

**ITEM NO. 4: CLOSED SESSION**

[ Motion was made by Council member Howard, seconded by Council member Dulin, and ]  
[ carried unanimously, to adopt a motion pursuant to NCGS 143-318.11(a)(4) to go into closed ]  
[ session to discuss matters relating to the location of an industry or business in the City of ]  
[ Charlotte, including potential economic development incentives that may be offered in ]  
[ negotiations. ]

The Council went into closed session at 6:23 with all Council members present except Council member Warren Turner. Also present were City Manager, Curt Walton, Assistant City Attorney, Terrie Hagler-Gray, Assistant City Managers Jim Schumacher, Julie Burch and Eric Campbell, Deputy City Manager, Ron Kimble, Carol Jennings, Brad Richardson, Peter Zeller, Pat Mumford, and Chamber representatives Bob Morgan, Katie Hines and Natalie English.

Mayor Foxx said this is what I have to believe is one of the most challenging economic development opportunities the City has had in quite a while. Challenging because we have a company that is interested in relocating more than 400 jobs at a very significant average salary, an international business in parts of the world that are of interest to us in terms of expanding our connectivity and I have been involved in some conversations with them. Staff has been involved, the Chamber has been involved and this has been one of the wildest roller coasters I can imagine. I think all of us have been trying to work within the parameters of what we typically do and in the last couple of weeks I think all of you have had some opportunity to learn a little bit about the opportunity and what would be required to get them here. A couple of weeks ago if we were having this conversation we would be having a different conversation about it because it felt like we would be competitive going with a little different twist on what we normally do with an upfront grant, but we thought that might be enough to be competitive. It has turned out in the last couple weeks, I've had conversations with the Governor, I've had conversations with the Chamber and I've had conversations with staff and also with the company and what is clear is that doing what we were thinking of a couple weeks ago would not get us into a competitive position. Doing our typical business incentive grant by itself would not put us in a competitive position. We are at a point where what we are being asked to do is to put two significant incentives together into one package and if we do that and the County does that and the State ups its One North Carolina Grant we are putting ourselves in a position to have a chance of getting this company to Charlotte. I think this is an enormous opportunity for us, but it does require us to do some mental gymnastics to get there and frankly to feel comfortable that we are not getting there just because, but we are getting there because we really believe that is the way to be competitive and there is a real necessity to doing some of the things we are asked to do. I'm going to tell you upfront that I think the math on this works, particularly the longer you look out. If we actually see a \$300 million impact over time, with not only this business, but some of the businesses that support this business, the math will make sense more over time. I think it makes sense now, but I think it will prove itself over the long terms and I think, frankly, with what is in the paper today it makes it even more important to be thinking about how we diversify this economy and strengthening and giving ourselves a chance to have footprints in lots of different areas. I want to tell you how strenuously I support doing this and I do it being convinced that doing less than what we are being asked to do would not get us into a position to where we would have a chance.

I want to also welcome Bob Morgan, Natalie English and Katie Hines, all of whom have been working very diligently on this in different ways. Some of us have asked for them to be present and to offer their thoughts after Brad's presentation. I do want you to know that they has been some discussion about the debate and vote on this and I think there is a feeling among the Council that they would like to have the debate among themselves, but have you available to ask questions.

**Brad Richardson,** said let me tell you a little bit about what I know about the company and many of you know its brand as well, Chiquita Brands International, based in Cincinnati. They grow bananas and they've got multiple brands that you may have never heard of around the world, but the banana itself, Chiquita and then the Fresh Express, the pre-package salad products. Competitors are Dole Foods which has a presence now up in Kannapolis and Fresh DelMonte Produce, a company with tens of thousands of employees, many of whom are in Central America

as you might imagine where the production occurs. They are considering relocating their corporate headquarters. We understand there are three locations under consideration and they are listed on the screen. Here is the twist on this one. They have been very upfront in saying the thing that is driving their decision is significant upfront costs. That has been the communication to me and to the folks at the Chamber and the County as well.

Council member Dulin said is this being recorded?

Mayor Foxx said yes, this is being recorded and will become public record.

Council member Cannon said would you prefer that we ask questions as we go or would you like the presentation to be complete first and then ask questions.

Mayor Foxx said can we get through the presentation and then take questions?

Mr. Richardson said I'll be very brief. This is a lease, they used to be thinking of building a building but they are no longer doing that. It is \$14 million and they are down to two locations in our community, Center City and Ballantyne. That is not uncommon. They don't have a particular building identified in the Center City and there are three or four they are looking at. There will be 470 jobs, most of which are local. They will relocate 90 families to Charlotte. We also understand there are 50 contract positions. These are outsourced contractors, primarily IT, accounting and legal and this is what the mentioned earlier, a very healthy average salary, \$106,000. Here is how that breaks out and this is a slide that Bob and the Chamber helped us procure from the company. It is a distribution of set jobs by salary range. The peaks will give you the distribution, many of the jobs are \$40,000 to \$50,000, \$50,000 to \$60,000 and another spike at \$100,000 to \$125,000. We can make this available to you if you can't read it, in a smaller version. The message of this slide is the \$106,000 average salary, certainly not everybody makes \$106,000. Many of them are at the lower end of the scale, but that is still at or above the local average for any job in our community. The State is working hard in concert with the City and County as well and they would like to have this project in the State. They are offering a \$16.1 million job development investment grant. Training and some tax credit opportunities. They also have a relative open ended match in the One NC Fund based on what we do and the County does. The company has requested two things, one is some money to help with upfront expenses. This is the unusual part, the bottom of the screen is the normal, the upwards just as of last week called and said if you can get us to these numbers, and we are driving toward a number and that may be different than many other projects we see. They are driving to a number and the words were, give us a really good outcome in our Board meeting. \$1.1 million for the City and \$1.1 million from the County, matched by the State and in addition to that a five-year grant at 90%. Our portion we estimate at \$275,000. That is for the \$14 million, it won't be that much likely because we haven't depreciated that number. We don't quite know how it breaks out.

