+/- is developable
- * 2004 North side is complete and the south side is partially complete
- * As of year end 2003, City and County have spent:
\$7,233,523 (\$28,146 per developable acre)
- Grants
\$5,383,523 (\$20,948 per developable acre) or
\$2,691,761 each for land acquisition, engineering, permits and infrastructure

Shell Building?

- * 2 Existing shell buildings in the County, but none in Eden

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- * Angelou Economics comments
- * Reidsville's last experience

Mr. Corcoran explained that Reidsville went to The Partnership and told them that they wanted a shell building. The Partnership then sent out RFP's to five different possible companies and they only received a reply from one. That one said they would be willing to do a shell building if it is done their way. In the end, The Partnership was not interested and they did not do that.

Mr. Corcoran also noted in talking with Mr. Tom Robinson, County Manager, last week that Mr. Kelly Almond, Reidsville Manager, had approached the County about doing a shell building.

Mr. Corcoran noted that Eden's shell building sat vacant for quite a period of time and in the end, it was basically given away. He informed the Council that if they do a shell building then they need to go into it knowing that the return on investment is not guaranteed. On the other hand, Mr. Corcoran noted that they could talk with the owner of Natural Care Labs, and he would tell them that he would not be here today had it not been for a shell building. He added that there were good points as well as not so good points to make regarding a shell building.

- * ROI is not guaranteed
- * Natural Care Labs

Mr. Corcoran then referred to a Piedmont Triad and Virginia Product Map through powerpoint indicating shell buildings.

Shell Building?

- * Advantage of an actual shell building
- * Brings in prospects to a community that would not have otherwise visited – a benefit in activity thanks to having a building in place.

Mr. Corcoran noted that he and Mr. Dougherty had been told by many economic development people that they would have a shell building at all times and they do not care if they move it or not. Because having a shell building is what gets them (prospects) into a community. Now on the web pages a lot of companies will do a search for communities that have a shell building and if someone doesn't have a shell building, then they do not even show up on their radar. Mr. Corcoran explained that one advantage was that it does bring in prospects.

- * Surry County has a 70,000 sq. ft. shell building that is expandable to 140,000 sq. ft.
- * The shell building has been in place for two years. (It is noted that this building has brought in many prospects that would not have normally visited the area)

Mr. Corcoran added that Surry County, for example, has a 70,000 sq. ft. shell building expandable to 140,000 sq. ft. that has been in place for two years. Mr. Corcoran stated in talking with them, they noted that building had brought in many prospects that would not have normally visited the area.

Virtual Shell Building Program?

- * Designed for communities that believe a shell building is a necessary part of the marketing effort to attract new and expanding industries, but limited resources and/or the risk of a long vacancy period prevents investment in shell building construction.
- * Virtual shell building represent the cutting edge of technology. CD's are made and utilized in targeted marketing mailings. Some experts say this represented the future and is beginning to make the conventional shell buildings obsolete.

Mr. Corcoran noted that in Virginia virtual shell building programs are recognized and supported by their state office of economic development. In the North Carolina, they are not. The Department of Commerce in North Carolina has not even advanced itself yet to the point that they are accepting and marketing this program. Yet, you can see community after community in North Carolina that are doing it. You can also see

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economic developer after economic developer that are doing it. Mr. Corcoran noted that some experts told them that this represents the future and is beginning to make the conventional shell building program obsolete. Mr. Corcoran noted that Surry County has a shell building, but they also have a virtual shell building.

- * Surry County has a 100,000 sq. ft. virtual shell building program in place on a 23 acre site. It has been in place for three months.

Virtual Shell Building Program?

- * The Surry County virtual shell has an earth pad that can be adjusted to prospect requirements; no footings have been poured.
- * The virtual shell has been presented to three prospects who reacted favorably to the concept, but were each seeking an existing building.
- * Osborne Construction Co. will be here later this morning to give a demonstration on this new technology. I have met with Mr. Brian Freeman and Mr. Joe Joseph of Osborne Construction Co. on two occasions over the course of the past few weeks and am very impressed with the virtual shell building program and its potential as an effective marketing tool.
- * I have obtained information on the virtual shell building program offered by Facilities Corporation of America

Ready-Go-Sites:

- * Properly zoned
- * Access/transportation
- * Full infrastructure in place
- * Cleared
- * Pre-graded
- * Permitted
- * Rail service is a plus
- * Location in a development zone is a plus

Partnership Recommendations:

- * Rockingham County Partnership for Economic & Tourism Development presentation on February 12, 2004 concerning City of Eden industrial development issues.
- * Recommendations:
 - * Do not develop an industrial park at this time.
 - * Develop a minimum 25 acres "ready-go-site" on the Whitt property, and the development of a master plan for the remaining acreage IF we are able to get answers to all of the unanswered questions and the cost of the 25 acre "ready-go-site" is not cost prohibitive.
- * Concurrently, develop virtual shell building program to market the remaining site in the Eden Industrial Center Park.

Follow-up on Partnership Ready-Go-Site Recommendation:

- * February 13, 2004 – Contact Stimmel Associates about costs and issues associated with developing 25 acre "ready-go-site" on Whitt site.
- * February 27, 2004 – Correspondence dated February 25, 2004 received from Stimmel Associates verifies the inability to develop a single 25 acre "ready-go-site". Lots 1 & 2 can be combined to equal a 20.82 acre site.
- * March 1, 2004 – Updated large maps received in mail from Stimmel Associates outlining new configuration of Phase I due to existing wetlands issues.

Follow-up on Partnership Ready-Go-Site Recommendation:

- * Stimmel Associates cost estimate for grading, erosion controls, stormwater management, utilities, storm drainage, street construction and offsite water main extension to 20.82 acre site is \$3,618,511. (This does not include remaining engineering, permits, land acquisition, some additional earthwork and clearing costs, CIS costs, costs associated with unanswered questions and legal issues/fees.)

Follow-up on Partnership Ready-Go-Site Recommendation:

- * Stimmel Associates stated:
- * "Due to massive grading requirements for the site, this smaller area will come at a

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much higher unit development cost (per acre) than the full 51.96 acres originally planned for Phase I.”

- * “We calculate that 350,000 cubic yards of fill material are required to fill the Lot 1 & 2 area and to build the stormwater pond, but only 65,000 cubic yard of cut are available in that area.”

Follow-up on Partnership Ready-Go-Site Recommendation:

- * Stimmel Associates stated:
- * “The installation of the pump station, sewer main and force main will require area along lower perimeter to be filled also. Earthwork for this has not been calculated. Clearing acreage has also not been calculated since the exact borrow area is not know”
- * We will have to install the culvert at the creek crossing in order to get the sewer line across the creek to the pump station.”

Cost Breakdown Comparison- Conservative

Description	Partial Phase I (20.82 Acres Developable Land)	Phase I (51.96 Acres Developable Land)
Grading, Erosion Controls & Stormwater Management	\$1,365,113	\$1,934,896
Utilities, Storm Drainage & Street Construction	\$1,483,645	\$1,929,030
Offsite Water Extension to Site	\$769,753	\$769,753
Land Acquisition @ \$3,000/Acre	\$193,500	\$486,000
Other – Engineering Permits, Earthwork, Clearing Costs, Unanswered Questions, Disclaimers, & Legal Issues/Fees	\$450,000+	\$550,000+
TOTAL	\$4,262,001+	\$5,669,679+
Price per Acre of Developable Land	\$204,708+	\$109,116+

Conclusions:

- * If transportation and access is a prospect’s most important consideration, Eden will be hard pressed to complete.
- * The Piedmont Triad and Virginia Product Map previously displayed highlighted the number of sites and facilities that are already in close proximity to desired transportation networks.
- * A detailed survey of actual driving distances to US 220 and US 29 revealed minimal differences in driving distances from various sites.

Distance from Major Transportation Networks:

Sites	Distance to US 220 Future I-73/74	Distance to US 29
Whitt Site	10.0 Miles	13.2 Miles
Nelson Farm	10.9 Miles	14.6 Miles
Eden Industrial Center	10.9 Miles	14.6 Miles
French Farm	12.3 Miles	16.0 Miles
Hopkins Lumber	11.9 Miles	15.6 Miles

Conclusions:

- * Our strengths include the availability of water and sewer service, rail access and our existing industries. (Example: If a prospect needs a substantial amount of water, Eden becomes very attractive and transportation/access issues become less important.)
- * We need to continue our support for various transportation related initiatives, including the widening of Highway 14 to US 220 in Virginia and the feasibility of an east-west connector between East Harris Place and New Street.

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Minutes of the March 8, 2004 special meeting (retreat) of the City Council, City of Eden continued:

Conclusions:

- * We need to work closely with the Partnership to promote targeted marketing in an effort to highlight and promote Eden's strengths.
- * We need to decide what type of industries offer a "good fit" and pursue them aggressively.
- * Many decisions are made prior to an actual client visit. Web pages are becoming increasingly important and we need to make sure we are updating and enhancing our web site as it relates to economic development information on a regular basis.

Recommendations:

- * Existing Buildings:
 - * Continue marketing efforts geared at finding tenants for existing buildings.
 - * Contact State representatives about the possibility of NCDOT Economic Development Transportation funds for the upgrade and widening of New Street (\$150,000+/-) to meet NCDOT standards on truck traffic for new tenants at the former Fieldcrest Blanket Mill and the former Fieldcrest Decorative Bedding Warehouse.

