



City Council Meeting
Mebane Municipal Building
Regular Meeting
Monday, October 7, 2013
6:00 p.m.

The Mebane City Council met for their regular monthly meeting at 6:00 p.m. on Monday, October 7, 2013 in the Council Chambers of the Municipal Building located at 106 E. Washington Street.

Council members Present:

Mayor Glendel Stephenson
Mayor Pro Tem Patty Philipps
Councilmember Ed Hooks
Councilmember Jill Auditori
Councilmember Everette Greene

Also Present:

David Cheek, City Manager
Chris Rollins, Assistant City Manager
Charles Bateman, City Attorney
Montrena Hadley, Planning Director
Terrence Caldwell, Police Chief
Stephanie Shaw, City Clerk

Absent:

Councilmember Tim Bradley

Mayor Stephenson presided and called the meeting to order at 6:00 p.m. Mr. Hooks gave the invocation.

Frank Miller, 714 S. Fifth Street, spoke during the Public Comment period. Mr. Miller stated he had recently moved to Mebane from Hillsborough and as a newcomer he has had several opportunities to speak with the fine men and women that work in the Public Works Department. He stated he's been very impressed by the exemplary job they do and felt they deserved recognition. He stated after only living here six weeks he feels right at home.

Mayor Stephenson announced that the following Public Hearings have been requested to be withdrawn per the applicant's request:

- Rezoning request from William H. Wilson, Jr. to rezone property located at 815 South Fifth Street from R-20 to O&I
- Rezoning request from B.A. Properties, Inc. to rezone property located on South Fifth Street adjacent to Wells Fargo Bank from R-12 to O&I

Councilmember Philipps made a motion, seconded by Councilmember Greene, to approve the applicant's request to withdraw. The motion carried unanimously.

A Public Hearing was held on a request for approval of a performance agreement between the City of Mebane and Morinaga America Foods, Inc. Mr. Cheek introduced Interim Orange County Manager Michael Talbert. Mr. Talbert introduced Orange County staff members Steve Brantley, Economic Development Director, Ellen Tai, Economic Development Specialist and Craig Benedict, Orange County Planner. Mr. Brantley stated for the last two years he has had the pleasure of working with the City of Mebane on Project Rainbow. He recognized the consultants that introduced the project to Orange County, InSpec Group based out of Portland, Oregon. Mr. Brantley introduced Taro Toyoda, InSpec President and Chief Executive Officer along with Akira Makido, Project Manager. Their company will design and build the proposed facility. Also he introduced a special guest, Masao Hashino, President of Morinaga America, Inc.

Mr. Hashino presented an overview of their company. He stated they are a confectionary manufacturer established in Tokyo, Japan in 1899. He spoke of their company's founder Taichiro Morinaga and gave details of how the company began. They are now planning to open a manufacturing company in the United States. Mebane was chosen as the location because of the remarkable business environment, access to transportation, access to raw materials and infrastructure. At the same time, additional encouragement came from the incentives which helped support their decision. He went on to explain at the planned facility they will cook sugar and syrup while adding vegetable oil and fruit juice to make chewy candy. In the process they will not produce harmful materials, there is no chemical pollution therefore making the company

environmentally friendly. He stated they plan to hire at least 90 employees over a period of 3 years.