Here is our recommendation tonight, one we've talked a lot about with internally, with the Chamber, with the County and earlier conversation with the company yielded an \$875,000 upfront number that would be strong, would keep us in the game is the word the company used, and we think is a good place to be in this. We want to talk to you about that tonight. The county would be asked to match that and the State would do their part to match those two amounts. We also would recommend that the Business Investment Grant at 90%, your policy says 90% in the Center City, 50% in Ballantyne and we think 90% in either case would be appropriate here. There has been some discussions about the terms and clawback. We wouldn't do anything like this unless we had some really strong clawback or refund provisions included. Here is what we would suggest. They must relocate corporate headquarters within a year of your approval of the grant, create the jobs. It is important for you to know the jobs come over three years and they break out in those numbers. We would specify that the average wage must exceed \$100,000. Here is our clawback provisions, this is a lot stronger than you would see elsewhere in our typical language, really unprecedented in strength and we think it is appropriate if we are considering upfront money. They must remain in Charlotte for no less than 10 years, maintain no less than 90% of the jobs on the payroll during all those ten years. We typically in our current program give an 80% threshold recognizing business cycles do occur in all industries. Here is what we would ask from a refund provision. If they failed to meet any of the provisions of the

grant during the first five years of the term, 2012 to 2017, all of the money that we pay them to date is refunded, then a declining percentage in the subsequent five years. If you were to choose to act tonight, if you took the staff's recommendation, this is what you would be doing. You would be indicating your intent to improve, you are not making a vote that is recorded tonight, other than you are just indicating to the company how you feel about their ask and how you feel about what the staff has said. Your intent to approve those two grants, contingent upon what I just said a few moments ago about clawbacks and investment jobs. That concludes my portion and I'm here to answer questions and I'm sure Bob and his staff is helpful. They've had direct communication with the company more so than I have so they may be able to have some comments.

Mayor Foxx said why don't we turn it over to Bob Morgan and his team and if you have some fill in, please, just whatever you want to say.

**Bob Morgan,** said thank you for what we acknowledge is an unprecedented opportunity to be with you in closed session and we don't take that lightly. It was also a great opportunity to be with you all last week and I comment all of you for taking the time to visit the companies around the City on the tour last Monday. On that tour I had an opportunity to talk with many of you individually and several of the questions that came out, I would like to try to address to fill in. Why would we do something we haven't done before for this project? We have not seen a publicly held, this company is Fortune 650 company public headquarters with all of the wealth and power that comes with the corporate headquarters. We don't see this very often. To me this is a once in a decade opportunity. I was here in the 70's when IBM came. I was here in the 80's when Royal Insurance came, in the 90's it was Goodrich. This would be transformational much like those projects. The company's costs, Brad alluded to them, \$27 million before they ever open the door in Charlotte, for severance, for the physical costs of relocation and expenditure that the CEO will have to take to his Board and that is the reason they are asking for the unprecedented help with the offset. Any of these early dollars will still, like every incentive you all ever grant, be performance based. If the jobs don't come the incentives don't get paid. It is that simple. Some of you have asked about a rumor in the Real Estate community that a lease for the office space has already been signed and the executives are looking for homes. This is categorically not true. The company has been still, according to everybody I've talked to you in the commercial real estate sector, kicking the tires but very much doing the same in Georgia and Florida as we continue to compete with those states as well as the option that they could very well remain in Cincinnati where they are based currently. Brad mentioned that of the 417 new jobs, approximately 90 families will relocate, the rest will be hired locally. That frankly is a lower percentage of relocating employees. Typically, a project of this size it is more like 50/50, but we think it is a good answer that there is more opportunity for local citizens than we would typically see. You've just heard about the clawback provision. Brad I think it is fair to say this clawback is unprecedented in terms of what the company is willing to accept. They intend to sign a ten to twelve year lease for 150,000 square feet of commercial real estate. They will accept the clawback provisions as well because it is their intention if they come to Charlotte to be here for the long-term.

What else you've asked me makes this one different. This is a brand name that is known throughout the world. It is iconic. It is one that goes back for many decades, again they don't come along like this very often. The company's presence in Latin America will open up new opportunities for Charlotte in that region of the world, including increased demand for air service from the Charlotte Airport to destinations in South and Central America. The diversity of the company's workforce and the need for Spanish speaking professionals will further diversity our workforce and it will send a powerful message regarding Charlotte's ability to attract a diverse workforce. The company has committed to Governor Purdue that it will bring to Charlotte a program that is launched in Cincinnati called Salads in Schools where they will donate their product to help lead the fight against childhood obesity with their products. In combination with what Brad mentioned, Dole Foods, David Murdock is at the North Carolina Research Campus. Dole Foods has an assembly plant in Bessemer City, not a part of this project, but the company has given a strong indication they have an R & D facility in Salinas, California. The lease is not up for another two years, if the headquarters moves here it is their intention to move that R & D facility to Charlotte, giving us the unique opportunity to create a cluster with the presence of Dole and the presence of Chiquita and a merging cluster for the global production of nutritional

foods. It is a unique opportunity, we think it is a game changer. We have three choices here tonight. The company has asked for \$5 million in early money to help offset that \$27 million out of pocket expenditure. We could step up to the plate at \$5 million. We can stand pat. We can do nothing. We can take what is already on the table from the State and we can take our chances. This is a negotiation and maybe it is a bit of a poker game. We don't have to do anything and you all can make the decision to just stand pat with just what the State has put on the table. The CEO, however you need to know, has told me, had told the Mayor, has told the Governor and others in Charlotte that they have met with that if the total package if \$3.5 million, which is what is currently on the table, that we will no longer be competitive for this project. A third option is to get closer to that \$5 million. We are not recommended that we get to the total \$5 million. You do have the opportunity by leveraging what the Governor will put on the table, by leveraging what we think the County will be willing to approve next week, we think we have the opportunity to put a total package of \$4.5 million on the table, which the company tells us will make just competitive. Somebody is going to have to make a phone call to the CEO tonight to tell them whether we are in the game or whether we are not. You all have seen the headlines today. Our leading corporate citizen is on the ropes, Bank of America may not exist in its present form in the next 12 to 18 months as they struggle to deal with the challenges of the workplace. We all talk about jobs. We have a unique unprecedented opportunity to bring 400 jobs at \$106,000 per salary at a time when our community needs positive news more than ever before.

Mr. Cannon said I don't think I caught why they are looking to leave Cincinnati. Is anything wrong with Cincinnati?

Mr. Morgan said five years ago the company lease was up and they went through a similar search process. They had signed a lease in Miami, Florida, they had negotiated an incentives package and literally the night before the press conference the European Union doubled the tariff on bananas, which had a \$50 million hit to the company's bottom line. They rescinded their decision to move and re-opted for an additional five-year lease in Cincinnati. This is a global company and they need the ability to connect to the rest of the world. The Cincinnati Airport is contracting, the Charlotte Airport, as you all know better than anybody, is expanding. They need to be in a location where they can do a better job of recruiting a diverse workforce, Spanish speaking professionals in particular. Think of the snapshot of the Soccer game at Bank of American Stadium when Cuba, Mexico, El Salvador, and Costa Rica were here, there is no better picture we can paint of our ability to attract Spanish speaking professionals. They are frankly looking for an economy that they think has long-term future growth, air services is absolutely at the top of the list critical to them.

Mr. Cannon said in your best professional opinion business wise, because there is a mil from the City, a million from the county, 2 million from the Governor and there is a \$5 million. What would you suggest to us from a business perspective, to be the best deal that this governing body can make to move forward to potentially stay in the game or not be in the game at all?