Recommendations:

- * Existing Industries:
 - * Work with the Partnership to develop an effective retention, expansion and appreciation program.
 - * Encourage the Partnership Executive Board and Board of Directors to re-establish the existing industry full-time staff position.

Mr. Corcoran noted that 85-90 percent of new jobs come from existing industry and the Partnership has eliminated the one position that is designed to support that effort. It makes no sense and Eden needs to get behind an effort to get that position filled.

- * Encourage visitations to companies inside Eden, Rockingham County and within a 60 to 70 mile radius to identify those companies who offer the greatest opportunity for expansion.

Recommendations:

- * French Farm Site:
 - * Complete the 31 additional soil borings.
 - * Pursue a first right of refusal option to purchase if soil boring are deemed to be on favorable for development.
 - * Cease marketing efforts if soil borings are deemed to be unfavorable for development

Recommendations:

- * Hopkins Lumber Site
 - * Work with Rural Planning organization (RPO) and NCDOT to investigate long term feasibility of an east-west connector from East Harris Place to New Street.

Recommendations:

- * Hopkins Lumber Site (cont'd):
 - * Pursue a first right of refusal option to purchase so that the sites can be marketed.
 - * Pursue upgrade and widening of New Street to 24 ft. minimum width which would meet NCDOT standards for truck traffic.

Recommendations:

- * Whitt Site – 2000 Conditions:
 - * There have been significant changes to the economic climate and the availability of financial resources.
 - * In 2000 the economy was robust, unemployment was down, Spray Cotton Mills, Santee and Pillowtex were still in operation.
 - * The decision in 2000 was based upon the best information available at the time.

Recommendations:

- * Whitt Site – Current Conditions:
 - * In 2004 the economy is weaker and is still feeling the effects of 9/11 and NAFTA.

Minutes of the March 8, 2004 special meeting (retreat) of the City Council, City of Eden continued:

While the economy is slowly improving, we still have a long way to go.

- * In 2004 financial resources are limited, unemployment is up, we have experienced plant closings and many questions remain to be answered.
- * The design and engineering work that has been completed over the past 3 ½ years has revealed many unanticipated obstacles and costs.

Recommendations:

* Whitt Site:

- * The cost to develop an industrial park has got to be considered in conjunction with the multitude of infrastructure needs currently facing our city.

Recommendations:

* Whitt Site:

- * The estimated cost (conservative) to development Lots 1 & 2 (combined 20.82 acres of developable land) is estimated to be approximately \$4,262,011 + or \$204,798 + per developable acre.
- * The estimated cost (conservative) to develop all of Phase I (combined 51.96 acres of developable land) is estimated to be approximately \$5,669,679 + or \$109,116+ per developable acre.
- * The estimated cost to develop the entire park (Phase I, II & III – combined 204 acres of developable land) is estimated to be approximately \$10,500,000 or \$51,471 per developable acre. It should be pointed out that the top two estimates are up-to-date while the third estimate is over two years old.

Recommendations:

* Whitt Site:

- * Projected project costs, the change in economic conditions and the availability of limited financial resources for both the City and County, coupled with the immediate need to face other infrastructure needs, makes it impossible for me to recommend that we currently proceed with this development.
- * The existence of an exclusive right to purchase option until March 18, 2017 would allow this site to be considered again in the future, once, and if other sites have been developed, existing infrastructure needs inside the City have been adequately addressed and an overall improvement in the economy has been realized.

Recommendations:

* Eden Industrial Center Site:

- * Complete a preliminary subsurface exploration and geotechnical engineering analysis to verify suitability of site for development.

Mr. Corcoran showed a map of the site showing where rock is believed to be. They went in and sized what building could fit between the rock and the stream land and came up with a 64,000 sq. ft. building expandable to 128,000 sq. ft. Mr. Corcoran noted that a lot of the rock they see out there today was not on the site as it was hauled from Loparex and Natural Care Labs and stacked over there. There have been limited soil borings done, but they feel that before they proceed totally, more exploration is needed.

- * If geotechnical engineering analysis is acceptable, proceed with developing the 12.172 acre site as a “ready-go-site” at a projected cost of \$294,796+/-
- * Implementation of a virtual shell building program at a projected cost of \$30,000+/-
- * Set aside and earmark \$1,011,110 for the construction of a 64,000 sq. ft. shell building that would be expandable to 128,000 sq. ft. in the event the virtual shell building program fails to yield the desired results. If these funds are not needed, they can be utilized to develop another “ready-go-site”.

Mr. Corcoran suggested trying the virtual shell building program because once a shell building is done, there are a lot of disadvantages. He explained that if they had a virtual shell building, and permits in place, they could get that building up in 60 days.

Mr. Nooe asked if the cost of the virtual building (\$30,000) would go toward the construction cost to which Mr. Corcoran noted that \$15,000 would if they go through Facilities Corporation.

Minutes of the March 8, 2004 special meeting (retreat) of the City Council, City of Eden continued:

Recommendations:

* Nelson Farm Site:

- * On February 25, 2004, Mr. Mike Dougherty, Director of Business Development, Mr. Dennis Asbury, Director of Public Utilities, and Mr. Corcoran met with Ms. Lisa Perry, Partnership President, Mr. Mark Bishopric, land owner, and representatives from his consulting engineering firm SAMET Corporation.

Recommendations - Nelson Farm Site:

Description: 87 +/- acres east of and adjacent to Miller Brewing Company, East Meadow Road
Zoning: 1-2 (Industrial)
Frontage: 600 +/- LF on East Meadow Road
600 +/- LF on Hundley Drive
Access: East Meadow Road/ NC 770
(NC 770 East to NC 14 Interchange)
Rail: In close proximity of property
Watershed/ Stormwater Water supply watershed regulations not applicable
Build upon limits for watershed not applicable
Water: 16" City of Eden main in East Meadow Road with 10" stub out at property
Sewer: 8" City of Eden outfall at East Meadow Road intersection with Hundley Dr.

Recommendations:

. Nelson Farm Site:

- . Natural Gas: 4" steel Piedmont Natural Gas line in East Meadow Road
- . Power: 12.5k VA 3-phase overhead on East Meadow Road;
7200 volt single-phase overhead from Hundley Drive crossing northeast corner portion of site
- . Topographic Mapping: Aerial photogrammetry flown and 1-foot contours mapped, completed February & March, 2002
- . Geotechnical Investigation: Six preliminary borings, completed May 22, 2002
Auger refusal was encountered at depths of 14'-0", 14'-1", 11'-5", 10'-2", 13'-0" and 12'-0"
- . Environmental Investigation: Phase I Environmental Site Assessment, completed May 13, 2002

Recommendations Nelson Farm Site:

. Stream & Wetland

Determination: Streams/wetlands identified in the field and confirmed with US Army Corps of Engineers, completed May 8, 2002. Preliminary discussions with US Army Corps of Engineers have been favorable.

. Wetland

Delineation To be completed within 30 days
(Flagging):

- . Boundary Survey: Underway, to be completed within 30 days
- . Wetlands Mapping: To be completed with 30 days
- . Master Development Plan: Completed May 20, 2002 – Variety of conceptual plan layouts have been completed

Mr. Corcoran then presented a map of the Nelson Farm Site – Conceptual Plan 1, Plan 2 and Plan 3

Recommendations – Nelson Farm Site:

- * SAMET Corporation was selected by the owner to market the property, to manage the design and permitting of the project, and to construct the park infrastructure and buildings.
- * A small portion of the site is already located within the City limits, although the majority of the property is located in Rockingham County. The site currently consists of undeveloped wooded land and fields with dense vegetation and limited visibility in the wooded areas.

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Minutes of the March 8, 2004 special meeting (retreat) of the City Council, City of Eden continued:

Recommendations – Nelson Farm Site:

- * Additional meetings concerning this site involving various members of City staff, Ms. Lisa Perry, Partnership President, Ms. Heather Leavitt, Partnership Vice-President, Mr. Mark Bishopric, land owner, and representatives from SAMET Corporation have been held since March 1, 2004, in an effort to obtain additional information.
- * On March 5, 2004, a preliminary project development budget for all engineering, permitting, design and infrastructure development was received. Mr. Keith B. Price, Jr., P.E., Director of Pre-Construction Services, submitted a total cost estimate of \$1,057,345.

Recommendations – Nelson Farm Site:

- * Complete remaining "due diligence" work including additional soil borings.
- * Verify cost estimates associated with developing this property.
- * If remaining "due diligence" work and cost data is acceptable:
 - . Immediately pursue an exclusive option to purchase so this site can be developed and marketed.
 - . Timber all of the property and allocate the funds necessary to develop half of the property as a "ready-go-site". Once the "ready-go-site" has been completed, a virtual shell building program should be implemented for targeted marketing efforts.

Recommendations – Nelson Farm Site:

- * Initiate a targeted marketing campaign aimed at water intensive type industries such as food processing. The existence of Miller Brewing Company as a "next door neighbor" should speak volumes about the quality of Eden's water.
- * Contact Rockingham County about cost sharing on the development of this project if the City decides to proceed.
- * Pursue the acquisition of grants to help offset a portion of the development costs.
- * Pursue a satellite annexation of revenue sharing agreement.

Recommendations – Nelson Farm Site:

- * On March 3, 2004, I met with Ms. Lisa Perry, Partnership resident, Ms. Heather Leavitt, Partnership Vice-President, and Mr. Mike Dougherty, Director of Business Development, to review a rough draft of the PowerPoint presentation and to discuss the conclusions and recommendations I have formulated for Council's consideration.
- * I asked Ms. Perry and Ms. Leavitt to give me their honest and objective opinions as economic development experts.

