

MEBANE CITY COUNCIL
SPECIAL MEETING
MEBANE MUNICIPAL BUILDING
JANUARY 23, 2007

Members Present: Tim Bradley
Ed Hooks
Everette Greene

Bob Hupman
Patty Philipps

Mayor Glendel Stephenson called the Special Meeting of the Mebane City Council to order at 6:00 p.m. in the Mebane Municipal Building for the purpose of considering Economic Development Incentives for Nypro Carolina.

Edward Cathey, Controller of Nypro Carolina, and Mac Williams, President of the Alamance County Chamber of Commerce, were present to discuss the proposal.

City Attorney Charles Bateman advised the Council that Chapter 158 of the N.C. General Statutes authorizes cities to make expenditures to encourage development for the purpose of increasing manufacturing jobs and general business conditions. A public hearing is required. The City's policy in the past has been to consider requests for incentives only if the minimum capital investment is \$10,000,000 or more and the City's expenditure would be no greater than 1% of the capital investment. An economic development agreement requiring the company to meet certain stated objectives would be required before authorized funds are disbursed. Atty. Bateman said that we don't actually give them money, but reimburse them for certain stated expenses such as upfitting equipment.

Mac Williams, President of the Alamance County Chamber of Commerce, spoke on behalf of the request from Nypro Carolina. The company has had a presence in Alamance County for at least 20 years with two plants in two different divisions of the parent company. The plant in Graham has gotten some new business and cannot accommodate current operations and the new business in the current facility, which cannot be expanded. The company has been seeking another location that could accept both the current and new business and provide room for future growth. A speculative industrial building in the NCIC Park in Mebane, which was built by the Samet Corporation, is being considered. The new business will require the company to hire an additional 35 employees and invest approximately \$10 million to upfit the spec building and install new machinery and equipment. The Mebane facility is 108,000 square feet and can be expanded an additional 80,000 square feet. The Company is requesting a grant of \$100,000 from the City of Mebane to assist in mitigating the significant costs associated with making the move. The Alamance County Commissioners have already approved a grant of \$250,000 for the project. The State, as well as some private sector interests, is being asked for assistance.

Ed Cathey, Controller of Nypro and resident of Mebane, spoke on behalf of Nypro. Nypro is the world's largest custom plastic injection molder, with sales last year over \$1 billion. They celebrated 50 years in business last year. Their facility in Burlington is a medical parts producer. The Nypro plant in Graham employs a total of 115 people of which 44 are full time. He anticipates that the facility will employ 300 or 400 people very quickly. He expects \$15,000,000 of equipment to be moved in from Graham.

Rick Davenport, of Samet Corporation, spoke on behalf of the developer. He described the developer's efforts to make the project work in Mebane.

Mac Williams explained they are still working to get the State's commitment official.

Following considerable discussion concerning the process used for requesting incentives, Mayor Stephenson opened the meeting for public comment.

Brooks Gardner, 517 N. Carr Street, Mebane, spoke about the request for incentives. He discussed the history of Mebane's economic development and requested the Council to keep the good of Mebane in their hearts.

Shirley Fogt, a resident of S. Third Street Extension, Mebane, spoke in opposition to giving incentives.

Bill Thornton, 8 Windsor Place, Mebane, spoke in opposition to the incentive.

Lucian Mascarella, 126 N. Overland Drive, Mebane, spoke in opposition.

Jill Auditori, 412 N. Third Street, Mebane, spoke in opposition to incentives.

Mary McFarland, 307 N. Wilba Road, Mebane, spoke concerning the request for incentives. After asking questions concerning employment, she noted that she had come to speak in opposition, but now was not for or against the request.

Debbie Stikeleather, 2440 Lynch Store Road, Mebane, spoke in favor of the request.

City Attorney Bateman explained that with 1% participation by the City on a \$10,000,000 investment by the company, the City would be paid back in two years, based on our current tax rate. An agreement would be prepared that spells out the terms of the \$10,000,000 investment and a minimum of 35 additional employees as the thresholds that must be met to qualify for the incentive.

Tom Boney, Editor of the Alamance News, posed a procedural question concerning the proposal on the table. He was told what the proposal was.

Ed Cathey explained that Nypro is employee owned. He said the average employee makes \$30,000 a year. A starting employee makes approximately \$15.00 an hour, including benefits. Temps make approximately \$11.00 an hour. After 60 days an employee gets two weeks of vacation. The company pays 70% of healthcare on the employee and their families. They have profit sharing and stock awards. The benefit package is worth 50% of the employee's pay.

Attorney Bateman explained that if the incentive is approved and the Company chooses the Mebane site, a contract would be prepared and circulated.

Joy Albright, 323 Woodlawn Drive, Mebane, spoke in opposition to incentives.

Carl Steinbicker, Forest Lake Drive, Mebane, spoke in favor of the request.

Mayor Stephenson called for a ten-minute recess.

Following the recess, Mayor Stephenson declared the Public Hearing ended. He entertained a motion on the request for a \$100,000 incentive, based on the addition of 35 new jobs and a \$10,000,000 minimum investment by Nypro, with a contract being drafted in conjunction with Alamance County and Nypro, consistent with the provision of Chapter 158 of the North Carolina General Statutes. Ed Hooks made a motion to approve the request. Tim Bradley seconded the motion, which carried unanimously.

There being no further business, the meeting was adjourned.

Glendel Stephenson, Mayor

ATTEST:

Elaine J. Hicks, City Clerk