

Closed Session I C – February 7, 2005

At 5:45 p.m. the Board, already in closed session on another matter, began discussion on another matter relating to the location or expansion of business in the area served by the Board, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Davis, Kemp and Lanier were present. Also present were Frank Willis, County Manager; County Attorney Alan Pugh; Cheryl Ivey, Deputy Clerk to the Board; Bonnie Renfro and Melissa Foust from Randolph County Economic Development Corporation (EDC); David Townsend, III, Public Works Director; and Mike Walker, Seagrove Mayor.

Ms. Renfro gave the Board an update on the Seagrove Foods project and wastewater system upgrades. She reviewed the following points:

- Seagrove Ulah Water District purchased the State permitted wastewater system from former Luck's plant using NC Rural Center grant.
- NC DENR approved permit transfer contingent on upgrades to storage system but allowed service to 2 industries while that project was being completed.
- Sapona Plastics (formerly Wade Technical Molding) approved for CDBG to extend a sewer collection line to service plant. All jobs and investment complete, line has been permitted and bid. Seagrove used NC Rural Center funding for grant match.
- Seagrove Foods, Inc. approved for CDBG (94 jobs) to upgrade wastewater system.

- Budget:

* \$750,000	NC Dept. of Commerce
* \$89,000	Golden Leaf Foundation
* \$25,000	Town of Seagrove & Water District
* <u>\$136,000</u>	<u>Randolph County</u>
* \$100,000,000	Total project budget

- Design and engineering has been completed using Golden Leaf and Seagrove Funding. No State or County funds have been expended.
- Seagrove Foods has struggled from the beginning. They created 31 jobs and operated intermittently through the end of 2004. Currently they are not in operation.
- For the last 18 months, EDC has been working with another organization, Portco, to locate a production facility at the Luck's facility and transfer the job creation commitment. Although not a dead issue, the project has hit financial snags.
- NCDOT has approved funding for 2 visitor centers south of Seagrove on Interstate 73/74. State investment is \$8 million with centers to be operational by 2008.
- NCDOT's decision (regarding location) is contingent on Seagrove's ability to accept and treat 10-20K gpd of wastewater.
- A request on behalf of NCDOT has been submitted to DENR by Hobbs Upchurch with follow-up by Rep. Brubaker.
- G.R. Kindley has stated that NCDOT will not award contracts for the visitor's centers at the Randolph County location without assurance that Seagrove can treat the wastewater. NCDOT will build their own collection line but has refused to fund the system upgrades. His stated deadline for confirmation is March 1, 2005.

Mayor Walker asked the Board if the County would agree to be the fall back funding source for the wastewater system should it become necessary.

The consensus of the Board was to wait and see if DENR will allow Seagrove to accept wastewater from NCDOT and what other funding sources can be worked out including grants and funding from the Town of Seagrove and the Seagrove Ulah Metropolitan Water District.

Mayor Walker asked the Board to forgive a debt of \$50,000 that the County had loaned to the Seagrove Ulah Metropolitan Water District in 1994.

It was the consensus of the Board to consider this matter and take action on it during their March 1, 2005 regular open session meeting.

At 6:00 p.m., the Board resumed closed session for another purpose, as previously stated and duly acted upon in open session earlier in the meeting.

J. Harold Holmes, Chairman

Darrell L. Frye, Vice Chairman

Phil Kemp

Robert B. Davis

Arnold Lanier

Cheryl A. Ivey, Deputy Clerk to the Board

Approved: March 1, 2005

Unsealed: January 9, 2006