Recommendations – Nelson Farm Site:

- * Both Ms. Perry and Ms. Leavitt gave me permission to use their names at the conclusion of this presentation to inform each of you that they are in full agreement with each of the conclusions and recommendations set forth in this presentation.
- * On Friday evening, March 5, 2004, I had a telephone conversation with Ms. Perry to share the preliminary budget figures I had received concerning the Nelson Farm Site. She wanted me to convey to the Council that she would have been at the presentation had she not had previous plans to be in Detroit. She reiterated her full support for each of the conclusions and recommendations that have been offered for your consideration.

Keys to Success – A Vision Into the Future:

- * Support existing industries - retention, expansion and appreciation
- * Market community strengths selectively to targeted markets - develop that niche!
- * "Product" has got to be available at all times
- * Ready-Go-Sites and marketing of existing facilities is essential
- * Virtual shell/shell building program at all times
- * Effective use of limited financial resources and web sites
- * See our community through the eyes of the prospect - What are our strengths? What are our weaknesses?

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Minutes of the March 8, 2004 special meeting (retreat) of the City Council, City of Eden continued:

* Keep moving - this is a continuous journey

Mayor Price asked if Mr. Mark Bishopric had priced his property to which Mr. Corcoran noted that his asking price was \$10,500 but he had told them that, that (figure) was not firm.

Mr. Corcoran noted that there had been no other discussions with Mr. Bishopric; however, they believe that he was willing to come off of that figure sufficiently.

In response to a question by Mayor Price as to how much the development cost per acre was, Mr. Corcoran replied it was 1 million, whatever it was, for 87 acres. He stated they thought it would be a little presumption to go and start negotiating a price, if the Council wanted to pursue it.

Council Member Turner asked if this property just came out of the blue to which Mr. Corcoran told him that he has always had his property, but he (Mr. Corcoran) was not here and did not know if it was looked at before or not, but until he (Mr. Corcoran) called him, no one had called him.

Mr. Corcoran also explained that Ms. Lisa Perry's thought was it would be better not to do all of the small sites, from a marketing standpoint, as an expert, developing it as two tracts or possibly one tract and really going after water intensive type industries like food processing companies. With Miller Brewing next door, she thought that was the best way to market it. Mr. Corcoran noted there were all sorts of things that could be done with it.

Mr. Corcoran added if the Council decided not to do that, and just did the phase development then they could go ahead and do lots one, two and three for basically no cost. It would be very little as the utilities are right there, and they could just run the road in, grade it, and then they would be ready to go. Mr. Corcoran noted that Ms. Perry felt like from a marketing standpoint, that this should be done in two sites.

Mrs. Stultz added that Mr. Corcoran spoke of zoning earlier, this piece (of property) is already within the city's planning jurisdiction, so it is covered under all of the Land Use Regulations. She added to the best of her knowledge when the folks were looking at all of the sites in the mid to late 90's, she did not think this one was looked at, but it was something done apart from city staff. Mr. Thomas was manager then and city staff was not involved in this part.

Mayor Price noted that people with large tracts of land were contacted if they wanted to participate. He noted that then the land was chosen based on availability of services

After figuring, Mr. Corcoran reported that by taking \$1,057,000 divided by 87, that was approximately \$12,150 per acre. He added that even if they were are \$10,500 which was what Mr. Bishopric was asking today, they were at \$22,600 which is less than what the Reidsville Park cost. Mr. Corcoran pointed out that was just SAMET Corporation's estimate and they received it on Friday which did not give Mr. Corcoran a chance to ask them. . .

Mr. Corcoran then referred the Council to a colored map in their information notebook after the question portion which was the map seen in the presentation. That map was immediately followed by the information from SAMET. Their cost estimate along with the different drawing was included. Also included was the written quote from Osborne Construction concerning the virtual shell site prep at Eden Industrial Center and Shell building. He also called attention to information from Facilities Corporation of America on their virtual shell building program and recent correspondence Mr. Corcoran received from Mr. Neal Tucker outlining the costs of the 20.82 acre site and the maps.

Council Member Epps asked if this were to considered, New Street would definitely have to be done to which Mr. Corcoran replied that New Street was in a different place from this. Council Member Epps noted he understood, but to keep the traffic from coming down Meadow Road. . .

Mrs Stultz added that Meadow Road was one of the few roads designed for that to which

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Mr. Corcoran noted there were also Nova Yarns and the French Farm. He added if the French Farm was developed, that would be the same type of development.

Council Member Epps replied he was thinking about Harris to New Street coming out in front of Miller which would be a great asset for trucks coming from town on Hwy. 14.

Council Member Gover noted he understood there were people looking to develop the Hopkins property to which Mr. Corcoran noted there were rumors, but he did not know anything for sure; however, he heard that different people were looking. It was noted that it was for sale, however, Mr. Corcoran stated he did not know of any sales being made.

Council Member Gover stated he certainly agreed with Mr. Corcoran's push on widening New Street and Harris Place. He added he thought Mr. Corcoran did an excellent job on the Nelson property, it looked real promising.

Mr. Corcoran noted that there was one small 12.172 acre site left in the Eden Industrial Center. So where are they going next and that was what they attempted to answer. What really made the most sense and in their opinion, the Nelson Farm, hands down, is the direction to go, it wasn't even close.

Mayor Price stated, first of all, he intended to support any action the Council takes toward economic development as whatever is voted on, he will support whole-heartily. He stated that everyone knows that he supported the Whitt site and has for along time and frankly when it first came out he was not a very big supporter of it. Mayor Price noted that as time went on, he began to see what was happening to this community and it became very apparent to him that they needed to rest their case in where they wanted to be in the triad. He stated he thought the Fed-Ex program was coming along and it would be a big boom not only to Greensboro, but to all of this area, particularly bringing in manufacturers who can cut their costs without having to store their product, they can make it that day and ship it that night. He added that he liked that location because it was that side of town, truck traffic, you can talk with any professional trucker, and they do not like to drive through communities, but that is a different story. Mayor Price also stated that price-wise, these new revelations of costs certainly are high, but he thought they needed to look at the entire cost of the project as they knew very well that the first phase of the project was going to be very high.

Mayor Price then stated he did not think we (Eden) got a fair shake when the County, all made their offers, (saying) they will go partners on an industrial park for Reidsville and Western Rockingham and Reidsville joined hands very quickly and they took advantage of that. They also used some numbers of ours (Eden) to get some Federal money. Mayor Price explained that he had a conversation with a man who was part of that, located in a Federal agency in Kentucky, and met with him personally. This person's comment to Mayor Price was that there was money available from their agency once you get started and that was how Reidsville got going with theirs, but you have to have a viable contact. Mayor Price added that he thought it would be money from some of these projects that we could go to work, adding that he certainly would do what he could to get money for them. He added that the gentleman did look at where Eden and Rockingham County was based on what had happened in the last several years. Mayor Price noted that we have a red line drawn through Eden and Rockingham County where we can get preferential treatment from that agency. This gentleman also encouraged Mayor Price to meet with the congressmen about getting Eden's request built into the Federal budget. Brad Miller says that is Pork Barrel in any other district, but in ours it is money well spent and a good return on investment. He said one should not ignore money built into the Federal budget.

Mayor Price closed in saying, again, he supported this, whatever the Council is going to do as he thought it was good for them to go forward. He added that this city was hurting, we have been ratcheted down for the last ten years when Fieldcrest first left here. We've had one tragic thing right after another happen in terms of providing jobs for good people in this community and it is having an affect on our community now. He added they need to do everything they could go bring those workers back, give them some hope and settle this community down so that they can go forward. This is a wonderful community with so many good things going on, he asked the Council if they realized if a big water or

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sewer project came to Rockingham County, there is no big place to put a big project as there is not but one community that can handle the sewer and that is Eden. Mayor Price noted that was important, as Mr. Corcoran stated, to be tied on to that system and utilize that and to brag about it. He then told the Council that he personally did not think they were thinking big enough as he thought they should be taking big aggressive steps to turn this community around and put things in front of the people to lure good industries here and stabilize this community and let Eden grow and people enjoy life here and that comes with regular pay checks to the people of this community. It is felt all throughout the community, not only in commercial businesses, churches, other types of organizations, real estate community, all that relies on commercial and industrial activity. Mayor Price then stated he wanted to salute him (Mr. Corcoran) for the report, and again to the Council, he supported anything they came up with as he did want to go forward and think big because there are some big decisions to be made for the working men and women in this community.

Council Member Gover stated they were saying Eden was too far north, how about Martinsville as they were too far north. If they are looking at being successful then we (Eden) can look at being twice as successful. He added that he did not go for being too far north as that was just negative in his eyes. He thought they were sitting it right with the water, and the resources, and he would also quote the Mayor in that Mr. Corcoran did an excellent job on the report.

Break:

The Council took a ten minute break at approximately 10:15 a.m.

Virtual Shell Building Demonstration – Osborne Construction Company:

At this time, Mr. Joe Joseph and Mr. Brian Freeman of Osborne Construction gave a brief history of the company and presented a powerpoint presentation on a virtual shell building.

During this presentation, the following questions were asked:

Mayor Price asked Mr. Freeman regarding spans, he recalled a problem with Natural Care Labs as they wanted to move some of the things in there, that Mr. Freeman could do prior. . .