Mr. Morgan said the CEO has told us that if we were able to bring \$5 million to the table, he would take that to his Board within 24 hours for approval. We are not recommending the \$5 million. We tried to put \$3.5 million on the table and the company told us that is not competitive. We said to them, we think there is a way potentially to bring \$4.5 million with what the Governor is able to offer, with what the City and County could do by restoring the Business Investment Grant to the deal, will that keep us competitive, and understand we said to them, there is no going back to the well. If we get the \$4.5 don't come back and tell us that is not enough, you have to go back to City Council. In my best professional judgment the \$4.5 million is the number that keeps us in the game.

Mr. Cannon said, it is believed that is enough, given they have \$27 million that is outstanding out of pocket to get them to make such a move?

Mr. Morgan said again, the company has asked for \$5 million, they've told us that \$4.5 keeps us in the game. Keep in mind there is early money, that which you are being asked to invest, which is to be paid out over three years, along with the One North Carolina Fund, the State's other

funds are spread out over 10 or 11 years. There is both the short-term and the long-term incentives that would help them to offset that \$27 million as much as possible.

Mr. Cannon said I like the ten-year clawback provision. I love what we got the Bobcats to do but I don't think we are going to see those number of years per se, but I'd almost want to push a little bit further, a little bit harder on that ten years, but it is still a good number. I would like to see a better number, but ten is ten. Do we know, relative to future projections, because I heard the Mayor speak about what this would do for the future, what we could probably anticipate. Types of jobs or opportunities that this community and/or county could enjoy. What might that be?

Mr. Morgan said we commissioned UNC-Charlotte to do an economic impact statement. I don't know if you all have that in any of your materials. UNC-Charlotte estimates that in addition to the 417 jobs, there could be an additional 750 jobs in serving that number in some way. UNC-Charlotte estimates that the company will generate \$9 million annually in new public sector revenues at the 417 number. Of course no company knows the market with certainty. We think this is a company with strong growth potential, particularly in the developing world. We do know that the R and D facility could be something that we would see in the next two years.

Mr. Cannon said that was my last question. This R and D facility, is that something that goes to Ballantyne, uptown or new construction? What is that?

Mr. Morgan said we would assume their intention would be to have it connected in some way to the headquarters facility.

**Katie Hines**, said it would be a separate facility, not at the same location.

Mr. Morgan said I stand corrected, it will be separate facility.

Mr. Cannon said what would the footprint look like, what is the square footage on the facility as such?

Ms. Hines said 18,000 square feet.

Mr. Cannon said 18,000 square feet and it would be somewhere separate?

Ms. Hines said it would be Mecklenburg County, but it would not be attached to their corporate headquarters.

Mr. Cannon said potentially that is something that can go in some of our more challenged areas, maybe.

Ms. Hines said possibly, yes.

Mr. Dulin said the \$106,000 annual salary, does that include the upper executives, because that would skew that number greatly?

Mr. Richardson said I will refer you back to this slide, the farthest column on the right hand side is \$200,000 annual salary. There are 21 positions at that level.

Mr. Dulin said how many above that level?

Mr. Richardson said 21 greater than \$200,000.

Mr. Dulin said before we were talking about the upfront cash, the term being used and that had some of us a little bit nervous. Tonight you are using economic development grant. Is that going to be the way it is written in the paperwork?

Mr. Richardson said it is an economic development grant and that is how I would probably term the legal agreement. We wouldn't term a legal agreement upfront cash I don't think. It is a legal agreement with clawback provisions, it is a grant absolutely.

Mr. Morgan said the company would call it upfront money. What they mean by that is short-term three-year money. It would be performance based, if the jobs don't come it doesn't get paid out and it would be paid out over the first three years of the grant. We would call it early money as opposed to the longer term that is spread out over the ten years.

Mr. Dulin said we would like to call it economic development grant money.

Mr. Richardson said with approval we will call it whatever you want us to.

Council member Howard said those upfront monies over three years would have some type of goal attached to them and we didn't hear about those. So it is not just timing.

Mr. Richardson said we will marry our grant to the State's One North Carolina Grant. Every year over three years there will be an annual payout. The payout will equal a percentage of the grant, based on a corresponding percentage of jobs created. Half of the jobs created in year one, half of the grant would be paid.

Mr. Howard said that is the way the incentives normally happen anyway, so that is a little different because you are doing it in a compressed time?

Mr. Richardson said our Business Investment Grant is not paid, there is a minimum job threshold and it is really based on taxable investment and there is a schedule of when it hits the tax rolls, when the company pays the tax and what percentage of that we grant back to the company. This economic development grant would start paying likely at the end of 2012. The Business Investment Grant would not likely start paying until 2014 through 2019 because it is based on property tax.

Mr. Howard said this is actually tied to jobs. Have we done that before?

Mr. Richardson said we have not.

Mr. Howard said the clawback clause, I don't know if I know what a regular clawback clause is so I can compare it to this one.

Mr. Richardson said great question. Your general Business Investment Grant refund or clawback provisions require the company to keep the investment. We don't talk job, it is a tax base grant, keep the investment in Charlotte through the five-year term of the grant and than an additional five years beyond.

Mr. Howard said in this situation that would be the lease?

Mr. Richardson said in this case we are talking jobs. The quicker economic development grant we are talking jobs and you need to keep those jobs at those salaries. We are really not talking investment. Fourteen is not a big investment, the value here is jobs. The Business Investment Grant allows an 80% threshold, remember the business cycle I talked about, they may downsize in a year, grow jobs in another year, but as long as they maintain an average of 80% of the promised new jobs we consider them eligible, that is your policy. This raises that to 90%, they have to keep more jobs to be eligible and this is the critical one. In the case of them not hitting 80% of jobs in the Investment Grant, they take a year off and we don't pay them that year. They can apply for reinstatement and in these clawbacks, if they miss one of those benchmarks, every dollar we paid comes back to us and they are here by the way as a corporate citizen. It is really hard, really tough.

Mr. Howard said I heard about the Airport a little while ago, which is a significant one to me. Anytime we can do something to make our Airport stronger it is a good thing, so in addition to them flying out of here, what other significance does it bring to the Airport? I heard earlier, maybe new routes to Central America, South America. Am I stretching it to say that is something you have thought about as being a plus also?

Mr. Morgan said we've talked to Jerry Orr who has met with the company. The company's demand for air service to Central and South America would be arguably stronger than any company that is currently in this market. US Airways is keenly aware of this project and the opportunity. It is a chance for US Airways to take business away from Delta in Cincinnati, business that has been going down. Now you fly out of Cincinnati and make a connection somewhere and to bring it to this market. So US Airways has not made any commitments about new service, but they understand that this company, so many of their production facilities are in Central and South America, that demand for travel would be a significant addition to our current O and D market.

