

MITCHELL COUNTY BOARD OF COMMISSIONERS

MINUTES

SPECIAL SESSION

MARCH 18, 2013

NORTH CAROLINA

MITCHELL COUNTY

The Mitchell County Board of Commissioners met in Special Session on March 18, 2013, at 8:30 a.m. in the Commissioner's Conference Room, Administration Building, Bakersville, NC. Those present for the meeting were: Bill Slagle, Chairman; Joe Street, Member; Ken Hollifield, Member; Keith Holtsclaw, Member; Rickey McKinney, Member; Charles E. Vines County Manger and Kathy Young, Clerk to the Board. Also present were: Mavis Parsley, Finance Officer and Corey Hoilman Reporter with the Mitchell-News Journal.

1. **CALL TO ORDER** – Chairman Slagle called the meeting to order at 8:30 a.m.

2. **INVOCATION** – Commissioner Street gave the invocation.

3. **ITEMS FOR DISCUSSION**

A. **Appointment of Norma & Charles Duncan to the Senior Tar Heel Legislature** - Commissioner Hollifield moved to appoint Norma Duncan as the Delegate to the Senior Tar Heel Legislature and to appoint Charles Duncan as the Alternate to the Senior Tar Heel Legislature. Commissioner Holtsclaw seconded the motion and it carried unanimously.

B. **Appointment of Kathy Garland and Patricia Morris to the Mitchell County Long Term Care Community Committee** - Commissioner Hollifield moved to appoint Kathy Garland and Patricia Morris to the Mitchell County Long Term Care Community Committee. Commissioner Street seconded the motion and it carried unanimously.

C. **EDC Report** – Chairman Slagle stated the Board had asked Attorney Lloyd Hise to review Mitchell County's Economic Development Commission, to evaluate its effectiveness, its structure and to recommend any changes to the Board.

Attorney Hise informed the Board that he had written two letters to the Board concerning his review of the EDC.

Attorney Hise stated in the first letter he had interviewed numerous citizens and sought their opinion on how we could better promote

economic development in Mitchell County. These include persons in the public and private sector. They included one county commissioner who is also a member of the EDC, the County Manager, two other EDC Members, business owners, industrial managers, a director and two employees of the Chamber of Commerce. He stated he had served on the EDC since 2004 and was acquainted with its composition and its present emphasis.

He stated he had attempted to ascertain the overall environment for commercial and industrial growth. He reviewed how other counties approached economic development and visited one large industrial park.

Attorney Hise stated he had examined the law authorizing regional and county economic development commissions and the law was very specific. Economic Development Commissions shall have no less than three and no more than nine members appointed by the governing body.

The current Economic Development Commission has expended substantial time and several thousand dollars attempting to locate and acquire an industrial site. Hundreds and probably thousands of industrial sites are presently vacant in North Carolina. These sites have buildings, utilities and could be occupied with minimum renovations and upgrades. Many are new or less than ten years old and are available for purchase or lease at very competitive rates.

“Google” any western Piedmont county and look at its industrial sites available and you will be amazed. As an example here is the readily available data about industrial plant availability in Lincoln County, North Carolina. There are thirty-seven existing industrial buildings currently for sale or lease. They range in size from three thousand square feet to two hundred square feet. In total the building contains one million, six hundred and fifty thousand square feet, approximately thirty-eight acres of useable space for industrial operations. Several of the empty buildings are located on an on ramp from an interstate quality (US 321) and approximately twenty miles from I-40 and I-85. They have all necessary utilities, are zoned for industrial use, they have paved access roads, parking lots and are less than ten years old on average. There is substantial labor force in Lincoln County. Its current unemployment rate is 14.95%, approximately six thousand, three hundred and seventy-five unemployed people seeking employment.

The prospects for Mitchell County to attract an industrial tenant to a site with no building is poor at best and the present environment does not justify expenditures for a building. He stated he would not recommend any significant expenditures for the development of an industrial site. The site being presently developed and owned by Mayland Community College can be accepted from Mayland once all structures are removed and an environmental assessment finds no significant environmental impact. Nor would he recommend further site development expenditures until there is a significant likelihood of attracting an industry to the site.

Mitchell County EDC has for several years emphasized green energy development and development that concentrates on the public and non-profit sector. Some of this has been beneficial such as the ECU Dental

Clinic. Some of it depends very heavily on public funding through grants and tax credits and long-term success depends on continued government support. The present political environment in North Carolina is not favorable to be continued availability of government support of industries that can't compete without it. If the legislature eliminates income taxes it will also have to eliminate tax credits and I believe the Republican administration intends to end the corporate and individual income tax.

Attorney Hise made the following recommendations:

1. The EDC should be restructured to a nine-member body appointed by the Board of Commissioner with at least two members being County Commissioners so that the Board of Commissioners may have input into the direction of the EDC. Sector appointments should be eliminated.
2. The focus of the EDC should be reoriented toward private sector development. Presently, that maybe limited to the arts, crafts, outdoor recreation and travel and tourism.
3. EDC needs to be more available and helpful to existing industry and business and explore with them potential for expansion. There is among some businesses and industry that feel that EDC is not interested in helping them and they are skeptical of the "green energy" emphasis of the EDC. Mining and mineral processing is not considered green industry by most environmentalist. Persons who wish to remain anonymous expressed to me a reluctance to call on EDC because of its perceived green emphasis. EDC has received no direction from the County Commissioners on it emphasis and that should be changed. EDC should not be free to explore its own dreams. Mitchell County funds EDC and should give it direction.
4. While I recommend that all EDC members be appointed by you, I do believe some person representing the Chamber of Commerce should be included as a member of the EDC. Currently, EDC and the Chamber of Commerce duplicate efforts particularly in promotions and production of promotional materials. Promotion of tourism, arts, crafts and existing businesses should be primarily left to the Chamber of Commerce. With an employee, officer or director of the Chamber of Commerce on the EDC the two may better coordinate promotional activities and avoid duplication.
5. I recommend the EDC have an office, a dedicated published telephone a website and a director. Given current financial commitments to EDC by you a full time director may not be possible.