Mr. Freeman replied yes, as doing it on paper was a lot easier than having something up that had to be modified because that would involve demolition costs and rebuild cost. If someone were to come in and say they need a heavy load then bar joist could not be used as they would need beams. Any dollars that could be applied toward first cost would help . . .

Mayor Price asked if Loparex took all of the rock out of the shell (building) to which Mr. Freeman stated that the majority of the rock one would see piled up came out of the shell building. From that building back thorough Loparex, there is a tremendous amount of rock Mr. Freeman added in talking with Mr. Sam Smith, Jr., that he did not think they would encounter as much rock back this way as there was a little at Gildan, but not a lot. He did recommend going ahead and doing some borings. He explained that the lot was pretty flat and was basically in good shape except for having to excavate for the loading dock area.

In response to a question by Council Member Myott as to whether this information (virtual building) could be put on a website, Mr. Freeman replied he knew for a fact they could put it on a disk and he thought it could. He added that certainly the individual photos could be put on a website and with the strain of technology, one could put the video portion on (website).

Mayor Price stated he recalled having \$325,000 budgeted for the pad site, he asked Mr. Freeman if they were to run into a sufficient amount of rock, how much would that add to it. Mr. Corcoran replied that included an \$80,000 allowance.

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Mr. Freeman stated he told Mr. Corcoran on the rock situation that it depends. If they go down and bore and the whole thing is rock, then they would basically go in and shoot at all of it in the areas that they need to, but if they ran into a situation where there was just trench rock, getting the trench rock out is a lot more expensive because they want to limit it, so he did not even put a number on. . .

Mayor Price stated the reason he asked was because if a customer asked, like the other customer asked, and they have to go deep to get the rock out and put a lot of dirt in, that is where he was coming from.

Mrs. Stultz replied that the soil borings would be part of the original process to which Mr. Freeman added that they would actually bore the site and see where the problems are. He added they did that at Gildan.

Mr. Corcoran noted that the estimate was actually \$214,000 and of that \$214,000 included an \$80,000 allowance for rock.

Mayor Price asked if that was \$80,000 to build the site up, or did that include digging it out, adding if that customer wanted to dig it out, like the other customer did, that would run into some serious money, adding that would be identified by soil borings.

Mr. Freeman replied it would, and he may have had a situation where he had to have a pit. Mr. Freeman did not recall the other situation in which Mayor Price was referring.

Mayor Price thanked Mr. Joseph and Mr. Freeman of the Osborne Construction Company.

Mayor Price told the Council that the city was running late in terms of where it is with economic development. What was presented this morning was a plan that needs to be implemented. He stated he personally would like to see them authorize the manager to proceed forward with things, obviously, looking out for things that would have to be brought up to the City Council as he goes forward with his negotiations, but they need to start moving, particularly with the good weather coming on.

Mayor Price stated he would like to recommend that the City Council accept the City Manager's recommendation, knowing they are abandoning the Whitt site; but he would like to see as part of that recommendation to include continuing negotiations as to who is going to provide water to that site and also to negotiate with the state as to the entrance to that site. He stated he felt like the Council needed to go ahead and authorize the City Manager to proceed with his recommendation.

A motion was made by Council Member Epps seconded by Council Member Myott to go ahead with the Nelson site and see about getting some options on that property.

Mayor Price noted that was basically the Manager's recommendation, and asked if that would include the two items regarding the Whitt site to which Council Member Epps replied that was correct.

Council Member Gover asked how much more money they were talking about spending on the Whitt site to which Mayor Price stated he thought they would spend more negotiating than anything as he could not think of any engineering that has to be done other than determining where they are going to be – negotiations between the City Manager and Dan River Water and also negotiations between the City Manager and the State Highway Department, asking if he was correct.

Mr. Corcoran stated that the DOT should not be much money as there had already been some contact with state legislators about checking into that, but they had not heard anything from NCDOT. NCDOT is the one that goes out, does their appraisal and tells that one would have to pay for the access. Other than just continuously staying on the DOT, there is no money there.

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Mr. Corcoran stated that the issue with Dan River Water was even if they were providing the water, the line that is out there is not sufficient. There needs to be a new 12 inch line so the issue there is; as far as cost, would be the amount of time that the attorney would be involved in negotiating that with them. Mr. Corcoran added that the city would be meeting with Dan River Water the next night regarding the annexation issue. It has been agreed in advance to separate the issues as they would be discussing Indian Hills tomorrow night and not the Industrial Park. Mr. Corcoran added that in talking with Mr. Gary Stophel, Acting President, Dan River Water, they would want their attorney as would the city for discussions regarding the industrial park. He explained that the money the Council would be talking about would be charges with Mr. Medlin being involved in working that out.

Council Member Turner asked that the motion be restated.

Mayor Price stated that the motion would be to accept the City Manager's recommendation as he presented it to the Council to include determining on the Whitt site who is going to provide water to that site, and also determining from the NCDOT what their charges would be for a turn in road.

Mayor Price explained that the purpose in that is that they charge on highways like that for access and it is based on improvements of the property that goes into it. There have been some concern as he spoke with one of the legislators and was told that the city could be charged anywhere from the whole site or to an entrance site, and he explained that it was up to the city and NCDOT to negotiate. Mayor Price added that the city had the option on the property, cannot tell what is going to come to Eden, they are doing these things to create some activity now and they are very well thought out, but the city has the option and should something come up, need to have those two things ironed out.

Council Member Nooe stated that he did not think the city needed to spend any more money on it (Whitt site) personally until he had some other questions answered. There are some issues as to who actually has the option and as far as he could tell, the city does not have the option, it is the Citizen's for Economic Development; and he did not think there was a legal agreement. He added that he had asked to see one (agreement) and one was not provided. There is no agreement between the Citizen's for Economic Development, Inc., and the City of Eden as to whose rights are specified. With those issues, Council Member Nooe stated if more money was spent on the Whitt site, then he would like those. . .

Mayor Price stated that was his understanding that, that had been going on for several years and public money had been spent on it, so it seemed to him like a reasonable thing to go ahead and do it. He added that certainly Council Member Nooe's answer should be forthcoming.

Council Member Vestal stated first and foremost in this whole issue of the Whitt property, if Mr. Corcoran is going to negotiate, let's talk negotiation. Let's see who is going to take care of the water problem. If the city is not going to have the water there then one thing was to run the sewer up Hwy 87, and if they go Hwy 87 then the city would not even get the money off of the sewer as that was County sewer out there. He added that he agreed with Council Member Nooe in that they need to do some things before spending any more money out there. . . (inaudible) He added that by letting Mr. Corcoran do the negotiating with Dan River Water, that was not costing any money until they meet and decide something. Then they would get into some legal attorney fees, which he realized.

Mr. Corcoran again explained that when they get to Dan River Water, they (Dan River Water) will want the attorney's involved as they would not talk with Mr. Gary Stophel and himself. He added that they were seeing that in the meeting with Dan River Water tomorrow night as both attorneys' will be there; therefore, negotiations with them involve the attorneys. Mr. Corcoran added that Mr. Stophel asked that they just worry about Indian Hills now, then they would talk about the Industrial Park later.

Council Member Vestal added that the city does not need to do anything on the Whitt

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property until the city finds out what Dan River Water is going to do on Indian Hills as what they do on Indian Hills will be the same thing they are going to do on the Industrial Park.

Mayor Price stated that was part of the negotiation to which Council Member Vestal replied that they were trying to tie this into the Whitt property with the motion.

Mayor Price replied, no, as the motion was to accept the City Manager's recommendation and since we (the City) have the option on the Whitt property, if something did come up, it seemed to him that it would be reasonable to have the decision on (1) who is going to provide the water and have that highway access resolved – not paying any money as he was sure it was going to take some money for an attorney to do that, but it seemed to him like a reasonable thing to do with a piece of property like that.

Council Member Vestal stated he did not have a problem with that, but why not wait until the meeting tomorrow night on Indian Hills, as he was saying they probably are going to do with Indian Hills the same thing they are going to do on. . . to which Mayor Price replied he did not know, but the Council was just authorizing the City Manager. . .

Council Member Epps added that maybe on Friday (March 12, 2004 at the next retreat session) they would have a better understanding (after the meeting with Dan River) and could bring it back up.

Mr. Corcoran stated he thought what the Council would see tomorrow night (meeting the Dan River Water) is a very in general Power Point presentation made by the city to Dan River Water and they probably would appoint a committee to work with the city. He stated he doubted the Council would see any negotiations tomorrow night as they would lay all of the issues on the table as it relates to a partnership and then, hopefully, they will appoint a committee of their board to then meet with the city. Mr. Corcoran stated he would be glad to report to the Council on Friday what happens at that meeting, but they certainly were not walking in there tomorrow night with the goal of coming out with an agreement.

Council Member Epps told Mr. Corcoran that it would be good if he had the Council's approval to do the negotiating on this extension to the farm and all of that and he (Mr. Corcoran) would not have to get the Council back together again.

Mayor Price added that if it turned out to be a big pile of money, then it would be reasonable to come back to the Council, but we have the option and certainly could not walk away from that site because it does have some bearing. Obviously, Mr. Corcoran has given a good presentation to get something going fast, and that was the rationale behind it, adding he was not talking about spending a lot of money.

Action on the motion was as follows: Those voting in favor of the motion were Council Members: Epps, Myott, Nooe and Gover. Those voting in opposition were Council Members: Vestal, Turner and Tuggle. The motion carried.