Mr. Howard said I heard that they are good corporate citizens. Did I hear that from somebody I talked to about this project that Chiquita, wherever they are, they invested in that community?

Mr. Morgan said the Salads In Schools Program, they are the leading corporate cooperation trying to help fight childhood obesity, not just at their presence in Cincinnati, but in other markets. They have partnered with the First Lady, Michelle Obama on that subject, and they have committed to bring that program here should they move their headquarters to Charlotte.

Council member Peacock said you mentioned that if we get to \$4.5 million that gets us in the ballgame? What if we offer \$4.5 million, is there a guarantee that we win the ballgame?

Mr. Morgan said there is no guarantee. The company said if you want a guaranteed that you win the ballgame, get us to \$5 million. At \$4.5 million they've told us you are still competitive. At \$3.5 they've told us you are not.

Mr. Peacock said we could make the offer and still lose.

Mr. Morgan said we run that risk in every case, yes.

Mr. Peacock said Brad, I didn't see anywhere where you mentioned, what is the funding source?

**City Manager, Curt Walton,** said I'll take that one. The fiscal year just ended on June 30<sup>th</sup>, so last year's money we had \$2.3 million in over collection of revenues in the general fund and \$4.5 million in under expenditures so that money turns into capital reserve. You can use it the following year for onetime expenses, so my recommendation on the funding source for this would be to come from that money. We would be using it earlier than we ordinarily would, but it is exactly the sort of thing, the onetime expense aspect of it. I will say, just so you will know, Chief Monroe is going to bring forward a recommendation later in the month to replace our tasers for about \$1.5 million and that would be the funding source for that as well, but that still leave \$4 million to \$5 million in the fund. It is \$6.8 million and if we took \$875,000 that would be \$5.8 million or so and ultimately if we do the tasers, that would still leave \$4.2 million.

Council member Carter said you mentioned Goodrich and Royal as part of that team that we have recruited. Did we get clawbacks from those investments since they are no longer with us?

Mr. Morgan said the incentive game has changed dramatically. When Royal Insurance came the State built the interchange at Arrowood Road. There was no other discussion of incentives. When companies like Sealand and Goodrich and Coletec were coming the Governor had, and I don't recall whether it was called the Governor could give \$1,000 per job if there was a local match, it was a pre-Enron, pre-TARP era, the private sector could match. Now with accounting rules being what they are, that is not an option. This is an evolution of the program, it is unprecedented in that regard but this is what is going to take to be competitive for landing this project in 2011.

Ms. Carter said the point be that there is no guarantee that they will stay here a long time, or be with us at all.

Mr. Morgan said the company will sign a 10-12 year lease. They will spend \$27 million upfront before they ever open a door in Charlotte. They will sign a 10-12 year lease, they will accept the

clawback options and those are some pretty strong guarantees that as long as they are in business they are going to be in Charlotte for the next decade.

Ms. Carter said I voiced my concern to you, the Governor, etc. and we have a policy of dedicating dollars to infrastructure to support a business in a way the City does business, and I was indicating that I would be a lot more supportive if we could find some project that we could tie those dollars to. There has been nothing mentioned and I understand that. Is there a way that we could somehow anchor the R and D investment with this commitment?

Mr. Morgan said if we don't get the corporate headquarters we don't have a chance at the R and D facility or any additional opportunities.

Council member Cooksey said a couple of questions about the company's viability, to what extent have you factored in the risk of this fungus infection to bananas that could strike Latin America at any time to the future business liability of Chiquita? Did you look into that at all?

Mr. Morgan said we have not. While I would say that bananas are the product they are most known for, the growth in their business is in their pre-packaged salad side of the business and that is where they see their growth long-term.

Mr. Cooksey said I understand that, but it is still what they are known for, it is still a significant part of it and you cited earlier a European issue surrounding terrorist that really crunched into them about five years ago. Clearly it is a significant part, not their only business, but it is a big part of it. The second question and I can't seem to find an update. Do you all know anything about the current status of the Dole vs. Chiquita lawsuit about funding terrorist groups in Columbia and where that is headed with them?

Mr. Morgan said you have likely seen the same reports that I believe were in the press very recently. The company has been very upfront with us since our very first conversation. There was a 60 Minutes piece about the CEO that they brought to our attention. When they were doing business in Columbia, when there was a right-wing government in charge, they hired a right-wing military group to protect their workers. When the government switched to a left-wing government, they hired a left-wing military group to protect their workers. They have since sold their business in Columbia, they have paid or are paying a \$25 million fine to address that situation.

Mr. Cooksey said I couldn't quite figure out if that closed the case or if that was one case and there was still another one on going.

Mr. Morgan said I don't know the technicality of that. I would suggest to you that if we made it a standard that any corporate headquarters that has litigation is not welcome in Charlotte, we would see the exodus of the eight Fortune 500 corporations that we have currently. Companies are involved in litigation all the time and I'm sure that they will be as well.

Mr. Cooksey said I appreciate that, it is just in this case we are being asked to deviate from our usual procedures for a special case and some of the nature of the threats of this company to me are unique to it rather than the broad range of litigation in general. The acquisition of hiring terrorist death squads that kill people is several orders of magnitude more serious than litigating over fraud in my opinion. That is why I raised the question and why I'm trying to identify just how different and how far outside of our usual boundaries we should be going. Didn't mean to make a speech about it, just wanted to ask the questions for information.

Council member Barnes said one quick thing with regard to Mr. Cooksey, I believe that litigation is ongoing. Part of the federal lawsuit was dismissed and the rest of it continues. I don't think there is anybody in the room who doesn't want to find a way to create jobs in our community. The issue for me is how we go about doing that and I talked to several people because there has been quite a bit of outreach among the advocates for this project to get people on board. One of the things I cited was that when Seaman's came to us, when Electrolux came, and other entities, they have not demanded what I consider tremendous cash payouts in order to come to our city and have brought more jobs in some instances. I look forward to having a dialogue among my

staff and my colleagues after our visitors depart the room, but I do want to know what is unique about their moving expenses, first question for Mr. Morgan, second question for Mr. Richardson. Back to your slides, is the total ask local, city, county and state over \$20 million?

Mr. Morgan said they have hired the same consultant that helped Electrolux to move and they think they have a pretty good estimate based on that. Of course Electrolux was coming from a different location. To only move 90 families means that they are going to have significant severance costs with those who are not moving. The economy is different. Electrolux and others prior to them found their own internal ways to fund the relocation costs before they ever opened the doors. It is a different economy we live in and as the CEO goes to his Board with that costs, they have given him direction that he needs some offset to that so that is where it is coming from. I would not say that their costs are unique. I would share with you, we have just had a project that was looking at Charlotte from New Jersey about 1,000 jobs and ultimately we think that we had beaten Atlanta for them had they decided to move. At the end of the day the company said the relocation costs of however many of the 1,000 jobs was prohibitive so with that in the package that they were able to get from the State of New Jersey, that is a project that has ended up not moving. That could very well be the answer in this case.

