



**TOWN OF AYDEN  
GOVERNING BOARD MEETING  
MINUTES**

**August 29, 2016 – 7:00 pm**  
Ayden Town Hall – Second Floor Boardroom

**I. CALL TO ORDER**

**A. Call to Order**

Mayor Tripp called the meeting to order at 7:00 p.m.

**B. Roll Call**

Present:

Mayor Tripp

Commissioners Davenport, Harris, Mewborn, Ross and Skinner

Absent:

None

Also Present:

Steven Harrell - Town Manager

Sarah Radcliff– Town Clerk

Phillip R. Dixon –Town Attorney

**C. Welcome Visitors**

Mayor Tripp welcomed everyone to the meeting and thanked all those who had contributed to the project thus far.

**D. Invocation**

Mayor Tripp gave the invocation.

**E. Pledge of Allegiance**

Mayor Tripp led the Pledge of Allegiance.

**F. Approval of the Agenda**

Mayor Tripp called for a motion to approve the agenda.

Motion: Commissioner Davenport

Second: Commissioner Harris

Discussion: None

Approved: 5-0

Motion passed unanimously.

## II. PRESENTATIONS

Dr. David Green of N.C. State University gave the following presentation.

**NORTH CAROLINA REGIONAL  
FOOD COMMERCIALIZATION CENTER  
AT AYDEN**



JKF Architecture Project No. 2015-20

Ayden Town Board Special Meeting  
August 29, 2016

**Water Tower**



**Old Town Hall**



**"Barbecue Capitol of the World"**



**Skylight Inn**



**Bum's Restaurant**



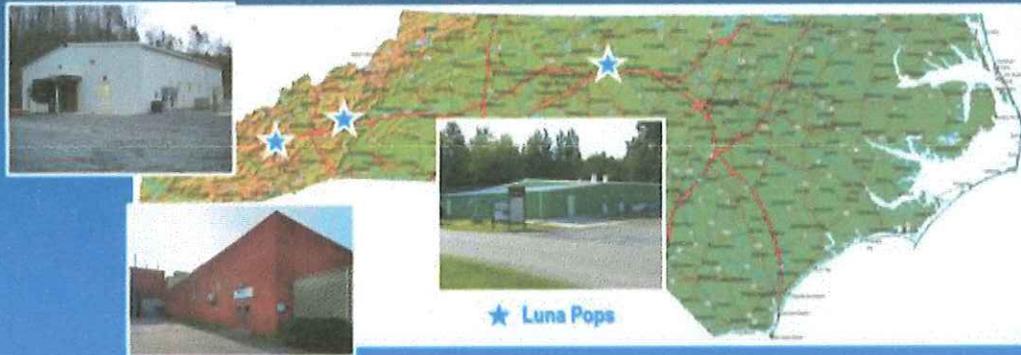
**Parade Mural on Third Street**





## THE STATE SITUATION

- ★ Blue Ridge Food Ventures (BRFV) – Candler NC
- ★ Foothills Pilot Plant (FPP) – Marion NC
- ★ Piedmont Food and Processing Center (PFAP) – Hillsborough NC



## THE STATE REPORT

### ➤ NC Food Processing and Manufacturing Initiative:

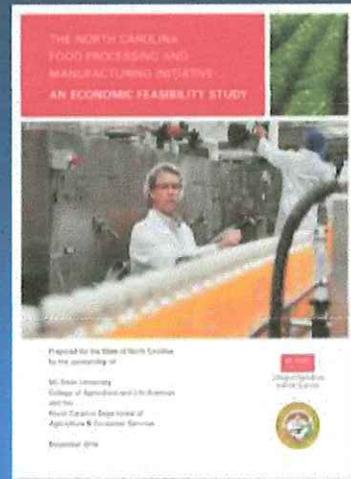
#### An Economic Feasibility Study

#### Four Primary Recommendations

- Develop a Food Product & Innovation Center
- Develop a Value-added Food Entrepreneurship Network
- Develop an Industrial Recruitment Campaign
- Provide Regulatory Training and Outreach Program

### ➤ Total Economic Impacts

- Increase of nearly 38,000 jobs statewide and an increase in associated economic output of \$10.3 billion by 2020



Final report completed in December 2014

## THE CONCEPTUAL IDEA

- ▶ Couple local need to create jobs with an agricultural-based economy to state's desire to increase capacity for in-state processing and manufacturing of agricultural products

### **The NC Food Processing and Manufacturing Initiative: An Economic Feasibility Study (2014)**

- ▶ **A Call to Action** – it is envisioned that three nodes would be developed for each region of the state *"to develop intermediate processing capability ... utilized by start-up companies ... in their region and tailored to ... agricultural commodities with greatest demand for further processing/ manufacturing."*
- ▶ **A Recommendation** – *"a value-added food entrepreneurship node be located within the Coastal Plains region, possibly leveraging the efforts of Ayden to develop a food manufacturing entrepreneurship center."*