Mr. Corcoran explained that he would probably get with ECS and get a quote for doing some additional soil boring work on the industrial site as well as soil boring work on the Nelson Farm site and also to immediately meet with Mr. Mark Bishopric about an option.

Mayor Price stated in addition, someone needed to be walking around with the County Commissioners to see where they are coming with their 50 percent because they are not 50 percent on everything.

Mr. Corcoran replied that was correct and that the city could send a letter and ask them, again, he thought they still would want to either satellite annex if they decide to develop the Nelson Farm area or do a revenue sharing agreement. Obviously if the county does not want to participate financially, the city should probably be looking at satellite annexation; and if they do want to participate, then the city can look at some type of comprehensive revenue sharing agreement.

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Council Member Vestal stated, there's not enough contiguous property around there to . . . and Mrs. Stultz replied, yes sir, there is.

Business Development & Recruitment Issues – Mike Dougherty, Director of Business Development:

Mr. Dougherty presented the following information:

Main Street Status

- . Main Street Annual Meeting in Morganton, NC- January of 2004
 - Eden Main Street Champion Award received
- . Picture Downtown Process to be completed by March 31, 2004
 - Selected individuals took photos of what is liked/disliked in the various downtown areas
 - Raises awareness of the positive and negative aspects of these areas.

Mr. Dougherty stated he wanted to answer some of the questions that came through on the Council goals as the first was about implementation of Main Street. He explained that he wanted to give the Council a status as to what was happening. Mr. Dougherty along with Mrs. Debbie Galloway and two of the board members went to Morganton in January for the annual conference. The picture downtown process, which is people going to each of the downtowns taking photos of what they like and dislike, that process is almost completed

- . Historic Tax Credit Seminar-February of 2004
 - Attended by Planning & Inspections and Business Development Departments

Mr. Dougherty also noted that he along with Mrs. Galloway and Mrs. Stultz went to a historic tax credit seminar a couple of weeks ago to try and learn more. That is the major thing that fuels investment in the downtowns.

- . Proposed Expansion of Main Street Advisory Board to include representatives from:
 - Commercial Real Estate
 - Financial Institution
 - Hospital Representative (Marketing)
 - Construction

Mr. Dougherty explained that at the next City Council meeting, the Council will have a proposal to expand the Advisory Board. This is a learning process with Main Street as they have determined four new positions that would be extremely helpful to the board. One would be someone from commercial real estate, someone from a financial institution, a hospital representative, and someone involved with construction so they could get a better feel for the type of cost that are involved here.

- . Main Street Sub-Committees Finalized by March 31, 2004
 - Organization
 - Design
 - Promotion
 - Economic Restructuring
- . Joint Downtown Merchants Meeting-Monday, March 8, 2004 -Awarding of local Main Street Champions
 - Merchants Association Presidents' Presentations
 - Review of transformed Main Street communities
 - Marketing Presentation
 - Question and Answer session

Mr. Dougherty announced that the above would take place at Golden Corral at 6:30 p.m. and the City Council was invited to attend. He encouraged the Council to attend and explained that this would be a show of unity as they want everyone to work together even though the downtowns are determining their own unique characteristics. He explained that it was extremely important to work together as there were a lot of common problems and opportunities. Also the local Main Street champions will receive their award that evening.

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- . Business Development Budget for 2004-2005
 - \$6,000 to be proposed for initial facade improvement campaign - \$2,000 per downtown area

Mr. Dougherty explained that there will be some money that will be requested in the budget from the Business Development Department for facade improvements equally distributed amongst the downtowns.

- . Community Visioning Session-April 26, 2004
 - Central Christian Church 7-9pm
 - 75 individuals with a vested interest in the downtown areas will be invited - Develop a shared vision of the downtown areas individually and as a whole

Mr. Dougherty noted that there will be individual break out sessions to try and see what is the vision of the community individually. He explained that Eden was unique as no other Main Street community has ever has three downtown areas.

- . Renovation Project - The Boulevard Vacuum Center will receive a face-lift in the spring to be completed by Advisory Board and youth volunteers.

Mr. Dougherty noted that they hope to do this in May. He explained that this was a cooperative effort as Mrs. Peggy Goode from the Leakesville downtown area was the one that really spearheaded this with the Boulevard merchants area. They plan to get some of the youth involved as well as the merchants.

- . Main Street Research Team will spend a week in Eden in May of 2004.

Mr. Dougherty explained that the Main Street Research Team will spend a week in our community to determine what needs to be done to successfully implement the program.

- . On-Going Research and Education into Downtown Development
 - Triad Leadership Networking Program
 - Uptown Lexington networking meeting
 - Road Trips
 - Advisory Board visits to successful Main Street Communities such as Concord, Morganton, and Salisbury, NC
 - Main Street Managers Conference
 - Combined North Carolina and South Carolina meeting in summer of 2004
 - Idea Exchange among Main Street Managers
 - Tax Credits
 - Preservation North Carolina presentation
 - Municipal Service District
 - All successful Main Street Communities implement tax districts to fund facade improvements, renovations and promotion of the downtown areas

Mr. Dougherty explained that Main Street is a long term approach with a lot of learn as you go type process. He added that he was involved in the Triad Leadership Network training program and one of the things they do is to network with other areas. He will be going down to Lexington to talk with the people in uptown Lexington. There is a lot of on-going connections with other Main Street Managers.

Mr. Dougherty explained that he and Ms. Cindy Adams of the Chamber of Commerce were going to do a road trip to some of the downtown areas as well as the Main Street Advisory Board. They plan to take a Saturday to go down to Concord, Salisbury and Morganton. He explained at the meeting taking place tonight, there would be slides of what others are doing to renovate their downtown. He noted it was eye-opening because it shows the potential that can be achieved here.

Regarding the Municipal Service District, Mr. Dougherty stated that people say Main Street is very important for the downtown areas because it does provide the funding needed for new construction and for facade improvements and city governments are limited on the funds.

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Mayor Price mentioned that approximately one month ago, Mr. Gene Rees came down from Mt. Airy and Mt. Airy has one downtown, but they started off their municipal tax district with a tax rate of 55 cents per hundred; and they were paying a director at that time. Now he believed that the director is gone and they are paying 23 cents per hundred for these improvements. Mayor Price stated that Mr. Rees explained that they were building parking lots and putting new lighting in, sponsoring different types of improvements for things in downtown areas.

Support for All Local Businesses.

• On-going efforts to assist local businesses with:

-Public Relations

.Publicity for business openings, new products and services. Examples:

Dollar Tree

Quiznos

Sakura

A Taste of Japan

Top Hat Cleaners

Diamonds-N-Dust

Picture This Photography

Eden Drug

Mr. Dougherty explained that he does a weekly business column and tries to put as many businesses in there as he can. He has been involved in publicity for business openings, new products and services for several businesses as Diamonds-N-Dust bought a new machine last year with the Business Development Center and he helped her get the word out to doctors about new procedures. He added that her business doubled in December.

-Networking Opportunities

North Carolina Furniture Direct/Pace-Stone/King' s Chandelier

Mr. Dougherty noted that they brought the people from King's Chandelier and Pace Stone together to see if they could market together.

-Promotion of Carolina Business Development Center

Non-Profit organization offering "How to Start and Succeed in Business"
classes, business planning, financial guidance

Mr. Dougherty explained that this organization they were trying to get embraced by the county. He explained that what the Carolina Business Development Center does is that it is a business mentoring center. So whether they are a new or existing business, when someone comes in his office and wants to start a business, he immediately sends them there because they cover all of the financial aspects, business planning. The worse thing that can happen is that someone comes into his office and wants to start a business and they do not understand all of the details of what has to happen. These people talk with them about inventory control, taxes, payroll, etc. It is a great resource in the community and they are trying to support them and get funding as it is a non-profit group.

-Business Expo Committee Member-In charge of recruitment in 2004

Networking opportunity for 70 Eden businesses

-Actively seeking Tourism Grants to draw people to Eden who will patronize local businesses. Grants sought include:

Wrestling Tournaments

Draper Car Show

Pottery Festival

Ribfest

Riverfest

Mr. Dougherty explained that people come to town, stay in hotels, eat here, buy products here.

Cycle North Carolina: 1,200 people descending on Eden on Oct. 4, 2004

Apple Festival

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Committee member in 2002/2003

Festival Coordinator in 2004

-Developing Eden Shopping Brochure to be completed by May of 2004

Present in all area businesses

Chamber of Commerce will include in welcome packets

-NCDOT Initiatives

Directional signs to downtown areas

Hwy 29 directional sign

Mr. Dougherty explained that he has really pushed NCDOT to help with signage. The signage he has for the downtown areas has really helped in directing people here. There is an on-going battle trying to get a clearer sign on Highway 29 because businesses like Pace-Stone and King's Chandelier, and Fair Funeral Home rely on people finding Eden. It is amazing the amount of trouble people have so they are trying to correct that.

Council Member Vestal asked if Mr. Dougherty had any idea of updating Yahoo or Map Quest, how long it takes that process to which Mr. Dougherty explained that they have spoken with the people in Raleigh. When he originally spoke with them they indicated that it would take about a year before they could upgrade their computer, but he had never really received a clear answer from them. He has tried to go to them individually and found that it was not a real easy process. They are trying to go back to the source and they were working on that now.