Mr. Barnes said the reason I asked that question that way is during Mr. Richardson's presentation there was some indication that there was a uniqueness about their moving expenses. Again, initially they wanted \$875,000 cash to move. I don't know, did Electrolux ask us for any money to move or was it simply part of the BIG?

Mr. Morgan said they are not asking for cash, they are asking for it to be paid out in a similar way to the One North Carolina Fund which is a three-year performance based, if the jobs don't come the payment is not made. This ask is unique. We've not seen an ask like this from Electrolux nor from others.

Mr. Barnes said now I'm a little confused because you are saying it is not cash, the Manager just said it would come out of our \$6 million realized income fund in the general fund. So it is either cash or it's not. He said it is and you are saying it is not.

Mr. Walton said from my perspective, I don't charge you for things I can't pay for upfront, so I would take if you do this, take that \$875,000 out of that reserve and earmark it so that you don't deal with it in the second and third years. Then if it is paid we would pay it over three installments if they meet their criteria. You have the option of not funding it upfront but it just becomes an unfunded liability.

Council member Burgess said how did we get to \$4.5 million? Why was that out limit?

Mr. Morgan said why didn't we go higher?

Mr. Burgess said just out of curiosity, why didn't we go to \$5 million? The second question is if they came to us and said if you give us \$5 million we will commit. I guess they didn't do that to the other two choices.

Mr. Morgan said we don't know what the other three states, Ohio, Florida and Georgia, we don't know what packages they are putting on the table. We have reason to believe that we know they are very well aware of the project and they are going to be competitive. We don't know the details of that. We tried to put \$3.5 million on the table, this is a negotiation and we are not sitting around looking to spend any more of the public's dollars than we have to to find a good business deal that is a win/win for the community and for the company. When we put \$3.5 million on the table and they balked at that, we had a sense for what the state might be able to add, which would require a local match, which gets us to the \$4.5 million, but before we decided to come to you, we ask the company, will that put us in the game and keep us competitive and they indicated that it would.

Mr. Peacock said the UNC-C economic impact study, we just started hearing about that basically today. Is that normal procedure for the Charlotte Chamber to commission a study and the prospect like this, doing that in each of their other respective cities, and my second question to

you is, you go against Atlanta every day, Boca Raton and maybe you've got some staff on that opponent as well, but can you tell me about the strength and weaknesses of Atlanta, and strength and weaknesses of Boca Raton?

Mr. Morgan said I think we'd beat both of those locations hands down. I think Cincinnati is the real competition. Our client is marketing their products to Proctor and Gamble as we speak on some floor in their office tower. They are located very proximate to one another. The Governor of Ohio is very aggressive in trying to keep them. US Senator Rob Portman, somebody who has been a strong ally of theirs, they will have to take some political risk frankly to leave that kind of political support. That is part of their consideration here. My opinion is that they are choosing to stay in the State of Ohio is our strongest competitor. The company knew early on that we had resistance to again, when we put the \$3.5 million on the table and they in talking about again, what they call upfront money, what I term early money or economic development grant investment, they wanted to help make the case stronger for why they would ask for that kind of money. Katie, without precedence, I'm not aware of other times that we have commissioned such a study, but Dr. Harrison Campbell at UNC-Charlotte conducted it for us. It was done at a time when we did not know whether build to suit was an option versus leasing existing space so it had a couple of different scenarios to it. We can certainly make that available to you.

Mr. Peacock said it just wasn't normal that the Chamber goes out and pays for that of work to a firm. Was the primary purpose of it for what we are in right now, to be able to describe if we do secure them what the economic impact will be or were they fishing for information as to what type multiplier affect do we have here, what type of job force do we have. Was it a sales tool for you that helps us sell the region. I'm just curious about that procured a little bit.

Katie Hines said they are working with a real estate consultant. They have an incentive consultant and a real estate consultant, same company, and from the incentive side of that we received what they called an economic impact study. We saw a number of holes in it if you will, and decided that wasn't give us a good number that we needed in order to figure out what the true economic impact was for this company so we commissioned the study.

Mr. Peacock said if we came back and said to you \$4 million, and Mr. Burgess asked a good questions, why didn't we ask for \$5 million or \$6 million while we are at this game. What if we came back as a body and said \$4 million?

Mr. Morgan said we would community to the client, the client knows what the state is willing to offer. The state cannot give without a local match and so whatever the City, combined with the County approve is what will be communicated to the client and we will see where the project goes from there.

Mayor Foxx said I want to make it very clear. We don't have the control to request a \$4 million grant. Whatever we do is what the county will be asked to do which is what the state will be asked to do. It is all sort of bound together.

Mr. Morgan said just process the County's Economic Development Committee is scheduled to meet tomorrow at 1:30 and the County Commission on September 20<sup>th</sup>, you all know it is typical the County likes to follow your lead so that will be the sequence.

Council member Mitchell said I think it would be helpful just to share some brief history, since this is the second time this company has looked at Charlotte, and I don't remember the particulars the first time, but they did not select us. My second question how long were they in Cincinnati?

Mr. Morgan said if Charlotte was on their list we didn't know their identity at the time. They were headed to Florida versus Cincinnati. They've been in Cincinnati for 25 years.

Ms. Hines said they are a company that wherever they go they seem to settle for quite a long time.

Mr. Cannon said this is a follow-up from a question that Mr. Howard had with regards to being a corporate partner. It didn't sound like we know a whole lot about them being a good corporate partner with the community in Cincinnati. Is that accurate?

Mr. Morgan said we have reason to believe that they are a very good corporate partner in the community, active in the Chamber, active in funding the arts, the United Way and being the leader in the fight against childhood nutrition through the Salads in Schools Program.

Mr. Cannon said if you know you, you are going to go after them pretty darn hard to do what they need to do to help us as it relates to the one thing that made Charlotte what it is and that is public/private ventures I would imagine. Otherwise the Mayor is going to continue talking about libraries and all of us around the table talking about roads and education. The Salads in Schools piece I like, but that is just going to be another way for us to keep them in business because they will be in our school system somewhere doing it and making some money off of that. I want to know and make sure that they are going to be a good corporate citizen in the sense that we all would think they would be and that is helping us give back to the community on the public side.

Mr. Morgan said if the headquarters relocates we will have opportunities to invite their participation in any and everything we do. We would intend to do that. We would hope they would pay their Chamber dues right after they pay their city taxes.