## THE PARTNERSHIP OPPORTUNITY

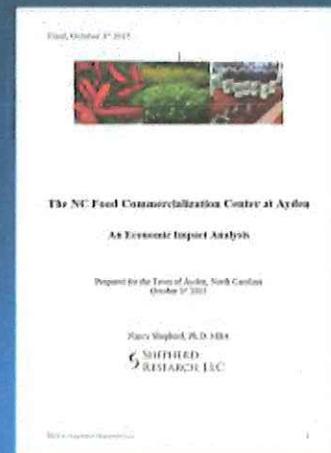
- ▶ **Town of Ayden in partnership with Pitt County and NCEast Alliance**
  - ▶ To deliver the 2014 NC Food Processing and Manufacturing Initiative recommendation to establish a value-added food entrepreneurship node in the Coastal Plains region
- ▶ **Town of Ayden in partnership with NC State University, East Carolina University and Pitt Community College**
  - ▶ To provide a regulatory training and outreach program in support of small food business owners and entrepreneurs seeking to create value-added foods from agricultural products
- ▶ **Town of Ayden in partnership with NC Department of Commerce, NC Department of Agriculture & Consumer Services and NC General Assembly**
  - ▶ To support the growth of food processing and manufacturing entrepreneurial endeavors through development of a value-added food entrepreneurship network

## THE PROJECT STATUS

- ▶ **Town of Ayden submitted pre-proposal for EDA consideration in 2016**
  - ▶ Review determined Ayden project is eligible, complete and aligned with EDA's priorities
  - ▶ Invited to submit a full application due on April 15
- ▶ **Town of Ayden withdraws EDA application** citing change in town management and concerns for the 50% matching cost to the community
  - ▶ Need for greater input from various stakeholder groups
  - ▶ Need to identify additional local and state partners
  - ▶ Need to establish a formal planning committee and provide for a project director
- ▶ **More recent developments**
  - ▶ NC General Assembly appropriated \$100,000 in non-recurring funds to the Department of Commerce for Regional Food Commercialization Centers in the 2016-2017 fiscal year

## THE ECONOMIC IMPACTS

- ▶ **The NC Food Commercialization Center at Ayden  
An Economic Impact Analysis**
  - ▶ 252 new jobs will be created within three years of operations
  - ▶ \$80 million direct increase in agricultural food sales
  - ▶ 2,335 jobs indirectly supported by allied industries
  - ▶ \$920 million in total economic impact to seven county region



Completed Oct 1, 2015

## THE ENGINEERING REPORT

- ▶ **Proposal for construction of a new 24,000 sq. ft. building**
  - ▶ Located off Elliot Dixon Drive and Levi Drive in Town of Ayden
- ▶ **Design for three value-added process operations**
  - ▶ Fresh produce center with refrigerated and freezer storage
  - ▶ Fresh cut produce (minimally processed) center
  - ▶ Value-added (bottling and packaging) processing center
- ▶ **Estimated costs**
  - ▶ \$4,824,297 for construction; total including contingency \$5,876,751
  - ▶ EDA grant requires a 50% match of estimated cost to the applicant



Completed Dec 8, 2015

## THE FUTURE PATHWAY

- ▶ Clearly define the scope of work
- ▶ Establish a formal project planning committee
- ▶ Identify additional project partners
- ▶ Enlist the services of a project director
- ▶ Prepare business plan and organizational structure
- ▶ Develop a 3-year pro forma operating budget
- ▶ Secure letters of support including matching funds
- ▶ **Resubmit the EDA project proposal**
- ▶ Secure additional funding for equipment, staffing and operating



## PROJECT PLANNING COMMITTEE

- Responsible for overall project management plan including selection of a project director
- Develop a business plan and operating budget necessary to submit EDA grant application
- Identify additional sources of funds for purchase of equipment, staffing and operating costs

### Current Members

- ▶ Stephen Tripp, Mayor of Ayden
- ▶ Steven Harrell, Town Manager
- ▶ David Green, NC State University
- ▶ Kevin Richards, Mid-East Commission
- ▶ Brad Hufford, Pitt County Development Commission

### Invited Members

- ▶ TBD, Ayden Town Council
- ▶ Wanda Yuhas, Pitt County Development Commission
- ▶ John Chaffee, NCEast Alliance
- ▶ Others

## MANAGEMENT PLAN

### CONSIDERATIONS

- ▶ **Business Incorporation**
  - ▶ For profit or non-profit business model?
- ▶ Director of Operations
- ▶ Industry Liaison Officer
- ▶ Board of Advisors
- ▶ **Industry Membership**
  - ▶ Public/private membership cooperative?
- ▶ Outreach Coordinator
- ▶ **Sustainability**
  - ▶ Corporate partners as anchor tenants?