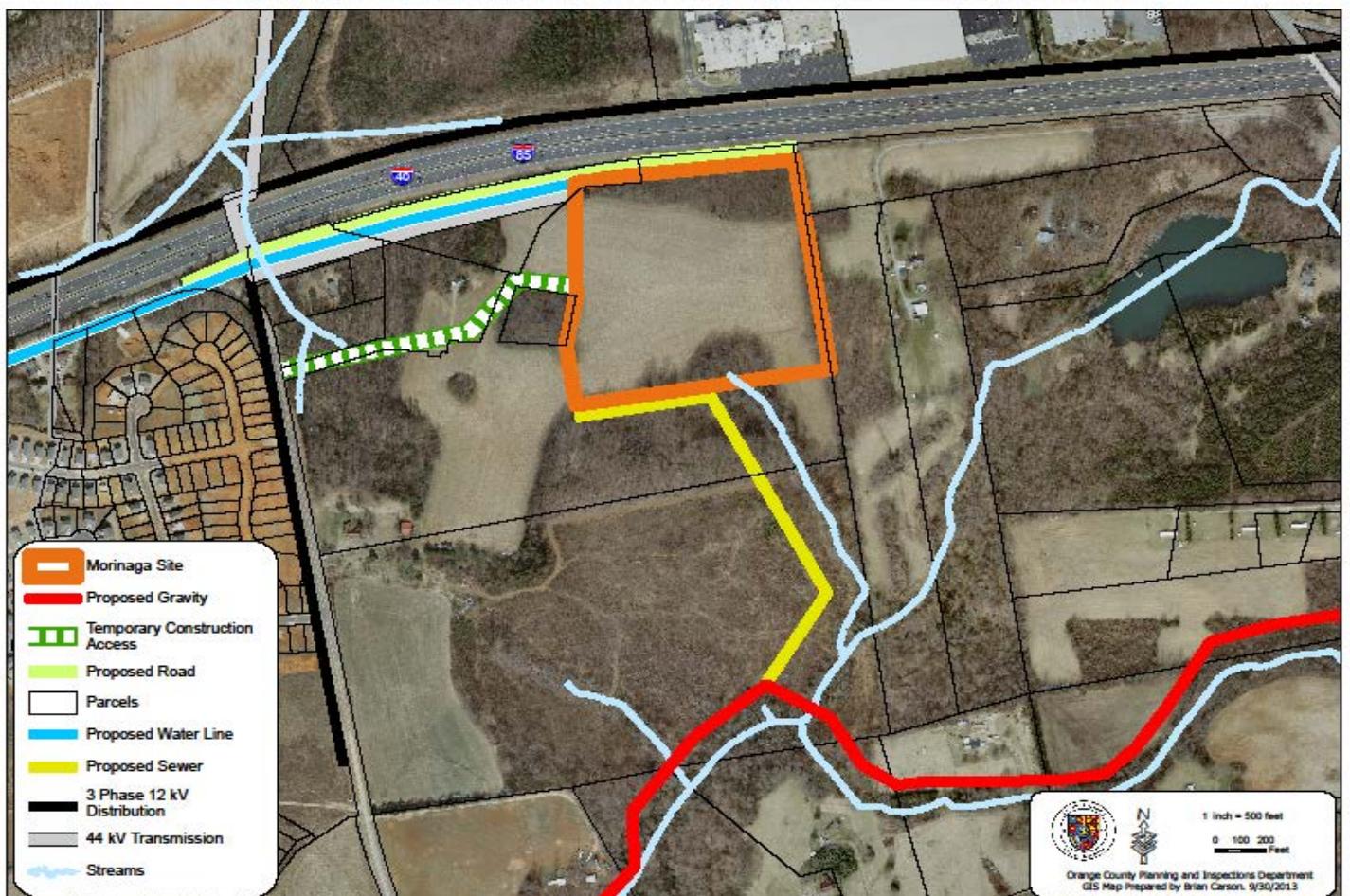
Mr. Brantley continued with a PowerPoint presentation in which he shared company highlights.

Their American subsidiary headquarters are in Irvine, CA. They have nearly two billion dollars in global sales per year which ranks them equal to the Kellogg Corporation. They have over 40 product lines and they are the #1 candy company in Japan. Their motto is to “improve the lives of children worldwide” and they do this by promoting healthy nutrition and donating funding for school facilities and educational supplies in Africa. Mr. Brantley briefly went over their various product lines including confectionaries, foodstuffs, frozen desserts, healthcare and Weider Nutritional Supplements and Fitness. The candy to be made in Mebane is Hi-Chew, the #1 chewable fruit product in Asia and Japan, now emerging into the United States having been first introduced on the West Coast. In the recruitment timeline, this project started for Orange County in February 2012 when members of InSpec group contacted staff for a site search. Site competition included Toronto, Philadelphia, Virginia, Georgia, and eighteen sites in North Carolina. After numerous visits Mebane, Orange County was chosen as 1 of the 2 finalist sites in January 2013. Mr. Brantley recognized 6 key participants of the recruitment team, City of Mebane, Orange County, InSpec Group, NC Department of Commerce, NC Department of Transportation, and Durham Technical Community College.