Rand McNally with Suit and Figure would have the correct information and they do not even have Eden. They have Leaksville, Spray and Draper which is interesting, but they are working on that internally and with the individual companies the best they can.

Mr. Dougherty stated what they really want is the sign that says Eden, via Highway 14 which did not communicate what they wanted. He noted that they had Vance Barham, Mike Mills, and Doug Gallhan (of NCDOT) and explained that they had to have something clearer, either on the top sign or something to the side of the road. If they could get the people to Highway 29, when they see that sign, they would know that they need to continue on, but there is not even an Exit number. So they are working on that digitally as well as with the highways.

Council Member Vestal added that a number of people use the Internet to get driving directions and once you try to get to Eden, you can forget about it as if someone were to follow those directions they would never get here.

Maintain Close working relationship with the Chamber of Commerce

. Have created a 'Business Connection' teamwork approach to business support

with Cindy Adams

. Joint weekly business newspaper column in Eden Daily News

. Member of Business Expo Committee

. Cindy is member of Main Street Advisory Board

. Cindy now attends as many downtown merchants meetings as possible

. Cindy and I are members of Advocates for Eden group

Commercial and Retail other than Restaurants

. Recruitment efforts have included:

Wal-Mart Supercenter

Ben Franklin Stores (to fill existing former Roses Building)

Dollar Duz-It retail store

Kohl's concept store

Home Depot

Claire's Jewelry and Accessories

Ross Dress for Less

Target Stores

Great Clips Beauty Salon

West Point Stevens Outlet Store

Mr. Dougherty explained that he had tried to solicit many of these type businesses and if they wanted to take a place like Kingsway Plaza and completely fill that building where

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Roses was because according to Angelou Economics, that is what shows a lack of vitality. Once they do that, there is really not a lot of retail space. So they are working on different franchises as well as helping existing businesses expand when they can.

Maintain Close working relationship with Partnership for Economic and Tourism Development

. Over the last year, I have worked with W.L. Pryor as Interim President of the Partnership and have developed a strong relationship with Lisa Perry since she came to the county. I have also worked closely with Heather Leavitt. Some examples of our collaboration:

- Angelou Economics Rollout
- Shell and Virtual Shell building research
- Industrial Park research
- Economic Development Presentation at Meadow Greens Country Club -Public Relations: I interviewed Heather and Lisa on WLOE when they first came to the county
- . I have collaborated with Vice-President of Tourism Robin Yount on the following: -
 - Robin and I attended the 1000/100 Tourism Project
- One of the 1000/100 conferences was held at Karastan Rug Mill
- Robin joined our bus tour coordinator meeting to see what Eden could offer to outside groups
- I initiated the idea for the seed-money grant program that provides funding for new events, such as the Piedmont Pottery Festival.
- Received funds for the Eden Shopping Brochure and assisted with the development of the county shopping brochure.
- Work with Robin on the Northstar Visitor hotel publication

Existing Business Retention Program

Mr. Dougherty added that when he first came on board with the city, the speculation was that Wal-Mart was moving to Reidsville, and he did speak with their Vice President of Real Estate right away and ironed out the fact that they have no plans of leaving Eden. They tried to encourage Wal-Mart to maintain their investment here.

- . Tiger Tek: Working with Peter Mitchell on developing a larger facility
- . Karastan: Upcoming dinner with Director of Manufacturing Scott Mair to discuss business ideas
- . Miller Brewing Company: Sought plant tour initiative to help with company marketing strategies.
- . Natural Care Labs: Plan on assisting with promotion of new product line in future
- . Waldenbooks: Initiated "Save Waldenbooks" campaign that led to store remaining open.

Mayor Price asked Mr. Dougherty for the dividing line between what he does and what Lisa Perry and Heather Leavitt (The Partnership) does. He recalled when the Council funded his (Mr. Dougherty's) position, the Council had the understanding of all of the commercial activity, retail activity and then for the extra money they came back and asked for, they were going to handle all of that. Now, he noticed that Mr. Dougherty anticipated doing some manufacturing as well, and asked for the dividing line.

Mr. Dougherty replied that this was one of those things where there is so much to do in this particular job that he did not know how much time he would have, but what they were seeing with The Partnership is that when Don Moss was there, his real forte was more into real estate development. Ms. Lisa Perry is a marketing expert and probably for the city's needs right now, a marketing expert is needed. Eden needs someone aggressive and she does that. He stated he thought they would have to work together as a team because he just did not think that The Partnership has the same type of makeup as they did a year ago. He thought that where they would work together for marketing, as that was his expertise as well, where they would collaborate, that has been the best part of this because they could work together. Ms. Perry is very inclusive in this process so the more they can do to market the city, the better off they are.

Mr. Corcoran added that it had been a revolving thing. When the position was first

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created, the desire was caution expressed by Mr. Don Moss at the time, was the city going to get into economic development. So the preference at the time was to keep this position basically on the commercial side of things and The Partnership on the industrial side of things, but what they found, unfortunately, which was indicative of the fact the city only received ten visits in 2003 let alone what happened in 2002, was a general feeling that Eden was not getting its fair share of the stick. As Mr. Dougherty and himself continued, it was his feeling that they needed to start becoming a player themselves and becoming more directly involved. He stated if many of them looked at the website two years ago and looked at it the last year, it has been upgraded totally. There is a lot of economic development information that we never had. We now have people directly contacting us and those people come through Mr. Mike Hill, Network Administrator. Mr. Corcoran added that with Ms. Leavitt and Ms. Perry, they are experiencing a much improved working relationship with The Partnership and, hopefully, that will take some load off on us.

Mr. Corcoran also noted that they (Ms. Leavitt and Ms. Perry) have stressed that they are not in the real estate business. What they mean by that is that they do not envision it their job to go out and find the sites nor do they envision it their job to develop the sites. Whereas, with Mr. Moss, that was what he liked to do because he was more of a real estate economic developer. Ms. Perry will tell you that she does not have the time, if she is out developing the site, marketing the site, overseeing the construction of a site, then that is time she is not being spent on marketing.

Mr. Corcoran stated that as a staff, not just Mr. Dougherty, himself and other members that are here this morning will probably have to play a greater roll going forward in terms of whether it is the development of this property or that property than they had in the past because of just the change that has taken place with The Partnership.

Council Member Gover asked Mr. Corcoran if he thought they were getting their \$40,000 worth out of The Partnership. Mr. Corcoran stated he thought \$38,000 – it was hard to put a monetary value on that, but he could tell them that he felt a whole lot better about the city's \$38,000 now than he did last year. He added that he thought Ms. Perry and Ms. Leavitt were working hard trying to give Eden it's fair shake. He added that he did not have any problem with it at the present time. He stated that as he has said before, he had serious doubts in the past.

Council Member Epps added that he knew Ms. Perry was doing a lot better because he was on that board and she mentioned Eden a lot, so much that the people from other cities asked why she was talking about Eden so much. She really had Eden at heart.

Council Member Myott asked who the person was that he said was missing to which Mr. Corcoran replied it was Sandy Vernon as she was their existing industry retention. He added that 85-90 percent of the job creation comes from the existing industry. There are two people out there beating the bushes trying to get the people here and once they get someone here, there is no position designed to help keep people here. Ms. Vernon was the existing industry vice-president. She was the one that went out and met with the Pat Henry's and the Scott Mair's asking how everything was going, asking if there was anything they could do to help. She was the one that had an annual visitation program and she was also the one that a good detailed appreciation program. He stated he couldn't underemphasize at least in his opinion and in the staff's opinion the importance of that position. That position is desperately needed.

Mrs. Stultz added when Loparex decided to expand several years ago, the way they found that out was through Ms. Vernon and a meeting that she arranged.

Council Member Myott asked what Heather Leavitt does since Ms. Perry handles the marketing.

Mr. Dougherty replied that Ms. Leavitt's title is vice president of sales and marketing. Her position was created when the business development position was voted in. Ms. Perry is the president of The Partnership as she goes to several conventions and she and Ms. Leavitt work together as a team. He recalled her saying the other night that they have

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21 individual projects that they are working on.

Mr. Dougherty stated from a public relations standpoint, the existing businesses will say that so much emphasis is put on incentives for new businesses, trying to lure them here, what about the ones already here. Ms. Perry and Ms. Leavitt both agree that that position is needed. He added that if the Council were going to make a stand in the city's vested interest, it would seem as though it would be toward someone to be dealing with . . . (inaudible) adding he dealt with it the best he could because he does make trips around to the industries and has a good relationship with who we have, but someone who is dedicated to that is extremely important. Mr. Dougherty stated when he sees other counties throughout the triad, the last TLN Conference was on economic development, that was what caused Thomas Built buses to stay here, they would have gone to Georgia, but because they were vigilant and stopped that, now they are expanding there. . . it is extremely important to have your hand on the pulse of what is already here because you want to make sure they do not leave. Also, there are people in Virginia actively going down trying to get our industry out of here. Just like from a commercial standpoint, people from Piedmont Mall, are always coming down here trying to lure businesses away. It is really important to be on top of things otherwise one could lose an opportunity.

Code Enforcement – Kelly Stultz:

Ms. Stultz explained that the issues she wanted to discuss have to do with the local code enforcement program. The first item, however, dealt with the city's own code enforcement issue and really a policy position. Mrs. Stultz also presented the following through a Power Point presentation.