Vivian Howard, Kinston NC

## STAKEHOLDER GROUPS

- ▶ Corporate Industry Partners
  - ▶ **Mount Olive Pickle Co.**
- ▶ Regional Food Processing and Manufacturing Companies
  - ▶ **Miss Jenny's Pickles**
- ▶ Regional Agricultural Farms and Agribusiness Suppliers
  - ▶ **Keith Purvis, Greenville Produce Co.**
- ▶ UNC Institutions and Community College Partners
  - ▶ **NC State Entrepreneur Initiative for Food Program**
- ▶ Federal, State and Local Agencies
  - ▶ **NC Cooperative Extension Service**
- ▶ Grower and Consumer Groups
  - ▶ **Carolina Farm Stewardship Association**

<https://www.youtube.com/watch?v=x643clhhGo>



Ashlee Furr & Jenny Fulton

## THE TASK FORCE

By Executive Order No. 73 on April 9, 2015, Governor McCrory established the North Carolina Food Manufacturing Task Force.

The Governor charged the Task Force to focus on:

- Develop a strategic business plan to leverage existing activities in food processing and manufacturing;
- Establish a statewide food processing and manufacturing organization, directory and database;
- Create a plan to develop a proactive industrial recruitment campaign for new business development;
- Plan to foster the growth of food manufacturing entrepreneurial endeavors, enhance development of innovative food products and processes, and provide sector-specific regulatory training and outreach.



## THE BIG PICTURE

The NC Food Processing and Manufacturing Initiative: An Economic Feasibility Study (2014)

- ▶ **A Call to Action** – it is envisioned that three nodes would be developed for each region of the state “to develop intermediate processing capability ... utilized by start-up companies ... in their region and tailored to ... agricultural commodities with greatest demand for further processing and manufacturing.”



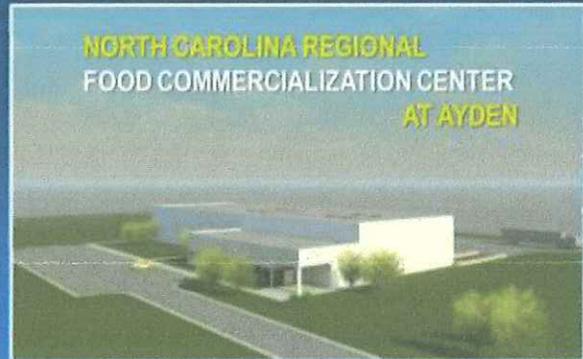
<http://projects.dearworld.me/>

Davidson Journal Spring 2016

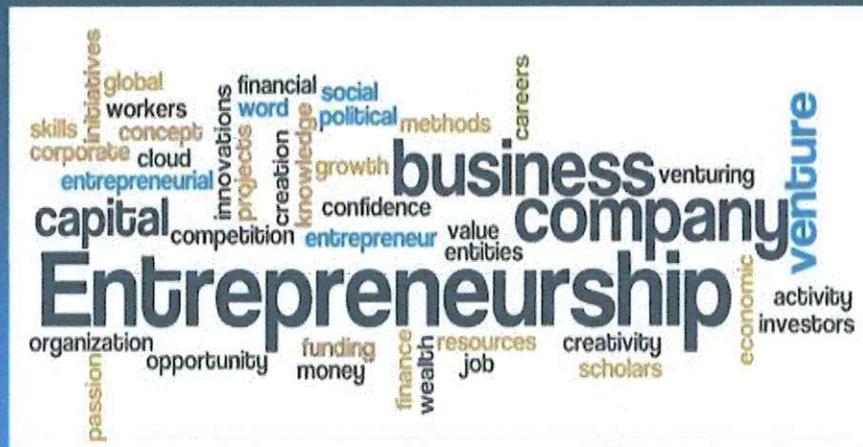
## THE TANGIBLE BENEFITS FOR EASTERN NORTH CAROLINA

## ACKNOWLEDGEMENTS

- ▶ Town of Ayden
- ▶ Project Planning Committee
- ▶ Shepherd Research LLC and JKF Architecture
- ▶ Pitt County Development Commission
- ▶ Mid-East Commission
- ▶ NCEast Alliance
- ▶ ECU Small Business Institute
- ▶ NC State College Agriculture and Life Sciences
- ▶ NC Department of Commerce
- ▶ NC Department of Agriculture and Consumer Services
- ▶ NC General Assembly



## QUESTIONS



After the presentation, Town Manager Harrell stated the action being requested from the board is to move forward with the Three-year pro-forma business plan, the market analysis, and the management plan for the center. He stated a portion of those steps had already been taken by the Department of Commerce. Mr. Harrell stated they had sent out a RFP and received two back. He stated Representative Martin had provided us with \$100,000 in assistance.