The director needs to be able to talk freely and comfortably with existing business and industry and must be willing to devote a substantial portion of his or her time to serve existing employers.

The director must be regarded as friendly to the present state administration, including our state legislators. We have friends in Raleigh and we must be able to use those friendships to our advantage.

In summary there is no magic formula for economic development. I anticipate that state interest in the next four years will be directed toward private sector growth. If the individual and corporate income taxes are eliminated as I believe they will be that will encourage private for profit enterprises and discourage entities that are looking for tax credits. The political climate in Raleigh is favorable toward our economic development efforts if our orientation is the same as theirs. We need to exploit advantages as we have not had in more than twenty years. We do have some new advantages but our location and infrastructure are still major hindrances.

Attorney Hise stated in his second letter after his written report, he had received some concerns about how you could reduce the size of the EDC and maintain input from various sectors and institutions that prove valuable information and advice to the EDC.

After contemplating these concerns and after discussion with others, he recommended the Board redraft the By-Laws of the EDC and authorize a committee structure. Each committee would be chaired by one EDC member appointed by the EDC and membership in the committee would be comprised of non EDC members working in the sector and other EDC members with interest in this area. These committees would have only the authority to make recommendations to the EDC.

He suggested the EDC have at least the following committees:

1. A committee responsible for ascertaining the needs and concerns of the existing industry and business and for making recommendations on appropriate steps to address those needs and concerns
2. A committee primarily concerned with the promotion of travel and tourism.
3. A committee primarily concerned with the promotion of arts and crafts.
4. An outdoor recreation committee.
5. An industrial and commercial business recruitment committee.

He stated that his committee list should not be considered exclusive and to identify other areas where a committee would be beneficial. The committees will enable the EDC to draw on a broader base of knowledge and expertise while keeping its composition at an efficient and legal size.

Attorney Hise suggested that the Board might want to consider using the Mitchell County Development Foundation in the event they take ownership of the property from Mayland Community College to enable them to make the process of selling the property easier. He also recommended that a Phase I Environmental be complete on the property prior to Mitchell County taking ownership.

Discussion was held concerning the term of the members, the current EDC Ordinance and the By-Laws of the EDC.

Chairman Slagle appointed Attorney Hise, Commissioner Holtsclaw and Commissioner Street to redo the EDC Ordinance, By-Laws and to prepare a list of names to be appointed to the EDC to be approved at the April 1st Commissioners meeting.

- D. Board of Education Request for School Security** – Superintendent Rick Spurling provided the Board with an update on the Security & Safety of the schools in Mitchell County. Dr. Spurling requested a one-time allocation of \$87,125 for the security and safety of the schools.

Commissioner Street moved to approve the one-time allocation from Mitchell County's Fund Balance of \$87,125 for the security and safety of the schools. Commissioner McKinney seconded the motion and it carried unanimously.

- E. Health Care Reform Act Information** – Mr. Lee Ellis and Mr. David Smith provided the Board with an update on the Health Care Reform Act.

The Board recessed at 9:22 a.m. The Board reconvened at 9:30 a.m.

- F. Penland-Baily Lease Agreement** – Commissioner Holtsclaw moved to approve the Penland-Bailey Lease Agreement (a copy is hereby attached and becomes a part of the minutes). Commissioner Street seconded the motion and it carried unanimously.

- G. DSS Security** – County Manager Vines reviewed the quotes he had received on the DSS Security. Discussion was held on the price of the quotes. Commissioner Hollifield moved to allow County Manager Vines to meet with both vendors and determine which quote will best suit our needs and to allocate from the contingency an amount not to exceed \$16,110 for the security at DSS. Commissioner McKinney seconded the motion and it carried unanimously.

- H. Monumenting the Mitchell/Yancey County Line** – County Manager Vines reviewed the process for monumenting the Mitchell/Yancey County line. Commissioner Street moved to requesting NC Geodetic Survey place monuments at the Mitchell-McDowell-Yancey County corner on the Blue Ridge, at Big Crabtree Creek and at other points along the proposed county boundary line which is described in the NC Geodetic Mitchell – Yancey County Boundary Line Report of Research Findings dated April 16, 2012. Commissioner Hollifield seconded the motion and it carried unanimously.

- I. Budget Process for FY 2013-2014** – County Manager Vines reviewed with the Board the different ways that the budget process could be handled. Further Discussion was held. By consensus the Board agreed to hold outside agencies to the same as last year and to include a 1.6% increase for Mitchell County employees.

- 4. ADJOURNMENT** – Commissioner Hollifield moved to adjourn the meeting.

Commissioner Street seconded the motion and it carried unanimously.

The meeting adjourned at 10:55 a.m.

MITCHELL COUNTY BOARD OF COMMISSIONERS

Bill Slagle, Chairman

Joe Street, Vice-Chairman

Ken Hollifield, Member

Keith Holtsclaw, Member

Rickey McKinney, Member

ATTEST:

Kathy Young, NCCCC Clerk to the Board