Mayor Foxx said Bob, Katie and Natalie, thank you, your presence has been very helpful.

Mr. Morgan said thank you for the opportunity and good luck.

Mr. Dulin said my first question Brad, are you going to be making the presentation for us to the County on the 20<sup>th</sup>?

Mr. Richardson said no I'm not. I don't normally do that and I assume we will follow a similar and Bob often joins the County in closed sessions for big deals, so I bet Bob will be there.

Mr. Dulin said I would like to have you there for us and if there is any chance we can have you in the room or whatever, you are our guy and if we move with this we certainly want the county to move with us. They typically don't go the opposite direction. They have five years for the first clawback, 2017, will that clawback go hot from the date we okay it downstairs?

Mr. Richardson said whichever you or the county leads, the later of the two approval dates is when we anticipate the clawback starts.

Mr. Dulin said they are hitting that employment nut then we get our upfront economic development grant cash back?

Mr. Richardson said that is right. After the first year if they haven't created the set number of jobs, we won't pay them.

Mr. Dulin said I sort of want the group to know I've had a little bit of a change here in the last hour or two. We do this stuff very well so let's have our discussions. I was relatively a solid no until recently so somebody talk me back out of it.

Council member Kinsey said I think over the past week or so as we've heard different things, I want to make sure we are all singing off the same page, particularly me. The upfront money, for lack of a better, this is cash, it is not anything other than cash over a three-year period, right?

Mayor Foxx said right.

Ms. Kinsey said it is based on the number of jobs created or brought down per year and we are anticipating, I think I heard you say that the first payment could be anticipated next year in 2012 so does that mean if they get the go ahead they would be moving ahead. Year one would be 2012.

Mr. Richardson said yes, and I would anticipate just on this rough schedule that at the end of year one, calendar year 2012, they would submit for a payment of a percentage of whatever amount you approve tonight and economic development grant after creating 170 jobs at the end of 2012.

Ms. Kinsey said are they guaranteeing 170 jobs in year one?

Mr. Richardson said yes.

Ms. Kinsey said have they already accepted the clawbacks? When Mr. Morgan was talking he led me to believe that they would accept the clawback so that leads me to believe as well that they already know about them and they have accepted them.

Mr. Richardson said that is a question probably Bob would answer the best as he has had the direct conversation with the client over the last 6 or 7 days. We authorized Bob to send these to the client around lunch time today after we settled on what we thought was agreeable. I don't know the answer to that question Ms. Kinsey.

Ms. Kinsey said I think I heard you say that the Business Investment Grant would probably kick in in the year 2014. Can you tell me why 2014?

Mr. Richardson said yes, absolutely and this is a dynamic of this particular policy. The company will have to make a \$14 million investment and we anticipate that being in calendar year 2012, let me just say tax year 2012 now. That is when they will up fit and spend \$14 million in investment. It will sit on the tax base for a year before it is assessed. They will get a bill the following September, then they will have to pay the bill. Once we see proof of payment then we pay so there is typically a window of time where they are performing and it takes about two years on average before you pay your first Business Investment Grant payment. I'm estimating 2014.

Ms. Kinsey said I've heard three different numbers now, Fortune 500, Fortune 600 and tonight Fortune 650. Somebody tell me what the real number is.

Mr. Richardson said I think Bob clarified that tonight, Fortune 650. They are somewhere in the 600 around 650.

Mr. Cooksey said a couple of years ago they were in the Fortune 500. They have a more fluctuating, whatever they measure in the 500, it fluctuates more so they fluctuate more.

Ms. Kinsey said should we be concerned about that?

[ Motion was made by Council member Howard, seconded by Council member Mitchell, that ]  
[ City Council indicate its intent to approve the Economic Development Grant of \$875,000 and  
a)  
[ Business Investment Grant with an estimated value of \$275,000 to Chiquita Brands ]  
[ International contingent on Chiquita Brands International's agreement to relocate its corporate]  
[ headquarters to Charlotte. ]

Mr. Howard said after going back and forth and we've all gotten a lot of calls, I'm like Mr. Dulin. I came in really being 60/40, not really 60 for it and 40 still kind of iffy on the whole and do we change the rules. I kept looking, is this a significant enough company to justify that and when I think about the whole idea of adding it with Dole and going after a cluster which would be good for us because clusters bring other companies of like sort. I think about the potential boom to the Airport and I trust Jerry and I did have a chance to talk to Jerry. He sees this as a potential to help him with the whole South America/Central America market. And then the clawbacks, it does sound like you've gone beyond what you traditionally do to make sure we are protected. Does it feel real, real good, no. Does it feel like something we should do and it is significant, yes, I did get to that point tonight so that is why I'm willing to move forward with it.

Mr. Barnes said I don't feel comfortable asking Brad to be with the County. They got their own folks and I don't want their people coming here and I don't want you going there. The second thing, early on back during last week when some of the lobbying began, there was a suggestion made that we were going outside our Business Investment Grant. Today the message is no, this is the same thing we normally do. So which is it? Is this what we normally do or not.

Mr. Richardson said this is different than what we normally do. The Business Investment Grant is based on investment, not jobs, paid out over five years or three years, starting two years down the road after investment is made and taxes are paid and a very substantial difference in clawback provision and much lesser clawback provision, still strong, but less. This is more of a One North Carolina Grant model which is discretionary funds that are not budgeted in the Business investment Grant line item annually, payable on job creation in concert with the State. That is the difference. It is acting like a One North Carolina Grant.

Mr. Barnes said so the check for \$1.1 plus million would be to cash. We are not paying for lease on a hanger, other than paying for the severance for the folks who may be staying in Cincinnati what is the million dollars going to be used for?

Mr. Richardson said just to clarify, the \$1.1 million was the \$5 million ask that Bob referenced would likely win the project but we think \$875,000 is our offer. It keeps this very competitive and we feel that is the right place to be. I want to make that distinction. It is a check made payable to Chiquita Brands International to use at their discretion once we pay it.

Mr. Barnes said the first third of that check would be paid next year?

Mr. Richardson said yes, it could be a third or it could be half if they exceed what the job goals are.

Mr. Barnes said I'm not comfortable with the proposal. I'm trying to figure out how to be supportive of it. One thing that would really blow me out of the water and win me over is if they commit to buying Eastland and build the headquarters there and build the R & D facility there. There is space there, it would help to transform that area. You still have great infrastructure over there and as I said I think it would be transformative. It would help with respect to the Streetcar project and it would elevate East Charlotte. I almost want to say as a friendly amendment Mr. Howard, that the million dollars be given if they agree to move to Eastland or buy that site and build it there. I'm serious because you talk about ways to improve that area and they are allegedly confused about whether they want to be up town or in Ballantyne and we are giving them cash money. You have an opportunity to do something for East Charlotte that has never happened, but that could in fact transform the area, number one, and number two you talk about this nexus with Central America and the way East Charlotte has changed, hell there you go in terms of providing a Spanish speaking workforce which they said they want. You can get right on 74, 277 and I-77 out to the Airport. In other words that site is still close to the Airport. You've got the great infrastructure and I think it would be a great thing for them to do, and it is a business corridor.