"Our Own House" - Former Post Office Property On Monroe Street

- a. History of the building
- b. Money spent by various groups
- c. Costs for Potential Demolition
- d. Direction from Council

Mrs. Stultz referred the Council to the Monroe Street Post Office. This was the building that was the WPA Project. It sits in the Leaksville downtown district. It was abandoned by the post office a number of years ago when they built the building on Pierce Street. Up until that time, generally, the federal government had been giving post offices away. The former Mayor Cox had a vision of a museum in there, but what they also knew at that time, various groups were working on it, that every time someone had come in that was viable to do something about the hotel building, the feds would not allow them to do housing in there because there was no dedicated parking. She explained that she believed there was a partnership created, not a formal agreement one, but the Preservation Commission, the Downtown Revitalization Commission, and the City Council pooled some resources and purchased this building and at that time, it was really more a matter of having it for parking than anything else. However, the building does have a lot of its own good qualities. Mrs. Stultz stated that they have been in the hotel recently and one could look at it and see that the roof has some serious issues.

Mrs. Stultz showed pictures through a Power Point presentation of the inside of the building and stated she had a price estimate from Sam W. Smith, Inc. for the demolition of the building to the tune of \$60,000. What they are waiting to get are estimates on asbestos in the building and its removal. She added that the basement was full of water and they need to get that pumped out and do the test to send off. She added that she had hoped to have a concrete number for the Council by the meeting, but as soon as she received it, she would share that with the Council.

Mayor Price asked if they discovered that the basement was full of city water to which Mrs. Stultz replied they have struggled with this for a long time. The water has been tested and it does appear to be chlorinated water so they think there is an ancient old water line in there and it has been leaking forever.

Mrs. Stultz stated that Mr. Sexton's staff for the 14 years that she had been employed

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with the city, have made several safari's in that area trying to figure out what it was and have not been successful. Maybe one point about taking it down is that surely they could find what is leaking when the building is gone.

Council Member Nooe asked if there were any other options, looking at it besides demolition, selling it to someone . . . to which Mrs. Stultz stated in the last three months there had been a tremendous amount of activity. Mr. Tommy Fleming is handling the sale of the hotel building for the current owners. Ownership of the building has been transferred from Mr. Hopper to his daughter Ms. Gammons. There was a gentleman who looked at it every single day last week. The issues are the same, this gentleman is from Martinsville, if he were to buy it, he would need to purchase, acquire, somehow gain control of this particular property for parking.

Mrs. Stultz added that Mr. Murray Gould had someone come in once and look at it and the building looks horrible, but it is a poured concrete structure and they suggested making it a parking deck, making the front a facade and putting parking in the upper and lower floors, but the water issues would have to be done. The very best hope of all of the folks involved in downtown and preservation, along with her staff, too, the best recommendation would be for it to be a part of an overall development project for that corner. She explained that she did want to get cost should the Council decide that there is too much time going by and they cannot keep waiting. Mr. Fleming thinks that a decision is imminent and just as soon as he shares that with Mrs. Stultz, she stated she would share it with the Council .

In response to a question by Mayor Price as to a track record Mrs. Stultz replied that they were trying to get that. She explained that any kind of project that he would do that would involve housing, they can assume, if the changes proposed, are adopted there would be a special use permit process and a lot of scrutiny over it. But, the proposal, at the moment is to do some retail commercial, perhaps even offices and residential uses.

Mayor Price asked Mrs. Stultz if she had spoken with the Historic Properties Commission about their half interest in this. Mrs. Stultz replied that over the years, they are well aware of the circumstances, in fact, they spent money over the years out of their budget to do some maintenance.

In response to a question by Mayor Price as to if she had spoken with them (Historic Properties Commission) regarding this gentlemen, she replied that she had not because there was nothing for her to talk with them about. She added that they were aware that it is being looked at and there was nothing to take to them until she has something concrete. At this point, Mr. Fleming is the lead dog and she was just trying to be there if he needs her. She told the Council that she hoped they could be patient a little while longer and let them see if they could get it done without destroying the building and without the city having to spend money on it.

Council Member Nooe asked why not put it on the market and sell it to someone else. . .

Mrs. Stultz replied that if the Council wanted to do that, of course they could, as it is property that is owned by the city and they could declare it surplus.

Mayor Price noted that another entity would have an interest in this to which Mrs. Stultz replied that the Historic Preservation Commission put some money in it, in fact, they put the largest amount; however, legally if the Council decided they wanted to do it over their (the Commission's) objections, without confirming that with Mr. Medlin, City Attorney, she would assume they could. But, the Preservation Commission and the Downtown Revitalization folks had a considerable amount of money (involved). In fact, at the original purchase, \$20,000 came in from the Preservation Commission and \$10,000 from the downtown merchants and then the balance from the City Council; so at that point, the City Council had the lowest amount in. However, at demolition, those groups have a voice, but if it comes to a point of demolishing it, none of them have the money to demolish it – it is actually owned by the City of Eden. She added that hopefully they would get an answer soon and she would try and keep on top of it and keep the Council informed.

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Mrs. Stultz continued with the Power Point presentation as follows:

Overview:

- a. Explanation of various codes: Nuisance, Condemnation, Minimum Housing Code, Non-Residential Maintenance Code, Junk
- b. Sign Regulations - zoning issue - potential changes

Mrs. Stultz explained that there was one question from a Council Member regarding sign regulations and that is a zoning issue. She noted there were some places when they adopted the overall sign regulations a couple of years ago, they talked about then that those regulations might be too strict and she stated they might be too strict and they may find some places to loosen them, adding she thought they were and the Planning Board is going to begin working on recommendations to the Council this spring.

Regarding the codes, Mrs. Stultz stated that she had planned to go through a long explanation of all of the codes, but they are fairly explanatory and in the interest of time, she would not do that.

Council Member Gover asked Mrs. Stultz to go back to the school building as what kind of monies were they contemplating for demolition of that.

Mrs. Stultz replied that they would talk about later in a minutes.

Constitutionality Issue - Due Process

Mrs. Stultz stated that another question raised regarded constitutionality of programs. She explained that she consulted Mr. Medlin and also put it out on the Planners List Serve just to see if anyone had ever had constitutional issues that were successfully raised and did away with one of the codes. The only place any of them could find was what she assumed anyway, that if you have a staff or a city that goes beyond what the legal rules are about due process and how they make those things work, the programs themselves are deemed to be constitutional. She added that Mr. Medlin could speak more fully on that as she was not an attorney, but the place where one could mess up is in due process. She explained that one of the things she wanted to let the Council know was that Mr. Nooe, in the early part of her career and now, Mr. Medlin go through all of the files before they get to the City Council. There are a number of things they do when a complaint comes in, a member of the staff goes out and checks the complaint. The first thing they ask for, if there appears to be a violation, is a title search and that is to establish exactly they have to serve in order to make the process perfected as it goes along. In fact to mention the school that Council Member Gover asked about earlier, there are 38 defendants in that lawsuit and everything they have to do with that, they have to get all 38 defendants served before moving on. That is one of the reasons it takes so long.

Mrs. Stultz added that beyond the title search, sometimes they are still trying to find where people are. They have used the tax records, utility records, the city's own records, plus Duke Power, the gas company, etc. They have had lots of conversations with neighbors, friends, relatives, and local financial institutions, any one they get wind of that might have some knowledge of where that person is located. Mrs. Stultz added that funeral homes keep good records and are often helpful and sometimes they have had to go to them. She noted they also have access to driving records.

- a. Information from City Attorney
- b. Information from Planners Listserve
- c. Statutory Authority - Attorney Review
- d. Due Process - Due Diligence - What do we do?
 1. Title Search
 2. Tax Records
 3. Utility Records

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4. Conversations with neighbors, friends, relatives, financial institutions
5. Funeral Homes
6. Drivers Records
7. Serve Personally
8. Post Notices on Property
9. Run Legal Advertisements

Mrs. Stultz also added that it used to be that certified mail was so much less expensive than paying the Sheriff to deliver material; however, now it is 40 cents difference. So, a lot of times and with past experience with some folks, it is just easier to ask a Deputy to do it than it is to rely on the mail.

Mrs. Stultz added they always post the notice on the property and there are times when they end up running legal advertisements when their unknown owners are statutorily prescribed circumstances, they get to the point of doing that. It is always a last resort. She noted that due process is extremely important, not only because it makes its process work, but because she truly believed that they owe that to anyone that has that interest in property.