Commissioner Harris said he thought this was exactly what the Town needed and commended Dr. Green for a job well done.

Commissioner Davenport thanked Dr. Green and said this was an opportunity Ayden has never had and we need it.

Mayor Pro-Tem Skinner thanked Dr. Green and everyone who had been working on the project. He said we were at a point where we needed to move forward and felt this could be very profitable for Ayden.

Commissioner Ross asked if the jobs being created with the center would be for the citizens of Ayden or if employees would be brought in from other areas.

Dr. Green said the estimate of 250 jobs is for a seven county region and is based upon an economic model. He said where the jobs are located is entirely up to the individuals who use the facility. He said this is for one building and the original concept was for multiple buildings so if the company was successful in the Ayden facility, they could grow out into a second building.

Commissioner Ross asked if anyone had come forward with actual pledges of money to partner with Ayden for the project. She said the grant is for \$2.9 million and asked where the other money would come from.

Dr. Green said several groups have shown interest, some of whom are here tonight. He said he knows the County is interested in supporting the project as well as Dan Gerlach with the Golden Leaf Foundation.

Commissioner Ross asked if partners didn't come through, who would be paying.

Dr. Green stated this step was only to do the feasibility plan and that it doesn't commit Ayden to anything. He said the funds are available because of the support through the General Assembly and there will be a report in December to tell what the stakeholders said the needs are and what it would cost to build and then you would know what's the match from the Town and what other partners would help meet that match.

Commissioner Ross stated the packets says "the Town will pay for the project with local funds", that's if the other doesn't come through. She said that was her concern.

Dr. Green said it could not go forward without the fifty percent match.

Commissioner Ross said it sounds and looks wonderful and she is all for economic growth but this is a lot of money to put on the citizens when we can't even get enough money to put in another exit at Kennedy Estates or fix the downtown. She said her concern is for the citizens and the large amount of money being spent.

Commissioner Mewborn thanked Dr. Green for his presentation and said he concurred with just about everyone's comments. He said he had mentioned the word "hope" and that "hope" is important to all the people that the board serves. He stated he wanted the board to move forward and was hopeful it would happen. He stated this project would benefit the image of Ayden if it is accepted; however, his main concern is that it benefits the citizens. He stated he would like to be on the planning committee.

Mayor Pro-tem Skinner stated he agreed with Commissioner Ross as far as the costs are concerned. He stated we needed to do the feasibility study and get the commitments from the

interested parties stating what they would contribute so we would know where we stand on the project.

Commissioner Harris stated this is just a step in the process and the key tonight is to focus on approving the feasibility study which will provide us with additional information as we move forward.

Commissioner Mewborn asked Dr. Green if he knew what types of jobs would be available.

Dr. Green stated the current design was for a facility with equipment line in place so a business would come in with the production line in place. He stated the employees will be ones that have been trained to operate the equipment.

Commissioner Mewborn stated several of the businesses that have come to Ayden have brought their own employees and not considered the citizens of Ayden who pay the taxes to the Town.

Dr. Green said that could be a criterion that is put into the business plan.

Mayor Tripp thanked the special guests for their attendance to the meeting. He agreed with the Board's comments and stated the project was for the citizens of Ayden. He felt the facility would provide jobs for the citizens of Ayden. He stated this is a huge project requiring a large sum of money from Ayden but he felt there were several partners willing to participate because they believe in the project.

Mayor Tripp called for a motion to move forward with the Three-year pro-forma business plan, the market analysis, and the management plan, and to appoint Commissioner Mewborn to the Food Commercialization Center Planning Committee.

Motion: Commissioner Mewborn

Second: Mayor Pro-Tem Skinner

Discussion: Commissioner Harris asked if we were voting on who does the pro-forma or just moving forward. Manager Harrell stated we were just voting on moving forward and that we would work with the Commerce Department on who would actually do the plan.

Approved: 5-0

Motion passed unanimously.

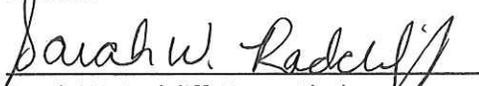
### III. ADJOURNMENT

Having completed the business before them, Mayor Tripp announced that without objection the Governing Board would stand adjourned at 8:21 p.m.

AYDEN, NORTH CAROLINA

  
Stephen W. Tripp, Mayor

ATTEST:

  
Sarah W. Radcliff, Town Clerk