Mr. Cannon said speaking to your last point, maybe the R & D facility is the entity that goes over there, that is if members of the Council and other powers that be, would work to steer something like that to the area. That may or may not be a reality, but I like the idea that Charlotte could have another headquarters. I like the idea that we can have a global brand here and we can continue to talk about what we are doing to try to rebrand Charlotte, well this adds to financial services or the lack thereof a little bit if we lose 40,000 some odd jobs here, but I don't think that is just going to happen here in Charlotte. Then you are adding this and we've got energy, but that is the second thing and the third thing is that I like the direct jobs piece, even though it is 327 jobs and not exactly 417 unless we add the 90 which are already coming. I like the potential, but I like the potential from another perspective relative to Airport is right on point and it is creating more jobs in the future for the community. This is a visionary vote. It is a right now vote for the immediate in terms of what will come in the way of jobs, but it is a futuristic type vote and I think we got to look long-term and determine what is in the best interest for Charlotte and almost like the DNC gains us probably some international attention. I'm on board with it and I say let's vote.

Mayor Foxx said we've got people waiting downstairs. It is 7:30 and we were supposed to start at 7:00 so say whatever you want to say.

Ms. Kinsey said number one I had felt pressured into this and if we are ready to vote now I'm feeling pressure. I've been watching the clock and I started to say something at 7:00 but decided not to. If I feel pressured into it I tend to dig my heels in and say no. I'm trying to find a way to maybe do better and I may have to hold my nose and vote. The money, \$875,000 plus \$275,000 equals \$1,150,000, is that what we will be paying out over three years?

Mr. Richardson said no ma'am, you'll be likely be paying out no more than, if you approve this action, \$875,000 over the first three years, think of it likely in three payments of \$291,000, then you will pick up the Business Investment Grant payments from years four through nine.

Mr. Kinsey said so that is \$275,000 for a ten-year period?

Mr. Richardson said \$275,000 over five.

Ms. Kinsey said a year.

Mr. Richardson said no, no \$291,000, \$291,000 \$291,000 roughly and then Business Investment Grant the next five years total \$275,000 roughly.

Ms. Kinsey said the whole thing is so, I don't like the precedent and I think it is confusing and I guarantee you when they come back for that R & D, if indeed they come here, they are going to ask for more money. I agree with Michael, it would be very nice if the Chamber and other business groups would look at other areas in Charlotte, and I love uptown and I want businesses up there, but they never look anywhere but uptown and Ballantyne. Occasionally, University, but never West Side, East Side. It would be nice if they would help us out with that.

Mr. Peacock said I want to speak to one point that Patsy made regarding precedent. It really just leaves the policy question that is really before us, which I think at the end of the day what we are doing right now is changing the rules mid-stream. That is what we are talking about do as a policy making board, Manager Walton, if the grant is extended by the City and the County, obviously, this is a two-step process here, how does staff recommend that we amend our current policy that we have right now and this really goes to my other point that you were making Patsy, which is we don't have a policy right now like this that allows for something outside the box. We've got a lot of people that we've helped since 1998 and we heard from it last Monday with this program that didn't ask for this. There are a lot of big name companies, I know that each one is a little bit more unique. We've got those that are currently in the pipeline right now and I didn't ask that question, how many things the Chamber is working on right now, but this certainly will make news about how this deal got brought together. My concern is largely about the future here. These are relatively small numbers and I almost feel like as a Council, we talk a lot about flexibility and flexibility in the ordinances as it relates to trees, PCCO, giving flexibility to allow the economic development opportunity to shape itself, but right now as we stand, we really don't have any kind of flexibility to start openly negotiating like this. In fact they are just simply asking and maybe it is driven by the fact that Atlanta and Ohio and Florida are simply throwing themselves at them and offering all this cash. Quite frankly, we are playing poker here and heard Bob say that. That is my first set of questions Mr. Mayor. Manager Walton do you want to talk about the policy component here because you help us govern that. I don't know if you all have given any thought in the EED Department about if tonight the vote is to move forward, which I've moved from a no to a neutral back to somewhere between a no and a neutral at this moment.

Mr. Walton said whether to have a policy to deal with this precedent is a Council decision. If it's your interest in working with staff to develop, I'm not sure....

Mr. Peacock interrupted to say you all are not ready to alter the policy. You will wait for our guidance, right. I'm just confused and now we have to determine who qualifies for this and what is not. What is unique?

Mr. Walton said the policy didn't change and we didn't initiate this. The policy hasn't changed but I think one reason we are recommending it is these are just extraordinary times and the margin of error is very, very slim. I think there is a psychology of recession that we are stuck in and with Bank of America, our psychology could really take a hit, so that is why we are recommending it to you. I think if you were on the Seattle trip when we went to lunch that very first thing and the first slide had the 15 logos of the 15 corporate headquarters and our slide would be much smaller than that. I think this is a fairly low price to pay to get a Fortune however many company to relocate and this is a global headquarters which even though we have several Fortune 500 companies, I don't know if any of them are quite as global as this one is. I think if you are interested in having a policy dealing with the deviations from the policy, we can help you to do that. We are not looking at it that way, we are looking at this as a one-time request that has been brought to us and if other things came that were outside the policy we would do that. If it became a trend then we would definitely need to figure out how to deal with it.

