

**TOWN OF STOKESDALE
COUNCIL MEETING
8325 Angel Pardue Road
STOKESDALE, NC 27357**

**Executive Session
June 21, 2012**

An Executive Session of the Stokesdale Town Council was held on Thursday, June 21, 2012 at the Town Hall at 8325 Angel Pardue Road.

The following members of Council were present at the Executive Session: Mayor Randle L. Jones, Mickie Halbrook, Randy Braswell, William Nolan (Bill) Jones, Jr., and Frank Bruno.

Others present included: William B. Trevorrow, Town Attorney; Robin Rhyne, Greensboro Economic Development Alliance; and Carolyn Joyner, Town Clerk/Finance Officer.

Mayor Jones opened the session at 7:36 pm.

Ms. Robin Rhyne, Vice President, Greensboro Economic Development Alliance, addressed Council after being introduced by Mayor Jones. She said that the Greensboro Economic Development Alliance serves all of Guilford County except for High Point.

She said that a company has requested some assistance from the town and the Chairman of the Guilford County Commissioners had asked that the Town be contacted as well. She said that she needs to get a sense of whether Council would consider taking this matter to a public hearing. No incentive would be approved at this meeting and would not be approved until a public hearing was held. Culp Home Furnishing employs 237 people now here at the Stokesdale plant and their main focus is mattress coverings. They are considering adding a cut and sew operation to sew knit fabric into a cover with a zipper that can be used on foam mattresses. This would involve an expansion of their facility. They have looked at real estate within a thirty mile radius which included High Point, Stokesdale, and Henry County Virginia. They are considering the old Lowes Home Distribution (Burlington Industries) building for an expansion of their business to include a cut and sew operation which would use about 70,000 square feet of the building. They also found suitable real estate in Virginia. Virginia has put together cash and tax incentives totaling \$460,000.

The cut and sew operation will create 129 jobs paying an average of \$25,843 per year. According to Guilford County guidelines, a tax incentive would only be offered on jobs that pay 110% of the county average wage which is now \$40,196 so these jobs would pay less. Since the Town does not have an ad valorem tax, this expansion would be 856,000 in machinery and \$75,000 in building improvements but this would not generate any revenue for the Town. The State of NC would give a One NC Fund Grant of \$100,000 which would have to be matched locally. The County Commissioners would pay \$82,560 in incentives leaving \$17,440 needed to match the \$100,000 grant which would be \$135 per job created. Chairman Skip Alston asked that the Town be approached to see if they would be interested in providing those funds.

The grant would be performance based with the jobs remaining in place for a certain period of time. If the company does not perform, they do not get the incentive. It is probated if they do not keep the jobs for the specific amount of time.

She said that Culp was candid in saying that they would like to remain in Stokesdale. There is a possibility that part or all of the operation could be moved to Virginia. They would have to hire 25% of the jobs before receiving any incentives.

Ms. Rhyne said that she is staff at this point and will answer any questions or assist in making preparation for the public hearing. Mayor Jones said that this is executive session and the information should be kept confidential. Ms.

Rhyne said that the decision to stay here or move would be up to Culp's Board of Directors. She said that Culp has good benefits for employees. She said that Council could advertise a Public Hearing with a ten day notice.

Mayor Jones said that a \$17,000 investment would bring in 129 jobs that are needed and he would think a public hearing would be appropriate.

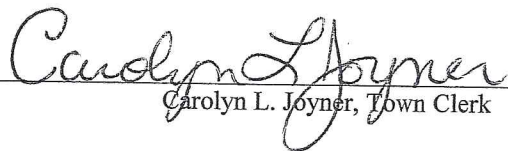
Ms. Halbrook said that the jobs are badly needed and if it can be worked out, we should do it.

Bill Jones said that if there is a time constraint and the County Commissioners meet at the same time, a special meeting may be needed. Mr. Trevorrow said that it would be best to hold a public hearing at the regular Council meeting so that the public could be informed.

Mr. Braswell said there are lots of reasons such as no taxes and I-73 being built that makes Stokesdale a good location for Culp and he does not think the owner will move. He also said that Pete Goria needs to lease his building. He also said that Guilford County should come up with the \$17,000 and not Stokesdale. He asked if there were any other incentives rather than cash that could be offered since the Town has cut its budget.

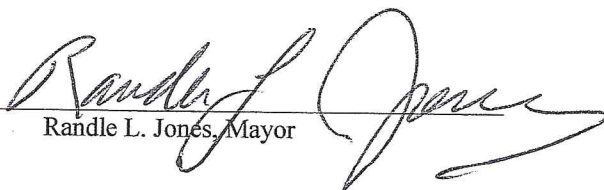
Ms. Rhyne said that a public hearing would have to be held regardless of the type of incentive and holding a public hearing does not mean that Council will give them cash or any other incentive. She will provide the text for an ad.

The Executive Session returned to regular session at 8:05 pm.



Carolyn L. Joyner, Town Clerk

Approved:



Randle L. Jones, Mayor