Potential changes to ordinances

- a. Recap of recent changes
- b. Establishment of Council perspective on ordinances Enforcement Level desired
 1. Numbers of cases from last year
 2. Dollars spent since July 1, 2003
 3. Amounts Collected
- c. Costs - staff, legal, demolition/repair, vacate and close

Mrs. Stultz stated that another issue that was raised was changes to ordinances. Thankfully the City Council over the last seven or eight years has taken more than one look at the ordinances. At this point, she stated she thought they were just about as good as they could get them. A year ago, based on the statutory provisions that are out there, one can only tweak them so much and stay within the parameters of legality. In very recent times, the City Council lowered the number of days on a nuisance and lowered the number of inches that this Council determined made the grass a nuisance. She stated she thought that was just about as far as they could go. In the last year, since January 1st 2003 through this past Friday, they have done 731 local code enforcement actions. Some of those were completed quickly and easily, some get abated, and some drag on in the court system longer than any of them can abide, but it is just part of the process. Since July 1, 2003, they have spent approximately \$22,000 on local code enforcement. Those are nuisances, houses that have been taken down, and those kinds of things. They have about half of their budget left to get through to July 1st. The cost associated with those kinds of things include staff time and legal costs. There are demolitions in repair and they have had one instance this year where the housing code actually did what they hoped it would do which is to provide that a house be vacated and closed until such time as it gets repaired. Mrs. Stultz explained that all of those monies are collectable as the statutes provide that they can be recouped by the city in the same fashion as assessments. She stated she knew for a fact that Mr. Medlin had several of the houses they have taken down, the suits moving through the process to get their money back. It is likely with several of them because the reason they were abandoned was because the owner was so nebulous. They have one they are dealing with now that the last record owner was W.T. Combs in 1951 and the amount of property Mr. Combs had was monumental. So those things they have to work through and they are working to get as much of the money back

Funding:

- a. Most common small enforcement projects
 1. Nuisances
 2. Junk Car removal
 3. Single-family residence removal
 4. Budget - Council's policy decision - establishes level of enforcement

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Mrs. Stultz explained that they took a look at some of the smaller properties that they have demolished and there was one on South Avenue that has been done. 131 N. Fieldcrest was one in the business area of downtown Draper and just as they were about to take it down, a local business person bought it and is restoring it. She also noted two buildings on Aiken Road that had been an incredible nuisance and they have come down. Mrs. Stultz explained that this kind of budgeting was really a policy decision by the Council, how much do they want to spend on it during a given year. She added that Mr. Medlin, Mrs. Lori Ford and her staff collect the money and it can either be put toward more of those projects or put back in General Fund for the Council to reallocate.

Larger Impact Projects

1. Commercial structures
2. Multifamily residential structures
3. Zoning Abatements
4. Costly enforcement actions in the past
 - . Detail Pulliam Case
 - . Money spent and recovered

Prioritize projects with potential for high fiscal impact.

- . Lemons Building
- . Bob Wilson Enforcement Action
- . Hickory Square Apartments

Revolving Fund for larger projects

Mrs. Stultz explained that the real issue comes down to larger impact projects, those things like starting with the school building. This was one where there were roof collapses and those kinds of things several years ago. She explained that there was one gentleman there who had not been out in three (3) years and the building inspectors literally carried him out in their arms to get him to a car when they had to shut that down.

Regarding the school, Council Member Gover asked Mrs. Stultz if she was keeping up with the time spent on the school, asking how that money can be recouped.

Mrs. Stultz stated she did not know how they could recoup her staff's time, but they could recoup all of Mr. Medlin's time and bills.

Council Member Gover also asked when the middle part of that school collapsed, the gentleman that wanted to buy the school brought up structural engineering and declared the outer parameters structurally sound. He asked if they looked at the demolition part of what fell or were they looking at the whole school.

Mrs. Stultz replied that they would look at it both ways and give the Council the opportunity to decide if that time comes. She added there were some folks interested in this and they look at it and the cost is fairly astronomical, she thought, to rehab it. She also added that they have had a person or two who wanted to make a community center out of it, and one wanted to make a church out of it. She added one hates to see an old building like that come down as it was pivotal for that part of the community, an anchor there. There is another one of those spring issues down on the front of that property. Any community like Eden's with two large rivers was going to have a number of springs, creeks, and branches so there are always water issues.

Continuing, (Lemons building - pool hall) Mrs. Stultz explained that the next structure had been of interest to the City Council for her entire career. There was a fire and the owner does not seem to be very interested in repairing it, and they have forged all of the way to an order for demolition, and the cost of that was around \$110,000 which is an extremely large amount of money and a fairly big proposition to undertaken. The reason it is so expensive is that it is a big structure and the power lines that feed all of that area seem to cross over top of it. No one local was willing to risk it and they had to get a quote from D.H. Griffin and what would have to happen is that the power lines would have to come down, the thing be taken back, and the power lines put back up. All of that

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has to go into the cost of removal.

Mayor Price asked during the legal process when the city takes that property, sell that property?

Mrs. Stultz explained that was another one of those questions for Mr. Medlin, but they have some options. They can recommend that it be vacated and closed, if the Council wanted her to get a figure on repairing it instead of demolishing it, they can do that and then the repair costs can be recouped from the owner.

Mrs. Stultz added that if there was enough interest on the City Council, she did not mind going ahead and getting a price of what it would cost to fix the roof and repair the windows which could do some stabilization. There is a hole in the roof about the size of the city hall conference room and water pours down through there. She added she was in there approximately 18 months ago and the floor felt like she was on a trampoline which was a spooky feeling. She noted the building did not look so horrible from the outside, but was in very bad shape.

Council Member Epps asked if the basement had water as well to which Mrs. Stultz added she had not been in the basement.

Continuing, Mrs. Stultz stated that Porter's Store was one when they originally started the process, the Council could see the building on the left hand side, they started with that one and got an order to demolish. When a member of her staff was up there with a contractor pricing it out discovered that during the intervening time, the one on the right was bad enough to go ahead and do it, so what they had hoped to do was save some demolition money by taking it all down rather than taking it down to reserve a party wall. The owner had been a bit recalcitrant in helping them deal with the issue and it continues to deteriorate.

Council Member Epps stated he received calls everyday regarding this property to which Mrs. Stultz replied she did also.

Mrs. Stultz stated that one of the places they are with those big impact properties which are generally commercial structures, multi-family structures, significant zoning abatements and those kinds of things.

Regarding the Nantucket Mill, Mrs. Stultz stated that there had been lots of questions raised about this particular mill and oddly even though it looked like the windows were out, members of her staff were up there the other day and a lot of them were where Pillowtex painted them and the paint was off so it looked like some of them were broken and some were painting issues.

Regarding a structure on Morgan Road, Mrs. Stultz explained that this had an interesting history as it was in a residential zone being used as a commercial use. Then, the people wanted to live in it so they converted it into a residence which lost its ability to ever go back and be a commercial use unless the zoning is changed. She added that it was abandoned and it is tumbling down around itself.

Mrs. Stultz next referred to a house on Sunset Drive that was discussed last month (Council Meeting) and was tabled. There were two fire related deaths in that house and it took a long time to have everyone served. The family that actually owns the house does not have the resources to deal with the house and everyone that lives around it is furious that it continues to sit there.

Zoning Violation – Bob Wilson – Mrs. Stultz explained that the first letter sent was in August of 1996. A year ago they did a court order mediation and the time has run. She then showed pictures taken last week and she explained that what was there was still considerable, adding that he done some but not enough.

Mrs. Stultz explained that this gentleman was issued a special use permit for a junk yard by the Board of Adjustment in 1998. He promptly did not do what he promised the

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Board of Adjustment he would do and that was the only special use permit that the Board of Adjustment had ever revoked. The permit was revoked and she went on with the lawsuit. He had until this year, about last week, to abate the violation and now they are going back to court.

Mrs. Stultz continued explaining that there are some costly abatements on that list. What they would like to recommend that the Council consider is, there is the budgetary money that the Council provides that goes along every year for the smaller things and then they create of a revolving fund for the larger ones. That would be a chunk of money and when it is gone, they will not do any more big ones until that money comes back. They have only done one really big one and the former attorney was very successful in pursuing that and getting all of the money they had incurred back in a reasonably short time. The Council spent \$64,000 cleaning up an old school building and Mr. Drewey Pulliam's yard and those monies were recouped by the city.

Council Member Tuggle asked how much money was appropriated for abatements to which Mrs. Stultz replied in her budget this year, \$40,000.

Mrs. Stultz stated that her recommendation was to prioritize those projects, for them to make a decision as to how they want to handle the Lemons building, if the Council wants her to try and get costs to repair it, she can do that and share it with them.

Council Member Nooe asked Mrs. Stultz if she would check on the ability to pay if we take it down – demolition, the prospect to get the money back from them to pay for the demolition to which Mrs. Stultz replied that he owns part of the property.

Mayor Price then asked if she would have the authority to sell the building at that point and in time or would there be a lien on the building with the same owner to which Mrs. Stultz replied she would talk with Mr. Medlin and make sure that she had answered that question correctly but that particular person does have a lot of property.

Council Member Epps asked if once a building has been like that, does it become the city's property after a certain length of time. Mrs. Stultz replied, no sir it does not.

Mayor Price then asked if he paid the taxes to which Mrs. Stultz replied he does as she had already checked that.

Mrs. Stultz stated assuming that the Council ordered demolition and it was demolished then Mr. Medlin files a separate suit to collect for money. A judge has the ability to make several recommendations on how to get your money back as the system was set up to collect it like assessments.

Mrs. Stultz added the second one would be Bob Wilson's property. She spoke with Mr. Medlin regarding this and one time several years ago when they were really pressing Mr. Wilson, they hired someone to come in, an auctioneer to auction off some of that stuff. Some of those cars do have some value, but they could hire someone to come in and auction it off, take the proceeds from the auction and apply it to the removal of the part they cannot auction. Then if there is anything left, that money would go to Mr. Wilson and if there is not anything left and the City went in the hole with it, then pursue collection activities on the property to get that money back.

Mr. Stultz stated that the Hickory Square Apartment was one that she was in a quandary about as they know that one will be expensive.

Mayor Price then stated that the Council would reconvene again on Friday morning, March 12, 2004 for another retreat session.

Adjournment:

A motion was made by Council Member Epps seconded by Council Member Gover to adjourn. All Council Members voted in favor of that motion.

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Respectfully submitted,

Kim J. Scott
City Clerk

ATTEST:

Philip K. Price
Mayor