Mr. Peacock said I spent some time talking with their CFO and I don't think I got any information that anyone here has not received, but it is really starting to understand the math of the figure that Bob had given. \$27 million is what they are going to spend in this economy and it sounds as though that even though Cincinnati is our competition and I agree with Bob on that, they are talking about spending \$27 million and are really getting very serious about spending it somewhere, Boca Raton, Atlanta, or here and we are talking about a \$5 million package or a \$4.5 million package, is that what the CEO is going to take to their Board and how does that argument carry today? I just feel like there are some other economics of this that I'm not hearing. What I'm hearing is of course that our Airport is an enormous asset and very helpful to them. Our community and all the strengths that we have as it relates to that are extremely helpful. That brings me to my last point which is just the buying signs here. We are negotiating and they have chosen to negotiate in this manner. This is the first time that we've had anybody just come out and ask us bold face, for this as far as I could tell. I ask Brad to give me a chart of everybody we've had since 1998 and which one of those something was unique and it was usually somewhere between the 95 or 99 years, it was more on the business investment grant side that we were being creative, especially with Time Warner and how we laddered that out. Those things were unique, this is definitely unique from that standpoint, but these are the buying signs that I'm hearing. Number one, there have been four CEO's that have met with their CEO. That said is pretty effective sales and I'm proud that our City has done that. They are coming from Cincinnati, we know of another company from Cincinnati that moved here, we have an Arts and Science Council President from Cincinnati, things are feeling very comfortable here I think. I think if I'm negotiating and Mr. Dulin in the real estate world, I'm hearing buying signs that they've already put that out there so the R & D information that I'm hearing, the economic development study that they have already commissioned. You heard Bob say that they don't normally do that for a prospect, but they are clearly wanting to know the thought that if we do move here how does this work for us. They've given a lot of signs I think from a poker standpoint that they have already shown a lot of their hand, so if we don't do anything and if we hold the line at \$3.5 million they are saying it is absolutely off. I heard that from the CFO right at the conclusion of the call. They weren't bluffing as far as it relates to what he said so I don't doubt what you have been told Brad, and I wanted to report to the Council my brief conversation with him, but they are definitely holding the line there. When I asked the question if they would take \$4 million or \$3.9 and I'm not saying that to be cheap, but what I'm saying is they are asking us for something that just falls outside the bounds and I think it needs to be thought about from that standpoint.

Mayor Foxx said we really need to say get off the pot or ...

Mr. Howard said I was a little uncomfortable with us negotiating with a company directly, you talked to the CFO?

Mr. Peacock said no, I didn't negotiate with anybody, I was just trying to get information about \$27 million. Bob has cited \$27 million of carrying costs to bring their employees to here and my question to you is what is the math of a company spending \$27 million in this economy for us giving \$5 million or \$4.5 million.

Mr. Howard said the CFO of Chiquita?

Mr. Peacock said the CFO of Chiquita, yes. I didn't negotiate with anyone Mr. Howard. All I did was I took a phone call because the pressure has been on since Friday to talk about this. I'm getting phone calls from lots of people and relatively so. We all want to see good things happen. I'm with Mr. Barnes, we all want to see the jobs come here.

Mr. Howard said they told us this was confidential.

Mr. Peacock said this has not been confidential as it relates to outside this room.

Mayor Foxx said we've got to vote and we've got to decide and to me this is an issue of do we want this company, do we want to be in competition for this set of jobs or do we want to take ourselves off the table. If we do less than what the staff is recommending I think it is pretty clear the answer is going to be no. If we do what the staff is recommending, it is not as clear the answer is going to be yes. Do we want the jobs or don't we? That is really the question. I know we all want the jobs, but this is different than a typical deal.

Mr. Richardson said can I make one quick comment before you vote. The numbers have been moving around a lot. The motion up here is as Bob was talking, the \$4.5 million option. It is the \$3.5 million cash plus the grant. The other one that would win the project, according to Bob, is the \$1.1 million, which is not what we are recommending, but \$1.1 million, that gets you to \$5 Million. There has been \$3.5 million, \$4.5 million and \$5 million and I want to make sure that is what you are voting on is the \$4.5 option.

The Mayor said I think everybody gets that and also if we vote this down, it doesn't matter what the County does and it doesn't really matter what the State does. It is dead on arrival so that is what it is. Mr. Howard has made a motion to adopt this.

Mr. Cooksey said can you go back to the slide that shows the components of this where everything comes from?

Mr. Richardson said this is the \$5 million ask roughly.

Mr. Cooksey said put the slide that is the motion. So this is \$875,000 from the City over 3 based on jobs, \$875,000 from the County for three years based on jobs, \$1.75 million is a match from the State based on jobs. After that three years is over the five-year Business Standard Business Investment Grant kicks in, \$275,000 total City/County over the five years it is \$789,000 state money. So a company that had a net income of \$57 million last year and \$90 million in 2009 is looking for \$789,000 divided by 5 is \$121,000 per year in years four through nine, otherwise they don't come?

Mr. Richardson said in the Business Investment Grant scenario, they are looking for primarily the upfront ED Grant and the investment grant on the back end equals \$789,000 divided by five, roughly.

Mr. Cooksey said so for a company making \$57 million, \$90 million, etc. \$160,000 per year and I bring this up because when I had the original conversation on this, and I think we all did, they weren't asking for the Business Investment Grant, but they wanted the upfront to help with the move and that was the deviation from policy that was giving the heart burn. Then it came back with no, they want the moving costs for three years and then the Business Investment Grant which again I'm looking at \$160,000 per year for a company making \$57 million in 2010, \$90 million in 2009. I was hard pressed enough to help them make the case to help them with the relocating costs. I could see we are in difficult times and for all the items that have been said in favor of this, helps to diversify the economy, jobs and it is a big deal, but the other factor I heard was that if you want to talk about some publicity issues, because that usually comes up. Do we want to hear that another city got this, I heard from Bob that the competition is actually Cincinnati. It is not a question of do they go to Atlanta, or Boca Raton, it is a question of do they leave or not. If they don't leave it is not news so I'm not there yet. If we are voting I'm still a no as I'm still just not there yet. Is this a company worth breaking our process for? Am I

remembering correctly that we have referred to Economic Development Committee, looking at revisions of our incentive policy that are based perhaps on jobs and the like? That is in Economic Development Committee now, right?

Mayor Foxx said no, it is actually a little extra topical.

Mr. Cooksey said I can tie it in to keep it down. What I worry about is we had this happen with the Coke Cola sponsorship of recycling. We had a new idea, we liked it and we figured out a way to do and then we wrote a policy. I think that is something Mr. Peacock was referring to.

Mayor Foxx said I completely get that we might want to take a look at the overall policy on deviating from things, but that is not what is in front of us right now. What is in front of is this recommendation. There is a motion that has been pending. We have been in this room for more than an hour talking about this issue and we have people waiting downstairs for various issues to come up. If we want to recess and take this up at the end of the meeting, no problem, but if you want to have a vote now just let me know because I don't want to rush people if you are feeling pressured, but we need to make a call. Frankly, as I understand it this company is looking to make a decision pretty soon and our decision tonight is very material to that set of decisions.

Mr. Burgess said I don't want to go out of protocol, but if there are enough yes votes that aren't going to change their mind, why don't we just vote.

Mr. Dulin said I've changed from where I was, but at this point I'm not willing to take a chance of losing this crowd and I'm ready to move forward.

Mayor Foxx said why don't we go ahead and poll ourselves and see where we are and we can call it an official vote or not, but let's see where we are. How many would vote in favor of the motion.

**YEAS: Council members Barnes, Burgess, Cannon, Carter, Dulin, Howard, and Mitchell.**

**NAYS: Council members Cooksey, Kinsey and Peacock**

**The meeting was adjourned at 7:53 p.m.**