Mr. Cheek added to Mr. Brantley’s presentation. He began by speaking of Morinaga’s investment of a minimum of thirty-four million dollars which could grow to forty-eight million based upon the continued plan development of the facility. They plan to hire at least 90 employees and could possibly employ up to 120. The average salary will be approximately \$38,000. The 98,000 sq. ft. facility would be located on a 21 acre site just off the interstate.

Mr. Rollins briefly went over the site details for the project. He referred to the map below for infrastructure details. He stated the main entrance will be off of Ben Wilson Road. Orange County will be handling the water and sewer. They will be applying for a Community Development Block Grant to cover the cost.

Site and Proposed Infrastructure for Morinaga Facility (Conceptual Layout)



Mr. Cheek shared Morinaga's projected timeline. He stated construction is to begin in March 2014, equipment installation to begin in October 2014, construction to be completed by April 2015 and production beginning by June/July of 2015. Mr. Cheek then shared highlights of the Performance Agreement. He stated it does require a minimum investment of \$34 million dollars by January of 2018. It requires the company to hire a minimum 90 full time employees, with 18 employees in year one, an additional 67 employees in the second year and an additional 5 employees in the third year. The 1.5% incentive is based on taxable investment. A maximum investment of \$48 million would equal a maximum incentive of \$720,000 to be paid over 5 years. He stated there are claw back provisions throughout the contract related not only to the employment numbers but also to the investment numbers. In addition, all of the water and sewer connection fees will be waived.

Ms. Auditori questioned the estimated amount of the fees that are to be waived. Mr. Rollins stated nothing has been received in regards to the size of the water taps yet so it's hard to estimate but with the Ferraro Foods project the amount was close to \$35,000 and the cost for this project will be in that range or slightly more.

Tom Boney, Editor of Alamance News, questioned if the minimum and maximum amounts would the incentive would vary if the water usage stayed the same regardless of the final amount of the investment. Mr. Cheek affirmed that whether the investment was smaller or larger, both included an assumption of 20,000 gallons. Mr. Boney also asked for clarification on the investment itself, is there a possibility of a phased investment of a minimum of \$34 million or a total investment that may vary. Mr. Cheek stated that the total investment may vary and that there are no plans for phasing in the project at this point.

Mayor Stephenson called for a motion to end the Public Hearing. By motion of Mr. Hooks, seconded by Mr. Greene, the Council voted unanimously to close the Public Hearing. Ms. Philipps made a motion, seconded by Mr. Hooks, to approve the offer of incentives and to authorize the Mayor and City Clerk to execute the Performance Agreement. The motion carried unanimously.

Mayor Stephenson presented a request from W.H. Wilson Family Investment Group, LLC for a contiguous voluntary annexation of +/- 60 acres located at 618 Ben Wilson Road. The annexation will include 20 acres for the Morinaga site. He stated approval of the Petition of Contiguous Voluntary Annexation and acceptance of the City Clerk's Certificate of Sufficiency for property requesting to be annexed is needed. Mr. Hooks made a motion, seconded by Mr. Greene, to accept the Petition. The motion carried unanimously. Ms. Philipps made a motion, seconded by Mr. Hooks, to accept the Clerk's Certificate of Sufficiency. The motion carried unanimously. Mr. Greene made a motion, seconded by Mr. Hooks, to approve a Resolution Fixing a Date of Public Hearing on the Voluntary Contiguous annexation for November 4, 2013 at 6:00pm. The motion carried unanimously.

Chief Caldwell requested approval for the use of \$13,856.13 in Federal Equitable Sharing Funds to purchase a John Deere All-Terrain Vehicle (ATV) under state contract terms. Mr. Greene made a motion, seconded by Mr. Hooks, to approve the request. The motion carried unanimously.

Mr. Hooks made a motion, seconded by Mr. Greene, to approve the Tax Releases. The motion carried unanimously.

The minutes of the September 9, 2013 regular meeting minutes were approved as presented.

There being no further business, the meeting was adjourned.

Glendel Stephenson, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk

