## County could offer incentive Council to discuss for new jobs in Mebane

By Sarah Glen City Editor

With discussions on the table for a proposed \$100,000 incentive package, Orange County is looking to play a more aggressive role in strengthening area economic development.

County Manager Frank Clifton said the proposed package for the Mebane manufacturing company AKG of America Inc., which passed the Orange County Board of Commissioners unanimously Tuesday night, is the first time he can remember the county participating so actively in grant writing.

"We've provided infrastructure help before but, historically, I don't think the county has ever had grant participation of this process," Clifton said.

AKG, an international company that opened at the corner of Oakwood Drive and Mattress

Factory Road in 1981, is considering a \$3 million expansion project that would create 90 new jobs with an average wage of \$44,175.

Representatives from AKG declined to comment on the proposed incentive.

If the package receives state funding and is accepted by AKG, the county will pay \$100,000 over a five-year period to match a North Carolina One grant. Mebane would also contribute \$60,000 over a three-year period and \$40,000 in in-kind services.

Clifton said that while the company does have another location in South Dakota — a state that he said is much more aggressive than North Carolina in providing inducements to companies — AKG has shown interest in the potential incentive.

'We are led to believe that what has been offered by us is substantial enough that the company

is ready to move forward here," Clifton said. "AKG likes the site they have here, and they have 20 acres so that's quite a bit of land to expand on."

Gary Shope, economic development director for the county, said he expects a final funding decision from the state by the beginning of next week and a decision from AKG would most likely follow within about two weeks.

"It's only an opportunity right now," he said. "We're just sticking on standby now but we're really optimistic that this will come

With the way the grant is structured, Clifton said the incentive package provides the county with an opportunity to attract development without paying any money out of pocket.

If AKG goes through with the expansion, the company would pay the county about \$25,700

each year in additional taxes. The county would then give AKG \$20,000 for five years to pay off its incentive package, leaving a

net gain of more than \$28,000. Clifton also said the package could provide the county with new technical job openings.

"This could offer a great opportunity for young graduating engineers," he said.

Bernadette Pelissier, chairwoman of the board, said that while it is yet to be finalized, the proposed incentive package could help bolster the local job market because it pays more when employees are hired from within the county.

"We're excited at the prospect because it is an existing business that wants to expand, but this is not a done deal," she said.

> Contact the City Editor at city@dailytarheel.com.

## bus advertising

By Sarah Glen City Editor

The frenzy of larger-than-life advertising that many associate with the streets of big cities could soon appear in Chapel Hill and save the town money.

The Chapel Hill Town Council will consider implementing an exterior transit advertising program at its Monday night meeting as part of a search for ways to lessen the burden of transit

With an annual transportation budget of more than \$17 million, Town Transit Director Steve Spade said any funding alleviation the town can bring to the table should be considered.

Spade said he projects a bus advertising program would net the town around \$200,000 per vear in its initial stages. Once the program matures, he said the profit could reach upwards of \$450,000.

The council considered and rejected transit advertisement initiatives in 2001 and 2005, but Spade said the transportation system was not as tight on funding then as it is now.

With the cost of fuel rising like it is and with the decrease in public subsidies, it's more important for us to take a serious look at this," he said. "Every dollar we take in in ad revenue is one less tax dollar we have to spend."

Spade said it costs between \$4,000 and \$6,000 to wrap each bus, and he recommends that the council cap the number of buses with exterior ads at 15.

If the council approves the advertising program, Spade said the wrapping process will take place one bus at a time as the town sells advertisements.

Council member Matt Czajkowski said he envisions the program drawing in advertisers on a national level, especially because of the town's connection to the University and its sporting

"I think this a very attractive

**COUNCIL MEETING** 

Time: 7 p.m. Monday

**Location:** Town Hall Council Chamber, 405 Martin Luther King Jr. Blvd.

Info: www.townofchapelhill.org

market for the likes of Nike and those kinds of companies," he said. "We've got close to 30,000 students, and that's always a highly prized target market." While he was not on the coun-

cil when it considered transit ads previously, Czajkowski said there are some residents who feel that placing ads on buses could make the town look overly commercial. But he said if the program is

approached with an insistence that the design of the ads be entertaining, it could open a new creative outlet for the town.

"There's no rule that says advertising has to be crass and ugly," he said.

The council will also discuss the adoption of its affordable housing strategy Monday night.

Council members established the goal of increasing the options of affordable housing for residents who range from homeless to middle-income at the council retreat in February.

Rae Buckley, town housing and neighborhood services senior planner, said the Planning Department has been gathering community input on housing needs for months and has created a draft of the strat-

The draft includes pursuing creative partnerships, balancing economic vitality, social equity and environmental protection and creating affordable options for different types of housing.

"We were given some direction back in November and held small focus groups that allowed us to talk to over 450 residents," she

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Contact the City Editor at city@dailytarheel.com.

## Transit changes to preserve funds would eliminate some routes

By Sofía Morales Staff Writer

With a \$2.3 million gap in the town's transit system budget, some riders could be left without a wav home.

At a public input meeting Tuesday night, Chapel Hill resident Nancy Phillips found out that potential changes to the F bus could force her to change her schedule, she said.

"I was taking a class from six to eight, but now I can't. I can't rely on the bus," Phillips said.

Proposed adjustments to the Chapel Hill Transit schedule could eliminate trips and routes that perform below the system's

about \$900,000, reducing the

budget gap by about 40 percent.

standards in passengers per hour. The service adjustments are projected to generate savings of

But to realize these savings, the adjustments must take effect by August 15.

Brian Litchfield, assistant director of Chapel Hill Transit, said the system has received about 160 comments about the changes, most of them by email or phone.

"While the adjustments are an answer to a short-term budget issue, it is also a long-term view of things," Litchfield said.

Law student Jennings Carpenter attended Tuesday's public forum to see how he was going to be affected and said he appreciated the town's effort to seek feedback from users

"You can look at something on paper and realize that 'y' could save you 'x' number of dollars, but this shows how it affects people and allows them to make sure the cuts they make are well-founded,"

"I was taking a class from six to eight, but now I can't. I can't rely on the bus."

Nancy Phillips, Chapel Hill resident

Litchfield said the next steps for the proposed alterations include analyzing the public's suggestions and making modifications to the changes before the final budget presentation on

**Town Transit Director Steve** Spade said the system plans to start charging for parking in the town's park and ride lots in 2013. This change is estimated to gener ate about \$250,000 per year, he

"This would allow us to start taxing people who don't live in Carrboro or Chapel Hill but are coming to use our transit system," Spade said.

With budget projections estimating that operating expenses will grow by 7 percent annually to maintain current service levels, Spade said adjustments are imperative to maintaining the sustainability of the system.

"Our partners asked us to make the system lean and mean," he said. "We had to identify services that were not performing well, identify the services that were not required and finally start questioning how the system is operating in order to make sure we get the most out of our buck."

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